

Meeting No. 1,232

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

Pages 1 - 160

February 22 - 23, 2023

Austin, Texas

MEETING NO. 1,232

WEDNESDAY, FEBRUARY 22, 2023.-- The members of the Board of Regents of The University of Texas System convened at 1:31 p.m. on Wednesday, February 22, 2023, 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 Hicks  
Regent Jiles  
Regent Perez  
Regent Stedman  
Regent Warren  
Regent Mutyala, Student Regent, nonvoting

CONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION.--  
At 1:31 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.

Chairman Eltife began the meeting by congratulating the U. T. Austin Longhorns Volleyball Team on its 2022 NCAA National Championship win.

RECESS TO EXECUTIVE SESSION.--At 1:32 p.m., the Board recessed to Executive Session, pursuant to *Texas Government Code* Section 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 AND TO CONVENE COMMITTEE MEETINGS.--  
At 2:05 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.

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.

After calling the meeting to order, Chairman Eltife made the following statement.

Remarks by Chairman Eltife

I've got a brief statement to make before we go to committee meetings. This is not an action item or a discussion item, but I did want to talk about one topic briefly that's become a topic of conversation. The topic of DEI activities on college campuses has received tremendous attention nationally and here in Texas. To be clear: we welcome, celebrate, and strive for diversity on our campuses, in our student and our faculty population. I also think it's fair to say, that in recent times, certain DEI efforts have strayed from the original intent to now imposing requirements and actions, that rightfully so, has raised the concerns of our policy makers about those efforts on campuses across our entire state. We welcome our elected officials in this legislative session looking into DEI policies throughout higher education in Texas. We will work with them in any way possible and we will certainly implement any new policies the legislature puts in place. Given the clear legislative focus, we have paused any new DEI policies on our campuses and have asked for report on current policies across all our campuses. This will give our board a chance to review the various policies systemwide. We will await any action from the legislature for implementation by The University of Texas System at the appropriate time and if needed, the board may consider a uniform DEI policy for the entire U. T. System.

RECESS.--There being no further business, the meeting was recessed at 2:06 p.m. to convene the Board in Committee Meetings.

STANDING COMMITTEES.--The Board convened in Open Session for Standing Committee meetings from 2:07 p.m. – 3:41 p.m.

ADJOURNMENT.--There being no further business, the meeting was adjourned following Standing Committee meetings at 3:41 p.m. to reconvene on February 23, 2023.

THURSDAY, FEBRUARY 23, 2023.-- The members of the Board of Regents of The University of Texas System reconvened at 9:01 a.m. on Thursday, February 23, 2023, 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 Hicks  
Regent Jiles  
Regent Perez  
Regent Stedman  
Regent Warren  
Regent Mutyala, Student Regent, nonvoting

CONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS.--At 9:01 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 made the following announcement:

Let us take a moment to reflect on the incredible life of Red McCombs, who died earlier this week. A deeply influential leader in Texas business and philanthropy, he was one of our state's defining personalities and a driving force in the continued growth and global impact of The University of Texas.

Red McCombs used his characteristic energy and vision to ensure U. T. Austin's McCombs School of Business would be one of the top business schools in the country through his historic gift in 2000.

He and his wife, Charline generously supported the expansion of Darrell K Royal-Texas Memorial Stadium and the creation of a new softball complex. They also supported U. T. M. D. Anderson Cancer Center, the U. T. Austin Center for Students in Recovery, and U. T. San Antonio Roadrunner athletics.

Red's contributions to business, sports, and philanthropy will be felt for many years to come, as will the investments he made in education to serve generations of Texans. We will never be able to thank the McCombs Family enough for all they have done for our great state, this nation, and The University of Texas.

Let's take a moment of silence to reflect and thank the McCombs Family.

**STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD.--**  
At 9:02 a.m., Chairman Eltife announced the Board would hear the reports and recommendations of the Standing Committees, which are set forth on Pages 5 - 54.

REPORT OF THE AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE  
(Page 5).--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.

2. U. T. System: Fiscal Year 2022 Consolidated Annual Financial Report, including the Independent Auditors' Report, and audits of the financial statements of U. T. Austin, U. T. M. D. Anderson Cancer Center, U. T. Southwestern Medical Center, and U. T. Medical Branch - Galveston and for funds managed by The University of Texas/Texas A&M Investment Management Company (UTIMCO)

This item was for consideration only by this Committee and the Finance and Planning Committee (item 1) in a joint meeting.

REPORT OF THE FINANCE AND PLANNING COMMITTEE (Pages 6 - 11).--  
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: Fiscal Year 2022 Consolidated Annual Financial Report, including the Independent Auditors' Report, and audits of the financial statements of U. T. Austin, U. T. M. D. Anderson Cancer Center, U. T. Southwestern Medical Center, and U. T. Medical Branch - Galveston and for funds managed by The University of Texas/Texas A&M Investment Management Company (UTIMCO)

This item was for consideration only by this Committee and the Audit, Compliance, and Risk Management Committee (Item 2) in a joint meeting.

2. 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.

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

This item was for consideration only by the Committee.

4. U. T. System Board of Regents: Adoption of Resolution Amending the Revenue Financing System Commercial Paper Note Program; authorization for officers of U. T. System to complete all transactions related thereto; and resolution regarding parity debt

The Board approved the following recommendation:

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents:

- a. adopt the Third Resolution Amending the Amended and Restated First Supplemental Resolution to the Master Resolution authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Revenue Financing System Commercial Paper Notes,

Series A and Taxable Commercial Paper Notes, Series B, in an aggregate principal amount not to exceed \$1.75 billion;

- b. authorize appropriate officers and employees of the U. T. System as set forth in the Third Resolution Amending the Amended and Restated First Supplemental Resolution to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents, within the limitations and procedures specified therein; make certain covenants and agreements in connection therewith; and resolve other matters incident and related to the issuance, sale, security, and delivery of such Notes.

The Chancellor also concurs with the recommendation of the Executive Vice Chancellor for Business Affairs that as required by Section 5(a) of the Master Resolution, the Board further determine that upon the delivery of Notes authorized by this Resolution, it will have sufficient funds to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and that the Members on whose behalf such Notes are issued possess the financial capacity to satisfy their direct obligations after taking such Notes into account.

#### BACKGROUND INFORMATION

The U. T. System's Revenue Financing System Tax-Exempt Commercial Paper Note Program (Program) was established on April 12, 1990. Since that time, the size of the Program has changed periodically to meet the financing needs of the U. T. System. The Program is currently authorized up to a maximum amount outstanding of \$1.25 billion. On August 20, 2015, the Program capacity was increased from \$1.25 billion to \$1.75 billion to accommodate new Tuition Revenue Bonds (TRB) projects during that time. On August 25, 2016, the Program capacity was decreased from \$1.75 billion back to \$1.25 billion once the TRB projects had been permanently financed.

Adoption of this Resolution would increase Program authorization from \$1.25 billion to \$1.75 billion to facilitate the financing of capital projects reflected in the FY 2023-2028 Capital Improvement Program (CIP) including the new TRB authorization. The increased Program capacity will permit the U. T. System to continue to provide efficient interim financing and additional timing flexibility in accessing long-term capital markets. Adoption of this Resolution would also extend the Maximum



Maturity Date (as defined in the Resolution) of the Program from April 1, 2035 to August 31, 2072 as authorized under Sec. 55.14 of the *Texas Education Code*.

The use of tax-exempt debt for projects is limited by the *Internal Revenue Code* to facilities employed for governmental purposes. Projects with nongovernmental or private use beyond established limits are denied the benefits of tax-exempt debt and must employ taxable debt.

Liquidity for the combined programs will continue to be provided by the U. T. System through an arrangement with The University of Texas Investment Management Company (UTIMCO) consistent with the provisions governing liquidity for the Program.

The Third Resolution Amending the Amended and Restated First Supplemental Resolution, which is set forth on the following pages, has been reviewed by outside bond counsel and the U. T. System Office of General Counsel.

**THIRD RESOLUTION AMENDING THE AMENDED AND RESTATED FIRST SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION ESTABLISHING THE REVENUE FINANCING SYSTEM COMMERCIAL PAPER PROGRAM**

**WHEREAS**, on April 12, 1990, The University of Texas System Board of Regents (the “Board”) adopted a Master Resolution Establishing The University of Texas System Revenue Financing System, as amended and restated on February 14, 1991 and further amended on October 8, 1993 and August 14, 1997 (referred to herein as the "Master Resolution"); and

**WHEREAS**, unless otherwise defined herein, terms used herein shall have the meaning given in the Master Resolution and the First Supplement (as defined herein); and

**WHEREAS**, the Master Resolution establishes the Revenue Financing System (the "Financing System") comprised of the institutions now or hereafter constituting components of The University of Texas System which are designated "Members" of the Financing System by action of the Board and pledges the Pledged Revenues attributable to each Member of the Financing System to the payment of Parity Debt to be outstanding under the Master Resolution; and

**WHEREAS**, the Amended and Restated First Supplemental Resolution to the Master Resolution Establishing The University of Texas System Revenue Financing System was adopted by the Board on August 14, 2008 (the "2008 First Supplement") and subsequently amended by resolutions adopted by the Board on August 20, 2015 and August 25, 2016 (collectively with the 2008 First Supplement, the "First Supplement") to establish an interim financing program pursuant to which the Board has issued its Notes to provide interim financing for capital improvements and to finance equipment purchases; and

**WHEREAS**, the Board hereby deems it necessary to further amend the First Supplement by the adoption of this resolution (this "Third Amending Resolution") in order to (i) increase the aggregate principal amount of Notes which may be outstanding under such interim financing program from \$1,250,000,000 to \$1,750,000,000 and (ii) to extend the Maximum Maturity Date for such program from April 1, 2035 to August 31, 2072; and

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM THAT:**

**Section 1.** Section 2.01 of the First Supplement is hereby amended by substituting "One Billion Seven Hundred Fifty Million Dollars (\$1,750,000,000)" in place of "One Billion Two Hundred Fifty Million Dollars (\$1,250,000,000)" in such section. Section 4.01 of the First Supplement and the fifth recital of the 2008 First Supplement are hereby amended by substituting the amount "\$1,750,000,000" in place of "\$1,250,000,000" in such section and recital, respectively.

**Section 2.** The definition of the term "Maximum Maturity Date" in Exhibit A of the First Supplement is hereby amended by substituting "August 31, 2072" in place of "April 1, 2035" in such exhibit.

**Section 3.** (a) The Chairman of the Board, the Vice Chairman of the Board, the General Counsel to the Board of Regents of The University of Texas System, the U.T. System Representatives, and the other officers, employees, and agents of the Board are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to effectuate the purposes of this Third Amending Resolution, including the execution of any Dealer Agreement or Issuing and Paying Agent Agreement or amendments thereto and the delivery of an Offering Memorandum. Notwithstanding the foregoing, such individuals may elect not to amend or amend and restate any existing Dealer Agreement, and in such event any such Dealer Agreement will be subject to the terms of the financing program in existence prior to the effective date of this Third Amending Resolution with the maximum outstanding aggregate principal amount of Notes issued pursuant such existing Dealer Agreement not to exceed \$1,250,000,000 and the maturity date of any such Notes not to extend beyond April 1, 2035.

(b) In addition, the Chairman of the Board, the Vice Chairman of the Board, the Chancellor, the Executive Vice Chancellor for Business Affairs, the Associate Vice Chancellor for Finance, the Assistant Vice Chancellor for Finance and Bond Counsel are hereby authorized to approve, subsequent to the date of the adoption of this Third Amending Resolution, any technical amendments to this Third Amending Resolution as may be required by Fitch, Moody's, Standard & Poor's as a condition to the granting or maintenance of a rating on the Notes acceptable to a U.T. System Representative, or as may be required by the Attorney General's office in connection with the approval of this Third Amending Resolution or to correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Third Amending Resolution.

**Section 4.** After the receipt of the approval of the Attorney General of this Third Amending Resolution, if required, the amendment to the First Supplement shall take effect immediately pursuant to (i) Section 5.01(a)(v) of the First Supplement with respect to increasing the amount of Notes the Board currently has the right to issue pursuant to Section 4.01 of the First Supplement and (ii) Section 5.01(a)(iii) of the First Supplement with respect to extending the Maximum Maturity Date, and the Board hereby deems such extension necessary and desirable and, in the judgment of the Board, such extension does not materially adversely affect the interests of the owners of the Outstanding Commercial Paper Notes.

**Section 5.** Nothing in this Third Amending Resolution shall be construed so as to prevent the Board from adopting any future amendment to the First Supplement contemplated by the provisions of the First Supplement, including particularly Sections 4.01 and 5.01(a) thereof.

**Section 6.** In addition, the statements, findings, representations, and determinations set forth in the recitals to this Third Amending Resolution are hereby incorporated into and made a part of this Third Amending Resolution for all purposes.

**Section 7.** It is hereby found and determined that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting at which this Third Amending Resolution was adopted, and that this Third Amending Resolution would be introduced and considered for adoption at said meeting; that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

5. U. T. System Board of Regents: The University of Texas/Texas A&M Investment Management Company (UTIMCO) Update

This item was for consideration only by the Committee.

REPORT OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 12 - 18).-- 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.

- 2a. U. T. El Paso: Approval to establish a Doctor of Philosophy in Physics 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 Regents' *Rules and Regulations*, Rule 40307, related to academic program approval standards, be granted to

- a. establish a Doctor of Philosophy in Physics degree program at U. T. El Paso; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

#### BACKGROUND INFORMATION

##### Program Description

U. T. El Paso proposes a Doctor of Philosophy (Ph.D.) in Physics degree program, which will have an emphasis on the emerging field of sustainable quantum information science and is designed to prepare graduates for research and development in the private sector, government labs, and academia. Students will be required to take Quantum Mechanics I and II, Classical Mechanics, Electrodynamics I and II, and Statistical Mechanics as part of their required courses. Students must also register for a minimum of 30 graduate research credits, six of which must be dissertation research. Students entering the program with a bachelor's degree are required to complete 72 Semester Credit Hours (SCH) to graduate with this degree; students entering with a master's degree will need to complete 54 SCH.

## Need and Student Demand

The physics program will admit eight new students each year. The U. T. El Paso Physics Department attracts strong undergraduate and graduate students. Forty percent of undergraduate physics students engage in research activity with a faculty member and co-author papers. At the graduate level, 21 students joined the master's program in physics in 2018. All have graduated, and 17 of the graduates have either joined doctoral programs in physics elsewhere or accepted positions in national laboratories. In addition to recruiting locally, the program plans to recruit students nationally and internationally.

According to the U.S. Bureau of Labor Statistics on 2020-2030 employment change projections, the number of employment opportunities for physicists with doctoral or professional degrees is expected to increase by 8%, faster than mechanical engineering (7%), biomedical engineering (6%), and chemistry (6%). Statistics for 2020 show that Texas and New Mexico are in the category of top 5-10 states in the nation that employ individuals with a Ph.D. in Physics.

Despite the El Paso region being a high-density population center, U. T. El Paso stands alone, among the 138 R1 institutions, in that it is the only municipality that does not have an Research-1 (R1)-quality doctoral program in physics within 265 miles of the institution. This prevents the local population from the opportunity to obtain the highest quality physics-related education. Most densely populated regions in Texas have a nearby R1 institution that offers financially underprivileged students the possibility of an affordable quality physics Ph.D. degree as a commuter-school option. El Paso, as a large population center, does not currently benefit from such a possibility and this effectively prevents its population from competing for the life-transitioning STEM opportunities that become available to students after receipt of their doctoral degrees.

The program will focus on inclusion of diversity in the doctoral student body. Since 2012 the number of physics doctoral degrees earned by Hispanics has increased to the range of 30-45 degrees per year nationwide. Hispanics account for less than 3% of the total doctoral degrees granted nationally. U. T. El Paso's program, focused on local students, can increase the representation of minorities among the physics Ph.D. degree holders. Currently, the master's and bachelor's programs graduate at least 17-18 B.S. and/or M.S. Hispanic students per year that are ready for Ph.D. graduate studies. Approximately 13-15 of these students join doctoral programs and approximately three of these students are recruited into industries or national labs. This means that within five years, U. T. El Paso physics could singlehandedly increase the nationwide annual rate of Hispanic Ph.D. physics graduates by 10%-25%. Currently, 35% of our master's students are women, which is 1.5 times higher than the national average. When the physics Ph.D. program begins, it will be the only physics Ph.D. program in the nation that has 50% female faculty members at the full-professor rank.

Program Quality

The proposed program will have 18 core faculty and three support faculty. Four new faculty will be hired within the first five years of the program: two in Year 1, and one in Years 2 and 3 respectively.

The current faculty in the U. T. El Paso Physics Department have published 560 peer-reviewed papers and have been cited more than 30,000 times. Their annual publication rate between 2017-2021 increased by a factor of three relative to 2012-2016. Statistically, an R1 Ph.D.-granting institution with this publication rate of 50 papers per year would receive \$4.3 million per year in competitive federal grants. Since 2017, the U. T. El Paso Physics Department has received \$11 million in federal research grants. Based on several quality journal covers featuring research and/or research groups in the physics department and an editor’s choice selection in the last two years, it is clear that the U. T. El Paso Physics program is gaining nation- and world-wide visibility in areas of expertise proposed for the Physics Ph.D. program.

Revenue and Expenses

<b>Expenses</b>	<b>5-Year Total</b>
<i>Faculty</i>	
Salaries	\$2,044,726
Benefits	\$ 572,523
<i>Graduate Students</i>	
GRA Salaries	\$1,650,000
GRA Benefits	\$ 280,500
<i>Other Expenses</i>	
Student Scholarships	\$ 127,500
<b>Total Expenses</b>	<b>\$4,675,249</b>

<b>Revenue</b>	<b>5-Year Total</b>
<i>From Student Enrollment</i>	
Formula Funding	\$ 916,394
Tuition and Fees	\$ 511,448
<i>From Institutional Funds</i>	
Other State Funding	\$ 450,000
<i>From Grant Funds</i>	
Federal Funding	\$ 750,000
<i>From Other Revenue Sources</i>	
Reallocation of Existing Resources	\$2,421,137
<b>Total Revenue</b>	<b>\$5,048,979</b>

### Coordinating Board Criteria

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

2b. U. T. Tyler: Approval to establish a Doctor of Nursing Practice in Nurse Anesthesia 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 Regents' *Rules and Regulations*, Rule 40307, related to academic program approval standards, be granted to

- a. establish a Doctor of Nursing Practice in Nurse Anesthesia degree program at U. T. Tyler; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

#### BACKGROUND INFORMATION

##### Program Description

The proposed program is a residential, full-time Doctor of Nursing Practice in Nurse Anesthesia degree program. The 36-month program is designed for individuals with a baccalaureate or master's degree in nursing. The curriculum is comprised of 108 classroom credit hours and 2,000 clinical hours. The clinical hours are completed in Years 2 and 3 of the program and will be acquired at the U. T. Health East Texas Tyler hospital, its affiliate hospitals, and other local hospitals through retained program agreements. The coursework aligns with standards as defined by the Council on Accreditation (COA) of Nurse Anesthesia Educational Programs.

##### Need and Student Demand

The need for certified registered nurse anesthetists (CRNA) in the workforce is continuing to grow at the state and national level. According to the American Association of Nurse Anesthesiology (AANA) (2022), CRNAs administer more than 50 million anesthetics to patients each year in the United States.



The Texas Department of State Health Services released an Updated Nurse Supply and Demand Projections 2018-2032 indicating that Texas had 4,074 CRNA's in 2018 and will need 5,938 by 2032, a 45.8% increase. The AANA (2022) states that more than 80% of anesthesia providers in rural settings are CRNAs. Tyler serves as the primary East Texas medical hub for a wide catchment of patients living in surrounding communities that are mostly rural.

The U.S. Department of Labor Statistics estimates that between 2022 and 2023 employment and wages for nurse anesthetists are expected to grow. Texas currently employs the largest workforce of nurse anesthetists in the country at a mean wage of \$197,450 annually.

The American Association of Colleges of Nursing reported 1,093 DNP Nurse Anesthesia graduates nationally in 2021. There are five comparable programs in the State of Texas, not including the U.S. Army Graduate Program, which requires a military commitment. Three of the programs are at private universities. One is at U. T. Health Science Center - Houston. U. T. Health Science Center - San Antonio recently received approval to offer the program.

U. T. Tyler conducted a Qualtrics survey of current graduate and undergraduate nursing students to assess interest. Of the 628 graduate and undergraduate students responding, 92% of undergraduate students and 86% of graduate students surveyed stated being extremely or somewhat likely to pursue the program in the next 5-10 years. The proposed program will admit 10 students per year, which ensures clinical availability for students in years two and three. Preference will be given to qualified students from diverse backgrounds practicing nursing in rural communities.

### Program Quality

The COA program standards require specific credentials for core teaching faculty and clinical faculty. Five core faculty will contribute to the program, including two existing faculty members. Three new core faculty members, one of whom will be the Program Director, will be hired to support the program. The Program Director will have a 100% appointment as an administrator as required by the COA and will be hired prior to program implementation. Two practicing CRNAs will be hired in year one as additional core faculty, one of whom will serve as Associate Program Director.

Eleven current faculty experienced in doctoral education are available to serve as potential support faculty for the classroom program content. The School of Nursing currently offers a DNP in Leadership and a Ph.D. in Nursing research degree. These existing programs provide a strong, experienced cadre of faculty to support the proposed CRNA program.

Ten part-time clinical preceptors will be hired at 20-40% time as new support faculty, with five hired in Year 2 and five added in Year 3. All faculty will meet the U. T. Tyler and COA teaching requirements. With instructors and clinical practice sites throughout the rural East Texas region, students will have an immersive learning experience providing them opportunity to practice with a diverse population.

The School of Nursing will hire administrative support staff to assist the Program Director and Associate Program Director. A full-time graduate coordinator, clinical placement coordinator, and administrative specialist will be hired to support the program. A simulation operator will be a reallocated shared position (50%) with the School of Medicine. Additional staff will ensure that the program receives appropriate academic and student support services for student success.

Revenue and Expenses

<b>Expenses</b>	<b>5-Year Total</b>
<i>Faculty</i>	
Salaries	\$4,953,423
Benefits	\$1,510,794
<i>Staff &amp; Administration</i>	
Graduate Coordinator	\$ 265,457
Administrative Staff Salaries	\$ 756,553
Staff Benefits	\$ 311,713
<i>Other Expenses</i>	
Accreditation fees	\$ 54,614
Supplies and marketing	\$ 96,400
Library and instructional technology	\$ 36,640
Equipment	\$ 138,521
<b>Total Expenses</b>	<b>\$8,124,115</b>

<b>Revenue</b>	<b>5-Year Total</b>
<i>From Student Enrollment</i>	
Formula Funding	\$1,502,218
Tuition and Fees	\$1,907,290
<i>From Institutional Funds</i>	
Faculty practice plan, RFS financing, prior years' reserves (as needed)	\$1,124,134
<i>From Other Revenue Sources</i>	
Estimate of clinical revenues + Donor pledge corresponding to executed agreement	\$3,648,484
<b>Total Revenue</b>	<b>\$8,182,126</b>

Coordinating Board Criteria

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

3. U. T. El Paso: Report on the Long Range Financial Plan for The University of Texas at El Paso

This item was for consideration only by the Committee.

REPORT OF THE HEALTH AFFAIRS COMMITTEE (Pages 19 - 24).-- 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.

2. U. T. Southwestern Medical Center: Approval to establish a Doctor of Philosophy in Public Health degree program

The Board approved the following recommendation:

#### RECOMMENDATION

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

- a. establish a Doctor of Philosophy (Ph.D.) in Public Health degree program at U. T. Southwestern Medical Center; and
- b. approve its corresponding tuition rate of \$353 per semester credit hour (SCH) for Resident and Non-resident Tuition; and
- c. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

#### BACKGROUND INFORMATION

##### Program Description

The Peter O'Donnell Jr. School of Public Health (OSPH) at U. T. Southwestern Medical Center proposes to establish a Ph.D. in Public Health designed to create pathways for more advanced study for students who graduate from the master's degree in Public Health (M.P.H.) program at U. T. Southwestern Medical Center or from master's degree programs elsewhere. Two initial areas of concentration will be Health Data Sciences and Health Economics and Policy. These areas of concentration are proposed because (a) there are few existing research-intensive Ph.D. programs in these areas within Texas; (b) OSPH has nationally recognized faculty expertise in these areas and is actively recruiting additional faculty; (c) there

are multiple dissertation opportunities for students through established research programs on campus; and (d) there is strong market demand for graduates in these areas.

The first area of concentration is Health Data Science, an interdisciplinary field of investigation that requires integration of approaches from biostatistics, bioinformatics, clinical informatics, computational biology, and computational medicine, in conjunction with expertise in basic biomedical science and clinical medicine.

The second concentration area is Health Economics and Policy, which also is configured in an interdisciplinary manner, drawing strengths from faculty with expertise in policy and program evaluation, economic valuation, quality, safety and health outcomes, inequalities, health disparities and social determinants of health, innovation and implementation science, healthcare workforce, healthcare for underserved populations, and social behavior in health care.

The typical Ph.D. student will enter with a M.P.H. degree or other relevant master's degree and take two years of additional coursework, followed by a research-intensive dissertation. The five-year, 60-SCH Ph.D. program is designed to prepare graduates to follow various professional pathways, including work in academic institutions, state, local, federal, and international governmental agencies, private companies, and non-governmental organizations. The Ph.D. program is designed to prepare students to apply theoretical and empirical approaches to public health research in a dynamic interdisciplinary environment and develop rigorous research design and skills.

The program anticipates enrollment for the first five years to be five students in the cohorts of Years 1 and 2, then six in Years 3 and 4, and increased enrollment to be a minimum of seven students in the cohort of Year 5.

