



**SCHEDULE OF EVENTS
FOR
BOARD OF REGENTS MEETING**

May 8-9, 2024
Austin, Texas

Wednesday, May 8, 2024

Audit, Compliance, and Risk Management Committee	1:00 p.m.
Finance and Planning Committee	1:30 p.m.
Academic Affairs Committee	2:00 p.m.
Health Affairs Committee	2:30 p.m.
Facilities Planning and Construction Committee.....	2:45 p.m.
Convene the Board in Open Session to Consider Agenda Item and to Recess to Executive Session.....	3:15 p.m.
Reconvene the Board in Open Session for Possible Action on Executive Session Items.....	4:45 p.m. approximately
Recess	5:00 p.m.

Thursday, May 9, 2024

Reconvene the Board in Open Session to Consider Agenda Items.....	9:00 a.m.
Recess to Executive Session	10:00 a.m.
Reconvene the Board in Open Session for Possible Action on Executive Session Items and to Consider Agenda Items.....	11:45 a.m.
Adjourn	12:00 p.m.



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

May 8-9, 2024
Austin, Texas

Wednesday, May 8, 2024

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COMMITTEE MEETINGS

1:00 p.m. - 3:15 p.m.

CONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEM
AND TO RECESS TO EXECUTIVE SESSION

3:15 p.m.

1. **U. T. System Board of Regents: Presentation of Certificate of Appreciation to Director Michael J. Heidingsfield**

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

3:30 p.m.
approximately

1. 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

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**

- 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**

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

Wednesday, May 8, 2024 (cont.)

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RECONVENE THE BOARD IN OPEN SESSION FOR POSSIBLE ACTION ON EXECUTIVE SESSION ITEMS 4:45 p.m.

RECESS 5:00 p.m.

Thursday, May 9, 2024

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS 9:00 a.m.

STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD 9:05 a.m.

- 2. **U. T. System Board of Regents: Approval of Consent Agenda and consideration of any item referred to the full Board** 7
- 3. **U. T. System: Annual Meeting with Officers of the U. T. System Student Advisory Council** 8
- 4. **U. T. System: Update on the U. T. System Historically Underutilized Business (HUB) program** 11
- 5. **U. T. System Board of Regents: Presentation of Certificate of Appreciation to Student Regent John Michael Austin** 22

RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551 10:00 a.m.

- 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. System: Discussion and appropriate action regarding individual personnel matters relating to assignment and duties of the Chancellor, including responsibilities associated with the admissions procedures set forth in Regents' *Rules and Regulations*, Rule 40303**
 - c. **U. T. Tyler: Discussion and appropriate action regarding presidential search, including the appointment of Dr. Julie V. Philley as President**

Thursday, May 9, 2024 (cont.)

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**
 - 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. Austin: Discussion and appropriate action regarding legal issues associated with ground lease of approximately 6.5 acres of unimproved land located at 1900 Comal Street, Austin, Travis County, Texas, to The 2033 Higher Education Development Foundation, who will enter into a development contract with a private developer, for a mixed-use development including over 576 beds of graduate student housing; resolution regarding parity debt; and related finding of public purpose**
 - d. **U. T. Austin: Discussion and appropriate action related to legal issues associated with a proposed State Agency Advance Funding Agreement with the Texas Department of Transportation related to the partial design package and associated environmental clearance documentation for potential cap or deck structures located above the proposed redesigned North Interstate Highway 35, between East Dean Keeton Street and East 15th Street and integrated into the I-35 Capital Express Central Project, Austin, Travis County, Texas, and related agreements; and finding of public purpose**
 - e. **U. T. Austin: Discussion and appropriate action regarding legal issues associated with sublease of approximately 9,000 square feet of office space located at Innovation Tower, 1300 Red River Street, Austin, Texas 78701, Austin, Travis County, Texas, to The 2033 Higher Education Development Foundation; and finding of public purpose**
4. Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072
 - a. **U. T. Austin: Discussion and appropriate action to lease approximately 6.5 acres of land located at 1900 Comal Street, Austin, Travis County, Texas, to The 2033 Higher Education Development Foundation, who will enter into a development contract with a private developer, for a mixed-use development including over 576 beds of graduate student housing; resolution regarding parity debt; and finding of public purpose**

Thursday, May 9, 2024 (cont.)

Page

- b. U. T. Austin: Discussion and appropriate action related to real property matters associated with a proposed State Agency Advance Funding Agreement with the Texas Department of Transportation related to the partial design package and associated environmental clearance documentation for potential cap or deck structures located above the proposed redesigned North Interstate Highway 35, between East Dean Keeton Street and East 15th Street and integrated into the I-35 Capital Express Central Project, Austin, Travis County, Texas, and related agreements; and finding of public purpose**
- c. U. T. Austin: Discussion and appropriate action regarding sublease of approximately 9,000 square feet of office space located at Innovation Tower, 1300 Red River Street, Austin, Texas 78701, Austin, Travis County, Texas, to The 2033 Higher Education Development Foundation; and finding of public purpose**

- 5. 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

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

*11:45 a.m.
approximately*

- 6. U. T. Austin: Discussion and appropriate action related to a proposed State Agency Advance Funding Agreement with the Texas Department of Transportation related to the partial design package and associated environmental clearance documentation for potential cap or deck structures located above the proposed redesigned North Interstate Highway 35 between East Dean Keeton Street and East 15th Street and integrated into the I-35 Capital Express Central Project, Austin, Travis County, Texas, and related agreements; and finding of public purpose**
- 7. U. T. Tyler: Discussion and appropriate action regarding the appointment of Dr. Julie V. Philley as President**

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ADJOURN

*12:00 p.m.
approximately*

1. **U. T. System Board of Regents: Presentation of Certificate of Appreciation to Director Michael J. Heidingsfield**

2. **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 150](#).

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

INTRODUCTION

The U. T. System Student Advisory Council will provide an update to the Board of Regents on issues and priorities worked throughout the year. The Council's recommendations are set forth on the following pages.

BACKGROUND INFORMATION

The U. T. System Student Advisory Council was established in 1989 to provide input to the U. T. System Board of Regents working through and with the Chancellor and U. T. System Administration on issues of student concern. The operating guidelines of the Council require that recommendations have a multi-institutional focus and that the Council explore individual campus issues with institutional administrators prior to any consideration thereof. The Student Advisory Council consists of two student representatives from each U. T. System institution in addition to three elected officers and meets three times a year in Austin.

Council officers are:

Chair: Ms. Jasmin Paquet-Durand Ford, U. T. San Antonio, Economics

Vice Chair: Mr. Brandon Lippert, U. T. Permian Basin, Music Education

Secretary: Ms. Kruthi Kanduri, U. T. Dallas, Cognitive Science

Undergraduate Committee: Mr. Zachary Nepote, U. T. San Anontio, Economics

Graduate Committee: Ms. Olivia Mackey, U. T. Rio Grande Valley, Podiatric Medicine

Review of the 2023-2024 SAC

During the 2023-2024 academic year, the Student Advisory Council (SAC) of the U. T. System successfully executed its mandate to collect and share student feedback. The council held three meetings throughout the Academic Year, which provided a structured platform for in-depth discussions on various issues impacting students, segmented into specific sessions for Undergraduate and Graduate Committees. Throughout these meetings, the SAC identified three pivotal themes: Professional Development, Health & Well-Being, and Affordability. These themes became the focal point of discussions and initiatives for the year.

A significant portion of our efforts this year included engaging in informal conversations with influential people, allowing the council to gain deeper insights into the issues at hand and to engage in a more dynamic exchange of ideas. The SAC’s work this year has not only involved addressing immediate concerns but also building upon the initiatives and foundations laid by previous representatives. This continuity ensures that the critical topics remain in focus and are progressively addressed over time. Several discussions and projects initiated this year are expected to carry forward. Currently, the SAC remains actively engaged in ongoing dialogues and is working closely with system and institutional officers to ensure that the deliberations and recommendations are translated into effective actions and policies.

Topic	Outcome
Professional Development	
Micro-credentials & Professional Certifications	<p>Consulted with Dr. Kelvin Bentley, Program Manager for Texas Credentials for the Future, on the current rollout and implementation of Texas Credentials for the Future.</p> <p>Discussed best practices and provided feedback on student-centered strategies to make relevant industry credentials more accessible and relevant to students.</p> <p>Shared information among student leaders across the U. T. System.</p>
Interprofessional Education (IPE)	<p>Discussed the importance of expanding IPE opportunities across the health and graduate institutions.</p> <p>Consulted with faculty from institutions that excel in offering IPE to identify strategies to expand.</p>
Health & Well-being	
Student Housing	<p>Consulted with U. T. System Assistant Vice Chancellor of Capital Projects, Stephen Harris, to provide clarity on student housing projects and funding mechanisms.</p> <p>Provided feedback to U. T. System Associate Vice Chancellor of Academic Affairs, Dr. Tracey Ford, who then shared this perspective with the appropriate institutional leaders.</p> <p>Discussed best practices and broad strategies to improve housing across campuses. This feedback was centered on student health and well-being.</p>

International Student Support	Provided feedback to U. T. System Office of Academic Affairs and institutions on the unique challenges and experiences of international students. This conversation centered on how to connect them with resources and ensure career-readiness post-graduation.
Student Accommodations and Accessibility	<p>Conducted research on student accessibility and accommodations across institutions.</p> <p>Examined best practices and shared information with student leaders across the U. T. System.</p> <p>Discussed the importance of maintaining a public-facing reporting mechanism and regular compliance reports, which should be made easily accessible to all students, faculty, and staff.</p>
Graduate Student Health Insurance	Consulted with U. T. System Office of Employee Benefits staff on strategies to improve student engagement with U. T. System's Student Health Insurance Plan. Suggested strategies include the establishment of a point of contact at each institution and increased touchpoints to ensure students are aware of their resources.
SB-17 and SB-18	Discussed and received clarity from U. T. System executive leadership on the implementation and impact of recent legislation. Students were educated and provided feedback regarding the student perspective.
Affordability	
Cost of Living Adjustment	<p>Discussed challenges around increasing cost of attendance, and potential gaps in institutional Cost of Living Adjustment (COLA) mechanisms. Explored the value of implementing a real-time student survey to identify and address gaps in the current COLA calculator.</p> <p>Shared information among student leaders across the U. T. System.</p>

4. **U. T. System: Update on the U. T. System Historically Underutilized Business (HUB) program**

Mr. Hopeton Hay, Executive Director, HUB Programs, will report on Systemwide HUB expenditures for Fiscal Year 2023, the highlights of which are set forth in the PowerPoint on the following pages.

Fiscal Year 2023 HUB Program Update

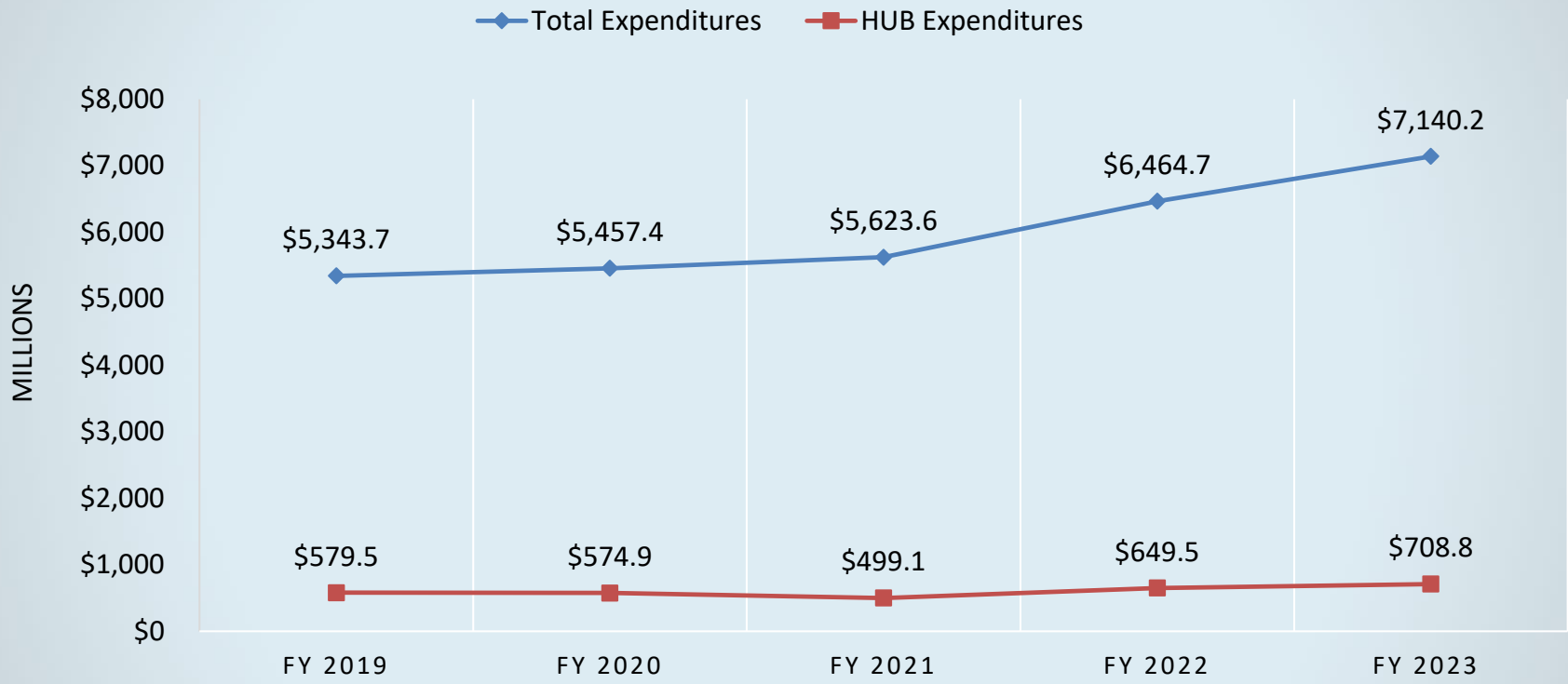
Hopeton Hay
Executive Director, HUB Office

U. T. System Board of Regents Meeting
May 2024

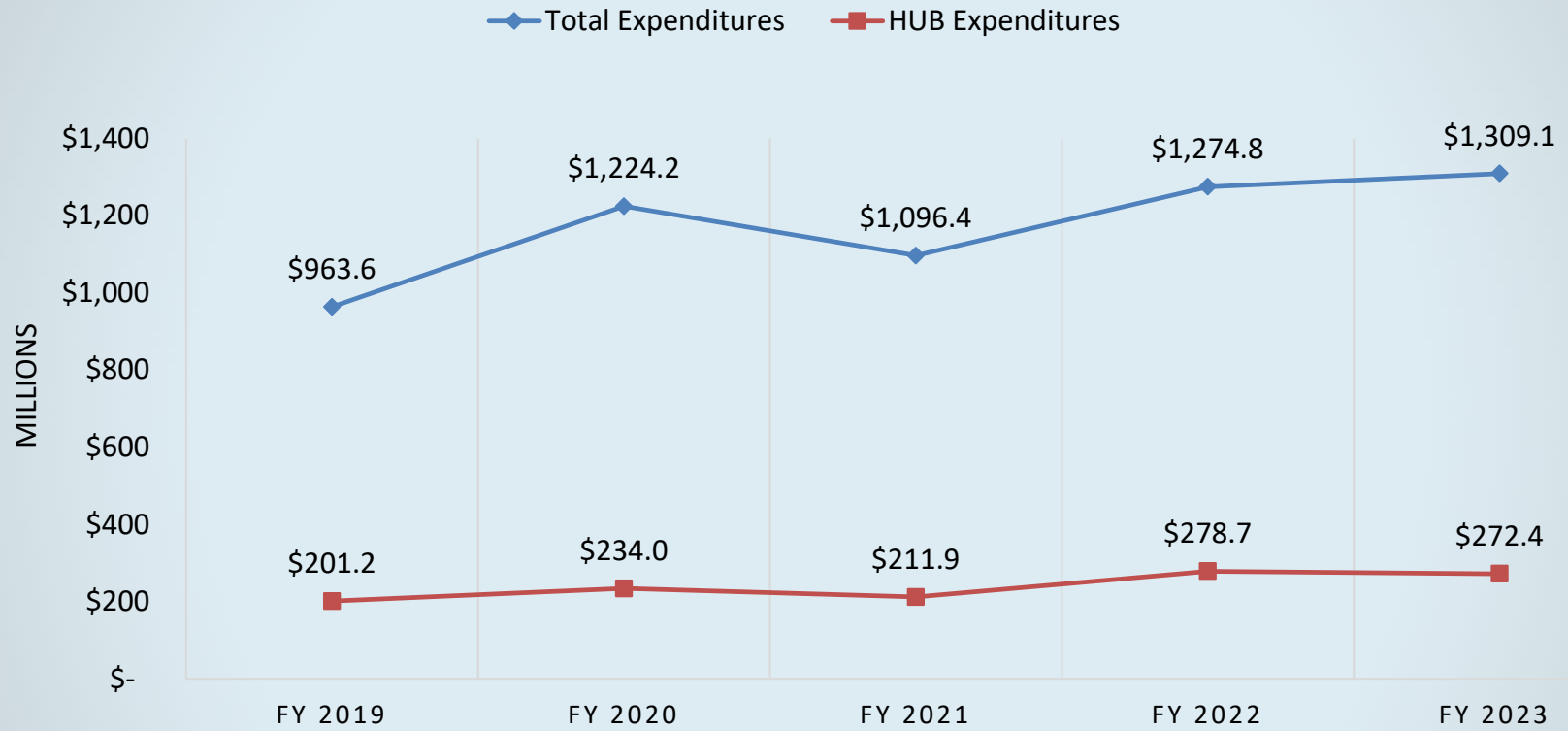


The University of
Texas System

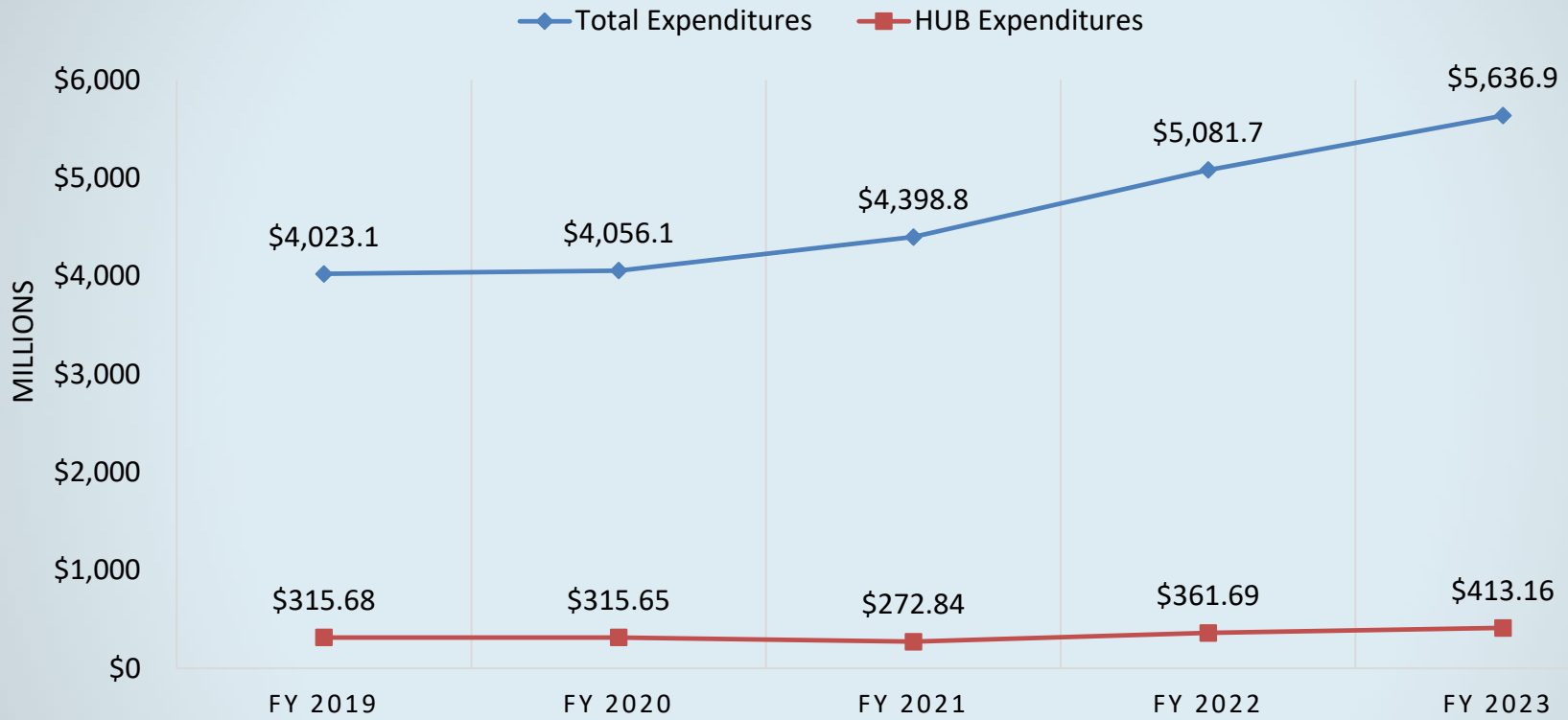
U. T. Systemwide HUB Expenditures



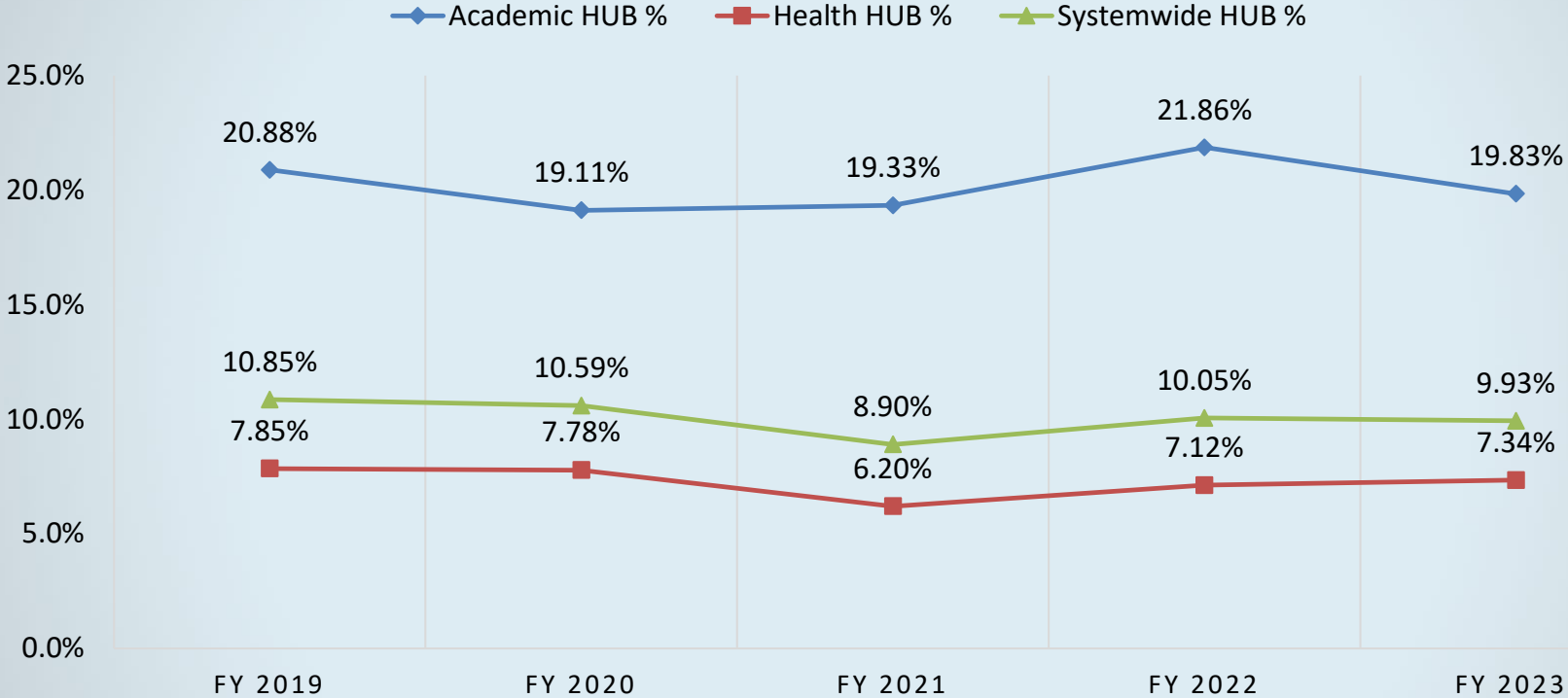
Academic Institutions



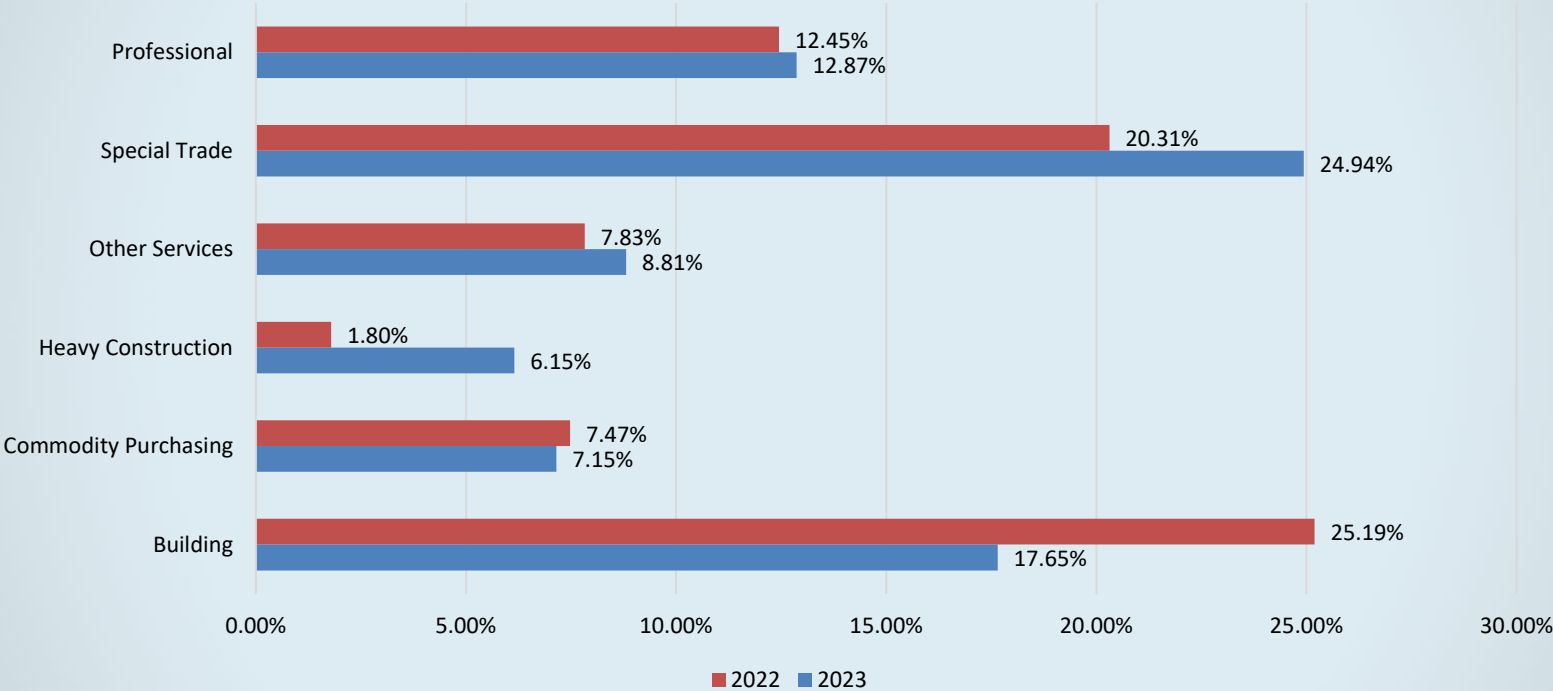
Health Institutions



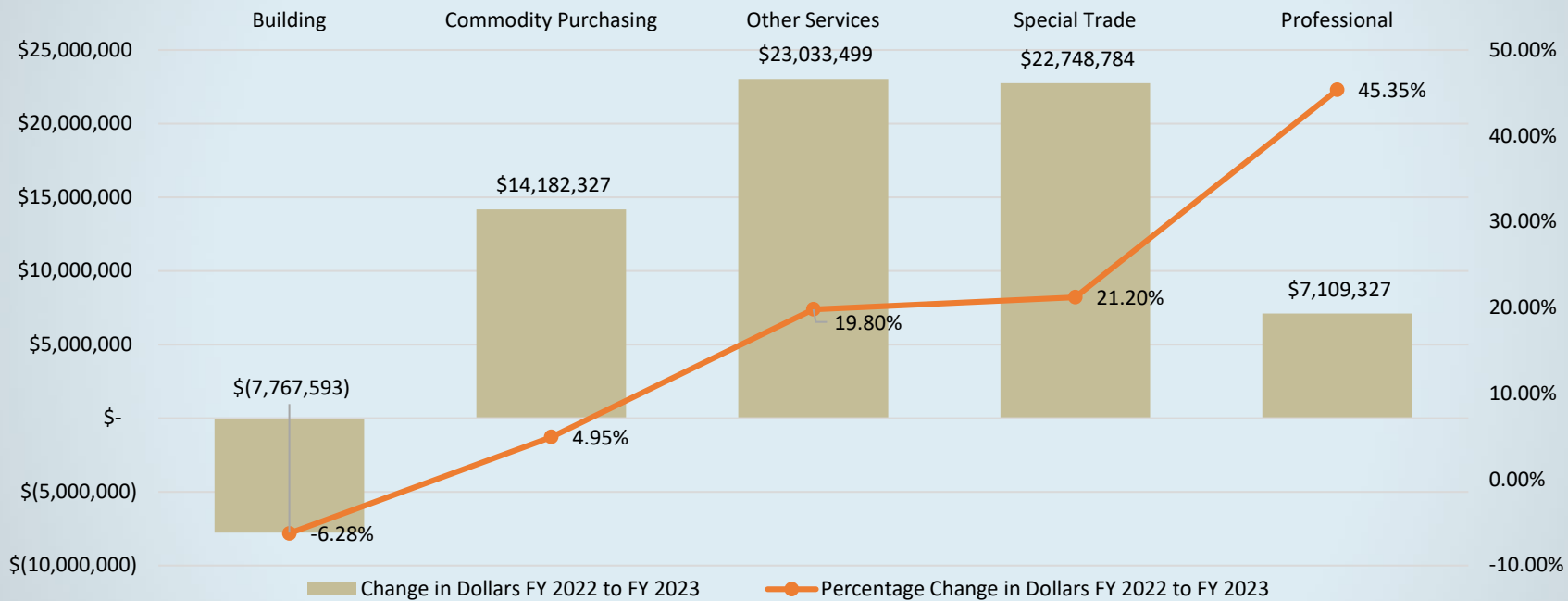
HUB Percentage Academic, Health, Systemwide



U. T. Systemwide HUB Percentages Procurement Category



U. T. Systemwide Change in HUB Expenditures FY 2022 – 2023



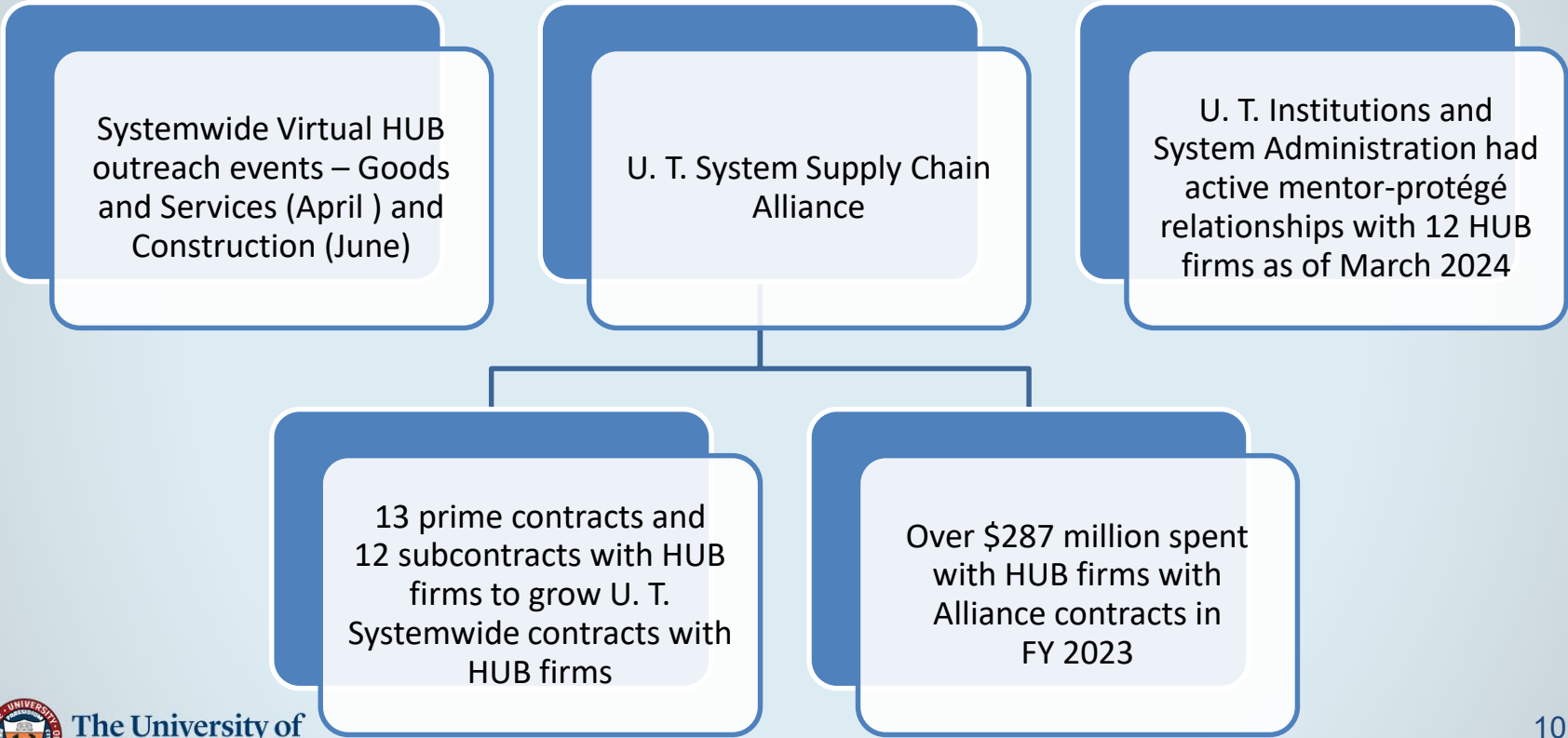
Challenges and Opportunities in Building Construction

- Challenges
 - Significant growth of large capital projects in major metro areas is increasing competition for subcontractors
 - Labor shortages in some key trade areas constrain the ability of subcontractors to take on new work
- Opportunities
 - Market projects to HUB subcontractors across the state, not just in local markets
 - Enhance outreach to HUB community through additional subcontractor training to facilitate stronger ties with general contractors

HUB Percentages and Expenditures – FY 2022 and FY 2023

U. T. System Institutions and Administration				
INSTITUTION	FY 2022 HUB PERCENT	FY 2023 HUB PERCENT	FY 2022 HUB DOLLARS	FY 2023 HUB DOLLARS
U. T. Arlington	20.50%	22.59%	\$40,337,821	\$38,065,411
U. T. Austin	16.78%	17.74%	\$109,244,166	\$121,371,123
U. T. Dallas	35.22%	26.98%	\$37,049,178	\$33,849,760
U. T. El Paso	23.74%	22.14%	\$15,153,352	\$16,424,991
U. T. Permian Basin	13.09%	10.10%	\$3,359,030	\$3,204,684
U. T. Rio Grande Valley	30.26%	25.85%	\$18,730,125	\$18,679,658
U. T. San Antonio	38.03%	33.60%	\$51,970,999	\$37,046,922
U. T. Tyler	8.48%	8.88%	\$2,868,584	\$3,777,966
U. T. Southwestern Medical Center	7.80%	7.56%	\$122,044,609	\$120,313,619
U. T. Medical Branch - Galveston	6.80%	7.36%	\$43,009,204	\$55,164,604
U. T. Health Science Center - Houston	11.20%	12.87%	\$26,004,724	\$33,783,333
U. T. Health Science Center - San Antonio	14.19%	13.55%	\$59,674,848	\$80,433,641
U. T. Health Science Center - Tyler	8.52%	15.02%	\$4,449,710	\$5,038,633
U. T. M. D. Anderson Cancer Center	4.89%	4.92%	\$106,511,460	\$118,427,556
U. T. System Administration	8.36%	11.93%	\$9,047,229	\$23,181,378
U. T. Systemwide	10.05%	9.93%	\$649,455,038	\$708,763,280

Systemwide Collaborations



5. **U. T. System Board of Regents: Presentation of Certificate of Appreciation to Student Regent John Michael Austin**

6. **U. T. Austin: Discussion and appropriate action related to a proposed State Agency Advance Funding Agreement with the Texas Department of Transportation related to the partial design package and associated environmental clearance documentation for potential cap or deck structures located above the proposed redesigned North Interstate Highway 35 between East Dean Keeton Street and East 15th Street and integrated into the I-35 Capital Express Central Project, Austin, Travis County, Texas, and related agreements; and finding of public purpose**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, and the institutional president that the Board of Regents:

- a. authorize U. T. Austin to enter into a State Agency Advance Funding Agreement with the Texas Department of Transportation (TxDOT) requiring U. T. Austin to contribute approximately \$13,500,000 for a thirty percent (30%) design package and preparation of associated environmental clearance documentation for potential cap or deck structures located above the proposed redesigned North Interstate Highway 35, between East Dean Keeton Street and East 15th Street and integrated into the I-35 Capital Express Central Project, Austin, Travis County, Texas, and other related agreements;
- b. delegate authority to the institutional President or his designee to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary to carry out the purpose and intent of the foregoing actions, following review and approval by the Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel;
- c. authorize the institutional President or his designee to continue negotiations with TxDOT regarding construction of potential cap or deck structures located above the proposed redesigned North Interstate Highway 35; and
- d. make a finding of public purpose as described below.

