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CONSENT AGENDA**

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February 19-20, 2025
Austin, Texas

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MEETING OF THE BOARD

1. Minutes - U.T. System Board of Regents: Approval of Minutes of the regular meeting held November 20-21, 2024; and the special called meeting held December 11, 2024

2. Resolution - U.T. System Board of Regents: Adoption of resolution regarding the list of Key Management Personnel authorized to negotiate, execute, and administer classified government contracts (Managerial Group)

To comply with the Department of Defense National Industrial Security Program Operating Manual (NISPOM) requirements, it is recommended that the Board of Regents approve the revised resolution set forth below regarding exclusion of individuals from the list of Key Management Personnel (KMP) authorized to negotiate, execute, and administer classified government contracts. The revision reflects the appointment of a new Research Security Analyst in the Office of Research Support and Compliance at The University of Texas at Austin.

A Resolution amending the Managerial Group list was last adopted by the Board of Regents on November 21, 2024.

NISPOM defines KMP as "all entity officials who either hold majority interest or stock in, or have direct or indirect authority to influence or decide issues affecting the management or operations of, the entity or classified contract performance." The Manual requires that the Senior Management Official (SMO), Facility Security Officer (FSO), and the Insider Threat Program Senior Official (ITPSO) must always be designated as part of the Managerial Group and be cleared at the level of the Facility Clearance. Other officials or KMPs, as determined by the Defense Counterintelligence and Security Agency (DCSA), must be granted Personal Security Clearances or be formally excluded by name from access to classified material.

RESOLUTION

BE IT RESOLVED:

- a. That those persons occupying the following positions at The University of Texas System and The University of Texas at Austin shall be known as the Managerial Group, having the authority and responsibility for the negotiation, execution, and administration of Department of Defense (DoD) or User Agency contracts, as described in 32 CFR Part 117, "National Industrial Security Program Operating Manual" (NISPOM):

James B. Milliken, J.D., Chancellor, The University of Texas System
Jay Hartzell, Ph.D., President, The University of Texas at Austin
Daniel T. Jaffe, Ph.D., Vice President for Research, The University of Texas
at Austin

Francis J. Landry III, Facility Security Officer (FSO), The University of Texas System/Security Manager, Applied Research Labs, The University of Texas at Austin

Patrick H. Vetter, Insider Threat Program Senior Official (ITPSO), The University of Texas System/Assistant Security Director, Applied Research Labs, The University of Texas at Austin

Brandon H. Norwat, Associate Director, Science and Security, The University of Texas at Austin

James R. (Trey) Atchley III, Chief Inquiry Officer and Chief Research Security Officer, The University of Texas System

George E. Finney, Chief Information Security Officer, The University of Texas System

Michael J. Parks, Executive Director of Police, The University of Texas System

Margaret Lester, Research Security Analyst, Office of Research Support and Compliance, The University of Texas at Austin

The Chief Executive Officer (i.e., the Chancellor) is the highest ranking member of the Managerial Group. The Chancellor and the members of the Managerial Group have been processed, or will be processed, for a personnel security clearance for access to classified information to the level of the facility security clearance granted to this institution, as provided for in the NISPOM.

The Managerial Group is hereby delegated all of the Board's duties and responsibilities pertaining to the protection of classified information under classified contracts of the DoD or User Agencies of the NISPOM awarded to U.T. System, including U.T. Austin.

- b. That the following named members of the U.T. System Board of Regents shall not require, shall not have, and can be effectively excluded from access to all classified information in the possession of U.T. System, including U.T. Austin, and do not occupy positions that would enable them to affect adversely the policies and practices of the U.T. System, including U.T. Austin, in the performance of classified contracts for the Department of Defense or User Agencies of the NISPOM awarded to the U.T. System, including U.T. Austin, and need not be processed for a personnel security clearance:

Members of the U.T. System Board of Regents:

Kevin P. Eltife, Chairman

Janiece Longoria, Vice Chairman

James C. "Rad" Weaver, Vice Chairman

Christina Melton Crain

Robert Paul Gauntt

Jodie Lee Jiles

Nolan E. Perez, M.D.

Stuart W. Stedman

Kelcy L. Warren

Anthony John Dragun, Student Regent from June 1, 2024 to May 31, 2025 (nonvoting)

AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE

No items for Consent Agenda

FINANCE AND PLANNING COMMITTEE

3. Other Fiscal Matters - U.T. System: Approval for the University of Texas/Texas A&M Investment Management Company (UTIMCO) to establish a Prime Broker relationship with J.P. Morgan Financial Services and to negotiate an agreement for services for investment assets under the fiduciary care of the U.T. System Board of Regents

Agency: J.P. Morgan Prime Financial Services

Description: Approval is requested for the University of Texas/Texas A&M Investment Management Company (UTIMCO) to establish a prime broker relationship with J.P. Morgan Financial Services and to negotiate an agreement for services for investment assets under the fiduciary care of the U.T. System Board of Regents (U.T. System Board).

A prime broker is a large financial institution that provides cash management services, custodial services, securities lending and borrowing, and facilitates short sales and the purchase of securities on margin. The selection of a prime broker is subject to the applicable approvals of Custodians as defined by the Master Investment Services Agreement between the U.T. System Board and UTIMCO. Custodians must be approved by the U.T. System Board.

After a comprehensive due diligence process engaging with six reputable Wall Street firms, UTIMCO has chosen J.P. Morgan Prime Financial Services based on their creditworthiness, well-established global footprint, familiarity with UTIMCO, and pricing. The UTIMCO Board approved the selection of J.P. Morgan Prime Services at its December 12, 2024 meeting.

4. Other Matters - U.T. System: Approval of the Fiscal Year 2026 Budget Preparation Policies, including the Calendar for budget operations, and the Annual Operating Budget Rules and Procedures

With the concurrence of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and the Executive Vice Chancellor for Health Affairs, the Chancellor recommends that the U.T. System Board of Regents approve the Budget Preparation Policies set out on the following pages, including the Calendar for budget operations for use in preparing the Fiscal Year (FY) 2026 Annual Operating Budget for the U.T. System, and the Annual Operating Budget Rules and Procedures which follow the Calendar.

The U.T. System FY 2026 Budget Preparation Policies are consistent with the regulations and directives included in the *General Appropriations Act* and other general law to be enacted by the 89th Texas Legislature. Proposed changes would clarify sources of funding within the budget and conform to language for faculty merit increases or advances in rank in Regents' Rule 31002 (Evaluation of Tenured Faculty). As written, this policy provides general direction to the U.T. System institutions.

Proposed changes to the Annual Operating Budget Rules and Procedures for FY 2026 (Budget Rules) would acknowledge a different nine-month faculty appointment period for U.T. Austin; clarify that medical schools of academic institutions have 12-month faculty appointments; correct the definition of total annual compensation; authorize the Chancellor to make specific allocations of Library, Equipment, Repair and Rehabilitation (LERR) and Faculty STARS (STARS) to institutions if the Board of Regents approves the LERR and STARS budget in total, but does not make those allocations; authorize the Chancellor to approve initial LERR projects within the approved LERR budget if those projects are not specifically approved by the Board of Regents when the initial budget is adopted; clarify that LERR and STARS expenditures are subject to U.T. System Policies; and move records retention requirements from LERR Expenditure Guidelines to the LERR Rules.

U.T. System Fiscal Year 2026 Budget Preparation Policies

1. **General Guidelines** - The regulations and directives to be included in the *General Appropriations Act* expected to be enacted by the 89th Texas Legislature, along with other general law, serve as the basis for these guidelines and policies. In preparing the draft of the FY 2026 Operating Budget, the president of each institution should adhere to guidelines and policies as detailed below and as included in the *General Appropriations Act*. The Associate Vice Chancellor, Budget and Planning, will issue detailed instructions regarding the implementation of those regulations and directives into the institutional budget process.

The president of each institution should examine the resources used at the institution and, where possible, redirect resources toward high priority mission critical activities and strategic competitive investments that are consistent with the goals and objectives included in the institution's Strategic and Long Range Financial Plans.

Overall budget totals, including retaining reasonable reserves for potential future financial shortfall, must be limited to the funds available for the year from General Revenue Appropriations, Estimates of Educational and General Income, other anticipated institutional revenue sources, and limited use of institutional unappropriated balances. Institutions should not incorporate uncollected pledged gifts that have been recognized as revenue into budget totals nor grant budget authority based on them.

2. **Maintenance of Operating Margin and Use of Prior Year Balances** - Institutions should make all reasonable efforts to maintain a favorable operating margin within the FY 2026 Operating Budget. Use of prior year balances should be limited to critical items, unique opportunities, or projects funded from prior year income committed for that purpose. Generally, balance usage should be reserved for nonrecurring activities. Balance usage cannot be recommended to the U. T. System Board of Regents for approval without the consent of the Chancellor, the appropriate Executive Vice Chancellor, and the Associate Vice Chancellor, Budget and Planning.

3. **Salary Guidelines** - Recommendations regarding salary policy are subject to the following directives:

Salaries Proportional by Fund - Unless otherwise restricted, payment for salaries, wages, and benefits paid from appropriated funds, including local funds and educational and general funds as defined in *Texas Education Code* Section 51.009 (a) and (c), shall be proportional to the source of funds.

Merit Increases and Promotions - Institutions should consider available resources and resolution of any major salary inequities when implementing merit salary increases for faculty and staff.

As established by *Texas Education Code* Section 51.962, an employee must have been employed by the institution for the six months immediately preceding the effective date of the increase to be eligible for a merit increase, and at least six months must have elapsed since the employee's last merit salary increase. These limitations also apply to one-time merit payments.

U.T. System Fiscal Year 2026 Budget Preparation Policies (continued)

Merit increases or advances in rank for faculty are to be on the basis of their professional responsibilities in teaching effectiveness, research, public service, patient care, and administration. Merit increases or promotions for administrative and professional staff and classified staff are to be based on evaluation of performance in areas appropriate to work assignments.

Other Increases - Equity adjustments, competitive offers, and increases to accomplish contractual commitments should also consider merit where appropriate, subject to available resources. Subject to guidance issued by the Associate Vice Chancellor, Budget and Planning, such increases should be noted and explained in the supplemental data accompanying the budget.

New Positions - Subject to available resources, new administrative and professional staff, classified staff, and faculty positions are to be requested only when justified by workloads or to meet needs for developing new programs.

Reporting - The Associate Vice Chancellor, Budget and Planning, will issue guidance on reporting compensation changes and amounts. It is expected that required reports will encompass highly compensated and high-ranking personnel covered by Regents' *Rules and Regulations*, Rules 20203 and 20204.

