



## University of North Texas System

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### Board of Regents

#### Schedule of Events for Board of Regents Meeting

August 13-14, 2020

Real-Time Livestream Link: <https://livestream.com/accounts/7090653/events/9234700>

The University of North Texas System Board of Regents will meet on August 13, 2020 from 8:30 a.m. until approximately 5:00 p.m. and August 14, 2020, from 9:00 a.m. until approximately 12:00 p.m. according to the following agenda. It is necessary to conduct this meeting by videoconference with no in-person attendance due to the request by the Office of the Attorney General to allow for the advance of the public health goal of limiting face-to-face meetings (also called social distancing) to slow the spread of Coronavirus (COVID-19). The meeting will be livestreamed in real time for public attendance at the link listed in this posting.

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.

Please contact the Office of the Board Secretary with any questions at 214.752.5545.

#### **Thursday, August 13, 2020**

**8:30 am      CONVENE FULL BOARD**

**8:35 am      CHANCELLOR'S REMARKS**

**8:40 am      SPOTLIGHT ON STUDENTS**

Recess Full Board to Strategic and Operational Excellence Committee.

**9:00 am      STRATEGIC AND OPERATIONAL EXCELLENCE COMMITTEE**

**Call to Order**

- Approval of minutes of May 14, 2020 meeting

**Briefing:**

*UNT System Strategic Plans Review*

- Lesa Roe, UNTS, Chancellor
  - Steve Maruszewski, UNTS, Vice Chancellor for Strategic Infrastructure
  - Chris McCoy, UNTS, Chief Information Officer
- Michael Williams, UNTHSC, President
- Neal Smatresk, UNT, President
- Bob Mong, UNT Dallas, President

**BACKGROUND MATERIAL**

- Quarterly Operations Report

Adjourn Strategic & Operational Excellence Committee.

**11:00 am BREAK**

**11:10 am STUDENT SUCCESS, ACADEMIC AND CLINICAL AFFAIRS COMMITTEE**

**Call to Order**

- Approval of minutes of May 14, 2020 meeting

**Briefing:**

*Return to Learn Fall 2020*

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

**ACTION ITEMS**

- 10. UNT Approval to Add the UNT Master of Science Degree Program with a Major in Information Systems
- 11. UNT Approval to Add the UNT Doctor of Philosophy Degree Program with a Major in Biomedical Engineering

**BACKGROUND MATERIAL**

- Academic Measures Report

Adjourn Student Success, Academic and Clinical Affairs Committee.

**12:00 pm LUNCH**

**12:45 pm STRATEGIC INFRASTRUCTURE COMMITTEE**

**Call to Order**

- Approval of minutes of May 14, 2020 meeting

**Briefing:**

*Master Plans Update*

- Steve Maruszewski, UNT System, Vice Chancellor for Strategic Infrastructure
- Elizabeth Foster, Page Southerland Page, Inc., Principal
- Bob Mong, UNT Dallas, President

**BACKGROUND MATERIAL**

- Quarterly Operations Report

**1:30 pm      JOINT MEETING OF THE STRATEGIC INFRASTRUCTURE AND  
AUDIT AND FINANCE COMMITTEES**

**ACTION ITEM:**

12. UNTS              Approval of the UNTS FY21 Capital Improvement Plan and Amending the  
FY20 Capital Improvement Plan

Adjourn Strategic Infrastructure Committee and Recess Audit and Finance Committee.

**2:00 pm      BREAK**

**2:10 pm      RECONVENE AUDIT AND FINANCE COMMITTEE**

**Call to Order**

- Approval of minutes of May 14, 2020 and June 8, 2020 meetings

**Briefings:**

*ERM Framework Update*

- Dan Tenney, UNT System, Vice Chancellor for Finance

*Quarterly Report of Audit Activities*

- Sheba Joyner, UNT System, Interim Chief Audit Executive

*Quarterly Financial Update*

- Dan Tenney, UNT System, Vice Chancellor for Finance

**Action Items:**

13. UNTS              Approval of the FY21 UNT System Consolidated Operating Budget  
14. UNTS              Approval of FY21 UNTS Internal Audit Plan  
15. UNTS              Approval of UNT System Internal Audit Charter  
16. UNTS              Approval of UNT System Regulation 08.2000, Investment of System  
Funds

- 17. UNTS            Twenty-Ninth 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
- 18. UNTS            Approval of the Establishment of Board Designated Quasi-Endowments Funded from Historic Tax Credit Sale Proceeds and to be Used for Scholarships
- 19. UNTS            Delegation of Authority to Negotiate and Execute Indefinite Delivery Indefinite Quantity Contracts with Selected Professionals and Increase the Contract Value to \$6M

**BACKGROUND MATERIAL**

- Quarterly Operations Report
- UNT System Consolidated Quarterly Compliance Report March 2020 through May 2020

Adjourn Audit and Finance Committee.

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

**Friday, August 14, 2020**

**9:00 am      CONVENE FULL BOARD**

**CONSENT AGENDA**

- 1. UNTS            Approval of the Minutes of the May 14, 2020 Board Meeting and July 31, 2020 Special Called Board Meeting
- 2. UNTS            Approval of Intercomponent Transfers of State Appropriations
- 3. UNTS            Approval of Broker/Dealer List for FY21
- 4. UNTS            Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds from Debt
- 5. UNTS            Delegation of Authority to the Chancellor to Extend UNT System’s Agreement with Congressional Solutions, Inc.
- 6. UNT             Approval of Tenure for New UNT Faculty Appointees
- 7. UNTHSC        Approval of Tenure for New UNTHSC Faculty Appointees
- 8. UNTHSC        Approval of Extension of the North Texas Regional IRB Collaboration Agreement and Authorization Agreement
- 9. UNTHSC        Delegation of Authority to the UNTHSC President for Approval of UNTHSC Intergovernmental Transfers (IGT) of Funds for FY 2021 in the Texas Healthcare Transformation and Quality Improvement Program (1115 Transformation Waiver)

**ACTION ITEMS**

- 10. UNT            Approval to Add the UNT Master of Science Degree Program with a Major in Information Systems
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**10:00 am RECESS TO EXECUTIVE SESSION**

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

- Deliberation regarding the purchase, exchange, lease, or value of real property and potential transactions involving the sale and disposition of real property, along with associated improvements, furniture, fixtures, and equipment, located at 1305 E. Seminary Drive, Fort Worth, Tarrant County, Texas, and possible action.

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

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

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.

**11:50 am Reconvene the Board in Open Session to consider action on Executive Session items, if any**

**12:00 pm ADJOURNMENT**



## MINUTES

### BOARD OF REGENTS Strategic and Operational Excellence Committee May 14, 2020

The Strategic and Operational Excellence Committee of the Board of Regents of the University of North Texas System convened on Thursday, May 14, 2020, by videoconference, with the following Regents in attendance: Milton Lee, Dan Feehan, A.K. Mago, and Brint Ryan. The meeting was conducted by videoconference with no in-person attendance due to the request by the Office of the Attorney General to allow for the advance of the public health goal of limiting face-to-face meetings (also called social distancing) to slow the spread of Coronavirus (COVID-19). The videoconference meeting was livestreamed for public viewing.

There being a quorum present the meeting was called to order by Committee Chairman Lee at 9:20 a.m. Pursuant to a motion by Regent Brint Ryan seconded by Regent Dan Feehan, the Committee approved the minutes of the February 13, 2020, meeting of the Strategic and Operational Excellence Committee on a 4-0 vote.

The Committee had one action item to consider.

#### **10. UNTS      Approval of the Revised Strategic and Operational Excellence Committee Charter**

Pursuant to a motion by Regent Brint Ryan seconded by Regent Dan Feehan, the Committee approved the item 4-0.

UNT System Chancellor Lesa Roe, UNT Health Science Center President Michael Williams, UNT Dallas President Bob Mong, and UNT President Neal Smatresk provided the **UNT System Strategic Plans Review**. Each President also shared updates on his institution's response to the COVID-19 pandemic.

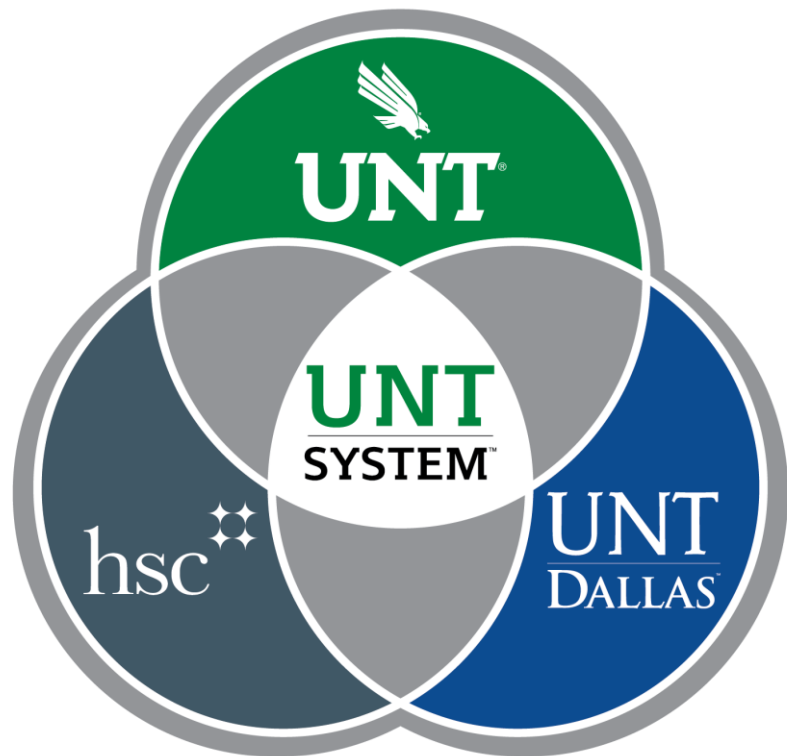
There being no further business, the Committee meeting adjourned at 11:36 a.m.

Submitted By:

Rosemary R. Haggett

Rosemary R. Haggett  
Board Secretary

Date: May 29, 2020



# 2020 UNT World Strategy

*Lesla Roe, Chancellor*



# UNT WORLD VISION & VALUES: Leading the Way in DFW

## UNT WORLD PURPOSE

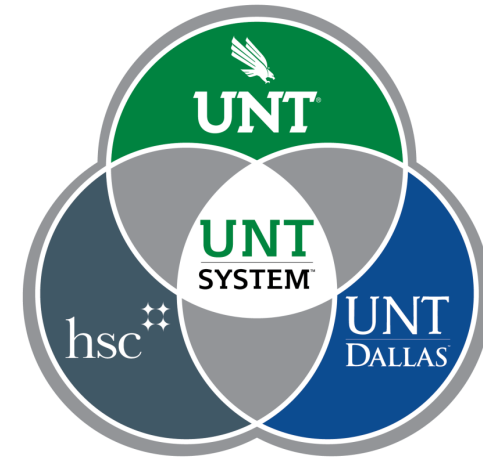
*With our heart in North Texas, we transform lives and create economic opportunity through education.*

## UNT WORLD VALUES

*Service. Teamwork. Trust. Excellence.*

## UNT WORLD VISION

*Transform the future of North Texas and beyond by being accessible, caring, innovative, community-focused and industry-connected — bringing out the full potential of those we serve.*



## UNT WORLD STRATEGY

- *Strengthen Our Core*
- *Drive Strategic Growth*
- *Create Value*





**UNT SYSTEM™**

Headquarters Strategy



# UNT System Headquarters: Purpose, Vision, Goals

## UNT System Headquarters Purpose

Lead, Serve, Inspire

## UNT System Headquarters Vision

A trusted partner of exceptional performance and service.

## Goals

People  
Service  
Strength

## Desired Results

- ✓ Best place to work
- ✓ Extraordinary service experience
- ✓ Create value
- ✓ Excellent reputation
- ✓ Exemplary management practices and tools promote mission success



# 2020 TARGETS: People

|   |             |
|---|-------------|
| ● | = On Track  |
| ● | = Concern   |
| ● | = Off Track |

| <u>Initiative</u>                      | <u>2020 Initiative/Owner</u>   |
|--|--|
| 1. Recruit, Develop, and Retain Talent | <ul style="list-style-type: none"><li>● <b>Improve on-boarding employees and modernize performance planning (B. Abercrombie)</b><ul style="list-style-type: none"><li>• 90% of new full-time employees surveyed on a 5 point scale rate on-boarding as <math>\geq 4</math>. <b>(COMPLETE)</b></li></ul></li><li>● <b>Develop compensation strategy for system administration (B. Abercrombie)</b><ul style="list-style-type: none"><li>• Complete expanded scope market study for system administration and overlapping positions with campuses June 2020 and plan in budgets for FY21/FY22 and beyond. <b>(COMPLETE – Assess for FY22 budget)</b></li></ul></li><li>● <b>Create three-pillared well-being program for UNT World Faculty and Staff to include: Financial, Interpersonal and Physical. (B. Abercrombie)</b><ul style="list-style-type: none"><li>• Program launched in April 2020 – includes dedicated well-being web site and events calendar. <b>(COMPLETE)</b></li></ul></li></ul> |
| 2. Employee Engagement                 | <ul style="list-style-type: none"><li>● <b>Address organizational feedback from Gallup (Presidents; All Vice Chancellors)</b><ul style="list-style-type: none"><li>• System administration Gallup engagement <math>\geq 55\%</math> <b>(Gallup Survey in October 2020)</b></li><li>• Overall Gallup engagement <math>\geq 48\%</math></li></ul></li><li>● <b>Create HR Liaison program on all campuses that will ensure an avenue for communicating needs, ideas and process improvement across UNT World. (B. Abercrombie)</b><ul style="list-style-type: none"><li>• Program developed in FY20. <b>(COMPLETE)</b></li></ul></li></ul>  |



# 2020 TARGETS: Service

|   |             |
|---|-------------|
| ● | = On Track  |
| ● | = Concern   |
| ● | = Off Track |

## Initiative

## 2020 Initiative/Owner

1. Services Improvement

- **Conduct external reviews of each System HQ organization with campus functions. (L. Roe)**
  - Implement IT improvements in governance, strategy, and cost. (C. McCoy) (**Project Proteus brief today**)
  - Implement findings from Legal Review (A. Stucky) and Audit Reviews. (S. Joyner) (**IA plans brief today**)
  - Initiate External Reviews of Government Relations and Human Resources. (L. Roe) (**COMPLETE**)
- **Reengineer Human Resources website/links/information to deliver enhanced client self-service – on time and when needed. (B. Abercrombie/P. Corliss/C. McCoy)**
  - 50% of all questions provided on Human Resources Self Service. (B. Abercrombie) (**Nearing completion**)
- **Modernize procurement processes, enhance contract management, and optimized use of strategic sourcing (D. Tenney)**
  - Assess end-to-end process with a cross-campus team and identify system-wide solutions. (**COMPLETE**)

2. Align Services with University Initiatives

- **Strategic Master Planning (S. Maruszewski)**
  - Denton and Dallas Master Plans factoring in strategic planning in FY21 (**UNT Dallas Plan brief today – UNT Denton delayed until we better understand impact of pandemic**)
- **Create value (L. Roe, Presidents, VCs)**
  - Complete tax credits for municipal building and apply toward UNT Dallas endowment(S. Maruszewski) (**COMPLETE**)
  - Establish and execute Main Street leasing plan (S. Maruszewski) (**COMPLETE**)
  - Eliminate low priority items and review, refine, and lean out processes (**D. Tenney, L. Roe, VCs, Pres.**) (**On-going OET**)
  - Develop P3 contracts and process to support campus needs (**COMPLETE**)



# 2020 TARGETS: Strength

|   |             |
|---|-------------|
| ● | = On Track  |
| ● | = Concern   |
| ● | = Off Track |

## Initiative

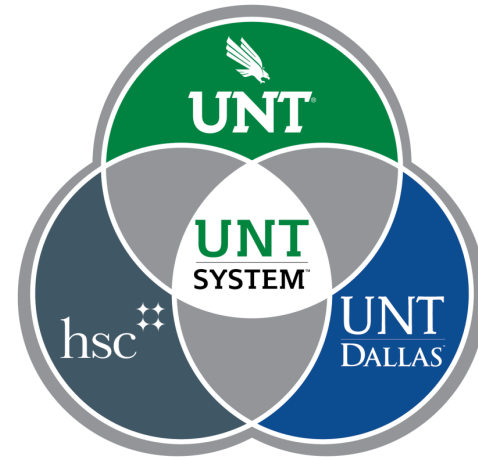
## 2020 Initiative/Owner

1. Strengthened Planning, Analysis, System Tools, and Collaboration

- **Multiyear planning in place (D. Tenney)**
  - FY21 will include multi-year budget and statements. **(COMPLETE)**
- **Establish ERP implementation and financing plan. (D. Tenney)**
  - Decision on financing by March 2020. **(COMPLETE)**
- **Collaboration across campuses on Student Success (R. Haggett)**
  - UNT World Convening for Student Mental and Behavioral Health and Well-Being **(COMPLETE)**
  - Explore data trends (retention/graduation) across different populations of students (transfer, race, ethnicity, gender). **(COMPLETE)**

2. Strengthen Brand Identity and Advocacy

- **Meet Dallas corporate clients' educational needs with for-credit employee education and credentials. (L. Roe, B. Mong, R. Haggett)**
  - Develop/pilot need areas. **(COMPLETE)**
- **Enhance internal/external communications with strategic messaging. (P. Corliss)**
  - Complete messaging/branding campaign development and roll-out. **(COMPLETE)**
  - Success messaging Town Halls, spotlight videos, online content, speeches. **(COMPLETE)**
- **Work with internal/external stakeholders to design advocacy opportunities for State and Federal funding. (J. Morton/Presidents)**
  - Opportunities developed and communicated internally in FY20. **(COMPLETE)**



# System-Wide Reopening Plans

*Steve Maruszewski, Vice Chancellor for Facilities*



# System-Wide Reopening Plans

## Coordinate Efforts at All Locations

- Review Planned Activities at Each Campus
- Capture and Share Best Practices
- Identify Potential Impacts Across Locations
- Collaborative Development of Plans Modules

## Establish and Maintain Base Guidelines

- Social Distancing
- Face Coverings and Personal Protection
- Building Cleaning Protocols
- Self Assessment, Reporting, Testing & Tracing
- Travel

## Collectively Address Emerging Issues

- Federal, State and Local Governing Requirements
- Changes to CDC Guidance
- Tech Improvements in Testing, Equipment, etc.
- Experiences and Emerging Trends at Campus

## Use of Local, Regional, National Data

- Develop Data Capture Plan to Assist in Decisions
- Local, Regional and National Data
- Local Resource Capacity
- Campus Trends
- Campus Resource Capacity

## Additional Considerations

- Legal and Human Resource Issues
  - Supervisor Guidance
  - Protection of Personnel Information
  - Guidance on Work Related Impacts
- Coordinate Communications and Messaging
- Coordinate Training Needs



# Data and Dashboards

COVID-19 Statistics
As of: Wednesday, July 29, 2020

|        | Total Cases | New Cases | Total Deaths | New |
|--------|-------------|-----------|--------------|-----|
| Texas  | 418995      | 10505     | 6193         | 301 |
| Denton | 6331        | 123       | 73           | 2   |

**Daily New Cases by date**

**Daily Deaths by date**

**Cumulative Cases by date**

**Cumulative Deaths by date**

Counties

Home
Information for...
Returning to Campus
Contact Tracing
Building Reopenings
Helpful Links & FAQs

HOME / COVID-19 CASES AT UNT

## COVID-19 Cases at UNT

UNT's primary goal as our community returns to campus is to help keep everyone as safe and healthy as possible. UNT is closely monitoring active cases from individuals to determine the impact to our UNT campus community in an effort to minimize the spread of COVID-19 as much as possible.

As a way to help mitigate risks to campus, UNT developed protocols to trace contacts within our community, including UNT faculty, staff and students who have tested positive for COVID-19. These protocols are in adherence with CDC guidelines and developed in conjunction with local health authorities.

- CONTACT TRACING >
- PERSONAL SAFETY PRACTICES >
- REPORTING REQUIREMENTS >
- UNT'S GUIDE FOR RETURNING TO CAMPUS >

### Active Cases

Updated (Date & Time)  
Cases will be updated on this site no later than 12 p.m. each Friday.

|               | Active COVID-19 Cases with DIRECT Campus Impact | Active COVID-19 Cases with INDIRECT Campus Impact | Total* |
|---------------|---|---|--------|
| Student       | #   | #   | #      |
| Employee      | #   | #   | #      |
| <b>Total*</b> | #   | #   | #      |

\*Cases will be removed from the total once they have met CDC criteria for symptom-based recovery. [CDC criteria for symptoms](#) based recovery is defined as:

- At least 10 days have passed since symptoms first appeared **and**
- At least 24 hours have passed since last fever without the use of fever-reducing medications **and**
- Symptoms have improved
- For asymptomatic cases, at least 10 days have passed since testing date

### Definitions

**Active Cases:** Individuals who have tested positive for COVID-19 and are currently experiencing symptoms.

**Direct Campus Impact:** Individuals who have been on the UNT campus within 2 days of the onset of COVID-19 symptoms or receiving a positive COVID-19 test.

**Indirect Campus Impact:** Individuals who do NOT report having been on the UNT campus within 2 days of the onset of COVID-19 symptoms or receiving a positive COVID-19 test.

**Self-Isolation:** Isolation is used to separate people infected with the virus (those who are sick with COVID-19 and those with no symptoms) from people who are not infected. This includes people with symptoms and people who are asymptomatic but have had a positive test. [Learn more about self-isolation with CDC resources.](#)

**Masks Required**

UNT requires students, faculty, staff and any visitors to wear face coverings at all of our campus locations, effective immediately. [Read the UNT System's guidelines on Face Coverings and PPE.](#) Visit the CDC for tips.

**Keeping Each Other Safe**

To help keep our community healthy and safe, it is very important for you to monitor your health prior to coming to campus so we can work to prevent the spread of COVID-19.

[Use this Self-Monitoring Form](#)

[COVID Reporting Scenarios for Faculty/Staff](#)

[COVID Reporting Scenarios for Students](#)

**COVID Hotline**

Community members may call or email with questions related to COVID-19's impact on UNT.

844-366-5892  
[COVID@unt.edu](mailto:COVID@unt.edu)

[Learn about COVID-19](#)  
Learn how to [prevent the spread of COVID-19](#).

**How to learn remotely**  
Visit [LearnAnywhere.unt.edu](#) for information about attending classes remotely.

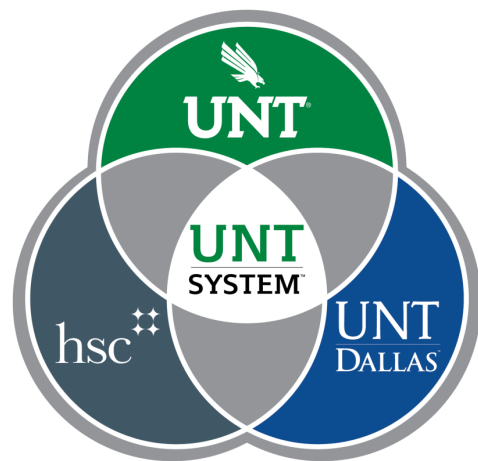




# Specific Return Plan for UNT System Administration:

- Continue Teleworking wherever it does not negatively impact our services
  - Area by area determination based on need
  - Potential for permanent changes that could reduce long term facility costs are also being reviewed
- Formal Return for those who will not be teleworking prior to Fall Semester Start
  - All units have developed specific plans to ensure precautions are in place and all plans have been reviewed by a safety team
    - Office occupancy rate and reconfigurations to ensure social distancing
    - Select modification to ventilation systems
    - Appropriate modifications to sanitization plans
    - Distribution of PPE
  - All employees are participating in targeted training
  - All employees are required to self monitor for 14 days prior to physical return





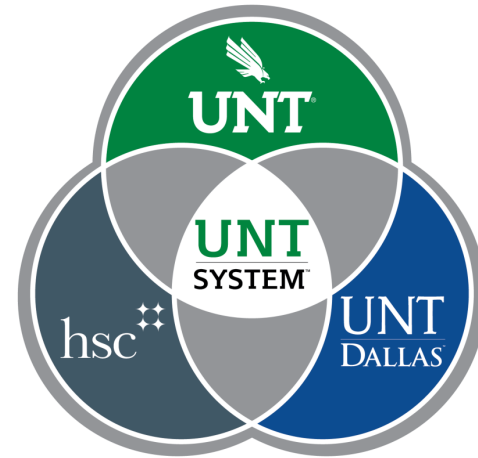
# System-Wide Equity, Diversity & Inclusion

*Lesla Roe, Chancellor*



# System-Wide Equity, Diversity & Inclusion Efforts

- Strong positive approaches across our system institutions
- All universities and system headquarters have established ED&I Advisories
  - ✓ Focus on key value-added change and campus specific culture
  - ✓ Chancellor will meet with each campus-level ED&I advisory quarterly
  - ✓ Chair from each ED&I advisory will brief Chancellor's Council at least quarterly for shared learning across campuses
- Established Assistant Vice Chancellor for ED&I – Wanda Boyd
- Search underway for new Executive/Diversity Recruiter to expand candidate pools across our universities and system headquarters
- ED&I is being discussed as a part of all system headquarters employee performance planning sessions and reviews
  - ✓ Focus on individual development, department gaps, and system-wide gaps



# IT Update: *Project Proteus*

*Chris McCoy, Vice Chancellor & Chief Information Officer*



# Overall Goal



**Transform IT@UNT World to deliver efficient and effective services at optimized cost.**

**Target Savings: \$15M (20%)**



# Minimal Set of IT Services - Operations

| <b>Service</b>  |
|---|
| <b>Connectivity (LAN, WAN, Wi-Fi)</b>   |
| <b>Data Services (ERP, data warehouse, reporting &amp; analytics)</b>                 |
| <b>Access Computing (desktop, mobile, remote, labs)</b>                               |
| <b>Educational Services (classroom, LMS, testing)</b>                                 |
| <b>Research Services (consulting, computing, storage, software)</b>                   |
| <b>Communications (video, audio, synchronous text, asynchronous text, push, pull)</b> |
| <b>Data Center Services (compute, storage, architecture)</b>                          |
| <b>Concierge Services (cross-functional support, service desk)</b>                    |
| <b>Security (identity, access, compliance)</b>  |



# 17 Initiatives Across 13 Categories



Optimize Connectivity



Optimize Research Services



Optimize Printing Services



Optimize Data Services



Efficient Collaboration and Information Displays



Workforce Optimization



Efficient Access Computing



Data Center Optimization



Optimize Application Landscape



Optimize Educational Services



Optimize IT Support Services



Optimize IT Security and Surveillance



Address the Intuitively Obvious



# 17 Initiatives Across 13 Categories



Optimize Connectivity



Optimize Research Services



Optimize Printing Services



Optimize Data Services



Efficient Collaboration and Information Displays



Workforce Optimization



Efficient Access Computing



Data Center Optimization



Optimize Application Landscape



Optimize Educational Services



Optimize IT Support Services



Optimize IT Security and Surveillance



Address the Intuitively Obvious





# Estimated Annualized Savings

| No. | Initiative                                      | Estimated Annualized Savings               |
|-----|---|--|
| 1   | Optimize Connectivity                           | \$1-2 M                                    |
| 2   | Optimize Data Services                          | \$2-4M                                     |
| 3a  | Access Computing                                | \$0.5-1M                                   |
| 3b  | Virtual Labs                                    | \$0.5-1M                                   |
| 4a  | Educational Services                            | \$0.5M                                     |
| 4b  | Optimize Classroom Technology                   | \$0.5M                                     |
| 5   | Optimize Research Services                      | \$0.5M                                     |
| 6a  | Standardize communication/collaboration         | \$0.5-1M                                   |
| 6b  | Digital Informational Displays (Revenue Source) | Potential Revenue                          |
| 7   | Optimize Data Center Services                   | \$1-2 M                                    |
| 8   | Optimize IT Support Services                    | \$0.5-2M                                   |
| 9   | Optimize Printing Services                      | \$1-2 M                                    |
| 10  | Workforce Optimization                          | \$3-4M                                     |
| 11  | Intuitively Obvious                             | \$1M                                       |
| 12  | Optimize Application Landscape                  | \$2-3M                                     |
| 13a | Optimize IT Security & Compliance               | Minimal Savings but process simplification |
| 13b | Optimize Campus Surveillance                    | \$0.5M                                     |
|     | <b>Total</b>                                    | <b>\$15M – 25M</b>                         |



# Back-up Documents



# UNT WORLD VISION & VALUES: Leading the Way in DFW

## UNT WORLD PURPOSE

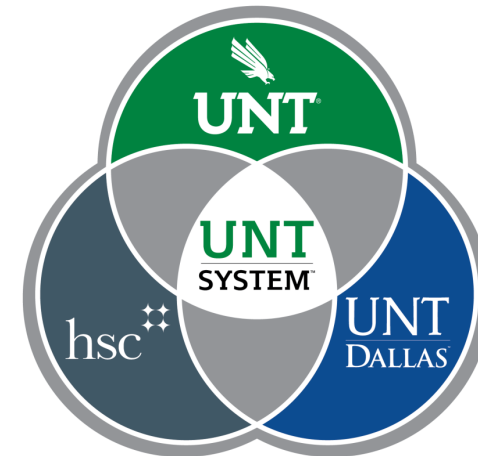
*With our heart in North Texas, we transform lives and create economic opportunity through education.*

## UNT WORLD VALUES

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## UNT WORLD VISION

*Transform the future of North Texas and beyond by being accessible, caring, innovative, community-focused and industry-connected — bringing out the full potential of those we serve.*



## UNT WORLD STRATEGY

- *Strengthen Our Core*
- *Drive Strategic Growth*
- *Create Value*



# UNT WORLD Strategy: “Strengthen Our Core”

## FOCUS ON STUDENT EXPERIENCE, PROGRAMS/ CURRICULUM, FACULTY AND STAFF

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### AREAS OF EMPHASIS

- Employee Engagement
- Diversity & Inclusion
- Student Experience & Retention
- Career-Readiness
- Student Services & Resources
- Faculty & Staff Well-Being
- Student Well-Being
- Priority Programs
- Training & Succession Planning
- Performance Accountability

### DESIRED OUTCOMES

- Increased Engagement
- Best Place to Work
- Increased Student Retention
- Increased Graduates/Degrees Awarded
- Affordable Higher Education
- Stronger Communities
- Stronger Reputation
- Stronger Brand Recognition



# UNT WORLD Strategy: “Drive Strategic Growth”

## FOCUS ON DIFFERENTIAL ACTIVITIES THAT DRIVE STRATEGIC GROWTH

### AREAS OF EMPHASIS

- New Programs Delivered in New Ways
- Affordability & Accessibility for Students
- Enrollment Systems & Approach
- Strategic Master Planning
- Innovation in Community & Start-ups
- Grants & Research
- Resources for Innovation & Research Faculty
- Industry Engagement
- Impactful Donor Events
- Licensing & Tech Transfer

### DESIRED OUTCOMES

- Entrepreneurial Culture
- Increased Enrollment
- Increased Endowments & Institutional Gifts
- Increased Research Expenditures
- Medical & Technological Discoveries
- Lead the Creative Economy
- Increased Graduates/Degrees Awarded
- Increased Grants, Tenure/Tenure-Track Faculty & Post-docs
- Stronger Reputation
- More Licenses & Patents
- Stronger Brand Recognition
- Strong Strategic Partner for growth in Dallas, Fort Worth, Denton and Frisco



# UNT WORLD Strategy: “Create Value”

## CREATE VALUE IN ALL WE DO

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### AREAS OF EMPHASIS

- Operate More Efficiently
- Strengthened Financial Insight, Data & Planning
- Enterprise Decision Making
- Modernized Procurement Processes & Optimized Use of Strategic Sourcing
- Strengthened Integration, Collaboration & Teamwork Across UNT World
- HSC Clinical Practice & Pharmacy Service For UNT Dallas/UNT/TCU
- Phase-Out Low-Priority Programs
- Refined Brand Presentation & Messaging

### DESIRED OUTCOMES

- Strengthen Financial Health
- Best Place to Work
- Extraordinary Service Experience
- Best Value
- Stronger Reputation
- Management Practices & Tools to Promote Success
- Stronger Brand Recognition



| <b>1. Grow Enrollment and Graduation</b>                                   | <b>Fall 2015<br/>(FY16)</b> | <b>Fall 2016<br/>(FY17)</b> | <b>Fall 2017<br/>(FY18)</b> | <b>Fall 2018<br/>(FY19)</b> | <b>Fall 2019<br/>(FY20)<br/>Target</b> | <b>Fall 2019<br/>(FY20)<br/>Actual</b> | <b>Fall 2020<br/>(FY21)<br/>Target</b> |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--|--|--|
| 1.a. Total Fall Headcount Enrollment                                       | 42,025                      | 43,375                      | 43,860                      | 44,102                      | 44,914                                 | 45,451                                 | 46,466                                 |
| 1.a. UNT   | 37,175                      | 37,979                      | 38,081                      | 38,087                      | 38,354                                 | 39,192                                 | 39,700                                 |
| 1.a. UNTHSC  | 2,362                       | 2,366                       | 2,270                       | 2,258                       | 2,260                                  | 2,219                                  | 2,366                                  |
| 1.a. UNTD  | 2,488                       | 3,030                       | 3,509                       | 3,757                       | 4,300                                  | 4,040                                  | 4,400                                  |
|  | <b>FY16</b>                 | <b>FY17</b>                 | <b>FY18</b>                 | <b>FY19</b>                 | <b>FY20 Target</b>                     | <b>FY20 Actual</b>                     | <b>FY21 Target</b>                     |
| 1.b. Total Degrees Awarded   | 9,243                       | 10,360                      | 10,898                      | 11,046                      | 11,423                                 | NA                                     | 11,638                                 |
| 1.b. UNT   | 8,105                       | 8,994                       | 9,300                       | 9,457                       | 9,750                                  | NA                                     | 9,900                                  |
| 1.b. UNTHSC  | 663                         | 766                         | 790                         | 749                         | 750                                    | NA                                     | 746                                    |
| 1.b. UNTD  | 475                         | 600                         | 808                         | 840                         | 923                                    | NA                                     | 992                                    |
| <b>2. Grow Research</b>  | <b>FY16</b>                 | <b>FY17</b>                 | <b>FY18</b>                 | <b>FY19</b>                 | <b>FY20 Target</b>                     | <b>FY20 Actual</b>                     | <b>FY21 Target</b>                     |
| 2.a. Total Research Expenditures*  | \$67.4M                     | \$75.8M                     | \$82.1M                     | \$125.2M                    | \$127.7M                               | NA                                     | \$130.4M                               |
| 2.a. UNT   | \$22.8M                     | \$31.4M                     | \$36.7M                     | \$78.4M                     | \$80.8M                                | NA                                     | \$83.0M                                |
| 2.a. UNTHSC  | \$44.6M                     | \$44.4M                     | \$45.4M                     | \$46.8M                     | \$46.9M                                | NA                                     | \$47.4M                                |
| 2.a. UNTD  | \$.04M                      | \$.03M                      | \$.04M                      | \$.04M                      | No Projections in SP                   | No Projections in SP                   | No Projections in SP                   |
| <b>3. Grow Foundation Assets</b>   | <b>FY16</b>                 | <b>FY17</b>                 | <b>FY18</b>                 | <b>FY19</b>                 | <b>FY20 Target</b>                     | <b>FY20 Actual</b>                     | <b>FY21 Target</b>                     |
| 3.a. Grand Total Foundation & Institutional Gifts, UNT System Consolidated | \$35.8M                     | \$40.5M                     | \$60.4M                     | \$71.6M                     | \$49.2M                                | NA                                     | \$56.5M                                |
| 3.a. UNT   | \$25.1M                     | \$29.3M                     | \$36.4M                     | \$60.8M                     | \$36.0M                                | NA                                     | \$40.0M                                |
| 3.a. UNTHSC  | \$10.0M                     | \$10.2M                     | \$21.4M                     | \$8.1M                      | \$12.0M                                | NA                                     | \$15.0M                                |
| 3.a. UNTD  | \$.69M                      | \$1.04M                     | \$2.63M                     | \$2.65M                     | \$1.2M                                 | NA                                     | \$1.5M                                 |



| 3. Grow Foundation Assets                          | FY16     | FY17     | FY18     | FY19     | FY20 Target | FY20 Actual | FY21 Target |
|--|----------|----------|----------|----------|-------------|-------------|-------------|
| 3.b. Total Institutional and Foundation Endowments | \$184.3M | \$210.6M | \$251.5M | \$283.8M | \$303.0M    | NA          | \$322.0M    |
| 3.b. UNT   | \$142.5M | \$165.2M | \$194.4M | \$207.4M | \$220.2M    | NA          | \$231.3M    |
| 3.b. UNTHSC  | \$40.7M  | \$44.2M  | \$55.7M  | \$74.7M  | \$80.6M     | NA          | \$88.0M     |
| 3.b. UNTD  | \$1.09M  | \$1.2M   | \$1.41M  | \$1.74M  | \$2.2M      | NA          | \$2.65M     |

| 4. Become Best Place to Work                                   | FY16 | FY17  | FY18  | FY19  | FY20 Target | FY20 Actual | Long-term Target   |
|--|------|-------|-------|-------|-------------|-------------|--------------------|
| 4.a. Employee Engagement Grand Mean <sup>1</sup> (System-wide) | NA   | 3.80  | 3.83  | 3.95  | 4.05        | NA          | 4.40               |
| 4.a. UNT   | NA   | 3.73  | 3.79  | 3.78  | 3.88        | NA          | 4.40               |
| 4.a. UNTHSC  | NA   | 3.93  | 3.92  | 4.15  | 4.25        | NA          | 4.40               |
| 4.a. UNTD  | NA   | 3.80  | 3.83  | 3.78  | 3.98        | NA          | 4.40               |
| 4.a. UNTS Administration                                       | NA   | 3.81  | 3.90  | 4.07  | 4.27        | NA          | 4.40               |
| 4.b. % Engaged Employees (System-wide)                         | NA   | 37.6% | 41.0% | 46.0% | 48%         | NA          | Best Place to Work |
| 4.b. UNT   | NA   | 35%   | 38%   | 38%   | 40%         | NA          | Best Place to Work |
| 4.b. UNTHSC  | NA   | 43%   | 46%   | 57%   | 60%         | NA          | Best Place to Work |
| 4.b. UNTD  | NA   | 44%   | 44%   | 36%   | 40%         | NA          | Best Place to Work |
| 4.b. UNTS Administration                                       | NA   | 35%   | 47%   | 53%   | 55%         | NA          | Best Place to Work |

**Notes:**

- \* Starting in FY19, UNT changed its method of calculating Total Research Expenditure to include research faculty salaries. HSC did not change methodology - does not include faculty salaries and only tracks dollars from research grants.
- Employee engagement grand mean represents overall engagement on a scale of 1-5, with 5 being the highest level of engagement.



# HSC Strategic Plan Review

Dr. Michael R. Williams

August 13, 2020



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

# HSC FY20 Strategic Scorecard: People

| 2020 KEY RESULTS  | MEASURES/ TARGETS  | May 2020 STATUS | Current STATUS |
|---|--|-----------------|----------------|
| <b>People (Be A Best Place For All)</b>   |  |                 |                |
| <b>1. Build and extraordinary people system based on values, culture, and performance</b> |  |                 |                |
| 1.1 Launch a new performance management system  | 1.1a Percentage of employees with three documented quarterly performance check-in conversations by end of FY20<br>T: 75%                 |                 |                |
|   | 1.1b Supervisor training completed by May 31, 2020 (June, 2020)<br>T: 95%  |                 |                |
|   | 1.1c Implement performance management software by May 31, 2020 (June, 2020)  |                 |                |
| 1.2 Improve first-year team member experience   | 1.2a All positions filled using new values-based hiring and on-boarding by end of FY20<br>T: 100%  |                 |                |
|   | 1.2b Percentage of new employees satisfied with their decision to work at HSC by end of FY20<br>T: 70%                                   |                 |                |
|   | 1.2c Implement process to track first-year voluntary turnover by end of FY20   |                 |                |
| 1.3 Strengthen supervisor connection  | 1.3a Number of supervisors leveraging HSC's "Supervisor Development Network" opportunities by end of FY20<br>T: >250                     |                 |                |
|   | 1.3b Percentage of employees engaged or Gallup percentile ranking by end of FY20<br>T: 60% engaged or 90th percentile (moved to October) |                 |                |

# HSC FY20 Strategic Scorecard: Programs

| 2020 KEY RESULTS   | MEASURES/ TARGETS  | May 2020 STATUS | Current STATUS |
|--|--|-----------------|----------------|
| <b>Programs (Prepare future leaders to improve and transform human health)</b>   |  |                 |                |
| <b>2. Enrich the health and wellbeing of our entire team</b>   |  |                 |                |
| 2.1 Implement at least four education initiatives to improve health and well-being <ul style="list-style-type: none"> <li>- Online well-being module</li> <li>- Emotional Intelligence and well-being integration</li> <li>- Resiliency program</li> <li>- Career-readiness program</li> </ul> | 2.1 Number of education pilots completed and implemented by end of FY20<br>T: 4  |                 |                |
| 2.2 Launch solution to improve financial well-being of faculty, staff and students   | 2.2 Percentage of team members utilizing solution by end of FY20<br>T: 25% of employees and <b>25% of students</b>     |                 |                |
| <b>3. Make the population we serve healthier</b>   |  |                 |                |
| 3.1 Deploy a micro-credentialing program to enhance health education for our health-related workforce  | 3.1 Inventory of completed micro-credentials by end of FY20<br>T: 3 active micro-credentials completed and implemented |                 |                |
| 3.2 Introduce virtual care and health outcomes research capabilities to address health disparities   | 3.2 Number of virtual healthcare pilots completed by end of FY20<br>T: 2   |                 |                |

# HSC FY20 Strategic Scorecard: Strengths

| 2020 KEY RESULTS  | MEASURES/ TARGETS  | May 2020 STATUS | Current STATUS |
|---|--|-----------------|----------------|
| <b>Strengths (Focus/Purpose)</b>                          |  |                 |                |
| <b>4. Increase UNTHSC financial strength</b>              |  |                 |                |
| 4.1 Increase alumni giving and engagement                 | 4.1a Increase in donors and <b>receipts</b> by end of FY20<br>T: 100% increase from FY19                       |                 |                |
|   | 4.1b Number of alumni recruited into volunteer advisory roles by end of FY20<br>T: Minimum 25 alumni recruited |                 |                |
| 4.2 Increase total institutional and foundation endowment | 4.2 Total institutional and foundation endowments by end of FY20<br>T: \$80.6M                                 |                 |                |
| 4.3 Increase corporate (for/non-profit) relationships     | 4.3 Number of new formalized corporate relationships by end of FY20<br>T: 5                                    |                 |                |

# HSC Campus Reopening Update

- **Campus Planning Team:** Formed 4/23 to inform Cabinet and guide reopening
- **Campus Reopening Dates:** June 8 for supervisors & June 15 for additional team members—messages cascaded from President, Provost and each academic department
- **PPE:** Distributing to all employees and students upon return to campus
- **Reporting:** [HSCCOVID@unthsc.edu](mailto:HSCCOVID@unthsc.edu) to report positive cases in order to notify appropriate team members and provide protocols for returning to campus
- **Academic Calendar:** Identifies in-person classes and communicated across campus
- **Communication:** Campus-wide communications for team member awareness of health and safety assurances. School specific communications from Dean's regarding in-person classes; PPE use; symptom checks; classroom protocols, etc.

# HSC Campus Reopening Update

- **FAQ:** Frequently updated to reflect institutional, county and state mandates
- **Research:** Successful transitions for lab-based research, research involving human subjects, and clinical trials
- **New Student Orientation:** Virtual with in-person laptop and PPE pick-up in collaboration with Student Affairs, Academic departments and HSC Police
- **Campus Re-entry Training:** 78% overall
- **Campus Services (Remote):** Successful transition to offerings via Student Affairs, Academic Departments & Library
- **Campus Services (On-campus):** Student Health Clinic; Food Pantry; Torched Apron (food services); Research

# HSC's One University Action Plan

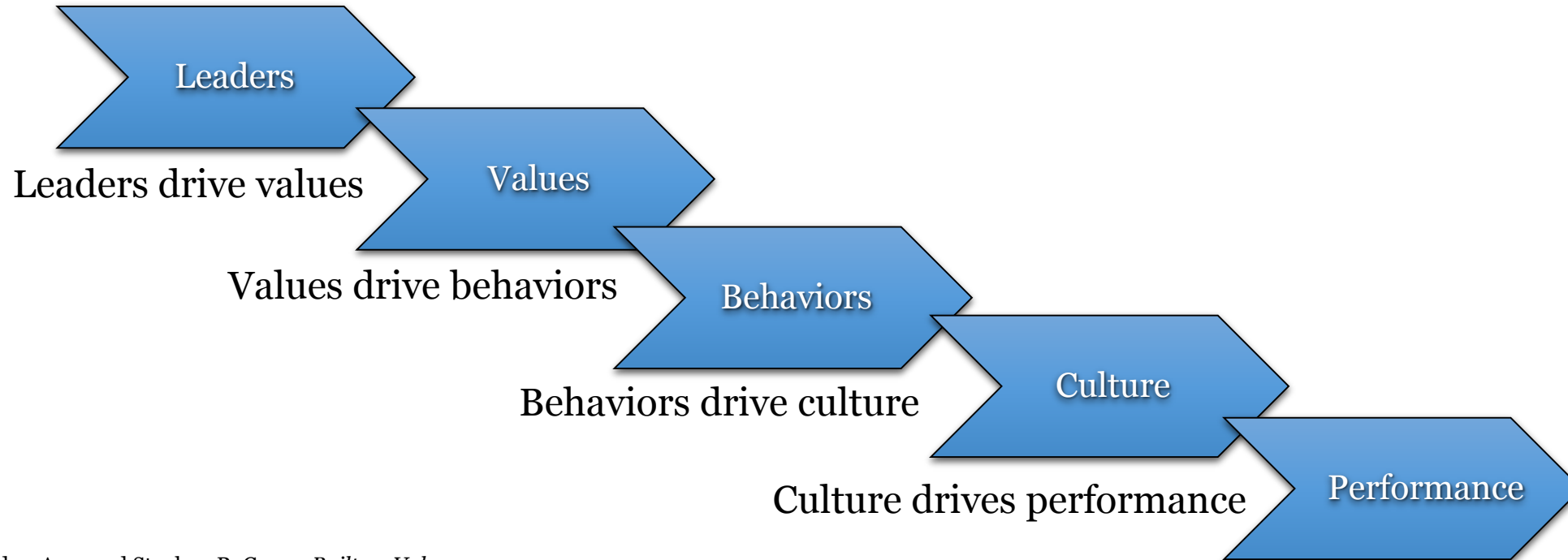
- Cultural Conversations Conducted
  - 2 Employee Sessions
  - 5 School Sessions
- President's Plan for a Better Tomorrow
  - Recruit leaders who strengthen diversity of the Cabinet
  - \$1M committed to fund strategic objectives
    - work in health disparities
    - create related scholarships
    - provide seed grant funding for educational programs

# HSC's One University Action Plan

- **RISE (Redefining Inclusive Solutions for Equity) Team**
  - Chaired by Desiree Ramirez, Chief Compliance and Integrity Officer
  - Advisor, Charles Taylor, Provost and EVP for Academic Affairs
  - Team members are diverse, cross-section of faculty, staff and student leaders
- **R I S E Team Charge**
  - Address racism as a public health issue in relation to health disparity and inequality
  - Timely, relevant actions for strategic change guided by HSC Values and Code of Culture
  - Inventory and assessment of current campus activities; review for enhancement or expansion
  - Define initiatives and activities needed on campus



# Drivers of Performance



**Source:** Rhoades, Ann, and Stephen R. Covey. *Built on Values: Creating an Enviable Culture That Outperforms the Competition*. John Wiley & Sons, 2011.

# Questions or Comments



# UNT Strategic Plan and Updates

Neal Smatresk, President

# Five-Year Strategic Plan Metrics

## STUDENT EMPOWERMENT AND TRANSFORMATION

- ▶ Student growth mindset beliefs increased to 55%
- ▶ Student engagement increased
  - Internships by 10%
  - Social-academic engagements by 2%
  - Corporate engagements by 10%
- ▶ Retention increased to 86%
- ▶ Decrease the six-year graduation achievement gap for underrepresented minorities
- ▶ Career placement increased to 65% in jobs paying above the median income

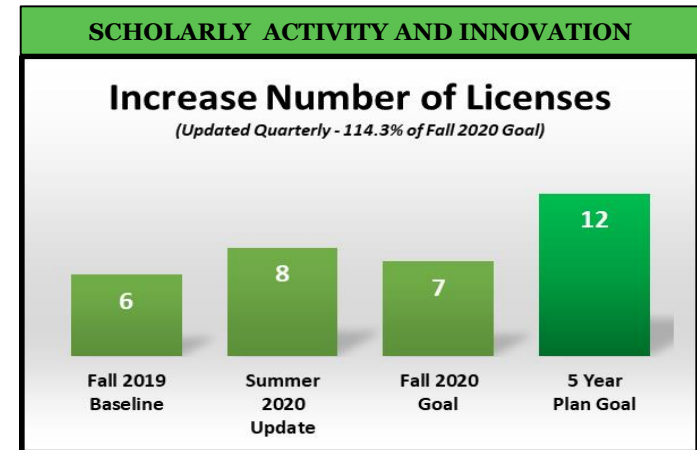
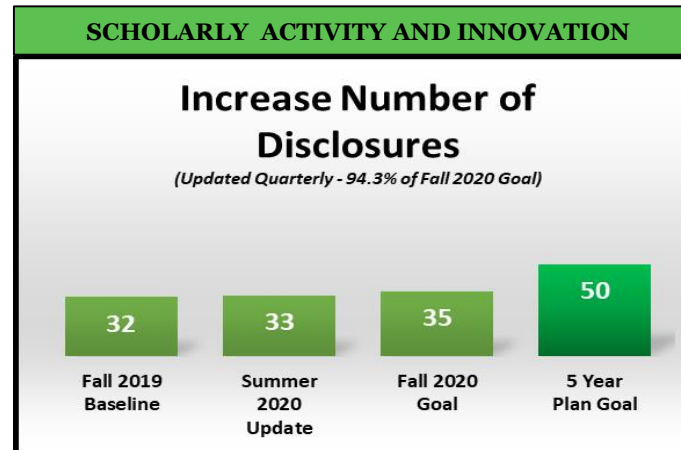
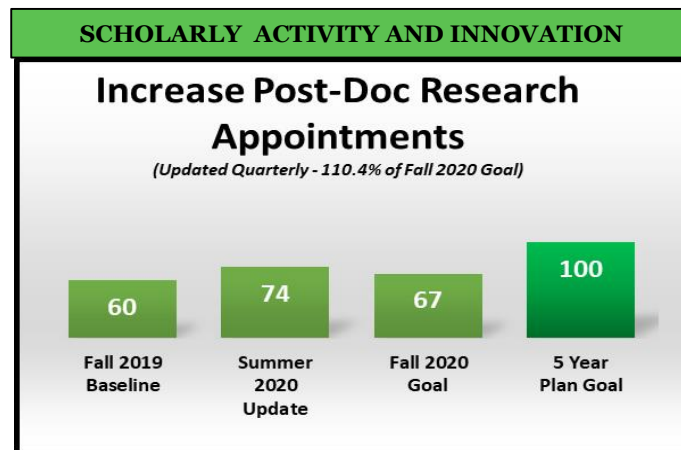
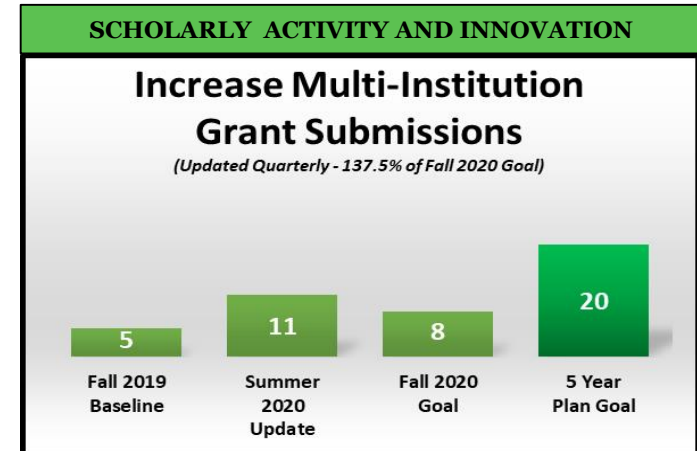
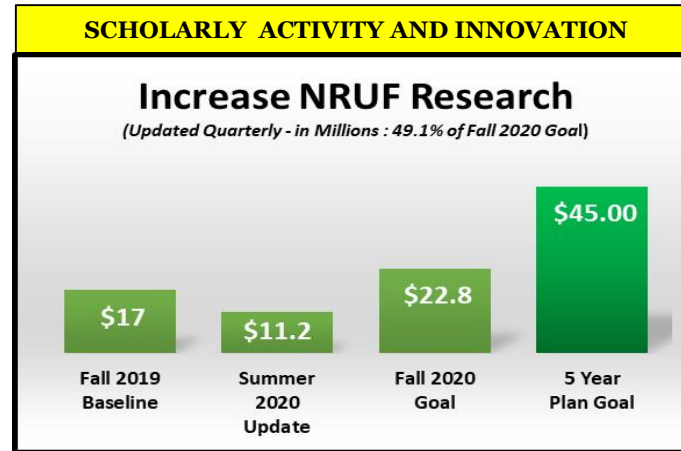
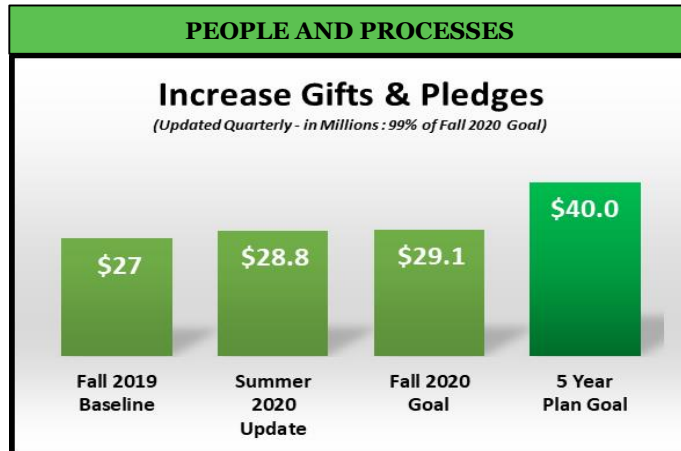
## PEOPLE AND PROCESSES

- ▶ Improve student pathways
  - Annual enrollment increased 1% for undergraduates and 4% for graduate students
  - Degrees awarded increased to 11,000
  - Frisco credit hours increased 300%
  - At-risk achievement increased to 65%
- ▶ Student debt limited to not exceed inflation
- ▶ Voluntary faculty/staff turnover decreased by 10%
- ▶ Annual giving increased to \$40M
- ▶ Gallup score increased to 4.0 and 45% participation

## SCHOLARLY ACTIVITY AND INNOVATION

- ▶ Research expenditures increased
  - HERD to \$100M
  - NRUF to \$45M
- ▶ Scholarly activity increased
  - Faculty
    - T/TT faculty to 894
    - Multi-institutional grants to 20
  - Student
    - Post-docs to 100
  - Innovation
    - Licenses to 12
    - Disclosures to 50

# Quarterly Planning Metrics Updates



# Student Empowerment and Transformation

- Expanded training for remote and online classes
- Developing new Navigate Mobile App
- Growth Mindset FYE for 200 students
- Nest Engagement Program for FTIC who are fully remote
- Provided virtual internships during pandemic with InsideSherpa and Parker-Dewey



# Processes and People

- Summer enrollment increased over 16%
- Increased Masters admits over 30%
- Dual credit project with Frisco ISD
- Major commitments to diversity and inclusion
- CARES Act and MSI funding update
- Bilingual enrollment management activities
  - Chatbot to help students and parents
  - Provided personal Student Financial Aid and Scholarships Zoom meetings with students and parents



# Scholarly Activity and Innovation

- 89 Programs ranked in the top 100, up 12 from FY19
- Grant submissions up over 20%
- Intellectual property, disclosures and patent numbers increased significantly







# UNT's Reopening Plans

In May 2020, we appointed 5 committees to focus on developing reopening guidelines for the university. The intent is to open campus as much as possible to provide the most robust student academic and engagement experience possible, while maintaining a safe environment following local, state and CDC guidelines.

# Academic Affairs Advisory Restart

## **This group is working on:**

- Reviewing all classroom, clinic, office and academic lab/studio space plans prior to reopening
- Classroom capacities with social distancing
- Syllabi statements regarding absences and safety
- Academic calendar, including remote learning after Thanksgiving and winter/spring term start timing
- Fall travel exemptions

# Operations & Physical Plant

## **This group is working on:**

- Ensuring that personal protective equipment (PPE) items are available on campus, including masks, sanitizing stations, plexiglass dividers
- Managing building openings to ensure cleaning and sanitization of facilities
- Determining what will be available in buildings. For example: water fountains will be turned off, but water filling stations will be available if independent of water fountains
- Flow of “traffic” within buildings
- Instructor face shields also are being considered
- Optimizing HVAC systems with higher efficiency, air cleaning technology, such as UV-C and bi-polar ionization being investigated for some facilities

# Research Advisory

## **This group is working on:**

- Ensuring that research operations begin in a safe manner, allowing for continued projects of students (both undergraduate and graduate) and faculty to continue
- Setting requirement guidelines for each lab
- Approvals along with SIMs committee for field research and undergraduate research
- Beginning face-to-face human subjects research

# Safety & Incident Management

## **This group is working on:**

- Reviewing all reopening plans to ensure safety measures are in place
- Reviewing all events that will be held in person
- Making all PPE guidelines
- Developing guidance on self-monitoring
- Reviewing training to be completed by all university employees prior to coming back to campus
- Developing tips for non-compliance of PPE
- Creating a general COVID-19 Hotline and managing a centralized email account
- Developing and administering testing and contact tracing

# Student Life

## **This group is working on:**

- Developing event/program plans for 4 main facilities: Union, Coliseum, Apogee and Gateway Center
- Reviewing and prioritizing all departmental in-person events or programs
- Reviewing all Student Life reopening plans
- Ensuring support for students who may need to isolate/quarantine or take courses fully online
- Developing guidelines for student organization meetings

# Reopening Schedule

## Spring and Early Summer

- Preoperational preparations for in-person education
- Expanded training for faculty – remote and online

## Late Summer

- 13 in-person classes offered – a pilot study for fall (mostly science, media arts, art and music)
- All student service offices and college offices open during the week. Hours adjusted to meet needs – 25% of staff returned in July
- Clinics reopen
- Coaches and student athletes return
- Training for residence halls and dining services staff
- Rec center opens
- Welcome Center begins tours
- On-campus testing available
- Spaces secured for isolating students who test positive



# Reopening Schedule

## Fall Semester

- Most teams back, expect about 30% of staff back with high risk and others telecommuting
- Meetings held by Zoom or Teams whenever possible
- 58% of class inventory will be offered with some in-person instruction
- Classes commence Aug. 24 and we will go remote after Thanksgiving
- Small group events allowed with approval of Student Life and Safety Advisory Groups
- Athletics - TBD





# Safety

## General

- Required COVID safety training program for all faculty, staff and students via Bridge is now online
- Required masks and social distancing
- Student athletes are tested and isolated with contact tracing as needed

## Student Health and Wellness Center (SHWC)

- SHWC leads testing efforts with 2 rapid response PCRs
- SHWC is leading contact training and tracing for 55 tracers
- Dr. Cynthia Hermann is leading a committee to create a baseline sampling plan around high-density activities
- A form has been developed to provide guidance for persons self-monitoring for COVID-19



**HERE, HEROES WEAR MASKS**

Keep yourself and others in our Mean Green Family safe by wearing a face cover at all times when not actively eating or drinking.

Stay smart. Stay strong. Stay safe.  
[healthalerts.unt.edu](https://healthalerts.unt.edu)



**EAGLES, DISASSEMBLE!**

It's not wise to travel in flocks. Limit group sizes and maintain social distance.

Stay smart. Stay strong. Stay safe.  
[healthalerts.unt.edu](https://healthalerts.unt.edu)



**TIDY YOUR TALONS**

Wash your hands with soap and water for at least 20 seconds.

Use hand sanitizer frequently.

Avoid handshakes and other interactions that could spread germs.

Stay smart. Stay strong. Stay safe.  
[healthalerts.unt.edu](https://healthalerts.unt.edu)



# Preparing Campus for Fall

- Safety training will be taken by all faculty, staff and students prior to returning to campus
- Health and Safety Awareness Campaign
  - Ongoing information to keep our campus community aware of safety protocols and tips
  - COVID-19 section in UNT Today
- Installation of signage in high-traffic walkways, restrooms, etc.
- Continued updates to *healthalerts.unt.edu*



# UNT'S GUIDE FOR RETURNING TO CAMPUS

Stay smart. Stay strong. Stay safe.  
[healthalerts.unt.edu](https://healthalerts.unt.edu)



## TABLE OF CONTENTS

|  |    |
|--|----|
| Guiding Principles.....                          | 3  |
| Required Training Modules.....                   | 4  |
| Workplace Expectations and Guidelines .....      | 5  |
| <i>Symptom Monitoring Requirements</i> .....     | 5  |
| Phased Staffing .....                            | 7  |
| <i>Preoperational Phase</i> .....                | 8  |
| <i>Phase One</i> .....                           | 8  |
| <i>Phase Two</i> .....                           | 9  |
| <i>Staffing Options</i> .....                    | 10 |
| Personal Safety Practices .....                  | 11 |
| <i>Social Distancing</i> .....                   | 11 |
| <i>Face Coverings</i> .....                      | 13 |
| <i>Handwashing</i> .....                         | 15 |
| <i>Gloves</i> .....                              | 15 |
| <i>Cleaning/Disinfecting</i> .....               | 16 |
| <i>Coughing/Sneezing Hygiene</i> .....           | 16 |
| Working in an Office Environment .....           | 17 |
| Research and Laboratory Work .....               | 19 |
| Health and Safety Awareness Campaign .....       | 20 |
| Public Transportation.....                       | 21 |
| Important Contact Information and Resources..... | 22 |

# Diversity and Inclusion Initiatives



# Diversity and Inclusion Initiatives in UNT's Strategic Plan

## Educational/Social Retention Initiatives

- Engage faculty, students, and staff in campaigns that encourage positive messaging to our students in a way that encourages a growth mindset, especially for first generation and underrepresented students
- Decrease time to graduation and increase and improve services and resources to aid at-risk, underrepresented, transfer, non-traditional, veteran, online, and working students
- Improve services and resources to aid at-risk, underrepresented, transfer, non-traditional, veteran, online, and working students
- Expand summer bridge opportunities for at-risk and underrepresented students
- Provide intensive support for underrepresented and international doctoral students
- Engage marketable skills in classes, such as curiosity, communication, information literacy, critical thinking, team building, and an understanding of cultural context
- Expand and communicate opportunities for social engagement to students, such as Living Learning Communities, Greek Life, and Multicultural Center activities
- Investigate the possibility of adding a first-year experience class that can address important early-learning content, such as EAB Navigate use and cultural competence

# Diversity and Inclusion Initiatives in UNT's Strategic Plan

## Campus Training Initiatives

- Provide campus trainings and resources to encourage cultural competence for all university community members
- Require additional key sessions for new students at orientation, including diversity, inclusion, and cultural competence content
- Promote additional sessions to increase our cultural competence as a community
- Host UNT town halls to encourage open dialogue about race and culture

## Financial/Debt Initiative

- Use a concierge service team to track students who are experiencing financial challenges

# Diversity and Inclusion Initiatives in UNT's Strategic Plan

## Faculty/Staff Hiring

- Increase diversity of new faculty and staff hires to more closely mirror our diverse student body, and mentor and support all hires in their transition to campus life

## MSI/HSI Initiatives

- Develop a Latinx initiative to better support students as UNT attains MSI/HSI status and becomes the public institution of choice in the North Texas region for Hispanic students
- Leverage our Hispanic Serving Institution status by expanding opportunities to obtain teaching and training grants that will develop our pathways and retention practices for our Hispanic students

# President's Diversity Council

*The full Diversity and Inclusion Advisory board will meet once every long semester, but 6 subcommittees will meet as needed, reporting back to the President and full board as necessary. The purpose of the board will be to advise the President on issues and initiatives including:*

- Monitoring and reviewing the university's progress toward racial and ethnic equity
- Providing diverse perspectives to help guide university leaders as UNT works towards a more inclusive environment
- Providing feedback to the President about the cultural climate, campus policing, diversity training, antiracist policy development, hiring and student recruitment and retention
- Providing feedback on the climate in campus units
- Assisting in communications to our diverse communities
- Subcommittees:
  - Antiracist Policy Development
  - Campus Climate
  - Campus Policing
  - Diversity Training
  - Hiring and Faculty Retention
  - Student Recruitment and Retention



# Addressing concerns regarding UNT Police

UNT will appoint a Campus Police Advisory Subcommittee effective Sept. 1, 2020

*The purpose of this group will be to:*

- Proactively seek the counsel of a diverse group of community members regarding issues that impact the safety and quality of life of students, faculty, and staff
- Serve as an independent body that provides a forum for the exchange of ideas, as well as a mechanism for recommendations related to campus safety
- Seek ways to build trust, inclusion, and respect with the community
- Review police policies/procedures and make recommendations
- Review on-going police training and make recommendations for additional education opportunities
- Identify/recommend proactive strategies to continue positive engagement of police with faculty, staff, and students

# Addressing concerns regarding UNT Police

- UNT PD receive implicit bias training every other year. They will now take the training annually.
- UNT Criminal Justice Faculty conduct a racial profiling analysis yearly of police stop data. The statistical report will be made available on the UNT PD website.
- UNT PD currently adheres to “8 Can’t Wait.” Additional language will be added to UNT PD policy to explicitly state the commitment.

# Mandatory Cultural Competency Training

- The Division of Student Affairs is providing cultural competency training to all incoming undergraduate students at UNT this summer. Follow-up, in-person training will occur during First Flight and within a pilot first-year seminar course in Fall 2020.
- Graduate student cultural competency training planned for Fall 2020
- Faculty Senate, Faculty Success and the Division of Institutional Equity and Diversity are collaborating to create a professional development program for faculty, academic staff, and administrators that will begin in Fall 2020
- UNT selected to participate in a NSF-funded program, which includes work to create more inclusive classrooms in STEM
- Professional development opportunities for faculty and staff available via UNT's LinkedIn Learning in Bridge
- Each division vice president is implementing diversity and inclusion training plans for their units

# Hiring a more diverse workforce reflective of UNT's student demographics

- Faculty search committee diversity training increased 71% last year
- All UNT colleges and divisions engaged in intentional efforts to increase the workforce diversity and will require all search committees to receive implicit bias training
- UNT was selected to participate in a NSF-funded program, which includes diversifying STEM faculty
- UNT hired new Black academic leaders
- Target of opportunity hiring option used to hire a new Black faculty member in the Ryan College of Business
- UNT System planning to add a diversity hiring expert for Human Resources

# Expanding counseling support

- UNT contracted with a national consultant to review the Counseling and Testing Center to assess strengths and weaknesses, the staffing model, where efficiencies could be found, and what changes are needed to better understand the changing needs of our students.
- UNT currently is working through recommendations, including staffing recommendations – we plan on 2 new hires.
- UNT hopes to become a national model for counseling by creating a *Center for Counseling Diverse Populations*. In addition to providing counseling, research from the center will be translated into best practices (Fall 2020).

# Academic and curricular changes supportive of diversity and inclusion

- Legislative request to fund the new Center for Health Disparities
- As of Fall 2020, all colleges will have Diversity and Inclusion Councils
- African-American Studies minor under revision through the effort of a new faculty member
- Curricular review and revision is ongoing and curricular adjustments will be implemented for Fall 2021
- Assisted over 3,000 African-American and Hispanic students with the UNT Admissions process
- Recruited and enrolled 13% more Hispanic FTIC students in Fall 2019, as compared to Fall 2018

# Additional resources for the Division of Institutional Equity and Diversity

## Multicultural Center Support

- We will plan and design a free-standing Multicultural Center by Spring 2021
- Advancement is engaging donors for supporting multicultural and diversity programs
- Identify and submit grant applications to enhance and expand Multicultural Center programming
- Engage the Black Alumni Network for advice and support of the Multicultural Center
- Funding allocated for two positions – a diversity and inclusion trainer and a student services coordinator for the Multicultural Center
- Establish an endowed UNT Diversity Fund with UNT matching the first \$500,000 raised
- Funding allocated to support student recruitment, retention and leadership development initiatives:
  - Black Student Experience (BSE)
  - M.A.R.T.I.A.L. Eagles and Latin Dreams Living Learning Communities
  - Pre-college visitation days for Calhoun Middle School 8<sup>th</sup>-grade students and Latinas in Progress
- Established a strategic committee of stakeholders from UNT's Black Alumni Network and Black Student Union under the UNT Alumni Association
- Continuing to support and engage the Latinx Advisory Council and alumni





- **Increase Enrollment, Retention, Graduation**
- **Increase Revenues**
- **Strengthen Community Partnerships**
- **Be a Best Place to Work**
- **Take Care of our Students**

# 2020 Targets: Strength



## 1. Increase Enrollment, Retention, Graduation

**Record & region leading summer enrollment.**

**34 % undergraduate + SCH (27% + headcount)**

- **Grow enrollment, retention and graduation rates**

- Enrollment. Creating ranges. All growth.
- Retention.
- Graduation. 370 December grads

**T: Grow enrollment and retention by 8%**

**S: Graduated 370 in December; 527 in May. Total 897. Record number. FY20 retention rates will be announced at the November regents meeting**

- **Plans for future growth**

- Completed rewrites for our 87th legislative presentation to include COVID response
- Master planning progressing
  - Workshops completed as planned. Will present update at this Regents meeting.
  - Final presentation to Regents in November
- Keep tuition and fees lowest in North Texas
  - Successful. No tuition increase for FY21 at main campus
  - Some fees rollback for fall

**T: Request Specialized Center, Science Building and renewal of Trailblazer Elite; update campus master plan; no increase in tuition, implement advisory fee and athletic fee 7 v. 10**

**S: 87<sup>th</sup> Legislative presentation drafted; Options for organizing campus development over next 5 years presented to Steering and Resource Committees**

## 2020 Targets: Strength



## 2. Increase Revenues

**UNT Dallas will end the year  
in the black.**

- **Increase Fundraising**
  - New Grants & Philanthropic Investments
    - CYD \$1,217,896 = 13-17 yr. olds in zip codes 75210, 75215, 75216, 75241 to prevent juvenile delinquency and promote youth development
    - Communities Foundation of Texas awarded \$50,000 to the Principal Impact Collaborative (PIC) at UNT Dallas, which is an innovative leadership development program for North Texas-area public school principals
    - Rainwater Foundation has awarded \$80,000 leadership development program for North Texas-area public school principals
    - U.S. Department of Education funded over \$1,518,405 million in CARES Act Funds to UNT Dallas to provide emergency financial aid grants to students for expenses related to the disruption of campus operations due to COVID-19
    - U.S. Department of Education funded \$1,518,405 million in CARES Act Funds to UNT Dallas to cover any costs associated with significant changes to the delivery of instruction due to COVID-19

## 2020 Targets: Strength



### 2. Increase Revenues continued...

- **Increase Fundraising continued...**
  - New Grants & Philanthropic Investments (continued)
    - U.S. Department of Education funded MSIs (Minority Serving Institutions) \$217,7945 million in CARES Act Funds to defray expenses incurred by Recipient, including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings, and payroll due to COVID-19
  - Continuation Projects Funded
    - Raise Your Hand Texas approved \$165,680 to continue work of building teacher pipeline

## 2020 Targets: Strength



### 2. Increase Revenues continued...

- **Increase Fundraising continued...**
  - Grants in pipeline
    - \$7,500 request to UNM Comprehensive Cancer Center/GmAP to distinguish the facilitators and barriers of effective age verification and tobacco marketing policies and practices, particularly for color communities
    - Requested \$10,000 from Texas Bar Foundation to create informational videos on various legal topics and other items to support programming
    - Requested \$125,000 from AccessLex to develop progressive online modules that would be used in undergraduate instruction to support students' development of analytical and logical reasoning, reading comprehension, writing, critical thinking, and civic understanding
    - Approximately \$110,000 request to fund IPA collaboration with Veteran's Administration

**T: Increase grants and philanthropic investments by 10% over FY19**

**S: On target**

## 2020 Targets: Strength



### 2. Increase Revenues continued...

- **Increase alumni engagement**
  - Cicero Survey completed and results are in  
**T: Increase contact with alumni constituents**  
**S: Reached 250 alums in detailed survey**
- **Complete plans for increased endowment**
  - Historic Tax Credits to provide funds for UNT Dallas Endowment  
**T: Establish \$10+ million quasi-endowment in 2021 that will generate scholarship funds**  
**S: HTC proceeds received in July 2020 and are on track to provide quasi-endowed funds in Q3 2021**

## 2020 Targets: Strength



### 3. Strengthen Community Partnerships

- **North Texas Food Bank grown rapidly since last Regents meeting**
  - Monthly food drop offs for UNTD students and community in February and March
  - Expanded into huge disaster relief efforts for southern Dallas County
    - National Guard assisting

**T:** Will establish benchmarks in next year's goals

**S:** Established frequent food distribution for students, staff/faculty and the community
- **Collegiate Academies**

**T:** Continuation of relationship with DISD Collegiate Academies at Sunset & Lincoln; cultivation of other collegiate academies within UNTD's academic priorities

**S:** Dallas ISD trustees unanimously ratified MOU with UNTD for Lincoln and Sunset

**\*Note:** Lincoln and Sunset students become UNTD students as of 08/24/2020
- **CPI/MMHPI**

**T:** Strategic plan completed; curriculum being reimagined; executive advisory board activated

**S:** Online curriculum being developed; outside partnerships expanded; branding increasing

**\*Note:** CPI written article on first responder suicide prevention appeared in July Police Chief Magazine

## 2020 Targets: Strength



### 3. Strengthen Community Partnerships continued...

- **Other university and community college partners**
  - Focused on community college and school district relationships
  - Reaching out to seniors in hs not yet committed to higher ed

**T:** Establish strong partnership with neighboring universities including TWU and A&M Commerce, Dallas Colleges, Tarrant Colleges & Navarro College

**S:** Community colleges remain our biggest feeder; still committed to this goal, strong recruiting effort in School of Education at Navarro, obviously challenged by uncertainties. School of Education partnership completed. Teacher training starts this fall
- **Continued work with Dallas County Promise**

**T:** Expand the Promise partnership

**S:** Continued work with the Promise and other partner universities to create enrollment checklist for students and counselors, a joint admission letter and leverage collective outreach to transfer students. Joint acceptance letters sent out from UNT Dallas, A&M Commerce and TWU to 10,000 Dallas County seniors
- **Rollout Greenlight App**
  - In partnership with community college, larger area school districts, industry partners

**T:** Become the first 4-year partner

**S:** UNT Dallas became first 4-year Greenlight partner



# 2020 Targets: Strength



## 3. Strengthen Community Partnerships continued...

- **Expand Principal Impact Collaborative**
  - T: Successfully take over the operation of PIC and increase the number of clients
  - S: Transition occurred successfully and added school districts including Garland ISD. Received \$80k grant from Rainwater Foundation
- **Expand capabilities of SERCH Institute**
  - Attracted international conference to Dallas
  - T: Expand outreach to the city government, neighborhood associations and non-profits
  - S: The growing Toyota Green Mobility Project moved under SERCH. Efforts to land other partners underway
- **Emmett J. Conrad Leadership Program (founded & sponsored by Sen. Royce West)**
  - T: Transition Conrad program to UNT Dallas in the next 12 months
  - S: UNT Dallas leader named. Planning underway. Implementation in Fall 2020

## 2020 Targets: Strength



### 3. Strengthen Community Partnerships continued...

- **Thirdspace, UNT Dallas' mindfulness center, under direction of Dr. Lisa Hobson**
  - Incorporating The Wellbeing Project
  - Building self-care skills for teachers in training and CPI/MMHPI partnership

**T: Establish Thirdspace as a unique UNT Dallas resource**

**S: Programming will resume after crisis**
- **Texas Health Resources Well Together: Rockwall and Dallas Behavioral Health Initiative**
  - Funded in part by Cigna Foundation to train professionals and community in zip codes 75212 and 75217 to recognize, understand, and respond to individuals who are experiencing a mental health crisis

**T: Reach 600 residents by December 2020**

**S: To date, we completed 21 Mental Health First Aid training sessions; 439 community participants are now trained and certified as Mental Health First Aiders; 60 community residents. Had to cancel training sessions for the latter part of February, March, and April due to COVID-19**

## 2020 Targets: People



### 4. Be a Best Place to Work

- Reduce employee turnover & expand training and career planning opportunities

- Career plans for all employees in 3 years
  - System HR completed plan

T: Focused on employees who have performance evaluation ratings of 3, 4, 5

S: Partnering with System HR on implementation. Implementation delayed until FY21 due to COVID-19

- Increase employee engagement

T: Increase recognition

S: Two recognition Town Halls took place. 3rd postponed by COVID-19

- Hire for mission

T: Every vacancy vetted for commitment to UNT Dallas Mission

S: Trailblazer Elite director and three coaching selections mission oriented

## 2020 Targets: Programs



### 5. Take Care of our Students

- **Trailblazer Elite**
  - Director hired
  - 2nd cohort being selected
  - Will track progress of 1st cohort

**T:** Promote persistence, academic excellence and commitment to career readiness

**S:** Director hired; program conducted mostly remote, some in person
- **Multi-semester registration**

**T:** Complete program

**S:** Now in operation
- **Inaugural Study Abroad**

**T:** Establish Program in 2020

**S:** Postponed first trip due to COVID-19
- **Sparkpoint proceeding. Strong funder collaboration**

**T:** As a pathway out of poverty, assist university community with building assets, building income and managing debt

**S:** Changing funding decision in late 20 or early 21

**\*Note:** Will begin on small scale until funding received



## 5. Take Care of our Students continued...

- **CRED**
  - T:** Promote career readiness
  - S:** Year 2 plan complete. On target to meet all goals by Year 5

## Update on Reopening: Overview

- Six campus committees planning for a safe and effective fall semester
- Our committees are tied closely with the six teams at UNT System
- Certain fees will be reduced for the fall semester
- UNT Dallas tuition will not increase
- UNT Dallas main campus will offer predominately virtual courses beginning August 24
- UNT Dallas College of Law (COL) first-year students will take classes in a hybrid format
- Upper division COL students will be in a virtual format

## Update on Reopening: Overview

- UNT Dallas main campus and the COL will transition to an all virtual learning format after the Thanksgiving holiday
- UNT Dallas will do its best to provide needed technology to its students working in a virtual format
- The university will operate with a limited number of staff members on campus during the fall semester
- Athletics is scheduled to begin on time; an athletics advisory committee has been formed to recommend operational guidelines

## Update on Reopening: Campus Housing

- Wisdom Hall will open at 50% capacity with one student per room and bathroom
- Wisdom Hall will close at the beginning of the Thanksgiving holiday; housing fees will be prorated with discounts applied to the initial housing contract
- UNT Dallas Campus Police continue to secure the university and are available to assist students with campus safety needs
- Boxed meals will be provided for students residing on campus



## Update on Reopening: Available Services **on Campus**

- The Student Health Clinic will open by appointment only
- The College of Law Library will open with social distancing and capacity limits strictly enforced
- The UNT Dallas main campus library will open on a limited basis and by appointment only; the virtual library is available 24 hours
- Computer labs will open by appointment only; hours will be determined by student demand
- The Campus Bookstore will open with limited hours
- Starbucks will open with limited hours and offer select food and beverage options
- External use of university space will be limited; decisions will be made on a case-by-case basis

## Update on Reopening: Available Services **Virtually**

- Telehealth appointments will be available with the Student Health Clinic
- Counseling, tutoring and advising services will be offered virtually
- Freshman seminar (UGST) will operate virtually
- Faculty members will continue to report mid-term grades for 1000-2000 level classes and provide early alerts to keep students informed of their academic progress
- In order to provide a level of personal interaction with students, all faculty members will be available for virtual office hours; full-time faculty members will offer 8-hours of virtual office hours each week
- Trailblazer Elite will operate virtually with occasional in-person activities; counseling, advising and mentoring services will be provided virtually
- The Early College High School program will operate virtually, starting August 24, with special attention provided through programming; laptop and WiFi assistance is available

## Update on Reopening: Employees

- To ensure the health and safety of our employees, only 25-30% of staff members will return to work on campus; the majority of staff will continue to work remotely
- Staff and student workers who plan to return to campus must coordinate with their supervisor and follow all safety and social distancing protocols
- The majority of faculty members will continue to work remotely, unless otherwise specified

# Update on Reopening: Commencement Ceremonies

- Planning is underway for UNT Dallas Spring 2020 and all Fall 2020 commencement ceremonies
- More information will be shared once the commencement committee has finalized plans for these important celebrations

## Update on Reopening: In Closing

- The university leadership will continue to work with the campus committees to monitor our on-going health crisis and make decisions that provide the best educational environment while keeping our students and employees safe
- Our goal is to provide each of our students with the tools to complete the semester successfully and for our seniors to graduate. Please continue to check your campus email and visit our knowledge center at [untDallas.edu/covid](https://untDallas.edu/covid) for additional information, current updates and required protocols for a safe return to campus
- UNT Dallas commits to providing daily news updates to our students, staff and faculty
- The health of our Trailblazer community is extremely important to all of us. We expect all to follow the Center for Disease Control guidelines

- Task force created in 2020
- UNT Dallas one of the most diverse universities in U.S.
- 86 % Hispanic, African-American, Asian
- Cabinet is majority minority
- University Executive Council (cabinet, department heads, deans, faculty senate and staff council presidents) majority minority
- Staff is 70 % minority
- Adjunct professors majority minority
- Permanent faculty 60% white

- UNT Dallas Diversity positioned perfectly well for the new Texas
  - Texas is the most diverse young state in America
  - 60% of 24 and under Texans diverse
  - 70% of 17 and under Texans diverse
- Our DE&I Task Force will work with UNTD leadership to take full advantage of our diversity “premium.”
- Our rich demographics positions us well to help diversify the DFW workforce.

- Our mission, vision, goals and strategic momentum are rooted in providing more opportunity for those previously left out of our dynamic North Texas economy
- UNT Dallas is a pathway to the middle class and beyond for its students and graduates
- We are dedicated through our work to increase the living wage of early wage earners
  - Currently only 5 of 20 North Texans between the ages of 25-34 earn a living wage (\$50,000 or more in annual wages).
- UNT Dallas: training local students for local careers





**MINUTES**  
**BOARD OF REGENTS**  
**Student Success, Academic and Clinical Affairs Committee**  
**May 14, 2020**

The Academic Affairs and Student Success Committee of the Board of Regents of the University of North Texas System convened on Thursday, May 14, 2020, by videoconference, with the following members in attendance: Regents Mary Denny, Melisa Denis, Carlos Munguia, and John Scott. The meeting was conducted by videoconference with no in-person attendance due to the request by the Office of the Attorney General to allow for the advance of the public health goal of limiting face-to-face meetings (also called social distancing) to slow the spread of Coronavirus (COVID-19). The videoconference meeting was livestreamed for public viewing.

There being a quorum present, the meeting was called to order by Committee Chair Denny at 2:00 p.m. Pursuant to a motion by Regent John Scott seconded by Regent Melisa Denis, the Committee approved the minutes of the February 13, 2020, meeting of the Academic Affairs and Student Success Committee on a 4-0 vote.

Committee Chair Denny noted that the Committee had nine action items for consideration.

**14. UNTS      Approval of the Student Success, Academic and Clinical Affairs Committee Charter**

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

The next item was presented by Vice Chancellor for Academic Affairs and Student Success, Rosemary Haggett.

**15. UNTS      Approval and Ratification of UNT System Institutional Admission Standards for Students Beginning Matriculation in Summer 2021**

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

The next item was presented by Vice Chancellor and General Counsel, Alan Stucky.

**16. UNTS      Approval of University of North Texas, University of North Texas Health Science Center at Fort Worth, and**

Student Success, Academic and Clinical Affairs Committee  
University of North Texas System  
Board of Regents Meeting  
May 14, 2020

**University of North Texas at Dallas policies related to  
Free Speech and Public Assembly on Campus Grounds**

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

UNT Provost, Jennifer Cowley, presented the next item.

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

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

UNTHSC Provost, Charles Taylor, presented the next two items.

**18. UNTHSC                Approval of Tenure for a New UNTHSC Faculty  
Appointee**

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

**19. UNTHSC                Approval of UNTHSC Tenure Recommendation**

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

UNT Dallas Provost, Betty Stewart, presented the last three items to the Committee.

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

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

**21. UNTD                  Approval of UNT Dallas Review of Tenured Faculty Policy**

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

**22. UNTD                  Authorize a New UNT Dallas Master of Management Degree**

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

There being no further business, the Committee meeting adjourned at 2:28 p.m.

Submitted By:

Rosemary R. Haggett

Rosemary R. Haggett  
Board Secretary

Date: May 29, 2020

Student Success, Academic and Clinical Affairs Committee  
University of North Texas System  
Board of Regents Meeting  
May 14, 2020



# Return to Learn Fall 2020

Student Success, Academic and Clinical Affairs Committee  
August 13, 2020

Rosemary Haggett, UNT System Vice Chancellor for Academic Affairs & Student Success

Jennifer Cowley, UNT Provost

Charles Taylor, UNTHSC Provost

Betty Stewart, UNT Dallas Provost



## *Spring 2020 – Emergency Pivot from In-Person Instruction to Remote Instruction*

### NATIONAL SURVEY SAYS:

- Within 2 weeks, institutions nationally pivoted nearly all of their in-person courses to remote delivery.
- Challenges identified included a lack of preparedness on both the part of faculty and students, and Instructional Design support was stretched beyond the usual ratio.
- The primary goal of the transition? Allow students to complete the spring semester.
- 78% of the institutions surveyed judged the pivot to be completely or largely successful in accomplishing the primary goal.

*The emergency pivot from in-person instruction to remote instruction showed us how agile we are, and we build on that for our Return to Learn Fall 2020.*



## *Online Teaching and Learning – Backed by Research*

- Nearly two decades of research is available that shows learning in the online environment to be equivalent to or better than face-to-face instruction
- Online education experts such as **Quality Matters** and **Online Learning Consortium** exist to ensure **QUALITY**



# UNT Return to Learn Plan

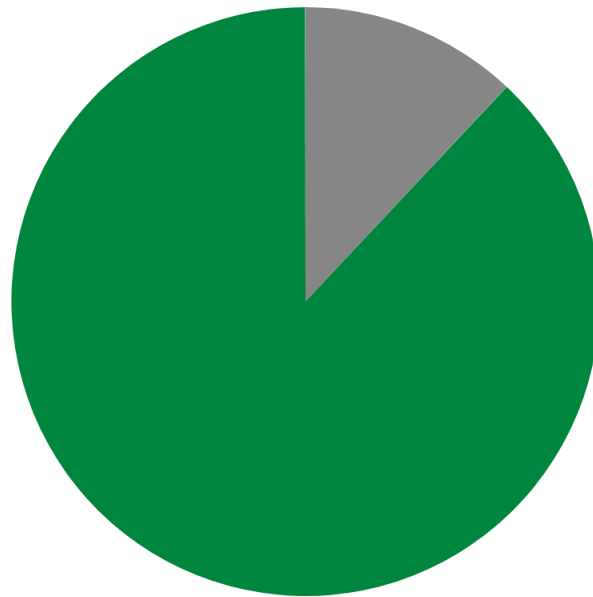
# Modes of Course Delivery

1. INET/ONLINE: 100% online. There are no on-site meetings. There may be set times for online participation. These classes have been traditionally offered online.
2. REMOTE: Class is offered 100% remote. There are no on-site meetings. There may be set times for online participation. These classes were transitioned to an online format.
3. PARTIAL REMOTE/ONLINE: Instruction will be delivered remote and on site.
4. FACE-TO-FACE: Instruction is delivered fully on site.



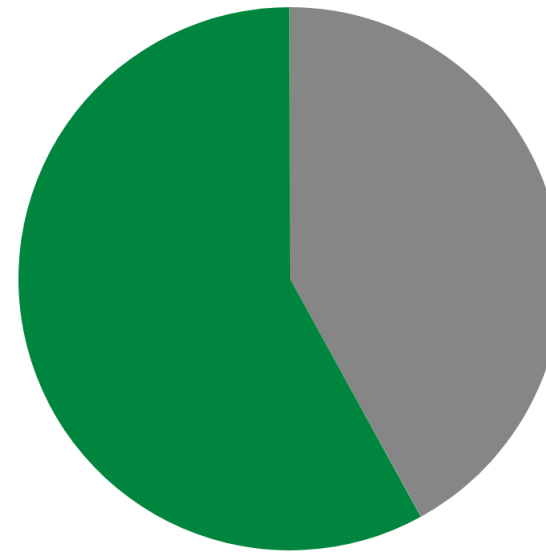
# Modes of Course Delivery

Fall 2019



■ Online (12%) ■ In Person (88%)

Fall 2020

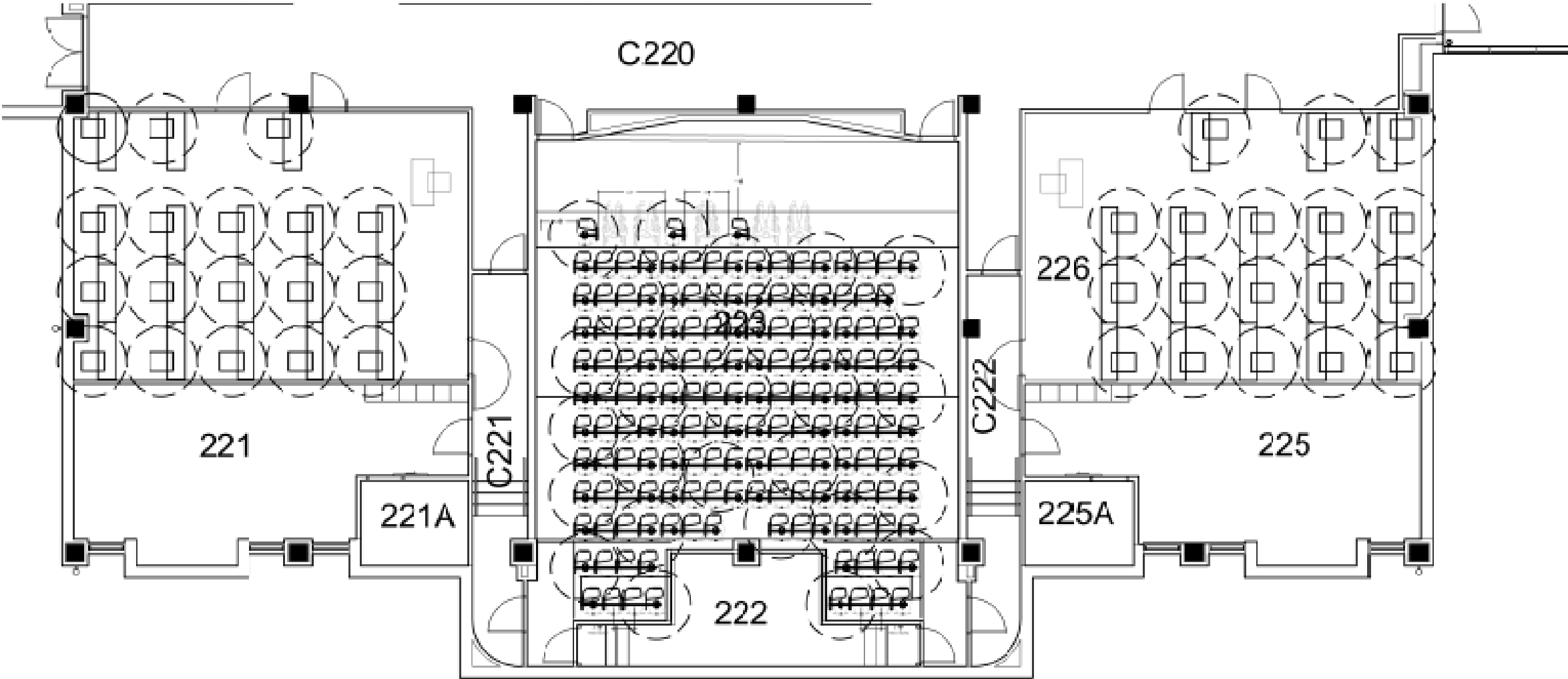


■ Online/Remote (42%)  
■ In Person/Partial Remote (58%)

# Socially Distanced Classroom

- Classrooms will have 6 feet between students.
- Replacement of seating to accommodate social distancing is underway
- Assessed and added additional spaces for classroom use
- Registrar's office scheduled rooms

# Socially Distanced Classroom



# Socially Distanced Classroom

The classrooms' existing furniture largely determined the magnitude of capacity reductions. Under social distancing, rooms with movable furniture have higher relative room capacities.

| <b>Existing Furniture Configuration</b> | <b>% of Normal Capacity</b> |
|---|-----------------------------|
| Fixed Chairs                            | 17.8%                       |
| Fixed tables, swing-away chairs         | 20.9%                       |
| Fixed tables, movable chairs            | 31.1%                       |
| Movable tables and chairs               | 38.4%                       |
| Movable tablet armchairs                | 45.0%                       |

# Classroom Example



# Classroom Example



# Classroom Example



# Classroom Example





# Sanitation Supply Station



# Faculty Professional Development

1. Remote Course Preparation – How to Prepare for Delivering a Remote Course
2. How to Organize Your Course – Creating Modules, Due Dates, and Using the Calendar to Stay Organized in Canvas
3. How to Work with Graded Assignments – Creating Assignment Items, Grading Assignments, and Using the Assignments Index in Canvas
4. How to Work with Quizzes & Exams – Creating Quizzes, Importing Questions, and Using Question Banks in Canvas
5. How to Implement Discussions – Creating Discussion Items, Graded vs. Ungraded Discussion, and Using Discussion Prompts in Canvas
6. How to Get the Most out of Zoom – Accessing Zoom, Scheduling a Session, and Using Zoom effectively during a Live Session
7. How to Keep it Legal - Copyright, and Trademark Compliance
8. Academic Integrity
9. Teaching with Tech in the Socially Distant Classroom

# Quality Review

- Courses developed for online delivery at UNT undergo a course design review based on the international QualityMatters standards. The review ensures that:
  - courses are complete and ready to be delivered by the time the semester begins;
  - federal and state requirements are met;
  - these courses demonstrate best practices for online course design; and
  - the courses are copyright cleared and fully accessible to students with disabilities.

# HSC Return to Learn

Charles Taylor, Provost

August 13, 2020



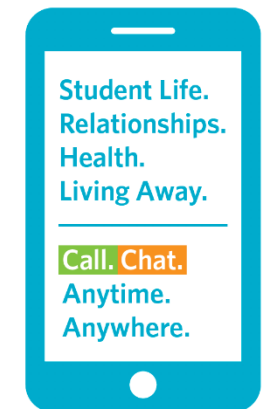
THE UNIVERSITY *of* NORTH TEXAS  
HEALTH SCIENCE CENTER *at* FORT WORTH

# Elements for HSC Return to Learn

1. Health & Safety
2. Quality Learning
3. Resources
4. Leadership

# Health & Safety

- Campus Transformation
- Course-Specific, Protective Equipment
  - > 200,000 masks
  - 1,000 boxes of gloves
  - 2,200 face shields
- HSC Health
  - Virtual visits (>2,500 visits per month)
  - COVID-19 testing (>6,000 volunteer hours)
  - Mental health & wellbeing




# Quality Learning

- Modes of Teaching and Learning
- HSC Center for Innovative Learning
- Academic Student Success
- Accreditation

 **Fort Worth Star-Telegram** @startelegram · Jul 10  
UNT Health Science Center, FitWorth provide fresh produce, dairy to local families



UNT Health Science Center, FitWorth provide fresh produce, dairy to ...  
The University of North Texas Health Science Center, in collaboration with Fort Worth's FitWorth program, provided fresh produce and dair...  
[star-telegram.com](https://www.star-telegram.com)



**OBJECTS ARE CLOSER THAN THEY APPEAR**

Remember to leave at least six feet of space between you and others.

**Stay smart. Stay strong. Stay safe.**  
[untssystem.edu/covid-response-guidelines](https://untssystem.edu/covid-response-guidelines)

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



# Resources

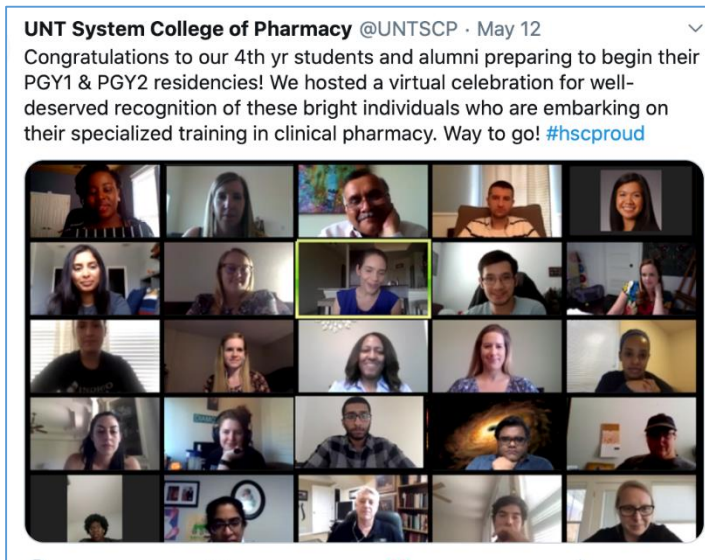
- Student Financial Assistance  
\$338,849 via Cares Act Funding  
(May 20-July 20, 2020)
- PPE & Clinical Rotations
- Technology & Online Testing





# Leadership

- Planning and Response Teams
- Centralized Information Hub
- Engagement



**To:** HSC Faculty, Staff and Students  
**From:** Charles Taylor, Provost and EVP  
**Date:** June 26, 2020  
**Re:** Academic Update – July

I'm very appreciative of our teams who have played such a significant role in our campus reopening plan. This is a massive undertaking and couldn't be done without everyone stepping up to the challenge so thank you!

The following is an overview of educational events planned for July including high density days on campus. In addition to the information below, each program will provide more details relative to their respective activities at a later time.

#### Orientation Activities

Join me in welcoming our incoming TCOM and PT students!

- **July 13<sup>th</sup> (TCOM and PT)**
  - Student packets will be distributed in the CBH garage from 10am-4pm.
  - These packets include items such as technology packages, t-shirts, ID badges, and personal protective equipment.
  - Anticipate approximately 30-40 cars per hour entering Clifton Street during this time (the HSC Police Dept. will assist with traffic flow.)
- **July 17<sup>th</sup> (TCOM)**
  - Basic Life Support Training, MET 124/125
- **July 1<sup>st</sup>-July 31<sup>st</sup>**
  - Beginning the first week in July, TB Testing will be conducted by appointment at HSC Health.
  - Details will be provided in student welcome packets as well as on the HSC Daily News.

#### External Events

- **July 1-10<sup>th</sup>** Early Voting in the IREB Lobby
- **July 30<sup>th</sup>** USMLE Step 1 and Step 2 Testing, MET 1<sup>st</sup> floor

# **UNT Dallas Return to Learn Plan**

**Betty H. Stewart, Ph.D.**

**August, 13, 2020**

# Return to Learn at UNT Dallas

**Our focus:**

- **Health and Safety**
- **Quality Teaching and Learning**
- **Strong Academic Support**

# Health and Safety

- **UNT Dallas will take a more conservative approach to reopening for the fall semester**
- **95% of classes will be taught virtually; COL 1L classes will be mostly in-person and 2L and 3L classes will be a combination of in-person and remote**
- **In-person classes will be conducted in a safe manner with social distancing and masks will be required**

# Terms Used

- **Synchronous Instruction** – this methodology of teaching **places students and faculty together in the same virtual “space” at the same time**, e.g. live video conferencing or group chat at a designated time, as is done in a live webinar.
- **Asynchronous Instruction** – this methodology of teaching **does not require the student and the faculty member to share communication “space” during the same time.**

Faculty post materials, create discussion boards, assignments, pre-recorded video lectures and exercises for the students to participate in, complete and/or turn in according to the syllabus of the course.

# Terms Used

- **Learning Management System (LMS)** – is a digital platform used to facilitate and support instruction using rich functionality for the administration, documentation, tracking, reporting and delivery of educational courses.

Examples of LMS platforms used in the higher educational settings include: Blackboard, Desire-to-Learn (D2L), and **Canvas, UNT Dallas' official learning management system.**

# Modes of Course Delivery

- **Online/Internet Courses** – These courses have been officially approved for online delivery and vetted specifically for quality of instruction in an online setting. Courses that are 100% online imply mostly, asynchronous teaching techniques
- **Remote Courses** – These were traditionally taught in a face-to-face setting but have been converted to a complete online learning environment. Remote courses may include synchronous and/or asynchronous teaching techniques.
- **Face-to-Face Courses** – These are courses that will require students to come to campus under safe conditions to engage in the course with other students and the faculty member.

# Quality Review Standards

- Officially approved online courses go through a rigorous development and Online Learning Consortium (OLC) OSCQR Course Design Review based on online best practices and standards. The review identifies and targets aspects of online courses for effective design and continuous improvement in the following categories:
  - Course Overview and Information
  - Course Technology and Tools
  - Design and Layout
  - Content and Activities
  - Interaction
  - Assessment and Feedback



# Faculty Development Opportunities

- **Canvas Online Instructor Training** – This training takes instructors through basic tools found in Canvas and focuses on how to use each tool, as well as the benefits of using each tool.
- **Building Courses in Canvas** – This training prepares instructors with the basic skills needed to get started building courses in Canvas and presents ways to integrate innovative learning technologies into their courses.
- **Managing Courses in Canvas** – This training expands upon the fundamentals learned in the Building Courses and introduces additional tools and innovative technologies useful for productivity and management.

# Faculty Development Opportunities

- **Online Teaching Foundations** – This training is designed to help instructors acquire an understanding of online pedagogy and better prepare for online teaching.
- **Virtual Open Labs** – During Virtual Open Lab times, instructors can reserve a time slot to get synchronous assistance with Canvas tools, Panopto, Zoom, Respondus, and other instructional technology resources from Distance Learning and Instructional Technology (DLIT) staff.
- **Delivering Remote Instruction** – Provides instructors with resources and strategies for converting traditional face-to-face courses to remote delivery.

# Strong Academic Support

- First year seminar taught synchronously each week
- Supplemental Instruction via Zoom for STEM classes, accounting, and economics (21 sections)
- Academic Early Alert notifications by faculty
- Mid-term grades required for all 1000-2000 level classes
- Robust peer tutoring both during business hours and through *Smartthinking* tutoring available 24/7
- Required faculty synchronous office hours each week
- Strong academic advising offered synchronously and asynchronously

**We believe these efforts will lead to a successful fall semester for our students.**

# Board Briefing

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**Committee:** Student Success,  
Academic & Clinical Affairs

**Date Filed:** July 3, 2020

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**Title:** Approval to Add the UNT Master of Science Degree Program with a Major in Information Systems

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## Background:

The University of North Texas is requesting to add a Master of Science degree program with a major in Information Systems, effective August 1, 2021. This degree program will be housed in the Department of Information, Technology and Decision Sciences (ITDS) within the G. Brint Ryan College of Business (RCOB).