### Need and Student Demand

After completing a Ph.D., graduates may seek positions in government agencies, healthcare facilities, or community organizations. Professionals at this level have capacity to become public health faculty at universities, researchers for public health associations, and directors of nonprofit agencies.

There is a demonstrated need and demand for individuals with Ph.D. as documented in the Bureau of Labor Statistics (BLS), U.S. Department of Labor, Occupational Outlook Handbook, with projected growth of employment in areas of computer and information research scientists (22% increase from 2020 to 2030), epidemiologists (30% from 2020 to 2030), and post-secondary teachers (12% increase from 2021 to 2031). In addition, the overall employment of mathematicians and statisticians is projected to grow much faster than the average for all occupations (33% increase from 2020 to 2030). The U.S. Department of Labor reports a 45% increase in job outlook over the same period in the state of Texas. Texas Workforce Commission gap analysis report for Dallas and Tarrant counties cites a current gap of 51 positions and graduates in this field.

This research-intensive doctoral program is designed to prepare students for careers in academia as public health educators and researchers with ranks of fellows, Assistant Professors, Associate Professors, and Professors. The Association of Schools and Programs of Public Health (ASPPH) does not publicly publish annual pay statistics; however, U. T. Southwestern Medical Center engaged ASPPH to obtain mean salaries at ASPPH-member Schools and Programs of Public Health, by parent institution (Academic Year 2020-2021), which are Assistant Professor (\$113,300), Associate Professor (\$135,195), and Professor (\$202,077).

The U.S. BLS classifies post-secondary Health Specialties Teachers in fields such as dentistry, laboratory technology, medicine, pharmacy, public health, therapy, and veterinary medicine. Compared with the other high employment states of New York, Pennsylvania, and North Carolina, Texas has a 20% or greater relative shortage of persons employed as Health Specialties Teachers as compared with the total workforce.

To estimate the potential demand for the program, the Texas Higher Education Coordinating Board Higher Education Accountability interactive reporting website was used to analyze the numbers of relevant master's and doctoral degrees awarded by five U. T. institutions (U. T. Arlington, U. T. Austin, U. T. Dallas, U. T. El Paso, and U. T. San Antonio) between 2019 and 2021.

Over the full three-year period, the mean annual number of master's graduates for the five U. T. institutions was 839 for Health Data Sciences feeder disciplines and 421 for Health Economics and Policy feeder disciplines. The corresponding mean annual numbers of Ph.D.s produced was 53 in the fields related to Health Data Sciences and 45 for the corresponding specialties related to Health Economics and Policy.

### **Demand for Health Data Sciences Area of Concentration**

For Health Data Sciences, all five of the U. T. institutions mentioned earlier have Ph.D. programs in related disciplines, each producing on average ten Ph.D. graduates per year. In contrast, the mean number of master's degree graduates in relevant disciplines is 168 per campus each year. Furthermore, U. T. Dallas and U.T. Austin produce nearly two-thirds of the master's degree students in data science disciplines among the five U. T. institutions. Therefore, U. T. Southwestern Medical Center, with a focused recruitment strategy on master's graduates at U. T. Dallas and U. T. Austin, will have more than adequate demand for Health Data Sciences concentration of Ph.D. in Public Health applicants per year to fill conservatively projected total enrollment.

### **Demand for Health Economics and Policy Area of Concentration**

At U. T. Arlington, U. T. El Paso, and U. T. San Antonio, no relevant Ph.D. programs currently exist for integrated Health Economics and Policy related disciplines, yet collectively they produce an average annual total of 103 graduates with relevant master's degrees. At U. T. Austin, the mean annual number of doctoral graduates in the relevant Health Economics and Policy disciplines at U. T. Austin is 13% of the corresponding number of master's graduates and 16% at U. T. Dallas. Conservatively, it is projected that the five U. T. schools alone could produce about 20 qualified candidates each year

for the new Ph.D. program's concentration in Health Economics and Policy. This would be in addition to qualified candidates from similar master's degree programs at Texas A&M University, Texas Tech University, Rice University, Baylor University, Southern Methodist University, and institutions outside of Texas.

In addition to the foregoing evidence of need and demand, U. T. Southwestern Medical Center has an established track record of educational collaboration with U. T. Dallas through the joint Ph.D. program in Biomedical Engineering. Further, the OSPH has developed close collaborative ties with U. T. Dallas at the Provost level and with the Director of the Health Profession Advising Center to further develop the student pipeline opportunity for U. T. Dallas master's degree program graduates to further their education in the OSPH U. T. Southwestern Medical Center Ph.D. program.

### Program Quality

The Ph.D. program is projected to have 38 core faculty, with 32 of those currently on faculty, and plans to hire an additional six faculty in 2023 and 2024 in preparation for a Fall 2024 start of classes. For the past five years, the total faculty publications and other scholarly/creative accomplishments are 1,064 refereed papers, six book chapters, four books, and eight patents. Total external grant awards for the past five years are \$53,054,560.

The program will have 13 support faculty, eight currently on faculty, with plans to hire five more in years one and two. The targeted teaching load for core faculty will be 0.96 credit hours/faculty member and 1.0 credit hours/faculty member for new faculty. The teaching load will be supported by a realignment of faculty resources, thus maximizing current faculty time to pursue advanced research, supervise and direct dissertations, mentor and advise doctoral students, while maintaining teaching expectations in both M.P.H. programs and the new Ph.D. program. As a result of the program structure, faculty publications and other scholarly/creative accomplishments and total grant awards are anticipated to continue to grow.

The program will be accredited by the Council on Education for Public Health (CEPH) – an independent agency recognized by the U.S. Department of Education to accredit schools of public health and public health programs outside schools of public health.

### Revenue and Expenses

The current infrastructure at OSPH is appropriate and sufficient to support an additional Ph.D. program in Public Health. All OSPH faculty members have a terminal degree of Ph.D. or M.D. As the program continues to grow in the first five years, additional faculty will need to be added to support the two concentrations of Health Data Sciences and Health Economics and Policy. The accrediting body for Schools of Public Health, the CEPH, requires Schools of Public Health Ph.D. programs to offer at least two concentrations within the single Ph.D. program.

In addition to the current 32 core faculty, up to six new core faculty will be hired in the first year of the program through financial resources dedicated to support primary program teaching, student oversight, and academic administration. In addition to the current eight supporting faculty, up to five new supporting faculty will be hired in years one and two. Faculty from across U. T. Southwestern Medical Center will serve in supporting roles both in teaching and student supervision.

The tuition and fee structure for this program is structured on market demand. As a comparison, the national average of graduate tuition and required fees in public institution degree-granting postsecondary institutions is \$12,394 (*Source: National Center for Education Statistics, IPEDS data system*). Starting in Academic Year 2024-2025, the proposed resident tuition is requested at \$353/SCH, which is consistent with similar Ph.D. programs in the market. Existing mandatory fees will also be assessed for students enrolled in this proposed program. Tuition and mandatory fees for resident students are estimated to be \$6,388 in year one for 15 SCH. Years four and five are research years with eight and seven SCH, respectively. The full five-year program costs, including modeled increases in tuition, are \$27,258. The table below summarizes the five-year projection of revenues and expenses.

<b>Projected Enrollment</b>	<b>5-Year Total</b>
Number of Students Used for Formula Funding Calculation	29
Total Number of Students	29
<b>Expenses</b>	<b>5-Year Total</b>
<i>Faculty</i>	
Salaries	\$ 7,564,830
Benefits <sub>1</sub>	\$ 1,659,677
<i>Graduate Students</i>	
GRA Salaries	\$ 1,887,000
GRA Benefits <sub>1</sub>	\$ 746,686
<i>Staff &amp; Administration</i>	
Administrative Staff Salaries	\$ 1,014,000
Staff Benefits <sub>1</sub>	\$ 161,235
SCC Operating Benefits <sub>1</sub>	\$ 104,110
<i>Other Expenses</i>	
Student Support (Scholarships)	\$ 831,165
Supplies and Materials	\$113,890
<b>Total Expenses</b>	<b>\$14,082,593</b>
<b>Revenue</b>	<b>5-Year Total</b>
<i>From Student Enrollment</i>	
Formula Funding	\$ 924,570
Tuition and Fees	\$ 518,454
<i>From Institutional Funds</i>	
	\$7,037,905
<i>From Grant / Gift Funds</i>	
	\$5,633,708
<b>Total Revenue</b>	<b>\$14,114,637</b>



- (1) In determining the Five-Year costs for the program, the Coordinating Board new doctoral program form instructions were to exclude benefits, which is why the values in the above table differ from those in the Coordinating Board table G “Five-Year Costs and Funding Sources Summary.” Based on our institutional 2022-2023 estimated fringe benefit rates, these totals for the program will equal around \$2,671,708. The institution’s intention is to cover those benefit costs with gift funding; however, those revenue funds were excluded from the Coordinating Board model as well.

#### Coordinating Board Criteria

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

3. U. T. Health Science Center - Houston: Report on the Long Range Financial and Strategic Plan for The University of Texas Health Science Center at Houston

This item was for consideration only by the Committee.

REPORT OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE  
(Pages 25 - 54).--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 assigned for review by this Committee.

2. U. T. Austin: Library Storage Facility Phase IV - 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 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 Library Storage Facility Phase IV project at The University of Texas at Austin.

BACKGROUND INFORMATION

Previous Action

On September 2, 2021, the Chancellor approved the project for Definition Phase.

Project Description

The proposed Library Storage Facility Phase IV (LSF4) project is an expansion to the existing Library Storage Facility building. The recent LSF4 framework study identified environmental and collection storage needs for the three departments that helped develop the Collections Master Plan: the Dolph Briscoe Center for American History, the Harry Hunt Ransom Humanities Research Center, and The University of Texas Libraries. The project will provide the needed storage and support facilities to allow users to make strategic moves, accommodate growth, and provide adequate research and processing space for those collections, which include documents, photos, and a variety of artifacts. With fewer space constraints and more available land for future growth, J. J. Pickle Research Center was selected as the location site.

Incorporating processing and research space with cool high bay, cool low bay, and cold low bay storage, this project will streamline the intake and processing of materials by centralizing these functions, provide the necessary adjacencies, and allow for flexibility in the future. A new public facing Research Center will allow scholars to perform research without the need to transport sensitive materials back to the main campus and provide capacity to properly store and preserve material for future generations.

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 a May 10, 2017 Board of Regents approval, effective September 1, 2017, U. T. Austin has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas at Austin  
Library Storage Facility Phase IV**

**Project Information**

Project Number	102-1358
CIP Project Type	New Construction
Facility Type	Library/Study Facilities
Management Type	Institutional Management
Institution’s Project Advocate	Ross Johnson, Assistant Vice Provost, Director of Academic Facilities Planning and Management
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	39,640

**Project Funding**

Available University Fund	<u>Proposed</u> <u>\$47,000,000</u>
Total Project Cost	\$47,000,000

**Project Cost Detail**

	Cost
Building Cost	\$26,000,000
Fixed Equipment	7,500,000
Site Development	2,000,000
Furniture and Moveable Equipment	685,000
Institutionally Managed Work	1,184,000
Architectural/Design Services	2,756,000
Project Management	1,175,000
Insurance	1,200,000
Other Professional Fees	1,000,000
Project Contingency	3,000,000
Other Costs	500,000
<b>Total Project Cost</b>	<b>\$47,000,000</b>

**The University of Texas at Austin  
Library Storage Facility Phase IV**  
(continued)

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

Library Storage Facility Phase IV	\$656		
Texas Higher Education Coordinating Board Average – Library/Study Facilities	\$531		
	Low Quartile	Median	High Quartile
Other National Projects	\$583	\$627	\$668

**Investment Metrics**

- Maintain collections of documents, photos, and artifacts for The Briscoe Center, the Harry Ransom Center, and University of Texas Libraries by 2025
- Fulfill vision detailed in the 2015 Collections Master Plan by 2025
- Provide storage and retrieval of collections currently housed at Harry Ransom Center while it is renovated by 2025

**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	July 2021
Addition to CIP	February 2023
Design Development Approval	May 2023
Construction Notice to Proceed	November 2023
Substantial Completion	January 2025
Final Completion	February 2025

**Basis of Design**

The planned building life expectancy includes the following elements:

- Enclosure: 50 years
- Building Systems: 35 years
- Interior Construction: 35 years

3. U. T. San Antonio: Student Housing Phase IV - 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 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 Student Housing Phase IV project at The University of Texas at San Antonio.

BACKGROUND INFORMATION

Previous Action

On August 4, 2022, the Chancellor approved this project for Definition Phase.

Project Description

The proposed project will construct a new dormitory-style residence hall to house 600 undergraduate students and will be located on the Northwest corner of the Main Campus. Designed with student success in mind, the hall will feature a variety of common spaces for study and community-building activities and be in close proximity to dining facilities and other existing housing communities. The residence hall will offer a mix of single and double-bed units configured in pods around shared community spaces.

Providing quality on-campus residential experiences is one of the many keys to fostering student success. Retention rates for students living on campus are consistently higher than for those who live off campus, especially for first-generation students. In support of the university's strategic vision, the hall will expand the residential experience to a greater number of students and drive student retention and success through programming that emulates best practices for student engagement. This project will increase student housing capacity on the Main Campus to meet 95% the 2025 projected housing demand of 5,400 beds.

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 a Memorandum of Understanding effective September 1, 2020, U. T. San Antonio has delegated authority of institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas at San Antonio  
Student Housing Phase IV**

**Project Information**

Project Number	401-1419
CIP Project Type	New Construction
Facility Type	Housing, Dormitory
Management Type	Institutional Management
Institution’s Project Advocate	Kevin Price, Senior Associate Vice President for Housing and Campus Services
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	162,500
Beds Added this Project	600

**Project Funding**

Revenue Financing System Bond Proceeds <sup>1</sup>	<u>Proposed</u> \$82,500,000
Designated Funds	<u>4,500,000</u>
Total Project Cost	<u>\$87,000,000</u>

<sup>1</sup> RFS to be repaid from future rental income

**Project Cost Detail**

	Cost
Building Cost	\$64,850,000
Site Development	2,000,000
Furniture and Moveable Equipment	2,566,010
Institutionally Managed Work	608,125
Architectural/Design Services	4,051,927
Project Management	3,527,571
CIP Support Services	500,000
Insurance	1,299,991
Other Professional Fees	2,171,514
Project Contingency	5,274,862
Other Costs	150,000
<b>Total Project Cost</b>	<b>\$87,000,000</b>

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

Student Housing Phase IV	\$108,083		
Regional Median Cost per Bed	\$110,413		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$102,987	\$119,198	\$143,292
Other National Projects	\$94,500	\$126,151	\$160,767

**The University of Texas at San Antonio**  
**Student Housing Phase IV**  
(continued)

**Investment Metrics**

- Increase on-campus student housing capacity by 600, from 4,583 to 5,183 by 2025
- Increase on-campus student housing capacity to 95% of goal of 5,400 by 2025

**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	August 2022
Addition to CIP	February 2023
Design Development Approval	May 2023
Construction Notice to Proceed	July 2023
Substantial Completion	March 2025
Final Completion	June 2025

**Student Housing Statistics**

Waiting list for on-campus housing last semester	382
Total number of beds added in this project	600
Units to be demolished in this project	0
Total number of beds on campus after completion	5,183

**Basis of Design**

The planned building life expectancy includes the following elements:

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

4. U. T. Southwestern Medical Center: South Campus Underground Infrastructure Replacement - 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 South Campus Underground Infrastructure Replacement project at The University of Texas Southwestern Medical Center as follows:

- a. amend the current CIP and approve a total project cost of \$10,000,000; and
- b. appropriate funds of \$10,000,00,000 from Designated Funds.

BACKGROUND INFORMATION

Previous Action

On January 10, 2023, the Chancellor approved this project for Definition Phase.

Project Description

Chilled water and steam are distributed to South Campus buildings of the U. T. Southwestern Medical Center via three direct underground piping loops connected to the South Thermal Energy Plant. Together, the loops form an essential utility distribution mechanism system for the proper functioning of HVAC systems enabling uninterrupted operations in all serviced facilities. The existing underground pipes are unreliable for providing chilled water and steam as they are over 50 years old. The past three years have seen a steady increase in leaks that have required emergency repairs in pipes, valves, and fittings.

The proposed project will replace 800 feet of the pipes and completion of required ancillary work from the energy plant to the K-loop supporting the southwestern portion of campus. In addition to replacing the pipes, loop replacements require ancillary work, including new underground valve vaults to service branch valves to buildings with ventilation, expansion loops, anchor thrust blocks, pipe supports, and civil work to restore the surface. Ultimately the goal is to replace all of the underground chilled water and steam pipes and the replacement of the K-loop is the first phase.



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 a Memorandum of Understanding effective September 1, 2020, U. T. Southwestern Medical Center has delegated authority of institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas Southwestern Medical Center  
South Campus Underground Infrastructure Replacement**

**Project Information**

Project Number	303-1457
CIP Project Type	Repair and Rehabilitation
Facility Type	Utility/Infrastructure
Management Type	Institutional Management
Institution’s Project Advocate	Juan Guerra, Vice President of Facilities Management
Project Delivery Method	Competitive Sealed Proposals

**Project Funding**

Designated Funds	<u>Proposed</u> <u>\$10,000,000</u>
Total Project Cost	\$10,000,000

**Project Cost Detail**

	Cost
Site Development	\$8,775,000
Project Management	175,000
Other Professional Fees	250,000
Project Contingency	800,000
<b>Total Project Cost</b>	<b>\$10,000,000</b>

**Project Planning**

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

**Project Milestones**

Definition Phase Approval	January 2023
Addition to CIP	February 2023
Design Development Approval	March 2023
Construction Notice to Proceed	March 2023
Substantial Completion	September 2025
Final Completion	October 2025

5. U. T. Medical Branch - Galveston: John Sealy Hospital and Emergency Room Building MEP Mitigation - 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 John Sealy Hospital and Emergency Room Building MEP Mitigation project at the University of Texas Medical Branch at Galveston as follows:

- a. amend the current CIP and approve a total project cost of \$15,211,819; and
- b. appropriate funds of \$15,211,819 from Grants.

BACKGROUND INFORMATION

Previous Actions

On May 5, 2022, the Chancellor approved the John Sealy Hospital UTMB MEP Elevation project for Definition Phase. On January 3, 2023, the Assistant Vice Chancellor for Capital Projects approved the project name change to the John Sealy Hospital and Emergency Room Building MEP Mitigation project.

Project Description

The proposed project is a combination of two projects in two separate buildings on the Galveston Campus: the John Sealy Hospital and the Emergency Room Building. This project will install essential mechanical, electrical, and plumbing (MEP) equipment from the first floor of each building to a mechanical space on a floor twenty feet or more above mean sea level. The project will remove and dispose of remaining decommissioned equipment from the first floors.

This project will reduce the deferred maintenance backlog and aligns with the Campus Master Plan by mitigating flood risk for critical infrastructure required to support the university's clinical mission. Mitigating flood risk will improve resiliency against adverse weather conditions and ensure business continuity to serve patients.

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 a Memorandum of Understanding effective September 1, 2020, UTMB has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas Medical Branch at Galveston  
John Sealy Hospital and Emergency Room Building MEP Mitigation**

**Project Information**

Project Number	601-1409
CIP Project Type	Repair and Rehabilitation
Facility Type	Utilities/Infrastructure
Management Type	Institutional Management
Institution’s Project Advocates	Steve LeBlanc, Vice President of Business Operations and Facilities Russell Rodecap, Associate Vice President of Property Services
Project Delivery Method	Competitive Sealed Proposals
Gross Square Feet (GSF)	11,855

**Project Funding**

Grants <sup>1</sup>	<u>Proposed</u> <u>\$15,211,819</u>
Total Project Cost	\$15,211,819

<sup>1</sup> Development Grant from The Texas General Land Office

**Project Cost Detail**

	Cost
Building Cost	\$12,309,599
Institutionally Managed Work	413,140
Architectural/Design Services	1,210,558
Project Management	698,922
Insurance	579,600
Total Project Cost	\$15,211,819

**Project Planning**

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

**The University of Texas Medical Branch at Galveston  
John Sealy Hospital and Emergency Room Building MEP Mitigation  
(continued)**

**Project Milestones**

Definition Phase Approval	May 2022
Addition to CIP	February 2023
Design Development Approval	May 2023
Construction Notice to Proceed	December 2023
Substantial Completion	May 2025
Final Completion	December 2025

6. U. T. M. D. Anderson Cancer Center: Clinical Services Building - 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 Clinical Services Building project at The University of Texas M. D. Anderson Cancer Center.

BACKGROUND INFORMATION

Previous Actions

On May 22, 2019, the Chancellor approved this project for Definition Phase as the Inpatient Bed Tower with total project cost of \$600,000,000. On August 25, 2022, the Board approved the project for Definition Phase with an anticipated total project cost of \$1,250,000,000, authorized expenditure of up to \$62,500,000 from institutional funds to complete Definition Phase, and approved the project name change to Inpatient Bed Tower, Phase 1 - Support Services Building. On January 3, 2023, the Assistant Vice Chancellor for Capital Projects approved the project name change to Clinical Services Building.

Project Description

The proposed Clinical Services Building (CSB) will be a major addition to the existing U. T. M. D. Anderson Cancer Center campus at the Texas Medical Center (TMC) in Houston. The facility will be located at the northeast corner of the TMC Campus on the site where the recently demolished Dental Branch building was located. The CSB is to be approximately 750,000 gross square feet, including approximately 10,000 gross square feet of shell space to support future growth.

The CSB will include a basement and eleven floors of new construction and a mechanical penthouse.

Key occupants of the CSB will include pathology and laboratory medicine, pharmacy, perioperative services, clinical engineering, and patient transportation. The CSB will also include space for an education and simulation center, patient food and dietary services, materials management, environmental services, and building services and support. A full floor will be included for a translational work environment that will be used to support the institution's strategy for vacating facilities that are to be demolished to create the site for the new inpatient bed tower. Expected to be constructed in 10 years under a future phase, the new bed tower will contribute to the overall strategy for modernizing and expanding inpatient care capacity.

The project also involves the completion of certain enabling work related to the relocation and expansion of bulk medical gas storage tanks and emergency fuel storage tanks and construction of elevated pedestrian walkways that will connect the CSB to the Main Building complex. It is anticipated that the CSB can be directly connected to the Inpatient Bed Tower that is to be constructed in about 10 years.

This proposed 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 Board for approval at a later date. Pursuant to a Memorandum of Understanding effective September 1, 2020, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.

## **The University of Texas M. D. Anderson Cancer Center Clinical Services Building**

### **Project Information**

Project Number	703-1246
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)	750,000
Shell Space (GSF)	10,000

### **Project Funding**

Hospital Revenues	<u>Proposed</u> <u>\$1,250,000,000</u>
Total Project Cost	\$1,250,000,000

**The University of Texas M. D. Anderson Cancer Center  
Clinical Services Building**  
(continued)

**Project Cost Detail**

	Cost
Building Cost	\$ 617,959,000
Fixed Equipment	36,500,000
Site Development	134,374,300
Furniture and Moveable Equipment	151,000,000
Institutionally Managed Work	73,500,000
Architectural/Design Services	48,576,700
Project Management	12,000,000
Insurance	19,500,000
Other Professional Fees	5,000,000
Project Contingency	150,590,000
Other Costs	1,000,000
<b>Total Project Cost</b>	<b>\$1,250,000,000</b>

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

Clinical Services Building (includes 1% shell space)	\$824		
Clinical Services Building (Total Estimated Finish-Out)	\$831		
Texas Higher Education Coordinating Board Average – Healthcare Facility, Hospital	\$761		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$528	\$734	\$853
Other National Projects	\$690	\$908	\$1,356

**Investment Metrics**

- Complete and activate by end of FY 2025 to support strategy for replacing aged inpatient care facilities
- Support strategy for increasing capacity for providing inpatient care within the next 10-15 years

**Project Planning**

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

**The University of Texas M. D. Anderson Cancer Center  
Clinical Services Building**  
(continued)

**Project Milestones**

Definition Phase Approval	August 2022
Addition to CIP	February 2023
Design Development Approval	August 2023
Construction Notice to Proceed	February 2024
Substantial Completion	November 2027
Final Completion	June 2028

**Basis of Design**

The planned building life expectancy includes the following elements:

- Enclosure: 40 years
- Building Systems: 20 years
- Interior Construction: 15 years

7. U. T. M. D. Anderson Cancer Center: South Campus Research Building 5 - Amendment of the current Capital Improvement Program to include project and allocation 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 approve the recommendation for the South Campus Research Building 5 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 \$668,300,000 with funding of \$556,402,889 from Hospital Revenues, \$69,897,111 from Tuition Revenue Bond (TRB) Proceeds, and \$42,000,000 from Permanent University Fund (PUF) Bond Proceeds; 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 \$69,897,111.

## BACKGROUND INFORMATION

### Previous Actions

On January 22, 2020, the Chancellor approved this project for Definition Phase as the TMC3 Translation and Discovery Building. On September 23, 2022, the Assistant Vice Chancellor for Capital Projects approved the project name change to South Campus Research Building 5. On November 17, 2022, the project was included in the CIP with a total project cost of \$668,300,000 with funding of \$556,402,889 from Hospital Revenues, \$69,897,111 from TRB Proceeds and \$42,000,000 from PUF Bond Proceeds.

### Project Description

The proposed project will be a seven-story building with an additional two-level mechanical equipment penthouse. The scope of the project will include site work, which encompasses site-specific utility infrastructure work; the interior finish-out of floors one through four, a central plaza sited between this building and a new Public Health Education and Research Building to be constructed under a concurrent project by U. T. Health Science Center - Houston, and the construction of a pedestrian bridge over Old Spanish Trail enabling connectivity of the South Campus buildings to the TMC Helix Park. Floors five through seven are to be completed under a separate project in approximately ten years.

