



SCHEDULE OF EVENTS FOR BOARD OF REGENTS MEETING

November 18-19, 2020
Austin, Texas

Wednesday, November 18, 2020

Audit, Compliance, and Risk Management Committee	8:30 a.m.
Finance and Planning Committee	9:00 a.m.
Academic Affairs Committee	9:30 a.m.
Break.....	9:45 to 10:00 a.m.
Health Affairs Committee	10:00 a.m.
Facilities Planning and Construction Committee	10:15 a.m.
Convene in Open Session to Recess to Executive Session	11:00 a.m.
Reconvene and Recess	11:15 a.m.

Thursday, November 19, 2020

Meeting of the Board - Open Session	8:30 a.m.
Recess to Executive Session	9:30 a.m.
Meeting of the Board - Open Session	11:00 a.m.
Adjourn	11:15 a.m.



**AGENDA
FOR MEETING
OF
THE UNIVERSITY OF TEXAS SYSTEM
BOARD OF REGENTS**

**November 18-19, 2020
Austin, Texas**

Wednesday, November 18, 2020

Page

COMMITTEE MEETINGS	8:30 a.m. – 9:45 a.m.
BREAK	9:45 a.m. – 10:00 a.m.
COMMITTEE MEETINGS	10:00 a.m. – 11:00 a.m.
CONVENE IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION PURSUANT TO <i>TEXAS GOVERNMENT CODE</i> , CHAPTER 551	11:00 a.m.
Individual Personnel Matters Relating to Officers or Employees – Section 551.074	

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

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEM

RECESS	11:15 a.m. <i>approximately</i>
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Thursday, November 19, 2020

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS	8:30 a.m.	
STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD	8:35 a.m.	
1. U. T. System Board of Regents: Approval of Consent Agenda and consideration of any item referred to the full Board	8:45 a.m.	5
2. U. T. System: Annual Meeting with Officers of the U. T. System Employee Advisory Council		6

<u>Thursday, November 19, 2020 (cont.)</u>	Page
3. U. T. System Board of Regents: Consideration of Award of President Emeritus Designation	7
4. U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendments of Regents' <i>Rules and Regulations</i>, Rule 10501 (Delegation of Authority)	8
5. U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendments to Regents' <i>Rules and Regulations</i>, Rule 20601 (Aircraft Use), regarding Helicopters	11

RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551

9:30 a.m.

BREAK, as needed

1. Individual Personnel Matters Relating to Officers or Employees – Section 551.074
 - a. **U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions including interim presidents); U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors); other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive); Board members; and U. T. System and institutional employees**
 - b. **U. T. Austin: Discussion and appropriate action regarding individual personnel matters associated with proposed expansion of the clinical enterprise at U.T. Austin, including future developments with local partners**
 - c. **U. T. Southwestern Medical Center: Discussion and appropriate action regarding proposed compensation for Dai Chung, M.D., Chief Medical Officer, Children's Health System of Texas-UT Southwestern Joint Pediatric Enterprise (Regents' *Rules and Regulations*, Rule 20204, regarding compensation for highly compensated employees)**
 - d. **U. T. Health Science Center - Tyler: Discussion and appropriate action regarding proposed compensation for Joseph M. Conflitti, M.D., Clinical Assistant Professor of Surgery, Dennis S. DeVinney, D.O., Clinical Assistant Professor of Surgery, and Alireza Behboudi, D.O., Clinical Assistant Professor of Surgery (Regents' *Rules and Regulations*, Rule 20204, regarding compensation for highly compensated employees)**
2. Negotiated Contracts for Prospective Gifts or Donations – Section 551.073
 - a. **U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features**

Thursday, November 19, 2020 (cont.)

- b. U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features**
- 3. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers – Section 551.071
 - a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues**
 - b. U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning pending legal claims by and against U. T. System**
 - c. U. T. System: Discussion of legal issues associated with operation of Regional Campus Laredo**
 - d. U. T. Austin: Discussion regarding legal issues associated with proposed expansion of the clinical enterprise at U.T. Austin, including future developments with local partners**
- 4. Deliberation Regarding Security Devices or Security Audits - Sections 551.076 and 551.089
 - U. T. System Board of Regents: Discussion and appropriate action regarding safety and security issues, including security audits and the deployment of security personnel and devices**
- 5. Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS

11:00 a.m.

ADJOURN

*11:15 a.m.
approximately*

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

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 82](#).

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

INTRODUCTION

The U. T. System Employee Advisory Council (EAC) will discuss their work and planned activities.

BACKGROUND INFORMATION

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

Council officers are:

Chair: Ms. Nyma Shah, Assistant Director of Special Use Facilities, U. T. M. D. Anderson Cancer Center

Vice Chair: Mr. Peter James Ehimika, Program Manager, Student Academic Success, U. T. Rio Grande Valley

Secretary: Ms. Trudy Jacobs, Senior Development Coordinator, U. T. Health Science Center - Houston

Historian: Ms. Elisa Perkins (Cuellar), Program Manager, Citymester Program, U. T. San Antonio

3. **U. T. System Board of Regents: Consideration of Award of President Emeritus Designation**

RECOMMENDATION

Chairman Eltife and Chancellor Milliken may recommend award of the title President Emeritus for consideration by the Board of Regents. Approval of this recommendation is being requested in accordance with the Regents' *Rules and Regulations*, Rule 20301.

BACKGROUND INFORMATION

Regents' *Rules and Regulations*, Rule 20301 provides that the title President Emeritus may be conferred only by the action of the Board on an individual who is fully retired.

4. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendments of Regents' Rules and Regulations, Rule 10501 (Delegation of Authority)**

RECOMMENDATION

The Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel concur in the recommendation of the General Counsel to the Board that Regents' *Rules and Regulations*, Rule 10501, Delegation of Authority, be amended as set forth in congressional style on the following pages.

BACKGROUND INFORMATION

The proposed substantive edits to Regents' Rule 10501 identified below are intended to increase efficiency of U. T. System operations and additional definitions are suggested to clarify meaning.

The recommended change to Section 2.2.15 of the Rule acknowledges the additional flexibility provided by state law concerning the procurement of services and equipment for medical operations.

The proposed change for Section 2.3.1 will delegate greater latitude to U. T. academic institutions for timely execution of contracts related to dual credit partnership agreements by delegating approval authority to the institutional president rather than the Executive Vice Chancellor for Academic Affairs.

New language proposed for Section 2.3.4 codifies delegation to the Chancellor to submit strategic plans for research at each U. T. academic institution required to make such submissions to the Texas Higher Education Coordinating Board. The delegation request has previously been presented to the Board every five years prior to the report deadline.

The proposed minor addition to the first sentence of Section 2.4 gives specific delegation to the Chancellor and presidents to execute certain documents, such as federal tax forms, as well as contracts and agreements.

The proposed changes to Section 3 reflect that current approval thresholds for contracts vary by institution and are no longer generally set at \$1 million.

These proposed revisions do not impact the full-time equivalent (FTE) employee count Systemwide and are budget-neutral. The proposed amendments were reviewed by the U. T. institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

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

Rule: 10501

1. Title

Delegation to Act on Behalf of the Board

2. Rule and Regulation

...

Sec. 2 General Authority to Execute Contracts.

...

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

...

2.2.15 Health Operations. Contracts or agreements for the procurement of routine services or the purchase or lease of routine medical equipment, required for the operation or support of a hospital or medical clinic, if the services or equipment were acquired through approved procurement procedures or competitively procured.

...

2.3 Delegation of Other Matters.

2.3.1 Institutional Agreements for Dual Credit. The Board of Regents delegates the authority to approve and execute dual credit partnership agreements for the academic institutions to the presidents ~~Executive Vice Chancellor for Academic Affairs.~~

...

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

...

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

Rule: 10501

- 2.4 Signature Authority. The Board of Regents delegates to the Chancellor or the president of an institution authority to execute and deliver on behalf of the Board contracts, ~~and agreements,~~ and other documents of any kind or nature, including without limitation licenses issued to the board or an institution.

....

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

- 3.1 Contracts Exceeding ~~\$1 Million~~ the Institutional Threshold.

3.1.1 All contracts or agreements, with a total cost or monetary value to the U. T. System or any of the institutions of more than ~~\$1 million~~ the Institutional Threshold, unless delegated for approval in Section 2 or exempted in Section 4 below. The total cost or monetary value of the contract includes all potential contract extensions or renewals whether automatic or by operation of additional documentation. For purposes of this Rule, any contract with unspecified cost or monetary value with a term of greater than four years is presumed to have a total value of greater than \$1 million.

3.1.2 Any amendment, extension, or renewal that increases the cost or monetary value of the original contract to more than the Institutional Threshold ~~\$1 million~~ must be submitted to the Board for approval or authorization.

....

3. Definitions

Execute – for purposes of this Rule, the authority to negotiate, approve, and sign contracts on behalf of the Board and deliver those contracts to counter-parties.

...

Institutional Thresholds – the review threshold identified for System Administration and each U. T. institution in the Board Contract Approval Threshold Table.

....

5. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendments to Regents' Rules and Regulations, Rule 20601 (Aircraft Use), regarding Helicopters**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor of Business Affairs and the Vice Chancellor and General Counsel that Regents' *Rules and Regulations*, Rule 20601 (Aircraft Use), to describe the appropriate use of helicopters in lieu of fixed-wing aircraft, as set out below, and renumbering the remaining sections:

1. Rule 20601

Aircraft Use

...

Sec. 11 Helicopters. Use of a helicopter in lieu of fixed-wing aircraft is permitted only when use of a fixed-wing aircraft is impractical for the purpose of the flight.

Sec. ~~412~~ Minimum Number of Pilots. With the exception of helicopter flights, ~~t~~Two pilots are required for all flights used in conjunction with official University business. This Section is applicable to U. T. System aircraft, leased aircraft, chartered flights, privately owned aircraft, and donor aircraft.

...

Sec. ~~4718~~ Donor Aircraft.

~~4718~~.1 Usage

...

- (c) With the exception of helicopters, Donor Aircraft must be multiengine turboprop or jet.
- (d) With the exception of helicopter flights, ~~e~~Each flight must have 2 current and qualified pilots.

....

BACKGROUND INFORMATION

The proposed revision would allow for the use of a helicopter or similar aircraft when the use of fixed-wing aircraft would be impractical for the purpose of a desired flight. Examples of instances when use of a helicopter would be appropriate include an examination of a parcel of land or observation of wildlife. The proposed changes were drafted in consultation with U. T. System Administration's Office of Risk Management.

These proposed revisions do not impact the full-time equivalent (FTE) employee count Systemwide and have the potential for a favorable budget impact through increased availability of flight equipment options. The proposed amendments were reviewed by the U. T. institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.



**TABLE OF CONTENTS
FOR
AUDIT, COMPLIANCE, AND RISK MANAGEMENT
COMMITTEE**

Committee Meeting: 11/18/2020

Board Meeting: 11/19/2020
Austin, Texas

*David J. Beck, Chairman
Christina Melton Crain
Jodie Lee Jiles
Janiece Longoria
Nolan Perez
Rad Weaver*

	Committee Meeting	Board Meeting	Page
Convene	<i>8:30 a.m. Chairman</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	14
2. U. T. System: Report and discussion on the Systemwide internal audit activities, including the FY 2020 Annual Report	Report/Discussion <i>Mr. Peppers Ms. Hudson</i>	Not on Agenda	15
Adjourn	<i>9:00 a.m.</i>		

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

RECOMMENDATION

No [Consent Agenda](#) items are assigned for review by this Committee.

2. U. T. System: Report and discussion on the Systemwide internal audit activities, including the FY 2020 Annual Report

REPORT

Chief Audit Executive Peppers will present the FY 2020 Systemwide Annual Report of internal audit activities, using a PowerPoint presentation set forth on the following pages. He will also discuss the status of the external financial audit. Additional details on Systemwide findings by subject area and significance and the annual audit plan's budget to actual hours status was provided to the Audit, Compliance, and Risk Management Committee members prior to the meeting.

BACKGROUND INFORMATION

Internal audit across the U. T. System uses a consistent findings classification process to evaluate audit results to identify Priority, High, Medium, or Low level reportable findings. A Priority Finding is defined as “an issue identified by an internal audit that, if not addressed timely, could directly impact achievement of a strategic or important operational objective of a U. T. institution or the U. T. System as a whole.” All reportable findings are rated based on an assessment of applicable risk factors and the probability of a negative outcome occurring if the risk is not adequately mitigated. The standard risk factors considered are: Qualitative (evaluates the probability and consequences across seven areas), Operational Control (evaluates operational vulnerability to risks by considering the existence of management oversight and effective alignment of operations), and Quantitative (evaluates the level of financial exposure or lost revenue).

FY 2020 Systemwide Internal Audit Annual Report

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

U. T. System Board of Regents Meeting
Audit, Compliance, and Risk Management Committee
November 2020



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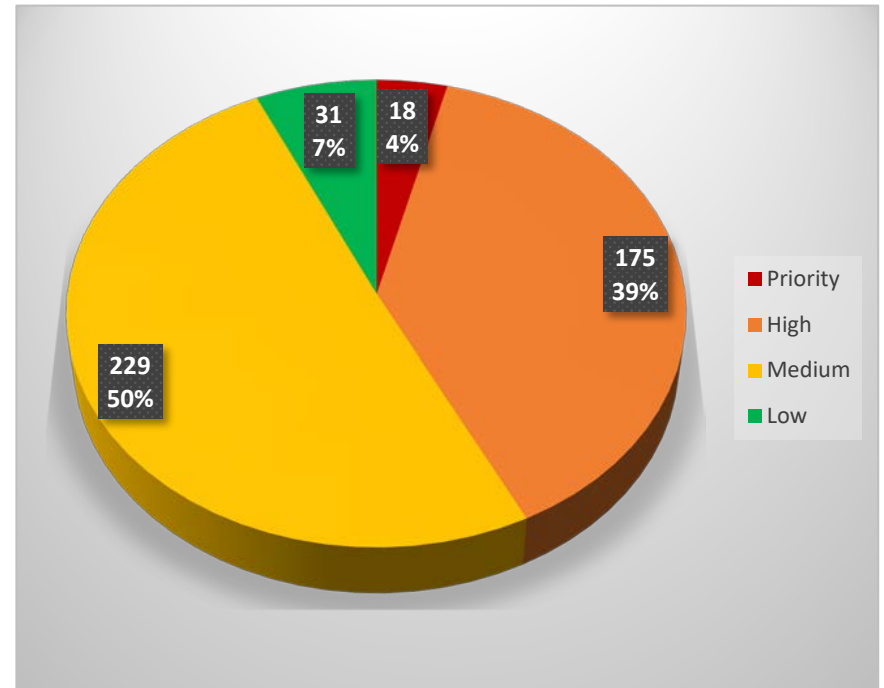
Systemwide Internal Audit Hours

- Approximately 170k hours were incurred to complete the Fiscal Year (FY) 2020 Systemwide Annual Audit Plan.
 - Assurance Engagements
 - Consulting & Advisory Engagements
 - Required Engagements
 - Investigations
 - Follow-Up
 - Development – Operations
 - Development – Initiatives & Education
- 67% of the hours were spent on Assurance, Consulting and Required Engagements; Investigations; and Follow-Up.

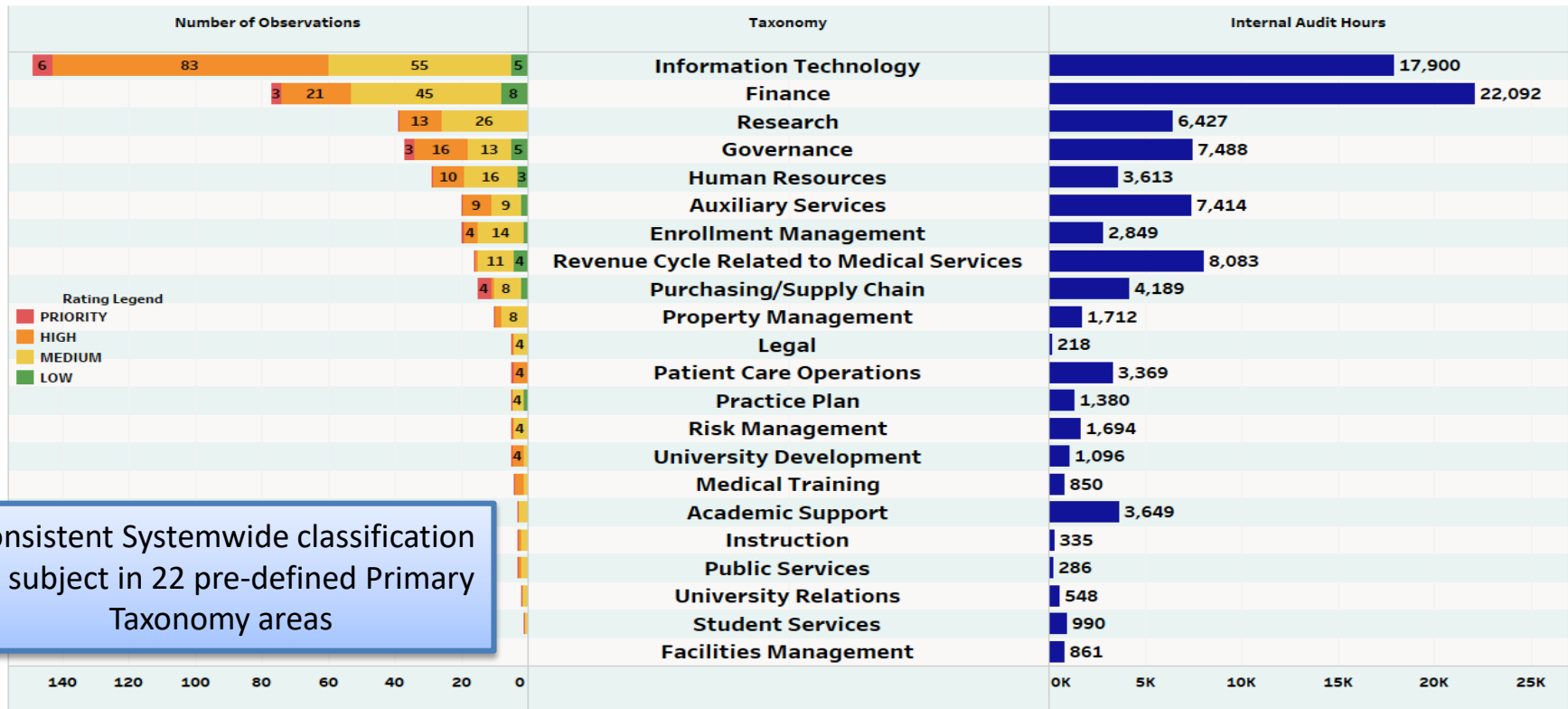


Systemwide Internal Audit Reports and Observations

- In FY 2020, 243 engagement reports and memos were issued.
- 118 of the 243 reports resulted in 453 observations ranked as follows:
 - 18 Priority level observations
 - 175 High level observations
 - 229 Medium level observations
 - 31 Low level observations

