

Meeting No. 1,248

THE MINUTES OF THE BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

Pages 1 - 169

November 20 - 21, 2024

Austin, Texas

MEETING NO. 1,248

WEDNESDAY, NOVEMBER 20, 2024.-- The members of the Board of Regents of The University of Texas System convened at 1:00 p.m. on Wednesday, November 20, 2024, in the Board Room, Second Floor, The University of Texas System Building, 210 West Seventh Street, Austin, Texas, with the below meeting participation:

ATTENDANCE.--

Present

Chairman Eltife  
Vice Chairman Longoria  
Vice Chairman Weaver  
Regent Crain  
Regent Gauntt  
Regent Jiles  
Regent Perez  
Regent Stedman  
Regent Warren  
Regent Dragun, Student Regent, nonvoting

CONVENE THE BOARD IN OPEN SESSION TO ALLOW FOR PUBLIC HEARING.-- At 1:00 p.m., in accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Eltife called the meeting to order in Open Session.

PUBLIC HEARING OPPORTUNITY, PURSUANT TO *TEXAS EDUCATION CODE* SECTION 54.0513, REGARDING PROPOSED CHANGE IN TUITION AND FEE RATES FOR THE DOCTOR OF NURSE PRACTICE IN CERTIFIED REGISTERED NURSE ANESTHESIA DEGREE PROGRAM AT U. T. TYLER

Chairman Eltife noted that the item to be heard later today during the Academic Affairs Committee regarding proposed tuition and fee rates for the Doctor of Nurse Practice in Certified Registered Nurse Anesthesia degree program at U. T. Tyler was posted for public hearing, as required by state law. While one individual signed up to speak in advance of the meeting, they were not in attendance and did not provide written or oral comments.

COMMITTEE MEETINGS.--The Board recessed Open Session for Standing Committee meetings from 1:03 p.m. – 2:33 p.m.

CONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551.-- At 2:33 p.m., in accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Eltife called the meeting to order in Open Session and recessed to Executive Session, pursuant to *Texas Government Code* Sections 551.071, 551.073, and 551.074 to consider the matters listed on the Executive Session agenda.

RECONVENE THE BOARD IN OPEN SESSION FOR POSSIBLE ACTION ON EXECUTIVE SESSION ITEMS.-- At 3:57 p.m., in accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Eltife called the meeting to order in Open Session.

- 1a. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions including interim presidents); U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors); other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive); Board members; and U. T. System and institutional employees

No action was taken on this item.

- 1b. U. T. Southwestern Medical Center: Discussion with president regarding assignment and duties, including individual responsibilities associated with the institution's planned expansion of clinical services

No action was taken on this item.

- 2a. U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features

Regent Crain made the following motion:

I move that the U. T. System Board of Regents authorize Chancellor Milliken, Vice Chancellor Safady, and the Presidents of U. T. Austin, U. T. Permian Basin, Stephen F. Austin State University, and U. T. Health Science Center - San Antonio to conclude negotiations necessary to finalize, approve, and accept gifts and to finalize and execute any agreements related to gift-associated namings consistent with the terms and conditions outlined and recommended in Executive Session.

The motion was seconded by Vice Chairman Longoria and carried unanimously.

- 2b. U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features

See related Item 2a for action taken in Open Session.

- 3a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

3b. U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning pending legal claims by and against U. T. System

No action was taken on this item.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 4:00 p.m. to reconvene on November 21, 2024.

THURSDAY, NOVEMBER 21, 2024.-- The members of the Board of Regents of The University of Texas System reconvened at 9:00 a.m. on Thursday, November 21, 2024, in the Board Room, Second Floor, The University of Texas System Building, 210 West Seventh Street, Austin, Texas, with the below meeting participation:

ATTENDANCE.--

Present

Chairman Eltife  
Vice Chairman Longoria  
Vice Chairman Weaver  
Regent Crain  
Regent Gauntt  
Regent Jiles  
Regent Perez  
Regent Stedman  
Regent Warren  
Regent Dragun, Student Regent, nonvoting

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS.--At 9:00 a.m., in accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Eltife called the meeting to order in Open Session to consider action on the following items.

Chairman Eltife welcomed the new Executive Director of the U. T. System Office of Police, Michael Parks. Executive Director Parks joined the U. T. System in September, 2024 after serving 14 years as Chief of Police at U. T. Health Science Center - San Antonio.

STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD.--

At 9:05 a.m., Chairman Eltife announced the Board would hear the reports and recommendations of the Standing Committees, which are set forth on Pages 5 - 63.

REPORT OF THE AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE  
(Pages 5 - 21).--Unless otherwise indicated, the actions set forth in the Minute  
Orders that follow were recommended and approved by the Board in Open Session.

1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration

There were no items referred from the Consent Agenda.

2. U. T. System: Report and discussion on the Systemwide internal audit activities, including Fiscal Year 2024 Annual Report

This item was for consideration only by the Committee.

3. U. T. System: Approval of the U. T. Systemwide Annual Audit Plan for Fiscal Year 2025

The Board approved the following recommendation:

RECOMMENDATION

Chief Audit Executive Peppers will present the proposed Fiscal Year 2025 U. T. Systemwide Annual Audit Plan (Audit Plan) using the PowerPoint set forth on the following pages and will recommend its approval. Development of the Audit Plan is based on risk assessments performed at each institution. Implementation of the Audit Plan will be coordinated with the institutional auditors. The Audit Plan executive summary and the detailed annual audit plans were provided to the Audit, Compliance, and Risk Management Committee members prior to the meeting.

BACKGROUND INFORMATION

Institutional audit plans, compiled by the internal audit departments after input and guidance from the U. T. System Audit Office, the Offices of Academic or Health Affairs, and the institution's management and institutional internal audit committee, were submitted to the respective institutional internal audit committee and institutional president for review and comments. Also, the U. T. System Chief Audit Executive provided feedback by conducting audit plan presentations with each institution. After the review process, each institutional internal audit committee formally approved its institution's audit plan.

# U. T. Systemwide FY 2025 Annual Audit Plan

Mr. J. Michael Peppers, U. T. System Chief Audit Executive

U. T. System Board of Regents Meeting  
Audit, Compliance, and Risk Management Committee  
November 2024



# Overall Audit Plan Process

Minutes - 7



## Annual Audit Plans

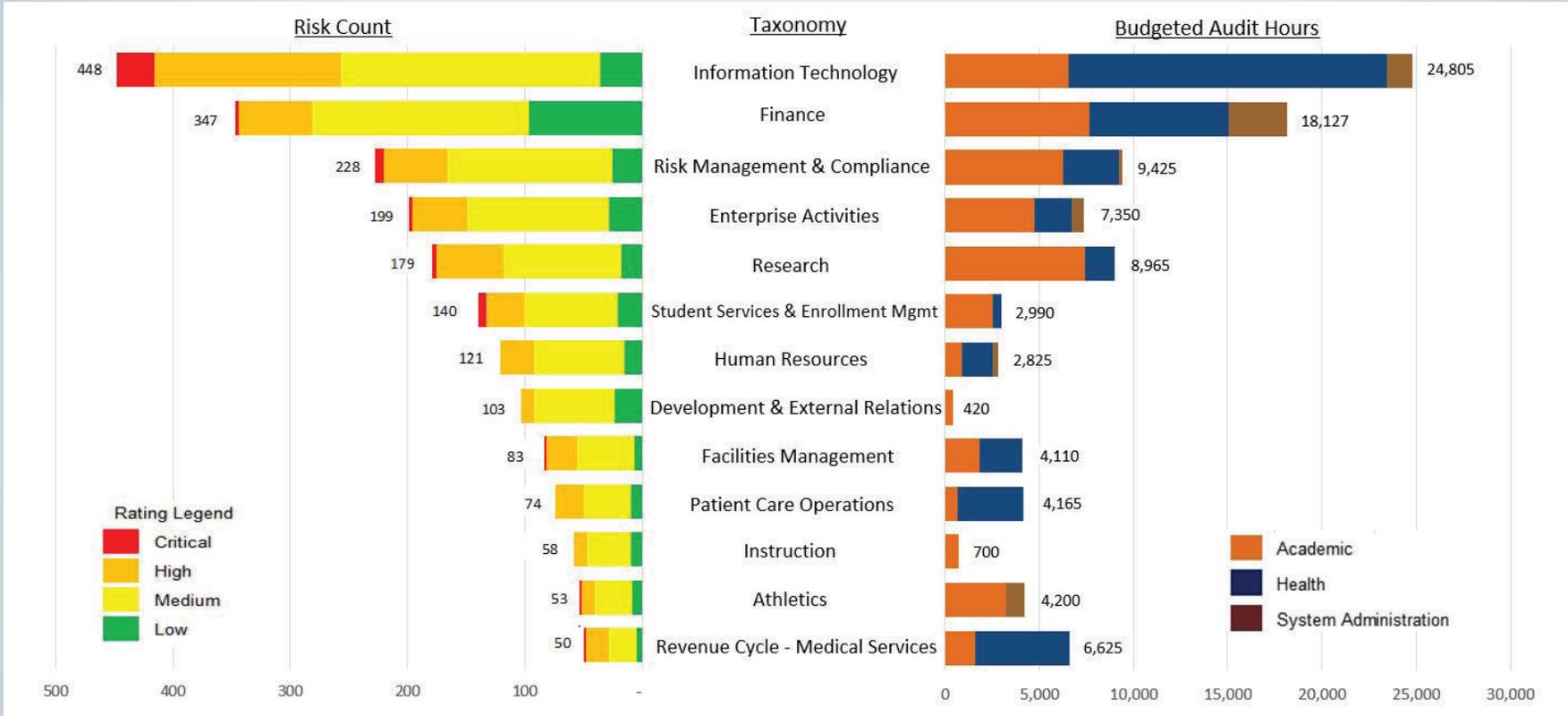
- Internal audit plans across the System include 180k direct hours of work in the following categories:
  - Assurance, Advisory, and Required Engagements
  - Investigations
  - Reserve
  - Follow-up
  - Development Operations and Initiatives
- Diverse topics to maximize coverage of risk areas
- Commonality in high-risk area topics

# Risk Assessment Methodology and Plan Development

- Risk Assessment Changes
  - Streamlined Taxonomies
  - Probability and Impact weighted 35% and 65%, respectively
  - Probability and Impact rated from 1 to 4
  - Probability and Impact rating and weights determine Risk Score
  - Risk Score range determines Risk Rank (Critical/High/Medium/Low)
- Identify risks related to strategic priorities and operational objectives that could impede successful achievement
- Develop engagements that provide validation of activities in place to mitigate the highest risks

# Systemwide Risk Count vs. Audit Hours by Taxonomy

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## Most Common IT Topics



### Information Security

- Cyber vulnerability management and incident response
- Third-party security and risk management
- Identity and access management

# Other Common IT Topics

Data  
Governance,  
Management, &  
Protection

Legal &  
Regulatory  
Compliance

Hardware &  
Software  
Inventory  
Management

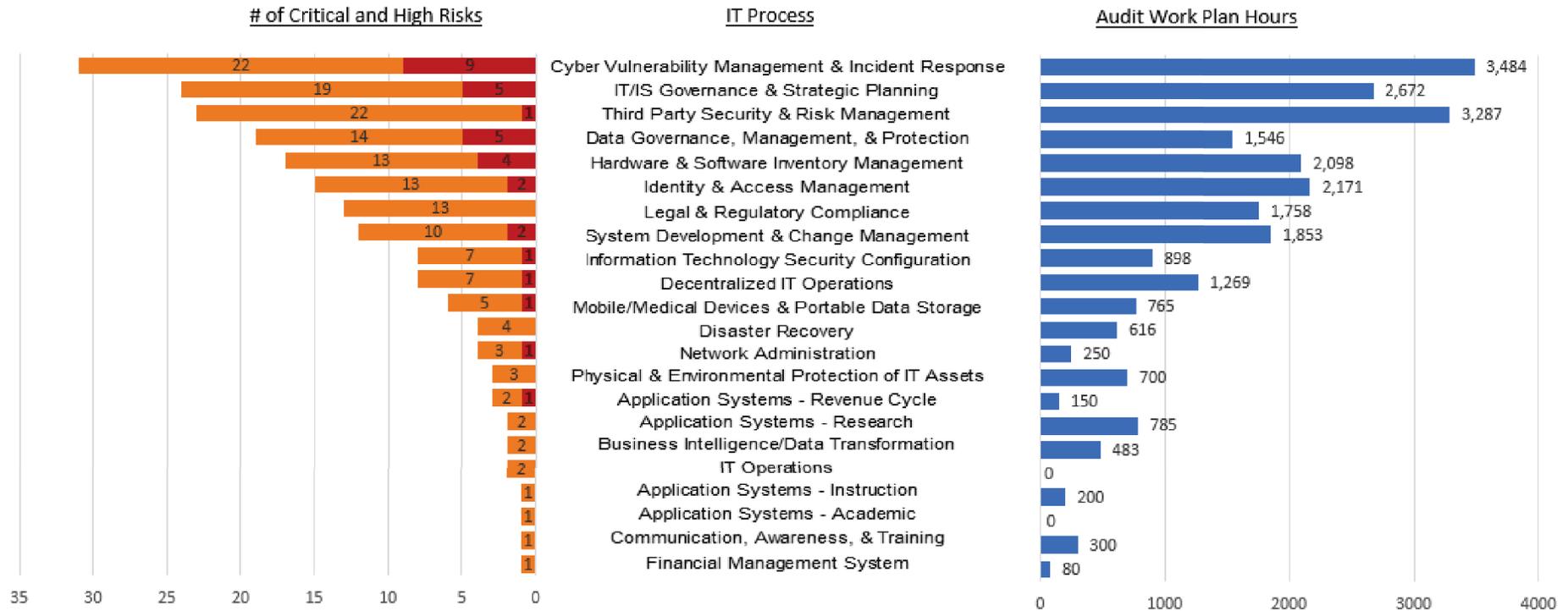
AI Governance

System  
Development &  
Change  
Management



# Systemwide IT Critical/High Risk Count vs. Audit Hours by IT Process

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## Most Common Topics

### Research Administration

- Ensure expenditure compliance with grant- or contract-specific requirements, including:
  - Evaluating processes and controls, policies, and procedures



## Most Common Topics (cont.)

### Construction/ Facilities Management

- Assess policies, processes, risks and controls for:
  - Construction: timely completion of projects, accurate billing, and change order/contract management
  - Facilities management: preventative maintenance, deferred maintenance, planned improvements, inventory, and compliance with regulatory laws

## Most Common Topics (cont.)

### Purchasing/ Supply Chain

- Review processes, policies, and controls around purchasing:
  - Oversight of vendor activities and billing
  - Monitoring for conflicts of interest
  - Ensuring supply chain resilience
  - Compliance with statutes/regulations

## Most Common Topics (cont.)

### Compliance Program

- Review policies and procedures
- Oversight and monitoring of institutional compliance programs

## Most Common Topics (cont.)

### Medical Services Revenue Cycle

- Evaluate processes and controls around various aspects of the medical services revenue cycle, including:
  - Billing practices
  - Charge capture for services provided
  - Clinical operations
  - Collections
  - Compliance with regulations



# Other Common Topics

Financial Reporting

Business Continuity

TEC 51.3525

Clinical Trials

Recruiting & Employee Retention

Cash Management, Treasury, & Investments

Research Compliance

Financial Aid

# Common Topics for Required Engagements

Procurement  
Compliance

Annual  
Financial Report

NCAA  
Compliance

Joint Admission  
Medical  
Program (JAMP)

Various Grants

## FY 2025 Internal Audit Resources

- Approximately 104 internal audit professionals Systemwide
- Co-source hours to meet long-term and immediate needs
  - Master Service Agreements with 15 service providers

REPORT OF THE FINANCE AND PLANNING COMMITTEE (Page 22).-- Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended and approved by the Board in Open Session.

1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration

There were no items referred from the Consent Agenda.

2. U. T. System: Financial Status Presentation and Monthly Financial Report

This item was for consideration only by the Committee.

3. U. T. System: University Lands Update

This item was for consideration only by the Committee.

REPORT OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 23 - 31).-- Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended and approved by the Board in Open Session.

1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration

There were no items referred from the Consent Agenda.

2. U. T. Tyler: Discussion and appropriate action regarding the proposed change in tuition and fee rates for the Doctor of Nurse Practice in Certified Registered Nurse Anesthesia degree program

The Board approved the following recommendation:

#### RECOMMENDATION

The Chancellor concurs with the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel that the U. T. System Board of Regents approve the proposed tuition and fee rates for the Doctor of Nursing Practice in Nurse Anesthesia (DNP-CRNA) degree program, as recommended by the institution president for Academic Year 2025-2026 as set forth in the following pages.

#### BACKGROUND INFORMATION

On February 23, 2023, the U. T. System Board of Regents approved the U. T. Tyler DNP-CRNA program. Offering this new program will aid the University in fulfilling its commitment to high-quality education and serving the community with advanced health care delivery. The new doctoral program will begin classes in Fall 2025 and U. T. Tyler has proposed differential tuition for the program. U. T. Tyler is not proposing any new mandatory fees for this program. Differential tuition is supplementary to the base tuition rate the university charges for doctoral degree programs and is used to support academic excellence and the high cost of instruction of certain colleges or disciplines. An overview of the institution's tuition and fee proposal for the DNP-CRNA degree program for the Academic Year 2025-2026 is indicated on the following pages.

3. U. T. Arlington: Approval to establish a Doctor of Social Work (DSW) degree program

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the institutional president that authorization, pursuant to the Regents' *Rules and Regulations*, Rule 40307, related to academic program approval standards, be granted to

- a. establish a Doctor of Social Work degree program at U. T. Arlington;  
and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

BACKGROUND INFORMATION

Program Description

The Doctor of Social Work (DSW) is as a 45 semester credit hour, part-time, online degree program structured to be completed within three years. The program is guided by national social work education standards from the Council on Social Work Education (CSWE) and is designed to prepare social work professionals with advanced clinical practice, effective leadership, and andragogical expertise. The DSW program differs from the Ph.D. program with its focus on advanced clinical practice, teaching, and leadership versus the Ph.D. which focuses on social science research. The research focus in the DSW curriculum will be on scholarly inquiry and practice informed research and assessment. The DSW curriculum emphasizes critical thinking and the integration of theoretical knowledge with practical experience. The program is designed to prepare successful graduates to pursue positions as advanced clinical social work practitioners, social work leaders and managers, and educators in the social work field.

Need and Student Demand

**Job Market Need**

The U. T. Arlington School of Social Work (SSW) contracted with Education Advisory Board (EAB) to conduct labor market research for launching an online DSW program. EAB conducted qualitative interviews with competitor programs and quantitative data analysis to assess the viability of the proposed program. The labor market analysis revealed employer demand trends regionally and nationally that indicate a positive labor market for relevant professionals. Employers advertised a

moderate number of relevant job postings regionally and nationally (i.e., 9,470 and 25,808 job postings, respectively). From November 2019 to October 2022, relevant employer demand outpaced growth in demand for doctorate-level professionals overall.

**Table 1.** Analysis of the job market indicates demand is projected to increase at a higher rate than all occupations in all five predominant occupations for this program in both the regional and national market during the 10-year time frame of 2022-2032.

Occupation	Regional	National
Substance Abuse, Behavioral Disorder, & Mental Health	25.94%	21.69%
Medical & Health Service Managers	31.15%	28.47%
Social Workers, All Other	10.17%	7.18%
Healthcare Social Workers	20.62%	14.67%
Educational, Guidance, & Career Counselors and Advisors	12.58%	14.41%
All Occupations	11.29%	9.22%

(Source: EAB labor market research)

### Graduates

Nationally, growth of conferred DSW degrees has now surpassed Ph.D.s, with consistent increases year over year. According to a joint report by CSWE and Group for the Advancement of Doctoral Education in Social Work (GADE), in 2023, practice doctorate (DSW) programs had conferred degrees on 267 graduates compared to only 238 among research doctorates (Ph.D.).

According to the Survey of Program Heads Regarding Employment of Ph.D. graduates, Texas statewide doctoral graduates in social work in 2022 totaled 17, down 7.3% from 23 graduates in 2018. All of these were Ph.D. graduates. The decline in Texas Ph.D.s, coupled with rising interest in Doctor of Social Work (DSW) programs, highlights a growing need for more advanced practice-oriented doctoral programs. A DSW program can fill this gap by attracting professionals seeking leadership roles and expertise in social work practice, administration, and education without the research-heavy focus of a Ph.D. U. T. Arlington’s large, respected, and robust SSW will help meet this demand and contribute to the state's workforce development in advanced social work practice. With over 2,000 students, the U. T. Arlington SSW is one of the largest social work programs in the nation.

### Student Demand

Based on a joint report by the CSWE and GADE, the program demand for practice doctorates has increased dramatically in the last decade. In 2014, there were only five DSW programs, as of Spring 2024 there are 32 practice doctorate programs in the nation (a 540% increase in 10 years). The report also shows applications and enrollments for DSW programs are seven times more than research doctorate (Ph.D.) social work programs, with a mean of 21.5 students enrolling for the DSW program versus 5.9 for the Ph.D. program.

With most DSW programs being self-funded, demand for affordable options is high. The SSW boasts an excellent track record of providing quality online education for a good value, as evidenced by our current ranking as both the No. 1 most affordable accredited MSW program in the country by HumanServices.edu and the No. 2 best accelerated online MSW degree by CollegeValuesOnline.com. U. T. Arlington's own market research indicates that the average total tuition for a DSW program is \$52,000, making our proposed program half the national average and thus promising great potential for attracting competitive applicants.

U. T. Arlington's program anticipates an initial enrollment of 10 students in the first cohort, surpassing the mean 21.5 students by year two with the opportunity to scale significantly.

### Program Quality

#### **Core Faculty**

As a practice-oriented doctorate, it is highly preferred for faculty teaching in the DSW program to have a DSW themselves, or a record of substantial practice experience and excellence in online teaching. As such, core faculty will include 10 academic-professional track faculty. In addition to the 10 core faculty, 15 tenured/tenure-track faculty will also provide support to the program as necessary.

#### **New Faculty**

Hiring new faculty for the DSW program will help ensure specialized expertise in advanced social work practice, leadership, and education. New faculty members can bring a broad range of practice experience and research backgrounds, allowing the program to offer a robust, comprehensive curriculum that meets accreditation standards and student needs. Expected new hires include two faculty and one staff coordinator (to assist with managing day-to-day logistics and preparing the program to seek CSWE accreditation).

#### **Program Quality**

Thanks to U. T. Arlington's robust mechanisms to monitor and evaluate student success, the DSW program will have access to several tools to measure program quality. Metrics will include anonymous student feedback surveys, time to graduation, persistence and retention rates, and career outcomes. These tools allow us to identify students at onboarding who may need additional support in adjusting to online learning; provide data on engagement in coursework within the learning management system to allow early intervention with students experiencing challenges; and provide additional information on post-graduation accomplishments of DSW alumni.

The Academic and Student Affairs unit within the SSW includes a number of resources, such as peer mentorship, tutoring, a formal system to refer and support students who are struggling with mental health or wellbeing issues, a student success review committee to address student challenges related to academic integrity and professionalism, and the Center for Lifelong Learning, which will supplement curriculum with free podcasts and workshops on topics such as self-care and career development.

The average DSW student is between the ages of 35 to 44 and working full time, so the flexible online program model will provide an accessible option. At the same time, the planned cohort model will enhance students’ sense of belonging. With 80% of current students taking online coursework, there are already several mechanisms in place to build community among online scholars, such as student-to-student mentorship programs that will be replicated at the DSW level.

Revenue and Expenses

<b>Expenses</b>	<b>5-Year Total</b>
<i>Faculty</i>	
Salaries	\$1,174,154
Benefits	\$351,771
<i>Graduate Students</i>	
TA Salaries	\$15,844
TA Benefits	\$475
<i>Staff &amp; Administration</i>	
Graduate Coordinator Salaries	\$530,000
Administrative Staff Salaries	\$238,500
Staff Benefits	\$230,550
<i>Other Expenses</i>	
Marketing, Technology	\$20,726
<b>Total Expenses</b>	<b>\$2,562,020</b>

<b>Revenue</b>	<b>5-Year Total</b>
<i>From Student Enrollment</i>	
Formula Funding	\$597,155
Tuition and Fees	\$1,410,193
<i>From Institutional Funds</i>	
Strategic Investment	\$354,855
<i>From Grant Funds</i>	
N/A	N/A
<i>From Other Revenue Sources</i>	
Faculty Reallocation	\$933,054
<b>Total Revenue</b>	<b>\$3,295,257</b>

Coordinating Board Criteria

The proposed program meets all applicable Coordinating Board criteria for new doctoral degree programs.

4. U. T. San Antonio: Discussion and appropriate action regarding proposed Mission Statement

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the institutional president that the proposed Mission Statement for U. T. San Antonio, as set forth below, be approved by the U. T. System Board of Regents.

**Proposed Mission Statement**

The mission of The University of Texas at San Antonio is to make lives better by advancing excellence in education; research, discovery and commercialization; health; public service; and community engagement.

