

Meeting No. 1,162

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

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May 9 - 10, 2017

Austin, Texas

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OF
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MEETING NO. 1,162

TUESDAY, MAY 9, 2017.--The members of the Board of Regents of The University of Texas System convened at 9:18 a.m. on Tuesday, May 9, 2017, in the Board Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Foster
Vice Chairman Hicks
Vice Chairman Hildebrand
Regent Aliseda
Regent Beck
Regent Eltife
Regent Longoria
Regent Tucker
Regent Weaver
Regent Joseph, Student Regent, nonvoting

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Foster called the meeting to order in Open Session.

Chairman Foster then said that, at the suggestion of Regent Eltife, he asked President Fenves to provide a few words about Mr. Harrison Brown, who lost his life, and the other students wounded on The University of Texas at Austin campus on May 1, 2017. Following remarks from President Fenves, the Board stood and observed a moment of silence and reflection.

AGENDA ITEMS

1. U. T. System Board of Regents: Approval of Chairman's recommended Committee Chairmen and Regental representatives; and notification of appointments to Standing Committees and Liaison roles for the record (Regents' Rules and Regulations, Rule 10402, regarding Committees and Other Appointments) and recommendations regarding Committee names and Committee structures

In accordance with the Regents' *Rules and Regulations*, Rule 10402, Chairman Foster requested the concurrence of the Board on recommended appointments of Committee Chairmen and Representatives of the Board, including Regental appointments to The University of Texas Investment Management Company (UTIMCO) as set forth on the following pages.

- Academic Affairs Committee
Sara Martinez Tucker, Chairman
Ernest Aliseda
Kevin P. Eltife
R. Steven Hicks
Janiece Longoria
James C. "Rad" Weaver
- Audit, Compliance, and Risk Management Committee
Ernest Aliseda, Chairman
David J. Beck
Kevin P. Eltife
R. Steven Hicks
Sara Martinez Tucker
James C. "Rad" Weaver
- Facilities Planning and Construction Committee
David J. Beck, Chairman
Ernest Aliseda
Kevin P. Eltife
Jeffery D. Hildebrand
Janiece Longoria
James C. "Rad" Weaver
- Finance and Planning Committee
Jeffery D. Hildebrand, Chairman
David J. Beck
Kevin P. Eltife
Janiece Longoria
Sara Martinez Tucker
James C. "Rad" Weaver
- Health Affairs Committee
R. Steven Hicks, Chairman
Ernest Aliseda
David J. Beck
Jeffery D. Hildebrand
Janiece Longoria
Sara Martinez Tucker
- Special Advisory Committee on the Brackenridge Tract
David J. Beck
Jeffery D. Hildebrand
Sara Martinez Tucker
- Special Liaison on South Texas Projects
Ernest Aliseda

- Appointment of Vice Chairman Hicks, Vice Chairman Hildebrand, and Regent Weaver to the UTIMCO Board of Directors for terms expiring on April 1, 2019 (see related Item 6 in the Finance and Planning Committee);
- Appointment of Regents Beck and Weaver as Athletics Liaisons;
- Appointment of Regents Aliseda and Eltife to serve on the Board for Lease of University Lands, with Regent Tucker serving as alternate;
- Dissolution of the Technology Transfer and Research Committee; and
- Renaming of the Audit, Compliance, and Management Review Committee as the Audit, Compliance, and Risk Management Committee.

Chairman Foster noted that the named Regents would abstain from discussion and vote on the appointments that pertain to their service.

He also noted for the record that as authorized by the Regents' Rules and at the request of Health Affairs Committee Chairman Hicks, he had also appointed Regent Longoria to the M. D. Anderson Services Corporation Board of Directors and as Board representative to the Texas Medical Center Board.

With the dissolution of the Technology Transfer and Research Committee, Chairman Foster said the full Board would consider items that were scheduled to be considered by the Committee (Items 2 and 3 below).

2. U. T. System: Report on U. T. System commercialization performance

Ms. Julie Goonewardene, Associate Vice Chancellor for Innovation and Strategic Investment and Managing Director of the U. T. Horizon Fund, reported on The University of Texas System commercialization performance.

Ms. Goonewardene spoke about fostering and creating partnerships in response to questions from Vice Chairman Hildebrand. He asked if the Office of Innovation and Strategic Investment is a clearinghouse for industry-focused research, and Ms. Goonewardene responded that the Office is more like a gateway for interested companies to interact with the U. T. System and the institutions and vice versa.

Associate Vice Chancellor Goonewardene also responded to questions from Regent Longoria and Regent Weaver about research expenditures and patents issued at the institutions and agreed to provide a breakdown of commercialization activities by institution following the meeting.

3. U. T. System: Report on creative industry partnerships

Ms. Julie Goonewardene, Associate Vice Chancellor for Innovation and Strategic Investment and Managing Director of the U. T. Horizon Fund, introduced Dr. Ferran Prat, Vice President for Strategic Industry Ventures at The University of Texas M. D. Anderson Cancer Center, who reported on creative industry partnerships, including successful transactions and lessons learned.

In response to a question from Vice Chairman Hicks, Dr. Prat commented on the value of one of the transactions, and Vice Chairman Hildebrand remarked on the need to export this successful model to other University of Texas System institutions.

RECESS TO COMMITTEE MEETINGS.--The Board recessed for Standing Committee meetings from 9:51 a.m. - 12:22 p.m.

RECONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551.--Chairman Foster reconvened the Board in Open Session and welcomed Student Regent-Elect Jaciel Castro who was in attendance. Mr. Castro is pursuing a Master's in Business Administration at The University of Texas at San Antonio and will begin service as Student Regent on June 1, 2017.

At 12:24 p.m., the Board recessed to Executive Session pursuant to *Texas Government Code* Sections 551.071 through 551.074 and 551.076 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--The Board reconvened in Open Session at 2:23 p.m. Chairman Foster stated that no action was taken on the following items discussed in Executive Session.

- 1a. U. T. Southwestern Medical Center: Periodic comprehensive performance review of institutional president (Regents' *Rules and Regulations*, Rule 20201, Section 5, regarding Evaluation of Presidents)

- 1b. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, assignment, and duties of individual System Administration and institutional officers or employees involved in the delivery of capital projects for U. T. Austin and U. T. Medical Branch - Galveston

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

- 3a. U. T. System: Discussion and appropriate action regarding legal issues concerning delegation of responsibility for capital projects under oversight of the Office of Facilities Planning and Construction

- 3b. U. T. System: Discussion and appropriate action regarding legal issues concerning returning direct oversight of internal audit functions to certain academic institutions

RECESS TO COMMITTEE MEETINGS.--The Board recessed for Standing Committee meetings from 2:23 p.m. - 4:18 p.m.

WEDNESDAY, MAY 10, 2017.--The members of the Board of Regents of The University of Texas System reconvened at 9:08 a.m. on Wednesday, May 10, 2017, in the Board Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Foster
Vice Chairman Hicks
Vice Chairman Hildebrand
Regent Aliseda
Regent Beck
Regent Eltife
Regent Longoria
Regent Tucker
Regent Weaver
Regent Joseph, Student Regent, nonvoting

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Foster called the meeting to order in Open Session.

Chairman Foster said that with the death of Dr. Peter T. Flawn (May 7, 2017), President Emeritus at The University of Texas at Austin and at The University of Texas at San Antonio, The University of Texas System family lost a legend. He said that Vice Chairman Hicks had the opportunity to work closely with Dr. Flawn and would like to comment.

Remarks by Vice Chairman Hicks

Yesterday morning, we started our meeting with a somber moment in memory of Harrison Brown whose life will go unfulfilled. He had much potential, and we mourn that.

And on the opposite end of the spectrum, if you think about it, is why we are here in life, and I think it's to do good and help other people. At the other end of that spectrum would be Dr. Flawn, at age 91. He passed away with an enormous legacy of helping students and people. Very quiet spoken, I think the last time I saw him was in these rooms, he was part of the Chancellor's admissions group, and that was at age 89. He lost his wife last year. So instead of a somber moment, what I would ask us to do is just stand in recognition and appreciation for a life well lived.

The Board stood and applauded, and Regent Tucker also provided a tribute to Harrison Brown and his family.

AGENDA ITEMS (continued)

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

Chairman Foster noted the following related to the Consent Agenda:

- Item 6 requests approval of a contract with InGenesis, Inc. to manage the provision of temporary workers to support clinical, administrative, and business functions at The University of Texas System institutions.
- Item 9 requests allocation of \$1 million of Permanent University Fund (PUF) Bond Proceeds to complete the expansion of the UTPB STEM Academy charter school [at The University of Texas of the Permian Basin].
- Item 15 requests approval of terms of employment for the Athletic Director at The University of Texas at Arlington.
- For The University of Texas at Austin, Items 22-29 request approval for terms of employment for Assistant and Associate Football Coaches.
- Item 30 seeks approval of amendment to terms of employment for U. T. Austin's Head Men's Golf Coach.
- Item 32 proposes approval of formation of a Mexican civil association to allow U. T. Austin to qualify for research funding from the government of Mexico.
- A proposed marketing logo for the new clinical group physician practice associated with the Dell Medical School at U. T. Austin is at Item 33.
- Amendments to admission criteria are requested by
 - The University of Texas at Dallas;
 - U. T. Permian Basin; and
 - The University of Texas at Tyler.
- Vice Chairman Hildebrand will abstain from vote on Consent Agenda Item 3 because of equity interests.

Chairman Foster asked Chancellor McRaven to confirm that the requested tenure appointment approvals on the Consent Agenda do not violate Governor Abbott's hiring freeze for state agencies, and Chancellor McRaven confirmed that the appointments do not violate the Governor's hiring freeze.

The Board then approved the Consent Agenda, which is set forth on Pages 98 - 172.

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

5. U. T. System Board of Regents: Award of Regents' Outstanding Student Awards in Arts and Humanities -- creative writing winners

The Board awarded Regents' Outstanding Student Awards in Arts and Humanities to the following students who were recognized for their abilities in creative writing:

- Ms. Nooshin Ghanbari, The University of Texas at Austin, for outstanding poetry writing; and
- Mr. Frederick Tran, The University of Texas at Arlington, for outstanding short fiction.

In recognition of its support of the arts and humanities, on February 9, 2012, the Board of Regents authorized the Office of Academic Affairs to establish the Regents' Outstanding Student Awards in Arts and Humanities. The awards program is designed to provide a framework that fosters excellence in student performance, rewards outstanding students, stimulates the arts and humanities, and promotes continuous quality in education. This year's awards are for creative writing and the nominees were evaluated on creativity, originality, imagery, artistic quality, and mastery of expression.

6. U. T. System: Annual Meeting with Officers of the U. T. System Student Advisory Council

The following officers of The University of Texas System Student Advisory Council (SAC) met with the Board of Regents to discuss the Council's focus over the past year on the five key areas of Tuition Accessibility, Graduate Education, Diversity and Inclusion, Student Success, and Legislative Affairs, using the materials set forth on Pages 10 - 12.

Chair: Mr. James Ruedlinger, The University of Texas at Arlington

Tuition and Fees Working Group: Ms. Kelly Zoch, The University of Texas at San Antonio

Student Success Working Group: Ms. Akshitha Padigela, The University of Texas at Dallas

Graduate Education Working Group: Mr. Alex Perakis, The University of Texas M. D. Anderson Cancer Center

Diversity and Inclusion Working Group: Mr. Kevin Helgren, The University of Texas at Austin

Legislative Working Group: Mr. Andrew Hubbard, U. T. San Antonio

Mr. Ruedlinger recognized Ms. Jodie Gray, The University of Texas Health Science Center at San Antonio, who was in attendance, as the incoming SAC chair.

Chancellor McRaven thanked the members of the Student Advisory Council for their hard work, for driving important issues, and for their engagement with appropriate U. T. System officials to move the issues along.

Referencing the Council's reports, Regent Joseph spoke about the importance of timelines, transparency, and student input in the tuition and fees setting process, and he agreed that advising is an important part of student success.



**ATTACHMENT: 2016 – 2017 Student Advisory Council
 Summary of Policy Projects and Status Updates, by Working Group**

Working Group	Working Group Leadership	Policy Issue/Project	Status Update
Tuition Accessibility	Sachin Shah, U. T. Southwestern Medical Center Kelly Zoch, U. T. San Antonio	The goal of the working group on tuition and fees is to address the process of changing tuition and fees at U. T. System institutions and to provide student feedback on how the process might be improved. Key issues include timeliness, transparency, and student input.	A policy memorandum outlining identified issues was distributed to U. T. System leadership in April 2017 so that recommendations specific to timeliness of the process and student feedback mechanisms could be addressed during planning for the next tuition and fee cycle.
Diversity and Inclusion	Kevin Helgren, U. T. Austin Cory Hamilton, U. T. Health Science Center – Tyler	The goal of the working group is to define the scope of diversity and inclusion challenges facing students Systemwide, to research implementation and efficacy of efforts at national peer systems and institutions, and to recommend potential policy solutions or next steps to key leadership.	A meeting was held on April 6, 2017 at U. T. System to discuss key findings and potential next steps. Deputy Chancellor Daniel and Chief Human Resources Officer Kim Sullivan are actively engaged in conversation about these issues. A policy memorandum was shared with U. T. System leadership in April 2017.
Graduate Education	Alix Baycroft, U. T. Health Science Center – Houston Alex Perakis, U. T. M. D. Anderson Cancer Center	The group engaged in policy research and proposed recommendations to improve clarity about expectations among graduate students and faculty in advisory roles.	A policy memorandum proposing a policy and proposed content of graduate student compacts was shared with key leadership and the U. T. System Faculty Advisory Council (FAC). SAC hopes to engage FAC and U. T. System leadership in the upcoming year for feedback on the proposed compacts and implementation.
		The working group sought student feedback regarding the sustainability of the Graduate Student Career Symposia (Mikiten Graduate Research Symposium).	A policy memorandum was shared with U. T. System staff and leadership expressing support for the continued sustainability of the symposia as a means to educate students and expand opportunities for graduate students in non-academic career paths.



Graduate Education (continued)		The working group conducted research into best practices and policies regarding paid parental leave for graduate students, specifically the paid parental leave policy for the National Institute of Health funded students for Kirschstein-NRSA trainees.	The group recommended no further policy action at this time but shared a recommended list of further questions about policy, practice, and implementation issues that future Student Advisory Council members should consider if they choose to focus on this issue in future years.
		The working group researched the potential use of telemedicine to address student mental health demand. They researched options for sharing best practices in mental health services among the U. T. System institutions.	A policy memorandum was shared with U. T. System Administration and institutional stakeholders including the Office of Academic Affairs and the Office of Health Affairs as well as institutional counseling center directors and student health providers. An op-ed regarding the importance of utilizing mental health services already in place, written in collaboration with U. T. System staff, may be published during the May 2017 National Mental Health Awareness Month.
Student Success	Akshitha Padigela, U. T. Dallas Laura Baker, U. T. Arlington	The goal of this working group is to engage in efforts related to the Chancellor’s Quantum Leap in Student Success, specifically related to best practices and policy recommendations in the area of undergraduate advising.	Each member of the group engaged U. T. System academic institutions in identifying data and information about the advising process. A memorandum outlining a few key findings (based on the data), and outlining a few policy recommendations was shared with Dr. Rebecca Karoff, Student Success Quantum Leap Lead and other key leadership in April 2017. Two members of the working group continue to be engaged as student representatives in the Quantum Leap affinity group project. Information



			and data were also shared with the Quantum Leap research team.
Legislative Affairs	Andrew Hubbard, U. T. San Antonio	The Council prepared three legislative value statements that expressed the positions and priorities of the group. Value statements addressed public support for higher education, tuition autonomy, and student well-being.	A memorandum outlining the value statement was shared U. T. System Administration. Members continue to engage in weekly calls to discuss relevant legislation and policy efforts related to the three value statements.

7. U. T. System: Discussion and appropriate action regarding returning direct oversight of internal audit functions to U. T. Arlington, U. T. Dallas, U. T. El Paso, U. T. Permian Basin, U. T. Rio Grande Valley, U. T. San Antonio, and U. T. Tyler, including allocation of funding

Vice Chairman Hildebrand moved that the Board approve the recommended transfer of the direct oversight of existing internal audit functions at The University of Texas at Arlington, The University of Texas at Dallas, The University of Texas at El Paso, The University of Texas of the Permian Basin, The University of Texas Rio Grande Valley, The University of Texas at San Antonio, and The University of Texas at Tyler to those institutions effective September 1, 2017, with the approval of funding, and consistent with the parameters and recommendations discussed in Executive Session. (See related Executive Session Item 3b on the agenda for May 9, 2017.)

Accordingly, the Board approved an allocation of \$15,366,630 of Permanent University Fund (PUF) Bond Proceeds to seven academic campuses and the return of direct oversight and funding of campus auditors to the campuses effective September 1, 2017.

The chart below represents how the \$15,366,630 will be allocated:

Campus	PUF for Campus
Arlington	\$1,863,441
Dallas	\$2,894,781
El Paso	\$3,096,561
Permian Basin	\$ 954,618
Rio Grande Valley	\$2,771,181
San Antonio	\$2,808,177
Tyler	\$ 977,871
TOTAL	\$15,366,630

The approved action affects 48.25 audit positions. The seven academic campuses are expected to employ most if not all of the current campus-stationed, University of Texas System-employed auditors, but employment decisions regarding specific audit staff members would reside with the campuses.

To allow time for campuses to absorb the cost of the auditors, the U. T. System will provide each campus with funding equal to three years of salary, fringe benefits,

travel, and operating costs of current audit staff. This will allow campuses, in effect, three years to absorb the cost of the audit staff without any additional financial burden. This will also eliminate \$5.1 million in annual Available University Fund (AUF) spending by U. T. System Administration.

The U. T. System will provide campuses with funding in the form of PUF debt. Each institution may determine whether the institution wishes to receive the entire three-year allocation of PUF funding to allow for specific capital projects or to receive an annual supplement to the Library, Equipment, Repair and Rehabilitation (LERR) budget distributed annually and also funded with PUF debt. The expectation is that the campuses will use the PUF funding for eligible capital projects where they currently had planned to use institution resources and in turn redirect funds to cover the cost of auditors.

On August 21, 2014, the U. T. System Board of Regents requested that U. T. System Administration identify ways to transfer costs from academic campuses to U. T. System Administration so that a tuition increase would not be necessary. The “tuition offset” was straightforward for The University of Texas at Austin, which may receive AUF allocations from U. T. System to cover operating expenses. For the other academic campuses, the tuition offset program involved transferring several types of services and expenses, including the institutional internal auditors, to U. T. System Administration. The auditors remain physically located at the campuses and perform audit functions for the campuses as part of a centrally managed audit program, but they became employees of U. T. System Administration effective September 1, 2014. The U. T. System Administration campus audit function involves 48.25 full-time equivalent (FTE) campus auditors at an annual cost of \$5,122,210 in salaries, fringe benefits, and operating expenditures.

8. U. T. System: Discussion and appropriate action regarding delegation of responsibility for the delivery of institutional capital projects at U. T. Austin and U. T. Medical Branch - Galveston to the institutional presidents

Regent Longoria moved that the Board approve the recommended delegation of responsibility for the delivery of institutional capital projects at The University of Texas at Austin and The University of Texas Medical Branch at Galveston to the presidents at those institutions, consistent with the parameters and recommendations discussed in Executive Session. (See related Executive Session Items 1b and 3a on the agenda for May 9, 2017.) These new delegations will be similar to those existing at The University of Texas M. D. Anderson Cancer Center and The University of Texas Southwestern Medical Center.

In Fall 2016, The University of Texas System Executive Committee on Outsourcing was formed to evaluate potential outsourcing options for decentralized project management services supplied by the U. T. System Office of Facilities Planning and Construction (OFPC). The Committee, chaired by Executive Vice Chancellor Kelley, convened in December 2016 and met as a group three additional times. After review

and discussion of existing OFPC services, the Committee developed six scenarios for delegating oversight to selected institutional presidents or outsourcing to private sector firms.

Based on reviews of the various options, the Committee recommended that the Presidents of U. T. Austin and U. T. Medical Branch - Galveston be delegated authority to manage the project delivery of their institution's capital program.

9. U. T. System: Discussion of issues from the 85th Texas Legislative Session

Vice Chancellor McBee reported on issues from the 85th Texas Legislative Session.

10. U. T. System: Discussion of U. T. System priorities and budget process

Chairman Foster noted that an additional item had been posted with the Secretary of State regarding The University of Texas System priorities and budget process. He said this caption would allow the Board to discuss issues concerning oversight, governance, and policies regarding the System budget.

Vice Chairman Hicks said he had asked that this item be added to the Board's agenda, in part because in 2009 he had been on a committee to reduce the U. T. System headcount and expenditures. Referencing the Board's fiduciary responsibilities and noting the matter of how and where System resources are spent would be discussed at length at the upcoming Board retreat, he wanted to open the subject up for discussion and to provide the System leadership some input on what the System should be doing and on the budget for future years.

Regent Eltife noted that, as a new Regent, he is not familiar with the budget process, but he commented that at the end of the Legislative Session, he expects there will be fewer resources for the 14 institutions. He said he thinks the System should set the example by cutting expenses at the System level and passing those savings along to the institutions. He stated the Legislature wants to cut funding for higher education and cap tuition. He said these issues are not going to go away and will have to be faced next Session. He commented that the upcoming Board retreat will provide an opportunity to review the budget from top to bottom, with an opportunity for Regents to have input on each line item.

Chairman Foster spoke about the challenge of timing for the August 2017 budget cycle and suggested that prior discussion is needed to set the tone for the July 2017 retreat. He emphasized the importance of not losing sight of students in the discussions.

Chairman Foster said the biggest focus of the retreat will be on the budget and the mission of the U. T. System, and members of the Board suggested that time be allowed to discuss other significant issues as well, including security. Regent Tucker

suggested a more general discussion of governance first, resulting in a statement of principles that would shape the budget. She continued on to say that in July 2017, the Board could look at recommendations from the System around governance and around the associated budget and be prepared to approve the budget in August 2017.

Regent Longoria noted that the Texas Constitution requires the Available University Funds (AUF) first be used to pay principle and interest on Permanent University Fund (PUF) bonds, with the remainder dedicated to the support and maintenance of The University of Texas at Austin and, to a lesser extent, U. T. Systemwide Administration, which she believes and believes other members of the Board believe should be pared down to the most essential shared services. She commented on the growth in size of the U. T. System Administration and expensive top-down architecture, noting it provides little, if any, return on investment. She believes initiatives should emanate from the institutions to the Chancellor and the Board for consideration. She hopes the budget process will result in ways to pare down the System budget to deliver only essential shared services so the majority of AUF can be used for the payment of bond debt, infrastructure, education of students, and the excellence of the flagship.

Vice Chairman Hicks spoke about the distribution of funds, including PUF, to the institutions and the support of U. T. Austin both legislatively and financially.

Vice Chairman Hildebrand suggested the vision/mission of the U. T. System is the fundamental question that should be revisited before the July Board meeting. He said the Board has worked hard to push expenses, such as the auditors, to the System to take the cost burden from the individual institutions. He noted staff would need to do the work to determine the budget. He also commented on the need to modify the AUF formula process to get AUF to the other 13 institutions so that it is not locked at the System level.

Regent Tucker commented on the changing health care environment and the need to support the health institutions, and Regent Weaver agreed with the need for the Board to show leadership and to show elected officials that the budgeting process is being taken seriously.

11. U. T. System: Approval of the Fiscal Year 2018 Budget Preparation Policies and Calendar for budget operations

In reference to the item related to the Fiscal Year 2018 Budget Preparation Policies and Calendar for budget operations, Chairman Foster said the Calendar could change in light of discussions held under the previous item (Item 10). Vice Chairman Hicks asked that the Board be provided an opportunity to be more participative in the budget process and to provide input before the final vote in August 2017, and Vice Chairman Hildebrand asked that staff remain flexible to modify the budget and Calendar depending on what is resolved at the retreat (July 2017).

The Board then approved the Budget Preparation Policies below and the Calendar that follows for use in preparing the Fiscal Year (FY) 2018 Operating Budget for the The University of Texas System as set out below.

U. T. System Fiscal Year 2018 Budget Preparation Policies

1. General Guidelines - The regulations and directives that will be included in the *General Appropriations Act* enacted by the 85th Texas Legislature serve as the basis for these guidelines and policies. In preparing the draft of the FY 2018 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 Chief Budget Officer 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 2018 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 Deputy Chancellor, the appropriate Executive Vice Chancellor, and the Associate Vice Chancellor, Controller and Chief Budget Officer.
3. Salary Guidelines - Recommendations regarding salary policy are subject to the following directives:
 - A. 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.

- B. 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.

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

As defined in *Texas Education Code* Section 51.962, administrative and professional staff and classified staff must have been employed by the institution for at least six consecutive months immediately preceding the effective date of the increase to be eligible for a merit increase, and at least six months must have elapsed since the employee's last merit salary increase.

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 the Regents' *Rules and Regulations*, performance appraisals are required to be conducted annually for all employees of the U. T. System. To verify compliance with this policy, U. T. System presidents and the Executive Vice Chancellor for Business Affairs for U. T. System Administration shall annually certify that all eligible employees (including staff and faculty) have completed performance appraisals.

- C. 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 Chief Budget Officer, such increases should be noted and explained in the supplemental data accompanying the budget.
- D. 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.
- E. Reporting - The Chief Budget Officer will issue guidance on reporting of salary changes and amounts. It is expected that required reports will encompass high-ranking staff covered by Regents' *Rules and Regulations*, Rules 20203 and 20204 along with those staff 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 Chief Budget Officer will issue instructions regarding the implementation of staff benefits into the budget process.

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

The U. T. System FY 2018 Budget Preparation Policies are intended to be consistent with the regulations and directives included in the *General Appropriations Act* and other general law to be enacted by the 85th Texas Legislature. As written, this policy provides general direction to the U. T. System institutions and will be modified as necessary to conform to the legislation, as finally passed.



**THE UNIVERSITY OF TEXAS SYSTEM
FY 2018 OPERATING BUDGET CALENDAR**

January 2017 - August 2017	Performance appraisal focal period
April 14, 2017	Request for Library, Equipment, Repair and Rehabilitation new project instructions and information on balances subject to lapse are sent to institutions
May 10, 2017	U. T. System Board of Regents takes appropriate action on budget preparation policies
June 1, 2017	New Library, Equipment, Repair and Rehabilitation project requests are due to U. T. System
June 1 - 9, 2017	Major goals, priorities, and resource allocation hearings with U. T. System Administration
June 28, 2017	Draft budget documents due to U. T. System
July 5 - 7, 2017	Technical budget review with U. T. System
July 14, 2017	Reports on highly compensated staff covered by Regents' Rules 20203 and 20204, high-ranking staff salaries, and institutional Top Ten salaries due to U. T. System
July 17, 2017	Final budget documents due to U. T. System
August 7, 2017	Operating Budget Summaries provided to the U. T. System Board of Regents
August 14, 2017	Salary change report due to U. T. System
August 24, 2017	U. T. System Board of Regents takes appropriate action on Operating Budget and President and Executive Officer compensation

12. U. T. System Board of Regents: Presentation of Certificate of Appreciation to U. T. M. D. Anderson Cancer Center President Ronald A. DePinho and Comments

Chairman Foster recognized and thanked Dr. Ronald A. DePinho for his outstanding service as President of The University of Texas M. D. Anderson Cancer Center. As President, Dr. DePinho led the recruitment of dozens of star faculty and worked to enhance the research infrastructure, accelerate the translation of intellectual property, and extend the institution's global reach. His launch of the M. D. Anderson Cancer Moon Shots Program produced major advances in cancer care and helped ignite a national movement.

Dr. DePinho became President of U. T. M. D. Anderson Cancer Center on September 1, 2011, and he joined the faculty after resigning effective March 20, 2017.

President DePinho provided brief remarks and received a standing ovation and the following certificate of appreciation:

CERTIFICATE OF APPRECIATION

The Board of Regents

Expresses to

Ronald A. DePinho, M.D.

Its Sincere Appreciation for His

Distinguished Service and Outstanding Contributions

to

The University of Texas System

as

President

The University of Texas M. D. Anderson Cancer Center
2011 - 2017

13. U. T. System Board of Regents: Presentation of Certificate of Appreciation to Student Regent Varun P. Joseph and Comments

Chairman Foster thanked Student Regent Varun P. Joseph for his service to The University of Texas System over the past year and wished him great success as he enters the practice of dentistry.

Chairman Foster presented a certificate of appreciation to Regent Joseph, and Regent Joseph provided remarks as follows. He received a standing ovation.