BACKGROUND INFORMATION

Description: U. T. Austin will enter into a State Agency Advance Funding Agreement (Agreement) with TxDOT for the preparation of environmental clearance documentation and the preparation of thirty percent (30%) design plans, specifications, and construction estimates (PS&E) package for cap or deck structures located above the proposed redesigned North Interstate Highway 35, between East Dean Keeton Street and East 15th Street and integrated into the I-35 Capital Express Central Project, Austin, Travis County, Texas.

Agreement Term: The term of the Agreement will begin on execution of the Agreement and continue until the completion of all services and obligations contained in the Agreement.

Development

Standards: The architectural and engineering services will be provided by TxDOT using design firms procured in accordance with Federal and state law and doing the work in accordance with applicable design and engineering standards.

Contract Cost: Approximately \$13,500,000

In approving this item, the Board will be asked to make a finding that:

1. the proposed Agreement with TxDOT and related agreements support the public mission of and serve a public purpose appropriate to the function of U. T. Austin by providing the initial design and feasibility analysis to facilitate the possible development of one or more caps over I-35 that would improve the connectivity, safety, and accessibility between the institution's east campus and main campus;
2. pursuant to the terms of the proposed Agreement, U. T. Austin will have sufficient safeguards in place to ensure the public purpose will continue to be met on an ongoing basis, including the right to review the PS&E work product and the right to terminate the advanced funding agreement; and
3. the transaction will result in adequate consideration and benefits to U. T. Austin and the State of Texas, including an understanding of the project's construction scope, schedule, and budget, important considerations for future and strategic planning.



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FOR
AUDIT, COMPLIANCE, AND RISK MANAGEMENT
COMMITTEE**

Committee Meeting: 5/8/2024

Board Meeting: 5/9/2024
Austin, Texas

Nolan Perez, *Chairman*
Christina Melton Crain
Jodie Lee Jiles
Janiece Longoria
Kelcy L. Warren
Rad Weaver

	Committee Meeting	Board Meeting	Page
Convene	<i>1:00 p.m.</i> <i>Chairman Perez</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	26
2. U. T. System: Authorization to settle property insurance claims for Winter Storm Uri and delegation of authority	Action <i>Mr. Dendy</i>	Action	27
3. U. T. System Board of Regents: Approval to renew the contract with Deloitte & Touche LLP to provide financial auditing services for Fiscal Years 2024 and 2025	Action <i>Mr. Peppers</i>	Action	34
4. U. T. System: Discussion and Appropriate Action regarding institutional Audit Committee chair changes; Report on Systemwide internal audit administrative items, including Required Communications and the new Global Internal Audit Standards, and the State Auditor's Office Statewide Single Audit Report for FY 2023	Action <i>Mr. Peppers</i>	Not on Agenda	35
Adjourn	<i>1:30 p.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 Board will be asked to approve the Consent Agenda beginning on [Page 150](#).

2. U. T. System: Authorization to settle property insurance claims for Winter Storm Uri and delegation of authority

RECOMMENDATION

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

- a. approve, in accordance with Regents' Rule 80601, final settlement of the property insurance claims for Winter Storm Uri covered under the Comprehensive Property Protection Plan (CPPP) in the amount of \$79,715,083;
- b. delegate authority to the Executive Vice Chancellor for Business Affairs to execute all related Proofs of Loss and other settlement documents.

BACKGROUND INFORMATION

The Comprehensive Property Protection Plan (CPPP) provides coverage to U. T. institutions for fire and other perils through a combination of commercial insurance and interim financing. The CPPP commercial insurance coverage is subject to a large deductible that varies by type of loss and loss location. The deductible is funded with a combination of interim financing provided by the CPPP Fund and smaller, institution-funded deductibles.

In February 2021, Winder Storm Uri caused widespread property damage at all U. T. institutions. In addition, all health institutions experienced business interruption losses due to utility and water service disruptions resulting from the storm.

The insurance claim for Winter Storm Uri has been adjusted and measured with the assistance of various third parties and all impacted institutions to a total adjusted loss amount of \$79,715,083. The applicable deductible for the Winter Storm Uri claim is \$5,000,000, resulting in a CPPP commercial insurance settlement amount of \$74,715,083.

The CPPP Fund participated in a 7% quota share of a large layer of the commercial insurance. As a result, the CPPP Fund will pay \$3,496,741 of the \$74,715,083 settlement amount to institutions. In addition, the CPPP Fund will pay \$1,711,495 to institutions to fund a portion of property losses within the CPPP's deductible layer. These payments from the CPPP Fund are all considered interim financing, and institutions will repay these to the CPPP Fund in annual installments over five years. Any funds received from pending FEMA claims will offset the repayments.

Winter Storm Uri Insurance Claim

Phillip Dendy, Chief Compliance and Risk Officer

U. T. System Board of Regents Meeting
May 2024



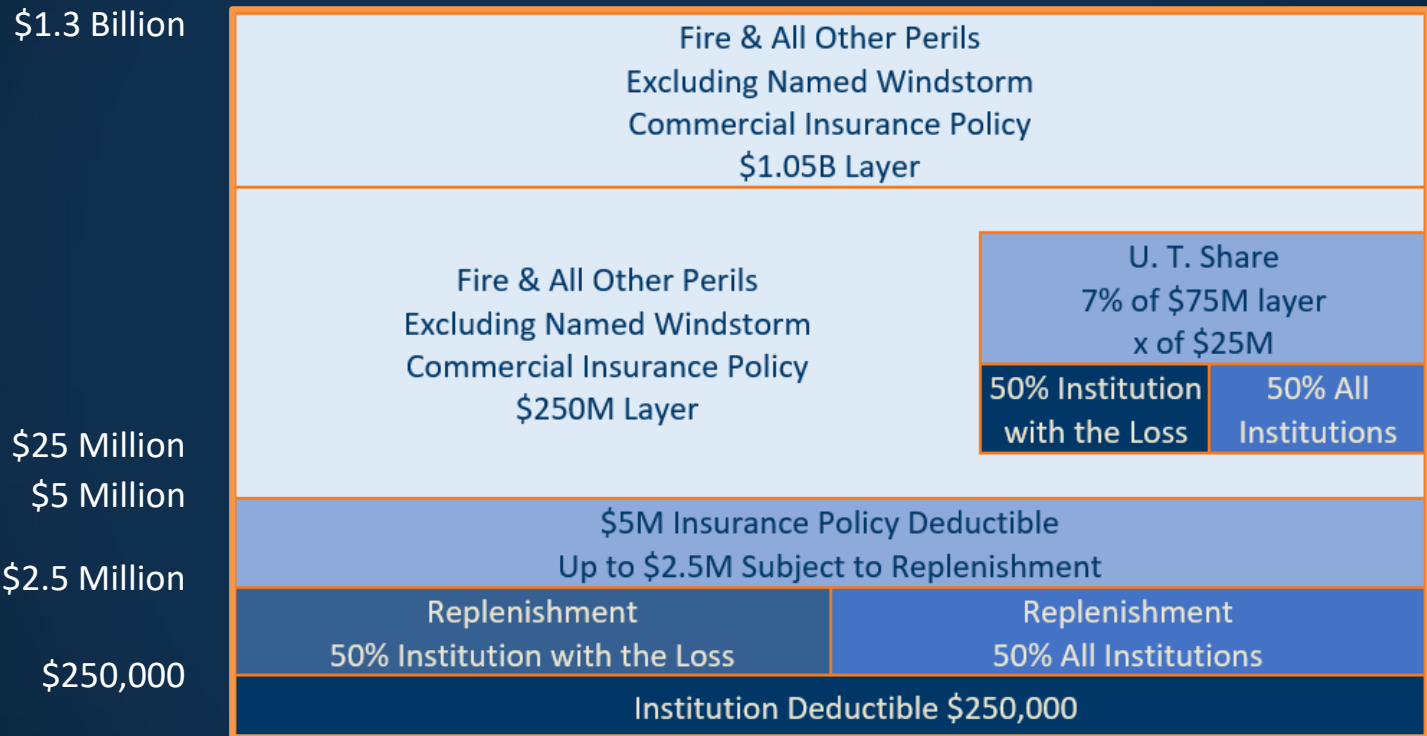
Winter Storm Uri 2021

- Extremely low temperatures moved across Texas beginning Sunday, February 14. Campuses made preparations to be closed Monday, February 15, with the exception of some healthcare locations.
- Sustained freezing temperatures caused damage to campus infrastructure throughout the state including broken domestic water lines, sprinkler lines, and broken HVAC coils causing extensive water damage at many campuses.
- Local utilities, particularly water distribution, were severely impacted by the extreme temperatures.
- Temperatures were above freezing by Wednesday, February 17, but utility outages continued to impact campuses, particularly the health institutions with several cities under a boil water notice.
- Campuses were open by Monday, February 22, with several locations working throughout the weekend to ensure drinking water on campus was safe.

How The Loss Was Measured

- Business Income losses and related expenses were compiled and submitted with assistance from a U. T. contracted forensic accountant, KPMG, and using a methodology mutually agreed upon between the institutions and the accountant.
- The Office of Risk Management (ORM), working with adjusters and campus stakeholders, facilitated damage assessments to develop the scope of physical damage.
- Documentation for repairs, including receipts, contracts, purchase orders, and documentation of internal labor was submitted to and compiled by KPMG.
- Working with the adjuster, all completed work was reviewed against the agreed scope of damages with campus stakeholders.

Comprehensive Property Protection Program (CPPP) Fire and All Other Perils in February 2021



The University of
Texas System

Total Adjusted Loss by Institution

Institution	Property Damage	Business Interruption	Total Adjusted Loss
U. T. Arlington	\$ 2,990,595.75	\$ -	\$ 2,990,595.75
U. T. Austin	\$ 10,322,264.41	\$ -	\$ 10,322,264.41
U. T. Dallas	\$ 2,331,825.78	\$ -	\$ 2,331,825.78
U. T. El Paso	\$ 360,911.36	\$ -	\$ 360,911.36
U. T. Permian Basin	\$ -	\$ -	\$ -
U. T. Rio Grande Valley	\$ 306,394.60	\$ 47,580.08	\$ 353,974.68
U. T. San Antonio	\$ 1,461,487.12	\$ -	\$ 1,461,487.12
U. T. Tyler	\$ 279,516.65	\$ -	\$ 279,516.65
U. T. Southwestern Medical Center	\$ 8,366,955.39	\$ 1,680,567.68	\$ 10,047,523.07
U. T. Medical Branch - Galveston	\$ 2,240,632.22	\$ 7,383,818.48	\$ 9,624,450.70
U. T. Health Science Center - Houston	\$ 806,927.46	\$ 1,077,400.28	\$ 1,884,327.74
U. T. Health Science Center - San Antonio	\$ 676,364.59	\$ 2,355,068.31	\$ 3,031,432.90
U. T. M. D. Anderson Cancer Center	\$ 2,429,205.70	\$ 31,112,273.27	\$ 33,541,478.97
U. T. Health Science Center - Tyler	\$ 768,376.62	\$ 888,252.43	\$ 1,656,629.05
U. T. System Administration	\$ 38,505.40	\$ -	\$ 38,505.40
Claims Preparation Fees	\$ 1,790,159.47	\$ -	\$ 1,790,159.47
Total	\$ 35,170,122.52	\$ 44,544,960.53	\$ 79,715,083.05



Total Insurance Recoveries by Institution

Institution	Total Adjusted Loss	CPPP Insurance Recoveries*	Institution-Funded Deductible	CPPP Fund (Balance of \$5m Deductible)
U. T. Arlington	\$ 2,990,595.75	\$ 2,679,222.93	\$ 250,000.00	\$ 61,372.82
U. T. Austin	\$ 10,322,264.41	\$ 9,846,706.41	\$ 250,000.00	\$ 225,558.00
U. T. Dallas	\$ 2,331,825.78	\$ 2,035,205.43	\$ 250,000.00	\$ 46,620.35
U. T. El Paso	\$ 360,911.36	\$ 108,427.61	\$ 250,000.00	\$ 2,483.75
U. T. Permian Basin	\$ -	\$ -	\$ -	\$ -
U. T. Rio Grande Valley	\$ 353,974.68	\$ 101,646.27	\$ 250,000.00	\$ 2,328.41
U. T. San Antonio	\$ 1,461,487.12	\$ 1,184,357.11	\$ 250,000.00	\$ 27,130.01
U. T. Tyler	\$ 279,516.65	\$ 28,855.65	\$ 250,000.00	\$ 661.00
U. T. Southwestern Medical Center	\$ 10,047,523.07	\$ 9,578,117.62	\$ 250,000.00	\$ 219,405.45
U. T. Medical Branch - Galveston	\$ 9,624,450.70	\$ 9,164,519.52	\$ 250,000.00	\$ 209,931.18
U. T. Health Science Center - Houston	\$ 1,884,327.74	\$ 1,597,728.65	\$ 250,000.00	\$ 36,599.09
U. T. Health Science Center - San Antonio	\$ 3,031,432.90	\$ 2,719,145.57	\$ 250,000.00	\$ 62,287.33
U. T. M. D. Anderson Cancer Center	\$ 33,541,478.97	\$ 32,545,950.54	\$ 250,000.00	\$ 745,528.43
U. T. Health Science Center - Tyler	\$ 1,656,629.05	\$ 1,375,129.04	\$ 250,000.00	\$ 31,500.01
U. T. System Administration	\$ 38,505.40	\$ -	\$ 38,505.40	\$ -
Claims Preparation Fees**	\$ 1,790,159.47	\$ 1,750,070.70	\$ -	\$ 40,088.77
Total	\$ 79,715,083.05	\$ 74,715,083.05	\$ 3,288,505.40	\$ 1,711,494.60



*Includes \$3.5m paid by CPPP Fund
 **\$250,000 deductible does not apply

3. **U. T. System Board of Regents: Approval to renew the contract with Deloitte & Touche LLP to provide financial auditing services for Fiscal Years 2024 and 2025**

RECOMMENDATION

Committee Chairman Perez recommends approval for Deloitte & Touche LLP (Deloitte) to provide independent auditing services for the Fiscal Year 2024 and Fiscal Year 2025 financial statement audits of the U. T. System, U. T. Austin, U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, U. T. M. D. Anderson Cancer Center, and the funds managed by The University of Texas/Texas A&M Investment Management Company (UTIMCO).

Approval is requested for U. T. System staff to negotiate and enter into an auditing services contract amendment with Deloitte to renew the contract for a two-year term pursuant to delegation of authority from the State Auditor's Office.

BACKGROUND INFORMATION

The contract with Deloitte, effective August 1, 2022, to provide audit services for Fiscal Years 2022 and 2023 is set to expire on July 31, 2024. It has an option to renew for two additional two year terms.

The source of funding for this contract is primarily Available University Funds, as approved for the prior contracts.

4. **U. T. System: Discussion and Appropriate Action regarding institutional Audit Committee chair changes; Report on Systemwide internal audit administrative items, including Required Communications and the new Global Internal Audit Standards, and the State Auditor's Office Statewide Single Audit Report for FY 2023**

RECOMMENDATION

Chief Audit Executive Peppers, on behalf of the Presidents at U. T. San Antonio and U. T. M. D. Anderson Cancer Center, recommends formal approval by the Audit, Compliance, and Risk Management Committee (ACRMC) of the appointment of the following individuals to serve as Chairs of the Institutional Audit Committees:

- Albert Fernandez, Payment and Fraud Services Manager at Credit Human Federal Credit Union, U. T. San Antonio; and
- Laura Sayavedra, Senior Vice President, Safety, Projects and Chief Administrative Officer at Enbridge, U. T. M. D. Anderson Cancer Center.

Details on the qualifications of the new Chair candidates were provided to the ACRMC members prior to the meeting.

REPORT

In January 2024, the International Internal Audit Standards Board released a new version of the professional standards under which internal auditing functions operate. The effective date for conformance is January 2025. During the implementation period, the System Audit Office will lead the institutions in a "current state" assessment to identify all new or revised requirements. Any work required to ensure conformance will be planned and prioritized. Mr. Peppers will inform the ACRMC of the new and revised guidance that is essential for effective governance, including independence of the chief audit executives, using the PowerPoint set forth on the following pages.

Additionally, he will:

- 1) provide a report on the State Auditor's Office (SAO) State of Texas Federal and Financial Portions of the Statewide Single Audit for Fiscal Year 2023; and
- 2) provide an update on the Fiscal Year 2024 Annual Audit Plan status as of February 29, 2024.

Details on required communications, the SAO audit results, and Audit Plan status, including Priority Observations, were provided to the ACRMC members prior to the meeting.

BACKGROUND INFORMATION

The ACRMC annually reviews and approves nominations from the institutional presidents for external member chairs of their institutional audit committees. Delegated approval was provided by the ACRMC Chairman and the Chancellor for those candidates with terms beginning between May ACRMC meetings.

Required communications to the ACRMC include the discussion of internal auditing professional standards and confirmation of the organizational independence of the internal audit activity. Through their annual certification process, all institutional chief audit executives confirmed they are receiving adequate support to conduct the necessary audit services and there are institutional internal audit departmental processes to ensure compliance with professional standards.

The Texas State Auditor's Office performs the Statewide Single Audit annually. The audit includes a federal portion, which is an audit of compliance and controls over the State's federal awards, and a financial portion, which includes an audit of the basic financial statements for the State of Texas. These reports are submitted to the federal government.

Internal audit across the U. T. System uses a consistent classification process to evaluate audit results to identify Priority, High, Medium, or Low level reportable observations. A Priority Observation is defined as "an issue that, if not addressed timely, has a high probability to 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 observations 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).

New Global Internal Audit Standards

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

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



Institute of Internal Auditors

- What are the Standards?
 - Principles-focused framework for performing and promoting internal auditing
- Why have Standards?
- Why have an update?

The New Structure



Domain I. Purpose of Internal Auditing

Purpose Statement:

Internal auditing strengthens the organization’s ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Internal auditing enhances the organization’s:

- successful achievement of its objectives.
- governance, risk management, and control processes.
- decision-making and oversight.
- reputation and credibility with its stakeholders.
- ability to serve the public interest.

Internal auditing is most effective when:

- it is performed by competent professionals in conformance with the Global Internal Audit Standards, which are set in the public interest.
- the internal audit function is independently positioned with direct accountability to the board.
- internal auditors are free from undue influence and committed to making objective assessments.



Domain III: Governing the Internal Audit Function

Domain III standards include “essential conditions” for an effective internal audit function.

6. Authorized by the Board

The board establishes, approves, and supports the mandate of the internal audit function.

6.1 Internal Audit Mandate

6.2 Internal Audit Charter

7. Positioned Independently

The board establishes and protects the internal audit function’s independence and qualifications.

7.1 Organizational Independence

7.2 Chief Audit Executive Qualifications

8. Overseen by the Board

The board oversees the internal audit function to ensure the function’s effectiveness.

8.1 Board Interaction

8.2 Resources

8.3 Quality

8.4 External Quality Assessment

What's Next?

- Further communication and education
- “Gap” assessments
- Implementation of any new processes
 - Governance
 - Strategic Plans
 - Resources



TABLE OF CONTENTS FOR FINANCE AND PLANNING COMMITTEE

Committee Meeting: 5/8/2024

Board Meeting: 5/9/2024
Austin, Texas

Janiece Longoria, Chairman
Robert P. Gauntt
Jodie Lee Jiles
Stuart W. Stedman
Kelcy L. Warren
Rad Weaver

	Committee Meeting	Board Meeting	Page
Convene	<i>1:30 p.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	44
2. U. T. System Board of Regents: Approval of annual distributions from the Permanent University Fund, the Permanent Health Fund, the Long Term Fund, and the Intermediate Term Fund	Action <i>Mr. Pruitt</i>	Action	45
3. U. T. System Board of Regents: Adoption of a Supplemental Resolution authorizing the issuance, sale, and delivery of Revenue Financing System Bonds and authorization to complete all related transactions	Action <i>Mr. Pruitt</i>	Action	48
4. U. T. System: Financial Status Presentation and Monthly Financial Report	Report/Discussion <i>Mr. Pruitt</i>	Not on Agenda	50
5. U. T. System: University Lands Update	Report/Discussion <i>Mr. Murphy</i>	Not on Agenda	77
Adjourn	<i>2:00 p.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 Board will be asked to approve the Consent Agenda beginning on [Page 150](#).

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

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Business Affairs in the recommendation that

- a. the Fiscal Year 2025 distribution from the Permanent University Fund (PUF) to the Available University Fund (AUF) be \$1,524,925,000 effective September 1, 2024;
- b. the distribution rate for the Permanent Health Fund (PHF) be increased from \$0.0724 per unit to \$0.0765 per unit for Fiscal Year 2025 (effective with November 30, 2024 distribution);
- c. the distribution rate for the U. T. System Long Term Fund (LTF) be increased from \$0.3951 per unit to \$0.4175 per unit for Fiscal Year 2025 (effective with November 30, 2024 distribution); and
- d. the distribution rate for the U. T. System Intermediate Term Fund (ITF) remain at 3.0% per annum (paid monthly) for Fiscal Year 2025.

BACKGROUND INFORMATION

Article VII, Section 18 of the *Texas Constitution* requires that the amount of distributions to the AUF be determined by the Board of Regents in a manner intended to provide the AUF with a stable and predictable stream of annual distributions and to maintain over time the purchasing power of PUF investments and annual distributions to the AUF. The recommendation will increase PUF distributions by the average rate of inflation for the trailing 12 quarters plus 2.65%.

The Constitution further limits the Board of Regents' discretion to set annual PUF distributions to the satisfaction of three tests:

- 1. The amount of PUF distributions to the AUF in a fiscal year must be not less than the amount needed to pay the principal and interest due and owing in that fiscal year on PUF bonds and notes. The proposed distribution of \$1,524,925,000 is substantially greater than PUF bond debt service of \$593,200,000 projected for Fiscal Year 2025.

System	Debt Service
U. T.	\$ 367,600,000
TAMU	225,600,000
Total:	\$ 593,200,000

Sources: U. T. System Office of Finance
 Texas A&M University System Office of
 Treasury Services

2. The Board of Regents may not increase annual PUF distributions to the AUF (except as necessary to pay PUF debt service) if the purchasing power of PUF investments for any rolling 10-year period has not been preserved. As the schedule below indicates, the average annual increase in the rate of growth of the value of PUF investments (net of expenses, inflation, and distributions) for the trailing 10-year period ended February 29, 2024, was 5.05%, which indicates that the purchasing power test was met.

Average Annual	Percent
Rate of Total Return, Net of Investment Manager Fees	7.86%
Mineral Interest Receipts	4.68%
Expense Rate	(0.20%) ⁽¹⁾
Inflation Rate	(2.83%)
Distribution Rate	(4.46%)
Net Real Return	5.05%

(1) The expense rate as shown is a 10-year annualized average and includes PUF Land Expenses and PUF investment management costs other than investment manager fees. Investment management fees are a reduction to the Rate of Total Return.

3. The annual distribution from the PUF to the AUF during any fiscal year made by the Board of Regents may not exceed an amount equal to 7% of the average net fair market value of PUF investment assets as determined by the Board of Regents (except as necessary to pay PUF bond debt service). The annual distribution rate calculated using the trailing 20-quarter average value of the PUF is within the 7% maximum allowable distribution rate.

Value of PUF Investments ⁽¹⁾	Proposed Distribution	Proposed Distribution as a % of Value of PUF Investments	Maximum Allowed Rate
\$29,046,022,226	\$ 1,524,925,000	5.25%	7.00%

(1) Source: UTIMCO

The spending policy objectives of the PHF and LTF are to:

- a. provide a predictable stable stream of distributions over time;
- b. ensure that the inflation-adjusted value of the distributions is maintained over the long term; and
- c. ensure that the inflation-adjusted value of the assets of the PHF and the LTF, as appropriate after distributions, is maintained over the long term.

The increase in the consumer price index for the prior three years as of November 30, 2023, was 5.67%. The recommended 5.67% increase in the PHF distribution rate of \$0.0724 to \$0.0765 per unit will increase the distributions by the average rate of inflation for the trailing 12 quarters. The PHF's distribution rate calculated using the prior 12-quarter average value of the PHF is 4.21%.

On November 14, 2019, the Board of Regents authorized a maximum 0.80% allocation (80 basis points) from the market value of the LTF to provide additional funding for development operations at U. T. institutions to substantially increase philanthropic revenue. The proposed LTF distribution rate of \$0.4175 per unit or 4.48% of the market value of the LTF plus the 0.80% development allocation will result in a total LTF spending rate of 5.28% of the prior 12-quarter average value of the LTF.

The distribution rate for the ITF was originally set at 3.0% per annum for Fiscal Year 2007 by the U. T. System Board on May 11, 2006, and has continued at that rate for each succeeding fiscal year. The recommendation for Fiscal Year 2025 is to continue a distribution rate of 3.0%.

3. U. T. System Board of Regents: Adoption of a Supplemental Resolution authorizing the issuance, sale, and delivery of Revenue Financing System Bonds and authorization to complete all related transactions

RECOMMENDATION

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

- a. adopt a Supplemental Resolution, substantially in the form previously approved by the U. T. System Board of Regents, authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Revenue Financing System (RFS) Bonds in one or more installments in an aggregate principal amount not to exceed \$975 million to be used to refund certain outstanding RFS Bonds, to refund RFS Commercial Paper Notes, to provide new money to fund construction and acquisition costs of projects in the Capital Improvement Program, and to pay the costs of issuance; and
- b. authorize appropriate officers and employees of U. T. System as set forth in the Supplemental Resolution to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents within the limitations and procedures specified therein; to make certain covenants and agreements in connection therewith; and to resolve other matters incident and related to the issuance, sale, security, and delivery of such RFS Bonds.

BACKGROUND INFORMATION

On August 24, 2023, the Board of Regents adopted the 38th Supplemental Resolution authorizing the issuance of additional RFS Bonds in an amount not to exceed \$975 million. On February 22, 2024, the Board of Regents adopted the 39th Supplemental Resolution authorizing an RFS commercial paper note program in an amount not to exceed \$500 million. Adoption of this 40th Supplemental Resolution would provide \$975 million of authority to finance additional projects approved by the Board of Regents under the same provisions as the 38th Supplemental Resolution.

Adoption of the Supplemental Resolution would authorize the advance or current refunding of a portion of certain outstanding RFS Bonds provided that an advance refunding exceeds a minimum 3% present value debt service savings threshold. An advance refunding involves issuing bonds to refund outstanding bonds more than 90 days in advance of the call date whereas a current refunding involves issuing bonds to refund outstanding bonds within 90 days of the call date. Refunding bonds are issued at lower interest rates thereby producing debt service savings. Adoption of this Supplemental Resolution will provide the flexibility to select the particular bonds to be refunded depending on market conditions at the time of pricing.

The Supplemental Resolution would also authorize the current refunding of all or a portion of the RFS Commercial Paper Notes. The RFS Commercial Paper Note program is used to provide interim financing for RFS projects approved by the Board. Adoption of the Supplemental Resolution will permit the interim financing provided through the Notes to be replaced with long-term financing. The Supplemental Resolution would also authorize the issuance of bonds to provide new money to fund the capital costs of eligible projects.

The Supplemental Resolution would also authorize the appropriate officers and employees of the U. T. System to refund outstanding RFS Bonds pursuant to a tender program and to use lawfully available funds to defease outstanding RFS Bonds when economically advantageous.

The proposed Supplemental Resolution has been reviewed by outside bond counsel and the U. T. System Office of General Counsel.

Note: The proposed Resolution is available [online](https://utsystem.edu/board-of-regents/meetings/board-meeting-2024-05-08) at <https://utsystem.edu/board-of-regents/meetings/board-meeting-2024-05-08>.

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

Mr. Jonathan Pruitt, 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 and the February Monthly Financial Report, which follows the PowerPoint. The monthly financial 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

Jonathan Pruitt

Executive Vice Chancellor for Business Affairs

U. T. System Board of Regents Meeting

Finance and Planning Committee

May 2024



U. T. System Consolidated Summary

Fiscal Year Summary
Period Ending February 29, 2024



Revenues
\$15,400.0 M



Expenses
\$13,376.9 M



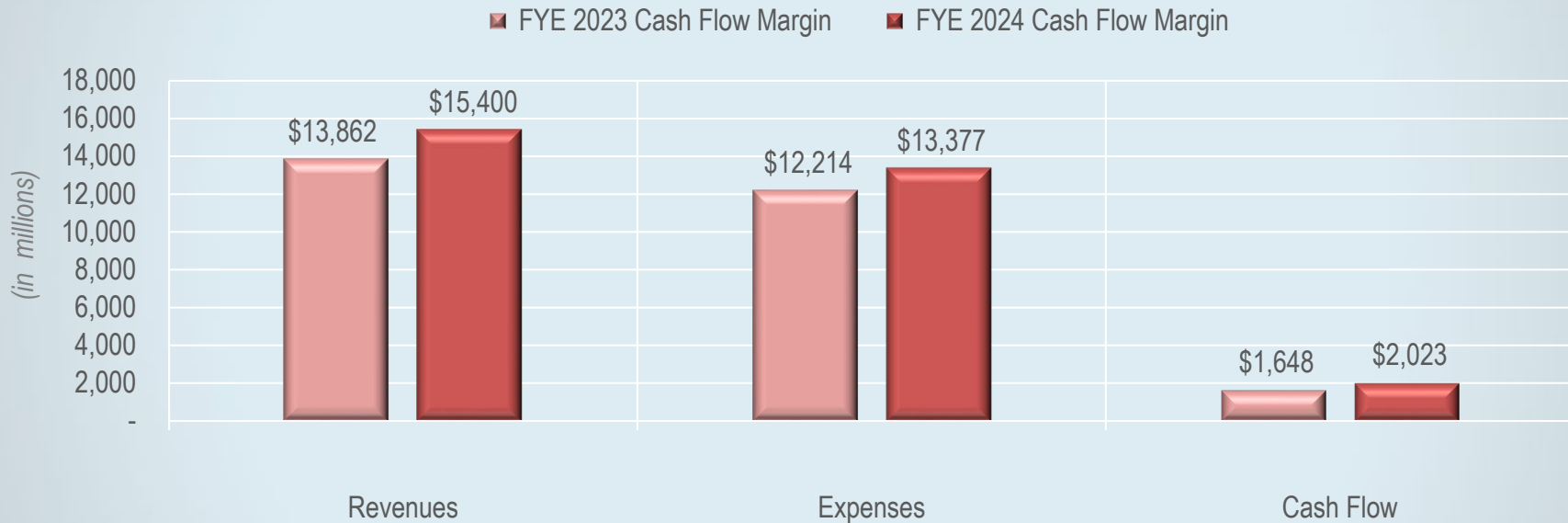
Cash Flow Margin
\$2,023.1 M



FYE Projected Cash Flow
\$3,324.1 M

U. T. System Consolidated Revenue & Expenses

Year-Over-Year Comparison (February)

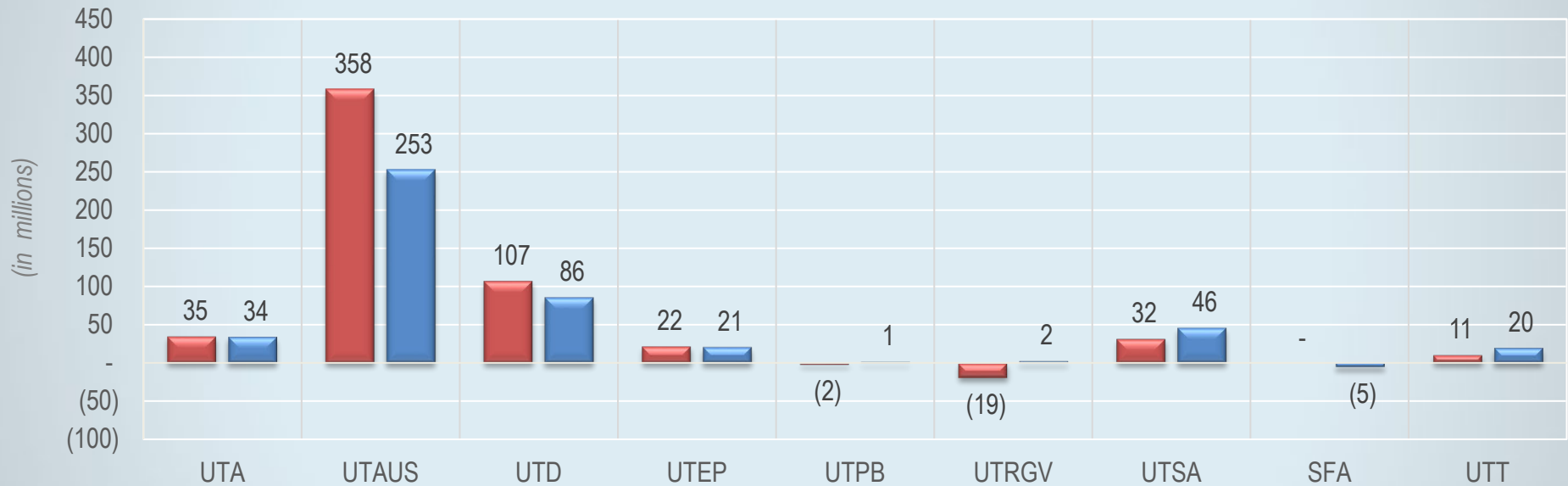


Excludes OPEB, Pension & Depreciation Expenses

Cash Flow Margin – Academic Institutions

Year-Over-Year Comparison (February)

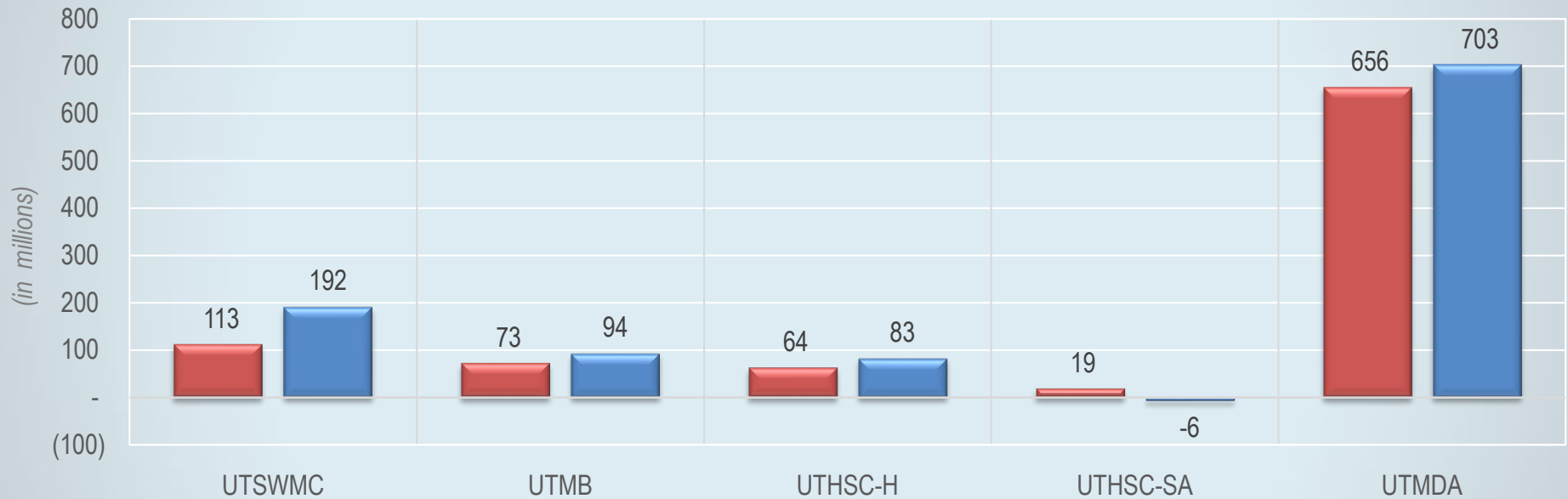
FY 2023 Cash Flow FY 2024 Cash Flow



Cash Flow Margin – Health Institutions

Year-Over-Year Comparison (February)