4. **Staff Benefits Guidelines** - Recommendations regarding the State contribution for employee staff benefits such as group insurance premium sharing, social security, teacher retirement, and optional retirement are subject to legislative determination via the *General Appropriations Act*. Payments for benefits, including for retirees, should comply with the provisions of Texas Comptroller of Public Accounts' Accounting Policy Statement No. 11, "Benefits Proportional by Method of Finance" and the *General Appropriations Act*. The Associate Vice Chancellor, Budget and Planning, will issue instructions regarding the implementation of the benefits into the budget process.
5. **Other Employee Benefits** - Employer contributions to the self-insured Unemployment Compensation Fund are based on an actuarial study. Workers' Compensation Insurance rates are experience-rated for each institution. Appropriate instructions will be issued regarding the implementation of Unemployment Compensation Fund and Workers' Compensation Insurance Benefits.
6. **Other Operating Expenses Guidelines** - Increases in Maintenance, Operation, Equipment, and Travel are to be justified by expanded workloads, for developing new programs, significant inflationary or other external cost pressures, or for correcting past deferrals or deficiencies.
7. **Calendar** - Authority is delegated to the Associate Vice Chancellor, Budget and Planning, to modify the Calendar as needed.



THE UNIVERSITY OF TEXAS SYSTEM

FISCAL YEAR 2026 OPERATING BUDGET CALENDAR

February 20, 2025	Board of Regents takes appropriate action on budget preparation policies and budget rules
April 18, 2025	Request for Library, Equipment, Repair and Rehabilitation new project instructions and information on balances subject to lapse are sent to institutions
May 1-9, 2025	Institution Budget Meetings with U.T. System Administration
May 1, 2025	Budget instructions issued by U.T. System Administration
June 2, 2025	New Library, Equipment, Repair and Rehabilitation project requests due to U.T. System Administration
June 23, 2025	Draft budget due to U.T. System Administration
June 25-July 1, 2025	Technical budget review with U.T. System Administration
July 9, 2025	Final budget due to U.T. System Administration
July 11, 2025	Reports on highly compensated staff covered by Regents' Rule 20204, institutional top ten salaries and high-ranking staff salaries due to U.T. System Administration
August 8, 2025	Operating Budget Summaries provided to the Office of the Board of Regents
August 21, 2025	Board of Regents takes appropriate action on Operating Budget and compensation of Presidents and Executive Officers

THE UNIVERSITY OF TEXAS SYSTEM

OPERATING BUDGET RULES AND PROCEDURES

For Fiscal Year Ending August 31, 2025⁶

A. INITIAL BUDGET

1. Any transfers subsequent to the approval of the initial budget shall be made only after careful consideration of the allocations, transfer limitations, and general provisions of the current general appropriations act. (See B. Budget Amendments)
2. All appointments are subject to the provisions of the U.T. System Board of Regents' *Rules and Regulations* ("Regents' Rules") for the governance of The University of Texas System.
3. The established merit policy will be observed in determining salary rates.
4. All academic salary rates in the instructional departments of the academic institutions are nine-month rates (September 1 - May 31, or August 16 – May 15 for U.T. Austin) unless otherwise specified. In the health-related institutions, and medical schools of academic institutions, all salary rates are twelve-month rates unless otherwise specified.
5. All appointments of classified personnel are based on twelve-month rates and are made within appropriate salary ranges as defined by the classified personnel Pay Plan approved by the president or Chancellor. All appointments of administrative and professional personnel are based on twelve-month rates.
6. Compensation for continuing personnel services (for a period longer than one month), though paid for on an hourly basis, is not to be paid out of maintenance and equipment, or like appropriations, except upon specific approval of the president of the institution or the Chancellor.
7. All maintenance and operation, equipment, and travel appropriations are for twelve months (September 1 - August 31) and should be budgeted and expended accordingly.

B. BUDGET AMENDMENTS

1. Items requiring approval of the U.T. System Administration and subsequent approval by the U.T. System Board of Regents via the Consent Agenda
 - a. New appointments of tenured faculty (Regents' Rule 31007).
 - b. Award of tenure to any faculty member (Regents' Rule 31007).
 - c. New appointments as Regental Professor (Regents' Rule 31001). Titles set forth in Regents' Rule 20301 including Chancellor Emeritus, President Emeritus, and similar honorary designations are conferred by the U.T. System Board of Regents.
 - d. Appointments, promotions, and salary increases involving the president (Regents' Rules 20201, 20202, and 20203).
 - e. New contracts or contract changes involving athletic directors or coaches whose total annual compensation equals or exceeds the amounts specified by Regents' Rule 10501 Section 2.2.12.
 - f. Compensation changes for Key Executives as defined by Regents' Rule 20203.
 - g. Compensation for Highly Compensated Personnel whose total annual compensation for the first time exceeds or may exceed the amount set as the approved institutional contract threshold discussed in Regents' Rules and Regulations, Rule 10501, Subsection 2.2.17 during the year and who are not subject to B.1.e or B.2.f (Regents' Rules 10501 and 20204).
 - h. Compensation changes greater than five percent for Highly Compensated Personnel whose total annual compensation exceeds the amount set as the approved institutional contract threshold discussed in Regents' Rules and Regulations, Rule 10501, Subsection 2.2.17 and who are not subject to B.1.e or B.2.f (Regents' Rules 10501 and 20204).
 - i. Increases in budgeted amounts from income or unappropriated balances for Educational and General, Auxiliary Enterprises, Designated Funds, Service Departments, Revolving Funds, and Plant Funds, subject to the thresholds established in B.5 below.
 - j. Increases to Plant Funds which result from transfers from Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments, and Revolving Funds, subject to the thresholds established in B.5 below.
2. Items requiring approval of U.T. System Administration (no Consent Agenda approval required)
 - a. Reappropriation of prior year Educational and General Fund balances, subject to the thresholds established in B.5 below.
 - b. Increases in budgeted amounts from income or unappropriated balances for Educational and General, Auxiliary Enterprises, Designated Funds, Service Departments, Revolving Funds, and Plant Funds, subject to the thresholds established in B.5 below.

- c. Increases to Plant Funds which result from transfers from Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments, and Revolving Funds, subject to the thresholds established in B.5 below.
 - d. Compensation changes for Highly Compensated Personnel other than those subject to B.1.e or B.2.f with total annual compensation in excess of the amount set as the approved institutional contract threshold discussed in Regents' Rules and Regulations, Rule 10501, Subsection 2.2.17, whose change in total annual compensation is five percent or less and whose initial compensation was previously approved by the U.T. System Board of Regents (Regents' Rules 10501 and 20204).
 - e. Appointments and compensation changes for Highly Compensated Personnel (\$1 million or more) who are not subject to B.1.a, B.1.b, B.1.c, B.1.d, B.1.e, B.1.f, B.1.g, B.1.h or B.2.d (Regents Rule 20204).
 - f. Appointments and promotions involving administrative and professional personnel reporting directly to the president.
3. Items requiring approval of the president only (Chancellor for U.T. System Administration)
- a. All interdepartmental transfers.
 - b. All budget transfers between line-item appropriations within a department.
 - c. Increases in budgeted amounts from income or unappropriated balances for Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments, and Revolving Funds, subject to the thresholds established in B.5 below.
 - d. Reappropriation of Prior Year Educational and General Fund Balances, subject to the thresholds established in B.5 below.
 - e. Promotions involving tenured faculty (Regents' Rule 20201).
 - f. New honorary title appointments as Dean Emeritus, Chair Emeritus, Professor Emeritus, and similar honorary designations (Regents' Rule 31001).
 - g. Transactions involving all other personnel except those specified in B.1.a, B.1.b, B.1.c, B.1.d, B.1.e, B.1.f, B.1.g, B.1.h, B.2.d, B.2.e and B.2.f as defined above.
 - h. Changes in sources of funds, changes in time assignments, and other changes in status for personnel categorized in Item B.1 or B.2, provided no change in the individual's salary rate is involved. In the case of Medical Faculty, this provision applies to "Total Compensation."
 - i. Clinical faculty appointments or changes, including medical or hospital staff, without salary provided the clinical faculty member is not considered to be Highly Compensated Personnel.

4. Effective date of appointments and compensation increases

- a. Any increase in approved compensation for the current fiscal year without a change in classification or position is not to be effective prior to the first day of the month in which the required final approval of the rate change is obtained.
- b. A compensation increase resulting from an appointment to another classification or to a position involving new and different duties may be made effective to the time of the first performance of duties under the new appointment.
- c. The effective date of an appointment is the date on which the individual is first to perform service for the institution under that appointment.
- d. The original appointment during a fiscal year of a person not in a budget for that year or not under an existing appointment for that year may relate back to the first performance of duties during the fiscal year although such person may have been employed in a previous fiscal year and although increased compensation for the same classification or position is involved.

5. Budget amendment criteria

- a. Institutions other than U.T. System Administration with budgeted revenue, including transfers from the Available University Fund, of \$1 billion or more will have a threshold of:
 - i. For B.1i and B.1j – Equal to or greater than \$10,000,000 (budget increase approval via the Consent Agenda)
 - ii. For B.2a – Equal to or greater than \$10,000,000 (reappropriation of E&G balances approval by U.T. System Administration)
 - iii. For B.2b and B.2c – Equal to or greater than \$5,000,000 and less than \$10,000,000 (budget increase approval by U.T. System Administration)
 - iv. For B.3c – Less than \$5,000,000 (budget increase approval by the president)
 - v. For B.3.d – Less than \$10,000,000 (reappropriation of E&G balances approval by the president)
- b. Institutions other than U.T. System Administration with budgeted revenue, including transfers from the Available University Fund, between \$250 million and \$1 billion will have a threshold of:
 - i. For B.1i and B.1j – Equal to or greater than \$5,000,000 (budget increase approval via the Consent Agenda)
 - ii. For B.2a – Equal to or greater than \$5,000,000 (reappropriation of E&G balances approval by U.T. System Administration)
 - iii. For B.2b and B.2c – Equal to or greater than \$2,500,000 and less than \$5,000,000 (budget increase approval by U.T. System Administration)
 - iv. For B.3c – Less than \$2,500,000 (budget increase approval by the president)
 - v. For B.3.d – Less than \$5,000,000 (reappropriation of E&G balances approval by the president)

- c. Institutions other than U.T. System Administration with budgeted revenue, including transfers from the Available University Fund, less than \$250 million will have a threshold of:
 - i. For B.1i and B.1j – Equal to or greater than \$2,500,000 (budget increase approval via the Consent Agenda)
 - ii. For B.2a – Equal to or greater than \$2,500,000 (reappropriation of E&G balances approval by U.T. System Administration)
 - iii. For B.2b and B.2c – Equal to or greater than \$500,000 and less than \$2,500,000 (budget increase approval by U.T. System Administration)
 - iv. For B.3c – Less than \$500,000 (budget increase approval by the president)
 - v. For B.3.d – Less than \$2,500,000 (reappropriation of E&G balances approval by the president)

- d. U.T. System Administration will have a threshold of:
 - i. For B.1i and B.1j – Equal to or greater than \$2,500,000 (budget increase approval via the Consent Agenda)
 - ii. For B.2a and B.3e – All amounts may be approved by the Chancellor (reappropriation of E&G balances)
 - iii. For B.2b, B.2c, and B.3c – All amounts less than \$2,500,000 may be approved by the Chancellor (budget increase approval)
 - iv. Notwithstanding i., ii., and iii., the Chancellor may authorize any budget amendment in the U.T. System revolving insurance or revolving systemwide information technology funds without limitation.

