

UNIVERSITY OF HOUSTON SYSTEM
Finance and Administration Committee Meeting
April 15, 2009

AGENDA

UNIVERSITY OF HOUSTON SYSTEM FINANCE AND ADMINISTRATION COMMITTEE MEETING

DATE: Tuesday, April 14, 2009

TIME: 8:30 a.m.

PLACE: University of Houston
Elizabeth D. Rockwell Pavilion
M.D. Anderson Library
4800 Calhoun
Houston, Texas 77204

Chair: Calvin W. Stephens
Vice Chair: Jacob M. Monty
Members: Dennis D. Golden
Mica Mosbacher
Welcome W. Wilson, Sr., Ex Officio

FINANCE AND ADMINISTRATION COMMITTEE

A. Call to Order

B. Approval of FY 2010 Academic Tuition and Fee Changes – UH System F&A - 1

Action: Approval

C. Approval of voluntary and optional charges for the University of Houston – University of Houston F&A - 2

Action: Approval

D. Approval is requested for delegation of authority to the Chancellor to negotiate and execute contracts for the financing and construction of approved program in the Central Utilities Plant – University of Houston F&A - 3

Action: Approval

E. Approval is requested for delegation of authority to the Chancellor to negotiate and execute the contract to provide custodial service for the University of Houston Downtown – UH-Downtown F&A - 4

Action: Approval

F. Approval is requested for the delegation of authority to the Chancellor to negotiate and execute a ground lease and other agreements with Fort Bend County for the construction of a County Library – UH System F&A - 5

Action: Approval

G. Approval is requested for the delegation of authority to the Chancellor to negotiate and execute the applicable agreements to convey right of way in Utility Corridor at University of Houston-Clear Lake – UH-Clear Lake F&A - 6

Action: Approval

H. Approval is requested for the delegation of authority to the Chancellor to negotiate and execute contracts associated with the purchase of the University Business Park property – UH System F&A - 7

Action: Approval

I. Approval to issue Consolidated Revenue and Refunding Bonds, Series 2009A – UH System F&A - 8

Action: Approval

J. Approval to amend UH System Debt Policy – UH System F&A - 9

Action: Approval

K. Approval of Investment Resolutions for the University of Houston System – UH System F&A - 10

Action: Approval

L. Approval is requested for ratification of a contract between the Texas Institute for Measurement, Evaluation and Statistics (TIMES) at the University of Houston and Riverside Publishing Company – University of Houston F&A - 11

Action: Approval

M. Adjourn

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Finance and Administration

ITEM: Approval of FY 2010 Academic Tuition and Fee Changes

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

Approval is requested for undergraduate and graduate tuition and fee rate changes for the University of Houston System campuses. The requested changes are in the form of ranges to be charged starting in the Fall 2009 semester. The rates presented will result in an average increase for a 12 hour resident undergraduate student from zero to 5% at the University of Houston; zero to 4.8% at UH-Clear Lake; zero to 4.8% at UH-Downtown; and zero to 3.4% at UH-Victoria.

The rate changes and estimated revenues to be realized are presented for each university in the supporting documentation. Policies governing tuition, fees, and other charges are approved by the Board of Regents of the University of Houston System and comply with applicable state statutes. Tuition and fees are subject to change by legislative or Board action and become effective on the date enacted.

FISCAL NOTE: Projected annual revenue increases as a result of these tuition and fee rate changes are presented in the supporting documentation.

SUPPORTING DOCUMENTATION: List of proposed tuition and fee changes, justifications, and revenue estimates.

ACTION REQUESTED: Approval

COMPONENT: University of Houston System

PRESIDENT



EXECUTIVE VICE CHANCELLOR

3/30/09

Carl Carlucci

DATE

DATE

CHANCELLOR



Renu Khator

3-31-09

DATE

University of Houston
12 Credit Hours per Semester
RESIDENT UNDERGRADUATE Students

12 Hours

FY2010 vs FY2009

	FY2009		Dollar Change		Percent	MAXIMUM FY2010	
	Rate	12 Hours	Rate	12 Hours	Change	Rate	12 Hours
Tuition							
Statutory Tuition (per hour)	\$ 50.00	\$ 600.00	\$ -	\$ -	0.0%	\$ 50.00	\$ 600.00
General Designated Tuition (per hour)	117.50	1,410.00	14.00	168.00	11.9%	131.50	1,578.00
Differential Designated Tuition (per hour)	6.28	75.41	-	-	0.0%	6.28	75.41
Subtotal Tuition		<u>2,085.41</u>		<u>168.00</u>	<u>8.1%</u>		<u>2,253.41</u>
College Fees (average)	40.22	482.62	-	-	0.0%	40.22	482.62
University-wide Fees							
Student Service Fee (max per sem, incl Health Ctr)	185.00	185.00	-	-	0.0%	185.00	185.00
Technology Fee (per hour)	13.75	165.00	-	-	0.0%	13.75	165.00
University Center Fee (per semester)	35.00	35.00	-	-	0.0%	35.00	35.00
Library Fee (per hour)	9.00	108.00	-	-	0.0%	9.00	108.00
International Education Fee (per semester)	1.00	1.00	-	-	0.0%	1.00	1.00
Campus Card Fee (per semester)	6.00	6.00	-	-	0.0%	6.00	6.00
Rec. Wellness Center Fee (per semester)	84.00	84.00	-	-	0.0%	84.00	84.00
Instructional Access Fee (per hour)	3.50	42.00	-	-	0.0%	3.50	42.00
Student Academic Service Fee	2.75	33.00	-	-	0.0%	2.75	33.00
Utility Assessment	8.50	102.00	-	-	0.0%	8.50	102.00
Subtotal University-wide Fees		<u>761.00</u>		<u>-</u>	<u>0.0%</u>		<u>761.00</u>
Total Tuition and Fees per Semester		<u>\$ 3,329.03</u>		<u>\$ 168.00</u>	<u>5.0%</u>		<u>\$ 3,497.03</u>

F&A - 1.1.1

University of Houston System
 FY2010 Academic Tuition and Fee Changes

Fee Description	Current Rate	Change	Proposed Rate	Maximum Additional Revenue	Justification/Revenue Use
-----------------	-----------------	--------	------------------	----------------------------------	---------------------------

**University of Houston
 FY2010 Academic Tuition and Fee Changes**

SUMMARY		Maximum Additional Revenue
STATUTORY & PREMIUM TUITION		\$ (148,436)
GENERAL DESIGNATED TUITION - Undergraduate		9,009,480
GENERAL DESIGNATED TUITION - Graduate		2,347,970
DIFFERENTIAL DESIGNATED TUITION		<u>3,212,211</u>
SUBTOTAL TUITION		<u>14,421,225</u>
ACADEMIC FEES		<u>166,170</u>
TOTAL UNIVERSITY OF HOUSTON		<u>\$ 14,587,395</u>

University of Houston System
FY2010 Academic Tuition and Fee Changes

Fee Description	Current Rate	Change	Proposed Rate	Maximum Additional Revenue	Justification/Revenue Use
University of Houston					
Statutory Tuition					
Resident					
Undergraduate	\$50/SCH	NA	\$50/SCH	-	Resident tuition is established by statute and will not change for FY2010.
Graduate	\$100/SCH	NA	\$100/SCH	-	
Non-resident					
Undergraduate	\$331/SCH	(\$4/SCH)	\$327/SCH	(\$98,852)	The non-resident tuition rate is established annually by the Coordinating Board as required by the Education Code section 54.051(d). It is based on the average non-resident tuition rates of the public universities in the five most populous states other than Texas. The base non-resident rate will decrease by \$4 from \$331 to \$327 starting with the fall semester 2009. The non-resident rates charged by the various University programs will all be decreased by \$4. The resulting revenue increases are calculated from projected enrollments for FY2010.
Graduate	\$381/SCH	(\$4/SCH)	\$377/SCH	(\$27,884)	
Law	\$491/SCH	(\$4/SCH)	\$487/SCH	(\$8,167)	
Optometry	\$481/SCH	(\$4/SCH)	\$477/SCH	(\$8,588)	
Pharmacy	\$431/SCH	(\$4/SCH)	\$427/SCH	(\$1,025)	
Premium - Excess Hours					
Doctoral Cap Students above 99 total hours (Education code 54.012)	\$281/SCH	(\$4/SCH)	\$277/SCH	(\$3,920)	The doctoral premium tuition is equal to the difference between the graduate resident and non-resident rates above (\$377 - 100 = 277). This legislatively authorized premium is to offset the loss of funding due to the 99 doctoral hour cap on state formula funding. It is estimated that 1000 credit hours will be over the doctoral cap. Net the net revenue increases assumes a 2% loss for bad debt and exemptions.
Subtotal Statutory Tuition				\$ (148,436)	

F&A - 1.1.3

**University of Houston System
FY2010 Academic Tuition and Fee Changes**

Fee Description	Current Rate	Change	Proposed Rate	Maximum Additional Revenue	Justification/Revenue Use
University of Houston (continued)					
<u>Designated Tuition</u>					
General Designated Tuition					
Undergraduate	\$117.50/SCH	\$0 to \$14/SCH	\$117.50 to \$131.50/SCH	\$9,009,480	Rate per hour charged, except as discounted below. This funding will provide support for student success in the form of enrollment and support initiatives (advisors, recruiters, customer service staff, classrooms, teaching labs, library resources), scholarships, and instructional faculty positions.
Graduate	\$126.15/SCH	\$0 to \$15/SCH	\$126.15 to \$141.15/SCH	\$2,347,970	
<u>Weekend College Courses</u> General designated tuition for certain courses offered as Weekend College on Fridays and weekends will be discounted by \$12 per hour.					
<u>Undergraduate Education Courses</u> General designated tuition for undergraduate education courses will be discounted by \$12 per hour.					
Subtotal Designated Tuition				\$11,357,450	
Differential Designated Tuition - Graduate and Professional					
Business					
BBA	\$27.75/SCH	\$0 to \$4/SCH	\$27.75 to \$31.75/SCH	\$420,920	Provide funds for building construction in order to continue enrollment growth in the college of business.
MBA, MPA	\$156.15/SCH	\$0 to \$20/SCH	\$156.15 to \$176.15/SCH	\$435,560	Provide funds for building construction in order to continue enrollment growth in the college of business.
Law					
JD Resident	\$100/SCH	\$0 to \$75/SCH	\$100 to \$175/SCH	\$1,395,100	To adjust faculty salaries to market salaries in order to stop the loss of faculty to other law schools.
JD Non-resident	\$100/SCH	\$0 to \$75/SCH	\$100 to \$175/SCH	\$202,800	To adjust faculty salaries to market salaries in order to stop the loss of faculty to other law schools.
LLM Resident	\$150/SCH	\$0 to \$75/SCH	\$150 to \$225/SCH	\$135,000	To enhance student support services including counseling, tutoring and career services.
LLM Non-resident	\$150/SCH	\$0 to \$75/SCH	\$150 to \$225/SCH		
Optometry					
OD Resident	\$62.29/SCH	\$0 TO \$10.21/SCH	\$62.29 TO \$72.50/SCH	\$172,831	To fund summer salaries for faculty, hire adjunct faculty to work in clinic, and fund operations of college
OD Non-resident	\$62.29/SCH	\$0 TO \$10.21/SCH	\$62.29 TO \$72.50/SCH		To fund summer salaries for faculty, hire adjunct faculty to work in clinic, and fund operations of college
Pharmacy					
PHARD Resident	\$80/SCH	\$0 to \$30/SCH	\$80 to \$110/SCH	\$350,000	To fund faculty salaries for new positions and practicum instruction.
PHARD Non-resident	\$80/SCH	\$0 to \$30/SCH	\$80 to \$110/SCH	\$50,000	To fund faculty salaries for new positions and practicum instruction.
Graduate Resident	\$80/SCH	\$0 to \$30/SCH	\$80 to \$110/SCH	\$25,000	To fund faculty salaries for new positions and practicum instruction.
Graduate Non-resident	\$80/SCH	\$0 to \$30/SCH	\$80 to \$110/SCH	\$25,000	To fund faculty salaries for new positions and practicum instruction.
Subtotal Differential Designated Tuition				\$3,212,211	
Subtotal Tuition				\$14,421,225	

**University of Houston System
FY2010 Academic Tuition and Fee Changes**

Fee Description	Current Rate	Change	Proposed Rate	Maximum Additional Revenue	Justification/Revenue Use
University of Houston (continued)					
<u>Academic Fees</u>					
General Academic Fees - No changes proposed to general academic fees					
College, Program, and Course based Incidental Fees					
Hotel & Restaurant Management	HRMA 1422/ 3335/ 3345/ 6345 \$40 - \$70	\$0 to \$10	\$40 - \$180	\$6,390	Meet increased costs of goods required for student practical experiences.
Liberal Arts and Social Sciences	Applied Music Fee (1 hour lesson) \$190.00	\$0 to \$10	\$190 to \$200	\$18,200	Current revenue inadequate to maintain services; last fee increase was FY05 which was cut from proposed \$200 to \$190/ course.
Liberal Arts and Social Sciences	Applied Music Fee (1/2 hour lesson) \$90.00	\$0 to \$10	\$90 to \$100	\$940	Current revenue inadequate to maintain services; last fee increase was FY05 which was cut from proposed \$100 to \$90/ course.
Liberal Arts and Social Sciences	ART: Art Slide Maintenance Fee supporting Art History Instruction \$33.00	\$33.00	\$33.00	\$3,300	Attach existing fee to new classes. (ARTH 1300, 6301, 6302)
Liberal Arts and Social Sciences	ART: Course fee for specific computer support \$0.00	\$0 to \$100	\$0 to \$100	\$7,800	New course needs: computers, software, peripherals, materials, security, staff and IA support. (ART 1382, 1383, 3363)
Liberal Arts and Social Sciences	MCL: Credit by exam fee. \$25/SCH	\$25/SCH	\$25/SCH	\$300	Add fee to new courses. (ARAB 2301, ARAB 2302)
Liberal Arts and Social Sciences	Philosophy: Graduate Application Fee \$25.00	\$0 to \$15	\$25 to \$40	\$450	Increased costs of processing due to extensive printouts of records, creation and maintenance of graduate student database for record-keeping purposes, support of graduate student activities and functions; competitor institutions charge similar fees of between \$35 and \$56.
Natural Sciences & Mathematics	Binding and Dissertation Fee \$25 to \$45/ document	varies	\$25 to \$65/ document	NA	Meet increased charges for binding services by outside vendors.
Optometry	Major fee. \$430/Semester	\$0 to \$20/Semester	\$430 to \$450/Semester	\$20,140	Provide support to electronic medical records system required for student and clinic use.
Pharmacy	Objective Structured Clinical Exam Fee \$0.00	\$0 to \$35	\$0 to \$35	\$34,650	Purchase supplies for mandated examination.
Pharmacy	Pharmacy Seat Fee \$0.00	\$0 to \$200/ student	\$0 to \$200/ student	\$34,000	Deposit paid on acceptance to program and applied to tuition upon registration or forfeited if student does not register.
Technology	HDCS 4396 \$0.00	\$0 to \$2000/ student	\$0 to \$2000/student	\$40,000	Special additional fee of \$2000 per student would be assessed to cover the cost of travel to New York City for 7 days and 6 nights to study major retailers, wholesalers, showrooms and buying offices.
Subtotal Academic Fees				<u>\$166,170</u>	
Total Academic Tuition and Fees - University of Houston				<u>\$ 14,587,395</u>	

R&A - 1.1.5

University of Houston - Clear Lake
12 Credit Hours per Semester
RESIDENT UNDERGRADUATE Students

