



Agenda Items
Meeting
of the
Board of Regents

February 6, 2025



**MEETING OF THE BOARD OF REGENTS
THE TEXAS A&M UNIVERSITY SYSTEM
February 6, 2025
College Station, Texas**

REGULAR AGENDA ITEMS

1. COMMITTEE ON FINANCE

- 1.1 Approval to Establish a New Graduate Competency-Based Education Program Fee at East Texas A&M University, A&M System
- 1.2 Approval of Revisions to System Policy 22.02, *System Investment*, A&M System

2. COMMITTEE ON AUDIT

- 2.1 Approval of Revisions to System Policy 07.04, *Gifts, Donations and Honoraria*, A&M System

3. COMMITTEE ON BUILDINGS AND PHYSICAL PLANT

- 3.1 Approval of the Project Scope and Increased Budget, Appropriation for Construction Services, and Approval for Construction for the Teaching & Academic Student Support Services Facility Project, Prairie View A&M University, Prairie View, Texas (Project No. 05-3380), A&M System
- 3.2 Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the South Texas Workforce Development Project, Texas A&M Engineering Extension Service, Brownsville, Texas (Project No. 09-3426), A&M System
- 3.3 Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the New Event Center/Arena Project, East Texas A&M University, Commerce, Texas (Project No. 21-3390), A&M System
- 3.4 Approval to Amend the FY 2025 – FY 2029 A&M System Capital Plan to Add the Player Development Center at Blue Bell Park Project for Texas A&M University with an FY 2025 Start Date and Appropriate Funding for Pre-Construction Services (Project No. 02-3448), Texas A&M
- 3.5 Approval to Amend the FY 2025 – FY 2029 A&M System Capital Plan to Add the Student Housing Phase III and Dining Project for Texas A&M University-San Antonio with an FY 2025 Start Date and Appropriate Funding for Pre-Construction Services (Project No. 25-3444), A&M-San Antonio

**Certified by the general counsel or other appropriate attorney as confidential or information that may be withheld from public disclosure in accordance with Section 551.1281 and Chapter 552 of the Texas Government Code.*

Informational Report

Report of System Construction Projects Authorized by the Board

4. COMMITTEE ON ACADEMIC AND STUDENT AFFAIRS

(No agenda items)

5. THE TEXAS A&M UNIVERSITY SYSTEM BOARD OF REGENTS (not assigned to Committee)Executive Session Items

- 5.1 *Authorization for the President to Negotiate and Execute an Employment Contract with the Head Football Coach, PVAMU
- 5.2 *Authorization to Negotiate and Execute a Ground Lease of Approximately 2.92 Acres of Land for Construction of a Hangar at Easterwood Airport, A&M System
- 5.3 *Authorization to Negotiate and Execute a Lease of Space in Galleria Village Located at 1716 Briarcrest Drive, Bryan, Brazos County, Texas, Texas A&M
- 5.4 *Authorization to Negotiate and Execute a Lease of Space in the Valley Park Center Building Located at 400 Harvey Mitchell Parkway, College Station, Brazos County, Texas, Texas A&M
- 5.5 *Authorization to Negotiate and Execute an Agreement and Other Related Documents with Aegis Aerospace, Inc., Texas A&M
- 5.6 Establish the INSPIRE Alliance – Integrated National Security: Precise Insight & Resilient Engineering (INSPIRE), TEES
- 5.7 (Placeholder) *Appointment of Chief Auditor, BOR, A&M System

Regular Item

- 5.8 Adoption of a Resolution Honoring Charlie Hrnrcir for his Leadership and Service as Chief Auditor of The Texas A&M University System and Bestowing the Title of Chief Auditor Emeritus, BOR, A&M System

6. CONSENT AGENDA ITEMSThe Texas A&M University System/Board of Regents

- 6.1 Approval of Minutes, BOR
- 6.2 Approval of Revisions to System Policy 02.04, *System Members of The Texas A&M University System*, A&M System
- 6.3 Approval of Revisions to System Policy 11.09, *Low-Producing Academic Programs*, A&M System

**Certified by the general counsel or other appropriate attorney as confidential or information that may be withheld from public disclosure in accordance with Section 551.1281 and Chapter 552 of the Texas Government Code.*

- 6.4 Confirmation of New and Amended Field Trip and Study Abroad Fees for The Texas A&M University System, A&M System
- 6.5 Confirmation of Appointment and Commissioning of Peace Officers, A&M System
- 6.6 Granting of the Title of Emeritus, February 2025, The Texas A&M University System, A&M System
- 6.7 Approval for Dr. Amir Asadi and Dr. Dorrin Jarrahbashi, System Employees, to Serve as Members of the Board of Directors, and Employees of Advanced Micro Spray, LLC, a Business Entity that has Licensed Technology from The Texas A&M University System, A&M System
- 6.8 Approval for Dr. Cédric Geoffroy and Dr. Arthur Sefiani, System Employees, to Serve as Officers, Members of the Board of Directors, and Employees of NeuroCreis, Inc., a Business Entity that Proposes to License Technology from The Texas A&M University System, A&M System
- 6.9 Approval for Dr. Dinakar Sagapuram and Dr. Prabhakar Pagilla, System Employees, to Serve as Officers, Members of the Board of Directors and Employees of MetPeel, Inc., a Business Entity that Proposes to License Technology from The Texas A&M University System, A&M System
- 6.10 Approval for Dr. Charles Aubeny, a System Employee, to Serve as Chief Technology Officer, Member of the Board of Directors, and Employee of Deep Anchor Solutions Inc., a Business Entity that Proposes to License Technology from The Texas A&M University System, A&M System

East Texas A&M University

- 6.11 *Naming of the Gamebird Habitat Trails, ETAMU

Prairie View A&M University

- 6.12 Approval of Academic Tenure, February 2025, PVAMU

Tarleton State University

- 6.13 Granting of Faculty Development Leave for FY 2026, Tarleton
- 6.14 Authorization to Award an Honorary Degree to O.H. “Bud” Frazier, M.D., Tarleton
- 6.15 Approval of a New Master of Science Degree Program with a Major in Rehabilitation Science and Authorization to Request Approval from the Texas Higher Education Coordinating Board, Tarleton
- 6.16 Approval of a New Master of Science Degree Program with a Major in Speech-Language Pathology and Authorization to Request Approval from the Texas Higher Education Coordinating Board, Tarleton

**Certified by the general counsel or other appropriate attorney as confidential or information that may be withheld from public disclosure in accordance with Section 551.1281 and Chapter 552 of the Texas Government Code.*

- 6.17 Approval of a New Master of Science Degree Program with a Major in School Mental Health Counseling and Authorization to Request Approval from the Texas Higher Education Coordinating Board, Tarleton
- 6.18. Adoption of a Resolution Honoring the Tarleton Men’s Rodeo Team, Tarleton

Texas A&M International University

- 6.19 Approval of a New Bachelor of Science Degree Program with a Major in Civil Engineering, and Authorization to Request Approval from the Texas Higher Education Coordinating Board, TAMIU
- 6.20 Approval of a New Bachelor of Science Degree Program with a Major in Computer Science, and Authorization to Request Approval from the Texas Higher Education Coordinating Board, TAMIU

Texas A&M University

- 6.21 Approval of Academic Tenure, February 2025, Texas A&M
- 6.22 Granting of Faculty Development Leave for FY 2026, Texas A&M
- 6.23 Establishment of the Center for Comparative Genomics, Texas A&M (also listed under AgriLife Research)
- 6.24 *Naming of Athletics Facilities and Related Structures, Texas A&M
- 6.25 *Naming of a Graduate Program in Mays Business School, Texas A&M
- 6.26 *Naming of the Small Animal Teaching Hospital, Texas A&M
- 6.27 *Naming of a Space in the Harrington Education Center Office Tower, Texas A&M
- 6.28 *Naming of Spaces within the Instructional Laboratory and Innovative Learning Building (ILSQ), Texas A&M

Texas A&M University-Central Texas

- 6.29 Approval of Academic Tenure, February 2025, A&M-Central Texas

Texas A&M University-Corpus Christi

- 6.30 *Naming of the I-Create Makerspace in the Mary and Jeff Bell Library on the Campus of Texas A&M University-Corpus Christi, A&M-Corpus Christi
- 6.31 *Naming of the Lounge within the Special Collections and Archives Space in the Downtown Building, A&M-Corpus Christi

**Certified by the general counsel or other appropriate attorney as confidential or information that may be withheld from public disclosure in accordance with Section 551.1281 and Chapter 552 of the Texas Government Code.*

- 6.32 *Naming of Practice Room in the New Arts and Media Building on the Campus of Texas A&M University-Corpus Christi, A&M-Corpus Christi
- 6.33 *Naming of the Small Gallery Space on the First Floor in the Downtown Building, A&M-Corpus Christi
- 6.34 *Naming of a Staff Office within the Special Collections and Archives Space in the Downtown Building, A&M-Corpus Christi

Texas A&M University-Kingsville

- 6.35 Granting of Faculty Development Leave for FY 2026, Texas A&M-Kingsville

Texas A&M University-San Antonio

- 6.36 Granting of Faculty Development Leave for FY 2026, A&M-San Antonio
- 6.37 Approval of a New Bachelor of Science Degree Program with a Major in Electrical Engineering and Authorization to Request Approval from the Texas Higher Education Coordinating Board, A&M-San Antonio

Texas A&M University-Texarkana

- 6.38 Approval of Academic Tenure, February 2025, TAMUT
- 6.39 Approval of Amended Mission Statement and Authorization to Provide Notification to the Texas Higher Education Coordinating Board, TAMUT
- 6.40 Approval of a New Master of Public Administration Degree Program with a Major in Public Administration and Authorization to Request Approval from the Texas Higher Education Coordinating Board, TAMUT
- 6.41 *Naming of Various Facilities and Areas, TAMUT

West Texas A&M University
(No consent agenda items)

Texas A&M AgriLife Extension Service
(No consent agenda items)

Texas A&M AgriLife Research

- 6.23 Establishment of the Center for Comparative Genomics, AgriLife Research (also listed under Texas A&M)
- 6.42 *Naming of a Room and Facility in the Animal Reproductive Biotechnology Center, AgriLife Research

Texas A&M Engineering Experiment Station
(No consent agenda items)

**Certified by the general counsel or other appropriate attorney as confidential or information that may be withheld from public disclosure in accordance with Section 551.1281 and Chapter 552 of the Texas Government Code.*

Texas A&M Engineering Extension Service

- 6.43 *Authorization of Signature Authority for Phillips 66 Letter of Agreement, Contract 25-115478, TEEX

Texas A&M Forest Service

- 6.44 *Authorization to Grant a Conditional Roadway Easement along State Highway 75 North in Huntsville, Walker County, Texas, to the Texas Department of Transportation, TFS
- 6.45 Authorization to Execute FY 2025 Federal Non-research Grant Agreements, and any Amendments, Modifications or Extensions, TFS

Texas A&M Veterinary Medical Diagnostic Laboratory

- 6.46 *Naming of the Lobby of the Texas A&M Veterinary Medical Diagnostic Laboratory College Station Laboratory, TVMDL

Texas A&M Transportation Institute

(No consent agenda items)

Texas Division of Emergency Management

(No consent agenda items)

A&M System	The Texas A&M University System
A&M-Central Texas	Texas A&M University-Central Texas
A&M-Corpus Christi	Texas A&M University-Corpus Christi
A&M-San Antonio	Texas A&M University-San Antonio
A/E.....	Architect/Engineer
AgriLife Extension.....	Texas A&M AgriLife Extension Service
AgriLife Research	Texas A&M AgriLife Research
BOR	Board of Regents
FP&C.....	Facilities Planning and Construction
ETAMU	East Texas A&M University
POR.....	Program of Requirements
PUF	Permanent University Fund
PVAMU.....	Prairie View A&M University
RELLIS	Respect, Excellence, Leadership, Loyalty, Integrity and Selfless Service
RFS.....	Revenue Financing System
TAMHSC	Texas A&M Health Science Center
TAMIU	Texas A&M International University
TAMUG.....	Texas A&M University at Galveston
TAMUT	Texas A&M University-Texarkana
Tarleton.....	Tarleton State University
TEES.....	Texas A&M Engineering Experiment Station
TEEX.....	Texas A&M Engineering Extension Service
Texas A&M at Qatar.....	Texas A&M University at Qatar
Texas A&M	Texas A&M University
Texas A&M-Kingsville.....	Texas A&M University-Kingsville
TDEM.....	Texas Division of Emergency Management
TFS.....	Texas A&M Forest Service
THECB.....	Texas Higher Education Coordinating Board
TTI.....	Texas A&M Transportation Institute
TVMDL.....	Texas A&M Veterinary Medical Diagnostic Laboratory
UTIMCO.....	The University of Texas/Texas A&M Investment Management Company
WTAMU.....	West Texas A&M University

Agenda Item No.

AGENDA ITEM BRIEFING

Submitted by: Billy Hamilton, Deputy Chancellor and Chief Financial Officer
The Texas A&M University System

Subject: Approval to Establish a New Graduate Competency-Based Education Program Fee at East Texas A&M University

Proposed Board Action:

Approve the establishment of the new Graduate Competency-Based Education Program Fee at East Texas A&M University (ETAMU) to be effective with the fall 2025 semester.

Background Information:

The Texas Education Code provides guidance on all student tuition, fees and charges allowable for collection by institutions of higher education. Many of the authorized tuition and fees require approval from the Board of Regents (Board) prior to implementation.

As shown on the attached exhibit, ETAMU proposes to create a new Graduate Competency-Based Education Program fee. ETAMU currently offers competency-based education programs for undergraduate students in multiple areas. Approval of this new Graduate Competency-Based Education program fee would allow students obtaining their master's degree to also benefit from the affordable fee structure and the reduced time to degree.

A&M System Funding or Other Financial Implications:

See attached exhibit.

Strategic Plan Imperative(s) this Item Advances:

This agenda item is relevant to the advancement of all the imperatives of the Strategic Plan.

Agenda Item No.

THE TEXAS A&M UNIVERSITY SYSTEM
Office of the Deputy Chancellor and Chief Financial Officer
December 18, 2024

Members, Board of Regents
The Texas A&M University System

Subject: Approval to establish the New Graduate Competency-Based Education Program Fee at East Texas A&M University

I recommend adoption of the following minute order:

“The request to establish the new Graduate Competency-Based Education Program Fee at East Texas A&M University, as shown on the attached exhibit, is hereby approved to be effective with the fall 2025 semester.”

Respectfully submitted,

Billy Hamilton
Deputy Chancellor and
Chief Financial Officer

Approval Recommended:

Approved for Legal Sufficiency:

John Sharp
Chancellor

Ray Bonilla
General Counsel

Request for a NEW Graduate Program Fee
EAST TEXAS A&M UNIVERSITY
Graduate Competency-Based Education Fee
Effective Fall 2025

I. Programmatic justification and proposed new Graduate Competency-Based Education program

The establishment of the Graduate Competency-Based Education (CBE) program fee, at \$2,000 per term, is essential to support the launch of three new master's degree programs. East Texas A&M University (ETAMU) is currently offering the program at the undergraduate level and would like to expand the offering to graduate students. This allows charging a lower fee structure in lieu of traditional degree programs, making it more affordable and faster for students to complete.

Competency-based education allows a student to utilize their experience to prove mastery of competencies, instead of a set schedule and hard deadlines for assignments. If a student has experience and proves mastery of the required competencies, they are able to complete the course regardless of how much time has passed.

ETAMU would begin by offering three master's degrees: MS in Organizational Leadership, MS in Public Safety, and an MEd in Instructional Design. Without implementing this new program fee, these programs would be financially unsustainable due to the increased faculty compensation requirements for terminal degree holders. This new program fee ensures program viability while maintaining competitive pricing with other similar programs.

The CBE master's programs will maintain the following key benefits for students: online course delivery, 7-week terms, smaller class sizes, and no costs for books. The program completion timeline for CBE students consists of five 7-week terms at \$2,000 per term, totaling \$10,000 for the full master's degree. Students can potentially reduce their total costs by accelerating their progression through the program, saving them time and money. Students in traditional master's programs typically pay higher overall cost while receiving less scheduling flexibility and taking longer to complete the program.

Currently, undergraduate students can obtain CBE degrees in criminal justice, general studies, health services administration, human resource development, nursing, organizational leadership, teacher certification, public administration, city planning, and safety and health.

II. Student Cost Comparison

Traditional Path - Non-CBE (30 SCHs)	\$22,806
CBE Cost at \$2,000 per term (Five 7-week terms, 30 SCHs)	<u>\$10,000</u>
CBE Savings to student	<u>\$12,806</u>

Request for New Program Fee
EAST TEXAS A&M UNIVERSITY
 Graduate Competency-Based Education Program Fee

Proposed Fee: \$2,000 per student/per each 7-week Term

Projected Fall 2025 Student Enrollment: 90

	FY 2026 Budget
BEGINNING BALANCE	0
Revenues	
Fees	900,000
Total Revenues	900,000
Expenses	
Salaries & Wages	400,000
Fringe Benefits	100,000
Departmental Operations	40,000
Maintenance/Equipment	20,000
Software	140,000
Wrap Around Student Support	200,000
Total Expenses	900,000
Increase/Decrease in Balance	0
ENDING BALANCE	0

Agenda Item No.

AGENDA ITEM BRIEFING

Submitted by: Maria L. Robinson, Chief Investment Officer and Treasurer
The Texas A&M University System

Subject: Approval of Revisions to System Policy 22.02, *System Investment*

Proposed Board Action:

Approve revisions to System Policy 22.02, *System Investment*.

Background Information:

As part of the ongoing review by treasury personnel and the system's investment consultant, revisions are recommended to System Policy 22.02, *System Investment*.

It is recommended that the asset allocations for the Cash Concentration Pool and System Endowment Fund be revised to combine Domestic Equity and International Equity into a single category of Global Public Equity. Correlations between U.S. and international markets have been increasing, making the traditional separation of geographies less strategically necessary. Additionally, instead of maintaining and managing two separate allocations with potentially different strategic targets, the investment team can focus on comprehensive equity exposure and selecting the most compelling opportunities across the global landscape.

Reducing the structural constraints around high-quality active managers has historically created greater alpha opportunities for long-term investors. This is highlighted in the increased dispersion of returns between the top and bottom quartile of active managers in the global equity category (when compared against the U.S. Large Cap universe, for example) and also in the percentage of active managers that outperform the passive index in the category. Approximately 60% of the Global Large Cap Core Equity Universe of managers outperformed the index over the ten years ending September 30, 2024. Supplementing new global manager mandates, The Texas A&M University System will continue to use geographically focused, bottom-up managers while aligning the overall portfolio exposures with the broad global market.

The other recommended change to Section 2.2.15 clarifies that the 10% limit on private equity investments does not include co-investments but applies to the fundraise for the primary investment vehicles only. The policy has also been renumbered to 22.01.

A&M System Funding or Other Financial Implications:

None.

Agenda Item No.
Agenda Item Briefing

Strategic Plan Imperative(s) this Item Advances:

Approval of this agenda item will advance The Texas A&M University System strategic imperative 6, which provides that “The A&M System, in adhering to the high standard of excellence and growth required in this strategic plan, will display prudent financial stewardship and sustainability.” More specifically, this request is in compliance with the requirements of the General Appropriations Act.

Agenda Item No.

THE TEXAS A&M UNIVERSITY SYSTEM

Office of Treasury Services

December 19, 2024

Members, Board of Regents
The Texas A&M University System

Subject: Approval of Revisions to System Policy 22.02, *System Investment*

I recommend adoption of the following minute order:

“The revisions to System Policy 22.02, *System Investment*, as shown in the attached exhibit are approved, effective immediately.”

Respectfully submitted,

Maria L. Robinson
Chief Investment Officer and Treasurer

Approval Recommended:

Approved for Legal Sufficiency:

John Sharp
Chancellor

Ray Bonilla
General Counsel

Billy Hamilton
Deputy Chancellor and
Chief Financial Officer

22.~~0102~~ System Investment

Revised February 6, 2025

Reviewed July 18, 2023

Next Scheduled Review: ~~July 18, 2024~~ February 6, 2026

Click to view [Revision History](#).



Policy Summary

This policy sets out the responsibilities of the Board of Regents (board), as assigned by law, to act as a fiduciary in the management of assets under the control of The Texas A&M University System (system) and delineates the roles and responsibilities of the chancellor and system staff regarding the management of assets under the control of the board.

Policy

1. GENERAL

- 1.1 As provided in the Texas Education Code, each board member has the legal responsibilities of a fiduciary in the management of funds under the control of the system. All investments will be made in accordance with applicable state and federal regulations. All assets of the system will at all times be vested in the board, and such assets will be deemed to be held by the board as a fiduciary regardless of the name in which the securities may be registered.
- 1.2 The board has granted to the chancellor the authority for the purchase, sale, assignment, transfer and management of all investments of any kind or character of the system or any member thereof and has authorized the chancellor to execute on behalf of the board or any member thereof any and all documents required in the purchase, sale, assignment, transfer and management of these investments.
- 1.3 The chancellor may delegate to treasury personnel the authority to execute any and all documents required to accomplish the actions outlined above and the deposit, withdrawal, or transfer of assets on behalf of the members.
- 1.4 Investments are defined to include, but are not limited to, any monetary or negotiable asset or property right held by a member including all operating, non-operating and other funds. This includes any asset or property right acquired or held by any member as trustee of a trust or as executor of an estate. Assets will include land and other real property, market investments, business enterprises and any other investments of any kind or character held or acquired by such funds.
- 1.5 Prudent Investor Rule – Each person responsible for making or retaining each and all investments and in acquiring, investing, reinvesting, exchanging, retaining, selling,

supervising and managing funds will do so in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

- 1.6 In the management of system investments, consideration will be given to general economic/capital market conditions, the possible effect of inflation or deflation, the expected tax consequences, the role that each investment or course of action plays within the overall investment portfolio and the requirements for liquidity, diversification, safety of principal, yield, maturity, and quality and capability of investment management, ~~with the primary emphasis on safety~~. Consideration will also be given to incur only costs that are appropriate and reasonable in relation to the assets.
- 1.7 The overall objective of the investment policy is to invest the system's available funds in such a manner as to earn as high a level of return as can reasonably be achieved within the framework of the policy and consistent with the system's primary objective of the safety and preservation of capital.
- 1.8 Each custodian bank will furnish monthly statements to the Office of the Deputy Chancellor and Chief Financial Officer that will include cost and market value for all positions, industry segmentation and percentage composition of the portfolio represented by each issue. The custodian bank statements will be used as the basis for quarterly investment performance reports to the board.
- 1.9 Coordination of investment policy, cash management and system depositories' activities will be maintained by the chancellor through the Office of the Deputy Chancellor and Chief Financial Officer.
- 1.10 The chancellor will provide the board's Committee on Finance an annual report on the need to revise the system investment policy in regard to authorized securities, asset allocation, payout or any other pertinent matters.