FY 2023 Cash Flow FY 2024 Cash Flow



Budget to Projected – Academic Institutions

FY 2024									
	Budget (\$ Millions)				Projected (\$ Millions)				
	Revenues	Expenses	Cash Flow	Cash Flow Ratio	Revenues	Expenses	Cash Flow	Cash Flow Ratio	
U. T. Arlington	\$842.5	\$813.4	\$29.1	3.5%	\$925.8	\$772.1	\$153.6	16.6%	▲
U. T. Austin	\$3,820.5	\$3,574.3	\$246.2	6.4%	\$4,144.3	\$3,740.6	\$403.7	9.7%	▲
U. T. Dallas	\$913.7	\$803.8	\$110.0	12.0%	\$919.1	\$747.2	\$171.9	18.7%	▲
U. T. El Paso	\$564.4	\$527.8	\$36.7	6.5%	\$579.9	\$535.4	\$44.5	7.7%	▲
U. T. Permian Basin	\$100.2	\$104.2	(\$4.0)	-4.0%	\$106.6	\$102.4	\$4.2	4.0%	▲
U. T. Rio Grande Valley	\$669.9	\$639.8	\$30.1	4.5%	\$666.6	\$641.1	\$25.5	3.8%	▲
U. T. San Antonio	\$722.5	\$684.8	\$37.7	5.2%	\$773.4	\$681.2	\$92.2	11.9%	▲
Stephen F. Austin	\$232.9	\$225.5	\$7.4	3.2%	\$214.3	\$209.6	\$4.7	2.2%	▲
U. T. Tyler	\$578.1	\$554.3	\$23.8	4.1%	\$583.2	\$558.5	\$24.7	4.2%	▲
Total	\$8,444.8	\$7,927.9	\$516.9	6.1%	\$8,913.0	\$7,988.0	\$925.1	10.4%	▲

Budget to Projected – Health Institutions

FY 2024

	Budget (\$ Millions)				Projected (\$ Millions)				
	Revenues	Expenses	Cash Flow	Cash Flow Ratio	Revenues	Expenses	Cash Flow	Cash Flow Ratio	
U. T. Southwestern Medical Center	\$4,894.8	\$4,581.5	\$313.3	6.4%	\$5,175.7	\$4,868.0	\$307.7	5.9%	▲
U. T. Medical Branch - Galveston	\$3,132.3	\$2,909.6	\$222.7	7.1%	\$3,154.6	\$2,927.4	\$227.2	7.2%	▲
U. T. Health Science Center - Houston	\$2,443.8	\$2,352.7	\$91.1	3.7%	\$2,571.8	\$2,405.6	\$166.2	6.5%	▲
U. T. Health Science Center - San Antonio	\$1,398.8	\$1,382.4	\$16.4	1.2%	\$1,407.6	\$1,391.1	\$16.5	1.2%	▲
U. T. M. D. Anderson Cancer Center	\$7,856.1	\$6,618.1	\$1,237.9	15.8%	\$8,104.2	\$6,787.7	\$1,316.5	16.2%	▲
Total	\$19,725.7	\$17,844.2	\$1,881.5	9.5%	\$20,414.0	\$18,379.9	\$2,034.1	10.0%	▲

Financial Summary

Systemwide Operations February 2024

	Budget	Actuals	% of Budget
U. T. System Administration (AUF)	\$58,720,988	\$30,744,698	52%
Direct Campus Support (AUF)	\$71,518,344	\$35,654,395	50%
Service Departments & Other Non-AUF*	\$67,253,261	\$32,713,196	49%
Total**	\$197,492,593	\$99,112,289	50%

**The Board of Regents has approved the budget related to University Lands. 2/3 of the overall University Lands budget and February 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.*

***Budget does not include PUF Debt or Capital Construction Assistance Projects (CCAP) Interest (All Institutions) or Depreciation. Also excluded are Lone Star Stroke, TX Child Mental Health Care Consortium (TCMHCC), Laredo Multi-Institution Center (MIC), Trauma Research and Combat Casualty Care Collaborative (TRC4), self-insurance funds, federal Medicare-related reimbursements, U. T. System Building debt service, and certain Systemwide software licenses centrally negotiated and reimbursed by the institutions.*

THE UNIVERSITY OF TEXAS SYSTEM OFFICE OF BUDGET AND PLANNING

MONTHLY FINANCIAL REPORT

(unaudited)

FEBRUARY 2024
FY 2024



210 West Seventh Street
Austin, Texas 78701
512.499.4792
www.utsystem.edu/offices/budget-and-planning

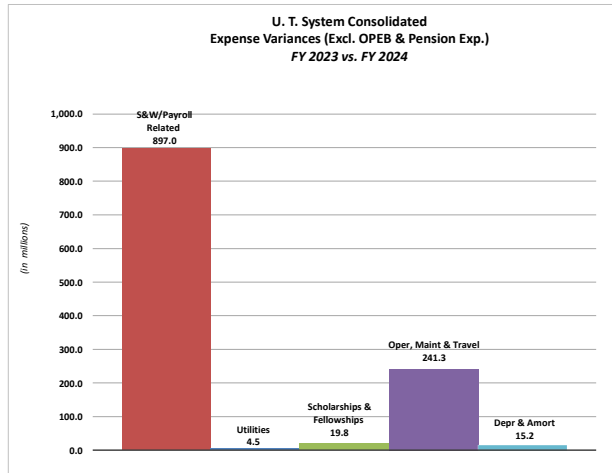
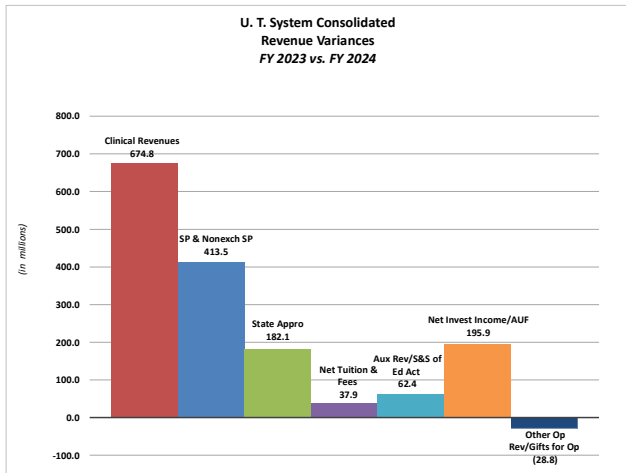
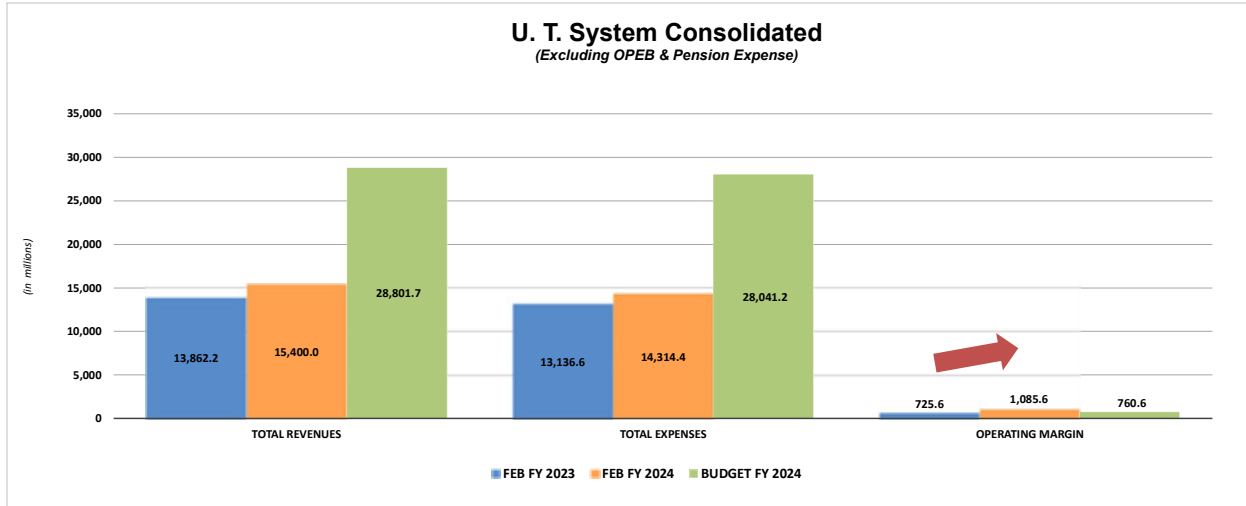
**Monthly Financial Report
Comparison of Cash Flow Margin
For the Period Ending February 29, 2024**

Executive Summary of Cash Flow Margin (Loss)*
(Excludes OPEB, Pension, Depreciation and Amortization Expense)

	February FYTD 2023 (millions)	February FYTD 2024 (millions)	Variance %	Comments
U. T. Arlington	35.0	34.2	-2%	Increase in Salaries & Wages/Payroll Related Costs Projected cash flow margin of \$153.6 million for the FY
U. T. Austin	358.2	253.0	-29%	Increase in Salaries & Wages/Payroll Related Costs Projected cash flow margin of \$403.7 million for the FY
U. T. Dallas	107.3	85.9	-20%	Increase in Salaries & Wages/Payroll Related Costs Projected cash flow margin of \$171.9 million for the FY
U. T. El Paso	22.0	20.9	-5%	Increase in Salaries & Wages/Payroll Related Costs Projected cash flow margin of \$44.5 million for the FY
U. T. Permian Basin	(1.9)	1.5	175%	Increases in State Appropriations, Gift Contributions for Operations Projected cash flow margin of \$4.2 million for the FY
U. T. Rio Grande Valley	(19.1)	2.4	113%	Decrease in Scholarships & Fellowships Increases in Net Investment Income, Gift Contributions for Operations, Auxiliary Revenues Projected cash flow margin of \$25.5 million for the FY
U. T. San Antonio	31.7	46.1	45%	Increases in State Appropriations, Auxiliary Revenues, Net Tuition and Fees Projected cash flow margin of \$92.2 million for the FY
Stephen F. Austin State University	0.0	(5.1)	N/A	Projected cash flow margin of \$4.7 million for the FY
U. T. Tyler	10.6	19.8	87%	Increases in Net Tuition and Fees, Auxiliary Revenues, Net Investment Income Decrease in Oper., Maint. & Travel (Materials & Supplies) Projected cash flow margin of \$24.7 million for the FY
Southwestern	113.1	192.5	70%	Increase in Clinical Revenues Projected cash flow margin of \$307.7 million for the FY
UTMB	73.3	94.1	28%	Increase in Clinical Revenues Projected cash flow margin of \$227.2 million for the FY
UTHSC-Houston	63.7	83.4	31%	Increase in Sponsored Programs Projected cash flow margin of \$166.2 million for the FY
UTHSC-San Antonio	19.5	(5.8)	-130%	Increase in Salaries & Wages/Payroll Related Costs Projected cash flow margin of \$16.5 million for the FY
M. D. Anderson	656.1	703.1	7%	Increase in Clinical Revenues Projected cash flow margin of \$1,316.5 million for the FY
U. T. System Administration (excluding OPEB & Pension Expense)	178.5	497.1	178%	Decrease in Oper., Maint. & Travel (Claims & Losses, Insurance Costs/Premiums) Increase in Net Investment Income Projected cash flow margin of \$364.9 million for the FY
Total Cash Flow Margin	\$ 1,647.9	2,023.1	23%	

* For additional details on the variances, please see pages 3 through 17 of the MFR.

Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024

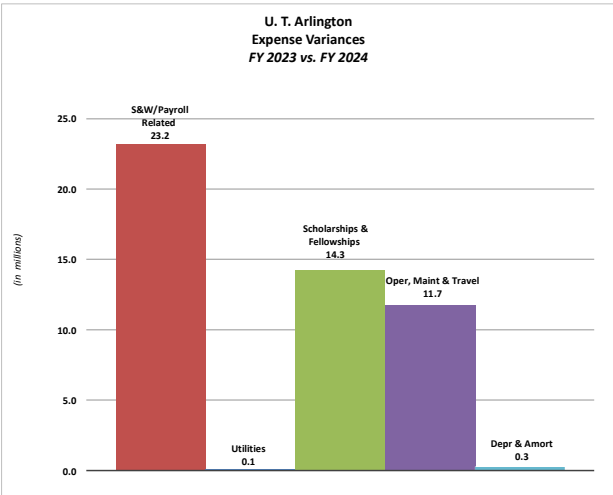
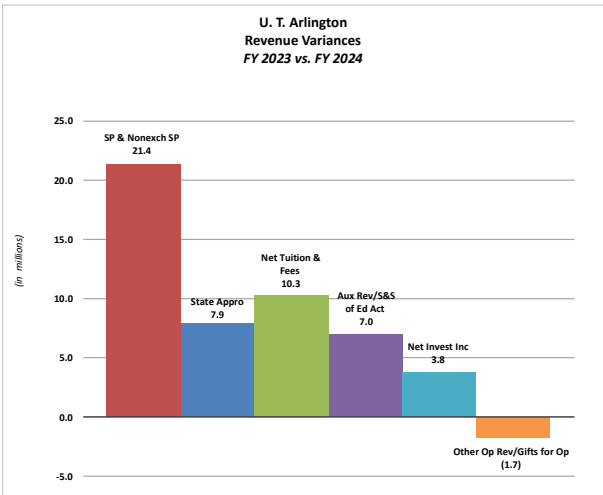
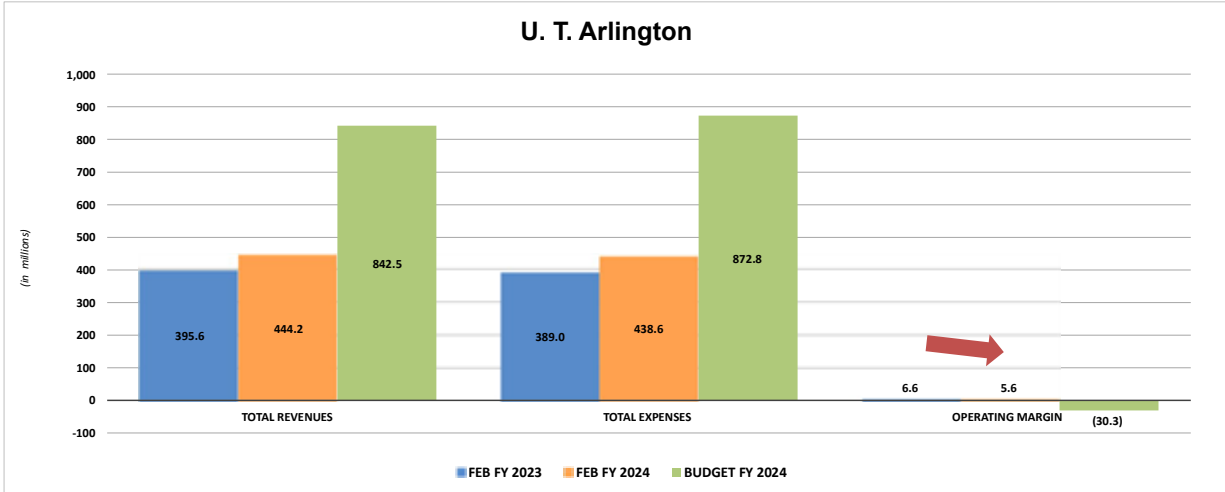


(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Clinical Revenues	\$ 5,883.7	6,558.6	674.8	12,980.0	13,295.2	315.1
Sponsored Programs/Nonexchange Sponsored Programs	2,683.6	3,097.1	413.5	5,753.3	6,229.4	476.1
State Appropriations	1,187.6	1,369.8	182.1	2,793.7 *	2,770.6	(23.1)
Net Tuition and Fees	1,103.6	1,141.5	37.9	2,248.4	2,264.4	16.0
Auxiliary Revenues/Sales & Services of Educational Activities	764.2	826.5	62.4	1,304.5	1,421.3	116.8
Net Investment Income	1,565.1	1,761.0	195.9	2,434.1	2,637.8	203.7
Other Operating Revenues/Gift Contributions for Operations	674.4	645.5	(28.8)	1,287.7	1,430.8	143.1
Total Revenues	13,862.2	15,400.0	1,537.8	28,801.7	30,049.5	1,247.8
Salaries and Wages/Payroll Related Costs	7,776.9	8,674.0	897.0	16,530.8	17,091.3	560.5
Utilities	167.6	172.0	4.5	337.8	333.0	(4.8)
Scholarships and Fellowships	344.7	364.5	19.8	633.7	648.9	15.2
Operations, Maintenance and Travel	3,925.1	4,166.4	241.3	8,671.5 *	8,652.3	(19.2)
Depreciation and Amortization	922.3	937.5	15.2	1,867.4	1,897.0	29.6
Total Expenses (Excluding OPEB & Pension Exp)	\$ 13,136.6	14,314.4	1,177.8	28,041.2	28,622.4	581.3
Operating Margin (Excluding OPEB & Pension Exp)	725.6	1,085.6	360.0	760.6	1,427.1	666.5
Cash Flow Margin (Excluding OPEB, Pension, Depr & Amort Exp)	1,647.9	2,023.1	375.2	2,628.0	3,324.1	696.1

*State appropriations and corresponding expense for TRB/CCAP for all U. T. institutions have been excluded.

Excluding other postemployment benefits (OPEB), pension expense, and depreciation expense, *U. T. System Consolidated* shows a year-to-date positive cash margin of \$2,023.1 million, an increase of \$375.2 million (23%) from the prior year. The increase was primarily due to an increase in clinical revenues as a result of an increase in volume and clinical productivity.

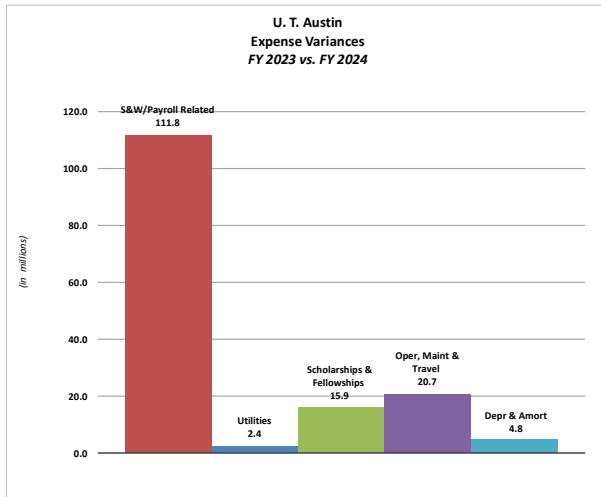
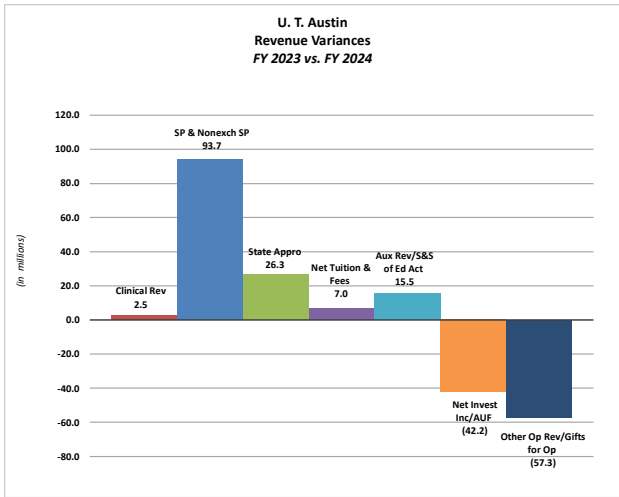
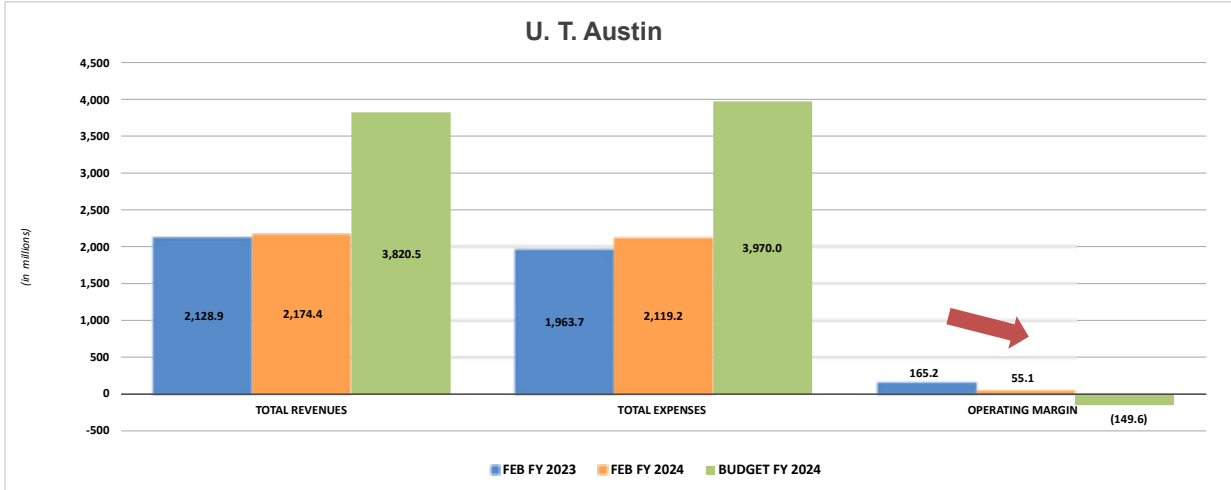
**Monthly Financial Report
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For the Period Ending February 29, 2024**



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 85.5	106.9	21.4	190.4	227.3	36.9
State Appropriations	68.1	75.9	7.9	173.2	169.2	(3.9)
Net Tuition and Fees	179.0	189.3	10.3	358.0	378.7	20.7
Auxiliary Revenues/Sales & Services of Educational Activities	34.6	41.6	7.0	81.0	87.0	5.9
Net Investment Income	19.2	23.0	3.8	29.7	46.8	17.1
Other Operating Revenues/Gift Contributions for Operations	9.2	7.5	(1.7)	10.2	16.8	6.6
Total Revenues	395.6	444.2	48.6	842.5	925.8	83.3
Salaries and Wages/Payroll Related Costs	230.1	253.3	23.2	507.3	480.9	(26.4)
Utilities	5.1	5.2	0.1	11.7	10.5	(1.2)
Scholarships and Fellowships	24.7	39.0	14.3	58.9	78.0	19.1
Operations, Maintenance and Travel	100.7	112.4	11.7	235.4	202.8	(32.6)
Depreciation and Amortization	28.3	28.6	0.3	59.5	57.3	(2.2)
Total Expenses	\$ 389.0	438.6	49.6	872.8	829.4	(43.5)
Operating Margin	6.6	5.6	(1.0)	(30.3)	96.4	126.7
Cash Flow Margin (Excludes Depr & Amort Exp)	35.0	34.2	(0.7)	29.1	153.6	124.5

U. T. Arlington reported a year-to-date positive cash flow margin of \$34.2 million, a decrease of \$0.7 million (2%) from the prior year. The decrease was primarily attributable to an increase in salaries and wages and payroll related costs due to market adjustments, as well as merit increases. The most current projection received from U. T. Arlington reflects a cash flow margin of \$153.6 million for the year.

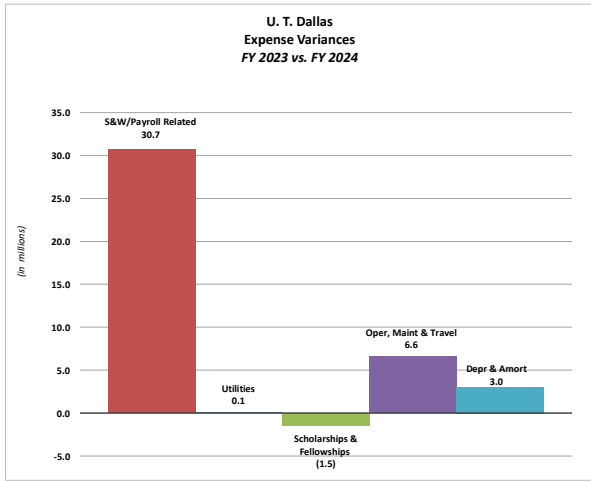
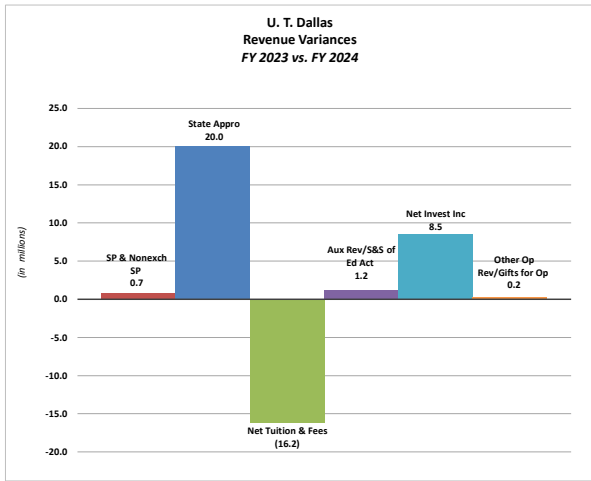
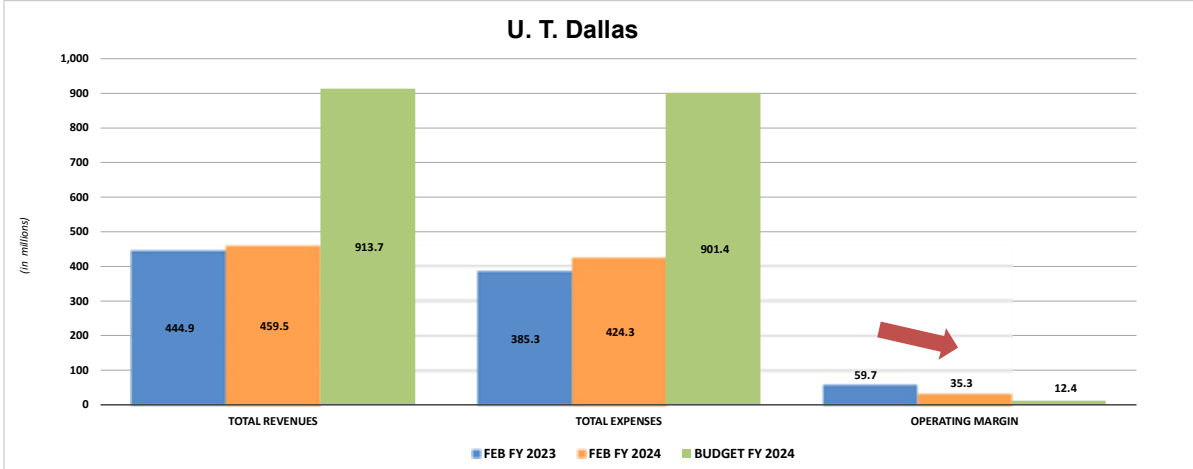
Monthly Financial Report
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For the Period Ending February 29, 2024



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Clinical Revenues	\$ 7.8	10.3	2.5	16.8	22.1	5.3
Sponsored Programs/Nonexchange Sponsored Programs	470.1	563.9	93.7	973.4	1,217.5	244.1
State Appropriations	179.8	206.2	26.3	412.3	412.3	(0.0)
Net Tuition and Fees	278.0	285.0	7.0	542.3	570.0	27.7
Auxiliary Revenues/Sales & Services of Educational Activities	469.3	484.8	15.5	703.6	767.1	63.5
Net Investment Income/Available University Fund (AUF)	539.9	497.7	(42.2)	892.3	877.4	(14.9)
Other Operating Revenues/Gift Contributions for Operations	183.8	126.5	(57.3)	279.8	277.9	(1.9)
Total Revenues	2,128.9	2,174.4	45.5	3,820.5	4,144.3	323.8
Salaries and Wages/Payroll Related Costs	1,112.4	1,224.2	111.8	2,182.3	2,363.8	181.5
Utilities	57.6	60.0	2.4	87.4	94.0	6.6
Scholarships and Fellowships	103.0	118.9	15.9	200.9	237.7	36.8
Operations, Maintenance and Travel	497.7	518.4	20.7	1,103.7	1,045.1	(58.6)
Depreciation and Amortization	193.0	197.8	4.8	395.8	395.6	(0.2)
Total Expenses	\$ 1,963.7	2,119.2	155.5	3,970.0	4,136.2	166.2
Operating Margin	165.2	55.1	(110.1)	(149.6)	8.1	157.7
Cash Flow Margin (Excludes Depr & Amort Exp)	358.2	253.0	(105.3)	246.2	403.7	157.5

U. T. Austin reported a year-to-date positive cash flow margin of \$253.0 million, a decrease of \$105.3 million (29%) from the prior year. The decrease was primarily due to an increase in salaries and wages and payroll related costs as a result of an increase in faculty and staff positions combined with equity and merit increases. The most current projection received from U. T. Austin reflects a cash flow margin of \$403.7 million for the year.

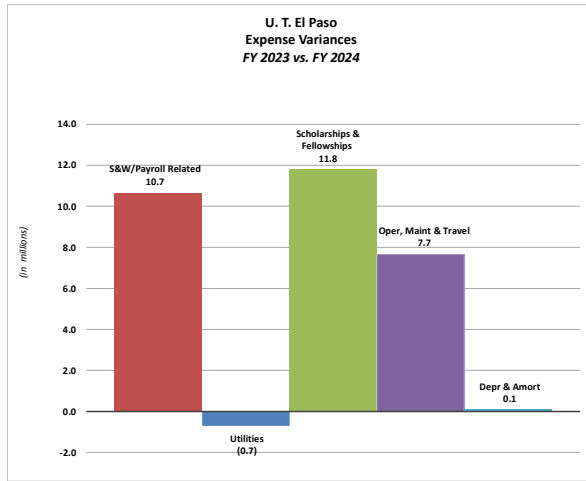
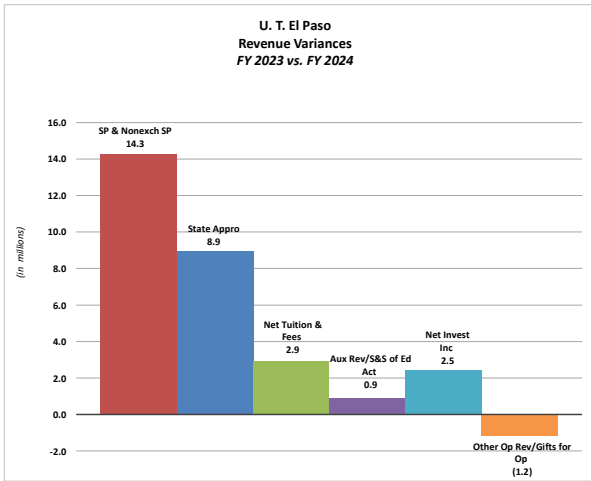
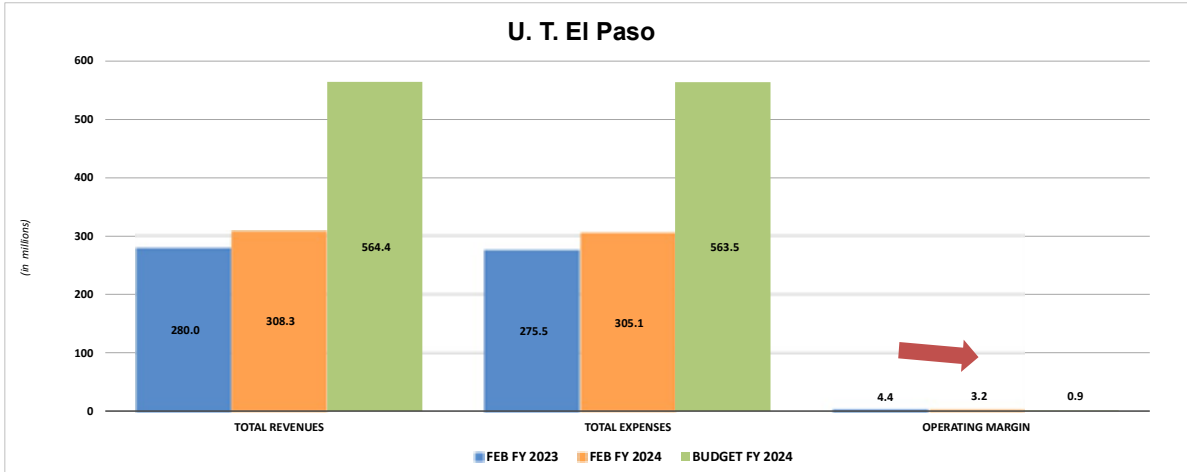
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For the Period Ending February 29, 2024



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 71.3	72.0	0.7	144.8	144.1	(0.7)
State Appropriations	69.9	90.0	20.0	178.6	180.0	1.3
Net Tuition and Fees	218.3	202.1	(16.2)	410.1	404.2	(5.9)
Auxiliary Revenues/Sales & Services of Educational Activities	48.3	49.5	1.2	97.5	99.0	1.5
Net Investment Income	25.7	34.2	8.5	57.3	68.5	11.2
Other Operating Revenues/Gift Contributions for Operations	11.4	11.7	0.2	25.4	23.3	(2.1)
Total Revenues	444.9	459.5	14.6	913.7	919.1	5.3
Salaries and Wages/Payroll Related Costs	228.5	259.2	30.7	529.6	518.5	(11.1)
Utilities	7.9	8.0	0.1	15.8	16.0	0.1
Scholarships and Fellowships	24.3	22.8	(1.5)	59.7	45.7	(14.0)
Operations, Maintenance and Travel	76.9	83.5	6.6	198.6	167.0	(31.6)
Depreciation and Amortization	47.7	50.7	3.0	97.6	101.4	3.8
Total Expenses	\$ 385.3	424.3	39.0	901.4	848.5	(52.8)
Operating Margin	59.7	35.3	(24.4)	12.4	70.5	58.1
Cash Flow Margin (Excludes Depr & Amort Exp)	107.3	85.9	(21.4)	110.0	171.9	61.9

U. T. Dallas reported a year-to-date positive cash flow margin of \$85.9 million, a decrease of \$21.4 million (20%) from the prior year. The decrease was primarily attributable to an increase in salaries and wages and payroll related costs due to merit increases, as well as an increase in staff and faculty positions. The most current projection received from U. T. Dallas reflects a cash flow margin of \$171.9 million for the year.