The project will position the institution to relocate and co-locate researchers that are currently distributed broadly across multiple aging buildings. The researchers will be moved to the southern section of the Texas Medical Center (TMC) Campus. The new facility is being designed with maximum flexibility to meet new and evolving research technologies and is to include wet and dry laboratories, core facilities to support research, conferencing facilities, collaboration spaces, and food and beverage amenities. The building will be designed with a focus on the well-being of the occupants, providing a high-quality place of work with access to natural light and connectivity to enable collaboration.

Pursuant to a Memorandum of Understanding effective September 1, 2020, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.



**The University of Texas M. D. Anderson Cancer Center  
South Campus Research Building 5**

**Project Information**

Project Number	703-1300
CIP Project Type	New Construction
Facility Type	Laboratory, Medical/Healthcare
Management Type	Institutional Management
Institution’s Project Advocate	Giulio Draetta, M.D., Ph.D., Senior Vice President and Chief Scientific Officer
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	600,000
Shell Space (GSF)	234,600

**Project Funding**

	<u>Current</u>
Hospital Revenues <sup>1</sup>	\$556,402,889
Tuition Revenue Bond Proceeds	69,897,111
Permanent University Fund Bond Proceeds	<u>42,000,000</u>
Total Project Cost	\$668,300,000

<sup>1</sup> Includes \$19,800,000 from U. T. Health Science Center - Houston for portion of costs for shared plaza and pedestrian bridge to TMC Helix Park

**Project Cost Detail**

	Cost
Building Cost	\$389,700,000
Fixed Equipment	18,300,000
Site Development	79,690,500
Furniture and Moveable Equipment	37,224,900
Institutionally Managed Work	18,316,600
Architectural/Design Services	36,408,300
Project Management	23,100,000
Insurance	9,900,000
Other Professional Fees	7,845,000
Project Contingency	47,474,700
Other Costs	340,000
Total Project Cost	\$668,300,000

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

South Campus Research Building 5 (includes 39% Shell Space)	\$650												
South Campus Research Building 5 (Total Estimated Finish-Out)	\$855												
Texas Higher Education Coordinating Board Average - Laboratory, Medical/Healthcare	\$683												
	<table border="1"> <thead> <tr> <th></th> <th>Low Quartile</th> <th>Median</th> <th>High Quartile</th> </tr> </thead> <tbody> <tr> <td>Other U. T. System Projects</td> <td style="text-align: center;">\$636</td> <td style="text-align: center;">\$710</td> <td style="text-align: center;">\$840</td> </tr> <tr> <td>Other National Projects</td> <td style="text-align: center;">\$717</td> <td style="text-align: center;">\$925</td> <td style="text-align: center;">\$1,124</td> </tr> </tbody> </table>		Low Quartile	Median	High Quartile	Other U. T. System Projects	\$636	\$710	\$840	Other National Projects	\$717	\$925	\$1,124
	Low Quartile	Median	High Quartile										
Other U. T. System Projects	\$636	\$710	\$840										
Other National Projects	\$717	\$925	\$1,124										

**The University of Texas M. D. Anderson Cancer Center  
South Campus Research Building 5  
(continued)**

**Investment Metrics**

- Co-locate 85% of the research enterprise within walking distance of each other across five South Campus Research Buildings by 2030
- Vacate aging and costly buildings allowing for estimated savings of \$1.5M annually by lowering operational costs by 2030

**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	January 2020
Addition to CIP	November 2022
Design Development Approval	February 2023
Construction Notice to Proceed	July 2023
Substantial Completion	June 2027
Final Completion	September 2027

**Basis of Design**

The planned building life expectancy includes the following elements:

Enclosure: 40 years  
Building Systems: 20 years  
Interior Construction: 15 years

8. U. T. Tyler: Nursing Addition and Renovation - Approval of design development; 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 Health Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents approve the recommendation for the Nursing Addition and Renovation project at The University of Texas at Tyler as follows:

- a. approve design development plans; and
- b. appropriate funds and authorize expenditure of \$35,000,000 from Permanent University Fund (PUF) Bond Proceeds.

BACKGROUND INFORMATION

Previous Actions

On May 5, 2022, the Chancellor approved this project for Definition Phase. On November 14, 2019, the Board approved an allocation of \$35,000,000 in PUF Bond Proceeds for this project. On August 25, 2022, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$35,000,000 with funding from PUF Bond Proceeds.

Project Description

The proposed addition will provide state-of-the-art spaces and increase efficiency of the facility to improve operations for the nationally ranked nursing program in one of the most underserved regions of Texas. The two-story addition will include classrooms, clinical training spaces, simulation spaces for ICU, labor and delivery, pediatric training spaces, and nurses' stations, offices, and support space. The 48,162 gross square foot (GSF) addition will include approximately 22,910 GSF of shell space.

The proposed renovation of 9,641 GSF in the existing School of Nursing will provide student commons space, student kitchen, advising offices, and a direct connection between the new addition and the existing building. Future renovations as funds become available and not included under this scope include, additional office space, computer testing labs, large classrooms, and new staff area.

**The University of Texas at Tyler  
Nursing Addition and Renovation**

**Project Information**

Project Number	802-1406
CIP Project Type	New Construction and Repair and Rehabilitation
Facility Type	Classroom, Medical/Healthcare
Management Type	Office of Capital Projects
Institution’s Project Advocate	Daniel Deslatte, Senior Vice President - Business Affairs; Chief Operating Officer - Health Affairs Dr. Barbara Haas, Dean, School of Nursing
Project Delivery Method	Construction Manager-at-Risk
New Construction Gross Square Feet (GSF)	48,162
New Construction Shell Space GSF	22,910
Renovation GSF	9,641

**Project Funding**

	<u>Current</u>
Permanent University Fund Bond Proceeds	<u>\$35,000,000</u>
Total Project Cost	\$35,000,000

**Project Cost Detail**

	Cost
Building Cost	
Nursing Addition	\$19,790,014
Renovation	1,650,000
Site Development	2,609,986
Furniture and Moveable Equipment	1,500,000
Institutionally Managed Work	1,650,000
Architectural/Design Services	2,612,584
Project Management	1,500,000
CIP Support Services	350,000
Insurance	544,925
Other Professional Fees	1,702,503
Project Contingency	1,089,988
<b>Total Project Cost</b>	<b>\$35,000,000</b>

**The University of Texas at Tyler  
Nursing Addition and Renovation**  
(continued)

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

Nursing Addition Only – (with 48% Shell Space)	\$411		
Nursing Addition Only – (total estimated finish-out)	\$539		
Texas Higher Education Coordinating Board Average – Classroom, Medical/Healthcare	\$589		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$294	\$465	\$483
Other National Projects	\$351	\$504	\$725

**Investment Metrics**

- Increase nursing program’s undergraduate enrollment from 1,741 to 2,710 students by 2027
- Increase nursing program’s graduate enrollment from 474 to 807 students by 2027

**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	May 2022
Addition to CIP	August 2022
Design Development Approval	February 2023
Construction Notice to Proceed	April 2023
Substantial Completion	May 2024
Final Completion	June 2024

**Basis of Design**

The planned building life expectancy includes the following elements:

- Enclosure: 40 years
- Building Systems: 20 years
- Interior Construction: 15 years

9. U. T. Austin: Microelectronics and Engineering Research Center Cleanroom Expansion - Amendment of the current Capital Improvement Program to increase total project cost to include Phases B-1 and B-2 of the 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 Phases B-1 and B-2 of the Microelectronics and Engineering Research Center Cleanroom Expansion Phase project at The University of Texas at Austin as follows:

- a. amend the current CIP to include Phases B-1 and B-2 of the project and increase the total project cost from \$53,062,000 to \$175,294,000;
- b. appropriate funds for Phase B-1 of \$32,700,000 with additional funding from Tuition Revenue Bond (TRB) Proceeds; appropriate funds for Phase B-2 of \$89,532,000 with additional funding of \$26,545,084 from TRB Proceeds, \$42,687,000 from Revenue Financing System (RFS) Bond Proceeds, \$15,000,000 from Available University Fund, \$3,800,000 from Permanent University Fund (PUF) Bond Proceeds, and \$1,500,000 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 \$101,932,084.

## BACKGROUND INFORMATION

### Debt Service

The \$42,687,000 in RFS debt will be recovered from institutional funds. Annual debt service on the \$42,687,000 in RFS debt is expected to be \$2.4 million. The institution's Scorecard Rating of 1.6 at fiscal year-end 2022 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 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 TRB Proceeds.

### Project Description

In the face of the critical global shortage in microchips and semiconductor systems, U. T. Austin is proposing to lead 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 MER Cleanroom Renovation and Expansion Phase B-1 includes additional semiconductor research equipment for the cleanroom expansion. Phase B-2 will renovate existing lab space into 13,750 gross square feet of cleanrooms for semiconductor research, repair HVAC and existing roofs, renovate code-compliant offices, and upgrade fire alarms for MER building. This will complete the heterogeneous integration line for semiconductor research and allow U. T. to submit an advanced, comprehensive, and competitive proposal in 2023 to compete for grants from the CHIPS and Science Act of 2022.

The proposed Phase B-1 and B-2 portions of the project have been approved by U. T. System staff and meet the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding for Phases B-1 and B-2 will be presented to the President for approval at a later date. Pursuant to a May 10, 2017 Board of Regents approval, effective September 1, 2017, U. T. Austin has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas at Austin  
Microelectronics and Engineering Research Center (MER) Cleanroom Expansion  
Phases B-1 and B-2**

**Project Information**

Project Number	102-1400
CIP Project Type	Renovation and Rehabilitation
Facility Type	Laboratory, General
Management Type	Institutional Management
Institution’s Project Advocate	John Ekerdt, Cockrell School of Engineering Associate Dean for Research
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	13,750

**Project Funding**

	<u>Current</u>	<u>Proposed</u>
Tuition Revenue Bond Proceeds	\$53,062,000	\$112,307,084
Revenue Financing System Bond Proceeds <sup>1</sup>		42,687,000
Permanent University Fund Bond Proceeds		3,800,000
Available University Fund		15,000,000
Designated Funds		<u>1,500,000</u>
Total Project Cost	<u>\$53,062,000</u>	<u>\$175,294,084</u>

<sup>1</sup>RFS Bond Proceeds to be repaid by institutional funds

**Project Cost Detail  
Phase B-1 and B-2**

	Cost
Building Cost	\$65,063,760
Fixed Equipment	28,000,000
Furniture and Moveable Equipment	456,000
Institutionally Managed Work	1,465,400
Architectural/Design Services	7,037,488
Project Management	4,203,152
Insurance	1,803,105
Other Professional Fees	6,591,095
Project Contingency	6,570,157
Other Costs	1,041,927
Total Project Cost	\$122,232,084



**The University of Texas at Austin  
Microelectronics and Engineering Research Center (MER) Cleanroom Expansion  
Phases B-1 and B-2  
(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 – Phases B-1 and B-2**

Definition Phase Approval	August 2022
Addition to CIP	February 2023
Design Development Approval	March 2023
Construction Notice to Proceed	June 2023
Substantial Completion	June 2025
Final Completion	July 2025

10. U. T. Health Science Center - San Antonio: Inpatient Facility - 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 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 Inpatient Facility project at The University of Texas Health Science Center at San Antonio as follows:

- a. amend the current Capital Improvement Program (CIP) to increase the total project cost from \$426,851,000 to \$471,051,000;
- b. appropriate funds and authorize expenditure of \$44,200,000 with additional funding of \$34,600,000 from Revenue Financing System (RFS) Bond Proceeds and \$9,600,000 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. Health Science Center - San Antonio, 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 \$34,600,000.

## BACKGROUND INFORMATION

### Debt Service

The additional \$34,600,000 in RFS debt will be repaid from Hospital Revenues. Annual debt service on the \$34,600,000 in RFS debt is expected to be \$2.5 million. The institution's Scorecard Rating of 5.3 at fiscal year-end 2022 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 September 17, 2019, the Chancellor approved this project for Definition Phase. On November 14, 2019, the Board approved \$80,000,000 in PUF Bond Proceeds for this project. On August 20, 2020, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$398,851,000 with funding of \$268,851,000 from RFS Bond Proceeds, \$80,000,000 from PUF Bond Proceeds, and \$50,000,000 from Gifts. On November 19, 2020, the Board approved design development plans and authorized expenditure of funds. On June 28, 2021, the Chancellor approved the inclusion of the Mays Cancer Center Renovation project scope and funding for a combined total project cost of \$426,851,000 with funding of \$283,851,000 from RFS Bond Proceeds, \$80,000,000 from PUF Bond Proceeds, \$50,000,000 from Gifts, and \$13,000,000 from Designated Funds and authorized expenditure of the additional funds.

### Project Description

The original project includes an eight-story high-acuity hospital to be comprised of several specialties including cancer, neurosciences, orthopedics, urology, thoracic surgery, and bariatrics. A distinct competitive advantage of the hospital will be the unique leading-edge therapies and early-phase clinical trials in the many disciplines in which the university has expertise, including immunologic and stem cell therapies in oncology. A seven-level, 650-space parking garage is included in the project, as well as the renovation of the Mays Cancer Center.

The proposed increase will finish out space in the new hospital previously planned to be shelled, to include the post anesthesia care unit, prep/recovery rooms, four additional operating rooms, a laboratory, and 48-additional medical/surgical beds on levels 7 and 8. There will be 5,138 gross square feet of shell space for future buildout of clinical areas.

The hospital will be located on 12 acres of land in the South Texas Medical Center gifted to U. T. Health Science Center at San Antonio (UTHSCSA) by the San Antonio Medical Foundation. The proposed hospital's proximity to UTHSCSA's major medical and research facilities provides close physical and intellectual connectivity between the teams in these buildings and will be a key component to the overall success of the hospital by creating programmatic synergy needed to bring laboratory discoveries into the clinic to serve the region's health needs. This location will also allow for a bridge connecting the hospital to the Mays Cancer Center, a National Cancer Institute-Designated facility, to allow for seamless flow of outpatient and inpatient cancer care.

Pursuant to a Memorandum of Understanding effective July 1, 2019, U. T. Health Science Center - San Antonio has delegated authority of institutional management of construction projects under the continued oversight of the Office of Capital Projects.

## **The University of Texas Health Science Center at San Antonio Inpatient Facility**

### **Project Information**

Project Number	402-1287
CIP Project Type	New Construction
Facility Type	Healthcare Facility, Hospital
Management Type	Institutional Management
Institution's Project Advocate	James D. Kazen, Executive Vice President Facility Planning and Operations
Project Delivery Method	Construction Manager at Risk
Gross Square Feet (GSF)	448,146 - Hospital
Renovation GSF	51,500 - Mays Cancer Center
Shell Space GSF	5,138
Parking Garage Spaces	650

### **Project Funding**

	<u>Current</u>	<u>Proposed</u>
Revenue Financing System Bond Proceeds <sup>1</sup>	\$283,851,000	\$318,451,000
Permanent University Fund Bond Proceeds	80,000,000	80,000,000
Gifts <sup>2</sup>	50,000,000	50,000,000
Designated Funds	<u>13,000,000</u>	<u>22,600,000</u>
<b>Total Project Cost</b>	<b>\$426,851,000</b>	<b>\$471,051,000</b>

<sup>1</sup>RFS Bond Proceeds to be repaid by Hospital Revenues

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

**The University of Texas Health Science Center at San Antonio  
Inpatient Facility  
(continued)**

**Project Cost Detail**

Building Cost	
- Hospital	\$243,206,257
- Parking Garage	12,913,207
- Pedestrian Bridge	10,935,394
- Mays Cancer Center Renovation	17,710,965
Fixed Equipment	8,229,066
Site Development	22,605,413
Furniture and Moveable Equipment	10,202,340
Institutionally Managed Work	82,725,000
Architectural/Design Services	30,844,259
Project Management Fees	3,055,000
CIP Support Services	500,000
Insurance	6,181,173
Other Professional Fees	6,945,183
Project Contingency	12,984,942
Other Costs	<u>2,012,801</u>
<b>Total Project Cost</b>	<b>\$471,051,000</b>

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

Inpatient Facility (includes 1% Shell Space)	\$1,688,932
Inpatient Facility (Estimated Total Finish-Out)	\$1,709,766
Regional Median Cost per Bed	\$1,386,811

	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$640,596	\$1,257,341	\$2,119,248
Other National Projects	\$1,326,895	\$2,033,554	\$3,626,866

**Investment Metrics**

- Create up to 130 residency training slots by 2027
- Increase the average daily inpatient census by at least 15% by 2026

**Project Planning**

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

**The University of Texas Health Science Center at San Antonio  
Inpatient Facility  
(continued)**

**Project Milestones**

Definition Phase Approval	September 2019
Addition to CIP	August 2020
Design Development Approval	November 2020
Construction Notice to Proceed	February 2021
Substantial Completion	November 2024

**Basis of Design**

The planned building life expectancy includes the following elements:

- Enclosure: 35 years
- Building Systems: 25 years
- Interior Construction: 20 years

11. U. T. M. D. Anderson Cancer Center: Replace Uninterruptible Power Supply Systems - Cancer Prevention Building Data Center - 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 with 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 recommendation for the Replace Uninterruptible Power Supply Systems - Cancer Prevention Building Data Center project at The University of Texas M. D. Anderson Cancer Center as follows:

- a. amend the current Capital Improvement Program (CIP) to increase the total project cost from \$11,000,000 to \$15,400,000; and
- b. appropriate funds and authorize expenditure of \$4,400,000 with additional funding from Hospital Revenues.

BACKGROUND INFORMATION

Previous Actions

On February 20, 2020, the Chancellor approved this project for Definition Phase. On May 5, 2022, the project was included in the CIP with a total project cost of

\$11,000,000 with funding from Hospital Revenues. On January 19, 2023, the president approved design development plans.

### Project Description

The Cancer Prevention Building (CPB) Data Center, located in the Dan L. Duncan Building, is one of two production data centers for U. T. M. D. Anderson Cancer Center. Together this center and the data center located at the Mid Campus Building 1 provide high availability of systems so that the institution's clinical and administrative users have highly reliable IT service. The project will replace four uninterruptible power supply systems (UPS Systems) that are 16 years old. The project is expected to include modification to the electrical system, the air handling system, and space, as needed, to support the new UPS Systems. Implementation of this project is needed to maximize the amount of power and cooling available for this data center to allow for future growth in the information technology systems and to extend the life of this data center.

The proposed increase is related to changes to the rack cooling technology and utilities to support the cooling equipment. Increased costs due to ongoing volatility in construction labor and material markets and supply chain delivery have also impacted the project cost.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Pursuant to a Memorandum of Understanding effective September 1, 2020, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.

## **The University of Texas M. D. Anderson Cancer Center Replace Uninterruptible Power Supply Systems - Cancer Prevention Building Data Center**

### **Project Information**

Project Number	703-1303
CIP Project Type	Repair and Rehabilitation
Facility Type	Utilities/Infrastructure
Management Type	Institutional Management
Institution's Project Advocate	John Gillman, Director of IT Operations
Project Delivery Method	Construction Manager at Risk
Gross Square Feet (GSF)	3,175

### **Project Funding**

	<u>Current</u>	<u>Proposed</u>
Hospital Revenues	<u>\$11,000,000</u>	<u>\$15,400,000</u>
Total Project Cost	\$11,000,000	\$15,400,000

**The University of Texas M. D. Anderson Cancer Center  
 Replace Uninterruptible Power Supply Systems - Cancer Prevention Building  
 Data Center  
 (continued)**

**Project Cost Detail**

	Cost
Building Cost	\$7,600,000
Fixed Equipment	4,100,000
Architectural/Design Services	960,000
Project Management	400,000
Other Professional Fees	300,000
Project Contingency	1,540,000
Other Costs	500,000
<b>Total Project Cost</b>	<b>\$15,400,000</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	February 2020
Addition to CIP	May 2022
Design Development Approval	January 2023
Construction Notice to Proceed	June 2023
Substantial Completion	May 2024
Final Completion	August 2024

APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD.--At 9:05 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:

- Consent Agenda Item 7 seeks approval of the Fiscal Year 2024 Budget Preparation Policies including the Calendar for budget operations and the Annual Operating Budget Rules and Procedures.
- Item 8 seeks approval for allocation of \$24,000,000 of RFS funding for five intercollegiate athletics capital projects at U. T. Rio Grande Valley; and a resolution regarding parity debt.
- Item 14 seeks approval of an equipment purchase and settlement agreement for U. T. Austin to purchase clean room equipment located on U. T. Austin's Montopolis Campus from the current tenant, Novati Technologies, LLC.
- Item 30 requests authorization for U. T. El Paso to license approximately 16,624 square feet to the YWCA for a childcare center serving the children of students, faculty, and staff. In approving the item, the Board is asked to make a finding of public purpose as described in the item.
- Under Item 35, U. T. San Antonio seeks authorization to extend the term of a ground lease at the institution's Park West Athletics Complex to the Roadrunner Foundation for the construction of a team and locker-room facility.
- Under Item 37, U. T. Tyler requests authorization to spend gift funds for the purchase of 3D Mammography equipment at Jacksonville Hospital, d/b/a UT Health Jacksonville. In approving this item, the Board is asked to make a finding of public purpose as described in the item.

Regent Jiles abstained from discussion and vote on Consent Agenda Item 4 regarding the request to grant budget authority to pay expenses associated with the Systemwide Microsoft Unified contract.

Vice Chairman Longoria moved approval of the Consent Agenda, which was seconded by Regent Warren. The Board then approved the Consent Agenda, which is set forth on Pages 91 - 160.

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 respective U. T. institution involved, as appropriate.



2. U. T. System: Annual Meeting with Officers of the U. T. System Employee Advisory Council

The U. T. System Employee Advisory Council (EAC) discussed the Council's work and planned activities, utilizing the summary on the following page.

The U. T. System Employee Advisory Council was established in August 2000 to provide a vehicle for communication and to facilitate the flow of ideas and information between and among the Board of Regents, U. T. System Administration, and the institutions. The EAC functions to define, analyze, and make recommendations on employee issues to the Board through the Chancellor.

Council officers are:

Chair: Ms. Tilly Clark, Assistant Director for the Office of the President - Special Use Facilities, U. T. Medical Branch - Galveston

Vice Chair: Mr. Frank Merlino, Human Resources Business Partner, Employee Relations, U. T. Southwestern Medical Center

Secretary: Ms. Laura Rademacher, Program Manager for Student Affairs, U. T. Health Science Center - Houston

Historian: Ms. Shanese Williams, Assistant Director for Residence Life, U. T. Tyler

Following the presentation by Council Secretary, Laura Rademacher, Chairman Eltife expressed his appreciation for the work of the council and Vice Chairman Weaver commented on the importance of staff retention and asked about evaluation of their efforts going forward.

## SUMMARY REPORT

Although the 2023 term is far from complete, the Employee Advisory Council (EAC) has already convened three council meetings, adopted an employee retention focus, and initiated a collaborative effort with the U. T. System Office of Talent and Innovation.

Throughout the Fall 2022 Semester, EAC collected data to identify opportunities that could positively impact employees. During that time, the EAC discovered that 57% of staff members surveyed by the College and University Professional Association for Human Resources said they were considering leaving their jobs in the next year. This data coupled with another report from the Chronicle of Higher Education sparked discussions within the EAC about the ongoing employee retention efforts across the U. T. System. In an effort to address this concern with cost-effective and powerful methods of improving staff retention throughout the U. T. System, the EAC opted to take a multipronged approach and developed two areas of focus: 1) Employee Benefits and 2) Employee Wellness.

1. Employee Benefits: Highlighting the value of working in higher education is an important component in retention practices. The employee benefits package offered by U. T. System is a key area that employees find extremely important to their career priorities.

Most U. T. System employees do not have access to a complete annual employment portfolio that outlines the cumulative value of their salary and benefits. Providing a Total Rewards Statement could educate employees on the advantages of being a member of the U. T. System, which in some cases enhances an employee's salary by as much as 30% in benefits alone. Furthermore, implementing such a statement would increase employee awareness of benefits and facilitate more informed decisions about career progression.

The EAC recommends implementing an annual Rewards Statement for all benefit-eligible employees as an impactful way to communicate the value of employment across the U. T. institutions and with the hope that this will have a direct influence on employee retention.

2. Employee Wellness: It is now widely understood that employee wellness is a growing strategic business priority, and employers are taking proactive steps to retain employees and build resilience within the workforce.

Employees appreciate the encouragement for self-care received from leadership, which has proven to enhance organizational culture and increase overall work satisfaction. By keeping wellness as a priority, U. T. institutions will build greater job satisfaction, strengthen employee retention, boost work productivity, and positively influence personal well-being.

The EAC is building a wellness best practices toolkit, to be recommended for sharing with the benefits coordinators, institutional staff councils, and HR professionals at each U. T. institution. This toolkit will supplement and bolster existing institutional programs for employee well-being, highlight creative solutions, and provide new opportunities for collaboration.

3. U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' *Rules and Regulations*, Rule 10501 (Delegation to Act on Behalf of the Board), regarding delegation of approval of certain contracts

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor, the Executive Vice Chancellors for Academic Affairs, Health Affairs, and Business Affairs, and the Vice Chancellor and General Counsel recommend that the U. T. System Board of Regents approve revisions to Regents' *Rules and Regulations*, Rule 10501 (Delegation to Act on Behalf of the Board), as shown below:

...

Sec. 2 Delegation

Sec. 2.2 Contracts Not Requiring Board Approval. The following contracts or agreements, including purchase orders and vouchers, do not require prior approval by the Board of Regents.