2. INVESTMENT OF FUNDS

2.1 Quality Restrictions

For the purpose of this policy all traditional fixed income securities which use long-term credit ratings must be rated the equivalent of "B" or better by a nationally recognized statistical rating organization. The fixed income portfolios must have an overall credit rating of "A" or better by a nationally recognized statistical rating organization. Securities using short-term credit ratings must be rated at least A-2, P-2, F-2 or the equivalent by a nationally recognized statistical rating service.

2.2 Authorized Investments

- 2.2.1 Direct obligations of the principal and interest which are guaranteed by the United States Government or its agencies to include:
 - (a) obligations of the U.S. Treasury.
 - (b) direct obligations guaranteed by the Federal Intermediate Credit Bank (FICB), Federal National Mortgage Association (FNMA), Federal Farm

Credit Bank (FFCB), Government National Mortgage Association (GNMA), Student Loan Marketing Association (SLMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Bank (FHLB), Tennessee Valley Authority (TVA) and other government-sponsored entities (GSE).

- 2.2.2 Obligations of states, agencies, counties, cities and other political subdivisions of any state.
- 2.2.3 United States dollar denominated debentures or obligations and preferred and common stocks issued by corporations, associations or other institutions, and convertible securities of all kinds issued by corporations. Not more than 4.9% of the voting stock of any one corporation will be owned by the system at any given time. This includes participation in publicly traded domestic Real Estate Investment Trusts (REITs).
- 2.2.4 Debentures or obligations, and preferred or common stock of international governments and corporations. International preferred and common stock issues must be listed on an organized stock exchange. Utilization of derivatives for the hedging of currency risk is permissible.
- 2.2.5 Certificates of Deposit issued by state and national banks not to exceed 10% of banks' total deposits. Certificates of Deposit must be insured by the Federal Deposit Insurance Corporation, or its successor, or secured (collateralized) by surety bond, or obligations described in this policy, with such collateral to be held by a third party, and that at all times will have a market value of not less than the principal amount of the certificates or in any manner and amount provided by law for deposits of the investing entities, and with the additional provision that all collateral based on direct agency or instrumentality issued mortgage backed securities must have been rated the equivalent of "AAA" by a nationally recognized credit rating organization (NRSRO).
- 2.2.6 Negotiable Certificates of Deposit issued by a bank that has a certificate of deposit rating of at least 1 or the equivalent by a nationally recognized rating agency or that is associated with a holding company having a commercial paper rating of at least A-1, P-1 or the equivalent by a nationally recognized credit rating agency.
- 2.2.7 Deposits in federally insured savings and loan associations, building and loan associations, and state and national banks not to exceed the amount insured by the Federal Savings and Loan Insurance Corporation, the Federal Deposit Insurance Corporation or their successors.
- 2.2.8 Bankers Acceptances, accepted by a bank organized and existing under laws of the U.S. or any state, in accordance with Section 2.1.
- 2.2.9 Money Market Mutual Funds. Funds must be registered with the Securities and Exchange Commission, have a maximum maturity of 13 months and be no-load funds. Fund must have assets consisting of securities authorized under this policy.

- 2.2.10 Mutual Funds. Funds must be registered with the Securities and Exchange Commission and invest in assets authorized under this policy.
- 2.2.11 Direct Security Repurchase Agreements. Direct Repos must be fully secured (collateralized) by obligations authorized under this policy. Such collateral must be held by a third party. All agreements will be in compliance with Federal Reserve Bank guidelines.
- 2.2.12 Securities Lending. The securities lending agent is required to provide indemnification against borrower default. Further, loan exposure to borrowers must be diversified and managed within prudent limits to avoid concentrated borrower risk. The securities lending agent must provide credit approval for all borrowers and is required to perform on-going review and monitoring of borrower default risk and exposures. The amount of the portfolio out on loan must be limited to one-third of each portfolio. Cash collateral will be held in excess of the market value of lent securities in an amount no less than 102% of the market value. The securities lending agent is required to market the value of collateral daily and must review collateral positions and prices to ensure adequate collateral is received and prices used are current and valid. The investment collateral must be invested within the restrictions delineated under SEC Rule 2a-7 under the Investment Company Act of 1940. Basis risk in the portfolio is limited to 30 days when accounting for variable rate securities and loans by their respective reset dates. If loans are not in accordance with these guidelines, they are subject to termination.
- 2.2.13 Investments in bank loans and other non-traditional credit investments may be used to diversify and enhance the return of the portfolio.
- 2.2.14 Derivative instruments may be used in place of underlying securities to modify risk/return characteristics or to cost-effectively implement change in asset allocation. Additional uses of derivatives require written approval of the chancellor or designee. Derivative investments will not be utilized for the purpose of introducing leverage to the portfolio other than in accordance with Section 2.2.16.
- 2.2.15 Investments in venture capital and/or private equity partnerships may be used to enhance the expected return of the portfolio. These investments are long-term, illiquid, private partnerships with high variability of returns. Excluding co-investments, No~~No~~ investment will be made that would comprise more than 10% of total commitments to a single fundraise, which includes commingled and separately managed funds.
- 2.2.16 Investments in absolute return strategies may be used to diversify and enhance the return of the portfolio. Absolute return strategies may invest in derivative instruments, employ leverage and sell securities short. Hedge fund investments may be made in offshore limited partnership shares or by using blocker corporations in order to avoid unrelated business income tax (UBIT). No investment will be made that will comprise more than 10% of any partnership's assets other than a separate fund mandate for portfolio assets.

2.2.17 Real assets investments including timber, energy and real estate may be used to diversify and enhance the return of the portfolio. These investments are long-term, illiquid and have high variability of returns. No investment will be made that would comprise more than 10% of total commitments to a single fundraise, which includes commingled and separately managed funds.

2.3 Stock Rights, Fractional Shares, and Proxies

In each instance, exercise or sale of the rights is to be made at the discretion of the chancellor. The chancellor is authorized to execute proxies within the approved investment policy.

2.4 Quasi-Endowments

The board may, on recommendation of the chancellor, establish a quasi-endowment using any source of funding at its disposal except educational (program) and general funds and restricted gifts or grants. Income from funds held in quasi-endowments is available for the purpose established by the board. The corpus of such funds will be held until such time as the board, on recommendation of the chancellor, abolishes the quasi-endowment, at which time the corpus is available for such purpose(s) as may be designated by the board. All quasi-endowments established by the board will be invested in the System Endowment Fund.

2.5 Matching of Private Gifts from Available University Fund (AUF)

Subject to the availability of matching funds appropriated for that purpose by the board, and with the approval of the chancellor, the presidents of Texas A&M University and Prairie View A&M University are authorized to accept private gifts and to match such gifts with AUF monies, provided such actions are reported to the board at its next regularly scheduled meeting.

Authorization for the expenditure of AUF to match endowments is in the general appropriations act, subject to biennial renewal by the legislature. Matching may be completed as long as the pledge is received during a time when the rider authorization is in effect.

2.6 Investment Transactions

Sales, purchases and exchanges will be effected through financial institutions or through well-capitalized, nationally known investment firms which are recognized as being major participants in the equity and fixed income markets, in accordance with normal investment practices, if, in the judgment of the chancellor, these services will produce the maximum benefit to the system.

2.7 Use of Outside Investment Managers

2.7.1 The chancellor, within statutory and other regulatory authority, may place selected funds of the system with investment managers outside the system for investment

purposes. The investment of such funds will be subject to the same authorizations and criteria as prescribed for investments consistent with this investment policy.

2.7.2 External investment manager(s) will be governed by either a Letter of Instruction outlining investment instructions and asset allocation parameters expressed in writing by the chancellor or subscription/limited partnership/similar agreement(s). The Letter of Instruction will detail the specific investment benchmark to be used to evaluate the external investment manager.

2.7.3 Consistent with this investment policy statement and the Letter of Instruction or subscription/limited partnership/similar agreement(s), the external investment manager(s) will be responsible for making decisions on a fully discretionary basis. This includes buy, hold, sell, and timing decisions.

2.7.4 An external manager(s) will invest only into the security class(es) for which the external manager(s) is retained to manage. A fixed income manager(s) has full discretion to place funds into cash; however, the fixed income manager(s)'s performance will be measured against the investment benchmark detailed in the Letter of Instruction.

2.7.5 When prudent, system investment personnel may accept appointments on advisory boards or committees for external managers, serving in an advisory capacity with no additional compensation other than reimbursement for out-of-pocket expenses.

3. CASH MANAGEMENT

3.1 A centralized cash management program will be maintained with the objective that all available cash or cash equivalents are invested and reported in accordance with applicable rules and regulations.

3.2 The cash management system will provide competitive and enhanced returns for each member. There will be no subsidy from one member to another. The benefits of the cash management system will exceed the full incremental costs associated with implementing and managing the system.

3.3 The Office of the Deputy Chancellor and Chief Financial Officer is assigned staff responsibility for the management oversight of the system-wide cash management system, in coordination with appropriate member officials.

4. INVESTMENTS AND OTHER RELATIONSHIPS WITH DEPOSITORIES

4.1 The Office of the Deputy Chancellor and Chief Financial Officer is responsible for the overall coordination and direction of banking relationships, to include investments, deposits, custody, and other services with banking and similar financial institutions for the system and its members. Once each year, the Office of the Deputy Chancellor and Chief Financial Officer will provide to the chancellor certification that the investments and banking relationships are in compliance with the policy.

4.2 System Depositories

- 4.2.1 The system is authorized to maintain time and demand bank deposits with only those depositories recommended by the chancellor and approved by the board which have executed a depository agreement. Depository agreements will be executed in accordance with System Policy 25.07, *Contract Administration*. Depositories will be selected on the basis of competitive bids, and the bids will be reviewed by the Office of the Deputy Chancellor and Chief Financial Officer and made a part of the permanent records of the system. The only exceptions to the above are those working funds which may be authorized within the system with the approval of the member chief executive officer (CEO). Working funds established in a bank other than the approved depository bank must be approved by the chancellor, and all signers on the account must be approved by the member CEO. Such working funds are excluded from the provisions of the system investment policy inasmuch as such funds are not authorized to be invested. Whenever the amount of a working fund is in excess of needs, the excess will be transferred to the appropriate fiscal officer for management in accordance with system investment policy.
- 4.2.2 The amount of funds which may be deposited with any system bank will be limited to \$100,000,000 or 10% of total deposits, whichever is less. Collateral of 102% will be pledged against all deposits.
- 4.2.3 Only the chancellor and those officers and/or employees of the members specifically designated in writing by the chief executive officer of each member are authorized to deposit, withdraw, invest, transfer, or otherwise manage local funds of the respective members in time and demand deposits with system depositories.

4.3 Responsibilities of System Offices

The Office of the Deputy Chancellor and Chief Financial Officer is responsible for the overall administration of system banking relationships. This responsibility includes:

- (a) identification of proposed depositories;
- (b) securing approval of depositories by the board;
- (c) negotiating System Depository and Pledge Agreement(s);
- (d) preparation of depository, safe keeping and trust accounts agreements with depositories and trustee institutions for execution by the chancellor;
- (e) acceptance and release of securities pledged to secure deposits of the system;
- (f) maintenance of relationships with depositories and trustee institutions;
- (g) monitoring the amount of funds on deposit for each member in each depository and maintaining collateral at sufficient levels; and
- (h) maintenance of records of the specific deposits and related collateral levels for each member for both time and demand deposits;

4.4 Responsibilities of the Chancellor or the Chancellor's Designee at each Member

Within the overall investment and cash management program of the system, the chancellor or the chancellor's designee at each member and his or her successor in office, is responsible for:

- (a) reporting and making available for investment by the Office of the Deputy Chancellor and Chief Financial Officer all local funds for the member in deposits or other arrangements with system depositories;
- (b) designating in writing those persons who are authorized to withdraw, transfer or otherwise place local funds for the member in system depositories; and
- (c) furnishing one copy of each designation required by (b) above to the Office of the Deputy Chancellor and Chief Financial Officer.

5. SYSTEM ENDOWMENT FUND

5.1 Fund Name, Purpose and Eligibility for Participation

5.1.1 The System Endowment Fund as herein established will be known as "The Texas A&M University System Endowment Fund" (SEF) and will be under the control of the board, as Trustee.

5.1.2 The purpose of the SEF is to provide for the collective investment of all endowment and trust funds held by the system or by the board in a fiduciary capacity. The SEF is to provide funding for scholarships, fellowships, professorships, ~~and~~ academic chairs, and other uses as specified by donors.

5.1.3 No endowment or trust fund will be admitted unless it is under the sole control, with full discretion as to investments, of the board and/or an official or officials of the system in their official capacity. However, no such official, other than the board or chancellor will have any control over the management of the SEF other than to request admittance or withdrawal of any endowment or trust fund under his or her control as designated trustee thereof. No endowment or trust will be admitted which contains a specific provision against commingling or whose investment restrictions prohibit purchase of securities authorized in this system investment policy.

5.2 Investments

Investments of system funds must be accomplished in accordance with the following principles, objectives and purposes:

5.2.1 There are two primary investment objectives. One is to provide a continuing and dependable cash payout, stable and preferably growing in real terms, after giving effect to inflation. The second is to cause the total value of the fund to appreciate, over time, exclusive of growth derived from donations.

5.2.2 The cash payout requirement on the SEF is substantial and continuous. Income and capital appreciation must be sufficient to provide an adequate and consistent cash stream for the development of excellence and distinction in the academic programs of the system. In addition, the SEF needs to appreciate to ensure

preservation of the purchasing power of the SEF and also to satisfy the need for payout growth in the future.

5.2.3 Management of the SEF attempts to meet these objectives by maximizing the return on the SEF's investments, consistent with an appropriate level of risk. Additionally, the SEF must be diversified at all times to provide reasonable assurance that investment in a single security, a class of securities or industry will not have an excessive impact on the SEF.

5.2.4 A goal of the SEF is to maintain a balance between investment objectives and liquidity needs. Liquidity is necessary to meet the cash payout requirements and any extraordinary events. In many instances, the most appropriate investment option is one that comes with liquidity constraints. The tradeoff between appropriateness and liquidity will be considered throughout the portfolio construction process.

5.3 Asset Allocation

5.3.1 The SEF's asset allocation policy will be consistent with the investment objectives and risk tolerances. These policies, developed after examining the historical relationships of risk and return among asset classes and integrating an analysis of both assets and liabilities, are designed to provide the highest probability of meeting or exceeding the SEF's return objectives at the lowest possible risk. The overall objective of the SEF is to invest the funds in such a manner as to achieve a reasonable balance of growth of corpus and consistent payout while maintaining the purchasing power of these endowments, as can reasonably be achieved within the framework of the policy consistent with the system's objective of the safety and preservation of capital. Although dynamic capital markets may cause fluctuating risk/return opportunities over a market cycle, the following standards will be used as a flexible framework for asset allocation as measured at market value. The targets outlined below represent the current allocation objective of the board and must be adhered to within the range for each asset class as outlined below. The board recognizes markets will fluctuate and accordingly charges the Office of the Deputy Chancellor and Chief Financial Officer with aligning the actual allocation towards these targets on a quarterly basis.

<u>Asset Class</u>	<u>Target</u>	<u>Range</u>
Fixed Income	15%	10% - 20%
Domestic <u>Global</u> <u>Public</u>	15 <u>30%</u>	10 <u>20% - 25</u> 50%
Equity		<u>25%</u>
International <u>Equity</u>	15%	10% - 25%
Real Assets	15%	10% - 25%
Absolute Return	15%	10% - 20%
Private Equity	25%	15% - 35%

The SEF will compare total fund performance to a Policy Index that approximates the long-term asset allocation. The investment benchmarks that comprise the

Policy Index will be those detailed in the Letters of Instruction and/or designated by the Office of the Deputy Chancellor and Chief Financial Officer.

5.3.2 Traditional fixed income will be managed with a duration of +/- 30% of the effective duration of the investment benchmark detailed in the Letter of Instruction while seeking to outperform the investment benchmark and to attain performance in the top quartile when compared to an appropriate manager universe over a five-year moving time period. Long-term preservation of capital is the primary objective when making any fixed income investment.

5.3.3 The equity allocation will be diversified among the various management styles in order to attain the desired expected return within appropriate risk tolerances. These assets will be managed at a risk level (beta) of no greater than 1.20 times the investment benchmark detailed in the Letter of Instruction while seeking to outperform the investment benchmark and to attain performance in the top quartile when compared to an appropriate manager universe over a five-year moving time period. Diversification of each equity manager's portfolio will require no more than 25% of equities in one industry. Each equity manager is expected to stay fully invested in equities. In general, cash or cash equivalents should not exceed 5% of the market value of each equity portfolio. In the event of severe economic/capital market conditions or strong liquidity needs, the investment managers may raise a significant amount of cash. Any such decision arising from economic/capital market conditions must be explained in writing to the system staff within 10 working days thereafter. Any other deviations must first be communicated to, and approved in writing by, the designated member of the system staff. Long-term appreciation of the fund is the primary objective when making any equity investment.

5.3.4 Real Assets, Absolute Return and Private Equity investments will be selected and evaluated based on, but not limited to, the following criteria: tenure and track record of management team, expertise in targeted areas of investment, diversification strategy, use of leverage, liquidity of investments and performance relative to similar investments.

5.4 Distribution of Income

Distribution will be made quarterly as soon as practicable after the last calendar day of November, February, May and August of each fiscal year to the endowment and trust funds participating in the SEF during the respective quarter. The income distribution per unit for each fiscal year will be to distribute, excluding fees, 5% of the 20-quarter average market value per unit as of the end of the previous February.

5.5 Amendment or Termination of Plan

The board reserves the right to amend or terminate the SEF as it deems necessary or advisable.

6. SYSTEM CASH CONCENTRATION POOL

6.1 Fund Name, Purpose and Eligibility for Participation

6.1.1 The Cash Concentration Pool herein established will be known as "The Texas A&M University System Cash Concentration Pool" (Pool) and will be under the control of the board. The direction of the Pool will be under the chancellor in accordance with Section 1.3.

6.1.2 The purpose of the Pool is to provide for the collective investment of all operating, non-operating and other funds resting with the system or its members. The Pool was established to provide incremental return to assist in meeting the operating needs of the system.

6.1.3 All funds deposited into the Pool must be under sole control of the board and/or an official or officials of the system in their official capacity. However, no such official, other than the chancellor, will have any control over the management of the Pool other than to request deposits or withdrawals on the fund.

6.2 Investments

The Pool will be limited to such investments as are eligible under system investment policy as adopted by the board as amended from time to time.

6.3 Asset Allocation

6.3.1 The Pool’s asset allocation policy will reflect, and be consistent with, the investment objectives and risk tolerances. These policies, developed after examining the historical relationships of risk and return among asset classes and integrating an analysis of both assets and liabilities, are designed to provide the highest probability of meeting or exceeding the Pool’s return objectives at the lowest possible risk. The overall objective of the Pool is to invest the funds in such a manner as to achieve a reasonable balance of growth of corpus and consistent payout to meet the operating needs of the system, as can reasonably be achieved within the framework of the policy consistent with the system’s objective of the safety and preservation of capital. Although dynamic capital markets may cause fluctuating risk/return opportunities over a market cycle, the following standards will be used as a flexible framework for asset allocation and portfolio structure (as measured at market value). The targets outlined below represent the current allocation objective of the board and must be adhered to within the range for each asset class as outlined in this section. The board recognizes markets will fluctuate and accordingly charges the Office of the Deputy Chancellor and Chief Financial Officer with aligning the actual allocation towards these targets on a quarterly basis. All allocation percentages are to be exclusive of debt proceeds which are to be invested in the Short-Term Portfolio.

<u>Asset Class</u>	<u>Target</u>	<u>Range</u>
Short-Term Portfolio	8%	6% - 12%
Fixed Income	32%	27% - 37%
Domestic <u>Global</u> Public	20 <u>40</u> %	15 <u>30</u> % - 25 <u>50</u> %
Equity		<u>25</u> %

International Equity	20%	15%—25%
Absolute Return	20%	—15% - 25%

- 6.3.2 The Short-Term Portfolio will be managed to meet short-term cash requirements with a duration not to exceed one year.
- 6.3.3 Traditional fixed income will be managed with a duration +/- 30% of the effective duration of the investment benchmark detailed in the Letter of Instruction, while seeking to outperform the investment benchmark and to attain performance in the top quartile when compared to an appropriate manager universe over a five-year moving time period.
- 6.3.4 The equity allocations will be diversified among the various management styles and equity asset classes in order to attain the desired expected return within appropriate risk tolerances. These assets will be managed at a risk level (beta) not to exceed 1.20 times the investment benchmark detailed in the Letter of Instruction while seeking to outperform the investment benchmark and to rank in the top quartile when compared to an appropriate manager universe over a five-year moving time period. Diversification of each manager’s portfolio will require no more than 25% of equities in one industry. Each equity manager is expected to stay fully invested in equities. In general, cash and cash equivalents should not exceed 5% of the market value of each equity portfolio.
- 6.3.5 Absolute return strategies will be selected and evaluated based on, but not limited to, the following criteria: tenure and track record of management team, expertise in targeted areas of investment, diversification strategy, use of leverage, liquidity of investments, level of general partner investment, fees and potential conflicts of interest.

6.4 Amendment or Termination of Plan

The board reserves the right to amend or terminate the Pool as it deems necessary or advisable.

7. PLACEMENT AGENTS

The purpose of this provision of the system investment policy is to ensure all system investment transactions and decisions are free from improper influence or the appearance of such consistent with the board’s fiduciary responsibilities. The system requires transparency and accountability of the role of the placement agent. Prior to investing with an investment manager, the system must obtain a statement from the manager that it did not use a placement agent in connection with the system’s investment or, if the manager has used a placement agent, it will disclose certain information regarding the payment of or the incurrence of an obligation to pay any placement fee and the services to be performed by the placement agent including as set forth in the placement agent questionnaire submitted to treasury personnel. Furthermore, the fund or manager must certify, represent and warrant that the disclosures required by the questionnaire are complete, true and correct in all material respects. The system cannot be responsible or liable for the payment of any placement fee unless such

amounts are completely offset by reductions to the management fees or other fees payable by the system to the fund.

