UNIVERSITY OF HOUSTON SYSTEM

Finance & Administration Committee

February 16, 2011

AGENDA

UNIVERSITY OF HOUSTON SYSTEM
FINANCE AND ADMINISTRATION
COMMITTEE MEETING

DATE: **Wednesday, February 16, 2011**

TIME: **10:15 a.m.**

PLACE: **Hilton University of Houston Hotel**
Waldorf Astoria Ballroom E, Second Floor
4800 Calhoun
Houston, Texas 77204

Chair: **Jim P. Wise**
Vice Chair: **Jarvis V. Hollingsworth**
Members: **Nandita V. Berry**
Carroll Robertson Ray, Ex Officio

FINANCE AND ADMINISTRATION COMMITTEE

A. Call to Order

B. Approval of Committee Minutes
- November 16, 2010, Finance and Administration Committee Minutes

Action: Approval

C. Approval of changes to the voluntary and optional fees and charges for the University of Houston System campuses – University of Houston System — F&A – 1

Action: Approval

D. Approval is requested to write off uncollectable Accounts and Notes Receivable for FY2010 – University of Houston System — F&A – 2

Action: Approval

E. Approval is requested for write off obsolete Capital Assets for FY2010 – University of Houston System — F&A – 3

Action: Approval

F. Approval is requested to delegate authority to the Chancellor to negotiate and execute insurance policy renewals for FY2011 – University of Houston System — F&A – 4

Action: Approval

G. Re-approval of Construction of Classroom and Business Building at the University of Houston and to delegate authority to the Chancellor to negotiate and execute contracts up to $41,000,000 – University of Houston — F&A – 5

Action: Approval

H. Re-approval of Construction of Cemo Hall at the University of Houston and to delegate authority to the Chancellor to negotiate and execute contracts up to $10,599,000 – University of Houston — F&A – 6

Action: Approval

I. Adjourn

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Approval of changes to the voluntary and optional fees and charges for the University of Houston System campuses.

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

Approval is requested for changes to the voluntary and optional fees and charges for the University of Houston System campuses. The proposed increases include:

- University of Houston -Voluntary and Optional Academic Fees
- University of Houston and University of Houston-Victoria - Housing
- University of Houston and University of Houston-Victoria - Meal Plans
- University of Houston - Parking

FISCAL NOTE:

SUPPORTING DOCUMENTATION: Powerpoint Presentation for the UHS Board of Regents Outlining the Voluntary and Optional Fee Changes
Summary of UHS Voluntary and Optional Fee Changes for each component

ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston System

EXECUTIVE VICE CHANCELLOR Carl Carlucci **DATE** 2/1/2011

CHANCELLOR Renu Khator **DATE** 2/2/11

BOARD OF REGENTS

Briefing for the UHS Board of Regents
Finance and Administration Committee

F&A 1 – Voluntary & Optional Fees

February 16, 2011

University of Houston System
FY2012 Voluntary and Optional Fee Changes

University of Houston

- Academic Voluntary/Optional Fees
- Housing
- Meal Plans
- Parking FY2012
- Parking FY2013

UH-Victoria

- Housing
- Meal Plans

University of Houston
Voluntary/Optional Fees – Academic Affairs

- Voluntary/Optional Fees are not required for a student to enroll in classes, declare a major or graduate.
  - Study Abroad programs
    - Best estimate of actual costs for travel and lodging
  - Executive and Certificate programs
    - Specialized programs offer specific support and training above that of the regular degree program
    - Fee is in addition to mandatory university tuition and fees
    - Actual costs of materials and services provided to the student in the program and the cost of administering that program and may be market-driven

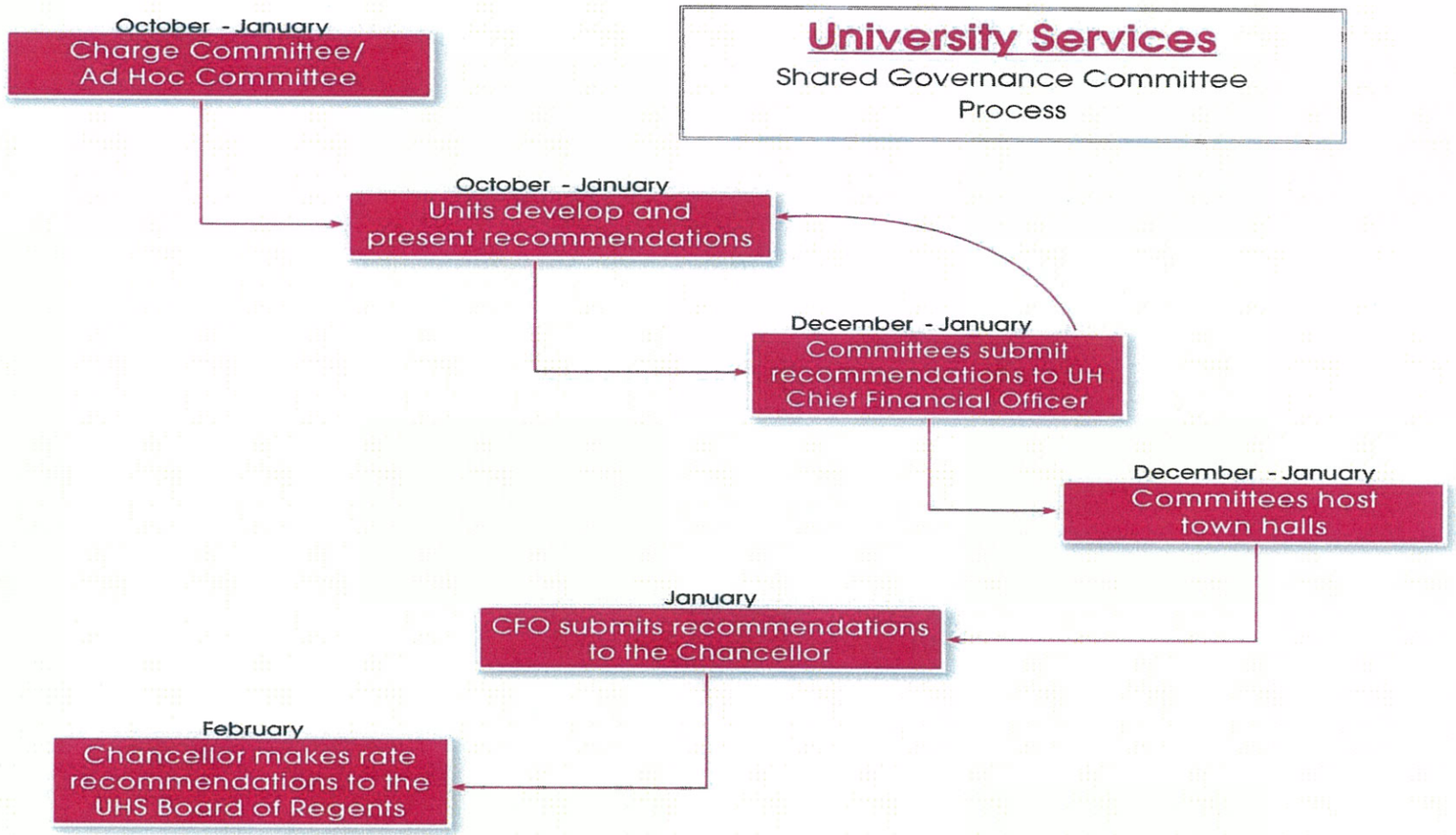
F&A – 1.1.3

University of Houston
Academic Voluntary/Optional Fees

F&A – 1.1.4

	FY2011	$ Change	% Change	FY2012
Architecture				
Study Abroad Program	$ 5,000	up to $1,000	20%	up to $6,000
Business				
Study Abroad Program	various	up to $3,800	n/a	up to $3,800
Executive MBA Programs	$ 60,100	$ 3,400	6%	$ 63,500
Engineering				
Study Abroad Program (New)	$0	$1500-6000	n/a	$1500-6000
Certificate Fee (New) per course	$0	$ 3,000	n/a	$ 3,000
Honors				
Study Abroad Program (New)	$0	up to $5,000	n/a	up to $5,000
Technology				
Exec. Degree in H.R. Development	$0	$ 25,000	n/a	$ 25,000
Study Abroad Program (New)	$0	up to $5,000	n/a	up to $5,000
Library				
Carrel Rental fee (per incident)	$10	$40	400%	$50
Inter-Library Loan Fee (per item)	$12	$13	108%	$25