2.2.12 Athletic employment agreements. Contracts, contract revisions, and contract extensions with athletic directors and coaches except those with total annual compensation of \$1 million or greater ~~or those with proposed multiyear contracts totaling \$1 million or greater.~~

(a) Contracts, contract revisions, and contract extensions for such individuals with total annual compensation of \$1 million or greater ~~or those with proposed multiyear contracts totaling \$1 million or greater~~ 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 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.

...

Sec. 3 Matters Not Delegated. The following contracts or agreements, including purchase orders or vouchers and binding letters of intent or memoranda of understanding, must be submitted to the Board for approval or authorization:

...

- 3.2 Contracts with Foreign Governments. Contracts or agreements of any kind or nature, regardless of dollar amount, with a foreign government or agencies thereof, except:
- (a) affiliation agreements and 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 prepared on an approved standard form or satisfying the requirements set by the Office of General Counsel; ~~or~~
  - (b) 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 each as reviewed and approved by the Vice Chancellor and General Counsel; and
  - (c) 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.

....

#### BACKGROUND INFORMATION

Regents' Rule 10501 contains several delegations of the Board's contracting authority. The proposed revisions modify existing delegations to facilitate more expeditious execution of certain agreements.

The proposed revisions do not impact the full-time equivalent (FTE) employee count Systemwide and is potentially budget positive due to process efficiencies. The proposed Rules change was reviewed by the institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

4. U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' *Rules and Regulations*, Rule 20204 (Determining and Documenting the Reasonableness of Compensation), regarding Board approval of compensation

The Board approved the following recommendation:

#### RECOMMENDATION

The Chancellor, the Executive Vice Chancellors for Academic Affairs, Health Affairs, and Business Affairs, and the Vice Chancellor and General Counsel, recommend that the U. T. System Board of Regents approve revisions to Section 3 of Regents' *Rules and Regulations*, Rule 20204 (Determining and Documenting the Reasonableness of Compensation), as follows:

Sec. 3 Approval required.

- 3.1 Board Approval. Initial Total Annual Compensation and changes to Total Annual Compensation ~~for all Highly Compensated Personnel that may exceed the amount set as the approved institutional contract threshold discussed in Regents' Rules and Regulations, Rule 10501, Subsection 2.2.17~~ must be approved by the Board of Regents, except as otherwise required or allowed by Rule 10501 for athletic directors or coaches ~~when special circumstances exist~~ or by Subsection 3.2 below. This approval can occur through the approval of the annual operating budget or as a stand-alone item during the fiscal year.
- 3.2 Chancellor approval. The Chancellor may approve changes of up to five percent per year in an institutional employee's Total Annual Compensation that was approved by the Board pursuant to subsection 3.1 if the changes ~~for an institutional employee classified as Highly Compensated Personnel of up to five percent per year that were not included in the annual operating budget may be approved by the Chancellor if the initial compensation was previously approved by the Board.~~
- 3.3 Documentation required. In all cases, the employing institution is responsible for maintaining ~~providing~~ documentation that the compensation was established or changed in accordance with applicable Systemwide policy.

BACKGROUND INFORMATION

Regents' Rule 20204 concerns approval of compensation for certain employees. The proposed revisions clarify the process for approval. The proposed revisions refine and clarify the process used to approve compensation for employees, including those classified as Highly Compensated Personnel and provide additional delegation, consistent with approved threshold levels for contracts requiring Board approval.

This revision does not impact the full-time equivalent (FTE) employee count Systemwide and is budget neutral. The proposed Rules change was reviewed by the institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

5. U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' *Rules and Regulations to amend Rule 20205 (Expenditures for Travel and Entertainment by Chief Administrators)* and to approve a new Rule 80107 regarding University residences

The Board approved the following recommendation:

#### RECOMMENDATION

The Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, and the General Counsel to the Board recommend that the U. T. System Board of Regents take the following actions:

- a. approve revisions to Regents' *Rules and Regulations*, Rule 20205 to delete language related to University residences from this Rule, clarify procedures, and renumber remaining sections accordingly and as set forth on the following pages, and
- b. approve a new Regents' *Rules and Regulations*, Rule 80107 that places language on University residences in Series 80000 on Facilities and includes and clarifies relevant language previously included in Rule 20205, also as set forth on the following pages.

#### BACKGROUND INFORMATION

Procedures related to the review and approval of expenditures and travel by the Chief Administrative Officers are well established and audited as needed. The recommended changes to Rule 20205 simplify language related to expectations and respond to recent questions about items to be included in the required annual summary of expenses.

When Rule 20205 was enacted, most institutional presidents occupied University Residences as a condition of employment and the Rule had general application to the Chancellor and all presidents; however, there are currently only two University residences and the relevant policy is better housed under "Facilities." In addition, decisions on expenditures for maintenance and upkeep of University Residences are not made by the occupants of the housing. Accordingly, a proposed revised Rule 20205 and new Rule 80107 are set forth on the following pages.

These revisions do not impact the full-time equivalent (FTE) employee count Systemwide and are budget neutral. The proposed Rules change was 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: 20205**

**1. Title**

Expenditures for Travel and Entertainment by Chief Administrators ~~and for the Maintenance of University Residences~~

**2. Rule and Regulation**

Sec. 1 Purpose. The University of Texas System Administration and U. T. System institutions are governed by State law and rules and regulations promulgated under those laws, as well as Systemwide and institutional policies and procedures concerning expenses incurred by officials for travel, ~~and entertainment, and housing~~. While recognizing the unique role of the Chief Administrators in representing the U. T. System and the institutions, the Board of Regents also recognizes the importance of oversight and accountability, transparency, and fiscal responsibility. The purpose of this *Rule* is to prescribe, clarify, and provide uniformity in the approval, review, and audit ~~of process for Travel and Entertainment Expenses incurred by the Chief Administrators and for Expenses for the Maintenance of University Residences~~.

Sec. 2 Prudent Use of Funds. In the performance of their unique roles, the Chief Administrators are frequently called upon to travel on behalf of the U. T. System Administration and the institutions, to extend official hospitality to important visitors, and to entertain guests in conjunction with alumni and development activities, campus events, and other official functions. As a public institution, the U. T. System must make the most efficient and effective use of funds entrusted to it by various constituencies when making expenditures for those purposes and must be able to demonstrate compliance with applicable laws, ~~and rules, and policies~~. Additionally, individuals seeking reimbursement must certify that expenditures support the mission and purpose of the U. T. System and that the expenditures are not made for a private purpose.

Sec. 3 Travel and Entertainment Expenditures. All expenditures for travel and entertainment by a Chief Administrator that are paid or reimbursed by U. T. System Administration or an institution must be for a business purpose of the U. T. System or the institution and must comply with all laws, ~~rules, and policies~~ of the institution and the U. T. System Administration. All Foreign Travel must be approved in advance by the Chairman of the Board of Regents for the Chancellor and spouse and by the appropriate Executive Vice Chancellor for the presidents and spouses. Requests for approval of Foreign Travel must include a specific business purpose and an estimate of funds to be expended by U. T. System Administration or by the institution.

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

**Rule: 20205**

~~Sec. 4 Maintenance of University Residences. All Expenses for the Maintenance of University Residences that exceed \$10,000 must be approved in advance by a committee composed of the Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, and the General Counsel to the Board of Regents. Prior approval by the committee is not required for expenditures made on an emergency basis to prevent damage to property.~~

~~Sec. 5~~ Documentation and Review. Each Chief Administrator shall comply with all documentation requirements imposed by law and U. T. System Administration and institutional rules and policies for Travel and Entertainment Expenses and ~~for Expenses for the Maintenance of University Residences~~, including providing appropriate receipts and documentation of the purpose of the expense and the individuals or groups attending the event. Evidence of review, in all cases, must be documented. Each Chief Administrator shall take all necessary and reasonable steps to ensure that all employees follow applicable procedures for expense reimbursement.

~~5.4.1~~ Chancellor Expenses. Reimbursements made directly to the Chancellor for Travel and Entertainment Expenses must be reviewed and approved by the General Counsel to the Board of Regents before payment to assure compliance with applicable laws, rules, and policies. Payments for Travel and Entertainment Expenses made on the Chancellor's behalf in excess of \$100 must also be reviewed ~~and approved by the General Counsel to the Board~~ but may be reviewed after payment.

~~Reimbursements made directly to the Chancellor for Expenses for the Maintenance of a University Residence must be reviewed and approved by the General Counsel to the Board of Regents before payment. Payments for Expenses for the Maintenance of a University Residence made on the Chancellor's behalf in excess of \$1,000 must be reviewed and approved by the General Counsel to the Board of Regents but may be reviewed after payment.~~

~~5.4.2~~ President Expenses. Reimbursements made directly to a president of a U. T. System institution for Travel and Entertainment Expenses must be reviewed and approved by the institution's chief business officer before payment to assure compliance with applicable laws, rules, and policies. Payments for Travel and Entertainment Expenses made on the president's behalf in excess of \$100 must also be reviewed ~~and approved by the institution's chief business officer~~ but may be reviewed after payment.



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

**Rule: 20205**

~~Reimbursements made directly to a president of a U. T. System institution for Expenses for the Maintenance of a University Residence must be reviewed and approved by the institution's chief business officer before payment. Payments for Expenses for the Maintenance of a University Residence made on the president's behalf in excess of \$1,000 must be reviewed and approved by the institution's chief business officer but may be reviewed after payment.~~

~~54.3 Spouse Expenses. Requirements, processes, and guidelines applicable to a Chief Administrator will also apply to his or her spouse.~~

Sec. ~~65~~ 65 Timeliness of Requests for Reimbursements. A Chief Administrator must request any reimbursement for Travel and Entertainment Expenses ~~or Expenses for the Maintenance of University Residences~~ within 60 days of the date on which the expense was incurred.

Sec. ~~76~~ 76 Reporting. Each Chief Administrator shall prepare annual reports, based on fiscal year, of Travel and Entertainment Expenses ~~and Expenses for the Maintenance of University Residences~~ in a standard format. The Chancellor shall file the report with the General Counsel to the Board of Regents for review by the Chairman of the Board of Regents ~~and each~~. Each president shall file the report with the institution's chief business officer ~~for review~~. The reports are due not later than the 30th day of October ~~and will include all expenses reimbursed to or paid on behalf of the Chief Administrator~~ and are to be reviewed by the institution's chief business officer for compliance.

~~76.1 Annual Reporting on Travel and Entertainment Expenses and Expenses for the Maintenance of University Residences. The annual reports must include each expense that exceeds \$1,000 and that is reimbursed to the Chief Administrator during the year or directly paid to a vendor on the Chief Administrator's behalf, except for Entertainment Expenses at which more than 10 individuals are present. The report must include the payee, the date and amount of the expense, the type, and if applicable, the location of the event/expense, the participants if any, the business purpose of the expense, and the account charged for the expense.~~

~~76.2 Annual Certification. The institution's chief business officer will provide an annual certification to the Executive Vice Chancellor for Academic Affairs or Health Affairs who will forward to the General Counsel to the Board documenting review of the Chief Administrator's annual expense reports. The General Counsel to the Board will confirm receipt of all certifications to the Board.~~

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

**Rule: 20205**

Sec. ~~8~~<sup>7</sup> Audits. The System Audit Office shall audit the Travel and Entertainment Expenses and ~~Expenses for the Maintenance of University Residences~~ reimbursed to and directly paid to a vendor on behalf of the Chief Administrators at a minimum after the first full fiscal year after assuming office and periodically thereafter, based on an assessment of risk factors.

~~8.1 The System Audit Office shall submit the results of the audit of the Chancellor and the Chancellor's spouse's expenses to the Chairman of the Board, the Chancellor, and to the General Counsel to the Board of Regents. The System Audit Office shall submit the results of the audit of the president and the president's spouse's expenses to the president and the appropriate Executive Vice Chancellor.~~

~~8.2 A summary of the results from the audits shall be submitted to the Audit, Compliance, and Risk Management Committee.~~

**3. Definitions**

Chief Administrator – means the Chancellor or the president at each U. T. System institution. An individual serving as interim Chancellor or interim President is included in the definition, for purposes of compliance with this Rule.

Entertainment Expenses – includes all expenses associated with meals and events hosted by a Chief Administrator in furtherance of a business purpose of U. T. System Administration or an institution.

~~Expenses for the Maintenance of University Residences – includes expenses for the furnishing, maintenance, or repair of a residence or its grounds owned by the U. T. System, but does not include the salary supplement described by the Regents' *Rules and Regulations*, Rule 20202.~~

Foreign Travel – travel to, in, or from a destination that is neither in the United States nor a territory of the United States.

Travel Expenses – includes transportation except for business travel utilizing the UT plane or a state plane, lodging, meals, and other expenses incurred in connection with travel in furtherance of a business purpose of U. T. System Administration or an institution, but does not include Entertainment Expenses or meals for others.

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

**Rule: 80107**

**1. Title**

Expenditures for the Maintenance of University Residences

**2. Rule and Regulation**

- Sec. 1 Purpose. The purpose of this *Rule* is to prescribe, clarify, and provide uniformity in the approval, review, and audit of Expenditures for the Maintenance of University Residences.
- Sec. 2 Maintenance of University Residences. All Expenditures for the Maintenance of University Residences that exceed \$10,000 must be approved in advance by a committee composed of the Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, and the General Counsel to the Board of Regents. Prior approval by the committee is not required for expenditures made on an emergency basis to prevent damage to property.
- 2.1 Bauer House Expenditures. Expenditures for the maintenance of Bauer House in excess of \$1,000 must be reviewed and approved by the General Counsel to the Board of Regents but may be reviewed after payment.
- 2.2 Hoover House Expenditures. Expenditures for the maintenance of Hoover House in excess of \$1,000 must be reviewed and approved by the institution's chief business officer but may be reviewed after payment.
- Sec. 3 Documentation and Review. Expenditures for the Maintenance of University Residences must be supported by appropriate receipts and must follow all applicable procedures for the procurement of services, supplies, or equipment.
- Sec. 4 Reporting. An annual report of Expenditures for the Maintenance of each University Residence will be prepared not later than the 30th day of October and filed for review with the General Counsel to the Board of Regents, for Bauer House, and with the institution's chief business officer, for Hoover House. The report for the Bauer House will be sent to the Chairman of the Board of Regents for review.
- 4.1 The annual reports must include each expense that exceeds \$1,000 and must include the payee, the date and amount of the expense, the type, and the account charged for the expense.

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

**Rule: 80107**

Sec. 5 Audits. The System Audit Office shall audit Expenditures for the Maintenance of a University Residences at a minimum after the first full fiscal year after assuming residency and periodically thereafter, based on an assessment of risk factors.

**3. Definitions**

Expenditures for the Maintenance of University Residences – includes expenses for the furnishing, maintenance, or repair of a University Residence or its grounds owned by the U. T. System.

The University Residences – are the following:

Bauer House – Residence of the Chancellor of the U. T. System, located in Austin, Texas

Hoover House – Residence of the President of U. T. El Paso, located in El Paso, Texas

6. U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' *Rules and Regulations*, Rule 20601 (Aircraft Use), regarding research-related travel

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor, the Executive Vice Chancellors for Academic Affairs, Health Affairs, and, Business Affairs, and the Vice Chancellor and General Counsel recommend that the U. T. System Board of Regents approve revisions to Regents' *Rules and Regulations*, Rule 20601 (Aircraft Use), as shown below:

....

Sec. 19 Research Exception. Given the unique challenges of certain research-related travel, the provisions of this Rule may be waived by the Chancellor, based upon the prior written request of an institutional president, when compliance with all requirements of the Rule is impracticable. If a waiver is granted, the travel must occur in the safest manner reasonable in the context of the research project and in compliance with applicable law.

BACKGROUND INFORMATION

Regents' Rule 20601 sets forth required procedures for use of aircraft for non-commercial flights in furtherance of U. T. business. As applied, some of the requirements are impracticable in the context of research-related travel, where the demands of the research do not always allow for compliance with the requirements set forth in the Rule (e.g., travel in small aircraft to remote locations).

The proposed revision would allow for exceptions to individual rule provisions, as appropriate, when the circumstances of research-related travel do not allow for compliance. Travel being conducted subject to an exception would still require consideration of safety to the most reasonable degree in the context of the research project and compliance with requirement imposed by law. If approved, it is anticipated that such waivers will be a rare occurrence.

This revision does not impact the full-time equivalent (FTE) employee count Systemwide and is budget neutral. The proposed Rule change was reviewed by the institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

7. U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' *Rules and Regulations*, Rule 40101 (Faculty Role in Educational Policy Formulation) to delete outdated provisions

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor, the Executive Vice Chancellors for Academic Affairs, Health Affairs, and Business Affairs, the Vice Chancellor and General Counsel, and the General Counsel to the Board recommend that the U. T. System Board of Regents approve revisions to Regents' *Rules and Regulations*, Rule 40101 (Faculty Role in Educational Policy Formation), to delete Sections 4, 5, and 6.

~~Sec. 4—Necessity of Approval by Regents. Legislation recommended by an institutional faculty, or legislative body thereof, requiring approval of the Board of Regents, shall not be effective unless and until approved by the Board. Such legislation by a college or school faculty shall not be presented to the Board until it has been approved by the institutional faculty, either directly or through its legislative body, and has received the consideration and recommendation of the institutional president, the appropriate Executive Vice Chancellor, and the Chancellor. The faculty affected will be notified by the Board, through administrative channels, of its action on recommended faculty legislation.~~

~~Sec. 5—Approval of Degree Candidates. It shall be the duty of the several institutional faculties to recommend approval or disapproval of all candidates for degrees. This duty may be delegated by affirmative vote of the institutional faculty, or its legislative body, to the respective deans or other appropriate official. Should this duty not be delegated, the institutional registrar, or his or her equivalent, shall furnish to the members of the institutional faculty a complete list of the degree candidates for recommendation.~~

~~Sec. 6—List of Degree Candidates. The institutional registrar, as soon as possible after each commencement, shall provide the secretary of his or her institutional faculty, or its legislative body, with a complete list of all successful degree candidates.~~

BACKGROUND INFORMATION

Regents' Rule 40101 sets forth the role of faculty in educational policy formation. Following a routine review of Board Rules, the inclusion of three sections of this Rule were identified as outdated and are no longer needed.

Section 4 sets forth a process for Board approval of faculty bylaws and resolutions, which is no longer standard practice. Sections 5 and 6 describe operational processes that are within the institutions' purview. Accordingly, it is recommended that these sections be deleted from the Regents' Rules.

This revision does not impact the full-time equivalent (FTE) employee count Systemwide and is budget neutral. The proposed Rules change was reviewed by the institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

8. U. T. System: Report on development performance for the U. T. Institutions

Vice Chancellor Safady reported on development performance of the U. T. System institutions for Fiscal Year 2022 and made recommendations for advancing philanthropic support, using the PowerPoint presentation set forth on the following pages.

# Philanthropic Performance and Outcomes Across U. T. Institutions, FY 2022

Dr. Randa Safady, Vice Chancellor for External Relations,  
Communications and Advancement Services

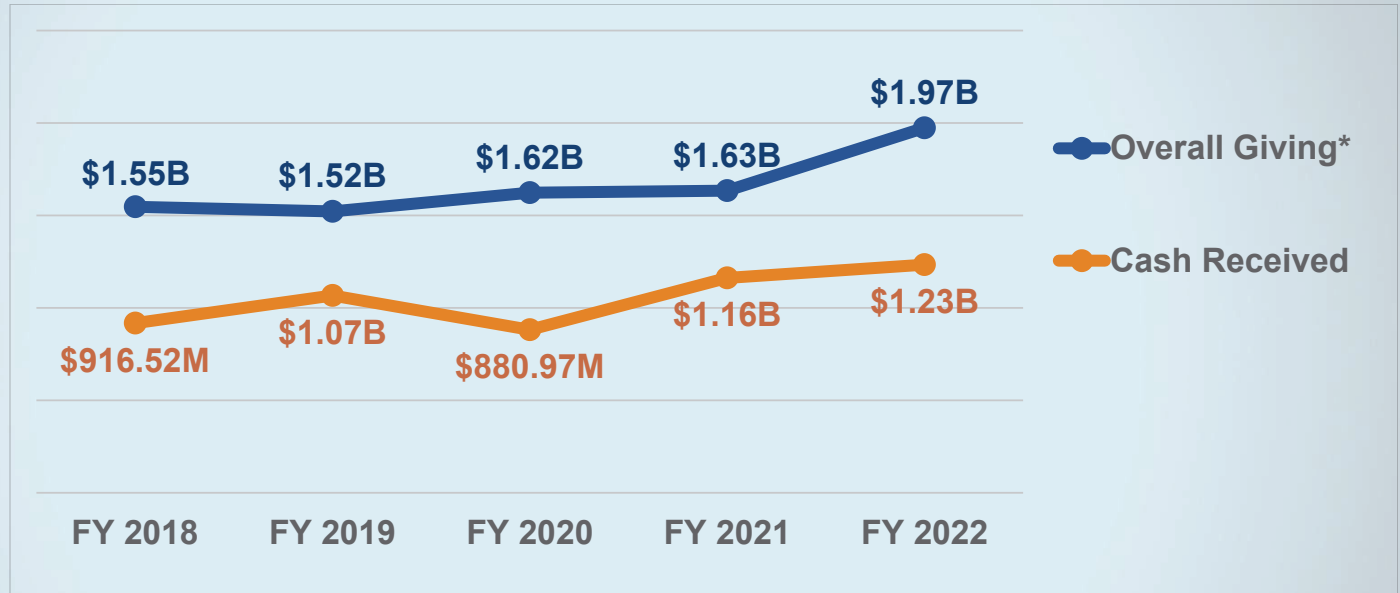
U. T. System Board of Regents Meeting  
February 2023



THE UNIVERSITY of TEXAS SYSTEM  
THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.



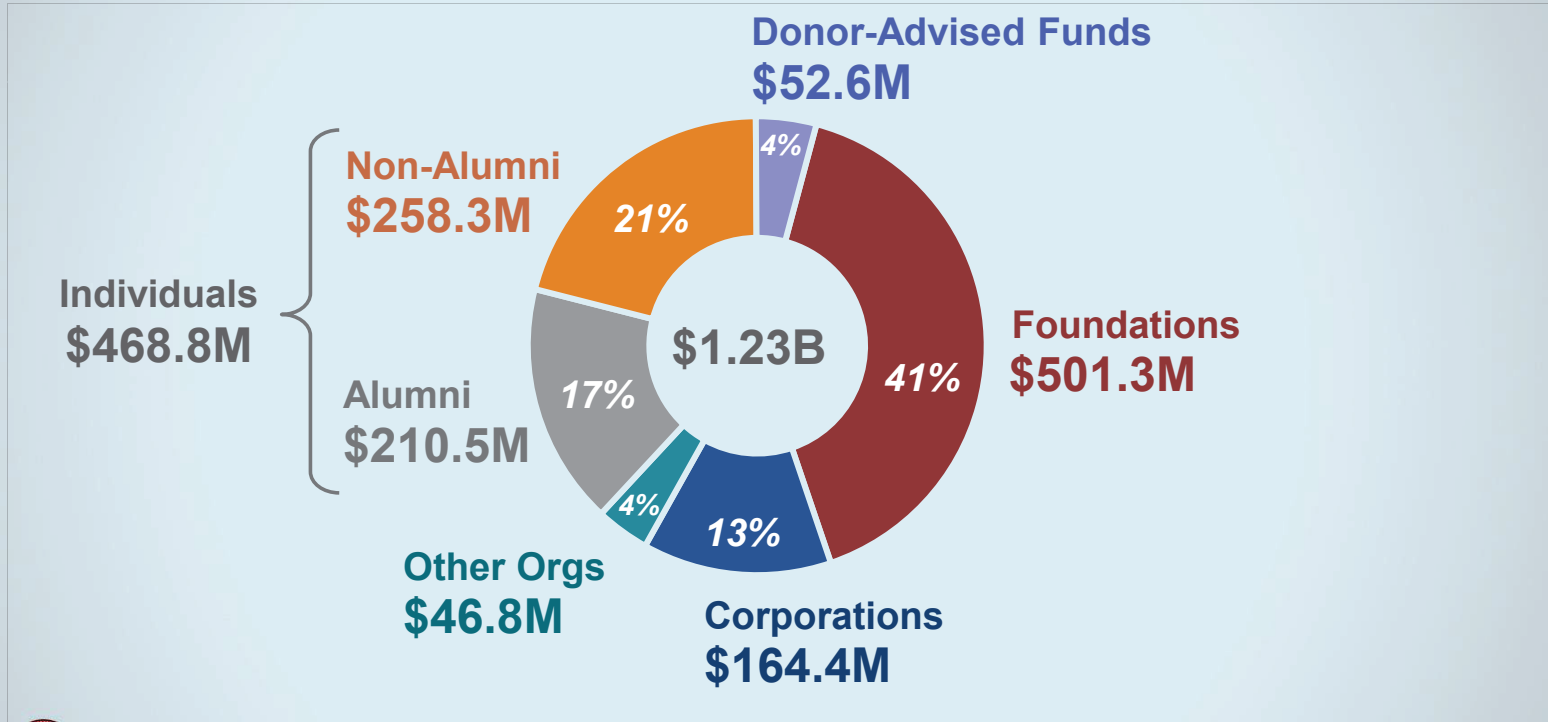
# Overall Giving and Cash Received FY 2018-2022



\*Overall Giving = cash, new pledges balances, and new testamentary commitments at face value. FY21 and prior displays new testamentary commitments at present value, per previous Voluntary Support of Education (VSE) Survey reporting requirements.