- e. Notwithstanding a., b., and c. of this section, the president of an institution may authorize any budget amendment related to hospital patient care activities or Medical, Dental, Nursing, and Faculty Services Research and Development Plans, the Allied Health Faculty Services Plan or the Physicians Referral Service Plan without limitation if the budget increase is supported by a corresponding increase in revenue. This exception does not apply to increases from unappropriated balances.

C. OTHER CONSIDERATIONS

1. All appropriations not actually expended or encumbered by August 31 will automatically lapse to the Unappropriated Balance Account except for those reallocated pursuant to Item B.2a and Item B.3d.
2. Compensation from the Medical Service Research and Development Plan, Dental Service Research and Development Plan, Physicians Referral Service Plan, Faculty Services Research and Development Plan, Allied Health Faculty Services Plan, or Nursing Clinical Enterprise Health Services Research and Development Plan is contingent upon its being earned or available in accordance with the regulations applicable to the appropriate plan.
3. Budgeted expenditures authorized from sources of funds other than Educational and General Funds are contingent upon receipt of such funds. Appointments from such fund sources will not become an obligation of the institution in the event the supplemental or grant funds are not realized.
4. Leaves of Absence may be granted only in accordance with provisions contained in Regents' Rule 30201.

5. In these Rules, Compensation means total annual compensation as defined by Regents' Rule 20204 ~~or total compensation under a multiyear contract.~~
6. Appropriations of the Available University Fund are subject to the appropriation limitations and notice requirements found in the General Appropriations Act.

THE UNIVERSITY OF TEXAS SYSTEM

FACULTY WORKLOAD REQUIREMENTS FOR ACADEMIC INSTITUTIONS

For Fiscal Year Ending August 31, 2025~~5~~6

FACULTY WORKLOAD REQUIREMENTS FOR ACADEMIC INSTITUTIONS

The general workload policy for faculty employed at U.T. System academic institutions is set forth in Regents' Rule 31006. Through established shared governance processes, the U.T. System Board of Regents have authorized each academic institution to establish a faculty workload policy that adheres to the provisions and reporting requirements of Rule 31006 and the *Texas Education Code* Section 51.402.

THE UNIVERSITY OF TEXAS SYSTEM

MEDICAL, DENTAL, NURSING, FACULTY SERVICES RESEARCH AND DEVELOPMENT PLANS,
ALLIED HEALTH FACULTY SERVICES PLAN AND PHYSICIANS REFERRAL SERVICE

For Fiscal Year Ending August 31, 2025~~5~~6

RULES AND PROCEDURES

1. These Rules and Procedures are to be used for the Medical, Dental, Nursing, and Faculty Services Research and Development Plans, the Allied Health Faculty Services Plan and Physicians Referral Service (“the Plans”) Budgets in conjunction with the Rules and Procedures for the General Operating Budget.
2. Budgeted expenditures authorized from the Plans are contingent upon receipt of such funds. Appointments and other budget transactions from such fund sources shall not become an obligation of any institution in the event the funds are not realized.
3. All income for professional services earned by members of the plans, except royalties, payments for editing scientific publications, and consultation fees as a regional or national consultant to any branch of the U.S. Government as approved by the U.T. System Board of Regents shall be deposited in the appropriate institution’s institutional Trust Fund Account.
4. Administration, operation, and disbursement of funds shall be in accordance with each institutional plan approved by U.T. System Administration and the U.T. System Board of Regents.
5. At U.T.M. D. Anderson Cancer Center, associate members’ earnings will be contingent upon the earned income of the member in accordance with the services rendered to the patient assigned to the member’s specialty by the chief of the major service. The Executive Council of the Physicians Referral Service will approve all payments.
6. Budgeted funds can be used for staff retirement and insurance benefits, for actual travel or supplemental travel expenses for attending meetings for the benefit of any institution, for memberships and dues in medical organizations, for official entertainment, and for such other disbursements as may be authorized by the president consistent with the policies approved by the U.T. System Board of Regents and U.T. System Administration. These expenditures must be in the best interests of the research, educational and patient care activities of any institution and in the best interest of maintaining a distinguished scientific staff for such purposes and activities.

THE UNIVERSITY OF TEXAS SYSTEM

PERMANENT UNIVERSITY FUND (PUF) BOND PROCEEDS FOR LIBRARY, EQUIPMENT,
REPAIR AND REHABILITATION (LERR)
AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARS)
AND SIMILAR FUNDED PROGRAMS BUDGET RULES AND PROCEDURES

For Fiscal Year Ending August 31, 2025~~5~~6

A. INITIAL BUDGET

1. The Chancellor is authorized to approve allocations of LERR and Faculty STARS to institutions within the program totals authorized by the U.T. System Board of Regents if specific allocations are not adopted when the Initial Budget is adopted.
2. Upon recommendation by the Executive Vice Chancellors for Academic, Health, and Business Affairs, the Chancellor may approve initial Library and Equipment or Repair and Rehabilitation projects if not specifically approved by the U.T. System Board of Regents when the Initial Budget is adopted.
3. U.T. System institutions are authorized to purchase approved Library and Equipment items and to contract for Repair and Rehabilitation projects following standard purchasing and contracting procedures. This includes expenditures for STARS (including Faculty and Rising STARS), or similar funded programs.
2. Transfers by the U.T. System Administration of allocated funds to institutional control or to vendors will coincide with vendor payment requirements.
3. Final approval of specific Repair and Rehabilitation projects will be in accordance with U.T. System Board of Regents established procedures for construction projects.
4. All expenditures are subject to the provisions of the Texas *Constitution* of the State of Texas, ~~and the U.T. System Board of Regents' Rules and Regulations for the governance of The University of Texas,~~ and U.T. System Policies (UTS Policies).
5. All expenditures are subject to the guidance established by the U.T. System Board of Regents in the *Permanent University Fund (PUF) Bond Proceeds for Library, Equipment, Repair and Rehabilitation (LERR) and Faculty Science and Technology Acquisition and Retention (STARS) and Similar Funded Programs Expenditure Guidelines.*

B. BUDGET AMENDMENTS

Items requiring approval of U.T. System Administration (no Consent Agenda approval required)

- a. Substitute Library or Equipment purchases that are not on the approved list.
- b. Substitute Repair and Rehabilitation projects that are not on the approved list.
- c. Transfers of appropriated funds between approved Library, Equipment, Repair and Rehabilitation items.

C. RETENTION OF RECORDS

The Internal Revenue Service requires that invoice documentation supporting capital expenditures, including LERR, STARS, and similar programs funded with proceeds of tax-exempt bonds, be maintained for a period ending three (3) years after the complete extinguishment of the bonds. Pursuant to the Texas Constitution, PUF bonds may be structured with a maximum maturity of 30 years. In order to comply with the IRS requirement and UTS 181 Policy for Post Bond Issuance Federal Tax Compliance, U.T. institutions shall maintain invoice documentation for 35 years for any capital expenditure funded with tax-exempt proceeds.

CD. OTHER CONSIDERATIONS

1. All LERR appropriations must be expended within 36 months from the date of the award, or the appropriation will lapse and be made available for future Systemwide reallocation.
2. All STARS or similar program appropriations must be expended within 36 months from the time the retained faculty member accepts the award, or the new faculty member arrives at the institution, or the appropriation will lapse and be made available for future Systemwide reallocation.
3. U.T. System institutions receiving block STARS allocations have 36 months from the beginning of the fiscal year in which funds are allocated to award the funds to a specific faculty member or the appropriation will lapse and be made available for future Systemwide reallocation.
4. Notwithstanding the limitations adopted at the time LERR, STARS, or other similar funding was authorized, these *Budget Rules and Procedures* apply to all previously authorized LERR, STARS and similar funding.
5. In accordance with the *UTS 168 Capital Expenditure Policy*, LERR and STARS funding that is incorporated into a Major Project will be defined as PUF and will be subject to rules applicable to all Major Projects. Regents' Rule 80301 defines Major Projects.

THE UNIVERSITY OF TEXAS SYSTEM

PERMANENT UNIVERSITY FUND (PUF) BOND PROCEEDS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION (LERR) AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARS) AND SIMILAR FUNDED PROGRAMS EXPENDITURE GUIDELINES

For Fiscal Year Ending August 31, 2025⁶

A. AUTHORIZATION OF PUF BOND PROCEEDS FOR LERR, STARS, OR SIMILARLY FUNDED PROGRAMS

Article VII, Section 18 (b) of the Texas *Constitution* authorizes the U.T. System Board of Regents to issue bonds and notes secured by the U.T. System's interest in the Permanent University Fund for the purpose of:

- acquiring land, with or without permanent improvements,
- constructing and equipping buildings or other permanent improvements,
- major repair and rehabilitation of buildings and other permanent improvements,
- acquiring capital equipment, and
- acquiring library books and library materials.

It is for the last three purposes noted above that the U.T. System Board of Regents has established the LERR, STARS (including Faculty and Rising STARS), and similarly funded programs.

~~B. RETENTION OF RECORDS~~

~~The Internal Revenue Service requires that invoice documentation supporting capital expenditures, including LERR, STARS and similar programs funded with proceeds of tax-exempt bonds, be maintained for a period ending three (3) years after the complete extinguishment of the bonds. Pursuant to the Texas *Constitution*, PUF bonds may be structured with a maximum maturity of 30 years. In order to comply with the IRS requirement and *UTS-181 Policy for Post-Bond Issuance Federal Tax Compliance*, U.T. institutions shall maintain invoice documentation for 35 years for any capital expenditures funded with tax-exempt proceeds.~~

B. ELIGIBILITY FOR PROGRAM FUNDS

Eligibility for LERR, STARS, or other similar funded programs is the same as eligibility for PUF bond proceeds as set forth in the Texas *Constitution*.

DC. GENERAL GUIDELINES FOR USE OF PROGRAM FUNDS

In addition to meeting the constitutional requirements outlined above, the general guideline to determine whether an item is eligible for LERR, STARS, or similar funded programs, is that it must have a useful life of at least one year. The following sections are provided to assist with that determination. These guidelines are not intended to be exhaustive and any questions regarding LERR, STARS, or similar funded program eligibility should be directed to the U.T. System Administration Office of Budget and Planning.

Repair and Rehabilitation of Buildings or Other Permanent Improvements

Major repairs or rehabilitation of buildings or other permanent improvements include, but are not limited to, repairs, renovations, replacements, or betterments that are normally expected to extend the useful life, improve operating efficiency, eliminate health and safety hazards, correct structural or mechanical defects, upgrade the quality of existing facilities, or convert these assets to more useful functions, but that are not considered routine maintenance.

The cost of major repairs or rehabilitation of buildings or other improvements can include the contract price or cost of construction and other costs that would be applicable to make the building or improvement suitable for its intended use.

Acquisition of Capital Equipment

Capital equipment is regarded as nonexpendable, tangible personal property having a useful life of more than one year. The acquisition cost for equipment includes the net invoice price, including any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. In addition, taxes, duty, in-transit insurance, freight, and installation charges are also included as part of the acquisition cost. Capital equipment, including software, which will be used Systemwide, or between and among U.T. institutions and System Administration, is eligible for LERR, STARS, or similar program funds.