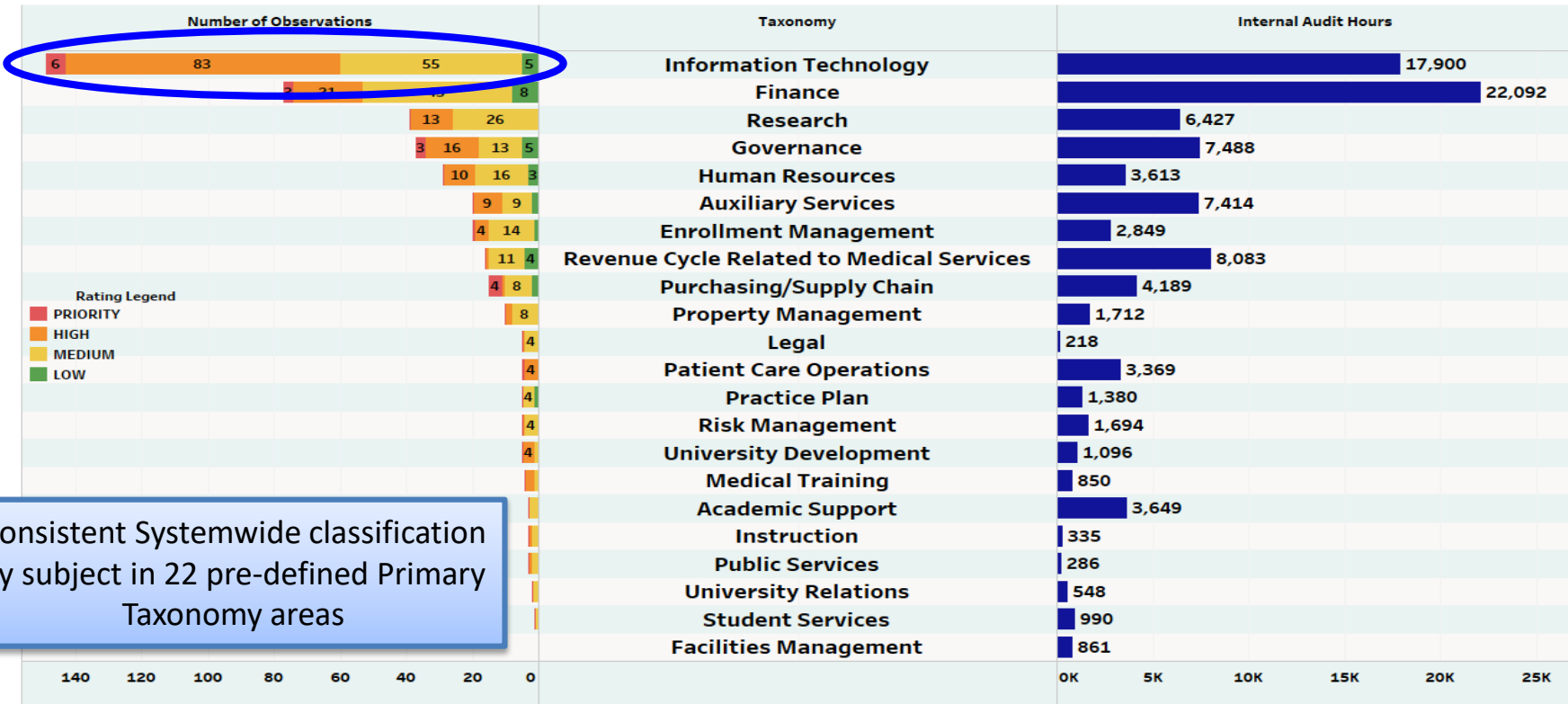


Systemwide Observations by Subject Area (Taxonomy)

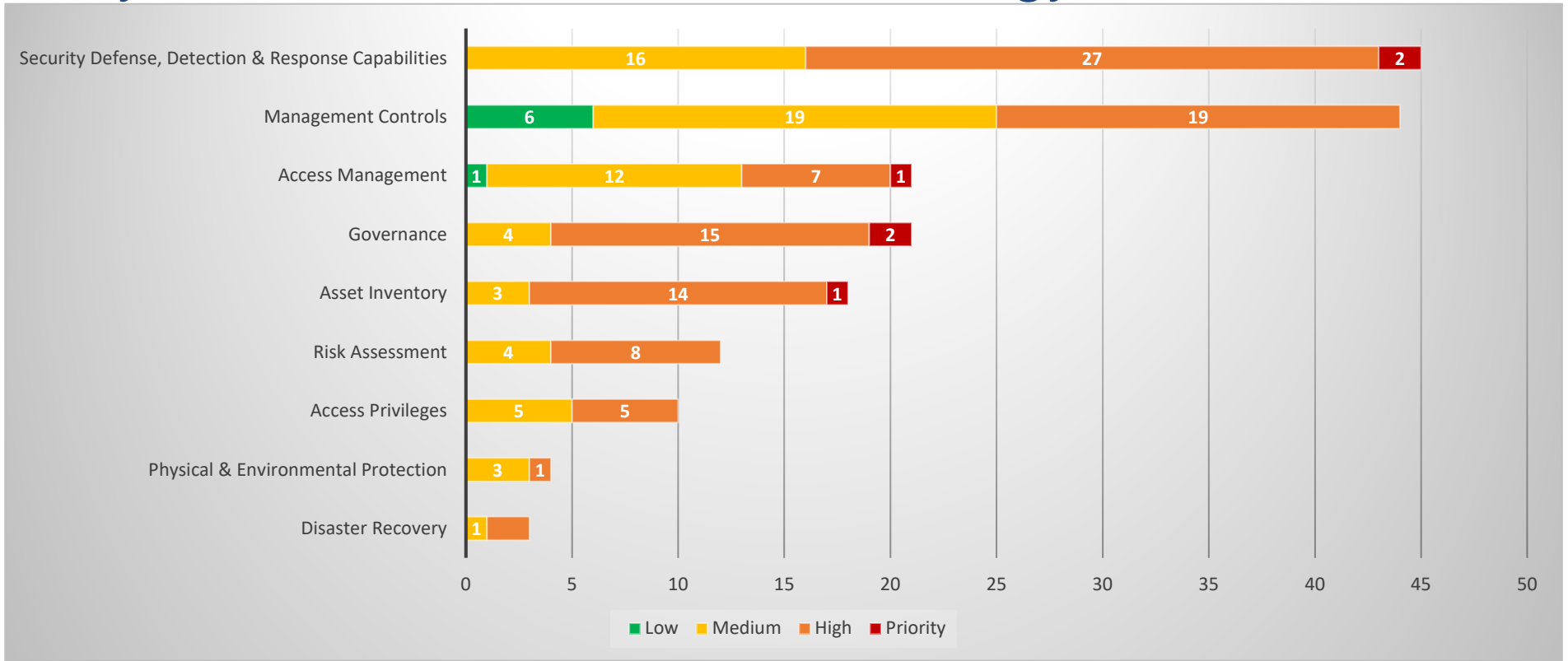


Consistent Systemwide classification by subject in 22 pre-defined Primary Taxonomy areas

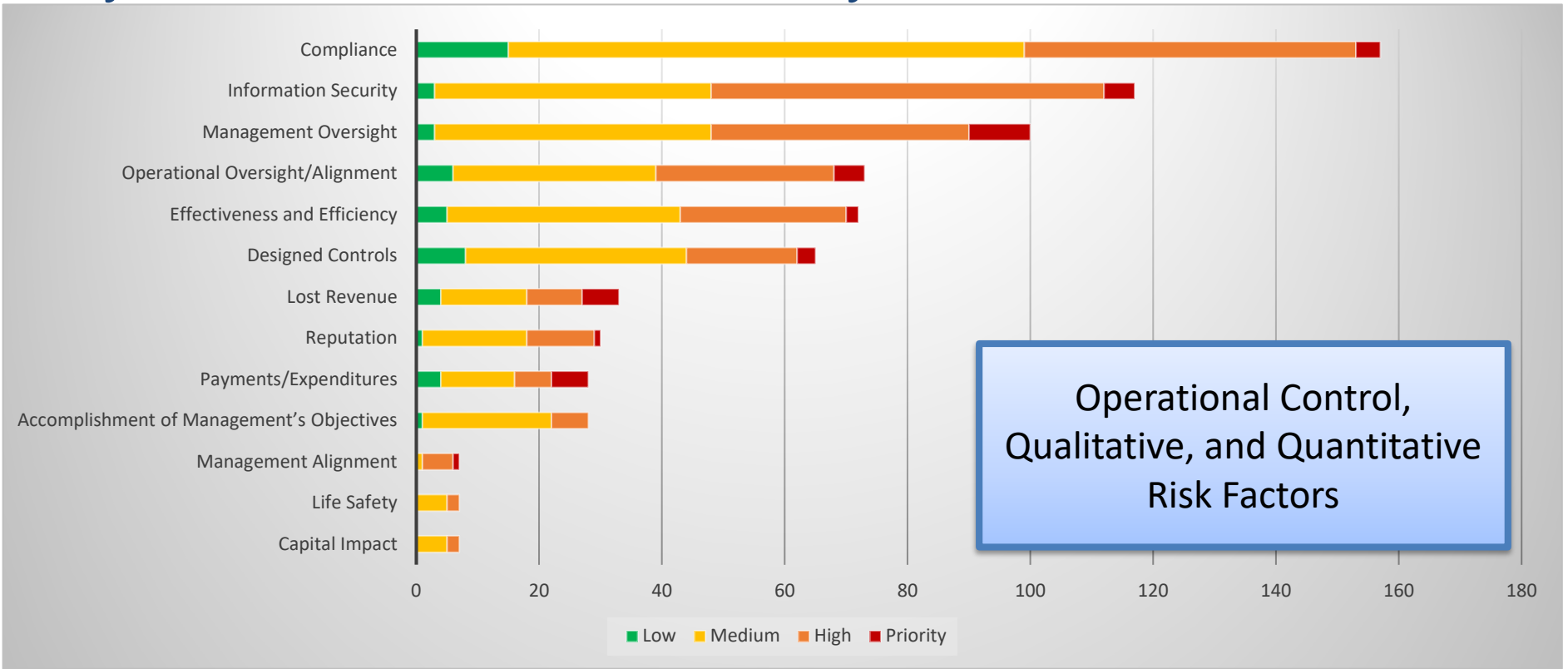
Systemwide Observations by Subject Area (Taxonomy)



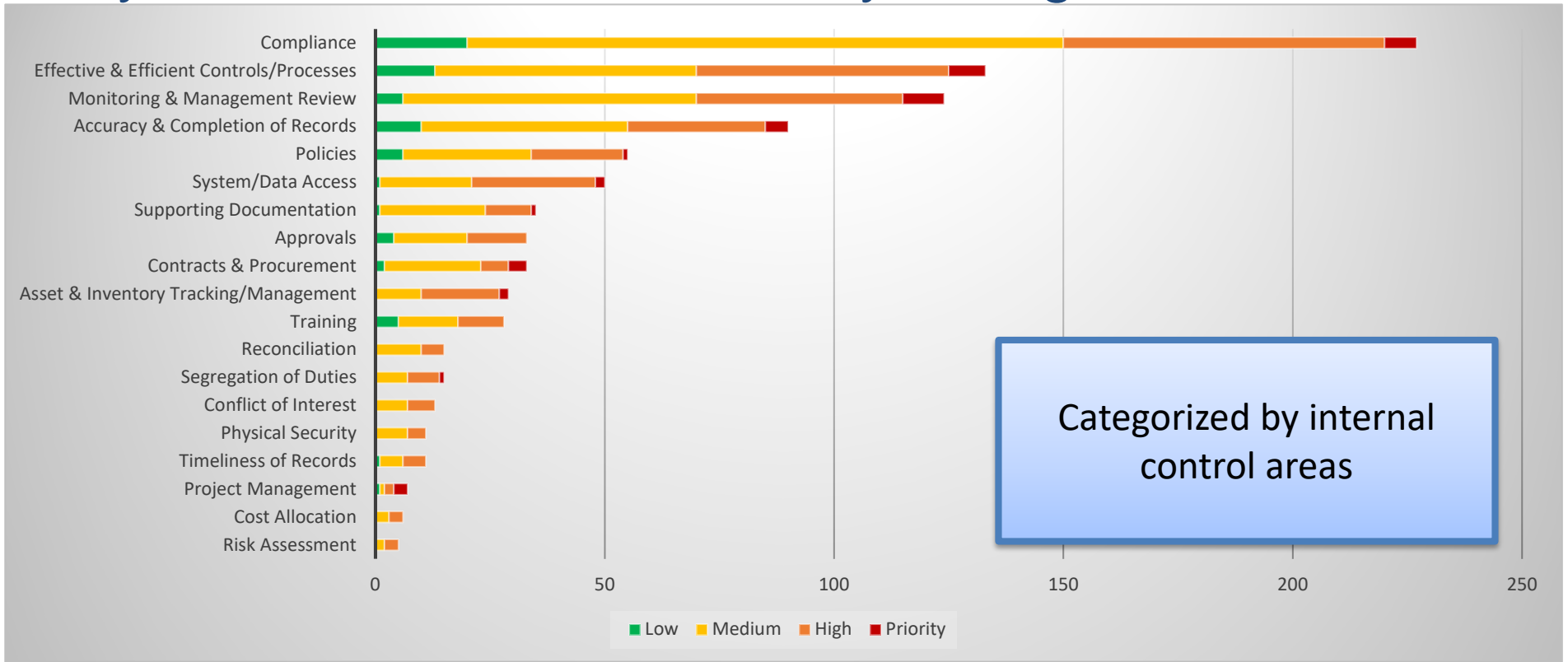
Systemwide Information Technology Observations



Systemwide Observations by Risk Factors



Systemwide Observations By Categories



Client Satisfaction

- In the spirit of continuous improvement, client feedback is sought to ensure internal audit:
 - Provides valuable and constructive information and insights
 - Conducts work in professional and competent manner
 - Produces clear and accurate communication and reporting
- The average client survey score stays steady at 4.63 (5 - strongly satisfied to 1 - strongly dissatisfied) for FY20 engagements, with an average response rate of 50%



Systemwide Internal Audit Competencies & Contributions

- Proficiency (average employee statistics):
 - 75% hold professional certifications
 - 35% earned advanced degrees
 - 17 years of relevant and 9 years of U. T. experience
 - 55 hours of continuing professional education annually
- Contributions
 - Professional organizations at the local, national, and global levels through board service, leadership positions, and conference presentations
- Support the academic enterprise
 - Student interns, guest/part-time lecturers, professional publications



Systemwide Internal Audit Strategic Items

- Accomplishments
 - Provide custom data analytics services
 - Implement IT auditing capabilities in non-IT audits
 - Deliver non-assurance services (advisory and consulting)
 - Enhance audit reports
- Looking ahead
 - Develop and retain internal audit talent
 - Increase awareness of internal audit services





**TABLE OF CONTENTS
FOR
FINANCE AND PLANNING COMMITTEE**

Committee Meeting: 11/18/2020

Board Meeting: 11/19/2020
Austin, Texas

*R. Steven Hicks, Chairman
David J. Beck
Jodie Lee Jiles
Janiece Longoria
Kelcy L. Warren
Rad Weaver*

	Committee Meeting	Board Meeting	Page
Convene	<i>9:00 a.m. Chairman Hicks</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	28
2. U. T. System: Financial Status Presentation	Report/Discussion <i>Dr. Kelley</i>	Not on Agenda	29
3. U. T. System Board of Regents: Update on University Lands	Report/Discussion <i>Mr. Mark Houser</i>	Not on Agenda	35
Adjourn	<i>9:30 a.m.</i>		

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

RECOMMENDATION

The proposed Consent Agenda items assigned to this Committee are [Items 3 - 8](#).

2. U. T. System: Financial Status Presentation

REPORT

Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs, will discuss the Financial Status Presentation, the highlights of which are set forth in the PowerPoint on the following pages. The report represents the consolidated and individual operating detail of the U. T. institutions.

U. T. System

Fiscal Year-to-Date Actuals and Projected Fiscal Year-End

Dr. Scott Kelley
Executive Vice Chancellor for Business Affairs

U. T. System Board of Regents Meeting
Finance and Planning Committee
November 2020

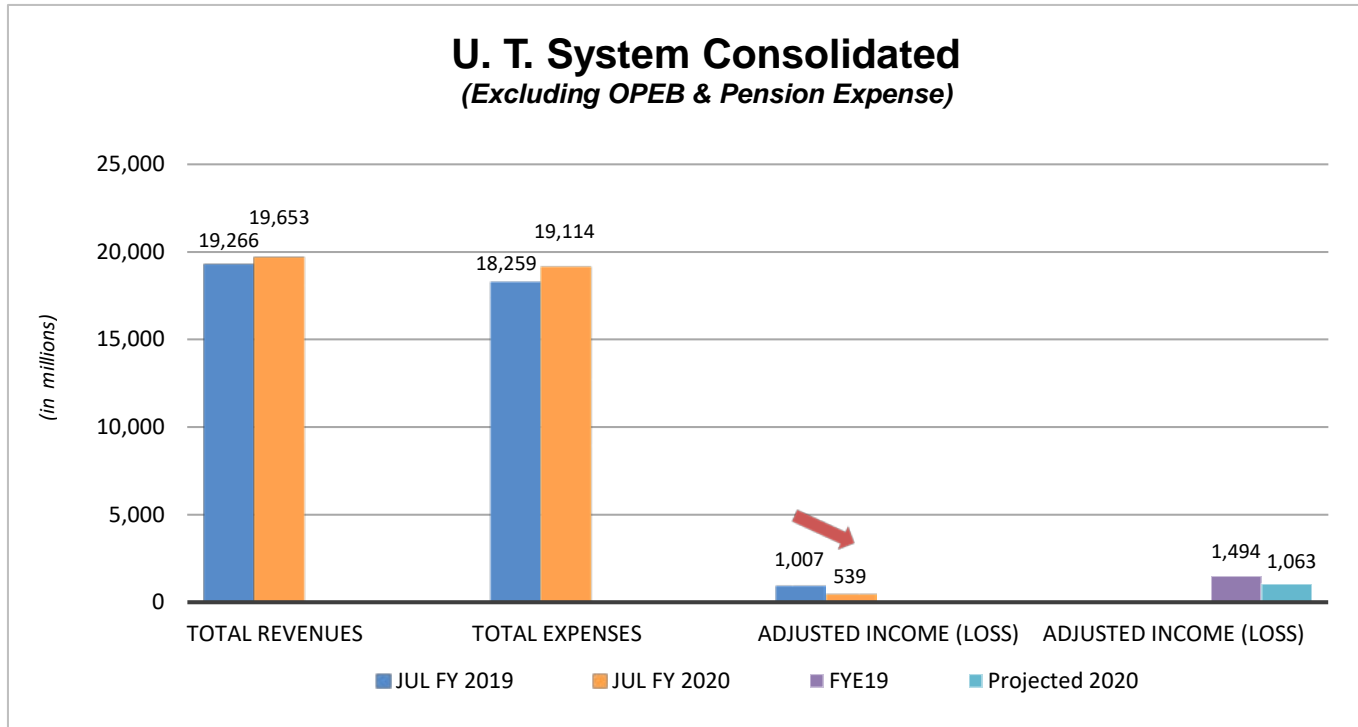


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U. T. System Consolidated Landscape