12 Hours

FY2010 vs FY2009

F&A-1.1.6

	FY2009		Dollar Change		Percent	MAXIMUM FY2010	
	Rate	12 Hours	Rate	12 Hours	Change	Rate	12 Hours
Tuition							
Statutory Tuition (per hour)	\$ 50.00	\$ 600.00	\$ -	\$ -	0.0%	\$ 50.00	\$ 600.00
General Designated Tuition (per hour)	98.00	1,176.00	7.00	84.00	7.1%	105.00	1,260.00
Differential Designated Tuition (per hour)	2.32	27.84	-	-	0.0%	2.32	27.84
Subtotal Tuition		<u>1,803.84</u>		<u>84.00</u>	<u>4.7%</u>		<u>1,887.84</u>
School Fees (average)	3.83	45.96	0.16	1.91	4.2%	3.99	47.87
University-wide Fees							
Student Service Fee (per hour w/ a maximum)	29.00	174.00	1.00	6.00	3.4%	30.00	180.00
Computer Use Fee (per hour w/ a maximum)	14.00	168.00	2.00	24.00	14.3%	16.00	192.00
Student Center Fee (per semester)	30.00	30.00	-	-	0.0%	30.00	30.00
Library Fee (per hour w/ a maximum)	6.00	60.00	-	-	0.0%	6.00	60.00
Extended Access and Support Fee (per hr w/ a max)	6.00	54.00	-	-	0.0%	6.00	54.00
Writing Center Support Fee (per semester)	9.00	9.00	-	-	0.0%	9.00	9.00
Student ID Card Fee (per semester)	3.00	3.00	-	-	0.0%	3.00	3.00
Transcript and Publication (per semester)	15.00	15.00	-	-	0.0%	15.00	15.00
E-Services (per semester)	13.00	13.00	-	-	0.0%	13.00	13.00
Utility Surcharge (two-tiered flat rate, by load)	16.00	16.00	-	-	0.0%	16.00	16.00
International Education Fee (per semester)	2.00	2.00	-	-	0.0%	2.00	2.00
Subtotal University-wide Fees		<u>544.00</u>		<u>30.00</u>	<u>5.5%</u>		<u>574.00</u>
Semester Total Mandatory Tuition and Fees		<u>\$ 2,393.80</u>		<u>\$ 115.91</u>	<u>4.8%</u>		<u>\$ 2,509.71</u>

University of Houston System
 FY2010 Academic Tuition and Fee Changes

Fee Description	Current Rate	Change	Proposed Rate	Maximum Additional Revenue	Justification/Revenue Use
-----------------	--------------	--------	---------------	----------------------------	---------------------------

**UH-Clear Lake
 FY2010 Academic Tuition and Fee Increases**

SUMMARY	Maximum Additional Revenue
STATUTORY & PREMIUM TUITION	\$ (54,608)
GENERAL DESIGNATED TUITION	1,702,349
SUBTOTAL TUITION	<u>1,647,741</u>
STUDENT SERVICE FEE	101,233
COMPUTER USE FEE	277,040
GRAD PROGRAMS RESEARCH CAPABILITY FEE	52,000
ACADEMIC FEES	<u>23,790</u>
TOTAL UH-CLEAR LAKE	<u>\$ 2,101,804</u>

**University of Houston System
FY2010 Academic Tuition and Fee Changes**

Fee Description	Current Rate	Change	Proposed Rate	Maximum Additional Revenue	Justification/Revenue Use
University of Houston Clear Lake					
<u>Tuition</u>					
Resident					
Undergraduate	\$50/SCH	NA	\$50/SCH	\$0	Resident tuition is established by statute and will not change for FY2010.
Graduate	\$100/SCH	NA	\$100/SCH	\$0	
Non-Resident					
Undergraduate Non-Resident Tuition	\$331/SCH	(\$4)/SCH	\$327/SCH	(\$7,536)	Non-resident Tuition is set by the Coordinating Board.
Graduate Non-Resident Tuition	\$381/SCH	(\$4)/SCH	\$377/SCH	(\$47,072)	Non-resident Tuition is set by the Coordinating Board and Graduate Non-resident can be that rate <u>plus</u> the amount of Undergraduate Resident.
Designated Tuition					
Designated Undergraduate Resident Tuition	\$98/SCH	\$0 to \$7/SCH	\$98 to \$105/SCH	\$616,393	New revenue will be used to support salary increases due to no salary increases in FY2009, scholarships, and faculty positions.
Designated Graduate Resident Tuition	\$144/SCH	\$0 to \$15/SCH	\$144 to \$159/SCH	\$666,651	New revenue will be used to support salary increases due to no salary increases in FY2009, scholarships, and faculty positions.
Designated Undergrad Non-Resident Tuition	\$114/SCH	\$0 to \$22/SCH	\$114 to \$136/SCH	\$40,476	New revenue will be used to support salary increases due to no salary increases in FY2009, scholarships, and faculty positions.
Designated Graduate Non-Resident Tuition	\$165/SCH	\$0 to \$33/SCH	\$165 to \$198/SCH	\$378,829	New revenue will be used to support salary increases due to no salary increases in FY2009, scholarships, and faculty positions.
Subtotal Tuition				<u>\$1,647,741</u>	
<u>Fees</u>					
Student Service Fee	\$29/SCH \$174 max	\$0 to \$1/SCH \$0 to \$6 max	\$29 to \$30/SCH \$174 to \$180 max	\$101,233	New revenue will be used to provide funding to balance the budget, .5 FTE for Fitness Zone Coordinator, .25 FTE for Van Driver, and 1 FTE for Orientation Coordinator.
Computer Use Fee	\$14/SCH \$168 max	\$0 to \$2/SCH \$0 to \$24 max	\$14 to \$16/SCH \$168 to \$192 max	\$277,040	New revenue will be used to assist with the Course Management System (CMS) conversion, including additional costs for annual CMS licenses. Revenue will also be used to base fund positions to support new on-line program initiatives university-wide, as well as salary increases.
Graduate Programs Research Capability Fee	\$57	\$0 to \$23	\$57 to \$80	\$52,000	This fee increase is needed to cover projected expenses to include vendor price increases.
Course Based Fees	\$0 to \$75	\$0 to \$75	\$0 to \$80	\$23,790	New revenue will be used to defray the cost of materials and supplies and to enhance the quality of educational services.
Subtotal Fees				<u>\$454,063</u>	
Total Academic Tuition and Fees - University of Houston Clear Lake				<u>\$2,101,804</u>	

F&A - 1.1.8

University of Houston-Downtown
Cost of 12 Credit Hours per Semester
RESIDENT UNDERGRADUATE Students

12 Hours

FY2010 vs FY2009

	FY2009		Dollar	Change	Percent	MAXIMUM FY2010	
	Rate	12 Hours	Rate	12 Hours	Change	Rate	12 Hours
Tuition							
Statutory Tuition (per hour)	\$ 50.00	\$ 600.00	\$ -	\$ -	-	\$ 50.00	\$ 600.00
General Designated Tuition (per hour)	85.00	1,020.00	5.00	60.00	5.9%	90.00	1,080.00
Subtotal, Tuition		1,620.00		60.00	3.7%		1,680.00
College Fees (average)	0.78	9.36	-	-	0.0%	0.78	9.36
University-wide Fees							
Student Service Fee (per hour w/ a maximum)	15.00	132.00	-	8.00	0.0%	15.00	140.00
Computer Use Fee (per hour w/ a maximum)	14.00	168.00	-	-	0.0%	14.00	168.00
University Center Fee (two-tiered flat rate, by load)	25.00	25.00	-	-	0.0%	25.00	25.00
Library Fee (per hour w/ a maximum)	6.00	60.00	-	-	0.0%	6.00	60.00
Student Record Fee (per head)	15.00	15.00	-	-	0.0%	15.00	15.00
Student Advising Fee (per hour w/a maximum) - NEW	N/A	N/A		36.00	N/A	3.00	36.00
International Education Fee (per head)	3.00	3.00	-	-	0.0%	3.00	3.00
Utility Assessment (two-tiered flat rate, by load)	18.00	18.00	(3.00)	(3.00)	-16.7%	15.00	15.00
Extended Access & Support(New) - (per hour w/ a maximum)	6.00	54.00	-	-	0.0%	6.00	54.00
Subtotal, University-wide Fees		475.00		41.00	8.6%		516.00
Semester Total Tuition and Fees	\$ 2,104.36		\$ 101.00		4.8%	\$ 2,205.36	

University of Houston System
 FY2010 Academic Tuition and Fee Changes

Fee Description	Current Rate	Change	Proposed Rate	Maximum Additional Revenue	Justification/Revenue Use
-----------------	-----------------	--------	------------------	----------------------------------	---------------------------

UH-Downtown
FY2010 Academic Tuition and Fee Increases

SUMMARY		Maximum Additional Revenue
STATUTORY & PREMIUM TUITION		\$ (41,696)
GENERAL DESIGNATED TUITION		1,362,573
SUBTOTAL TUITION		<u>1,320,877</u>
ACADEMIC FEES		784,863
STUDENT AFFAIRS FEES		113,957
ENERGY FEE		<u>(82,424)</u>
TOTAL UH-DOWNTOWN		<u>\$ 2,137,273</u>

**University of Houston System
FY2010 Academic Tuition and Fee Changes**

Fee Description	Current Rate	Change	Proposed Rate	Maximum Additional Revenue	Justification/Revenue Use
<u>University of Houston Downtown</u>					
<u>Tuition</u>					
Resident	\$50/SCH	NA	\$50/SCH	\$0	Resident tuition is established by statute and will not change for FY2010.
Non-Resident/International	\$331/SCH	(\$4/SCH)	\$327/SCH	(\$41,696)	Rate set by the Coordinating Board.
Tuition-Designated (all students)	\$85/SCH	\$0 to \$5/SCH	\$85 to \$90/SCH	\$1,362,573	To support ongoing operations.
Subtotal Tuition				<u><u>\$1,320,877</u></u>	
<u>Fees</u>					
Student Service Fee	\$15/SCH \$132 max.	\$0 to \$8	\$15/SCH \$132 to \$140 max.	\$113,957	Funds will be used to support new initiatives within Student Services and Enrollment Management.
Utility Assessment	\$10/hd, 1-5 SCHs \$18/hd, 6+ SCHs	\$0 to \$(1)/hd, 1-5 SCHs \$0 to \$(3)/hd, 6+ SCHs	\$10 to \$9/hd, 1-5 SCHs \$18 to \$15/hd, 6+ SCHs	(\$82,424)	Fee reduced in recognition of continued reductions in electricity rates.
Student Advising Fee	N/A (New)	\$0 to \$3/SCH \$0 to \$36 max.	\$0 to \$3/SCH \$0 to \$36 max.	\$784,863	Funds will be used to support important new joint initiative coming from Academic Affairs and Student Services and Enrollment Management geared toward significantly strengthening student advising at UHD.
Subtotal Fees				<u><u>\$816,396</u></u>	
Total Academic Tuition and Fees - University of Houston-Downtown				<u><u>\$2,137,273</u></u>	

University of Houston-Victoria
Cost of 12 Credit Hours per Semester
RESIDENT UNDERGRADUATE Students

12 Hours

FY2010 vs FY2009

	FY2009		Dollar	Change	Percent	MAXIMUM FY2010	
	Rate	12 Hours	Rate	12 Hours	Change	Rate	12 Hours
Tuition							
Statutory Tuition (per hour)	\$ 50.00	\$ 600.00	\$ -	\$ -	0.0%	\$ 50.00	\$ 600.00
General Designated Tuition (per hour)	87.00	1,044.00	6.00	72.00	6.9%	93.00	1,116.00
Subtotal Tuition		<u>1,644.00</u>		<u>72.00</u>	<u>4.4%</u>		<u>1,716.00</u>
College Fees (average)	-	-	-	-	0.0%	-	-
University-wide Fees							
Student Service Fee (max per sem)	150.00	150.00	0.00	0.00	0.0%	150.00	150.00
Extended Access and Support Fee (per hour)	24.00	288.00	0.00	0.00	0.0%	24.00	288.00
Library Fee (per hour)	3.00	36.00	0.00	0.00	0.0%	3.00	36.00
Subtotal University-wide Fees		<u>474.00</u>		<u>-</u>	<u>0.0%</u>		<u>474.00</u>
Semester Total Tuition and Fees		<u>\$ 2,118.00</u>		<u>\$ 72.00</u>	<u>3.4%</u>		<u>\$ 2,190.00</u>

F&A-1.1.12

University of Houston System
 FY2010 Academic Tuition and Fee Changes

Fee Description	Current Rate	Change	Proposed Rate	Maximum Additional Revenue	Justification/Revenue Use
-----------------	-----------------	--------	------------------	----------------------------------	---------------------------

**UH-Victoria
 FY2010 Academic Tuition and Fee Increases**

SUMMARY	Maximum Additional Revenue
STATUTORY & PREMIUM TUITION	\$ (3,044)
GENERAL DESIGNATED TUITION	494,641
SUBTOTAL TUITION	<u>491,597</u>
ACADEMIC FEES	<u>5,980</u>
TOTAL UH-VICTORIA	<u>\$ 497,577</u>

F&A - 1.1.13

University of Houston System
FY2010 Academic Tuition and Fee Changes

Fee Description	Current Rate	Change	Proposed Rate	Maximum Additional Revenue	Justification/Revenue Use
University of Houston - Victoria					
<u>Tuition</u>					
Resident					
Undergraduate	\$50/SCH	NA	\$50/SCH	\$ -	Resident tuition is established by statute and will not change for FY2010.
Graduate	\$100/SCH	NA	\$100/SCH	\$ -	
Non-Resident	\$331/SCH	(\$4/SCH)	\$327/SCH	\$ (3,044)	The Non-Resident (undergraduate and graduate) rates are set by the Higher Education Coordinating Board.
Designated Tuition					
Undergraduate Resident	\$87/SCH	\$0 to \$6/SCH	\$87 to \$93/SCH	\$ 224,784	Additional revenue will be used to support strategic priorities of the University and UH System and increase financial aid.
Graduate Resident	\$105/SCH	\$0 to \$11/SCH	\$105 to \$116/SCH	\$ 269,857	Additional revenue will be used to support strategic priorities of the University and UH System and increase financial aid.
Subtotal Tuition				<u>\$ 491,597</u>	
<u>Fees</u>					
Nursing Fee (RN to BSN and MSN)	\$14/SCH	\$0 to \$1/SCH	\$14 to \$15/SCH	\$ 2,391	Additional revenue will be used to support program evaluations.
Nursing Fee (2nd degree to BSN)	\$14/SCH	\$0 to \$9/SCH	\$14 to \$23/SCH	\$ 3,589	Additional revenue will be used for skills testing, additional lab equipment for students, and program evaluations.
Subtotal Fees				<u>\$ 5,980</u>	
Total Tuition and Fees - University of Houston Victoria				<u>\$ 497,577</u>	

F&A - 1.1.14

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Finance and Administration

ITEM: Approval of voluntary and optional charges for the University of Houston.

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

Approval is requested for voluntary and optional fees and charges for the University of Houston campus services. These include items such as parking permit rates, housing, meal plans, study abroad, field trip, executive programs, and other services provided to students, faculty and staff at each campus. Policies governing tuition, fees, and other charges are approved by the Board of Regents of the University of Houston System and comply with applicable state statutes. Tuition and fees are subject to change by legislative or Board action and become effective on the date enacted.

FISCAL NOTE: Projected annual revenue increases as a result of these fee rate changes are presented in the supporting documentation.

SUPPORTING DOCUMENTATION: List of proposed fee changes, justifications, and revenue estimates.