CERTIFICATE OF APPRECIATION

to

VARUN P. JOSEPH

Upon the occasion of completion of
his term of service on the

Board of Regents
of
The University of Texas System

In appreciation for his wise counsel,
conscientious stewardship, and dedicated service
to The University of Texas System

Student Regent, 2016 - 2017

Remarks by Regent Joseph

I have to follow Ron DePinho, thanks Ron! Thank you, Mr. Chairman sir.

Serving on The University of Texas System's Board of Regents has been an honor of a lifetime. I never expected to get appointed to the Board, so it was more of a surprise at the beginning, but it has been an unbelievable experience.

First, I want to thank Governor Abbott for my appointment. I also want to thank my family, and everybody else who has supported me -- my brothers Kevin and Kiran, sister-in-law Cristy, and most importantly my parents, Gig Joseph and Sunitha Gigi, who have been my biggest fans and who have always supported me in everything that I did. I would not have accomplished anything that I have done if it wasn't for them. They are probably watching from home, if they figured out how to work the computer and get on the website. They are not as tech savvy as Steve and Ernie are here, but thank you Mr. Chairman for your leadership here.

Being Chairman is a full-time job without pay I will say but the reward is that you are truly changing lives. You made an impact on my life before I even got here. I don't know if everybody knows, I used to work at the Paul L. Foster Success Center at Baylor. Somebody asked me who Paul L. Foster was, and I said I don't know, it's probably some rich guy who is no longer with us. But I am glad that he is with us, and I am honored to have served on the U. T. Board of Regents under the chairmanship of Paul L. Foster.

Mr. Chairman sir, with your steady leadership, and steady I might add, and support, you have changed the lives of thousands of students in the U. T. System. So, on behalf of 228,000 students that I represent on the Board of Regents, I want to thank you for your selfless service on the Board of Regents. Thank you, sir.

Over the past year, I had the great opportunity to visit all of our campuses and the great folks at U. T. Lands. Also, from the medical schools and dental schools who are training tomorrow's doctors like me and to the emerging Tier One institutions who are graduating first generation college students, I am proud to have represented over 228,000 students.

One thing I have learned is that this is a transformative time in the history of the U. T. System. Because behind the headlines, there are faculty members teaching, presidents making strategic decisions, and students who are graduating hopefully at higher rates with our initiatives. From the Rio Grande Valley all the way to the North Texas region, from Tyler to El Paso to the Permian Basin, we are changing lives. And that could not have been done without the work that's being done here by the Chancellor and his team; let me emphasize "team."

Bill McRaven's visionary leadership is moving us forward, so thank you for all you have done Chancellor. Thank you for your service. Your work sometimes is not appreciated, sometimes criticized, but you have put the students and their needs above your own and made sure that every decision that you make is analyzed on how it affects students. Watching and learning as you charged ahead to make your vision into reality and to help students to "improve the human condition" in Texas has been a true privilege. You saved lives while you were in the military, but now as Chancellor, you get to change lives through education, which is something that only a few people can do. You are a true American hero, a role model, and I am proud to call you as a friend. And I hope I can grow up to be a leader just like you one day.

Somebody asked me what my favorite part of serving on the Board of Regents was. Well, aside from the free food, I would say it's meeting and learning everything about the U. T. System and also part of just understanding everything that goes on behind the scenes. But I would also say among other things, it's the people that I have worked with and it's not just here in the System or one institution but all 14 of our schools. I think all 14 of our schools matter. From David Daniel to Steve [Leslie] to Ray Greenberg, who by the way always embarrasses me every time he comes on campus and tells all my friends that I'm his boss and then makes some horrible doctor jokes like "what's drilling today" or something like that.

I also want to thank the Board Office, especially Francie here, Kristy Orr, Elaine, and of course Michele Kraal, and everybody else. If it wasn't for Michele Kraal, I don't know how I would have worked my schedule this year. Also Dr. Wanda Mercer, a good friend and advisor, Pat Francis, everybody else from Dan Sharporn, to Barry McBee, to Tony Cucolo, to Randa Safady and in between. And I would be remiss if I don't thank the professors who helped me to get to where I am today. I want to thank my faculty leader Dr. Rudy Izzard, Dr. Karen Troendle, Dr. Hanlon, Dr. Wuensch, Dr. Holloroan and Dr. Bill Dodge, our Dean.

And finally, I want to talk about the great colleagues on this table that I sat with who have become friends and mentors over the past year. Most people I talk to don't really know what the Board of Regents does. I think it's above their tax bracket, just like mine. But it's been a great honor to serve on the Board with all these fine colleagues. I joke that I serve on the Board with nine other billionaires, and I'm just a billionaire with student loans.

But working with all of you has been a true privilege. You have taught me so much, and the time that I spent with all of you has truly impacted my life. My family and I immigrated from India when I was nine, and I am truly living the American Dream, and this experience is part of the great journey that I have been blessed with. I must say that the sacrifices that all of you make to be here is something that is very noble, which is the most important part which is that you're spending your time here. You volunteer your experience and your expertise but your time is the most important that you spend here. You read hundreds of pages before meetings before you make decisions that have consequences not just in Texas but all across the nation.

This Board is one of the most influential Boards of Regents that's in the nation and there are people watching all over the state. There are parents who are watching, administrators who are watching, and some lawmakers apparently too, but most importantly, students are watching. Students who one day who will grow up and wanting to grow up be the Rad Weaver, or the Janiece Longoria, or the David Beck, or the Jeff Hildebrand, or the Paul Foster, or the Steve Hicks, or the Ernie Aliseda, or the Sara Martinez Tucker, or even the Kevin Eltife sometimes. And I know you will not let them down.

It didn't really hit me how life changing some of the decisions we make on the Board is until I was treating pediatric patients in Laredo, and it dawned on me that the decisions that we make today will affect them years from now and it might determine if they become the next doctor, or university president, or even graduate from college. But I am confident that through the initiatives we supported and championed, like funding the Student Success initiative through the Internal Lending Program, those students will have a bright future. And it is because of all of you, and please don't forget that they will have a bright future because all of that, because of all of you. You are truly changing lives here.

And although this is my last meeting, I hope our conversations and friendships continue throughout the years through calls and texts, LinkedIn, and, yes, Facebook and Instagram. I know I bored some of you all that are here just going on and on about graduation rates and just nagging everybody about the percentages, but it has truly been an honor and working with all of you has truly been an honor. You have helped me grow as a student, as a leader, and as a doctor. You, Paul, have taught me that one day hopefully I will have the opportunity to serve and give back, not just here, but somewhere else and to the State of Texas. And although being called Regent Joseph was cool, I think Dr. Joseph is not too bad either. On behalf of the 228,000 students that I represent, I want to thank you, members of the U. T. System Board of Regents, for your selfless service and your servant leadership.

In conclusion, as the great statesman once said, “We are all birds of passage, actors on different stages. We are here today, gone tomorrow. But in the brief time that the people entrust us with this responsibility, it is our duty to be honest and sincere in the discharge of these responsibilities.” And I hope I have done that. Thank you, Mr. Chairman sir.

(Secretary’s Note: During his speech, Regent Joseph inadvertently said he and his family had immigrated from India nine years ago; however, he meant that they had immigrated when he was nine years old. The Minutes were corrected to reflect his intent.)

STANDING COMMITTEE REPORTS AND RECOMMENDATIONS TO THE BOARD.--
At 10:51 a.m., Chairman Foster announced the Board would hear the reports and recommendations of the Standing Committees, which are set forth on Pages 26 - 92.

REPORT AND RECOMMENDATION OF THE AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE (Pages 26 - 30).--Committee Chairman Aliseda reported that the Audit, Compliance, and Risk Management Committee met in Open Session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. The action set forth in the Minute Order that follows was recommended by the Audit, Compliance, and Risk Management Committee and approved in Open Session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. System: Discussion and appropriate action regarding amendment of Regents' *Rules and Regulations*, Rule 20401 (Audit and Compliance Programs) to more accurately reflect current responsibilities of the U. T. System Chief Compliance and Risk Officer

The Board approved amendment of the Regents' *Rules and Regulations*, Rule 20401 (Audit and Compliance Programs) to replace Section 2 to read as set forth below to more accurately reflect current responsibilities of The University of Texas System Chief Compliance and Risk Officer.

Sec. 2 Compliance Program. The Chancellor, as chief executive officer of the U. T. System, is responsible for ensuring the implementation of a Systemwide compliance program for the U. T. System. U. T. System Administration shall adopt a policy further implementing the Systemwide compliance program.

The Systemwide compliance program shall be headed by a Chief Compliance and Risk Officer (CCRO) and is a fundamental part of the management structure of U. T. System Administration. The primary responsibility of the CCRO is developing the infrastructure for the effective operation of the Systemwide compliance program. The CCRO is also responsible for apprising System Administration and the Audit, Compliance, and Risk Management Committee of the compliance functions and activities at System Administration, The University of Texas/Texas A&M Investment Management Company (UTIMCO), and each institution.

Changes to Section 2 are shown for the record in congressional style on Pages 28 - 29.

After an external assessment of the U. T. Systemwide compliance function was finalized in 2016, System Administration has taken great strides to reconstitute the Office of Systemwide Compliance, including the appointment of a Chief Compliance

and Risk Officer, a Deputy Chief Compliance and Risk Officer, and a Chief Inquiry Officer, as well as bringing the responsibility for ethics and privacy into the compliance function.

A key recommendation of the report was to revise and operate under a functional Systemwide Compliance Charter, under the direct governance of the Systemwide Executive Compliance Committee.

With the additional leadership of the Institutional Compliance Advisory Council, the Office of Systemwide Compliance and the Executive Compliance Committee have approved a new Systemwide Compliance Charter to govern the priorities and operations of the Office of Systemwide Compliance.

With the Charter in place, amendments to Regents' Rule 20401 (Audit and Compliance Programs) and U. T. Systemwide Policy, UTS119 (Institutional Compliance Program) were recommended to avoid duplication, to empower the newly adopted Charter, and to provide the foundation for a successful Systemwide Compliance Program.

This Agenda Item was reviewed by the U. T. System 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: 20401

1. Title

Audit and Compliance Programs

2. Rule and Regulation

...

Sec. 2 Compliance Program. The Chancellor, as chief executive officer of the U. T. System, is responsible for ensuring the implementation of a Systemwide compliance program for the U. T. System. U. T. System Administration shall adopt a policy further implementing the Systemwide compliance program.

The Systemwide compliance program shall be headed by a Chief Compliance and Risk Officer (CCRO) and is a fundamental part of the management structure of U. T. System Administration. Accordingly, the Systemwide Compliance Officer prepares an executive summary of all compliance activity of the institutions, The University of Texas Investment Management Company (UTIMCO), and System Administration.

2.1 Systemwide Compliance Officer's Responsibilities. The primary responsibility of the CCRO is developing the infrastructure for the effective operation of the Systemwide compliance program. The Systemwide Compliance Officer CCRO is also responsible, and will be held accountable for, apprising the Chancellor System Administration and the Audit, Compliance, and Risk Management Committee ACMRC of the institutional compliance functions and activities at System Administration, The University of Texas/Texas A&M Investment Management Company (UTIMCO), and at each of the institutions as set out in Section 2.1 (b) below. The Systemwide Compliance Officer provides institutional compliance assistance to the Chancellor, the Deputy Chancellor, the Executive Vice Chancellors, the Vice Chancellors, and the Chief Compliance Officer of UTIMCO in the exercise of their responsibilities.

(a) The Systemwide Compliance Officer shall be appointed by the Chancellor. The Systemwide Compliance Officer is the senior compliance official of the U. T. System; provides assistance and advice covering all institution, UTIMCO, and System Administration compliance

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

Rule: 20401

~~programs; and shall hold office without fixed term,
subject to the pleasure of the Chancellor.~~

~~(b) The primary responsibilities of the Systemwide
Compliance Officer include developing an infrastructure
for the effective operation of the U. T. System
Institutional Compliance Program; chairing the
Systemwide Compliance Committee and the
Compliance Officers Council; and prescribing the format
for the annual risk based compliance plan and the
quarterly compliance status reports to be submitted by
each institution, UTIMCO, and System Administration.~~

3. U. T. System: Report on institutional and Systemwide compliance programs

This item was for consideration only by the Committee.

4. U. T. System: Report on the results of the Fiscal Year 2016 U. T. Systemwide Endowment Compliance Program

This item was for consideration only by the Committee.

5. U. T. Medical Branch - Galveston: Report of the results of a nontraditional information technology audit of social engineering

This item was for consideration only by the Committee.

6. U. T. System: Report on the State Auditor's Office Statewide Single Audit for FY 2016

This item was for consideration only by the Committee.

7. U. T. System: Report on the Systemwide internal audit activities and audit administrative items, including Priority Findings, Annual Audit Plan status, and Chief Audit Executive Annual Statements; and consideration and approval of Institutional Audit Committee chair changes

This item was for consideration only by the Committee.

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 31 - 39).--Committee Chairman Hildebrand reported that the Finance and Planning Committee met in Open Session to consider the matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Finance and Planning Committee and approved in Open Session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. System: Key Financial Indicators Report and Monthly Financial Report

This item was for consideration only by the Committee.

3. U. T. System: Approval of the Fiscal Year 2018 Budget Preparation Policies and Calendar for budget operations

This item was considered and approved by the full Board (see Meeting of the Board Agenda Item 11 set forth on Pages 16 - 20).

4. U. T. System Board of Regents: Discussion of matters related to University Lands

This item was for consideration only by the Committee.

5. U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Update and Investment Reports for the quarter ended February 28, 2017

The Investment Reports for The University of Texas Investment Management Company (UTIMCO) for the quarter ended February 28, 2017, are set forth on Pages 33 - 36.

Item I on Page 33 reports activity for the Permanent University Fund (PUF) investments. The fiscal year to date PUF net investment return was 5.62% versus its composite benchmark return of 4.01%. The PUF's net asset value increased by \$898 million during the quarter to \$19,227 million. The increase was due to \$160 million PUF Lands receipts, plus a net investment return of \$738 million. No distribution was made to the Available University Fund (AUF) during the quarter.

Item II on Page 34 reports activity for the General Endowment Fund (GEF) investments. The fiscal year to date GEF net investment return was 5.81% versus its composite benchmark return of 4.01%. The GEF's net asset value increased by \$297 million during the quarter to \$8,912 million.

Item III on Page 35 reports activity for the Intermediate Term Fund (ITF). The fiscal year to date ITF net investment return was 2.58% versus its composite benchmark return of 1.10%. The net asset value increased during the quarter to \$8,119 million due to net investment return of \$268 million and less distributions of \$59 million.

All exposures were within their asset class and investment type ranges. Liquidity was within policy.

Item IV on Page 36 presents book and market values of cash, debt, equity, and other securities held in funds outside of internal investment pools. Total cash and equivalents, consisting primarily of institutional operating funds held in the Dreyfus and Fidelity money market fund, increased by \$703 million to \$3,068 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$21 million versus \$21 million at the beginning of the period; equities: \$67 million versus \$66 million at the beginning of the period; and other investments: \$305 thousand versus \$3 million at the beginning of the period.

I. PERMANENT UNIVERSITY FUND
Investment Reports for Periods Ended February 28, 2017

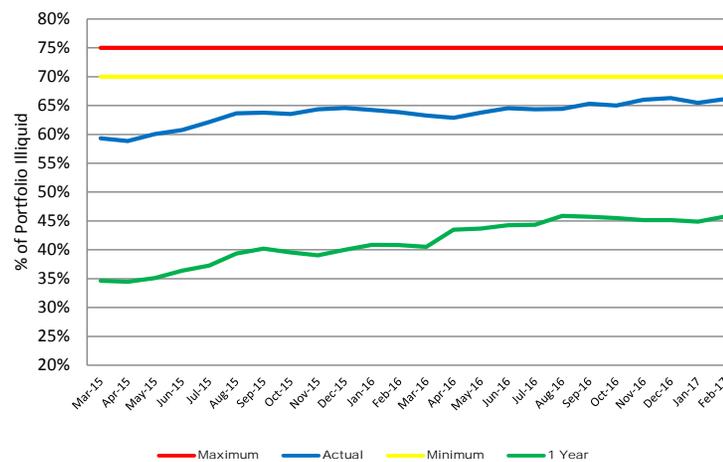
Prepared in accordance with Texas Education Code Sec. 51.0032

	Fiscal Year to Date							
	Asset Allocation		Returns		Value Added			
	Actual	Policy	Portfolio	Policy Benchmark	Tactical Allocation	Active Management	Total	
More Correlated and Constrained:								
Investment Grade	8.4%	7.0%	-3.58%	-5.06%	-0.06%	0.10%	0.04%	
Credit-Related	0.1%	0.0%	1.55%	3.72%	0.00%	0.00%	0.00%	
Real Estate	1.1%	1.3%	-1.28%	-3.11%	0.04%	0.04%	0.08%	
Natural Resources	4.9%	5.1%	7.01%	2.82%	-0.01%	0.27%	0.26%	
Developed Country	13.9%	16.3%	10.21%	7.78%	-0.14%	0.35%	0.21%	
Emerging Markets	<u>9.1%</u>	<u>9.7%</u>	<u>6.29%</u>	<u>5.51%</u>	<u>-0.04%</u>	<u>0.04%</u>	<u>0.00%</u>	
Total More Correlated and Constrained	37.5%	39.4%	5.34%	3.71%	-0.21%	0.80%	0.59%	
Less Correlated and Constrained	24.1%	27.2%	4.19%	3.07%	0.07%	0.28%	0.35%	
Private Investments	<u>38.4%</u>	<u>33.4%</u>	<u>6.83%</u>	<u>5.09%</u>	<u>0.22%</u>	<u>0.45%</u>	<u>0.67%</u>	
Total	<u>100.0%</u>	<u>100.0%</u>	<u>5.62%</u>	<u>4.01%</u>	<u>0.08%</u>	<u>1.53%</u>	<u>1.61%</u>	

Summary of Capital Flows

(\$ millions)	Fiscal Year Ended August 31, 2016	Quarter Ended February 28, 2017	Fiscal Year Ended August 31, 2017
Beginning Net Assets	\$17,490	\$18,329	\$17,880
PUF Lands Receipts	512	160	340
Investment Return (Net of Expenses)	651	738	1,007
Distributions to AUF	<u>(773)</u>	<u>0</u>	<u>0</u>
Ending Net Assets	<u>\$17,880</u>	<u>\$19,227</u>	<u>\$19,227</u>

Permanent University Fund
Actual Illiquidity vs. Trigger Zones



II. GENERAL ENDOWMENT FUND

Investment Reports for Periods Ended February 28, 2017

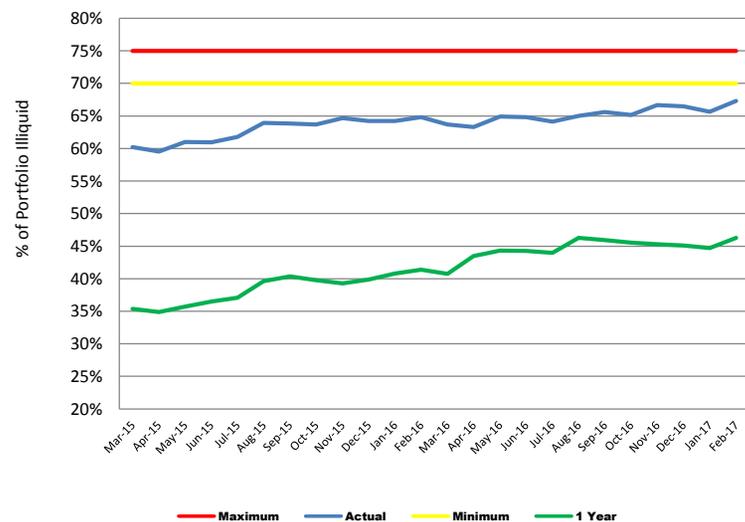
Prepared in accordance with Texas Education Code Sec. 51.0032

	Fiscal Year to Date						
	Asset Allocation		Returns		Value Added		
	Actual	Policy	Portfolio	Policy Benchmark	Tactical Allocation	Active Management	Total
More Correlated and Constrained:							
Investment Grade	6.5%	7.0%	-2.92%	-5.06%	-0.04%	0.16%	0.12%
Credit-Related	0.1%	0.0%	1.55%	3.72%	0.00%	0.00%	0.00%
Real Estate	1.2%	1.3%	-1.27%	-3.11%	0.04%	0.04%	0.08%
Natural Resources	5.0%	5.1%	7.06%	2.82%	-0.01%	0.28%	0.27%
Developed Country	14.3%	16.3%	10.21%	7.78%	-0.13%	0.33%	0.20%
Emerging Markets	<u>9.4%</u>	<u>9.7%</u>	<u>7.55%</u>	<u>5.51%</u>	<u>-0.04%</u>	<u>0.17%</u>	<u>0.13%</u>
Total More Correlated and Constrained	36.5%	39.4%	5.89%	3.71%	-0.18%	0.98%	0.80%
Less Correlated and Constrained	24.5%	27.2%	4.19%	3.07%	0.06%	0.27%	0.33%
Private Investments	<u>39.0%</u>	<u>33.4%</u>	<u>6.83%</u>	<u>5.09%</u>	<u>0.22%</u>	<u>0.45%</u>	<u>0.67%</u>
Total	<u>100.0%</u>	<u>100.0%</u>	<u>5.81%</u>	<u>4.01%</u>	<u>0.10%</u>	<u>1.70%</u>	<u>1.80%</u>

Summary of Capital Flows

(\$ millions)	Fiscal Year Ended August 31, 2016	Quarter Ended February 28, 2017	Fiscal Year Ended August 31, 2017
Beginning Net Assets	\$8,237	\$8,615	\$8,500
Contributions	361	62	136
Withdrawals	(21)	(1)	(4)
Distributions	(411)	(108)	(214)
Investment Return (Net of Expenses)	<u>334</u>	<u>344</u>	<u>494</u>
Ending Net Assets	<u>\$8,500</u>	<u>\$8,912</u>	<u>\$8,912</u>

General Endowment Fund Actual Illiquidity vs. Trigger Zones



III. INTERMEDIATE TERM FUND Investment Reports for Periods Ended February 28, 2017

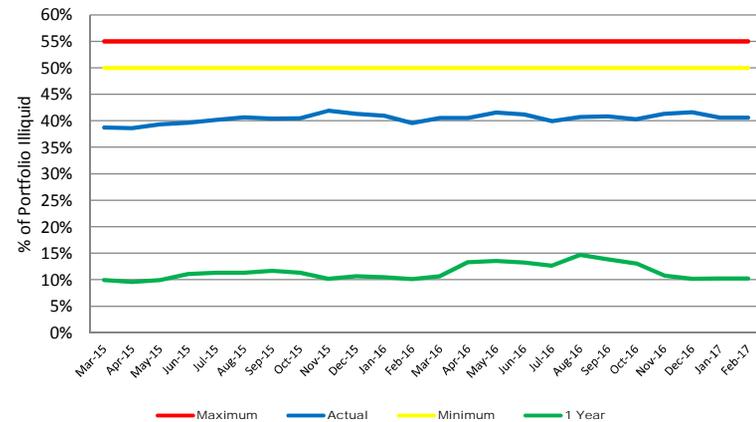
Prepared in accordance with Texas Education Code Sec. 51.0032

	Asset Allocation		Fiscal Year to Date Returns		Value Added		
	Actual	Policy	Portfolio	Policy Benchmark	Tactical Allocation	Active Management	Total
More Correlated and Constrained:							
Investment Grade	32.3%	30.0%	-3.35%	-5.06%	-0.08%	0.57%	0.49%
Credit-Related	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
Real Estate	1.8%	1.7%	-1.22%	-3.11%	0.02%	0.03%	0.05%
Natural Resources	4.9%	4.6%	6.87%	2.82%	-0.02%	0.23%	0.21%
Developed Country	10.6%	12.0%	10.20%	7.78%	-0.10%	0.24%	0.14%
Emerging Markets	<u>6.3%</u>	<u>6.7%</u>	<u>7.52%</u>	<u>5.51%</u>	<u>-0.01%</u>	<u>0.11%</u>	<u>0.10%</u>
Total More Correlated and Constrained	55.9%	55.0%	1.26%	-0.52%	-0.19%	1.18%	0.99%
Less Correlated and Constrained	44.1%	45.0%	4.19%	3.07%	-0.08%	0.57%	0.49%
Private Investments	<u>0.0%</u>	<u>0.0%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total	<u>100.0%</u>	<u>100.0%</u>	<u>2.58%</u>	<u>1.10%</u>	<u>-0.27%</u>	<u>1.75%</u>	<u>1.48%</u>

Summary of Capital Flows

(\$ millions)	Fiscal Year Ended August 31, 2016	Quarter Ended February 28, 2017	Fiscal Year Ended August 31, 2017
Beginning Net Assets	\$7,037	\$7,910	\$7,836
Contributions	1,009	165	455
Withdrawals	(248)	(165)	(253)
Distributions	(220)	(59)	(120)
Investment Return (Net of Expenses)	<u>258</u>	<u>268</u>	<u>201</u>
Ending Net Assets	<u>\$7,836</u>	<u>\$8,119</u>	<u>\$8,119</u>

Intermediate Term Fund Actual Illiquidity vs. Trigger Zones



IV. SEPARATELY INVESTED ASSETS
Summary Investment Report at February 28, 2017
 Report prepared in accordance with *Texas Education Code Sec. 51.0032*

ASSET TYPES	(\$ thousands)															
	FUND TYPE															
	CURRENT PURPOSE DESIGNATED		RESTRICTED		ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		TOTAL EXCLUDING OPERATING FUNDS		OPERATING FUNDS (DEBT PROCEEDS AND SHORT TERM FUND)		TOTAL	
	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET
Cash & Equivalents:																
Beginning value 11/30/16	-	-	2,243	2,243	52,764	52,764	1,639	1,639	1,968	1,968	58,614	58,614	2,306,291	2,306,573	2,364,905	2,365,187
Increase/(Decrease)	-	-	667	667	41,707	41,707	1,107	1,107	(465)	(465)	43,016	43,016	660,087	660,027	703,103	703,043
Ending value 02/28/17	-	-	2,910	2,910	94,471	94,471	2,746	2,746	1,503	1,503	101,630	101,630	2,966,378	2,966,600	3,068,008	3,068,230
Debt Securities:																
Beginning value 11/30/16	-	-	7	6	12,111	11,955	9,231	8,655	-	-	21,349	20,616	-	-	21,349	20,616
Increase/(Decrease)	-	-	-	-	396	505	(533)	(378)	-	-	(137)	127	-	-	(137)	127
Ending value 02/28/17	-	-	7	6	12,507	12,460	8,698	8,277	-	-	21,212	20,743	-	-	21,212	20,743
Equity Securities:																
Beginning value 11/30/16	-	-	363	2,508	42,380	51,891	11,824	12,081	-	-	54,567	66,480	-	-	54,567	66,480
Increase/(Decrease)	-	-	(42)	(30)	(2,161)	334	(842)	(246)	-	-	(3,045)	58	-	-	(3,045)	58
Ending value 02/28/17	-	-	321	2,478	40,219	52,225	10,982	11,835	-	-	51,522	66,538	-	-	51,522	66,538
Other:																
Beginning value 11/30/16	-	-	1,954	1,954	7	7	5	5	876	876	2,842	2,842	-	-	2,842	2,842
Increase/(Decrease)	-	-	(1,832)	(1,832)	(5)	(5)	(1)	(1)	(699)	(699)	(2,537)	(2,537)	-	-	(2,537)	(2,537)
Ending value 02/28/17	-	-	122	122	2	2	4	4	177	177	305	305	-	-	305	305
Total Assets:																
Beginning value 11/30/16	-	-	4,567	6,711	107,262	116,617	22,699	22,380	2,844	2,844	137,372	148,552	2,306,291	2,306,573	2,443,663	2,455,125
Increase/(Decrease)	-	-	(1,207)	(1,195)	39,937	42,541	(269)	482	(1,164)	(1,164)	37,297	40,664	660,087	660,027	697,384	700,691
Ending value 02/28/17	-	-	3,360	5,516	147,199	159,158	22,430	22,862	1,680	1,680	174,669	189,216	2,966,378	2,966,600	3,141,047	3,155,816

Details of individual assets by account furnished upon request.

6. U. T. System Board of Regents: Discussion and appropriate action related to proposed appointments to the Board of Directors of The University of Texas Investment Management Company (UTIMCO)

The Board approved the appointment of Ms. Janet Handley to the Board of Directors of The University of Texas Investment Management Company (UTIMCO) as recommended by The Texas A&M University System Board of Regents following the voluntary departure of Chancellor McRaven from the UTIMCO Board. Ms. Handley served as the Vice President for Investments of the Texas A&M Foundation. The appointment was effective immediately for a term to expire on April 1, 2020.