BACKGROUND INFORMATION

In anticipation of the integration of U. T. San Antonio (UTSA) and U. T. Health Science Center - San Antonio (UTHSCSA) as authorized by the U. T. System Board of Regents on August 22, 2024, a revised mission statement for UTSA is being presented for review by the U. T. System Board of Regents. The current mission statements for UTSA and UTHSCSA have been combined into a proposed mission statement for the integrated UTSA. With the support of the leadership of the respective institutions, we are presenting this mission statement for consideration by the U. T. System Board of Regents in accordance with Regents' *Rules and Regulations*, Rule 10402, but also to meet the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) requirement to include the revised mission statement as a part of the substantive change prospectus due in March of 2025.

Each public institution of higher education is required to have a mission statement under *Texas Education Code* Section 51.359. Section 51.352 of the Code, regarding the Responsibility of Governing Boards, requires each governing board to insist on clarity of focus and mission of each institution under its governance. Regents' *Rules and Regulations*, Rule 10402, states that the Academic Affairs Committee or the Health Affairs Committee, as appropriate, must review proposed changes to institutional mission statements.

In addition, SACSCOC accreditation requirements require the periodic review and approval of each institution's mission statement by its governing board.

Both the UTSA Mission Statement and the UTHSCSA Mission Statement were last reviewed and reaffirmed by the Board on February 24, 2022.

### **Current U. T. San Antonio Mission Statement**

The University of Texas at San Antonio is dedicated to the advancement of knowledge through research and discovery, teaching and learning, community engagement and public service. As an institution of access and excellence, UTSA embraces multicultural traditions, and serves as a center for intellectual and creative resources as well as a catalyst for socioeconomic development and the commercialization of intellectual property – for Texas, the nation and the world.

### **Current U. T. Health Science Center - San Antonio Mission Statement**

The mission of The University of Texas Health Science Center at San Antonio is to make lives better through excellence in education, research, health care and community engagement.

Strategies for achieving this mission are:

- Educating a diverse student body to become excellent health care providers and scientists.
- Engaging in research to understand health and disease.
- Commercializing discoveries, as appropriate, to benefit the public.
- Providing compassionate and culturally proficient health care.
- Engaging our community to improve health.
- Influencing thoughtful advances in health policy.

[Secretary's Note: The Proposed Mission Statement included in the Agenda materials was revised as reflected above.]

5. U. T. System: Discussion and appropriate action regarding the expansion of The University of Texas System Board of Regents' Promise Plus scholarship program with new funding for U. T. Academic Institutions, allocation of funding, and finding that the expenditure of Available University Funds (AUF) for this purpose is appropriate

The Board approved the following recommendation:

### RECOMMENDATION

The Chancellor and the Executive Vice Chancellors for Academic Affairs and Business Affairs recommend that the U. T. System Board of Regents:

- a. adopt a goal that each academic institution establish its family income eligibility level for students participating in The University of Texas System Board of Regents' Promise Plus program (Promise Plus) (at U. T. Austin, referred to as the Texas Advance Commitment program) at a minimum of \$100,000 adjusted gross income;
- b. authorize the allocation of Available University Funds (AUF) to augment the U. T. Austin Promise Plus endowment (known as the Texas Advance Commitment) in an amount to be subsequently approved by the Board of Regents;
- c. authorize the allocation of non-AUF institutional reserves to augment the Promise Plus endowment for non-UT Austin institutions in an amount to be subsequently approved by the Board of Regents;
- d. authorize the allocation of no more than \$35 million of AUF to supplement Promise Plus support at U. T. System Administration for eligible students at U. T. academic institutions other than U. T. Austin in furtherance of the U. T. System Administration's responsibility to provide oversight and coordination of the activities of the U. T. System; and
- e. find that expenditure of AUF for these purposes is appropriate either because it is allocated to U. T. Austin or because it is under the U. T. System's responsibilities to coordinate the activities of the U. T. institutions participating in the program with the intent that the expenditure will benefit students of a broad number of U. T. institutions.

### BACKGROUND INFORMATION

On July 9, 2019, the Board of Regents approved a special one-time supplemental distribution of \$250 million from the Permanent University Fund into the AUF for Fiscal Year 2020 and directed that the entire U. T. System share be allocated to U. T. Austin to be used solely for the creation of an endowed fund, to be held permanently, with the distributions from the endowed fund to be used to supplement

federal, state, and institutional grants to cover the full cost of tuition and fees for low-income, in-state undergraduate students at U. T. Austin.

On February 24, 2022, the Board of Regents allocated funding of \$300 million and approved the creation of Promise Plus Endowment program, an endowed fund to be used to expand existing programs that supplement federal, state, and institutional grants to cover the full cost of tuition, mandatory fees, and other costs of attendance for eligible resident, full-time undergraduate students who have unmet financial need at U. T. academic institutions other than U. T. Austin. At the same time, the Board also approved supplemental funding from various sources, including the Internal Lending Program (ILP), as needed.

On August 24, 2023, the Board of Regents authorized an additional \$1 million of funding from the ILP to supplement the Promise Plus Endowment program for the inclusion of Stephen F. Austin State University in the program without diminishing support for other institutions receiving funding under the program.

Advance notice of the proposed System initiative funded with AUF was provided to the Legislative Budget Board as required by Rider 7, Page III-78 of the current *General Appropriations Act*.

REPORT OF THE HEALTH AFFAIRS COMMITTEE (Page 32).-- Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended and approved by the Board in Open Session.

1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration

There were no items assigned for review by this Committee.

REPORT OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE  
(Pages 33 - 63).--Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended and approved in Open Session.

1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration

There were no items referred from the Consent Agenda.

2. U. T. Austin: Robert A. Welch Buildout, Floors 1 and 5 - Amendment of the current Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and resolution regarding parity debt

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the Robert A. Welch Buildout, Floors 1 and 5 project at The University of Texas at Austin as follows:

- a. amend the current CIP and approve a total project cost of \$40,000,000;
- b. appropriate funds of \$40,000,000 with funding of \$16,800,000 from Available University Fund (AUF), \$13,200,000 from Revenue Financing System (RFS) Bond Proceeds and \$10,000,000 from Designated Funds; and
- c. 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 pay 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 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; and U. T. Austin, which is a "Member" as such term is used in the 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 tax-exempt parity debt in the aggregate amount of \$13,200,000.

## BACKGROUND INFORMATION

### Debt Service

The \$13,200,000 in RFS debt will be recovered from AUF funds. Annual debt service on the \$13,200,000 in RFS debt is expected to be \$735,000. The institution's Scorecard Rating of 2.3 at fiscal year-end 2023 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.

### Previous Action

On February 28, 2024, the Chancellor approved this project for Definition Phase.

### Project Description

This proposed project will provide approximately 30,600 gross square feet (GSF) of critically needed research space. The first-floor buildout of approximately 9,200 GSF will provide high-performance laboratory space for research in the College of Natural Sciences related to condensed matter physics and physical chemistry. The research is focused on the creation and characterization of materials with novel properties, in particular novel quantum properties. These labs require tightly controlled environmental conditions. Renovations consist of shared general lab space with fume hoods, installation of a Helium recovery system, and relocation of faculty, staff, and student offices to a different floor.

The fifth-floor buildout of approximately 21,400 GSF will provide newly created laboratory space for interdisciplinary research in chemistry, biology, pharmacology, and adjacent fields. Renovations consist of creating state-of-the-art wet labs. Due to a critical shortage of wet lab space on campus and existing buildings that can no longer support state-of-the-art research, the initial occupants of the renovated labs will be faculty from the College of Pharmacy. Long-term, the wet labs will be occupied by the College of Natural Sciences.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be presented to the President for approval at a later date. Pursuant to The University of Texas Systemwide Policy UTS 199, pertaining to Management of Major Capital Projects, U. T. Austin has delegated authority for institutional management of construction projects.

**The University of Texas at Austin  
Robert A. Welch Hall Buildout, Floors 1 and 5**

**Project Information**

Project Number	102-1507
CIP Project Type	Repair and Rehabilitation
Facility Type	Laboratory, General
Management Type	Institutional Management
Institution’s Project Advocate	Andreas Matouschek, Associate Dean for the College of Natural Sciences
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	30,600

**Project Funding**

Proposed

Revenue Financing System Bond Proceeds <sup>1</sup>	\$13,200,000
Designated Funds	10,000,000
Available University Fund	<u>16,800,000</u>
Total Project Cost	<u>\$40,000,000</u>

<sup>1</sup>RFS Bond Proceeds to be repaid from Available University Fund

**Project Cost Detail**

	Cost
Building Cost	\$26,570,011
Fixed Equipment	2,907,779
Furniture and Moveable Equipment	250,000
Institutionally Managed Work	2,260,320
Architectural/Design Services	4,060,320
Project Management	1,000,000
Insurance	1,198,653
Other Professional Fees	952,917
Project Contingency	800,000
Total Project Cost	\$40,000,000

**Project Planning**

Definition Phase Completed	Yes
Owner’s Project Requirements	Yes
Basis of Design	Yes
Schematic Design	Yes
Detailed Cost Estimate	Yes

**Project Milestones**

Definition Phase Approval	February 2024
Addition to CIP	November 2024
Design Development Approval	July 2025
Construction Notice to Proceed	December 2025
Substantial Completion	May 2027
Final Completion	August 2027

3. U. T. Austin: Red McCombs School of Business New Building - Amendment of the current Capital Improvement Program to revise funding; approval of Design Development for Stage II, appropriation of funds and authorization of expenditure for Stage II; and resolution regarding parity debt

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) to approve the recommendations for the Red McCombs School of Business New Building project at The University of Texas at Austin as follows:

- a. amend the current CIP to revise funding to include Available University Fund (AUF);
- b. approve design development plans for Stage II;
- c. revise funding of \$25,000,000 from Designated Funds to AUF for Stage I;
- d. appropriate funds and authorize expenditure of \$400,000,000 with funding of \$225,000,000 from Revenue Financing System (RFS) Bond Proceeds, \$150,000,000 from Gifts, and \$25,000,000 from AUF for Stage II; and
- e. 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 pay 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 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; and U. T. Austin, which is a "Member" as such term is used in the 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 tax-exempt parity debt in the aggregate amount of \$225,000,000.

### BACKGROUND INFORMATION

#### Debt Service

The \$225,000,000 in RFS debt will be recovered from Designated Tuition and parking revenues. Annual debt service on the \$225,000,000 in RFS debt is expected to be \$1.25 million. The institution's Scorecard Rating of 2.3 at fiscal year-end 2023

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.

### Previous Actions

On August 15, 2022, the Chancellor approved the project for Definition Phase. On November 16, 2023, the project was included in the CIP with a total project cost of \$425,000,000 with funding of \$225,000,000 from RFS Bond Proceeds, \$150,000,000 from Gifts, and \$50,000,000 from Designated Funds and the Board approved Design Development plans for Stage I with a total project cost of \$25,000,000 from Designated Funds.

### Project Description

The project consists of a new academic building to house the Red McCombs School of Business, parking, and the necessary enabling utilities to support the new building. The academic building will house the McCombs undergraduate programs, specialized master's programs, and six academic departments integrating faculty across departments by incorporating flexible and reconfigurable spaces, providing collaborative areas for students and faculty to enhance research, teaching, and corporate partnerships. The 17-story building will include offices, classrooms, student collaborative spaces, faculty and administrative office space, event spaces, a career center, and underground parking with approximately 164 spaces.

The new academic building will be located on a site currently occupied by the Dobie Parking Garage and adjacent surface parking lots bounded by West 20th Street, University Avenue, West 21st Street, and Whitis Avenue. Previously approved plans for Stage I allowed the early excavation and demolition of Dobie Garage, relocation of the storm water line, and the temporary tie-in or relocation of the remaining alley utilities in preparation for the building construction.

**The University of Texas at Austin  
Red McCombs School of Business New Building**

**Project Information**

Project Number	102-1422
CIP Project Type	New Construction
Facility Type	Classroom, General
Management Type	Institutionally Managed
Institution’s Project Advocates	Caitlin Mullaney, Senior Associate Dean for Business Affairs and Chief Operating Officer, McCombs School of Business Ty Henderson, Associate Dean for Undergraduate Program, McCombs School of Business
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	522,320
Parking Garage Spaces	164

**Project Funding**

	<u>Current</u>	<u>Proposed</u>
Revenue Financing System Bond Proceeds <sup>1</sup>	\$225,000,000	\$225,000,000
Gifts <sup>2</sup>	150,000,000	150,000,000
Designated Funds	50,000,000	0
Available University Fund	<u>0</u>	<u>50,000,000</u>
Total Project Cost	<u>\$425,000,000</u>	<u>\$425,000,000</u>

<sup>1</sup> Revenue Financing System (RFS) Bond Proceeds to be repaid from Designated Tuition and parking revenues

<sup>2</sup> Gifts are not fully collected or committed at this time; however, the Office of Finance has determined that the institution has sufficient local funds to cover any shortfall.

**Project Cost Detail**

	Cost
Building Cost	
Red McCombs School of Business New Building	\$305,104,937
Parking Garage	20,809,541
Site Development	11,622,553
Furniture and Moveable Equipment	9,618,750
Institutionally Managed Work	20,222,302
Architectural/Design Services	17,808,169
Project Management	6,375,000
Insurance	5,883,239
Other Professional Fees	10,034,531
Project Contingency	12,750,000
Other Costs	4,770,978
Total Project Cost	<u>\$425,000,000</u>

**The University of Texas at Austin**  
**Red McCombs School of Business New Building**  
 (continued)

**Building Cost per GSF Benchmarks** (escalated to midpoint of construction)

Red McCombs School of Business New Building				\$693
Texas Higher Education Coordinating Board Average - Classroom, General				\$635
	Low Quartile	Median	High Quartile	
Other U. T. System Projects	\$506	\$611	\$646	
Other National Projects	\$606	\$797	\$1,062	

**Building Cost per Car Benchmarks** (escalated to midpoint of construction)

Red McCombs School of Business Parking Garage				\$126,887
Regional Median Parking Cost Data – Dallas				\$29,042
Regional Median Parking Cost Data – Houston				\$29,518
	Low Quartile	Median	High Quartile	
Other U. T. System Projects	\$27,249	\$31,502	\$34,845	
National Projects	\$31,790	\$41,656	\$61,365	

**Investment Metrics**

- Fulfill promise of 2011 McCombs School of Business Strategic Master Plan Update by providing state-of-the-art classroom and collaborative spaces for students, faculty, and staff by 2028
- Consolidate footprint for the School of Business neighborhood, located at the Southwest corner of campus, with cohesive grouping of McCombs School of Business, Robert B. Rowling Hall, and AT&T Executive Education Conference Center buildings

**Project Milestones**

Definition Phase Approval	August 2022
Addition to CIP	November 2023
Design Development Approval - Stage I	November 2023
Design Development Approval - Stage II	November 2024
Construction Notice to Proceed	November 2024
Substantial Completion	May 2028
Final Completion	June 2028

**Basis of Design**

The planned building life expectancy includes the following elements:

- Enclosure: 50 years
- Building Systems: 25 years
- Interior Construction: 20 years

4. U. T. Austin: Darrell K Royal Texas Memorial Stadium Belmont Hall Renovation - Amendment of the current Capital Improvement Program to increase total project cost; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) and approve the recommendations for the Darrell K Royal Texas Memorial Stadium Belmont Hall Renovation project at The University of Texas at Austin as follows:

- a. amend the current CIP to increase the total project cost from \$80,000,000 to \$118,750,000;
- b. appropriate funds and authorize expenditure of \$118,750,000 with funding of \$80,000,000 from Revenue Financing System (RFS) Bond Proceeds and \$38,750,000 from Gifts; and
- c. 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 pay 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 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; and U. T. Austin, which is a "Member" as such term is used in the 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 tax-exempt parity debt in the aggregate amount of \$80,000,000.

BACKGROUND INFORMATION

Debt Service

The \$80,000,000 in RFS debt will be recovered from Gifts, as received, and Available University Funds. Annual debt service on the \$80,000,000 in RFS debt is expected to be \$4.45 million. The institution's Scorecard Rating of 2.3 at fiscal year-end 2023 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.

### Previous Actions

On December 19, 2023, the Chancellor approved this project for Definition Phase. On February 22, 2024, the project was included in the CIP with a total project cost of \$80,000,000 with funding of \$50,000,000 from RFS Bond Proceeds and \$30,000,000 from Gifts. On June 13, 2024, the President approved design development plans.

### Project Description

The original project included renovations for Kinesiology and Health Education (KHE) classrooms and laboratory space on Levels 1, 2, and 9, and for football suites on Level 8 of Belmont Hall, to better serve the needs of the KHE and Intercollegiate Athletic departments, respectively. Constructed in 1972, the mechanical, electrical, and plumbing systems in Belmont Hall are outdated and in need of replacement. Renovations to the KHE department will provide for more efficient systems, laboratories, and classroom space, and will provide increased efficiency of outdated utilities.

The original project will also include the addition of two independent structures on top of the existing South End Zone concourse. The eastern addition will be used for working media members during gameday operations. The western addition will support facilities for the visiting team's athletic director, four radio team booths, and additional seating for working media members. Gameday operations will be relocated to a new structure to be built on Level 10 of the North End Zone. This facility will house public announcement, disc jockey, scoreboard, light show control, and supplemental gameday operations activities. The national television broadcast teams and their main camera equipment will be moved and incorporated into the uppermost concourse of the lower stadium bowl, located on Level 8 on the east side of DKR stadium.

The proposed total project cost increase will support added scope for the KHE department in Belmont Hall on Level 3 to accommodate the Texas Spirit Program space. Renovations will include new flooring with a Texas Accessibility Standards compliant ramp, ceiling, lighting, signage, storage, and upgraded lighting in the practice gym. Additionally, the increase in funding will also support critical infrastructure upgrades that are currently at the end of life and will address an approximate \$22,000,000 in deferred maintenance, including modernization of building-wide chilled water systems, new and existing air handling units with new direct digital controls for the new equipment to support the current renovations.

**The University of Texas at Austin  
Darrell K Royal Texas Memorial Stadium Bellmont Hall Renovation**

**Project Information**

Project Number 102-1506  
 CIP Project Type Repair and Rehabilitation  
 Facility Type Athletic  
 Management Type Institutional Management  
 Institution’s Project Advocates Fernando Lovo, Intercollegiate Athletics Executive  
 Senior Associate Athletics Director, Operations  
 Janice Todd, Kinesiology and Health Education  
 Department Chair  
 Project Delivery Method Construction Manager-at-Risk  
 Gross Square Feet (GSF) 108,227

<b>Project Funding</b>	<u>Current</u>	<u>Proposed</u>
Revenue Financing System Bond Proceeds <sup>1</sup>	\$50,000,000	\$ 80,000,000
Gifts <sup>2</sup>	<u>30,000,000</u>	<u>38,750,000</u>
<b>Total Project Cost</b>	<b>\$80,000,000</b>	<b>\$118,750,000</b>

<sup>1</sup>RFS Bond Proceeds to be repaid by Gifts as received, and Available University Fund

<sup>2</sup>Gifts are not fully collected or committed at this time; however, the Office of Finance has determined that the institution has sufficient local funds to cover any shortfall.

**Project Cost Detail**

	Cost
Building Cost	\$ 91,700,000
Fixed Equipment	1,450,000
Furniture and Moveable Equipment	8,257,000
Institutionally Managed Work	1,230,255
Architectural/Design Services	7,434,520
Project Management	2,359,261
Insurance	2,818,300
Other Professional Fees	735,000
Project Contingency	2,068,514
Other Costs	697,150
<b>Total Project Cost</b>	<b>\$118,750,000</b>

**Project Milestones**

Definition Phase Approval December 2023  
 Addition to CIP February 2024  
 Design Development Approval June 2024  
 Construction Notice to Proceed June 2024  
 Substantial Completion August 2026  
 Final Completion September 2026

5. U. T. Austin: Microelectronics and Engineering Research Center Cleanroom Expansion - Amendment of the current Capital Improvement Program to revise total project cost for Phases A-2 and B-2 of the project; increase total project cost to include Phase B-3; and appropriation of funds and authorization of expenditure

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents approve the recommendations for the Microelectronics and Engineering Research Center Cleanroom Expansion Phases A-2, B-2, and B-3 of the project at The University of Texas at Austin as follows:

- a. amend the current Capital Improvement Program (CIP) to increase the total project cost from \$277,523,084 to \$394,123,084;
- b. appropriate funds for all Phases with a total project cost of \$394,123,084 with funding of \$112,307,084 from Capital Construction Assistance Project (CCAP) Bond Proceeds, formerly known as Tuition Revenue Bond (TRB) Proceeds, \$130,100,000 from Revenue Financing System (RFS) Bond Proceeds, \$3,800,000 from Available University Fund (AUF), and \$147,916,000 from General Revenues; and
- c. 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 pay 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 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; and U. T. Austin, which is a "Member" as such term is used in the 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 tax-exempt parity debt in the aggregate amount of \$130,100,000.

BACKGROUND INFORMATION

Debt Service

The \$130,100,000 in RFS debt will be recovered from institutional funds. Annual

debt service on the \$130,100,000 in RFS debt is expected to be \$7.24 million. The institution's Scorecard Rating of 2.3 at fiscal year-end 2023 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.

### Previous Actions

On August 24, 2022, the Chancellor approved the project for Definition Phase. On August 25, 2022, the Microelectronic and Engineering Research Center (MER) Cleanroom Renovation and Expansion Phase A-1 portion of the project was included in the CIP with a total project cost of \$45,000,000 with funding from CCAP Bond Proceeds, formerly known as TRB Proceeds. On November 17, 2022, Phase A-2 was added to the project in the amount of \$8,062,000 for a total project cost of \$53,062,000 from CCAP Bond Proceeds. On February 23, 2023, Phase B-1 was added to the project with a total project cost of \$32,700,000 from CCAP Bond Proceeds and Phase B-2 was added with a total project cost of \$89,532,000 with funding of \$26,545,084 from CCAP Bond Proceeds, \$42,687,000 from Revenue Financing System (RFS) Bond Proceeds, \$15,000,000 from AUF, \$3,800,000 from PUF Bond Proceeds, and \$1,500,000 from Designated Funds. On April 5, 2023, the President approved design development plans for Phase B-1. On April 26, 2023, the President approved design development plans for Phase A-2. On August 24, 2023, the Board approved design development plans for Phase B-2 and increased the total project cost to \$277,523,084 with funding of \$112,307,084 from CCAP Bond Proceeds, \$3,800,000 from PUF Bond Proceeds, \$15,000,000 from AUF, \$1,500,000 from Designated Funds, and \$144,916,000 from General Revenue. On July 31, 2024, the President approved reallocation of funding between Phase B-1 and B-2 for total project cost of \$277,523,084.

### Project Description

In the face of the critical global shortage in microchips and semiconductor systems, U. T. Austin is leading the Texas Institute for Electronics (TIE), a public-private partnership between the State of Texas, preeminent semiconductor systems and defense electronics companies, national labs, and 14 academic institutions across the state to restore leading-edge semiconductor manufacturing back to United States soil, secure the supply chain, ensure national security, and educate the next generation of industry innovators in Texas.

The TIE initiative will leverage and expand the existing infrastructure and research capabilities of U. T. Austin, which houses the Cockrell School of Engineering and several other internationally recognized U. T. centers and labs that contribute to semiconductor advances, including the Microelectronics Research Center, Texas Advanced Computing Center, Army Futures Command, Applied Research Laboratories, and the NASCENT Nanomanufacturing Systems Center. This effort will also build on centers of excellence at the other 14 Texas-based academic institutions.

The proposed increase in funding requested for Phase B-2 is required to support the increased scope in completing the design and construction of the B-2 South cleanroom, cleanroom support systems, including gas and chemical storage building, and acid treatment facility, additional chemicals and gases process piping system needed for the advanced semiconductor tools, unexpected material cost increases, and measures to deal with unforeseen site conditions. Due to stringent acid waste requirements and anti-acid corrosion pipes and fittings needed, escalated material costs were identified. Phase 2-A will be decreased by \$2,000,000 to support B-2 scope. The proposed addition of Phase B-3 to the project is the result of necessary repairs in existing infrastructure to meet new code requirements and improve the safety of the existing research environment, including replacement of heating, ventilation, and air conditioning and associated air duct systems, redesign of fire alarm and fire protection systems, integration of a gas detection system for cleanrooms, and to make code-compliant, fully-accessible support facilities.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding for Phase B-3 will be presented to the President for approval at a later date. Pursuant to The University of Texas Systemwide Policy UTS 199, pertaining to Management of Major Capital Projects, U. T. Austin has delegated authority for institutional management of construction projects.