University of Houston
VOLUNTARY FEES TIMELIME



F&A – 1.1.5

Shared Governance Committee Composition

Food Service Advisory Committee

Michael Harding, Student Chairman of the Committee
Tanea Tahir, Student, UC Policy Board
Johnnie Jackson, Student, UC Policy Board Alternate
Tushar Chawla, Student Government Association
Rebecca Szwarc, Staff Council
Linda Keng, Staff Council
Marinela Arreaza, Student At-Large
Xiaojing Yuan, Faculty Senate
Mike Nguyen, Student Government Association Alternate
Evan Lee, Residence Hall Association
Bryan Haver, Residence Hall Association

Transportation and Parking Advisory Committee

Joe Papick - Staff Chairman of the Committee
Donald Fox, Faculty Senate
Emmanouil Papadakis, Faculty Senate
Jeremy May, Faculty Senate
Jaesub Lee – Faculty Senate
Robert A. Walker, Staff Council
Leslie Pruski, Staff Council
Bradley Bates, Student Government Association
Jeff Syptak, Student Government Association
Prince Wilson, Student Government Association
Calvin Green, Student Government Association
Matt Davis, Student Government Association

Housing Rate Ad Hoc Committee

Olu Afolabi, Student, Resident Assistant
Bryan Haver, Student, Residence Hall Association
Ed Hoff, Student, Residence Hall Association
Bethel Glumac, Student, Residence Hall Association
Prince Wilson, Student Government Association

University of Houston Housing

Student Housing

The student housing rate increases of an average 4.1% will offset capital expenditures for renovations to Moody Towers, Quadrangle, deferred maintenance and operating costs at all facilities.

Rentable Options	FY2011	$ Change	% Change	FY2012
9 Month Lease Option (per academic year				
Quadrangle Double	4,350	262	6%	4,612
Quadrangle Private	5,760	346	6%	6,106
Moody Towers Double	3,928	236	6%	4,164
Moody Towers Single	4,902	294	6%	5,196
Moody Towers Private	5,376	322	6%	5,698
Cougar Village Double	4,950	148	3%	5,098
Cougar Village Single	6,435	195	3%	6,630
Monthly Lease Option				
Calhoun Lofts Efficiency	855	26	3%	881
Calhoun Lofts Efficiency	834	25	3%	859
Calhoun Lofts 1-Bed/1-Bath	1,056	32	3%	1,088
Calhoun Lofts 1-Bed/1-Bath	1,025	31	3%	1,056
Average Percentage Increase			4.1%	

F&A – 1.1.7

University Partnership Housing

Bayou Oaks, and Cullen Oaks - 3.0% Increase

Cambridge Oaks will increase between 0-4.2% (3.6% average) depending on the apartment size.

University of Houston Meal Plans

Meal Plans (per Academic Year)

The meal plan prices are recommended to increase an average of 3.8% to keep up with the CPI projections for next calendar year for food. These prices were recommended by the Food Service Advisory Committee.

	FY2011 Meal Plan Price w/Cougar Cash	$ Change	% Change	FY2012 Meal Plan Price w/Cougar Cash
Residential Meal Plans (per semester)				
Lifestyle 21 (21 meal per week plus $100 Cougar Cash)	1,550	60.0	3.9%	1,610
Lifestyle 15 (15 meals per week plus $200 Cougar Cash)	1,550	60.0	3.9%	1,610
Lifestyle 160(160 meals per semester plus $400 Cougar Cash)	1,550	60.0	3.9%	1,610
Commuter Meal Plans (per semester)				
Block 20 (20 meals per semester plus $50 Cougar Cash)	190	10.0	5.3%	200
Block 40 (40 meals per semester plus $100 Cougar Cash)	360	10.0	2.8%	370
Block 80 (80 meals per semester plus $150 Cougar Cash)	590	20.0	3.4%	610
Average % Increase			3.8%	

F&A – 1.1.8

University of Houston Parking

Parking Permit Prices FY12 & FY13

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 13.8% in FY12 and 18% in FY13, while student rates increased an average 22.7% in FY12 and 21% in FY13. All of the projected revenue increase will be applied towards the Stadium Parking Garage debt service, two smaller garages as well as fund additional surface lot parking.

Permit Type	FY2011	$ Change	% Change	FY2012	$ Change	% Change	FY2013
Student							
General - Semester (Fall or Spring)	$ 99	$ 18	18%	$ 117	$ 24	21%	$ 141
General - Academic Year	166	30	18%	196	39	20%	235
Summer	40	6	15%	46	9	20%	55
Residence Hall - Semester (Fall or Spring)	128	51	40%	179	36	20%	215
Residence Hall - Academic Year	215	86	40%	301	60	20%	361
Economy	63	9	14%	72	14	19%	86
Economy Plus	93	14	15%	107	21	20%	128
Garage Semester	158	35	22%	193	48	25%	241
Garage Academic Year	264	58	22%	322	81	25%	403
Average Percentage Increase			22.7%			21.0%	
Faculty/Staff							
Reserved Covered - Academic Year	629	126	20%	755	151	20%	906
Reserved - Academic Year	450	90	20%	540	108	20%	648
Gated - Semester	188	28	15%	216	44	20%	260
Gated - Academic Year	314	47	15%	361	72	20%	433
Ungated - Semester	108	13	12%	121	24	20%	145
Ungated - Academic Year	180	22	12%	202	40	20%	242
Garage Semester	285	23	8%	308	37	12%	345
Garage Academic Year	474	38	8%	512	61	12%	573
Disabled - Semester	93	14	15%	107	21	20%	128
Disabled - Academic Year	155	23	15%	178	36	20%	214
Average Percentage Increase			13.8%			18.0%	

F&A – 1.1.9

UH-Victoria

UH-Victoria Housing and Meal Plans

VOLUNTARY FEES TIMELINE

- **October**
  UHV CFO requests recommendations from contracted Food and Housing services.
- **November**
  UHV researches recommendations by comparing costs with area universities.
- **December-January**
  Food Services Committee and Housing Committee reviews recommendations and forwards them to UHV Budget Committee
- **January**
  UHV Budget Committee (President, Provost, Vice President for Administration and Finance) reviews recommendations
- **January**
  UHV CFO submits recommendations to UH System CFO
- **February**
  Chancellor makes rate recommendations to the UHS Board of Regents

UH-Victoria Housing and Meal Plans

Student Housing (Per Academic Year)

The student housing rate increase of 4.9% will offset increased operating and maintenance costs.

Student Housing (Per Academic Year)	FY2011	$ Change	% Change	FY2012
Double	4,050	200	4.9%	4,250

Meal Plan (Per Semester)

Various meal plans rate increases to partially cover increased operating costs.
Average percentage increase of 2.2%; No increase to resident meal plans.