For the Period Ending July 31, 2020 and Projected Fiscal Year-End

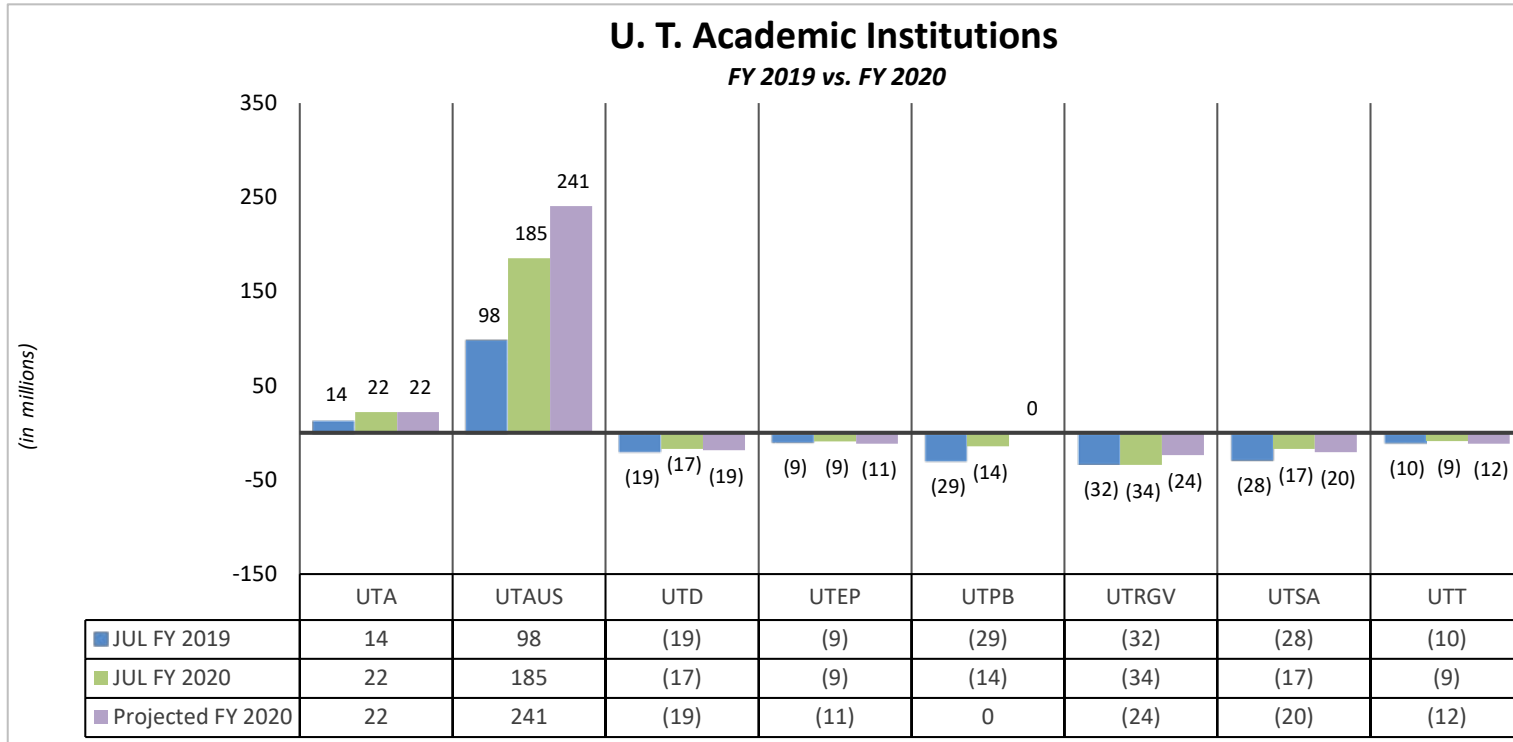


Source: July 2020 Monthly Financial Report



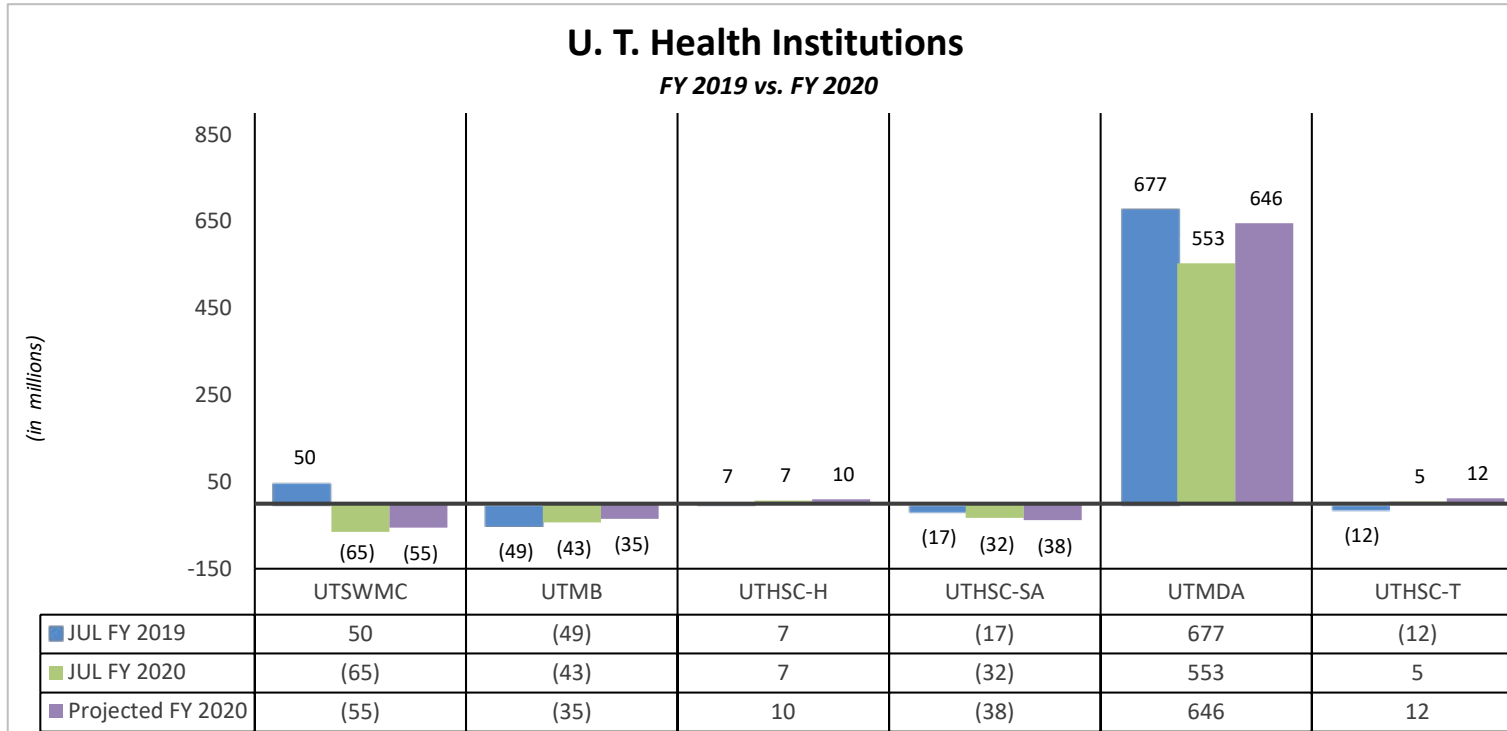
Academic Adjusted Income (Loss) Comparison

For the Period Ending July 31, 2020 and Projected Fiscal Year-End



Health Adjusted Income (Loss) Comparison

For the Period Ending July 31, 2020 and Projected Fiscal Year-End



Source: July 2020 Monthly Financial Report



Systemwide Operations Financial Summary

	FY 2020 Budget	FTEs	FYTD Actual (August 2020)	% of Budget
U. T. System Administration (AUF)	\$ 52,270,219	228.2	\$ 47,865,555	92%
Direct Campus Support (AUF)	42,557,676	113.0	42,226,823	99%
Other Operations Funded with AUF Reserves	520,800	–	686,740	132%
Service Departments and Other Non-AUF*	62,652,932	225.4	56,211,243	90%
Total – U. T. System Administration and Campus Support	\$ 158,001,627	566.6	\$ 146,990,360	93%

* The Board of Regents has approved the budget and FTEs related to University Lands. 2/3 of the overall University Lands budget and August YTD actuals are represented in the above amounts. The Board of Regents has also approved the portion (1/3 of the overall University Lands budget) that supports Texas A&M University.



3. **U. T. System Board of Regents: Update on University Lands**

REPORT

Mr. Mark Houser, Chief Executive Officer - University Lands, will report on matters related to University Lands using the PowerPoint presentation set forth on the following pages.



University Lands Update

Mr. Mark Houser, Chief Executive Officer – University Lands

U. T. System Board of Regents Meeting
Finance and Planning Committee
November 18, 2020

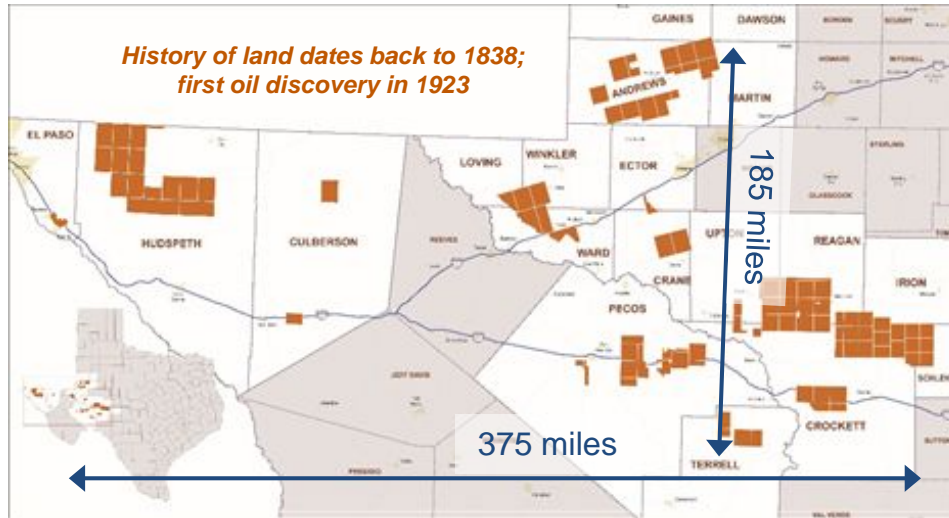


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The PUF & University Lands Organization

University Lands (UL) manages the surface and mineral interests of 2.1 million acres of land across nineteen counties in West Texas for the benefit of the Permanent University Fund (PUF). The PUF is the largest public university endowment in the U.S. and benefits more than 20 educational and health institutions across both The U. T. System and Texas A&M University System.



20,000
Wells drilled to-date

9,000
Wells currently producing

250+
Operators

>25,000
Identified locations

4,000
Leases

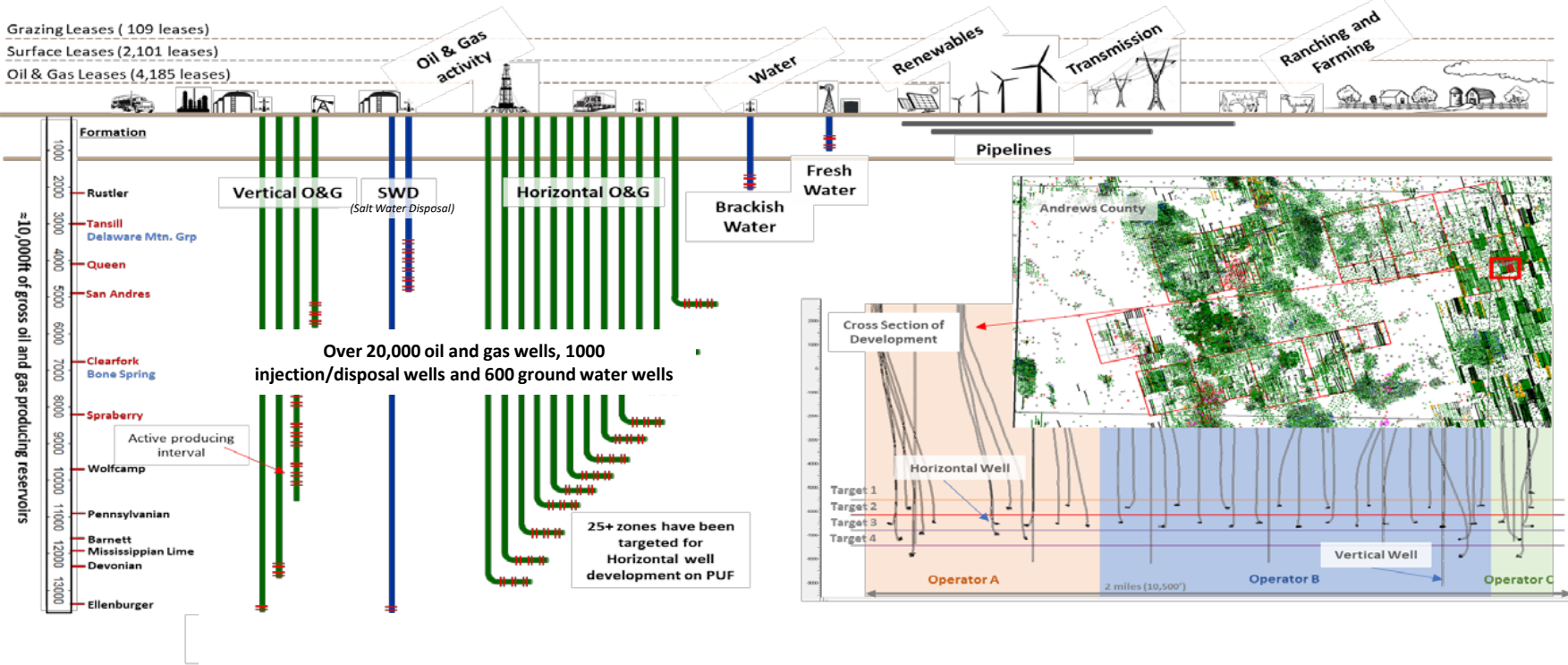
SURFACE LEASES

- Pipelines and power lines
- Grazing and ranching
- Renewables – wind and solar
- Groundwater sales
- Environmental programs

Primary revenue driver is mineral royalty revenue.

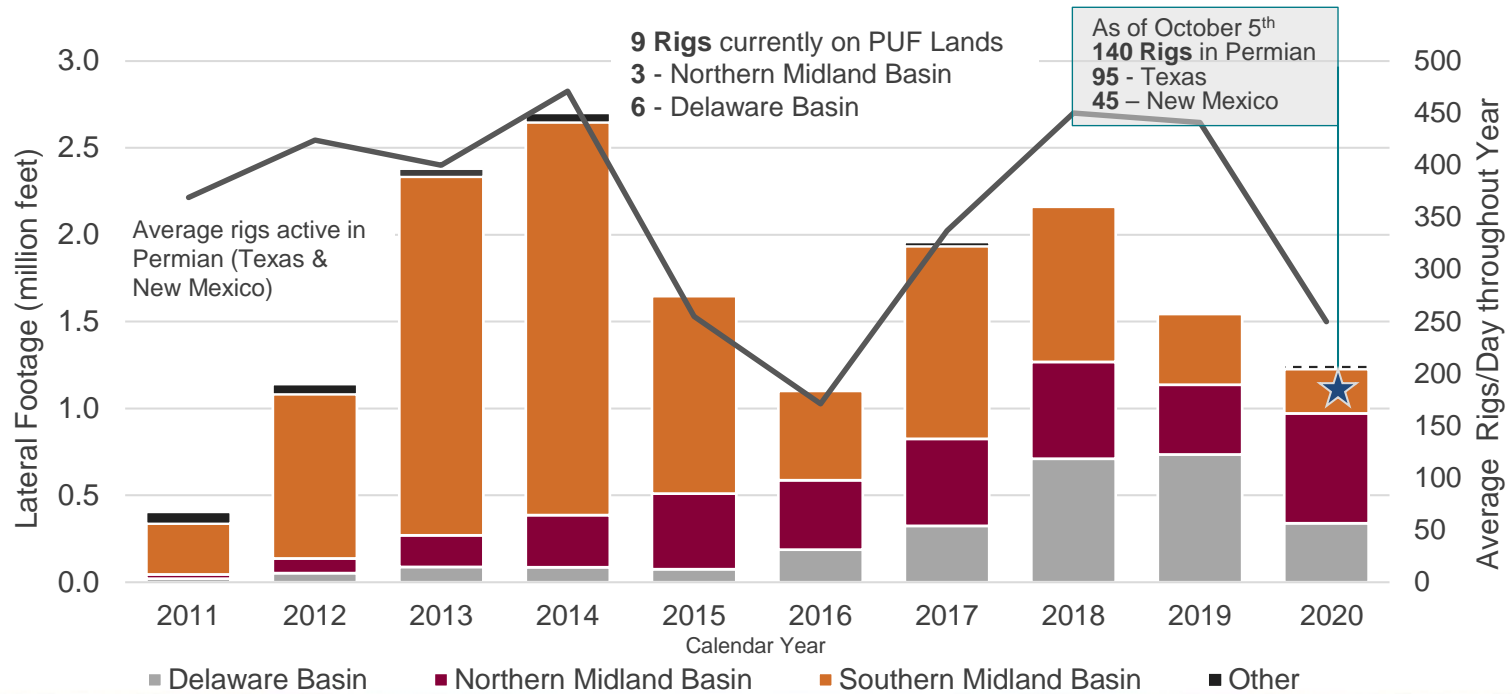


Management of PUF Acreage

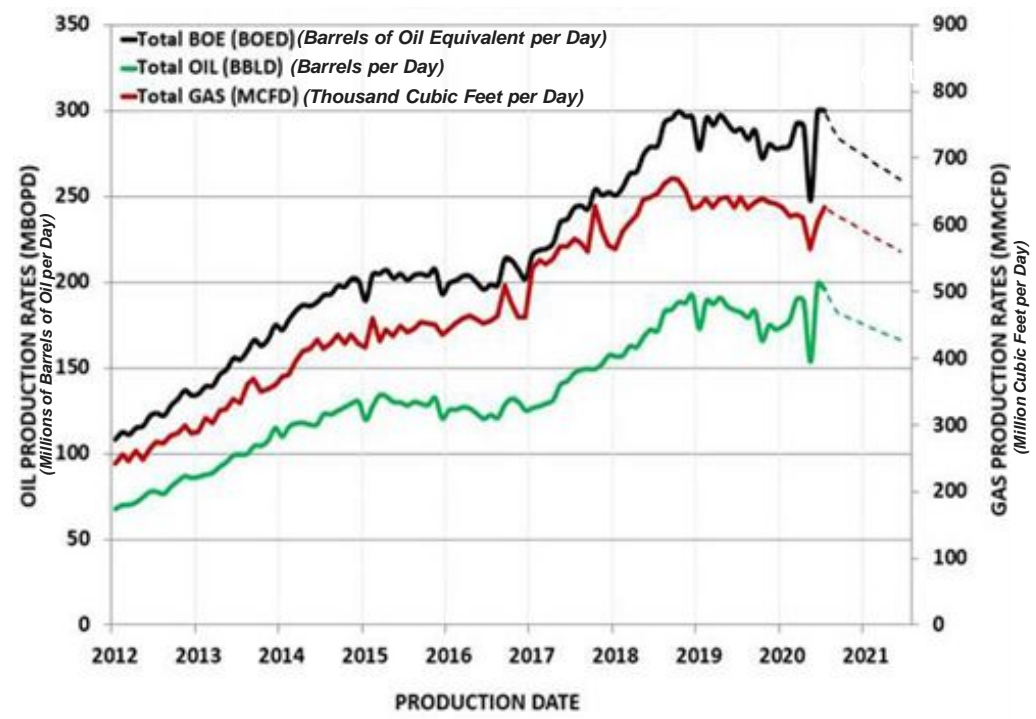


PUF Lands Horizontal Well Lateral Footage

PUF Horizontal Well Lateral Footage Put-on-Production (POP)