**The University of Texas at Austin  
Microelectronics and Engineering Research Center (MER) Cleanroom Expansion**

**Project Information**

Project Number	102-1400
CIP Project Type	Renovation and Rehabilitation
Facility Type	Laboratory, General
Management Type	Institutional Management
Institution’s Project Advocate	Fernanda Leite, Associate Dean for Research, Cockrell School of Engineering
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	59,847

**Project Funding**

<b><u>Phase B-3 Only</u></b>	<b><u>Current</u></b>	<b><u>Proposed</u></b>
Revenue Financing System Bond Proceeds <sup>1</sup>	\$ -	\$76,400,000
Total Project Cost	\$ -	\$76,400,000

<b><u>Phase A-2 Only</u></b>	<b><u>Current</u></b>	<b><u>Proposed</u></b>
Capital Construction Assistance Project Bond Proceeds	\$8,062,000	\$6,062,000
Total Project Cost	\$8,062,000	\$6,062,000

<b><u>Phase B-2 Only</u></b>	<b><u>Current</u></b>	<b><u>Proposed</u></b>
Capital Construction Assistance Project Bond Proceeds	\$26,545,084	\$28,545,084
Revenue Financing System Bond Proceeds <sup>1</sup>	-	53,700,000
Permanent University Fund Bond Proceeds	3,800,000	3,800,000
Available University Fund	15,000,000	-
Designated Funds	1,500,000	-
General Revenues	<u>106,616,000</u>	<u>109,616,000</u>
Total Project Cost	\$153,461,084	\$195,661,084

<b><u>Phases A-1, A-2, B-1, B-2 and B-3 Combined</u></b>	<b><u>Current</u></b>	<b><u>Proposed</u></b>
Capital Construction Assistance Project Bond Proceeds	\$112,307,084	\$112,307,084
Revenue Financing System Bond Proceeds <sup>1</sup>	-	130,100,000
Permanent University Fund Bond Proceeds	3,800,000	3,800,000
Available University Fund	15,000,000	-
Designated Funds	1,500,000	-
General Revenues	<u>144,916,000</u>	<u>147,916,000</u>
Total Project Cost	\$277,523,084	\$394,123,084

<sup>1</sup> Revenue Financing System (RFS) Bond Proceeds to be repaid from Available University Fund

**The University of Texas at Austin  
Microelectronics and Engineering Research Center (MER) Cleanroom Expansion**  
(continued)

**Project Cost Detail**

<b>Phases B-2 and B-3</b>	<b>Phase B-2</b>	<b>Phase B-3</b>
Building Cost	\$153,850,000	\$54,803,620
Site Development	5,500,000	120,000
Fixed Equipment	-	-
Furniture and Moveable Equipment	990,000	900,000
Institutionally Managed Work	3,415,080	650,000
Architectural/Design Services	15,249,150	5,479,250
Project Management	3,913,222	1,498,040
Insurance	3,202,322	2,004,712
Other Professional Fees	5,600,000	5,740,000
Project Contingency	949,532	549,236
Other Costs	<u>2,991,778</u>	4,655,142
<b>Total Project Cost</b>	<b>\$195,661,084</b>	<b>\$76,400,000</b>

**Project Milestones**

Definition Phase Approval	August 2022
Addition to CIP	February 2023
Design Development Approval	August 2023
Construction Notice to Proceed	October 2023
Substantial Completion	November 2026
Final Completion	December 2026

6. U. T. Rio Grande Valley: Repair and Renovation of Robert and Janet Vackar Stadium - Amendment of the current Capital Improvement Program to include project; approval of total project cost; approval of design development for Phase I; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board approved the following recommendation:

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the Repair and Renovation of Robert and Janet Vackar Stadium project and approve the recommendations for the project at The University of Texas Rio Grande Valley as follows:

- a. amend the CIP to include project with a total project cost of \$55,000,000;
- b. approve design development plans for Phase I;
- c. appropriate funds of \$55,000,000 from Revenue Financing System (RFS) Bond Proceeds and authorize expenditure of \$33,000,000 for Phase I; and
- d. 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 pay 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 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; and U. T. Rio Grande Valley, which is a "Member" as such term is used in the 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 tax-exempt parity debt in the aggregate amount of \$55,000,000.

### BACKGROUND INFORMATION

#### Debt Service

The \$55,000,000 in RFS debt will be repaid from projected ticket and suite sales,

naming rights, event rentals, athletic fees, concession revenues, and other sponsorship sales. Annual debt service on the \$55,000,000 in RFS debt is expected to be \$3.1 million. The institution's Scorecard Rating of 4.4 at fiscal year-end 2023 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.

### Previous Action

On April 22, 2024, the Chancellor approved the project for Definition Phase.

### Project Description

Since the establishment of the U. T. Rio Grande Valley, a primary goal has been to offer students a traditional campus life experience, including athletic programs. In pursuit of this goal, the university has acquired approximately 43.1 acres of land in Edinburg that includes a soccer stadium, an amphitheater, and related improvements. The Robert and Janet Vackar Stadium, the former soccer stadium, will serve as the home for the Vaqueros Football program and a variety of other university events.

The proposed Robert and Janet Vackar Stadium multi-phase project will involve extensive interior and exterior improvements, structured across two distinct phases. Phase I, will focus on renovating the locker rooms, upgrading interior suites, adding a 2,000-seat bleacher section in the south end zone, and implementing Americans with Disabilities Act, life safety code, information technology, audio/visual, and security system improvements. Additionally, Phase I will include signage and wayfinding, as well as an expanded press box. Phase II will address mechanical, electrical, and plumbing upgrades, enhance security systems, and improve the surrounding fairground and parking facilities.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding for Phase II will be presented to the President for approval at a later date.

**The University of Texas Rio Grande Valley  
Repair and Renovation of the Robert and Janet Vackar Stadium**

**Project Information**

Project Number	903-1511
CIP Project Type	Repair and Rehabilitation
Facility Type	Athletic
Management Type	Institutional Management
Institution’s Project Advocate	Chase Conque, Vice President and Director of Athletics
Project Delivery Method	Competitive Sealed Proposals
Gross Square Feet (GSF)	53,842

**Project Funding**

Revenue Financing System Bond Proceeds <sup>1</sup>	<u>Proposed</u> <u>\$55,000,000</u>
Total Project Cost	<u>\$55,000,000</u>

<sup>1</sup> Revenue Financing System (RFS) Bond Proceeds to be repaid from ticket and suite sales, rental income, sponsorships, naming rights, athletic fees, and concession royalties and revenues

**Project Cost Detail**

	Cost
Building Cost	
Phase I - Stadium Renovations	\$17,136,442
Phase II - Grounds	8,382,479
Fixed Equipment	2,862,369
Site Development	5,219,686
Furniture and Moveable Equipment	2,567,000
Institutionally Managed Work	8,092,372
Architectural/Design Services	3,315,073
Project Management	2,200,000
CIP Support Services	50,000
Insurance	957,628
Other Professional Fees	1,512,451
Project Contingency	2,700,000
Other Costs	4,500
<b>Total Project Cost</b>	<b>\$55,000,000</b>

**The University of Texas Rio Grande Valley**  
**Repair and Renovation of the Robert and Janet Vackar Stadium**  
(continued)

**Project Planning**

Definition Phase Completed	Yes
Owner's Project Requirements	Yes
Basis of Design	Yes
Schematic Design	Yes
Detailed Cost Estimate	Yes

**Project Milestones**

Definition Phase Approval	April 2024
Addition to CIP	November 2024
Design Development Approval Phase I	November 2024
Design Development Approval Phase II	November 2026
Construction Notice to Proceed	December 2024
Substantial Completion	June 2025
Final Completion Phase I	July 2025
Final Completion Phase II	August 2030

7. U. T. Southwestern Medical Center: Radiation Oncology Building in Fort Worth - Amendment of the current Capital Improvement Program to include project

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the Radiation Oncology Building in Fort Worth project at The University of Texas Southwestern Medical Center.

BACKGROUND INFORMATION

Previous Action

On December 19, 2023, the Chancellor approved this project for Definition Phase.

Project Description

The proposed new Radiation Oncology building in Fort Worth will include a 65,000 gross square foot, two-story building, and a five-story parking garage, adjacent to the U. T. Southwestern Moncrief Cancer Institute in Fort Worth. The facility will include six vaults with linear accelerators dedicated to patient care, with four coming online on day one and two shelled to be finished out and equipped at a later date. The building will also house a PET/CT machine and space for high-dose rate brachytherapy treatment.

This proposed project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date. Pursuant to The University of Texas Systemwide Policy UTS 199, pertaining to Management of Major Capital Projects, U. T. Southwestern Medical Center has delegated authority for institutional management of construction projects.

**The University of Texas Southwestern Medical Center  
Radiation Oncology Building in Fort Worth**

**Project Information**

Project Number	303-1505
CIP Project Type	New Construction
Facility Type	Healthcare Facility, Hospital
Management Type	Institutional Management
Institution’s Project Advocate	Jonathan Efron, Executive Vice President for Health System Affairs
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	65,000
Parking Garage (GSF)	150,000

**Project Funding**

Revenue Financing System Bond Proceeds <sup>1</sup>	<u>Proposed</u> \$127,245,000
Gifts <sup>2</sup>	<u>50,000,000</u>
Total Project Cost	\$177,245,000

<sup>1</sup>Revenue Financing System (RFS) Bond Proceeds to be repaid from Hospital Revenues

<sup>2</sup>Gifts are not fully collected at this time

**Project Cost Detail**

	Cost
<b>Building Cost</b>	
Radiation Oncology Building	\$ 82,781,510
Parking Garage	19,268,788
Fixed Equipment	25,096,691
Site Development	10,296,052
Furniture and Moveable Equipment	1,010,000
Institutionally Managed Work	450,000
Architectural/Design Services	8,534,604
Project Management	3,059,801
CIP Support Services	-
Insurance	2,148,352
Other Professional Fees	4,863,420
Project Contingency	12,285,782
Other Costs	7,450,000
<b>Total Project Cost</b>	<b>\$177,245,000</b>

**The University of Texas Southwestern Medical Center  
Radiation Oncology Building in Fort Worth**  
(continued)

**Building Cost per GSF Benchmarks (escalated to midpoint of construction)**

Radiation Oncology Building in Fort Worth	\$1,274		
Texas Higher Education Coordinating Board Average - Healthcare Facility, Hospital	\$801		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$740	\$876	\$1,059
Other National Projects	\$779	\$1,310	\$2,483

**Investment Metrics**

- Provide radiation therapy services to support Fort Worth’s rapid population growth by 2028
- Expand services into a new market to support institution’s Cancer Center master plan by 2028

**Project Planning**

Definition Phase Completed	Yes
Owner’s Project Requirements	Yes
Basis of Design	Yes
Schematic Design	Yes
Detailed Cost Estimate	Yes

**Project Milestones**

Definition Phase Approval	December 2023
Addition to CIP	November 2024
Design Development Approval	February 2025
Construction Notice to Proceed	June 2025
Substantial Completion	December 2027
Final Completion	March 2028

**Basis of Design**

The planned building life expectancy includes the following elements:

- Enclosure: 30 years
- Building Systems: 30 years
- Interior Construction: 30 years

8. U. T. M. D. Anderson Cancer Center: Clark Clinics Facility Renewal - Amendment of the current Capital Improvement Program to include project; approval of total project cost; and appropriation of funds

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the Clark Clinics Facility Renewal project at The University of Texas M. D. Anderson Cancer Center as follows:

- a. amend the current CIP and approve a total project cost of \$73,300,000; and
- b. appropriate funds of \$73,300,000 from Hospital Revenues.

BACKGROUND INFORMATION

Previous Action

On September 16, 2021, the Chancellor approved this project for Definition Phase.

Project Description

The proposed project involves the replacement of aged mechanical, electrical and plumbing (MEP) infrastructure equipment and systems within the R. Lee Clark Clinic (Clark Clinic) and the Charles A. LeMaistre Clinic (LeMaistre Clinic) buildings within U. T. M. D. Anderson Cancer Center's Main Building Complex within the Texas Medical Center. The facilities house outpatient clinics, an ambulatory treatment center, outpatient diagnostic imaging, conferencing facilities, and central laboratory medicine services. The Clark Clinic originally constructed in 1978, and the LeMaistre Clinic constructed in 1996, are approaching the end of useful lives.

Replacing the aged infrastructure is crucial to ensure compliance with regulations and to maintain operational integrity, reducing the risk of unplanned infrastructure failures, which would adversely affect patient care operations. The project is expected to enhance the institution's ability to monitor and operate the MEP systems and reduce maintenance and operating costs for both buildings.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be presented to the President for approval at a later date. Pursuant to The University of Texas Systemwide Policy UTS 199, pertaining to Management of Major Capital Projects, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects.

**The University of Texas M. D. Anderson Cancer Center  
Clark Clinics Facility Renewal**

**Project Information**

Project Number 703-1387  
 CIP Project Type Repair and Rehabilitation  
 Facility Type Healthcare Facility, Clinic  
 Management Type Institutional Management  
 Institution’s Project Advocate Tim Peglow, Associate Vice President for Patient Care Facilities  
 Project Delivery Method Construction Manager-at-Risk  
 Gross Square Feet (GSF) 717,500

**Project Funding**

Hospital Revenues	<u>Proposed</u> <u>\$73,300,000</u>
Total Project Cost	\$73,300,000

**Project Cost Detail**

	Cost
Building Cost	\$51,948,000
Architectural/Design Services	4,262,000
Project Management	2,664,000
Insurance	1,332,000
Other Professional Fees	1,372,000
Project Contingency	10,656,000
Other Costs	1,066,000
<b>Total Project Cost</b>	<b>\$73,300,000</b>

**Project Planning**

Definition Phase Completed	Yes
Owner’s Project Requirements	Yes
Basis of Design	Yes
Schematic Design	Yes
Detailed Cost Estimate	Yes

**Project Milestones**

Definition Phase Approval	September 2021
Addition to CIP	November 2024
Design Development Approval	February 2025
Construction Notice to Proceed	May 2025
Substantial Completion	January 2028
Final Completion	March 2028

9. U. T. M. D. Anderson Cancer Center: MD Anderson Cancer Center Sugar Land - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents approve the recommendations for the MD Anderson Cancer Center Sugar Land project at The University of Texas M. D. Anderson Cancer Center as follows:

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$777,000,000 with funding of \$300,000,000 from Revenue Financing System (RFS) Bond Proceeds and \$477,000,000 from Hospital Revenues; and
- c. 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 pay 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 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; and U. T. M. D. Anderson Cancer Center, which is a "Member" as such term is used in the 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 tax-exempt parity debt in the aggregate amount of \$300,000,000.

BACKGROUND INFORMATION

Debt Service

The \$300,000,000 in RFS debt will be repaid from Hospital Revenues. Annual debt service on the \$300,000,000 in RFS debt is expected to be \$16.7 million. The institution's Scorecard Rating of 1.9 at fiscal year-end 2023 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.

### Previous Actions

On February 10, 2022, the Chancellor approved the MD Anderson Sugar Land project for Definition Phase with an anticipated total project cost of \$482,000,000. On May 23, 2024, the Chancellor approved an increased anticipated total project cost to \$627,000,000.

On August 22, 2024, the project was included in the CIP with a total project cost of \$777,000,000 with funding of \$300,000,000 from RFS Bond Proceeds and \$477,000,000 from Hospital Revenues. On September 11, 2024, the Assistant Vice Chancellor for Capital Projects approved the project name change to MD Anderson Cancer Center Sugar Land.

### Project Description

The project is part of a series of planned regional expansions. This ambulatory healthcare facility will provide multidisciplinary clinical, surgical, imaging, procedural and therapeutic, and outpatient cancer care services in the Sugar Land region. The project includes the development of approximately 31 acres of land along Interstate Highway 69 frontage road and University Boulevard in Sugar Land, Fort Bend County, Texas, on property acquired by U. T. M. D. Anderson Cancer Center, as approved by the Board on February 25, 2021.

The five-story building will include space for comprehensive cancer center services for adult patients with cancer diagnoses and low to medium acuity needs. Inpatients will not be seen in the facility at the completion of this project, but the project is being designed to accommodate a future inpatient tower addition and a parking garage. The facility will include radiation oncology, medical oncology services, infusion therapy services, surgical services with recovery rooms, associated pharmacy services, oncology-specific diagnostic imaging services, interventional radiology, endoscopy, vascular access, laboratory medicine services, and other related services of a comprehensive cancer center. Approximately 14,648 gross square feet (GSF) of the anticipated 472,000 GSF building will remain shelled for future use as additional recovery rooms.

The scope of the project includes the construction of a building utility plant and site developments such as drainage, surface parking, lighting, and landscaping.

**The University of Texas M. D. Anderson Cancer Center  
MD Anderson Cancer Center Sugar Land**

**Project Information**

Project Number	703-1396
CIP Project Type	New Construction
Facility Type	Healthcare Facility, Hospital
Management Type	Institutional Management
Institution’s Project Advocate	Rosanna Morris, Chief Operating Officer
Project Delivery Method	Design/Build
Gross Square Feet (GSF)	472,000
Shell Space (GSF)	14,648

**Project Funding**

	<u>Current</u>
Revenue Financing System Bond Proceeds <sup>1</sup>	\$300,000,000
Hospital Revenues	<u>\$477,000,000</u>
Total Project Cost	\$777,000,000

<sup>1</sup> Revenue Financing System (RFS) Bond Proceeds to be repaid from Hospital Revenues

**Project Cost Detail**

	Cost
Building Cost	\$443,000,000
Fixed Equipment	150,000,000
Site Development	33,000,000
Furniture and Moveable Equipment	20,150,000
Institutionally Managed Work	-
Architectural/Design Services	24,000,000
Project Management	11,500,000
CIP Support Services	-
Insurance	15,200,000
Other Professional Fees	14,500,000
Project Contingency	61,000,000
Other Costs	4,650,000
<b>Total Project Cost</b>	<b>\$777,000,000</b>

**Building Cost per GSF Benchmarks** (escalated to midpoint of construction)

MD Anderson Cancer Center Sugar Land (with 3% shell space)	\$939
MD Anderson Cancer Center Sugar Land (Estimated Finish-out)	\$1,058
Texas Higher Education Coordinating Board Average - Healthcare Facility, Hospital	\$798
	Low Quartile      Median      High Quartile
Other U. T. System Projects	\$740      \$876      \$1,059
Other National Projects	\$779      \$1,310      \$2,483

**The University of Texas M. D. Anderson Cancer Center**  
**MD Anderson Cancer Center Sugar Land**  
(continued)

**Investment Metrics**

- Provide cancer care in close proximity to Sugar Land patients by 2029

**Project Milestones**

Definition Phase Approval	February 2022
Addition to CIP	August 2024
Design Development Approval	November 2024
Construction Notice to Proceed	February 2025
Substantial Completion	April 2028
Final Completion	March 2029

**Basis of Design**

The planned building life expectancy includes the following elements:

- Enclosure: 30 years
- Building Systems: 30 years
- Interior Construction: 15 years

10. U. T. M. D. Anderson Cancer Center: Inpatient Tower Mobilization - Amendment of the current Capital Improvement Program to increase total project cost; and appropriation of funds and authorization of expenditure

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) and approve the recommendations for the Inpatient Tower Mobilization project at The University of Texas M. D. Anderson Cancer Center as follows:

- a. amend the current CIP to increase the total project cost from \$100,000,000 to \$200,000,000;
- b. appropriate and authorize expenditure of additional funds of \$100,000,000 from Hospital Revenues.

BACKGROUND INFORMATION

Previous Actions

On January 6, 2022, the Chancellor approved the Bed Tower Mobilization project for Definition Phase. On May 5, 2022, the project was included in the CIP with a total project cost of \$100,000,000 with funding from Hospital Revenues. On October 3, 2022, the President approved design development plans. On September 9, 2024, the Assistant Vice Chancellor for Capital Projects approved the name change to Inpatient Tower Mobilization project.

Project Description

U. T. M. D. Anderson Cancer Center is preparing to construct a new inpatient bed tower to be located proximate to and interconnected with the institution's Main Building complex, on a site currently occupied by the Percy and Ruth Leggett Jones Basic Research Building, the Bates-Freeman research building, and the Anderson Central Building. The proposed Bed Tower Mobilization project will involve a multi-step approach to include the vacating of approximately 527,100 square feet of existing buildings and preparations for demolition. To consolidate science research laboratories and clinical support functions currently housed in the buildings to be demolished, approximately 400,000 gross square feet of space will be renovated in other facilities proximate to existing inpatient services and associated clinical science laboratories. The project will also include abating vacated spaces, facility

modifications to accept connections for temporary bridges installed around the site for the future inpatient bed tower, and detailed analysis and planning to facilitate the decoupling of utility infrastructure in anticipation of future building demolition.

The proposed cost increase includes scope details for many components that were not fully defined and based on conceptual benchmarks. As the component projects have progressed in planning and design, the scopes and costs have refined. Additionally, the project initially planned to open in 2035 has now been escalated to 2033. This acceleration of the targeted opening date has required changes in plans, scope, and costs for the project.

**The University of Texas M. D. Anderson Cancer Center  
Inpatient Tower Mobilization**

**Project Information**

Project Number	703-1393
CIP Project Type	Repair and Rehabilitation
Facility Type	Other
Management Type	Institutional Management
Institution’s Project Advocates	Kent Postma, VP for Clinical Infrastructure Development and Growth Giulio Draetta, Senior Vice President and Chief Scientific Officer
Project Delivery Method	Construction Manager-at-Risk, various
Gross Square Feet (GSF)	400,000

**Project Funding**

	<u>Current</u>	<u>Proposed</u>
Hospital Revenues	<u>\$100,000,000</u>	<u>\$200,000,000</u>
Total Project Cost	\$100,000,000	\$200,000,000

**Project Cost Detail**

	Cost
Building Cost	\$109,062,900
Fixed Equipment	37,700
Furniture and Moveable Equipment	16,804,200
Institutionally Managed Work	1,263,300
Architectural/Design Services	23,317,100
Project Management	16,520,400
Insurance	2,359,600
Other Professional Fees	10,634,800
Project Contingency	20,000,000
<b>Total Project Cost</b>	<b>\$200,000,000</b>

**Project Milestones**

Definition Phase Approval	January 2022
Addition to CIP	May 2022
Design Development Approval	October 2022
Construction Notice to Proceed	September 2024
Substantial Completion	June 2028
Final Completion	August 2028

APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD.--At 9:07 a.m., the Board voted and unanimously approved the Standing Committee recommendations.

## AGENDA ITEMS

1. U. T. System Board of Regents: Approval of Consent Agenda and consideration of any item referred to the full Board

Chairman Eltife noted the following related to the Consent Agenda:

- Please note we have several abstentions due to financial interests, as follows: I will abstain from discussion and vote on Consent Agenda Item 12, Regent Stedman will abstain from discussion and vote on Consent Agenda Item 38, Regent Gauntt will abstain from discussion and vote on Consent Agenda Item 48, and Regent Jiles will abstain from discussion and vote on Consent Agenda Item 56.
- Consent Agenda Item 16 – U. T. Austin requests approval for an amendment to the Master Agreement with edX LLC, including a mutual release of claims.
- Consent Agenda Item 19 is deferred.
- Item 23 – U. T. Austin requests authorization to extend and amend an existing space lease to the Texas State Historical Association for office and storage use in support of the institution's teaching, research, and publication opportunities; and finding of public purpose.
- Item 26 requests formal approval to conclude negotiations and execute documents for U. T. El Paso's membership in the Mountain West Conference.
- Item 28 – U. T. Rio Grande Valley requests authorization to amend and extend a lease of space for a Veterans Affairs Outpatient Clinic.
- Item 31 – U. T. San Antonio requests authorization to lease retail space for the relocation of the Institute of Texan Cultures.
- Item 34 – U. T. Southwestern Medical Center requests approval of a contract to provide physician and other health services to Dallas County Hospital District, dba Parkland Health and Hospital System.
- Item 38 – U. T. Medical Branch - Galveston requests approval of a settlement agreement with AbbVie, Inc. to resolve a dispute over the effective date of a license agreement.
- Item 51 – U. T. M. D. Anderson Cancer Center requests approval for amendment to an agreement with MotivAction, LLC, dba Augeo, to provide employee recognition and reward services.

- Additional Consent Item 60 – U. T. Austin requests approval to enter into a ground lease with an entity owned or controlled by H2O Innovation, Inc., as successor to NextEra Energy Resources, LLC, for the construction, operation, and maintenance of a water reclamation and reuse facility; and finding of public purpose.

Regent Crain moved approval of the Consent Agenda, which was seconded by Regent Perez. The Board then approved the Consent Agenda, which is set forth on Pages 118 - 169.

In approving the Consent Agenda, the Board expressly authorized that any contracts or other documents or instruments approved therein may be executed by officials of the University of Texas System or of the respective U. T. institution involved, as appropriate.

2. U. T. System Board of Regents: Discussion and appropriate action regarding proposed revisions to Regents' *Rules and Regulations*, Series 10000: Board Governance

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor and the General Counsel to the Board recommend that the U. T. System Board of Regents approve revised Regents' *Rules and Regulations*, Series 10000: Board Governance, as they appear on the following pages.

BACKGROUND INFORMATION

The U. T. System Board of Regents' Office is charged with review, revisions, and recommending changes to Regents' *Rules and Regulations*. To that end, the Board Office is undertaking a comprehensive review of the Regents' Rules to identify potential revisions that would ensure the Rules' continued efficacy and usability, beginning with the 10000 series.

The proposed revised Regents' Rules were developed in collaboration with stakeholders throughout the U. T. System. They are designed to clarify and update policies and simplify and modernize language.