During the Meeting of the Board on May 9, 2017 (Item 1), the Board approved the reappointment of Vice Chairman Hicks and Vice Chairman Hildebrand and appointed Regent Weaver to the UTIMCO Board of Directors, all with terms to expire on April 1, 2019.

Texas Education Code Section 66.08 and Regents' Rules and Regulations, Rule 10402, Section 6 require that The University of Texas 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 who may be the Chancellor.

The approved UTIMCO Bylaws allow external directors to serve a maximum of three terms of three years each.

7. U. T. System Board of Regents: Discussion and appropriate action regarding amendments to Articles of Incorporation and Bylaws of The University of Texas Investment Management Company (UTIMCO) related to the legal name of the corporation

The Board authorized amendments to the Articles of Incorporation and Bylaws of The University of Texas Investment Management Company (UTIMCO) to change the legal name of the corporation to The University of Texas/Texas A&M Investment Management Company.

On April 20, 2017, the UTIMCO Board of Directors approved amendments to the UTIMCO Articles of Incorporation and Bylaws to change the name of the corporation as shown above. Investment policy statements and all other governing documents will be amended editorially to reflect the name change.

8. U. T. System Board of Regents: Approval of annual distributions from the Permanent Health Fund, the Long Term Fund, and the Intermediate Term Fund

The Board approved that

- a. the distribution rate for the Permanent Health Fund (PHF) be increased from \$0.0612 per unit to \$0.0619 per unit for Fiscal Year 2018 (effective with November 30, 2017 distribution);
- b. the distribution rate for The University of Texas System Long Term Fund (LTF) be decreased from \$0.3507 per unit to \$0.3481 per unit for Fiscal Year 2018 (effective with November 30, 2017 distribution); and
- c. the distribution rate for the U. T. System Intermediate Term Fund (ITF) remain at 3.0% per annum (paid monthly) for Fiscal Year 2018.

To balance the needs and interests of present beneficiaries with those of future beneficiaries, the spending policy objectives of the LTF and PHF are to:

- a. provide a predictable, stable stream of distributions over time;
- b. ensure that the inflation-adjusted value of distributions is maintained over the long term; and
- c. ensure that the inflation-adjusted value of each endowment's assets after distributions is maintained over the long term.

On February 9, 2017, the Board of Regents authorized a maximum 0.60% allocation (60 basis points) from the market value of the LTF to provide more adequate funding for development operations at U. T. System institutions to substantially increase philanthropic revenue.

The LTF distribution rate of \$0.3481 per unit or 4.90% of the market value of the LTF plus the previously approved 0.60% development allocation would result in a total LTF spending rate of 5.50% of the prior 12-quarter average value of the LTF.

The increase in the consumer price index for the prior three years as of November 30, 2016, was 1.17%. The 1.1% increase in the PHF distribution rate of \$0.0612 to \$0.0619 per unit will increase the distributions by the average rate of inflation for the trailing 12 quarters. The PHF's distribution rate calculated using the prior 12-quarter average value of the PHF is 4.7%.

The distribution rate for the ITF was originally set at 3.0% per annum for Fiscal Year 2007 by the U. T. Board on May 11, 2006, and has continued at that rate for each succeeding fiscal year. The distribution rate of 3.0% will be continued for Fiscal Year 2018.

Under the Uniform Prudent Management of Institutional Funds Act, Chapter 163, *Texas Property Code*, the Board of Regents may appropriate for expenditure or accumulate so much of an endowment fund as is determined prudent for the uses, benefits, purposes, and duration for which the endowment is established.

9. U. T. System Board of Regents: Update on the U. T. System Internal Lending Program

This item was for consideration only by the Committee.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE

(Pages 40 - 70).--Committee Chairman Tucker reported that the Academic Affairs Committee met in Open Session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Academic Affairs Committee and approved in Open Session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. Austin: Approval to establish a Doctor of Philosophy degree program in Mexican American and Latina/o Studies

Pursuant to the Regents' *Rules and Regulations*, Rule 40307, related to academic program approval standards, the Board granted approval to

- a. establish a Doctor of Philosophy degree program in Mexican American and Latina/o Studies at The University of Texas at Austin; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

Program Description

The Ph.D. degree program in Mexican American and Latina/o Studies (MALS) is designed to prepare students to engage in an interdisciplinary scholarly approach to examining the lives, cultures, and histories of Mexican origin and Latina/o (Central, Caribbean, and South American) populations in the State of Texas, the United States, and their diasporas (both the origin and destination nations).

Through curriculum, research, and preprofessional training, students will be at the forefront of innovation in interdisciplinary scholarly conversations about critical ethnic studies, transborder studies, immigration, race, gender, sexuality, social class, and the health science humanities. Training will include traditional disciplinary and interdisciplinary perspectives for a multidimensional understanding of Mexican American and Latina/o experiences as situational and historically and geographically diverse. The field distinguishes itself from other areas of academic inquiry by taking the United States as the geographical starting point for investigating Latina/o diversity, history, politics, and culture. The MALS Ph.D. program trains students to understand the generational, ethnic, racial, class, and religious diversity amongst Mexican Americans and Latinas/os in the U.S. The program will also train students to engage the Mexican American and Latina/o community, ethnic, and identity

formations from local, national, and transnational perspectives because many maintain complicated relationships with the country of origin, including the United States. Students entering the program with a B.A. degree will enroll in a minimum of 51 semester credit hours to complete the degree.

Need and Student Demand

Graduates of the MALS Ph.D. degree program at U. T. Austin will be qualified to enter the traditional academic job market, administration, and public and private sector jobs related to the field of study. Based on simple population numbers and the foreseeable demand for Latina/o professionals that mirrors the demographic uptick, graduates will have both core disciplinary skills and interdisciplinary training that will make them competitive hires in traditional departments in the Fine Arts, Humanities, and Social Sciences in addition to Ethnic, Gender, and Sexualities Studies positions. With a keen understanding of methodologies in the field of Mexican American and Latina/o Studies and a student's chosen core discipline, students will be far more prepared than the competition because of their training in a core discipline instead of thematic areas, which is the preferred method of the competitors.

The advantage of this degree program is that the level of rigor expected of the graduates will far exceed that of peer institutions and prepare them to raise the standards of scholarly excellence in the field and beyond. Graduates from the Portfolio Program in MALS¹ have a placement rate of 80%, which serves as an indicator of how training in the field provides real market value. Given this real value of Latina/o Studies training, it makes sense to implement the field area as a doctoral degree program. Overall, whether the student chooses the traditional academic career track of foreign service, think tanks, government and research bureaus, and nongovernmental organizations (NGOs), they will be prepared to bring rigor and in-depth knowledge to the study of Latina/o populations more broadly in a state where Latinas/os are the majority minority. With approximately 10 graduates a year in parallel fields of study by peer competitor programs and an average of 20 Latina/o Studies jobs advertised per year, graduates of the program will be available to fill a large employment gap in the academy alone.

Prospective students from Texas and the Southwest are, in large part, required to go to the U.S. Northeast or West Coast to pursue a doctorate in a similar or related field. Currently, the University of California, Santa Barbara's Ph.D. program receives nearly 25 applications for five available spots every academic year. Similarly, the University of California, Los Angeles receives approximately 40 applications per academic year for six available spots in its Chicana/o Studies Ph.D. program. The lack of a doctoral program in Mexican American and Latina/o Studies in Texas and at U. T. Austin precluded these top students from studying in the state. Since the Department of Mexican American and Latina/o Studies was created in Fall 2014, U. T. Austin received over 200 inquiries (via email, phone, in person at conferences,

¹ A portfolio is a certification in the MALS field of study requiring 9 hours of MA-level coursework or 12 hours of Ph.D. coursework, including our MAS 390: Introduction to Mexican American and Latina/o Studies course.

and on recruitment trips) about the status of the Ph.D. program. U. T. Austin’s B.A. and M.A. graduates have the desire to continue their research on campus, but they seek out other doctoral programs because U. T. Austin does not offer a doctoral degree in MALS. The same holds true for The National Council of Science and Technology (CONACYT) funded students from Mexico. U. T. Austin awarded M.A. degrees to several of these Mexican government-funded students; however, when they want to continue their education with CONACYT funding with U. T. Austin in Mexican American and Latina/o Studies, they were unable to do so because there is not a doctoral degree in place. Without the MALS Ph.D. program, U. T. Austin is missing opportunities to train the best and brightest students from the U.S., Mexico, and beyond.

Table 1. Enrollment Projections					
	Year 1	Year 2	Year 3	Year 4	Year 5
New Students	3	3	3-4	3-4	4-5
White	1	1	1	1	1
African-American					
Hispanic	2	1	2	2	3
International		1	1	1	1
Other					
Cumulative Headcount	3	6	10	14	19
Full-Time Student Equivalent					
Attrition		1		1	
Graduates					3

These projections are based on the ability to fully fund all admits for 5 years, responsible growth, and faculty-to-student ratio in producing quality doctoral graduates.

Program Quality

Of the 9.5 core faculty members, in the last five years the average rate of publication of refereed journal articles and book chapters is 9.5 per individual. Seven of the 9.5 faculty have published a book during this same period of time. In terms of disciplinary expectations and faculty rank, faculty productivity exceeds the standards for the Mexican American and Latina/o Studies field. Five new faculty will be hired in Academic Year 2016-2017 and 2017-2018. The funds for these lines have already been allocated and the University will not encumber further expenses on this front. Given the projected number of graduate students, at capacity with 29 students and 13 full-time equivalent (FTE) faculty, the program can be supported with outstanding service. The faculty-to-student ratio will be 1:2.23.

The doctoral program will bring more resources into the unit with teaching assistants (TA), assistant instructors (AI), and fellowship opportunities not offered by peer competitors. Enhanced with the Mellon Mays Undergraduate Fellowship

Program² housed in MALS, the recognition generated by the Mellon Mays grant, expanded course offerings, and funding opportunities will attract an exceptionally large pool of stellar applicants to the doctoral program. Funding alone will allow the Department of Mexican American and Latina/o Studies at U. T. Austin to better serve first-generation applicants than the peer competitors who cannot offer full funding packages. The Department plans to be more diligent in strengthening its recruitment efforts on an international scale. In recent years, the Department has had two M.A. students from Mexico, fully funded through CONACYT. The Department will continue to nurture this relationship with Mexican institutions of higher learning to encourage their best students to apply to the Ph.D. program.

Revenue and Expenses

Expenses	5-Year Total
<i>Faculty</i>	
Salaries	\$ 6,517,428
Benefits	\$ 1,955,228
<i>Graduate Students</i>	
TA Salaries	\$ 786,236
TA Benefits	\$ 187,871
GRA Salaries	\$ 100,000
GRA Benefits	\$ 30,000
<i>Staff & Administration</i>	
Graduate Coordinator Salary	\$ 291,398
Administrative Staff Salaries	\$ 322,619
Staff Benefits	\$ 184,205
<i>Other Expenses</i>	
Fellowships	\$ 800,000
Fringe	\$ 410,760
Total Expenses	*\$11,585,745

***All of these monies already exist in the budget or have been reallocated via letters of commitment.**

² In 2015, MALS received a Mellon Mays Undergraduate Fellowship (MMUF) program, which brought in \$500,000 to fund undergraduate diversity and professional training of future doctoral students. Dr. Jacqueline Toribio is the faculty program director for MMUF.

Revenue	5-Year Total
<i>From Student Enrollment</i>	
Formula Funding	\$ 266,350
Tuition and Fees	\$ 74,225
<i>From Institutional Funds</i>	
<i>From Grant Funds</i>	
Faculty Grant Buy-out	
<i>From Other Revenue Sources</i>	
Total Revenue	\$ 340,575

Coordinating Board Criteria

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

3. U. T. Permian Basin: Approval to establish a Bachelor of Science degree program in Chemical Engineering

Pursuant to the Regents' *Rules and Regulations*, Rule 40307, related to academic program approval standards, the Board granted approval to

- a. establish a Bachelor of Science degree program in Chemical Engineering at The University of Texas of the Permian Basin; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

Program Description

The B.S. in Chemical Engineering program at U. T. Permian Basin is designed to meet the growing needs of Texas and the region. The program will include 126 semester credit hours (42 general education, 31 lower-division chemical engineering, and 53 upper-division chemical engineering). The program will seek accreditation from the Accreditation Board for Engineering and Technology (ABET) and be reflective of the commonly accepted programs in the field. At the same time, through its curriculum and regional influences, the U. T. Permian Basin chemical engineering program will serve the unique needs of the oil and gas extraction industry by providing the region and the nation with highly-qualified chemical engineers. The U.S. Bureau of Labor Statistics (BLS) has found the oil and gas extraction industry to have a high concentration of chemical engineering

employment. The Permian Basin is a national center for oil production in the state and nation, producing 70% of the oil and gas extracted in Texas and 30% of the nation's oil.

Need and Student Demand

The BLS estimates that there are 33,300 chemical engineering jobs in the United States, with Texas having the highest number of chemical engineers with 6,680 employed. The Texas Workforce Commission (TWC) estimates there are 6,430 chemical engineering positions in the state, only a minor variance from the BLS's estimate. In 2015, the average salary for a chemical engineer was \$73,521, which ranked 26th highest out of the 756 job titles the TWC tracks. The mean salary was the 33rd highest out of 756 job titles at \$122,182. The high comparative salaries are a key market indicator that chemical engineers are in short supply and in high demand.

All indications from national, state, and regional sources and from students are that chemical engineering remains a high demand field. The University of Texas System Task Force on Engineering Education for Texas in the 21st Century reported in 2013 that the U. T. System needed to double the number of engineers produced by U. T. System institutions to meet the needs of the Texas economy.

The TWC estimates an annual growth of 2.1% in the number of chemical engineering positions between Fiscal Year 2012 - 2022. This predicts an average of 135 annual openings due to growth. Along with the estimated 150 retirements in the field, 285 annual openings are expected. TWC figures do not reflect actual job openings nor do they take into account the movement in and out of the chemical engineering profession for reasons other than retirement. Data provided by Burning Glass Technologies using advanced analytics to track actual job advertisements show that an average of 4,217 job postings requiring a bachelor's degree in chemical engineering were made between 2012-2016. This represented 14 times the TWC predicted job projections. To determine current and projected workers in Texas and in the counties of the Permian Basin, U. T. Permian Basin used The Perryman Group's Texas Multi-Regional Industry-Occupation System. The Perryman Group's Texas Econometric Model predicts that Texas will have an average demand of 1,908 new chemical engineers annually for the period 2015-2024. Using the projections of Burning Glass Technologies and The Perryman Group for actual job postings, one can predict an annual demand for new chemical engineers from 1,980 to 4,220.

A traditional measure of supply for jobs requiring a bachelor's degree for career entry is derived from the number of graduates in the field produced by Texas universities. The estimated average number of graduates from the eight Texas public universities awarding undergraduate degrees in chemical engineering is expected to be approximately 530 graduates a year. Further, not all 530 chemical engineering graduates will enter or remain in the profession. Indeed, the National Science Foundation Scientists and Engineers Statistical Data System found that only 46.7% of those whose highest degree was in chemical engineering were

working in engineering of any form. This may suggest that over time the average of 530 Texas graduates in chemical engineering may translate into only 215 who are actually in the profession. Again, the U. T. System Task Force on Engineering Education for Texas in the 21st Century (2013) suggested that Texas needed to double the number of graduates from the current level of production. This seems true of chemical engineering.

The need for chemical engineers is especially acute in the Permian Basin. The BLS has identified 10 U.S. metropolitan areas with the highest concentration of chemical engineers. Four of these are in Texas: Beaumont-Port Arthur, Houston-Sugarland, Corpus Christi, and Midland. Each of the four Texas metropolitan areas has a local university that provides chemical engineering training, except Midland.

The 2016 Engineering Talent Supply and Demand Survey of the ExperiEngineering ManpowerGroup found that 82% of engineering employers reported having difficulty filling engineering positions and chemical engineers were the fourth most sought after engineers. Local Permian Basin employers report great difficulty recruiting engineers, particularly chemical engineers, to West Texas. Authorizing U. T. Permian Basin to award the B.S. in Chemical Engineering will greatly enhance the coverage of the region in Texas where chemical engineering employment is concentrated and in demand.

The Coordinating Board’s 2006 Regional Plan accurately identified a need for engineering, specifically chemical engineering, in the West Texas Higher Education Region. Building on that plan, U. T. Permian Basin has opened engineering programs in mechanical engineering and petroleum engineering, which have experienced dramatic growth since their inception. In 2008, U. T. Permian Basin had 61 students in a general engineering articulation program with The University of Texas at El Paso. Currently, 573 students are in U. T. Permian Basin’s engineering programs. Engineering students account for nearly one out of ten students. Student demand has exceeded the enrollment projections for the two existing degrees. The petroleum engineering major is the third largest major (234 students) within the University following management and psychology. Mechanical engineering is the sixth largest major (203 students) out of the 35 undergraduate degrees offered at U. T. Permian Basin.

Enrollment Projections

YEAR	1	2	3	4	5
Headcount	57	95	116	128	180
FTSE	49	81	100	110	155

Program Quality

Like U. T. Permian Basin’s current engineering programs, the B.S. in Chemical Engineering will be ABET-accredited and reflective of the commonly accepted programs in the field.

U. T. Permian Basin currently has no faculty with a degree in chemical engineering. The plan will be to recruit three terminally degreed faculty and one lecturer/lab technician to implement the degree program. The first faculty member to be hired will be at the rank of associate professor or professor and will serve as the program coordinator.

Current engineering faculty will support the chemical engineering program. U. T. Permian Basin currently has 10 full-time faculty serving the engineering programs. These faculty have been reviewed by ABET accreditation teams and found to meet ABET standards. The engineering faculty collectively share the core classes, which will be taken by chemical engineering majors as well as those in mechanical and petroleum engineering. Some will teach electives open to chemical engineering students.

U. T. Permian Basin has numerous programs to recruit, respond to, and retain chemical engineering students. U. T. Permian Basin’s efforts to recruit and support students in Science, Technology, Engineering, and Mathematics (STEM) fields start at the Pre-K level and continue until students graduate from college with STEM degrees. As a designated Hispanic Serving Institution, U. T. Permian Basin’s efforts are geared toward serving the population of students.

Revenue and Expenses

Expenses	5-Year Total
<i>Faculty</i>	
Salaries	\$ 1,283,769
Benefits	\$ 359,459
<i>Other Expenses</i>	
Faculty & Instruction Maintenance & Operations Support	\$ 63,000
Capital Lab Equipment and Construction in new Engineering Building	\$ 700,000
Total Expenses	\$2,406,228

Revenue	5-Year Total
<i>From Student Enrollment</i>	
Formula Funding	\$ 747,532
Tuition and Fees	\$ 793,107
<i>From Institutional Funds</i>	
<i>From Grant Funds</i>	
Midland Development Corporation and UTPB Foundation Funding	\$ 165,589
<i>From Other Revenue Sources</i>	
Midland Development Corporation and UTPB Foundation Funding	\$ 700,000
Total Revenue	\$ 2,406,228

Coordinating Board Criteria

The program meets all applicable Coordinating Board criteria for a new bachelor's program.

4. U. T. Permian Basin: Approval to establish a Bachelor of Science degree program in Electrical Engineering

Pursuant to the Regents' *Rules and Regulations*, Rule 40307, related to academic program approval standards, the Board granted approval to

- a. establish a Bachelor of Science degree program in Electrical Engineering at The University of Texas of the Permian Basin; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

Program Description

The B.S. in Electrical Engineering is designed to meet the growing needs of Texas and the region. The program consists of 126 semester credit hours (42 general education, 26 lower-division electrical engineering, 52 upper-division electrical engineering, and six elective). The program will seek accreditation from the Accreditation Board for Engineering and Technology (ABET) and be reflective of the commonly accepted programs in the field. At the same time, through its curriculum and regional influences, the U. T. Permian Basin Electrical Engineering program will serve the unique needs of the oil and gas extraction industry by providing the region, Texas, and the nation with highly-qualified electrical engineers. The U.S. Bureau of Labor Statistics (BLS) has found the oil and gas extraction industry to have a high

concentration of electrical engineering employment. The Permian Basin is a national center for oil production in the state and nation, producing 70% of the oil and gas extracted in Texas and 30% of the nation's oil.

Need and Student Demand

The BLS estimates that there are 315,900 electrical engineering jobs in the United States, with Texas having the highest number of electrical engineers with 14,110 employed. The Texas Workforce Commission (TWC) estimates there are 13,620 electrical engineering positions in the state, only a minor variance from the BLS's figure. In 2015, the average salary for an electrical engineer was \$71,460, which ranked 30th highest out of the 756 job titles the TWC tracks. The average salary was 54th highest out of 756 job titles at \$103,599. The high comparative salaries are a key market indicator that electrical engineers are in short supply and in high demand.

All indications from national, state, and regional sources and from students is that electrical engineering remains a high demand field. The University of Texas System Task Force for Engineering Education for Texas in the 21st Century reported in 2013 that the U. T. System needed to double the number of engineers produced by U. T. System institutions to meet the needs of the Texas economy.

The TWC estimates that the number of new electrical engineering positions will increase by 285 positions or by 2.1% annually. Add to that the estimated number of retirement positions (295), and the total number of projected annual openings is 580. The TWC figures do not reflect actual job openings nor do they take into account movement in and out of the electrical engineering profession for reasons other than retirement. Data provided by Burning Glass Technologies using advanced analytics to track actual job advertisements shows that an average of 31,781 job postings requiring a bachelor's degree in electrical engineering were made between 2011-2015. This amounts to almost 55 times the TWC predicted job openings. If one assumes that none of the postings with unspecified job titles are actually for electrical engineers, the average is 19,264 per year or 33 times the TWC prediction. The openings identified as electrical engineering positions at a top 25 employer averages 4,672 per year, which is over nine times the TWC predicted number of openings. Additionally, the Perryman Group's Texas Multi-Regional Industry-Occupation System was used to determine current and projected workers in Texas and in the 17 counties of the Permian Basin. The Perryman Group's Texas Econometric Model predicts that Texas will have an average demand for 1,098 new electrical engineers annually for the period 2015-2024. Using the predictions of Burning Glass Technologies and the Perryman Group for actual job postings, one can easily predict a demand for electrical engineers in Texas that is at least twice the amount predicted by TWC. To be conservative, an estimate of about 1,100 job openings per year was used for the proposal.

A traditional measure of supply for jobs requiring a bachelor's degree for career entry is derived from the number of graduates in the field produced by Texas universities. The estimated average number of graduates from the 16 Texas public universities awarding undergraduate degrees in electrical engineering has varied from 938 in the 2010-2011 academic year to 1,098 graduates in 2014-2015. The number of electrical engineering graduates is approximately twice that of the TWC's demand forecast, on par with the Perryman Group's projection, but well below the Burning Glass Technologies findings of actual job postings.

Salary trends and reports from employers further suggest that the supply of electrical engineers does not meet actual demand, suggesting that Burning Glass Technology's forecasts are a truer reflection of the actual marketplace. It also suggests that using the assumption that all those who earn an electrical engineering degree enter electrical jobs overstates the supply. Indeed, not all who receive a degree in electrical engineering enter the profession and remain in it until retirement. The National Science Foundation (NSF) Scientists and Engineers Statistical Data System found that only 29.1% of those whose highest degree was in electrical engineering were working in engineering of any form.

The 2016 Engineering Talent Supply and Demand Survey of the ExperiEngineering Manpower Group found that 82% of engineering employers reported having difficulty filling engineering positions and electrical engineers were the second most sought after engineers.

The need for electrical engineers is especially acute in the Permian Basin. The Perryman Group estimates there are 483 electrical or electronic engineers in the Permian Basin with an annual demand of 18 new positions per year. Local Permian Basin employers report great difficulty recruiting engineers, particularly electrical engineers, to West Texas. There is no electrical engineering program within 100 miles of Odessa/Midland. Locating an electrical engineering program at U. T. Permian Basin will allow the University to meet the needs of both the state and the region.

The Coordinating Board's 2006 Regional Plan accurately identified a need for engineering in the West Texas Higher Education Region. Building on that plan, U. T. Permian Basin has opened engineering programs in mechanical engineering and petroleum engineering, which have experienced dramatic growth since their inception. In 2008, U. T. Permian Basin had 61 students in a general engineering articulation program with The University of Texas at El Paso. Currently, 573 students are in U. T. Permian Basin's engineering programs. Engineering students account for nearly one out of every 10 students. Student demand has exceeded the enrollment projections for the two existing degree programs. The petroleum engineering major is the third largest major (234 students) at U. T. Permian Basin following management and psychology. Mechanical engineering is the sixth largest major (203 students) out of the 35 undergraduate degrees offered at U. T. Permian Basin.

Enrollment Projections

YEAR	1	2	3	4	5
Headcount	56	92	113	140	198
FTSE	48	79	98	121	170

Program Quality

Like U. T. Permian Basin’s current programs in mechanical engineering and petroleum engineering, the B.S. in Electrical Engineering will be ABET-accredited and reflective of the commonly accepted programs in the field.

U. T. Permian Basin currently has no faculty with a degree in electrical engineering. Three terminally degreed faculty and one lecturer/lab technician will be hired to fully implement this degree program. The first person to be hired will be at the rank of associate professor or professor and will serve as the program coordinator.

Current engineering faculty will support the electrical engineering program. U. T. Permian Basin currently has 10 full-time faculty serving its engineering programs. These faculty have been reviewed by ABET accreditation teams and found to meet ABET standards. The engineering faculty collectively share the engineering core classes, which will be taken by electrical engineering majors as well as those in mechanical and petroleum engineering. Some will teach electives open to electrical engineering students.

U. T. Permian Basin has numerous programs to recruit and support engineering students, and efforts to recruit and support students in the Science, Technology, Engineering, and Mathematics (STEM) fields start at the Pre-K level and continue until students graduate from college with STEM degrees. As a designated Hispanic Serving Institution, U. T. Permian Basin’s efforts are particularly geared toward serving this population of students.

Revenue and Expenses

Expenses	5-Year Total
<i>Faculty</i>	
Salaries	\$ 1,283,769
Benefits	\$ 359,459
<i>Other Expenses</i>	
Faculty & Instruction M&O Support	\$ 68,000
Capital Lab Equipment and Construction in new Engineering Building	\$ 800,000
Total Expenses	\$ 2,511,228

Revenue	5-Year Total
<i>From Student Enrollment</i>	
Formula Funding	\$ 948,891
Tuition and Fees	\$ 1,032,323
<i>From Institutional Funds</i>	
<i>From Grant Funds</i>	
<i>From Other Revenue Sources</i>	
Midland Development Corporation and UTPB Foundation Funding	\$ 800,000
Total Revenue	\$ 2,781,214

Coordinating Board Criteria

The program meets all applicable Coordinating Board criteria for a new bachelor's program.

5. U. T. Rio Grande Valley: Approval to establish a Master of Science degree program in Civil Engineering

Pursuant to the Regents' *Rules and Regulations*, Rule 40307, related to academic program approval standards, the Board granted approval to

- a. establish a Master of Science degree program in Civil Engineering at The University of Texas Rio Grande Valley; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

Program Description

The M.S. in Civil Engineering is a 36-hour degree program with four concentrations: Construction and Structures, Energy and Utility Infrastructure, Environmental and Water Resources, and Geotechnical and Transportation. The program is designed to meet the following educational objectives:

- To provide practitioners with advanced knowledge and technical capacity in crosscutting engineering-related areas relevant to the needs of the Rio Grande Valley region, state, and country;
- To produce the next generation of graduate professional engineers equipped with the critical thinking and inquiry-based research skills to address the looming challenges of sustainability and resiliency;

- To provide practicing engineers with professional development opportunities to reach the next milestone in their career paths; and
- To prepare students to pursue doctorate degrees in civil engineering-related disciplines.

Need and Student Demand

The Bureau of Labor Statistics estimates the civil engineering profession to experience an 8% growth in job outlook, or an additional 23,600 new jobs, between 2014 and 2024. Of the approximately 1.6 million engineering jobs in the U.S. in 2014, civil engineers account for the greatest fraction (281,400). According to a 2010 draft report by the Texas Higher Education Coordinating Board, utilizing Texas Workforce Commission projections, Texas universities are expected to produce approximately 100 fewer baccalaureate and master's graduates in civil engineering than the state's needs at the current time. Civil Engineering Master's degree production at public universities in Texas has ranged from 350 in 2010-2011 to 385 in 2014-2015. Statewide population demographics further support the need for this program to be located in the Rio Grande Valley. These needs include water resources management, wastewater treatment, highway and bridge construction, residential projects, and supporting the booming energy industry that includes an increased emphasis on climate change adaptation, renewable resources, sustainability, and resilience.