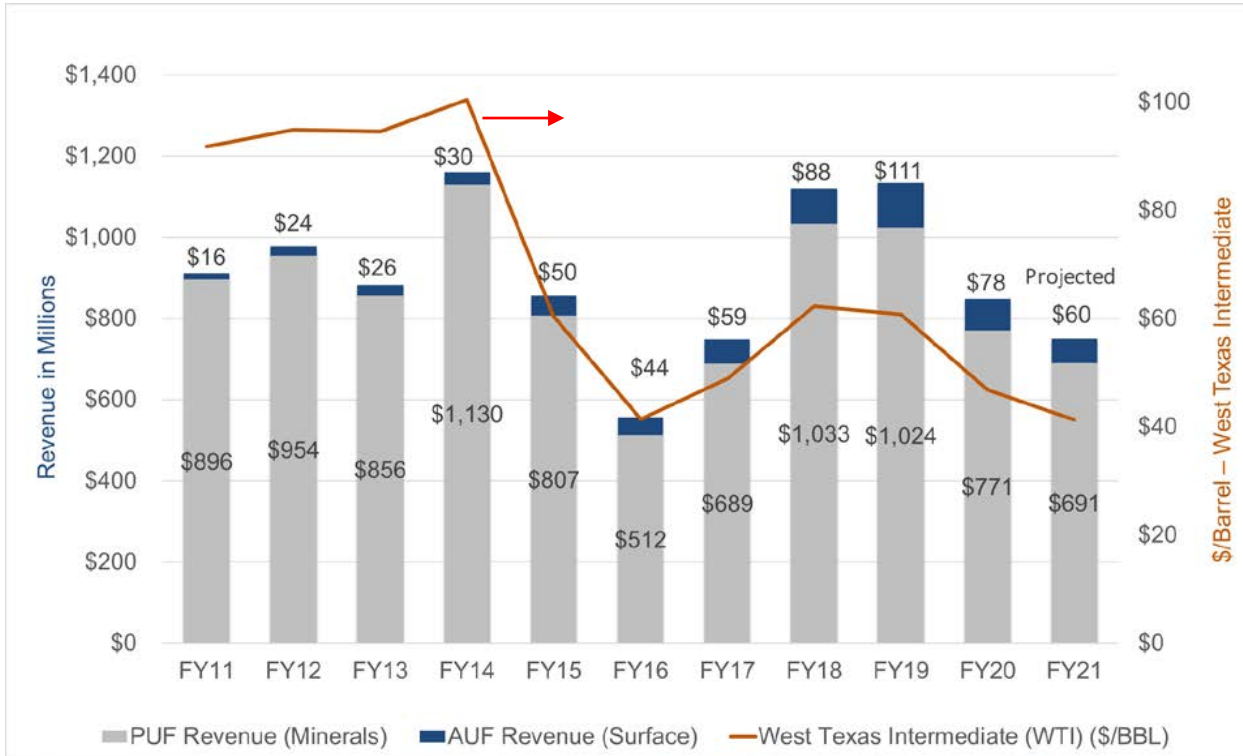
Daily Production from PUF Lands



- Annual production for 2020 within 1% of budget and 2% of 2019 despite reduced activity in 3rd and 4th quarters
- Many wells were shut-in in April and May due to pandemic related oil price reductions
- Shut-ins began reversal in late June
- Limited wells online over last two months resulting in 3% monthly decline
- Potential wells online by December include Shell Oil Co., WPX Energy, Inc., Pioneer and QEP Resources, Inc.



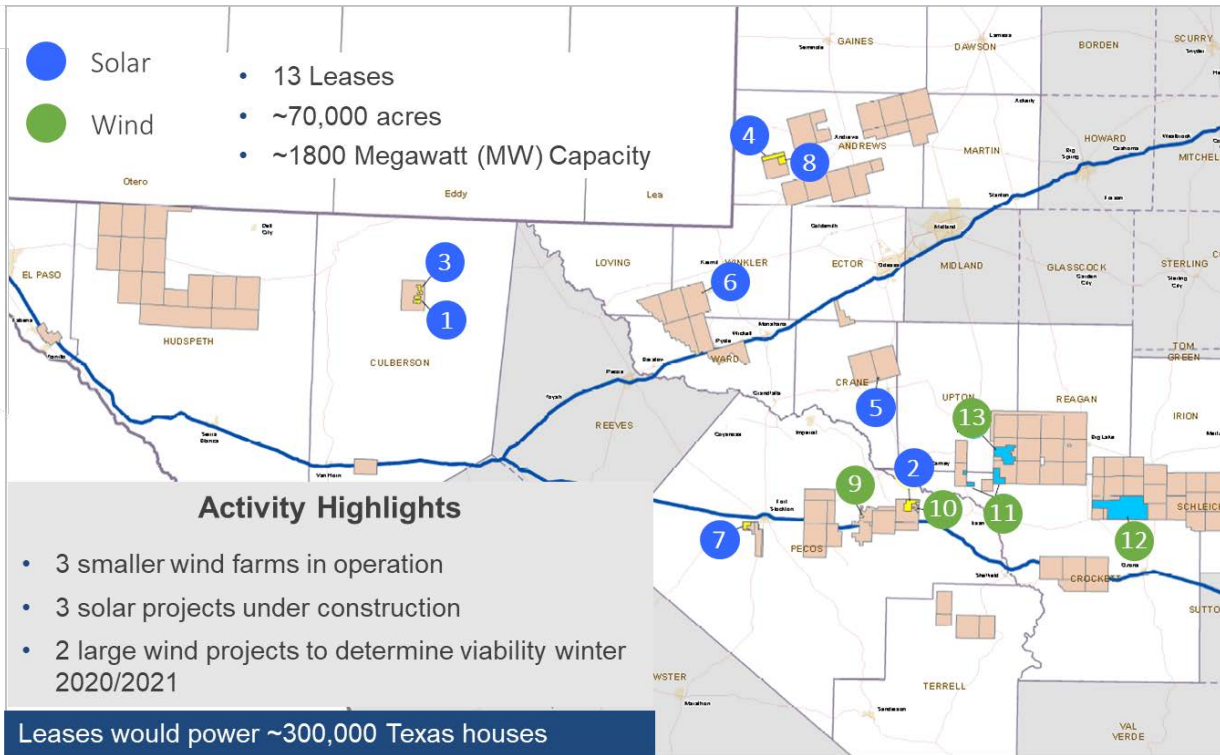
UL: Historical AUF and PUF Revenue vs. Oil Price



- Oil revenue represents ~80% of total PUF revenue
- Total administrative and expense costs ~\$23 million annually
 - ~\$1/barrel of equivalent production
 - ~2.6% of revenue



Wind/Solar Leases



Solar Leases

- 1,824 Acres/200 MW Capacity
- 1,200 Acres/150 MW Capacity
- 1,423 Acres/150 MW Capacity
- 3,775 Acres/250 MW Capacity
- 123 Acres/15 MW Capacity
- 69 Acres/10 MW Capacity
- 1,900 Acres/150 MW Capacity
- 2,469 Acres/200 MW Capacity



Wind Leases

- 1,487 Acres/35 MW Capacity
- 2,500 Acres/37 MW Capacity
- 7,758 Acres/32.5 MW Capacity
- 43,000 Acres/270 MW Capacity
- 12,309 Acres/175 MW Capacity



UL Renewable Projects Under Development

Soft Bank – Titan Solar
Culberson County



Longroad – Prospero Solar
Andrews County



Recurrent Energy
Pecos County

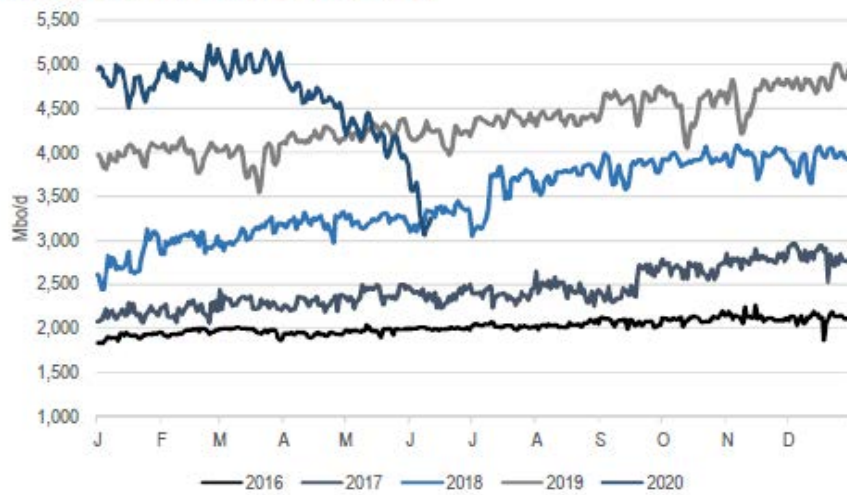


County	Operator	Capacity	Type	Status	Acreage
Culberson County	SoftBank	275 MW	Solar	Under Construction	4250 Acres
Andrews County	Long Road	250 MW	Solar	Under Construction	3840 Acres
Pecos County	Recurrent	350 MW	Solar	Under Construction	4600 Acres



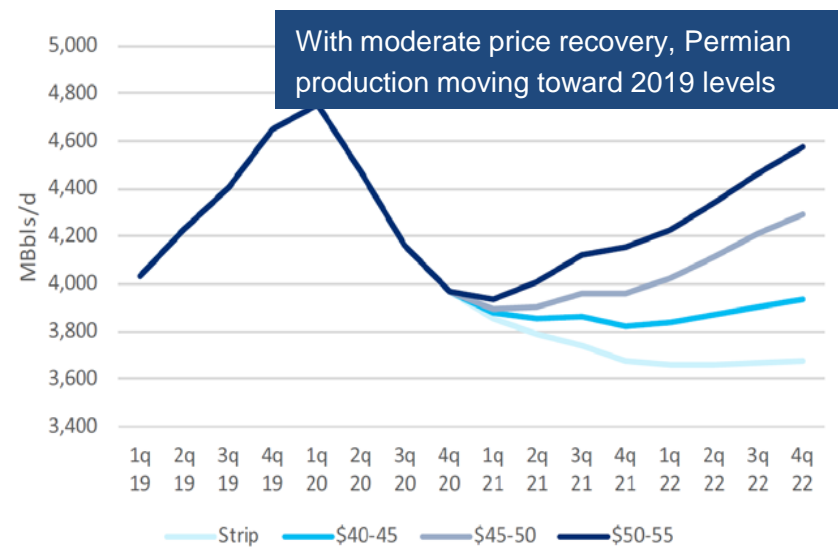
Moving Through the Chasm

Figure 15: Permian Oil Production



Source: Genscape, JPM

Figure 10. Permian Crude Oil Forecast Across Multiple WTI Price Scenarios

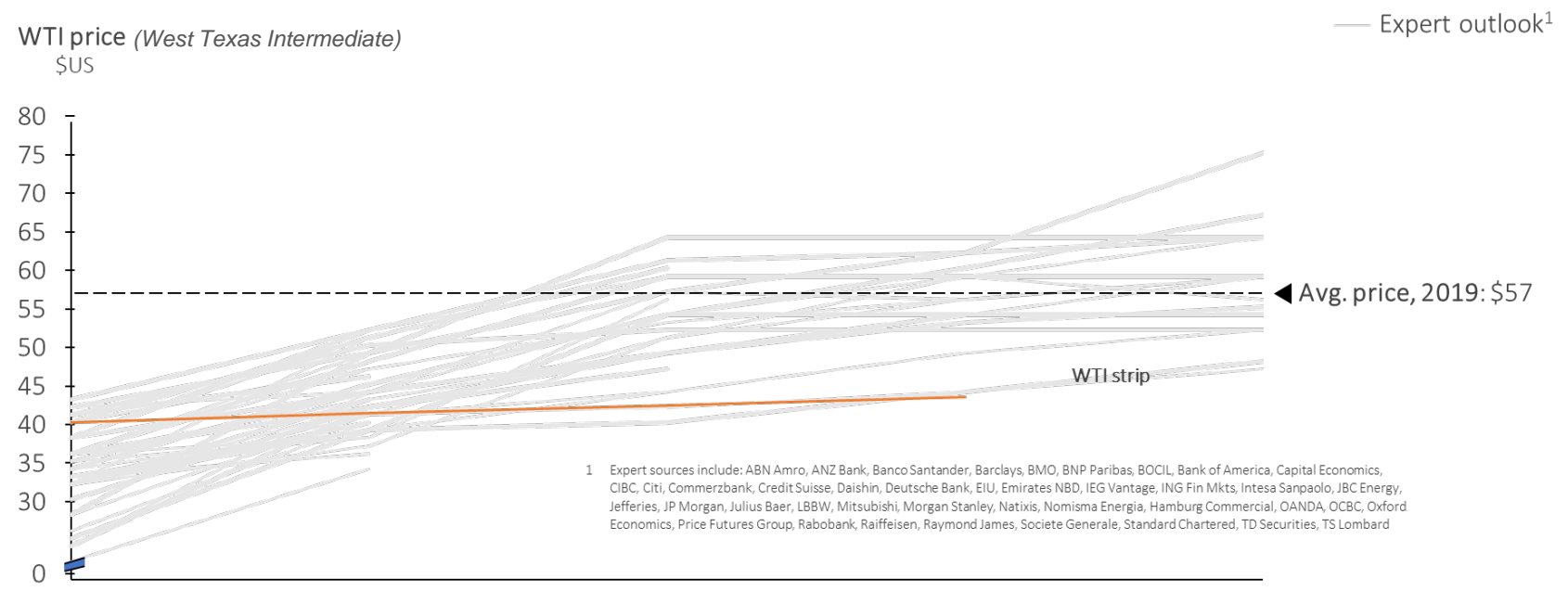


Source: Citi Research



Oil Price Outlooks

The outlook for oil price varies, but most forecasts call for prices to recover to 2019 levels by 2023



¹ Expert sources include: ABN Amro, ANZ Bank, Banco Santander, Barclays, BMO, BNP Paribas, BOCIL, Bank of America, Capital Economics, CIBC, Citi, Commerzbank, Credit Suisse, Daishin, Deutsche Bank, EIU, Emirates NBD, IEG Vantage, ING Fin Mkts, Intesa Sanpaolo, JBC Energy, Jefferies, JP Morgan, Julius Baer, LBBW, Mitsubishi, Morgan Stanley, Natixis, Nomisma Energia, Hamburg Commercial, OANDA, OCBC, Oxford Economics, Price Futures Group, Rabobank, Raiffeisen, Raymond James, Societe Generale, Standard Chartered, TD Securities, TS Lombard

UL Response to COVID-19

- **Conducted “COVID-19 Relook” strategic review**
 - Updated financial and organizational growth trajectory accordingly
 - Post COVID-19 – key element of change is energy demand growth, which has slowed
- **Collaborated with key operators, emphasized slowing activity through price crash**
 - Granted temporary deferral of drilling commitments upon operator request (aligned with GLO)
 - Allowed selective tolling of lease terminations due to production issues through May 2020
 - Continued discussions/negotiations with key operators on increased long-term drilling commitments
 - Working with several operators through bankruptcy process
- **Retained focus on sustainability and environmental issues**
 - Progress in flaring and emissions
 - Increased efforts on assessment of carbon capture potential for PUF Lands
- **Further advanced renewables strategy and activity**
 - Progressed three projects from development to construction phase
 - Focus on 2-3-year window for renewable expansion
- **Implemented critical organizational adjustments with modifications**



Energy Supply and Demand

- **Long-term energy supply and demand dynamics**
 - COVID-19 has significantly reduced energy demand and oil and gas activity.
 - Accelerated the “reorganization/consolidation” of the industry through bankruptcies, mergers, etc.
 - Demand “rebound” from COVID-19 has been a pleasant surprise.
 - Oil and gas will remain the dominant sources of energy for decades to come.
 - However, capital availability for oil and gas will be very limited over the next few years.
 - Export markets become increasingly important for domestic oil and gas.
 - Absolute growth in wind and solar development will be significant.
 - Buoyed by continuous innovation in and subsidies for renewable energy and electric vehicles.
- **Political and environmental pressures**
 - US remains a leader in worldwide energy supply and continues to drive significant improvements in environmental performance.
 - Environmental responsibility and transparency of producing companies continues to increase through a combination of voluntary efforts and public/shareholder demands.
 - Carbon capture efforts will increase substantially across the energy sector, including in the Permian.



The Permian Remains a World Class Energy Hub

- **The Permian Basin is and will remain the most important oil and gas resource in the world, and UL is among its largest owners.**
 - Tens of thousands of proven horizontal locations yet to be drilled
 - Large and diversified mix of operators, many of whom are well capitalized
 - Buoyed by the “Can Do” spirit of Texans and particularly West Texans
 - Ample pipeline capacity connecting to diverse markets
 - Permian Enhanced Oil Recovery is the world’s largest commercial carbon sequestration operation and can and will grow further.
- **West Texas is one of the most important hubs for renewable energy, connected to large and fast growing ERCOT market.**
- **The U. T. System, Texas A&M University System, and University Lands are well positioned to influence and lead in responsible energy development in the region, for the benefit of University stakeholders and the State of Texas.**



University Lands Strategic Priority-Win the Recovery!

- **Emphasize prudently accelerated oil and gas development**
 - Incentivizing activity acceleration, optimal spacing and completions
 - Capital scarcity and consolidation may “deprioritize” less attractive acreage
 - Financial condition of several lessees with large acreage holdings a challenge
- **Intensify/strengthen environmental strategy and objectives**
 - Current focus mostly on air – both emissions and flaring
- **Further and significantly increase wind and solar and water infrastructure development**
 - Deploy dedicated business development talent for water and solar
- **Further increase the use of U. T. and Texas A&M University Systems’ expertise for technology and policy advancement to enhance revenue of PUF Lands**





Santa Rita #1 Well, Reagan County, Texas – under renovation
Drilled in 1923, PUF Endowment receives its first royalty check for \$516.53

THANK YOU!