Related Statutes, Policies, or Requirements

[System Policy 07.01, Ethics](#)

[System Policy 07.03, Conflicts of Interest, Dual Office Holding and Political Activities](#)

[System Policy 25.07, Contract Administration](#)

Tex. Educ. Code §§ [51.003](#), [51.0031](#)

[Tex. Prop. Code Ch. 163](#)

Member Rule Requirements

A rule is not required to supplement this policy.

Contact Office

Treasury Services
(979) 458-6330

22.01 System Investment

Revised [February 6, 2025](#)

Next Scheduled Review: February 6, 2026

Click to view [Revision History](#).



Policy Summary

This policy sets out the responsibilities of the Board of Regents (board), as assigned by law, to act as a fiduciary in the management of assets under the control of The Texas A&M University System (system) and delineates the roles and responsibilities of the chancellor and system staff regarding the management of assets under the control of the board.

Policy

1. GENERAL

- 1.1 As provided in the Texas Education Code, each board member has the legal responsibilities of a fiduciary in the management of funds under the control of the system. All investments will be made in accordance with applicable state and federal regulations. All assets of the system will at all times be vested in the board, and such assets will be deemed to be held by the board as a fiduciary regardless of the name in which the securities may be registered.
- 1.2 The board has granted to the chancellor the authority for the purchase, sale, assignment, transfer and management of all investments of any kind or character of the system or any member thereof and has authorized the chancellor to execute on behalf of the board or any member thereof any and all documents required in the purchase, sale, assignment, transfer and management of these investments.
- 1.3 The chancellor may delegate to treasury personnel the authority to execute any and all documents required to accomplish the actions outlined above and the deposit, withdrawal, or transfer of assets on behalf of the members.
- 1.4 Investments are defined to include, but are not limited to, any monetary or negotiable asset or property right held by a member including all operating, non-operating and other funds. This includes any asset or property right acquired or held by any member as trustee of a trust or as executor of an estate. Assets will include land and other real property, market investments, business enterprises and any other investments of any kind or character held or acquired by such funds.
- 1.5 Prudent Investor Rule – Each person responsible for making or retaining each and all investments and in acquiring, investing, reinvesting, exchanging, retaining, selling, supervising and managing funds will do so in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

- 1.6 In the management of system investments, consideration will be given to general economic/capital market conditions, the possible effect of inflation or deflation, the expected tax consequences, the role that each investment or course of action plays within the overall investment portfolio and the requirements for liquidity, diversification, safety of principal, yield, maturity, and quality and capability of investment management. Consideration will also be given to incur only costs that are appropriate and reasonable in relation to the assets.
- 1.7 The overall objective of the investment policy is to invest the system's available funds in such a manner as to earn as high a level of return as can reasonably be achieved within the framework of the policy and consistent with the system's primary objective of the safety and preservation of capital.
- 1.8 Each custodian bank will furnish monthly statements to the Office of the Deputy Chancellor and Chief Financial Officer that will include cost and market value for all positions, industry segmentation and percentage composition of the portfolio represented by each issue. The custodian bank statements will be used as the basis for quarterly investment performance reports to the board.
- 1.9 Coordination of investment policy, cash management and system depositories' activities will be maintained by the chancellor through the Office of the Deputy Chancellor and Chief Financial Officer.
- 1.10 The chancellor will provide the board's Committee on Finance an annual report on the need to revise the system investment policy in regard to authorized securities, asset allocation, payout or any other pertinent matters.

2. INVESTMENT OF FUNDS

2.1 Quality Restrictions

For the purpose of this policy all traditional fixed income securities which use long-term credit ratings must be rated the equivalent of "B" or better by a nationally recognized statistical rating organization. The fixed income portfolios must have an overall credit rating of "A" or better by a nationally recognized statistical rating organization. Securities using short-term credit ratings must be rated at least A-2, P-2, F-2 or the equivalent by a nationally recognized statistical rating service.

2.2 Authorized Investments

2.2.1 Direct obligations of the principal and interest which are guaranteed by the United States Government or its agencies to include:

- (a) obligations of the U.S. Treasury.
- (b) direct obligations guaranteed by the Federal Intermediate Credit Bank (FICB), Federal National Mortgage Association (FNMA), Federal Farm Credit Bank (FFCB), Government National Mortgage Association (GNMA), Student Loan Marketing Association (SLMA), Federal Home

Loan Mortgage Corporation (FHLMC), Federal Home Loan Bank (FHLB), Tennessee Valley Authority (TVA) and other government-sponsored entities (GSE).

- 2.2.2 Obligations of states, agencies, counties, cities and other political subdivisions of any state.
- 2.2.3 United States dollar denominated debentures or obligations and preferred and common stocks issued by corporations, associations or other institutions, and convertible securities of all kinds issued by corporations. Not more than 4.9% of the voting stock of any one corporation will be owned by the system at any given time. This includes participation in publicly traded domestic Real Estate Investment Trusts (REITs).
- 2.2.4 Debentures or obligations, and preferred or common stock of international governments and corporations. International preferred and common stock issues must be listed on an organized stock exchange. Utilization of derivatives for the hedging of currency risk is permissible.
- 2.2.5 Certificates of Deposit issued by state and national banks not to exceed 10% of banks' total deposits. Certificates of Deposit must be insured by the Federal Deposit Insurance Corporation, or its successor, or secured (collateralized) by surety bond, or obligations described in this policy, with such collateral to be held by a third party, and that at all times will have a market value of not less than the principal amount of the certificates or in any manner and amount provided by law for deposits of the investing entities, and with the additional provision that all collateral based on direct agency or instrumentality issued mortgage backed securities must have been rated the equivalent of "AAA" by a nationally recognized credit rating organization (NRSRO).
- 2.2.6 Negotiable Certificates of Deposit issued by a bank that has a certificate of deposit rating of at least 1 or the equivalent by a nationally recognized rating agency or that is associated with a holding company having a commercial paper rating of at least A-1, P-1 or the equivalent by a nationally recognized credit rating agency.
- 2.2.7 Deposits in federally insured savings and loan associations, building and loan associations, and state and national banks not to exceed the amount insured by the Federal Savings and Loan Insurance Corporation, the Federal Deposit Insurance Corporation or their successors.
- 2.2.8 Bankers Acceptances, accepted by a bank organized and existing under laws of the U.S. or any state, in accordance with Section 2.1.
- 2.2.9 Money Market Mutual Funds. Funds must be registered with the Securities and Exchange Commission, have a maximum maturity of 13 months and be no-load funds. Fund must have assets consisting of securities authorized under this policy.

- 2.2.10 Mutual Funds. Funds must be registered with the Securities and Exchange Commission and invest in assets authorized under this policy.
- 2.2.11 Direct Security Repurchase Agreements. Direct Repos must be fully secured (collateralized) by obligations authorized under this policy. Such collateral must be held by a third party. All agreements will be in compliance with Federal Reserve Bank guidelines.
- 2.2.12 Securities Lending. The securities lending agent is required to provide indemnification against borrower default. Further, loan exposure to borrowers must be diversified and managed within prudent limits to avoid concentrated borrower risk. The securities lending agent must provide credit approval for all borrowers and is required to perform on-going review and monitoring of borrower default risk and exposures. The amount of the portfolio out on loan must be limited to one-third of each portfolio. Cash collateral will be held in excess of the market value of lent securities in an amount no less than 102% of the market value. The securities lending agent is required to market the value of collateral daily and must review collateral positions and prices to ensure adequate collateral is received and prices used are current and valid. The investment collateral must be invested within the restrictions delineated under SEC Rule 2a-7 under the Investment Company Act of 1940. Basis risk in the portfolio is limited to 30 days when accounting for variable rate securities and loans by their respective reset dates. If loans are not in accordance with these guidelines, they are subject to termination.
- 2.2.13 Investments in bank loans and other non-traditional credit investments may be used to diversify and enhance the return of the portfolio.
- 2.2.14 Derivative instruments may be used in place of underlying securities to modify risk/return characteristics or to cost-effectively implement change in asset allocation. Additional uses of derivatives require written approval of the chancellor or designee. Derivative investments will not be utilized for the purpose of introducing leverage to the portfolio other than in accordance with Section 2.2.16.
- 2.2.15 Investments in venture capital and/or private equity partnerships may be used to enhance the expected return of the portfolio. These investments are long-term, illiquid, private partnerships with high variability of returns. Excluding co-investments, no investment will be made that would comprise more than 10% of total commitments to a single fundraise, which includes commingled and separately managed funds.
- 2.2.16 Investments in absolute return strategies may be used to diversify and enhance the return of the portfolio. Absolute return strategies may invest in derivative instruments, employ leverage and sell securities short. Hedge fund investments may be made in offshore limited partnership shares or by using blocker corporations in order to avoid unrelated business income tax (UBIT). No investment will be made that will comprise more than 10% of any partnership's assets other than a separate fund mandate for portfolio assets.

2.2.17 Real assets investments including timber, energy and real estate may be used to diversify and enhance the return of the portfolio. These investments are long-term, illiquid and have high variability of returns. No investment will be made that would comprise more than 10% of total commitments to a single fundraise, which includes commingled and separately managed funds.

2.3 Stock Rights, Fractional Shares, and Proxies

In each instance, exercise or sale of the rights is to be made at the discretion of the chancellor. The chancellor is authorized to execute proxies within the approved investment policy.

2.4 Quasi-Endowments

The board may, on recommendation of the chancellor, establish a quasi-endowment using any source of funding at its disposal except educational (program) and general funds and restricted gifts or grants. Income from funds held in quasi-endowments is available for the purpose established by the board. The corpus of such funds will be held until such time as the board, on recommendation of the chancellor, abolishes the quasi-endowment, at which time the corpus is available for such purpose(s) as may be designated by the board. All quasi-endowments established by the board will be invested in the System Endowment Fund.

2.5 Matching of Private Gifts from Available University Fund (AUF)

Subject to the availability of matching funds appropriated for that purpose by the board, and with the approval of the chancellor, the presidents of Texas A&M University and Prairie View A&M University are authorized to accept private gifts and to match such gifts with AUF monies, provided such actions are reported to the board at its next regularly scheduled meeting.

Authorization for the expenditure of AUF to match endowments is in the general appropriations act, subject to biennial renewal by the legislature. Matching may be completed as long as the pledge is received during a time when the rider authorization is in effect.

2.6 Investment Transactions

Sales, purchases and exchanges will be effected through financial institutions or through well-capitalized, nationally known investment firms which are recognized as being major participants in the equity and fixed income markets, in accordance with normal investment practices, if, in the judgment of the chancellor, these services will produce the maximum benefit to the system.

2.7 Use of Outside Investment Managers

2.7.1 The chancellor, within statutory and other regulatory authority, may place selected funds of the system with investment managers outside the system for investment purposes. The investment of such funds will be subject to the same authorizations and criteria as prescribed for investments consistent with this investment policy.

- 2.7.2 External investment manager(s) will be governed by either a Letter of Instruction outlining investment instructions and asset allocation parameters expressed in writing by the chancellor or subscription/limited partnership/similar agreement(s). The Letter of Instruction will detail the specific investment benchmark to be used to evaluate the external investment manager.
- 2.7.3 Consistent with this investment policy statement and the Letter of Instruction or subscription/limited partnership/similar agreement(s), the external investment manager(s) will be responsible for making decisions on a fully discretionary basis. This includes buy, hold, sell, and timing decisions.
- 2.7.4 An external manager(s) will invest only into the security class(es) for which the external manager(s) is retained to manage. A fixed income manager(s) has full discretion to place funds into cash; however, the fixed income manager(s)'s performance will be measured against the investment benchmark detailed in the Letter of Instruction.
- 2.7.5 When prudent, system investment personnel may accept appointments on advisory boards or committees for external managers, serving in an advisory capacity with no additional compensation other than reimbursement for out-of-pocket expenses.

3. CASH MANAGEMENT

- 3.1 A centralized cash management program will be maintained with the objective that all available cash or cash equivalents are invested and reported in accordance with applicable rules and regulations.
- 3.2 The cash management system will provide competitive and enhanced returns for each member. There will be no subsidy from one member to another. The benefits of the cash management system will exceed the full incremental costs associated with implementing and managing the system.
- 3.3 The Office of the Deputy Chancellor and Chief Financial Officer is assigned staff responsibility for the management oversight of the system-wide cash management system, in coordination with appropriate member officials.

4. INVESTMENTS AND OTHER RELATIONSHIPS WITH DEPOSITORIES

- 4.1 The Office of the Deputy Chancellor and Chief Financial Officer is responsible for the overall coordination and direction of banking relationships, to include investments, deposits, custody, and other services with banking and similar financial institutions for the system and its members. Once each year, the Office of the Deputy Chancellor and Chief Financial Officer will provide to the chancellor certification that the investments and banking relationships are in compliance with the policy.

4.2 System Depositories

- 4.2.1 The system is authorized to maintain time and demand bank deposits with only those depositories recommended by the chancellor and approved by the board

which have executed a depository agreement. Depository agreements will be executed in accordance with System Policy 25.07, *Contract Administration*. Depositories will be selected on the basis of competitive bids, and the bids will be reviewed by the Office of the Deputy Chancellor and Chief Financial Officer and made a part of the permanent records of the system. The only exceptions to the above are those working funds which may be authorized within the system with the approval of the member chief executive officer (CEO). Working funds established in a bank other than the approved depository bank must be approved by the chancellor, and all signers on the account must be approved by the member CEO. Such working funds are excluded from the provisions of the system investment policy inasmuch as such funds are not authorized to be invested. Whenever the amount of a working fund is in excess of needs, the excess will be transferred to the appropriate fiscal officer for management in accordance with system investment policy.

4.2.2 The amount of funds which may be deposited with any system bank will be limited to \$100,000,000 or 10% of total deposits, whichever is less. Collateral of 102% will be pledged against all deposits.

4.2.3 Only the chancellor and those officers and/or employees of the members specifically designated in writing by the chief executive officer of each member are authorized to deposit, withdraw, invest, transfer, or otherwise manage local funds of the respective members in time and demand deposits with system depositories.

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The Office of the Deputy Chancellor and Chief Financial Officer is responsible for the overall administration of system banking relationships. This responsibility includes:

- (a) identification of proposed depositories;
- (b) securing approval of depositories by the board;
- (c) negotiating System Depository and Pledge Agreement(s);
- (d) preparation of depository, safe keeping and trust accounts agreements with depositories and trustee institutions for execution by the chancellor;
- (e) acceptance and release of securities pledged to secure deposits of the system;
- (f) maintenance of relationships with depositories and trustee institutions;
- (g) monitoring the amount of funds on deposit for each member in each depository and maintaining collateral at sufficient levels; and
- (h) maintenance of records of the specific deposits and related collateral levels for each member for both time and demand deposits;

4.4 Responsibilities of the Chancellor or the Chancellor's Designee at each Member

Within the overall investment and cash management program of the system, the chancellor or the chancellor's designee at each member and his or her successor in office, is responsible for:

- (a) reporting and making available for investment by the Office of the Deputy Chancellor and Chief Financial Officer all local funds for the member in deposits or other arrangements with system depositories;
- (b) designating in writing those persons who are authorized to withdraw, transfer or otherwise place local funds for the member in system depositories; and
- (c) furnishing one copy of each designation required by (b) above to the Office of the Deputy Chancellor and Chief Financial Officer.

5. SYSTEM ENDOWMENT FUND

5.1 Fund Name, Purpose and Eligibility for Participation

- 5.1.1 The System Endowment Fund as herein established will be known as "The Texas A&M University System Endowment Fund" (SEF) and will be under the control of the board, as Trustee.
- 5.1.2 The purpose of the SEF is to provide for the collective investment of all endowment and trust funds held by the system or by the board in a fiduciary capacity. The SEF is to provide funding for scholarships, fellowships, professorships, academic chairs, and other uses as specified by donors.
- 5.1.3 No endowment or trust fund will be admitted unless it is under the sole control, with full discretion as to investments, of the board and/or an official or officials of the system in their official capacity. However, no such official, other than the board or chancellor will have any control over the management of the SEF other than to request admittance or withdrawal of any endowment or trust fund under his or her control as designated trustee thereof. No endowment or trust will be admitted which contains a specific provision against commingling or whose investment restrictions prohibit purchase of securities authorized in this system investment policy.

5.2 Investments

Investments of system funds must be accomplished in accordance with the following principles, objectives and purposes:

- 5.2.1 There are two primary investment objectives. One is to provide a continuing and dependable cash payout, stable and preferably growing in real terms, after giving effect to inflation. The second is to cause the total value of the fund to appreciate, over time, exclusive of growth derived from donations.
- 5.2.2 The cash payout requirement on the SEF is substantial and continuous. Income and capital appreciation must be sufficient to provide an adequate and consistent cash stream for the development of excellence and distinction in the academic programs of the system. In addition, the SEF needs to appreciate to ensure preservation of the purchasing power of the SEF and also to satisfy the need for payout growth in the future.

5.2.3 Management of the SEF attempts to meet these objectives by maximizing the return on the SEF's investments, consistent with an appropriate level of risk. Additionally, the SEF must be diversified at all times to provide reasonable assurance that investment in a single security, a class of securities or industry will not have an excessive impact on the SEF.

5.2.4 A goal of the SEF is to maintain a balance between investment objectives and liquidity needs. Liquidity is necessary to meet the cash payout requirements and any extraordinary events. In many instances, the most appropriate investment option is one that comes with liquidity constraints. The tradeoff between appropriateness and liquidity will be considered throughout the portfolio construction process.

5.3 Asset Allocation

5.3.1 The SEF's asset allocation policy will be consistent with the investment objectives and risk tolerances. These policies, developed after examining the historical relationships of risk and return among asset classes and integrating an analysis of both assets and liabilities, are designed to provide the highest probability of meeting or exceeding the SEF's return objectives at the lowest possible risk. The overall objective of the SEF is to invest the funds in such a manner as to achieve a reasonable balance of growth of corpus and consistent payout while maintaining the purchasing power of these endowments, as can reasonably be achieved within the framework of the policy consistent with the system's objective of the safety and preservation of capital. Although dynamic capital markets may cause fluctuating risk/return opportunities over a market cycle, the following standards will be used as a flexible framework for asset allocation as measured at market value. The targets outlined below represent the current allocation objective of the board and must be adhered to within the range for each asset class as outlined below. The board recognizes markets will fluctuate and accordingly charges the Office of the Deputy Chancellor and Chief Financial Officer with aligning the actual allocation towards these targets on a quarterly basis.

<u>Asset Class</u>	<u>Target</u>	<u>Range</u>
Fixed Income	15%	10% - 20%
Global Public Equity	30%	20% - 50%
Real Assets	15%	10% - 25%
Absolute Return	15%	10% - 20%
Private Equity	25%	15% - 35%

The SEF will compare total fund performance to a Policy Index that approximates the long-term asset allocation. The investment benchmarks that comprise the Policy Index will be those detailed in the Letters of Instruction and/or designated by the Office of the Deputy Chancellor and Chief Financial Officer.

5.3.2 Traditional fixed income will be managed with a duration of +/- 30% of the effective duration of the investment benchmark detailed in the Letter of Instruction while seeking to outperform the investment benchmark and to attain performance

in the top quartile when compared to an appropriate manager universe over a five-year moving time period. Long-term preservation of capital is the primary objective when making any fixed income investment.

5.3.3 The equity allocation will be diversified among the various management styles in order to attain the desired expected return within appropriate risk tolerances. These assets will be managed at a risk level (beta) of no greater than 1.20 times the investment benchmark detailed in the Letter of Instruction while seeking to outperform the investment benchmark and to attain performance in the top quartile when compared to an appropriate manager universe over a five-year moving time period. Diversification of each equity manager's portfolio will require no more than 25% of equities in one industry. Each equity manager is expected to stay fully invested in equities. In general, cash or cash equivalents should not exceed 5% of the market value of each equity portfolio. In the event of severe economic/capital market conditions or strong liquidity needs, the investment managers may raise a significant amount of cash. Any such decision arising from economic/capital market conditions must be explained in writing to the system staff within 10 working days thereafter. Any other deviations must first be communicated to, and approved in writing by, the designated member of the system staff. Long-term appreciation of the fund is the primary objective when making any equity investment.

5.3.4 Real Assets, Absolute Return and Private Equity investments will be selected and evaluated based on, but not limited to, the following criteria: tenure and track record of management team, expertise in targeted areas of investment, diversification strategy, use of leverage, liquidity of investments and performance relative to similar investments.

5.4 Distribution of Income

Distribution will be made quarterly as soon as practicable after the last calendar day of November, February, May and August of each fiscal year to the endowment and trust funds participating in the SEF during the respective quarter. The income distribution per unit for each fiscal year will be to distribute, excluding fees, 5% of the 20-quarter average market value per unit as of the end of the previous February.

5.5 Amendment or Termination of Plan

The board reserves the right to amend or terminate the SEF as it deems necessary or advisable.

6. SYSTEM CASH CONCENTRATION POOL

6.1 Fund Name, Purpose and Eligibility for Participation

6.1.1 The Cash Concentration Pool herein established will be known as "The Texas A&M University System Cash Concentration Pool" (Pool) and will be under the control of the board. The direction of the Pool will be under the chancellor in accordance with Section 1.3.

6.1.2 The purpose of the Pool is to provide for the collective investment of all operating, non-operating and other funds resting with the system or its members. The Pool was established to provide incremental return to assist in meeting the operating needs of the system.

6.1.3 All funds deposited into the Pool must be under sole control of the board and/or an official or officials of the system in their official capacity. However, no such official, other than the chancellor, will have any control over the management of the Pool other than to request deposits or withdrawals on the fund.

6.2 Investments

The Pool will be limited to such investments as are eligible under system investment policy as adopted by the board as amended from time to time.

6.3 Asset Allocation

6.3.1 The Pool's asset allocation policy will reflect, and be consistent with, the investment objectives and risk tolerances. These policies, developed after examining the historical relationships of risk and return among asset classes and integrating an analysis of both assets and liabilities, are designed to provide the highest probability of meeting or exceeding the Pool's return objectives at the lowest possible risk. The overall objective of the Pool is to invest the funds in such a manner as to achieve a reasonable balance of growth of corpus and consistent payout to meet the operating needs of the system, as can reasonably be achieved within the framework of the policy consistent with the system's objective of the safety and preservation of capital. Although dynamic capital markets may cause fluctuating risk/return opportunities over a market cycle, the following standards will be used as a flexible framework for asset allocation and portfolio structure (as measured at market value). The targets outlined below represent the current allocation objective of the board and must be adhered to within the range for each asset class as outlined in this section. The board recognizes markets will fluctuate and accordingly charges the Office of the Deputy Chancellor and Chief Financial Officer with aligning the actual allocation towards these targets on a quarterly basis. All allocation percentages are to be exclusive of debt proceeds which are to be invested in the Short-Term Portfolio.