The University of Texas System Task Force on Engineering Education for Texas in the 21st Century reported in 2013 that the U. T. System needed to double the number of engineers produced by U. T. System institutions to meet the needs of the Texas economy.

The Civil Engineering undergraduate program at U. T. Rio Grande Valley has been in existence since 2010 and currently boasts an enrollment of over 500 students. It is the fastest growing and second largest of the five engineering programs in the College of Engineering and Computer Science. Two surveys were conducted to solicit students' and professionals' opinions regarding the need for a master's program in civil engineering. The survey included three questions addressing: 1) the level of interest in each of four areas of concentration; 2) whether the participant is planning to pursue a master's degree within the next two years; and 3) whether the participant is considering U. T. Rio Grande Valley for obtaining his/her master's degree. Of the 40 professionals surveyed, 18 (45%) showed high interest in pursuing a master's degree within two years, and 21 (52%) were highly interested in pursuing their M.S. degree at U. T. Rio Grande Valley. The results show that 78% of the 227 students responding to the survey expressed a high interest in pursuing a master's degree and that 80% expressed a high interest in continuing their graduate studies at U. T. Rio Grande Valley.

Due to the involvement of a relatively high number (approximately 20%) of students in undergraduate research with the civil engineering faculty members, U. T. Rio Grande Valley civil engineering students tend to graduate with a mindset of pursuing at least a master’s degree to further the research they started during their undergraduate years. A conservative estimate of 25 full-time students is used to populate the first cohort. Additionally, 14 practitioners indicated in the survey that they were interested in pursuing their M.S. degree at U. T. Rio Grande Valley within two years. A conservative estimate of 10 part-time students is used to populate the first cohort. An initial headcount of 35 master’s students is projected for the first year, producing an effective Full-Time Student Equivalent (FTSE) of 24. By the end of the five-year initial operating period, the goal of the graduate program is to achieve a 100% graduation rate within 1.5 years (three regular semesters and a summer) for full-time students and a 2.5-year graduation rate at 100% (five regular semesters and two summers) for part-time students. As a new program, and for conservative projections, a high initial attrition rate of 25% is assumed, with programmatic retention and graduate enrollment management programs being developed and evolved to systematically achieve zero attrition by Year Five. The following summarizes the projected headcount and FTSE for the first five years of the program.

Projected Headcount and FTSE

YEAR	1	2	3	4	5
Headcount	35	77	101	108	112
FTSE	24	53	68	72	75

Program Quality

Eight current faculty will serve as core faculty for this program with plans to add three additional faculty in Year Two to complement current faculty research in the concentration areas. All faculty have or will have a terminal degree from Tier One research universities in civil engineering or a related discipline, such as environmental sciences and engineering or environmental engineering. Over the past five years, the core faculty have together published 46 refereed journal articles and 76 articles in conference proceedings. The core faculty have been awarded 26 external grants totaling \$1,093,026 to support their research over this period.

The existing B.S. in Civil Engineering is Accreditation Board of Engineering and Technology (ABET) accredited. While ABET does not accredit graduate programs, the same high-quality expectations established by ABET will be incorporated into the M.S. program.

U. T. Rio Grande Valley is a Hispanic Serving Institution. The majority of the students in the undergraduate civil engineering program are Hispanic. The proposed recruitment plan for the M.S. in Civil Engineering will include the following points set forth on the next page.

- Coordinating with the U. T. Rio Grande Valley Graduate College to leverage institutional efforts to recruit graduate students;
- Recruiting graduating engineering students to pursue their master’s degree in Civil Engineering at U. T. Rio Grande Valley;
- Engaging undergraduate students in advanced research and recruiting them to pursue their master’s degree after graduation;
- Reaching out to universities in Texas that offer bachelor’s degrees in engineering, but do not have graduate programs to recruit their graduating students;
- Reaching out to community colleges in Texas to recruit students through the undergraduate civil engineering program as a pathway into the graduate program;
- Targeted, proactive recruitment of graduating seniors from faculty and research collaborators at partnering institutions by offering assistantships and scholarships to work on externally-funded research; and
- Recruiting students from the border states of Mexico to pursue their master’s in civil engineering at U. T. Rio Grande Valley.

Revenue and Expenses

Expenses	5-Year Total
<i>Faculty</i>	
Salaries	\$ 1,707,978
Benefits	\$ 512,394
<i>Graduate Students</i>	
TA Salaries	0
TA Benefits	0
GRA Salaries	\$ 882,000
GRA Benefits	\$ 88,200
<i>Staff & Administration</i>	
Graduate Coordinator Salary	\$ 220,542
Administrative Staff Salaries	\$ 103,626
Staff Benefits	\$ 97,250
<i>Other Expenses</i>	
Facilities & Equipment	\$ 600,000
Library, Supplies and Materials	\$ 10,000
Travel	\$ 16,000
Total Expenses	\$ 4,237,990

Revenue	5-Year Total
<i>From Student Enrollment</i>	
Formula Funding	\$ 1,469,160
Tuition and Fees*	\$ 2,979,031
<i>From Institutional Funds</i>	
Reallocated Funds Designed Tuition	\$ 798,080
Total Revenue	\$ 5,246,271

*Tuition and Fees excludes Statutory Tuition

Coordinating Board Criteria

The program meets all applicable Coordinating Board criteria for a new master’s program.

6. U. T. Rio Grande Valley: Approval to establish a Doctor of Philosophy degree program in Clinical Psychology

Pursuant to the Regents' *Rules and Regulations*, Rule 40307, related to academic program approval standards, the Board granted approval to

- a. establish a Doctor of Philosophy degree program in Clinical Psychology at The University of Texas Rio Grande Valley; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

Program Description

The Ph.D. in Clinical Psychology follows an educational program based on the scientist-practitioner model of clinical psychology training aimed at producing clinical scientists. A unique aspect of national, state, and regional significance of this training program will be its focus on Hispanic American cultural sensitivity and the needs of this rapidly growing population in the Rio Grande Valley and the United States. Additionally, this program will have an Integrated Behavioral Health Care (IBHC) option for those students who want to pursue training in the integration of behavioral health care with medical care provided in primary care settings. IBHC has been found to increase access to service for behavioral and mental health difficulties in Hispanic individuals and to be an effective means of decreasing the stigma that is often associated with mental health in Hispanic cultures.

The program consists of 89 semester credit hours (SCH) for students entering with a bachelor’s degree and 74 SCH entering with a master’s degree. A minimum of four full-time years of coursework (foundation and applied courses), research training

(thesis, preliminary examination, and dissertation), clinical training (practical and internship), and a one-year predoctoral internship will be required for graduation from the program.

Need and Student Demand

According to the U.S. Census Bureau, in 2014 the county region of Cameron, Hidalgo, and Starr had a total population of 1,314,420. Furthermore, this region has one of the fastest population growth rates in the state. From 2000 to 2014, the population in this region grew by 37.2% while the overall population growth in Texas grew by 29.3%. In contrast, the overall U.S. population growth for this period was 13.3%. According to the County Narrative Profile produced by the Labor Market and Career Information Department of the Texas Workforce Commission, in the Year 2010, 1,118,290 or 90% of the region's residents were Hispanic, while statewide, 37.6% were Hispanic. The Office of the State Demographer for Texas produced a population projection table in 2012 for the time period between 2000 and 2050. According to this report, by 2025 the Hispanic population in the same three-county region is projected to increase by 81.9% from the 2000 population level. By 2050, the report projects that the Hispanic population will increase by 174.3% for a total of 2,297,535 Hispanic residents in this three-county area. According to a table produced by the Texas Department of State Health Services in 2014, licensed psychologists worked in 110 Texas counties. Hidalgo and Cameron Counties had 4.2 and 2.3 licensed psychologists per 100,000 residents respectively, and ranked 83 and 104 out of the 110 counties in the number of per capita psychologists. When compared to Dallas County at 25.3 licensed psychologists per 100,000 and Brazos County at 37.5, the disparity becomes even more salient and the need more urgent.³

According to the American Psychological Association (APA), one of the most prominent and largest national professional organizations in psychology, the job outlook in the U.S. for clinical psychologists is good, with APA projecting a growth of 11%. Individuals with a Ph.D. degree in clinical psychology are the strongest candidates for job opportunities in academia, research institutions, and highly specialized treatment facilities where research is in demand. These academic and research-oriented positions require research emphasis in training.

The program will offer graduate students training in psychological and behavioral methods relevant to Hispanic cultures, including the Mexican American culture. The program is targeted to produce clinical psychology scientist-practitioners with knowledge about Hispanic cultures. Given the aforementioned growth of the Hispanic population in the state and across the nation, employment in academia and clinical settings for clinical psychologists with knowledge and skills related to Hispanic cultures and with scientist-practitioner emphasis appears to be strong. The program will aim to recruit highly qualified graduate students with diverse cultural backgrounds across the U.S., as well as outside the U.S., and will educate these

³ Data Source: Texas State Board of Examiners of Psychologists, September 2014.

students to become research-oriented clinical psychologists who have acquired clinical knowledge and skills with the Hispanic population. Further, the APA's Office of Ethnic Minority Affairs (OEMA) is a central clearinghouse for students of color interested in pursuing careers in psychology and can serve as an important resource for promoting doctoral-level psychology students. The OEMA offers information and materials for students who are at any stage in the psychology education pipeline.

To further address the question of employability of Ph.D.-level clinical psychologists trained in Texas, a Survey of Program Heads was forwarded to the Directors of Clinical Training (DCT) (i.e., directors of clinical psychology Ph.D. programs) of all the clinical psychology Ph.D. programs in Texas. Data was received from all programs except one. Together, the survey data indicate that individuals who graduate from these programs are highly employable. For example, during 2014-2015, 44 out of 45 graduates (97.8%) found employment shortly after graduation; and of these 44 graduates, 43 (97.7%) found employment within the discipline of clinical psychology. The DCT anticipated that their departments will hire a healthy average of 2 to 3 faculty (mean=2.7) over the next two to three years. However, the nine APA accredited clinical psychology Ph.D. programs in Texas (as opposed to 13 in California), of which only two are in The University of Texas System, admitted just over 5% of the applicants to their programs. In summary, the above data strongly suggest that although graduates from clinical psychology Ph.D. students in Texas are extremely marketable, there are a limited number of openings available to applicants to clinical psychology Ph.D. programs in Texas.

Student demand locally may be seen in a psychology student survey conducted in January 2014. To examine interest and need for a clinical psychology doctoral program in the Rio Grande Valley, the U. T. Rio Grande Valley Edinburg campus conducted a brief survey of its psychology undergraduate and graduate students with 109 individuals responding to the survey (90 undergraduate students, 15 graduate students, and four alumni). Of the 109 individuals, 82 responded that they would be interested in applying to a Ph.D. program in clinical psychology, if it existed. Thirty-two students graduated during the past three academic years from the current M.A. in Clinical Psychology program. Because of the unique location of the institution and U. T. Rio Grande Valley being a Hispanic Serving Institution, the program will likely attract applicants with Hispanic/Mexican American backgrounds. Diversity in the applicant pool will be sought to ensure a critical mass of excellent students who are accepted to the program.

Table 1 shows the estimated enrollment projections for the first five years of the program. The range of headcounts admitted per year and the average attrition rate were determined by examining the headcount and attrition rates of similar APA-accredited programs nationwide and in Texas. The full-time student equivalent (FTSE) statistics in the table were calculated according to the state definition of FTSE; nine SCHs enrollment per student per semester = one FTSE. Please also note that all students will be expected to enroll in 12 credit hours in the

fall, 12 in the spring, and three in the summer to be classified as full-time students. Summer enrollments are included in the subsequent year. Moreover, the FTSE statistics take attrition into account.

Table 1. Enrollment Projections					
	Year 1	Year 2	Year 3	Year 4	Year 5
New Student Headcount	6	6	8	8	8
FTSE	6	11	18	25	32
Attrition	0	1	1	1	1
Graduates	0	0	0	0	5

Program Quality

The Clinical Psychology doctoral program at U. T. Rio Grande Valley plans to obtain accreditation from the APA. The program will offer a curriculum that fulfills the APA guidelines and is designed to provide doctoral education and training in clinical psychology and produce professional psychologists based on the scientist-practitioner model. The program is designed for five years of full-time study, with four years spent at the University and the fifth spent on an APA-accredited, predoctoral internship. The course of study requires research training through coursework as well as an empirical thesis, a preliminary examination, and an empirical dissertation. The course of study also requires clinical training through foundation courses and advanced training courses including practicum. The program is capable of engaging in actions promoting cultural and individual diversity, as it is located on the border region of Texas.

Eight current faculty in the Department of Psychological Science will serve as core faculty with an additional five serving as support faculty. All have a terminal degree in clinical psychology or related discipline such as experimental psychology, neuroscience, neuropsychology, or cognitive psychology from Tier One research universities, such as The Ohio State University, University of Michigan, University of New York, and Virginia Polytechnic Institute and State University. Currently, open rank searches are ongoing for an additional five faculty to begin in Academic Year 2017 - 2018. Three of these are clinical psychologist positions, one is an experimental psychologist, and one is an open rank experimental psychologist. An additional two faculty searches for open rank clinical psychologists will be undertaken in Academic Year 2017 - 2018 to begin the following year.

Over the past five years, the current core and support faculty have together published 76 refereed journal articles, five book chapters, and three books. The current core and support faculty have been granted eight external grants totaling \$1,104,952 to support their research over this period. U. T. Rio Grande Valley

also received a gift of \$6 million over five years from the Valley Baptist Legacy to support the development of the Ph.D. in Clinical Psychology program. This funding will be used to establish additional research facilities and provide other support for the research agenda associated with the Ph.D. in Clinical Psychology program. Furthermore, U. T. Rio Grande Valley is currently constructing a new Interdisciplinary Engineering and Academic Studies Building that will include teaching and office space for the doctoral program.

The program’s emphasis on diversity and Hispanic cultures makes the program particularly responsive to the needs of the targeted student population and will, therefore, help meet the needs of the profession, especially as it relates to the needs of a growing Hispanic population. Also of special interest to potential students will be the Integrated Behavioral Health Care option, which will offer training in the integration of behavioral health care with medical care provided in primary care settings. This collaboration with the School of Medicine will provide opportunities for research and treatment program development in the predominantly Hispanic region of the Rio Grande Valley.

Revenue and Expenses

The projected FTSE enrollments are based on the count of full-time enrollments described above. The enrollment projections were used to estimate the revenues from formula funding and tuition and fees based on the Texas Higher Education Coordinating Board’s Funding Estimation Tool. The Valley Baptist Legacy Foundation made a gift of \$6 million to support the development of the Ph.D. in Clinical Psychology at U. T. Rio Grande Valley over a five-year period. The revenues below include \$2,357,476 of funding from this gift for allowed expenses that will occur during Years Three through Five of the program.

Projected Enrollment	5-Year Total
Number of Full-Time Student Equivalents (FTSE) Used for Formula Funding Calculation	32
Number of Full-Time Student Equivalents	32

Expenses	5-Year Total
<i>Faculty</i>	
Salaries	\$ 1,027,392
Benefits	\$ 308,218
<i>Graduate Students</i>	
TA Salaries	\$ 1,020,000
TA Benefits	\$ 102,000
GRA Salaries	\$ 1,000,000
GRA Benefits	\$ 100,000
<i>Staff & Administration</i>	
Graduate Coordinator Salary/Director's Stipend	\$ 241,889
Administrative Staff Salaries	\$ 313,051
Staff Benefits	\$ 45,778
<i>Other Expenses</i>	
Scholarships	\$ 1,172,080
Library	\$ 125,000
Equipment	\$ 81,000
Supplies and Materials	\$ 255,100
Travel	\$ 192,000
Total Expenses	\$ 6,083,508

Revenue	5-Year Total
<i>From Student Enrollment</i>	
Formula Funding	\$ 358,265
Tuition and Fees	\$ 615,751
<i>From Institutional Funds</i>	
Reallocated Funds	\$ 881,224
Designated Tuition	\$ 1,870,792
<i>From Grant Funds</i>	
Valley Baptist Legacy Foundation	\$ 2,357,476
<i>From Other Revenue Sources</i>	
Total Revenue	\$ 6,083,508

*Tuition and Fees excludes Statutory Tuition

Coordinating Board Criteria

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

7. U. T. Tyler: Approval to establish a Doctor of Philosophy degree program in Clinical Psychology

Pursuant to the Regents' *Rules and Regulations*, Rule 40307, related to academic program approval standards, the Board granted approval to

- a. establish a Doctor of Philosophy degree program in Clinical Psychology at The University of Texas at Tyler; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

Program Description

U. T. Tyler seeks approval to offer a Ph.D. program in Clinical Psychology with a specialization in underserved populations. This program will focus its efforts on preparing doctoral-level clinical psychologists to provide best practice services and conduct practice-enhancing research among populations where there is a demonstrated unmet need regionally, statewide, and nationally, specifically with 1) older adults, 2) rural populations, and 3) military veterans/active duty service members. In addition, when there are ethnicity- or culturally-related treatment factors, these will be incorporated into the training for each of the three underserved populations. The degree will require a total of 99 graduate credit hours across four years in residence and a 12-month internship at an external site. The program will seek national accreditation from the American Psychological Association (APA) and will meet Texas psychologist licensure requirements.

Need and Student Demand

State and regional employment trends for careers in clinical psychology are promising. According to the Texas Workforce Commission, between 2008 and 2018 there will be a statewide increase in demand for clinical, counseling, and school psychologists of 1,710 (21%), or approximately 171 per year. In the Workforce Development Areas (WDA's) adjacent to Smith County where U. T. Tyler is located, an increase of 80 jobs or approximately 8 per year (19%) is expected. Moving further out from Smith County to include additional WDA's (North Texas WDA, North Central WDA, Heart of Texas WDA, South East Texas WDA, Texoma WDA, and Central Texas WDA) an increase of about 330 (21%) jobs, or approximately 33 per year, is expected.

National statistics from the APA indicate that the majority (50-60%) of doctoral graduates in clinical psychology are initially employed in clinical practice settings, with about 30-40% in academic settings. These figures would suggest that a substantial number of U. T. Tyler graduates would work in practice settings helping to address mental health service needs statewide and regionally. Across Texas, existing programs graduate an annual average of approximately 50 (about five per

program) doctoral clinical psychology students, with an average graduation rate between 90 and 100%. Time to degree rates have been between 5 and 6.8 years.

Student demand is expected to be very high, particularly because Texas programs historically receive an average of more than 200 applications annually for an average of fewer than 10 openings. Nationally, the median number of applications is >150, the median number accepted is 10, and the enrollment rate is 12%. Nationally, in 2014, a total of 2,480 doctoral clinical psychology degrees were awarded. There remains a very large qualified applicant pool to draw from. The plan is to admit six new students annually, achieving a steady level of 24 students in residence at any one time by Year Five of the program.

Program Quality

Currently, there are three core clinical psychology doctoral faculty and seven doctoral support faculty in the department who will contribute to the program. The three current core faculty members each have active research labs, strong scholarship and sponsored research histories, and capacity.

U. T. Tyler will hire two new faculty in Fiscal Year 2017 - 2018 and one more in Fiscal Year 2018 - 2019 to reach a total of six core faculty, as recommended by a site visit team. The new hires will be targeted to ensure coverage of training and research areas of emphasis (i.e., diversity, rural mental health, geropsychology, and veterans’ mental health). In addition to specific areas of expertise, new faculty would be expected to have demonstrated research/scholarly success and have a record of submitting and/or working with externally funded projects. It was the judgment of an external site visit team (all APA accreditation site visitors) that with these hires and the existing programs, U. T. Tyler has the capacity for a successful program.

Revenue and Expenses

Expenses	5-Year Total
<i>Faculty</i>	
Salaries	\$ 504,000
Benefits	\$ 177,800
<i>Graduate Students</i>	
TA Salaries	\$ 168,966
GRA Salaries	\$ 476,034
<i>Staff & Administration</i>	
Graduate Coordinator Salary	\$ 87,500
Administrative Staff Salaries	\$ 150,000
Staff Benefits	\$ 42,000
<i>Other Expenses</i>	
Supplies/Library/IT/Travel	\$ 36,000
Total Expenses	\$ 1,642,300

Revenue	5-Year Total
<i>From Student Enrollment</i>	
Formula Funding	\$ 366,175
Tuition and Fees	\$ 771,784
<i>From Institutional Funds</i>	
	\$ 699,966
Total Revenue	\$ 1,837,925

Coordinating Board Criteria

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

8. U. T. System: Discussion and appropriate action regarding proposed revisions to Mission Statements for U. T. Arlington, U. T. Austin, and U. T. Rio Grande Valley and reaffirmation of Mission Statement for U. T. Dallas

The Board approved changes to the Mission Statements for The University of Texas at Arlington, The University of Texas at Austin, and The University of Texas Rio Grande Valley as set forth on the following pages.

Further, the Board reaffirmed the Mission Statement for The University of Texas at Dallas, set forth on Page 69.

In 2013, the Texas Legislature repealed *Texas Education Code* Section 61.051(e), which directed the Texas Higher Education Coordinating Board to review the mission statements of public institutions, typically, every four years. However, each institution is required to have a mission statement under *Texas Education Code* Section 51.359. Section 51.352 of the Code, regarding the Responsibility of Governing Boards, requires governing boards to “insist on clarity of focus and mission of each institution under its governance.” *Regents' Rules and Regulations*, Rule 10402 states that the Academic Affairs Committee or the Health Affairs Committee must review proposed changes to institutional mission statements. Further, approval of this item will help to ensure compliance with the Southern Association of Colleges and Schools (SACS) requirements regarding the periodic review and approval of each institution's mission statement by its governing board.

Pursuant to a directive by the Board of Regents on March 26, 2008, each Mission Statement must include a statement regarding the commercialization of university discoveries.

Mission Statements were last approved as follows:

- U. T. Arlington - last approved by the Board of Regents on November 10, 2011
- U. T. Austin - last authorized for submission to the Texas Higher Education Coordinating Board on May 14, 1998
- U. T. Rio Grande Valley - provisional Mission Statement approved by the Board of Regents on November 5, 2015
- U. T. Dallas - last approved by the Board of Regents on November 10, 2011

U. T. Arlington Mission Statement

The University of Texas at Arlington is a comprehensive research, teaching, and public service institution whose mission is the advancement of knowledge and the pursuit of excellence. The University is committed to the promotion of lifelong learning through its academic and continuing education programs and to the formation of good citizenship through its community service learning programs. The diverse student body shares a wide range of cultural values and the University community fosters unity of purpose and cultivates mutual respect.

As a University, we affirm our commitment to the following objectives:

- The University is committed to comprehensive programs of academic research. This research effort requires attracting and retaining scholars who promote a culture of intellectual curiosity, rigorous inquiry, and high academic standards among their fellow faculty and the students they teach. We ensure a culture of creativity, innovation, and entrepreneurship, which includes the translation of university discoveries for the benefit of society.
- The University prepares students for full, productive lives and informed and active citizenship. To that end, we have developed undergraduate and graduate curricula and classroom practices that engage students actively in the learning process. Outside the classroom a wide range of student organizations and activities contribute to the learning environment. Our service learning program offers students the opportunity to supplement their academic study with internships in a variety of community settings, testing their skills and aptitudes and challenging their values. State-of-the-art teaching technologies, distance education, and off-site instruction afford access to off-campus as well as traditional students. Non-degree certificate and continuing education programs offer practical, aesthetic, and intellectually stimulating opportunities for community learners, for individual courses or a sustained program of study.
- The mission of a university can be achieved only when its students, faculty, staff, and administrators value and promote free expression in an atmosphere of tolerance, responsibility, and trust. The University regards these attributes as prerequisites for any community of learners and vigilantly strives to maintain them.
- Mindful of its role as a resource to the community, locally, nationally, and internationally, the University continually seeks partnerships with public and private concerns in order to advance the economic, social, and cultural welfare of its constituencies. We serve the needs of the North Texas community by sponsoring public lectures and academic symposia, as well as artistic, musical, and dramatic productions.

Approved by U. T. System Board of Regents on 5/10/2017

U. T. Austin Mission Statement

The mission of The University of Texas at Austin is to achieve excellence in the interrelated areas of undergraduate education, graduate education, research and public service.

The university provides superior and comprehensive educational opportunities at the baccalaureate through doctoral and special professional educational levels. It contributes to the advancement of society through research, creative activity, scholarly inquiry and the development and dissemination of new knowledge, including the commercialization of University discoveries. The university preserves and promotes the arts, benefits the state's economy, serves the citizens through public programs and provides other public service.

Approved by U. T. System Board of Regents on 5/10/2017

U. T. Rio Grande Valley Mission Statement

To transform the Rio Grande Valley, the Americas, and the world through an innovative and accessible educational environment that promotes student success, research, creative works, health and well-being, community engagement, sustainable development, and commercialization of university discoveries.

Approved by U. T. System Board of Regents on 5/10/2017

U. T. Dallas Mission Statement

The University of Texas at Dallas provides the State of Texas and the nation with excellent, innovative education and research. The University is committed to graduating well-rounded citizens whose education has prepared them for rewarding lives and productive careers in a constantly changing world; to continually improving educational and research programs in the arts and sciences, engineering, and management; and to assisting the commercialization of intellectual capital generated by students, staff, and faculty.

Reaffirmed by U. T. System Board of Regents on 5/10/2017

9. U. T. Rio Grande Valley: President's Report on the inaugural Strategic Plan

This item was for consideration only by the Committee.

REPORT AND RECOMMENDATION OF THE HEALTH AFFAIRS COMMITTEE

(Pages 71 - 73).--Committee Chairman Hicks reported that the Health Affairs Committee met in Open Session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. The action set forth in the Minute Order that follows was recommended by the Health Affairs Committee and approved in Open Session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding request to a) approve participation in the Southeastern Regional Collaborative Access Team (SER-CAT) for the purpose of conducting imaging studies of large biological molecules, including delegation of authority to execute related agreements; b) following the initial one-year term, authorize expenditure of institutional funds for annual dues in an amount to be determined; and c) delegate authority to approve appointment of a representative and an alternate to the SER-CAT Executive Board

On behalf of The University of Texas M. D. Anderson Cancer Center, the Board

- a. approved participation in the Southeastern Regional Collaborative Access Team (SER-CAT) for the purpose of conducting imaging studies of large biological molecules, including authorization to enter into the following related agreements:
 - Share Transfer and Member Agreement with the University of Georgia Research Foundation, Inc., a Georgia nonprofit corporation;
 - Assignment Agreement by the Board of Trustees of the University of Alabama for the University of Alabama at Birmingham; and
 - Non-Priority User Agreement with UChicago Argonne, LLC, an Illinois limited liability company;
- b. following the initial one-year term, authorized expenditure of institutional funds for annual dues in an amount to be determined; and
- c. delegated authority to the institutional president to appoint the initial and any successor representative and alternate to the SER-CAT Executive Board, subject to review and approval of such selections by the Executive Vice

Chancellor for Health Affairs, the Vice Chancellor and General Counsel, and The University of Texas System Ethics Officer, and subject to implementation and monitoring of a conflict of interest management plan for each.

U. T. M. D. Anderson Cancer Center will participate in SER-CAT, including the purchase of certain shares of Beamline access at the Advanced Photon Source (APS) of the Argonne National Laboratory (ANL) for the purpose of conducting imaging studies of large biological molecules.

SER-CAT was organized in 1997 for the purpose of providing its members timely access to a high brilliance, third-generation synchrotron x-ray source for structural studies. Since 1998, SER-CAT has built, operated, and managed synchrotron beamlines (Beamlines) at the APS of the ANL near Chicago, Illinois. Construction, safety, and management plans approved by APS and agreements between various entities and various policies are maintained by SER-CAT. The principal focus of SER-CAT research is macromolecular crystallography, which is a technique used to study biological molecules at a very high resolution.

The University of Georgia Research Foundation, Inc. (UGARF) serves as the primary contractor on behalf of SER-CAT with APS and has entered into an individual SER-CAT Member Agreement with each participating Member Institution (Member) to construct, operate, and maintain Beamlines at APS. The SER-CAT Director and the SER-CAT Executive Board are responsible to the Members for carrying out the duties designated in the Bylaws and for conducting the project in accordance with the overall desires of the SER-CAT Membership.

In 1999, the SER-CAT Director signed a Memorandum of Understanding Between the Advanced Photon Source and the Southeast Regional Collaborative Access Team for the Construction and Operation of Beamlines at the Advanced Photon Source (MOU). The MOU provides SER-CAT with access to Sector 22 at APS to construct and operate Beamlines at APS.