ACTION REQUESTED: Approval

COMPONENT: University of Houston

PRESIDENT

Renu Khator

DATE

4/6/09

EXECUTIVE VICE CHANCELLOR

Carl Carlucci

Carl Carlucci

DATE

4/2/09

CHANCELLOR

Renu Khator

Renu Khator

DATE

4/6/09

University of Houston
Optional Fee Changes

Fee Description	Current Rate	Change	Proposed Rate	Projected Additional Revenue	Justification/Revenue Use
-----------------	--------------	--------	---------------	------------------------------	---------------------------

**University of Houston
FY2010 Optional Fee Changes
Plus FY2011 Parking Changes**

		FY2010 Additional Revenue	FY2011 Additional Parking Revenue
SUMMARY	ACADEMIC OPTIONAL FEES	\$ 360,000	
	HOUSING	310,011	
	CHILD CARE	10,000	
	MEAL PLANS	563,785	
	PARKING	901,910	\$ 570,381
	TOTAL UNIV OF HOUSTON	<u>\$ 2,145,706</u>	

**University of Houston
Optional Fee Changes**

Fee Description		Current Rate	Change	Proposed Rate	Projected Additional Revenue	Justification/Revenue Use
University of Houston						
Optional Academic Fees FY2010						
Academic Affairs	Study Abroad Fee	\$0.00	Varies w/ cost of trip	Varies w/ cost of trip	NA	Cover travel expenses including outside administrative costs related to study abroad programs offered by colleges and Academic Affairs. Actual charge to be approved by Senior Vice President upon review of travel budget.
Academic Affairs	Duplicate Diploma Fee	\$0.00	\$25.00	\$25.00	\$25,000	To cover costs of creating and delivering duplicate diplomas.
Academic Affairs	Graduation Application Fee	\$0.00	\$25.00	\$25.00	\$219,000	To cover costs of processing applications for graduation. Original fee was deleted with intent to cover costs from transcript fees; that revenue is insufficient for services required.
Academic Affairs	Late Graduation Application Fee	\$0.00	\$25.00	\$25.00	\$17,000	To cover costs of processing late requests for graduation and to encourage timely application and degree verification.
Business	Executive Certificate Programs Fee	\$2,250.00	\$0.00	\$2,250.00	\$0	Request to change this to a local fund as a continuing ed program. Fee will cover cost of all tuition and fees; cost of instruction and necessary expenses to operate the program
Business	Executive MBA Program I Fee	\$54,000.00	\$3,500.00	\$57,500.00	\$70,000	Change only reflects the graduation of students under the old FY08 pricing structure and new incumbents for FY10 at the current FY09 pricing structure. Tuition/fees, faculty overloads, academic material, international bus trip, catering, technology, staff support, marketing and computer software and any other necessary overhead expenses towards the program.
Honors	Honors Application Fee		\$20.00	\$25.00	\$5,000	To defray higher costs associated with distributing and processing Honors College applications: materials, postage, printing, and salaries of those responsible for recruiting and processing applications.
Honors	Honors FTIC Fee	\$125.00	\$35.00	\$160.00	\$12,000	To defray higher costs associated with Summer, Fall and Spring orientation activities for new Honors College students.
Natural Sciences & Mathematics	Field Trip Fee	\$10.00	\$3.00	\$13.00	\$12,000	To fund increased costs of fuel for van and bus rental.
Subtotal Academic Fees					\$360,000	

**University of Houston
Optional Fee Changes**

Fee Description	Current Rate	Change	Proposed Rate	Projected Additional Revenue	Justification/Revenue Use
University of Houston (continued)					
Student Housing (per Academic Year) FY2010				\$310,011	The student housing rate increases of 4% will partially offset increased operating costs and salary increases.
Moody Towers Double	\$3,668	\$146	\$3,814		
Single	4,576	184	4,760		
Super Single	5,020	200	5,220		
Quadrangle Double	4,062	162	4,224		
Super Single	5,378	214	5,592		
Cougar Place Single	4,404	176	4,580		
Single w/kitchen	4,828	192	5,020		
Cougar Place Apartment	6,400	256	6,656		
Child Care Center (per week)				\$10,000	The increase will provide funds for child care operations to continue to meet licensing and accreditation standards for staffing
Infants - 5 days/week	\$170-\$245	\$20	\$190-\$265		
Toddler - 5 days/week	\$155-\$210	40	\$195-\$250		
Pre-K - 5 days/week	\$130-\$185	20	\$150-\$205		
Meal Plans FY2010 (Meals are all-you-care-to-eat)					
Residential Meal Plans (per semester)				\$352,760	The FY2010 proposed rates for meal plans are increasing an average of 6% to cover increased food and transportation costs.
RFoC 21 (21 meals per week plus \$120 Cougar Cash)	\$1,420	\$70	\$1,490		
RFoC 15 (15 meals per week plus \$165 Cougar Cash)	1,175	85	1,260		
RFoC 9 (9 meals per week plus \$320 Cougar Cash)	1,070	80	1,150		
RFoC 140(140 meals per semester plus \$525 Cougar Cash)	1,400	70	1,470		
Cougar Cash (Juniors, Seniors and Graduate Residents only)	1,175	75	1,250		
Total, Residential					
Commuter Meal Plans (per semester)				\$190,990	
Select 300 (all cougar cash)	300	-	300		
Select 500 (all cougar cash)	500	-	500		
Select 800 (all cougar cash)	800	-	800		
Select 80 (80 all you care to eat meals)	375	45	420		
Select Plan 20 Plus (20 meals per semester plus \$35 Cougar Cash)	150	15	165		
Select Plan 40 Plus (40 meals per semester plus \$100 Cougar Cash)	325	25	350		
Select Plan 80 Plus (80 meals per semester plus \$150 Cougar Cash)	525	45	570		
Total, Commuter					
Faculty/Staff Meal Plans (per month)				\$1,335	
Block 5 (5 meals per month)	27.50	2.50	30.00		
Block 10 (10 meals per month)	52.50	2.50	55.00		
Block 15 (15 meals per month)	78.75	1.25	80.00		
Cougar Cash	25.00	-	25.00		
Total, Faculty/Staff					
RFoC Door / Cash Price				\$18,700	
Breakfast	5.25	0.75	6.00		
Lunch	6.25	0.75	7.00		
Dinner	7.25	0.75	8.00		
Subtotal Meal Plans				\$563,785	

F&A - 2.1.3

**University of Houston
Optional Fee Changes**

Fee Description	Current Rate	Change	Proposed Rate	Projected Additional Revenue	Justification/Revenue Use	
University of Houston (continued)						
Parking Fees FY2010				\$ 901,910		
Students	General - Semester (Fall or Spring)	\$85	\$7	\$92	Parking rates are recommended by the Transportation and Parking Advisory Committee to allow for future parking facility improvements and development as well as increasing services offered. Recommended faculty/staff parking rates increased an average of 15%, while student parking rates increased an average of 8.5%. All of the projected revenue increase will be applied towards the East Parking Garage debt service.	
	General - Fall & Spring	142	11	153		
	General - Summer	n/a	30	30		
	Residence Hall - Semester (Fall or Spring)	110	9	119		
	Residence Hall - Academic Year	184	15	199		
	Economy	54	4	58		
	Economy Plus	80	6	86		
	Garage Semester (Fall or Spring or Summer)	128	13	141		
	Garage Academic Year (Fall, Spring, & Summer)	214	21	235		
Faculty/Staff	Reserved Covered - Academic year	497	75	572		
	Reserved - Academic Year	356	53	409		
	Gated - Semester (Fall or Spring or Summer)	149	22	171		
	Gated - Academic Year	248	37	285		
	Ungated - Semester (Fall or Spring or Summer)	85	13	98		
	Ungated - Academic Year	142	21	163		
	Garage Semester (Fall or Spring or Summer)	225	34	259		
	Garage Academic Year	375	56	431		
All	Disabled - Semester (fall or Spring or Summer)	79	7	86		
	Disabled - Academic Year	133	11	144		
	Visitor - Surface Daily Rate (maximum)	3	2	5		
	Visitor - Garage Daily Rate (maximum)	8	1	9		
	Departmental Runner Rate	-	50	50		
Parking Fees FY2011				\$ 570,381		
Students	General - Semester (Fall or Spring)	\$92	\$7	\$99		Parking rates are recommended by the Transportation and Parking Advisory Committee to allow for future parking facility improvements and development as well as increasing services offered. Recommended faculty/staff parking rates increased an average of 10%, while student parking rates increased an average of 9.9%. All of the projected revenue increase will be applied towards Garage Number 3 projected for a 2013 opening.
	General - Fall & Spring	153	13	166		
	General - Summer	30	10	40		
	Residence Hall - Semester (Fall or Spring)	119	9	128		
	Residence Hall - Academic Year	199	16	215		
	Economy	58	5	63		
	Economy Plus	86	7	93		
	Garage Semester (Fall or Spring or Summer)	141	17	158		
	Garage Academic Year (Fall, Spring, & Summer)	235	29	264		
Faculty/Staff	Reserved Covered - Academic year	572	57	629		
	Reserved - Academic Year	409	41	450		
	Gated - Semester (Fall or Spring or Summer)	171	17	188		
	Gated - Academic Year	285	29	314		
	Ungated - Semester (Fall or Spring or Summer)	98	10	108		
	Ungated - Academic Year	163	17	180		
	Garage Semester (Fall or Spring or Summer)	259	26	285		
	Garage Academic Year	431	43	474		
All	Disabled - Semester (fall or Spring or Summer)	86	7	93		
	Disabled - Academic Year	144	11	155		
	Visitor - Surface Daily Rate (maximum)	5	-	5		
	Visitor - Garage Daily Rate (maximum)	9	-	9		
	Departmental Runner Rate	50	-	50		
Total University of Houston - FY2010 All Fee Revenue				\$ 2,145,706		
Total University of Houston - FY2011 Parking				\$ 570,381		

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Finance and Administration

ITEM: Approval is requested for delegation of authority to the Chancellor to negotiate and execute contracts for the financing and construction of approved program in the Central Utilities Plant.

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

Approval is requested for delegation of authority to the Chancellor to negotiate and execute contracts for the financing and construction of approved program in the Central Utilities Plant.

FISCAL NOTE: Approximately \$45 million to be paid from CRDM (HEAF)

SUPPORTING DOCUMENTATION:

ACTION REQUESTED: Approval

COMPONENT: University of Houston

PRESIDENT	<i>Renu Khator</i>	Renu Khator	<i>3-31-09</i>
			DATE
VICE CHANCELLOR	<i>Carl Carlucci</i>	Carl Carlucci	<i>3/27/09</i>
			DATE
CHANCELLOR	<i>Renu Khator</i>	Renu Khator	<i>3-31-09</i>
			DATE



**UNIVERSITY OF HOUSTON
Campus Facilities Planning Committee
Request for Project Approval Form**

1. **Project Number**
2. **Project Name** **Campus Utility
Expansion**
3. **Committee Date** **April 10, 2009**
4. **Requesting Department** **Plant Operations**
5. **Contact Name & Phone Number** **Dave Irvin, x2-5579**
6. **Presenter:** **Dave Irvin**
7. **Description of Request**

This item requests site approval for an expansion of the Central Plant footprint needed to house additional equipment providing increased utility to the campus.

Project Description

The central plant will be expanded into parking lot 19F to the west by approximately 85 feet, adding approximately 10,000 GSF to the building.

Modification of the current plant equipment includes replacement of existing outdated chiller with 3 new 2500 Ton chillers; replacement of cooling towers 1-4 and addition of a cooling tower cell; replacement and modification of existing boilers to low pollution models; electrical equipment replacement; and associated utility modifications and improvements to support the new/ modified equipment.

Because of the increased chilled water production the project includes new chilled water piping and connections thru a tunnel into the campus chilled water system.

The project also replaces the existing screen wall surrounding existing equipment with a new screen wall with materials more similar to other campus buildings.

Project funding will come from CRDM. It will take almost all deferred maintenance funding from FY2008 thru FY2014.

Background Information:

This project is critical for Tier One and Campus expansion and has a number of goals.

- 1) Existing equipment in the Central Plant is past its manufacturer recommended life, is increasingly expensive to maintain and repair and must be replaced.
- 2) Because it is older equipment our current plant is energy inefficient and not as clean as new state of the art technology—a major problem in an air quality non attainment zone like Houston. The Federal Government and EPA have mandated that we replace existing equipment with new lower polluting equipment as part of the mandates to force Houston to meet clean air requirements. If we do not do so we will face increasingly higher fines.
- 3) With the increased efficiency we will reduce energy usage by 3-4%, save significant money and reduce the University's carbon footprint dramatically.
- 4) Finally this project will increase the Central Plant capacity to serve the future buildings needed to support the Framework Plan and house Tier One Research, increased on campus housing, additional instructional and student support space. Without this project we will not have cooling capacity for any new projects including Freshmen housing, Bauer 3, Fleming addition and Engineering Student Services Building.

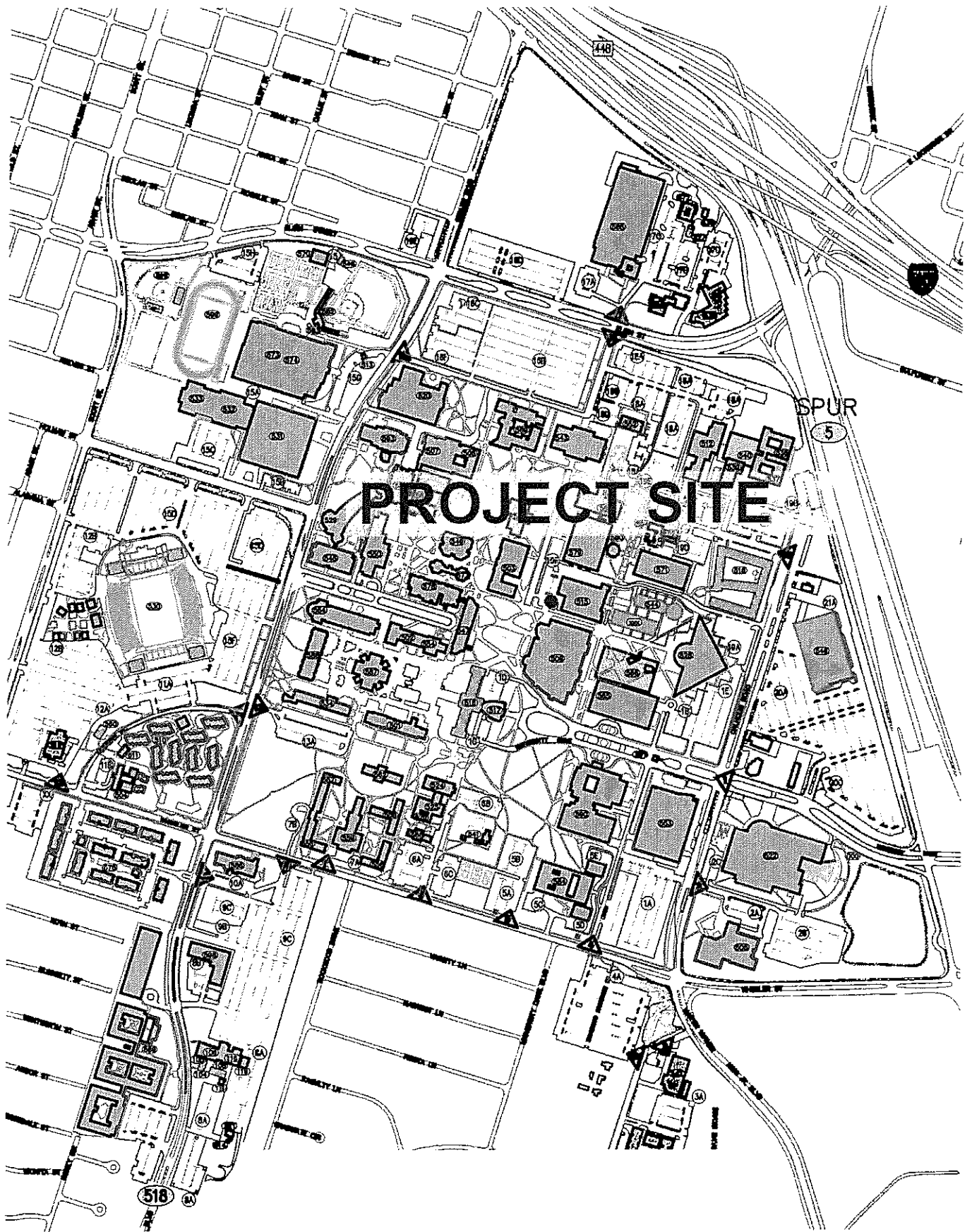
8.	Cost of Project	\$45,000,000
9.	Source of Funding:	CRDM/Deferred Maintenance
10.	Proposed Start Date:	Upon BOR approval (April 2009)