The proposed Master of Science degree program with a major in Information Systems (MSIS) is a unique STEM based program that integrates business applications into its teachings. This program will produce information system specialists and experts who support industry and organizations in the areas such as computer and information systems, database administration, business process mapping, computer networking, application delivery, and information systems consulting. Whereas other programs in related fields focus on analytics and statistics, the MSIS has a strong information systems and technical applications focus.

There is a strong demand for qualified job candidates in this field. The US Department of Labor's Bureau of Labor Statistics website predicts information systems occupations to be some of the fastest growing occupations between 2018 and 2028. They further predict that information systems occupations will grow at a rate of 12% between 2018 and 2028.

The MSIS relies on existing RCOB courses that use experiential and interactive learning to teach core business values in addition to strong technical knowledge and its application in organizations. No additional faculty are required to begin this program as the courses are already in regular rotation. No additional funds are needed to offer the MSIS.

The Master of Science degree program with a major in Information Systems (CIP Code 11.0103) requires 30 SCH.

---

## Financial Analysis/History:

As the ITDS department will use existing courses and resources, there are no additional costs associated with this degree program.

**Bob Brown** Digitally signed by Bob Brown  
Date: 2020.07.27 11:57:56  
-05'00'

Institution Chief Financial Officer

**Dan Tenney** Digitally signed by Dan  
Tenney  
Date: 2020.07.29 15:51:16  
-05'00'

Vice Chancellor for Finance

**Legal Review:**

This item has been reviewed by General Counsel.

**Alan Stucky** Digitally signed by Alan Stucky  
Date: 2020.07.29 18:35:23  
-05'00'

Vice Chancellor/General Counsel

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**Schedule:**

August 1, 2021

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**Recommendation:**

The Provost recommends that the Board of Regents approve adding the Master of Science degree program with a major in Information Systems to the UNT degree program inventory.

**Recommended By:**

Jennifer Cowley

Provost and Vice President for  
Academic Affairs

**Neal  
Smatresk** Digitally signed by  
Neal Smatresk  
Date: 2020.07.24  
17:48:57 -05'00'

President

**Rosemary R  
Haggett, Ph.D.** Digitally signed by Rosemary R  
Haggett, Ph.D.  
Date: 2020.07.28 14:28:46  
-05'00'

Vice Chancellor

**Lesa B. Roe** Digitally signed by Lesa B. Roe  
Date: 2020.07.28 09:24:24  
-05'00'

Chancellor

Attachments Filed Electronically:

- THECB Certification Form for New Degree Programs



## Board Order

---

**Title:** Approval to Add the UNT Master of Science Degree Program with a Major in Information Systems

---

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 13-14, 2020, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

---

Whereas, the University of North Texas desires to add Master of Science degree program with a major in Information Systems, and

Whereas, there is a strong job market for Information System graduates in Texas and the United States, and

Whereas, costs and funding needed for the Master of Science degree program with a major in Information Systems meets the Standards for Bachelor's and Master's Degree Programs established by the Coordinating Board Rules, Section 5.45, Criteria for New Baccalaureate and Master's Degree Programs,

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

1. The addition of the UNT Master of Science Degree Program with a major in Information Systems
- 

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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Laura Wright, Chair  
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 Science in Information Systems

3. Proposed CIP Code:

11.0103

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.

30

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).

Instructed on the main campus in Denton, 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 Science within the Ryan College of Business

7. Proposed Implementation Date:

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

08/01/2021

8. Institutional and Department Contacts:

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

1. Name: Elizabeth Vogt

Title: Assistant Vice Provost

E-mail: Elizabeth.Vogt@unt.edu

Phone: 940-369-5288

2. Name: Mary Jones

Title: Professor, ITDS

E-mail: Mary.Jones@unt.edu

Phone: 940-565-3167



## 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



**Title:** Approval to Add the UNT Doctor of Philosophy Degree Program with a Major in Biomedical Engineering

---

**Background:**

The University of North Texas is requesting to add a Doctor of Philosophy Degree Program with a Major in Biomedical Engineering, effective August 1, 2021. This degree program will be housed in the Department of Biomedical Engineering in the College of Engineering (COENG).

The educational objectives of the proposed PhD in Biomedical Engineering are twofold: 1) to prepare graduates to conduct and continue research in new unexplored fields that can revolutionize the healthcare-technology sector; and 2) to educate students in business knowledge, innovation, and technology transfer to enable them to create new and disruptive healthcare startups that will improve the quality of life for the people of Texas, the U.S. and the world. The proposed PhD in Biomedical Engineering includes two tracks. The first is a traditional track that prepares professionals for university research, teaching, and service. The second is an entrepreneurial track that prepares professionals who endeavor to create their own healthcare startup business.

The proposed PhD program will complement other existing programs in DFW and Texas. In addition to the unique program component of technology transfer and entrepreneurship, the proposed program will focus on the following research areas in biomedical engineering: nanotechnology, biomaterials, biosensors and neuroengineering. Biomedical Engineering faculty have already demonstrated an excellent body of scholarly work in these areas, including competitive funding, and they are well aligned with the needs of industry and federal agencies, as well as government research institutions.

There is an established need for this program in Texas. The U.S. Bureau of Labor Statistics predicts a 4% growth for this field. Texas ranks lowest among the top ten states producing Biomedical Engineering professionals. The PhD program is also strongly needed in Texas to improve the State's ability to attract innovative and competitive research funding. Texas, compared to other states such as California, is behind in federal research funding. The proposed PhD program in Biomedical Engineering will contribute strongly to UNT's strategic plan by attracting competitive funding in the areas of biomaterials, biotechnology, nanotechnology and biosensors, among other areas of biomedical engineering.

In addition to projections, there is strong industry support for this program. Representatives from Texas Oncology, DUALAMS, and Assistive Technology Resources have provided letters and promised support of this new program.

The proposed PhD program will also support efforts to increase the number of women and minorities in STEM fields. The student population for the Biomedical Engineering department consists of 31% Hispanic and 14% Black students. In fall 2019, 47% of undergraduate students and 29% of graduate students were women.

The proposed PhD in Biomedical Engineering requires a minimum of 41 SCH.

---

## Financial Analysis/History:

The costs and funding of the PhD degree program with a major in Biomedical Engineering meet Coordinating Board Rules 5.46. The total expenses over the first five years is estimated to be \$1,840,000. The expenses include funding for one new hire for each of the first three years and funding for graduate assistantships. The university will reallocate funds for the expenses. UNT's anticipated revenue for the first five years is \$3,094,980, thus exceeding the expense.

**Bob Brown** Digitally signed by Bob Brown  
Date: 2020.07.27 11:58:52  
-05'00'

Institution Chief Financial Officer

**Dan  
Tenney** Digitally signed by  
Dan Tenney  
Date: 2020.07.29  
15:52:09 -05'00'

Vice Chancellor for Finance

---

## Legal Review:

This item has been reviewed by General Counsel.

**Alan Stucky** Digitally signed by Alan Stucky  
Date: 2020.07.29 18:36:44 -05'00'

Vice Chancellor/General Counsel

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## Schedule:

August 1, 2021

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## Recommendation:

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

## Recommended By:

Jennifer Cowley

Provost and Vice President for  
Academic Affairs

**Neal  
Smatresk** Digitally signed by Neal  
Smatresk  
Date: 2020.07.24  
17:49:54 -05'00'

President

**Rosemary R  
Haggett, Ph.D.** Digitally signed by Rosemary R  
Haggett, Ph.D.  
Date: 2020.07.28 14:32:47 -05'00'

Vice Chancellor

Attachments Filed Electronically:

- THECB Certification Form for New Degree Programs



## Board Order

---

**Title:** Approval to Add the UNT Doctor of Philosophy Degree Program with a Major in Biomedical Engineering

---

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 13-14, 2020, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

---

Whereas, the University of North Texas desires to add a Doctor of Philosophy degree program with a major in Biomedical Engineering, and

Whereas, there is strong student interest and growing employment and entrepreneurial opportunities, and

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

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

1. The addition of the UNT Doctor of Philosophy Degree Program with a Major in Biomedical Engineering
- 

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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Laura Wright, Chair  
Board of Regents

## H. 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



**MINUTES  
BOARD OF REGENTS  
Strategic Infrastructure Committee  
May 14, 2020**

The Strategic Infrastructure Committee of the Board of Regents of the University of North Texas System convened on Thursday, May 14, 2020, by videoconference, with the following members in attendance: Regents A.K. Mago, Mary Denny, Brint Ryan, and John Scott. The meeting was conducted by videoconference with no in-person attendance due to the request by the Office of the Attorney General to allow for the advance of the public health goal of limiting face-to-face meetings (also called social distancing) to slow the spread of Coronavirus (COVID-19). The videoconference meeting was livestreamed for public viewing.

There being a quorum present, the meeting was called to order by Committee Chair Mago at 2:28 p.m.

Committee Chair Mago noted that the Committee had two action items for consideration.

**23. UNTS Approval of the Strategic Infrastructure Committee Charter**

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

The next item was presented by Vice Chancellor for Strategic Infrastructure, Steve Maruszewski.

**24. UNTS Authorization to Amend the UNTS FY20 Capital Improvement Plan to Add the Camp Wisdom Access Road and Parking Lot at UNT Dallas and Make Minor Cost Adjustments to Two Projects at UNT Denton**

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

There being no further business, the Committee meeting adjourned at 2:32 p.m.

Submitted By:

Rosemary R. Haggelt

Strategic Infrastructure Committee  
University of North Texas System  
Board of Regents Meeting  
May 14, 2020



Rosemary R. Haggett  
Board Secretary

Date: May 29, 2020

Strategic Infrastructure Committee  
University of North Texas System  
Board of Regents Meeting  
May 14, 2020



# Master Plans Update

Steve Maruszewski, Vice Chancellor for Strategic Infrastructure

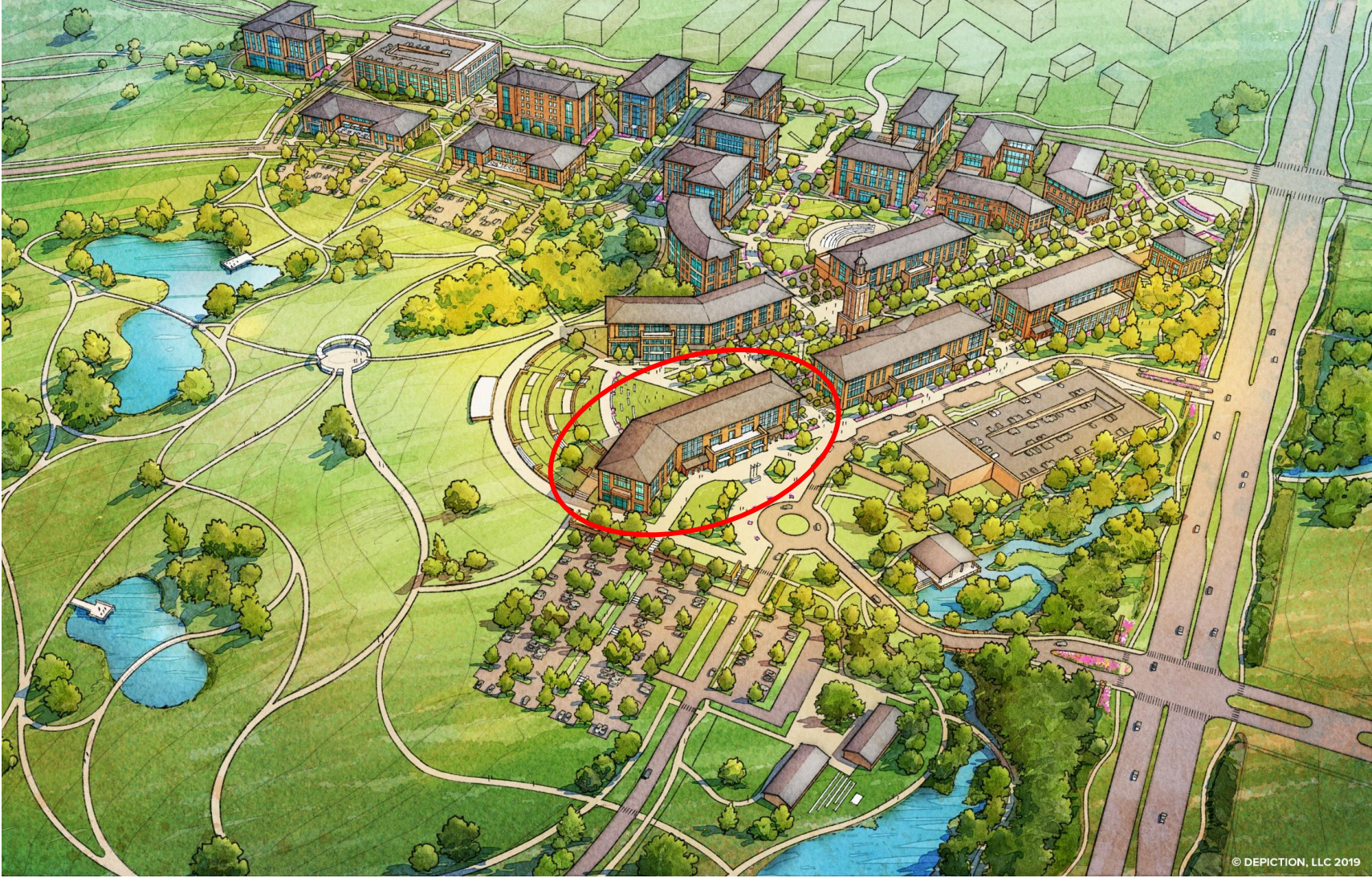
August 13, 2020



# Master Plans

- UNT Health Science Center
- UNT
- UNT at Frisco
- UNT Dallas

# UNT at Frisco Master Plan



# UNT at Frisco Building 1



# UNT at Frisco Building 1



# UNT Dallas Campus Master Plan Draft

UNT | DALLAS

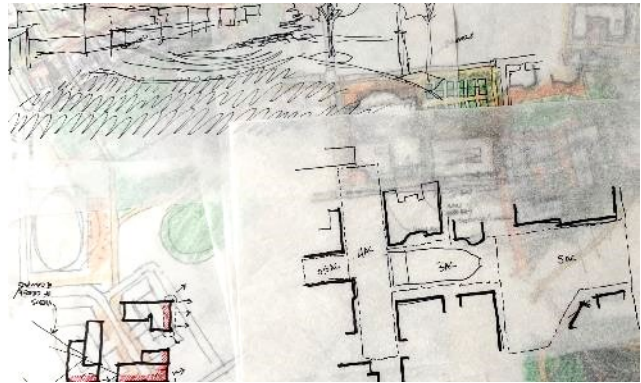
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# Process

## Phase 1 Discovery

## Phase 2 Exploration

## Phase 3 Synthesis



### Comparison Program Location

| Concept A Runyon Creek Revival                        | Concept B City Campus  | Concept C Community Promenade   |
|---|--|---|
|   |  |   |
| Engages the natural areas and creek with campus life  | Concentrates compact development on the west campus                                | Concentrates development along two perpendicular spines                 |
| Concentrates academic uses in the core campus         | Creates a presence along University Hills Boulevard                                | Creates a presence along Camp Wisdom Road                               |
| Envisions mixed-use development near the DART Station | Builds towards the DART Station, merging academic programs with industry functions | Promotes community health and wellness activities near the DART Station |



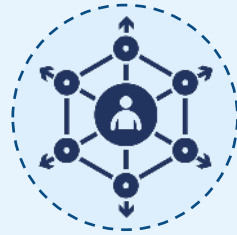
# Guiding Principles Campus Design

**INSPIRED BY UNTD'S STRATEGIC PLAN, SITE VISITS,  
STAKEHOLDER MEETINGS, AND STUDENT ENGAGEMENT**



**PRINCIPLE**  
**Promote educational access,  
student success, and career readiness**

1. Serve students from all backgrounds
2. Create places for all types of learning
3. Enhance community health and wellbeing for life-long learning



**PRINCIPLE**  
**Expand connections to surrounding  
communities**

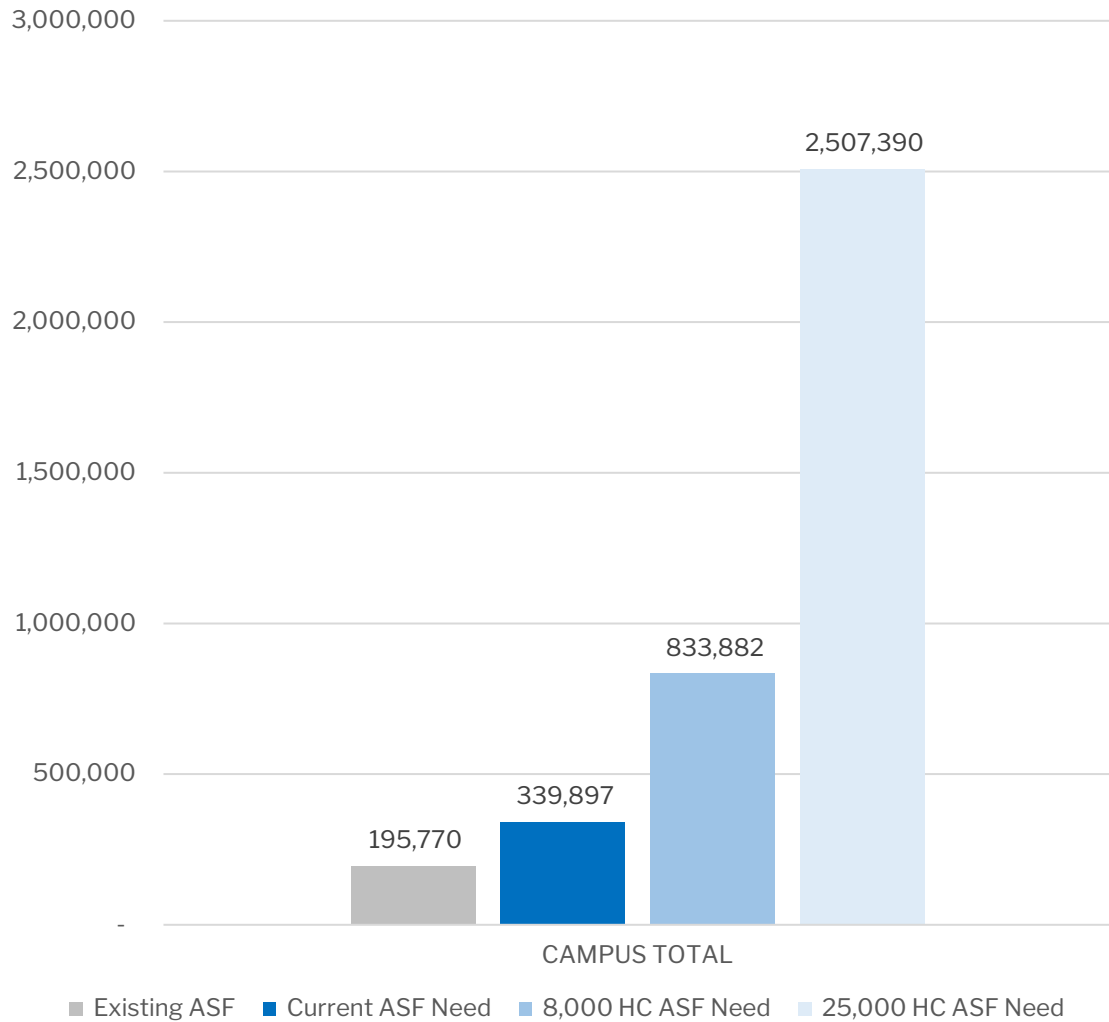
1. Be a resource to the community and provide an inviting atmosphere
2. Create a destination for knowledge sharing
3. Accommodate industry and community partners on campus



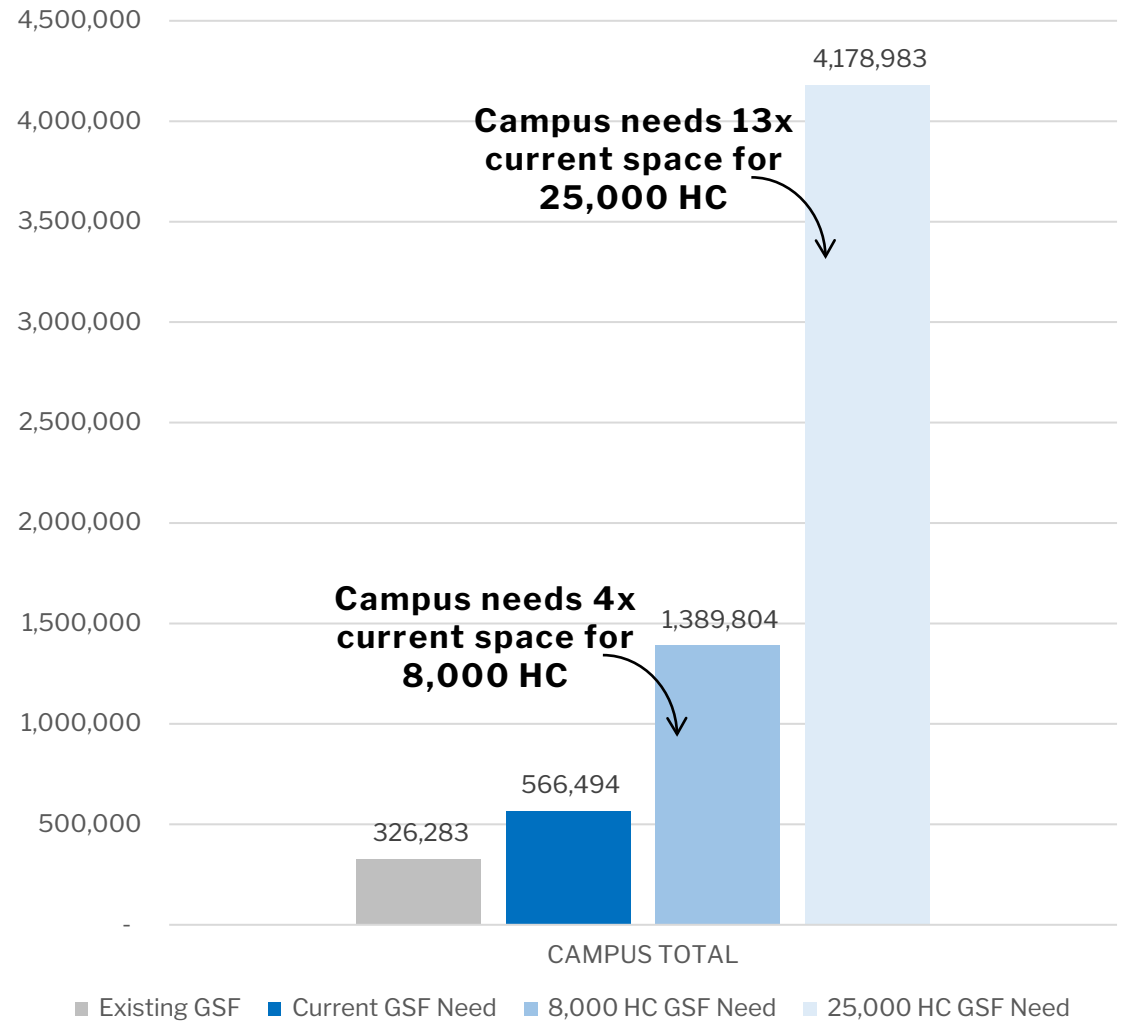
**PRINCIPLE**  
**Enhance everyday campus life**

1. Create social and recreational spaces while respecting the natural environment
2. Model safe, sustainable, and efficient campus development
3. Maximize mobility to, from, and within the campus

# Total Space Needs – Main Campus

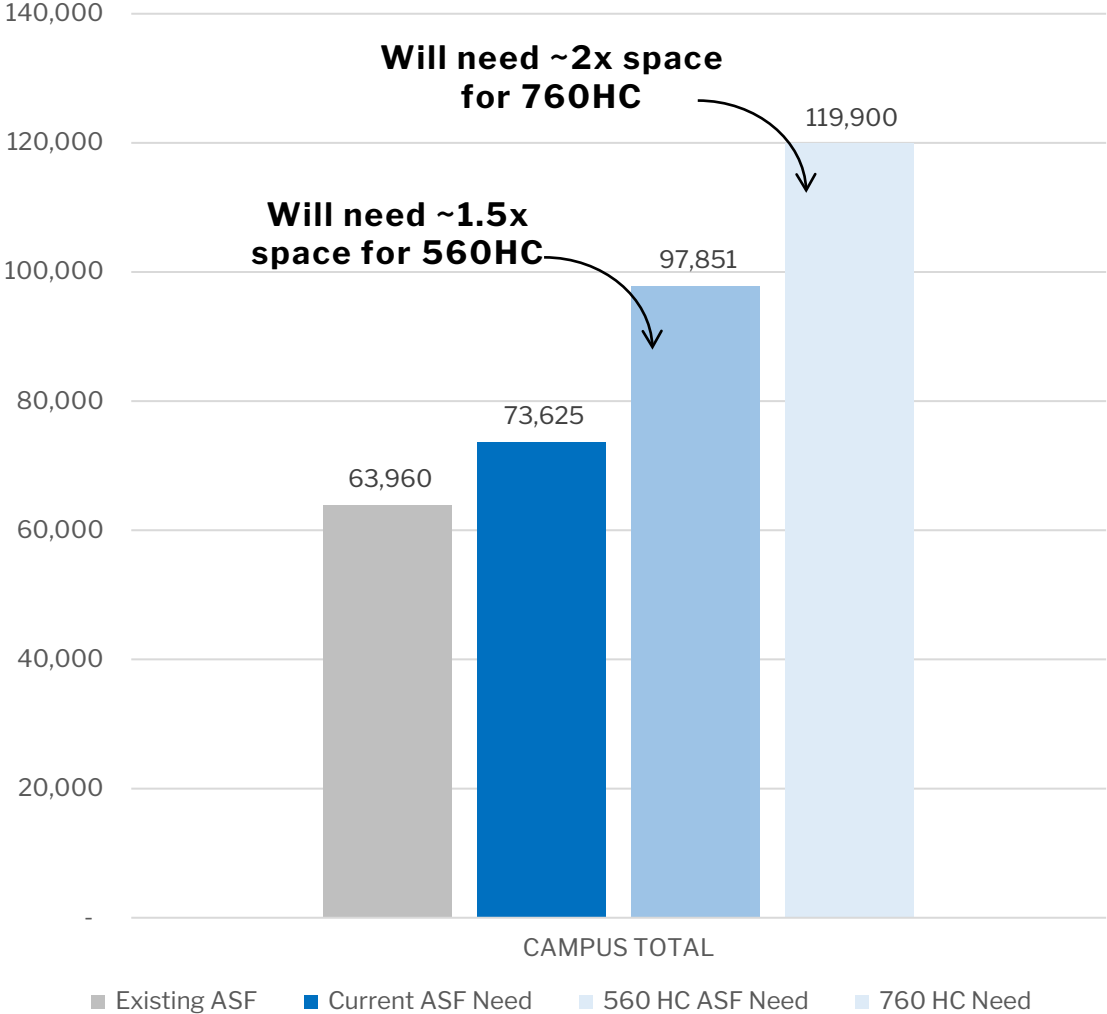


**Assignable Square Feet (ASF)**

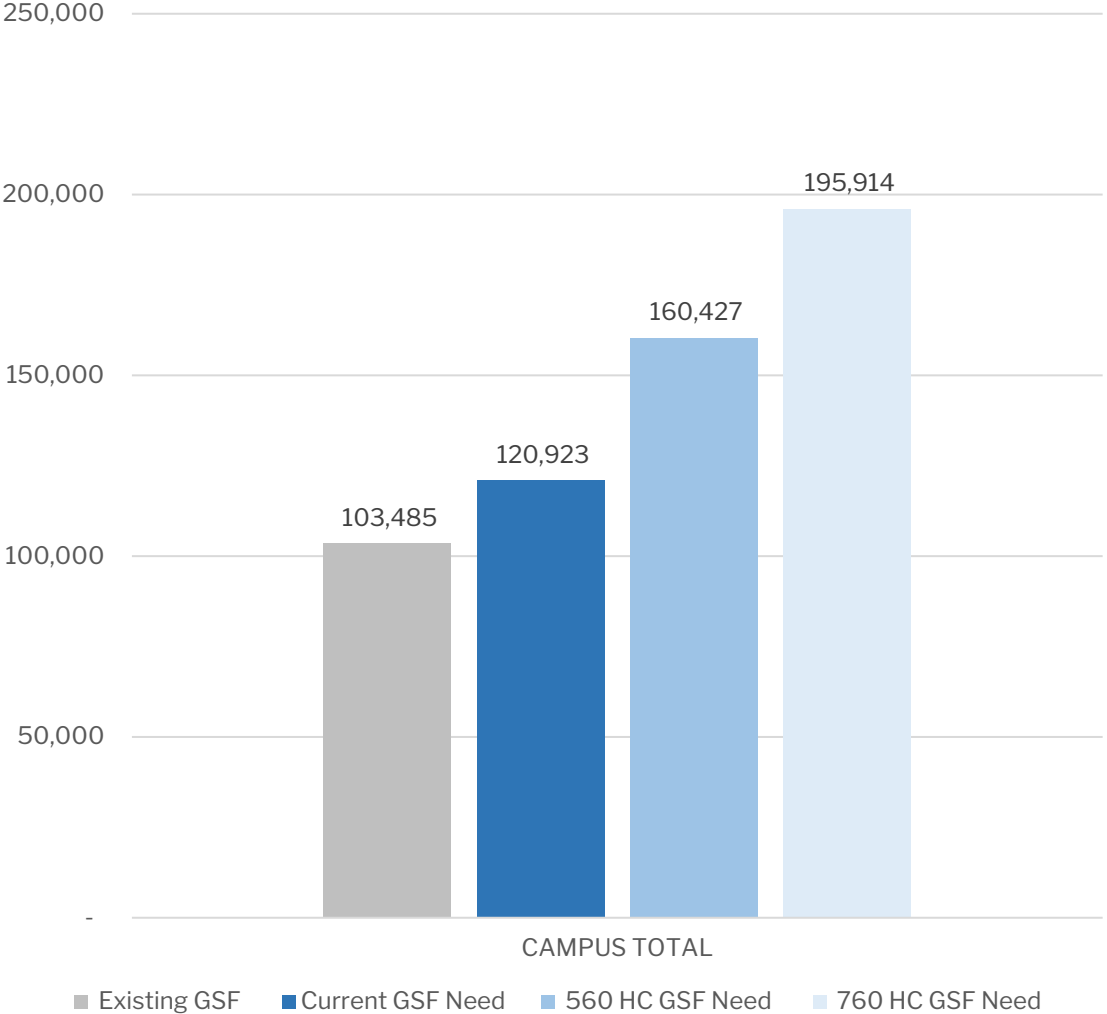


**Gross Square Feet (GSF)**

# Total Space Needs – UNT Dallas Law Center

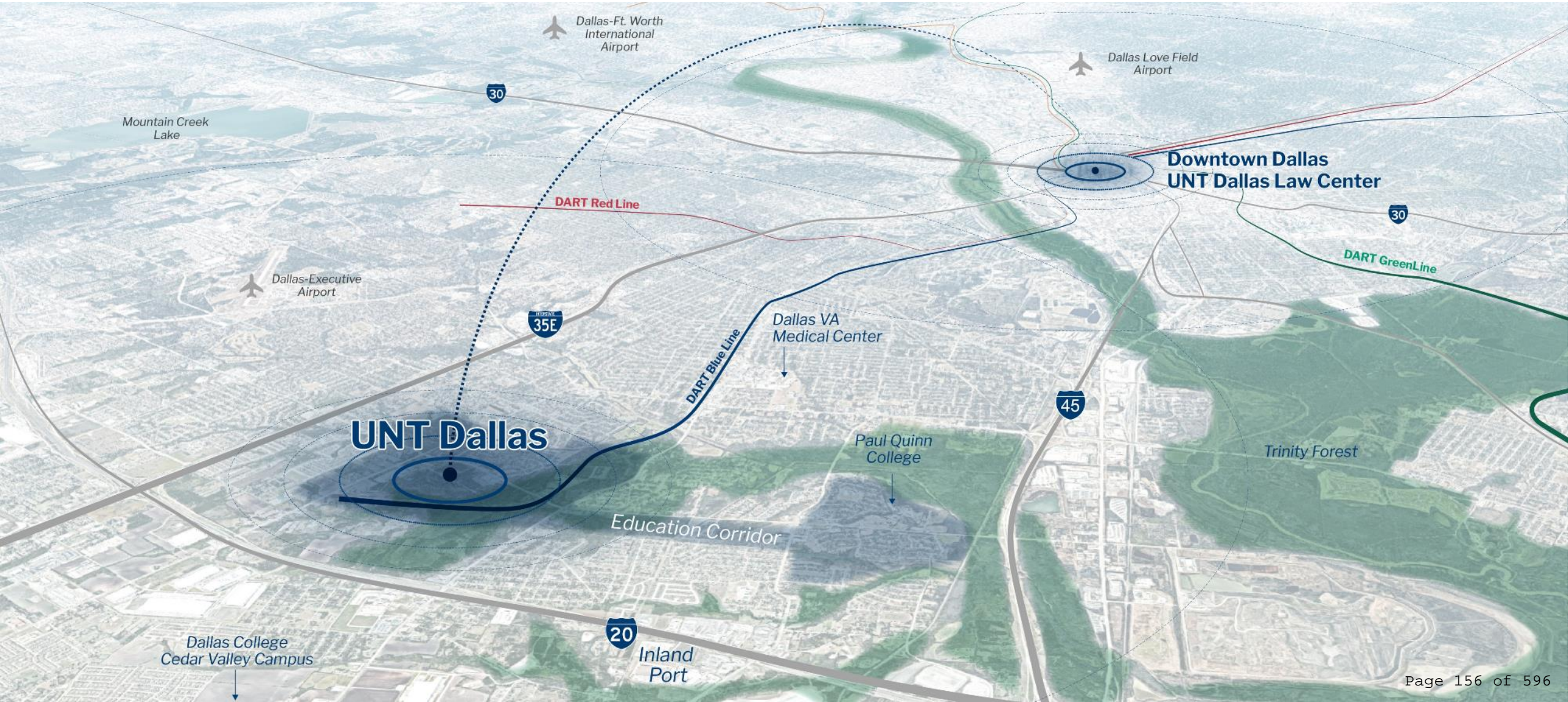


**Assignable Square Feet (ASF)**

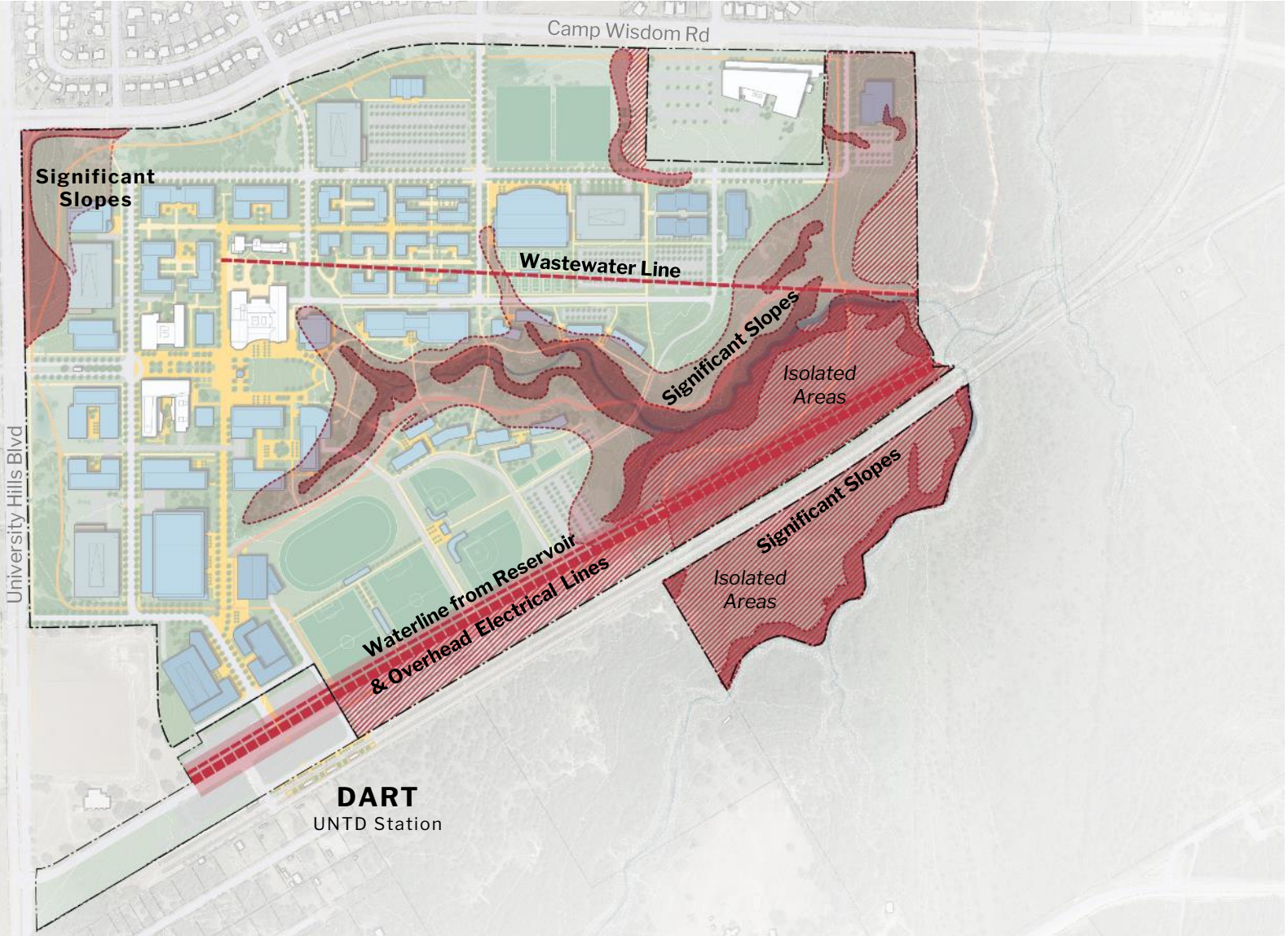


**Gross Square Feet (GSF)**

# Community Context



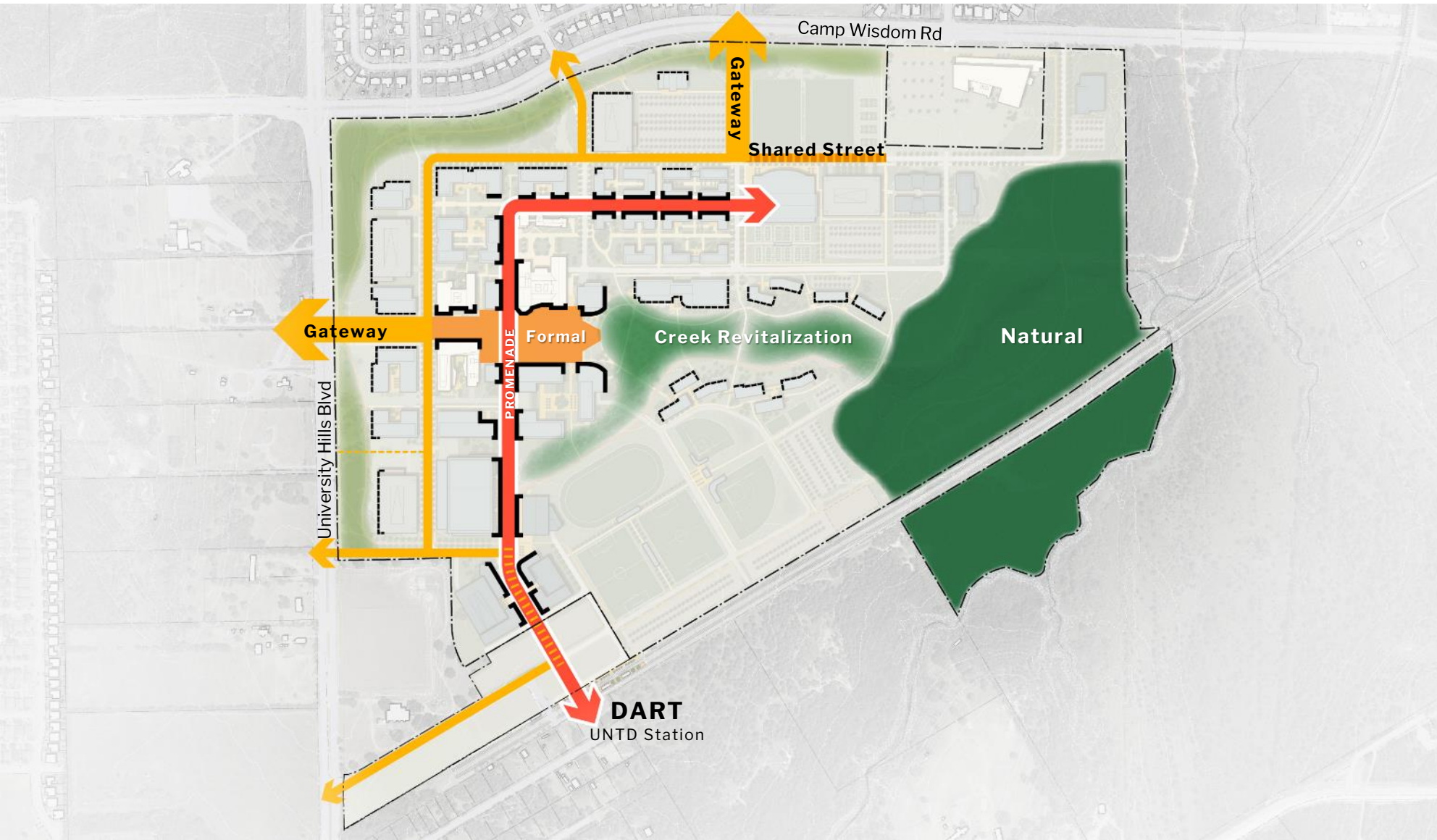
# Buildable Areas Comparison



- The Plan locates campus development outside of constrained land.
- The compact development pattern makes efficient use of limited land resources.
- The creek corridor is used as an asset.

- ◻ Isolated Areas
- ▬ Infrastructure & Setback
- ▬ Runyon Creek Branch
- Moderate Slopes
- Steep Slopes

# Campus Framework



- The campus is organized from east to west as a progression of landscape 'character zones'.
- Campus development is concentrated to the west.
- The plan reinforces a pedestrian promenade that connects the campus districts.
- Primary vehicular gateways are to the west and north.
- Cars are generally kept to the perimeter and separated from pedestrians.

- Service
- Pathways
- Building Frontage
- Major Vehicular Circulation
- Shared Street
- Promenade
- Formal Landscape
- Campus Foreground
- Creek Revitalization
- Natural Areas

# Land Use Organization Districts



- The Campus Core and Housing bound the restored Campus Creek Area.
- Partnership areas near DART and the Gilliam Collegiate Academy allow flexibility in program and function.
- A community-oriented Wellness Village is located along Camp Wisdom Rd.
- Athletics facilities are concentrated to the south close to the DART station.
- The primary entrance along University Hills Blvd is maintained through gradual academic expansion.

# Draft Plan 25,000 Headcount



- 1. Multi-Purpose Bldg.**
- 2. Founders Hall**
- 3. Student Center**
- 4. Wisdom Hall**
- 5. STEM Bldg.**  
*130,000 GSF*
- 6. Business/Technology Bldg.**  
*140,000 GSF*
- 7. General Academic/Admin Bldg.**  
*120,000 GSF*
- 8. Learning Commons**  
*50,000 GSF P1/100,000 GSF P2*
- 9. Dining Hall**  
*25,000 GSF*
- 10. Housing (Res Halls/Suites)**  
*1,240 Beds*
- 11. Housing (Apartments)**  
*1,860 Beds*
- 12. Early-Learning Center**  
*10,000 GSF*
- 13. Events Center**  
*3,000 Seats*
- 14. Parking Structure (Typ.)**  
*800 Spaces*
- 15. Academic/Admin Expansion**
- 16. Recreation Center**
- 17. Partnership District**
- 18. Police Academy**
- 19. Athletics Hall/Training Center**
- 20. Alumni Center/Student Life**
- 21. Campus Loop Trail**
- 22. Athletics Village**
- 23. Runyon Creek Trail**
- 24. Long-Term Service/Support**

|                         |                       |
|-------------------------|-----------------------|
| Academic/Admin          | 2,925,000 GSF         |
| Housing<br>(3,100 BEDS) | 1,157,000 GSF         |
| Service/Other           | 97,000 GSF            |
| <b>Total Program*</b>   | <b>4,179,000 GSF*</b> |
| Parking (Surface)       | 2,600 SPACES          |
| Parking (Structure)     | 3,200 SPACES          |
| <b>Total Parking</b>    | <b>5,800 SPACES</b>   |

**DART**  
UNTND Station



# Building Uses

- Academic, administrative, and general classrooms concentrated within academic core
- Housing concentrated in central area of campus
- Events center and athletics district located near DART
- Recreation facilities located near residential villages

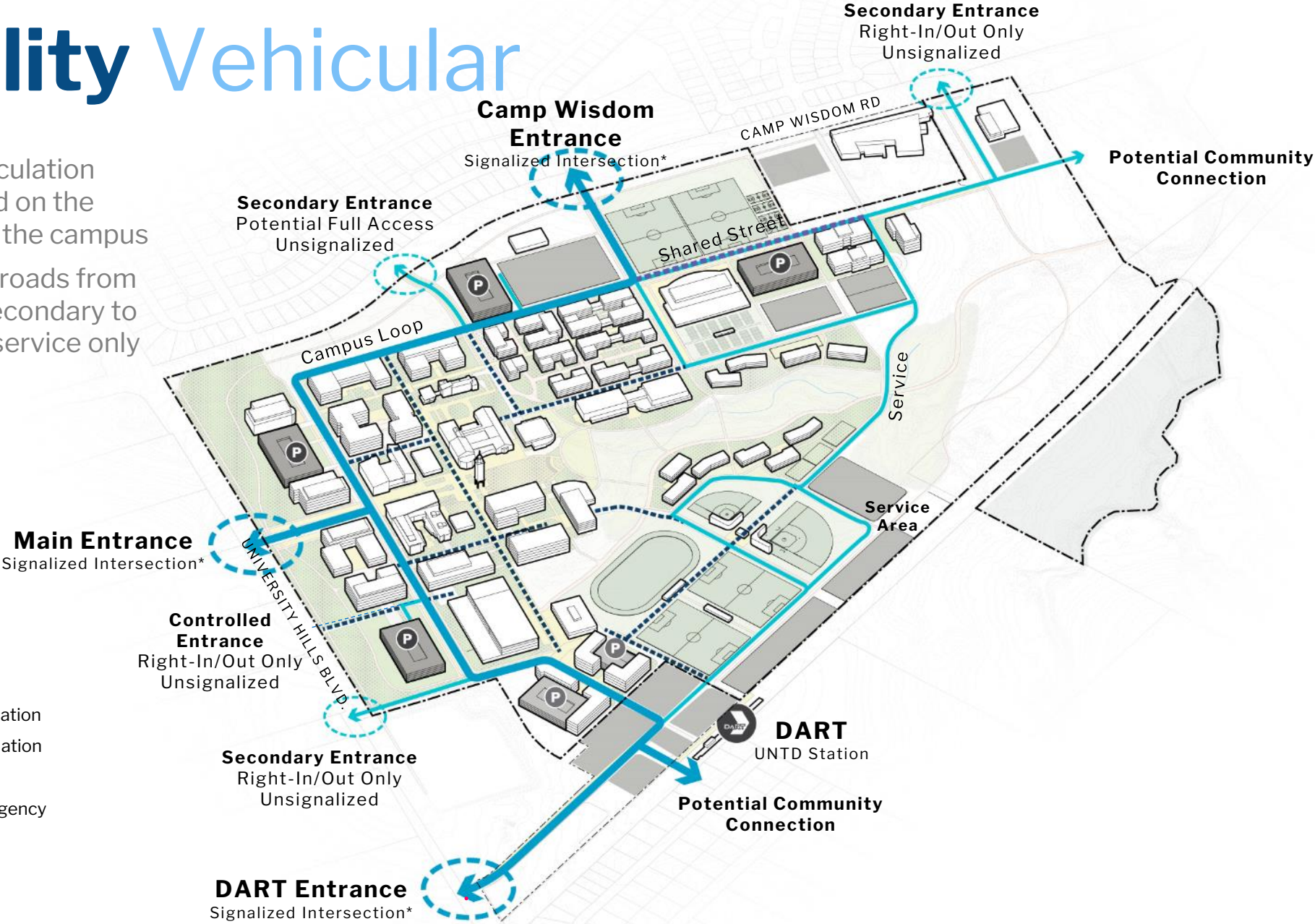


- Partnership District
- Parking Structure
- Athletics/Recreation
- Academic/Admin
- Campus Life
- Housing-Res Halls/Suites
- Housing-Apartments



# Mobility Vehicular

- Vehicular circulation concentrated on the perimeter of the campus
- Hierarchy of roads from primary to secondary to emergency/service only



- Major Vehicular Circulation
- Minor Vehicular Circulation
- - - Shared Street
- - - Limited Access/Emergency
- ⊙ Major Entrance
- ⊙ Minor Entrance
- Parking DART
- Parking Surface
- Parking Structure



\* Additional analysis recommended.

# Mobility Parking

- Distributed parking model mitigates congestion across campus
- Enhances pedestrian environment in academic core



| 8,000 HC     | 25,000 HC    |
|--------------|--------------|
| 2,100 spaces | 5,800 spaces |

- Major Vehicular Circulation
- Minor Vehicular Circulation
- - - Shared Street
- - - Limited Access/Emergency
- ⊙ Major Entrance
- ⊙ Minor Entrance
- ⊙ Parking DART
- ⊙ Parking Surface
- ⊙ Parking Structure

\* Not included in campus parking program.



# Mobility Pedestrian

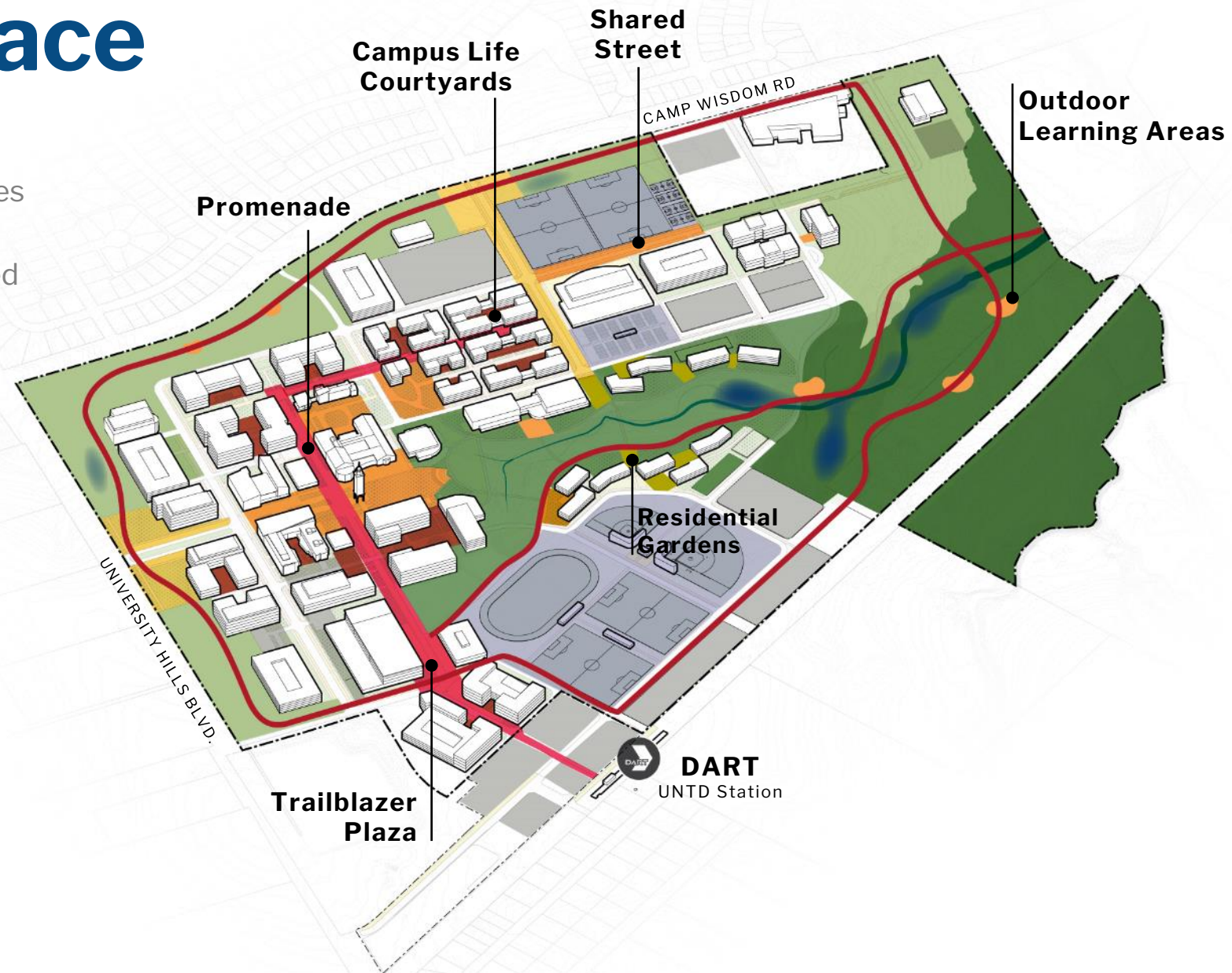
- Activates Runyon Creek Trail and natural area on campus
- Campus Trail encourages fitness activity
- Grid network supports access



- Regional Trail
- Promenade
- Major Pedestrian Circulation
- Minor Pedestrian Circulation
- Campus Trail

# Open Space

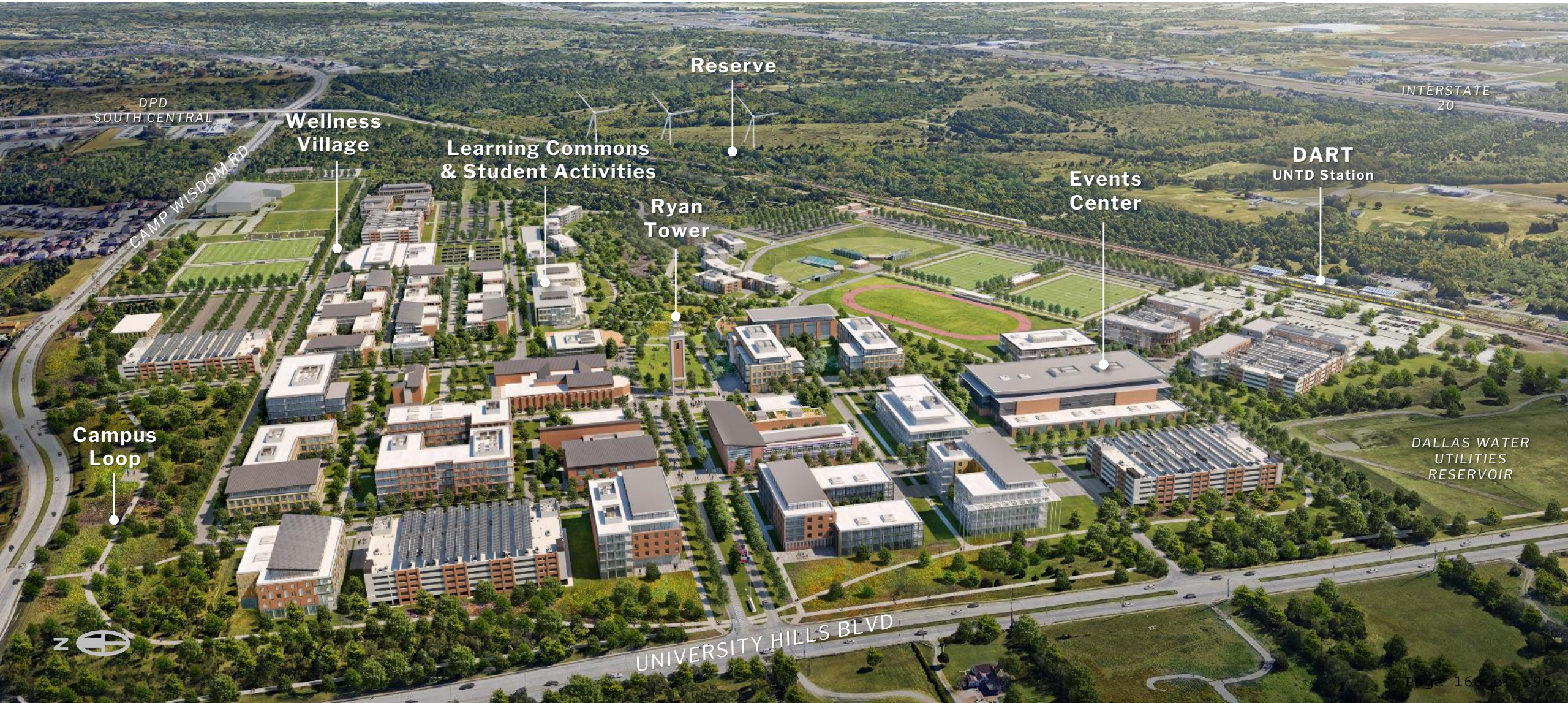
- Mosaic of open space typologies accommodates multiple functions
- 28% of campus dedicated to natural reserve area including Runyon Creek Branch



- Outdoor Learning Area
- Natural Area
- Campus Creek
- Campus Foreground
- Athletics & Recreation
- Gateway Landscape
- Pedestrian Mall
- Academic/Campus Life Courtyard
- Plaza
- Residential Garden
- Stormwater Detention
- Hardscape/Building



# Aerial View Facing East



DPD  
SOUTH CENTRAL

CAMP WISDOM RD

Wellness  
Village

Learning Commons  
& Student Activities

Reserve

Ryan  
Tower

Events  
Center

DART  
UNT D Station

INTERSTATE  
20

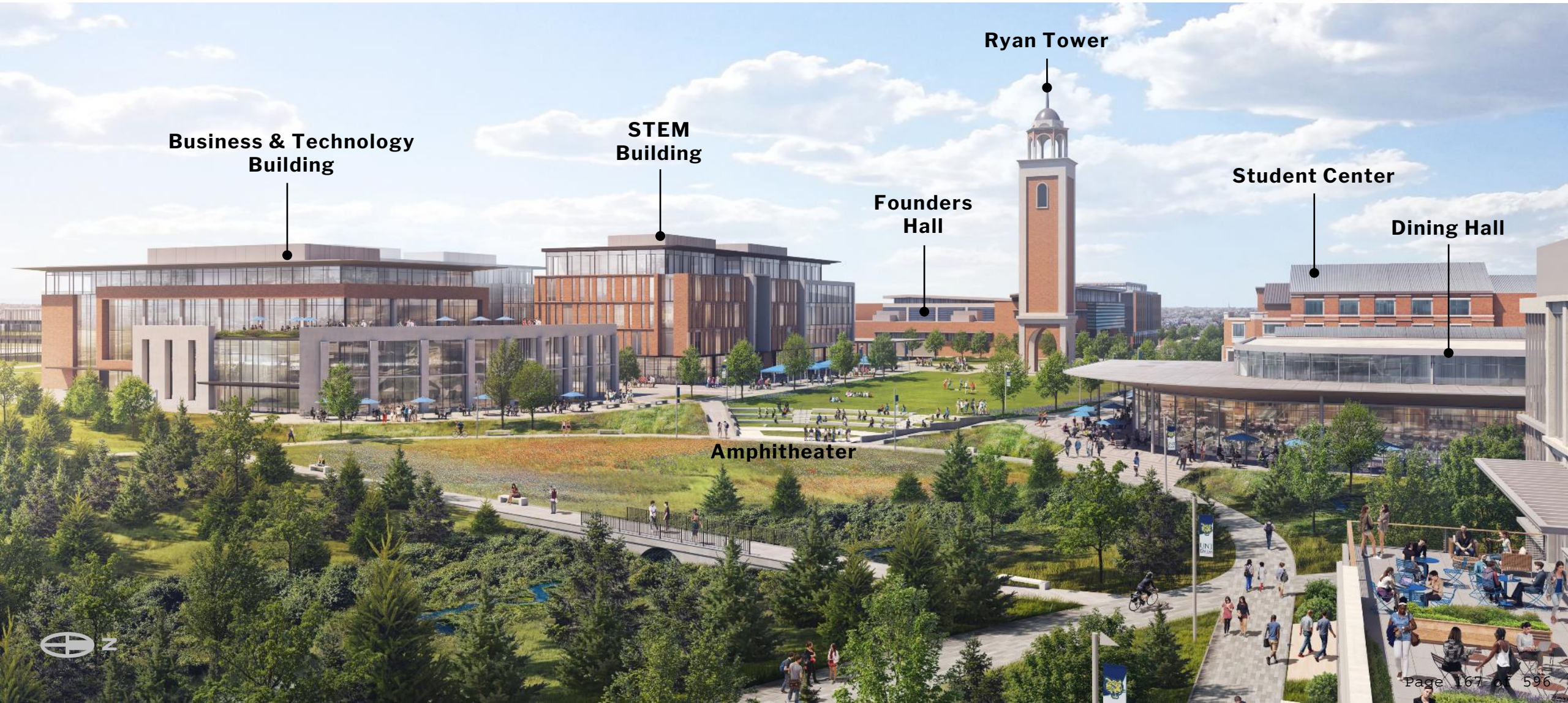
Campus  
Loop

DALLAS WATER  
UTILITIES  
RESERVOIR

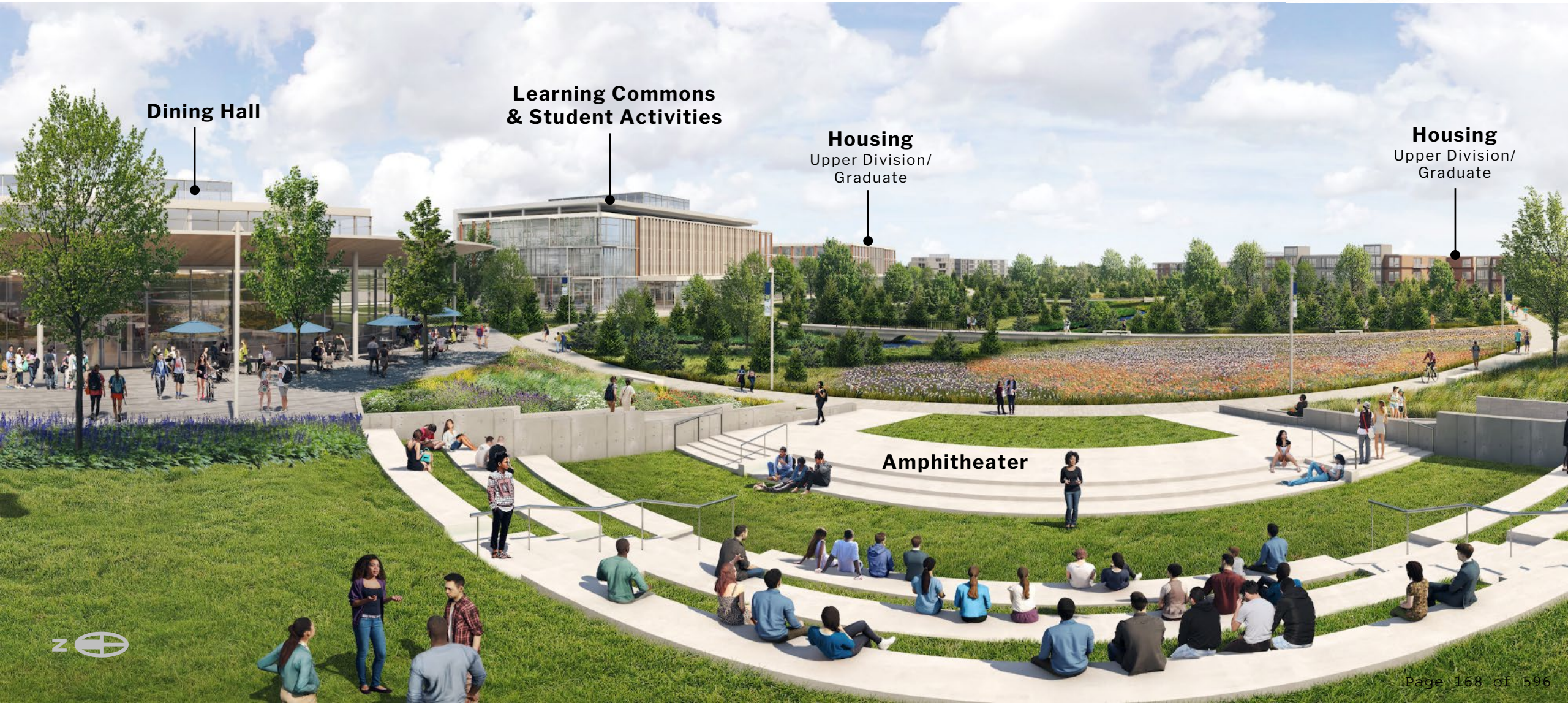


UNIVERSITY HILLS BLVD

# Campus Core Facing West



# Campus Creek Facing East



Dining Hall

Learning Commons  
& Student Activities

Housing  
Upper Division/  
Graduate

Housing  
Upper Division/  
Graduate

Amphitheater





# Promenade Facing North



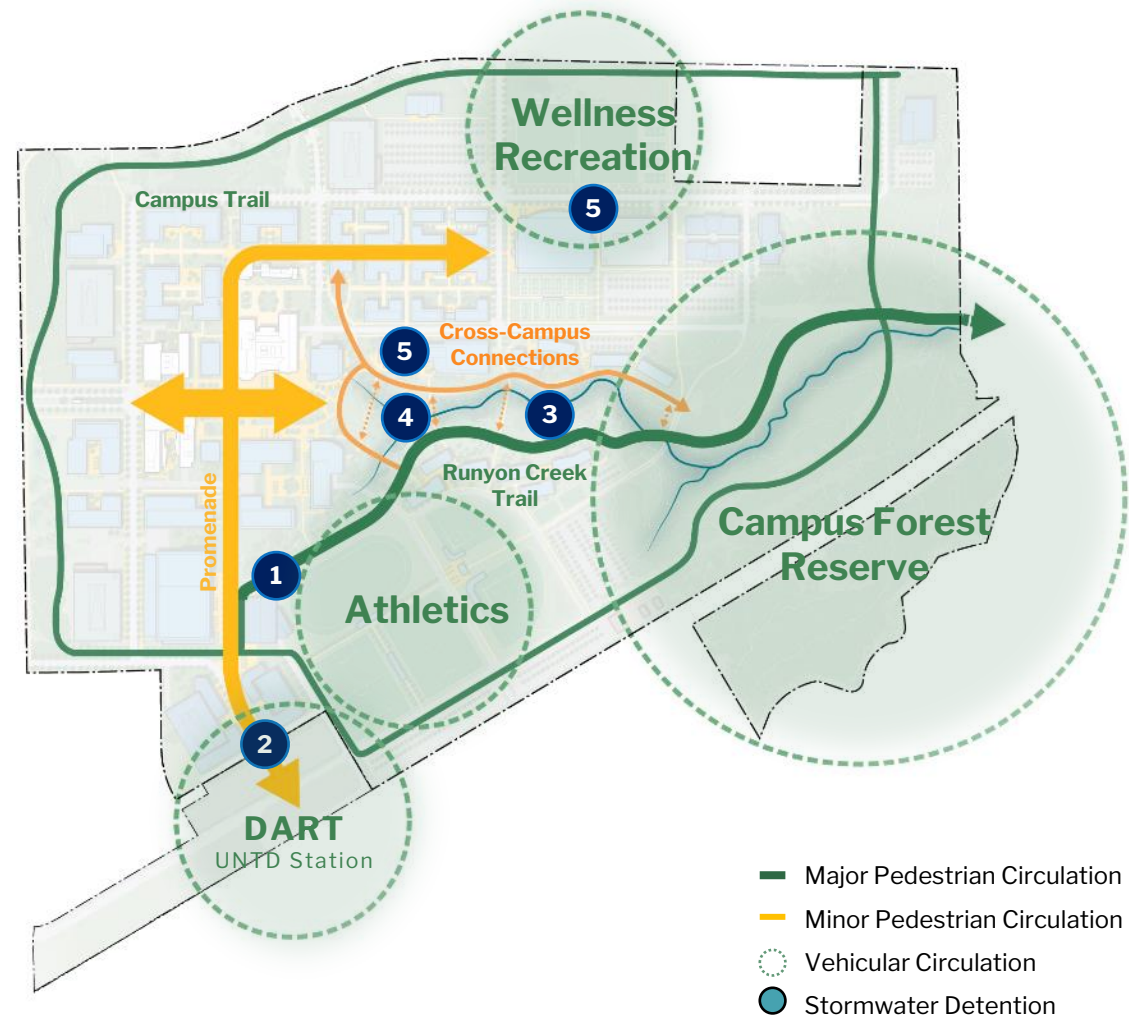
# Health & Wellness Body & Mind

## Active Lifestyle

1. Provide access to Campus Trail and Runyon Creek Regional Trail
2. Address gaps in pedestrian and multi-modal connectivity around the campus
3. Strengthen cross-campus connections to encourage multi-modal transportation
4. Establish visual connections to the creek and natural areas around campus
5. Amenities provide stress management, space for health-related education and wellness counseling, recreation fields/facilities, and community building opportunities

## Recommendations

- Establish ambassador/steward program to promote awareness of new health and wellness initiatives
- Establish microsite to promote health and wellness partnerships



# Health & Wellness Environment

## Sustainability & Stewardship

1. Revitalize Runyon Creek
2. Preserve and enhance the campus forest
3. Construct green infrastructure
4. Create a living laboratory for research
5. Provide learning landscape educational opportunities

## Recommendations

- Develop forest management plan that builds upon 2016 Campus Tree Canopy Report and preserves and enhances Type-1 tree canopy
- Promote the campus as the lungs of Southern Dallas
- Develop metrics to measure and offset urban heat island effects with new campus development



● Tree Canopy Type-1\*  
● Tree Canopy Type-2\*

# Existing Campus



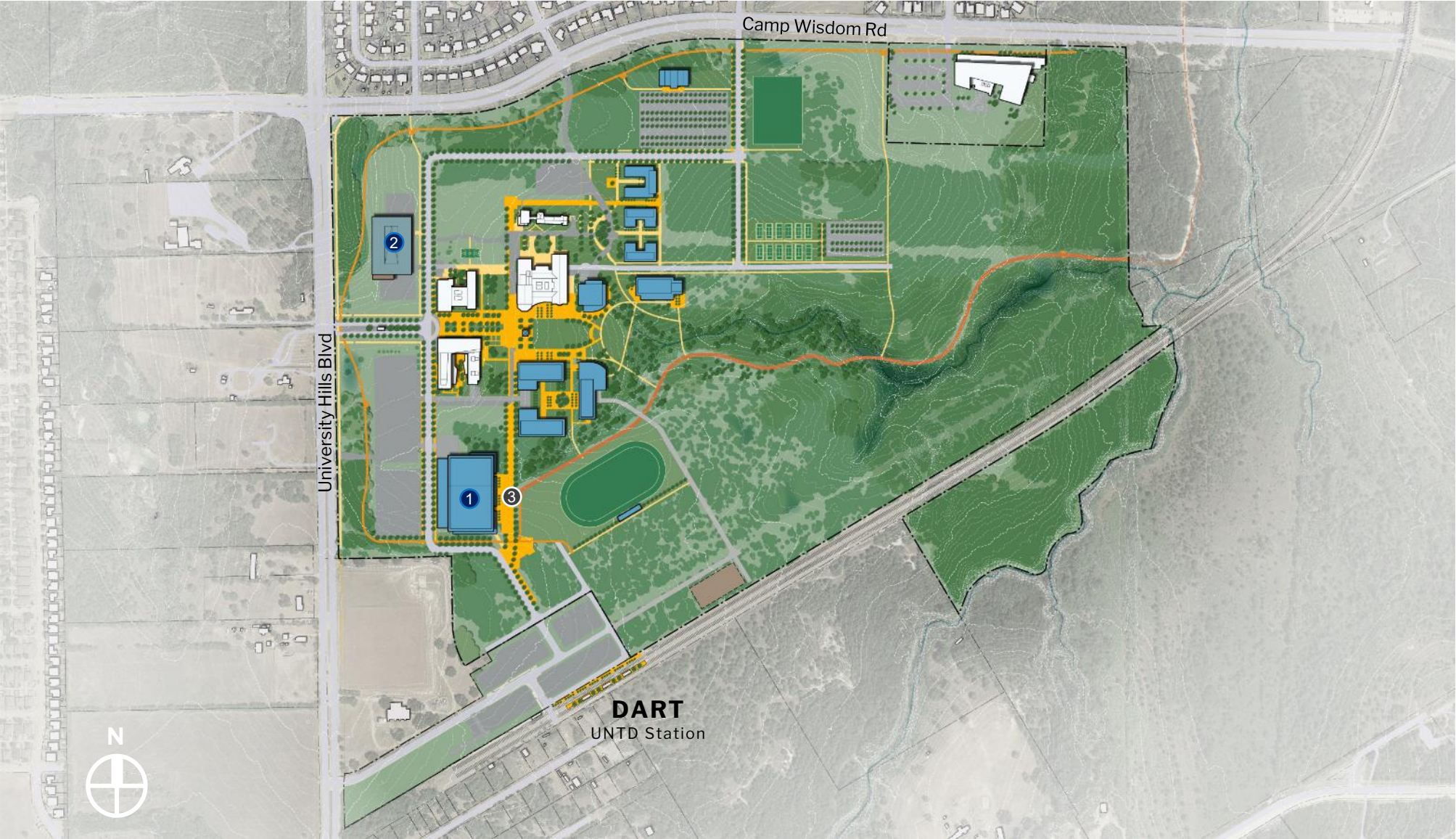
- 1. **General Academic Bldg.**
- 2. **Founders Hall**
- 3. **Student Center**
- 4. **Wisdom Hall**
- 5. **Kathlyn Joy Gilliam Collegiate Academy**
- 6. **Camp Wisdom Entrance**  
*Right-in/right-out*
- 7. **University Hills Entrance**  
*Right-in/right-out*
- 8. **Runyon Creek Trail**

# Phase 1A 8,000 Headcount Buildout



- 1. STEM Bldg.**  
130,000 GSF
- 2. Business/Technology Bldg.**  
140,000 GSF
- 3. General Academic/Admin Bldg.**  
120,000 GSF
- 4. Learning Commons Phase 1**  
50,000 GSF
- 5. Dining Hall**  
25,000 GSF
- 6. Housing (Res Halls/Suites)**  
1,000 Beds
- 7. Early-Learning Center**  
10,000 GSF
- 8. Athletics & Recreation**
- 9. Surface Parking**  
500 Spaces
- 10. Campus Loop/Road Alignment**
- 11. North Gateway**  
Camp Wisdom Entrance
- 12. Campus Promenade**
- 13. Stormwater Management**
- 14. Near-Term Support/Service**

# Phase 1B 8,000 Headcount Buildout

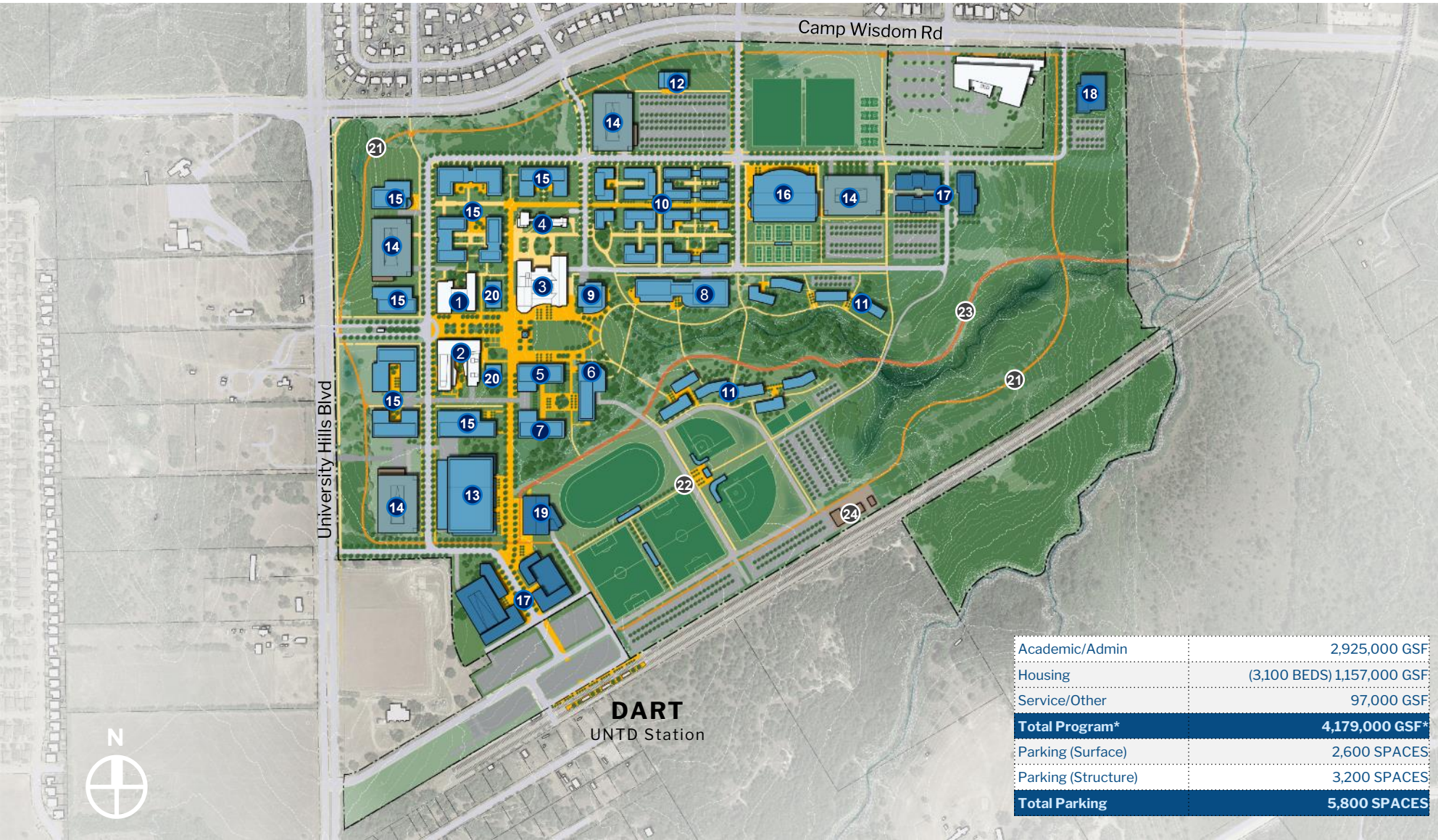


- 1. Events Center**  
3,000 Seats
- 2. Parking Structure**  
800 Spaces  
3,500 Ton Utility Plant
- 3. Trailblazer Plaza**

**Notes**

- Removes 400 surface parking spaces to accommodate Parking Structure
- Removes existing pedestrian path to-from DART Station

# Draft Plan 25,000 Headcount



1. Multi-Purpose Bldg.
2. Founders Hall
3. Student Center
4. Wisdom Hall
5. STEM Bldg.  
130,000 GSF
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# Q&A







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**Title:** Approval of the UNTS FY21 Capital Improvement Plan and Amending the FY20 Capital Improvement Plan

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**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 FY2021 Capital Improvement Plan (CIP) which is presented for the Board's action.

The CIP includes three newly proposed projects to commence in FY2021 totaling \$21.76M; Planned FY2021 expenditures for these projects total \$4.26M. The CIP includes a system-wide summary for these projects as well as separate summaries for each institution. In addition, for the FY2021 listed projects, the plan includes individual data sheets incorporating all pertinent data on project scope along with a project justification, project budget, preliminary schedule, and identified funding sources.

The CIP also includes \$331.02M of previously approved projects that are currently in the design and construction phases. Planned FY2021 expenditures for these projects total \$70.07M. This includes the following nine amendments to the projects in the prior year (FY2020) CIP that required new project approval:

- Project 2.33. Willis Library MEP is currently approved for \$10.85M. Amend to increase by \$.47M for a revised project budget of \$11.32M to accommodate additional electrical scope necessary to comply with current codes regarding the grounding of interior wiring and to automate main exterior doors
- Project 17-01-0010. New Classroom Building (\$25.10M) has been removed
- Project 17-01-0002. Coliseum MEP Renovation is currently approved for \$10.4M. Amend to decrease by \$6.9M for a revised project budget of \$3.5M to align the project budget with a reduced project scope. Life safety issues in the facility identified by the State Fire Marshall will be addressed; however, other MEP system upgrades will be postponed and completed as a future project
- Project 19-01-1901. Maple Hall Interior Renovation is currently approved for \$5.86M. Amend to decrease by \$2.18M for a revised project budget of \$3.68M to remove the dining hall renovation from the scope of the project
- Project 19-01-1902. Dining Food Stands is currently approved for \$2.3M. Amend to decrease by \$0.81M for a revised project budget of \$1.49M to align with the scope of the project that has been completed including the construction of the Starbucks food stand adjacent to the Administration Building and the design of the second food stand that may be constructed as a future project. As this project is complete, it has been removed from the CIP
- Project 19-01-1901. Music Building Recital Hall and MEIT Renovation is currently approved for \$3.81M. Amend to increase by \$.05M for a revised budget of \$3.86M to accommodate unforeseen conditions including remediation of lead paint and rerouting of piping
- Project 19-01-1908. Clark Hall MEP Renovation is currently approved for \$6.91M. Amend to decrease by \$2.91M for a revised budget of \$4.00M to align with a reduced scope for the project

- Project 20-01-1910. Crumley Hall Lobby and MEP Renovation is currently approved for \$3.39M. Amend to increase by \$0.78M for a revised project budget of \$4.17M to accommodate additional scope to replace cast iron piping in the facility and to account for future escalation as this project will be undertaken later than expected
- Project 19-03-1902. Facilities Management and General Services Buildings Renovation is currently approved for \$3.0M. Amend to increase by \$0.5M for a revised project budget of \$3.5M to accommodate an increased scope that includes the relocation of the police department into the facility.

In addition, the plan outlines \$242.6M in projects planned through FY2025.

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 if the project budget, but 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 Strategic Infrastructure.

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### Financial Analysis/History:

Funds for all the listed FY2021 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  
Date: 2020.07.27 11:59:44 -05'00'  
 \_\_\_\_\_  
 UNT Chief Financial Officer

**Gregory R. Anderson** Digitally signed by Gregory R. Anderson  
Date: 2020.07.24 16:20:44 -05'00'  
 \_\_\_\_\_  
 UNTHSC Chief Financial Officer

**James E. Main** Digitally signed by James E. Main  
Date: 2020.07.27 09:10:37 -05'00'  
 \_\_\_\_\_  
 UNTD Chief Financial Officer

**Dan Tenney** Digitally signed by Dan Tenney  
Date: 2020.07.29 16:02:01 -05'00'  
 \_\_\_\_\_  
 Vice Chancellor for Finance

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### Legal Review:

This item has been reviewed by General Counsel.

**Alan Stucky** Digitally signed by Alan Stucky  
Date: 2020.07.29 18:40:39 -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 2021. A schedule specific to each project is detailed in the attached plan document.

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**Recommendation:**

It is recommended that the Board of Regents authorize and approve the Board Order for the FY21 Capital Improvement Plan and amend the FY20 Capital Improvement Plan.

**Recommended By:**

Steve Maruszewski

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Vice Chancellor for Facilities Planning  
and Construction

**Lesa B. Roe** Digitally signed by Lesa B.  
Roe  
Date: 2020.07.28 09:31:18  
-05'00'

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Chancellor

**Attachments Filed Electronically:**

- UNTS FY21 Capital Improvement Plan



## Board Order

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**Title:** Approval of the UNTS FY21 Capital Improvement Plan and Amending the FY20 Capital Improvement 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 13-14, 2020, pursuant to a motion made by Regent and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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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 Improvements Plans consistent with the master plans and their strategic plans, and

Whereas, the prior year (FY2020) Capital Improvement Plan has been updated to reflect adjusted project scope and budgets below:

- Project 2.33. Willis Library MEP is currently approved for \$10.85M. Amend to increase by \$.47M for a revised project budget of \$11.32M to accommodate additional electrical scope necessary to comply with current codes regarding the grounding of interior wiring and to automate main exterior doors.
- Project 17-01-0010. New Classroom Building (\$25.10M) has been removed.
- Project 17-01-0002. Coliseum MEP Renovation is currently approved for \$10.4M. Amend to decrease by \$6.9M for a revised project budget of \$3.5M to align the project budget with a reduced project scope. Life safety issues in the facility identified by the State Fire Marshall will be addressed; however, other MEP system upgrades will be postponed and completed as a future project.
- Project 19-01-1901. Maple Hall Interior Renovation is currently approved for \$5.86M. Amend to decrease by \$2.18M for a revised project budget of \$3.68M to remove the dining hall renovation from the scope of the project.
- Project 19-01-1902. Dining Food Stands is currently approved for \$2.3M. Amend to decrease by \$0.81M for a revised project budget of \$1.49M to align with the scope of the project that has been completed including the construction of the Starbucks food stand adjacent to the Administration Building and the design of the second food stand that may be constructed as a future project. As this project is complete, it has been removed from the CIP.
- Project 19-01-1901. Music Building Recital Hall and MEIT Renovation is currently approved for \$3.81M. Amend to increase by \$.05M for a revised budget of \$3.86M to accommodate unforeseen conditions including remediation of lead paint and rerouting of piping.
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- Project 19-03-1902. Facilities Management and General Services Buildings Renovation is currently approved for \$3.0M. Amend to increase by \$0.5M for a revised project budget of \$3.5M to accommodate an increased scope that includes the relocation of the police department into the facility.

Whereas, the institutions' Capital Improvement Plans have been aggregated in the UNTS FY20 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 2021, and

Whereas, funds for Fiscal Year 2021 projects have been identified for expenditure in FY2021 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 FY20 Capital Improvement Plan as listed above and indicated in the attached CIP.
2. The UNTS FY21 Capital Improvement Plan as attached to this briefing and order.
3. Vice Chancellor for Facilities 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

Laura Wright, Chair  
Board of Regents

**FY2021 Capital Improvement Plan**

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**UNIVERSITY *of* NORTH TEXAS SYSTEM**

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FY2021 SUMMARY

UNIVERSITY OF NORTH TEXAS

UNIVERSITY OF NORTH TEXAS DALLAS

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER

UNIVERSITY OF NORTH TEXAS SYSTEM

FY2021 Capital Improvement Plan  
**UNIVERSITY of NORTH TEXAS SYSTEM**

**FY2021 SUMMARY** (in \$Million)

**NEW PROJECTS FOR APPROVAL FY2021**

| Proj. No.  | Project   | Funding Source | Prior Yrs Budget | 2021        | 2022         | 2023         | 2024        | 2025+ | Total Project |              |
|--|---|----------------|------------------|-------------|--------------|--------------|-------------|-------|---------------|--------------|
| <b>University of North Texas</b>                             |   |                |                  |             |              |              |             |       |               |              |
| 21-01-2101   | Science Research Building Second Floor Renovation | RFS            |                  | 1.50        | 10.00        | 3.50         |             |       | 15.00         |              |
| 21-01-1611   | Curry Hall MEP                                    | HEF            |                  | 0.40        | 4.00         |              |             |       | 4.40          |              |
| <b>University of North Texas Total</b>                       |   |                | -                | <b>1.90</b> | <b>14.00</b> | <b>3.50</b>  | -           | -     | <b>19.40</b>  |              |
| <b>University of North Texas Dallas</b>                      |   |                |                  |             |              |              |             |       |               |              |
| <b>University of North Texas Dallas Total</b>                |   |                | -                | -           | -            | -            | -           | -     | -             |              |
| <b>University of North Texas Health Science Center</b>       |   |                |                  |             |              |              |             |       |               |              |
| 21-03-2101   | Renovation of May Street for Willed Body Program  | HEF            |                  | 2.36        |              |              |             |       | 2.36          |              |
| <b>University of North Texas Health Science Center Total</b> |   |                | -                | <b>2.36</b> | -            | -            | -           | -     | <b>2.36</b>   |              |
| <b>University of North Texas System</b>                      |   |                |                  |             |              |              |             |       |               |              |
| <b>University of North Texas System Total</b>                |   |                | -                | -           | -            | -            | -           | -     | -             |              |
| <b>Capital Improvement Plan Total</b>                        |   |                |                  | -           | <b>4.26</b>  | <b>14.00</b> | <b>3.50</b> | -     | -             | <b>21.76</b> |

**Summary by Funding Source**

|                                      | Funding Source | Prior Yrs Budget | 2021        | 2022         | 2023        | 2024 | 2025+ | Total        |
|--------------------------------------|----------------|------------------|-------------|--------------|-------------|------|-------|--------------|
| HEF                                  | HEF            | -                | 2.76        | 4.00         | -           | -    | -     | 6.76         |
| HEF Reserves                         | HEF Res        | -                | -           | -            | -           | -    | -     | -            |
| Tuition Revenue Bonds                | TRB            | -                | -           | -            | -           | -    | -     | -            |
| Commercial Paper                     | CP             | -                | -           | -            | -           | -    | -     | -            |
| Revenue Financing System Bonds       | RFS            | -                | 1.50        | 10.00        | 3.50        | -    | -     | 15.00        |
| Auxiliary Reserves                   | AUX            | -                | -           | -            | -           | -    | -     | -            |
| Grants                               | GRNT           | -                | -           | -            | -           | -    | -     | -            |
| Student Fees                         | SF             | -                | -           | -            | -           | -    | -     | -            |
| Housing Revenue                      | HR             | -                | -           | -            | -           | -    | -     | -            |
| Gift/Donations                       | GIFT           | -                | -           | -            | -           | -    | -     | -            |
| Annual Budget, Operating and Capital | Local/Cash     | -                | -           | -            | -           | -    | -     | -            |
| <b>Total</b>                         |                |                  | <b>4.26</b> | <b>14.00</b> | <b>3.50</b> | -    | -     | <b>21.76</b> |

**FY2021 Capital Improvement Plan**

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**UNIVERSITY *of* NORTH TEXAS SYSTEM**

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UNIVERSITY OF NORTH TEXAS



**FY2021 (in \$Million)**

**University of North Texas**

| Proj. No.   | Project   | Funding Source | Prior Yrs Budget | 2021         | 2022         | 2023         | 2024         | 2025+        | Total Project |
|---|---|----------------|------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| <b>Previously Approved Projects:</b>                          |   |                |                  |              |              |              |              |              |               |
| <b>System OFPC Managed Projects</b>                           |   |                |                  |              |              |              |              |              |               |
| 18-01-0007  | New Dining Hall   | RFS            | 25.47            |              |              |              |              |              | 25.47         |
| 19-01-1901  | Maple Hall Interior Renovation (Amend. 8/19)                          | AUX            | 2.26             |              | 1.42         |              |              |              | 3.68          |
| 19-01-1905  | Art Studio Facility (Amend. 8/19)                                     | HEF            | 7.00             |              |              |              |              |              | 9.80          |
|   |   | HEF Res        | 0.60             |              |              |              |              |              |               |
|   |   | CP             | 2.20             |              |              |              |              |              |               |
| 20-01-1914  | Frisco Branch Campus Development                                      | RFS            | 11.00            | 50.00        | 50.00        | 4.00         |              |              | 115.00        |
| 20-01-2002  | Athletics Golf Practice Facility                                      | GIFT           | 1.50             | 1.50         |              |              |              |              | 3.00          |
| <b>UNT Facilities Managed Projects</b>                        |   |                |                  |              |              |              |              |              |               |
| 2.21  | Wooten Hall MEP (Amend. 8/16, 8/17)                                   | HEF            | 3.45             |              |              |              |              |              | 3.45          |
| 2.33  | Willis Library MEP (Amend. 8/15, 8/17,11/19)                          | HEF            | 9.85             |              |              |              |              |              | 11.32         |
|   |   | HEF Res        |                  | 0.47         |              |              |              |              |               |
|   |   | SF             | 1.00             |              |              |              |              |              |               |
| 16-2.55   | Discovery Park MEP Upgrade (Amend. 8/17)                              | HEF            | 14.00            | 4.60         | 2.00         |              |              |              | 20.60         |
| 17-01-0001  | Terrill Hall MEP & Interior Renovation (Amend. 8/17, 8/19)            | HEF            | 0.80             | 3.60         | 4.00         |              |              |              | 8.40          |
| 17-01-0002  | Coliseum MEP Renovation (Amend. 8/17)                                 | RFS            |                  | 1.50         | 2.00         |              |              |              | 3.50          |
| 17-01-0004  | USB MEP Renovation (Amend. 8/17, 8/18, 8/19)                          | HEF            | 5.95             |              |              |              |              |              | 5.95          |
| 19-01-1903  | General Academic Classroom & Class Laboratory E-Locking (Amend. 8/17) | HEF            |                  | 0.15         | 0.40         | 1.00         | 1.00         | 2.00         | 4.55          |
| 19-01-1904  | Kerr Hall A Tower Common Areas Renovation (Amend. 8/19)               | AUX            | 3.90             |              |              |              |              |              | 3.90          |
| 19-01-1907  | Music Building Recital Hall and MEIT Renovation (Amend. 5/20)         | HEF            | 3.81             |              |              |              |              |              | 3.86          |
|   |   | HEF Res        |                  | 0.05         |              |              |              |              |               |
| 19-01-1908  | Clark Hall MEP Renovation   | AUX            |                  |              | 0.20         | 2.00         | 1.80         |              | 4.00          |
| 20-01-1910  | Crumley Hall Lobby & MEP Renovation                                   | AUX            |                  |              | 0.57         | 1.25         | 1.30         | 1.05         | 4.17          |
| 20-01-2001  | SRB Greenhouse Renovation   | HEF            | 0.98             |              |              |              |              |              | 1.19          |
|   |   | HEF Res        | 0.21             |              |              |              |              |              |               |
| <b>Previously Approved Projects Total</b>                     |   |                | <b>93.98</b>     | <b>61.87</b> | <b>60.59</b> | <b>8.25</b>  | <b>4.10</b>  | <b>3.05</b>  | <b>231.84</b> |
| <b>New Projects for Approval:</b>                             |   |                |                  |              |              |              |              |              |               |
| 21-01-2101  | Science Research Building Second Floor Renovation                     | RFS            |                  | 1.50         | 10.00        | 3.50         |              |              | 15.00         |
| 21-01-1611  | Curry Hall MEP  | HEF            |                  | 0.40         | 4.00         |              |              |              | 4.40          |
| <b>New Projects for Approval Total</b>                        |   |                | <b>-</b>         | <b>1.90</b>  | <b>14.00</b> | <b>3.50</b>  | <b>-</b>     | <b>-</b>     | <b>19.40</b>  |
| <b>Planned Projects with Identified Funding Sources:</b>      |   |                |                  |              |              |              |              |              |               |
| 01-1610   | Administration Building Renovation                                    | HEF            |                  |              |              | 1.25         | 9.00         | 2.25         | 12.50         |
| 01-1614   | Physical Education Building (PEB) MEP Phase I                         | HEF            |                  |              | 0.15         | 8.00         | 6.00         |              | 14.15         |
| 01-1615   | Language Building MEP   | HEF            |                  |              | 0.45         | 9.05         |              |              | 9.50          |
| 01-1618   | RTEP MEP Renovation   | HEF            |                  |              |              | 0.75         | 7.50         |              | 8.25          |
| 01-1721   | Chilton Interior and Exterior Upgrades                                | HEF            |                  |              | 0.50         | 2.50         |              |              | 3.00          |
| 01-1725   | Union Circle Drive Re-surface   | AUX            |                  |              |              |              |              | 2.00         | 2.00          |
| 01-1909   | Campus Lighting Upgrades  | HEF            |                  |              | 0.20         | 1.50         | 1.50         |              | 3.20          |
| 01-1911   | McConnell Hall Interior Renovation                                    | AUX            |                  |              |              |              | 0.40         | 4.00         | 4.40          |
| 01-1912   | College Inn MEP and Renovation  | AUX            |                  |              |              |              | 0.60         | 6.00         | 6.60          |
| 01-1913   | Wooten Hall Phase II  | HEF            |                  |              | 3.00         |              |              |              | 3.00          |
| 01-2102   | Physical Education Building (PEB) MEP Phase II                        | HEF            |                  |              |              |              |              | 6.00         | 6.00          |
| <b>Planned Projects with Identified Funding Sources Total</b> |   |                | <b>-</b>         | <b>-</b>     | <b>4.30</b>  | <b>23.05</b> | <b>25.00</b> | <b>20.25</b> | <b>72.60</b>  |
| <b>Capital Improvement Plan Total</b>                         |   |                | <b>93.98</b>     | <b>63.77</b> | <b>78.89</b> | <b>34.80</b> | <b>29.10</b> | <b>23.30</b> | <b>323.84</b> |

**Planned Project without Identified Funding Sources**

**New Construction:**

- New Sports Arena
- Education & Outreach Center
- Science & Tech Research Building
- Data Center
- Multi-Cultural Center

**Renovation:**

- Athletic Center Renovation and Expansion
- Hickory Hall Renovation
- Underground Utility Repairs
- Matthews Hall Mechanical Upgrades
- Vivarium Research Standards Upgrade
- Coliseum MEP Phases

FY2021 (in \$Million)

University of North Texas

| Proj. No. | Project | Funding Source | Prior Yrs Budget | 2021 | 2022 | 2023 | 2024 | 2025+ | Total Project |
|-----------|---------|----------------|------------------|------|------|------|------|-------|---------------|
|-----------|---------|----------------|------------------|------|------|------|------|-------|---------------|

Summary by Funding Source

|                                      | Funding Source | Prior Yrs Budget | 2021         | 2022         | 2023         | 2024         | 2025+        | Total         |
|--------------------------------------|----------------|------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| HEF                                  | HEF            | 45.84            | 8.75         | 14.70        | 24.05        | 25.00        | 10.25        | 128.59        |
| HEF Reserves                         | HEF Res        | 0.81             | 0.52         | -            | -            | -            | -            | 1.33          |
| Tuition Revenue Bonds                | TRB            | -                | -            | -            | -            | -            | -            | -             |
| Commercial Paper                     | CP             | 2.20             | -            | -            | -            | -            | -            | 2.20          |
| Revenue Financing System Bonds       | RFS            | 36.47            | 53.00        | 62.00        | 7.50         | -            | -            | 158.97        |
| Auxiliary Reserves                   | AUX            | 6.16             | -            | 2.19         | 3.25         | 4.10         | 13.05        | 28.75         |
| Grants                               | GRNT           | -                | -            | -            | -            | -            | -            | -             |
| Student Fees                         | SF             | 1.00             | -            | -            | -            | -            | -            | 1.00          |
| Housing Revenue                      | HR             | -                | -            | -            | -            | -            | -            | -             |
| Gift/Donations                       | GIFT           | 1.50             | 1.50         | -            | -            | -            | -            | 3.00          |
| Annual Budget, Operating and Capital | Local/Cash     | -                | -            | -            | -            | -            | -            | -             |
| Public/Private Partnership           | PPP            | -                | -            | -            | -            | -            | -            | -             |
| <b>Total</b>                         |                | <b>93.98</b>     | <b>63.77</b> | <b>78.89</b> | <b>34.80</b> | <b>29.10</b> | <b>23.30</b> | <b>323.84</b> |

UNIVERSITY of NORTH TEXAS SYSTEM

UNIVERSITY OF NORTH TEXAS  
 Science Research Building Second Floor Renovation  
 Capital Improvement Project No. 21-01-2101



PROJECT DESCRIPTION

This project will continue the renovation of the Science Research Building (SRB). It will provide the necessary repairs and renovations to the roofing structure of the facility as well as the subsurface drains on the site. The interior renovations will include the mechanical, electrical, and plumbing upgrades necessary to provide the second floor with open laboratories similar to the laboratories on the first floor. Mechanical equipment in the vivarium will be upgraded as well. The interior finishes of the second floor corridors will be upgraded and the laboratory spaces and support will be shelled with the necessary general laboratory equipment, at a minimum, and casework provided as the budget allows. A future project will undertake any additional renovation necessary for the vivarium and does not include any renovations or costs necessary for the relocation of the current occupants of the second floor or the vivarium.

PROJECT INFORMATION

**JUSTIFICATION:** In 2014, the UNT System Board of Regents authorized a multiple phase project for the Science Research Building (SRB) to replace the exterior skin of the building and complete first floor interior renovations to labs, support spaces, and offices. The project also included building replacements for the HVAC systems, fire sprinkling, and electrical service that impacted the first floor. Construction for this project was completed in early 2017. This phase of the building renovation is to provide the additional envelope and site repairs needed for the facility and the infrastructure for the second floor labs, support spaces, and offices and to provide additional envelope and site repairs needed for the facility.