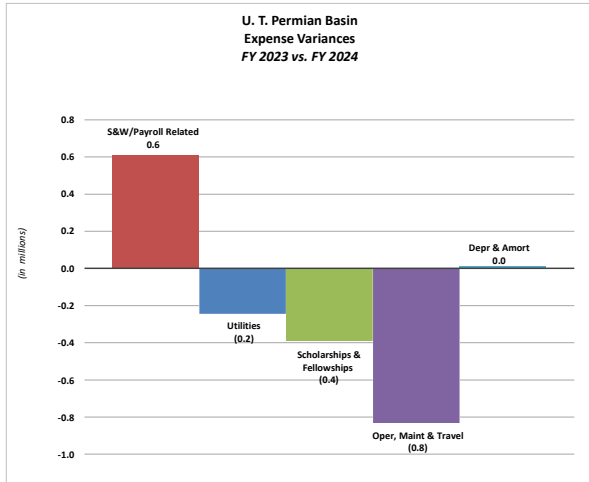
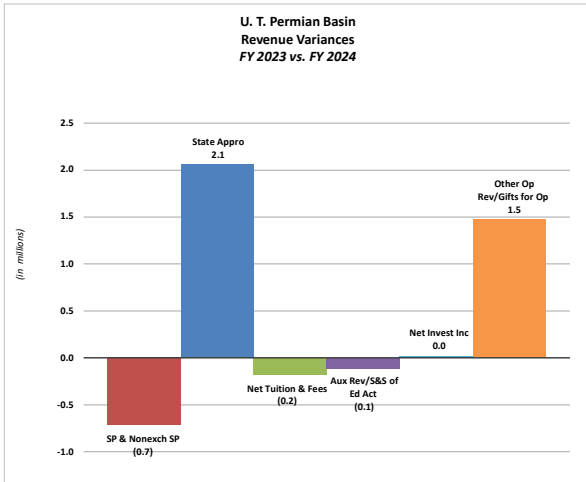
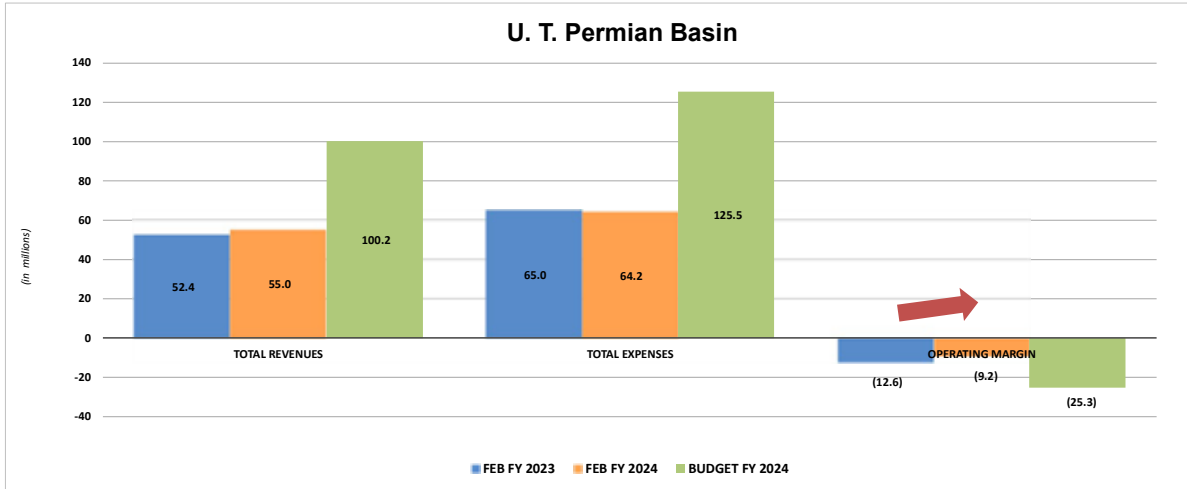
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(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 97.6	111.9	14.3	196.4	210.8	14.4
State Appropriations	56.4	65.3	8.9	125.2	125.2	0.0
Net Tuition and Fees	78.7	81.6	2.9	153.6	152.1	(1.6)
Auxiliary Revenues/Sales & Services of Educational Activities	26.0	26.9	0.9	56.5	51.5	(5.0)
Net Investment Income	12.4	14.9	2.5	22.7	28.4	5.7
Other Operating Revenues/Gift Contributions for Operations	8.8	7.7	(1.2)	10.0	11.9	1.9
Total Revenues	280.0	308.3	28.3	564.4	579.9	15.4
Salaries and Wages/Payroll Related Costs	150.6	161.3	10.7	299.0	299.6	0.6
Utilities	4.7	4.0	(0.7)	10.3	10.3	0.0
Scholarships and Fellowships	44.6	56.4	11.8	89.2	84.8	(4.3)
Operations, Maintenance and Travel	58.0	65.7	7.7	129.4	140.7	11.3
Depreciation and Amortization	17.6	17.7	0.1	35.7	35.9	0.2
Total Expenses	\$ 275.5	305.1	29.6	563.5	571.3	7.8
Operating Margin	4.4	3.2	(1.2)	0.9	8.6	7.7
Cash Flow Margin (Excludes Depr & Amort Exp)	22.0	20.9	(1.1)	36.7	44.5	7.8

U. T. El Paso reported a year-to-date positive cash flow margin of \$20.9 million, a decrease of \$1.1 million (5%) from the prior year. The decrease was primarily due to an increase in salaries and wages and payroll related costs as a result of market and retention adjustments, as well as merit increases. The most current projection received from U. T. El Paso reflects a cash flow margin of \$44.5 million for the year.

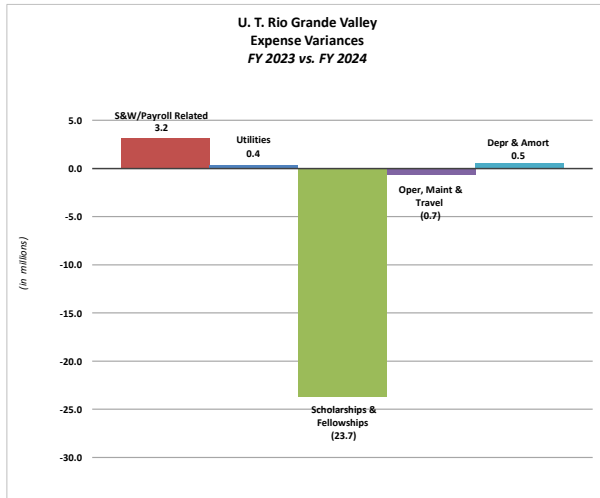
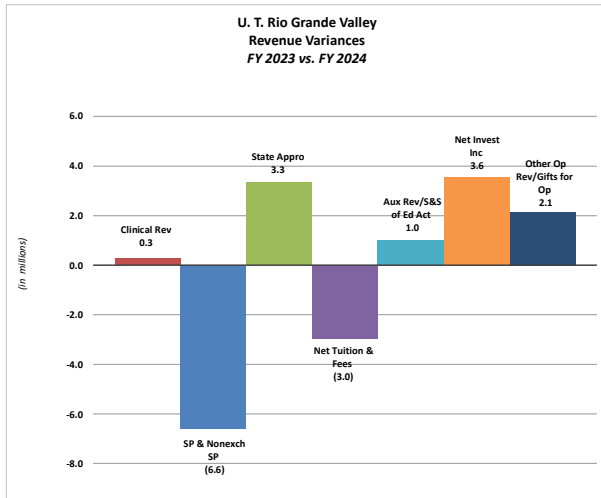
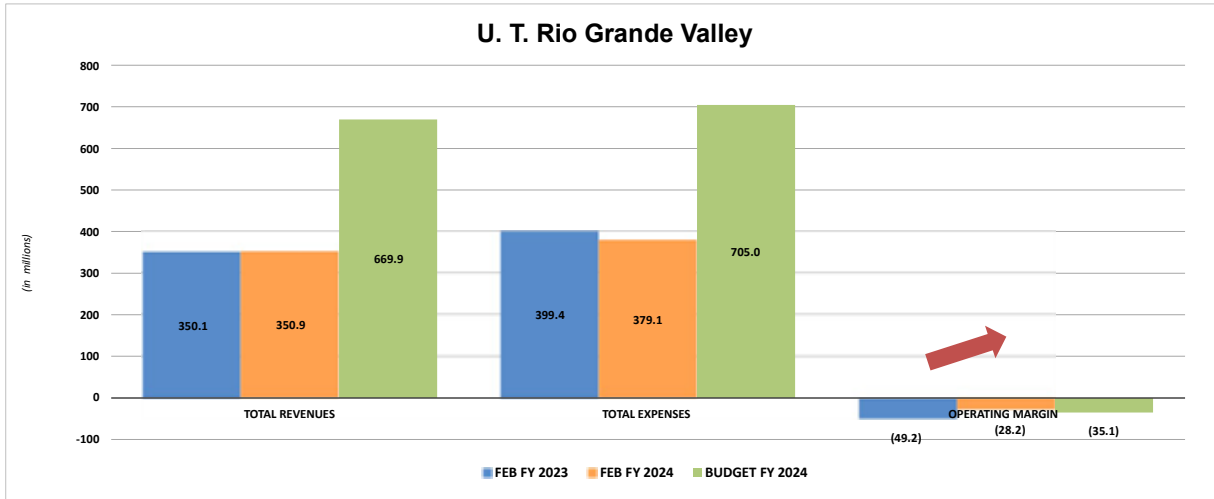
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Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024**



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 12.9	12.2	(0.7)	18.5	21.5	3.1
State Appropriations	12.7	14.7	2.1	30.9	29.4	(1.5)
Net Tuition and Fees	15.8	15.6	(0.2)	31.8	31.2	(0.5)
Auxiliary Revenues/Sales & Services of Educational Activities	4.5	4.4	(0.1)	9.8	8.8	(1.0)
Net Investment Income	2.5	2.5	0.0	4.2	4.6	0.3
Other Operating Revenues/Gift Contributions for Operations	4.1	5.5	1.5	5.1	11.0	5.9
Total Revenues	52.4	55.0	2.5	100.2	106.6	6.4
Salaries and Wages/Payroll Related Costs	29.8	30.5	0.6	62.3	55.4	(6.9)
Utilities	1.2	0.9	(0.2)	3.2	2.6	(0.7)
Scholarships and Fellowships	6.8	6.4	(0.4)	13.0	12.9	(0.1)
Operations, Maintenance and Travel	16.5	15.7	(0.8)	25.6	31.5	5.8
Depreciation and Amortization	10.6	10.7	0.0	21.3	21.3	0.0
Total Expenses	\$ 65.0	64.2	(0.9)	125.5	123.7	(1.9)
Operating Margin	(12.6)	(9.2)	3.4	(25.3)	(17.1)	8.3
Cash Flow Margin (Excludes Depr & Amort Exp)	(1.9)	1.5	3.4	(4.0)	4.2	8.3

U. T. Permian Basin reported a year-to-date positive cash flow margin of \$1.5 million, an increase of \$3.4 million (175%) from the prior year. The increase was primarily attributable to the following: an increase in state appropriations due to new funding for the Healthcare Workforce Education program; and an increase in gift contributions for operations attributable to an increase in pledges as compared to the prior year. The most current projection received from U. T. Permian Basin reflects a cash flow margin of \$4.2 million for the year.

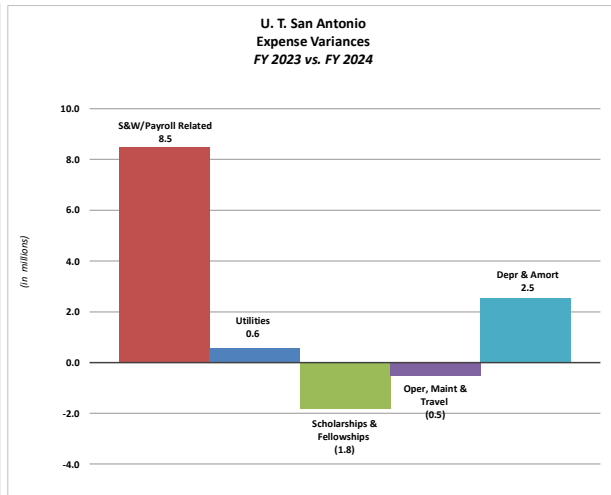
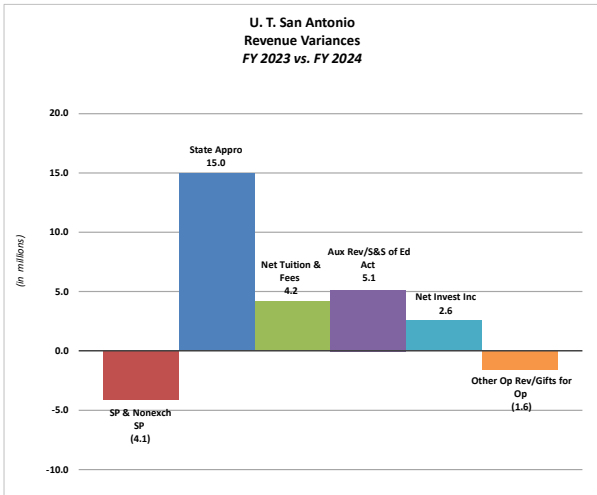
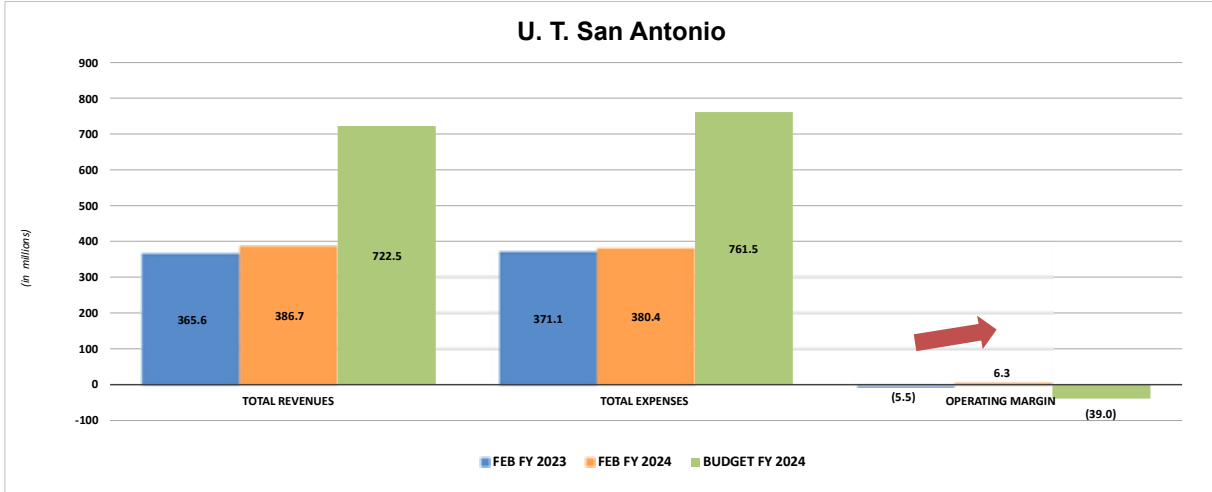
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(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Clinical Revenues	\$ 7.8	8.1	0.3	18.1	16.8	(1.3)
Sponsored Programs/Nonexchange Sponsored Programs	150.4	143.8	(6.6)	254.6	267.5	13.0
State Appropriations	89.6	92.9	3.3	189.8	185.8	(4.0)
Net Tuition and Fees	68.3	65.4	(3.0)	149.4	130.8	(18.7)
Auxiliary Revenues/Sales & Services of Educational Activities	12.8	13.8	1.0	20.2	21.6	1.4
Net Investment Income	9.0	12.5	3.6	20.4	20.8	0.4
Other Operating Revenues/Gift Contributions for Operations	12.3	14.4	2.1	17.4	23.3	5.9
Total Revenues	350.1	350.9	0.8	669.9	666.6	(3.3)
Salaries and Wages/Payroll Related Costs	229.1	232.3	3.2	470.7	465.5	(5.3)
Utilities	4.3	4.7	0.4	12.4	12.1	(0.3)
Scholarships and Fellowships	81.9	58.2	(23.7)	65.1	59.0	(6.2)
Operations, Maintenance and Travel	53.9	53.3	(0.7)	91.5	104.6	13.1
Depreciation and Amortization	30.2	30.7	0.5	65.2	65.5	0.4
Total Expenses	\$ 399.4	379.1	(20.2)	705.0	706.7	1.7
Operating Margin	(49.2)	(28.2)	21.0	(35.1)	(40.1)	(5.0)
Cash Flow Margin (Excludes Depr & Amort Exp)	(19.1)	2.4	21.5	30.1	25.5	(4.6)

U. T. Rio Grande Valley reported a year-to-date positive cash flow margin of \$2.4 million, an increase of \$21.5 million (113%) from the prior year. The increase was primarily due to the following: a decrease in scholarships and fellowships as a result of a decrease in institutionally funded scholarships; an increase in net investment income; an increase in gift contributions for operations attributable to an increase in gift activity as compared to the prior year; and an increase in auxiliary enterprises revenues due to increased food services revenue. The most current projection received from U. T. Rio Grande Valley reflects a cash flow margin of \$25.5 million for the year.

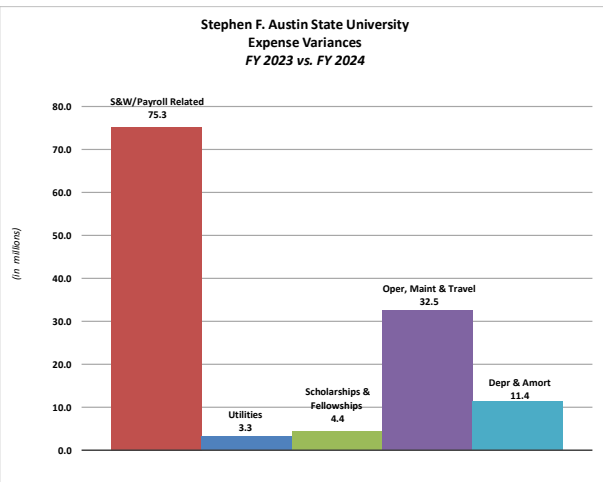
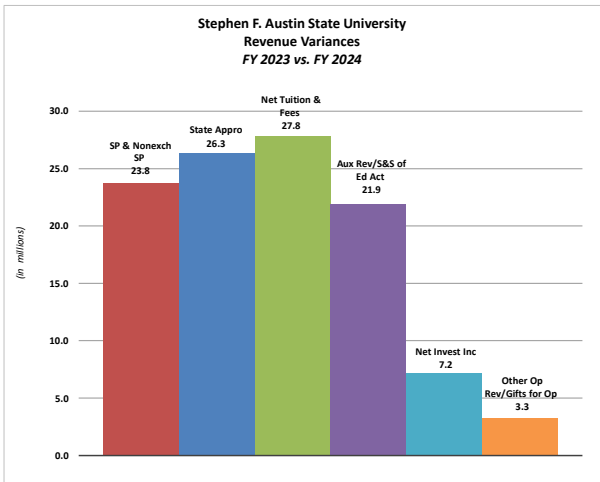
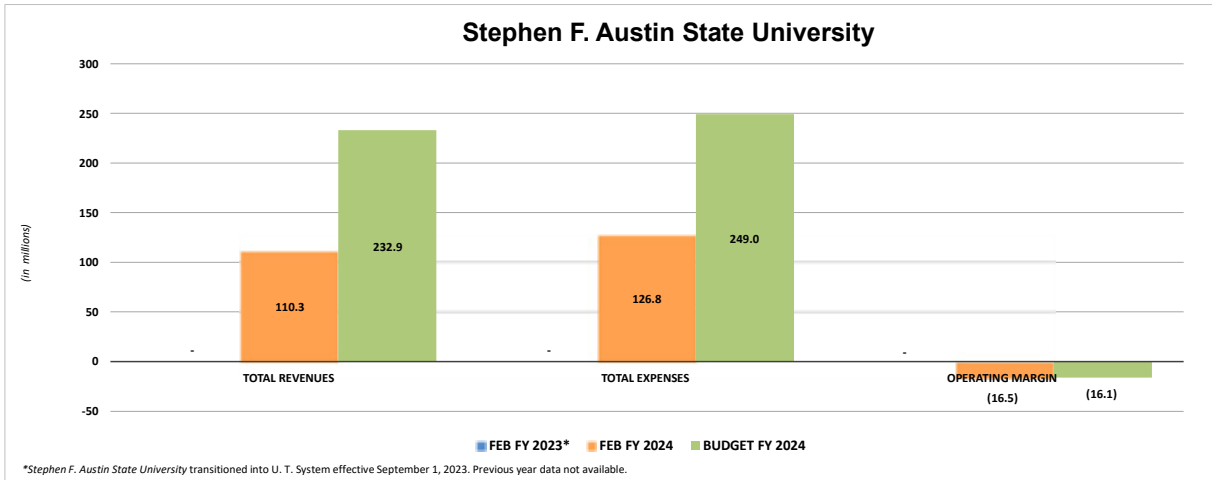
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(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 104.5	100.4	(4.1)	192.2	200.8	8.7
State Appropriations	76.3	91.2	15.0	178.2	182.4	4.2
Net Tuition and Fees	127.6	131.8	4.2	242.8	263.5	20.7
Auxiliary Revenues/Sales & Services of Educational Activities	36.6	41.7	5.1	75.4	83.4	8.0
Net Investment Income	13.4	16.0	2.6	24.4	31.9	7.5
Other Operating Revenues/Gift Contributions for Operations	7.3	5.6	(1.6)	9.5	11.3	1.7
Total Revenues	365.6	386.7	21.1	722.5	773.4	50.9
Salaries and Wages/Payroll Related Costs	207.8	216.3	8.5	425.3	433.1	7.7
Utilities	9.1	9.7	0.6	17.5	19.3	1.9
Scholarships and Fellowships	32.8	31.0	(1.8)	49.2	61.9	12.7
Operations, Maintenance and Travel	84.2	83.7	(0.5)	192.8	166.9	(26.0)
Depreciation and Amortization	37.2	39.7	2.5	76.6	79.5	2.9
Total Expenses	\$ 371.1	380.4	9.2	761.5	760.7	(0.8)
Operating Margin	(5.5)	6.3	11.9	(39.0)	12.7	51.7
Cash Flow Margin (Excludes Depr & Amort Exp)	31.7	46.1	14.4	37.7	92.2	54.6

U. T. San Antonio reported a year-to-date positive cash flow margin of \$46.1 million, an increase of \$14.4 million (45%) from the prior year. The increase was primarily attributable to the following: an increase in state appropriations due to the National Research Support Fund; an increase in auxiliary enterprises revenues as a result of an increase in on-campus activities; and an increase in net student tuition and fees attributable to increased enrollment. The most current projection received from U. T. San Antonio reflects a cash flow margin of \$92.2 million for the year.

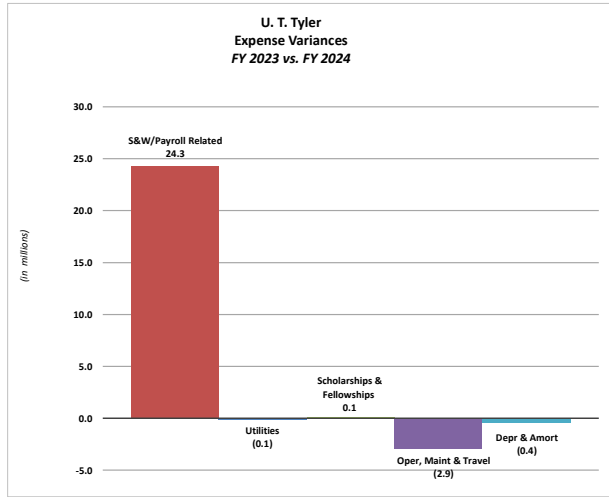
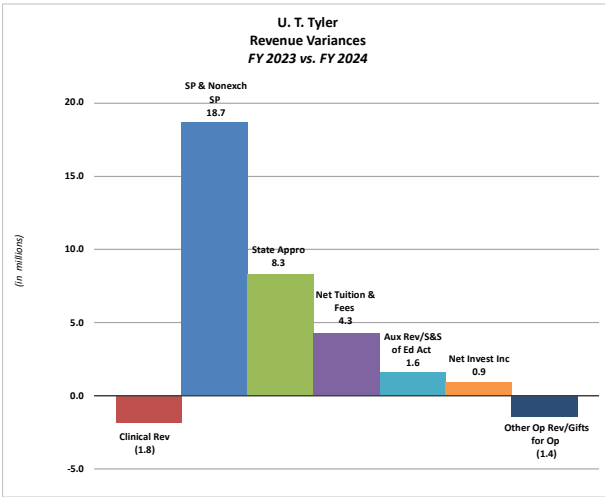
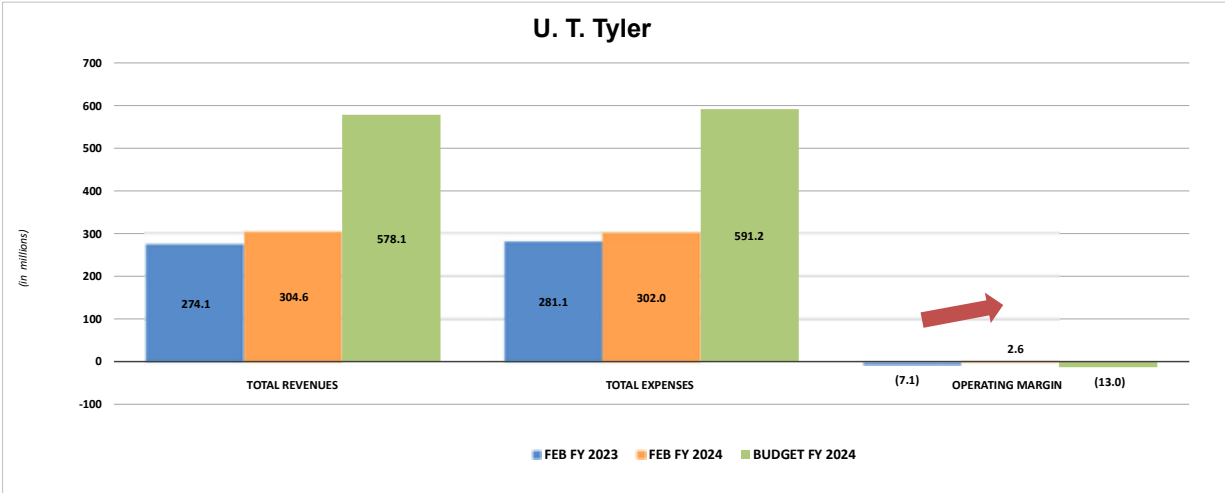
**Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024**



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ -	23.8	23.8	41.3	41.3	0.0
State Appropriations	-	26.3	26.3	52.7	52.7	0.0
Net Tuition and Fees	-	27.8	27.8	85.0	58.4	(26.6)
Auxiliary Revenues/Sales & Services of Educational Activities	-	21.9	21.9	33.0	39.8	6.8
Net Investment Income	-	7.2	7.2	8.7	10.9	2.3
Other Operating Revenues/Gift Contributions for Operations	-	3.3	3.3	12.3	11.2	(1.1)
Total Revenues	-	110.3	110.3	232.9	214.3	(18.7)
Salaries and Wages/Payroll Related Costs	-	75.3	75.3	134.3	139.1	4.9
Utilities	-	3.3	3.3	5.1	6.4	1.3
Scholarships and Fellowships	-	4.4	4.4	30.4	8.9	(21.5)
Operations, Maintenance and Travel	-	32.5	32.5	55.7	55.2	(0.6)
Depreciation and Amortization	-	11.4	11.4	23.5	22.0	(1.5)
Total Expenses	\$ -	126.8	126.8	249.0	231.6	(17.5)
Operating Margin	-	(16.5)	(16.5)	(16.1)	(17.3)	(1.2)
Cash Flow Margin (Excludes Depr & Amort Exp)	-	(5.1)	(5.1)	7.4	4.7	(2.7)

On August 24, 2023, the U. T. System Board of Regents formalized the action of transitioning Stephen F. Austin State University into the U. T. System effective September 1, 2023, in order to enhance Stephen F. Austin's financial position, foster enrollment growth, and increase opportunities for faculty, staff, and students to participate in new collaborations with other U. T. institutions to better serve Texas. Therefore, prior year data is not available.

**Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024**

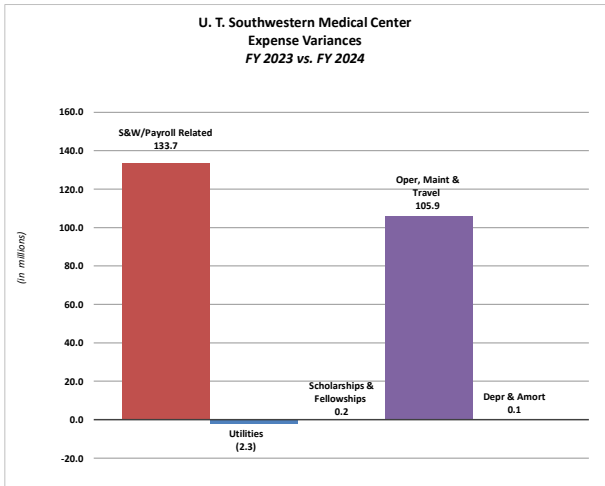
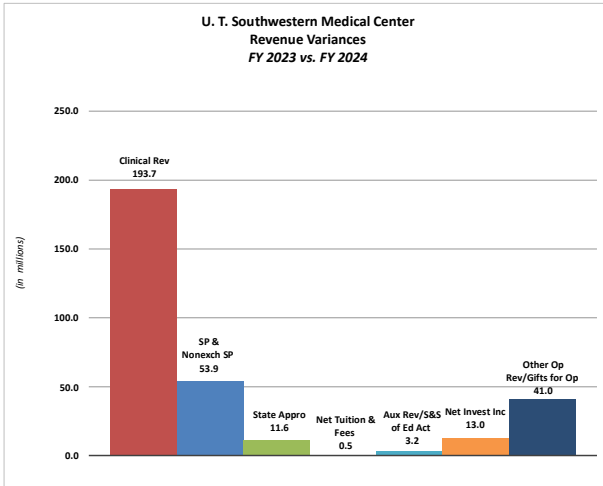
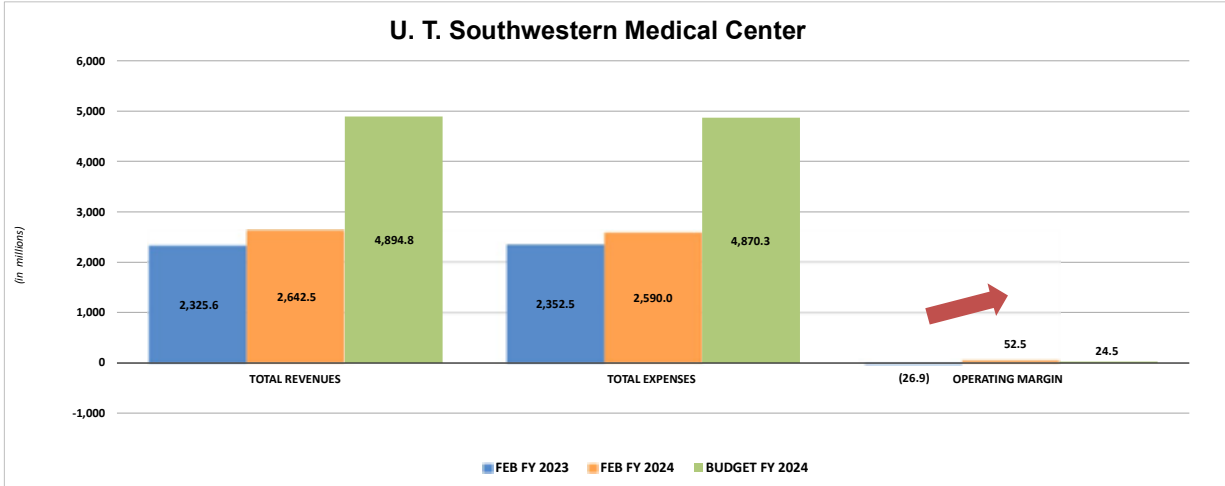


(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Clinical Revenues	\$ 98.8	97.0	(1.8)	193.4	194.1	0.7
Sponsored Programs/Nonexchange Sponsored Programs	71.7	90.4	18.7	150.9	151.7	0.8
State Appropriations	44.3	52.6	8.3	105.3	105.7	0.4
Net Tuition and Fees	29.1	33.4	4.3	59.9	59.9	0.0
Auxiliary Revenues/Sales & Services of Educational Activities	15.9	17.5	1.6	27.7	30.4	2.7
Net Investment Income	7.7	8.6	0.9	12.7	16.6	3.8
Other Operating Revenues/Gift Contributions for Operations	6.5	5.1 *	(1.4)	28.3	24.9 *	(3.4)
Total Revenues	274.1	304.6	30.5	578.1	583.2	5.1
Salaries and Wages/Payroll Related Costs	173.6	198.0	24.3	368.8	379.8	11.0
Utilities	2.9	2.8	(0.1)	6.1	6.1	0.0
Scholarships and Fellowships	8.9	9.0	0.1	15.4	15.4	0.0
Operations, Maintenance and Travel	77.9	75.0	(2.9)	164.0	157.1	(6.8)
Depreciation and Amortization	17.7	17.3	(0.4)	36.9	36.9	0.0
Total Expenses	\$ 281.1	302.0	20.9	591.2	595.3	4.2
Operating Margin	(7.1)	2.6	9.6	(13.0)	(12.1)	0.9
Cash Flow Margin (Excludes Depr & Amort Exp)	10.6	19.8	9.2	23.8	24.7	0.9

*Other Operating Income includes 30% of UTHET's net adjusted loss which was \$3.7 million through February. U. T. Tyler's year-end projection includes \$4.5 million of UTHET's net adjusted income for the year.

U. T. Tyler reported a year-to-date positive cash flow margin of \$19.8 million, an increase of \$9.2 million (87%) from the prior year. The increase was primarily due to the following: an increase in net student tuition and fees attributable to increased enrollment; a decrease in operations, maintenance and travel as a result of a decrease in materials and supplies as a result of a 340B Drug Pricing Program refund received for pharmacy drug overcharges; an increase in auxiliary enterprises revenue associated with enrollment growth; and an increase in net investment income. The most current projection received from U. T. Tyler reflects a cash flow margin of \$24.7 million for the year.

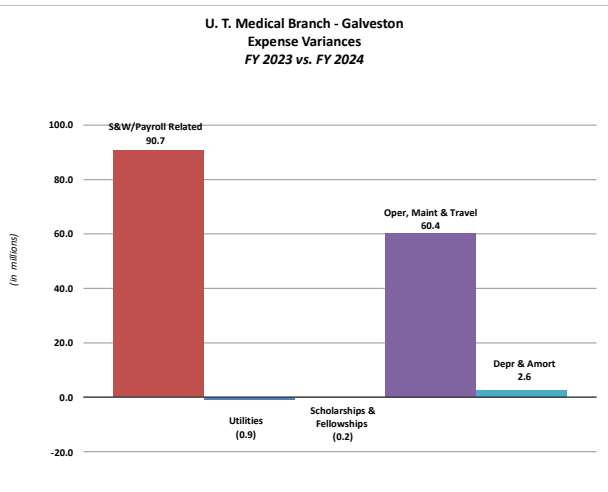
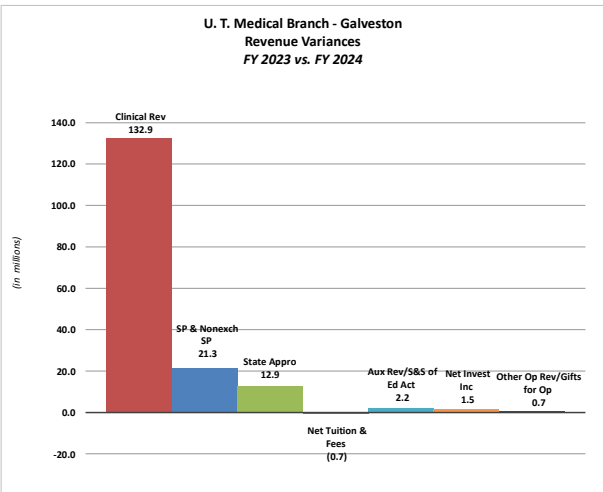
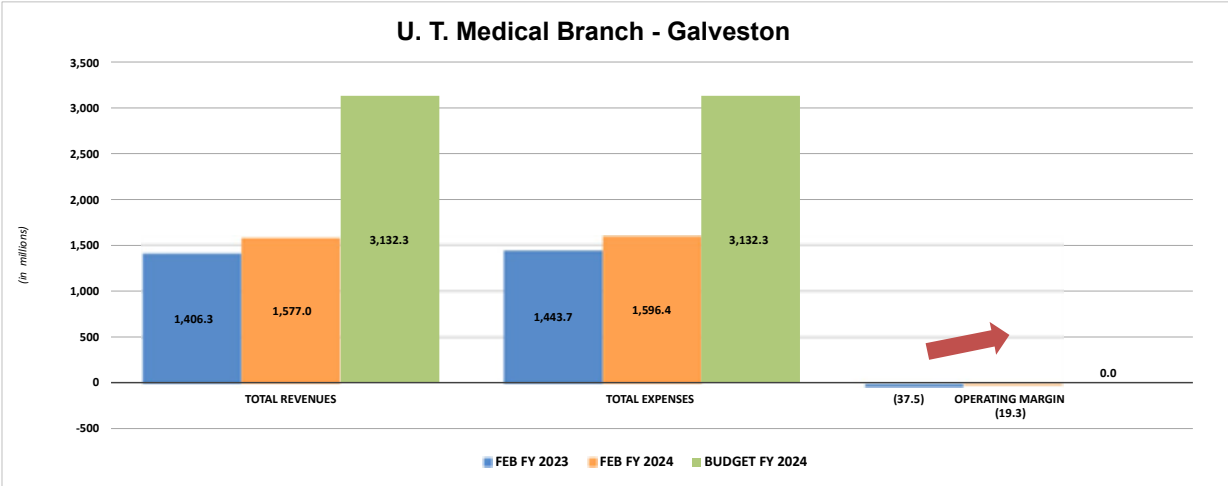
Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Clinical Revenues	\$ 1,526.5	1,720.2	193.7	3,233.0	3,347.1	114.1
Sponsored Programs/Nonexchange Sponsored Programs	420.2	474.1	53.9	877.2	950.8	73.6
State Appropriations	95.8	107.4	11.6	225.7	217.4	(8.3)
Net Tuition and Fees	14.1	14.7	0.5	28.7	28.5	(0.2)
Auxiliary Revenues/Sales & Services of Educational Activities	22.7	25.8	3.2	42.8	45.8	3.0
Net Investment Income	98.7	111.7	13.0	186.4	187.9	1.4
Other Operating Revenues/Gift Contributions for Operations	147.5	188.5	41.0	301.0	398.2	97.3
Total Revenues	2,325.6	2,642.5	316.9	4,894.8	5,175.7	280.9
Salaries and Wages/Payroll Related Costs	1,488.4	1,622.1	133.7	3,099.7	3,269.6	169.9
Utilities	17.4	15.1	(2.3)	31.6	32.3	0.7
Scholarships and Fellowships	1.6	1.8	0.2	7.1	1.3	(5.8)
Operations, Maintenance and Travel	705.1	811.0	105.9	1,443.1	1,564.8	121.7
Depreciation and Amortization	139.9	140.0	0.1	288.9	276.2	(12.7)
Total Expenses	\$ 2,352.5	2,590.0	237.5	4,870.3	5,144.2	273.8
Operating Margin	(26.9)	52.5	79.4	24.5	31.5	7.1
Cash Flow Margin (Excludes Depr & Amort Exp)	113.1	192.5	79.4	313.3	307.7	(5.6)

U. T. Southwestern Medical Center reported a year-to-date positive cash flow margin of \$192.5 million, an increase of \$79.4 million (70%) from the prior year. The increase was primarily due to an increase in clinical revenues as a result of increased inpatient and outpatient visits, and increased admissions and surgical volumes. The most current projection received from U. T. Southwestern Medical Center reflects a cash flow margin of \$307.7 million for the year.