Date: _____

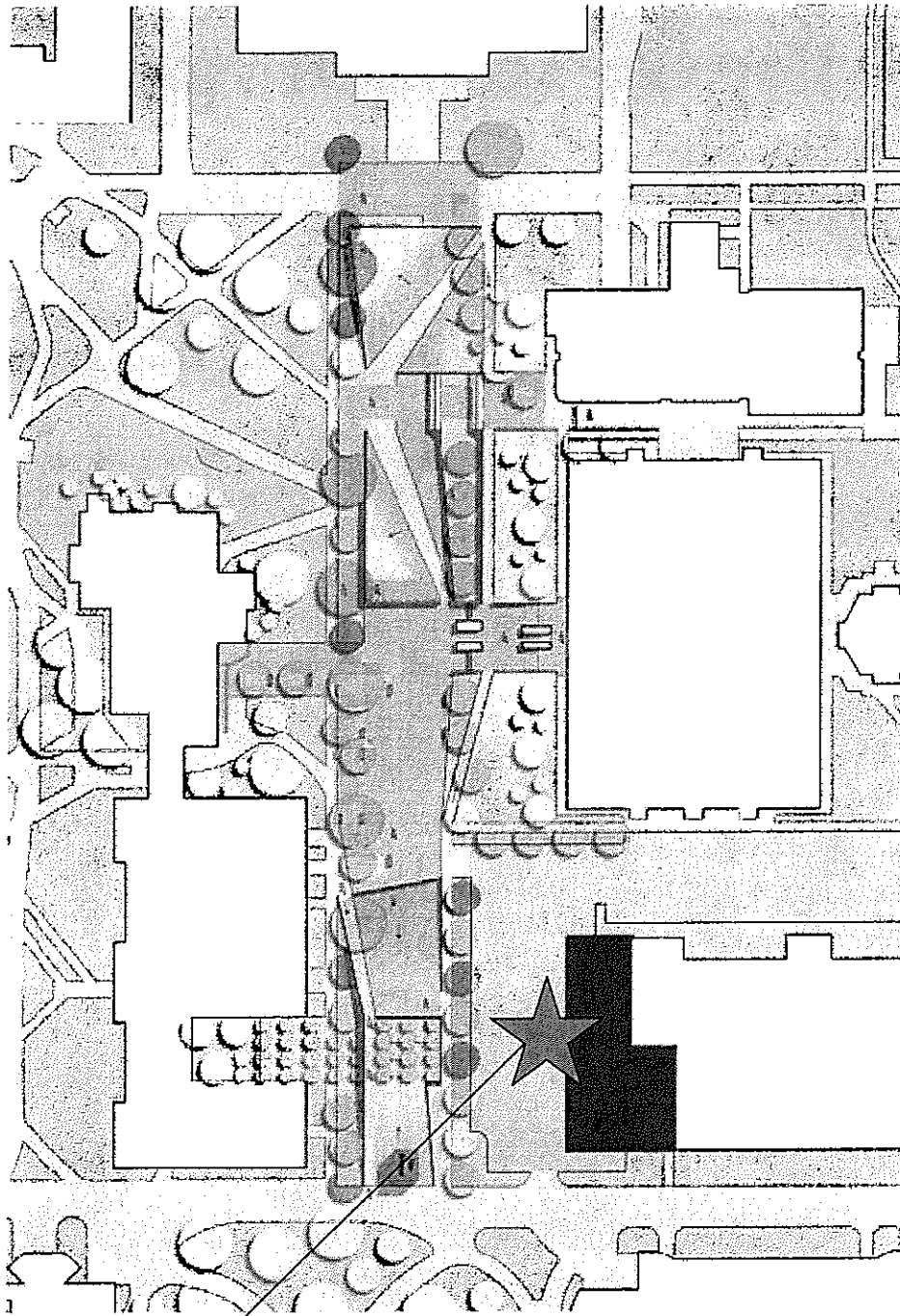
Dave Irvin
Associate Vice Chancellor/Associate Vice President
Plant Operations

Attachments:

Project location plan
Framework Precinct Plan



LOCATION PLAN



Project Site

FRAMEWORK PLAN PRECINCT LOCATION

F&A – 3.1.5

University of Houston
Air Conditioning Cooling Load, Present and Future

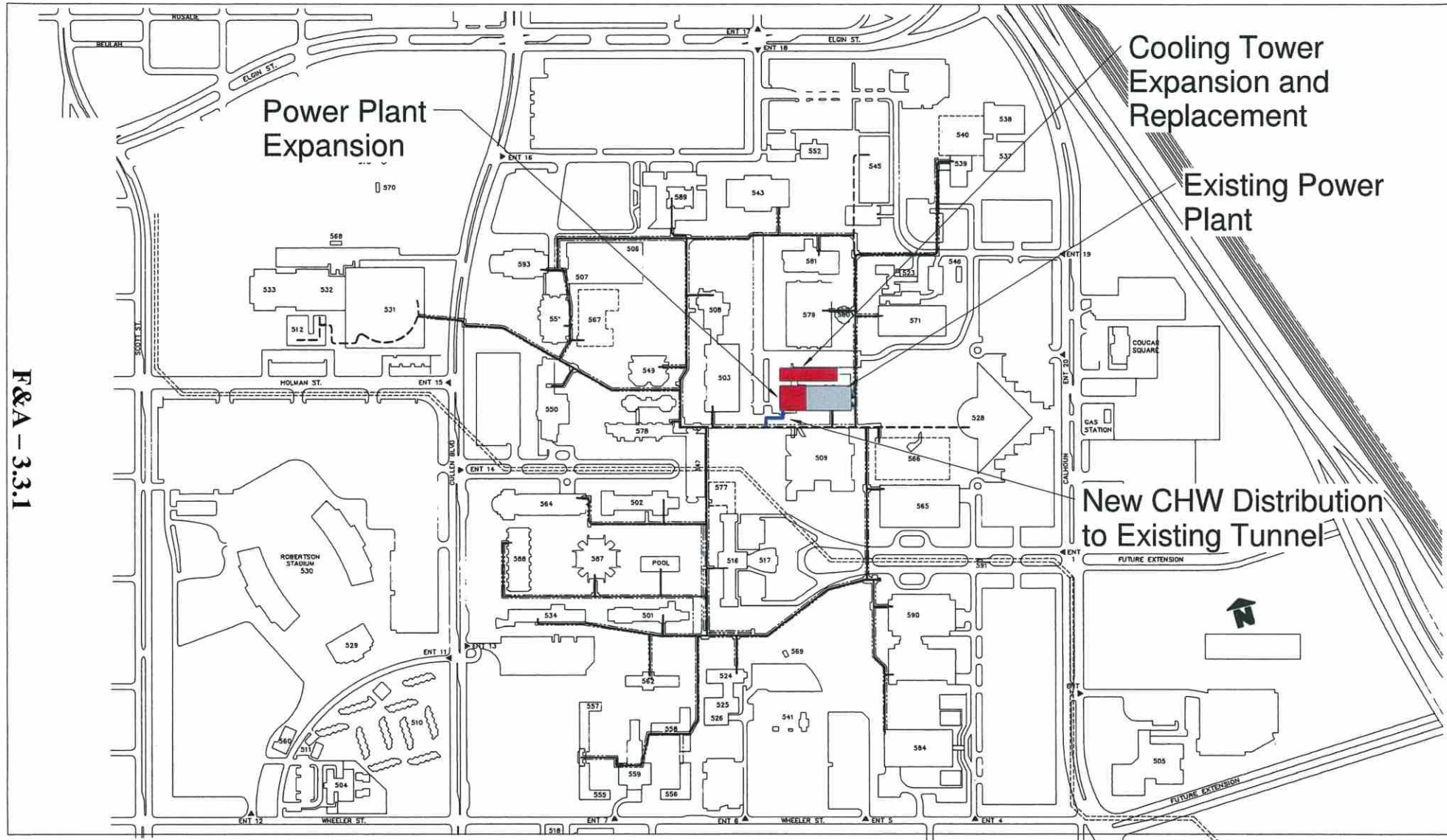
Facility	Type of Building	Size (GSF)	Diversified Cooling Load Contribution (tons)
Existing Buildings			12,700
Board Approved Buildings:			
Calhoun Lofts	Residence Hall	569,000	1,000
Cemo Hall	Classroom	34,000	80
SERC Buildout (Existing Shell Space)	Research Labs	50,000	250
Fleming Hall Addition	Classlabs/Research Labs	60,000	300
Stadium Addition	Stadium Suites/classrooms	133,700	250
Freshmen Housing-Phase 1	Residence Hall	339,000	595
Valenti Addition	Classrooms/Studios	10,000	25
Bauer 3	Classrooms/Offices	87,000	200
EN Student Services	Classrooms/Offices	102,000	250
Freshmen Housing-Phase 2	Residence Hall	339,000	595
Optometry	Classrooms/ Research Labs/ Clinics	137,000	690
TOTAL			16,935

Total Load Approved Buildings- 2475 Tons

Total Load Upcoming Projects- 1760 Tons

Cooling Capacity of Utility Plant:

Existing Firm Capacity	14,000 tons
Proposed Firm Capacity	18,500 tons
Existing Total Capacity	19,000 tons
Proposed Total Capacity	23,500 tons



F&A - 3.3.1

Power Plant Expansion 2009

University of Houston

GEOTECH ENGINEERING AND TESTING + KUO & Associates, Inc. + PINNACLE STRUCTURAL ENGINEERS + PGAL ARCHITECTURE + INTELLEX

Chilled Water Distribution

March 17, 2009

Scale 1" = 400'-0"

G1.1

SHAH SMITH & ASSOCIATES

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Approval is requested for delegation of authority to the Chancellor to negotiate and execute the contract to provide custodial service for the University of Houston Downtown.

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:



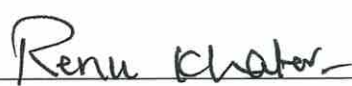
Approval is requested for delegation of authority to the Chancellor to negotiate and execute the custodial service contract with WFF Facility Services upon agreement of the general terms and conditions. The existing custodial service expires in July 2009. The contract will be for five consecutive years with options to renew for a sixth and seventh year consecutively.

FISCAL NOTE: \$4,887,427.88 (for five year initial term)

SUPPORTING DOCUMENTATION: UHD Campus Custodial Services Process Review

ACTION REQUESTED: Approval

COMPONENT: UH System

 _____ PRESIDENT	Max Castillo	<u>3/24/09</u> DATE
 _____ VICE CHANCELLOR	Carl Carlucci	<u>3/27/09</u> DATE
 _____ CHANCELLOR	Renu Khator	<u>3-31-09</u> DATE

Campus Custodial Services

University of Houston-Downtown

Overview of Process in support of BOR Agenda Item

From July 2004 through June 2009, the University of Houston-Downtown (UHD) had contracted for custodial services with Southeast Services Corporation (SSC) of Knoxville, Tennessee. SSC was selected as a result of the Competitive Sealed Proposal (CSP) process and SSC submitted the best value in price, experience and key personnel. Their services included providing a job manager, a working supervisor and 26 custodians to accomplish nightly the removal of trash, stocking of rest rooms and break areas with paper and soap products, light bulb changing, floor and window maintenance and restroom cleaning for the six campus buildings. In addition, three day time porters were provided to supplement the University porter staff. The University's annual custodial expenditures for FY2008 totaled \$889,343.

On December 19, 2008, the UHD Purchasing department posted related project documents on the Texas Market Place. The documents requested a proposal for services for a five year period from July 1, 2009 through June 30, 2014 and included a provision for two additional years of service. The 2008 project documents included work load development sheets for each building, information on the type and frequency of each task to be performed, building floor plans identifying the type of floor covering, and operational guidelines for the service. The exceptions and differences between the March 1, 2004 project documents and the December 19, 2008 project documents was the inclusion of contractor purchase of the soap and paper products for the day porter staff, purchase of light bulbs, entry mat maintenance. and three full-time day porters to supplement the three University day porters.

A pre proposal conference was held on campus on January 21, 2009. The University was represented by UHD Purchasing and Facilities Management and a total of 22 custodial companies attended the conference. A total of 3 addendums were issued.

Eight proposals were received by UHD Purchasing department on February 3, 2009 and evaluations were completed by UHD Purchasing and Facilities on February 19, 2009. A weighted value was determined for each proposal based (1) total contract price, (2) qualifications of key personnel including training and transition plan and (3) similar project experience. The scores and the justification for those scores are provided below:

#8 Varsity - Clarified their proposal and indicated exceptions to the bid and contract documents. Ultimately a total score of 0 was assigned.

#7 ABM – A \$6,616,566 total contract price with 'high' rankings for key personnel and similar experience, resulting in a total score of 550.

#6 HBS - A \$5,247,481 total contract price with 'average' rankings for key personnel and similar experience, resulting in a total score of 575.

#5 GCA - A \$5,540,610 total contract price with 'high' rankings for key personnel and similar experience, resulting in a total score of 625.

#4 AME - A \$4,965,252 total contract price with 'low' rankings for key personnel and similar experience. It was apparent from a visit to New Orleans AME Corporate did not fare well after Hurricane Katrina and lost numerous contracts as a result. AME did not meet the comparable experience requirement, resulting in a total score of 675.

#3 SSC - A \$4,977,764 total contract price with 'high' rankings for key personnel and similar experience. SSC currently maintains the campus and would be highly recommended to continue. Several similar projects are maintained; including Tyler Jr College, the University of Texas at Tyler and the Citadel. Key personnel would remain in place. A total score of 765 was assigned.

#2 Marcis - A \$4,959,381 total contract price with an 'average' ranking for key personnel and a 'high' ranking for similar experience. Marcis was the lone HUB contractor in the group of finalists. The evaluation team was concerned with the comparatively small size of this firm and the resulting lack of management depth. Marcis maintains a portion of UT MD Anderson in Houston, TX as well as Austin Community College (ACC), which consists of five campuses comprised of mostly two-story structures. The UHD contract would require a substantial increase in total employees and UHD would be the largest project maintained by Marcis. A total score of 845 was assigned.

#1 WFF – Offered the lowest proposed contract amount of \$4,887,428 with 'high' rankings for key personnel and similar experience. WFF provided references for several projects similar in size and contract price, including Abilene Christian University ('94 to present), University of Tulsa ('95 to present) and Loyola University in New Orleans ('94 to present), in addition to 18 other universities in the US. A site visit was made to Loyola University in New Orleans by UHD FM staff, where they met with WFF representatives and the Loyola University Associate Director of the Physical Plant. The campus was well maintained and WFF was proactive in requests, improved methods, training and customer satisfaction. The WFF proposal includes an increase in building

personnel for a total of 36 employees including a Director of Custodial Services, a supervisor, 2 assistant supervisors, 29 nightly workers and 3 day time porters. In addition, WFF offers employee benefits, training to promote longevity, a comprehensive transition plan, experienced key personnel and use of green products. For ranking 'high' in all three evaluation categories, WFF received a total score of 1000.

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Finance and Administration

ITEM: Approval is requested for the delegation of authority to the Chancellor to negotiate and execute a ground lease and other agreements with Fort Bend County for the construction of a County Library

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

Approval is requested to delegate authority to the Chancellor to negotiate and execute a transaction which involves a ground lease to Fort Bend County of approximately 3.39 acres of land on the University of Houston System for the construction of a Fort Bend County branch library. Fort Bend County (lessee) shall be responsible for all costs associated with operating and maintaining the library. The initial lease term shall be for 50 years, renewable for up to five (5) additional ten (10) year periods upon mutual written agreement of the Parties. At the end of the lease term, the library will revert to the UH System. Rent for the lease shall be \$1.00 per year. The UH System shall be responsible for 12.5% of the construction costs of the library to a cap of \$1.5 million. The rent to be paid by Lessee, the value derived from Lessee's payment for the operations of the Library, and the residual value of the Library at the end of the lease term constitutes fair and equitable consideration for the lease of the 3.39 acres. Approval is requested for a delegation of authority to the Chancellor to execute the ground lease and other applicable agreements relating to the operation of the library under mutually acceptable conditions for this transaction.

FISCAL NOTE: \$1.5 million

SUPPORTING DOCUMENTATION: Attached: Summary of Transaction and Appraisals

ACTION REQUESTED: Approval

COMPONENT: University of Houston System

PRESIDENT



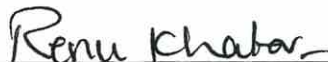
EXECUTIVE VICE CHANCELLOR

Carl Carlucci

DATE

3/27/09
DATE

CHANCELLOR



Renu Khator

3/21/09
DATE

Fort Bend County/University of Houston System Sugar Land/Wharton County Junior College

Library Collaboration

Background

As a continuing process of partnership with Fort Bend County in the development of the University of Houston System at Sugar Land (UHSSL) campus, plans are in place for the construction of a joint-use library on the UHSSL campus. Whereas the County has bonds approved for the construction of a standard 35,000 square foot library, the UH System and Wharton County Junior College (WCJC) have agreed to fund an additional 5,000 square feet, resulting in a 40,000 square foot library that will meet the university, community college and community needs.

Cost

The County cost of construction for the 40,000 square foot library is estimated to be \$11.7 million. UHS has agreed to fund the additional 5,000 square feet by paying 12.7% of actual construction cost, or a maximum of \$1.5 million. Wharton County Junior College has agreed to cover half the cost of the additional square footage through a long-term lease with UHS. Current market trends are favorable for the construction cost to fall below the estimate.