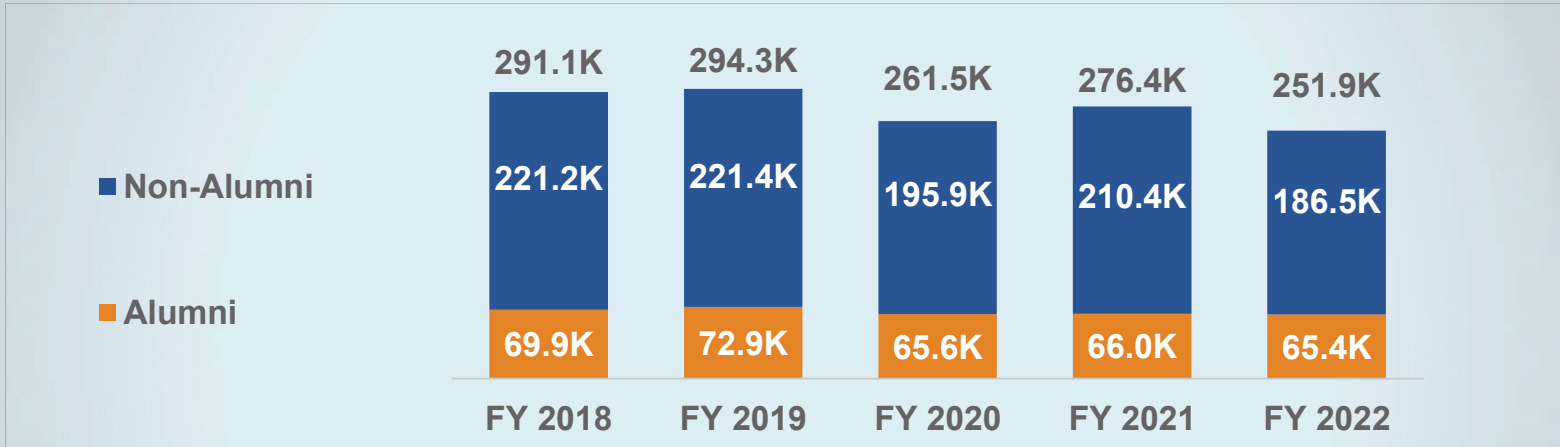
# Sources of Cash Gifts in FY 2022



Minutes - 73



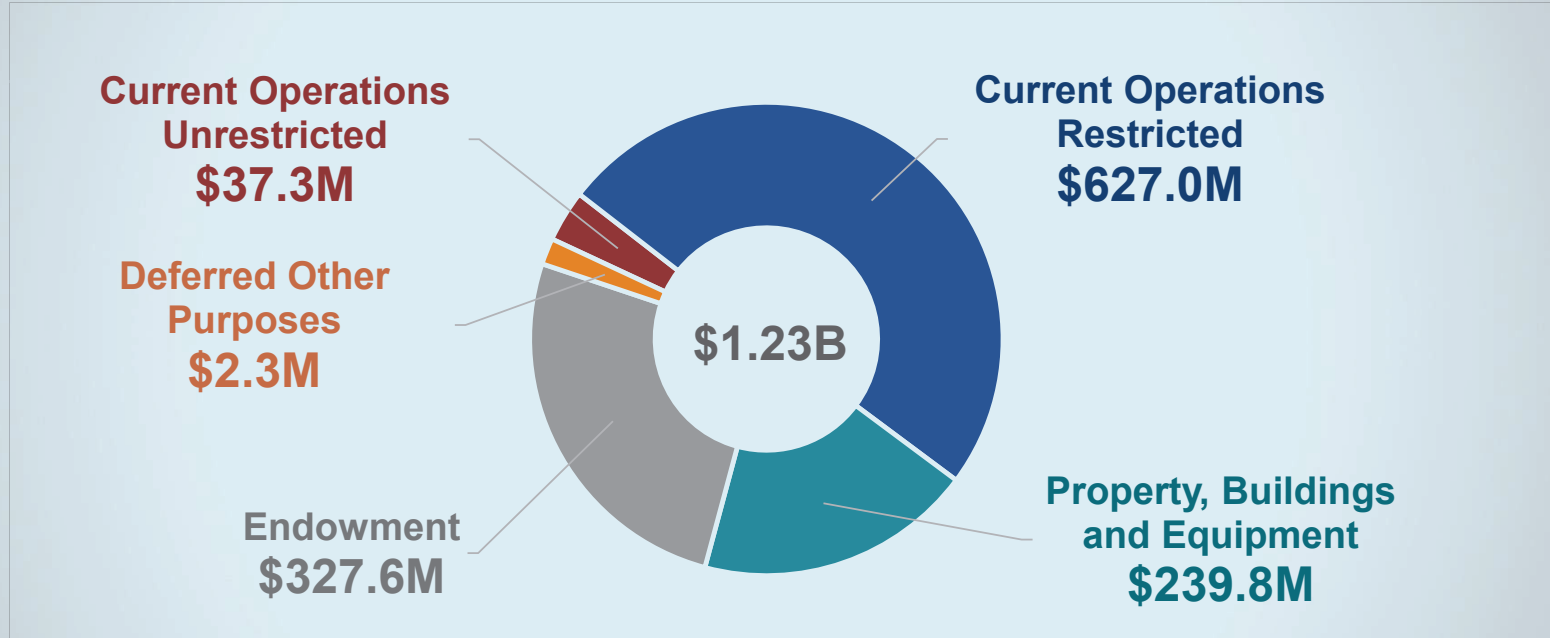
# Total Individual Donor Count FY 2018-2022



<i>Alumni of Record:</i>	1,394,619	1,457,555	1,514,106	1,549,281	1,617,771
<i>Participation Rate:</i>	5.01%	5.00%	4.33%	4.26%	4.04%

*Note: alumni counts for FY21 and prior include alumni spouses, while counts for FY22 onward do not, per new VSE reporting requirements.*

# Designation of Cash Gifts in FY 2022

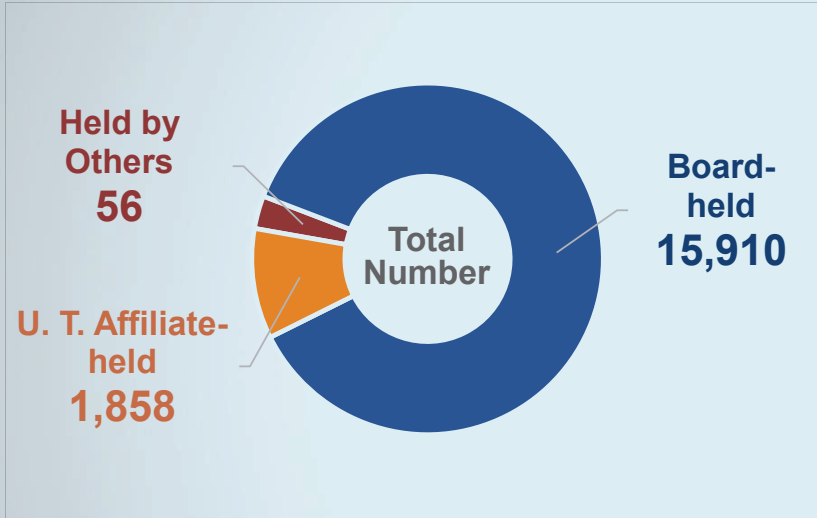


Minutes - 75

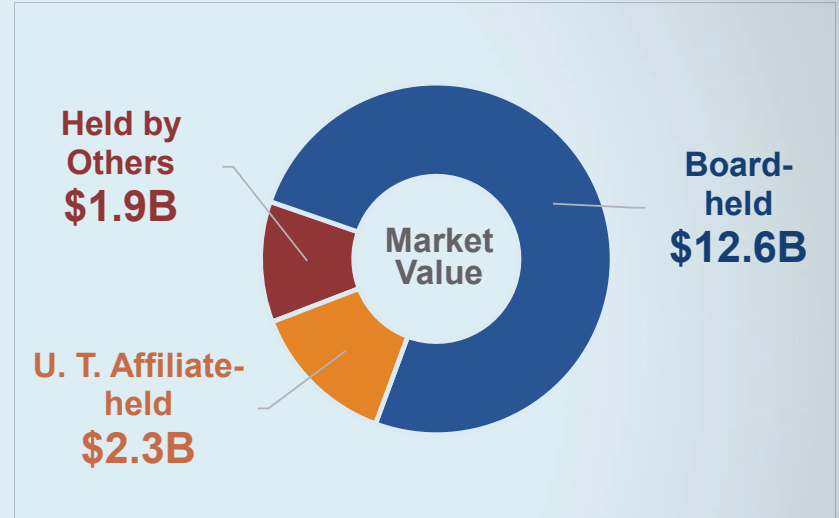


# Endowment Status FY 2022

Minutes - 76



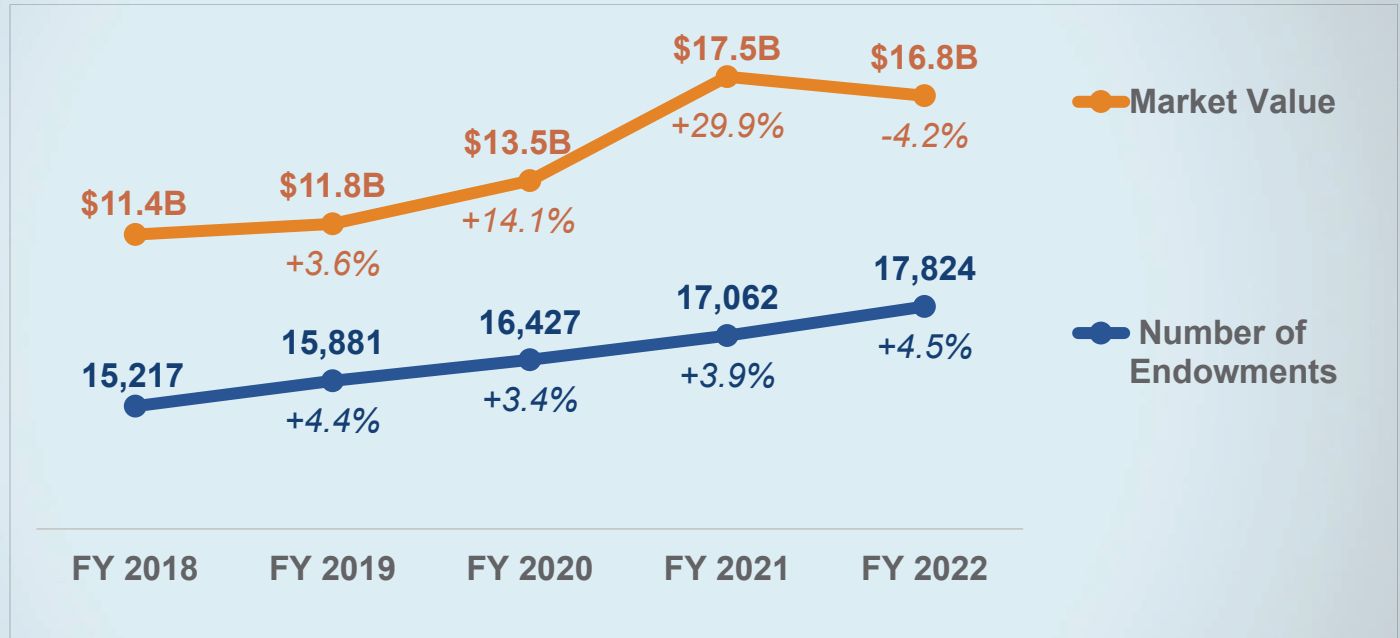
17,824 total endowments held by Board and external entities



\$16.8 billion in total market value



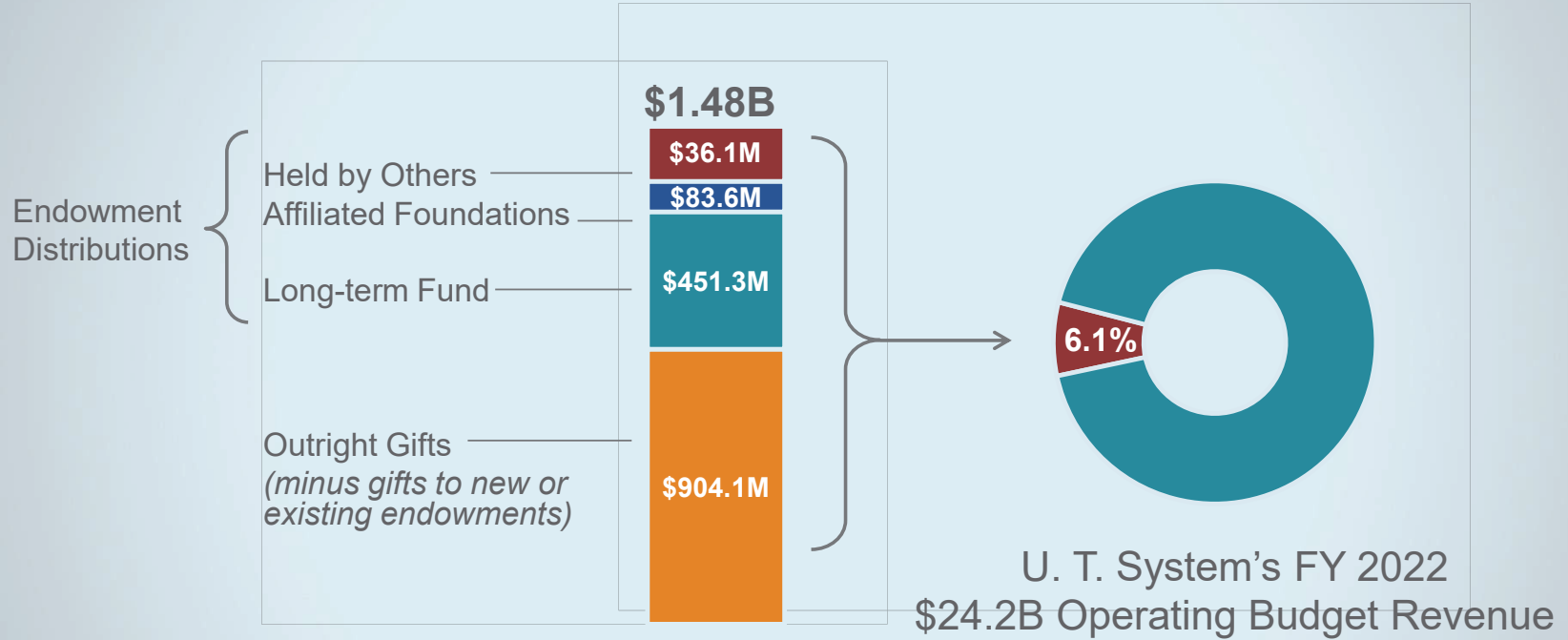
# Endowment Growth FY 2018-2022



Minutes - 77



# Impact of Philanthropy in FY 2022

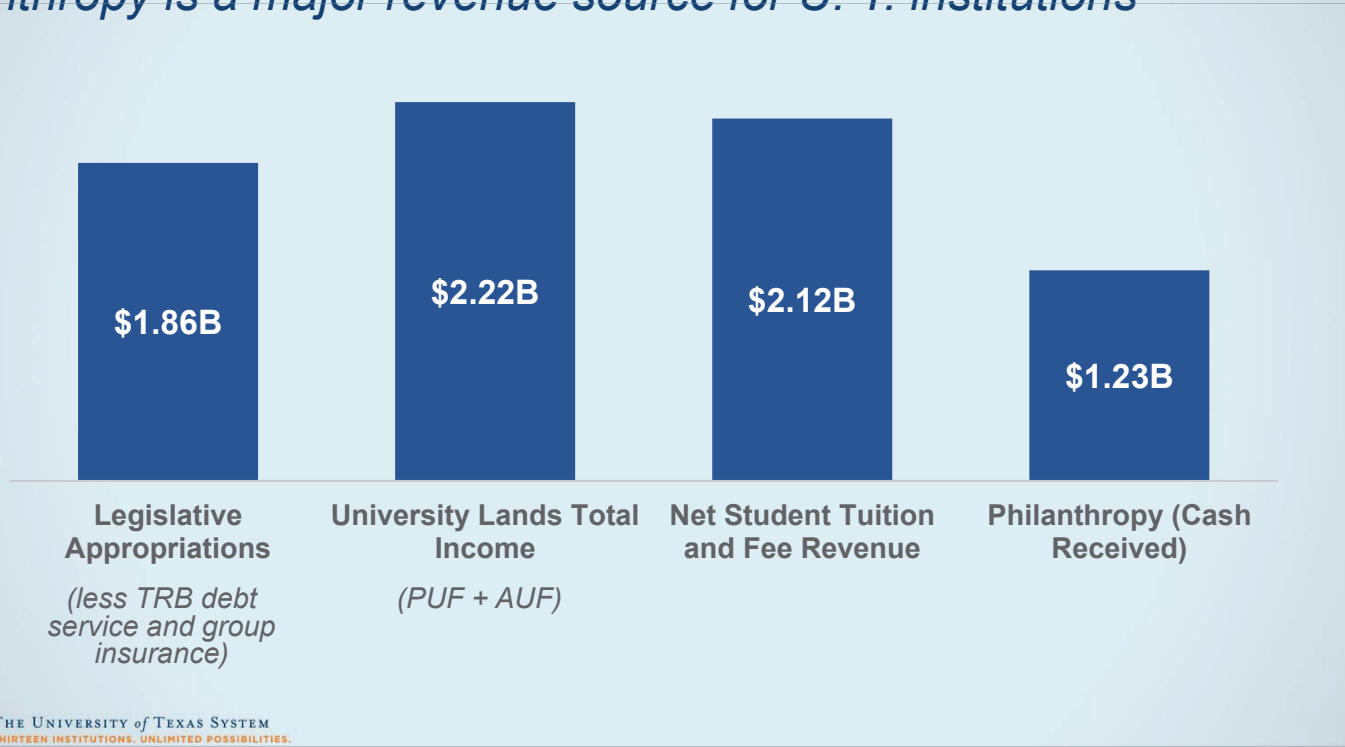


Minutes - 78



# Select Revenue Sources in FY 2022

*Philanthropy is a major revenue source for U. T. institutions*



Minutes - 79





# Philanthropy in Higher Education – Nationally

- Some are questioning the value of higher education
- Fundraising campaigns are more likely to focus on building the “virtual” campus
- More dollars being raised from fewer donors
- Online giving is on the rise and will continue to increase



# Going Forward in Philanthropy – U. T. Institutions

- Donors are aligning with causes (not institutions) important to them
- Communications, advancement, and events offices coordinate strategic messages
- Successful fundraising programs provide a quality donor experience
- Strategic investment in advancement



9. U. T. System Board of Regents: Discussion and appropriate action regarding proposed appointments to the Board of Directors of The University of Texas/Texas A&M Investment Management Company (UTIMCO)

Chairman Eltife, along with Vice Chairman Weaver, recommended that the Board approve the reappointment of Mr. Ray Nixon and Ms. Janet Handley as external directors of the UTIMCO Board of Directors. Vice Chairman Longoria moved approval of the recommendation and Regent Hicks seconded the motion, which passed without objection.

BACKGROUND INFORMATION

*Texas Education Code* Section 66.08 and *Regents' Rules and Regulations*, Rule 10402, Section 6 require that the U. T. System Board of Regents appoint seven members to the UTIMCO Board of Directors of whom three must be members of the Board of Regents, three must have a substantial background and expertise in investments, and one must be a qualified individual as determined by the Board, who may be the Chancellor.

RECESS TO EXECUTIVE SESSION.--At 9:36 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 AGENDA ITEMS.--Chairman Eltife reconvened the Board in Open Session at 10:43 a.m. to consider action on the following items.

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. Tyler: Discussion and appropriate action regarding proposed new hire and compensation for

- 1) David I. Jones, M.D., Clinical Assistant Professor of Medicine in the Health Science Center at Tyler, Department of Pulmonary/Critical Care;
- 2) Varalaxmi Nannaka, M.D., Clinical Assistant Professor of Medicine in the Health Science Center at Tyler, Department of Pulmonary/Critical Care;
- 3) Ketan Patel, M.D., Clinical Assistant Professor of Medicine in the Health Science Center at Tyler, Department of Pulmonary/Critical Care; and
- 4) Carla Wang-Kocik, M.D., Clinical Assistant Professor of Medicine in the Health Science Center at Tyler, Department of Pulmonary/Critical Care

Regent Jiles made the following motion:

I move that the U. T. System Board of Regents approve the proposed compensation and compensation changes requested under Agenda Items 1b through 1e, and the award of tenure as recommended under Agenda Item 1e(1) within the parameters outlined and discussed in Executive Session.

I further move that the Board find that these recommendations are in the best interest of U. T. Tyler; U. T. Southwestern Medical Center; U. T. Health Science Center - Houston; and U. T. M. D. Anderson Cancer Center, respectively, as well as U. T. System, as required by state law.

The motion was seconded by Regent Perez and carried unanimously.

1c. U. T. Southwestern Medical Center: Discussion and appropriate action regarding

- 1) proposed new hire and compensation for Nicholas D. Andersen, M.D., Associate Professor, Department of Cardiovascular and Thoracic Surgery;
- 2) proposed new hire and compensation for Barbara Gaines, M.D., Professor, Department of Surgery;
- 3) proposed compensation for W. P. Andrew Lee, M.D., Executive Vice President for Academic Affairs, Provost, and Dean, U. T. Southwestern Medical School; and
- 4) proposed compensation for Holly G. Crawford, MBA, Executive Vice President for Business Affairs

See related Item 1b for action taken in Open Session.

1d. U. T. Health Science Center - Houston: Discussion and appropriate action regarding proposed new hire and compensation for

- 1) Eric O. Klineberg, M.D., Professor, Spine Director, Vice Chair, Department of Orthopedic Surgery, McGovern School of Medicine; and
- 2) Sohail Jalal, M.D., Associate Professor, Center for Advanced Cardiopulmonary Therapies and Transplantation - Electrophysiology, McGovern School of Medicine

See related Item 1b for action taken in Open Session.

1e. U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding

- 1) proposed new hire with tenure and compensation for Eyal Gottlieb, Ph.D., Vice President for Research and Professor, Department of Cancer Biology; and
- 2) proposed new hire and compensation for Kerin Adelson, M.D., Chief Quality and Value Officer, and Professor, Office of the Chief Medical Executive

See related Item 1b for action taken in Open Session.

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

Regent Hicks 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. Dallas, U. T. Permian Basin, and U. T. 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

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. Health Science Center - Houston: Discussion and appropriate action regarding legal issues associated with a) proposed transaction with Surgical Care Affiliates, LLC, a Delaware limited liability company, and/or its affiliate (SCA) pursuant to which U. T. Health Science Center - Houston and SCA shall, as members of two legal entities, own interest in, develop, operate, and manage an Ambulatory Surgery Center (ASC), b) authorization for U. T. Health Science Center - Houston to develop and construct an ASC on the first floor of U. T. Health Science Center - Houston's and U. T. Physicians' multi-specialty clinic at Bellaire Station, 6500 W. Loop South, Bellaire, TX 77401 (Proposed Transaction); c) allocation and authorization of expenditure of up to \$35 million of institutional funds for U. T. Health Science Center - Houston's portion of the project costs associated with the Proposed Transaction; d) authorization for U. T. Health Science Center - Houston to supply physician services to the ASC through a professional coverage agreement; e) delegation of authority to the institutional president to execute related documents and take other action necessary; and f) finding of public purpose

See related Item 10 for action taken in Open Session.

3d. U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding legal issues associated with an additional capital contribution to an established joint venture with Resilience US, Inc., a subsidiary of National Resilience, Inc., for gene and cell therapy cGMP manufacturing for clinical development, commercial supply, and other mission related issues, and finding of public purpose

Vice Chairman Longoria made the following motion:

I move that the U. T. System Board of Regents take the following actions on behalf of U. T. M. D. Anderson Cancer Center:

- a. authorize U. T. M. D. Anderson Cancer Center to make an additional capital contribution to the established joint venture with Resilience US, Inc., a subsidiary of National Resilience, Inc. for gene and cell therapy cGMP manufacturing for clinical development, commercial supply, and other mission related issues on terms in accordance with the parameters outlined in Executive Session; and
- b. delegate authority to the President of U. T. M. D. Anderson to execute all documents, instruments, and other agreements and to take all further actions deemed necessary to carry out the purpose and intent of the foregoing actions, following review and approval by the Chancellor, the Executive Vice Chancellor for Health Affairs, the

Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel.

The Board is also asked to make a renewed finding that

1. the proposed additional capital contribution to the established joint venture supports the public mission of and serves public purposes appropriate to the functions of U. T. M. D. Anderson;
2. U. T. M. D. Anderson retains sufficient control over the joint venture to ensure the public purpose will continue to be met on an ongoing basis; and
3. the transaction and U. T. M. D. Anderson's ongoing participation in the joint venture will result in adequate consideration and benefits to U. T. M. D. Anderson and the State of Texas.

The motion was seconded by Regent Crain and carried unanimously.

- 3e. U. T. M. D. Anderson Cancer Center: Discussion and appropriate action concerning legal issues regarding the previously approved strategic collaborative relationship with Harris County Hospital District d/b/a Harris Health System to furnish certain cancer care services and other mission related issues, and a renewed 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. M. D. Anderson Cancer Center:

- a. authorize U. T. M. D. Anderson Cancer Center to enter the previously approved strategic collaboration agreement with Harris County Hospital District d/b/a Harris Health System to furnish certain professional and technical cancer care services required by Harris Health System patients and administer certain support services related thereto, on terms in accordance with the parameters outlined in Executive Session; and
- b. delegate authority to the President of U. T. M. D. Anderson to execute all documents, instruments, and other agreements and to take all further actions deemed necessary to carry out the purpose and intent of the foregoing actions, following review and approval by the Chancellor, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel.