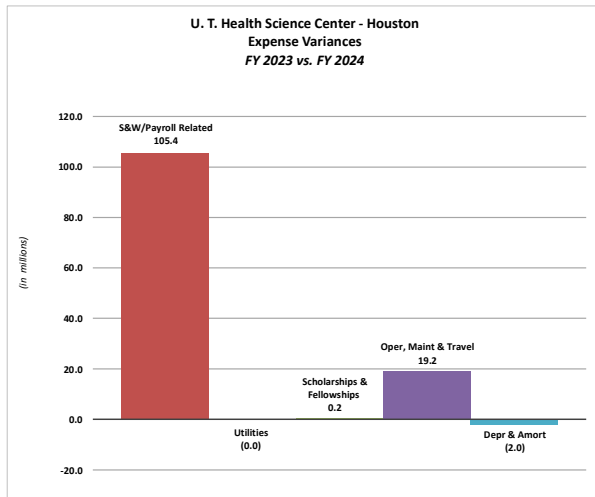
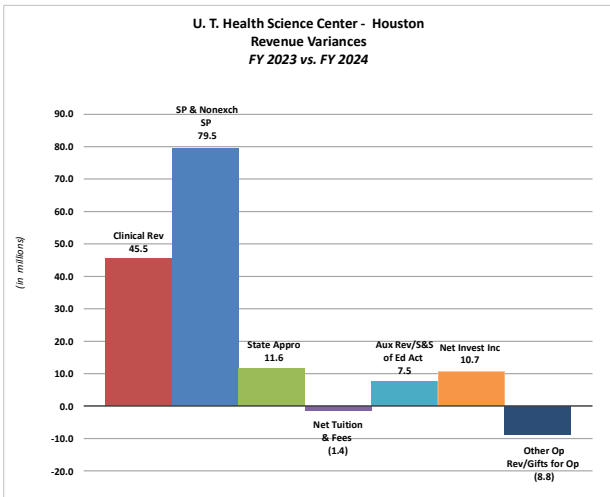
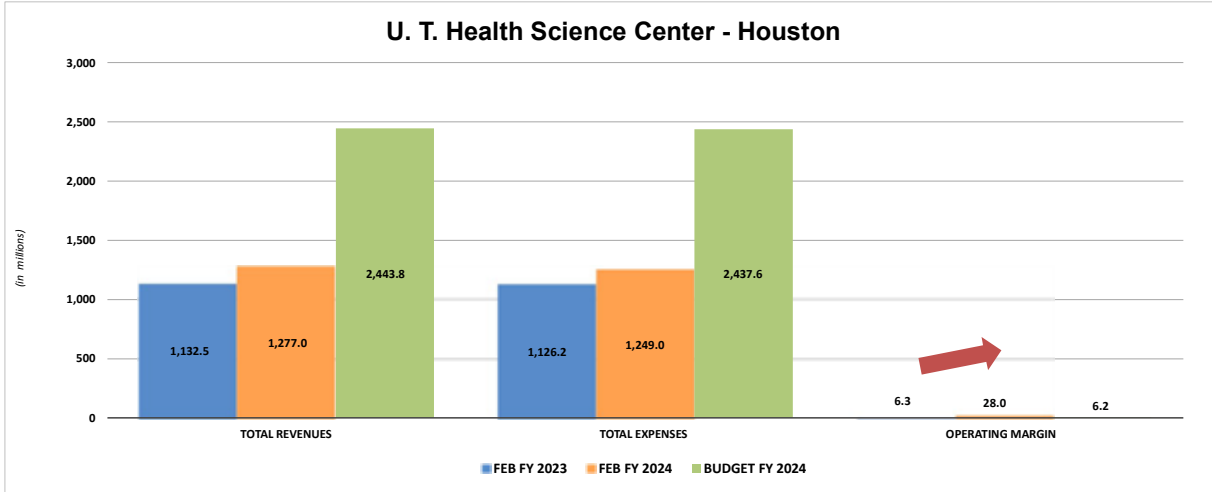
Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Clinical Revenues	\$ 949.2	1,082.1	132.9	2,128.7	2,127.7	(1.0)
Sponsored Programs/Nonexchange Sponsored Programs	127.6	148.9	21.3	293.5	288.2	(5.4)
State Appropriations	181.8	194.6	12.9	388.9	387.4	(1.4)
Net Tuition and Fees	26.7	26.0	(0.7)	50.6	51.3	0.6
Auxiliary Revenues/Sales & Services of Educational Activities	13.4	15.5	2.2	25.0	31.9	6.8
Net Investment Income	40.9	42.4	1.5	78.8	80.5	1.7
Other Operating Revenues/Gift Contributions for Operations	66.7	67.4	0.7	166.7	187.7	21.0
Total Revenues	1,406.3	1,577.0	170.8	3,132.3	3,154.6	22.3
Salaries and Wages/Payroll Related Costs	879.9	970.6	90.7	1,902.7	1,935.9	33.2
Utilities	17.1	16.2	(0.9)	46.4	35.3	(11.2)
Scholarships and Fellowships	6.0	5.8	(0.2)	13.3	15.9	2.6
Operations, Maintenance and Travel	430.0	490.4	60.4	947.2	940.3	(6.9)
Depreciation and Amortization	110.8	113.4	2.6	222.7	227.2	4.5
Total Expenses	\$ 1,443.7	1,596.4	152.6	3,132.3	3,154.6	22.3
Operating Margin	(37.5)	(19.3)	18.1	0.0	(0.0)	(0.0)
Cash Flow Margin (Excludes Depr & Amort Exp)	73.3	94.1	20.8	222.7	227.2	4.5

U. T. Medical Branch - Galveston reported a year-to-date positive cash flow margin of \$94.1 million, an increase of \$20.8 million (28%) from the prior year. The increase was primarily attributable to an increase in clinical revenues due to an increase in patient volume, as well as a favorable rate and case mix index. The most current projection received from U. T. Medical Branch - Galveston reflects a cash flow margin of \$227.2 million for the year.

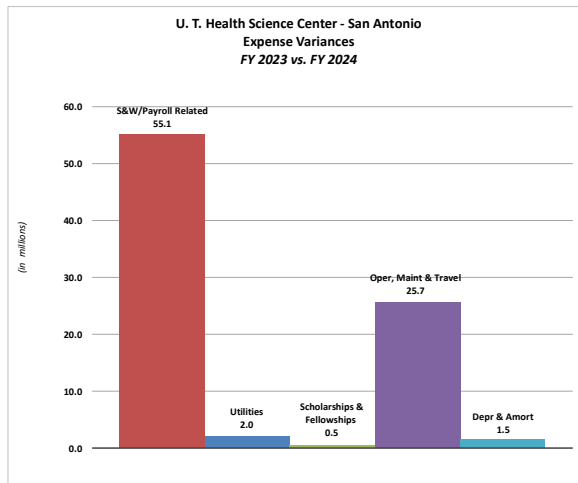
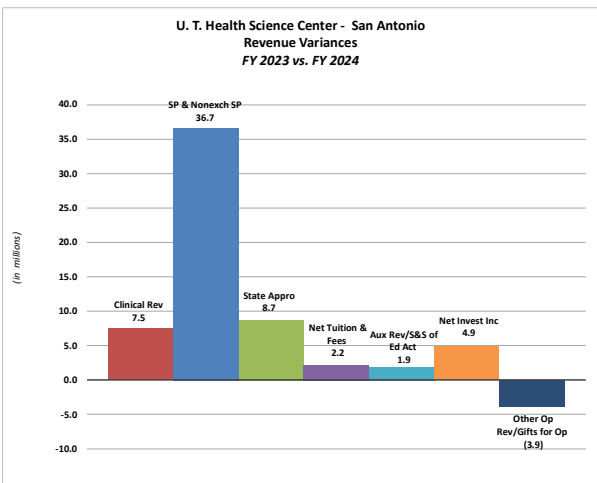
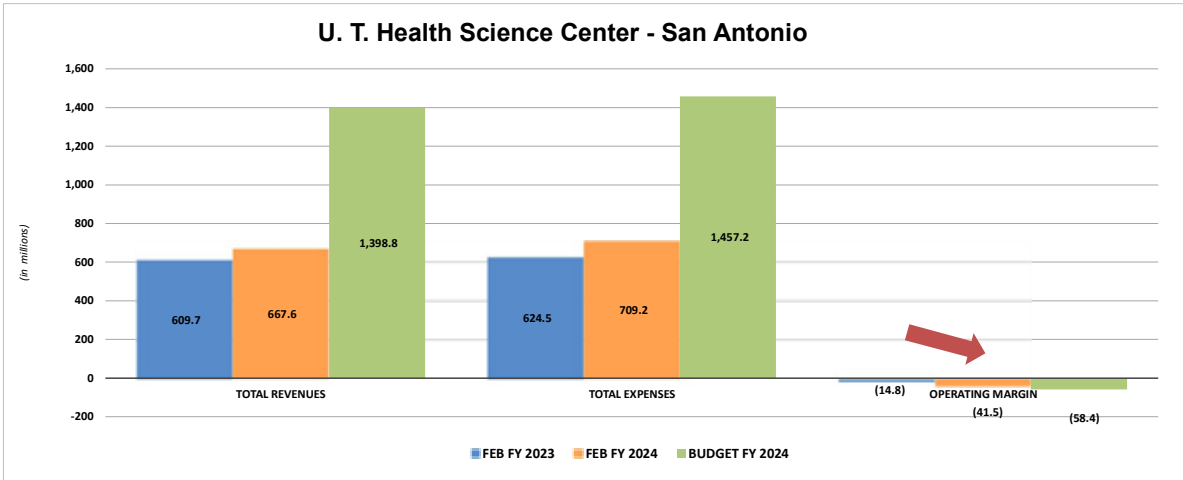
Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Clinical Revenues	\$ 312.8	358.3	45.5	685.8	725.4	39.6
Sponsored Programs/Nonexchange Sponsored Programs	534.1	613.6	79.5	1,178.4	1,242.1	63.7
State Appropriations	113.2	124.8	11.6	256.1	248.9	(7.2)
Net Tuition and Fees	38.7	37.3	(1.4)	72.9	72.7	(0.2)
Auxiliary Revenues/Sales & Services of Educational Activities	35.2	42.7	7.5	56.7	79.4	22.7
Net Investment Income	53.2	63.9	10.7	92.4	115.8	23.3
Other Operating Revenues/Gift Contributions for Operations	45.2	36.4	(8.8)	101.5	87.5	(13.9)
Total Revenues	1,132.5	1,277.0	144.5	2,443.8	2,571.8	128.0
Salaries and Wages/Payroll Related Costs	879.2	984.6	105.4	1,895.5	1,986.6	91.0
Utilities	7.1	7.1	(0.0)	16.7	14.3	(2.5)
Scholarships and Fellowships	4.5	4.7	0.2	11.4	9.4	(2.0)
Operations, Maintenance and Travel	178.0	197.2	19.2	429.1	395.4	(33.7)
Depreciation and Amortization	57.4	55.4	(2.0)	85.0	113.3	28.3
Total Expenses	\$ 1,126.2	1,249.0	122.8	2,437.6	2,518.9	81.3
Operating Margin	6.3	28.0	21.7	6.2	52.9	46.7
Cash Flow Margin (Excludes Depr & Amort Exp)	63.7	83.4	19.7	91.1	166.2	75.1

U. T. Health Science Center - Houston reported a year-to-date positive cash flow margin of \$83.4 million, an increase of \$19.7 million (31%) from the prior year. The increase was primarily due to an increase in sponsored programs largely attributable to an increase in contractual revenues from Memorial Hermann Healthcare System. The most current projection received from U. T. Health Science Center - Houston reflects a cash flow margin of \$166.2 million for the year.

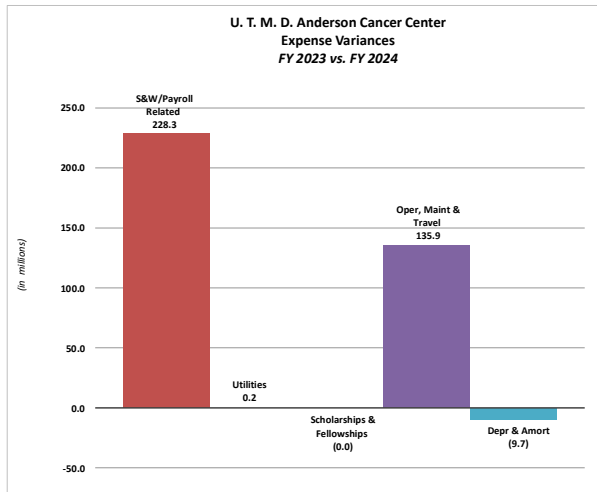
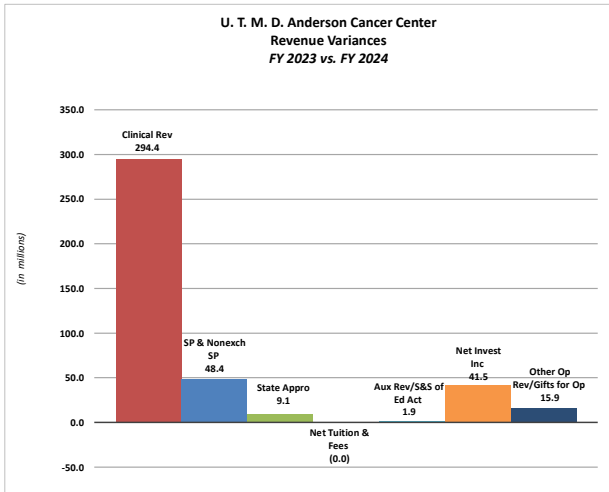
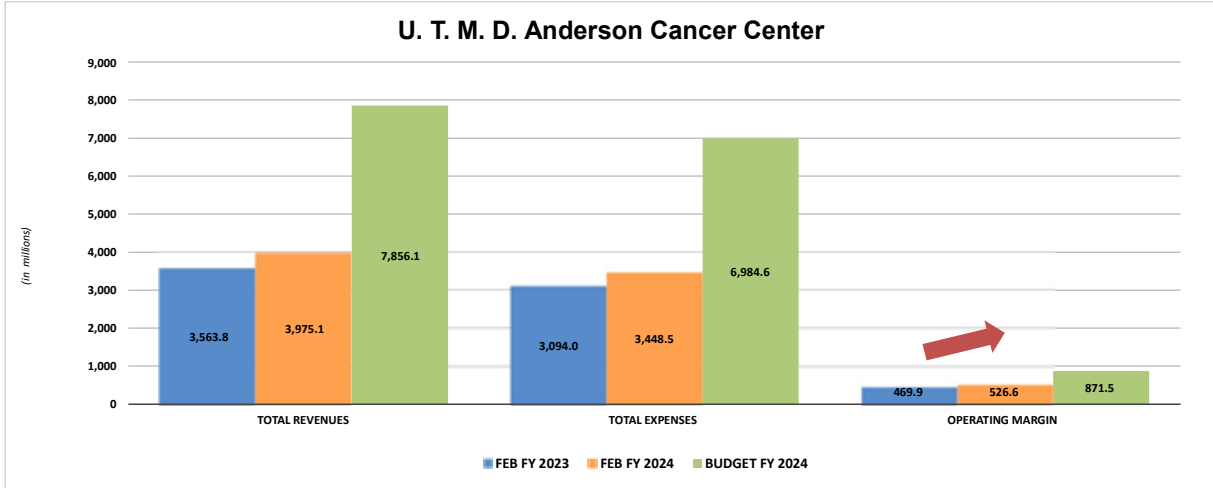
Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Clinical Revenues	\$ 174.6	182.1	7.5	380.1	381.8	1.7
Sponsored Programs/Nonexchange Sponsored Programs	245.5	282.2	36.7	586.6	586.9	0.3
State Appropriations	91.7	100.4	8.7	224.4	224.0	(0.5)
Net Tuition and Fees	27.7	29.9	2.2	61.3	61.1	(0.2)
Auxiliary Revenues/Sales & Services of Educational Activities	14.8	16.6	1.9	31.2	31.9	0.7
Net Investment Income	30.8	35.7	4.9	58.7	61.8	3.0
Other Operating Revenues/Gift Contributions for Operations	24.7	20.8	(3.9)	56.4	60.2	3.7
Total Revenues	609.7	667.6	57.9	1,398.8	1,407.6	8.8
Salaries and Wages/Payroll Related Costs	411.7	466.7	55.1	956.1	963.5	7.4
Utilities	8.8	10.8	2.0	20.9	21.7	0.8
Scholarships and Fellowships	5.2	5.7	0.5	14.1	14.1	0.0
Operations, Maintenance and Travel	164.5	190.2	25.7	391.2	391.8	0.5
Depreciation and Amortization	34.2	35.8	1.5	74.8	74.8	(0.0)
Total Expenses	624.5	709.2	84.7	1,457.2	1,466.0	8.8
Operating Margin	(14.8)	(41.5)	(26.8)	(58.4)	(58.4)	0.0
Cash Flow Margin (Excludes Depr & Amort Exp)	19.5	(5.8)	(25.3)	16.4	16.5	0.0

U. T. Health Science Center - San Antonio incurred a year-to-date cash flow margin loss of \$5.8 million, a decrease of \$25.3 million (130%) from the prior year. The decrease was primarily attributable to an increase in salaries and wages and payroll related costs as a result of an increase in clinical faculty and staff positions associated with clinical volume and research growth. The most current projection received from U. T. Health Science Center - San Antonio reflects a cash flow margin of \$16.5 million for the year.

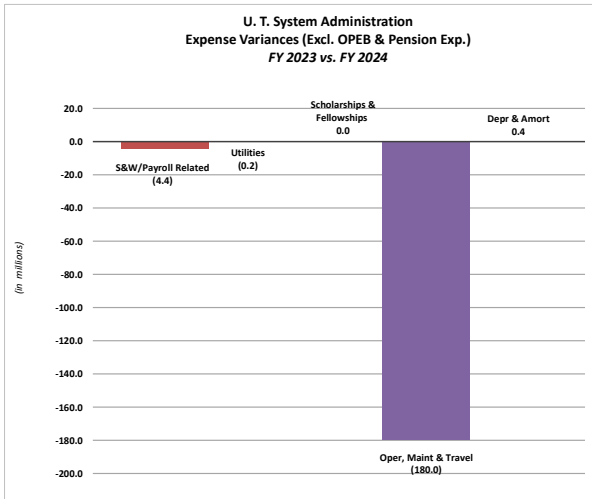
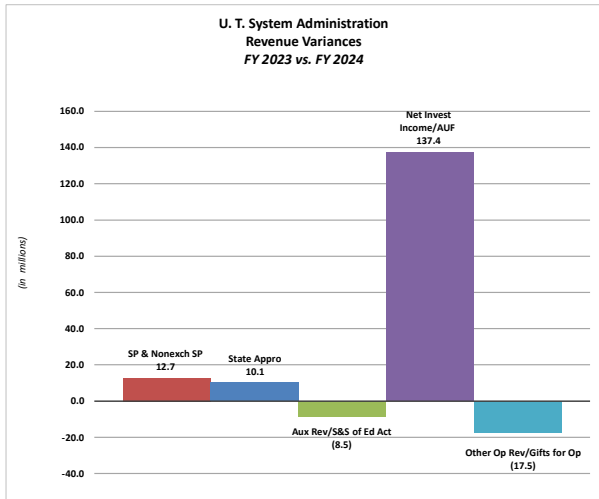
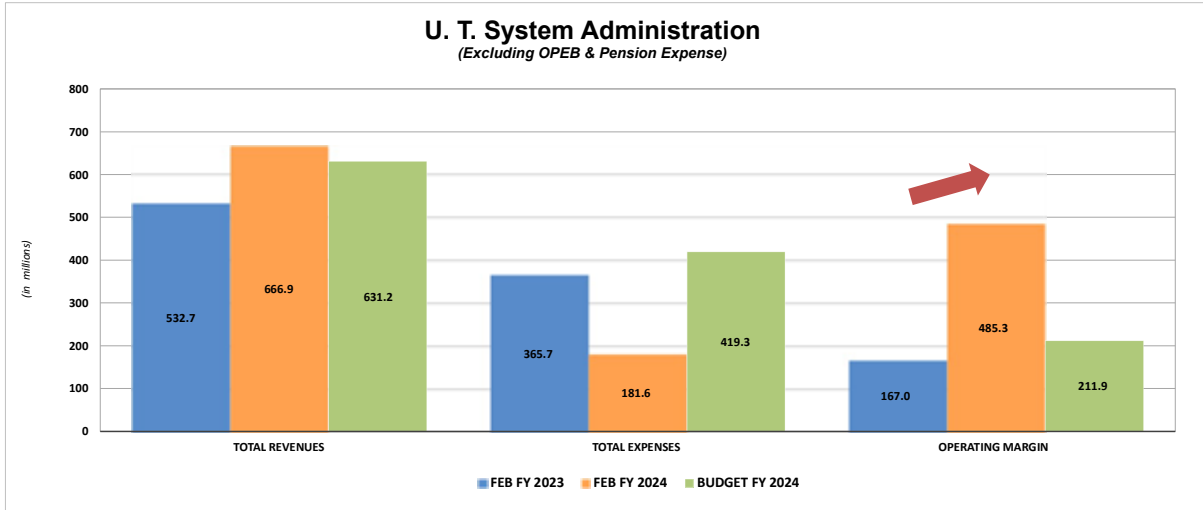
Monthly Financial Report
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(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Clinical Revenues	\$ 2,806.1	3,100.5	294.4	6,324.2	6,480.2	156.0
Sponsored Programs/Nonexchange Sponsored Programs	276.5	324.9	48.4	606.6	626.0	19.3
State Appropriations	104.6	113.7	9.1	223.0	223.0	0.0
Net Tuition and Fees	1.5	1.5	(0.0)	2.1	2.1	0.0
Auxiliary Revenues/Sales & Services of Educational Activities	20.4	22.3	1.9	41.1	41.1	0.0
Net Investment Income	227.3	268.8	41.5	400.8	450.0	49.2
Other Operating Revenues/Gift Contributions for Operations	127.5	143.3	15.9	258.2	281.9	23.7
Total Revenues	3,563.8	3,975.1	411.2	7,856.1	8,104.2	248.2
Salaries and Wages/Payroll Related Costs	1,724.9	1,953.2	228.3	3,642.0	3,747.0	105.0
Utilities	24.0	24.2	0.2	52.1	52.1	0.0
Scholarships and Fellowships	0.2	0.2	(0.0)	3.6	3.6	0.0
Operations, Maintenance and Travel	1,158.6	1,294.4	135.9	2,920.3	2,985.0	64.6
Depreciation and Amortization	186.2	176.5	(9.7)	366.4	366.4	0.0
Total Expenses	\$ 3,094.0	3,448.5	354.5	6,984.6	7,154.2	169.6
Operating Margin	469.9	526.6	56.7	871.5	950.1	78.6
Cash Flow Margin (Excludes Depr & Amort Exp)	656.1	703.1	47.0	1,237.9	1,316.5	78.6

U. T. M. D. Anderson Cancer Center reported a year-to-date positive cash flow margin of \$703.1 million, an increase of \$47.0 million (7%) from the prior year. The increase was primarily due to an increase in clinical revenues attributable to an increase in admissions, patient days, outpatient visits, and surgeries. The most current projection received from U. T. M. D. Anderson Cancer Center reflects a cash flow margin of \$1,316.5 million for the year.

Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 15.6	28.2	12.7	48.6	52.9	4.3
State Appropriations	3.5	13.6	10.1	29.4 *	27.2	(2.2)
Auxiliary Revenues/Sales & Services of Educational Activities	9.8	1.4	(8.5)	3.1	2.7	(0.3)
Net Investment Income/Available University Fund (AUF)	484.5	621.9	137.4	544.5	636.1	91.6
Other Operating Revenues/Gift Contributions for Operations	19.4	1.9	(17.5)	5.7	3.6	(2.2)
Total Revenues	532.7	666.9	134.1	631.2	722.5	91.3
Salaries and Wages/Payroll Related Costs	30.9	26.5	(4.4)	55.1	52.9	(2.1)
Utilities	0.2	0.1	(0.2)	0.5	0.1	(0.4)
Scholarships and Fellowships	0.1	0.1	0.0	2.3	0.2	(2.0)
Operations, Maintenance and Travel	323.1	143.1	(180.0)	343.9 *	304.3	(39.6)
Depreciation and Amortization	11.5	11.8	0.4	17.6	23.7	6.1
Total Expenses (Excluding OPEB & Pension Exp)	\$ 365.7	181.6	(184.1)	419.3	381.3	(38.0)
Operating Margin (Excluding OPEB & Pension Exp)	167.0	485.3	318.2	211.9	341.2	129.3
Cash Flow Margin (Excluding OPEB, Pension, Depr & Amort Exp)	178.5	497.1	318.6	229.5	364.9	135.4

*State appropriations and corresponding expense for TRB/CCAP for all U. T. institutions have been excluded.

Excluding OPEB, pension, and depreciation expense, U. T. System Administration reported a positive cash flow margin of \$497.1 million, an increase of \$318.6 million (178%) from the prior year. The increase was primarily attributable to the following: a decrease in operations, maintenance and travel as a result of a decrease in claims and losses, as well as a decrease in insurance costs/premiums, due to a change in methodology beginning in December 2023 related to the exclusion of service department revenue and expense to align with the budget, which is net of service department activity; and an increase in net investment income as a result of an increase in the Internal Lending Program (ILP) attributable to U. T. System Administration's termination of one of its fixed-payer swaps with Citibank. The most current projection, excluding OPEB, pension, and depreciation expense, reflects a cash flow margin of \$364.9 million for the year.

5. U. T. System: University Lands Update

Mr. Billy Murphy, 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

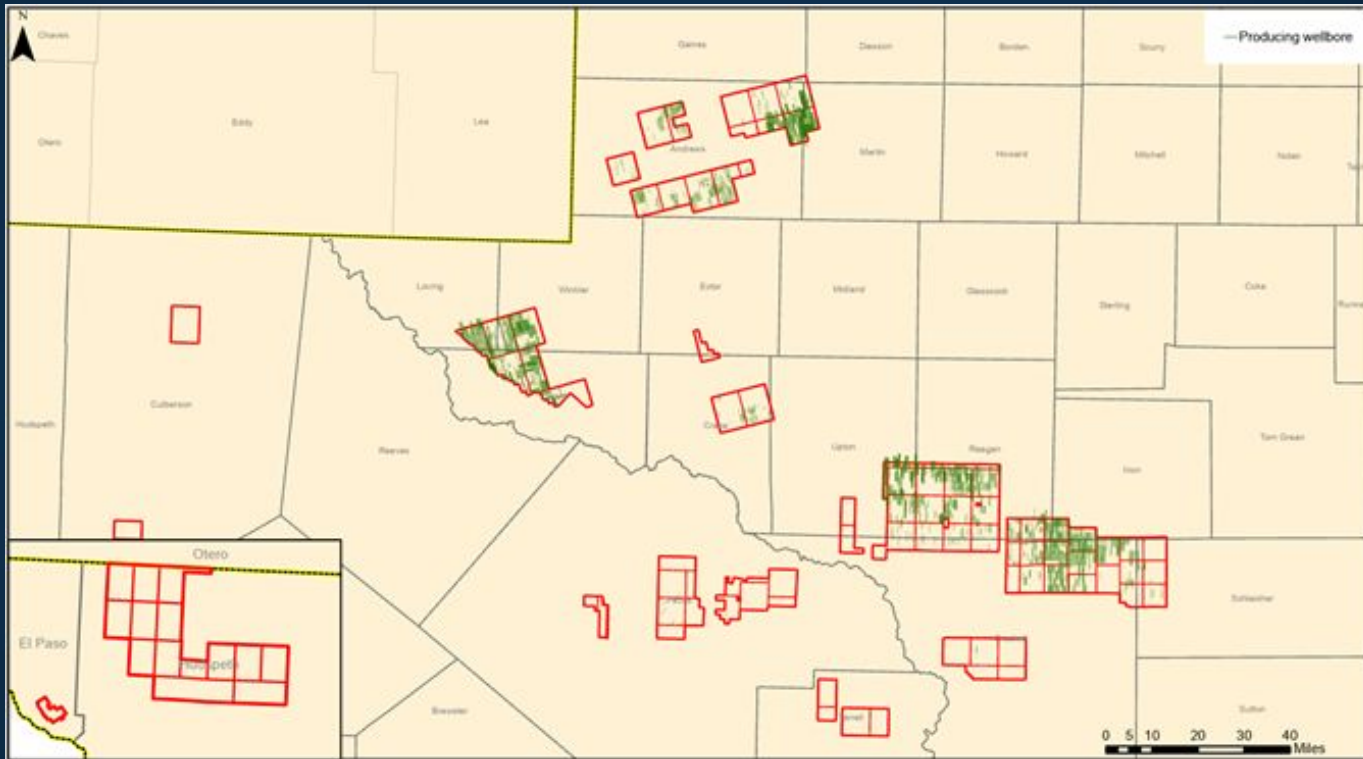
William R. “Billy” Murphy, Jr., Chief Executive Officer

U. T. System Board of Regents Meeting
Finance and Planning Committee
May 2024



The University of
Texas System

Oil & Gas Production on Permanent University Fund (PUF) Lands



FY 2024 Gross Oil Production and Average Oil Price

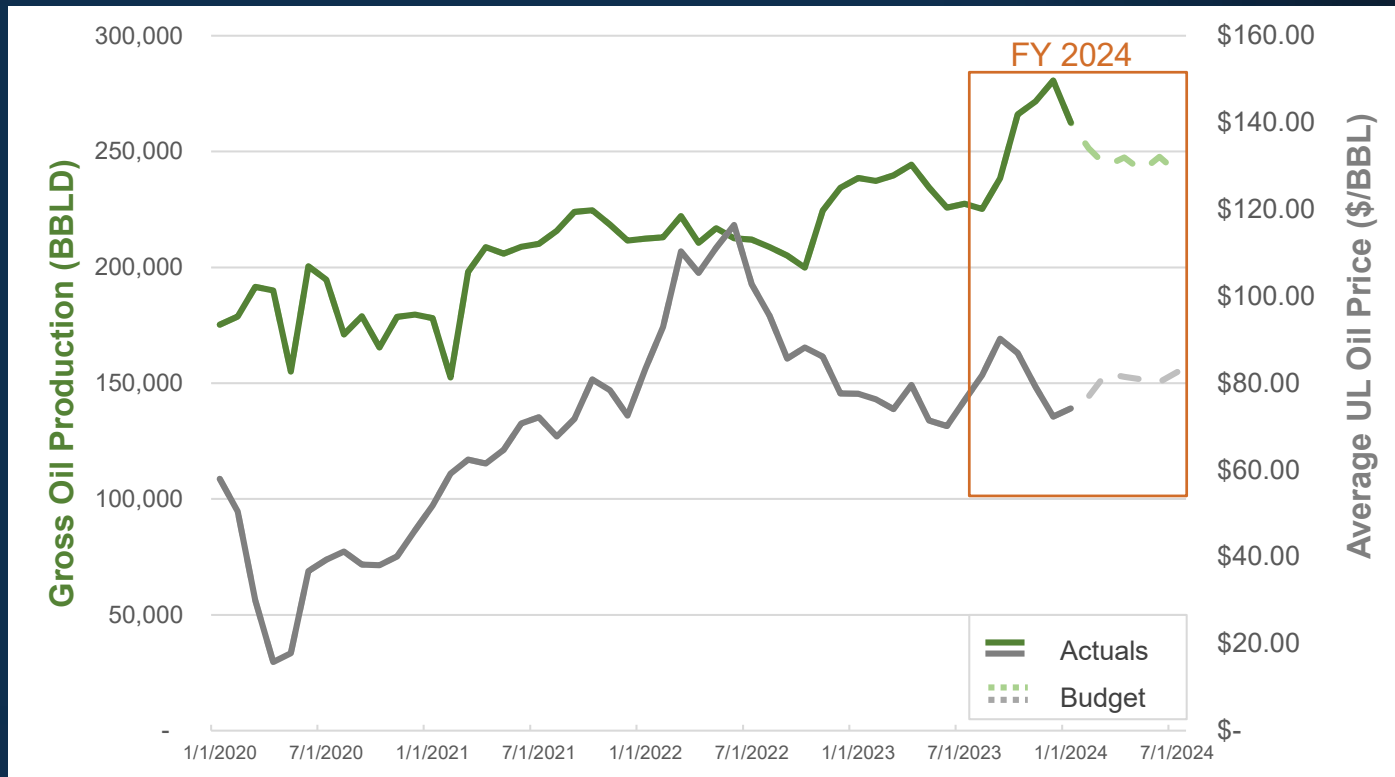
FY24 Projected Total
\$1.8B

Mineral Only
(oil and gas prod)
\$898M

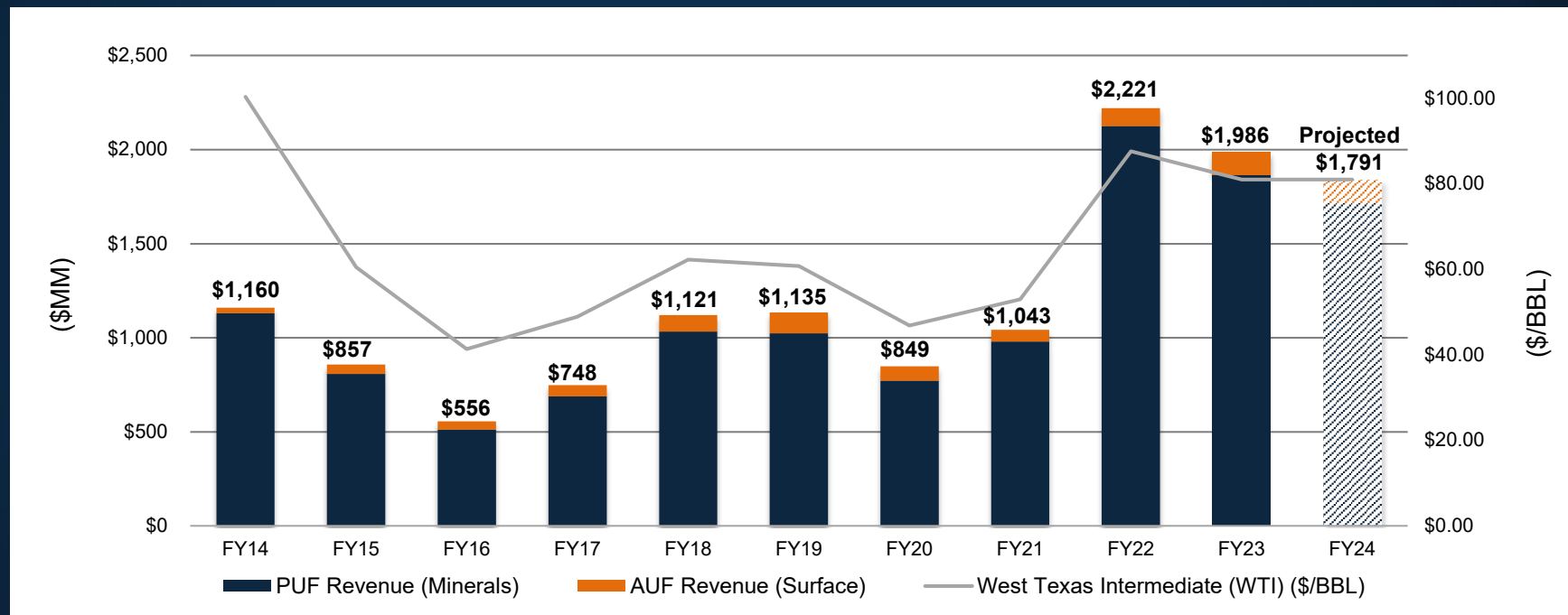
UL Oil Price Forecast
\$80

UL Dry Gas Forecast
\$1.50




UL NGL Forecast
\$22



Permanent University Fund (PUF) and Available University Fund (AUF) Revenue vs. Average Oil Price



University Lands Oil and Gas Market Environment

Production	
Oil Pricing	
Gas Pricing	

- Permian Basin remains the preferred basin for investment capital
- Current oil and liquids prices are sufficient to allow near term cash flows in unconventional oil plays
- Current gas price restrains development of gas prone areas

University Lands 2024 Priorities

Mission Statement

To maximize the revenue from the Permanent University Fund (PUF) Lands, protect the interests of The University of Texas System and promote awareness and sensitivity for the environment.