**LOCATION ON CAMPUS:** Main Campus  
**SIZE (ASF/GSF):** GSF: 34,000 ASF: 19,400  
**CIP PROJECT TYPE (NEW CONST. OR RENO.):** Renovation  
**HISTORICALLY SIGNIFICANT? (Y or N):** N  
**CONSISTENT WITH MASTER PLAN (Y or N):** Y

PROJECT BUDGET

|   |           |                   |
|---|-----------|-------------------|
| Design Fees                                   | \$        | 1,050,000         |
| Construction Costs                            | \$        | 10,700,000        |
| Other Costs (Commissioning, Inspection, etc.) | \$        | 500,000           |
| Furniture, Fixtures, and Equipment            | \$        | 2,000,000         |
| Contingency and Fees                          | \$        | 750,000           |
| <b>Total Projects</b>                         | <b>\$</b> | <b>15,000,000</b> |

PROJECT FUNDING (in \$ Millions)

| Funding Source<br>Abrv. | Funding Source                 | Prior Yrs<br>Costs | FY 2021 | FY 2022  | FY 2023 | FY 2024 | FY 2025+ | Source Total |
|-------------------------|--------------------------------|--------------------|---------|----------|---------|---------|----------|--------------|
| RFS                     | Revenue Financing System Bonds | \$ -               | \$ 1.50 | \$ 10.00 | \$ 3.50 | \$ -    | \$ -     | \$ 15.00     |
|                         |                                | \$ -               | \$ -    | \$ -     | \$ -    | \$ -    | \$ -     | \$ -         |
|                         |                                | \$ -               | \$ -    | \$ -     | \$ -    | \$ -    | \$ -     | \$ -         |
|                         |                                | \$ -               | \$ -    | \$ -     | \$ -    | \$ -    | \$ -     | \$ -         |
|                         |                                | \$ -               | \$ -    | \$ -     | \$ -    | \$ -    | \$ -     | \$ -         |
|                         |                                | \$ -               | \$ 1.50 | \$ 10.00 | \$ 3.50 | \$ -    | \$ -     | \$ 15.00     |

UNIVERSITY of NORTH TEXAS SYSTEM

UNIVERSITY OF NORTH TEXAS  
Science Research Building – Second Floor Renovation  
Capital Improvement Project No. 21-01-2101

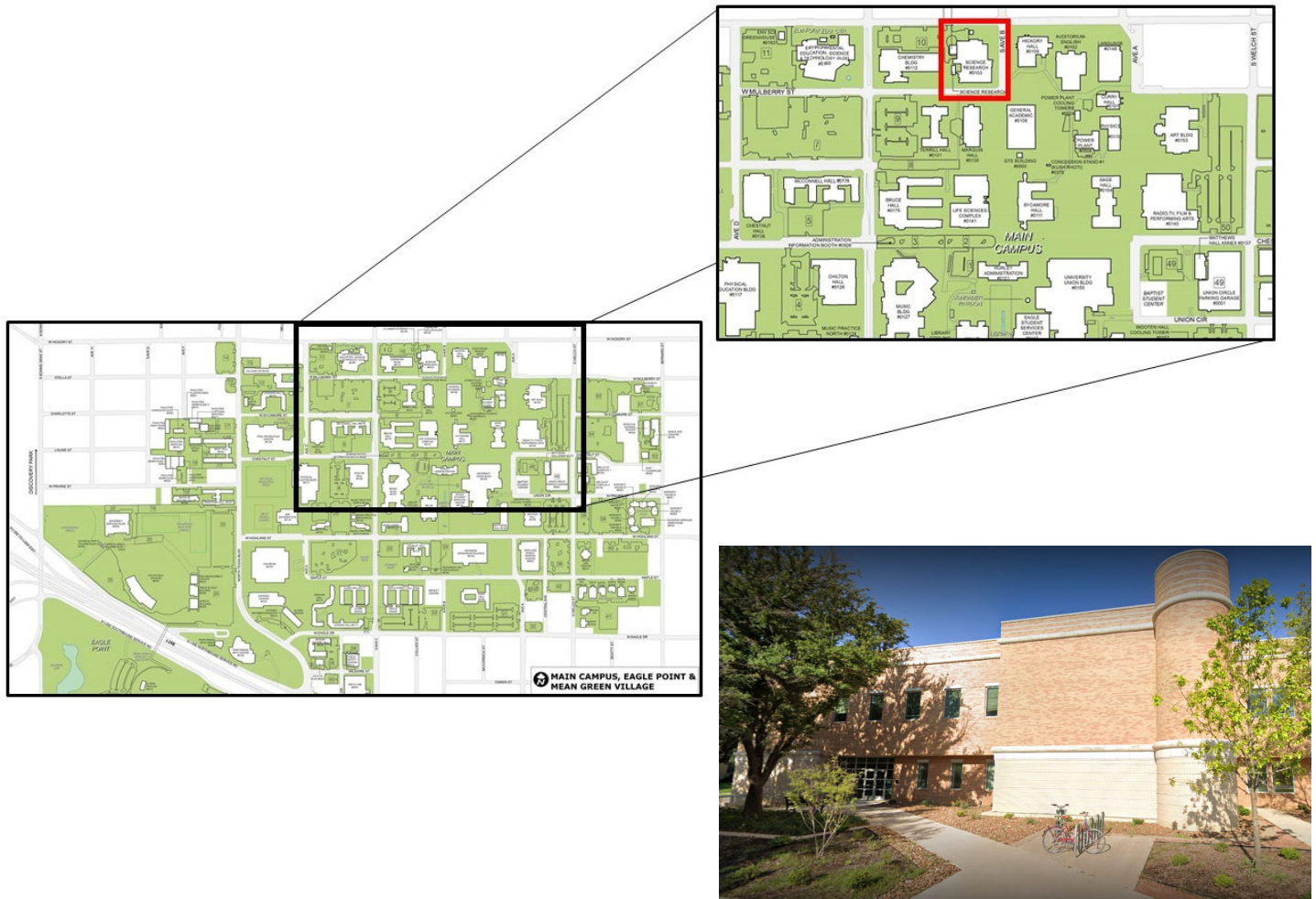


PROJECT SCHEDULE

PREVIOUS APPROVALS FROM BOARD OF REGENTS:  
PROGRAMMING/PLANNING:  
DESIGN:  
CONSTRUCTION:  
SUBSTANTIAL COMPLETION:

N/A  
November 2020 -- February 2021  
March 2021 – October 2021  
November 2021 – July 2022  
June 2022

LOCATION MAP



UNIVERSITY of NORTH TEXAS SYSTEM

UNIVERSITY OF NORTH TEXAS  
 Curry Hall MEP  
 Capital Improvement Project No. 21-01-1611



PROJECT DESCRIPTION

This project will provide the renewal of the mechanical systems in Curry Hall. Anticipated updates include replacement of the HVAC system, electrical, and plumbing components, update to the building automation system, upgrades to provide compliant ADA restrooms. Additional updates to the building envelope, elevator, and minor interior architectural work may be necessary and undertaken as part of this project to support the building function.

PROJECT INFORMATION

**JUSTIFICATION:** Curry Hall was originally constructed in 1912 and was renovated in 1971 and 1991. The renovated areas have surpassed their life expectancy and much of the plumbing system is original to the building and in need of renewal. Critical issues have been identified within the building and site and will be addressed as part of this project to allow for continued use of the facility.

**LOCATION ON CAMPUS:** Main Campus  
**SIZE (ASF/GSF):** GSF: 27,411 ASF: 23,209  
**CIP PROJECT TYPE (NEW CONST. OR RENO.):** Renovation  
**HISTORICALLY SIGNIFICANT? (Y or N):** N  
**CONSISTENT WITH MASTER PLAN (Y or N):** Y

PROJECT BUDGET

|   |                     |
|---|---------------------|
| Design Fees                                   | \$ 400,000          |
| Construction Costs                            | \$ 3,680,000        |
| Other Costs (Commissioning, Inspection, etc.) | \$ 100,000          |
| Furniture, Fixtures, and Equipment            | \$ 20,000           |
| Contingency and Fees                          | \$ 200,000          |
| <b>Total Projects</b>                         | <b>\$ 4,400,000</b> |

PROJECT FUNDING (in \$ Millions)

| Funding Source<br>Abbrv. | Funding Source | Prior Yrs<br>Costs | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025+ | Source Total |
|--------------------------|----------------|--------------------|---------|---------|---------|---------|----------|--------------|
| HEAF                     | HEAF           | \$ -               | \$ 0.40 | \$ 4.00 | \$ -    | \$ -    | \$ -     | \$ 4.40      |
|                          |                | \$ -               | \$ -    | \$ -    | \$ -    | \$ -    | \$ -     | \$ -         |
|                          |                | \$ -               | \$ -    | \$ -    | \$ -    | \$ -    | \$ -     | \$ -         |
|                          |                | \$ -               | \$ -    | \$ -    | \$ -    | \$ -    | \$ -     | \$ -         |
|                          |                | \$ -               | \$ -    | \$ -    | \$ -    | \$ -    | \$ -     | \$ -         |
|                          |                | \$ -               | \$ 0.40 | \$ 4.00 | \$ -    | \$ -    | \$ -     | \$ 4.40      |

UNIVERSITY of NORTH TEXAS SYSTEM

UNIVERSITY OF NORTH TEXAS  
Curry Hall MEP  
Capital Improvement Project No. 21-01-1611



PROJECT SCHEDULE

|   |                                |
|---|--------------------------------|
| PREVIOUS APPROVALS FROM BOARD OF REGENTS: | N/A                            |
| PROGRAMMING/PLANNING:                     | November 2020 – December 2020  |
| DESIGN:                                   | January 2021 – September 2021  |
| CONSTRUCTION:                             | December 2021 – September 2022 |
| SUBSTANTIAL COMPLETION:                   | July 2022                      |

LOCATION MAP



**FY2021 Capital Improvement Plan**

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**UNIVERSITY *of* NORTH TEXAS SYSTEM**

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**UNIVERSITY OF NORTH TEXAS DALLAS**

**FY2021 (in \$Million)**

**University of North Texas Dallas**

| Proj. No.   | Project                                   | Funding Source | Prior Yrs Budget | 2021         | 2022         | 2023         | 2024         | 2025+ | Total Project |
|---|---|----------------|------------------|--------------|--------------|--------------|--------------|-------|---------------|
| <b>Previously Approved Projects:</b>                          |   |                |                  |              |              |              |              |       |               |
| <b>System OFPC Managed Projects</b>                           |   |                |                  |              |              |              |              |       |               |
| 20-02-1901  | Amanda and G. Brint Ryan Tower            | GIFT           | 2.28             | 2.00         |              |              |              |       | 4.28          |
| 20-02-2001  | Campus Wisdom Access Road and Parking Lot | HEF            | 0.85             |              |              |              |              |       | 1.70          |
|   |   | Local/Cash     | 0.85             |              |              |              |              |       |               |
| <b>Previously Approved Projects Total</b>                     |   |                | <b>3.98</b>      | <b>2.00</b>  | -            | -            | -            | -     | <b>5.98</b>   |
| <b>New Projects for Approval:</b>                             |   |                |                  |              |              |              |              |       |               |
|   |   |                |                  |              |              |              |              |       | -             |
| <b>New Project for Approval Total</b>                         |   |                | -                | -            | -            | -            | -            | -     | -             |
| <b>Planned Projects with Identified Funding Sources:</b>      |   |                |                  |              |              |              |              |       |               |
| 02-1902   | Second Residence Hall                     | RFS            |                  | 3.00         | 20.00        | 7.00         |              |       | 30.00         |
| 02-1903   | Event Center                              | RFS            |                  |              | 2.00         | 8.00         |              |       | 15.00         |
|   |   | GIFT           |                  |              |              | 3.00         | 2.00         |       |               |
| 02-1904   | Parking Garage                            | RFS            |                  |              |              |              | 25.00        |       | 25.00         |
| 02-2002   | Police Academy                            | PPP            |                  | 5.00         | 10.00        | 50.00        | 35.00        |       | 100.00        |
| <b>Planned Projects with Identified Funding Sources Total</b> |   |                | -                | <b>8.00</b>  | <b>32.00</b> | <b>68.00</b> | <b>62.00</b> | -     | <b>170.00</b> |
| <b>Capital Improvement Plan Total</b>                         |   |                | <b>3.98</b>      | <b>10.00</b> | <b>32.00</b> | <b>68.00</b> | <b>62.00</b> | -     | <b>175.98</b> |

**Planned Project without Identified Funding Sources**

**New Construction:**

Business and Information Technology Building  
 STEM Building

**Renovation:**

**Summary by Funding Source**

| Funding Source                       | Prior Yrs Budget | 2021        | 2022         | 2023         | 2024         | 2025+        | Total         |
|--------------------------------------|------------------|-------------|--------------|--------------|--------------|--------------|---------------|
| HEF                                  | HEF              | 0.85        | -            | -            | -            | -            | 0.85          |
| Tuition Revenue Bonds                | TRB              | -           | -            | -            | -            | -            | -             |
| Commercial Paper                     | CP               | -           | -            | -            | -            | -            | -             |
| Revenue Financing System Bonds       | RFS              | -           | 3.00         | 22.00        | 15.00        | 25.00        | 65.00         |
| Auxiliary Reserves                   | AUX              | -           | -            | -            | -            | -            | -             |
| Grants                               | GRNT             | -           | -            | -            | -            | -            | -             |
| Student Fees                         | SF               | -           | -            | -            | -            | -            | -             |
| Housing Revenue                      | HR               | -           | -            | -            | -            | -            | -             |
| Gift/Donations                       | GIFT             | 2.28        | 2.00         | -            | 3.00         | 2.00         | 9.28          |
| Annual Budget, Operating and Capital | Local/Cash       | 0.85        | -            | -            | -            | -            | 0.85          |
| Public/Private Partnership           | PPP              | -           | 5.00         | 10.00        | 50.00        | 35.00        | 100.00        |
| <b>Total</b>                         |                  | <b>3.98</b> | <b>10.00</b> | <b>32.00</b> | <b>68.00</b> | <b>62.00</b> | <b>175.98</b> |



**FY2021 Capital Improvement Plan**

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**UNIVERSITY *of* NORTH TEXAS SYSTEM**

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**UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER**

FY2021 Capital Improvement Plan  
 UNIVERSITY of NORTH TEXAS SYSTEM



FY2021 (in \$Million)

University of North Texas Health Science Center

| Proj. No.   | Project   | Funding Source | Prior Yrs Budget | 2021        | 2022         | 2023     | 2024     | 2025+    | Total Project |
|---|---|----------------|------------------|-------------|--------------|----------|----------|----------|---------------|
| <b>Previously Approved Projects:</b>                          |   |                |                  |             |              |          |          |          |               |
| <b>System OFPC Managed Projects</b>                           |   |                |                  |             |              |          |          |          |               |
| 16-2.96   | Research and Education (RES) Level 4                            | HEF            | 0.01             |             | 4.49         |          |          |          | 4.50          |
| 20-03-2003  | Gibson Library Level 1 Renovation                               | RFS            |                  | 2.70        | 2.80         |          |          |          | 5.50          |
| <b>UNT HSC Facilities Managed Projects</b>                    |   |                |                  |             |              |          |          |          |               |
| 19-03-1901  | Campus Energy Infrastructure Improvements                       | RFS            |                  | 3.00        | 5.00         |          |          |          | 8.00          |
| 19-03-1902  | Facilities Management and General Services Buildings Renovation | RFS            |                  | 0.50        | 3.00         |          |          |          | 3.50          |
| 20-03-2002  | 550 Bailey 5th Floor Renovation                                 | HEF            | 2.00             |             |              |          |          |          | 2.00          |
| 20-03-2004  | Center for BioHealth Level 1 Renovation (Amend. 11/19)          | RFS            | 13.70            |             |              |          |          |          | 13.70         |
| <b>Previously Approved Projects Total</b>                     |   |                | <b>15.71</b>     | <b>6.20</b> | <b>15.29</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>37.20</b>  |
| <b>New Projects for Approval:</b>                             |   |                |                  |             |              |          |          |          |               |
| 21-03-2101  | Renovation of May Street for Willed Body Program                | HEF            |                  | 2.36        |              |          |          |          | 2.36          |
| <b>New Project for Approval Total</b>                         |   |                | <b>-</b>         | <b>2.36</b> | <b>-</b>     | <b>-</b> | <b>-</b> | <b>-</b> | <b>2.36</b>   |
| <b>Planned Projects with Identified Funding Sources:</b>      |   |                |                  |             |              |          |          |          |               |
|   |   |                |                  |             |              |          |          |          | -             |
|   |   |                |                  |             |              |          |          |          | -             |
|   |   |                |                  |             |              |          |          |          | -             |
|   |   |                |                  |             |              |          |          |          | -             |
|   |   |                |                  |             |              |          |          |          | -             |
|   |   |                |                  |             |              |          |          |          | -             |
|   |   |                |                  |             |              |          |          |          | -             |
|   |   |                |                  |             |              |          |          |          | -             |
|   |   |                |                  |             |              |          |          |          | -             |
|   |   |                |                  |             |              |          |          |          | -             |
|   |   |                |                  |             |              |          |          |          | -             |
| <b>Planned Projects with Identified Funding Sources Total</b> |   |                | <b>-</b>         | <b>-</b>    | <b>-</b>     | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>      |
| <b>Capital Improvement Plan Total</b>                         |   |                | <b>15.71</b>     | <b>8.56</b> | <b>15.29</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>39.56</b>  |

Planned Project without Identified Funding Sources

New Construction:

Renovation:

Summary by Funding Source

| Funding Source                       | Prior Yrs Budget | 2021        | 2022         | 2023        | 2024        | 2025+       | Total        |
|--------------------------------------|------------------|-------------|--------------|-------------|-------------|-------------|--------------|
| HEAF                                 | 2.01             | 2.36        | 4.49         | -           | -           | -           | 8.86         |
| Tuition Revenue Bonds                | -                | -           | -            | -           | -           | -           | -            |
| Private Placement                    | -                | -           | -            | -           | -           | -           | -            |
| Revenue Financing System Bonds       | 13.70            | 6.20        | 10.80        | -           | -           | -           | 30.70        |
| Auxiliary Reserves                   | -                | -           | -            | -           | -           | -           | -            |
| Grants                               | -                | -           | -            | -           | -           | -           | -            |
| Student Fees                         | -                | -           | -            | -           | -           | -           | -            |
| Housing Revenue                      | -                | -           | -            | -           | -           | -           | -            |
| Gift/Donations                       | -                | -           | -            | -           | -           | -           | -            |
| Annual Budget, Operating and Capital | -                | -           | -            | -           | -           | -           | -            |
| Public/Private Partnership           | -                | -           | -            | -           | -           | -           | -            |
| <b>Total</b>                         | <b>15.71</b>     | <b>8.56</b> | <b>15.29</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>39.56</b> |

UNIVERSITY of NORTH TEXAS SYSTEM

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER  
 Project Title Renovation of May Street for Willled Body Program  
 Capital Improvement Project No. 21-03-2101



PROJECT DESCRIPTION

The project will renovate the off-campus location at 1415 May Street for the May Street Anatomy Facility. This facility will become an integral component of the Willled Body Program (WBP) at the UNTHSC. The renovation will provide the freezer storage space for donors and specimens vital for the numerous clinical training activities hosted in the UNTHSC BioSkills Lab. These specimens are sent all over the country for clinical training and research activities. The renovation will also add two alkaline hydrolysis cremation units.

PROJECT INFORMATION

**JUSTIFICATION:** The WBP, as part of the Center for Anatomical Sciences (CAS), has expanded exponentially over the past 3 years with 1,700+ donors by FY2021. This facility adds much needed long-term storage space for embalmed donors used in our academic programs or shipped to other Texas/U.S. medical schools. The WBP/BioSkills Lab also offers promising opportunities. Recently, the demand for clinical training activities has increased as best medical practices/patient safety have taken center-stage. Last year, thousands of health care professionals from Texas/U.S. learned new clinical techniques at the HSC to take back to their respective institutions. This request strategically supports the BioSkills facility by ensuring quality anatomical specimens, the key to recruit and retain vendors to our program. Furthermore, cremation is the only step of the donor process that UNTHSC currently does not perform. The addition of the cremation units to the facility will make the process more self-sufficient, and save the university around \$1 million over the next 5 years. This facility request has a two-fold effect: 1) it greatly expands the CAS/WBP entrepreneurial directives, and 2) it enhances the number of clinical training activities offered, gives positive exposure to our institution, and strengthens our rebranding efforts to reach far beyond the borders of DFW. This project, combined with the planned expansion of the BioSkills lab, will dramatically increase the number of sponsored clinical training events on this campus. The UNTHSC will be poised to become a major clinical training destination in the U.S., supported by the largest Willled Body Program in the country.

LOCATION ON CAMPUS: located at 1415 May Street (off campus)  
 SIZE (ASF/GSF): GSF: 5,606 ASF: 5,606  
 CIP PROJECT TYPE (NEW CONST. OR RENO.): Renovation  
 HISTORICALLY SIGNIFICANT? (Y or N): N  
 CONSISTENT WITH MASTER PLAN (Y or N): Y

PROJECT BUDGET

|   |                     |
|---|---------------------|
| Design Fees                                   | \$ -                |
| Construction Costs                            | \$ 1,080,000        |
| Other Costs (Commissioning, Inspection, etc.) | \$ -                |
| Furniture, Fixtures, and Equipment            | \$ 1,280,000        |
| Contingency and Fees                          | \$ -                |
| <b>Total Projects</b>                         | <b>\$ 2,360,000</b> |

PROJECT FUNDING (in \$ Millions)

| Funding Source Abrv. | Funding Source | Prior Yrs Costs | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025+ | Source Total |
|----------------------|----------------|-----------------|---------|---------|---------|---------|----------|--------------|
| HEAF                 | HEAF           | \$ -            | \$ 2.36 | \$ -    | \$ -    | \$ -    | \$ -     | \$ 2.36      |
|                      |                | \$ -            | \$ -    | \$ -    | \$ -    | \$ -    | \$ -     | \$ -         |
|                      |                | \$ -            | \$ -    | \$ -    | \$ -    | \$ -    | \$ -     | \$ -         |
|                      |                | \$ -            | \$ -    | \$ -    | \$ -    | \$ -    | \$ -     | \$ -         |
|                      |                | \$ -            | \$ -    | \$ -    | \$ -    | \$ -    | \$ -     | \$ -         |
|                      |                | \$ -            | \$ 2.36 | \$ -    | \$ -    | \$ -    | \$ -     | \$ 2.36      |



**FY2021 Capital Improvement Plan**

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**UNIVERSITY *of* NORTH TEXAS SYSTEM**

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**UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER**

FY2021 (in \$Million)

University of North Texas System

| Proj. No.   | Project  | Funding Source | Prior Yrs Budget | 2021 | 2022 | 2023 | 2024 | 2025+ | Total Project |
|---|--|----------------|------------------|------|------|------|------|-------|---------------|
| <b>Previously Approved Projects:</b>                          |  |                |                  |      |      |      |      |       |               |
| <b>System OFPC Managed Projects</b>                           |  |                |                  |      |      |      |      |       |               |
| 16-2.01   | Renovate Dallas Municipal Bldg and Assoc Law Bldgs | TRB            | 56.00            |      |      |      |      |       | 56.00         |
| <b>Previously Approved Projects Total</b>                     |  |                | <b>56.00</b>     | -    | -    | -    | -    | -     | <b>56.00</b>  |
| <b>New Projects for Approval:</b>                             |  |                |                  |      |      |      |      |       |               |
| <b>New Project for Approval Total</b>                         |  |                | <b>-</b>         | -    | -    | -    | -    | -     | <b>-</b>      |
| <b>Planned Projects with Identified Funding Sources:</b>      |  |                |                  |      |      |      |      |       |               |
| <b>Planned Projects with Identified Funding Sources Total</b> |  |                | <b>-</b>         | -    | -    | -    | -    | -     | <b>-</b>      |
| <b>Capital Improvement Plan Total</b>                         |  |                | <b>56.00</b>     | -    | -    | -    | -    | -     | <b>56.00</b>  |

Planned Project without Identified Funding Sources

New Construction:

Renovation:

System Building 8th Floor  
 System Building Floors 2-4  
 1900 Elm Street Lobby

Summary by Funding Source

| Funding Source                       | Prior Yrs Budget | 2021        | 2022        | 2023     | 2024     | 2025+    | Total        |
|--------------------------------------|------------------|-------------|-------------|----------|----------|----------|--------------|
| HEF                                  | -                | -           | -           | -        | -        | -        | -            |
| Tuition Revenue Bonds                | 56.00            | -           | -           | -        | -        | -        | 56.00        |
| Commercial Paper                     | -                | -           | -           | -        | -        | -        | -            |
| Revenue Financing System Bonds       | -                | -           | -           | -        | -        | -        | -            |
| Auxiliary Reserves                   | -                | -           | -           | -        | -        | -        | -            |
| Grants                               | -                | -           | -           | -        | -        | -        | -            |
| Student Fees                         | -                | -           | -           | -        | -        | -        | -            |
| Housing Revenue                      | -                | -           | -           | -        | -        | -        | -            |
| Gift/Donations                       | -                | -           | -           | -        | -        | -        | -            |
| Annual Budget, Operating and Capital | -                | -           | -           | -        | -        | -        | -            |
| <b>Total</b>                         | <b>56.00</b>     | <b>0.00</b> | <b>0.00</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>56.00</b> |



## MINUTES

### BOARD OF REGENTS Audit and Finance Committee May 14, 2020

The Audit and Finance Committee of the Board of Regents of the University of North Texas System convened by videoconference on Thursday, May 14, 2020, with the following members in attendance: Regents Carlos Munguia, Melisa Denis, Dan Feehan, and Milton Lee. The meeting was conducted by videoconference with no in-person attendance due to the request by the Office of the Attorney General to allow for the advance of the public health goal of limiting face-to-face meetings (also called social distancing) to slow the spread of Coronavirus (COVID-19). The videoconference meeting was livestreamed for public viewing.

There being a quorum present, the meeting was called to order by Committee Chairman Munguia at 11:37 a.m. Pursuant to a motion by Regent Milton Lee seconded by Regent Dan Feehan, the Committee approved the minutes of the February 14, 2020, Audit Committee meeting, the February 13, 2020 Finance and Facilities Committee meeting, and the April 6, 2020, Audit and Finance Committee meeting on a 4-0 vote.

The Committee had two briefings. The first briefing, **UNTS Quarterly Financial Update**, was shared by Vice Chancellor for Finance, Dan Tenney. Following his presentation, the Committee recessed for lunch at 12:29 p.m.

The Committee reconvened at 1:01 p.m. and heard the second briefing, **Quarterly Report of Audit Activities**, from Internal Audit Senior Director Mickie Tate.

The Committee had three action items to consider.

#### **11. UNTS            Approval of the Audit and Finance Committee Charter**

Pursuant to a motion by Regent Milton Lee and seconded by Regent Dan Feehan, the Committee approved the above item on a 4-0 vote.

The next item was presented by Vice Chancellor and General Counsel Alan Stucky.

#### **12. UNTS            Approval of Updated Prohibition of Discrimination, Harassment, Sexual Misconduct and Related Retaliation Policies for the University of North Texas System Administration, University of North Texas Health Science Center and University of North Texas at Dallas and of an Updated Prohibition of Sexual Misconduct and Related Retaliation Policy for the University of North Texas**

Pursuant to a motion by Regent Milton Lee and seconded by Regent Dan Feehan, the Committee approved the above item on a 4-0 vote.

The last item was presented by President Neal Smatresk.

**13. UNT                    Authorization to Serve on an Outside Board**

Pursuant to a motion by Regent Dan Feehan and seconded by Regent Milton Lee, the Committee approved the above item on a 4-0 vote.

There being no further business, the Committee meeting adjourned at 1:59 p.m.

Submitted By:

Rosemary R. Haggett  
Rosemary R. Haggett  
Board Secretary

Date: May 29, 2020





## MINUTES

### **BOARD OF REGENTS Audit and Finance Committee June 8, 2020**

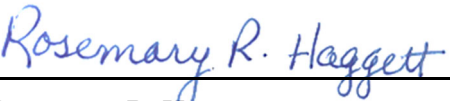
The Audit and Finance Committee of the Board of Regents of the University of North Texas System convened by videoconference on Monday, June 8, 2020, with the following members in attendance: Regents Carlos Munguia, Melisa Denis, Dan Feehan, and Milton Lee. Regent Laura Wright also attended the committee meeting. The meeting was conducted by videoconference with no in-person attendance due to the request by the Office of the Attorney General to allow for the advance of the public health goal of limiting face-to-face meetings (also called social distancing) to slow the spread of Coronavirus (COVID-19). The videoconference meeting was livestreamed for public viewing.

There being a quorum present, the meeting was called to order by Committee Chairman Munguia at 3:04 p.m., The committee recessed to Executive Session according to Texas Government Code Sections 551.071, .072, .073, .074, .076, and .1281 at 3:05 p.m.

The Committee reconvened in open session at 5:13 p.m. There was no action to consider out of executive session.

There being no further business, the Committee meeting adjourned at 5:14 p.m.

Submitted By:



Rosemary R. Haggett  
Board Secretary

Date: 08.05.20



# UNT System Enterprise Risk Management (ERM)

August 2020 Update to the Board of Regents



# Summary

- Overview                      Status update on ERM Implementation
- Risk Assessment              Review of completed risk assessment
- Risk Response                Planned actions for risk response
- Control Activities            Current and future state of internal controls
- Monitoring                    New Quarterly Performance Review

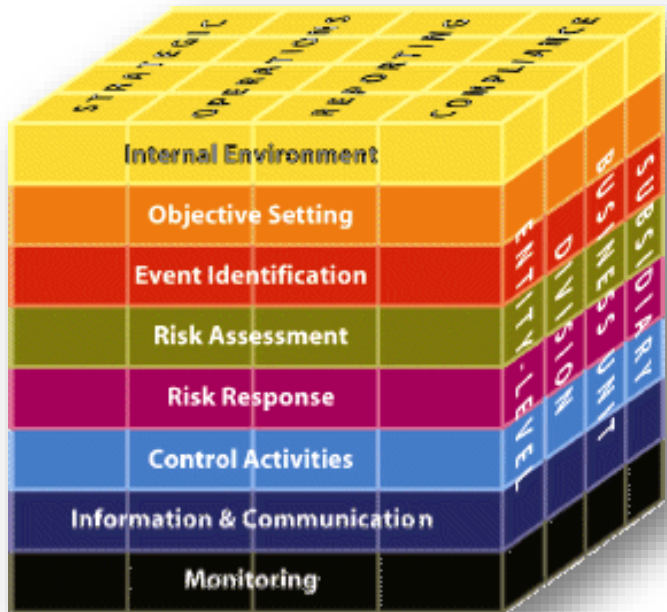


# Enterprise Risk Management Framework

## UNTS Objectives

- Strategic – our major goals and objectives
- Operations – activities performed to achieve objectives
- Reporting – ensuring reliability and integrity of data
- Legal/Regulatory – ensure compliance with laws and regulations

ERM provides a sound framework to enable the successful accomplishment of these objectives



Internal Environment – internal culture and philosophy of risks

Objective Setting – initiatives and activities based on mission

Event Identification – events that may impact accomplishing objectives

Risk Assessment – identifying and analyzing risks on a regular basis

Risk Response – management mitigations or acceptance of risks

Control Activities – internal processes and policies to reduce risks

Information & Communication – capture and distribute relevant information

Monitoring – ongoing analysis, evaluations, and modifications

Sources: [www.coso.org](http://www.coso.org)



# ERM Summary Status

- ✓ Internal Environment (ongoing)
    - Strong values of continuously improvement; strong councils at both System and Institutional levels, including Chancellor, Cabinet, and CFO Councils enabling collaborative results (2018/19)
  - ✓ Objective Setting (completed/ongoing)
    - Established strong goals and scorecard reported quarterly to BOR (2018); established ERM objectives, plans, and actions (2019)
  - ✓ Event Identification (ongoing)
    - Demonstrated recognition of key events that impact objectives (example: COVID-19)
  - ✓ Risk Assessment (completed)
    - Completed surveys, training, risk identification, and integration with assistance from Gradient Solutions (2/2020)
- Risk Response (in-progress)
    - Reviewing/modifying mitigations; evaluating best practices; establishing goals/targets & measures
  - Control Activities (in-progress)
    - Reviewing internal processes; established new continuous monitoring program under System Controller
  - Information & Communication (in-progress)
    - Developed new reporting construct with relevant information and reporting in new quarterly mission review
  - Monitoring (planned)
    - Establishing new quarterly operational performance forum to review performance, mitigations, and milestones



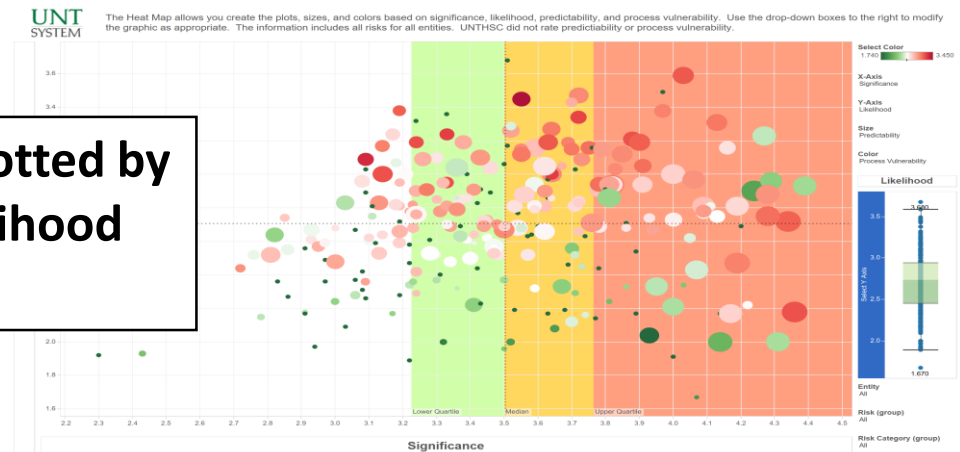


# Risk Assessment: Training completed



- UNTS, supported by Gradient Solutions, developed a Enterprise Risk Management (ERM) strategy
  - Deployed ERM training across UNT World (over 156 trainees)
  - Completed surveys at each institution (80%+ response rate)
  - Each institution identified risks, impacts, likelihood and ranking
  - Established a comprehensive risk register as well as potential impacts
  - Integrated risks across the UNT World

**Heat map with risks plotted by significance and likelihood**



Progress updated presented to BOR 2/3/20)



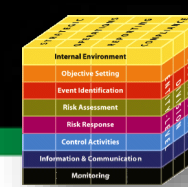
# Risk Assessment: Consolidated Risks



| Risk Area  | Summary of Risk   |
|--|---|
| 1. Human Capital   | Risks associated with ability to attract, develop, and retain valued employees with the requisite knowledge, skills and experience could hinder ability to accomplish goals                     |
| 2. Business Model/Competition/Resources                    | Risks associated with ability to sustain a sound business model with appropriate resources, as well as increasing competition from others could result in loss of students and resources        |
| 3. Student Needs   | Risks associated with lack of ability to identify and successfully address the expectation of diverse and dynamic students could result in organizational breakdown and mission failure         |
| 4. Reputation & Brand                                      | Risks associated with damage to reputation and/or brand where operations are perceived as inefficient and/or ineffective could result in loss of students and employees                         |
| 5. Legal & Regulatory Compliance                           | Risks associated with failure to comply with external regulatory requirements could result in penalties, and/or loss of capabilities or future funding (e.g., grants and contracts)             |
| 6. Technology Innovation                                   | Risks associated with lack of innovation (e.g., processes, hardware, software, people and processes) could inhibit the ability to deliver solutions in an efficient and controlled manner       |
| 7. Data Integrity & Security                               | Risks associated with failure to secure and monitor data could result in unauthorized changes, downtime, and exposure of confidential information, theft or loss of information                 |
| 8. Succession Planning/ Concentration-Single Point Failure | Risks associated with failure to develop talent for orderly succession; potential over-reliance on a few employees or suppliers could result in disruption to operations and loss of capability |
| 9. Business Continuity & Disaster Recovery                 | Risks associated with the failure to sustain and recover operations from a disruption in service could result in damaged reputation and ineffective solutions                                   |
| 10. Collaboration & Communication                          | Risks associated with failure to leverage internal strengths/resources collaboratively and communicate effectively could result in sub-optimization and inefficient use of resources            |



# Risk Response: Lines of Defense



**BOR Audit & Finance Committee**

**Senior Management**

**1<sup>st</sup> Line of Defense: Business Management**

- Management Oversight
- Internal Controls

**2<sup>nd</sup> Line of Defense: Risk Mitigations**

- Risk Processes
- Security
- Compliance
- Inspection
- Mitigations

**3<sup>rd</sup> Line of Defense: Internal Audit**

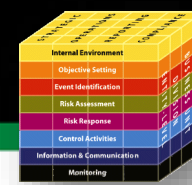
- Testing, sampling, evaluating and advising on risk management & controls

- External Audit
- State & Federal Laws





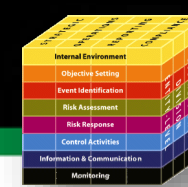
# ERM Major Roles & Responsibilities



| Area                        | Management   | Internal Controls   | Compliance  | Internal Audit  |
|-----------------------------|--|---|---|---|
| <b>Strategic Objectives</b> | ✓ Establish strategy, goals and objectives   | ✓ Establish controls to mitigate risks  | ✓ Provide consultation & advice                   | ✓ Provide consultation & advice                                       |
| <b>Operations</b>           | ✓ Mänge daily operations   | ✓ Enact preventative & detective controls   | ✓ Evaluate new practices, policies, or procedures | ✓ Test controls & provide assurances                                  |
| <b>Risk Mgmt Practices</b>  | <ul style="list-style-type: none"> <li>✓ Determine highest risks</li> <li>✓ Establish mitigations and monitoring programs</li> </ul>   | ✓ Implement mitigating controls to reduce risks   | ✓ Evaluate risks & mitigation compliance          | ✓ Advise, test, evaluate, and monitor progress of management controls |
| <b>Investigations</b>       | <ul style="list-style-type: none"> <li>✓ Investigate activities:</li> <li>✓ Student (Student Affairs)</li> <li>✓ Employee matters (HR)</li> <li>✓ EEO matters (EEO)</li> <li>✓ Safety/ Health (Risk Mgt)</li> <li>✓ IT Security (CIO)</li> </ul> | ✓ Implement corrective actions to remedy and/or prevent damages from fraud and misconduct | ✓ Ensure compliance with laws & regulations       | ✓ Investigate suspected fraud, waste & abuse                          |
| <b>Audits</b>               | ✓ Respond to audits & implement mitigations  | ✓ Implement new controls from audit results   | ✓ Evaluate compliance of proposed changes         | ✓ Audit, test, and monitor high risk activities                       |



# Internal Controls: Current State










## Control Activities




UNTS implemented numerous controls over the past few years helping provide assurances and safeguards to accomplish our objectives, including:

- Collaborative compliance officers working together to improve operations
- Centralized management of Controllers to improved financial governance (2015)
- Established financial thresholds for approved expenditures
- Enacted numerous system controls with formally defined roles
- Improved collaborative governance with various Councils (2018/19)
- Restructured CFO Council to enable integrated decisions across locations (2019)
- Established a formal ERM program across UNT World (2019)
- Conducted operational assessments across the system (2019/20)
- Implemented quarterly financial statements (2020)
- Achieved unmodified audit opinion with no major findings (2020)
- Improved timeliness of reconciliations by 10% year over year (2020)
- Implemented new tools for employee and vendor on-boarding (2020)



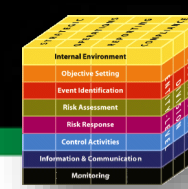
# Internal Controls: Finance Current Assessment

| Area                  | Rating  | Status/Progress  |
|-----------------------|---|--|
| Accounting Standards  |    | Strong and consistent accounting standards with integrated controller team; rapid response to new standards such as GASB   |
| Policies              |    | Consistent policies with strong account expertise; recognition of revenue, expense, payables, inventory, capital assets, etc.  |
| Responsibilities      |    | Strong segregation of duties; system controls on roles; established financial thresholds and approvals   |
| Financial Statements  |    | Several years of unmodified 'clean' audit opinions; in 2020 accomplished in record time with no major findings   |
| Approvals/Audit Trail |    | Established: documented authorities, audit trail of approvals; could improve efficiency and ease of use in systems   |
| Operating Metrics     |   | Established: Financial plans vs. actuals; quarterly financial measures; projections<br>Lack: operational metrics in various areas, including active measures on certain recons |
| Reconciliations       |  | Established: conducting high risk recons such as monthly cash reconciliations & payables<br>Lack: formal program with certification from institutional CFOs (in-progress)      |

-  Established & tested with supporting documentation
-  Established & tested; lacks documentation and/or approval
-  Not established and not tested or sustains major gaps



# Internal Controls: Finance Improvement Plan



Control Activities

In May 2020, Vice Chancellor for Finance/CFO established a Continuous Monitoring and Improvement Program (CMIP) under the System Controller

## **Phase I: Deep dive assessment (9/2020)**

*Deep dive into current control practices; identify current account reconciliation processes; establish future state and develop plan to address gaps*

## **Phase II: Implement aging process (12/2020)**

*Disposition outstanding discrepancies in reconciliations from prior years working collaborative with Internal Audit on approach; establish future process for aging accounts*

## **Phase III: Implement formal certification process (2/2021)**

*Complete documentation; implement new practices; establish financial metrics for account reconciliations; establish requirement for quarterly approvals by CFOs*

## **Phase IV: Automate data reconciliations (8/2021)**

*Leverage technology to automate as many reconciliations as much as possible allowing Controller team to focus on analysis, aging, and resolution of discrepancies*



# Monitoring: Quarterly Mission Review



Monitoring

- Implementing new Mission Review at Chancellor Council (August 2020)
  - Quarterly engagements with Chancellor’s Council to evaluate operational and strategic performance, risks, and mitigations across the UNT World
- Review includes shared operations, institutional operations, and major initiatives
  - Financial: performance, contract lead-times, payroll, reconciliations
  - Human Resources: workforce status, diversity, time to fill, and more
  - Facilities: construction in progress, space utilization, facility condition
  - Information Tech: security, innovation, system consolidation
  - Safety & Health: safety and related metrics
  - Compliance: update on current activities
  - Internal Audit: update on current activities
  - Institutional update: academics, enrollment, fund raising, research, athletics (as applicable)
  - Major initiatives: development of new campus at Frisco

Quarterly Mission Review will focus on operational and strategic performance and risk management



## Risk Definition

**Human Capital** - Failure to attract, develop, and retain valued employees within UNT World may result in personnel that do not possess the requisite knowledge, skills and experience needed to ensure that critical objectives are achieved.

## Major Areas of Focus

- Diversity, Equity and Inclusion
- Workforce & culture initiatives
- Time to Hire new employees
- Time to process a reclassification
- Time to process an equity review
- Special topics

**Green:** No major issues; activity is performing as planned; within planned schedule and costs

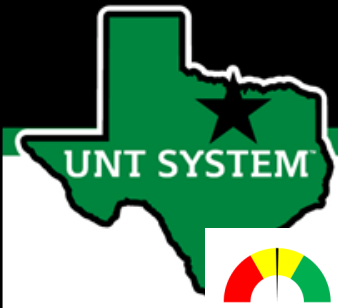


**Yellow:** Potential issues; activity is performing slightly below planned; slightly behind on schedule or costs



**Red:** Known issues; activity is performing well below planned; well beyond acceptable schedule or costs





Talent Acquisition: improve time to fill processes for staff positions (post to offer)

| Measure              | Target  | Quarter 2 (Dec-Feb) | Prior Quarter | End of Year Estimate | Comments  |
|----------------------|---------|---------------------|---------------|----------------------|---|
| Time to Fill: System | 35 days | 29 days             | N/A           |                      |   |
| Time to Fill: UNT    | 35 days | 28 days             | 43 days       |                      | Q2 data reflect transition from old to new PA system; these are not normal results. |
| Time to Fill: UNTD   | 35 days | 57 days             | 102 days      |                      | Q2 data reflect transition from old to new PA system; these are not normal results  |
| Time to Fill: HSC    | 35 days | 42 days             | 34 days       |                      |   |



ODE: improve attendance for non-mandatory training for regular employees

| Measure   | Target                            | Quarter 2 (Dec-Feb) | Prior Quarter | End of Year Estimate | Comments |
|---|-----------------------------------|---------------------|---------------|----------------------|----------|
| Number of Participants Attending Offerings - SYS  | Increase by 5% over previous year | 347                 |               |                      |          |
| Number of Participants Attending Offerings - UNT  | Increase by 5% over previous year | 858                 |               |                      |          |
| Number of Participants Attending Offerings - HSC  | Increase by 5% over previous year | 303                 |               |                      |          |
| Number of Participants Attending Offerings - UNTD | Increase by 5% over previous year | 164                 |               |                      |          |

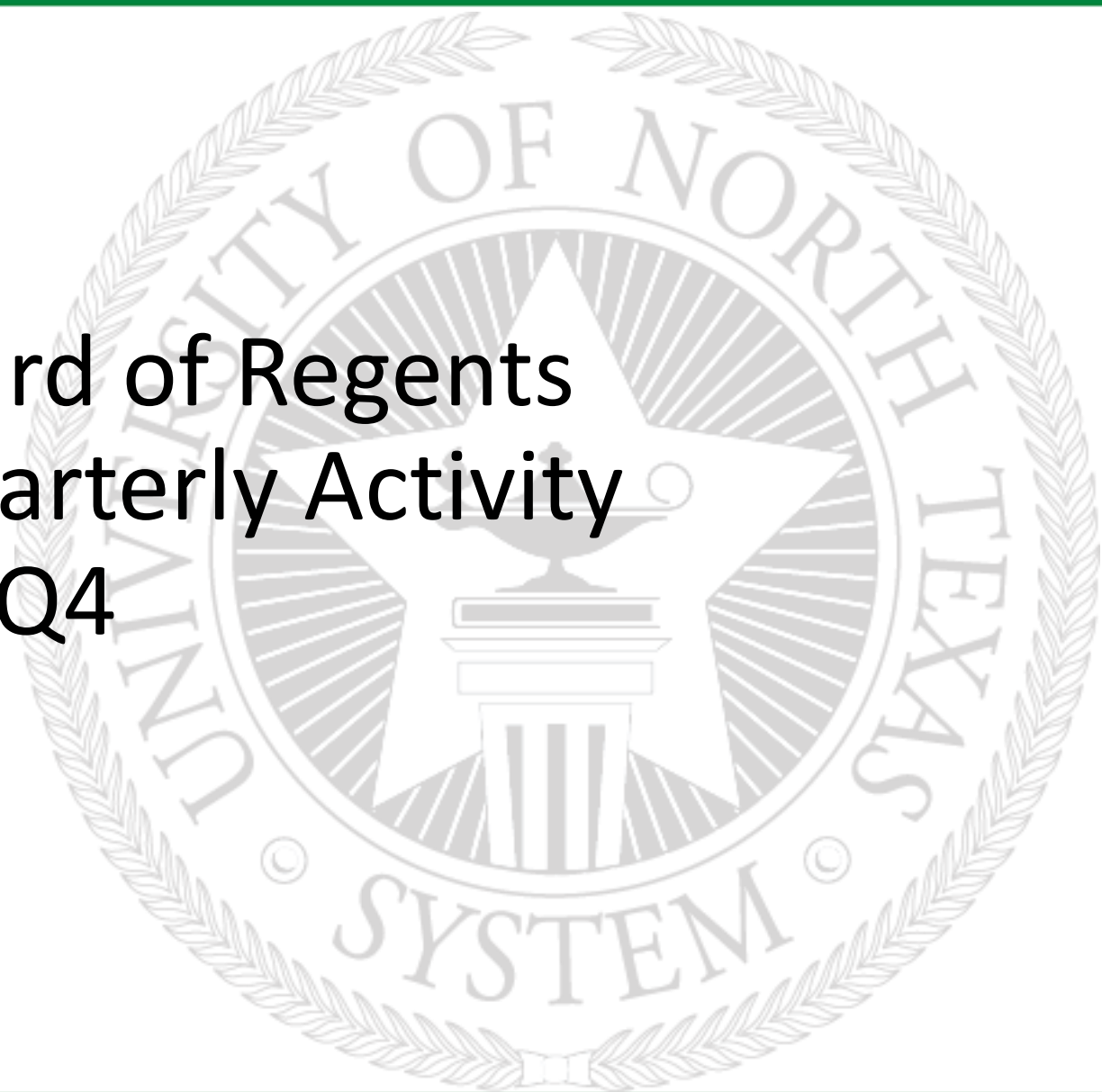


- Enterprise Risk Management being leveraged across the UNT World
- Enhancing internal controls and implementing a continuous monitoring & reporting program with quarterly financial reconciliations
- Implementing new performance measures & integrated reporting through a Quarterly Mission Review
- Future risks, mitigations, and progress will be reporting routinely to the Board of Regents





# UNT System Board of Regents Internal Audit Quarterly Activity FY20 Q4





## Highlights & Improvements

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New Business Model  
Organizational Chart  
External Reviews Overview

## Remaining Items on FY20 Audit Plan

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Remaining Items on the FY20 Audit Plan  
FY20 Investigations Status  
Recommendations Follow-up

## Background Materials

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Appendix I: Recommendations Follow-up  
Appendix II: External Quality Assessment Report  
Appendix III: Internal Audit Response & Action Plans

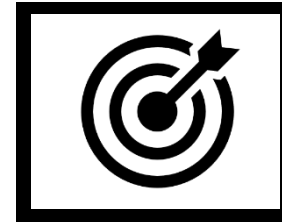


# IA Highlights & Improvements



## Strategic Redesign of IA

- Revised vision statement
- Roadmap to articulate initiatives



## New Risk Assessment

- Performed separate financial and IT risk assessments



## Integrated Audits

- New practice to incorporate data analysis, IT testing, or financial analysis, as appropriate



## New Business Model

- Co-sourcing partnership between Internal Audit staff and a professional service firm

*UNT System Internal Audit's vision is to be a world-class internal audit function to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight which is proactive and future-focused.*



# New Business Process Model

*To enhance the value of the Internal Audit function, a new business process model is being implemented with a co-sourcing partnership between UNT System Internal Audit staff and a professional service firm. This new model will develop a dedicated team to build up a knowledge base specific to the Institution's business operations, software tools, and services.*

*The co-sourcing partnership will provide:*

➤ **Control**

Dedicated team under our direct control and direction

➤ **Quality**

Control over quality of resources leads to improved work quality and timeliness

➤ **Economic Benefit**

Technical flexibility, agility and cost savings in the long-term

➤ **Business Value**

Long-term relationship and emphasizes values based on partnering rather than vending

➤ **Confidentiality**

Team members are an extension of our employee base, which preserves our business confidentiality

➤ **Organizational Knowledge**

Learning & knowledge is gathered first hand. It is retained and leveraged within the organization

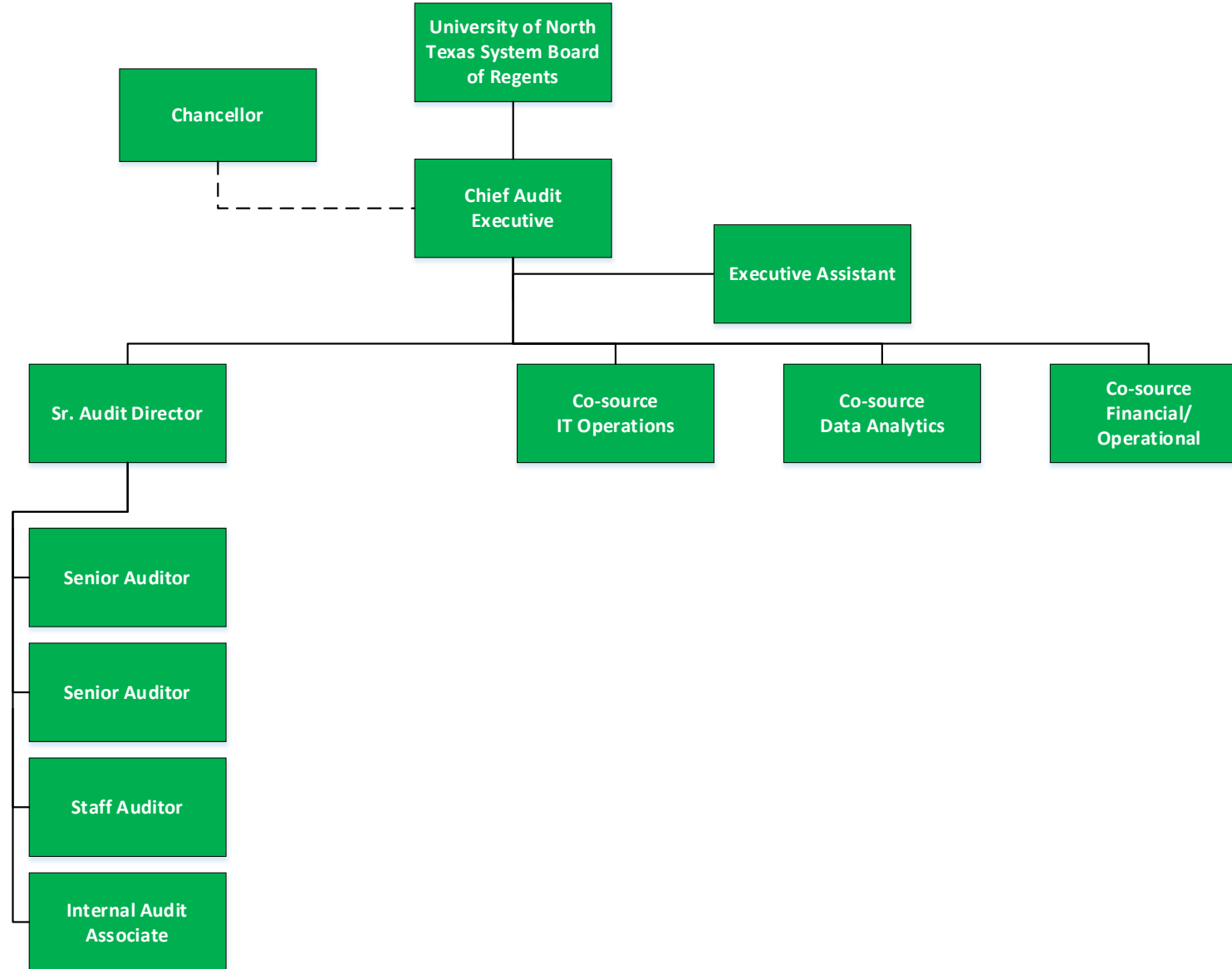
➤ **Standards & Procedures**

Unique standards, methodologies and procedures can be conveyed and followed

➤ **Ownership & Accountability**

Team members gain a sense of ownership and are accountable for successes as well as failures

# Organizational Chart





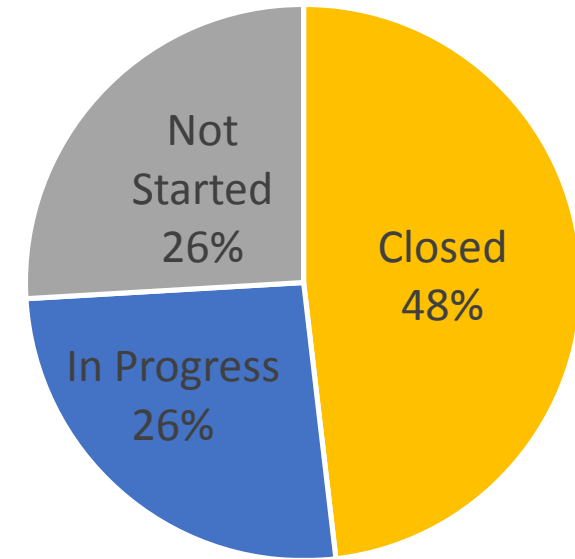
# External Reviews Overview

- Protiviti conducted the following external reviews of Internal Audit:
  - Strategic Internal Audit Assessment
  - Quality Assurance Review – IPPF
  - Quality Assurance Review – GAGAS
  
- Results of Protiviti external reviews include:
  - Overall IPPF Rating = Generally Conforms
  - Overall GAGAS Rating = Passes with Deficiency
  - 27 unique gaps identified between the three reviews



# External Reviews Overview

| Status                           | No. of Gaps |
|----------------------------------|-------------|
| Closed (48%)                     | 13          |
| In Progress (26%)                | 7           |
| Not Started (26%)                | 7           |
| <b>Protiviti-Identified Gaps</b> | <b>27</b>   |



## Remediated Gaps

| # | Gap Closed   | #  | Gap Closed  |
|---|--|----|---|
| 1 | Restriction to access  | 8  | No evidence CAE communicated status of improvement initiatives resulting from internal or external periodic assessments |
| 2 | Reduction to unallocated hours                               | 9  | Quality Assurance Improvement Program included in IA Policy & Procedure   |
| 3 | Increase IT audits in annual plan                            | 10 | Audit notification letters include rationale for conducting audit   |
| 4 | Risk level framework in place for audit findings             | 11 | FY20 plan consists of assurance audits focused on the 'rear view'   |
| 5 | Collaboration with Compliance and ERM on audit plan          | 12 | Audit reports were not clear and concise in bringing to attention the most critical aspects of the report.              |
| 6 | Financial risk assessment led to targeted financial audits   | 13 | IA Charter should include Internal Audit's responsibility to oversee any assurance services provided by 3rd parties.    |
| 7 | Relationship issues addressed with CAE and senior management |    |   |



# External Reviews Overview

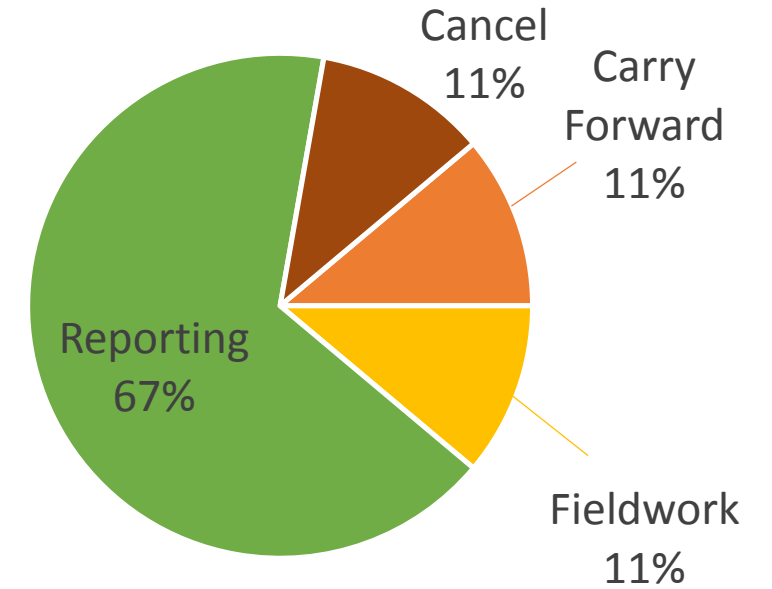
| # | In Progress  | Planned Completion Date | # | In Progress   | Planned Completion Date |
|---|--|-------------------------|---|---|-------------------------|
| 1 | Implement key performance indicators   | November 2020           | 5 | No shared view of IA's role in providing assurance in coordination with the other institutional assurance functions | October 2020            |
| 2 | Increased rigor should be put in place to develop and work within audits budgets   | September 2020          | 6 | Consistent process to assess and document external specialists assisting the engagement team                        | September 2020          |
| 3 | Work to build effective working relationships across the institution.  | Continuous              | 7 | External peer review process should be implemented that ensures all GAGAS requirements                              | October 2020            |
| 4 | IA's IT Audit capacity should be increased either through hiring, re-training existing staff, or through utilization of third party services | September 2020          |   |   |                         |
| # | Not Started  | Estimated Start Date    | # | Not Started   | Estimated Start Date    |
| 1 | Insufficient tracking and analysis of time to enable the identification of inefficiencies  | September 2020          | 5 | Establish a formal rotational program to help facilitate more diverse career paths                                  | January 2021            |
| 2 | Leverage advanced technologies to increase testing efficiency and allow more efficient coverage of audit populations                         | January 2021            | 6 | Recording all required 40 CPE hours each year, which includes government related training.                          | September 2020          |
| 3 | Collaboration and knowledge sharing between the functional teams   | September 2020          | 7 | Implement an Audit Planning Memo that summarizes key audit planning and scoping considerations                      | September 2020          |
| 4 | Use of data or technology-based audit techniques as part of audit planning and/or execution activities                                       | October 2020            |   |   |                         |





# Remaining Items on FY20 Audit Plan

| FY20 Audit Plan Status       | No. of Audits |
|------------------------------|---------------|
| Reporting Stage (67%)        | 6             |
| Fieldwork Stage (11%)        | 1             |
| Carry Forward (11%)          | 1             |
| Cancel (11%)                 | 1             |
| <b>Remaining Engagements</b> | <b>9</b>      |



## Titles of Remaining Engagements

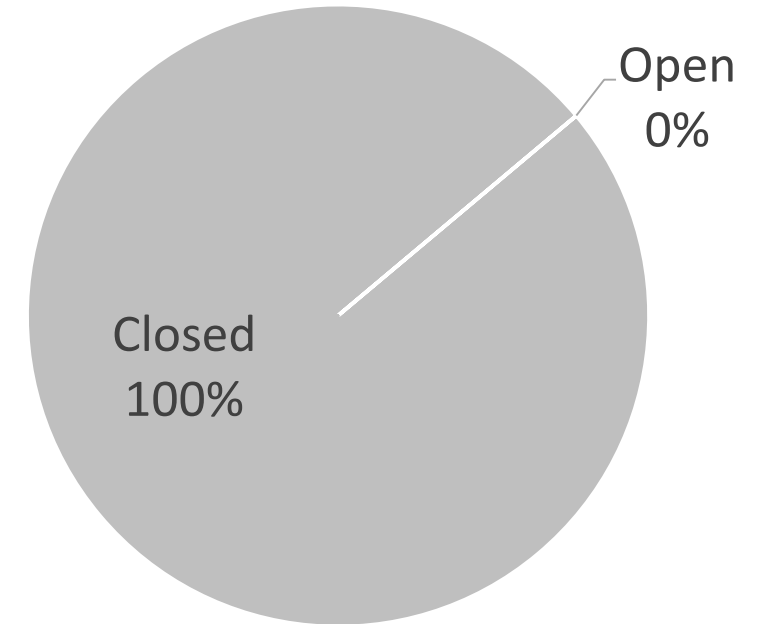
| Status    | Planned Completion Date | Title   | Entity | Status                  | Planned Completion Date | Title                                  | Entity |
|-----------|-------------------------|---|--------|-------------------------|-------------------------|--|--------|
| Reporting | Jul 2020                | College of Education Dean Transition              | DAL    | Reporting               | Aug 2020                | Effort Reporting Process               | DAL    |
| Reporting | Jul 2020                | School of Liberal Arts & Sciences Dean Transition | DAL    | Fieldwork               | Sep 2020                | NCAA Compliance (Recruiting)           | UNT    |
| Reporting | Jul 2020                | Benefits Proportionality                          | SYS    | Carry Forward           | Mar 2021                | School of Medicine Financial Processes | HSC    |
| Reporting | Aug 2020                | Senate Bill 20 Mandated Internal Audit            | SYS    | Proposed to be Canceled | N/A                     | Dining Services                        | UNT    |
| Reporting | Aug 2020                | Grants and Contracts Compliance                   | DAL    |                         |                         |  |        |

# FY20 Investigations Status



| FY20 Investigation Case Status      | No. of Cases |
|-------------------------------------|--------------|
| Closed (100%)                       | 18           |
| Open (0%)                           | 0            |
| <b>Total FY20 IA-Assigned Cases</b> | <b>18</b>    |

FY20 Investigation Case Status



# Recommendations Follow-Up



## System Administration

- 0 Past Due
- 5 Revised Due Dates
- 17 Not Yet Due



## UNT

- 0 Past Due
- 0 Revised Due Dates
- 30 Not Yet Due



## UNTHSC

- 0 Past Due
- 0 Revised Due Dates
- 10 Not Yet Due



## UNT Dallas

- 0 Past Due
- 7 Revised Due Dates
- 26 Not Yet Due



Questions?



# Background Materials



## Appendix I – Recommendations Follow-up



# Appendix I - Recommendations Follow-Up

| Audit Title                    | Original Due Date | Revised Due Date | Recommendation  |
|--------------------------------|-------------------|------------------|---|
| <b>UNT System</b>              |                   |                  |   |
| EIS Roles Based Access (3)     | 04/30/19          | 07/31/20         | Establish procedures whereby persons who transfer to another position, within or across UNT entities, have their EIS FS access removed and access appropriate to their new role granted.  |
|                                | 05/31/19          | 12/15/20         | Document what constitutes segregation of duties (SOD) for EIS FS processes.   |
|                                | 05/31/19          | 12/15/20         | Establish a procedure to evaluate the output of the SOD automated solution, and take appropriate action to mitigate or accept any conflicts identified.   |
| Correcting Journal Entries (2) | 03/31/20          | 07/31/20         | Where needed, collaborate with the Institution CFO's to re-train the Budget Office on the UNT System Budget Manual guidelines. During the training, discuss at a minimum the following: <ul style="list-style-type: none"> <li>• Purpose of budget entry types</li> <li>• Implications of using incorrect budget entry types, and</li> <li>• Instructions on how to identify an error and the approach to fix the discrepancy.</li> </ul> |
|                                | 03/31/20          | 08/31/20         | Work with Institutional CFO's to implement monitoring procedures to ensure ongoing compliance with UNT System Budget Manual guidelines.   |

# Appendix I - Recommendations Follow-Up



| Audit Title                               | Original Due Date | Revised Due Date | Recommendation  |
|---|-------------------|------------------|---|
| <b>UNT Dallas</b>                         |                   |                  |   |
| Residence Hall Key Card Access Audit (1)  | 09/30/19          | 07/31/20         | Create a direct feed from EIS to populate users in the door access software system or train and establish procedures for the ID Center staff to manually populate users in the door access system with data that parallels EIS. |
| College of Law Business Process Audit (4) | 01/13/20          | 09/01/20         | Identify an individual at the College of Law to be the designated liaison with UNT Dallas Property Control.   |
|   | 02/15/20          | 09/01/20         | Develop an Emergency Preparedness Plan for the College of Law's new location at 106 South Harwood Street.   |
|   | 02/15/20          | 09/01/20         | Review the revised plan with Risk Management Services, UNT Dallas Police department and College of Law personnel.   |
|   | 02/15/20          | 09/01/20         | Prepare and drill College of Law for emergency type events.   |
| Student Fees (2)                          | 06/02/20          | 09/01/20         | Develop procedures to ensure all checks received at the point of collection are restrictively endorsed and date stamped.  |
|   | 06/02/20          | 10/01/20         | Procure restrictive check stamps to be distributed to all other departments or areas that accept checks as directed by management   |





## Appendix II - External Quality Assessment Report



# Appendix II – External Quality Assessment Report

UNT | SYSTEM

Sheba Joyner, Interim Chief Audit Executive  
Internal Audit

University of North Texas

University of North Texas Health Science Center

University of North Texas Dallas

June 5, 2020

The University of North Texas System Board of Regents

In accordance with the Texas Internal Auditing Act (Government Code Chapter 2102), International Standards for the Professional Practice of Internal Auditing, and the Generally Accepted Government Auditing Standards, an External Quality Assessment was performed of our internal Auditing function at the University of North Texas System.

We are in agreement with all recommendations and opportunities for improvement presented in the final report dated 06/05/20. We are committed to the implementation of all suggestions to ensure compliance with standards and strengthen the UNTS Internal Audit function. We will communicate the status of all efforts and improvements to the UNTS Chancellor and Board of Regents.

If you have any questions or concerns, please let me know.

Sincerely,

Sheba Joyner



# UNIVERSITY OF NORTH TEXAS SYSTEM EXTERNAL QUALITY ASSESSMENT OF INTERNAL AUDIT

June 5, 2020

# LETTER OF TRANSMITTAL

June 5, 2020

© 2020 Protiviti Inc. Proprietary and Confidential:

All information included in this report is proprietary and confidential and is intended for the University of North Texas System (“UNTS”) internal use only and may not be distributed to any other third party other than your regulator or external auditor without the prior written consent of Protiviti Inc. (“Protiviti”).

This quality assessment provides management with information about the Internal Audit activity at UNTS as of June 5, 2020. Future changes in environmental factors and actions by personnel, including actions taken to address our recommendations, may have an impact upon the operation of Internal Audit in a manner that this report did not and cannot anticipate.

Considerable professional judgment is involved in evaluating the findings and developing our recommendations. Accordingly, it should be recognized that others could evaluate the results differently and draw different conclusions. The criteria that we used to determine our views on conformance with the International Standards for the Professional Practice of Internal Auditing are defined in Appendix I to this report and are consistent with the guidance provided by The Institute of Internal Auditors in their Quality Assessment Manual. The criteria that we used to determine our views on conformance with the Generally Accepted Government Auditing Standards (“GAGAS”) are defined in Appendix II to this report.

Ms. Sheba Joyner  
Interim Chief Audit Executive  
University of North Texas System

Dear Ms. Joyner,

Protiviti completed its external quality assessment review (“EQA”) of the Internal Audit (“IA”) Department at University of North Texas System’s (“UNTS”) on June 5, 2020. An EQA is required under the Texas Internal Auditing Act (Government Code Chapter 2102), at least once every three years. Our EQA had four main objectives:


- Assess IA’s conformance with the IIA Standards;
- Assess IA’s Conformance with the Generally Accepted Government Auditing Standards (“GAGAS”);
- Assess the effectiveness of IA within the context of the function’s charter and stakeholder expectations; and
- Provide counsel to IA on improvement opportunities and/or emerging practices.

Overall, we found that the UNTS IA function **Generally Conforms** to the IIA Standards and **Passes With Deficiencies** against GAGAS. Our report describes areas where we believe IA is operating in accordance with the standards, conformance gaps, improvement opportunities, and feedback from your key stakeholders. This information is consistent with our view that an external EQA should provide insight and ideas for positive change in your function.

Very truly yours,



Clint McPherson  
Managing Director  
Protiviti Inc.



Alex Speck  
Director  
Protiviti Inc.

# TABLE OF CONTENTS



## 04 Executive Summary

- 5. Objectives and Scope
- 6. IIA Standards Conformance Summary 07
  - IIA Standards Conformance Gaps
- 10 GAGAS Conformance Summary
- 11 GAGAS Conformance Gaps

## 14 Conformance with IIA Standards

- 15 Detailed Analysis

## 27 Stakeholder Feedback

- 28 Stakeholders Interviewed
- 30 Stakeholder Summary Interview Comments

## 31 Appendices

- 32 Appendix I: Criteria for IIA Conformance Ratings
- 33 Appendix II: Criteria for GAGAS Conformance Ratings
- 34 Appendix III: Conformance Gap Remediation Prioritization Map
- 35 Appendix IV: IIA Improvement Recommendation Prioritization Map

# EXECUTIVE SUMMARY

# OBJECTIVES AND SCOPE

Executive Summary

Conformance with Standards

Stakeholder Feedback

Appendices



## External Quality Assessment Objectives

- Assess IA's conformance with the IIA Standards and GAGAS;
- Assess the effectiveness of IA within the context of the function's charter and stakeholder expectations; and
- Provide counsel to IA on improvement opportunities and/or emerging practices.



## Scope of External Quality Assessment Activities


Our scope was designed to include the following considerations:

- Conformance with the IIA Standards and GAGAS.
- Evaluate the approach taken to assessing organizational controls and aspects of governance.
- The UNTS audit universe and the method followed to conduct the annual risk assessment leading to the audit plan.
- The IA organizational structure, staffing, and approach in audit plans to ensure that audit activities add value to the enterprise.
- The mix of knowledge, experience, and disciplines within the IA activity staff, including staff focus on process improvement and value-added activities.
- The tools and technology employed by the IA activity.
- Identify ways to enhance IA policies and practices.

# IIA STANDARDS CONFORMANCE SUMMARY

|                          |                            |                      |            |
|--------------------------|----------------------------|----------------------|------------|
| <b>Executive Summary</b> | Conformance with Standards | Stakeholder Feedback | Appendices |
|--------------------------|----------------------------|----------------------|------------|

Overall, we found that the UNTS IA function **Generally Conforms** to the IIA Standards. This is the highest rating available for an internal audit activity. Conformance ratings for each of the Standards are summarized below. Rating definitions are detailed in Appendix I.



| IIA Standard  | Rating                    |
|---|---------------------------|
| 1000 – Purpose, Authority, and Responsibility (Charter) | Generally Conforms        |
| 1100 – Independence and Objectivity                     | Partially Conforms        |
| 1200 – Proficiency and Due Professional Care            | Generally Conforms        |
| 1300 – Quality Assurance and Improvement Program        | Partially Conforms        |
| 2000 – Managing the Internal Audit Activity             | Partially Conforms        |
| 2100 – Nature of Work                                   | Generally Conforms        |
| 2200 – Engagement Planning                              | Generally Conforms        |
| 2300 – Performing the Engagement                        | Generally Conforms        |
| 2400 – Communicating Results                            | Generally Conforms        |
| 2500 – Monitoring Progress                              | Generally Conforms        |
| 2600 – Communicating the Acceptance of Risks            | Generally Conforms        |
| The Institute of Internal Auditor’s Code of Ethics      | Generally Conforms        |
| <b>Overall Rating</b>                                   | <b>Generally Conforms</b> |



# IIA STANDARDS CONFORMANCE GAPS (1/3)

|                   |                            |                      |            |
|-------------------|----------------------------|----------------------|------------|
| Executive Summary | Conformance with Standards | Stakeholder Feedback | Appendices |
|-------------------|----------------------------|----------------------|------------|

We identified the following conformance gaps based on our analysis of conformance with the IIA Standards.

The following conformance gaps were identified:

| Conformance Gap Details  | Recommended Actions  |
|--|--|
| <ul style="list-style-type: none"> <li>• <b>1100/G1</b> – Based on stakeholder interviews, it is apparent that the relationships between the CAE and some members of senior management (especially within UNTHSC) mean that IA is not totally free from conditions that may threaten its ability to carry out responsibilities in an unbiased manner. It is also apparent that the CAE does not have direct and unrestricted access to all records and/or members of senior management within UNTHSC.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>1100/R1</b> – The CAE has already delegated communications with UNTHSC senior management to the IA Senior Director overseeing that institution. However, a longer-term solution should be sought to re-build relationships between the CAE and senior management within UNTHSC.</li> </ul> |
| <ul style="list-style-type: none"> <li>• <b>1220/G1</b> – There is no consistent process to make use of data or technology-based audit techniques as part of audit planning and/or execution activities.</li> </ul>  | <ul style="list-style-type: none"> <li>• <b>1220/R1</b> – A strategy and roadmap to embed dynamic risk assessment, data analytics and continuous monitoring into the audit plan should be prepared.</li> </ul>   |
| <ul style="list-style-type: none"> <li>• <b>1230/G1</b> – IA team members are required to upload their CPE training certificates to the UNTS IA Annual CPE tracking file. Per review of the file, it was noted that not all team members were obtaining or recording all required 40 CPE hours each year. Further, there is no evidence that the IA function collectively completes, and tracks, continued professional education requirements in accordance with GAGAS.</li> </ul>                              | <ul style="list-style-type: none"> <li>• <b>1230/R1</b> – IA should establish a process to centrally collect and monitor CPE completion records of IA team members in accordance with IIA and GAGAS requirements.</li> </ul>   |

# IIA STANDARDS CONFORMANCE GAPS (2/3)

|                   |                            |                      |            |
|-------------------|----------------------------|----------------------|------------|
| Executive Summary | Conformance with Standards | Stakeholder Feedback | Appendices |
|-------------------|----------------------------|----------------------|------------|

We identified the following conformance gaps based on our analysis of conformance with the IIA Standards.

The following conformance gaps were identified:

| Conformance Gap Details   | Recommended Actions   |
|---|---|
| <ul style="list-style-type: none"> <li>• <b>1310/G1</b> – As it relates to internal assessments, the QAIP policy clearly defines ongoing monitoring, but it does not define the nature of periodic self assessments.</li> </ul>   | <ul style="list-style-type: none"> <li>• <b>1310/R1</b> – The QAIP policy should specifically define the nature of periodic assessments.</li> </ul>   |
| <ul style="list-style-type: none"> <li>• <b>1320/G1</b> – There is no evidence that the CAE has communicated the status of improvement initiatives resulting from internal or external periodic assessments. For example, recommendation 1311/I1 in this report was also a recommendation in the 2017 External Quality Assessment and the status of the resulting action has not been reported on.</li> </ul>   | <ul style="list-style-type: none"> <li>• <b>1320/R1</b> – The CAE should provide regular updates to senior management and the board relating to results of the QAIP and resulting actions. The updates should also include details on how IA is performing against established performance indicators.</li> </ul>   |
| <ul style="list-style-type: none"> <li>• <b>2000/G1</b> – Over 90% of the FY20 plan consists of assurance audits that are focused on the ‘rear view’. In addition, the general perception from management was that audits were not strategic and offered limited additional value beyond basic assurance. The theme of this observation was also identified in the 2017 External Quality Assessment.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>2000/R1</b> – To improve IA’s reputation as a value-added partner within the institution, IA should allocate at least 20% of the annual plan to advisory/consulting projects focused on emerging risks, significant projects and improving process efficiencies. IA should also develop a strategic plan to articulate how IA adds value to the institution, in alignment with its goals and strategies.</li> </ul> |

# IIA STANDARDS CONFORMANCE GAPS (3/3)

|                   |                            |                      |            |
|-------------------|----------------------------|----------------------|------------|
| Executive Summary | Conformance with Standards | Stakeholder Feedback | Appendices |
|-------------------|----------------------------|----------------------|------------|

We identified the following conformance gaps based on our analysis of conformance with the IIA Standards.


The following conformance gaps were identified:

| Conformance Gap Details   | Recommended Actions  |
|---|--|
| <ul style="list-style-type: none"> <li>• <b>2050/G1</b> – Through interviews with IA, senior management, Compliance, and the board, it is clear there is no shared view of IA’s role in providing assurance in coordination with the other institutional assurance functions. The theme of this observation was also identified in the 2017 External Quality Assessment.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>2050/R1</b> – IA should define and communicate a clear vision and strategy for the coordination of assurance activities across the institution. This coordination strategy should be agreed upon with senior management, the Chancellor and the Board of Regents.</li> </ul> |
| <ul style="list-style-type: none"> <li>• <b>2120/G1</b> – A significant portion of hours budgeted for IT Audit are reserved as “unallocated” at the start of the year. While these hours are typically used by IT auditors to support business process audits, the IA Plan does not provide full visibility over the coverage of IT risks.</li> </ul>                               | <ul style="list-style-type: none"> <li>• <b>2120/R1</b> – IA should increase the transparency of IT risk coverage included in the annual plan by providing more detail of the expected IT audit work to be performed during integrated audits and mapping back to IT risks.</li> </ul>                                   |
| <ul style="list-style-type: none"> <li>• <b>2410/G1</b> – Feedback from interviews supported our analysis that audit reports were not clear and concise in bringing to attention the most critical aspects of the report.</li> </ul>  | <ul style="list-style-type: none"> <li>• <b>2410/R1</b> – A concise Executive Summary should be designed and added to audit reports to quickly bring attention to the most important audit results and findings.</li> </ul>  |
| <ul style="list-style-type: none"> <li>• <b>2420/G1</b> – As there is no formal audit finding risk rating methodology, there is a lack of transparency and consistency around the risk ratings assigned to findings across audits.</li> </ul>   | <ul style="list-style-type: none"> <li>• <b>2420/R1</b> – A framework to determine the risk level of audit findings should be developed and applied consistently across all audit engagements. This will reduce the chance of inconsistent ratings being issued across audits.</li> </ul>                                |

# GAGAS CONFORMANCE SUMMARY

|                          |                            |                      |            |
|--------------------------|----------------------------|----------------------|------------|
| <b>Executive Summary</b> | Conformance with Standards | Stakeholder Feedback | Appendices |
|--------------------------|----------------------------|----------------------|------------|

Overall, we found that the UNTS IA function **Passes With Deficiencies (“PWD”)** regarding GAGAS. Conformance ratings for each of the Standards are summarized below. Rating definitions are detailed in Appendix II.



| GAGAS Chapter  | Rating                        |
|--|-------------------------------|
| Chapter 1 - Foundation and Principles for the Use and Application of Government Auditing Standards | Pass                          |
| Chapter 2 - General Requirements for Complying with Government Auditing Standards                  | Pass                          |
| Chapter 3 - Ethics, Independence, and Professional Judgment  | Pass With Deficiencies        |
| Chapter 4 - Competence and Continuing Professional Education                                       | Pass With Deficiencies        |
| Chapter 5 - Quality Control and Peer Review  | Fail                          |
| Chapter 6 - Standards for Financial Audits   | Not Applicable                |
| Chapter 7 - Standards for Attestation Engagements and Reviews of Financial Statements              | Not Applicable                |
| Chapter 8 - Fieldwork Standards for Performance Audits   | Pass With Deficiencies        |
| Chapter 9 - Reporting Standards for Performance Audits   | Pass With Deficiencies        |
| <b>Overall Rating</b>  | <b>Pass With Deficiencies</b> |

# GAGAS CONFORMANCE GAPS (1/3)



GAGAS gaps and related recommendations are detailed below. Where gaps and/or recommendations align with previously stated gaps with the IIA Standards, the relevant IIA Standard has been cross-referenced.



| Chapter Reference  | Conformance Gap Details  | Recommended Actions   | Rating     |
|--|--|---|------------|
| <b>Chapter 3 - Ethics, Independence, and Professional Judgment</b> |  |   | <b>PWD</b> |
| <b>3.19 - Independence and Objectivity</b>                         | Refer to IIA conformance gap 1100/G1   | Refer to IIA recommendation 1100/R1   |            |
| <b>Chapter 4 - Ethics, Independence, and Professional Judgment</b> |  |   | <b>PWD</b> |
| <b>4.12 - Third-Party Auditor Assessment</b>                       | <b>CH4/G1</b> - There is no consistent process to assess and document the competence, qualifications, and independence of external specialists assisting the engagement team on audit engagements. | <b>CH4/R1</b> - A co-sourcing checklist that leverages GAGAS interpretive guidance should be utilized to facilitate a more robust evaluation of the competence, qualifications and independence of specialists assisting the engagement team. |            |
| <b>4.16, 4.17, 4.18, 5.16 - CPE Requirements</b>                   | Refer to IIA conformance gap 1230/G1   | Refer to IIA recommendation 1230/R1   |            |

# GAGAS CONFORMANCE GAPS (2/3)

|                   |                            |                      |            |
|-------------------|----------------------------|----------------------|------------|
| Executive Summary | Conformance with Standards | Stakeholder Feedback | Appendices |
|-------------------|----------------------------|----------------------|------------|

GAGAS gaps and related recommendations are detailed below:



| Chapter Reference                                  | Conformance Gap Details  | Recommended Actions  | Rating      |
|--|--|--|-------------|
| <b>Chapter 5 - Quality Control and Peer Review</b> |  |  | <b>Fail</b> |
| <b>5.44 - QAIP Reporting</b>                       | Refer to IIA conformance gap 1310/G1   | Refer to IIA recommendation 1310/R1  |             |
| <b>5.45 - QAIP Actions</b>                         | Refer to IIA conformance gap 1320/G1   | Refer to IIA recommendation 1320/R1  |             |
| <b>5.60-5.95 - Peer Review</b>                     | <b>CH5/G1</b> - As it relates to external peer reviews, the QAIP policy clearly defines requirements outlined in section 5.60 and 5.84. However, assessment against GAGAS was not included in the scope of the 2017 peer review. | <b>CH5/R1</b> - A peer review process should be implemented that ensures compliance with all GAGAS requirements including the items below: <ul style="list-style-type: none"> <li>Assessment of peer review risk</li> <li>Peer review report ratings</li> <li>Availability of the peer review report to the public</li> <li>Peer review scope</li> <li>Peer review intervals (every 3 years)</li> <li>Written agreement for the peer review</li> <li>Peer review team make-up</li> <li>Report content</li> <li>The audit team's response to the peer review report.</li> </ul> |             |

# GAGAS CONFORMANCE GAPS (3/3)

|                   |                            |                      |            |
|-------------------|----------------------------|----------------------|------------|
| Executive Summary | Conformance with Standards | Stakeholder Feedback | Appendices |
|-------------------|----------------------------|----------------------|------------|

GAGAS gaps and related recommendations are detailed below:

| Chapter Reference   | Conformance Gap Details  | Recommended Actions                   | Rating     |
|---|--|---------------------------------------|------------|
| <b>Chapter 8 - Fieldwork Standards for Performance Audits</b> |  |                                       | <b>PWD</b> |
| <b>8.27, 8.30, 8.68, 8.136 – Engagement Planning</b>          | <p><b>CH8/G1</b> - Although the UNTS IA Manual addresses key planning activities, there is no consistent process during the audit planning phase to assess GAGAS requirements including:</p> <ul style="list-style-type: none"> <li>• Impact of investigations or legal proceedings significant to the audit objectives</li> <li>• Corrective actions to address findings and recommendations from previous engagements</li> <li>• Identification of laws, regulations, and grant agreements that are significant to the audit objectives</li> </ul> | Refer to IIA recommendation- 2220/I1  |            |
| <b>Chapter 9 - Reporting Standards for Performance Audits</b> |  |                                       | <b>PWD</b> |
| <b>9.21 – Reporting Conclusions</b>                           | Refer to IIA conformance gap 2420/G1   | Refer to IIA recommendation - 2420/I1 |            |

# CONFORMANCE WITH IIA STANDARDS

Detailed Analysis



# IIA STANDARDS DETAILED ANALYSIS (1/12)

|                   |                                   |                      |            |
|-------------------|-----------------------------------|----------------------|------------|
| Executive Summary | <b>Conformance with Standards</b> | Stakeholder Feedback | Appendices |
|-------------------|-----------------------------------|----------------------|------------|

|  |                           |
|--|---------------------------|
| <b>1000 – Purpose, Authority, and Responsibility</b> | <b>Generally Conforms</b> |
|--|---------------------------|

The purpose, authority, and responsibility of the Internal Audit activity must be formally defined in an Internal Audit Charter, consistent with the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards, and the Definition of Internal Auditing). The Chief Audit Executive (CAE) must periodically review the Internal Audit Charter and present it to Senior Management and the Board for approval.

|                                       |  |
|---------------------------------------|--|
| <b>IIA Standards Performance Gaps</b> | <b>Recommendations to Address Gaps</b> |
|---------------------------------------|--|

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• None noted.</li> </ul> | <ul style="list-style-type: none"> <li>• None noted.</li> </ul> |
|---|---|

|                  |                                  |
|------------------|----------------------------------|
| <b>Strengths</b> | <b>Improvement Opportunities</b> |
|------------------|----------------------------------|

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• <b>1000/S1</b> – The IA Charter contains the purpose, responsibility, and authority of the IA function. The charter provides IA with full access to any of the institution’s activities, records, physical properties, and personnel relevant to the performance of its audit work.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>1000/I1</b> – Due to the co-sourcing model in place, the IA Charter should include Internal Audit’s responsibility to oversee any assurance services provided by 3<sup>rd</sup> parties.</li> </ul> |
|---|---|

# IIA STANDARDS DETAILED ANALYSIS (2/12)

|                   |                            |                      |            |
|-------------------|----------------------------|----------------------|------------|
| Executive Summary | Conformance with Standards | Stakeholder Feedback | Appendices |
|-------------------|----------------------------|----------------------|------------|

## 1100 – Independence and Objectivity

Partially Conforms

The Internal Audit activity must be independent, and internal auditors must be objective in performing their work.

| IIA Standards Performance Gaps  | Recommendations to Address Gaps  |
|---|--|
| <ul style="list-style-type: none"> <li>• <b>1100/G1</b> – Based on stakeholder interviews, it is apparent that the relationship between the CAE and some members of senior management (especially within UNTHSC) mean that IA is not totally free from conditions that may threaten its ability to carry out responsibilities in an unbiased manner. It is also apparent that the CAE does not have direct and unrestricted access to all records and/or members of senior management within UNTHSC.</li> </ul>   | <ul style="list-style-type: none"> <li>• <b>1100/R1</b> – The CAE has already delegated communications with UNTHSC senior management to the IA Senior Director overseeing that institution. However, a longer-term solution should be sought to re-build relationships between the CAE and senior management within UNTHSC.</li> </ul> |
| Strengths   | Improvement Opportunities  |
| <ul style="list-style-type: none"> <li>• <b>1100/S1</b> – IA staff members complete an annual Independence and Objectivity attestation. The Chief Audit Executive (CAE) reviews and approves the forms.</li> <li>• <b>1110/S1</b> – IA has clearly defined reporting lines and reports functionally to the Audit Committee.</li> <li>• <b>1110/S2</b> – The IA Charter and the IA Policy and Procedures Manual include sections dedicated to independence and objectivity, including the process to identify, manage and report any conflicts.</li> </ul> | <ul style="list-style-type: none"> <li>• None noted.</li> </ul>  |

# IIA STANDARDS DETAILED ANALYSIS (3/12)

|                   |                                   |                      |            |
|-------------------|-----------------------------------|----------------------|------------|
| Executive Summary | <b>Conformance with Standards</b> | Stakeholder Feedback | Appendices |
|-------------------|-----------------------------------|----------------------|------------|

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|---|---------------------------|
| <b>1200 – Proficiency and Due Professional Care</b> | <b>Generally Conforms</b> |
|---|---------------------------|

Engagements must be performed with proficiency and due professional care.

| IIA Standards Performance Gaps  | Recommendations to Address Gaps  |
|---|--|
| <ul style="list-style-type: none"> <li>• <b>1220/G1</b> – There is no consistent process to make use of data or technology-based audit techniques as part of audit planning and/or execution activities.</li> <li>• <b>1230/G1</b> – IA team members are required to upload their CPE training certificates to the UNTS IA Annual CPE tracking file. Per review of the file, it was noted that not all team members were obtaining or recording all required 40 CPE hours each year. Further, There is no evidence that the IA function collectively completes, and tracks continued professional education requirements in accordance with GAGAS.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>1220/R1</b> – A strategy and roadmap to embed dynamic risk assessment, data analytics and continuous monitoring into the audit plan should be prepared.</li> <li>• <b>1230/R1</b> – IA should establish a process to centrally collect and monitor CPE completion records of IA team members in accordance with IIA and GAGAS requirements.</li> </ul> |

| Strengths  | Improvement Opportunities   |
|--|---|
| <ul style="list-style-type: none"> <li>• <b>1210/S1</b> – IA has staff with an appropriate amount of professional experience. The team averages 15 years of overall Internal Audit experience.</li> <li>• <b>1210/S2</b> – IA obtains specialty audit skills where internal skill gaps are identified by engaging 3<sup>rd</sup> party service providers to supplement existing staff.</li> <li>• <b>1220/S1</b> – There is a suitable review of work papers by audit supervisors as evidenced by sign-offs within TeamMate.</li> <li>• <b>1230/S1</b> – IA management budgets \$3,500 annually for each IA employee to attend training, maintain licenses and CPE requirements and to obtain new certifications.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>1210/I1</b> – There is a history of IA resources moving into operational roles within the institution. To expand on this, IA could establish a formal rotational program to help facilitate more diverse career paths for members of the team and enhance its reputation across the institution.</li> </ul> |

# IIA STANDARDS DETAILED ANALYSIS (4/12)

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|-------------------|-----------------------------------|----------------------|------------|
| Executive Summary | <b>Conformance with Standards</b> | Stakeholder Feedback | Appendices |
|-------------------|-----------------------------------|----------------------|------------|

## 1300 – Quality Assurance and Improvement Program

**Partially Conforms**

The Chief Audit Executive must develop and maintain a Quality Assurance and Improvement Program that covers all aspects of the Internal Audit activity. Three key elements of a QAIP are the internal ongoing monitoring, internal periodic assessments and external assessments.

| IIA Standards Performance Gaps   | Recommendations to Address Gaps   |
|--|---|
| <ul style="list-style-type: none"> <li>• <b>1310/G1</b> – As it relates to internal assessments, the QAIP policy clearly defines ongoing monitoring, but it does not define the nature of periodic self assessments.</li> <li>• <b>1320/G1</b> – There is no evidence that the CAE has communicated the status of improvement initiatives resulting from internal or external periodic assessments. For example, recommendation 1311/I1 in this report was also a recommendation in the 2017 External Quality Assessment and the status of the resulting action has not been reported on.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>1310/R1</b> – The QAIP policy should specifically define the nature of internal periodic self-assessments.</li> <li>• <b>1320/R1</b> – The CAE should provide regular updates to senior management and the board relating to results of the QAIP and resulting actions. The updates should also include details on how IA is performing against established performance indicators.</li> </ul>                    |
| Strengths  | Improvement Opportunities   |
| <ul style="list-style-type: none"> <li>• <b>1311/S1</b> – IA conducts internal ongoing assessments including detailed audit planning, management supervision, review of work papers, and review of issues prior to audit report issuance.</li> <li>• <b>1311/S2</b> – IA performs periodic internal and external peer reviews of its policies and processes to ensure alignment with the IIA Standards.</li> <li>• <b>1320/S1</b> – IA communicates the results of periodic internal and external assessments to the Audit Committee.</li> </ul>   | <ul style="list-style-type: none"> <li>• <b>1311/I1</b> – Implement key performance indicators to measure IA's efficiency and effectiveness in planning, process, management, skills, and hiring and retention. Examples include, experience and skills of IA team members, average execution time for each audit phase, actual vs. planned hours, etc. The theme of this observation was also identified in the 2017 External Quality Assessment.</li> </ul> |

# IIA STANDARDS DETAILED ANALYSIS (5/12)

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|-------------------|-----------------------------------|----------------------|------------|
| Executive Summary | <b>Conformance with Standards</b> | Stakeholder Feedback | Appendices |
|-------------------|-----------------------------------|----------------------|------------|

## 2000 – Managing the Internal Audit Activity

**Partially Conforms**

The Chief Audit Executive must effectively manage the Internal Audit activity to ensure it adds value to the organization.

| IIA Standards Performance Gaps  | Recommendations to Address Gaps   |
|---|---|
| <ul style="list-style-type: none"> <li>• <b>2000/G1</b> – Over 90% of the FY20 plan consists of assurance audits that are focused on the ‘rear view’. In addition, the general perception from management was that audits were not strategic and offered limited additional value beyond basic assurance. The theme of this observation was also identified in the 2017 External Quality Assessment.</li> <li>• <b>2050/G1</b> – Through interviews with IA, senior management, Compliance, and the board, it is clear there is no shared view of IA’s role in providing assurance in coordination with the other institutional assurance functions. The theme of this observation</li> </ul> | <ul style="list-style-type: none"> <li>• <b>2000/R1</b> – To improve IA’s reputation as a value-added partner within the institution, IA should allocate at least 20% of the annual plan to advisory/consulting projects focused on emerging risks, significant projects and improving process efficiencies. IA should also develop a strategic plan to articulate how IA adds value to the institution, in alignment with its goals and strategies.</li> <li>• <b>2050/R1</b> – IA should define and communicate a clear vision and strategy for the coordination of assurance activities across the institution. This coordination strategy should be agreed upon with senior management, the Chancellor and the Board of Regents.</li> </ul>       |
| Strengths   | Improvement Opportunities   |
| <ul style="list-style-type: none"> <li>• <b>2010/S1</b> – IA’s Audit Plan is derived from the annual risk assessment, which is an aggregation of campus and system risk assessments, and discussions with senior management.</li> <li>• <b>2010/S2</b> – Entities within the Audit Universe are risk assessed based on factors including, regulatory, compliance, fraud, reputational, financial, IT and operational risk.</li> <li>• <b>2010/S3</b> – The Audit Plan is re-evaluated regularly to remain responsive to changes in each Audit Entity’s risk profile, emerging risks, and other factors, such as investigations and management requests.</li> </ul>                            | <ul style="list-style-type: none"> <li>• <b>2010/I1</b> – Approximately 33% of the 2020 Audit Plan was assigned as ‘unallocated hours’ intended for addressing emerging risks. In order to provide more transparency over the risk coverage of the audit plan before it is approved, IA should include more risk-based audits in the plan as a starting point. Adjustments to the plan, based on emerging risks, could still be made and communicated as required.</li> <li>• <b>2040/I1</b> – IA Policies &amp; Procedures related to the risk assessment should be updated to include: 1) reviewing completeness of the audit universe, 2) coordination of risk data with other risk assessment activities including Compliance and ERM.</li> </ul> |

# IIA STANDARDS DETAILED ANALYSIS (6/12)

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|-------------------|-----------------------------------|----------------------|------------|
| Executive Summary | <b>Conformance with Standards</b> | Stakeholder Feedback | Appendices |
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|------------------------------|---------------------------|
| <b>2100 – Nature of Work</b> | <b>Generally Conforms</b> |
|------------------------------|---------------------------|

The Internal Audit activity must evaluate and contribute to the improvement of the organization’s governance, risk management, and control processes using a systematic, disciplined, and risk-based approach. Internal Audit credibility and value are enhanced when auditors are proactive, and their evaluations offer new insights and consider future impact.

|                                       |  |
|---------------------------------------|--|
| <b>IIA Standards Performance Gaps</b> | <b>Recommendations to Address Gaps</b> |
|---------------------------------------|--|

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• <b>2120/G1</b> – A significant portion of hours budgeted for IT Audit are reserved as “unallocated” at the start of the year. While, these hours are typically used by IT auditors to support business process audits, the IA Plan does not provide full visibility over the coverage of IT risks.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>2120/R1</b> – IA should increase the transparency of IT risk coverage included in the annual plan by providing more detail of the expected IT audit work to be performed during integrated audits and mapping back to IT risks.</li> </ul> |
|--|--|

|                  |                                  |
|------------------|----------------------------------|
| <b>Strengths</b> | <b>Improvement Opportunities</b> |
|------------------|----------------------------------|

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• <b>2100/S1</b> – The work of IA includes assessment of the institution’s risks, controls and governance processes, including assessment of institutional compliance and ethics.</li> <li>• <b>2120/S1</b> – IA routinely performs a detailed fraud analysis as part of their audit planning process. This analysis is documented and maintained in the workpapers.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>2120/I1</b> – IT audits and reports appear to be narrowly scoped in some instances which limits value and insights provided and restricts the ability of Internal IT Audit to address root causes effectively.</li> <li>• <b>2130/I1</b> – Although IA supports the external auditor to execute the financial audits, there is an opportunity to improve the financial risk assessment process and subsequent coverage of key financial reporting risks within the audit plan.</li> </ul> |
|--|---|

# IIA STANDARDS DETAILED ANALYSIS (7/12)

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|-------------------|-----------------------------------|----------------------|------------|
| Executive Summary | <b>Conformance with Standards</b> | Stakeholder Feedback | Appendices |
|-------------------|-----------------------------------|----------------------|------------|

## 2200 – Engagement Planning

**Generally Conforms**

Internal auditors must develop and document a plan for each engagement, including the engagement’s objectives, scope, timing, and resource allocations. The plan must consider the organization’s strategies, objectives, and risks relevant to the engagement.

| IIA Standards Performance Gaps | Recommendations to Address Gaps |
|--------------------------------|---------------------------------|
|--------------------------------|---------------------------------|

• None noted.

• None noted.

| Strengths | Improvement Opportunities |
|-----------|---------------------------|
|-----------|---------------------------|

- **2201/S1** – The audit process is documented in the Internal Audit Policies & Procedures Manual. The document describes the detailed process undertaken to perform audit planning and expected deliverables, including the Project Assignment Form, Risk and Control Matrix (RACM), and Audit Program.
- **2201/S2** – UNTS has established a brainstorming workshop as a required component of the planning process to ensure that audit team members have an opportunity to provide input into scoping and risk identification prior to the onset of fieldwork.
- **2201/S3** – An IT Controls Questionnaire is issued during the planning phase on each audit to identify potential IT-related risks for inclusion in the audit scope.

- **2201/I1** – The high-level scope and the rationale for conducting the audit (e.g. rotating frequency based on assessed level of risk, recent changes to business processes or systems, or requested by management) should be included within the audit announcement letters to stakeholders.
- **2220/I1** – To enhance the planning audit process, IA should implement an Audit Planning Memo that summarizes key audit planning and scoping considerations (e.g. objectives, risks, regulatory considerations, legal proceedings, prior audit findings, IT systems, recent changes to business processes etc.) . The Audit Planning Memo should be reviewed and approved prior to the audit fieldwork commencing.
- **2230/I1** – A monthly process to reconcile recorded time tracking data from TeamMate to planned audit budgets should be implemented by IA leadership.

# IIA STANDARDS DETAILED ANALYSIS (8/12)

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|-------------------|-----------------------------------|----------------------|------------|
| Executive Summary | <b>Conformance with Standards</b> | Stakeholder Feedback | Appendices |
|-------------------|-----------------------------------|----------------------|------------|

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|---|---------------------------|
| <b>2300 – Performing the Engagement</b> | <b>Generally Conforms</b> |
|---|---------------------------|

Internal auditors must identify, analyze, evaluate, and document sufficient information to achieve the engagement’s objectives.

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|---------------------------------------|--|
| <b>IIA Standards Performance Gaps</b> | <b>Recommendations to Address Gaps</b> |
|---------------------------------------|--|

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• None noted.</li> </ul> | <ul style="list-style-type: none"> <li>• None noted.</li> </ul> |
|---|---|

|                  |                                  |
|------------------|----------------------------------|
| <b>Strengths</b> | <b>Improvement Opportunities</b> |
|------------------|----------------------------------|

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• <b>2300/S1</b> – Processes and templates required to execute the audit are clearly documented in the Policies &amp; Procedures Manual.</li> <li>• <b>2330/S1</b> – IA uses TeamMate as its Audit Management System. This ensures a high level of control over access to audit documentation and consistency of audit execution.</li> <li>• <b>2340/S1</b> – Appropriate audit supervisors are assigned to each audit. Review and sign-off of audit workpapers by appropriate audit supervisors is clearly evidenced in TeamMate.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>2320/I1</b> – IA’s sample testing approach is over-reliant on time-consuming, manual document reviews. IA should leverage advanced technologies (e.g. including data analytics and Robotic Process Automation) to increase testing efficiency and allow more efficient coverage of audit populations.</li> <li>• <b>2320/I2</b> – Using data available from within the institution, IA should implement a continuous monitoring program to provide more timely risk and control insights.</li> </ul> |
|--|--|



# IIA STANDARDS DETAILED ANALYSIS (9/12)

|                   |                            |                      |            |
|-------------------|----------------------------|----------------------|------------|
| Executive Summary | Conformance with Standards | Stakeholder Feedback | Appendices |
|-------------------|----------------------------|----------------------|------------|

|                                     |                           |
|-------------------------------------|---------------------------|
| <b>2400 – Communicating Results</b> | <b>Generally Conforms</b> |
|-------------------------------------|---------------------------|

Internal auditors must communicate the engagement results.

| IIA Standards Performance Gaps | Recommendations to Address Gaps |
|--------------------------------|---------------------------------|
|--------------------------------|---------------------------------|

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• <b>2410/G1</b> – Feedback from interviews supported our analysis that audit reports are not as clear and concise in bringing to attention the most critical aspects of the report as desired.</li> <li>• <b>2420/G1</b> – As there is no formal audit finding risk rating methodology, there is a lack of transparency and risks of inconsistencies around the risk ratings assigned to findings across audits.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>2410/R1</b> – A concise Executive Summary should be designed and added to audit reports to quickly bring attention to the most important audit results and findings.</li> <li>• <b>2420/R1</b> – A framework to determine the risk level of audit findings should be developed and applied consistently across all audit engagements. This will reduce the chance of inconsistent ratings being issued across audits.</li> </ul> |
|---|--|

| Strengths | Improvement Opportunities |
|-----------|---------------------------|
|-----------|---------------------------|

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• <b>2420/S1</b> – Audit reports include the required elements of the IIA Standards including the Scope, Objectives, Conclusions and Actions resulting from each audit.</li> <li>• <b>2420/S2</b> – Audit reports are distributed to a relevant audience that enables high visibility to audit findings across the relevant parts of the institution.</li> <li>• <b>2420/S3</b> – For each audit finding, IA documents the risk, root cause, significance of issue, and impact to the business if not remediated.</li> <li>• <b>2440/S1</b> – There is evidence in TeamMate that the CAE and Senior Directors approve the final engagement communication before issuance.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>2420/I1</b> – IA could facilitate improved knowledge sharing across the institution outside of the audit reporting process by regularly communicating leading practices and views on emerging risks.</li> </ul> |
|---|---|

# IIA STANDARDS DETAILED ANALYSIS (10/12)

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|-------------------|-----------------------------------|----------------------|------------|
| Executive Summary | <b>Conformance with Standards</b> | Stakeholder Feedback | Appendices |
|-------------------|-----------------------------------|----------------------|------------|

## 2500 – Monitoring Progress

**Generally Conforms**

The Chief Audit Executive must establish and maintain a system to monitor the disposition of results communicated to management.

| IIA Standards Performance Gaps | Recommendations to Address Gaps |
|--------------------------------|---------------------------------|
|--------------------------------|---------------------------------|

- None noted.

- None noted.

| Strengths | Improvement Opportunities |
|-----------|---------------------------|
|-----------|---------------------------|

- **2500/S1** – IA monitors the status of management action plans based on the due date agreed in the report of each audit. IA conducts a 60-day, 30-day, and 10-day follow-up process prior to the issue remediation due dates.
- **2500/S2** – The status and results of management action plans are communicated to senior management and the board in a clear and concise manner each quarter.
- **2500/S3** – IA has significantly lowered outstanding open management recommendations in recent years, indicating that audit recommendations are taken seriously across the institution.

- None noted.

# IIA STANDARDS DETAILED ANALYSIS (11/12)

Executive Summary

Conformance with Standards

Stakeholder Feedback

Appendices

## 2600 – Communicating the Acceptance of Risks

Generally Conforms

When the Chief Audit Executive believes that Senior Management has accepted a level of residual risk that may be unacceptable to the organization, the CAE must discuss the matter with Senior Management. If the CAE determines that the matter has not been resolved, the CAE must communicate the matter to the Board.

### IIA Standards Performance Gaps

- None noted.

### Recommendations to Address Gaps

- None noted.

### Strengths

- **2600/S1** – Feedback from stakeholders indicated that IA remains objective when discussing differences of opinion on the risk of audit comments and is pragmatic in their approach to resolve any disagreements on risk.

### Improvement Opportunities

- None noted.

