

Meeting No. 1,178

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

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April 30 – May 1, 2018

Houston, Texas

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OF  
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MEETING NO. 1,178

MONDAY, APRIL 30, 2018.--The members of the Board of Regents of The University of Texas System convened in Standing Committee meetings on Monday, April 30, 2018, from 10:00 a.m. - 2:03 p.m. in Rooms D-F of the Denton A. Cooley, M.D. and Ralph C. Cooley, D.D.S. University Life Center Building, The University of Texas Health Science Center at Houston, 7440 Cambridge Street, Houston, Texas.

CONVENE THE BOARD IN OPEN SESSION.--At 2:04 p.m., in accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Tucker called the meeting of the Board to order in Open Session with the following participation:

ATTENDANCE.--

Present

Chairman Tucker\*  
Vice Chairman Hildebrand  
Vice Chairman Foster  
Regent Aliseda  
Regent Beck  
Regent Eltife  
Regent Hicks  
Regent Longoria  
Regent Weaver  
Regent Castro, Student Regent, nonvoting

Chairman Tucker said she had asked Vice Chairman Hildebrand to preside over this Open Session in the event she would have to leave for another obligation.

\*Chairman Tucker was absent for a portion of Items 1 and 2 below and for a portion of the Executive Session.

AGENDA ITEMS

1. 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 work and recommendations over the past year, using the materials set forth on Pages 3 - 5.

Chair: Ms. Jodie Gray, The University of Texas Health Science Center at San Antonio

Undergraduate Student Success Working Group: Mr. J.W. Van Der Schans, The University of Texas at Dallas

Campus Life Working Group: Mr. Peter Averack, The University of Texas Rio Grande Valley

Graduate and Health Education Working Group: Mr. Juan Herrejon, The University of Texas Southwestern Medical Center

Diversity and Inclusion Working Group: Mr. Johnathan Cereceres, The University of Texas at El Paso

2018-2019 Chair: Mr. Matthew Mendoza, U. T. Southwestern Medical Center

Commenting on the report from the Campus Life Working Group, Regent Castro recognized the institutional police departments for their expertise in emergency disaster preparations and in addressing student mental health issues. He also noted the work of the Diversity and Inclusion Working Group, particularly with regard to resources available to first-generation and Deferred Action for Childhood Arrivals (DACA) students, such as himself. Regent Castro further expressed support for the recommendation from the Student Success Working Group regarding creating an affordable pathway for students to graduate.

Acting Chairman Hildebrand acknowledged the work of the Council members for their engagement for the greater good of the U. T. System.



THE UNIVERSITY of TEXAS SYSTEM  
FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.



TO: Chancellor William H. McRaven, UT System

FROM: The 2017 - 2018 UT System Student Advisory Council

DATE: March 27, 2018

RE: Update of Work of the 2017 – 2018 Student Advisory Council

We are honored to present the work and recommendations of the 2017-2018 Student Advisory Council. Our student representatives from all fourteen U. T. System institutions united to conduct extensive research to identify Systemwide issues of student interest and provide feedback on current policy issues from a solutions-driven perspective. We thank you for the privilege to represent the 214,000 students that comprise our collective student body. As students continue to claim more active roles in all aspects of their educational experience, our opportunity to speak for them at the System level becomes more and more invaluable.

We applaud the framework that The University of Texas System provides us to officially represent the student voice as System continually examines ways to adapt and improve in tandem with the ever-changing climate of higher education. We wholeheartedly believe that systematic review of our successes and areas in need of improvement directly benefits our students and highlights U. T. System's dedication to all facets of student success.

The recommendations of this year's Student Advisory Council have taken the form of memoranda that are geared towards key members of the U. T. System Administration and have been distributed throughout our entire working year. These memoranda are solutions-oriented recommendations that have been extensively researched and drafted by Student Advisory Council members representing diverse student populations from all U. T. institutions. Through our process of the research and writing, we enjoyed the opportunity to collaborate with numerous U. T. System representatives such as administrators and the Faculty Advisory Council to assist in identifying and implementing workable solutions. Attached is a list of completed and in-progress projects as they fall within each of our four key areas of interest: Campus Life, Diversity and Inclusion, Graduate and Health Education, and Student Success.

We thank you for the opportunity to serve the student body of the U. T. System this past year. We are grateful for the dedication you have demonstrated to our students and continue to be grateful for the time you invest in our Council's work. We look forward to our invitation to discuss our recommendations in more detail with the Board in April/May.

Jodie P. Gray  
Chair, Student Advisory Council 2017-2018

<b>Working Group</b>	<b>Leadership</b>	<b>Purpose</b>	<b>Policy Issues</b>	<b>Status</b>
Campus Life	Peter Averack, U. T. Rio Grande Valley (Chair)  Austin Blane Reynolds, U. T. Austin (Vice-Chair)	To consider various policy issues that impact the student experience and impact overall health, safety, and well-being	Student Engagement for Graduate Students	Research was conducted, and the issue is referred to future Student Advisory Council members for possible action.
			Increasing Healthy Food Options for Students	Research was conducted, and the issue is referred to future Student Advisory Council members for possible action.
			Student Mental Health and Wellness	A letter of support was provided to U. T. System leadership in February 2018. U. T. System Board of Regents voted unanimously to approve initiatives presented by Dr. Mercer (U. T. System) and Dr. Brownson (U. T. Austin).
			Emergency Disaster Preparation	In the wake of Hurricane Harvey, the working group spoke with institutional leadership and U. T. System experts about infrastructure, support, and response to Hurricane Harvey and decided to raise awareness that there is a great deal of assets in place that are focused on both people and resources. A memorandum was shared with U. T. System experts in disaster preparedness in April 2018.
Diversity and Inclusion	Johnathan Cereceres, U. T. El Paso (Chair)  Marcus Thomas, U. T. San Antonio (Vice-Chair)	To address policy issues that enhance campus inclusion for a variety of stakeholder groups and to create a more open, inclusive campus environment	Use of Inclusive Gender Pronouns	A memorandum outlining models for gender pronoun inclusion was shared in April 2018 with U. T. System leadership. It encourages collaboration with U. T. System Registrars and the Texas Higher Education Coordinating Board Common Application Committee.
			Advising Best Practices for First-Generation Students	Recommendations were shared with the Student Success Working Group for inclusion in their advising-related recommendations and memorandum.
			Enhanced Community Resources for Deferred Action for Childhood	A memorandum outlining models for campus community resources was shared with other

			Arrivals (DACA) Students	student government leadership Systemwide and statewide in April 2018.
Health and Graduate Education	Lane Warmbrod, U. T. Medical Branch – Galveston (Former Chair, September 2017 through February 2018)  Juan Herrejon, U. T. Southwestern Medical Center (Acting Chair)	To address academic policy issues facing graduate students and students at U. T. System health institutions	Communication Mechanisms for Curriculum Updates	A memorandum was shared with Executive Vice Chancellor Greenberg that encourages enhanced two-way communication between faculty/administrators and students at health institutions who provide feedback on curriculum committee decisions.
			Letter of Support for Parental Leave Effort with the Faculty Advisory Council	Research was conducted and the working group collaborated with the Faculty Advisory Council on possible recommendations. The group defers this issue to future Student Advisory Council members to continue collaborative work with the Faculty Advisory Council.
			Faculty Training Opportunities	A memorandum was shared with Executive Vice Chancellor Greenberg and Associate Vice Chancellor Francis that encourages that U. T. System Health Institutions offer “Active Learning Workshops” for faculty members.
Student Success (Academic)	John W. (JW) Van Der Schans, U. T. Dallas (Chair)  Montana Meeker, U. T. San Antonio (Vice-Chair)	To address policy issues that enhance student success, retention, and graduation at U. T. System academic institutions	Support for Ongoing Initiatives in Student Advising	A memorandum outlining support for current U. T. System advising initiatives was sent to Associate Vice Chancellor Karoff in April 2018.
			Support for Open Educational Resources and Textbook Affordability/Access	A memorandum encouraging a Systemwide initiative to enhance Open Educational Resources for students was shared with Associate Vice Chancellors Karoff and Francis in April 2018.
			U. T. System Coordinated Admissions Program	A memorandum was provided to Associate Vice Chancellor Mercer and Executive Vice Chancellor Leslie, U. T. System Office of Academic Affairs in December 2017 asking for the discontinuation of the program in its current form.

In addition to the work represented in the table above, the 2017–2018 Student Advisory Council provided feedback about changes to U. T. System Board of Regents’ *Rules and Regulations*, provided feedback related to leadership qualities that students value, and collaborated with the Faculty Advisory Council.

2. U. T. System Board of Regents: Award of Regents' Outstanding Student Awards in Arts and Humanities -- musical arts winners

Following a short video, which is on file in the Office of the Board of Regents, and remarks by Executive Vice Chancellor Leslie, the Board awarded Regents' Outstanding Student Awards in Arts and Humanities to the following students who were recognized for their abilities in the musical arts:

- Mr. Henry Johnston, guitar, The University of Texas at Austin (solo/duet performance); and
- "The Prophets" Trumpet Ensemble: Mr. Jacob Aun, Mr. Elijah Ontiveros, Mr. Juan Pablo Palacios, Mr. Isaac Ponce, and Mr. Paul Reid, The University of Texas at El Paso (outstanding instrumental performance by a group).

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 foster excellence in student performance, reward outstanding students, stimulate the arts and humanities, and promote continuous quality in education. This year's awards were for the musical arts.

The nominees were evaluated on tone production, technique, rhythm, intonation, interpretation, overall quality of performance, and diction (for vocalists).

RECESS TO EXECUTIVE SESSION.--At 2:47 p.m., with Vice Chairman Hildebrand presiding as Acting Chairman, the Board recessed to Executive Session in Room A of the University Life Center Building, pursuant to *Texas Government Code* Sections 551.071, 551.073, 551.074, 551.076, and 551.089 to consider the matters listed on the Executive Session agenda.

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS.--Chairman Tucker reconvened the Board in Open Session in Rooms D-F of the University Life Center Building at 5:18 p.m. for action on Executive Session Agenda Items.

1a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

1b. 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.

- 2a. U. T. Health Science Center - San Antonio: Discussion and appropriate action regarding proposed compensation for John H. Calhoun, M.D., Professor and Chair, Department of Cardiothoracic Surgery, Director of the Heart and Vascular Institute, and Interim Director of the Pediatric Heart Center (Regents' Rules and Regulations, Rule 20204, regarding compensation for highly compensated employees)

Vice Chairman Foster moved that the Board approve the following matters within the parameters outlined and recommended in Executive Session for Items 2a - 2c:

- proposed change in compensation for John H. Calhoun, M.D., Professor and Chair of the Department of Cardiothoracic Surgery, Director of the Heart and Vascular Institute, and Interim Director of the Pediatric Heart Center at The University of Texas Health Science Center at San Antonio;
- proposed compensation for Herbert John Zeh, III, M.D., as Professor with tenure and Chair of the Department of Surgery at The University of Texas Southwestern Medical Center; and
- proposed compensation for Ali Dodge-Khatami, M.D., Ph.D., as Professor in the Department of Pediatric Surgery, Division of Pediatric Cardiovascular Surgery at The University of Texas Health Science Center at Houston.

He further moved that the Board find that these recommendations are each in the best interest of the respective U. T. institution and The University of Texas System as required by state law.

Regent Aliseda seconded the motion, which carried by acclamation.

- 2b. U. T. Southwestern Medical Center: Discussion and appropriate action regarding proposed new hire with tenure and compensation for Herbert John Zeh, III, M.D., Professor and Chair, Department of Surgery (Regents' Rules and Regulations, Rule 20204, regarding compensation for highly compensated employees)

See related Item 2a above for action taken on this item.

- 2c. U. T. Health Science Center - Houston: Discussion and appropriate action regarding proposed new hire and compensation for Ali Dodge-Khatami, M.D., Ph.D., Professor, Department of Pediatric Surgery, Division of Pediatric Cardiovascular Surgery (Regents' Rules and Regulations, Rule 20204, regarding compensation for highly compensated employees)

See related Item 2a above for action taken on this item.

- 2d. U. T. San Antonio: Discussion and appropriate action regarding approval of amendments to terms of Employment Agreement with Head Men’s Basketball Coach Steve M. Henson

Regent Weaver moved that the Board approve amendments to the terms of the Employment Agreement with Head Men’s Basketball Coach Steve M. Henson at The University of Texas at San Antonio within the parameters discussed in Executive Session and as recommended by the President and Athletics Director at U. T. San Antonio.

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

- 2e. 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.

- 2f. U. T. System: Discussion with Vice Chancellor for Strategic Initiatives regarding assignment and duties, including responsibilities associated with providing information and data to the Board and U. T. System leadership

No action was taken on this item.

- 2g. U. T. Health Science Center - Tyler: Discussion with president regarding assignment and duties, including individual responsibilities associated with outlining a vision and plans for the future of the institution

No action was taken on this item.

- 2h. U. T. Medical Branch - Galveston: Discussion with president regarding assignment and duties, including individual responsibilities associated with outlining a vision and plans for the future of the institution

No action was taken on this item.

- 2i. 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); Board members, task force members, and advisory council members; and U. T. System and institutional employees

No action was taken on this item.

- 3a. U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features

This item and Item 3b were posted with the Secretary of State for consideration on April 30, 2018 and May 1, 2018.

Regent Aliseda moved that the Board authorize the Vice Chancellor for External Relations, the Chancellor or Deputy Chancellor, and the President of The University of Texas at Tyler to conclude negotiations necessary to finalize, approve, and accept gifts and to finalize and execute agreements with potential naming features for the benefit of U. T. Tyler consistent with the terms and conditions outlined and recommended in Executive Session.

The motion was seconded by Regent Beck and carried unanimously.

- 3b. U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features

No action was taken on this item.

4. 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

This item was posted with the Secretary of State for consideration on April 30, 2018 and May 1, 2018.

No action was taken on this item.

RECESS.--The Board recessed at 5:22 p.m.

TUESDAY, MAY 1, 2018.--The members of the Board of Regents of The University of Texas System reconvened at 8:04 a.m. on Tuesday, May 1, 2018, in Rooms D-F of the Denton A. Cooley, M.D. and Ralph C. Cooley, D.D.S. University Life Center Building, The University of Texas Health Science Center at Houston, 7440 Cambridge Street, Houston, Texas, with the following participation:

ATTENDANCE.--

Present

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

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

AGENDA ITEMS (continued)

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

Chairman Tucker highlighted the following related to the Consent Agenda:

- Item 11 requests approval on a proposed University of Texas at Austin contract with Jacobs Engineering Group Inc. Regent Hicks will abstain from discussion and vote on the item.
- For Item 13, the Board is asked to make a finding of public purpose regarding the interagency agreement between U. T. Austin Dell Medical School and the Texas Health and Human Services Commission concerning the Austin State Hospital.
- Item 19 concerns a proposed contract between U. T. Austin and American Tower, LLC. Regent Hicks and herself will abstain from discussion and vote on this item.
- Item 20 seeks approval on a proposed University of Texas at Dallas contract with INFOTECH regarding instructional and program support. Vice Chairman Foster will abstain from discussion and vote on this item.

- Item 41 requests Board review of the revised campus carry policy for The University of Texas M. D. Anderson Cancer Center. Under state law, the Board must review the policy and may, by a vote of at least two-thirds of the full Board, revise or make modifications. Otherwise, no action is required.

The Board then approved the Consent Agenda, which is set forth on Pages 62 - 104. Regent Longoria abstained from voting on Item 8, concerning provision by The University of Texas at Arlington of a training program for engineers from the China National Petroleum Corporation.

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.

4. U. T. System Board of Regents: Discussion and possible action regarding appointments to the University Lands Advisory Board

Chairman Tucker noted that following this Board's restructuring of the composition of the University Lands Advisory Board (ULAB) on March 19, 2018, The Texas A&M University System Board reappointed Dr. Steve Holditch and made the following new appointments to the ULAB:

- Vice Chairman Elaine Mendoza of The Texas A&M University System Board; and
- Mr. Mark Albers, who holds a bachelor's degree in petroleum engineering from Texas A&M and is a former senior vice president of Exxon Mobil Corporation.

She remarked that recommendations on University of Texas appointments and terms of service will be made at a future meeting.