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FOR
ACADEMIC AFFAIRS COMMITTEE**

Committee Meeting: 11/18/2020

Board Meeting: 11/19/2020
Austin, Texas

*Rad Weaver, Chairman
Christina Melton Crain
R. Steven Hicks
Janiece Longoria
Nolan Perez
Kelcy L. Warren*

	Committee Meeting	Board Meeting	Page
Convene	<i>9:30 a.m. Chairman Weaver</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	52
2. U. T. Rio Grande Valley: Approval of preliminary authority for a Doctor of Philosophy in Materials Science and Engineering degree program	Action <i>President Bailey</i>	Action	53
Adjourn	<i>9:45 a.m.</i>		

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

RECOMMENDATION

The proposed Consent Agenda items assigned to this Committee are [Items 9 - 25](#).

2. U. T. Rio Grande Valley: Approval of preliminary authority for a Doctor of Philosophy in Materials Science and Engineering degree program

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the institutional president that the U. T. System Board of Regents approve

- a. preliminary authority for U. T. Rio Grande Valley to create a Doctor of Philosophy in Materials Science and Engineering degree program; and
- b. notification of the proposal to the Texas Higher Education Coordinating Board.

BACKGROUND INFORMATION

U. T. Rio Grande Valley requests approval for planning authority to begin preparing for the establishment of a Doctor of Philosophy (Ph.D.) in Materials Science and Engineering. The materials science, engineering, and technology disciplines have experienced rapid growth over the past two decades. The field of materials science, commonly termed materials science and engineering, involves the discovery and design of new materials with an emphasis on crystalline and amorphous solids and liquids. Materials science deals with the structural analysis of materials, the discovery of new material substances and physical phenomena, their application in various industries, and the relationships between properties of materials and their mechanical structure at the atomic level. Thus, the intellectual origins of materials science combine the analytical thinking from chemistry, physics, and engineering to understand phenomenological and statistical observations in metallurgy, crystallography, and mineralogy. Recent developments in materials science and engineering have contributed notably to advanced nanostructured materials development and have motivated further educational expansions for the development of smart, responsive, and “intelligent” materials. These trends identify many desirable changes in the present science and engineering curricula with emphasis on materials science and engineering. A critical need exists now to supplement the traditional disciplinary training with an interdisciplinary nanoscience curriculum to address the needs of both emerging materials science enterprises and rapidly forming nano- and micro-scale industries.

U. T. Rio Grande Valley's College of Sciences and College of Engineering and Computer Science look to fill this critical gap in the curriculum by creating a new multidisciplinary doctoral program in materials science and engineering. This program seeks to provide graduates with broad experience in materials science and engineering based on a foundation in one of the traditional disciplines of chemistry, biology, geology, mathematics, physics, or engineering, through original investigation in a specialized area.

The job outlook for graduates of a Ph.D. program in this discipline now and in the foreseeable future is favorable. According to the U.S. Bureau of Labor Statistics (BLS), employment for materials scientists is expected to increase by 7%, faster than the average for all occupations (4%). The BLS asserts that chemists and materials scientists who have an advanced degree, particularly a Ph.D., and work experience will have the best opportunities.

Twenty-two faculty from across the two Colleges will contribute to the doctoral program. The research productivity of the faculty compares favorably to that of peers nationally.

Once preliminary authority has been approved, U. T. Rio Grande Valley will prepare and submit the full degree program proposal for approval to the U. T. System Board of Regents and the Texas Higher Education Coordinating Board.



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FOR
HEALTH AFFAIRS COMMITTEE**

Committee Meeting: 11/18/2020

Board Meeting: 11/19/2020
Austin, Texas

Janiece Longoria, Chairman
David J. Beck
Christina Melton Crain
R. Steven Hicks
Jodie Lee Jiles
Nolan Perez

	Committee Meeting	Board Meeting	Page
Convene	<i>10:00 a.m.</i> <i>Chairman Longoria</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	56
2. U. T. Health Science Center - Tyler: Approval of preliminary authority for a Doctor of Health Care Administration in Population Health Leadership and Analytics	Action <i>President Calhoun</i>	Action	57
Adjourn	<i>10:15 a.m.</i>		

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

RECOMMENDATION

The proposed Consent Agenda items assigned to this Committee are [Items 26 - 43](#).

2. U. T. Health Science Center - Tyler: Approval of preliminary authority for a Doctor of Health Care Administration in Population Health Leadership and Analytics

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and the institutional president that the U. T. System Board of Regents approve:

- a. preliminary authority to create a Doctor of Health Administration degree program in Population Health Leadership and Analytics; and
- b. notification of the proposal to the Texas Higher Education Coordinating Board.

BACKGROUND INFORMATION

This program, the first doctoral-level program at the U. T. Health Science Center - Tyler, will be offered from within the School of Community and Rural Health as a collaboration with Health Care Service Corporation (HCSC), a self-described Mutual Legal Reserve Company and an Independent Licensee of the Blue Cross and Blue Shield Association.

Such a collaboration among insurer, provider, and academia is rare and an important and distinctive feature of the proposed program. The Doctor of Health Administration Program in Population Health Leadership and Analytics is an advanced practice doctorate program for a broad spectrum of health industry professionals that will integrate theory with the practice health ecosystem perspectives of the payer, provider, and public health with the intent for multi-factor health improvement of populations. The program intends to prepare professionals to apply empirically-based, synthesized concepts and interventions to change the culture of the health ecosystem for improved health status, quality of life, and reduced costs in communities and to evaluate those improvements and changes associated with improving and maintaining health in groups and communities in society. The program will emphasize six domains: Population Health Leadership; Prevention Management; Analytics; Quality; Innovation; and Communication.

The proposed program will support the need for advanced practice professionals in the health industry to develop knowledge, skills, and abilities for integrative, efficient, and effective population health improvement solutions focused on enhanced health status, quality outcomes, lower cost of health, and appropriate access to services for populations across the myriad of societal challenges and opportunities. New synergistic models of practice are required by governmental entities, healthcare providers, health insurers, and employers as payment models, risk, and upward cost pressure in the industry have changed, shifting pressure to communities to absorb. New integrative solutions from inter-disciplinary health professionals with advanced practice training are required now and, in the future, to solve problems of societal changes regarding policy, reimbursement, demographic shifts, and socio-economic factors of groups, communities, and populations.

Only three other universities in Texas offer a similar doctorate; Texas A&M University, U. T. Health Science Center - Houston, and Baylor University each offer a Ph.D. in Health Services Research. The latter is a collaboration between the Robbins Institute for Health Policy and Leadership at Baylor and the Center for Clinical Effectiveness at the Baylor Scott & White Health system.

According to the last five years of data available through the Integrated Postsecondary Education Data System (IPEDS), Texas A&M and U. T. Health Science Center - Houston have awarded a total of 27 doctorates (averaging two per year for U. T. Health and four per year for Texas A&M). Baylor's program has no data available in IPEDS within the timeframe.

Despite the low statewide completion data for these programs, national aggregate doctoral degree completions in the field rose from 326 conferrals in 2013 to 344 conferrals in 2017: supporting a slow but stable 1.4% annualized growth rate over the five-year range. These trends point to stable student interest in related programs across the United States. This is further supported by aggregate master's degree completions in health administration, population health, and medical analytics related fields, which show stronger than average five-year completions growth (8.6% versus 1.6% nationally, 4.5% versus 0.5% in the Southwest, and 4.0% versus 2.9% in Texas), indicating a rapid increase in the number of students who may be interested in pursuing studies at the more advanced doctoral level.

The School of Community and Rural Health already has critical resources in place to support the proposed program. Given that the proposed program is integrative, all four departments of the School (Healthcare Policy, Economics and Management; Occupational and Environmental Health Sciences; Epidemiology and Biostatistics; and Community Health) will contribute to the success of the program. Current resources to be leveraged include 32 faculty, 11 support staff team members, and library resources already in place for the two related existing programs (Master of Public Health and Master of Health Administration programs). The school is housed in a new 93,000 square foot academic building that has sufficient information technology to support a doctoral program at a modern school. In addition, several faculty members have taught and supported doctoral programs at other institutions, and the dean has significantly contributed to the development, planning, launch, teaching, and success of four advanced practice doctoral programs at research intensive universities in two states.

Anticipated additional resources for the proposed program include five new faculty, one data/analytical support professional, four dedicated IT support professionals, two program support professionals, and additional online/digital library resources commensurate with a doctoral-level degree program.

Once preliminary authority has been approved, a request to establish the degree program will be submitted to the U. T. System Board of Regents and the Texas Higher Education Coordinating Board.



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FOR
FACILITIES PLANNING AND CONSTRUCTION
COMMITTEE**

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Board Meeting: 11/19/2020
Austin, Texas

*David J. Beck, Chairman
Christina Melton Crain
R. Steven Hicks
Nolan Perez
Kelcy L. Warren
Rad Weaver*

	Committee Meeting	Board Meeting	Page
Convene	<i>10:15 a.m. Chairman Beck</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	61
<u>Addition to the CIP</u>			
2. U. T. Austin: Hogg Memorial Auditorium Renovation - Amendment of the current Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and resolution regarding parity debt	Action <i>President Hartzell</i>	Action	62
3. U. T. Austin: Peter T. Flawn Academic Center Student Success Outcomes Renovation - Amendment of the current Capital Improvement Program to include project; approval of total project cost; and appropriation of funds	Action <i>President Hartzell</i>	Action	65
<u>Modification to the CIP</u>			
4. U. T. Austin: Red River Street Realignment - Amendment of the current Capital Improvement Program to increase total project cost; approval to revise funding sources; and appropriation of funds and authorization of expenditure	Action <i>President Hartzell</i>	Action	67
<u>Design Development Approval</u>			
5. U. T. Arlington: Academic Building for School of Social Work and College of Nursing and Health Innovation - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	Action <i>President ad interim Lim</i>	Action	70

	Committee Meeting	Board Meeting	Page
6. U. T. San Antonio: School of Data Science and National Security Collaboration Center - Approval of design development; and appropriation of funds and authorization of expenditure	Action <i>President Eighmy</i>	Action	74
7. U. T. Health Science Center - San Antonio: Inpatient Facility - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	Action <i>President Henrich</i>	Action	78
Adjourn	<i>11:00 a.m.</i>		

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

RECOMMENDATION

No [Consent Agenda](#) items are assigned for review by this Committee.

2. U. T. Austin: Hogg Memorial Auditorium Renovation - Amendment of the current Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and resolution regarding parity debt

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the Hogg Memorial Auditorium Renovation project at The University of Texas at Austin as follows:

- a. amend the current CIP and approve a total project cost of \$27,800,000;
- b. appropriate funds of \$27,800,000 with funding of \$20,000,000 from the Revenue Financing System (RFS) Bond Proceeds and \$7,800,000 from the Available University Fund; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Austin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$20,000,000.

BACKGROUND INFORMATION

Debt Service

The \$20,000,000 in RFS debt will be repaid from Designated Tuition. Annual debt service on the \$20,000,000 in RFS debt is expected to be \$1.15 million. The institution's Scorecard Rating of 2.0 at fiscal year-end 2019 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

Previous Action

On August 22, 2019, the Chancellor approved this project for Definition Phase.

Project Description

Hogg Memorial Auditorium (HMA) serves as a venue for registered student organization programs as well as other larger University functions, including new student orientation, final exams, and graduation ceremonies. The building represents one of the first impressions students have on campus as HMA is utilized for new student orientation every year.

The proposed renovation to HMA includes the replacement and upgrade of major building infrastructure systems including mechanical, electrical, and plumbing systems. Additionally, the renovation will address the building envelope by replacing the existing roof, and updating aesthetic elements such as seating, and finishes. The renovation will include restroom, life safety, and accessibility upgrades for compliance with the National Fire Protection Association Life Safety Code and Americans with Disabilities Act (ADA), and Texas Department of Licensing and Regulation requirements. Exterior site improvements, adjacent to the front-door entrance, include ADA parking spaces, and sidewalk modifications for a more cohesive space. The project will improve the safety and extend the lifetime of the building.

This proposed Repair and Renovation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be presented to the President for approval at a later date. Pursuant to a May 10, 2017 Board of Regents approval, effective September 1, 2017, U. T. Austin has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas at Austin
Hogg Memorial Auditorium Renovation**

Project Information

Project Number	102-1283
CIP Project Type	Repair and Renovation
Facility Type	Auditorium/Theater
Management Type	Institutional Management
Institution's Project Advocate	Soncia Reagins-Lilly, Vice President for Student Affairs and Dean of Students
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	24,992

Project Funding

	<u>Proposed</u>
Revenue Financing System Bond Proceeds ¹	\$20,000,000
Available University Fund	<u>\$7,800,000</u>
Total Project Cost	\$27,800,000

¹RFS proposed to be repaid from Designated Tuition

Project Cost Detail

Building Cost	\$14,672,000
Fixed Equipment	2,675,000
Site Development	120,000
Furniture and Moveable Equipment	70,000
Institutionally Managed Work	51,000
Architectural/Design Services	1,320,000
Project Management Fees	767,000
Insurance	-
Other Professional Fees	80,000
Project Contingency	8,045,000
Other Costs	-
Total Project Cost	<u>\$27,800,000</u>

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 2019
Addition to CIP	November 2020
Design Development Approval	March 2021
Construction Notice to Proceed	December 2021
Substantial Completion	March 2023

3. U. T. Austin: Peter T. Flawn Academic Center Student Success Outcomes Renovation - Amendment of the current Capital Improvement Program to include project; approval of total project cost; and appropriation of funds

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the Peter T. Flawn Academic Center Student Success Outcomes Renovation project at The University of Texas at Austin as follows:

- a. amend the current CIP and approve a total project cost of \$11,100,000; and
- b. appropriate funds of \$11,100,000 from the Available University Fund.

BACKGROUND INFORMATION

Previous Action

On September 30, 2020, the Chancellor approved this project for Definition Phase.

Project Description

The proposed renovation of the second floor in the Flawn Academic Center will provide Student Success Outcomes (SSO) to advance equitable access to career education, experiences, opportunities, and success. This centrally located, student-centric space will provide a variety of spaces for students to interact with recruiters in one-on-one and group settings, including interview rooms, advising offices, meeting rooms, classrooms, and a hospitality area. Space efficiency will improve as multiple departments will consolidate into more appropriately sized and organized space and share resources.

The proposed renovation includes a complete demolition of interior walls, doors, ceilings, light fixtures, and finishes and addition of new walls, doors, ceilings, light fixtures, and finishes. Mechanical, electrical, and plumbing systems distribution will also be upgraded to meet the new program layout and requirements. The project will include the addition of restroom facilities to comply with required fixture counts per the International Building Code. In general, the renovation will comply with the National Fire Protection Association Life Safety Code, Americans with Disabilities Act, and Texas Department of Licensing and Regulation requirements.

This proposed Repair and Renovation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be presented to the President for approval at a later date. Pursuant to a May 10, 2017 Board of Regents approval, effective September 1, 2017, U. T. Austin has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas at Austin
Peter T. Flawn Academic Center Student Success Outcomes Renovation**

Project Information

Project Number	102-1339
CIP Project Type	Repair and Renovation
Facility Type	Office, General
Management Type	Institutional Management
Institution's Project Advocate	Ross Johnson, Director of Academic Space Planning
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	36,533

Project Funding

Available University Fund	<u>Proposed</u> <u>\$11,100,000</u>
Total Project Cost	\$11,100,000

Project Cost Detail

Building Cost	\$7,868,000
Fixed Equipment	-
Site Development	-
Furniture and Moveable Equipment	1,150,000
Institutionally Managed Work	821,000
Architectural/Design Services	841,000
Project Management Fees	360,000
Insurance	-
Other Professional Fees	60,000
Project Contingency	-
Other Costs	-
Total Project Cost	<u>\$11,100,000</u>

Project Planning

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

Project Milestones

Definition Phase Approval	September 2020
Addition to CIP	November 2020
Design Development Approval	January 2021
Construction Notice to Proceed	March 2021
Substantial Completion	November 2021

4. U. T. Austin: Red River Street Realignment - Amendment of the current Capital Improvement Program to increase total project cost; approval to revise funding sources; and appropriation of funds and authorization of expenditure

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents approve the recommendations for the Red River Street Realignment project at The University of Texas at Austin as follows:

- a. amend the current CIP to increase the total project cost from \$38,500,000 to \$46,600,000;
- b. revise funding sources to include Unexpended Plant Funds and Auxiliary Enterprises Balances, and
- c. appropriate funds and authorize expenditure of \$8,100,000 with additional funding of \$5,600,000 from the Available University Fund, \$1,500,000 from Unexpended Plant Funds, and \$1,000,000 from Auxiliary Enterprises Balances.

BACKGROUND INFORMATION

Previous Actions

On May 17, 2019, the Chancellor approved this project for Definition Phase. On November 14, 2019, the project was included in the CIP with a total project cost of \$38,500,000 with funding from the Available University Fund. On December 4, 2019, the president approved the design development plans and authorized expenditure of funds.

Project Description

The original project consisted of the realignment of Red River Street from approximately the intersection at 18th Street to 32nd Street, generally along the route of the existing Robert Dedman Drive, vacating the existing Red River Street right of way from approximately the intersection at Martin Luther King, Jr. Boulevard to the intersection at Clyde Littlefield Drive. The original project included the design and construction of new paving, curb and gutter, street lighting, pedestrian lighting, landscaping, and other amenities. Additionally, this project is in support of a new 15,000-seat arena to host the University Men's and Women's Basketball games and is necessary for the proposed location.

The proposed increase in cost will support the additional scope of work as required to protect the existing Recreational Sports Center from impact to its existing structure and provide safer emergency access and egress. Additional scopes of work are required to provide safe access for pedestrians along and across this road relocation project, storm water runoff controls, replacement of aging and deteriorated critical infrastructure discovered during construction,

and new requirements by the City of Austin and the Texas Department of Transportation with the abandonment of the existing Red River route.

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

**The University of Texas at Austin
Red River Street Realignment**

Project Information

Project Number 102-1233
 CIP Project Type Repair and Renovation
 Facility Type Utilities/Infrastructure
 Management Type Institutional Management
 Institution's Project Advocate Bobby Stone, Director, Parking and Transportation Services
 Project Delivery Method Construction Manager-at-Risk
 Gross Square Feet (GSF) N/A

Project Funding

	<u>Current</u>	<u>Proposed</u>
Available University Fund	\$38,500,000	\$44,100,000
Unexpended Plant Funds		1,500,000
Auxiliary Enterprises Balances ¹		<u>1,000,000</u>
Total Project Cost	<u>\$38,500,000</u>	<u>\$46,600,000</u>

¹Auxiliary Enterprises Balances from parking revenues

Project Cost Detail

Building Cost	-
Fixed Equipment	-
Site Development	\$38,315,400
Furniture and Moveable Equipment	-
Institutionally Managed Work	700,000
Architectural/Design Services	3,030,300
Project Management Fees	1,281,500
Insurance	686,000
Other Professional Fees	1,324,300
Project Contingency	778,000
Other Costs	<u>484,500</u>
Total Project Cost	<u>\$46,600,000</u>

Project Planning

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

Project Milestones

Definition Phase Approval May 2019
 Addition to CIP November 2019
 Design Development Approval December 2019
 Construction Notice to Proceed April 2020
 Substantial Completion July 2022

5. U. T. Arlington: Academic Building for School of Social Work and College of Nursing and Health Innovation - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents approve the recommendations for the Academic Building for School of Social Work and College of Nursing and Health Innovation project at The University of Texas at Arlington as follows:

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$76,000,000 with \$60,000,000 from Permanent University Fund (PUF) Bond Proceeds, \$11,000,000 from Revenue Financing System (RFS) Bond Proceeds, \$314,000 from Gifts; and \$4,686,000 from Unexpended Plant Funds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Arlington, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$11,000,000.