Membership of SER-CAT consists of Member Institutions, Member Users at the Member Institutions, Member Institutional Representatives, and State Representatives, all of which have purchased a portion of the aggregate 70 shares available in SER-CAT, and continue to be Members of SER-CAT in accordance with the Bylaws.

SER-CAT Members include The University of Alabama at Birmingham, Florida State University, The Scripps Research Institute - Florida, The University of South Florida, Emory University, Georgia State University, Georgia Tech Research Corporation, The University of Georgia, Rosalind Franklin University of Medicine and Science, Monsanto Company, The University of Kentucky, The University of Missouri at Kansas City, The National Institutes of Health Intramural Research Program, Duke University, The University of North Carolina at Chapel Hill, North Carolina State University, The University of Pittsburgh, The Medical University of South Carolina,

The University of South Carolina, St. Jude Children's Research Hospital, and The University of Virginia. Affiliate Members include Amgen, Inc., Genentech, Inc., and HarkerBIO, L.L.C.

The SER-CAT Executive Board consists of the SER-CAT Director and a single representative or alternate from each of the SER-CAT states (Alabama, Florida, Georgia, Illinois, Kentucky, Missouri, North Carolina, Pennsylvania, South Carolina, Tennessee, and Virginia) and the National Institutes of Health Intramural Research Program, plus one organizational representative or alternate on behalf of all participating industrial/corporate entities and one organizational representative or alternate on behalf of all not-for-profit entities not represented by a SER-CAT state joining SER-CAT on or after March 1, 2003.

U. T. M. D. Anderson Cancer Center will become a SER-CAT Member and obtain 1.2 shares of Beamline access in SER-CAT through the Share Transfer and Member Agreement with the UGARF, a Georgia nonprofit corporation. U. T. M. D. Anderson Cancer Center may terminate that Agreement upon 180 days' prior written notice. The Board of Trustees of the University of Alabama at Birmingham will transfer one share of Beamline access currently held by the University of Alabama to U. T. M. D. Anderson Cancer Center pursuant to an Assignment Agreement. Ratification of a Non-Proprietary User Agreement with UChicago Argonne, LLC, an Illinois limited liability company, the sole member of which is the University of Chicago Argonne, provides specific terms of access to the ANL.

After U. T. M. D. Anderson Cancer Center becomes a SER-CAT Member, U. T. M. D. Anderson Cancer Center will appoint the initial and any successor representative and an alternate to the SER-CAT Executive Board, subject to approval of such selections by the Executive Vice Chancellor for Health Affairs and the Vice Chancellor and General Counsel, and subject to a conflict of interest management plan for each. U. T. M. D. Anderson Cancer Center has prepaid the first year's annual dues in the amount of \$105,344. Following the initial term and in accordance with the SER-CAT Bylaws, U. T. M. D. Anderson Cancer Center will pay UGARF annual operational dues in an amount to be determined.

3. U. T. System: Report on the U. T. System Health Intelligence Platform, formerly known as the U. T. System Clinical Data Network

This item was for consideration only by the Committee.

4. U. T. System: Report on the U. T. System Faculty Advisory Council Physician Burnout Prevention Initiative

This item was for consideration only by the Committee.

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 74 - 92).--Committee Chairman Beck reported that the Facilities Planning and Construction Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Facilities Planning and Construction Committee and approved in Open Session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. Health Science Center - San Antonio: Relocate Barshop Institute - Amendment of the FY 2017-2022 Capital Improvement Program to include project

The Board amended the Fiscal Year 2017-2022 Capital Improvement Program (CIP) to include the Relocate Barshop Institute project at The University of Texas Health Science Center at San Antonio.

Previous Actions

On May 24, 2016, the Chancellor approved this project for Definition Phase. On November 10, 2016, the Board approved an allocation of \$30,000,000 in Permanent University Fund (PUF) Bond Proceeds for this project.

Project Description

The Barshop Institute for Longevity and Aging Studies, currently located at the Texas Research Park, will be relocated to the Greehey Academic and Research Campus. The Institute supports four basic models of aging research: cellular aging, invertebrate aging, transgenic models of aging, and human genetics of aging. The primary spaces within the new facility will include research laboratories, computational research facilities, research support areas, a vivarium, and administrative and building support facilities. Included in the project will be a bridge connecting the building to the South Texas Research Facility, located across the street.

Approval of design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date.

Project Information

Project Number	402-1000
CIP Project Type	New Construction
Facility Type	Laboratory, Medical/Healthcare
Management Type	Office of Facilities Planning and Construction
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)	77,018

Project Funding

Permanent University Fund Bond Proceeds	<u>Current</u> \$30,000,000
Revenue Financing System Bond Proceeds ¹	<u>\$35,000,000</u>
Total Project Cost	<u>\$65,000,000</u>

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from sale of Texas Research Park property

Project Cost Detail

Building Cost	
- Barshop Institute Building	\$37,812,308
- Unconditioned Pedestrian Bridge	3,440,000
Fixed Equipment	3,990,432
Site Development	2,722,206
Furniture and Moveable Equipment	1,800,000
Institutionally Managed Work	3,000,000
Architectural/Design Services	4,800,000
Project Management Fees	2,132,800
Insurance	1,031,416
Other Professional Fees	850,000
Project Contingency	3,020,838
Other Costs	400,000
Total Project Cost	\$65,000,000

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

Relocate Barshop Institute (with 32% Shell Space)	\$491
Relocate Barshop Institute (Estimated Total Finish-Out)	\$565
Texas Higher Education Coordinating Board Average - Laboratory, Medical/Healthcare	\$501

	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$474	\$575	\$649
Other Texas Projects	\$493	\$607	\$958
Other National Projects	\$520	\$635	\$823

Investment Metrics

By 2019

- Add 12-16 new research labs; shell space to provide an additional 12-16 future labs
- Provide wet lab space for 12-16 principal investigators; shell space to provide an additional 12-16 future investigators
- Attract and retain world-class faculty

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 2016
Addition to CIP	May 2017
Design Development Approval	August 2017
Construction Notice to Proceed	November 2017
Substantial Completion	August 2019

3. U. T. Medical Branch - Galveston: League City Campus Expansion 2017 - Amendment of the FY 2017-2022 Capital Improvement Program to include project; approval of total project cost; approval of Phase 1 design development; appropriation and authorization of expenditure of Phase 1 funding; approval of institutional management; and resolution regarding parity debt

The Board amended the Fiscal Year 2017-2022 Capital Improvement Program (CIP) to include the League City Campus Expansion 2017 project and approved the recommendations for the project at The University of Texas Medical Branch at Galveston as follows:

- a. approve a total project cost of \$156,600,000;
- b. approve Phase 1 design development plans for parking garage, multiuse support building, and a pedestrian bridge;
- c. appropriate funds and authorize expenditure of funding for Phase 1 in the amount of \$35,366,000 with funding from Revenue Financing System (RFS) Bond Proceeds;
- d. authorize U. T. Medical Branch - Galveston to manage the project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts; and

- e. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Medical Branch - Galveston, 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 \$35,366,000.

Debt Service

The \$35,366,000 in RFS debt will be repaid from Hospital Revenues. Annual debt service on the \$35,366,000 RFS debt is expected to be \$2.1 million. The institution's debt service coverage is expected to be at least 2.2 times and average 2.4 times over FY 2017-2022.

Previous Actions

On July 10, 2016, the Chancellor approved this project for Definition Phase. On November 10, 2016, the Board approved an allocation of \$10,100,000 in Permanent University Fund (PUF) Bond Proceeds.

Project Description

The League City Campus Expansion 2017 is aligned with the U. T. Medical Branch - Galveston League City Campus Master Plan. Phase 1 of this expansion project consists of construction of a parking garage, multiuse support building, and a pedestrian bridge. Phase 2 will include 60 new beds, diagnostic/ancillary space, and finish out of six additional beds in existing shell space in the League City Hospital, increasing the total League City Campus inpatient capacity from 31 to 97 beds. This will meet the current and projected demand and includes the addition of acuity adaptable rooms and space to accommodate essential services to support expanded inpatient and emergency room volume. The acuity adaptable beds will support ICU care for The University of Texas M. D. Anderson Cancer Center and U. T. Medical Branch patients.

Phase 2 of this project also includes the Academic and Patient Care Center funded by the PUF. The Center will include a telehealth/teleconference center for joint use by U. T. Medical Branch and U. T. M. D. Anderson Cancer Center, a radiation treatment component for U. T. Medical Branch patients, and a small business center to support the clinical research activities of both institutions.

Approval of design development plans and authorization of expenditure of funding for the remaining portions of the project will be presented to the Board for approval at a later date.

Project Information

Project Number 601-1093
 CIP Project Type New Construction/Repair and Rehabilitation (R&R)
 Facility Type Healthcare Facility, Hospital/Parking Structure
 Management Type Institutional Management
 Institution’s Project Advocates Donna Sollenberger, Executive Vice President and Chief Executive Officer, UTMB Health System
 Cheryl Sadro, Executive Vice President and Chief Business and Finance Officer
 Project Delivery Method Construction Manager-at-Risk
 Gross Square Feet (GSF) 165,750 GSF - Hospital Expansion
 18,040 GSF - R&R, Build-out current shell space
 9,000 GSF - Pedestrian Bridge
 33,000 GSF - Multiuse Building
 266,000 GSF - Parking Structure
 740 Total Parking Spaces

Project Funding

	<u>Current</u>
Revenue Financing System Bond Proceeds ¹	\$142,000,000
Permanent University Fund Bond Proceeds	\$ 10,100,000
Hospital Revenues	<u>\$ 4,500,000</u>
Total Project Cost	\$156,600,000

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from Hospital Revenues

Project Cost Detail

Building Cost - Phase 1	
League City Parking Garage	\$ 14,748,700
League City Multiuse Building	13,175,155
League City Pedestrian Bridge	3,591,000
Building Cost - Phase 2	
League City Hospital Expansion 2017	81,401,864
League City Hospital Current Shell Build-out/R&R	6,127,800
Fixed Equipment	-
Site Development	-
Furniture and Moveable Equipment	15,730,000
Institutionally Managed Work	-
Architectural/Design Services	6,244,031
Project Management Fees	4,900,000
Insurance	2,240,000
Other Professional Fees	-
Project Contingency	6,928,481
Other Costs	1,512,969
Total Project Cost	<u>\$156,600,000</u>

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

League City Hospital Expansion 2017 (with 15% Shell Space)	\$491		
League City Hospital Expansion 2017 (Estimated Total Finish-Out)	\$550		
Texas Higher Education Coordinating Board Average - Healthcare Facility, Hospital	\$479		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$500	\$544	\$553
Other Texas Projects	\$547	\$768	\$827
Other National Projects	\$558	\$786	\$1,013

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

League City Hospital Expansion 2017 (with 15% Shell Space - 60 beds)	\$1,356,698		
League City Hospital Expansion 2017 (Estimated Total Finish-Out - 75 beds)	\$1,216,969		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$1,144,621	\$1,362,864	\$1,605,759
Other Texas Projects	\$1,326,927	\$1,813,641	\$2,026,460
Other National Projects	\$1,355,484	\$2,275,851	\$3,273,047

Investment Metric

- Curb outmigration by capturing 23,000 of the 80,100+ patients discharged from hospitals outside market

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	October 2016
Addition to CIP	May 2017
Design Development Approval - Phase 1	May 2017
Design Development Approval - Phase 2	November 2017
Construction Notice to Proceed - Phase 1	June 2017
Construction Notice to Proceed - Phase 2	December 2017
Substantial Completion	June 2020

4. U. T. Health Science Center - Tyler: School of Community and Rural Health - Amendment of the FY 2017-2022 Capital Improvement Program to include project; approval of total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board amended the Fiscal Year 2017-2022 Capital Improvement Program (CIP) to include the School of Community and Rural Health project and approve the recommendations for the project at The University of Texas Health Science Center at Tyler as follows:

- a. approve a total project cost of \$39,000,000;
- b. approve design development plans;
- c. appropriate funds and authorize expenditure of \$39,000,000 with funding of \$30,000,000 from Permanent University Fund (PUF) Bond Proceeds, \$6,750,000 from Revenue Financing System (RFS) Bond Proceeds, \$1,250,000 from Gifts, and \$1,000,000 from Hospital Revenues; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Health Science Center - Tyler, 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 \$6,750,000.

Debt Service

The \$6,750,000 in RFS debt will be repaid from clinical revenue. Annual debt service on the \$6,750,000 RFS debt is expected to be \$400,000. The institution's debt service coverage is expected to be at least 1.4 times and average 1.7 times over FY 2017-2022.

Previous Actions

On October 31, 2016, the Chancellor approved this project for Definition Phase. On November 10, 2016, the Board approved an allocation of \$30,000,000 in PUF Bond Proceeds for this project.

Project Description

The School of Community and Rural Health will impact the region by educating and training the next generation of practitioners, researchers, and community and public health officials to address the public health challenges and health disparities in Northeast Texas. This project will provide classrooms, collaborative education spaces, conference rooms, faculty and administrative offices, and shelled space for future growth to provide support for comprehensive health services research.

Project Information

Project Number	801-1096
CIP Project Type	New Construction
Facility Type	Classroom, General
Management Type	Office of Facilities Planning and Construction
Institution’s Project Advocate	David Lakey, Senior Vice President for Population Health
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	89,038

Project Funding

	<u>Current</u>
Permanent University Fund Bond Proceeds	\$30,000,000
Revenue Financing System Bond Proceeds ¹	\$ 6,750,000
Gifts ²	\$ 1,250,000
Hospital Revenues	<u>\$ 1,000,000</u>
Total Project Cost	<u>\$39,000,000</u>

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from clinical revenue

² Gifts are fully collected

Project Cost Detail

Building Cost	\$27,363,000
Fixed Equipment	50,000
Site Development	1,837,000
Furniture and Moveable Equipment	2,000,000
Institutionally Managed Work	50,000
Architectural/Design Services	2,500,000
Project Management Fees	1,406,095
Insurance	570,375
Other Professional Fees	1,429,625
Project Contingency	1,643,905
Other Costs	150,000
Total Project Cost	<u>\$39,000,000</u>

- 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. Southwestern Medical 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 \$400,000,000.

Debt Service

The \$400,000,000 in RFS debt will be repaid from Hospital Revenues. Annual debt service on the \$400,000,000 RFS debt is expected to be \$23.7 million. The institution's debt service coverage is expected to be at least 2.6 times and average 3.3 times over FY 2017-2022.

Previous Actions

On May 20, 2016, the Chancellor approved this project for Definition Phase. On February 9, 2017, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$480,000,000 with funding of \$400,000,000 from RFS Bond Proceeds and \$80,000,000 from Designated Funds.

Project Description

The William P. Clements Jr. University Hospital Expansion project will add a 12-story third tower and two parking structures to the existing hospital. Also included in the project is the renovation of existing space necessary to reconfigure and connect to the new tower. This project will allow for consolidation of inpatient services in one facility, as existing services at Zale Lipshy University Hospital will be moved to the Clements University Hospital.

This expansion will improve operational efficiency and lower the cost of care by eliminating redundant infrastructure across two hospitals, allowing for the leverage of investments made during the original construction to facilitate expansion at a lower cost with minimal disruption to existing operations. The expansion project, encompassing 292 beds plus needed emergency room, operating room, and imaging services capacity, will both allow consolidation of services currently offered at Zale Lipshy as well as provide an incremental 144 beds with a reconfiguration of services to improve care and reduce costs.

Project Information

Project Number 303-1035
 CIP Project Type New Construction/Repair and Rehabilitation (R&R)
 Facility Type Healthcare Facility, Hospital/Parking Structure
 Management Type Institutional Management
 Institution’s Project Advocate John Warner, Vice President and Chief Executive Officer, University Hospitals

 Project Delivery Method Construction Manager-at-Risk
 Gross Square Feet (GSF) 645,654 GSF - Hospital Tower
 67,662 GSF - R&R/Reconfiguration
 751,230 GSF - Two (2) Parking Structures
 2,189 Total Parking Spaces

Project Funding

Revenue Financing System Bond Proceeds ¹	<u>Current</u> \$400,000,000
Designated Funds ²	<u>\$ 80,000,000</u>
Total Project Cost	\$480,000,000

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from Hospital Revenues

² Designated Funds from institutional funds

Project Cost Detail

Building Cost	
- Hospital Tower	\$270,471,529
- R&R/Reconfiguration	18,240,394
- Garage A	23,953,832
- Garage B	21,012,385
Fixed Equipment	24,929,417
Site Development	12,763,538
Furniture and Moveable Equipment	10,000,000
Institutionally Managed Work	23,101,358
Architectural/Design Services	25,665,000
Project Management Fees	6,271,500
Insurance	5,660,000
Other Professional Fees	8,600,000
Project Contingency	25,000,000
Other Costs	4,331,047
Total Project Cost	\$480,000,000

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

William P. Clements Jr. University Hospital Expansion	\$419		
Texas Higher Education Coordinating Board Average - Healthcare Facility, Hospital	\$479		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$500	\$544	\$553
Other Texas Projects	\$547	\$768	\$827
Other National Projects	\$558	\$786	\$1,013

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

William P. Clements Jr. University Hospital Expansion - 292 Beds	\$926,272		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$1,144,621	\$1,362,864	\$1,605,759
Other Texas Projects	\$1,326,927	\$1,813,641	\$2,026,460
Other National Projects	\$1,355,484	\$2,275,851	\$3,273,047

Investment Metrics

- Create best-in-class multidisciplinary care model located in a single facility
- Establish Clements University Hospital as a destination high acuity quaternary care hospital

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 2016
Addition to CIP	February 2017
Design Development Approval	May 2017
Construction Notice to Proceed	July 2017
Substantial Completion	June 2020

6. U. T. Austin: Graduate Student Housing Complex - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board approved the recommendations for the Graduate Student Housing Complex project at The University of Texas at Austin as follows:

- a. approve design development plans;

- b. appropriate funds and authorize expenditure of \$89,000,000 from Revenue Financing System (RFS) 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. 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 \$89,000,000.

Debt Service

The \$89,000,000 in RFS debt will be repaid from the Division of Student Housing and Food Service revenues. Annual debt service on the \$89,000,000 RFS debt is expected to be \$5.3 million. The institution's debt service coverage is expected to be at least 1.6 times and average 1.9 times over FY 2017-2022.

Previous Actions

On May 14, 2015, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$89,000,000 with funding from RFS Bond Proceeds.

Project Description

The design of the complex is a mixture of two-, four-, and six-story buildings providing housing to approximately 747 graduate students in a combination of micro-studio, two- and four-bedroom units. The project will include 20 surface parking spaces for short-term parking and a small amount of retail shell space to be leased to tenants. Parking for this project will be provided at the nearby East Campus Parking Garage.

As envisioned in the U. T. Austin East Campus Master Plan approved by the Board on May 14, 2015, the design of these graduate student housing units will conform to the needs of graduate students and be built in a way that is compatible with the private residential community located nearby.

Project Information

Project Number 102-926
 CIP Project Type New Construction
 Facility Type Housing, Apartments
 Management Type Office of Facilities Planning and Construction
 Institution’s Project Advocates Marvin L. Hackert, Executive Vice President and Dean of Graduate Studies
 Soncia Reagins-Lilly, Vice President for Student Affairs
 Project Delivery Method Construction Manager-at-Risk
 Gross Square Feet (GSF) 354,000

Project Funding

Revenue Financing System Bond Proceeds ¹	<u>Current</u> <u>\$89,000,000</u>
Total Project Cost	\$89,000,000

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from the Division of Student Housing and Food Service revenues

Project Cost Detail

Building Cost	\$69,633,388
Fixed Equipment	-
Site Development	6,500,000
Furniture and Moveable Equipment	-
Institutionally Managed Work	1,780,000
Architectural/Design Services	4,472,551
Project Management Fees	2,500,900
Insurance	1,516,546
Other Professional Fees	1,044,777
Project Contingency	1,551,838
Other Costs	-
Total Project Cost	\$89,000,000

Cost per Bed Benchmarks (escalated to midpoint of construction)

Graduate Student Housing Complex	\$93,217		
College Planning and Management National Average, Residence	\$97,331		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$71,364	\$ 81,836	\$ 96,249
Other Texas Projects	\$70,193	\$ 94,148	\$107,114
Other National Projects	\$98,747	\$127,866	\$145,611

Investment Metrics

- Recruit and retain top graduate students
- Diversify housing inventory

Project Planning

Definition Phase	N/A
Owner’s Project Requirements	Yes
Basis of Design	Yes
Schematic Design	Yes
Detailed Cost Estimate	Yes

Project Milestones

Definition Phase Approval	N/A
Addition to CIP	May 2015
Design Development Approval	May 2017
Construction Notice to Proceed	June 2017
Substantial Completion	June 2019

Graduate Student Housing Statistics

Waiting list for on-campus housing	810
Total number of beds added in this project	747
Units to be demolished in this project	0
Total number of beds on campus after completion	1,462

7. U. T. Austin: Jester West Maintenance and Interior Finishes - Amendment of the FY 2017-2022 Capital Improvement Program to increase total project cost and appropriation of funds and authorization of expenditure

The Board approved the recommendations for the Jester West Maintenance and Interior Finishes project at The University of Texas at Austin as follows:

- a. amend the Fiscal Year 2017-2022 Capital Improvement Program (CIP) to increase the total project cost from \$36,000,000 to \$56,000,000; and
- b. appropriate funds and authorize expenditure of \$20,000,000 from Auxiliary Enterprises Balances.

Previous Actions

On February 9, 2012, the project was added to the CIP with a total project cost of \$36,000,000 with funding from Auxiliary Enterprises Balances. On February 14, 2012, the President approved design development and authorized expenditure of funds.

Project Description

The original project included a phased six-year renovation to each of the 14 floors to address deferred maintenance needs as well as improving student living and

study space. The original scope of the project included renovation of bathrooms to Americans with Disabilities Act (ADA) standards as required, updated finishes, and improvements to the mechanical, plumbing, and electrical systems.

The increase in total project cost is driven by the additional scope of abatement of hazardous materials and the unprecedented construction market in Austin, including the demand for trade subcontractors for summer renovations and construction cost increases of 30% since 2012.

Project Information

Project Number	102-692
CIP Project Type	Repair and Rehabilitation
Facility Type	Housing, Dormitory
Management Type	Institutionally Managed
Institution’s Project Advocate	Hemlata Jhaveri, Executive Director, Division of Housing and Food Service
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	430,713

Project Funding

	<u>Former</u>	<u>Current</u>
Auxiliary Enterprises Balances ¹	<u>\$36,000,000</u>	<u>\$56,000,000</u>
Total Project Cost	\$36,000,000	\$56,000,000

¹ Auxiliary Enterprises Balances from the Division of Student Housing and Food Service revenues

Project Cost Detail

Building Cost	\$46,848,597
Fixed Equipment	-
Site Development	-
Furniture and Moveable Equipment	-
Institutionally Managed Work	-
Architectural/Design Services	3,000,000
Project Management Fees	1,000,000
Insurance	-
Other Professional Fees	-
Project Contingency	5,151,403
Other Costs	-
Total Project Cost	\$56,000,000

Cost per Bed

Jester West Maintenance and Interior Finishes	\$23,709
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Project Planning

Definition Phase	N/A
Owner’s Project Requirements	N/A
Basis of Design	N/A
Schematic Design	N/A
Detailed Cost Estimate	Yes

Project Milestones

Definition Phase Approval	N/A
Addition to CIP	February 2012
Design Development Approval	February 2012
Construction Notice to Proceed	April 2013
Substantial Completion	August 2019

Current Undergraduate Housing Statistics

Occupancy Rate	100%
Total number of beds in Jester West	1,976
Units to be demolished in this project	0
Total number of campus-owned beds on campus after completion	7,307

8. U. T. Austin: Texas Tennis Center - Amendment of the FY 2017-2022 Capital Improvement Program to increase total project cost and appropriation of funds and authorization of expenditure

The Board approved the recommendations for the Texas Tennis Center project at The University of Texas at Austin as follows:

- a. amend the Fiscal Year 2017-2022 Capital Improvement Program (CIP) to increase the total project cost from \$16,500,000 to \$18,500,000; and
- b. appropriate funds and authorize expenditure of \$2,000,000 from Auxiliary Enterprises Balances.

Previous Actions

On November 14, 2013, the Tennis Center Replacement Facility project was included in the CIP with a total project cost of \$15,000,000 with funding from Auxiliary Enterprises Balances. On May 15, 2014, the Board approved design development and authorized expenditure of funds. On October 17, 2016, the project was redesignated as the Texas Tennis Center. On February 17, 2017, the Chancellor approved an increase in the total project cost from \$15,000,000 to \$16,500,000 with funding of \$1,500,000 from Gifts.

Project Description

The original project consists of 12 outdoor tennis courts, grandstand/bleachers, and support buildings for the U. T. Tennis Team programs and other Texas Athletics programs in East Austin. The increase in total project cost will provide a fitness and training center and an in-ground plunge pool.

The Texas Tennis Center is a replacement for the Penick-Allison Tennis Center demolished to make way for the Dell Medical School and is located on the East Campus adjacent to UFCU Disch-Falk Field according to the East Campus Master Plan approved by the Board of Regents on May 14, 2015.

Project Information

Project Number	102-788
CIP Project Type	New Construction
Facility Type	Athletic
Management Type	Office of Facilities Planning and Construction
Institution’s Project Advocate	Arthur Johnson, Executive Senior Associate Athletic Director, Intercollegiate Athletics
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	127,457

Project Funding

	<u>Former</u>	<u>Current</u>
Auxiliary Enterprises Balances ¹	\$14,600,000	\$16,600,000
Gifts ²	\$ 1,900,000	\$ 1,900,000
Total Project Cost	\$16,500,000	\$18,500,000

¹ Auxiliary Enterprises Balances from Texas Athletics Cash Reserves

² Gifts fully collected or committed at this time

Project Cost Detail

Building Cost	\$11,419,218
Fixed Equipment	-
Site Development	3,500,000
Furniture and Moveable Equipment	-
Institutionally Managed Work	125,000
Architectural/Design Services	1,386,944
Project Management Fees	667,940
Insurance	306,400
Other Professional Fees	588,328
Project Contingency	500,000
Other Costs	6,170
Total Project Cost	\$18,500,000

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

Texas Tennis Center	\$ 90		
Texas Higher Education Coordinating Board Average, Athletic	\$430		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$213	\$293	\$310
Other Texas Projects	\$ 80	\$ 97	\$208
Other National Projects	\$206	\$268	\$343

Project Planning

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

Project Milestones

Definition Phase Approval	N/A
Addition to CIP	November 2013
Design Development Approval	May 2014
Construction Notice to Proceed	September 2016
Substantial Completion	August 2017

APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS.--At 10:57 a.m., the Board voted and unanimously approved the Standing Committee recommendations.

RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551.--At 10:57 a.m., the Board recessed to Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073, 551.074, and 551.076 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS.--The Board reconvened in Open Session at 1:06 p.m. to consider the following actions on Executive Session items.

1. U. T. Austin: Discussion regarding the lease or value of property related to the Brackenridge Tract, including Lions Municipal Golf Course, Austin, Travis County, Texas

No action was taken on this item.

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

Regent Tucker moved that the Board authorize the Vice Chancellor for External Relations, the Chancellor or Deputy Chancellor, and the Presidents of The University of Texas at Austin, The University of Texas of the Permian Basin, The University of Texas Rio Grande Valley, The University of Texas Southwestern Medical Center, The University of Texas at Tyler, and The University of Texas M. D. Anderson Cancer Center to conclude negotiations necessary to finalize, approve, and accept gifts and to finalize and execute agreements with potential naming features for the benefit of the named institutions consistent with the terms and conditions outlined and recommended in the Executive Session.

The motion was seconded by Regent Longoria and carried unanimously.

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

See Item 2a above for action 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. Health Science Center - San Antonio and U. T. Rio Grande Valley: Discussion and appropriate action regarding legal issues associated with request to transfer an endowment from U. T. Health Science Center - San Antonio to U. T. Rio Grande Valley

No action was taken on this item.

- 3c. 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.

- 3d. U. T. Rio Grande Valley: Discussion and appropriate action regarding legal issues related to Transition and Settlement Agreement with Doctors Hospital at Renaissance, LTD

Vice Chairman Hicks moved that the Board approve the terms of a proposed Transition and Settlement Agreement among Doctors Hospital at Renaissance, The University of Texas Rio Grande Valley, and The University of Texas Health Science Center at San Antonio as recommended to the Board in Executive Session.

The motion was seconded by Regent Aliseda and carried unanimously.