On March 19, 2018, the Board of Regents approved changes to the membership structure for the ULAB, effective immediately, as follows:

- five members appointed by The University of Texas System Board of Regents;
- three members appointed by The Texas A&M University System Board of Regents; and
- the Commissioner of the General Land Office.

Further, at least two of the members appointed by the U. T. System Board and at least one of the members appointed by the A&M System Board must be current Regents, with the ULAB Chairman to be named by the U. T. System Board. At least

three of the members appointed by the U. T. System Board and at least two of the members appointed by the A&M System Board must have industry experience.

5. U. T. System: Discussion and appropriate action regarding a budget reallocation of \$1,672,680 of Available University Funds (AUF) to expedite completion of enhancement projects in the UTShare PeopleSoft environments; and finding that the expenditure of AUF for this purpose is appropriate

Mr. David Crain, Associate Vice Chancellor for Shared Information Services and Interim Chief Information Officer, presented an overview of The University of Texas System Shared Information Services.

In reply to a question from Regent Hicks, Mr. Crain confirmed the savings to the U. T. System or to the institutions would be the same if the institutions were paying their pro rata share. Chairman Tucker wanted to ensure the cost was anticipated and would not be a burden to the institutions. She asked for information on the budget, the projected total spend, the savings, the return on investment, the payback period, and customer satisfaction. In addition, Regent Longoria asked for information on overhead costs for personnel involved in the project and comparable costs and solutions used by The University of Texas at Austin, which does not participate in the PeopleSoft system.

The Board then approved a budget reallocation request of \$1,672,680 of Available University Funds (AUF) to expedite completion of the following enhancement projects in the UTShare PeopleSoft environments:

1. Salary Encumbrance Enhancement: This project is to create a custom Salary Encumbrance process for PeopleSoft that would provide the following enhancements; a validation tool, encumbrance-related reports; campus specific scheduling; and reference and training materials. This enhancement will be accomplished in the following three phases:
  - PHASE I: Development of a custom salary encumbrance program and validation tool as a replacement for current salary encumbrance application;
  - PHASE II: Add fringe to the custom salary encumbrance process; enhance and develop salary encumbrance reports; and
  - PHASE III: Automate salary encumbrance processing.
2. Payroll Retro Funding Enhancement: This project is a compilation of change requests to provide either additional function or stabilization to the retro funding processes. There are five areas included in this project enhancement as follows:
  - Year End Processing;
  - Guidelines for Year End Processing;
  - Fringe Redistribution;
  - Work Study Modification; and
  - Pre/Post Distribution Reports.

3. Time and Labor Stabilization: This project is intended to stabilize the PeopleSoft Human Capital Management (HCM) Absence Management and Time and Labor modules. This project will address the following:
  - Address deficiencies in the current system's programming and configuration;
  - Deploy unused delivered features supporting time and leave processing;
  - Allow institutions to retire their interim time reporting solutions; and
  - Address problems to improve employee leave balance reporting.
4. Travel and Expense Stabilization: This project is a compilation of various change requests that will enhance and/or apply a compliance change to the PeopleSoft Travel and Expense module. The purpose of the project is to provide additional functionality, simplify current processes, and/or meet necessary regulatory requirements.
5. Finance Encumbrance Liquidation: This project will address a compilation of various campus incidents that range from calculation errors, Oracle bugs, business process issues, and side effects from Financial Management System (FMS) modifications. The goal is to identify the issue, determine root cause, and provide the institution with a resolution to better manage finance encumbrances. The secondary portion of this effort is to coordinate data cleanup for each of the issues at the option of each institution.

The Board also made a finding that the expenditure of AUF for this purpose is appropriate under the responsibilities of U. T. System Administration to provide technical assistance and services to the institutions and to coordinate activities of the U. T. System institutions using these information systems.

On August 9, 2006, a study by BearingPoint, which defined "shared services" as the name given to a specific model for consolidating redundant information technology and business services in large organizations with multiple, geographically distributed units, was presented to the Board. Shared services is a proven organizational strategy for achieving cost savings realized through economies of scale; process improvements attained through standardization; and universal application of institutionally preferred practices. On October 4, 2006, the Board approved three shared services initiative projects, formalizing the U. T. System Shared Services Initiative with clear definition and objectives, utilization of best practices, and direct U. T. investment. One of the three shared services projects approved by the Board was the North Texas Student Information System (SIS) Pilot Project, which included The University of Texas at Arlington, The University of Texas at Dallas, and The University of Texas at Tyler, and was later named TexSIS.

On August 12, 2010, the Board approved the initial funding for the shared services initiative project to implement a single instance of PeopleSoft HCM/FIN, which was later named UTShare. Implementation of UTShare began in 2011.

The U. T. Share Executive Committee, comprised of representatives from participating institutions, provides governance for the shared services initiative projects. The U. T. Share Operating Committee recommends and the U. T. Share

Executive Committee approves changes to project management that will provide more efficiency and greater cost savings. For example, in 2016, a change was recommended and approved to shift from a costly consulting and hosting services partner to in-house staffing and services at a much lower cost. In-house staffing and services are provided by U. T. System Administration Shared Information Services.

The five enhancement projects listed above were recommended by the U. T. Share Operating Committee, and approved by the U. T. Share Executive Committee as the highest priorities for expedited completion. The funding will primarily be used for staff augmentation services to implement the enhancement projects. U. T. System will utilize staff augmentation services from existing contracts, including the contract with Precision Task Group (PTG), which will be amended to increase the cap and be presented to the Board for consideration later this year. These needed projects cannot be completed in the expedited timeline recommended by the institutions without the additional resources requested because available U. T. System Administration Shared Information Services resources are currently being utilized to implement PeopleSoft HCM/FMS at The University of Texas Rio Grande Valley by September 1, 2018.

The current shared services implementation of PeopleSoft is estimated to save between \$12-\$15 million annually compared to each institution running a stand-alone Enterprise Resource Planning (ERP) system. These savings are expected to grow to \$15-\$18 million per year once implementation at U. T. Rio Grande Valley is complete.

The very high-level roadmap for the U. T. System PeopleSoft shared services initiative as agreed to by the U. T. Share Executive Committee is:

- finish the U. T. Rio Grande Valley implementation;
- upgrade all PeopleSoft instances to the newest release;
- migrate all HCM/FMS instances to a single environment; and
- deploy the Oracle Business Intelligence Applications (OBIA).

6. U. T. System: 86th Texas Legislative Session Preview

Mr. Barry McBee, Vice Chancellor and Chief Governmental Relations Officer, presented a preview of the 86th Texas Legislative Session, including a summary of the institutions' budget and legislative priorities based on recent visits with all institutions, The University of Texas System Administration budget and legislative priorities, issues affecting all of Texas higher education, and the general budgetary and legislative climate for the 86th Session.

Mr. McBee's presentation is set forth on the following pages.

Chairman Tucker called on the institutional presidents for comments, and several presidents provided brief remarks.

# Looking Ahead to the 86<sup>th</sup> Texas Legislature

Barry McBee, Vice Chancellor and Chief Governmental Relations  
Officer

U. T. System Board of Regents' Meeting  
May 1, 2018



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## Texas Economic Outlook

- Comptroller has expressed cautious optimism
  - Sales tax receipts are up
  - Price of oil and gas is up and stable
    - Production/severance taxes are also up
  - Very sizable balance in Rainy Day Fund (estimated \$11.2 billion at end of FY 2019)
- But...



## State Budget Outlook

- Very little General Revenue left unspent at end of 85<sup>th</sup> Session
- Current budget balanced only by:
  - Deferral of sales tax transfer to State Highway Fund (\$1.6 billion)
  - Other accounting maneuvers (\$1.2 billion)
- Supplemental appropriations bill will cost \$5.0-\$6.0 billion
  - Legislature severely underfunded Medicaid (\$2.5-\$4.0 billion)
  - Costs of Hurricane Harvey (\$1.0-\$1.5 billion cost to state after \$6 billion in federal funding)
- Possible costs of public school finance reform and future impact of lower local property taxes due to Harvey



## Changes at the Capitol

- New members (pending outcomes of May runoff election and November general election)
- New Speaker and leadership team in House
- Possible new committee chairs in both chambers
- New leadership team in Governor's Office



## Key Dates

- May 22, 2018: Runoff primary election
- November 6, 2018: General election
- November 12, 2018: Pre-filing for 86<sup>th</sup> Legislative Session begins
- January 8, 2019: 86<sup>th</sup> Legislature convenes and election of new Speaker
- May 27, 2019: 86<sup>th</sup> Regular Legislative Session adjourns Sine Die
- June 16, 2019: End of Governor's veto period



## Budget Process Timeline

Budget Development Schedule	
LAR Instructions Received	June 15, 2018 (estimated)
Chancellor's LAR Administrator's Statement	Target – June 2018
Legislative Appropriations Requests Due	August 3, 2018 (estimated)
Joint Budget Hearings	September-October 2018
LBB Budget Discussions and Recommendations	November-December 2018
Biennial Revenue Estimate	No Later than January 7, 2019
Legislative Budget Estimates from LBB	January 12, 2019
House Bill (HB 1) as Introduced	January 14, 2019
House and Senate Budget Hearings	February 2019
Certification Revenue Estimate	Following Budget Passage



## Institutions' Overall Current Budget Priorities

- Adequately fund formulas to cover growth and inflation and restore prior reductions
  - Academic institutions can accept outcomes-based funding **IF** it is on top of formula funding and metrics are appropriate
- Preserve non-formula support funding items that meet unique institution needs



## Institutions' Overall Current Budget Priorities

- Retain hold harmless funding within Article III and at institutions
- Fund backlog of unmatched gifts under Texas Research Incentive Program (TRIP) and renew its funding
- Maintain support for expansion of Graduate Medical Education (i.e., residencies)
- Seek continued state support for capital construction through funding previously issued and authorizing new tuition revenue bonds



## Institutions' Overall Current Policy Priorities

- Expand eligibility for Governor's University Research Initiative (GURI)
- Modify criteria for National Research University Fund (NRUF)
- Address Hazlewood tuition benefit for veterans and families



## Academic Institutions' Current Budget Priorities

Institution	Priority
U. T. Arlington	Increase and prioritize base formula funding to account for growth, while changing the formulas to reflect each institution's specific mission and supporting performance based options
U. T. Austin	Maintain a steady formula funding stream and funding for non-formula items
U. T. Dallas	Fully fund TRIP program
U. T. El Paso	Seek a "block-grant" style of non-formula support funding
U. T. Permian Basin	Funding predictability and stability
U. T. Rio Grande Valley	Increase non-formula support for medical school start-up
U. T. San Antonio	<ul style="list-style-type: none"> <li>• Increase formula funding to account for enrollment growth and inflation</li> <li>• Fully fund TRIP program</li> </ul>
U. T. Tyler	Secure funding for a new College of Nursing building



## Health Institutions' Current Budget Priorities

Institution	Priority
U. T. Southwestern Medical Center	Create biomedical research operations mission-specific formula
U. T. Medical Branch - Galveston	Create new hospital-based mission-specific formula
U. T. Health Science Center - Houston	<ul style="list-style-type: none"> <li>• Increased Biomedical Informatics formula weight</li> <li>• Create new dental clinical operations formula</li> </ul>
U. T. Health Science Center – San Antonio	Enhanced Funding for Barshop Institute
U. T. MD Anderson Cancer Center U. T. Health Science Center - Tyler	Maintain mission-specific formula funding



## Academic Institutions' Current Policy Priorities

Institution	Priority
U. T. Arlington	Ease transferability of students and hours
U. T. Austin	Still under consideration
U. T. Dallas	Still under consideration
U. T. El Paso	Amend existing NRUF legislation to modify eligibility requirements
U. T. Permian Basin	Improve institution's ability to respond to region's economic needs
U. T. Rio Grande Valley	Maintain eligibility requirements for TEXAS Grants
U. T. San Antonio	Address Hazlewood Legacy tuition exemption
U. T. Tyler	Address unique limitation on sovereign immunity of institution



## Health Institutions' Current Policy Priorities

Institution	Priority
U. T. Southwestern Medical Center	Still under consideration
U. T. Medical Branch - Galveston	Still under consideration
U. T. Health Science Center- Houston	Address medical residents' legal liability
U. T. Health Science Center- San Antonio	Institutional Enhancement renamed "Academic and Student Support"
U. T. MD Anderson Cancer Center	Increase minimum age for purchase of tobacco products to 21
U. T. Health Science Center - Tyler	Still under consideration



## U. T. System's Current Budget Priorities

- Protect the PUF and the AUF
- Continue funding for state's mental health initiatives and state hospital construction
- Continue increases in TEXAS Grant funding
- Increase state share of funding for Higher Education Group Insurance (HEGI)
- Address effects of ERS Rider and avoid its extension to other state agencies
- Continue special funding of nursing programs to meet workforce demands



## U. T. System's Current Policy Priorities

- Recognize adequacy of current UT policies and practices on campus free speech and campus sexual violence
- Ensure quality and effectiveness of dual credit programs
- Retain tuition-setting authority of governing boards, tuition set-asides, and in-state tuition for undocumented students
- Maintain status quo in relationship with Texas Higher Education Coordinating Board
- Extend Cancer Prevention and Research Institute of Texas (CPRIT 2.0)
- Continue to expand telemedicine and telehealth
- Assess effect of new medical schools on formula funding and current clinical training opportunities



## Next Steps

- Continue to monitor interim legislative hearings
- Develop Chancellor's Administrator's Statement for U. T. System Administration Legislative Appropriations Request
  - Will establish overall legislative priorities
  - Will highlight overall institution priorities
- Board review of System Administration LAR and institution exceptional item and tuition revenue bond requests



7. U. T. System Board of Regents: Progress reports from task forces

Chairman Tucker called on Vice Chairman Hildebrand to report on the work of the Houston Land Task Force and on Regent Eltife to report on the work of the System Review and Structure Task Force.

Remarks by Vice Chairman Hildebrand  
on the Houston Land Task Force

Thank you, Chairman Tucker. In late 2017, you requested a task force be created to dispose of the plus or minus 300 acres known as the Buffalo Lands. And just to refresh, the charge of the Task Force was to review and assess the inventory of property, determine the best strategies for the marketing and sale of the property, develop and issue reports to the Board of Regents, and finally come back with a final solution to the sale, and we would provide a schedule of what would occur prior to July 2018.

The Task Force -- you appointed me the Chairman, thank you very much -- with other members being Vice Chair Foster, Regents Beck and Hicks. The Task Force has worked closely with Kirk Tames, Executive Director of the Real Estate for U. T. System. Kirk has done an excellent job for us in creating a strategy for the ultimate disposition of the property. On April 20th, an RFQ [Request for Qualifications] went out to multiple developers across the country, and an RFQ is really a general description of the property. Think of it as a filtering device that requires developers/purchasers to indicate their level of interest and importantly, really their capability to do a transaction of this size, the experience, and the background. Once again, it's a sorting process.

Responses to this RFQ are due by the end of May. From the RFQ process, we move to an RFP [Request for Proposals] process, and that is, we will submit RFPs to a select group of individual developers who have distinguished themselves through the RFQ process. Thereafter, we would enter into negotiations with a selected purchaser, and we would close the transaction by the beginning of the 86th Legislative Session.

Remarks by Regent Eltife on the  
System Review and Structure Task Force

Thank you, Madam Chair. Thanks to your appointment of our Task Force, I'm working with Regents Longoria, Weaver, and Aliseda. We've had several meetings and most recently, we engaged Ernst & Young (EY) to help us as a facilitator on the preorganization of looking at the System from top to bottom, and we'll meet again next week on May 7th. We're just now starting to work with EY on getting organized and looking at all of the departments in the System and hope to report back to you at the next Board of Regents' meeting.

8. U. T. System: Recognition of U. T. academic and health institution and U. T. System Administration recipients of the 2018 Regents' Outstanding Employee Awards

Chairman Tucker and Chancellor McRaven recognized recipients of the inaugural 2018 Regents' Outstanding Employee Awards. Award recipients are listed on the following pages.

On November 9, 2016, the U. T. System Employee Advisory Council recommended to the Board the establishment of the Regents' Outstanding Employee Award program, and funding from the Internal Lending Program was approved on August 24, 2017, as part of the Fiscal Year 2018 University of Texas System operating budget. This award program was created to recognize full-time, benefits eligible, nonfaculty employees who have shown outstanding performance, innovation, enthusiasm, and dedication in their jobs.