Process

Head librarians from the primary participating institutions (UH, UHV, WCJC) met with County librarians and have reached agreement on design and operations. The County will pay for standard operational costs, with UHS/WCJC being responsible for costs of special requests (extended hours, etc.). County operational hours currently meet both the UHS and WCJC needs.

Benefits

- allows for efficient use of public funds
- provides a greater quantity and quality of collections, electronic resources and services
- eliminates duplication of services and resources
- promotes community and student interaction/relationship building
- increases community awareness of current education practice and opportunities
- frees classroom space in other campus buildings

Summary

Combining resources results in considerable cost savings for all three partners and provides an example of our efforts to optimize the use of resources in times of economic challenge - without sacrifice of quality or service. The partnership serves as a model of collaboration for others to emulate.

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Finance and Administration

ITEM: Approval is requested for the delegation of authority to the Chancellor to negotiate and execute the applicable agreements to convey right of way in Utility Corridor at University of Houston-Clear Lake

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

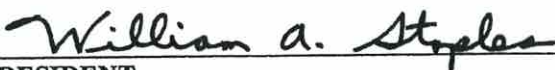

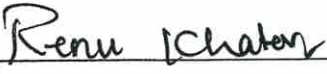
Approval is requested of conveyance of a 0.74 acre easement to Shell Chemical LP in the utility corridor located on the University of Houston-Clear Lake campus. The easement will be part of a larger 37 mile pipeline to transport dry gas from the Texas City refineries to Shell's Deer Park Chemical Plant. Shell Chemical will pay \$31,069.00 for the easement which constitutes fair and equitable consideration. Approval is requested for a Delegation of Authority to the Chancellor to execute the applicable agreements to convey the easement under mutually acceptable conditions.

FISCAL NOTE: Receipt of \$31,069

**SUPPORTING
DOCUMENTATION:**

ACTION REQUESTED: Approval

COMPONENT: University of Houston – Clear Lake

 _____ PRESIDENT	William Staples	DATE <u>3/30/09</u>
 _____ VICE CHANCELLOR		DATE <u>3/31/09</u>
 _____ CHANCELLOR	Renu Khator	DATE <u>3-31-09</u>

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Finance and Administration

ITEM: Approval is requested for the delegation of authority to the Chancellor to negotiate and execute contracts associated with the purchase of the University Business Park property.

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:




Approval is requested for the delegation of authority to the Chancellor to negotiate and execute contracts associated with the purchase of the University Business Park property.

FISCAL NOTE:

SUPPORTING DOCUMENTATION: Property Summary

ACTION REQUESTED: Approval

COMPONENT: UH System

PRESIDENT		<u>4/6/09</u>
	Renu Khator	DATE
VICE CHANCELLOR		<u>4/2/09</u>
	Carl Carlucci	DATE
CHANCELLOR		<u>4/6/09</u>
	Renu Khator	DATE

The University of Houston

April 14, 2009

University Business Park Acquisition Proposal



Approval:

- Authorization for Chancellor to negotiate terms of contract for purchase of University Business Park for no more than \$28.0 Million and acquire the property conditioned upon favorable outcome of all due diligence assessments and acceptable terms and conditions of contract.

Proposal:

- UHS acquire 69 acre University Business Park, of 14 buildings containing 580,552 sf of space to provide facilities for staff administrative operations, academic research programs, general purpose storage and operational functions. Longer term UH will develop “UBP” as *The University of Houston Energy Research Center*.

Attractions:

- The property represents a natural expansion of UH Campus due to its close proximity to campus, UH current leasing occupancy in UBP, UH need for additional space, its adjacency to the previously acquired “4902 Gulf Freeway Annex” warehouse property and the opportunity to improve accessibility with future roadway improvements.

Seller:

- Preliminary agreement on acceptable terms has been reached with the owner, Houston UBP Partners; L.P. Seller will be responsible for environmental clearances and renovation of selected building’s deferred maintenance.

Property

- Former Schlumberger Wells Services Corporate Headquarters campus located on I-45-Gulf Freeway ½ mile east of UH Campus
- Land Area: 69.7 acres
 - 42.0 acres developed and improved
 - 27.7 acres vacant of which 18.2 are developable, 9.5 are flood plain/wetlands on Brays Bayou.
- Improvements
 - Campus of 14 Buildings totaling 580,552 s.f. with a mixture of office, office/warehouse and office/manufacturing buildings aggregating a total of 220,860 s.f. of warehouse/manufacturing space and 359,692 s.f. of office space
 - Constructed 1953 – 1982, 6-7 years remaining economic life
 - Condition fair to good, with aging MEP/HVAC/Roofs as major vulnerabilities as well as office interior finishes and fixtures which will be dealt with in renovation repair budgeting, \$7.0 - \$10.0 +/-.
- Parking:
 - 1,410 spaces of which 458 are covered yielding 2.58 spaces per 1,000 sf of building space.

Environmental

- Soil and Water contamination pending Certificate of Completion by TCEQ, a responsibility of Seller to complete.
- Flood Plain: 9.5 acres encumbered by 100 year flood plain
- Wetlands: 1.9 acres of Jurisdictional Wetlands are located within the 100 year flood plain.
- Asbestos: Non-friable with manageable remediation, \$163 K cost estimate.

Occupancy

- The 580,552 sf of facilities are 77% occupied with both UH and third party tenants. UH occupancy of 151,144 sf represents 26% of space.

Valuation

	<u>\$ Total</u>	<u>\$ / s.f. Land</u>	<u>\$ / s.f. Bldg</u>
• Appraisal-CBRE	\$27.0 M	\$8.88	\$46.51
• Appraisal-Teel	\$32.2 M	\$10.61	\$55.55
• <u>Average:</u>	<u>\$29.6 M</u>	<u>\$9.75</u>	<u>\$51.03</u>

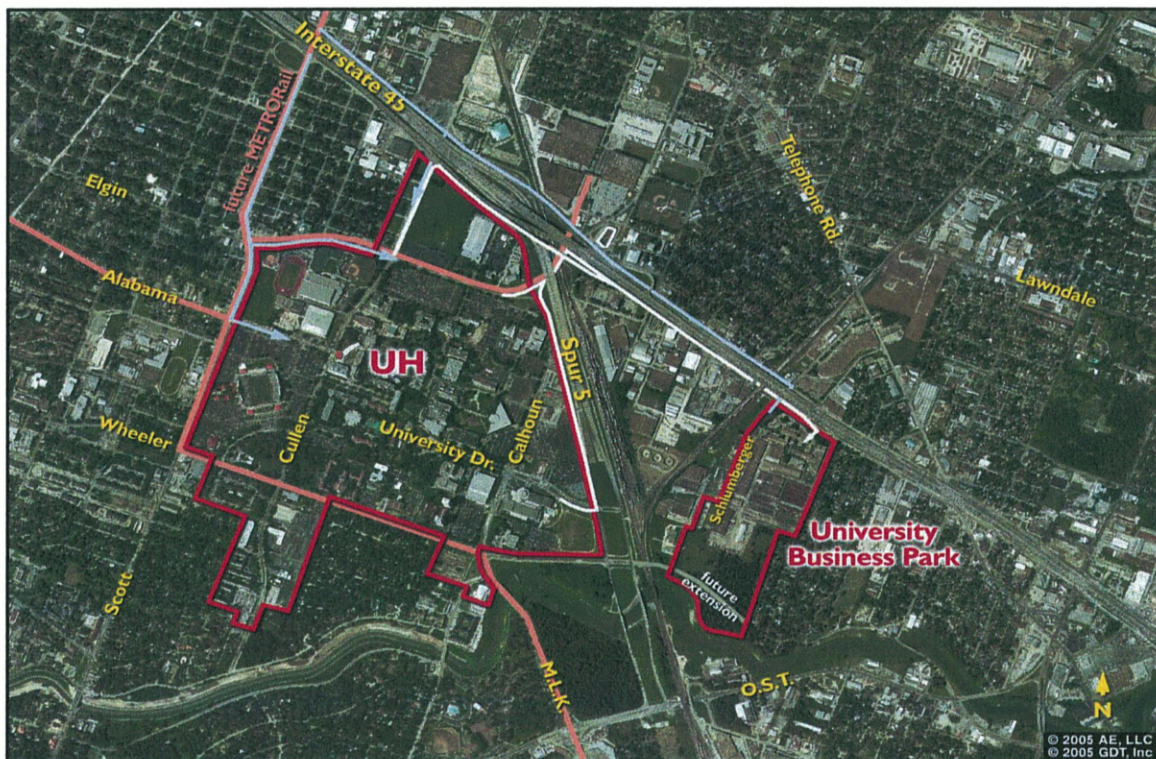
Financial

- UBP’s current rental revenue is \$2.7M per year of which UH represents \$0.9M (32%). Proforma rental revenue is based on maintaining existing leases and leasing an additional 44,641sf bringing occupancy to 88%. Projected net income after operating expenses is \$2.32M. Acquisition of the project will be financed with long term debt with projected rate of 6.75% on 25 year amortization and \$2.3M annual debt service which can be met by projected net income. and total debt service is projected to be an equivalent \$2.32M in the business plan.

Feasibility

- The business plan is considered feasible in terms of reasonable risk in the primary areas:
 - Management: The project will be managed as a UH auxiliary enterprise for which professional property management and leasing with expertise in industrial-office parks will be engaged.
 - Leasing: Achieving 88% occupancy is keyed to maintaining existing leases as well as additional leasing of 44K sf. While the weak economy will be a challenge, achieving business plans leasing goals is considered reasonable. UH will likely expand its occupancy. Also, the plan calls for increasing the property's market attractiveness by addressing deferred maintenance and upgrading office interiors. And importantly an experienced leasing agent with expertise in office-industrial parks will be engaged.
 - Capex: Purchase price, \$27.6M, represents an attractive value relative to market alternatives. Land value, \$8.88/sf and building value, \$46.51 are both well below market and replacement cost, estimated \$40 - \$45 M plus land. Renovations and repairs of deferred maintenance items are reasonably estimated \$7 - \$10M and can be staged over a 5 +/- year period.

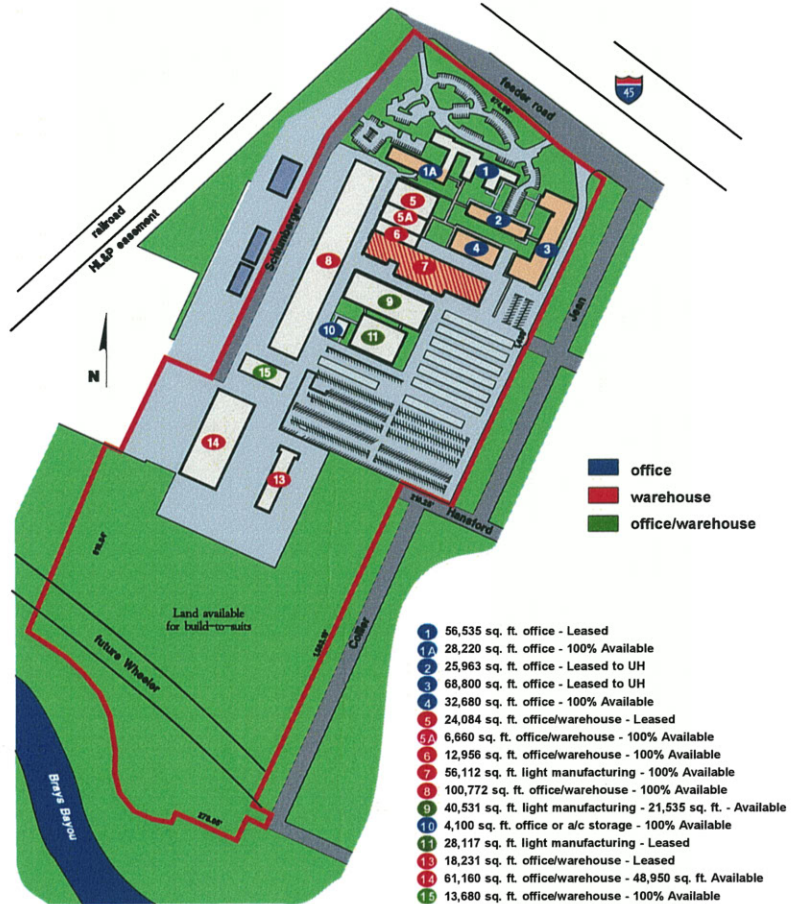
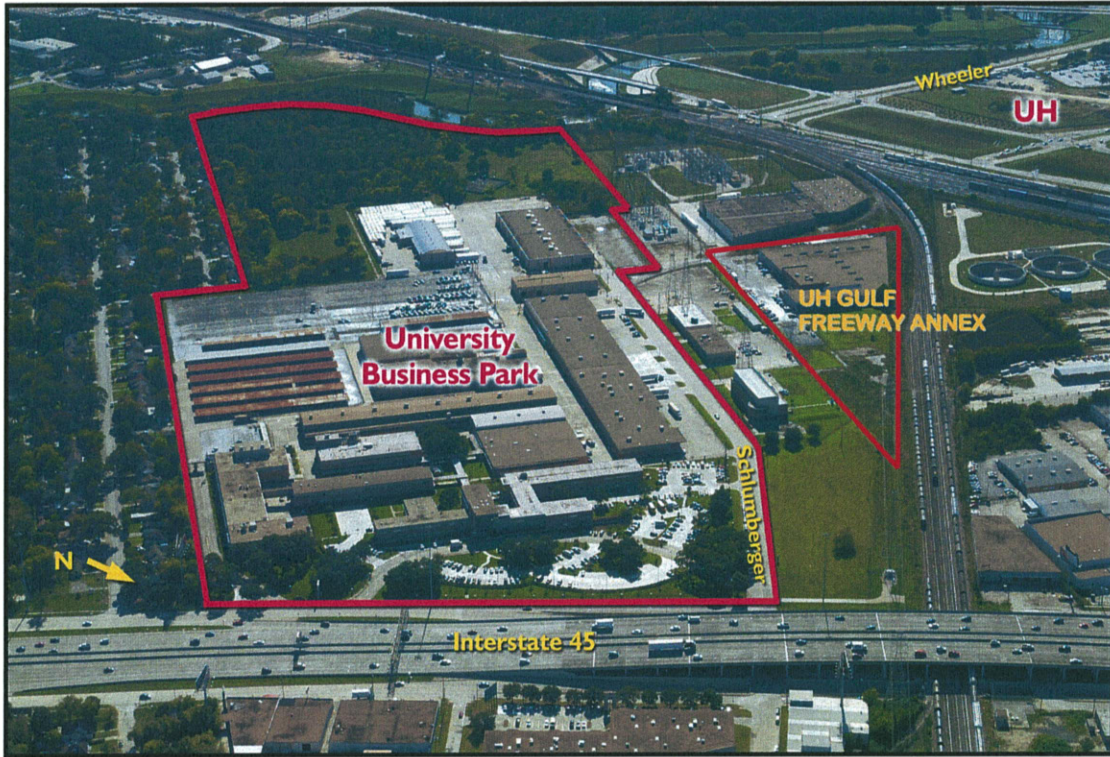
In conclusion, acquisition of the property is considered an attractive investment for UHS. It is based on an attractive purchase price relative to market and a reasonable business plan with manageable risks. And importantly, UBP is a strategic asset for UHS as development of the *UH Energy Research Center* with capacity to expand research activities and private business firms and research partners.