Meal Plan (Per Semester)	FY2011	$ Change	% Change	FY2012
Commuter meal Plan				
Select Plan 80 (80 meals/semester)	420	20	5%	440
Faculty/Staff Meal Plan				
Block 5 (5 meals/semester)	30.00	2.50	8%	32.50
Block 10 (10 meals/semester)	55.00	7.50	14%	62.50
Block 15 (15 meals/semester)	80.00	10.00	13%	90.00
Average Percentage Increase			2.2%	

F&A – 1.1.11

University of Houston System
FY2012 Voluntary and Optional Fee Changes

Summary

F&A – 1.1.12

	Estimated Revenue Change	Average Percentage Increase	
University of Houston			
Academic Voluntary/Optional Fees	$ 1,342,700	Various	
Housing	743,100	4.1%	
Meal Plans	361,000	3.8%	
Parking FY2012	1,275,000	13.8%	Faculty/Staff
		22.7%	Student
Parking FY2013	1,206,400	18.0%	Faculty/Staff
		21.0%	Student
UH-Victoria			
Housing	$ 50,400	4.9%	
Meal Plans	8,900	2.2%	

Fee Description	Current Rate	Change	Proposed Rate	Estimated Revenue Change	Justification/Revenue Use

University of Houston
FY2012 Voluntary and Optional Fee Changes

		Estimated Revenue Change
SUMMARY	COLLEGE OPTIONAL FEES	$ 1,342,700
	HOUSING	743,100
	MEAL PLANS	361,000
	PARKING FY2012	1,275,000
	PARKING FY2013	1,206,400
	TOTAL UNIVERSITY OF HOUSTON	$ 4,928,200

F&A – 1.2.1

University of Houston System

FY2012 Voluntary and Optional Fee Changes

Fee Description		Current Rate	Change	Proposed Rate	Estimated Revenue Change	Justification/Revenue Use
University of Houston						
Academic Optional Fees						
Architecture						
	Study Abroad Program	$5000/program	up to $1000/program	up to $6000/program	$20,000	Increases to certain study programs previously existing to be used for travel and living expenses; additional program added; increases to previous existing program to offset travel and living expense increases.
Business						
	Study Abroad Program	various	up to $3800/program	up to $3800/program	$38,700	Increases to certain study programs previously existing to be used for travel and living expenses; additional program added; increases to previous existing program to offset travel and living expense increases.
	Executive MBA Programs	$60,100/program	$3400/program	$63,500/program	$217,600	Includes UH mandated tuition and fees. Increases to offset faculty costs, academic material, international bus trip, catering, technology, staff support, marketing and computer software and any other necessary overhead expenses towards the program. Includes all tracks and applies to new enrollments beginning fall 2011.
Engineering						
	Study Abroad Program	$0	$1500-$6000/program	$1500-$6000/program	$120,000	Supports travel, room, board, field trips & misc. expenses. Student demand for international experiences.
	Certificate Fee	$0	$3000/course	$3000/course	$180,000	Includes UH mandated tuition and fees. There has been a strong demand from industry (3 courses) for certificate program in subsea, leading to Master's degree.
Honors						
	Study Abroad Program	$0	up to $5000/Program	up to $5000/Program	$200,000	Supports travel, room, board, field trips & misc. expenses. Student demand for international experiences.
Technology						
	Executive Degree in Human Resource Development	$0	$25,000/program	$25,000/program	$250,000	does not include UH mandated tuition and fees. The program is designed for HRD executives and professionals in an accelerated and custom format. The increase in this fee will pay all student expenses, student travel, executive faculty for selected course delivery, speaker/specialist cost, program administration and provide GA support for the program.
	Study Abroad Program	$0/program	up to $5000/program	up to $5000/program	$300,000	Supports travel, room, board, field trips & misc. expenses. Student demand for international experiences.
Library						
	Carrel Rental Fee	$10/incident	$40/incident	$50/incident	$15,000	To defray additional costs of providing carrels.
	Interlibrary Loan Fee	$12/item	$13/item	$25/item	$1,400	To support Interlibrary loans to non-UH affiliates for service fees, fax and long distance costs.
	Library Equipment Replacement Fee (consolidation)		At cost	At cost		Consolidate various replacement fees into a single equipment fee and is revenue neutral.
	Library Replacement Fee - 20GB Hard Drive	At cost	$0			
	Library Replacement Fee - A/C Adapter and Power Cord	At cost	$0			
	Library Replacement Fee - Battery	At cost	$0			
	Library Replacement Fee - Floppy Drive	At cost	$0			
	Library Replacement Fee - Laptop	At cost	$0			
	Library Replacement - Keys	At cost	$0			
Subtotal Academic Optional Fees					$ 1,342,700	

F&A – 1.2.2

University of Houston System

FY2012 Voluntary and Optional Fee Changes

Fee Description	Current Rate	Change	Proposed Rate	Estimated Revenue Change	Justification/Revenue Use
University of Houston (continued)					
Student Housing					The student housing rate increase of 6% for Quadrangle and Moody Towers and 3% increases for Calhoun Lofts and Cougar Village will partially offset increased operating costs and salary increases. Houston Partnership Housing - Bayou Oaks and Cullen Oaks increased 3%. Cambridge Oaks will increase an average 3.6 percent.
9-month leases:				**$743,100**	
Moody Towers					
Double Room	$3,928	$236	$4,164		
Single Room	$4,902	$294	$5,196		
Super Single Room	$5,376	$322	$5,698		
Quadrangle					
Double Room	$4,350	$262	$4,612		
Super Single Room	$5,760	$346	$6,106		
Cougar Village					
Single Room	$6,435	$195	$6,630		
Double Room	$4,950	$148	$5,098		
Monthly lease option:					
Calhoun Lofts					
Efficiency (Furnished)	$855	$26	$881		
Efficiency (Unfurnished)	$834	$25	$859		
Lofts 1-bed/1-bath (Furnished)	$1,056	$32	$1,088		
Lofts 1-bed/1-bath (Unfurnished)	$1,025	$31	$1,056		
Lofts 2-Bed/1-Bath (Furnished)	$788	$0	$788		
Lofts 2-Bed/1-Bath (Unfurnished)	$767	$0	$767		
Meal Plans				**$361,000**	Meal plan rates are recommended by the Food Service Advisory Committee. The FY2012 proposed meal plan rates are increasing an average of 3.84% to cover increased food and transportation costs.
Residential Meal Plans (per semester/per academic year)					
Lifestyle 21 (21 all-you-care-to-eat meals per week plus $100 C	$1,550	$60	$1,610		
Lifestyle 15 (15 all-you-care-to-eat meals per week plus $200 C	$1,550	$60	$1,610		
Lifestyle 160(160 all-you-care-to-eat meals per semester plus $4	$1,550	$60	$1,610		
Cougar Cash (Juniors, Seniors and Graduate Residents only)	$1,350	$0	$1,350		
Commuter Meal Plans (per semester)					
Select 300 (all cougar cash)	$300	$0	$300		
Select 500 (all cougar cash)	$500	$0	$500		
Select 800 (all cougar cash)	$800	$0	$800		
Select 1000 (all cougar cash)	$1,000	$0	$1,000		
Block 20 (20 all-you-care-to-eat meals per semester plus $50 C	$190	$10	$200		
Block 40 (40 all-you-care-to-eat meals per semester plus $100 C	$360	$10	$370		
Block 80 (80 all-you-care-to-eat meals per semester plus $150 C	$590	$20	$610		
Faculty/Staff Meal Plans (per month)					
Block 5 (5 all-you-care-to-eat meals per month)	$30	$0	$30		
Block 10 (10 all-you-care-to-eat meals per month)	$55	$0	$55		
Block 15 (15 all-you-care-to-eat meals per month)	$80	$0	$80		
Cougar Cash	$25	$0	$25		