Thirty awards will be made each year across the 14 U. T. institutions and U. T. System Administration. The winners will receive a certificate, a \$10,000 monetary award, and an invitation for the awardee and a guest to a luncheon ceremony in Austin. First-year winners will also receive a Chancellor's challenge coin.

Nomination Process

The candidate selection is a rigorous campus-based process followed by evaluations at the Employee Advisory Council and System Administration levels to determine the finalists. Equal consideration is made to employees across all job categories, and selection is based on the impact the employee has made on their individual job and how this impact has helped improve their institution. Selection criteria is based on superior performance, outstanding customer service, acts that enhance the image of the institution and/or community outreach, and teamwork.

Award nominees must have been employed by their local institution for at least the past two consecutive years, must be employed at the nominating U. T. institution as of the date of the distribution of the awards, must be in good standing from their most recent performance evaluation, and must have clearly demonstrated high levels of proficiency in the areas outlined in the Nomination Process.

Selection Process

Upon receiving the nominations from each campus, the U. T. System Employee Advisory Council reviews and recommends applications to a selection committee comprised of U. T. System Administration staff members who are appointed by the Deputy Chancellor and Executive Vice Chancellors. The Office of the Chancellor administers the program on behalf of the U. T. System Board of Regents and candidates will be notified of award decisions by the end of April each year.

## **2018 Regents' Outstanding Employee Award Recipients**

### **The University of Texas at Arlington**

- Jeff Johnson, Director, Facilities Management Administration
- Molly Albart, Director of Planning, Assessment and Student Success, Student Affairs

### **The University of Texas at Austin**

- Armando Blanco, Supervisor, Production Management and Construction Services
- Mark-Anthony Zuniga, Academic Advisor, Department of Theatre and Dance
- Athena Reynolds, Associate Director, Budget Office

### **The University of Texas at Dallas**

- Nora Hernandez, Academic Advisor III, School of Economic Political and Policy Sciences
- David Taylor, Laboratory Manager, Physics Department

### **The University of Texas at El Paso**

- Alberto "Beto" Lopez, Assistant VP - Institutional Advancement, Events and University Relations
- Azuri Gonzalez, Director, Center for Civic Engagement

### **The University of Texas of the Permian Basin**

- Joe Sanders, University Registrar, Registrar's Office

### **The University of Texas Rio Grande Valley**

- Dalyn Ruiz, Campus Affairs Coordinator, University Events
- Barbara Garza, Director of P-16 Initiatives, P-16 Outreach Office

### **The University of Texas at San Antonio**

- John Shaffer, Associate Director, Student Success and Professional Development, The Graduate School
- Brent Tyroff, Senior Electrician III, Operations and Maintenance

### **The University of Texas at Tyler**

- Jason DiStefano, Laboratory/Technical Services Supervisor, Lecturer, Chemistry and Biochemistry

**The University of Texas Southwestern Medical Center**

- Tomas Armendariz, Manager Nursing, AS Neurosciences
- Wendy Bishop, Department Administrator, Clinical Sciences
- Julia Rand, Certified Medical Office Assistant, DS Imaging

**The University of Texas Medical Branch at Galveston**

- Scott Woodby, Nurse Clinician V, Medical Intensive Care Unit (MICU) and Cardiac Care Unit (CCU)
- Chad Connally, Program Manager, Biocontainment and Emergency Management
- Mike Mastrangelo, Program Director, Institutional Preparedness, Facilities Risk Management

**The University of Texas Health Science Center at Houston**

- Misty Ottman, Program Manager - Research, Emergency Medicine
- Arthur Lupkowski, Human Resources Assistant III, Human Resources

**The University of Texas Health Science Center at San Antonio**

- Gloria Matthews, Business Administrator, Pediatrics-Endocrinology
- JoAnn Lieberman, Academic Programs Coordinator, Pediatrics – Housestaff

**The University of Texas M. D. Anderson Cancer Center**

- Carol Wildrick, Clinical Nurse, Outpatient
- Laura Wiedemann, Child Life Specialist, Division of Pediatrics
- Pamela (Sat-Siri) Sumler, Massage Therapist, Integrative Medicine Center

**The University of Texas Health Science Center at Tyler**

- Christiana Guthrie, Respiratory Clinic Education Coordinator, Pulmonary Clinic

**The University of Texas System Administration**

- Herman "Hank" Wilke, Senior Construction Inspector, Office of Facilities Planning and Construction

STANDING COMMITTEE REPORTS AND RECOMMENDATIONS.--At 8:55 a.m., Chairman Tucker announced the Board would hear the reports and recommendations of the Standing Committees, which are set forth on Pages 36 - 54.

REPORT AND RECOMMENDATIONS OF THE AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE (Pages 36 - 39).--Committee Chairman Beck 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. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were 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.

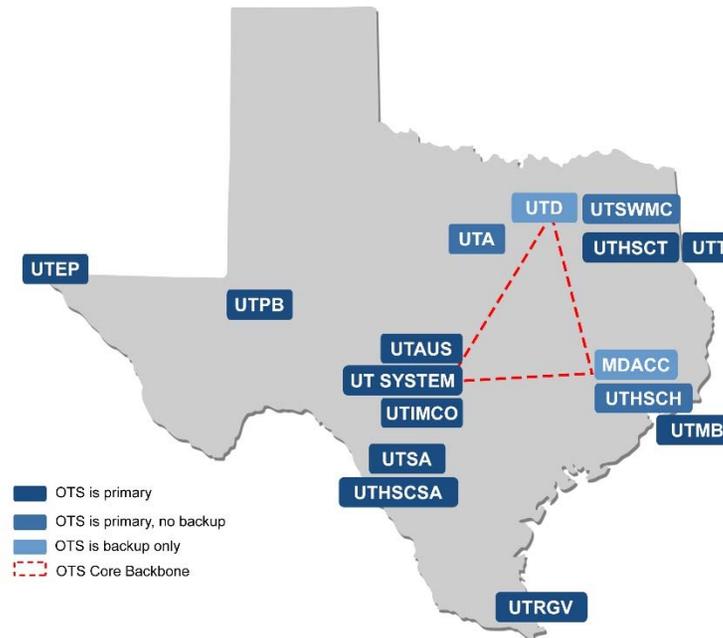
2. U. T. System: Report on U. T. Systemwide Intrusion Detection System

This item was for consideration only by the Committee.

[Secretary's Note: A revised Slide 3 for the presentation displayed at the Committee meeting on April 30, 2018, is set forth for the record on the next page.]

# The Intrusion Detection System (IDS) Scans Internet Traffic

Minutes - 37



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3. U. T. System: Discussion and appropriate action regarding request for additional funding of \$7,000,000 from Available University Funds (AUF) to refresh and enhance data loss and intrusion detection capabilities in U. T. System networks, and finding that expenditure of AUF for this purpose is appropriate

Upon recommendation of the Deputy Chancellor and the Chief Compliance and Risk Officer, the Board approved additional funding in the amount of \$7,000,000 from Available University Funds (AUF) to upgrade the capacity of the intrusion detection system for the wide area network and add new data loss detection capabilities to The University of Texas institution networks.

In addition, the Board made a finding that expenditure of AUF for this purpose is appropriate under the U. T. System's responsibilities to oversee and coordinate the activities and operations of the U. T. institutions, with the intent that the expenditure will benefit a broad number of U. T. institutions, including all academic and health institutions.

Information security is a significant high risk compliance area within the U. T. System. As presented in the agenda materials for Item 2 above, the Systemwide Intrusion Detection System (IDS) has reliably served U. T. institutions in detecting and reporting system compromises, high-risk vulnerabilities, and data exfiltration events. The \$7,000,000 will be used to upgrade existing IDS information security capabilities provided by U. T. System and managed by The University of Texas at Austin and to add additional enhancements to institutional security operations as needed.

4. U. T. System: Report on the Risk Finance and Risk Control Programs administered by the Office of Risk Management

This item was for consideration only by the Committee.

5. U. T. System: Discussion and appropriate action regarding transfer of \$24,000,000 to rebate to institutions surplus premium contributions paid in Phase V of the Rolling Owner Controlled Insurance Program (ROCIP)

Upon recommendation of the Chief Compliance and Risk Officer and the Risk Management Executive Committee chaired by the Executive Vice Chancellor for Business Affairs and comprised of the Deputy Chancellor, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel, the Board approved to rebate to The University of Texas institutions the surplus premium contributions paid in Phase V of the U. T. System Rolling Owner Controlled Insurance Program (ROCIP) as set forth on the next page.

<u>Institution</u>	<u>Rebate Amount</u>
U. T. Arlington	\$ 1,286,643
U. T. Austin	5,377,053
U. T. Dallas	1,535,445
U. T. El Paso	808,691
U. T. Permian Basin	664,975
U. T. Rio Grande Valley	322,825
U. T. San Antonio	761,935
U. T. Tyler	97,167
U. T. Southwestern Medical Center	3,058,042
U. T. Medical Branch - Galveston	4,166,775
U. T. Health Science Center - Houston	894,432
U. T. Health Science Center - San Antonio	879,536
U. T. M. D. Anderson Cancer Center	3,948,976
U. T. Health Science Center - Tyler	<u>197,505</u>
Total	\$24,000,000

The ROCIP provides workers' compensation, general liability, and excess liability coverage for contractors working on designated U. T. System construction projects, under one master program. The program not only ensures better, more consistent coverage, but also creates economies of scale by purchasing insurance in bulk rather than in the bids of individual contractors.

The surplus amount was actuarially determined and reflects better than expected claim experience. The allocation to each institution was agreed to by a task force of institutional representatives and considers premiums paid into the fund as well as the individual institution's losses in the phase.

6. U. T. System: Report on the State Auditor's Office Statewide Single Audit for Fiscal Year 2017

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.

REPORTS AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 40 - 42).--Committee Chairman Hildebrand reported that the Finance and Planning 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 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 Board of Regents: The University of Texas/Texas A&M Investment Management Company (UTIMCO) Update

This item was for consideration only by the Committee.

4. U. T. System Board of Regents: Discussion and appropriate action regarding amendments to The University of Texas/Texas A&M Investment Management Company (UTIMCO) Bylaws related to the terms of the Chairman and Vice Chairman of the UTIMCO Board of Directors

The Board authorized amendments to The University of Texas/Texas A&M Investment Management Company (UTIMCO) Bylaws related to the terms of the Chairman and Vice Chairman of the UTIMCO Board of Directors to read as set forth below:

ARTICLE V  
OFFICERS

...

Section 4. Powers and Duties of the Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Directors and shall have such other powers and duties as may be assigned to such officer in these Bylaws or from time to time by the Board of Directors. The Chairman of the Board shall be appointed by the Board of Directors. No Director shall serve more than five (5) full one-year terms as Chairman.

Section 5. Powers and Duties of the Vice Chairman of the Board. The Vice Chairman of the Board shall have such powers and duties as may be assigned to such officer in these Bylaws or from time to time by the Board of Directors and shall exercise the powers of the Chairman during that officer's absence or inability to act. Any action taken by the Vice Chairman in the performance of the duties of the Chairman shall be conclusive evidence of the absence or inability to act of the Chairman at the time such action was taken. The Vice Chairman of the Board shall be appointed by the Board of Directors. No Director shall serve more than five (5) full one-year terms as Vice Chairman.

....

On February 28, 2018, the UTIMCO Board of Directors approved the above amendments to the UTIMCO Bylaws to allow a Director to serve up to five full one-year terms as Chairman and Vice Chairman, rather than the former three-year limitation. The changes were effective May 1, 2018.

5. 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 \$0.0619 per unit to \$0.0628 per unit for Fiscal Year 2019 (effective with November 30, 2018 distribution);
- b. the distribution rate for The University of Texas System Long Term Fund (LTF) be increased from \$0.3481 per unit to \$0.3503 per unit for Fiscal Year 2019 (effective with November 30, 2018 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 2019.

To balance the needs and interests of present beneficiaries with those of future beneficiaries, the spending policy objectives guiding the distribution rates for 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. institutions to substantially increase philanthropic revenue.

The LTF distribution rate of \$0.3503 per unit or 4.90% of the market value of the LTF plus the previously approved 0.60% development allocation will 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, 2017, was 1.46%. The increase in the PHF distribution rate of \$0.0619 to \$0.0628 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 2019.

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.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 43 - 48).--Committee Chairman Aliseda 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. Tyler: Discussion and appropriate action regarding proposed revisions to the Mission Statement

The Board approved the revised Mission Statement for The University of Texas at Tyler as set forth below.

Each public institution of higher education is required to have a mission statement under *Texas Education Code* Section 51.359. Section 51.352 of the Code, regarding the Responsibility of Governing Boards, requires 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, as appropriate, must review proposed changes to institutional mission statements.

Approval of this item helps 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.

The U. T. Tyler Mission Statement was last approved on November 10, 2011.

Revised Mission Statement

U. T. Tyler is committed to student success by providing a uniquely balanced student experience in an environment of innovative teaching and research shaped to serve and advance the educational, economic, technological, and public interests of East Texas and beyond.

3. U. T. Rio Grande Valley: Approval of preliminary authority for a Doctor of Pharmacy degree program

The Board approved

- a. preliminary authority for The University of Texas Rio Grande Valley to create a Doctor of Pharmacy degree program; and
- b. notification of the proposal to the Texas Higher Education Coordinating Board.

U. T. Rio Grande Valley requested preliminary authority to offer a Doctor of Pharmacy (PharmD) and to amass the resources needed for the program. The PharmD at U. T. Rio Grande Valley will prepare students for state licensure and entry into the profession as licensed pharmacists. The institution anticipates enrollment of a cohort of 40 new students per year at full maturity of the program. The program will seek accreditation by the Accreditation Council for Pharmacy Education, the nationally recognized accrediting agency. A cooperative program is currently housed in the College of Health Affairs.

In 2001, The University of Texas-Pan American established a cooperative program with The University of Texas at Austin College of Pharmacy. For 16 years, the cooperative has provided for up to 13 students per year to secure interviews at U. T. Austin's College of Pharmacy. The program allows these students the opportunity to complete the pre-pharmacy program and part of the pharmacy curriculum at U. T. Rio Grande Valley. Since the cooperative program was established, there have been 105 graduates, with more than 80 graduates continuing to practice in the Rio Grande Valley.

U. T. Rio Grande Valley will submit the full degree program proposal for approval by the Board of Regents and the Texas Higher Education Coordinating Board.

4. U. T. Tyler: 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 at Tyler; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

### Program Description

The four focus areas in U. T. Tyler's Chemical Engineering Program are in: (a) energy, including petroleum and natural gas production and processing; (b) biochemical engineering manufacturing and production processes; (c) environmental contamination and remediation; and (d) materials manufacturing and process design. Chemical engineers have a strong foundation in chemistry, physics, mathematics, and basic engineering. Chemical engineering courses include thermodynamics, transport phenomena, mass transfer operations, materials engineering, process dynamics and control, kinetics, and plant design. Many of these courses or subjects are already being taught in the other engineering disciplines presently at U. T. Tyler. The degree program will be 128 semester credit hours including 42 hours of general core, 80 hours of required courses, and 6 hours of technical electives. The program will include 15 hours of advanced Mathematics, 20 hours of chemistry, 8 hours of university (or calculus-based) physics, 15 hours of general engineering, and 36 hours of chemical engineering.

### Need and Student Demand

The demand for chemical engineers in emerging areas such as nanotechnology, alternative energy, biotechnology, and sustainability will increase substantially in the coming decade. Texas has the highest demand for and employment of chemical engineers in the country. Additionally, a substantial portion of the workforce in chemical engineering and related fields is at the age of 55 or older and will be nearing retirement within the next 10 years.