BACKGROUND INFORMATION

Debt Service

The \$11,000,000 in RFS debt will be repaid from Designated Tuition. Annual debt service on the \$11,000,000 in RFS debt is expected to be \$631,000. The institution's Scorecard Rating of 2.7 at fiscal year-end 2019 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

Previous Actions

On November 14, 2019, the Board approved \$60,000,000 in PUF Bond Proceeds for this project. On December 11, 2019, the Chancellor approved the project for Definition Phase. On August 20, 2020, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$76,000,000 with funding of \$60,000,000 from PUF Bond Proceeds, \$11,000,000 from RFS Bond Proceeds, \$3,800,000 from Gifts, and \$1,200,000 from Unexpended Plant Funds.

Project Description

The University of Texas at Arlington seeks to construct a new academic building to serve the School of Social Work (SSW) and the College of Nursing and Health Innovation (CoNHI). The new building will be a mixture of flexible, state-of-the-art technology classrooms, teaching and dry research labs, faculty and staff offices, student engagement space, study and support spaces, and infrastructure support space.

While the SSW program has had significant success, it is severely restricted given the current facility space. The CoNHI Smart Hospital is over-subscribed given the growth in the university's nursing programs. The proposed facility will contribute to the advancement of the SSW program's national ranking and will support the continued growth of both programs.

**The University of Texas at Arlington
Academic Building for School of Social Work and College of Nursing and Health Innovation**

Project Information

Project Number	301-1295
CIP Project Type	New Construction
Facility Type	Classroom, General
Management Type	Institutional Management
Institution's Project Advocates	Scott Ryan, Dean and Jenkins Garrett Professor for the School of Social Work
Project Delivery Method	Design-Build
Gross Square Feet (GSF)	150,000

Project Funding

	<u>Current</u>	<u>Proposed</u>
Permanent University Fund Bond Proceeds	\$60,000,000	\$60,000,000
Revenue Financing System Bond Proceeds ¹	11,000,000	11,000,000
Gifts ²	3,800,000	314,000
Unexpended Plant Funds	<u>1,200,000</u>	<u>4,686,000</u>
Total Project Cost	\$76,000,000	\$76,000,000

¹RFS Bond Proceeds to be repaid by Designated Tuition

²Gifts in hand

Project Cost Detail

Building Cost	\$55,783,443
Fixed Equipment	1,700,000
Site Development	1,907,634
Furniture and Moveable Equipment	4,000,000
Institutionally Managed Work	1,575,000
Architectural/Design Services	4,808,923
Project Management Fees	1,520,000
Insurance	1,192,876
Other Professional Fees	2,242,120
Project Contingency	1,270,004
Other Costs	-
Total Project Cost	\$76,000,000

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

Academic Building for School of Social Work and College of Nursing and Health Innovation	\$372
The Texas Higher Education Coordinating Board Average for Classroom, General	\$479

	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$359	\$376	\$414
Other National Projects	\$345	\$425	\$589

**The University of Texas at Arlington
Academic Building for School of Social Work and College of Nursing and Health
Innovation**

(continued)

Investment Metric

- Increase enrollment in each program by 5% per year, by 2025
- Increase research expenditures in each program by 5%-10% per year, by 2030

Project Planning

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

Project Milestones

Definition Phase Approval	December 2019
Addition to CIP	August 2020
Design Development Approval	November 2020
Construction Notice to Proceed	January 2021
Substantial Completion	November 2022

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50 years
- Building Systems: 30 years
- Interior Construction: 20 years

6. U. T. San Antonio: School of Data Science and National Security Collaboration Center - Approval of design development; and appropriation of funds and authorization of expenditure

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents approve the recommendations for the School of Data Science and National Security Collaboration Center project at The University of Texas at San Antonio as follows:

- a. approve design development plans; and
- b. appropriate funds and authorize expenditure of \$90,000,000 with funding of \$75,000,000 from Permanent University Fund (PUF) Bond Proceeds and \$15,000,000 from Gifts.

BACKGROUND INFORMATION

Previous Actions

On September 6, 2018, the Board approved the National Security Collaboration Center project with a total project cost of \$33,000,000 and appropriated \$30,000,000 in PUF Bond Proceeds and the School of Data Science project with a total project cost of \$57,000,000 and appropriated \$40,000,000 in PUF Bond Proceeds. During design the projects were combined into one project, the National Security Collaboration Center and School of Data Science project with a total project cost of \$90,000,000 with funding of \$70,000,000 from PUF Bond Proceeds, \$15,000,000 from Gifts, \$3,800,000 from Texas Research Incentive Program (TRIP) funds, and \$1,200,000 from Interest on Local Funds.

On August 20, 2020, the Board approved an additional \$5,000,000 in PUF Bond Proceeds and revised funding to \$75,000,000 from PUF Bond Proceeds and \$15,000,000 from Gifts. On September 28, 2020, the President requested the project be renamed to the School of Data Science and National Security Collaboration Center.

Project Description

The School of Data Science and National Security Collaboration Center (SDS/NSCC) will unify UTSA's talent and resources in cybersecurity, data science, data management, cloud computing and machine learning/artificial intelligence into one cohesive and impactful business model for computational related academic and research programs. The project will co-locate the university's 70-plus faculty members in cybersecurity, cloud computing, data and analytics, and artificial intelligence under one highly collaborative roof. With a new six-floor facility housing classrooms, laboratories and research space, the school will support bachelor's, master's, and doctoral degrees, as well as certificate programs and other professional credential educational opportunities. A focus on connected classrooms and cutting-edge instructional technology will provide flexibility for course content delivery.

The SDS/NSCC will also advance collaborative research and development, education, and workforce development in the areas of cybersecurity, data analytics and cloud computing. The School of Data Science will become home to the departments of Computer Science, Computer Engineering, Statistics and Data Sciences, Information Systems and Cyber Security, and the Open Cloud Institute. The NSCC will specifically build a collaborative and impactful government, university, and industry ecosystem engaging federal agencies, contractor and industry leaders, and academia to solve the nation's greatest issues surrounding cybersecurity. The SDS/NSCC will be equipped with a Secure Compartmentalized Information Facility (SCIF) capable of safeguarding matters of national security.

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

**The University of Texas at San Antonio
School of Data Science and National Security Collaboration Center (SDS/NSCC)**

Project Information

Project Number	401-1222
CIP Project Type	New Construction
Facility Type	Office, Technology
Management Type	Institutional Management
Institution's Project Advocate	Corrina Green, Director of Major Capital Projects and Real Estate
Project Delivery Method	Design-Build
Gross Square Feet (GSF)	167,158
Shell Space (GSF)	7,445

Project Funding

	<u>Current</u>
Permanent University Fund Bond Proceeds	75,000,000
Gifts ¹	<u>15,000,000</u>
Total Project Cost	\$90,000,000

¹Gifts are fully collected or committed at this time; U. T. System Finance has confirmed institution has sufficient local funds to cover any shortfalls

Project Cost Detail

Building Cost	
SDS/NSCC	\$62,615,128
Fixed Equipment	1,253,239
Site Development	3,463,038
Furniture and Moveable Equipment	4,038,545
Institutionally Managed Work	3,000,000
Architectural/Design Services	5,519,679
Project Management Fees	2,758,500
CIP Support Fee	500,000
Insurance	1,400,000
Other Professional Fees	1,490,000
Project Contingency	2,361,500
Other Costs	<u>1,600,371</u>
Total Project Cost	\$90,000,000

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

SDS/NSCC (with 5% Shell Space)	\$375
SDS/NSCC (Estimated Total Finish-Out)	\$377
Texas Higher Education Coordinating Board Average – Office, Technology	\$489

	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$394	\$468	\$637
Other National Projects	\$472	\$909	\$1,105

The University of Texas at San Antonio
School of Data Science/National Security Collaboration Center (SDS/NSCC)
(continued)

Investment Metric

- Increase student enrollment by 5,997 from 3,427 to 9,424 by 2028
- Increase faculty members from 79 to 216 and staff from 15 to 42 by 2028
- Increase research funding through external partners, industry, and government, co-located in the building utilizing sponsored research agreements by 2023

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	N/A
Addition to CIP	September 2018
Design Development Approval	November 2020
Construction Notice to Proceed	December 2020
Substantial Completion	July 2022

Basis of Design

The planned building life expectancy includes the following elements:

Enclosure: 75 years
Building Systems: 50 years
Interior Construction: 25 years

7. U. T. Health Science Center - San Antonio: Inpatient Facility - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents approve the recommendations for the Inpatient Facility project at The University of Texas Health Science Center at San Antonio as follows:

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$398,851,000 with funding of \$268,851,000 from Revenue Financing System (RFS) Bond Proceeds, \$80,000,000 from Permanent University Fund (PUF) Bond Proceeds, and \$50,000,000 from Gifts; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Health Science Center - San Antonio, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$268,851,000.

BACKGROUND INFORMATION

Debt Service

The \$268,851,000 in RFS debt will be repaid from Hospital Revenues. Annual debt service on the \$268,851,000 in RFS debt is expected to be \$15.4 million. The institution's Scorecard Rating of 5.7 at fiscal year-end 2019 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

Previous Actions

On September 17, 2019, the Chancellor approved this project for Definition Phase. On November 14, 2019, the Board approved \$80,000,000 in PUF Bond Proceeds for this project. On August 20, 2020, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$398,851,000 with funding of \$268,851,000 from RFS Bond Proceeds, \$80,000,000 from PUF Bond Proceeds, and \$50,000,000 from Gifts.

Project Description

The proposed project will build an eight-story high-acuity hospital to be comprised of several specialties including cancer, neurosciences, orthopedics, urology, thoracic surgery, and bariatrics. A distinct competitive advantage of the hospital will be the unique leading-edge therapies and early-phase clinical trials in the many disciplines in which the university has expertise, including immunologic and stem cell therapies in oncology. The top two floors will be shell space intended for future use to house 24-bed Medical/Surgical Nursing Units on each floor. A seven-level, 650-space parking garage is included in the project.

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

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

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

Project Information

Project Number	402-1287
CIP Project Type	New Construction
Facility Type	Healthcare Facility, Hospital
Management Type	Institutional Management
Institution's Project Advocate	James D. Kazen, Executive Vice President Facility Planning and Operations
Project Delivery Method	Construction Manager at Risk
Gross Square Feet (GSF)	413,502 GSF - Hospital 650 Spaces - Parking Garage
Shell Space (GSF)	65,338 GSF - Hospital Build-Out

Project Funding

	<u>Current</u>
Revenue Financing System Bond Proceeds ¹	\$268,851,000
Permanent University Fund Bond Proceeds	80,000,000
Gifts ²	<u>50,000,000</u>
Total Project Cost	\$398,851,000

¹RFS Bond Proceeds to be repaid by Hospital Revenues

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

Project Cost Detail

Building Cost	
- Hospital	\$203,740,655
- Parking Garage	12,913,207
- Pedestrian Bridge/Elevator Tower	10,935,394
Fixed Equipment	7,103,221
Site Development	21,313,760
Furniture and Moveable Equipment	7,652,340
Institutionally Managed Work	72,770,000
Architectural/Design Services	25,365,374
Project Management Fees	2,494,000
Insurance	4,742,590
Other Professional Fees	4,565,601
Project Contingency	23,254,858
Other Costs	<u>2,000,000</u>
Total Project Cost	\$398,851,000

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

Inpatient Facility (with 16% Shell Space - 144 beds)	\$1,414,866
Inpatient Facility (Estimated Total Finish-Out - 144 beds)	\$1,542,296

	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$1,022,497	\$1,221,099	\$1,540,998
Other National Projects	\$1,036,375	\$1,581,245	\$2,454,793

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

Investment Metric

- Create 130 new residency training slots by 2029
- Increase the average daily census by at least 15% by 2026

Project Planning

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

Project Milestones

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

Basis of Design

The planned building life expectancy includes the following elements:

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



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Austin, Texas

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FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

No items for Consent Agenda

MEETING OF THE BOARD

1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meeting held on August 19-20, 2020; and the special called meetings held on August 12, 2020, and September 23, 2020

2. Resolution - U. T. System Board of Regents: Adoption of resolution regarding the list of Key Management Personnel authorized to negotiate, execute, and administer classified government contracts (Managerial Group) to reflect addition of Brandon H. Norwat, Associate Director, Science and Security, The University of Texas at Austin, 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 exclusion of individuals from the list of Key Management Personnel (KMP) authorized to negotiate, execute, and administer classified government contracts. The revision reflects the addition of Brandon H. Norwat, Associate Director, Science and Security, The University of Texas at Austin.

A Resolution amending the Managerial Group list was last adopted by the Board of Regents on August 20, 2020.

NISPOM defines KMP as "officers, directors, partners, regents, or trustees." The Manual requires that the Senior Management Official (SMO), Facility Security Officer (FSO), and the Insider Threat Program Senior Official (ITPSO) must always be designated as part of the Managerial Group and be cleared at the level of the Facility Clearance. Other officials or KMPs, as determined by the Defense 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):

James B. Milliken, J.D., Chancellor, The University of Texas System
Jay Hartzell, Ph.D., President, The University of Texas at Austin
Daniel T. Jaffe, Ph.D., Interim Executive Vice President and Provost,
The University of Texas at Austin

Allison Preston, Ph.D., Interim Vice President for Research, The University
of Texas at Austin

Seth J. Wilk, Army Futures Command Director, The University of Texas
at Austin

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

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

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

James R. (Trey) Atchley III, Chief Inquiry Officer, 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:

Kevin P. Eltife, Chairman

Janiece Longoria, Vice Chairman

James C. "Rad" Weaver, Vice Chairman

David J. Beck

Christina Melton Crain

R. Steven Hicks

Jodie Lee Jiles

Nolan E. Perez, M.D.

Kelcy L. Warren

Patrick O. Ojeaga, II, Student Regent from June 1, 2020 to May 31, 2021 (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 Agreement with ABM Texas General Services, Inc., to perform facility operations and building maintenance services for U. T. System Building

Agency: ABM Texas General Services, Inc.

Funds: Estimated \$3,409,946 for the full term, including all possible renewal terms

Period: July 17, 2020 through August 31, 2022, with two additional two-year renewal options, with each renewal option being at U. T. System Administration's discretion

Description: ABM Texas General Services, Inc., will perform facility operations and building maintenance services on U. T. System premises. The initial Agreement, which had a value capped at \$3,470,376 and was effective August 1, 2019 through July 31, 2020, with three two-year renewal options, was not previously presented to the Board for approval due to an inadvertent administrative oversight. This Amendment extends the initial Agreement by one month and exercises and lowers the annual cost for the first two-year renewal option leaving two more possible renewal periods. Services were competitively procured.

4. Contract (funds going out) - U. T. System: Amendment to Agreement with Crowe LLP to provide tax preparation and consulting services

Agency: Crowe LLP

Funds: It is possible expenditures may exceed \$1,000,000 over the term of the contract

Period: July 22, 2020 through November 30, 2022; with option to renew for two additional one-year terms

Description: Crowe LLP to provide professional tax and accounting services related to the preparation of the annual Form 990-T Unrelated Business Income Tax return, and to provide advisory services for state, federal, and international tax issues. The initial Agreement term was effective December 1, 2017 through November 2018, with four one-year renewal options. Two of those renewal periods have been exercised leaving two more possible renewal periods. This contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold. This Agreement was competitively bid.

The U. T. System Office of the Controller will closely monitor the spend over the life of the Agreement.

5. Contract (funds going out) - U. T. System: Fisher Scientific Company LLC. to provide laboratory products and related services

Agency: Fisher Scientific Company LLC.

Funds: Estimated \$775,000,000

Period: The initial term expires October 31, 2020; and is being extended for a three-year renewal period ending October 31, 2023.

Description: This group buy was negotiated by the U. T. System Supply Chain Alliance. The Master Agreement aggregates the demand for laboratory products and related services for the U. T. System institutions and leverages this demand to secure better supply terms than any individual institution could achieve on its own.

Regents' Rule 10501, Sec. 2.2.7, exempts purchases made under a group purchasing program that follow all applicable and regulatory standards from required Board approval. Due to the size of the anticipated contract spend, the Executive Vice Chancellor for Business Affairs has asked that this contract be presented to the Board for approval via the Consent Agenda.

6. Contract (funds going out) - U. T. System: Amendment to Agreement with Precision Task Group, Inc., to provide information technology (IT) staff augmentation services

Agency: Precision Task Group, Inc.

Funds: \$1,900,000

Period: September 29, 2020 through December 15, 2024

Description: Precision Task Group, Inc. to provide IT staff augmentation services to support efforts to design and develop an oil and gas land administration system. The original Agreement dated December 16, 2019, had a fee cap of \$500,000. This Amendment increases the fee cap to \$1,900,000. This contract was competitively bid.

7. Other Fiscal Matters - U. T. System: 2020 Group Purchasing Organization (GPO) Accreditation Program Results

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

With assistance from the U. T. System Office of Collaborative Business Services, three additional applications for accreditation were considered in the 2020 Program. Two applications were accepted, and one was rejected. The rejected applicant has been informed of the reasons for rejection, and of its right to reapply for accreditation in next year's Program.

In addition, reviews of the nine GPOs previously accredited were conducted to ensure ongoing compliance with accreditation standards and to review institutional use of GPO contracts. Based on these reviews, the accreditations of all GPOs previously accredited have been continued.

As a result, the following are the GPOs accredited at the conclusion of the 2020 Program:

- The University of Texas System Supply Chain Alliance
- Choice Partners National Purchasing Cooperative
- E&I Cooperative Services, Inc.
- Education Service Center - Region 19 Allied States Cooperative
- The Local Government Purchasing Cooperative, dba BuyBoard
- Premier Health Alliance, LP

- Texas Comptroller of Public Accounts (Statewide Procurement Division) (TPASS/TXMAS)
- Texas Department of Information Resources (DIR)
- National Cooperative Purchasing Alliance (NCPA)
- Sourcewell, formerly known as National Joint Powers Alliance (NJPA)
- Vizient, Inc.

All accreditations will expire August 31, 2021, unless terminated earlier under U. T. System procedures.

Going forward, revised GPO Accreditation Program procedures will be applied to reduce the Program's administrative burden on U. T. System, accredited GPOs and Program applicants, without reducing U. T. System's oversight functions. Beginning September 1, 2021, the GPO Accreditation Program will be extended an additional five years, with then current accreditations being valid through August 31, 2026, subject to earlier revocation.