The Board is also asked to make a renewed finding that the proposed extended strategic collaboration agreement

1. supports the public mission of and serves a public purpose appropriate to the functions of U. T. M. D. Anderson;
2. is structured with adequate safeguards and controls in place to ensure U. T. M. D. Anderson's public purpose will continue to be met on an ongoing basis; and
3. will result in adequate consideration and benefits to U. T. M. D. Anderson and the State of Texas.

The motion was seconded by Regent Warren and carried unanimously.

4. 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.

- 5a. U. T. Austin: Discussion and appropriate action regarding extension of the ground lease to the West Austin Youth Association, located at 1314 Exposition Boulevard, Austin, Travis County, Texas and related finding of public purpose

Chairman Eltife called on Mr. Ethan Smith, a graduate of U. T. Austin who submitted a request to speak to the Board on this item, to make remarks. Following remarks by Mr. Smith, Vice Chairman Weaver 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 amending the lease to West Austin Youth Association, Inc., located at 1314 Exposition Boulevard, Austin, Travis County, Texas, for a term not to exceed one year and on other terms in accordance with the parameters recommended in Executive Session; and
- b. authorize the Executive Vice Chancellor for Business Affairs or designee 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 recommended in Executive Session.



Finally, I move that the Board find that

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

The motion was seconded by Regent Hicks and carried unanimously.

- 5b. U. T. M. D. Anderson Cancer Center: Discussion regarding a previously approved ground lease with Harris Health System on Harris Health's Lyndon B. Johnson Hospital campus, 5656 Kelley Street, Houston, Harris County, Texas

See related Item 3e for action taken in Open Session.

AGENDA ITEM (continued)

10. U. T. Health Science Center - Houston: Discussion and appropriate action regarding a) proposed transaction with Surgical Care Affiliates, LLC, a Delaware limited liability company, and/or its affiliate (SCA) pursuant to which U. T. Health Science Center - Houston and SCA shall, as members of two legal entities, own interest in, develop, operate, and manage an Ambulatory Surgery Center (ASC), b) authorization for U. T. Health Science Center - Houston to develop and construct an ASC on the first floor of U. T. Health Science Center - Houston's and U. T. Physicians' multi-specialty clinic at Bellaire Station, 6500 W. Loop South, Bellaire, TX 77401 (Proposed Transaction); c) allocation and authorization of expenditure of up to \$35 million of institutional funds for U. T. Health Science Center - Houston's portion of the project costs associated with the Proposed Transaction; d) authorization for U. T. Health Science Center - Houston to supply physician services to the ASC through a professional coverage agreement; e) delegation of authority to the institutional president to execute related documents and take other action necessary; and f) finding of a public purpose

Chairman Eltife noted that due to indirect business interests, Regent Jiles would abstain from discussion and vote on this item. Noting that the Board had the opportunity to discuss related legal issues in Executive Session, Chairman Eltife asked if there were any questions. Regent Crain then made the following motion:

I move that the U. T. System Board of Regents take the following actions on behalf of U. T. Health Science Center Houston:

- a. authorize U. T. Health Science Center - Houston to become a member of and to enter into operating agreements with Surgical Care Affiliates, LLC, and/or its affiliate for two distinct Texas limited liability companies, SCA-UTH Holdings, LLC, and UTHealth Houston Ambulatory Surgery Center Bellaire Station, LLC, for the development, ownership, operation, and management of an ambulatory surgery center at Bellaire Station, 6500 W. Loop South, Bellaire, Texas, on terms in accordance with the parameters outlined in Executive Session;
- b. authorize U. T. Health Science Center - Houston, as a member of the limited liability companies, to develop, construct, operate, and manage an ambulatory surgery center on the first floor of U. T. Health Science Center - Houston and U. T. Physicians' multi-specialty clinic at Bellaire Station;
- c. authorize expenditure by U. T. Health Science Center - Houston of up to \$35 million from unrestricted institutional funds for U. T. Health Science Center - Houston's proportionate share of the project costs with the understanding that no state-appropriated funds or tuition revenues will be used;
- d. authorize U. T. Health Science Center - Houston to enter into a professional coverage agreement with UTHealth Houston Ambulatory Surgery Center Bellaire Station, LLC, to supply physician services at the ambulatory surgery center; and
- e. delegate authority to the institutional president to execute all documents, instruments, and other agreements and to take all further actions deemed necessary to carry out the purpose and intent of the foregoing actions, following review and approval by the Chancellor, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel.

The Board is also asked to make a finding that

1. this transaction and U. T. Health Science Center - Houston's engagement in the two distinct legal entities supports the public mission of and serves public purposes appropriate to the functions of U. T. Health Science Center - Houston;
2. U. T. Health Science Center - Houston retains adequate controls through its reserved powers, buyout and dissolution rights, and other rights to ensure furtherance of its public purposes; and
3. the transaction provides adequate consideration and benefits to U. T. Health Science Center - Houston and the State of Texas.

The motion was seconded by Regent Perez and carried unanimously.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 10:59 a.m.

*/s/*

Tina E. Montemayor  
Secretary to the Board of Regents  
February 23, 2023



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**FACILITIES PLANNING AND CONSTRUCTION COMMITTEE**

No items for Consent Agenda



## MEETING OF THE BOARD

1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meeting held November 16-17, 2022; and the special called meeting held December 6, 2022
2. Other Matters - U. T. System: Approval of Newly Commissioned Peace Officers

In accordance with Section 51.203 of the *Texas Education Code*, the Board is asked to approve the Commissioning of the following Peace Officers. The Officers have completed training at the U. T. System Police Training Academy and passed the State of Texas Police Officer Licensing Examination, effective March 25, 2022.

<u>Name</u>	<u>Institution</u>
Terry A. Chang	U. T. Austin
Jimmy Coleman, Jr.	U. T. Austin
Jonathan Garcia	U. T. Austin
Celeste N. Gonzalez	U. T. Austin
Melanie V. Lemay	U. T. Austin
Cole C. McGarrahan	U. T. Austin
Evan R. Moitoza	U. T. Austin
Lanisha K. Mozell	U. T. Austin
Gary L. Nixon, Jr.	U. T. Austin
Ty C. Chase	U. T. San Antonio
Christopher J. Ficke	U. T. Medical Branch - Galveston
Brittney C. Stanley	U. T. Health Science Center - Houston
Peter S. Williams, III	U. T. Health Science Center - Houston
Jack E. Moon	U. T. Rio Grande Valley

## AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE

3. Resolution - U. T. System Board of Regents: Adoption of resolution to contract with Zurich American Insurance Company and affiliates, Schaumburg, Illinois, and to guarantee payments under Phase VIII of The University of Texas System's Rolling Owner Controlled Insurance Program (ROCIP)

The Chancellor concurs in the recommendation of the Chief Risk Officer and the Executive Vice Chancellor for Business Affairs that the resolution to contract with Zurich American Insurance Company and affiliates, Schaumburg, Illinois, to guarantee payments under Phase VIII of The University of Texas System's Rolling Owner Controlled Insurance Program (ROCIP), be adopted as set forth below:

### RESOLUTION

WHEREAS, Zurich American Insurance Company and affiliates (Zurich), will insure The University of Texas System (U. T. System) and other persons under Phase VIII of a ROCIP for various construction projects managed by the U. T. System or by a U. T. institution in certain, pre-approved circumstances;

WHEREAS, Pursuant to this ROCIP, Zurich will issue one or more workers' compensation insurance policies and comprehensive general liability insurance policies that contain deductibles of \$250,000 per claim subject to a maximum of \$375,000 per occurrence that include allocated costs and indemnity payments; however, such deductibles are subject to a minimum aggregate limit based on \$3,000,000,000 in construction value at a rate of \$3.634772 per \$1,000 of construction value; and

WHEREAS, The Board of Regents of U. T. System understands and agrees that this large deductible ROCIP requires the prompt reimbursement of sums advanced by Zurich to adjust or pay claims within the deductibles, and the Board desires to guaranty to Zurich the prompt reimbursement of the deductibles for the ROCIP;

NOW THEREFORE, BE IT RESOLVED, That the Board hereby guarantees to Zurich the prompt repayment of the sums advanced by Zurich to adjust or pay claims within the deductibles for the ROCIP, subject to the aggregate deductible limit for the program. This guaranty shall remain fully binding although Zurich may waive one or more defaults of the insured or fail to exercise any rights against the insured or modify one or more terms of the ROCIP as required by law or with the consent of U. T. System; and, be it further

RESOLVED, That the Board represents and warrants to Zurich that the funds necessary to reimburse Zurich for the aggregate deductible liability of the insured for the ROCIP are included in the appropriations for the various construction projects heretofore approved by the Board.

The resolution, which will be provided in lieu of a letter of credit, trust agreement, or cash, provides Zurich with assurances necessary to complete the ROCIP Phase VIII program.

## FINANCE AND PLANNING COMMITTEE

4. Request for Budget Change - U. T. System: Grant budget authority of \$1,508,393 funded from current period assessments to U. T. institutions to pay expenses associated with the Systemwide Microsoft Unified contract to be paid centrally by U. T. System Administration (RBC No. 11875) -- amendment to the 2022-2023 budget
  
5. Request for Budget Change - U. T. System: Grant budget authority of \$4,000,000 funded from current period assessments to participating U. T. institutions to pay expenses associated with the UT Health Intelligence Platform formerly known as the Clinical Data Network coordinated by U. T. Health Science Center - Houston on behalf of U. T. System Administration (RBC No. 11886) -- amendment to the 2022-2023 budget
  
6. Lease - U. T. System: Authorization to lease approximately 4,044 rentable square feet of additional space adjacent to approximately 13,531 rentable square feet of existing office space and extend the lease term for the entire premises at 825 Town and Country Boulevard, Houston, Harris County, Texas, from CityCentre Five, LLC, or its successors, for mission and administrative use by the Office of University Lands

Description: Authorization to lease approximately 4,044 rentable square feet of additional space adjacent to approximately 13,531 rentable square feet of existing office space and extend the lease term for the entire premises at 825 Town and Country Boulevard, Houston, Harris County, Texas

University Lands is requesting authorization to amend the current lease to increase the size of the premises to approximately 17,575 rentable square feet. The existing space and expansion space will be used for mission and administrative use by the Office of University Lands.

Lessor: CityCentre Five, LLC, or its successors

Term: The term of the amended lease for the existing space and expansion space will be for approximately 120 months, which will commence on approximately November 1, 2023. The base rent and estimated operating expenses will be abated for the initial seven months following the commencement date for both the existing space and expansion space. Tenant will also continue to have the option to further extend the term of the lease for 60 months.

**Lease Cost:** Estimated base rent for the initial term and potential renewal term is approximately \$9,484,983.

Initial base rent over the lease amendment term for the expansion space will be \$31.50 per square foot annually with approximately 2% annual increases thereafter. The base rent for the existing space will be reset to the same rate as the expansion space on approximately November 1, 2026, but the base rental rate will remain unchanged from the initial lease until that time. The potential renewal period will be at fair market value. Lessee will be responsible for any additional operating expenses, which are approximately \$20.42 per square foot and include utilities and janitorial service to the premises. Assuming 3% annual operating expense increases, the operating expenses during the initial period are estimated to be approximately \$3,904,362 and the renewal period are estimated to be approximately \$2,560,316. Lessee will be responsible to pay above standard utility charges, which are estimated to be approximately \$8,787 per year.

Additionally, Lessee is responsible for all unreserved and reserved parking space rental costs for the term of the lease. The potential estimated cost to U. T. for the parking spaces is approximately \$425,100 for the initial term and potential renewal term. The landlord has agreed to abate the rent for the unreserved parking spaces for the first seven months.

**Tenant Improvements:** The lessor is contributing approximately \$864,760 for the improvements for both the existing space and expansion space. University Lands will contribute approximately \$12,500 towards improvements to the leased space. The landlord is contributing approximately \$175,575 as an additional allowance, which can be used towards rent abatement or tenant improvements, if necessary.

**Total Cost:** Total estimated lease expense over the initial lease term and potential renewal period is approximately \$16,519,051 which includes all estimated rent, all estimated operating expenses, all estimated parking charges, proposed tenant improvement dollars, and all estimated additional costs outlined above.

7. Other Matters - U. T. System: Approval of the Fiscal Year 2024 Budget Preparation Policies including the Calendar for budget operations, and the Annual Operating Budget Rules and Procedures

With the concurrence of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and the Executive Vice Chancellor for Health Affairs, the Chancellor recommends that the U. T. System Board of Regents approve the Budget Preparation Policies set out on the following pages, including the Calendar for budget operations, and the Annual Operating Budget Rules and Procedures, which follows the Calendar, for use in preparing the Fiscal Year (FY) 2024 Annual Operating Budget for the U. T. System.

The U. T. System FY 2024 Budget Preparation Policies are consistent with the regulations and directives included in the General Appropriations Act and other general law enacted by the 87th Texas Legislature. As written, this policy provides general direction to the U. T. System institutions. Changes are being proposed to the Annual Operating Budget Rules and Procedures for FY 2024 that increase the thresholds for required approval of budget amendments but remain consistent with applicable Regents' Rules requirements.

## U. T. System Fiscal Year 2024 Budget Preparation Policies

1. **General Guidelines** - The regulations and directives included in the *General Appropriations Act* enacted by the 87th Texas Legislature serve as the basis for these guidelines and policies. In preparing the draft of the FY 2024 Operating Budget, the president of each institution should adhere to guidelines and policies as detailed below and as included in the *General Appropriations Act*. The Assistant Vice Chancellor, Budget and Planning will issue detailed instructions regarding the implementation of those regulations and directives into the institutional budget process.

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

Overall budget totals, including retaining reasonable reserves for potential future financial shortfall, must be limited to the funds available for the year from General Revenue Appropriations, Estimates of Educational and General Income, and limited use of institutional unappropriated balances.

2. **Maintenance of Operating Margin and Use of Prior Year Balances** - Institutions should make all reasonable efforts to maintain a favorable operating margin within the FY 2024 Operating Budget. Use of prior year balances should be limited to critical items, unique opportunities, or projects funded from prior year income committed for that purpose. Generally, balance usage should be reserved for nonrecurring activities. Balance usage cannot be recommended to the U. T. System Board of Regents for approval without the consent of the Chancellor, the appropriate Executive Vice Chancellor, and the Assistant Vice Chancellor, Budget and Planning.
3. **Salary Guidelines** - Recommendations regarding salary policy are subject to the following directives:

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

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

As defined in *Texas Education Code* Section 51.962, an employee must have been employed by the institution for the six months immediately preceding the effective date

## U. T. System Fiscal Year 2024 Budget Preparation Policies (continued)

of the increase to be eligible for a merit increase, and at least six months must have elapsed since the employee's last merit salary increase. These limitations also apply to one-time merit payments.

Merit increases or advances in rank for faculty are to be on the basis of teaching effectiveness, research, and public service.

Merit increases or promotions for administrative and professional staff and classified staff are to be based on evaluation of performance in areas appropriate to work assignments.

In accordance with Regent's *Rules and Regulations*, performance appraisals are to be conducted annually for all employees of the U. T. System. The U. T. System Administration Office of Talent and Innovation will issue specific guidance related to this requirement.

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

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

Reporting - The Assistant Vice Chancellor, Budget and Planning will issue guidance on reporting of compensation changes and amounts. It is expected that required reports will encompass highly compensated and high-ranking personnel covered by Regent's *Rules and Regulations*, Rules 20203 and 20204 along with those individuals receiving significant changes in compensation.

- 4. Staff Benefits Guidelines** - Recommendations regarding the State contribution for employee staff benefits such as group insurance premiums, teacher retirement, and optional retirement are subject to legislative determination via the *General Appropriations Act*. Payments for benefits, including for retirees, should comply with the provisions of Accounting Policy Statements No. 11, "Benefits Proportional by Fund" and the *General Appropriations Act*. The Assistant Vice Chancellor, Budget and Planning will issue instructions regarding the implementation of the benefits into the budget process.

## U. T. System Fiscal Year 2024 Budget Preparation Policies (continued)

5. **Other Employee Benefits** - Employer contributions to the self-insured Unemployment Compensation Fund are based on an actuarial study. Workers' Compensation Insurance rates are experience-rated for each institution. Appropriate instructions will be issued regarding the implementation of Unemployment Compensation Fund and Workers' Compensation Insurance Benefits.
6. **Other Operating Expenses Guidelines** - Increases in Maintenance, Operation, Equipment, and Travel are to be justified by expanded workloads, for developing new programs, or for correcting past deferrals or deficiencies.
7. **Calendar** - Authority is delegated to the Assistant Vice Chancellor, Budget and Planning to modify the Calendar as needed.





**THE UNIVERSITY OF TEXAS SYSTEM**

**FISCAL YEAR 2024 OPERATING BUDGET CALENDAR**

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February 24, 2023	Board of Regents takes appropriate action on budget preparation policies and budget rules
April 28, 2023	Request for Library, Equipment, Repair and Rehabilitation new project instructions and information on balances subject to lapse are sent to institutions
May 1-10, 2023	Institution Budget Meetings with U. T. System Administration
May 1, 2023	Budget instructions issued by U. T. System Administration
June 1, 2023	New Library, Equipment, Repair and Rehabilitation project requests due to U. T. System Administration
June 19, 2023	Draft budget documents due to U. T. System Administration (summary-level with optional detail)
June 22-June 26, 2023	Technical budget review with U. T. System Administration
June 30, 2023	Final budget documents due to U. T. System Administration (summary-level and optional detail)
July 12, 2023	Reports on highly compensated staff covered by Regents' Rule 20204, institutional top ten salaries and high-ranking staff salaries due to U. T. System Administration
August 4, 2023	Operating Budget Summaries provided to the Office of the Board of Regents
August 18, 2023	Detail budget due date (if not previously submitted)
August 24, 2023	Board of Regents takes appropriate action on Operating Budget and compensation of Presidents and Executive Officers
November 16, 2023	Board of Regents takes appropriate action on budget changes resulting from August 18 detail budget

# THE UNIVERSITY OF TEXAS SYSTEM

## OPERATING BUDGET RULES AND PROCEDURES

For Fiscal Year Ending August 31, 2024

### A. INITIAL BUDGET

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

## **B. BUDGET AMENDMENTS**

1. Items requiring approval of the U. T. System Administration and subsequent approval by the U. T. System Board of Regents through the Consent Agenda
  - a. New appointments of tenured faculty (Regents' Rule 31007).
  - b. Award of tenure to any faculty member (Regents' Rule 31007).
  - c. New appointments as Regental Professor (Regents' Rule 31001). Titles set forth in Regents' Rule 20301 including Chancellor Emeritus, President Emeritus and similar honorary designations are conferred by the U. T. System Board of Regents.
  - d. Appointments, promotions, and salary increases involving the president (Regents' Rules 20201, 20202, 20203).
  - e. New contracts or contract changes involving athletic directors or head coaches whose total annual compensation, or total contractual compensation, equals or exceeds the amounts specified by Regents' Rule 10501 Section 2.2.12.
  - f. Compensation changes for Key Executives as defined by Regents' Rule 20203.
  - g. Compensation for personnel whose total annual compensation for the first time is, or may exceed, \$1,000,000 during the year (Highly Compensated Personnel) and who are not subject to B.1.e or B.2.f (Regents' Rule 20204).
  - h. Compensation changes for Highly Compensated Personnel greater than five percent (Regents' Rule 20204).
  - i. Increases in budgeted amounts from income or unappropriated balances for Educational and General, Auxiliary Enterprises, Designated Funds, Service Departments, Revolving Funds, and Plant Funds, subject to the thresholds established in B.5 below.
  - j. Increases to Plant Funds which result from transfers from Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments, and Revolving Funds, subject to the thresholds established in B.5 below.
2. Items requiring approval of U. T. System Administration (no Consent Agenda approval required)
  - a. Reappropriation of prior year Educational and General Fund balances, subject to the thresholds established in B.5 below.
  - b. Increases in budgeted amounts from income or unappropriated balances for Educational and General, Auxiliary Enterprises, Designated Funds, Service Departments, Revolving Funds, and Plant Funds, subject to the thresholds established in B.5 below.

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

4. Effective date of appointments and compensation increases

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

5. Budget amendment criteria

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

- c. Institutions other than U. T. System Administration with budgeted revenue, including transfers from the Available University Fund, less than \$250 million will have a threshold of:
  - i. For B.1i and B.1j – Equal to or greater than ~~\$1,000,000~~ 2,500,000 (budget increase approval on Consent Agenda)
  - ii. For B.2a – Equal to or greater than ~~\$500,000~~ 2,500,000 (reappropriation of E&G balances approval by U. T. System Administration)
  - iii. For B.2b and B.2c – Equal to or greater than ~~\$250,000~~ 500,000 and less than ~~\$1,000,000~~ 2,500,000 (budget increase approval by U. T. System Administration)
  - iv. For B.3c and B.3e – Less than ~~\$250,000~~ 500,000 (approval by president)
  
- d. U. T. System Administration will have a threshold of:
  - i. For B.1i and B.1j – Equal to or greater than ~~\$1,000,000~~ 2,500,000 (budget increase approval on Consent Agenda)
  - ii. For B.2a and B.3e – All amounts may be approved by the Chancellor (reappropriation of E&G balances)
  - iii. For B.2b, B.2c, and B.3c – All amounts less than ~~\$1,000,000~~ 2,500,000 may be approved by the Chancellor (budget increase approval)
  - iv. Notwithstanding i., ii., and iii., the Chancellor may authorize any budget amendment in the U. T. System revolving insurance or revolving systemwide information technology funds without limitation.
  
- e. Notwithstanding a., b., and c. of this section, the president of an institution may authorize any budget amendment related to hospital patient care activities or Medical, Dental, Nursing, and Faculty Services Research and Development Plans, the Allied Health Faculty Services Plan or the Physicians Referral Service Plan without limitation if the budget increase is supported by a corresponding increase in revenue. This exception does not apply to increases from unappropriated balances.

## C. OTHER CONSIDERATIONS

1. All appropriations not actually expended or encumbered by August 31 will automatically lapse to the Unappropriated Balance Account except for those reallocated pursuant to Item B.2a and Item B.3e.
2. Compensation indicated as "MSRDP Funds," "DSRDP Funds," "PRS Funds," "FSRDP Funds," "Allied Health Faculty Services Plan" or "Nursing Clinical Enterprise Health Services, Research and Development Plan" is contingent upon its being earned or available in accordance with the regulations applicable to the appropriate Medical Service Research and Development Plan, Dental Service Research and Development Plan, Physicians Referral Service Plan, Faculty Services Research and Development Plan, Allied Health Faculty Services Plan, or Nursing Clinical Enterprise Health Services Research and Development Plan.
3. Budgeted expenditures authorized from sources of funds other than Educational and General Funds are contingent upon receipt of such funds. Appointments from such fund sources will not become an obligation of the institution in the event the supplemental or grant funds are not realized.
4. Leaves of Absence may be granted only in accordance with provisions contained in Regents' Rule 30201.
5. In these Rules, Compensation means total annual compensation as defined by Regents' Rule 20204 or total compensation under a multiyear contract.
6. Appropriations of the Available University Fund are subject to the appropriation limitations and notice requirements found in the General Appropriations Act.

# THE UNIVERSITY OF TEXAS SYSTEM

## FACULTY WORKLOAD REQUIREMENTS FOR ACADEMIC INSTITUTIONS

For Fiscal Year Ending August 31, 2024

### **FACULTY WORKLOAD REQUIREMENTS FOR ACADEMIC INSTITUTIONS**

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



## THE UNIVERSITY OF TEXAS SYSTEM

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

For Fiscal Year Ending August 31, 2024

#### RULES AND PROCEDURES

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

## THE UNIVERSITY OF TEXAS SYSTEM

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

For Fiscal Year Ending August 31, 2024

### A. INITIAL BUDGET

1. U. T. System institutions are authorized to purchase approved Library and Equipment items and to contract for Repair and Rehabilitation projects following standard purchasing and contracting procedures. This includes expenditures for STARS (including Faculty and Rising STARS), or similar funded programs.
2. Transfers by the U. T. System Administration of allocated funds to institutional control or to vendors will coincide with vendor payment requirements.
3. Final approval of specific Repair and Rehabilitation projects will be in accordance with U. T. System Board of Regents established procedures for construction projects.
4. All expenditures are subject to the provisions of the Texas *Constitution* of the State of Texas and the U. T. System Board of Regents' Rules and Regulations for the governance of The University of Texas System.
5. All expenditures are subject to the guidance established by the U. T. System Board of Regents in the Permanent University Fund (PUF) Bond Proceeds for Library, Equipment, Repair and Rehabilitation (LERR) and Faculty Science and Technology Acquisition and Retention (STARS) and Similar Funded Programs Expenditure Guidelines.

## B. BUDGET AMENDMENTS

1. U. T. System institutions are authorized to purchase approved Library and Equipment items and to contract for Repair and Rehabilitation projects following standard purchasing and contracting procedures. This includes expenditures for STARS (including Faculty and Rising STARS), or similar funded programs.
  - a. Substitute Library or Equipment purchases in excess of \$1 million that are not on the approved list.
  - b. Substitute Repair and Rehabilitation projects in excess of \$1 million that are not on the approved list.
2. Items requiring approval of U. T. System Administration (no Consent Agenda approval required)
  - a. Substitute Library or Equipment purchases of \$1 million or less that are not on the approved list.
  - b. Substitute Repair and Rehabilitation projects of \$1 million or less that are not on the approved list.
  - c. Transfers of appropriated funds between approved Library, Equipment, Repair and Rehabilitation items.