The U.S. Bureau of Labor Statistics (BLS) estimates that chemical engineering jobs will experience an 8% growth from 2016 to 2026, with many industry officials predicting significantly stronger growth. The growth prospects for chemical industries in Texas remains strong: of \$166 billion in capital investment made in U.S. projects in 2016, almost one third came from Texas, with 40% of that figure accounted for in chemical manufacturing facilities. Salaries for chemical engineers rank near the top of all engineering professions, with a 2016 mean salary of \$98,340. Furthermore, Texas has the highest employment level of chemical engineers in the United States. According to the BLS, of the top 10 metropolitan areas in the United States with the highest employment levels in chemical engineering (as of May 2016), three are located in Texas, including: (1) the Greater Houston area, (4) the Dallas-Plano-Irving area, and (7) the Beaumont-Port Arthur area. Three of the top 10 metropolitan areas with the highest concentration of jobs and location quotients are: (1) Lake Charles, Louisiana; (2) Beaumont-Port Arthur, Texas; and (6) Houston-The Woodlands-Sugar Land, Texas, which all border East Texas. In terms of general geographic areas, metropolitan or otherwise, amongst the top 10 is the Dallas-Plano-Irving area and also the Dallas-Fort Worth-Arlington area, which is considered separately. This is particularly noteworthy considering there is no chemical engineering program within a 175-mile radius of the Dallas-Fort Worth Metroplex. If the closely related fields of environmental and petroleum engineering are considered, Texas ranks fourth and

first, respectively, in employment of engineers in these fields, with more than six times the number of petroleum engineering jobs than the second-ranked State of Oklahoma.

According to the BLS, nationwide, the related fields of biomedical engineering, environmental engineering, and petroleum engineering, which are expected to be amongst those engineering fields with the highest demand, have anticipated job market growths of 23.1%, 12.4%, and 9.8%, respectively, over the next 10 years. According to the Texas Workforce Commission Texas Labor Analysis, the job market for biomedical engineers, chemical engineers, and petroleum engineers will grow in Texas by 37.1%, 18.4%, and 25.6%, respectively, over the same period.

Chemical Engineering enrollment in the State of Texas has been steadily increasing in recent years. Based on enrollments reported to the Texas Higher Education Coordinating Board (THECB), the total number of undergraduate chemical engineering majors increased by 27% from Fall 2012 to Fall 2016, and the number of degrees awarded increased by 23% from Academic Year 2013 (i.e., 2012-2013) to the most recently completed Academic Year (i.e., 2016-2017).

Presently, there are nine undergraduate chemical engineering programs at public institutions in the State of Texas and one program at Rice University. The most recently launched program is at The University of Texas at San Antonio, which began in Fall 2017 and has yet to have graduates. The most recently approved program is at The University of Texas of the Permian Basin, which will begin in Fall 2018. The fall enrollment numbers for the seven other public university programs, located at Lamar University, Prairie View A&M University, Texas A&M University-Kingsville, Texas A&M University, Texas Tech University, The University of Texas at Austin, and the University of Houston, are illustrated in Table 1. Fall 2012 to Fall 2016 are the most recent fall semesters available through the THECB Profiles Reports Electronically Produced website. From Fall 2012 to Fall 2016, the total enrollment increased 27% statewide and the degrees awarded during the respective academic years increased by 23%.

**Table 1: THECB declared chemical engineering majors from Fall 2011 to Fall 2015.**

<b>Institution</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
LAMAR UNIVERSITY	243	344	386	453	417
PRAIRIE VIEW A&M UNIVERSITY	222	260	301	319	307
TEXAS A&M UNIV-KINGSVILLE	135	157	174	218	235
TEXAS A&M UNIVERSITY	644	710	519	601	709
TEXAS TECH UNIVERSITY	258	211	218	257	281
U. T. AUSTIN	702	704	738	742	759
UNIVERSITY OF HOUSTON	411	423	488	587	620
<b>TOTALS</b>	<b>2,615</b>	<b>2,809</b>	<b>2,824</b>	<b>3,177</b>	<b>3328</b>

The table below projects enrollment as full-time student equivalent (FTSE) over the first five years of the Chemical Engineering program and is based on the enrollment trends experienced by U. T. Tyler’s Civil Engineering Program, which was established in 2006.

YEAR	1	2	3	4	5
<b>Headcount/FTSE</b>	22	43	67	98	120
<b>Attrition</b>	4	6	8	10	12
<b>Graduates</b>	0	10	11	15	20

Program Quality

Four new faculty members with doctoral degrees in chemical engineering or closely related areas will be hired, including a department chair, an associate professor, and two assistant professors. Existing faculty members in chemistry, civil engineering, and mechanical engineering will serve as support faculty teaching related courses. These existing faculty members have advanced degrees in chemical engineering or closely related areas, including chemistry, civil engineering (with an environmental engineering focus), and mechanical engineering (with a focus in thermodynamic and fluid mechanic systems). They include three professors in the Department of Chemistry, two in the Department of Mechanical Engineering, and two in the Department of Civil Engineering (or seven total existing faculty).

Revenue and Expenses

The table below includes the projected enrollments and expenditures for the first five years.

<b>Projected Enrollment</b>	<b>5-Year Total</b>
Number of Students Used for Formula Funding Calculation	285
Total Number of Students	350
<b>Expenses</b>	<b>5-Year Total</b>
<i>Faculty</i>	
Salaries	\$1,677,846
Benefits	\$420,337
<i>Graduate Students</i>	
TA Salaries	\$0
TA Benefits	\$0
GRA Salaries	\$0
GRA Benefits	\$0
<i>Staff &amp; Administration</i>	
Graduate Coordinator Salary	\$0
Administrative Staff Salaries	\$144,256
Staff Benefits	\$36,064
SCC Operating Benefits	\$0
<i>Other Expenses</i>	
M&O	\$77,000
Travel	\$14,000
Laboratory Start-up	\$1,698,000
Laboratory Consumables	\$35,000
<b>Total Expenses</b>	<b>\$4,102,503</b>

<b>Revenue</b>	<b>5-Year Total</b>
<i>From Student Enrollment</i>	
Formula Funding	\$1,000,229
Tuition and Fees	\$1,974,924
<i>From Institutional Funds</i>	
Reallocated Operating Expenses	\$632,350
<i>From Grant Funds</i>	
	\$0
<i>From Other Revenue Sources</i>	
Donor Funds Directed to Capital	\$500,000
<b>Total Revenue</b>	<b>\$4,107,503</b>

Coordinating Board Criteria

The program meets all applicable Coordinating Board criteria for new Bachelor of Science degree programs.

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 49 - 51).--Committee Chairman Foster 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. Southwestern Medical Center: Approval of preliminary authority for a Doctor of Philosophy in Applied Clinical Research degree program in the School of Health Professions, Department of Health Care Sciences (Deferred)

This item was deferred to a future meeting at the request of the institution.

3. U. T. Southwestern Medical Center: Discussion and appropriate action regarding proposed revisions to Mission Statement

The Board approved the revised Mission Statement for The University of Texas Southwestern Medical Center as set forth on the following page. The changes were not substantive and provide a more current and accurate statement of the University's mission.

Each public institution of higher education is required to have a mission statement under *Texas Education Code* Section 51.359. Section 51.352 of the Code, regarding the Responsibility of Governing Boards, requires 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, as appropriate, must review proposed changes to institutional mission statements.

Approval of this item helps 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.

The U. T. Southwestern Medical Center Mission Statement was last approved by the Board of Regents on February 8, 2007.

Revised Mission Statement

**Mission of U. T. Southwestern Medical Center**

**Promoting health and a healthy society that enables achievement of full human potential**

We:

**EDUCATE**

Physicians, scientists, and caregivers optimally prepared to serve the needs of patients and society

**DISCOVER**

Research that solves for unmet needs by finding better treatments, cures, and prevention with a commitment to ensuring real world application

**HEAL**

Best care possible today, with continuous improvement and innovation for better care tomorrow

4. U. T. Health Science Center - San Antonio: Report on the Glenn Biggs Institute for Alzheimer's and Neurodegenerative Diseases

This item was for consideration only by the Committee.

REPORT AND RECOMMENDATION OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 52 - 54).--Committee Chairman Hicks 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 action set forth in the Minute Order that follows was 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. System: Interim Assessment of Hybrid Project Delivery Pilot

This item was for consideration only by the Committee.

3. U. T. Austin: Energy Engineering Building - Amendment of the FY 2018-2023 Capital Improvement Program to include project

The Board amended the Fiscal Year 2018-2023 Capital Improvement Program (CIP) to include the Energy Engineering Building project at The University of Texas at Austin.

Previous Actions

On August 1, 2016, the Chancellor approved this project for Definition Phase. On November 10, 2016, the Board approved \$100 million in Permanent University Fund Bond Proceeds for this project.

Project Description

The Energy Engineering Building will provide critically needed education and research space for the Cockrell School of Engineering. The project is central to achieving the Cockrell School of Engineering's vision to be a globally recognized leader in multidisciplinary innovation dedicated to solving the pressing societal problems of the 21st century and beyond, driving future economic progress, and improving the quality of life. Through modular laboratories and integration of undergraduate education, graduate research, and colocation of research and education programs, this project will bring a new paradigm for energy engineering education and research to the university.

This project has been approved by The University of Texas System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date.

**Project Information**

Project Number	102-853
CIP Project Type	New Construction
Facility Type	Laboratory, General
Management Type	Institutionally Managed
Institution’s Project Advocate	John Ekerdt, Associate Dean for Research, Cockrell School of Engineering
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	183,200

**Project Funding**

	<u>Current</u>
Permanent University Fund Bond Proceeds	\$100,000,000
Gifts <sup>1</sup>	\$ 60,000,000
Unexpended Plant Funds	<u>\$ 5,000,000</u>
Total Project Cost	\$165,000,000

<sup>1</sup> In hand \$14,712,778; Pledged \$13,132,620; Not yet raised \$32,154,602

**Project Cost Detail**

Building Cost	\$ 98,450,000
Fixed Equipment	3,875,000
Site Development	6,220,000
Furniture and Moveable Equipment	4,150,000
Institutionally Managed Work	14,850,000
Architectural/Design Services	16,353,000
Project Management Fees	4,650,000
Insurance	2,616,000
Other Professional Fees	8,879,000
Project Contingency	4,942,000
Other Costs	<u>15,000</u>
Total Project Cost	\$165,000,000

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

Energy Engineering Building	\$537												
Texas Higher Education Coordinating Board Average - Laboratory, General	\$517												
	<table border="1"> <tr> <td></td> <td>Low Quartile</td> <td>Median</td> <td>High Quartile</td> </tr> <tr> <td>Other U. T. System Projects</td> <td style="text-align: center;">\$437</td> <td style="text-align: center;">\$494</td> <td style="text-align: center;">\$548</td> </tr> <tr> <td>Other National Projects</td> <td style="text-align: center;">\$409</td> <td style="text-align: center;">\$622</td> <td style="text-align: center;">\$752</td> </tr> </table>		Low Quartile	Median	High Quartile	Other U. T. System Projects	\$437	\$494	\$548	Other National Projects	\$409	\$622	\$752
	Low Quartile	Median	High Quartile										
Other U. T. System Projects	\$437	\$494	\$548										
Other National Projects	\$409	\$622	\$752										

**Investment Metrics**

- Facility to provide colocation of education and research programs by 2021
- Address the current unmet space needs for increased faculty and Ph.D. students by 2021

**Project Planning**

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

**Project Milestones**

Definition Phase Approval	August 2016
Addition to CIP	May 2018
Design Development Approval	November 2018
Construction Notice to Proceed	December 2018
Substantial Completion	May 2021

APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS.--At 9:00 a.m., the Board voted and unanimously approved the Standing Committee recommendations.

AGENDA ITEMS (continued)

9. U. T. System Board of Regents: Presentation of Certificate of Appreciation to Student Regent Jaciel Castro and Comments

Chairman Tucker complimented Regent Castro on his meticulous preparation for Board meetings, on the thoughtful way he reached out to students to be their eyes and voices and to other constituencies, and for being the Board's conscience to ensure that campus life is safe, secure, and enriching for the students and that college is accessible to everyone.

Regent Castro expressed appreciation for the opportunity to represent students across The University of Texas System, and he thanked members of the Board and U. T. System Administration and institutional staff for their assistance, support, guidance, and work, noting that he was consistently impressed by the impact and reach of the institutions. He said through work and dedication, the U. T. System is improving the human condition for many, pushing the boundaries of discovery, enhancing access to health for the people that need it most, and proving what is possible in public higher education.

Regent Castro received a standing ovation and the following certificate of appreciation:

CERTIFICATE OF APPRECIATION

to

JACIEL CASTRO

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, 2017 - 2018

10. U. T. System Board of Regents: Presentation of Certificate of Appreciation to Chancellor McRaven and Comments

Chairman Tucker provided the following remarks about Chancellor McRaven who resigned as Chancellor effective May 31, 2018.

Remarks by Chairman Tucker

This is not our last Board meeting before the end of May [2018], but it is our last in-person Board meeting, and I do think that we just need to take a moment to acknowledge Chancellor Bill McRaven. Those of you who were at the dinner last night heard my remarks, so I won't repeat them, but I do want the record to reflect three things:

1. Our gratitude to Georgeann. I hope you told her last night that she was missed. She's the one who cheerfully visited all our campuses with a visible presence, supporting the students, supporting the veterans. And we know that she's the one who had to make personal sacrifices to make sure that you got your job done. So, please let her know that we're very appreciative for your service to our campus.
2. Anytime we're bold and take action aggressively to advance our institutions, to advance the U. T. System, every time we put teamwork as a priority and build collaboration, and every time we have the courage to stand and do what's right, it is a tribute to you, Chancellor McRaven.
3. And last, but not least, the Chancellor and Georgeann McRaven were surprised at the Chancellor's Council at the end of the day on Friday, the 27th, with a \$500,000 endowment -- the Georgeann and Bill McRaven Endowment for National Service and Leadership -- which will benefit future Chancellors to have a discretionary fund to do the strategic items that our campuses need. At the end of the evening, it had grown to \$900,000, so know that your name will be forever linked with the U. T. System, and we'll keep an eye on you at the LBJ School [Lyndon B. Johnson School of Public Affairs, The University of Texas at Austin]. There's not much more that I can add, but maybe this video will talk a little bit about why all those things happened.

The video honoring Chancellor McRaven is on file in the Office of the Board of Regents. Chancellor McRaven received a standing ovation and a certificate of appreciation as set forth on the next page. He then provided remarks as set forth on the following pages.

## CERTIFICATE OF APPRECIATION

The Board of Regents

Expresses to

WILLIAM H. McRAVEN

Deep and Sincere Appreciation for His  
Thoughtful Vision, Exceptional Leadership,  
and Distinguished Service

to

The University of Texas System

as

Chancellor  
2015 - 2018

### Remarks by Chancellor McRaven

First, let me begin by thanking the Chairman, and really, the Board of Regents. If you think back over three and a half years ago, you really did kind of set me on this path, and I can tell you without hesitation that being the Chancellor of The University of Texas System has truly been one of the most rewarding jobs in my lifetime. Georgeann and I are forever grateful. And all the members of the Board, past and present, with whom I've served, the State of Texas ... the State of Texas is really lucky to have you. I've watched as each one of you gave your time and your passion and your energy to the job. And while, as I said last night, I have not always agreed with every decision, with every Regent, I never once, not once, doubted your loyalty to U. T. nor your desire to make our universities and our health care institutions better. The people of this state owe you a great deal of thanks.

I also want to thank the presidents with whom I served. I've come to the conclusion that the toughest job in the nation is that of an academic or health institution president. Every day, they must balance the needs, the opinions, and the desires of countless constituents all the while trying to move their institutions towards greater excellence. It is a Herculean task and they do it with remarkable skill. To the faculty and staff of the institutions, my sincere thanks. You are the foundation of each institution and the future of our students and our patients rests on your shoulders. And to my staff, no leader was ever quite so blessed. You have made my job easy and your incredible hard work has advanced the System in ways it will leave a lasting legacy for the future of Texas, and I thank you.

Finally, at the risk of repeating myself, I'd like to provide some parting thoughts that I offered to the Chancellor's Council just last week. On the first day of my tenure as the Chancellor, I put out an electronic message that told the faculty and the staff and the students a bit of my story of what I'd learned from my time in the military and how I hoped that would shape my thinking as the Chancellor. I told them that as I traveled around the world, it never ceased to amaze me that when I told people I was from Texas, everyone I encountered, from the youngest Afghan girl to the oldest African villager, had a common view of Texas and Texans. They understood that Texans were men and women of character and integrity, strong-willed, independent, bold, risk-takers who helped the weak and the downtrodden, who got up when they were knocked down and who never complained about their struggles. Texans wore boots and big hats, and sat tall in the saddle because there was a grandness in their manner. They understood that being a Texan was something special. We are Texans and that should mean something in everything we do, particularly in higher education, research, health care, and service.