Warranties and Similar Service Features

The cost of warranties and similar service features related to a purchase of capital equipment (such as maintenance agreements and loaner programs) are not eligible for LERR, STARS, or similar program funds as these are considered operating expenses. This ineligibility also applies to warranty and similar service feature costs separately identified during original purchase. For example, a warranty agreement charge that is separately identified on a laptop purchase is not allowed.

Software

Any capitalized costs associated with the development or implementation of software, including personnel costs (salaries), are eligible for LERR, STARS, or similar funded programs if they are incurred in the Application Development Stage as defined by *Statement No. 51 of the Governmental Accounting Standards Board* "Accounting and Financial Reporting for Intangible Assets." This principle applies whether the salaries are paid to employees of the institution or to outside parties. Training costs related to software usage are discussed below.

The purchase of bundled software included as part of the initial acquisition of computer hardware is capitalizable regardless of threshold and therefore eligible for LERR, STARS, or similar program funds.

Software maintenance costs are considered operating expenses and therefore are not eligible for LERR, STARS, or similar program funds as these are considered operating expense.

Costs for software licenses with a useful life extending beyond one year that will be owned are eligible for LERR, STARS, or similar program funds. Leased or licensed software that requires the payment of an annual fee (i.e., does not have a useful life extending beyond one year) and that will not be owned when the license expires is not eligible for LERR, STARS, or similar program funds.

Employee Training and Travel Costs

Employee training and travel costs are not eligible for LERR or STARS program funds as these are considered operating expenses.

Operating Expenses

Consumables, which include those items that have an expected useful life of less than one year, are not eligible for LERR or STARS program funds as these are considered operating expenses. Some examples include, but are not limited to chemicals, gases, paper, staplers and other office supplies, toner cartridges, medical supplies, disposal services, and laboratory supplies.

Examples of other operating expenses that are not eligible for LERR or STARS program funds include, but are not limited to: monthly telephone services, animals, software maintenance cost, and routine maintenance.

Acquisition of Library Books and Library Materials

The acquisition of library books and library materials is eligible for LERR. A library book is defined as a literary composition bound into a separate volume and identifiable as a separate copyrighted unit. Library materials are information sources other than books, including journals, periodicals, microforms, audio/visual media, computer-based information, manuscripts, maps, documents, and similar items that provide information essential to the learning process or enhance the quality of university library programs. The purchase of a license for library materials is allowable if the license period is in excess of one year. Annual license subscriptions and payments are not eligible for LERR.

The acquisition cost of library books and library materials can include the invoice price, freight-in, handling and insurance, binding, electronic access charges, reproduction, and other like costs required to put these assets in place, except for library salaries.

Prohibition for Student Housing, Athletics, and Auxiliary Enterprises

Article VII, Section 18 (d) of the Texas *Constitution* prohibits the use of PUF bond proceeds, and therefore the use of LERR, STARS, and similar program funds, for student housing, intercollegiate athletics, or auxiliary enterprises.

ED. SPECIAL PROGRAM FUNDING

Allocations of STARS funding by the Board of Regents are for the Faculty STARS program. With appropriate approvals those funds can be redirected to the Rising STARS program. U.T. System institutions receiving block STARS allocations can elect to use them as either Faculty STARS or Rising STARS without further approval being required.

Faculty STARS Program

The Faculty STARS program funded by PUF bond proceeds supports the recruitment and retention of the best-qualified faculty at both academic and health institutions by providing additional resources to build and enhance research infrastructure. Because the Faculty STARS program is funded in the same manner as LERR, the same guidelines apply, and each item must have a useful life of more than one year. Faculty STARS funds are available for laboratory renovation and equipment purchases; however, faculty and other staff salaries cannot be paid from Faculty STARS funds.

There are three related program goals that form the basis of the Faculty STARS program:

- recruit senior faculty with national prominence; and
- improve the quality of new faculty and research capacity of the institutions by augmenting the start-up packages for tenure and tenure-track faculty; and
- retain high quality faculty who have had offers from another research institution or have the potential to leave because of limited access to quality equipment or laboratories.

Rising STARS Program

The Rising STARS program makes up to \$300,000 available for recruitment of promising faculty members who are recruited in a tenure track position at any academic level, i.e., assistant, associate, or full professor. Rising STARS funding is limited to the same equipment and renovation expenditure restrictions as Faculty STARS.

ACADEMIC AFFAIRS COMMITTEE

5. Purchase - U.T. Arlington: Authorization to purchase approximately 0.71 acres of land improved with an approximately 7,792 square foot vacant commercial building and surface parking lot, located at 1140-1144 W. Main Street, Arlington, Tarrant County, Texas, from 1140 W. Main, LLC, for future campus expansion

Description: Authorization to purchase approximately 0.71 acres of land improved with an approximately 7,792-square-foot vacant commercial building and surface parking lot, located at 1140-1144 W. Main Street, Arlington, Tarrant County, Texas.

The property is located within approximately one-quarter mile of the institution's main campus and will initially be used by U.T. Arlington for expansion of research in electrical and industrial engineering.

Seller: 1140 W. Main, LLC, a Texas limited liability company or related entities, successors, or assigns

Purchase Price: Not to exceed fair market value as determined by an independent appraisal; appraisal confidential pursuant to *Texas Education Code* Section 51.951

6. Contract (funds coming in) - U.T. Austin: Agreement with National Archives and Records Administration where U.T. Austin will provide custodial and building maintenance services for the Lyndon Baines Johnson Presidential Library

Agency: National Archives and Records Administration

Funds: \$10,641,793

Period: October 1, 2024 through September 30, 2029

Description: U.T. Austin will provide custodial and maintenance services to the National Archives and Records Administration's Lyndon Baines Johnson Presidential Library on the U.T. Austin campus.

7. Contract (funds going out) - U.T. Austin: Amendment to Agreement with The Davis Group, Inc., to provide communication services for U.T. Austin's Center for Health Communication

Agency: The Davis Group, Inc.

Funds: \$6,626,056

Period: September 1, 2024 through August 31, 2025

Description: The Davis Group will provide communication and advertising services for U.T. Austin's Center for Health Communication.

The original Agreement had a total value of \$3,500,000 and a term of June 1, 2022 through August 31, 2023. The First Amendment updated the Agreement's end date to August 31, 2024, and increased the total value to \$4,900,000. The Second Amendment did not extend the term of the Agreement, but did add additional funds of \$117,613, to increase the total to \$5,017,613. This Third Amendment extends the term of the Agreement to August 31, 2025, and adds additional funds of \$1,608,443 to bring the total value of the Agreement to \$6,626,056.

The Agreement was competitively bid and procured.

8. Request for Budget Change - U.T. Austin: Transfer \$49,400,000 from Vice President of Business Affairs – Reserve – AUF Instruction – Allotment, Unallocated, and Reserve to Planning, Design, and Construction – Repair and Replacement: Program to confirm planned programs and projects and to enable replacement or renewal of building assets, systems, and equipment necessary for facilities operations (RBC No. 13316) -- amendment to the FY 2025 budget

9. Request for Budget Change - U.T. Austin: Transfer \$12,366,654 from University Housing and Dining (UHD) – Operating Income, Auxiliary Funds to UHD General Repair and Replacement Reserve, Allocated for Budget, Plant Funds for general repair and replacement of the UHD system assets consisting of 15 on-campus residence halls, graduate apartments, and dining and retail venues (RBC No. 13317) -- amendment to the FY 2024 budget

10. Request for Budget Change - U.T. Austin: Tenure Appointments -- amendment to the FY 2025 budget

The following Requests for Budget Change (RBC) have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U.T. System Board of Regents:

College, Department, and Name	From	To	RBC #
School of Civic Leadership			
Civic Leadership Andrew Johnston	New Hire	Associate Professor (T)	13319
Cockrell School of Engineering			
Aerospace Engineering and Engineering Mechanics Jesse Chan	New Hire	Associate Professor (T)	13323
School of Law			
Law Avihay Dorfman	New Hire	Professor (T)	13321
College of Natural Sciences			
Computer Science Ibrahim Isler	New Hire	Professor (T)	13324
Nutritional Sciences Leah Whigham	New Hire	Professor (T)	13322
Physics Jia Li	New Hire	Associate Professor (T)	13320

11. Employment Agreement - U.T. Austin: Approval of amendment to terms of Employment Agreement for Head Football Coach Steve Sarkisian and related Services and Intellectual Property Agreement with Fourth and Short, Inc.

The following terms of the amended Employment Agreement for Head Football Coach Steve Sarkisian and related Services and Intellectual Property Agreement with Fourth and Short, Inc., have been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel and are recommended for approval by the U.T. System Board of Regents. The terms of the Agreement were previously reviewed pursuant to *Regents' Rules and Regulations*, Rule 10501, Section 2.2.12(a). If the terms are approved, total annual compensation will be in excess of \$1 million. The amended Agreement references the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the *Regents' Rules and Regulations*, and the policies of The University of Texas at Austin. A violation of the provisions of such constitution, bylaws, rules, regulations, or policies may be grounds for suspension without pay and/or dismissal.

From: **Guaranteed compensation:**

Annual Salary and payment to Fourth and Short, Inc.:

Contract Year 5 (January 1 - December 31, 2025): \$10,400,000
Contract Year 6 (January 1 - December 31, 2026): \$10,500,000
Contract Year 7 (January 1 - December 31, 2027): \$10,600,000
Contract Year 9 (January 1 - December 31, 2028): \$10,700,000
Contract Year 10 (January 1 - December 31, 2029): \$10,800,000
Contract Year 11 (January 1 - December 31, 2030): \$10,900,000

The University will pay 60% of the guaranteed compensation directly to Fourth and Short, Inc., on a bi-monthly basis and 40% for base salary on a monthly basis.