# IIA STANDARDS DETAILED ANALYSIS (12/12)

|                   |                                   |                      |            |
|-------------------|-----------------------------------|----------------------|------------|
| Executive Summary | <b>Conformance with Standards</b> | Stakeholder Feedback | Appendices |
|-------------------|-----------------------------------|----------------------|------------|

|                           |                           |
|---------------------------|---------------------------|
| <b>IIA Code of Ethics</b> | <b>Generally Conforms</b> |
|---------------------------|---------------------------|

Internal auditors are expected to apply and uphold the following principles:

- Integrity, Objectivity, Confidentiality, Competency

|                                       |  |
|---------------------------------------|--|
| <b>IIA Standards Performance Gaps</b> | <b>Recommendations to Address Gaps</b> |
|---------------------------------------|--|

- None noted.

- None noted.

|                  |                                  |
|------------------|----------------------------------|
| <b>Strengths</b> | <b>Improvement Opportunities</b> |
|------------------|----------------------------------|

- **COE/S1** – Annually, the IA staff complete a UNT System Internal Auditor’s Independence & Ethics Statement requiring, among other things, they attest they’ve read the UNT System Ethics and Standards of Conduct Policy.
- **COE/S2** – The IA Charter includes the required wording on adherence to the IIA Code of Ethics.

- None noted.

# STAKEHOLDER INTERVIEWS

# KEY STAKEHOLDERS INTERVIEWED (1/2)



The following stakeholders were interviewed to obtain their feedback on the performance of the Internal Audit Department:

| Management   |   |
|--|---|
| Alan Stucky, Vice Chancellor Office of General Counsel – UNTS    | Gregory Anderson, CFO and VP for Finance & Operations – UNTHSC                          |
| Barbara Abercrombie, Chief Human Capital Officer – UNTS          | Jennifer Cowley, Provost & VP for Academic Affairs – UNT                                |
| Betty Stewart, Provost & VP for Academic Affairs - UNTD          | Jim Main, CFO - UNTD  |
| Bob Brown, CFO – UNT   | Joanne Woodard, VP for Institutional Equity and Diversity – UNT                         |
| Bob Mong, President – UNTD                                       | Larry Worthy, Executive Director of Asset Protection – UNT                              |
| Brian Gladue, VP Research – UNTHSC                               | Lesa Roe, Chancellor – UNTS   |
| Charles Taylor, Provost – UNTHSC                                 | Mark McLellan, Vice President for Research – UNT  |
| Charlotte Russell, Chief Information Security Officer – UNTS     | Michael Williams, President – UNTHSC  |
| Chief Ed Reynolds, Police Chief – UNT                            | Neal Smatresk, President – UNT  |
| Chris McCoy, CIO - UNTS & UNT                                    | Paula Welch, System Controller– UNTS  |
| Clay Simmons, Chief Compliance Officer – UNT                     | Rosemary Haggett, Vice Chancellor of Academic Affairs & Student Success                 |
| Dan Tenney, Vice Chancellor of Finance & System CFO – UNTS       | Scott Dunkle, UNT Director for Environmental Risk – UNT                                 |
| Desiree Ramirez, Chief Compliance and Integrity Officer – UNTHSC | Steve Maruszewski, Vice Chancellor of Facilities – UNTS                                 |
| Elizabeth With, VP of Student Affairs – UNT                      | Tim Willette, Chief Compliance Officer – UNTS   |
|  | Wanda Boyd, Director of Equity, Diversity and Inclusion and Title IX Coordinator – UNTS |

# KEY STAKEHOLDERS INTERVIEWED (2/2)

|                   |                            |                             |            |
|-------------------|----------------------------|-----------------------------|------------|
| Executive Summary | Conformance with Standards | <b>Stakeholder Feedback</b> | Appendices |
|-------------------|----------------------------|-----------------------------|------------|

The following stakeholders were interviewed to obtain their feedback on the performance of the Internal Audit Department:



| Internal Audit   |
|--|
| Tracy Grunig, CAE  |
| Carissa Spinks, Senior Director - UNT, UNTD                            |
| Mickie Tate, Senior Director, IT Audit – UNTS                          |
| Sheba Joyner, Senior Director - UNTS, UNTHSC                           |
| Alfred Winder, Lead Internal Auditor – UNT, UNTD                       |
| Gregory Kigan, Senior Financial Auditor – UNTS                         |
| Amedari Ajayi, Senior Internal Auditor Continuous Auditing – UNT, UNTD |
| Sue Pagel, Senior IT Auditor – UNTS                                    |
| Kelly Iske, Senior Staff Auditor – UNTS, UNTHSC                        |
| Jonathan Akisanmi, Senior Internal Auditor – UNT, UNTD                 |
| Amber Jackson, Staff Auditor – UNT, UNTD                               |
| Ryan Knight, Staff Auditor – UNT, UNTD                                 |
| Keeley Hennessey, Internal Audit Associate – UNT, UNTD                 |
| Rosa Lopez, Internal Audit Associate – UNT, UNTD                       |



| Board of Regents                               |
|--|
| Brint Ryan, Former Board Chairman              |
| Carlos Munguia, Board Audit Committee Chairman |
| Dan Feehan, Board Audit Committee              |
| Laura Wright, Board Chairman                   |
| Melisa Denis, Board Audit Committee            |



- Key stakeholders were identified in consultation with the UNTS Project Manager.
- All non-IA interviews were conducted privately without IA present.

# INTERVIEW FEEDBACK THEMES

Executive Summary

Conformance with Standards

Stakeholder Feedback

Appendices

The feedback obtained during stakeholder interviews was wide-ranging from positive to negative. The comments below represent general themes that were expressed by more than one stakeholder during the interviews.



## Key Interview Themes

- **Management Relationships** – More can be done to present IA consistently as a trusted advisor and value-adding function. There is conflict between some members of senior management and IA leadership that impacts the ability to build effective working relationships..
- **Audit Committee Relationships** – IA has built good relationships with the Audit Committee and long-standing members have observed improvement in the performance of IA.
- **Alignment with UNTS Strategy** – There is a general perception from management that 1) the current risk assessment process and audit plan do not provide sufficient coverage of emerging risks, and 2) audits are not strategic and offer limited additional value beyond basic assurance.
- **Coordination** – The level of coordination with Compliance varies across campuses. Generally, interview feedback suggested stakeholders felt that the Compliance, ERM and IA risk assessment processes were repetitive and there is limited effective coordination.
- **IT Audit** – There does not appear to be sufficient coverage of IT risks across the institution.
- **IA Budget** – There is a general perception that the Internal Audit function appears too large for the size and complexity of the organization.
- **Quality of Work** – The work of IA is generally seen to be of good quality, although not always strategic in nature. However, the audit process appears to be heavily manual, with limited use of technology.
- **Engagement Performance and Communication** – Generally, the Internal Audit team conducts audit engagements in a professional manner. IA resources work hard to understand the complexities of the institution in the planning phase of the audits and receive management input on risks prior to the audit commencing.
- **Reporting** – In some instances, audit reports are not clear and concise. It is difficult to determine the most critical findings and overall conclusions of the audit.



# APPENDICES

# APPENDIX I: CRITERIA FOR IIA CONFORMANCE RATINGS

Executive Summary

Conformance with Standards

Stakeholder Feedback

Appendices

The criteria used to determine our views on conformance with International Standards for the Professional Practice of Internal Auditing are defined below:

## Generally Conforms



The relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the Standard or element of the Code of Ethics in all material respects. There may be significant opportunities for improvement, but these must not represent situations where the activity has not implemented the Standard or the Code of Ethics, has not applied them effectively, or has not achieved their stated objectives.

## Partially Conforms



The Internal Audit function is making good-faith efforts to comply with the requirements of the Standard or element of the Code of Ethics, but falls short of achieving some major objectives. These will usually represent some significant opportunities for improvement in effectively applying the Standards or Code of Ethics and/or achieving their objectives.

## Does Not Conform



The Internal Audit function is not aware of, is not making a good-faith effort to comply with, or is failing to achieve many/all of the objectives of the Standard or element of the Code of Ethics. These deficiencies will usually have a significant negative impact on the activity's effectiveness.

# APPENDIX II: CRITERIA FOR GAGAS CONFORMANCE RATINGS

Executive Summary

Conformance with Standards

Stakeholder Feedback

Appendices

The criteria used to determine our views on conformance with GAGAS are defined below:

## Pass



A conclusion that the audit organization's system of quality control has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with professional standards and applicable legal and regulatory requirements in all material respects.

## Pass With Deficiencies



A conclusion that the audit organization's system of quality control has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with professional standards and applicable legal and regulatory requirements in all material respects with the exception of a certain deficiency or deficiencies described in the report.

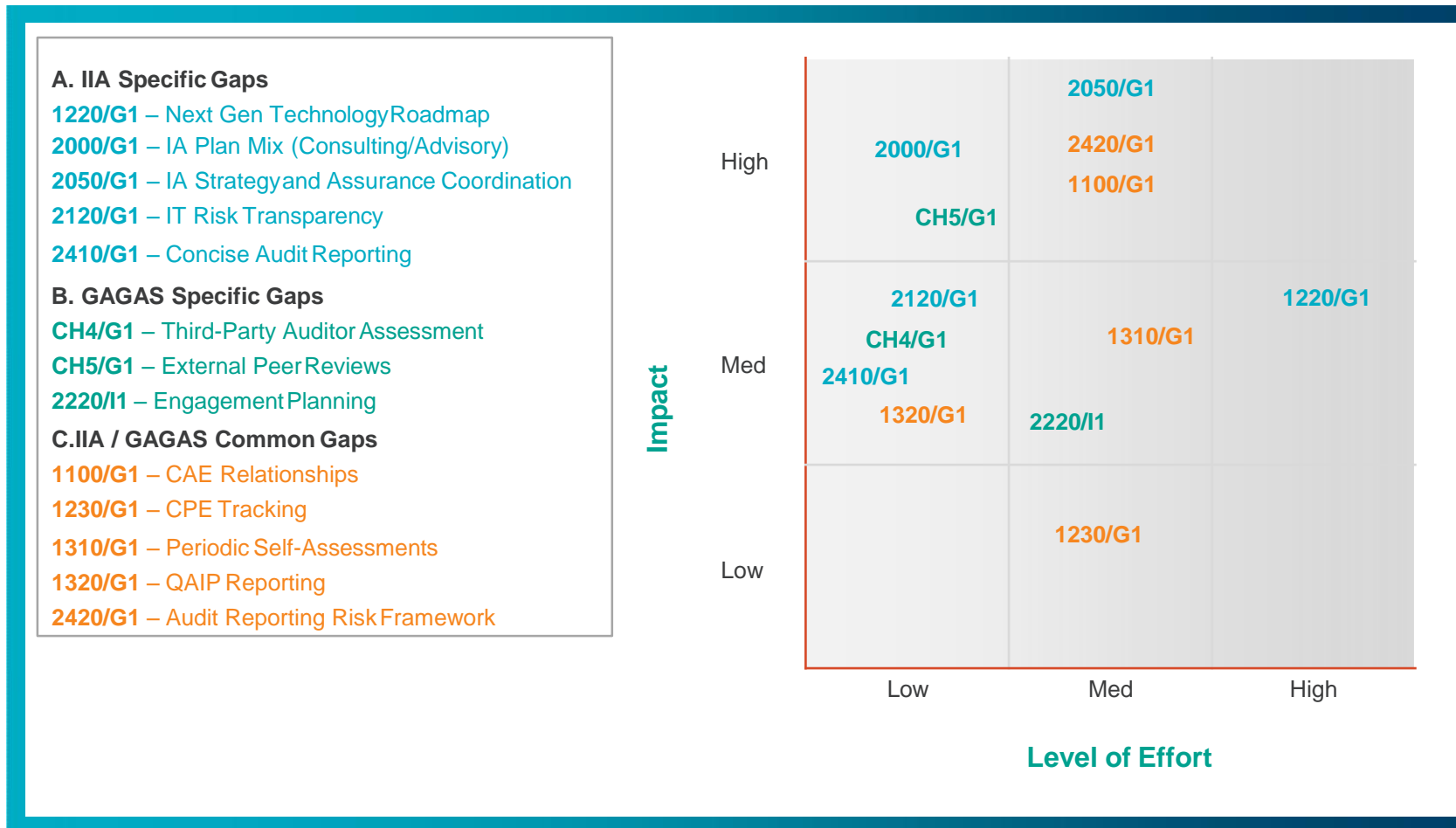
## Fail



A conclusion, based on the significant deficiencies described in the report, that the audit organization's system of quality control is not suitably designed to provide the audit organization with reasonable assurance of performing and reporting in conformity with professional standards and applicable legal and regulatory requirements in all material respects, or that the audit organization has not complied with its system of quality control to provide the audit organization with reasonable assurance of performing and reporting in conformity with professional standards and applicable legal and regulatory requirements in all material respects.

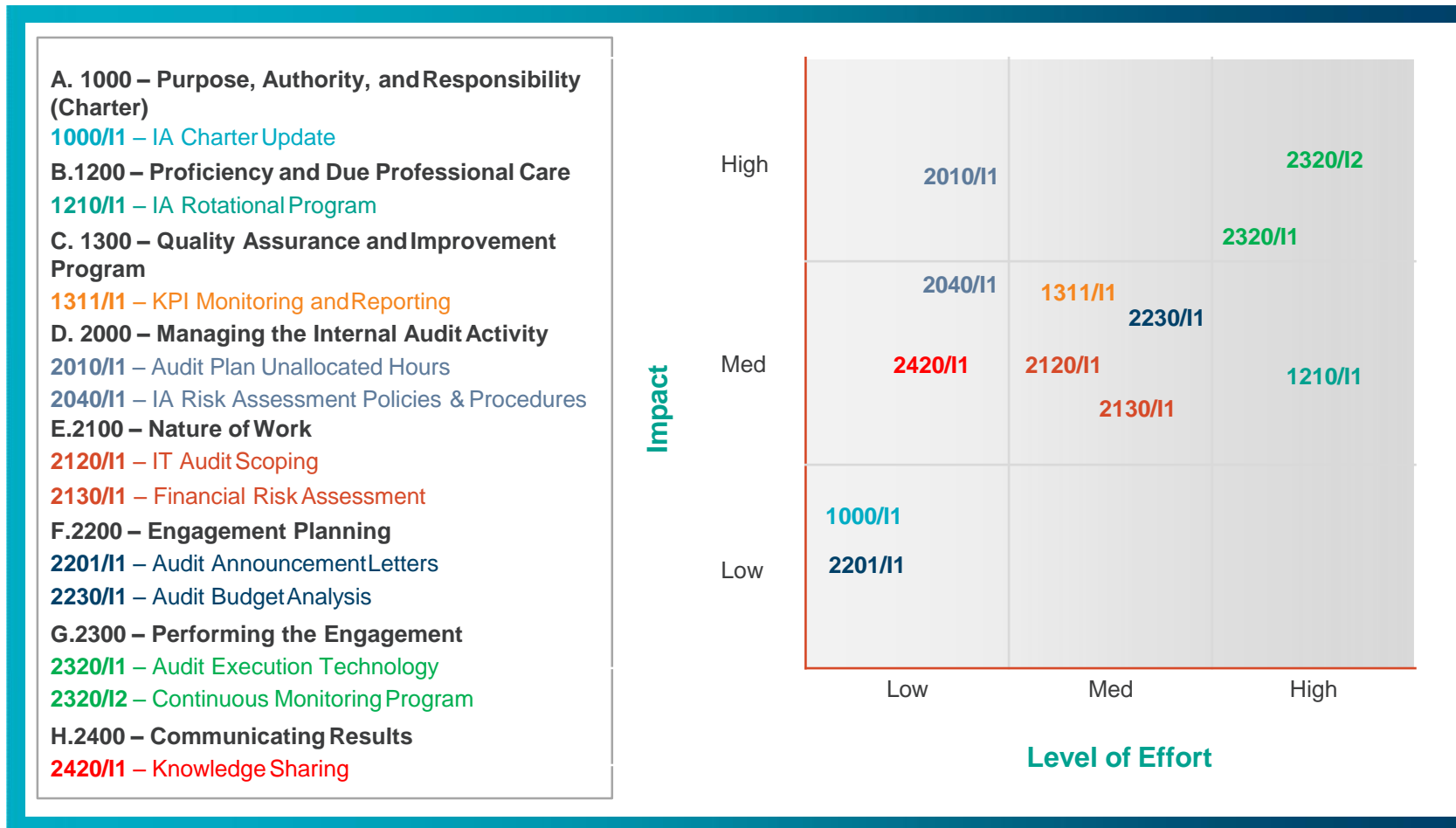
# APPENDIX III: CONFORMANCE GAP REMEDIATION PRIORITIZATION MAP

Our analysis identified a number of gaps based on our analysis of conformance with the IIA Standards and GAGAS. The prioritization map below shows recommendations to remediate identified gaps across two scales: level of effort and impact to the institution.



# APPENDIX IV: IIA IMPROVEMENT RECOMMENDATION PRIORITIZATION MAP

Our analysis identified a number of improvement opportunities based on our analysis of conformance with the IIA Standards. The prioritization map below shows recommendations to address these improvement opportunities across two scales: level of effort and impact to the institution.



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## Appendix III – Internal Audit Response & Action Plans



# Appendix III – Internal Audit Response & Action Plans

| Gaps Identified by Protiviti   | Recommended Actions Provided by Protiviti  | Internal Audit Response   | Internal Audit Strategic Assessment | IPPF - Red Book | GAGAS - Yellow Book | Status:<br><i>Red - Not Started</i><br><i>Yellow - In Progress</i><br><i>Green - Complete</i> |
|--|--|---|-------------------------------------|-----------------|---------------------|---|
| The CAE does not have unrestricted access to all records. Specifically, the CAE has been refused access to UNTHSC Compliance investigations.   | The CAE should work with the Board of Regents and the Chancellor to reinforce the necessity for IA to have unrestricted access to institutional records, as stated in the IA Charter.  | There are no restricted access to institutional records. However, if this becomes a concern, the CAE will communicate concerns and collaborate with the Board of Regents and the Chancellor in order to obtain access.  | X                                   | X               | X                   |   |
| Approximately 33% of the 2020 Audit Plan was assigned as 'unallocated hours' intended for addressing emerging risks. In order to provide more transparency over the risk coverage of the audit plan before it is approved, IA should include more risk-based audits in the plan as a starting point. Adjustments to the plan, based on emerging risks, could still be made and communicated as required. | Unallocated hours should be limited to under 10% of total available hours in the annual audit plan to address emerging risks. The remaining hours should be assigned to audits based on the results of the IA risk assessment in coordination with other assurance providers and stakeholders. | There will be less than 10% of total available hours allocated in the FY21 annual audit plan and going forward to address unanticipated projects.   | X                                   | X               |                     |   |
| A significant portion of hours budgeted for IT Audit are reserved as "unallocated" at the start of the year. While, these hours are typically used by IT auditors to support business process audits, the IA Plan does not provide full visibility over the coverage of IT risks   | IA should increase the transparency of IT risk coverage included in the annual plan by providing more detail of the expected IT audit work to be performed during integrated audits and mapping back to IT risks.  | Internal Audit will conduct an IT risk assessment where the ERM is used as the baseline. The transparency of IT risk coverage included in the annual plan will be provided with more detail of the expected IT audit work to be performed during integrated audits and mapping back to relevant IT risks. | X                                   | X               |                     |   |
| As there is no formal audit finding risk rating methodology, there is a lack of transparency and consistency around the risk ratings assigned to findings across audits.   | A framework to determine the risk level of audit findings should be developed and applied consistently across all audit engagements. This will reduce the chance of inconsistent ratings being issued across audits and provide increased.   | A risk level will be developed and applied consistently across all audit engagements and be included in the updated audit report template. Definition of Risks will entail Critical, High, Moderate and Low. All issues considered 'low' will not be included in the audit report.                        | X                                   | X               | X                   |   |





# Appendix III – Internal Audit Response & Action Plans

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|--|--|--|-------------------------------------|-----------------|---------------------|---|
| <p>IA develops its annual audit plan based on the collection of quantitative and qualitative data. However, there is limited coordination with other assurance providers (including ERM and Compliance) in the development of the audit plan.</p>  | <p>An IA strategy document should be prepared that clearly articulates the role of IA in providing assurance and advisory services in coordination with other assurance providers across the institution (including ERM and Compliance). This document should be prepared with support from the board, senior management, and other assurance providers.</p> | <p>Internal Audit will update the policy and procedures surrounding the annual audit plan guidance to collaborate efforts with the Compliance Office and ERM. This will be effective as of the FY21 Annual Audit Plan. The policies and procedures will be updated to include:</p> <ol style="list-style-type: none"> <li>1. Reviewing completeness of the audit universe</li> <li>2. Coordination of risk data with other risk assessment activities including Compliance and ERM.</li> </ol> | X                                   | X               |                     |   |
| <p>Although IA supports the external auditor to execute the financial audits, there is an opportunity to improve the financial risk assessment process and subsequent coverage of key financial reporting risks within the audit plan.</p>   | <p>A more robust financial risk assessment process should be adopted to drive targeted audits of significant financial balances, transactions, and supporting operational and IT processes and systems.</p>  | <p>Internal Audit will utilize a financial risk assessment tool which drive targeted audits of significant financial balances, transactions and supporting processes. This will be effective in the FY21 Annual Audit Plan.</p>  | X                                   | X               |                     |   |
| <p>Based on stakeholder interviews, it is apparent that the relationships between the CAE and some members of senior management (especially within UNTHSC) mean that IA is not totally free from conditions that may threaten its ability to carry out responsibilities in an unbiased manner.</p> | <p>The CAE has already delegated communications with UNTHSC senior management to the IA Senior Director overseeing that institution. However, a longer-term solution should be sought to re-build relationships between the CAE and senior management within UNTHSC.</p>   | <p>The former CAE resigned and the Chancellor appointed Sheba Joyner as the Interim CAE effective May 29, 2020.</p>  |                                     | X               | X                   |   |



# Appendix III – Internal Audit Response & Action Plans

| Gaps Identified by Protiviti   | Recommended Actions Provided by Protiviti  | Internal Audit Response   | Internal Audit Strategic Assessment | IPPF - Red Book | GAGAS - Yellow Book | Status:<br><i>Red - Not Started</i><br><i>Yellow - In Progress</i><br><i>Green - Complete</i> |
|--|--|---|-------------------------------------|-----------------|---------------------|---|
| There is no evidence that the CAE has communicated the status of improvement initiatives resulting from internal or external periodic assessments. For example, recommendation 1311/11 in this report was also a recommendation in the 2017 External Quality Assessment and the status of the resulting action has not been reported on. | The CAE should provide regular updates to the senior management and the board relating to results of the QAIP and resulting actions. The updates should also include details on how IA is performing against established performance indicators. | Internal Audit will develop, implement, and communicate the results of the Quality Assurance Improvement Program resulting from internal or external reviews action to Senior Management and the Board of Regents. This will also include details on how IA is performing against established performance indicators. This will be effective in the August 2020 Board Meeting | X                                   | X               | X                   |   |
| As it relates to internal assessments, the QAIP policy clearly defines ongoing monitoring, but it does not define the nature of periodic self assessments.   | The QAIP policy should specifically define the nature of periodic assessments.   | Internal Audit Policy & Procedures will be updated to include a Quality Assurance Improvement Program. Furthermore, an auditor will be assigned to perform a quality assurance review and provide the CAE with results/recommendations.   |                                     | X               | X                   |   |
| The high-level scope and the rationale for conducting the audit (e.g. rotating frequency based on assessed level of risk, recent changes to business processes or systems, or requested by management) should be included within the audit announcement letters to stakeholders.   | None provided  | The audit notification letter will include the high-level scope and the rationale for conducting the audit (e.g. rotating frequency based on assessed level of risk, recent changes to business processes or systems, or requested by management).  |                                     | X               |                     |   |



# Appendix III – Internal Audit Response & Action Plans

| Gaps Identified by Protiviti  | Recommended Actions Provided by Protiviti  | Internal Audit Response  | Internal Audit Strategic Assessment | IPPF - Red Book | GAGAS - Yellow Book | Status:<br><i>Red - Not Started</i><br><i>Yellow - In Progress</i><br><i>Green - Complete</i> |
|---|--|--|-------------------------------------|-----------------|---------------------|---|
| <p>Over 90% of the FY20 plan consists of assurance audits that are focused on the 'rear view'. In addition, the general perception from management was that audits were not strategic and offered limited additional value beyond basic assurance. The theme of this observation was also identified in the 2017 External Quality Assessment.</p> | <p>To improve IA's reputation as a value-added partner within the institution, IA should allocate at least 20% of the annual plan to advisory/consulting projects focused on emerging risks, significant projects and improving processes efficiency. IA should also develop a strategic plan to articulation how IA adds value to the institution, in alignment with it goals and strategies.</p> | <p>A strategic plan will be developed to align with goals and strategies. In addition, the annual audit plan will allocate at least 20% of the total hours to advisory/consulting projects focused on emerging risks, management's significant initiatives, and improving processes efficiency within the department. This will be effective in the FY21 annual audit plan.</p> <p>Internal Audit will change the risk/control framework to understand and identify the types of risk an institution is willing to assume within its risk capacity to achieve its strategic objectives and business plan. In order to move toward this new framework, training and workshops will be provided to staff.</p> <p>Furthermore, a framework with be developed in collaboration with OGC and the Institutional Chief Compliance Officers surrounding Fraud Investigations, where IA will generally review material allegations (i.e. based on amount and/or level).</p> | X                                   | X               |                     |   |
| <p>Feedback from interviews supported our analysis that audit reports were not clear and concise in bringing to attention the most critical aspects of the report.</p>  | <p>A concise Executive Summary should be designed and added to audit reports to quickly bring attention to the most important results from the audit.</p>  | <p>The internal audit report template will be updated to include a brief Executive Summary that articulates the audit scope, results and risk exposure to the institution.</p>   | X                                   | X               |                     |   |
| <p>Due to the co-sourcing model in place, the IA Charter should include Internal Audit's responsibility to oversee any assurance services provided by 3rd parties.</p>  | <p>None provided</p>   | <p>Internal Audit Charter will be updated to include IA's responsibility to oversee any assurance services provided by 3rd party</p>   |                                     | X               |                     |   |



# Appendix III – Internal Audit Response & Action Plans

| Gaps Identified by Protiviti   | Recommended Actions Provided by Protiviti  | Internal Audit Response  | Internal Audit Strategic Assessment | IPPF - Red Book | GAGAS - Yellow Book | Status:<br><i>Red - Not Started</i><br><i>Yellow - In Progress</i><br><i>Green - Complete</i> |
|--|--|--|-------------------------------------|-----------------|---------------------|---|
| <p>Implement key performance indicators to measure the IA's efficiency and effectiveness in planning, process, management, skills, and hiring and retention. Examples include, experience and skills of IA team members, average execution time for each audit phase, actual vs. planned hours, etc. The theme of this observation was also identified in the 2017 External Quality Assessment.</p>                  | <p>IA should monitor and regularly report to senior management and the board on indicators that measure the function's efficiency and effectiveness.</p> | <p>Internal Audit will implement key performance indicators to measure IA's efficiency and effectiveness. The results will be regularly reported to the Chancellor and the Board of Regents. KPI's will be identified in the following categories:</p> <ol style="list-style-type: none"> <li>1. Effectiveness &amp; Efficiency</li> <li>2. Quality</li> <li>3. Sustainability</li> <li>4. Management</li> </ol> | X                                   | X               |                     |   |
| <p>Increased rigor should be put in place to develop and work within audits budgets. Across the 35 audits completed in FY19, the audit budget was exceeded by approximately 30% on average. The total overage related to FY19 audits was approximately 3,045 hours. Planned 'unallocated' hours (to address emerging risks) totaled 1,937, meaning that overages represented over 150% of the unallocated hours.</p> | <p>None provided</p>   | <p>Performance goals/metrics will be put in place with the Director and In-charge for audits to be completed timely.</p>   |                                     | X               |                     |   |



# Appendix III – Internal Audit Response & Action Plans

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|---|---|--|-------------------------------------|-----------------|---------------------|---|
| <ul style="list-style-type: none"> <li>•IA Senior Leadership works to enhance key organizational relationships through quarterly meetings with the Presidents, CFOs and Cabinets at each institution.</li> <li>•58% of management stakeholders interviewed held a negative view of the CAE. However, 19% held a negative view of the overall IA function.</li> <li>•16% of management stakeholders described IA as a value adding function. 72% described IA as having more of a 'check the box' or 'gotcha' approach to auditing.</li> </ul> | <p>The CAE and management should work to build effective working relationships across the institution.</p> <p>IA should facilitate improved knowledge sharing across the institution outside of the audit reporting process by regularly communicating leading practices and views on emerging risks.</p> | <p>The CAE will be transparent with Sr. Management to build an effective working relationship across the institution. IA will regularly communicate views on emerging risk to management, understand risk appetite as well as obtain the status of initiatives. Furthermore, the website for the Internal Audit department will provide links to resources for management to utilize (e.g. institutional compliance programs, ACUA, IIA, external guidance reference, etc.).</p> | X                                   | X               | X                   |   |
| <p>Formal performance reviews are completed annually for all IA team members. Informal mid year touch points with IA staff are completed by the Senior Directors.</p>   | <p>To align with industry benchmarks, IA's IT Audit capacity should be increased either through hiring, re training existing staff, or through utilization of third party services, from 5% to at least 10 -15% of planned hours.</p>   | <p>Internal Audit's IT Audit capacity will be increased through the utilization of a third party service.</p>  | X                                   |                 |                     |   |



# Appendix III – Internal Audit Response & Action Plans

| Gaps Identified by Protiviti   | Recommended Actions Provided by Protiviti  | Internal Audit Response   | Internal Audit Strategic Assessment | IPPF - Red Book | GAGAS - Yellow Book | Status:<br>Red - Not Started<br>Yellow - In Progress<br>Green - Complete |
|--|--|---|-------------------------------------|-----------------|---------------------|--|
| Through interviews with IA, senior management, Compliance, and the board, it is clear there is no shared view of IA's role in providing assurance in coordination with the other institutional assurance functions. The theme of this observation was also identified in the 2017 External Quality Assessment. | IA should define and communicate a clear vision and strategy for the coordination of assurance activities across the institution. This coordination strategy should be agreed upon with senior management, the Chancellor and the Board of Regents.  | Vision and strategy for the coordination of audit activities will be communicated, feedback/agreement will be obtained from Senior Management, Chancellor and the Board of Regents. Then the vision/strategy will be clearly communicated to all institutions.  | X                                   | X               |                     |  |
| There is no consistent process to assess and document the competence, qualifications, and independence of external specialists assisting the engagement team on audit engagements.   | A co-sourcing checklist that leverages GAGAS interpretive guidance, should be utilized to facilitate a more robust evaluation of the competence, qualifications, and independence of specialists assisting the engagement team.  | A co-sourcing checklist will be developed and utilized which leverages GAGAS interpretive guidance.   |                                     |                 | X                   |  |
| As it relates to external peer reviews, the QAIP policy clearly defines requirements outlined in section 5.60 and 5.84. However, assessment against GAGAS was not included in the scope of the 2017 peer review.   | A peer review process should be implemented that ensures all GAGAS requirements including the items below:<br><ul style="list-style-type: none"> <li>•Assessment of peer review risk</li> <li>•Peer review report ratings</li> <li>•Availability of the peer review report to the public</li> <li>•Peer review scope</li> <li>•Peer review intervals (every 3 years)</li> <li>•Written agreement for the peer review</li> <li>•Peer review team make-up</li> <li>•Report content</li> <li>•The audit team's response to the peer review report.</li> </ul> | Going forward (starting 2020), all external peer reviews will ensure the GAGAS requirements in section 5.60 and 5.84 are implemented:<br><ul style="list-style-type: none"> <li>•Assessment of peer review risk</li> <li>•Peer review report ratings</li> <li>•Availability of the peer review report to the public</li> <li>•Peer review scope</li> <li>•Peer review intervals (every 3 years)</li> <li>•Written agreement for the peer review</li> <li>•Peer review team make-up</li> <li>•Report content</li> <li>•The audit team's response to the peer review report.</li> </ul> |                                     |                 | X                   |  |



# Appendix III – Internal Audit Response & Action Plans

| Gaps Identified by Protiviti  | Recommended Actions Provided by Protiviti   | Internal Audit Response  | Internal Audit Strategic Assessment | IPPF - Red Book | GAGAS - Yellow Book | Status:<br>Red - Not Started<br>Yellow - In Progress<br>Green - Complete |
|---|---|--|-------------------------------------|-----------------|---------------------|--|
| Although IA has the capability to track time in TeamMate, there is insufficient tracking and analysis of time to enable the identification of inefficiencies, better explain audit overages and/or apply learnings from audit efforts into future audit plans.                          | A monthly process to reconcile recorded time tracking data from TeamMate to planned audit budgets should be implemented by IA leadership.   | A monthly process will be put in place by Internal Audit leadership to reconcile recorded time data from Team Mate to the planned audit budget.  | X                                   |                 |                     |  |
| IA's sample testing approach is over-reliant on time-consuming, manual document reviews. IA should leverage advanced technologies (e.g. including data analytics and Robotic Process Automation) to increase testing efficiency and allow more efficient coverage of audit populations. | IA should leverage available data sources (e.g. EIS, Concur) to help UNTS establish more continuous monitoring programs to provide ongoing coverage of risks and more timely insights into control effectiveness .  | Internal Audit will leverage available data sources (i.e. Concur and PeopleSoft) to conduct data analytics for continuous auditing/continuous monitoring to provide more timely risk and controls insights. Furthermore, the team will be trained on IDEA in order to perform data analytics on projects.  | X                                   | X               |                     |  |
| IA interview feedback included comments that there is insufficient collaboration and knowledge sharing between the functional teams. There is also limited employee recognition activity taking place within the department.  | Implement a 'pool' structure for the placement of staff auditors underneath the IA management team. This will help to build the knowledge of the team across each of the institutions and increase camaraderie, work satisfaction, and knowledge sharing. | Internal Audit will implement a 'pool' structure for the placement of staff auditors underneath the Internal Audit management team to help build the knowledge of the team across each of the institutions and increase camaraderie, work satisfaction, and knowledge sharing.<br><br>Furthermore, Internal Audit will develop and implement a formal recognition program for staff. | X                                   | X               |                     |  |



# Appendix III – Internal Audit Response & Action Plans

| Gaps Identified by Protiviti   | Recommended Actions Provided by Protiviti   | Internal Audit Response   | Internal Audit Strategic Assessment | IPPF - Red Book | GAGAS - Yellow Book | Status:<br>Red - Not Started<br>Yellow - In Progress<br>Green - Complete |
|--|---|---|-------------------------------------|-----------------|---------------------|--|
| There is no consistent process to make use of data or technology-based audit techniques as part of audit planning and/or execution activities.   | A strategy and roadmap to embed dynamic risk assessment, data analytics and continuous monitoring into the audit plan should be prepared.   | To perform dynamic risk assessment (which is leveraging data and technology to continuously monitor risks and trends which leads to more precise audits and enhanced management of valuable Internal Audit resources), a co-sourcing model will be utilized with a third party service. | X                                   | X               |                     |  |
| There is a history of IA resources moving into operational roles within the institution. To expand on this, IA could establish a formal rotational program to help facilitate more diverse career paths for members of the team and enhance its reputation across the institution.   | In partnership with stakeholders across the institution, IA should establish a formal rotational program to help facilitate more diverse career paths for members of the IA team and enhance its reputation across the institution. | Internal Audit will work with other service department (e.g. Finance and IT) to implement a rotational program.   | X                                   | X               |                     |  |
| IA team members are required to upload their CPE training certificates to the UNTS IA Annual CPE tracking file. Per review of the file, it was noted that not all team members were obtaining or recording all required 40 CPE hours each year. Further, there is no evidence that the IA function collectively completes, and tracks, continued professional education requirements in accordance with GAGAS. | IA should establish a process to centrally collect and monitor CPE completion records of IA team members in accordance with IIA and GAGAS requirements.   | Government requirement training of 24 hours will be provided annually to all audit staff. All staff will be required to update the CPE tracking file and the Internal Audit leadership team will be required to monitor the file.   |                                     | X               | X                   |  |
| To enhance the planning audit process, IA should implement an Audit Planning Memo that summarizes key audit planning and scoping considerations (e.g. objectives, risks, regulatory considerations, legal proceedings, prior audit findings, IT systems, recent changes to business processes etc.) . The Audit Planning Memo should be reviewed and approved prior to the audit fieldwork commencing.         | None provided   | An audit planning memo will be implemented to summarize key audit planning and scoping considerations (i.e. objectives, risks, regulatory considerations, legal proceedings, prior audit findings, IT systems, recent changes to business processes etc.)                               |                                     | X               | X                   |  |





# Board of Regents Q3'2020 & COVID-19 Financial Highlights

Dan Tenney, Vice Chancellor for Finance & CFO  
August 13, 2020



# Summary

- Highlights            Major accomplishments from the past quarter
- COVID-19            Current year financial challenges from COVID-19
- Quarterly            Overview of quarterly financial performance
- Statements           Estimated impact on yearly financial statements
- Tax Credits           Results and plans for sale of historical tax credits
- Summary              Summary of financial posture across UNTS



# FY 20 Q3 Major accomplishments

## Major accomplishments this past quarter

- Developed 30+ financial models estimating financial impact of COVID-19
- Implemented actions to mitigate lost revenue and increased expenses from COVID-19
- Shifted to remote work plan in the wake of pandemic while sustaining operations
- Completed procurement assessment and started implementation of 31 improvement actions focused on engagement, processes, tools, and employee development
- Established new professional development program for finance and related professionals
- Established new Operational Effectiveness Team (Tiger Team) to optimize operations
- \*Received semi-annual results for HUB utilization: UNT Dallas ranked as the #1 Texas institution for higher education with 34.98% utilization; UNT ranked #1 among large education institutions in Texas with 22.29% utilization



# Short-term financial challenges from COVID-19

- The pandemic magnified and accelerated our goal to reduce operational expenses
- We planned, designed and implemented changes to address current challenges associated with COVID-19 while also working to improve our future posture
- The FY 2021 proposed budget is estimated to achieve our previously established financial health targets by 2023 (faster than any previously estimated time frames)

## UNT World Financial Impact\* of COVID-19 March-August 2020

| UNT   | HSC    | UNTD   | System HQ | UNT World |
|---|--------|--------|-----------|-----------|
| <b>Lost Revenues &amp; Increased Expenses</b>         |        |        |           |           |
| \$28.8m   | \$5.7m | \$1.3m | \$.1m     | \$36.3m   |
| <b>Savings &amp; Cost Avoidance</b>                   |        |        |           |           |
| \$23.4m   | \$7.0m | \$2.4m | \$2.5m    | \$35.3m   |
| <b>CARES Act Funding (amts used to offset losses)</b> |        |        |           |           |
| \$16.6m   | \$.3m  | \$1.7m | \$.0m     | \$18.7m   |
| <b>Net Impact</b>                                     |        |        |           |           |
| \$11.2m   | \$1.6m | \$2.8m | \$2.4m    | \$17.7m   |

**State Appropriations cuts – UNT applied \$1.8m to FY20 & \$8.5m in FY21 budget; UNTD applied \$.8 to FY20 and \$.8 FY21 budget**

\*Compared to FY20 original budget



# FY 2020 Q3 Performance: UNTS Consolidated

## Q3 Revenue

5.3%  
behind

- Quarterly revenue behind plan by \$53.8m/5.3%
  - Tuition and Fees behind plan by 14.3%;
  - Sale of Goods and Services lower by 8.4% and heavily impacted for remainder of year due to COVID-19
  - Grants and Contracts ahead of plan by \$6.9m

## Q3 Expenses

3%  
behind

- Total expenses less than planned by \$27.1m/3.5%
  - Personnel costs below budget plan by \$16.6m/3.2%
  - Maintenance & Operations below plan by \$5.2m/3.3%
  - Capital expenses less than planned due to deferred expenses for Datacom infrastructure improvements
  - Scholarships, exemptions and financial aid slightly below budget plan but will catch up and exceed for the remainder of the fiscal year

|   | FY20 Q3<br>Budget | FY20 Q3<br>Actuals | Actual vs. Budget |              |
|---|-------------------|--------------------|-------------------|--------------|
|   |                   |                    | \$000's           | %            |
| <b>REVENUES</b>                                   |                   |                    |                   |              |
| Net Tuition and Fees                              | 411,741           | 353,064            | (58,676)          | -14.3%       |
| Sales of Goods and Services                       | 127,027           | 116,362            | (10,665)          | -8.4%        |
| Grants and Contracts                              | 114,359           | 121,216            | 6,857             | 6.0%         |
| State Appropriations                              | 273,528           | 277,295            | 3,767             | 1.4%         |
| All Other Revenue                                 | 86,736            | 91,701             | 4,966             | 5.7%         |
| <b>Total Revenues</b>                             | <b>1,013,390</b>  | <b>959,638</b>     | <b>(53,752)</b>   | <b>-5.3%</b> |
| <b>EXPENSES</b>                                   |                   |                    |                   |              |
| Personnel Costs                                   | 511,831           | 495,211            | 16,619            | 3.2%         |
| Maintenance & Operation Costs                     | 159,310           | 154,129            | 5,181             | 3.3%         |
| Capital Expenses                                  | 21,358            | 17,555             | 3,803             | 17.8%        |
| Scholarships, Exemptions and Financial Aid        | 77,685            | 75,568             | 2,117             | 2.7%         |
| <b>Total Expenses</b>                             | <b>771,117</b>    | <b>743,989</b>     | <b>27,128</b>     | <b>3.52%</b> |
| <b>TRANSFERS</b>                                  |                   |                    |                   |              |
| <b>Total Net Transfers</b>                        | <b>(95,836)</b>   | <b>(62,882)</b>    | <b>32,953</b>     | <b>34.4%</b> |
| <b>Estimated Budgeted Impact on Fund Balances</b> | <b>146,438</b>    | <b>152,767</b>     | <b>6,329</b>      | <b>4.3%</b>  |



# FY 2020 Q3 Performance for Institutions – actuals vs. plan

## University of North Texas (UNT)

8.2%  
behind

### Revenue:

- Below plan by \$58.8m/8.8%; Tuition & Fees and Sales of Goods & Services impacted by COVID-19

5%  
behind

### Expenses:

- Lower than planned by \$22.2m/4.3%; Cost controls as response to COVID-19

*Major issues: COVID-19 & Economy*

## UNT Health Science Center

1%  
ahead

### Revenue:

- Ahead of plan by \$5.6m/2.5% due to CARES act funding & gifts

1%  
ahead

### Expenses:

- Lower than planned by \$4.2m/2.6%; Cost controls as response to COVID-19

*Major issues: COVID-19 & Economy*

## University of North Texas Dallas (UNTD)

2.7%  
behind

### Revenue:

- Below plan by \$1.8/2.7%; Tuition & Fees and Sales of Goods & Services impacted by COVID-19

<1%  
ahead

### Expenses

- Lower than planned by \$0.3m/0.7%; Cost controls as response to COVID-19

*Major issues: COVID-19 & Economy*

## University of North Texas System (UNTS)

15%  
ahead

### Revenue:

- Ahead of plan by \$1.3m/15.3%; earlier than expected receipt of appropriation benefits

2.5%  
ahead

### Expenses

- Lower than planned by \$0.4m/0.9%; Cost controls as response to COVID-19

*Major issues: COVID-19 & Economy*

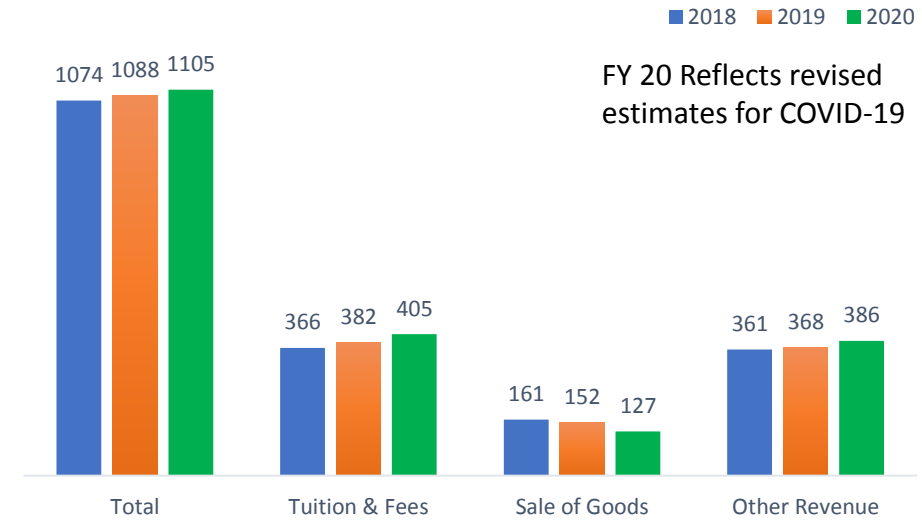
\*Note: Detailed performance for each institution found in backup materials



# UNTS FY 2020 Projections vs. Prior Years Actuals

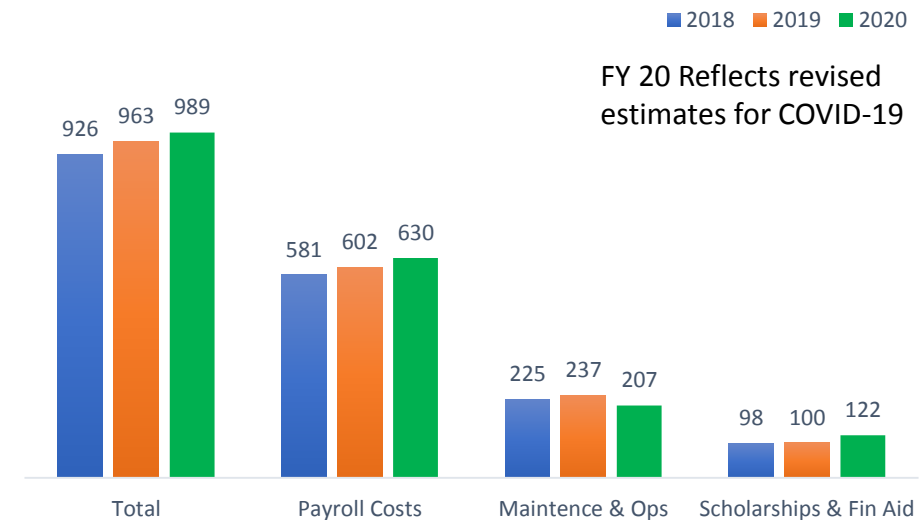
## • Projected Revenue:

- FY20 Revenue projected to be above FY19 by \$17m
- Tuition & Fees, despite being heavily impacted by COVID-19, projected to exceed prior year by \$13m
- Sale of goods projected lower due to effect of COVID-19
- Other revenue projecting stable/flat with prior year



## • Projected Expenses:

- Expenses projected higher by \$26m/3%
- Payroll costs increasing due to salary/benefits; hiring freeze implemented at outset of COVID-19 response
- Maintenance & Operations decrease of \$30m/12.6% due to COVID-19 related cost control measures
- Scholarships & Aid up significantly due to federal CARES Act funding to students





# Q3 2020 Statement of Revenues, Expenses & Changes in Net Position

- Overall Financial Statement:
  - Statements impacted by lost revenue and higher expenses associated with COVID-19
  - Investment income and fair value of investments projected to decline
- Operating position slightly stronger
  - Operating revenues decrease (-1%) from auxiliaries and sales of goods & services
  - Operating expenses increase \$27M/ 3%
    - +\$11M depreciation from 8 new buildings
    - +\$24M scholarships (mostly CARES Act)
    - -\$8M reduction to operating expenses as a result of proactive actions undertaken
- Non-op revenues increase by \$29M/9%
  - Mostly CARES Act federal funding: \$16.4M Student Aid & \$18.7M Institutional
- Net Position projected to decline slightly by \$11m/-2%

|  | Unaudited<br>QTD<br>43,982<br>2019 | Forecasted<br>YTD<br>August 31,<br>2020 | Adjusted*<br>YTD<br>August 31,<br>2019 | % Increase<br>(Decrease) |
|--|------------------------------------|---|--|--------------------------|
| Operating Revenues   | \$ 566,758                         | \$ 649,089                              | \$ 657,598                             | -1%                      |
| Operating Expenses   | 820,738                            | 1,084,656                               | 1,057,322                              | 3%                       |
| <b>Operating Income (Loss)</b>   | <b>\$ (253,980)</b>                | <b>\$ (435,567)</b>                     | <b>\$ (399,724)</b>                    | <b>9%</b>                |
| Nonoperating Revenues (Expenses)                                       | 298,961                            | 368,712                                 | 339,252                                | 9%                       |
| <b>Income (Loss) Before Other Revenues,<br/>Expenses and Transfers</b> | <b>\$ 44,980</b>                   | <b>\$ (66,855)</b>                      | <b>\$ (60,472)</b>                     | <b>11%</b>               |
| Other Revenues, Expenses and Transfers                                 | 58,542                             | 55,947                                  | 63,752                                 | -12%                     |
| <b>Change in Net Position</b>  | <b>\$ 103,523</b>                  | <b>\$ (10,908)</b>                      | <b>\$ 3,280</b>                        | <b>-433%</b>             |
| Net Position, Beginning of Year  | \$ 719,585                         | \$ 1,023,737                            | \$ 1,022,452                           | 0%                       |
| Restatement  | -                                  | -                                       | (1,995)                                | 0%                       |
| Restated Net Position, Beginning of Year                               | 719,585                            | 1,023,737                               | 1,020,457                              | 0%                       |
| <b>Net Position, End of Year/Qtr</b>                                   | <b>\$ 823,108</b>                  | <b>\$ 1,012,829</b>                     | <b>\$ 1,023,737</b>                    | <b>-1%</b>               |

Note: This representation does not include accounting change from GASB 68&75 associated with Pension/OPEB expenses for 2019 (\$87M) or estimated 2020 (\$94M).



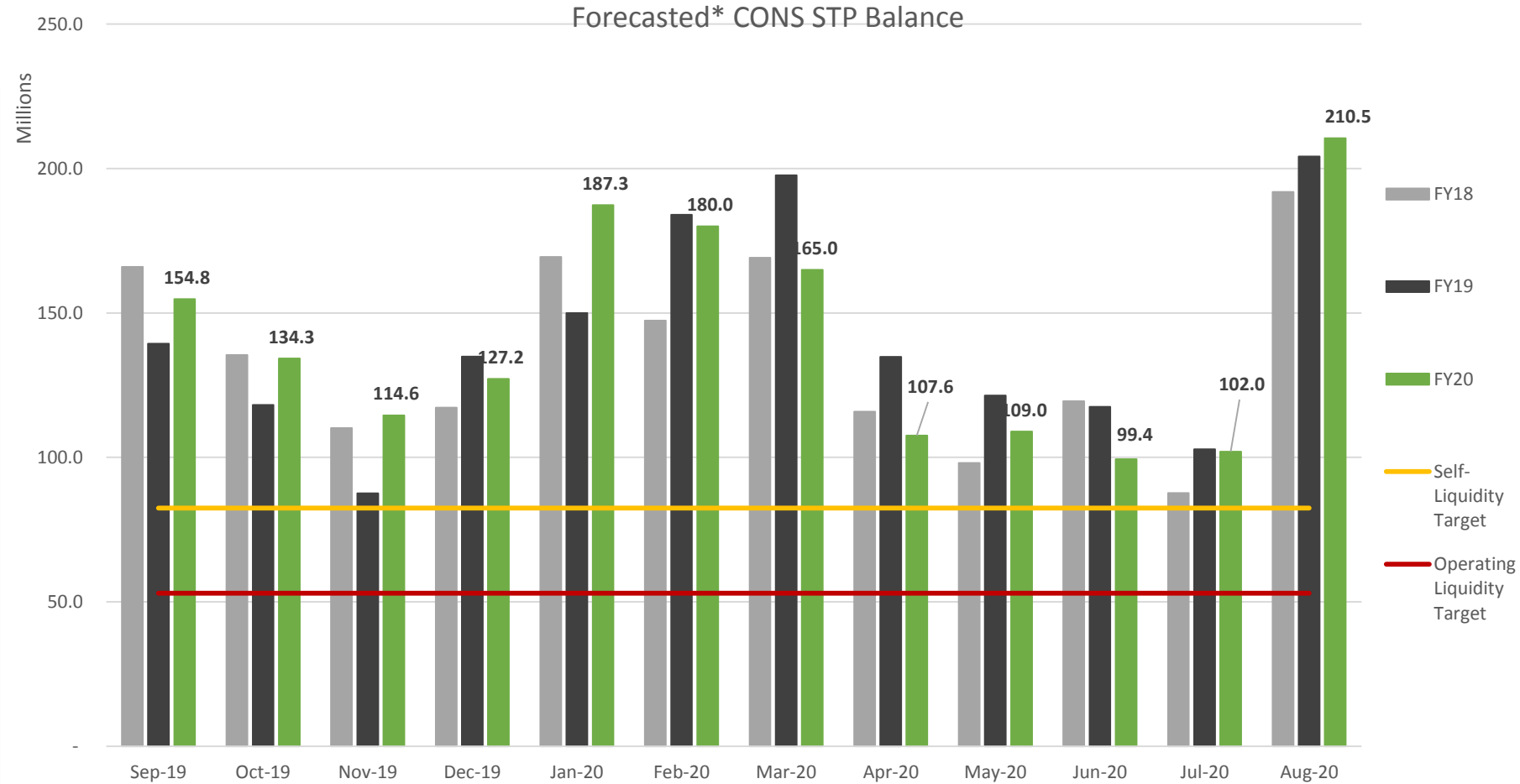


# UNTS Consolidated cash flow analysis

FY 20 financials represent a positive liquidity position for the remainder of the year

Self liquidity target of \$82.5m represents 1.65x our commercial paper program

Operating liquidity target of \$53m represents coverage of monthly payroll and 5 days of accounts payable





# Sale of Tax Credits

- Background:
  - 85<sup>th</sup> Legislature passed a bill expanding financial incentives for historic preservation work to public universities for projects between June 14<sup>th</sup> 2017 and Jan. 1<sup>st</sup> 2022
  - Program provides tax credits against Texas franchise tax or insurance premium tax equal to 25% of qualified costs expended on the project
  - Eligible projects must involve buildings at least 50 years old, determined eligible and/or listed on the National Register of Historic Places or Recorded Texas Historic Landmarks
  - On Feb. 21<sup>st</sup> 2020, UNT System received a Texas Historic Structure Credit for approximately \$11.5 million
  - System Finance reached out to 80+ companies through phone, email and social media to increase visibility on our tax credit sale and received \$63 million of orders
- Status:
  - Closed sale of tax credits for ~\$10.8 million on July 9<sup>th</sup>, 2020
  - Pending approval from the Board of Regents to establish Board designated quasi-endowments for UNT Dallas the funds are currently invested in interest bearing accounts



# Summary

- COVID-19 presented unprecedented challenges to the fiscal year including financial challenges with loss in revenues and increased expenses
- We implemented proactive actions to successfully mitigate the financial challenges associated with COVID-19
- FY 2020 financials are improving as a result of actions and stronger when compared to prior year
- FY 2021 budget proposals includes full year of current actions and positive impacts of future actions to further strengthen financial posture



# Backup Materials



# FY 2020 Q3 Performance: UNT



8.2%  
behind

## Q3 Revenue

- Total revenue behind plan by \$58.8m/8.2%
  - Tuition and Fees behind plan by 14.6%; over-estimated summer enrollment, higher discounts & allowances, lower average rate/student than plan
  - Sale of Goods and Services behind plan by 12.7%; housing & dining adjusted student accounts due to students moving off campus, retail sales declined sharply, and summer contracts (graduations, camps, etc.) not realized due to social distancing requirements of COVID-19
  - Grants and Contracts ahead plan by less than 0.5%; expected to exceed budget projections at year end due to funding allocated for student emergency grants and federal CARES Act

4.5%  
ahead

## Q3 Expenses

- Total expenses ahead plan by \$22.2m/4.3%
  - Personnel Costs ahead plan by 2.4%; hiring only essential positions
  - Maintenance & Operation Costs ahead plan by 9.6%
  - Capital Expenses ahead plan by 19.8%; limitations on projects: only projects underway or connected to life-safety needs are in progress
  - Scholarships & Aid ahead plan by 3%

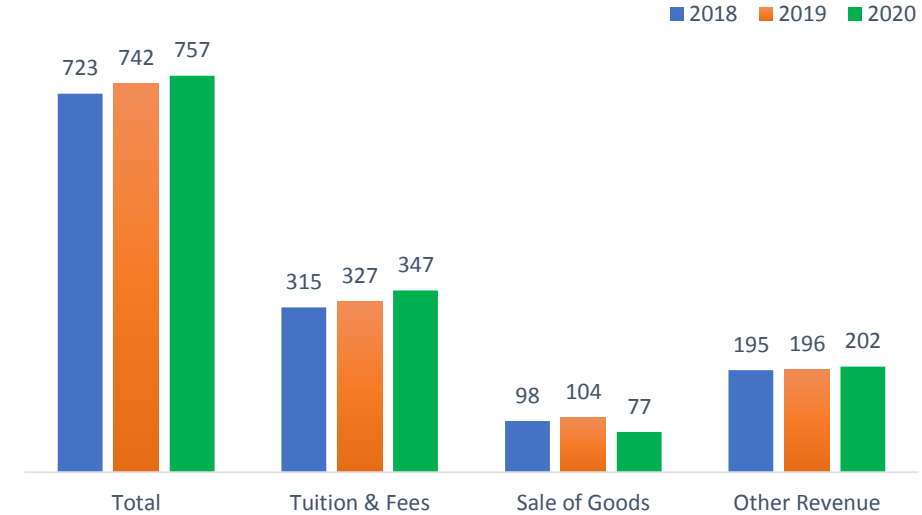
|   |                   |                    | Actual vs. Budget |               |
|---|-------------------|--------------------|-------------------|---------------|
|   | FY20 Q3<br>Budget | FY20 Q3<br>Actuals | \$000's           | %             |
| <b>REVENUES</b>                                   |                   |                    |                   |               |
| Net Tuition and Fees                              | 357,056           | 304,949            | (52,107)          | -14.6%        |
| Sales of Goods and Services                       | 91,954            | 80,302             | (11,652)          | -12.7%        |
| Grants and Contracts                              | 77,083            | 77,394             | 311               | 0.4%          |
| State Appropriations                              | 137,465           | 137,961            | 495               | 0.4%          |
| All Other Revenue                                 | 51,489            | 55,648             | 4,159             | 8.1%          |
| <b>Total Revenues</b>                             | <b>715,047</b>    | <b>656,255</b>     | <b>(58,793)</b>   | <b>-8.2%</b>  |
| <b>EXPENSES</b>                                   |                   |                    |                   |               |
| Personnel Costs                                   | 336,046           | 328,140            | 7,906             | 2.4%          |
| Maintenance & Operation Costs                     | 94,216            | 85,185             | 9,030             | 9.6%          |
| Capital Expenses                                  | 15,275            | 12,255             | 3,020             | 19.8%         |
| Scholarships, Exemptions and Financial Aid        | 67,506            | 65,496             | 2,011             | 3.0%          |
| <b>Total Expenses</b>                             | <b>513,277</b>    | <b>491,086</b>     | <b>22,190</b>     | <b>4.32%</b>  |
| <b>TRANSFERS</b>                                  |                   |                    |                   |               |
| <b>Total Net Transfers</b>                        | <b>(94,449)</b>   | <b>(91,427)</b>    | <b>3,022</b>      | <b>3.2%</b>   |
| <b>Estimated Budgeted Impact on Fund Balances</b> | <b>107,322</b>    | <b>73,741</b>      | <b>(33,580)</b>   | <b>-31.3%</b> |



# FY 2020 prior years vs. actuals: UNT

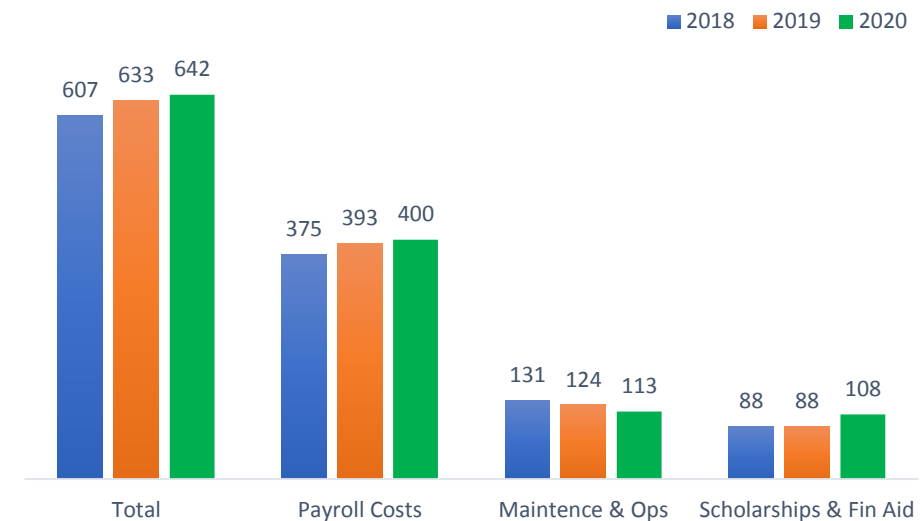
## • Projected Revenue:

- Revenue projected to be over prior year by \$15m
- Tuition and Fees projected to increase due to summer term revenue timing and institutional exemption for specific student fees during summer terms as all courses went remote or online, and increased merit based scholarships for fall & spring terms
- Sale of Goods projected to decrease significantly due to overall COVID-19 impact on housing & dining, retail, and summer contracts (graduations, camps, etc.) that were not recognized
- Other Revenue projected to exceed prior year by \$6m



## • Projected Expenses:

- Expenses projected above prior year by \$9m
- Payroll costs projected above prior year by \$7m; cost control measures are being enacted
- Maintenance & Operations projected under prior year; university-wide reduction in response to COVID-19 negative impact on revenues
- Scholarships & Aid projected above prior year by \$20m due to COVID-19 related student aid





# FY 2020 Q3 Performance: UNTHSC

## Q3 Revenue

2.5%  
ahead

- Total revenue ahead plan by \$5.6m/2.5%
  - Tuition and Fees are behind plan by 12.5%; due to decline in net tuition and fees
  - All other revenue exceeds budget due to COVID-19 related CARES Act awards & gift donations

## Q3 Expenses

2.6%  
ahead

- Total expenses ahead plan by \$4.2m/2.6%
  - Personnel Costs ahead plan by 6.6%; attributed to savings driven by vacant positions
  - Maintenance & Operations behind plan by 7.8%



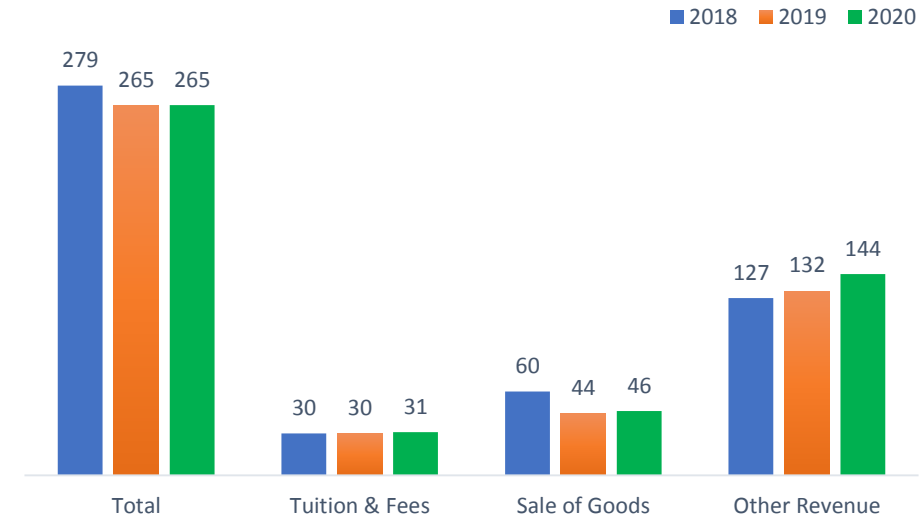
|   | FY20 Q3<br>Budget | FY20 Q3<br>Actuals | Actual vs. Budget     |                 |
|---|-------------------|--------------------|-----------------------|-----------------|
|   |                   |                    | Variance<br>(\$000's) | Variance<br>(%) |
| <b>REVENUES</b>                                   |                   |                    |                       |                 |
| Net Tuition and Fees                              | 27,250            | 23,830             | (3,420)               | -12.5%          |
| Sales of Goods and Services                       | 32,000            | 33,256             | 1,256                 | 3.9%            |
| Grants and Contracts                              | 28,500            | 33,649             | 5,149                 | 18.1%           |
| State Appropriations                              | 102,500           | 103,888            | 1,388                 | 1.4%            |
| All Other Revenue                                 | 31,492            | 32,691             | 1,199                 | 3.8%            |
| <b>Total Revenues</b>                             | <b>221,742</b>    | <b>227,314</b>     | <b>5,572</b>          | <b>2.5%</b>     |
| <b>EXPENSES</b>                                   |                   |                    |                       |                 |
| Personnel Costs                                   | 112,500           | 105,043            | 7,457                 | 6.6%            |
| Maintenance & Operation Costs                     | 46,650            | 50,287             | (3,637)               | -7.8%           |
| Capital Expenses                                  | 4,000             | 3,144              | 856                   | 21.4%           |
| Scholarships, Exemptions and Financial Aid        | 400               | 52                 | 348                   | 86.9%           |
| <b>Total Expenses</b>                             | <b>164,250</b>    | <b>160,041</b>     | <b>4,209</b>          | <b>2.56%</b>    |
| <b>TRANSFERS</b>                                  |                   |                    |                       |                 |
| <b>Total Net Transfers</b>                        | <b>(25,560)</b>   | <b>4,199</b>       | <b>29,759</b>         | <b>116.4%</b>   |
| <b>Estimated Budgeted Impact on Fund Balances</b> | <b>31,931</b>     | <b>71,471</b>      | <b>39,540</b>         | <b>123.8%</b>   |



# FY 2020 prior years vs. actuals: UNTHSC

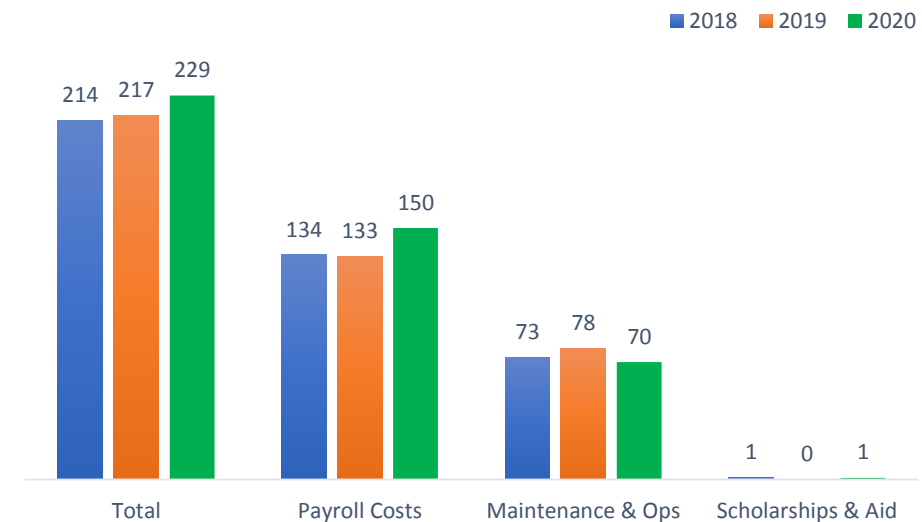
## • Projected Revenue:

- Total Revenue projected flat to prior year
- Tuition & Fees projecting slightly above prior year due to strong Summer 2020 enrollment
- Other Revenue will end FY20 higher than prior year due to COVID-19 related CARES Act awards and gift donations



## • Projected Expenses:

- Expenses projected above prior year by \$12m
- Payroll costs projected above prior year by \$17m but under budget by \$5m due to savings in personnel costs driven by vacant positions
- Maintenance & Operations projected to be under prior year due to institution-wide cost containment due to COVID-19







# FY 2020 Q3 Performance: UNTD

## Q3 Revenue

2.7%  
behind

- Total revenue behind plan by \$1.8m/2.7%
  - Tuition and Fees are behind plan by 11.5%; Summer 2020 tuition & fees revenue posting later than in past years due to COVID-19
  - Sale of Goods and Services slightly behind plan by 14.9%
  - Grants and Contracts are ahead plan by 15.9%; due to receipt of CARES act funding & higher actual revenue from PELL and Texas Grant funds

## Q3 Expenses

<1%  
ahead

- Total expenses ahead plan by \$0.3m/0.7%
  - Personnel expenses are slightly behind plan by 0.2%
  - Maintenance & Operations ahead of plan by 7.3% due to campus closure and event cancellations

|   |                   |                    | Actual vs. Budget     |                 |
|---|-------------------|--------------------|-----------------------|-----------------|
|   | FY20 Q3<br>Budget | FY20 Q3<br>Actuals | Variance<br>(\$000's) | Variance<br>(%) |
| <b>REVENUES</b>                                   |                   |                    |                       |                 |
| Net Tuition and Fees                              | 27,435            | 24,285             | (3,150)               | -11.5%          |
| Sales of Goods and Services                       | 1,423             | 1,210              | (213)                 | -14.9%          |
| Grants and Contracts                              | 8,776             | 10,173             | 1,397                 | 15.9%           |
| State Appropriations                              | 27,363            | 27,764             | 402                   | 1.5%            |
| All Other Revenue                                 | 3,239             | 2,994              | (245)                 | -7.6%           |
| <b>Total Revenues</b>                             | <b>68,235</b>     | <b>66,427</b>      | <b>(1,809)</b>        | <b>-2.7%</b>    |
| <b>EXPENSES</b>                                   |                   |                    |                       |                 |
| Personnel Costs                                   | 28,449            | 28,503             | (54)                  | -0.2%           |
| Maintenance & Operation Costs                     | 7,668             | 7,107              | 561                   | 7.3%            |
| Capital Expenses                                  | 590               | 544                | 45                    | 7.7%            |
| Scholarships, Exemptions and Financial Aid        | 9,779             | 10,020             | (241)                 | -2.5%           |
| <b>Total Expenses</b>                             | <b>46,486</b>     | <b>46,176</b>      | <b>311</b>            | <b>0.67%</b>    |
| <b>TRANSFERS</b>                                  |                   |                    |                       |                 |
| <b>Total Net Transfers</b>                        | <b>(12,299)</b>   | <b>(12,022)</b>    | <b>278</b>            | <b>2.3%</b>     |
| <b>Estimated Budgeted Impact on Fund Balances</b> | <b>9,450</b>      | <b>8,229</b>       | <b>(1,221)</b>        | <b>-12.9%</b>   |

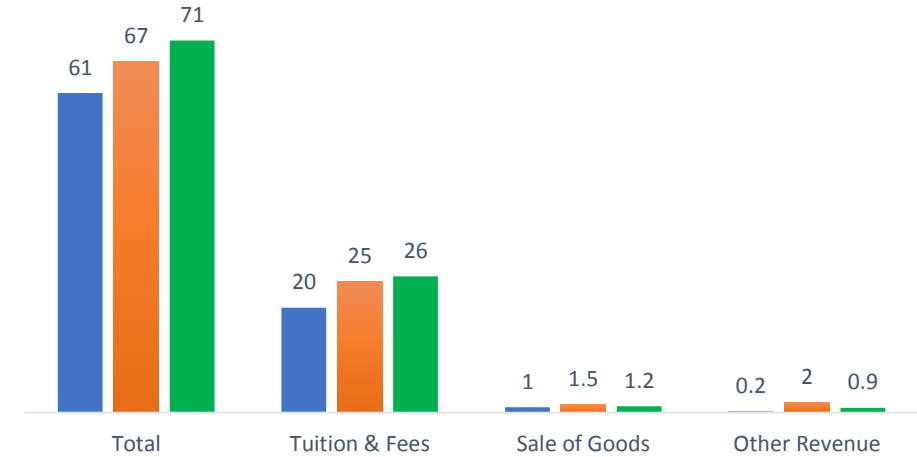


# FY 2020 prior years vs. actuals: UNTD

■ 2018 ■ 2019 ■ 2020

- Projected Revenue:

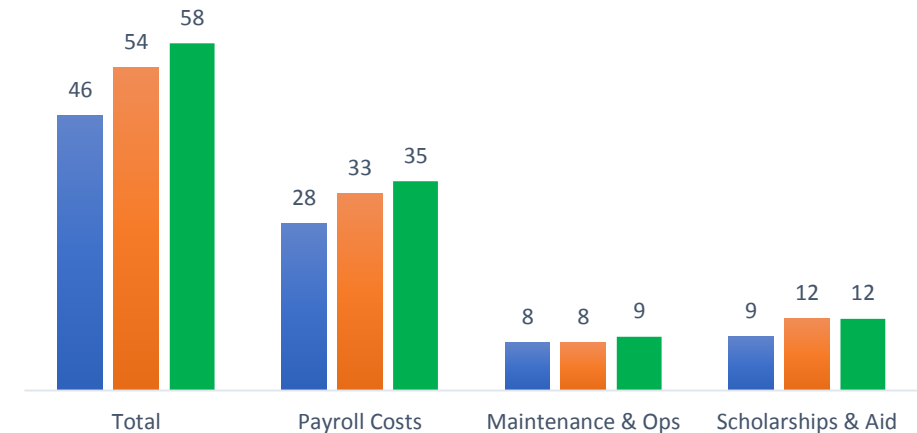
- Total Revenue projecting above prior year by \$4m
- Tuition & Fees revenue projecting higher than prior year despite COVID-19 impact



- Projected Expenses:

- Expenses projected to be over FY19 actuals by \$4m
- Payroll costs projecting higher than prior year; COVID-19 related cost containments being put into place
- Maintenance & Operations have COVID-19 related cost containments being put into place
- Scholarships & Aid slightly up

■ 2018 ■ 2019 ■ 2020





# FY 2020 Q3 Performance: UNT System Administration

## Q3 Revenue

15.3%  
ahead

- Total revenue ahead of plan by \$1.3m/15.3%
  - Sale of Goods and Services slightly behind plan by 3.4%
  - Revenues projected to end behind plan due to changing economic conditions negatively impacting investment income

## Q3 Expenses

0.9%  
ahead

- Total expenses ahead of plan by \$0.4m/0.9%
  - Personnel costs ahead of plan by 3.8% due to COVID-19 hiring freeze and travel reductions
  - Maintenance & Operations costs ahead of plan by 7.2%
  - Expenses projected to end ahead of plan despite new budget development system (Axiom) and PeopleAdmin application enhancements for HR

|   | FY20 Q3<br>Budget | FY20 Q3<br>Actuals | Actual vs. Budget<br>Variance<br>(\$000's) | Variance<br>(%) |
|---|-------------------|--------------------|--|-----------------|
| <b>REVENUES</b>                                   |                   |                    |  |                 |
| Net Tuition and Fees                              | 0                 | 0                  | 0  |                 |
| Sales of Goods and Services                       | 1,650             | 1,593              | (57)                                       | -3.4%           |
| Grants and Contracts                              | 0                 | 0                  | 0  |                 |
| State Appropriations                              | 6,200             | 7,682              | 1,482                                      | 23.9%           |
| All Other Revenue                                 | 515               | 368                | (147)                                      | -28.6%          |
| <b>Total Revenues</b>                             | <b>8,365</b>      | <b>9,643</b>       | <b>1,278</b>                               | <b>15.3%</b>    |
| <b>EXPENSES</b>                                   |                   |                    |  |                 |
| Personnel Costs                                   | 34,835            | 33,525             | 1,310                                      | 3.8%            |
| Maintenance & Operation Costs                     | 10,776            | 11,549             | (773)                                      | -7.2%           |
| Capital Expenses                                  | 1,493             | 1,612              | (119)                                      | -7.9%           |
| Scholarships, Exemptions and Financial Aid        | 0                 | 0                  | 0  |                 |
| <b>Total Expenses</b>                             | <b>47,104</b>     | <b>46,686</b>      | <b>418</b>                                 | <b>0.89%</b>    |
| <b>TRANSFERS</b>                                  |                   |                    |  |                 |
| <b>Total Net Transfers</b>                        | <b>36,473</b>     | <b>36,367</b>      | <b>(105)</b>                               | <b>0.3%</b>     |
| <b>Estimated Budgeted Impact on Fund Balances</b> | <b>(2,266)</b>    | <b>(675)</b>       | <b>1,591</b>                               | <b>-70.2%</b>   |



# FY 2020 prior years vs. actuals: UNT System Administration

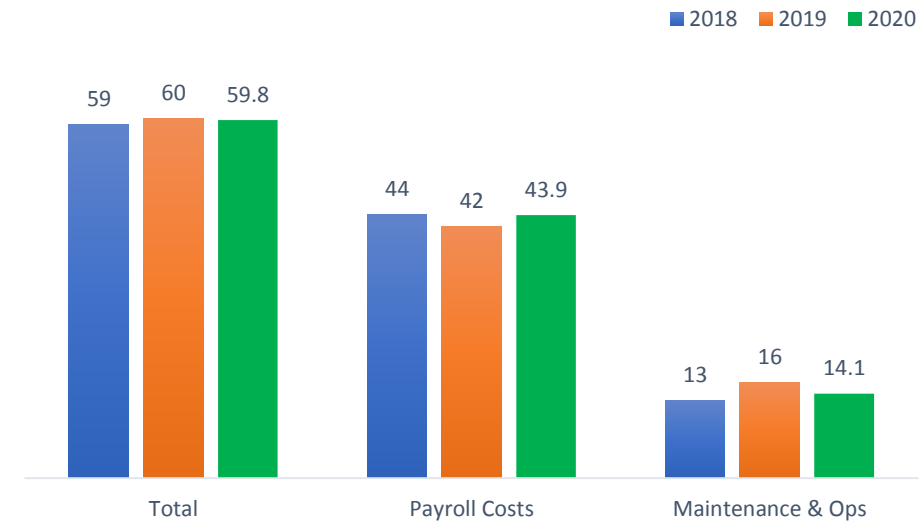
- **Projected Revenue:**

- Total Revenue projected lower than FY19 actuals at year end by \$0.4m due to changing economic conditions negatively impacting investment income



- **Projected Expenses:**

- Expenses projecting slightly under prior year due to cost control measures
- Payroll costs projected \$1.9m higher than prior year; hiring freeze resulted in \$3.7m under FY20 budget
- Maintenance & Operations projected to be significantly under prior year due to cost control measures





# FY 21 Consolidated Budget Presentation





# Summary

- Highlights            Highlights of estimated impact on revenues & expenses
- COVID-19            Short-term challenges and mitigations associated with COVID-19
- OET                    Strategic effort to optimize operations and reduce costs
- Budget                Summary financial plans and impacts to health measures
- Summary              Summary of financial posture across UNTS
- 
- Institutions           System Admin, UNT, HSC and UNTD budget proposal details



# Introduction & Assumptions

*The FY 2021 UNT System consolidated operating budget is a strong financial plan that supports the vision, mission, and objectives of UNT World.*

The budget reflects the FY 21 operating plan and out-year financial plans to optimize operations, better serve our students and communities, and strengthening our financial posture...

## Budget planning for FY 21 assumptions:

- All campuses to return some level of on-site operations
- Housing/dining are operational
- New requirements implemented for COVID-19
- Fairly conservative estimates on enrollment
- International student enrollment decline
- State Appropriations cut by 5% over the biennium (partially applied to FY20)
- Reductions in auxiliary sales and services
- Market disruption negatively impacting investment & gift income
- Frisco campus continues as previously planned (Opens Spring 2023)





# FY 21 Budget Process Priorities

- Enabling our strategic initiatives
  - Sustaining critical strategic initiatives across our institutions including continued expansion of our new campus at Frisco, developing new models of healthcare and educational delivery, and providing a pathway to socio-economic mobility
- Ensuring sound financial plans
  - We ran over 30 different models across UNT World to estimate impacts of COVID-19; plans include return to campus as well as remote courses across institutions
  - Implementing more remote work, integrating contracts, and reducing space in many areas to improve operations and reduce costs
- Enhancing operational performance
  - Continued implementation of service assessments, modifications to shared services governance, and Enterprise Risk Management
  - New investments included within reduced costs to improve employee hiring and retention, advance automation, strategic sourcing, and other services
- Expanding Equity, Diversity & Inclusion
  - New programs across institutions and new Executive/Diversity Recruiter





# Consolidated Budget Highlights

|                                    | Budget<br>FY20 | Budget<br>FY21   | Projected      |                |                |                |
|------------------------------------|----------------|------------------|----------------|----------------|----------------|----------------|
|                                    |                |                  | FY22           | FY23           | FY24           | FY25           |
| Total Revenues                     | \$1131.5M      | <b>\$1093.6M</b> | \$1106.2M      | \$1126.6M      | \$1154.6M      | \$1180.4M      |
| Total Expenses                     | \$1013.3M      | <b>\$973.7M</b>  | \$992.1M       | \$1003.9M      | \$1025.4M      | \$1045.6M      |
| Total Net Transfers                | (\$105.3M)     | <b>(\$99.8M)</b> | (\$100.8M)     | (\$98.6M)      | (\$98.7M)      | (\$98.9M)      |
| <b>Est Impact on Fund Balances</b> | <b>\$12.9M</b> | <b>\$20.1M</b>   | <b>\$13.2M</b> | <b>\$24.1M</b> | <b>\$30.5M</b> | <b>\$35.9M</b> |

|              | 2020           | 2021           | 2025           |
|--------------|----------------|----------------|----------------|
| UNT          | \$5.3M         | \$4.5M         | \$16.6M        |
| HSC          | \$8.7M         | \$15.6M        | \$16.1M        |
| UNTD         | \$0            | \$0            | \$3.2M         |
| SYS ADM      | (\$1.1M)       | \$0M           | \$0M           |
| <b>TOTAL</b> | <b>\$12.9M</b> | <b>\$20.1M</b> | <b>\$35.9M</b> |

## FY 2021 budget proposal:

- Revenues projected to decrease in 2021 by \$37.9M due to loss in tuition/fees, state appropriations, and auxiliary; anticipated to increase in out-years
- Expenses planned to decrease in 2021 by \$39.7M from cost controls and strategic changes to reduce costs across the UNT World
- Estimated impact to increase financial posture with positive increase to fund balances (\$7.2M increase from FY 2020 to 2021) and additional in out-years

Actions

- COVID -\$35M Expenses FY 20
- OET -\$20-\$30M Exp. FY21-25

Plan

- Majority of operational changes are sustained in future year plans

Financial Posture

- Improved financial ratios
- Stronger financial posture faster



# FY 2020 financial challenges from COVID-19

- The pandemic magnified and accelerated our goal to reduce operational expenses
- We planned, designed and implemented changes to address current challenges associated with COVID-19 while also working to improve our future posture
- The FY 2021 proposed budget is estimated to achieve our previously established financial health targets by 2023 (faster than any previously estimated time frames)

## UNT World Financial Impact\* of COVID-19 March-August 2020

| UNT   | HSC    | UNTD   | System HQ | UNT World |
|---|--------|--------|-----------|-----------|
| <b>Lost Revenues &amp; Increased Expenses</b>         |        |        |           |           |
| \$28.8m   | \$5.7m | \$1.3m | \$.1m     | \$36.3m   |
| <b>Savings &amp; Cost Avoidance</b>                   |        |        |           |           |
| \$23.4m   | \$7.0m | \$2.4m | \$2.5m    | \$35.3m   |
| <b>CARES Act Funding (amts used to offset losses)</b> |        |        |           |           |
| \$16.6m   | \$.3m  | \$1.7m | \$.0m     | \$18.7m   |
| <b>Net Impact</b>                                     |        |        |           |           |
| \$11.2m   | \$1.6m | \$2.8m | \$2.4m    | \$17.7m   |

**State Appropriations cuts – UNT applied \$1.8m to FY20 & \$8.5m in FY21 budget; UNTD applied \$.8 to FY20 and \$.8 FY21 budget**

\*Compared to FY20 original budget



# Operational Effectiveness Team (OET)

## OET activities enabling more effective and efficient operations

- Sustainable cost savings within 12 months
- Reduce and/or avoid costs in the long-term
- Operational changes that do not inhibit mission
- Improve our long-term health and posture for the future
- Reduce long-term liabilities allowing for investment resources

Estimated cost savings of ~\$20M included in budget

|   |  |
|---|--|
| Reduce size/scope of various operations | Reduce administrative support, flattening organizational structures, integrating various business operations, reduced consulting through new ERM framework |
| Alternate sourcing/contracting          | Strategic sourcing and/or consolidation of contracts in various areas including custodial, grounds, IT equipment, and other services                       |
| Facilities Management                   | Enhanced use of space, elimination of various leases, more remote work and flexible space, selective demolitions of aging building                         |
| Information Technology                  | Integrating operations, eliminating duplication, improving data/access management, advancing use of various technologies including VOIP                    |
| Modify service delivery                 | Modified shared services governance, budget to service-level, more automation, integrating across institutions to share systems and tools                  |



# UNTS Consolidated Budget Proposal (\$K)

## FY21 Proposed Budget including Five Year Look Forward

### Major budget notes:

- Revenues projected to recover in FY 2022 and grow in outyears
- Expenses reflect changes and control costs for FY 2021 and outyears
- Positive impact on fund balance with increasing trend across the years

Budget planning details provided as part of the institutional update

### REVENUES

Net Tuition and Fees  
 Sales of Goods and Services  
 Grants and Contracts  
 State Appropriations  
 All Other Revenue

#### Total Revenues

### EXPENSES

Personnel Costs  
 Maintenance & Operation Costs  
 Capital Expenses  
 Scholarships, Exemptions and Financial Aid

#### Total Expenses

### TRANSFERS

#### Total Net Transfers

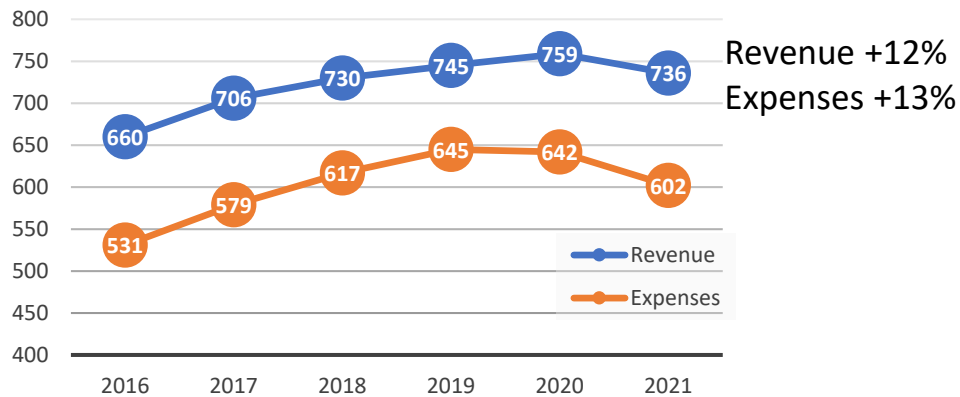
Estimated Budgeted Impact on Fund Balances

|   | FY20<br>Budget   | FY21<br>Budget   | Inc (Dec) FY21 vs.<br>FY20 |              | FY22<br>Projected | FY23<br>Projected | FY24<br>Projected | FY25<br>Projected |
|---|------------------|------------------|----------------------------|--------------|-------------------|-------------------|-------------------|-------------------|
|   |                  |                  | \$                         | %            |                   |                   |                   |                   |
| <b>REVENUES</b>                                   |                  |                  |                            |              |                   |                   |                   |                   |
| Net Tuition and Fees                              | 420,943          | <b>390,227</b>   | (30,716)                   | -7.3%        | 402,690           | 415,268           | 430,304           | 446,807           |
| Sales of Goods and Services                       | 150,763          | <b>147,715</b>   | (3,048)                    | -2.0%        | 151,885           | 153,581           | 156,363           | 159,240           |
| Grants and Contracts                              | 169,838          | <b>181,805</b>   | 11,967                     | 7.0%         | 188,247           | 191,571           | 197,771           | 200,372           |
| State Appropriations                              | 310,261          | <b>299,666</b>   | (10,594)                   | -3.4%        | 287,599           | 289,272           | 291,845           | 294,124           |
| All Other Revenue                                 | 79,679           | <b>74,177</b>    | (5,501)                    | -6.9%        | 75,785            | 76,956            | 78,339            | 79,867            |
| <b>Total Revenues</b>                             | <b>1,131,483</b> | <b>1,093,590</b> | <b>(37,893)</b>            | <b>-3.3%</b> | <b>1,106,208</b>  | <b>1,126,647</b>  | <b>1,154,623</b>  | <b>1,180,411</b>  |
| <b>EXPENSES</b>                                   |                  |                  |                            |              |                   |                   |                   |                   |
| Personnel Costs                                   | 653,737          | <b>625,176</b>   | (28,561)                   | -4.4%        | 633,907           | 642,129           | 654,724           | 667,290           |
| Maintenance & Operation Costs                     | 227,168          | <b>217,321</b>   | (9,847)                    | -4.3%        | 229,746           | 229,489           | 234,574           | 238,194           |
| Capital Expenses                                  | 27,858           | <b>23,893</b>    | (3,965)                    | -14.2%       | 25,076            | 25,520            | 25,933            | 26,357            |
| Scholarships, Exemptions and Financial Aid        | 104,582          | <b>107,279</b>   | 2,697                      | 2.6%         | 103,405           | 106,741           | 110,194           | 113,779           |
| <b>Total Expenses</b>                             | <b>1,013,344</b> | <b>973,669</b>   | <b>(39,676)</b>            | <b>-3.9%</b> | <b>992,134</b>    | <b>1,003,878</b>  | <b>1,025,425</b>  | <b>1,045,620</b>  |
| <b>TRANSFERS</b>                                  |                  |                  |                            |              |                   |                   |                   |                   |
| <b>Total Net Transfers</b>                        | <b>(105,284)</b> | <b>(99,827)</b>  | <b>5,457</b>               | <b>5.2%</b>  | <b>(100,827)</b>  | <b>(98,625)</b>   | <b>(98,738)</b>   | <b>(98,908)</b>   |
| <b>Estimated Budgeted Impact on Fund Balances</b> | <b>12,855</b>    | <b>20,095</b>    | <b>7,240</b>               | <b>56.3%</b> | <b>13,246</b>     | <b>24,144</b>     | <b>30,460</b>     | <b>35,882</b>     |

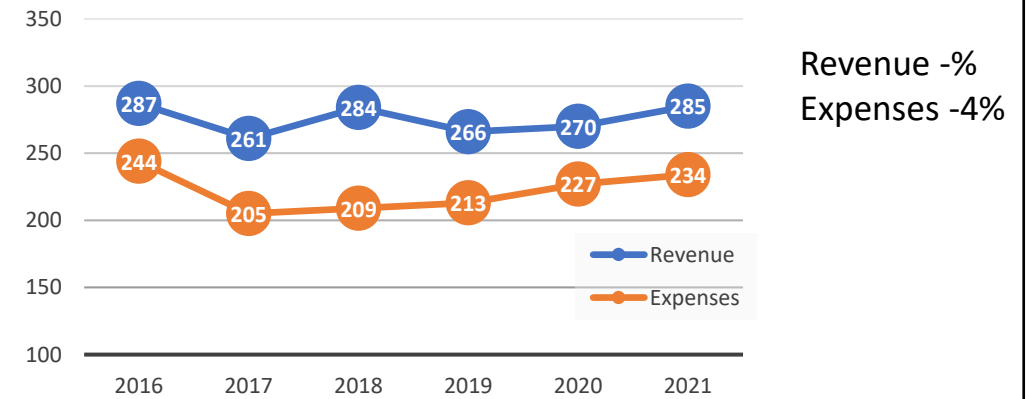


# Revenue & Expense Trends (excludes depreciation)

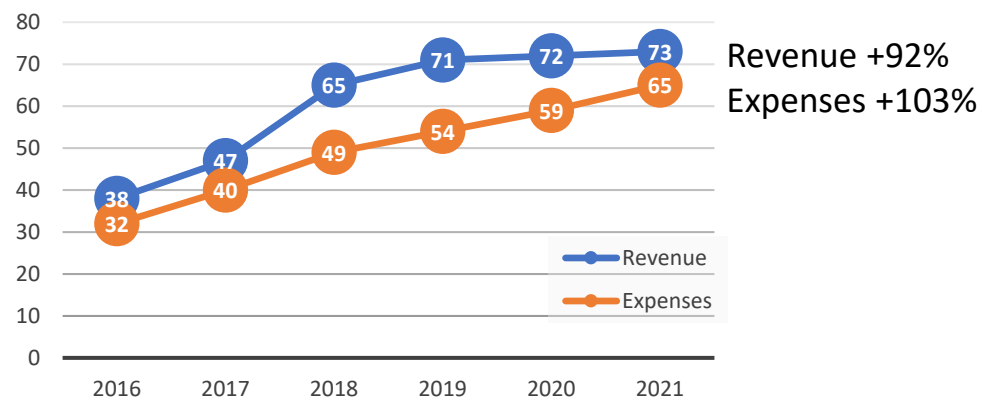
## University of North Texas (UNT)



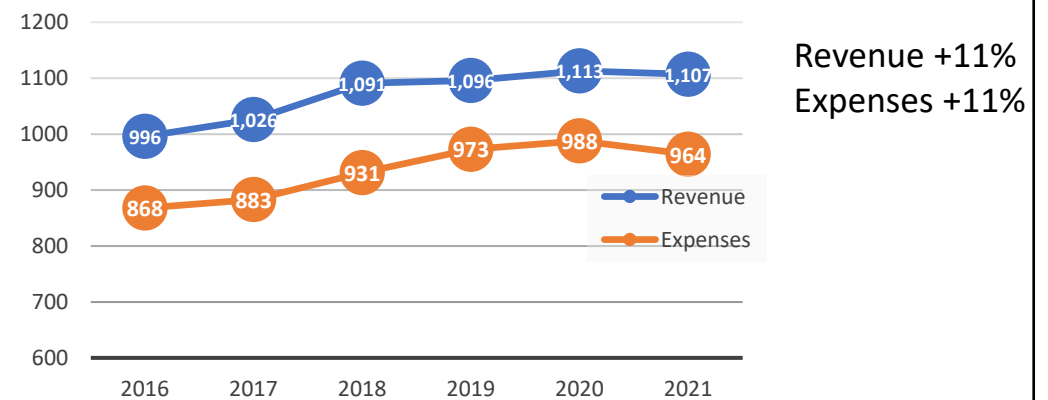
## UNT Health Science Center



## University of North Texas Dallas (UNTD)



## University of North Texas System (UNTS)



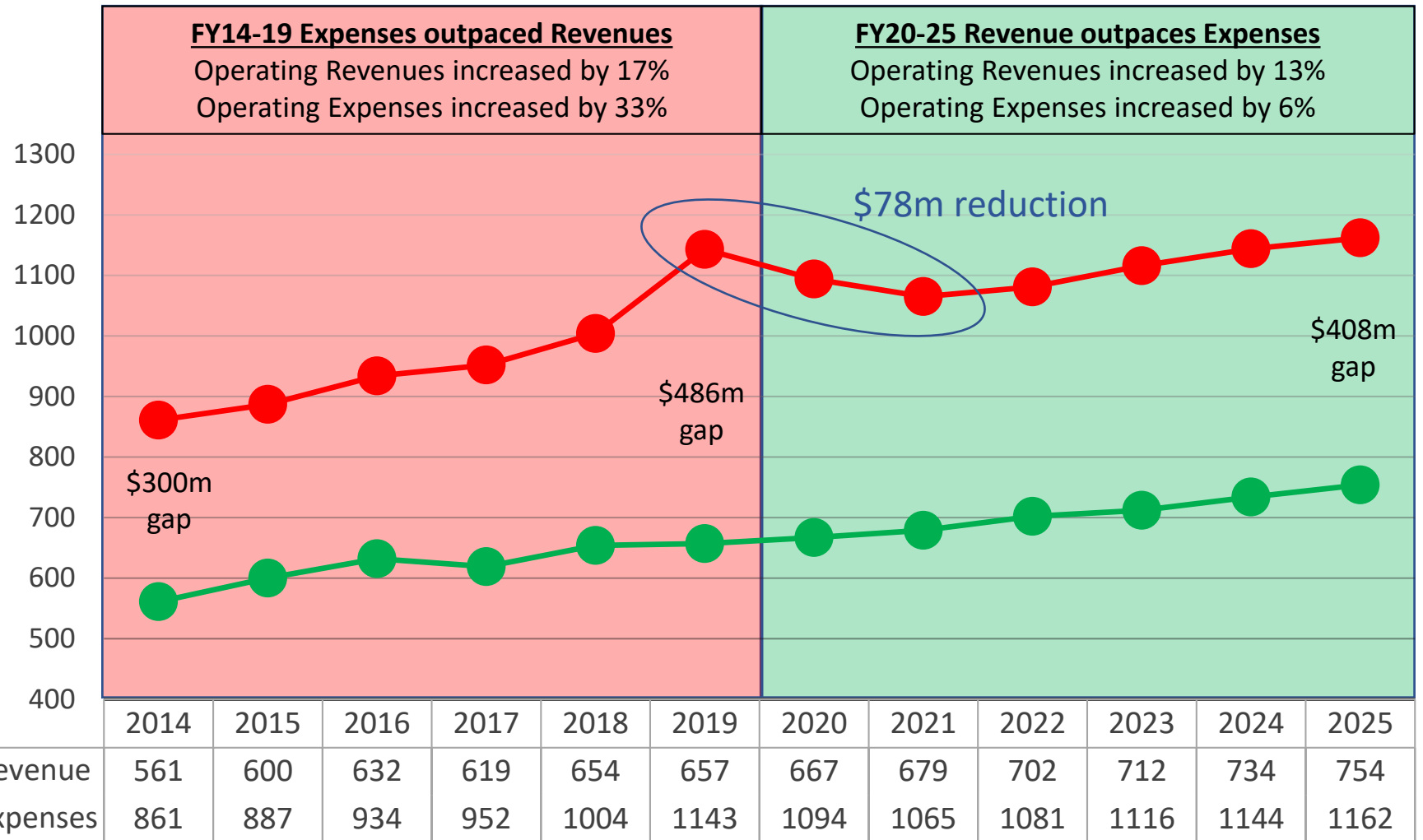
Note: Detailed performance for each institution found in backup materials



# Improving our operating posture (\$M)

Tale of two tales... we reversed the trend!

Our efforts to reduce costs are estimated to strengthen our financial posture with operating revenues significantly outpacing operating expenses.

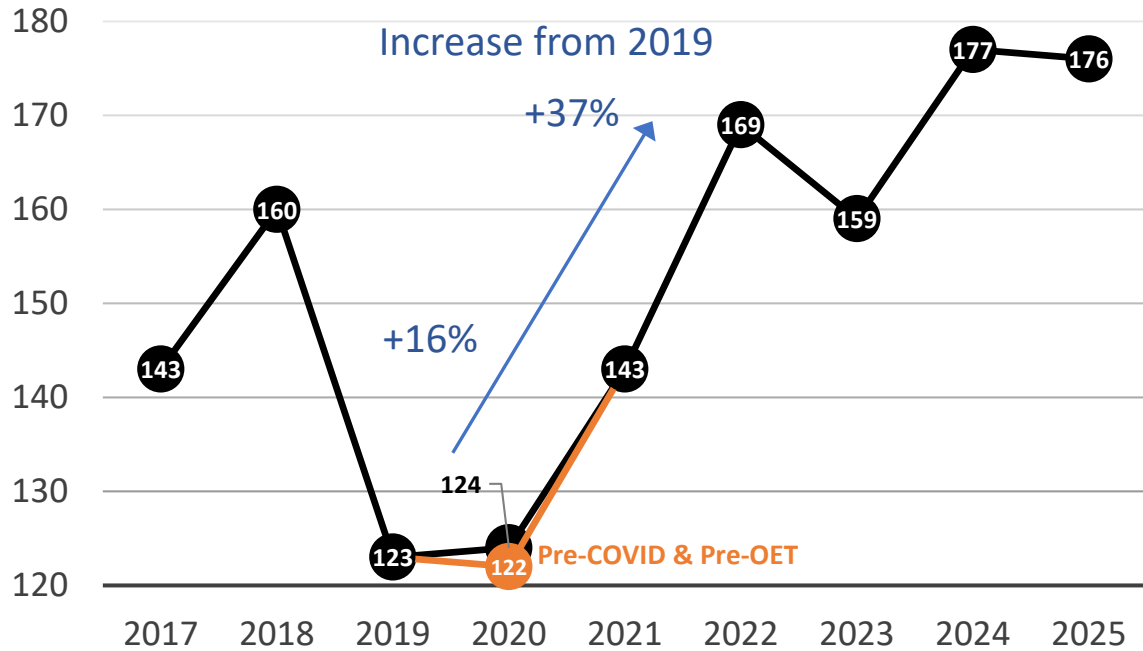


Non-operating revenues and other revenues provide additional funds to cover expenses



# Net Income for Debt Servicing \$M (excludes depreciation)

## University of North Texas System (UNTS)

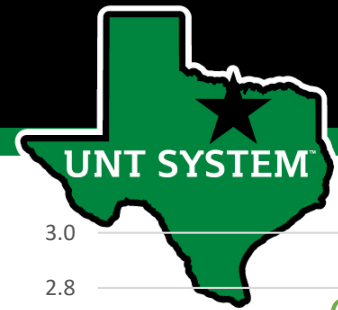


## UNT System Institutions

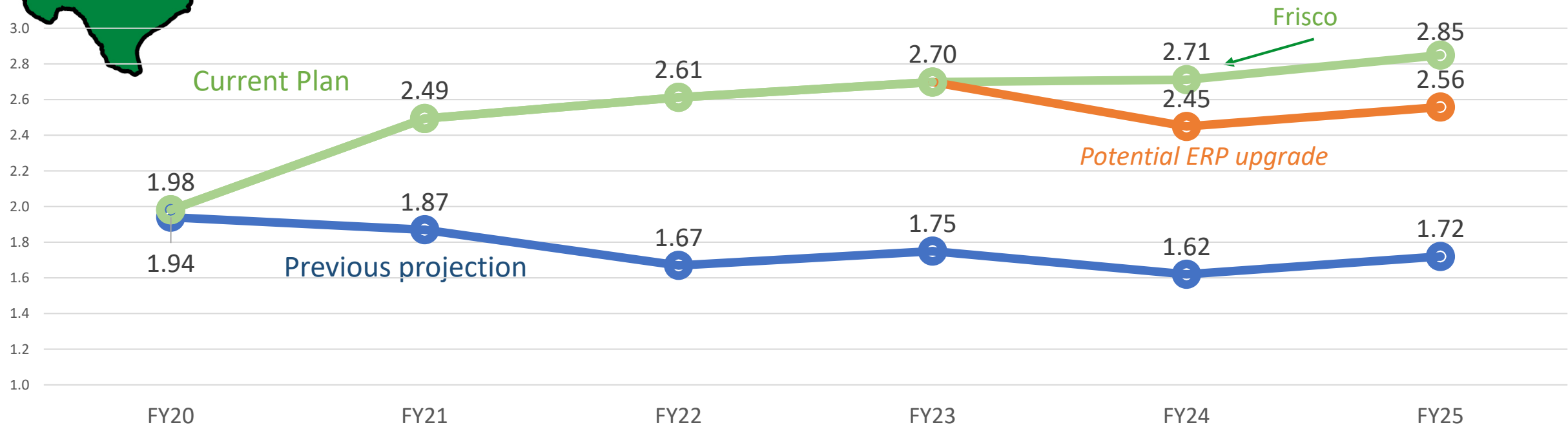
|     | 2017  | 2018  | 2019 | 2020  | 2021  | 2022  | 2023  | 2024  | 2025  |
|-----|-------|-------|------|-------|-------|-------|-------|-------|-------|
| UNT | 126.9 | 112.9 | 99.9 | 106.2 | 138.8 | 150.3 | 151.7 | 166.9 | 167.2 |
| HSC | 56.5  | 75.2  | 53.2 | 43.3  | 51.3  | 58.7  | 40.4  | 51.9  | 52.4  |
| DAL | 6.5   | 15.7  | 17.4 | 13.5  | 8.7   | 9.0   | 7.6   | 9.2   | 8.2   |

FY 20 net income down ~17% with COVID pressuring revenues and expenses  
 FY 21 budget includes full impact of changes and increase net income drastically

Note: Detailed performance for each institution found in backup materials



# Debt Service Coverage Pressure



Budget accomplishes our goal of improving our debt service coverage to well beyond best practices benchmark with call for 2x cash-to-debt service coverage with moderate flexibility for additional capital investment

- Pre-COVID and Pre-OET net income available to cover debt service (\$89M), pro-forma coverage dropped as low as 1.62x
- Debt servicing includes the FY21 Capital Improvement Plan and previously approved projects (Frisco)
- **COVID responses and OET acceleration set to improve net income by 7.6% annually through FY24**

\*Note: debt servicing estimates exclude debt services paid by TRB funds





# Summary

- Budget includes conservative enrollment estimates and requirements associated with safety measures associated with COVID-19
- Budget plan includes changes to operational and strategic changes that reduce costs across institutions and ensure a strong financial posture for the future
- Achieves key financial health targets previously discussed in a more rapid manner ensuring a stronger future and available resources to achieve strategic objectives
- Institutional plans include resources to support our students and communities while continuing to advance accomplishment of strategic objectives



# Institutional Budget Details

University of North Texas System Budget Details (separate materials)

System Administration Headquarters

University of North Texas

University of North Texas at Dallas

University of North Texas Health Science Center at Fort Worth



# Backup Materials



# Revenues

| FY2020<br>Budgeted | FY2020 Year-<br>End Forecast | FY2021<br>Budgeted | *Change \$ | *Change % |
|--------------------|------------------------------|--------------------|------------|-----------|
| \$ 1,131.5         | \$ 1,105.7                   | \$ 1,093.6         | \$ (12.1)  | -1.1%     |

In millions.