I told them that my time in the military had instilled in me the core values necessary to lead. But leadership was not the sole purview of the military. In fact, I believe that the purpose of education was to build great leaders from anthropologist to zoologists, from accountants to physicists. Every leader, every person could become a great leader for the betterment of society. However, I also told them that I didn't believe you could build great leaders without creating an environment that challenges them, that encourages them, and an environment that propels them forward. Within The University of Texas System, that environment resides in our academic and our intellectual freedom. I told them that I strongly believe that as students, faculty, and researchers we should challenge conventional wisdom. We should challenge the great philosophers, we should challenge the nature of the universe, we should challenge our economic models, our government models, and our business models. Nothing should go unchallenged. We should be relentless in our pursuit of new ideas. We should make people mad, frustrated, irate, and alive with curiosity. We should publish papers that shape the foundation of conventional thinking. We needed students who challenge professors, and professors who challenge students. I wanted those who educated our young men and women to come to work every day with a little anxiety wondering whether they were good enough for our students, and I wanted the students to wake up every morning excited about their classroom and what they might learn. I wanted researchers who push the envelope on every new idea, who never accepted the existing theories or trends. All of this, I hoped, would produce leaders in every field of endeavor.

We must be known as the institution that builds leaders through world-class education, cutting-edge research, uncompromising intellectual integrity, and the highest ethical standards. I told them that never in my life had I seen such promise and such potential to change the lives of Texans across the state. After three and a half years, my faith in Texas and The University of Texas System is stronger today than ever before. And for those who contributed so mightily to making us better, I am forever grateful.

Finally, for those who worry about the future of this nation, worry not. Just look north to the 40 acres, or south to the Rio Grande Valley, or west of San Antonio and El Paso, or look to Tyler or Houston or Galveston, just look to the graduates who will build the bridges, find the cures, teach our youth. The graduates who will volunteer to wear the uniform, fight the fires, and protect the people. Make no mistake about it, we have a lot of challenges in the country today, but I am more convinced than ever that our future is in very good hands. Thank you again for giving me this opportunity to serve. It has been the honor of my lifetime to be your Chancellor. Thank you very much.

RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551.--At 9:18 a.m., the Board recessed to Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073, 551.074, 551.076, and 551.089 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS AND TO CONSIDER AGENDA ITEMS.--The Board reconvened in Open Session at 12:48 p.m. No action was taken on the following Executive Session items.

1. 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

This item was posted with the Secretary of State for consideration on April 30, 2018 and May 1, 2018.

No action was taken on this item.

2. U. T. Austin: Discussion regarding the lease, uses, 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.

- 3a. U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features

This item and Item 3b were posted with the Secretary of State for consideration on April 30, 2018 and May 1, 2018. See Page 9 for action taken on April 30, 2018.

- 3b. U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features

No action was taken on this item.

- 4a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

- 4b. 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.

- 5a. 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); Board members, task force members, and advisory council members; and U. T. System and institutional employees

No action was taken on this item.

- 5b. U. T. System: Discussion with Vice Chancellor for Strategic Initiatives regarding assignment and duties, including responsibilities associated with providing information and data to the Board and U. T. System leadership

No action was taken on this item.

- 5c. U. T. El Paso: Discussion with president regarding assignment and duties, including individual responsibilities associated with outlining a vision and plans for the future of the institution

No action was taken on this item.

- 5d. U. T. Tyler: Discussion with president regarding assignment and duties, including individual responsibilities associated with outlining a vision and plans for the future of the institution

No action was taken on this item.

5e. U. T. System: Discussion of individual personnel matters relating to Chancellor search

No action was taken on this item.

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on July 11-12, 2018, in Austin.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 12:49 p.m.

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

May 22, 2018



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Houston, Texas

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| 1. | Minutes - <b>U. T. System Board of Regents:</b> Approval of Minutes of the regular meetings held on February 26-27, 2018; and the special called meetings held on February 15, 2018, and March 19, 2018   | <b>66</b> |
| 2. | Resolution - <b>U. T. System Board of Regents:</b> Adoption of resolution regarding the list of Key Management Personnel authorized to have access to classified government contracts (Managerial Group) to reflect addition of Michael J. Heidingsfield, Director of Police, The University of Texas System, to the Managerial Group | <b>66</b> |

**AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE**

No items for Consent Agenda

**FINANCE AND PLANNING COMMITTEE**

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## MEETING OF THE BOARD

1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meetings held on February 26-27, 2018; and the special called meetings held on February 15, 2018, and March 19, 2018
  
2. Resolution - U. T. System Board of Regents: Adoption of resolution regarding the list of Key Management Personnel authorized to have access to classified government contracts (Managerial Group) to reflect addition of Michael J. Heidingsfield, Director of Police, The University of Texas System, to the Managerial Group

To comply with the Department of Defense National Industrial Security Program Operating Manual (NISPOM) requirements, it is recommended that the Board of Regents approve the revised resolution set forth below regarding the list of Key Management Personnel (KMP) authorized to have access to classified government contracts. The revision reflects the addition of the Director of Police to the Managerial Group.

A Resolution amending the Managerial Group list was last adopted by the Board of Regents on December 15, 2017.

NISPOM defines KMP as "officers, directors, partners, regents, or trustees." The Manual requires that the senior management official and the Facility Security Officer must always be designated as part of the Managerial Group and be cleared at the level of the Facility Clearance. Other officials or KMPs, as determined by the Defense Security Service, must be granted Personal Security Clearances or be formally excluded by name from access to classified material.

### RESOLUTION

#### BE IT RESOLVED

- a. That those persons occupying the following positions at The University of Texas System and The University of Texas at Austin shall be known as the Managerial Group, having the authority and responsibility for the negotiation, execution, and administration of Department of Defense (DoD) or User Agency contracts, as described in DoD 5220.22-M, "National Industrial Security Program Operating Manual" (NISPOM):

William H. McRaven, Chancellor, The University of Texas System  
David E. Daniel, Ph.D., Deputy Chancellor, The University of Texas System  
Gregory L. Fenves, Ph.D., President, The University of Texas at Austin  
Daniel T. Jaffe, Ph.D., Vice President for Research, The University of Texas at Austin

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

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

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

Helen T. Mohrmann, Chief Information Security Officer, The University of Texas System

Michael J. Heidingsfield, Director of Police, The University of Texas System

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

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

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

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

Sara Martinez Tucker, Chairman

Jeffery D. Hildebrand, Vice Chairman

Paul L. Foster, Vice Chairman

Ernest Aliseda

David J. Beck

Kevin P. Eltife

R. Steven Hicks

Janiece Longoria

James Conrad Weaver

Jaciell Castro, Student Regent from June 1, 2017 to May 31, 2018 (nonvoting)

## AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE

No items for Consent Agenda

## FINANCE AND PLANNING COMMITTEE

3. Contract (funds going out) - U. T. System: Amendment to existing contract with ERP Analysts, Inc. for PeopleSoft break-fix support and enhancement services

Agency: ERP Analysts, Inc.

Funds: Amendment to existing contract for addition of up to \$1,000,000 bringing the estimated total to \$2,000,000

Period: Commencing on September 1, 2018, and ending no later than April 1, 2019. U. T. System will have the option to renew the agreement for three additional, one-year terms.

Description: Amendment of existing agreement with ERP Analysts, Inc. to continue providing professional services necessary to support break-fix support and enhancement services in the following PeopleSoft application suites: Finance, Human Capital Management, Campus Solutions and PeopleSoft Interaction Hub (formally PeopleSoft Portal). The initial contract was approved by the Board on May 10, 2017. The initial contract was competitively bid.

4. Contract (funds going out) - U. T. System: Amendment to existing contract with The Burgundy Group, Inc. for PeopleSoft break-fix support and enhancement services

Agency: The Burgundy Group, Inc.

Funds: Amendment to existing contract for an addition of up to \$1,000,000 bringing the estimated total to \$2,000,000

Period: Commencing on September 1, 2018, and ending no later than April 3, 2019. U. T. System will have the option to renew the agreement for three additional, one-year terms.

Description: Amendment of existing agreement with The Burgundy Group, Inc. to continue providing professional services necessary for break-fix support and enhancement services in the following PeopleSoft application suites: Finance, Human Capital Management, Campus Solutions and PeopleSoft Interaction Hub (formally PeopleSoft Portal). The initial contract was approved by the Board on May 10, 2017. The initial contract was competitively bid.

5. Contract (funds going out) - U. T. System: Amendment to existing contract with Everfi, Inc. to provide training courses, including web-based alcohol education and sexual assault prevention services

Agency: Everfi, Inc.

Funds: The total contract amount, as amended, is \$1,203,106

Period: Initial agreement commenced April 1, 2016. Amendment extends term to March 31, 2021.

Description: Everfi, Inc. will provide students, faculty, and staff of U. T. institutions with a variety of training courses, including web-based alcohol education and sexual assault prevention services. The original contract was competitively bid. This is an amendment of the original agreement to include all U. T. health institutions, in addition to all U. T. academic institutions already covered in the original agreement, and to expand the courses available. The amendment also extends the end date of the agreement from June 1, 2019, to March 31, 2021. The agreement was not previously submitted for Board approval because the total contract amount was below the approval threshold.

6. 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, 2018**

		FUND TYPE							
		Current Purpose Restricted		Endowment and Similar Funds		Annuity and Life Income Funds		TOTAL	
		Book	Market	Book	Market	Book	Market	Book	Market
<b>Land and Buildings:</b>									
Ending Value									
11/30/2017	\$	1,666,059	\$ 9,703,165	\$ 97,198,479	\$ 245,188,176	\$ 253,270	\$ 388,286	\$ 99,117,808	\$ 255,279,627
Increase or Decrease		-	-	-	(864,954)	-	-	-	(864,954)
Ending Value									
02/28/2018	\$	1,666,059	\$ 9,703,165	\$ 97,198,479	\$ 244,323,222	\$ 253,270	\$ 388,286	\$ 99,117,808	\$ 254,414,673
<b>Other Real Estate:</b>									
Ending Value									
11/30/2017	\$	4	\$ 4	\$ 6	\$ 6	\$ -	\$ -	\$ 10	\$ 10
Increase or Decrease		-	-	-	-	-	-	-	-
Ending Value									
02/28/2018	\$	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.

**ACADEMIC AFFAIRS COMMITTEE**

7. Report - U. T. System Academic Institutions: Fiscal Year 2017 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 2017 post-tenure review for the U. T. System academic institutions is provided by the Executive Vice Chancellor for Academic Affairs.

During Fiscal Year 2017, 456 tenured faculty members at the eight academic institutions with tenured faculty were subject to post-tenure review. Of the faculty members reviewed, 436 or 95.6% were evaluated as Meets or Exceeds Expectations; 17 or 3.7% received Does Not Meet Expectations; and three received Unsatisfactory evaluations. Twenty-one faculty members retired or resigned before their post-tenure reviews.

The following summary tables provide additional details of the post-tenure review results for Academic Year 2016-2017.

**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	54	32	21	1	0	2
UTAUS	163	55	96	10	2	6
UTD	59	13	45	1	0	1
UTEP	38	17	17	3	1	2
UTPB	9	0	9	0	0	0
UTRGV	66	49	16	1	0	6
UTSA	50	22	27	1	0	4
UTT	17	12	5	0	0	0
Total	456	200	236	17	3	21
		43.9%	51.8%	3.7%	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	14	22	10	17	4	1	0	0	0	1	1
UTAUS	124	39	44	11	71	25	7	3	2	0	5	1
UTD	49	10	10	3	38	7	1	0	0	0	1	0
UTEP	28	10	10	7	14	3	3	0	1	0	0	2
UTPB	8	1	0	0	8	1	0	0	0	0	0	0
UTRGV	40	26	28	21	11	5	1	0	0	0	5	1
UTSA	36	14	18	4	18	9	0	1	0	0	3	1
UTT	12	5	10	2	2	3	0	0	0	0	0	0
Total	337	119	142	58	179	57	13	4	3	0	15	6

**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	16	0	22	0	1	9	0
UTAUS	146	9	2	4	2	49	2	1	3	0
UTD	48	0	0	10	1	9	0	0	3	1
UTEP	22	1	12	3	0	11	0	4	2	0
UTPB	7	0	1	1	0	0	0	0	0	0
UTRGV	25	1	19	16	5	23	0	14	8	4
UTSA	31	2	6	9	2	12	0	3	7	0
UTT	15	0	0	2	0	11	0	0	1	0
Total	330	13	42	61	10	137	2	23	33	5

	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	87	7	1	0	1	9	0	0	0	1
UTD	38	0	0	7	0	1	0	0	0	0
UTEP	10	0	6	1	0	1	1	1	0	0
UTPB	7	0	1	1	0	0	0	0	0	0
UTRGV	2	1	5	7	1	0	0	0	1	0
UTSA	19	2	3	2	1	0	0	0	0	1
UTT	4	0	0	1	0	0	0	0	0	0
Total	180	10	17	26	3	12	1	1	1	2

	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	1	0	5	0	1	0	0
UTD	0	0	0	0	0	1	0	0	0	0
UTEP	0	0	1	0	0	1	0	1	0	0
UTPB	0	0	0	0	0	0	0	0	0	0
UTRGV	0	0	0	0	0	2	0	3	0	1
UTSA	0	0	0	0	0	4	0	0	0	0
UTT	0	0	0	0	0	0	0	0	0	0
Total	1	0	1	1	0	15	0	5	0	1

**PRESENT STATUS OF EACH PERFORMANCE THAT DOES NOT MEET EXPECTATIONS:**

**U. T. Arlington:** Faculty member is currently contesting the Post-Tenure Evaluation, so the process is ongoing. An improvement plan is not yet in place.

**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 member is working with the respective Dean to develop a performance improvement plan.

**U. T. El Paso:** Faculty whose performance have rated as "marginal" have met with their Department Chairs and Deans and have agreed to a performance improvement plan, including specific goals and benchmarks in teaching, research, and/or service deemed below expectation in the evaluation.

**U. T. Rio Grande Valley:** Significant concerns were raised regarding the quality and impact of the publications presented by the faculty member. A meeting with the Department Chair and Dean was held to establish an action plan with concrete initiatives to address the aforementioned issues.

**U. T. San Antonio:** The faculty member has been placed on a faculty development plan.

**PRESENT STATUS OF EACH UNSATISFACTORY PERFORMANCE:**

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

**U. T. El Paso:** The faculty member met with the Department Chair and Dean and has agreed to a performance improvement plan including specific goals and benchmarks in teaching, research, and/or service deemed below expectation in the evaluations.

8. Foreign Contract (funds coming in) - U. T. Arlington: To provide a training program for engineers from the China National Petroleum Corporation

Agency: China National Petroleum Corporation

Funds: \$442,585

Period: April 1, 2018 through July 31, 2018

Description: U. T. Arlington will provide a training program in project management and business management for 30 engineers from China, who have traveled to the United States for the program.

9. Contract (funds going out) - U. T. Arlington: Instructional Connections, LLC to continue to provide student coaching services for online courses

Agency: Instructional Connections, LLC

Funds: \$5,300,000

Period: June 1, 2018 through December 31, 2019

Description: U. T. Arlington will extend its current agreement with Instructional Connections, LLC to provide student coaching services for online courses for a 19-month period, during which time U. T. Arlington will conduct a Request for Proposal process for these services. On February 9, 2012, the Board of Regents approved an agreement between U. T. System and Instructional Connections, for use by U. T. institutions on a job order basis. U. T. Arlington has continued using services provided by Instructional Connections under that agreement and requests approval of this contract extension under an exclusive acquisition justification.

10. Contract (funds going out) - U. T. Arlington: Service Agreement under which Advent, LLC will provide consulting services to assist with on-campus signage for advertising and marketing

Agency: Advent, LLC

Funds: Not to exceed \$3,300,000

Period: Three-year initial term beginning March 16, 2018 and ending March 15, 2021, with two optional one-year extension terms

Description: This agreement allows U. T. Arlington to license its trademarks and obtain brand signage and additional campus marketing services on an as-needed, project-by-project basis, through a detailed contract addendum that designates the scope of work, schedule, and fees for each project. Addendum #1 covers services for U. T. Arlington's Lockheed Martin Career Development Center project. This agreement was competitively procured.

11. Contract (funds going out) - U. T. Austin: Jacobs Engineering Group Inc. to provide professional engineering/architectural services to campus facilities

Agency: Jacobs Engineering Group Inc.

