



## SCHEDULE OF EVENTS FOR BOARD OF REGENTS MEETING

**August 14-15, 2019**  
Austin, Texas

*U. T. System Building, 2nd Floor, 210 West Seventh Street*

- *Board Room 2.501 (Open Session and Executive Sessions)*
- *Executive Session Room 2.608 (Executive Sessions)*
- *Office of the Board of Regents: 512/499-4402*

### **Wednesday, August 14, 2019**

Audit, Compliance, and Risk Management Committee .....	9:30 a.m.
Finance and Planning Committee .....	10:30 a.m.
Meeting of the Board - Open Session .....	11:30 a.m.
Recess to Executive Session .....	12:00 p.m. approximately
Reconvene in Open Session to Recess for Committee Meetings .....	1:30 p.m.
Academic Affairs Committee .....	1:30 p.m.
Health Affairs Committee .....	2:30 p.m.
Facilities Planning and Construction Committee .....	3:30 p.m.
Meeting of the Board - Open Session .....	4:30 p.m.
<i>Meeting with the Faculty Advisory Council</i>	
Recess .....	5:15 p.m.

### **Thursday, August 15, 2019**

Meeting of the Board - Open Session .....	8:00 a.m.
Recess to Executive Session .....	9:15 a.m.
Meeting of the Board - Open Session .....	11:00 a.m.
Adjourn.....	11:45 a.m.



**Wednesday, August 14, 2019 (cont.)**

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- 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**

COMMITTEE MEETINGS

1:30 p.m. - 4:30 p.m.

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

4:30 p.m.  
Report/Discussion

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RECESS

5:00 p.m.

**Thursday, August 15, 2019**

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS

8:00 a.m.

- 4. **U. T. System Board of Regents: Approval of Consent Agenda and consideration of any items referred to the full Board**
- 5. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendments to Regents' *Rules and Regulations*, Rule 30202 (Employee Benefits), regarding back-up dependent care benefits**
- 6. **U. T. System Board of Regents: Discussion of Criteria and Review Process for Permanent University Fund (PUF) debt financing requests**
- 7. **U. T. System Board of Regents: Presentation of Certificate of Appreciation to U. T. Medical Branch - Galveston President David Callender**

Action

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Action

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Discussion  
*Chancellor Milliken*

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Presentation

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STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD

8:30 a.m.

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

- 4. 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**

**Thursday, August 15, 2019 (cont.)**

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- b. **U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning pending legal claims by and against U. T. System**
  - c. **U. T. System Board of Regents: Discussion regarding legal issues associated with proposed U. T. System budget**
5. Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072

**U. T. San Antonio: Discussion and appropriate action regarding authorization (1) to enter into a ground lease to the Roadrunner Foundation of (i) approximately one acre located at the institution's Park West Athletics Complex, San Antonio, Bexar County, Texas, for the construction of an approximately 15,000 sq. ft. team and locker-room facility to support track and soccer competition fields (Park West Facility), and (ii) approximately 11.5 acres located on U. T. San Antonio's main campus, San Antonio, Bexar County, Texas, for the construction of an athletic facility complex that includes (a) an approximately 95,000 sq. ft. building containing weight rooms, team rooms, athletic department offices, athletic academic spaces and other athletic-related areas, (b) a covered football practice field, (c) an outdoor practice field, and (d) related parking, all of which is collectively known as the Roadrunner Athletics Center of Excellence (RACE Facility); (2) to accept the Park West facility upon completion of its construction and of the RACE Facility at the end of the ground lease term for the facility; (3) to enter into a bargain space lease for the RACE Facility from the Roadrunner Foundation; and (4) to exercise the option to prepay the space lease of the RACE Facility and terminate its ground lease**

6. 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); 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. Health Science Center - Houston: Discussion and appropriate action regarding proposed compensation for Angel Blanco, M.D., Assistant Professor of Neurology, Department of Neurology, and Tang Ho, M.D., Associate Professor, Department of Otorhinolaryngology, Head and Neck Surgery (Regents' Rules and Regulations, Rule 20204, regarding compensation for highly compensated employees)**

**Thursday, August 15, 2019 (cont.)**

**Page**

- c. **U. T. System: Discussion and appropriate action regarding individual personnel matters concerning employees in the Office of Shared Information Services (SIS)**
- d. **U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions); U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors); other officers reporting directly to the Board (such as Chancellor, General Counsel to the Board, and Chief Audit Executive); U. T. System and institutional employees, and related personnel aspects of the operating budget for Fiscal Year 2020**
- e. **U. T. System: Discussion and appropriate action concerning individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of U. T. System and institutional employees including employees covered by Regents' *Rules and Regulations*, Rule 20204, regarding compensation for highly compensated employees, and Rule 20203, regarding compensation for key executives**

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

*11:00 a.m.  
approximately*

- 8. **U. T. System: Approval of the nonpersonnel aspects of the operating budgets for Fiscal Year 2020, including Permanent University Fund (PUF) Bond Proceeds allocations for Library, Equipment, Repair and Rehabilitation (LERR) Projects and for the Science and Technology Acquisition and Retention (STARs) program, and for capital expenses for the U. T. Rio Grande Valley School of Medicine**
- 9. **U. T. System: Discussion and appropriate action regarding personnel aspects of the U. T. System Administration and institutional operating budgets for Fiscal Year 2020**
- 10. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed appointment to University Lands Advisory Board (ULAB)**

**Action** **26**  
*Chancellor Milliken*

**Action** **28**  
*Chancellor Milliken*

**Action** **29**

ADJOURN

*11:45 a.m.*

1. **U. T. El Paso: Acknowledgement of appreciation to President Diana Natalicio and appointment as President Emerita**

**RECOMMENDATION**

The Chancellor recommends that the U. T. System Board of Regents appoint Diana S. Natalicio as President Emerita at U. T. El Paso, with the award effective immediately in recognition of her extraordinary leadership and length of service.

**BACKGROUND INFORMATION**

Dr. Natalicio was named president of U. T. El Paso in 1988, serving in that position until 2019. During her distinguished career with the University, Dr. Natalicio has also served as vice president for academic affairs, dean of liberal arts, chair of the modern languages department and professor of linguistics. Her sustained commitment to provide all residents of the Paso del Norte region access to outstanding higher education opportunities has helped make U. T. El Paso a national success story.

During Dr. Natalicio's tenure as president, UTEP's enrollment has grown from 15,000 to over 25,000 students, reflecting the demographics of the Paso del Norte region from which nearly 90% come from. More than 80% are Mexican-American, and approximately 5% commute to the campus from Ciudad Juárez, Mexico. Since 1988, the annual budget has increased from \$65 million to more than \$500 million. UTEP is designated as a Carnegie R1 university, recognized nationally for both the excellence and breadth of its academic and research programs. The annual research expenditures have grown from \$6 million to nearly \$95 million per year, and doctoral programs have increased from one to 22 during this same period. To accommodate steady growth in enrollment, academic programs, and research, the University has recently committed nearly \$400 million in new and renovated facilities expansion in science, engineering, health sciences, and other student quality-of-life related infrastructure.

Dr. Natalicio has served on numerous boards and was appointed by President George H.W. Bush to serve on the Advisory Commission on Educational Excellence for Hispanic Americans and by President Bill Clinton to the National Science Board (NSB), where she served two six-year terms, including three two-year terms as NSB vice-chair.

In 2017, Dr. Natalicio was named one of Fortune magazine's Top 50 World Leaders. In 2016, she was honored with the Hispanic Heritage Award in Science, Technology, Engineering, and Math, and she was included on the 2016 TIME 100 list of most influential people in the world. In 2015, The Carnegie Corporation of New York honored Dr. Natalicio with its prestigious Academic Leadership Award. In 2011, the President of Mexico presented her the Orden Mexicana del Aguila Azteca, the highest recognition bestowed on foreign nationals. She was inducted into the Texas Women's Hall of Fame, honored with the Distinguished Alumnus Award at U. T. Austin, and awarded multiple honorary doctoral degrees.

**2. U. T. System Board of Regents: Recognition of academic and health institution recipients of the 2019 Regents' Outstanding Teaching Awards (ROTA)**

PRESENTATION

Chairman Eltife will recognize the 2019 recipients for the Regents' Outstanding Teaching Awards, as listed on the website at <http://www.utsystem.edu/sites/regents-outstanding-teaching-awards>.

BACKGROUND INFORMATION

The Board of Regents of the U. T. System places the highest priority on undergraduate teaching at U. T. System universities and encourages teaching excellence by recognizing those faculty who deliver the highest quality of undergraduate instruction, demonstrate their commitment to teaching, and have a history and promising future of sustained excellence with undergraduate teaching in the classroom, in the laboratory, in the field, or online.

On August 14, 2008, the Board established the Regents' Outstanding Teaching Awards (ROTA), which are a recognition of the importance the Board places on the provision of teaching and learning of the highest order, by honoring those who serve students in an exemplary manner and as an incentive for others who aspire to such service. These teaching awards complement existing ways in which faculty excellence is recognized and incentivized.

No more than 16 awards are given among the academic institutions across all faculty levels, and no more than 12 awards are given among the health institutions.

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

REPORT

The U. T. System Faculty Advisory Council will meet with the Board to discuss accomplishments of the Council and plans for the future. The Council's PowerPoint presentation is set forth on the following pages. Council members scheduled to attend are:

**Chair: Gurur Biliciler-Denktaş, M.D.**, U. T. Health Science Center - Houston, Pediatric Cardiologist

**Academic Affairs and Faculty Quality Committee: David Coursey, Ph.D.**, U. T. Arlington, Public Affairs

**Governance Committee: Charlotte Canning, Ph.D.**, U. T. Austin, Department of Theatre and Dance, Center for Women's and Gender Studies, Department of African and African Diaspora Studies

**Health Affairs Committee: Ramon Cestero, M.D.**, U. T. Health Science Center - San Antonio, Clinical and Trauma Surgery

BACKGROUND INFORMATION

The University of Texas System Faculty Advisory Council was established in 1989 to facilitate the flow of ideas and information between and among the Board of Regents, the System Administration, and the institutions of the System. Council guidelines require that recommendations have a multi-institutional focus and that the Council explore individual campus issues with institutional administrators prior to any consideration.

The Faculty Advisory Council consists of two faculty representatives from each U. T. System institution and meets quarterly. The Standing Committees of the Council are: Academic Affairs and Faculty Quality, Governance, and Health Affairs.



# Faculty Advisory Council (FAC)

Gurur Biliciler- Denktas, M.D., Chair, U. T. System FAC

U. T. System Board of Regents' Meeting  
August 2019



THE UNIVERSITY of TEXAS SYSTEM  
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# Faculty Advisory Council Structure

- **Elected faculty leaders from each U. T. institution**
  - Campus senate presidents, past presidents, other elected members
  - 16 academic representatives, 12 health representatives
- **Officers**
  - Gurur Biliciler-Denktaş, M.D., Chair (UTHSC - Houston)
  - Dan Cavanagh, M.M., Past Chair (UT Arlington)
  - Emily Bonner, Ph.D., Chair-Elect (UT San Antonio)
  - David Coursey, Ph.D., Secretary (UT Arlington)
- **FAC liaison: AVC Kevin Lemoine**



# Faculty Advisory Council Academic Year 2018-19

- GOVERNANCE COMMITTEE:
  - Family leave policies across the system
  - Grievance policies across the system



# Faculty Advisory Council Academic Year 2018-19 (cont.)

- ACADEMIC AFFAIRS COMMITTEE:
  - Faculty workload policy
  - Nontenure-track faculty
  - Teaching effectiveness and evaluation
  - Student feedback survey and its inherent bias



# Faculty Advisory Council Academic Year 2018-19 (cont.)

- HEALTH AFFAIRS COMMITTEE:
  - Physician burnout
  - Student success and quality of teaching at the medical campuses



# Faculty Advisory Council Academic Year 2018-19 (cont.)

- Successful Association of College and University Educators (ACUE) pilot in conjunction with AVC Rebecca Karoff
- Engagement with the Coordinating Board on Fields of Study (FOS)
- Further engagement on Institutional Conflicts of Interest policy
- Regents' Rule amendments clarifying faculty governance bodies
- Diversity work
- National Institutes of Health "Dear Colleague" letter



# ACUE

- Pilot Project AY 2019-2020, Facilitated by UTPB Education Professor Jessica Garrett
- 22 faculty members from UT System Academic Institutions completed the course and received certification
- Pinning ceremony and focus group held in June, 2019



- Exciting preliminary results related to student outcomes and engagement improvements in courses taught by these professors



# THECB Field of Study

- Provided feedback to the Texas Higher Education Coordinating Board on Proposed FOS changes
- FAC shares UT System leadership's goals of ensuring student readiness through the transfer process
- Faculty wish to reduce barriers to transfer while ensuring student success





# Faculty Advisory Council Physician Burnout Initiative

- 2018:
  - FAC White Paper with recommended Solutions for Physician Burnout at UT System presented to Chancellor, March 2018
  - White paper shared with the Health Science Center presidents, September 2018
- July 2019
  - UT System FAC and administrator working group initiated to share best practices and design interventions to mitigate burnout and improve well being for UT System physicians



# Faculty Advisory Council Academic Year 2019-20

- GOVERNANCE COMMITTEE:
  - Family leave and grievance policies across the system



# Faculty Advisory Council Academic Year 2019-20 (cont.)

- ACADEMIC AFFAIRS:
  - Student feedback survey
  - Affordable Learning Accelerator Task Force Working group collaboration for recognition of faculty for OER (Open Educational Resource)



# Faculty Advisory Council Academic Year 2019-20 (cont.)

- HEALTH AFFAIRS:
  - Physician burnout
  - Student success and quality of teaching



# Faculty Advisory Council Academic Year 2019-20 (cont.)

## HEALTH AFFAIRS

## ACADEMIC AFFAIRS

### Faculty recruitment and retention

- Sick leave/parental leave
- Non-tenured faculty stability
- Faculty turnover
- Exit interview
- Best practices for salary compression



4. **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 237](#).

**5. U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendment to Regents' Rules and Regulations, Rule 30202 (Employee Benefits), regarding back-up dependent care programs**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs *ad interim*, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel that Regents' *Rules and Regulations*, Rule 30202 (Employee Benefits), be amended to add the following section regarding back-up dependent care programs as set forth below in congressional style, and renumber the remaining sections accordingly:

Sec. 4 Back-up Dependent Care. The Board of Regents authorizes U. T. System Administration or any U. T. institution to establish a back-up dependent care program for disruptions in child, adult, or elder dependent caregiving arrangements, so that employees may continue to fulfill work obligations.

BACKGROUND INFORMATION

Regents' Rule 30202 authorizes certain employee benefits to be offered to U. T. System employees. The proposed amendment authorizes U. T. System Administration and U. T. institutions to offer back-up dependent care as an employee benefit, but does not compel any institution to do so.

Back-up dependent care programs can offer in-home or in-center care and are intended to cover gaps in caregiving that arise from temporary or unexpected events that would otherwise prevent an employee from fulfilling work obligations, such as a dependent's medical treatment or illness, a school closure, an employee's work-related travel, or an event causing regular caregivers to be temporarily unable to provide care.

These revisions do not impact the full-time equivalent (FTE) employee count Systemwide. The administration of the program has the potential to result in a slight cost, but it is expected that the program will increase employee efficiency and performance. The proposed amendments were reviewed by the institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

6. **U. T. System Board of Regents: Discussion of Criteria and Review Process for Permanent University Fund (PUF) debt financing requests**



7. **U. T. System Board of Regents: Presentation of Certificate of Appreciation to U. T. Medical Branch - Galveston President David Callender**

8. **U. T. System: Approval of the nonpersonnel aspects of the operating budgets for Fiscal Year 2020, including Permanent University Fund (PUF) Bond Proceeds allocations for Library, Equipment, Repair and Rehabilitation (LERR) Projects and for the Science and Technology Acquisition and Retention (STARs) program, and for capital expenses for the U. T. Rio Grande Valley School of Medicine**

RECOMMENDATION

Chancellor Milliken, with the concurrence of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs *ad interim*, and the presidents of the U. T. System institutions, recommends that the nonpersonnel aspects of the U. T. System Operating Budgets for Fiscal Year 2020, including Educational and General Funds, Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical, Dental, Nursing, and Allied Health Faculty Services, Research and Development Plans, be approved.

It is further recommended that the Chancellor be authorized to make editorial corrections to the approved budget and that subsequent adjustments be reported to the U. T. System Board of Regents through the Consent Agenda subject to the requirements of the Budget Rules and Procedures. Executive Vice Chancellor Kelley will present the following recommended items:

- Fiscal Year 2020 Operating Budget
- Fiscal Year 2020 Library, Equipment, Repair and Rehabilitation (LERR) Budget
- Fiscal Year 2020 Faculty Science and Technology Acquisition and Retention (STARs) program
- Allocation in support of the U. T. Rio Grande Valley School of Medicine

It is requested that Permanent University Fund (PUF) Bond Proceeds in the amount of \$35 million be appropriated directly to the institutions to fund LERR Projects for Fiscal Year 2020.

It is also requested that \$35 million of PUF Bond Proceeds be appropriated to provide additional funding to build and enhance research infrastructure to attract and retain the best qualified faculty through the Faculty STARs program. Through a competitive proposal process determined by U. T. System Administration, funds will be distributed for the purpose of recruiting or retaining top researchers. It is also requested that the respective Executive Vice Chancellor be delegated authority to transfer Faculty STARs funding to the Rising STARs program to take advantage of recruitment and retention opportunities that may arise.

In addition, it is requested that an allocation of \$50 million of PUF Bond Proceeds be authorized to fund capital expenses associated with the start-up of the U. T. Rio Grande Valley School of Medicine. On December 6, 2012, the Board approved \$100 million of unspecified resources to be used to fund start-up costs for the School of Medicine. Of the \$100 million commitment, the Board has previously approved \$50 million of PUF proceeds and is being asked to approve an additional \$50 million of PUF proceeds at this time.

### BACKGROUND INFORMATION

A supplemental volume of the budget materials titled "Operating Budget Summaries and Reserve Allocations for Library, Equipment, Repair and Rehabilitation and Faculty STARs" was provided to all Regents prior to the meeting and will be available online at <https://www.utsystem.edu/documents/docs/operating-budget-summary/operating-budget-summary-system-fy-2020>.

The appropriation of PUF Bond Proceeds will be presented in the Fiscal Year 2020 LERR Budget and is subject to the budget rules and expenditure guidelines adopted therein. The allocation of LERR funds to the U. T. institutions was developed from prioritized lists of projects submitted by the institutions and reviewed by U. T. System Administration staff. The allocation of PUF Bond Proceeds for Faculty STARs and the U. T. Rio Grande Valley School of Medicine are also subject to the LERR budget rules, and expenditure guidelines. Additionally, PUF Bond Proceeds appropriated as indicated above to LERR, Faculty STARs, and the U. T. Rio Grande Valley School of Medicine must be spent in accordance with Article VII, Section 18 of the Texas Constitution. PUF Bond Proceeds may only be used for the purpose of acquiring land either with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair and rehabilitation of buildings and other permanent improvements, acquiring capital equipment, and acquiring library books and library materials.

See Agenda Item 9 and also the Executive Session items related to individual personnel aspects of the U. T. System Operating Budgets (Items 6d and 6e for August 15).

9. **U. T. System: Discussion and appropriate action regarding personnel aspects of the U. T. System Administration and institutional operating budgets for Fiscal Year 2020**

RECOMMENDATION

Chancellor Milliken concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs *ad interim*, and the Executive Vice Chancellor for Business Affairs that approval be granted regarding personnel aspects of the U. T. System Administration operating budget for Fiscal Year 2020 as included in the previous Agenda Item (Item 8).

See also the Executive Session items related to the individual personnel aspects of the U. T. System Operating Budgets (Items 6d and 6e for August 15).

10. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed appointment to University Lands Advisory Board (ULAB)**

RECOMMENDATION

Chairman Eltife may recommend action concerning a proposed appointment to the University Lands Advisory Board (ULAB).

BACKGROUND INFORMATION

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

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

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



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FOR  
AUDIT, COMPLIANCE, AND RISK MANAGEMENT  
COMMITTEE**

**Committee Meeting: 8/14/2019**

**Board Meeting: 8/15/2019**  
Austin, Texas

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

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>A. CONVENE</b>	<i>9:30 a.m.</i> <i>Chairman Beck</i>		
<b>B. RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551</b>			
Deliberation Regarding Security Devices or Security Audits – Sections 551.076 and 551.089	<i>9:30 a.m.</i> <b>Report/Discussion</b>	Not on Agenda	
<b>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</b>			
<b>C. RECONVENE IN OPEN SESSION</b>			
1. <b>U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration</b>	<i>10:00 a.m.</i> <b>Discussion</b>	<b>Action</b>	<b>32</b>
2. <b>U. T. System: Approval of the U. T. Systemwide Annual Audit Plan for Fiscal Year 2020 and update on status of Fiscal Year 2019 Annual Audit Plan</b>	<i>10:05 a.m.</i> <b>Action</b> <i>Mr. Peppers</i>	<b>Action</b>	<b>33</b>
3. <b>U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendments to Regents’ Rules and Regulations, Rule 20402 (Provision of Audit and Non-Audit Services by External Audit Firms), regarding the definition of Audit Services</b>	<i>10:15 a.m.</i> <b>Action</b> <i>Mr. Peppers</i>	<b>Action</b>	<b>39</b>

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
4. <b>U. T. System: Report and discussion on Information Security Program</b>	10:20 a.m. <b>Report/Discussion</b> <i>Ms. Mohrmann</i>	Not on Agenda	<b>40</b>
<b>D. ADJOURN</b>	10:30 a.m.		

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

RECOMMENDATION

The proposed Consent Agenda items assigned to this Committee are [Items 6 and 7](#).



**2. U. T. System: Approval of the U. T. Systemwide Annual Audit Plan for Fiscal Year 2020 and update on status of Fiscal Year 2019 Annual Audit Plan**

**RECOMMENDATION**

Chief Audit Executive Peppers recommends approval of the proposed Fiscal Year 2020 U. T. Systemwide Annual Audit Plan (Audit Plan). Development of the Audit Plan is based on risk assessments performed at each institution. Implementation of the Audit Plan will be coordinated with the institutional auditors. The Audit Plan executive summary is set forth on the following pages. Additionally, the institutional annual audit plans were provided to the members of the Audit, Compliance, and Risk Management Committee (ACRMC) prior to the meeting.

Additionally, Mr. Peppers will provide an update on the Fiscal Year 2019 Annual Audit Plan status as of May 31, 2019. Details on the plan status were provided to the ACRMC members prior to the meeting.

**BACKGROUND INFORMATION**

Institutional audit plans, compiled by the internal audit departments after input and guidance from the U. T. System Audit Office, the Offices of Academic or Health Affairs, and the institution's management and institutional internal audit committee, were submitted to the respective institutional internal audit committee and institutional president for review and comments. Also, the U. T. System Chief Audit Executive provided feedback by conducting audit plan presentations with each institution. After the review process, each institutional internal audit committee formally approved its institution's audit plan.

**The University of Texas System  
Systemwide Internal Audit Program  
Fiscal Year 2020 Annual Audit Plan Executive Summary**

***Systemwide Annual Audit Plan***

The University of Texas (U. T.) Systemwide Fiscal Year (FY) 2020 Annual Audit Plan (Audit Plan) outlines the internal audit activities that will be performed by internal audit throughout the System in FY 2020. To provide consistency at the Systemwide level, the U. T. System Audit Office provided the institutional Chief Audit Executives (CAEs) with guidance in the spring of 2019 on the audit plan format, content, and development methodology, including the risk assessment process that supports the engagements selected to be on the individual audit plans, which were prepared in June and July 2019. The institutions’ management and internal audit committees, as well as the U. T. System Audit Office and the Offices of Academic and Health Affairs, provided direction, input, and feedback on the audit plans. After the review process, each institutional internal audit committee formally approved its audit plan. The FY 2020 Audit Plan, as summarized in the tables and graphs that follow, is formally presented to the U. T. System Board of Regents for consideration for approval at the August 2019 meeting.

The audit plans are prepared using a risk-based approach to ensure that areas and activities with the greatest risk are identified for consideration to be audited. Internal audit at each institution and System Administration conduct a risk assessment in which risks related to important institutional objectives were identified and rated as Critical, High, Medium, or Low. The Risk Scoring Matrix table (right) illustrates how the risks for each objective are scored based on the Probability of the risk occurring in the current environment and the Impact to the institution if the risk is realized. As Information Technology (IT) risks are the most prevalent across the System, additional focus is placed on IT risks through collaboration with IT and Information Security (IS) leadership to identify and agree upon critical services and functions that could have a significant impact on business objectives. In addition, for FY 2020, internal audit purposefully considered risks in the areas of intellectual property and construction (for those institutions now managing their own capital projects).

Risk Scoring Matrix		Impact		
		High	Medium	Low
Probability	High	C	H	M
	Medium	H	M	L
	Low	M	L	L

The engagements selected to be on the FY 2020 Audit Plan are derived directly from the risk assessment results, primarily addressing Critical and High risks, and also include other required and recurring work, as required by policy, statute, contract, or an external entity. For the Critical and High risks that are not addressed by the engagements, risk mitigation activities are identified and presented as part of the audit plan. These may include monitoring work performed by other risk functions, past year audit coverage, or review by an external party.

The following table lists the FY 2020 Audit Plan total budgeted audit hours by institution. These hours include engagements conducted by approximately 116 internal audit professional FTEs and co-source resources who are experts in selected audit areas that work with internal audit on engagements. However, with potential changes in priorities and staffing resources that may occur during the fiscal year, institutions may request approval from their respective presidents and/or internal audit committees to change their budgeted hours or reallocate budgeted hours among engagements and projects.

<b>Institution</b>	<b>Budgeted Audit Hours</b>
U. T. Arlington	10,140
U. T. Austin	19,200
U. T. Dallas	14,862
U. T. El Paso	10,145
U. T. Permian Basin	4,685
U. T. Rio Grande Valley	9,417
U. T. San Antonio	10,300
U. T. Tyler	4,490
U. T. Southwestern Medical Center	19,690
U. T. Medical Branch - Galveston	11,822
U. T. Health Science Center - Houston	14,212
U. T. Health Science Center - San Antonio	8,827
U. T. M. D. Anderson Cancer Center	21,250
U. T. Health Science Center - Tyler	4,315
U. T. System Administration	15,725
<b>Total Budgeted Audit Hours</b>	<b>179,080</b>

The FY 2020 Audit Plan directs internal audit resources in three main sections: Engagements (Assurance Engagements, Advisory and Consulting Engagements, Investigations, and Follow-Up procedures); Development – Operations (ongoing operational activities); and Development – Initiatives and Education (developmental activities and continued education). Additionally, hours are set aside in a general reserve for unanticipated changes in resources and projects prompted by unexpected issues that may arise during the fiscal year. The table below depicts the percentage of budgeted audit hours allocated in these categories across the System.

<b>Audit Plan Category</b>	<b>Budgeted Audit Hours</b>	<b>Percent</b>
Assurance Engagements	69,167	39%
Advisory & Consulting Engagements	26,945	15%
Required Engagements	15,300	9%
Investigations	9,360	5%
Reserve	8,485	5%
Follow-Up	5,855	3%
Development – Operations	27,222	15%
Development – Initiatives & Education	16,746	9%
<b>Total Budgeted Audit Hours</b>	<b>179,080</b>	<b>100%</b>

***Systemwide Risk Assessment***

As part of the FY 2020 Audit Plan process, the institutional and System Administration internal auditors executed a strategic and operational objective-based risk assessment. The goal for this common risk assessment approach was to start at the top with an awareness of critical objectives and discussion with key stakeholders to ensure the risks assessed by the Audit Plan were the most relevant. The assessment process was standardized by using common terms (Taxonomy) and criteria (Risk Scoring Matrix), enabling further analysis. As done in the past, an emphasis was placed on collaboration with other functions that assess, handle, or manage risk.

Approximately 2,335 risks were identified across the institutions and U. T. System Administration. The following Taxonomy areas had the highest numbers of total risks and the most Critical and High risks.

Academic Institutions:

- IT (see additional information on the following pages)
- Research – research administration within compliance and biosafety requirements; intellectual property protection; and export controls
- Auxiliary Services – Title IX; athletics compliance; campus safety; and student housing
- Finance – financial reporting; budget alignment; accounts payable; and payroll
- Enrollment management – student recruitment and admissions/financial aid processes

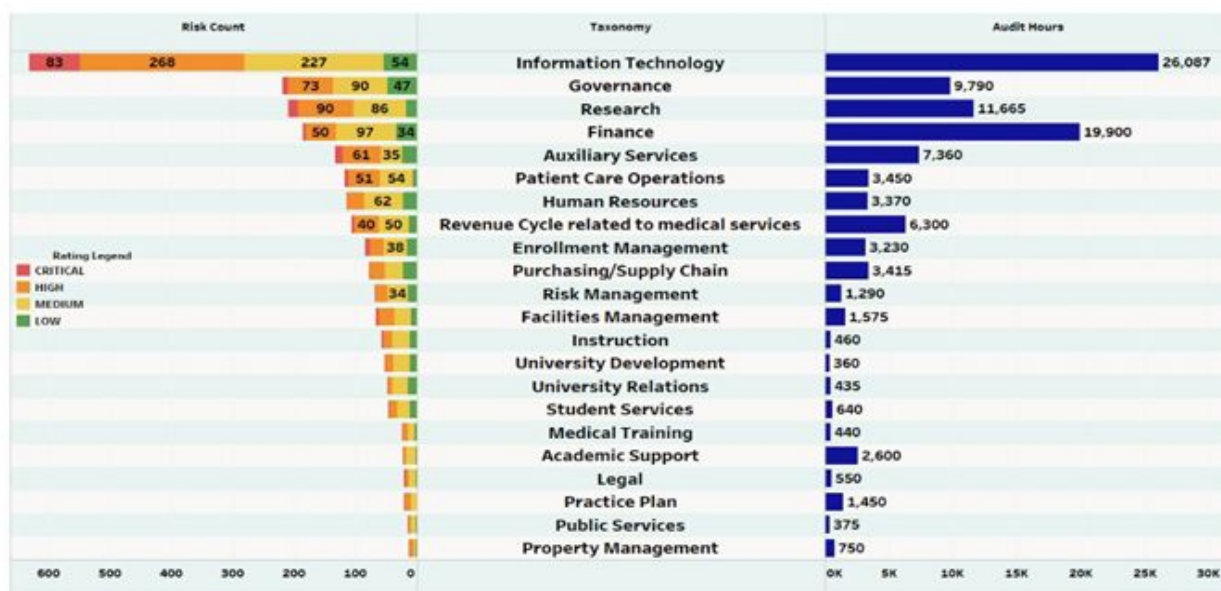
Health Institutions:

- IT (see additional information on the following pages)
- Governance – strategies; structures; partners; business continuity; and compliance program
- Research – research administration and compliance; pre and post award processes; faculty and institutes; and intellectual property protection
- Patient care – delivering quality care; patient safety; staffing management; and credentialing
- Revenue cycle – process from admission to coding charges to billing

System Administration:

- IT – cybersecurity vulnerability management and incident response; data stewardship and governance; funding; and access management
- Governance – strategic planning; resource stewardship; role in supporting institutional needs; succession planning and cross training; and managing organization change
- Finance – strategic financial planning/budgeting and account reconciliations/separation of duties

The following graph depicts the Systemwide count of risks, broken down by Risk Score, in the 22 Taxonomy areas. This is compared against the allocation of budgeted hours for engagements.



NOTE: The total audit hours in the graph are less than total budgeted hours noted on the previous page because engagements not associated with a Taxonomy are excluded (e.g., Investigations, Reserve, Follow-Up, and Development hours).

***Systemwide IT Risk Assessment Methodology***

During FY 2018, the System Audit Office initiated a project to develop an IT risk assessment methodology to assist internal audit at each institution and System Administration to consistently identify the most significant IT risks for an effective IT audit plan. As part of this process, a uniform framework was developed for defining IT areas (Domains) and functions (Processes), which provides a common language and organization for collaboration and comparison among U. T. institutions.