## C. OTHER CONSIDERATIONS

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

## THE UNIVERSITY OF TEXAS SYSTEM

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

For Fiscal Year Ending August 31, 2024

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

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

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

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

#### B. RETENTION OF RECORDS

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

#### C. ELIGIBILITY FOR PROGRAM FUNDS

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

## D. GENERAL GUIDELINES FOR USE OF PROGRAM FUNDS

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

### ***Repair and Rehabilitation of Buildings or Other Permanent Improvements***

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

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

### ***Acquisition of Capital Equipment***

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

### **Warranties and Similar Service Features**

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

### **Software**

Any capitalized costs associated with the development or implementation of software, including personnel costs (salaries), are eligible for LERR, STARS, or similar funded programs if they are incurred in the Application Development Stage as defined by Statement No. 51 of the Governmental Accounting Standards Board "Accounting and Financial Reporting for Intangible Assets." This principle applies whether the salaries are paid to employees of the institution or to outside parties. See UTS 142.13 Accounting and Financial Reporting for Intangible Assets at [https://www.utsystem.edu/sites/policy-library/policies/uts\\_14213\\_accounting\\_and\\_financial\\_reporting\\_intangible\\_assets](https://www.utsystem.edu/sites/policy-library/policies/uts_14213_accounting_and_financial_reporting_intangible_assets). Training costs related to software usage are discussed below.

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

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

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

#### **Employee Training and Travel Costs**

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

#### **Operating Expenses**

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

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

#### ***Acquisition of Library Books and Library Materials***

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

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

#### ***Prohibition for Student Housing, Athletics, and Auxiliary Enterprises***

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

## E. SPECIAL PROGRAM FUNDING

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

### Faculty STARS Program

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

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

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

### Rising STARS Program

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

8. Other Fiscal Matters - U. T. Rio Grande Valley: Approval of \$24,000,000 of funding for U. T. Rio Grande Valley's Intercollegiate Athletics Minor Capital Projects; and resolution regarding parity debt

The Executive Vice Chancellor for Business Affairs recommends approval of this item authorizing funding of \$24,000,000 from Revenue Financing System (RFS) bond proceeds for U. T. Rio Grande Valley to finance five minor capital projects on the Edinburg campus that are components of the Intercollegiate Athletics Expansion and Renovation Plan. The debt is expected to be repaid with the increase in the Intercollegiate Athletics Fee as voted favorably by student referendum held November 8-10, 2021, with final Board of Regents approval on November 17, 2022. Annual debt service is estimated at \$1,347,000. The institution's Scoreboard Rating of 3.8 at the fiscal year-end 2022 is below the maximum threshold of 6.0 and demonstrates the institution has the financial capacity to satisfy its direct obligations related to parity debt. The institution therefore requests the Board resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that:

- parity debt shall be issued to fund all or a portion of the projects' cost, including any costs prior to the issuance of such parity debt;
- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the RFS Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System;
- U. T. Rio Grande Valley, which is a "Member" as such term is used in the RFS Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of parity debt in an aggregate amount of \$24,000,000; and
- this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

The requested funding of \$24,000,000 will finance the following five capital projects that are components of the Intercollegiate Athletics Expansion and Renovation Plan at U. T. Rio Grande Valley:

1. Soccer/Track Operations Center – Two buildings totaling 13,506 gross square feet (GSF) will be constructed to house locker rooms, training rooms, and offices for the Soccer and Track programs. Estimated cost is \$9,500,000.
2. Basketball/Volleyball Practice Facility – The 11,950 GSF former natatorium space will be renovated to convert its use to a practice gymnasium for Basketball and Volleyball. Estimated cost is \$4,000,000.



3. Football Practice Fields – One synthetic turf and one natural turf will be installed north of the baseball stadium and adjacent to the future site of the Vaqueros Performance Center to house operations for the Football Program. Estimated cost is \$5,000,000.
4. Tennis Complex Renovation and Additions – Two buildings totaling 4,500 GSF will be constructed to provide locker rooms, offices, and a concession area. An entry plaza, new bleachers, and resurfacing of the tennis courts will also be provided. Estimated cost is \$3,000,000.
5. Baseball Field Stadium Remodel and Renovations – This general refresh and deferred maintenance of the baseball stadium complex will include updates to seating, concessions, lighting, fencing, railings, and locker rooms. Estimated cost is \$2,500,000.

In addition, there are two major projects for which funding approval will be sought separately at the time design development is ready for approval. These are the Health and Physical Education Complex (HPE1) Fieldhouse Lobby Addition estimated at \$13,500,000 and the Vaqueros Performance Center estimated at \$40,500,000. The total estimated cost for all seven projects is \$78,000,000.

In late 2019, the Athletics Department began a comprehensive study on its facilities. An athletics master plan process was implemented to determine deficiencies in physical facilities, address inequities, and create a path forward to support elevating its programs to the next level. This plan is a critical component of the transformation of the student life experience at U. T. Rio Grande Valley. The goal is to retain the most talented students within the Rio Grande Valley. This is inclusive of all students whether they are student athletes, students wishing to participate in marching band, or students seeking the student life experience at a campus with a robust community-engaged athletics program.

**ACADEMIC AFFAIRS COMMITTEE**

9. Contract (funds going out) - U. T. Arlington: EAB Global, Inc., to create and execute a marketing plan for online programs

Agency: EAB Global, Inc.

Funds: Estimated \$4,109,758 over the life of the contract

Period: November 15, 2022 through November 14, 2023; with four optional one-year renewal periods

Description: EAB Global, Inc. will provide audience research, brand extension development, and execution of a marketing plan for online programs. This contract was competitively bid.

10. Contract (funds going out) - U. T. Arlington: Benjamin Diversification Corporation, dba Comark Direct, to provide print and email communication to prospective students

Agency: Benjamin Diversification Corporation, dba Comark Direct

Funds: Up to \$10,000,000 over the life of the contract

Period: September 1, 2022 through August 31, 2027; with five optional one-year renewal periods

Description: At U. T. Arlington's direction, Comark Direct will provide print and email communication to prospective students. U. T. Arlington will provide names, addresses, emails, and all communication schedules. Comark Direct will print, address, and mail letters and postcards. Comark Direct will also email prospective students and track statistics on opened emails. This contract was competitively bid.

11. Contract (funds going out) - U. T. Arlington: Academic Partnerships, LLC, to provide online educational services

Agency: Academic Partnerships, LLC

Funds: Approximately \$1,418,000 dependent on enrollment

Period: November 9, 2022 through May 31, 2023

Description: In 2011, U. T. System executed an online education service agreement with Academic Partnerships under which U. T. institutions could enter orders for online education services. In 2012, U. T. Arlington entered such an order. Since that time, Academic Partnerships has provided U. T. Arlington with education services for numerous online programs. For these services, Academic Partnerships is paid a percentage of the total tuition received.

On November 9, 2017, the Board of Regents approved an extension to the Agreement, which was set to expire in November 2022. U. T. Arlington has since executed a new agreement with Academic Partnerships. U. T. Arlington transitioned all its programs to a new contract with Academic Partnerships with the exception of some College of Education programs and a Masters of Public Administration (MPA) program in the College of Architecture, Policy, and Public Planning. U. T. Arlington plans to take these programs in-house and no longer use an online service provider. However, more time is needed to complete the transition. This Second Amendment extends the period of the initial Agreement. Academic Partnerships will be paid a fee of 49% for continuation of the College of Education programs and 45% for the MPA program in the College of Architecture, Policy, and Public Planning. All remaining terms of the Agreement remain unchanged.

12. Request for Budget Change - U. T. Arlington: New Hire with Tenure -- amendment to the 2022-2023 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>College of Science</b>					
Department of Mathematics					
Professor					
Xinlei Wang (T)	1/1-8/31	100	09	195,000	11915

13. Contract (funds going out) - U. T. Austin: Perkins+Will, Inc. Design Consultant will provide site preparation, site utilities, and construction for a McCombs School of Business undergraduate construction project, OCC Project No. 102-1422

Agency: Perkins+Will, Inc. Design Consultant

Funds: \$ 7,314,997

Period: December 1, 2022 through December 31, 2025

Description: Project will include the site preparation, site utilities, and construction of 400,000 gross square feet for the new McCombs School of Business undergraduate building project. In addition to the building, this project will also include expansion of university utility infrastructure to complete the utility loop to support this new building and other future growth of the area. The substantial completion of this project is anticipated in July of 2025. The contract was competitively bid.

14. Contract (funds going out) - U. T. Austin: Novati Technologies, LLC, to sell clean room equipment to U. T. Austin located on U. T. Austin's Montopolis Campus

Agency: Novati Technologies, LLC

Funds: \$4,100,000

Period: December 6, 2022 through May 31, 2023

Description: The University is purchasing existing clean room equipment located at 2706 Montopolis Drive, Austin, Texas 78741 (the Montopolis facility) from the current tenant, Novati Technologies, LLC. The parties have agreed to a sale price of \$4,100,000 with \$2,050,000 to be paid immediately upon contract signature and simultaneously with the transfer of title of the clean room equipment from Novati to the University. At the same time, a lien release will be signed by Novati's creditor, ensuring the equipment is transferred free of encumbrances. The second \$2,050,000 will be paid when Novati has vacated the property and an inspection of the equipment has been completed to ensure Novati has properly maintained the equipment. The University may offset any repair costs following the tenant's vacancy against that second \$2,050,000 based on criteria agreed upon in the purchase agreement.

15. Foreign Contract (funds going out) - U. T. Austin: National Chengchi University to provide telephone interviewing services for the Department of Government in the College of Liberal Arts

Agency: National Chengchi University, Taipei City, Taiwan

Funds: \$10,065 USD (approximately 315,000 New Taiwan Dollars (NTD) at an agreed exchange rate of 31.2521 NTD to 1 USD)

Period: February 23, 2023 through July 15, 2023

Description: National Chengchi University's Election Study Center will conduct 1,250 phone interviews with Taiwanese nationals relating to current social and political issues in Taiwan. Information obtained from the interviews will be used in academic research by Associate Professor Tse-Min Lin in U. T. Austin's College of Liberal Arts' Department of Government.

16. Request for Budget Change - U. T. Austin: Transfer \$25,000,000 from Vice President of Business Affairs – Reserve – AUF – Instruction, Allocation for Budget Adjustments to Project Management and Controls System – Repair and Replacement (R&R): Program – Allocated for Budget to confirm planned programs and projects and 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. 11907) -- amendment to the 2022-2023 budget
17. Request for Budget Change - U. T. Austin: New Hires with Tenure -- amendment to the 2022-2023 budget

The following Requests for Budget Changes (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:

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>College of Fine Arts</b>					
Art and Art History					
Professor					
Christopher Chavoya (T)	1/1-5/31	100	09	160,000	11901
<b>College of Liberal Arts</b>					
History					
Associate Professor					
Maria Soriano (T)	1/16-5/31	100	09	145,000	11902
<b>College of Natural Sciences</b>					
Human Development and Family Sciences					
Professor					
Jeffrey Lockman (T)	1/16-5/31	100	09	195,000	11903

18. Employment Agreement - U. T. Austin: Approval of amendment to terms of Employment Agreement for current Head Strength Coach Torre Becton

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

From: **Guaranteed compensation:**

Annual Salary:

Contract Year 1 (March 1, 2022 - February 28, 2023): \$ 525,000

Contract Year 2 (March 1, 2023 - February 29, 2024): \$ 550,000

Automobile: One dealer car

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

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

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

**Nonguaranteed compensation:**

Performance Incentives: Maximum of 19% of annual base salary

To: **Guaranteed compensation (No change):**

Annual Salary:

Contract Year 1: No change

Contract Year 2: No change

Contract Year 3 (March 1, 2024 - February 28, 2025): \$550,000

Automobile: One dealer car

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

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

**Nonguaranteed compensation (No change):**

Performance Incentives: Maximum of 19% annual base salary

Source of Funds: Intercollegiate Athletics

Period: March 1, 2023 through February 28, 2025

19. Employment Agreement - U. T. Austin: Approval of amendment to terms of Employment Agreement for current Assistant Football Coach Jeff Choate

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

From: **Guaranteed compensation:**

Annual Salary:

Contract Year 1 (January 25, 2021 - February 28, 2022): \$500,000

Contract Year 2 (March 1, 2022 - February 28, 2023): \$575,000

Contract Year 3 (March 1, 2023 - February 29, 2024): \$575,000

Automobile: One dealer car

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

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

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

Assumption of Previous Contractual Obligation: \$250,000

**Nonguaranteed compensation:**

Performance Incentives: Maximum of 19% of annual base salary



**Guaranteed compensation (Increase of 8.7%):**

Annual Salary:

Contract Year 1: No change

Contract Year 2: No change

Contract Year 3 (March 1, 2023 - February 29, 2024): \$625,000

Contract Year 4 (March 1, 2024 - February 28, 2025): \$675,000

Automobile: One dealer car

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

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

**Nonguaranteed compensation (No change):**

Performance Incentives: Maximum of 19% of annual base salary

Source of Funds: Intercollegiate Athletics

Period: March 1, 2023 through February 28, 2025

20. Employment Agreement - U. T. Austin: Approval of amendment to terms of Employment Agreement for current Assistant Football Coach Tashard Choice

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

From: **Guaranteed compensation:**

Annual Salary:

Contract Year 1 (December 20, 2021 - February 28, 2022): \$500,000

Contract Year 2 (March 1, 2022 - February 28, 2023): \$500,000

Contract Year 3 (March 1, 2023 - February 29, 2024): \$550,000

Automobile: One dealer car

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

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

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

Assumption of Previous Contractual Obligation: \$150,000

**Nonguaranteed compensation:**

Performance Incentives: Maximum of 19% of annual base salary

To: **Guaranteed compensation (No change):**

Annual Salary:

Contract Year 1: No change

Contract Year 2: No change

Contract Year 3: No change

Contract Year 4 (March 1, 2024 - February 28, 2025): \$550,000

Automobile: One dealer car

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

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

**Nonguaranteed compensation (No change):**

Performance Incentives: Maximum of 19% of annual base salary

Source of Funds: Intercollegiate Athletics

Period: March 1, 2023 through February 28, 2025

21. Employment Agreement - U. T. Austin: Approval of amendment to terms of Employment Agreement for current Assistant Football Coach Blake Gideon

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

From: **Guaranteed compensation:**

Annual Salary:

Contract Year 1 (March 1, 2022 - February 28, 2023): \$425,000

Contract Year 2 (March 1, 2023 - February 29, 2024): \$475,000

Automobile: One dealer car

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

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

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

Assumption of Previous Contractual Obligation: \$300,000

**Nonguaranteed compensation:**

Performance Incentives: Maximum of 19% of annual base salary

To: **Guaranteed compensation (No change):**

Annual Salary:

Contract Year 1: No change

Contract Year 2: No change

Contract Year 3 (March 1, 2024 - February 28, 2025): \$475,000

Automobile: One dealer car

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

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

**Nonguaranteed compensation (No change):**

Performance Incentives: Maximum of 19% of annual base salary

Source of Funds: Intercollegiate Athletics

Period: March 1, 2023 through February 28, 2025

22. Employment Agreement - U. T. Austin: Approval of amendment to terms of Employment Agreement for current Assistant Football Coach Kyle Flood

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

From: **Guaranteed compensation:**

Annual Salary:

Contract Year 1 (January 14, 2021 - February 28, 2022): \$1,100,000

Contract Year 2 (March 1, 2022 - February 28, 2023): \$1,175,000

Contract Year 3 (March 1, 2023 - February 29, 2024): \$1,250,000

Automobile: One dealer car

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

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

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

**Nonguaranteed compensation:**

Performance Incentives: Maximum of 19% of annual base salary

**Guaranteed compensation (Increase of 6%):**

Annual Salary:

Contract Year 1: No change

Contract Year 2: No change

Contract Year 3: No change

Contract Year 4 (March 1, 2024 - February 28, 2025): \$1,325,000

Contract Year 5 (March 1, 2025 - February 28, 2026): \$1,400,000

Automobile: One dealer car

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

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

**Nonguaranteed compensation (No change):**

Performance Incentives: Maximum of 19% of annual base salary

Source of Funds: Intercollegiate Athletics

Period: March 1, 2023 through February 28, 2026

23. Employment Agreement - U. T. Austin: Approval of amendment to terms of Employment Agreement for current Assistant Football Coach Terry Joseph

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

From: **Guaranteed compensation:**

Annual Salary:

Contract Year 1 (March 1, 2022 - February 28, 2023): \$800,000

Contract Year 2 (March 1, 2023 - February 29, 2024): \$800,000

Automobile: One dealer car

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

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

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

Assumption of Previous Contractual Obligation: \$150,000

**Nonguaranteed compensation:**

Performance Incentives: Maximum of 19% of annual base salary

To: **Guaranteed compensation (No change):**

Annual Salary:

Contract Year 1: No change

Contract Year 2: No change

Contract Year 3 (March 1, 2024 - February 28, 2025): \$800,000

Automobile: One dealer car

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

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

**Nonguaranteed compensation (No change):**

Performance Incentives: Maximum of 19% of annual base salary

Source of Funds: Intercollegiate Athletics

Period: March 1, 2023 through February 28, 2025

24. Employment Agreement - U. T. Austin: Approval of amendment to terms of Employment Agreement for current Assistant Football Coach Pete Kwiatkowski

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

From: **Guaranteed compensation:**

Annual Salary:

Contract Year 1 (January 20, 2021 - February 28, 2022): \$680,000

Contract Year 2 (March 1, 2022 - February 28, 2023): \$680,000

Contract Year 3 (March 1, 2023 - February 29, 2024): \$680,000

Annual Payment to PK Enterprises LLC:

Contract Year 1 (January 20, 2021 - February 28, 2022): \$1,020,000

Contract Year 2 (March 1, 2022 - February 28, 2023): \$1,020,000

Contract Year 3 (March 1, 2023 - February 29, 2024): \$1,020,000

Automobile: One dealer car

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

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

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

**Nonguaranteed compensation:**

Performance Incentives: Maximum of 19% of that year's total annual salary

To: **Guaranteed compensation (No change):**

Annual Salary:

Contract Year 1: No change

Contract Year 2: No change

Contract Year 3: No change

Contract Year 4 (March 1, 2024 - February 28, 2025): \$680,000

Annual Payment to PK Enterprises LLC:

Contract Year 1: No change

Contract Year 2: No change

Contract Year 3: No change

Contract Year 4 (March 1, 2024 - February 28, 2025): \$1,020,000

Automobile: One dealer car

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

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

**Nonguaranteed compensation (No change):**

Performance Incentives: Maximum of 19% of that year's total annual salary

Source of Funds: Intercollegiate Athletics

Period: March 1, 2023 through February 28, 2025



25. Employment Agreement - U. T. Austin: Approval of amendment to terms of Employment Agreement for current Assistant Football Coach Alan Jacob (A.J.) Milwee

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

From: **Guaranteed compensation:**

Annual Salary:

Contract Year 1 (March 1, 2022 - January 1, 2023): \$300,000

Contract Year 2 (January 2, 2023 - February 29, 2024): \$375,000

Automobile: One dealer car

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

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

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

Assumption of Previous Contractual Obligation: \$25,000

**Nonguaranteed compensation:**

Performance Incentives: Maximum of 19% of annual base salary

To: **Guaranteed compensation (Increase of 13.33%):**

Annual Salary:

Contract Year 1: No change

Contract Year 2 (January 2, 2023 - February 29, 2024): \$425,000

Contract Year 3 (March 1, 2024 - February 28, 2025): \$425,000

Automobile: One dealer car

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

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

**Nonguaranteed compensation (No change):**

Performance Incentives: Maximum of 19% of annual base salary

Source of Funds: Intercollegiate Athletics

Period: January 2, 2023 through February 28, 2025

26. Request for Budget Change - U. T. Dallas: New Hire with Tenure -- amendment to the 2022-2023 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>School of Natural Sciences and Mathematics</b>					
Biological Sciences					
Dean and Professor					
Donal Skinner (T)	1/17-8/31	100	12	240,000	11899

27. Contract (funds coming in and going out) - U. T. El Paso: Sodexo Services of Texas Limited Partnership to provide campus food services

Agency: Sodexo Services of Texas Limited Partnership

Funds: \$11,534,230 for the initial term; \$14,502,564 total with the option years

Period: August 1, 2022 through August 31, 2029; with three additional one-year renewal options to extend

Description: Sodexo will provide the full-service food, beverage and non-alcoholic beverage services. These services include cash plan, meal plan and flex dollar pricing, non-traditional board, catering, and concession plans. Additional related services may be requested by the University in writing from time to time. This contract was competitively bid.

Pursuant to *Texas Education Code* Section 51.945, students were provided an opportunity to comment prior to determination that this food services provider should be selected by the institution.

28. Contract (funds going out) - U. T. El Paso: ASB Sports Acquisition, Inc., dba Game One, to provide athletic apparel and equipment to the University Athletics Department and Campus

Agency: ASB Sports Acquisition, Inc., dba Game One

Funds: \$5,300,000 for the initial term; with \$8,300,000 approximate total with the option years

Period: November 1, 2022 through March 31, 2028; with three one-year renewal options to extend

Description: Under this Agreement, which includes a nonexclusive Trademark License Agreement, Game One will provide athletic apparel and equipment to Athletic Department and Campus. University will receive the right to order products up to \$680,000 (retail value) for Year 1 and up to \$500,000 each consecutive year thereafter at no charge to the University (not included in the above "funds going out"). The Agreement also provides for every \$100,000 the University spends above the \$1,000,000 threshold in Years 2-5, an additional \$25,000 of product will be provided at no charge, with a maximum of \$1,500,000 per year. Additional credit may be provided in accordance with specific athletic performance accomplishments. This contract was competitively bid.

29. Request for Budget Change - U. T. El Paso: New Hire with Tenure -- amendment to the 2022-2023 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>College of Engineering</b>					
Civil Engineering					
Vice President for Research and Professor					
Ahmad M. Itani (T)	5/1-8/31	100	12	280,000	11925
		0	09	161,824	

30. License - U. T. El Paso: Authorization to license approximately 16,624 square feet in the building located at 315 West Schuster Avenue, El Paso, El Paso County, Texas, to the Young Women’s Christian Association El Paso Del Norte Region, a Texas non-profit corporation, to operate a childcare center; and finding of a public purpose

**Description:** License to the Young Women’s Christian Association El Paso Del Norte Region, a Texas non-profit corporation (YWCA), approximately 16,624 square feet in the building located at 315 West Schuster Avenue, El Paso, El Paso County, Texas, for use as a child care center operated by YWCA exclusively for the children of faculty, staff, and students at U. T. El Paso.

**Contractor:** Young Women’s Christian Association El Paso Del Norte Region, a Texas non-profit corporation

**Term:** The agreement will be for an initial term of five years. The University shall have the right to renew the agreement for three periods of one year each on the same terms and conditions as the agreement, except for any increase to the license fee as mutually agreed to by the University and Contractor.

License Fee: Annual license fee of \$600.

YWCA shall obtain at its cost and expense janitorial services, security systems, and maintenance services for the premises, including but not limited to telephone and communication equipment, office equipment, staff parking expenses and repair of damage caused to the premises by its staff, employees, representatives clients and/or visitors. The University shall provide telecommunication services to the premises and YWCA shall reimburse the University for the costs.

At its expense, the University will provide certain services to the premises including utilities, scheduled system inspections, maintenance and repairs for HVAC, electrical, mechanical, and plumbing systems, general maintenance of the building located on the premises, pest control services and maintenance of telephone and telecommunication lines to the perimeter of the premises.

YWCA shall charge for its services to U. T. El Paso's students, faculty, and staff the cost for drop-in rates and weekly rates. YWCA shall not charge an annual enrollment fee per family.

Public Purpose: The license fee described above may constitute a below market rate. In consideration for the below market rate, YWCA will use the premises to operate a childcare center exclusively for faculty, staff, and students at U. T. El Paso. The Attorney General of the State of Texas has advised in Opinion No. MW-373 (1981) that, for the use of space in university facilities at below market rental to comply with the Texas Constitution, three requirements must be met: (1) the use of the property must serve a public purpose appropriate to the function of the university, (2) adequate consideration must be received by the university, and (3) the university must maintain controls over the user's activities to ensure that the public purpose is achieved.

Accordingly, because the rent may be below market, the Board of Regents is also asked to find that:

(1) the Agreement serves a public purpose appropriate to the function of U. T. El Paso, in requiring YWCA to demonstrate and provide assurance that the operation of the childcare center provides child care services exclusively for the children of U. T. El Paso faculty, staff, and students;

(2) Pursuant to the Agreement, the consideration received by U. T. El Paso is adequate, in obligating YWCA to (i) provide before school, after school, and evening care hours, (ii) offer scholarships and discounts, and (ii) implement meal services with all meals meeting USDA Standards and Requirements; and

(3) U. T. El Paso will have sufficient safeguards in place to ensure the public purpose will continue to be met on an ongoing basis, including provisions that require YWCA to provide monthly activity reports to the Dean of Students indicating the child care center usage, enrollment and waitlist status, security violations, payment statements, and other areas of mutual agreement. U. T. El Paso may terminate the agreement for an event of default by YWCA. In addition to the right to terminate the agreement for an event of default, U. T. El Paso may also at any time during the term of the agreement elect to terminate the agreement without cause upon not less than (60) days' prior written notice to YWCA.