F&A – 1.2.3

University of Houston System

FY2012 Voluntary and Optional Fee Changes

Fee Description	Current Rate	Change	Proposed Rate	Estimated Revenue Change	Justification/Revenue Use
University of Houston (continued)					
Parking Fees FY2012					
Parking Permit Rates					
Students				**$1,275,000**	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 13.8%, while student rates increased an average of 22.7%. All of the projected revenue increase will be applied towards the Stadium Parking Garage debt service.
General - Semester (Fall or Spring)	$99	$18	$117		
General - Fall & Spring	$166	$30	$196		
General - Summer	$40	$6	$46		
Residence Hall - Semester (Fall or Spring)	$128	$51	$179		
Residence Hall - Academic Year	$215	$86	$301		
Economy	$63	$9	$72		
Economy Plus	$93	$14	$107		
Garage Semester (Fall or Spring or Summer)	$158	$35	$193		
Garage Academic Year (Fall, Spring, & Summer)	$264	$58	$322		
Faculty/Staff					
Reserved Covered - Academic year	$629	$126	$755		
Reserved - Academic Year	$450	$90	$540		
Gated - Semester (Fall or Spring or Summer)	$188	$28	$216		
Gated - Academic Year	$314	$47	$361		
Ungated - Semester (Fall or Spring or Summer)	$108	$13	$121		
Ungated - Academic Year	$180	$22	$202		
Garage Semester (Fall or Spring or Summer)	$285	$23	$308		
Garage Academic Year	$474	$38	$512		
All Disabled - Semester (fall or Spring or Summer)	$93	$14	$107		
Disabled - Academic Year	$155	$23	$178		
Parking Fees FY2013					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 18%, while student rates increased an average of 21%. All of the projected revenue increase will be applied towards the Stadium Parking Garage debt service.
Students				**$1,206,400**	
General - Semester (Fall or Spring)	$117	$24	$141		
General - Fall & Spring	$196	$39	$235		
General - Summer	$46	$9	$55		
Residence Hall - Semester (Fall or Spring)	$179	$36	$215		
Residence Hall - Academic Year	$301	$60	$361		
Economy	$72	$14	$86		
Economy Plus	$107	$21	$128		
Garage Semester (Fall or Spring or Summer)	$193	$48	$241		
Garage Academic Year (Fall, Spring, & Summer)	$322	$81	$403		
Faculty/Staff					
Reserved Covered - Academic year	$755	$151	$906		
Reserved - Academic Year	$540	$108	$648		
Gated - Semester (Fall or Spring or Summer)	$216	$44	$260		
Gated - Academic Year	$361	$72	$433		
Ungated - Semester (Fall or Spring or Summer)	$121	$24	$145		
Ungated - Academic Year	$202	$40	$242		
Garage Semester (Fall or Spring or Summer)	$308	$37	$345		
Garage Academic Year	$512	$61	$573		
All Disabled - Semester (fall or Spring or Summer)	$107	$21	$128		
Disabled - Academic Year	$178	$36	$214		
Total Voluntary and Optional Fees - University of Houston				**$ 4,928,200**	

F&A – 1.2.4

Fee Description	Current Rate	Change	Proposed Rate	Estimated Revenue Change	Justification/Revenue Use

UH-Victoria
FY2012 Voluntary and Optional Fee Changes

SUMMARY

	Estimated Revenue Change
HOUSING	$ 50,400
MEAL PLANS	8,900
TOTAL UH - VICTORIA	$ 59,300

University of Houston System

FY2012 Voluntary and Optional Fee Changes

Fee Description	Current Rate	Change	Proposed Rate	Estimated Revenue Change	Justification/Revenue Use
University of Houston - Victoria					
Student Housing (per academic year)				$50,400	The student housing rate increase of 4.9% will offset increased operating and maintenance costs.
Single	$6,000	$0	$6,000		
Double	$4,050	$200	$4,250		
Meal Plan				$8,900	Various meal plans rate increases to partially cover increased operating costs. Average percentage increase of 2.2%; No increase to resident meal plans.
Residential students (per semester-19 meals per week)	$1,250	$0	$1,250		
Non-residential student					
Block 20 (20 meals per semester)	$130.00	$0.00	$130.00		
Block 40 (40 meals per semester)	$250.00	$0.00	$250.00		
Block 80 (80 meals per semester)	$420.00	$20.00	$440.00		
Faculty/Staff Meal Plan					
Block 5 (5meals per semester)	$30.00	$2.50	$32.50		
Block 10 (10meals per semester)	$55.00	$7.50	$62.50		
Block 15 (15meals per semester)	$80.00	$10.00	$90.00		
Door/Cash Price					
Breakfast	$6.00	$0.00	$6.00		
Lunch	$7.00	$0.00	$7.00		
Dinner	$8.00	$0.00	$8.00		
Total Voluntary and Optional Fees - University of Houston of Victoria				**$ 59,300**	

F&A – 1.2.6

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance & Administration

ITEM: Approval is requested to write off uncollectable Accounts and Notes Receivable for FY2010

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

Approval is requested to write-off Accounts and Notes Receivable totaling $11,513,099 (in 15,876 accounts) for Fiscal Year 2010 for the University of Houston, University of Houston-Clear Lake, University of Houston-Downtown, and University of Houston-Victoria. The FY2009 write-off for all Universities was $11,326,023 (in 12,048 accounts). State Universities are required by law to extend credit to students without consideration of credit history or ability to repay. The University of Houston accepts research awards from, and extends credit to, various federal, state, private, and local agencies and organizations.

	FY 2010
University of Houston	10,371,844
University of Houston System	0
University of Houston – Clear Lake	278,948
University of Houston – Downtown	739,014
University of Houston – Victoria	123,293
	$ 11,513,099

SUPPORTING DOCUMENTATION: Student account billing, collection, and write off timetable. Detailed schedules are on file in the UH Division of Finance Offices.

FISCAL NOTE: Requested write off total $11,513,099

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston System

EXECUTIVE VICE CHANCELLOR Carl Carlucci **DATE** 2/1/2011

CHANCELLOR Renu Khator **DATE** 2/2/11

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance & Administration

ITEM: Approval is requested to write off uncollectable Accounts and Notes Receivable for FY2010

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

Approval is requested to write-off Accounts and Notes Receivable totaling $11,513,099 (in 15,876 accounts) for Fiscal Year 2010 for the University of Houston, University of Houston-Clear Lake, University of Houston-Downtown, and University of Houston-Victoria. The FY2009 write-off for all Universities was $11,326,023 (in 12,048 accounts). State Universities are required by law to extend credit to students without consideration of credit history or ability to repay. The University of Houston accepts research awards from, and extends credit to, various federal, state, private, and local agencies and organizations.

	FY 2010
University of Houston	10,371,844
University of Houston System	0
University of Houston – Clear Lake	278,948
University of Houston – Downtown	739,014
University of Houston – Victoria	123,293
	$ 11,513,099

SUPPORTING DOCUMENTATION: Student account billing, collection, and write off timetable. Detailed schedules are on file in the UH Division of Finance Offices.

FISCAL NOTE: Requested write off total $11,513,099

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston System

EXECUTIVE VICE CHANCELLOR Carl Carlucci **DATE** 2/1/2011

CHANCELLOR Renu Khator **DATE** 2/2/11

UNIVERSITY OF HOUSTON SYSTEM

F&A – 2.1.1

Uncollectible Receivables

Write-off process

FY 2010

All accounts receivable to be written off are approved by the Board of Regents (BOR) of the University of Houston System.

- General Accounting will compile a list of all such accounts receivable for submission to the BOR.
- Accounts receivable are eligible for write-off once they have been outstanding for 720 days (two years).
- To be considered for write off, the department must demonstrate that adequate steps were taken to collect the amount due.

The write-off of an uncollected account is a bookkeeping entry only and does not relieve the debtor from financial responsibility to the university.

- Although the uncollected account has been removed from the books and records the university may still have a claim against the debtor and may still seek legal remedy (e.g., sue for collection in a court of law).

- Therefore, it is the responsibility of each department to maintain adequate records regarding legal financial obligations (i.e., debts) owed to the university.

UNIVERSITY OF HOUSTON SYSTEM

Components

- Tuition, Fees, and Loans
  - Student charges, UHS average bad debt is about 1%
- Sales and Services
- Grants and Contracts
  - Sponsored projects, UH average bad debt is about 0.5%

F&A – 2.1.3

- Federal regulations do not permit the write-off of federal loans. Each campus has established a reserve for uncollectible federal loans to report receivables at a realistic asset value.