- 3e. U. T. Austin: Discussion regarding legal issues related to the utilization of the Brackenridge Tract, including Lions Municipal Golf Course, Austin, Travis County, Texas

No action was taken on this item.

- 3f. U. T. Health Science Center - Tyler: Discussion and appropriate action regarding legal issues related to the Northeast Texas Consortium of Colleges and Universities

No action was taken on this item.

- 4a. 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), U. T. System Administration officers (Deputy Chancellor, Executive Vice Chancellors, and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), members of the Board of Regents, and U. T. System and institutional employees

No action was taken on this item.

- 4b. U. T. Austin: Discussion and appropriate action regarding terms of employment agreement for Thomas J. Herman as Head Football Coach (Regents' *Rules and Regulations*, Rule 10501, Subsection 2.2.12, regarding Athletic Employment Agreements and Rule 20204, regarding highly compensated employees) and related Personal Service and License Agreement with 1-0 Culture LLC

Regent Weaver moved that the Board approve proposed contracts associated with the employment of the Head Football Coach at The University of Texas at Austin, as approved on December 3, 2016, and within the additional parameters discussed in Executive Session and recommended by the President and Athletic Director at U. T. Austin.

He further moved that President Fenves be authorized to execute an employment agreement for a term of five years through December 31, 2021, as well as an agreement by which U. T. Austin will exclusively sublicense and use the Head Coach's name, image, likeness, voice, signature, photograph, and other publicity rights for products and services for U. T. Austin educational and athletic programs, conditioned upon the approval of the agreements by the Chancellor or Deputy Chancellor, Executive Vice Chancellor for Academic Affairs, Associate Vice Chancellor and Athletics Counsel, and Vice Chancellor and General Counsel.

He further moved that the Board find that the proposed agreements are in the best interest of U. T. Austin and The University of Texas System.

The motion, regarding terms of employment agreement for Thomas J. Herman as Head Football Coach at U. T. Austin, was duly seconded and carried unanimously.

- 4c. U. T. Health Science Center - Houston: Discussion and appropriate action regarding a proposed increase in compensation for Cesar Nahas, M.D., Associate Professor in the Department of Cardiothoracic and Vascular Surgery of Radiation Oncology (Regents' *Rules and Regulations*, Rule 20204, regarding compensation for highly compensated employees)

Regent Longoria moved that the Board approve the proposed increase in compensation for Dr. Cesar Nahas, Associate Professor in the Department of

Cardiothoracic and Vascular Surgery of Radiation Oncology at The University of Texas Health Science Center at Houston, within the parameters outlined and recommended in Executive Session.

She further moved that the Board find that this proposed compensation change is in the best interest of U. T. Health Science Center - Houston and The University of Texas System as required by state law.

The motion was duly seconded and carried unanimously.

4d. U. T. Permian Basin: Discussion and appropriate action regarding the appointment of Dr. Sandra K. Woodley as President

Regent Beck moved that Dr. Sandra K. Woodley, Higher Education Senior Strategist and Senior Fellow at Kentucky State University, be selected President of The University of Texas of the Permian Basin, with the terms of the appointment and the compensation commensurate with the responsibilities of the office, to be negotiated in accordance with University of Texas System policies by Executive Vice Chancellor Leslie, approved by Chancellor McRaven, and submitted to the Board for approval by way of the usual budgetary procedures.

He further moved that the Minutes reflect that, by approval of this motion, the Board has made a finding, as required by state law, that this appointment is in the best interest of U. T. Permian Basin and The University of Texas System.

The motion was seconded by Regent Longoria and carried unanimously.

4e. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to assignment and duties of the Chancellor, including responsibilities associated with the admissions procedures set forth in Regents' Rules and Regulations, Rule 40303

No action was taken on this item.

REPORT FOR THE RECORD.--

U. T. Permian Basin: Report concerning appointment of the Presidential Search Advisory Committee

The membership of the Presidential Search Advisory Committee for The University of Texas of the Permian Basin is reported for the record. This Committee has been constituted pursuant to the Regents' *Rules and Regulations*, Rule 20201.

Presidential Search Advisory Committee
for U. T. Permian Basin

Executive Vice Chancellor for Academic Affairs Steven Leslie
Regent David J. Beck
Richard C. Benson, Ph.D., President, The University of Texas at Dallas
Giuseppe Colasurdo, M.D., President, The University of Texas Health Science Center at
Houston
Dorothy Jackson, Ph.D., Dean, U. T. Permian Basin
James Eldridge, Ph.D., Associate Professor, U. T. Permian Basin
Maria Avalos, Ph.D., Assistant Professor, U. T. Permian Basin
James Olson, Ph.D., Professor, U. T. Permian Basin
Ms. Maribea Merritt, Assistant Director and Alumni Relations, U. T. Permian Basin
Mr. Jaston Brink, Student, U. T. Permian Basin
Mr. Daniel Bright, President of the Falcon Alumni Network
Mr. Kirk Edwards
Ms. Lissa Noël Wagner

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on
July 12-13, 2017, in Austin.

ADJOURNMENT.--There being no further business, the meeting was adjourned at
1:10 p.m.

/s/ Carol A. Felkel
Secretary to the Board of Regents

May 26, 2017



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AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE

No items for Consent Agenda

FINANCE AND PLANNING COMMITTEE

2. Contract (funds going out) - U. T. System: McKinsey & Company, Inc. Washington D.C. to provide health care consulting services

Agency: McKinsey & Company, Inc. Washington D.C.

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract

Source of Funds: Appropriate funding, potentially including Available University Funds

Period: January 10, 2017 through December 31, 2021

Description: McKinsey & Company, Inc. Washington D.C. will provide health care consulting services related to health care opportunities and potential transactions for U. T. System Administration and the U. T. System institutions. The services include health care advising and consulting services relating to the opportunities and potential transactions; assistance in evaluation, valuation, and negotiation of health care opportunities, development of new lines of business, potential partnership opportunities, and other transactions; and assistance in the start-up phases of health care opportunities, business lines, partnership opportunities, and other transactions. This contract was competitively bid.

3. Contract (funds going out) - U. T. System: Merrill Lynch, Pierce, Fenner & Smith Incorporated to provide health care consulting services

Agency: Merrill Lynch, Pierce, Fenner & Smith Incorporated

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract

Source of Funds: Appropriate funding, potentially including Available University Funds

Period: February 1, 2017 through January 31, 2022

Description: Merrill Lynch, Pierce, Fenner & Smith Incorporated will provide health care consulting services related to health care opportunities and potential transactions for U. T. System Administration and the U. T. System institutions. The services include health care advising and consulting services relating to the opportunities and potential transactions; assistance in evaluation, valuation, and negotiation of health care opportunities, development of new lines of business, potential partnership opportunities, and other transactions; and assistance in the start-up phases of health care opportunities, business lines, partnership opportunities, and other transactions. This contract was competitively bid.

4. Contract (funds going out) - U. T. System: Ernst & Young, LLP to provide health care consulting services

Agency: Ernst & Young, LLP

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract

Source of Funds: Appropriate funding, potentially including Available University Funds

Period: February 1, 2017 through January 31, 2022

Description: Ernst & Young, LLP will provide health care consulting services related to health care opportunities and potential transactions for U. T. System Administration and the U. T. System institutions. The services include health care advising and consulting services relating to the opportunities and potential transactions; assistance in evaluation, valuation, and negotiation of health care opportunities, development of new lines of business, potential partnership opportunities, and other transactions; and assistance in the start-up phases of health care opportunities, business lines, partnership opportunities, and other transactions. This contract was competitively bid.

5. Contract (funds going out) - U. T. System: The Chartis Group to provide health care consulting services

Agency: The Chartis Group

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract

Source of Funds: Appropriate funding, potentially including Available University Funds

Period: February 1, 2017 through January 31, 2022

Description: The Chartis Group will provide health care consulting services related to health care opportunities and potential transactions for U. T. System Administration and the U. T. System institutions. The services include health care advising and consulting services relating to the opportunities and potential transactions; assistance in evaluation, valuation, and negotiation of health care opportunities, development of new lines of business, potential partnership opportunities, and other transactions; and assistance in the start-up phases of health care opportunities, business lines, partnership opportunities, and other transactions. This contract was competitively bid.

6. Contract (funds going out) - U. T. System: InGenesis, Inc. to manage the provision of contingent (temporary) workers to support clinical, administrative, and business functions at U. T. System institutions

Agency: InGenesis, Inc.

Funds: Estimated at \$350,000,000 (As is typical of U. T. System Supply Chain Alliance-procured contracts, this is a master agreement, signed by U. T. System, in which institutions subsequently may choose to participate. The institutions will decide individually how much to utilize the master agreement, which does not contain a “not to exceed” amount.)

Source of Funds: Institutional Funds

Period: March 1, 2017 through February 28, 2024, including possible renewals; the agreement is subject to earlier termination

Description: InGenesis, Inc. will manage the provision of contingent worker staffing services to U. T. System institutions. The U. T. System Supply Chain Alliance (the Alliance), working with subject matter experts from the affected institutions, competitively procured the services from InGenesis pursuant to a Request for Proposal issued in April 2016. The agreement with InGenesis contains a provision making it subject to Board of Regents' approval and limiting spending to \$1,000,000 unless and until Board approval is given.

The proposed agreement replaces a 2011 U. T. System master agreement that was awarded to Comforce Technical Services, Inc. (dba RightSourcing), following a 2010 competitive procurement by the Alliance. Under both the previous and new agreements, the primary role of the vendor is to arrange for the supply of temporary or part-time contract worker services by individuals employed by staffing agencies (not by U. T. System institutions).

Available contract worker services include the performance of administrative jobs (such as office and clerical work), clinical jobs (performed by medical technologists, physicians, registered nurses, etc.), and jobs in support of computer-based information systems (performed by programmers, web developers, business

system analysts, etc.). Spend by U. T. System institutions over a span of six years under the 2011 master agreement totaled approximately \$212,000,000. Spend is projected to increase under the replacement agreement, due to the institutions moving even more of their routine purchases to the new vendor, to take advantage of favorable purchase terms the Alliance has achieved by leveraging demand by multiple institutions.

7. Contract (funds going out) - U. T. System: The Burgundy Group, Inc. to provide break-fix and enhancement services

Agency: The Burgundy Group, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis

Source of Funds: Appropriate funding, potentially including Available University Funds

Period: April 3, 2017 through April 3, 2019, with the option to renew for three additional one-year terms

Description: The Burgundy Group, Inc. will provide professional services necessary to support break-fix and enhancement services in the following PeopleSoft application suites: Finance, Human Capital Management, Campus Solutions, and PeopleSoft Portal. This contract was competitively bid.

8. Contract (funds going out) - U. T. System: ERP Analysts, Inc. to provide break-fix and enhancement services

Agency: ERP Analysts, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis

Source of Funds: Appropriate funding, potentially including Available University Funds

Period: April 1, 2017 through April 1, 2019; with option to renew for three additional one-year terms

Description: ERP Analysts, Inc. will provide professional services necessary to support break-fix and enhancement services in the following PeopleSoft application suites: Finance, Human Capital Management, Campus Solutions, and PeopleSoft Portal. This contract was competitively bid.

9. Request for Budget Change - U. T. System: Approval to allocate \$1,000,000 of Permanent University Fund (PUF) Bond Proceeds for U. T. Permian Basin to complete the expansion of the UTPB STEM Academy charter school (RBC No. 8463) -- amendment to the 2016-2017 budget

U. T. Permian Basin is requesting \$1,000,000 of PUF Bond Proceeds to complete the expansion of the UTPB STEM Academy charter school on the campus of U. T. Permian Basin in Odessa, Texas. The Academy currently serves 560 students in Grades K-8 and is preparing to add Grade 9 for the 2018 academic year. The Academy will need additional portable classroom buildings, including site preparation and installation, to expand. Apart from the capital investment that U. T. System has made for the Academy, U. T. Permian Basin has no access to capital.

10. Real Estate Report - U. T. System: Summary Report of Separately Invested Assets Managed by U. T. System

**THE UNIVERSITY OF TEXAS SYSTEM
SEPARATELY INVESTED ASSETS
Managed by U. T. System
Summary Report at February 28, 2017**

FUND TYPE

	Current Purpose Restricted		Endowment and Similar Funds		Annuity and Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
Land and Buildings:								
Ending Value 11/30/2016	\$ 2,226,653	\$ 17,610,416	\$ 97,240,252	\$ 257,986,065	\$ 789,427	\$ 1,645,424	\$ 100,256,332	\$ 277,241,905
Increase or Decrease	(191,095)	(115,398)	(333,903)	387,313	(71,592)	(55,368)	(596,590)	216,547
Ending Value 02/28/2017	\$ 2,035,558	\$ 17,495,018	\$ 96,906,349	\$ 258,373,378	\$ 717,835	\$ 1,590,056	\$ 99,659,742	\$ 277,458,452
Other Real Estate:								
Ending Value 11/30/2016	\$ 5	\$ 5	\$ 6	\$ 6	\$ -	\$ -	\$ 11	\$ 11
Increase or Decrease	(1)	(1)	-	-	-	-	(1)	(1)
Ending Value 02/28/2017	\$ 4	\$ 4	\$ 6	\$ 6	\$ -	\$ -	\$ 10	\$ 10

Report prepared in accordance with Sec. 51.0032 of the *Texas Education Code*. Details of individual assets by account furnished on request.

Note: Surface estates are managed by the U. T. System Real Estate Office. Mineral estates are managed by U. T. System University Lands. The royalty interests received from the Estate of John A. Jackson for the John A. and Katherine G. Jackson Endowed Fund in Geosciences are managed by the U. T. Austin Geology Foundation, with the assistance of the Bureau of Economic Geology.

11. Request for Budget Change - U. T. Austin: Transfer \$5,000,000 from Housing and Food Service - Division Office Expenses - Auxiliary Funds, Operating Income to Housing and Food New Construction Reserve - Plant Funds, Allocated for Budget to fund New Construction Reserves (RBC No. 8348) -- amendment to the 2015-2016 budget

12. Request for Budget Change - U. T. San Antonio: Transfer \$5,000,000 from Campus Reserves account to Science and Engineering Building capital project account to provide the remaining funding for capital project, Science and Engineering Building (RBC No. 8232) -- amendment to the 2016-2017 budget

13. Request for Budget Change - U. T. San Antonio: Transfer \$2,896,384 from Parking Capital Reserves account to Tobin and Devine Parking Lots account to provide funding for parking lot projects (RBC No. 8417) -- amendment to the 2016-2017 budget

ACADEMIC AFFAIRS COMMITTEE

14. Report - U. T. System Academic Institutions: Fiscal Year 2016 Post-Tenure Review

In accordance with *Texas Education Code* Section 51.942 and Regents' *Rules and Regulations*, Rule 31102, the following report on the Fiscal Year 2016 post-tenure review for the U. T. System academic institutions is provided by the Executive Vice Chancellor for Academic Affairs.

During Fiscal Year 2016, 422 tenured faculty members at the eight academic institutions with tenured faculty were subject to post-tenure review. Of the faculty members reviewed, 407 or 96.4% were evaluated as Meets or Exceeds Expectations; 12 or 2.8% received Does Not Meet Expectations; and three or 0.7% received Unsatisfactory evaluations. Ten faculty members retired or resigned before their post-tenure reviews. Fiscal Year 2016 is the first fiscal year for which U. T. Rio Grande Valley submitted a post-tenure review report.

The following summary tables provide additional details of the post-tenure review results for Academic Year 2015-2016.

Summary of Post-Tenure Review Results

	Total Actually Reviewed	Total Exceeding Expectations	Total Meets Expectations	Total Does Not Meet Expectations	Total Unsatisfactory	Decided to Retire or Resign Before Review
UTA	55	33	21	1	0	2
UTAUS	161	82	73	5	1	2
UTD	57	15	40	2	0	0
UTEP	41	8	29	2	2	0
UTPB	7	0	7	0	0	0
UTRGV	36	23	12	1	0	1
UTSA	45	24	20	1	0	5
UTT	20	13	7	0	0	0
Total	422	198	209	12	3	10
		46.9%	49.5%	2.8%	0.7%	

Post-Tenure Review Results by Gender

	Actually Reviewed		Exceeding Expectations		Meets Expectations		Does Not Meet Expectations		Unsatisfactory		Decided to Retire or Resign Before Review	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
UTA	40	15	22	11	17	4	1	0	0	0	2	0
UTAUS	103	58	54	28	46	27	3	2	0	1	2	0
UTD	48	9	10	5	38	2	0	2	0	0	0	0
UTEP	24	17	5	3	16	13	2	0	1	1	0	0
UTPB	6	1	0	0	6	1	0	0	0	0	0	0
UTRGV	25	11	15	8	9	3	1	0	0	0	0	1
UTSA	30	15	17	7	12	8	1	0	0	0	1	4
UTT	15	5	10	3	5	2	0	0	0	0	0	0
Total	291	131	133	65	149	60	8	4	1	2	5	5

Post-Tenure Review Results by Ethnicity

	Total Actually Reviewed					Exceeds Expectations				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
UTA	36	0	2	17	0	22	0	1	10	0
UTAUS	130	10	8	9	4	69	3	4	5	1
UTD	39	2	1	15	0	12	0	0	3	0
UTEP	25	0	12	4	0	3	0	4	1	0
UTPB	7	0	0	0	0	0	0	0	0	0
UTRGV	15	0	15	6	0	11	0	9	3	0
UTSA	27	2	8	7	1	16	1	4	3	0
UTT	17	2	0	1	0	13	0	0	0	0
Total	296	16	46	59	5	146	4	22	25	1

	Meets Expectations					Does Not Meet Expectations				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
UTA	13	0	1	7	0	1	0	0	0	0
UTAUS	56	7	3	4	3	4	0	1	0	0
UTD	27	1	1	11	0	0	1	0	1	0
UTEP	19	0	7	3	0	1	0	1	0	0
UTPB	7	0	0	0	0	0	0	0	0	0
UTRGV	4	0	6	2	0	0	0	0	1	0
UTSA	10	1	4	4	1	1	0	0	0	0
UTT	4	2	0	1	0	0	0	0	0	0
Total	140	11	22	32	4	7	1	2	2	0

	Unsatisfactory					Decided to Retire/Resign Before Review				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
UTA	0	0	0	0	0	2	0	0	0	0
UTAUS	1	0	0	0	0	2	0	0	0	0
UTD	0	0	0	0	0	0	0	0	0	0
UTEP	2	0	0	0	0	0	0	0	0	0
UTPB	0	0	0	0	0	0	0	0	0	0
UTRGV	0	0	0	0	0	1	0	0	0	0
UTSA	0	0	0	0	0	4	0	1	0	0
UTT	0	0	0	0	0	0	0	0	0	0
Total	3	0	0	0	0	9	0	1	0	0

PRESENT STATUS OF EACH PERFORMANCE THAT DOES NOT MEET EXPECTATIONS:

U. T. Arlington: Improvement plan presented, reviewed, and approved, but faculty member passed away. Improvement plan received and reviewed by Office of Provost.

U. T. Austin: Department Chairs and Deans will monitor performance each year and provide feedback through the Annual Review process.

U. T. Dallas: The faculty members are working with their respective Deans to develop performance improvement plans.

U. T. El Paso: Faculty members whose performance has been rated as "marginal" have met with their Department Chairs and Deans to discuss the review of their performance. Remediation plans that include performance goals and benchmarks in teaching, research, and service have been developed and are being implemented.

U. T. Rio Grande Valley: Significant concerns were raised regarding the faculty member's student evaluation scores and performance in the area of research/scholarship, especially as it relates to external funding and publication. Based on these results, a meeting with the Department Chair and Dean was held to establish an action plan with concrete initiatives to address the issues.

U. T. San Antonio: The faculty member has been placed on a faculty development plan for 2016-2017 and 2017-2018. The Department Chair will periodically meet with faculty member to ensure progress is being made. At the end of the development plan, the faculty member will submit a report and will meet with the Department Chair and Dean to determine if the faculty member met the criteria set out in the plan.

PRESENT STATUS OF EACH UNSATISFACTORY PERFORMANCE:

U. T. Austin: Department Chair and Dean have established faculty development support plans for the faculty member placed in the unsatisfactory review category. These will be monitored on an annual basis.

U. T. El Paso: Faculty members whose performance has been rated as "unsatisfactory" have met with their Department Chairs and Deans to discuss the results of their review. Remediation plans, including specific performance goals and benchmarks, have been developed and are being implemented.

15. Employment Agreement - U. T. Arlington: Approval of terms of Employment Agreement for Athletic Director P. James Baker

The following Athletic Director Employment Agreement has been approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents. If the Agreement is approved, total compensation for the contract period for P. James Baker will be in excess of \$1 million. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association (NCAA), any intercollegiate athletic conference of which The University of Texas at Arlington is a member, the Regents' *Rules and Regulations*, and the policies of U. T. Arlington (Regents' *Rules and Regulations*, Rule 10501, Section 2.2.12, Athletic Employment Agreements; and Rule 20204, Section 3, Board Approval). Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay and/or dismissal.

Item: Athletic Director Employment Agreement for P. James Baker

Proposed: **Guaranteed compensation:**

Annual Base Salary:

02/01/2017 - 08/31/2017: \$300,000 annually (pro-rated)

FY 2017-18: \$300,000 annually

FY 2018-19: \$300,000 annually

FY 2019-20: \$300,000 annually

FY 2020-21: \$300,000 annually

FY 2021-22: \$300,000 annually*

*Annual Base Salary will be reviewed annually and may be adjusted.

Nonguaranteed compensation:

Performance Incentives for Varsity Sports Teams (maximum incentive compensation of \$25,000 annually):

(a) \$3,000 (with a limit of \$12,000 in any contract year) for each varsity sports team that wins the Southwest Conference regular season championship or conference tournament;

(b) \$3,000 (with a limit of \$12,000 in any contract year) for each varsity sports team or individuals that participate in post-season NCAA competition during any contract year; and

(c) \$10,000 in any contract year for each varsity sports team that wins an NCAA championship.

Performance Incentives for Academic Grade Point (maximum incentive compensation of \$25,000 annually):

- (a) \$12,500 in any contract year when an overall cumulative 2.9 GPA by all varsity student athletes is achieved or the aggregate APR for all varsity teams exceeds the NCAA minimum; and
- (b) \$2,500 in any contract year (with a limit of \$12,500) for each varsity team with a 3.0 or above grade point average for the spring and fall semesters.

Source of funds: Intercollegiate Athletics

Description: Agreement for employment of Athletic Director P. James Baker

Period: February 1, 2017 through August 31, 2022

16. Lease - U. T. Arlington: Authorization to lease approximately 25,381 square feet of space located at 1401 Jones Street, Fort Worth, Tarrant County, Texas, from Ron Investments, Ltd., for academic and office use

Description: Lease of approximately 25,381 square feet of space located at 1401 Jones Street, Fort Worth, Tarrant County, Texas, for academic and office use. The space is currently being used for graduate business programs and may be expanded to include certificate programs. U. T. Arlington was under a sublease agreement for this same space from July 1, 2006 through March 31, 2017, and is now leasing directly from the Lessor.

Lessor: Ron Investments, Ltd., a Texas limited partnership

Term: 38 months commencing on April 1, 2017, and continuing through May 31, 2020. U. T. Arlington has two one-year options to renew; the first at its sole discretion and the second by mutual agreement of the parties.

Lease Cost: Annual base rent is \$454,828 (\$17.92 per square foot) and will total \$1,440,287 over the initial term of the lease. Annual expenses for electricity are approximately \$48,000 and excess custodial services total approximately \$6,200 per year; additional operating expenses that exceed a 2016 base year will be payable by the institution for the initial term and renewal options. Base rent for each one-year renewal option will escalate by 5% to \$477,569 for the first renewal term and \$500,310 for the second renewal term.

Source of Funds: Designated Tuition

17. Contract (funds coming in) - U. T. Austin: Master Physician Services Agreement with Tri-County Clinical, Seton/U. T. Austin Dell Medical School University Physicians Group, Pediatric Surgical Subspecialists (dba Pediatric Specialty Services), Seton Family of Doctors, and ‘Specially for Children Children’s Hospital Subspecialists of Central Texas (collectively, “Seton 162b Entities”) for the provision of clinical and other related administrative services by physicians employed by U. T. Austin’s Dell Medical School

- Agency: Tri-County Clinical, Seton/U. T. Austin Dell Medical School University Physicians Group, Pediatric Surgical Subspecialists (dba Pediatric Specialty Services), Seton Family of Doctors, and ‘Specially for Children Children’s Hospital Subspecialists of Central Texas (collectively, “Seton 162b Entities”)
- Funds: U. T. Austin will be paid approximately \$3,429,945 per year for the clinical services provided
- Period: Initial one-year term beginning March 1, 2017, with renewal periods of 12 months each, unless terminated earlier
- Description: Certain U. T. Austin Dell Medical School physician employees will provide clinical inpatient and outpatient services and related clinical administrative services for Seton 162b Entities at facilities owned and operated by, or affiliated with, Seton Family of Hospitals.

18. Contract (funds coming in) - U. T. Austin: Reimbursement Agreement with Tri-County Clinical, Seton/U. T. Austin Dell Medical School University Physicians Group, Pediatric Surgical Subspecialists (dba Pediatric Specialty Services), Seton Family of Doctors, and 'Specially for Children Children's Hospital Subspecialists of Central Texas (collectively, "Seton 162b Entities") related to the reimbursement to U. T. Austin for clinical and other related administrative services provided by physicians employed by U. T. Austin's Dell Medical School

Agency: Tri-County Clinical, Seton/U. T. Austin Dell Medical School University Physicians Group, Pediatric Surgical Subspecialists (dba Pediatric Specialty Services), Seton Family of Doctors, and 'Specially for Children Children's Hospital Subspecialists of Central Texas (collectively, "Seton 162b Entities")

Funds: \$2,615,647

Period: Payment to be made to U. T. Austin within 45 days of execution

Description: An agreement to compensate U. T. Austin for clinical and other related administrative services that were provided by certain U. T. Austin Dell Medical School physician employees beginning in or around July 2015 through February 2017

19. Contract (funds coming in and going out) - U. T. Austin: Flik International Corp., a wholly-owned subsidiary of Compass Group USA, Inc., will manage a second food service location at the Dell Medical School for faculty, staff, students, and invitees at the Health Transformation Building (HTB)

Agency: Flik International Corp. (Flik)

Source of Funds: Available University Funds and Local Funds

Funds: Funds going out:

- Operating Expenses of \$12,018,294;
- Projected Management Fees of \$666,955;
- Pre-Opening Expenses of \$92,582; and
- An advance to Flik of \$2,478

Funds coming in:

- Projected Sales Revenue of \$12,815,313 for a period of nine years

Period: Initial term from March 1, 2017 through June 30, 2021; five possible one-year renewal periods

Description: The First Amendment will add a second café at the Dell Medical School. Since 2015, Flik has operated food service at the first café. Flik became the food service provider as a result of an award from a Request for Proposal (RFP). The First Amendment provides that Flik will manage and provide food services at the second café at the Dell Medical School's Health Transformation Building. This Amendment was procured by means of an exclusive acquisition justification based upon best value.