<u>Asset Class</u>	<u>Target</u>	<u>Range</u>
Short-Term Portfolio	8%	6% - 12%
Fixed Income	32%	27% - 37%
Global Public Equity	40%	30% - 50%
Absolute Return	20%	15% - 25%

6.3.2 The Short-Term Portfolio will be managed to meet short-term cash requirements with a duration not to exceed one year.

- 6.3.3 Traditional fixed income will be managed with a duration +/- 30% of the effective duration of the investment benchmark detailed in the Letter of Instruction while seeking to outperform the investment benchmark and to attain performance in the top quartile when compared to an appropriate manager universe over a five-year moving time period.
- 6.3.4 The equity allocations will be diversified among the various management styles and equity asset classes in order to attain the desired expected return within appropriate risk tolerances. These assets will be managed at a risk level (beta) not to exceed 1.20 times the investment benchmark detailed in the Letter of Instruction while seeking to outperform the investment benchmark and to rank in the top quartile when compared to an appropriate manager universe over a five-year moving time period. Diversification of each manager's portfolio will require no more than 25% of equities in one industry. Each equity manager is expected to stay fully invested in equities. In general, cash and cash equivalents should not exceed 5% of the market value of each equity portfolio.
- 6.3.5 Absolute return strategies will be selected and evaluated based on, but not limited to, the following criteria: tenure and track record of management team, expertise in targeted areas of investment, diversification strategy, use of leverage, liquidity of investments, level of general partner investment, fees and potential conflicts of interest.

6.4 Amendment or Termination of Plan

The board reserves the right to amend or terminate the Pool as it deems necessary or advisable.

7. PLACEMENT AGENTS

The purpose of this provision of the system investment policy is to ensure all system investment transactions and decisions are free from improper influence or the appearance of such consistent with the board's fiduciary responsibilities. The system requires transparency and accountability of the role of the placement agent. Prior to investing with an investment manager, the system must obtain a statement from the manager that it did not use a placement agent in connection with the system's investment or, if the manager has used a placement agent, it will disclose certain information regarding the payment of or the incurrence of an obligation to pay any placement fee and the services to be performed by the placement agent including as set forth in the placement agent questionnaire submitted to treasury personnel. Furthermore, the fund or manager must certify, represent and warrant that the disclosures required by the questionnaire are complete, true and correct in all material respects. The system cannot be responsible or liable for the payment of any placement fee unless such amounts are completely offset by reductions to the management fees or other fees payable by the system to the fund.

Related Statutes, Policies, or Requirements

[System Policy 07.01, Ethics](#)

[System Policy 07.03, Conflicts of Interest, Dual Office Holding and Political Activities](#)

[System Policy 25.07, Contract Administration](#)

Tex. Educ. Code §§ [51.003](#), [51.0031](#)

[Tex. Prop. Code Ch. 163](#)

Member Rule Requirements

A rule is not required to supplement this policy.

Contact Office

Treasury Services
(979) 458-6330

Agenda Item No.

AGENDA ITEM BRIEFING

Submitted by: Janet Gordon, System Ethics and Compliance Officer
The Texas A&M University System

Subject: Approval of Revisions to System Policy *07.04, Gifts, Donations and Honoraria*

Proposed Board Action:

Approve revisions to System Policy *07.04, Gifts, Donations and Honoraria*.

Background Information:

System Policy 07.04 is proposed for revision to meet the requirements of Executive Order GA-48. Item two of the order states that “No personnel of a state agency controlled by gubernatorially appointed heads, or of public institutions of higher education, shall accept any gift, regardless of value, from an entity associated with or travel to, for professional purposes, a country on the U.S. Department of Commerce's foreign adversaries list under 15 C.F.R. § 791.4. All agencies and public institutions of public higher education affected by this order shall include this prohibition in their ethics policies and create a mechanism by which their employees can report being approached by groups representing these countries, that offer gifts or travel, or alleged violations of this ethics policy.” A new subsection 1.1.6 is proposed to add the required gift prohibition and reporting mechanism.

A&M System Funding or Other Financial Implications:

None.

Strategic Plan Imperative(s) this Item Addresses:

The board’s adoption, maintenance, and revision of system policies advances all eight Strategic Plan Imperatives by providing policy direction to the member institutions and agencies.

Agenda Item No.

THE TEXAS A&M UNIVERSITY SYSTEM
Office of the System Ethics and Compliance Officer
January 8, 2025

Members, Board of Regents
The Texas A&M University System

Subject: Approval of Revisions to System Policy *07.04, Gifts, Donations and Honoraria*

I recommend adoption of the following minute order:

“The revisions to System Policy *07.04, Gifts, Donations and Honoraria*, as shown in the attached exhibit, are approved, effective immediately.”

Respectfully submitted,

Janet Gordon
System Ethics and Compliance Officer

Approval Recommended:

John Sharp
Chancellor

Billy Hamilton
Deputy Chancellor and
Chief Financial Officer

Approved for Legal Sufficiency:

Ray Bonilla
General Counsel



07.04 Benefits, Gifts and Honoraria

[Revised February 6, 2025 \(MO – 2025\)](#)

~~[Revised February 9, 2023 \(MO 017-2023\)](#)~~

Next Scheduled Review: February ~~69~~, 20~~3028~~

Click to view [Revision History](#).

Policy Summary

This policy provides strict standards on when benefits and gifts may be offered to, or accepted from, third parties by members of the Board of Regents (board) of The Texas A&M University System (system) and system employees.

Definitions

Click to view [Definitions](#).

Policy

1. BENEFITS AND GIFTS

1.1 Prohibited Benefits and Gifts to Board Members and Employees

- 1.1.1 Board members and employees must not solicit, offer, confer, and agree to confer, accept or agree to accept any benefit in exchange for the board member's or employee's decision, opinion, recommendation, vote or other exercise of official power or discretion.
- 1.1.2 Board members and employees must not accept or solicit any gift, favor or service that might reasonably tend to influence the board member or employee in the discharge of official duties or that the board member or employee knows or should know is being offered with the intent to influence the board member's or employee's official conduct.
- 1.1.3 Board members and employees who exercise discretion in connection with contracts, purchases, payments, claims and other pecuniary transactions of government must not solicit, accept or agree to accept any benefit from any person the board member or employee knows is interested in or is likely to become interested in any contract, purchase, payment, claim or transaction involving the board member or employee's discretion.

1.1.3.1 EXCEPTION: Board members and employees may accept food, lodging, transportation or entertainment from persons or entities the board member or employee knows or reasonably should know are interested in or likely to become interested in a contract, purchase, payment, claim, decision or transaction involving the exercise of the board member's or employee's discretion only if the board member or employee is a "guest" as defined by Texas law. A board member or employee is a "guest" if the person or a representative of the entity providing the food, lodging, transportation or entertainment is present at the time the food, lodging, transportation or entertainment is received or enjoyed by the board member or employee.

1.1.3.2 Board members, the chancellor, presidents and agency directors are required to report any such benefits valued at over \$250 on their annual disclosure statements filed with the Texas Ethics Commission.

1.1.4 A benefit that is otherwise allowed by system policy is nevertheless prohibited if it is offered in exchange for official action, as described above.

1.1.5 Board members and employees who receive an unsolicited benefit that the board member or employee is prohibited from accepting by law may donate the benefit to a governmental entity that has the authority to accept the gift or may donate the benefit to a recognized tax-exempt charitable organization formed for educational, religious or scientific purposes.

~~1.1.5~~1.1.6 Employees must not accept any gift, including travel, from an entity associated with a country on the U.S. Department of Commerce's foreign adversaries list under 15 C.F.R. § 791.4. If a group representing one of these countries offers a gift to an employee, the employee must promptly report the offered gift by email to the employee's supervisor and the applicable member ethics and compliance officer.

1.2 Permitted Benefits and Gifts to Board Members and Employees

Board members and employees may accept the following:

- (a) Gifts or other benefits conferred on account of kinship or a personal, professional or business relationship independent of the board member's or employee's status as a board member or employee;
- (b) A fee prescribed by law to be received by the board member or employee or any other benefit to which the board member or employee is lawfully entitled or for which the board member or employee gives legitimate consideration in a capacity other than as a board member or employee;
- (c) A gift, award or memento that is received from a lobbyist who is required to make reports under Chapter 305 of the Government Code;
- (d) Items having a value of less than \$50, not including cash or negotiable instruments; and

- (e) Plaques and similar recognition awards, including achievement and recognition awards from the system.
- 1.3 Employees must disclose to their respective chief executive officers any benefit received in the course of official business having a value of more than \$250. The chancellor, presidents and agency directors must make such disclosures to the board. Board members must make such disclosures to the board's Committee on Audit.
- 1.4 Board members are subject to all the requirements of system travel regulations, except as follows:
 - 1.4.1 Reimbursement for expenses other than transportation, meals and lodging incurred by board members while traveling on official business may be reimbursed to board members from gift fund accounts even though they may not be reimbursable from other funding sources.
 - 1.4.2 When a board member engages in travel for which compensation is to be received from any source other than system funds, the member must not submit a claim under the provisions of system travel regulations. A board member who receives an overpayment for a travel expense must reimburse the system for the overpayment.

2. HONORARIA

- 2.1 Board members and employees must not solicit, accept or agree to accept an honorarium in consideration for services they would not have been asked to provide but for their official position or duties. This prohibition includes a request for or acceptance of a payment made to a third party if made in exchange for such services.
- 2.2 Board members and employees may accept the direct provision of or reimbursement for expenses for transportation and lodging incurred in connection with a speaking engagement at a conference or similar event. Meals provided as a part of the event or reimbursement for actual expenses for meals may also be accepted. Participation by the board member or employee in the event must be more than merely perfunctory.

3. GIFTS TO PUBLIC OFFICIALS

- 3.1 If a member provides tickets to a public official to allow the official and/or the official's guests to attend an event, an officer or employee of the member or the board must serve as host to the official and attend the event.
- 3.2 Members may provide public officials with small, infrequent gifts of perishable food items delivered to their offices if such gifts are unsolicited and are not offered in exchange for action or inaction on the part of the public official.
- 3.3 Members may pay expenses in order to furnish information to state officials relevant to their official position, including presentations about the programs and services of the system.

- 3.4 Board members and employees must not expend or authorize the expenditure of any system funds, services or supplies for the purpose of financing or otherwise supporting the candidacy of a person for an office in the legislative, executive or judicial branch of state government or of the government of the United States, or influencing the outcome of any election or the passage or defeat of any legislative measure.
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Related Statutes, Policies, or Requirements

[Tex. Penal Code Ch. 36, *Bribery and Corrupt Influence*](#)

[Tex. Penal Code Ch. 39, *Abuse of Office*](#)

[Tex. Gov't Code Ch. 556, *Political Activities by Certain Public Entities and Individuals*](#)

[Tex. Gov't Code Ch. 572, *Personal Financial Disclosure, Standards of Conduct, and Conflict of Interest*](#)

[Tex. Gov't Code Ch. 660, *Travel Expenses*](#)

[15 C.F.R. § 791.4, *Determination of Foreign Adversaries*](#)

[Executive Order No. GA-48 \(November 19, 2024\)](#)

[System Policy 07.01, *Ethics*](#)

[System Policy 07.03, *Conflicts of Interest, Dual Office Holding and Political Activities*](#)

[System Regulation 21.01.03, *Disbursement of Funds*](#)

Member Rule Requirements

A rule is not required to supplement this policy.

Contact Office

Ethics and Compliance
(979) 458-6162

System Policy 07.04, *Benefits, Gifts, and Honoraria*

Definitions

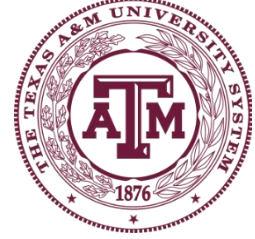
Benefit – anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare an employee has a direct and substantial interest.

Foreign Adversary—As designated by the U.S. Department of Commerce in 15 C.F.R. § 791.4, the following foreign governments or foreign non-government -These include the following:

- (1) The People's Republic of China, including the Hong Kong Special Administrative Region (China);
- (2) Republic of Cuba (Cuba);
- (3) Islamic Republic of Iran (Iran);
- (4) Democratic People's Republic of Korea (North Korea);
- (5) Russian Federation (Russia); and
- (6) Venezuelan politician Nicolás Maduro (Maduro Regime).

07.04 Benefits, Gifts and Honoraria

Revised [February 6, 2025](#) (MO – 2025)
Next Scheduled Review: February 6, 2030
Click to view [Revision History](#).



Policy Summary

This policy provides strict standards on when benefits and gifts may be offered to, or accepted from, third parties by members of the Board of Regents (board) of The Texas A&M University System (system) and system employees.

Definitions

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1.1 Prohibited Benefits and Gifts to Board Members and Employees

- 1.1.1 Board members and employees must not solicit, offer, confer, and agree to confer, accept or agree to accept any benefit in exchange for the board member's or employee's decision, opinion, recommendation, vote or other exercise of official power or discretion.
- 1.1.2 Board members and employees must not accept or solicit any gift, favor or service that might reasonably tend to influence the board member or employee in the discharge of official duties or that the board member or employee knows or should know is being offered with the intent to influence the board member's or employee's official conduct.
- 1.1.3 Board members and employees who exercise discretion in connection with contracts, purchases, payments, claims and other pecuniary transactions of government must not solicit, accept or agree to accept any benefit from any person the board member or employee knows is interested in or is likely to become interested in any contract, purchase, payment, claim or transaction involving the board member or employee's discretion.
 - 1.1.3.1 EXCEPTION: Board members and employees may accept food, lodging, transportation or entertainment from persons or entities the

board member or employee knows or reasonably should know are interested in or likely to become interested in a contract, purchase, payment, claim, decision or transaction involving the exercise of the board member's or employee's discretion only if the board member or employee is a "guest" as defined by Texas law. A board member or employee is a "guest" if the person or a representative of the entity providing the food, lodging, transportation or entertainment is present at the time the food, lodging, transportation or entertainment is received or enjoyed by the board member or employee.

1.1.3.2 Board members, the chancellor, presidents and agency directors are required to report any such benefits valued at over \$250 on their annual disclosure statements filed with the Texas Ethics Commission.

1.1.4 A benefit that is otherwise allowed by system policy is nevertheless prohibited if it is offered in exchange for official action, as described above.

1.1.5 Board members and employees who receive an unsolicited benefit that the board member or employee is prohibited from accepting by law may donate the benefit to a governmental entity that has the authority to accept the gift or may donate the benefit to a recognized tax-exempt charitable organization formed for educational, religious or scientific purposes.

1.1.6 Employees must not accept any gift, including travel, from an entity associated with a country on the U.S. Department of Commerce's foreign adversaries list under 15 C.F.R. § 791.4. If a group representing one of these countries offers a gift to an employee, the employee must promptly report the offered gift by email to the employee's supervisor and the applicable member ethics and compliance officer.

1.2 Permitted Benefits and Gifts to Board Members and Employees

Board members and employees may accept the following:

- (a) Gifts or other benefits conferred on account of kinship or a personal, professional or business relationship independent of the board member's or employee's status as a board member or employee;
- (b) A fee prescribed by law to be received by the board member or employee or any other benefit to which the board member or employee is lawfully entitled or for which the board member or employee gives legitimate consideration in a capacity other than as a board member or employee;
- (c) A gift, award or memento that is received from a lobbyist who is required to make reports under Chapter 305 of the Government Code;
- (d) Items having a value of less than \$50, not including cash or negotiable instruments; and

(e) Plaques and similar recognition awards, including achievement and recognition awards from the system.

1.3 Employees must disclose to their respective chief executive officers any benefit received in the course of official business having a value of more than \$250. The chancellor, presidents and agency directors must make such disclosures to the board. Board members must make such disclosures to the board's Committee on Audit.

1.4 Board members are subject to all the requirements of system travel regulations, except as follows:

1.4.1 Reimbursement for expenses other than transportation, meals and lodging incurred by board members while traveling on official business may be reimbursed to board members from gift fund accounts even though they may not be reimbursable from other funding sources.

1.4.2 When a board member engages in travel for which compensation is to be received from any source other than system funds, the member must not submit a claim under the provisions of system travel regulations. A board member who receives an overpayment for a travel expense must reimburse the system for the overpayment.

2. HONORARIA

2.1 Board members and employees must not solicit, accept or agree to accept an honorarium in consideration for services they would not have been asked to provide but for their official position or duties. This prohibition includes a request for or acceptance of a payment made to a third party if made in exchange for such services.

2.2 Board members and employees may accept the direct provision of or reimbursement for expenses for transportation and lodging incurred in connection with a speaking engagement at a conference or similar event. Meals provided as a part of the event or reimbursement for actual expenses for meals may also be accepted. Participation by the board member or employee in the event must be more than merely perfunctory.

3. GIFTS TO PUBLIC OFFICIALS

3.1 If a member provides tickets to a public official to allow the official and/or the official's guests to attend an event, an officer or employee of the member or the board must serve as host to the official and attend the event.

3.2 Members may provide public officials with small, infrequent gifts of perishable food items delivered to their offices if such gifts are unsolicited and are not offered in exchange for action or inaction on the part of the public official.

3.3 Members may pay expenses in order to furnish information to state officials relevant to their official position, including presentations about the programs and services of the system.

- 3.4 Board members and employees must not expend or authorize the expenditure of any system funds, services or supplies for the purpose of financing or otherwise supporting the candidacy of a person for an office in the legislative, executive or judicial branch of state government or of the government of the United States, or influencing the outcome of any election or the passage or defeat of any legislative measure.
-

Related Statutes, Policies, or Requirements

[Tex. Penal Code Ch. 36, *Bribery and Corrupt Influence*](#)

[Tex. Penal Code Ch. 39, *Abuse of Office*](#)

[Tex. Gov't Code Ch. 556, *Political Activities by Certain Public Entities and Individuals*](#)

[Tex. Gov't Code Ch. 572, *Personal Financial Disclosure, Standards of Conduct, and Conflict of Interest*](#)

[Tex. Gov't Code Ch. 660, *Travel Expenses*](#)

[15 C.F.R. § 791.4, *Determination of Foreign Adversaries*](#)

[Executive Order No. GA-48](#) (November 19, 2024)

[System Policy 07.01, *Ethics*](#)

[System Policy 07.03, *Conflicts of Interest, Dual Office Holding and Political Activities*](#)

[System Regulation 21.01.03, *Disbursement of Funds*](#)

Member Rule Requirements

A rule is not required to supplement this policy.

Contact Office

Ethics and Compliance
(979) 458-6162

System Policy 07.04, *Benefits, Gifts, and Honoraria*

Definitions

Benefit – anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare an employee has a direct and substantial interest.

Foreign Adversary—As designated by the U.S. Department of Commerce in 15 C.F.R. § 791.4, the following foreign governments or foreign non-government persons constitute foreign adversaries. These include the following:

- (1) The People's Republic of China, including the Hong Kong Special Administrative Region (China);
- (2) Republic of Cuba (Cuba);
- (3) Islamic Republic of Iran (Iran);
- (4) Democratic People's Republic of Korea (North Korea);
- (5) Russian Federation (Russia); and
- (6) Venezuelan politician Nicolás Maduro (Maduro Regime).

Agenda Item No.

AGENDA ITEM BRIEFING

Submitted by: Billy Hamilton, Deputy Chancellor and Chief Financial Officer
The Texas A&M University System

Subject: Approval of the Project Scope and Increased Budget, Appropriation for Construction Services, and Approval for Construction for the Teaching & Academic Student Support Services Facility Project, Prairie View A&M University, Prairie View, Texas (Project No. 05-3380)

Background and Prior Actions:

The Teaching & Academic Student Support Services Facility Project was added to the FY 2022 – FY 2026 A&M System Capital Plan after legislative approval of the Capital Construction Assistance Projects (CCAP). The project was included as an approved project on the FY 2023 – FY 2027 A&M System Capital Plan approved by the Board at the May 2022 meeting with an FY 2023 start date and a total planning amount of \$44,922,833.

Proposed Board Action:

- (1) Approve the project scope and increased budget.
- (2) Appropriate \$40,625,833 for construction services and related project costs. \$4,492,000 has been previously appropriated to this project.
- (3) Approve construction of the Teaching & Academic Student Support Services Facility (TAS3) Project at Prairie View A&M University (PVAMU).

Funding/Budget Amount:

<u>Funding Source</u>	<u>Project Budget</u>	<u>Proposed Adjustment</u>	<u>Proposed Budget</u>	<u>Average Estimated Annual Debt Service</u>	<u>Debt Service Source</u>
Revenue Financing System Debt Proceeds	\$44,922,833	\$0	\$44,922,833	\$3,916,875	Capital Construction Assistance Project
Cash (Dining Revenue)	<u>\$0</u>	<u>\$195,000</u>	<u>\$195,000</u>	N/A	N/A
Total Project Funds	<u>\$44,922,833</u>	<u>\$195,000</u>	<u>\$45,117,833</u>		

Change Justification:

PVAMU proposes to add \$195,000 in dining revenue funds to change 528 Net Assigned Square Feet (NASF) of seating, vending machine, and general storage to a coffee bar with auxiliary

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storage. This change provides higher-quality food and beverage options to better support the learning, tutoring, testing, career services, events, and student support services planned within the facility. This service will also reduce the impact on the dining services at the Memorial Student Center across the street.

Project Justification:

In October 2000, the Committee on Office for Civil Rights in coordination with the Texas Higher Education Coordinating Board and the Governor's Office, issued a Priority Plan to strengthen education at PVAMU and at Texas Southern University to ensure any student attending these universities would receive the best quality education available in an environment conducive to the high levels of student achievement and success.

Specifically for PVAMU, the Priority Plan stated, "Educational and general, non-auxiliary student affairs, enrollment, and support functions should be housed in the same building. Currently, these functions and services are located in various buildings across the campus, none of which provide sufficient space, configurations, or ambiance to deliver the requisite support and services to students and constituents. Using a 'one-stop' system will enable students to perform routine business and engage academic and student support professionals on a variety of services targeting access, enrollment, matriculation, retention, graduation and success."