UNIVERSITY OF HOUSTON SYSTEM

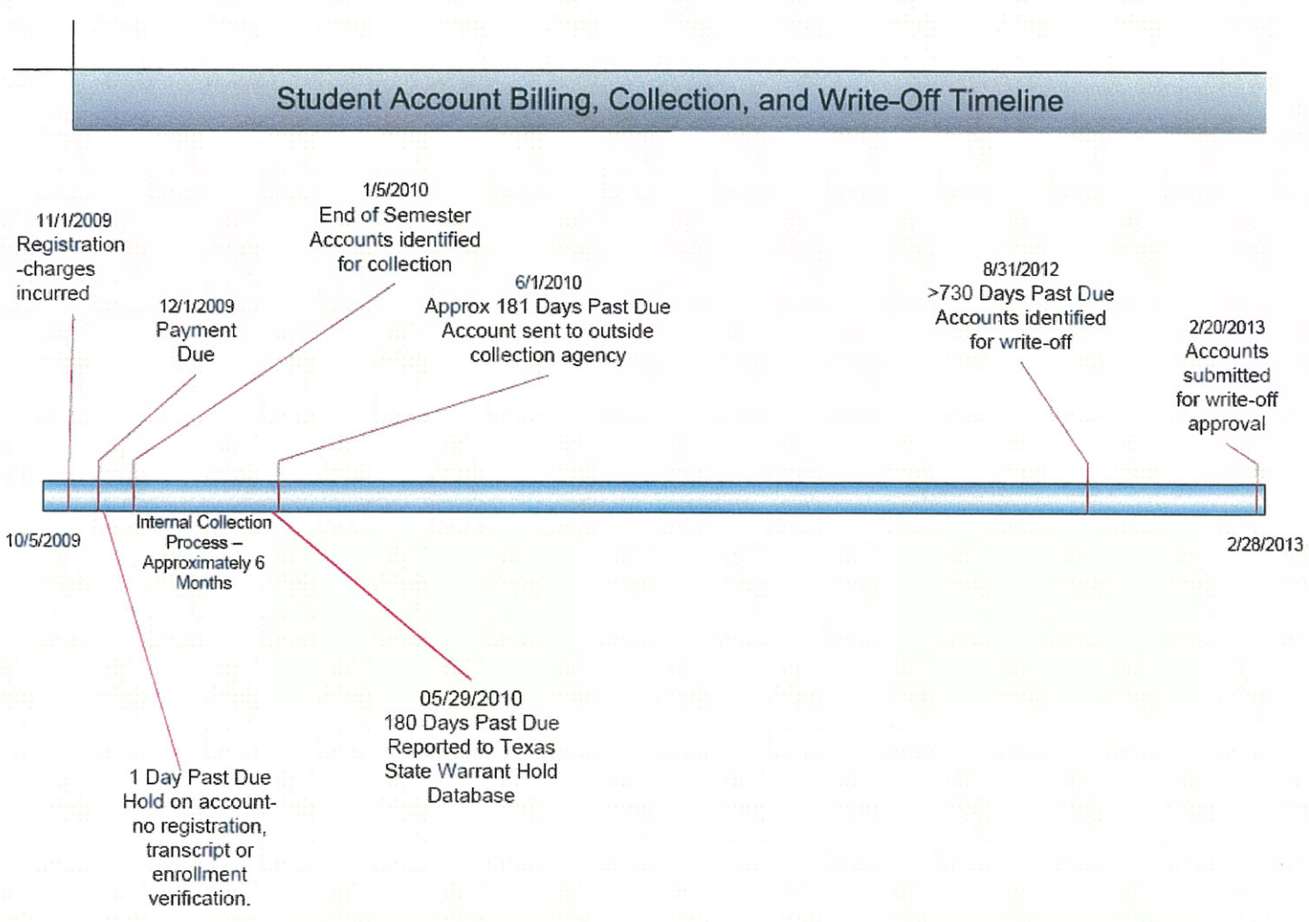
History

Year	2009	2010
TOTAL	$ 11,326,023	$ 11,513,099
Tuition, Fees, and Loans	$ 11,299,254	$ 5,900,271
Sales and Services	$ 26,769	$ 5,546
Contracts and Grants	NA	$ 5,607,282

F&A – 2.1.4

UNIVERSITY OF HOUSTON SYSTEM

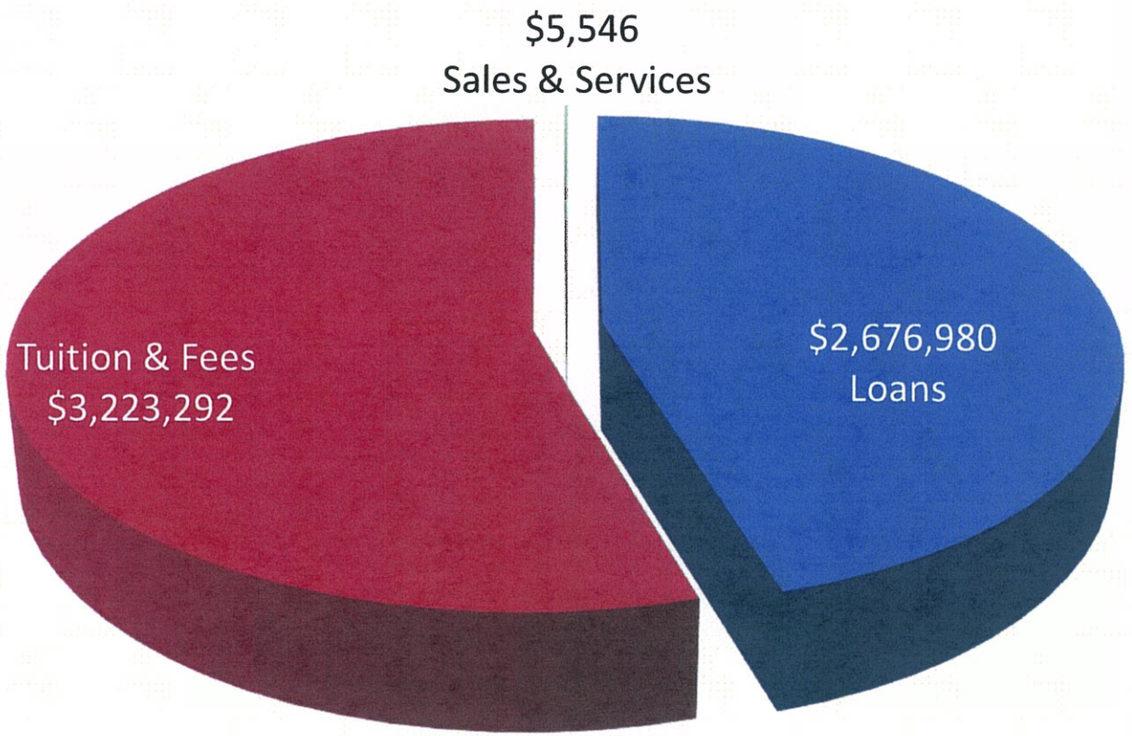
Student Account Billing, Collection and Write-Off Timeline