8. 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 August 31, 2020**

	FUND TYPE							
	Current Purpose Restricted		Endowment and Similar Funds		Annuity and Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
Land and Buildings:								
Ending Value 05/31/2020	\$ 8,561,648	\$ 25,717,009	\$ 97,806,478	\$ 485,145,822	\$ 137,270	\$ 204,284	\$ 106,505,396	\$ 511,067,115
Increase or Decrease	(5,351,807)	(6,760,535)	(5,193)	(12,715,058)	-	16,948	(5,357,000)	(19,458,645)
Ending Value 08/31/2020	\$ 3,209,841	\$ 18,956,474	\$ 97,801,285	\$ 472,430,764	\$ 137,270	\$ 221,232	\$ 101,148,396	\$ 491,608,470
Other Real Estate:								
Ending Value 05/31/2020	\$ -	\$ -	\$ 5	\$ 5	\$ -	\$ -	\$ 5	\$ 5
Increase or Decrease	-	-	1	1	-	-	1	1
Ending Value 08/31/2020	\$ -	\$ -	\$ 6	\$ 6	\$ -	\$ -	\$ 6	\$ 6

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

9. Contract (funds going out) - U. T. Arlington: Civitas Learning, Inc., to provide a suite of integrated analytic applications focused on increasing student success

Agency: Civitas Learning, Inc.

Funds: \$4,964,626

Period: September 1, 2020 through August 31, 2021; with option for four additional one-year terms

Description: Civitas Learning, Inc., will provide an integrated suite of student success analytic applications focused on increasing student success, retention, and graduation. Each application targets different user groups (faculty, advisors, senior leadership, analytics analysts, and students) in pursuit of U. T. Arlington's student success goals. This contract was competitively procured.

10. Contract (funds going out) - U. T. Arlington: Pavement Services Corporation to provide asphalt and concrete services

Agency: Pavement Services Corporation

Funds: The contract has the potential to exceed \$2,500,000 over a six-year period

Period: September 1, 2020 through August 31, 2021; with option for five additional one-year terms

Description: Pavement Services Corporation will provide job order contracting services for asphalt and concrete to the U. T. Arlington main campus and to both campus locations in Fort Worth. This contract was competitively procured.

11. Request for Budget Change - U. T. Arlington: New Hires with Tenure -- amendment to the 2020-2021 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
College of Architecture, Planning and Public Affairs					
Public Affairs and Planning					
Professor					
Qisheng Pan (T)	9/1-5/31	100	09	115,000	11499
College of Education					
Educational Leadership and Policy Studies					
Chair					
Marilee Bresciani Ludvik (T)	1/1-5/31	100	09	125,000	11478
Supplement	1/1-8/31	0	12	18,000	

12. Employment Agreement - U. T. Arlington: Approval of terms of Employment Agreement for new Head Women's Basketball Coach Shereka Wright

The following Head Women's Basketball Coach Employment Agreement has been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel and is recommended for approval by the U. T. System Board of Regents. If the Agreement is approved, total compensation for the contract period for Shereka Wright will be in excess of \$1 million. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Arlington is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Arlington. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay and/or dismissal.

Proposed: **Guaranteed compensation:**

Annual Salary: \$240,000

Automobile: Courtesy automobile from a local dealership; or a \$750 monthly automobile allowance

Nonguaranteed compensation:

Sports Camps and Clinics: Percentage of net proceeds determined by Athletic Director

Incentives:

Team performance incentives: maximum of \$55,000 annually

Team academic performance Incentives: maximum of \$10,000 annually

Sunbelt Conference Coach of the Year: \$5,000 annually

Description: Employment Agreement for new Head Women's Basketball Coach Shereka Wright. Approved pursuant to Regents' *Rules and Regulations*, Rule 10501, Section 2.2.12(a).

Source of Funds: Intercollegiate Athletics

Period: September 8, 2020 through August 31, 2025

13. Contract (funds coming in) - U. T. Austin: Amendment No. 2 to Pediatric Congenital Heart Disease Program Support Agreement by and among Seton Family of Hospitals, Dell Children's Medical Group, and The University of Texas at Austin

Agency: Seton Family of Hospitals (Seton) and Dell Children's Medical Group

Funds: \$137,260,000

Period: October 1, 2020 to August 31, 2023; with renewal periods of one year each, unless terminated earlier

Description: On February 26, 2019, the Board approved the original Agreement between U. T. Austin on behalf of the Dell Medical School (U. T. Austin) and the Seton Family of Hospitals and Dell Children's Medical Group (collectively Seton) wherein U. T. Austin agreed to provide physician and non-physician personnel employed by U. T. Austin to perform pediatric cardiology medical services on behalf of Seton (the Program). Among other terms, the Program includes coverage and services to be furnished by Dr. Charles Fraser and Program personnel for pediatric congenital heart disease and congenital heart surgery services at Dell Children's Medical Center, emergency congenital heart disease services at the Dell Children's emergency room, Seton's Texas Center for Pediatric and Congenital Heart Disease, and an outpatient pediatric congenital heart disease provider-based clinic. The Program personnel also provide coverage and services at Dell Seton Medical Center for adult patients with pediatric congenital heart disease needs.

On December 19, 2019, the parties entered into Amendment No. 1 to the original Agreement and adjusted staffing as well as potential payments to U. T. Austin. However aggregate payments to U. T. Austin under Amendment No. 1 did not exceed the original Agreement aggregate contract threshold amount that the Board had previously approved on February 26, 2019. Thus, Amendment No. 1 did not come to the Board for approval.

To reflect current planning for better than expected Program growth and additional Program personnel, Amendment No. 2 seeks to increase the potential payments to U. T. Austin to a total contract value of \$137,260,000 over the term of the Agreement. Amendment No. 2 is effective October 1, 2020 and extends the term until August 31, 2023.

14. Request for Budget Change - U. T. Austin: New Hire with Tenure -- amendment to the 2019-2020 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
Dell Medical School					
Department. of Pediatrics					
Professor					
Z. Leah Harris (T)	8/1-8/31	100	12	330,000	11480

15. Request for Budget Change - U. T. Austin: New Hires with Tenure -- amendment to the 2020-2021 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
McCombs School of Business					
Department of Accounting					
Associate Professor					
Lisa De Simone (T)	9/1-5/31	100	09	270,000	11481
Moody College of Communication					
Department of Communication Studies					
Professor					
Craig Scott (T)	9/1-5/31	100	09	171,000	11482
Dell Medical School					
Department of Women's Health					
Professor					
Kenneth Moise (T)	9/1-8/31	100	12	475,000	11483
College of Education					
Department of Curriculum and Instruction and Department of Special Education					
Associate Professor					
Doris Baker (T)	9/1-5/31	100	09	110,000	11484
Department of Educational Psychology and Department of Kinesiology and Health Education					
Professor					
J. Mark Eddy (T)	9/1-5/31	100	09	160,000	11487
Cockrell School of Engineering					
Department of Aerospace Engineering and Engineering Mechanics					
Associate Professor					
Lori Magruder (T)	9/1-5/31	100	09	142,000	11488
Department of Mechanical Engineering					
Professor					
Narayana Aluru (T)	1/16-5/31	100	09	250,000	11489

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
College of Fine Arts					
Butler School of Music					
Professor					
Billy Hunter (T)	9/1-5/31	100	09	195,000	11490
Professor					
Tamara Sanikidze (T)	9/1-5/31	100	09	132,500	11491
College of Liberal Arts					
Department of African and African Diaspora Studies					
Professor					
Kevin Thomas (T)	9/1-5/31	100	09	185,000	11493
Department of Mexican American and Latino/a Studies					
Associate Professor					
Maria Coteria (T)	9/1-5/31	100	09	140,000	11494
Department of Philosophy					
Professor					
Connie Rosati (T)	9/1-5/31	100	09	150,000	11495
Department of Psychology					
Professor					
Chen Yu (T)	9/1-5/31	100	09	215,000	11496
College of Pharmacy					
Dean and Professor					
Samuel Poloyac (T)	10/1-8/31	100	12	311,600	11497
		0	09	200,000	

16. Employment Agreement - U. T. Austin: Approval of terms of new Employment Agreement for current Head Men's Golf Coach John Fields

The following Head Men's Golf Coach Employment Agreement has been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel and is recommended for approval by the U. T. System Board of Regents. If the Agreement is approved, total compensation for the contract period for John Fields will be in excess of \$1 million. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay and/or dismissal.

To: **Guaranteed compensation:**

Annual Salary:

FY 2020 - 2021: \$252,340

FY 2021 - 2025: \$304,900

Reduced Salary Payment: One-time payment in the amount of \$32,560

Special Payment: One-time special payment in the amount of \$40,000

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

Nonguaranteed compensation:

Sports Camps: Determined by the Vice President and Athletics Director

Incentives: In accordance with Athletics Department's policies and procedures

Note:

In proposing the new agreement for current Head Men's Golf Coach, U. T. Austin has changed the approach to compensation. For comparison purposes, the approximate increase in guaranteed compensation from FY 2020 to FY 2021 is 3.91% with changes throughout the agreement to the classification of other employment terms as part of the base salary.

From: **Guaranteed compensation:**

Annual Salary:
FY 2020 - 2021: \$242,840

Special Payment: One-time special payment in the amount of \$40,000

Automobile: \$7,500 annual car allowance

Product Endorsement: \$2,000

Social club memberships: Determined by the Vice President and Athletics Director

Nonguaranteed compensation:

Sports Camps: Determined by the Vice President and Athletics Director

Performance Incentives:
Team wins Big 12 Conference Tournament Championship: \$15,000
Team wins the NCAA National Championship: \$40,000
Team Academic Performance Incentives: \$0 (in base salary)
National Coach of the Year: \$10,000

Source of Funds: Intercollegiate Athletics

Period: December 1, 2020 through August 31, 2025

17. Employment Agreement - U. T. Austin: Approval of terms of new Employment Agreement for current Head Men's Swimming and Diving Coach Edwin C. Reese

The following current Head Mean's Swimming and Diving Coach Employment Agreement has been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel and is recommended for approval by the U. T. System Board of Regents. If the Agreement is approved, total compensation for the contract period for Edwin C. Reese will be in excess of \$1 million. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay and/or dismissal.

To: **Guaranteed compensation:**

Annual Salary:

FY 2020 - 2021: \$246,561

FY 2021 - 2025: \$279,425

Reduced Salary Payment: One-time payment in the amount of \$32,864

Automobile: One Dealer Car

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

Nonguaranteed compensation:

Sports Camps: Determined by the Vice President and Athletics Director

Incentives: In accordance with Athletics Department's policies and procedures

Note:

In proposing the new agreement for current Head Men's Swimming and Diving Coach, U. T. Austin has changed the approach to compensation. For comparison purposes, the approximate increase in guaranteed compensation from FY 2020 to FY 2021 is 0.8 % with changes throughout the agreement to the classification of other employment terms as part of the base salary.

From: **Guaranteed compensation:**

Annual Salary: \$244,561

Reduced Salary Payment: One-time payment in the amount of \$32,864

Automobile: One Dealer Car

Product Endorsement: \$2,000

Social club memberships: Determined by the Vice President and Athletics Director

Nonguaranteed compensation:

Sports Camps: Determined by the Vice President and Athletics Director

Performance Incentives:

Team wins Big 12 Conference Tournament Championship:\$15,000

Team wins the NCAA National Tournament: \$30,000

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

National Coach of the Year: \$10,000

Source of Funds: Intercollegiate Athletics

Period: December 1, 2020 through August 31, 2025

18. Employment Agreement - U. T. Austin: Approval of Terms of Employment Agreement with Jay C. Hartzell, Ph.D., as President of The University of Texas at Austin

The following agreement has been approved by the Chancellor, has been signed by Dr. Hartzell, and is recommended for approval by the U. T. System Board of Regents. Terms of employment under this agreement are subject to Regents' *Rules and Regulations*, Rules 10501 and 20201, and *Texas Education Code* Section 51.948.

Item:	President
Funds:	\$1,250,000 annually
Period:	Beginning September 23, 2020
Description:	Agreement for terms of employment of Dr. Jay Hartzell, as President of The University of Texas at Austin. The President reports to the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor and approval by the Board of Regents. During his Presidency, Dr. Hartzell will retain an appointment as Professor, with tenure, in the McCombs School of Business, without compensation, and will continue to hold the Trammell Crow Regents Professorship in Business. The agreement is on the following pages.



THE UNIVERSITY of TEXAS SYSTEM
FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

Office of the Chancellor
210 West 7th Street
Austin, Texas 78701-2982
512-499-4201
WWW.UTSYSTEM.EDU

October 22, 2020

Dr. Jay Hartzell

Dear Jay:

On behalf of the Board of Regents of The University of Texas System, it is my pleasure to confirm your appointment as President of The University of Texas at Austin, effective September 23, 2020. Your annual salary rate as of that date will be \$1,250,000. You are entitled to other State-paid fringe benefits provided to higher education employees by State law and for which you are eligible. Among these benefits are State-paid OASI, longevity pay, workers' compensation liability, insurance coverage, retirement, insurance premium sharing and paid leave.

Pursuant to Regents' Rule 20201, the presidents of The University of Texas academic institutions are selected by the Board of Regents of The University of Texas System and serve without fixed term, subject to the pleasure of the Chancellor and approval of the Board of Regents. Your performance as President of U.T. Austin will be evaluated in accordance with Regents' Rule 20201. You should plan to make a presentation to the Board on your vision and goals for U.T. Austin within 12 to 18 months of taking office.

Additional elements of your compensation package are:

- a) You will retain your appointment as Professor, with tenure, in the McCombs School of Business at U.T. Austin. In addition, you will continue to hold the Trammell Crow Regents Professorship in Business. During your presidency, you will not be paid a salary as Professor or receive a stipend from the Crow Professorship. When your administrative appointment as President ends, you will be entitled to return to your tenured, named position as Professor, consistent with Regents' Rule 31007, which governs tenured appointments, and to be compensated at your academic salary rate. Texas Education Code, Section 51.948, states that if a university administrator is reassigned to a faculty or other position at the institution, the institution may not pay that person a salary that exceeds the salary of other persons with similar qualifications performing similar duties. Accordingly, given your qualifications and experience, your

Jay Hartzell
October 22, 2020
Page 2

academic salary will be set at the average of the three highest-paid members of your department.

- b) State law allows the granting of a development leave at the individual's academic salary rate for one academic year to a faculty member who has held an administrative position at the institution for more than four years. An administrator who receives development leave must return to work (as a faculty member) at a U.T. System institution for an amount of time equal to the amount of time the administrator received development leave or repay the institution for all the costs of the development leave.

Please note that the benefits described in (b) may, at the discretion of the Board, be denied should you be terminated from the position of President for good cause, as determined by the Board. In addition, any previously negotiated arrangements regarding return to the faculty from your administrative positions prior to your appointment as President, which are not inconsistent with state law or Regents' Rules and Regulations, will not be affected by the terms of this appointment.

Business-related travel and entertainment expenses shall be in accordance with Regents' Rule 20205, and with current travel and entertainment budgets of the institution. Reasonable expenses will be paid directly or reimbursed as appropriate. Appropriate and timely submission of documentation required for reimbursement of travel and entertainment expenditures is required by Regents' Rule 20205. Annual reports on travel and entertainment shall be filed with the Executive Vice Chancellor for Academic Affairs.

Full-time faculty and administrative and professional staff employed by the U.T. System may not be employed in any outside work or activity or receive from an outside source any compensation or serve on an outside board until a description of the nature and extent of the employment or activity and the range of any compensation has been approved by the Chancellor or his or her designee.

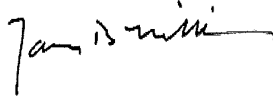
Your salary is all-inclusive, and there are no additional allowances provided for housing or automobile consistent with the Regents' Rules and Regulations on compensation for chief administrative officers. Reimbursement will be made for mileage associated with the business use of a vehicle in accordance with the latest published Internal Revenue Service guidelines, the State Travel Regulations Act (Texas Government Code, Chapter 660) and applicable institutional policies. There is no separate provision for the use of a cellular telephone or other wireless devices. Such use shall follow the policy for wireless devices at your institution.

Some elements in this compensation package will be subject to federal income tax and, as such, will be subject to withholding and reported on the W-2 form along with base salary paid. You should consult your tax adviser as to the handling of business or other offsetting deductions.

Jay Hartzell
October 22, 2020
Page 3

I very much look forward to continuing to work with you as President of The University of Texas at Austin.

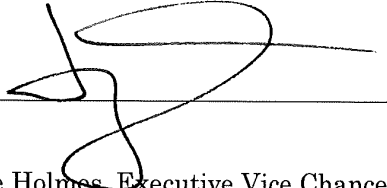
Sincerely yours,



James B. Milliken
Chancellor

JBM:kci

Accepted: _____



Date: _____

10/23/20

cc: Archie Holmes, Executive Vice Chancellor for Academic Affairs
Scott Kelley, Executive Vice Chancellor for Business Affairs
Darrell Bazzell, Senior Vice President and Chief Financial Officer
Francie Frederick, General Counsel to the Board of Regents

19. Contract (funds going out) - U. T. Dallas: AHI Small Business Facility Services, Inc., to provide custodial services

Agency: AHI Small Business Facility Services, Inc.

Funds: \$17,000,000 for the initial term and all renewal terms

Period: January 1, 2021 through December 31, 2023; with option to renew for two additional one-year terms

Description: AHI Small Business Facility Services, Inc., to provide custodial services for facilities on the main campus in Richardson, Texas, and South campus satellite locations in Dallas, Texas. The contract was competitively bid.

20. Request for Budget Change - U. T. Dallas: New Hires with Tenure -- amendment to the 2020-2021 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
Erik Jonsson School of Engineering and Computer Science					
Mechanical Engineering					
Professor					
Joshua Summers (T)	1/1-5/31	100	09	208,000	11505
School of Natural Sciences and Mathematics					
Physics					
Professor					
Shengwang Du (T)	1/1-5/31	100	09	140,000	11502

21. Purchase - U. T. El Paso: Authorization to purchase a total of approximately 1,280 acres of land known as Sections 6 and 8, Block 3, T & P Railway Survey, Hudspeth County, Texas, from Ann Hutchinson Slattery, Trustee of the Chantal and Sofia Ann Slattery Trust, for future programmatic use, including biology research

Description: Purchase of approximately 1,280 acres of land known as Section 6 and 8, Block 3, T & P Railway Survey, Hudspeth County, Texas, and authorization for the Executive Vice Chancellor for Business Affairs to execute all documents, instruments, and other agreements and to take all further actions deemed necessary or advisable to purchase the property. A short-term grazing and hunting lease may need to be assumed until it is terminated, which may be approximately 90 days after closing.

This property, which abuts the Rio Grande, is located adjacent to the approximately 38,000 acres of land on which U. T. El Paso's Indio Mountains Research Station sits and contains features and ecosystems that set it apart from the adjacent Research Station. The property will be used for future programmatic use.