## Current Funds Revenues by UNTS Component

|                           | Educational<br>& General | Designated<br>Operating | Auxiliary     | Restricted<br>Expendable | Total Current<br>Funds  |
|---------------------------|--------------------------|-------------------------|---------------|--------------------------|-------------------------|
| University of North Texas | \$ 239,554,463           | \$ 307,682,462          | \$ 91,594,608 | \$ 101,190,733           | \$ 740,022,266          |
| UNT Health Science Center | \$ 135,633,668           | \$ 81,576,319           | \$ 501,826    | \$ 48,446,855            | \$ 266,158,668          |
| UNT Dallas                | \$ 39,633,918            | \$ 21,544,615           | \$ 767,120    | \$ 14,108,447            | \$ 76,054,099           |
| UNT System Administration | \$ 8,092,511             | \$ 1,176,000            | \$ 2,087,295  | \$ -                     | \$ 11,355,806           |
|                           |                          |                         |               |                          | <b>\$ 1,093,590,839</b> |

\* Change \$ & Change % calculated using FY2020 Year-End Forecast vs FY2021 Budgeted.



# Expenses & Net Transfers

| FY2020<br>Budgeted | FY2020 Year-<br>End Forecast | FY2021<br>Budgeted | *Change \$ | *Change % |
|--------------------|------------------------------|--------------------|------------|-----------|
| \$ 1,118.6         | \$ 1,098.2                   | \$ 1,073.5         | \$ (20.4)  | -1.9%     |

In millions.

## Current Funds Expenses by UNTS Component

|                           | Educational<br>& General | Designated<br>Operating | Auxiliary     | Restricted<br>Expendable | Total Current<br>Funds |
|---------------------------|--------------------------|-------------------------|---------------|--------------------------|------------------------|
| University of North Texas | \$204,891,924            | \$ 256,978,036          | \$ 62,514,963 | \$ 102,886,883           | \$ 627,271,806         |
| UNT Health Science Center | \$ 113,769,824           | \$ 71,227,515           | \$ 326,482    | \$ 40,669,179            | \$ 225,993,000         |
| UNT Dallas                | \$ 31,814,976            | \$ 16,204,003           | \$ 845,420    | \$ 13,620,937            | \$ 62,485,336          |
| UNT System Administration | \$ 8,308,487             | \$ 48,173,679           | \$ 1,436,262  | \$ -                     | \$ 57,918,428          |
|                           |                          |                         |               |                          | <b>\$ 973,668,571</b>  |

## Current Funds Transfers by UNTS Component

|                           | Educational<br>& General | Designated<br>Operating | Auxiliary       | Restricted<br>Expendable | Total Current<br>Funds |
|---------------------------|--------------------------|-------------------------|-----------------|--------------------------|------------------------|
| University of North Texas | \$ (34,662,538)          | \$ (50,003,085)         | \$ (25,307,091) | \$ 1,696,150             | \$ (108,276,564)       |
| UNT Health Science Center | \$ (21,554,902)          | \$ 4,885,886            | \$ (175,344)    | \$ (7,700,000)           | \$ (24,544,360)        |
| UNT Dallas                | \$ (7,818,943)           | \$ (5,340,612)          | \$ 78,300       | \$ (487,509)             | \$ (13,568,764)        |
| UNT System Administration | \$ 215,976               | \$ 46,997,679           | \$ (651,033)    | \$ -                     | \$ 46,562,622          |
|                           |                          |                         |                 |                          | <b>\$ (99,827,066)</b> |

\* Change \$ & Change % calculated using FY2020 Year-End Forecast vs FY2021 Budgeted.



# **Fiscal Year 2021 Budget**

**University of North Texas**

**Bob Brown, SVP Finance & Administration**

**Presented To UNT System Board of Regents**

**Thursday, August 13, 2020**

# Introduction from the President

## Major Achievements for FY20

### Student Initiatives

- Increased excellence scholarships; grew new students by 11% and total enrollment increased by 3%
- Piloted Navigate as an advising tool
- Six new academic programs launching this fall

### Campus Improvements

- Indoor Practice facility
- Greene Hall and Welcome Center opened
- Website overhaul

# Introduction from the President

## Major Achievements for FY20

### Research and Academics

- Hired Mike Baskes NAE member
- Expansion of grants submissions
- Increased corporate partnerships

### COVID Related

- Made 10,207 awards from CAREs Act for a total of over \$9M
- Expansion of online and remote capabilities
- 3d printing of ventilator splitters and 1,200 plastic face shields for use on campus



# Strategic Priorities Guiding our FY21 Budget

## Diversity and Inclusion

- Resources and programming for a free-standing multicultural center
- Creation and launch of First Generation Center

## Research Investments

- Formation of new Health Disparities Center
- Partnership with Alliance/Hillwood for CIIMs

## Physical Infrastructure

- Completion of New College at Frisco expansion in Hall Park
- Possible beginning construction on new campus
- Dining Hall completion

## Student Initiatives

- Center for Counseling Diverse Student Populations
- Launching new BAAS degree completion program – first at scale global program
- Retention initiatives

# Budget Assumptions

***FY 2021 budget development was based on the following premises:***

- On-campus instruction available
- Housing/Dining operational
- International student enrollment decline
- Discounts & Allowances growth
- State appropriation reductions
- Reduction in gift and investment income due to market conditions
- Reduction in auxiliary functions
- Use of CARES funding in the fall semester

# Revenues

| FY2020<br>Budgeted | FY2021<br>Budgeted | *Change \$ | *Change % |
|--------------------|--------------------|------------|-----------|
| \$ 781.9           | \$ 740.0           | \$ (41.9)  | -5.4%     |

Note: All dollars in millions

|                                | FY2020<br>Budgeted | FY2020 Est<br>Actuals | FY2021<br>Budgeted | Actual vs. Budget<br>Variance B/(W) |              |
|--------------------------------|--------------------|-----------------------|--------------------|-------------------------------------|--------------|
|                                |                    |                       |                    | \$000's                             | %            |
| <b>REVENUES</b>                |                    |                       |                    |                                     |              |
| Net Tuition and Fees           | 360,387            | 347,199               | 327,461            | (19,738)                            | -5.7%        |
| Sales of Goods and<br>Services | 100,977            | 77,802                | 97,487             | 19,685                              | 25.3%        |
| Grants and Contracts           | 114,755            | 130,755               | 118,439            | (12,317)                            | -9.4%        |
| All Other Revenue              | 205,742            | 202,091               | 196,635            | (5,456)                             | -2.7%        |
| <b>Total Revenues</b>          | <b>781,861</b>     | <b>757,848</b>        | <b>740,022</b>     | <b>(17,825)</b>                     | <b>-2.4%</b> |

Note: All dollars in thousands

## Key Drivers, Trends, & Initiatives

**Net Tuition & Fees** – estimating flat enrollment for domestic students and a decline of 25% in international student enrollment. Board approved increases to existing differential tuition, increase to board designated tuition for graduate students, and Student Service Fee are included. Discounts & Allowances continue to grow and support two major initiatives: National Merit Scholars and UNT Excellence Scholarships. Both of these initiatives are competitive, merit based awards that gain UNT a larger share of the Top 10-25% students.

**Sales of Goods & Services** – small decline in revenues are expected due to less demand and capacity to offer space rentals and food services for outside conferences and events during the fall semester. Creative scheduling will use some auxiliary spaces to hold class in order to maintain social distancing requirements. Retail revenue has also been adjusted downward as our Student Union retail shops will see less traffic due to social distancing measures.

**Grants and Contracts** – CARES funding was heavily used in FY20; approximately \$8.8m will be available to be spent in FY21. Other restricted grants and contracts are expected to decline by \$6.1m and Pell will increase by \$1m as more of our students are eligible for the program than years prior.

**All Other Revenue** – State appropriations will be reduced \$8.5m to meet the state issued reduction targets set for UNT, an additional \$1.7m in benefit appropriations available per the bill pattern; net change of \$6.8m in State appropriations. Gift income and investment income has been reduced due to market conditions unfavorably changing over the last year. We expect less returns in our long-term pool distributions and endowment distributions from the UNT Foundation.

# Expenditures & Net Transfers

| FY2020   | FY2021   |            |           |
|----------|----------|------------|-----------|
| Budgeted | Budgeted | *Change \$ | *Change % |
| \$ 776.5 | \$ 735.5 | \$ (41.0)  | -5.3%     |

Note: All dollars in millions

|                            | FY2020           | FY2020 Est       | FY2021           | Actual vs. Budget |              |
|----------------------------|------------------|------------------|------------------|-------------------|--------------|
|                            | Budgeted         | Actuals          | Budgeted         | Variance B/(W)    |              |
|                            |                  |                  |                  | \$000's           | %            |
| <b>EXPENSES</b>            |                  |                  |                  |                   |              |
| Personnel Costs            | 416,999          | 400,591          | 402,737          | 2,146             | 0.5%         |
| Maintenance & Op Costs     | 134,375          | 113,810          | 117,899          | 4,089             | 3.6%         |
| Capital Expenses           | 18,989           | 18,989           | 12,885           | (6,104)           | -32.1%       |
| Scholarships               | 90,914           | 108,614          | 92,715           | (15,899)          | -14.6%       |
| <b>Total Expenses</b>      | <b>661,588</b>   | <b>642,314</b>   | <b>627,272</b>   | <b>(15,043)</b>   | <b>-2.3%</b> |
| <b>TRANSFERS</b>           |                  |                  |                  |                   |              |
| <b>Total Net Transfers</b> | <b>(114,941)</b> | <b>(114,510)</b> | <b>(108,277)</b> | <b>6,234</b>      | <b>-5.4%</b> |

Note: All dollars in thousands

## Key Drivers, Trends, & Initiatives

**Personnel Costs** – reductions to staffing levels determined by each division vice president, elimination of FTE in non-mission critical areas that are sustainable for 2-3 years, de-layer organizational units in consultation with the Operational Effectiveness Team, and stringent review of replacement hires when positions become vacant throughout the year.

**Maintenance & Operation Costs** – all categories reviewed and decreased but driven largely by reduction in travel. Travel will only be approved for essential business functions. Remote working and initiative to go paperless has contributed savings in supplies and printing. Utilities is expected to stay relatively flat even with a price increase due to university-wide conservation efforts.

**Capital Expenses** – essential repairs and deferred maintenance only, no aesthetic renovations. Equipment orders should see significant savings from prior years with the work of the Operational Effectiveness Team to negotiate a better price per unit for UNT World.

**Scholarship, Exemptions & Financial Aid** – increases a small amount from prior year budget but will be dramatically less than FY20 year-end forecast. CARES funding dedicated to student emergency grants was heavily utilized in FY20 with a small amount remaining for use in FY21. Some savings will be achieved by the phasing out of Eagle Express cohorts that are eligible for the graduation incentive. Required set-asides are less in FY21 due to anticipated enrollment decline. Also, a small increase in Pell scholarship as noted in Grants & Contract revenue.

**Transfers** – reduction in UNT System allocation charges (HQ reductions) and first year savings from debt refunding exercise. While FY20 year-end forecast is close to FY20 budgeted amounts there were some changes to highlight; UNT System reduced Q4 allocation charges by \$2m but state budget cuts required a \$1.8m in lapsed appropriations.

# Reserves

| FY2019 Ending Reserves | FY2020 Bud Ending Reserves | FY2020 Proj Ending Reserves | FY2021 Est Ending Reserves | FY2020 vs. FY2021 |      |
|------------------------|----------------------------|-----------------------------|----------------------------|-------------------|------|
|                        |                            |                             |                            | \$000's           | %    |
| 115.00                 | 120.30                     | 116.00                      | 120.50                     | 4.50              | 3.9% |

## Estimated Budget Impact on Fund Balance = \$4.5m

Designated will contribute \$0.7M to fund balance

Auxiliary will contribute \$3.8m to fund balance

State funds and Restricted funds will utilize all funding available

### FY21 Proposed Budget including Five Year Look Forward

|   | FY20             | FY21             | Inc (Dec) FY21 vs. FY20 |               | FY22 Projected   | FY23 Projected   | FY24 Projected   | FY25 Projected   |
|---|------------------|------------------|-------------------------|---------------|------------------|------------------|------------------|------------------|
|   | Budget           | Budget           | \$                      | %             |                  |                  |                  |                  |
| <b>REVENUES</b>                                   |                  |                  |                         |               |                  |                  |                  |                  |
| Net Tuition and Fees                              | 360,387          | 327,461          | (32,926)                | -9.1%         | 341,779          | 356,396          | 368,675          | 382,193          |
| Sales of Goods and Services                       | 100,977          | 97,487           | (3,490)                 | -3.5%         | 104,412          | 106,500          | 108,630          | 110,803          |
| Grants and Contracts                              | 114,755          | 118,439          | 3,683                   | 3.2%          | 111,831          | 114,068          | 116,349          | 118,676          |
| State Appropriations                              | 148,299          | 141,495          | (6,803)                 | -4.6%         | 142,358          | 143,069          | 144,500          | 145,945          |
| All Other Revenue                                 | 57,443           | 55,140           | (2,303)                 | -4.0%         | 56,243           | 57,368           | 58,515           | 59,686           |
| <b>Total Revenues</b>                             | <b>781,861</b>   | <b>740,022</b>   | <b>(41,839)</b>         | <b>-5.4%</b>  | <b>756,623</b>   | <b>777,402</b>   | <b>796,670</b>   | <b>817,303</b>   |
| <b>EXPENSES</b>                                   |                  |                  |                         |               |                  |                  |                  |                  |
| Personnel Costs                                   | 416,999          | 402,737          | (14,262)                | -3.4%         | 409,025          | 419,660          | 430,571          | 441,766          |
| Maintenance & Operation Costs                     | 134,375          | 118,935          | (15,441)                | -11.5%        | 124,585          | 127,824          | 131,147          | 134,557          |
| Capital Expenses                                  | 18,989           | 12,885           | (6,104)                 | -32.1%        | 17,135           | 17,581           | 18,038           | 18,507           |
| Scholarships, Exemptions and Financial Aid        | 90,914           | 92,715           | 1,801                   | 2.0%          | 91,096           | 94,284           | 97,584           | 100,999          |
| <b>Total Expenses</b>                             | <b>661,588</b>   | <b>627,272</b>   | <b>(34,005)</b>         | <b>-5.1%</b>  | <b>641,841</b>   | <b>659,348</b>   | <b>677,340</b>   | <b>695,829</b>   |
| <b>TRANSFERS</b>                                  |                  |                  |                         |               |                  |                  |                  |                  |
| <b>Total Net Transfers</b>                        | <b>(114,941)</b> | <b>(108,277)</b> | <b>6,665</b>            | <b>5.8%</b>   | <b>(107,735)</b> | <b>(107,197)</b> | <b>(106,661)</b> | <b>(106,127)</b> |
| <b>Estimated Budgeted Impact on Fund Balances</b> | <b>5,332</b>     | <b>4,474</b>     | <b>(858)</b>            | <b>-16.1%</b> | <b>7,047</b>     | <b>10,857</b>    | <b>12,670</b>    | <b>15,347</b>    |

Assumptions

- 3% enrollment growth 22-25
- International enrollment, Auxiliary retail operations/rentals, and Gift/Investment income rebounds in FY22
- State support returns to original FY20/21 biennium levels
- UNT at Frisco opens Spring 2023

# Fiscal Year 2021 Operating Plan Review



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

# Introduction from the President

## ❖ Major Accomplishments for FY2020

- COVID-19 Response
  - Drive-through test sites established for first responders and community members
  - Manufacturing of Viral Transport Media for Tarrant County Public Health
  - Provided manpower support for Tarrant County Health Department's contact tracing, epidemiology and biostatistics, and data support
- HSC recognized as #1 - most productive medical school for innovation impact by George W. Bush Institute
- SPH #1 in selectivity in five state region
- SACSCOC reaccreditation (12/21), site visit 08/24 – 08/26
- Institute for Translational Research awarded National Institute on Aging grant
- Imaging Center
- U.S. News ranks TCOM as top osteopathic school in the nation and ranked #72 out of all medical schools

## ❖ Strategic Priorities Supported by FY2021 Proposed Budget

- People
- Programs
- Strengths



# Guiding Principles for FY 2021 Budget



*HSC allocates resources to support our Vision and Mission. For FY 2021, we focused on the following areas:*

| Focus Areas | Budget Decisions (Key Results)   |
|-------------|--|
| People      | <ul style="list-style-type: none"><li>• Expand virtual work capabilities and infrastructure platforms</li><li>• Implement a continuous process improvement plan</li><li>• Cultivate innovative culture based on values</li></ul> |
| Programs    | <ul style="list-style-type: none"><li>• Differentiate HSC through enrollment management program</li><li>• Create an integrated whole health model of care</li><li>• Build out comprehensive health disparities program</li></ul> |
| Strengths   | <ul style="list-style-type: none"><li>• Position HSC brand as a source of expertise and a thought leader</li><li>• Invest in innovation and entrepreneurship</li></ul>   |

# Budget Context/Assumptions

*FY 2021 budget development was based on the following premises:*

- Slight increase in enrollment trends
- Increase in research activities
- Anticipated State budget deficit
- Decrease in HEF appropriations

# Key Investments

| Initiatives                               | Investments    |
|---|----------------|
| Imaging Center                            | \$13.7M        |
| Voluntary Separation Program              | \$2.7M         |
| Willed Body Program Facility              | \$2.4M         |
| Animal Imaging Core Laboratory            | \$2.0M         |
| Redefining Inclusive Solutions for Equity | \$1.0M         |
| <b>Total</b>                              | <b>\$21.8M</b> |

# Revenues



| FY2020 Budgeted | FY2020 Est Actuals | FY2021 Budgeted | Change \$ | Change % |
|-----------------|--------------------|-----------------|-----------|----------|
| \$ 266.0        | \$ 265.1           | \$ 266.2        | \$ 1.1    | 0.4%     |

Note: All dollars in millions

## Key Drivers, Trends, & Initiatives

### Key drivers:

- Net Tuition & Fees show an increase as enrollment trends increase
- Grants & Contracts show an overall increase, based on the current projections of new awards
- All Other Revenue primarily decreased due to lower Professional Fees in the clinical practice, less Capital Appropriations for HEF, and less gift income.

### Strategic initiatives:

- Increased emphasis on research, including additional resources directed towards Translational Research
- Expanding Center for Anatomical Sciences and Willed Body Program

|                             | FY2020 Budgeted | FY2020 Est Actuals | FY2021 Budgeted | Actuals vs. Budget Variance |             |
|-----------------------------|-----------------|--------------------|-----------------|-----------------------------|-------------|
|                             |                 |                    |                 | \$000's                     | %           |
| <b>REVENUES</b>             |                 |                    |                 |                             |             |
| Net Tuition and Fees        | 33,100          | 31,100             | 34,750          | 3,650                       | 11.74%      |
| Sales of Goods and Services | 46,100          | 46,100             | 46,500          | 400                         | 0.87%       |
| Grants and Contracts        | 43,400          | 43,400             | 47,500          | 4,100                       | 9.45%       |
| State Appropriations        | 108,472         | 108,000            | 108,158         | 158                         | 0.15%       |
| All Other Revenue           | 34,967          | 36,517             | 29,251          | (7,266)                     | -19.90%     |
| <b>Total Revenues</b>       | <b>266,039</b>  | <b>265,117</b>     | <b>266,159</b>  | <b>1,042</b>                | <b>0.4%</b> |

Note: All dollars in thousands

# Expenditures & Transfers



| FY2020 Budgeted | FY2020 Est Actuals | FY2021 Budgeted | Change \$ | Change % |
|-----------------|--------------------|-----------------|-----------|----------|
| \$ 257.4        | \$ 256.4           | \$ 250.5        | \$ (5.9)  | -2.3%    |

Note: All dollars in millions

## Key Drivers, Trends, & Initiatives

### Key drivers:

- Salaries, Wages, & Payroll Related Costs have been conservatively rightsized due to the COVID-19 financial impact
- Maintenance & Operations Costs increased due to research awards increasing
- Net Transfers decreased primarily due to lower debt service and System allocation transfers.

### Strategic initiatives:

- Imaging Center
- Increased emphasis on research, including additional resources directed towards Translational Research
- Voluntary Separation Program
- Willed Body Program

|                                      | FY2020 Budgeted | FY2020 Est Actuals | FY2021 Budgeted | Actuals vs. Budget Variance |              |
|--------------------------------------|-----------------|--------------------|-----------------|-----------------------------|--------------|
|                                      |                 |                    |                 | \$000's                     | %            |
| <b>EXPENSES</b>                      |                 |                    |                 |                             |              |
| Personnel Costs                      | 155,250         | 150,250            | 143,100         | (7,150)                     | -4.76%       |
| Maintenance & Op. Costs              | 67,550          | 70,050             | 73,843          | 3,793                       | 5.41%        |
| Capital Expenses                     | 6,500           | 6,500              | 7,200           | 700                         | 10.77%       |
| Fed & State Pass-Through             | 1,000           | 2,000              | 1,000           | (1,000)                     | -50.00%      |
| Scholarships                         | 800             | 800                | 850             | 50                          | 6.25%        |
| <b>Total Expenses</b>                | <b>231,100</b>  | <b>229,600</b>     | <b>225,993</b>  | <b>(3,607)</b>              | <b>-1.6%</b> |
| <b>TRANSFERS</b>                     |                 |                    |                 |                             |              |
| <b>Total Net Transfers</b>           | <b>-26,255</b>  | <b>-26,810</b>     | <b>-24,544</b>  | <b>2,266</b>                | <b>8.5%</b>  |
| <b>Total Exp &amp; Net Transfers</b> | <b>257,355</b>  | <b>256,410</b>     | <b>250,537</b>  | <b>(5,873)</b>              | <b>-2.3%</b> |

Note: All dollars in thousands

# Reserves

| FY2019<br>Ending<br>Reserves | FY2020 Proj<br>Ending<br>Reserves | FY2021 Est<br>Ending<br>Reserves | Change \$<br>FY2020 vs<br>FY2021 | Change %<br>FY2020 vs<br>FY2021 |
|------------------------------|-----------------------------------|----------------------------------|----------------------------------|---------------------------------|
| \$ 158.9                     | \$ 167.6                          | \$ 183.2                         | \$ 15.6                          | 9.3%                            |

## Estimated Budget Impact on Fund Balance

|        |   |
|--------|---|
| \$0.3  | Education and General – addition to Reserves  |
| \$15.2 | Designated Operating – addition to Reserves   |
| \$0.1  | Auxiliary & Restricted – addition to Reserves |

Note: All dollars in millions

# Five Year Plan



| FY21 Proposed Budget including Five Year Look Forward |                 |                 |                         |              |                 |                 |                 |                 |
|---|-----------------|-----------------|-------------------------|--------------|-----------------|-----------------|-----------------|-----------------|
|   | FY20            | FY21            | Inc (Dec) FY21 vs. FY20 |              | FY22            | FY23            | FY24            | FY25            |
|   | Budget          | Budget          | \$                      | %            | Projected       | Projected       | Projected       | Projected       |
| <b>REVENUES</b>                                       |                 |                 |                         |              |                 |                 |                 |                 |
| Net Tuition and Fees                                  | 33,100          | 34,750          | 1,650                   | 5.0%         | 35,141          | 35,285          | 35,428          | 35,590          |
| Sales of Goods and Services                           | 46,100          | 46,500          | 400                     | 0.9%         | 47,730          | 41,261          | 41,797          | 42,382          |
| Grants and Contracts                                  | 43,400          | 47,500          | 4,100                   | 9.4%         | 63,250          | 64,074          | 67,724          | 67,724          |
| State Appropriations                                  | 125,500         | 123,283         | (2,217)                 | -1.8%        | 114,799         | 114,941         | 115,271         | 115,271         |
| All Other Revenue                                     | 17,939          | 14,125          | (3,814)                 | -21.3%       | 14,791          | 14,694          | 14,783          | 14,990          |
| <b>Total Revenues</b>                                 | <b>266,039</b>  | <b>266,158</b>  | <b>119</b>              | <b>0.0%</b>  | <b>275,711</b>  | <b>270,255</b>  | <b>275,003</b>  | <b>275,957</b>  |
| <b>EXPENSES</b>                                       |                 |                 |                         |              |                 |                 |                 |                 |
| Personnel Costs                                       | 155,250         | 143,100         | (12,150)                | -7.8%        | 144,766         | 141,680         | 142,195         | 142,372         |
| Maintenance & Operation Costs                         | 68,550          | 74,843          | 6,293                   | 9.2%         | 88,161          | 85,265          | 86,821          | 86,821          |
| Capital Expenses                                      | 6,500           | 7,200           | 700                     | 10.8%        | 8,000           | 8,000           | 8,000           | 8,000           |
| Scholarships, Exemptions and Financial Aid            | 800             | 850             | 50                      | 6.3%         | 860             | 865             | 875             | 900             |
| <b>Total Expenses</b>                                 | <b>231,100</b>  | <b>225,993</b>  | <b>(5,107)</b>          | <b>-2.2%</b> | <b>241,787</b>  | <b>235,810</b>  | <b>237,891</b>  | <b>238,093</b>  |
| <b>TRANSFERS</b>                                      |                 |                 |                         |              |                 |                 |                 |                 |
| <b>Total Net Transfers</b>                            | <b>(26,255)</b> | <b>(24,544)</b> | <b>1,711</b>            | <b>6.5%</b>  | <b>(25,282)</b> | <b>(21,760)</b> | <b>(21,743)</b> | <b>(21,743)</b> |
| <b>Estimated Budgeted Impact on Fund Balances</b>     | <b>8,684</b>    | <b>15,621</b>   | <b>6,937</b>            | <b>79.9%</b> | <b>8,642</b>    | <b>12,685</b>   | <b>15,369</b>   | <b>16,121</b>   |

Note: All dollars in thousands





# Fiscal Year 2021 Budget

University of North Texas at Dallas  
Board of Regents Meeting  
August 13-14, 2020



# Introduction from the President

The fiscal year 2021 budget proposal for UNT Dallas is designed to continue to serve the urban Metro Dallas community and provide a pathway to socio-economic mobility while advancing the goals of community connectedness, growth, and relentless pursuit of student success.

The several-mile radius around our main campus in southern Dallas has experienced the most positive COVID-19 cases in North Texas. At the same time, collateral effects of the virus has led to significant job loss and commercial collapse has hit our area more harshly than more prosperous parts of DFW. Given all this, UNT Dallas has remained financially resilient. The budget proposed for fiscal year 2021 is balanced. There will be a reduction in State appropriations due the call for a 5% reduction in General Revenue for the 2020-2021 biennium. There will also be a reduction in auxiliary revenues from the campus opening on a limited basis for the Fall 2020 semester. However, there will be increases in revenues from the CARES Act and an increase in the UNTD HEF allocation that will help offset the budgetary impact of COVID-19 for UNT Dallas.

Going forward beyond fiscal year 2021, UNT Dallas plans to continue to keep the budget balanced as outlined in our 5-year plan. The expense budget will continue to be driven by revenue generated from enrollment growth and other funds including gifts and grants. UNT Dallas has had record growth in the past and has a goal to continue making records in fiscal year 2022 and beyond; not only in growth, but also in retention and graduation rates.

# Budget Context/Assumptions

*FY 2021 budget development was based on the following premises:*

- *Conservative tuition and fee budget that is mostly flat from FY20 to FY21*
  - *No scheduled tuition increase for the main campus for academic year 2021*
- *Reduction of \$1.4M in State appropriations*
- *\$615K reduction in auxiliary revenue*
- *\$1.2M increase to UNTD HEF allocation*
- *The following CARES Act funds will be utilized in FY21:*
  - *\$1M student portion*
  - *\$1.5M institutional portion*
  - *\$218K Minority Serving Institution allocation*
- *\$947K increase in other Sponsored Projects estimates*

# Revenues

## Key Drivers, Trends, & Initiatives

Overarching Principle: Net Tuition and Fees - maintain mostly flat tuition and fee budget with no tuition increase for the main campus

Driver 1: Sales of Goods and Services - reduction to auxiliary revenues

Driver 2: Grants and Contracts - \$2.7M in CARES Act revenue is included in the FY21 Budget and \$947K increase for Community Youth Development grant

Driver 3: State Appropriations - \$1.4M reduction in State Appropriations for FY21

Driver 4: All Other Revenue – includes HEF allocation increase of \$1.2M from FY20 to FY21

Driver 5: Enrollment assumed flat; first year for Athletic Fee; College of Law tuition increase.

|                             | FY2020 Budgeted | FY2020 Est    | FY2021 Budgeted | FY20 Actuals vs. FY21 Budget |             |
|-----------------------------|-----------------|---------------|-----------------|------------------------------|-------------|
|                             |                 | Actuals       |                 | \$000's                      | %           |
| <b>REVENUES</b>             |                 |               |                 |                              |             |
| Net Tuition and Fees        | 27,457          | 26,994        | 28,016          | 559                          | 2.0%        |
| Sales of Goods and Services | 1,485           | 1,216         | 870             | (615)                        | -41.4%      |
| Grants and Contracts        | 11,682          | 12,201        | 15,866          | 4,184                        | 35.8%       |
| State Appropriations        | 28,195          | 28,195        | 26,796          | (1,400)                      | -5.0%       |
| All Other Revenue           | 3,609           | 3,010         | 4,506           | 897                          | 24.8%       |
| <b>Total Revenues</b>       | <b>72,429</b>   | <b>71,616</b> | <b>76,054</b>   | <b>3,625</b>                 | <b>5.0%</b> |

# Expenditures & Net Transfers

## Key Drivers, Trends, & Initiatives

Overarching Principle: Strict containment of expenditures

Driver 1: Personnel Costs, Maintenance & Operations Costs, and Capital Expenses - increase in these areas funded by new revenues such as the Community Youth Development grant, HEF allocation increase, new student fees (including the new athletics fee and a slight increase to the advising fee)

Driver 2: Scholarships, Exemptions and Financial Aid - includes temporary \$1M increase due to student portion of CARES Act

Driver 3: Capital expense increase related to increased HEF allocation

|  | FY2020 Budgeted | FY2020 Est Actuals | FY2021 Budgeted | FY20 Actuals vs. FY21 Budget |             |
|--|-----------------|--------------------|-----------------|------------------------------|-------------|
|  |                 |                    |                 | \$000's                      | %           |
| <b>EXPENSES</b>                            |                 |                    |                 |                              |             |
| Personnel Costs                            | 35,041          | 35,200             | 35,536          | 336                          | 1.0%        |
| Maintenance & Operation Costs              | 10,225          | 9,254              | 11,394          | 2,140                        | 23.1%       |
| Capital Expenses                           | 786             | 709                | 1,842           | 1,133                        | 153.9%      |
| Scholarships, Exemptions and Financial Aid | 12,867          | 12,923             | 13,713          | 790                          | 6.1%        |
| <b>Total Expenses</b>                      | <b>58,919</b>   | <b>58,086</b>      | <b>62,485</b>   | <b>3,566</b>                 | <b>7.6%</b> |
| <b>TRANSFERS</b>                           |                 |                    |                 |                              |             |
| <b>Total Net Transfers</b>                 | <b>(13,510)</b> | <b>(13,501)</b>    | <b>(13,569)</b> | <b>(68)</b>                  | <b>0.5%</b> |

# Reserves

| FY2019 Ending Reserves | FY2020 Proj Ending Reserves | FY2021 Est Ending Reserves | FY2020 vs. FY2021 |    |
|------------------------|-----------------------------|----------------------------|-------------------|----|
|                        |                             |                            | \$000's           | %  |
| 14,688                 | 14,716                      | 14,716                     | 0                 | 0% |

Note: All dollars in thousands

## Estimated Budget Impact on Fund Balance

| Estimated Budget Impact on Fund Balance |   |
|---|---|
| \$0                                     | Education and General – addition to Reserves  |
| \$0                                     | Designated Operating – addition to Reserves   |
| \$0                                     | Auxiliary & Restricted – addition to Reserves |

# Five-Year Plan

## FY21 Proposed Budget including Five Year Look Forward

|   | FY20            | FY21            | Inc (Dec) FY21 vs. FY20 |             | FY22            | FY23            | FY24            | FY25            |
|---|-----------------|-----------------|-------------------------|-------------|-----------------|-----------------|-----------------|-----------------|
|   | Budget          | Budget          | \$                      | %           | Projected       | Projected       | Projected       | Projected       |
| <b>REVENUES</b>                                   |                 |                 |                         |             |                 |                 |                 |                 |
| Net Tuition and Fees                              | 27,457          | 28,016          | 559                     | 2.0%        | 30,257          | 32,678          | 35,292          | 38,115          |
| Sales of Goods and Services                       | 1,485           | 870             | (615)                   | -41.4%      | 1,485           | 1,515           | 1,545           | 1,576           |
| Grants and Contracts                              | 11,682          | 15,866          | 4,184                   | 35.8%       | 13,166          | 13,429          | 13,698          | 13,972          |
| State Appropriations                              | 28,195          | 26,796          | (1,400)                 | -5.0%       | 27,492          | 28,207          | 28,940          | 29,693          |
| All Other Revenue                                 | 3,609           | 4,506           | 897                     | 24.8%       | 4,641           | 4,781           | 4,924           | 5,072           |
| <b>Total Revenues</b>                             | <b>72,429</b>   | <b>76,054</b>   | <b>3,625</b>            | <b>5.0%</b> | <b>77,042</b>   | <b>80,610</b>   | <b>84,400</b>   | <b>88,428</b>   |
| <b>EXPENSES</b>                                   |                 |                 |                         |             |                 |                 |                 |                 |
| Personnel Costs                                   | 35,041          | 35,536          | 495                     | 1.4%        | 36,459          | 37,407          | 38,380          | 39,378          |
| Maintenance & Operation Costs                     | 10,225          | 11,394          | 1,169                   | 11.4%       | 11,690          | 11,994          | 12,306          | 12,626          |
| Capital Expenses                                  | 786             | 1,842           | 1,056                   | 134.3%      | 1,890           | 1,939           | 1,990           | 2,042           |
| Scholarships, Exemptions and Financial Aid        | 12,867          | 13,713          | 846                     | 6.6%        | 12,713          | 13,349          | 14,017          | 14,717          |
| <b>Total Expenses</b>                             | <b>58,919</b>   | <b>62,485</b>   | <b>3,566</b>            | <b>6.1%</b> | <b>62,753</b>   | <b>64,690</b>   | <b>66,692</b>   | <b>68,763</b>   |
| <b>TRANSFERS</b>                                  |                 |                 |                         |             |                 |                 |                 |                 |
| <b>Total Net Transfers</b>                        | <b>(13,510)</b> | <b>(13,569)</b> | <b>59</b>               | <b>0.4%</b> | <b>(14,247)</b> | <b>(14,960)</b> | <b>(15,708)</b> | <b>(16,493)</b> |
| <b>Estimated Budgeted Impact on Fund Balances</b> | <b>0</b>        | <b>(0)</b>      | <b>(0)</b>              |             | <b>42</b>       | <b>960</b>      | <b>2,000</b>    | <b>3,173</b>    |

Assumptions  
4-5% enrollment growth 22-25



# UNT System Headquarters FY21 Proposed Budget





# Summary

- Accomplishments Highlights of major accomplishments
- Drivers FY 2021 major budget planning drivers
- Trends Past, present and future financial trends
- Budget FY 2021 and outyear financial plans
- Summary Budget plans support accomplishment of goals & objectives

UNT System Administration Headquarters provides governance and service to UNT System component institutions in the areas of legal, finance, audit, academic affairs and student success, facilities and construction, human resources, information technology and government relations.



# FY 20 Major Accomplishments

## Strengthened leadership and integration

- Strengthened executive leadership in various departments
- Restructured CFO council to enable collaborative decision-making
- Completed Enterprise Risk Management (ERM) training and assessment
- Established collaborative forums to deal with COVID-19 challenges

FY 20 System Admin  
budget reduced by  
\$2.5m (3.5%)

## Enabled effective and efficient services

- Reduced system admin budget by \$2.5m (reduced 11% since 2018)
- Completed numerous assessments to enhance operations: General Council, Information Technology, Procurement, Internal Audit, and Government Relations
- Completed evaluation of ERP; decided to delay implementation
- Improved processes and tools for onboarding and performance management
- Reduced long-term personnel costs across various areas of system admin
- Restructured operations to enhance services in HR, IT, and Payroll



# FY 21 Budget Drivers

The FY 21 System Administration Budget includes numerous strategic changes:

- Reduced system admin budget by \$3.2M (4.5%) compared to 2020 budget
- Implement OET efficiencies across various functional areas (including IT Proteus)
- Increase revenues through leasing space (DISD)
- Reduced square footage required in BSC, Discovery Park and other areas
- Restructured operations in IT, Internal Audit, Strategic Infrastructure, Finance

Reduced budget  
while making  
new investments  
to improve  
services

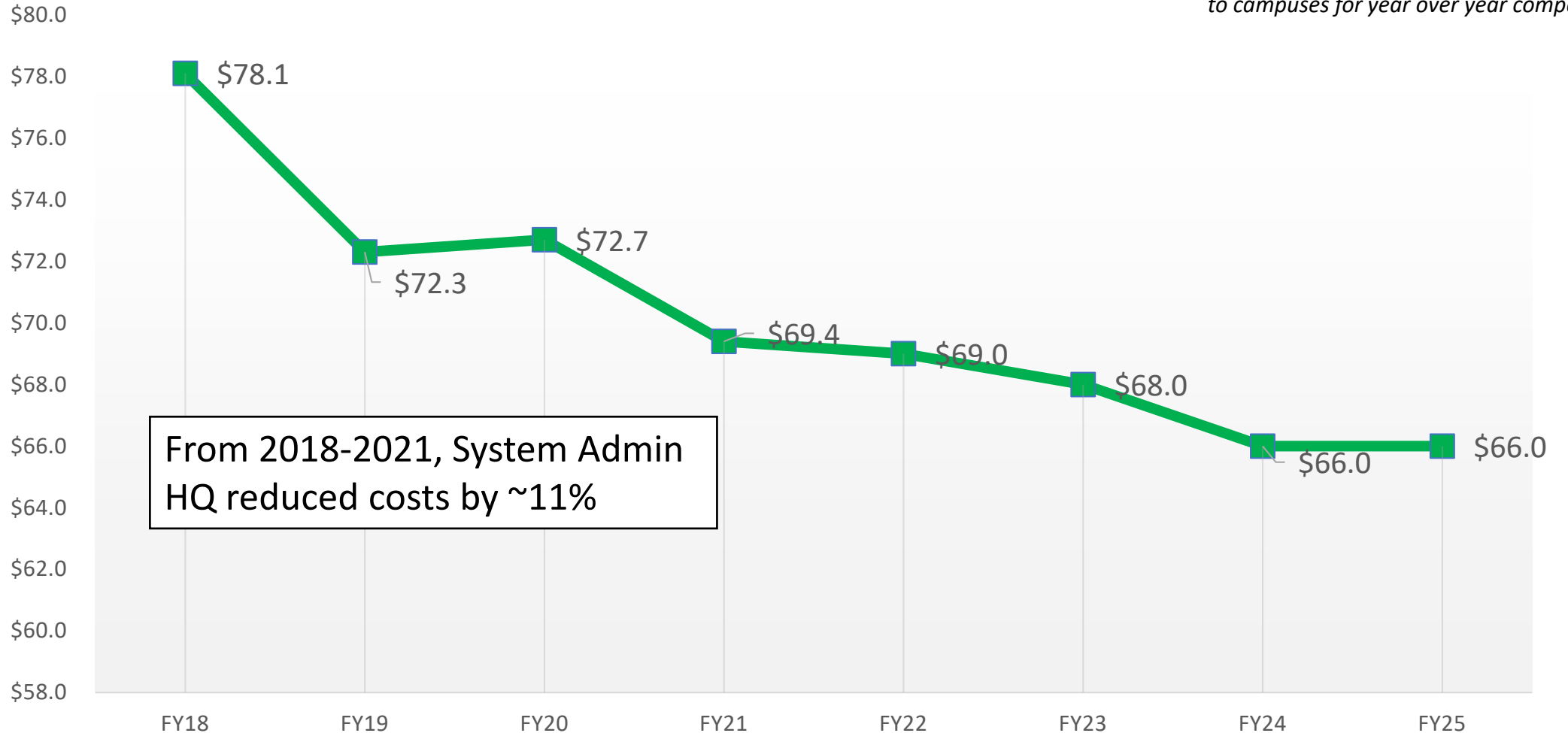
- New Executive/Diversity Recruiter to expand E,D&I
- New Affordable Care Act support for employees
- New strategic sourcing and contract consolidations
- New automation and tools for contract management
- New vendor management and electronic invoicing
- New ERM program with quarterly mission review
- Enhanced communications support across UNTS



# Budget Trends for System Administration (\$M)

System HQ Budgeted Expense - FY18 - FY25

*Expenses reflect System Administration's total expenses including debt service and direct bills to campuses for year over year comparability.*



From 2018-2021, System Admin HQ reduced costs by ~11%

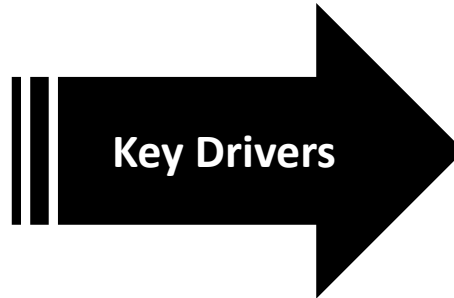
*Fiscal years after FY21 are projections and subject to change*



# FY21 Budgeted Expenses (\$M)

## FY20 Budget to FY21 Budget

| FY2020<br>Budgeted | FY2020 Year-<br>End Forecast | FY2021<br>Budgeted | *Change \$ | *Change % |
|--------------------|------------------------------|--------------------|------------|-----------|
| \$ 61.7            | \$ 60.8                      | \$ 57.9            | \$ (2.9)   | -4.8%     |



- Departmental targets cut 2%-40%
- Reduced ~8% in personnel costs
- Limited hiring to most critical only
- Implemented OET Projects
- Modified various services
- Internal Audit – External Review

### Estimated Budget Impact on Fund Balance

| FY2019 AFR<br>Ending | FY2020 Year-<br>End Forecast | FY2021 Year-<br>End Forecast | Change \$ -<br>FY2020 v.<br>FY2021 | Change % -<br>FY2019 v.<br>FY2020 |
|----------------------|------------------------------|------------------------------|------------------------------------|-----------------------------------|
| \$ 7.7               | \$ 6.9                       | \$ 6.9                       | \$ -                               | 0.0%                              |



# Five Year Financial Planning Details (\$K)

## FY21 Proposed Budget including Five Year Look Forward

|   | FY20           | FY21          | Inc (Dec) FY21 vs. FY20 |                | FY22          | FY23          | FY24          | FY25          |
|---|----------------|---------------|-------------------------|----------------|---------------|---------------|---------------|---------------|
|   | Budget         | Budget        | \$                      | %              | Projected     | Projected     | Projected     | Projected     |
| <b>REVENUES</b>                                   |                |               |                         |                |               |               |               |               |
| Net Tuition and Fees                              | 0              | 0             | 0                       |                | 0             | 0             | 0             | 0             |
| Sales of Goods and Services                       | 2,200          | 2,857         | 657                     | 29.9%          | 3,233         | 3,298         | 3,364         | 3,431         |
| Grants and Contracts                              | 0              | 0             | 0                       |                | 0             | 0             | 0             | 0             |
| State Appropriations                              | 8,267          | 8,093         | (174)                   | -2.1%          | 8,093         | 8,222         | 8,354         | 8,487         |
| All Other Revenue                                 | 687            | 406           | (281)                   | -40.9%         | 110           | 113           | 117           | 120           |
| <b>Total Revenues</b>                             | <b>11,154</b>  | <b>11,356</b> | <b>202</b>              | <b>1.8%</b>    | <b>11,436</b> | <b>11,633</b> | <b>11,834</b> | <b>12,038</b> |
| <b>EXPENSES</b>                                   |                |               |                         |                |               |               |               |               |
| Personnel Costs                                   | 46,447         | 43,803        | (2,644)                 | -5.7%          | 44,603        | 44,353        | 44,575        | 44,798        |
| Maintenance & Operation Costs                     | 13,707         | 12,149        | (1,558)                 | -11.4%         | 11,254        | 10,504        | 10,557        | 10,609        |
| Capital Expenses                                  | 1,583          | 1,966         | 383                     | 24.2%          | 1,966         | 2,017         | 2,027         | 2,037         |
| Scholarships, Exemptions and Financial Aid        |                | 0             | 0                       |                | 0             | 0             | 0             | 0             |
| <b>Total Expenses</b>                             | <b>61,737</b>  | <b>57,918</b> | <b>(3,819)</b>          | <b>-6.2%</b>   | <b>57,823</b> | <b>56,874</b> | <b>57,158</b> | <b>57,444</b> |
| <b>TRANSFERS</b>                                  |                |               |                         |                |               |               |               |               |
| <b>Total Net Transfers</b>                        | <b>49,422</b>  | <b>46,563</b> | <b>2,859</b>            | <b>-5.8%</b>   | <b>46,387</b> | <b>45,241</b> | <b>45,324</b> | <b>45,406</b> |
| <b>Estimated Budgeted Impact on Fund Balances</b> | <b>(1,161)</b> | <b>0</b>      | <b>1,161</b>            | <b>-100.0%</b> | <b>(0)</b>    | <b>(0)</b>    | <b>(0)</b>    | <b>(0)</b>    |



# Summary

- System administration headquarters continues to strengthen leadership and services in support of our institutions
- Consistent with institutional plans, the proposed budget reduces cost to our institutions to help enable a positive financial position
- Future (outyear budgets) also include plans to optimize operations and achieve strategic goals & objectives

## Board Briefing

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**Committee:** Audit and Finance

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**Date Filed:** August 3, 2020

**Title:** Approval of the FY21 UNT System Consolidated Operating Budget

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### Background:

The Office of the Vice Chancellor for Finance presents to the Board of Regents the FY2021 Consolidated Operating Budget for approval on behalf of the University of North Texas (UNT), UNT Health Science Center (UNTHSC), University of North Texas at Dallas (UNTD), and UNT System Administration (System Administration).

The proposed Consolidated UNT System Operating Budget is composed of current funds revenue of \$1,093.6M, current funds expenditures of \$973.7M, and total current funds net transfers of (\$99.8M).

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### Financial Analysis/History:

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

**Bob Brown** Digitally signed by Bob Brown  
Date: 2020.08.04 07:49:48  
-05'00'

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UNT Chief Financial Officer

**Gregory R.  
Anderson** Digitally signed by Gregory R.  
Anderson  
Date: 2020.08.03 16:50:38 -05'00'

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UNTHSC Chief Financial Officer

**Leigh-Ann Fashina** Digitally signed by Leigh-Ann  
Fashina  
Date: 2020.08.04 08:48:07 -05'00'

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UNT Dallas Budget Director

**Dan Tenney** Digitally signed by Dan  
Tenney  
Date: 2020.08.04  
09:15:58 -05'00'

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Vice Chancellor for Finance



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**Legal Review:**

This item has been reviewed by General Counsel.

**Alan Stucky** Digitally signed by Alan Stucky  
Date: 2020.08.04 09:19:33 -05'00'  
\_\_\_\_\_  
Vice Chancellor/General Counsel

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**Schedule:**

Once approved, this budget will be implemented for fiscal year 2021 beginning September 1, 2020.

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**Recommendation:**

Approval of the FY2021 Consolidated Current Fund Budget for UNT, UNTHSC, UNTD and System Administration.

**Recommended By:**

**Dan Tenney**  
\_\_\_\_\_  
Vice Chancellor for Finance

**Lesa B. Roe** Digitally signed by Lesa B. Roe  
Date: 2020.08.04 10:06:59 -05'00'  
\_\_\_\_\_  
Chancellor

**Attachments Filed Electronically:**

- UNT System FY2021 Consolidated Operating Budget



## Board Order

**Title:** Approval of the FY21 UNT System Consolidated Operating Budget

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 13-14, 2020, 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 2021 Fiscal Year, and

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

| <b>Current Funds Revenues by UNTS Component</b> |                                      |                                 |                  |                                  |                                |
|---|--------------------------------------|---------------------------------|------------------|----------------------------------|--------------------------------|
|   | <b>Educational<br/>&amp; General</b> | <b>Designated<br/>Operating</b> | <b>Auxiliary</b> | <b>Restricted<br/>Expendable</b> | <b>Total Current<br/>Funds</b> |
| <b>University of North Texas</b>                | \$239,554,463                        | \$ 307,682,462                  | \$ 91,594,608    | \$ 101,190,733                   | \$ 740,022,266                 |
| <b>UNT Health Science Center</b>                | \$ 135,633,668                       | \$ 81,576,319                   | \$ 501,826       | \$ 48,446,855                    | \$ 266,158,668                 |
| <b>UNT Dallas</b>                               | \$ 39,633,918                        | \$ 21,544,615                   | \$ 767,120       | \$ 14,108,447                    | \$ 76,054,099                  |
| <b>UNT System Administrator</b>                 | \$ 8,092,511                         | \$ 1,176,000                    | \$ 2,087,295     | \$ -                             | \$ 11,355,806                  |
|   |                                      |                                 |                  |                                  | <b>\$ 1,093,590,839</b>        |

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

| <b>Current Funds Expenses by UNTS Component</b> |                                      |                                 |                  |                                  |                                |
|---|--------------------------------------|---------------------------------|------------------|----------------------------------|--------------------------------|
|   | <b>Educational<br/>&amp; General</b> | <b>Designated<br/>Operating</b> | <b>Auxiliary</b> | <b>Restricted<br/>Expendable</b> | <b>Total Current<br/>Funds</b> |
| <b>University of North Texas</b>                | \$204,891,924                        | \$ 256,978,036                  | \$ 62,514,963    | \$ 102,886,883                   | \$ 627,271,806                 |
| <b>UNT Health Science Center</b>                | \$ 113,769,824                       | \$ 71,227,515                   | \$ 326,482       | \$ 40,669,179                    | \$ 225,993,000                 |
| <b>UNT Dallas</b>                               | \$ 31,814,976                        | \$ 16,204,003                   | \$ 845,420       | \$ 13,620,937                    | \$ 62,485,336                  |
| <b>UNT System Administrator</b>                 | \$ 8,308,487                         | \$ 48,173,679                   | \$ 1,436,262     | \$ -                             | \$ 57,918,428                  |
|   |                                      |                                 |                  |                                  | <b>\$ 973,668,571</b>          |

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

| <b>Current Funds Transfers by UNTS Component</b> |                                      |                                 |                  |                                  |                                |
|--|--------------------------------------|---------------------------------|------------------|----------------------------------|--------------------------------|
|  | <b>Educational<br/>&amp; General</b> | <b>Designated<br/>Operating</b> | <b>Auxiliary</b> | <b>Restricted<br/>Expendable</b> | <b>Total Current<br/>Funds</b> |
| <b>University of North Texas</b>                 | \$ (34,662,538)                      | \$ (50,003,085)                 | \$ (25,307,091)  | \$ 1,696,150                     | \$ (108,276,564)               |
| <b>UNT Health Science Center</b>                 | \$ (21,554,902)                      | \$ 4,885,886                    | \$ (175,344)     | \$ (7,700,000)                   | \$ (24,544,360)                |
| <b>UNT Dallas</b>                                | \$ (7,818,943)                       | \$ (5,340,612)                  | \$ 78,300        | \$ (487,509)                     | \$ (13,568,764)                |
| <b>UNT System Administrator</b>                  | \$ 215,976                           | \$ 46,997,679                   | \$ (651,033)     | \$ -                             | \$ 46,562,622                  |
|  |                                      |                                 |                  |                                  | <b>\$ (99,827,066)</b>         |

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

1. The FY 2021 Current Funds operating budget for UNT System institutions (UNT, UNTHSC, UNTD and UNT System Administration) as presented

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

**BOARD ACTION:**

Attested By:

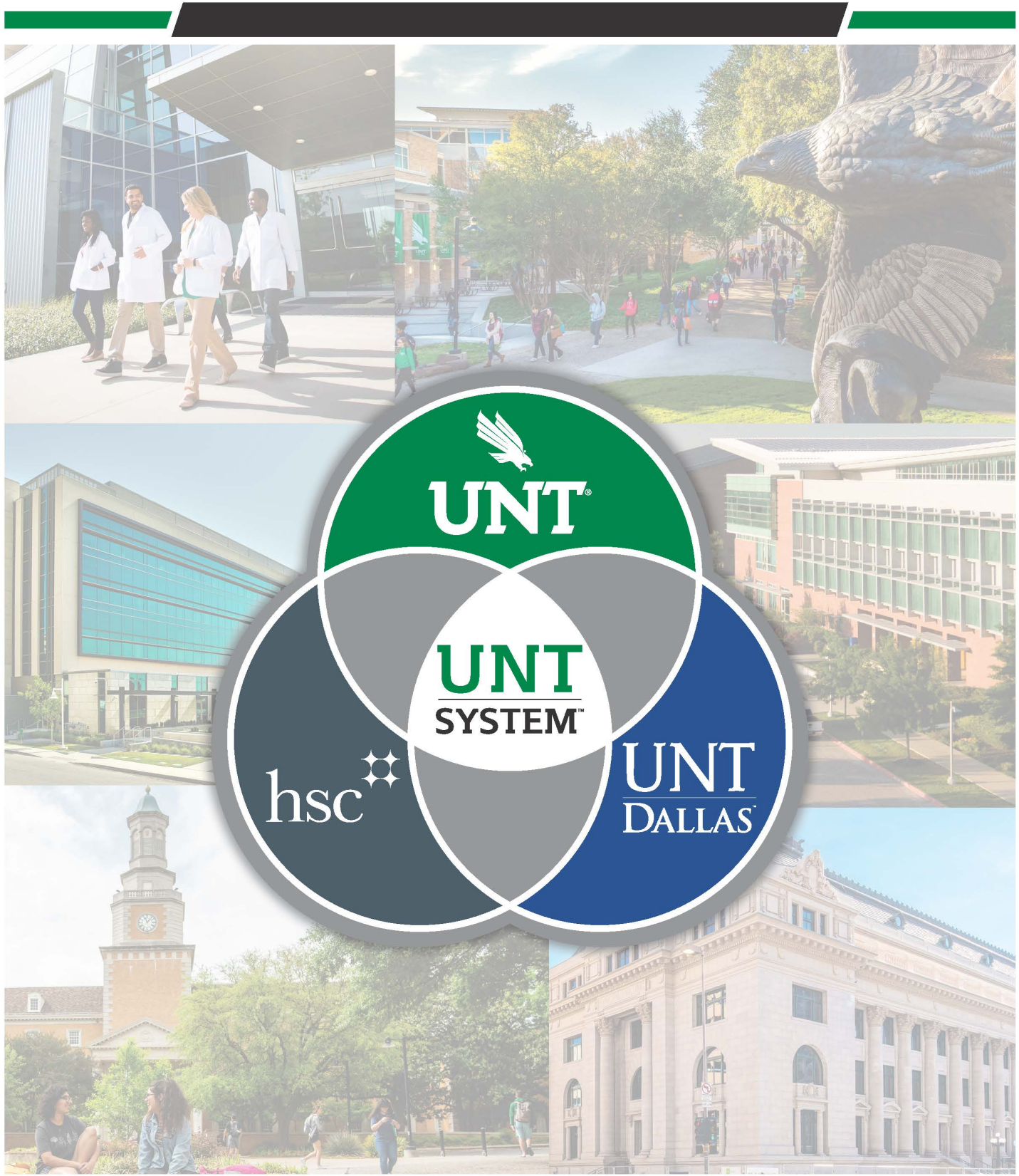
Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Laura Wright, Chair  
Board of Regents



# 2021 CONSOLIDATED OPERATING BUDGET



# 2021 Consolidated Operating Budget

At the University of North Texas System we embrace the future. Energized by possibilities not yet explored, we collaborate across institutions, across disciplines, and across industries – creatively imagining and implementing educational solutions that elevate our students our state, and our region. As innovators, scholars and problem-solvers, we are eager and prepared to help Texas and our home region of Dallas-Fort Worth recover from the many challenges presented by the COVID-19 pandemic.

COVID-19 has certainly tested higher education, but we are proud of all that has been accomplished by the UNT System. As we work to emerge from the pandemic, our institutions have become stronger – particularly in community leadership, use of technology, collaborative partnerships and service to our students, faculty and staff.

## **University of North Texas**

A Carnegie-ranked Tier One public research university, the University of North Texas is a place where students from all walks of life push creative boundaries and tap into their imaginations to transform the world around them. This year, when COVID-19 hit, our UNT community responded to the crisis the way we have responded to our region’s needs the last 130 years – with a determination to persevere and ensure our students stay on track for graduation and have every opportunity to become Texas’ creators and leaders of tomorrow.

**University of North Texas Health Science Center (HSC)** is one of the nation’s premier graduate academic medical centers, with 2,200+ students across six schools that specialize in patient-centered education, research and healthcare. HSC is committed to developing collaborative, practice-ready health professionals by emphasizing team-oriented, evidence-based best practices, quality-improvement approaches and informatics. HSC is also committed to developing virtual healthcare programming, which is more relevant than ever in the wake of COVID-19.

## **University of North Texas at Dallas**

As the fastest-growing university in Texas with a student body of more than 4,000 that includes more than 70-percent first-generation to attend college, UNT Dallas remains focused on providing access to higher-ed for students who might not have had the opportunity in the past. Recognized by U.S. News & World Report for having the lowest student debt among more than 100 “Regional Universities in the West,” UNTD offers students the lowest tuition rates in Dallas-Fort Worth and is a designated Minority Serving/Hispanic Serving Institution with a student population that is nearly 80 percent Hispanic or African American.

This document presents The UNT System’s fiscal 2021 Consolidated Operating Budget including the member institutions and UNT System Administration. Each institution has provided a narrative with highlights and assertions used to derive their budget submissions that support their individual strategic goals and objectives and the overarching vision of the UNT System.



# Table of Contents

|   |           |
|---|-----------|
| <b>UNT System Consolidated Budget Overview .....</b>      | <b>7</b>  |
| Executive Summary and Highlights .....                    | 7         |
| Consolidated Budgets by Institution .....                 | 10        |
| Consolidated Revenues and Expenses by Fund Category ..... | 11        |
| Budget Summary – Current Funds .....                      | 13        |
| Budget Detail by Fund Group - Current Funds .....         | 14        |
| Budget Detail by Fund Group – Non-Current Funds .....     | 15        |
| Budgeted Revenue Breakout by Fund - Current Funds.....    | 16        |
| <b>UNT Budget Overview .....</b>                          | <b>17</b> |
| Executive Summary and Highlights .....                    | 17        |
| Budget Summary – Current Funds .....                      | 21        |
| Budget Detail by Fund Group – Current Funds .....         | 22        |
| Budget Detail by Fund Group - Non-Current Funds .....     | 23        |
| Budgeted Revenue Breakout by Fund - Current Funds.....    | 24        |
| Budget - Current Funds by Quarter.....                    | 25        |
| <b>UNT Health Science Center Budget Overview .....</b>    | <b>27</b> |
| Executive Summary and Highlights .....                    | 27        |
| Budget Summary – Current Funds .....                      | 31        |
| Budget Detail by Fund Group – Current Funds .....         | 32        |
| Budget Detail by Fund Group – Non-Current Funds .....     | 33        |
| Budgeted Revenue Breakout by Fund – Current Funds .....   | 34        |
| Budget – Current Funds by Quarter .....                   | 35        |
| <b>UNT Dallas Budget Overview .....</b>                   | <b>37</b> |
| Executive Summary and Highlights .....                    | 37        |
| Budget Summary – Current Funds .....                      | 41        |
| Budget Detail by Fund Group – Current Funds .....         | 42        |
| Budget Detail by Fund Group – Non-Current Funds .....     | 43        |
| Budgeted Revenue Breakout by Fund – Current Funds .....   | 44        |
| Budget - Current Funds by Quarter.....                    | 45        |
| <b>UNT System Administration Budget Overview .....</b>    | <b>47</b> |
| Executive Summary and Highlights .....                    | 47        |
| Budget Summary – Current Funds .....                      | 51        |
| Budget Detail by Fund Group – Current Funds .....         | 52        |
| Budget Detail by Fund Group – Non-Current Funds .....     | 53        |
| Budgeted Revenue Breakout by Fund – Current Funds .....   | 54        |
| Budget - Current Funds by Quarter.....                    | 55        |
| <b>Appendix .....</b>                                     | <b>57</b> |
| Proposed Board Order .....                                | 57        |
| Budget Office Contact Information .....                   | 61        |
| Glossary of Terms.....                                    | 62        |





# UNT System Consolidated Budget Overview

## Executive Summary and Highlights

It is the intent and mission of the University of North Texas System to utilize the resources entrusted to us by our students and the State of Texas in the most efficient, equitable, and effective manner possible. This book details financial planning and budgeting practices and the strategic priorities that are supported by this budget.

In the midst of the COVID-19 pandemic, we continue to serve our students and our communities while strengthening our financial posture. In response to COVID-19, UNT World implemented strategies to reduce spending wherever possible with an abundance of caution towards mitigating further revenue loss. These strategies resulted in substantial savings, many of which resulted in sustainable reductions to future expenses that will better position us for long-term success.

Despite the adversity we face, UNT World continues making strategic investments to further retention and promote recruitment, along with maximizing use of flexible teaching and learning strategies. Major initiatives include the University of North Texas's New College at Frisco; UNT Health Science Center's Center for BioHealth; and UNT Dallas's Community Youth Program, among many others, are detailed throughout this book.

The UNT System Consolidated Operating Budget Summary Book presents information on revenues and expenses for each member institution, System Headquarters, and the Consolidated UNT System. The budget is presented as current, or operating, funds and non-current funds that are primarily comprised of plant and endowment funds. It is divided further into by major fund categories that denote the high-level designation and restrictions on the funds.

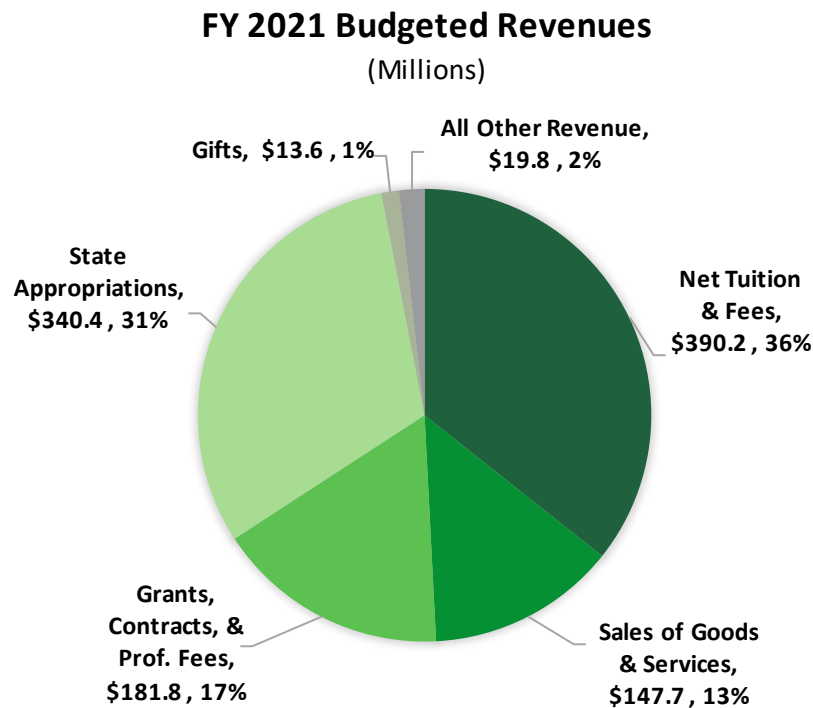
The budget was development under the parameters set forth in member institution strategic plans, campus master plans, and the policy decisions and planning parameters of the Chancellor and the Board of Regents. Net tuition and fees, housing, and dining rates included in these budgets are based on rate plans approved by the Board of Regents.



*UNT World leadership, faculty, and staff provided incredible support during the current pandemic and we are grateful for their commitment to providing a safe environment and world-class experience for our students.*

## Revenues

UNT System Consolidated FY 2021 total current funds budgeted revenues are \$1.09 billion, which is a decrease from FY20 current funds budgeted revenues of \$37.89M (3.3%) and \$15.06M (3.7%) below FY20 forecasted actuals. This decrease is largely due to expected lost revenues associated with the COVID-19 pandemic and ensuing economic fallout. This resulted in a \$30.72M (7.3%) decrease in consolidated Net Tuition and Fees revenues and a \$3.05M loss in Sales of Goods and Services when compared to the FY20 budget. In June 2020, the Governor mandated a 5% biennial reduction in State Appropriations which impacted UNT, UNTD, and System Administration – a portion of the biennial reduction was applied to FY20.



## Expenses & Transfers

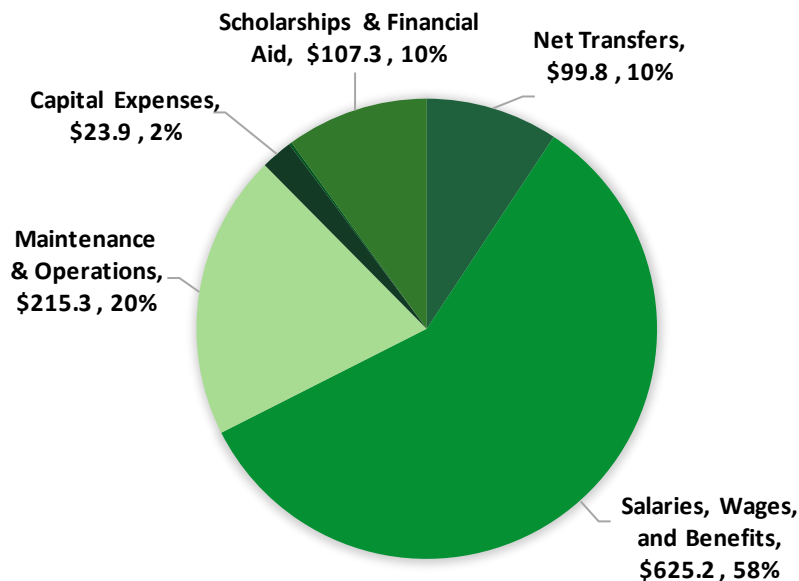
Total current funds budgeted Expenses and Transfers for UNT System for FY 2021 are \$1.07 billion. At the outset of the COVID-19 pandemic, our institutions set out to ensure that the economic impact would not be detrimental long-term. Each institution identified cost control and efficiency measures that are reflected in the expense budget for FY21.

Total Personnel Costs make up the largest portion of expenses at \$625.18M or 58% of the current funds expense budget and are \$28.56M less than FY20 budget. Maintenance and Operating expenses make up 20% of the overall expense budget at \$217.32M, a decrease of \$9.5M from FY2020. Both of these decreases are a reflection of the aforementioned efficiency and cost control measures.

The majority of current fund expenses are from Education and General (E&G) funds (40%) and Designated Operating funds (38%).

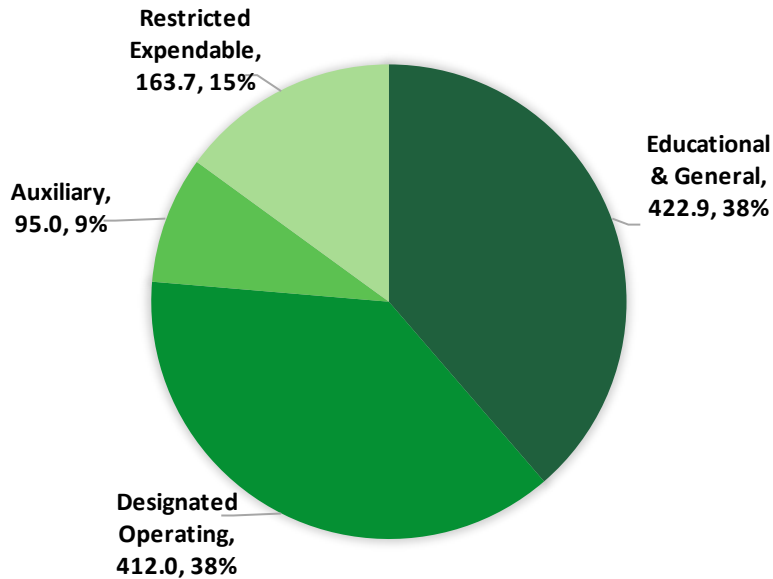
The UNT System Consolidated Operating Budget reflects an impact on fund balances in current funds of approximately \$12.85 M. Where applicable, planned usages of fund balance are included on an institution’s budget template, and are included on the UNT System Consolidated detail template.

**FY 2021 Budgeted Expenses and Net Transfers**  
(Millions)

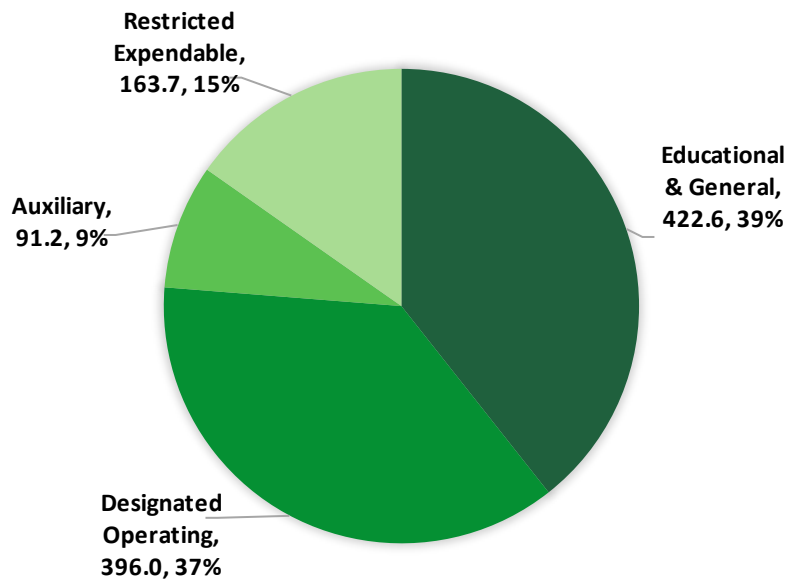


## Consolidated Budgets by Institution

**FY 2021 Budgeted Revenues  
By Fund Category**  
(Millions)

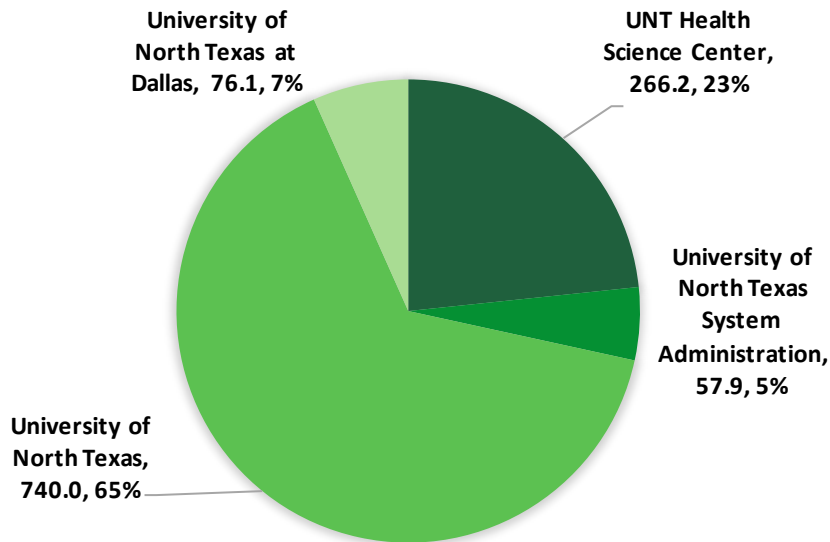


**FY 2021 Budgeted Expenses and Net Transfers  
By Fund Category**  
(Millions)

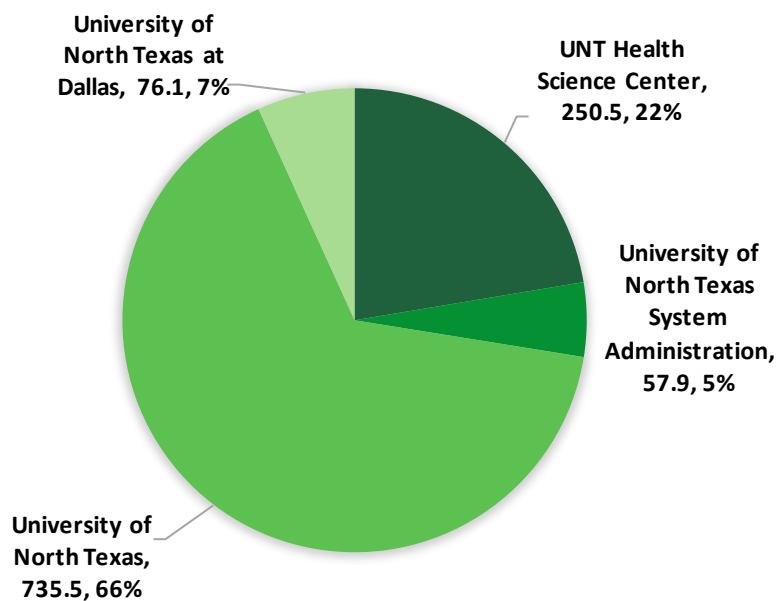


## Consolidated Revenues and Expenses by Fund Category

**FY 2021 Budgeted Revenues and Net Transfers In  
By Component**  
(Millions)



**FY 2021 Budgeted Expenses and Net Transfers Out  
By Component**  
(Millions)



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## FY 2021 – Consolidated UNT System Budget Summary – Current Funds

|   | FY 2020<br>Budget    | FY 2020 Forecast<br>(Actuals) | FY 2021<br>Budget    | Increases (Decreases)            |                    |
|---|----------------------|-------------------------------|----------------------|----------------------------------|--------------------|
|   |                      |                               |                      | FY 2021 to FY 2020 Est<br>Amount | Actuals<br>Percent |
| <b>Revenues</b>                                     |                      |                               |                      |                                  |                    |
| Net Tuition and Fees                                | 420,943,453          | 405,293,495                   | 390,227,138          | (15,066,357)                     | -3.7%              |
| Sales of Goods and Services                         | 150,762,580          | 127,317,743                   | 147,714,854          | 20,397,111                       | 16.0%              |
| Grants and Contracts                                | 169,837,536          | 186,355,941                   | 181,804,577          | (4,551,364)                      | -2.4%              |
| State Appropriations                                | 293,232,873          | 288,260,744                   | 284,541,351          | (3,719,393)                      | -1.3%              |
| Capital Appropriations                              | 56,551,423           | 56,769,916                    | 55,826,506           | (943,410)                        | -1.7%              |
| Net Professional Fees                               | 12,200,000           | 11,200,000                    | 9,200,000            | (2,000,000)                      | -17.9%             |
| Gift Income   | 14,689,582           | 17,436,682                    | 13,646,065           | (3,790,617)                      | -21.7%             |
| Investment Income                                   | 11,188,599           | 9,930,925                     | 9,368,475            | (562,450)                        | -5.7%              |
| Other Revenue                                       | 2,076,873            | 3,110,746                     | 1,261,873            | (1,848,873)                      | -59.4%             |
| <b>Total Revenues</b>                               | <b>1,131,482,919</b> | <b>1,105,676,192</b>          | <b>1,093,590,839</b> | <b>(12,085,353)</b>              | <b>-1.1%</b>       |
| <b>Expenses</b>                                     |                      |                               |                      |                                  |                    |
| Salaries - Faculty                                  | 217,611,193          | 204,866,964                   | 204,373,576          | (493,388)                        | -0.2%              |
| Salaries - Staff                                    | 276,448,261          | 266,167,517                   | 267,032,561          | 865,044                          | 0.3%               |
| Wages and Other Compensation                        | 29,870,133           | 28,867,342                    | 25,870,501           | (2,996,841)                      | -10.4%             |
| Benefits and Other Payroll-Related Costs            | 129,807,272          | 130,132,040                   | 127,899,301          | (2,232,739)                      | -1.7%              |
| <b>Subtotal - Personnel Costs</b>                   | <b>653,736,859</b>   | <b>630,033,864</b>            | <b>625,175,939</b>   | <b>(4,857,925)</b>               | <b>-0.8%</b>       |
| Cost of Goods Sold                                  | 9,268,429            | 6,714,738                     | 8,752,531            | 2,037,793                        | 30.3%              |
| Professional Fees and Services                      | 61,546,114           | 61,528,842                    | 60,505,566           | (1,023,276)                      | -1.7%              |
| Travel  | 14,625,341           | 7,754,551                     | 7,866,919            | 112,368                          | 1.4%               |
| Materials and Supplies                              | 44,689,018           | 40,835,518                    | 44,474,142           | 3,638,624                        | 8.9%               |
| Communication and Utilities                         | 19,858,310           | 23,357,313                    | 20,244,359           | (3,112,954)                      | -13.3%             |
| Repairs and Maintenance                             | 24,972,348           | 21,524,839                    | 23,419,743           | 1,894,904                        | 8.8%               |
| Rentals and Leases                                  | 15,027,494           | 15,590,823                    | 15,170,279           | (420,544)                        | -2.7%              |
| Printing and Reproduction                           | 6,291,766            | 5,195,243                     | 5,575,197            | 379,954                          | 7.3%               |
| Other Expenditures                                  | 29,578,496           | 24,967,794                    | 29,276,240           | 4,308,446                        | 17.3%              |
| <b>Subtotal - Maintenance &amp; Operation Costs</b> | <b>225,857,316</b>   | <b>207,469,661</b>            | <b>215,284,976</b>   | <b>7,815,315</b>                 | <b>3.8%</b>        |
| Capital Expenditures                                | 27,858,457           | 27,914,336                    | 23,893,375           | (4,020,961)                      | -14.4%             |
| Federal and State Pass-Through Expense              | 1,310,818            | 2,310,818                     | 2,035,742            | (275,076)                        | -11.9%             |
| Scholarships  | 104,581,635          | 122,337,528                   | 107,278,539          | (15,058,989)                     | -12.3%             |
| <b>Total Expenses</b>                               | <b>1,013,345,087</b> | <b>990,066,206</b>            | <b>973,668,571</b>   | <b>(16,397,635)</b>              | <b>-1.7%</b>       |
| <b>Transfers</b>                                    |                      |                               |                      |                                  |                    |
| <b>Intra-campus Transfers Between Funds</b>         |                      |                               |                      |                                  |                    |
| Inter-Fund Transfer In/(Out)                        | (24,810,158)         | (25,365,563)                  | (23,023,391)         | 2,342,172                        | -9.2%              |
| <b>Transfers Between UNTS Components</b>            |                      |                               |                      |                                  |                    |
| System Services Allocations                         | -                    | (626,177)                     | -                    | 626,177                          | -100.0%            |
| Other Inter-Unit Transfers In/(Out)                 | (81,957,123)         | (92,942,169)                  | (78,286,852)         | 14,655,317                       | -15.8%             |
| <b>Other Transfers</b>                              |                      |                               |                      |                                  |                    |
| Transfer to Other State Agencies In/(Out)           | 600,000              | 687,679                       | 600,000              | (87,679)                         | -12.7%             |
| Legislative Transfers In/(Out)                      | 883,177              | 10,123,839                    | 883,177              | (9,240,662)                      | -91.3%             |
| <b>Total Transfers</b>                              | <b>(105,284,104)</b> | <b>(108,122,391)</b>          | <b>(99,827,066)</b>  | <b>8,295,325</b>                 | <b>-7.7%</b>       |
| <b>Estimated Impact on Fund Balance</b>             | <b>12,853,728</b>    | <b>7,487,595</b>              | <b>20,095,202</b>    | <b>12,607,607</b>                | <b>168.4%</b>      |



## FY 2021 – Consolidated UNT System

### Budget Detail by Fund Group - Current Funds

|  | <i>Current Funds</i>             |                             |                     |                              |                      |
|--|----------------------------------|-----------------------------|---------------------|------------------------------|----------------------|
|  | <b>Educational &amp; General</b> | <b>Designated Operating</b> | <b>Auxiliary</b>    | <b>Restricted Expendable</b> | <b>Current Funds</b> |
| <b>REVENUES</b>  |                                  |                             |                     |                              |                      |
| Net Tuition and Fees                                   | 55,544,269                       | 318,386,889                 | 16,295,980          | -                            | 390,227,137          |
| Sales of Goods and Services                            | 543,880                          | 68,477,210                  | 78,387,909          | 305,855                      | 147,714,854          |
| Grants and Contracts                                   | 26,283,671                       | 2,917,820                   | -                   | 152,603,087                  | 181,804,577          |
| State Appropriations                                   | 284,541,351                      | -                           | -                   | -                            | 284,541,351          |
| Capital Appropriations                                 | 55,826,506                       | -                           | -                   | -                            | 55,826,506           |
| Net Professional Fees                                  | -                                | 9,200,000                   | -                   | -                            | 9,200,000            |
| Gift Income  | -                                | 2,808,973                   | -                   | 10,837,093                   | 13,646,066           |
| Investment Income                                      | 117,883                          | 8,983,631                   | 266,960             | -                            | 9,368,475            |
| Other Revenue  | 57,000                           | 1,204,873                   | -                   | -                            | 1,261,873            |
| <b>Revenues</b>  | <b>422,914,559</b>               | <b>411,979,396</b>          | <b>94,950,849</b>   | <b>163,746,035</b>           | <b>1,093,590,839</b> |
| <b>EXPENDITURES</b>                                    |                                  |                             |                     |                              |                      |
| Salaries - Faculty                                     | 115,982,980                      | 77,112,005                  | -                   | 11,278,592                   | 204,373,576          |
| Salaries - Staff                                       | 109,019,403                      | 117,969,953                 | 21,035,456          | 19,007,749                   | 267,032,561          |
| Wages and Other Compensation                           | 1,341,975                        | 15,286,744                  | 4,844,208           | 4,397,574                    | 25,870,501           |
| Benefits and Other Payroll-Related Costs               | 72,700,183                       | 41,095,509                  | 7,268,145           | 6,835,463                    | 127,899,301          |
| Cost of Goods Sold                                     | -                                | 902,349                     | 7,850,182           | -                            | 8,752,531            |
| Professional Fees and Services                         | 3,664,192                        | 40,517,895                  | 1,991,817           | 14,331,663                   | 60,505,566           |
| Travel   | 160,045                          | 5,724,101                   | 65,479              | 1,917,294                    | 7,866,919            |
| Materials and Supplies                                 | 11,758,375                       | 21,693,260                  | 3,641,511           | 7,380,996                    | 44,474,142           |
| Communication and Utilities                            | 3,151,418                        | 11,722,010                  | 5,247,832           | 123,099                      | 20,244,359           |
| Repairs and Maintenance                                | 2,508,128                        | 15,417,605                  | 5,309,758           | 184,251                      | 23,419,743           |
| Rentals and Leases                                     | 439,979                          | 12,183,077                  | 2,232,153           | 315,069                      | 15,170,279           |
| Printing and Reproduction                              | 131,173                          | 4,891,848                   | 310,362             | 241,813                      | 5,575,197            |
| Debt Service - Principal                               | -                                | -                           | -                   | -                            | -                    |
| Debt Service - Interest                                | -                                | -                           | -                   | -                            | -                    |
| Capital Expenditures                                   | 17,494,683                       | 3,415,757                   | 1,302,173           | 1,680,763                    | 23,893,375           |
| Federal and State Pass-Through Expense                 | 12,407                           | -                           | -                   | 2,023,335                    | 2,035,742            |
| Scholarships   | 14,560,163                       | 7,483,575                   | 691,923             | 84,542,876                   | 107,278,539          |
| Other Expenditures                                     | 5,860,106                        | 17,167,544                  | 3,332,127           | 2,916,463                    | 29,276,240           |
| <b>Expenditures</b>                                    | <b>358,785,210</b>               | <b>392,583,232</b>          | <b>65,123,128</b>   | <b>157,177,000</b>           | <b>973,668,571</b>   |
| <b>TRANSFERS</b>                                       |                                  |                             |                     |                              |                      |
| <i>Intra-campus Transfers Between Funds:</i>           |                                  |                             |                     |                              |                      |
| Inter-Fund Transfer In/(Out)                           | (25,723,391)                     | 11,655,074                  | (2,996,074)         | (5,959,000)                  | (23,023,391)         |
| <i>Transfers Between UNTS Components:</i>              |                                  |                             |                     |                              |                      |
| System Services Allocations                            | -                                | -                           | -                   | -                            | -                    |
| Other Inter-Unit Transfers In/(Out)                    | (38,980,193)                     | (15,715,206)                | (23,059,094)        | (532,359)                    | (78,286,852)         |
| <i>Other Transfers:</i>                                |                                  |                             |                     |                              |                      |
| Transfer to Other State Agencies In/(Out)              | -                                | 600,000                     | -                   | -                            | 600,000              |
| Legislative Transfers In/(Out)                         | 883,177                          | -                           | -                   | -                            | 883,177              |
| <b>Transfers</b>                                       | <b>(63,820,407)</b>              | <b>(3,460,133)</b>          | <b>(26,055,168)</b> | <b>(6,491,359)</b>           | <b>(99,827,066)</b>  |
| <b>Estimated Impact on Fund Balance</b>                | <b>308,942</b>                   | <b>15,936,030</b>           | <b>3,772,554</b>    | <b>77,675</b>                | <b>20,095,202</b>    |
| <b>Planned Use of Fund Balance &amp; Debt Proceeds</b> |                                  |                             |                     |                              |                      |
| <b>Planned Use of Fund Balance &amp; Debt Proceeds</b> | <b>-</b>                         | <b>-</b>                    | <b>-</b>            | <b>-</b>                     | <b>-</b>             |

## FY 2021 – Consolidated UNT System

### Budget Detail by Fund Group – Non-Current Funds

|  | Non-Current Funds  |                  |                     |                     | FY21                 |
|--|--------------------|------------------|---------------------|---------------------|----------------------|
|  | Endowment Funds    | Loan Funds       | Plant and Debt      | Non-Current         | All Funds            |
| <b>REVENUES</b>  |                    |                  |                     |                     |                      |
| Net Tuition and Fees                                   | -                  | 419,345          | -                   | 419,345             | 390,646,482          |
| Sales of Goods and Services                            | -                  | 1,000            | -                   | 1,000               | 147,715,854          |
| Grants and Contracts                                   | 2,317,750          | -                | -                   | 2,317,750           | 184,122,327          |
| State Appropriations                                   | -                  | -                | -                   | -                   | 284,541,351          |
| Capital Appropriations                                 | -                  | -                | -                   | -                   | 55,826,506           |
| Net Professional Fees                                  | -                  | -                | -                   | -                   | 9,200,000            |
| Gift Income  | 1,100,000          | -                | 100,000             | 1,200,000           | 14,846,066           |
| Investment Income                                      | 2,100,000          | -                | 243,704             | 2,343,704           | 11,712,178           |
| Other Revenue  | 100,000            | 105,000          | -                   | 205,000             | 1,466,873            |
| <b>Revenues</b>  | <b>5,617,750</b>   | <b>525,345</b>   | <b>343,704</b>      | <b>6,486,799</b>    | <b>1,100,077,638</b> |
| <b>EXPENDITURES</b>                                    |                    |                  |                     |                     |                      |
| Salaries - Faculty                                     | -                  | -                | -                   | -                   | 204,373,576          |
| Salaries - Staff                                       | -                  | -                | -                   | -                   | 267,032,561          |
| Wages and Other Compensation                           | -                  | -                | -                   | -                   | 25,870,500           |
| Benefits and Other Payroll-Related Costs               | -                  | -                | -                   | -                   | 127,899,300          |
| Cost of Goods Sold                                     | -                  | -                | -                   | -                   | 8,752,531            |
| Professional Fees and Services                         | 600,000            | 45,000           | -                   | 645,000             | 61,150,568           |
| Travel   | -                  | -                | -                   | -                   | 7,866,919            |
| Materials and Supplies                                 | -                  | -                | -                   | -                   | 44,474,143           |
| Communication and Utilities                            | -                  | -                | -                   | -                   | 20,244,359           |
| Repairs and Maintenance                                | -                  | -                | -                   | -                   | 23,419,742           |
| Rentals and Leases                                     | -                  | -                | -                   | -                   | 15,170,278           |
| Printing and Reproduction                              | -                  | -                | -                   | -                   | 5,575,197            |
| Debt Service - Principal                               | -                  | -                | 45,010,000          | 45,010,000          | 45,010,000           |
| Debt Service - Interest                                | -                  | -                | 33,452,595          | 33,452,595          | 33,452,595           |
| Capital Expenditures                                   | -                  | -                | 50,995,000          | 50,995,000          | 74,888,376           |
| Federal and State Pass-Through Expense                 | -                  | -                | -                   | -                   | 2,035,742            |
| Scholarships   | -                  | 980,928          | -                   | 980,928             | 108,259,466          |
| Other Expenditures                                     | -                  | 18,068           | -                   | 18,068              | 29,294,308           |
| <b>Expenditures</b>                                    | <b>600,000</b>     | <b>1,043,996</b> | <b>129,457,595</b>  | <b>131,101,591</b>  | <b>1,104,770,162</b> |
| <b>TRANSFERS</b>                                       |                    |                  |                     |                     |                      |
| <i>Intra-campus Transfers Between Funds:</i>           |                    |                  |                     |                     |                      |
| Inter-Fund Transfer In/(Out)                           | (2,700,000)        | 1,210,000        | 24,513,391          | 23,023,391          | -                    |
| <i>Transfers Between UNTS Components:</i>              |                    |                  |                     |                     |                      |
| System Services Allocations                            | -                  | -                | -                   | -                   | -                    |
| Other Inter-Unit Transfers In/(Out)                    | -                  | -                | 78,286,852          | 78,286,852          | -                    |
| <i>Other Transfers:</i>                                |                    |                  |                     |                     |                      |
| Transfer to Other State Agencies In/(Out)              | -                  | -                | -                   | -                   | 600,000              |
| Legislative Transfers In/(Out)                         | -                  | -                | -                   | -                   | 883,177              |
| <b>Transfers</b>                                       | <b>(2,700,000)</b> | <b>1,210,000</b> | <b>102,800,243</b>  | <b>101,310,243</b>  | <b>1,483,177</b>     |
| <b>Estimated Impact on Fund Balance</b>                | <b>2,317,750</b>   | <b>691,349</b>   | <b>(26,313,648)</b> | <b>(23,304,549)</b> | <b>(3,209,347)</b>   |
| <b>Planned Use of Fund Balance &amp; Debt Proceeds</b> |                    |                  |                     |                     |                      |
| HEF Reserves   | -                  | -                | 4,797,743           | 4,797,743           | 4,797,743            |
| <b>Planned Use of Fund Balance &amp; Debt Proceeds</b> | <b>-</b>           | <b>-</b>         | <b>4,797,743</b>    | <b>4,797,743</b>    | <b>4,797,743</b>     |

## FY 2021 – Consolidated UNT System

### Budgeted Revenue Breakout by Fund - Current Funds

|  | Current Funds         |                      |                   |                       | Current Funds        |
|--|-----------------------|----------------------|-------------------|-----------------------|----------------------|
|  | Educational & General | Designated Operating | Auxiliary         | Restricted Expendable |                      |
| Resident Undergrad Tuition             | 38,240,527            | 195,705,526          | -                 | -                     | 233,946,053          |
| Non-resident Undergrad Tuition         | 22,698,448            | 14,777,782           | -                 | -                     | 37,476,230           |
| Other Undergrad Tuition                | 3,996,200             | 22,685,513           | -                 | -                     | 26,681,713           |
| Waivers Undergrad Tuition              | (21,010,978)          | (318,818)            | -                 | -                     | (21,329,796)         |
| <b>Gross Undergraduate Tuition</b>     | <b>43,924,197</b>     | <b>232,850,003</b>   | -                 | -                     | <b>276,774,200</b>   |
| Resident Graduate Tuition              | 23,801,667            | 39,351,878           | -                 | -                     | 63,153,545           |
| Non-resident Graduate Tuition          | 18,862,505            | 12,357,483           | -                 | -                     | 31,219,988           |
| Other Graduate Tuition                 | 153,000               | 2,608,777            | -                 | -                     | 2,761,777            |
| Waivers Graduate Tuition               | (3,596,331)           | (40,074)             | -                 | -                     | (3,636,405)          |
| <b>Gross Graduate Tuition</b>          | <b>39,220,841</b>     | <b>54,278,064</b>    | -                 | -                     | <b>93,498,905</b>    |
| Fees - Instructional                   | 252,924               | 29,224,567           | -                 | -                     | 29,477,491           |
| Fees - Mandatory                       | -                     | 85,228,710           | 16,033,878        | -                     | 101,262,588          |
| Fees - Incidental                      | -                     | 14,436,599           | 272,000           | -                     | 14,708,599           |
| Waivers - Fees                         | (1,953,693)           | (731,054)            | (9,899)           | -                     | (2,694,645)          |
| <b>Gross Fees</b>                      | <b>(1,700,769)</b>    | <b>128,158,822</b>   | <b>16,295,980</b> | -                     | <b>142,754,032</b>   |
| Disc & Allow-Tuition and Fee           | (25,900,000)          | (96,900,000)         | -                 | -                     | (122,800,000)        |
| <b>Discount and Allowances</b>         | <b>(25,900,000)</b>   | <b>(96,900,000)</b>  | -                 | -                     | <b>(122,800,000)</b> |
| <b>Net Tuition and Fees</b>            | <b>55,544,269</b>     | <b>318,386,889</b>   | <b>16,295,980</b> | -                     | <b>390,227,137</b>   |
| Athletics                              | -                     | 8,422,192            | -                 | -                     | 8,422,192            |
| Auxiliary Enterprises                  | -                     | 547,000              | 74,264,430        | -                     | 74,811,430           |
| Discounts and Allowances - Auxiliaries | -                     | -                    | -                 | -                     | -                    |
| Other Sales of Goods and Services      | 543,880               | 59,508,018           | 4,123,479         | 305,855               | 64,481,232           |
| <b>Sales of Goods and Services</b>     | <b>543,880</b>        | <b>68,477,210</b>    | <b>78,387,909</b> | <b>305,855</b>        | <b>147,714,854</b>   |
| Federal Programs and Contracts         | -                     | -                    | -                 | 68,879,292            | 68,966,946           |
| Federal Financial Aid                  | -                     | -                    | -                 | 67,100,000            | 67,100,000           |
| State Programs and Contracts           | 1,050,598             | 2,642,820            | -                 | 4,724,633             | 8,418,051            |
| State Financial Aid                    | 25,233,073            | -                    | -                 | -                     | 25,233,073           |
| Other Grants and Contracts             | -                     | 187,345              | -                 | 11,899,162            | 12,086,507           |
| <b>Grants and Contracts</b>            | <b>26,283,671</b>     | <b>2,917,820</b>     | -                 | <b>152,603,087</b>    | <b>181,804,577</b>   |
| State Appropriations - General         | 231,159,730           | -                    | -                 | -                     | 231,159,730          |
| State Appropriations - Additional      | 53,381,621            | -                    | -                 | -                     | 53,381,621           |
| <b>State Appropriations</b>            | <b>284,541,351</b>    | -                    | -                 | -                     | <b>284,541,351</b>   |
| Capital Appropriations - HEF           | 55,826,506            | -                    | -                 | -                     | 55,826,506           |
| <b>Capital Appropriations</b>          | <b>55,826,506</b>     | -                    | -                 | -                     | <b>55,826,506</b>    |
| Gross Professional Fees                | -                     | 21,347,321           | -                 | -                     | 21,347,321           |
| Contractual Allowances and Discounts   | -                     | (12,147,321)         | -                 | -                     | (12,147,321)         |
| <b>Net Professional Fees</b>           | -                     | <b>9,200,000</b>     | -                 | -                     | <b>9,200,000</b>     |
| <b>Gift Income</b>                     | -                     | <b>2,808,973</b>     | -                 | <b>10,837,093</b>     | <b>13,646,066</b>    |
| <b>Investment Income</b>               | <b>117,883</b>        | <b>8,983,631</b>     | <b>266,960</b>    | -                     | <b>9,368,475</b>     |
| <b>Other Revenue</b>                   | <b>57,000</b>         | <b>1,204,873</b>     | -                 | -                     | <b>1,261,873</b>     |
| <b>Revenues</b>                        | <b>422,914,559</b>    | <b>411,979,396</b>   | <b>94,950,849</b> | <b>163,746,035</b>    | <b>1,093,590,839</b> |

# UNT Budget Overview

## Executive Summary and Highlights

### Strategic Impact and Major Goals Addressed by FY2021 Budget

At the University of North Texas, our caring and creative community prepares students for careers in a rapidly changing world. As one of the nation's largest universities, we offer 106 bachelor's, 88 master's and 36 doctoral degree programs, and will be launching 6 new academic programs this fall. By providing access, welcoming diversity and strengthening our collaborations with our many educational, business and community partners, as well as building new partnerships across the globe, UNT's faculty and staff work each day to prepare students for the challenges they will meet in our changing world. Investments made during FY 2021 and in subsequent years will support our students in becoming the innovative leaders of tomorrow.

This year's University of North Texas budget reflects its commitment to our strategic goals to:

- Empower and transform our students
- Create an outstanding environment and culture to work and learn
- Enhance our creativity and innovation to benefit our students and the world around us

Investments in this budget that will support the university's strategic plan in the coming year, include:

- Dedicated resources and programming for a free-standing multicultural center
- Creation and launch of a First Generation Center
- Formation of new Health Disparities Center
- Partnership with Alliance/Hilwood, Center for Integrated Intelligent Mobility Systems
- Center for Counseling Diverse Student Populations
- Launching a new BAAS degree completion program
- UNT New College at Frisco expansion in Hall Park
- Dining Hall completion
- Several student retention initiatives

This budget was developed assuming that on-campus instruction will be available and student housing and dining services are operational.

## Revenues

### *Tuition and Fees*

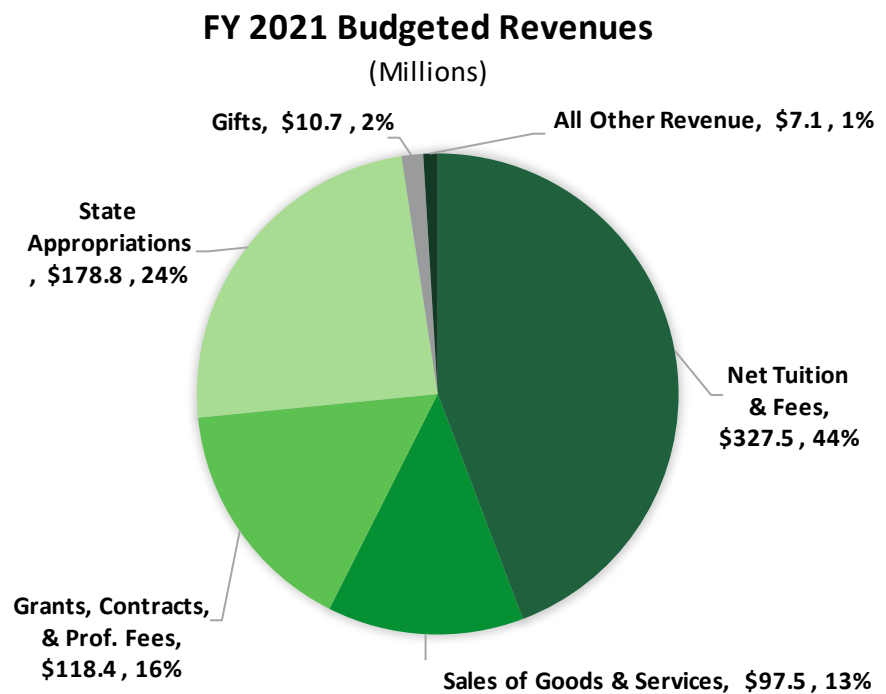
UNT anticipates net tuition and fees of \$327.5 million in FY 2021, a decrease of \$19.7 million from FY2020 Year-End Forecast (\$32.9m budget to budget decrease). The decrease in tuition and fees assumes flat domestic enrollment, and 25% reduction in international enrollment. Discounts & Allowances continue to grow and support two major initiatives: National Merit Scholars and UNT Excellence Scholarships. Both of these initiatives are competitive, merit based awards that gain UNT a larger share of the Top 10-25% students. Board approved increases to existing differential tuition, increase to board designated tuition for graduate students, and Student Service Fee are included.

### *Sales of Goods and Services*

The university is planning for student housing and dining to be operational. However, declines in revenues are expected due to less demand and capacity to offer space rentals and food services for outside conferences and events during the fall semester. Creative scheduling will use some auxiliary spaces to hold class in order to maintain social distancing requirements. Retail revenue has also been adjusted downward as our Student Union retail shops will see less traffic due to social distancing measures and more courses being delivered remote or partially in-person during the fall semester.

### *Grants and Contracts*

Grants and Contracts will increase \$3.7m (budget to budget) overall. CARES funding was heavily used in FY20, but approximately \$8.8m will be available to be spent in FY21. Other restricted grants and contracts are expected to decline by \$6.1m and Pell will increase by \$1m as more of our students are eligible for the program than years prior.



### State Appropriations

State appropriations will be reduced \$8.5m to meet the state issued reduction targets set for UNT. The reduction target for the FY20/21 biennium was \$10.3m; approximately \$1.8m will be lapsed in FY20 and then remainder of the target is scheduled to be reduced from FY21 budget. Additional appropriations for benefits are budgeted at the full bill pattern maximum, which increased \$1.7m from FY20. With these two adjustments, state appropriations will decrease \$6.8m in FY21 (budget to budget).

### Gifts and All Other Revenue

Gift income and investment income have been reduced due to market conditions unfavorably changing over the last year. We expect less returns in our long-term pool distributions and endowment distributions from the UNT Foundation.