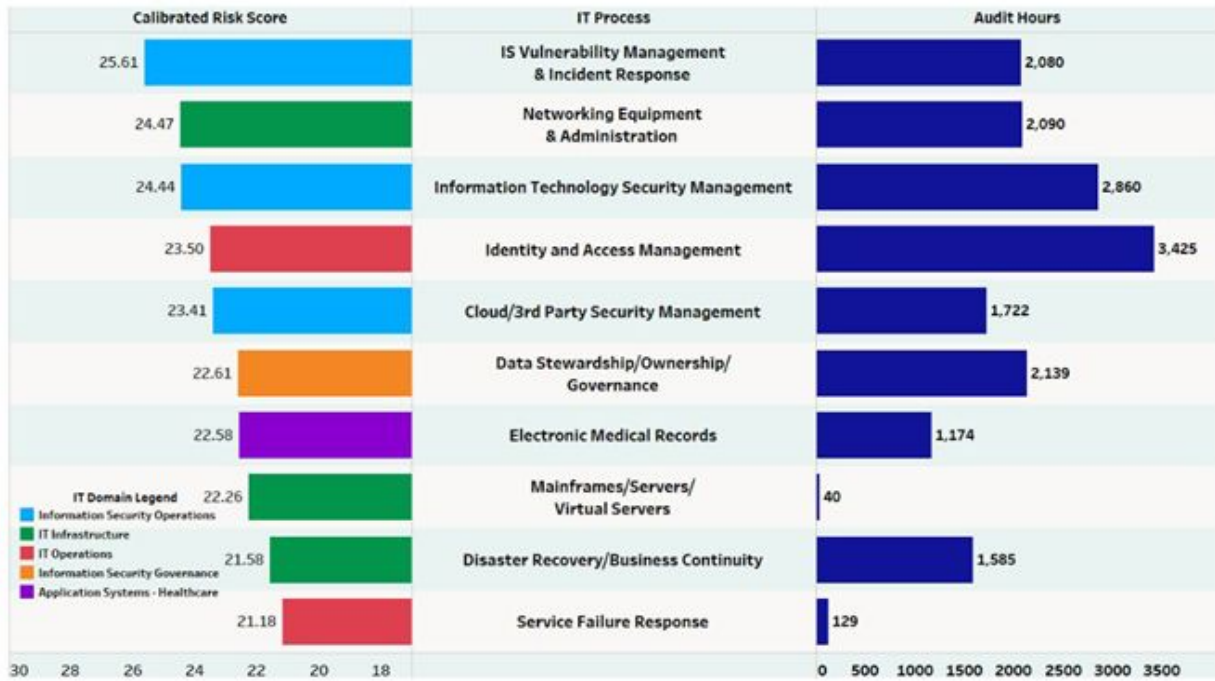
The common framework also facilitates the identification of cross-institution risks and trends. Cybersecurity Vulnerability Management and Incident Response, and Data Stewardship, Ownership and Governance, were the most frequently identified Critical or High risk areas, with 13 institutions and System Administration citing at least one Critical or High risk in these areas. The most common Critical and High risk areas identified during this year’s risk assessment are:

<u>IT Process</u>	<u># of Institutions*</u>
Cybersecurity Vulnerability Management & Incident Response	14
Data Stewardship/Ownership/Governance	14
Mobile Devices & Portable Data Storage	13
IT Asset Management	12
Identity & Access Management	11
Networking Equipment & Administration	11
Cloud/Third-Party Security Management	11

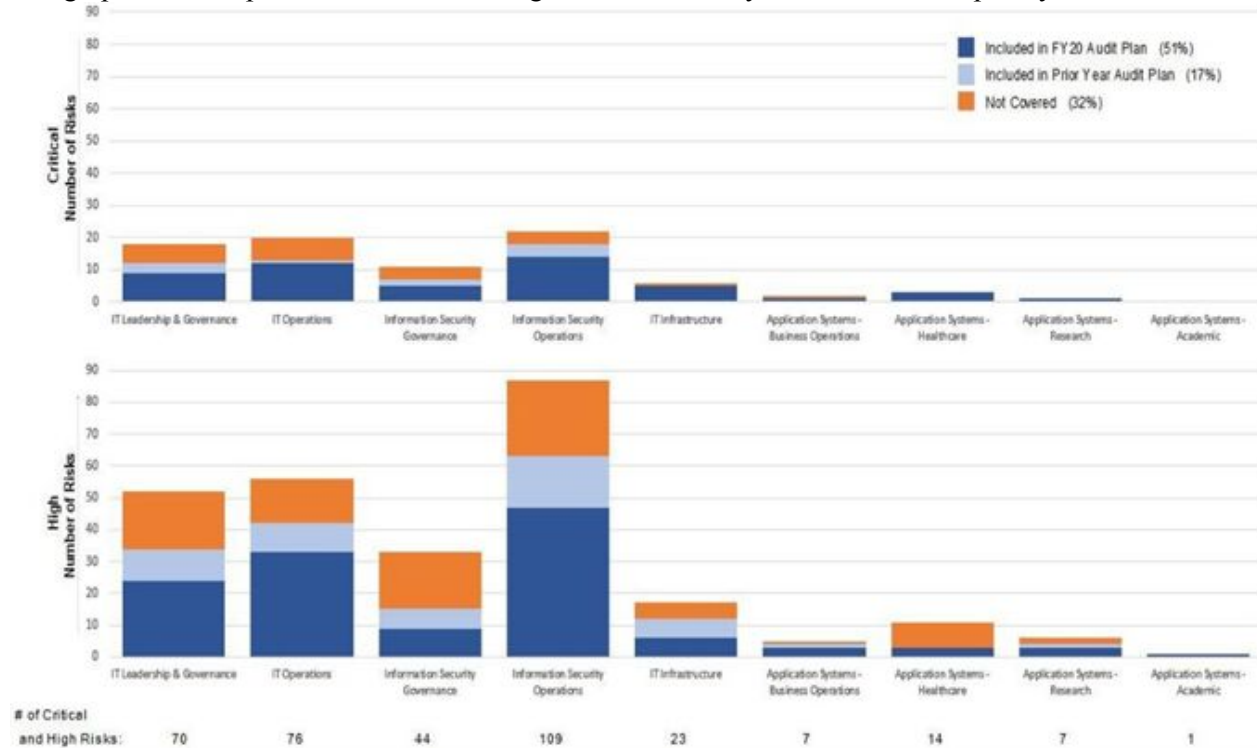
*\* Includes UT System Administration where applicable.*

The methodology also improves visibility into U. T. System risk through Calibrated Risk Scores (CRS), which are numeric values calculated based on risk ratings (Critical, High, Medium, Low) with weighting applied based on institution and Domain/Process factors. This results in the ability to prioritize the full inventory of IT risks, such that Critical and High risks are ranked by their significance to U. T. System as a whole, which can be used for internal audit resource allocation. The weighting of the CRS is based on institutional calibration factors (including multi-institution or Systemwide; academic or health; budget; research expenditures; faculty and staff headcounts; and enrollment) and process calibration (relative risk among processes -- e.g., cybersecurity incident response is weighted higher than IT project management).

The top ten U. T. System IT risk areas based on CRS of Critical and High risks compared against the allocation of budgeted hours for engagements are displayed below:



The graph below depicts the Critical and High risks covered by the FY 2020 and prior year Audit Plans:



Consolidation Prepared by: U. T. System Audit Office  
Date: July 2019

3. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendments to Regents' Rules and Regulations, Rule 20402 (Provision of Audit and Non-Audit Services by External Audit Firms), regarding the definition of Audit Services**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs *ad interim*, the Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, and the Chief Audit Executive that Regents' *Rules and Regulations*, Rule 20402 (Provision of Audit and Non-Audit Services by External Audit Firms), be amended as set forth below in congressional style:

...

Audit Services - ~~are services provided for the purpose of expressing an opinion on the financial statements of U. T. System or any of the institutions that result in an audit, review, or agreed-upon procedures communication for U. T. System or any of the institutions.~~

....

BACKGROUND INFORMATION

Regents' Rule 20402 regulates the provision of audit and non-audit services by external audit firms to U. T. System Administration and U. T. institutions. Under the Rule, any engagement of an external audit firm for services outside the definition of "audit services" must be approved by the Audit, Compliance, and Risk Management Committee (ACRMC) to assure that no conflict of interest is created by the proposed engagement.

Audit services are currently defined as "services provided for the purpose of expressing an opinion on the financial statements." However, in industry practice, audit services can also include review of financial information other than an organization's financial statements and review of non-financial aspects of an organization. The proposed amendment broadens this definition to allow U. T. System to obtain other limited types of audit services such as program audits, financial reviews for accreditation, or agreed upon procedures without approval by the ACRMC. These types of engagements would continue to be reviewed by multiple parties and result in a formal communication report and will also require delegation of audit authority from the State Auditor's Office.

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

**4. U. T. System: Report and discussion on Information Security Program**

REPORT

Ms. Helen Mohrmann, Chief Information Security Officer, will report on activities of the Office of Information Security and various initiatives. A PowerPoint presentation is set forth on the following pages.

BACKGROUND INFORMATION

The Office of Information Security oversees security for information systems managed by U. T. System Administration and provides a stewardship and service function to U. T. institutions. This Office also administers funds allocated by the Board for information security. This annual report will review use of those funds and current projects.



# Information Security Annual Report

Ms. Helen Mohrmann, Chief Information Security Officer

U. T. System Board of Regents' Meeting  
Audit, Compliance, and Risk Management Committee  
August 2019



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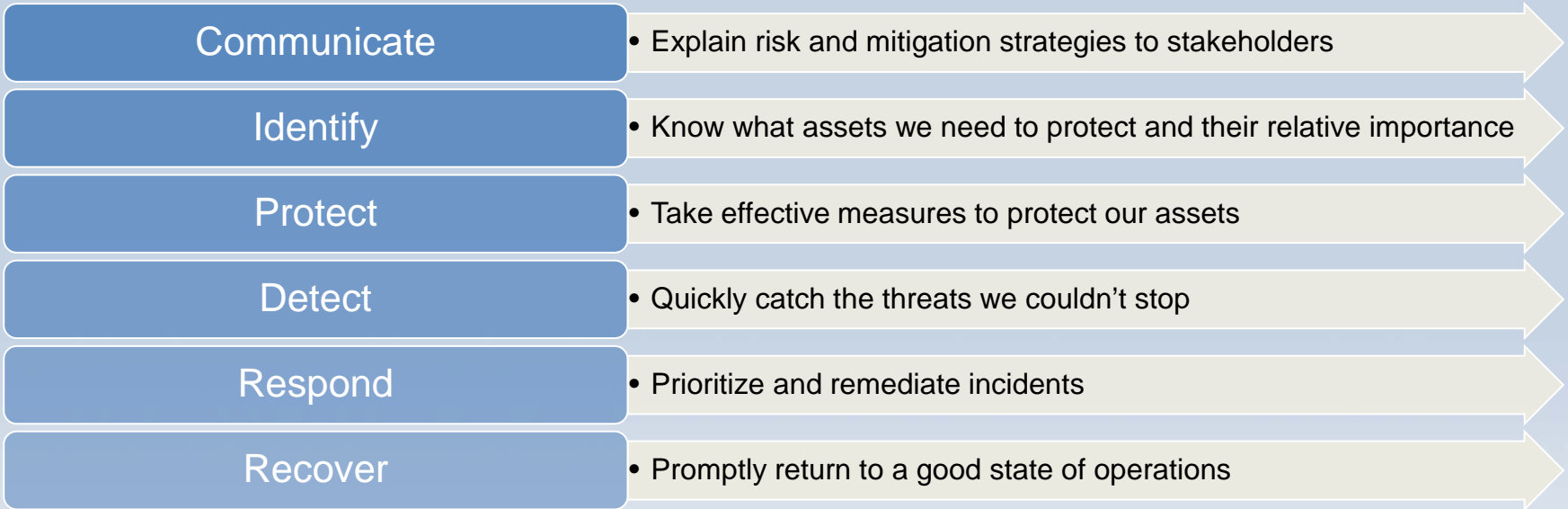
[WWW.UTSYSTEM.EDU](http://WWW.UTSYSTEM.EDU)

# Information Security Risks to the U. T. Mission

- Interference with or loss of operations
- Theft or corruption of student, employee, or patient data
- Theft or corruption of intellectual property



# Information Security Strategy Framework



# Current U. T. System Projects and Services

	FY 19	FY 20
Communicate	Develop New Risk Report	Issue New Risk Report
Identify	Include Inventory in Risk Report	Revise Annual Report Template
Protect	Identify Gaps in Network Security	Address Gaps in Network Security Conduct Daily Vulnerability Scans
Detect	Re-design Intrusion Detection Service 🐾	Deploy Intrusion Detection Service 🐾 Conduct Security Tests (Red Teams) 🐾
Respond		Conduct Incident Response Health Checks 🐾
Recover		

🐾 Provided by U. T. Austin under contract to U. T. System Administration



# New Information Security Risk Report

- Rates eighteen categories of risks
- Discusses mitigation strategies
- Provides overview of mission-critical and high-risk assets
- Describes the level of decentralized asset management



# Institution Network Security Assessment

- Established a baseline for network security
- Identified strengths and gaps at each institution
- Currently working with the institutions to develop remediation plans



# Intrusion Detection Service

- Validated the design and cost estimates with a third party
- Developed a planning process to work with each institution
- First two institutions are implemented: U. T. Dallas, U. T. Southwestern Medical Center
- Two or three more institutions will be implemented before the November meeting



# Information Security Strategy Implementation

- Leverage the expertise of the U. T. institutions
  - U. T. Austin provides several services to the institutions under contract from U. T. System
  - Recurring community conference calls on specific topics enable institutions to share information
  - CISOs meet quarterly
  - Bi-annual information security conference fosters networking among information technology and security professionals across institutions





## Strategy Implementation continued

- Established institutional Information Security (IS) function that is separate from the central Information Technology (IT) organization
  - IT performs the front-line operational work of applying technical controls for systems managed by central IT
  - IS provides guidance and oversight to central and distributed IT organizations





## TABLE OF CONTENTS FOR FINANCE AND PLANNING COMMITTEE

**Committee Meeting:** 8/14/2019

**Board Meeting:** 8/15/2019  
Austin, Texas

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

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	<i>10:30 a.m.</i> <i>Chairman Hicks</i>		
1. <b>U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration</b>	<i>10:30 a.m.</i> <b>Discussion</b>	<b>Action</b>	<b>52</b>
2. <b>U. T. System: Financial Status Presentation and Monthly Financial Report</b>	<i>10:32 a.m.</i> <b>Report/Discussion</b> <i>Dr. Kelley</i>	Not on Agenda	<b>53</b>
3. <b>U. T. System Board of Regents: Equipment financing authorization for Fiscal Year 2020 and resolution regarding parity debt</b>	<i>10:45 a.m.</i> <b>Action</b> <i>Dr. Kelley</i>	<b>Action</b>	<b>85</b>
4. <b>U. T. System Board of Regents: Adoption of a Resolution authorizing the issuance, sale, and delivery of Permanent University Fund Bonds and authorization to complete all related transactions</b>	<i>10:47 a.m.</i> <b>Action</b> <i>Dr. Kelley</i>	<b>Action</b>	<b>88</b>
5. <b>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</b>	<i>10:48 a.m.</i> <b>Action</b> <i>Dr. Kelley</i>	<b>Action</b>	<b>90</b>
6. <b>U. T. System Board of Regents: Adoption of resolutions authorizing certain bond enhancement agreements for Revenue Financing System debt and Permanent University Fund debt, including ratification of U. T. System Interest Rate Swap Policy</b>	<i>10:49 a.m.</i> <b>Action</b> <i>Dr. Kelley</i>	<b>Action</b>	<b>92</b>

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
7. <b>U. T. System Board of Regents: The University of Texas/Texas A&amp;M Investment Management Company (UTIMCO) Update</b>	10:50 a.m. <b>Report/Discussion</b> <i>Mr. Britt Harris</i>	Not on Agenda	<b>116</b>
8. <b>U. T. System Board of Regents: Approval of amendments to the Investment Policy Statements for the Permanent University Fund, the General Endowment Fund, the Permanent Health Fund, the Long Term Fund, and the Intermediate Term Fund</b>	11:00 a.m. <b>Action</b> <i>Mr. Britt Harris</i>	<b>Action</b>	<b>124</b>
9. <b>U. T. System Board of Regents: Discussion and appropriate action regarding amendments to Bylaws of The University of Texas/Texas A&amp;M Investment Management Company (UTIMCO) related to the terms of the Chairman and Vice Chairman of the UTIMCO Board of Directors</b>	11:02 a.m. <b>Action</b> <i>Mr. Britt Harris</i>	<b>Action</b>	<b>128</b>
10. <b>U. T. System Board of Regents: Approval of the Annual Budget for Fiscal Year 2020, including the capital expenditures budget and other external direct charges to the Funds, and the Annual Fee and Allocation Schedule for The University of Texas/Texas A&amp;M Investment Management Company (UTIMCO)</b>	11:05 a.m. <b>Action</b> <i>Mr. Britt Harris</i> <i>Dr. Kelley</i>	<b>Action</b>	<b>129</b>
<b>Adjourn</b>	11:30 a.m.		

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

RECOMMENDATION

The proposed Consent Agenda items assigned to this Committee are [Items 8 - 10](#).

**2. U. T. System: Financial Status Presentation and Monthly Financial Report**

REPORT

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

# U. T. System Administration

*Budget Historical Analysis  
and  
Fiscal Year-to-Date Actuals thru May 2019*

Dr. Scott Kelley, Executive Vice Chancellor for Business Affairs

U. T. System Board of Regents' Meeting  
Finance and Planning Committee  
August 2019

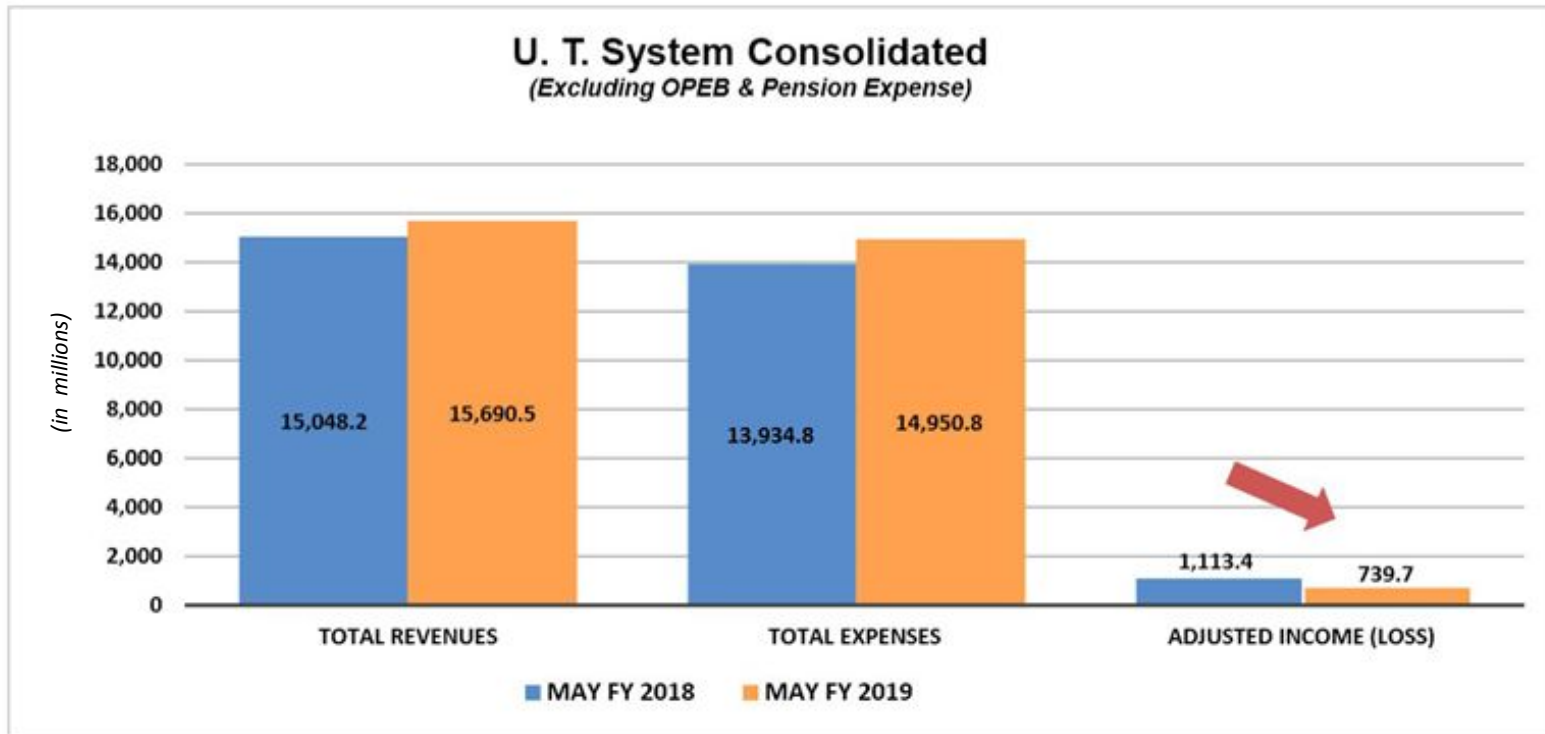


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# U. T. System Consolidated Landscape

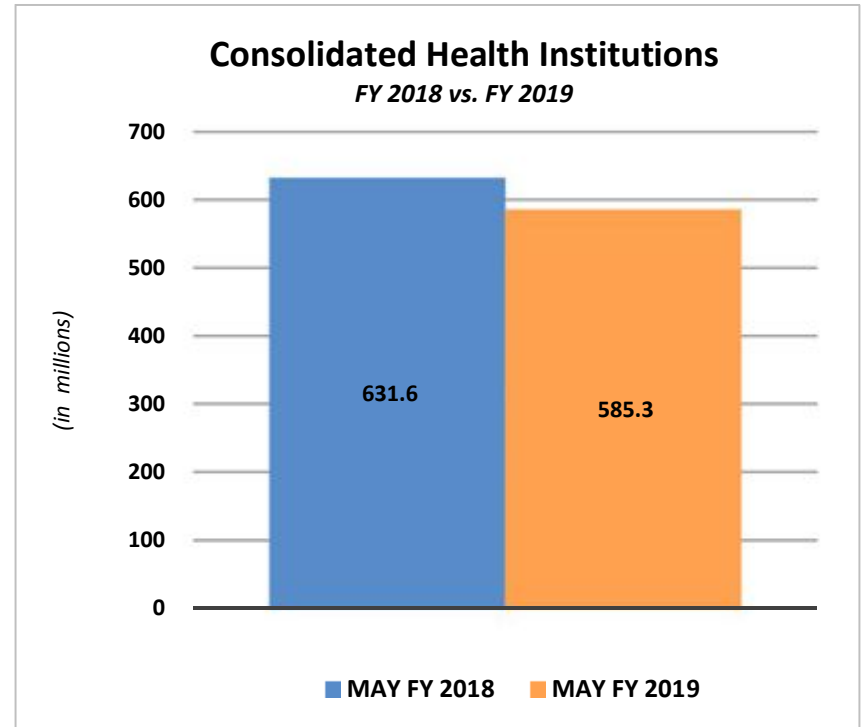
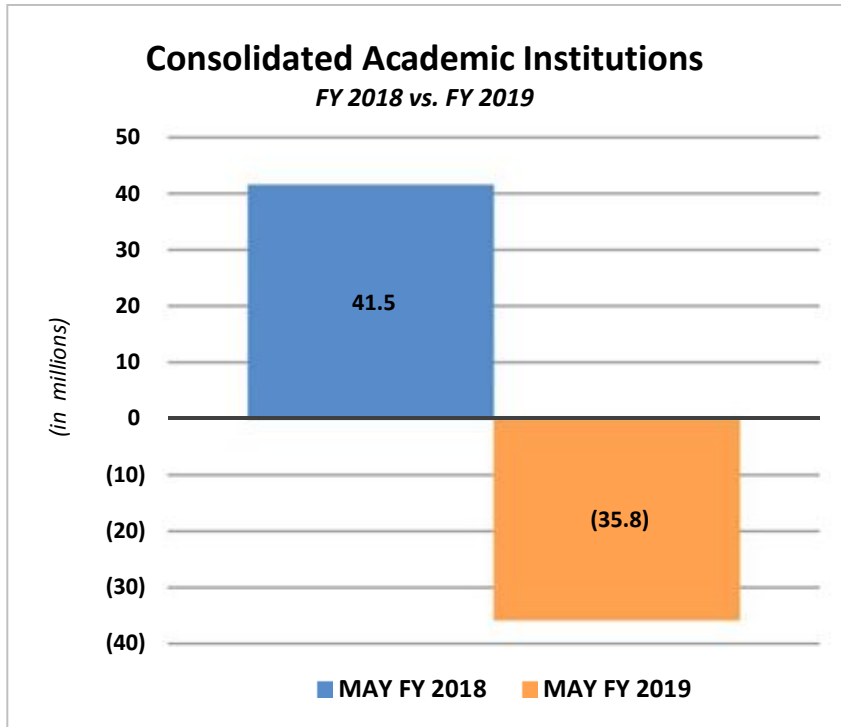
For the Period Ending May 31, 2019



Source: May 2019 Monthly Financial Report



## Consolidated Adjusted Income (Loss) Comparison For the Period Ending May 31, 2019

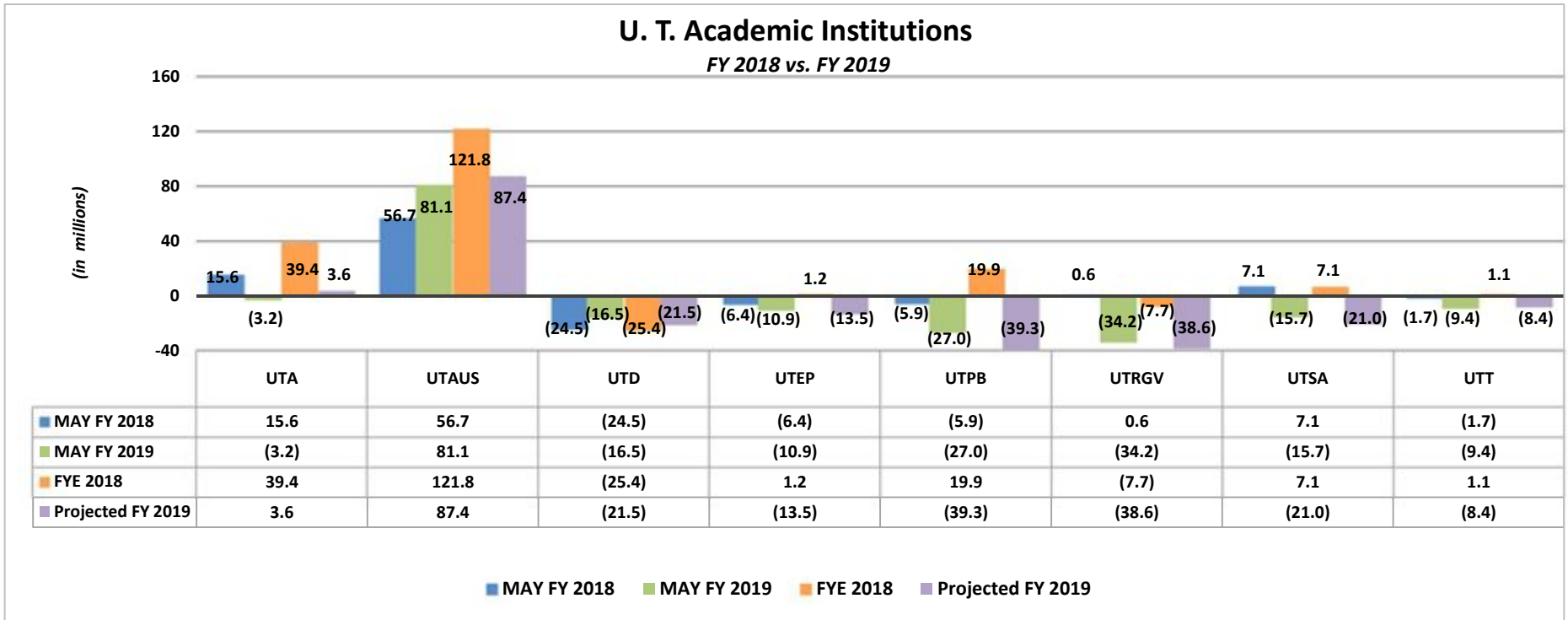


Source: May 2019 Monthly Financial Report





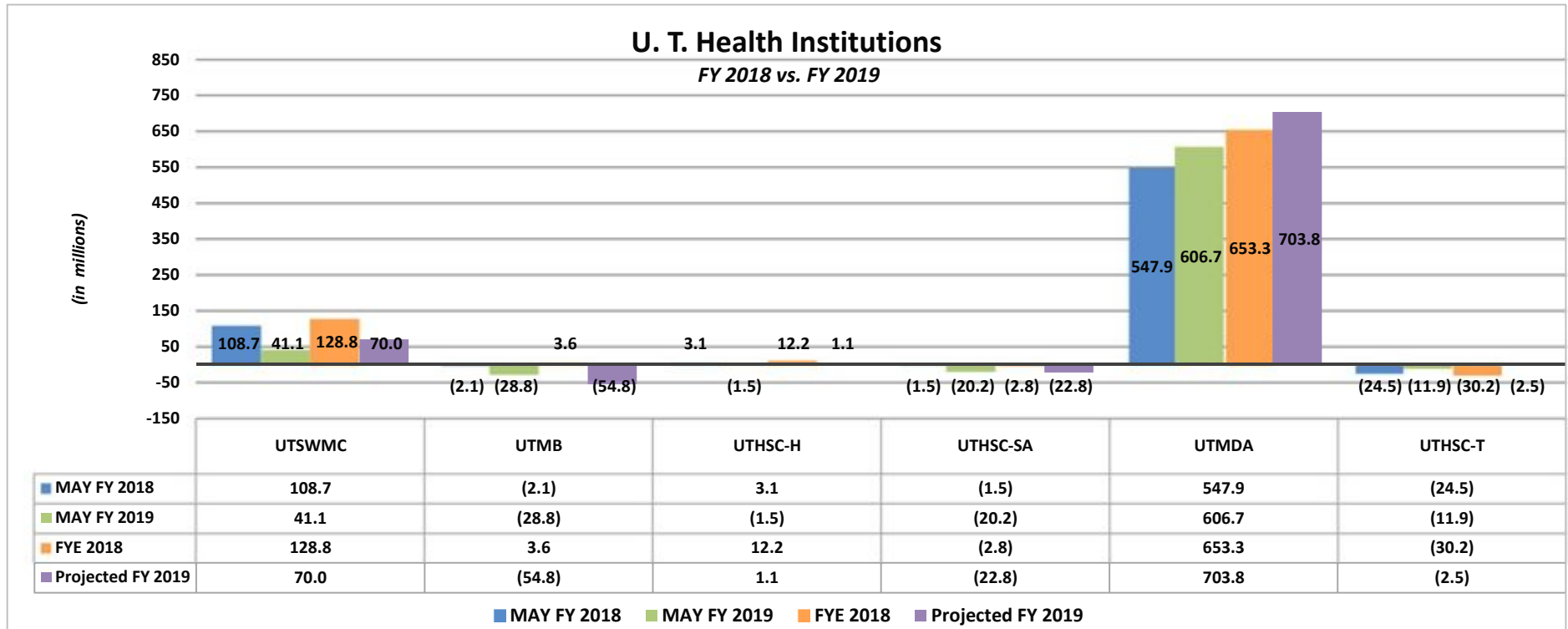
## Academic Adjusted Income (Loss) Comparison For the Period Ending May 31, 2019



Source: May 2019 Monthly Financial Report



## Health Adjusted Income (Loss) Comparison For the Period Ending May 31, 2019



Source: May 2019 Monthly Financial Report



# U.T. System Administration Financial Summary

	FY 2014 Budget	FTEs	FY 2017 Budget	FTEs	FY 2018 Budget	FTEs	FY 2019 Budget	FTEs	FYTD Actual (May 2019)	% of Budget
U. T. System Administration (AUF)	\$ 52,855,917	292.7	\$ 69,017,661	318.6	\$ 60,835,281	274.4	\$ 57,678,597	264.8	\$ 39,322,425	68%
Direct Campus Support (AUF)*	8,262,441	1.0	47,374,648	157.3	42,319,122	103.0	42,557,676	114.0	24,175,595	57%
Other Operations Funded with AUF Reserves	1,333,352	5.0	26,457,492	62.5	34,130,941	48.0	2,527,538	3.5	2,282,700	90%
Service Departments and Other Non-AUF**	<u>46,529,184</u>	<u>328.2</u>	<u>63,033,968</u>	<u>326.6</u>	<u>56,475,973</u>	<u>255.3</u>	<u>70,792,193</u>	<u>291.7</u>	<u>46,562,438</u>	<u>66%</u>
<b>Total – U. T. System Administration and Campus Support</b>	<b>\$ 108,980,894</b>	<b>626.9</b>	<b>\$ 205,883,769</b>	<b>865.0</b>	<b>\$ 193,761,317</b>	<b>680.7</b>	<b>\$ 173,556,004</b>	<b>674.0</b>	<b>\$ 112,343,158</b>	<b>65%</b>

\* Direct Campus Support for FY 2017 includes campus auditors (48.3 FTEs) which were shifted back to the campuses in FY 2018 following approval by the Board of Regents in May 2017. Direct Campus Support includes \$2.3 million in FY 2014, \$5.2 million in FY 2017, and \$1.1 million in FY 2019 funded from AUF reserves.

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

NOTE: Historical budget data for FY 2014 – FY 2018 was not restated/adjusted for reclassifications made in FY 2019.



## U. T. System Administration (AUF)

	FY 2014 Budget	FTEs	FY 2017 Budget	FTEs	FY 2018 Budget	FTEs	FY 2019 Budget	FTEs	FYTD Actual (May 2019)	% of Budget
Board of Regents	\$ 2,167,549	12.9	\$ 2,238,493	12.9	\$ 2,112,462	10.0	\$ 2,222,456	10.0	\$ 1,744,331	78%
System Audit	1,876,933	13.7	2,737,301	15.0	2,586,309	13.6	2,515,075	13.3	1,835,821	73%
Chancellor	901,026	7.2	1,522,734	6.9	1,399,565	5.9	1,386,436	5.9	691,591	50%
Police	2,061,328	13.0	2,549,818	15.0	2,830,101	15.0	2,958,834	15.0	2,373,752	80%
Information Security	1,325,905	13.0	2,358,898	13.0	2,326,656	12.0	2,163,100	12.0	1,450,867	67%
Compliance	963,622	4.0	1,234,507	5.5	1,495,962	6.8	1,098,415	5.3	642,685	59%
Human Resources	–	–	–	–	–	–	1,667,867	12.0	921,994	55%
Academic Affairs	7,229,975	41.3	9,801,558	48.4	8,708,300	40.3	8,809,355	41.3	6,409,817	73%
Health Affairs	2,790,691	11.3	3,539,317	13.9	3,175,875	11.5	3,114,460	12.0	2,016,237	65%
Business Affairs	12,261,837	88.7	15,156,803	91.5	15,223,176	83.7	12,711,998	70.2	9,166,103	72%
External Relations	3,675,409	31.2	3,953,338	29.6	3,739,232	25.1	3,172,191	20.1	2,115,685	67%
General Counsel	4,715,468	34.3	5,301,860	33.4	4,723,183	27.1	4,591,358	26.2	3,367,743	73%
Governmental Relations	1,587,353	12.1	1,700,157	12.0	1,569,771	10.5	1,558,254	10.5	1,073,664	69%

NOTE: Historical budget data for FY 2014 – FY 2018 was not restated/adjusted for reclassifications made in FY 2019.