Seller: Ann Hutchinson Slattery, Trustee of the Chantal and Sofia Ann Slattery Trust

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

22. Contract (funds coming in) - U. T. Rio Grande Valley: Approval of Annual Operating Agreement to the Affiliation between Doctors Hospital at Renaissance, Ltd., and U. T. Rio Grande Valley

Agency: Doctors Hospital at Renaissance, Ltd. (DHR)

Funds: Estimated value is \$40,358,256 over the term of the contract

Period: July 1, 2020 through June 30, 2022

Description: The Annual Operating Agreement (AOA) to the Affiliation Agreement between Doctors Hospital at Renaissance, Ltd., and U. T. Rio Grande Valley documents the payments flowing between the parties in connection with graduate and undergraduate medical education programs, and describes the commitment of the parties related to educational, clinical, structural, financial, and administrative needs of the medical education programs and other collaboration efforts. The parties entered into an initial AOA effective July 1, 2016, which was extended through several amendments (Amendments 1 through 8) until July 1, 2020. This AOA supersedes the initial AOA between the parties and extends the term from July 1, 2020 through June 30, 2022.

23. Request for Budget Change - U. T. Rio Grande Valley: New Hire with Tenure -- amendment to the 2020-2021 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
School of Medicine					
Department of Neurology					
Professor					
Frank Gilliam (T)	9/1-8/31	100	12	315,000	11479

24. Lease - U. T. Rio Grande Valley: Authorization to lease approximately 17,750 square feet of to-be-built building on a portion of a 2.34-acres site located at Lots 2-6, Del Prado Business Park Subdivision, an addition to the City of Edinburg, Hidalgo County, Texas, from DHR Real Estate Management, LLC, for mission use, including academic uses related to the U. T. Rio Grande Valley’s Hospitality and Tourism Management Program of the Robert C. Vackar College of Business and Entrepreneurship

Description: Lease of an approximately 17,750 square foot to-be-built building on a portion of a 2.34-acres site located at all of Lots 2-6, Del Prado Business Park Subdivision, an addition to the City of Edinburg, Hidalgo County, Texas, from DHR Real Estate Management, L.L.C., or a related entity for mission use, including academic uses related to the U. T. Rio Grande Valley’s Hospitality and Tourism Management Program of the Robert C. Vackar College of Business and Entrepreneurship. The proposed single-story facility contains a test kitchen, classrooms, restrooms/locker rooms, offices, and related parking. It is located adjacent to a proposed 120-key up-scale branded Hotel adjacent to the site of an existing conference center and near to the institution’s primary teaching hospital, as well as other medical facilities. The Lessor will provide the facility fully improved to the institution’s requirements. The facility will be a site for instruction and practical experience regarding the management and operation of hospitality facilities; there will be a separate affiliation agreement covering such matters.

Lessor: DHR Real Estate Management, LLC, a Texas limited liability corporation, or a related entity

- Term: The term commences on the date that Lessor substantially completes the construction of the project and continues for 10 years, plus two 10-year renewal options. The estimated commencement date is on August 1, 2022.
- Lease Cost: The base rent during the initial five years of the term will be \$23.00 per square foot (\$408,250, annually). This base rent is adjusted for the second five years of the primary term by change in the Consumer Price Index over the prior five-year period. Base rent for each of the renewal option periods will be 95% of the then-prevailing market rental rate. The lease will be a net lease, with all operating expenses and taxes paid by Lessee. Operating expenses are projected to be \$213,000 in the initial lease year; in addition, property taxes in the initial lease year of approximately \$58,000 may be assessed against the property. The total lease cost over the initial 10-year term is estimated at \$4,407,600 in base rent and \$2,307,500 in estimated operating expenses, plus property taxes. Over the thirty years of the initial lease term and both extension terms, the total cost of base rent, operating expenses and taxes is estimated at roughly \$28,830,600. Lease costs are not to exceed fair market value as determined by independent appraisals; appraisals confidential pursuant to *Texas Education Code* Section 51.951.
- Purchase Rights: Lessee will have the right to purchase the property for a price determined by independent appraisal after the third anniversary of the lease commencement date. In addition, Lessee will have a right of first refusal to purchase the facility under certain circumstances in the event Lessor attempts to sell the facility to an unrelated third party.

25. Contract (funds coming in and going out) - U. T. San Antonio: Bottling Group, LLC, dba Pepsi Beverages Company, to provide campus-wide beverage vending, retail, and fountain drink products and services

Agency: Bottling Group, LLC, dba Pepsi Beverages Company

Funds: Estimated value of \$6,584,000 to be received by U. T. San Antonio over the entire contract term, including all renewal terms. The value includes annual exclusivity funding, annual non-capital funding, beverage commissions, and in-kind product. U. T. San Antonio will make payments to Pepsi Beverages Company for requested beverage products from time to time.

Period: November 19, 2020 through November 19, 2026; with two additional 24-month renewal options, with each renewal option being at U. T. San Antonio's discretion

Description: Pepsi Beverages Company will provide U. T. San Antonio certain beverage products and services on U. T. San Antonio's campus for the benefit and convenience of its students, faculty, staff, and visitors by means of vending machine operations, fountain machine operations, and retail single serve coolers and beverages. The Agreement resulted from a competitive Request for Proposal, evaluated in accordance with *Texas Education Code* Section 51.9335. Pursuant to *Texas Education Code* Section 51.945, students were provided an opportunity to comment in the procurement evaluation process. *Texas Government Code* Section 2203.005(a) requires all vending machine agreements to be approved by the Board.

HEALTH AFFAIRS COMMITTEE

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

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

Funds: \$234,818,815

Period: October 1, 2020 through September 30, 2021

Description: U. T. Southwestern Medical Center to provide physician and other health services.

27. Contract (funds going out) - U. T. Southwestern Medical Center: TEMPEG, LLP, to provide emergency medicine physician services at Parkland Health and Hospital System

Agency: TEMPEG, LLP

Funds: \$8,356,289

Period: September 1, 2020 through August 31, 2023

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

28. Contract (funds going out) - U. T. Southwestern Medical Center: Cotiviti, Inc., to provide supplemental staffing needs for professional and hospital revenue cycle functions

Agency: Cotiviti, Inc.

Funds: \$6,000,000

Period: July 1, 2020 through June 30, 2023; with two one-year renewal options

Description: Cotiviti, Inc., to provide supplemental staffing needs for professional and hospital revenue cycle functions.

29. Contracts (funds going out) - U. T. Southwestern Medical Center: First Amendment to contracts with Batson Cook Company; Centennial Contractors Enterprises, Inc.; Falkenberg Construction Co., Inc.; GCC Enterprises, Inc.; Gomez Floor Covering, Inc., dba GFC Contracting; IDG Services, Inc.; and Lee Construction and Maintenance Company, dba LMC Corporation, to provide job order contracting and project and construction management services

Agencies:

- Batson Cook Company;
- Centennial Contractors Enterprises, Inc.;
- Falkenberg Construction Co., Inc.;
- GCC Enterprises, Inc.;
- Gomez Floor Covering, Inc., dba GFC Contracting;
- IDG Services, Inc.; and
- Lee Construction and Maintenance Company dba LMC Corporation

Funds: Not to exceed \$7,500,000 each

Period: September 1, 2019 through August 31, 2022; with two one-year renewal options

Description: The seven individual agreements have not previously been submitted for Board consideration because the total value of each contract was capped at \$2,500,000, which is below the delegated approval threshold. U. T. Southwestern Medical Center seeks to increase the contract value for each contract to meet the demands of increased volume in construction and project management on its campus and its hospital facilities. Each of the seven contracts was competitively bid.

Each vendor will continue to provide job order contracting and project and construction management services on minor construction and renovation projects typically less than \$500,000 each.

30. Interagency Agreement (funds going out) - U. T. Southwestern Medical Center: Interagency Agreement with the Texas Health and Human Services Commission for participation in the Network Access Improvement Program

Agency: Texas Health and Human Services Commission

Funds: \$8,116,139

Period: September 1, 2020 through August 31, 2021

Description: Interagency Agreement is for participation in Texas Health and Human Services Commission's Network Access Improvement Program, which includes federal matching funds. This program is focused on serving Managed Medicaid patients.

31. Lease - U. T. Southwestern Medical Center: Authorization to lease approximately 54,559 square feet in Suite 250 and Suite 300 of Trinity Towers, 2777 Stemmons Freeway, Dallas, Dallas County, Texas, from SRC Trinity Owner, L.P., for office use

Description: Lease of approximately 54,559 square feet of commercial space located at Trinity Towers, 2777 Stemmons Freeway, Dallas, Dallas County, Texas, for office and other mission uses.

Lessor: SRC Trinity Owner, L.P., a Delaware limited partnership

Term: Seven years, six months, with a commencement date no later than July 1, 2021, and an anticipated expiration date of December 31, 2028

Lease Cost: After an initial six-month period with free base rent, the initial annual base rent will be \$21.50 per square foot. The Lessor is responsible for 2021 base year expenses and the institution is responsible for increases in operating expense costs thereafter, plus electricity. Estimated base rent and estimated operating expense for the term is \$9,758,566.

The Lessor is providing a Tenant Improvement allowance of \$2,867,621 or \$52.56 per square foot. U. T. Southwestern Medical Center estimates it will spend \$2,803,650 (\$51.39 per square foot) in total tenant improvement expenses in excess of the Tenant Improvement allowance.

Authorization: Authorize the Executive Vice Chancellor of Business Affairs, or designee, to execute the leases related documents, and take any other action necessary or appropriate to enter into and operate under the lease.

32. Lease - U. T. Southwestern Medical Center: Authorization to enter into leases for a total of approximately 66,294 square feet of industrial space at 2929 Stemmons Freeway and 2929 Irving Boulevard, Dallas, Dallas County, Texas, with related landlords, CANTEX 2929S, LLC, and CANTEX 2929I, LLC, for mission purposes

Description: Two leases with related landlords for space in industrial buildings with air conditioned space located at 2929 Stemmons Freeway and 2929 Irving Boulevard, Dallas, Dallas County, Texas, for a total of approximately 66,294 square feet for general warehouse, office, and storage use

Lessor: CANTEX 2929S, LLC, a Texas limited liability company, and CANTEX 2929I, LLC, a Texas limited liability company

Term: 86 months with one option to renew for five years. Commencement date beginning December 1, 2020 and expiring December 31, 2027.

Lease Cost: After two months with free base rent, the initial base rate will be \$7.85 per square foot with 2.5% annual rent increases; if exercised, the renewal term will be at fair market value. Lessee is responsible for electricity and operating expenses. Initial annual electricity and operating expenses are estimated at \$4.40 per square foot.

Lessors are providing a total Tenant Improvement allowance of approximately \$265,176. Institutional tenant improvement expense in excess of the Tenant Improvement allowance is estimated at \$820,552 (\$12.38 per square foot).

Total estimated base rent and operating expenses for the initial term are \$6,201,919.

Authorization: Authorize the Executive Vice Chancellor of Business Affairs, or designee, to execute the leases, related documents, and take any other action necessary or appropriate to enter into and operate under the leases.

33. Interagency Agreement (funds coming in) - U. T. Medical Branch - Galveston: To administer the Texas Health and Human Services Commission's Women, Infants, and Children's (WIC) Nutrition Program

Agency: Texas Health and Human Services Commission

Funds: \$50,355,535

Period: October 1, 2020 through September 30, 2025

Description: U. T. Medical Branch - Galveston's Regional Maternal Child Health Program to administer the Texas Health and Human Services Commission's Women, Infants, and Children's (WIC) Nutrition Program to provide supplemental food benefits, nutrition education, and counseling to enhance good health care at no cost to low-income pregnant and postpartum women, infants, and children identified to be at nutritional risk.

34. Contract (funds going out) - U. T. Medical Branch - Galveston: York Construction, Inc., to provide job order contracting and project and construction management services

Agency: York Construction, Inc.

Funds: Not to exceed \$37,500,000

Period: June 29, 2020 through June 28, 2022; with three 12-month renewal options

Description: York Construction, Inc., to provide job order contracting and project and construction management services on minor projects, which are currently not associated with a specific project on any existing U. T. Medical Branch - Galveston buildings throughout the state. The services are to be on an as-needed basis. U. T. Medical Branch - Galveston is under no obligation to request any services from York Construction, Inc., and no minimum amount of work is required under the Agreement. The contract was competitively bid.

35. Request for Budget Change - U. T. Medical Branch - Galveston: Tenure Appointments -- amendment to the 2020-2021 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
School of Medicine					
Preventive Medicine and Population					
Associate Professor					
Lisa Campo-Engelstein (T)	9/1-8/31	100	12	225,000	11477
Microbiology					
Associate Professor					
Keer Sun (T)	9/1-8/31	100	12	130,000	11473

36. Sale - U. T. Medical Branch - Galveston: Authorization to sell a student housing complex known as Ferry Road Apartments, located at 810 Ferry Road, Galveston, Galveston County, Texas, to a yet to be determined buyer

Description: The Ferry Road apartments consists of four, three-story, mid-rise apartment buildings, and one two-story building located at 810 Ferry Road, Galveston, Galveston County, Texas. The facility is located at the eastern built edge of the City of Galveston, approximately one mile from U. T. Medical Branch - Galveston's main campus and is used as student housing by the institution. The apartment complex was built in 1980 with 129 dwelling units with 243 rooms on a 2.97-acre parcel of land. Building construction consists of wood frame construction, stucco, treated wood, masonry, and cement board exterior with a combination of pitched asphalt shingled roof and a flat roofing system on a reinforced concrete slab. The average unit size is 577 square feet.

The property is currently 90% occupied. The complex is now 40 years old. Its location and condition limit income and its desirability and effectiveness as student housing to serve U. T. Medical Branch - Galveston. Furthermore, ongoing operating and capital costs make the property cost prohibitive to maintain and operate. Considering operating expenses, capital costs, depreciation, and a facilities overhead allocation against income, the institution has been losing approximately \$1,000,000 annually on this property.

Authorization is requested for the Executive Vice Chancellor of Business Affairs, or designee, to sign a contract for sale, deed, and all other documents and to take all other actions necessary or appropriate to convey the Ferry Road apartments to the to-be-determined purchaser.

Sale Price: The property will be offered through a Request for Proposals or other competitive process. U. T. Medical Branch - Galveston has obtained an appraisal of market value performed by BBG, Inc.; the appraisal is confidential pursuant to *Texas Education Code* Section 51.951.

37. Contract (funds coming in) - U. T. Health Science Center - Houston: To provide dental and dental hygiene services to the Harris County Hospital District, dba Harris Health System

Agency: Harris County Hospital District, dba Harris Health System

Funds: Approximately \$10,000,000 over the initial term

Period: October 1, 2020 through June 30, 2023; thereafter, automatic renewals for two-year terms unless terminated sooner between the parties by providing written notice

Description: At Harris Health facilities, U. T. Health Science Center - Houston will provide quality covered dental services to patients, educate and train U. T. Health Science Center - Houston's students and residents, advance dental knowledge through research, and promote personal and community dental health.

38. Interagency Agreement (funds coming in) - U. T. Health Science Center - Houston: To administer the Texas Health and Human Services Commission's Women, Infants, and Children's (WIC) Nutrition Program

Agency: Texas Health and Human Services Commission

Funds: \$37,469,296

Period: October 1, 2020 through September 30, 2025

Descript U. T. Health Science Center - Houston to administer the Texas Health and Human Services Commission's Women, Infants, and Children's (WIC) Nutrition Program to provide supplemental food benefits, nutrition education, and counseling to enhance good health care at no cost to low-income pregnant and postpartum women, infants, and children identified to be at nutritional risk.

39. Interagency Agreement (funds coming in) - U. T. Health Science Center - Houston: Interagency Agreement with the Texas Health and Human Services Commission to conduct a research study of individuals with an opioid use disorder

Agency: Texas Health and Human Services Commission

Funds: \$9,978,482

Period: August 7, 2020 through August 31, 2022

Description: U. T. Health Science Center - Houston to conduct a research study of individuals with an opioid use disorder comparing outcomes of individuals in a medicated-assisted treatment (MAT) residence to individuals in a non-MAT residence or in the community.

40. Request for Budget Change - U. T. Health Science Center - Houston: Tenure Appointment -- amendment to the 2020-2021 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
School of Biomedical Informatics					
Department of Biomedical Informatics					
Professor					
Hua Xu (T)	10/1-8/31	100	12	261,064	11503

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

Agency: Bright Horizons Children's Center LLC

Funds: Approximately \$7,000,000 over the initial term and all renewal options

Period: September 1, 2020 through August 31, 2023; with two one-year renewal options

Description: Bright Horizons Children's Center LLC will provide back-up child care and adult care services for eligible employees in Bright Horizons child care centers and adult care centers or other care operations owned or operated by other providers participating in the Bright Horizons Back-up Care Network (Network Centers). Network Centers operate as quality child and adult care centers in compliance with all requirements of applicable laws, regulations, and licensing requirements. Bright Horizons also provides back-up care for dependents in the homes of eligible employees or other authorized locations. The Agreement was competitively bid.

42. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Second Amendment to Agreement with CannonDesign to provide facilities master planning for updating and expansion of all U. T. M. D. Anderson campuses and new locations

Agency: CannonDesign

Funds: The total value of the services under the Agreement, including any potential contract extensions or renewals, is approximately \$7,000,000

Period: November 23, 2020 through June 30, 2021

Description: CannonDesign will act as a project manager to provide facilities master planning services for projects on a per-project basis as requested by U. T. M. D. Anderson Cancer Center. Services are on a nonexclusive, indefinite quantity basis, and there is no minimum amount of work required. The Master Agreement effective from May 22, 2019, to June 30, 2021, with no renewal options, and the First Amendment effective September 1, 2020, did not require Board approval as the cap amount was within the institution's delegated approval threshold. The Master Agreement was competitively bid. The First Amendment increased the cap amount to \$5,000,000. The Second Amendment effective November 23, 2020 increases the cap amount to \$6,500,000. Any future extensions or renewals will not exceed \$7,000,000.

43. Purchase - U. T. M. D. Anderson Cancer Center: Authorization to purchase Lots 6 and 7, Block 26, also known as 2918 Hepburn Street, in the Institute Place subdivision located in or adjacent to the institution's East Campus, Houston, Harris County, Texas, from Timothy Black and Charlotte Black for future campus expansion

Description: Purchase of Lots 6 and 7, Block 26, also known as 2918 Hepburn Street, in the Institute Place subdivision, Houston, Harris County, Texas, which are located in or adjacent to the institution's East Campus, and authorization for the Executive Vice Chancellor of Business Affairs, or designee, to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to purchase the property. The lots are currently raw land and the property will be used for future campus expansion.

Seller: Timothy Black and Charlotte Black

Purchase Price: Not to exceed fair market value as determined by independent appraisal performed by Colliers International Valuation & Advisory Services; appraisals confidential pursuant to *Texas Education Code* Section 51.951.

Authorization: Authorize the Executive Vice Chancellor of Business Affairs, or designee, to execute the purchase contract, related documents and take any other action necessary or appropriate to enter into and operate under the purchase.

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

No items for Consent Agenda