Significant revisions to the Rules include:

- All Rules
  - Board delegations to System Administration personnel have been standardized so that authority is formally delegated to the Chancellor to then further delegate as appropriate and desired
- Rule 10100: Rule on Rules and Regulations
  - Deleted complicated and outdated administrative process to propose Regents' Rules amendments
- Rule 10102: Chairman and Vice Chairmen
  - Deleted Rule and incorporated materials into Regents' Rule 10100
- Rule 10402: Committees and Other Appointments
  - Revised description of Academic and Health Affairs Committee responsibilities to reflect increasing amount of health operations and health-related educational programs and initiatives at general academic institution

- Simplified selection process for UTIMCO Board members
- Rule 10501: Delegation to Act on Behalf of the Board
  - Added delegation of authority to settle claims related to intellectual property  
These settlements are typically delegated based on settlement amount. This categorical delegation would provide assurances of the institution's authority and is a logical extension of the current delegated authority to execute transactional documents related to intellectual property.
  - Clarified language delegating authority for institutions to enter into agreements with one another or System Administration
- Rule 10801: Policy on Transparency, Accountability, and Access to Information
  - Removed unnecessary background information and policy detail while retaining language outlining current policy and general process

The revisions are not expected to directly impact the U. T. System full-time equivalent (FTE) employee counts and budgets, but could contribute to an overall increased efficiency in operations. The proposed Rules were reviewed by the institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

**The University of Texas System**  
**Rules and Regulations of the Board of Regents**

**Rule: 10100**

**1. Title**

Rule on *Rules and Regulations*

**2. Rule and Regulation**

Sec. 1 The Regents' *Rules and Regulations* are the official repository of policies and procedures established for The University of Texas System by the Board of Regents.

Sec. 2 The Rules are intended to be written such that they do not add administrative burden to compliance and that they provide the proper degree of autonomy to institutions of the U.T. System.

Sec. 3 Each Rule will include the following paragraphs:

- Number 1. Title
- Number 2. Rule and Regulation
- Number 3. Definitions
- Number 4. Relevant Federal and State Statutes
- Number 5. Relevant System Policies, Procedures, and Forms
- Number 6. System Administration Office(s) Responsible for Rule
- Number 7. Dates Approved or Amended

The Rules will be organized as follows:

- Series 10000: Board Governance
- Series 20000: Administration
- Series 30000: Personnel
- Series 40000: Academic Issues
- Series 50000: Student Issues
- Series 60000: Development
- Series 70000: Investments
- Series 80000: Facilities
- Series 90000: Research and Intellectual Property

Sec. 4 To ensure that the Regents' *Rules and Regulations* provide the proper degree of autonomy to the U.T. System and its institutions, the following guidelines should be considered when drafting or amending the rules:

- 4.1 The rule should help ensure compliance with applicable laws and regulations, promote operational efficiencies, enhance the mission, or reduce institutional risks of the U.T. System.
- 4.2 The rule should establish a governing principle that has Systemwide application rather than specifying operational detail.

4.3 The rule should avoid dictating policy or procedure that could be better determined by an institution.

4.4 The rule should avoid restating a law or regulation.

Sec. 5 The Rules may be amended by a majority vote of the full Board.

5.1 The General Counsel to the Board is authorized to make minor and non-substantive editorial changes to the Rules as necessary to keep the Rules current and correct.

5.2 Every employee has the right to propose changes in the Rules and to present arguments in support thereof.

### **3. Definitions**

The following definitions shall apply throughout the Regents' *Rules and Regulations*:

Board of Regents or Board – the Board of Regents of The University of Texas System

Regents' Rules or Rules – Board of Regents' *Rules and Regulations* of The University of Texas System

U.T. System – The University of Texas System, including U.T. System Administration and the U.T. institutions

U.T. System Administration – the system central administration that provides oversight and coordination of the activities of the U.T. System and each institution within the U.T. System

**The University of Texas System**  
**Rules and Regulations of the Board of Regents**

**Rule: 10101**

**1. Title**

Board Authority and Duties

**2. Rule and Regulation**

Sec. 1 Authority of the Board. The Legislature, which is given the duty and authority to provide for the maintenance, support, and direction of The University of Texas by [Article VII, Section 10](#) of the Texas Constitution, has delegated the power and authority to govern, operate, support, and maintain The University of Texas System to the Board of Regents. *Texas Education Code Section 65.11 et seq.* and [Section 51.352](#). Texas court cases construing these statutes have held that the Board has wide discretion in exercising its power and authority and that the rules adopted by the Board have the same force as statutes. The System's lands and buildings are State of Texas property subject to the control of the Board as the State's agent.

Sec. 2 Composition. Pursuant to *Texas Education Code Section 65.11*, the Board of Regents is composed of nine members appointed by the Governor, with the advice and consent of the Senate, for staggered terms of six years each, the terms of three members expiring on February 1 of odd-numbered years.

Sec. 3 Chairman and Vice Chairmen.

3.1 Election of the Chairman and Vice Chairmen. The Chairman and Vice Chairmen of the Board of Regents shall be elected by the Board from its number, shall serve at the pleasure of the Board, and shall report to and be responsible to the Board. Election of the Chairman and Vice Chairmen shall take place in odd-numbered years after new members of the Board have been appointed and received the consent of the Senate. At the election, the Board shall designate which Vice Chairman shall assume the duties of Chairman in case the Chairman is unable to serve.

3.2 Inability to Serve. In case of the absence, death, resignation, disability, removal, or disqualification of the Chairman, the Chairman's duties shall be assumed by the designated Vice Chairman until the Chairman resumes office or the Board elects a successor Chairman. Upon the death, resignation, disability, or removal of a Vice

Chairman, the Board shall elect a successor Vice Chairman as soon as practicable.

3.3 Duties and Responsibilities of the Chairman. The duties and responsibilities of the Chairman shall include the following:

3.3.1 The Chairman shall preside over the meetings of the Board.

3.3.2 The Chairman shall be authorized to call special meetings of the Board.

3.3.3 The Chairman shall appoint the standing committees of the Board and such special committees as the Board may authorize.

3.3.4 The Chairman shall appoint ad hoc committees as necessary to address special issues.

3.3.5 The Chairman shall be a nonvoting ex officio member of all standing and special committees of the Board.

3.3.6 The Chairman, as the Board's elected leader, directs the day-to-day activities of the Board.

Sec. 4 Duties and Responsibilities of Each Regent.

4.1 In carrying out the Board's duties and responsibilities, it is the responsibility of each Regent to be generally knowledgeable regarding the operations, management, finances, and effectiveness of the academic, research, and public service programs of the U.T. System and the duties, responsibilities, and obligations of the member. Members of the Board are to be provided access to such information as will enable them to fulfill their duties and responsibilities as Regents of the U.T. System.

4.2 A Regent may not publicly disclose information that is confidential by law, unless disclosure is required by law or made pursuant to a vote of the Board to waive an applicable privilege.

In addition, the use or disclosure of information that has not been made public may implicate the provisions of *Texas Penal Code* [Section 39.06](#) (Misuse of Official Information).

- 4.3 Members of the Board shall bring concerns about operations, accountability, compliance, or the need for an investigation to the Chancellor, Chairman, Board, or an appropriate Committee of the Board.
- 4.4 Members of the Board will at all times respect the role of the Chancellor as the chief executive officer of the U.T. System and will at all times respect management and reporting lines for U.T. System and institutional employees.
- 4.5 Each member of the Board must complete statutorily required trainings and may be legally restricted in what official actions they may take until such training is completed.

Sec. 5 Board Self-Evaluation. To assess the effectiveness of the Board of Regents as a whole, the Board will continue to regularly define and evaluate its responsibilities and expectations as follows:

- 5.1 The Board will conduct a self-evaluation of its responsibilities and expectations at least every two years. The Board may also choose to engage in an additional self-evaluation upon the election of a new Chairman.
- 5.2 The self-evaluation will include assessments regarding:
  - (a) Board organization, leadership, and committee responsibilities and structure;
  - (b) Board orientation and ongoing education;
  - (c) Board fiduciary oversight of the U.T. System;
  - (d) Board's role in establishing policy;
  - (e) Board's oversight of the Chancellor as chief executive officer of the U.T. System; and
  - (f) Board's method for identifying and addressing potential Regental conflicts of interest.

Sec. 6 Communication with Faculty, Staff, and Administration. Members of the Board of Regents are to be provided access to

such personnel as in their individual judgments will enable them to fulfill their duties and responsibilities as Regents of the U.T. System.

6.1 The regular channel of communication from members of the Board to the faculty, staff, and administration is through the Chancellor, the appropriate Executive Vice Chancellor, and the president of the institution involved, and a copy of any communication sent by a Regent directly to any member of the faculty, staff, or administration should be furnished to the Chancellor, the appropriate Executive Vice Chancellor, and the president of the institution involved; however, individual Board members are not precluded from direct participation and communication with the presidents, faculty, staff, and students of the U.T. System.

6.2 Official materials for members of the Board of Regents shall be sent to the Office of the Board of Regents for distribution to the Board.

Sec. 7 Public Statements on Controversial Matters. The Board of Regents acts to determine the official position of the U.T. System or the Board of Regents on matters of an obviously controversial nature.

7.1 Statements on such matters on behalf of the Board or the U.T. System shall be made by the Chairman of the Board or the Chancellor. Accordingly, except as allowed in this Rule, no Regent, officer, or employee shall make or issue any public statement on an obviously controversial subject which might reasonably be construed as a statement of the official position of the U.T. System or the Board of Regents without the advance approval of the Board.

7.2 It is not the intent of this policy statement to stifle the right of freedom of speech of anyone speaking in a personal capacity where that person makes it clear by an express statement that he or she is not speaking for the U.T. System or the Board of Regents.

7.3 Except in unusual circumstances, Regents are expected to coordinate media contacts with and to provide advance notice to the U.T. System Office of External

Relations, Communications and Advancement Services regarding any media contacts and press statements.

Sec. 8 Records and Information Management. Members of the Board of Regents shall comply with the Systemwide policies regarding records retention and information management, including policies on encryption, retention, destruction, and release of documents.

8.1 In addition to required training under state law, each member of the Board will be provided training on records and document management, including compliance with U.T. System records and retention policies.

8.2 U.T. System Administration will provide a U.T. System email address and account to each Regent at the beginning of service as a member of the Board of Regents. Members of the Board are expected to use U.T. System email addresses for all communications related to public business or public policy over which the Board of Regents has supervision or control.

**3. Definitions**

None

**The University of Texas System**  
**Rules and Regulations of the Board of Regents**

**Rule: 10201**

**1. Title**

General Counsel to the Board of Regents

**2. Rule and Regulation**

Sec. 1 General Counsel to the Board of Regents. The General Counsel to the Board of Regents is the principal officer to the Board in the administration of the responsibilities of the Office of the Board of Regents and the principal staff officer to each member of the Board of Regents in the discharge of his or her responsibilities. In addition to the specific duties and responsibilities set forth below, the General Counsel to the Board shall advise the Board regarding the design and implementation of policies and procedures by which the Board of Regents may more effectively fulfill its responsibilities regarding the governance and management of The University of Texas System and shall provide legal counsel on issues such as open meetings, public information, and standards of conduct.

Sec. 2 Appointment. The General Counsel to the Board shall be elected by the affirmative vote of a majority of the Board and shall hold office without fixed term, subject to the pleasure of the Board. The General Counsel to the Board shall report to and be responsible to the Board.

Sec. 3 The duties and responsibilities of the General Counsel to the Board shall include the following:

3.1 Supervise. The General Counsel to the Board shall supervise the Office of the Board of Regents and the U.T. System Audit Office.

3.2 Meetings. The General Counsel to the Board shall organize and make arrangements for all meetings of the Board and its committees.

3.3 The Agenda. Under the direction of the Chairman of the Board or the Chairman of a standing committee, the General Counsel to the Board shall prepare and distribute the Agenda and necessary supporting documentation for all meetings of the Board and its committees.

- 3.4 Open Meetings Act. Under the direction of the Chairman of the Board or the Chairman of a standing committee, the General Counsel to the Board shall post notices of all meetings and the subject matter thereof as may be required under law.
- 3.5 Minutes. The General Counsel to the Board shall oversee preparation of and sign the official Minutes of the Board and its committees.
- 3.6 Official Documents. The General Counsel to the Board shall oversee the archiving of all official documents, correspondence, and proceedings of the Board and its committees.
- 3.7 Seal. The custody of the official seal of the System shall be with the General Counsel to the Board.
- 3.8 Rules and Regulations. The General Counsel to the Board shall be charged with the responsibility of keeping the Official Copy of the Regents' *Rules and Regulations* current and accessible on the Board's website. Administrative officers will be notified of any changes or additions to the Rules as soon as possible after the meeting at which they were adopted.
- 3.9 Reports. As directed by the Board of Regents, the General Counsel to the Board shall:
  - (a) Define and establish routine reporting mechanisms, including determining the Board's information requirements; structuring reporting procedures; gathering and summarizing reports and data for presentation to the Board on a routine basis; and
  - (b) Prepare special reports, including requesting and gathering data from the U.T. System Administration and any of the institutions; conducting necessary analyses of data; and summarizing facts and presenting reports for the Board's consideration.
- 3.10 Other Duties. In addition, the General Counsel to the Board shall perform such other duties as may be assigned by the Board of Regents or as are usual and

customary and which assist the members of the Board in the discharge of their official duties.

Sec. 4 Associate General Counsels to the Board and the Secretary to the Board shall be appointed by the General Counsel to the Board after consultation with the Chairman of the Board, and shall have such duties and responsibilities as shall be delegated by the General Counsel to the Board.

Sec. 5 The Secretary to the Board shall have such duties and responsibilities as shall be delegated by the General Counsel to the Board including the following:

5.1 Minutes. The Secretary to the Board shall record and prepare the official Minutes and certified agendas of closed sessions of the Board and its committees. The official copy of the Minutes of the Board and its committees shall be kept in the Office of the Board of Regents, and certified excerpts from these Minutes shall be prepared by the Secretary to the Board as requested.

5.2 Official Documents. The Secretary to the Board shall maintain, archive, and preserve all official documents, correspondence, and proceedings of the Board and its committees and task forces.

5.3 Seal. The Secretary to the Board shall affix the official seal to, and attest, all documents executed in the name of the Board that require attestation.

### **3. Definitions**

None

**1. Title**

Policies and Procedures for Board and Standing Committee Meetings

**2. Rule and Regulation**

Sec. 1 Regular Meetings of the Board. Regular meetings of the Board of Regents shall be held at such times and places as the Chairman of the Board shall designate.

Sec. 2 Special Meetings of the Board. Special meetings of the Board of Regents shall be held upon the call of the Chairman, or upon the written request of not less than five members of the Board. Written notification of the time, place, and purpose of a special meeting will be provided by the General Counsel to the Board to each member of the Board at least three days before the time of the meeting.

Sec. 3 Regular Meetings of Standing Committees. Regular meetings of standing committees of the Board of Regents shall be held in conjunction with regular meetings of the Board.

Sec. 4 Special Meetings of Standing Committees. Special meetings of standing committees shall be held upon the call of the Chairman of the Committee, upon the call of the Chairman of the Board of Regents, or upon the written request of a majority of the membership of the Committee. Written notification of the time, place, and purpose of a special meeting will be provided to each member of the Board at least three days before the time of the meeting.

Sec. 5 Importance of Attendance. Recognizing the broad authority and responsibility vested in the Board of Regents for the governance and operation of The University of Texas System, there is a specific expectation that members of the Board understand and recognize the importance of attendance at Board and committee meetings and will make a sincere commitment to attend as many of these as possible.

Sec. 6 Rules of Order. *Robert's Rules of Order*, when not in conflict with the provisions of these *Rules and Regulations*, shall be the rules of parliamentary procedure when the Board or any of its committees is in session.

Sec. 7 Confidentiality of Executive Session. The Board recognizes the importance of the confidentiality of executive session discussions as authorized by the Texas Open Meetings Act. In compliance with State law, the Board has determined that the only recording or notes that document executive session discussions may be a certified agenda or a recording prepared by Board Office staff. Other recordings, notes, or third party communications that document executive session discussions are not authorized.

Sec. 8 Agenda. Each matter to be considered at a meeting of the Board or a committee of the Board as an Agenda Item shall be accompanied by a summary of the facts pertaining thereto, the need for action thereon, and the recommendation of the Chancellor, and, where appropriate, the president of the institution involved.

8.1 Except in the case of an emergency, all matters that are to be considered by the Board or a committee of the Board shall be presented to U.T. System Administration in sufficient time to allow review prior to transmittal to the General Counsel to the Board of Regents.

8.2 The Agenda Book for a Board meeting shall be provided to each member of the Board approximately two weeks in advance of the meeting, to the extent possible.

8.3 Consent Agenda. A compilation of matters required to be approved by or reported to the Board via a Consent Agenda format shall be prepared as directed and approved by the Chancellor.

Sec. 9 Matters Referred to Committees. To the extent practicable, all subjects and matters requiring Board action shall be referred to the appropriate standing committee for consideration and recommendation before action is taken by the Board. If the matter could be considered by more than one committee, the Chairman of the Board will determine the appropriate referral.

### **3. Definitions**

None

**1. Title**

Committees and Other Appointments

**2. Rule and Regulation**

- Sec. 1 Standing Committees. The following committees shall be standing committees of the Board of Regents to consider matters related to major areas of Board governance:
- (a) Finance and Planning Committee; (b) Audit, Compliance, and Risk Management Committee; (c) Academic Affairs Committee; (d) Health Affairs Committee; and (e) Facilities Planning and Construction Committee.
- 1.1 Composition and Quorum of Standing Committees. Each standing committee is composed of not less than four members of the Board of Regents appointed by the Chairman. In the unanticipated absence of a quorum, the Chairman or Committee Chairman may appoint another member of the Board to serve in a temporary capacity on the Committee.
- 1.2 Appointment of Committee Chairman. The Chairman of each standing committee shall be appointed by the Chairman of the Board of Regents shortly after his or her election, by and with the consent of the Board, and shall remain as Chairman of the standing committee until the succeeding Board Chairman shall reconstitute the committees.
- 1.3 Inability to Serve. If a Committee Chairman is unable to serve because of absence, death, resignation, disability, removal, disqualification, or other reason, the Chairman of the Board of Regents shall appoint another member of the Board to serve as Chairman of the standing committee, by and with the consent of the Board.
- 1.4 Authority of Standing Committees. The authority of standing committees of the Board of Regents is subject to action of the whole Board. The committees' recommendations must be approved by the Board before they shall become effective.
- 1.5 Duties of the Finance and Planning Committee. The Finance and Planning Committee shall:

- (a) Continue long-range planning activities, including institutionalization of the planning process, development of related plan implementation policies and procedures for the U.T. System and any of the institutions, and providing coordination of related legislative issues.
  - (b) Review and make recommendations to the Board as appropriate on matters related to business affairs such as: operating budget; debt financing transactions and issues concerning the Permanent University Fund, including administering standards for resource allocation; the University Lands Office; Systemwide and self-insured insurance programs; and special task forces, initiatives, and commissions for the U.T. System and any of the institutions.
  - (c) Review and recommend to the Board as appropriate on issues and activities related to The University of Texas/Texas A&M Investment Management Company (UTIMCO).
- 1.6 Duties of the Audit, Compliance, and Risk Management Committee. The Audit, Compliance, and Risk Management Committee (ACRMC) shall:
- (a) Provide strategic oversight and direction to Systemwide internal audit activities, a primary source of independent and objective risk information.
  - (b) Conduct appointment, evaluation, and dismissal duties, specifically:
    - i. Approve the appointment of System Administration and institutional audit committee chairs. By extension, this recognizes the role of the System Administration and institutional audit committees as risk advisors to the ACRMC and their authority derived from the Board of Regents.
    - ii. Take personnel actions regarding appointment and dismissal of the U.T. System Chief Audit Executive following recommendations by the General Counsel to the Board of Regents and the Chancellor. The

U.T. System Chief Audit Executive shall hold office subject to the pleasure of the ACRMC.

- iii. Perform the annual evaluation of the U.T. System Chief Audit Executive.
- iv. Provide concurrence with any president's appointment and dismissal of institutional chief audit executives with advice and recommendation from the U.T. System Chief Audit Executive.

(c) Consider, review, and when appropriate refer to the full Board of Regents matters regarding the activities of the Office of Systemwide Compliance, as an integral component of Systemwide risk oversight.

(d) Be primarily responsible for the Systemwide risk oversight function of the Board of Regents. Provide relevant information from risk management activities, risk assessments and reviews, and reports both internal and external to the Board of Regents.

(e) Consider, review, and when appropriate refer to the full Board of Regents matters regarding the activities of the Office of Risk Management, Office of Information Security, and any other management function with a significant Systemwide risk oversight role.

(f) Consider, review, and recommend to the full Board of Regents factors to be considered in establishing Board and Board Committee risk tolerance and risk mitigation strategies.

1.7 Duties of the Academic Affairs Committee. The Academic Affairs Committee shall generally consider and make recommendations to the Board on matters pertaining to the general academic institutions, including:

- (a) instructional, research, and professional service programs and activities;
- (b) policies relating to soliciting and securing gifts;
- (c) matters affecting the libraries of the institutions;

- (d) substantive changes in the doctoral degree program inventory and the academic administrative structure;
- (e) matters related to educational philosophy and objectives;
- (f) recommendations by the Chancellor related to the appointment, promotion, and dismissal of such institutional officers as may be appropriate;
- (g) matters relating to the research, training, and community service activities;
- (h) capital improvement priorities related to the approved missions of the general academic institutions; and
- (i) changes to academic institution mission statements.

1.8 The Duties of the Health Affairs Committee. The Health Affairs Committee shall consider and make recommendations to the Board on matters pertaining to health institutions, and all clinical operations, medical or health-related educational programs, or health-related initiatives at any institution, including:

- (a) matters concerning substantive aspects of policies and programs related to the academic philosophy and objectives of the U.T. System's health operations; University relations; and health academic planning, instruction, and research;
- (b) matters relating to educational philosophy and objectives;
- (c) recommendations by the Chancellor related to the appointment, promotion, and dismissal of such institutional officers as may be appropriate;
- (d) matters relating to the research, training, and community service activities;
- (e) matters affecting the libraries of the health institutions;
- (f) policies relating to soliciting and securing gifts;

- (g) capital improvement priorities related to the approved missions of the health institutions;
- (h) changes to health institution mission statements; and
- (i) with respect to each hospital, clinic, and patient-care facility owned by The University of Texas System, counsel with the Executive Vice Chancellor for Health Affairs regarding the bylaws and rules and regulations of the medical staff; and make recommendations to the Board concerning mechanisms and controls for the achievement and maintenance of high standards of professional practices in and at the hospital, clinic, or patient-care facility.

1.9 Duties of the Facilities Planning and Construction Committee. The Facilities Planning and Construction Committee shall:

- (a) Consider matters relating to the acquisition and use of the grounds and buildings on campus and campus-related real property of The University of Texas System.
- (b) Review proposed construction projects and make decisions on the selection of architects for projects determined by the Board to be of special interest; approve plans and accept bids for construction projects.
- (c) Make recommendations to the Board on the award and execution of construction and equipment contracts.
- (d) Make recommendations to the Board with respect to the naming of University buildings and other major facilities.

Sec. 2 Board for Lease of University Lands. At the first available opportunity following February 1 of each odd-numbered year and the confirmation of incoming members of the Board of Regents, two qualified members of the Board, as specified in *Texas Education Code* [Section 66.62](#), shall be selected by the

Board, upon recommendation of the Chairman of the Board of Regents, to serve on the Board for Lease of University Lands (Board for Lease). In the event a Board member appointed to the Board for Lease is unable to attend a regular meeting of the Board for Lease, the Chairman may appoint, as a substitute, a qualified member of the Board of Regents to attend the meeting. The Office of Business Affairs, on behalf of the Board of Regents, will assign employees of The University of Texas System to assist the Board for Lease in the performance of its duties and responsibilities and will consult with the Chancellor and the Office of General Counsel as necessary and appropriate. The Executive Vice Chancellor for Business Affairs shall report significant activities of the Board for Lease to the Board of Regents, as appropriate.

- Sec. 3 University Lands Advisory Board. The University Lands Advisory Board (ULAB) shall be composed of the following individuals:
- (a) five members appointed by The University of Texas System Board of Regents;
  - (b) three members appointed by The Texas A&M University System Board of Regents; and
  - (c) the Commissioner of the General Land Office.
- 3.1 At least two of the members appointed by the U.T. Board and at least one of the members appointed by the A&M Board must be current Regents, with the ULAB Chairman to be named by the U.T. Board.
- 3.2 At least three of the members appointed by the U.T. Board and at least two of the members appointed by the A&M Board must have industry experience.
- 3.3 The ULAB will meet at least four times per year and will advise the Board of Regents on operations and management of the University Lands Office, including reviewing and recommending budgets to the Board and providing strategic direction. University Lands will continue to be managed by U.T. System.
- 3.4 ULAB's duties include advising on the strategic direction and operations of University Lands and on oil and gas development terms and conditions to the Board for Lease.

3.5 The Board of Regents will retain its statutory responsibility and authority to:

- (a) Approve budgets;
- (b) Appoint members of ULAB;
- (c) Purchase and sell any property;
- (d) Approve policy recommendations and set policy for University Lands;
- (e) Approve decisions critical to the mission of University Lands, including compensation parameters;
- (f) Modify delegations to ULAB; and
- (g) Approve the hiring and compensation of the University Lands Chief Executive Officer.

Sec. 4 The University of Texas/Texas A&M Investment Management Company (UTIMCO). Pursuant to *Texas Education Code Section 66.08*, the U.T. System Board of Regents shall appoint seven members of the Board of Directors of UTIMCO and two members will be appointed by The Texas A&M University System Board of Regents. Appointments made by U.T. System shall include three members of the Board of Regents, three individuals with a substantial background and expertise in investments, and one qualified individual, as determined by the Board. Such individual may be the Chancellor of the U.T. System. Of the two members appointed by The Texas A&M University System Board of Regents, at least one must have substantial background and expertise in investments.