The new facility consolidates Undergraduate Studies, Academic Engagement and Student Success, Career Services, Career Closet, Testing Center, Tutoring Center, and the Writing Center from multiple locations across campus. Classrooms and meeting spaces are included so that students can leave class and immediately have access to support services. It creates a new quad with historic buildings Anderson Hall, Evans Hall (Registrar), and the Willie A. Tempton, Sr. Memorial Student Center where dining, the bookstore, Enrollment Management, Financial Aid, and the Bursar offices are located. This new quad will be a centralized support system for students.

Scope:

The project is a two-story facility that focuses student support services to one portion of campus, totaling 42,082 gross square feet with 25,915 NASF. The southeast corner of the project is anchored by a two-story lobby space containing loose seating, a check-in desk, and a monumental stair. The first floor contains dual conference room/classrooms with mobile furniture, active learning classrooms, the Career Closet, the Industry Partner Lounge, and a combined Writing and Tutoring Center. These spaces are supported by gathering and study rooms of various sizes located throughout the level. The second floor contains the office suite for student support program staff with associated office amenity spaces, an open student lounge with gathering and study rooms, and a testing center with rooms of various sizes. At strategic locations, the main building circulation is widened to facilitate informal study and gathering among students outside of the main two-story lobby space.

Construction on this project is scheduled to start in February 2025 with substantial completion scheduled for November 2026. The total project budget is \$45,117,833.

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Other Major Fiscal Impacts:

None.

Strategic Plan Imperative(s) this Item Advances:

The TAS3 Building supports System Strategic Plan Imperatives in the following ways:

Strategic Plan Imperative No. 3: Our students will leave the A&M System as responsible and engaged citizens prepared for successful careers in an increasingly global economy. Our member institutions will develop the educational experiences, experiential opportunities, and service opportunities that our students need to succeed postgraduation in a global economy. The TAS3 Building will provide future-forward learning experiences through the implementation of hi-flex, collaborative learning environments. The building will be designed to support both formal and informal learning opportunities and will become an exemplar of learning on campus.

Strategic Plan Imperative No. 6: The A&M System, in adhering to the high standard of excellence and growth required in this strategic plan, will display prudent financial stewardship and sustainability. Our member institutions will be diligent about their plans for growth, and the A&M System will ensure financially sound decision-making at the aggregate level. We have robust financial management capabilities in place and will continue to manage the A&M System's financial health in a holistic manner. The TAS3 Building will be executed in a manner that is financially prudent while aligned with student support needs to grow the campus.

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THE TEXAS A&M UNIVERSITY SYSTEM
FACILITIES PLANNING AND CONSTRUCTION
Office of the Deputy Chancellor and Chief Financial Officer
January 9, 2025

Members, Board of Regents
The Texas A&M University System

Subject: Approval of the Project Scope and Increased Budget, Appropriation for Construction Services, and Approval for Construction for the Teaching & Academic Student Support Services Facility Project, Prairie View A&M University, Prairie View, Texas (Project No. 05-3380)

I recommend adoption of the following minute order:

“The project scope along with a project budget of \$45,117,833 for the Teaching & Academic Student Support Services Facility Project is approved.

The amount of \$40,430,833 is appropriated from Account No. 01-083540 Revenue Financing System Debt Proceeds (CCAP), and the amount of \$195,000 is appropriated from Account No. 05-334060 Campus Dining, for construction services and related project costs.

The Teaching & Academic Student Support Services Facility Project, Prairie View A&M University, Prairie View, Texas, is approved for construction.

The Board of Regents of The Texas A&M University System (Board) reasonably expects to incur debt in one or more obligations for this project, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).

As required by Section 5(a) of the Master Resolution of the Revenue Financing System, the Board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and that

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January 9, 2025

the Participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their Direct Obligations.”

Respectfully submitted,

Billy Hamilton
Deputy Chancellor and
Chief Financial Officer

Approval Recommended:

Approved for Legal Sufficiency:

John Sharp
Chancellor

Ray Bonilla
General Counsel

Phillip Ray
Vice Chancellor for Business Affairs

Tomikia P. LeGrande, President
Prairie View A&M University

TEACHING & ACADEMIC STUDENT SUPPORT SERVICES FACILITY PRAIRIE VIEW A&M UNIVERSITY PROJECT NO. 05-3380	PROJECT BUDGET
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1. Construction	\$33,750,000
2. Project Contingency	1,971,305
3. Program of Requirements.....	179,300
4. Pre-Construction Services	3,256,096
5. Commissioning.....	135,410
6. Construction Testing	238,000
7. Campus Services & Technology	632,000
8. Furnishings	1,686,000
9. Equipment	1,615,000
10. Other Project Costs.....	432,832
11. Project Management & Inspection	<u>\$1,221,890</u>
12. TOTAL ESTIMATED COST OF PROJECT	<u>\$45,117,833</u>

**TEACHING & ACADEMIC STUDENT SUPPORT
SERVICES FACILITY
PRAIRIE VIEW A&M UNIVERSITY
PROJECT NO. 05-3380**

PROJECT SCHEDULE

1. Member Completes Program of Requirements..... September 15, 2023
2. Issue A/E RFQOctober 13, 2023
3. Issue CMAR RFPOctober 13, 2023
4. Receive A/E RFQ Responses.....November 1, 2023
5. Receive CMAR RFP ResponseNovember 2, 2023
6. Shortlist A/E FirmsNovember 7, 2023
7. Shortlist CMAR Firms.....November 7, 2023
8. Interview A/E FirmsNovember 14, 2023
9. Interview CMAR FirmsNovember 15, 2023
10. A/E Ranked Order Approved by Chancellor December 7, 2023
11. CMAR Ranked Order Approved by Chancellor December 13, 2023
12. Execute A/E Agreement February 29, 2024
13. A/E Design Kick-Off March 12, 2024
14. Execute CMAR Agreement March 18, 2024
15. Complete Schematic Design July 31, 2024
16. Complete Design Development December 6, 2024
17. Receive GMP from CMAR January 8, 2025
18. BOR Approval for Construction February 6, 2025
19. Submit THECB Application February 2025
20. Begin Construction February 2025
21. Complete Construction Documents March 2025
22. Substantial CompletionNovember 2026
23. Owner Occupancy December 2026



Teaching & Academic Student Support Services Facility

Prairie View A&M University

Project No. 05-3380

**PRAIRIE VIEW A&M UNIVERSITY
REVENUE FINANCING SYSTEM
05-3380 Teaching & Academic Student Support Services Facility
Capital Construction Assistance Project (CCAP)**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total
BONDS	44,925,000.00			
YEAR 1	43,705,000.00	1,220,000.00	2,695,500.00	3,915,500.00
YEAR 2	42,410,000.00	1,295,000.00	2,622,300.00	3,917,300.00
YEAR 3	41,040,000.00	1,370,000.00	2,544,600.00	3,914,600.00
YEAR 4	39,585,000.00	1,455,000.00	2,462,400.00	3,917,400.00
YEAR 5	38,045,000.00	1,540,000.00	2,375,100.00	3,915,100.00
YEAR 6	36,410,000.00	1,635,000.00	2,282,700.00	3,917,700.00
YEAR 7	34,675,000.00	1,735,000.00	2,184,600.00	3,919,600.00
YEAR 8	32,840,000.00	1,835,000.00	2,080,500.00	3,915,500.00
YEAR 9	30,895,000.00	1,945,000.00	1,970,400.00	3,915,400.00
YEAR 10	28,830,000.00	2,065,000.00	1,853,700.00	3,918,700.00
YEAR 11	26,645,000.00	2,185,000.00	1,729,800.00	3,914,800.00
YEAR 12	24,325,000.00	2,320,000.00	1,598,700.00	3,918,700.00
YEAR 13	21,865,000.00	2,460,000.00	1,459,500.00	3,919,500.00
YEAR 14	19,260,000.00	2,605,000.00	1,311,900.00	3,916,900.00
YEAR 15	16,500,000.00	2,760,000.00	1,155,600.00	3,915,600.00
YEAR 16	13,575,000.00	2,925,000.00	990,000.00	3,915,000.00
YEAR 17	10,470,000.00	3,105,000.00	814,500.00	3,919,500.00
YEAR 18	7,180,000.00	3,290,000.00	628,200.00	3,918,200.00
YEAR 19	3,695,000.00	3,485,000.00	430,800.00	3,915,800.00
YEAR 20	-	3,695,000.00	221,700.00	3,916,700.00
		<u>\$ 44,925,000.00</u>	<u>\$ 33,412,500.00</u>	<u>\$ 78,337,500.00</u>

Estimated rounding of \$2,167 is included in this schedule.
 Long-term rates are assumed to be 6.00%. Rates are subject to market change.
 Prepared by the Office of the Treasurer - Treasury Services 12/06/2024

Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.

AGENDA ITEM BRIEFING

Submitted by: Billy Hamilton, Deputy Chancellor and Chief Financial Officer
The Texas A&M University System

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the South Texas Workforce Development Project, Texas A&M Engineering Extension Service, Brownsville, Texas (Project No. 09-3426)

Background and Prior Actions:

The South Texas Workforce Development Project was approved by the Board to be added to the FY 2024 – FY 2028 A&M System Capital Plan at the February 2024 meeting with an FY 2024 start date and a planning amount of \$30,000,000.

Proposed Board Action:

- (1) Approve the project scope and budget.
- (2) Appropriate \$27,000,000 for construction services and related project costs. \$3,000,000 has been previously appropriated to this project.
- (3) Approve construction of the South Texas Workforce Development Project at Texas A&M Engineering Extension Service (TEEX).

Funding/Budget Amount:

<u>Funding Source</u>	<u>Budget Amount</u>	Average <u>Estimated Annual Debt Service</u>	<u>Debt Service Source</u>
Permanent University Fund Debt Proceeds	<u>\$30,000,000</u>	\$2,329,478	Available University Fund
Total Project Cost	<u>\$30,000,000</u>		

Project Justification:

The Rio Grande Valley is located on the southernmost tip of Texas on the U.S.-Mexico border and is comprised of 43,000 square miles. It is a vast area that has the four poorest counties (Cameron, Willacy, Hidalgo, and Starr) in the nation and the lowest educational attainment of anywhere in Texas. Sixty percent of all annual Texas high school dropouts are from the Rio Grande Valley.

At the same time, the Rio Grande Valley has the fastest-growing population in Texas and is projected to remain so over the next 30 years. The entire population of the Rio Grande Valley—including Mexican border cities—is larger than the entire combined population of 25 U.S. states.

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Unless the conditions in the Rio Grande Valley are reversed, the sheer magnitude of the area's population growth will negatively affect the long-term viability of the region as well as the overall future prosperity and security of Texas and the nation.

Located near the Port of Brownsville (Port), an advanced manufacturing training facility will better prepare the Rio Grande Valley for its future by developing a technical workforce for in-demand jobs, while stimulating state-of-the-art sustainable practices and advancements in manufacturing through research and innovation initiatives. The proposed site is part of 26.25 acres of land being leased from the Port.

Classrooms and labs will provide hands-on instruction and projects typically encountered on the job. The facility will provide training conducted in labs in the areas of manufacturing fundamentals and advanced skills, mechatronics, computer numeric control, robotics, programmable logic controller, 3D printing, and research and innovation because understanding how to operate, troubleshoot, and optimize these systems is crucial.

Given the rapidly evolving nature of technology, an advanced manufacturing workforce needs to be adaptable to new tools, processes, and methodologies. Therefore, training for advanced manufacturing involves a blend of courses focused on:

- 1) Technical mastery of advanced machinery, robotics, automation, and understanding of complex manufacturing processes.
- 2) Proficiency in utilizing digital technologies such as Computer-Aided Design, Computer-Aided Manufacturing, Internet of Things, and data analytics.
- 3) The ability to identify issues, troubleshoot machinery, and optimize processes through critical thinking, analysis, and adaptability to solve unexpected challenges on the production floor.
- 4) Effective teamwork and communication skills with an emphasis on collaborating with cross-functional teams, conveying technical information clearly, and working cohesively are crucial in a manufacturing environment.
- 5) Safety protocols and quality control measures to ensure a safe working environment and maintain high product standards.
- 6) Essential skills such as time management, leadership, and adaptability to contribute to a well-rounded workforce capable of navigating diverse challenges.

Scope:

The South Texas Workforce Development project totals 40,785 gross square feet, which translates to 29,278 net assignable square feet at 71% efficiency. The proposed property is considerably larger than the existing location, and a great advantage, considering the large number of exterior training spaces proposed as part of this program. More than 75% of the proposed facility is dedicated to training and instruction, including hands-on and lecture-type training, high-bay research/training space, and exterior space for heavy equipment training. The facility also provides office spaces for current and future staff positions, along with an entry lobby to enhance the arrival

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Agenda Item Briefing

experience for students and visitors. Common spaces are included to provide students and visitors with an environment that is conducive to collaboration and engagement outside of the classroom and training. In addition to the instructional and training spaces already mentioned, the facility is anticipated to provide a generous amount of exterior training spaces that contribute to the broad field of work planned to be accommodated.

Construction on this project is scheduled to start in April 2025 with substantial completion scheduled for November 2026. The total project budget is \$30,000,000.

Other Major Fiscal Impacts:

None.

Strategic Plan Imperative(s) this Item Advances:

Strategic Imperative No. 1: *“All qualified students will find a place in the A&M System and will have an array of pathways to pursue their ambitions and interests.”*

This project creates an environment for a coordinated recruitment and admissions strategy between Texas A&M San Antonio and TEEK and helps to create coherent pathways among System institutions.

Strategic Imperative No. 3: *“Our students will leave the A&M System as responsible and engaged citizens prepared for successful careers in an increasingly global economy.”*

Our member institutions will develop the educational experiences, experiential opportunities and service opportunities our students need to succeed post-graduation in a global economy.

Strategic Imperative No. 5: *“The A&M System will provide services that respond to the needs of the people of Texas and contribute to the strength of the state’s economy.”*

The establishment of an advanced manufacturing workforce within the Rio Grande Valley holds the promise of economic transformation, increased job opportunities, skill development, and poverty alleviation. It not only helps the region better manage its high population growth but also positions it for sustainable economic growth and success.

Agenda Item No.

**THE TEXAS A&M UNIVERSITY SYSTEM
FACILITIES PLANNING AND CONSTRUCTION**
Office of the Deputy Chancellor and Chief Financial Officer
January 2, 2025

Members, Board of Regents
The Texas A&M University System

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the South Texas Workforce Development Project, Texas A&M Engineering Extension Service, Brownsville, Texas (Project No. 09-3426)

I recommend adoption of the following minute order:

“The project scope along with a project budget of \$30,000,000 for the South Texas Workforce Development Project is approved.

The amount of \$27,000,000 is appropriated from Account No. 01-084900 Permanent University Fund Debt Proceeds (AUF), for construction services and related project costs.

The South Texas Workforce Development Project, Texas A&M Engineering Extension Service, Brownsville, Texas, is approved for construction.

The Board of Regents of The Texas A&M University System (Board) reasonably expects to incur debt in one or more obligations for this project, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).”

Respectfully submitted,

Billy Hamilton
Deputy Chancellor and
Chief Financial Officer

Approval Recommended:

Approved for Legal Sufficiency:

John Sharp
Chancellor

Ray Bonilla
General Counsel

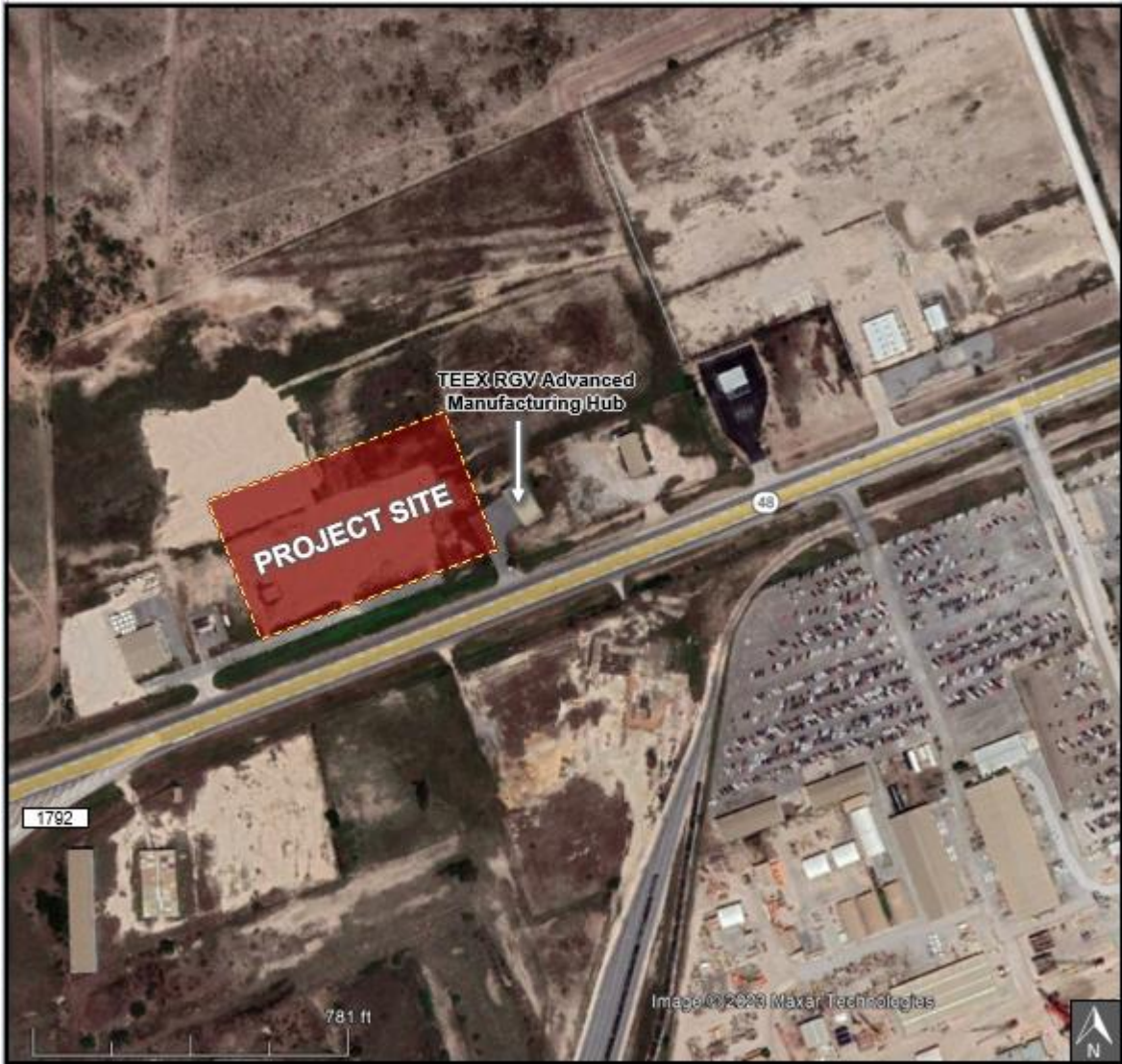
Phillip Ray
Vice Chancellor for Business Affairs

David E. Coatney, Director
Texas A&M Engineering Extension Service

SOUTH TEXAS WORKFORCE DEVELOPMENT TEXAS A&M ENGINEERING EXTENSION SERVICE PROJECT NO. 09-3426	PROJECT BUDGET
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1. Construction	\$22,221,907
2. Project Contingency	1,116,189
3. Program of Requirements.....	160,130
4. Pre-Construction Services	1,899,811
5. Commissioning.....	30,000
6. Construction Testing	178,650
7. Campus Services & Technology	356,000
8. Furnishings	495,000
9. Equipment	2,561,870
10. Other Project Costs.....	205,967
11. Project Management & Inspection	<u>\$774,476</u>
12. TOTAL ESTIMATED COST OF PROJECT	<u>\$30,000,000</u>

1. BOR Approval to Include in Capital Plan February 8, 2024
2. Issue A/E RFQ June 4, 2024
3. Issue CMAR RFP June 11, 2024
4. Receive A/E RFQ Responses..... June 25, 2024
5. Receive CMAR RFP Response June 27, 2024
6. Shortlist A/E Firms July 2, 2024
7. Shortlist CMAR Firms July 9, 2024
8. Interview A/E Firms July 16, 2024
9. Interview CMAR Firms July 17, 2024
10. A/E Ranked Order Approved by Chancellor August 1, 2024
11. CMAR Ranked Order Approved by Chancellor August 19, 2024
12. Execute A/E Agreement September 17, 2024
13. A/E Design Kick-Off September 19, 2024
14. Execute CMAR Agreement October 6, 2024
15. Complete Schematic Design November 21, 2024
16. Receive GMP from CMAR January 8, 2025
17. Complete Design Development February 6, 2025
18. BOR Approval for Construction February 6, 2025
19. Submit THECB Application February 2025
20. Begin Construction April 2025
21. Complete Construction Documents April 2025
22. Substantial Completion November 2026
23. Owner Occupancy January 2027



South Texas Workforce Development

Texas A&M Engineering Extension Service

Project No. 09-3426

**TEXAS A&M ENGINEERING EXTENSION SERVICE
PERMANENT UNIVERSITY FUND
09-3426 South Texas Workforce Development
Available University Fund**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total
BONDS	30,300,000.00			
YEAR 1	29,335,000.00	965,000.00	1,363,500.00	2,328,500.00
YEAR 2	28,325,000.00	1,010,000.00	1,320,075.00	2,330,075.00
YEAR 3	27,270,000.00	1,055,000.00	1,274,625.00	2,329,625.00
YEAR 4	26,170,000.00	1,100,000.00	1,227,150.00	2,327,150.00
YEAR 5	25,020,000.00	1,150,000.00	1,177,650.00	2,327,650.00
YEAR 6	23,815,000.00	1,205,000.00	1,125,900.00	2,330,900.00
YEAR 7	22,560,000.00	1,255,000.00	1,071,675.00	2,326,675.00
YEAR 8	21,245,000.00	1,315,000.00	1,015,200.00	2,330,200.00
YEAR 9	19,870,000.00	1,375,000.00	956,025.00	2,331,025.00
YEAR 10	18,435,000.00	1,435,000.00	894,150.00	2,329,150.00
YEAR 11	16,935,000.00	1,500,000.00	829,575.00	2,329,575.00
YEAR 12	15,370,000.00	1,565,000.00	762,075.00	2,327,075.00
YEAR 13	13,730,000.00	1,640,000.00	691,650.00	2,331,650.00
YEAR 14	12,020,000.00	1,710,000.00	617,850.00	2,327,850.00
YEAR 15	10,230,000.00	1,790,000.00	540,900.00	2,330,900.00
YEAR 16	8,360,000.00	1,870,000.00	460,350.00	2,330,350.00
YEAR 17	6,405,000.00	1,955,000.00	376,200.00	2,331,200.00
YEAR 18	4,365,000.00	2,040,000.00	288,225.00	2,328,225.00
YEAR 19	2,230,000.00	2,135,000.00	196,425.00	2,331,425.00
YEAR 20	-	2,230,000.00	100,350.00	2,330,350.00
		<u>\$ 30,300,000.00</u>	<u>\$ 16,289,550.00</u>	<u>\$ 46,589,550.00</u>

Estimated issuance costs and rounding of \$300,000 are included in this schedule.
Long-term rates are assumed to be 4.50%. Rates are subject to market change.
Prepared by the Office of the Treasurer - Treasury Services 11/25/2024

Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.