Funds: Anticipated total costs expected to exceed \$2,500,000 over the maximum six-year contract period

Period: June 1, 2017 through May 31, 2018 (one-year contract with option to renew for up to five additional one-year periods). Contract is being brought forward for Board approval as expenditures are expected to exceed the \$2,500,000 threshold.

Description: Jacobs Engineering Group Inc. to perform professional engineering/architectural services, with projects varying in scope and size. Separate service agreements will be executed for individual projects. Jacobs Engineering Group Inc. was selected through a publicly advertised competitive request for qualifications process.

12. Contract (funds going out) - U. T. Austin: Shah Smith & Associates, Inc. to provide professional engineering/architectural services to campus facilities

Agency: Shah Smith & Associates, Inc.

Funds: Anticipated total costs expected to exceed \$2,500,000 over the maximum six-year contract period

Period: August 1, 2017 through July 31, 2018 (one-year contract with option to renew for up to five additional one-year periods). Contract is being brought forward for Board approval as expenditures are expected to exceed the \$2,500,000 threshold.

Description: Shah Smith & Associates, Inc. to perform professional engineering/architectural services, with projects varying in scope and size. Separate service agreements will be executed for individual projects. Shah Smith & Associates, Inc. was selected through a publicly advertised competitive request for qualifications process.

13. Interagency Agreement (funds coming in) - U. T. Austin: Interagency Cooperation Contract between U. T. Austin on behalf of Dell Medical School and the Texas Health and Human Services Commission concerning Austin State Hospital, and finding of public purpose

Agency: Texas Health and Human Services Commission (HHSC)

Funds: \$ 2,717,817

Period: February 1, 2018 through December 31, 2018

Description: This agreement provides that U. T. Austin Dell Medical School will provide HHSC with planning and related services focused on the creation of a mental health plan that defines the vision for the replacement of Austin State Hospital (ASH), incorporating a continuum of inpatient and outpatient psychiatric services on the ASH campus to serve the existing ASH catchment area. The total value of the contract is \$2,717,817. HHSC will reimburse expenses to U. T. Austin up to \$2,500,000. The remainder is an in-kind contribution by U. T. Austin personnel.

Finding of Public Purpose: In approving this item, the Board of Regents is also asked to determine that (1) the in-kind contribution of U. T. Austin personnel serves a public purpose appropriate to the function of U. T. Austin; (2) the benefit received by U. T. Austin in return is adequate; and (3) U. T. Austin has adequate safeguards in place to ensure that the public purpose will continue to be met during the term of the agreement.

U. T. Austin has determined that the public purpose will be met through benefits to U. T. Austin resulting from the joint creation of a continuum of care for inpatient and outpatient services for patients who may receive treatment through services provided by the U. T. Austin Dell Medical School on and off the ASH campus, as well as a redesign of community psychiatric services to increase efficiency and reduce costs for Travis County and Central Texas. U. T. Austin therefore believes that the agreement serves a public purpose specific to the mission of the institution and that the U. T. Austin personnel providing the planning services will be able to ensure the public purpose is met during the term of the agreement.

14. Interagency Agreement (funds coming in) - U. T. Austin: Office of Admissions will maintain the Texas Common Application System for admission into colleges located in Texas on behalf of the Texas Higher Education Coordinating Board

Agency: Texas Higher Education Coordinating Board

Funds: Approximately \$3,216,000

Period: September 1, 2018 through August 31, 2022

Description: Interagency Cooperation Contract between U. T. Austin and the Texas Higher Education Coordinating Board. U. T. Austin will maintain ApplyTexas, the Texas Common Application System for admission into college [as prescribed in *Texas Education Code* Section 51.762(g)], on behalf of the Texas Higher Education Coordinating Board and general academic teaching institutions and community colleges in Texas. This is an Interagency Cooperation Agreement entered into pursuant to the Interagency Cooperation Act, *Texas Government Code*, Chapter 771 under which U. T. Austin is providing services.

15. Request for Budget Change - U. T. Austin: Transfer \$8,000,000 from Vice President Business Affairs – Special Equipment Academic and Research Projects and Operations to Project Management and Construction Services – Bridgeway Building – Strategy and Policy Office Move/Renovation for Space Allocation Phase II move and renovations (RBC No. 9148) -- amendment to the 2017-2018 budget
16. Request for Budget Change - U. T. Austin: Transfer \$8,550,478 from Vice President Business Affairs – Special Equipment Academic and Research Projects and Operations to Project Management and Construction Services – Campus Main – Space Allocations Study Moves/Renovation Phase I for Space Allocation Phase I move and renovations (RBC No. 9154) -- amendment to the 2017-2018 budget

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

**Ivo M. Babuska**, from Professor to Robert B. Trull Chair Emeritus in Engineering, Department of Aerospace Engineering and Engineering Mechanics in the Cockrell School of Engineering (RBC No. 9128) -- amendment to the 2017-2018 budget

**Simon S. Lam**, from Professor to Regents Chair Emeritus in Computer Sciences #1, Department of Computer Science in the College of Natural Sciences (RBC No. 9147) -- amendment to the 2017-2018 budget

**William Lawson**, from Professor to Professor Emeritus, Department of Psychiatry in the Dell Medical School (RBC No. 9146) -- amendment to the 2017-2018 budget

**Robert H. Wilson**, from Professor to Mike Hogg Professor Emeritus of Urban Policy, Lyndon B. Johnson School of Public Affairs (RBC No. 9151) -- amendment to the 2017-2018 budget

18. Lease - U. T. Austin: Authorization to lease approximately 1,612 square feet of space located in U. T. Austin's Health Transformation Building at 1601 Trinity Street, Austin, Travis County, Texas, to University Federal Credit Union for office and banking use

Description: Lease of approximately 1,612 square feet of space on the 1st floor of the Health Transformation Building located at 1601 Trinity Street, Austin, Travis County, Texas, within the institution's campus to University Federal Credit Union for office and banking use

Lessee: University Federal Credit Union

Lease Term: Ten-year initial term with three renewal options of five years each upon mutual agreement

Lease Value: \$3,695,289 estimated rental income for the initial 10-year term and three five-year renewal terms. The initial term will begin with an annual per square foot rate of \$60 and will increase to an \$80 annual per square foot rate by the final five-year renewal term. Lessee will be responsible for their pro-rata portion of operating expenses, initially estimated at \$17 per square foot. Lessor will provide a one-time tenant improvement allowance of \$137,020 for the cost of a mutually agreed build-out of the space.

Intended Use: Banking and office use

19. License - U. T. Austin: Authorization to license broadcasting tower space located at 5319 Buckman Mountain Road, Austin, Travis County, Texas, from American Towers, LLC, a Delaware limited liability company, for KUT and KUTX broadcasting purposes

Description: Two licenses for space on a broadcasting tower located at 5319 Buckman Mountain Road, Austin, Travis County, Texas, from American Towers, LLC, a Delaware limited liability company, for KUT and KUTX broadcasting purposes

Licensor: American Towers, LLC, a Delaware limited liability company

License Term: Ten-year initial term, with three mutually approved renewal options of five years each

License Cost: The initial 10-year term will begin with an annual rate of \$174,000 and will increase by 3% per year through the final five-year renewal term. Licensee will be responsible for its own electrical expenses, initially estimated at \$4,000 per year. Licensee's estimated site preparation and equipment installation cost is \$100,000. The cumulative gross cost of the initial 10-year term and three renewal terms are estimated to be \$6,543,921.

Intended Use: Broadcasting facility for KUT and KUTX

20. Foreign Contract (funds coming in) - U. T. Dallas: To provide instructional and program support for Center for Research and Innovation in Information and Communication Technologies (INFOTEC) Master's program

Agency: INFOTEC, a Mexican Federal Government Public Trust

Funds: Anticipated total revenues expected to be \$183,870 over the maximum 20-month contract period

Period: May 1, 2018 through December 31, 2019. This is an updated service contract.

Description: U. T. Dallas to perform educational services for INFOTEC primarily in Mexico City, Mexico. U. T. Dallas will invoice INFOTEC for all related instructor, administrative, and travel fees. INFOTEC determined that U. T. Dallas was uniquely qualified to provide these services.

21. Contract (funds going out) - U. T. Rio Grande Valley: Job Order Contracting Agreement with Noble Texas Builders, LLC for building renovations and general construction campus-wide

Agency: Noble Texas Builders, LLC

Funds: Anticipated total cost may exceed \$1,000,000 over the agreement term

Period: September 1, 2017 through August 31, 2020, with option to renew for two additional one-year terms

Description: Noble Texas Builders, LLC, will perform building renovations and general construction services on a job order basis. This contract was competitively procured.

22. Contract (funds going out) - U. T. Rio Grande Valley: Job Order Contracting Agreement with J.T. Vaughn Construction, LLC for building renovations and general construction campus-wide

Agency: J.T. Vaughn Construction, LLC

Funds: Anticipated total cost may exceed \$1,000,000 over the agreement term

Period: September 1, 2017 through August 31, 2020, with option to renew for two additional one-year terms

Description: J. T. Vaughn Construction, LLC, will perform building renovations and general construction services on a job order basis. This contract was competitively procured.

23. Contract (funds going out) - U. T. Rio Grande Valley: Job Order Contracting Agreement with SpawGlass Contractors, Inc. for building renovations and general construction campus-wide

Agency: SpawGlass Contractors, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 over the agreement term

Period: September 1, 2017 through August 31, 2020, with option to renew for two additional one-year terms

Description: SpawGlass Contractors will perform building renovations and general construction services on a job order basis. This contract was competitively procured.

24. Request for Budget Change - U. T. Rio Grande Valley: New Hire with Tenure -- amendment to the 2017-2018 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 \$	
<b>College of Health Affairs</b>					
School of Nursing					
Professor					
Sharon Radzynski (T)	6/18-8/31	100	12	140,000	9158

25. Request for Budget Change - U. T. Rio Grande Valley: Approval of Emeritus Titles

**Robert Edwards**, from Professor to Professor Emeritus, Department of Biology in the College of Sciences (RBC No. 9156) -- amendment to the 2017-2018 budget

**Angela Scoggin**, from Professor to Professor Emeritus, Department of Occupational Therapy in the College of Health Affairs (RBC No. 9157) -- amendment to the 2017-2018 budget

26. Gift - U. T. Rio Grande Valley: Authorization to accept a gift of approximately 35 acres of land located near the southwest corner of Haine Drive and VFW Road, Harlingen, Cameron County, Texas, from the South Texas Medical Foundation, for future campus expansion

Description: Gift of approximately 35 acres of land located near the southwest corner of Haine Drive and VFW Road, Harlingen, Cameron 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 acquire the property. For not less than 20 years, the Gift shall be used by U. T. Rio Grande Valley (UTRGV) for medical education, research, and for health-related programs, including the construction of a facility for neurosciences. After the expiration of 20 years, UTRGV may use for the same or other purposes, sell, lease or otherwise develop all or any part of the property as UTRGV may deem to be in its best interests. Any proceeds received from such sale, lease, or development shall be used by UTRGV to support medical education and research and health-related programs at UTRGV.

Donor: South Texas Medical Foundation, a Texas nonprofit corporation

Estimated Value: \$1,150,000 (Per independent appraisal prepared by Bryan S. Duffy of Robinson, Duffy & Barnard, L.L.P., dated March 12, 2018)

**HEALTH AFFAIRS COMMITTEE**

27. **Report - U. T. System Health Institutions: Fiscal Year 2017 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 2017 post-tenure review for the U. T. System health institutions is provided by the Executive Vice Chancellor for Health Affairs.

During Fiscal Year 2017, 202 tenured faculty members at the six health institutions with tenured faculty were subject to post-tenure review. Of the 202 faculty members reviewed, 95 or 47.0% were evaluated as Exceeds Expectations; 103 or 51.0% received Meets Expectations; 1 or 0.5% received Does Not Meet Expectations; and 3 or 1.5% received Unsatisfactory evaluations. Ten faculty members retired or resigned the tenured position before their post-tenure review.

The following summary tables provide additional details of the post-tenure review results for Academic Year 2016-2017.

**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	46	26	19	0	1	1
UTMB	32	17	15	0	0	3
UTHSC-H	44	21	22	1	0	5
UTHSC-SA	36	30	6	0	0	0
UTMDACC	44	1	41	0	2	1
UTHSC-T	0	0	0	0	0	0
Total	202	95	103	1	3	10
		47.0%	51.0%	0.5%	1.5%	

**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	36	10	23	3	12	7	0	0	1	0	1	0
UTMB	24	8	12	5	12	3	0	0	0	0	2	1
UTHSC-H	24	20	10	11	14	8	0	1	0	0	4	1
UTHSC-SA	27	9	23	7	4	2	0	0	0	0	0	0
UTMDACC	33	11	1	0	31	10	0	0	1	1	1	0
UTHSC-T	0	0	0	0	0	0	0	0	0	0	0	0
Total	144	58	69	26	73	30	0	1	2	1	8	2

**Post-Tenure Review Results by Ethnicity**

	Total Actually Reviewed					Exceeds Expectations				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
UTSWMC	30	1	2	13	0	17	0	2	7	0
UTMB	20	0	2	10	0	11	0	0	6	0
UTHSC-H	35	1	1	7	0	17	0	0	4	0
UTHSC-SA	27	0	2	6	1	24	0	2	3	1
UTMDACC	27	1	3	13	0	0	0	0	1	0
UTHSC-T	0	0	0	0	0	0	0	0	0	0
Total	139	3	10	49	1	69	0	4	21	1

	Meets Expectations					Does Not Meet Expectations				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
UTSWMC	12	1	0	6	0	0	0	0	0	0
UTMB	9	0	2	4	0	0	0	0	0	0
UTHSC-H	18	1	0	3	0	0	0	1	0	0
UTHSC-SA	3	0	0	3	0	0	0	0	0	0
UTMDACC	26	1	3	11	0	0	0	0	0	0
UTHSC-T	0	0	0	0	0	0	0	0	0	0
Total	68	3	5	27	0	0	0	1	0	0

	Unsatisfactory					Decided to Retire/Resign Before Review				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
UTSWMC	1	0	0	0	0	1	0	0	0	0
UTMB	0	0	0	0	0	1	2	0	0	0
UTHSC-H	0	0	0	0	0	5	0	0	0	0
UTHSC-SA	0	0	0	0	0	0	0	0	0	0
UTMDACC	1	0	0	1	0	1	0	0	0	0
UTHSC-T	0	0	0	0	0	0	0	0	0	0
Total	2	0	0	1	0	8	2	0	0	0

**PRESENT STATUS OF EACH PERFORMANCE THAT DOES NOT MEET EXPECTATIONS:**

**U. T. Health Science Center-Houston:** Dean recommended specific expectations. Not complying will result in disciplinary action including salary reduction.

**PRESENT STATUS OF EACH UNSATISFACTORY PERFORMANCE:**

**U. T. Southwestern Medical Center:** Faculty member has submitted notification of retirement effective August 31, 2018.

**U. T. M. D. Anderson Cancer Center:** Positions ended at the end of 7th-year term.

28. Contract (funds coming in) - U. T. Southwestern Medical Center: Amendment to agreement to provide clinical laboratory and pathology services to patients at Dallas County Hospital District

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

Funds: \$2,200,000 for Third Amendment, with a total contract value of approximately \$9,300,000 for the original agreement and all amendments

Period: January 1, 2018 through December 31, 2019

Description: This is the third amendment to the agreement to provide clinical laboratory and pathology services to patients at Dallas County Hospital District. The initial agreement was not brought to the Board as it was below the institution's delegated contract authority. The first amendment, which increased the contract value by \$3,000,000 to \$4,700,000 was approved by the Board on February 12, 2015. The second amendment increased the value of the contract by \$2,400,000 to \$7,100,000. This third amendment increases the contract value by \$2,200,000 for a total contract value of \$9,300,000 and is being brought to the Board for approval as it exceeds the institution's delegated contract authority.

29. Contract (funds going out) - U. T. Southwestern Medical Center: Atos IT Solutions and Services, Inc. will provide managed voice telecom services

Agency: Atos IT Solutions and Services, Inc.

Funds: Approximately \$8,000,000

Period: March 1, 2018 through February 28, 2021

Description: Atos IT Solutions and Services, Inc. will provide managed voice telecom services to the campus. This agreement was acquired via an Exclusive Acquisition Justification.