4.1 External members of the UTIMCO Board of Directors shall be appointed following a process designed to ensure a candidate's qualifications and expertise. Such process shall include a review of potential candidates, verification of credentials and criminal background check, and a review of potential conflicts of interests or disqualifications from service.

### **3. Definitions**

None

**1. Title**

Board Meeting Accessibility and Public Participation

**2. Rule and Regulation**

Sec. 1 Compliance with the Texas Open Meetings Act. Meetings of the Board shall be open to the public, unless otherwise determined by the Board, in accordance with law. Closed executive sessions may be convened as authorized by State law.

Sec. 2 Accessibility to Board Meetings. People with disabilities interested in observing committee and/or Board meetings and requiring communication or other special accommodations should contact the Office of the Board of Regents.

Sec. 3 Request to Provide Public Testimony on an Agenda Item. Members of the public are allowed to present written and oral testimony, for a reasonable amount of time as determined by the Chairman of the Board, on any topic listed on the agenda for a Committee or Board meeting. Testimony on topics not listed on the agenda will not be allowed. Members of the public seeking to present testimony shall provide their name and agenda topic they seek to address to the General Counsel to the Board of Regents at least 24 hours in advance of the meeting. If possible, any person who provides oral testimony before the Board shall provide their testimony in writing to the General Counsel to the Board in sufficient time for copies to be distributed to the Regents prior to the meeting. The Board shall consider the public testimony presented to the Board on an issue before taking a vote.

Sec. 4 Disruption of Meetings Prohibited. The disruption of a meeting of the Board of Regents or its committees or any other meeting, procession or gathering sponsored by the Board is prohibited. A person is in violation of this provision if, with intent to prevent or disrupt a lawful meeting of the Board, its committees or any other meeting, procession, or gathering sponsored by the Board, he obstructs or interferes with the meeting, procession, or gathering by physical action or verbal utterance. If possible, the individual chairing the meeting, the General Counsel to the Board, or other authorized University official or a law enforcement officer should clearly identify the disruptive conduct or verbal utterance and request that the person responsible for the disruption desist. If the person responsible for the disruptive

physical or verbal conduct fails to cease such conduct, the person shall be removed from the Board meeting or any meeting, procession, or gathering sponsored by the Board.

Sec. 5 Signs and Banners. Persons may display a sign or banner at a Board or committee meeting by holding or carrying it by hand or otherwise attaching it to their person. No advance permission is required.

5.1 Any person holding or carrying a sign or banner shall exercise due care to avoid bumping, hitting, or injuring any other person.

5.2 Any person holding or carrying a sign or banner shall exercise due care to avoid blocking the view of any other person observing the Board or Committee meeting. This may mean that signs may be displayed only around the perimeter of a room or an audience.

Sec. 6 Report to Press on Actions of Board. Reports on actions of the Board on matters of public interest will be given to the press as promptly as possible. These press reports shall be under the direction of the Chairman of the Board of Regents, the Chancellor, or their designated representatives.

### **3. Definitions**

None

**1. Title**

Delegation to Act on Behalf of the Board

**2. Rule and Regulation**

Sec. 1 Operation of Rule

- 1.1 Generally. This Rule contains a non-exhaustive list of matters delegated by the Board of Regents. Matters specifically identified as not delegated in Section 3, Matters Not Delegated, require Board approval even if described in Section 2, Matters Delegated.
- 1.2 Scope and Conditions. The following matters are not subject to Sections 2 and 3 of this Rule.
  - 1.2.1 Significant Contracts or Documents. Institutional presidents and executive officers at U.T. System Administration are responsible for identifying contracts, agreements, and other documents of such significance to warrant the prior approval of the Board of Regents, regardless of whether such approval would be required under this Rule. Each such matter so identified shall be presented to the Board by the Chancellor as an Agenda or Consent Agenda item at a meeting of the Board.
  - 1.2.2 Statutory. Any power, duty, or responsibility that the Board has no legal authority to delegate, including any action that the Texas Constitution requires be taken by the Board of Regents.
  - 1.2.3 UTIMCO. Management of assets by The University of Texas/Texas A&M Investment Management Company (UTIMCO), which is governed by contract and the provisions of [Rules 70101](#), [70201](#), [70202](#), and [70401](#) of these *Rules and Regulations*.
  - 1.2.4 Acceptance of Gifts. The acceptance, processing, or administration of gifts and bequests, which actions are governed by [Rules 60101](#), [60103](#), [70101](#), and [70301](#) of these

*Rules and Regulations* and applicable policies of the Board of Regents.

- 1.3 Delegation Process. The primary delegate identified in these *Rules and Regulations* or in an official Board action may further delegate his or her delegated authority to a secondary delegate unless otherwise specified. Any such further delegation of authority must be made in writing and the primary delegate shall permanently maintain, or cause to be maintained, evidence of all such delegations. A secondary delegate may not further delegate authority to any other individual.
- 1.4 Delegate's Responsibilities. The primary delegate identified in these *Rules and Regulations* as authorized to execute and deliver on behalf of the Board of Regents various types of contracts, agreements, and documents shall maintain, or cause to be maintained, necessary and proper records with regard to all contracts, agreements, and documents executed and delivered pursuant to such delegated authority, in accordance with any applicable records retention schedule or policy adopted by the Board, the U.T. System Administration, or the institution. The primary delegate must also maintain, or cause to be maintained, sufficient accounting systems and procedures to assure that contracts, amendments, and renewals for the purchase of goods and services are presented to the Board for approval if required by these *Rules and Regulations*.
- 1.5 Signature Authority. The Board of Regents delegates to the Chancellor or the president of an institution authority to execute and deliver on behalf of the Board contracts, agreements, and other documents of any kind or nature following review and approval procedures as required by these Rules or for which authority has been delegated. Any officer or employee executing a document on behalf of the Board of Regents shall be responsible for ensuring that he or she has authority to act on behalf of the Board and that such authority is exercised in compliance with applicable conditions and restrictions. Documents executed on behalf of the Board pursuant to authority granted under these *Rules and Regulations* shall not require further certification or attestation.

- 1.6 Actions of the Board as Trustee. Authority delegated by the Board of Regents in these *Rules and Regulations* includes actions that may be taken by the Board in its capacity as trustee of any trust to the extent such delegation is permitted by law.
- 1.7 Power to Bind U.T. System. No employee of the U.T. System, as an individual or as a member of any association or agency, has the power to bind the U.T. System unless such power has been officially conferred in advance by the Board of Regents. Any action that attempts to change the policies or otherwise bind the U.T. System, taken by any individual or any association or agency, shall be ineffective and non-binding until the proposed action has been approved by the Board or a person acting under authority delegated by the Board.
- 1.8 Power to Authorize Expenditures. No expenditure out of funds under control of the Board shall be made and no debt or obligation shall be incurred and no promise shall be made in the name of the U.T. System or any of the institutions or of the Board of Regents by any member of the respective staffs of the U.T. System or any of the institutions except:
  - 1.8.1 In accordance with general or special budgetary apportionments authorized in advance by the Board of Regents and entered in its minutes; or
  - 1.8.2 In accordance with authority specifically vested by the Board of Regents in a committee of the Board; or
  - 1.8.3 In accordance with authority to act for the Board of Regents when it is not in session, specifically delegated by these *Rules and Regulations* or by special action of the Board.
- 1.9 Compliance with Special Instructions by U.T. System Administration Officers. All authority to execute and deliver contracts, agreements, and other documents is subject to these *Rules and Regulations* and compliance with all applicable laws and special instructions or guidelines issued by the Chancellor, an Executive Vice Chancellor, and/or the Vice Chancellor and General

Counsel. Special instructions or guidelines by the Chancellor, an Executive Vice Chancellor, or the Vice Chancellor and General Counsel may include without limitation instructions concerning reporting requirements; standard clauses or provisions; ratification or prior approval by the Board of Regents or the Chancellor; review and approval by the Office of General Counsel; and recordkeeping.

Sec. 2 Matters Delegated

2.1 Contracts. The following contracts or agreements, including purchase orders and vouchers, do not require approval by the Board of Regents.

2.1.1 Contracts at or Below the Institutional Threshold.

- (a) All contracts or agreements, with a total cost or monetary value to the U.T. System or any of the institutions at or below the Institutional Threshold, unless Board approval is otherwise required under these Rules. The total cost or monetary value of the contract includes all potential contract extensions or renewals whether automatic or by operation of additional documentation. For purposes of this Rule, any contract with unspecified cost or monetary value with a term of greater than four years is presumed to have a total value of greater than the Institutional Threshold.
- (b) For contracts that have not been approved by the Board, any amendment, extension, or renewal that increases the cost or monetary value of the original contract to more than the Institutional Threshold must be submitted to the Board for approval. For contracts that have been approved by the Board, any amendment, extension, or renewal with a cost or monetary value that exceeds 25% of the cost or monetary value of the Board-approved contract must be submitted to the Board for approval.

- (c) Increase in Institutional Threshold.  
An Institutional Threshold may be increased to up to \$5 million by the Chancellor, after consultation with the General Counsel to the Board of Regents, if it is determined that the institution has the expertise to negotiate, review, and administer such contracts.

2.1.2 Settlement Agreements.

- (a) Construction Settlements. All settlement claims and disputes relating to construction projects to the extent funding for the project has been authorized. Authority to execute documents necessary or desirable to settle such claims and disputes is delegated to the System Administration or institution official designated in the construction contract.
- (b) Insurance Settlements. The settlement of insurance claims, which are governed by [Rule 80601](#).
- (c) Intellectual Property Settlements. All settlement claims and disputes relating to intellectual property owned or controlled by the Board of Regents. Authority to execute documents necessary or desirable to settle such claims and disputes is delegated to the Vice Chancellor and General Counsel.
- (d) All other claims. The Vice Chancellor and General Counsel is delegated authority to execute and deliver on behalf of the Board agreements settling any claim, dispute, or litigation of up to \$1,000,000. Except as otherwise provided in these Rules, settlements in excess of \$1,000,000 must be approved by the Board or by the appropriate standing committee of the Board.

- i. Required Consultation. The Vice Chancellor and General Counsel shall consult with the institutional president and the Chancellor regarding all settlements greater than \$150,000 that will be paid out of institutional funds. The Vice Chancellor and General Counsel shall consult with the Office of External Relations, Communications and Advancement Services with respect to settlement of will contests and other matters relating to gifts and bequests administered by that Office.
  - ii. Determining settlement amount. The amount of the settlement shall mean the amount that might be reasonably expected to be recoverable by the U.T. System but not received pursuant to the settlement or, in the case of a claim against the U.T. System, the total settlement amount to be paid by the U.T. System.
- 2.1.3 Contracts for Legal Services and Filing of Litigation. The Vice Chancellor and General Counsel is delegated authority to execute and deliver on behalf of the Board contracts for legal services and such other services as may be necessary or desirable in connection with the settlement or litigation of a dispute or claim after obtaining approvals as may be required by law. Any litigation related to these contracts on behalf of the Board, U.T. System Administration, or an institution of U.T. System must have the prior approval of the Vice Chancellor and General Counsel.
- 2.1.4 Construction Projects. Contracts, agreements, and documents relating to construction projects previously approved by the Board of Regents in the Capital Improvement Program and Capital Budget or Minor Projects.

- 2.1.5 Intellectual Property. Legal documents, contracts, or grant proposals for sponsored research and licenses or other conveyances of intellectual property owned or controlled by the Board of Regents as outlined in [Rule 90101](#) of these Rules. For purposes of this Rule, sponsored research includes specific research projects as well as more general research initiatives.
- 2.1.6 Contracts Between or Among U.T. System Administration and Institutions. Contracts or agreements for resources or services to which U.T. System Administration and/or one or more institutions of the U.T. System are the only parties. The Chancellor and the president of an institution have respective authority to execute on behalf of the Board contracts or agreements between or among U.T. System Administration and institutions of the U.T. System. Any such contract or agreement shall provide for the recovery of the cost of services and resources furnished. These contracts are not subject to the requirements of the Interagency Cooperation Act, *Texas Government Code Chapter 771*, as this section serves as the Board-adopted rules contemplated by *Texas Education Code Section 51.928*.
- 2.1.7 Replacements. Contracts or agreements for the routine replacement of equipment or software or services associated with the implementation of such software.
- 2.1.8 Routine Supplies. Contracts or agreements for the purchase of routinely purchased supplies or equipment.
- 2.1.9 Approved Budget Items. Purchases of new equipment or licensing of new software or services associated with the implementation of the software, identified specifically in the institutional budget approved by the Board of Regents.

- 2.1.10 Group Purchases. All purchases made under any group purchasing program that follows all applicable statutory and regulatory standards for procurement.
- 2.1.11 Loans. Loans of institutional funds to certified nonprofit health corporations, which loans have been approved as provided in The University of Texas Systemwide Policy [UTS 166, \*Cash Management and Cash Handling Policy\*](#) and The University of Texas Systemwide Policy [UTS 167, \*Banking Services Policy\*](#) concerning deposits and loans.
- 2.1.12 Certain Employment Agreements. Agreements with administrators employed by the U.T. System Administration or any of the institutions, so long as such agreements fully comply with the requirements of *Texas Education Code Section 51.948* including the requirement to make a finding that the agreement is in the best interest of the U.T. System or any of the institutions, except those that require approval by the Board of Regents under [Rule 20204](#).
- 2.1.13 Energy Resources. Contracts or agreements for utility services or energy resources and related services, if any, which contracts or agreements have been approved in advance by the Chancellor.
- 2.1.14 Library Materials and Subscriptions. Contracts or agreements for the purchase or license of library books and library materials.
- 2.1.15 Athletic Games. Contracts or agreements related to athletic games, including postseason bowl games. If the contract or agreement exceeds \$1 million in value, the contract or agreement must be approved by the Chancellor and be in a form acceptable to the Vice Chancellor and General Counsel.

- 2.1.16 Property or Casualty Losses. Contracts or agreements with a cost or monetary value to the U.T. System Administration or any of the institutions in excess of \$1 million but not exceeding \$10 million associated with or related to a property or casualty loss that is expected to exceed \$1 million may be approved, executed, and delivered by the Chancellor. The Chancellor shall consult with the institutional president, if applicable.
- 2.1.17 Health Operations. Contracts or agreements for the procurement of routine services or the purchase or lease of routine medical equipment, required for the operation or support of a hospital or medical clinic or facility, if the services or equipment were acquired through approved procurement procedures or competitively procured.
- 2.1.18 Group Employee or Student Benefits. Contracts or agreements for uniform group employee or student benefits, including those offered pursuant to [Chapter 1601, Texas Insurance Code](#).
- 2.1.19 Memorandum of Understanding with University-Affiliated Foundation. The Board of Regents delegates authority to execute a Memorandum of Understanding between U.T. System Administration or a U.T. System institution and an affiliated foundation to the institutional president or the Chancellor (see [Rule 60305](#)).
- 2.1.20 Emergency Circumstances. The Board of Regents delegates authority to the Chancellor to approve contracts, agreements, and purchases and to make needed policy modifications associated with assuring response to and continuation of operations during an emergency, the existence of which shall be determined in consultation with the Chairman of the Board when possible. The Chancellor shall promptly report use of such authority to the Board.

2.2 Other Matters.

2.2.1 Institutional Agreements for Dual Credit. The Board of Regents delegates the authority to approve and execute dual credit partnership agreements for the academic institutions to the presidents.

2.2.2 Strategic Plan for Research. The Board of Regents delegates to the Chancellor the authority to submit to the Texas Higher Education Coordinating Board the strategic plan for research for each U.T. academic institution designated by the Coordinating Board as a research university or emerging research university.

Sec. 3 Matters Not Delegated. The following contracts or agreements, including purchase orders or vouchers and binding letters of intent or memoranda of understanding, are not delegated by the Board and must be submitted to the Board for approval or authorization, even if the matter fits the description of a matter delegated in Section 2:

3.1 Athletic employment agreements over \$1 million. Contracts and contract amendments affecting compensation with athletic directors and coaches with total annual compensation of \$1 million or greater.

3.1.1 Contracts, contract revisions, and contract extensions requiring Board approval may be negotiated and executed by the President following consultation with the Chancellor, the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor and General Counsel, and a member or members of the Board designated by the Chairman of the Board of Regents and additional consultation, as requested by the Chairman, to determine if special circumstances require an offer or contract change to be made prior to a scheduled meeting of the Board and if the proposed offer or contract change is in the best interest of the institution.

- 3.1.2 Such special circumstance contracts shall be submitted to the Board for formal approval at the next appropriate meeting of the Board as required by [Rule 20204](#).
- 3.1.3 Alternatively, the President may seek prior approval of the Board to negotiate with a slate of identified individuals within defined contract terms and proceed, if authorized, to hire an athletic director or coach and submit a contract for formal approval by the Board as set out above.
- 3.1.4 It is the expectation of the Board that each President will assure the Chairman, the Chancellor, and the Executive Vice Chancellor for Academic Affairs are provided advance notice of proposed hirings and potential terms of employment related to such contracts in advance of an offer or publication or public distribution of information to allow for meaningful consultations and/or approvals.
- 3.2 Athletic Conference Memberships. Contracts related to joining or changing an institution's athletic conference membership may be negotiated and executed by the President following consultation as described above, for the determination of special circumstances. Following such consultation, such special circumstance contracts shall be submitted to the Board for formal approval at the next appropriate meeting of the Board.
- 3.3 Contracts with Foreign Governments. Contracts or agreements of any kind or nature, regardless of dollar amount, with a foreign government or agencies thereof, except:
  - 3.3.1 The following agreements if prepared on an approved standard form or satisfying the requirements set by the Office of General Counsel: affiliation agreements, cooperative program agreements, material transfer agreements, sponsored research agreements, and licenses or other conveyances of intellectual

property owned or controlled by the Board of Regents;

3.3.2 The following agreements if approved by the Office of General Counsel: agreements or contracts necessary to protect the exchange of confidential information or nonbinding letters of intent or memorandums of understanding executed in advance of definitive agreements; and

3.3.3 Agreements regarding cultural performances or the exchange of artistic materials where no funds are expended by the U.T. System or any of the U.T. institutions.

3.4 Contracts Involving Certain Uses of Institution Names, Trademarks, or Logos. Except as specifically allowed under existing contracts entered into between the Board of Regents and nonprofit entities supporting a U.T. institution, agreements, regardless of dollar amount, that grant the right to a non-U.T. entity to use the institutional name or related trademarks or logos in association with the provision of a material medical-related service or in association with physical improvements located on property not owned or leased by the contracting U.T. institution.

3.5 Contracts with Certain Officers. Agreements, regardless of dollar amount, with the Chancellor, a president, a former Chancellor or president, an Executive Vice Chancellor, a Vice Chancellor, the General Counsel to the Board, the Chief Audit Executive, or the Chief Compliance and Risk Officer, which are subject to the applicable provisions of *Texas Education Code Section 51.948* and [Rule 20101](#).

### **3. Definitions**

Group Purchasing Program – for purposes of this Rule, a purchasing program established by (1) a state agency that is authorized by law to procure goods and services for other state agencies, such as the Texas Comptroller of Public Accounts and the Texas Department of Information Resources, or any successor agencies, respectively; or (2) a group purchasing organization in which the institution participates, such as

**The University of Texas System**

**Rules and Regulations of the Board of Regents**

**Rule: 10501**

Vizient, E&I Cooperative Services, and BuyBoard; or (3) the U.T. System Supply Chain Alliance. A group purchasing program is covered by this rule only if it is conducted by a state agency or group purchasing organization that is accredited by U.T. System as meeting minimum procurement standards established by the State of Texas and U.T. System.

Institutional Threshold – the review threshold identified for U.T. System Administration and each U.T. institution in the [Board Contract Approval Threshold Table](#).

**1. Title**

Guidelines for the Santa Rita Award

**2. Rule and Regulation**

Sec. 1 Standards. The Santa Rita Award is an award made on behalf of the Board of Regents in recognition of valuable contributions over an extended period to The University of Texas System. The recipient may be selected based on a broad list of criteria, primary among which will be a demonstrated concern for the principles of higher education generally, as well as deep commitment to the furtherance of the mission of The University of Texas System. The recipient's contributions to the U.T. System shall be of such character and purpose to serve as an example of selfless and public-spirited service.

Sec. 2 Nominations for Awards. Nominations for the award shall be forwarded to the Chairman of the Board of Regents or the General Counsel to the Board.

Sec. 3 Selection of Awardees. Awards shall be made by a majority vote of the Board, upon recommendation of the Chairman of the Board following consultation with others including the Chancellor and other appropriate U.T. System officials.

**3. Definitions**

None

**The University of Texas System**

**Rules and Regulations of the Board of Regents**

**Rule: 10701**

**1. Title**

Compliance with State Law Regarding Diversity, Equity, and Inclusion in Institutions of Higher Education

**2. Rule and Regulation**

Sec. 1 Unless required by federal law or permitted by *Texas Education Code* [Section 51.3525](#), an institution may not maintain a diversity, equity, and inclusion office or engage in other conduct prohibited by *Texas Education Code* [Section 51.3525](#) and must adopt policies and procedures for appropriately disciplining an employee or contractor of the institution who engages in prohibited conduct.

Sec. 2 The Board authorizes the Chancellor to submit required reports to the Texas Legislature and Texas Higher Education Coordinating Board each fiscal year certifying compliance with *Texas Education Code* [Section 51.3525](#), to testify before legislative committees regarding compliance with *Texas Education Code* [Section 51.3525](#), and to take other actions needed to ensure compliance with *Texas Education Code* [Section 51.3525](#).

**3. Definitions**

None

**1. Title**

Policy on Transparency, Accountability, and Access to Information

**2. Rule and Regulation**

Sec. 1 The Board of Regents and U.T. System are committed to enhancing transparency, accountability, and access and disclosure of information to the public, the media, elected and appointed state and federal officials, and executive policy makers.

Sec. 2 To assist in achieving these goals, the Board wishes to provide maximum transparency to the public and its representatives to the fullest extent allowed by law while ensuring compliance with best governance practices and appropriate protection of confidential information and personal privacy.

Sec. 3 Importance of Communication. To assist the Board of Regents in its duties and responsibilities, the Board and the Chancellor expect to be informed of significant matters within the U.T. System Administration and at each U.T. institution. Significant matters include those matters, which in the exercise of individual best judgment, reflect a significant achievement, present a substantial concern or interest, or have the potential to impact the reputation of the institution in a substantial manner.

Sec. 4 Importance of Data Collection, Retention, and Analysis. The U.T. System recognizes and supports the importance of data collection, retention, and analysis for purposes such as reviewing System operations and policies, guiding decision-making, improving productivity and efficiency, and evaluating performance outcomes. The U.T. System is committed to continually enhancing the performance of its institutions, to supporting access and success for all students, to improving educational outcomes, and to remaining a national leader in providing access to data.

Sec. 5 Processing Information Requests.

5.1 Requests by Members of the Public. To enhance transparency, U.T. institutions and U.T. System Administration must act in strict compliance with the Texas Public Information Act (TPIA) and applicable state

and federal law in providing public access to governmental records.

- 5.2 Requests by Representatives of the Media. In addition to the public right of access to information through the TPIA, representatives of the media may utilize U.T. System Administration and institutional offices of external relations as an additional resource for questions.
- 5.3 Requests by Members of the Texas Legislature. The TPIA provides members of the Texas Legislature a special right of access to information needed for legislative purposes. U.T. System Administration and institutional offices of governmental affairs serve as additional resources for questions from members of the Legislature.
- 5.4 Requests by Members of the Board of Regents.
  - 5.4.1 A member of the Board of Regents may utilize U.T. System resources to access information or data necessary for the Board member to fulfill his or her official duties and responsibilities.
  - 5.4.2 Requests for information by an individual Regent shall be submitted to the General Counsel to the Board, be tailored to information needed to assist the Regent in fulfilling his or her official duties and responsibilities, and provide a requested deadline for response if the request is time-sensitive.
  - 5.4.3 All U.T. System Administration and U.T. institutional employees should respond thoroughly and appropriately to requests for information from a member of the Board, without undue delay. However, some requests may require further discussions to determine the appropriate scope of the request and timing of the response to avoid inefficiencies and duplication of effort.
  - 5.4.4 After consultation with the Chairman of the Board, the Chancellor may adopt reasonable procedures with regard to the timing, copying, and process for review of records by a Regent, including prohibiting the copying of any confidential material.

In addition, the Chancellor, in consultation with the Vice Chancellor and General Counsel, shall determine whether State or federal law restricts compliance with the request. Accordingly, the Chancellor, in consultation with the Vice Chancellor and General Counsel, shall determine whether a Regent may review information that is protected by the Family Educational Rights and Privacy Act ([20 U.S.C. §1232g](#); [34 CFR Part 99](#)), by constitutional privacy, or by other state or federal law.

**3. Definitions**

None

**1. Title**

Statement of U.T. System Values and Expectations

**2. Rule and Regulation**

Sec. 1 Purpose.

This Rule outlines the general values to be adopted and embraced by all U.T. System officers and employees to ensure that The University of Texas System maintains its reputation as a system that strongly values integrity and requires all operations to be conducted with accountability, transparency, and respect.

The Rule is not a comprehensive guide to all matters of conduct or ethics. Officers and employees are expected to use common sense and best judgment in all situations.

Sec. 2 Compliance with Laws and Policy.