## U. T. System Administration (AUF)

	FY 2014 Budget	FTEs	FY 2017 Budget	FTEs	FY 2018 Budget	FTEs	FY 2019 Budget	FTEs	FYTD Actual (May 2019)	% of Budget
Talent & Innovation (Tech Commercialization)*	-	-	-	-	-	-	1,892,992	6.0	1,173,935	62%
External Audit	-	-	-	-	-	-	1,933,408	-	1,141,737	59%
Center for Enhancing Philanthropy	-	-	-	-	-	-	755,092	3.0	151,030	20%
Organizational Effectiveness	-	-	-	-	-	-	405,297	2.0	279,592	69%
OTIS Assessment to AUF	-	-	-	-	-	-	2,276,102	-	2,288,345	101%
Merit/Staffing Adjustment	-	-	-	-	-	-	1,718,590	-	-	N/A
Contracted Professional Services	-	-	-	-	-	-	727,317	-	477,496	66%
Other	<u>11,298,821</u>	<u>10.0</u>	<u>16,922,877</u>	<u>21.5</u>	<u>10,944,689</u>	<u>12.9</u>	-	-	-	-
<b>Total</b>	<b>\$ 52,855,917</b>	<b>292.7</b>	<b>\$ 69,017,661</b>	<b>318.6</b>	<b>\$ 60,835,281</b>	<b>274.4</b>	<b>\$ 57,678,597</b>	<b>264.8</b>	<b>\$ 39,322,425</b>	<b>68%</b>

\* Includes management of the Horizon Fund

NOTE: Historical budget data for FY 2014 – FY 2018 was not restated/adjusted for reclassifications made in FY 2019.



## Direct Campus Support (AUF)

	FY 2014 Budget	FTEs	FY 2017 Budget	FTEs	FY 2018 Budget	FTEs	FY 2019 Budget	FTEs	FYTD Actuals (May 2019)	% of Budget
Shared Information Services *	\$ 2,529,429	1.0	\$ 24,654,001	109.0	\$ 24,447,186	103.0	\$ 24,708,332	114.0	\$ 15,908,561	64%
Digital Library Services	-	-	8,267,034	-	8,267,034	-	8,267,034	-	8,267,034	100%
Campus Insurance and IT	<u>5,733,012</u>	-	<u>9,604,902</u>	-	<u>9,604,902</u>	-	<u>9,582,310</u>	-	-	0%
<b>Total **</b>	<b>\$ 8,262,441</b>	<b>1.0</b>	<b>\$ 47,374,648</b>	<b>157.3</b>	<b>\$ 42,319,122</b>	<b>103.0</b>	<b>\$ 42,557,676</b>	<b>114.0</b>	<b>\$ 24,175,595</b>	<b>57%</b>

\* Shared Information Services includes \$2.3 million in FY 2014, \$5.2 million in FY 2017, and \$1.1 million in FY 2019 funded from AUF reserves.

\*\* Detail above omits \$4.8 million and 48.3 FTEs in FY 2017 related to campus audit functions that were returned to the campuses in FY 2018 following May 2017 approval by the Board of Regents.



## Other Operations (AUF Reserves)

	FY 2014 Budget	FTEs	FY 2017 Budget	FTEs	FY 2018 Budget	FTEs	FY 2019 Budget	FTEs	FYTD Actuals (May 2019)	% of Budget
Buffalo Point	\$ -	-	\$ -	-	\$ -	-	\$ 360,000	-	\$ 313,364	87%
QL Healthcare Enterprise Collaboration	-	-	-	-	662,400	-	662,400	-	488,181	74%
Public Health	-	-	83,743	0.5	-	-	309,375	0.5	558,429	181%
Other Quantum Leaps	-	-	1,605,220	10.0	11,818,877	8.0	1,195,763	3.0	922,726	77%
Institute for Transformational Learning*	1,333,352	5.0	24,561,529	50.0	21,649,664	40.0	-	-	-	-
Research Experts Data Warehouse	-	-	207,000	2.0	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1,333,352</b>	<b>5.0</b>	<b>\$ 26,457,492</b>	<b>62.5</b>	<b>\$ 34,130,941</b>	<b>48.0</b>	<b>\$ 2,527,538</b>	<b>3.5</b>	<b>\$ 2,282,700</b>	<b>90%</b>

\*The Institute for Transformational Learning was funded by prior year allocations from the Board of Regents.



# U. T. System Administration and Service Departments (Non-AUF)

(Excluding Self-Insurance Funds)

	FY 2014 Budget	FTEs	FY 2017 Budget	FTEs	FY 2018 Budget	FTEs	FY 2019 Budget	FTEs	FYTD Actuals (May 2019)	% of Budget
University Lands*	\$ 7,629,843	29.4	\$ 18,585,302	48.8	\$ 21,770,855	47.1	\$ 16,418,777	43.4	\$ 9,601,197	58%
OCP/OFPC/Facilities	19,160,219	135.9	23,893,535	134.7	16,594,224	78.8	17,985,834	79.3	10,451,063	58%
Employee Benefits	4,371,470	38.8	5,026,408	43.2	4,469,516	38.0	4,612,038	38.3	3,463,820	75%
Technology and Information Services	3,782,290	29.0	5,109,359	29.0	3,679,037	25.5	4,363,024	27.5	2,989,053	69%
Office of Risk Management	5,079,230	49.8	3,631,822	29.5	3,394,013	27.2	3,626,207	27.8	2,653,573	73%
External Relations	1,727,110	8.5	1,489,479	7.5	1,417,390	6.0	1,633,931	6.9	1,106,022	68%
Office of General Counsel	4,236,675	31.9	4,627,066	29.0	4,453,129	27.8	4,833,631	31.4	2,959,959	61%
TMSAS/JAMP	—	—	—	—	—	—	6,864,087	15.0	4,515,713	66%
External Audit	—	—	—	—	—	—	816,679	—	581,644	71%
Chancellor	—	—	—	—	—	—	1,977,200	1.0	886,631	45%
Systemwide Compliance	—	—	—	—	—	—	1,510,300	1.0	1,280,162	85%
Other**	542,347	4.9	670,997	4.9	697,809	4.9	6,150,485	20.1	6,073,601	99%
<b>Total</b>	<b>\$ 46,529,184</b>	<b>328.2</b>	<b>\$ 63,033,968</b>	<b>326.6</b>	<b>\$ 56,475,973</b>	<b>255.3</b>	<b>\$ 70,792,193</b>	<b>291.7</b>	<b>\$ 46,562,438</b>	<b>66%</b>

\* The budget and May YTD actuals shown represent 2/3 of the overall University Lands budget (the portion that is attributable to the University of Texas System support). Historical budget information includes the Texas Oil and Gas Institute which was closed in FY 2018.

\*\* Other primarily includes the non-AUF costs of various System departments such as Finance, Information Security, Controller, etc. Excluded are self-insurance funds, federal Medicare Part D reimbursements, systemwide software which is centrally negotiated and reimbursed by campuses (e.g. licenses for Microsoft, Incommon, Oracle and Verisign), and the debt service on the U. T. System Building.





# U. T. System Administration Financial Summary

	FY 2014 Budget	FTEs	FY 2017 Budget	FTEs	FY 2018 Budget	FTEs	FY 2019 Budget	FTEs	FYTD Actuals (May 2019)	% of Budget
<b>U. T. System Administrations and Direct Campus Support - Operations</b>	<b>\$ 108,980,894</b>	<b>626.9</b>	<b>\$ 205,883,769</b>	<b>865.0</b>	<b>\$ 193,761,317</b>	<b>680.7</b>	<b>\$ 173,556,004</b>	<b>674.0</b>	<b>\$ 112,343,158</b>	<b>65%</b>
Lone Star Stroke (GR appropriation)	-	-	-	-	1,645,390	-	1,645,390	-	1,645,390	100%
Systemwide Software Licenses*	18,549,015	0.2	20,077,756	-	19,057,053	-	18,937,053	-	14,981,312	79%
Medicare Part D Federal Support**	12,500,000	-	5,000,000	-	20,000,000	-	14,260,000	-	19,776,518	139%
UTSB Debt Interest	-	-	-	-	4,381,799	-	3,506,000	-	2,238,860	64%
PUF Debt Interest (All campuses)	68,658,553	-	107,504,300	-	124,099,572	-	125,650,000	-	81,853,244	65%
Depreciation***	<u>4,844,528</u>	<u>-</u>	<u>14,548,354</u>	<u>-</u>	<u>10,605,316</u>	<u>-</u>	<u>19,500,536</u>	<u>-</u>	<u>19,463,134</u>	<u>100%</u>
<b>U.T. Systemwide Operations****</b>	<b>\$ 213,532,990</b>	<b>627.1</b>	<b>\$ 353,014,179</b>	<b>865.0</b>	<b>\$ 373,550,447</b>	<b>680.7</b>	<b>\$ 357,054,983</b>	<b>674.0</b>	<b>\$ 252,301,616</b>	<b>71%</b>

\* Includes systemwide software licenses such as those for Microsoft, Incommon, Oracle and Verisign along with campus assessments supporting the UT Austin Digital Library.

\*\* Federal support to partially offset claims activity associated with offering retiree prescription drug coverage.

\*\*\* Depreciation budget is net of the capital outlay budget adjustment. Depreciation is added and capital deducted to better align budget with actual entity-wide financial performance.

\*\*\*\* Excludes budgeted self-insurance claims activity.

NOTE: The Board of Regents has approved the budget and FTEs related to University Lands. 2/3 of the overall University Lands budget and May 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.



**THE UNIVERSITY OF TEXAS SYSTEM  
OFFICE OF THE CONTROLLER**

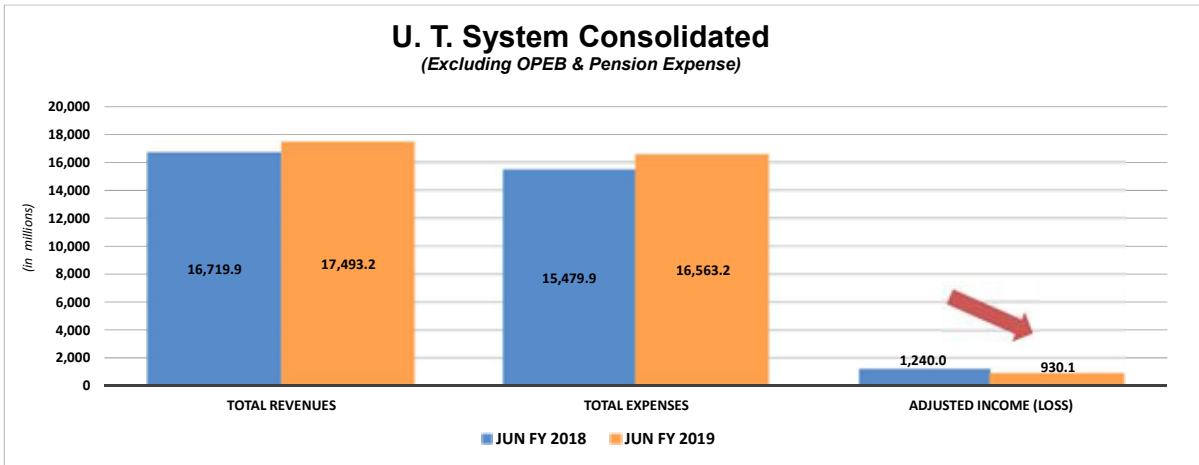
**MONTHLY FINANCIAL REPORT**  
*(unaudited)*

**JUNE 2019**



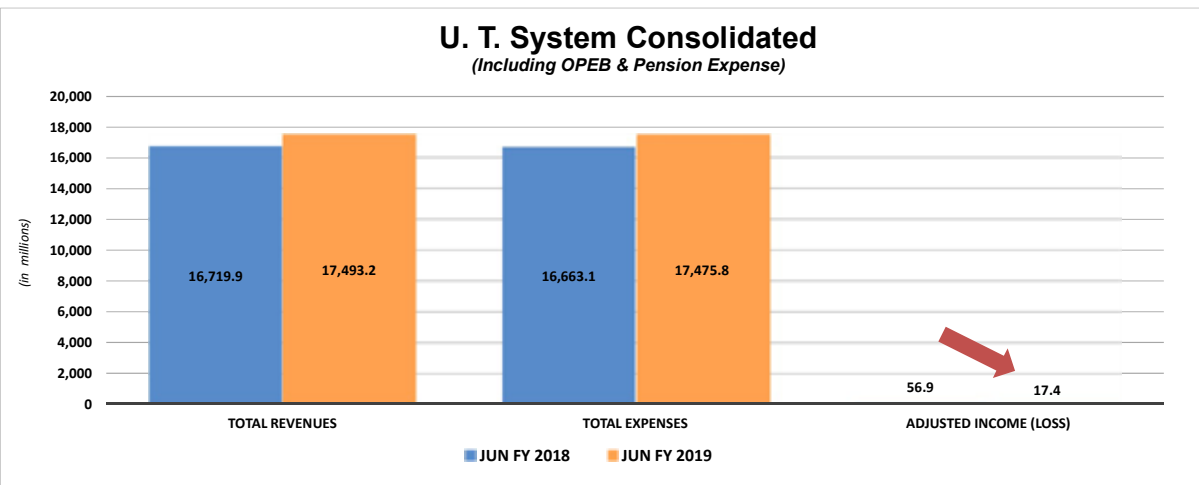
210 West Seventh Street  
Austin, Texas 78701  
512.499.4527  
[www.utsystem.edu/cont](http://www.utsystem.edu/cont)

## Monthly Financial Report Comparison of Operating Results, Margin and Projected Year-End For the Period Ending June 30, 2019

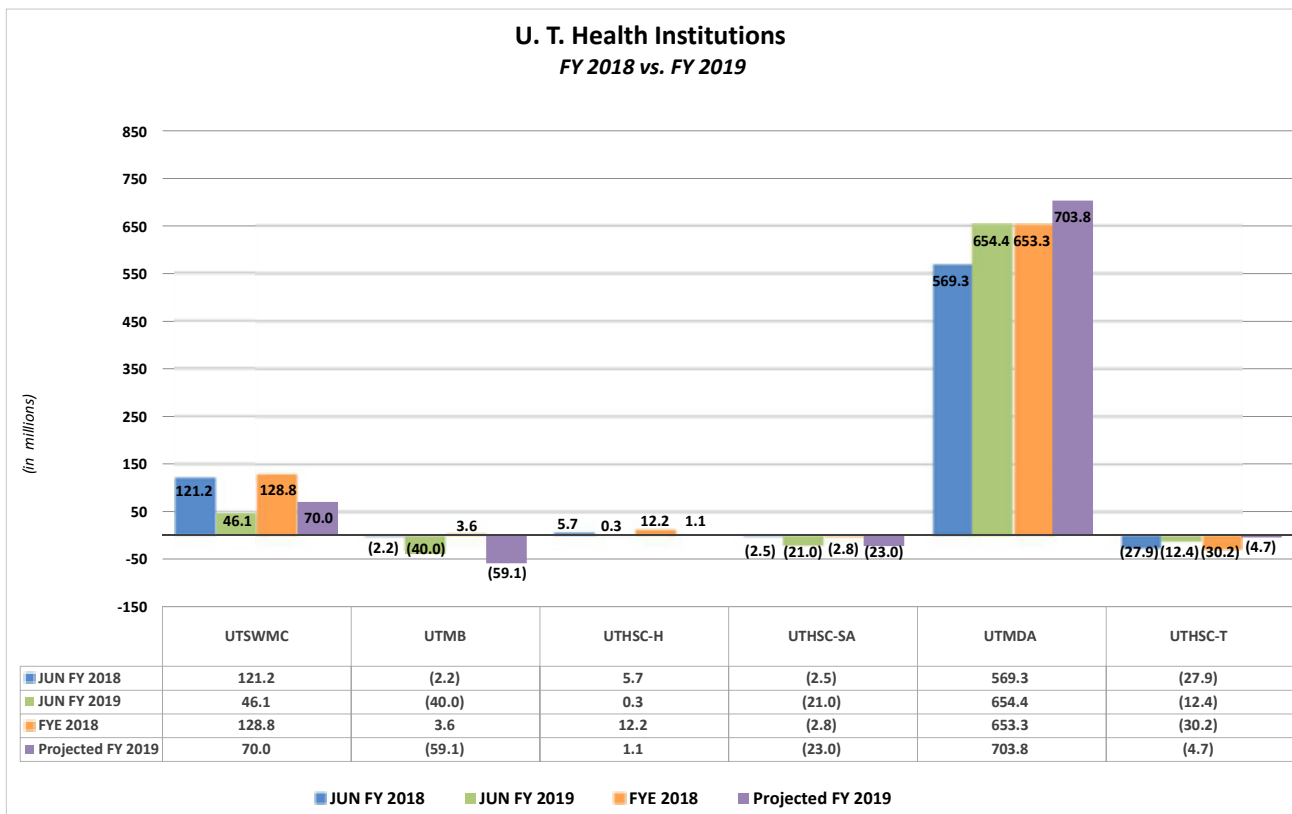
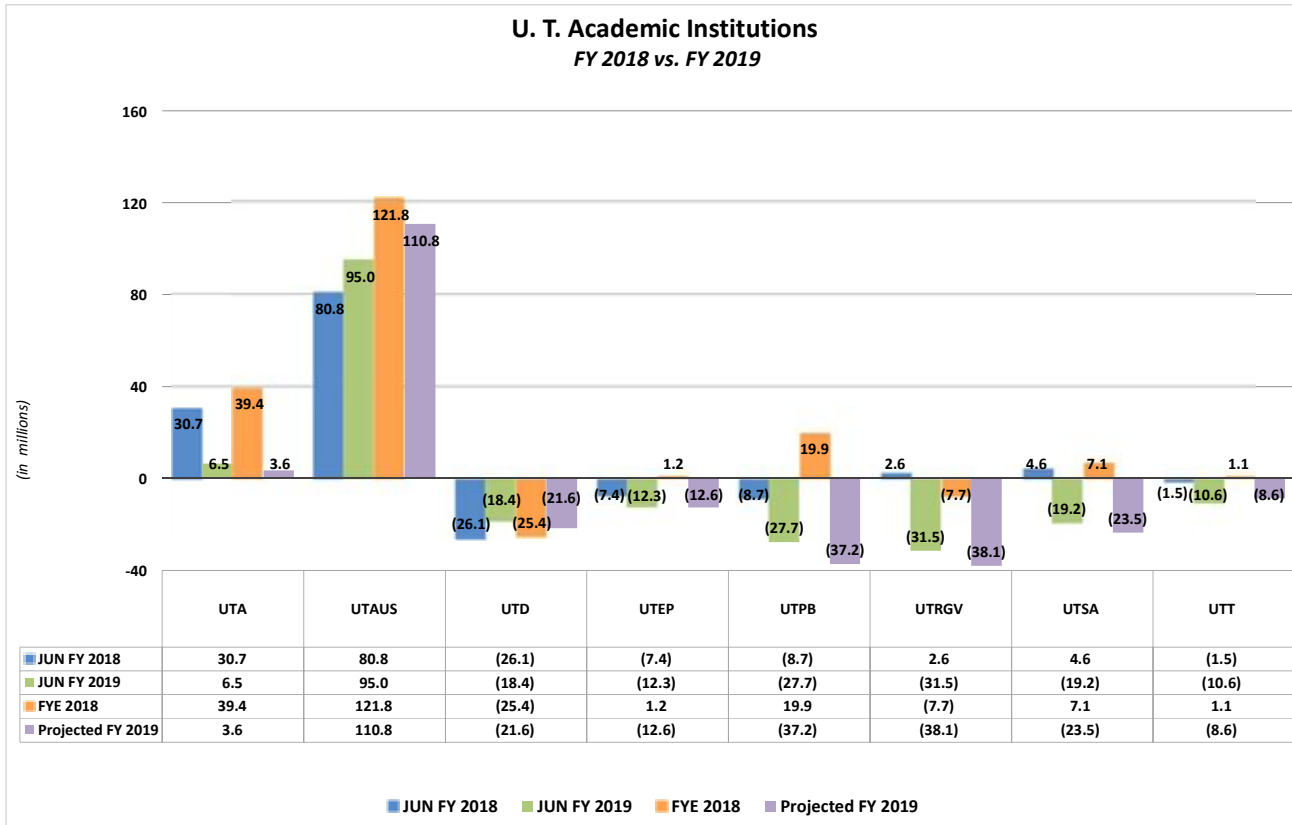


Excluding other postemployment benefits (OPEB) and pension expense, *U. T. System Consolidated* shows year-to-date adjusted income of \$930.1 million, a decrease of \$309.9 million (25.0%) from the prior year. The decrease was primarily due to the following: an increase in salaries and wages and payroll related costs across most of the institutions as a result of increases in faculty and staff positions and merit increases; and a change in methodology to exclude \$115.5 million of Tuition Revenue Bond (TRB) appropriations and the related interest expense from adjusted income (loss) to more accurately reflect revenues that can be used for operations beginning May 2019.

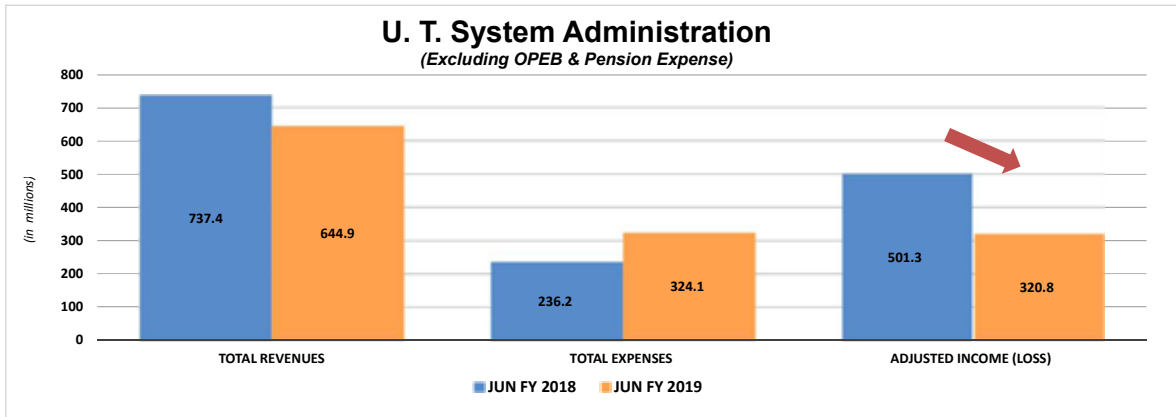
(in millions)	June YTD FY 2018	June YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 6,805.4	7,436.4	631.0	8,946.3
Sponsored Programs/Nonexchange Sponsored Programs	3,048.7	3,173.6	124.9	3,954.4
State Appropriations	1,921.1	1,759.4	(161.7)	2,100.9
Net Tuition and Fees	1,502.1	1,541.7	39.5	1,843.0
Auxiliary Revenues/Sales & Services of Educational Activities	1,133.7	1,157.1	23.5	1,150.3
Net Investment Income	1,573.3	1,677.6	104.3	1,982.4
Other Operating Revenues/Gift Contributions for Operations	735.7	747.4	11.7	918.1
<b>Total Revenues</b>	<b>16,719.9</b>	<b>17,493.2</b>	<b>773.3</b>	<b>20,895.4</b>
Salaries and Wages/Payroll Related Costs	9,299.8	9,851.0	551.2	11,288.6
Materials and Supplies/Cost of Goods Sold	1,860.1	2,127.1	266.9	2,520.3
Depreciation and Amortization	1,195.4	1,241.9	46.5	1,498.8
Other Contracted Services/Professional Fees & Services	1,109.6	1,210.8	101.2	1,619.0
All Other Operating Expenses	2,015.1	2,132.4	117.4	2,617.0
<b>Total Expenses (Excluding OPEB &amp; Pension Exp)</b>	<b>\$ 15,479.9</b>	<b>16,563.2</b>	<b>1,083.2</b>	<b>19,543.7</b>
<b>Adjusted Income (Loss) Excluding OPEB &amp; Pension Exp</b>	<b>1,240.0</b>	<b>930.1</b>	<b>(309.9)</b>	<b>1,351.7</b>
OPEB Expense	876.7	702.7	(174.0)	843.2
Pension Expense	306.4	210.0	(96.5)	252.0
<b>Adjusted Income (Loss) Excluding TRBs</b>	<b>56.9</b>	<b>17.4</b>	<b>(39.5)</b>	<b>256.5</b>
<b>Adjusted Income (Loss) Including TRBs</b>	<b>56.9</b>	<b>132.9</b>	<b>76.1</b>	<b>395.2</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>1,252.2</b>	<b>1,259.3</b>	<b>7.0</b>	<b>1,755.3</b>



**Monthly Financial Report  
Comparison of Adjusted Income (Loss)  
For the Period Ending June 30, 2019**

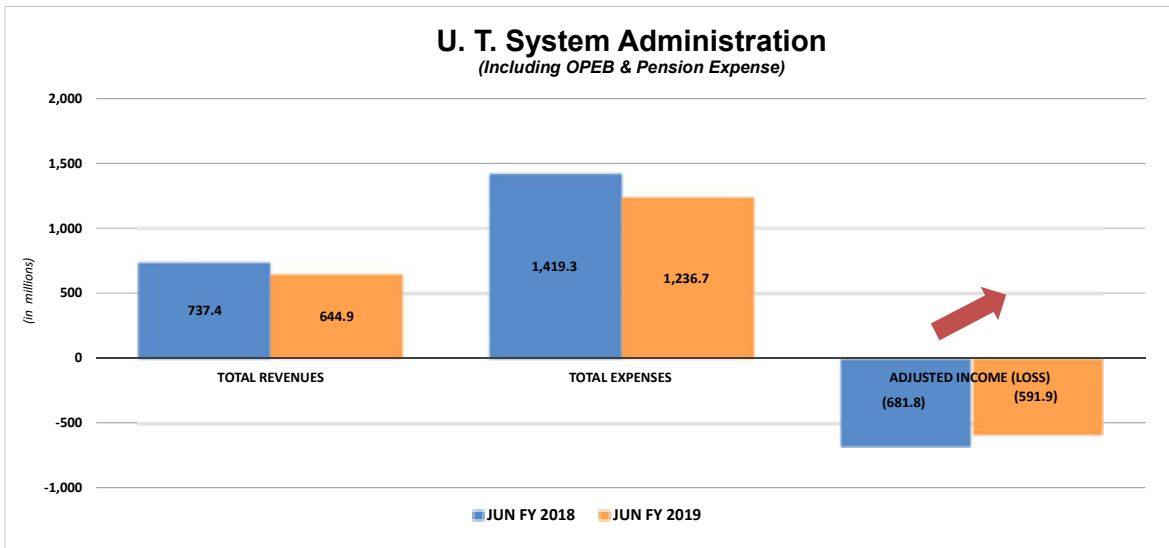


**Monthly Financial Report**  
**Comparison of Operating Results, Margin and Projected Year-End**  
**For the Period Ending June 30, 2019**



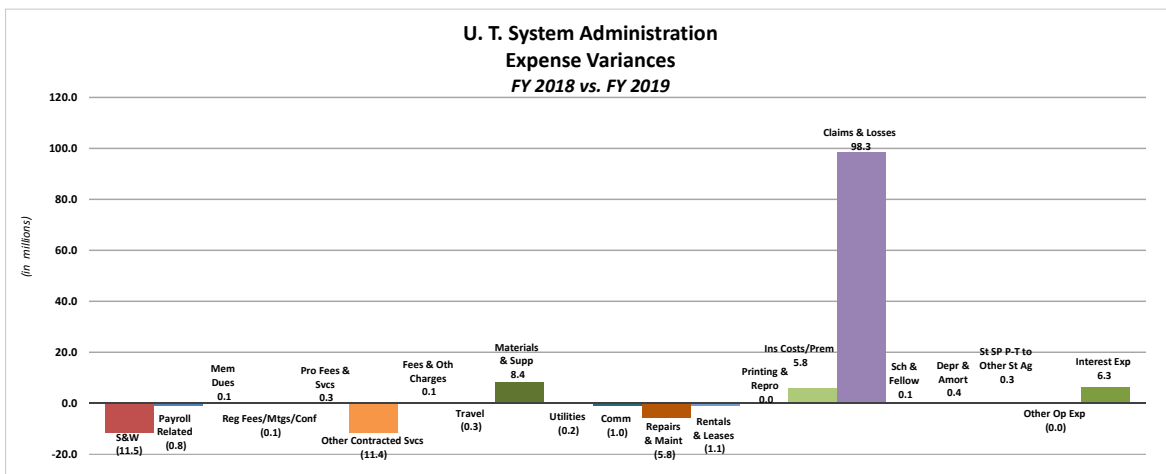
Excluding OPEB and pension expense, *U. T. System Administration* reported year-to-date adjusted income of \$320.8 million, a decrease of \$180.5 million (36.0%) from the prior year. The decrease was primarily due to the following: a decrease in mineral lease bonus sales in the Permanent University Fund; and an increase in claims and losses in the Medical/Dental Self-Insurance Plan. The most current projection, excluding OPEB and pension expense, reflects income of \$690.8 million for the year.

<i>(in millions)</i>	June YTD FY 2018	June YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 40.3	35.5	(4.8)	50.9
State Appropriations	2.8	2.8	-	3.3
Auxiliary Revenues/Sales & Services of Educational Activities	38.1	11.3	(26.8)	13.6
Net Investment Income/Available University Fund (AUF)	620.3	570.9	(49.4)	685.0
Other Operating Revenues/Gift Contributions for Operations	35.9	24.4	(11.5)	29.1
<b>Total Revenues</b>	<b>737.4</b>	<b>644.9</b>	<b>(92.6)</b>	<b>782.0</b>
Salaries and Wages/Payroll Related Costs	73.1	60.9	(12.2)	(209.8)
Materials and Supplies/Cost of Goods Sold	17.1	25.4	8.4	19.3
Depreciation and Amortization	20.7	21.0	0.4	24.2
Other Contracted Services/Professional Fees & Services	41.8	30.7	(11.1)	35.2
All Other Operating Expenses	83.5	186.0	102.6	222.3
<b>Total Expenses (Excluding OPEB &amp; Pension Exp)</b>	<b>\$ 236.2</b>	<b>324.1</b>	<b>87.9</b>	<b>91.2</b>
<b>Adjusted Income (Loss) Excluding OPEB &amp; Pension Exp</b>	<b>501.3</b>	<b>320.8</b>	<b>(180.5)</b>	<b>690.8</b>
OPEB Expense	876.7	702.7	(174.0)	843.2
Pension Expense	306.4	210.0	(96.5)	252.0
<b>Adjusted Income (Loss)</b>	<b>(681.8)</b>	<b>(591.9)</b>	<b>90.0</b>	<b>(404.4)</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>(661.2)</b>	<b>(570.8)</b>	<b>90.3</b>	<b>(380.2)</b>



## Monthly Financial Report Detailed Expense Break-out for U. T. System Administration For the Period Ending June 30, 2019

<i>(in millions)</i>	June YTD FY 2018	June YTD FY 2019	Actual Year-End FY 2018	Annual Projected FY 2019
Salaries and Wages	\$ 60.5	49.0	59.0	58.8
Payroll Related Costs	12.7	11.9	(270.0) *	(268.5) *
Membership Dues	0.4	0.5	0.3	0.6
Registration Fees, Meetings, Conferences	0.4	0.3	0.4	0.4
Professional Fees and Services	10.7	11.1	11.8	13.3
Other Contracted Services	31.1	19.6	31.1	21.9
Fees and Other Charges	(0.0)	0.1	(0.0)	0.1
Travel	1.5	1.1	1.6	1.4
Materials and Supplies	17.1	25.4	10.7	19.3
Utilities	0.5	0.3	0.6	0.4
Communications	4.5	3.5	4.0	3.5
Repairs and Maintenance	8.9	3.1	6.7	3.8
Rentals and Leases	3.7	2.6	3.4	3.1
Printing and Reproduction	0.2	0.3	0.4	0.3
Insurance Costs/Premiums	19.4	25.3	7.1	30.3
Claims and Losses	16.2	114.5	65.5	137.4
Scholarships and Fellowships	1.0	1.0	2.3	1.3
Depreciation and Amortization	20.7	21.0	25.2	24.2
State Sponsored Program Pass-Through to Other State Agencies	3.3	3.6	3.2	4.0
Other Operating Expenses	1.4	1.3	0.3	1.6
Interest Expense	22.2	28.5	32.2	34.2
<b>Total Expenses (Excluding OPEB &amp; Pension Expense)</b>	<b>236.2</b>	<b>324.1</b>	<b>(4.0)</b>	<b>91.2</b>
OPEB Expense	876.7	702.7	843.2	843.2
Pension Expense	306.4	210.0	252.0	252.0
<b>Total Expenses (Including OPEB &amp; Pension Expense)</b>	<b>\$ 1,419.3</b>	<b>1,236.7</b>	<b>1,091.1</b>	<b>1,186.4</b>



Brief explanations for U. T. System Administration's largest expense variances are provided below:

**Salaries & Wages** – decrease of \$11.5 million due to a change in methodology for PUF salaries, and decreases in the Chancellor's Office, Competency Based Education, and Texas Oil and Gas Institute.

**Other Contracted Services** - decrease of \$11.4 million due to decreases in University Lands Engineering Services, National Lab Exploration, Competency Based Education, and South Texas Biomedical Research Program.

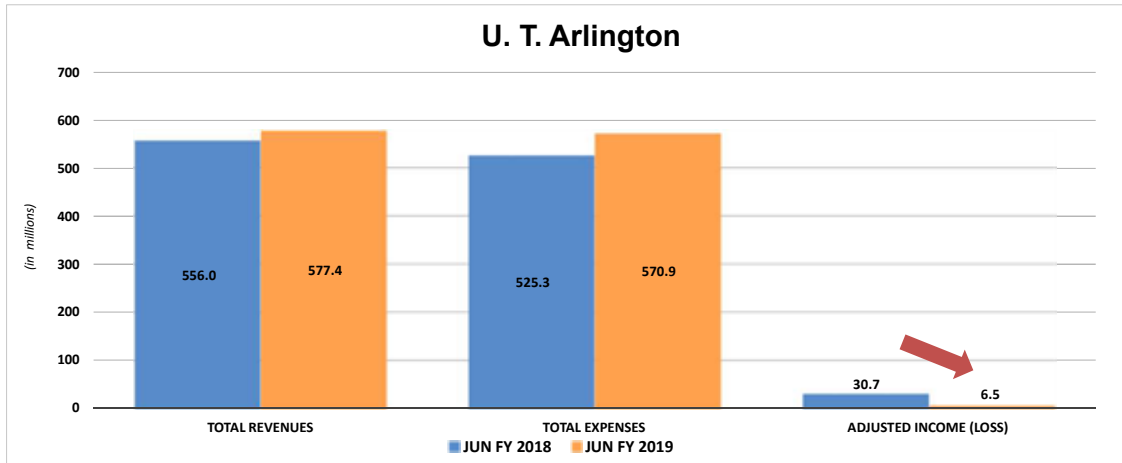
**Materials and Supplies** - increase of \$8.4 million due to increased expenses for Compliance Software, Alcohol and Assault Prevention, Information Security Compliance, Project DOC, and the Oracle and Microsoft system-wide campus licenses which will be reimbursed from the institutions.