20. Request for Budget Change - U. T. Austin: New Hires with Tenure -- amendment to the 2016-2017 budget

The following Requests for Budget Changes (RBC) have been administratively approved by 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 \$	
College of Liberal Arts					
Department of Psychology					
Professor					
Linda J. Noble (T)	1/16-8/31	75	09	215,000	8399
Dell Medical School					
Department of Medicine					
Professor					
Sue G. Eckhardt (T)	1/17-8/31	100	12	565,000	8375
Department of Neurology					
Professor					
David Paydarfar (T)	9/1-8/31	100	12	400,000	8374
Professor					
William Schwartz (T)	2/1-8/31	100	12	262,800	8403
Department of Women's Health					
Professor					
Rebecca G. Rogers (T)	2/6-8/31	100	12	420,000	8373

21. Request for Budget Change - U. T. Austin: Approval of Emeritus Titles

Wallace T. Fowler, from Professor to Paul D. and Betty Robertson Meek Centennial Professor Emeritus in Engineering and Distinguished Teaching Professor Emeritus, Department of Aerospace Engineering and Engineering Mechanics in the Cockrell School of Engineering (RBC No. 8362) -- amendment to the 2016-2017 budget

William R. Kinney, from Professor to Charles and Elizabeth Prothro Regents Chair Emeritus in Business, Department of Accounting in the McCombs School of Business (RBC No. 8364) -- amendment to the 2016-2017 budget

Karrol Ann Kitt, from Associate Professor to Associate Professor Emerita, Department of Human Development and Family Sciences in the College of Natural Sciences (RBC No. 8416) -- amendment to the 2016-2017 budget

Kathleen S. Mackie, from Distinguished Senior Lecturer to Distinguished Senior Lecturer Emerita, Department of Marketing Administration in the McCombs School of Business (RBC No. 8367) -- amendment to the 2016-2017 budget

John A. Pearce, from Professor to Temple Foundation Endowed Professor Emeritus No. 3, Department of Electrical and Computer Engineering in the Cockrell School of Engineering (RBC No. 8396) -- amendment to the 2016-2017 budget

Dewayne E. Perry, from Professor to Motorola Regents Chair Emeritus in Electrical and Computer Engineering No. 1, Department of Electrical and Computer Engineering in the Cockrell School of Engineering (RBC No. 8397) -- amendment to the 2016-2017 budget

Nancy L. Roser, from Professor to Priscilla Pond Flawn Regents Professor Emerita in Early Childhood Education and Distinguished Teaching Professor Emerita, Department of Curriculum and Instruction in the College of Education (RBC No. 8395) -- amendment to the 2016-2017 budget

John J. Sampson, from Professor to William Benjamin Wynne Professor Emeritus in Law, School of Law (RBC No. 8410) -- amendment to the 2016-2017 budget

Zipporah B. Wiseman, from Professor to Thos. H. Law Centennial Professor Emerita in Law, School of Law (RBC No. 8414) -- amendment to the 2016-2017 budget

22. Employment Agreement - U. T. Austin: Approval of terms of Employment Agreement for new Assistant Football Coach Craig W. Naivar

The following Assistant Football Coach Employment Agreement has been approved by the Executive Vice Chancellor for Academic Affairs and is recommended for formal approval by the U. T. System Board of Regents. Total compensation for the contract period for Craig W. Naivar will be in excess of \$1 million. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, the Big 12 Conference, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies may be grounds for suspension without pay and/or dismissal.

Item: Assistant Football Coach Employment Agreement for Craig W. Naivar

Proposed: **Guaranteed compensation:**

Annual Salary: \$490,000

Sports camps and clinics: \$10,000

Automobile: One dealer car or \$7,500 annually in lieu of one dealer car

Optional Social club memberships: The University of Texas Golf Club

Nonguaranteed compensation:

Incentives:

Team performance incentives: maximum of \$95,000 annually

Source of funds: Intercollegiate Athletics

Description: Agreement for employment of Craig W. Naivar as Assistant Football Coach

Period: December 19, 2016 through March 31, 2019

23. Employment Agreement - U. T. Austin: Approval of terms of Employment Agreement for new Assistant Strength and Conditioning Football Coach Yancy J. McKnight

The following Assistant Strength and Conditioning Football Coach Employment Agreement has been approved by the Executive Vice Chancellor for Academic Affairs and is recommended for formal approval by the U. T. System Board of Regents. Total compensation for the contract period for Yancy J. McKnight will be in excess of \$1 million. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, the Big 12 Conference, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies may be grounds for suspension without pay and/or dismissal.

Item: Assistant Strength and Conditioning Football Coach Employment Agreement for Yancy J. McKnight

Proposed: **Guaranteed compensation:**

Annual Salary: \$425,000

Sports camps and clinics: Included in Annual Salary

Automobile: One dealer car

Optional Social club memberships: The University of Texas Golf Club

Nonguaranteed compensation:

Incentives:

Team performance incentives: maximum of \$95,000 annually

Source of funds: Intercollegiate Athletics

Description: Agreement for employment of Yancy J. McKnight as Assistant Strength and Conditioning Football Coach

Period: December 19, 2016 through March 31, 2019

24. Employment Agreement - U. T. Austin: Approval of terms of Employment Agreement for new Assistant Football Coach Andrew K. Mehringer

The following Assistant Football Coach Employment Agreement has been approved by the Executive Vice Chancellor for Academic Affairs and is recommended for formal approval by the U. T. System Board of Regents. Total compensation for the contract period for Andrew K. Mehringer will be in excess of \$1 million. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, the Big 12 Conference, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies may be grounds for suspension without pay and/or dismissal.

Item: Assistant Football Coach Employment Agreement for Andrew K. Mehringer

Proposed: **Guaranteed compensation:**

Annual Salary: \$340,000

Sports camps and clinics: \$10,000

Automobile: One dealer car

Optional Social club memberships: The University of Texas Golf Club

Nonguaranteed compensation:

Incentives:

Team performance incentives: maximum of \$95,000 annually

Source of funds: Intercollegiate Athletics

Description: Agreement for employment of Andrew K. Mehringer as Assistant Football Coach

Period: December 12, 2016 through March 31, 2019

25. Employment Agreement - U. T. Austin: Approval of terms of Employment Agreement for new Assistant Football Coach Oscar R. Giles

The following Assistant Football Coach Employment Agreement has been approved by the Executive Vice Chancellor for Academic Affairs and is recommended for formal approval by the U. T. System Board of Regents. Total compensation for the contract period for Oscar R. Giles will be in excess of \$1 million. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, the Big 12 Conference, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies may be grounds for suspension without pay and/or dismissal.

Item: Assistant Football Coach Employment Agreement for Oscar R. Giles

Proposed: **Guaranteed compensation:**

Annual Salary: \$390,000

Sports camps and clinics: \$10,000

Automobile: One dealer car

Optional Social club memberships: The University of Texas Golf Club

Nonguaranteed compensation:

Incentives:

Team performance incentives: maximum of \$95,000 annually

Source of funds: Intercollegiate Athletics

Description: Agreement for employment of Oscar R. Giles as Assistant Football Coach

Period: November 28, 2016 through March 31, 2019

26. Employment Agreement - U. T. Austin: Approval of terms of Employment Agreement for new Offensive Coordinator - Assistant Football Coach Timothy S. Beck

The following Offensive Coordinator - Assistant Football Coach Employment Agreement has been approved by the Executive Vice Chancellor for Academic Affairs and is recommended for formal approval by the U. T. System Board of Regents. Total compensation for the contract period for Timothy S. Beck will be in excess of \$1 million. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, the Big 12 Conference, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies may be grounds for suspension without pay and/or dismissal.

Item: Offensive Coordinator - Assistant Football Coach Employment Agreement for Timothy S. Beck

Proposed: **Guaranteed compensation:**

Annual Salary: \$790,000

Sports camps and clinics: \$10,000

Automobile: One dealer car

Optional Social club memberships: The University of Texas Golf Club

Nonguaranteed compensation:

Incentives:

Team performance incentives: maximum of \$95,000 annually

Source of funds: Intercollegiate athletics

Description: Agreement for employment of Timothy S. Beck as Offensive Coordinator - Assistant Football Coach

Period: January 3, 2017 through March 31, 2020

27. Employment Agreement - U. T. Austin: Approval of terms of Employment Agreement for new Assistant Football Coach Derek C. Warehime

The following Assistant Football Coach Employment Agreement has been approved by the Executive Vice Chancellor for Academic Affairs and is recommended for formal approval by the U. T. System Board of Regents. Total compensation for the contract period for Derek C. Warehime will be in excess of \$1 million. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, the Big 12 Conference, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies may be grounds for suspension without pay and/or dismissal.

Item: Assistant Football Coach Employment Agreement for Derek C. Warehime

Proposed: **Guaranteed compensation:**

Annual Salary: \$390,000

Sports camps and clinics: \$10,000

Automobile: One dealer car

Optional Social club memberships: The University of Texas Golf Club

Nonguaranteed compensation:

Incentives:

Team performance incentives: maximum of \$95,000 annually

Source of funds: Intercollegiate Athletics

Description: Agreement for employment of Derek C. Warehime as Assistant Football Coach

Period: November 28, 2016 through March 31, 2019

28. Employment Agreement - U. T. Austin: Approval of terms of Employment Agreement for new Defensive Coordinator - Assistant Football Coach Todd M. Orlando

The following Defensive Coordinator - Assistant Football Coach Employment Agreement has been approved by the Executive Vice Chancellor for Academic Affairs and is recommended for formal approval by the U. T. System Board of Regents. Total compensation for the contract period for Todd M. Orlando will be in excess of \$1 million. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, the Big 12 Conference, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies may be grounds for suspension without pay and/or dismissal.

Item: Defensive Coordinator - Assistant Football Coach Employment Agreement for Todd M. Orlando

Proposed: **Guaranteed compensation:**

Annual Salary: \$1,090,000

Sports camps and clinics: \$10,000

Automobile: One dealer car

Optional Social club memberships: The University of Texas Golf Club

Nonguaranteed compensation:

Incentives:

Team performance incentives: maximum of \$95,000 annually

Source of funds: Intercollegiate Athletics

Description: Agreement for employment of Todd M. Orlando as Defensive Coordinator - Assistant Football Coach

Period: December 19, 2016 through March 31, 2020

29. Employment Agreement - U. T. Austin: Approval of terms of Employment Agreement for new Associate Head Football Coach Stan Drayton

The following Associate Head Football Coach Employment Agreement has been approved by the Executive Vice Chancellor for Academic Affairs and is recommended for formal approval by the U. T. System Board of Regents. Total compensation for the contract period for Stan Drayton will be in excess of \$1 million. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, the Big 12 Conference, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies may be grounds for suspension without pay and/or dismissal.

Item: Associate Head Football Coach Employment Agreement for Stan Drayton

Proposed: **Guaranteed compensation:**

Annual Salary:

\$455,000 through April 1, 2018

\$515,000 through March 31, 2019

Sports camps and clinics: \$10,000

Automobile: One dealer car

Optional Social club memberships: The University of Texas Golf Club

Nonguaranteed compensation:

Incentives:

Team performance incentives: maximum of \$95,000 annually

Source of funds: Intercollegiate Athletics

Description: Agreement for employment of Stan Drayton as Associate Head Football Coach

Period: January 3, 2017 through March 31, 2019

30. Employment Agreement - U. T. Austin: Approval of amendment to terms of Employment Agreement for Head Men's Golf Coach John Fields

The following Amendment to the Head Men's Golf Coach Employment Agreement has been approved by the Executive Vice Chancellor for Academic Affairs and is recommended for formal approval by the U. T. System Board of Regents. If the Amendment is approved, total compensation for the contract period for John Fields may be in excess of \$1 million. Such employment under the Agreement is subject to 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. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay and/or dismissal.

Item: Amendment to Head Men's Golf Coach Employment Agreement for John Fields

From: **Guaranteed compensation:**
Annual Salary: \$208,000
Automobile: \$7,500
Product Endorsement: \$2,000

Nonguaranteed compensation:
Sports Camps: as determined by Athletics Director
Team Performance Incentives: \$5,000 for any year the team is the Big 12 Conference Champion
Team Wins the NCAA National Championship or ties for 1st: \$20,000
Team Academic Performance Incentives: \$10,000
Coach of the Year Honors for Big 12: \$2,000
Coach of the Year Nationally: \$5,000

To: **Guaranteed compensation:**
Annual Salary: \$270,000 (includes Academic Performance Incentives)
Automobile: \$7,500
Product Endorsement: \$2,000

Nonguaranteed compensation:
Sports Camps: as determined by Athletics Director
Team Performance Incentives:
\$15,000 for any year the team is the Big 12 Conference Champion
Team Wins the NCAA National Championship or ties for 1st: \$40,000

Coach of the Year Honors Big 12: \$2,000
National Coach of the Year Honors: \$10,000

Guaranteed
Compensation
Percent Change: 30%

Nonguaranteed
Compensation
Change: 45%

Source of funds: Intercollegiate Athletics

Description: Amendment No. 1 to the Agreement for employment of
John Fields, Head Men's Golf Coach

Period: September 1, 2016 through August 31, 2021

31. Purchase - U. T. Austin: Authorization to purchase approximately 0.1281 acre of land and improvements at 613 West 24 ½ Street, Austin, Travis County, Texas, from Seton Venture, Ltd., and Mike McHone dba Mike McHone Real Estate for future programmed campus expansion

Description: Purchase of approximately 0.1281 acre of improved property located at the East 93' of Lot 15, East 93' and North 11.5' of Lot 16, Outlot 48 of Division D, Frank Rainey Subdivision with a street address of 613 West 24 ½ Street, Austin, Travis County, Texas. The improvements consist of two multifamily buildings totaling approximately 4,744 square feet of space. The property will be used for future programmed campus expansion.

Seller: Seton Venture, Ltd., a Texas limited partnership, and Mike McHone dba Mike McHone Real Estate

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

Source of Funds: Investment Income

32. Other Matters - U. T. Austin: Approval of formation of a Mexican civil association [University of Texas at Austin – Mexico Institute A.C.] for receipt of research funding from the Mexican government for the coordination and management of such research, and for other educational activities

U. T. Austin requests approval for the formation of a Mexican civil association, University of Texas at Austin – Mexico Institute A.C. (Institute), to pursue interdisciplinary collaboration with Mexican educational and scientific organizations that have areas of common interest and similar aims for academic, scientific, cultural, and institutional development by fostering and facilitating opportunities to enhance the mutual goals in education and research. The Institute will promote programs of The University of Texas at Austin, including scientific and technological development and research programs, both within and outside Mexico, including supporting and facilitating the advancement of collaborative cross-disciplinary academic and scientific research partnerships in science, technology, engineering, and mathematics (STEM), and also scholarly and cultural studies, between U. T. Austin and Mexico academic institutions, and public and private sector stakeholders by providing access to Mexican funding opportunities only available to Mexican entities. The initiative will encourage and promote the mobility of students, faculty, and researchers; identify and carry on joint scientific research projects; and share best practices in higher education, technology, and innovation.

The Institute will be able to register as a Mexican nonprofit educational institution with the Consejo Nacional de Ciencia y Tecnología (CONACYT) Registro Nacional de Instituciones y Empresas Científicas y Tecnológicas (RENIECYT). CONACYT/RENIECYT provides support and funding to Mexican academic and scientific institutions for activities related to the development of scientific and technological research, academic scholarships, innovation and commercialization development of technology, as well as incentives and awards to faculty and researchers to pursue postdoctoral studies and fellowships among other programs.

33. Other Matters - U. T. Austin: Proposed logo for physician practice activities branding and marketing logo

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Deputy Chancellor, the Vice Chancellor for External Relations, the Vice Chancellor and General Counsel, and President Fenves that the U. T. System Board of Regents approve a new logo and brand mark for the physician practice activities at the Dell Medical School in accordance with Regents' *Rules and Regulations*, Rule 40801. The full mark is shown below.

UT Health Austin is the proposed name of the new clinical group physician practice composed of faculty and clinicians associated with the Dell Medical School at The University of Texas at Austin. The U. T. Austin Dell Medical School is the professional, intellectual, and philosophical foundation of the model of clinical care delivered through UT Health Austin. Dell Medical School's commitment to a high-quality model of value-based care is directly reflected in the standards, structure, and operations of all UT Health Austin medical practices. UT Health Austin is a multidisciplinary medical group practice focused on delivering a care-team-based, personalized health care experience to people from every part of the community in a continually learning, advanced care environment. The initial, primary practice location for UT Health Austin will be the Health Transformation Building located on the U. T. Austin campus, though additional branded facilities, as well as clinician-specific affiliation arrangements, may become part of the UT Health Austin clinician network over time. A primary differentiator of the UT Health Austin care model is its close connection to the Dell Medical School at U. T. Austin. Dell Medical School's community-minded, health-centered mission, along with its medical education focus, training, and research activities, will inform the ways in which care is organized and delivered, setting a standard based on new knowledge, value-based approaches, and a commitment to continuous learning and improvement.



The University of Texas at Austin
UT Health Austin

34. Contract (funds going out) - U. T. Dallas: AHI Small Business Facility Services, Inc. to provide custodial services for south campus facilities

Agency: AHI Small Business Facility Services, Inc.

Funds: Approximately \$1,001,000 over five years

Source of Funds: Designated Tuition – 99%
Auxiliary – 1% (Callier Child Food Service)

Period: Three years commencing January 2, 2017; with two one-year options to extend for maximum contract period terminating December 31, 2021

Description: Custodial Services for all south campus facilities of U. T. Dallas. Services were competitively bid.

35. Request for Budget Change - U. T. Dallas: Approval of Emeritus Title

Bruce Gnade, from Professor to Professor Emeritus, Materials Science and Engineering in the Erik Jonsson School of Engineering and Computer Science (RBC No. 8437) -- amendment to the 2016-2017 budget

Secretary's Note: The agenda materials inadvertently listed the department and school as Electrical Engineering and Chemistry in the School of Natural Sciences and Mathematics.

36. Admissions Criteria - U. T. Dallas: Changes to Admission Criteria for Graduate Programs

The University of Texas at Dallas proposes revisions to the admission criteria for two graduate programs by including additional admission requirements.

The new graduate admission requirements will be effective in Fall 2018 and future term admission periods. The changes have been reviewed and administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents.

Summary of Changes to Admission Requirements for Graduate Programs

1. Detailed resumes outlining education and employment history will be required for the Master of Science in Mechanical Engineering.
2. Letters of recommendation must be submitted on official letterhead from higher education institutions and/or private sector organizations as part of the requirements for the Doctor of Philosophy in Computer Engineering.
3. The Doctor of Philosophy in Computer Engineering program will require a master's degree or equivalent granted by an institution of higher education in the United States or by an acceptable foreign university.

37. Admissions Criteria - U. T. Dallas: Changes to Admission Criteria to the Undergraduate Program

The University of Texas at Dallas proposes revisions to the admission criteria for First-Time Freshmen and Transfer Students. The current policy is to admit applicants who are most able to benefit from and contribute to the University's academic and research mission. The new admission criteria will be effective in Fall 2018 and future term admission periods. The changes have been reviewed and administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents.

Summary of Changes to Admission Criteria for First-Time in College Students

Currently, assured admission is granted to first-time freshmen who have successfully completed the full Texas recommended college-track high school curriculum and achieved a composite ACT score of 26 or greater, or a combined math and critical reading SAT score of 1270 or higher (or 1200 or higher for SAT exams administered prior to March 2016). Under the proposed changes, other than the state-mandated Top Ten Percent Rule, all admits will be reviewed holistically.

Summary of Changes to Admission Criteria for Transfer Students

1. U. T. Dallas requests to raise the minimum cumulative transferable grade point average (GPA) from 2.7 to 3.0 for eligible transfer applicants for assured admission.
2. U. T. Dallas also requests that the automatic admission GPA for the Comet Connection be raised from 2.5 to 3.0. The Comet Connection is a program for Texas community college students who intend to complete a bachelor's degree at U. T. Dallas.
3. All other transfer admits will be reviewed holistically as currently practiced.

38. Contract (funds coming in and going out) - U. T. El Paso: Collection Resources, Incorporated to provide collection services

Agency: Collection Resources, Incorporated

Funds: An estimated cost of \$900,000 over the entire term, including all renewal terms. Upon receipt of collections recuperated, University will submit to Collection Resources the percentage collection fee based on gross amount collected of unpaid account.

Source of Funds: Designated Funds

Period: March 1, 2017 through February 29, 2020; with option to renew for two additional one-year periods

Description: Collection Resources, Incorporated will provide collection services for U. T. El Paso. Services were competitively bid.

39. Contract (funds coming in and going out) - U. T. El Paso: Continental Service Group, Inc., dba ConServe, to provide collection services

Agency: Continental Service Group, Inc., dba ConServe

Funds: An estimated cost of \$900,000 over the entire term, including all renewal terms. Upon receipt of collections recuperated, University will submit to ConServe the percentage collection fee based on gross amount collected of unpaid account.

Source of Funds: Designated Funds

Period: March 1, 2017 through February 29, 2020; with option to renew for two additional one-year periods

Description: ConServe will provide collection services for U. T. El Paso. These services were competitively bid.

40. Contract (funds coming in and going out) - U. T. El Paso: HS Financial Group, LLC to provide collection services

Agency: HS Financial Group, LLC

Funds: An estimated cost of \$900,000 over the entire term, including all renewal terms. Upon receipt of collections recuperated, University will submit to HS Financial Group the percentage collection fee based on gross amount collected of unpaid account.

Source of Funds: Designated Funds

Period: March 1, 2017 through February 29, 2020; with option to renew for two additional one-year periods

Description: HS Financial Group, LLC to provide collection services for U. T. El Paso. Services were competitively bid.

41. Contract (funds coming in and going out) - U. T. El Paso: Immediate Credit Recovery Inc. to provide collection services

Agency: Immediate Credit Recovery Inc.

Funds: An estimated cost of \$900,000 over the entire term, including all renewal terms. Upon receipt of collections recuperated, University will submit to Immediate Credit Recovery the percentage collection fee based on gross amount collected of unpaid account.

Source of Funds: Designated Funds

Period: March 1, 2017 through February 29, 2020; with option to renew for two additional one-year periods

Description: Immediate Credit Recovery Inc. to provide collection services for U. T. El Paso. Services were competitively bid.

42. Contract (funds coming in and going out) - U. T. El Paso: SWC Group, LP to provide collection services

Agency: SWC Group, LP

Funds: An estimated cost of \$900,000 over the entire term, including all renewal terms. Upon receipt of collections recuperated, University will submit to SWC Group the percentage collection fee based on gross amount collected of unpaid account.

Source of Funds: Designated Funds

Period: March 1, 2017 through February 29, 2020; with option to renew for two additional one-year periods

Description: SWC Group, LP will provide collection services for U. T. El Paso. Services were competitively bid.

43. Request for Budget Change - U. T. El Paso: New Hire with Tenure -- amendment to the 2016-2017 budget

The following Request for Budget Change (RBC) has been administratively approved by 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 \$	
School of Pharmacy					
Pharmacy					
Associate Dean and Professor					
Mary Lynn Chavez (T)	5/22-8/31	50	12	168,000	8440
		50	09	126,000	

44. Admissions Criteria - U. T. Permian Basin: Changes to Admission Criteria to the Undergraduate Engineering programs

U. T. Permian Basin requests approval for changes to the criteria for admission to the Undergraduate Engineering programs as described below.

The changes have been reviewed and administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents contingent upon approval of Chemical and Electrical Engineering programs on the Academic Affairs Committee Agenda (see Academic Affairs Committee Items 3 and 4).

Summary of Changes to Admission Criteria

Current Unconditional Admission Criteria	Proposed Unconditional Admission Criteria
None in place	Cumulative college grade point average of 2.5 or better, and complete program specific coursework
Current Conditional (Probationary) Admission Criteria	Proposed Conditional (Probationary) Admission Criteria
Complete the first 12 semester hours with grades of "C" or better to be removed from provisional status	Cumulative college grade point average of 2.5 or better, and complete program specific coursework

45. Lease - U. T. Permian Basin: Authorization to lease approximately 6,559 rentable square feet of space located at 1400 N. FM 1788, Midland, Midland County, Texas, to the Midland Development Corporation for a business incubator and/or makerspace

- Description: Lease of approximately 6,559 rentable square feet composed of dedicated space and shared space that will be used approximately 20% of the time for a business incubator and/or makerspace and related uses to the Midland Development Corporation. U. T. Permian Basin will utilize the space when it is not otherwise being used. The space is located on the Midland campus of U. T. Permian Basin at 1400 N. FM 1788, Midland, Midland County, Texas.
- Lessee: Midland Development Corporation, a domestic nonprofit corporation
- Term: 20 years with one five-year renewal option
- Lease Income: The rental will be paid in up to five equal installments in each of the first five years of the term and the total rental amount for the 25-year period is approximately \$1,903,552. If the lease is terminated by U. T. Permian Basin, U. T. Permian Basin shall remit a prorated portion of the prepaid rental to the Midland Development Corporation.
- Tenant Improvements: Lessee will have the right to make alterations and improvements at its expense.

46. Contract (funds coming in) - U. T. Rio Grande Valley: Annual Operating Agreement with Doctors Hospital at Renaissance, LTD. pertaining to residency programs

Agency: Doctors Hospital at Renaissance, LTD.

Funds: Immediate payment of \$10,977,486 and monthly payments of \$1,595,602 through December 31, 2017 (up to \$12,764,816), unless revised by agreement of the parties

Period: July 1, 2016 through December 31, 2017

Description: The Fiscal Year 2016-2017 Annual Operating Agreement to the Affiliation Agreement between Doctors Hospital at Renaissance, LTD. and U. T. Rio Grande Valley documents the payment for services flowing between the parties in connection with graduate and undergraduate medical education programs and describes the commitment of the parties related to educational, clinical, structural, financial, and administrative needs of the graduate and undergraduate medical education programs and other collaboration efforts as contemplated in the related Affiliation Agreement between the parties.

47. Purchase - U. T. Rio Grande Valley: Authorization to purchase approximately 0.4813 acre of improved property located at 3115 Center Pointe Drive, Edinburg, Hidalgo County, Texas, from L.S. Mitchell Properties and Investments, LLC, for medical office and clinical use

- Description: Purchase of approximately 0.4813 acre of land and improvements located at 3115 Center Pointe Drive, Edinburg, Hidalgo County, Texas; and authorization for the Executive Director of Real Estate to execute all documents, instruments, and other agreements and to take all further actions deemed necessary or advisable to purchase the property. The improvements consist of a one-story medical office building totaling approximately 3,000 square feet. The property will be used for medical office and clinical use.
- Seller: L.S. Mitchell Properties and Investments, a Texas limited liability company
- Purchase Price: Not to exceed fair market value as determined by an independent appraisal performed by Aguirre & Patterson, Inc.; appraisal confidential pursuant to *Texas Education Code* Section 51.951
- Source of Funds: Permanent University Funds previously allocated by the Board of Regents on August 20, 2015

48. Purchase - U. T. Rio Grande Valley: Authorization to purchase approximately 8.6 acres of vacant land and submerged tidal wetland areas from Valentine Harness, et al., Paula Dawson, et al., and seven other parties with ownership interest; accessed from Garcia Street, in Port Isabel, Cameron County, Texas, for programmed campus expansion, including use by the institution's Marine Science Program

Description: Purchase of approximately 8.6 acres of vacant land and submerged tidal wetland areas from Valentine Harness, et al., Paula Dawson, et al., and seven other parties with ownership interest, accessed from Garcia Street in Port Isabel, Cameron County, Texas, together with the easement estate appurtenant thereto, and authorization for the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to purchase the property. The property consists of approximately 0.77 acres of vacant land, although an easement restricts the use of all but 0.38 acres of such land; the remaining approximately 7.8 acres consists of submerged tidal wetlands. This property is served by an easement through adjacent land being used by U. T. Rio Grande Valley for its Marine Science program. The subject property is anticipated to be valued under \$1 million, but is outside of U. T. Rio Grande Valley's Board-approved Campus Master Plan.

Seller: Valentine W. Harness, Cynthia W. Neill, Doak Victor Boreing, Timothy G. Boreing, John D. Boreing, Estate of Mildred B. Freeman, Connie T. Freeman, Todd Bearden Dillard, Amanda Latimer Dillard Shufeldt, and Paula Glen Dawson, et al.

Purchase Price: Not to exceed fair market value as determined by an independent appraisal performed by Aguirre & Patterson, Inc.; appraisal is confidential pursuant to *Texas Education Code* Section 51.951.

Use: Future programmed campus expansion, including use by the institution's Marine Science Program

Source of Funds: Unexpended Plant Funds

49. Request for Budget Change - U. T. San Antonio: New Hires with Tenure -- amendment to the 2016-2017 budget

The following Requests for Budget Changes (RBC) have been administratively approved by 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 \$	
College of Business					
Department of Accounting					
Professor					
Juan Manual Sanchez (T)	8/14-5/31	100	09	240,000	8426
College of Public Policy					
Department of Criminal Justice					
Professor					
Michael Smith (T)	7/1-5/31	100	09	155,000	8427

50. Admissions Criteria - U. T. Tyler: Changes to Admission Criteria for Master of Science in Mechanical Engineering program

U. T. Tyler requests approval for changes to the criteria for admission to the 2017 program as described below.

The changes have been reviewed and administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents.

Summary of Changes to Admission Criteria

Master of Science in Mechanical Engineering (MSME)

The proposed changes to the admission requirements will attract U. T. Tyler undergraduate students to pursue graduate studies in the department through an integrated 5-year BSME/MSME program. There is a growing demand for this integrated program among current students in the department.

To be admitted to the MSME program a student must meet the following admission requirements.