31. Request for Budget Change - U. T. Rio Grande Valley: News Hire with Tenure -- amendment to the 2022-2023 budget

The following Requests for Budget Changes (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:

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>School of Social Work</b>					
School of Social Work					
Professor					
Leticia Villarreal Sosa (T)	1/16-5/31	100	09	102,000	11922
<b>School of Medicine</b>					
Department of Psychiatry					
Chair and Professor					
Karl Goodkin (T)	1/2-8/31	100	12	450,000	11924

32. Employment Agreement - U. T. Rio Grande Valley: Approval of terms of Employment Agreement for new Head Football Coach Travis Bush

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

Proposed:           **Guaranteed compensation:**

Annual Salary: \$300,000

Salary Pool (for assistant coaches, off-field assistants): \$805,000

Automobile: Courtesy automobile or (if unable to secure a courtesy automobile) a \$600 monthly allowance (\$7,200 annually)

Cell Phone: \$85 per month (\$1,020 annually)

Spouse travel: Reimbursed when engaged in official functions on behalf of University, subject to University policies and prior approval

Tickets: Annually up to eight reserved seats for home Football games without charge; four tickets available to the Head Football Coach for all other U. T. Rio Grande Valley events by requesting them through the ticket box office staff

Moving Expenses: Relocation allowance of \$21,000 according to University policies (including transitional housing); voluntary separation within one year requires repayment

**Nonguaranteed compensation:**

Summer Football Camps: 100% of net proceeds for each camp

Team performance incentives:

(a) \$2,500 in any contract year if the Team finishes in the top three (including ties) of the Conference regular season

(b) \$10,000 in any contract year in which the team wins the conference championship or co-championship; in addition, each full time assistant coach on the Football staff will be paid \$1,500 and each off field assistant will be paid \$1,000

- (c) \$15,000 in any contract year for each game won in the NCAA Division I-FCS Football Championship playoffs; in addition, each full-time assistant coach on the Football staff will be paid \$1,000 and each off-field assistant will be paid \$500
- (d) \$5,000 if named the Conference Coach of the Year for Football

Team academic performance incentives:

- (a) \$2,500 in the event the Football team's cumulative Grade Point Average (GPA) for the Academic Year is above 2.85 in an Agreement year, or \$5,000 if GPA is above 3.00 (not cumulative)
- (b) \$2,500 in the event the Football team maintains a multi-year Academic Progress Report (APR) of at least 965 as determined by the annual NCAA APR Report, or \$4,000 if at least 985 as determined by the annual NCAA APR report (not cumulative)

Program Recognition: \$2,500 in each contract year that Football season tickets sold by UTRGV exceed 2,500, \$5,000 if season tickets sold by U. T. Rio Grande Valley exceed 4,000 in the contract year, or \$7,500 if season tickets sold by U. T. Rio Grande Valley exceed 5,000 in a contract year (not cumulative)

**Liquidated damages for early resignation:**

- (a) First three years (through December 31, 2025): \$1,000,000
- (b) Fourth year (through December 31, 2026): \$300,000
- (c) Fifth year (through December 31, 2027): none

Source of Funds: Intercollegiate Athletics

Period: December 19, 2022 through December 31, 2027



33. Employment Agreement - U. T. Rio Grande Valley: Approval of amendment and restatement of terms of Employment Agreement for current Head Volleyball Coach Todd Lowery

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

From: **Guaranteed compensation:**

Annual Salary: \$104,720

Automobile: \$500 monthly allowance

**Nonguaranteed compensation:**

Summer Volleyball Camps: Percentage of net proceeds for each camp, as determined by the Vice President and Athletics Director

Max Team Performance Incentives (\$27,500):

(a) \$5,000 if the Team finishes as Conference post-season tournament champion and participates in the NCAA post-season tournament, and an additional \$2500 for each game appearance in the NCAA post-season tournament after the initial contest participated

(b) \$5,000 if the Team receives an "at-large" bid to participate in the NCAA post-season tournament, and an additional \$2500 for each game appearance in the NCAA post-season tournament after the initial contest participated

(c) Up to \$2500 (at the discretion of the Vice President and Athletics Director) if the Team finishes as conference regular-season champions or competes in the conference tournament championship but does not receive a NCAA post-season tournament bid

(d) \$10,000 if the Team finishes as NCAA Women's Volleyball National Champions

Max Team Academic Performance Incentives (\$2,000):

(a) \$1,000 if the Team's cumulative GPA for the academic year is above 3.250

(b) \$1,000 if the Team maintains an APR of at least 960 as determined by the annual NCAA Multi-Year APR Report

Coach of the Year Honors (\$2,500):

\$2,500 if Head Coach is named the Conference Coach of the Year for Volleyball

To:

**Guaranteed compensation (Increase of 17.45%):**

Annual Salary \$123,000

Automobile: Possible use of courtesy automobile (pursuant to terms detailed in agreement)

Salary Pool: \$99,000 assistant coach salary pool

**Nonguaranteed compensation (Increase of 46.34% in available incentives):**

Summer Volleyball Camps: 100% of net proceeds for each camp

Max Team Performance Incentives (\$39,500):

(a) \$2,500 if the Team finishes as Conference champions in the final regular season standings or as runner-up of the post-season Conference tournament (in any contract year, Head Coach may earn only one of the two incentives listed). In addition, in any contract year the Team finishes as Conference champions in the final regular season standings, each associate head coach on the Volleyball staff will receive \$1,000 and each assistant coach on the Volleyball staff will receive \$500

(b) \$5,000 if the Team receives a bid to participate in the NCAA post-season tournament, and an additional \$2,500 for each match win in the NCAA post-season tournament. In addition, in any contract year the Team receives a bid to participate in the NCAA post-season tournament, each associate head coach on the Volleyball staff will receive \$2,000 and each assistant coach on the Volleyball staff will receive \$1,000

(c) \$10,000 if the Team finishes as NCAA Women's Volleyball National Champions

(d) Starting with the 2023 contract year, \$5,000 will be paid if (i) the Volleyball team qualifies for the WAC post-season tournament in a contract year and (ii) the Head Coach remains the head coach of the Volleyball team as of June 1 of the contract year immediately following the year in which the Volleyball team qualified for the WAC post-season tournament

Max Team Academic Performance Incentives (\$2,000):

(a) \$1,000 if the Team's cumulative GPA for the academic year is above 3.250

(b) \$1,000 if the Team maintains an APR of at least 960 as determined by the annual NCAA Multi-Year APR Report

Coach of the Year Honors (\$2,500):

\$2,500 if Head Coach is named the Conference Coach of the Year for Volleyball

**Liquidated damages for early resignation (new):**

(a) Through May 31, 2023: \$35,000

(b) Through May 31, 2024: \$25,000

Source of Funds: Intercollegiate Athletics

Period: January 1, 2023 through December 31, 2027

34. Contract (funds going out) - U. T. San Antonio: Civitas Learning, Inc., to provide continued use of Student Success Learning Management System

Agency: Civitas Learning, Inc.

Funds: Total fees of \$2,782,553 for the full five-year term.  
Annual payments for services are broken down as follows:  
Year 1 - \$422,605  
Year 2 - \$583,737  
Year 3 - \$588,737  
Year 4 - \$593,737  
Year 5 - \$593,737

Period: February 28, 2023 through October 28, 2027

Description: Master Services Agreement with Civitas Learning, Inc., and associated Initial Schedule for continuation of a campus-wide Learning Management System that provides an integrated suite of student success analytic applications focused on increasing student success, retention, and graduation. The Learning Management System application provides support for advising services, academic risk analyses, analyses of academic programs and initiatives, and student resource allocations. It also provides real-time data and predictive analytics tools.

The Agreement and Initial Schedule resulted from an Exclusive Acquisition Justification based on continuity of existing services. The services were originally secured from Civitas Learning, Inc., under a U. T. Systemwide Master Services Agreement approved by the Board on December 15, 2014.

35. Lease - U. T. San Antonio: Authorization to extend the term of a ground lease to the Roadrunner Foundation of approximately one acre located at the institution's Park West Athletics Complex, on Kyle Seale Parkway in San Antonio, Bexar County, Texas, for the construction of an approximately 15,000 square foot team and locker-room facility to support athletic fields

Description: On August 15, 2019, the Board authorized the lease of land to the Roadrunner Foundation (Foundation) for the construction and gift at completion of a locker room and team support facility on U. T. San Antonio's Park West campus, and for the construction and subsequent lease-back to the institution of the RACE athletic training and practice facility on U. T. San Antonio's 1604 campus. The Foundation completed construction of the RACE facility in 2022.

The institution seeks authorization to extend the ground lease for approximately one acre of land located on its Park West campus to Foundation so that it may complete the construction of an approximately 15,000 square foot team and locker-room facility (Park West Facility) to support the institution's Park West Athletics Complex, which includes track and soccer stadiums for U. T. San Antonio's intercollegiate track and soccer programs.

Location: At the institution's Park West Athletics Complex on Kyle Seale Parkway, north of its intersection with West Hausman Road, on U. T. San Antonio's Park West campus about one mile southwest of the main campus.

Lessee: Roadrunner Foundation, a Texas non-profit corporation.

Lease Term: The existing three-year ground lease term expires on February 28, 2023. The extension will provide for expiration on February 28, 2024, or earlier if the Park West Facility is completed sooner. The Foundation expects to complete construction of the Park West Facility in 2023.

Lease Consideration: Consideration consists of the gift of the Park West Facility to U. T. San Antonio at the completion of construction.

Supplemental Funding: Bexar County has entered into an agreement with the Foundation to provide \$8,000,000 to fund the completion of the Park West Facility. The Park West Athletic Complex generates tourism through U. T. San Antonio's use of the facilities, as well as through third party tournaments.

36. Request for Budget Change - U. T. Tyler: New Hire with Tenure -- amendment to the 2022-2023 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>Fisch College of Pharmacy</b> Dean and Professor Amy Schwartz (T)	3/6-8/31	100	12	285,000	11927

37. Gift - U. T. Tyler: Authorization of expenditure by Health Science Center at U. T. Tyler of a gift of \$245,000 for the purchase of 3D Mammography equipment at Jacksonville Hospital, dba UT Health Jacksonville; and finding of public purpose

Description: Approval is needed to authorize expenditure of a donated gift of \$245,000 from the Nan Travis Foundation for the purchase of 3D Mammography equipment at the Jacksonville Hospital, dba UT Health Jacksonville. This hospital is part of the East Texas Health System, LLC, owned jointly by the Health Science Center at U. T. Tyler (30%) and Ardent Health (70%), a private entity governed 50% and 50% by both entities

Donor: Nan Travis Foundation

Value: \$245,000

Find of Public Purpose: The Health Science Center at U. T. Tyler has determined that the expenditure of the gift of \$245,000 for the purchase of 3D Mammography equipment in a hospital owned by the East Texas Health System, LLC, supports the public mission of and serves a public purpose appropriate to the functions of the Health Science Center at U. T. Tyler. In authorizing the formation of the East Texas Health System, LLC, with Ardent Health on February 15, 2018, the Board of Regents found that U. T. Health Science Center - Tyler’s participation in the LLC would strengthen academic and educational programs for students, residents, and other trainees; would enhance basic and clinical research capabilities; would allow for integration of community and public health initiatives; and would expand patient care services, improve health outcomes, and extend the reach of U. T. Health Science Center - Tyler in the community. That expansion was made possible in part by the transfer to the LLC of nine hospitals previously owned by Ardent Healthcare, one of which is now Jacksonville Hospital, LLC, dba UT Health Jacksonville. Accordingly,

enhancements to that hospital will enhance the ability of the Health Science Center at U. T. Tyler personnel working at the facility to provide patient care services, leading to improved health outcomes. The Health Science Center at U. T. Tyler has also determined that those enhancements provide adequate consideration and benefits to the institution.

Finally, the Health Science Center at U. T. Tyler has also determined that, as the governance structure is set at 50% Ardent and 50% Health Science Center at U. T. Tyler, there are adequate safeguards in place to ensure the public purposes noted above will continue to be met on an ongoing basis.

### HEALTH AFFAIRS COMMITTEE

38. 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:	\$250,993,947
Period:	November 1, 2022 through September 30, 2023
Description:	U. T. Southwestern Medical Center to provide physician and other health services.

39. Contract (funds going out) - U. T. Southwestern Medical Center: Agreement for Sponsorship, along with Children's Health System of Texas, for an exclusive health care sponsorship with Frisco Stadium, LLC

Agency: Frisco Stadium, LLC

Funds: \$17,000,000

Period: January 1, 2023 through December 31, 2027

Description: The University of Texas Southwestern Medical Center, along with Children's Health System of Texas, agree to enter into an exclusive health care Sponsorship Agreement with Frisco Stadium, LLC, individually and as an agent for FC Dallas Soccer, LLC (professional team) and North Texas SC, LLC (Major League Soccer Next Pro team). The Sponsorship Agreement includes prominent logo placement on team jerseys and apparel, in-stadium signage and media, designation of presenting partner, commercial and audiocast spots, digital advertisement placement, associate partnership recognition of the FC Dallas Youth Program, and player and mascot appearances. U. T. Southwestern Medical Center and Children's Health System of Texas will jointly share the costs over the term of the Sponsorship Agreement. This Agreement was acquired via an Exclusive Acquisition Justification.

40. Contract (funds going out) - U. T. Southwestern Medical Center: Amendment to Agreement with Allentown, LLC, to provide research animal equipment

Agency: Allentown, LLC

Funds: \$10,000,000 over the entire term, including renewal periods

Period: January 13, 2023 through December 31, 2023; with the option to renew for two additional one-year terms

Description: Allentown, LLC, will continue to provide research animal equipment, including caging and related components. The pricing agreement dated January 1, 2021, and the First Amendment dated July 25, 2022, were not previously submitted for Board consideration because the total contract amounts were below the institution's delegated approval threshold. The First Amendment increased the fee cap to \$5,000,000. This Second Amendment increases the fee cap to \$10,000,000. It is anticipated that there will be two additional one-year renewals of the Agreement. The Agreement is supported by an Exclusive Acquisition Justification (EAJ) - Best Value. The supplier was previously awarded a contract via competitive bidding to provide this equipment for the Animal Resource Center (ARC). The EAJ was approved to maintain continuity of service for current research studies, as any change to the animals' environment may disrupt research activities.

41. Contract (funds going out) - U. T. Medical Branch - Galveston: Hologic, Inc., to provide infectious disease testing

Agency: Hologic, Inc.

Funds: The total contract value, including renewal periods, is estimated to be \$12,000,000.

Period: September 1, 2022 through August 31, 2027; with two 12-month renewal options

Description: Hologic, Inc., to provide infectious disease testing, including testing for sexually transmitted infections and other viruses. U. T. Medical Branch - Galveston will continue use of the Hologic platform, which is the only platform that offers both testing types as it offers standardization of testing without the need for additional resources for information technology, construction, or staff training. The total value of the Agreement is capped at \$12,000,000. The contract was procured under Best Value rules via the Exclusive Acquisition Justification.



42. Contract (funds going out) - U. T. Medical Branch - Galveston: Texas EM-I Medical Services, P. A., to provide emergency department coverage

Agency: Texas EM-I Medical Services, P. A.

Funds: The total contract value, including one renewal period, is estimated to be \$6,500,000, although the maximum amount is indeterminable at this time.

Period: February 1, 2023 through January 31, 2025; with automatic one-year renewal, unless terminated

Description: Texas EM-I Medical Services, P. A., will provide emergency coverage, additional emergent physician coverage, and medical director services at the State of Texas Department of Corrections W. J. Estelle Unit correctional facility in Huntsville, Texas. Because this is a correctional facility and no third-party billing will occur, Texas EM-I will not receive third-party reimbursement for its services at fair market value. Thus, U. T. Medical Branch - Galveston's Correctional Managed Care Division (UTMB CMC) agrees to pay Texas EM-I an annual estimated payment in the amount of \$2,200,000 for an estimated total of \$4,300,000 over the initial two-year term. Additionally, UTMB CMC agrees to reimburse the Texas EM-I for any start-up costs associated with the commencement of services at the facility for the initial 90 days from the effective date of the Agreement, up to a maximum of \$400,000. Finally, the Agreement includes automatic one-year renewal periods, which the parties anticipate utilizing indefinitely but for at least one additional renewal period. The Board is asked to approval an annual value of approximately \$2,200,000 for this contract, with the understanding that notice of desired renewal be provided to the Executive Vice Chancellor for Health Affairs. Each one-year renewal period includes an estimated annual payment of \$2,200,000.

43. Purchase - U. T. Medical Branch - Galveston: Authorization to purchase two lots totaling approximately 1.7622 acres of mostly vacant land located at 1824 Highway 6, Alvin, Brazoria County, Texas, from OC Alvin, Ltd., a Texas limited partnership, for future medical use

Description: Authorization to purchase two lots totaling approximately 1.7622 acres of mostly vacant land, located at 1824 Highway 6, Alvin, Brazoria County, Texas. U. T. Medical Branch - Galveston anticipates using the property for future growth of its ambulatory network.

Seller: OC Alvin, Ltd., a Texas limited partnership

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

44. Purchase - U. T. Medical Branch - Galveston: Authorization to purchase approximately 0.234 acres of land and improvements, including an approximately 2,300 square foot medical office building and parking lot, located at 215 Oak Drive South, Suite D, Lake Jackson, Brazoria County, Texas, from Michael P. Gilliland, for medical clinic related use

Description: Authorization to purchase approximately 0.234 acres of land and improvements including an approximately 2,300 square foot medical office building with a surface area parking lot currently leased by U. T. Medical Branch - Galveston and used as an ambulatory clinic, located at 215 Oak Drive South, Suite D, Lake Jackson, Brazoria County, Texas, for medical clinic related use.

Seller: Michael P. Gilliland

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

45. Request for Budget Change - U. T. Medical Branch - Galveston: Tenure Appointment -- amendment to the 2021-2022 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:

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>School of Medicine</b>					
Department of Internal Medicine					
Associate Professor					
Elizabeth Vaughan (T)	8/1-8/31	100	12	240,000	11912

46. Request for Budget Change - U. T. Health Science Center - Houston: Tenure Appointment -- amendment to the 2022-2023 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>McGovern Medical School</b>					
Internal Medicine					
Professor					
Jagat Narula (T)	1/15-8/31	100	12	980,000	11914

47. Request for Budget Change - U. T. Health Science Center - San Antonio: New Hires with Tenure -- amendment to the 2022-2023 budget

The following Requests for Budget Changes (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:

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>School of Medicine</b>					
Mays Cancer Center					
Professor					
Alexander Parikh (T)	10/6-8/31	100	12	595,000	11876
Radiation Oncology					
Professor					
Yohannes Ghebre (T)	12/1- 8/31	100	12	195,000	11900
Radiation Oncology					
Associate Professor					
Justin Leung (T)	12/1-8/31	100	12	155,000	11898

48. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with JB York Construction, Inc., to provide job order contracting services

Agency: JB York Construction, Inc.

Funds: The total contract value, including the renewal periods, is estimated to be \$50,000,000, although the maximum amount is indeterminable at this time.

Period: January 1, 2022 through December 31, 2023; with one remaining 24-month renewal option

Description: Under this job order contracting Agreement, JB York Construction, Inc., will act as a general contractor to provide general and specific construction services for projects on a per-project basis. JB York Construction, Inc., 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. On November 14, 2019, the initial contract, with an estimated value of \$23,500,000, was approved by the Board. One renewal has been used to extend the term to December 31, 2023, with one remaining renewal. The contract value is now estimated to be \$50,000,000, although the maximum amount is undeterminable at this time. This Master Agreement was competitively bid.

49. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Amended and Restated Sponsorship Agreement with Dynamo Soccer, LLC, and Dynamo Stadium, LLC, to provide sponsorship and promotional benefits

Agency: Dynamo Soccer, LLC, and Dynamo Stadium, LLC

Funds: Not to exceed \$17,400,000

Period: November 23, 2022 through December 31, 2024

Description  
Dynamo Soccer, LLC, will provide sponsorship and promotional benefits subject to U. T. M. D. Anderson Cancer Center's payment of the Sponsorship Fees. Dynamo Soccer, LLC, will provide multiple opportunities for marketing, community relations, cancer prevention education, patient acquisition, fundraising, and business development for U. T. M. D. Anderson Cancer Center. U.T. M. D. Anderson Cancer Center will gain significant brand exposure through prominent logo placement across the front of the Dynamo jersey, in addition to stadium signage and social/digital/broadcast media. This sponsorship allows U. T. M. D. Anderson Cancer Center to reach national and international audiences. This First Amendment extends the term by one year and increases the cap amount by \$4,000,000 to \$17,400,000.

The Amended and Restated Sponsorship Agreement, effective December 1, 2019, was submitted and approved by the Board on February 27, 2020. The original Sponsorship Agreement, effective August 1, 2018, was not submitted for Board approval as the total contract value was below the institution's delegated approval threshold. This Agreement was acquired via an Exclusive Acquisition Justification.

50. Request for Budget Change - U. T. M. D. Anderson Cancer Center: New Hires with Tenure -- amendment to the 2022-2023 budget

The following Requests for Budget Changes (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:

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>Medical Staff</b>					
Department of Epigenetics and Molecular Carcinogenesis Associate Professor Angela Ting (T)	1/3-8/31	100	12	160,000	11894
Department of Experimental Therapeutics Chair Rugang Zhang (T)	2/1-8/31	100	12	410,000	11895

51. Lease - U. T. M. D. Anderson Cancer Center: Authorization to lease approximately 16,000 usable square feet from Realty1 Partners or affiliated assignees in a to-be-constructed building located near the northeast corner of State Highway 6 and Sienna Ranch Road in Missouri City, Fort Bend County, Texas, for imaging, clinical, and general office use

Description: Authorization to lease approximately 16,000 usable square feet of medical office and clinical space located at the northeast corner of State Highway 6 and Sienna Ranch Road in Missouri City, Fort Bend County, Texas. The proposed space will be used for general office and medical purposes, which includes consultations, imaging (mammography, radiology, ultrasounds, MRI, PET), minor procedures and such other uses as may support the institutional mission.

Lessor: Realty1 Partners or affiliated assignees

Additional Terms: Lessee shall have the priority right to lease all or any portion of the 2nd floor of the building at any time during the lease. Additionally, Lessee shall be given the right of first offer and right of first refusal to purchase the entire property, which will be subject to the Board of Regents' approval.

- Term:** The term of the lease will be for no less than approximately 120 months, which will commence on the delivery date of the proposed space with all Lessor's required work completed. Lessee will also have the option to further extend the term of the lease for two renewal periods of approximately 60 months each. The base rent will be abated for the initial four months following the commencement date. Lessee shall have the right to terminate the lease, for any reason, on or after the 84th month of the lease, by providing Lessor six months' notice. As consideration, Lessee will pay Lessor a termination fee equal to the unamortized costs of the tenant improvement allowance and brokerage commissions.
- Lease Cost:** Estimated base rent for the initial term and potential renewal terms is approximately \$9,598,837.
- Base Rent over the initial period will be \$25.00 per square foot annually for Year 1, \$26.00 per square foot annually for Year 2, \$27.00 per square foot annually for Years 3-5, and then will increase by 2% annually thereafter. The base rent for the potential renewal period will be at the then determined Fair Market Value. Lessee will be responsible for any additional operating expense, which is estimated to be approximately \$10.44 per square foot. Assuming 3% annual operating expense increases, the operating expenses during the initial period are estimated to be approximately \$1,914,926 and the renewal period is estimated to be approximately \$2,560,087. Lessee will be responsible to pay utility charges and janitorial service, which cost is estimated to be approximately \$80,000 per year and may be paid directly to the utility company and janitorial provider for the Lessee's premises.
- Tenant Improvements:** The Lessor will contribute approximately \$80.00 per square foot, which is estimated to be approximately \$1,280,000, as a tenant improvement allowance. Additionally, the institution will contribute approximately \$570.00 per square foot, which is estimated to be \$9,120,000 towards improvements to the leased space.
- Total Cost:** Total estimated lease expense over the initial lease term and potential renewal period is approximately \$24,793,850, which includes estimated rent, estimated operating expenses, proposed tenant improvement expense, and estimated additional U. T. costs outlined above.

52. Purchase - U. T. M. D. Anderson Cancer Center: Authorization to purchase the remaining approximately 3.2261% undivided interest in a tract of unimproved land totaling approximately 5,000 square feet known as Lot 3, Block 38, Institute Place, and located near the SE corner of Hepburn Street and Almeda Road, Houston, Harris County, Texas, from Toni Nassar for future campus expansion

Description: Authorization to purchase the remaining approximately 3.2261% undivided interest in a tract of unimproved land totaling approximately 5,000 square feet known as Lot 3, Block 38, Institute Place, and located near the SE corner of Hepburn Street and Almeda Road, Houston, Harris County, Texas, for future campus expansion.

Seller: Toni Nassar

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

53. Purchase - U. T. M. D. Anderson Cancer Center: Authorization to purchase approximately 1.196 acres of land located near the southwest corner of the intersection of Vintage Preserve Parkway and Louetta Road, Houston, Harris County, Texas, from Vintage Marketplace II, LTD., for mission use to provide supplemental parking for U. T. M. D. Anderson's Northwest Houston facility

Description: Purchase of approximately 1.196 acres of land located near the southwest corner of the intersection of Vintage Preserve Parkway and Louetta Road, Houston, Harris County, Texas (the Property). The Property will be used by U. T. M. D. Anderson Cancer Center to support U. T. M. D. Anderson's Northwest Houston facility by increasing the total number of parking spaces available for the building.

The institution and the Seller intend to establish reciprocal easement agreement(s) providing vehicular access through the Property to adjacent parcels to improve circulation to the neighboring properties and the to-be-purchased property along with providing the to-be-purchased property improved access via the easement(s).

Additionally, a right of first refusal in favor of the Seller will be established to provide the Seller an opportunity to buy the Property back at fair market value in the event the Property is sold by the institution in the future. The right of first refusal may expire at some point in the future. The reciprocal easement agreement and the right of first refusal in favor of the Seller will be agreed upon prior to acquiring the Property.



Seller: Vintage Marketplace II, LTD, a domestic limited partnership, or its 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.

## **FACILITIES PLANNING AND CONSTRUCTION COMMITTEE**

No items for Consent Agenda