F&A – 2.1.5

UNIVERSITY OF HOUSTON SYSTEM

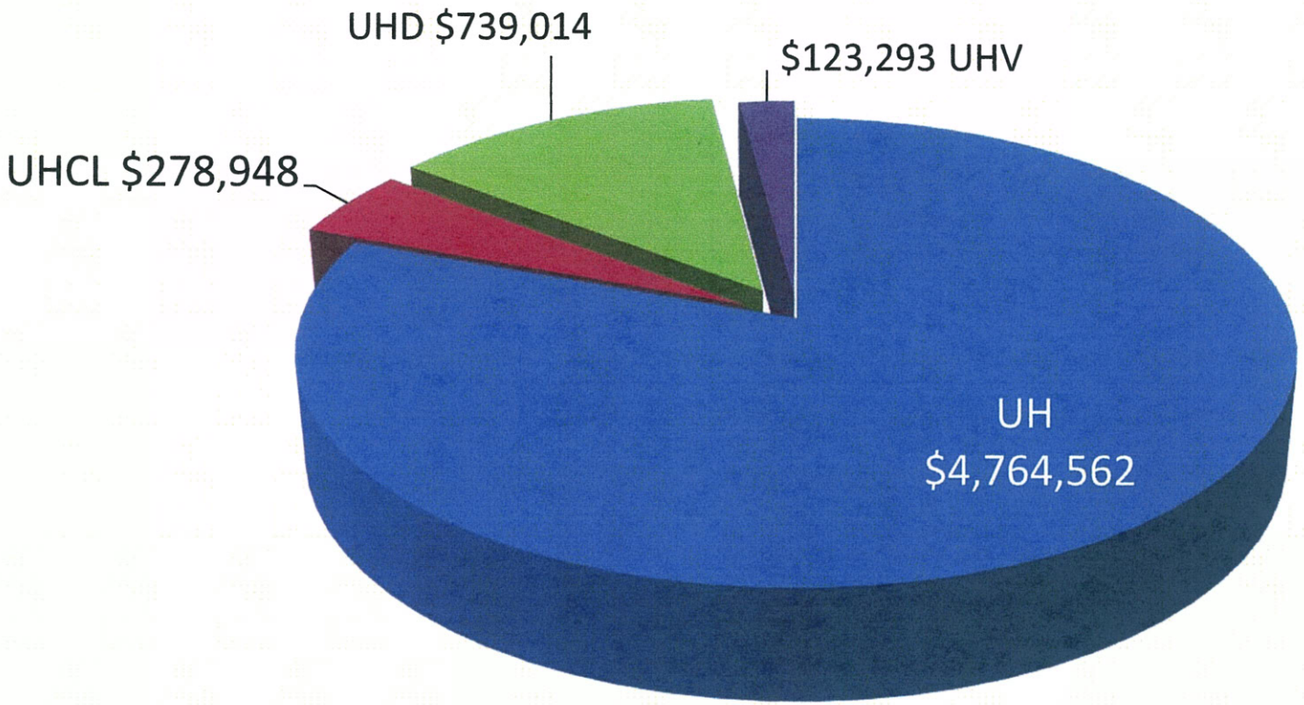
Proportion of Student Debt by Type



F&A – 2.1.6

UNIVERSITY OF HOUSTON SYSTEM

Tuition, Fees, Loans By Campus



F&A – 2.1.7

Uncollectable Receivables from Sponsored Research Awards

F&A – 2.1.8

We bill sponsors for:

the DIRECT COSTS (DC) associated with doing sponsored research,

and

the INDIRECT COSTS (IDC) the overhead we receive on sponsored research awards

UNIVERSITY OF HOUSTON SYSTEM

UH Research Annual Totals

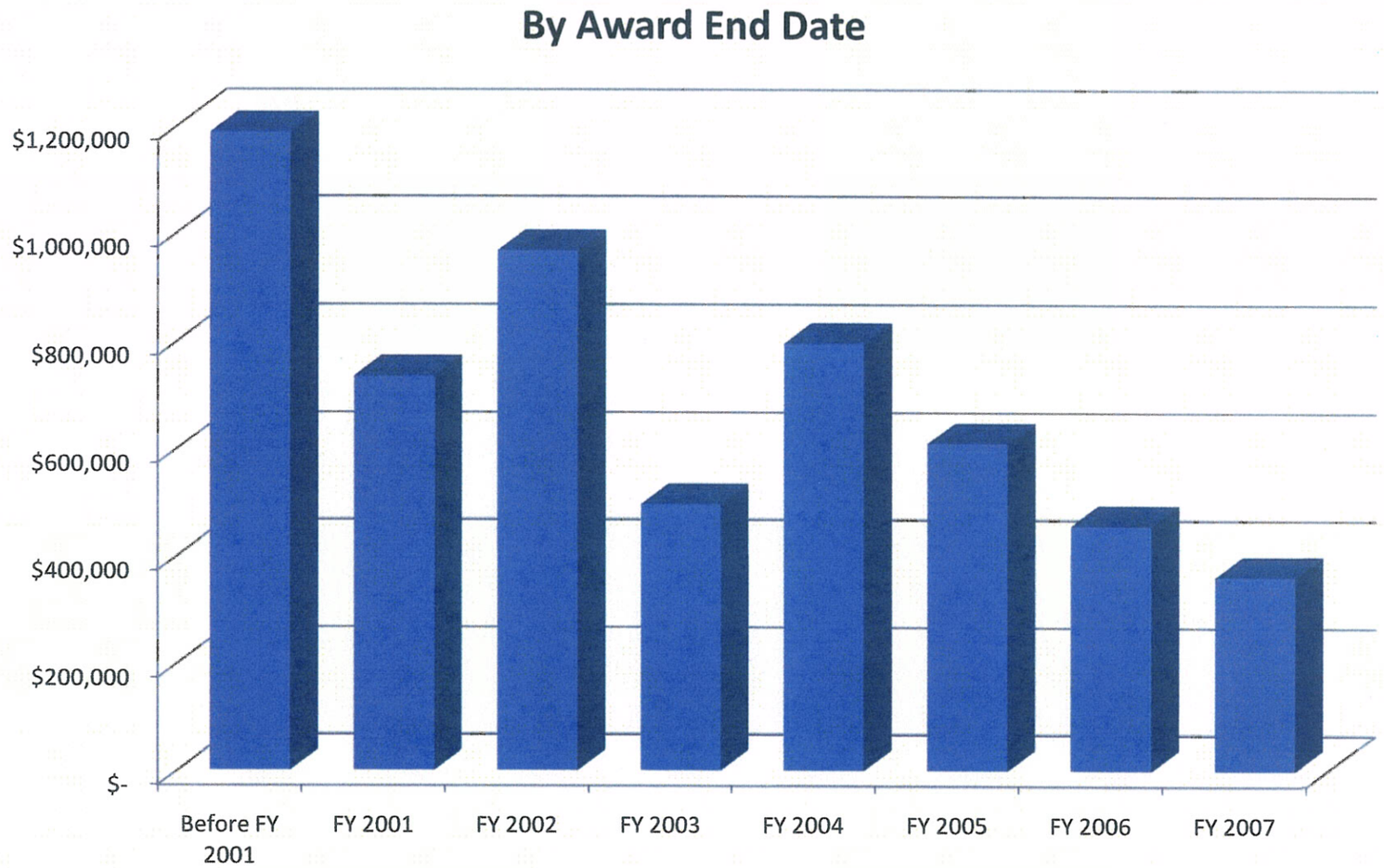
Year	Research Expenditures
2006	$68,759,067
2007	$71,188,359
2008	$79,774,630
2009	$82,844,190
2010	$90,008,348

F&A – 2.1.9

UNIVERSITY OF HOUSTON SYSTEM

History of Awards Uncollectible

F&A – 2.1.10

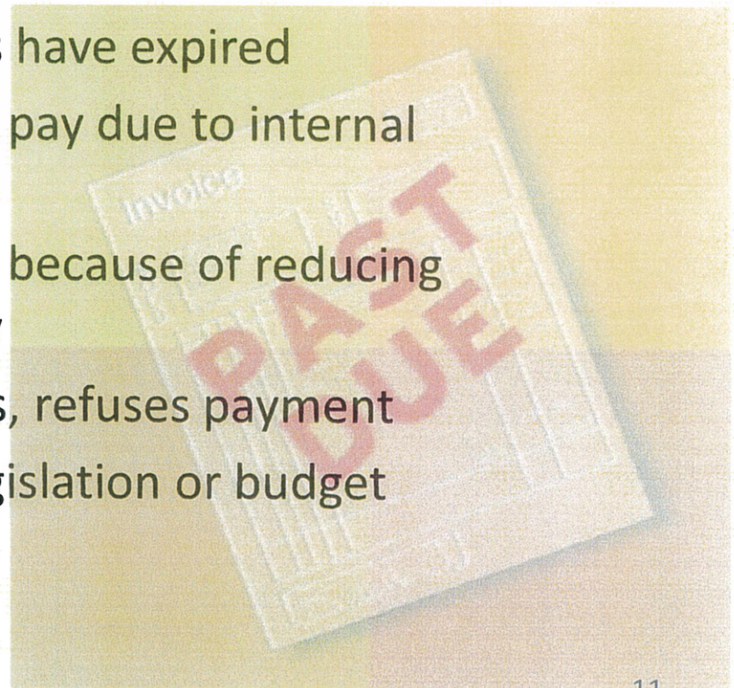


Total Accumulated Award Deficit: $5,607,282

Why can't we collect?