Automobile: Two dealer cars

Club membership: In accordance with Athletics Department's policies and procedures, and based on availability and business need

Private Airplane Use: University to provide 20 hours of private aircraft flight time for personal use each year and unused hours will not carryover

Special one-time payment of \$300,000 on or before April 1, 2024

Tickets available upon request for use in accordance with Athletics Department's policies and procedures:

(a) Up to 12 tickets to all home football games, opportunity to purchase up to 20 tickets to all home football games;

- (b) Up to eight tickets at away football games, opportunity to purchase up to 20 tickets to all football away games; and one suite for use at all home football games (including commensurate parking);
- (c) Up to eight tickets to all post-season football games, one suite for use at all post-season football games, and opportunity to purchase up to 20 tickets
- (d) Up to six tickets to all home games for all other U.T. Austin sports

Nonguaranteed compensation:

Incentives:

Performance incentives: maximum of \$1,850,000 annually:

- (a) Conference Champion (not to exceed \$300,000): \$150,000 in any contract year in which the team participates in the Conference Championship Game; or \$300,000 in any contract year in which team wins such Conference Championship Game; and
- (b) The highest following Post-Season Bowl/College Football Playoff achievement (not cumulative – not to exceed \$1,250,000);
- (c) \$100,000 in the post-season of any contract year in which the team participates in a Bowl Game that is not part of the College Football Playoff; or
- (d) \$250,000 in the post-season of any contract year in which the team participates in the College Football Playoff First Round Game; or
- (e) \$500,000 in the post-season of any contract year in which the team participates in the College Football Playoff Quarterfinal Game; or
- (f) \$750,000 in the post-season of any contract year in which the team participates in the College Football Playoff Semifinal Game; or
- (g) \$1,000,000 in the post-season of any contract year in which the team participates in the College Football Playoff National Championship Game; or
- (h) \$1,250,000 in the post-season of any contract year in which the team wins the College Football Playoff National Championship Game; and
- (i) Coaching Recognition (not to exceed \$300,000):
- (j) \$200,000 in any contract year for which Head Coach is named a National Coach of the Year for one (or more) of the following: Eddie Robinson Coach of the Year, George Monger Coach of the Year, Bear Bryant Coach of the Year, Home Depot Coach of the Year, Associated Press Coach of the Year, Walter Camp Football Foundation Coach of the Year; and Gene Stallings Coach of the Year. Only one \$200,000 incentive payment per year will be made even if Head Coach

is recognized with more than one of these national coaching awards in such year; and
(k) \$100,000 in any contract year in which Head Coach is named Conference Coach of the Year (Coaches' Vote)."

To: **Guaranteed compensation (Increase of 3.85%):**

Annual Salary and payment to Fourth and Short, Inc.:
Contract Year 5 (January 1 - December 31, 2025): \$10,800,000
Contract Year 6 (January 1 - December 31, 2026): \$11,050,000
Contract Year 7 (January 1 - December 31, 2027): \$11,300,000
Contract Year 9 (January 1 - December 31, 2028): \$11,550,000
Contract Year 10 (January 1 - December 31, 2029): \$11,800,000
Contract Year 11 (January 1 - December 31, 2030): \$12,050,000
Contract Year 12 (January 1 - December 31, 2031): \$12,300,000

The University will pay 60% of the guaranteed compensation directly to Fourth and Short, Inc., on a bi-monthly basis and 40% for base salary on a monthly basis

Automobile: Two dealer cars

Club membership: In accordance with Athletics Department's policies and procedures, and based on availability and business need

Private Airplane Use: University to provide 20 hours of private aircraft flight time for personal use each year and unused hours will not carryover

Tickets available upon request for use in accordance with Athletics Department's policies and procedures:

- (a) Up to 12 tickets to all home football games, opportunity to purchase up to 20 tickets to all home football games;
- (b) Up to eight tickets at away football games, opportunity to purchase up to 20 tickets to all football away games; and one suite for use at all home football games (including commensurate parking);
- (c) Up to eight tickets to all post-season football games, one suite for use at all post-season football games, and opportunity to purchase up to 20 tickets
- (d) Up to six tickets to all home games for all other U.T. Austin sports

Nonguaranteed compensation: No change

Source of Funds: Intercollegiate Athletics

Period: January 1, 2025 through December 31, 2031

12. Employment Agreement - U.T. Austin: Approval of amendment to terms of Employment Agreement for Assistant Football Coach Jeff Banks

The following terms of the amended Employment Agreement for Assistant Football Coach Jeff Banks have been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel and are recommended for approval by the U.T. System Board of Regents. If the terms are approved, total annual compensation will be in excess of \$1 million. The amended Agreement references the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. A violation of the provisions of such constitution, bylaws, rules, regulations, or policies may be grounds for suspension without pay and/or dismissal.

From: **Guaranteed compensation:**

Annual Salary:

Contract Year 5 (March 1, 2025 - February 28, 2026): \$1,200,000

Contract Year 6 (March 1, 2026 - February 28, 2027): \$1,250,000

Automobile: One dealer car

Club membership: In accordance with Athletics Department's policies and procedures and based on availability and business need

Tickets: In accordance with Athletics Department's policies and procedures and based on availability

Nonguaranteed compensation:

Performance Incentives: Maximum of 19% of annual base salary

To: **Guaranteed compensation (Increase of 4%):**

Annual Salary:

Contract Year 5 (March 1, 2025 - February 28, 2026): No Change

Contract Year 6 (March 1, 2026 - February 28, 2027): No Change

Contract Year 7 (March 1, 2027 - February 29, 2028): \$1,300,000

Automobile: One dealer car

Club membership: In accordance with Athletics Department's policies and procedures and based on availability and business need

Tickets: In accordance with Athletics Department's policies and procedures, and based on availability

Nonguaranteed compensation: No change

Source of Funds: Intercollegiate Athletics

Period: March 1, 2025 through February 29, 2028

13. Employment Agreement - U.T. Austin: Approval of amendment to terms of Employment Agreement for Assistant Football Coach Johnny Nansen

The following terms of the amended Employment Agreement for Assistant Football Coach Johnny Nansen have been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel and are recommended for approval by the U.T. System Board of Regents. If the terms are approved, total annual compensation will be in excess of \$1 million. The amended Agreement references the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. A violation of the provisions of such constitution, bylaws, rules, regulations, or policies may be grounds for suspension without pay and/or dismissal.

From: **Guaranteed compensation:**

Annual Salary:
Contract Year 5 (March 1, 2025 - February 28, 2026): \$925,000

Automobile: One dealer car

Club membership: In accordance with Athletics Department's policies and procedures and based on availability and business need

Relocation and Temporary Housing Allowance: One-time payment of \$29,000

Tickets: In accordance with Athletics Department's policies and procedures and based on availability

Nonguaranteed compensation:

Performance Incentives: Maximum of 19% of annual base salary

To: **Guaranteed compensation (Increase of 18.9%):**

Annual Salary:

Contract Year 5 (March 1, 2025 - February 28, 2026): \$1,100,000

Contract Year 6 (March 1, 2026 - February 28, 2027): \$1,200,000

Automobile: One dealer car

Club membership: In accordance with Athletics Department's policies and procedures and based on availability and business need

Tickets: In accordance with Athletics Department's policies and procedures, and based on availability

Nonguaranteed compensation: No change

Source of Funds: Intercollegiate Athletics

Period: March 1, 2025 through February 28, 2027

14. Employment Agreement - U.T. Austin: Approval of amendment to terms of Employment Agreement for Head Women's Basketball Coach Vic Schaefer and related Professional Services and License Agreement with The Pressin' Rockin'S

The following terms of the amended Employment Agreement Head Women's Basketball Coach Vic Schaefer and related Professional Services and License Agreement with The Pressin' Rockin'S have been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel and are recommended for approval by the U.T. System Board of Regents. If the terms are approved, total compensation for the contract period will be in excess of \$1 million. The amended Agreement references the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. A violation of the provisions of such constitution, bylaws, rules, regulations, or policies may be grounds for suspension without pay and/or dismissal.

From: **Guaranteed compensation:**

Annual Salary and Payment to The Pressin' Rockin'S:

FY 2025-2026: \$2,300,000

FY 2026-2027: \$2,300,000

The University will pay a portion of the guaranteed compensation directly to The Pressin' Rockin'S; the amount and timing of such payment shall be agreed upon by Head Women's Basketball

Coach, The Pressin' Rockin'S, and U.T. Austin and reflect the parties' mutual interests.

Special Payment:

One-time special payment of \$261,250 on October 1, 2022

Automobile: One dealer car, included in Annual Salary

Nonguaranteed compensation:

Sports Camps: Determined by the Vice President and Athletics Director

Performance Incentives: Maximum of \$370,000 annually

Team wins Big 12 Conference Regular Season Championship
or Tournament Championship: \$50,000

Team wins the NCAA Division 1 Basketball Tournament
Championship: \$250,000

Team Academic Performance Incentives: \$0 (in base salary)

National Coach of the Year: \$50,000

Coach of the Year Honors: \$20,000

To: **Guaranteed compensation (Increase of 4.3%):**

Annual Salary and Payment to The Pressin' Rockin'S:

FY 2025-2026: No change

FY 2026-2027: No change

FY 2027-2028: \$2,400,000

FY 2028-2029: \$2,500,000

FY 2029-2030: \$2,600,000

The University will pay a portion of the guaranteed compensation directly to The Pressin' Rockin'S; the amount and timing of such payment shall be agreed upon by Head Women's Basketball Coach, The Pressin' Rockin'S, and U.T. Austin and reflect the parties' mutual interests.

Automobile: One dealer car, included in Annual Salary

Nonguaranteed compensation: No change

Source of Funds: Intercollegiate Athletics

Period: April 1, 2025, through March 31, 2030

15. Lease - U.T. Austin: Authorization to extend the ground lease of approximately 14.6 acres located at 1314 Exposition Boulevard, Austin, Travis County, Texas, to the West Austin Youth Association; and reaffirmation of related finding of public purpose

Description: Authorization to extend the lease of approximately 14.6 acres of land located at the southwest corner of Enfield Road and Exposition Boulevard at 1314 Exposition Boulevard, Austin, Travis County, Texas, to the West Austin Youth Association (WAYA). WAYA has improved the property with a gymnasium, sports fields, and related facilities. The subject property is adjacent to the approximately 141-acre Lions Municipal Golf Course property, which is currently under a below-market, short term ground lease to the City of Austin.

Tenant: West Austin Youth Association, a nonprofit youth sports organization

Term: The initial term commenced in 1989, and by prior extensions continues through May 25, 2025. U.T. Austin seeks a one-year renewal of the WAYA lease. The lease currently allows for potential annual extensions to renew through May 25, 2028.

Lease Income: \$0

Lease Value: Appraisal of the value of the land and ground rent is confidential pursuant to *Texas Education Code* Section 51.951.

Finding of Public Purpose: The base rental amount described above constitutes a below market rate. The Attorney General of the State of Texas, in Opinion No. MW-373 (1981), has advised that, for the use of university property with no or nominal cash rental payments to comply with the Texas Constitution, three requirements must be met: (1) the use of the property must serve a public purpose appropriate to the function of the university; (2) adequate consideration must be received by the university; and (3) the university must maintain controls over the user's activities to ensure that the public purpose is achieved.

Accordingly, because the pre-paid rent is below market, the Board of Regents is also asked to reaffirm the finding of public purpose made by the Board on February 22, 2024, by finding that:

1. the lease amendment continues to support the public mission of and serve a public purpose appropriate to the functions of U. T. Austin;
2. the lease amendment continues to provide adequate consideration and benefits to U. T. Austin and the State of Texas; and
3. U. T. Austin will continue to maintain sufficient controls under the terms of the amendment to ensure the public purpose will continue to be met on an ongoing basis.