- Proactive approach to Southern Midland Basin Development
- Creation of dedicated Emerging Energy team
- Focus on surface strategies that enhance the ability to generate revenue for the AUF



TABLE OF CONTENTS FOR ACADEMIC AFFAIRS COMMITTEE

Committee Meeting: 5/8/2024

Board Meeting: 5/9/2024
Austin, Texas

Jodie Lee Jiles, Chairman
Christina Melton Crain
Robert P. Gauntt
Janiece Longoria
Nolan Perez
Stuart W. Stedman

	Committee Meeting	Board Meeting	Page
Convene	<i>2:00 p.m.</i> <i>Chairman Jiles</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	85
2. U. T. Rio Grande Valley: Approval to establish a Doctor of Optometry degree program	Action <i>President Bailey</i>	Action	86
3. U. T. System: Update on K-12 Pipeline and Transition Support Programs at U. T. System Academic Institutions	Report/Discussion <i>Dr. Holmes</i>	Not on Agenda	90
Adjourn	<i>2:30 p.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 Board will be asked to approve the Consent Agenda beginning on [Page 150](#).

2. U. T. Rio Grande Valley: Approval to establish a Doctor of Optometry degree program

RECOMMENDATION

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

- a. establish a Doctor of Optometry degree program at U. T. Rio Grande Valley; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

BACKGROUND INFORMATION

Program Description

The proposed Doctor of Optometry (OD) program is designed to prepare graduates to be eligible for national board examinations, state licensure, and entry into the practice of optometry. The program will provide professional doctoral-level education and training in diagnosing, monitoring, and treating conditions affecting the eye and ocular adnexa.

The degree program is structured as a four-year, full-time doctoral curriculum based on a medical education model. The curriculum will integrate classroom and practical clinical experience, providing students with the opportunity to work directly with patients in a supervised clinical setting. Basic science instruction will provide a foundation of knowledge in physical, biomedical, and behavioral sciences, while clinical instruction and practice will include didactic, laboratory, and supervised clinical experience in the examination, diagnosis, treatment, and management of patients.

The program will require 189 semester credit hours (SCH). In addition to the required coursework, students will have the option of completing electives in Spanish medical terminology and practice. All students will be required to successfully complete the same minimum number of hours for graduation. The degree program was intentionally modeled after the five optometry programs in the U.S. with the highest national board examination pass rates.

The curriculum will include problem-based learning, evidence-based medicine, anatomy, physics, neuroanatomy, physiology, pharmacology, and pathology, among other subjects. Students will participate in patient care rotations, experiencing approximately 1,500 patient encounters as they rotate through family practice, glaucoma, pediatrics, low vision, cornea and contact lens, medical eye rotations, and externships. Students will have the opportunity to experience specialty services such as pre- and post-operative surgical care, diabetes, dry eye, myopia control, vision therapy, neuro-optometric care, and work with special populations.

Need and Student Demand

According to the Health Professions Resource Center, there were 4,318 actively licensed optometrists providing care in Texas in 2022. While the optometrist workforce has grown by 11.4% since 2017, Texas still has fewer optometrists than the national average and areas of provider growth are uneven. Non-metropolitan areas and border areas lag significantly behind metropolitan and non-border areas, with metropolitan and non-border areas having at least twice the number of licensed optometrists per capita. By 2030, approximately 25% of the licensed optometrists in Texas will be at or past retirement age. Eleven percent of active licensed optometrists in Texas are currently over the age of 65.

Nationally, employment of optometrists is projected to grow 10% from 2021-2031, faster than average for all occupations. Long-term projections (2020-2030) for optometrists in Texas show a projected growth rate of 19%. Data show approximately 170 positions open annually in Texas and 1,700 open annually throughout the United States. Texas has a recognized statistical shortage of optometrists relative to the United States. According to the Bureau of Labor Statistics, the location quotient (a statistic used to measure a region's specialization relative to a larger geographic unit, in this case the state) for Texas is .76, and the location quotient for the Rio Grande Valley ranges from undefined (counties with no optometrists) to .44 for Cameron County to .76 for Hidalgo County.

Nationally, there are 23 accredited Doctor of Optometry programs at colleges/schools of optometry in the U.S. and Puerto Rico, with two schools located in Texas. Five-year graduation data for the two Texas programs show that they admit approximately 184 students per year and graduate between 154 and 168 students per year. The number of applicants exceeds the number of students admitted per year, with Association of Schools and Colleges of Optometry data showing that approximately 50% of in-state applicants are admitted to the two Texas programs, and approximately 42-45 Texas residents per year are leaving the state for OD education. Based on these data, U. T. Rio Grande Valley (UTRGV) expects to enroll approximately 40 students per year, increasing access for Texas students and alleviating the need for students to leave the state. Healthy enrollment in UTRGV undergraduate programs that prepare students for the OD program and an active UTRGV Pre-Optometry Society further indicate sufficient student demand for the UTRGV OD program.

Program Quality

The program will hire approximately fifteen (15) full-time equivalent faculty based on benchmarking and accreditation requirements. Recruitment and hiring will be targeted to achieve a student-to-faculty ratio that optimizes didactic and clinical learning opportunities. The hiring of the dean will begin in summer 2024. The dean will then hire the associate dean for academic affairs. These two positions are needed prior to beginning the self-study required for the Accreditation Council on Optometric Education accreditation process. The dean and associate dean for academic affairs will complete the self-study and hire a complement of faculty and administrators to join the program. Prior to program implementation, all faculty required for the first and second years of the curriculum will be identified. It is anticipated that all full-time faculty will be core faculty, with a mix of basic science and clinical faculty participating in the program. The program currently has in place one full-time, highly qualified clinical faculty member who participated in the development of the curriculum and identification of resources needed to launch a successful program. The program will also include part-time, clinical faculty as support faculty, primarily for the clinical components of the program. All clinical faculty are

expected to hold Doctor of Optometry degrees and to hold or be eligible for licensure in Texas at the time of hire. All basic science faculty are expected to hold a doctoral degree and be research active.

In addition to offering a high-quality Doctor of Optometry program modeled on the most successful optometry programs in the U.S. in terms of national board examination pass-rates, the program incorporates didactic and clinical curricula designed to meet the needs of the Rio Grande Valley and Texas by addressing issues of concern to the region and state such as diabetes and obesity. The program will collaborate with UTRGV's School of Medicine and South Texas Diabetes and Obesity Institute to conduct research and clinical activities to address these issues and improve the quality of life. Students and faculty will have the opportunity to be active participants in research and clinical activities, providing care, patient education, and outreach to the communities of the Rio Grande Valley. The curriculum includes optional electives designed to develop fluency in medical Spanish terminology and practice, providing graduates training to provide professional optometric services to patients in Spanish as well as in English. UTRGV's clinical practices across the region provide opportunities for students to work with a wide variety of patients, ensuring broad experience in optometric practice.

Revenue and Expenses

Expenses	5-Year Total
<i>Faculty</i>	
Salaries	\$13,582,228
Benefits	\$509,314
<i>Staff & Administration</i>	
Administrative Staff Salaries	\$4,113,485
Staff Benefits	\$493,619
<i>Other Expenses</i>	
Professional Associations/Accreditation	\$650,000
Equipment	\$2,767,361
Maintenance and Operations	\$2,810,339
Software Acquisition and Maintenance	\$1,000,000
Faculty Recruitment, Travel, Marketing	\$334,000
Total Expenses	\$26,260,346

Revenue	5-Year Total
<i>From Student Enrollment</i>	
Formula Funding	\$3,742,589
Tuition and Fees	\$5,817,454
<i>From Institutional Funds</i>	
Institutional Funds	\$14,970,303
<i>From Other Revenue Sources</i>	
Net Patient Care Collections	\$2,000,000
Total Revenue	\$26,530,346

Coordinating Board Criteria

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

3. **U. T. System: Update on K-12 Pipeline and Transition Support Programs at U. T. System Academic Institutions**

Executive Vice Chancellor Holmes will provide an overview of the efforts of U. T. System academic institutions in creating K-12 Pipeline and Transition Support Programs, using the PowerPoint presentation set forth on the following pages.

U. T. System K-12 Pipeline and Transition Support Programs

Dr. Archie Holmes, Executive Vice Chancellor for Academic Affairs

U. T. System Board of Regents Meeting
Academic Affairs Committee
May 2024



The University of
Texas System

U. T. System Student Success Continuum Model

Access to our Institutions
(Pre-matriculation & Matriculation)

The Educational Experience
(Persistence & Completion)

**Preparing Students for Post-
Graduation (Career & Personal)**

Approaches to Increasing Access to Our Institutions (Pre-matriculation & Matriculation)



Texas Academic Performance Report

	2018	2019	2022	2023	
SAT/ACT - % at/above criterion	38%	36%	32%	N/A	↓
Grade 8 Math - % at/above grade level	51%	57%	40%	46%	↓
Grade 8 Reading - % at/above grade level	49%	55%	58%	58%	↑
Grade 5 Math - % at/above grade level	58%	58%	48%	51%	↓
Grade 5 Reading - % at/above grade level	54%	54%	58%	57%	↑



Examples Across the System (more information in the Appendix)



The University of
Texas System

Spotlight: Harlingen Collegiate/UTRGV

The collegiate high school model takes the best aspects of a Texas Education Agency (TEA) designated early college high school without the ECHS designation and focuses on providing students the opportunity to begin a baccalaureate pathway.

Benefits include a smaller learning community, greater interaction with university faculty, and a focus on earning dual credit that can influence time-to-degree completion.

The development of this program and the creation of the campus was a direct result of the university responding to a need in the community and has served as a model for the creation of two other collegiate high school campuses.



The University of
Texas System

The University of Texas
Rio Grande Valley™

Spotlight: UTEP's ECHS Academic Success Center

The ECHS Academic Success Center supports ECHS students in their transition to UTEP, assists ECHS students from before admission to after graduation, and serves as a resource for ECHS counselors, faculty, and administration. Goals include improving the quality of the university experience for ECHS students, increasing the number of ECHS students attending UTEP, and preparing ECHS students for successful transition to postbaccalaureate studies or career engagement.

ECHS Pathways

- Accelerated: Graduates with an associate's degree prior to high school (HS) graduation, attends UTEP senior year of HS as an "accelerated student" (FAFSA is not yet available, but scholarships are).
- Traditional: Plans on attending UTEP after graduation with associate's degree and HS diploma.



The University of
Texas System



THE UNIVERSITY OF TEXAS AT EL PASO

Spotlight: OnRamps at U. T. Austin

OnRamps offers dual enrollment courses designed by The University of Texas at Austin faculty for high school students to engage in authentic college experiences and for their teachers to deepen their content knowledge and impact in the classroom.

Its mission is to increase the number of students who access and engage in learning experiences aligned with the expectations of leading research universities.

OnRamps partners with over 400 high schools at over 200 districts across Texas to deliver a variety of advanced academics and select CTE courses, with a goal to advance student success while lowering barriers to access and opportunity.



TEXAS
The University of Texas at Austin

Appendix



The University of
Texas System

Spotlight: UTA TRIO Programs

- UTA operates federally funded TRIO programs, including Education Talent Search, Upward Bound, Student Support Services, and more aimed at supporting low-income individuals, first-generation college students, and those with disabilities as they transition to postsecondary education.
- UTA TRIO staff begin supporting students during middle and high school and provide layered supports to students as they transition to UTA.



Spotlight: Advise TX at U. T. Austin

Advise TX places recent college graduates as full-time college advisers in Title One high schools in five regions of Texas. Funded by the Texas Higher Education Coordinating Board, the College Advising Corps, and the school districts served, Advise TX:

- is a near-peer model;
- works in partnership with colleges and universities across the state;
- employs advisers who serve the whole school, rather than a cohort of particular students, to foster a school-wide college-going culture;
- serves as a partner program within the College Advising Corps which includes national external evaluation; and
- focuses on best-fit colleges, encouraging students to attend best-fit schools.



The University of
Texas System



TEXAS

The University of Texas at Austin

Spotlight: UTD STEM Pipeline Programs

- Computer Science focused summer camps, weekend workshops, online clubs, programming contests and campus tours for K-12 students.
- Women In Physics Camp for rising 7th-9th graders, offering topics such as mechanics, rockets, and engineering.
- Academic Bridge Program, geared toward supporting high-performing, first-generation students who didn't receive a university-track curriculum.



**THE UNIVERSITY
OF TEXAS AT DALLAS**



The University of
Texas System

Spotlight: UTPB's Investment in Building a Local K-Career Pipeline

- UTPB collaborates with industry partners to identify local economic needs and opportunities and takes an active role in partnering with K-12 schools so that students are better prepared to enter college and the workforce in those areas.
- UTPB operates STEM programs like Engineering Unite summer camp to prepare K-12 students to enter UTPB in STEM majors.
- UTPB operates a Students' Thoughtful Response to Educational Attainment and Mentorship (STREAM) program aimed at recruiting education majors who will in turn, strengthen local schools.



Spotlight: UTSA's Mobile Go Center

- UTSA has launched a mobile computer lab that travels around the city in the spring to local high schools.
- UTSA added a second Mobile Go Center in 2022 (grant from Texas Pioneer Foundation).
- The Mobile Go Center staff help students complete college admissions and financial aid applications.



Spotlight: UTT Outreach Programs

- UTT College of Engineering hosts the Ratliff Relays for high school teams to compete in Cardboard Canoe and Robotics competitions.
- The National Public Health Week Health Fair provides opportunities and supports for high school students wanting to enter health professions.
- The East Texas High School Idea Challenge invites high school students to enter their innovative ideas into a competition.
- STEM-based camps at UTT Discovery Science Place for K-5, and Patriot Academic Camps from Arts and Music to Science and E-Sports.



Spotlight: SFA Summer Bridge & Transition Programs

- The Aspire Summer Bridge Program connects incoming students to social and academic resources before the start of their freshman year.
- The GenJacks program supports students who will be the first in their family to graduate from college with a bachelor's degree. The program includes a summer leadership academy, special courses, learning and social communities with fellow GenJacks students, and ongoing mentorship.



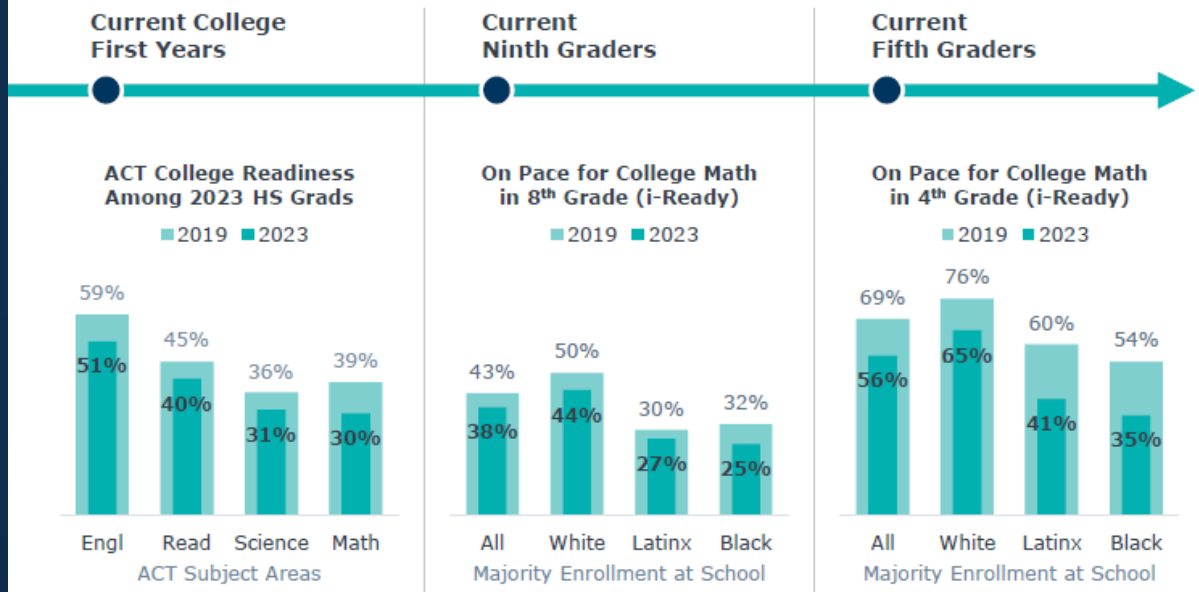
Long-Term Threat: Readiness Will Continue to Decline as Youngest of COVID Generation Arrive on Campus

It Will Get Worse Before it Gets Better

52

Gaps from Unfinished K-12 Learning Will Be Felt for Years to Come

Pre- and Post-COVID Math Readiness by Age Cohort



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Source: EAB analysis of data from Curriculum Associates' [State of Student Learning in 2023](#); ACT U.S. High School Class of 2023 Graduating Class Data; NAEP Scores 'Flashing Red' After a Lost Generation of Learning for 13-Year-Olds



The University of Texas System

Texas Academic Performance Report

	2018	2019	2021	2022	
College Ready	50.0%	53.0%	52.7%	52.9%	↑
Texas Success Initiative English Language Arts	58.2%	60.7%	56.1%	57.1%	↓
Texas Success Initiative Math	46.0%	48.6%	45.7%	48.2%	↑
Texas Success Initiative Both	42.1%	44.2%	40.4%	42.2%	=
Advanced Placement/ International Baccalaureate Any Subject	20.4%	21.1%	21.3%	20.5%	=
Associate Degree	1.4%	1.9%	2.6%	2.4%	↑
Dual Course Credits	20.7%	23.1%	25.9%	24.0%	↑
Onramps Course Credits	1.0%	2.3%	4.4%	4.4%	↑





TABLE OF CONTENTS FOR HEALTH AFFAIRS COMMITTEE

Committee Meeting: 5/8/2024

Board Meeting: 5/9/2024
Austin, Texas

Christina Melton Crain, Chairman
Robert P. Gauntt
Jodie Lee Jiles
Janiece Longoria
Nolan Perez
Stuart W. Stedman

	Committee Meeting	Board Meeting	Page
Convene	2:30 p.m. <i>Chairman Crain</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	110
Adjourn	2:45 p.m.		

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

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 150](#).



TABLE OF CONTENTS FOR FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

Committee Meeting: 5/8/2024

Board Meeting: 5/9/2024
Austin, Texas

Rad Weaver, Chairman
Christina Melton Crain
Robert P. Gauntt
Nolan Perez
Stuart W. Stedman
Kelcy L. Warren

	Committee Meeting	Board Meeting	Page
Convene	2:45 p.m. <i>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	113
2. U. T. M. D. Anderson Cancer Center: Biosciences Research Facility - Amendment of the current Capital Improvement Program to include project; approval of total project cost; approval of design development; and appropriation of funds and authorization of expenditure	Action <i>President Pisters</i>	Action	114
3. U. T. M. D. Anderson Cancer Center: Consolidated Service Center - Amendment of the current Capital Improvement Program to decrease total project cost; approval of design development; and appropriation of funds and authorization of expenditure	Action <i>President Pisters</i>	Action	118
4. U. T. M. D. Anderson Cancer Center: Northwest Houston Surgical and Specialty Care - Amendment of the current Capital Improvement Program to increase total project cost; approval of design development; and appropriation of funds and authorization of expenditure	Action <i>President Pisters</i>	Action	122
5. U. T. Austin: The Precursors - We Are Texas East Mall, Phase I - 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	125
6. U. T. Dallas: Naveen Jindal School of Management Phase III - Amendment of the current Capital Improvement Program to include project	Action <i>President Benson</i>	Action	127

	Committee Meeting	Board Meeting	Page
7. U. T. Dallas: Arts and Performance Complex - Performance Hall/Music Building, Phase II - Amendment of the current Capital Improvement Program to increase total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	Action <i>President Benson</i>	Action	130
8. U. T. Dallas: Student Success Center/Student Union - Approval of design development; and appropriation of funds and authorization of expenditure; and resolution regarding parity debt	Action <i>President Benson</i>	Action	134
9. U. T. San Antonio: Volleyball and Basketball Training Facility - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	Action <i>President Eighmy</i>	Action	138
10. U. T. Rio Grande Valley: New Student Housing and Dining - Amendment of the current Capital Improvement Program to include project; approval of total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	Action <i>President Bailey</i>	Action	142
11. U. T. Tyler: School of Nursing - Amendment of the current Capital Improvement Program to increase total project cost; approval to revise funding sources; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	Action <i>President Calhoun</i>	Action	146
Adjourn	<i>3:15 p.m.</i>		

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 150](#).

2. **U. T. M. D. Anderson Cancer Center: Biosciences Research Facility - Amendment of the current Capital Improvement Program to include project; approval of total project cost; approval of design development; and appropriation of funds and authorization of expenditure**

RECOMMENDATION

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

- a. amend the current CIP and approve a total project cost of \$335,000,000;
- b. approve design development plans; and
- c. appropriate funds and authorize expenditure of \$335,000,000 from Hospital Revenues.

BACKGROUND INFORMATION

Previous Actions

On January 22, 2020, the Chancellor approved the Centralize South Campus Vivarium project for Definition Phase with a total project cost of \$82,500,000. On March 8, 2021, the Chancellor revised the Definition Phase approval to revise the scope and increase the total project cost to \$400,000,000. On February 28, 2024, the Assistant Vice Chancellor for Capital Projects approved the project name change to Biosciences Research Facility.

Project Description

The proposed project will construct a one-of-a-kind vivarium facility of approximately 269,500 gross square feet (GSF), comprising three floors and a two-floor mechanical equipment penthouse that will initially provide capacity for 26,500 animals, research space, and the requisite supporting spaces and equipment. The scope of the project will also include demolition of an existing parking lot, a hazardous materials storage building, and an operation and maintenance building; site work encompassing utility infrastructure work, site flatwork, lighting, and landscaping; construction of the building shell and core; and the interior finish out of Floors 1 and 2. Approximately 78,000 gross square feet of shell space will be created by the project to be finished out under a future project.

Future phases, not included in this project, are anticipated to include the build-out of the shell space on Floor 3 and the horizontal construction expansion of an approximately 600,000 GSF single vivarium to house animals. This future expansion will allow the university to meet the needs of over 250 research faculty and institutional research platforms conducting cutting edge laboratory research to drive meaningful breakthroughs. Centralizing research laboratories and animals will make operations more efficient while simultaneously freeing up additional North

Campus space and real estate for more clinically focused applications.

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

**The University of Texas M. D. Anderson Cancer Center
Biosciences Research Facility**

Project Information

Project Number	703-1302
CIP Project Type	New Construction
Facility Type	Laboratory, General
Management Type	Institutional Management
Institution's Project Advocate	Vanessa Jensen, D.V.M., Chair of Veterinary Medicine and Surgery
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	269,500
Shell Space (GSF)	78,000

Project Funding

Hospital Revenues	<u>Proposed</u> <u>\$335,000,000</u>
Total Project Cost	<u>\$335,000,000</u>

Project Cost Detail

	Cost
Building Cost	\$221,000,000
Fixed Equipment	18,000,000
Site Development	10,000,000
Furniture and Moveable Equipment	20,000,000
Institutionally Managed Work	5,000,000
Architectural/Design Services	19,000,000
Project Management	9,000,000
CIP Support Services	-
Insurance	6,000,000
Other Professional Fees	8,000,000
Project Contingency	19,000,000
Other Costs	-
Total Project Cost	\$335,000,000

**The University of Texas M. D. Anderson Cancer Center
Biosciences Research Facility**
(continued)

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

Biosciences Research Facility (with 29% shell space)	\$820		
Biosciences Research Facility (Estimated Finish-Out)	\$987		
Texas Higher Education Coordinating Board Average - Laboratory, Medical/Healthcare	\$765		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$727	\$859	\$968
National Projects	\$738	\$1,006	\$1,198

Investment Metrics

- Enables consolidation of research community within the South Campus by 2028
- Increase in grant, industry, and philanthropic funding enhancing scientific output and attracting additional research talent by 2028

Project Planning

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

Project Milestones

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

Basis of Design

The planned building life expectancy includes the following elements:

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

3. U. T. M. D. Anderson Cancer Center: Consolidated Service Center - Amendment of the current Capital Improvement Program to decrease total project cost; 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 Health Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) and approve the recommendations for the Consolidated Service Center project at The University of Texas M. D. Anderson Cancer Center as follows:

- a. amend the current CIP to decrease the total project cost from \$159,000,000 to \$151,000,000;
- b. approve design development plans; and
- c. appropriate funds and authorize expenditure of \$151,000,000 from Hospital Revenues.

BACKGROUND INFORMATION

Previous Actions

On March 8, 2021, the Chancellor approved this project for Definition Phase as the Central Service Center project. On January 3, 2024, the Assistant Vice Chancellor for Capital Projects approved the project name change to Consolidated Service Center. On February 22, 2024, the project was included in the CIP with a total project cost of \$159,000,000 with funding from Hospital Revenues.

Project Description

The Consolidated Service Center (CSC) will be a free-standing, centralized hub and will be located on the institution's East Campus, designed and constructed to meet the institution's facility needs. The scope of the project will include site development, which encompasses utility infrastructure work; new construction of the exterior shell and core; and the interior finish-out of the facility.

The proposed decrease in total project cost is attributed to medical equipment being funded outside of the project and the decision to shell 13,400 gross square feet (GSF) of the 251,400 GSF facility to support long-term growth of the institution.

The current campus receiving and distribution system and its associated facilities have outgrown the capacity the system was configured to support. The CSC will provide secure, temperature-controlled centralized storage, and will enable better management of materials, expenses, and operations. The facility will provide a central location for key services that support institutional operations in the greater Houston area.

Key occupants of the CSC will include: Supply Chain Services, Pharmacy, Sterile Processing, Information Systems, Food and Nutrition Services, Pathology and Laboratory Medicine, and Clinical Engineering. The CSC is a key part of the institution's strategy for centralizing operations and vacating aged facilities as a precursor to realizing the goal of reinvigorating the institution's North Campus to serve as the hub for inpatient care.

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

Project Information

Project Number	703-1348
CIP Project Type	New Construction
Facility Type	Healthcare Facility, Hospital
Management Type	Institutionally Managed
Institution's Project Advocate	Ken Postma, Vice President for Ambulatory Operations and Clinical Infrastructure Development
Project Delivery Method	Design/Build
Gross Square Feet (GSF)	251,400
Shell Space GSF	13,400

Project Funding

	<u>Current</u>	<u>Proposed</u>
Hospital Revenues	<u>\$159,000,000</u>	<u>\$151,000,000</u>
Total Project Cost	<u>\$159,000,000</u>	<u>\$151,000,000</u>

Project Cost Detail

	Cost
Building Cost	\$97,300,000
Fixed Equipment	5,117,300
Site Development	8,600,000
Furniture and Moveable Equipment	4,275,000
Institutionally Managed Work	13,492,000
Architectural/Design Services	2,000,000
Project Management	5,250,000
Insurance	1,507,000
Other Professional Fees	1,400,000
Project Contingency	11,858,700
Other Costs	200,000
Total Project Cost	\$151,000,000

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

Consolidated Service Center (with 5% shell space)	\$387
Consolidated Service Center (Estimated Finish-Out)	\$414
Texas Higher Education Coordinating Board Average, Healthcare Facility Hospital	\$797
	Low Quartile Median High Quartile
Other U. T. System Projects	\$510 \$622 \$777
National Projects	\$680 \$917 \$1,408

**The University of Texas M. D. Anderson Cancer Center
Consolidated Service Center**
(continued)

Investment Metrics

- Support institution's strategy for replacing aged inpatient care facilities by 2027
- Support institution's strategy for increasing capacity for inpatient care within next 10 to 15 years

Project Milestones

Definition Phase Approval	March 2021
Addition to CIP	February 2024
Design Development Approval	May 2024
Construction Notice to Proceed	July 2024
Substantial Completion	May 2026
Final Completion	September 2026

Basis of Design

The planned building life expectancy includes the following elements:

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

4. **U. T. M. D. Anderson Cancer Center: Northwest Houston Surgical and Specialty Care - Amendment of the current Capital Improvement Program to increase total project cost; 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 Health Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) and approve the recommendations for the Northwest Houston Surgical and Specialty Care project at The University of Texas M. D. Anderson Cancer Center as follows:

- a. amend the current CIP and increase the total project cost from \$35,000,000 to \$66,500,000;
- b. approve design development plans; and
- c. appropriate funds and authorize expenditure of \$66,500,000 from Hospital Revenues.

BACKGROUND INFORMATION

Previous Actions

On July 5, 2021, the Chancellor approved the Champions Forest Facility for Definition Phase. On May 5, 2022, the Champions Forest Facility project was included in the CIP with a total project cost of \$35,000,000. On March 15, 2024, the Assistant Vice Chancellor for Capital Projects approved the project name change to Northwest Houston Surgical and Specialty Care.

Project Description

The original project scope included renovation to the acquired three-story facility to accommodate surgical, procedural and infusion services. The project also included construction of surface or above-grade parking. Initial renovations of approximately 28,400 GSF were completed, including space for outpatient surgery, short stay patients, patient and visitor waiting, sterile processing, phlebotomy, pharmacy, and clinical staff spaces. During this stage of work, several pre-existing conditions that did not comply with current institutional guidelines and standards were discovered and corrected, including replacement of chilled water system equipment, information technology, life safety, and security infrastructure systems.

The proposed total project cost increase includes the correction of similar deficiencies within the remaining renovation of approximately 37,800 GSF and the purchase of additional medical equipment. The remaining renovation will include space for patient access services, out-of-operating room procedure suite, infusion therapy, and additional space for outpatient surgery, phlebotomy, pharmacy, food and nutrition services staff, and building support.

This proposed repair and rehabilitation project has been approved by U. T. System staff and

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

**The University of Texas M. D. Anderson Cancer Center
Northwest Houston Surgical and Specialty Care**

Project Information

Project Number	703-1355
CIP Project Type	Repair and Rehabilitation
Facility Type	Healthcare Facility, Clinic
Management Type	Institutional Management
Institution's Project Advocate	Kent Postma, Vice President, Ambulatory Operations and Clinical Infrastructure Development
Project Delivery Method	Design/Build
Gross Square Feet (GSF)	66,200
Surface Parking	94 spaces

Project Funding

	<u>Current</u>	<u>Proposed</u>
Hospital Revenues	<u>\$35,000,000</u>	<u>\$66,500,000</u>
Total Project Cost	<u>\$35,000,000</u>	<u>\$66,500,000</u>

Project Cost Detail

	Cost
Building Cost	\$31,440,000
Fixed Equipment	7,500,000
Site Development - Parking	1,400,000
Furniture and Moveable Equipment	13,020,000
Institutionally Managed Work	100,000
Architectural/Design Services	6,000,000
Project Management	1,000,000
Insurance	700,000
Other Professional Fees	1,790,000
Project Contingency	3,550,000
Total Project Cost	\$66,500,000

Project Milestones

Definition Phase Approval	July 2021
Addition to CIP	May 2022
Design Development Approval	May 2024
Construction Notice to Proceed	October 2024
Substantial Completion	February 2026
Final Completion	April 2026

5. **U. T. Austin: The Precursors - We Are Texas East Mall, Phase I - 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 Precursors - We Are Texas East Mall, Phase I project at The University of Texas at Austin as follows:

- a. amend the current CIP and approve a total project cost of \$35,000,000; and
- b. appropriate funds of \$35,000,000 with funding of \$18,000,000 from Interest on Local Funds and \$17,000,000 from the Available University Fund.

BACKGROUND INFORMATION

Previous Action

On October 5, 2023, the Chancellor approved this project for Definition Phase.

Project Description

This proposed project will provide renovation to the landscape and hardscape of the East Mall. Revitalization of the East Mall will replace the current East Mall Fountain with a new fountain commemorating the Precursors and will significantly improve pedestrian access across a primary East-West axis. The Precursors project will honor the first undergraduate students to integrate U. T. Austin and will continue the work of creating an environment where students, faculty, and staff are fully supported before, during, and after their time at U. T. Austin.

The project will correct site drainage deficiencies by upgrading storm sewer infrastructure and will integrate needed landscape improvements by implementing rain gardens featuring lush vegetation to assist in water collection, by installing green stormwater infrastructure to treat new and redeveloped impervious cover, and by planting additional trees for shade. These improvements will provide a gateway between two significant academic and public use zones, namely the East Mall and Winship traffic circle. As funds allow future phases to further refresh the East Mall area between Speedway and Waller Creek may require additional approvals.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be presented to the President for approval at a later date. Pursuant to a 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
The Precursors - We Are Texas East Mall, Phase 1**

Project Information

Project Number	102-1501
CIP Project Type	Repair and Rehabilitation
Facility Type	Other
Management Type	Institutional Management
Institution's Project Advocate	Edmund T. Gordon, Professor and Executive Director of the Contextualization and Commemoration Initiative
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	45,000

Project Funding

Available University Fund	<u>Proposed</u> \$17,000,000
Interest on Local Funds	<u>\$18,000,000</u>
Total Project Cost	\$35,000,000

Project Cost Detail

	Cost
Building Cost	0
Fixed Equipment	\$ 1,805,360
Site Development	21,803,750
Furniture and Moveable Equipment	2,670,000
Institutionally Managed Work	882,500
Architectural/Design Services	2,170,000
Project Management	875,000
Insurance	448,200
Other Professional Fees	1,397,500
Project Contingency	1,050,000
Other Costs	1,897,690
Total Project Cost	\$35,000,000

Project Planning

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

Project Milestones

Definition Phase Approval	October 2023
Addition to CIP	May 2024
Design Development Approval	November 2024
Construction Notice to Proceed	December 2024
Substantial Completion	December 2026
Final Completion	February 2027

6. U. T. Dallas: Naveen Jindal School of Management Phase III - Amendment of the current Capital Improvement Program to include project

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 Naveen Jindal School of Management Phase III project at The University of Texas at Dallas.

BACKGROUND INFORMATION

Previous Action

On June 20, 2023, the Chancellor approved this project for Definition Phase.

Project Description

The proposed project will support the growing student enrollment in the Naveen Jindal School of Management (JSOM) by providing additional classrooms, meeting rooms, study areas, testing areas, and faculty offices. The four-story building will be constructed on an existing parking lot and will provide a direct connection to the existing JSOM buildings, provide dedicated spaces to support the JSOM student activities and programs, and provide outdoor private event space to serve faculty and staff.

Exterior improvements will include landscaping, irrigation, bicycle storage, lighting, sidewalks, and crosswalks. The project will also include a site utilization analysis to demonstrate future expansions and phasing of the new facility and adjacent facilities, as well as utility, and pedestrian connectivity.

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

**The University of Texas at Dallas
Naveen Jindal School of Management Phase III**

Project Information

Project Number	302-1468
CIP Project Type	New Construction
Facility Type	Classroom, General
Management Type	Office of Capital Projects
Institution's Project Advocate	Hasan Pirkul, Dean, Naveen Jindal School of Management
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	125,000

Project Funding

Revenue Financing System Bond Proceeds ¹	<u>Proposed</u> <u>\$98,000,000</u>
Total Project Cost	<u>\$98,000,000</u>

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from Designated Tuition

Project Cost Detail

	Cost
Building Cost	\$74,966,070
Fixed Equipment	1,033,930
Site Development	3,000,000
Furniture and Moveable Equipment	2,500,000
Institutionally Managed Work	1,650,000
Architectural/Design Services	6,312,950
Project Management	2,000,000
CIP Support Services	25,000
Insurance	1,593,000
Other Professional Fees	1,980,000
Project Contingency	2,939,050
Other Costs	-
Total Project Cost	\$98,000,000

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

Naveen Jindal School of Management, Phase III	\$600												
Texas Higher Education Coordinating Board Average – Classroom, General	\$633												
	<table border="1"> <thead> <tr> <th></th> <th>Low Quartile</th> <th>Median</th> <th>High Quartile</th> </tr> </thead> <tbody> <tr> <td>Other U. T. System Projects</td> <td style="text-align: right;">\$452</td> <td style="text-align: right;">\$567</td> <td style="text-align: right;">\$599</td> </tr> <tr> <td>Other National Projects</td> <td style="text-align: right;">\$486</td> <td style="text-align: right;">\$638</td> <td style="text-align: right;">\$904</td> </tr> </tbody> </table>		Low Quartile	Median	High Quartile	Other U. T. System Projects	\$452	\$567	\$599	Other National Projects	\$486	\$638	\$904
	Low Quartile	Median	High Quartile										
Other U. T. System Projects	\$452	\$567	\$599										
Other National Projects	\$486	\$638	\$904										

The University of Texas at Dallas
Naveen Jindal School of Management, Phase III
(continued)

Investment Metrics

- Support Strategic Plan by attracting talent for research opportunities, outreach programs, and partnerships 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	June 2023
Addition to CIP	May 2024
Design Development Approval	August 2024
Construction Notice to Proceed	November 2024
Substantial Completion	May 2026
Final Completion	June 2026

Basis of Design

The planned building life expectancy includes the following elements:

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

7. U. T. Dallas: Arts and Performance Complex - Performance Hall/Music Building, Phase II - Amendment of the current Capital Improvement Program to increase total project cost; 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 amend the current Capital Improvement Program (CIP) and approve the recommendations for the Arts and Performance Complex - Performance Hall/Music Building, Phase II project at The University of Texas at Dallas as follows:

- a. amend the current CIP to increase the total project cost from \$83,000,000 to \$93,750,000;
- b. approve design development plans;
- c. appropriate funds and authorize expenditure of \$93,750,000 with funding of \$50,000,000 from Gifts and \$43,750,000 from Revenue Financing System (RFS) Bond Proceeds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Dallas, 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 \$43,750,000.