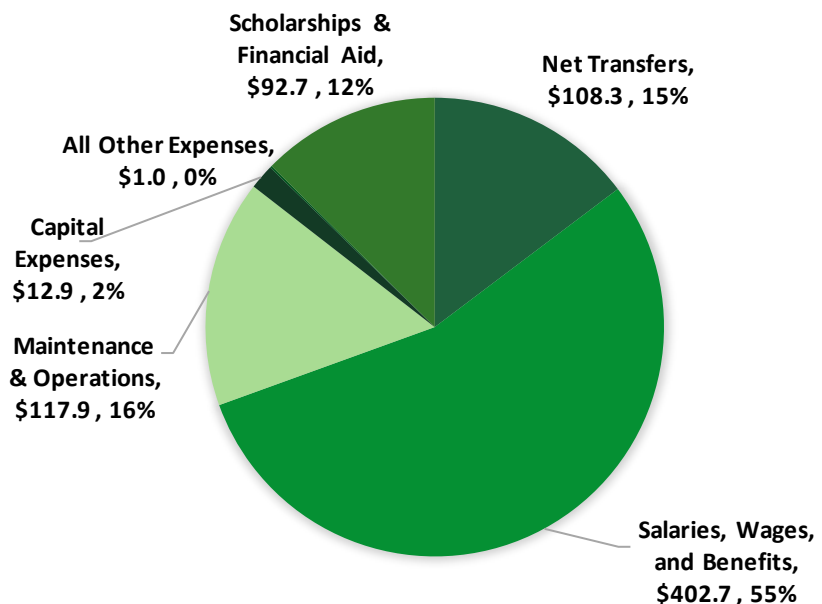
## Expenses & Net Transfers

In FY2021 the university will focus on sustainable as well as temporary reductions to bridge the revenue deficits that are short-term, such as the decline in international enrollment.

### Personnel Costs

The largest share of expenses are dedicated to human resources. The university has planned reductions to staffing levels by division; levels have been determined by each vice president. Elimination of non-mission critical positions that are sustainable for 2-3 years have been planned and are in process. Additionally, in consultation with the Operational Effectiveness Team the university can de-layer organizations and achieve savings. Lastly, as positions become vacant throughout the year a stringent review will be completed to determine impact of the vacancy and assess the need for replacement.

**FY 2021 Budgeted Expenses and Net Transfers**  
(Millions)





### *Maintenance & Operational Costs*

All sub-categories in this area have been reviewed and reduced, the decrease is largely related to travel expenses. Travel will only be approved for essential business functions. Remote working and initiatives to go paperless has contributed savings in supplies and printing. Utilities are expected to stay relatively flat even with a price increase due to university-wide conservation efforts.

### *Capital Expenses*

The university anticipates savings by negotiating a better price per unit for equipment and strategically ordering in collaboration with the rest of UNT World. Also, only essential repairs and deferred maintenance are approved, no aesthetic renovations are planned.

### *Scholarships, Exemptions & Financial Aid*

CARES funding will provide \$5.5m in awards as well as an increase of \$1m in Pell grants as more students meet the eligibility criteria. \$4.5m of savings will be achieved by the phasing out of Eagle Express cohorts' graduation incentive and reducing required set-asides in relation to enrollment decline. Overall, this category will increase \$2.0m (budget to budget).

### *Net Transfers*

UNT System allocations have been reduced \$2.7m and \$3.8m in debt service savings from refinancing initiative. Additionally, less resources will be transferred to Plant funds for renovations than in prior years. Overall, the category will reduce \$6.7m in FY21.

## **Impact to Fund Balances**

In conclusion, this budget represents the University's commitment to utilizing entrusted resources to fulfill our mission. There are no plans to spend current fund balance. Estimated positive impact to fund balance, \$4.5m; Auxiliary services will add \$3.8 to fund balance and Designated will add \$0.7m. State and restricted funds will be fully utilized.



## FY 2021 – University of North Texas Budget Summary – Current Funds

|   | FY 2020<br>Budget    | FY 2020 Forecast<br>(Actuals) | FY 2021<br>Budget    | Increases (Decreases)            |                    |
|---|----------------------|-------------------------------|----------------------|----------------------------------|--------------------|
|   |                      |                               |                      | FY 2021 to FY 2020 Est<br>Amount | Actuals<br>Percent |
| <b>Revenues</b>                                     |                      |                               |                      |                                  |                    |
| Net Tuition and Fees                                | 360,386,785          | 347,199,339                   | 327,461,123          | (19,738,216)                     | -5.7%              |
| Sales of Goods and Services                         | 100,977,142          | 77,801,941                    | 97,487,241           | 19,685,300                       | 25.3%              |
| Grants and Contracts                                | 114,755,151          | 130,755,151                   | 118,438,511          | (12,316,640)                     | -9.4%              |
| State Appropriations                                | 148,298,586          | 143,798,586                   | 141,495,106          | (2,303,480)                      | -1.6%              |
| Capital Appropriations                              | 37,346,563           | 37,565,056                    | 37,346,563           | (218,493)                        | -0.6%              |
| Net Professional Fees                               | -                    | -                             | -                    | -                                | -                  |
| Gift Income   | 11,670,020           | 12,837,022                    | 10,685,000           | (2,152,022)                      | -16.8%             |
| Investment Income                                   | 7,351,850            | 6,305,845                     | 6,121,850            | (183,995)                        | -2.9%              |
| Other Revenue                                       | 1,074,873            | 1,584,746                     | 986,873              | (597,873)                        | -37.7%             |
| <b>Total Revenues</b>                               | <b>781,860,969</b>   | <b>757,847,686</b>            | <b>740,022,266</b>   | <b>(17,825,420)</b>              | <b>-2.4%</b>       |
| <b>Expenses</b>                                     |                      |                               |                      |                                  |                    |
| Salaries - Faculty                                  | 155,948,100          | 146,051,163                   | 149,214,551          | 3,163,388                        | 2.2%               |
| Salaries - Staff                                    | 156,754,793          | 151,214,904                   | 149,456,106          | (1,758,798)                      | -1.2%              |
| Wages and Other Compensation                        | 21,663,007           | 20,663,007                    | 19,579,179           | (1,083,828)                      | -5.2%              |
| Benefits and Other Payroll-Related Costs            | 82,633,018           | 82,661,560                    | 84,487,044           | 1,825,484                        | 2.2%               |
| <b>Subtotal - Personnel Costs</b>                   | <b>416,998,918</b>   | <b>400,590,635</b>            | <b>402,736,880</b>   | <b>2,146,245</b>                 | <b>0.5%</b>        |
| Cost of Goods Sold                                  | 9,268,429            | 6,714,738                     | 8,752,531            | 2,037,793                        | 30.3%              |
| Professional Fees and Services                      | 18,886,006           | 17,043,012                    | 17,253,270           | 210,258                          | 1.2%               |
| Travel  | 11,276,166           | 5,729,604                     | 3,843,317            | (1,886,287)                      | -32.9%             |
| Materials and Supplies                              | 28,916,457           | 23,290,127                    | 27,537,025           | 4,246,898                        | 18.2%              |
| Communication and Utilities                         | 15,225,200           | 18,947,516                    | 15,463,307           | (3,484,209)                      | -18.4%             |
| Repairs and Maintenance                             | 15,125,276           | 12,100,221                    | 13,726,835           | 1,626,614                        | 13.4%              |
| Rentals and Leases                                  | 11,467,923           | 11,067,923                    | 9,905,674            | (1,162,249)                      | -10.5%             |
| Printing and Reproduction                           | 5,338,929            | 4,307,971                     | 4,351,579            | 43,608                           | 1.0%               |
| Other Expenditures                                  | 18,871,006           | 14,608,933                    | 17,065,475           | 2,456,542                        | 16.8%              |
| <b>Subtotal - Maintenance &amp; Operation Costs</b> | <b>134,375,392</b>   | <b>113,810,045</b>            | <b>117,899,013</b>   | <b>4,088,968</b>                 | <b>3.6%</b>        |
| Capital Expenditures                                | 18,988,721           | 18,988,721                    | 12,885,112           | (6,103,609)                      | -32.1%             |
| Federal and State Pass-Through Expense              | 310,818              | 310,818                       | 1,035,742            | 724,924                          | 233.2%             |
| Scholarships  | 90,914,249           | 108,614,249                   | 92,715,059           | (15,899,190)                     | -14.6%             |
| <b>Total Expenses</b>                               | <b>661,588,099</b>   | <b>642,314,468</b>            | <b>627,271,806</b>   | <b>(15,042,662)</b>              | <b>-2.3%</b>       |
| <b>Transfers</b>                                    |                      |                               |                      |                                  |                    |
| <b>Intra-campus Transfers Between Funds</b>         |                      |                               |                      |                                  |                    |
| Inter-Fund Transfer In/(Out)                        | (22,115,563)         | (22,115,563)                  | (20,403,000)         | 1,712,563                        | -7.7%              |
| <b>Transfers Between UNTS Components</b>            |                      |                               |                      |                                  |                    |
| System Services Allocations                         | (42,521,985)         | (40,434,420)                  | (39,827,639)         | 606,781                          | -1.5%              |
| Other Inter-Unit Transfers In/(Out)                 | (39,446,019)         | (39,446,019)                  | (37,186,387)         | 2,259,632                        | -5.7%              |
| <b>Other Transfers</b>                              |                      |                               |                      |                                  |                    |
| Transfer to Other State Agencies In/(Out)           | 600,000              | 687,679                       | 600,000              | (87,679)                         | -12.7%             |
| Legislative Transfers In/(Out)                      | (11,457,594)         | (13,201,978)                  | (11,459,538)         | 1,742,440                        | -13.2%             |
| <b>Total Transfers</b>                              | <b>(114,941,161)</b> | <b>(114,510,301)</b>          | <b>(108,276,564)</b> | <b>6,233,737</b>                 | <b>-5.4%</b>       |
| <b>Estimated Impact on Fund Balance</b>             | <b>5,331,709</b>     | <b>1,022,917</b>              | <b>4,473,896</b>     | <b>3,450,979</b>                 | <b>337.4%</b>      |





**FY 2021 – University of North Texas**  
**Budget Detail by Fund Group – Current Funds**

|  | Current Funds         |                      |                     |                       |                      |
|--|-----------------------|----------------------|---------------------|-----------------------|----------------------|
|  | Educational & General | Designated Operating | Auxiliary           | Restricted Expendable | Current Funds        |
| <b>REVENUES</b>  |                       |                      |                     |                       |                      |
| Net Tuition and Fees                                   | 37,130,073            | 274,040,071          | 16,290,980          | -                     | 327,461,123          |
| Sales of Goods and Services                            | -                     | 21,647,693           | 75,036,668          | -                     | 97,487,241           |
| Grants and Contracts                                   | 22,863,958            | -                    | -                   | 92,931,733            | 118,438,511          |
| State Appropriations                                   | 141,495,106           | -                    | -                   | -                     | 141,495,106          |
| Capital Appropriations                                 | 37,346,563            | -                    | -                   | -                     | 37,346,563           |
| Net Professional Fees                                  | -                     | -                    | -                   | -                     | -                    |
| Gift Income  | -                     | 2,685,000            | -                   | 8,000,000             | 10,685,000           |
| Investment Income                                      | -                     | 5,737,006            | -                   | -                     | 6,121,850            |
| Other Revenue  | -                     | 929,873              | -                   | -                     | 986,873              |
| <b>Revenues</b>  | <b>239,554,463</b>    | <b>307,682,462</b>   | <b>91,594,608</b>   | <b>101,190,733</b>    | <b>740,022,266</b>   |
| <b>EXPENDITURES</b>                                    |                       |                      |                     |                       |                      |
| Salaries - Faculty                                     | 76,512,343            | 68,666,962           | -                   | 4,035,247             | 149,214,551          |
| Salaries - Staff                                       | 49,372,788            | 71,095,507           | 20,685,138          | 8,302,672             | 149,456,106          |
| Wages and Other Compensation                           | 656,148               | 9,984,372            | 4,771,972           | 4,166,687             | 19,579,179           |
| Benefits and Other Payroll-Related Costs               | 48,618,577            | 26,585,145           | 7,160,719           | 2,122,602             | 84,487,044           |
| Cost of Goods Sold                                     | -                     | -                    | -                   | -                     | -                    |
| Professional Fees and Services                         | -                     | 12,503,059           | 1,951,317           | -                     | 17,253,270           |
| Travel   | -                     | 2,694,461            | 55,479              | 1,016,876             | 3,843,317            |
| Materials and Supplies                                 | 4,754,942             | 16,754,804           | 3,498,606           | -                     | 27,537,025           |
| Communication and Utilities                            | -                     | 8,323,788            | 5,179,782           | 20,285                | 15,463,307           |
| Repairs and Maintenance                                | 899,848               | 7,548,834            | 5,218,902           | -                     | 13,726,835           |
| Rentals and Leases                                     | -                     | 8,121,455            | 1,314,891           | -                     | 9,905,674            |
| Printing and Reproduction                              | -                     | 3,853,457            | 302,362             | -                     | 4,351,579            |
| Debt Service - Principal                               | -                     | -                    | -                   | -                     | -                    |
| Debt Service - Interest                                | -                     | -                    | -                   | -                     | -                    |
| Capital Expenditures                                   | 9,217,623             | 1,269,610            | 973,071             | 1,424,809             | 12,885,112           |
| Federal and State Pass-Through Expense                 | -                     | -                    | -                   | -                     | -                    |
| Scholarships   | 11,757,294            | 5,301,897            | -                   | 74,963,945            | 92,715,059           |
| Other Expenditures                                     | -                     | 13,372,336           | 2,860,619           | 653,955               | 17,065,475           |
| <b>Expenditures</b>                                    | <b>204,891,924</b>    | <b>256,978,036</b>   | <b>62,514,963</b>   | <b>102,886,883</b>    | <b>627,271,806</b>   |
| <b>TRANSFERS</b>                                       |                       |                      |                     |                       |                      |
| <i>Intra-campus Transfers Between Funds:</i>           |                       |                      |                     |                       |                      |
| Inter-Fund Transfer In/(Out)                           | (22,003,000)          | 2,591,784            | (2,732,784)         | 1,741,000             | (20,403,000)         |
| <i>Transfers Between UNTS Components:</i>              |                       |                      |                     |                       |                      |
| System Services Allocations                            | -                     | (39,827,639)         | -                   | -                     | (39,827,639)         |
| Other Inter-Unit Transfers In/(Out)                    | (1,200,000)           | (13,367,230)         | (22,574,307)        | (44,850)              | (37,186,387)         |
| <i>Other Transfers:</i>                                |                       |                      |                     |                       |                      |
| Transfer to Other State Agencies In/(Out)              | -                     | 600,000              | -                   | -                     | 600,000              |
| Legislative Transfers In/(Out)                         | (11,459,538)          | -                    | -                   | -                     | (11,459,538)         |
| <b>Transfers</b>                                       | <b>(34,662,538)</b>   | <b>(50,003,085)</b>  | <b>(25,307,091)</b> | <b>1,696,150</b>      | <b>(108,276,564)</b> |
| <b>Estimated Impact on Fund Balance</b>                | <b>-</b>              | <b>701,341</b>       | <b>3,772,553</b>    | <b>-</b>              | <b>4,473,896</b>     |
| <b>Planned Use of Fund Balance &amp; Debt Proceeds</b> |                       |                      |                     |                       |                      |
| <b>Planned Use of Fund Balance &amp; Debt Proceeds</b> | <b>-</b>              | <b>-</b>             | <b>-</b>            | <b>-</b>              | <b>-</b>             |



**FY 2021 - University of North Texas**  
**Budget Detail by Fund Group - Non-Current Funds**

|  | Non-Current Funds  |                |                    |                    | FY21                |
|--|--------------------|----------------|--------------------|--------------------|---------------------|
|  | Endowment Funds    | Loan Funds     | Plant and Debt     | Non-Current        | All Funds           |
| <b>REVENUES</b>  |                    |                |                    |                    |                     |
| Net Tuition and Fees                                   | -                  | 419,345        | -                  | 419,345            | 327,880,468         |
| Sales of Goods and Services                            | -                  | 1,000          | -                  | 1,000              | 97,488,241          |
| Grants and Contracts                                   | 2,317,750          | -              | -                  | 2,317,750          | 120,756,261         |
| State Appropriations                                   | -                  | -              | -                  | -                  | 141,495,106         |
| Capital Appropriations                                 | -                  | -              | -                  | -                  | 37,346,563          |
| Net Professional Fees                                  | -                  | -              | -                  | -                  | -                   |
| Gift Income  | 1,100,000          | -              | -                  | 1,100,000          | 11,785,000          |
| Investment Income                                      | 1,000,000          | -              | 243,704            | 1,243,704          | 7,365,553           |
| Other Revenue  | 100,000            | 105,000        | -                  | 205,000            | 1,191,873           |
| <b>Revenues</b>  | <b>4,517,750</b>   | <b>525,345</b> | <b>243,704</b>     | <b>5,286,799</b>   | <b>745,309,065</b>  |
| <b>EXPENDITURES</b>                                    |                    |                |                    |                    |                     |
| Salaries - Faculty                                     | -                  | -              | -                  | -                  | 149,214,551         |
| Salaries - Staff                                       | -                  | -              | -                  | -                  | 149,456,106         |
| Wages and Other Compensation                           | -                  | -              | -                  | -                  | 19,579,179          |
| Benefits and Other Payroll-Related Costs               | -                  | -              | -                  | -                  | 84,487,044          |
| Cost of Goods Sold                                     | -                  | -              | -                  | -                  | 8,752,531           |
| Professional Fees and Services                         | 600,000            | 45,000         | -                  | 645,000            | 17,898,270          |
| Travel   | -                  | -              | -                  | -                  | 3,843,317           |
| Materials and Supplies                                 | -                  | -              | -                  | -                  | 27,537,025          |
| Communication and Utilities                            | -                  | -              | -                  | -                  | 15,463,307          |
| Repairs and Maintenance                                | -                  | -              | -                  | -                  | 13,726,835          |
| Rentals and Leases                                     | -                  | -              | -                  | -                  | 9,905,674           |
| Printing and Reproduction                              | -                  | -              | -                  | -                  | 4,351,579           |
| Debt Service - Principal                               | -                  | -              | -                  | -                  | -                   |
| Debt Service - Interest                                | -                  | -              | -                  | -                  | -                   |
| Capital Expenditures                                   | -                  | -              | 26,625,000         | 26,625,000         | 39,510,112          |
| Federal and State Pass-Through Expense                 | -                  | -              | -                  | -                  | 1,035,742           |
| Scholarships   | -                  | 30,928         | -                  | 30,928             | 92,745,987          |
| Other Expenditures                                     | -                  | 18,068         | -                  | 18,068             | 17,083,543          |
| <b>Expenditures</b>                                    | <b>600,000</b>     | <b>93,996</b>  | <b>26,625,000</b>  | <b>27,318,996</b>  | <b>654,590,804</b>  |
| <b>TRANSFERS</b>                                       |                    |                |                    |                    |                     |
| <i>Intra-campus Transfers Between Funds:</i>           |                    |                |                    |                    |                     |
| Inter-Fund Transfer In/(Out)                           | (1,600,000)        | -              | 22,003,000         | 20,403,000         | -                   |
| <i>Transfers Between UNTS Components:</i>              |                    |                |                    |                    |                     |
| System Services Allocations                            | -                  | -              | -                  | -                  | (39,827,639)        |
| Other Inter-Unit Transfers In/(Out)                    | -                  | -              | (175,743)          | (175,743)          | (37,362,130)        |
| <i>Other Transfers:</i>                                |                    |                |                    |                    |                     |
| Transfer to Other State Agencies In/(Out)              | -                  | -              | -                  | -                  | 600,000             |
| Legislative Transfers In/(Out)                         | -                  | -              | -                  | -                  | (11,459,538)        |
| <b>Transfers</b>                                       | <b>(1,600,000)</b> | <b>-</b>       | <b>21,827,257</b>  | <b>20,227,257</b>  | <b>(88,049,307)</b> |
| <b>Estimated Impact on Fund Balance</b>                | <b>2,317,750</b>   | <b>431,349</b> | <b>(4,554,039)</b> | <b>(1,804,940)</b> | <b>2,668,954</b>    |
| <b>Planned Use of Fund Balance &amp; Debt Proceeds</b> |                    |                |                    |                    |                     |
| HEF Reserves   | -                  | -              | 4,797,743          | 4,797,743          | 4,797,743           |
| <b>Planned Use of Fund Balance &amp; Debt Proceeds</b> | <b>-</b>           | <b>-</b>       | <b>4,797,743</b>   | <b>4,797,743</b>   | <b>4,797,743</b>    |



## FY 2021 – University of North Texas

### Budgeted Revenue Breakout by Fund - Current Funds

|  | <i>Current Funds</i>     |                         |                   |                          |                      |
|--|--------------------------|-------------------------|-------------------|--------------------------|----------------------|
|  | Educational &<br>General | Designated<br>Operating | Auxiliary         | Restricted<br>Expendable | Current Funds        |
| Resident Undergrad Tuition             | 34,396,179               | 179,427,372             | -                 | -                        | 213,823,551          |
| Non-resident Undergrad Tuition         | 22,362,006               | 14,627,161              | -                 | -                        | 36,989,167           |
| Other Undergrad Tuition                | 3,996,200                | 22,685,513              | -                 | -                        | 26,681,713           |
| Waivers Undergrad Tuition              | (21,010,978)             | (318,818)               | -                 | -                        | (21,329,796)         |
| <b>Gross Undergraduate Tuition</b>     | <b>39,743,407</b>        | <b>216,421,228</b>      | <b>-</b>          | <b>-</b>                 | <b>256,164,635</b>   |
| Resident Graduate Tuition              | 8,027,427                | 24,697,546              | -                 | -                        | 32,724,973           |
| Non-resident Graduate Tuition          | 15,349,646               | 9,442,101               | -                 | -                        | 24,791,747           |
| Other Graduate Tuition                 | 153,000                  | 2,608,777               | -                 | -                        | 2,761,777            |
| Waivers Graduate Tuition               | (3,596,331)              | (40,074)                | -                 | -                        | (3,636,405)          |
| <b>Gross Graduate Tuition</b>          | <b>19,933,742</b>        | <b>36,708,350</b>       | <b>-</b>          | <b>-</b>                 | <b>56,642,092</b>    |
| Fees - Instructional                   | 252,924                  | 22,960,820              | -                 | -                        | 23,213,744           |
| Fees - Mandatory                       | -                        | 76,689,751              | 16,033,878        | -                        | 92,723,629           |
| Fees - Incidental                      | -                        | 12,590,975              | 267,000           | -                        | 12,857,975           |
| Waivers - Fees                         | -                        | (131,054)               | (9,899)           | -                        | (140,952)            |
| <b>Gross Fees</b>                      | <b>252,924</b>           | <b>112,110,493</b>      | <b>16,290,980</b> | <b>-</b>                 | <b>128,654,396</b>   |
| Disc & Allow-Tuition and Fee           | (22,800,000)             | (91,200,000)            | -                 | -                        | (114,000,000)        |
| <b>Discount and Allowances</b>         | <b>(22,800,000)</b>      | <b>(91,200,000)</b>     | <b>-</b>          | <b>-</b>                 | <b>(114,000,000)</b> |
| <b>Net Tuition and Fees</b>            | <b>37,130,073</b>        | <b>274,040,071</b>      | <b>16,290,980</b> | <b>-</b>                 | <b>327,461,123</b>   |
| Athletics                              | -                        | 8,422,192               | -                 | -                        | 8,422,192            |
| Auxiliary Enterprises                  | -                        | 267,000                 | 73,075,484        | -                        | 73,342,484           |
| Discounts and Allowances - Auxiliaries | -                        | -                       | -                 | -                        | -                    |
| Other Sales of Goods and Services      | 543,880                  | 12,958,501              | 1,961,184         | 259,000                  | 15,722,564           |
| <b>Sales of Goods and Services</b>     | <b>543,880</b>           | <b>21,647,693</b>       | <b>75,036,668</b> | <b>259,000</b>           | <b>97,487,241</b>    |
| Federal Programs and Contracts         | -                        | -                       | -                 | 23,132,929               | 23,132,929           |
| Federal Financial Aid                  | -                        | -                       | -                 | 60,600,000               | 60,600,000           |
| State Programs and Contracts           | 225,598                  | 2,642,820               | -                 | 1,227,777                | 4,096,195            |
| State Financial Aid                    | 22,638,360               | -                       | -                 | -                        | 22,638,360           |
| Other Grants and Contracts             | -                        | -                       | -                 | 7,971,027                | 7,971,027            |
| <b>Grants and Contracts</b>            | <b>22,863,958</b>        | <b>2,642,820</b>        | <b>-</b>          | <b>92,931,733</b>        | <b>118,438,511</b>   |
| State Appropriations - General         | 106,906,751              | -                       | -                 | -                        | 106,906,751          |
| State Appropriations - Additional      | 34,588,355               | -                       | -                 | -                        | 34,588,355           |
| <b>State Appropriations</b>            | <b>141,495,106</b>       | <b>-</b>                | <b>-</b>          | <b>-</b>                 | <b>141,495,106</b>   |
| Capital Appropriations - HEF           | 37,346,563               | -                       | -                 | -                        | 37,346,563           |
| <b>Capital Appropriations</b>          | <b>37,346,563</b>        | <b>-</b>                | <b>-</b>          | <b>-</b>                 | <b>37,346,563</b>    |
| Gross Professional Fees                | -                        | -                       | -                 | -                        | -                    |
| Contractual Allowances and Discounts   | -                        | -                       | -                 | -                        | -                    |
| <b>Net Professional Fees</b>           | <b>-</b>                 | <b>-</b>                | <b>-</b>          | <b>-</b>                 | <b>-</b>             |
| <b>Gift Income</b>                     | <b>-</b>                 | <b>2,685,000</b>        | <b>-</b>          | <b>8,000,000</b>         | <b>10,685,000</b>    |
| <b>Investment Income</b>               | <b>117,883</b>           | <b>5,737,006</b>        | <b>266,960</b>    | <b>-</b>                 | <b>6,121,850</b>     |
| <b>Other Revenue</b>                   | <b>57,000</b>            | <b>929,873</b>          | <b>-</b>          | <b>-</b>                 | <b>986,873</b>       |
| <b>Revenues</b>                        | <b>239,554,463</b>       | <b>307,682,462</b>      | <b>91,594,608</b> | <b>101,190,733</b>       | <b>740,022,266</b>   |



## FY 2021 – University of North Texas Budget - Current Funds by Quarter

|   | Q1 FYTD<br>Estimate | Q2 FYTD<br>Estimate | Q3 FYTD<br>Estimate | Q4 FYTD<br>Budget    |
|---|---------------------|---------------------|---------------------|----------------------|
| <b>Revenues</b>                                     |                     |                     |                     |                      |
| Net Tuition and Fees                                | 145,582,133         | 286,676,515         | 294,831,721         | 327,461,123          |
| Sales of Goods and Services                         | 40,811,333          | 82,022,379          | 88,114,941          | 97,487,241           |
| Grants and Contracts                                | 20,309,322          | 65,879,273          | 75,268,824          | 118,438,511          |
| State Appropriations                                | 113,910,893         | 121,087,977         | 129,475,653         | 141,495,106          |
| Capital Appropriations                              | 37,346,563          | 37,346,563          | 37,346,563          | 37,346,563           |
| Net Professional Fees                               |                     |                     |                     |                      |
| Gift Income   | 2,591,250           | 5,342,500           | 7,853,750           | 10,685,000           |
| Investment Income                                   | 627,510             | 2,190,562           | 5,123,484           | 6,121,850            |
| Other Revenue                                       | 246,718             | 493,437             | 740,155             | 986,873              |
| <b>Total Revenues</b>                               | <b>361,425,721</b>  | <b>601,039,206</b>  | <b>638,755,091</b>  | <b>740,022,266</b>   |
| <b>Expenditures</b>                                 |                     |                     |                     |                      |
| Salaries - Faculty                                  | 44,289,574          | 88,692,917          | 132,884,142         | 149,214,551          |
| Salaries - Staff                                    | 36,457,680          | 73,709,601          | 111,320,115         | 149,456,106          |
| Wages and Other Compensation                        | 6,222,854           | 10,528,994          | 15,545,399          | 19,579,179           |
| Benefits and Other Payroll-Related Costs            | 19,618,069          | 40,859,767          | 62,652,691          | 84,487,044           |
| Cost of Goods Sold                                  | 2,902,094           | 4,977,210           | 7,086,841           | 8,752,531            |
| Professional Fees and Services                      | 4,476,057           | 8,166,147           | 12,397,156          | 17,253,270           |
| Travel  | 581,818             | 1,383,356           | 2,624,654           | 3,843,317            |
| Materials and Supplies                              | 6,023,181           | 13,051,924          | 19,196,558          | 27,537,025           |
| Communication and Utilities                         | 2,695,711           | 5,831,744           | 10,266,452          | 15,463,307           |
| Repairs and Maintenance                             | 3,988,631           | 6,356,334           | 8,496,361           | 13,726,835           |
| Rentals and Leases                                  | 3,219,084           | 4,992,499           | 7,145,171           | 9,905,674            |
| Printing and Reproduction                           | 870,409             | 1,796,932           | 2,755,179           | 4,351,579            |
| Capital Expenditures                                | 2,595,709           | 6,648,745           | 9,609,652           | 12,885,112           |
| Federal and State Pass-Through Expense              | 258,935             | 517,871             | 776,806             | 1,035,742            |
| Scholarships, Exemptions, and Financial Aid         | 16,662,459          | 63,565,019          | 67,779,769          | 92,715,059           |
| Other Expenditures                                  | 4,462,137           | 8,062,408           | 11,762,745          | 17,065,475           |
| <b>Total Expenditures</b>                           | <b>155,324,402</b>  | <b>339,141,466</b>  | <b>482,299,691</b>  | <b>627,271,806</b>   |
| <b>Transfers</b>                                    |                     |                     |                     |                      |
| <i><b>Intra-campus Transfers Between Funds:</b></i> |                     |                     |                     |                      |
| Debt Service Transfer In (Out)                      | (8,951,570)         | (17,903,139)        | (26,854,709)        | (35,806,278)         |
| Inter-Fund Transfer In/(Out)                        | (20,403,000)        | (20,403,000)        | (20,403,000)        | (20,403,000)         |
| <i><b>Transfers Between UNTS Components:</b></i>    |                     |                     |                     |                      |
| System Services Allocations                         | (9,956,910)         | (19,913,820)        | (29,870,729)        | (39,827,639)         |
| Other Inter-Unit Transfers In/(Out)                 | (345,027)           | (690,055)           | (1,035,082)         | (1,380,109)          |
| <i><b>Other Transfers:</b></i>                      |                     |                     |                     |                      |
| Transfer to Other State Agencies In/(Out)           | -                   | -                   | 600,000             | 600,000              |
| Other Legislative Transfers In/(Out)                | (12,484,538)        | (12,484,538)        | (11,459,538)        | (11,459,538)         |
| <b>Total Transfers</b>                              | <b>(52,141,045)</b> | <b>(71,394,551)</b> | <b>(89,023,058)</b> | <b>(108,276,564)</b> |
| <b>Estimated Impact on Fund Balance</b>             | <b>153,960,274</b>  | <b>190,503,188</b>  | <b>67,432,343</b>   | <b>4,473,896</b>     |

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# UNT Health Science Center Budget Overview

## Executive Summary and Highlights

UNT Health Science Center is dedicated to its steadfast mission to **create solutions for a healthier community** through cultivating people by having a value based innovative culture, establishing new programs in healthcare and educational delivery, and being a source of expertise and a thought leader. Budget priorities for the coming fiscal year reflect UNTHSC's commitment to the future of health care, science, and research. Among the institutional priorities are:

- Center for BioHealth renovation that will increase imaging capabilities and open possibilities of expanded community healthcare through imaging partnerships.
- Renovation of Willet Body Program facility to further enhance the education of future physicians, scientists and other healthcare providers to help improve the quality of health for families.
- Investments in research through expansion of the animal Imaging Core Laboratory which will provide valuable support in the pursuit of new healthcare discoveries.
- Creation of collaborations that will redefine inclusive solutions for equity through strategy to address and promote inclusive growth, equity in race, health and gender on the HSC campus, and community engagement that supports long-term health equality.

UNTHSC achieved several milestones during the last fiscal year:

- Provided contact tracing, epidemiology and biostatistics, data support and manufacturing of viral transport media to Tarrant County, as well as established drive-through test sites for first responders and community members in response to the COVID19 pandemic.
- Granted recognition as the #1 – most productive medical school for innovation impact by George W. Bush Institute.
- Received recognition for School of Public Health as #1 in selectivity in five state region.
- Awarded a National Institute on Aging grant for Alzheimer's research to be conducted by the Institute for Translational Research.
- Achieved #72 ranking out of all medical schools by U.S. News and TCOM as top osteopathic school in the nation.

## Revenues

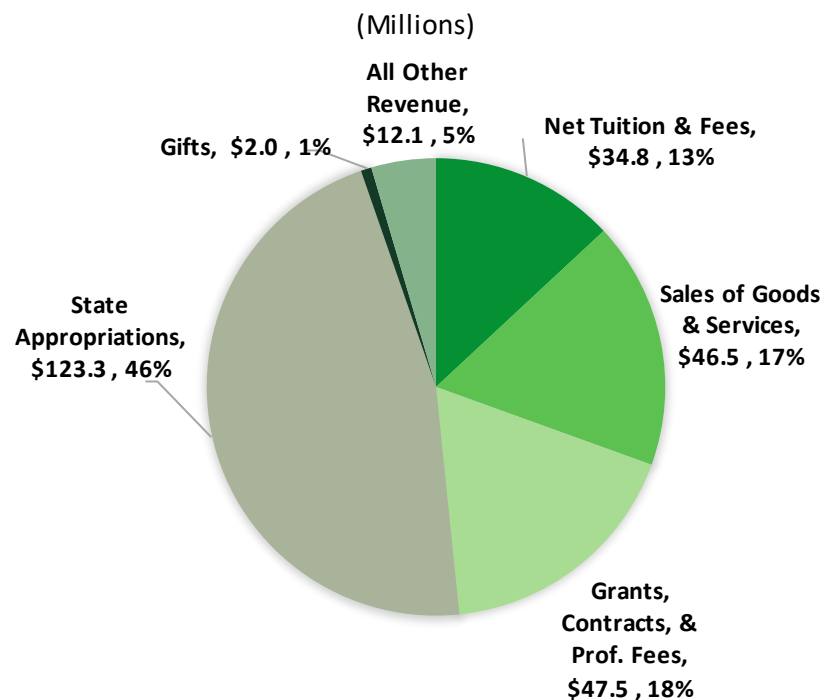
Overall, UNTHSC expects to generate \$266.2 million in revenue over the next fiscal year. This represents a net increase of \$0.1 million (0.0%) from FY 2020. Revenues in total are expected to remain flat, however, grants and contracts are expected to increase while clinical practice professional fees are expected to decrease.

### State Appropriations

State appropriations, including State-paid benefits, reflect a net decrease of \$0.3 million (.3%) from the FY 2020 budget. This change is attributable to less provisions for State-paid benefits from prior year appropriations.

It should be noted that additional State funding of \$2.5 million was provided to reduce the significant State-wide backlog of sexual assault cases. The funding for this program will be treated as a transfer to UNTHSC and, as such, is not reflected in the abovementioned amount.

### FY 2021 Budgeted Revenues



### Tuition and Fees

Net tuition and fees are expected to increase by \$1.7 million (5%) from the FY 2020 budget, primarily due to upwards trending enrollment.

### Sales of Goods & Services

Sales of Goods & Services reflect a net increase of \$.4 million (1%) from the FY 2020 budget, due to the flattening of available funding from the 1115 Waiver program, as this federal initiative draws to a close.

### Grants & Contracts

Grants & Contracts increased \$4.1M (9%) from the 2020 budget, primarily as a result of awards received from the National Institute on Aging combined with continuation of existing grants received for research.

## Expenses

Total expenditures are estimated at \$226.0 million over the next fiscal year. This represents an overall decrease of \$5.1 million (2%) from FY 2020. The majority of this decrease is attributable to fiscally responsible steps and measures taken to reduce costs in response to fiscal impacts caused by the COVID19 pandemic.

### *Personnel Costs*

Personnel costs represent 63% of the UNTHSC expenditure budget. Overall, UNTHSC is projecting a net decrease of \$12.2 million (8%) from the FY 2020 budget driven by HSC cost saving budget reduction measures and faculty voluntary separations.

### *Professional Fees and Services*

Professional fees and services are expected to increase by \$0.8 million (2%) from the FY 2020 budget, although the medical services provided to the federal prison population are expected to continue essentially at the same level. The increase is attributable to an increase in grants and contracts.

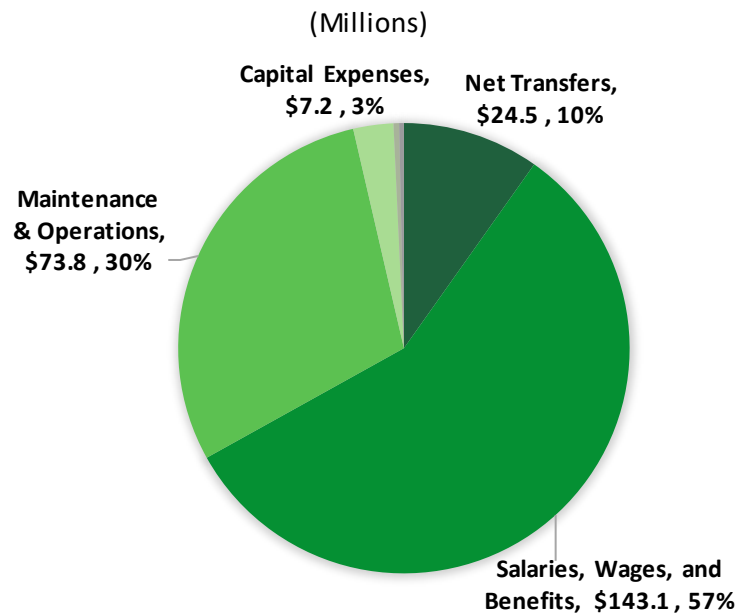
### *Capital Expenses*

Capital Expenses are expected to increase by \$.7 million (11%) from the FY 2020 budget, which is mostly attributable to an overall projected increase in planned renovations and other maintenance needs.

### *Transfers*

Net Transfers decreased \$1.7 million (7%) from FY 2020, primarily due to a reduction in debt service funding transfers.

## FY 2021 Budgeted Expenses and Net Transfers





## Capital Expenses

### *Capital Expenditures*

As part of the capital plan, debt will be issued for both new endeavors and previously-approved projects.

#### New Projects:

- Renovation of May Street for Willed Body Program (\$2.4 million – HEF)

#### Previously-Approved Project:

- Center for BioHealth Level 1 Renovation (\$13.7 million – RFS)
- Campus Energy Infrastructure Improvements (\$8.0 million - RFS)
- Gibson Library Level 1 Renovation (\$5.5 million - RFS)
- 550 Bailey 5th Floor Renovation (\$2.0 million – HEF)

## FY 2021 – UNT Health Science Center Budget Summary – Current Funds

|   | FY 2020<br>Budget   | FY 2020 Forecast<br>(Actuals) | FY 2021<br>Budget   | Increases (Decreases)            |                    |
|---|---------------------|-------------------------------|---------------------|----------------------------------|--------------------|
|   |                     |                               |                     | FY 2021 to FY 2020 Est<br>Amount | Actuals<br>Percent |
| <b>Revenues</b>                                     |                     |                               |                     |                                  |                    |
| Net Tuition and Fees                                | 33,100,000          | 31,100,000                    | 34,750,000          | 3,650,000                        | 11.7%              |
| Sales of Goods and Services                         | 46,100,000          | 46,100,000                    | 46,500,000          | 400,000                          | 0.9%               |
| Grants and Contracts                                | 43,400,000          | 43,400,000                    | 47,500,000          | 4,100,000                        | 9.4%               |
| State Appropriations                                | 108,472,129         | 108,000,000                   | 108,158,166         | 158,166                          | 0.1%               |
| Capital Appropriations                              | 17,091,856          | 17,091,856                    | 15,125,502          | (1,966,354)                      | -11.5%             |
| Net Professional Fees                               | 12,200,000          | 11,200,000                    | 9,200,000           | (2,000,000)                      | -17.9%             |
| Gift Income   | 2,000,000           | 4,000,000                     | 2,000,000           | (2,000,000)                      | -50.0%             |
| Investment Income                                   | 2,925,000           | 2,925,000                     | 2,875,000           | (50,000)                         | -1.7%              |
| Other Revenue                                       | 750,000             | 1,300,000                     | 50,000              | (1,250,000)                      | -96.2%             |
| <b>Total Revenues</b>                               | <b>266,038,985</b>  | <b>265,116,856</b>            | <b>266,158,668</b>  | <b>1,041,812</b>                 | <b>0.4%</b>        |
| <b>Expenses</b>                                     |                     |                               |                     |                                  |                    |
| Salaries - Faculty                                  | 49,000,000          | 47,500,000                    | 43,500,000          | (4,000,000)                      | -8.4%              |
| Salaries - Staff                                    | 69,000,000          | 65,500,000                    | 67,000,000          | 1,500,000                        | 2.3%               |
| Wages and Other Compensation                        | 5,500,000           | 5,500,000                     | 3,600,000           | (1,900,000)                      | -34.5%             |
| Benefits and Other Payroll-Related Costs            | 31,750,000          | 31,750,000                    | 29,000,000          | (2,750,000)                      | -8.7%              |
| <b>Subtotal - Personnel Costs</b>                   | <b>155,250,000</b>  | <b>150,250,000</b>            | <b>143,100,000</b>  | <b>(7,150,000)</b>               | <b>-4.8%</b>       |
| Cost of Goods Sold                                  | -                   | -                             | -                   | -                                | -                  |
| Professional Fees and Services                      | 36,650,000          | 38,000,000                    | 37,450,000          | (550,000)                        | -1.4%              |
| Travel  | 2,400,000           | 1,400,000                     | 3,000,000           | 1,600,000                        | 114.3%             |
| Materials and Supplies                              | 12,250,000          | 14,000,000                    | 13,500,000          | (500,000)                        | -3.6%              |
| Communication and Utilities                         | 2,750,000           | 2,750,000                     | 3,100,000           | 350,000                          | 12.7%              |
| Repairs and Maintenance                             | 4,000,000           | 3,500,000                     | 5,100,000           | 1,600,000                        | 45.7%              |
| Rentals and Leases                                  | 2,000,000           | 2,800,000                     | 2,500,000           | (300,000)                        | -10.7%             |
| Printing and Reproduction                           | 500,000             | 600,000                       | 750,000             | 150,000                          | 25.0%              |
| Other Expenditures                                  | 7,000,000           | 7,000,000                     | 8,443,000           | 1,443,000                        | 20.6%              |
| <b>Subtotal - Maintenance &amp; Operation Costs</b> | <b>67,550,000</b>   | <b>70,050,000</b>             | <b>73,843,000</b>   | <b>3,793,000</b>                 | <b>5.4%</b>        |
| Capital Expenditures                                | 6,500,000           | 6,500,000                     | 7,200,000           | 700,000                          | 10.8%              |
| Federal and State Pass-Through Expense              | 1,000,000           | 2,000,000                     | 1,000,000           | (1,000,000)                      | -50.0%             |
| Scholarships  | 800,000             | 800,000                       | 850,000             | 50,000                           | 6.3%               |
| <b>Total Expenses</b>                               | <b>231,100,000</b>  | <b>229,600,001</b>            | <b>225,993,000</b>  | <b>(3,607,001)</b>               | <b>-1.6%</b>       |
| <b>Transfers</b>                                    |                     |                               |                     |                                  |                    |
| <b>Intra-campus Transfers Between Funds</b>         |                     |                               |                     |                                  |                    |
| Inter-Fund Transfer In/(Out)                        | (2,694,595)         | (3,250,000)                   | (2,620,391)         | 629,609                          | -19.4%             |
| <b>Transfers Between UNTS Components</b>            |                     |                               |                     |                                  |                    |
| System Service Allocations                          | (4,028,282)         | (4,028,282)                   | (3,439,264)         | 589,018                          | -14.6%             |
| Other Inter-Unit Transfers in/(Out)                 | (17,282,087)        | (17,282,087)                  | (5,259,088)         | 12,022,999                       | -69.6%             |
| <b>Other Transfers</b>                              |                     |                               |                     |                                  |                    |
| Transfer to Other State Agencies In/(Out)           | -                   | -                             | -                   | -                                | -                  |
| Legislative Transfers In/(Out)                      | (2,250,000)         | (2,250,000)                   | (13,225,617)        | (10,975,617)                     | 487.8%             |
| <b>Total Transfers</b>                              | <b>(26,254,964)</b> | <b>(26,810,369)</b>           | <b>(24,544,360)</b> | <b>2,266,009</b>                 | <b>-8.5%</b>       |
| <b>Estimated Impact on Fund Balance</b>             | <b>8,684,021</b>    | <b>8,706,486</b>              | <b>15,621,308</b>   | <b>6,914,822</b>                 | <b>79.4%</b>       |

## FY 2021 – UNT Health Science Center Budget Detail by Fund Group – Current Funds

|   | Current Funds            |                         |                  |                          |                     |
|---|--------------------------|-------------------------|------------------|--------------------------|---------------------|
|   | Educational &<br>General | Designated<br>Operating | Auxiliary        | Restricted<br>Expendable | Current Funds       |
| <b>REVENUES</b>                                     |                          |                         |                  |                          |                     |
| Net Tuition and Fees                                | 11,525,000               | 23,225,000              | -                | -                        | 34,750,000          |
| Sales of Goods and Services                         | -                        | 45,951,319              | 501,826          | -                        | 46,500,000          |
| Grants and Contracts                                | 825,000                  | 275,000                 | -                | 46,400,000               | 47,500,000          |
| State Appropriations                                | 108,158,166              | -                       | -                | -                        | 108,158,166         |
| Capital Appropriations                              | 15,125,502               | -                       | -                | -                        | 15,125,502          |
| Net Professional Fees                               | -                        | 9,200,000               | -                | -                        | 9,200,000           |
| Gift Income   | -                        | -                       | -                | 2,000,000                | 2,000,000           |
| Investment Income                                   | -                        | 2,875,000               | -                | -                        | 2,875,000           |
| Other Revenue                                       | -                        | 50,000                  | -                | -                        | 50,000              |
| <b>Revenues</b>                                     | <b>135,633,668</b>       | <b>81,576,319</b>       | <b>501,826</b>   | <b>48,446,855</b>        | <b>266,158,668</b>  |
| <b>EXPENDITURES</b>                                 |                          |                         |                  |                          |                     |
| Salaries - Faculty                                  | 30,901,865               | 6,406,131               | -                | 6,192,004                | 43,500,000          |
| Salaries - Staff                                    | 41,555,844               | 15,563,421              | 140,490          | 9,740,245                | 67,000,000          |
| Wages and Other Compensation                        | 614,327                  | 2,911,059               | 2,736            | 71,878                   | 3,600,000           |
| Benefits and Other Payroll-Related Costs            | 16,846,496               | 8,057,528               | 44,400           | 4,051,576                | 29,000,000          |
| Cost of Goods Sold                                  | -                        | -                       | -                | -                        | -                   |
| Professional Fees and Services                      | 3,046,961                | 22,218,039              | 35,000           | 12,150,000               | 37,450,000          |
| Travel  | 83,544                   | 2,110,646               | -                | 805,810                  | 3,000,000           |
| Materials and Supplies                              | 6,012,281                | 2,605,398               | 30,000           | 4,852,322                | 13,500,000          |
| Communication and Utilities                         | 1,211,966                | 1,743,034               | 45,000           | 100,000                  | 3,100,000           |
| Repairs and Maintenance                             | 820,517                  | 4,125,627               | 28,856           | 125,000                  | 5,100,000           |
| Rentals and Leases                                  | 190,720                  | 2,214,280               | -                | 95,000                   | 2,500,000           |
| Printing and Reproduction                           | 102,226                  | 572,774                 | -                | 75,000                   | 750,000             |
| Debt Service - Principal                            | -                        | -                       | -                | -                        | -                   |
| Debt Service - Interest                             | -                        | -                       | -                | -                        | -                   |
| Capital Expenditures                                | 6,701,535                | 274,297                 | -                | 224,168                  | 7,200,000           |
| Federal and State Pass-Through Expense              | -                        | -                       | -                | 1,000,000                | 1,000,000           |
| Scholarships  | -                        | 850,000                 | -                | -                        | 850,000             |
| Other Expenditures                                  | 5,681,542                | 1,575,282               | -                | 1,186,176                | 8,443,000           |
| <b>Expenditures</b>                                 | <b>113,769,824</b>       | <b>71,227,515</b>       | <b>326,482</b>   | <b>40,669,179</b>        | <b>225,993,000</b>  |
| <b>TRANSFERS</b>                                    |                          |                         |                  |                          |                     |
| <i><b>Intra-campus Transfers Between Funds:</b></i> |                          |                         |                  |                          |                     |
| Inter-Fund Transfer In/(Out)                        | (3,720,391)              | 8,800,000               | -                | (7,700,000)              | (2,620,391)         |
| <i><b>Transfers Between UNTS Components:</b></i>    |                          |                         |                  |                          |                     |
| System Services Allocations                         | -                        | (3,439,264)             | -                | -                        | (3,439,264)         |
| Other Inter-Unit Transfers In/(Out)                 | (4,608,894)              | (474,850)               | (175,344)        | -                        | (5,259,088)         |
| <i><b>Other Transfers:</b></i>                      |                          |                         |                  |                          |                     |
| Transfer to Other State Agencies In/(Out)           | -                        | -                       | -                | -                        | -                   |
| Legislative Transfers In/(Out)                      | (13,225,617)             | -                       | -                | -                        | (13,225,617)        |
| <b>Transfers</b>                                    | <b>(21,554,902)</b>      | <b>4,885,886</b>        | <b>(175,344)</b> | <b>(7,700,000)</b>       | <b>(24,544,360)</b> |
| <b>Estimated Impact on Fund Balance</b>             | <b>308,942</b>           | <b>15,234,690</b>       | <b>0</b>         | <b>77,675</b>            | <b>15,621,308</b>   |

**Planned Use of Fund Balance & Debt Proceeds**

|  |   |   |   |   |   |
|--|---|---|---|---|---|
| <b>Planned Use of Fund Balance &amp; Debt Proceeds</b> | - | - | - | - | - |
|--|---|---|---|---|---|

## FY 2021 – UNT Health Science Center

### Budget Detail by Fund Group – Non-Current Funds

|  | Non-Current Funds  |                  |                     |                     | FY21                |
|--|--------------------|------------------|---------------------|---------------------|---------------------|
|  | Endowment Funds    | Loan Funds       | Plant and Debt      | Non-Current         | All Funds           |
| <b>REVENUES</b>                              |                    |                  |                     |                     |                     |
| Net Tuition and Fees                         | -                  | -                | -                   | -                   | 34,750,000          |
| Sales of Goods and Services                  | -                  | -                | -                   | -                   | 46,500,000          |
| Grants and Contracts                         | -                  | -                | -                   | -                   | 47,500,000          |
| State Appropriations                         | -                  | -                | -                   | -                   | 108,158,166         |
| Capital Appropriations                       | -                  | -                | -                   | -                   | 15,125,502          |
| Net Professional Fees                        | -                  | -                | -                   | -                   | 9,200,000           |
| Gift Income                                  | -                  | -                | -                   | -                   | 2,000,000           |
| Investment Income                            | -                  | -                | -                   | -                   | 3,975,000           |
| Other Revenue                                | 1,100,000          | -                | -                   | 1,100,000           | 50,000              |
| <b>Revenues</b>                              | <b>1,100,000</b>   | <b>-</b>         | <b>-</b>            | <b>-</b>            | <b>267,258,668</b>  |
| <b>EXPENDITURES</b>                          |                    |                  |                     |                     |                     |
| Salaries - Faculty                           | -                  | -                | -                   | -                   | 43,500,000          |
| Salaries - Staff                             | -                  | -                | -                   | -                   | 67,000,000          |
| Wages and Other Compensation                 | -                  | -                | -                   | -                   | 3,600,000           |
| Benefits and Other Payroll-Related Costs     | -                  | -                | -                   | -                   | 29,000,000          |
| Cost of Goods Sold                           | -                  | -                | -                   | -                   | -                   |
| Professional Fees and Services               | -                  | -                | -                   | -                   | 37,450,000          |
| Travel                                       | -                  | -                | -                   | -                   | 3,000,000           |
| Materials and Supplies                       | -                  | -                | -                   | -                   | 13,500,000          |
| Communication and Utilities                  | -                  | -                | -                   | -                   | 3,100,000           |
| Repairs and Maintenance                      | -                  | -                | -                   | -                   | 5,100,000           |
| Rentals and Leases                           | -                  | -                | -                   | -                   | 2,500,000           |
| Printing and Reproduction                    | -                  | -                | -                   | -                   | 750,000             |
| Debt Service - Principal                     | -                  | -                | -                   | -                   | -                   |
| Debt Service - Interest                      | -                  | -                | -                   | -                   | -                   |
| Capital Expenditures                         | -                  | -                | 24,270,000          | 24,270,000          | 31,470,000          |
| Federal and State Pass-Through Expense       | -                  | -                | -                   | -                   | 1,000,000           |
| Scholarships                                 | -                  | 950,000          | -                   | 950,000             | 1,800,000           |
| Other Expenditures                           | -                  | -                | -                   | -                   | 8,443,000           |
| <b>Expenditures</b>                          | <b>-</b>           | <b>950,000</b>   | <b>24,270,000</b>   | <b>25,220,000</b>   | <b>251,213,001</b>  |
| <b>TRANSFERS</b>                             |                    |                  |                     |                     |                     |
| <i>Intra-campus Transfers Between Funds:</i> |                    |                  |                     |                     |                     |
| Inter-Fund Transfer In/(Out)                 | (1,100,000)        | 1,210,000        | 2,510,391           | 2,620,391           | -                   |
| <i>Transfers Between UNTS Components:</i>    |                    |                  |                     |                     |                     |
| System Services Allocations                  | -                  | -                | -                   | -                   | (3,439,264)         |
| Other Inter-Unit Transfers In/(Out)          | -                  | -                | -                   | -                   | (5,259,087)         |
| <i>Other Transfers:</i>                      |                    |                  |                     |                     |                     |
| Transfer to Other State Agencies In/(Out)    | -                  | -                | -                   | -                   | -                   |
| Legislative Transfers In/(Out)               | -                  | -                | -                   | -                   | (13,225,617)        |
| <b>Transfers</b>                             | <b>(1,100,000)</b> | <b>1,210,000</b> | <b>2,510,391</b>    | <b>2,620,391</b>    | <b>(21,923,968)</b> |
| <b>Estimated Impact on Fund Balance</b>      | <b>-</b>           | <b>260,000</b>   | <b>(21,759,609)</b> | <b>(21,499,609)</b> | <b>(5,878,301)</b>  |

Planned Use of Fund Balance & Debt Proceeds \_\_\_\_\_

Planned Use of Fund Balance & Debt Proceeds \_\_\_\_\_

## FY 2021 – UNT Health Science Center

### Budgeted Revenue Breakout by Fund – Current Funds

|  | <i>Current Funds</i>             |                             |                  |                              | <b>Current Funds</b> |
|--|----------------------------------|-----------------------------|------------------|------------------------------|----------------------|
|  | <b>Educational &amp; General</b> | <b>Designated Operating</b> | <b>Auxiliary</b> | <b>Restricted Expendable</b> |                      |
| Resident Undergrad Tuition             | -                                | -                           | -                | -                            | -                    |
| Non-resident Undergrad Tuition         | -                                | -                           | -                | -                            | -                    |
| Other Undergrad Tuition                | -                                | -                           | -                | -                            | -                    |
| Waivers Undergrad Tuition              | -                                | -                           | -                | -                            | -                    |
| <b>Gross Undergraduate Tuition</b>     | -                                | -                           | -                | -                            | -                    |
| Resident Graduate Tuition              | 11,800,000                       | 10,778,228                  | -                | -                            | 22,578,228           |
| Non-resident Graduate Tuition          | 3,225,000                        | 2,800,000                   | -                | -                            | 6,025,000            |
| Other Graduate Tuition                 | -                                | -                           | -                | -                            | -                    |
| Waivers Graduate Tuition               | -                                | -                           | -                | -                            | -                    |
| <b>Gross Graduate Tuition</b>          | <b>15,025,000</b>                | <b>13,578,228</b>           | -                | -                            | <b>28,603,228</b>    |
| Fees - Instructional                   | -                                | 6,256,011                   | -                | -                            | 6,256,011            |
| Fees - Mandatory                       | -                                | 3,762,490                   | -                | -                            | 3,762,490            |
| Fees - Incidental                      | -                                | 1,028,270                   | -                | -                            | 1,028,270            |
| Waivers - Fees                         | (1,800,000)                      | (600,000)                   | -                | -                            | (2,400,000)          |
| <b>Gross Fees</b>                      | <b>(1,800,000)</b>               | <b>10,446,772</b>           | -                | -                            | <b>8,646,772</b>     |
| Disc & Allow-Tuition and Fee           | (1,700,000)                      | (800,000)                   | -                | -                            | (2,500,000)          |
| <b>Discount and Allowances</b>         | <b>(1,700,000)</b>               | <b>(800,000)</b>            | -                | -                            | <b>(2,500,000)</b>   |
| <b>Net Tuition and Fees</b>            | <b>11,525,000</b>                | <b>23,225,000</b>           | -                | -                            | <b>34,750,000</b>    |
| Athletics                              | -                                | -                           | -                | -                            | -                    |
| Auxiliary Enterprises                  | -                                | -                           | 501,826          | -                            | 781,826              |
| Discounts and Allowances - Auxiliaries | -                                | -                           | -                | -                            | -                    |
| Other Sales of Goods and Services      | -                                | 45,671,319                  | -                | 46,855                       | 45,718,174           |
| <b>Sales of Goods and Services</b>     | -                                | <b>45,951,319</b>           | <b>501,826</b>   | <b>46,855</b>                | <b>46,500,000</b>    |
| Federal Programs and Contracts         | -                                | 87,655                      | -                | 39,900,000                   | 39,987,655           |
| Federal Financial Aid                  | -                                | -                           | -                | -                            | -                    |
| State Programs and Contracts           | 825,000                          | -                           | -                | 3,250,000                    | 4,075,000            |
| State Financial Aid                    | -                                | -                           | -                | -                            | -                    |
| Other Grants and Contracts             | -                                | 187,345                     | -                | 3,250,000                    | 3,437,345            |
| <b>Grants and Contracts</b>            | <b>825,000</b>                   | <b>275,000</b>              | -                | <b>46,400,000</b>            | <b>47,500,000</b>    |
| State Appropriations - General         | 93,116,953                       | -                           | -                | -                            | 93,116,953           |
| State Appropriations - Additional      | 15,041,213                       | -                           | -                | -                            | 15,041,213           |
| <b>State Appropriations</b>            | <b>108,158,166</b>               | -                           | -                | -                            | <b>108,158,166</b>   |
| Capital Appropriations - HEF           | 15,125,502                       | -                           | -                | -                            | 15,125,502           |
| <b>Capital Appropriations</b>          | <b>15,125,502</b>                | -                           | -                | -                            | <b>15,125,502</b>    |
| Gross Professional Fees                | -                                | 21,347,321                  | -                | -                            | 21,347,321           |
| Contractual Allowances and Discounts   | -                                | (12,147,321)                | -                | -                            | (12,147,321)         |
| <b>Net Professional Fees</b>           | -                                | <b>9,200,000</b>            | -                | -                            | <b>9,200,000</b>     |
| <b>Gift Income</b>                     | -                                | -                           | -                | <b>2,000,000</b>             | <b>2,000,000</b>     |
| <b>Investment Income</b>               | -                                | <b>2,875,000</b>            | -                | -                            | <b>2,875,000</b>     |
| <b>Other Revenue</b>                   | -                                | <b>50,000</b>               | -                | -                            | <b>50,000</b>        |
| <b>Revenues</b>                        | <b>135,633,668</b>               | <b>81,576,318</b>           | <b>501,826</b>   | <b>48,446,855</b>            | <b>266,158,668</b>   |

## FY 2021 – UNT Health Science Center Budget – Current Funds by Quarter

|   | Q1 FYTD<br>Estimate | Q2 FYTD<br>Estimate | Q3 FYTD<br>Estimate | Q4 FYTD<br>Budget   |
|---|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>                                     |                     |                     |                     |                     |
| Net Tuition and Fees                                | 12,112,500          | 25,112,500          | 27,662,500          | 34,750,000          |
| Sales of Goods and Services                         | 8,100,000           | 23,100,000          | 32,100,000          | 46,500,000          |
| Grants and Contracts                                | 8,525,000           | 18,525,000          | 29,525,000          | 47,500,000          |
| State Appropriations                                | 95,921,509          | 98,921,509          | 102,421,509         | 108,158,166         |
| Capital Appropriations                              | 15,125,502          | 15,125,502          | 15,125,502          | 15,125,502          |
| Net Professional Fees                               | 3,250,000           | 6,750,000           | 9,750,000           | 9,200,000           |
| Gift Income   | 500,000             | 1,000,000           | 1,500,000           | 2,000,000           |
| Investment Income                                   | 487,500             | 1,287,500           | 1,987,500           | 2,875,000           |
| Other Revenue                                       | 10,000              | 20,000              | 35,000              | 50,000              |
| <b>Total Revenues</b>                               | <b>144,032,011</b>  | <b>189,842,011</b>  | <b>220,107,011</b>  | <b>266,158,668</b>  |
| <b>Expenditures</b>                                 |                     |                     |                     |                     |
| Salaries - Faculty                                  | 10,125,000          | 22,125,000          | 34,625,000          | 43,500,000          |
| Salaries - Staff                                    | 15,250,000          | 33,000,000          | 50,500,000          | 67,000,000          |
| Wages and Other Compensation                        | 1,025,000           | 2,025,000           | 3,025,000           | 3,600,000           |
| Benefits and Other Payroll-Related Costs            | 6,062,500           | 13,312,500          | 21,312,500          | 29,000,000          |
| Cost of Goods Sold                                  | -                   | -                   | -                   | -                   |
| Professional Fees and Services                      | 6,700,000           | 15,200,000          | 24,200,000          | 37,450,000          |
| Travel  | 550,000             | 950,000             | 1,650,000           | 3,000,000           |
| Materials and Supplies                              | 2,612,500           | 5,312,500           | 8,812,500           | 13,500,000          |
| Communication and Utilities                         | 737,500             | 1,587,500           | 2,087,500           | 3,100,000           |
| Repairs and Maintenance                             | 1,275,000           | 2,275,000           | 3,525,000           | 5,100,000           |
| Rentals and Leases                                  | 725,000             | 1,125,000           | 1,625,000           | 2,500,000           |
| Printing and Reproduction                           | 262,500             | 362,500             | 462,500             | 750,000             |
| Capital Expenditures                                | 1,175,000           | 3,175,000           | 4,175,000           | 7,200,000           |
| Federal and State Pass-Through Expense              | 300,000             | 550,000             | 700,000             | 1,000,000           |
| Scholarships, Exemptions, and Financial Aid         | 212,500             | 312,500             | 412,500             | 850,000             |
| Other Expenditures                                  | 1,875,000           | 3,875,000           | 5,818,000           | 8,443,000           |
| <b>Total Expenditures</b>                           | <b>48,887,500</b>   | <b>105,187,500</b>  | <b>162,930,500</b>  | <b>225,993,000</b>  |
| <b>Transfers</b>                                    |                     |                     |                     |                     |
| <i><b>Intra-campus Transfers Between Funds:</b></i> |                     |                     |                     |                     |
| Debt Service Transfer In (Out)                      | -                   | -                   | -                   | -                   |
| Inter-Fund Transfer In/(Out)                        | (500,000)           | (1,000,000)         | (2,000,000)         | (2,620,391)         |
| <i><b>Transfers Between UNTS Components:</b></i>    |                     |                     |                     |                     |
| System Services Allocations                         | (859,816)           | (1,719,631)         | (2,579,447)         | (3,439,264)         |
| Other Inter-Unit Transfers In/(Out)                 | (1,327,417)         | (2,641,556)         | (3,955,696)         | (5,259,088)         |
| <i><b>Other Transfers:</b></i>                      |                     |                     |                     |                     |
| Transfer to Other State Agencies In/(Out)           | -                   | -                   | -                   | -                   |
| Other Legislative Transfers In/(Out)                | (13,225,617)        | (13,225,617)        | (13,225,617)        | (13,225,617)        |
| <b>Total Transfers</b>                              | <b>(15,912,849)</b> | <b>(18,586,804)</b> | <b>(21,760,759)</b> | <b>(24,544,360)</b> |
| <b>Estimated Impact on Fund Balance</b>             | <b>79,231,662</b>   | <b>66,067,707</b>   | <b>35,415,752</b>   | <b>15,621,308</b>   |

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# UNT Dallas Budget Overview

## Executive Summary and Highlights

The University of North Texas at Dallas is the only public, accredited 4-year university in the City of Dallas. UNT Dallas has served as a pathway to socioeconomic mobility since its establishment in 2010. According to a study conducted by the Dallas-based nonprofit ScholarShot, UNT Dallas is number 1 in the State for effectively serving first-generation, low-income students.

We offer our students the most affordable tuition plans in the Dallas region – helping them blaze their trail toward a bachelor’s, master’s or juris doctoral degree, while minimizing student debt. According to the 2020 U.S. News & World Report, UNT Dallas is number 1 among 112 universities in its classification for least student debt. Our value-based education is accompanied by innovative, high-quality academic programs that include opportunities for rich experiential learning.

UNT Dallas is adapting to the COVID-19 environment and will emerge from the pandemic stronger than before. We will continue increasing enrollment, retention, and graduation rates. UNT Dallas has achieved record enrollment exceeding 4,000 students, with an expectation of growth to 5,000+ students by Fall 2022. UNT Dallas will continue to fulfil our mission to empower students, transform lives, and strengthen communities while maintaining a balanced budget now and in the future.

## Revenues

Total FY2021 current funds revenue for UNT Dallas is budgeted at \$76.0m. This is 5% increase over the FY2020 current funds revenue budget of \$72.4m.

### *State Appropriations*

FY2021 marks the second year of the FY2020-21 State biennium. Due to the COVID-19 pandemic the State has called for a 5% reduction to General Revenue appropriations in the 2020-21 biennium. This results in a \$1.4m reduction to the State appropriations that are budgeted for FY2021. There was no reduction to the Tuition Revenue Bonds (TRB) appropriations, which provides almost \$8m of support annually for Founder’s Hall, Dallas Building 1, and the Student Center debt service. Outside of the bill pattern, UNT Dallas will also be receiving a \$1.2m increase in our HEF allocation.

### *Tuition and Fees*

Due to the pandemic, UNT Dallas kept tuition and fee revenue estimates for the FY2021 budget mostly flat to be conservative with the aim of actual tuition and fee revenue being higher with the goal of minimum 4% growth. Prior to the pandemic, goals for growth were 8% and we plan to return to that growth level FY2022 and forward.



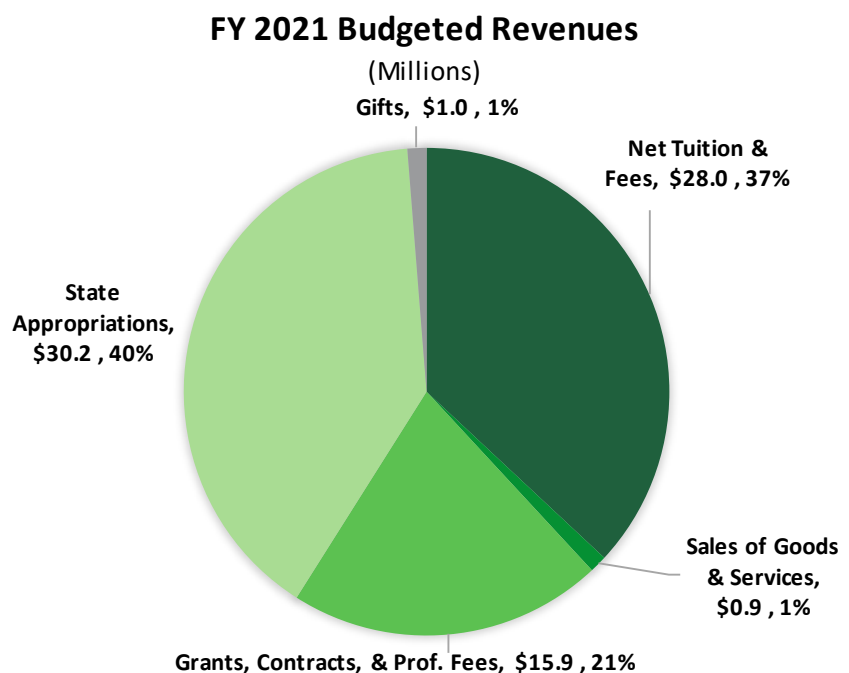
Tuition and fee rates remain mostly flat. The only tuition increase will be for the Fall 2020 entering class of law students. There are a few new fees which have been approved to start in FY2021. These are the athletics fee, graduate orientation fee, and undergraduate matriculation fee. The undergraduate matriculation fee will replace the undergraduate application fee. There will also be an increase to the undergraduate advising fee in order to provide the level of advisor to student ratios that are in line with best practices to help ensure student success.

The College of Law is projecting a slight increase in semester credit hour production with no increases in tuition rates. UNT Dallas College of Law received a record number of applications for the upcoming academic year as it continues its mission of providing quality and affordable legal education at the lowest cost in the State.

*Grants and Contracts*

Faculty and staff are active in pursuing grant funding from Federal, State, and Private sources. This has resulted in funding for new and exciting projects for the campus. For example, UNT Dallas will receive funding for the Community Youth Development grant beginning in FY2021. The overarching goal of the CYD program is to provide a vision, framework and holistic plan for students to attain a high school diploma and collegiate degree in order to become active participants in society. This program will allow us to reinforce our commitment in southern Dallas and fulfill our mission to strengthen communities by creating pathways to socioeconomic mobility.

Financial Aid awards that include PELL Grants and TEXAS Grants provide a large portion of grant revenue. There is also a temporary \$2.7m increase in the grants and contracts category due to planned use of CARES Act funds. This includes \$1m of funding dedicated to students, \$1.5m for institutional support, and \$218k from the minority serving institution allocation.



*Gift Income*

The budget for gift income on current funds is 961k. These gifts will be for discretionary use or restricted for use for a specific purpose depending on the intent of the donor. UNT Dallas has also budgeted to receive \$100k in non-current funds for use on a capital construction project (Ryan Tower). UNT Dallas will also retain some gifts in the UNT Dallas Foundation, including \$600k for use by the Caruth Police Institute in partnership with the Communities Foundation of Texas and the Meadows Mental Health Policy institute.

*Auxiliary Revenue*

As a result of implementing social distancing safety measures, the FY2021 auxiliary revenue budget is about 40% less than FY2020. It is anticipated that Wisdom Hall will be open at 50% capacity in order to provide each student their own private room and bathroom. We have also factored in a reduction to parking revenue as many employees and students will continue to work and learn remotely during the Fall 2020 semester. It is anticipated that this will be a temporary problem and auxiliary operations will return to normal in Spring 2021 or Fall 2021. Financial Aid awards that include PELL Grants and TEXAS Grants will provide a large portion of grant revenue. UNT Dallas has received increased allocation amounts in both PELL Grant and TEXAS Grant financial aid programs due to the rapid growth of the student body.

**Expenses**

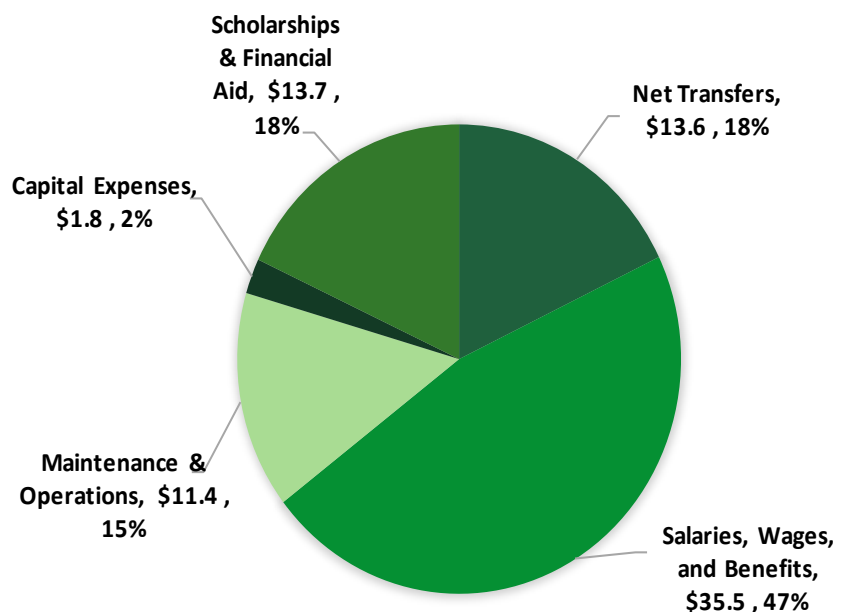
*Personnel*

Over the last few years, UNT Dallas has invested in growing the number of faculty and staff to provide exceptional instruction and student and business services. Due to these investments, UNT Dallas will be able to keep personnel expenses mostly flat for FY2021 with the only additions coming from new fee or grant revenues.

*Maintenance & Operations and Capital Expenditures*

The UNT Dallas budget for maintenance & operations and capital expenditures is increasing for FY2021 due the planned use of a \$1.2m increase in our HEF allocation. This will be used to fund campus infrastructure improvements and needed equipment replacement and acquisitions.

**FY 2021 Budgeted Expenses and Net Transfers**  
(Millions)



### *Scholarships and Financial Aid*

UNT Dallas' strategic initiative to remain one of the most affordable universities in North Texas requires a concerted effort around scholarships and financial aid. In support of this mission, the budget for institutionally funded scholarships was increased to \$2.5m in FY2020 and will remain at this level for FY2021. This provides scholarship opportunities in addition to the funds already set aside for tuition grants. PELL Grants and TEXAS Grants continue to be the largest source of student aid for UNTD students. There is also a temporary increase in scholarship expenses budgeted due to the planned distribution of the remainder of the student portion of the CARES Act funds.

### *Debt Service*

Debt service for UNT Dallas is relatively flat to the prior year. Debt services the following buildings on UNTD's campus: Founder's Hall, Dallas Building 1, Student Center, and Wisdom Hall. Every building except for Wisdom Hall is serviced by Tuition Revenue Bonds, in which the debt payments are reimbursed by the State. Debt service is approximately \$8.8m for FY2021.

### *Transfers*

UNT Dallas participates in cost-cutting efficiencies through shared services. Costs associated with services provided by UNT System Administration will remain flat for FY2021.

## **Impact to Fund Balances**

UNT Dallas is committed to the proper utilization of the scarce resources we are entrusted with by ensuring these funds are spent in the most efficient manner. Our proposed budget for FY2021 is balanced and as outlined in our 5-year plan, we plan to maintain a balanced budget in the years ahead. The University will continue to monitor spending throughout the year and will take measures necessary to ensure the fiscal health of the University now and into the future.

**FY 2021 – UNT Dallas**  
**Budget Summary – Current Funds**

|   | FY 2020<br>Budget   | FY 2020 Forecast<br>(Actuals) | FY 2021<br>Budget   | Increases (Decreases)                    |              |
|---|---------------------|-------------------------------|---------------------|--|--------------|
|   |                     |                               |                     | FY 2021 to FY 2020 Est Actuals<br>Amount | Percent      |
| <b>Revenues</b>                                     |                     |                               |                     |  |              |
| Net Tuition and Fees                                | 27,456,668          | 26,994,156                    | 28,016,015          | 1,021,859                                | 3.8%         |
| Sales of Goods and Services                         | 1,485,438           | 1,215,802                     | 870,318             | (345,484)                                | -28.4%       |
| Grants and Contracts                                | 11,682,385          | 12,200,790                    | 15,866,066          | 3,665,276                                | 30.0%        |
| State Appropriations                                | 28,195,294          | 28,195,294                    | 26,795,568          | (1,399,726)                              | -5.0%        |
| Capital Appropriations                              | 2,113,004           | 2,113,004                     | 3,354,441           | 1,241,437                                | 58.8%        |
| Net Professional Fees                               | -                   | -                             | -                   | -  | -            |
| Gift Income   | 1,019,563           | 599,660                       | 961,066             | 361,406                                  | 60.3%        |
| Investment Income                                   | 424,749             | 271,212                       | 165,625             | (105,587)                                | -38.9%       |
| Other Revenue                                       | 52,000              | 26,000                        | 25,000              | (1,000)                                  | -3.8%        |
| <b>Total Revenues</b>                               | <b>72,429,101</b>   | <b>71,615,918</b>             | <b>76,054,099</b>   | <b>4,438,181</b>                         | <b>6.2%</b>  |
| <b>Expenses</b>                                     |                     |                               |                     |  |              |
| Salaries - Faculty                                  | 12,663,093          | 11,315,801                    | 11,659,025          | 343,224                                  | 3.0%         |
| Salaries - Staff                                    | 14,842,288          | 15,727,453                    | 15,734,858          | 7,405                                    | 0.0%         |
| Wages and Other Compensation                        | 1,324,204           | 1,550,034                     | 1,355,221           | (194,813)                                | -12.6%       |
| Benefits and Other Payroll-Related Costs            | 6,211,380           | 6,606,780                     | 6,786,470           | 179,690                                  | 2.7%         |
| <b>Subtotal - Personnel Costs</b>                   | <b>35,040,965</b>   | <b>35,200,068</b>             | <b>35,535,574</b>   | <b>335,506</b>                           | <b>1.0%</b>  |
| Cost of Goods Sold                                  |                     |                               |                     |  |              |
| Professional Fees and Services                      | 2,086,934           | 2,127,088                     | 2,257,229           | 130,141                                  | 6.1%         |
| Travel  | 470,458             | 366,580                       | 596,203             | 229,623                                  | 62.6%        |
| Materials and Supplies                              | 2,943,363           | 2,166,852                     | 2,793,697           | 626,845                                  | 28.9%        |
| Communication and Utilities                         | 1,027,075           | 772,116                       | 1,016,464           | 244,348                                  | 31.6%        |
| Repairs and Maintenance                             | 495,516             | 1,340,198                     | 1,285,964           | (54,234)                                 | -4.0%        |
| Rentals and Leases                                  | 684,550             | 484,748                       | 666,616             | 181,868                                  | 37.5%        |
| Printing and Reproduction                           | 371,852             | 228,060                       | 410,297             | 182,237                                  | 79.9%        |
| Other Expenditures                                  | 2,144,873           | 1,768,789                     | 2,367,398           | 598,609                                  | 33.8%        |
| <b>Subtotal - Maintenance &amp; Operation Costs</b> | <b>10,224,621</b>   | <b>9,254,430</b>              | <b>11,393,868</b>   | <b>2,139,438</b>                         | <b>23.1%</b> |
| Capital Expenditures                                | 786,307             | 708,799                       | 1,842,414           | 1,133,615                                | 159.9%       |
| Federal and State Pass-Through Expense              | -                   | -                             | -                   | -  | -            |
| Scholarships  | 12,867,386          | 12,923,279                    | 13,713,480          | 790,201                                  | 6.1%         |
| <b>Total Expenses</b>                               | <b>58,919,278</b>   | <b>58,086,575</b>             | <b>62,485,336</b>   | <b>4,398,761</b>                         | <b>7.6%</b>  |
| <b>Transfers</b>                                    |                     |                               |                     |  |              |
| <b>Intra-campus Transfers Between Funds</b>         |                     |                               |                     |  |              |
| Inter-Fund Transfer In/(Out)                        | -                   | -                             | -                   | -  | -            |
| <b>Transfers Between UNTS Components</b>            |                     |                               |                     |  |              |
| System Service Allocations                          | (4,400,962)         | (4,183,804)                   | (4,526,223)         | (342,419)                                | 8.2%         |
| Other Inter-Unit Transfers In/(Out)                 | (1,281,276)         | (1,281,276)                   | (1,223,598)         | 57,678                                   | -4.5%        |
| <b>Other Transfers</b>                              |                     |                               |                     |  |              |
| Transfer to Other State Agencies In/(Out)           | -                   | -                             | -                   | -  | -            |
| Legislative Transfers In/(Out)                      | (7,827,584)         | (8,036,147)                   | (7,818,943)         | 217,204                                  | -2.7%        |
| <b>Total Transfers</b>                              | <b>(13,509,822)</b> | <b>(13,501,227)</b>           | <b>(13,568,764)</b> | <b>(67,537)</b>                          | <b>0.5%</b>  |
| <b>Estimated Impact on Fund Balance</b>             | <b>28,115</b>       |                               |                     |  |              |

FY 2021 – UNT Dallas

Budget Detail by Fund Group – Current Funds

|  | Current Funds         |                      |                |                       |                     |
|--|-----------------------|----------------------|----------------|-----------------------|---------------------|
|  | Educational & General | Designated Operating | Auxiliary      | Restricted Expendable | Current Funds       |
| <b>REVENUES</b>                              |                       |                      |                |                       |                     |
| Net Tuition and Fees                         | 6,889,196             | 21,121,819           | 5,000          | -                     | 28,016,015          |
| Sales of Goods and Services                  | -                     | 108,198              | 762,120        | -                     | 870,318             |
| Grants and Contracts                         | 2,594,713             | -                    | -              | 13,271,354            | 15,866,066          |
| State Appropriations                         | 26,795,568            | -                    | -              | -                     | 26,795,568          |
| Capital Appropriations                       | 3,354,441             | -                    | -              | -                     | 3,354,441           |
| Net Professional Fees                        | -                     | -                    | -              | -                     | -                   |
| Gift Income                                  | -                     | 123,973              | -              | 837,093               | 961,066             |
| Investment Income                            | -                     | 165,625              | -              | -                     | 165,625             |
| Other Revenue                                | -                     | 25,000               | -              | -                     | 25,000              |
| <b>Revenues</b>                              | <b>39,633,918</b>     | <b>21,544,615</b>    | <b>767,120</b> | <b>14,108,447</b>     | <b>76,054,099</b>   |
| <b>EXPENDITURES</b>                          |                       |                      |                |                       |                     |
| Salaries - Faculty                           | 8,568,772             | 2,038,912            | -              | 1,051,340             | 11,659,025          |
| Salaries - Staff                             | 11,899,948            | 2,660,250            | 209,828        | 964,832               | 15,734,858          |
| Wages and Other Compensation                 | 71,500                | 1,055,212            | 69,500         | 159,008               | 1,355,221           |
| Benefits and Other Payroll-Related Costs     | 5,117,444             | 944,715              | 63,026         | 661,285               | 6,786,470           |
| Cost of Goods Sold                           | -                     | -                    | -              | -                     | -                   |
| Professional Fees and Services               | -                     | 2,251,729            | 5,500          | -                     | 2,257,229           |
| Travel                                       | -                     | 491,595              | 10,000         | 94,608                | 596,203             |
| Materials and Supplies                       | 991,153               | 1,694,639            | 107,905        | -                     | 2,793,697           |
| Communication and Utilities                  | -                     | 990,600              | 23,050         | 2,814                 | 1,016,464           |
| Repairs and Maintenance                      | 787,763               | 436,201              | 62,000         | -                     | 1,285,964           |
| Rentals and Leases                           | -                     | 631,616              | 35,000         | -                     | 666,616             |
| Printing and Reproduction                    | -                     | 402,297              | 8,000          | -                     | 410,297             |
| Debt Service - Principal                     | -                     | -                    | -              | -                     | -                   |
| Debt Service - Interest                      | -                     | -                    | -              | -                     | -                   |
| Capital Expenditures                         | 1,575,526             | 215,000              | 20,103         | 31,786                | 1,842,414           |
| Federal and State Pass-Through Expense       | -                     | -                    | -              | -                     | -                   |
| Scholarships                                 | 2,802,870             | 1,331,679            | -              | 9,578,931             | 13,713,480          |
| Other Expenditures                           | -                     | 1,059,559            | 231,507        | 1,076,332             | 2,367,398           |
| <b>Expenditures</b>                          | <b>31,814,976</b>     | <b>16,204,003</b>    | <b>845,420</b> | <b>13,620,937</b>     | <b>62,485,336</b>   |
| <b>TRANSFERS</b>                             |                       |                      |                |                       |                     |
| <i>Intra-campus Transfers Between Funds:</i> |                       |                      |                |                       |                     |
| Inter-Fund Transfer In/(Out)                 | -                     | (78,300)             | 78,300         | -                     | -                   |
| <i>Transfers Between UNTS Components:</i>    |                       |                      |                |                       |                     |
| System Services Allocations                  | -                     | (4,526,223)          | -              | -                     | (4,526,223)         |
| Other Inter-Unit Transfers In/(Out)          | -                     | (736,089)            | -              | (487,509)             | (1,223,598)         |
| <i>Other Transfers:</i>                      |                       |                      |                |                       |                     |
| Transfer to Other State Agencies In/(Out)    | -                     | -                    | -              | -                     | -                   |
| Legislative Transfers In/(Out)               | (7,818,943)           | -                    | -              | -                     | (7,818,943)         |
| <b>Transfers</b>                             | <b>(7,818,943)</b>    | <b>(5,340,612)</b>   | <b>78,300</b>  | <b>(487,509)</b>      | <b>(13,568,764)</b> |
| <b>Estimated Impact on Fund Balance</b>      | <b>-</b>              | <b>-</b>             | <b>-</b>       | <b>-</b>              | <b>-</b>            |

Planned Use of Fund Balance & Debt Proceeds

|   |   |   |   |   |   |
|---|---|---|---|---|---|
| Planned Use of Fund Balance & Debt Proceeds | - | - | - | - | - |
|---|---|---|---|---|---|

FY 2021 - UNT Dallas

Budget Detail by Fund Group – Non-Current Funds

|  | Non-Current Funds |            |                |                | FY21                |
|--|-------------------|------------|----------------|----------------|---------------------|
|  | Endowment Funds   | Loan Funds | Plant and Debt | Non-Current    | All Funds           |
| <b>REVENUES</b>                              |                   |            |                |                |                     |
| Net Tuition and Fees                         | -                 | -          | -              | -              | 28,016,015          |
| Sales of Goods and Services                  | -                 | -          | -              | -              | 870,318             |
| Grants and Contracts                         | -                 | -          | -              | -              | 15,866,066          |
| State Appropriations                         | -                 | -          | -              | -              | 26,795,568          |
| Capital Appropriations                       | -                 | -          | -              | -              | 3,354,441           |
| Net Professional Fees                        | -                 | -          | -              | -              | -                   |
| Gift Income                                  | -                 | -          | 100,000        | 100,000        | 1,061,066           |
| Investment Income                            | -                 | -          | -              | -              | 165,625             |
| Other Revenue                                | -                 | -          | -              | -              | 25,000              |
| <b>Revenues</b>                              | <b>-</b>          | <b>-</b>   | <b>100,000</b> | <b>100,000</b> | <b>76,154,099</b>   |
| <b>EXPENDITURES</b>                          |                   |            |                |                |                     |
| Salaries - Faculty                           | -                 | -          | -              | -              | 11,659,025          |
| Salaries - Staff                             | -                 | -          | -              | -              | 15,734,858          |
| Wages and Other Compensation                 | -                 | -          | -              | -              | 1,355,221           |
| Benefits and Other Payroll-Related Costs     | -                 | -          | -              | -              | 6,786,470           |
| Cost of Goods Sold                           | -                 | -          | -              | -              | -                   |
| Professional Fees and Services               | -                 | -          | -              | -              | 2,257,229           |
| Travel                                       | -                 | -          | -              | -              | 596,203             |
| Materials and Supplies                       | -                 | -          | -              | -              | 2,793,697           |
| Communication and Utilities                  | -                 | -          | -              | -              | 1,016,464           |
| Repairs and Maintenance                      | -                 | -          | -              | -              | 1,285,964           |
| Rentals and Leases                           | -                 | -          | -              | -              | 666,616             |
| Printing and Reproduction                    | -                 | -          | -              | -              | 410,297             |
| Debt Service - Principal                     | -                 | -          | -              | -              | -                   |
| Debt Service - Interest                      | -                 | -          | -              | -              | -                   |
| Capital Expenditures                         | -                 | -          | 100,000        | 100,000        | 1,942,414           |
| Federal and State Pass-Through Expense       | -                 | -          | -              | -              | -                   |
| Scholarships                                 | -                 | -          | -              | -              | 13,713,480          |
| Other Expenditures                           | -                 | -          | -              | -              | 2,367,398           |
| <b>Expenditures</b>                          | <b>-</b>          | <b>-</b>   | <b>100,000</b> | <b>100,000</b> | <b>62,585,336</b>   |
| <b>TRANSFERS</b>                             |                   |            |                |                |                     |
| <i>Intra-campus Transfers Between Funds:</i> |                   |            |                |                |                     |
| Inter-Fund Transfer In/(Out)                 | -                 | -          | -              | -              | -                   |
| <i>Transfers Between UNTS Components:</i>    |                   |            |                |                |                     |
| System Services Allocations                  | -                 | -          | -              | -              | (4,526,223)         |
| Other Inter-Unit Transfers In/(Out)          | -                 | -          | -              | -              | (1,223,598)         |
| <i>Other Transfers:</i>                      |                   |            |                |                |                     |
| Transfer to Other State Agencies In/(Out)    | -                 | -          | -              | -              | -                   |
| Legislative Transfers In/(Out)               | -                 | -          | -              | -              | (7,818,943)         |
| <b>Transfers</b>                             | <b>-</b>          | <b>-</b>   | <b>-</b>       | <b>-</b>       | <b>(13,568,764)</b> |
| <b>Estimated Impact on Fund Balance</b>      | <b>-</b>          | <b>-</b>   | <b>-</b>       | <b>-</b>       |                     |

|   |   |   |   |   |   |
|---|---|---|---|---|---|
| Planned Use of Fund Balance & Debt Proceeds |   |   |   |   |   |
| Planned Use of Fund Balance & Debt Proceeds | - | - | - | - | - |

FY 2021 - UNT Dallas

Budgeted Revenue Breakout by Fund – Current Funds

|  | Current Funds         |                      |                |                       |                    |
|--|-----------------------|----------------------|----------------|-----------------------|--------------------|
|  | Educational & General | Designated Operating | Auxiliary      | Restricted Expendable | Current Funds      |
| Resident Undergrad Tuition             | 3,844,348             | 16,278,154           | -              | -                     | 20,122,502         |
| Non-resident Undergrad Tuition         | 336,442               | 150,622              | -              | -                     | 487,063            |
| Other Undergrad Tuition                | -                     | -                    | -              | -                     | -                  |
| Waivers Undergrad Tuition              | -                     | -                    | -              | -                     | -                  |
| <b>Gross Undergraduate Tuition</b>     | <b>4,180,790</b>      | <b>16,428,775</b>    | -              | -                     | <b>20,609,565</b>  |
| Resident Graduate Tuition              | 3,974,240             | 3,876,104            | -              | -                     | 7,850,344          |
| Non-resident Graduate Tuition          | 287,859               | 115,382              | -              | -                     | 403,241            |
| Other Graduate Tuition                 | -                     | -                    | -              | -                     | -                  |
| Waivers Graduate Tuition               | -                     | -                    | -              | -                     | -                  |
| <b>Gross Graduate Tuition</b>          | <b>4,262,099</b>      | <b>3,991,486</b>     | -              | -                     | <b>8,253,585</b>   |
| Fees - Instructional                   | -                     | 7,736                | -              | -                     | 7,736              |
| Fees - Mandatory                       | -                     | 4,776,469            | -              | -                     | 4,776,469          |
| Fees - Incidental                      | -                     | 817,353              | 5,000          | -                     | 822,353            |
| Waivers - Fees                         | (153,693)             | -                    | -              | -                     | (153,693)          |
| <b>Gross Fees</b>                      | <b>(153,693)</b>      | <b>5,601,557</b>     | <b>5,000</b>   | -                     | <b>5,452,865</b>   |
| Disc & Allow-Tuition and Fee           | (1,400,000)           | (4,900,000)          | -              | -                     | (6,300,000)        |
| <b>Discount and Allowances</b>         | <b>(1,400,000)</b>    | <b>(4,900,000)</b>   | -              | -                     | <b>(6,300,000)</b> |
| <b>Net Tuition and Fees</b>            | <b>6,889,196</b>      | <b>21,121,819</b>    | <b>5,000</b>   | -                     | <b>28,016,015</b>  |
| Athletics                              | -                     | -                    | -              | -                     | -                  |
| Auxiliary Enterprises                  | -                     | -                    | 687,120        | -                     | 687,120            |
| Discounts and Allowances - Auxiliaries | -                     | -                    | -              | -                     | -                  |
| Other Sales of Goods and Services      | -                     | 108,198              | 75,000         | -                     | 183,198            |
| <b>Sales of Goods and Services</b>     | -                     | <b>108,198</b>       | <b>762,120</b> | -                     | <b>870,318</b>     |
| Federal Programs and Contracts         | -                     | -                    | -              | 5,846,363             | 5,846,363          |
| Federal Financial Aid                  | -                     | -                    | -              | 6,500,000             | 6,500,000          |
| State Programs and Contracts           | -                     | -                    | -              | 246,856               | 246,856            |
| State Financial Aid                    | 2,594,713             | -                    | -              | -                     | 2,594,713          |
| Other Grants and Contracts             | -                     | -                    | -              | 678,135               | 678,135            |
| <b>Grants and Contracts</b>            | <b>2,594,713</b>      | -                    | -              | <b>13,271,354</b>     | <b>15,866,066</b>  |
| State Appropriations - General         | 23,043,515            | -                    | -              | -                     | 23,043,515         |
| State Appropriations - Additional      | 3,752,053             | -                    | -              | -                     | 3,752,053          |
| <b>State Appropriations</b>            | <b>26,795,568</b>     | -                    | -              | -                     | <b>26,795,568</b>  |
| Capital Appropriations - HEF           | 3,354,441             | -                    | -              | -                     | 3,354,441          |
| <b>Capital Appropriations</b>          | <b>3,354,441</b>      | -                    | -              | -                     | <b>3,354,441</b>   |
| Gross Professional Fees                | -                     | -                    | -              | -                     | -                  |
| Contractual Allowances and Discounts   | -                     | -                    | -              | -                     | -                  |
| <b>Net Professional Fees</b>           | -                     | -                    | -              | -                     | -                  |
| <b>Gift Income</b>                     | -                     | <b>123,973</b>       | -              | <b>837,093</b>        | <b>961,066</b>     |
| <b>Investment Income</b>               | -                     | <b>165,625</b>       | -              | -                     | <b>165,625</b>     |
| <b>Other Revenue</b>                   | -                     | <b>25,000</b>        | -              | -                     | <b>25,000</b>      |
| <b>Revenues</b>                        | <b>39,633,918</b>     | <b>21,544,615</b>    | <b>767,120</b> | <b>14,108,447</b>     | <b>76,054,099</b>  |

**FY 2021 – UNT Dallas**  
**Budget - Current Funds by Quarter**

|   | Q1 FYTD<br>Estimate | Q2 FYTD<br>Estimate | Q3 FYTD<br>Estimate | Q4 FYTD<br>Budget   |
|---|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>                                     |                     |                     |                     |                     |
| Net Tuition and Fees                                | 12,327,047          | 24,093,773          | 24,654,093          | 28,016,015          |
| Sales of Goods and Services                         | 339,424             | 661,442             | 783,286             | 870,318             |
| Grants and Contracts                                | 2,701,991           | 9,365,739           | 11,918,589          | 15,866,066          |
| State Appropriations                                | 23,981,528          | 24,919,542          | 25,857,555          | 26,795,568          |
| Capital Appropriations                              | 3,354,441           | 3,354,441           | 3,354,441           | 3,354,441           |
| Net Professional Fees                               | -                   | -                   | -                   | -                   |
| Gift Income   | 240,267             | 480,533             | 720,800             | 961,066             |
| Investment Income                                   | 21,631              | 61,480              | 148,069             | 165,625             |
| Other Revenue                                       | 5,000               | 15,685              | 24,723              | 25,000              |
| <b>Total Revenues</b>                               | <b>42,971,328</b>   | <b>62,952,634</b>   | <b>67,461,555</b>   | <b>76,054,099</b>   |
| <b>Expenditures</b>                                 |                     |                     |                     |                     |
| Salaries - Faculty                                  | 3,503,537           | 7,007,074           | 10,451,150          | 11,659,025          |
| Salaries - Staff                                    | 3,886,510           | 7,769,873           | 11,753,939          | 15,734,858          |
| Wages and Other Compensation                        | 271,044             | 514,984             | 1,016,416           | 1,355,221           |
| Benefits and Other Payroll-Related Costs            | 1,777,376           | 3,621,260           | 5,539,795           | 6,786,470           |
| Cost of Goods Sold                                  | -                   | -                   | -                   | -                   |
| Professional Fees and Services                      | 564,307             | 1,128,615           | 1,692,922           | 2,257,229           |
| Travel  | 149,051             | 298,102             | 447,152             | 596,203             |
| Materials and Supplies                              | 698,424             | 1,396,849           | 2,095,273           | 2,793,697           |
| Communication and Utilities                         | 254,116             | 508,232             | 762,348             | 1,016,464           |
| Repairs and Maintenance                             | 321,491             | 642,982             | 964,473             | 1,285,964           |
| Rentals and Leases                                  | 166,654             | 333,308             | 499,962             | 666,616             |
| Printing and Reproduction                           | 102,574             | 205,149             | 307,723             | 410,297             |
| Capital Expenditures                                | 460,604             | 921,207             | 1,381,811           | 1,842,414           |
| Federal and State Pass-Through Expense              | -                   | -                   | -                   | -                   |
| Scholarships  | 3,976,909           | 11,107,919          | 11,382,188          | 13,713,480          |
| Other Expenditures                                  | 591,849             | 1,183,699           | 1,775,548           | 2,367,397           |
| <b>Total Expenditures</b>                           | <b>16,724,447</b>   | <b>36,639,251</b>   | <b>50,070,699</b>   | <b>62,485,336</b>   |
| <b>Transfers</b>                                    |                     |                     |                     |                     |
| <b><i>Intra-campus Transfers Between Funds:</i></b> |                     |                     |                     |                     |
| Debt Service Transfer In (Out)                      | (238,565)           | (477,130)           | (715,694)           | (954,259)           |
| Inter-Fund Transfer In/(Out)                        | -                   | -                   | -                   | -                   |
| <b><i>Transfers Between UNTS Components:</i></b>    |                     |                     |                     |                     |
| System Services Allocations                         | (1,131,556)         | (2,263,112)         | (3,394,667)         | (4,526,223)         |
| Other Inter-Unit Transfers In/(Out)                 | (67,335)            | (134,670)           | (202,004)           | (269,339)           |
| <b><i>Other Transfers:</i></b>                      |                     |                     |                     |                     |
| Transfer to Other State Agencies In/(Out)           |                     |                     |                     |                     |
| Legislative Transfers In/(Out)                      | (7,818,943)         | (7,818,943)         | (7,818,943)         | (7,818,943)         |
| <b>Total Transfers</b>                              | <b>(9,256,398)</b>  | <b>(10,693,854)</b> | <b>(12,131,309)</b> | <b>(13,568,764)</b> |
| <b>Estimated Impact on Fund Balance</b>             |                     |                     |                     | <b>-</b>            |



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# UNT System Administration Budget Overview

## Executive Summary and Highlights

The UNT System Headquarters provides governance and service to UNT System component institutions in the areas of legal, finance, audit, academic affairs and student success, facilities and construction, human resources, information technology and government relations.

UNT System Administration's FY2021 budget was developed in collaboration with member institution leadership and aligns with the vision and strategic objectives of UNT World. The continued goal of UNT System Administration is to provide effective business, infrastructure, legal, and information technology services in the most efficient manner possible. Doing this requires a constant vision for improving services, eliminating duplication, and reducing overhead expenses wherever possible in both campus and System operations.

The COVID-19 pandemic and ensuing economic fallout magnified and accelerated the need for reduced operational expenses, while not sacrificing service quality or value.

This budget and the related adjustments to processes, services, and expectations, have put in place a structure for continuous improvement that will bring further opportunities for cost savings, operational efficiencies, innovation, quality evaluation, customer satisfaction, communications, and collaboration.

## Strategic Impact and Major Goals Addressed by FY2021 Budget

System Administration's commitment to fiscal responsibility is demonstrated by the actions taken during FY2020 and in planning for future years. In addition to FY2021, plans for FY2022 through FY2025 were also produced and represent the direction and high-level roadmap for the next half decade at UNT System Administration. This budget results in a reduction of the allocable costs to UNTS institutions by \$2.5m from FY2020 and 11% since 2018.

Some examples of strategic initiatives that were funded while decreasing allocable costs to members are:

- Completed numerous assessments to enhance operations:
  - o General Council
  - o Information Technology
  - o Procurement
  - o Internal Audit
  - o Government Relations

- Completed evaluation of Enterprise Resource Planning System and decided to delay implementation.
- Improved processes and tools for onboarding and performance management.
- Reduced long-term personnel costs across various areas of System Administration.
- Restructured operations to enhance services in HR, IT, and payroll.

In addition, System Headquarters took steps to strengthen leadership and integration by:

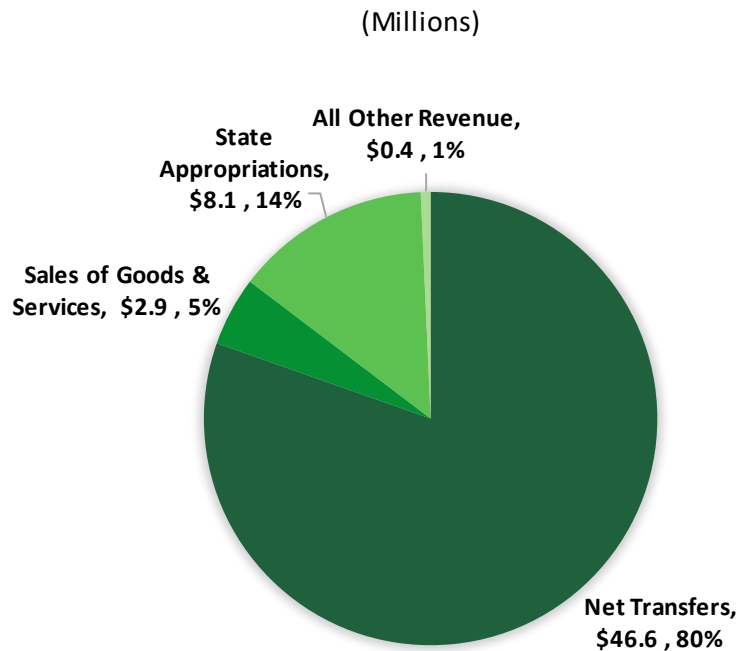
- Establishing collaborative forums to deal with the challenges associated with COVID-19 and the ensuing economic fallout.
- Completed Enterprise Risk Management (ERM) training and assessment.
- Restructured the CFO Council to enable collaborative decision-making.
- Filled vacant executive leadership positions in various departments across System Headquarters.

## Revenues

### State Appropriations

- Supports salaries for the System Administration.
- Remainder of the appropriation supports the Universities Center at Dallas and Federation of North Texas Universities, which will be transferred to other state institutions as appropriate

### FY 2021 Budgeted Revenues and Net Transfers



### Sales of Goods and Services –Lofts

#### 1900 Elm Lofts

- The Lofts maintain average of approximately 97% occupancy.
- FY2021 budget reflects revenue equal to expenses for the lofts.
- Continue to seek tenants for other available retail space.

**Partenope Restaurant**

- Restaurant opened in FY20 at the corner of Main and St. Paul.
- Pay monthly rent and sales commission based upon meeting sales targets.

**Dallas Independent School District**

- Construction on Lee F. Jackson Building to house Montessori school students from the Dallas ISD.
- DISD is funding construction and pays rent for occupied space.