**Claims and Losses** - increase of \$98.3 million due to increased claims for the Medical/Dental Self-Insurance Plan.

**Interest Expense** - increase of \$6.3 million due to increase in PUF interest expense as well as no longer reducing interest expense by capitalized interest due to GASB 89.

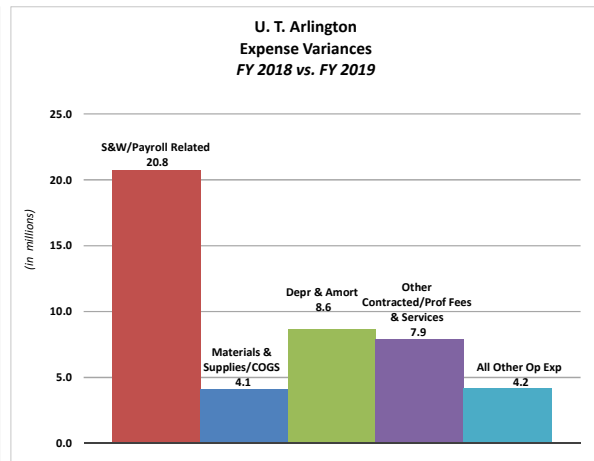
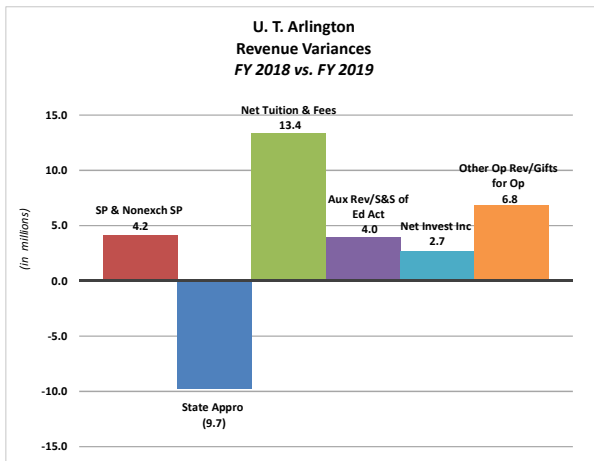
\***Payroll Related Costs** - The negative payroll related costs at year-end relate to the pension entry to defer contributions made after the measurement date.

## Monthly Financial Report Comparison of Operating Results, Margin and Projected Year-End For the Period Ending June 30, 2019

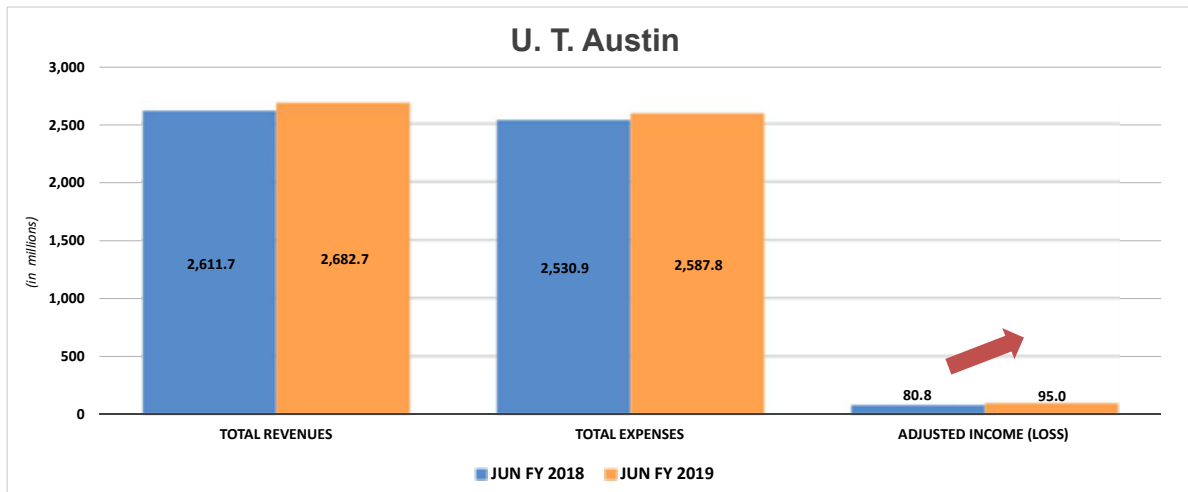


*U. T. Arlington* reported year-to-date adjusted income of \$6.5 million, a decrease of \$24.2 million (78.8%) from the prior year. The decrease was primarily attributable to the following: an increase in salaries and wages and payroll related costs due to increased faculty levels, faculty retention initiatives, and merit increases; a change in methodology to exclude TRB appropriations from adjusted income (loss) to more accurately reflect revenues that can be used for operations beginning May 2019; an increase in depreciation and amortization expense as a result of new buildings placed into service in 2018; and an increase in other contracted services due to an increase in accelerated online and Instructional Connections program expenses, temporary parking services, and contracted services for the University Center. Including TRBs, *U. T. Arlington's* adjusted income was \$13.6 million. The most current projection received from *U. T. Arlington* reflects income of \$3.6 million for the year.

(in millions)	June YTD FY 2018	June YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 116.4	120.6	4.2	138.4
State Appropriations	109.6	99.9	(9.7)	119.9
Net Tuition and Fees	250.3	263.7	13.4	321.9
Auxiliary Revenues/Sales & Services of Educational Activities	56.1	60.1	4.0	74.5
Net Investment Income	16.4	19.2	2.7	22.6
Other Operating Revenues/Gift Contributions for Operations	7.1	14.0	6.8	16.1
<b>Total Revenues</b>	<b>556.0</b>	<b>577.4</b>	<b>21.3</b>	<b>693.3</b>
Salaries and Wages/Payroll Related Costs	298.8	319.5	20.8	384.2
Materials and Supplies/Cost of Goods Sold	23.6	27.6	4.1	35.6
Depreciation and Amortization	37.1	45.8	8.6	54.9
Other Contracted Services/Professional Fees & Services	65.1	73.0	7.9	89.0
All Other Operating Expenses	100.7	104.9	4.2	125.9
<b>Total Expenses</b>	<b>\$ 525.3</b>	<b>570.9</b>	<b>45.6</b>	<b>689.7</b>
<b>Adjusted Income (Loss) Excluding TRBs</b>	<b>30.7</b>	<b>6.5</b>	<b>(24.2)</b>	<b>3.6</b>
<b>Adjusted Income (Loss) Including TRBs</b>	<b>30.7</b>	<b>13.6</b>	<b>(17.1)</b>	<b>12.1</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>67.9</b>	<b>52.3</b>	<b>(15.6)</b>	<b>58.5</b>

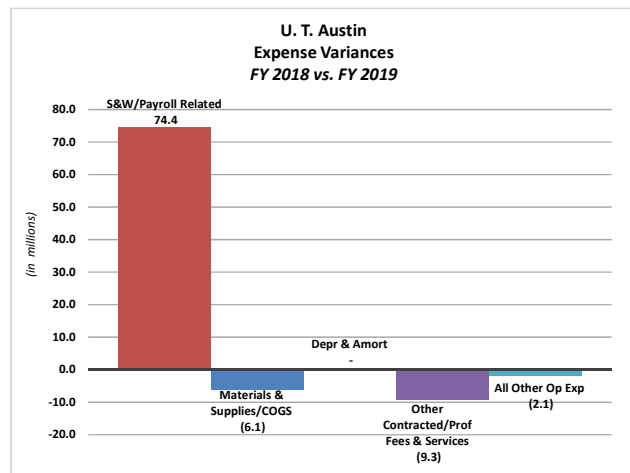
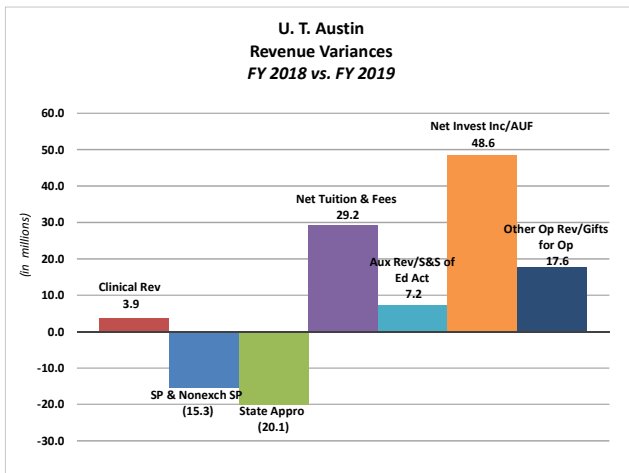


## Monthly Financial Report Comparison of Operating Results, Margin and Projected Year-End For the Period Ending June 30, 2019



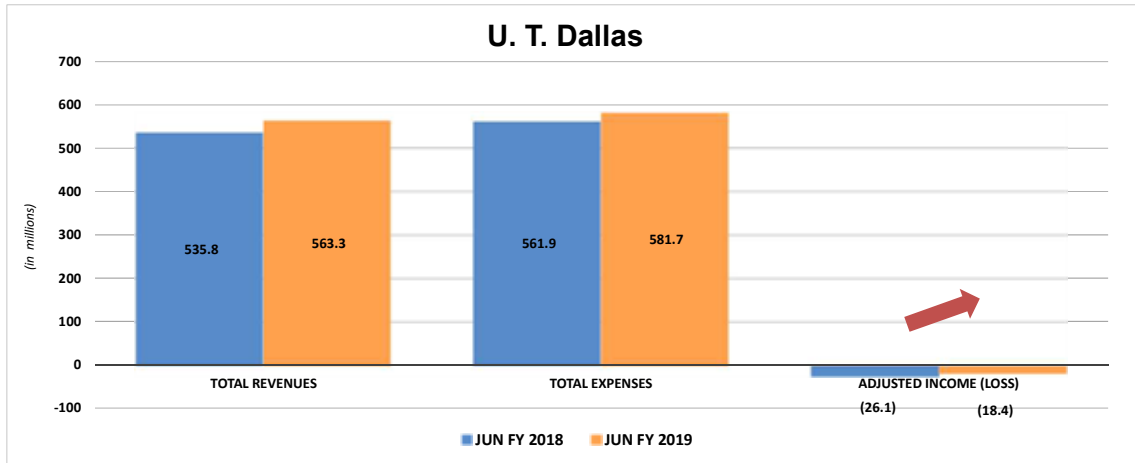
*U. T. Austin* reported year-to-date adjusted income of \$95.0 million, an increase of \$14.1 million (17.5%) from the prior year. The increase was primarily due to the following: an increase in the amount of the transfer from the Available University Fund; an increase in net student tuition and fees due to an increase in flat rate tuition, MBA and PharmD programs; and an increase in gift contributions for operations due to a large gift received from the Littlefield Estate. Including TRBs, *U. T. Austin's* adjusted income was \$108.1 million. The most current projection received from *U. T. Austin* reflects income of \$110.8 million for the year.

(in millions)	June YTD FY 2018	June YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 0.9	4.8	3.9	5.7
Sponsored Programs/Nonexchange Sponsored Programs	564.4	549.0	(15.3)	756.4
State Appropriations	300.5	280.4	(20.1)	336.5
Net Tuition and Fees	404.2	433.3	29.2	520.0
Auxiliary Revenues/Sales & Services of Educational Activities	685.1	692.3	7.2	597.6
Net Investment Income/Available University Fund (AUF)	515.0	563.6	48.6	672.4
Other Operating Revenues/Gift Contributions for Operations	141.6	159.2	17.6	177.6
<b>Total Revenues</b>	<b>2,611.7</b>	<b>2,682.7</b>	<b>71.0</b>	<b>3,066.2</b>
Salaries and Wages/Payroll Related Costs	1,414.2	1,488.6	74.4	1,689.5
Materials and Supplies/Cost of Goods Sold	146.5	140.3	(6.1)	138.7
Depreciation and Amortization	261.7	261.7	-	314.0
Other Contracted Services/Professional Fees & Services	181.4	172.0	(9.3)	208.7
All Other Operating Expenses	527.2	525.1	(2.1)	604.5
<b>Total Expenses</b>	<b>\$ 2,530.9</b>	<b>2,587.8</b>	<b>56.9</b>	<b>2,955.4</b>
<b>Adjusted Income (Loss) Excluding TRBs</b>	<b>80.8</b>	<b>95.0</b>	<b>14.1</b>	<b>110.8</b>
<b>Adjusted Income (Loss) Including TRBs</b>	<b>80.8</b>	<b>108.1</b>	<b>27.2</b>	<b>126.5</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>342.5</b>	<b>356.6</b>	<b>14.1</b>	<b>424.8</b>



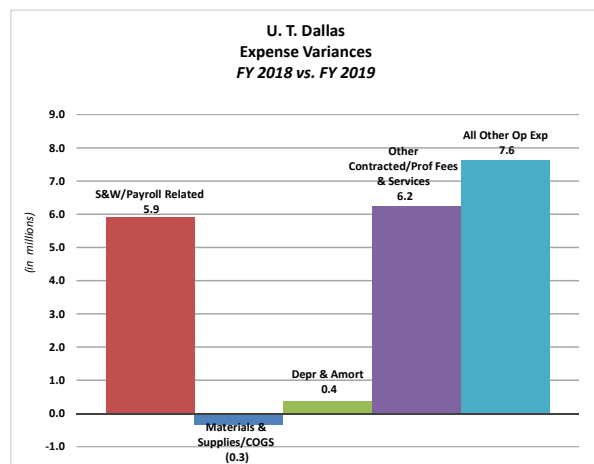
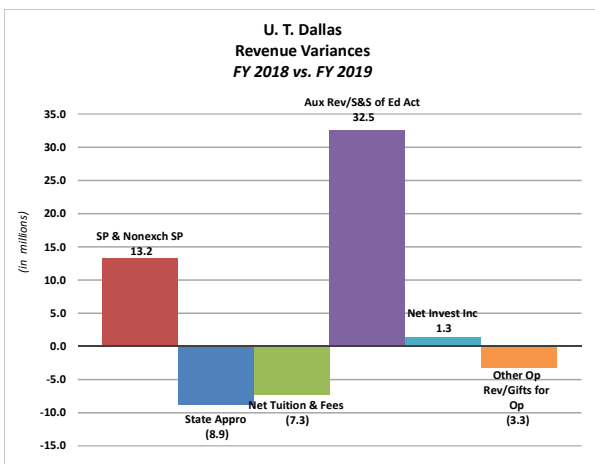


## Monthly Financial Report Comparison of Operating Results, Margin and Projected Year-End For the Period Ending June 30, 2019

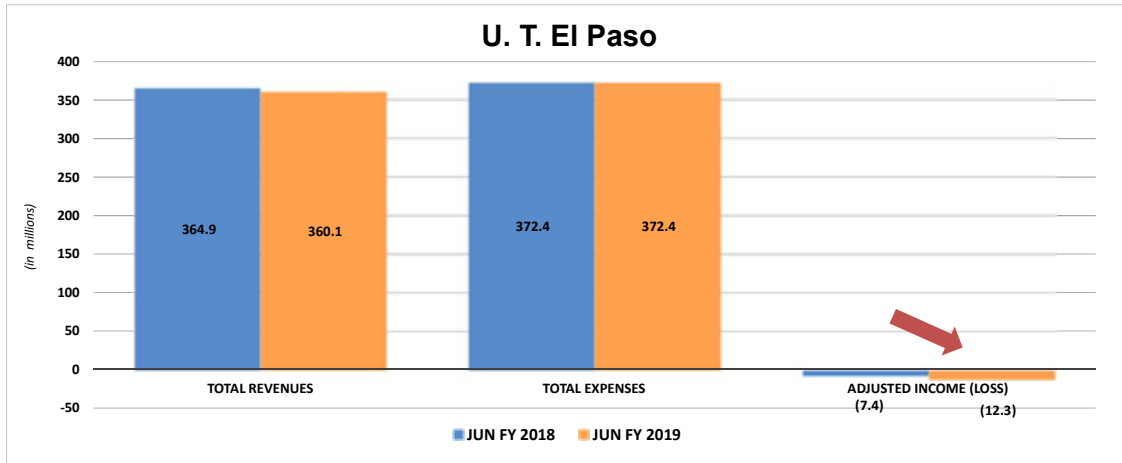


*U. T. Dallas* incurred a year-to-date adjusted loss of \$18.4 million, a decrease in adjusted loss of \$7.7 million (29.6%) from the prior year. This decrease was primarily attributable to an increase in net auxiliary enterprises revenue as a result of housing services being managed internally. Including TRBs, *U. T. Dallas*' adjusted loss was \$13.8 million. The most current projection received from *U. T. Dallas* reflects a loss of \$21.6 million for the year.

(in millions)	June YTD FY 2018	June YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 76.8	90.0	13.2	108.0
State Appropriations	104.2	95.3	(8.9)	114.4
Net Tuition and Fees	263.7	256.4	(7.3)	308.1
Auxiliary Revenues/Sales & Services of Educational Activities	48.7	81.3	32.5	97.5
Net Investment Income	25.4	26.6	1.3	32.0
Other Operating Revenues/Gift Contributions for Operations	17.0	13.8	(3.3)	16.5
<b>Total Revenues</b>	<b>535.8</b>	<b>563.3</b>	<b>27.5</b>	<b>676.5</b>
Salaries and Wages/Payroll Related Costs	327.1	333.0	5.9	399.6
Materials and Supplies/Cost of Goods Sold	27.1	26.8	(0.3)	32.1
Depreciation and Amortization	68.0	68.3	0.4	82.0
Other Contracted Services/Professional Fees & Services	22.6	28.8	6.2	34.6
All Other Operating Expenses	117.1	124.8	7.6	149.7
<b>Total Expenses</b>	<b>\$ 561.9</b>	<b>581.7</b>	<b>19.8</b>	<b>698.1</b>
<b>Adjusted Income (Loss) Excluding TRBs</b>	<b>(26.1)</b>	<b>(18.4)</b>	<b>7.7</b>	<b>(21.6)</b>
<b>Adjusted Income (Loss) Including TRBs</b>	<b>(26.1)</b>	<b>(13.8)</b>	<b>12.3</b>	<b>(16.1)</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>41.8</b>	<b>49.9</b>	<b>8.1</b>	<b>60.4</b>

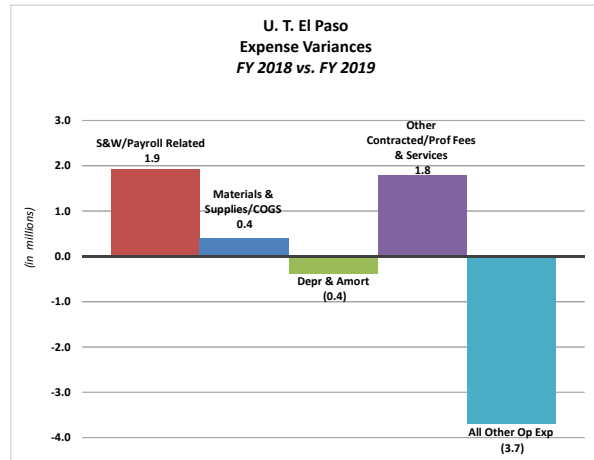
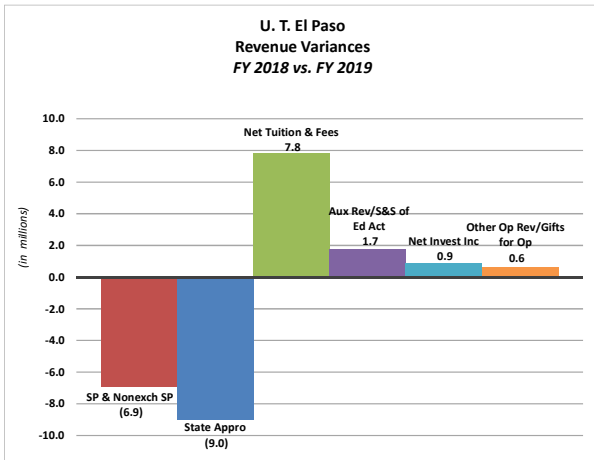


## Monthly Financial Report Comparison of Operating Results, Margin and Projected Year-End For the Period Ending June 30, 2019

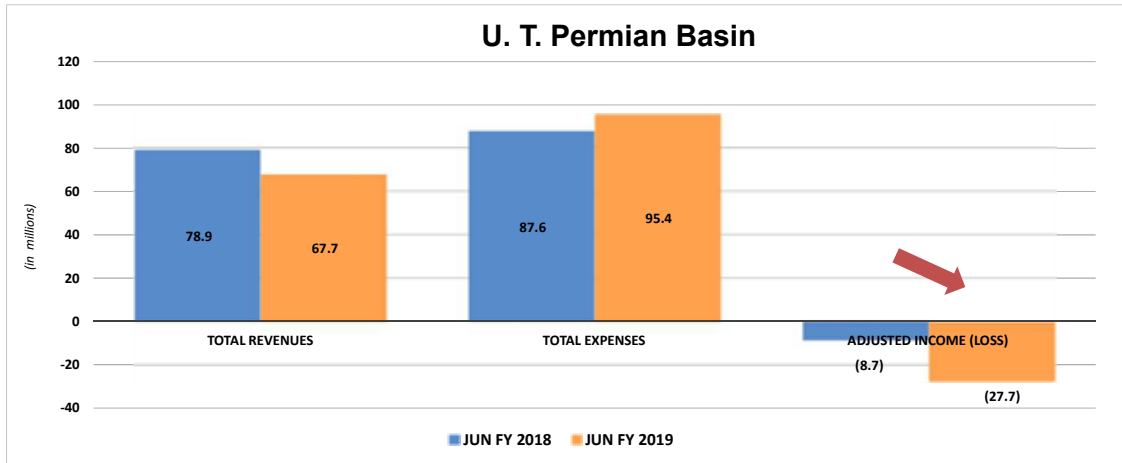


U. T. El Paso incurred a year-to-date adjusted loss of \$12.3 million, an increase in adjusted loss of \$4.9 million (65.4%) from the prior year. The increase was primarily due to a change in methodology to exclude TRB appropriations from adjusted income (loss) to more accurately reflect revenues that can be used for operations beginning May 2019. Including TRBs, U. T. El Paso's adjusted loss was \$5.1 million. The most current projection received from U. T. El Paso reflects a loss of \$12.6 million for the year.

(in millions)	June YTD FY 2018	June YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 112.6	105.7	(6.9)	146.4
State Appropriations	90.1	81.1	(9.0)	94.9
Net Tuition and Fees	109.4	117.2	7.8	135.8
Auxiliary Revenues/Sales & Services of Educational Activities	36.0	37.7	1.7	43.6
Net Investment Income	12.7	13.6	0.9	16.2
Other Operating Revenues/Gift Contributions for Operations	4.2	4.8	0.6	6.6
<b>Total Revenues</b>	<b>364.9</b>	<b>360.1</b>	<b>(4.8)</b>	<b>443.5</b>
Salaries and Wages/Payroll Related Costs	211.9	213.9	1.9	252.6
Materials and Supplies/Cost of Goods Sold	15.1	15.4	0.4	20.4
Depreciation and Amortization	25.4	25.0	(0.4)	30.2
Other Contracted Services/Professional Fees & Services	24.8	26.6	1.8	29.2
All Other Operating Expenses	95.2	91.6	(3.7)	123.6
<b>Total Expenses</b>	<b>\$ 372.4</b>	<b>372.4</b>	<b>0.0</b>	<b>456.0</b>
<b>Adjusted Income (Loss) Excluding TRBs</b>	<b>(7.4)</b>	<b>(12.3)</b>	<b>(4.9)</b>	<b>(12.6)</b>
<b>Adjusted Income (Loss) Including TRBs</b>	<b>(7.4)</b>	<b>(5.1)</b>	<b>2.3</b>	<b>(4.3)</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>17.9</b>	<b>12.7</b>	<b>(5.2)</b>	<b>17.6</b>

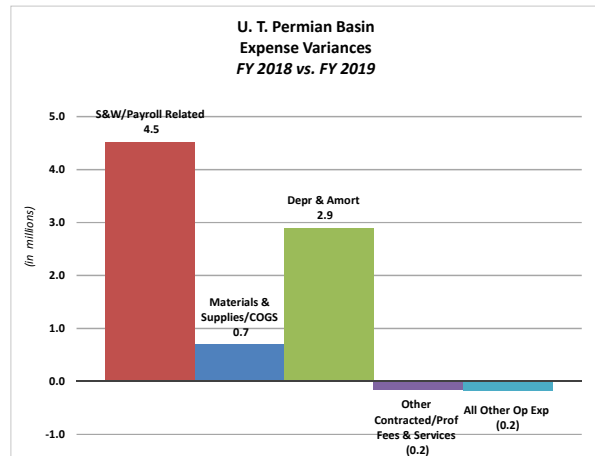
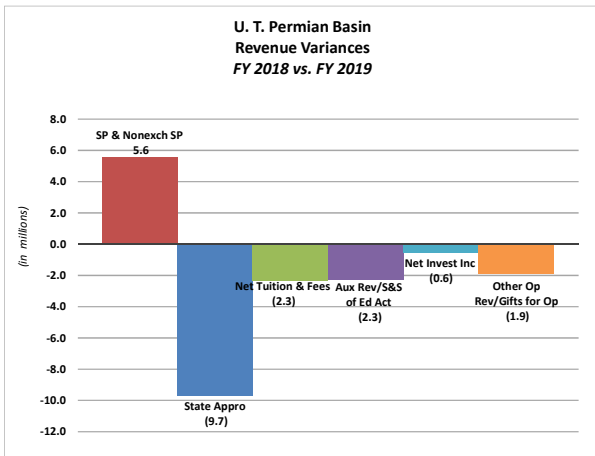


## Monthly Financial Report Comparison of Operating Results, Margin and Projected Year-End For the Period Ending June 30, 2019

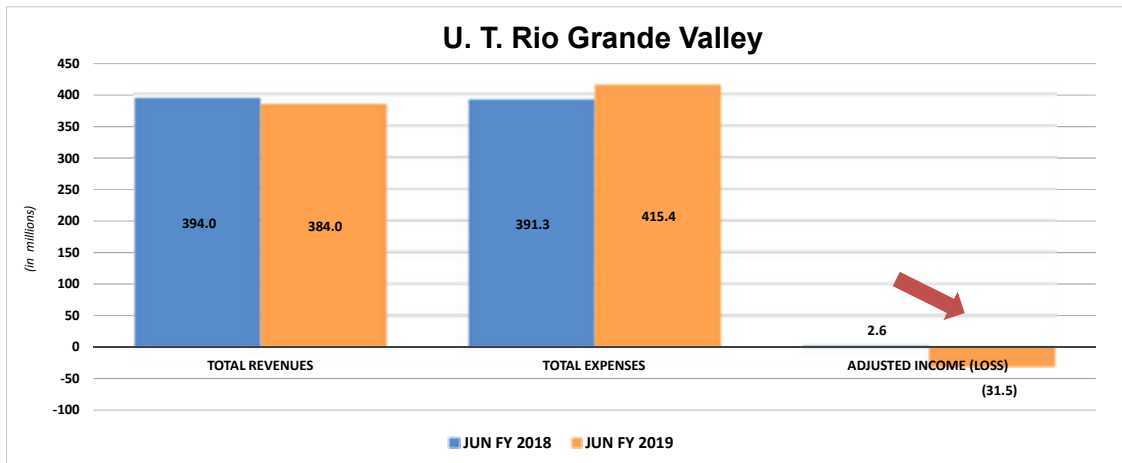


*U. T. Permian Basin* incurred a year-to-date adjusted loss of \$27.7 million, an increase in adjusted loss of \$19.0 million (218.5%) from the prior year. The increase was primarily attributable to the following: a change in methodology to exclude TRB appropriations from adjusted income (loss) to more accurately reflect revenues that can be used for operations beginning May 2019; an increase in salaries and wages as a result of vacant positions being filled; an increase in scholarships and fellowships due to an increase in athletic and institutional scholarships; an increase in depreciation and amortization expense as a result of a correction to the in service date related to the Center for Energy and Economic Diversification; a decrease in net auxiliary enterprises due to Fall 2018 revenue which was not properly deferred to 2019, as well as a decrease in enrollment; and a decrease in net student tuition and fees due to Fall 2018 tuition and fees which were not properly deferred to 2019. Including TRBs, *U. T. Permian Basin's* adjusted loss was \$21.0 million. The most current projection received from *U. T. Permian Basin* reflects a loss of \$37.2 million for the year.

(in millions)	June YTD FY 2018	June YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 10.0	15.5	5.6	18.6
State Appropriations	30.5	20.8	(9.7)	25.0
Net Tuition and Fees	20.8	18.5	(2.3)	16.1
Auxiliary Revenues/Sales & Services of Educational Activities	7.5	5.3	(2.3)	6.3
Net Investment Income	2.0	1.4	(0.6)	1.7
Other Operating Revenues/Gift Contributions for Operations	8.1	6.2	(1.9)	7.4
<b>Total Revenues</b>	<b>78.9</b>	<b>67.7</b>	<b>(11.2)</b>	<b>75.2</b>
Salaries and Wages/Payroll Related Costs	36.9	41.4	4.5	49.7
Materials and Supplies/Cost of Goods Sold	3.9	4.5	0.7	5.5
Depreciation and Amortization	13.2	16.1	2.9	19.3
Other Contracted Services/Professional Fees & Services	10.3	10.1	(0.2)	12.2
All Other Operating Expenses	23.3	23.2	(0.2)	25.8
<b>Total Expenses</b>	<b>\$ 87.6</b>	<b>95.4</b>	<b>7.8</b>	<b>112.5</b>
<b>Adjusted Income (Loss) Excluding TRBs</b>	<b>(8.7)</b>	<b>(27.7)</b>	<b>(19.0)</b>	<b>(37.2)</b>
<b>Adjusted Income (Loss) Including TRBs</b>	<b>(8.7)</b>	<b>(21.0)</b>	<b>(12.3)</b>	<b>(28.9)</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>4.5</b>	<b>(11.6)</b>	<b>(16.1)</b>	<b>(17.9)</b>

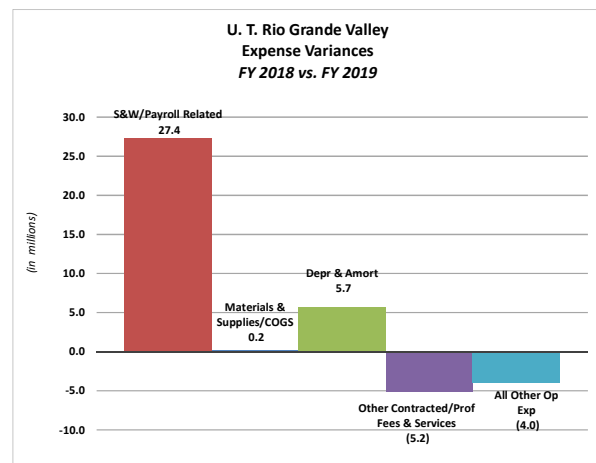
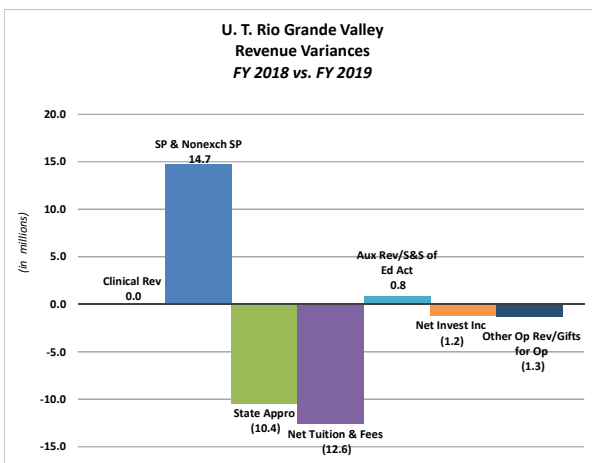


## Monthly Financial Report Comparison of Operating Results, Margin and Projected Year-End For the Period Ending June 30, 2019

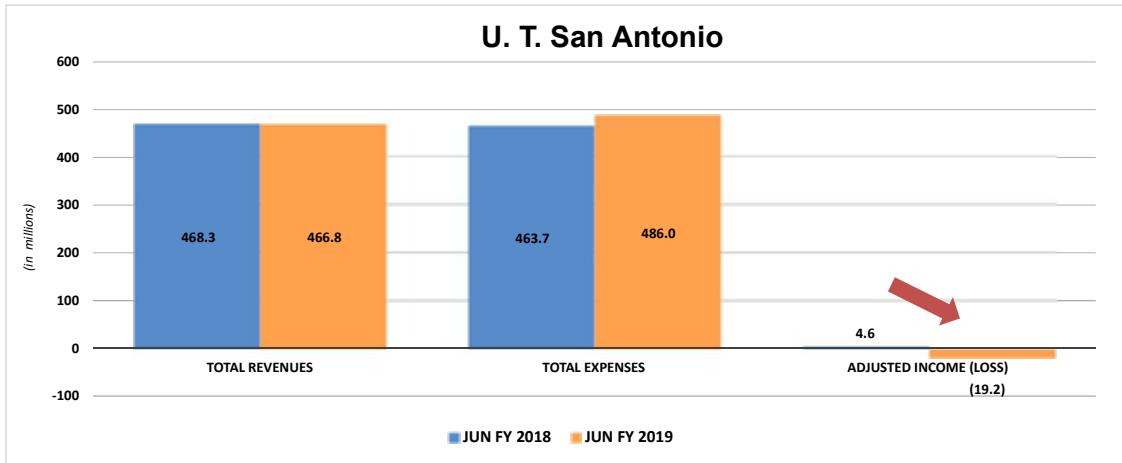


U. T. Rio Grande Valley incurred a year-to-date adjusted loss of \$31.5 million, a decrease of \$34.1 million (1,287.7%) from the prior year. The decrease was primarily attributable to the following: an increase in salaries and wages and payroll related costs due to increases in staff and faculty positions; a change in methodology to exclude TRB appropriations from adjusted income (loss) to more accurately reflect revenues that can be used for operations beginning May 2019; an increase in depreciation and amortization expense as a result of two new buildings placed into service in 2018; and a decrease in other operating revenues as a result of a decline in Delivery System Reform Incentive Payment (DSRIP) revenues. Including TRBs, U. T. Rio Grande Valley's adjusted loss was \$20.5 million. The most current projection received from U. T. Rio Grande Valley reflects a loss of \$38.1 million for the year.