Current Unconditional Admission Criteria	Proposed Unconditional Admission Criteria
1. Satisfactory score on the General Test (verbal and quantitative) of the Graduate Record Examination.	1. No change.
2. Satisfactory grade point average on the student's last four semesters of academic study and last 60 semester credit hours of upper division undergraduate or graduate courses.	2. A minimum grade point average of 3.0/4.0 based on the student's last four semesters of academic study and last 60 semester credit hours of upper division undergraduate or graduate courses.
3. A bachelor's degree in a Mechanical Engineering program accredited by the ABET Engineering Accreditation commission. Students who have not earned such a degree will be required to complete prerequisite (leveling) coursework before starting the MSME program as determined by the MSME Graduate Coordinator.	3. No change.
4. None in place.	4. A Statement of Purpose including goals on Graduate education and research interests must be included in the application.
5. A demonstrated proficiency in the use of English language, both spoken and written.	5. No change.
6. Approval of the MSME Graduate Coordinator and Chair of the Department of Mechanical Engineering.	6. No change.

51. Admissions Criteria - U. T. Tyler: Changes to Admission Criteria to the Master of Science in Kinesiology program

U. T. Tyler requests approval for changes to the criteria for admission to the 2017 program as described below.

The changes have been reviewed and administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents.

Summary of Changes to Admission Criteria

Master of Science in Kinesiology

The graduate faculty have noted that the GRE scores of applicants who enroll in the program are not well correlated with the student’s subsequent academic performance. Since the GRE is only one predictor of student academic success, it should not be a barrier to student enrollment if the student has demonstrated academic achievement and potential in other ways.

Current Unconditional Admission Criteria	Proposed Unconditional Admission Criteria
<p><u>Admission Requirements</u> For full admission to a master’s degree program in the Department of Health and Kinesiology, ordinarily an applicant must:</p>	<p><u>Application Deadlines</u> For full admission to the M.S. Kinesiology degree program in the Department of Health and Kinesiology, ordinarily an applicant must:</p>
<ul style="list-style-type: none"> • Have an earned baccalaureate degree from an accredited academic institution in a field closely related to the mission of the intended master’s degree program; 	<ol style="list-style-type: none"> 1. Have an earned baccalaureate degree from an accredited academic institution in a field closely related to the mission of the intended master’s degree program;* <p>* Leveling courses may be required for applicants lacking adequate academic preparation.</p>
<ul style="list-style-type: none"> • Submit three strong letters of recommendation from individuals in professional positions who can validly comment on the applicant’s suitability for graduate studies in general and for studies in the intended field in particular; 	<ol style="list-style-type: none"> 2. Submit three strong letters of recommendation from individuals in professional positions who can validly comment on the applicant’s suitability for graduate studies in general and for studies in the intended field in particular;

<ul style="list-style-type: none"> • Have earned a grade point average of at least 3.00 on a 4-point scale for all upper-division undergraduate hours or have an earned graduate degree from an accredited academic institution; • Have scored at the thirtieth percentile or higher on each of the sections of the General Test of the Graduate Record Exam—Verbal Reasoning, Quantitative Reasoning, and Analytical Writing (GRE scores not required if an applicant has an earned graduate degree from an accredited academic institution). 	<p>3. Have demonstrated academic achievement and potential as indicated by:</p> <p>A grade point average of at least 3.00 on a 4-point scale for all upper-division undergraduate hours, acceptable GRE scores, or a combination of upper-division grade point average, and GRE scores; and</p>
	<p>4. Item 3 will be waived for applicants with graduate degrees from accredited academic institutions.</p>

52. Admissions Criteria - U. T. Tyler: Changes to Admission Criteria to the Master of Science in Health Sciences program

U. T. Tyler requests approval for changes to the criteria for admission to the 2017 program as described below.

The changes have been reviewed and administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents.

Summary of Changes to Admission Criteria

Master of Science in Health Sciences

The graduate faculty have noted that the GRE scores of applicants who enroll in the program are not well correlated with subsequent academic performance and that personal interviews of applicants can be very helpful in determining a prospective student's readiness for graduate study. Therefore, the requirement for satisfactory GRE scores is being replaced with a requirement for an oral interview with at least one Health Science faculty member.

Current Unconditional Admission Criteria	Proposed Unconditional Admission Criteria
<p><u>Admission Requirements</u> Students applying for admission to the M.S. Health Sciences program are expected to submit a portfolio for evaluation consisting of the following:</p> <ol style="list-style-type: none"> 1. Submit three professional and/or academic references; 2. Submit transcripts verifying minimum grade-point average of 3.0 for the undergraduate experience; 3. Hold a Bachelor’s degree; 4. Submit an essay of intent; 5. A satisfactory score on the verbal/quantitative portions of the Graduate Record Examination (GRE). 	<p><u>Graduate Admission</u> An individual interested in applying for admission to a master's degree program in the Department of Health and Kinesiology should be aware of information and procedures related to graduate studies in general at U. T. Tyler. In addition to procedures that must be followed to meet requirements of the U. T. Tyler Graduate School, an applicant must complete and submit the following documents:</p> <ul style="list-style-type: none"> • Statement of Goals • Three reference letters <p>For full admission to a master's degree program in the Department of Health and Kinesiology, ordinarily an applicant must:</p> <ul style="list-style-type: none"> • Have an earned baccalaureate degree from an accredited academic institution in a field closely related to the mission of the intended master's degree program. • Have earned a grade point average of at least 3.00 on a 4-point scale for all upper-division undergraduate hours or have an earned graduate degree from an accredited academic institution. • Have an interview with at least one Health Sciences faculty member. • Submit three strong letters of recommendation from individuals in professional positions who can validly comment on the applicant's suitability for graduate studies in general and for studies in the intended field in particular.

HEALTH AFFAIRS COMMITTEE

53. **Report - U. T. System Health Institutions: Fiscal Year 2016 Post-Tenure Review**

In accordance with *Texas Education Code* Section 51.942 and Regents' *Rules and Regulations*, Rule 31102, the following report on the Fiscal Year 2016 post-tenure review for the U. T. System health institutions is provided by the Executive Vice Chancellor for Health Affairs.

During Fiscal Year 2016, 251 tenured faculty members at the six health institutions with tenured faculty were subject to post-tenure review. Of the 251 faculty members reviewed, 242 or 96.4% were evaluated as Meets or Exceeds Expectations; 5 or 2.0% received Does Not Meet Expectations; and 4 or 1.6% received Unsatisfactory evaluations.

The following summary tables provide additional details of the post-tenure review results for Academic Year 2015-2016.

Summary of Post-Tenure Review Results

	Total Subject to Review	Total Exceeds Expectations	Total Meets Expectations	Total Does Not Meet Expectations	Total Unsatisfactory	Decided to Retire or Resign Before Review
UTSWMC	59	46	11	2	0	3
UTMB	38	24	13	1	0	5
UTHSC-H	56	27	29	0	0	1
UTHSC-SA	48	35	13	0	0	0
UTMDACC	50	3	41	2	4	2
UTHSC-T	0	0	0	0	0	0
Total	251	135	107	5	4	11
		53.8%	42.6%	2.0%	1.6%	

Post-Tenure Review Results by Gender

	Subject to Review		Exceeds Expectations		Meets Expectations		Does Not Meet Expectations		Unsatisfactory		Decided to Retire or Resign Before Review	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
UTSWMC	50	9	39	7	9	2	2	0	0	0	1	2
UTMB	34	4	22	2	11	2	1	0	0	0	4	1
UTHSC-H	39	17	20	7	19	10	0	0	0	0	1	0
UTHSC-SA	36	12	25	10	11	2	0	0	0	0	0	0
UTMDACC	32	18	1	2	28	13	1	1	2	2	2	0
UTHSC-T	0	0	0	0	0	0	0	0	0	0	0	0
Total	191	60	107	28	78	29	4	1	2	2	8	3

Post-Tenure Review Results by Ethnicity

	Total Actually Reviewed					Exceeds Expectations				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
UTSWMC	51	0	2	6	0	40	0	1	5	0
UTMB	29	0	1	8	0	19	0	1	4	0
UTHSC-H	44	0	3	8	1	21	0	0	5	1
UTHSC-SA	38	2	5	3	0	25	2	5	3	0
UTMDACC	28	1	1	20	0	2	1	0	0	0
UTHSC-T	0	0	0	0	0	0	0	0	0	0
Total	190	3	12	45	1	107	3	7	17	1

	Meets Expectations					Does Not Meet Expectations				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
UTSWMC	9	0	1	1	0	2	0	0	0	0
UTMB	9	0	0	4	0	1	0	0	0	0
UTHSC-H	23	0	3	3	0	0	0	0	0	0
UTHSC-SA	13	0	0	0	0	0	0	0	0	0
UTMDACC	24	0	1	16	0	2	0	0	0	0
UTHSC-T	0	0	0	0	0	0	0	0	0	0
Total	78	0	5	24	0	5	0	0	0	0

	Unsatisfactory					Decided to Retire/Resign Before Review				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
UTSWMC	0	0	0	0	0	2	0	0	1	0
UTMB	0	0	0	0	0	5	0	0	0	0
UTHSC-H	0	0	0	0	0	1	0	0	0	0
UTHSC-SA	0	0	0	0	0	0	0	0	0	0
UTMDACC	0	0	0	4	0	2	0	0	0	0
UTHSC-T	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	4	0	10	0	0	1	0

PRESENT STATUS OF EACH PERFORMANCE THAT DOES NOT MEET EXPECTATIONS:

U. T. Southwestern Medical Center: Two faculty members have been given action plans and will be reviewed again after one year.

U. T. Medical Branch - Galveston: Department chair is working with faculty member and has a remediation plan in place.

U. T. M. D. Anderson Cancer Center: Two faculty members have pending administrative reviews.

PRESENT STATUS OF EACH UNSATISFACTORY PERFORMANCE:

U. T. M. D. Anderson Cancer Center: A professor position and associate professor position end at the end of 7th year term; another faculty member plans to request a switch to Research Faculty Appointment at the end of the 7th year term; and an additional faculty member will have committee review in FY 2017.

54. Contract (funds coming in) - U. T. Southwestern Medical Center: Amendment to agreement to provide professional pediatric anesthesiologist services to Anesthesiologists for Children

Agency: Anesthesiologists for Children, a Texas nonprofit corporation

Funds: \$17,711,141

Period: September 1, 2016 through August 31, 2017; fifth amendment to existing contract

Description: U. T. Southwestern Medical Center will provide professional pediatric anesthesiologist services.

55. Contract (funds going out) - U. T. Southwestern Medical Center: Huron Consulting Services, LLC will provide program management and system implementation services in support of upgrade to PeopleSoft 9.2

Agency: Huron Consulting Services, LLC

Funds: \$14,642,373

Source of Funds: MSRDP/DSRDP/PRS Practice Plan Professional Fees, Hospital Patient Income, and Interest on Designated Funds

Period: March 1, 2017 through December 31, 2018

Description: Huron Consulting Services, LLC will provide Program Management and PeopleSoft Optimization and System Implementation Services (design, development, and testing) in support of upgrade to PeopleSoft 9.2 for Financials and Supply Chain, Human Capital Management, Campus Solutions applications, and Oracle Recruiting Cloud modules. Additional services include redesign of chart of accounts, design of business optimization and processes, design of conversion programs for data and integrations, and design of new reports. Huron has a contract with U. T. System Supply Chain Alliance, and it was competitively bid.

56. Contract (funds going out) - U. T. Southwestern Medical Center: TEMPEG, LLP will provide physician and other health care provider coverage services at Parkland Health and Hospital System

Agency: TEMPEG, LLP

Funds: \$5,430,000

Source of Funds: MSRDP/DSRDP/PRS Practice Plan Professional Fees

Period: January 1, 2017 through December 31, 2017; second amendment to existing contract

Description: TEMPEG, LLP will provide physician and other health care provider coverage services at Parkland Health and Hospital System. This procurement was not competitively bid because it is for professional services. Under *Texas Government Code*, Chapter 2254.003, a government entity may not select a provider of professional services on the basis of competitive bids, but instead will make the selection based on the demonstrated competence and qualifications to perform the services and for a fair and reasonable price.

57. Lease - U. T. Southwestern Medical Center: Authorization to extend the term of the lease of space located at 8611 Hillcrest Avenue, Dallas, Dallas County, Texas, from CFO DT, LLC, for clinical use

Description: Extension of lease of approximately 13,053 square feet of medical office space at 8611 Hillcrest Avenue, Dallas, Dallas County, Texas, for clinical use. Additionally, U. T. Southwestern Medical Center expanded the premises by 1,964 square feet in 2016; this expansion did not require Board approval because the consideration did not exceed the institution's approval threshold.

Lessor: CFO DT, LLC, a Delaware limited liability company

Term: The new term commences on January 1, 2018, and continues for five years and five months. The institution retains two five-year options to extend the lease, which options were granted by the original lease and approved by the Board of Regents on August 23, 2012.

Lease Cost: Approximately \$2,505,421 in base rent over the five-year extension term and estimated operating expenses that exceed a 2017 expense stop. The base rent for the first five months of the extension term is abated and, thereafter, base rent starts at \$34 per square foot and increases \$0.50 per square foot each year. The Lessor is providing a tenant allowance of \$5.00 per square foot for refurbishment of the space. Additionally, the base rent and estimated operating expenses for the 2016 expansion total \$780,717.

Source of Funds: Patient Revenue

58. Lease - U. T. Southwestern Medical Center: Authorization to extend the term for an existing 16,260 square foot space and expand the lease for an additional 10,214 rentable square feet of space located at 2330 Inwood Road, Dallas, Dallas County, Texas, to Peloton Therapeutics, Inc., for research and office use

- Description: Lease for an existing 16,260 rentable square feet of space and an additional expansion of 10,214 rentable square feet of space in the institution's East Campus Building B, known as BioCenter at Southwestern Medical District, located at 2330 Inwood Road, Dallas, Dallas County, Texas, for research and office use
- Lessee: Peloton Therapeutics, Inc., a Delaware corporation
- Term: Five years with one five-year renewal option
- Lease Income: Rent for the initial space during the extension term totals approximately \$2,417,211.60 with an annual rent of \$28 per rentable square foot escalating to \$31.51. Rent for the expansion space during the five-year term totals approximately \$1,518,413.24, also with an annual rent of \$28 per rentable square foot escalating to \$31.51 per square foot. The tenant improvement allowance of \$60 per rentable square foot totals approximately \$612,840 with an additional, optional \$40 in tenant improvement allowance that may be used by Lessee, but if used, will be recaptured.
- .Source of Funds: Auxiliary Funds for the tenant improvement allowance

59. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide oversight and reporting functions (as the Anchor for Regional Healthcare Partnership #2) to Texas Health and Human Services Commission related to the Texas Healthcare Transformation and Quality Improvement Program 1115 Waiver

Agency: Texas Health and Human Services Commission (HHSC)

Funds: Over approximately \$2,500,000 for the full term of the contract

Period: October 1, 2016 through September 30, 2018

Description: Since October 1, 2012, U. T. Medical Branch - Galveston has provided oversight and reporting functions (as the Anchor for Regional Healthcare Partnership #2) to HHSC related to the Texas Healthcare Transformation and Quality Improvement Program 1115 Waiver, which authorized the State of Texas to establish a Delivery System Reform Incentive Payment (DSRIP) program. Per this First Amendment, the term of the contract will be extended from September 30, 2016 to September 30, 2018.

The initial agreement was approved on November 6, 2014, by the Board of Regents for a total contract value of \$2,000,000. With this contract extension, the total value of the contract will be approximately \$2,500,000 over the full term of the contract, which represents an increase of greater than 25% of the originally approved amount, thus necessitating reapproval from the Board of Regents.

60. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide inmate health care services at Victoria County Jail

Agency: Victoria County

Funds: Approximately \$8,196,000

Period: March 1, 2017 through February 28, 2022

Description: U. T. Medical Branch - Galveston will provide inmate health care services at Victoria County Jail. This contract represents a broadening of U. T. Medical Branch - Galveston Correctional Managed Care's operation to include providing medical services to inmates at county jails in addition to ongoing services provided at Texas Department of Criminal Justice and Texas Juvenile Justice Department facilities.

61. Contract (funds going out) - U. T. Medical Branch - Galveston: Total Safety U.S., Inc. to provide Hazardous Material Testings and Surveys on an as-needed basis

Agency: Total Safety U.S., Inc.

Funds: \$2,500,000

Source of Funds: Various approved capital projects

Period: March 3, 2017 through March 2, 2020

Description: Total Safety U.S. will provide Hazardous Material Testings and Surveys to U. T. Medical Branch - Galveston on an as-needed basis. This contract was competitively bid.

62. Request for Budget Change - U. T. Medical Branch - Galveston: Tenure Appointments -- amendment to the 2017-2018 budget

The following Requests for Budget Changes (RBC) have been administratively approved by 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 \$	
School of Medicine					
Family Medicine					
Vice Dean for Academic Affairs and Professor					
Charles Mouton (T)	3/1-2/28	100	12	\$433,200	8418
Biochemistry and Molecular Biology					
Associate Professor					
Petr Leiman (T)	9/1-8/31	100	12	\$170,000	8353

63. Request for Budget Change - U. T. Medical Branch - Galveston: Approval of Emeritus Title

Pamela Watson, from Dean and Professor to Dean Emeritus, in the School of Nursing (RBC No. 8398) -- amendment to the 2017-2018 budget

64. Lease - U. T. Medical Branch - Galveston: Authorization to extend the lease of approximately 6,029 square feet of space located at 3828 Hughes Court, Dickinson, Galveston County, Texas, from Aerotech Business Park, LLC, for office and clinical use

Description: Lease extension of approximately 6,029 square feet of space located at 3828 Hughes Court, Dickinson, Galveston County, Texas, for office and clinical use

Lessor: Aerotech Business Park, LLC, a Delaware limited liability company

Term: The lease originally commenced on March 1, 2012. The extension term is 60 months, commencing on March 1, 2017, and continuing through February 28, 2022; with two five-year renewal options to be exercised in the institution's sole discretion.

Lease Cost: Approximately \$1,480,820 in base rent has been accrued to date since the lease commencement and will become due and payable during the initial term of the extension. The initial annual base rental rate for the extension term is \$144,696 (\$24 per square foot) and will escalate at 2% annually, totaling \$753,004 over the extension term. Base rent for each subsequent five-year renewal option will be established at fair market value. The initial annual operating expenses for the extension term are based on a 2017 base year and will become payable based on any increase in actual expenses over the 2017 year.

Source of Funds: UTMB Ambulatory Services

65. Lease - U. T. Medical Branch - Galveston: Authorization to lease approximately 13,255 rentable square feet of space at 185-195 North 11th Street, Beaumont, Jefferson County, Texas, from SET Asset Properties, LLC, for clinical use

Description: Lease of approximately 13,255 rentable square feet, including approximately 11,172 rentable square feet and 2,083 rentable square feet of expansion space, located in the building at 185-195 North 11th Street, Beaumont, Jefferson County, Texas, for clinical use

Lessor: SET Asset Properties, LLC, a Texas limited liability company

Term: A 10-year primary term with four five-year renewals at the institution's option

Lease Cost: Basic rent during the first 10 years for all spaces totals approximately \$3,653,898 plus insurance, taxes, and common area maintenance expenses which are initially estimated as \$2,691.87 monthly and other operating expenses. The rent for the renewal options will start at a monthly rent of \$23,013.25 during Years 11 through 15 and end at a monthly rent of \$26,640.73 monthly during Years 26 through 30. Landlord will provide a turnkey build-out for the primary space and a tenant allowance of \$125 per rentable square foot for the expansion space.

Source of Funds: UTMB Ambulatory Services

66. Lease - U. T. Medical Branch - Galveston: Authorization to extend the lease of approximately 5,050 square feet of space located at 3023 Marina Bay Drive, League City, Galveston County, Texas, from The Professional Center @ South Shore Harbour, Ltd., for office and clinical use

Description: Lease extension of approximately 5,050 square feet of space located at 3023 Marina Bay Drive, League City, Galveston County, Texas, for office and clinical use

Lessor: The Professional Center @ South Shore Harbour, Ltd., a Texas limited partnership

Term: The lease originally commenced on July 1, 2002. The extension term is 60 months, commencing March 1, 2017, and continuing through February 28, 2022; with two five-year renewal options to be exercised in the institution's sole discretion.

Lease Cost: Approximately \$2,837,945 in rent and operating expenses have been accrued to date since the lease commencement and will become due during the extension term. The initial annual base rental rate for the extension term is \$99,738 (\$19.75 per square foot). The initial annual operating expenses for the extension term are approximately \$25,190 (\$4.99 per square foot). Base rent for each five-year renewal option will escalate at 5% to \$108,701 for the first renewal term and \$114,136 for the second renewal term.

Source of Funds: UTMB Ambulatory Services

67. Contract (funds going out) - U. T. Health Science Center - Houston: ThyssenKrupp Elevator Corporation to perform elevator modernization at the UT Physicians' Professional Building, UT Professional Garage, and Jessie H. Jones Library Building

Agency: ThyssenKrupp Elevator Corporation

Funds: Not to exceed \$14,000,000

Source of Funds: Auxiliary Enterprise Funds

Period: February 1, 2017 through August 31, 2021

Description: ThyssenKrupp Elevator Corporation was originally awarded, after responding to an RFP, the elevator modernization and maintenance services contract on September 1, 2016, after approval by the Board of Regents on August 25, 2016, for the amount of \$6,821,512. Contract Amendment 4 and Contract Amendment 5 add three additional buildings to the modernization project: UT Physicians' Professional Building, UT Professional Garage, and Jesse H. Jones Library Building. Amendments 4 and 5, together with the contract contingency of approximately \$3.3 million for later expansion, will increase the total contract amount to \$14 million.

68. Contract (funds going out) - U. T. Health Science Center - Houston: Centennial Contractors Enterprises, Inc. to provide Job Order Contracting Services

Agency: Centennial Contractors Enterprises, Inc.

Funds: Not to exceed \$10,000,000

Source of Funds: Each department choosing to utilize this service may pay from a different fund source

Period: March 1, 2017 through February 28, 2022

Description: Centennial Contractors Enterprises, Inc. was one of three General Contractors chosen, after responding to an RFP, to provide Job Order Contracting Services on the UTHealth Campus.

69. Contract (funds going out) - U. T. Health Science Center - Houston: J. T. Vaughn Construction, LLC to provide Job Order Contracting Services

Agency: J. T. Vaughn Construction, LLC

Funds: Not to exceed \$15,000,000

Source of Funds: Each department choosing to utilize this service may pay from a different fund source

Period: March 1, 2017 through February 28, 2022

Description: J. T. Vaughn Construction, LLC was one of three General Contractors chosen, after responding to an RFP, to provide Job Order Contracting Services on the UTHealth Campus.

70. Contract (funds going out) - U. T. Health Science Center - Houston: Brown & Root Industrial Services, LLC to provide Job Order Contracting Services

Agency: Brown & Root Industrial Services, LLC

Funds: Not to exceed \$5,000,000

Source of Funds: Each department choosing to utilize this service may pay from a different fund source

Period: March 1, 2017 through February 28, 2022

Description: Brown & Root Industrial Services, LLC was one of three General Contractors chosen, after responding to an RFP, to provide Job Order Contracting Services on the UTHealth Campus.

71. Contract (funds going out) - U. T. Health Science Center - Houston: Infrastructure Associates, Inc. to provide engineering services

Agency: Infrastructure Associates, Inc.

Funds: Not to exceed \$3,000,000

Source of Funds: Each department choosing to utilize this service may pay from a different fund source

Period: December 9, 2016 through August 31, 2019

Description: After a competitive bid process, Infrastructure Associates, Inc., was one of the awarded suppliers for various engineering services on an as-needed basis.

72. Contract (funds going out) - U. T. Health Science Center - Houston: Shah Smith & Associates, Inc. to provide engineering services

Agency: Shah Smith & Associates, Inc.

Funds: Not to exceed \$3,000,000

Source of Funds: Each department choosing to utilize this service may pay from a different fund source

Period: December 9, 2016 through August 31, 2019

Description: After a competitive bid process, Shah Smith & Associates, Inc., was one of the awarded suppliers for various engineering services provided on an as-needed basis.

73. Request for Budget Change - U. T. Health Science Center - Houston: Approval of Emeritus Title

Patricia L. Stark, from Senior Vice President for Interprofessional Education (formerly Dean and John P. McGovern Distinguished Professor in Nursing, UTHealth School of Nursing) to Dean Emeritus (RBC No. 8444) -- amendment to the 2017-2018 budget

74. Lease - U. T. Health Science Center - Houston: Authorization to lease approximately 183,956 square feet of space at 6410 Fannin Street, Houston, Harris County, Texas, to UT Physicians, for office and clinical use

Description: Lease of approximately 183,956 square feet of space located at 6410 Fannin Street, Houston, Harris County, Texas, for office and clinical use

Lessee: UT Physicians, a Texas nonprofit corporation

Term: Ten years, commencing on January 1, 2017, and expiring on December 31, 2026

Lease Income: The space is divided into an upper suite, garage, and lower suites in the basement. During the first five years of the lease, the annual base rent for the upper suites and garage is \$26 per rentable square foot and during the last five years of the lease, the annual base rent is \$28 per rentable square foot. During the first five years of the lease, the annual base rent for both the upper suites, garage, and the lower basement suites is approximately \$48,983,820. In addition, the lessee will pay operating expenses.

75. Request for Budget Change - U. T. Health Science Center - San Antonio: Tenure Appointment -- amendment to the 2016-2017 budget

The following Request for Budget Change (RBC) has been administratively approved by 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 \$	
School of Nursing					
Faculty Affairs and Diversity					
Vice Dean					
Savitri Singh-Carlson (T)	11/15-8/31	100	12	198,000	8420

76. Request for Budget Change - U. T. Health Science Center - San Antonio:
Approval of Emeritus Title

Bettie Masters, from Professor to Professor Emeritus, Department of Biochemistry in the School of Medicine (RBC No. 8413) -- amendment to the 2015-2016 budget

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

77. Contract (funds going out) - U. T. System: AFG, A Joint Venture LLC to perform cost estimating services

Agency: AFG, A Joint Venture LLC

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis

Source of Funds: Various funds approved for individual Capital Improvement Program projects

Period: July 15, 2014 through July 14, 2020
(Contract is being brought forward for Board approval as it is nearing the \$1,000,000 delegation threshold)

Description: AFG, A Joint Venture LLC to perform miscellaneous and cost estimating services on a job order basis. Services were competitively procured.

78. Contract (funds going out) - U. T. System: Jacobs Project Management Company to perform project management and construction support services

Agency: Jacobs Project Management Company

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis

Source of Funds: Various funds approved for individual Capital Improvement Program projects

Period: February 21, 2017 through February 20, 2023
(Contract is being brought forward for Board approval as it is nearing the \$1,000,000 delegation threshold)

Description: Jacobs Project Management Company to perform miscellaneous project management and construction support services on a job order basis. Services were competitively procured.

79. Contract (funds going out) - U. T. System: Broaddus & Associates, Inc., to perform project management and construction support services

Agency: Broaddus & Associates, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis

Source of Funds: Various funds approved for individual Capital Improvement Program projects

Period: February 21, 2017 through February 20, 2023
(Contract is being brought forward for Board approval as it is nearing the \$1,000,000 delegation threshold)

Description: Broaddus & Associates, Inc., to perform miscellaneous project management and construction support services on a job order basis. Services were competitively procured.

80. Contract (funds going out) - U. T. System: Hill International, Inc., to perform project management and construction support services

Agency: Hill International, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis

Source of Funds: Various funds approved for individual Capital Improvement Program projects

Period: February 21, 2017 through February 20, 2023
(Contract is being brought forward for Board approval as it is nearing the \$1,000,000 delegation threshold)

Description: Hill International, Inc., to perform miscellaneous project management and construction support services on a job order basis. Services were competitively procured.

81. Contract (funds going out) - U. T. System: Professional Service Industries, Inc. to perform technical support services

Agency: Professional Service Industries, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis

Source of Funds: Various funds approved for individual Capital Improvement Program projects

Period: September 1, 2011 through August 31, 2017
(Contract is being brought forward for Board approval as it is nearing the \$1,000,000 delegation threshold)

Description: Professional Service Industries, Inc. to perform miscellaneous technical and professional support services, including geotechnical engineering and materials testing services, on a job order basis. Services were competitively procured.

82. Contract (funds going out) - U. T. System: Energy Testing and Balance, Inc. to perform technical support services

Agency: Energy Testing and Balance, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis

Source of Funds: Various funds approved for individual Capital Improvement Program projects

Period: September 20, 2016 through September 19, 2022
(Contract is being brought forward for Board approval as it is nearing the \$1,000,000 delegation threshold)

Description: Energy Testing and Balance, Inc. to perform miscellaneous technical support services, including testing, adjusting, and air balance services, on a job order basis. Services were competitively procured.

TECHNOLOGY TRANSFER AND RESEARCH COMMITTEE

No items for Consent Agenda