

Response to House Higher Education Committee Interim Charge 2

Changing Infrastructure Needs and TRBs for the 87th Legislature



The pandemic has highlighted two infrastructure issues at the University of North Texas (UNT):

1. The need to continue steady investment in infrastructure upgrades in aging facilities. Some aging facilities, especially of the 1970's era, lack domestic hot water for hand washing due to State of Texas, energy-crisis era guidance. Additionally, some older facilities lack HVAC control systems that facilitate increasing outside air exchanges. Finally, many of the older buildings have plumbing materials prone to metallic leaching which exacerbates a need to flush water systems during times of low occupancy. Continued investment in infrastructure projects will alleviate these issues.
2. A need to consider supplementing HVAC code for air filtration and air treatment in facilities with a high density of occupants, such as academic facilities. Current HVAC codes do not require higher efficiency air filtration with pandemic preferred Minimum Efficiency Reporting Value-13 (MERV-13) filters nor air cleaning technologies such as ultraviolet light or bi-polar ionization. Both the filtration and air-cleaning require additional investment in HVAC systems. These enhancements to HVAC codes are prudent measures for high-occupancy building types in pandemic or even severe influenza events.

The pandemic increases the need and importance of projects planned for Higher Education Funds (HEF) in our Capital Improvement Plan over the next five years. Increased HEF or TRB would accelerate improvements. Looking forward to the 87th Legislative Session, UNT still requires a new science and technology research building as indicated in HB 2000. In addition, UNT will be requesting TRB a Commerce, Analytics, Technology, and Engineering (CATE) building for the Frisco Campus. UNT's branch campus in Frisco is growing rapidly to serve the needs of businesses and organizations in Collin County. The greatest demand for educated workers in that region is in the areas of commerce, analytics, technology, and engineering coupled with a greater need for individuals who can bring a creative and innovative approach to the future of this region. The CATE building will provide state-of-the-art space for applied learning and collaboration to support a range of degree programs.



Since the last Legislative Session, the University of North Texas Health Science Center at Fort Worth sees higher education as having experienced a major disruption in the delivery of education and healthcare, and COVID-19 has expedited that need. We see our role changing, as a steward of State funds, and have transformed the delivery of education, delivery of healthcare (as an HRI), to include the remote work for our team members, to meet that need.

We therefore will not be seeking the \$115 million TRB request that we had proposed in the last Legislative Session for a new academic building. Since then, we have purchased an office building at the

edge of campus and have been moving administrative units there and expanding academic and research space in the vacated administrative space. We are focusing space on campus for academic and research activities. However, if TRB funds would be allowed for campus optimization and space realignment then we could repurpose older style space into flexible multi-purpose rooms. These sorts of rooms are more useful for activities that require skill-based educational components. Accordingly, we are requesting \$42 million in TRBs for campus space optimizations and realignment.

We deem it more prudent to repurpose our existing facilities to better reflect the emerging trends in education delivery and remote working arrangements. The current environment may not be a permanent state for the delivery of education, healthcare and remote working in the future, but we at the HSC think that this disruption in some form will be permanent. We are therefore strategically forecasting our resource needs and utilization accordingly. We continue to focus on ensuring excellence in the delivery of our educational offerings, our healthcare delivery, and in planning for a thoughtful process for selective remote working environments.

Our productivity on many aspects has increased as we have better utilized some of our technologies and redesigned our processes for many key functions.

UNT | DALLAS

The pandemic has only magnified the growing pains being experienced by UNT Dallas. We serve a high need student population of mostly first-generation students from the bottom two economic quintiles in an urban area with historically low educational attainment rates. Our growth rate the last four years has reinforced the need for UNT Dallas as an educational resource for urban metro Dallas County residents. For us to continue to grow, we will need to expand our infrastructure.

Our first-year students especially benefit from face to face instruction – something we have not been able to accomplish since mid-March except in limited ways. To compensate, we have kept in daily contact with our students, faculty and staff through informational newsletters every business day since mid-March. We have increased our virtual support systems in advising, counseling, tutoring and accelerated our Trailblazer Elite retention program for promising but at-risk students. Because many of our students have limited or no internet service at home, we have invested in hot spots and laptops for any student who does not have the needed technological equipment to effectively engage and interact in a virtual instructional mode.

Since the 86th Legislature, we have invested in updating our campus master plan. What comes through loud and clear in this plan is that to get to our next enrollment goal of 8,000 students, we will need a science/technology building to accommodate our growing number of science students. UNT Dallas has recently been accepted into the state's Joint Application Medical Program, thus guaranteeing qualified students spots in Texas medical schools. This benefit already is having positive recruiting results in our science programs and reinforces the need for a UNT Dallas science building.

In lieu of this important physical structure, we have made arrangements with a local high school to use 16 classrooms and four labs after 5 pm. We also have arranged to lease lab space at a nearby community college. While these are necessary solutions to meet growing demand in the short term,

UNT Dallas will require its own science and technology building to effectively meet the needs of our students for the long term.



Impact of Federal Funds

While federal funding has provided needed and necessary support to help our institutions weather the financial pressures caused by the pandemic, federal funding is insufficient to accommodate the direct student needs and additional infrastructure needs across UNT System institutions.

Impact of the economic recession on borrowing costs

In response to the economic recession, the Federal Reserve lowered the Federal Funds Target Rate to 0.0-0.25%. This in turn drove borrowing costs for our long-term debt to all-time historic lows. If TRBs were authorized and financed in the near-term, we could see a lower cost to finance TRBs than ever before. If the economic recession persists and deteriorates the State of Texas' credit profile, our cost of borrowing would likely be increased. If the economy continues to rebound, we anticipate to see increases to our long-term borrowing costs.

Long Term impacts if TRBs continue to be delayed

Continuing to push off TRBs for UNT System would limit the institutions' ability to effectively serve growing student populations and research capacities.