(in millions)	June YTD FY 2018	June YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 3.1	3.1	0.0	4.7
Sponsored Programs/Nonexchange Sponsored Programs	136.6	151.3	14.7	209.5
State Appropriations	122.3	111.9	(10.4)	127.8
Net Tuition and Fees	94.6	82.0	(12.6)	98.4
Auxiliary Revenues/Sales & Services of Educational Activities	14.1	15.0	0.8	17.3
Net Investment Income	10.0	8.8	(1.2)	8.4
Other Operating Revenues/Gift Contributions for Operations	13.2	11.9	(1.3)	16.7
<b>Total Revenues</b>	<b>394.0</b>	<b>384.0</b>	<b>(10.0)</b>	<b>482.8</b>
Salaries and Wages/Payroll Related Costs	250.1	277.5	27.4	327.3
Materials and Supplies/Cost of Goods Sold	15.9	16.1	0.2	20.6
Depreciation and Amortization	32.4	38.0	5.7	47.7
Other Contracted Services/Professional Fees & Services	18.7	13.5	(5.2)	15.7
All Other Operating Expenses	74.3	70.3	(4.0)	109.5
<b>Total Expenses</b>	<b>\$ 391.3</b>	<b>415.4</b>	<b>24.1</b>	<b>520.9</b>
<b>Adjusted Income (Loss) Excluding TRBs</b>	<b>2.6</b>	<b>(31.5)</b>	<b>(34.1)</b>	<b>(38.1)</b>
<b>Adjusted Income (Loss) Including TRBs</b>	<b>2.6</b>	<b>(20.5)</b>	<b>(23.2)</b>	<b>(24.9)</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>35.0</b>	<b>6.6</b>	<b>(28.5)</b>	<b>9.7</b>

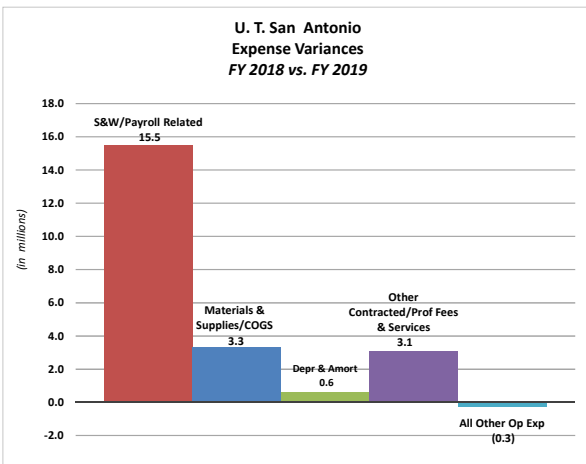
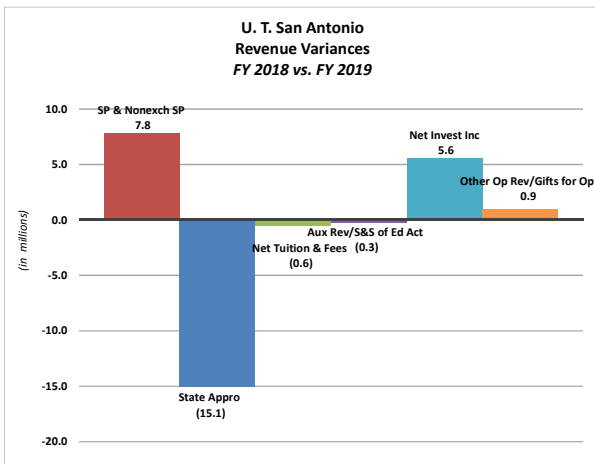


## Monthly Financial Report Comparison of Operating Results, Margin and Projected Year-End For the Period Ending June 30, 2019

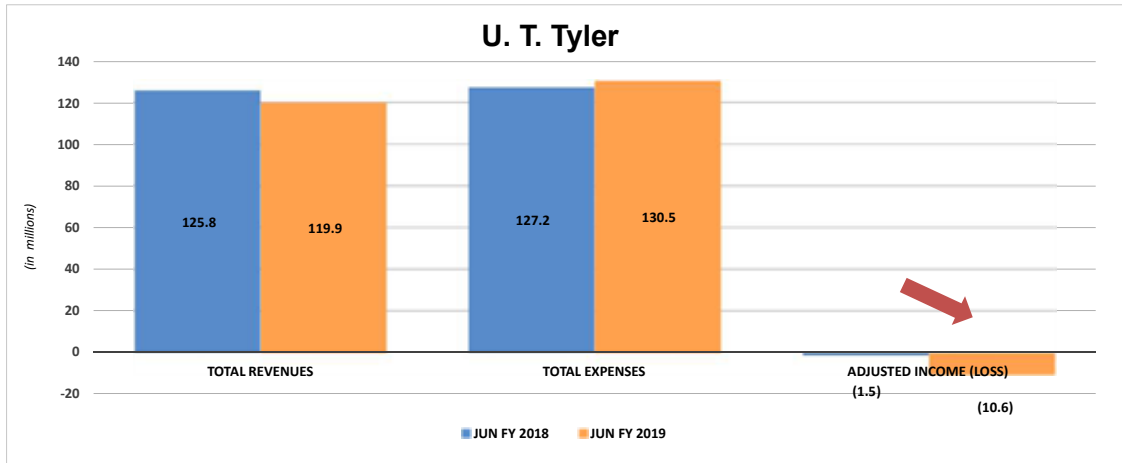


U. T. San Antonio incurred a year-to-date adjusted loss of \$19.2 million, a decrease of \$23.8 million (518.2%) from the prior year. The decrease was primarily attributable to the following: an increase in salaries and wages and payroll related costs due to merit increases and vacant positions being filled; a change in methodology to exclude TRB appropriations from adjusted income (loss) to more accurately reflect revenues that can be used for operations beginning May 2019; an increase in materials and supplies due to an increase in software expenses and non-capitalized expenses for furniture and equipment; and an increase in professional fees and services due to various new Presidential strategic initiatives. Including TRBs, U. T. San Antonio's adjusted loss was \$9.5 million. The most current projection received from U. T. San Antonio reflects a loss of \$23.5 million for the year.

(in millions)	June YTD FY 2018	June YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 109.2	117.0	7.8	140.4
State Appropriations	112.1	97.0	(15.1)	116.4
Net Tuition and Fees	174.7	174.2	(0.6)	209.0
Auxiliary Revenues/Sales & Services of Educational Activities	51.2	51.0	(0.3)	61.2
Net Investment Income	13.1	18.7	5.6	21.9
Other Operating Revenues/Gift Contributions for Operations	8.0	8.9	0.9	10.7
<b>Total Revenues</b>	<b>468.3</b>	<b>466.8</b>	<b>(1.5)</b>	<b>559.7</b>
Salaries and Wages/Payroll Related Costs	261.4	276.8	15.5	332.2
Materials and Supplies/Cost of Goods Sold	21.0	24.3	3.3	29.2
Depreciation and Amortization	40.9	41.5	0.6	49.8
Other Contracted Services/Professional Fees & Services	23.4	26.5	3.1	31.9
All Other Operating Expenses	117.1	116.8	(0.3)	140.2
<b>Total Expenses</b>	<b>\$ 463.7</b>	<b>486.0</b>	<b>22.3</b>	<b>583.2</b>
<b>Adjusted Income (Loss) Excluding TRBs</b>	<b>4.6</b>	<b>(19.2)</b>	<b>(23.8)</b>	<b>(23.5)</b>
<b>Adjusted Income (Loss) Including TRBs</b>	<b>4.6</b>	<b>(9.5)</b>	<b>(14.1)</b>	<b>(11.9)</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>45.5</b>	<b>22.3</b>	<b>(23.2)</b>	<b>26.2</b>

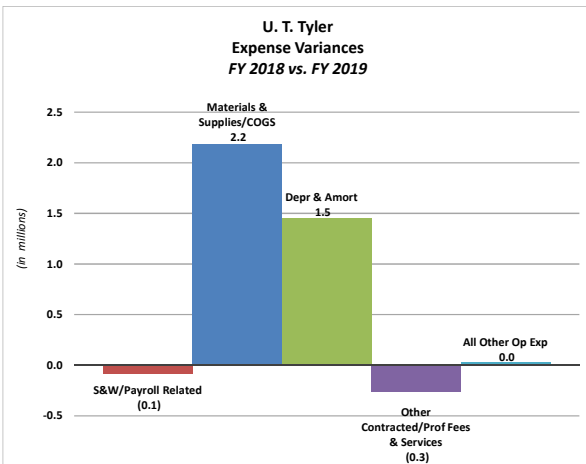
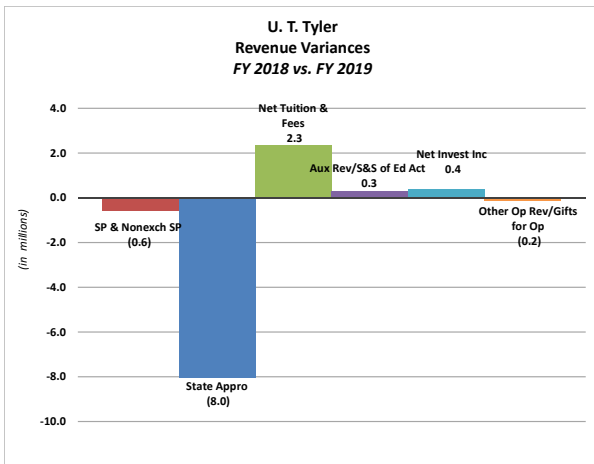


## Monthly Financial Report Comparison of Operating Results, Margin and Projected Year-End For the Period Ending June 30, 2019

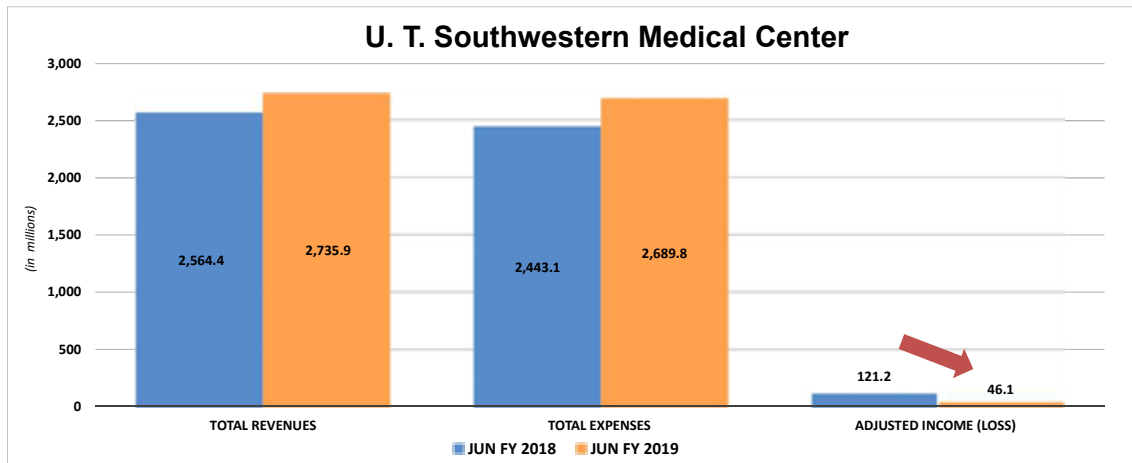


U. T. Tyler incurred a year-to-date adjusted loss of \$10.6 million, an increase in adjusted loss of \$9.1 million (621.2%) from the prior year. The increase was primarily a result of the following: a change in methodology to exclude TRB appropriations from adjusted income (loss) to more accurately reflect revenues that can be used for operations beginning May 2019; an increase in materials and supplies for non-capitalized furnishings and equipment for the STEM Business building; and an increase in depreciation and amortization expense due to the STEM Business building which was placed into service in 2018. Including TRBs, U. T. Tyler's adjusted loss was \$5.2 million. The most current projection received from U. T. Tyler reflects a loss of \$8.6 million for the year.

(in millions)	June YTD FY 2018	June YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 20.4	19.8	(0.6)	25.3
State Appropriations	36.6	28.6	(8.0)	34.3
Net Tuition and Fees	43.0	45.4	2.3	54.4
Auxiliary Revenues/Sales & Services of Educational Activities	19.7	20.0	0.3	23.1
Net Investment Income	4.6	5.0	0.4	7.3
Other Operating Revenues/Gift Contributions for Operations	1.4	1.3	(0.2)	1.7
<b>Total Revenues</b>	<b>125.8</b>	<b>119.9</b>	<b>(5.8)</b>	<b>146.2</b>
Salaries and Wages/Payroll Related Costs	76.9	76.8	(0.1)	90.2
Materials and Supplies/Cost of Goods Sold	5.3	7.5	2.2	8.1
Depreciation and Amortization	13.0	14.5	1.5	17.3
Other Contracted Services/Professional Fees & Services	9.4	9.2	(0.3)	12.0
All Other Operating Expenses	22.6	22.7	0.0	27.0
<b>Total Expenses</b>	<b>\$ 127.2</b>	<b>130.5</b>	<b>3.3</b>	<b>154.7</b>
<b>Adjusted Income (Loss) Excluding TRBs</b>	<b>(1.5)</b>	<b>(10.6)</b>	<b>(9.1)</b>	<b>(8.6)</b>
<b>Adjusted Income (Loss) Including TRBs</b>	<b>(1.5)</b>	<b>(5.2)</b>	<b>(3.7)</b>	<b>(2.1)</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>11.5</b>	<b>3.9</b>	<b>(7.7)</b>	<b>8.8</b>

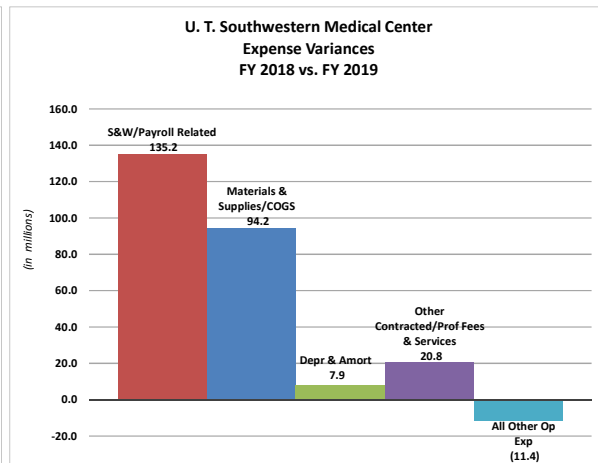
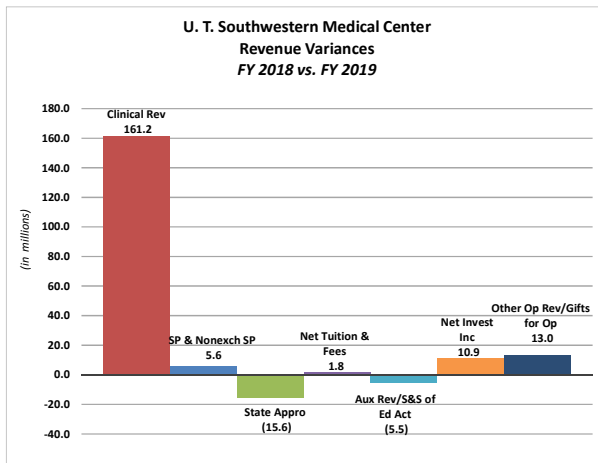


## Monthly Financial Report Comparison of Operating Results, Margin and Projected Year-End For the Period Ending June 30, 2019

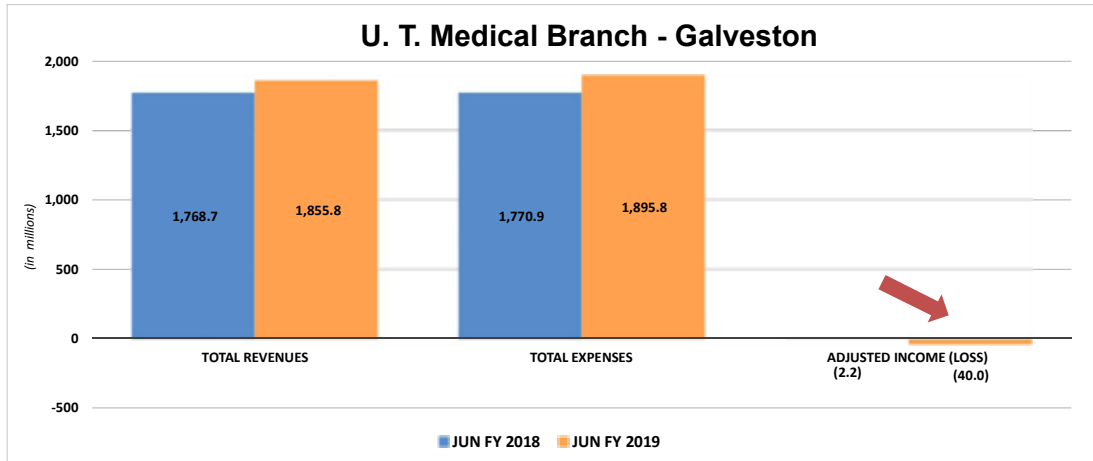


U. T. Southwestern Medical Center reported year-to-date adjusted income of \$46.1 million, a decrease of \$75.1 million (62.0%) from the prior year. The decrease was primarily due to the following: an increase in salaries and wages and payroll related costs as a result of growth in both the hospital and the physician practice plan; an increase in materials and supplies as a result of increased drugs and medical supplies driven by patient volumes and patient acuity; and a change in methodology to exclude TRB appropriations from adjusted income (loss) to more accurately reflect revenues that can be used for operations beginning May 2019. Including TRBs, U. T. Southwestern Medical Center's adjusted income was \$57.3 million. The most current projection received from U. T. Southwestern Medical Center reflects income of \$70.0 million for the year.

(in millions)	June YTD FY 2018	June YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 1,634.9	1,796.1	161.2	2,161.5
Sponsored Programs/Nonexchange Sponsored Programs	489.1	494.7	5.6	589.7
State Appropriations	161.1	145.5	(15.6)	175.4
Net Tuition and Fees	20.7	22.5	1.8	27.0
Auxiliary Revenues/Sales & Services of Educational Activities	33.2	27.7	(5.5)	33.4
Net Investment Income	97.2	108.1	10.9	119.1
Other Operating Revenues/Gift Contributions for Operations	128.2	141.2	13.0	188.7
<b>Total Revenues</b>	<b>2,564.4</b>	<b>2,735.9</b>	<b>171.5</b>	<b>3,294.9</b>
Salaries and Wages/Payroll Related Costs	1,529.5	1,664.7	135.2	1,988.1
Materials and Supplies/Cost of Goods Sold	411.1	505.3	94.2	607.4
Depreciation and Amortization	142.3	150.2	7.9	177.0
Other Contracted Services/Professional Fees & Services	176.6	197.4	20.8	256.8
All Other Operating Expenses	183.5	172.1	(11.4)	195.7
<b>Total Expenses</b>	<b>\$ 2,443.1</b>	<b>2,689.8</b>	<b>246.6</b>	<b>3,224.9</b>
<b>Adjusted Income (Loss) Excluding TRBs</b>	<b>121.2</b>	<b>46.1</b>	<b>(75.1)</b>	<b>70.0</b>
<b>Adjusted Income (Loss) Including TRBs</b>	<b>121.2</b>	<b>57.3</b>	<b>(63.9)</b>	<b>83.5</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>263.6</b>	<b>196.4</b>	<b>(67.2)</b>	<b>247.0</b>

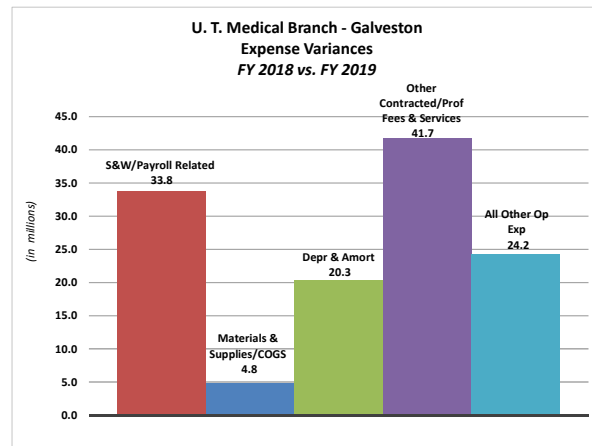
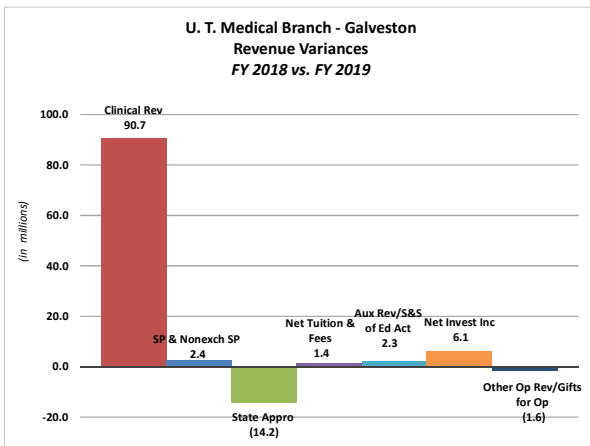


## Monthly Financial Report Comparison of Operating Results, Margin and Projected Year-End For the Period Ending June 30, 2019



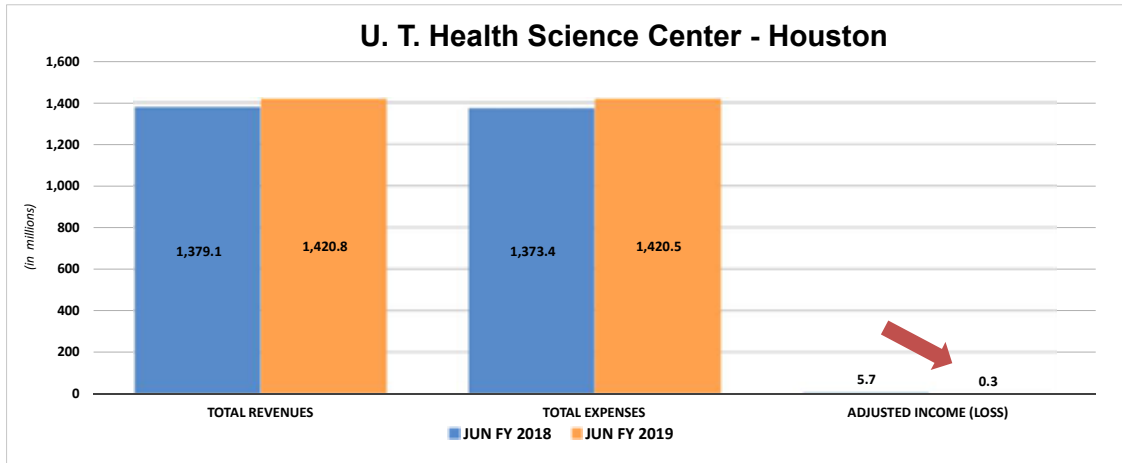
*U. T. Medical Branch - Galveston* incurred a year-to-date adjusted loss of \$40.0 million, an increase in adjusted loss of \$37.8 million (1,706.5%) from the prior year. The increase was primarily due to the following: an increase in salaries and wages and payroll related costs as a result of increases in staff and faculty positions associated with the opening of the Clear Lake hospital and merit increases; an increase in professional fees and services due to an increase in consulting services from external consulting firms, a clinical partnership contract with *U. T. M. D. Anderson Cancer Center*, and Clear Lake hospital startup activity; an increase in depreciation and amortization expense due to various projects placed into service; and a change in methodology to exclude TRB appropriations from adjusted income (loss) to more accurately reflect revenues that can be used for operations beginning May 2019. Including TRBs, *U. T. Medical Branch - Galveston's* adjusted loss was \$28.1 million. The most current projection received from *U. T. Medical Branch - Galveston* reflects a loss of \$59.1 million for the year primarily as a result of startup costs related to the opening of the Clear Lake hospital in March and the exclusion of TRB appropriations.

(in millions)	June YTD FY 2018	June YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 1,140.6	1,231.3	90.7	1,494.1
Sponsored Programs/Nonexchange Sponsored Programs	164.7	167.0	2.4	201.9
State Appropriations	308.7	294.5	(14.2)	351.9
Net Tuition and Fees	34.2	35.6	1.4	43.4
Auxiliary Revenues/Sales & Services of Educational Activities	22.2	24.5	2.3	29.5
Net Investment Income	47.4	53.6	6.1	64.9
Other Operating Revenues/Gift Contributions for Operations	50.9	49.3	(1.6)	54.4
<b>Total Revenues</b>	<b>1,768.7</b>	<b>1,855.8</b>	<b>87.1</b>	<b>2,240.1</b>
Salaries and Wages/Payroll Related Costs	1,122.1	1,155.8	33.8	1,266.9
Materials and Supplies/Cost of Goods Sold	226.9	231.8	4.8	284.4
Depreciation and Amortization	128.8	149.1	20.3	180.4
Other Contracted Services/Professional Fees & Services	128.0	169.7	41.7	277.9
All Other Operating Expenses	165.1	189.4	24.2	289.6
<b>Total Expenses</b>	<b>\$ 1,770.9</b>	<b>1,895.8</b>	<b>124.9</b>	<b>2,299.2</b>
<b>Adjusted Income (Loss) Excluding TRBs</b>	<b>(2.2)</b>	<b>(40.0)</b>	<b>(37.8)</b>	<b>(59.1)</b>
<b>Adjusted Income (Loss) Including TRBs</b>	<b>(2.2)</b>	<b>(28.1)</b>	<b>(25.9)</b>	<b>(44.9)</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>126.5</b>	<b>109.1</b>	<b>(17.4)</b>	<b>121.4</b>



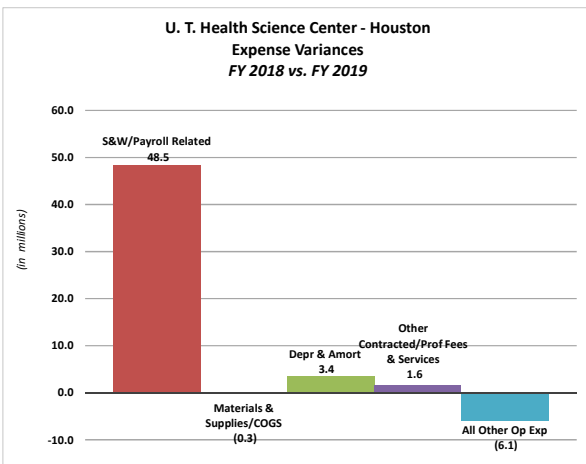
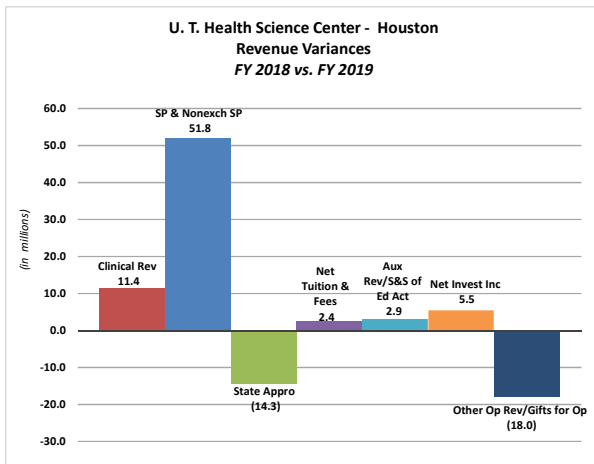


## Monthly Financial Report Comparison of Operating Results, Margin and Projected Year-End For the Period Ending June 30, 2019

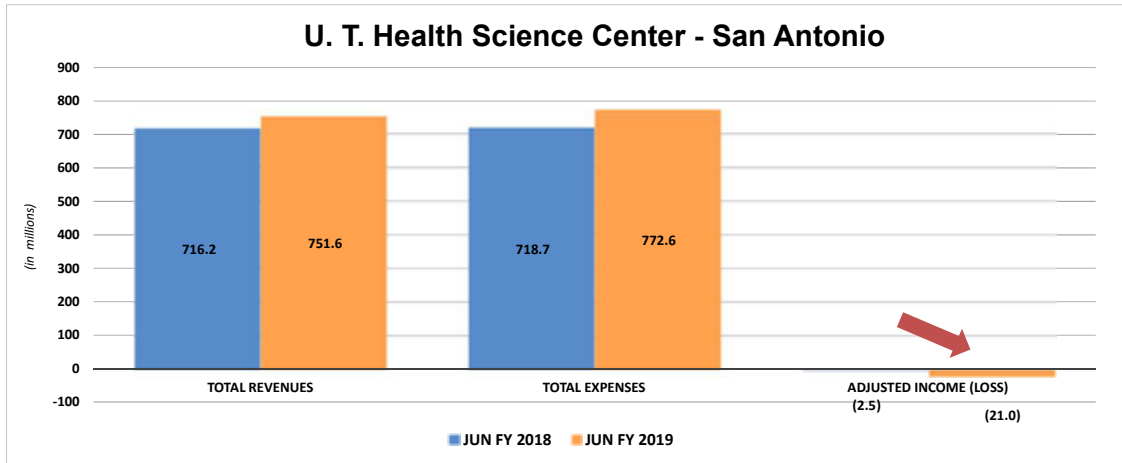


*U. T. Health Science Center - Houston* reported year-to-date adjusted income of \$0.3 million, a decrease of \$5.4 million (94.8%) from the prior year. The decrease was attributable to the following: an increase in salaries and wages and payroll related costs as a result of growth in the physician practice plan; a change in methodology to exclude TRB appropriations from adjusted income (loss) to more accurately reflect revenues that can be used for operations beginning May 2019; a decrease in gift contributions for operations as a result of a decline in pledges as compared to the prior year; and a decrease in other operating revenues as a result of a decline in DSRIP revenues. Including TRBs, *U. T. Health Science Center - Houston's* adjusted income was \$11.0 million. The most current projection received from *U. T. Health Science Center - Houston* reflects income of \$1.1 million for the year.

(in millions)	June YTD FY 2018	June YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 365.4	376.8	11.4	456.9
Sponsored Programs/Nonexchange Sponsored Programs	613.5	665.4	51.8	801.9
State Appropriations	179.4	165.1	(14.3)	197.4
Net Tuition and Fees	48.3	50.7	2.4	59.8
Auxiliary Revenues/Sales & Services of Educational Activities	57.0	59.9	2.9	67.8
Net Investment Income	37.1	42.6	5.5	59.0
Other Operating Revenues/Gift Contributions for Operations	78.3	60.3	(18.0)	80.3
<b>Total Revenues</b>	<b>1,379.1</b>	<b>1,420.8</b>	<b>41.7</b>	<b>1,723.2</b>
Salaries and Wages/Payroll Related Costs	995.6	1,044.0	48.5	1,254.2
Materials and Supplies/Cost of Goods Sold	74.0	73.7	(0.3)	94.8
Depreciation and Amortization	52.7	56.1	3.4	67.1
Other Contracted Services/Professional Fees & Services	111.5	113.1	1.6	145.8
All Other Operating Expenses	139.6	133.5	(6.1)	160.2
<b>Total Expenses</b>	<b>\$ 1,373.4</b>	<b>1,420.5</b>	<b>47.1</b>	<b>1,722.1</b>
<b>Adjusted Income (Loss) Excluding TRBs</b>	<b>5.7</b>	<b>0.3</b>	<b>(5.4)</b>	<b>1.1</b>
<b>Adjusted Income (Loss) Including TRBs</b>	<b>5.7</b>	<b>11.0</b>	<b>5.3</b>	<b>13.9</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>58.4</b>	<b>56.4</b>	<b>(2.0)</b>	<b>68.2</b>

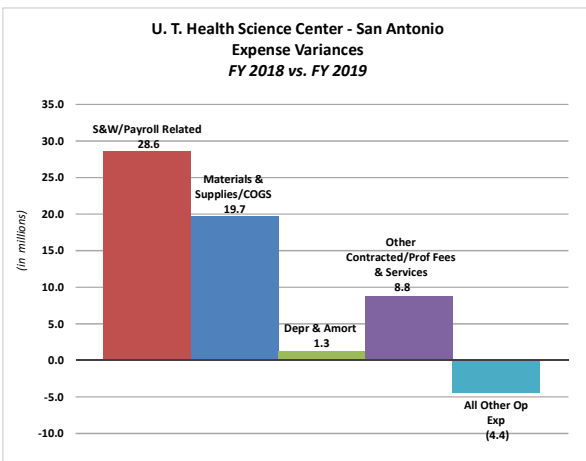
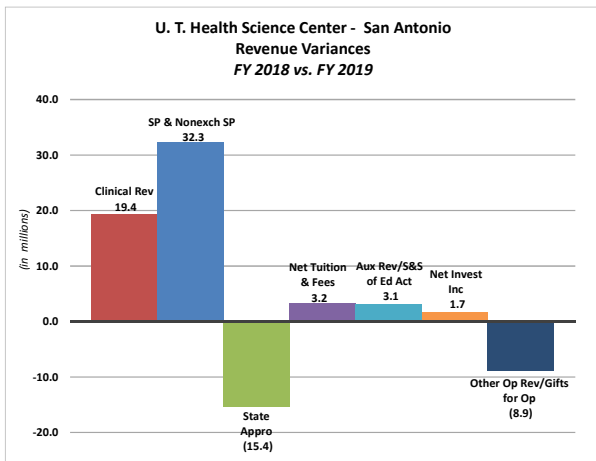


## Monthly Financial Report Comparison of Operating Results, Margin and Projected Year-End For the Period Ending June 30, 2019

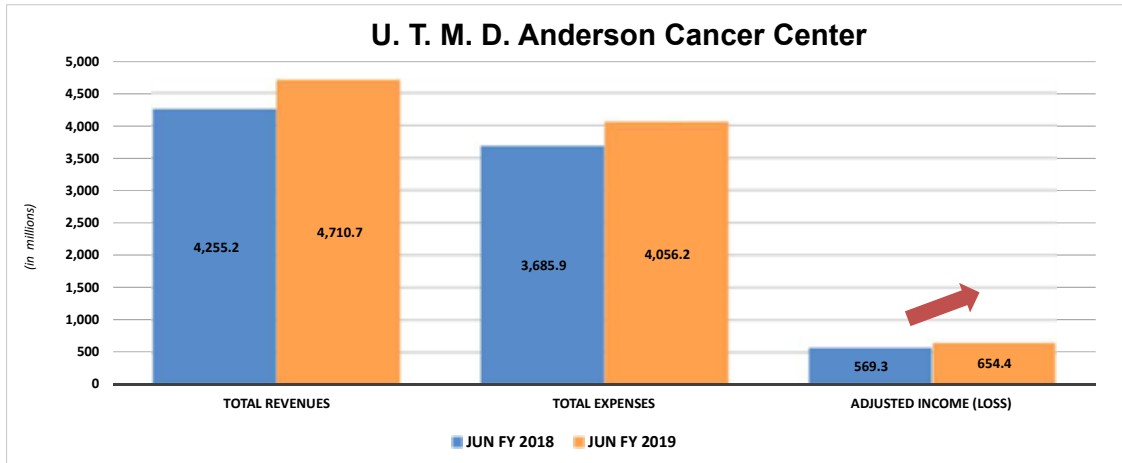


U. T. Health Science Center - San Antonio incurred a year-to-date loss of \$21.0 million, an increase in adjusted loss of \$18.5 million (741.7%) from the prior year. The increase was primarily due to the following: an increase in salaries and wages attributable to increased clinical faculty and staff positions as a result of growth associated with expanded clinical facilities; an increase in materials and supplies due to an increase in drug and medication supplies among the Cancer Center Pharmacy and the UT Health Physicians clinics; a change in methodology to exclude TRB appropriations from adjusted income (loss) to more accurately reflect revenues that can be used for operations beginning May 2019; and a decline in DSRIP revenues. Including TRBs, U. T. Health Science Center - San Antonio's adjusted loss was \$12.1 million. The most current projection received from U. T. Health Science Center - San Antonio reflects a loss of \$23.0 million for the year due to expansion of the clinical enterprise and strengthening of the research mission combined with the exclusion of TRB appropriations.