**Transfers**

*Intra-Campus Transfers Between Funds*

- Represents transfers from Current Funds to Plant Funds for debt service

*Transfers Between UNTS Components*

- Transfers to System Administration from member institutions support services provided to the institutions, System Facilities managed capital projects (new in FY2021), and debt service held by System Administration.
- Project based construction management fees support the operation of the Office of Facilities, Planning and Construction.

*Other Transfers - Legislative*

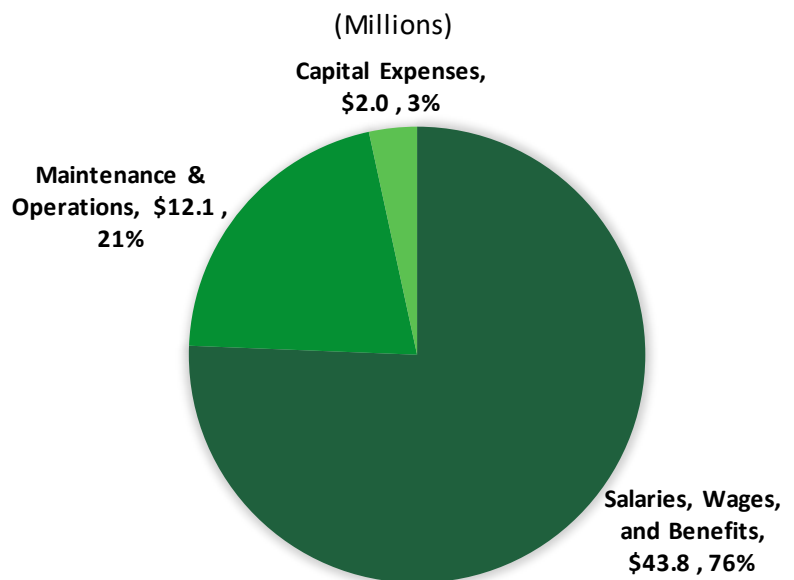
- Transfers to member institutions from System Administration reflect required legislative transfers of appropriations.

**Expenses**

Total Expenses for the FY21 budget decreased \$3.8m from FY20 budget. The decrease is reflected in Personnel Costs and Maintenance and Operations Key drivers are:

- Decreased personnel costs by \$3.2m by instituting hiring freeze and reviewing vacation positions.
- Savings from the Operational Effectiveness Team projects.
- COVID-19 related M&O expense reductions.

**FY 2021 Budgeted Expenses**



## Reserves and Capital Expenses

In FY 2021, the only capital project activity planned for System Administration is the completion of the renovations to the Lee F. Jackson Building for Dallas ISD who is also funding the renovations.

System Administration's FY2021 budget reflects a balanced budget.

## Summary

UNT System Administration continues to strengthen its commitment to innovation, collaboration, and fiscal responsibility in support of the UNT System member institutions and the communities we serve.

## FY 2021 – UNT System Administration

### Budget Summary – Current Funds

|   | FY 2020<br>Budget  | FY 2020 Forecast<br>(Actuals) | FY 2021<br>Budget | Increases (Decreases)            |                    |
|---|--------------------|-------------------------------|-------------------|----------------------------------|--------------------|
|   |                    |                               |                   | FY 2021 to FY 2020 Est<br>Amount | Actuals<br>Percent |
| <b>Revenues</b>                                     |                    |                               |                   |                                  |                    |
| Net Tuition and Fees                                | -                  | -                             | -                 | -                                | -                  |
| Sales of Goods and Services                         | 2,200,000          | 2,200,000                     | 2,857,295         | 657,295                          | 29.9%              |
| Grants and Contracts                                | -                  | -                             | -                 | -                                | -                  |
| State Appropriations                                | 8,266,864          | 8,266,864                     | 8,092,511         | (174,353)                        | -2.1%              |
| Capital Appropriations                              | -                  | -                             | -                 | -                                | -                  |
| Net Professional Fees                               | -                  | -                             | -                 | -                                | -                  |
| Gift Income   | -                  | -                             | -                 | -                                | -                  |
| Investment Income                                   | 487,000            | 428,868                       | 206,000           | (222,868)                        | -52.0%             |
| Other Revenue                                       | 200,000            | 200,000                       | 200,000           | -                                | -                  |
| <b>Total Revenues</b>                               | <b>11,153,864</b>  | <b>11,095,732</b>             | <b>11,355,806</b> | <b>260,074</b>                   | <b>2.3%</b>        |
| <b>Expenses</b>                                     |                    |                               |                   |                                  |                    |
| Salaries - Faculty                                  | -                  | -                             | -                 | -                                | -                  |
| Salaries - Staff                                    | 35,851,181         | 33,725,161                    | 34,841,598        | 1,116,437                        | 3.3%               |
| Wages and Other Compensation                        | 1,382,922          | 1,154,300                     | 1,336,101         | 181,801                          | 15.7%              |
| Benefits and Other Payroll-Related Costs            | 9,212,873          | 9,113,700                     | 7,625,786         | (1,487,914)                      | -16.3%             |
| <b>Subtotal - Personnel Costs</b>                   | <b>46,446,976</b>  | <b>43,993,161</b>             | <b>43,803,485</b> | <b>(189,676)</b>                 | <b>-0.4%</b>       |
| Cost of Goods Sold                                  | -                  | -                             | -                 | -                                | -                  |
| Professional Fees and Services                      | 3,923,175          | 4,314,215                     | 3,545,068         | (769,147)                        | -17.8%             |
| Travel  | 478,717            | 250,692                       | 427,399           | 176,707                          | 70.5%              |
| Materials and Supplies                              | 579,198            | 1,333,178                     | 643,420           | (689,758)                        | -51.7%             |
| Communication and Utilities                         | 856,035            | 871,518                       | 664,588           | (206,930)                        | -23.7%             |
| Repairs and Maintenance                             | 5,351,555          | 4,556,365                     | 3,306,943         | (1,249,422)                      | -27.4%             |
| Rentals and Leases                                  | 875,020            | 1,228,005                     | 2,097,988         | 869,983                          | 70.8%              |
| Printing and Reproduction                           | 80,985             | 54,438                        | 63,321            | 8,883                            | 16.3%              |
| Other Expenditures                                  | 1,562,617          | 1,553,046                     | 1,400,367         | (152,679)                        | -9.8%              |
| <b>Subtotal - Maintenance &amp; Operation Costs</b> | <b>13,707,302</b>  | <b>14,161,459</b>             | <b>12,149,094</b> | <b>(2,012,365)</b>               | <b>-14.2%</b>      |
| Capital Expenditures                                | 1,583,429          | 1,701,979                     | 1,965,849         | 263,870                          | 15.5%              |
| Federal and State Pass-Through Expense              | -                  | -                             | -                 | -                                | -                  |
| Scholarships  | -                  | -                             | -                 | -                                | -                  |
| <b>Total Expenditures</b>                           | <b>61,737,709</b>  | <b>59,856,599</b>             | <b>57,918,428</b> | <b>(1,938,171)</b>               | <b>-3.2%</b>       |
| <b>Transfers</b>                                    |                    |                               |                   |                                  |                    |
| <b>Intra-campus Transfers Between Funds</b>         |                    |                               |                   |                                  |                    |
| Inter-Fund Transfer In/(Out)                        | -                  | -                             | -                 | -                                | -                  |
| <b>Transfers Between UNTS Components</b>            |                    |                               |                   |                                  |                    |
| System Service Allocations                          | 50,951,229         | 48,020,329                    | 47,793,126        | (227,203)                        | -0.5%              |
| Other Inter-Unit Transfers In/(Out)                 | (23,947,741)       | (34,932,787)                  | (34,617,779)      | 315,008                          | -0.9%              |
| <b>Other Transfers</b>                              |                    |                               |                   |                                  |                    |
| Transfer to Other State Agencies In/(Out)           | -                  | -                             | -                 | -                                | -                  |
| Legislative Transfers In/(Out)                      | 22,418,355         | 33,403,401                    | 33,387,275        | (16,126)                         | 0.0%               |
| <b>Total Transfers</b>                              | <b>49,421,843</b>  | <b>46,490,943</b>             | <b>46,562,622</b> | <b>71,679</b>                    | <b>0.2%</b>        |
| <b>Estimated Impact on Fund Balance</b>             | <b>(1,162,001)</b> | <b>(2,269,924)</b>            |                   | <b>2,269,924</b>                 | <b>100.0%</b>      |

## FY 2021 – UNT System Administration

### Budget Detail by Fund Group – Current Funds

|   | Current Funds         |                      |                  |                       | Current Funds     |
|---|-----------------------|----------------------|------------------|-----------------------|-------------------|
|   | Educational & General | Designated Operating | Auxiliary        | Restricted Expendable |                   |
| <b>REVENUES</b>                                     |                       |                      |                  |                       |                   |
| Net Tuition and Fees                                | -                     | -                    | -                | -                     | -                 |
| Sales of Goods and Services                         | -                     | 770,000              | 2,087,295        | -                     | 2,857,295         |
| Grants and Contracts                                | -                     | -                    | -                | -                     | -                 |
| State Appropriations                                | 8,092,511             | -                    | -                | -                     | 8,092,511         |
| Capital Appropriations                              | -                     | -                    | -                | -                     | -                 |
| Net Professional Fees                               | -                     | -                    | -                | -                     | -                 |
| Gift Income   | -                     | -                    | -                | -                     | -                 |
| Investment Income                                   | -                     | 206,000              | -                | -                     | 206,000           |
| Other Revenue                                       | -                     | 200,000              | -                | -                     | 200,000           |
| <b>Revenues</b>                                     | <b>8,092,511</b>      | <b>1,176,000</b>     | <b>2,087,295</b> | <b>-</b>              | <b>11,355,806</b> |
| <b>EXPENDITURES</b>                                 |                       |                      |                  |                       |                   |
| Salaries - Faculty                                  | -                     | -                    | -                | -                     | -                 |
| Salaries - Staff                                    | 6,190,822             | 28,650,776           | -                | -                     | 34,841,598        |
| Wages and Other Compensation                        | -                     | 1,336,101            | -                | -                     | 1,336,101         |
| Benefits and Other Payroll-Related Costs            | 2,117,665             | 5,508,121            | -                | -                     | 7,625,786         |
| Cost of Goods Sold                                  | -                     | -                    | -                | -                     | -                 |
| Professional Fees and Services                      | -                     | 3,545,068            | -                | -                     | 3,545,068         |
| Travel  | -                     | 427,399              | -                | -                     | 427,399           |
| Materials and Supplies                              | -                     | 638,420              | 5,000            | -                     | 643,420           |
| Communication and Utilities                         | -                     | 664,588              | -                | -                     | 664,588           |
| Repairs and Maintenance                             | -                     | 3,306,943            | -                | -                     | 3,306,943         |
| Rentals and Leases                                  | -                     | 1,215,726            | 882,262          | -                     | 2,097,988         |
| Printing and Reproduction                           | -                     | 63,321               | -                | -                     | 63,321            |
| Debt Service - Principal                            | -                     | -                    | -                | -                     | -                 |
| Debt Service - Interest                             | -                     | -                    | -                | -                     | -                 |
| Capital Expenditures                                | -                     | 1,656,849            | 309,000          | -                     | 1,965,849         |
| Federal and State Pass-Through Expense              | -                     | -                    | -                | -                     | -                 |
| Scholarships  | -                     | -                    | -                | -                     | -                 |
| Other Expenditures                                  | -                     | 1,160,367            | 240,000          | -                     | 1,400,367         |
| <b>Expenditures</b>                                 | <b>8,308,487</b>      | <b>48,173,679</b>    | <b>1,436,262</b> | <b>-</b>              | <b>57,918,428</b> |
| <b>TRANSFERS</b>                                    |                       |                      |                  |                       |                   |
| <i><b>Intra-campus Transfers Between Funds:</b></i> |                       |                      |                  |                       |                   |
| Inter-Fund Transfer In/(Out)                        | -                     | 341,590              | (341,590)        | -                     | -                 |
| <i><b>Transfers Between UNTS Components:</b></i>    |                       |                      |                  |                       |                   |
| System Services Allocations                         | -                     | 47,793,126           | -                | -                     | 47,793,126        |
| Other Inter-Unit Transfers In/(Out)                 | (33,171,299)          | (1,137,037)          | (309,443)        | -                     | (34,617,779)      |
| <i><b>Other Transfers:</b></i>                      |                       |                      |                  |                       |                   |
| Transfer to Other State Agencies In/(Out)           | -                     | -                    | -                | -                     | -                 |
| Legislative Transfers In/(Out)                      | 33,387,275            | -                    | -                | -                     | 33,387,275        |
| <b>Transfers</b>                                    | <b>215,976</b>        | <b>46,997,679</b>    | <b>(651,033)</b> | <b>-</b>              | <b>46,562,622</b> |
| <b>Estimated Impact on Fund Balance</b>             | <b>-</b>              | <b>-</b>             | <b>-</b>         | <b>-</b>              | <b>0</b>          |

**Planned Use of Fund Balance & Debt Proceeds**

|  |   |   |   |   |   |
|--|---|---|---|---|---|
| <b>Planned Use of Fund Balance &amp; Debt Proceeds</b> | - | - | - | - | - |
|--|---|---|---|---|---|

## FY 2021 - UNT System Administration

### Budget Detail by Fund Group – Non-Current Funds

|  | Non-Current Funds |            |                   |                   | FY21               |
|--|-------------------|------------|-------------------|-------------------|--------------------|
|  | Endowment Funds   | Loan Funds | Plant and Debt    | Non-Current       | All Funds          |
| <b>REVENUES</b>                              |                   |            |                   |                   |                    |
| Net Tuition and Fees                         | -                 | -          | -                 | -                 | -                  |
| Sales of Goods and Services                  | -                 | -          | -                 | -                 | 2,857,295          |
| Grants and Contracts                         | -                 | -          | -                 | -                 | -                  |
| State Appropriations                         | -                 | -          | -                 | -                 | 8,092,511          |
| Capital Appropriations                       | -                 | -          | -                 | -                 | -                  |
| Net Professional Fees                        | -                 | -          | -                 | -                 | -                  |
| Gift Income                                  | -                 | -          | -                 | -                 | -                  |
| Investment Income                            | -                 | -          | -                 | -                 | 206,000            |
| Other Revenue                                | -                 | -          | -                 | -                 | 200,000            |
| <b>Revenues</b>                              | <b>-</b>          | <b>-</b>   | <b>-</b>          | <b>-</b>          | <b>11,355,806</b>  |
| <b>EXPENDITURES</b>                          |                   |            |                   |                   |                    |
| Salaries - Faculty                           | -                 | -          | -                 | -                 | -                  |
| Salaries - Staff                             | -                 | -          | -                 | -                 | 34,841,598         |
| Wages and Other Compensation                 | -                 | -          | -                 | -                 | 1,336,101          |
| Benefits and Other Payroll-Related Costs     | -                 | -          | -                 | -                 | 7,625,786          |
| Cost of Goods Sold                           | -                 | -          | -                 | -                 | -                  |
| Professional Fees and Services               | -                 | -          | -                 | -                 | 3,545,068          |
| Travel                                       | -                 | -          | -                 | -                 | 427,399            |
| Materials and Supplies                       | -                 | -          | -                 | -                 | 643,420            |
| Communication and Utilities                  | -                 | -          | -                 | -                 | 664,588            |
| Repairs and Maintenance                      | -                 | -          | -                 | -                 | 3,306,943          |
| Rentals and Leases                           | -                 | -          | -                 | -                 | 2,097,988          |
| Printing and Reproduction                    | -                 | -          | -                 | -                 | 63,321             |
| Debt Service - Principal                     | -                 | -          | 45,010,000        | 45,010,000        | 45,010,000         |
| Debt Service - Interest                      | -                 | -          | 33,452,595        | 33,452,595        | 33,452,595         |
| Capital Expenditures                         | -                 | -          | -                 | -                 | 1,965,849          |
| Federal and State Pass-Through Expense       | -                 | -          | -                 | -                 | -                  |
| Scholarships                                 | -                 | -          | -                 | -                 | -                  |
| Other Expenditures                           | -                 | -          | -                 | -                 | 1,400,367          |
| <b>Expenditures</b>                          | <b>-</b>          | <b>-</b>   | <b>78,462,595</b> | <b>78,462,595</b> | <b>136,381,023</b> |
| <b>TRANSFERS</b>                             |                   |            |                   |                   |                    |
| <i>Intra-campus Transfers Between Funds:</i> |                   |            |                   |                   |                    |
| Inter-Fund Transfer In/(Out)                 | -                 | -          | -                 | -                 | -                  |
| <i>Transfers Between UNTS Components:</i>    |                   |            |                   |                   |                    |
| System Services Allocations                  | -                 | -          | -                 | -                 | 47,793,126         |
| Other Inter-Unit Transfers In/(Out)          | -                 | -          | 78,462,595        | 78,462,595        | 43,844,816         |
| <i>Other Transfers:</i>                      |                   |            |                   |                   |                    |
| Transfer to Other State Agencies In/(Out)    | -                 | -          | -                 | -                 | -                  |
| Legislative Transfers In/(Out)               | -                 | -          | -                 | -                 | 33,387,275         |
| <b>Transfers</b>                             | <b>-</b>          | <b>-</b>   | <b>78,462,595</b> | <b>78,462,595</b> | <b>125,025,217</b> |
| <b>Estimated Impact on Fund Balance</b>      | <b>-</b>          | <b>-</b>   | <b>-</b>          | <b>-</b>          | <b>-</b>           |

Planned Use of Fund Balance & Debt Proceeds \_\_\_\_\_

Planned Use of Fund Balance & Debt Proceeds \_\_\_\_\_



## FY 2021 – UNT System Administration

### Budgeted Revenue Breakout by Fund – Current Funds

|  | <i>Current Funds</i>  |                      |                  |                       | Current Funds     |
|--|-----------------------|----------------------|------------------|-----------------------|-------------------|
|  | Educational & General | Designated Operating | Auxiliary        | Restricted Expendable |                   |
| Resident Undergrad Tuition             | -                     | -                    | -                | -                     | -                 |
| Non-resident Undergrad Tuition         | -                     | -                    | -                | -                     | -                 |
| Other Undergrad Tuition                | -                     | -                    | -                | -                     | -                 |
| Waivers Undergrad Tuition              | -                     | -                    | -                | -                     | -                 |
| <b>Gross Undergraduate Tuition</b>     | -                     | -                    | -                | -                     | -                 |
| Resident Graduate Tuition              | -                     | -                    | -                | -                     | -                 |
| Non-resident Graduate Tuition          | -                     | -                    | -                | -                     | -                 |
| Other Graduate Tuition                 | -                     | -                    | -                | -                     | -                 |
| Waivers Graduate Tuition               | -                     | -                    | -                | -                     | -                 |
| <b>Gross Graduate Tuition</b>          | -                     | -                    | -                | -                     | -                 |
| Fees - Instructional                   | -                     | -                    | -                | -                     | -                 |
| Fees - Mandatory                       | -                     | -                    | -                | -                     | -                 |
| Fees - Incidental                      | -                     | -                    | -                | -                     | -                 |
| Waivers - Fees                         | -                     | -                    | -                | -                     | -                 |
| <b>Gross Fees</b>                      | -                     | -                    | -                | -                     | -                 |
| Disc & Allow-Tuition and Fee           | -                     | -                    | -                | -                     | -                 |
| <b>Discount and Allowances</b>         | -                     | -                    | -                | -                     | -                 |
| <b>Net Tuition and Fees</b>            | -                     | -                    | -                | -                     | -                 |
| Athletics                              | -                     | -                    | -                | -                     | -                 |
| Auxiliary Enterprises                  | -                     | -                    | -                | -                     | -                 |
| Discounts and Allowances - Auxiliaries | -                     | -                    | -                | -                     | -                 |
| Other Sales of Goods and Services      | -                     | 770,000              | 2,087,295        | -                     | 2,857,295         |
| <b>Sales of Goods and Services</b>     | -                     | <b>770,000</b>       | <b>2,087,295</b> | -                     | <b>2,857,295</b>  |
| Federal Programs and Contracts         | -                     | -                    | -                | -                     | -                 |
| Federal Financial Aid                  | -                     | -                    | -                | -                     | -                 |
| State Programs and Contracts           | -                     | -                    | -                | -                     | -                 |
| State Financial Aid                    | -                     | -                    | -                | -                     | -                 |
| Other Grants and Contracts             | -                     | -                    | -                | -                     | -                 |
| <b>Grants and Contracts</b>            | -                     | -                    | -                | -                     | -                 |
| State Appropriations - General         | 8,092,511             | -                    | -                | -                     | 8,092,511         |
| State Appropriations - Additional      | -                     | -                    | -                | -                     | -                 |
| <b>State Appropriations</b>            | <b>8,092,511</b>      | -                    | -                | -                     | <b>8,092,511</b>  |
| Capital Appropriations - HEF           | -                     | -                    | -                | -                     | -                 |
| <b>Capital Appropriations</b>          | -                     | -                    | -                | -                     | -                 |
| Gross Professional Fees                | -                     | -                    | -                | -                     | -                 |
| Contractual Allowances and Discounts   | -                     | -                    | -                | -                     | -                 |
| <b>Net Professional Fees</b>           | -                     | -                    | -                | -                     | -                 |
| <b>Gift Income</b>                     | -                     | -                    | -                | -                     | -                 |
| <b>Investment Income</b>               | -                     | <b>206,000</b>       | -                | -                     | <b>206,000</b>    |
| <b>Other Revenue</b>                   | -                     | <b>200,000</b>       | -                | -                     | <b>200,000</b>    |
| <b>Revenues</b>                        | <b>8,092,511</b>      | <b>1,176,000</b>     | <b>2,087,295</b> | -                     | <b>11,355,806</b> |

## FY 2021 – UNT System Administration Budget - Current Funds by Quarter

|   | Q1 FYTD<br>Estimate | Q2 FYTD<br>Estimate | Q3 FYTD<br>Estimate | Q4 FYTD<br>Budget |
|---|---------------------|---------------------|---------------------|-------------------|
| <b>Revenues</b>                                     |                     |                     |                     |                   |
| Net Tuition and Fees                                | -                   | -                   | -                   | -                 |
| Sales of Goods and Services                         | 714,324             | 1,428,648           | 2,142,971           | 2,857,295         |
| Grants and Contracts                                | -                   | -                   | -                   | -                 |
| State Appropriations                                | 6,504,262           | 7,033,679           | 7,563,095           | 8,092,511         |
| Capital Appropriations                              | -                   | -                   | -                   | -                 |
| Net Professional Fees                               | -                   | -                   | -                   | -                 |
| Gift Income   | -                   | -                   | -                   | -                 |
| Investment Income                                   | 51,500              | 103,000             | 154,500             | 206,000           |
| Other Revenue                                       | 50,000              | 100,000             | 150,000             | 200,000           |
| <b>Total Revenues</b>                               | <b>7,320,086</b>    | <b>8,665,326</b>    | <b>10,010,566</b>   | <b>11,355,806</b> |
| <b>Expenditures</b>                                 |                     |                     |                     |                   |
| Salaries - Faculty                                  | -                   | -                   | -                   | -                 |
| Salaries - Staff                                    | 8,710,400           | 17,420,799          | 26,131,199          | 34,841,598        |
| Wages and Other Compensation                        | 334,025             | 668,051             | 1,002,076           | 1,336,101         |
| Benefits and Other Payroll-Related Costs            | 1,906,447           | 3,812,893           | 5,719,340           | 7,625,786         |
| Cost of Goods Sold                                  | -                   | -                   | -                   | -                 |
| Professional Fees and Services                      | 1,112,115           | 1,896,216           | 2,666,594           | 3,545,068         |
| Travel  | 106,850             | 213,700             | 320,549             | 427,399           |
| Materials and Supplies                              | 160,855             | 321,710             | 482,565             | 643,420           |
| Communication and Utilities                         | 166,147             | 332,294             | 498,441             | 664,588           |
| Repairs and Maintenance                             | 1,588,631           | 2,194,046           | 2,766,211           | 3,306,943         |
| Rentals and Leases                                  | 524,497             | 1,048,994           | 1,573,491           | 2,097,988         |
| Printing and Reproduction                           | 15,830              | 31,661              | 47,491              | 63,321            |
| Capital Expenditures                                | 112,202             | 1,741,445           | 1,853,647           | 1,965,849         |
| Federal and State Pass-Through Expense              | -                   | -                   | -                   | -                 |
| Scholarships  | -                   | -                   | -                   | -                 |
| Other Expenditures                                  | 350,092             | 700,184             | 1,050,275           | 1,400,367         |
| <b>Total Expenditures</b>                           | <b>15,088,090</b>   | <b>30,381,991</b>   | <b>44,111,879</b>   | <b>57,918,428</b> |
| <b>Transfers</b>                                    |                     |                     |                     |                   |
| <b><i>Intra-campus Transfers Between Funds:</i></b> |                     |                     |                     |                   |
| Debt Service Transfer In (Out)                      | (30,197,682)        | (30,197,682)        | (35,080,505)        | (35,080,505)      |
| Inter-Fund Transfer In/(Out)                        | -                   | -                   | -                   | -                 |
| <b><i>Transfers Between UNTS Components:</i></b>    |                     |                     |                     |                   |
| System Services Allocations                         | 11,948,282          | 23,896,563          | 35,844,845          | 47,793,126        |
| Other Inter-Unit Transfers In/(Out)                 | 115,681             | 231,363             | 347,044             | 462,725           |
| <b><i>Other Transfers:</i></b>                      |                     |                     |                     |                   |
| Transfer to Other State Agencies In/(Out)           | -                   | -                   | -                   | -                 |
| Legislative Transfers In/(Out)                      | 33,387,275          | 33,387,275          | 33,387,275          | 33,387,275        |
| <b>Total Transfers</b>                              | <b>15,253,556</b>   | <b>27,317,519</b>   | <b>34,498,659</b>   | <b>46,562,622</b> |
| <b>Estimated Impact on Fund Balance</b>             | <b>\$ 7,485,553</b> | <b>\$ 5,600,853</b> | <b>\$ 397,346</b>   | <b>\$ -</b>       |

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## Proposed Board Order

### Board Briefing

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**Committee:** Finance & Facilities

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**Date Filed:** August 3, 2020

**Title:** FY2021 UNT System Consolidated Operating Budget

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#### **Background:**

The Office of the Vice Chancellor for Finance presents to the Board of Regents the FY2021 Consolidated Operating Budget for approval on behalf of the University of North Texas (UNT), UNT Health Science Center (UNTHSC), University of North Texas at Dallas (UNTD), and UNT System Administration (System Administration).

The proposed Consolidated UNT System Operating Budget is composed of current funds revenue of \$1,093.6M, current funds expenditures of \$973.7M, and total current funds net transfers of (\$99.8M).

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

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

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UNT Chief Financial Officer

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UNTHSC Chief Financial Officer

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UNT Dallas Chief Financial Officer

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Vice Chancellor for Finance

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**Legal Review:**

This item has been reviewed by General Counsel.

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Vice Chancellor/General Counsel

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**Schedule:**

Once approved, this budget will be implemented for fiscal year 2021 beginning September 1, 2020.

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**Recommendation:**

Approval of the FY2021 Consolidated Current Fund Budget for UNT, UNTHSC, UNTD and System Administration.

**Recommended By:**

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Dan Tenney

Vice Chancellor for Finance

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Chancellor

**Attachments Filed Electronically:**

- UNT System FY2021 Consolidated Operating Budget



**Board Order**

**Title:** FY2021 UNT System Consolidated Operating Budget

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 13-14, 2020, 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 2021 Fiscal Year, and

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

| <b>Current Funds Revenues by UNTS Component</b> |                                  |                             |                  |                              |                            |
|---|----------------------------------|-----------------------------|------------------|------------------------------|----------------------------|
|   | <b>Educational &amp; General</b> | <b>Designated Operating</b> | <b>Auxiliary</b> | <b>Restricted Expendable</b> | <b>Total Current Funds</b> |
| University of North Texas                       | \$239,554,463                    | \$ 307,682,462              | \$ 91,594,608    | \$ 101,190,733               | \$ 740,022,266             |
| UNT Health Science Center                       | \$ 135,633,668                   | \$ 81,576,319               | \$ 501,826       | \$ 48,446,855                | \$ 266,158,668             |
| UNT Dallas                                      | \$ 39,633,918                    | \$ 21,544,615               | \$ 767,120       | \$ 14,108,447                | \$ 76,054,099              |
| UNT System Administrator                        | \$ 8,092,511                     | \$ 1,176,000                | \$ 2,087,295     | \$ -                         | \$ 11,355,806              |
|   |                                  |                             |                  |                              | <b>\$ 1,093,590,839</b>    |

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

| <b>Current Funds Expenses by UNTS Component</b> |                                  |                             |                  |                              |                            |
|---|----------------------------------|-----------------------------|------------------|------------------------------|----------------------------|
|   | <b>Educational &amp; General</b> | <b>Designated Operating</b> | <b>Auxiliary</b> | <b>Restricted Expendable</b> | <b>Total Current Funds</b> |
| University of North Texas                       | \$204,891,924                    | \$ 256,978,036              | \$ 62,514,963    | \$ 102,886,883               | \$ 627,271,806             |
| UNT Health Science Center                       | \$ 113,769,824                   | \$ 71,227,515               | \$ 326,482       | \$ 40,669,179                | \$ 225,993,000             |
| UNT Dallas                                      | \$ 31,814,976                    | \$ 16,204,003               | \$ 845,420       | \$ 13,620,937                | \$ 62,485,336              |
| UNT System Administrator                        | \$ 8,308,487                     | \$ 48,173,679               | \$ 1,436,262     | \$ -                         | \$ 57,918,428              |
|   |                                  |                             |                  |                              | <b>\$ 973,668,571</b>      |

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

| <b>Current Funds Transfers by UNTS Component</b> |                                  |                             |                  |                              |                            |
|--|----------------------------------|-----------------------------|------------------|------------------------------|----------------------------|
|  | <b>Educational &amp; General</b> | <b>Designated Operating</b> | <b>Auxiliary</b> | <b>Restricted Expendable</b> | <b>Total Current Funds</b> |
| University of North Texas                        | \$ (34,662,538)                  | \$ (50,003,085)             | \$ (25,307,091)  | \$ 1,696,150                 | \$ (108,276,564)           |
| UNT Health Science Center                        | \$ (21,554,902)                  | \$ 4,885,886                | \$ (175,344)     | \$ (7,700,000)               | \$ (24,544,360)            |
| UNT Dallas                                       | \$ (7,818,943)                   | \$ (5,340,612)              | \$ 78,300        | \$ (487,509)                 | \$ (13,568,764)            |
| UNT System Administrator                         | \$ 215,976                       | \$ 46,997,679               | \$ (651,033)     | \$ -                         | \$ 46,562,622              |
|  |                                  |                             |                  |                              | <b>\$ (99,827,066)</b>     |

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

1. The FY 2021 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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Laura Wright, Chair  
Board of Regents

## Budget Office Contact Information

### University of North Texas

|                        |                                 |                       |                |
|------------------------|---------------------------------|-----------------------|----------------|
| April Barnes           | Assoc. VP of Budget & Analytics | April.Barnes@unt.edu  | (940) 565-3233 |
| Brenda Cates           | Budget Director                 | Brenda.Cates@unt.edu  | (940) 565-3233 |
| Karla Romine           | Director of Financial Analysis  | Karla.Romine@unt.edu  | (940) 565-3233 |
| Central Office Contact |                                 | Budget.Office@unt.edu | (940) 565-3233 |

### University of North Texas Health Science Center

|                        |                           |                            |                |
|------------------------|---------------------------|----------------------------|----------------|
| Chuck Fox              | VP for Finance & Planning | Chuck.Fox@unthsc.edu       | (817) 735-5030 |
| Gail Hebert            | Budget Director           | Gail.Hebert@unthsc.edu     | (817) 735-0197 |
| Central Office Contact |                           | HSCBudgetOffice@unthsc.edu | (817) 735-2360 |

### University of North Texas at Dallas

|                        |  |                                 |                |
|------------------------|--|---------------------------------|----------------|
| Jackie Elder           | Assoc. VP for Finance & Administration | Jackie.Elder@untdallas.edu      | (972) 338-1095 |
| Leigh-Ann Fashina      | Budget Director - Academic Affairs     | Leigh-Ann.Fashina@untdallas.edu | (972) 338-1404 |
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### University of North Texas System Administration

|                        |                                    |                                   |                |
|------------------------|------------------------------------|-----------------------------------|----------------|
| Paige Smith            | Assoc. VC for Budget & Planning    | Paige.Smith@untsystem.edu         | (214) 752-5540 |
| Jim Gross              | Senior Director-Budget & Analytics | Jim.Gross@untsystem.edu           | (940) 369-5515 |
| Godson Adadevoh        | Assoc. Dir. - System Admin. Budget | Godson.Adadevoh@untsystem.edu     | (940) 369-5525 |
| Bailey Yarbrough       | Financial Analyst                  | Bailey.Yarbrough@untsystem.edu    | (214) 571-4901 |
| Central Office Contact |                                    | System_Admin_Budget@untsystem.edu |                |



## Glossary of Terms

All Funds – An all-funds perspective is commonly used in colleges, universities, and not-for-profit organizations to account for all resources received and used throughout an institution. Fund accounting classifies resources into funds according to limitations placed on their use by the resource providers. Each fund has its own revenues, Expenses, transfers, assets, liabilities, and fund balances.

Auxiliary Enterprises – Auxiliary Enterprise funds are generated from fees and sales of goods and services. Revenues and Expenses of auxiliaries are recorded in this fund group. Auxiliaries include parking and transportation, student activity centers, housing (residence halls), and dining services. Fees collected to support auxiliaries, such as housing fees and parking fees, are recognized in these funds.

Capital Appropriations-HEF – Higher Education Fund (HEF) revenues are received from the State of Texas General Revenue Fund for construction and other capital purposes. This constitutional appropriation is made for acquiring land with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair or rehabilitation of building or other permanent improvements and acquisition of capital equipment, library books, and library materials. Construction, improvements, and capital equipment purchases made from HEF funds can only be used for structures used jointly for educational and general activities and for auxiliary enterprises to the extent of their use for educational and general activities.

Capital Expenses – These Expenses are for acquiring, renovating, or maintaining capitalized fixed assets, such as land, buildings, and equipment. This includes amounts expended for capitalized equipment, vehicles, software, leases, construction projects, and other capitalized Expenses. Any emergency maintenance or repairs that are above the capitalization thresholds should be included in capital Expenses. At the consolidated funds level, this amount will net to exclude amounts recorded as additions to capital (rather than as an expense) consistent with accounting guidelines.

Communication and Utilities – These Expenses are for communication and utilities fees, including amounts for telecommunication and utilities contracts.

Cost of Goods Sold – These Expenses are incurred by UNTS for goods that are sold, which usually generate revenue classified as Sales of Goods and Services.

Current Funds – Category of funds that include those funds that are most closely associated with day-to-day operations of the institution. These funds include Education & General, Designated Operating, Auxiliary Enterprises, and Restricted Expendable Funds and are approved by the governing board as part of the operating budget.

Debt Service - Interest – These Expenses are comprised of interest Expenses incurred on debt, including amounts for interest Expenses, and fiscal charges.

Debt Service - Principal – These Expenses comprise payments of principal due on debt.

Depreciation and Amortization – Depreciation and amortization Expenses are non-cash Expenses related to the amortization of capitalized amounts over time. Depreciation Expenses reduce the book value of capital assets to reflect the result of wear and tear, age, and/or obsolescence. Depreciation and amortization Expenses are generally recorded in Plant & Debt Funds.

Designated Operating – Designated Operating funds are unrestricted funds that have been designated to support the operating activities of the institution. Revenues and Expenses for operating activities of the academic enterprise are recorded in this fund group.

The sources of Designated Operating funds include revenues from professional services (e.g., medical services), grants and contracts (including cost recovery), designated tuition, other student fees, and quasi-endowment funds (e.g., Tobacco Funds).

Student fees collected as Designated Operating funds may be statutorily authorized under specific legislation, or may be allowable as mandatory or incidental fees under 54.504 or 55.16(c) of the Texas Education Code (TEC). Fees in Designated Operating funds include instructional fees, library use fees, publication fees, international education fees, and technology fees.

Most athletics revenues and Expenses are recorded in Designated Operating funds.

Discounts and Allowances – Discounts and allowances are defined as the difference between the stated charge to the student and what is actually paid by the student and/or third parties on behalf of the student. Discounts and allowances are generally given as institutional merit-based and/or need-based scholarships to offset the cost of tuition, fees, and/or housing and dining Expenses.

Educational and General – Educational and General (E&G) funds are used to support the University of North Texas System (UNTS) general educational operations, including faculty salaries, operating Expenses of instructional departments, library operations and acquisitions, general administration, student services, campus security, and operation and maintenance of educational and general buildings and facilities, as well as a limited number of special research units. E&G funds may only be expended for purposes as defined by the respective sources of funds; and the funds cannot be transferred to any other fund group.

E&G funds include all general revenue and general revenue-dedicated state appropriations. Biennially, in the General Appropriations Act (GAA), universities are allocated (appropriated) funds based on legislative decisions and formulas calculated by the Texas Legislative Budget Board. These appropriations include general revenue funds (e.g., appropriations for employee benefits and Texas Higher Education Fund appropriations for capital investments) and general revenue-dedicated funds (e.g., statutory and Board-authorized tuition and fees).

Appropriations of federal funds and other funds (e.g., Tobacco Funds) are not considered E&G and are recorded separately in designated operating or other funds.

The chart of accounts segregates E&G funds between General Operating Funds (general revenue-dedicated appropriations for statutory and Board-authorized tuition and fees) and State Appropriations (all other appropriations).

Endowment Funds – Endowment Funds include net income (realized and unrealized gains and losses) from the investment of gifts to the university, the uses of which are either restricted by donors or unrestricted. Endowment Funds may also include investment income from funds designated by administrative decision (quasi-endowment).

Defined amounts of income from the Endowment Funds are distributed to Designated Operating funds, Auxiliary Enterprises funds, and Restricted Expendable funds according to the designations of the respective donors. Endowment Funds do not include those of separately-incorporated foundations. Funds not distributed remain in the Endowment Funds to be invested and expended at a later time.

Fees – This consists of revenues generated from fees assessed to students. The fees are categorized as either instructional fees, mandatory fees (e.g., student service fee, intercollegiate athletics fee, library use fee, etc.), or incidental fees (e.g., lab fees, graduation fee, etc.).

Fund Balances – A fund balance is identified as the net difference between a fund's assets and liabilities. A change in fund balance represents the difference between fund additions (revenues and transfers-in) and deductions (Expenses and transfers-out). This differs from (but is inclusive of) institutional operating reserves which are funds within the unencumbered balance for which no use is presently planned and have been set aside for issues such as economic uncertainties, future apportionments, pending salary or price increase appropriations, etc. These reserves can include unrestricted-undesignated fund balances, and can also include unrestricted-designated fund balances, but should not include funds set aside for future capital replacement needs, future debt service needs, etc.

Gift Income – This includes amounts for operating and non-operating purposes. Gift income may occur in any fund group except E&G funds for which the donor may or may not set restrictions on use of the funds.

Grants and Contracts – These revenues result from grants, contracts, and cooperative agreements with governmental agencies, local, and private organizations for current operations, research or other specified purposes. This includes revenues from federal programs and contracts, federal financial aid, federal pass-through revenue, state programs and contracts, state financial aid, state pass-through revenue, and other grants and contracts.

Higher Education Fund (HEF) – See Capital Appropriations-HEF, above.

Inter-Fund Transfers In/(Out) – This includes all transfers between fund groups within a component unit (i.e., within a campus).

Internal Charges – This line item consists of expenses charged for services performed by one department for another within a single UNTS component (e.g., printing or advertising services performed by one department as a service for another department). These expenses will net to zero at the component level.

Internal Income – This line item consists of internal income earned by one department for services rendered to another department within a single UNTS component (e.g., printing or advertising services performed by one department as a service for another department). These revenues will net to zero at the component level.

Intra-Campus Transfers Between Funds – See Inter-Fund Transfers In/(Out) above.

Investment Income – This includes revenues received from interest and dividends, realized and unrealized gains and losses on investments, and realized gains or losses on the sale of capital assets.

Loan Funds – Loan Funds consist of amounts that are held for making loans to students. These funds are derived from a number of sources, including private and governmental gifts and grants, federal borrowing, and unrestricted allocations. Interest income, in most instances, is returned to this fund as an increase to the available fund balance.

Materials and Supplies – These Expenses relate to general supplies and non-capitalized equipment costs.

Net Professional Fees – Net Professional Fees consist of Gross Professional Fees net of Contractual Allowances and Discounts. Professional fees are generated by physician services, counseling services, business consulting services, architectural services, and endowment services provided by UNTS.

Net Tuition and Fees – Student tuition and fee revenues, net of waivers, discounts, and allowances, are included in Net Tuition and Fees. Statutory tuition is authorized under TEC 54.501 and flows to E&G funds. Board-authorized tuition is authorized under TEC 54.008 for graduate programs and also flows to E&G funds. Per TEC 54.0513, Board-designated tuition amounts are approved by the governing board of UNTS and are recorded in Designated Operating funds.

Non-Current Funds – Category of funds that include those funds that are unpredictable in nature and not as closely associated with day-to-day operations of the institution as those in Current Funds. These funds are provided in the budget as estimates, so as to show the entire anticipated financial impact of the budget on the institution. These funds include Endowment, Loan, and Plant and Debt Funds and are not approved by the governing board as part of the operating budget.

Non-resident Graduate Tuition – This consists of revenue recognized for gross tuition charges to graduate or professional students for instructional services who are **not** Texas residents.

Non-resident Undergraduate Tuition – This consists of revenue recognized for gross tuition charges to undergraduate students for instructional services who are **not** Texas residents.

Other Expenses – Other Expenses include tax Expenses; insurance Expenses; postage and shipping Expenses; dues, memberships and licenses; patent and royalty Expenses; speaking events; employee training Expenses; non-travel reimbursable Expenses; and other operating Expenses.

Other Inter-Unit Transfers In/(Out) – All other transfers of funds between UNTS component units are recorded here. This includes amounts transferred for reimbursement of special project work, various services rendered by one component to another (e.g., library services), or to pay bond payments for debt securities held by UNT System Administration for the benefit of the component units.

Other Legislative Transfers-In/(Out) – Transfers of legislative appropriations from one UNTS component to another.

Other Revenues – This includes revenues received from other activities not included above.

Other Transfers – Transfers to Other State Agencies and Other Legislative Transfers.

Other Undergraduate Tuition - This includes guaranteed tuition, tuition for repeat courses, and tuition for excess hours, and other amounts not included above.

Personnel Costs (Salaries, Wages and Other Compensation, Benefits and Other Payroll-related Costs) – These Expenses include compensation and benefits provided to faculty (including lecturers and teaching graduate students), staff (including administrators, professionals, support staff, and non-teaching graduate students), and hourly or other temporary employees (including student workers). This includes regular or periodic payments for non-regular work or services (e.g., overtime, supplemental compensation, summer compensation, and bonuses).

Planned Use of Fund Balances – Fund balances (positive or negative) that, with approval, are carried forward from the previous year's budget into the current year's budget to be used or made up throughout the FY.

Plant & Debt Funds – Plant and Debt Funds include unexpended plant funds, renewal and replacement funds, retirement of indebtedness funds, and investments in plant assets. These funds are used for the construction, renovation, and the acquisition of capital assets.

Printing and Reproduction – These Expenses relate to printing and copying Expenses paid to external vendors for printing Expenses, publications, and copying services.

Professional Fees and Services – These Expenses relate to unique services that are typically performed by professionals whose occupation is the rendering of such services exclusive of any employment by UNTS. These Expenses occur through accounts payable (i.e., rather than through payroll). Examples include consultant services; medical and veterinary; advertising fees; audit, financial and business services; legal expert services; collection agency services; architectural and engineering services; and other purchased services.

Rentals and Leases – These Expenses relate to non-capitalized lease and rental fees.

Repairs and Maintenance – These Expenses relate to non-capitalized projects, scheduled maintenance, emergency maintenance and repairs, and other non-capitalized amounts.

Resident Graduate Tuition – This consists of revenue recognized for gross tuition charges to graduate or professional students for instructional services who are Texas residents.

Resident Undergraduate Tuition – This consists of revenue recognized for gross tuition charges to undergraduate students for instructional services who are Texas residents.

Restricted Expendable – Restricted Expendable funds are generated from external sources that restrict the use of the funds. Sources of Restricted Expendable funds include restricted federal grants and contracts, restricted state grants and contracts, gifts and grants from private sources, and restricted distributions from endowments.

Restricted grant and contract funds are not earned until the terms of the agreement under which they were given have been met. FY budgets include estimates based on historical activity, but actual amounts may vary notably from year-to-year based on the timing and amounts of awards.

Gifts and grants in Restricted Expendable funds include revenues from bequests and pledges for operating purposes. These also include unrestricted gifts from private sources.

Sales of Goods and Services – This consists of revenues generated from the sales of goods and services. These revenues include those generated from athletics sales, auxiliary enterprises sales and services (net of discounts and allowances), library services, property rental revenues, clinical operations, and other sales of goods and services.

Scholarships, Exemptions, and Financial Aid – Scholarships, exemptions, and financial aid Expenses are for grants-in-aid or other financial aid payments, as well as tuition exemptions, awarded to students. This includes amounts received in revenues (e.g., federal financial aid) which are then recorded as an expenditure (as scholarships, exemptions, and financial aid) to fund tuition and fee payments.

State Appropriations – State Appropriations are revenues received from the State of Texas General Revenue Fund that supplement institutional revenue in order to meet operating Expenses such as faculty salaries, employee benefits, utilities, and institutional support. State Appropriations are split between State Appropriations-General and State Appropriations-Additional. State Appropriations may only be used for defined purposes and must be recorded in E&G funds as described above.

Transfers Between UNTS Components – Transfers between components of the UNTS that are used to fund core System Administration operations, shared services or other activities one component performs for another.

Transfers to Other State Agencies In/(Out) – This consists of transfers to other Texas state agencies.

Travel – Travel Expenses include direct Expenses for domestic and international travel and entertainment costs, as well as amounts reimbursed to employees for such incurred costs.

Waivers – Waivers are recorded as reductions to the gross tuition and fee amounts noted above.

## Board Briefing

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**Committee:** Audit & Finance

**Date Filed:** July 6, 2020

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**Title:** Approval of FY21 UNTS Internal Audit Plan

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### 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 FY21, resulting from this Annual Risk Assessment, is attached for the Board of Regents review and approval.

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### 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 reduced staff resources to the Internal Audit function along with a co-sourcing partnership with a professional service firm. This reduced the budget from approximately \$3.2M to \$1.9M.

Dan  
Tenney

Digitally signed by  
Dan Tenney  
Date: 2020.07.29  
15:53:18 -05'00'

---

Vice Chancellor for Finance

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### Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky

Digitally signed by Alan Stucky  
Date: 2020.07.29 18:38:25  
-05'00'

---

Vice Chancellor/General Counsel

---

### Schedule:

The FY21 UNTS Internal Audit Plan will be adopted immediately upon approval by the Board of Regents.

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### Recommendation:

It is recommended that the Board of Regents approve the attached FY21 UNTS Internal Audit Plan.



**Recommended By:**

Sheba Joyner

---

Interim Chief Audit Executive

Lesa B. Roe

Digitally signed by Lesa B. Roe  
Date: 2020.07.28 09:28:31  
-05'00'

---

Chancellor

Attachments Filed Electronically:

- Proposed FY21 Internal Audit Plan



## Board Order

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**Title:** Approval of FY21 UNTS 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 13-14, 2020, 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 Texas Government Code and Regent Rule 04.501.4.b requires the Board of Regents to review the FY21 Risk Assessment Methodology and approve the Internal Audit Plan; and

Whereas, the Internal Audit department conducted the annual risk assessment within professional standards and in concert with management, ERM, 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. FY21 UNTS Internal Audit Plan
- 

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

**BOARD ACTION:**

Attested By:

Approved By:

---

Rosemary R. Haggett, Secretary  
Board of Regents

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Laura Wright, Chair  
Board of Regents



# Fiscal Year 2021 Internal Audit Plan





## **FY21 Risk Assessment**

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Modifications, Methodology, & Risk Scoring Formula

## **Risk Assessment Results**

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Alignment with Current Risks, Heat Map, & Resource Allocation

## **FY21 to FY20 Audit Plan**

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Audit Plan Comparison to FY20 & Audit Plan Improvements

## **Background Materials**

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Appendix I: FY21 Internal Audit Plan

Appendix II: Annual Risk Assessment Procedure



# Risk Assessment Modifications

## Modifications Implemented to Improve the Risk Assessment

- Collaboration with Chief Audit Executives at various institutions
- Collaboration with Protiviti consultants
- Improved collaboration with Chief Compliance Officers
- Recalculation of the available audit hours to include continuous professional education (CPE) and volunteer hours in support of professional organizations
- Performance of three separate risk assessments: audit universe risk assessment, financial risk assessment and IT risk assessment
- Utilization of institutional ERM risk rankings as a baseline in the annual risk assessment



# Risk Assessment Methodology

Identified  
Audit  
Universe



- Utilized ERM risks as baseline
- Strategic initiatives & changes in business
- Reviewed/analyzed financial data
- Stakeholder interviews
- Emerging risks

Completeness  
Check with 2<sup>nd</sup>  
Line of Defense



- Collaborated with Chief Compliance Officers on plan

Risk-Ranked and  
Prioritized  
Auditable Areas



- Ranked impact, including financial statement materiality, level of reputational risk, magnitude of operational impact, degree of regulatory concern, and the IT threat
- Ranked probability, including the newness of the process or personnel, ERM ranking, known issues, process complexity, quantity of occurrence, and level of monitoring
- Created heat map of results

Partnered with  
Executive  
Leadership



- Discussed IA strategic goals and risks with executives

Created FY 2021  
Internal Audit  
Plan

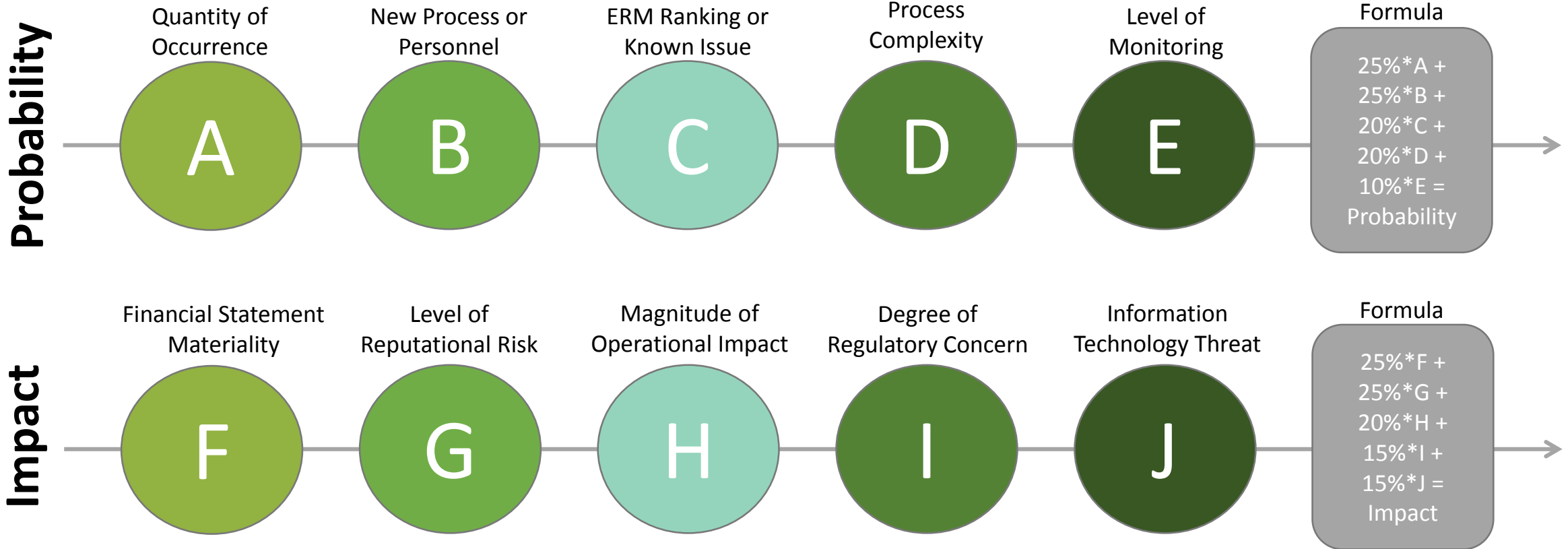


- Finalize audit plan projects



# Risk Scoring Formula

A through J represents a ranking of 1 to 5, with 5 as the highest, therefore 25 is the highest possible risk score.



Probability x Impact = Risk Score



# Alignment with Most-Current Risks

| Topic                                   |     | Connection to Internal Audit Plan     |
|---|-----|---------------------------------------|
| <b>Enterprise Risk Management</b>       | 1.1 | • Frisco Campus Construction Contract |
| <i>Frisco Campus Human Resources</i>    | 1.2 | • Recruiting                          |
| <i>Budget &amp; Resource Allocation</i> | 1.3 | • Budget Process                      |
| <b>Emerging Risks</b>                   | 2.1 | • Cares Act                           |
| <i>COVID-19</i>                         | 2.2 | • 1135 Waivers                        |
| <b>Strategic Initiative</b>             | 3.1 | • IT Security & Compliance            |
| <i>IT</i>                               | 3.2 | • Data Services                       |
| <b>Strategic Initiative</b>             | 4.1 | • Financial Reconciliation Reporting  |
| <i>Finance</i>                          | 4.2 | • Aging for Financial Reconciliations |



# Heat Map

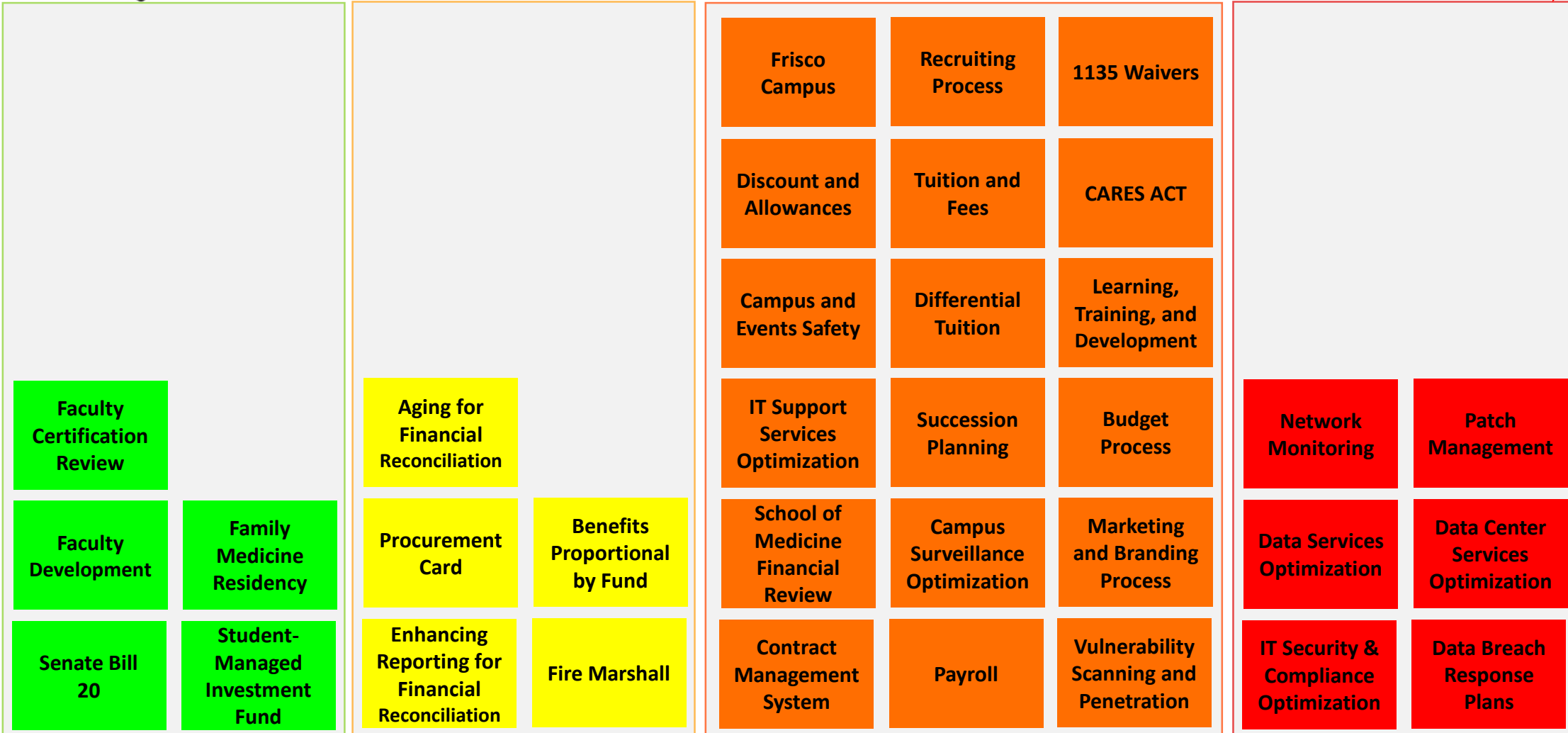


Low

Medium

High

Critical



## Key

Risk Score Ranges

Critical  
19.1 – 25.0

High  
13.1 – 19.0

Medium  
6.1 – 13.0

Low  
1.0 – 6.0

# Resource Allocation



## Development – Initiatives /

### Education

Activities (non-engagement specific) that improve the internal audit function’s capability and capacity  
1,430 Hours

## Development - Operations

Activities (non-engagement specific) necessary to execute the internal audit function  
1,555 Hours

### Follow-Up

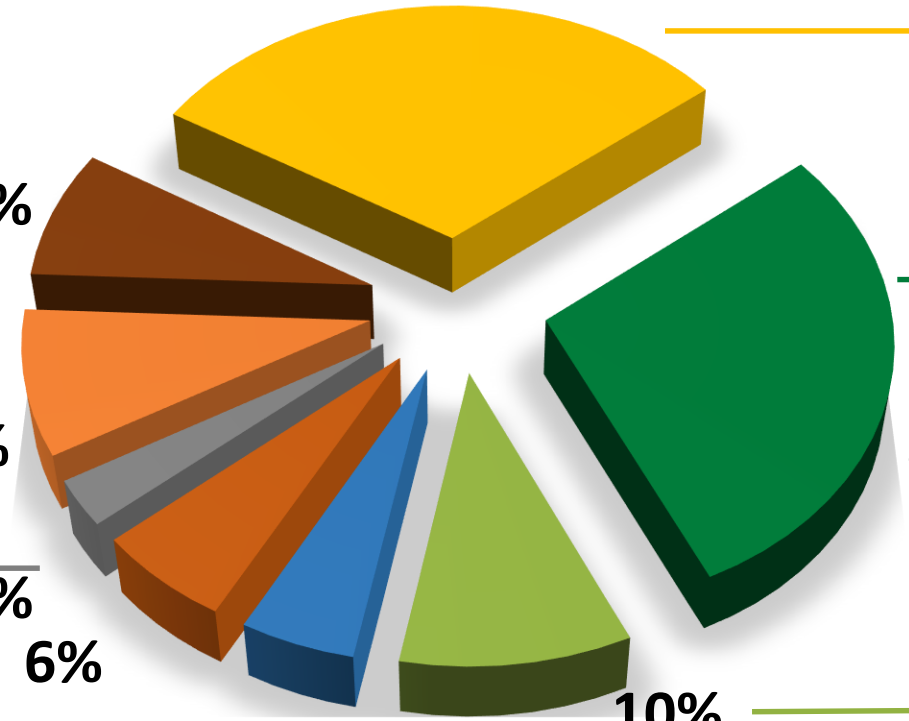
Procedures to be conducted to verify the implementation status of past recommendations made  
500 Hours

### Reserve

Unallocated hours reserved to be responsive to management request or new risks  
1,020 Hours

### Investigations

Reserved for investigations that may arise during the fiscal year  
800 Hours



### Assurance

Named audits determined by the annual risk assessment process  
5,300 Hours

### Advisory/Consulting

Consulting and advisory services on strategic projects and improving process efficiency  
5,025 Hours

### Required

Audits required by the State of Texas, Regent Rule, or grant awards  
1,650 Hours

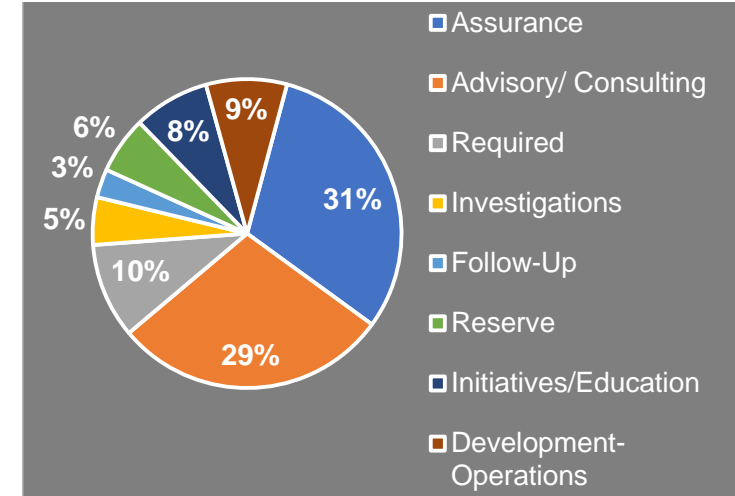
# Audit Plan Comparison



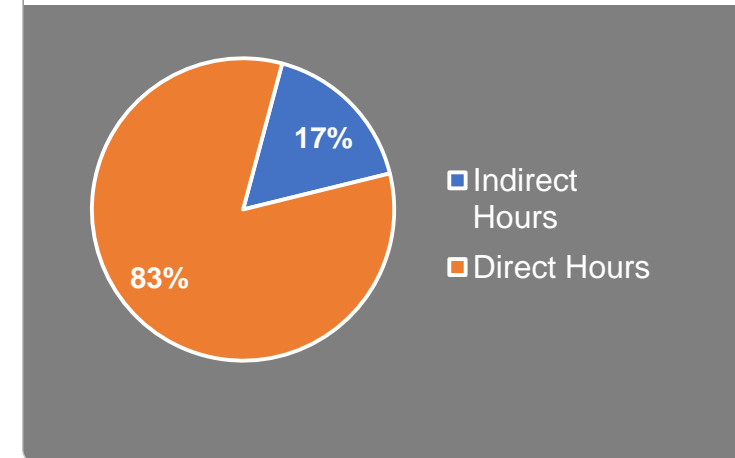
|  | FY2020        |             | FY2021        |             |
|--|---------------|-------------|---------------|-------------|
|  | Hours         | Percent     | Hours         | Percent     |
| <b>INDIRECT HOURS</b>                      |               |             |               |             |
| Development-Initiatives/Education          | 0*            | 0%          | 1,430         | 8%          |
| Development-Operations                     | 1,401         | 6%          | 1,555         | 9%          |
| <b>Total Indirect Hours</b>                | <b>1,401</b>  | <b>6%</b>   | <b>2,985</b>  | <b>17%</b>  |
| <b>DIRECT HOURS</b>                        |               |             |               |             |
| Assurance Engagements                      | 6,730         | 28%         | 5,300         | 31%         |
| Management Advisory/Consulting Engagements | 2,140         | 9%          | 5,025         | 29%         |
| Required Engagements                       | 4,775         | 19%         | 1,650         | 10%         |
| Investigations Hours                       | 300           | 1%          | 800           | 5%          |
| Follow-Up                                  | 1,070         | 4%          | 500           | 3%          |
| Reserve                                    | 7,961         | 33%         | 1,020         | 6%          |
| <b>Total Direct Hours</b>                  | <b>22,976</b> | <b>94%</b>  | <b>14,295</b> | <b>83%</b>  |
| <b>TOTAL AVAILABLE HOURS</b>               | <b>24,377</b> | <b>100%</b> | <b>17,280</b> | <b>100%</b> |

\*Reduced from total available hours, therefore not included in submitted FY20 audit plan hours

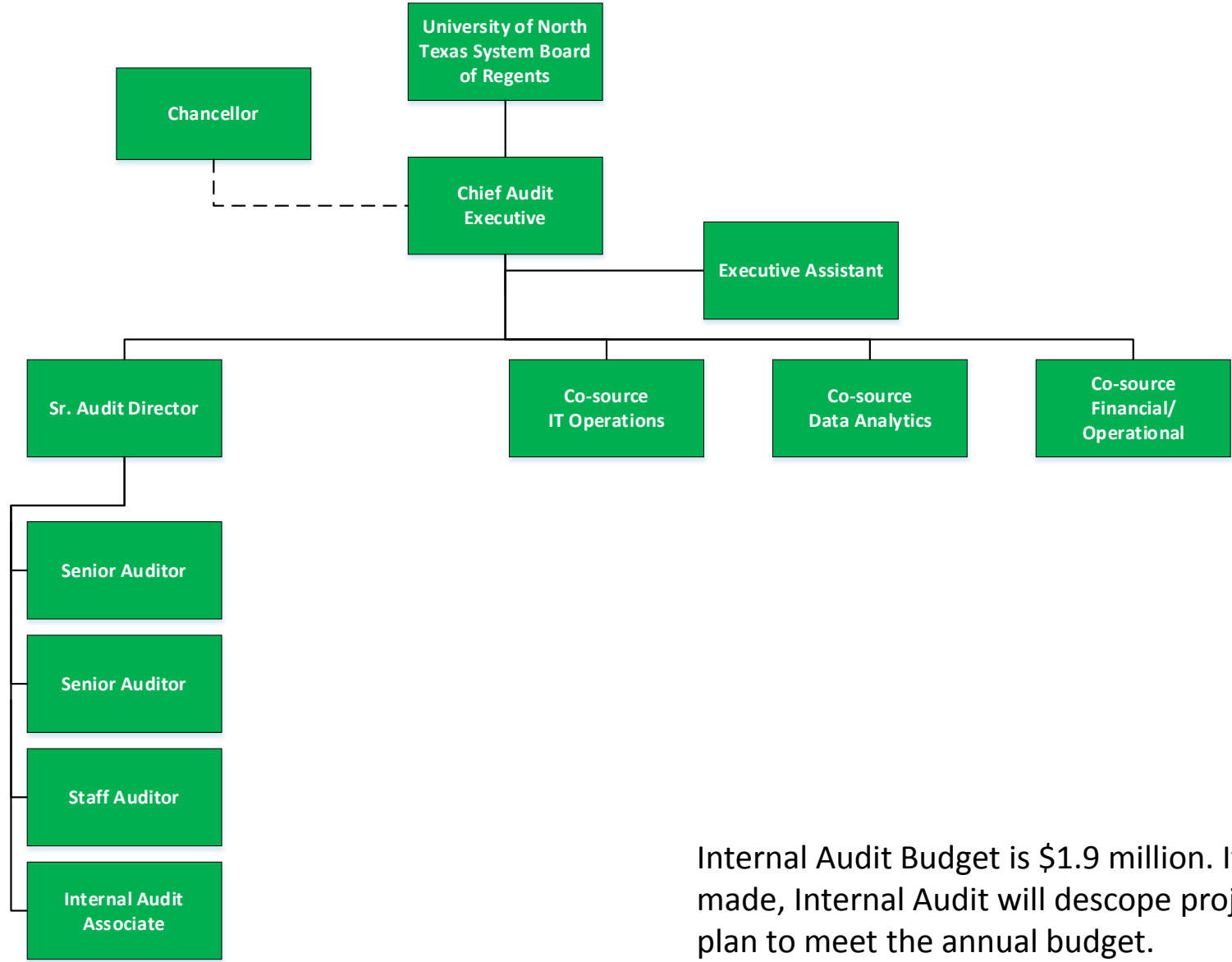
**FY21 Plan Distribution**



**FY21 Indirect vs Direct**



# Organizational Chart



Internal Audit Budget is \$1.9 million. If adjustments need to be made, Internal Audit will descope projects on the annual audit plan to meet the annual budget.

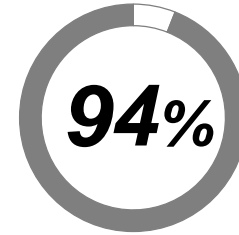


# Audit Plan Improvements

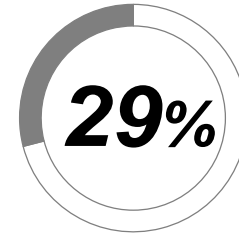
## External Review Recommendations

## FY21 Plan

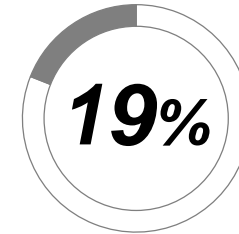
Allocate at least 90% of total available hours



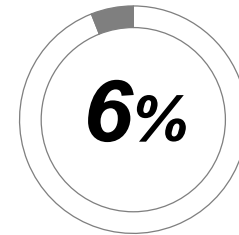
Allocate at least 20% of the annual plan to advisory/consulting projects



Increase the transparency of IT risk coverage



Unallocated hours limited to under 10% of total available hours





Questions?



# Background Materials



## Appendix I – FY21 Internal Audit Plan



# Appendix I – FY21 Audit Plan



| Institution                  | Engagement Name                | General Objective/Description  | Budget Hours |  |
|------------------------------|--------------------------------|--|--------------|--|
| <b>ASSURANCE ENGAGEMENTS</b> |                                |  |              |  |
| DAL                          | Campus and Events Safety       | Assess the design and effectiveness of controls to track/monitor events and all visitors who are on campus.  | 400          |  |
| UNT                          | Frisco Campus                  | To determine if UNTS planned, procured & formed its contract for the construction of the Frisco Campus in accordance with applicable statues and the contracting Handbook 2012; as well as to ensure there are no proprieties. | 450          |  |
| HSC                          | Marketing and Branding Process | To assess the adequacy and effectiveness of key marketing channels.  | 350          |  |
| DAL                          | Budget Process                 | To assess the effectiveness of the governance, risk-management and control processes over budget planning, preparation, and implementation.  | 350          |  |
| SYS, UNT, DAL, HSC           | Recruiting Process             | Assess the design and effectiveness of the recruitment and selection process to ensure that the right people are hired.  | 400          |  |
| UNT, DAL, HSC                | Tuition and Fees               | To evaluate the systemic interface from Learning Solutions module to the Financial Solutions module within PeopleSoft which create the journal entry to ensure it is working as intended.                                      | 400          |  |
| UNT, DAL, HSC                | Discount and Allowances        | To evaluate the systemic interface from Learning Solutions module to the Financial Solutions module within PeopleSoft to ensure processes and controls surrounding discounts/allowances are working as intended.               | 400          |  |
| SYS, UNT, DAL, HSC           | Data Breach Response Plans     | Review data breach response plans. Evaluate how quickly the institutions identifies a breach and the mechanisms for notifying impacted consumers and regulators.   | 450          |  |

# Appendix I – FY21 Audit Plan



| Institution   | Engagement Name  | General Objective/Description   | Budget Hours |            |
|---|--|---|--------------|------------|
| SYS, UNT, DAL, HSC                                    | Network Monitoring                                     | To ensure network monitoring exists where triggers monitoring security events are in place and alerting is enabled.   | 450          |            |
| SYS, UNT, DAL, HSC                                    | Patch Management                                       | To ensure servers containing confidential / sensitive (Category I) data are being patched according to the UNT System Information Security Handbook/Texas DIR Security Controls Catalog and assess if all institutions are adhering to the established standards. | 450          |            |
| SYS, UNT, DAL, HSC                                    | Vulnerability Scanning and Penetration Testing Process | Evaluate the vulnerability scanning and penetration testing procedures that are established and assess all institutions are adhering to the established procedures.   | 450          |            |
| UNT   | Differential Tuition                                   | To assess if differential tuition and fee funds are being appropriately utilized and billed.  | 400          | -          |
| <b>FY 2020 Carry Forward Audits</b>                   |  |   |              |            |
| HSC   | School of Medicine Financial Review                    | To assess the adequacy and effectiveness surrounding the tracking and recording of financial processes between state and private institution.   | 350          |            |
| <b>Assurance Engagements Subtotal</b>                 |  |   | <b>5,300</b> | <b>31%</b> |
| <b>MANAGEMENT ADVISORY AND CONSULTING ENGAGEMENTS</b> |  |   |              |            |
| SYS, UNT, DAL, HSC                                    | Payroll  | Providing consulting services surrounding the payroll process improvement.  | 300          |            |
| SYS, UNT, DAL, HSC                                    | Aging for Financial Reconciliations                    | Providing consulting services regarding the aging of outstanding balances and reconciling items.  | 300          |            |
| SYS, UNT, DAL, HSC                                    | Procurement Card                                       | Provide consulting services regarding the procedures and processes surrounding the establishment of a business account with Amazon.   | 300          |            |

# Appendix I – FY21 Audit Plan



| Institution        |  | Engagement Name                                 | General Objective/Description  | Budget Hours |  |
|--------------------|--|---|--|--------------|--|
| HSC                |  | 1135 Waivers                                    | Provide consulting services that would include review of supporting documentation to ensure compliance.  | 275          |  |
| SYS, UNT, DAL, HSC |  | Enhance Reporting for Financial Reconciliations | Provide consulting services regarding the reconciliation reporting for balance sheet accounts.   | 300          |  |
| UNT                |  | CARES ACT                                       | Provide consulting services regarding the funds allocated to institutions to ensure compliance by reviewing supporting documentation.  | 275          |  |
| DAL                |  | CARES ACT                                       | Provide consulting services regarding the funds allocated to institutions to ensure compliance by reviewing supporting documentation.  | 275          |  |
| SYS, DAL, UNT      |  | Contract Management System                      | Provide consulting services surrounding the implementation of controls over the contract management platform.  | 300          |  |
| HSC                |  | Budget Process                                  | To assess the effectiveness of the governance, risk-management and control processes over budget planning, preparation, and implementation.  | 350          |  |
| SYS, UNT, DAL, HSC |  | Succession Planning                             | Providing consulting services surrounding the maturity of the organization's short, medium and long term succession plan for managerial staff and technical roles.   | 275          |  |
| DAL                |  | Learning, Training, and Development             | Provide consulting services to determine whether there is an adequate and effective management framework for learning, training, and development to ensure that employees received the training and development they needed, when they needed it, to carry out their duties. | 275          |  |
| SYS, UNT, DAL, HSC |  | Fire Marshall                                   | To provide consulting services to determine whether the duties of the National Fire Protection Association requirements are being performed by the entity and identify any gaps.   | 300          |  |

# Appendix I – FY21 Audit Plan



| Institution                 | Engagement Name                                     | General Objective/Description   | Budget Hours |            |
|-----------------------------|---|---|--------------|------------|
| SYS, UNT, DAL, HSC          | Campus Surveillance Optimization                    | To provide consulting services to ensure Privacy/FERPA controls are appropriately implemented during the restructuring of the surveillance system.  | 300          |            |
| SYS, UNT, DAL, HSC          | Data Center Services Optimization                   | To provide consulting services in assessing whether duplication of hardware, staffing and space is taking place due to shadow IT systems.   | 300          |            |
| SYS, UNT, DAL, HSC          | Data Services Optimization                          | To provide consulting services to assess controls are in place for appropriately collecting, storing and handling data.   | 300          |            |
| SYS, UNT, DAL, HSC          | IT Security & Compliance Optimization               | To provide consulting services in assessing whether IT Security policies are in alignment with state requirements (i.e. Texas Administrative Code 202, Texas DIR Security Control Standards Catalog). | 300          |            |
| SYS, UNT, DAL, HSC          | IT Support Services Optimization                    | To provide consulting services in assessing whether IT Support Services are being duplicated across institutions that can be utilized more effectively.   | 300          |            |
|                             | <b>Advisory and Consulting Engagements Subtotal</b> |   | <b>5,025</b> | <b>29%</b> |
| <b>REQUIRED ENGAGEMENTS</b> |   |   |              |            |
| UNT, UNTD, HSC              | Benefits Proportional by Fund                       | 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.                  | 275          |            |
| SYS, UNT, UNTD, HSC         | Senate Bill 20                                      | Internal Audit is required under SB20 regulations to review contracting process for adherence to requirements on annual basis.  | 275          |            |

# Appendix I – FY21 Audit Plan



| Institution                          | Engagement Name                    | General Objective/Description   | Budget Hours |           |
|--------------------------------------|------------------------------------|---|--------------|-----------|
| HSC                                  | Family Medicine Residency Program  | To provide assurance that UNTHSC is in compliance with the FMRP Agreement requirements and the FMRP Guidelines for Funding.   | 275          |           |
| HSC                                  | Faculty Development Center         | To assess whether THECB program funds were expended in accordance with the terms and conditions of the FDC State Grant Agreement requirements and the FMRP Guidelines for Funding Operational and Support Programs. | 275          |           |
| UNT                                  | Facility Certification Review      | To assess, verify, and improve the data and process by which Texas public colleges and universities accurately report the use of campus facilities and project funding.   | 300          |           |
| UNT                                  | Student-Managed Investment Fund    | To assess compliance with the donor agreement between UNT and Colonel Guy M. Cloud, Jr. related to SMIF.  | 250          |           |
| <b>Required Engagements Subtotal</b> |                                    |   | <b>1,650</b> | <b>9%</b> |
| <b>INVESTIGATIONS</b>                |                                    |   |              |           |
|                                      | Fraud Investigations               | Hours reserved for investigations that arise during the fiscal year   | 800          |           |
| <b>Investigations Subtotal</b>       |                                    |   | <b>800</b>   | <b>5%</b> |
| <b>RESERVE</b>                       |                                    |   |              |           |
|                                      | Reserve for Unanticipated Projects | Hours reserved for unanticipated projects or management request   | 1,020        |           |
| <b>Reserve Subtotal</b>              |                                    |   | <b>1,020</b> | <b>6%</b> |
| <b>FOLLOW-UP</b>                     |                                    |   |              |           |
|                                      | Quarter 1 Follow-ups               | Follow-up recommendations due 4th Quarter FY19  | 125          |           |
|                                      | Quarter 2 Follow-ups               | Follow-up recommendations due 1st Quarter FY20  | 125          |           |
|                                      | Quarter 3 Follow-ups               | Follow-up recommendations due 2nd Quarter FY20  | 125          |           |
|                                      | Quarter 4 Follow-ups               | Follow-up recommendations due 3rd Quarter FY20  | 125          |           |
| <b>Follow-Up Subtotal</b>            |                                    |   | <b>500</b>   | <b>3%</b> |

# Appendix I – FY21 Audit Plan



| Institution                     | Engagement Name   | General Objective/Description  | Budget Hours |
|---------------------------------|---|--|--------------|
| <b>DEVELOPMENT - OPERATIONS</b> |   |  |              |
|                                 | Annual Internal Audit Report                              | Preparation of the annual internal audit report for the State Auditor's Office   | 25           |
|                                 | Audit Committee   | Preparation and participation in the UNT System Internal Audit Committee meetings  | 150          |
|                                 | Audit Manager Leadership                                  | Duties performed by audit manager related to staff mentoring and developing and meetings and discussions with CAE not related to specific audits   | 80           |
|                                 | CAE Departmental Management and Leadership                | Includes hiring, development, budgeting, performance appraisals, administrative duties, leadership, promoting the internal audit department, executive meetings, and all other responsibilities of the CAE that are not directly attributable to a specific audit project. | 200          |
|                                 | FY22 Audit Plan and Risk Assessment                       | Risk assessment and development of the FY22 annual audit plan  | 200          |
|                                 | Internal Quality Assurance and Improvement Program (QAIP) | Internal Quality Assurance and Improvement Program activities, such as updating audit procedures, reviewing projects, etc.   | 400          |
|                                 | IT Audit Technical Support                                | Technical Support provided for TeamMate, IDEA, or other issues   | 40           |
|                                 | Monthly Staff Meetings                                    | Staff meetings are held once a month for approximately four hours. During the meetings, a representative from campus may come to talk about their area to educate the team on their operations.  | 300          |
|                                 | Reporting Requests  | Requests for reporting from UNT System, the SAO, and other external agencies   | 20           |

# Appendix I – FY21 Audit Plan



| Institution                                    | Engagement Name   | General Objective/Description  | Budget Hours  |             |
|--|---|--|---------------|-------------|
|  | UNT System Meetings                                     | UNT System Audit Office meetings, Chancellor Council Meetings, Town Halls, etc.  | 100           |             |
|  | Website and Marketing                                   | Update IA website to include information for auditees (i.e. P&Ps, emerging risks, beneficial external website).        | 40            |             |
|  | <b>Development - Operations Subtotal</b>                |  | <b>1,555</b>  | <b>9%</b>   |
| <b>DEVELOPMENT - INITIATIVES AND EDUCATION</b> |   |  |               |             |
|  | CPE and CPE-Travel                                      | Continuing Professional Education and Related Travel   | 405           |             |
|  | IT Data Analytics Project                               | Project to improve departmental data analytics   | 250           |             |
|  | Data Analysis Training - IDEA                           | Training provided to the entire UNTS team surrounding data analytics   | 300           |             |
|  | GAGAS Training  | Government training provided to the UNTS team  | 150           |             |
|  | Participation in Professional Organizations             | Participation on committees for professional organizations   | 100           |             |
|  | Student Internship Program                              | Time spent by internal audit recruiting and mentoring student interns and speaking at class (not specific to an audit) | 100           |             |
|  | UNT System Audit Strategic Initiatives                  | UNT System Internal Audit strategic initiatives arising from internal assessments and external review                  | 125           |             |
|  | <b>Development - Initiatives and Education Subtotal</b> |  | <b>1,430</b>  | <b>8%</b>   |
| <b>TOTAL BUDGETED HOURS</b>                    |   |  | <b>17,280</b> | <b>100%</b> |



## Appendix II: Annual Risk Assessment Procedure





## **Annual Risk Assessment and Audit Plan Guidance**

### **Risk Assessment and Audit Plan Procedure**

#### **PURPOSE**

This procedure defines principles, objectives and process expectations for the risk assessment conducted by UNT System Internal Audit department and the resulting audit plans.

|  |          |
|--|----------|
| <b>DEFINITIONS, PRINCIPLES AND OBJECTIVES.....</b> | <b>2</b> |
| <b>RISK ASSESSMENT PROCEDURES.....</b>             | <b>2</b> |
| <b>ANNUAL AUDIT PLAN PROCEDURES.....</b>           | <b>3</b> |
| <b>QUALITY IMPROVEMENT PROGRAM.....</b>            | <b>6</b> |
| <b>RISK SCORE MATRIX.....</b>                      | <b>6</b> |
| <b>APPENDIX – SCORING RISK GUIDANCE.....</b>       | <b>7</b> |
| <b>Definitions for Risk Scoring.....</b>           | <b>7</b> |
| <b>Risk Scoring.....</b>                           | <b>7</b> |



# Appendix II – Annual Risk Assessment Procedure

## DEFINITIONS, PRINCIPLES AND OBJECTIVES

**Risk is defined** as “the effect of uncertainty on objectives.” Identifying risks requires understanding of the business objective “at risk” and the environment that influences success.

### Risk Assessment Principles

- Identify important strategic initiatives and operational objectives “at risk”
- Identify and evaluate internal management, operational and process controls in place to ensure the success of objectives
- Risks to an objective are defined as residual risk, based on the understanding of management activities and operations/processes (controls) in place to mitigate
- Cross-functional and external/environmental risk remains important and cannot always be tied to one specific strategic initiative or operational objective (e.g., IT security and infrastructure and fraud risks can be pervasive and may be applicable to many objectives)

### Objectives of Risk Assessment

- Update and identify the most critical risks to important objectives to inform governance and management and to develop risk-based audit plans
- Collaborate with other internal Risk Collaborators (Compliance, Risk Management, Information Security, Legal, Human Resources, Police, etc.) to add value and strengthen formal risk management practices
- Maintain flexibility for application across different UNT institutions and audit teams

## RISK ASSESSMENT PROCEDURES

### Conducting the Risk Assessment

1. Update understanding of the Institution’s structure and important strategic and operational priorities by reviewing relevant documents to begin identifying/updating audit universe and/or updating objectives at risk.
2. Review current financial, operational and other performance reporting to gain awareness of current Institutional performance towards achieving objectives [See *Financial Risk Assessment Tool*]
3. Plan and design the IT risk assessment process (interviews, facilitated discussions, survey, etc.) [See *IT Risk Assessment Methodology and Tool* section]
4. Gather any risk assessment results/reports (e.g., fraud assessment, ERM) performed by other risk functions
5. Meet with executive members of leadership who oversee key areas of the organization to identify and/or update critical strategic and operational objectives at risk and how they relate to those currently on the ERM.
6. The three survey questions to ask with key stakeholders:
  - a. What are the 3 business risks, in priority order, the institution faces over the next 2 years that could have a significant adverse effect on the institution’s ability to achieve its strategic and/or financial objectives?
  - b. What are some of the things the institution is doing to help manage/mitigate each of these risks?
  - c. In your opinion, are these risk mitigation strategies effective?
7. Conduct interviews and/or facilitated discussions or send surveys with selected individuals to identify/update risks and the related controls in place
8. Ensure baseline of audit risk tool are the ERM top risks identified by management.



# Appendix II – Annual Risk Assessment Procedure

9. Document/update risks in the Risk List and the other content required in the tool, which links risk to objectives and the categories.
  - a. Institution: Name of UNT Institution
  - b. Strategic Objective: Strategic initiative or functional/operational objective impacted by the risk
  - c. ERM Risks: Risk category defined by management associated with the strategic objective.
  - d. Audit Universe: Sub-Category: Closest category that describes the area where the risk may occur
  - e. Risk Definition: Definition of the risks are listed in the ERM Risk Definition tab. However, Risk Definition may be too general and need to identify with management the specific risk.
  - f. Risk Probability: High, Medium, or Low
  - g. Risk Impact: High, Medium, or Low
  - h. Risk Score: Critical, High, Medium, or Low – defined in the *Risk Scoring* Appendix
  - i. On the Plan: Yes or No – If the risk will be audited or reviewed as part of an engagement
    - i. If Yes – Under Engagement Name, add the name of the related engagement on the annual audit plan
10. Conduct interviews, facilitated discussions, and/or surveys with Information Technology leaders identified during planning, and identify IT risks and related controls [Transfer items to Annual Audit Plan tab]
11. Conduct interviews, facilitated discussions, and/or surveys with Finance leaders identified during financial risk assessment [Transfer items to Annual Audit Plan tab]
12. Collaborate with Chief Compliance Officers at all institutions and using professional judgement/guidance in the Scoring Risk Guidance Appendix, determine risk Probability and Impact scores based on understanding of controls, external threats and the nature of the risk itself
  - a. Meet with Executive Management and Governance to review initial risk scoring results
  - b. NOTE:** In general, adjustments to the Risk Score should be made through changes to Probability and Impact to keep the integrity of the Risk Score Matrix
13. Develop custom risk reporting for the Board of Regents and Management to communicate the big picture and provide other value-add risk information

## ANNUAL AUDIT PLAN PROCEDURES

The risk assessment results will identify Critical and High risks and an awareness of what other functions may be doing to address risks. This data, coupled with available resources, is the primary driver in identifying engagements for the annual audit plan. The content below addresses the required audit plan reporting. Additionally, the Risk List details can be leveraged into reports valuable to Audit Committee members, management and other risk assessors.

### Audit Plan Development & Review

1. At the conclusion of the risk assessment and audit plan development process, Internal Audit should complete the “Risk Assessment and Audit Plan Tool” Excel workbook (in preparation of review) containing the following tabs:
  - a. Audit Plan – Proposed Audit Plan (see description and notes in next section)  
**(NOTE:** Critical/High IT Risks and Financial Risk from the separate risk assessment should be covered on the audit plan)
  - a. Risk List & Scoring – Defined risks by criticality, noting which Critical/High risks are covered on the audit plan
  - b. Available Audit Hours – Calculation of resource hours based on gross positions, net of estimated vacancies **(NOTE:** Generally, co-source hours should be included, but intern hours should not be included).



# Appendix II – Annual Risk Assessment Procedure

2. The annual audit plan should be presented to the Board of Regents for review and approval upon completion.

## **Audit Plan**

1. **Assurance Engagements**

Audits of operations/processes with the highest number of critical risks. These services include the planned audits of business units (including academic departments) and business processes that cut across all organizational units (e.g., purchasing, travel, etc.). The internal audit activity may provide assurance services where it had previously performed consulting services, provided the nature of the consulting did not impair objectivity.

2. **Advisory and Consulting Engagements**

- Specific consulting engagements identified or requested during the risk assessment and annual audit plan development process
- Hours reserved for consulting engagements that may arise during the fiscal year
  - An estimate of hours may be based on an average of actual hours spent in previous years
- Advisory Services encompasses a broad array of activities beyond regular audits. These additional activities are proactive or preventive in nature and are focused in the following areas:
  - **Internal Control & Accountability** - Promotes the systems of internal controls through training of University personnel in concepts of internal control and consultation on their implementation. These services include our efforts to support the Controllers' accountability initiatives, including Control Self-Assessment.
  - **Special Projects and Consultations** - Promote effective and efficient operations through special management studies, advisory participation on business process and systems reengineering teams and consultation on business issues (e.g., regulatory compliance matters) and assist department and program managers in dealing with issues before they become audit or investigation problems.
  - **Systems Development and Reengineering** - Involves participation with teams and committees to assist in the continued efforts of the institutions to develop and implement new systems, redesign business processes to be more effective and efficient and deal with other campus or lab business issues. Involvement of auditors in a consultative manner during the design and development phase helps to ensure that sound business practices, including effective internal controls, are built into the systems and processes.

3. **Required Engagements**

Engagements required externally by entity, statute, etc. or internally by policy, including but not limited to:

- Financial Statement Audit Assistance – external auditor will conduct this audit and related hours to budget will be separately distributed (if requested)
- Work required per *Texas Education Code* (TEC) section 51.9337(h)
- JAMP – If selected, notifications will be sent in April/May
- THECB and Other Required Grant Audits
- Federal Portion of the Statewide Single Audit Assistance to the State Auditor's Office (if selected)

4. **Investigations**

- Specific investigation projects identified or requested during the risk assessment and annual audit plan development process – may be unlikely
- Hours reserved for investigations that may arise during the fiscal year
  - An estimate of hours may be based on an average of actual hours spent in previous years



# Appendix II – Annual Risk Assessment Procedure

5. Reserve

- Hours reserved for unanticipated engagements – primarily risk based (but could include required) or other activities that may arise during the fiscal year
  - An estimate of hours may be based on an average of actual hours spent in previous years
  - **NOTE:** As the fiscal year progresses and specific engagements become known, these hours should be re- allocated to the applicable categories. *As such, Actual Hours should never be charged to the Reserve category.*

6. Follow-Up

- Follow-up procedures to be conducted to verify the implementation status of past recommendations made

7. Development – Operations:

Activities (non-engagement specific) necessary to execute the internal audit function, including but not limited to:

- Annual Audit Plan development, including risk assessments
- Internal Audit Committee preparation/participation
- External Quality Assurance or other internal quality processes and activities
- UNT System, SAO, etc. reporting/requests
- TeamMate, IDEA, website, etc. development/maintenance
- Staff meetings related to the management of the audit activity, such as a meeting to discuss updates/status of multiple engagements, etc. (this should not include administrative or social types of staff meetings)

8. Development – Initiatives and Education:

Activities (non-engagement specific) that improve the internal audit function’s capability and capacity, including but not limited to:

- Internal Audit Office initiatives participation – Committees, Workgroups, research, etc.
- Institutional strategic initiatives
- Professional organization/association participation
- Professional writing, publications, external presenting
- Individual Continuing Professional Education (CPE) Training, including related travel

***Available Audit Hours***

Allocation of Audit vs. Non-Audit Hours

The total budgeted hours for the annual Audit Plan should be calculated using expected staff levels, considering a realistic estimate of vacancies, history of actual hours expended, and planned involvement in developmental activities.

- Audit Hours should include co-source staffing for engagements on the Audit Plan
- Audit Hours should include Training/CPE, including related travel, in the Development – Initiatives and Education category of the Audit Plan
- Audit Hours should NOT include students/interns unless they will be tracking time in TeamMate TEC
- Non-Audit Hours should include general administration, holidays, and leave



# Appendix II – Annual Risk Assessment Procedure

## Five Year History

The five-year history is a trending of the audits performed. If trending information is available through TeamMate, this can be obtained from TeamMate.

In addition to reporting progress toward plan completion, the audit plan status updates should note any audits or projects which have been added or deleted from the audit plan due to unexpected issues, changes in resources, etc. that may arise throughout the year. The CAE should also assess the need for periodic updates to the risk assessment during the year, which may also result in changes to the plan. **Any additions or deletions from the audit plan must have Institutional Audit Committee approval.**

## QUALITY IMPROVEMENT PROGRAM

To demonstrate adherence to professional standards, internal policies, and opportunities to add value to governance and management, the risk assessment and annual audit plan process should contain the following quality elements:

- Risk Assessment planning documents clear understanding of the organization, its objectives and what areas have critical objectives at risk
- Collaboration with other internal risk functions (i.e. Compliance) are explored and leveraged where practical
- The Risk List and Scoring is complete, can be easily followed and is adequately supported
- Risk data, including detail on the methodology and scope, is leveraged into reporting for stakeholders to add value
- The risk assessment process is documented, and its results serve as the foundation for the development of the annual audit plan
- The “Risk Assessment and Audit Plan” tool is complete and customized, as needed, to meet governance and management needs
- Adjustments to audit plans are reflected in quarterly status updates, with consideration to risk, and are approved by the Board of Regents

## RISK SCORE MATRIX

Once Risk Probability and Risk Impact (described in the following *Appendix – Scoring Risk Guidance*) have been defined, a Risk Score is determined based on the following combinations below:

| Risk Scoring Matrix |        | Impact |        |      |
|---------------------|--------|--------|--------|------|
|                     |        | Low    | Medium | High |
| Probability         | High   | M      | H      | C    |
|                     | Medium | L      | M      | H    |
|                     | Low    | L      | L      | M    |



# Appendix II – Annual Risk Assessment Procedure

## APPENDIX

### SCORING RISK GUIDANCE

The guidance below is intended provide a framework of risk principles to aid you in judgmental scoring of risk.

#### Definitions for Risk Scoring

**Risk** – The effect of uncertainty on strategic objectives

**Strategic Objective** – A strategic initiative or goal of the institution defining its direction or what it wants to become; also, an operational objective, which is typically the purpose of a component or function of the institution.

**Risk Probability** – The likelihood that a risk will occur (harming a business objective) over a predefined time period or frequency due to inadequacy in internal control systems (Management, Operations or Process); and/or the likelihood that an external threat (regulatory, financial or market) or systemic issue will cause the risk to occur.

- **Quantity of Occurrence**
- **New Process or Personnel**
- **ERM Ranking or Known Issue**
- **Process Complexity**
- **Level of Monitoring**

**Risk Impact** – The extent to which a risk (if realized) would impact the organization, considering the importance of the business objective harmed and the nature and volume of harm that could be done.

- **Financial Statement Materiality**
- **Level of Reputational Risk**
- **Magnitude of Operational Impact**
- **Degree of Regulatory Concern**
- **Information Technology Threat**

**Risk Score** – The magnitude of a risk given its risk probability and risk impact

#### Risk Scoring

During the risk assessment process, we are looking at the most important business objectives and getting some sense of how they are being managed and the operations set up to achieve them. We are also looking at the environment and trying to see over the horizon for any threats to success. As we gather this information, we will define risks that may include many things capable of derailing success; i.e., control weakness, external threats, emerging technologies, etc. As we define these risks and their potential to derail important objectives, use the probability of the risk and its potential impact to determine if the risk is Critical, High, Medium or Low.

# Appendix II – Annual Risk Assessment Procedure



|                 |   |
|-----------------|---|
| <b>Critical</b> | High probability to directly impact achievement of a strategic or important operational objective of a UNT institution or the UNT System as a whole.        |
| <b>High</b>     | Moderate to significant level of exposure to the Institution's operations. Without appropriate controls, the risk will happen on a consistent basis.        |
| <b>Medium</b>   | The risks are considered to be undesirable and could moderately expose the Institution. Without appropriate controls, the risk will occur some of the time. |
| <b>Low</b>      | Low probability of various risk factors occurring. Even with no controls, the exposure to the Institution will be minimal.                                  |



## Board Briefing

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**Committee:** Audit & Finance

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**Date Filed:** July 6, 2020

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

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### Background:

The Texas Internal Auditing Act (Government Code Chapter 2012) specifies that internal audit programs shall conform to the Standards for the Professional Practice of Internal Auditing, the Code of Ethics contained in the Professional Practices Framework as promulgated by the Institute of Internal Auditors, and generally accepted government auditing standards. The Institute of Internal Auditor's Practice Advisory 1000-1 in the Professional Practices Framework, and the UNT System Regent Rule 4.501.4, both outline the need for a formal written Internal Audit Charter, which should be approved by the Board. Accordingly, the Internal Audit Charter has been revised to present to the Board of Regents for approval and issuance, pursuant to Regent Rule 4.501.4, and the Institute of Internal Auditor's Professional Practice Framework.

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### Financial Analysis/History:

There is no financial impact.

**Dan Tenney** Digitally signed by Dan Tenney  
Date: 2020.07.29 16:01:09 -05'00'

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Vice Chancellor for Finance

### Legal Review:

This item has been reviewed by General Counsel.

**Alan Stucky** Digitally signed by Alan Stucky  
Date: 2020.07.29 18:39:45 -05'00'

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Vice Chancellor/General Counsel

### Schedule:

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

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### Recommendation:

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

### Recommended By:

**Sheba Joyner**  
Interim Chief Audit Executive

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Les B. Roe

Digitally signed by Les B. Roe  
Date: 2020.07.28  
09:27:22 -05'00'

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Chancellor

Attachments Filed Electronically:

- Proposed Internal Audit Charter-redline
- Proposed Internal Audit Charter-clean copy



## Board Order

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

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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 13-14, 2020, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

---

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

Whereas, the external review conducted by Protiviti recommends to update the Internal Audit Charter; and

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

Whereas, the Board of Regents has reviewed the Internal Audit Charter. \_\_\_\_\_,

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

1. UNT System Internal Audit Charter
- 

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

**BOARD ACTION:**

Attested By:

Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Laura Wright, Chair  
Board of Regents

# UNT | SYSTEM™

## INTERNAL AUDIT CHARTER

### Introduction

The University Of North Texas System Board of Regents' Audit ~~and Finance Committee~~ ~~(Committee)~~, as outlined in Regent Rules 03.400 and 04.500, has established the [UNT System Internal Audit Department](#) (Internal Audit) to serve as an appraisal function to examine and evaluate the operations of the University of North Texas System and its component institutions, [University of North Texas](#), [University of North Texas Health Science Center at Fort Worth](#), and [University of North Texas at Dallas](#). ~~(System)~~.

### Purpose and Vision

The purpose of [UNT System Internal Audit](#) is to provide independent, objective assurance and consulting services designed to add value and improve the [University of North Texas](#) System operations. It assists the System in accomplishing its [strategic and operational](#) objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

[UNT System Internal Audit's vision is to be a world class internal audit function to enhance and protect organizational value by providing risk-based independent and objective assurance, advice, and insight.](#)

### Role

The Chief ~~Audit Executive~~~~Internal Auditor~~ reports to the ~~Audit and Finance Committee~~~~Audit Committee~~. The ~~Audit and Finance Committee~~ ~~Audit Committee~~ recommends for approval by the Board the hiring, compensation, removal, and evaluation of the Chief ~~Audit Executive~~~~Internal Auditor~~ who shall report to the Board through the Committee. At least once per year, the ~~Audit and Finance Committee~~ ~~Audit Committee~~ will review the performance of the Chief ~~Audit Executive~~~~Internal Auditor~~ and review the letter of employment outlining the details of employment. The Chief ~~Audit Executive~~~~Internal Auditor~~ shall have and maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements outlined by this charter. On an annual basis, the Chief ~~Audit Executive~~~~Internal Auditor~~ will perform an evaluation of the Internal Audit Department's staff (qualifications and training, etc.)

Internal Audit Staff report directly to the Chief ~~Audit Executive~~~~Internal Auditor~~. Internal Audit activities, their purpose, authority and responsibility, performance relative to the audit plan, and audit reports are communicated by the Chief ~~Audit Executive~~~~Internal Auditor~~ to the Board of Regents and all other applicable reporting entities including the State of Texas. This reporting relationship promotes independence and provides adequate consideration of audit issues, recommendations, and management action plans.

The Chief ~~Audit Executive~~~~Internal Auditor~~ will also coordinate the audit efforts with the System's external auditors, and conduct independent reviews of specific issues, accounts, or incidents where applicable. Members of the Internal Audit Department will meet the continuing professional education requirements for government auditors as well as for the professional certifications they may hold.

### Authority

Authority is granted for full, free, and unrestricted access to any and all System records, physical properties, and personnel relevant to any function under review. Documents and information given to Internal Audit will be handled in the same prudent and professional manner as by those employees normally accountable for them.

All employees shall assist Internal Audit in fulfilling their function as requested. In the event any officer, agent, or employee of the System shall fail to cooperate fully with Internal Audit or shall otherwise hinder or prevent or attempt to hinder or prevent any audit, the Chief ~~Audit Executive~~~~Internal Auditor~~ shall immediately and simultaneously report the same to the Chancellor and the ~~Audit and Finance Committee~~~~Audit Committee~~.

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Internal Audit shall also have free and unrestricted access to the ~~Audit and Finance Committee~~~~Audit Committee~~, the Chairman of the Board of Regents and the Chancellor.

The Chief ~~Audit Executive~~~~Internal Auditor~~ and Internal Audit Staff are not authorized to assume the role of management and perform any operational duties. This includes initiating and approving accounting transactions external to the Internal Audit ~~Department~~, developing policies and procedures external to the Internal Audit ~~Department~~, implementing internal controls, installing systems, preparing records, engaging in any other activity that may impair ~~Internal Audit's~~ judgment or directing the activities of any System employee not employed by the Internal Audit ~~Department~~.

The Chief ~~Audit Executive~~~~Internal Auditor~~ is authorized to engage and contract with external parties related to fulfilling the function of the office. Any contract must follow all applicable Board of Regents Rules and UNT System Policies and Procedures.

## Independence

All Internal Audit activities shall remain free of influence by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to ~~permit maintenance of independence and objectivity~~ ~~necessary~~ ~~permit maintenance of an independent and objective mental attitude~~ professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal Audit will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

Internal Auditors shall have no direct operational responsibility or authority over any of the activities they review. Accordingly, they shall not develop nor install systems or procedures, prepare records, approve transactions external to Internal Audit, or engage in any other activity which would normally be audited. Review and appraisal by Internal Audit does not in any way substitute for or relieve other persons in the system of their management responsibilities.

## Audit Responsibilities

The primary purpose of the Internal Audit function is to assist senior management and the Board of Regents in the effective execution of their responsibilities. Internal Audit completes this purpose by accomplishing the following responsibilities:

1. Reviewing the reliability and integrity of financial and operating information and the means used to identify measure, classify, and report such information.
2. Reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on operations and reports and whether the organization is in compliance.
3. Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
4. Determining compliance with policies, procedures, laws and regulations.
5. Reviewing internal controls, including those over financial reporting processes.
6. Evaluating the economy and efficiency with which resources are employed.
7. Evaluating information security.
8. Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations are being carried out as planned.
9. Reviewing specific operations at the request of the ~~Audit and Finance Committee~~ ~~Audit Committee~~ or management, as appropriate, and implementing the annual audit plan, as approved, including any special tasks or projects requested by management and the Board.
10. Monitoring and evaluating the effectiveness of the organization's risk management system.
11. Monitoring a central repository of hotline complaints and reporting the complaint resolution status to the ~~Audit and Finance Committee~~ ~~Audit Committee~~.
12. Serving as the facilitator and coordinator for all federal, state, and other external audit agencies. Evaluating the quality of performance of external auditors and the degree of coordination with Internal Audit. External audit agencies shall contact the Chief ~~Audit Executive~~~~Internal Auditor~~ for entrance and exit audit conferences.