16. Request for Budget Change - U.T. Dallas: Tenure Appointments -- amendment to the FY 2025 budget

The following Requests for Budget Change (RBC) have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U.T. System Board of Regents:

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>	<u>RBC #</u>
School of Behavioral and Brain Sciences			
Speech, Language, and Hearing Bohua Hu	New Hire	Professor (T)	14321
School of Natural Sciences and Mathematics			
Science and Mathematics Education Yvette Pearson	New Hire	Associate Professor (T)	14322

17. Request for Budget Change - U.T. El Paso: Tenure Appointment -- amendment to the FY 2025 budget

The following Request for Budget Change (RBC) has been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U.T. System Board of Regents:

College, Department, and Name	From	To	RBC #
Woody L. Hunt College of Business Marketing, Management and Supply Chain Jianjun Zhu	New Hire	Associate Professor (T)	14331

18. Purchase - U.T. Rio Grande Valley: Authorization to purchase two contiguous parcels of land totaling approximately 1.05 acres and improved with an approximately 6,506 square foot vacant medical office building, surface parking lot, and driveway located at 1601 Treasure Hills Boulevard, Harlingen, Cameron County, Texas, from Rick W. Bassett, M.D., and/or Ann Marie Bassett, for future campus expansion

Description:	Authorization to purchase two contiguous parcels of land totaling approximately 1.05 acres and improved with an approximately 6,506-square-foot vacant medical office building, surface parking lot, and driveway located at 1601 Treasure Hills Boulevard, Harlingen, Cameron County, Texas. The property is located within approximately one-quarter mile of the institution's Harlingen campus and will initially be used by the U.T. Rio Grande Valley School of Podiatric Medicine.
Seller:	Rick W. Bassett, M.D., and/or Ann Marie Bassett or related entities, successors, or assigns
Purchase Price:	Not to exceed fair market value as determined by an independent appraisal; appraisal confidential pursuant to <i>Texas Education Code</i> Section 51.951.

19. Purchase - U.T. Rio Grande Valley: Authorization to purchase a vacant tract of land totaling approximately 7.22 acres located at 1100 North McColl Road, within 495 Commerce Center business park, McAllen, Hidalgo County, Texas, from United Insurance Company of America, for future campus expansion

Description: Authorization to purchase a vacant tract of land totaling approximately 7.22 acres, located at 1100 North McColl Road, McAllen, Hidalgo County, Texas, within the 495 Commerce Center business park, for future campus expansion.

The parcel has street frontage on three sides and is located within the 495 Commerce Center, approximately two blocks away from two parcels totaling approximately 38.99 acres purchased on behalf of U.T. Rio Grande Valley in December 2021, pursuant to Board authorization granted on June 24, 2021. 495 Commerce Center is the location of the U.T. Rio Grande Valley/McAllen Independent School District Collegiate Academy, which opened in Fall 2024, and the location of the UT Health Rio Grande Valley Cancer and Surgery Center, which is scheduled to open in Spring 2025. Purchaser may amend the deed restrictions for the property in a manner that more broadly facilitates campus development and the institution's mission uses.

Seller: United Insurance Company of America, an Illinois Corporation, or related entities, successors, or assigns

Purchase Price: Not to exceed fair market value as determined by an independent appraisal; appraisal confidential pursuant to *Texas Education Code* Section 51.951.

20. Purchase - U.T. Rio Grande Valley: Authorization to purchase two vacant tracts of land totaling approximately 26.24 acres located on the north side of the 3300 Block of East Texas Road near the northeast corner of the intersection of South Doolittle Road and East Texas Road and at the southeast corner of the current end of South Doolittle Road, Edinburg, Hidalgo County, Texas, from IDEA Public Schools, for future campus expansion

Description: Authorization to purchase two vacant tracts of land totaling approximately 26.24 acres, located on the north side of the 3300 Block of East Texas Road near the northeast corner of the intersection of South Doolittle Road and East Texas Road and at the southeast corner of the current end of South Doolittle Road, Edinburg, Hidalgo County, Texas, for future campus expansion.

The two parcels are just to the east of the Robert and Janet Vackar Stadium which is being expanded and enhanced to prepare for the inaugural season of U.T. Rio Grande Valley football in 2025. The institution intends to utilize the two land parcels for future campus expansion, which may include additional parking to service Vackar Stadium.

The institution is engaged in additional negotiations with the City of Edinburg to accommodate future needs for improved facility access and improved access to the to-be-acquired southerly parcel.

Seller: IDEA Public Schools, a not-for-profit charter school operator, or related entities, successors, or assigns

Purchase Price: Not to exceed fair market value as determined by an independent appraisal; appraisal confidential pursuant to *Texas Education Code* Section 51.951.

21. Contract (funds coming in) - U.T. San Antonio: Nike-Game One to provide U.T. San Antonio's Intercollegiate Athletic Department with athletic apparel, footwear, and various athletic equipment

Agencies: ASB Sports Acquisition, Inc., dba Game One (Game One) and NIKE USA, Inc. (Nike)

Funds: \$6,610,000 in product allotment for the entire term and a signing bonus of \$200,000, plus the potential for additional revenue to U.T. San Antonio related to contract incentives. The product allotment consists of \$3,110,000 from Game One and \$3,500,000 from Nike, with Game One providing the signing bonus and possible incentive payments.

Period: October 14, 2024 through June 30, 2031; with two two-year renewal options upon mutual agreement of the parties

Description: Interdependent contracts with Game One and Nike, in which Game One serves as Nike's licensed reseller to provide U.T. San Antonio's Intercollegiate Athletic Department with athletic apparel, footwear, and various athletic equipment in exchange for product exclusivity rights, and certain limited trademark licensing and marketing rights provided to both Game One and Nike. The contract period begins October 14, 2024, to allow for logistical implementation, but the rights related to product exclusivity, trademarks, and licensing do not begin until June 2, 2025, which is the expiration date of U.T. San Antonio's current agreement with adidas America, Inc.

The Agreement resulted from a competitive selection process.

22. Request for Budget Change - U.T. San Antonio: Transfer \$5,658,931 from Auxiliary Funds and Designated Funds to Plant Funds for ITC Pavilion Demolition Project (RBC No. 14330) -- amendment to the FY 2025 budget

The following Request for Budget Change (RBC) has been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U.T. System Board of Regents:

Description	\$ Amount	RBC #
Amount of Transfer:		14330
From: Auxiliary Funds	\$2,633,378	
Designated Funds	\$3,025,553	
To: Plant Funds	\$5,658,931	

23. Request for Budget Change - U.T. San Antonio: Tenure Appointment -- amendment to the FY 2025 budget

The following Request for Budget Change (RBC) has been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U.T. System Board of Regents:

College, Department, and Name	From	To	RBC #
College of Science			
Department of Mathematics			
Stephanie Santorico	New Hire	Professor (T)	14329

24. Gift - U.T. San Antonio: Authorization to accept the gift from Balfour of a statue entitled "UTSA Rowdy and Ring Bench," to be placed in the Sombrilla Plaza, overlooking the Sombrilla Fountain on U.T. San Antonio's Main Campus, for use in celebration of graduates, alumni, and roadrunner spirit

Description: U.T. San Antonio (UTSA) is requesting approval to accept a gift from Balfour of a bench statue of Rowdy and UTSA's Class Ring to be placed in the Sombrilla Plaza, overlooking the Sombrilla Fountain on U.T. San Antonio's Main Campus.

The UTSA Ring serves as a symbol of pride and accomplishment while also forming a common bond between past and future graduates. Rowdy, U.T. San Antonio's beloved Roadrunner mascot since 1977, has celebrated with U.T. San Antonio students at every sporting event and major moment. Having Rowdy memorialized along with the UTSA Ring overlooking the Sombrilla Fountain on U.T. San Antonio's Main Campus, will celebrate students, alumni, and roadrunner spirit.

The statue, to be sculpted by artist Clint Howard from Pyrology Foundry & Studio, will be of Rowdy, UTSA's mascot, sitting with a UTSA Class Ring. The bench will be roughly six feet wide and made of pink granite. Rowdy will be life-size, and the ring will be nearly two feet wide, both constructed from bronze. The statue was designed in consultation with University Marketing and U.T. San Antonio Athletics to ensure brand accuracy. The statue is anticipated to be completed in spring of 2025.

Clint Howard is a Bastrop, Texas, based sculptor and the owner of Pyrology Foundry & Studio. In 1999, he purchased the small foundry with the hope of facilitating his personal art career. With Pyrology Foundry, he aspires to create and maintain a bronze casting operation of unsurpassed quality. Under his leadership, the foundry has thrived, being recognized today as one of the top art foundries in the country. Some of his notable work includes the statues of Buc-ee Beaver installed at all Buc-ee travel centers, the Vietnam Memorial on the grounds of the Texas State Capital, The Aggie Class Ring at Texas A&M, and the class ring at Stephen F. Austin State University.

Donor: Founded in 1913, Balfour is known for its long and successful history of the manufacturing, sales, and marketing of class rings, yearbooks, letter jackets, and graduation regalia to middle school, high school, and college students and alumni. The company operates throughout North America with around 5,000 team members. In business for over 100 years and with more than 10 facilities across North America, Balfour is recognized as one of the oldest and largest distributors of commemorative jewelry and recognition products. Balfour is UTSA's official ring partner. To date they have given over \$160,000 to U.T. San Antonio.

Value: The artist anticipates the value of preliminary design work, the statue, and installation to be \$175,000. Balfour will donate the cost of the design work, statue, and installation on campus to U.T. San Antonio, who will then pay the artist and manage installation. In the event further resources are needed, departmental funds will be made available.

UTSA ROWDY & RING BENCH

Donated and in partnership between the
UTSA Alumni Association and Balfour

UTSA
alumni



UTSA ROWDY & RING BENCH

Continued...