(in millions)	June YTD FY 2018	June YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 175.9	195.3	19.4	240.3
Sponsored Programs/Nonexchange Sponsored Programs	259.0	291.3	32.3	344.3
State Appropriations	146.4	131.0	(15.4)	157.2
Net Tuition and Fees	37.1	40.4	3.2	47.0
Auxiliary Revenues/Sales & Services of Educational Activities	23.1	26.2	3.1	31.3
Net Investment Income	36.3	38.0	1.7	45.6
Other Operating Revenues/Gift Contributions for Operations	38.4	29.5	(8.9)	41.0
<b>Total Revenues</b>	<b>716.2</b>	<b>751.6</b>	<b>35.4</b>	<b>906.7</b>
Salaries and Wages/Payroll Related Costs	489.1	517.8	28.6	630.6
Materials and Supplies/Cost of Goods Sold	53.0	72.7	19.7	86.8
Depreciation and Amortization	46.3	47.5	1.3	57.0
Other Contracted Services/Professional Fees & Services	38.4	47.2	8.8	54.1
All Other Operating Expenses	91.9	87.5	(4.4)	101.2
<b>Total Expenses</b>	<b>\$ 718.7</b>	<b>772.6</b>	<b>53.9</b>	<b>929.7</b>
<b>Adjusted Income (Loss) Excluding TRBs</b>	<b>(2.5)</b>	<b>(21.0)</b>	<b>(18.5)</b>	<b>(23.0)</b>
<b>Adjusted Income (Loss) Including TRBs</b>	<b>(2.5)</b>	<b>(12.1)</b>	<b>(9.6)</b>	<b>(12.3)</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>43.8</b>	<b>26.5</b>	<b>(17.3)</b>	<b>34.0</b>

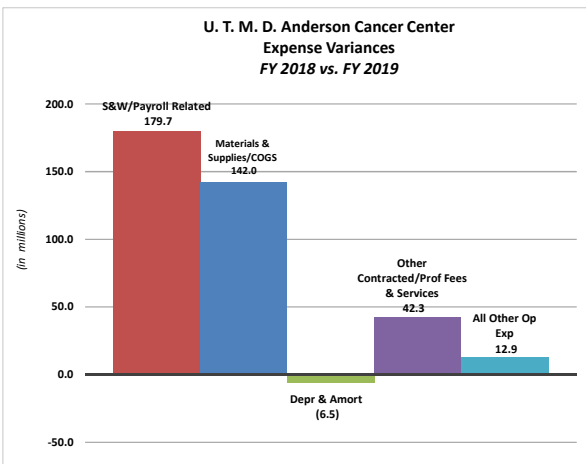
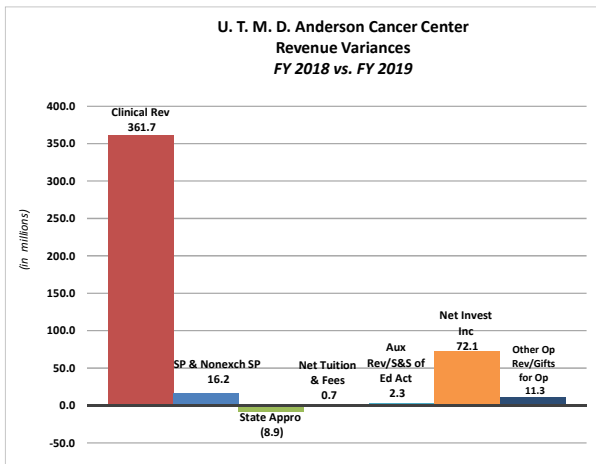


## Monthly Financial Report Comparison of Operating Results, Margin and Projected Year-End For the Period Ending June 30, 2019

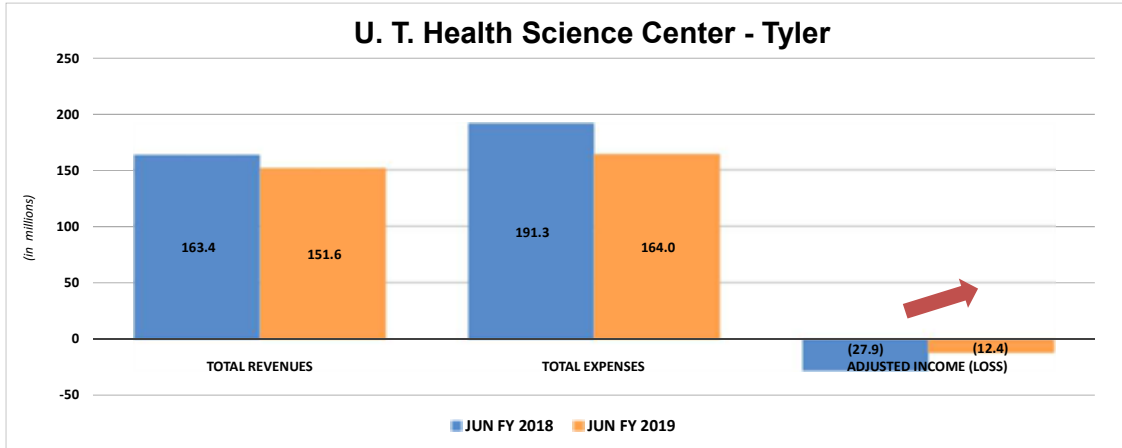


U. T. M. D. Anderson Cancer Center reported year-to-date adjusted income of \$654.4 million, an increase of \$85.2 million (15.0%) from the prior year. The increase was primarily attributable to an increase in net sales and services of hospitals due to an increase in admissions, patient days, and outpatient visits. An increase in net investment income due to improved market conditions also contributed to the favorable variance. Including TRBs, U. T. M. D. Anderson Cancer Center's adjusted income was \$660.6 million. The most current projection received from U. T. M. D. Anderson Cancer Center reflects income of \$703.8 million for the year.

(in millions)	June YTD FY 2018	June YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 3,417.2	3,778.9	361.7	4,521.0
Sponsored Programs/Nonexchange Sponsored Programs	308.3	324.5	16.2	390.4
State Appropriations	174.1	165.1	(8.9)	198.1
Net Tuition and Fees	1.0	1.8	0.7	1.8
Auxiliary Revenues/Sales & Services of Educational Activities	38.4	40.7	2.3	48.1
Net Investment Income	132.3	204.4	72.1	222.5
Other Operating Revenues/Gift Contributions for Operations	183.8	195.1	11.3	236.1
<b>Total Revenues</b>	<b>4,255.2</b>	<b>4,710.7</b>	<b>455.5</b>	<b>5,618.0</b>
Salaries and Wages/Payroll Related Costs	2,098.7	2,278.4	179.7	2,716.0
Materials and Supplies/Cost of Goods Sold	795.7	937.6	142.0	1,116.1
Depreciation and Amortization	301.5	295.0	(6.5)	363.2
Other Contracted Services/Professional Fees & Services	230.7	273.1	42.3	392.2
All Other Operating Expenses	259.3	272.2	12.9	326.7
<b>Total Expenses</b>	<b>\$ 3,685.9</b>	<b>4,056.2</b>	<b>370.3</b>	<b>4,914.2</b>
<b>Adjusted Income (Loss) Excluding TRBs</b>	<b>569.3</b>	<b>654.4</b>	<b>85.2</b>	<b>703.8</b>
<b>Adjusted Income (Loss) Including TRBs</b>	<b>569.3</b>	<b>660.6</b>	<b>91.3</b>	<b>711.2</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>870.8</b>	<b>949.4</b>	<b>78.6</b>	<b>1,067.1</b>

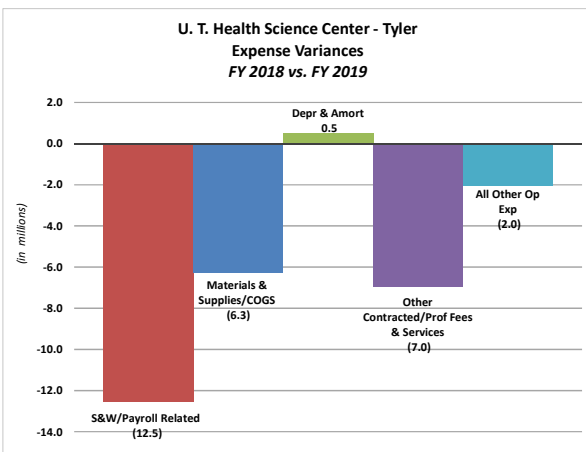
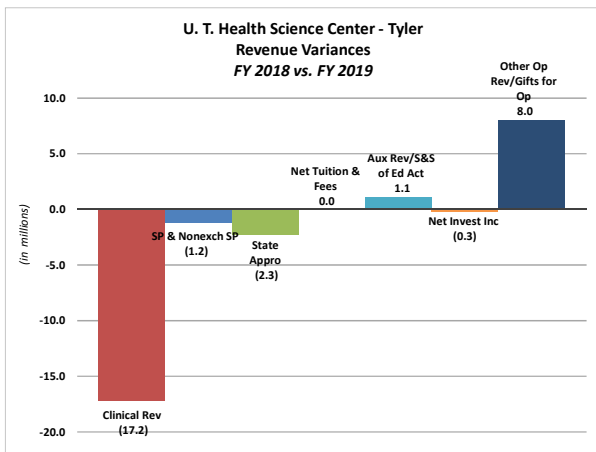


## Monthly Financial Report Comparison of Operating Results, Margin and Projected Year-End For the Period Ending June 30, 2019



*U. T. Health Science Center - Tyler* incurred a year-to-date loss of \$12.4 million, a decrease in adjusted loss of \$15.5 million (55.5%) from the prior year. The decrease was primarily due to the following: lower salaries and wages and payroll related costs attributable to workforce restructuring initiatives; a decrease in professional fees as a result of lower medical services expenses and one-time consulting and legal expenses associated with entry into the UT Health East Texas (UTHET) joint venture in 2018; an increase in other operating income from the UTHET joint venture; and a decrease in medical supplies corresponding with lower direct hospital revenue associated with entry into the UTHET joint venture. Including TRBs, *U. T. Health Science Center - Tyler's* adjusted loss was \$10.3 million. The most current projection received from *U. T. Health Science Center - Tyler* reflects a loss of \$4.7 million for the year.

(in millions)	June YTD FY 2018	June YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 67.3	50.1	(17.2)	61.9
Sponsored Programs/Nonexchange Sponsored Programs	27.5	26.3	(1.2)	32.4
State Appropriations	42.6	40.3	(2.3)	48.4
Net Tuition and Fees	0.2	0.2	0.0	0.3
Auxiliary Revenues/Sales & Services of Educational Activities	3.1	4.2	1.1	5.5
Net Investment Income	3.4	3.1	(0.3)	3.7
Other Operating Revenues/Gift Contributions for Operations	19.4	27.4 *	8.0	35.0 *
<b>Total Revenues</b>	<b>163.4</b>	<b>151.6</b>	<b>(11.8)</b>	<b>187.2</b>
Salaries and Wages/Payroll Related Costs	114.4	101.9	(12.5)	117.4
Materials and Supplies/Cost of Goods Sold	24.1	17.8	(6.3)	21.3
Depreciation and Amortization	11.6	12.1	0.5	14.5
Other Contracted Services/Professional Fees & Services	26.7	19.8	(7.0)	23.7
All Other Operating Expenses	14.5	12.5	(2.0)	15.0
<b>Total Expenses</b>	<b>\$ 191.3</b>	<b>164.0</b>	<b>(27.3)</b>	<b>191.9</b>
<b>Adjusted Income (Loss) Excluding TRBs</b>	<b>(27.9)</b>	<b>(12.4)</b>	<b>15.5</b>	<b>(4.7)</b>
<b>Adjusted Income (Loss) Including TRBs</b>	<b>(27.9)</b>	<b>(10.3)</b>	<b>17.6</b>	<b>(2.2)</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>(16.3)</b>	<b>(0.3)</b>	<b>16.0</b>	<b>9.8</b>



\*Other Operating Income includes 30% of UTHET's net adjusted income which was \$6.8 million through June. The projected loss of \$4.7 million includes \$8.3 million of UTHET's net adjusted income for the year.

**3. U. T. System Board of Regents: Equipment financing authorization for Fiscal Year 2020 and resolution regarding parity debt**

RECOMMENDATION

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

- a. approve an aggregate amount of \$247,565,000 of Revenue Financing System Equipment Financing for FY 2020 as allocated to those U. T. System institutions listed in the table at the end of this item; and
- b. 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 cost of equipment including costs incurred 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;
  - the U. T. System institutions, which are “Members” as such term is used in the Master Resolution, possess the financial capacity to satisfy their 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 \$247,565,000 for the purchase of equipment; and
  - this resolution satisfies the official intent requirements set forth in Section 1.150-2 of Title 26 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

BACKGROUND INFORMATION

On April 14, 1994, the U. T. System Board of Regents approved the use of Revenue Financing System debt for equipment purchases in accordance with the Guidelines Governing Administration of the Revenue Financing System. Equipment financing is used for the purchase of equipment in lieu of more costly vendor financing. The guidelines specify that the equipment to be financed must have a useful life of at least three years. The debt is amortized four times a year with full amortization period not to exceed 10 years.

This agenda item requests approval of an aggregate amount of \$247,565,000 for equipment financing for Fiscal Year 2020. On August 10, 2018, the U. T. System Board of Regents approved a total of \$196,780,000 of equipment financing for Fiscal Year 2019. On February 13, 2019, the Board approved an additional \$7,000,000 of equipment financing for Fiscal Year 2019, resulting in a total amount of \$203,780,000 of equipment financing for Fiscal Year 2019. Through July 31, 2019, \$113,576,000 of equipment financing has been utilized for Fiscal Year 2019.

Further details on the equipment to be financed and leverage ratios for individual institutions may be found in the table on the following page.

U. T. SYSTEM EQUIPMENT FINANCING - INSTITUTION REQUESTS  
FY 2020

Institution	\$ Amount of Request	Description of Expected Capital Equipment	Spendable Cash & Inv. to Total Debt *
U. T. Dallas	10,000,000	General purpose equipment supporting University's instruction, research & business operations	0.9x
U. T. El Paso	2,850,000	Campus telecommunications infrastructure, floor coverings, swimming pool filtration, vehicles	1.1x
U. T. Rio Grande Valley	100,000	Fitness equipment	1.4x
U. T. San Antonio	7,080,000	Facilities plant, public safety, theater, new faculty start-up, and telecommunications equipment	1.2x
U. T. Southwestern Medical Center	37,500,000	Information resources projects; clinical and hospital equipment	2.1x
U. T. Medical Branch - Galveston	50,000,000	Clinical, IT infrastructure, research-related, and facility-related equipment	1.1x
U. T. Health Science Center - Houston	20,000,000	EPIC Project	3.4x
U. T. Health Science Center - San Antonio	25,000,000	Core research, clinical transformation and/or infrastructure equipment	3.1x
U. T. M. D. Anderson Cancer Center	70,000,000	Medical, diagnostic, research, vehicles, information systems and technology equipment	6.3x
U. T. Health Science Center - Tyler	25,035,000	Clinical/laboratory and IT equipment	0.4x
<b>Total</b>	<b>\$247,565,000</b>		

\* Spendable Cash & Inv. to Total Debt ratios are based on FY2018 Analysis of Financial Condition (Feb 2019). The calculation includes TRB debt service.

U. T. System Office of Finance, July 10, 2019

**4. U. T. System Board of Regents: Adoption of a Resolution authorizing the issuance, sale, and delivery of Permanent University Fund 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 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 Permanent University Fund (PUF) Bonds in one or more installments in an aggregate principal amount not to exceed \$600 million to be used to refund certain outstanding PUF Bonds, to refund PUF Commercial Paper Notes, to provide new money to fund construction and acquisition costs, and to pay the costs of issuance; and
- b. authorize appropriate officers and employees of U. T. System as set forth in the 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 bonds.

BACKGROUND INFORMATION

On August 10, 2018, the Board of Regents adopted a resolution authorizing the issuance of PUF Bonds in an amount not to exceed \$600 million for Fiscal Year 2019. Adoption of this Resolution would provide a similar authorized amount and purposes for Fiscal Year 2020. Approval of this item does not allocate additional PUF debt for capital projects.

Adoption of this Resolution would authorize the advance or current refunding of a portion of certain outstanding PUF 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 Resolution would provide the flexibility to select the particular bonds to be refunded depending on market conditions at the time of pricing. The Resolution provides that additional PUF Bonds may be refunded if such refunding is determined to be in the best interest of the U. T. System.

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



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

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

Note: The proposed Resolution is available online at <http://www.utsystem.edu/board-of-regents/meetings/board-meeting-2019-08-14>.

**5. 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 \$750 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 10, 2018, the Board of Regents adopted the 33rd Supplemental Resolution authorizing the issuance of additional RFS Bonds in an amount not to exceed \$975 million. Adoption of this 34th Supplemental Resolution would provide authority to finance additional projects approved by the Board of Regents under the same provisions as the prior 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 at <http://www.utsystem.edu/board-of-regents/meetings/board-meeting-2019-08-14>.

6. **U. T. System Board of Regents: Adoption of resolutions authorizing certain bond enhancement agreements for Revenue Financing System debt and Permanent University Fund debt, including ratification of U. T. System Interest Rate Swap Policy**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents adopt resolutions substantially in the form set out on the following pages (the Resolutions) authorizing appropriate officers of the U. T. System to enter into bond enhancement agreements related to its Revenue Financing System (RFS) and Permanent University Fund (PUF) debt programs in accordance with the U. T. System Interest Rate Swap Policy and to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents.

**BACKGROUND INFORMATION**

*Texas Education Code* Section 65.461 provides specific authority to the U. T. System Board of Regents to enter into "bond enhancement agreements," which include interest rate swaps and related agreements in connection with administration of the U. T. System's RFS and PUF debt programs.

The U. T. System Interest Rate Swap Policy was approved by the Board of Regents as a Regental Policy on February 13, 2003, and was incorporated into the Regents' *Rules and Regulations*, Rule 70202, on December 10, 2004. The Rule was subsequently amended on August 23, 2007. Section 1371.056(l) of the *Texas Government Code* requires that while an interest rate management agreement transaction is outstanding, the governing body of the issuer shall review and ratify or modify its related risk management policy at least biennially.

On August 10, 2018, the Board approved bond enhancement agreement resolutions for FY 2019. Approval of this item would authorize the execution of bond enhancement agreement transactions related to RFS and PUF debt in accordance with the U. T. System Interest Rate Swap Policy for FY 2020 and will ratify the existing U. T. System Interest Rate Swap Policy, set out as Exhibit B, as required by *Texas Government Code* Section 1371.056. The determination to utilize bond enhancement agreements will be made based on market conditions at the time of pricing the related debt issuance. The Chancellor and the Chairman of the Board's Finance and Planning Committee will be informed in advance of any proposed transactions to be undertaken pursuant to the resolutions.

**A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF BOND ENHANCEMENT AGREEMENTS RELATING TO REVENUE FINANCING SYSTEM DEBT AND AUTHORIZING AND APPROVING OTHER INSTRUMENTS AND PROCEDURES RELATING TO SAID AGREEMENTS**

August 15, 2019

**WHEREAS**, the Board of Regents (the "Board") of The University of Texas System (the "System") is the governing body of the System, an institution of higher education under the *Texas Education Code* and an agency of the State of Texas; and

**WHEREAS**, on February 14, 1991, the Board adopted the First Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System and amended such resolution on October 8, 1993, and August 14, 1997 (referred to herein as the "Master Resolution"); and

**WHEREAS**, unless otherwise defined herein, terms used herein shall have the meaning given in the Master Resolution or as set forth in Exhibit A hereto; and

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

**WHEREAS**, the Board has adopted Supplemental Resolutions to the Master Resolution authorizing the issuance of Parity Debt thereunder as special, limited obligations of the Board payable solely from and secured by a lien on and pledge of Pledged Revenues pledged for the equal and proportionate benefit and security of all owners of Parity Debt; and

**WHEREAS**, the Board has previously entered into certain Executed Master Agreements (as defined herein) with certain counterparties setting forth the terms and conditions applicable to each Confirmation (as defined herein) executed or to be executed thereunder; and

**WHEREAS**, the Board hereby desires to ratify and approve the System's Interest Rate Swap Policy, a copy of which is attached hereto as Exhibit B, and to severally authorize each Authorized Representative (as defined in the System's Interest Rate Swap Policy) to enter into Bond Enhancement Agreements (as defined herein) from time to time, all as provided in this Resolution.

**NOW THEREFORE BE IT RESOLVED**, that

**SECTION 1. DEFINITIONS.** In addition to the definitions set forth in the preamble of this Resolution, the terms used in this Resolution and not otherwise defined shall have the meanings given in the Master Resolution or in Exhibit A to this Resolution attached hereto and made a part hereof.

**SECTION 2. AUTHORIZATION OF BOND ENHANCEMENT AGREEMENTS.**

(a) Delegation. Each Authorized Representative is hereby severally authorized to act on behalf of the Board in accepting and executing new or amended confirmations under one or more of the Master Agreements (each, a "Confirmation", and collectively with the applicable Master Agreement, a "Bond Enhancement Agreement") when, in his or her judgment, the execution of such Confirmation is consistent with this Resolution and the System's Interest Rate Swap Policy (except to the extent provided for in

Section 2(h) hereof) and either (i) the transaction is expected to reduce the net interest to be paid by the Board with respect to any then outstanding Parity Debt or Parity Debt anticipated to be issued in the future over the term of the Bond Enhancement Agreement or (ii) the transaction is in the best interests of the Board given the market conditions at that time. Prior to entering into any such transaction, an Authorized Representative must deliver to the General Counsel of the Board a certificate setting forth the determinations of the Authorized Representative in connection with the foregoing. Each Authorized Representative is also severally authorized to execute any required novation agreement related to the execution and delivery of a new or amended Confirmation undertaken in conjunction with the novation of an existing Confirmation. The delegation to each Authorized Representative to execute and deliver Bond Enhancement Agreements on behalf of the Board under this Resolution shall expire on September 1, 2020.

(b) Authorizing Law and Treatment as Credit Agreement. The Board hereby determines that any such Bond Enhancement Agreement entered into by an Authorized Representative pursuant to this Resolution is necessary or appropriate to place the Board's obligations with respect to its outstanding Parity Debt or Parity Debt anticipated to be issued in the future on the interest rate, currency, cash flow or other basis set forth in such Bond Enhancement Agreement as approved and executed on behalf of the Board by an Authorized Representative. Each Bond Enhancement Agreement constitutes a "Credit Agreement" as defined in the Master Resolution and a "bond enhancement agreement" under Section 65.461 of the *Texas Education Code*, as amended ("Section 65.461"). Pursuant to Section 65.461, a Bond Enhancement Agreement authorized and executed by an Authorized Representative under this Resolution shall not be considered a "credit agreement" under Chapter 1371 of the *Texas Government Code*, as amended ("Chapter 1371"), unless specifically designated as such by such Authorized Representative. In the event an Authorized Representative elects to treat a Bond Enhancement Agreement authorized by this Resolution as a "credit agreement" under Chapter 1371 and this Resolution has not previously been submitted to the Attorney General by an Authorized Representative, such Authorized Representative shall submit this Resolution to the Attorney General for review and approval in accordance with the requirements of Chapter 1371 as the proceedings authorizing Bond Enhancement Agreements entered into by the Board pursuant to this Resolution.

(c) Maximum Term. The maximum term of each Bond Enhancement Agreement authorized by this Resolution shall not exceed the maturity date of the then outstanding related Parity Debt or the related Parity Debt anticipated to be issued in the future, as applicable.

(d) Notional Amount. The notional amount of any Bond Enhancement Agreement authorized by this Resolution shall not at any time exceed the aggregate principal amount of the then outstanding related Parity Debt and related Parity Debt anticipated to be issued in the future, as applicable; provided that the aggregate notional amount of multiple Bond Enhancement Agreements relating to the same Parity Debt may exceed the principal amount of the related Parity Debt if such Bond Enhancement Agreements are for different purposes, as evidenced for example by different rates for calculating payments owed, and the aggregate notional amount of any such Bond Enhancement Agreements for the same purpose otherwise satisfies the foregoing requirements.

(e) Early Termination. Except as provided in the following sentence, no Confirmation entered into pursuant to this Resolution shall contain early termination provisions at the option of the counterparty except upon the occurrence of an event of default or an additional termination event, as prescribed in the applicable Master Agreement. With respect to a Bond Enhancement Agreement described in Section 4(a)(4), each Authorized Representative is hereby severally authorized to include early termination provisions at the option of the counterparty in a Confirmation for such a transaction if, in his or her judgment, such provisions are in the best interests of the Board given the market conditions at that time. In addition to subsections (a) and (b) of Section 6 hereof, each Authorized Representative is hereby

severally authorized to terminate any Bond Enhancement when, in his or her judgment, such termination is in the best interests of the Board given the market conditions at that time.

(f) Maximum Rate. No Bond Enhancement Agreement authorized by this Resolution shall be payable at a rate greater than the maximum rate allowed by law.

(g) Credit Enhancement. An Authorized Representative may obtain credit enhancement for any Bond Enhancement Agreement if such Authorized Representative, as evidenced by a certificate delivered to the General Counsel to the Board, has determined that after taking into account the cost of such credit enhancement, such credit enhancement will reduce the amount payable by the Board pursuant to such Bond Enhancement Agreement; provided that the annual cost of credit enhancement on any Bond Enhancement Agreement entered into pursuant to this Resolution may not exceed 0.50% of the notional amount of such Bond Enhancement Agreement.

(h) Deutsche Bank Credit Rating. Notwithstanding anything else in this Resolution or the System's Interest Rate Swap Policy to the contrary, an Authorized Representative is authorized specifically to execute a Bond Enhancement Agreement described in Section 4(a)(4) with Deutsche Bank AG, New York Branch ("Deutsche Bank"), provided that if Deutsche Bank does not have a long term rating of at least A/A2, any new Bond Enhancement Agreements executed with Deutsche Bank AG shall require Deutsche Bank to post collateral for the benefit of the Board at a zero threshold as security for Deutsche Bank's obligations under such Bond Enhancement Agreement. The Board hereby finds that entering into a Bond Enhancement Agreement contemplated by this subsection would constitute a beneficial transaction for the System and would be in the best interest of the Board, and upon the execution of such a Bond Enhancement Agreement, the Board hereby deems the System's Interest Rate Swap Policy to be amended to permit such a Bond Enhancement Agreement.

**SECTION 3. BOND ENHANCEMENT AGREEMENTS AS PARITY DEBT.** The costs of any Bond Enhancement Agreement and the amounts payable thereunder shall be payable out of Pledged Revenues and each Bond Enhancement Agreement shall constitute Parity Debt under the Master Resolution, except to the extent that a Bond Enhancement Agreement provides that an obligation of the Board thereunder shall be payable from and secured by a lien on Pledged Revenues subordinate to the lien securing the payment of the Parity Debt. The Board determines that this Resolution shall constitute a Supplemental Resolution to the Master Resolution and as required by Section 5(a) of the Master Resolution, the Board further determines that upon the delivery of the Bond Enhancement Agreements authorized by this Resolution it will have sufficient funds to meet the financial obligations of the System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System and that the Members on whose behalf such Bond Enhancement Agreements are entered into possess the financial capacity to satisfy their Direct Obligations after taking such Bond Enhancement Agreements into account.

**SECTION 4. AUTHORIZATION FOR SPECIFIC TRANSACTIONS.**

(a) In addition to the authority otherwise granted in this Resolution, each Authorized Representative is hereby severally granted continuing authority to enter into the following specific transactions pursuant to a Confirmation (or other agreement or instrument deemed necessary by an Authorized Representative) upon satisfaction of the following respective conditions:

(1) Floating-to-fixed rate interest rate swap transactions under which the Board would pay an amount based upon a fixed rate of interest and the counterparty would pay an amount based upon a variable rate of interest with respect to Parity Debt then outstanding bearing interest at a variable rate and Parity Debt anticipated to be issued in the future that will bear interest at a variable rate, as

applicable. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that (i) the synthetic fixed rate to the Board pursuant to the swap transaction is lower than the rate available to the Board for comparable fixed rate debt at the time of the swap transaction, and (ii) if the variable rate being paid or expected to be paid by the Board on the applicable Parity Debt is computed on a basis different from the calculation of the variable rate to be received under the swap transaction over the stated term of such swap transaction, the basis risk of the transaction is expected to be minimal based upon historical relationships between such bases.

(2) Fixed-to-floating rate interest rate swap transactions under which the Board would pay an amount based upon a variable rate of interest and the counterparty would pay an amount based upon a fixed rate of interest, with respect to Parity Debt then outstanding bearing interest at a fixed rate and Parity Debt anticipated to be issued in the future that will bear interest at a fixed rate, as applicable. Prior to entering into such transaction an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that converting such portion of fixed rate Parity Debt to a variable rate pursuant to the fixed-to-floating interest rate swap transaction would be beneficial to the System by (i) lowering the anticipated net interest cost on the Parity Debt to be swapped against or (ii) assisting in the System's asset/liability management by matching a portion of its variable rate assets with variable rate Parity Debt.

(3) Basis swap transactions under which the Board would pay a variable rate of interest computed on one basis, such as the Securities Industry and Financial Markets Association Municipal Swap Index, and the counterparty would pay a variable rate of interest computed on a different basis, such as the London Interbank Offered Rate ("LIBOR"), with respect to a designated maturity or principal amount of outstanding Parity Debt and Parity Debt anticipated to be issued in the future, as applicable. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that by entering into the basis swap transaction the Board is expected to be able to (i) achieve spread income or upfront cash payments, (ii) preserve call option and advance refunding capability on its Parity Debt, (iii) lower net interest cost by effecting a percent of LIBOR synthetic refunding without issuing additional bonds or acquiring credit enhancement, (iv) lower net interest cost on Parity Debt by layering tax risk on top of a traditional or synthetic fixed rate financing, (v) preserve liquidity capacity, or (vi) avoid the mark to market volatility of a fixed-to-floating or floating-to-fixed swap in changing interest rate environments.

(4) Basis swap transactions that are a combination of authority granted under subsections (1) and (2) above under which the Board would pay a variable rate of interest computed on one basis, such as LIBOR, and the counterparty would pay a fixed rate of interest ("Fixed Rate #1"), combined with a swap under which the Board would receive the same variable rate of interest, and the counterparty would receive a fixed rate of interest different than Fixed Rate #1, with respect to a given principal amount of Parity Debt then outstanding or Parity Debt anticipated to be issued in the future. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that by entering into the basis swap transaction the Board is expected to be able to (i) achieve spread income or upfront cash payments, or (ii) lowering the anticipated net interest cost on the related Parity Debt.

(5) Interest rate locks, caps, options, floors, and collars for the purpose of limiting the exposure of the Board to adverse changes in interest rates in connection with outstanding Parity Debt or additional Parity Debt anticipated to be issued in the future. Prior to entering into such a transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that such transaction is expected to limit or eliminate such exposure.



(b) The foregoing is not intended to be a comprehensive list of permissible types of transactions, but rather to specify additional conditions necessary to enter into the specified types of transactions. The requirements of Section 2(a) above shall apply to any transaction not specified in subsection (a) hereof.

**SECTION 5. APPLICATION OF PAYMENTS RECEIVED UNDER BOND ENHANCEMENT AGREEMENTS.**

(a) General. Except as further limited by subsection (b) hereof, to the extent the Board receives payments pursuant to a Bond Enhancement Agreement, such payments shall be applied for any lawful purpose.

(b) Payments under Chapter 1371 Credit Agreements. In the event an Authorized Representative elects to treat a Bond Enhancement Agreement authorized by this Resolution as a "credit agreement" under Chapter 1371 and such Bond Enhancement Agreement is executed and delivered pursuant to Chapter 1371, to the extent that the Board receives payments pursuant to such a Bond Enhancement Agreement, such payments shall be applied as follows: (i) to pay (A) debt service on the Parity Debt or anticipated issuance of Parity Debt related to the Bond Enhancement Agreement, or (B) the costs to be financed by the Parity Debt or anticipated issuance of Parity Debt related to the Bond Enhancement Agreement; provided that, if applicable, such costs shall have been approved for construction by the Board; (ii) to pay other liabilities or expenses that are secured on parity with or senior to the Parity Debt or anticipated issuance of Parity Debt related to the Bond Enhancement Agreement; or (iii) to the extent that costs set forth in (i) and (ii) have been satisfied, for any other lawful purpose.