In addition to the expectations outlined below, U.T. System officers and employees are expected to comply with all applicable federal, state, and local laws as well as applicable rules and policies. To the extent provided by applicable law, no person shall be excluded from participation in, denied the benefits of, or be subject to discrimination under, any program or activity sponsored or conducted by The University of Texas System or any of the institutions, on the basis of race, color, national origin, ethnicity, religion, sex, age, veteran status, or disability.

Sec. 3 Minimum Expectations.

3.1 Trust and Credibility. The success of The University of Texas System is dependent on maintaining the trust and confidence earned from students, patients, faculty, staff, elected leaders, and members of the public. Trust and confidence are gained by adhering to commitments, displaying honesty and integrity, and reaching goals solely through diligence and honorable conduct.

3.2 Respect for the Individual. The University of Texas System and the Board of Regents are committed to

creating an environment where all U.T. System officers and employees are treated with dignity and respect.

3.3 Culture of Open and Honest Communication. Managers have a responsibility to create an open and supportive environment where employees understand the importance and value of raising and responding to concerns about potentially questionable or unethical behavior.

3.4 Setting the Tone. U.T. System leadership, including the Chancellor, the institution presidents, and the members of the Board of Regents, has the added responsibility for demonstrating, through actions and leadership, the importance of the expectations described in this Rule. The Chancellor and the presidents must be responsible for promptly and appropriately reviewing questions or concerns about ethical behavior raised by employees or others and for taking appropriate and timely steps to address any problems identified.

**3. Definitions**

None

**1. Title**

Research Security Policies

**2. Rule and Regulation**

Sec. 1 Purpose. Federal and state governments and granting agencies have recognized the risks of foreign influence within the higher education research community and that some foreign governments, institutions, and researchers have used their participation in the research community to compromise U.S. national and economic security. Education and research are core missions of every U.T. institution, and the Board recognizes the value and necessity of international collaborations in fulfilling these goals. Therefore, to mitigate the risks related to research security and foreign interference, it is imperative that each U.T. institution follow the highest standards of compliance and security and pursue international collaborations with researchers and institutions similarly committed to research integrity, transparency, and reciprocity.

Sec. 2 Research Security Programs and Policies. Each U.T. institution shall submit for Board approval a policy framework addressing research security risks.

2.1 Each policy framework shall seek to achieve the highest level of compliance with all applicable ethical, legal, regulatory, and contractual guidelines to secure, protect, and expand the institution's research portfolio, including but not limited to the following categories of research: classified, export-controlled, controlled unclassified, and fundamental.

2.2 U.T. System Administration and each U.T. institution shall appoint a Research Security Officer and establish a research security program that addresses key risk areas identified by federal and state governments, including [National Security Presidential Memorandum-33](#) and *Texas Education Code* [Section 51.956](#), which are applicable to each institution's research portfolio, including, but not limited to, intellectual property, cybersecurity, research and proprietary data security, clinical trial data security, foreign collaborations, foreign travel, foreign visitors, foreign scholars and scientists, insider threats, and any other key risk areas.

- 2.3 U.T. System Administration and each U.T. institution shall promote an organizational culture of compliance regarding research security and shall periodically monitor and assess the effectiveness of their programs. Institutional Research Security Officers shall promptly inform the Systemwide Research Security Officer regarding research security incidents that may significantly impact the mission or reputation of U.T. System or a U.T. institution.

**3. Definitions**

None

3. U. T. System Board of Regents: Recognition of recipients of the 2024 Regents' Outstanding Teaching Awards

PRESENTATION

The Board and Chancellor Milliken recognized the 2024 recipients for the Regents' Outstanding Teaching Awards, as listed below:

**U. T. Arlington:**

LaDonna Aiken, M.A.  
Broadcast Specialist, Communications

Melanie Sattler, Ph.D., P.E.  
Professor, Civil Engineering

**U. T. Austin:**

Etienne (Paul) Vouga, Ph.D.  
Associate Professor, Computer Science

**U. T. Dallas:**

Oziel Rios, Ph.D.  
Associate Professor of Instruction, Mechanical Engineering

**U. T. El Paso:**

Jason Boyle, Ph.D.  
Associate Professor, Kinesiology

**U. T. Rio Grande Valley:**

Marcela Hebbard, M.A.  
Senior Lecturer, Writing and Language Studies

**U. T. San Antonio:**

Matthias Hofferberth, Ph.D.  
Associate Professor, Political Science and Geography

Rebecca Schroeder, Ph.D.  
Professor of Instruction, Multidisciplinary Studies and University College

**U. T. Southwestern Medical Center:**

Laura Howe-Martin, Ph.D., A.B.P.P.  
Professor, Psychiatry

**U. T. M. D. Anderson Cancer Center:**

Khaled Elsayes, M.D.  
Professor, Abdominal Imaging

Carin Hagberg, M.D., F.A.S.A.  
Chief Academic Officer, Anesthesiology

**U. T. Medical Branch - Galveston:**

Cristiana Rastellini, M.D.  
Professor, Neurobiology

### BACKGROUND INFORMATION

The Board of Regents places the highest priority on undergraduate and graduate teaching at U. T. institutions and encourages teaching excellence by recognizing those faculty who deliver the highest quality of instruction, demonstrate their commitment to teaching, and have a history and promising future of sustained excellence with teaching in the classroom, in the laboratory, in the field, or online.

On August 14, 2008, the Board established the Regents' Outstanding Teaching Awards (ROTA), which are a recognition of the importance the Board places on the provision of teaching and learning of the highest order, by honoring those who serve students in an exemplary manner, and are an incentive for others who aspire to such service. These teaching awards complement existing ways in which faculty excellence is recognized and incentivized.

Up to 15 awards may be given across both academic and health institutions with the number of awards determined by the number of applications, recommendations from the review committee, and other factors.

RECESS TO EXECUTIVE SESSION.--At 9:11 a.m., the Board recessed to Executive Session, pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073, 551.074, 551.076, and 551.089 to consider the matters listed on the Executive Session agenda.

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS AND TO CONSIDER OPEN SESSION ITEMS.-- At 9:40 a.m., in accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Eltife called the meeting to order in Open Session.

1. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions including interim presidents); U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors); other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive); Board members; and U. T. System and institutional employees

No action was taken on this item.

- 2a. U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features

No action was taken on this item.

- 2b. U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features

No action was taken on this item.

- 3a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

- 3b. U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning pending legal claims by and against U. T. System

No action was taken on this item.

- 3c. U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding entering into an attorney retention services agreement with McKool Smith, a professional corporation, on a contingency fee basis related to potential patent infringement litigation

Vice Chairman Longoria made the following motion:

I move that the U. T. System Board of Regents approve the following actions within the parameters recommended to the Board in Executive Session:

- a. authorize the Vice Chancellor and General Counsel to retain McKool Smith as outside counsel to represent the U. T. System Board of Regents on a contingency-fee basis to pursue a potential patent infringement litigation on behalf of U. T. M. D. Anderson Cancer Center, consistent with the terms and conditions outlined in Executive Session; and
- b. delegate to the Vice Chancellor and General Counsel authority to execute all documents and take all actions necessary to accomplish the transaction.

The motion was seconded by Vice Chairman Weaver and carried unanimously.

- 3d. U. T. Austin: Discussion and appropriate action regarding legal issues related to proposed delegation of authority to lease vacant office space and ground floor commercial space in Innovation Tower located at 1300 Red River Street, Austin, Travis County, Texas, to to-be-determined tenants and to The 2033 Higher Education Development Foundation for sublease to to-be-determined subtenants, for office and retail use; and finding of public purpose

See related item 4a for action taken in Open Session.

- 3e. U. T. Austin: Discussion and appropriate action regarding legal issues associated with acquisition of approximately one acre of improved land located at 2900 Medical Arts Street, Austin, Travis County, Texas from University of Texas Law School Foundation, and a proposed ground lease of said land with The 2033 Higher Education Development Foundation or a subsidiary thereof, who will enter into a development agreement with a developer for development of a student housing complex to primarily serve students of the University of Texas School of Law; resolution regarding parity debt; and related finding of public purpose

See related item 4b for action taken in Open Session.

- 4a. U. T. Austin: Discussion and appropriate action regarding proposed delegation of authority to lease vacant office space and ground floor commercial space in Innovation Tower located at 1300 Red River Street, Austin, Travis County, Texas, to to-be-determined tenants and to The 2033 Higher Education Development Foundation for sublease to to-be-determined subtenants, for office and retail use; and finding of public purpose

Regent Jiles made the following motion:

I move that the U. T. System Board of Regents take the following actions on behalf of U. T. Austin:

- a. delegate authority to the Executive Vice Chancellor for Business Affairs to lease vacant office space and ground floor commercial space in Innovation Tower located at 1300 Red River Street, Austin, Travis County, Texas, to to-be-determined tenants and to The 2033 Higher Education Development Foundation, or a subsidiary thereof, for sublease to to-be-determined subtenants, for office and retail use on terms in accordance with the parameters outlined in Executive Session; and
- b. authorize the Executive Vice Chancellor for Business Affairs to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary to carry out the purpose and intent of the foregoing actions within the parameters outlined in Executive Session.

I also recommend that the Board make a finding that:

1. the lease of space to The 2033 Higher Education Development Foundation, or a subsidiary thereof, supports the public mission of and serves a public purpose appropriate to the function of U. T. Austin;
2. pursuant to the lease, U. T. Austin will have sufficient safeguards in place to ensure the public purpose will continue to be met on an ongoing basis; and
3. the transaction will result in adequate consideration and benefits to U. T. Austin and the State of Texas.

The motion was seconded by Regent Perez and carried unanimously.

- 4b. U. T. Austin: Discussion and appropriate action regarding acquisition of approximately one acre of land improved with an approximately 12,000 square-foot building located at 2900 Medical Arts Street, Austin, Travis County, Texas from University of Texas Law School Foundation, and a proposed ground lease of said land with The 2033 Higher Education Development Foundation or a subsidiary thereof, who will enter into a development agreement with a developer for development of a student housing complex to primarily serve students of the University of Texas School of Law; resolution regarding parity debt; and related finding of public purpose

Regent Stedman made the following motion:

I move that the U. T. System Board of Regents take the following actions on behalf of U. T. Austin:

- a. authorize acquisition of approximately one acre of improved land located at 2900 Medical Arts Street, Austin, Travis County, Texas from the University of Texas Law School Foundation on terms and in accordance with parameters outlined in Executive Session;
- b. authorize a ground lease of that one-acre tract to The 2033 Higher Education Development Foundation, or a subsidiary thereof, for the development of a student housing complex to primarily serve students of the School of Law on terms and in accordance with parameters outlined in Executive Session;
- c. authorize U. T. Austin to utilize U. T. System's Revenue Financing System debt to finance the project; and
- d. make the findings required under Section 5 of the Amended and Restated Master Resolution establishing the Revenue Financing System relating to the issuance of parity debt on behalf of U. T. Austin in an aggregate amount as outlined in Executive Session and that this action satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations*.

I further move that the Board:

- a. delegate authority to the Executive Vice Chancellor for Business Affairs, following review and approval by President Hartzell, the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel (or their respective designees), to execute an agreement to acquire the one-acre tract described above from the Law School Foundation and to subsequently execute a ground lease to the 2033 Higher Education Development Foundation for development and construction of the project described above, and to execute all other documents and to take all further actions deemed necessary to acquire the one-acre tract and to enter into such ground lease and related agreements; and

- b. delegate authority to President Hartzell, following review and approval by the Chancellor, the Executive Vice Chancellors for Academic Affairs and Business Affairs, and the Vice Chancellor and General Counsel, to take all other steps necessary to effectuate this authorization, including the authority to execute a Memorandum of Understanding and any related ancillary agreements with the 2033 Higher Education Development Foundation or a subsidiary thereof and other parties for the project described above for the use, benefit, and enjoyment of U. T. Austin.

I also recommend that the Board find that:

1. the ground lease and other related agreements described above support the public mission of and serve a public purpose appropriate to the function of U. T. Austin;
2. pursuant to the ground lease, U. T. Austin will have sufficient safeguards in place to ensure the public purpose will continue to be met on an ongoing basis; and
3. the transaction, will result in adequate consideration and benefits to U. T. Austin and the State of Texas.

The motion was seconded by Vice Chairman Longoria and carried unanimously.

5. U. T. System Board of Regents: Discussion and appropriate action regarding safety and security issues, including security audits and the deployment of security personnel and devices

No action was taken on this item.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 9:48 a.m.

/s/

Tina E. Montemayor  
Secretary to the Board of Regents  
November 21, 2024



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**HEALTH AFFAIRS COMMITTEE**

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**FACILITIES PLANNING AND CONSTRUCTION COMMITTEE**

58. Contract (funds going out) - **U. T. System**: Jacobs Project Management Co. to provide project management consulting services and construction administration support for the U. T. Austin and U. T. M.D. Anderson Cancer Center Medical Complex Project **166**

59. Contract (funds going out) - **U. T. System**: Terracon Consultants, Inc., to provide geotechnical construction materials testing, and miscellaneous professional and technical support services **167**

**ADDITIONAL CONSENT AGENDA ITEM**

**ACADEMIC AFFAIRS COMMITTEE**

60. Lease - **U. T. Austin**: Authorization to enter into a ground lease and related agreements with an entity owned or controlled by H2O Innovation, Inc., as successor to NextEra Energy Resources, LLC, for the construction, operation, and maintenance of a water reclamation and reuse facility and the processing and purchase of reclaimed water on a portion of U. T. Austin’s main campus located north of Dean Keaton Street and between San Jacinto Blvd and Speedway, directly south of Chilling Station #5, 2610 San Jacinto Blvd, Austin, Travis County, Texas, and authorization to purchase reclaimed water throughout the ground lease term and to purchase the improvements at any time during the ground lease term; and finding of public purpose **168**

## MEETING OF THE BOARD

1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meeting held August 21-22, 2024; and the special called meeting held August 5, 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 revisions reflect the appointment of a new Executive Director of Police, as well as the recent retirement of the U. T. Austin Provost and the transition of the Army Futures Command Director to a new position.

A Resolution amending the Managerial Group list was last adopted by the Board of Regents on August 22, 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  
~~Sharon L. Wood, Ph.D., Provost, The University of Texas at Austin~~  
Daniel T. Jaffe, Ph.D., Vice President for Research, The University of Texas  
at Austin  
~~Seth J. Wilk, Army Futures Command Director, 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

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**

3. Contract (funds going out) - U. T. System: Clean Harbors Environmental Services, Inc., to provide Medical Waste Disposal services for U. T. System and all U. T. institutions

Agency: Clean Harbors Environmental Services, Inc.

Funds: To be paid by U. T. System or the U. T. institutions that request services under this Agreement. Services under this Agreement may be requested by U. T. System or any U. T. institution; therefore, it is possible the value may exceed \$3,000,000 over the potential five-year term.

Period: September 1, 2024 through August 31, 2029

Description: This nonexclusive Systemwide Agreement allows U. T. System and each U. T. institution to request the Contractor to collect, handle, transport, and dispose of medical waste.

This Agreement was competitively bid.

4. Contract (funds going out) - U. T. System: Lone Star Hazmat Response, LLC, to provide Spill and Emergency Response services for U. T. System and all U. T. institutions

Agency: Lone Star Hazmat Response, LLC

Funds: To be paid by U. T. System or the U. T. institutions that request services under this Agreement. Services under this Agreement may be requested by U. T. System or any U. T. institution; therefore, it is possible the value may exceed \$3,000,000 over the potential five-year term.

Period: September 1, 2024 through August 31, 2027; with one additional two-year renewal option

Description: This nonexclusive Systemwide Agreement allows U. T. System and each U. T. institution to request the Contractor to provide spill and emergency response services.

This Agreement was competitively bid.

5. Contract (funds going out) - U. T. System: Stericycle, Inc., to provide Medical Waste Disposal services for U. T. System and all U. T. institutions

Agency: Stericycle, Inc.

Funds: To be paid by U. T. System or the U. T. institutions that request services under this Agreement. Services under this Agreement may be requested by U. T. System or any U. T. institution; therefore, it is possible the value may exceed \$3,000,000 over the potential five-year term.

Period: September 1, 2024 through August 31, 2029

Description: This nonexclusive Systemwide Agreement allows U. T. System and each U. T. institution to request the Contractor to collect, handle, transport, and dispose of medical waste.

This Agreement was competitively bid.

### FINANCE AND PLANNING COMMITTEE

6. Other Fiscal Matters - U. T. System: 2024 Group Purchasing Organization (GPO) Accreditation Program Results

On February 11, 2016, the Board of Regents approved a Group Purchasing Organization (GPO) Accreditation Program. The Program is designed to ensure that U. T. institutions utilize contracts offered by GPOs, including Texas state agencies performing GPO functions, only if the GPOs use sourcing processes accredited by U. T. System as meeting minimum procurement standards. The approval delegated authority to the Executive Vice Chancellor for Business Affairs to determine whether any applicant for accreditation meets such standards. Results from previous years of operation of the Program were reported to the Board of Regents at the August 25, 2016; August 24, 2017; November 15, 2018; November 14, 2019; November 19, 2020; November 17, 2022; and November 15, 2023 meetings.

Two new applications for accreditation were submitted in 2024. Neither applicant was accredited. The institution that nominated Valify for accreditation withdrew its nomination before the accreditation process was completed. The other applicant, The Interlocal Purchasing System (TIPS), was not accredited at this point, although the Executive Vice Chancellor for Business Affairs approved the continued use of TIPS solely by the nominating institution, Stephen F. Austin State University through FY 2025, while a further investigation into how best to meet Stephen F. Austin's procurement needs is conducted.

Also, in line with Program procedures, formal compliance reviews of GPOs previously accredited were conducted in 2024. All of the GPOs were found to be in compliance, and their accreditations will be continued.

As a result, the following GPOs remain accredited:

- The University of Texas System Supply Chain Alliance
- Choice Partners National Purchasing Cooperative
- E&I Cooperative Services, Inc.
- Education Service Center - Region 19 (Allied States Cooperative)
- The Local Government Purchasing Cooperative, dba BuyBoard
- Sourcewell, formerly known as National Joint Powers Alliance (NJPA)
- Vizient, Inc.
- Texas Comptroller of Public Accounts (Statewide Procurement Division) (TPASS/TXMAS)
- Texas Department of Information Resources (DIR)

All accreditations will expire August 31, 2026, unless terminated earlier under U. T. System procedures.

### ACADEMIC AFFAIRS COMMITTEE

7. Contract (funds going out) - U. T. Arlington: Aspen Systems, Inc., to provide Graphics Processing Unit (GPU) Cluster Blanket Order

Agency: Aspen Systems, Inc.

Funds: Fee cap of \$5,500,000 over life of contract

Period: June 1, 2024 through May 31, 2025; with three one-year renewal options

Description: U. T. Arlington will purchase an initial Graphics Processing Unit (GPU) Cluster for faculty researchers to consolidate certain research data into a system that allows for future growth. Under this Agreement, U. T. Arlington may issue additional orders for future build-out of the GPU Cluster. These servers will be configured in a manner allowing them to integrate into a growing research computing cluster.

This contract was competitively procured.

8. Contract (funds going out) - U. T. Arlington: Amendment to Agreement with Atlas Injection, LLC, to provide parking lot and street paving

Agency: Atlas Injection, LLC

Funds: Fee cap of \$15,000,000 over the life of the contract

Period: August 1, 2024 through April 30, 2026; with eight one-year renewal options

Description: Atlas Injection, LLC, will provide parking lot and street paving on an as-needed basis. Funds will be spent on a per project basis, based on the size and type of paving requested. This is one of multiple companies to contract with U. T. Arlington for these services to ensure coverage if multiple projects are required at once.

The \$1,000,000 fee cap listed in the initial agreement was within the institution's delegated approval threshold, but was incorrect. This First Amendment corrects the fee cap.

This contract was competitively procured.

9. Contract (funds going out) - U. T. Arlington: Amendment to Agreement with Pavement Services Corporation to provide parking lot and street paving

Agency: Pavement Services Corporation

Funds: Fee cap of \$15,000,000 over the life of the contract

Period: August 1, 2024 through April 30, 2026; with eight one-year renewal options

Description: Pavement Services Corporation will provide parking lot and street paving on an as-needed basis. Funds will be spent on a per project basis, based on the size and type of paving requested. This is one of multiple companies to contract with U. T. Arlington for these services to ensure coverage if multiple projects are required at once.

The \$4,000,000 fee cap listed in the initial Agreement was incorrect. This First Amendment corrects the fee cap.

This contract was competitively procured.

10. Request for Budget Change - U. T. Arlington: 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 #
<b>College of Architecture, Planning and Public Affairs</b>			
Architecture David Franco	New Hire	Associate Professor (T)	13307
<b>College of Engineering</b>			
Electrical Engineering Hongtei Tseng	New Hire	Professor (T)	13309
Industrial, Manufacturing, and Systems Engineering Sampson Gholston	New Hire New Hire	Professor (T) Professor (T)	13308 13310
Kwok Tsui			
<b>College of Liberal Arts</b>			
Sociology and Anthropology Steven Arxer	New Hire	Professor (T)	13306

11. Contract (funds coming in) - U. T. Austin: Interlocal Agreement with Ohio Department of Higher Education to provide literacy strategies and teacher services

Agency: Ohio Department of Higher Education

Funds: \$6,500,000

Period: September 1, 2024 through June 30, 2026

Description: Under the Agreement, U. T. Austin's Meadows Center for Preventing Educational Risk will provide and evaluate teacher preparation and literacy strategies in regard to the science of reading. The Meadows Foundation was awarded the Agreement by the Ohio Department of Higher Education.

12. Contract (funds coming in) - U. T. Austin: Amendment to Agreement with Coca-Cola Southwest Beverages, LLC, to provide beverages for vending machines on campus

Agency: Coca-Cola Southwest Beverages, LLC

Funds: \$3,000,000

Period: January 1, 2025 through December 31, 2027

Description: Coca-Cola will continue to provide beverages for vending machines on campus, for which U. T. Austin will receive revenue. The initial Agreement was approved by the Board on November 9, 2017. The original term was September 1, 2017 through December 31, 2021; with two three-year renewal options. The First Amendment changed the prices on some of the items in the vending machines, which did not require Board approval. The Second Amendment provided an increase in product prices and was approved by the Board on August 20, 2020. The Third Amendment reduced rates to be paid by Coca-Cola due to the COVID-19 pandemic. The Fourth Amendment, which was approved by the Board on November 18, 2021, extended the term of the Agreement from January 1, 2022 through December 31, 2024, adjusted the pricing schedule on January 1, 2023, and reduced the annual payment through 2022 due to the pandemic. This Fifth Amendment extends the term through December 31, 2027, and increases the value of the Agreement from \$2,000,000 to \$3,000,000.

The initial Agreement was competitively procured by a Request for Proposal. Pursuant to *Texas Education Code* Section 51.945, students were provided an opportunity to comment prior to determination that this food service provider should be selected. Board approval for this Agreement is sought in accordance with *Texas Government Code* Section 2203.005(a) and The University of Texas Systemwide Policy UTS 130 pertaining to Vending Machine Contracts.

13. Contract (funds coming in) - U. T. Austin: Amendment to Professional Services Agreement with Seton Family of Doctors Gastroesophageal Reflux Disease (GERD) related to the provision of clinical and other related administrative services by physicians employed by U. T. Austin's Dell Medical School

Agency: Seton Family of Doctors

Funds: \$10,000,000 over the full contract term

Period: August 28, 2024 through September 30, 2025

Description: Under this Professional Services Agreement, U. T. Austin faculty-providers at Ascension clinics and facilities, along with Seton Family of Doctors, will continue the provision of inpatient, surgical, and clinical care of patients experiencing GERD. The initial Professional Services Agreement was effective October 1, 2020. The First Amendment was executed effective May 1, 2021, added additional providers to the Agreement, and increased the payments to U. T. Austin for professional services. The Second Amendment extended the term from September 1, 2023, to September 30, 2024, increased the contract value beyond institution's delegated authority threshold to \$5,675,000, and was approved by the Board on February 22, 2024. This Third Amendment updates the term of the Agreement to August 28, 2024 through September 30, 2025, and increases the value of the Agreement to \$10,000,000.

14. Contract (funds going out) - U. T. Austin: Agreement with All American Marine, Inc., for construction and purchase of 78-foot Teknicraft Catamaran by U. T. Austin's Marine Science Institute

Agency: All American Marine Inc.

Funds: \$8,000,000

Period: June 18, 2024 through May 1, 2027

Description: U. T. Austin's Marine Science Institute will contract with All American Marine, Inc., for the construction and purchase of a custom 78-foot research vessel that will suit the needs of faculty, scientists, and graduate students to conduct research expeditions. The procurement justification is an Exclusive Acquisition Justification.

15. Contract (funds going out) - U. T. Austin: Amendment to Agreement with Mydatt Services, Inc., dba Block by Block, to provide safety and beautification services to campus

Agency: Mydatt Services, Inc., dba Block by Block

Funds: \$6,059,099

Period: August 19, 2024 through July 31, 2025; with option of one one-year renewal

Description: Under the Agreement, Block by Block provides daily safety and beautification services to the West Campus part of the U. T. Community. Many U. T. Austin students live in the West Campus area and the University owns and manages numerous West Campus properties, including parking garages utilized by university employees.

The initial Agreement began July 3, 2023, had a value of \$3,224,000, and did not require Board approval. This First Amendment becomes effective August 19, 2024, and adds funds of \$2,835,099 to the Agreement, but does not change the end date.