30. Contract (funds going out) - U. T. Southwestern Medical Center: CMGRP, dba Weber Shandwick, will provide strategic communications support

Agency: CMGRP, dba Weber Shandwick

Funds: \$5,000,000

Period: March 12, 2018 through March 11, 2021; with the option to renew for two additional one-year terms

Description: CMGRP, dba Weber Shandwick, will provide strategic communications support, including creation of an overarching strategic communications plan that builds upon and extends the reach of current communications, marketing, and public affairs plans and activities. This contract was competitively bid.

31. Contract (funds going out) - U. T. Southwestern Medical Center: Amendment to existing contract with PricewaterhouseCoopers Advisory Services to provide consulting services

Agency: PricewaterhouseCoopers Advisory Services

Funds: The total contract amount, as amended, is \$2,956,995.

Period: Initial agreement commenced July 5, 2016. Amendment extends term to October 31, 2018.

Description: This contract is to provide consulting services regarding the design of the Total Professional Effort software reporting system. This contract was competitively bid.

32. Request for Budget Change - U. T. Medical Branch - Galveston: Tenure Appointment -- amendment to the 2018-2019 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 \$	
<b>School of Health Professions</b> Department of Nutrition and Metabolism Vice President of Interprofessional Education, Institutional Effectiveness and the Health Education Center Janet Southerland (T)	2/1-8/31	100	12	225,000	9102

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

**Don Powell**, from Professor to Professor Emeritus, Department of Internal Medicine in the School of Medicine (RBC No. 9101) -- amendment to the 2018-2019 budget

34. Contract (funds coming in) - U. T. Health Science Center - Houston: Subaward agreement with The University of Texas Foundation, Inc. to support the implementation of a program to enhance and expand care of patients with unmet post-Hurricane Harvey behavioral health needs

Agency: The University of Texas Foundation, Inc.

Funds: \$2,600,000

Period: March 19, 2018 through April 1, 2019

Description: U. T. Health Science Center - Houston will implement a scalable, replicable, technology-supported behavioral health program across UT Physicians' integrated care clinics, which will enhance and expand the screening, triage, referral, and care of patients with unmet post-Hurricane Harvey behavioral health needs.

35. Request for Budget Change - U. T. Health Science Center - Houston: Approval of Emeritus Titles

**Kenneth F. Jones**, from Associate Professor to Associate Professor Emeritus, Department of Pediatric Dentistry, UTHealth School of Dentistry (RBC No. 9190) -- amendment to the 2017-2018 budget

**Susan V. Seybold**, from Associate Professor to Associate Professor Emeritus, Department of Pediatric Dentistry, UTHealth School of Dentistry (RBC No. 9191) -- amendment to the 2017-2018 budget

**Thomas W. Wild**, from Associate Professor to Associate Professor Emeritus, Department of Pediatric Dentistry, UTHealth School of Dentistry (RBC No. 9192) -- amendment to the 2017-2018 budget

**Janet C. Meininger**, from Lee and J.D. Jamail Distinguished Professor to Professor Emeritus, Department of Nursing Systems, Cizik School of Nursing (RBC No. 9194) -- amendment to the 2017-2018 budget

**Barbara C. Tilley**, from Professor to Professor Emeritus, Department of Biostatistics and Data Science, UTHealth School of Public Health (RBC No. 9193) -- amendment to the 2017-2018 budget

36. Request for Budget Change - U. T. Health Science Center - San Antonio: Approval of Emeritus Titles

**Kaye Wilkins**, from Professor to Professor Emeritus, Orthopaedics in the School of Medicine (RBC No. 9110) -- amendment to the 2017-2018 budget

**Francis Sharkey**, from Professor to Professor Emeritus, Pathology in the School of Medicine (RBC No. 9111) -- amendment to the 2017-2018 budget

**Jeffrey Kiel**, from Professor to Professor Emeritus, Ophthalmology in the School of Medicine (RBC No. 9127) -- amendment to the 2017-2018 budget

37. Contract (funds coming in) - U. T. M. D. Anderson Cancer Center: Hangzhou Cosmos Wisdom Biotech Co. Ltd. agreement to license U. T. M. D. Anderson Cancer Center technology and trademarks for in vitro diagnostic assay development

Agency: Hangzhou Cosmos Wisdom Biotech Co. Ltd.

Funds: Down Payment of \$1.5 million within 15 days after Effective Date; a \$1 million Milestone Payment within 15 days after earlier of Federal Drug Administration (FDA) or China FDA approval of Licensed Products; 1.5% Royalty Payments on Net Sales of Licensed Products; and \$2 million Research Funding paid in eight installments of \$250,000 each

Period: May 1, 2018 through the longer of the Patent Rights term or 20 years

Description: Agreement to license U. T. M. D. Anderson Cancer Center technology and trademarks for in vitro diagnostic assay development.

(Secretary's Note: On May 1, 2018, the contract terms were renegotiated to reflect a change in the timing of payments to 90 days instead of 15 days.)

38. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to agreement with CapsuleTech, Inc. to provide a medical device information system that will connect patient monitoring and other clinical data acquisition devices to the Electronic Health Record and to integrate with the EPIC electronic health record system

Agency: CapsuleTech, Inc.

Funds: The total cost of services under this agreement, including all renewals, will not exceed \$7,500,000

Period: The term of the existing agreement is for a period of 36 months, commencing on August 5, 2014, and continuing through August 4, 2017, with two renewal options of 12-months each. Amendment 2 extended the term to August 4, 2018. One renewal option remains.

Description: U. T. M. D. Anderson Cancer Center cares for a significant patient population. CapsuleTech, Inc. provides a medical device information system that captures data and distributes patient clinical data to the Electronic Health Record and integrates with the EPIC electronic health record system and makes data available virtually via mobile devices. The contract was sourced via an Exclusive Acquisition Justification for “Meets Unique Specifications” and it was approved because the vendor met the unique specifications. An Exclusive Acquisition Justification has been obtained for the purchases that will be made through Amendment 4.

Amendment 1 increased the Cap Amount from \$4,200,000 to \$5,000,000. As noted above, Amendment 2 extended the contract term to August 4, 2018. Amendment 3 increased the Cap Amount to \$5,250,000. Amendment 4 increases the Cap Amount to \$7,500,000. This fourth amendment is being brought to the Board as the Cap Amount exceeds the institution’s \$5,000,000 delegated contract authority.

39. Request for Budget Change - U. T. M. D. Anderson Cancer Center: Tenure Appointment -- amendment to the 2017-2018 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:

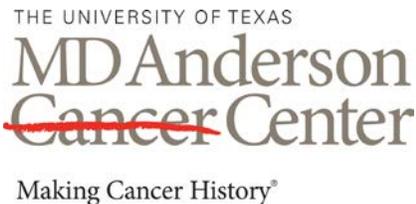
Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>Medical Staff</b>					
Department of Neurosurgery					
Frederick Lang, Jr.					
					9131
From: Professor		100	12	667,922	
To: Chair (T)	2/15-8/31	100	12	750,000	

40. Request for Budget Change - U. T. M. D. Anderson Cancer Center: Approval of Emeritus Title

**William H. Klein**, from Professor to Professor Emeritus, Department of Systems Biology (RBC No. 9074) -- amendment to the 2017-2018 budget

41. Other Matters - U. T. M. D. Anderson Cancer Center: Review and possible action regarding the U. T. M. D. Anderson Cancer Center campus carry rules, regulations, and provisions

President Pisters submits revisions to U. T. M. D. Anderson Cancer Center campus carry rules, regulations, and provisions regarding the carrying of handguns by license holders on campus. The changes do not alter the exclusion areas nor any other right of license holders or other members of the university community. The changes to the U. T. M. D. Anderson Handbook of Operating Procedures establish a protocol for when a workforce member discovers an unattended handgun on the U. T. M. D. Anderson Cancer Center campus.



## **POLICY ON CONCEALED HANDGUN CARRIAGE ON MD ANDERSON'S CAMPUS**

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### **PURPOSE**

The purpose of this policy is to ensure compliance with Section 411.2031 of the Texas Government Code, also known as the "Campus Carry Law", which authorizes the carrying of Concealed Handguns by duly licensed holders on designated portions of the Campus of The University of Texas MD Anderson Cancer Center (MD Anderson), as defined and explained below.

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### **POLICY STATEMENT**

It is the policy of The University of Texas MD Anderson Cancer Center (MD Anderson) to respect the Federal and Texas Constitutions, both of which recognize Texas citizens' right to keep and bear arms. MD Anderson also recognizes the Texas Legislature's power to regulate the carriage of Handguns. Finally, MD Anderson recognizes its right under the Campus Carry Law to implement its own reasonable rules, regulations, and other provisions regarding the carriage on MD Anderson's Premises of Concealed Handguns by holders of Concealed Handgun Licenses (prior to January 2016) and Licenses to Carry a Handgun (after January 2016), collectively, "CHL Holders" for purposes of this policy. Accordingly, in seeking to fulfill its obligations under the Campus Carry Law to determine appropriate Exclusion Zones and permitted Concealed Handgun License Zones ("CHL Zones"), MD Anderson has strived to recognize CHL Holders' rights in the context of (1) the nature of MD Anderson's faculty, student, administrator, patient, and patient family populations; (2) specific safety considerations; (3) the uniqueness of MD Anderson's Campus environment; (4) all applicable laws and contractual obligations; (5) issues of practical implementation; and (6) ease of compliance and reasonable administration and enforcement. While reasonable minds can disagree on certain specifics of this policy, MD Anderson believes that this policy respects the rights and interests of all stakeholders and achieves a balanced approach to the carrying of Concealed Handguns by CHL Holders on its Campus.

**THIS POLICY DOES NOT AUTHORIZE THE OPEN CARRY OF A HANDGUN ON MD ANDERSON'S CAMPUS, AND THE OPEN CARRYING OF A HANDGUN IS PROHIBITED ON MD ANDERSON'S CAMPUS.**

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### **SCOPE**

Compliance with this policy is the responsibility of all persons on MD Anderson's Campus.

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### **TARGET AUDIENCE**

The target audience for this policy is all persons on MD Anderson's Campus.

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## DEFINITIONS

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**All Hazards Risk Leadership Council (AHRLC):** An executive-level council charged with assessing enterprise-level risks.

**Campus:** The sum of all land and buildings leased or owned by the Board of Regents of The University of Texas System for and on behalf of MD Anderson.

**Campus Carry Law:** Section 411.2031 of the Texas Government Code, permitting the carrying of Concealed Handguns by duly licensed holders on MD Anderson's Campus in accordance with this policy.

**Concealed Handgun:** A Handgun, the presence of which is not openly discernible to the ordinary observation of a reasonable person. Per the Campus Carry Law and Texas Penal Code Section 46.03, open carriage by Handgun Licensees on MD Anderson's Campus is prohibited.

**Concealed Handgun License (CHL):** For the purposes of this policy, a Concealed Handgun License (CHL) means any valid handgun license issued pursuant to [Subchapter H, Section 411.171 et seq., of the Texas Government Code](#) (i.e., a Concealed Handgun License (CHL), issued prior to Jan. 1, 2016, or a License to Carry a Handgun (LTC), issued on or after Jan. 1, 2016) when relied upon while on MD Anderson's Campus. Irrespective of handgun license type, Handgun Licensees must keep their Handguns concealed while on the premises of institutions of higher education, including MD Anderson's Campus.

**Concealed Handgun License (CHL) Holder:** A Handgun Licensee under [Subchapter H, Section 411.171 et seq., of the Texas Government Code](#) appearing on MD Anderson's Campus and carrying a Concealed Handgun.

**Concealed Handgun License (CHL) Zones:** The areas on MD Anderson's Campus where CHL Holders may carry a Concealed Handgun.

**Excluded Activities:** Activities that form the bases of Exclusion Zones.

**Exclusion Zones:** The areas on MD Anderson's Campus where CHL Holders may not carry a Concealed Handgun.

**Handgun:** Any firearm that is designed, made, or adapted to be fired with one hand (see [Texas Penal Code, Section 46.01\(5\)](#)).

**Handgun Licensee:** Any person who holds a valid, unexpired license to carry a handgun in a concealed fashion, issued either by the Texas Department of Public Safety, or by another state whose licenses to carry a handgun are recognized as valid by the Texas Department of Public Safety. In Texas, such a license may be called a Concealed Handgun License (CHL), issued prior to Jan. 1, 2016, or a License to Carry a Handgun (LTC), issued on or after Jan. 1, 2016. Notwithstanding that a person may hold a valid, unexpired license to carry a handgun in a concealed fashion issued by another state, Handgun Licensees are expected to know and follow Texas state law and all MD Anderson rules, regulations, and policies as they pertain to carrying Concealed Handguns on Campus.

**National Cancer Institute (NCI) Designation Zone:** All buildings and physical facilities on MD Anderson's Campus that are physically or programmatically interconnected and interrelated and which are used to fulfill the following activities required of an NCI-designated Comprehensive Cancer Center:

- Undertaking and providing treatment, care, and services to patients, including all buildings in which there are hospital facilities, inpatient and outpatient clinics, laboratories, and pharmacies.

- Undertaking and conducting research in the following three areas:
  - Laboratory research.
  - Population science.
  - Clinical research.
- Undertaking and providing programs in cancer prevention.
- Undertaking and providing health care education to health care professionals and patients.

**Premises:** Consistent with [Section 46.035\(f\)\(3\) of the Texas Penal Code](#), “Premises” means a building or a particular portion of an MD Anderson Campus building. For purposes of this policy and MD Anderson’s Campus, a Premises comprises all of the contiguous space dedicated to a particular institutional function or activity and extends to the functional or physical boundary of that function or activity. A Premises may be a floor, departmental suite, hallway, walkway, throughway, skybridge, laboratory, cafeteria, or any other space, depending on the circumstance. The All Hazards Risk Leadership Council (AHRLC), in consult with the Vice President and Chief Facilities Officer and the Executive Director and Chief Safety Officer, determines Premises for purposes of this policy.

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## PROCEDURES

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### 1.0 Policy Permissions and Violations

- 1.1 Subject to a Concealed Handgun License (CHL) Holder’s acceptance of and compliance with this policy and MD Anderson’s rules and regulations, CHL Holders may carry Concealed Handguns in accordance with their CHL in CHL Zones on MD Anderson’s Campus.
- 1.2 CHL Holders are prohibited from carrying, and may not carry, Concealed Handguns in Exclusion Zones on MD Anderson’s Campus. Moreover, neither CHL Holders nor any other persons may carry any other weapon, as described in [Texas Penal Code, Section 46.01](#), on MD Anderson’s Campus.
- 1.3 CHL Holders must abide by and comply with all federal, state, and local law, as well as all MD Anderson rules, regulations, and policies while carrying a properly licensed Concealed Handgun in a CHL Zone.
- 1.4 The mere possession of a properly licensed Concealed Handgun by a CHL Holder in CHL Zones on MD Anderson’s Campus is not a violation of the [Disciplinary Action Policy \(UTMDACC Institutional Policy # ADM0256\)](#) or the [Workplace Violence Prevention Policy \(UTMDACC Institutional Policy # ADM0257\)](#). However, a violation of this policy by a faculty member, trainee/student, or other member of MD Anderson’s workforce may constitute a violation of institutional policies regarding conditions of employment and standards of conduct, including the [Disciplinary Action Policy \(UTMDACC Institutional Policy # ADM0256\)](#) and the [Workplace Violence Prevention Policy \(UTMDACC Institutional Policy # ADM0257\)](#), thereby subjecting the workforce member to disciplinary action, up to and including termination.
- 1.5 CHL Holders are prohibited from engaging in, and may not engage in, Direct, Conditional, or Veiled Threats, as defined in MD Anderson’s [Workplace Violence Prevention Policy \(UTMDACC Institutional Policy # ADM0257\)](#), involving the CHL Holder’s Concealed Handgun. This may include, but is not limited to, overt or implicit references by a CHL Holder to the CHL Holder’s Concealed Handgun in a way so as to intentionally or knowingly incite

fear or concern in any other person. Such conduct may result in immediate termination per Section 8.0 of this policy.