**SECTION 6. BOND ENHANCEMENT AGREEMENTS IN CONNECTION WITH ANTICIPATED PARITY DEBT.**

(a) Requirement to Terminate or Modify Agreement for Non-issuance of Anticipated Parity Debt. In the event a Bond Enhancement Agreement is entered into under this Resolution in connection with the anticipated issuance of Parity Debt and such Parity Debt is not actually issued on or prior to the effective date of such agreement, an Authorized Representative shall either terminate such Bond Enhancement Agreement or amend such Bond Enhancement Agreement in such event to (i) delay the effective date of such Bond Enhancement Agreement; or (ii) replace such anticipated Parity Debt with any then outstanding Parity Debt having the same types of interest rates (fixed or variable) as the anticipated Parity Debt.

(b) Requirement to Terminate or Modify Agreement for Notional Amount in Excess of Anticipated Parity Debt as Issued. In the event a Bond Enhancement Agreement is entered into under this Resolution in connection with the anticipated issuance of Parity Debt and such Bond Enhancement Agreement has a notional amount that at any time exceeds the principal amount to be outstanding of such anticipated Parity Debt as actually issued, an Authorized Representative shall either terminate such Bond Enhancement Agreement or amend such Bond Enhancement Agreement to (i) reduce the notional amount of such Bond Enhancement as appropriate so that such notional amount does not exceed at any time the principal amount to be outstanding of such anticipated Parity Debt as actually issued or (ii) supplement or replace all or a portion of such anticipated Parity Debt with any then outstanding Parity Debt having the same types of interest rates (fixed or variable) as the anticipated Parity Debt as necessary to ensure that the notional amount of such Bond Enhancement Agreement does not exceed at any time the principal amount of the applicable Parity Debt.

(c) Board Recognition of Anticipated Parity Debt. No Bond Enhancement Agreement may be entered into under this Resolution with respect to the Board's obligations under an anticipated future

issuance of Parity Debt unless such anticipated issuance of future debt shall have been recognized by official action of the Board pursuant to (i) the Board's prior adoption of a resolution authorizing the issuance of such debt, including, but not limited to, a resolution delegating the parameters of such issuance to an Authorized Representative or a resolution authorizing the issuance of commercial paper notes, (ii) the Board's prior approval of its then current Capital Improvement Program contemplating the financing of the projects to be financed or refinanced by such anticipated issuance of debt and the amount of such debt to be issued or the Board's other approval of such projects for financing or (iii) the Board's action pursuant to subsection (e) hereof with respect to Parity Debt anticipated to be issued to refund outstanding Parity Debt.

(d) Required Description of Anticipated Parity Debt. To the extent that a Bond Enhancement Agreement is entered into under this Resolution with respect to the Board's obligations under an anticipated future issuance of Parity Debt, an Authorized Representative must also deliver to the General Counsel to the Board at the time such agreement is entered into a certificate with respect to such anticipated Parity Debt stating: (i) the anticipated issuance date of such Parity Debt or a range of anticipated dates of up to six months for such issuance, provided that such date or range of dates may not be more than the lesser of seventy-two (72) months after the date of the applicable Confirmation or the latest date contemplated for the issuance of such Parity Debt in the Board's then current Capital Improvement Program; (ii) whether such Parity Debt will bear interest at a fixed or variable rate; (iii) if such Parity Debt will bear interest at a fixed rate, what fixed interest rate or range of interest rates with respect to such Parity Debt is anticipated; (iv) if such Parity Debt will bear interest at a variable rate, what basis is anticipated to be used to compute such variable rate; (v) the assumed maturity schedule and amortization for such Parity Debt, including the assumed interest cost; (vi) the anticipated purposes for which the proceeds of such Parity Debt will be used; and (vii) for Parity Debt anticipated to be issued for new money projects, a list or description of such projects anticipated to be financed, provided that each such project must be contemplated for financing with Parity Debt by the Board's then current Capital Improvement Program or have otherwise received Board approval for financing.

(e) Board's Statement of Intent to Issue Refunding Debt for Savings. If the conditions in this Resolution are otherwise satisfied, the Board hereby authorizes each Authorized Representative to enter into a Bond Enhancement Agreement in connection with Parity Debt anticipated to be issued for the purpose of advance refunding any existing Parity Debt, provided that as certified by an Authorized Representative to the General Counsel to the Board, such anticipated issue of Parity Debt, when taking into consideration the effect of such Bond Enhancement Agreement, is expected to result in a present value savings in connection with such advance refunding of at least 3.0% (determined in the manner set forth in a supplemental resolution approved by the Board authorizing the issuance of additional Parity Debt), and in such event, the Board hereby declares its intention to cause such Parity Debt to be issued. No such certification or declaration shall be applicable in connection with Parity Debt anticipated to be issued for the purpose of currently refunding any existing Parity Debt within ninety (90) days of the date of issuance of such anticipated Parity Debt.

## **SECTION 7. MASTER AGREEMENTS.**

(a) New Master Agreements. Each Authorized Representative is hereby severally authorized to enter into ISDA Master Agreements (the "New Master Agreements") with counterparties satisfying the ratings requirements of the System's Interest Rate Swap Policy. Such New Master Agreements shall be in substantially the same form as the Executed Master Agreements, with such changes as, in the judgment of an Authorized Representative, with the advice and counsel of the Office of General Counsel and Bond Counsel, are necessary or desirable (i) to carry out the intent of the Board as expressed in this Resolution, (ii) to receive approval of this Resolution by the Attorney General of the State of Texas, if pursuant Section 2(b) of this Resolution, an Authorized Representative elects to designate any Bond Enhancement

Agreement entered into by the Board pursuant to this Resolution as a "credit agreement" under Chapter 1371, (iii) to accommodate the credit structure or requirements of a particular counterparty or (iv) to incorporate comments received or anticipated to be received from any credit rating agency relating to a New Master Agreement. Each Authorized Representative is authorized to enter into such New Master Agreements and to enter into Confirmations thereunder in accordance with this Resolution and in furtherance of and to carry out the intent hereof. If a New Master Agreement entered into pursuant to this subsection replaces a then effective Master Agreement with the same or a related counterparty, each Authorized Representative is hereby severally authorized to terminate such existing Master Agreement upon the New Master Agreement becoming effective and to take and all actions necessary to transfer any Confirmations thereunder to such New Master Agreement.

(b) Amendments to Master Agreements. Each Authorized Representative is hereby further severally authorized to enter into amendments to the Master Agreements to allow Confirmations thereunder to be issued and entered into with respect to any then outstanding Parity Debt or Parity Debt anticipated to be issued in the future and to make such other amendments in accordance with the terms of the respective Master Agreements as in the judgment of such Authorized Representative, with the advice and counsel of the Office of General Counsel and Bond Counsel, are necessary or desirable to allow the Board to achieve the benefits of the Bond Enhancement Agreements in accordance with and subject to the System's Interest Rate Swap Policy and this Resolution.

**SECTION 8. ADDITIONAL AUTHORIZATION; RATIFICATION AND APPROVAL OF SWAP POLICY.**

(a) Additional Agreements and Documents Authorized. Each Authorized Representative and all officers of the Board are severally authorized to execute and deliver such other agreements and documents as are contemplated by this Resolution and the Master Agreements or are otherwise necessary in connection with entering into Confirmations and Bond Enhancement Agreements as described in this Resolution, as any such Authorized Representative or officer shall deem appropriate, including without limitation, officer's certificates, legal opinions, credit support documents and any documentation pursuant to an ISDA DF Protocol, and the execution of any certificates and the filing of any returns with the Internal Revenue Service as may be necessary in the judgment of Bond Counsel with respect to a Bond Enhancement Agreement or the related Parity Debt. Any such actions heretofore taken are hereby ratified, approved and affirmed in all respects.

(b) Further Actions. Each Authorized Representative and all officers of the Board are severally authorized to take all such further actions, to execute and deliver such further instruments and documents in the name and on behalf of the Board to pay all such expenses as in his or her judgment shall be necessary or advisable in order fully to carry out the purposes of this Resolution.

(c) Swap Policy. The Board has reviewed and hereby ratifies, approves and affirms the System's Interest Rate Swap Policy, a copy of which is attached hereto as Exhibit B.

*[Remainder of page intentionally left blank]*

**EXHIBIT A**

**DEFINITIONS**

As used in this Resolution the following terms and expressions shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

"Authorized Representative" – As defined in the System's Interest Rate Swap Policy (a copy of which is attached hereto as Exhibit B).

"Board" – The Board of Regents of The University of Texas System.

"Bond Enhancement Agreement" – Collectively, each Confirmation and the applicable Master Agreement.

"Chapter 1371" – Chapter 1371 of the *Texas Government Code*, as amended.

"Confirmation" – Each confirmation entered into by an Authorized Representative on behalf of the Board pursuant to this Resolution.

"Executed Master Agreements" – The following existing and fully executed ISDA Master Agreements currently in effect between the Board and the respective counterparty noted below (copies of which are attached hereto as Exhibit C):

- (i) ISDA Master Agreement with Bank of America, N.A., dated as of December 6, 2005;
- (ii) ISDA Master Agreement with JPMorgan Chase Bank, National Association, dated as of May 2, 2006;
- (iii) ISDA Master Agreement with Merrill Lynch Capital Services, Inc., dated as of May 1, 2006;
- (iv) ISDA Master Agreement with Morgan Stanley Capital Services Inc., dated as of December 6, 2005;
- (v) ISDA Master Agreement with UBS AG, dated as of November 1, 2007;
- (vi) ISDA Master Agreement with Goldman Sachs Bank USA, dated as of August 1, 2009;
- (vii) ISDA Master Agreement with Wells Fargo Bank, National Association, dated as of August 21, 2009;
- (viii) ISDA Master Agreement with Barclays Bank PLC, dated as of November 4, 2010;
- (ix) ISDA Master Agreement with Deutsche Bank AG, New York Branch, dated as of May 1, 2011;

(x) ISDA Master Agreement with Royal Bank of Canada, dated as of June 8, 2011;  
and

(xi) ISDA Master Agreement with Citibank, N.A., dated as of October 26, 2011.

"ISDA" – The International Swaps and Derivatives Association, Inc.

"ISDA DF Protocol" – Any protocol developed by ISDA in response to provisions of the Dodd Frank Wall Street Reform and Consumer Protection Act relating to derivatives.

"LIBOR" – London Interbank Offered Rate.

"Master Agreements" – Collectively, the Executed Master Agreements and any New Master Agreements.

"Master Resolution" – The First Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System adopted by the Board on February 14, 1991, and amended on October 8, 1993, and August 14, 1997.

"New Master Agreements" – Any ISDA Master Agreements entered into by an Authorized Representative pursuant to Section 7(a) of this Resolution.

"Section 65.461" – Section 65.461 of the *Texas Education Code*, as amended.

"System" – The University of Texas System.

**EXHIBIT B**

**INTEREST RATE SWAP POLICY  
OF THE UNIVERSITY OF TEXAS SYSTEM**

[See Regents' *Rules and Regulations*, Rule 70202 titled Interest Rate Swap Policy]

**EXHIBIT C**

**EXECUTED MASTER AGREEMENTS**

[On file with the U. T. System Office of Business Affairs]

**A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF BOND ENHANCEMENT AGREEMENTS RELATING TO PERMANENT UNIVERSITY FUND DEBT AND AUTHORIZING AND APPROVING OTHER INSTRUMENTS AND PROCEDURES RELATING TO SAID AGREEMENTS**

August 15, 2019

**WHEREAS**, the Board of Regents (the “Board”) of The University of Texas System (the “System”) is the governing body of the System, an institution of higher education under the Texas Education Code and an agency of the State of Texas (the “State”); and

**WHEREAS**, the Permanent University Fund is a constitutional fund and public endowment created in the Texas Constitution of 1876, as created, established, implemented and administered pursuant to Sections 10, 11, 11a, 11b, 15 and 18 of Article VII of the Constitution of the State, as amended, and by other applicable present and future constitutional and statutory provisions, and further implemented by the provisions of Chapter 66, *Texas Education Code*, as amended (the “Permanent University Fund”); and

**WHEREAS**, the Available University Fund is defined by the Constitution of the State and consists of distributions made to it from the total return on all investment assets of the Permanent University Fund, including the net income attributable to the surface of Permanent University Fund land, as determined by the Board pursuant to Section 18 of Article VII of the Constitution of the State, as amended (the “Available University Fund”); and

**WHEREAS**, Section 18 of Article VII of the Constitution of the State, as may hereafter be amended (the “Constitutional Provision”), authorizes the Board to issue bonds and notes (“PUF Debt”) not to exceed a total amount of 20% of the cost value of investments and other assets of the Permanent University Fund, exclusive of real estate, at the time of issuance thereof and to pledge all or any part of its two-thirds interest in the Available University Fund (the “Interest of the System”) to secure the payment of the principal of and interest on PUF Debt, for the purpose of acquiring land, constructing and equipping buildings or other permanent improvements, major repair and rehabilitation of buildings and other permanent improvements, acquiring capital equipment and library books and library materials, and refunding bonds or notes issued under the Constitutional Provision or prior law, at or for the System administration and institutions of the System as listed in the Constitutional Provision; and

**WHEREAS**, the Constitutional Provision also provides that out of the Interest of the System in the Available University Fund there shall be appropriated an annual sum sufficient to pay the principal and interest due on PUF Debt, and the remainder of the Interest of the System in the Available University Fund (the “Residual AUF”) shall be appropriated for the support and maintenance of The University of Texas at Austin and the System Administration; and

**WHEREAS**, the Board has previously entered into certain Executed Master Agreements (as defined herein) with certain counterparties setting forth the terms and conditions applicable to each Confirmation (as defined herein) to be executed thereunder; and



**WHEREAS**, the Board hereby desires to ratify and approve the U.T. System’s Interest Rate Swap Policy, a copy of which is attached hereto as Exhibit B, and to severally authorize each Authorized Representative (as defined in the System’s Interest Rate Swap Policy) to enter into Bond Enhancement Agreements (as defined herein) from time to time, all as provided in this Resolution.

**NOW THEREFORE BE IT RESOLVED**, that

**SECTION 1. DEFINITIONS.** Capitalized terms used in this Resolution and not otherwise defined shall have the meanings given in Exhibit A attached hereto and made a part hereof.

**SECTION 2. AUTHORIZATION OF BOND ENHANCEMENT AGREEMENTS.**

(a) Delegation. Each Authorized Representative is hereby severally authorized to act on behalf of the Board in accepting and executing new or amended confirmations under one or more of the Master Agreements (each, a “Confirmation” and, collectively with the applicable Master Agreement, a “Bond Enhancement Agreement”) when, in his or her judgment, the execution of such Confirmation is consistent with this Resolution and the System’s Interest Rate Swap Policy and either (i) the transaction is expected to reduce the net interest to be paid by the Board with respect to any then outstanding PUF Debt or PUF Debt anticipated to be issued in the future over the term of the Bond Enhancement Agreement or (ii) the transaction is in the best interests of the Board given the market conditions at that time. Prior to entering into any such transaction, an Authorized Representative must deliver to the General Counsel of the Board a certificate setting forth the determinations of the Authorized Representative in connection with the foregoing. Each Authorized Representative is also severally authorized to execute any required novation agreement related to the execution and delivery of a new or amended Confirmation undertaken in conjunction with the novation of an existing Confirmation. The delegation to each Authorized Representative to execute and deliver Bond Enhancement Agreements on behalf of the Board under this Resolution shall expire on September 1, 2020.

(b) Authorizing Law and Treatment as Credit Agreement. The Board hereby determines that any such Bond Enhancement Agreement entered into by an Authorized Representative pursuant to this Resolution is necessary or appropriate to place the Board’s obligations with respect to its outstanding PUF Debt or PUF Debt anticipated to be issued in the future on the interest rate, currency, cash flow or other basis set forth in such Bond Enhancement Agreement as approved and executed on behalf of the Board by an Authorized Representative. Each Bond Enhancement Agreement constitutes a “bond enhancement agreement” under Section 65.461 of the *Texas Education Code*, as amended (“Section 65.461”). Pursuant to Section 65.461, a Bond Enhancement Agreement authorized and executed by an Authorized Representative under this Resolution shall not be considered a “credit agreement” under Chapter 1371 of the *Texas Government Code*, as amended (“Chapter 1371”), unless specifically designated as such by such Authorized Representative. In the event an Authorized Representative elects to treat a Bond Enhancement Agreement authorized by this Resolution as a “credit agreement” under Chapter 1371 and this Resolution has not previously been submitted to the Attorney General by an Authorized Representative or is required to be submitted for such Bond Enhancement Agreement, such Authorized Representative shall submit this Resolution to

the Attorney General for review and approval in accordance with the requirements of Chapter 1371 as the proceedings authorizing Bond Enhancement Agreements entered into by the Board pursuant to this Resolution.

(c) Costs; Maximum Term. The costs of any Bond Enhancement Agreement and the amounts payable thereunder, including but not limited to any amounts payable by the Board as a result of terminating a Bond Enhancement Agreement, shall be payable from the Residual AUF as a cost of the support and maintenance of System administration or from any other source that is legally available to make such payments.

The maximum term of each Bond Enhancement Agreement authorized by this Resolution shall not exceed the maturity date of the then outstanding related PUF Debt or the related PUF Debt anticipated to be issued in the future, as applicable.

(d) Notional Amount. The notional amount of any Bond Enhancement Agreement authorized by this Resolution shall not at any time exceed the aggregate principal amount of the then outstanding related PUF Debt or related PUF Debt anticipated to be issued in the future, as applicable; provided that the aggregate notional amount of multiple Bond Enhancement Agreements relating to the same PUF Debt may exceed the principal amount of the related PUF Debt if such Bond Enhancement Agreements are for different purposes, as evidenced for example by different rates for calculating payments owed, and the aggregate notional amount of any such Bond Enhancement Agreements for the same purpose otherwise satisfies the foregoing requirements.

(e) Early Termination. No Confirmation entered into pursuant to this Resolution shall contain early termination provisions at the option of the counterparty except upon the occurrence of an event of default or an additional termination event, as prescribed in the applicable Master Agreement. In addition to subsections (a) and (b) of Section 5 hereof, each Authorized Representative is hereby severally authorized to terminate any Bond Enhancement when, in his or her judgment, such termination is in the best interests of the Board given the market conditions at that time.

(f) Maximum Rate. No Bond Enhancement Agreement authorized by this Resolution shall be payable at a rate greater than the maximum rate allowed by law.

(g) Credit Enhancement. An Authorized Representative may obtain credit enhancement for any Bond Enhancement Agreement if such Authorized Representative, as evidenced by a certificate delivered to the General Counsel to the Board, has determined that after taking into account the cost of such credit enhancement, such credit enhancement will reduce the amount payable by the Board pursuant to such Bond Enhancement Agreement; provided that the annual cost of credit enhancement on any Bond Enhancement Agreement entered into pursuant to this Resolution may not exceed 0.50% of the notional amount of such Bond Enhancement Agreement.

### **SECTION 3. AUTHORIZATION FOR SPECIFIC TRANSACTIONS.**

(a) In addition to the authority otherwise granted in this Resolution, each Authorized Representative is hereby severally granted continuing authority to enter into the following

specific transactions pursuant to a Confirmation (or other agreement or instrument deemed necessary by an Authorized Representative) upon satisfaction of the following respective conditions:

(1) Floating-to-fixed rate interest rate swap transactions under which the Board would pay an amount based upon a fixed rate of interest and the counterparty would pay an amount based upon a variable rate of interest with respect to PUF Debt then outstanding bearing interest at a variable rate and any PUF Debt anticipated to be issued in the future that will bear interest at a variable rate, as applicable. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that (i) the synthetic fixed rate to the Board pursuant to the swap transaction is lower than the rate available to the Board for comparable fixed rate debt at the time of the swap transaction, and (ii) if the variable rate being paid or expected to be paid by the Board on the applicable PUF Debt is computed on a basis different from the calculation of the variable rate to be received under the swap transaction over the stated term of such swap transaction, the basis risk of the transaction is expected to be minimal based upon historical relationships between such bases.

(2) Fixed-to-floating rate interest rate swap transactions under which the Board would pay an amount based upon a variable rate of interest and the counterparty would pay an amount based upon a fixed rate of interest, with respect to PUF Debt then outstanding bearing interest at a fixed rate or PUF Debt anticipated to be issued in the future that will bear interest at a fixed rate, as applicable. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that converting such portion of fixed rate PUF Debt to a variable rate pursuant to the fixed-to-floating interest rate swap transaction would be beneficial to the System by (i) lowering the anticipated net interest cost on the PUF Debt to be swapped against or (ii) assisting in the System's asset/liability management by matching a portion of its variable rate assets with variable rate PUF Debt.

(3) Basis swap transactions under which the Board would pay a variable rate of interest computed on one basis, such as the Securities Industry and Financial Markets Association Municipal Swap Index, and the counterparty would pay a variable rate of interest computed on a different basis, such as a designated maturity of the London Interbank Offered Rate ("LIBOR"), with respect to a given principal amount of PUF Debt then outstanding or PUF Debt anticipated to be issued in the future, as applicable. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that by entering into the basis swap transaction the Board is expected to be able to (i) achieve spread income or upfront cash payments, (ii) preserve call option and advance refunding capability on its PUF Debt, (iii) lower net interest cost by effecting a percent of LIBOR synthetic refunding without issuing additional bonds or acquiring credit enhancement, (iv) lower net interest cost on PUF Debt by layering tax risk on top of a traditional or synthetic fixed rate financing, (v) preserve liquidity capacity, or (vi) avoid the mark to market volatility of a fixed-to-floating or floating-to-fixed swap in changing interest rate environments.

(4) Basis swap transactions that are a combination of authority granted under subsections (1) and (2) above under which the Board would pay a variable rate of interest computed on one basis, such as LIBOR, and the counterparty would pay a fixed rate of interest

("Fixed Rate #1"), combined with a swap under which the Board would receive the same variable rate of interest, and the counterparty would receive a fixed rate of interest different than Fixed Rate #1, with respect to a given principal amount of PUF Debt then outstanding or PUF Debt anticipated to be issued in the future. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that by entering into the basis swap transaction the Board is expected to be able to (i) achieve spread income or upfront cash payments, or (ii) lower the anticipated net interest cost on the related PUF Debt.

(5) Interest rate locks, caps, options, floors, and collars for the purpose of limiting the exposure of the Board to adverse changes in interest rates in connection with outstanding PUF Debt or additional PUF Debt anticipated to be issued in the future. Prior to entering into such a transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that such transaction is expected to limit or eliminate such exposure.

(b) The foregoing is not intended to be a comprehensive list of permissible types of transactions, but rather to specify additional conditions necessary to enter into the specified types of transactions. The requirements of Section 2(a) above shall apply to any transaction not specified in Section 3(a) above.

#### **SECTION 4. APPLICATION OF PAYMENTS RECEIVED UNDER BOND ENHANCEMENT AGREEMENTS.**

(a) General. Except as provided in subsection (b) hereof, to the extent the Board receives payments pursuant to a Bond Enhancement Agreement, such payments shall be applied for any lawful purpose.

(b) Payments under Chapter 1371 Credit Agreements. In the event an Authorized Representative elects to treat a Bond Enhancement Agreement authorized by this Resolution as a "credit agreement" under Chapter 1371 and such Bond Enhancement Agreement is executed and delivered pursuant to Chapter 1371, to the extent that the Board receives payments pursuant to such a Bond Enhancement Agreement, such payments shall be applied as follows: (i) to pay (A) debt service on the PUF Debt or anticipated issuance of PUF Debt related to the Bond Enhancement Agreement, or (B) the costs to be financed by the PUF Debt or anticipated issuance of PUF Debt related to the Bond Enhancement Agreement; provided that, if applicable, such costs shall have been approved for construction by the Board; (ii) to pay other liabilities or expenses that are secured on parity with or senior to the PUF Debt or anticipated issuance of PUF Debt related to the Bond Enhancement Agreement; or (iii) to the extent that costs set forth in (i) and (ii) have been satisfied, for any other lawful purpose.

#### **SECTION 5. BOND ENHANCEMENT AGREEMENTS IN CONNECTION WITH ANTICIPATED PUF DEBT.**

(a) Requirement to Terminate or Modify Agreement for Non-issuance of Anticipated PUF Debt. In the event a Bond Enhancement Agreement is entered into under this Resolution in connection with the anticipated issuance of PUF Debt and such PUF Debt is not actually issued

on or prior to the effective date of such agreement, an Authorized Representative shall either terminate such Bond Enhancement Agreement or amend such Bond Enhancement Agreement in such event (i) to delay the effective date of such Bond Enhancement Agreement; or (ii) to replace such anticipated PUF Debt with any then outstanding PUF Debt having the same types of interest rates (fixed or variable) as the anticipated PUF Debt.

(b) Requirement to Terminate or Modify Agreement for Notional Amount in Excess of Anticipated PUF Debt as Issued. In the event a Bond Enhancement Agreement is entered into under this Resolution in connection with the anticipated issuance of PUF Debt and such Bond Enhancement Agreement has a notional amount that at any time exceeds the principal amount to be outstanding of such anticipated PUF Debt as actually issued, an Authorized Representative shall either terminate such Bond Enhancement Agreement or amend such Bond Enhancement Agreement (i) to reduce the notional amount of such Bond Enhancement as appropriate so that such notional amount does not exceed at any time the principal amount to be outstanding of such anticipated PUF Debt as actually issued or (ii) supplement or replace all or a portion of such anticipated PUF Debt with any then outstanding PUF Debt having the same types of interest rates (fixed or variable) as the anticipated PUF Debt as necessary to ensure that the notional amount of such Bond Enhancement Agreement does not exceed at any time the principal amount of the applicable PUF Debt.

(c) Board Recognition of Anticipated PUF Debt. No Bond Enhancement Agreement may be entered into under this Resolution with respect to the Board's obligations under an anticipated future issuance of PUF Debt unless such anticipated issuance of future debt shall have been recognized by official action of the Board pursuant to (i) the Board's prior adoption of a resolution authorizing the issuance of such debt, including but not limited to a resolution delegating the parameters of such issuance to an Authorized Representative or a resolution authorizing the issuance of commercial paper notes, (ii) the Board's prior approval of its then current Capital Improvement Program contemplating the financing of the projects to be financed by such anticipated issuance of debt and the amount of such debt to be issued, or (iii) the Board's action pursuant to subsection (e) hereof with respect to PUF Debt anticipated to be issued to refund outstanding PUF Debt.

(d) Required Description of Anticipated PUF Debt. To the extent that a Bond Enhancement Agreement is entered into under this Resolution with respect to the Board's obligations under an anticipated future issuance of PUF Debt, an Authorized Representative must also deliver to the General Counsel to the Board at the time such agreement is entered into a certificate with respect to such anticipated PUF Debt stating: (i) the anticipated issuance date of such PUF Debt or a range of anticipated dates of up to six months for such issuance, provided that such date or range of dates may not be more than the lesser of seventy-two (72) months after the date of the applicable Confirmation or the latest date contemplated for the issuance of such PUF Debt in the Board's then current Capital Improvement Program; (ii) whether such PUF Debt will bear interest at a fixed or variable rate; (iii) if such PUF Debt will bear interest at a fixed rate, what fixed interest rate or range of interest rates with respect to such PUF Debt is anticipated; (iv) if such PUF Debt will bear interest at a variable rate, what basis is anticipated to be used to compute such variable rate; (v) the assumed maturity schedule and amortization for such PUF Debt, including the assumed interest cost; (vi) the anticipated purposes for which the proceeds of such PUF Debt will be used; and (vii) for PUF Debt anticipated to be issued for new

money projects, a list or description of such projects anticipated to be financed, provided that each such project must be contemplated for financing with PUF Debt by the Board's then current Capital Improvement Program or have otherwise received Board approval for financing.

(e) Board's Statement of Intent to Issue Advance Refunding Debt for Savings. If the conditions in this Resolution are otherwise satisfied, the Board hereby authorizes each Authorized Representative to enter into a Bond Enhancement Agreement in connection with PUF Debt anticipated to be issued for the purpose of advance refunding any existing PUF Debt, provided that as certified by an Authorized Representative to the General Counsel to the Board, such anticipated issue of PUF Debt, when taking into consideration the effect of such Bond Enhancement Agreement, is expected to result in a present value savings in connection with such advance refunding of at least 3.0% (determined in the manner set forth in the resolution approved by the Board authorizing the issuance of such anticipated issue of PUF Debt), and in such event, the Board hereby declares its intention to cause such anticipated PUF Debt to be issued. No such certification or declaration shall be applicable in connection with PUF Debt anticipated to be issued for the purpose of currently refunding any existing PUF Debt within ninety (90) days of the date of issuance of such anticipated PUF Debt.

#### **SECTION 6. MASTER AGREEMENTS.**

(a) New Master Agreements. Each Authorized Representative is hereby severally authorized to enter into ISDA Master Agreements (the "New Master Agreements") with counterparties satisfying the ratings requirements of the System's Interest Rate Swap Policy. Such New Master Agreements shall be in substantially the same form as the Executed Master Agreements, with such changes as, in the judgment of an Authorized Representative, with the advice and counsel of the Office of General Counsel and Bond Counsel, are necessary or desirable (i) to carry out the intent of the Board as expressed in this Resolution, (ii) to receive approval of this Resolution by the Attorney General of the State of Texas, if pursuant Section 2(b) of this Resolution, an Authorized Representative elects to designate any Bond Enhancement Agreement entered into by the Board pursuant to this Resolution as a "credit agreement" under Chapter 1371, (iii) to accommodate the credit structure or requirements of a particular counterparty or (iv) to incorporate comments received or anticipated to be received from any credit rating agency relating to a New Master Agreement. Each Authorized Representative is authorized to enter into such New Master Agreements and to enter into Confirmations thereunder in accordance with this Resolution and in furtherance of and to carry out the intent hereof. If a New Master Agreement entered into pursuant to this subsection replaces a then effective Master Agreement with the same or a related counterparty, each Authorized Representative is hereby severally authorized to terminate such existing Master Agreement upon the New Master Agreement becoming effective and to take any and all actions necessary to transfer any Confirmations thereunder to such New Master Agreement.

(b) Amendments to Master Agreements. Each Authorized Representative is hereby further severally authorized to enter into amendments to the Master Agreements to allow Confirmations thereunder to be issued and entered into with respect to any then outstanding PUF Debt or PUF Debt anticipated to be issued in the future and to make such other amendments in accordance with the terms of the respective Master Agreements as in the judgment of such Authorized Representative, with the advice and counsel of the Office of General Counsel and

Bond Counsel, are necessary or desirable to allow the Board to achieve the benefits of the Bond Enhancement Agreements in accordance with and subject to the System's Interest Rate Swap Policy and this Resolution.

**SECTION 7. ADDITIONAL AUTHORIZATION; RATIFICATION AND APPROVAL OF SWAP POLICY.**

(a) Additional Agreements and Documents Authorized. Each Authorized Representative and all officers of the Board are severally authorized to execute and deliver such other agreements and documents as are contemplated by this Resolution and the Master Agreements or are otherwise necessary in connection with entering into Confirmations and Bond Enhancement Agreements as described in this Resolution, as any such Authorized Representative or officer shall deem appropriate, including without limitation, officer's certificates, legal opinions, credit support documents and any documentation pursuant to an ISDA DF Protocol, and the execution of any certificates and the filing of any returns with the Internal Revenue Service as may be necessary in the judgment of Bond Counsel with respect to a Bond Enhancement Agreement or the related PUF Debt. Any such actions heretofore taken are hereby ratified, approved and affirmed in all respects.

(b) Further Actions. Each Authorized Representative and all officers of the Board are severally authorized to take all such further actions, to execute and deliver such further instruments and documents in the name and on behalf of the Board to pay all such expenses as in his or her judgment shall be necessary or advisable in order fully to carry out the purposes of this Resolution.

(c) Swap Policy. The Board has reviewed and hereby ratifies, approves and affirms the System's Interest Rate Swap Policy, a copy of which is attached hereto as Exhibit B.

*[Remainder of page intentionally left blank]*

## **EXHIBIT A**

### **DEFINITIONS**

As used in this Resolution the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

“Authorized Representative” shall have the meaning given to such term in the System’s Interest Rate Swap Policy (a copy of which is attached hereto as Exhibit B).

“Available University Fund” shall have the meaning given to such term in the recitals to this Resolution.

“Board” shall have the meaning given to such term in the recitals to this Resolution.

“Bond Enhancement Agreement” shall have the meaning given to such term in Section 2(a) hereof.

“Chapter 1371” shall have the meaning given to such term in Section 2(b) hereof.

“Confirmation” shall have the meaning given to such term in Section 2(a) hereof.

“Constitutional Provision” shall have the meaning given to such term in the recitals to this Resolution.

“Executed Master Agreements” shall mean the following existing and fully executed ISDA Master Agreements currently in effect between the Board and the respective counterparty noted below (copies of which are attached hereto as Exhibit C):

(i) ISDA Master Agreement with Bank of America, N.A., dated as of December 1, 2007;

(ii) ISDA Master Agreement with Goldman Sachs Capital Markets, L.P., dated as of December 1, 2007;

(iii) ISDA Master Agreement with JPMorgan Chase Bank, National Association, dated as of December 1, 2007;

(iv) ISDA Master Agreement with Merrill Lynch Capital Services, Inc., dated as of December 1, 2007;

(v) ISDA Master Agreement with Morgan Stanley Capital Services Inc., dated as of December 1, 2007;

(vi) ISDA Master Agreement with UBS AG, dated as of April 1, 2008;



(vii) ISDA Master Agreement with Barclays Bank PLC, dated as of February 3, 2011;

(viii) ISDA Master Agreement with Deutsche Bank AG, New York Branch, dated as of February 1, 2011;

(ix) ISDA Master Agreement with Royal Bank of Canada, dated as of June 8, 2011;

(x) ISDA Master Agreement with Wells Fargo Bank, National Association, dated as of January 15, 2010; and

(xi) ISDA Master Agreement with Citibank, N.A., dated as of May 15, 2017.