The Agreement was procured through a Best Value Justification.

16. Contract (funds going out) - U. T. Austin: Amendment to Master Agreement with edX LLC, including mutual release of claims

Agency: edX LLC

Funds: Estimated \$2,500,000 to be paid by U. T. Austin to edX LLC, based on revenues earned by U. T. Austin through online Master's Degree Programs in Computer Science and Data Science for the Summer and Fall 2024 periods

Period: The payout period for the Summer and Fall 2024 periods will be in phases, starting in late 2024 and concluding in October 2025.

Description: The University of Texas System and edX LLC entered into a Master Agreement to facilitate the teaching of online education courses, including Massive Open Online Courses (MOOCs), by any University of Texas institution in October 2012. In October 2018, the parties amended the Agreement to allow institutions to offer through edX approved online Master's degree (OMD) programs. U. T. Austin elected to offer three such programs, including two programs in Computer Science and Data Science. The 2018 Amendment, which was approved by the Board on November 18, 2018, called for the U. T. institutions and edX to collaborate on the OMD offerings, with institutions providing subject matter, teaching, and content and edX providing marketing assistance and the learning platform.

Because of the changing nature of the OMD offering and edX's marketing and support services, including a shift from the edX learning platform to the Canvas learning platform offered by U. T. Austin, the parties have negotiated a Second Amendment to the Master Agreement updating the terms of U. T. Austin's OMD programs. The proposed terms allow U. T. Austin to separate its Computer Science and Data Science OMD programs from edX and to offer those courses itself, with no third party. In recognition of edX's marketing and support assistance during a transition period, U. T. Austin will share revenue from the two OMD programs over a specified period (Summer and Fall 2024), with payments spread out into 2025. Those amounts are less than what is called for in the 2018 Amendment, which would have U. T. Austin make transition payments over a three-year period. In addition, the parties have agreed to execute releases ensuring that neither party may pursue legal claims against the other relating to payments or claims that may be asserted with respect to their collaboration on the two OMD programs and any revenue sharing.

17. Contract (funds going out) - U. T. Austin: Amendment to Physician Services Agreement with Seton Family of Doctors related to the provision of medical, clinical, and other related administrative services by physicians employed by Seton Ascension

Agency: Seton Family of Doctors

Funds: \$10,000,000

Period: October 15, 2024 through October 15, 2026; with option to extend two additional one-year periods

Description: Under this Physician Services Agreement, U. T. Austin and Seton Family of Doctors collaborate to enhance the provision of quality medical services in the Central Texas area. The initial Agreement had a term of October 15, 2017 through October 15, 2022, and a total value of \$5,000,000. The First Amendment updated the terms of the Agreement allowing the possibility of automatic renewals through October 15, 2028. This Second Amendment updates the terms in a manner that eliminates automatic renewals and changes the term to end on October 15, 2026, with an option for two one-year renewals. In addition, the Second Amendment increases the total value of the Agreement to \$10,000,000.

18. Foreign Contract (funds going out) - U. T. Austin: Agreement with Monash University to provide 3D modeling services

Agency: Monash University, a public university in Australia

Funds: \$5,000

Period: December 1, 2024 through August 31, 2025

Description: Monash University will provide research services and materials related to 3D Modeling for the College of Liberal Arts studies. Under the Agreement, Monash will provide 3D models of plants and animals along with a fully developed 3D virtual reality environment that integrates the models with landscape topography.

19. Foreign Contract (funds going out) – U. T. Austin: Purchase Order with Wisco Gases Company LTD for purchase of xenon gas (Item Deferred)

Agency: Wisco Gases Company LTD, an entity of the Chinese government

Funds: \$37,275

Period: November 30, 2024

Description: U. T. Austin is seeking to issue a purchase order to buy research-grade xenon gas from Wisco. The gas will be utilized during research in Department of Physics laboratories. This Agreement was procured through a competitive bid process.

20. Request for Budget Change - U. T. Austin: Transfer \$47,206,607 from University Budget Council – UBC Commitments – Designated Funds, Allocation for Budget Adjustment and \$441,548 from Vice President for Business Affairs – Indirect Cost Income, Miscellaneous Income to Project Management and Controls System – Repair and Replacement: Program and Safety and Code – Allocated for Budget to confirm planned programs and projects to enable replacement or renewal of building assets, systems, and equipment necessary for facilities operations and to add operational life to educational and general spaces (RBC No. 13300) -- amendment to the FY 2024 budget

21. Request for Budget Change - U. T. Austin: Tenure Appointments -- amendment to the FY 2024 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>
<b>McCombs School of Business</b>			
Management			
Metin Sengul	New Hire	Professor (T)	13294
<b>College of Fine Arts</b>			
Design			
Karol Murlak	New Hire	Professor (T)	13292
<b>Jackson School of Geosciences</b>			
Earth and Planetary Sciences			
Marek Locmelis	New Hire	Associate Professor (T)	13293
<b>College of Natural Sciences</b>			
Marine Science			
Kelly Dorgan	New Hire	Associate Professor (T)	13298
Xinping Hu	New Hire	Professor (T)	13296
<b>Steve Hicks School of Social Work</b>			
Social Work			
Danielle Parrish	New Hire	Professor (T)	13295

22. Request for Budget Change - U. T. Austin: 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:

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>	<u>RBC #</u>
<b>Jackson School of Geosciences</b>			
Earth and Planetary Sciences			
Daniel Alessi	New Hire	Professor (T)	13297

23. Lease - U. T. Austin: Authorization to extend and amend the existing space lease to the Texas State Historical Association (TSHA) for the use of approximately 5,416 square feet of space located at a) 3001 Lake Austin Boulevard, and b) the West Pickle Research Center, in Austin, Travis County, Texas, for office and storage use in support of the institution's teaching, research, and publication opportunities regarding Texas history; and finding of public purpose

Description: Authorization to extend and amend the existing space lease agreement to the Texas State Historical Association (TSHA) for use of approximately 5,416 square feet of space located in U. T. Austin facilities at a) 3001 Lake Austin Boulevard, and b) the West Pickle Research Center, in Austin, Travis County, Texas, for office and storage use in support of the institution's teaching, research, and publication opportunities regarding Texas history; and finding of public purpose. The lease extension also reduces the leased premises area from 7,461 square feet. The Board made a finding of public purpose and approved the initial lease on February 12, 2015.

Lessee: Texas State Historical Association, a Texas nonprofit corporation

Term: The existing lease term expires on February 28, 2025. The extension term will commence March 1, 2025. The parties shall extend the lease term for up to 10 years in one-year increments, at the option of both the TSHA and U. T. Austin.

Consideration: Provided TSHA continues to meet requirements for the finding of public purpose as described below, TSHA shall pay an annual gross rent of \$100. Market rent and operating expenses foregone may approximate \$2,500,000 over the potential 10-year term of the lease extension.

Finding of Public Purpose: In furtherance of the aligned missions of U. T. Austin and TSHA to promote the appreciation, understanding, and teaching of the history of Texas and to encourage the research, preservation, and publication of historical materials regarding the state of Texas and the mutual benefits to be derived by each party, U. T. Austin and TSHA have agreed to amend and extend their existing Academic Affiliation Agreement. This Agreement may provide, among other matters, for the creation of public programs jointly with the institution for the benefit of students, faculty, and the broader U. T. Austin community; creating opportunities for paid research and programmatic involvement for the institution's students and faculty; and acknowledging U. T. Austin as co-sponsor and collaborator of TSHA work product as appropriate. The institution may continue to make monetary payments to TSHA, subject to available funds, as consideration for the TSHA's obligations.

The U. T. System Board of Regents is asked to find that:

1. As described above, the lease, Academic Affiliation Agreement, and any related agreements support the public mission of and serve a public purpose appropriate to the function of U. T. Austin;
2. the transaction will result in adequate consideration and benefits to U. T. Austin and the State of Texas; and
3. pursuant to the lease, which provides for either termination or an adjustment to market rent in the event that TSHA does not fulfill the public purpose, U. T. Austin will have sufficient safeguards in place to ensure the public purpose will continue to be met on an ongoing basis.

24. 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:

College, Department, and Name	From	To	RBC #
<b>Erik Jonsson School of Engineering and Computer Science</b>			
Mechanical Engineering			
Xinfang Jin	New Hire	Associate Professor (T)	13283
Edward B. White	New Hire	Professor (T)	13282
<b>School of Natural Sciences and Mathematics</b>			
Biological Sciences			
Tian Hong	New Hire	Associate Professor (T)	13284

25. Purchase - U. T. Dallas: Authorization to purchase approximately 5.25 acres of land improved with a vacant office building containing approximately 143,492 square feet of space with surface parking lot and a structured parking garage, located at 17787 Waterview Parkway, Dallas, Collin County, Texas, from CFT NV Developments, LLC, for future campus expansion; and resolution regarding parity debt

Description: Authorization to purchase approximately 5.25 acres of land improved with a vacant office building containing approximately 143,492 square feet of space with surface parking lot and a structured parking garage, located at 17787 Waterview Parkway, Dallas, Collin County, Texas, from CFT NV Developments, LLC, for future campus expansion; and resolution regarding parity debt.

The subject property was constructed in 1993 and consists of a five-story office building, surface parking, and a two-level parking deck. The property has parking ratio of approximately 3.28 spaces per 1,000 square feet of net rentable area, split between surface parking lots and parking deck totaling approximately 471 parking space. Portions of parking are accessed by an easement benefitting the subject property.

All the interiors are finished. Portions of the interiors are in usable condition, with some including modular office ready for use. U. T. Dallas plans to renovate portions of the space.

Use: The U. T. Dallas campus and the property are across the street from one another. The property will be used by the institution for campus expansion, initially for a combination of office and academic uses.

Seller: CFT NV Developments, LLC, a Nevada limited liability company, or related entities, successors, or assigns

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

Source of Funds: Revenue Financing System debt to be repaid out of institutional funds. The institution's Scorecard Rating of 2.4 at fiscal year-end 2023 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. In approving this item, the Board will be making the findings required under Section 5 of the Amended and Restated Master Resolution establishing the Revenue Financing System relating to the issuance of parity debt on behalf of U. T. Dallas in an aggregate amount not to exceed fair market value as established by independent appraisal, and this action satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations*.

26. Other Matters - U. T. El Paso: Formal approval to conclude negotiations and authorize execution of necessary documents for athletic conference membership in the Mountain West Conference (MWC)

The Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel support the request that the institutional president be delegated authority to conclude negotiations and execute necessary document(s) for membership in the Mountain West Conference (MWC) effective July 1, 2026.

The change in conference membership was reviewed in September 2024 following the process provided for certain time-sensitive athletics matters as allowed by Regents' *Rules and Regulations*, Rule 10501, Subsection 2.2.13, upon a determination of special circumstances. A ruling request is pending before the Texas Office of the Attorney General as to whether specific business and financial terms are subject to public disclosure under Section 552 of the *Texas Government Code*.

U. T. El Paso has determined that the MWC is geographically more suited to U. T. El Paso and will enhance the student-athlete experience with reduced travel time, renewed natural rivalries within the institution's primary recruiting base, in the western time zone. While there is a cost to change conferences, membership in the MWC will reduce travel expenses and very likely increase revenue from television contracts.

Full membership in the MWC when U. T. El Paso joins the conference will include the following institutions: the University of New Mexico; the University of Nevada Las Vegas; the University of the Nevada; San Jose State University; the University of Wyoming; the United States Air Force Academy; the University of Hawaii (football only membership as of October 7, 2024). Additional members may be added to the conference.

27. Interagency Agreement (funds coming in) - U. T. Permian Basin: Interagency Agreement between Texas Department of Transportation (TxDOT) and U. T. Permian Basin for construction of sidewalks and shared use path

Agency: Texas Department of Transportation

Funds: \$ 6,377,697

Period: November 2024 through December 2026

Description: The Advanced Funding Agreement (APA) formalizes this grant to be received by U. T. Permian Basin from TXDot for U. T. Permian Basin to construct a sidewalk and trails enhancement.

The scope of work for the project consists of the construction of portions of shared-use-path and portions of sidewalks around U. T. Permian Basin. The project will include crosswalks, ADA ramps, and lighting. The purpose is to provide infrastructure improvements that enhance safety for cyclists and pedestrians.

28. Lease - U. T. Rio Grande Valley: Authorization to amend and extend a lease of up to approximately 36,888 usable square feet of space located at 2106 Treasure Hills Boulevard, Harlingen, Cameron County, Texas, to the United States of America for a Veterans Affairs Outpatient Clinic

**Description:** U. T. Rio Grande Valley currently leases approximately 32,177 usable square feet of space at 2106 Treasure Hills Boulevard (identified as 2102 Treasure Hills Boulevard in the existing lease) in Harlingen, Cameron County, Texas, to the United States of America for a Veterans Affairs Outpatient Clinic.

**Lessee:** United States of America

**Term:** The term of the lease renewal will be for approximately four years and may give the Lessee the option to terminate the lease during the fourth year with approximately 90 days prior written notice to the Lessor.

**Rental Amount:** The rent and operating expenses are currently estimated to be approximately \$4,173,114 over the four-year renewal term for the 32,177 square foot premises. If the Lessee decides to lease the entire premises of 36,888 square feet, then the estimated rent to U. T. Rio Grande Valley may increase by approximately \$610,981.

The total estimated lease payments over the initial lease term and the proposed renewal term, if the Lessee decides to lease the entire premises of 36,888 are approximately \$15,063,869.

**Background:** There is no record of Board authorization for the initial lease with U. T. Health Science Center - San Antonio, which was effective October 19, 2007, and expired on October 18, 2022. Effective September 1, 2015, the Board of Regents combined assets and resources benefitting The University of Texas-Pan American and The University of Texas at Brownsville to form U. T. Rio Grande Valley. It was during this transition that the subject lease was transferred from U. T. Health Science Center - San Antonio to U. T. Rio Grande Valley.

U. T. Rio Grande Valley remeasured the premises and estimates that the actual area of the premises is approximately 36,888 usable square feet. The initial square footage of the lease was approximately 30,000 usable square feet and has increased in size as the Lessee has expanded its presence in the building over time. The Lessee has reduced its footprint to fit into 32,177 usable square feet until an amendment is executed by both parties to memorialize the difference in square footage.

On August 25, 2022, the Board authorized extension of the initial lease with U. T. Rio Grande Valley for three additional years, with rent and operating expenses estimated to be approximately \$31.00 per square foot or \$3,083,132 over the renewal term for the 32,177 square foot premises, or \$3,534,530 for the entire premises of 36,888 square feet. The total estimated lease payments over the initial lease term and the previously approved renewal term would have been approximately \$13,362,907. That lease extension was never finalized, and the Lessee has now requested that the lease be extended by four years, rather than the previously approved three years.

The proposed lease site is part of a larger parcel consisting of approximately 26.2 acres in two adjacent tracts that were gifted to the Board of Regents by Valley Baptist Memorial Center for the purposes of undergraduate and graduate medical education programs, health research, health education of the public, and other health professional education programs in the Lower Rio Grande Valley. Because of use restrictions in the gift deed, the institution is also seeking the consent of Valley Baptist Medical Center to the proposed lease.

29. Purchase - U. T. Rio Grande Valley: Authorization to purchase approximately 7.26 acres of land and improvements containing an approximately 55,816 square foot vacant commercial building and surface area parking lot(s), located within a retail center at 2222 South 77 Sunshine Strip, Harlingen, Cameron County, Texas, from Royce Carville, Janice Carville and UH-HT, LLC, for future campus expansion; and resolution regarding parity debt

Description: Purchase of approximately 7.26 acres of land and improvements containing an approximately 55,816 square foot vacant commercial building and surface area parking lot(s), located within a retail center at 2222 South 77 Sunshine Strip, Harlingen, Cameron County, Texas, from Royce Carville, Janice Carville and UH-HT, LLC. U. T. Rio Grande Valley intends to utilize the property for future campus expansion to include office and classroom space initially related to the doctoral program in physical therapy.

The property is a former one-story grocery store that has been adapted to office use. It is located approximately one half of a mile from U. T. Rio Grande Valley's medical campus located on Treasure Hills Boulevard.

The property is currently subject to restrictive covenants that unduly limit use, access, parking, and other rights. The parking for the property is shared with other owners within the development and parking is provided as common area for the entire project, including the subject property. Closing on the purchase of the property will be contingent upon U. T. Rio Grande Valley removing or modifying these restrictions to the satisfaction of the institution.

Seller: Royce Carville, Janice Carville and UH-HT, LLC, 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

Source of Funds: Revenue Financing System debt to be repaid out of institutional funds. The institution's Scorecard Rating of 4.4 at fiscal year-end 2023 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. In approving this item, the Board will be making the findings required under Section 5 of the Amended and Restated Master Resolution establishing the Revenue Financing System relating to the issuance of parity debt on behalf of U. T. Rio Grande Valley in an aggregate amount not to exceed fair market value as established by independent appraisal and this action satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations*.

30. Request for Budget Change - U. T. San Antonio: Transfer \$6,500,000 from Designated Funds to Plant Funds for Park West infrastructure costs (RBC No. 13286) -- amendment to the FY 2024 budget
31. Lease - U. T. San Antonio: Authorization to lease approximately 8,788 rentable square feet of retail space located at 111 West Houston Street, San Antonio, Bexar County, Texas, from WUKDC 1, LP, for the relocation of the Institute of Texan Cultures

Description: Authorization to lease approximately 8,788 rentable square feet of retail space located on the first floor at 111 West Houston Street, San Antonio, Bexar County, Texas, from WUKDC 1, LP, for the relocation of the Institute of Texan Cultures (ITC)

Lessor: WUKDC 1, LP

Term: The term of the lease will be for approximately 60 months, which will commence on approximately January 1, 2025. Tenant will have early access to the premises to perform tenant improvements. Tenant will also have the option to further extend the term of the lease for two renewal periods of 12 months each at fair market rent. U. T. San Antonio plans for this space to house the ITC on an interim basis while the institution explores options for a long-term location for the ITC.

Lease Cost: Base Rent over the initial term will be approximately \$18.00 per square foot annually for year one, and then will increase by 3% annually thereafter.

The base rent for the potential renewal periods will be at the then determined fair market value. Lessee will be responsible for all operating expenses, which is initially estimated to be approximately \$20.65 per square foot. Assuming 3% annual operating expense increases, the operating expenses during the initial term are estimated to be approximately \$963,461 and the renewal periods are estimated to be approximately \$427,063. Lessee will be responsible to pay janitorial service, which cost is estimated to be approximately \$26,364 per year and may be paid directly to the janitorial provider for the Lessee's premises. Utilities are included in the operating expense estimates. Lessee will also be provided with approximately ten unreserved parking spaces, at an additional initial parking fee of approximately \$15,600 per year.

**Tenant Improvements:** In lieu of the Lessor providing a tenant improvement allowance, the rent was reduced accordingly. The institution will pay the cost of improvements for the premises, estimated to be approximately or \$570.00 per square foot, which is estimated to be approximately \$5,009,000 towards improvements to the leased space. The price per square foot is attributable to the unique requirements of the space to be built out to museum standards.

**Total Cost:** The total estimated lease expense over the initial lease term and potential renewal periods is approximately \$7,922,975, which includes estimated rent, estimated operating expenses, janitorial expenses, parking fees, and the proposed tenant improvement expense.

32. Request for Budget Change - U. T. Tyler: 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 #
<b>School of Nursing</b>			
Nursing			
Mandy Golman	New Hire	Professor (T)	13299

33. Lease - U. T. Tyler: Authorization to extend master lease term and increase number of apartment units from approximately 120 units currently leased by U. T. Tyler to approximately 484 units located at 3400 Varsity Drive, Tyler, Smith County, Texas, from Eden Tyler Co-Owner, LLC, and Humphress-Buckley Holdings, LLC, for mission purposes, including housing for students, staff, and employees

**Description:** Extend master lease term and increase number of apartment units from approximately 120 units currently leased by U. T. Tyler to approximately 484 units located at 3400 Varsity Drive, Tyler, Smith County, Texas, from Eden Tyler Co-Owner, LLC, and Humphress-Buckley Holdings, LLC, for mission purposes to include housing for students, staff, and employees.

Eden Tyler Co-Owner, LLC, and Humphress-Buckley Holdings, LLC, recently acquired the property, which consists of a 484-unit apartment community known as The Foundry next door to the campus and it includes the 120 units presently leased by U. T. Tyler. U. T. Tyler desires to lease all 484 units from the Lessor beginning in approximately August 2025.

The initial master lease for the 120 units did not require Board of Regents approval as the lease value was within the institution's delegated authority threshold; however, with the increase to 484 units review and approval is now requested.

**Lessor:** Eden Tyler Co-Owner, LLC, a Delaware limited liability company, and Humphress-Buckley Holdings, LLC, a Kentucky limited liability company or related entities, successors, or assigns

**Term:** The initial lease provided for a one-year term for the existing 120 units from August 1, 2023 through July 31, 2024, and included a one-year renewal option. An amendment to the 120-unit lease was implemented in 2024, which extended the lease for an additional year with a one-year renewal option.

The lease term for the 484 units is initially for a period of one year from August 1, 2025 through July 31, 2026, with an automatic one-year extension until July 31, 2027, unless the Lessee decides not to renew.

**Right of First Refusal to Purchase:** Lessee may be granted a Right of First Refusal to Purchase the property, which cost will not exceed Fair Market Value.

**Lease Cost:** Current rent for the 120 units is approximately \$1,017.50/month for a one-bedroom unit and \$1,402.50/month for a two-bedroom unit.

Estimated first year rental for the 484 units is approximately \$1,119.25/month for a one-bedroom unit and \$1,542.75/month for a two-bedroom unit, which combined with the current rent for the 120 units is approximately \$10,974,066 in total lease cost.

Inclusive of the one-year extension through July 31, 2027, the total estimated lease cost for this transaction for all 484 units is estimated to be approximately \$18,445,332.

## HEALTH AFFAIRS COMMITTEE

34. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide physician and other health services to Dallas County Hospital District, dba Parkland Health and Hospital System

Agency: Dallas County Hospital District, dba Parkland Health and Hospital System

Funds: \$296,967,792

Period: October 1, 2024 through September 30, 2025

Description: U. T. Southwestern Medical Center to provides physician and other health services to Parkland patients primarily at Parkland Memorial Hospital and other Parkland facilities. The services provided include professional medical services, including but not limited to Acute Emergent Dialysis, Anesthesiology, Pain Management, Medical Intensive Care (MICU), Emergency Medicine, Endocrinology, Global Diabetes Management, Hematology-Oncology, Hospitalists, Infectious Disease, Neurosurgery & Neurology-NCC, Obstetrics and Gynecology Emergency Services (OGES), Palliative Care, Psychiatry, Renal Transplant, Rheumatology, Surgical Intensive Care Unit, Surgical Oncology, Vascular Interventional Radiology, Surgery Transplant, Vascular Surgery, General Internal Medicine, Cardiovascular Services, and Radiation Oncology; and administrative services such as medical director services, residency administration, and supervision of advanced practice providers.

35. Contract (funds going out) - U. T. Southwestern Medical Center: Agreement for Services with Dallas Physician Medical Services for Children, Inc., to assist U. T. Southwestern Medical Center in managing and operating regional Child Psychiatry Access Network (CPAN) and Texas Child Health Access through Telemedicine (TCHATT) Programs

Agency: Dallas Physician Medical Services for Children, Inc.

Funds: \$10,636,052

Period: September 1, 2023 through August 31, 2025

Description: This is an Agreement for Services between Dallas Physician Medical Services for Children, Inc. (DPMSC) and U. T. Southwestern Medical Center wherein DPMSC will assist in managing and operating regional Child Psychiatry Access Network (CPAN) and Texas Child Health Access through Telemedicine (TCHATT) programs by providing program staffing and support (including but not limited to Behavioral Health Providers and various administrators) for program activities that occur at DPMSC. The Agreement was not competitively bid, but instead procured through an Exclusive Acquisition Justification. The contract is being brought forward for the Board approval as it is nearing the institution's \$5,000,000 delegated threshold.

36. Purchase - U. T. Southwestern Medical Center: Authorization to purchase approximately 2.18 acres of land with approximately 52,000 square feet of improvements, located at 1916, 1918, 1924, 1928, 1950, and 1968 Record Crossing Road, Dallas, Dallas County, Texas, from MPT of Dallas LTACH, L.P., for mission uses or future campus expansion

Description: Authorization to purchase approximately 2.18 acres of land with approximately 52,000 square feet of improvements located at 1916, 1918, 1924, 1928, 1950, and 1968 Record Crossing Road, Dallas, Dallas County, Texas, from MPT of Dallas LTACH, L.P., for mission uses or future campus expansion

Seller: MPT of Dallas LTACH, L.P., a Delaware limited partnership or related entities, successors, or assigns

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

37. Purchase - U. T. Southwestern Medical Center: Authorization to purchase approximately 7.31 acres of land and improvements, located at 5302 Harry Hines Boulevard, Dallas, Dallas County, Texas, from The Salvation Army, for future campus expansion

Description: Authorization to purchase approximately 7.31 acres of land and improvements, located at 5302 Harry Hines Boulevard, Dallas, Dallas County, Texas, from The Salvation Army, for future campus expansion, including mission uses.

The property is located across Harry Hines Boulevard adjacent to U. T. Southwestern Medical Center’s main campus. Its location is conducive to collaboration with Parkland Hospital.