BACKGROUND INFORMATION

Debt Service

The \$43,750,000 in RFS debt will be repaid from designated tuition. Annual debt service on the \$43,750,000 in RFS debt is expected to be \$2.4 million. The institution's Scorecard Rating of 2.4 at fiscal year-end 2023 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

Previous Actions

On August 12, 2019, the Chancellor approved this project for Definition Phase. On June 5, 2023, the Chancellor approved an updated Definition Phase for the Performance Hall/Music Building, Phase II project. On August 24, 2023, the project was included in the CIP with a total project cost of \$83,000,000 with funding of \$50,000,000 from Gifts and \$33,000,000 from RFS Bond Proceeds.

Project Description

This proposed Performance Hall/Music Building project is the second phase of the Arts and Performance Complex, a new arts district located on approximately nine acres of the southeastern edge of the campus. This project will include an approximately 700-seat performance hall, outdoor performance space with 300 seats, practice rooms, rehearsal rooms, offices, meeting spaces, and an exterior plaza. The project will be located adjacent to the Athenaeum building and take advantage of the natural site characteristics that incorporate underused areas into a center of creative activity on campus.

The proposed increase in total project cost is due to a 6,500 gross square foot increase in the building, an increase in material costs, and supply chain issues.

The Arts and Performance Complex is a planned arts district to include a museum, performance hall, and parking garage. The Athenaeum, Phase I project currently underway, will house the Trammell and Margaret Crow Museum of Asian Art, along with other galleries, offices, seminar rooms, and space for art storage and conservation. Additionally, the Athenaeum is intended to house the Edith O'Donnell Institute of Art History, the Dr. Brettell library collection, and gallery space for visiting exhibits.

**The University of Texas at Dallas
Arts and Performance Complex - Performance Hall/Music Building, Phase II**

Project Information

Project Number	302-1254B
CIP Project Type	New Construction
Facility Type	Auditorium/Theater
Management Type	Office of Capital Projects
Institution's Project Advocates	Inga H. Musselman, Provost and VP of Academic Affairs Calvin D. Jamison, VP Facilities and Econ Development Rafael Martin, VP and Chief of Staff Nils Roemer, Dean, Bass School of Arts, Humanities, and Technology
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	66,900

Project Funding

	<u>Current</u>	<u>Proposed</u>
Gifts ¹	\$50,000,000	\$50,000,000
Revenue Financing System Bond Proceeds ²	<u>\$33,000,000</u>	<u>\$43,750,000</u>
Total Project Cost	\$83,000,000	\$93,750,000

¹ Gifts are fully committed

² Revenue Financing System (RFS) Bond Proceeds to be repaid from designated tuition

Project Cost Detail

	Cost
Building Cost	\$66,824,201
Fixed Equipment	2,819,741
Site Development	4,505,058
Furniture and Moveable Equipment	1,000,000
Institutionally Managed Work	1,650,000
Architectural/Design Services	6,178,560
Project Management	2,500,000
CIP Support Services	25,000
Insurance	1,346,000
Other Professional Fees	3,374,435
Project Contingency	3,027,005
Other Costs	500,000
Total Project Cost	\$93,750,000

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

Performance Hall/Music Building, Phase II	\$999
The U. T. Permian Basin Wagner Noel Performing Arts Center	\$976
	Low Quartile Median High Quartile
National Projects	\$606 \$849 \$946

The University of Texas at Dallas
Arts and Performance Complex - Performance Hall/Music Building, Phase II
(continued)

Investment Metrics

- Support Strategic Plan by attracting talent and enriching the student experience by 2026
- Support Strategic Plan by enriching the Arts and engaging globally by 2026
- Support Strategic Plan by advancing research and becoming an economic engine for the region by 2026

Project Milestones

Definition Phase Approval	August 2019
Addition to CIP	August 2023
Design Development Approval	May 2024
Construction Notice to Proceed	May 2024
Substantial Completion	July 2026
Final Completion	August 2026

Basis of Design

The planned building life expectancy includes the following elements:

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

8. **U. T. Dallas: Student Success Center/Student Union - Approval of design development; and 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 Student Success Center/Student Union project at The University of Texas at Dallas as follows:

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$292,500,000 with funding of \$198,000,000 from Revenue Financing System (RFS) Bond Proceeds, \$52,409,972 from Capital Construction Assistance Project (CCAP) Bond Proceeds, \$42,000,000 from Permanent University Fund (PUF) Bond Proceeds, and \$90,028 from Designated Funds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Dallas, 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 \$198,000,000.

BACKGROUND INFORMATION

Debt Service

The \$198,000,000 in RFS debt will be repaid from designated tuition. Annual debt service on the \$198,000,000 in RFS debt is expected to be \$11.0 million. The institution's Scorecard Rating of 2.4 at fiscal year-end 2023 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

Previous Actions

On June 17, 2022, the Chancellor approved the Student Success Center/Student Union Phases I and II project for Definition Phase. On August 24, 2023, the Student Success Center/Student Union Phase I project was included in the CIP with a total project cost of \$105,000,000 with funding of \$52,409,972 from CCAP Bond Proceeds, \$42,000,000 from PUF Bond Proceeds, \$10,500,000,000 from RFS Bond Proceeds, and \$90,028 from Designated Funds. On

November 16, 2023, Phase II was added to the project with a total project cost of \$187,500,000 from RFS Bond Proceeds, for a combined total project cost of \$292,500,000 for Phases I and II.

Project Description

The Student Success Center/Student Union project will provide the campus with a four-story, approximately 359,297 GSF student-focused gathering place that cultivates a welcoming, dynamic, and collaborative learning community. Co-locating the Student Success Center with the Student Union will achieve efficient and effective coordination and will serve as a model for leveraging the synergies among diverse departments to the overall benefit of the student body.

The Student Success Center will include classrooms, a 400-seat lecture hall, the Office of Undergraduate Education, the Honors College, the Office of Graduate Education, the Education Abroad Office, the Center for Teaching and Learning, and the Office of Instructional Technology, meeting spaces, and administration and support space. Programmatic spaces for the Student Union will include a large event space with a pre-function lounge, student government offices, the Student Wellness Center, the Office of Student Volunteerism, the Student Union Activities Advisory Board, Building Services, and a retail food hall and display gallery.

**The University of Texas at Dallas
Student Success Center/Student Union**

Project Information

Project Number	302-1414
CIP Project Type	New Construction
Facility Type	Student Center
Management Type	Office of Capital Projects
Institution's Project Advocate	Inga Musselman, VP of Academic Affairs and Provost Gene Fitch, VP of Student Affairs
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	359,297

Project Funding

	<u>Proposed</u>
Capital Construction Assistance Project Bond Proceeds	\$ 52,409,972
Permanent University Fund Bond Proceeds	42,000,000
Revenue Financing System Bond Proceeds ¹	198,000,000
Designated Funds	<u>90,028</u>
Total Project Cost	<u>\$292,500,000</u>

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from Student Fees and Designated Tuition

Project Cost Detail

	Cost
Building Cost	\$219,298,345
Fixed Equipment	10,926,689
Site Development	9,774,966
Furniture and Moveable Equipment	7,600,000
Institutionally Managed Work	5,800,000
Architectural/Design Services	17,238,425
Project Management	3,700,000
CIP Support Services	25,000
Insurance	4,912,250
Other Professional Fees	4,300,000
Project Contingency	8,924,325
Total Project Cost	\$292,500,000

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

Student Success Center/Student Union	\$610
Texas Higher Education Coordinating Board Average - Student Center	\$1,238
	Low Quartile Median High Quartile
Other U. T. System Projects	\$390 \$481 \$616
National Projects	\$494 \$659 \$781

**The University of Texas at Dallas
Student Success Center/Student Union**
(continued)

Investment Metric

- Support Strategic Plan by enriching the student experience by 2026

Project Milestones

Definition Phase Approval	June 2022
Addition to CIP	August 2023
Design Development Approval	May 2024
Construction Notice to Proceed	May 2024
Substantial Completion	October 2026
Final Completion	November 2026

Basis of Design

The planned building life expectancy includes the following elements:

Enclosure: 50 years

Building Systems: 25 years

Interior Construction: 25 years

9. U. T. San Antonio: Volleyball and Basketball Training 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 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 Volleyball and Basketball Training Facility project at The University of Texas at San Antonio as follows:

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$35,000,000 with funding of \$15,000,000 from Revenue Financing System (RFS) Bond Proceeds, \$10,000,000 from Designated Funds, and \$10,000,000 from Grants; 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. 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 \$15,000,000.

BACKGROUND INFORMATION

Debt Service

The \$15,000,000 in RFS debt will be recovered from athletics gifts and reserves, conference distributions, and corporate sponsorships. Annual debt service on the \$15,000,000 in RFS debt is expected to be \$836,000. The institution's Scorecard Rating of 3.3 at fiscal year-end 2023 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

Previous Actions

On January 6, 2022, the Chancellor approved the Basketball and Volleyball Training Facility project for Definition Phase. On January 2, 2024, the Assistant Vice Chancellor for Capital Projects approved the project name change to Volleyball and Basketball Training Facility. On February 22, 2024, the project was included in the CIP with a total project cost of \$35,000,000 with funding of \$15,000,000 from RFS Bond Proceeds, \$10,000,000 from Designated Funds, and \$10,000,000 from Grants.

Project Description

The proposed project will be located adjacent to the recently completed Roadrunner Athletic Center of Excellence (RACE) on the west part of the main campus and will house the daily operations of the Men's and Women's Basketball and the Women's Volleyball programs. This two-story facility will provide all practice facility amenities associated with top-tier NCAA Division 1 basketball and volleyball programs. Each program will have its own practice court, team locker room with shower space, film review room, team lounge area, and program office spaces for coaching staff. Programs will share strength and conditioning facilities, hydrotherapy facilities, and equipment and laundry facilities.

U. T. San Antonio's current athletic facilities are aging and do not adequately meet student needs, nor are they on par with other Division I institutions. The project will support the Roadrunner Volleyball and Basketball teams in their continued growth in the American Athletic Conference. Occupation of this building by those programs will free up 58,400 GSF in the Intercollegiate Athletics Building for more efficient and effective space utilization in the student-centric campus core, to support the growth needs of research and academic spaces.

**The University of Texas at San Antonio
Volleyball and Basketball Training Facility**

Project Information

Project Number	401-1394
CIP Project Type	New Construction
Facility Type	Athletic
Management Type	Institutional Management
Institution's Project Advocates	Veronica Salazar, Executive Vice President for Business Affairs and Chief Enterprise Development Officer Lisa Campos, Vice President for Intercollegiate Athletics
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	51,900

Project Funding

	<u>Current</u>
Revenue Financing System Bond Proceeds ¹	\$15,000,000
Designated Funds	10,000,000
Grants ²	<u>10,000,000</u>
Total Project Cost	\$35,000,000

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from athletics gifts and reserves, conference distributions, and corporate sponsorships

² Grant funding from Bexar County and City of San Antonio Bonds

Project Cost Detail

	Cost
Building Cost	\$24,810,150
Fixed Equipment	1,160,000
Site Development	1,250,000
Furniture and Moveable Equipment	1,100,000
Institutionally Managed Work	50,000
Architectural/Design Services	2,837,350
Project Management	1,025,000
CIP Support Services	262,500
Insurance	505,000
Other Professional Fees	380,000
Project Contingency	1,500,000
Other Costs	120,000
Total Project Cost	\$35,000,000

**The University of Texas at San Antonio
Volleyball and Basketball Training Facility**
(continued)

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

Volleyball and Basketball Training Facility	\$478		
Texas Higher Education Coordinating Board Average – Athletics	\$505		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$379	\$470	\$631
National Projects	\$362	\$441	\$717

Investment Metrics

- Free 58,400 GSF in the Intercollegiate Athletics Building to support growth needs in research and academics by 2027
- Serve as hub for over 350 student-athletes participating in 17 NCAA Division 1 sports programs at UTSA by 2027

Project Milestones

Definition Phase Approval	January 2022
Addition to CIP	February 2024
Design Development Approval	May 2024
Construction Notice to Proceed	January 2025
Substantial Completion	August 2026
Final Completion	November 2026

Basis of Design

The planned building life expectancy includes the following elements:

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

10. **U. T. Rio Grande Valley: New Student Housing and Dining - Amendment of the current Capital Improvement Program to include project; approval of total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

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 New Student Housing and Dining project and approve the recommendations for the project at The University of Texas Rio Grande Valley as follows:

- a. amend the CIP to include project with a total project cost of \$135,500,000;
- b. approve design development plans;
- c. appropriate funds and authorize expenditure of \$135,500,000 from Revenue Financing System (RFS) Bond Proceeds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Rio Grande Valley, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$135,500,000.

BACKGROUND INFORMATION

Debt Service

The \$135,500,000 in RFS debt will be repaid from auxiliary revenues from student housing and food service sales. Annual debt service on the \$135,500,000 in RFS debt is expected to be \$7.54 million. The institution's Scorecard Rating of 4.4 at fiscal year-end 2023 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

Previous Actions

On June 29, 2023, the Chancellor approved the New Student Housing project for Definition

Phase. On March 27, 2024, the Assistant Vice Chancellor for Capital Projects approved the name change to New Student Housing and Dining project.

Project Description

The proposed project will construct a residence hall to provide 550 beds. This facility will feature various common areas tailored for study and community-building activities. Designed to facilitate meaningful interactions that build community and foster connections, the new residence hall will offer double, single, and premium single bed units configured in community pods around shared collaboration spaces. The project will also include a dining facility with seating capacity for 500 students.

Located at the intersection of North Sugar Road and West Van Week Street on the western edge of the Edinburg campus, the new facility will be adjacent to existing housing communities and the Vaquero Dining Hall.

This proposed project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP.

**The University of Texas Rio Grande Valley
New Student Housing and Dining**

Project Information

Project Number	903-1470
CIP Project Type	New Construction
Facility Type	Housing
Management Type	Office of Capital Projects
Institution's Project Advocate	Maggie Hinojosa, Senior VP - Strategic Enrollment
Project Delivery Method	Construction Manager-at-Risk
Student Housing Gross Square Feet (GSF)	141,540
Dining Hall GSF	32,737

Project Funding

Revenue Financing System Bond Proceeds ¹	<u>Proposed</u> <u>\$135,500,000</u>
Total Project Cost	<u>\$135,500,000</u>

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from auxiliary revenues from student housing and food service sales

Project Cost Detail

	Cost
Building Cost	
Student Housing	\$75,000,000
Dining Hall	31,400,000
Fixed Equipment	1,750,000
Site Development	2,482,522
Furniture and Moveable Equipment	2,500,000
Institutionally Managed Work	5,250,000
Architectural/Design Services	7,135,000
Project Management	1,685,600
CIP Support Services	25,000
Insurance	2,094,250
Other Professional Fees	1,875,000
Project Contingency	4,302,628
Other Costs	-
Total Project Cost	\$135,500,000

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

New Student Housing (only)	\$136,364
Texas Higher Education Coordinating Board Average – Facility Type	\$137,484
	Low Quartile Median High Quartile
Other U. T. System Projects	\$117,030 \$135,161 \$158,732
Other National Projects	\$110,302 \$141,165 \$179,106

The University of Texas Rio Grande Valley
New Student Housing and Dining
(continued)

Investment Metrics

- Increase on-campus student housing in Edinburg from 810 to 1,160 beds by 2026 and 1,360 beds by 2027

Undergraduate Student Housing Statistics

Waiting list for on-campus housing	300
Total number of beds added in this project	550
Units to be demolished in this project	0
Total number of beds on campus after completion	1,360

Project Planning

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

Project Milestones

Definition Phase Approval	June 2023
Addition to CIP	May 2024
Design Development Approval	May 2024
Construction Notice to Proceed	July 2024
Substantial Completion	November 2026
Final Completion	February 2027

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50 years
- Building Systems: 40 years
- Interior Construction: 15 years

11. **U. T. Tyler: School of Nursing - Amendment of the current Capital Improvement Program to increase total project cost; approval to revise funding sources; 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 School of Nursing project at The University of Texas at Tyler as follows:

- a. amend the current Capital Improvement Program (CIP) to increase the total project cost from \$35,000,000 to \$50,500,000;
- b. revise funding sources to include Revenue Financing System (RFS) Bond Proceeds;
- c. appropriate funds and authorize expenditure of \$15,500,000 from RFS Bond Proceeds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Tyler, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$15,500,000.

BACKGROUND INFORMATION

Debt Service

The \$15,500,000 in RFS debt will be repaid from designated tuition. Annual debt service on the \$15,500,000 in RFS debt is expected to be \$863,000. The institution's Scorecard Rating of 4.8 at fiscal year-end 2023 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

Previous Actions

On May 5, 2022, the Chancellor approved the Nursing Addition and Renovation project for Definition Phase. On November 14, 2019, the Board approved an allocation of \$35,000,000 in PUF Bond Proceeds for this project. On August 25, 2022, the project was included in the CIP with a total project cost of \$35,000,000 with funding from PUF Bond Proceeds. On February 23, 2023, the Board approved design development and appropriation and expenditure of funds. On January 25, 2024, the Associate Vice Chancellor Capital Projects approved the renaming of the project to the School of Nursing.

Project Description

The original project included a two-story addition with classrooms, clinical training spaces, simulation spaces for ICU, labor and delivery, pediatric training spaces, and nurses' stations, offices, and support space to provide state-of-the-art spaces and increase efficiency of the facility to improve operations for the nationally ranked nursing program in one of the most underserved regions of Texas. The 48,162 gross square foot (GSF) addition was to include approximately 21,826 GSF of shell space on the second floor. The project also included renovation of 9,641 GSF in the existing School of Nursing to provide student commons space, student kitchen, advising offices, and a direct connection between the new addition and the existing building.

The proposed increase in total project will complete the build-out of the second floor, and renovation of an additional 34,404 GSF of space in the previously existing building will include a large lecture hall, research suite, student affairs/community engagement suite, dean suite, conference rooms, health and wellness suite, student organization spaces, student success space, and storage.

**The University of Texas at Tyler
School of Nursing**

Project Information

Project Number	802-1406
CIP Project Type	Repair and Rehabilitation
Facility Type	Classroom, General
Management Type	Office of Capital Projects
Institution's Project Advocates	Daniel Deslatte, Senior VP - Business Affairs; Chief Operating Officer - Health Affairs Dr. Barbara Haas, Dean, School of Nursing
Project Delivery Method	Construction Manager-at-Risk
New Construction Gross Square Feet (GSF)	48,162
Renovation GSF	44,045

Project Funding

	<u>Current</u>	<u>Proposed</u>
Permanent University Fund Bond Proceeds	\$35,000,000	\$35,000,000
Revenue Financing System Bond Proceeds ¹	<u>0</u>	<u>\$15,500,000</u>
Total Project Cost	\$35,000,000	\$50,500,000

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from Designated Tuition

Project Cost Detail

	Cost
Building Cost	
Nursing Addition, including 2 nd Floor Finish Out	\$29,763,936
Expanded Renovation	5,610,474
Site Development	2,400,000
Furniture and Moveable Equipment	2,200,000
Institutionally Managed Work	3,241,317
Architectural/Design Services	2,923,634
Project Management	1,500,000
CIP Support Services	350,000
Insurance	530,000
Other Professional Fees	1,101,333
Project Contingency	879,306
Total Project Cost	\$50,500,000

Investment Metrics

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

**The University of Texas at Tyler
School of Nursing**
(continued)

Project Milestones

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

Basis of Design

The planned building life expectancy includes the following elements:

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



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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 February 21-22, 2024; and the special called meetings held February 16, 2024, February 22, 2024, and March 18, 2024

- 2. Other Matters - U. T. System: Approval of Newly Commissioned Peace Officers

In accordance with Section 51.203 of the *Texas Education Code*, the Board is asked to approve the Commissioning of the following Peace Officers. The Officers have completed training at the U. T. System Police Training Academy and passed the State of Texas Police Officer Licensing Examination, effective March 15, 2024.

<u>Name</u>	<u>Institution</u>
Michael D. Brandt	U. T. Austin
Alexis C. Brunson	U. T. Austin
Dylan A. Moore	U. T. Austin
Alec E. Villalobos	U. T. Austin
Savanna M. Woodruff	U. T. Austin
David A. Serna	U. T. Rio Grande Valley
William Chang	U. T. San Antonio
Johnny R. Reed	Stephen F. Austin State University
Hayden P. Hughes	U. T. Health Science Center - Houston
Patrick E. Moore	U. T. Health Science Center - Houston
Merlina R. Shorter	U. T. Health Science Center - Houston

AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE

3. Resolution - U. T. System Board of Regents: Adoption of resolution to contract with Zurich American Insurance Company and affiliates, Schaumburg, Illinois, and to guarantee payments under The University of Texas System's Owner Controlled Insurance Program (OCIP) for the Clinical Services Building (CSB) construction project managed by The University of Texas M. D. Anderson Cancer Center

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

RESOLUTION

WHEREAS, Zurich American Insurance Company and affiliates (Zurich), will insure The University of Texas System (U. T. System) and other persons under the OCIP for the CSB construction project managed by The University of Texas M. D. Anderson Cancer Center;

WHEREAS, Pursuant to this OCIP, Zurich will issue one or more workers' compensation insurance policies and comprehensive general liability insurance policies that contain deductibles of \$250,000 per claim subject to a maximum of \$375,000 per occurrence that include allocated costs and indemnity payments; however, such deductibles are subject to a minimum aggregate limit based on \$830,568,485 in construction value at a rate of \$3.634772 per \$1,000 of construction value; and

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

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

RESOLVED, That the Board represents and warrants to Zurich that the funds necessary to reimburse Zurich for the aggregate deductible liability of the insured for the OCIP are included in the appropriations for The University of Texas M. D. Anderson Cancer Center CSB construction project heretofore approved by the Board.

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

FINANCE AND PLANNING COMMITTEE

4. Contract (funds going out) - U. T. System: TouchNet Information Systems, Inc., to provide central payment hub for an e-commerce system for U. T. institutions

Agency: TouchNet Information Systems, Inc.

Funds: Anticipated total cost expected to exceed \$3,000,000 over life of the contract

Period: February 13, 2023 through February 12, 2026

Description: This nonexclusive Systemwide Agreement will allow each U. T. institution to obtain payment processing services on an as-needed basis. TouchNet Payment Gateway Suite is a central payment hub for an e-commerce system utilized for student payment processing in conjunction with student information systems. It consists of a core of transaction management routines, integration software, administration support routines, and Credit Card, Automated Clearing House (ACH), Debit Card Engines, and Campus Card payment methods. This is a common tool used to safely integrate and process payments. This contract allows the U. T. institutions to purchase the needed components of the software for business needs.

The Agreement has an unspecified cost or monetary value, but is expected to exceed the institutional threshold and is being placed on the Consent Agenda in accordance with Regents' *Rules and Regulations*, Rule 10501, Section 3.1.1. The U. T. System Office of Finance will monitor the spend over the life of the Agreement.

5. Contract (funds going out) - U. T. System: Extension of Agreement for Huron Consulting Services LLC to continue hosting online Effort Certification and Reporting Tool (ECRT) software

Agency: Huron Consulting Services LLC (Huron)

Funds: \$2,497,812 for the extension term; \$6,789,812 over the full contract term

Period: January 1, 2024 through December 31, 2028; subject to any affected U. T. institution terminating its participation earlier, at will, on 30 days' notice to Huron

Description: On November 9, 2007, the Board approved a U. T. System contract to license Huron's Effort Certification and Reporting Tool (ECRT) software for use by U. T. institutions. The software supports compliance with federal regulations on reporting time and effort expended by faculty and staff on research projects and in other professional activities (teaching, patient care, etc).

The ECRT software was initially hosted at U. T. M. D. Anderson Cancer Center. In October 2011, U. T. System transferred ECRT hosting responsibilities to Huron. On May 14, 2015, the Board approved the expenditure of up to \$1,300,000 to pay aggregate fees from inception of the hosting agreement through Calendar Year 2015. On May 12, 2016, the Board approved an extension of the Agreement through Calendar Year 2017, subject to a cap on aggregate hosting fees of \$2,000,000. However, the extension for Calendar Year 2017 was not executed while the institutions pursued adoption of alternative means of compliance.

Most U. T. institutions, however, concluded they lacked the ability to adopt alternative means of compliance, and U. T. System negotiated an extension with Huron through Calendar Year 2023, subject to each institution having the flexibility to terminate its participation earlier, as needed. On February 25, 2021, the Board approved that extension with fees totaling \$1,892,000 for all services related to ongoing use of the ECRT software by all affected institutions for Calendar Years 2021 through 2023. In the meantime, aggregate fees through Calendar Year 2020 under the hosting services agreement totaled \$2,400,000.

6. Other Fiscal Matters - U. T. Rio Grande Valley: Approval of financing for Intercollegiate Athletics Expansion and Renovation Plan; and resolution regarding parity debt

The Executive Vice Chancellor for Business Affairs recommends approval of this item authorizing funding of \$9,000,000 from Revenue Financing System (RFS) bond proceeds for U. T. Rio Grande Valley to finance field renovation at HEB Park. The debt is expected to be repaid with athletics revenues and financial support from the City of Edinburg. Annual debt service is estimated at \$501,000. The institution's Scorecard Rating of 4.4 at the Fiscal Year-end 2023 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt. The institution therefore requests that the Board resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that:

- parity debt shall be issued to fund all or a portion of the projects' cost, including any costs prior to the issuance of such parity debt;
- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the RFS Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System;
- U. T. Rio Grande Valley, which is a "Member" as such term is used in the RFS Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of parity debt in an aggregate amount of \$9,000,000; and
- this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

7. Other Fiscal Matters - U. T. Health Science Center - Houston: Approval of financing capital costs of an ambulatory surgery center; and resolution regarding parity debt

On February 23, 2023, the U. T. System Board of Regents authorized U. T. Health Science Center - Houston, together with Surgical Care Affiliates, LLC, a Delaware limited liability company, and/or its affiliate (SCA), to develop and construct an ambulatory surgery center in U. T. Health Science Center - Houston's and U. T. Physicians' multi-specialty clinic at Bellaire Station, 6500 West Loop South, Bellaire, Texas, 77401, and authorized the expenditure of up to \$35,000,000 of institutional funds for U. T. Health Science Center - Houston's portion of the project costs. The Executive Vice Chancellor for Business Affairs recommends approval of this item authorizing up to \$15,000,000 for U. T. Health Science Center - Houston to finance capital costs related to constructing the ambulatory surgery center. The debt is expected to be repaid with clinical revenue. Annual debt service is estimated at \$1,870,000. The institution's Scorecard Rating of 3.5 at Fiscal Year-end 2023 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt. The institution therefore requests that the Board resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that:

- parity debt shall be issued to fund all or a portion of the project, including any costs prior to the issuance of such parity debt;
- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the RFS Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System;
- U. T. Health Science Center - Houston, which is a "Member" as such term is used in the RFS Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of parity debt in an aggregate amount of \$15,000,000; and
- this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

ACADEMIC AFFAIRS COMMITTEE

8. Report - U. T. System Academic Institutions: Fiscal Year 2023 Post-Tenure Review

In accordance with *Texas Education Code* Section 51.942 and Regents' *Rules and Regulations*, Rule 31102, the following report on the Fiscal Year 2023 post-tenure review for the U. T. System academic institutions is provided by the Executive Vice Chancellor for Academic Affairs.

During Fiscal Year 2023, 455 tenured faculty members at the nine academic institutions were subject to post-tenure review. Of the 455 faculty members subject to review, 235 or 52% were evaluated as Exceeds Expectations; 203 or 45% received Meets Expectations; 12 or 3% received Does Not Meet Expectations; and 5 or 1% received Unsatisfactory evaluations. Twenty-seven faculty members retired or resigned the tenured position before their post-tenure review.

The following summary tables provide additional details of the post-tenure review results for Academic Year 2022-2023.

Summary of Post-Tenure Review Results

	Total Actually Reviewed*	Total Exceeding Expectations	Total Meets Expectations	Total Does Not Meet Expectations	Total Unsatisfactory	Decided to Retire or Resign Before Review
UTA	35	18	15	1	1	1
UTAUS	161	87	67	3	4	18
UTD	72	25	45	2	0	2
UTEP	42	24	17	1	0	1
UTPB	7	0	7	0	0	0
UTRGV	46	38	8	0	0	0
UTSA	56	29	25	2	0	4
SFA**	20	N/A	18	2	N/A	1
UTT	16	14	1	1	0	0
Total	455	235	203	12	5	27
		52%	45%	3%	1%	

PRESENT STATUS OF EACH REVIEW THAT DOES NOT MEET EXPECTATIONS:

U. T. Arlington: Development plan in place and being monitored by department chair and dean.

U. T. Austin: Development plans in place through AY 2024-2025.

U. T. Dallas: Development plans in place for both faculty and are being monitored by the dean and chair.

U. T. El Paso: Development plan in place, additional support provided to faculty member, and being monitored by the dean and chair.

U. T. San Antonio: Development plans in place with progress monitored by the dean and chair.

Stephen F. Austin: Both faculty retired following the comprehensive reviews.

U. T. Tyler: Faculty member has been assigned an instructional coach to work on improving area of deficiency.

PRESENT STATUS OF EACH UNSATISFACTORY PERFORMANCE:

U. T. Arlington: A performance improvement plan has been developed by the dean and chair.

U. T. Austin: One faculty member retired. Evaluation plan extension approved for one faculty member. Development plans in place for and are being monitored for two faculty members.

* "Total Actually Reviewed" does not include those who decided to retire or resign before review.

** SFA's revised policy on the evaluation of tenured faculty went into effect on September 1, 2023. The first results conforming to the performance categories in Regents' Rule 31102 will appear in the Fiscal 2024 report.

9. Request for Budget Change - U. T. Arlington: Tenure Appointments -- amendment to the 2023-2024 budget

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

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>	<u>RBC #</u>
College of Liberal Arts			
History Ann Hawkins	New Hire	Associate Vice Provost and Professor (T)	13119
School of Social Work			
Social Work Kirk Foster	New Hire	Dean and Professor (T)	13084

10. Contract (funds coming in) - U. T. Austin: Amendment to Agreement with Bottling Group, LLC, to provide and supply beverages, food, and sundry items to contractor-owned vending machines on campus

Agency: Bottling Group, LLC

Funds: \$426,000 for Amendment term; total value of \$2,688,663

Period: January 1, 2025 through December 31, 2027

Description: This is an amendment to an existing Agreement with Bottling Group, LLC. Bottling Group will continue to provide and supply beverages, food, and sundry items for vending machines on campus. The underlying Agreement and all prior Amendments were previously approved by the Board of Regents.

The original parent Vending Machine Agreement had a term of December 1, 2017 through December 31, 2021, with the option to extend for two additional three-year periods. At the end of the initial three-year term, the Fourth Amendment updated the Amendment to replace the original renewal terms with six additional one-year terms. This Seventh Amendment adds \$426,000 to the Agreement and changes the length of the Agreement to one three-year period of January 1, 2025 through December 31, 2027. The Agreement was procured under a competitive procurement process.

Pursuant to *Texas Education Code* Section 51.945, students were provided an opportunity to comment prior to determination that this vending machine provider should be selected. Board approval for this Amendment is sought in accordance with *Texas Government Code* Section 2203.005(a) and The University of Texas Systemwide Policy UTS 130 pertaining to Vending Machine Contracts.

11. Contract (funds coming in and going out) - U. T. Austin: Amendment to Master Research Services Agreement between Ascension Seton and The University of Texas at Austin, on behalf of Dell Medical School

Agency: Ascension Seton

Funds: \$9,000,000 through the end of the amended contract term

Period: March 15, 2024 through August 31, 2025

Description: Under the Agreement, Ascension Seton and U. T. Austin both receive and provide services. Ascension Seton and U. T. Austin add specific research statements of work (SOW) to the Agreement, each of which allows for the provisions of services by one party to the other with respect to joint research efforts. Each SOW identifies a specific research project and set of services, along with payment and other relevant terms. Initial term was October 1, 2017 through August 31, 2019, and did not require Board approval as the contract value was below the institution's delegation threshold. A contract amendment was approved by the Board of Regents on May 23, 2019, at a total contract value of approximately \$2,734,106, and, on May 6, 2020, the Board of Regents approved an increase in total contract value to \$6,000,000.

Actual funds expended or received to date total approximately \$7,120,000. U. T. Austin is requesting approval to increase the total contract value to \$9,000,000 for the duration of the current term based on new and expected research.

12. Contract (funds coming in and going out) - U. T. Austin: Sodexo Operations, LLC, to provide concessions and catering services for University Athletic Facilities

Agency: Sodexo Operations, LLC

Funds: \$310,500,000 over the full contract term, including renewal option

Period: March 18, 2024 through June 30, 2031; with one three-year renewal option

Description: Sodexo Operations, LLC, will provide concessions, catering, premium hospitality, club services, and student-athlete performance nutrition for Athletic Facilities. The Agreement was procured based upon a competitive procurement, namely, a Request for Proposal.

Pursuant to *Texas Education Code* Section 51.945, student athletes were provided an opportunity to comment prior to the determination that this food service provider should be selected.

13. Contract (funds going out) - U. T. Austin: BEST Crowd Management to provide temporary staff labor workforce services at University events

Agency: BEST Crowd Management

Funds: \$7,500,000 over the full contract term, including renewal options

Period: January 1, 2024 through December 31, 2026; with three two-year renewal options

Description: BEST Crowd Management will provide temporary staff labor workforce services on an as-needed basis for University events. This Agreement was procured based upon a competitive procurement, namely, a Request for Proposal.

14. Contract (funds going out) - U. T. Austin: Innovative Solution Advisors, LLC, dba Stadium People, to provide temporary staff labor workforce services at University events

Agency: Innovation Solution Advisors, LLC, dba Stadium People

Funds: \$12,500,000 over the full contract term, including renewal options

Period: January 1, 2024 through December 31, 2026; with three two-year renewal options

Description: Innovative Solution Advisors, LLC, dba Stadium People, will provide temporary staff labor workforce services on an as-needed basis for University events. This Agreement was procured based upon a competitive procurement, namely, a Request for Proposal.

15. Interagency Agreement (funds coming in) - U. T. Austin: Amendment to Interagency Agreement with the Texas Department of Family and Protective Services

Agency: Texas Department of Family and Protective Services

Funds: \$5,076,472 through the end of the amended contract term

Period: March 1, 2024 through December 31, 2025

Description: This is an Amendment to an existing Interagency Agreement. Under this Agreement, U. T. Austin will provide conference and training services for the Texas Department of Family and Protective Services. This Fifth Amendment adds \$1,510,963 to the Revenue Generation Agreement, bringing the total contract value to \$5,076,472.

16. Request for Budget Change - U. T. Austin: Transfer \$7,306,677 from Applied Research Laboratories (ARL) Prorated Direct Costs (PDC), Operating Income to ARL PDC, Salaries and Wages and Maintenance, Operations, and Equipment for FY 2022-2023 operations (RBC No. 13101) -- amendment to the 2022-2023 budget

The following Request for Budget Change (RBC) for FY 2022-2023 operations has been administratively approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents:

Description	\$ Amount	RBC #
Amount of Transfer:	7,306,677	13101
From: Applied Research Laboratories Prorated Direct Costs – - Service Center funds - Operating Income	7,306,677	
To: Applied Research Laboratories Prorated Direct Costs – - Service Center funds - Salaries and Wages	5,087,000	
Applied Research Laboratories Prorated Direct Costs – - Service Center funds - Maintenance, Operation, and Equipment	2,219,677	

17. Request for Budget Change - U. T. Austin: Transfer \$10,299,620 from Texas Advanced Computing Center (TACC) Data Services, Equipment Rep (Income) to TACC Data Services, Equipment Rep (Expenses) for hardware purchases and staff service center support for FY 2023-2024 operations (RBC No. 13123) -- amendment to the 2023-2024 budget

18. Request for Budget Change - U. T. Austin: Tenure Appointments -- amendment to the 2023-2024 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:

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>	<u>RBC #</u>
College of Natural Sciences			
Molecular Biosciences			
Sarah Ades	New Hire	Dean and Professor (T)	13128
LBJ School of Public Affairs			
Public Affairs			
Herschel Thomas	New Hire	Associate Professor (T)	13130

19. Lease - U. T. Austin: Authorization to extend the lease of approximately 15,212 rentable square feet of space located at 28 West 44th Street, New York City, New York, from APF 28W44 Owner LP, a limited partnership, for mission use, including by the McCombs School of Business, Moody College of Communication, and College of Fine Arts

Description: Authorization to extend the lease of approximately 15,212 rentable square feet of space located at 28 West 44th Street, New York City, New York, for mission use, including by McCombs School of Business, Moody College of Communication, and College of Fine Arts

Lessor: APF 28W44 Owner LP, a limited partnership

Term: The existing lease for U. T. Austin's benefit expires on January 31, 2027. The institution is responding to favorable market conditions by restructuring and extending the lease by an additional 10 years in exchange for a reduction in rent and a significant contribution from Lessor in the form of free rent and a tenant improvement allowance.