UNIVERSITY BUSINESS PARK

UNIVERSITY BUSINESS PARK

April 3, 2009



F&A - 7.1.4

UNIVERSITY BUSINESS PARK
April 3, 2009



Above: View of a typical office in Building 7 Below: Warehouse Area, Building 7



University of Houston
 University Business Park
 Financial Pro Forma - Following UH Acquisition

	<u>FY2010</u>
Revenue	\$ 3,160,053
Operating Expenses	<u>(843,400)</u>
Net Income before debt service	2,316,653
Debt Service	<u>(2,315,279)</u>
Net Cash Flow after debt service	<u>\$ 1,374</u>
Debt Service Coverage Ratio	1.00

Financing Assumptions:

Purchase price	\$ 27,000,000
Financing costs	<u>600,000</u>
Total Borrowing	<u>\$ 27,600,000</u>
Term (years)	25
Rate	6.75%

Revenue assumptions:

Third party leases	\$ 2,280,727
Space leased by UH	<u>879,326</u>
Total	<u>\$ 3,160,053</u>

UH Business Plan April 6, 09

University of Houston
University Business Park - Business Plan - DRAFT Version 3

Revenue			Rent	Base	Additional	Leased	Annualized	
Unit	Lessor	Space Description	Sq. Ft	per SqFt	Rent	Lease	Leased to UH	Revenue 2009
Bldg 01 Portion 1	Gulf Coast Community Svc	Office Space	46,794	9.75	456,242	Triple Net	1	520,981
Bldg 05	Gulf Coast Community Svc	Office/Warehouse	24,084	3.24	78,032	Triple Net	1	111,352
Bldg 06	The Widget Mfg. Co., Inc.	Office/Warehouse	11,267	3.24	36,505	Triple Net	1	52,093
Bldg 08	TCI	Office/Warehouse	100,772	2.76	278,131	Triple Net	1	417,549
Bldg 10	Schlumberger	Office/AC Storage	4,100	7.08	29,040	Gross	1	29,040
Bldg 11	Museum of Fine Arts	Light Manufacturing	28,117	4.63	130,182	Triple Net	1	169,082
Bldg 13	Velocity Express	Office/warehouse	18,231	5.98	109,060	Triple Net	1	134,283
Bldg 14	Velocity Express	Office/warehouse	48,950	4.26	208,536	Triple Net	1	276,258
Bldg 15	NanoRidge Materials	Office/warehouse	13,680	6.00	82,080	Triple Net	1	101,006
Residential	Lisa Davis	Residential	-	-	600	Gross	1	600
Bldg 02	University of Houston	Office Space	25,963	5.00	129,816	Triple Net	1	165,736
Bldg 03	University of Houston	Office Space	68,800	5.00	344,004	Triple Net	1	439,189
Bldg 09A	University of Houston	Light Manufacturing	21,844	3.90	85,275	Gross	1	85,275
Bldg 09B	University of Houston	Light Manufacturing	22,327	3.71	82,737	Triple Net	1	113,626
Bldg 14A	University of Houston	Diesel Testing Facility	12,210	4.80	58,608	Triple Net	1	75,501
Bldg 04	Vacant - Potential UH	Office Space	16,680	4.20	70,056	Triple Net	-	-
Bldg 04A	Vacant - Potential UH	Office Space	16,000	4.20	67,200	Triple Net	-	-
Bldg 07	Vacant - Potential UH	Light Manufacturing	56,112	4.20	235,670	Triple Net	-	-
Bldg 01 Portion 2	Vacant - Potential 3rd Party	Office Space	9,741	9.75	94,975	Triple Net	1	108,451
Bldg 01A	Vacant - Potential 3rd Party	Office Space	28,220	10.00	282,204	Triple Net	1	321,246
Bldg 05A	Vacant - Potential 3rd Party	Office/Warehouse	6,660	4.44	29,570	Triple Net	1	38,785
Totals			580,552		2,888,523		767,300	3,160,053

Current 3rd Party
Current UH
Potential 3rd Party
Potential UH

UH Rental Costs	\$	879,326
FY09 Budget for UBP		1,215,583
Additional Budget needed	\$	336,256.97

Additional Rent Charged back to Tenants (basis = UBP 2008 actuals)		Annualized Expense
Insurance		164,500
Property Tax (assume taxable tenants will pay taxes directly)		-
CAM		
Maintenance		54,000
Landscaping		35,400
Electricity - Exterior		13,800
Management Fee		101,000
Janitorial/Pest Control/Trash Disposal		14,700
Security Service		171,500
Central Office Staff		122,300
Office M&O		4,700
Telephone		7,900
Water & Sewer		77,500
Subtotal CAM		602,800
Total Additional Rent		767,300
Expenses not Charged Back		
Maintenance		9,700
Electricity - Vacant Space		28,000
HVAC		14,700
Legal		13,700
Elevator		10,000
Total not charged back		76,100
Total Operating Expenses		843,400
Net Income before Debt Service		2,316,653
Debt Service		2,315,279
Principal	\$	27,600,000
Term (years)		25
Interest Rate		6.75%
Income (Deficit) After Debt Service		1,374
Debt Service Coverage Ratio		1.00

Additional University UBP Rental Cost	\$	336,256.97
UBP Income		1,374
Net University Cost	\$	337,630.77

F&A - 7.3.1

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Finance and Administration

ITEM: Approval to issue Consolidated Revenue and Refunding Bonds, Series 2009A

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

Approval is requested to authorize the System to issue bonds to be sold by competitive sale for new money and refunding purposes. We request Board approval of the Twenty-first Supplemental Resolution, the Preliminary Official Statement, and the Notice of Sale.

FISCAL NOTE: Bonding authority not to exceed \$80 million

SUPPORTING DOCUMENTATION: List of projects to be financed with bond issue
Bond documents under separate cover

ACTION REQUESTED: Approval

COMPONENT: University of Houston System

PRESIDENT

DATE



EXECUTIVE VICE CHANCELLOR

Carl Carlucci

3/27/09

DATE



CHANCELLOR

Renu Khator

3-31-09

DATE

**University of Houston System
Consolidated Revenue and Refunding Bonds, Series 2009A
List of Projects to be Financed**

<u>Project/Purpose</u>	<u>Project Amount</u>
Undergraduate Housing	\$50,000,000
Refund Series 1999 Bonds	<u>\$19,320,000</u>
Total	<u>\$69,320,000</u> ⁽¹⁾

⁽¹⁾ Amount does not include capitalized interest, which is estimated at \$3,750,000.

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Finance and Administration

ITEM: Approval to amend UH System Debt Policy

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

Approval is requested to amend the UH System debt policy to:

- (1) Include a requirement that no more than \$40 million in commercial paper can mature in any five consecutive business days;
- (2) Clarify that the Treasurer or a Designated Financial Officer is authorized to execute reimbursement resolutions;
- (3) Correct the system Chief Financial Officer's title; and
- (4) Specify the name of the committee for which its Chair is authorized to price bonds

The limitation on the amount that can mature in a specified period of time is consistent with other major Texas university systems that issue commercial paper.

FISCAL NOTE:

SUPPORTING DOCUMENTATION: Redlined and clean version of UH System debt policy

ACTION REQUESTED: Approval

COMPONENT: University of Houston System

PRESIDENT



EXECUTIVE VICE CHANCELLOR

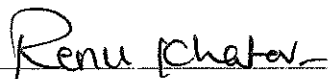
Carl Carlucci

DATE

3/27/09

DATE

CHANCELLOR



Renu Khator

3-31-09

DATE

THE BOARD OF REGENTS OF THE UNIVERSITY OF HOUSTON SYSTEM

DEBT POLICY

Purpose

This policy governs the use of debt to finance capital projects within The University of Houston System (System). The prudent use of debt can help the System achieve its strategic objectives while maintaining a credit rating that appropriately balances financial flexibility with cost of capital.

Financing Programs

The System issues debt through two primary programs: the Consolidated Revenue Financing Program (CRFP) and the Higher Education Assistance Fund (HEAF). This policy will govern the issuance of all System debt.

Consolidated Revenue Financing Program – This program was created by the Board of Regents of The University of Houston System (Board) through the adoption of a Master Resolution on April 15, 1990. The Board established this program for the System for the purpose of assembling the System’s revenue-supported debt capacity into a single financing program in order to provide a cost-effective debt program to component institutions of the System and to maximize the financing options available to the Board.

Higher Education Assistance Fund (HEAF) - Article VII, Section 17 of the Texas Constitution authorizes the Board to issue bonds and notes secured by pledged revenues consisting of up to 50% of the money allocated annually to the Board. Bonds issued under this authority are typically referred to as HEAF bonds or constitutional appropriation bonds. The proceeds from the sale of HEAF bonds or notes may only be used to finance eligible projects as described in Article VII, Section 17 of the Texas Constitution including (i) acquiring land, constructing and equipping permanent improvements, major repair and rehabilitation of permanent improvements, acquiring capital equipment, library books and library materials, and refunding previously issued HEAF indebtedness; and (ii) major repair and rehabilitation of leased buildings or other permanent improvements, provided there is clean and adequate consideration to the System in the overall transaction, such as the existence of a lease of sufficient length to provide expected benefits which would justify the expenditure. The Texas Constitution prohibits the issuance of HEAF debt for maintenance, minor repairs, operating expenses, student housing, intercollegiate athletics, or auxiliary projects, except to the extent of a project’s use for educational and general activities. HEAF bonds must be competitively bid. HEAF notes do not require competitive bidding.

Authority

All debt incurred by the System will be issued or incurred pursuant to resolutions approved by the Board and in accordance with the general laws of the State of Texas, including particularly Article VII, Sections 17 of the Texas Constitution, Chapter 55 of the *Texas Education Code*, and Chapters 1207 and 1371 of the *Texas Government Code*. Before any debt can be issued, the System must obtain an opinion from nationally recognized bond counsel to the effect that the debt is a valid and legally binding obligation of the issuer, payable from the security described therein. The System must also receive the necessary approval from the Texas Bond Review Board and the approving opinion of the Texas Attorney General.

To the extent required by law, Coordinating Board approval will be obtained if project costs exceed the then existing thresholds for new construction or for rehabilitation. Debt will not be issued for a project prior to receiving Coordinating Board approval, if required.

Debt Guidelines

Any debt must be issued in strict compliance with applicable law. The following debt guidelines will apply:

Project Funding - The System will borrow money, through the issuance of debt, to finance only those projects that have been approved for financing by the Board. Capital projects are generally evaluated and prioritized through the System's Capital Improvement Program. For construction projects that require debt financing, bond proceeds will be provided only after design development approval and appropriation of funds by the Board.

Interest Rate Exposure - The Treasurer will evaluate and recommend to the Executive Vice Chancellor for Administration and Finance the appropriate amount of its interest rate exposure, defined as the possible increase in capital costs resulting from rising short-term interest rates. The System will limit its variable rate debt in accordance with rating agency guidelines for assessing the debt structure of peer institutions of higher education with comparable credit ratings. In determining the amount of variable rate debt, the Treasurer will evaluate the level of variable rate assets that may be available to provide a natural hedge to interest rate fluctuations. The System will seek to minimize its cost of capital within a prudent level of exposure to interest rate volatility. The System shall broadly target variable rate debt of 20-30% of total outstanding debt.

Amortization - The amortization of tax-exempt debt will be based on the types of assets financed, the expected availability of cash flows to meet debt service requirements, and tax regulations. Generally, the amortization of tax-exempt debt should not exceed the useful life of the financed asset and may never exceed the Internal Revenue Service limit of 120% of the useful life of the financed asset. The maximum maturity of CRFP debt is limited to 30 years from the projected completion of the projects being financed. The

maximum maturity of HEAF debt is limited to 10 years by Article VII, Section 17 of the Texas Constitution.

Financial Ratios - The System will use selected actual and pro forma financial ratios, consistent with major credit rating agency criteria, to ensure the System is operating within appropriate financial bounds. Although other ratios may also be evaluated, the primary financial ratios to be analyzed include the debt service coverage ratio, the debt burden ratio, and the leverage ratio.

Individual revenue streams considered for proposed debt service must meet a 1.15 debt coverage ratio test, unless the debt is being issued as "tuition revenue" debt, in which case it must meet a 1.00 debt coverage ratio test. Debt coverage is defined as Net Operating Income divided by Maximum Annual Debt Service.

Economies of Scale - Debt financings will be coordinated to the extent practical so that multiple project needs can be accommodated in a single borrowing, thereby increasing the efficiency of the debt issuance. Since many issuance costs do not vary with the size of a borrowing, a large bond issue increases the efficiency of the financing by spreading fixed costs over a greater number of projects.

Refunding Opportunities - The Treasurer will consider refinancing of outstanding debt issues when net savings for that refinancing measured on a net present value basis are positive. Since there are limitations on the number of allowable refinancings, it is important to use refinancing opportunities wisely. In evaluating refunding opportunities, the Treasurer will consider the value of the call option to be exercised, including the amount of time to the call date and the amount of time from the call date to maturity. The System will generally use 5% net present value savings as its minimum threshold for determining the viability of a refunding under consideration. Refundings that do not produce savings or meet the minimum net present value savings threshold may be considered under certain circumstances, such as eliminating restrictive bond covenants or other situations that produce a greater benefit to the System.

Disclosure - The Treasurer will provide updated financial information and operating data and timely notice of specified material events to each nationally recognized municipal securities information repository and any State information depository, pursuant to the System's continuing disclosure undertakings with respect to Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Tax Compliance - The Treasurer will monitor the System's ongoing responsibilities for tax compliance including monitoring funds for yield restriction and arbitrage rebate calculations.

Hedging Instruments - The Treasurer will consider and recommend to the Executive Vice Chancellor for Administration and Finance the use of interest rate swaps and other interest rate risk management tools after carefully evaluating the risks and benefits of any proposed transaction in accordance with the System's Interest Rate Swap Policy. By

using swaps in a prudent manner, the System can take advantage of market opportunities to minimize expected costs and manage interest rate risk. As outlined in the System's Interest Rate Swap Policy, the use of swaps must be tied directly to System debt instruments. The System will not enter into swap transactions for speculative purposes.

Project Financing - The Treasurer will consider and recommend to the Executive Vice Chancellor for Administration and Finance the use of project financing in those limited circumstances where the benefits of such a transaction exceed the increased costs. Project financing can be a useful financing technique in certain circumstances; however, these transactions are typically less efficient and more costly than traditional financing due to lower credit ratings, fewer economies of scale, the funding of a reserve fund, and the cost of bond insurance. Project financing does not preserve or increase debt capacity relative to traditional financing. The credit rating agencies and the System include project debt when assessing the System's debt capacity.

Taxable Debt - The System may use taxable debt for those projects that have an intended use or other characteristics that preclude the use of tax-exempt debt. The System will strive to allocate its available resources, including equity capital, among its various capital projects to minimize or eliminate the need to issue taxable debt, thereby minimizing the System's cost of capital. Any use of taxable debt would require separate Board approval and be subject to the same statutory requirements as tax-exempt debt.

Reporting Requirements - The Annual Financial Report (AFR), prepared by the System and presented to the Board, will discuss the status of all outstanding bond and note indebtedness. The AFR presented to the Board provides detailed information on the System's outstanding bonds and notes including, by series, the amount outstanding, interest rates, maturity dates, a summary of the changes in outstanding indebtedness, and the associated debt service requirements.

Commercial Paper - The System's commercial paper program is a short-term debt program used to purchase equipment and to provide interim financing for capital projects during construction. The maximum amount of commercial paper that can mature in any five consecutive business days is \$40 million. The Executive Vice Chancellor for Administration and Finance will prioritize requests for the use of commercial paper to fund equipment and capital projects. The minimum aggregate amount of equipment value to be financed under the commercial paper program is \$100,000 for each System component. Several smaller equipment purchases may be commingled to achieve the minimum amount. Each piece of equipment must have a useful life of not less than three years. The equipment will be purchased from the vendor by System components, and commercial paper will be issued on any business day for direct acquisition or to reimburse the institution for the equipment purchases. The commercial paper will be amortized and paid to the System (by the System components) as directed by the System and will be fully amortized up to the lesser of its project useful life or 10 years. Commercial paper does not require competitive bidding. The System will be responsible for making timely payments to the paying agent as required by the commercial paper dealer in accordance with the related bond resolution. All conversions of commercial

paper notes to long-term indebtedness will be approved by the Board. The long term debt will be amortized and paid to the System as directed by the System. The System will be responsible for making timely payments to the paying agent as required by the related bond resolution and paying agent agreement.

Failed Remarketing Procedures – The Failed Remarketing Plan procedures as adopted by the Board and administered by the Treasurer will be used in the event of a failed remarketing of commercial paper or variable rate demand bonds.

Miscellaneous

- A. The Executive Vice Chancellor for Administration and Finance, or authorized representative of the System, is delegated the authority to designate a financing team consisting of System staff, bond counsel, financial advisor and underwriters. The Executive Vice Chancellor for Administration and Finance, or authorized representative of the System, is responsible for assuring that all bond covenants are in compliance and that all necessary approvals, certifications and authorizations are fully documented and made available to the Board and to all bondholders. The Chair of the Finance and Administration Committee is authorized to price bond issues.
- B. The Treasurer will take steps to effect the timely transfer of System funds for debt service payments.
- C. Debt service funding is the responsibility of each System component participating in the Consolidated Revenue Financing Program and the Higher Education Assistance Fund Program.
- D. The Treasurer or Designated Financial Officer is authorized and directed to execute Reimbursement Certificates as required by U.S. Treasury Regulations, Section 1.150-2, in connection with projects the Board intends to debt finance.