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AGENDA ITEM BRIEFING

Submitted by: Billy Hamilton, Deputy Chancellor and Chief Financial Officer
The Texas A&M University System

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the New Event Center/Arena Project, East Texas A&M University, Commerce, Texas (Project No. 21-3390)

Background and Prior Actions:

The New Event Center/Arena Project was included as a proposed project on the FY 2023 – FY 2027 A&M System Capital Plan approved by the Board at the May 2022 meeting with an FY 2024 start date and a total planning amount of \$58,000,000. The project budget was approved to increase to \$70,400,000 at the February 2024 meeting.

Proposed Board Action:

- (1) Approve the project scope and budget.
- (2) Appropriate \$63,360,000 for construction services and related project costs. \$7,040,000 has been previously appropriated to this project.
- (3) Approve construction of the New Event Center/Arena Project at East Texas A&M University (East Texas A&M).

Funding/Budget Amount:

<u>Funding Source</u>	<u>Project Budget</u>	<u>Proposed Adjustment</u>	<u>Proposed Budget</u>	<u>Average Estimated Annual Debt Service</u>	<u>Debt Service Source</u>
Revenue Financing System Debt Proceeds	\$12,000,000	\$7,612,000	\$19,612,000	\$1,288,433	Designated Tuition
Revenue Financing System Debt Proceeds	\$21,600,000	(\$5,010,000)	\$16,590,000	\$1,090,050	University Services Fee
Revenue Financing System Debt Proceeds	\$15,220,000	(\$1,395,000)	\$13,825,000	\$1,073,550	Higher Education Fund
Revenue Financing System Debt Proceeds	\$13,180,000	(\$1,207,000)	\$11,973,000	\$787,042	Athletic Fees
Cash (Designated Tuition Reserves)	\$4,400,000	\$0	\$4,400,000	N/A	N/A

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Cash (Athletic Fees)	\$1,732,000	\$0	\$1,732,000	N/A	N/A
Cash (University Student Fees)	\$1,000,000	\$0	\$1,000,000	N/A	N/A
Cash (Investment Earnings)	\$768,000	\$0	\$768,000	N/A	N/A
Cash (Student Service Reserves)	<u>\$500,000</u>	<u>\$0</u>	<u>\$500,000</u>	N/A	N/A
Total Project Funds	<u>\$70,400,000</u>	<u>\$0</u>	<u>\$70,400,000</u>		

Project Justification:

Students starting their higher education experience have an unprecedented number of options, from in-state, out-of-state, and online universities. East Texas A&M wants to remain a significant choice and must demonstrate a modern, inviting, and inclusive campus to current and future students. The New Event Center/Arena Project would support this vision. As a modern, multi-use spectator facility, the Event Center’s main purpose would be a sports venue but will capitalize on a variety of other ancillary uses such as graduations, convocations, concerts, and civic needs.

The facility will house two intercollegiate teams: men’s basketball and women’s basketball. The program includes an arena with seating, press rooms and suites, team locker rooms, coaches’ offices, support space, a plaza, an outdoor stage, and retail spaces for outdoor dining/entertainment. Lastly, the New Event Center/Arena Project provides an anchor spot for the future development of a campus event district planned to include auxiliary gyms, dining, and a hotel.

Scope:

The New Event Center/Arena Project is a large-volume, two-level complex to provide a basketball (men’s and women’s) and volleyball competition arena, host special events such as graduation or concerts, accommodate the media and press, and offer outdoor entertainment and dining. The arena court area will meet NCAA design standards and will provide unobstructed views. The planned location for the Event Center/Arena Project (including parking) is south of Culver Street on the State Highway 24 inbound corridor. This project will create an energetic, consumer-friendly venue for athletic events and general public use for students and visitors.

The larger tract of land where the project is located represents the major long-term southern expansion area for the campus. This facility is part of a master plan that includes parking and related infrastructure for a future hotel, a standalone restaurant currently under construction, and three other retail/restaurant pad sites adjoining the Event Center/Arena Project. The project will include at least 834 additional parking spaces beyond the existing Whitley Residence Hall

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parking count. Vehicular circulation will include easy exits and entrances, attention to safety, and ease of access for visitors and pedestrians to the main event venue and other facilities.

The project is approximately 63,514 gross square feet and consists of 44,456 assignable square feet to be used by the staff and patrons of the building. The remaining 19,058 square feet accommodate the facility's lobby, horizontal and vertical circulation, restrooms, mechanical/electrical/data support, and walls/chases.

Construction on this project is scheduled to start in March 2025 with substantial completion scheduled for October 2026. The total project budget is \$70,400,000.

Other Major Fiscal Impacts:

None.

Strategic Plan Imperative(s) this Item Advances:

Strategic Imperative No. 1: *“All qualified students will find a place in the A&M System and will have an array of pathways to pursue their ambitions and interests.”*

This engaging environment for basketball and volleyball competitions, event-hosting, and public gatherings will expand East Texas A&M's brand recognition and maximize impact/impressions on current and potential students. The New Event Center/Arena will become a highly sought-after destination for students looking to start their academic and athletic careers on a modern, high-energy campus. These facilities reflect a vision where student interests, student engagement, and student success are paramount. A high-technology, cutting-edge sports arena will help student-athletes feel supported, championed, and free to pursue their ambitions. This is one of The Texas A&M University System's (A&M System) first steps to redefine the concept of student and athletic entertainment in higher education and integrate a mixed-use planning model into the East Texas A&M infrastructure. The New Event Center/Arena Project will increase the campus's visibility to the public and benefit Lion Athletics' organizational effectiveness for students and employees.

Strategic Imperative No. 2: *“The A&M System will remain affordable and accessible.”*

This project is an investment — the A&M System will reap the financial benefits of the college's increased recruitment and enrollment, athletic success, and large-scale consumerism at events such as sports competitions, concerts, graduations, conventions, pep rallies, and special community events. Fan engagement and attendance initiatives will be effortless with a self-marketing facility like the Event Center. This return on investment will help ensure the cost of education in the A&M System remains reasonable. Moreover, Lion Athletics' resulting growth and expansion will produce more scholarship opportunities for traditional and transfer students, and it will open doors to acquire more Lion Sports Properties partners while balancing quantity and revenue.

Strategic Imperative No. 3: *“Our students will leave the A&M System as responsible and engaged citizens prepared for successful careers in an increasingly global economy.”*

Agenda Item No.
Agenda Item Briefing

The new facilities will give an all-encompassing space for students to make East Texas A&M their home and form beneficial relationships with classmates, professors, athletes, and coaches. Ultimately, technological advancements allow students to transcend their hands-on learning experience and athletic performance, prepare them for an ever-changing future, and set them up for a successful career. The sports arenas and entertainment capabilities will attract a diverse audience, which will draw more multicultural and international students to the Lion Athletics program. Every building that comprises this project prioritizes meaningful interaction to enhance community engagement and global awareness.

Strategic Imperative No. 5: *“The A&M System will provide services that respond to the needs of the people of Texas and contribute to the strength of the economy.”*

The New Event Center/Arena Project fulfills the A&M System’s vision to use the site as not only an innovative sports arena but to make it a venue for student entertainment and the community at large. This engaging environment for event-hosting, retail, and future athletic programs will increase student recruitment and retention. Events will drive more traffic on campus, which will serve as a new hub for entertainment in East Texas. In turn, this will cultivate and strengthen partnerships that serve local and regional needs, such as a high school graduation venue, special events indoor/outdoor stage, and a public gathering plaza.

Strategic Imperative No. 6: *“The A&M System, in adhering to the high standard of excellence and growth required in this strategic plan, will display prudent financial stewardship and sustainability.”*

The new complex establishes the A&M System’s commitment to maintaining the necessary people, financial resources, facilities, and environment to serve future generations. New Lion Athletic facilities will build the momentum of the already-growing student-athlete success. With East Texas A&M’s new Division I identity, the A&M System is addressing the infrastructure gap on campus and maintaining excellence. This reflects intentional investment and diligent plans for growth, which bolsters the A&M System’s financial health.

By creating local connections with many non-sports industries that share the need to capture consumer attention, the Event Center poses a wide range of uses and possibilities for the university. This strategy generates more diverse revenues and strategic funding for other operations in the future, which exemplifies the practices of an innovative, contemporary campus.

Agenda Item No.

THE TEXAS A&M UNIVERSITY SYSTEM
FACILITIES PLANNING AND CONSTRUCTION
Office of the Deputy Chancellor and Chief Financial Officer
January 13, 2025

Members, Board of Regents
The Texas A&M University System

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the New Event Center/Arena Project, East Texas A&M University, Commerce, Texas (Project No. 21-3390)

I recommend adoption of the following minute order:

“The project scope along with a project budget of \$70,400,000 for the New Event Center/Arena Project is approved.

The amount of \$19,612,000 is appropriated from Account No. 01-083538 Revenue Financing System Debt Proceeds (Designated Tuition), the amount of \$16,590,000 is appropriated from Account No. 01-083538 Revenue Financing System Debt Proceeds (University Services Fee), the amount of \$13,825,000 is appropriated from Account No. 01-083538 Revenue Financing System Debt Proceeds (Higher Education Fund), the amount of \$11,973,000 is appropriated from Account No. 01-083538 Revenue Financing System Debt Proceeds (Athletic Fees), and the amount of \$1,360,000 is appropriated from Account No. 21-292000 Univ Productivity & Reinvestment, for construction services and related project costs.

The New Event Center/Arena Project, East Texas A&M University, Commerce, Texas, is approved for construction.

The Board of Regents of The Texas A&M University System (Board) reasonably expects to incur debt in one or more obligations for this project, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).

As required by Section 5(a) of the Master Resolution of the Revenue Financing System, the Board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to

Agenda Item No.
January 13, 2025

meet all financial obligations of the Board relating to the Revenue Financing System and that the Participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their Direct Obligations.”

Respectfully submitted,

Billy Hamilton
Deputy Chancellor and
Chief Financial Officer

Approval Recommended:

Approved for Legal Sufficiency:

John Sharp
Chancellor

Ray Bonilla
General Counsel

Phillip Ray
Vice Chancellor for Business Affairs

Mark J. Rudin, President
East Texas A&M University

NEW EVENT CENTER/ARENA EAST TEXAS A&M UNIVERSITY PROJECT NO. 21-3390	PROJECT BUDGET
-----------------------------------------------------------------------------------------------------	-----------------------

1. Construction	\$55,571,400
2. Project Contingency	1,925,760
3. Program of Requirements.....	0
4. Pre-Construction Services	4,515,240
5. Commissioning.....	46,000
6. Construction Testing	530,000
7. Campus Services & Technology	985,000
8. Furnishings	2,560,000
9. Equipment	2,350,000
10. Other Project Costs.....	51,000
11. Project Management & Inspection	<u>\$1,865,600</u>
12. TOTAL ESTIMATED COST OF PROJECT	<u>\$70,400,000</u>

1. BOR Approval to Include in Capital Plan May 19, 2022
2. Issue A/E RFQNovember 9, 2022
3. Issue CMAR RFPNovember 10, 2022
4. Receive A/E RFQ Responses.....November 29, 2022
5. Receive CMAR RFP Response December 1, 2022
6. Shortlist A/E Firms December 5, 2022
7. Shortlist CMAR Firms December 5, 2022
8. Interview A/E Firms December 14, 2022
9. Interview CMAR Firms December 15, 2022
10. A/E Ranked Order Approved by Chancellor January 24, 2023
11. CMAR Ranked Order Approved by Chancellor January 24, 2023
12. Execute A/E Agreement April 14, 2023
13. Execute CMAR Agreement May 1, 2023
14. A/E Design Kick-Off February 19, 2024
15. Complete Schematic Design August 20, 2024
16. Complete Design DevelopmentNovember 22, 2024
17. Receive GMP from CMAR January 8, 2025
18. BOR Approval for Construction February 6, 2025
19. Submit THECB Application February 2025
20. Begin Construction March 2025
21. Complete Construction Documents March 2025
22. Substantial CompletionOctober 2026
23. Owner OccupancyNovember 2026



New Event Center/Arena

East Texas A&M University

Project No. 21-3390

**EAST TEXAS A&M UNIVERSITY
REVENUE FINANCING SYSTEM
21-3390 New Event Center/Arena
Designated Tuition**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	19,810,000.00				
YEAR 1	19,510,000.00	300,000.00	990,500.00	1,290,500.00	1,484,075.00
YEAR 2	19,195,000.00	315,000.00	975,500.00	1,290,500.00	1,484,075.00
YEAR 3	18,865,000.00	330,000.00	959,750.00	1,289,750.00	1,483,212.50
YEAR 4	18,520,000.00	345,000.00	943,250.00	1,288,250.00	1,481,487.50
YEAR 5	18,155,000.00	365,000.00	926,000.00	1,291,000.00	1,484,650.00
YEAR 6	17,775,000.00	380,000.00	907,750.00	1,287,750.00	1,480,912.50
YEAR 7	17,375,000.00	400,000.00	888,750.00	1,288,750.00	1,482,062.50
YEAR 8	16,955,000.00	420,000.00	868,750.00	1,288,750.00	1,482,062.50
YEAR 9	16,515,000.00	440,000.00	847,750.00	1,287,750.00	1,480,912.50
YEAR 10	16,050,000.00	465,000.00	825,750.00	1,290,750.00	1,484,362.50
YEAR 11	15,565,000.00	485,000.00	802,500.00	1,287,500.00	1,480,625.00
YEAR 12	15,055,000.00	510,000.00	778,250.00	1,288,250.00	1,481,487.50
YEAR 13	14,520,000.00	535,000.00	752,750.00	1,287,750.00	1,480,912.50
YEAR 14	13,960,000.00	560,000.00	726,000.00	1,286,000.00	1,478,900.00
YEAR 15	13,370,000.00	590,000.00	698,000.00	1,288,000.00	1,481,200.00
YEAR 16	12,750,000.00	620,000.00	668,500.00	1,288,500.00	1,481,775.00
YEAR 17	12,100,000.00	650,000.00	637,500.00	1,287,500.00	1,480,625.00
YEAR 18	11,415,000.00	685,000.00	605,000.00	1,290,000.00	1,483,500.00
YEAR 19	10,700,000.00	715,000.00	570,750.00	1,285,750.00	1,478,612.50
YEAR 20	9,945,000.00	755,000.00	535,000.00	1,290,000.00	1,483,500.00
YEAR 21	9,155,000.00	790,000.00	497,250.00	1,287,250.00	1,480,337.50
YEAR 22	8,325,000.00	830,000.00	457,750.00	1,287,750.00	1,480,912.50
YEAR 23	7,455,000.00	870,000.00	416,250.00	1,286,250.00	1,479,187.50
YEAR 24	6,540,000.00	915,000.00	372,750.00	1,287,750.00	1,480,912.50
YEAR 25	5,580,000.00	960,000.00	327,000.00	1,287,000.00	1,480,050.00
YEAR 26	4,570,000.00	1,010,000.00	279,000.00	1,289,000.00	1,482,350.00
YEAR 27	3,510,000.00	1,060,000.00	228,500.00	1,288,500.00	1,481,775.00
YEAR 28	2,395,000.00	1,115,000.00	175,500.00	1,290,500.00	1,484,075.00
YEAR 29	1,225,000.00	1,170,000.00	119,750.00	1,289,750.00	1,483,212.50
YEAR 30	-	1,225,000.00	61,250.00	1,286,250.00	1,479,187.50
		<u>\$ 19,810,000.00</u>	<u>\$ 18,843,000.00</u>	<u>\$ 38,653,000.00</u>	<u>\$ 44,450,950.00</u>

Estimated issuance costs and rounding of \$198,000 are included in this schedule.
Long-term rates are assumed to be 5.00%. Rates are subject to market change.
Prepared by the Office of the Treasurer - Treasury Services 12/02/2024

Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.

**EAST TEXAS A&M UNIVERSITY
REVENUE FINANCING SYSTEM
21-3390 New Event Center/Arena
University Services Fee**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	16,755,000.00				
YEAR 1	16,505,000.00	250,000.00	837,750.00	1,087,750.00	1,250,912.50
YEAR 2	16,240,000.00	265,000.00	825,250.00	1,090,250.00	1,253,787.50
YEAR 3	15,960,000.00	280,000.00	812,000.00	1,092,000.00	1,255,800.00
YEAR 4	15,670,000.00	290,000.00	798,000.00	1,088,000.00	1,251,200.00
YEAR 5	15,365,000.00	305,000.00	783,500.00	1,088,500.00	1,251,775.00
YEAR 6	15,045,000.00	320,000.00	768,250.00	1,088,250.00	1,251,487.50
YEAR 7	14,705,000.00	340,000.00	752,250.00	1,092,250.00	1,256,087.50
YEAR 8	14,350,000.00	355,000.00	735,250.00	1,090,250.00	1,253,787.50
YEAR 9	13,975,000.00	375,000.00	717,500.00	1,092,500.00	1,256,375.00
YEAR 10	13,585,000.00	390,000.00	698,750.00	1,088,750.00	1,252,062.50
YEAR 11	13,175,000.00	410,000.00	679,250.00	1,089,250.00	1,252,637.50
YEAR 12	12,745,000.00	430,000.00	658,750.00	1,088,750.00	1,252,062.50
YEAR 13	12,290,000.00	455,000.00	637,250.00	1,092,250.00	1,256,087.50
YEAR 14	11,815,000.00	475,000.00	614,500.00	1,089,500.00	1,252,925.00
YEAR 15	11,315,000.00	500,000.00	590,750.00	1,090,750.00	1,254,362.50
YEAR 16	10,790,000.00	525,000.00	565,750.00	1,090,750.00	1,254,362.50
YEAR 17	10,240,000.00	550,000.00	539,500.00	1,089,500.00	1,252,925.00
YEAR 18	9,660,000.00	580,000.00	512,000.00	1,092,000.00	1,255,800.00
YEAR 19	9,055,000.00	605,000.00	483,000.00	1,088,000.00	1,251,200.00
YEAR 20	8,420,000.00	635,000.00	452,750.00	1,087,750.00	1,250,912.50
YEAR 21	7,750,000.00	670,000.00	421,000.00	1,091,000.00	1,254,650.00
YEAR 22	7,050,000.00	700,000.00	387,500.00	1,087,500.00	1,250,625.00
YEAR 23	6,310,000.00	740,000.00	352,500.00	1,092,500.00	1,256,375.00
YEAR 24	5,535,000.00	775,000.00	315,500.00	1,090,500.00	1,254,075.00
YEAR 25	4,720,000.00	815,000.00	276,750.00	1,091,750.00	1,255,512.50
YEAR 26	3,865,000.00	855,000.00	236,000.00	1,091,000.00	1,254,650.00
YEAR 27	2,970,000.00	895,000.00	193,250.00	1,088,250.00	1,251,487.50
YEAR 28	2,030,000.00	940,000.00	148,500.00	1,088,500.00	1,251,775.00
YEAR 29	1,040,000.00	990,000.00	101,500.00	1,091,500.00	1,255,225.00
YEAR 30	-	1,040,000.00	52,000.00	1,092,000.00	1,255,800.00
		<u>\$ 16,755,000.00</u>	<u>\$ 15,946,500.00</u>	<u>\$ 32,701,500.00</u>	<u>\$ 37,606,725.00</u>

Estimated issuance costs and rounding of \$165,000 are included in this schedule.
Long-term rates are assumed to be 5.00%. Rates are subject to market change.
Prepared by the Office of the Treasurer - Treasury Services 12/02/2024

Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.

**EAST TEXAS A&M UNIVERSITY
REVENUE FINANCING SYSTEM
21-3390 New Event Center/Arena
Higher Education Fund**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total
BONDS	13,965,000.00			
YEAR 1	13,520,000.00	445,000.00	628,425.00	1,073,425.00
YEAR 2	13,055,000.00	465,000.00	608,400.00	1,073,400.00
YEAR 3	12,570,000.00	485,000.00	587,475.00	1,072,475.00
YEAR 4	12,060,000.00	510,000.00	565,650.00	1,075,650.00
YEAR 5	11,530,000.00	530,000.00	542,700.00	1,072,700.00
YEAR 6	10,975,000.00	555,000.00	518,850.00	1,073,850.00
YEAR 7	10,395,000.00	580,000.00	493,875.00	1,073,875.00
YEAR 8	9,790,000.00	605,000.00	467,775.00	1,072,775.00
YEAR 9	9,155,000.00	635,000.00	440,550.00	1,075,550.00
YEAR 10	8,495,000.00	660,000.00	411,975.00	1,071,975.00
YEAR 11	7,805,000.00	690,000.00	382,275.00	1,072,275.00
YEAR 12	7,080,000.00	725,000.00	351,225.00	1,076,225.00
YEAR 13	6,325,000.00	755,000.00	318,600.00	1,073,600.00
YEAR 14	5,535,000.00	790,000.00	284,625.00	1,074,625.00
YEAR 15	4,710,000.00	825,000.00	249,075.00	1,074,075.00
YEAR 16	3,850,000.00	860,000.00	211,950.00	1,071,950.00
YEAR 17	2,950,000.00	900,000.00	173,250.00	1,073,250.00
YEAR 18	2,010,000.00	940,000.00	132,750.00	1,072,750.00
YEAR 19	1,025,000.00	985,000.00	90,450.00	1,075,450.00
YEAR 20	-	1,025,000.00	46,125.00	1,071,125.00
		<u>\$ 13,965,000.00</u>	<u>\$ 7,506,000.00</u>	<u>\$ 21,471,000.00</u>

Estimated issuance costs and rounding of \$140,000 are included in this schedule.
 Long-term rates are assumed to be 4.50%. Rates are subject to market change.
 Prepared by the Office of the Treasurer - Treasury Services 12/02/2024

Should HEF not be available after 10 years, the institution will need to provide another source of funding for debt service.

Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.