The remaining two years of the current lease term will be added to the 10-year extension, resulting in a new 12-year term, with one renewal option of five years at 95% of fair market value. Lessee will have the option to terminate the lease on the seventh anniversary of the new lease commencement date with at least 12 months prior written notice.

Savings Due to Restructure: Lessee's remaining obligation for the current lease term is \$2,175,698. Lessor will reduce this obligation by \$829,395 over the first two years of the new lease term as the result of a rental rate reduction and a 10-month rent abatement period. Lessee will also receive a tenant improvement allowance of \$55 per rentable square foot, equal to \$836,660.

Lease Cost: Initial annual base rent is \$60.50 per rentable square foot for five years and 10 months and will escalate to \$63.50 per rentable square foot through the expiration of the term, with a compounding 1.5% fixed annual escalation in lieu of pro-rata Operating Expense payments. Lessee will pay its proportionate share of increases in real estate taxes over a 2025 Base Year, currently estimated at \$806,844 over the term of the 12-year lease term. Electricity to the space will be sub-metered and Lessee will be responsible for electric costs plus 5%.

The cumulative cost of Lessee's Base Rent, Fixed Escalations, and estimated Taxes during the 12-year lease term equals approximately \$12,612,073.

20. Contract (funds going out) - U. T. Dallas: Top Material Co., Ltd, to provide equipment for Pouch Cell R&D Line and Cylindrical R&D Line for the Batteries and Energy to Advance Commercialization and National Security (BEACONS) Center

Agency: Top Material Co., Ltd

Funds: Approximately \$4,344,000

Period: March 7, 2024 through December 1, 2024

Description: U. T. Dallas will receive \$30,000,000 over three years from the U.S. Department of Defense to develop and commercialize new battery technologies and manufacturing processes, enhance the domestic availability of critical raw materials, and train high-quality workers for jobs in an expanding battery energy storage workforce. Top Material Co, Ltd, will provide capital equipment for use in the pouch cell research and development line and the cylindrical research and development line at the Batteries and Energy to Advance Commercialization and National Security (BEACONS) center. The Pouch Cell R&D line and Cylindrical Cell R&D line equipment are specialized semi-automated battery production lines required to meet deliverables defined in U. T. Dallas's agreement with the Department of Defense.

21. Lease - U. T. Dallas: Authorization to extend and expand the leased area to approximately 40,345 square feet of space located at 1600 Viceroy Drive, Dallas County, Dallas, Texas, from 1600 Viceroy Summit, LLC, and Argyle 377 Investments, LLC, for mission related purposes including office and research use by the U. T. Dallas Center for Vital Longevity and other U. T. Dallas programs

- Description: Authorization to extend and expand the leased area of approximately 34,852 square feet to approximately 40,345 square feet of space located at 1600 Viceroy Drive in Dallas, Texas. The space is used for offices and research by the U. T. Dallas Center for Vital Longevity and other U. T. Dallas programs. The institution is also requesting approval to extend the term.
- Lessor: 1600 Viceroy Summit, LLC, and Argyle 377 Investments, LLC, its successors and/or assigns
- Term: The initial lease approved by the Board on March 3, 2010, was for approximately 31,734 rentable square feet, with a size increase of an additional 3,118 square feet, for a total of 34,852 square feet, which became effective January 1, 2011. The lease commenced on June 1, 2010, for a period of 120 months, with one 60-month renewal option. In lieu of exercising the 60-month renewal option, the first lease amendment extended the term to May 31, 2023. This second lease amendment extends the term of the lease for an additional 60 months until May 31, 2028.
- Lease Cost: The total lease expense previously approved by the Board of Regents was approximately \$9,621,805 for the initial term and potential 60-month renewal option. The first lease amendment did not include additional expenses beyond what the Board previously approved and did not require Board approval.
- This second amendment initial base rent is \$23.00 per square foot annually with partial rent abatement for the first three months for an estimated total of \$4,608,090. Lessee is responsible for operating expenses in excess of the Base Year 2011 amount, and the excess amount is estimated to be \$755,965 for the second amendment lease term. Lessee is also responsible for electricity charges for the second amendment lease term, estimated to be \$888,918.
- Tenant Improvements: The lessor provided the initial lease space in turnkey condition and contributed additional tenant improvement funds of approximately \$276,000 related to the First Amendment and this Second Amendment. The institution has contributed an estimated approximate \$362,000 towards improvements related to the lease space since the initial lease.

Total Cost: Total estimated lease expense to be approved by the Board of Regents for the Second Amendment is approximately \$6,252,974, which includes estimated base rent, estimated operating expenses, and estimated utilities. Additionally, approval of the lessee funded tenant improvement expenses outlined above is requested.

22. Request for Budget Change - U. T. El Paso: Transfer \$9,452,589 from Road Shows and Special Events Revenue to Road Shows and Special Events Maintenance and Operations to adjust budget related to increased stadium event activities (RBC No. 13138) -- amendment to the 2023-2024 budget

23. Purchase - U. T. Rio Grande Valley: Authorization to purchase two adjacent tracts of land totaling a combined approximately 1.81 acres of land improved with a vacant medical support facility consisting of approximately 9,094 square feet, located at 1720 Treasure Hills Boulevard, Harlingen, Cameron County, Texas, from Valley Baptist Medical Development Corporation and Valley Baptist Realty Company, LLC, for mission purposes to include classrooms, offices, and student support space

Description: Authorization to purchase approximately 1.81 acres of land improved with a vacant medical support facility consisting of approximately 9,094 square feet, located at 1720 Treasure Hills Boulevard, Harlingen, Cameron County, Texas. The property is adjacent to the institution's Harlingen campus and will initially be used by the U. T. Rio Grande Valley School of Podiatric Medicine for classrooms, offices, and student support space.

U. T. Rio Grande Valley intends to renovate the property after acquisition and has estimated the costs to be approximately \$8,630,000.

Seller: Valley Baptist Realty Company, LLC, and Valley Baptist Medical Development Corporation, or successors or assigns

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

24. Other Matters - U. T. Rio Grande Valley: Formal approval to conclude negotiations and authorize execution of necessary document for athletic conference membership in the Southland Conference

The Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel support the request that the institutional president be delegated authority to conclude negotiations and execute necessary document(s) for membership in the Southland Conference (Southland), with significant terms as outlined below:

1. U. T. Rio Grande Valley will join Southland on July 1, 2024.
2. U. T. Rio Grande Valley will be assessed a one-time entrance fee of \$250,000 spread over the first five years in equal installments (\$50,000 per year) from monies withheld by Southland from annual Southland distributions to the institution.
3. U. T. Rio Grande Valley will be responsible for annual Southland membership dues of \$41,000 beginning on July 1, 2024.
4. U. T. Rio Grande Valley will be responsible for causing the payment by Southland of the institution's withdrawal fee from the Western Athletic Conference (not to exceed \$2,000,000). U. T. Rio Grande Valley will repay the Southland \$250,000 of this amount spread over the first five years in equal installments (\$50,000 per year) from monies withheld by the Southland from annual Southland distributions to the institution.

The change in conference membership was reviewed in March 2024 following the process provided for certain time-sensitive athletics matters as allowed by Regents' Rule 10501, Subsection 2.2.13, upon a determination of special circumstances.

U. T. Rio Grande Valley has determined that Southland is the most suitable conference because it is geographically and financially advantageous to an enhanced student-athlete experience through building in-state, natural rivalries within the institution's primary recruiting base, facilitating parents' attendance, and supporting student-athletes academically through reduced travel time. Southland membership aligns with the strategic plans for athletics and the university.

Full membership in Southland when U. T. Rio Grande Valley joins the conference will include the following institutions: Houston Christian University; the University of the Incarnate Word; Lamar University; McNeese State University; University of New Orleans; Nicholls State University; Northwestern State University; Southeastern Louisiana University; Texas A&M University-Commerce; and Texas A&M University-Corpus Christi.

25. Contract (funds coming in) - U. T. San Antonio: Trademark License Agreement with Playfly Sports Properties, LLC

Agency: Playfly Sports Properties, LLC (Playfly)

Funds: \$20,725,000 guaranteed royalty for the entire term and a signing bonus of \$250,000, plus the potential for additional revenue to U. T. San Antonio related to contract incentives. In addition, Playfly will invest and expend \$750,000 for various revenue-generating initiatives, such as replacement or upgrades to existing non-permanent signage or marketing promotions, with the specific use of such expenditures to be mutually agreed upon between U. T. San Antonio and Playfly.

Period: February 26, 2024 through June 30, 2033

Description: Athletics Trademark License and Multimedia Rights Program Agreement licensing U. T. San Antonio trademarks and other athletic multimedia rights to Playfly in exchange for royalties benefiting U. T. San Antonio's Athletics Department arising out of sponsorship agreements, social media operations, broadcasting and publishing arrangements, and related revenue-generating media engagements.

The Agreement resulted from a competitive selection process facilitated by U. T. San Antonio's Purchasing Office, in which Playfly was the highest ranked respondent.

26. Lease - U. T. San Antonio: Authorization to market and lease approximately 2.7 acres of vacant land, and possibly additional adjacent land containing a creek, on the Northwest corner of the Main Campus, located at the Southeast corner of Babcock Road and North Loop 1604 West, San Antonio, Bexar County, Texas, to a yet to be determined lessee

Description: Authorization to market and lease approximately 2.7 acres of vacant land on the Northwest corner of the Main Campus, located at the Southeast corner of Babcock Road and North Loop 1604 West, San Antonio, Bexar County, Texas, to a yet to be determined lessee. The lease may include additional adjacent land containing a creek.

The lease property is separated from the rest of the Main Campus by Maverick Creek. U. T. San Antonio seeks to lease the property, likely for commercial uses under a long-term ground lease.

Lease Terms: The property is currently being marketed by U. T. San Antonio, although the institution may also market the property through brokers. The institution expects the lease will be for a commercially reasonable term and will include typical ground lease provisions. The Board's fee interest in the property will not be subordinated.

Ground Rent: Ground rent will be no less than fair market value. The institution has obtained an appraisal of market value; the appraisal is confidential pursuant to *Texas Education Code* Section 51.951.

27. Purchase - U. T. San Antonio: Authorization to purchase approximately 1.5 acres of land improved with commercial storefront buildings and a surface parking lot, bounded by Dolorosa Street, South Flores Street, and West Nueva Street, San Antonio, Bexar County, Texas, from GrayStreet Kallison LLC, for future campus expansion; and resolution regarding parity debt

Description: Authorization to purchase approximately 1.5 acres of land improved with commercial storefront buildings and a surface parking lot in downtown San Antonio, Bexar County, Texas. The property includes approximately 68,500 square feet of mostly vacant commercial storefront improvements and approximately 125 surface parking spaces. Bounded by Dolorosa Street, South Flores Street, and West Nueva Street, the property abuts U. T. San Antonio's San Pedro downtown campus and is adjacent to the recently built San Pedro I building containing the institution's National Security Collaboration Center.

The subject property will consolidate with U. T. San Antonio's existing San Pedro campus, currently containing approximately 6.6 acres of land. It will extend the campus to Flores Street, both protecting the campus edge and creating a presence on a major commercial street adjacent to San Antonio City Hall, the Bexar County Courthouse, and the cathedral of San Antonio.

Seller: GrayStreet Kallison LLC, a Texas limited liability company, or assigns

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

Use: The property will be used for future campus expansion, which may include mission use and third party uses. Immediate use by U. T. San Antonio will be for parking and parking monetization.

Source of Funds: Revenue Financing System debt to be repaid out of institutional funds. The institution's Scorecard Rating of 3.3 at Fiscal Year-end 2023 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

In approving this item, the Board will be making the findings required under Section 5 of the Amended and Restated Master Resolution establishing the Revenue Financing System relating to the issuance of parity debt on behalf of U. T. San Antonio in an aggregate amount not to exceed fair market value as established by independent appraisal, and this action satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations*.

28. Request for Budget Change - **Stephen F. Austin State University**: Tenure Appointments -- amendment to the 2023-2024 budget

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

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>	<u>RBC #</u>
James I. Perkins College of Education Kinesiology and Health Science Wycliffe Njororai	New Hire	Chair and Professor (T)	13064
Arthur Temple College of Forestry and Agriculture Department of Agriculture Joe Douglas Smith	New Hire	Chair and Associate Professor (T)	13065
James I. Perkins College of Education Department of Human Services and Educational Leadership Forrest C. Lane	New Hire	Dean and Professor (T)	13136

29. Employment Agreement - **Stephen F. Austin State University**: Approval of terms of Employment Agreement with Neal Weaver, Ph.D., as President of Stephen F. Austin State University

The following agreement has been approved by the Chancellor and Executive Vice Chancellor for Academic Affairs, has been signed by Dr. Weaver, 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:	\$525,000 annually
Period:	Beginning May 13, 2024
Description:	Agreement for employment of Dr. Neal Weaver, as President of Stephen F. Austin State University. The President reports to the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor following input by the Executive Vice Chancellor for Academic Affairs and approval by the Board of Regents. The employment agreement is on the following pages.

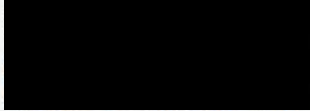


The University of
Texas System

OFFICE OF THE CHANCELLOR
210 WEST SEVENTH STREET
AUSTIN, TX 78701
512.499.4201
UTSYSTEM.EDU

March 21, 2024

Neal Weaver, PhD



Dear Dr. Weaver:

On behalf of the Board of Regents of The University of Texas System, I am pleased to offer you the position of President of Stephen F. Austin State University, effective May 13, 2024. Your annual salary will be \$525,000, payable in monthly installments. You will be eligible for annual salary increases upon the Chancellor's recommendation to the Board of Regents, beginning September 2025. State law also entitles you to applicable fringe benefits. Among these benefits are State-paid OASI, longevity pay, workers' compensation liability, insurance coverage, retirement, insurance premium sharing, and paid leave. Information about these benefits will be transmitted under separate cover.

You will receive a one-time payment of \$30,000, less any applicable taxes, for transitional expenses. Acceptance of this offer may have tax consequences for you. If you have questions about the tax implications of the relocation allowance payment, you may wish to consult a tax professional for advice.

As a condition of your employment, for the benefit and convenience of SFA and The University of Texas System, you will be required to reside in the Juanita Curry Boynton House during your term as President. The Juanita Curry Boynton House is used as the President's official residence and as a venue for SFA activities. Under the current rules of the Internal Revenue Service, it is our understanding that the provision of a required official residence is not considered taxable income to you. The use of Juanita Curry Boynton House and any renovation, furnishing, and décor is subject to applicable Regents' Rules and Stephen F. Austin State University Handbook of Operating Procedures Policy 05-405. The university provides necessary furnishings in event space and utilities for the operation of the Juanita Curry Boynton House, including phone lines, basic cable, internet, and computer equipment. Assigned university personnel may be utilized to provide agreed-upon personal services, with the understanding that the time and value of such use is documented. The value of the personal services will be reported as taxable income to you.

THE UNIVERSITY OF TEXAS AT ARLINGTON · THE UNIVERSITY OF TEXAS AT AUSTIN · THE UNIVERSITY OF TEXAS AT DALLAS · THE UNIVERSITY OF TEXAS AT EL PASO
THE UNIVERSITY OF TEXAS PERMIAN BASIN · THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY · THE UNIVERSITY OF TEXAS AT SAN ANTONIO
STEPHEN F. AUSTIN STATE UNIVERSITY · THE UNIVERSITY OF TEXAS AT TYLER · THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER
THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON · THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO · THE UNIVERSITY OF TEXAS MD ANDERSON CANCER CENTER

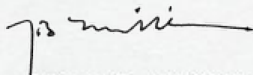
Neal Weaver, PhD
March 21, 2024
Page 2

Under Regents' Rule 20201, presidents of UT institutions serve without fixed terms, subject to the continuing approval of the Chancellor and the Board. Your performance as President of SFA will be evaluated annually under Rule 20201, and you will be asked to present your vision and goals for SFA to the Board within 12 to 18 months of taking office.

All of us look forward to working with you as President of Stephen F. Austin State University, and we stand ready to assist you in your transition.

Please sign and date this letter and return it to my office if these terms are agreeable. If you have any questions, please let me know.

Sincerely,


James B. Milliken
Chancellor

Accepted: 

Date: MARCH 27, 2024

cc: Archie Holmes, Executive Vice Chancellor for Academic Affairs
Jonathan Pruitt, Executive Vice Chancellor for Business Affairs
Stacey Napier, General Counsel to the Board of Regents
Judith Kruwell, Interim Vice President for Finance & Administration,
Stephen F. Austin State University

30. Request for Budget Change - U. T. Tyler: Tenure Appointments -- amendment to the 2023-2024 budget

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

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>	<u>RBC #</u>
College of Engineering			
Civil Engineering Sudarshan Kurwadkar	New Hire	Chair and Professor (T)	13141
School of Nursing			
Martin Rivera	New Hire	Chair and Professor (T)	13043

HEALTH AFFAIRS COMMITTEE

31. **Report - U. T. System Health Institutions: Fiscal Year 2023 Post-Tenure Review**

In accordance with *Texas Education Code* Section 51.942 and Regents' *Rules and Regulations*, Rule 31102, the following report on the Fiscal Year 2023 post-tenure review for the U. T. System health institutions is provided by the Executive Vice Chancellor for Health Affairs.

During Fiscal Year 2023, 210 tenured faculty members at the five health institutions with tenured faculty were subject to post-tenure review. Of the 210 tenured faculty members a total of 195 faculty members were reviewed, 95 or 48.71% were evaluated as Exceed Expectations; 96 or 49.23% received Meet Expectations; 2 or 1.03% received Does Not Meet Expectations; and 2 or 1.03% received Unsatisfactory evaluations. Of the 210 tenured faculty members, fifteen faculty members retired or resigned the tenured position before their post-tenure review.

The following summary tables provide additional details of the post-tenure review results for Academic Year 2022-2023.

Summary of Post-Tenure Review Results

	Total Subject to Review*	Total Exceeds Expectations	Total Meets Expectations	Total Does Not Meet Expectations	Total Unsatisfactory	Decided to Retire or Resign Before Review
UTSWMC	43	28	13	1	1	5
UTMB	29	16	13	0	0	2
UTHSC-H	34	27	7	0	0	5
UTHSC-SA	30	20	10	0	0	3
UTMDACC	59	4	53	1	1	0
Total	195	95	96	2	2	15
		48.71%	49.23%	1.03%	1.03%	

PERFORMANCE THAT DOES NOT MEET EXPECTATIONS:

U. T. Southwestern Medical Center: The faculty member was provided an action plan; salary was reduced for Fiscal Year 2024. The faculty member will be reviewed again in Fiscal Year 2025.

U. T. M. D. Anderson Cancer Center: The faculty member was in the fifth year of term tenure and did not receive a vote for renewal of term tenure in Fiscal Year 2023 and was provided expectations for increased academic productivity. The faculty member engaged in increased academic productivity and was approved for term tenure in Fiscal Year 2024.

UNSATISFACTORY PERFORMANCE:

U. T. Southwestern Medical Center: The faculty member was provided an action plan and re-reviewed from the prior year. The faculty member will be reviewed again in Fiscal Year 2024.

U. T. M. D. Anderson Cancer Center: The faculty member was reviewed as unsatisfactory in Fiscal Year 2023 and received a non-renewal of appointment notification for Fiscal Year 2024.

* "Total Subject to Review" does not include those who decided to retire or resign before review.

32. Contract (funds going out) - U. T. Southwestern Medical Center: Asher Media, Inc., to perform media buying and planning services

Agency: Asher Media, Inc.

Funds: \$50,000,000 over the entire term, including renewals

Period: March 19, 2024 through March 18, 2027; with option to renew for two additional one-year terms

Description: Asher Media, Inc., will perform media buying and planning services. The Agreement was competitively bid.

33. Contract (funds going out) - U. T. Southwestern Medical Center: The Adcom Group, Inc., to perform media buying and planning services

Agency: The Adcom Group, Inc.

Funds: \$50,000,000 over the entire term, including renewals

Period: March 20, 2024 through March 19, 2027; with option to renew for two additional one-year terms

Description: The Adcom Group, Inc., will perform media buying and planning services. The Agreement was competitively bid.

34. Contract (funds going out) - U. T. Southwestern Medical Center: Lanier Parking Meter Services, LLC., will provide valet parking services to patients and visitors

Agency: Lanier Parking Meter Services, LLC.

Funds: \$42,000,000 over the entire term, including renewals

Period: March 1, 2024 through December 31, 2028; including two one-year renewal options

Description: Lanier Parking Meter Services, LLC., will provide valet parking services to patients and visitors. Services will be performed at 10 U. T. Southwestern Medical Center hospital and clinic locations with some locations operating seven days a week. The Agreement was competitively bid.

35. Contract (funds going out) - U. T. Southwestern Medical Center: Amendment to Agreement with Nash Holdings, Inc., dba Endeavor Management, dba RTRN Strategy, to provide advertising and video production services

Agency: Nash Holdings, Inc., dba Endeavor Management, dba RTRN Strategy

Funds: \$5,615,000 over the entire term, including renewals

Period: March 19, 2024 through July 20, 2024; with option to renew for two additional one-year terms

Description: Nash Holdings, Inc., will provide advertising and video production services. The Agreement dated July 21, 2021, was not previously submitted for Board consideration because the total contract amount was below the institution's delegated approval threshold. This First Amendment increases the fee cap to \$5,615,000. The Agreement was competitively bid.

36. Contract (funds going out) - U. T. Southwestern Medical Center: Amendment to Agreement with Unify, Inc., to provide managed voice telecom services

Agency: Unify, Inc.

Funds: \$7,157,334

Period: March 1, 2024 through February 28, 2027

Description: Unify, Inc., will provide managed voice telecom services to the main campus and other facilities at U. T. Southwestern Medical Center. The initial Agreement, with a contract value of \$8,000,000, was with Atos IT Solutions and Services, Inc., which was purchased by Unify, Inc., and was effective March 1, 2018, and approved by the Board on May 1, 2018. The initial Agreement was acquired via an Exclusive Acquisition Justification. The First Amendment to the Agreement added \$1,100,000 to the contract value and was effective March 1, 2021, and approved by the Board on May 6, 2021. The estimated value for this Second Amendment is \$7,157,334, for a total of \$16,257,334 over the full contract term.

37. Contract (funds going out) - U. T. Medical Branch - Galveston: Amendment to Agreement with Avant Healthcare Professionals, LLC, to provide contract nurses

Agency: Avant Healthcare Professionals, LLC

Funds: \$10,910,000

Period: November 1, 2023 through December 19, 2025

Description: U. T. Medical Branch - Galveston (UTMB) entered into an initial Staffing Agreement (Agreement) with Avant Healthcare Professionals, LLC (Avant), effective December 20, 2022, wherein nurse staffing services were provided to several UTMB facilities. The initial Agreement did not require Board approval as the total contract value was below the institution's delegated approval threshold. This First Amendment of Staffing Agreement, effective November 1, 2023, seeks to increase the contract value from \$2,660,000 to \$10,910,000 to provide additional services at the Texas Department of Criminal Justice Hospital Galveston and Jennie Sealy Hospital medical-surgical units.

38. Request for Budget Change - U. T. Medical Branch - Galveston: Tenure Appointments -- amendment to the 2023-2024 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:

College, Department, and Name	From	To	RBC #
School of Nursing			
Graduate Studies			
Patricia Ann Carter	New Hire	Professor (T)	13114
School of Medicine			
Obstetrics and Gynecology			
Karin Fox	New Hire	Professor (T)	13121
Internal Medicine			
Vineet Gupta (T)	New Hire	Professor (T)	13122
Orthopedic Surgery and Rehabilitation Services			
Susan Chubinskaya	New Hire	Professor (T)	13131

39. Interagency Agreement (funds coming in) - U. T. Health Science Center - Houston: To provide resources to aid in the diagnosis of child abuse and neglect for the Texas Department of Family and Protective Services

Agency: Texas Department of Family and Protective Services

Funds: \$14,474,185

Period: September 1, 2024 through August 31, 2029

Description: Interagency contract to create resources that will improve access to medical professionals with expertise in the diagnosis of child abuse or neglect for the Texas Department of Family and Protective Services.

40. Request for Budget Change - U. T. Health Science Center - San Antonio: Tenure Appointments -- amendment to the 2023-2024 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:

College, Department, and Name	From	To	RBC #
Long School of Medicine			
Glenn Biggs Institute for Alzheimer's Neurodegenerative Diseases			
Antonio Lucio Teixeira Junior	New Hire	Professor (T)	13120
School of Health Professions			
Health Sciences			
Ahmad Galaleldeen	New Hire	Professor (T)	13118
School of Public Health			
Health, Behavior, and Society			
Cristina S. Barroso	New Hire	Chair and Associate Professor (T)	13116

41. Lease - U. T. Health Science Center - San Antonio: Authorization to lease approximately 45,000 rentable square feet of space located at 11071 State Highway 151, San Antonio, Bexar County, Texas, from Westover Hills MOB I, LLC, for medical and office uses

Description: Authorization to lease approximately 45,000 rentable square feet of space composed of the initial premises (approximately 30,000 square feet), and additional premises (approximately 15,000 square feet) of shell space located at 11071 State Highway 151, San Antonio, Bexar County, Texas, from Westover Hills MOB I, LLC, for medical and office uses. The additional premises rent will be a shell rent rate for approximately seven months, which landlord will then buildout and begin charging full base rent.

Additionally, the lease contains a right of first refusal allowing U. T. Health Science Center - San Antonio to lease additional space that may be available in the building. The additional lease space of approximately 15,000 would increase the total lease premises up to approximately 60,000 square feet.

Authorization is sought for the expenditure of funds for possible future space size increases of up to approximately 60,000 square feet, at rental rates not exceeding fair market value.

Lessor: Westover Hills MOB I, LLC

Term: The initial term of the lease will be for approximately 93 months from the lease commencement date, which is estimated to be November 1, 2024, for both the initial premises of approximately 30,000 square feet, and the additional premises of approximately 15,000 square feet of space to total approximately 45,000 rentable square feet. U. T. Health Science Center - San Antonio will receive potentially up to three months of abated base rent for the initial premises and additional premises. Tenant will also have the option to extend the term of the lease for approximately 84 months. Furthermore, the term may be extended if the right of first refusal is exercised for a period beyond 84 months.

Lease Cost: Estimated base rent for the initial term and potential renewal term, including the additional premises once the shell space is built out is approximately \$30,264,348, which includes the shell rent of \$10.00 per square foot for the additional premises, estimated to be \$87,500. It is anticipated the shell rent for the additional premises of approximately 15,000 square feet will be paid from approximately February 1, 2025, to August 31, 2025, which already takes into consideration the three months of abated base rent.

Full rent for additional premises will start on approximately September 1, 2025.

Initial base rent in year one of the initial term will be \$28.00 per square foot with 3% annual increases each year thereafter. The base rent for the renewal period will be the then current fair market value.

Tenant is responsible for operating expenses. Total estimated operating expenses for the initial term, which includes exercising the right of first refusal space of approximately 15,000 square feet in the second year of the initial term, are estimated to be approximately \$5,546,972. The initial annual operating expense is estimated to be approximately \$12.00 per square foot. The three months of abated base rent totals approximately \$315,000, which includes the initial premises and additional premises. Assuming 3% annual operating expense escalations, operating expenses during the renewal term are estimated to be approximately \$6,785,180.

Tenant Improvements: The Lessor is contributing approximately \$3,375,000 (\$75 per square foot). Additionally, U. T. Health Science Center - San Antonio will contribute an estimated \$50.00 per square foot, which is currently estimated to be \$3,000,000, assuming that U. T. exercises the right of first refusal.

Additional Future Lease Space: U. T. Health Science Center - San Antonio may desire to lease additional space within the building in the future as the right of first refusal provision allows. The total building size is approximately 60,000 square feet. Were the Board of Regents to authorize the additional approximately 15,000 square feet of space, U. T. Health Science Center - San Antonio would occupy the entire building of approximately 60,000 square feet. If the remaining approximately 15,000 square feet becomes available, U. T. Health Science Center - San Antonio requests authority to lease the building of approximately 60,000 square feet at rental rates not exceeding fair market value.

Total Cost: Total estimated lease expense over the initial term and potential renewal term is approximately \$45,596,501. The total estimated lease expense assumes U. T. exercises the right of first refusal for approximately 15,000 square feet, beginning in the second year of the initial term and continuing through the end of the potential renewal term, and includes all estimated base rent, operating expenses, and proposed tenant improvements paid by U. T. Health Science Center - San Antonio.

42. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: DXC Technology Services LLC to provide implementation support services and project-based staff augmentation for information services activities and initiatives

Agency: DXC Technology Services LLC

Funds: The total cost of services under this Agreement, including all renewals, is estimated to be \$20,000,000.

Period: April 1, 2024 through March 31, 2029; with three one-year renewal options

Description: DXC Technology Services LLC (DXC) will provide resources consisting of trained and experienced personnel to support U. T. M. D. Anderson Cancer Center's Information Services division in the Enterprise Development & Integration work area. DXC will provide implementation support services and project-based staff augmentation as needed for U. T. M. D. Anderson Cancer Center's Information Services activities and initiatives. The implementation services could include, but are not limited to, application implementation services, technical implementation services, process re-design services and organizational change management services. This Agreement was competitively bid.

43. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: GSD&M LLC to perform advertising services

Agency: GSD&M LLC

Funds: The total cost of services under this Agreement, including all renewals, is estimated to be \$225,000,000.

Period: March 20, 2024 through March 19, 2027; with two 12-month renewal options

Description: GSD&M LLC will perform advertising services to promote U. T. M. D. Anderson Cancer Center's brand and reputation. GSD&M LLC will dedicate a team to support U. T. M. D. Anderson Cancer Center's advertising strategy, regional and local media planning and buying, media monitoring, tracking and optimizations, reporting, creative development and production, and research support for key campaigns. GSD&M LLC will also provide estimates for purchases of media and estimates of work to U. T. M. D. Anderson Cancer Center. This Agreement was competitively bid.

44. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Jacobs Engineering Group Inc. to conduct inspections for a detailed comprehensive assessment of facilities to identify systems and components that require maintenance or planned action

Agency: Jacobs Engineering Group Inc.

Funds: Approximately \$14,000,000 over the full contract term, including all renewal options

Period: December 15, 2023 through December 14, 2026; with two 12-month renewal options

Description: Jacobs Engineering Group Inc. will conduct inspections of distinct systems and system components of U. T. M. D. Anderson Cancer Center's facilities, as assigned by U. T. M. D. Anderson Cancer Center, and provide a detailed comprehensive assessment of needed maintenance or planned action for those systems and system components. Jacobs Engineering Group Inc. will establish an integrated program that will provide U. T. M. D. Anderson Cancer Center with the ability to update data and continue using the program for developing ongoing facilities maintenance, renewal, and adaptation plans. The Agreement was competitively bid.

45. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Moroch Partners, Inc., to perform advertising services

Agency: Moroch Partners, Inc.

Funds: The total cost of services under this Agreement, including all renewals, is estimated to be \$75,000,000.

Period: March 20, 2024 through March 19, 2027; with two 12-month renewal options

Description: Moroch Partners, Inc., will perform advertising services to promote U. T. M. D. Anderson Cancer Center's brand and reputation. Moroch Partners, Inc., will dedicate a team to support U. T. M. D. Anderson Cancer Center's advertising strategy, media planning and buying, media monitoring, tracking and optimizations, reporting, creative development and production, research support for key campaigns; and will also provide estimates for purchase of media and estimate of work to U. T. M. D. Anderson Cancer Center. Moroch Partners, Inc., will handle primarily local offline buying and analytics. This Agreement was competitively bid.

46. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: P&W Architects, LLP, dba PhiloWilke Partnership, to provide architectural services

Agency: P&W Architects, LLP, dba PhiloWilke Partnership

Funds: Approximately \$10,000,000 over the full contract term, including renewal options

Period: June 7, 2022 through June 6, 2024; with three successive 12-month renewal options

Description: P&W Architects, LLP, will provide architectural services on miscellaneous projects of limited scope to be performed on a nonexclusive, indefinite quantity basis, as requested by U. T. M. D. Anderson Cancer Center and there is no minimum amount of work required. The estimated contract spend has been updated based on new information regarding expanded construction activities, and it is being brought forward for Board approval as required by Section 3.1.1 of Regents' Rule 10501. This Agreement was competitively bid.

47. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Stantec Architecture, Inc., to provide architectural services

Agency: Stantec Architecture, Inc.

Funds: Approximately \$10,000,000 over the full contract term, including renewal options

Period: May 25, 2022 through May 24, 2024; with three successive 12-month renewal options

Description: Stantec Architecture, Inc., will provide architectural services on miscellaneous projects of limited scope to be performed on a nonexclusive, indefinite quantity basis, as requested by U. T. M. D. Anderson Cancer Center and there is no minimum amount of work required. The estimated contract spend has been updated based on new information regarding expanded construction activities, and it is being brought forward for Board approval as required by Section 3.1.1 of Regents' Rule 10501. This Agreement was competitively bid.

48. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Local Sponsorship Agreement with Dash Soccer, LLC, to provide sponsorship and promotional benefits

Agency: Dash Soccer, LLC

Funds: Not to exceed \$5,588,625

Period: March 1, 2024 through December 31, 2027

Description Dash Soccer, LLC, provides sponsorship and promotional benefits subject to U. T. M. D. Anderson Cancer Center's payment of the Sponsorship Fees. Dash Soccer, LLC, provides multiple opportunities for marketing, community relations, cancer prevention education, patient acquisition, fundraising, and business development for U. T. M. D. Anderson Cancer Center. U. T. M. D. Anderson Cancer Center gains significant brand exposure through prominent logo placement across the front of the Dash jersey, in addition to stadium signage and social/digital/broadcast media. This sponsorship allows U. T. M. D. Anderson Cancer Center to reach national and international audiences. This First Amendment extends the term by three years and increases the contract value to \$5,588,625.

The initial Sponsorship Agreement effective January 9, 2020, and the Local Sponsorship Agreement, effective January 1, 2023, were not submitted for Board approval as the total contract value was below the institution's delegated approval threshold. The Agreement was acquired via an Exclusive Acquisition Justification.

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

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

Funds: Not to exceed \$32,854,500

Period: February 8, 2024 through December 31, 2027

Description Dynamo Soccer, LLC, provides sponsorship and promotional benefits subject to U. T. M. D. Anderson Cancer Center's payment of the Sponsorship Fees. Dynamo Soccer, LLC, provides multiple opportunities for marketing, community relations, cancer prevention education, patient acquisition, fundraising, and business development for U. T. M. D. Anderson Cancer Center. U. T. M. D. Anderson Cancer Center gains significant brand exposure through prominent logo placement across the front of the Dynamo jersey, in addition to stadium signage and social/digital/broadcast media. This sponsorship allows U. T. M. D. Anderson Cancer Center to reach national and international audiences. This Second Amendment, dated February 8, 2024, extends the term by three years and adds \$15,454,500 to the cap amount, bringing the total estimated contract value to \$32,854,500.

The Amended and Restated Sponsorship Agreement, with a contract value not to exceed \$13,400,000 and effective December 1, 2019, was submitted and approved by the Board on February 27, 2020. The First Amendment to the Amended and Restated Sponsorship Agreement, which increased the cap amount by \$4,000,000 to \$17,400,000, was submitted and approved by the Board on February 22, 2023. The original Sponsorship Agreement, effective August 1, 2018, was not submitted for Board approval as the total contract value was below the institution's delegated approval threshold. This Agreement was acquired via an Exclusive Acquisition Justification.

50. Request for Budget Change - U. T. M. D. Anderson Cancer Center: Tenure Appointments -- amendment to the 2023-2024 budget

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

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>	<u>RBC #</u>
Medical Staff			
Department of Head and Neck Surgery Mark E. Zafereo	Professor	Professor (T)	13124
Department of Immunology Susan Bullman	New Hire	Associate Professor (T)	13125
Department of Genomic Medicine Christopher D. Johnston	New Hire	Associate Professor (T)	13126
Department of Gastrointestinal Medical Oncology Xiling Shen	New Hire	Professor (T)	13127

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

No items for Consent Agenda