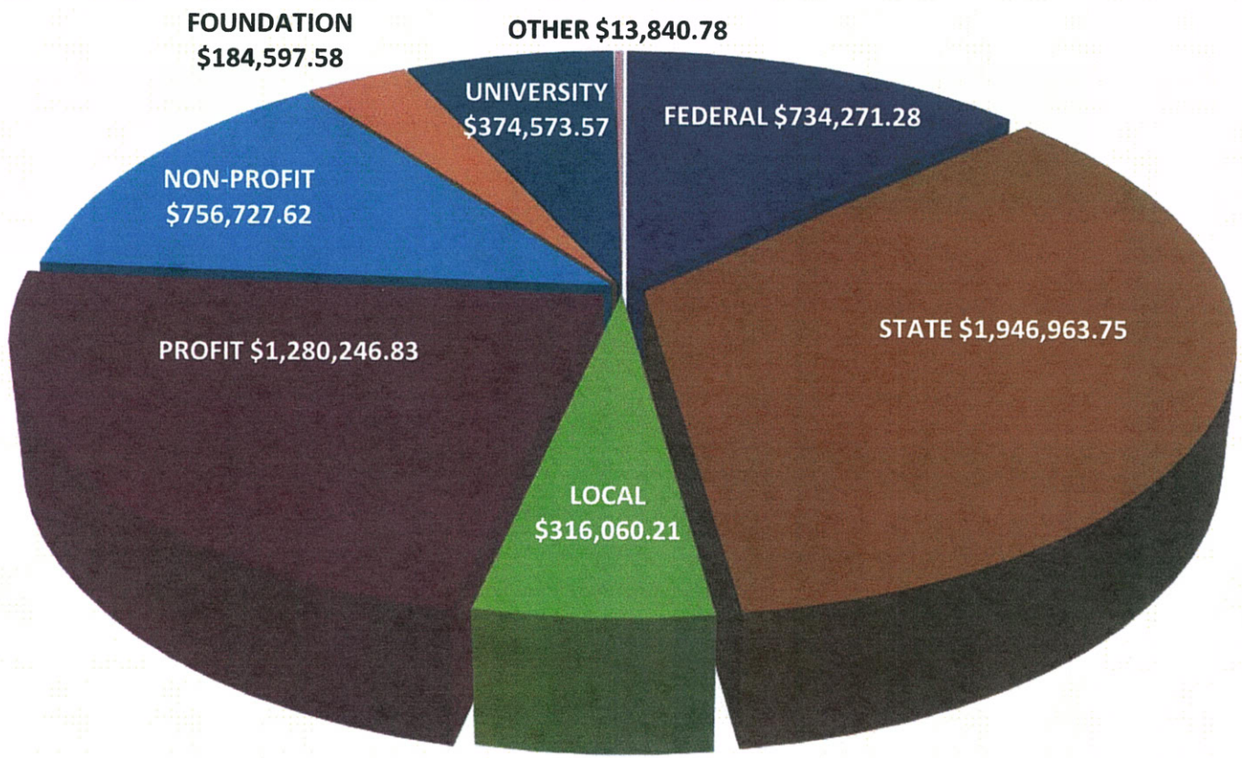
Common Reasons for Nonpayment of Invoices

- Expenses posted to award after final invoice or expiration of letter of credit
- Sponsor not invoiced or not invoiced correctly due to bad setup
- Sponsor invoiced but claims to not receive it
- Sponsor receives invoice after funds have expired
- Sponsor receives invoice but fails to pay due to internal mistakes or misrouting
- Sponsor does not have funds to pay because of reducing or ceasing operations or bankruptcy
- Sponsor rejects work or deliverables, refuses payment
- Sponsor funds withdrawn due to legislation or budget cuts
- Sponsor not responsive



UNIVERSITY OF HOUSTON SYSTEM

Accumulated Award Deficit by Sponsor Type



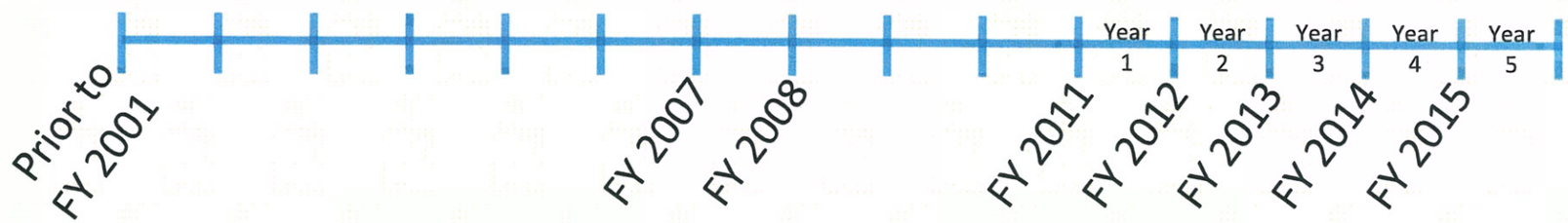
F&A – 2.1.12

UNIVERSITY OF HOUSTON SYSTEM

Financial Solution Overview

F&A – 2.1.13

Annual Allocation of $1.12 million
Bad Debt Payment for Five Years



Prior to FY 2001
Deficit: $1,187,393

Allowability Accounting Adjustment
Deficit: $341,878

Material Deficit
Deficit: $4,078,011

Propose we write off deficits totaling $5,607,282.

UNIVERSITY OF HOUSTON SYSTEM

Moving Forward

actions taken

- ☑ Trained RFS analysts in research administration
- ☑ Involved RFS analysts in award setup
- ☑ Partnered with Research Accounting on collections
- ☑ Negotiated payment plans for delinquent sponsors

be proactive

- Consider sponsor payment history for new proposals or awards
- Generate a statement with every invoice
- Separate bank account for Research payments

act quickly

- New AR tracking and aging system; use consistent approach across campus
- Issue collection letters promptly
- Inform and involve PI and department
- Use all available sponsor contacts

enforce accountability

- Fully analyze each case
- Hold appropriate parties accountable
- Pursue action against non-paying sponsors
- Create bad debt reserve fund
- Annual write-off of bad debt

F&A – 2.1.14

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance & Administration

ITEM: Approval is requested to write off obsolete Capital Assets for FY2010

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

Approval is requested to write off obsolete equipment and library book inventories with a total residual value of $1,202,934 for FY2010 for the Universities of Houston, Clear Lake, Downtown, Victoria and System Administration. The residual value of $1,202,934 pertains to $9.0 million in original book value less $7.8 million in accumulated depreciation. For FY2009, the comparable reduction of inventory had residual value of $420,156 with a book value of $9.9 million and accumulated depreciation of $9.5 million.

In the disposal of obsolete inventory, the University follows state guidelines for the disposal of fixed assets, which includes sales by public auction, trade-in for purchases, transfers to assistance organizations such as school districts, and, for the library, the removal of books and periodicals from circulation.

	FY 2010
University of Houston	$ 1,076,514
University of Houston System	633
University of Houston – Clear Lake	34,819
University of Houston – Downtown	74,971
University of Houston – Victoria	15,997
	$ 1,202,934

SUPPORTING DOCUMENTATION: Schedule of Reduction in Capital Assets for FY2010. Detailed schedules are on file in the UH Division of Finance Offices.

FISCAL NOTE: Requested write off total $1,202,934.

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston System

EXECUTIVE VICE CHANCELLOR Carl Carlucci — **DATE** 2/1/2011

CHANCELLOR Renu Khator — **DATE** 2/2/11

University of Houston
Reduction in Capital Assets
Fiscal Year 2010

Summary by Type of Reduction	ORIGINAL COST	DEPRECIATION	RESIDUAL VALUE
Equipment			
Sold	$ 711,608	$ 233,299	$ 478,309
Salvaged	$ 2,024,403	$ 1,894,942	$ 129,461
Obsolete	$ 2,584,243	$ 2,547,408	$ 36,834
Traded - In	$ 163,300	$ 148,720	$ 14,580
Lost/Stolen	$ 214,432	$ 187,371	$ 27,061
Returned to Sponsor	$ 1,028,088	$ 529,306	$ 498,782
Transferred to Assistance Organizations	$ 60,593	$ 60,240	$ 353
Transferred to Other Government Units	$ 35,762	$ 18,208	$ 17,554
Total Reductions in Equipment	$ 6,822,429	$ 5,619,494	$ 1,202,934
Library Books			
Withdrawn From Circulation	$ 2,210,611	$ 2,210,611	$ -
Total Reductions in Capital Assets	$ 9,033,040	$ 7,830,105	$ 1,202,934

Summary by Campus			
University of Houston	$ 3,565,594	2,489,080	1,076,514
UH System Administration	$ 6,327	5,694	633
UH - Clear Lake	$ 3,096,820	3,062,001	34,819
UH - Downtown	$ 2,114,398	2,039,427	74,971
UH - Victoria	$ 249,900	233,903	15,997
Total Reductions in Capital Assets	$ 9,033,039	7,830,105	1,202,934

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Approval is requested to delegate authority to the Chancellor to negotiate and execute insurance policy renewals for Fiscal Year 2011.