**EAST TEXAS A&M UNIVERSITY
REVENUE FINANCING SYSTEM
21-3390 New Event Center/Arena
Athletic Fees**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	12,095,000.00				
YEAR 1	11,915,000.00	180,000.00	604,750.00	784,750.00	902,462.50
YEAR 2	11,725,000.00	190,000.00	595,750.00	785,750.00	903,612.50
YEAR 3	11,525,000.00	200,000.00	586,250.00	786,250.00	904,187.50
YEAR 4	11,315,000.00	210,000.00	576,250.00	786,250.00	904,187.50
YEAR 5	11,095,000.00	220,000.00	565,750.00	785,750.00	903,612.50
YEAR 6	10,865,000.00	230,000.00	554,750.00	784,750.00	902,462.50
YEAR 7	10,620,000.00	245,000.00	543,250.00	788,250.00	906,487.50
YEAR 8	10,365,000.00	255,000.00	531,000.00	786,000.00	903,900.00
YEAR 9	10,095,000.00	270,000.00	518,250.00	788,250.00	906,487.50
YEAR 10	9,810,000.00	285,000.00	504,750.00	789,750.00	908,212.50
YEAR 11	9,515,000.00	295,000.00	490,500.00	785,500.00	903,325.00
YEAR 12	9,205,000.00	310,000.00	475,750.00	785,750.00	903,612.50
YEAR 13	8,880,000.00	325,000.00	460,250.00	785,250.00	903,037.50
YEAR 14	8,535,000.00	345,000.00	444,000.00	789,000.00	907,350.00
YEAR 15	8,175,000.00	360,000.00	426,750.00	786,750.00	904,762.50
YEAR 16	7,795,000.00	380,000.00	408,750.00	788,750.00	907,062.50
YEAR 17	7,395,000.00	400,000.00	389,750.00	789,750.00	908,212.50
YEAR 18	6,980,000.00	415,000.00	369,750.00	784,750.00	902,462.50
YEAR 19	6,540,000.00	440,000.00	349,000.00	789,000.00	907,350.00
YEAR 20	6,080,000.00	460,000.00	327,000.00	787,000.00	905,050.00
YEAR 21	5,595,000.00	485,000.00	304,000.00	789,000.00	907,350.00
YEAR 22	5,090,000.00	505,000.00	279,750.00	784,750.00	902,462.50
YEAR 23	4,555,000.00	535,000.00	254,500.00	789,500.00	907,925.00
YEAR 24	3,995,000.00	560,000.00	227,750.00	787,750.00	905,912.50
YEAR 25	3,410,000.00	585,000.00	199,750.00	784,750.00	902,462.50
YEAR 26	2,795,000.00	615,000.00	170,500.00	785,500.00	903,325.00
YEAR 27	2,145,000.00	650,000.00	139,750.00	789,750.00	908,212.50
YEAR 28	1,465,000.00	680,000.00	107,250.00	787,250.00	905,337.50
YEAR 29	750,000.00	715,000.00	73,250.00	788,250.00	906,487.50
YEAR 30	-	750,000.00	37,500.00	787,500.00	905,625.00
		<u>\$ 12,095,000.00</u>	<u>\$ 11,516,250.00</u>	<u>\$ 23,611,250.00</u>	<u>\$ 27,152,937.50</u>

Estimated issuance costs and rounding of \$122,000 are included in this schedule.
Long-term rates are assumed to be 5.00%. Rates are subject to market change.
Prepared by the Office of the Treasurer - Treasury Services 12/02/2024

Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.

AGENDA ITEM BRIEFING

Submitted by: Mark A. Welsh III, President
Texas A&M University

Subject: Approval to Amend the FY 2025 – FY 2029 A&M System Capital Plan to Add the Player Development Center at Blue Bell Park Project for Texas A&M University with an FY 2025 Start Date and Appropriate Funding for Pre-Construction Services (Project No. 02-3448)

Proposed Board Action:

- (1) Amend the approved FY 2025 – FY 2029 A&M System Capital Plan to add the Player Development Center at Blue Bell Park Project for Texas A&M University (Texas A&M) with an FY 2025 start date and a total planning amount of \$28,300,000.
- (2) Appropriate \$2,830,000 for pre-construction services and related project costs contingent upon the completion of a Program of Requirements (POR) scoped to the approved planning amount.

Funding/Planning Amount:

<u>Funding Source</u>	<u>Planning Amount</u>	<u>Average Estimated Annual Debt Service</u>	<u>Debt Service Source</u>
Revenue Financing System Debt Proceeds	\$25,470,000	\$5,777,064	Gifts*
Cash (Gifts)	<u>\$2,830,000</u>	N/A	N/A
Total Project Cost	<u>\$28,300,000</u>		

* The Texas A&M University System (A&M System) policy requires 50% of the gift funds in hand and an additional 25% in documented pledges before approval for construction on the project is received. For any gift funds not in hand, an unrestricted source of funds must be identified to pay for the project or for the repayment of debt prior to approval for construction. Texas A&M has identified investment earnings as an unrestricted source of funds for repayment of the debt if there is any shortfall.

Project Justification:

The proposed project will include a new player development facility to provide an improved player experience while increasing recruitment capabilities. For Texas A&M to continue to be a premier baseball program, this renovation must happen to allow continued recruitment of the best athletes in the country.

Agenda Item No.
Agenda Item Briefing

Scope:

At the November 2022 Board of Regents (board) meeting, the board approved the amendment of the FY 2023 – FY 2027 A&M System Capital Plan to add the Olsen Field at Blue Bell Park Renovations Project for Texas A&M with an FY 2025 start date and a total planning amount of \$60,000,000 (Project No. 02-3403). The scope of the project included renovation of several player amenities including the locker room, hitting and pitching facilities, weight room, team meeting spaces, bullpens, and coaches' offices. The scope also included premium seating renovations, including the current club, concourses, restrooms, additional reserved seating, and additional food service areas (MO 180-2022). The FY 2024 – FY 2028 A&M System Capital Plan updated the start date to FY 2026 and the FY 2025 – FY 2029 A&M System Capital Plan increased the total planning amount to \$80,000,000.

Texas A&M is requesting to carve out the scope of the existing project relating to player amenities to proceed as a separate project. The planning amount for the Olsen Field at Blue Bell Park Renovations Project will be adjusted to match revised programming estimates in the FY 2026 – FY 2030 A&M System Capital Plan.

The scope of the proposed project will include demolition of the existing batting cage facility and construction of a new and expanded player development facility in its place. The new Player Development Center will include new batting cages and pitching lab, sports medicine facilities, strength and conditioning spaces, team meeting rooms, home clubhouse, equipment and laundry services, new player locker rooms, support lockers for staff and student managers, and coaches' lockers. In addition, the project will replace the existing field lighting and playing field. During the design process, the project team will evaluate the most effective way to approach the design and installation of the new lighting as it will precede the revised Olsen Field at Blue Bell Park Renovations Project.

Other Major Fiscal Impacts:

None.

Strategic Plan Imperative(s) this Item Advances:

Approval of this agenda item will support The Texas A&M University System (A&M System) Strategic Imperatives 1 (*All qualified students will find a place in the A&M System and will have an array of pathways to pursue their ambitions and interests*) and 5 (*The A&M System will provide services that respond to the needs of the people of Texas and contribute to the strength of the state's economy*). Baseball is a very popular sport in the state of Texas and across the country, and the Texas A&M baseball team continues to be among the national leaders. In the last three years, Texas A&M has made two appearances at the College World Series, with a national runner-up finish in 2024. The proposed renovations will improve player amenities, enabling continued recruitment of the best athletes. A high-quality, successful baseball team and an exceptional fan experience provide a service that responds to the needs of the people of Texas and contributes to the economic strength of the Bryan-College Station area and the public visibility of Texas A&M.

Agenda Item No.

TEXAS A&M UNIVERSITY

Office of the President

December 23, 2024

Members, Board of Regents
The Texas A&M University System

Subject: Approval to Amend the FY 2025 – FY 2029 A&M System Capital Plan to Add the Player Development Center at Blue Bell Park Project for Texas A&M University with an FY 2025 Start Date and Appropriate Funding for Pre-Construction Services (Project No. 02-3448)

I recommend adoption of the following minute order:

“The request to Amend the FY 2025 – FY 2029 A&M System Capital Plan to Add the Player Development Center at Blue Bell Park Project for Texas A&M University with an FY 2025 start date and a total planning amount of \$28,300,000 is approved.

Contingent upon the completion of the Program of Requirements scoped to the approved planning amount, the amount of \$2,830,000 is appropriated from Account No. 02-512124, 12th Man Foundation Athletic Gifts, for pre-construction services and related project costs.

The Board of Regents of The Texas A&M University System (Board) reasonably expects to incur debt in one or more obligations for this project, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).

As required by Section 5(a) of the Master Resolution of the Revenue Financing System, the Board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and that

Agenda Item No.
December 23, 2024

the Participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their Direct Obligations.”

Respectfully submitted,

Mark A. Welsh III
President

Approval Recommended:

Approved for Legal Sufficiency:

John Sharp
Chancellor

Ray Bonilla
General Counsel

Billy Hamilton
Deputy Chancellor and
Chief Financial Officer

Phillip Ray
Vice Chancellor for Business Affairs



Player Development Center at Blue Bell Park Project

Texas A&M University

Project No. 02-3448

**TEXAS A&M UNIVERSITY
REVENUE FINANCING SYSTEM
Player Development Center at Blue Bell Park
Gifts**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
Coml Paper	25,470,000.00				
YEAR 1	20,773,000.00	4,697,000.00	1,082,475.00	5,779,475.00	6,646,396.25
YEAR 2	15,878,000.00	4,895,000.00	882,853.00	5,777,853.00	6,644,530.95
YEAR 3	10,816,000.00	5,062,000.00	714,510.00	5,776,510.00	6,642,986.50
YEAR 4	5,528,000.00	5,288,000.00	486,720.00	5,774,720.00	6,640,928.00
YEAR 5	-	<u>5,528,000.00</u>	<u>248,760.00</u>	<u>5,776,760.00</u>	<u>6,643,274.00</u>
		<u>\$ 25,470,000.00</u>	<u>\$ 3,415,318.00</u>	<u>\$ 28,885,318.00</u>	<u>\$ 33,218,115.70</u>

Assuming the project stays in Commercial Paper for 5 years.
Short-term rates are assumed to be 4.25% in Years 1-2 and 4.50% in Years 3-5. Rates are subject to market change.
Prepared by the Office of the Treasurer - Treasury Services 12/20/2024

Commercial Paper Rates are subject to market change.

Backstop for any shortfall in gifts: Investment Earnings

AGENDA ITEM BRIEFING

Submitted by: Salvador Hector Ochoa, Ph.D., President
Texas A&M University-San Antonio

Subject: Approval to Amend the FY 2025 – FY 2029 A&M System Capital Plan to Add the Student Housing Phase III and Dining Project for Texas A&M University-San Antonio with an FY 2025 Start Date and Appropriate Funding for Pre-Construction Services (Project No. 25-3444)

Proposed Board Action:

- (1) Amend the approved FY 2025 – FY 2029 A&M System Capital Plan to add the Student Housing Phase III and Dining Project for Texas A&M University-San Antonio (A&M-San Antonio) with an FY 2025 start date and a total project amount of \$80,000,000.
- (2) Appropriate \$8,000,000 for pre-construction services and related project costs.

Funding/Planning Amount:

<u>Funding Source</u>	<u>Planning Amount</u>	<u>Average Estimated Annual Debt Service</u>	<u>Debt Service Source</u>
Revenue Financing System Debt Proceeds	<u>\$80,000,000</u>	\$5,732,150	Housing Revenue and Dining Contract Revenue
Total Project Cost	<u>\$80,000,000</u>		

Project Justification:

Research indicates that on the national landscape, institutions are averaging about a 21.5% bed to student population ratio (Real Page, 2019). Some institutions provide as high as 76.6% bed to the student population while others provide none (Real Page, 2019).

With the addition of Estrella Hall in August 2024, A&M-San Antonio had 764 beds available (including overflow), and was able to accommodate approximately 9.5% of its student population of just over 8000. A&M-San Antonio and University of Texas at San Antonio (10%) are the only major public institutions in San Antonio providing on campus housing. The private institutions in and around the city, being much smaller institutions, provide an average of 59.33% bed space related to their student populations. Public institutions from San Antonio to Austin average a 13.38% bed space offering. When you include private institutions, that number increases to 33%. A&M System schools sit around the national average at 21.19% bed space offered to their student populations. In fall 2024, A&M-San Antonio’s enrollment surpassed 8,000 and as the institution

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continues to grow, the addition of this third residence hall will allow us to surpass 1,000 beds at A&M-San Antonio, meeting increased demand and more closely aligning with the regional average for public institutions.

Scope:

A&M-San Antonio intends to construct a third residence hall which will add an additional 300 beds to the campus. The project will be constructed south of Estrella Hall. The design of this project is open with ideal specifications listed below. This program illustrates the spatial requirements of the new residence hall and any exterior or supporting needs that will be included in the budget. The proposed buildings will be a single-story dining hall attached to a four story residence hall with separate entrances and shared mechanical and support spaces. Included in the scope is:

All you care to eat dining hall

300 student beds:

60 single units (60 beds)

120 double units (240 beds)

Two staff apartments

A large 2 bed/2 bath

A small 1 bed/1 bath

Student lounge space (2 per floor)

Student study space (2 per floor)

Support functions to include:

Reception

Administrative areas

Mail & package areas

Trash collection areas

Laundry areas

A small maintenance function

Other Major Fiscal Impacts:

None.

Strategic Plan Imperative(s) this Item Advances:

This Student Housing Phase III and Dining Project supports the following Texas A&M University System Strategic Plan Imperative:

All qualified students will find a place in the A&M System and will have an array of pathways to pursue their ambitions and interests. We will develop a coordinated recruitment and admissions strategy for the A&M System and create coherent pathways among institutions. Student Housing Phase III and Dining Project will be integral to our continued recruitment of athletes out of regional students, foster youth, international, and transfer students. As the institution continues to grow

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academic programs, athletics and overall enrollment, this will drive a desire for on campus housing. Students always want to be on campus in order to make the most of their college experience, especially when a significant amount of returning students do not have vehicles. The dining hall addition also opens the campus for better meal options which have been extremely limited and a reason for students to desire off campus housing.

The provision of adequate on campus housing accommodations is critical to achieving A&M-San Antonio's enrollment growth objectives.

Agenda Item No.

TEXAS A&M UNIVERSITY-SAN ANTONIO

Office of the President

January 9, 2025

Members, Board of Regents
The Texas A&M University System

Subject: Approval to Amend the FY 2025 – FY 2029 A&M System Capital Plan to Add the Student Housing Phase III and Dining Project for Texas A&M University-San Antonio with an FY 2025 Start Date and Appropriate Funding for Pre-Construction Services (Project No. 25-3444)

I recommend adoption of the following minute order:

“The request to amend the FY 2025 – FY 2029 A&M System Capital Plan to add the Student Housing Phase III and Dining Project for Texas A&M University-San Antonio with an FY 2025 start date and a total planning amount of \$80,000,000 is approved.

The amount of \$8,000,000 is appropriated from Account No. 01-083540, Revenue Financing System Debt Proceeds (Housing Revenue and Dining Contract Revenue), for pre-construction services and related project costs.

The Board of Regents of The Texas A&M University System (Board) reasonably expects to incur debt in one or more obligations for this project, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).

As required by Section 5(a) of the Master Resolution of the Revenue Financing System, the Board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and that

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January 9, 2025

the Participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their Direct Obligations.”

Respectfully submitted,

Salvador Hector Ochoa, Ph.D.
President

Approval Recommended:

Approved for Legal Sufficiency:

John Sharp
Chancellor

Ray Bonilla
General Counsel

Billy Hamilton
Deputy Chancellor and
Chief Financial Officer

Phillip Ray
Vice Chancellor for Business Affairs



Student Housing Phase III and Dining

Texas A&M University-San Antonio

Project No. 25-3444

TEXAS A&M UNIVERSITY - SAN ANTONIO
REVENUE FINANCING SYSTEM
25-3444 Student Housing Phase III & Dining
Housing Revenue and Dining Contract Revenue

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	80,790,000.00				
YEAR 1	79,095,000.00	1,695,000.00	4,039,500.00	5,734,500.00	6,594,675.00
YEAR 2	77,315,000.00	1,780,000.00	3,954,750.00	5,734,750.00	6,594,962.50
YEAR 3	75,450,000.00	1,865,000.00	3,865,750.00	5,730,750.00	6,590,362.50
YEAR 4	73,490,000.00	1,960,000.00	3,772,500.00	5,732,500.00	6,592,375.00
YEAR 5	71,430,000.00	2,060,000.00	3,674,500.00	5,734,500.00	6,594,675.00
YEAR 6	69,270,000.00	2,160,000.00	3,571,500.00	5,731,500.00	6,591,225.00
YEAR 7	67,000,000.00	2,270,000.00	3,463,500.00	5,733,500.00	6,593,525.00
YEAR 8	64,620,000.00	2,380,000.00	3,350,000.00	5,730,000.00	6,589,500.00
YEAR 9	62,120,000.00	2,500,000.00	3,231,000.00	5,731,000.00	6,590,650.00
YEAR 10	59,495,000.00	2,625,000.00	3,106,000.00	5,731,000.00	6,590,650.00
YEAR 11	56,740,000.00	2,755,000.00	2,974,750.00	5,729,750.00	6,589,212.50
YEAR 12	53,845,000.00	2,895,000.00	2,837,000.00	5,732,000.00	6,591,800.00
YEAR 13	50,805,000.00	3,040,000.00	2,692,250.00	5,732,250.00	6,592,087.50
YEAR 14	47,615,000.00	3,190,000.00	2,540,250.00	5,730,250.00	6,589,787.50
YEAR 15	44,265,000.00	3,350,000.00	2,380,750.00	5,730,750.00	6,590,362.50
YEAR 16	40,745,000.00	3,520,000.00	2,213,250.00	5,733,250.00	6,593,237.50
YEAR 17	37,050,000.00	3,695,000.00	2,037,250.00	5,732,250.00	6,592,087.50
YEAR 18	33,170,000.00	3,880,000.00	1,852,500.00	5,732,500.00	6,592,375.00
YEAR 19	29,095,000.00	4,075,000.00	1,658,500.00	5,733,500.00	6,593,525.00
YEAR 20	24,815,000.00	4,280,000.00	1,454,750.00	5,734,750.00	6,594,962.50
YEAR 21	20,325,000.00	4,490,000.00	1,240,750.00	5,730,750.00	6,590,362.50
YEAR 22	15,610,000.00	4,715,000.00	1,016,250.00	5,731,250.00	6,590,937.50
YEAR 23	10,660,000.00	4,950,000.00	780,500.00	5,730,500.00	6,590,075.00
YEAR 24	5,460,000.00	5,200,000.00	533,000.00	5,733,000.00	6,592,950.00
YEAR 25	-	5,460,000.00	273,000.00	5,733,000.00	6,592,950.00
		<u>\$ 80,790,000.00</u>	<u>\$ 62,513,750.00</u>	<u>\$ 143,303,750.00</u>	<u>\$ 164,799,312.50</u>

Estimated issuance costs and rounding of \$790,000 are included in this schedule.
Long-term rates are assumed to be 5.00%. Rates are subject to market change.
Prepared by the Office of the Treasurer - Treasury Services 01/09/2025

Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.