Approved: April 21, 2009

THE BOARD OF REGENTS OF THE UNIVERSITY OF HOUSTON SYSTEM

DEBT POLICY

Purpose

This policy governs the use of debt to finance capital projects within The University of Houston System (System). The prudent use of debt can help the System achieve its strategic objectives while maintaining a credit rating that appropriately balances financial flexibility with cost of capital.

Financing Programs

The System issues debt through two primary programs: the Consolidated Revenue Financing Program (CRFP) and the Higher Education Assistance Fund (HEAF). This policy will govern the issuance of all System debt.

Consolidated Revenue Financing Program – This program was created by the Board of Regents of The University of Houston System (Board) through the adoption of a Master Resolution on April 15, 1990. The Board established this program for the System for the purpose of assembling the System’s revenue-supported debt capacity into a single financing program in order to provide a cost-effective debt program to component institutions of the System and to maximize the financing options available to the Board.

Higher Education Assistance Fund (HEAF) - Article VII, Section 17 of the Texas Constitution authorizes the Board to issue bonds and notes secured by pledged revenues consisting of up to 50% of the money allocated annually to the Board. Bonds issued under this authority are typically referred to as HEAF bonds or constitutional appropriation bonds. The proceeds from the sale of HEAF bonds or notes may only be used to finance eligible projects as described in Article VII, Section 17 of the Texas Constitution including (i) acquiring land, constructing and equipping permanent improvements, major repair and rehabilitation of permanent improvements, acquiring capital equipment, library books and library materials, and refunding previously issued HEAF indebtedness; and (ii) major repair and rehabilitation of leased buildings or other permanent improvements, provided there is clean and adequate consideration to the System in the overall transaction, such as the existence of a lease of sufficient length to provide expected benefits which would justify the expenditure. The Texas Constitution prohibits the issuance of HEAF debt for maintenance, minor repairs, operating expenses, student housing, intercollegiate athletics, or auxiliary projects, except to the extent of a project’s use for educational and general activities. HEAF bonds must be competitively bid. HEAF notes do not require competitive bidding.

Authority

All debt incurred by the System will be issued or incurred pursuant to resolutions approved by the Board and in accordance with the general laws of the State of Texas, including particularly Article VII, Sections 17 of the Texas Constitution, Chapter 55 of the *Texas Education Code*, and Chapters 1207 and 1371 of the *Texas Government Code*. Before any debt can be issued, the System must obtain an opinion from nationally recognized bond counsel to the effect that the debt is a valid and legally binding obligation of the issuer, payable from the security described therein. The System must also receive the necessary approval from the Texas Bond Review Board and the approving opinion of the Texas Attorney General.

To the extent required by law, Coordinating Board approval will be obtained if project costs exceed the then existing thresholds for new construction or for rehabilitation. Debt will not be issued for a project prior to receiving Coordinating Board approval, if required.

Debt Guidelines

Any debt must be issued in strict compliance with applicable law. The following debt guidelines will apply:

Project Funding - The System will borrow money, through the issuance of debt, to finance only those projects that have been approved for financing by the Board. Capital projects are generally evaluated and prioritized through the System's Capital Improvement Program. For construction projects that require debt financing, bond proceeds will be provided only after design development approval and appropriation of funds by the Board.

Interest Rate Exposure - The Treasurer will evaluate and recommend to the Executive Vice Chancellor for Administration and Finance the appropriate amount of its interest rate exposure, defined as the possible increase in capital costs resulting from rising short-term interest rates. The System will limit its variable rate debt in accordance with rating agency guidelines for assessing the debt structure of peer institutions of higher education with comparable credit ratings. In determining the amount of variable rate debt, the Treasurer will evaluate the level of variable rate assets that may be available to provide a natural hedge to interest rate fluctuations. The System will seek to minimize its cost of capital within a prudent level of exposure to interest rate volatility. The System shall broadly target variable rate debt of 20-30% of total outstanding debt.

Amortization - The amortization of tax-exempt debt will be based on the types of assets financed, the expected availability of cash flows to meet debt service requirements, and tax regulations. Generally, the amortization of tax-exempt debt should not exceed the useful life of the financed asset and may never exceed the Internal Revenue Service limit of 120% of the useful life of the financed asset. The maximum maturity of CRFP debt is limited to 30 years from the projected completion of the projects being financed. The

maximum maturity of HEAF debt is limited to 10 years by Article VII, Section 17 of the Texas Constitution.

Financial Ratios - The System will use selected actual and pro forma financial ratios, consistent with major credit rating agency criteria, to ensure the System is operating within appropriate financial bounds. Although other ratios may also be evaluated, the primary financial ratios to be analyzed include the debt service coverage ratio, the debt burden ratio, and the leverage ratio.

Individual revenue streams considered for proposed debt service must meet a 1.15 debt coverage ratio test, unless the debt is being issued as "tuition revenue" debt, in which case it must meet a 1.00 debt coverage ratio test. Debt coverage is defined as Net Operating Income divided by Maximum Annual Debt Service.

Economies of Scale - Debt financings will be coordinated to the extent practical so that multiple project needs can be accommodated in a single borrowing, thereby increasing the efficiency of the debt issuance. Since many issuance costs do not vary with the size of a borrowing, a large bond issue increases the efficiency of the financing by spreading fixed costs over a greater number of projects.

Refunding Opportunities - The Treasurer will consider refinancing of outstanding debt issues when net savings for that refinancing measured on a net present value basis are positive. Since there are limitations on the number of allowable refinancings, it is important to use refinancing opportunities wisely. In evaluating refunding opportunities, the Treasurer will consider the value of the call option to be exercised, including the amount of time to the call date and the amount of time from the call date to maturity. The System will generally use 5% net present value savings as its minimum threshold for determining the viability of a refunding under consideration. Refundings that do not produce savings or meet the minimum net present value savings threshold may be considered under certain circumstances, such as eliminating restrictive bond covenants or other situations that produce a greater benefit to the System.

Disclosure - The Treasurer will provide updated financial information and operating data and timely notice of specified material events to each nationally recognized municipal securities information repository and any State information depository, pursuant to the System's continuing disclosure undertakings with respect to Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Tax Compliance - The Treasurer will monitor the System's ongoing responsibilities for tax compliance including monitoring funds for yield restriction and arbitrage rebate calculations.

| *Hedging Instruments* - The Treasurer will consider and recommend to the Executive Vice Chancellor for Administration and Finance the use of interest rate swaps and other interest rate risk management tools after carefully evaluating the risks and benefits of any proposed transaction in accordance with the System's Interest Rate Swap Policy. By

using swaps in a prudent manner, the System can take advantage of market opportunities to minimize expected costs and manage interest rate risk. As outlined in the System's Interest Rate Swap Policy, the use of swaps must be tied directly to System debt instruments. The System will not enter into swap transactions for speculative purposes.

Project Financing - The Treasurer will consider and recommend to the Executive Vice Chancellor for Administration and Finance the use of project financing in those limited circumstances where the benefits of such a transaction exceed the increased costs. Project financing can be a useful financing technique in certain circumstances; however, these transactions are typically less efficient and more costly than traditional financing due to lower credit ratings, fewer economies of scale, the funding of a reserve fund, and the cost of bond insurance. Project financing does not preserve or increase debt capacity relative to traditional financing. The credit rating agencies and the System include project debt when assessing the System's debt capacity.

Taxable Debt - The System may use taxable debt for those projects that have an intended use or other characteristics that preclude the use of tax-exempt debt. The System will strive to allocate its available resources, including equity capital, among its various capital projects to minimize or eliminate the need to issue taxable debt, thereby minimizing the System's cost of capital. Any use of taxable debt would require separate Board approval and be subject to the same statutory requirements as tax-exempt debt.

Reporting Requirements - The Annual Financial Report (AFR), prepared by the System and presented to the Board, will discuss the status of all outstanding bond and note indebtedness. The AFR presented to the Board provides detailed information on the System's outstanding bonds and notes including, by series, the amount outstanding, interest rates, maturity dates, a summary of the changes in outstanding indebtedness, and the associated debt service requirements.

Commercial Paper - The System's commercial paper program is a short-term debt program used to purchase equipment and to provide interim financing for capital projects during construction. The maximum amount of commercial paper that can mature in any five consecutive business days is \$40 million. The Executive Vice Chancellor for Administration and Finance will prioritize requests for the use of commercial paper to fund equipment and capital projects. The minimum aggregate amount of equipment value to be financed under the commercial paper program is \$100,000 for each System component. Several smaller equipment purchases may be commingled to achieve the minimum amount. Each piece of equipment must have a useful life of not less than three years. The equipment will be purchased from the vendor by System components, and commercial paper will be issued on any business day for direct acquisition or to reimburse the institution for the equipment purchases. The commercial paper will be amortized and paid to the System (by the System components) as directed by the System and will be fully amortized up to the lesser of its project useful life or 10 years. Commercial paper does not require competitive bidding. The System will be responsible for making timely payments to the paying agent as required by the commercial paper dealer in accordance with the related bond resolution. All conversions of commercial

paper notes to long-term indebtedness will be approved by the Board. The long term debt will be amortized and paid to the System as directed by the System. The System will be responsible for making timely payments to the paying agent as required by the related bond resolution and paying agent agreement.

Failed Remarketing Procedures – The Failed Remarketing Plan procedures as adopted by the Board and administered by the Treasurer will be used in the event of a failed remarketing of commercial paper or variable rate demand bonds.

Miscellaneous

- A. The Executive Vice Chancellor for Administration and Finance, or authorized representative of the System, is delegated the authority to designate a financing team consisting of System staff, bond counsel, financial advisor and underwriters. The Executive Vice Chancellor for Administration and Finance, or authorized representative of the System, is responsible for assuring that all bond covenants are in compliance and that all necessary approvals, certifications and authorizations are fully documented and made available to the Board and to all bondholders. The Chair of the Finance and Administration Committee is authorized to price bond issues.
- B. The Treasurer will take steps to effect the timely transfer of System funds for debt service payments.
- C. Debt service funding is the responsibility of each System component participating in the Consolidated Revenue Financing Program and the Higher Education Assistance Fund Program.
- D. The Treasurer or Designated Financial Officer is authorized and directed to execute Reimbursement Certificates as required by U.S. Treasury Regulations, Section 1.150-2, in connection with projects the Board intends to debt finance.

Deleted: will take steps to effect Board approval of

Approved: April 21, 2009

Deleted: November 15, 2007

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Finance and Administration

ITEM: Approval of investment resolutions for the University of Houston System

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

Approval is requested to renew the Resolution Governing the Sale, Assignment, Endorsement, Transfer, and Delivery of Gift Securities for Any Component of the University of Houston System; the Resolution Governing the Purchase and Sale of Securities and Similar Investments for the University of Houston System Endowment Fund; and the Resolution Governing the Purchase and Sale of Securities and Similar Investments for all Non-Endowed Funds of the University of Houston System. There are no changes in persons authorized to make investment decisions, however, the resolutions must be renewed semi-annually. The authorized persons are:

Carl P. Carlucci	Executive Vice Chancellor for Administration and Finance
Tom Ehardt	Associate Vice Chancellor for Finance
Raymond S. Bartlett	Treasurer
Roberta Puryear	Assistant Treasurer
Anne Montgomery	Manager, Treasury Operations
Sheryl L. Walton	Manager, Cash Administration

FISCAL NOTE:

SUPPORTING DOCUMENTATION: Copy of Investment Resolutions

ACTION REQUESTED: Approval

COMPONENT: University of Houston System

PRESIDENT



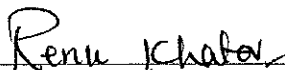
DATE

3/27/09

EXECUTIVE VICE CHANCELLOR

Carl Carlucci

DATE



CHANCELLOR

Renu Khator

DATE

3-31-09

**RESOLUTION GOVERNING THE SALE, ASSIGNMENT, ENDORSEMENT,
TRANSFER, AND DELIVERY OF GIFT SECURITIES
FOR ANY COMPONENT OF THE
UNIVERSITY OF HOUSTON SYSTEM**

Effective April 21, 2009

The Board of Regents of the University of Houston System during a meeting held on April 21, 2009 passed and duly recorded the following resolution:

WHEREAS, the component institutions of the University of Houston System do on occasion receive gifts and bequests from donors of stocks, bonds and other securities which are intended for specific or general expenditure by the institution rather than becoming a part of the institution's endowment; and,

WHEREAS, to effectuate the intent of such donors it is often necessary to sell, assign, endorse, transfer and deliver such stocks, bonds and other securities;

BE IT THEREFORE RESOLVED, that:

the Executive Vice Chancellor for Administration and Finance, Carl Carlucci;
the Associate Vice Chancellor for Finance, Tom Ehardt;
the Treasurer, Raymond S. Bartlett;
the Assistant Treasurer, Roberta Puryear;
the Manager, Treasury Operations, Anne Montgomery; and
the Manager, Cash & Bank Administration, Sheryl L. Walton

or any (2) of them be and are thereby authorized to sell, assign, endorse, transfer and deliver on behalf of the respective institution's use and benefit, any stocks, bonds, and other securities, now owned or which may hereafter be acquired by such institutions of the University of Houston System by gift or bequest and which are not part of the endowment of such institution, and to affix the seal of the institution upon the instrument of sale, transfer and assignment relating thereto; and that any two (2) of the above named officers are hereby authorized to execute and deliver, and to affix the seal of the institution upon, any and all instruments, contracts, and other documents which may be deemed proper or desirable for the aforementioned purposes; and,

The Board of Regents hereby authorizes the Secretary of the Board of Regents, Jim P. Wise, to certify copies of this resolution as being true expressions of the Board of Regents.

CERTIFICATE OF ADOPTION OF RESOLUTION

I, Jim P. Wise, hereby certify that at a meeting of the Board of Regents of the University of Houston System held on April 21, 2009 in accordance with its bylaws at which a quorum was present and voted, the foregoing resolution was adopted by the Board, this being a true and correct copy thereof as the same which appears in the minute book of said institution.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the University of Houston, this 21st day of April, 2009.

For the Board of Regents of the
University of Houston System

By: _____
Jim P. Wise
Secretary, Board of Regents

(University Seal)

**RESOLUTION GOVERNING THE PURCHASE AND
SALE OF SECURITIES AND SIMILAR INVESTMENTS FOR
THE UNIVERSITY OF HOUSTON SYSTEM ENDOWMENT FUND**

Effective April 21, 2009

The Board of Regents of the University of Houston System during a meeting held on April 21, 2009 passed and duly recorded the following resolution:

WHEREAS, the Board of Regents authorizes the operation of certain trust-custody accounts at The Bank of New York Mellon, New York, New York styled as follows:

UNIVERSITY OF HOUSTON SYSTEM: Endowment Fund

WHEREAS, the foregoing account is operated and managed pursuant to the Custody Agreement executed by and between the University of Houston System and The Bank of New York Mellon, New York, New York and will involve the periodic purchase and sale of stocks, bonds, other securities, and similar investments;

BE IT THEREFORE RESOLVED that any one (1) of the following UNIVERSITY officers:

the Executive Vice Chancellor for Administration and Finance, Carl Carlucci;
the Associate Vice Chancellor for Finance, Tom Ehardt;
the Treasurer, Raymond S. Bartlett;
the Assistant Treasurer, Roberta Puryear;
the Manager, Treasury Operations, Anne Montgomery; and
the Manager, Cash & Bank Administration, Sheryl L. Walton

is hereby authorized in connection with the foregoing endowment account and Custody Agreement, to direct The Bank of New York Mellon, New York, New York in the sale, purchase, assignment, transfer, and/or delivery of any stocks, bonds, and any other securities or types of investments now owned or which may hereafter be acquired by the University of Houston; and that any two (2) of the following officers:

the Executive Vice Chancellor for Administration and Finance, Carl Carlucci;
the Associate Vice Chancellor for Finance, Tom Ehardt;
the Treasurer, Raymond S. Bartlett;
the Assistant Treasurer, Roberta Puryear;
the Manager, Treasury Operations, Anne Montgomery; and
the Manager, Cash & Bank Administration, Sheryl L. Walton

are hereby required to confirm in writing to The Bank of New York Mellon, New York, New York the authorization to execute and deliver any and all instruments, contracts, and other documents, which may be deemed proper or desirable for the aforementioned purposes.