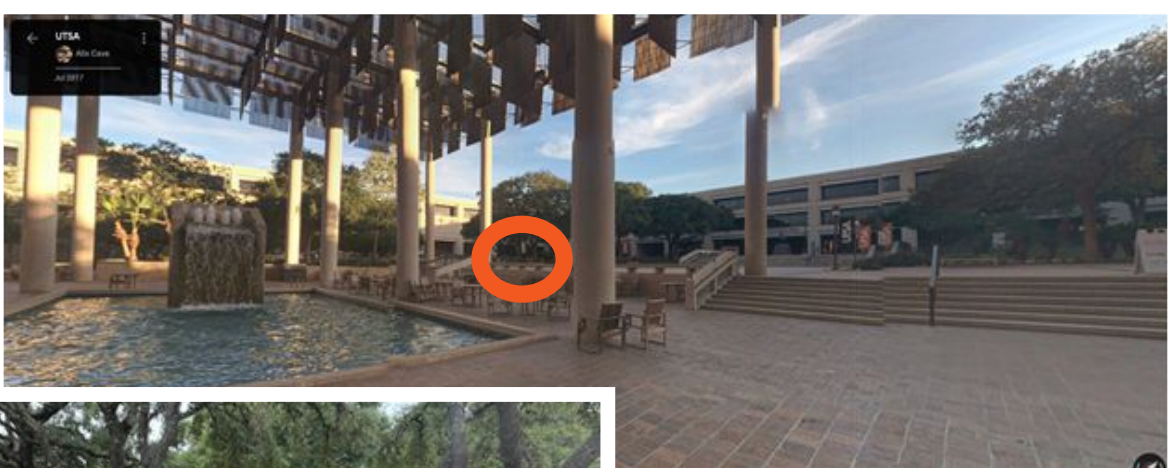
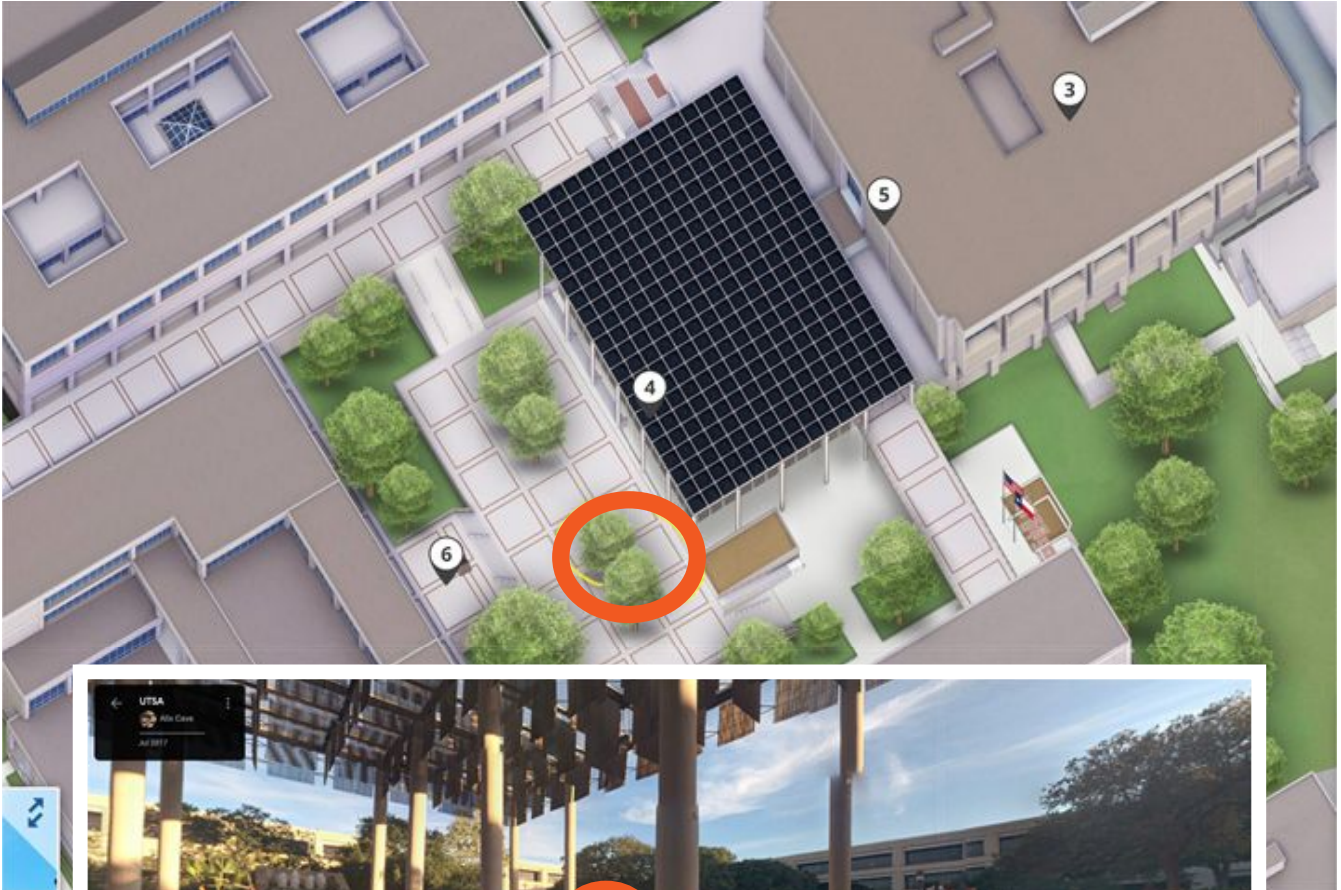


DETAILS:

- Statue will be full-size
- Ring will be nearly two feet wide
- Bench is roughly 6' wide; made of pink granite
- Constructed from bronze
- Statue produced by Clint Howard from Pyrology Foundry & Studio in Bastrop, Texas:
 - Some works include ring statues for SFA, UH, Texas A&M; "Buc-ee" at all locations; "Cattle Drive" in Ft. Worth; the Texas State Capital
- Install expected in late March/early April 2025
- Designed in consultation with University Marketing & UTSA Athletics to ensure brand accuracy

LOCATION & PLACEMENT:

Sombrilla Plaza overlooking the Sombrilla Fountain



The statue will sit on a granite bench, replacing the outdated wooden one there currently. It is designed so Rowdy will overlook the fountain.

Sombrilla Plaza is now where the Ring Celebration takes place. It is also represented on one side of the ring design, so the location of the statue holds meaning and is very purposeful.

HEALTH AFFAIRS COMMITTEE

25. Interagency Agreement (funds coming in) - U.T. System: Interagency Cooperation Agreement with Texas Health and Human Services Commission to provide consulting and other services to the Texas Pharmaceutical Initiative Board

Agency: Texas Health and Human Services Commission

Funds: Approximately \$28,350,000

Period: March 1, 2025 through December 31, 2028

Description: During the 88th legislative session, the Texas legislature created the Texas Pharmaceutical Initiative Board (TPI). TPI sits within the Texas Health and Human Services Commission (HHSC) and its goal is to provide greater and more cost-effective access to prescription drugs and essential medical supplies to state employees, dependents, and retirees of public higher education systems, members of Employee Retirement System of Texas (ERS), members of Teacher Retirement System of Texas (TRS), and other individuals served by health and human services programs in Texas.

One of the legislative requirements was that TPI establish a Business Plan (TPI Business Plan) to be presented to the Governor, legislature, and the Legislative Budget Board, which TPI did on September 23, 2024.

As part of the TPI Business Plan implementation and development, HHSC and U.T. System, through experts at U.T. institutions who participate in The University of Texas Health Intelligence Platform (collectively "U.T. System"), seek to enter into an Interagency Cooperation Agreement where U.T. System will provide program management and strategic consulting services in the following general areas: (1) prescription and medical benefit drug management analytics and modeling; (2) expert clinical analysis through a Clinical Advisory Group; (3) contracting and procurement strategy; and (4) drug supply chain innovation, drug shortage management, drug manufacturing and access to advance therapy drugs.

Due to the complexity of the services to be provided by U.T. System, U.T. System and HHSC are working to finalize the scope of work and terms of the Interagency Cooperation Agreement to meet the TPI Business Plan implementation and development timelines. Therefore, the Board is asked to

authorize the Executive Vice Chancellor for Business Affairs and the Executive Vice Chancellor for Health Affairs to execute all documents, instruments, and other agreements, subject to approval of all such documents by the Vice Chancellor and General Counsel, and to take all further actions deemed necessary to carry out the purpose and intent of the Interagency Cooperative Agreement.

26. Contract (funds coming in) - U.T. Southwestern Medical Center: To provide allograft tissue distribution and intermediary services to Dallas County Hospital District, dba Parkland Health

Agency: Dallas County Hospital District, dba Parkland Health

Funds: \$23,500,000

Period: January 1, 2025 through December 31, 2029

Description: To provide allograft tissue distribution and intermediary services to Dallas County Hospital District dba Parkland Health.

27. Contract (funds going out) - U.T. Southwestern Medical Center: Amendment to Agreement with Cloudmed Solutions, LLC, to provide revenue integrity and charge audit services

Agency: Cloudmed Solutions, LLC

Funds: Approximately \$8,000,000

Period: October 29, 2024 through October 28, 2026; with the option to renew for two additional one-year terms

Description: Under this Services Agreement, Cloudmed Solutions, LLC, will provide revenue integrity and charge audit services to ensure accuracy of clinical coding and charges. The initial Agreement dated October 29, 2021, was not previously submitted for Board consideration because the total contract amount was below the institution's delegated approval threshold. This First Amendment increases the contract amount from \$5,000,000 to \$8,000,000. The Agreement was competitively bid.

28. Contract (funds going out) - U.T. Medical Branch - Galveston: Amendment to Agreement with Boston Scientific Corporation to provide heart implant products used to treat strokes

Agency: Boston Scientific Corporation

Funds: The approximate contract value, including all Amendments, is \$10,000,000.

Period: May 1, 2024 through April 30, 2027; with no remaining renewals

Description: Under this Agreement, Boston Scientific Corporation will provide implant products for stroke reduction without the use of blood thinners. The implant product is a one-time implant that permanently closes off the left atrial appendage of the heart where blood clots that cause strokes often form.

The initial Agreement, effective November 2, 2018, was secured via Exclusive Acquisition Justification (EAJ) because it is the only such device approved by the Federal Drug Administration. The initial term was 25 months, and the total contract value of \$1,800,000 did not require Board approval as the anticipated contract value was within the institution's delegated approval threshold.

The First Amendment, effective March 30, 2019, added U.T. Medical Branch - Galveston's (UTMB) Clear Lake Campus to the Agreement and increased the value to \$3,600,000. This was approved by the Board on May 22, 2019, because the total contract value exceeded the institution's then-delegated approval threshold.

The Second and Third Amendments did not increase the total contract value and modified terms that did not require Board approval.

The Fourth Amendment, effective November 1, 2020, extended the term 36 months to October 31, 2023, added new products to the Agreement, and increased the total contract value from \$3,600,000 to \$5,000,000. This Amendment did not require Board approval because the total contract value was within the institution's delegated approval threshold.

The Fifth and Sixth Amendment did not increase the total contract value, extended the term by six months through April 30, 2024, and amended other terms not requiring Board approval.

The Seventh Amendment, effective May 1, 2024, extended the term 36 months to April 30, 2027, and amended other terms not requiring Board approval.

This Eighth Amendment will increase the total contract value from \$5,000,000 to \$10,000,000.

29. Contract (funds going out) - U.T. Medical Branch - Galveston: DL Mechanical, LLC, to provide mechanical, plumbing, medical gas, and welding services

Agency: DL Mechanical, LLC

Funds: \$8,000,000

Period: November 1, 2024 through October 31, 2027; with two 12-month renewal options

Description: DL Mechanical, LLC, will provide mechanical, plumbing, medical gas, and welding services to U.T. Medical Branch - Galveston (UTMB) on an as-needed basis at any of UTMB's campus or clinic locations. The Agreement was competitively bid.

30. Contract (funds going out) - U.T. Medical Branch - Galveston: Prime Mechanical and Construction, Inc., to provide mechanical, plumbing, HVAC, and welding services

Agency: Prime Mechanical and Construction, Inc.

Funds: \$10,000,000

Period: November 1, 2024 through October 31, 2027; with two 12-month renewal options

Description: Prime Mechanical and Construction, Inc., will provide mechanical, plumbing, HVAC, and welding services to U.T. Medical Branch - Galveston (UTMB) on an as-needed basis at any of UTMB's campus or clinic locations. The Agreement was competitively bid.