Facilities Planning & Construction Project Status Report

Effective 01/07/2025

Projects in Planning	24 Projects	\$906,900,000
Projects in Design	10 Projects	\$755,927,739
Projects in Construction	37 Projects	\$2,415,406,488
Projects in Private Development	16 Projects	\$1,019,855,232
Combined Total:	87 Projects	\$5,098,089,459

Projects in Planning:

Bryan, TX

01-3418	Texas A&M Semiconductor Institute/Infrastructure/Equipment	\$156,625,000 FY2024
01-3418B	Texas A&M Semiconductor Institute/Infrastructure/Equipment (Drainage)	\$4,820,000 FY2024
01-3418C	Texas A&M Semiconductor Institute/Infrastructure/Equipment (Water Well)	\$15,800,000 FY2024
01-3418D	Texas A&M Semiconductor Institute/Infrastructure/Equipment (Water Tower)	\$11,755,000 FY2024

College Station, TX

02-3403	Olsen Field at Blue Bell Park Renovations	\$80,000,000 FY2026
02-3414	Visualization, Fine and Performing Arts Building	\$295,000,000 FY2026
02-3422	Entrepreneurship Building	\$65,000,000 FY2027
02-3434	Satellite Utility Plant 1 (SUP1) Expansion	\$30,000,000 FY2025
23-3442	Medical Sciences Library - Level 1 Renovation	\$11,600,000 FY2026
02-3448	Player Development Center at Blue Bell Park	\$28,300,000 Unfunded

Commerce, TX

21-3433	Renovate One-Stop - University Police Dept. Building	\$8,000,000 FY2026
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Corpus Christi, TX

15-3440	Miramar Housing Phase I	TBD Unfunded
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Fort Worth (Chisholm Trail), TX

04-3427	Fort Worth Building #3	TBD Unfunded
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Galveston, TX		
10-3446	TAMMA Hall Building Envelope Repair	\$35,000,000 FY 2025
Houston, TX		
23-3320	Alkek IBT Building Lab Expansion/Renovation & EnMed Build-out*	\$100,000,000 FY2022
Killeen, TX		
24-3445	Student Housing	TBD Unfunded
McAllen, TX		
23-3423	Health Education and Research (McAllen)	\$50,000,000 FY2024
Prairie View, TX		
05-3447	On-Campus Student Housing	TBD Unfunded
San Antonio, TX		
09-3441	TEEX San Antonio Complex	TBD Unfunded
25-3437	Campus Central Utility Plant	TBD Unfunded
25-3444	Phase III Housing-Dining	TBD Unfunded
Stephenville, TX		
04-3425	Agricultural Sciences Building	TBD Unfunded
04-3443	Parking Structure #2	TBD Unfunded
Texarkana, TX		
22-3439	Athletics Complex	\$15,000,000 FY2027

Total of Projects in Planning	\$906,900,000
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Projects in Design:

Brownsville, TX		
09-3426	South Texas Workforce Development PBK Architects	\$30,000,000
Bryan, TX		
06-3339	Meat Sciences & Technology Center Kirksey Architecture	\$114,604,906
College Station, TX		
02-3345	CUP Generator Replacement Project Stanley Consultants, Inc.	\$26,500,000

02-3420	Aplin Center	\$250,000,000
	DLR Group Inc.	
02-3432	Heldenfels 4th Floor Instructional Lab Renovation	\$12,000,000
	PACT Design Studio, LLC	
Commerce, TX		
21-3390	New Event Center/Arena	\$70,400,000
	Gensler & Associates	
Corpus Christi, TX		
09-3436	Corpus Christi Workforce Development	\$15,000,000
	Gignac & Associates	
Galveston, TX		
10-3354	Infrastructure, Dock Improvements, and Ship FF&E - PhII	\$72,500,000
	AtkinsRealis USA, Inc.	
Prairie View, TX		
05-3380	Teaching and Academic Student Support Services Facility*	\$44,922,833
	Harrison Kornberg Architects	
Stephenville, TX		
04-3415	Lillian Street Dorm	\$120,000,000
	PGAL	
Total of Projects in Design		\$755,927,739

Projects in Construction:

Austin, TX

30-3317	TDEM Headquarters and State Emergency Operations Center	\$423,241,463
	J. T. Vaughn Construction, LLC	Substantial Completion Date: 9/26/2026
Status:	On Schedule	Construction Work Completed: 35%

Bryan, TX

01-3372	STEM Education Center at RELLIS*	\$43,425,406
	Tellepsen Builders, L.P.	Substantial Completion Date: 9/19/2025
Status:	On Schedule	Construction Work Completed: 48%
06-3397	Animal Reproductive Biotechnology Center	\$13,386,800
	Joeris General Contractors	Substantial Completion Date: 12/3/2024
Status:	Substantially Complete	Construction Work Completed: 99%
09-3394	TEEX RELLIS Training Props	\$25,300,000
	Bartlett Cocke General Contractors	Substantial Completion Date: 4/15/2026
Status:	On Schedule	Construction Work Completed: 1%
26-3351	RELLIS Avenue D South Extension and Utility Upgrades	\$13,500,000
	Bartlett Cocke General Contractors	Substantial Completion Date: 10/1/2025
Status:	On Schedule	Construction Work Completed: 15%
28-3321	Ballistic Aero-Optics and Materials Facility	\$64,674,600
	Bartlett Cocke General Contractors	Substantial Completion Date: 3/28/2025
Status:	On Schedule	Construction Work Completed: 91%

28-3419 Hypersonic Wind Tunnel		\$10,000,000
Bartlett Cocke General Contractors	Substantial Completion Date:	3/30/2026
Status: On Schedule	Construction Work Completed:	0%
Canyon, TX		
06-3377 Amarillo Research & Extension Center at Canyon		\$30,580,000
Western Builders	Substantial Completion Date:	10/17/2025
Status: On Schedule	Construction Work Completed:	55%
18-3364 Renovation of an Education Building and Health/Safety Upgrades*		\$44,922,833
Western Builders	Substantial Completion Date:	9/23/2025
Status: On Schedule	Construction Work Completed:	57%
18-3369 Public Safety Facility		\$9,975,070
Western Builders	Substantial Completion Date:	12/16/2025
Status: On Schedule	Construction Work Completed:	22%
College Station, TX		
02-3279 Business Education Complex		\$84,197,309
Skanska USA Building, Inc.	Substantial Completion Date:	12/13/2024
Status: Substantially Complete	Construction Work Completed:	99%
02-3343A The Bright Building Area Development		\$182,735,000
Manhattan Construction Company	Substantial Completion Date:	1/15/2025
Status: On Schedule	Construction Work Completed:	98%
02-3378 Clinical Veterinary Teaching and Research Complex*		\$181,000,000
J. T. Vaughn Construction, LLC	Substantial Completion Date:	6/30/2027
Status: On Schedule	Construction Work Completed:	1%
23-3412 Texas A&M Health ESCO 2023		\$14,745,526
Ameresco	Substantial Completion Date:	11/19/2024
Status: Substantially Complete	Construction Work Completed:	100%
Commerce, TX		
21-3384 Agricultural Multipurpose Education and Training Center*		\$48,494,868
McGough Construction	Substantial Completion Date:	2/25/2026
Status: On Schedule	Construction Work Completed:	20%
21-3401 Morris Recreation Center Expansion		\$17,500,000
HOAR Construction	Substantial Completion Date:	8/7/2026
Status: On Schedule	Construction Work Completed:	3%
Corpus Christi, TX		
15-3268 Arts & Media Building*		\$80,922,833
Bartlett Cocke General Contractors	Substantial Completion Date:	4/30/2026
Status: On Schedule	Construction Work Completed:	20%
Dallas, TX		
23-3400 School of Dentistry Main Building Renovation		\$22,400,000
Manhattan Construction Company	Substantial Completion Date:	12/16/2025
Status: On Schedule	Construction Work Completed:	7%
Fort Worth (Downtown), TX		
01-3359 Fort Worth Law & Education Building		\$185,000,000
Turner Carcon Source JV	Substantial Completion Date:	1/30/2026
Status: On Schedule	Construction Work Completed:	43%

Galveston, TX

10-3353	Infrastructure, Dock Improvements, and Ship FF&E - Phi		\$37,208,966
	J. T. Vaughn Construction, LLC	Substantial Completion Date:	4/15/2025
Status:	On Schedule	Construction Work Completed:	87%
10-3381	Engineering Classroom and Research Building*		\$51,966,429
	Turner Construction Company	Substantial Completion Date:	11/11/2025
Status:	On Schedule	Construction Work Completed:	25%

Houston, TX

02-3417	Texas A&M University Space Institute		\$200,000,000
	J. T. Vaughn Construction, LLC	Substantial Completion Date:	9/30/2026
Status:	On Schedule	Construction Work Completed:	1%
23-3399	EnMED Discovery Tower Labs & Office Buildout - Phase I		\$15,000,000
	J. T. Vaughn Construction, LLC	Substantial Completion Date:	6/6/2025
Status:	On Schedule	Construction Work Completed:	35%

Killeen, TX

24-3376	Central Operational Reliability and Efficiency Facility (CORE)*		\$49,900,000
	HOAR Construction	Substantial Completion Date:	2/4/2026
Status:	On Schedule	Construction Work Completed:	45%

Kingsville, TX

17-3383	Deferred Maintenance*		\$45,172,833
	Noble Texas Builders, LLC	Substantial Completion Date:	9/18/2025
Status:	On Schedule	Construction Work Completed:	63%

Laredo, TX

16-3382	Health Sciences Education and Research Center & Western Hemispheric Trade Center Expansion*		\$71,200,000
	Bartlett Cocke General Contractors	Substantial Completion Date:	1/21/2026
Status:	On Schedule	Construction Work Completed:	34%

McAllen, TX

23-3374	Nursing Education & Research Center - McAllen*		\$49,948,556
	J. T. Vaughn Construction, LLC	Substantial Completion Date:	10/1/2025
Status:	On Schedule	Construction Work Completed:	48%

Prairie View, TX

05-3370	Fire Alarm System Replacements PH2		\$12,402,000
	Britt Rice Construction Company, LP	Substantial Completion Date:	1/20/2025
Status:	On Schedule	Construction Work Completed:	94%

San Antonio, TX

25-3387	Public Health and Education Building*		\$54,922,833
	Joeris General Contractors	Substantial Completion Date:	1/28/2026
Status:	On Schedule	Construction Work Completed:	13%
25-3402	Educare Building		\$21,690,000
	Flintco, LLC	Substantial Completion Date:	5/22/2026
Status:	On Schedule	Construction Work Completed:	0%

25-3421	Multipurpose Field, Competition Track & Softball Field Upgrades		\$10,000,000
	Paragon Sports Constructors	Substantial Completion Date:	12/22/2025
Status:	On Schedule	Construction Work Completed:	0%

Stephenville, TX

04-3326	Tarleton State University Parking Garage		\$40,000,000
	Byrne Construction Services	Substantial Completion Date:	10/25/2024
Status:	Substantially Complete	Construction Work Completed:	99%

04-3360	Health Sciences & Human Services Building - Stephenville*		\$80,000,000
	J. T. Vaughn Construction, LLC	Substantial Completion Date:	7/9/2025
Status:	On Schedule	Construction Work Completed:	50%

04-3361	Dick Smith Library Renovation & Expansion		\$9,500,000
	The Christman Company	Substantial Completion Date:	8/4/2025
Status:	On Schedule	Construction Work Completed:	45%

04-3396	Convocation Center		\$110,000,000
	J. T. Vaughn Construction, LLC	Substantial Completion Date:	5/10/2025
Status:	On Schedule	Construction Work Completed:	73%

Texarkana, TX

22-3385	Business, Engineering, and Technology Building*		\$44,922,833
	Clark Contractors LLC	Substantial Completion Date:	6/3/2026
Status:	On Schedule	Construction Work Completed:	18%

Vernon, TX

06-3407	AgriLife Vernon Campus Storm Repairs		\$15,570,330
	J. T. Vaughn Construction, LLC	Substantial Completion Date:	4/29/2025
Status:	On Schedule	Construction Work Completed:	73%

Total of Projects in Construction **\$2,415,406,488**

*CCAP projects. Those in planning will not move forward until Legislative requirements are met, POR is complete and funding is finalized.

Projects in Private Development:

Bryan, TX

01-3285	Data Center		\$150,000,000
01-3431	Project Factory One		TBD
26-3350	RELLIS Substation		\$2,164,000
26-3355	BTU Substation at RELLIS		\$13,000,000

College Station, TX

01-3428	ARFF Station Construction		\$5,380,232
02-3165	Century Square		\$355,000,000
02-3289	Intergenerational Living Center		\$35,000,000
02-3406	Union Pacific Bush 4141 Locomotive & Marine One Helicopter Pavilion		\$29,000,000
02-3424	PopStroke		\$3,800,000

Commerce, TX

21-3292	Development Tract (~8 acres at corner of Culver and Hwy 24)		TBD
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Dallas, TX

23-3328 Dentistry Development Tract TBD

Ft. Worth, TX

01-3358 Ft. Worth Research & Innovation Center TBD

Houston, TX

23-3293 Innovation Plaza \$401,000,000

Kingsville, TX

17-3430 Ocelot Conservation Facility \$15,811,000

Prairie View, TX

05-3335 50 Acre Development Tract TBD

Texarkana, TX

22-3217 Student Recreation Center at TAMU-T \$9,700,000

Total of Projects in Private Development **\$1,019,855,232**

Agenda Item No.

AGENDA ITEM BRIEFING

Submitted by: Robert H. Bishop, Director
Texas A&M Engineering Experiment Station

Subject: Establish the INSPIRE Alliance – Integrated National Security: Precise Insight & Resilient Engineering (INSPIRE)

Proposed Board Action:

Establish the INSPIRE Alliance – Integrated National Security: Precise Insight & Resilient Engineering (INSPIRE), as a Texas nonprofit corporation affiliated with the Texas A&M Engineering Experiment Station (TEES).

Background Information:

Autonomous systems, artificial intelligence, data science, materials, space innovations, and other emerging technologies dramatically increase national security capabilities that are critical for deterring future conflicts, while simultaneously enhancing the lives of our service members, their families, our veterans, our state and nation.

TEES would establish INSPIRE as a high-performance, not-for-profit organization that is controlled by TEES for the purpose of soliciting and entering into contracts or grants with a focus on applied research opportunities in the national security space. INSPIRE would be optimized to develop and deploy technology into the Department of Defense and industry contracts at high-speed and large-scale. INSPIRE would help position TEES as the national leader in the application-centric engineering national security space with a unique and impactful organization that is optimized for these types of contracts. INSPIRE would act as a key pillar for research expenditures growth, attracting new world-class intellectual talent and experience and offering advanced competencies in both precise insight and resilient engineering.

Certain legal and risk management issues are presented by the creation of a separate legal entity. OGC will work with TEES to manage and remediate the legal risks associated with the proposed new entity.

A&M System Funding or Other Financial Implications:

TEES requests financial support of \$4 million annually for four years (\$16 million total) from The Texas A&M University System (A&M System) to support INSPIRE start-up operating costs and physical space, including sensitive compartmented information facility (SCIF) at the A&M System RELLIS campus.

Strategic Plan Imperative(s) this Item Advances:

Approval of this agenda item will advance the A&M System strategic imperative #4 of increasing the A&M System's prominence by leading the nation in the advancement of national security. This will also advance imperative #5, providing services that respond to the needs of the people of Texas, by developing technologies that will advance national security and safety.

Agenda Item No.

TEXAS A&M ENGINEERING EXPERIMENT STATION

Office of the Director

January 2, 2025

Members, Board of Regents
The Texas A&M University System

Subject: Establish the INSPIRE Alliance – Integrated National Security: Precise Insight & Resilient Engineering (INSPIRE)

I recommend adoption of the following minute order:

“The director for Texas A&M Engineering Experiment Station is authorized to establish a nonprofit corporation, as a research organization affiliated with the Texas A&M Engineering Experiment Station (TEES), following a review for legal form and sufficiency by the Office of General Counsel, review by the deputy chancellor and chief financial officer, and approval by the chancellor.”

Respectfully submitted,

Robert H. Bishop
Director

Approval Recommended:

Approved for Legal Sufficiency:

John Sharp
Chancellor

Ray Bonilla
General Counsel

Billy Hamilton
Deputy Chancellor and

**INSPIRE Alliance – Integrated National Security: Precise Insight & Resilient Engineering
(INSPIRE)**

Texas A&M Engineering Experiment Station

EXECUTIVE SUMMARY

1. Rationale for the Creation

Autonomous systems, artificial intelligence, data science, materials, space innovations, and other emerging technologies dramatically increase national security capabilities that are critical for deterring future conflicts, while simultaneously enhancing the lives of our service members, their families, our veterans, our state and nation. However, poorly orchestrated initiatives open the door to new threats that can negate these pivotal benefits.

The INSPIRE Alliance – Integrated National Security: Precise Insight & Resilient Engineering (INSPIRE) would create a high-performance, not-for-profit organization that is optimized to develop and deploy technology into Department of Defense and industry contracts at high-speed and large-scale. INSPIRE would help position TEES as the national leader in the application-centric engineering national security space with a unique and impactful organization that is optimized for these types of contracts. INSPIRE would act as a key pillar for research expenditure growth, attracting new world-class intellectual talent and experience and offering advanced competencies in both precise insight and resilient engineering.

Precise Insight

Use of advanced data analytics, machine learning, and artificial intelligence to achieve highly accurate insights, predictions, intelligence products, and decision-making emphasizing the precision of data collection, analysis and application in engineering and technological systems.

Resilient Engineering

Advancement of systems that can withstand and recover from disruptions or failures, emphasizing the use of highly accurate intelligence and reconnaissance efforts within a modern, integrated system designed to support tactical operations, improving decision-making and operational efficiency.

The INSPIRE model offers many benefits, including:

- a functional organization built on an applied engineering foundation that reaches across traditional academic boundaries to address key strategic technical challenges;
- a lean organization with low overhead to support price competitiveness on large Indefinite Delivery, Indefinite Quantity (IDIQ), Government-Wide Acquisition Contracts (GWAC), and Blanket Purchase Agreements (BPA);
- heightened risk mitigation with an enhanced level of confidentiality ensured for both industry partners and government customers;

- improved position to provide capabilities beyond basic research, including the ability to accept certain sponsor security constraints and publication restrictions;
- improved ability to expand employee hiring capability;
- high-impact research and innovation to change lives, improve health, and foster sustainable development and positive societal change;
- a highly effective, major economic engine that creates new partnerships to build a strong and sustainable future for Texas in the global economy.

2. INSPIRE Mission and Membership

Vision

Become our customers' trusted agent to provide engineering solutions that enhance the performance, effectiveness and safety of those that serve our national security.

Values

Promote a culture of integrity, mutual respect and innovation that enables us to serve our partners and customers in their dynamic operating environment.

Member institution: Texas A&M Engineering Experiment Station

Responsible administrative unit: Office of the Director

3. Potential Faculty Associated with the Alliance Including Potential Intrasystem and Other Collaborations

INSPIRE presents an organizational structure that can provide technical expertise at high-speed while also leveraging the intellectual firepower of Texas A&M Engineering, currently comprised of 794 faculty, including 34 National Academy members, generating \$445 million in research expenditures, which ranks #1 in the nation for engineering research expenditures.

Recent examples of leading large-scale research efforts include the Texas A&M Space Institute \$200 million, Hypersonics \$150 million, and In-space Operations \$109 million.

4. Potential Activities

INSPIRE would be established as a nonprofit corporation under Ch. 22 of the Business Organizations Code of the state of Texas with 501(c)(3) status from the Internal Revenue Service. The organizational focus would be on specialized contracts with deliverables that are different than typical university research grants. As a not-for-profit organization, INSPIRE could enter into Federal Acquisition Regulation (FAR) 31.7 commercial acquisition contracts with the federal government.

5. Impact on Education and Training of Students

INSPIRE would expand research capabilities that result in increased opportunities for student learning, highly-skilled global citizens, and jobs.

6. Resource Requirements

INSPIRE would utilize a Defense Contract Auditing Agency (DCAA) approved accounting system supported by administrative personnel experienced in government contracting in both the commercial and public sectors, with government security clearances. The accounting system would be configured to meet full Cost Accounting Standards (CAS) as required by DCAA and include modules for purchasing, budgeting, contracts, and subcontracts.

INSPIRE would require trained finance and accounting personnel to ensure proper allocation of costs in accordance with FAR and Defense Federal Acquisition Regulation Supplement (DFARS) requirements. INSPIRE would also need trained contracting and compliance personnel to ensure proper contract execution and compliance with all contractual requirements.

7. Sources and Expectations of Financial Support

TEES requests financial support of \$4 million annually for four years (\$16 million total) from the Texas A&M University System to support INSPIRE start-up operating costs and physical space, including sensitive compartmented information facility (SCIF) at the Texas A&M RELLIS Campus.

INSPIRE will financially self-sustain after the initial four-year start-up period. In addition, INSPIRE will seek commitment from the U.S. Space Force through large-scale contracting funding (e.g., IDIQ, GWAC, or BPA) with co-located military personnel.

8. Governance and Advisory Structure

The proposed governance structure for INSPIRE would include a seven-member Board of Directors. Membership would include five College Deans from Texas A&M University, and the Vice Chancellor for Research, Texas A&M University System, and Deputy Vice Chancellor for Research, Texas A&M University System.

9. Mechanisms for Periodic Review and Metrics

TEES centers and institutes are reviewed according to Texas A&M University System Regulation 11.02.01 and TEES SAP 11.02.99.E0.01. In conjunction with The Texas A&M University System, TEES would recommend a similar review cycle for INSPIRE. These periodic reviews can result in recommendations for sustainability, changes in structure or management, continuation or discontinuation, changes in governance, changes in mission, adherence to TEES' mission, and other issues.

Metrics for review include measures for performance in TEES mission areas (research, workforce development, and technology commercialization), sustainability, value added to TEES, collaborative activities, and other measures.

Agenda Item No.

THE TEXAS A&M UNIVERSITY SYSTEM

Office of the Board of Regents

January 17, 2025

Members, Board of Regents
The Texas A&M University System

Subject: Adoption of a Resolution Honoring Charlie Hrncir for his Leadership and Service as Chief Auditor of The Texas A&M University System and Bestowing the Title of Chief Auditor Emeritus

Approval of the following resolution honoring Charlie Hrncir by the Board of Regents is recommended:

“WHEREAS, Mr. Charlie Hrncir served with distinction and dedication as the Chief Auditor for The Texas A&M University System from 2015 until his retirement January 31, 2025; and

WHEREAS, Mr. Hrncir has been a public servant auditing the state’s finances since 1981, first as manager, then supervising assistant auditor, and then as an assistant state auditor in the Texas State Auditor’s Office; and

WHEREAS, Mr. Hrncir, who graduated Texas A&M University in 1980 with a Bachelor of Business Administration in Accounting, returned in 2000 to serve his alma mater and The Texas A&M University System as Director of Internal Audit; and finally, as Chief Auditor in 2015; and

WHEREAS, as Chief Auditor, Mr. Hrncir dedicated the next ten years to elevating the professionalism of his staff and improving the auditing functions for a complex A&M System that has grown to a budget of \$7.3 billion; and

WHEREAS, under Mr. Hrncir’s leadership, System Internal Audit performed more than 320,000 hours of audit work, and issued more than 300 reports; and

WHEREAS, Mr. Hrncir promoted more efficient auditing procedures by streamlining the audit process, reducing the time between the start of an audit and the final report; and

WHEREAS, under Mr. Hrncir’s leadership, System Internal Audit decreased the number of outstanding audit recommendations and the time within which the follow up audits were completed; and

WHEREAS, Mr. Hrncir enhanced the audit report format, better illustrating audit results and providing a more balanced picture of the audit work completed; and

WHEREAS, under Mr. Hrncir’s leadership, System Internal Audit conducted two of the largest systemwide audits ever completed in the A&M System; and

WHEREAS, as a Certified Public Accountant and a graduate of the Governor’s Executive Development Program at the LBJ School of Public Affairs, Mr. Hrncir always encouraged his staff to pursue professional certificates of expertise that elevated the stature of his department; and

Agenda Item No.
January 17, 2025

WHEREAS, Mr. Hrnrcir further served The Texas A&M University System, serving on the Texas A&M University Internal Audit Advisory Board, and systemwide committees to consolidate research administration, to address the requirements of the Health Insurance Portability and Accountability Act, and to address federal time and effort reporting; and

WHEREAS, Mr. Hrnrcir served his profession by serving on the board of the Texas Association of College and University Auditors; now, therefore, be it

RESOLVED, that, we, the members of the Board of Regents of The Texas A&M University System, desire to express our appreciation to Charlie Hrnrcir for the outstanding leadership and service that he so effectively provided as Chief Auditor of The Texas A&M University System; and, be it, further

RESOLVED, that in honor of his service to The Texas A&M University System, we bestow the title of Chief Auditor Emeritus of The Texas A&M University System, with all the rights and privileges pertaining thereto, upon Charlie Hrnrcir; and, be it, further

RESOLVED, that this resolution be included in the minutes, and copies thereof be signed by the Chairman of the Board of Regents, filed with the Archives of The Texas A&M University System, and be presented to Charlie Hrnrcir as a sincere expression of gratitude for his leadership and service as Chief Auditor, as well as his contributions to the state of Texas throughout his distinguished career.

ADOPTED, this 6th day of February 2025.”

Respectfully submitted,

William Mahomes
Chairman, Board of Regents

Approved for Legal Sufficiency:

Ray Bonilla
General Counsel

***Certified by the general counsel or other appropriate attorney as confidential or information that may be withheld from public disclosure in accordance with Section 551.1281 and Chapter 552 of the Texas Government Code.**