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13. Coordinating or performing internal investigations of suspected fraud, waste and abuse and notifying management and the Board of the results.
- 13.14. Overseeing any assurance services provided by 3rd parties.

## Audit Planning

Annually (prior to the start of a new fiscal year), the Chief ~~Audit Executive/Internal Auditor~~ shall present the Internal Audit Plan as well as budget and resource requirements for the upcoming fiscal year to the ~~Audit and Finance Committee/Audit Committee~~ for their recommendation for approval by the Board of Regents. The Internal ~~Audit~~ plan will be developed based on a prioritization of the audit universe using a risk-based methodology, including input of senior management and the Board of Regents. The Chief ~~Audit Executive/Internal Auditor~~ will communicate the impact of resource limitations and significant priority changes to senior management and the Board of Regents. Any significant deviation from the approved audit plan shall be communicated to the ~~Audit and Finance Committee/Audit Committee~~ through quarterly activity reports.

## Reporting

The Chief ~~Audit Executive/Internal Auditor~~ shall report at each regular meeting of the ~~Audit and Finance Committee/Audit Committee~~ on any condition that, in the judgment of the Chief ~~Audit Executive/Internal Auditor~~, could adversely affect the UNT System. Suspected fraud, theft and misuse of funds reported to the Chief ~~Audit Executive/Internal Auditor~~ will be promptly reported to the Chairman of the ~~Audit and Finance Committee/Audit Committee~~.

A written report will be prepared and issued by the Chief ~~Audit Executive/Internal Auditor~~ following the conclusion of each audit and will be distributed as appropriate. A copy of each audit report and a summarization will be forwarded to the Secretary of the Board of Regents to be provided to all Regents.

The Chief ~~Audit Executive/Internal Auditor~~ may include in the final audit report the management responses and corrective action taken or to be taken in regard to the specific recommendations. Management responses should be received within 10 business days from the date the draft report was sent. Each response should include the individual responsible for implementing the recommendation, the timetable for anticipated completion of action to be taken and an explanation for any recommendations not addressed.

Internal Audit is responsible for appropriate follow-up on audit recommendations and management action plans. All recommendations and management action plans will remain open and monitored until cleared by the ~~Internal Audit Department/Chief Internal Auditor~~.

## Professional Standards

The Internal Audit ~~s~~Staff shall adhere to the Texas Internal Auditing Act, Chapter 2102 of the Texas Government Code, and the Institute of Internal Auditors' "Code of Ethics." Internal Audit shall conform with the Institute of Internal Auditors' "International Standards for the Professional Practice of Internal Auditing," (Standards) as contained in the International Professional Practices Framework as well as the Generally Accepted Government Auditing Standards (GAGAS).

## Periodic Assessment

The Chief ~~Audit Executive/Internal Auditor~~ will annually assess whether the purpose, authority, and responsibility, as defined in this charter, continue to be adequate to enable Internal Audit to accomplish its objectives. The result of this periodic assessment should be communicated to ~~Audit and Finance Committee/Audit Committee~~. The ~~Audit and Finance Committee/Audit Committee~~ will annually review and affirm the Internal Audit Charter.

In addition, the Chief ~~Audit Executive/Internal Auditor~~ will periodically review the quality and effectiveness of the internal audit activity to include compliance with the International Standards for the Professional Practice

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of Internal Auditing. This includes a Quality Assurance Review as directed by the Texas Internal Auditing Act, Chapter 2102 of the Texas Government Code. The Chief Audit Executive will communicate to the Audit and Finance Committee ~~Audit Committee~~ on the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments and external assessments conducted at least every three years.

Audit and Finance Committee ~~Audit Committee~~ Chair

Chief Audit Executive ~~Internal Auditor~~

Date:

Adopted:

Effective:

Revised:

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## INTERNAL AUDIT CHARTER

### Introduction

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The University Of North Texas System Board of Regents' Audit and Finance Committee, as outlined in Regent Rules 03.400 and 04.500, has established the UNT System Internal Audit Department (Internal Audit) to serve as an appraisal function to examine and evaluate the operations of the University of North Texas System and its component institutions, University of North Texas, University of North Texas Health Science Center at Fort Worth, and University of North Texas at Dallas (System).

### Purpose and Vision

---

The purpose of UNT System Internal Audit is to provide independent, objective assurance and consulting services designed to add value and improve the System operations. It assists the System in accomplishing its strategic and operational objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

UNT System Internal Audit's vision is to be a world class internal audit function to enhance and protect organizational value by providing risk-based independent and objective assurance, advice, and insight.

### Role

---

The Chief Audit Executive reports to the Audit and Finance Committee. The Audit and Finance Committee recommends for approval by the Board the hiring, compensation, removal, and evaluation of the Chief Audit Executive who shall report to the Board through the Committee. At least once per year, the Audit and Finance Committee will review the performance of the Chief Audit Executive and review the letter of employment outlining the details of employment. The Chief Audit Executive shall have and maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements outlined by this charter. On an annual basis, the Chief Audit Executive will perform an evaluation of the Internal Audit Department's staff (qualifications and training, etc.)

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### Authority

---

Authority is granted for full, free, and unrestricted access to any and all System records, physical properties, and personnel relevant to any function under review. Documents and information given to Internal Audit will be handled in the same prudent and professional manner as by those employees normally accountable for them.

All employees shall assist Internal Audit in fulfilling their function as requested. In the event any officer, agent, or employee of the System shall fail to cooperate fully with Internal Audit or shall otherwise hinder or prevent or attempt to hinder or prevent any audit, the Chief Audit Executive shall immediately and simultaneously report the same to the Chancellor and the Audit and Finance Committee.



Internal Audit shall also have free and unrestricted access to the Audit and Finance Committee, the Chairman of the Board of Regents and the Chancellor.

The Chief Audit Executive and Internal Audit Staff are not authorized to assume the role of management and perform any operational duties. This includes initiating and approving accounting transactions external to the Internal Audit Department, developing policies and procedures external to the Internal Audit Department, implementing internal controls, installing systems, preparing records, engaging in any other activity that may impair Internal Audit's judgment or directing the activities of any System employee not employed by the Internal Audit Department.

The Chief Audit Executive is authorized to engage and contract with external parties related to fulfilling the function of the office. Any contract must follow all applicable Board of Regents Rules and UNT System Policies and Procedures.

## Independence

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All Internal Audit activities shall remain free of influence by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of independence and objectivity necessary in rendering reports. Internal Audit shall exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal Audit will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

Internal Auditors shall have no direct operational responsibility or authority over any of the activities they review. Accordingly, they shall not develop nor install systems or procedures, prepare records, approve transactions external to Internal Audit, or engage in any other activity which would normally be audited. Review and appraisal by Internal Audit does not in any way substitute for or relieve other persons in the system of their management responsibilities.

## Audit Responsibilities

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The primary purpose of the Internal Audit function is to assist senior management and the Board of Regents in the effective execution of their responsibilities. Internal Audit completes this purpose by accomplishing the following responsibilities:

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3. Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
4. Determining compliance with policies, procedures, laws and regulations.
5. Reviewing internal controls, including those over financial reporting processes.
6. Evaluating the economy and efficiency with which resources are employed.
7. Evaluating information security.
8. Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations are being carried out as planned.
9. Reviewing specific operations at the request of the Audit and Finance Committee or management, as appropriate, and implementing the annual audit plan, as approved, including any special tasks or projects requested by management and the Board.
10. Monitoring and evaluating the effectiveness of the organization's risk management system.
11. Monitoring a central repository of hotline complaints and reporting the complaint resolution status to the Audit and Finance Committee.
12. Serving as the facilitator and coordinator for all federal, state, and other external audit agencies. Evaluating the quality of performance of external auditors and the degree of coordination with Internal Audit. External audit agencies shall contact the Chief Audit Executive for entrance and exit audit conferences.

13. Coordinating or performing internal investigations of suspected fraud, waste and abuse and notifying management and the Board of the results.
14. Overseeing any assurance services provided by 3rd parties.

## Audit Planning

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Annually (prior to the start of a new fiscal year), the Chief Audit Executive shall present the Internal Audit Plan as well as budget and resource requirements for the upcoming fiscal year to the Audit and Finance Committee for their recommendation for approval by the Board of Regents. The Internal Audit plan will be developed based on a prioritization of the audit universe using a risk-based methodology, including input of senior management and the Board of Regents. The Chief Audit Executive will communicate the impact of resource limitations and significant priority changes to senior management and the Board of Regents. Any significant deviation from the approved audit plan shall be communicated to the Audit and Finance Committee through quarterly activity reports.

## Reporting

---

The Chief Audit Executive shall report at each regular meeting of the Audit and Finance Committee on any condition that, in the judgment of the Chief Audit Executive, could adversely affect the UNT System. Suspected fraud, theft and misuse of funds reported to the Chief Audit Executive will be promptly reported to the Chairman of the Audit and Finance Committee.

A written report will be prepared and issued by the Chief Audit Executive following the conclusion of each audit and will be distributed as appropriate. A copy of each audit report and a summarization will be forwarded to the Secretary of the Board of Regents to be provided to all Regents.

The Chief Audit Executive may include in the final audit report the management responses and corrective action taken or to be taken in regard to the specific recommendations. Management responses should be received within 10 business days from the date the draft report was sent. Each response should include the individual responsible for implementing the recommendation, the timetable for anticipated completion of action to be taken and an explanation for any recommendations not addressed.

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The Internal Audit staff shall adhere to the Texas Internal Auditing Act, Chapter 2102 of the Texas Government Code, and the Institute of Internal Auditors' "Code of Ethics." Internal Audit shall conform with the Institute of Internal Auditors' "*International Standards for the Professional Practice of Internal Auditing*," (Standards) as contained in the International Professional Practices Framework as well as the Generally Accepted Government Auditing Standards (GAGAS).

## Periodic Assessment

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The Chief Audit Executive will annually assess whether the purpose, authority, and responsibility, as defined in this charter, continue to be adequate to enable Internal Audit to accomplish its objectives. The result of this periodic assessment should be communicated to Audit and Finance Committee . The Audit and Finance Committee will annually review and affirm the Internal Audit Charter.

In addition, the Chief Audit Executive will periodically review the quality and effectiveness of the internal audit activity to include compliance with the International Standards for the Professional Practice of Internal Auditing. This includes a Quality Assurance Review as directed by the Texas Internal Auditing Act, Chapter 2102 of the Texas Government Code. The Chief Audit Executive will communicate to the Audit and Finance Committee

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on the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments and external assessments conducted at least every three years.

## **Audit and Finance Committee Chair**

**Chief Audit Executive**

**Date:**

**Adopted:**

**Effective:**

**Revised:**

## Board Briefing

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**Committee:** Audit & Finance

**Date Filed:** July 17, 2020

**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.

The amended investment policy incorporates recommendations from the System Outsourced Chief Investment Officer (OCIO), DiMeo Schneider & Associates. In addition, the System's Investment Advisory Committee reviewed and approved the policy to be submitted for Board approval. The amended policy provides increases to the lower and upper limit for global fixed income for the Long-Term Pool. These adjustments to the limits for global fixed income provide the Long-Term Pool greater diversification from equities, capital preservation, income, and inflation protection. Other amendments include adjustments to the Short-Term Pool Constraints to accommodate the desire to invest in FDIC insured CDs. Based on current market conditions, FDIC insured CDs would provide favorable yields while maintaining safety of principal.

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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.

Dan  
Tenney

Digitally signed by  
Dan Tenney  
Date: 2020.07.29  
16:09:47 -05'00'

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Vice Chancellor for Finance

### Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky

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Date: 2020.07.29 18:47:18  
-05'00'

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Vice Chancellor/General Counsel

### Schedule:

This policy shall be effective immediately upon approval.

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### Recommendation:

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

**Recommended By:**

Luke Lybrand  

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Associate Vice Chancellor for Treasury

Digitally signed by Lesa  
B. Roe  
Date: 2020.07.28  
12:25:03 -05'00'

Lesa B. Roe

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Chancellor

Attachments Filed Electronically:

- Redlined UNT System Regulation 08.2000
- Amended UNT System Regulation 08.2000



## 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 13-14, 2020, 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 amendments be made to the UNT System Regulation 08.2000, Investment of System Funds, to increase the lower and upper limits for global fixed income, and

Whereas, it is recommended that amendments be made to the Short-Term Pool constraints to provide the flexibility to invest in FDIC insured certificates of deposit, and

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

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

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

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

**BOARD ACTION:**

Attested By:

Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Laura Wright, Chair  
Board of Regents

|   |                                 |
|---|---------------------------------|
| Regulations of the University of North Texas System | Chapter 08<br>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.**

System funds shall be invested according to the attached Exhibit A, the Investment Policy Statement.

**08.2006      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 the chief financial officers from each UNT Institution. The UNT System Investment Advisory Committee shall have oversight of investments in the UNTS LTP and STP, and maintain an active role in advising Managing Entities. The Vice Chancellor for Finance or the Associate Vice Chancellor for Treasury shall represent the System Investment Advisory Committee for all approvals needed by a Managing Entity regarding the LTP.

**References and Cross-references:**

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

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

University of North Texas System Board of Regents Rule 10.100

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

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

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

Approved: August 16, 2012

Effective: August 16, 2012

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

Exhibit A

# The University of North Texas System **Investment Policy Statement**

## Adoption

This Investment Policy Statement (“IPS”) governs the investment and oversight of the Short-Term Pool (“STP”), as well as the legacy Intermediate Investment Pool (“IIP”) and Long-Term Pool (“LTP”). The IIP and LTP shall be combined and referred to hereafter as the Long-Term Pool (“LTP”) of the University of North Texas System (“Institution”).

This IPS governing the STP and LTP (or “Pools”) was revised and adopted by the Board of Regents (“Regents”) on February 15, 2019.

## Purpose of IPS

The purpose of the IPS is to outline the following general provisions affecting the Pools by:

- Assisting the Investment Advisory Committee (“Committee”) and Regents to fulfill their fiduciary responsibilities;
- Conveying the Pools’ purpose, investment objective, investment strategy and constraints;
- Establishing a decision-making framework to promote the effectiveness of Pools;
- Setting forth the role and responsibilities of the Committee, Regents, Discretionary Investment Advisor (“Advisor”) and other relevant parties.
- Intending for the Pools to be maintained in compliance with applicable regulations and laws as well as Rule 10.100 of the Rules of the Board of Regents of the Institution, and managed in accordance with the “Prudent Person Standard” as defined by Texas Education Code § 51.0031(d) and described in Article VII, Section 11b of the Texas Constitution.

## Statement of Purpose/Objectives

Short-Term Pool<sup>1</sup> (“STP”): Short-term working capital funds needed for daily liquidity requirements shall be held in the STP. The purpose and objective of the STP is to provide daily liquidity while meeting or exceeding the results of the Bloomberg Barclays US 1-3 Month T-bill index. Emphasis should be placed on safety of principal and liquidity.

Long-Term Pool (LTP): The LTP’s objective is to preserve the long-term purchasing power of assets when accounting for inflation and spending. The LTP’s purpose is to benefit the Institution’s long-term mission while prudently diversifying its assets.

Debt Proceeds: As funds borrowed for the purpose of covering anticipated capital spending needs, these funds should be available for daily liquidity and invested in a manner consistent with the applicable Bond Covenants. Emphasis should be placed on safety of principal and liquidity.

## Spending Policy

For the LTP, the Regents have established an annual spending policy equal to 2.5% of the LTP's rolling twenty quarter asset balance. Prior to twenty quarters of balances, the policy shall be equal to 3.75% of legacy LTP assets. Management reserves the right to request additional extraordinary distributions from the LTP if doing so is in the best long-term interests of the Institution.

## Investment Constraints

There are no explicit prohibitions against investing a portion of the Pools' assets in any asset class, investment strategy or investment manager structures, so long as the investment is;

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

The Advisor intends to consider the explicit and implicit costs that may be incurred as a result of adding a new asset class, investment strategy, or investment manager structure and determine whether the merit of the investment justifies any applicable additional costs. Explicit costs include, but are not limited to, investment management fees, custody costs and additional audit expenses. Implicit costs include, but are not limited to, the cost of time and administrative resources that could be allocated elsewhere to improve the effectiveness of the Pools.

### Long-Term Pool (LTP) Constraints:

| <b>LTP Parameters:</b>                | <b>Lower Limit</b> | <b>Upper Limit</b> |
|---------------------------------------|--------------------|--------------------|
| Cash or Cash Equivalents              | 0%                 | 10%                |
| Global Public Fixed Income Securities | <del>100%</del>    | <del>5040%</del>   |
| Global Public Equity Securities       | 20%                | 65%                |
| Real Assets <sup>1</sup>              | 5%                 | 15%                |
| Alternative Investments <sup>2</sup>  | 15%                | 35%                |

<sup>1</sup> *Real Assets* include real estate, commodity strategies, infrastructure assets and other intrinsically valuable assets.

<sup>2</sup> *Alternative Investments* include hedge funds, private markets asset classes and other investments that do not fall inside traditional or real asset categories.

#### Short-Term Pool (STP) Constraints<sup>i</sup>:

- All investments or investment vehicles must either provide daily liquidity, offer diversification, or reduce interest rate risk.
- All positions or vehicles must ~~be considered U.S. cash or cash equivalent investments or vehicles~~ have maturities of one (1) year or less at the time of investment.
- No individual security may have a credit quality of less than ~~AAA-A- or A-1~~ at the time of investment unless it is insured by the FDIC or otherwise guaranteed by the US Government or an agency or instrumentality of the US Government.
- No investment vehicle may have an average credit quality of less than AAA at the time of investment unless it is insured by the FDIC or otherwise guaranteed by the US Government or an agency or instrumentality of the US Government.
- The STP must maintain a weighted-average maturity of less than ~~90-180~~ days.
- 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.
- 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.
- Where applicable, transactions should settle as Delivery Versus Payment (DVP)

## Investment Strategy

The Committee acknowledges that the Pools' asset allocation strategies are likely to be the primary determinant of performance. The Pools' investment strategies involve diversifying among various asset classes, investment strategies, and investment managers in order to pursue the Pools' investment objective(s) while complying with applicable constraints.

While reserving the right to take timely advantage of long-term investment opportunities as they present themselves, the Advisor will refrain from making dramatic shifts to the Pools' investment strategy based on short-term capital market expectations.

The Advisor intends to review and revise the target allocation [ofte](#) asset classes periodically to ensure the investment strategies remain consistent with the Pools' investment objectives. However, any change to the investment strategies shall remain consistent with the constraints of this IPS.

The Pools' allocations will be monitored on a periodic basis to determine whether rebalancing back to its target allocation is warranted. This rebalancing process is often to result in withdrawing from investments that have recently outperformed and/or adding to investments that have recently underperformed. Concerning periodic withdrawals (or contributions) that may be made to (or from) the Pools, partial rebalancing will generally have the objective of bringing the Pools closer to their target asset allocations.

The investment strategies will be illustrated by the Pools' target allocations, and will be detailed in a section of the Pools' periodic performance report. The target asset allocations illustrated in the most recent quarterly performance report will function as an appendix to this IPS.

In addition to achieving the investment objectives previously outlined in this IPS, the goal of the overall investment strategies is to meet or exceed (a risk-appropriate) benchmark over full market cycles. The benchmarks will constitute underlying market indices appropriate for each strategy, and its components will be illustrated in the periodic performance report provided by the Advisor. The Advisor may also use additional performance benchmarks including, but not limited to, broader and/or more specific benchmarks made up of multiple underlying indices, peer group comparisons to similar funds, inflation-adjusted absolute return benchmarks, or any other benchmark the Advisor, Committee or Regents believe will further the evaluation of the Pools' effectiveness.

## Investment Manager Selection

The Pools may allocate to investment managers through a variety of investment vehicles including, but not limited to separate accounts, mutual funds, commingled funds, or private partnerships.

The underlying investment managers selected for the Pools are intended to be selected with the care, skill and diligence that would be applied by a prudent person acting in a like capacity and knowledgeable about investing.

The Advisor will examine investment managers' investment objectives and processes; historical adherence to stated objectives and processes; depth of resources; quality of personnel; historical performance (including risk) versus various appropriate benchmarks; appropriateness of diversification; reasonableness of fees; and any other metric that may be material when evaluating investment managers' capabilities. The Advisor will use all available information and its best judgment when seeking to hire skillful investment managers. The Advisor may also select low cost, passively managed investment products where appropriate.

### **Investment Manager Evaluation and Oversight**

The Advisor will periodically review the performance of underlying investment managers. Investment manager performance will be evaluated against proper indices, peer group comparisons, and risk-adjusted performance metrics. Managers will also be evaluated against other metrics that may include but are not limited to expenses, consistency of strategy or style, or other qualitative factors.

Investment managers may be considered for possible termination if they fail to meet performance or other guidelines enumerated in the periodic performance report. The performance summary section of the most recent performance report, including managers and their various benchmarks, will serve as an appendix to this IPS. Since several studies have demonstrated that the vast majority of strong long-term performing investment managers suffer multi-year periods of underperformance, failure to meet performance or other qualitative guidelines will not automatically trigger a manager termination. The Advisor intends to use all known information and its best judgment to determine if and when terminating a manager is warranted. Events that may trigger a termination include but are not limited to illegal or unethical behavior on the part of the manager; failure to follow investment guidelines; turnover among key personnel; a change in investment style or strategy; insufficient infrastructure to keep pace with asset growth; significant increase in expenses or fees; higher conviction with a competing manager; and any other observation the Advisor deems may prevent the manager from carrying out its duties effectively. In addition, managers may be terminated at any time for any reason at the discretion of the Advisor.

### **Roles and Responsibilities**

The following is a summary of roles and responsibilities of various parties involved in overseeing or safeguarding the Pools' assets:

#### **Board of Regents**

- Provide guidance to Committee on the Pools' objectives.
- Empower the Vice Chancellor for Finance to select members to serve on the Committee.

- Review Committee’s proposed changes to the IPS.
- Ratify Committee’s proposed changes to the IPS.
- Periodically request status reports from the Committee.
- Seek to avoid conflicts of interest.

#### Committee<sup>i</sup>

- Oversee the management of assets including the distribution of funds and the movement of funds between Pools.
- Act solely in the best interest of the Pools and its objectives.
- Determine investment objectives and constraints. Immediately communicate any revision in objectives or constraints to the Advisor.
- Set and revise the investment policy and receive approval from Regents.
- Select Advisor, custodians, and any other vendors required to administer the Pools.
- Review and evaluate investment results with the assistance of the Advisor.
- 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.
- 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.

#### Advisor<sup>i</sup>

- Assist Committee in the development and periodic review of the investment policy.
- Manage the Pools’ strategy and assets within IPS constraints and periodically revise the investment strategy in order to seek to maximize the Pools’ long-term effectiveness.



- Select and terminate underlying investment managers.
- Periodically review Pools-related investment expenses to ensure they are competitive and appropriate. Take corrective action if they are not.
- Monitor aggregate and manager-level performance to ensure compliance with objectives.
- Provide the Committee with performance reporting and attribution updates.
- On a timely basis, notify the Committee if there are material developments with the investment strategy or any of the Pools' underlying investment managers.
- Produce performance reports at least quarterly for Committee review.
- Produce an annual performance report for the Board.

#### Investment Managers

- Manage assets in accordance with the guidelines and objectives outlined in prospectuses (mutual funds), investment agreements (commingled funds, private partnerships, etc.), or manager-specific investment guidelines (separate accounts).
- Exercise investment discretion to buy, manage, and sell assets held in the portfolios.
- Promptly vote proxies and related actions in a manner consistent with the long-term interest of the Pools.
- Communicate all organizational changes in a timely manner, including but not limited to ownership, organizational structure, financial condition, and professional staff.
- Seek "best price and execution" for transactions. Both explicit and implicit transactions costs should be considered.
- Use the same care, skill, prudence, and due diligence under the circumstances then prevailing that experienced investment professionals acting in a like capacity and fully familiar with such matters would use in like activities for like portfolios with like aims in accordance and compliance with all applicable laws, rules, and regulations.

#### Custodian(s)

- Safeguard portfolio assets.
- Accurately value portfolio holdings.
- Execute buy/sell orders and cash transfers in a timely manner as directed by the Advisor.
- Collect all income and dividends owed to the Pools.
- Settle all transactions (buy-sell orders) initiated by separate account investment managers.

- Provide monthly reports that detail transactions, cash flows, securities values, and changes in the value of each security and the overall portfolio since the previous report.
- Provide all requested portfolio information to the Advisor, Committee or Regents in a timely manner.

### Evaluating and Selecting Service Providers

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

- Furthering the Purpose of the Pools in Cost-Effective Manner. Each service provider is intended to advance the purpose of the Pools, which is to meet the objectives previously stated in this IPS. The service providers shall be expected to deliver administratively efficient services and charge fees that are reasonable given the service(s) provided.
- Core Business Commitment and Expertise. Each service provider is intended to have a history of providing services to other similar portfolios and demonstrate an ongoing commitment to such business. Its employees should have a reputation among its clients for the quality of its services. The firm should show an appropriate knowledge of other applicable statutes and regulation.
- Fiduciary Status and Conflicts of Interest. To the extent required based on the services being provided to the Pools, the service provider shall acknowledge its role as a fiduciary to the Pools. Service providers are expected to disclose any potential conflicts of interest to the Advisor and Committee.

Investment management services provided by a Managing Entity (other than UNT System Administration or a UNT Institution) shall be administered only through a contractual agreement (“Investment Management Agreement”) with the System or an Institution. Authority to approve and sign Investment Management Agreements is delegated as follows: (i) on behalf of the Board, to the Chancellor; (ii) on behalf of the System, to the Chancellor or his/her designee; (iii) on behalf of a UNT Institution, to the Institution’s President or his/her designee.

### Other Funds

**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.

- Authorized Investments. The System has identified four options for investing endowed funds:
  - The UNTS-LTP

- The UNT Foundation Endowment
- The UNTHSC Foundation Endowment
- The UNT at Dallas Foundation Endowment
- 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.
- 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.
- Investment Objectives.
  - Appreciation
  - Current Income
  - Safety of Principal
  - Diversification
  - Liquidity

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

Investment Objectives.

- Preservation of Capital
- Appreciation
- Liquidity

**Voting of Proxies**

For separately managed accounts, if applicable, investment managers will be expected to vote proxies in the best interest of the Pools. When applicable, mutual fund proxies are intended to be voted in the best interest of the Pools.

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<sup>1</sup> Unlike the LTP, the STP's management, rebalancing and full oversight will remain the sole responsibility of the Investment Committee and/or Regents. However, the Advisor will provide performance reports for all Pools.

|   |                                 |
|---|---------------------------------|
| Regulations of the University of North Texas System | Chapter 08<br>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.**

System funds shall be invested according to the attached Exhibit A, the Investment Policy Statement.

**08.2006 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 the chief financial officers from each UNT Institution. The UNT System Investment Advisory Committee shall have oversight of investments in the UNTS LTP and STP, and maintain an active role in advising Managing Entities. The Vice Chancellor for Finance or the Associate Vice Chancellor for Treasury shall represent the System Investment Advisory Committee for all approvals needed by a Managing Entity regarding the LTP.

**References and Cross-references:**

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

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

University of North Texas System Board of Regents Rule 10.100

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

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

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

Approved: August 16, 2012

Effective: August 16, 2012

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

Exhibit A

# The University of North Texas System **Investment Policy Statement**



## Adoption

This Investment Policy Statement (“IPS”) governs the investment and oversight of the Short-Term Pool (“STP”), as well as the legacy Intermediate Investment Pool (“IIP”) and Long-Term Pool (“LTP”). The IIP and LTP shall be combined and referred to hereafter as the Long-Term Pool (“LTP”) of the University of North Texas System (“Institution”).

This IPS governing the STP and LTP (or “Pools”) was revised and adopted by the Board of Regents (“Regents”) on February 15, 2019.

## Purpose of IPS

The purpose of the IPS is to outline the following general provisions affecting the Pools by:

- Assisting the Investment Advisory Committee (“Committee”) and Regents to fulfill their fiduciary responsibilities;
- Conveying the Pools’ purpose, investment objective, investment strategy and constraints;
- Establishing a decision-making framework to promote the effectiveness of Pools;
- Setting forth the role and responsibilities of the Committee, Regents, Discretionary Investment Advisor (“Advisor”) and other relevant parties.
- Intending for the Pools to be maintained in compliance with applicable regulations and laws as well as Rule 10.100 of the Rules of the Board of Regents of the Institution, and managed in accordance with the “Prudent Person Standard” as defined by Texas Education Code § 51.0031(d) and described in Article VII, Section 11b of the Texas Constitution.

## Statement of Purpose/Objectives

Short-Term Pool<sup>1</sup> (“STP”): Short-term working capital funds needed for daily liquidity requirements shall be held in the STP. The purpose and objective of the STP is to provide daily liquidity while meeting or exceeding the results of the Bloomberg Barclays US 1-3 Month T-bill index. Emphasis should be placed on safety of principal and liquidity.

Long-Term Pool (LTP): The LTP’s objective is to preserve the long-term purchasing power of assets when accounting for inflation and spending. The LTP’s purpose is to benefit the Institution’s long-term mission while prudently diversifying its assets.

Debt Proceeds: As funds borrowed for the purpose of covering anticipated capital spending needs, these funds should be available for daily liquidity and invested in a manner consistent with the applicable Bond Covenants. Emphasis should be placed on safety of principal and liquidity.

## Spending Policy

For the LTP, the Regents have established an annual spending policy equal to 2.5% of the LTP's rolling twenty quarter asset balance. Prior to twenty quarters of balances, the policy shall be equal to 3.75% of legacy LTP assets. Management reserves the right to request additional extraordinary distributions from the LTP if doing so is in the best long-term interests of the Institution.

## Investment Constraints

There are no explicit prohibitions against investing a portion of the Pools' assets in any asset class, investment strategy or investment manager structures, so long as the investment is;

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

The Advisor intends to consider the explicit and implicit costs that may be incurred as a result of adding a new asset class, investment strategy, or investment manager structure and determine whether the merit of the investment justifies any applicable additional costs. Explicit costs include, but are not limited to, investment management fees, custody costs and additional audit expenses. Implicit costs include, but are not limited to, the cost of time and administrative resources that could be allocated elsewhere to improve the effectiveness of the Pools.

### Long-Term Pool (LTP) Constraints:

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

<sup>1</sup> *Real Assets* include real estate, commodity strategies, infrastructure assets and other intrinsically valuable assets.

<sup>2</sup> *Alternative Investments* include hedge funds, private markets asset classes and other investments that do not fall inside traditional or real asset categories.

#### Short-Term Pool (STP) Constraints<sup>i</sup>:

- All investments or investment vehicles must either provide daily liquidity, offer diversification, or reduce interest rate risk. All positions or vehicles must have maturities of one (1) year or less at the time of investment.
- No individual security may have a credit quality of less than A- or A-1 at the time of investment unless it is insured by the FDIC or otherwise guaranteed by the US Government or an agency or instrumentality of the US Government.
- No investment vehicle may have an average credit quality of less than AAA at the time of investment unless it is insured by the FDIC or otherwise guaranteed by the US Government or an agency or instrumentality of the US Government.
- The STP must maintain a weighted-average maturity of less than 180 days.
- 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.
- 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.
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#### **Investment Strategy**

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Committee<sup>i</sup>

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Advisor<sup>i</sup>

- Assist Committee in the development and periodic review of the investment policy.
- Manage the Pools’ strategy and assets within IPS constraints and periodically revise the investment strategy in order to seek to maximize the Pools’ long-term effectiveness.
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- Produce an annual performance report for the Board.

#### Investment Managers

- Manage assets in accordance with the guidelines and objectives outlined in prospectuses (mutual funds), investment agreements (commingled funds, private partnerships, etc.), or manager-specific investment guidelines (separate accounts).
- Exercise investment discretion to buy, manage, and sell assets held in the portfolios.
- Promptly vote proxies and related actions in a manner consistent with the long-term interest of the Pools.
- Communicate all organizational changes in a timely manner, including but not limited to ownership, organizational structure, financial condition, and professional staff.
- Seek "best price and execution" for transactions. Both explicit and implicit transactions costs should be considered.
- Use the same care, skill, prudence, and due diligence under the circumstances then prevailing that experienced investment professionals acting in a like capacity and fully familiar with such matters would use in like activities for like portfolios with like aims in accordance and compliance with all applicable laws, rules, and regulations.

#### Custodian(s)

- Safeguard portfolio assets.
- Accurately value portfolio holdings.
- Execute buy/sell orders and cash transfers in a timely manner as directed by the Advisor.
- Collect all income and dividends owed to the Pools.
- Settle all transactions (buy-sell orders) initiated by separate account investment managers.

- Provide monthly reports that detail transactions, cash flows, securities values, and changes in the value of each security and the overall portfolio since the previous report.
- Provide all requested portfolio information to the Advisor, Committee or Regents in a timely manner.

### Evaluating and Selecting Service Providers

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

- Furthering the Purpose of the Pools in Cost-Effective Manner. Each service provider is intended to advance the purpose of the Pools, which is to meet the objectives previously stated in this IPS. The service providers shall be expected to deliver administratively efficient services and charge fees that are reasonable given the service(s) provided.
- Core Business Commitment and Expertise. Each service provider is intended to have a history of providing services to other similar portfolios and demonstrate an ongoing commitment to such business. Its employees should have a reputation among its clients for the quality of its services. The firm should show an appropriate knowledge of other applicable statutes and regulation.
- Fiduciary Status and Conflicts of Interest. To the extent required based on the services being provided to the Pools, the service provider shall acknowledge its role as a fiduciary to the Pools. Service providers are expected to disclose any potential conflicts of interest to the Advisor and Committee.

Investment management services provided by a Managing Entity (other than UNT System Administration or a UNT Institution) shall be administered only through a contractual agreement (“Investment Management Agreement”) with the System or an Institution. Authority to approve and sign Investment Management Agreements is delegated as follows: (i) on behalf of the Board, to the Chancellor; (ii) on behalf of the System, to the Chancellor or his/her designee; (iii) on behalf of a UNT Institution, to the Institution’s President or his/her designee.

### Other Funds

**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.

- Authorized Investments. The System has identified four options for investing endowed funds:
  - The UNTS-LTP



- The UNT Foundation Endowment
- The UNTHSC Foundation Endowment
- The UNT at Dallas Foundation Endowment
- 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.
- 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.
- Investment Objectives.
  - Appreciation
  - Current Income
  - Safety of Principal
  - Diversification
  - Liquidity

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

Investment Objectives.

- Preservation of Capital
- Appreciation
- Liquidity

**Voting of Proxies**

For separately managed accounts, if applicable, investment managers will be expected to vote proxies in the best interest of the Pools. When applicable, mutual fund proxies are intended to be voted in the best interest of the Pools.

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<sup>1</sup> Unlike the LTP, the STP's management, rebalancing and full oversight will remain the sole responsibility of the Investment Committee and/or Regents. However, the Advisor will provide performance reports for all Pools.

## Board Briefing

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**Committee:** Audit & Finance

**Date Filed:** July 15, 2020

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

---

### Background:

The 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 1) \$300 million as the maximum total amount of debt including new money and refunding debt, 2) a maximum amount of \$150 million of new money debt, and 3) a minimum level of net present value savings for refunding long-term debt of 3%. Delegating the authority provides the 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 2021.

| Debt Type              | Tax Exempt/Taxable | Amount (Millions) | Average Rate |
|------------------------|--------------------|-------------------|--------------|
| Commercial Paper       | Both               | (up to \$125)     | Variable     |
| Series 2015A RFS Bonds | Both               | \$112.695         | 5.00%        |
| Series 2015B RFS Bonds | Taxable            | \$40.580          | 4.84%        |

Dan  
Tenney

Digitally signed by  
Dan Tenney  
Date: 2020.07.29  
16:06:19 -05'00'

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Vice Chancellor for Finance

**Legal Review:**

This item has been reviewed by General Counsel.

Alan Stucky Digitally signed by Alan Stucky  
Date: 2020.07.29 18:44:52  
-05'00'  
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-Ninth Supplemental Resolution.

**Recommended By:**

Daniel Tenney  
Vice Chancellor for Finance

Lesa B. Roe Digitally signed by Lesa B. Roe  
Date: 2020.07.28 09:39:38  
-05'00'  
Chancellor

Attachments Filed Electronically:

- Twenty-Ninth Supplemental Resolution to the Master Resolution



## Board Order

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**Title:** Twenty-Ninth 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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At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 13-14, 2020, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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

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

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

**Whereas**, the resolution would authorize the 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 31, 2021 and in an amount not to exceed \$300,000,000, 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-Ninth 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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Laura Wright, Chair  
Board of Regents

**TWENTY-NINTH 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**

TWENTY-NINTH 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

TABLE OF CONTENTS

|   | <u>Page</u> |
|---|-------------|
| PREAMBLE .....  | 1           |
| Section 1. DEFINITIONS .....  | 9           |
| Section 2. AMOUNT, PURPOSE, AND DESIGNATION OF THE BONDS.....                                   | 9           |
| (a) Amount and Designation of Bonds.....  | 9           |
| (b) New Money Authorization.....  | 10          |
| (c) Refunded Bonds .....  | 10          |
| (d) Refunded Commercial Paper Notes.....  | 10          |
| Section 3. DATE, DENOMINATIONS, NUMBERS, MATURITIES, AND<br>TERMS OF BONDS.....                 | 11          |
| (a) Terms of Bonds .....  | 11          |
| (b) Sale of Bonds .....   | 11          |
| (c) In General .....  | 13          |
| (d) Bond Purchase Agreement.....  | 13          |
| (e) Parameters to Sale of Bonds.....  | 13          |
| Section 4. INTEREST.....  | 14          |
| Section 5. REGISTRATION, TRANSFER, AND EXCHANGE;<br>AUTHENTICATION; BOOK-ENTRY ONLY SYSTEM..... | 14          |
| (a) Paying Agent/Registrar.....   | 14          |
| (b) Registration Books .....  | 14          |
| (c) Ownership of Bonds .....  | 14          |
| (d) Payment of Bonds and Interest.....  | 15          |
| (e) Authentication .....  | 15          |
| (f) Transfer, Exchange or Replacement .....   | 15          |
| (g) Substitute Paying Agent/Registrar .....   | 16          |
| (h) Book-Entry Only System.....   | 16          |
| (i) Successor Securities Depository; Transfers outside Book-Entry Only<br>System.....           | 17          |
| (j) Payments to Cede & Co. ....   | 18          |
| (k) Notice of Redemption .....  | 18          |
| Section 6. FORM OF BONDS.....   | 18          |



|             |   |    |
|-------------|---|----|
| Section 7.  | ESTABLISHMENT OF REVENUE FINANCING SYSTEM AND<br>ISSUANCE OF PARITY OBLIGATIONS .....     | 18 |
| Section 8.  | SECURITY .....  | 19 |
| Section 9.  | PAYMENTS .....  | 19 |
| Section 10. | DAMAGED, MUTILATED, LOST, STOLEN OR<br>DESTROYED BONDS .....                              | 19 |
|             | (a) Replacement Bonds .....   | 19 |
|             | (b) Application for Replacement Bonds .....   | 19 |
|             | (c) Payment in Lieu of Replacement.....   | 20 |
|             | (d) Charge for Issuing Replacement Bonds .....  | 20 |
|             | (e) Authority for Issuing Replacement Bonds.....  | 20 |
| Section 11. | AMENDMENT OF SUPPLEMENT .....   | 20 |
|             | (a) Amendments without Consent .....  | 20 |
|             | (b) Amendments with Consent .....   | 21 |
|             | (c) Notice .....  | 21 |
|             | (d) Receipt of Consents.....  | 22 |
|             | (e) Effect of Amendments.....   | 22 |
|             | (f) Consent Irrevocable .....   | 22 |
|             | (g) Ownership .....   | 22 |
| Section 12. | TAX EXEMPTION .....   | 22 |
|             | (a) General Covenants.....  | 22 |
|             | (b) Allocation of, and Limitation on, Expenditures for the Project .....                  | 24 |
|             | (c) Disposition of Project .....  | 25 |
|             | (d) Written Procedures.....   | 25 |
| Section 13. | TAXABLE BONDS .....   | 25 |
| Section 14. | TWENTY-NINTH SUPPLEMENT TO CONSTITUTE A CONTRACT;<br>EQUAL SECURITY.....                  | 25 |
| Section 15. | SEVERABILITY OF INVALID PROVISIONS .....  | 25 |
| Section 16. | PAYMENT AND PERFORMANCE ON BUSINESS DAYS.....   | 25 |
| Section 17. | LIMITATION OF BENEFITS WITH RESPECT TO THE<br>TWENTY-NINTH SUPPLEMENT .....               | 26 |
| Section 18. | CUSTODY, APPROVAL, BOND COUNSEL'S OPINION,<br>CUSIP NUMBERS, PREAMBLE AND INSURANCE ..... | 26 |

|                                |  |     |
|--------------------------------|--|-----|
| Section 19.                    | COMPLIANCE WITH RULE 15c2-12.....                      | 27  |
|                                | (a) Annual Reports.....                                | 27  |
|                                | (b) Disclosure Event Notices .....                     | 27  |
|                                | (c) Limitations, Disclaimers, and Amendments .....     | 28  |
| Section 20.                    | FURTHER PROCEDURES; OFFICIAL STATEMENT.....            | 29  |
| Section 21.                    | REFUNDING.....   | 30  |
|                                | (a) Refunded Bonds .....                               | 30  |
|                                | (b) Refunded Commercial Paper Notes .....              | 30  |
| Section 22.                    | ESCROW AGREEMENT .....                                 | 31  |
| Section 23.                    | REDEMPTION OF REFUNDED COMMERCIAL PAPER NOTES .....    | 31  |
| Section 24.                    | DTC LETTER OF REPRESENTATION.....                      | 31  |
| Section 25.                    | COMPLIANCE WITH SECTION 2252.908, GOVERNMENT CODE..... | 31  |
| Section 26.                    | REPEAL OF CONFLICTING RESOLUTIONS .....                | 31  |
| Section 27.                    | RULES OF CONSTRUCTION .....                            | 31  |
| Section 28.                    | PUBLIC NOTICE.....                                     | 32  |
| SCHEDULE I    REFUNDABLE BONDS |  |     |
| EXHIBIT A                      | DEFINITIONS .....                                      | A-1 |
| EXHIBIT B                      | FORM OF BONDS.....                                     | B-1 |

**TWENTY-NINTH 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**

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 and Chief Financial Officer 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 and Chief Financial Officer 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 **"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 REFUNDING BONDS, SERIES 2003A; 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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 \$50,000,000 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and

Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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, pursuant to the terms of the Twenty-Sixth Supplement, the Board issued its ***"BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 2018A"*** in the aggregate principal amount of \$149,425,000, and its ***"BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, TAXABLE SERIES 2018B"*** in the aggregate principal amount of \$22,685,000, as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, on August 10, 2018, the Board adopted a **"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"** (the "Twenty-Seventh Supplement"); and

WHEREAS, no bonds have been sold pursuant to the terms of the Twenty-Seventh Supplement, and the authority to sell bonds under the terms of the Twenty-Seventh Supplement expired on August 31, 2019; and

WHEREAS, on August 16, 2019, the Board adopted a **"TWENTY-EIGHTH 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-Eighth Supplement"); and

WHEREAS, pursuant to the terms of the Twenty-Eighth Supplement, the Board issued its **"BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING BONDS, SERIES 2020A"** in the aggregate principal amount of \$59,475,000, and its **"BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING BONDS, TAXABLE SERIES 2020B"** in the aggregate principal amount of \$55,240,000, as Parity Obligations under the terms of the Master Resolution; 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 Ninth Supplement, the Eleventh Supplement, the Twelfth Supplement, the Nineteenth Supplement, the Twentieth Supplement, and the Twenty-First 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 Twenty-Second Supplement, the Twenty-Third Supplement, the Twenty-Fourth Supplement, the Twenty-Sixth Supplement and the Twenty-Eighth 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-Ninth 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-Ninth Supplement (the "Bonds") are to be issued and delivered under authority of applicable provisions of Chapter 55, Texas Education Code, including specifically, but not by way of limitation, Sections 55.13, 55.1755 and 55.1785, Texas Education Code, and Chapters 1207 and 1371, 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-Ninth Supplement, the terms used in this Twenty-Ninth 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-Ninth 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 BONDS**", are hereby authorized to be issued and delivered, in one or more series, in an aggregate principal amount not to exceed \$300,000,000 **FOR THE PURPOSE OF (i) ACQUIRING, PURCHASING, CONSTRUCTING, IMPROVING, RENOVATING, ENLARGING OR EQUIPPING PROPERTY, BUILDINGS, STRUCTURES, FACILITIES, ROADS, OR RELATED INFRASTRUCTURE FOR PARTICIPANTS IN THE REVENUE FINANCING SYSTEM, (ii) FUNDING, TO THE EXTENT PERMITTED BY APPLICABLE LAW, CAPITALIZED INTEREST ON THE BONDS, (iii) REFUNDING THE REFUNDABLE BONDS, (iv) REFUNDING ANY OUTSTANDING COMMERCIAL PAPER NOTES, AND (v) PAYING THE COSTS OF ISSUANCE RELATED TO THE SALE OF THE BONDS.**

(b) *New Money Authorization.* The Bonds authorized for the purposes described in clauses (i) and (ii) of subsection (a) of this Section are being issued by the Board under authority of Chapter 55, Texas Education Code, particularly Sections 55.13, 55.1755 and 55.1785 thereof, and Chapter 1371, Texas Government Code. The aggregate principal amount of the Bonds hereby authorized by the Board that may be issued, in one or more series, for the purposes described in clauses (i) and (ii) of subsection (a) of this Section may not exceed \$150,000,000. The Vice Chancellor for Finance and Chief Financial Officer for the University System shall execute a certificate providing such documentation as may be required by the Public Finance Division of the Office of the Attorney General to (i) describe the specific projects for which the Bonds are being issued, and which specific projects are being financed with the proceeds of the Bonds issued under authority of Section 55.1755 and 55.1785, Texas Education Code, and (ii) evidence the approval, if any, required to be obtained from the Texas Higher Education Coordinating Board for the projects to be financed with the proceeds of the Bonds.

(c) *Refunded Bonds.* The Bonds hereby authorized to be issued, in one or more series, by the Board for the purposes described in clause (iii) 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.

(d) **Refunded Commercial Paper Notes.** The Bonds hereby authorized to be issued by the Board for the purpose described in clause (iv) 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 and Chief Financial Officer 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 either the Vice Chancellor for Finance and Chief Financial Officer for the University System or the Associate Vice Chancellor for Treasury 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, 2061, 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-Ninth Supplement.

(b) **Sale of Bonds.** (i) **Method of Sale.** As authorized by Sections 1207.007 and 1371.056, Texas Government Code, the Vice Chancellor for Finance and Chief Financial Officer 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-Ninth 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 and Chief Financial Officer 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-Ninth 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-Ninth Supplement, the Vice Chancellor for Finance and Chief Financial Officer 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 fund the projects to be described by the certificate executed by the Vice Chancellor for Finance and Chief Financial Officer for the University System in accordance with Section 2(b) hereof, the aggregate principal amount of Bonds, if any, to be issued to refund the Refunded Bonds as described in Section 2(c) hereof, the aggregate

principal amount of Bonds, if any, to be issued to refund Commercial Paper Notes as described in Section 2(d) 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(d) 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-Ninth Supplement, whether by competitive sale or negotiated sale, the Vice Chancellor for Finance and Chief Financial Officer 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-Ninth Supplement.

(ii) *Competitive Sale.* The Vice Chancellor for Finance and Chief Financial Officer 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-Ninth 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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-Ninth Supplement by a negotiated sale conducted as a public underwriting, and should the Vice Chancellor for Finance and Chief Financial Officer for the University System determine to sell Bonds by negotiated sale conducted as a public underwriting, the Vice Chancellor for Finance and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer for the University System, subject to the provisions of this Twenty-Ninth 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 Obligations, as shall be acceptable to the Vice Chancellor for Finance and Chief Financial Officer 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 and Chief Financial Officer 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-Ninth Supplement by a negotiated sale conducted as a private placement, and should the Vice Chancellor for Finance and Chief Financial Officer for the University System determine to sell Bonds by negotiated sale conducted as a private placement, the Vice Chancellor for Finance and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer for the University System, subject to the provisions of this Twenty-Ninth 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 Obligations, as shall be acceptable to the Vice Chancellor for Finance and Chief Financial Officer 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. The foregoing notwithstanding, the System agrees to cause to be delivered to the Paying Agent/Registrar one (1) initial Bond for a Series numbered T-1 and registered to the Underwriters or the Purchasers, as the case may be, following the approval by the Attorney General and the registration by the Comptroller, as further provided in the FORM OF BOND.

(d) ***Bond Purchase Agreement.*** Should Bonds be sold by a negotiated sale, the Vice Chancellor for Finance and Chief Financial Officer 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-Ninth 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 and Chief Financial Officer 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-Ninth 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer for the University System to effect the sale of all or any portion of the Bonds authorized to be sold by this Twenty-Ninth Supplement expires at 5:00 p.m., Friday, August 13, 2021.

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 and Chief Financial Officer 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-Ninth 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-Ninth 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-Ninth 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-Ninth Supplement the Paying Agent/Registrar shall execute the Authentication Certificate.

(f) ***Transfer, Exchange, or Replacement.*** Each Bond issued and delivered pursuant to this Twenty-Ninth 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-Ninth Supplement shall constitute one of the Bonds for all purposes of this Twenty-Ninth 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-Ninth 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 and Chief Financial Officer 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-Ninth 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-Ninth 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-Ninth 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-Ninth Supplement, and a certified copy of this Twenty-Ninth 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-Ninth 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-Ninth 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-Ninth 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-Ninth 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-Ninth 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-Ninth 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-Ninth Supplement.

(j) ***Payments to Cede & Co.*** Notwithstanding any other provision of this Twenty-Ninth 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-Ninth 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-Ninth 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-Ninth 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-Ninth 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-Ninth Supplement equally and proportionately with any and all other Bonds duly issued under this Twenty-Ninth 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-Ninth Supplement for Bonds issued in exchange and replacement for other Bonds.

Section 11. **AMENDMENT OF SUPPLEMENT.** (a) **Amendments without Consent.** This Twenty-Ninth 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-Ninth 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-Ninth Supplement;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Twenty-Ninth 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-Ninth 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-Ninth 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-Ninth 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-Ninth 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-Ninth 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-Ninth 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-Ninth 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-Ninth Supplement pursuant to the provisions of this Section, this Twenty-Ninth 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-Ninth 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 and Chief Financial Officer 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-Ninth 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 and Chief Financial Officer 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-Ninth 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) ***Allocation of, and Limitation on, Expenditures for the Project.*** The Board covenants to account for on its books and records the expenditure of proceeds from the sale of any Bonds, the interest on which is to be excluded from gross income under the Code, and any investment earnings thereon to be used for the financing of any of the improvements described and so designated in the certificate delivered in accordance with Section 2(b) hereof (referred to herein and subsection (c) of this Section as a "Project") by allocating proceeds to expenditures within 18 months of the later of the date that (a) the expenditure on a Project is made or (b) each such Project is completed. The foregoing notwithstanding, the Board shall not expend such proceeds or investment earnings more than 60 days after the earlier of (a) the fifth anniversary of the date of delivery of such Bonds or (b) the date such Bonds are retired, unless the Board obtains an opinion of nationally-recognized bond counsel substantially to the effect that such expenditure will not adversely affect the tax-exempt status of such Bonds. 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) ***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 (c), 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 (c), 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.

(d) **Written Procedures.** Written procedures have been established by the Vice Chancellor for Finance and Chief Financial Officer 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 and Chief Financial Officer 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-Ninth 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-NINTH 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-Ninth 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-Ninth Supplement by the Board and the covenants and agreements set forth in this Twenty-Ninth 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-Ninth 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-Ninth 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-NINTH 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-Ninth 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-Ninth Supplement or any

covenant, condition, stipulation, promise, agreement, or provision herein contained. This Twenty-Ninth 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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-Ninth Supplement is hereby adopted and made a part of this Twenty-Ninth Supplement for all purposes. The Vice Chancellor for Finance and Chief Financial Officer 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-Ninth 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 and Chief Financial Officer 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 and Chief Financial Officer 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-Ninth 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 2020, 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;
14. Appointment of a successor Paying Agent/Registrar or change in name of the Paying Agent/Registrar, if material;
15. Incurrence of a Financial Obligation of the Board, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Board, any of which affect Bondholders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Board, any of which reflect financial difficulties.

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.

As used in clauses 15 and 16 above, the term "Financial Obligation" means: (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii), however, the term Financial Obligation shall not include Municipal Securities as to which a final official statement has been provided to the MSRB consistent with the Rule; the term "Municipal Securities" means securities which are direct obligations of, or obligations guaranteed as to principal or interest by, a state or any political subdivision thereof, or any agency or instrumentality of a state or any political subdivision thereof, or any municipal corporate instrumentality of one or more states and any other Municipal Securities described by Section 3(a)(29) of the Securities Exchange Act of 1934, as the same may be amended from time to time; and the term "Obligated Person" means 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-Ninth 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-Ninth Supplement for purposes of any other provision of this Twenty-Ninth 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-Ninth 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-Ninth 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 and Chief Financial Officer for the University System. The Vice Chancellor for Finance and Chief Financial Officer 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 and Chief Financial Officer 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(c) 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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 either the Vice Chancellor for Finance and Chief Financial Officer for the University System or the Associate Vice Chancellor for Treasury in accordance with the provisions of Section 2(d) of this Twenty-Ninth 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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 and Chief Financial Officer 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-Ninth 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-Ninth Supplement, unless the context requires otherwise, all references to designated Sections and other subdivisions are to the Sections and other subdivisions of this Twenty-Ninth Supplement. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Twenty-Ninth Supplement as a whole and not to any particular Section or other subdivision. Except where the context otherwise requires, terms defined in this Twenty-Ninth 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-Ninth 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-Ninth 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-Ninth Supplement. References to the Vice Chancellor for Finance and Chief Financial Officer for the University System and the Associate Vice Chancellor for Treasury 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-Ninth Supplement was adopted; that this Twenty-Ninth 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:

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 and Chief Financial Officer for the University System, subject to the minimum savings requirement set forth in Section 2(c) of this Twenty-Ninth Supplemental Resolution.

## **EXHIBIT A DEFINITIONS**

As used in this Twenty-Ninth 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-Ninth Supplement.

The term "*Bidding Instructions*" shall mean the Notice of Sale and Bidding Instructions distributed to potential purchasers of Twenty-Ninth 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 and Chief Financial Officer 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-Ninth Series Bonds, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to this Twenty-Ninth 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-Ninth 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 and Chief Financial Officer 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-Ninth 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-Ninth 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-Ninth Supplement.

The term "*Refunded Bonds*" shall mean those Refundable Bonds selected by the Vice Chancellor for Finance and Chief Financial Officer for the University System to be refunded with the proceeds of Bonds authorized to be issued by this Twenty-Ninth Supplement, as more fully described in the certificate to be delivered by the Vice Chancellor for Finance and Chief Financial Officer for the University System in accordance with Section 3(b)(i) of this Twenty-Ninth Supplement.

The term "*Refunded Commercial Paper Notes*" shall mean those Commercial Paper Notes selected by the Vice Chancellor for Finance and Chief Financial Officer for the University System to be refunded with the proceeds of Bonds authorized to be issued by this Twenty-Ninth Supplement, as more fully described in the certificate to be delivered by the Vice Chancellor for Finance and Chief Financial Officer for the University System in accordance with Section 2(d) of this Twenty-Ninth 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-Ninth 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 "*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, collectively, the Board of Regents of the University of North Texas System Revenue Financing System Refunding and Improvement Bonds, Series 2018A and the Board of Regents of the University of North Texas System Revenue Financing System Refunding and Improvement Bonds, Taxable Series 2018B, authorized by 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-Eighth Series Bonds*" shall mean the Board of Regents of the University of North Texas System Revenue Financing System Refunding Bonds, Series 2020A and the Board of



Regents of the University of North Texas System Revenue Financing System Refunding Bonds, Taxable Series 2020B, authorized by the Twenty-Eighth Supplement.

The term "*Twenty-Eighth Supplement*" shall mean the resolution adopted by the Board on August 16, 2019, authorizing the Twenty-Eighth Series Bonds.

The term "*Twenty-Ninth 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-Ninth Supplement.

The term "*Twenty-Ninth 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-Ninth Supplement.

**EXHIBIT B**

**FORM OF BONDS**

This FORM OF BONDS may be revised as provided in Section 3(c) of the Twenty-Ninth 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 \_\_\_\_\_ BOND,  
SERIES 202\_\_

NO. R-\_\_ **PRINCIPAL  
AMOUNT**  
\$ \_\_\_\_\_

INTEREST RATE      MATURITY DATE      DATE OF DELIVERY      CUSIP

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, 20\_\_, 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 the Date of Delivery, authorized in accordance with the Constitution and laws of the State of Texas in the aggregate principal amount of \$\_\_\_\_\_, issued pursuant to a Twenty-Ninth Supplemental Resolution to the Master Resolution adopted August 16, 2019, and pursuant to the Master Resolution referred therein (collectively, the "Bond Resolution"), FOR THE PURPOSE OF (i) ACQUIRING, PURCHASING, CONSTRUCTING, IMPROVING, RENOVATING, ENLARGING OR EQUIPPING PROPERTY, BUILDINGS, STRUCTURES, FACILITIES, ROADS, OR RELATED INFRASTRUCTURE FOR PARTICIPANTS IN THE REVENUE FINANCING SYSTEM, (ii) FUNDING, TO THE EXTENT PERMITTED BY APPLICABLE LAW, CAPITALIZED INTEREST ON THE BONDS, (iii) REFUNDING THE REFUNDABLE BONDS, (iv) REFUNDING ANY OUTSTANDING COMMERCIAL PAPER NOTES, AND (v) 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 20\_\_ and 20\_\_ are subject to mandatory sinking fund redemption prior to their scheduled maturity and shall be redeemed by the

Board, in part, prior to their scheduled maturity, with the particular Bonds or portions thereof to be redeemed to 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 a redemption price equal to the par or principal amount thereof plus accrued interest to the date of redemption, on the dates, and in the principal amounts set forth below:

| <u>Bonds Maturing April 15, 20</u> |                    |
|------------------------------------|--------------------|
| Redemption Date                    | Principal          |
| <u>(April 15)</u>                  | <u>Amount (\$)</u> |

| <u>Bonds Maturing April 15, 20</u> |                    |
|------------------------------------|--------------------|
| Redemption Date                    | Principal          |
| <u>(April 15)</u>                  | <u>Amount (\$)</u> |

\*Scheduled 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 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

\_\_\_\_\_  
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.

The Initial Bond shall be in the form set forth above, except that the form of the single fully registered Initial Bond shall be modified as follows:

(i) immediately under the name of the bond the headings "Interest Rate", "Maturity Date", "Date of Delivery" and "Cusip" shall be omitted; and

(ii) Paragraph one shall read as follows:

Registered Owner: \_\_\_\_\_

Principal Amount: \_\_\_\_\_ Dollars

Date of Delivery: \_\_\_\_\_, 202\_

ON THE MATURITY DATE SPECIFIED ABOVE, the BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM (the "Issuer") promises to pay to the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on April 15 in each of the years and in principal installments in accordance with the following schedule:

(Information to be inserted from Official Bid Form or Bond Purchase Agreement)

and to pay interest thereon from the date of delivery specified above, on \_\_\_\_\_ 15, 2021 and semiannually on each \_\_\_\_\_ 15 and \_\_\_\_\_ 15 thereafter to the maturity date specified above, or to the date of redemption prior to maturity, at the interest rate per annum specified above. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.



**Title:** Approval of the Establishment of Board Designated Quasi-Endowments Funded from Historic Tax Credit Sale Proceeds and to be Used for Scholarships

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### **Background:**

The 85<sup>th</sup> Texas Legislature passed Senate Bill 550, which was adopted into law as of May 5, 2017, expanding financial incentives for historic preservation work to public universities as the revitalization of historic buildings benefits local and state economies, generates investment in the area's construction industry, and provides better places to work, interact with the community, educate, and learn. Senate Bill 550 enables public universities to take advantage of a 25% preservation tax credit to assist in financing capital projects or maintenance work on their historic buildings.

On January 13, 2020, the University of North Texas System received notification from the Texas Historical Commission confirming that renovation of the Old Municipal Building (also known as UNT Dallas Law Center) was eligible for participation in the Texas Historical Preservation Tax Credit program.

The University of North Texas System received the historic structure credit certificate related to the Old Municipal Building renovation project dated February 21<sup>st</sup>, 2020. Upon receipt of the certificate, the University of North Texas System marketed the tax credits and ultimately received sale proceeds of approximately \$10.8 million on July 9, 2020.

The University of North Texas System and the University of North Texas at Dallas desire to utilize the proceeds of the tax credit sale to establish one or more Board designated quasi-endowments to be used for scholarships benefitting the University of North Texas at Dallas students. A Board designated quasi-endowment is created whenever the Board of Regents uses unrestricted funds to establish an endowment and imposes spending restrictions. By subsequent Board action, the Board may revise the purpose of the endowment and/or the spending restrictions at a later date.

If approved by the Board of Regents, the University of North Texas at Dallas, in conjunction with the University of North Texas System, shall determine the number of quasi-endowments to be established and the division of funds from the historic tax credit sale proceeds in order to fund the quasi-endowments in a manner that will allow for maximum effectiveness in support of the institution's scholarship goals and in order to benefit students. The Board designated quasi-endowment funds shall be invested and managed in accordance with the University of North Texas System Regulation 08.2000, *Investment of System Funds*, and the University of North Texas at Dallas Policy #10.006, *Endowment Funds*, and Policy #10.007, *Investment*.

---

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

The sale of the historic tax credits produced approximately \$10.8 million of funding that is available to establish Board designated quasi-endowments to be used for scholarships benefitting University of North Texas at Dallas students.

After establishment of the quasi-endowments, the University of North Texas System shall transfer the historic tax credit sale proceeds to the University of North Texas at Dallas for funding of the quasi-endowments.

The Board designated quasi-endowment funds shall be invested and managed in accordance with the University of North Texas System Regulation 08.2000, *Investment of System Funds*, and the University of North Texas at Dallas Policy #10.006, *Endowment Funds*, and Policy #10.007, *Investment*.

Digitally signed by Dan Tenney  
Date: 2020.08.04 08:49:07 -05'00'

Dan Tenney

Vice Chancellor for Finance

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### Legal Review:

This item has been reviewed by General Counsel.

Digitally signed by Alan Stucky  
Date: 2020.08.03 14:18:34 -05'00'

Alan Stucky

Vice Chancellor/General Counsel

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### Schedule:

Establishment of the quasi-endowments shall be implemented upon approval by the Board of Regents and a determination by the University of North Texas at Dallas, in conjunction with the University of North Texas System, of the number of quasi-endowments to be established as well as the best manner of distribution of funding from the Historic Tax Credit sale proceeds. The University of North Texas System will support the University of North Texas at Dallas in the establishment of the quasi-endowments and will transfer the historic tax credit sale proceeds after their establishment.

---

### Recommendation:

It is recommended that the Board of Regents approve the resolution authorizing the establishment of endowments in order to provide scholarship funding for the University of North Texas at Dallas.

### Recommended By:

Daniel Tenney

Vice Chancellor for Finance

Digitally signed by Bob Mong  
Date: 2020.08.04 14:04:28 -05'00'

Bob Mong

President

Digitally signed by Lesa B. Roe  
Date: 2020.08.04 10:05:13 -05'00'

Lesla B. Roe

Chancellor



## Board Order

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**Title:** Approval of the Establishment of Board Designated Quasi-Endowments Funded from Historic Tax Credit Sale Proceeds and to be Used for Scholarships

---

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 13-14, 2020, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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**Whereas**, the University of North Texas System has received proceeds from the sale of the historic tax credits for renovation of the Old Municipal Building, and

**Whereas**, the University of North Texas System and the University of North Texas at Dallas wish to establish Board directed quasi-endowments to provide funding for scholarships for the benefit of University of North Texas at Dallas students.

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

1. Historic tax credit sale proceeds related to renovation of the Old Municipal Building shall be used to establish a quasi-endowment or multiple quasi-endowments to provide scholarship funding for the benefit of University of North Texas at Dallas students. The University of North Texas at Dallas, in conjunction with the University of North Texas System, shall determine the number of quasi-endowments to be established and the division of funds from the historic tax credit sale proceeds into the quasi-endowments in a manner that will best support scholarship goals of the University of North Texas at Dallas and benefit University of North Texas at Dallas students.
  2. Upon establishment of the quasi-endowments, the University of North Texas System is authorized to transfer the historic tax credit sale proceeds to the University of North Texas at Dallas to fund the quasi-endowments and to be invested and managed in accordance with the University of North Texas System Regulation 08.2000, *Investment of System Funds*, and the University of North Texas at Dallas Policy #10.006, *Endowment Funds*, and Policy #10.007, *Investment*.
- 

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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Laura Wright, Chair  
Board of Regents

## Board Briefing

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**Committee:** Audit & Finance

**Date Filed:** July 20, 2020

**Title:** Delegation of Authority to Negotiate and Execute Indefinite Delivery Indefinite Quantity Contracts with Selected Professionals and Increase the Contract Value to \$6M

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### Background:

UNT System currently administers Indefinite Delivery Indefinite Quantity (IDIQ) Contracts to pre-qualify a variety of Professional Services for capital project support and for minor projects that have tight time constraints. These contracts are utilized by all campus locations and the time and effort saved via this approach is substantive. In order to improve upon these efficiencies, we are requesting that the total authorized contract value for these IDIQ contracts be established at \$6m over a 3 year term and that the Board of Regents grant authority to the Vice Chancellor for Strategic Infrastructure to procure the IDIQ firms through qualification based selection and execute the next round of contracts with a limit of \$6M.

If approved, all individual contracted tasks within these contracts will be jointly approved by the Vice Chancellor for Strategic Infrastructure and the Vice Chancellor for Finance.

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### Financial Analysis/History:

There is not a specific budget associated with the contracts. Each project is funded individually using existing University resources. There will be no cost associated with the contracts if a specific firm is not utilized following the award.

**Bob Brown** Digitally signed by Bob Brown  
Date: 2020.07.27 12:01:42  
-05'00'

UNT Chief Financial Officer

**Gregory R. Anderson** Digitally signed by Gregory R. Anderson  
Date: 2020.07.24 16:23:12 -05'00'

UNTHSC Chief Financial Officer

**James E. Main** Digitally signed by James E. Main  
Date: 2020.07.27  
09:08:12 -05'00'

UNTD Chief Financial Officer

Dan  
Tenney

Digitally signed by  
Dan Tenney  
Date: 2020.07.29  
16:10:34 -05'00'

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Vice Chancellor for Finance

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**Legal Review:**

This item has been reviewed by General Counsel.

Alan Stucky

Digitally signed by Alan Stucky  
Date: 2020.07.29 18:48:04 -05'00'

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Vice Chancellor/General Counsel

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**Schedule:**

|                                     |                |
|-------------------------------------|----------------|
| RFQ Issued                          | May 2020       |
| Proposal Review                     | July 2020      |
| Contract Negotiations and Execution | September 2020 |

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**Recommendation:**

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

**Recommended By:**

Dan Tenney

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Vice Chancellor for Finance

Lesa B. Roe

Digitally signed by Lesa B.  
Roe  
Date: 2020.07.28 12:24:22  
-05'00'

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Chancellor





## Board Order

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**Title:** Delegation of Authority to Negotiate and Execute Indefinite Delivery Indefinite Quantity Contracts with Selected Professionals and Increase the Contract Value to \$6M

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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 13-14, 2020, 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 currently administers Indefinite Delivery Indefinite Quantity (IDIQ) contracts for professional services for capital and minor projects, and

**Whereas**, use of the IDIQ contracts provides all campus locations the benefit in expediting the selection and procurement for the professional services necessary to support capital and minor projects, and

**Whereas**, there is a desire to further improve on the efficiencies associated with IDIQ contract,

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

1. Delegation to the Vice Chancellor for Strategic Infrastructure to procure and execute Indefinite Delivery Indefinite Quantity (IDIQ) contracts with a limit of \$6M to the selected qualified professional service firms.
2. The Vice Chancellor for Strategic Infrastructure and the Vice Chancellor for Finance to jointly approve all individual contracted tasks executed under the associated contracts.
3. Vice Chancellor for Facilities 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.

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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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Laura Wright, Chair  
Board of Regents



## Board Order

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**Title:** Approval of the Minutes of the May 14, 2020 Board Meeting and July 31, 2020 Special Called 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 13-14, 2020, 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 14, 2020 Board Meeting and July 31, 2020 Special Called 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 14, 2020, Board meeting
  2. The minutes of the July 31, 2020, Special Called 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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Laura Wright, Chair  
Board of Regents



**MINUTES**  
**BOARD OF REGENTS MEETING BY VIDEOCONFERENCE**  
**May 14, 2020**

Livestream Link: <https://livestream.com/accounts/7090653/events/9118688>

The University of North Texas System Board of Regents convened on Thursday, May 14, 2020, by videoconference, with the following Regents in attendance: Melisa Denis, Mary Denny, Dan Feehan, Milton Lee, A.K. Mago, Carlos Munguia, Brint Ryan, John Scott, Laura Wright, and Alexandra Harrel. The meeting was conducted by videoconference with no in-person attendance due to the request by the Office of the Attorney General to allow for the advance of the public health goal of limiting face-to-face meetings (also called social distancing) to slow the spread of Coronavirus (COVID-19). The videoconference meeting was livestreamed for public viewing.

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chair Wright called the meeting to order at 9:08 a.m. The Board Secretary called roll and confirmed a quorum.

Chair Wright began by asking Chancellor Roe to make opening remarks on progress since the last quarterly board meeting and any updates regarding the UNT System's response to the COVID-19 pandemic.

Following the Chancellor's remarks, Chair Wright honored Student Regent Alexandra Harrel for her year of service on the Board of Regents, noting that this would be her last meeting as a Regent, as her term expires on May 31, 2020. Alexandra made brief comments, thanking the Regents and the UNT System for the opportunity to serve the students.

Chair Wright recessed the Board at 9:20 a.m. for the meetings of the Strategic and Operational Excellence, Student Success, Academic and Clinical Affairs, Audit and Finance, and Strategic Infrastructure Committees.

Following the Committee meetings, the Board reconvened at 2:32 p.m. The Board considered the following items on the Consent Agenda:

- |                       |  |
|-----------------------|--|
| <b>2020-29 UNTS</b>   | <b>Approval of the Minutes of the February 13-14, 2020, Board Meeting and April 6, 2020, Special Called Board Meeting</b>                                |
| <b>2020-30 UNTS</b>   | <b>Approval of FY22 Holiday Schedule for the UNT System Administration, UNT, UNTHSC, and UNT Dallas</b>  |
| <b>2020-31 UNTS</b>   | <b>Delegation of Authority to the Chancellor to Extend UNT System's Agreement with Tango for Managing the Affordable Care Act Tracking and Reporting</b> |
| <b>2020-32 UNT</b>    | <b>Approval of Tenure for New UNT Faculty Appointees</b>   |
| <b>2020-33 UNTHSC</b> | <b>Approval of Tenure for a New UNTHSC Faculty Appointee</b>   |
| <b>2020-34 UNTHSC</b> | <b>Approval of Updated Affiliated Entities Policy</b>  |

- 2020-35 UNTHSC** Delegation of Authority to enter into Professional Services Contract with RAMIC Ft. Worth
- 2020-36 UNTHSC** Delegation of Authority to Enter into PET/CT and MRI Service Agreements with Siemens Medical Solutions USA, Inc. for the Imaging Equipment at the University of North Texas Health Science Center (UNTHSC)
- 2020-37 UNTD** Approval of UNT Dallas Emeritus Recommendation

Pursuant to a motion by Regent A.K. Mago seconded by Regent Milton Lee, the Board approved the Consent Agenda 9-0.

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

***Strategic and Operational Excellence Committee Item***

- 2020-38 UNTS** Approval of the Revised Strategic and Operational Excellence Committee Charter

Pursuant to a motion by Regent Milton Lee seconded by Regent John Scott, the Board approved the above action item 9-0.

***Audit and Finance Committee Items***

- 2020-39 UNTS** Approval of the Audit and Finance Committee Charter
- 2020-40 UNTS** Approval of Updated Prohibition of Discrimination, Harassment, Sexual Misconduct and Related Retaliation Policies for the University of North Texas System Administration, University of North Texas Health Science Center and University of North Texas at Dallas and of an Updated Prohibition of Sexual Misconduct and Related Retaliation Policy for the University of North Texas
- 2020-41 UNT** Authorization to Serve on an Outside Board

Pursuant to a motion by Regent Carlos Munguia seconded by Regent Milton Lee, the Board approved the above Audit and Finance Committee action items. The motion was approved on a 9-0 vote.

***Student Success, Academic and Clinical Affairs Committee Items***

- 2020-42 UNTS** Approval of the Student Success, Academic and Clinical Affairs Committee Charter
- 2020-43 UNTS** Approval and Ratification of UNT System Institutional Admission Standards for Students Beginning Matriculation in Summer 2021
- 2020-44 UNTS** Approval of University of North Texas, University of North Texas Health Science Center at Fort Worth, and University of North Texas at Dallas policies related to *Free Speech and Public Assembly on Campus Grounds*
- 2020-45 UNT** Approval of UNT Tenure Recommendations
- 2020-46 UNTHSC** Approval of Tenure for a New UNTHSC Faculty Appointee

- 2020-47 UNTHSC Approval of UNTHSC Tenure Recommendation**
- 2020-48 UNTD Approval of UNT Dallas Tenure Recommendations**
- 2020-49 UNTD Approval of UNT Dallas Review of Tenured Faculty Policy**
- 2020-50 UNTD Authorize a New UNT Dallas Master of Management Degree**

Pursuant to a motion by Regent Mary Denny seconded by Regent Melisa Denis, the Board approved the above Student Success, Academic and Clinical Affairs Committee action items. The motion was approved on a 9-0 vote.

***Strategic Infrastructure Committee Items***

- 2020-51 UNTS Approval of the Strategic Infrastructure Committee Charter**
- 2020-52 UNTS Authorization to Amend the UNTS FY20 Capital Improvement Plan to Add the Camp Wisdom Access Road and Parking Lot at UNT Dallas and Make Minor Cost Adjustments to Two Projects at UNT Denton**

Pursuant to a motion by Regent A.K. Mago seconded by Regent John Scott, the Board approved the above Strategic Infrastructure Committee action items. The motion was approved on a 9-0 vote.

At 2:37 p.m. Chair Wright moved the Board into Executive Session to consider matters noted on the Executive Session agenda in accordance with Texas Government Code Section 551.071.

The board reconvened in open session at 3:15 p.m. There was no action from executive session.

There being no further business, the Board meeting was adjourned at 3:16 p.m. on Thursday, May 14, 2020.

Submitted By:

Approved By:

Rosemary R. Haggett  
 Rosemary Haggett, Board Secretary  
 Board of Regents

\_\_\_\_\_  
 Laura Wright, Chair  
 Board of Regents

Date: May 29, 2020

Date: \_\_\_\_\_



**MINUTES**  
**BOARD OF REGENTS MEETING BY VIDEOCONFERENCE**  
**July 31, 2020**

Livestream Link: <https://livestream.com/untsystem/events/9225394>

The University of North Texas System Board of Regents convened on Friday, July 31, 2020, by videoconference, with the following Regents in attendance: Melisa Denis, Mary Denny, Dan Feehan, A.K. Mago, Brint Ryan, Laura Wright, and Dianna Nguyen. The meeting was conducted by videoconference with no in-person attendance due to the request by the Office of the Attorney General to allow for the advance of the public health goal of limiting face-to-face meetings (also called social distancing) to slow the spread of Coronavirus (COVID-19). The videoconference meeting was livestreamed for public viewing.

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chair Wright called the meeting to order at 8:35 a.m. The Board Secretary called roll and confirmed a quorum. Regent Milton Lee joined the meeting at 8:54 a.m.

Chair Wright began by welcoming Student Regent Dianna Nguyen to her first Board of Regents meeting, noting that she would be present in the meeting until 9:30 a.m.

Chair Wright informed the Regents that the Board Task Force had been meeting every other week since May to keep informed of the UNT System's response to the COVID-19 pandemic. She then asked Chancellor Roe to make opening remarks on any system-wide updates regarding the UNT System's response to the COVID-19 pandemic.

Chair Wright asked Steve Maruszewski, Vice Chancellor for Strategic Infrastructure, to brief the Board on the **General System Plans for Increased Face-to-Face Operations – Health and Safety**. Following Steve's presentation, President Neal Smatresk shared an update about **UNT Plans for Increased Face-to-Face Operations**. Bob Brown, UNT Vice President for Finance and Administration discussed the financial implications of Fall plans, and Wren Baker, UNT Athletic Director, discussed the current and projected states of the athletic program.

Next, President Michael Williams shared **UNT Health Science Center Plans for Increased Face-to-Face Operations**, with Chief Financial Officer Greg Anderson sharing the financial implications of the plan. Finally, President Bob Mong shared **UNT Dallas Plans for Increased Face-to-Face Operations** and shared the financial implications of the plan.

Following the briefings, the Board had one action item for consideration, which authorized and approved the Board of Regents support for the UNT System's COVID-19 response plans for increased face-to-face operations in Fall 2020:

**2020-53 UNTS      Resolution to Support the UNT System's COVID-19 Response Plans for Increased Face-to-Face Operations in Fall 2020**

Pursuant to a motion by Regent Brint Ryan seconded by Regent A.K. Mago, the Board approved the above action item 7-0.

There being no further business, the Board meeting was adjourned at 9:46 a.m. on Friday, July 31, 2020.

Submitted By:

Approved By:

Rosemary R. Haggett  
Rosemary Haggett, Board Secretary  
Board of Regents

\_\_\_\_\_  
Laura Wright, Chair  
Board of Regents

Date: 8/5/20

Date: \_\_\_\_\_

# Board Briefing

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**Committee:** Consent

**Date Filed:** July 8, 2020

**Title:** Approval of Intercomponent Transfers of State Appropriations

---

## 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  
Date: 2020.07.27 12:00:35  
-05'00'

UNT Chief Financial Officer

**Gregory R. Anderson** Digitally signed by Gregory R. Anderson  
Date: 2020.07.24 16:21:15  
-05'00'

UNT Health Science Center Chief  
Financial Officer

**James E. Main** Digitally signed  
by James E. Main  
Date: 2020.07.27  
09:07:04 -05'00'

UNT Dallas Chief Financial Officer

**Dan Tenney** Digitally signed by  
Dan Tenney  
Date: 2020.07.29  
16:03:46 -05'00'

Vice Chancellor for Finance

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## Legal Review:

This item has been reviewed by General Counsel.

**Alan Stucky** Digitally signed by Alan Stucky  
Date: 2020.07.29 18:42:28  
-05'00'

Vice Chancellor/General Counsel

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**Schedule:**

The transfer will be made after approval of the Board of Regents and upon implementation of the FY2021 budget beginning September 1, 2020.

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**Recommendation:**

It is recommended that the Board approve intercomponent transfers of FY2021 appropriations.

**Recommended By:**

Daniel Tenney  
Vice Chancellor for Finance

Lesa B. Roe  
Digitally signed by Lesa B. Roe  
Date: 2020.07.28 09:33:08 -05'00'

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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 13-14, 2020, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

---

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 86<sup>th</sup> 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

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Laura Wright, Chair  
Board of Regents

## Board Briefing

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**Committee:** Consent

**Date Filed:** July 15, 2020

**Title:** Approval of Broker/Dealer List for FY21

---

### Background:

In accordance with System Regulation 08.2005, Investment of System Funds, "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.

---

### Financial Analysis/History:

There is no cost associated with this action.

**Dan Tenney** Digitally signed by Dan Tenney  
Date: 2020.07.29 16:05:36 -05'00'

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Vice Chancellor for Finance

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### Legal Review:

This item has been reviewed by General Counsel.

**Alan Stucky** Digitally signed by Alan Stucky  
Date: 2020.07.29 18:44:03 -05'00'

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Vice Chancellor/General Counsel

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### Schedule:

Approval would be effective immediately.

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### Recommendation:

It is recommended 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:**

Luke Lybrand  

---

Associate Vice Chancellor for Treasury

Lesa B. Roe  

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Digitally signed by Lesa B.  
Roe  
Date: 2020.07.28 09:36:40  
-05'00'

Chancellor

Attachments Filed Electronically:

- List of Recommended Broker/Dealers



## Board Order

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**Title:** Approval of Broker/Dealer List for FY21

---

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 13-14, 2020, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

---

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”, and

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:

---

Rosemary R. Haggett, Secretary  
Board of Regents

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Laura Wright, Chair  
Board of Regents

# List of Broker/Dealers Recommended for Approval

August 13-14, 2020

| 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      |
| UMB Bank                        | Fort Worth, TX  |
| UBS Investment Banking Company  | Dallas, TX      |

## Board Briefing

---



Committee: Consent

Date Filed: July 15, 2020

**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 \$158,000,000) 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 2021 and are described as being debt financed. Projects may change in scope and cost.

Dan  
Tenney

Digitally signed by  
Dan Tenney  
Date: 2020.07.29  
16:08:12 -05'00'

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Vice Chancellor for Finance

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### Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky

Digitally signed by Alan Stucky  
Date: 2020.07.29 18:45:41  
-05'00'

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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 authorize UNT System institutions to reimburse themselves for costs (not to exceed \$158,000,000) incurred prior to the issuance of debt obligations or other method of project financing.

**Recommended By:**

Daniel Tenney

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Vice Chancellor for Finance

Digitally signed by Lesa  
B. Roe  
Date: 2020.07.28  
12:06:36 -05'00'

**Lesa B. Roe**

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Chancellor





## Board Order

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

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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 13-14, 2020, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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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 2021 (collectively, the “Project”), and

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

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

1. The System reasonably expects it will incur debt, as one or more series of obligations, with an aggregate maximum principal amount not to exceed \$158,000,000, for the purpose of paying the aggregate costs of the Project.
2. All costs to be reimbursed pursuant hereto will be capital expenditures. No tax-exempt obligations will be issued by the System in furtherance of this Resolution after a date which is later than 18 months after the later of (1) the date the expenditures are paid or (2) the date on which the property, with respect to which such expenditures were made, is placed in service.
3. The foregoing notwithstanding, no tax-exempt obligation will be issued pursuant to this Resolution more than three years after the date any expenditures which is to be reimbursed is paid.

---

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

**BOARD ACTION:**

Attested By:

Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Laura Wright, Chair  
Board of Regents



**Title:** Delegation of Authority to the Chancellor to Extend UNT System's Agreement with Congressional Solutions, Inc.

**Background:**

Congressional Solutions, Inc. (CSI) has provided professional services to the UNT System and its component institutions since 2005. During this period, CSI has secured over \$92,000,000 in research and specific project funding for the UNT and HSC communities.

The current contract with CSI is up for renewal in September of 2020. Regents Rule 03.900, Delegation of Authority for Contracts and Agreements, requires Board approval for contracts having a cost or monetary value to the System, the System Administration, or an Institution of \$1,000,000 or more with the total value of a contract including the aggregation of all contract extensions and renewals.

**Financial Analysis/History:**

The annual cost to the UNT System for each of the three years under the new contract will be \$230,000. Total for the three-year contract is \$690,000.

Dan  
Tenney

Digitally signed by  
Dan Tenney  
Date: 2020.07.29  
16:03:03 -05'00'

Vice Chancellor for Finance

**Legal Review:**

This item has been reviewed by General Counsel.

Alan Stucky

Digitally signed by Alan  
Stucky  
Date: 2020.07.29 18:41:30  
-05'00'

Vice Chancellor/General Counsel

**Schedule:**

Contract term is September 1, 2020 - August 31, 2023

**Recommendation:**

Approval of delegation of authority to the Chancellor to extend the UNT System's contract with Congressional Solutions, Inc. through August 31, 2023.

**Recommended By:**

Jack Morton

---

Vice Chancellor

Lesa B. Roe

Digitally signed by Lesa B. Roe  
Date: 2020.07.28 09:32:17  
-05'00'

---

Chancellor



## Board Order

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**Title:** Delegation of Authority to the Chancellor to Extend UNT System's Agreement with Congressional Solutions, Inc.

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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 13, 2020, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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Whereas, Congressional Solutions, Inc. (CSI) has provided professional services to the UNT System and its component institutions since 2005, and

Whereas, CSI has secured over \$92,000,000 in research and specific project funding for the UNT and HSC communities, and

Whereas, the current contract with CSI is up for renewal and the UNT System desires to extend this contract,

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

1. Delegation of authority to the Chancellor to extend the UNT System's contract with Congressional Solutions, Inc. through August 31, 2023.
- 

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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Laura Wright, Chair  
Board of Regents



## 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.”

**Dr. Sedar Bozdag** will join the Department of Computer Science and Engineering in the College of Engineering on September 1, 2020, as associate professor. Dr. Bozdag received his PhD in 2008 from the University of California, Riverside. His lab has focused on developing open-source integrative computational tools that perform secondary analysis of publicly available multi-omics datasets to infer context-specific regulatory interactions and modules, and to predict disease-associated genes and patient-specific drug responses. Dr. Bozdag’s work is well recognized, with 30 peer-reviewed published papers. He has been very successful in securing external grants, with \$1.8M of the total \$2.2M being active. Dr. Bozdag has taught a range of courses, achieving high evaluation scores, while mentoring multiple PhD and MS students. He also has compiled a strong service record, which includes directing a bioinformatics program and serving as an undergraduate director for computer science. He was granted tenure in 2019 from Marquette University.

**Dr. Ruth Lowery** will join the College of Education as associate dean, and as professor in the Department of Teacher Education and Administration, on September 1, 2020. Dr. Lowery received her PhD in Curriculum and Instruction from Penn State University in 1998. Her area of interest is in children’s literature for marginalized populations, as well as critical, social-action potentialities of children’s non-fiction. Dr. Lowery was recently elected chair of the Children’s Literature Assembly (CLA) of The National Council of Teachers of English. The CLA is one of the premier professional societies in the world for children’s literature. She has published six books, 17 book chapters, and 62 articles, 42 of which were peer reviewed. Dr. Lowery remains active in conference paper presentations and has taught a wide variety of courses. She received tenure in 2004 from the University of Florida.

**Dr. Shengqian Ma** will join the College of Science as professor in the Department of Chemistry on September 1, 2020. Dr. Ma received his PhD in Chemistry in 2008 from Miami University of Ohio. His specialty is in metalorganic frameworks and related porous functional materials. He has secured research funding of more than \$3M in just ten years, from both governmental and private sector organizations. Included among his support is a National Science Foundation

CAREER Award in 2014, a second concurrent single-PI NSF grant to develop water purification materials, and three large awards as PI or co-PI from the Department Energy. He received tenure in 2015 from the University of Florida.

**Dr. Mark Montemayor** will be joining the College of Music as an associate professor in the Division of Music Education on September 1, 2020. Dr. Montemayor received his PhD in music education from the University of Washington in 2006. He is a leader in the field of music education as evidenced by his extensive publication record in top-tier journals. He also serves on the editorial board of the profession's top-ranked journal, *The Journal of Research in Music Education*. Dr. Montemayor has vast teaching experience at undergraduate and graduate levels, and his service as an instrumental specialist to the profession is outstanding. The University of South Florida granted tenure to Dr. Montemayor in 2011.

**Dr. Huei-Wern Shen** will join the Department of Social Work in the College of Health and Public Service on September 1, 2020, as associate professor. She received her PhD in Social Work from the University of Michigan in 2010. Dr. Shen's current research examines the antecedents, pathways, and implications of volunteering and caregiving in old age, for which she has made considerable contributions to the field of study. She has 19 peer reviewed publications completed since 2006. Several of these articles are in top social work journals. She has experience in teaching in both undergraduate and graduate level courses, as well as being able to teach online (synchronous and asynchronous) classes. She has also mentored masters and doctoral students and currently serves as the managing editor of the *Journal of Gerontological Social Work*. She was granted tenure from the University of Missouri-St. Louis in 2017.

**Dr. Jody Sundt** will be joining the College of Health and Public Service as an associate professor and chair in the Department of Criminal Justice on September 1, 2020. Her research focuses on public attitudes about crime and "get tough" control policies in the United States (e.g., three-strikes-and-you're-out laws, early intervention programs over imprisonment as a response to crime). Dr. Sundt is currently a full professor with tenure at IUPUI (Indiana University Purdue University Indiana). To date, Dr. Sundt has produced 33 high impact, peer-reviewed publications where she has investigated innovative research questions and employed sophisticated research and analytic techniques. She has received many awards from national organizations for her scholarship and has yielded some innovative findings in her field of scholarship. In addition, Dr. Sundt has had a series of extramural research grants where she has served as either principal investigator or co-principal investigator. Dr. Sundt has taught numerous classes in both the undergraduate and graduate program sectors. She received her PhD in criminal justice from the University of Cincinnati in 1998 and was granted tenure in 2010 from Portland State University.

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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  
Date: 2020.07.27 11:57:21  
-05'00'

Institution Chief Financial Officer

**Dan Tenney** Digitally signed by Dan  
Tenney  
Date: 2020.07.29 15:47:20  
-05'00'

Vice Chancellor for Finance

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**Legal Review:**

This item has been reviewed by General Counsel.

**Alan Stucky** Digitally signed by Alan Stucky  
Date: 2020.07.29 18:32:52  
-05'00'

Vice Chancellor/General Counsel

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**Schedule:**

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

- Dr. Sedar Bozdag
- Dr. Ruth Lowery
- Dr. Shengqian Ma
- Dr. Mark Montemayor
- Dr. Huei-Wern Shen
- Dr. Jody Sundt

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**Recommendation:**

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

**Recommended By:**

Jennifer Cowley

Provost and Vice President for  
Academic Affairs

Neal  
Smatresk

Digitally signed by  
Neal Smatresk  
Date: 2020.07.24  
17:47:48 -05'00'

President

Rosemary R  
Haggett, Ph.D.

Digitally signed by Rosemary R  
Haggett, Ph.D.  
Date: 2020.07.28 14:07:23 -05'00'

Vice Chancellor

Lesa B. Roe

Digitally signed by Lesa B.  
Roe  
Date: 2020.07.28 09:18:55  
-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 13-14, 2020, 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

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:
    - Dr. Sedar Bozdag
    - Dr. Ruth Lowery
    - Dr. Shengqian Ma
    - Dr. Mark Montemayor
    - Dr. Huei-Wern Shen
    - Dr. Jody Sundt
- 

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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Laura Wright, Chair  
Board of Regents



### **Title:** Approval of Tenure for New UNTHSC Faculty Appointees

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#### **Background:**

In accordance with UNT Health Science Center (UNTHSC) Policy 6.002, 2. *Types of Faculty Appointments*, b. *Tenure Status*, i. New hire with tenure – the President will make a recommendation to the Chancellor, who shall then nominate and recommend to the Board of Regents.

In accordance with UNTHSC Policy 6.003, 7. *Tenure Application Process-New Hire with tenure*, a. Persons whose initial appointment to UNTHSC at the rank of associate professor or professor may be eligible for tenure as approved by the UNT System Board of Regents.

Dr. Dimitrios Karamichos received a Bachelor of Science in Engineering from Manchester Metropolitan University (Manchester, UK) in 2000, a Master of Science from Imperial College (London, UK) in 2002, and a Doctor of Philosophy in Tissue Repair and Engineering from University College London (London, UK) in 2006. He went on to complete postdoctoral work at the University of Texas Southwestern Medical Center and Harvard University. He began his professional academic career as an instructor at Harvard Medical School in 2011 and later joined the faculty of the University of Oklahoma Health Sciences Center (OUHSC) College of Medicine as Assistant Professor of Ophthalmology and Cell Biology in 2013. His independent research program centers on the investigation of the processes that lead to corneal dystrophies and the development of new therapeutic approaches to restoring vision loss due to these diseases. In 2017, he was promoted to Associate Professor with tenure at OUHSC and has since served in various administrative roles including most recently as Associate Director of Research for the Oklahoma Center for Neuroscience. He has published more than 50 peer-reviewed manuscripts and has garnered more than \$5 million (direct costs) in extramural funding during his academic career. He is presently serving as Principal Investigator on three RO1 grants from the National Eye Institute (NIH). Dr. Karamichos has an esteemed international reputation in his field, regularly giving presentations at international and national meetings, serving as an editorial board member for multiple journals, and serving as a grant reviewer for both federal and foundation awards. Dr. Karamichos has also been highly engaged in the mentoring of graduate students and trainees both in the classroom and the laboratory. On April 1, 2020, Dr. Karamichos, joined UNTHSC as a Professor in the Department of Pharmaceutical Sciences in the System College of Pharmacy (SCP) and the Department of Pharmacology and Neuroscience in the Graduate School of Biomedical Sciences (GSBS). He is also serving as Director of Research in the North Texas Eye Research Institute (NTERI) and will be helping to mentor junior faculty in NTERI and developing collaborations with researchers across campus. Dr. Karamichos has an exceptional track record of success and brings additional areas of expertise and prestige to the already existing strength in vision research at UNTHSC.

Dr. Usha Sambamoorthi received a Bachelor of Economics, Masters in Economics, and a Doctor of Philosophy in Economics from University of Madras, India in 1981. She joined West Virginia University in 2010 as a Professor in Pharmaceutical Systems and Policy, School of Pharmacy and was awarded tenure in 2014. She has published more than 200 peer-reviewed manuscripts. She has received consistent funding from many external sources including National Institutes of

Health, Agency for Healthcare Research and Quality, pharmaceutical companies, and private foundations as principal investigator, co-principal investigator or co-investigator during her academic career. Dr. Usha Sambamoorthi is known nationally in her field, regularly giving presentations at international and national meetings, serving as an editorial board member for journals, and serving as a grant reviewer for both federal and foundation awards. She has also been highly engaged in the mentoring of graduate students and her students have received national and international awards for their research. Prior to coming to West Virginia University, she served as a Professor and Director, Women's Health and Population-based Mental Health Disparities, Department of Psychiatry, University of Massachusetts Medical School, Worcester, MA from 2008 to 2010. Dr. Sambamoorthi was the Director, Health Outcomes Research, Health Services Research Development Center for Healthcare Knowledge and Management, Department of Veteran Affairs, East Orange NJ from 2004 to 2008. On June 1, 2020, Dr. Usha Sambamoorthi, joined UNTHSC as Professor of Pharmacotherapy. She is also a Vashisht Professor in Indian American Health and Health Disparities with the Texas Center for Health Disparities. She will be helping to mentor students and junior faculty and developing collaborations with researchers across campus. Dr. Sambamoorthi has an exceptional track record of success and brings additional areas of expertise to the already existing strength in health disparities and outcomes research at UNTHSC.

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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.

Gregory R. Anderson Digitally signed by Gregory R. Anderson  
Date: 2020.07.24 16:19:41 -05'00'

Institution Chief Financial Officer

Dan Tenney Digitally signed by Dan Tenney  
Date: 2020.07.29 15:49:18 -05'00'

Vice Chancellor for Finance

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### **Legal Review:**

This item has been reviewed by General Counsel.

Alan Stucky Digitally signed by Alan Stucky  
Date: 2020.07.29 18:34:17 -05'00'

Vice Chancellor/General Counsel

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### **Schedule:**

Tenure will be effective immediately upon Board approval.

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**Recommendation:**

The President recommends, with the concurrence of the Chancellor, that the Board of Regents authorize and approve the award of tenure for the following faculty effective immediately:

1. Dr. Dimitrios Karamichos
2. Dr. Usha Sambamoorthi

**Recommended By:**

Charles Taylor  
Provost and Executive Vice President

Michael R.  
Williams

Digitally signed by Michael R.  
Williams  
Date: 2020.07.25 10:08:58  
-05'00'

President

Rosemary R  
Haggett, Ph.D.

Digitally signed by Rosemary R  
Haggett, Ph.D.  
Date: 2020.07.28 14:27:23 -05'00'

Vice Chancellor

Lesa B. Roe

Digitally signed by Lesa  
B. Roe  
Date: 2020.07.28  
09:22:48 -05'00'

Chancellor



## Board Order

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**Title:** Approval of Tenure for New UNTHSC Faculty Appointees

---

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 13-14, 2020, 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 Health Science Center (UNTHSC) Policy 6.002, 2. *Types of Faculty Appointments*, b. *Tenure Status*, i. New hire with tenure – the President will make a recommendation to the Chancellor, who shall then nominate and recommend to the Board of Regents, and

Whereas, in accordance with UNTHSC Policy 6.003, 7. *Tenure Application Process-New Hire with tenure*, a. Persons whose initial appointment to UNTHSC at the rank of associate professor or professor may be eligible for tenure as approved by the UNT System Board of Regents, and

Whereas, these faculty members are outstanding educators and researchers, and

Whereas, these faculty members meet the University of North Texas System College of Pharmacy (UNTSCP) criteria for tenure and are endorsed by their Chair, Dean, Provost, and the President,

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

1. Dr. Dimitrios Karamichos
  2. Dr. Usha Sambamoorthi
- 

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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Laura Wright, Chair  
Board of Regents



**Title:** Approval of Extension of the North Texas Regional IRB Collaboration Agreement and Authorization Agreement

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**Background:**

The North Texas Regional IRB (“NorTex IRB”) was created in 2017 to take the place of the current IRB at UNTHSC. Since its inception, NorTex IRB provided IRB services to UNTHSC, JPS and Acclaim (a separate company established by JPS, made up of physicians who are former faculty members of UNTHSC). One reason for the creation of NorTex IRB was to better establish UNTHSC to act as the single IRB of record on research projects involving multiple research entities. As of September 25, 2017, the National Institute of Health required that one entity act as the single IRB of record when multiple entities are funded for a multi-site project. With NorTex IRB, UNTHSC is positioned to provide IRB services to other entities involved in research that also involves UNTHSC. However, in the contract documents with JPS, UNTHSC also commits to providing IRB services as needed for JPS and Acclaim, whether or not UNTHSC is involved in the research. Such services are provided on either a fee for service basis or based on payment of a pro-rated portion of operating costs (where an annual lump-sum fee is paid to offset operating expenses).

As set forth in the contract documents, NorTex IRB was established as a unit of the Division of Research and Innovation of UNTHSC. NorTex IRB is operated as a part of UNTHSC with employees being UNTHSC employees.

UNTHSC has two agreements with JPS to collaborate on the establishment and operation of the NorTex IRB and for JPS to obtain IRB services; a Collaboration Agreement and an Authorization Agreement. Under the agreements, JPS pays UNTHSC for the IRB services. The agreements began September 1, 2017 and the current term will expire on August 31, 2020. UNTHSC seeks to extend the agreements and the IRB relationship into future years.

Extension of the agreements will bring the total value of the agreements over \$1,000,000, and in accordance with Regent Rule 03.904, will require approval by the Board.

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**Financial Analysis/History:**

|                                   |                               |
|-----------------------------------|-------------------------------|
| Years 1 and 2 of the agreement:   | \$ 651,100                    |
| Year 3 (Amendment 1):             | \$ 235,000                    |
| Year 4 (Amendment 2; for FY2021): | \$ 235,000                    |
| Year 5 – 9:                       | \$235,000 per year, projected |

Gregory R. Anderson  
Digitally signed by Gregory R. Anderson  
Date: 2020.07.24 16:22:37 -05'00'  
Institution Chief Financial Officer

Dan Tenney  
Digitally signed by Dan Tenney  
Date: 2020.07.29 16:08:45 -05'00'  
Vice Chancellor for Finance

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**Legal Review:**

This item has been reviewed by General Counsel.

Alan Stucky  
Digitally signed by Alan Stucky  
Date: 2020.07.29 18:46:31 -05'00'  
Vice Chancellor/General Counsel

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**Schedule:**

Immediately upon Board approval.

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**Recommendation:**

It is recommended that the UNT System Board of Regents delegate authority to the UNTHSC President to extend the NorTex IRB Collaboration Agreement and Authorization Agreement for up to five additional years.

**Recommended By:**

Brian Gladue, PhD  
Vice President for Research and Innovation

Michael R. Williams  
Digitally signed by Michael R. Williams  
Date: 2020.07.25 10:12:02 -05'00'  
President

Lesa B. Roe  
Digitally signed by Lesa B. Roe  
Date: 2020.07.28 12:10:05 -05'00'  
Chancellor



## Board Order

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**Title:** Approval of Extension of the North Texas Regional IRB Collaboration Agreement and Authorization Agreement

---

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 13-14, 2020, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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Whereas, the North Texas Regional IRB (“NorTex IRB”) was created in 2017 to take the place of the current IRB at UNTHSC, and since its inception, NorTex IRB has provided IRB services to JPS and other local area organizations, and

Whereas, UNTHSC wishes to extend the term of its NorTex IRB agreements with JPS to continue the IRB relationship and services,

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

1. Delegation of authority to the UNTHSC President to extend the NorTex IRB Collaboration and Authorization Agreement with JPS for up to five additional years.
- 

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

**BOARD ACTION:**

Attested By:

Approved By:

---

Rosemary R. Haggett, Secretary  
Board of Regents

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Laura Wright, Chair  
Board of Regents





**Title:** Delegation of Authority to the UNTHSC President for Approval of UNTHSC Intergovernmental Transfers (IGT) of Funds for FY 2021 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 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, 15, 2019 meeting, the UNT System Board of Regents approved the delegation of authority for the President to approve UNTHSC IGTs for FY 2020 totaling an estimated \$15 million in order to receive an estimated \$20.8 million in federal matching funds.

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**Financial Analysis/History:**

UNTHSC sent an IGT of \$2,309,207.61 in January 2020 and received a federal match of \$3,595,184.13. In July 2020, an IGT of \$6,041,941.07 was made related to DSRIP and received a federal match of \$13,063,311.47. For UC, UNTHSC made an IGT payment in May 2020 in the amount of \$13,532.37 and received federal match of \$27,666.07.

During FY 2021, UNTHSC expects to IGT as much as \$8 million to receive federal matching funds totaling as much as \$16 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 million to receive a federal match totaling as much as \$2 million during FY 2021.

Gregory R.  
Anderson

Digitally signed by Gregory R. Anderson  
Date: 2020.07.24 16:22:04  
-05'00'

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Institution Chief Financial Officer

Dan  
Tenney

Digitally signed by Dan Tenney  
Date: 2020.07.29  
16:04:43 -05'00'

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Vice Chancellor for Finance

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**Legal Review:**

This item has been reviewed by General Counsel.

Alan Stucky

Digitally signed by Alan Stucky  
Date: 2020.07.29 18:43:21 -05'00'

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Vice Chancellor/General Counsel

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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 \$9 million, as outlined above, in order to receive as much as \$18 million in federal matching funds under the DSRIP and UC payment pools of the 1115 Transformation Waiver.

**Recommended By:**

Charles Taylor

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Provost and Executive Vice President  
for Academic Affairs

Michael R.  
Williams

Digitally signed by Michael R. Williams  
Date: 2020.07.25 10:10:39 -05'00'

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President

Lesa B. Roe

Digitally signed by Lesa B. Roe  
Date: 2020.07.28 09:34:58  
-05'00'

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Chancellor



## Board Order

**Title:** Delegation of Authority to the UNTHSC President for Approval of UNTHSC Intergovernmental Transfers (IGT) of Funds for FY 2021 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 13-14, 2020, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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

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

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

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

1. Delegation of authority to the UNTHSC President for approval of UNTHSC to make one or more intergovernmental transfers of eligible public funds to Texas HHSC during FY 2021 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 \$9 million, without additional approval of the Board.

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

### BOARD ACTION:

Attested By:

Approved By:

\_\_\_\_\_  
Rosemary R. Haggett, Secretary  
Board of Regents

\_\_\_\_\_  
Laura Wright, Chair  
Board of Regents