The Board of Regents hereby authorizes the Secretary of the Board of Regents, Jim P. Wise, to certify copies of this resolution as being true expressions of the Board of Regents.

CERTIFICATE OF ADOPTION OF RESOLUTION

I, Jim P. Wise, hereby certify that at a meeting of the Board of Regents of the University of Houston System held on April 21, 2009 in accordance with its bylaws at which a quorum was present and voted, the foregoing resolution was adopted by the Board, this being a true and correct copy thereof as the same which appears in the minute book of said institution.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the University of Houston, this 21st day of April, 2009.

For the Board of Regents of the
University of Houston System

By: _____
Jim P. Wise
Secretary, Board of Regents

(University Seal)

**RESOLUTION GOVERNING THE PURCHASE AND
SALE OF SECURITIES AND SIMILAR INVESTMENTS FOR
ALL NON-ENDOWED FUNDS OF THE UNIVERSITY OF HOUSTON SYSTEM**

Effective April 21, 2009

The Board of Regents of the University of Houston System, by this resolution, provides notice that, during a meeting held on April 21, 2009, it considered, approved, and duly recorded the following with regard to transactions associated with securities and other similar investments to be purchased, sold, assigned, transferred, and/or delivered in the name of the University of Houston System and any of its component parts (hereafter referred to as UNIVERSITY):

1. RESOLVED THAT The Bank of New York Mellon; JP Morgan Chase, or any two (2) of the following officers are hereby authorized to direct and transact business in the name of the UNIVERSITY necessary to the successful purchase, sale, assignment, transfer, and/or delivery of securities and similar investments:

the Executive Vice Chancellor for Administration and Finance, Carl Carlucci;
the Associate Vice Chancellor for Finance, Tom Ehardt;
the Treasurer, Raymond S. Bartlett;
the Assistant Treasurer, Roberta Puryear;
the Manager, Treasury Operations, Anne Montgomery; and
the Manager, Cash & Bank Administration, Sheryl L. Walton

2. RESOLVED THAT The Bank of New York Mellon; JP Morgan Chase, or any one (1) of the following UNIVERSITY officers may through a computerized communication system or by voice (person-to-person or telephonic) communication direct any transaction necessary to affect the purchase and/or sale of one or more investments:

the Executive Vice Chancellor for Administration and Finance, Carl Carlucci;
the Associate Vice Chancellor for Finance, Tom Ehardt;
the Treasurer, Raymond S. Bartlett;
the Assistant Treasurer, Roberta Puryear;
the Manager, Treasury Operations, Anne Montgomery; and
the Manager, Cash & Bank Administration, Sheryl L. Walton

Such transactions shall be confirmed in writing from the Office of the University Treasurer and bear two signatures of any two (2) of the UNIVERSITY officers authorized in Section 1 to act for the UNIVERSITY.

3. RESOLVED THAT The Bank of New York Mellon, JP Morgan Chase, the Executive Vice Chancellor for Administration and Finance, the Associate Vice Chancellor for Finance, the Treasurer, the Assistant Treasurer, the Manager, Treasury Operations, and/or the Manager, Cash & Bank Administration may through a computerized communication system or by voice

(person-to-person or telephonic) communication direct the purchase of any investment authorized for UNIVERSITY by the law(s) of the State of Texas, provided that such transaction is to be confirmed in writing and bear the signatures of any two (2) of the UNIVERSITY officers authorized in Section 1 to act for the UNIVERSITY.

4. RESOLVED THAT any investment purchased on behalf of the UNIVERSITY is to be purchased in the name of UNIVERSITY OF HOUSTON SYSTEM, and that title to such investment is to pass to UNIVERSITY at the time of purchase.
5. RESOLVED THAT the authority hereby confirmed shall remain in force until written notice of revocation of such authority shall be received; and,
6. RESOLVED THAT this resolution hereby revokes any and all previous resolutions respecting the effectuation of investment related transactions for UNIVERSITY.

The Board of Regents hereby authorizes the Secretary of the Board of Regents, Jim P. Wise, to certify copies of this resolution as being true expressions of the Board of Regents.

CERTIFICATE OF ADOPTION OF RESOLUTION

I, Jim P. Wise, hereby certify that at a meeting of the Board of Regents of the University of Houston System held on April 21, 2009 in accordance with its bylaws at which a quorum was present and voted, the foregoing resolution was adopted by the Board, this being a true and correct copy thereof as the same which appears in the minute book of said institution.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the University of Houston, this 21st day of April, 2009.

For the Board of Regents of the
University of Houston System

By: _____
Jim P. Wise
Secretary, Board of Regents

(University Seal)

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Finance and Administration

ITEM: Approval is requested for ratification of a contract between the Texas Institute for Measurement, Evaluation and Statistics (TIMES) at the University of Houston and Riverside Publishing Company

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

Approval is requested for ratification of a contract between the Texas Institute for Measurement, Evaluation and Statistics (TIMES) at the University of Houston and Riverside Publishing Company. This contract requires Board approval since this is an approximately \$1.1 million annual contract. This agreement allows the university to continue participating in the "Reading First" program – a statewide testing initiative for first and second grade elementary students. In its role as an evaluator of the program, TIMES contracts with Riverside to provide student assessments to all schools participating in the program. The university receives annual revenue of approximately \$4-5 million from the Texas Education Agency, from a separate Interagency Contract, for its participation in this program. Pursuant to this current Testing and Scoring Agreement, Riverside invoices the university for the testing service/supplies needed for the program and the university passes through the invoices to participating school districts so no university funds will be spent except those provided to the university as part of the Interagency Contract with TEA.

FISCAL NOTE: Approximately \$1.1 million

SUPPORTING DOCUMENTATION: Contract

ACTION REQUESTED: Approval

COMPONENT: University of Houston

PRESIDENT	<i>Renu Khator</i>	<i>3-31-09</i>
	Renu Khator	DATE
EXECUTIVE VICE CHANCELLOR	<i>Carl Carlucci</i>	<i>3/27/09</i>
	Carl Carlucci	DATE
CHANCELLOR	<i>Renu Khator</i>	<i>3-31-09</i>
	Renu Khator	DATE

K-09-00432

TESTING AND SCORING AGREEMENT

Between
TEXAS INSTITUTE FOR MEASUREMENT, EVALUATION AND SATATISTICS (TIMES)
AT THE UNIVERSITY OF HOUSTON
And
THE RIVERSIDE PUBLISHING COMPANY
February 15, 2009

THIS AGREEMENT entered into as of the 15th day of February, 2009 by and between the Texas Institute for Measurement, Evaluation and Statistics (TIMES) at the University of Houston (hereinafter referred to as the "University" or "Customer", 100 TLCC Annex, Houston, TX 77204-6022 and the Riverside Publishing Company (hereinafter referred to as "Riverside"), 3880 Golf Road, Suite 100, Rolling Meadows, IL 60008.

WITNESSETH THAT:

WHEREAS, the University wishes to continue a state-wide testing program for all Reading First eligible elementary school districts having any students in grades 1 and 2 (hereinafter each individually referred to as a "District" or "Customer" and collectively referred to as "Districts"); and

WHEREAS, Riverside is specifically qualified and equipped to provide the materials ("Materials") and services ("Services") for such testing programs described herein:

NOW, THEREFORE, for and in consideration of the mutual promises and under the conditions and specifications set forth herein, the parties do mutually agree as follows:

1.0 Term of this Agreement .

The term of this Agreement will commence on February 15, 2009 and shall end August 31, 2009. There will be one testing period for each school year.

2.0 Price

Riverside will invoice individual Districts through TIMES for materials and scoring, unless otherwise directed by the University. Pricing specifics are set forth in Exhibit B. Prices do not include shipping and handling or any applicable taxes. Materials will be invoiced upon shipment of materials. Scoring will be invoiced upon shipment of score reports.

3.0 Obligations of the University

The University agrees:

- 3.1 to oversee the administration of the Iowa Tests of Basic Skills (ITBS) and Logramos Tests.
- 3.2 to alternate forms of ITBS between forms A and B. The Spring 2009 testing period for Grades 1 and 2 will use form A of ITBS.
- 3.3 to provide a list of qualified districts and updated campuses with CDN, TX ID no less than forty-five (45) days prior to the beginning of each testing period.
- 3.4 it will be the responsibility of the Customer to submit order forms indicating the quantity of consumable Materials required under this Agreement, as well as any additional reusable Materials required, thirty (30) days prior to testing through TIMES.
- 3.5 that each District will be responsible for properly packaging and accurately labeling cartons of test booklets in a timely manner for shipment to the Riverside Scoring Services.
- 3.6 that individual Districts will be responsible for mailing test booklets to the Riverside Scoring Service in Itasca, IL.

2009 MAR 11 11:17
RECEIVED
CONTRACT MANAGEMENT DEPARTMENT

K-09-00432

4.0 Obligations of Riverside

Riverside agrees to provide the Materials and Services described herein, as further detailed in Exhibit A:

4.1 Materials

Riverside will provide the Materials as set for the in Exhibit A. All reusable Materials will be retained by the Districts for use throughout the Term. Consumable Materials and reusable Materials will be provided by Riverside, upon receipt of purchase orders from the Customer. Test booklets will be packaged in units of twenty-five (25) with accompanying directions for administration. A common test level will be administered throughout each grade. Materials will be packaged by Individual Districts. Off level testing is available when requested by District.

4.2 Optional Testing; Additional Materials and Services

Districts may order Materials and Services for optional testing. Riverside will invoice Districts for optional testing Materials and services related to the ITBS or Logramos tests under this Agreement at Riverside's then current catalog prices less fifteen percent (15%). Districts may also purchase other Riverside testing products, materials and services, not provided for under this Agreement, at Riverside's then current catalog prices.

4.3 Shipping, Handling, and Storage

Riverside will provide:

- a. delivery of all Materials to Individual Districts
- b. delivery of scoring reports to the Individual Districts
- c. Riverside will select method for shipping.

4.4 Data Storage and Archive Service


All test result data, including individual student files, will be archived by Riverside for a period of three (3) years. Actual student answer documents will be stored for sixty (60) days after scoring reports have been shipped and then destroyed.

4.5 Scoring Services

The score reports under this agreement include List Report with Class, Building, and System Summaries, an Individual Primary Reading Profile, Student Score Label, Class Item Analysis, Bar Code Labels, Interactive Results Manager (IRM) for ITBS and Riverside Data Reporting Service (RADaRS) for Logramos. Riverside will provide to the University one (1) CD ROM containing electronic student data after each testing period at no additional charge. Such CD will include student data information for all Districts submitted. Should system information be desired on reports, scoring will begin when the last box is received from the District, in scorable condition.

5.0 Terms of Payment

Payment in full shall be due to Riverside within thirty (30) days of the date of any invoice issued hereunder.


University's receipt of an 

6.0 Waiver or Modification of Terms

No waiver, alteration, or modification of any of the provisions of this Agreement nor any addition thereto shall be binding unless in writing and signed by both parties.

7.0 Governing Law

~~All matters pertaining to the validity, construction and effect of this Agreement shall be governed by the laws of the State of Illinois, without reference to its principles of conflicts of laws.~~



8.0 Limit of Liability

K-09-00432



Notwithstanding any provisions to the contrary, in no event shall Riverside be liable for any claims, damages, costs or reimbursements to the University in an amount greater than the actual dollar amount received by Riverside under this Agreement.

and to the extent permitted by law

9.0 Confidentiality

Riverside will treat as confidential all information received in connection with this Agreement, and Riverside further agrees to disclose such information only to the University and those entities designated by the University, or as required by law subsequent to reasonable notice to the University.

10.0 Termination

The University may terminate this Agreement, with or without cause, by giving written notice as provided herein. Such termination shall become effective as of the close of business on the sixtieth (60th) day following the giving of such notice. Riverside shall be paid for Materials and Services provided by it up to the effective date of termination.

11.0 Notices

All notices required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed given when delivered personally or by courier service to the address below, or when deposited in the United States mail, first class postage prepaid, address as follows:

The Riverside Publishing Company
3800 Golf Road, Suite 100
Rolling Meadows, IL 60008
Attention: Sr. Contract Administrator

Texas Institute for Measurement, Evaluation and
Statistics (TIMES) at the University of Houston
100 TLCC Annex, 4800 Calhoun
Houston, TX 77204-6022
Attention: Dr. Coleen Carlson

12.0 Entire Agreement

This Agreement contains the entire Agreement of the parties hereto and supersedes any prior written or oral agreements between them concerning the subject matter herein.

K-09-00432

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representative as of the day and year set forth below.

Accepted And Agreed To By:

Texas Institute for Measurement,
Evaluation and Statistics (TIMES) at the
University of Houston

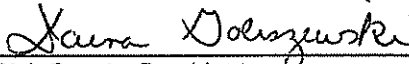
By: 
Rosemary Grimmer
Executive Director, Research Services

Print Name/Title

3-12-09

Date

The Riverside Publishing Company


~~Rich Swartz, President~~
DAINA GOLISZEWSKI, DIRECTOR, FINANCE

Date

3/13/09

APPROVED AS TO FORM
(AS MODIFIED) BY:

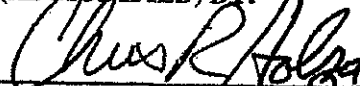

OFFICE OF THE GENERAL COUNSEL
UNIVERSITY OF HOUSTON SYSTEM

Exhibit A

K-09-00432

**TEXAS INSTITUTE FOR MEASUREMENT, EVALUATION AND STATISTICS (TIMES)
AT THE UNIVERSITY OF HOUSTON**

TEST MATERIALS

Iowa Tests of Basic Skills® (ITBS®)

Consumable Test Booklets, ITBS Form A, Level 7 Core Battery, package 25
Consumable Test Booklets, ITBS Form A, Level 8 Core Battery, package 25

Logramos®, Second Edition

Consumable Test Booklets, Level 7, package 25
Consumable Test Booklets, Level 8, package 25

SCORING SERVICES

The scoring services are as follows for both ITBS and Logramos:

List Report of Student Scores with Class, Building and System Summaries
Individual Primary Reading Profile
Student Score Label
Interactive Results Manager (IRM) ITBS only
Riverside Assessment Data Reporting Service (RADaRS) Logramos only
Bar Code Label

TEXAS INSTITUTE FOR MEASUREMENT, EVALUATION AND STATISTICS (TIMES)
AT THE UNIVERSITY OF HOUSTON

PRICING SCHEDULE*

Testing Period	Materials Price per package 25		Texas Reading First Scoring**	Bar Code Label	Student Score Label, iRM (ITBS), RADaRS (LOG), Group Item Analysis
Spring 2009	\$119.46		\$5.28/student	\$0.53/student	15% off current catalog prices

*Prices do not include shipping and handling

**Includes Basic Service and Individual Primary Reading Profile

Test	Unit	Grade	Total Count Students/ Teachers/ LEAs	Material Cost per Student	Scoring Cost per Student/ Teacher/ LEA	Barcode Labels Cost per Student	Assessments Total Cost: Material + Scoring + Labels	Shipping Cost: Assessments Total Cost* 20%	Total Cost : Assessments Cost + Shipping
ITBS	Per Student	1	36,424	\$ 4.78	\$ 5.28	\$ 0.53	\$ 385,730.16	\$ 34,821.34	\$ 420,551.50
ITBS	Per Student	2	37,080	\$ 4.78	\$ 5.28	\$ 0.53	\$ 392,677.20	\$ 35,448.48	\$ 428,125.68
Teacher Directions	Per Teacher		1200		\$ 12.40				\$ 14,880.00
Logramos	Per Student	1	11,848	\$ 4.78	\$ 5.28	\$ 0.53	\$ 125,470.32	\$ 11,326.69	\$ 136,797.01
Logramos	Per Student	2	8,971	\$ 4.78	\$ 5.28	\$ 0.53	\$ 95,002.89	\$ 8,576.28	\$ 103,579.17
Teacher Directions	Per Teacher		700		\$ 12.40				\$ 8,680.00
Grand Totals									\$ 1,112,613.36