The property is improved with a residential service center operated by the Seller that the institution expects to demolish after the closing. The purchase contract calls for a delayed closing so that the Seller may first build a new planned residential service center at another site in Dallas.

Seller: The Salvation Army, a Georgia corporation, or related entities, successors, or assigns

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

38. Contract (funds coming in) - U. T. Medical Branch - Galveston: Approval of Settlement Agreement with AbbVie, Inc.

Agency: AbbVie, Inc.

Funds: \$2,000,000

Period: Effective when signed by all parties

Description: The Vice Chancellor and General Counsel recommends approval of the Settlement Agreement between AbbVie, Inc., and U. T. Medical Branch - Galveston (UTMB) to resolve a dispute over the effective date of a 2001 license agreement as a result of two amendments. This Settlement, which includes a payment of funds by AbbVie, Inc., to UTMB, is necessary and beneficial to UTMB to move forward with AbbVie, Inc., and help foster potential research and collaborations in the future.

39. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide consulting services to Badya University

Agency: Badya University

Funds: Approximately \$11,200,000 over entire term

Period: September 1, 2024 through August 31, 2029; with one three-year automatic renewal

Description: U. T. Medical Branch - Galveston (UTMB) will provide consulting and technical services to Badya University, which is a privately owned, newly formed university, located in Cairo, Egypt. UTMB will provide education consulting services for Badya to establish its newly licensed School of Medicine, School of Dentistry, and School of Physiotherapy. UTMB will receive approximately \$1,400,000 in the first year based upon the current student cohort, and as the student cohort increases, UTMB will receive additional funding.

40. Request for Budget Change - U. T. Medical Branch - Galveston: Tenure Appointments -- amendment to the FY 2024 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:

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>	<u>RBC #</u>
<b>School of Medicine</b>			
Internal Medicine			
Kimberly Skarupski	New Hire	Professor (T)	13275
Otolaryngology			
Nausheen Jamal	New Hire	Chair and Professor (T)	13278

41. Request for Budget Change - U. T. Medical Branch - Galveston: 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 Health Affairs and is 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>
<b>School of Medicine</b>			
Internal Medicine			
Antonio Bianco	New Hire	Professor (T)	13276

42. Lease - U. T. Medical Branch - Galveston: Authorization to lease approximately 26,096 square feet of space, as Lessor, in the John Sealy Hospital, located at 301 8th Street, Galveston, Galveston County, Texas, to Clear Lake Institute for Rehabilitation, LLC, for use as an inpatient rehabilitation facility

**Description:** Authorization to lease approximately 26,096 square feet of space, as Lessor, containing approximately 22 beds on the 8th floor of the John Sealy Hospital, located at 301 8th Street, Galveston, Galveston County, Texas, to Clear Lake Institute for Rehabilitation, LLC, for use as an inpatient rehabilitation facility. The institution selected Clear Lake Institute for Rehabilitation through direct negotiation based on the Lessee’s respected health care reputation, strong presence in the institution’s other active markets, and their ability to provide inpatient rehabilitation post-acute care within John Sealy Hospital. Currently, the institution does not offer a similar service and the proximity, ease of access, and referral relationship to this provider should offer more convenient post-acute care to the institution’s patient base. Additionally, the institution anticipates that Lessee will offer unique learning opportunities to the institution in post-acute services, which would ordinarily not be available to the institution’s physicians and students.

**Lessee:** Clear Lake Institute for Rehabilitation, LLC, a Delaware limited liability company, or related entities, successors, or assigns

**Term:** The lease term will be approximately 60 months, with the option to extend the lease for two renewal periods of 24 months each at the mutual agreement of both parties.

**Rental Rate:** The initial gross rental rate will be approximately \$78.83 per rentable square foot for the first year and then will increase by 2.50% annually thereafter, continuing through the potential renewal periods. The gross rental rate includes operating expenses; however, Tenant will pay additional rent and tax expenses, including applicable real property taxes, personal property taxes, and business taxes.

Tenant Improvements: The institution is spending approximately \$13,554,450 as the renovation budget for the entire 8th floor of the John Sealy Hospital modernization project. Approximately \$9,186,260 of the renovation budget will be allocated towards the cost of improving Lessee’s proposed premises.

Lease Revenue: The total estimated gross rental amount over the initial term and potential renewal terms is approximately \$20,477,915; the initial term totals approximately \$10,813,044 and the renewal terms totals approximately \$9,664,871 if all renewal options are exercised.

43. Contract (funds coming in) - U. T. Health Science Center - Houston: CSC ServiceWorks, Inc., to provide automated laundry services at University Student and Faculty Housing

Agency: CSC ServiceWorks, Inc.

Funds: \$160,000

Period: August 1, 2024 through July 31, 2029

Description: CSC ServiceWorks, Inc., will provide automated laundry services at the U. T. Health Science Center - Houston University Student and Faculty Housing. CSC ServiceWorks, Inc., will pay royalties to U. T. Health Science Center - Houston according to an agreed fee schedule. Board approval is sought in accordance with *Texas Government Code*, Section 2203.005(a) and The University of Texas Systemwide Policy UTS 130 pertaining to Vending Machine Contracts. This Agreement was competitively bid.

44. Contract (funds coming in and going out) - U. T. Health Science Center - Houston: The French Corner Catering, LLC., to provide grab-n-go food services at locations across campus

Agency: The French Corner Catering, LLC.

Funds: \$4,500,000 (funds going out); Estimated \$630,000 for royalty payments over the entire term (funds coming in)

Period: August 1, 2024 through July 31, 2029; with two additional two-year renewals

Description: The French Corner Catering, LLC., will provide grab-n-go food services at locations across the U. T. Health Science Center - Houston campus. Services also include providing fresh food and beverages to students, staff, and guests, and catering services to U. T. Austin McCombs Business School Master of Business Administration (MBA) Program, which is located on the U. T. Health Science Center - Houston Campus. Pursuant to a separate agreement, U. T. Austin reimburses U. T. Health Science Center - Houston in the amount of \$4,500,000 for the services provided to the U. T. Austin MBA program.

Pursuant to *Texas Education Code* Section 51.945, the students were provided with an opportunity to comment prior to determination that this food services provider should be selected by the institution. Board approval is sought in accordance with *Texas Government Code*, Section 2203.005(a) and The University of Texas Systemwide Policy UTS 130 pertaining to Vending Machine Contracts. This Agreement was competitively bid.

45. Contract (funds coming in) - U. T. Health Science Center - San Antonio: Academic Collaboration Agreement for Academic Consulting Services with Ain Al Khaleej Hospital, United Arab Emirates

Agency: Ain Al Khaleej Hospital, United Arab Emirates

Funds: The total contract value over the entire term is approximately \$9,135,000.

Period: From date of execution of the Agreement through five years

Description: Academic Collaboration Agreement for U. T. Health Science Center - San Antonio to provide academic consulting services to Ain Al Khaleej Hospital to assist in the development of undergraduate degrees in dentistry, nursing, and other allied health professions and other related educational activities according to international academic standards.

46. Request for Budget Change - U. T. Health Science Center - San Antonio: Tenure Appointment -- amendment to the FY 2024 budget

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

College, Department, and Name	From	To	RBC #
<b>Long School of Medicine</b>			
Anesthesiology			
Maxim Savillion Eckmann	Clinical Professor	Professor (T)	13279

47. 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 #
<b>School of Health Professions</b>			
Physical Therapy			
Bradley S. Tragord	Associate Professor	Associate Professor (T)	13291
<b>Long School of Medicine</b>			
Medicine-Hematology and Mays Cancer Center			
Lei Zheng	New Hire	Professor (T)	13281
<b>School of Public Health</b>			
Health Policy and Health Services Administration			
Michael T. Halpern	New Hire	Professor (T)	13280

48. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Palantir Technologies Inc. to provide a new software platform to securely leverage generative Artificial Intelligence (AI) in operational applications

Agency: Palantir Technologies Inc.

Funds: The total cost of services under this Agreement, including all renewals, is estimated to be \$11,000,000.

Period: April 1, 2024 through June 30, 2026; with one three-year renewal option

Description: Palantir Technologies Inc. will provide a new software platform, Artificial Intelligence Platform (AIP), to securely leverage generative Artificial Intelligence (AI) in operational applications. Through partnership with OpenAI, Google, and others, Palantir provides access to the latest AI models in a stateless manner, meaning that no customer data is used to train models. AIP will provide a suite of tools to put generative AI into end user workflows.

The Agreement may have multiple Order Forms and each Order Form will continue for the duration set forth in that Order Form.

The First Order Form is effective April 1, 2024, and expires on June 30, 2026, with an option to extend the term for an additional three years. If the Order Form is extended, annual AIP Fee commitments may be invoiced on a monthly upfront basis for Year 1 through Year 3 of the extension.

This Agreement was acquired via an Exclusive Acquisition Justification.

49. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with Advanced Accelerator Applications to purchase PLUVICTO and LUTATHERA (proprietary radiopharmaceutical drugs)

Agency: Advanced Accelerator Applications

Funds: The total contract value is approximately \$380,000,000.

Period: December 1, 2024 through September 25, 2027; with no remaining renewals

Description: The Radiopharmaceutical Purchase Agreement with Advanced Accelerator Applications is for the purchase of PLUVICTO (proprietary radiopharmaceutical drug) for the U. T. M. D. Anderson Cancer Center Nuclear Medicine department. PLUVICTO is the first FDA-approved targeted radioligand therapy for eligible patients that combines a targeting compound (ligand) with a therapeutic radioisotope (a radioactive particle).

The initial Agreement was effective September 26, 2022 through September 25, 2025, with two renewals of 12 months each and a cap amount of \$4,900,000. The initial Agreement did not require Board approval as the cap amount was within the institution's delegated approval threshold. This First Amendment, effective December 1, 2024, increases the cap amount, adds the purchase of an additional product (LUTATHERA), updates the pricing for PLUVICTO, and extends the term to September 25, 2027, with no remaining renewals. The significant increase in the cap amount is necessary because LUTATHERA, the additional product, is purchased much more frequently than PLUVICTO. The initial Agreement was acquired via an Exclusive Acquisition Justification.

50. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with Jacobs Engineering Group, Inc., to provide facility commissioning services

Agency: Jacobs Engineering Group, Inc.

Funds: The total contract value, including the renewal periods, is estimated to be \$10,000,000, although the maximum amount is indeterminable at this time.

Period: August 31, 2024 through August 30, 2027; with no remaining renewals

Description: Under this job order contracting Agreement, Jacobs Engineering Group, Inc. (Jacobs) will function as a general contractor to provide general and specific facility commissioning services for projects on a per-project basis. Jacobs will provide all material, labor, equipment, and services necessary for completion of each project. Services are on a nonexclusive, indefinite quantity basis, and there is no minimum amount of work required. The initial Agreement, effective as of August 31, 2021, with an estimated value of \$4,000,000, did not require Board approval as the estimated value was within the institution's delegated approval threshold. This First Amendment, effective August 31, 2024, increases the estimated contract value to \$10,000,000 and extends the term to August 30, 2027. There are no remaining renewals. This Agreement was competitively bid.

51. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with MotivAction, LLC, dba Augeo, to provide employee recognition and reward services

Agency: MotivAction, LLC dba Augeo

Funds: The total value is approximately \$20,750,000.

Period: August 26, 2024 through July 8, 2025

Description: MotivAction, LLC, dba Augeo, provides an enterprise-wide, multi-platform Employee Recognition Solution (ERS) and related implementation and integration services. The ERS application will be used to manage recognition programs centrally by the Human Resources function of U. T. M. D. Anderson Cancer Center. The ERS system will improve the management of disparate recognition systems and increase participation of the employee population.

The initial Agreement was effective July 9, 2021 through July 8, 2024, with a cap amount of \$1,500,000 and two 12-month renewal options. The First Amendment, effective October 6, 2023, increased the cap amount to \$3,400,000. The Second Amendment, effective June 26, 2024, increased the cap amount to \$5,000,000 and extended the term to July 8, 2025. This Third Amendment, effective August 26, 2024, increases the cap amount to \$20,750,000 with one remaining renewal. The initial Agreement and Amendments One and Two did not require Board approval as the cap amount was within the institution's delegated approval threshold. The initial Agreement was acquired via competitive bid.

52. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with Paul Yeatts Enterprises, Incorporated, to provide services regarding exterior building waterproofing, hardscape, and emergent conditions

Agency: Paul Yeatts Enterprises, Incorporated

Funds: The total value is approximately \$9,435,000.

Period: August 20, 2024 through January 31, 2025; with one remaining renewal

Description: Paul Yeatts Enterprises, Incorporated, provides exterior building waterproofing, hardscape, and emergent conditions services, and performs maintenance related repair and minor construction installations on all U. T. M. D. Anderson Cancer Center campuses.

The initial Agreement was effective February 1, 2021 through January 31, 2023, and had a cap amount of \$1,500,000. The First Amendment, effective March 20, 2022, increased the cap amount to \$4,000,000. The Second Amendment, effective February 1, 2023, extended the term to January 31, 2024. The Third Amendment, effective February 1, 2024, extended the term to January 31, 2025.

The initial Agreement and Amendments One through Three did not require Board approval as the cap amount was within the institution's delegated approval threshold. This Fourth Amendment, effective August 20, 2024, increases the cap amount to \$9,435,000. There is one remaining renewal. The initial Agreement was acquired via competitive bid.

53. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with TCB Specialties, LLC, to provide promotional product services

Agency: TCB Specialties, LLC

Funds: The total contract value is approximately \$8,000,000.

Period: August 21, 2024 through August 31, 2025

Description: TCB Specialties, LLC, provides promotional product services to U. T. M. D. Anderson Cancer Center as well as customer service, weekly product delivery, dedicated account representatives, and a wide range of quality and diverse products. TCB Specialties, LLC, meets delivery specifications, pricing, and product mix that supports the unique environment of U. T. M. D. Anderson Cancer Center.

The initial Agreement, with TCB Specialties, was effective September 1, 2019 through August 31, 2022, with a cap amount of \$1,000,000 and two 12-month renewal options. The First Amendment, effective September 2, 2021, assigned the Agreement to TCB Specialties, LLC, and increased the cap amount to \$2,500,000. The Second Amendment, effective September 1, 2022, extended the term to August 31, 2023. The Third Amendment, effective June 21, 2023, increased the cap amount to \$4,000,000 and extended the term to August 31, 2024. The Fourth Amendment, effective August 1, 2024, increased the cap amount to \$5,000,000 and extended the term to August 31, 2025. The initial Agreement and Amendments One through Four did not require Board approval as the cap amount was within the institution's delegated approval threshold. This Fifth Amendment, effective August 21, 2024, increases the cap amount to \$8,000,000. The initial Agreement was acquired via competitive bid.

54. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with Waste Management of Texas, Inc., to provide collection, recycling, and disposal of nonhazardous solid waste and single-stream recycling materials

Agency: Waste Management of Texas, Inc.

Funds: The total contract value is approximately \$7,000,000.

Period: September 1, 2024 through August 31, 2026

Description: Waste Management of Texas, Inc., provides collection, transportation, management, recycling, and disposal of nonhazardous solid waste and single-stream recycling materials for U. T. M. D. Anderson Cancer Center.

The initial Agreement was effective September 1, 2023 through August 31, 2026, with a cap amount of \$5,000,000 and two 12-month renewal options. The initial Agreement did not require Board approval as the cap amount was within the institution's delegated approval threshold. This First Amendment, effective September 1, 2024, increases the cap amount to \$7,000,000. The initial Agreement was acquired via competitive bid.

55. Lease - U. T. M. D. Anderson Cancer Center: Authorization to lease approximately 16,628 rentable square feet of space, as Lessee, on the 4th floor of the TMC3 Collaborative Building in the Helix Park Campus located at 7255 Helix Park Avenue, Houston, Harris County, Texas, from the TMC3 Development Corporation, for mission uses, including office purposes and data science initiatives

Description: Authorization to lease approximately 16,628 rentable square feet of office space located at the TMC3 Collaborative Building in the Helix Park Campus located at 7255 Helix Park Avenue, Houston, Harris County, Texas. U. T. M. D. Anderson Cancer Center plans to use the proposed lease premises for office purposes and data science initiatives, including collaborations with third parties. The premises will serve as the flagship space of the Institute for Data Science Oncology.

Lessor: TMC3 Development Corporation, a Texas nonprofit corporation or related entities, successors, or assigns

Term: Approximately 84 months, and if applicable a partial month, from the date the Lessor delivers the leased premises in substantially complete condition to the Lessee. Lessee will have the option to further extend the term of the lease for two periods of approximately 60 months each.

**Lease Cost:** Base rent over the first lease year will be \$45.00 per rentable square foot annually. On the first day of the second lease year, then annually thereafter, base rent shall increase by 2.5%.

The base rent for the potential renewal periods will be at the then determined fair market value. Estimated base rent for the initial term and potential renewal terms is approximately \$15,612,243.

Lessee will be responsible for operating expenses, which are estimated to be approximately \$12.87 per square foot. Assuming 3% annual operating expense increases, the operating expenses during the initial period are estimated to be approximately \$1,639,785. Estimated operating expenses for the initial term and potential renewal terms is approximately \$4,657,031. The parties anticipate the lease will be exempt from ad-valorem taxation, but such taxes will be paid by U. T. M. D. Anderson Cancer Center if owing.

**Tenant Improvements:** The total cost of improvements to the premises, or total project cost, is estimated to be \$7,820,154. The Lessor will contribute approximately \$75.00 per rentable square foot, which is estimated to be approximately \$1,247,100, as a tenant improvement allowance.

The total capital investment by the institution is estimated to be approximately \$395 per rentable square foot (\$494 per usable square foot), or \$6,573,054. This includes above-standard power and communications infrastructure to accommodate data science uses in the space.

**Total Cost:** Total estimated lease expense over the initial lease term and potential renewal periods is approximately \$26,842,328, which includes estimated base rent, estimated operating expenses, and U. T. M. D. Anderson Cancer Center's share of the proposed tenant improvement expenses.

56. Lease - U. T. M. D. Anderson Cancer Center: Authorization to lease approximately 67,230 rentable square feet of space located at 6624 Fannin Street, Houston, Harris County, Texas, from Texas Children’s Hospital, a Texas nonprofit organization for medical office use

Description: Authorization to lease approximately 67,230 rentable square feet of space located at 6624 Fannin Street, Houston, Harris County, Texas, from Texas Children’s Hospital, a Texas nonprofit organization for medical office use

Lessor: Texas Children’s Hospital, a Texas nonprofit corporation or related entities, successors, or assigns

Term: The term of the lease will be for approximately 120 months, and any partial month, from the date that is nine months after the Early Access Date. The Early Access Date is estimated to be on or before October 1, 2025. Lessor will also have the option to extend the term of the lease for one renewal period of 60 months at fair market value. Lessee may have a one-time option to terminate all or a portion of the leased premises on the 84th month from the lease commencement date by paying a termination fee.

During the first 84 months, Tenant shall have the right of first refusal to lease any available space on floors 20 and 24 of the building.

Lease Cost: Estimated base rent for the initial term and potential renewal terms is approximately \$45,063,960.

Base Rent over the initial lease year will be \$37.38 per square foot annually with 2.5% annual increases thereafter. The base rent for the first potential renewal period will be at fair market value. Lessee will be responsible for any future escalations in operating expenses over the base year of 2025 (which is approximately \$23.87 per square foot). Assuming 3% annual operating expense increases, estimated operating expenses during the initial term will be approximately \$2,349,204 and estimated operating expenses for the renewal period will be approximately \$3,426,261. All utility charges and janitorial expenses for the premises are included in the base rent for the lease, subject to increases above the base year. Lessee will also have the option to lease approximately 45 covered parking spaces, for an additional initial parking fee of approximately \$113,400 per year. This fee may change over time.

Tenant Improvements: The Lessor will contribute an approximately \$60.00 per square foot tenant improvement allowance, which is estimated to total approximately \$4,033,800. Additionally, the Lessee will contribute the balance of the cost of improving the premises, such contribution is estimated at approximately \$788.00 per square foot, which is estimated to total \$52,977,240 towards improvements to the leased space.

Total Cost: The total estimated lease expense over the initial lease term and potential renewal periods is approximately \$105,517,666, which includes base rent, all operating expenses, proposed tenant improvement paid by U. T. M. D. Anderson Cancer Center, potential parking expenses, and all additional costs outlined above.

57. Purchase - U. T. M. D. Anderson Cancer Center: Authorization to purchase approximately 2.045 acres of land located at 6977 Main Street, Houston, Harris County, Texas, from Texas Medical Center, a Texas nonprofit corporation, for future campus expansion

Description: Authorization to purchase approximately 2.045 acres of land, with a hospital being demolished and all improvements to be removed prior to closing, located at 6977 Main Street, Houston, Harris County, Texas, from Texas Medical Center, a Texas nonprofit corporation, for future campus expansion.

The subject site is positioned at a prime corner location within the Texas Medical Center with frontage along Main Street and Pressler Street. Several U. T. M. D Anderson Cancer Center facilities are within 0.25 mile from the property.

The property may be encumbered by one or more easements benefitting adjacent properties.

Seller: Texas Medical Center, a Texas nonprofit corporation or related entities, successors, or assigns

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

## FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

58. Contract (funds going out) - U. T. System: Jacobs Project Management Co. to provide project management consulting services and construction administration support for the U. T. Austin and U. T. M.D. Anderson Cancer Center Medical Complex Project

Agency: Jacobs Project Management Co.

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, U. T. Austin, and U. T. M. D. Anderson Cancer Center. 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: May 10, 2024 through May 9, 2026; with two remaining 24-month renewals options

Description: Jacobs Project Management Co. will provide project management consulting services and construction administration support for the U. T. Austin and U. T. M. D. Anderson Cancer Center Medical Complex Project.

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.

59. Contract (funds going out) - U. T. System: Terracon Consultants, Inc., to provide geotechnical construction materials testing, and miscellaneous professional and technical support services

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

Description: Terracon Consultants, 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.

ADDITIONAL CONSENT AGENDA ITEM  
ACADEMIC AFFAIRS COMMITTEE  
NOVEMBER 20-21, 2024

60. Lease – U. T. Austin: Authorization to enter into a ground lease and related agreements with an entity owned or controlled by H2O Innovation, Inc., as successor to NextEra Energy Resources, LLC, for the construction, operation, and maintenance of a water reclamation and reuse facility and the processing and purchase of reclaimed water on a portion of U. T. Austin’s main campus located north of Dean Keaton Street and between San Jacinto Blvd and Speedway, directly south of Chilling Station #5, 2610 San Jacinto Blvd, Austin, Travis County, Texas, and authorization to purchase reclaimed water throughout the ground lease term and to purchase the improvements at any time during the ground lease term; and finding of public purpose

Description:

On August 25, 2022, the Board approved a ground lease for the construction, operation, and maintenance of a water reclamation and reuse facility and the processing and purchase of reclaimed water from an entity owned or controlled by NextEra Energy Resources, LLC. As the ground lease was at the below-market rate of \$10/year over a 30-year term, the Board’s approval of the ground lease included a related finding of public purpose. On October 1, 2024, prior to execution of the ground lease and related agreements, H2O Innovation, Inc., acquired this project as part of a purchase of certain NextEra Energy Resource’s water and wastewater assets and operations.

Accordingly, U. T. Austin now seeks authorization to enter into a ground lease and related agreements with an entity owned or controlled by H2O Innovation, Inc., or related entities, successors, or assigns, for the construction, operation, and maintenance of a water reclamation and reuse facility and the processing and purchase of reclaimed water on a portion of U. T. Austin’s main campus located north of Dean Keaton Street and between San Jacinto Blvd and Speedway, directly south of Chilling Station #5, 2610 San Jacinto Blvd, Austin, Travis County, Texas, authorization to purchase reclaimed water throughout the ground lease term, and authorization to purchase the improvements at any time during the ground lease term. U. T. Austin now estimates that it will purchase reclaimed water over the 30-year term for a total cost of approximately \$201,000,000, up from the prior estimate of up to \$178,000,000. All other terms of the ground lease and related agreements approved by the Board on August 25, 2022, remain unchanged. The Board is also asked to reaffirm the finding of public purpose.

- Lessee: DG Texas Waterhub II, LLC, a Delaware Limited Liability Company, which is an entity owned or controlled by H2O Innovation, Inc., a corporation based in Quebec, Canada, or related entities, successors, or assigns.
- Sponsor Guaranty: H2O Innovation WaterHub, Inc., or another credit-worthy affiliate meeting U. T. Austin's capital and financial requirements will guaranty the payment obligations of the Lessee arising under the Ground Lease, including liquidated damages, monetary damages, and indemnified costs, up to a certain maximum over the term of the Ground Lease. The proposed guarantor replaces one affiliated with NextEra Energy Resources.
- Finding of Public Purpose: The U. T. System Board of Regents is asked to reaffirm that:
1. The ground lease and related agreements, including the lease of ground at a rate below market, the development of a reclaimed water treatment facility to serve the institution's campus, the potential future purchase of the improvements by U. T. Austin, and the water purchase obligations of the institution, support the public mission of and serve a public purpose appropriate to the function of U. T. Austin;
  2. Pursuant to the ground lease and other ancillary documents, U. T. Austin will have sufficient safeguards in place to ensure the public purpose will continue to be met on an ongoing basis; and
  3. The transaction will result in adequate consideration and benefits to U. T. Austin and the State of Texas.