31. Request for Budget Change - U.T. Medical Branch - Galveston: Tenure Appointments -- amendment to the FY 2025 budget

The following Requests for Budget Change (RBC) have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U.T. System Board of Regents:

College, Department, and Name	From	To	RBC #
School of Nursing			
Graduate Studies Laurie Ferguson	New Hire	Professor (T)	13311
School of Public and Population Health			
Population Health and Health Disparities Mandy Hill	New Hire	Professor (T)	13314
School of Medicine			
Internal Medicine Ajay Israni	New Hire	Professor (T)	13304
Radiology Oncology Upendra Parvathneni	New Hire	Professor (T)	13313
Pediatrics Sanjeev Tuli	New Hire	Professor (T)	13303

32. Request for Budget Change - U.T. Health Science Center - Houston: Tenure Appointments -- amendment to the FY 2025 budget

The following Requests for Budget Change (RBC) have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U.T. System Board of Regents:

College, Department, and Name	From	To	RBC #
McGovern Medical School			
Anesthesiology Daniel I. Sessler	New Hire	Professor (T)	14332
Cizik School of Nursing			
Research Meagan Whisenant	New Hire	Associate Professor (T)	14333

33. Contract (funds coming in) - U.T. Health Science Center - San Antonio: To provide professional medical services to the Bexar County Hospital District, dba University Health

Agency: Bexar County Hospital District, dba University Health

Funds: Approximately \$171,000,000

Period: October 31, 2024 through October 31, 2025

Description: This is a Master Health Care Services Agreement representing a long-standing comprehensive coverage agreement between U.T. Health Science Center - San Antonio and Bexar County Hospital District, dba University Health (UHS). U.T. Health Science Center - San Antonio provides professional medical services, administrative support, and nonemergency and emergency coverage to UHS.

34. Contract (funds coming in) - U.T. Health Science Center - San Antonio: To provide professional neonatology medical services on behalf of University Medicine Associates, dba Community Medicine Associates

Agency: Community Medicine Associates, dba University Medicine Associates (UMA), the certified nonprofit health care corporation whose sole member is the Bexar County Hospital District

Funds: \$7,740,420

Period: January 1, 2025 through December 31, 2025

Description: This Neonatology Provider Agreement continues a long-standing clinical coverage arrangement between U.T. Health Science Center - San Antonio and UMA, in support of the Bexar County Hospital District, dba University Health (UHS), U.T. Health Science Center - San Antonio's primary clinical affiliate for inpatient activity. U.T. Health Science Center - San Antonio provides comprehensive medical care of newborns requiring professional neonatology services and/or hospitalization in UHS facilities.

35. Request for Budget Change - U.T. Health Science Center - San Antonio: Tenure Appointments -- amendment to the FY 2025 budget

The following Requests for Budget Change (RBC) have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U.T. System Board of Regents:

College, Department, and Name	From	To	RBC #
School of Public Health			
Health, Behavior, and Society Carmen R. Valdez	New Hire	Professor (T)	14325
School of Medicine			
Biggs, Neurodegenerative Diseases and Department of Microbiology, Immunology and Molecular Genetics Agustin Ruiz Laza	New Hire	Professor (T)	14327

36. Sale - U.T. Health Science Center - San Antonio: Authorization to market and sell an approximately 0.888-acre tract of land improved with approximately 13,024 square feet of residential improvements located at 325 Terrell Road, Terrell Hills, Bexar County, Texas

Description: Authorization to market and sell an approximately 0.888-acre tract of land improved with approximately 13,024 square feet of residential improvements located at 325 Terrell Road, Terrell Hills, Bexar County, Texas. The property was a gift from Mr. Ed and Linda Whitacre.

Marketing Process: To be marketed through the use of a real estate broker having experience in the area.

Sale Price: To be negotiated as offers are submitted, but not less than fair market value; appraisal confidential pursuant to *Texas Education Code* Section 51.951.

37. Contract (funds going out) - U.T.M.D. Anderson Cancer Center: Amendment to Agreement with Bright Horizons Children's Centers LLC to provide backup childcare and adult care services for eligible employees either at home or at childcare and adult care centers operated by Bright Horizons or one of its authorized network care providers

Agency: Bright Horizons Children's Centers LLC

Funds: Approximately \$20,000,000

Period: November 22, 2024 through October 31, 2027

Description: Bright Horizons Children's Centers LLC (Bright Horizons) will provide U.T.M.D. Anderson Cancer Center's eligible employees with backup childcare and adult care services in Bright Horizons childcare centers and adult care centers, or other care operations owned or operated by other providers participating in the Bright Horizons Back-up Care Network (Network Centers). Network Centers operate as quality child and adult care centers in compliance with all requirements of applicable laws, regulations, and licensing requirements. Bright Horizons also provides backup care for dependents in the homes of eligible employees or other authorized locations. Services also include other allowable services, such as special needs services, enhanced family supports, and backup childcare and eldercare.

The initial Agreement was effective September 1, 2020 through August 31, 2023, with two renewals of 12 months each, with a contract value of \$7,000,000, and received Board approval on November 18, 2020. The First and Second Amendments did not increase the contract value beyond \$7,000,000 and extended the term through August 21, 2024, with one remaining renewal. The Third Amendment extended the term through October 31, 2027, with no remaining renewals, and increased the contract value to \$8,750,000, an increase of 25% of the total contract value, which did not require Board approval. This Fourth Amendment, effective November 22, 2024, increases the cap amount to \$20,000,000. The initial Agreement was competitively bid.

38. Contract (funds going out) - U.T.M.D. Anderson Cancer Center: Amendment to Agreement with Hill International, Inc., to provide project management services for miscellaneous assignments of limited scope

Agency: Hill International, Inc.

Funds: The total contract value, including the renewal periods, is estimated to be \$18,000,000, although the maximum amount is indeterminable at this time.

Period: February 19, 2025 through October 22, 2026; with one remaining renewal option

Description: Under this job order contracting Agreement, Hill International, Inc., will provide project management services to support U.T.M.D. Anderson Cancer Center's diverse portfolio of projects related to new design and construction, facility renovation, re-commissioning, and retro commissioning of existing systems, or facility system assessments on a per-project basis. Services are on a nonexclusive, indefinite quantity basis, and there is no minimum amount of work required.

The initial Agreement, effective November 22, 2022, was competitively bid with two 24-month renewal options. The initial Agreement did not require Board approval as the anticipated contract value was within the institution's delegated approval threshold. The First Amendment, effective October 23, 2024, extended the term to October 22, 2026, with one remaining renewal. The Second Amendment, effective October 4, 2024, increased the contract value to \$6,000,000, which was beyond the institution's delegated approval threshold, but was not previously presented to the Board for approval because of an inadvertent administrative oversight. This Third Amendment increases the contract value to \$18,000,000. The total contract value is estimated to be \$18,000,000, although the maximum amount is undeterminable at this time.

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

39. Other Fiscal Matters - U.T. System Board of Regents: Approval of funding of space renovations for U.T. San Antonio's One Riverwalk Place Renovations; and resolution regarding parity debt

The Executive Vice Chancellor for Business Affairs recommends approval of this item authorizing funding of \$15,000,000 from Revenue Financing System (RFS) bond proceeds for U.T. San Antonio to remodel portions of the to-be-acquired One Riverwalk Place building located at 700 North Saint Mary's Street, San Antonio, Bexar County, Texas, to accommodate the institution's School of Architecture, Institute for Economic Development, and other academic programs. The debt is expected to be repaid with local designated funds. Annual debt service is estimated at \$835,000. The institution's Scorecard Rating of 2.8 at the Fiscal Year-End 2024 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt. The institution therefore requests that the Board resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that:

- parity debt shall be issued to fund all or a portion of the project's cost, including any costs prior to the issuance of such parity debt;
- sufficient funds will be available to meet the financial obligations of the U.T. System, including sufficient Pledged Revenues as defined in the RFS Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U.T. System Board of Regents relating to the Financing System;
- U.T. San Antonio, which is a "Member" as such term is used in the RFS Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U.T. System Board of Regents of parity debt in an aggregate amount of \$15,000,000; and
- this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

40. Contract (funds going out) - U.T. System: Hill International, Inc., to provide project management and construction support services and miscellaneous professional and technical support services

Agency: Hill International, Inc.

Funds: To be paid by U.T. System or the institutions that request services under this Agreement. Services under this Agreement may be requested by U.T. System or any U.T. institution. Contract is being brought forward for Board approval as it is nearing the \$2,000,000 delegation threshold; however, the maximum amount is indeterminable at this time as the total contract value will depend on usage of services.

Period: March 30, 2023 through March 29, 2029; with two remaining 24-month renewal options

Description: Hill International, Inc., will perform geotechnical engineering services on a nonexclusive, indefinite quantity basis. The contract value is now estimated to be nearing \$2,000,000, although the maximum amount is indeterminable at this time. Services were competitively procured.

The Agreement has an unspecified cost of monetary value, but is expected to exceed the delegated authority threshold. The U.T. System Office of Contracts and Procurement will closely monitor the spend over the life of the Agreement.

41. Contract (funds going out) - U.T. System: Zero/Six Consulting, LLC, to provide building envelope review and testing services, and miscellaneous professional and technical support services

Agency: Zero/Six Consulting, LLC

Funds: To be paid by U.T. System or the institutions that request services under this Agreement. Services under this Agreement may be requested by U.T. System or any U.T. institution. Contract is being brought forward for Board approval as it is nearing the \$2,000,000 delegation threshold; however, the maximum amount is indeterminable at this time as the total contract value will depend on usage of services.

Period: September 1, 2023 through August 31, 2025; with two remaining 24-month renewal options

Description: Zero/Six Consulting, LLC, will perform building envelope review and testing services on a nonexclusive, indefinite quantity basis. The contract value is now estimated to be nearing \$2,000,000, although the maximum amount is indeterminable at this time. Services were competitively procured.

The Agreement has an unspecified cost of monetary value, but is expected to exceed the delegated authority threshold. The U.T. System Office of Contracts and Procurement will closely monitor the spend over the life of the Agreement.

42. Facilities Planning and Construction - U.T.M.D. Anderson Cancer Center: Replace Uninterruptible Power Supply (UPS) Systems - 1 Mid Campus (1MC) Data Center - Amendment of the current Capital Improvement Program (CIP) to increase total project cost; and appropriation of funds and authorization of expenditure

Item: Amend the current CIP to increase the total project cost from \$13,310,000 to \$14,210,000; appropriate and authorize expenditure of \$900,000 from Hospital Revenues.

Source of Funds: Hospital Revenues

Substantial Completion Date: April 2025

Description: On May 4, 2023, the project was included in the CIP with a total project cost of \$12,100,000 with funding from Hospital Revenues. On January 19, 2024, the president increased the total project cost to \$13,310,000, under Regents' *Rules and Regulations*, Rule 80404, Institutional Management of Major Construction and Repair and Rehabilitation Projects, Section 7.

This proposed increase in total project cost will fund the installation of temporary cooling systems needed to maintain critical data center operations, higher than expected fuel costs associated with running emergency generators during uninterruptible power supply system (UPS) outages, and extension of the project schedule due to Hurricane Beryl.