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

Approval is requested to delegate authority to the Chancellor to negotiate and execute insurance policy renewals for Fiscal Year 2011.

Most of UHS insurance policies renew March 1 or April 30, 2011. The current annualized insurance expense is under $4.3 million. We expect insurance renewal rates to increase modestly due to various aspects of the University's growth. Policy quotations have not been received thus the exact insurance premium is unknown at this time. Therefore we are asking for a Delegation of Authority to the Chancellor to negotiate insurance coverage terms and purchase insurance policies in an amount not to exceed $5 million for FY11.

SUPPORTING DOCUMENTATION: Insurance Renewal Status Report

FISCAL NOTE: Estimated annual premiums not to exceed $5,000, 000.

RECOMMENDATION/ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston System

EXECUTIVE VICE CHANCELLOR — Carl Carlucci — DATE 2/1/2011

CHANCELLOR — Renu Khator — DATE 2/5/11

2011 Insurance Renewal Status Report

Current and Projected Insurance Premiums:
The University of Houston System's insurance program for Fiscal Year 2010 consisted of 22 policies with an aggregate annual cost of $4.3 million. The following is a summary of current and projected premiums by policy type and component.

Policy Type:

Policy Type	Premium FY09	Premium FY10	Estimated Annual Premium FY11
Property & Boiler/Machinery	$2,940,724	$2,872,222	$3,160,000
NCAA Medical Accident	$536,460	$561,460	$610,330
Directors & Officers / Employment Practices Liability	$206,000	$203,870	$215,000
Medical Malpractice	$107,032	$115,401	$125,000
Automobile	$115,977	$76,151	$85,000
All Others (15-17 Policies) and Broker Fees	$448,376	$411,428	$344,670
Total	$4,354,569	$4,240,532	$4,540,000

Component:

Component	Premium FY09	Premium FY10	Estimated Annual Premium FY11
UH System	$83,334	$80,653	$88,718
UH	$3,573,424	$3,440,728	$3,660,217
UH – Downtown	$285,981	$285,361	$313,897
UH – Clear Lake	$325,451	$336,227	$369,849
UH Victoria	$87,379	$97,563	$107,319
Total	$4,354,569	$4,240,532	$4,540,000

Renewal Process:
The State Office of Risk Management (SORM) administers the Property, Directors and Officers/Employment Practices/Educators Legal, and Automobile insurance programs. Willis of Texas brokers most of the other insurance policies. We should receive quotes for most of the policies in mid February with renewals March 1, 2011 and the property quotes will be received in early April with a renewal of April 30, 2011.

Marketing Projections:
Most insurance policies are expected to renew with modest premium increases. The changes are expected due to the addition of new buildings (property insurance), other aspects of the University System's growth and recent claims.

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Re-approval of Construction of Classroom and Business Building at the University of Houston and to delegate authority to the Chancellor to negotiate and execute contracts up to $41,000,000.

DATE PREVIOUSLY SUBMITTED: August 2009

SUMMARY:

Re-approval is requested for the construction of Classroom and Business Building at the University of Houston, to raise the project budget from $31,000,000 to $41,000,000 and to delegate authority to the Chancellor to negotiate and execute contracts up to $41,000,000 associated with construction of this facility.

The current favorable bidding climate resulted in bids significantly below budget. This allowed the University to add an additional floor of shell space to the building within the approved project budget. It will also allow the University to build out the three floors of shell space at significantly less than originally estimated.

The building size would increase from 112,723 GSF to 146,940 GSF.

SUPPORTING DOCUMENTATION: Classroom and Business Building Project Budget, Schedule and Site Map

FISCAL NOTE: $41,000,000

RECOMMENDATION/ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston

Renu Khator
PRESIDENT Renu Khator **DATE** 2/2/11

EXECUTIVE VICE CHANCELLOR Carl Carlucci **DATE** 2/1/2011

Renu Khator
CHANCELLOR Renu Khator **DATE** 2/2/11

University of Houston
UH Classroom and Business Building
Supporting Information

PROPOSED BUDGET

Building Cost (New Construction)	$26,796,000
Fixed Equipment	$1,500,000
Site Development	$796,000
Furniture & Moveable Equipment	$3,000,000
Construction Services	$64,000
Architectural/Design Services	$2,128,000
Project Management(System)	$1,282,000
Other Professional Fees	$1,653,000
Administrative Costs	$235,000
Demolition	$65,000
Contingency	$3,170,000
Other Costs	$311,000
Total Project Costs	**$41,000,000**

PROPOSED SCHEDULE

Initial BOR Review & Approval	August 2009
Initial THECB Approval	December 2009
BOR Reapproval	February 2011
THECB Reapproval	March 2011
Construction Start	February 2011
Construction Completion Date	August 2012

FUNDING SOURCES

	ORIGINAL APPROVAL	BUDGET CHANGE	CURRENT BUDGET
HEAF	$5,000,000	($440,000)	$4,560,000
Designated Tuition and Fees (Bonds)	$25,000,000	$1,000,000	$26,000,000
Designated Tuition and Fees (Cash)	$0	$2,691,000	$2,691,000
Gifts/Donations	$1,000,000	$6,749,000	$7,749,000
TOTAL	**$31,000,000**	**$10,000,000**	**$41,000,000**


Classroom Business Building
CLEBURNE STATION
EAST UNIVERSITY STATION

F&A – 5.1.2

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Re-approval of Construction of Cemo Hall at the University of Houston and to delegate authority to the Chancellor to negotiate and execute contracts up to $10,599,000.

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

Re-approval is requested for the construction of Cemo Hall at the University of Houston, to raise the project budget from $8,987,000 to $10,599,000 and to delegate authority to the Chancellor to negotiate and execute contracts up to $10,599,000 associated with construction of this facility.

This budget increase is as a result of:

1. related site work, project utilities and new utility tunnel funded from HEAF funds
2. the additional costs associated with the water infiltration remediation
3. additional costs associated with the redesign and construction of the Testing Center

The testing center was reprogrammed and redesigned to work in conjunction with the new Classroom and Business Building which was approved and programmed after the initial Cemo Hall approval.

SUPPORTING DOCUMENTATION: Cemo Hall Project Budget, Schedule and Site Map

FISCAL NOTE: $10,599,000

RECOMMENDATION/ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston

Renu Khator
PRESIDENT Renu Khator **DATE** 2/2/11

EXECUTIVE VICE CHANCELLOR Carl Carlucci **DATE** 2/1/2011

Renu Khator
CHANCELLOR Renu Khator **DATE** 2/2/11

University of Houston
UH CEMO Hall
Supporting Information

PROPOSED BUDGET

Building Cost (New Construction)	$7,295,000
Fixed Equipment	$758,000
Site Development	$379,000
Furniture & Moveable Equipment	$375,000
Construction Services	$56,000
Architectural/Design Services	$1,076,000
Project Management(System)	$267,000
Other Professional Fees	$193,000
Administrative Costs	$2,000
Contingency	$128,000
Other Costs	$70,000
Total Project Costs	**$10,599,000**

PROPOSED SCHEDULE

Initial BOR Review & Approval	May 2007
Initial THECB Approval	June 2007
BOR Reapproval	January 2011
THECB Reapproval	March 2011
Construction Start	March 2009
Construction Completion Date	June 2011

FUNDING SOURCES

	ORIGINAL APPROVAL	BUDGET INCREASE	CURRENT BUDGET
HEAF	$2,500,000	$1,418,800	$3,918,800
GIFTS/DONATIONS	$6,487,800	$34,200	$6,522,000
DESIGNATED TUITION	$0	$8,200	$8,200
REVENUE BONDS	$0	$150,000	$150,000
TOTAL	**$8,987,800**	**$1,611,200**	**$10,599,000**


Cemo Lecture Hall
CLEBURNE STATION
EAST UNIVERSITY STATION