- 1.6 Except for storing a Handgun in a vehicle as permitted by Texas Law, CHL Holders must keep their Concealed Handguns on or about their persons at all times. For purposes of this policy and subject to the requirements of Texas law, “on or about one’s person” means close at hand and within such distance of the CHL Holder so that, without materially changing his or her position, the CHL Holder could place his or her hand on it. Except for storing a Handgun in a vehicle as permitted by state law, CHL Holders are prohibited from leaving and must not leave the CHL Holder’s Concealed Handgun unattended anywhere on MD Anderson’s Campus, regardless of whether stored in a desk drawer, cabinet, purse, handbag, backpack, fanny pack, briefcase, or otherwise.
- 1.7 CHL Holders are responsible for safeguarding their Concealed Handguns at all times and must take all necessary precautions to ensure their Concealed Handguns are secured in a manner that is most likely to prevent theft, loss, damage, or misuse. CHL Holders must have their Concealed Handguns in holders or holsters that completely cover the trigger and the trigger guard area. The holster must have sufficient tension or grip on the Concealed Handgun to retain it in the holster even when subjected to unexpected jostling. CHL Holders are liable for any and all damage, injury, liability, loss, cost, or expense, directly or indirectly resulting from or arising out of an accidental or inadvertent discharge of their Concealed Handgun or their violation of this policy.
- 1.8 MD Anderson does not provide storage (e.g., lockers, gun safes) or holding services for CHL Holders. Moreover, no person is permitted to bring a gun safe or other secured storage area onto MD Anderson’s Campus for the purpose of storing handguns.
- 1.9 A CHL Holder whose Concealed Handgun is lost or stolen on MD Anderson’s Campus must immediately report the loss or theft to The University of Texas Police Department at Houston (UTP-H) at 713-792-2890.
- 1.10 In accordance with Texas Law, CHL Holders may secure their Concealed Handguns safely in their vehicles. MD Anderson assumes no responsibility for loss or theft of Concealed Handguns from CHL Holders’ vehicles on MD Anderson’s Campus (see Section 12.2 of the [Parking Policy \(UTMDACC Institutional Policy # ADM0230\)](#)).
- 1.11 Faculty members, trainees/students, other members of MD Anderson’s workforce, patients, and visitors who are CHL holders and park their vehicles in parking areas owned and managed by Texas Medical Center Corporation (TMC) are subject to the policies and standards TMC has in place for its parking areas. Review the [TMC Policy Prohibiting Firearms and Weapons on TMC Property](#).

## **2.0 CHL Zones and Exclusion Zones**

- 2.1 In accordance with the Campus Carry Law, the President must designate CHL Zones and Exclusion Zones for MD Anderson’s Campus and in doing so must consider:
  - A. The nature of MD Anderson’s faculty, student, administrator, patient, and patient family populations.
  - B. Specific safety considerations.
  - C. The uniqueness of MD Anderson’s Campus environment.
- 2.2 In addition to considering the factors mandated by the Campus Carry Law, the President should also consider the following factors:

- A. All applicable laws and contractual obligations pertinent to MD Anderson.
  - B. Issues of practical implementation.
  - C. Ease of compliance and reasonableness of administration and enforcement.
- 2.3 The President may not create Exclusion Zones that generally prohibit or have the effect of generally prohibiting CHL Holders from lawfully carrying Concealed Handguns on MD Anderson's Campus.
- 2.4 A CHL Zone may be coterminous with a Premises.
- 2.5 If justified using the criteria in Section 2.1 and Section 2.2, an Exclusion Zone may be coterminous with a Premises.
- 2.6 The President has designated the following areas on MD Anderson's Campus as Exclusion Zones:
- A. Areas for which state or federal law, licensing requirements, or contracts require exclusion exclusively at the discretion of the state or federal government, or in which Handguns are prohibited by an accrediting authority.
  - B. Childcare facilities and pediatric-activity areas.
  - C. Areas analogous to state law requirements that prohibit Concealed Handguns, including:
    - MD Anderson's National Cancer Institute (NCI) Designation Zone.
    - Police and correctional facilities.
    - Chapels, synagogues, prayer rooms, and other areas designated for worship, spiritual reflection, or meditation on MD Anderson's Campus.
    - Pediatric school areas and areas in which sponsored activities are conducted for persons under 18 years of age who are not enrolled at MD Anderson.
  - D. Areas where discharge of a Concealed Handgun might cause widespread harm or catastrophic results, such as laboratories with extremely dangerous chemicals, biologic agents, or explosive agents, or equipment that is incompatible with metallic objects such as magnetic resonance imaging machines.
  - E. Animal care areas and vivaria in which protocols increase the risk of discharge or contamination of a Concealed Handgun, or its unanticipated separation from the CHL Holder. For open-air primate enclosures, the Exclusion Zone extends at least five (5) feet from the enclosure.
- 2.7 Deemed Exclusion Zones:
- A. When, either within a Premises or between two Premises, an Exclusion Zone is adjacent to what otherwise might be a CHL Zone, the President may deem the adjacent CHL Zone also to be an Exclusion Zone for practicability and to ensure ease of compliance, and reasonable administration and enforcement, including those situations in which:
    - Ingress and egress by CHL Holders between the Exclusion Zone and the CHL Zone is impracticable (e.g., the CHL Holder could not reasonably move to a CHL Zone without moving through an Exclusion Zone in violation of this policy and the law); and

- Ingress and egress between the Exclusion Zone and the CHL Zone may not reasonably be clearly demarcated per Section 2.8 of this policy.
- B. The President or his designee may deem CHL Zones to be Exclusion Zones for the period of time that the CHL Zone hosts Excluded Activities listed in Section 3.0 of this policy. For example, an event in MD Anderson Campus CHL Zones that includes pediatric patients is an Exclusion Zone during the event. During this period, the signage required by Section 2.8 of this policy will be erected in the deemed Exclusion Zone for the duration of the excluded period.
- C. If a significant fraction of the functional space of a building is excluded for reasons consistent with this policy, the President may exclude the entire building to ensure ease of compliance, reasonable administration, and enforcement.
- 2.8 Exclusion Zones will be demarcated with legally-sufficient signage, per [Texas Penal Code, Section 30.06](#).
- 2.9 The Vice President and Chief Facilities Officer and the Executive Director and Chief Safety Officer each shall maintain a complete and up-to-date listing of CHL Zones and Exclusion Zones.
- A. The listing will include the President's justification(s) for each Exclusion Zone.
- B. The Vice President and Chief Facilities Officer and the Executive Director and Chief Safety Officer will make the listing available to the public upon reasonable request.

### **3.0 Excluded Activities (Not Premises-Specific)**

Irrespective of where they are on MD Anderson's Campus, CHL Holders may not carry Concealed Handguns while engaged in the following Excluded Activities:

- 3.1 Providing institutional care or services to MD Anderson patients.
- 3.2 Handling extremely dangerous chemicals, biologic agents, flammable or explosive agents, or equipment that is incompatible with metallic objects.
- 3.3 Participating in, donating to, attending, or conducting blood drives.
- 3.4 Handling laboratory animals.
- 3.5 Attending events on MD Anderson's Campus at which alcoholic beverages are served.
- 3.6 Attending any meeting related to proceedings made necessary by or in connection with MD Anderson's [Grievance Policy \(UTMDACC Institutional Policy # ADM0266\)](#), [Classified Employees Appeal Policy \(UTMDACC Institutional Policy # ADM0268\)](#), or any institutional policy related to a formal conflict resolution processes as well as a Hearing Tribunal or related meeting scheduled as part of a formal dispute resolution process.
- 3.7 Attending or participating in a ticketed sporting event on MD Anderson's Campus.
- 3.8 Providing care or services to minor children.

#### 4.0 Institutional Vehicles

- 4.1 Subject to Section 4.2 and Section 4.3 below, vehicles owned or leased by MD Anderson and operated by MD Anderson that are used for passenger transportation are considered CHL Zones.
- 4.2 Vehicles owned or leased by MD Anderson that are being utilized for the following purposes, regardless of who operates the vehicles, are considered Exclusion Zones for the duration of time that the vehicle is being used for such purposes:
- A. The vehicle is being used to transport extremely dangerous chemicals, biologic agents, flammable or explosive agents, or equipment that is incompatible with metallic objects.
  - B. The vehicle is being used for health care-related activities, such as mobile mammography, blood donations, or to provide health screenings.
  - C. The vehicle is being used for childcare, school, or pediatric activities or purposes.
- 4.3 Vehicles owned and operated by a third-party vendor contracted by MD Anderson for the purpose of providing passenger transportation to MD Anderson are considered the private property of the contracted vendor. Each contracted vendor will determine whether its vehicles are considered CHL Zones or Exclusion Zones, and will communicate such to MD Anderson prior to the provision of passenger transportation services to MD Anderson.

*Note:* As of July 18, 2016, MD Anderson employee and patient shuttle services are operated by a third-party vendor that has deemed all its shuttles to be CHL Zones.

#### 5.0 MD Anderson Campus Land (External to Buildings)

Areas outside MD Anderson buildings but still on MD Anderson's Campus are deemed Exclusion Zones when the areas are utilized for activities that are Excluded Activities listed in Section 3.0 of this policy. For example, an area on MD Anderson's Campus used for a picnic or event involving pediatric patients is an Exclusion Zone for the duration of the picnic or event.

#### 6.0 Communication

- 6.1 MD Anderson shall widely distribute this policy and all related rules, regulations, and procedures to its faculty, trainees/students, and other members of MD Anderson's workforce, and shall prominently publish this policy and all related rules, regulations, and procedures on MD Anderson's internet and intranet sites.
- 6.2 MD Anderson's Departments of Communications, Human Resources, Patient Advocacy, Patient Care & Prevention Facilities, Patient Education, Patient Experience, Patient Safety, Physicians Referral Service, Academic and Visa Administration, and the Institutional Compliance Office shall be responsible for ensuring communication of this policy and all related rules, regulations, and procedures, as required by the Campus Carry Law.

#### 7.0 Campus Carry Reporting

- 7.1 Incidents Reports to the ~~All Hazards Risk Leadership Council (AHRLC)~~Institutional Safety Committee:

UTP-H will report any incident of an unattended handgun or a handgun discharge on MD Anderson's Campus to the Institutional Safety Committee. Such report by UTP-H will take place as soon as practicable.The Institutional Safety Committee will collect and report to the

AHRLC incidents implicating this policy as soon as practicable, but in no event later than 60 days from the discovery of the date of the incident.

7.2 Institutional Safety Committee Reports to the All Hazards Risk Leadership Council (AHRLC):

The Institutional Safety Committee will collect and report to the AHRLC incidents implicating this policy as soon as practicable, but in no event later than 60 days from the discovery of the date of the incident.

7.27.3 AHRLC Reports to the President:

On or about July 1 of each year, the AHRLC will prepare and deliver to the President a report on MD Anderson's compliance with the Campus Carry Law, the implementation of this policy, and all incidents during the past year involving a Concealed Handgun.

From time to time, and based upon the implementation of this policy or any incidents involving a Concealed Handgun, the AHRLC shall make recommendations to the President in regard to any changes that may be necessary, appropriate, or desirable to this policy, the Exclusion Zones, Excluded Activities, CHL Zones, or the rules and regulations hereunder.

7.37.4 President's Report to the Texas Legislature:

Not later than July 1 of each even-numbered year, the Institutional Compliance Office will prepare for the AHRLC's review and the President's review and approval a report on MD Anderson's compliance with the Campus Carry Law. The report will:

- A. Describe MD Anderson's rules, regulations, and policies regarding the carrying of Concealed Handguns on MD Anderson's Campus; and
- B. Explain the reasons why MD Anderson has established these rules, regulations, and policies.

7.47.5 Once approved by the President, the President shall send the report to The University of Texas System's Office of General Counsel for review not later than August 1 of each even-numbered year.

7.57.6 The President must submit the report to the Texas Legislature not later than September 1 of each even-numbered year.

## **8.0 Policy Violations and Disciplinary Action**

8.1 If any person believes that a CHL Holder has violated this policy, he or she should immediately report the violation by calling 2-STOP (713-792-7867). The caller should provide the following information, as applicable and available:

- A. Description of the perceived violation;
- B. Name(s) of individual(s) involved in the incident;
- C. Name(s) of any witnesses;
- D. Date, time, and location of the incident; and
- E. Factual circumstances surrounding the incident.

8.2 Should a member of MD Anderson's workforce (workforce member) discover an unattended handgun on MD Anderson's Campus, he or she should not attempt to touch or move it. Instead, the workforce member should:

- A. Secure the area as much as reasonably possible, and warn other people away from the unattended handgun.
- B. Promptly report the unattended handgun by calling 2-STOP (713-792-7867). If the workforce member does not have access to a phone, they should ask another workforce member to call 2-STOP (713-792-7867). The caller should be prepared to provide the following information, as applicable and available:
  - The location of the unattended handgun (e.g., building name, floor, and room number);
  - The date and time of the discovery of the unattended handgun; and
  - Names(s) of any additional witnesses.
- C. Remain with the unattended handgun until a UTP-H Officer arrives to address the situation.
- D. If before 2-STOP (713-792-7867) is called or a UTP-H Officer arrives, the owner of the unattended handgun returns to retrieve it, or if another person seeks to take the unattended handgun, the workforce member should not stop them from doing so, nor seek to restrain them from leaving, nor in any way engage in a physical altercation with them. However, if the workforce member feels safe doing so, the workforce member should ask their name.
  - If 2-STOP (713-792-7867) has not yet been called, the workforce member who found the unattended handgun should still call 2-STOP (713-792-7867) to report the incident.
  - If a UTP-H Officer is on their way, the workforce member who found the unattended handgun should remain at the location until the UTP-H Officer arrives.

8.28.3 A violation of this policy by a CHL Holder that involves the CHL Holder's Concealed Handgun may be considered a confirmed incident of a Policy Violation ("a confirmed incident of Violence or Threat of Violence") under the [Workplace Violence Prevention Policy \(UTMDACC Institutional Policy # ADM0257\)](#) and may result in immediate removal from MD Anderson's Campus or referral to The University of Texas Police Department at Houston (UTP-H), as appropriate, and may result in disciplinary action for such person, up to and including termination.

8.38.4 Loss of a CHL Holder's Concealed Handgun on MD Anderson's Campus will be considered a violation of Section 1.6 of this policy, and if the CHL Holder is a faculty member, trainee/student, or other member of MD Anderson's workforce, may result in disciplinary action for such person, up to and including termination.

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## ATTACHMENTS/LINKS

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[Examples of Unacceptable Conduct and Work Performance \(Attachment # ATT1800\).](#)

[Texas Government Code, Chapter 411.](#)

[Texas Penal Code, Section 30.06.](#)

[Texas Penal Code, Section 46.01.](#)

[Texas Medical Center Policy Prohibiting Firearms and Weapons on TMC Property.](#)

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## RELATED POLICIES

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[Classified Employees Appeal Policy \(UTMDACC Institutional Policy # ADM0268\).](#)

[Disciplinary Action Policy \(UTMDACC Institutional Policy # ADM0256\).](#)

[Grievance Policy \(UTMDACC Institutional Policy # ADM0266\).](#)

[Infection Control for Patient Care Areas Policy UTMDACC Institutional Policy # CLN0436\).](#)

[Parking Policy \(UTMDACC Institutional Policy # ADM0230\).](#)

[Termination of Employment of a Faculty Member Policy \(UTMDACC Institutional Policy # ACA0059\).](#)

[Workplace Violence Prevention Policy \(UTMDACC Institutional Policy # ADM0257\).](#)

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## JOINT COMMISSION STANDARDS / NATIONAL PATIENT SAFETY GOALS

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None.

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## OTHER RELATED ACCREDITATION / REGULATORY STANDARDS

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None.

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## REFERENCES

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TEX. GOV'T CODE Title 4, Subtitle B, §411 *et seq.*,  
<http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.411.htm>.

TEX. PEN. CODE Title 7, §30.06 *et seq.*, <http://www.statutes.legis.state.tx.us/Docs/PE/htm/PE.30.htm>.

## FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

42. Contract (funds going out) - U. T. System: Raba Kistner, Inc. to perform miscellaneous geotechnical engineering and materials testing services

Agency: Raba Kistner, Inc.

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

Period: September 1, 2017 through August 31, 2023  
(Contract is being brought forward for Board approval as it is nearing the \$1,000,000 delegation threshold)

Description: Raba Kistner, Inc., to perform miscellaneous geotechnical engineering and materials testing services on a nonexclusive, indefinite quantity basis. Services were competitively procured.