“Interest of the System” shall have the meaning given to such term in the recitals to this Resolution.

“ISDA” shall mean the International Swaps and Derivatives Association, Inc.

“ISDA DF Protocol” shall mean any protocol developed by ISDA in response to provisions of the Dodd Frank Wall Street Reform and Consumer Protection Act relating to derivatives.

“LIBOR” shall have the meaning given to such term in Section 3(a)(3) hereof.

“Master Agreements” shall mean, collectively, the Executed Master Agreements and any New Master Agreements.

“New Master Agreements” shall have the meaning given to such term in Section 6(a) hereof.

“Permanent University Fund” shall have the meaning given to such term in the recitals to this Resolution.

“PUF Debt” shall have the meaning given to such term in the recitals to this Resolution.

“Residual AUF” shall have the meaning given to such term in the recitals to this Resolution.

“Section 65.461” shall have the meaning given to such term in Section 2(b) hereof.

“State” shall have the meaning given to such term in the recitals to this Resolution.

“System” shall have the meaning given to such term in the recitals to this Resolution.

**EXHIBIT B**

**INTEREST RATE SWAP POLICY  
OF THE UNIVERSITY OF TEXAS SYSTEM**

[See Regents' *Rules and Regulations*, Rule 70202 titled Interest Rate Swap Policy]

**EXHIBIT C**

**EXECUTED MASTER AGREEMENTS**

[On file with the U. T. System Office of Business Affairs]

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

INTRODUCTION

Mr. Britt Harris, President, Chief Executive Officer, and Chief Investment Officer, will present an update on The University of Texas/Texas A&M Investment Management Company (UTIMCO) using the PowerPoint presentation on the following pages.



# The University of Texas/ Texas A&M Investment Management Company

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## UTIMCO Update

Mr. Britt Harris  
President, CEO and Chief Investment Officer

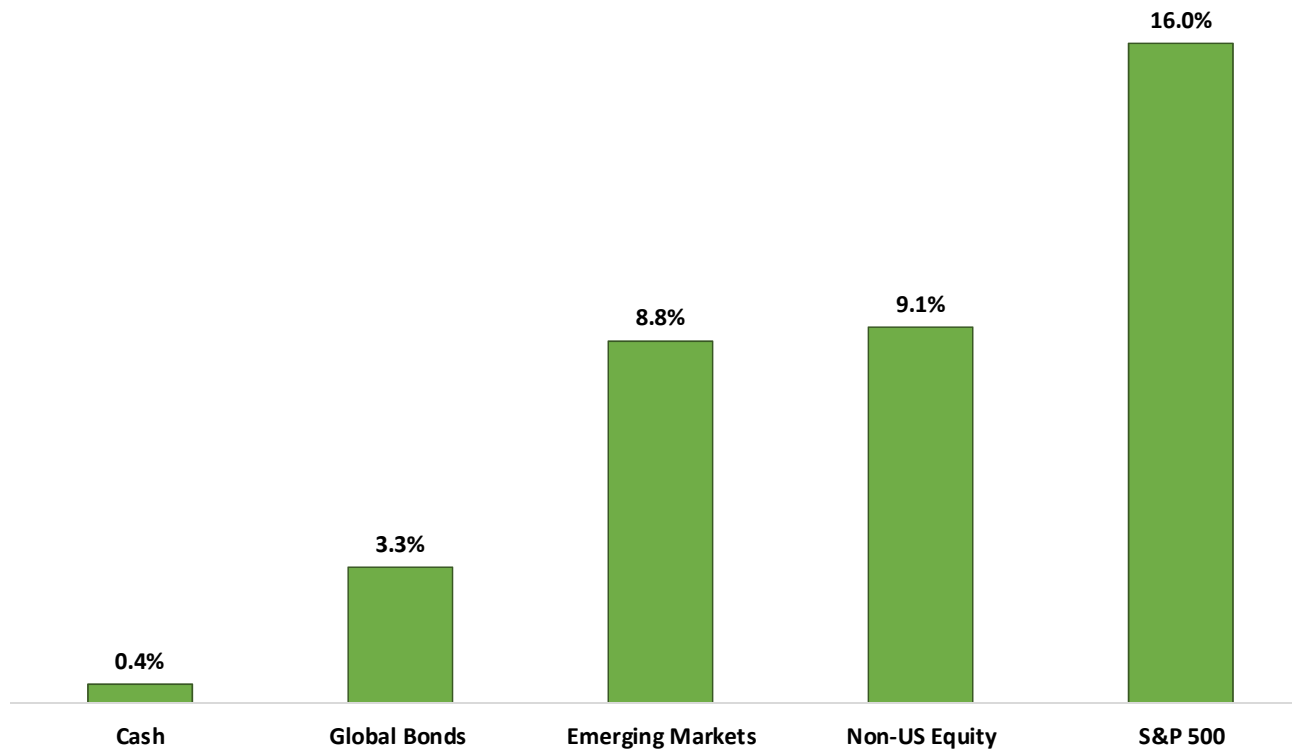
U. T. System Board of Regents' Meeting  
Finance and Planning Committee  
August 2019

# Asset Class Returns

Period from March 31, 2009 through June 30, 2019 (Annualized)



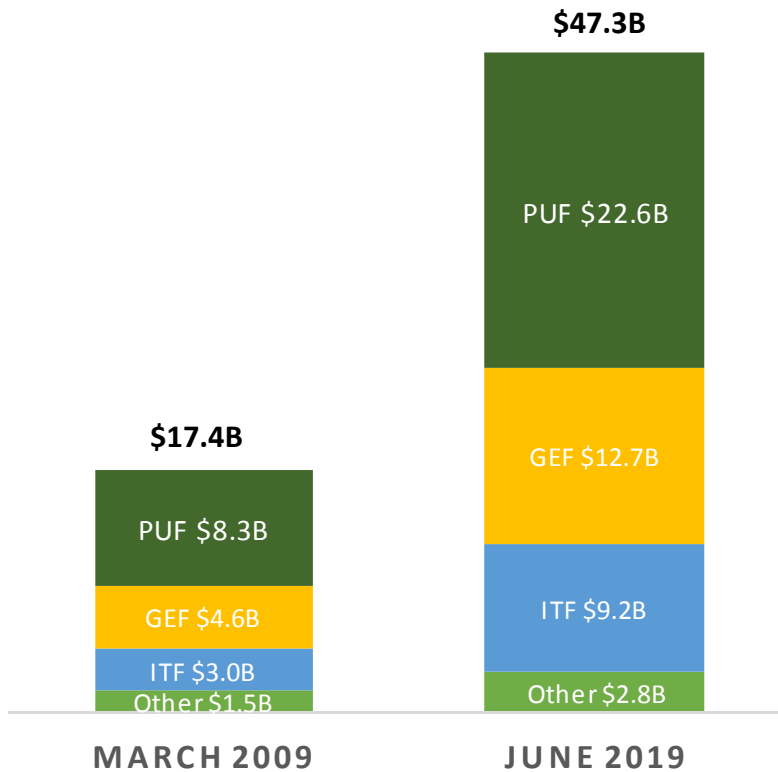
Total Returns



# Growth in Assets Under Management (Total Assets)



## UTIMCO AUM



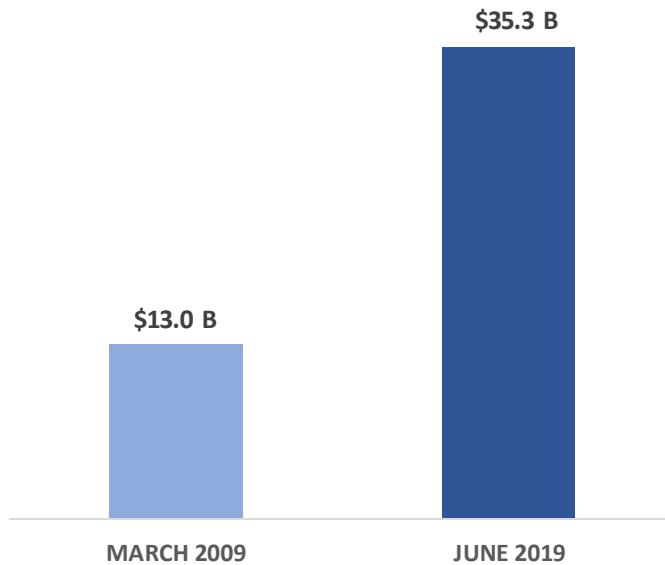
Contributions:	\$16.7B
Distributions:	-\$12.5B
Investment Return:	\$19.5B
UTIMCO Value-Add:	\$5.5B

# Total Endowment Investment Results

Period from March 31, 2009 through June 30, 2019 (Annualized, Preliminary)



**UTIMCO**  
Endowment Funds NAV



	UTIMCO	Benchmark	Alpha
Returns	9.9%	8.4%	1.5%
Standard Deviation	5.7%	6.4%	
Tracking Error	2.2%		
Information Ratio	0.67		
Beta	0.84		
Sharpe Ratio	1.65		

Contributions: \$12.7B

Distributions: -\$10.7B

Investment Return: \$16.6B

UTIMCO Value-Add: \$4.5B





# UTIMCO Alpha

Period from April 1, 2009 through June 30, 2019 (Annualized, Preliminary)

	Return	Alpha
Infrastructure	17.2%	5.9%
Directional Hedge Funds	7.8%	4.2%
Stable Value Hedge Funds	6.4%	2.7%
Emerging Markets	11.3%	2.5%
Private Equity	13.8%	2.5%
Non-US Equity (EAFE)	11.4%	2.4%
UTIMCO	9.9%	1.5%
Real Estate	15.5%	1.3%
Global Equity	13.6%	1.1%
Fixed Income	4.8%	0.9%
Natural Resources	10.2%	0.0%
US Equity	14.1%	(1.2%)

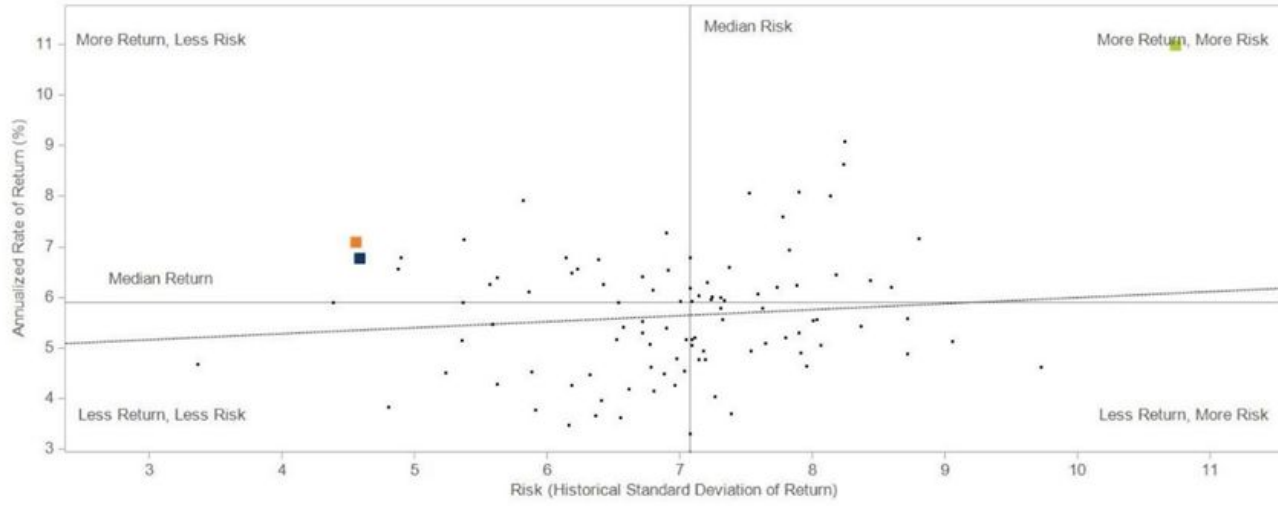
Note: Asset Class returns reflect performance in the PUF



# Risk / Return

## Period Ending March 31, 2019

For past five years, PUF and GEF have generated more returns for less risk



Alpha: 4.8  
Beta: 0.12  
R-Squared: 0.01

	Risk Value	Risk Rank	Return Value	Return Rank
GEF TOTAL FUND	4.59	96	7.01	17
PUF TOTAL FUND	4.62	94	6.70	24
S&P 500	10.77	1	10.91	1
Median	7.08		5.90	

Source: Wilshire Trust Universe Comparison Services



## Summary

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- Exceptional decade
  - High equity returns
  - Low portfolio volatility
  - High Sharpe Ratio
- Global Equity regime
- Alpha generation almost everywhere

**8. U. T. System Board of Regents: Approval of amendments to the Investment Policy Statements for the Permanent University Fund, the General Endowment Fund, the Permanent Health Fund, the Long Term Fund, and the Intermediate Term Fund**

RECOMMENDATION

The Chancellor and the Executive Vice Chancellor for Business Affairs concur in the recommendation of the Board of Directors of The University of Texas/Texas A&M Investment Management Company (UTIMCO) that the U. T. System Board of Regents approve the proposed amendments to the following Investment Policy Statements, including asset allocation, as set forth in congressional style on the following pages.

- a. Permanent University Fund (PUF) ([See Exhibit A - PUF and GEF](#))
- b. General Endowment Fund (GEF) ([See Exhibit A - PUF and GEF](#))
- c. Permanent Health Fund (PHF) ([See Exhibit B - PHF and LTF](#))
- d. Long Term Fund (LTF) ([See Exhibit B - PHF and LTF](#))
- e. Intermediate Term Fund (ITF) ([See Exhibit A - ITF](#))

BACKGROUND INFORMATION

The Master Investment Management Services Agreement (IMSA) between the U. T. System Board of Regents and UTIMCO requires that UTIMCO review the current Investment Policies for each Fund at least annually. The review includes long-term investment return expectations and expected risk levels, strategic asset allocation targets and ranges, expected returns for each fund, designated performance benchmarks for each Asset Class and such other matters as the U. T. System Board or its staff designees may request.

The amended Exhibits A of the PUF, GEF, and ITF, and Exhibits B in the PHF and LTF Investment Policy Statements, set forth the revised Asset Class targets and ranges for FYE 2020. In addition, the one-year downside volatility has been adjusted to reflect the revised Asset Class targets for FYE 2020. Finally, the Expected 10-Year Annual Real Return (Benchmark) target for FYE 2020 was updated.

The amended exhibits for the PUF, GEF, PHF, LTF and ITF Investment Policy Statements were approved by the UTIMCO Board on June 27, 2019.

The effective date for these amended Investment Policy Statements is September 1, 2019.

The Short Term Fund Investment Policy Statement, Separately Invested Funds Investment Policy Statement, Liquidity Policy, and Derivative Investment Policy were reviewed but no changes were made.

**EXHIBIT A - PUF and GEF  
ASSET CLASS TARGETS, RANGES, AND PERFORMANCE OBJECTIVES  
EFFECTIVE SEPTEMBER 1, 20182019**

Asset Class	FYE 20192020			Benchmark
	Min	Target*	Max	
<b>Global Equity:</b>				
U.S. Public Equity	2.0%	<del>7.0</del> 7.5%	12.0%	MSCI US with Net Dividends
Non-U.S. Developed Public Equity	0.0%	<del>4.0</del> 4.5%	10.0%	
Global Developed Public Equity	3.0%	<del>8.0</del> 10.0%	13.0%	MSCI EAFE and Canada with Net Dividends
<i>Total Developed Public Equity</i>	12.0%	<del>19.0</del> 22.0%	26.0%	MSCI World Index with Net Dividends
Emerging Markets Public Equity	5.0%	<del>10.0</del> 9.0%	15.0%	MSCI Emerging Markets Index with Net Dividends
<i>Total Public Equity</i>	22.0%	<del>29.0</del> 31.0%	36.0%	
Directional Hedge Funds	7.0%	<del>12.0</del> 11.2%	17.0%	HFRI Fund of Funds Composite Blended Cambridge Buyouts, Emerging Markets Private Equity and Venture Capital, Credit Opportunities, and Venture Capital
Private Equity	18.0%	<del>22.0</del> 20.8%	27.0%	
<b>Total Global Equity</b>	56.0%	63.0%	70.0%	
<b>Stable Value:</b>				
Investment Grade Fixed Income	2.0%	<del>9.5</del> 7.0%	12.0%	Bloomberg Barclays Global Aggregate Index - Hedged Bloomberg Barclays Capital Global High Yield Index
Credit-Related Fixed Income	0.0%	0.0%	5.0%	
<i>Total Fixed Income</i>	2.0%	<del>9.5</del> 7.0%	12.0%	
Cash	-5.0%	1.0%	6.0%	3 month T-Bills
Stable Value Hedge Funds	2.0%	<del>7.0</del> 10.0%	12.0%	HFRI Fund of Funds Conservative
<b>Total Stable Value</b>	11.5%	<del>17.5</del> 18.0%	23.5%	
<b>Real Return:</b>				
Inflation Linked Bonds	0.0%	<del>0.0</del> 1.3%	5.0%	Bloomberg Barclays Global Inflation Linked TR Index
Gold	0.0%	<del>4.5</del> 0.0%	5.0%	Gold Spot Price (XAU)
Commodities	0.0%	0.0%	6.0%	Bloomberg Commodity TRI
<i>Total Commodities</i>	0.0%	0.0%	6.0%	
Natural Resources	0.0%	<del>8.0</del> 6.6%	12.0%	Cambridge Natural Resources
Infrastructure	0.0%	<del>2.0</del> 2.9%	9.0%	Cambridge Infrastructure
Public Real Estate	0.0%	0.0%	5.0%	FTSE EPRA/NAREIT Developed Index Net TRIUSD
Private Real Estate	3.0%	<del>8.0</del> 8.2%	13.0%	Cambridge Real Estate
<b>Total Real Return</b>	13.5%	<del>19.5</del> 19.0%	25.5%	
<b>Total All Asset Classes</b>		100.0%		

The total Asset Class exposure, including the amount of derivatives exposure not collateralized by Cash, may not exceed 105% of the Asset Class exposure excluding the amount of derivatives exposure not collateralized by Cash.

POLICY/TARGET RETURN/RISKS*	FYE 20192020
Expected 10-Year Annual Real Return (Benchmark)	<del>4.30</del> 4.22%
One Year Downside Volatility	<del>10.83</del> 11.05%
Risk Bounds	
Lower: 1 Year Downside Volatility	75.00%
Upper: 1 Year Downside Volatility	115.00%

\*Asset Class Targets and Policy/Target Return/Risks reset monthly

**EXHIBIT B - PHF and LTF  
ASSET CLASS TARGETS, RANGES, AND PERFORMANCE OBJECTIVES  
EFFECTIVE SEPTEMBER 1, 20182019**

Asset Class	FYE 20192020			Benchmark
	Min	Target*	Max	
<b>Global Equity:</b>				
U.S. Public Equity	2.0%	<del>7.0</del> 7.5%	12.0%	MSCI US with Net Dividends MSCI EAFE and Canada with Net Dividends MSCI World Index with Net Dividends
Non-U.S. Developed Public Equity	0.0%	<del>4.0</del> 4.5%	10.0%	
Global Developed Public Equity	3.0%	<del>8.0</del> 10.0%	13.0%	
<i>Total Developed Public Equity</i>	12.0%	<del>19.0</del> 22.0%	26.0%	MSCI Emerging Markets Index with Net Dividends
Emerging Markets Public Equity	5.0%	<del>10.0</del> 9.0%	15.0%	
<i>Total Public Equity</i>	22.0%	<del>29.0</del> 31.0%	36.0%	
Directional Hedge Funds	7.0%	<del>12.0</del> 11.2%	17.0%	HFRI Fund of Funds Composite Blended Cambridge Buyouts, Emerging Markets Private Equity and Venture Capital, Credit Opportunities, and Venture Capital
Private Equity	18.0%	<del>22.0</del> 20.8%	27.0%	
<b>Total Global Equity</b>	56.0%	63.0%	70.0%	
<b>Stable Value:</b>				
Investment Grade Fixed Income	2.0%	<del>9.5</del> 7.0%	12.0%	Bloomberg Barclays Global Aggregate Index - Hedged Bloomberg Barclays Capital Global High Yield Index
Credit-Related Fixed Income	0.0%	0.0%	5.0%	
<i>Total Fixed Income</i>	2.0%	<del>9.5</del> 7.0%	12.0%	3 month T-Bills HFRI Fund of Funds Conservative
Cash	-5.0%	1.0%	6.0%	
Stable Value Hedge Funds	2.0%	<del>7.0</del> 10.0%	12.0%	
<b>Total Stable Value</b>	11.5%	<del>17.5</del> 18.0%	23.5%	
<b>Real Return:</b>				
Inflation Linked Bonds	0.0%	<del>0.0</del> 1.3%	5.0%	Bloomberg Barclays Global Inflation Linked TR Index Gold Spot Price (XAU)
Gold	0.0%	<del>4.5</del> 0.0%	5.0%	
Commodities	0.0%	0.0%	6.0%	Bloomberg Commodity TRI Cambridge Natural Resources Cambridge Infrastructure
<i>Total Commodities</i>	0.0%	0.0%	6.0%	
Natural Resources	0.0%	<del>8.0</del> 6.6%	12.0%	FTSE EPRA/NAREIT Developed Index Net TRIUSD Cambridge Real Estate
Infrastructure	0.0%	<del>2.0</del> 2.9%	9.0%	
Public Real Estate	0.0%	0.0%	5.0%	
Private Real Estate	3.0%	<del>8.0</del> 8.2%	13.0%	
<b>Total Real Return</b>	13.5%	<del>19.5</del> 19.0%	25.5%	
<b>Total All Asset Classes</b>		100.0%		

The total Asset Class exposure, including the amount of derivatives exposure not collateralized by Cash, may not exceed 105% of the Asset Class exposure excluding the amount of derivatives exposure not collateralized by Cash.

POLICY/TARGET RETURN/RISKS*	FYE 20192020
Expected 10-Year Annual Real Return (Benchmark)	<del>4.30</del> 4.22%
One Year Downside Volatility	<del>10.83</del> 11.05%
Risk Bounds	
Lower: 1 Year Downside Volatility	75.00%
Upper: 1 Year Downside Volatility	115.00%

\*Asset Class Targets and Policy/Target Return/Risks reset monthly

**EXHIBIT A - ITF  
ASSET CLASS TARGETS, RANGES, AND PERFORMANCE OBJECTIVES  
EFFECTIVE SEPTEMBER 1, 2019**

Asset Class	FYE 20192020			Benchmark
	Min	Target*	Max	
<b>Global Equity:</b>				
U.S. Public Equity	0.7 0.0%	5.7 3.3%	10.7 8.3%	MSCI U.S. with Net Dividends MSCI EAFE and Canada with Net Dividends MSCI World Index with Net Dividends
Non-U.S. Developed Public Equity	0.0%	3.4 1.9%	8.4 6.9%	
Global Developed Public Equity	1.6 0.0%	6.6 3.8%	11.6 8.8%	
<i>Total Developed Public Equity</i>	7.5 2.0%	15.7 9.0%	22.5 16.0%	MSCI Emerging Markets Index with Net Dividends
Emerging Markets Public Equity	2.4 0.0%	7.4 4.0%	12.4 9.0%	
<i>Total Public Equity</i>	15.8 6.0%	22.8 13.0%	29.8 20.0%	
Directional Hedge Funds	25.0 32.0%	31.6 43.0%	38.0 50.0%	HFRI Fund of Funds Composite
<b>Total Global Equity</b>	45.0%	54.4 56.0%	62.0%	
<b>Stable Value:</b>				
Investment Grade Fixed Income	20.0 28.0%	28.7 35.0%	35.0 42.0%	Bloomberg Barclays Global Aggregate Index - Hedged 3 month Tbills
Cash	0.0%	3.0 2.0%	8.0%	
Stable Value Hedge Funds	5.0 2.0%	10.2 7.0%	15.0 12.0%	HFRI Fund of Funds Conservative
<b>Total Stable Value</b>	36.0%	44.9 44.0%	52.0%	
<b>Real Return:</b>				
Inflation Linked Bonds	0.0%	0.0%	5.0%	Bloomberg Barclays Global Inflation Linked TR Index Gold Spot Price (XAU) Bloomberg Commodity TRI
Gold	0.0%	2.4 0.0%	7.5 5.0%	
Commodities	0.0%	1.2 0.0%	6.0 5.0%	
<i>Total Commodities</i>	0.0%	3.6 0.0%	8.5 7.0%	FTSE EPRA/NAREIT Developed Index Net TRIUSD
Public Real Estate	0.0%	0.4 0.0%	5.0%	
<b>Total Real Return</b>	0.0%	3.7 0.0%	10.0 7.0%	
<b>Total All Asset Classes</b>		100.0%		

The total Asset Class exposure, including the amount of derivatives exposure not collateralized by Cash, may not exceed 100% of the Asset Class exposure excluding the amount of derivatives exposure not collateralized by Cash.

POLICY/TARGET RETURN/RISKS*	FYE 20192020
Expected 10-Year Annual Real Return (Benchmark)	2.40 2.38%
One Year Downside Volatility	5.36 3.81%
Risk Bounds	
Lower: 1 Year Downside Volatility	75.00%
Upper: 1 Year Downside Volatility	115.00%

\*Asset Class Targets and Policy/Target Return/Risks reset monthly

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

RECOMMENDATION

The Chancellor and the Executive Vice Chancellor for Business Affairs concur in the recommendation of the Board of Directors of The University of Texas/Texas A&M Investment Management Company (UTIMCO) that the U. T. System Board of Regents authorize amendments to the UTIMCO Bylaws related to the terms of the Chairman and Vice Chairman of the UTIMCO Board as set forth below in congressional style:

ARTICLE V  
OFFICERS

...

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

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

....

BACKGROUND INFORMATION

The Master Investment Management Services Agreement (IMSA) between the U. T. System Board of Regents and UTIMCO requires U. T. System Board approval of bylaws changes.

On June 27, 2019, the UTIMCO Board of Directors approved the above amendment to the UTIMCO Bylaws to remove the limitation on service by a director as Chairman or Vice Chairman rather than the current five-year limitation on service in these offices. The proposed changes would be effective August 15, 2019.



10. **U. T. System Board of Regents: Approval of the Annual Budget for Fiscal Year 2020, including the capital expenditures budget and other external direct charges to the Funds, and the Annual Fee and Allocation Schedule for The University of Texas/Texas A&M Investment Management Company (UTIMCO)**

**RECOMMENDATION**

The Chancellor and the Executive Vice Chancellor for Business Affairs concur in the recommendation of The University of Texas/Texas A&M Investment Management Company (UTIMCO) Board of Directors that the U. T. System Board of Regents approve the proposed Annual Budget for the year ending August 31, 2020, as set forth below, which includes the capital expenditures budget and other external direct charges to the Funds, and the Annual Fee and Allocation Schedule as set forth following the proposed budget.

**BACKGROUND INFORMATION**

The proposed Total Budgeted Costs consist of \$49.9 million (13.9% increase over FY 2019 budget) for UTIMCO services and \$7.1 million (38.4% decrease from FY 2019 budget) for Fund Direct Costs (external non-investment manager services such as custodial, legal, audit, and consulting services). These Total Budgeted Costs represent only a portion of total investment costs as they exclude external manager fees. The proposed Total Budgeted Costs was approved by the UTIMCO Board on June 27, 2019.

The 13.9% increase in UTIMCO services is mostly attributable to an increase in employee-related expenses including new hires, promotions, merit increases and market adjustments. The 38.4% decrease in Fund Direct Costs is mostly attributable to a decrease in custodian related costs due to the new fee structure that resulted from the custodian review process conducted earlier this year.

The proposed capital expenditures budget totaling \$0.5 million is included in the total Annual Budget. The proposed Annual Fee and Allocation Schedule shows the allocation of the proposed budgeted expenses among U. T. System funds in total.

U. T. System Office of Business Affairs will not direct UTIMCO to return any surplus cash reserves to the U. T. funds per the Master Investment Management Services Agreement (IMSA) between the U. T. System Board of Regents and UTIMCO as there are no reserves available for distribution.

The U. T. System Office of Business Affairs has prepared a memorandum for the purpose of reviewing budgeted expenses, which is included as a part of this Agenda Item following the proposed Budget and the Fee and Allocation Schedule.



# The University of Texas/Texas A&M Investment Management Company

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## **UTIMCO Budget**

Mr. Britt Harris

President, CEO and Chief Investment Officer

Mr. Rich Hall

Deputy Chief Investment Officer

U. T. System Board of Regents' Meeting

Finance and Planning Committee

August 2019



# UTIMCO Five-Year Strategic Plan

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- Establish a long-term strategic plan that is fully supported by UTIMCO's Board of Directors and the U. T. System Board of Regents
  - Protect the UTIMCO organization
  - Prepare UTIMCO for the future
- Benchmark UTIMCO resource structure against peers and relevant industry participants
- Review factors driving resource requirements
- Outline management's assessment of anticipated resources required to maintain strong fiduciary stewardship of U. T. and TAMU Systems' assets



## UTIMCO Five-Year Strategic Plan (cont.)

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- Resource and cost benchmarking vs. peers and investment firms
  - UTIMCO budget at ~10 basis points (bps) of Assets Under Management (AUM) compares favorably vs. peers at 13 – 20 bps
  - Cambridge Associates notes average of 18 bps for endowments > \$3 billion
  - \$440k / FTE budget is well below major endowment peers (\$630k - \$750k)
  - \$1 billion AUM / Investor is in middle of observed \$0.5 - \$1.3 billion range
- Operational benchmark recommendations
  - 10 General Partnership (GP) relationships / investor and ~20 – 40 funds per investor
    - Driven by engagement level (e.g., advisory board membership)
  - \$1 - \$2 billion AUM per investor depending on public vs private
  - 1.3 Operations FTEs per investor is below 1.5 – 1.7 industry rule of thumb
  - Slightly below recommended 7 to 1 ratio of FTEs to IT professionals



## UTIMCO Five-Year Strategic Plan (cont.)

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- Key factors contributing to need for resources:
  - Expected Growth
    - Base case AUM growth of \$17 billion and \$44 billion over 5 and 10 year periods, respectively
  - Increased Complexity
    - Increased demands on operations team resulted in key team member departures
    - Addition of more intensive trading strategies related to Tactical Asset Allocation, increasing private funds and co-investments
    - Increased administrative burdens – compliance and tax
  - Succession Planning & Talent Retention
    - Critical for business continuity: transfer institutional knowledge
    - Significant potential for retirement of long-tenured team members in operations in next 3-5 years
    - Developing bench strength in investment functions: eliminate single points of failure
  - Prudent Oversight
    - Maintaining AUM, number of GP relationships and number of investments per team member near industry standard metrics
    - Enhancing security profile of IT resources



## UTIMCO Five-Year Strategic Plan (cont.)

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- Resources requested over next five years:
  - Original ask for 45 people
  - Scaled back by CEO / Deputy Chief Investment Officer to 30 – 33 people by 2024
    - 14 investors, 14 operations, up to 5 information technology
  - FY20 request – 15 FTE
    - 6 investors, 7 operations, 2 information technology
  - Leverage existing title structure more fully to support retention



# UTIMCO Annual Budget

UTIMCO FY 2019 Budget v FY 2020 Budget	FY 2019 Budget	FY 2020 Budget	FY20 Budget v FY19 Budget Variance \$	FY20 Budget v FY19 Budget Variance %	Description
<b>UTIMCO Services</b>					
Salaries	15,876,073	17,889,310	2,013,237	12.7%	15 new hires (50% of increase); 19 promotions (17% of increase)
Performance Compensation	12,907,738	15,592,053	2,684,315	20.8%	CEO/Deputy CIO plan deferrals; plan promotions; plan deferral period conversion
Employee Benefits & Payroll Taxes	3,884,425	4,486,765	602,340	15.5%	Impact of new employees and compensation increases
<b>TOTAL EMPLOYEE RELATED EXPENSE</b>	<b>32,668,236</b>	<b>37,968,128</b>	<b>5,299,892</b>	<b>16.2%</b>	
Hiring, Recruiting, Relocation & Consultants	543,000	474,000	(69,000)	-12.7%	
Travel & Meetings	1,313,020	1,333,956	20,936	1.6%	
On-Line Data & Subscriptions	3,279,505	3,712,008	432,503	13.2%	Adding new licenses to Factset and Bloomberg as well as expanding Factset capabilities
Contract Services & Maintenance Contracts	900,296	954,801	54,505	6.1%	
Lease Expense	2,630,324	2,663,724	33,400	1.3%	
Depreciation	1,600,000	1,675,000	75,000	4.7%	Includes depreciation on new equipment for new hires and build-out of office space
Professional Fees	305,604	310,604	5,000	1.6%	
Other	549,026	776,475	227,449	41.4%	New Excise Tax on Pay of Highly Compensated Employees
<b>TOTAL NON-EMPLOYEE RELATED EXPENSE</b>	<b>11,120,775</b>	<b>11,900,568</b>	<b>779,793</b>	<b>7.0%</b>	
<b>Total UTIMCO Services</b>	<b>\$43,789,011</b>	<b>\$49,868,696</b>	<b>\$6,079,685</b>	<b>13.9%</b>	
<b>Direct Costs to Funds</b>					
Custodian Fees & Performance Measurement	8,947,724	4,100,000	(4,847,724)	-54.2%	New fee structure as a result of the Custodian review process
Risk Measurement	324,000	665,500	341,500	105.4%	New Risk System to run concurrently with legacy system for six months of fiscal year
Consultant Fees	327,500	307,500	(20,000)	-6.1%	
Legal and Background Checks	738,000	825,250	87,250	11.8%	More background checks anticipated
Auditing & Foreign Tax Consultants	956,750	983,919	27,169	2.8%	
Other	231,200	219,100	(12,100)	-5.2%	
<b>Total Direct Costs to Funds</b>	<b>\$11,525,174</b>	<b>\$7,101,269</b>	<b>(\$4,423,905)</b>	<b>-38.4%</b>	
<b>Grand Total</b>	<b>\$55,314,185</b>	<b>\$56,969,965</b>	<b>\$1,655,780</b>	<b>3.0%</b>	



# UTIMCO Annual Fee and Allocation Schedule

## UTIMCO Management Fee and Direct Budgeted Investment Expenses Annual Fee and Allocation Schedule For the fiscal year ending August 31, 2020

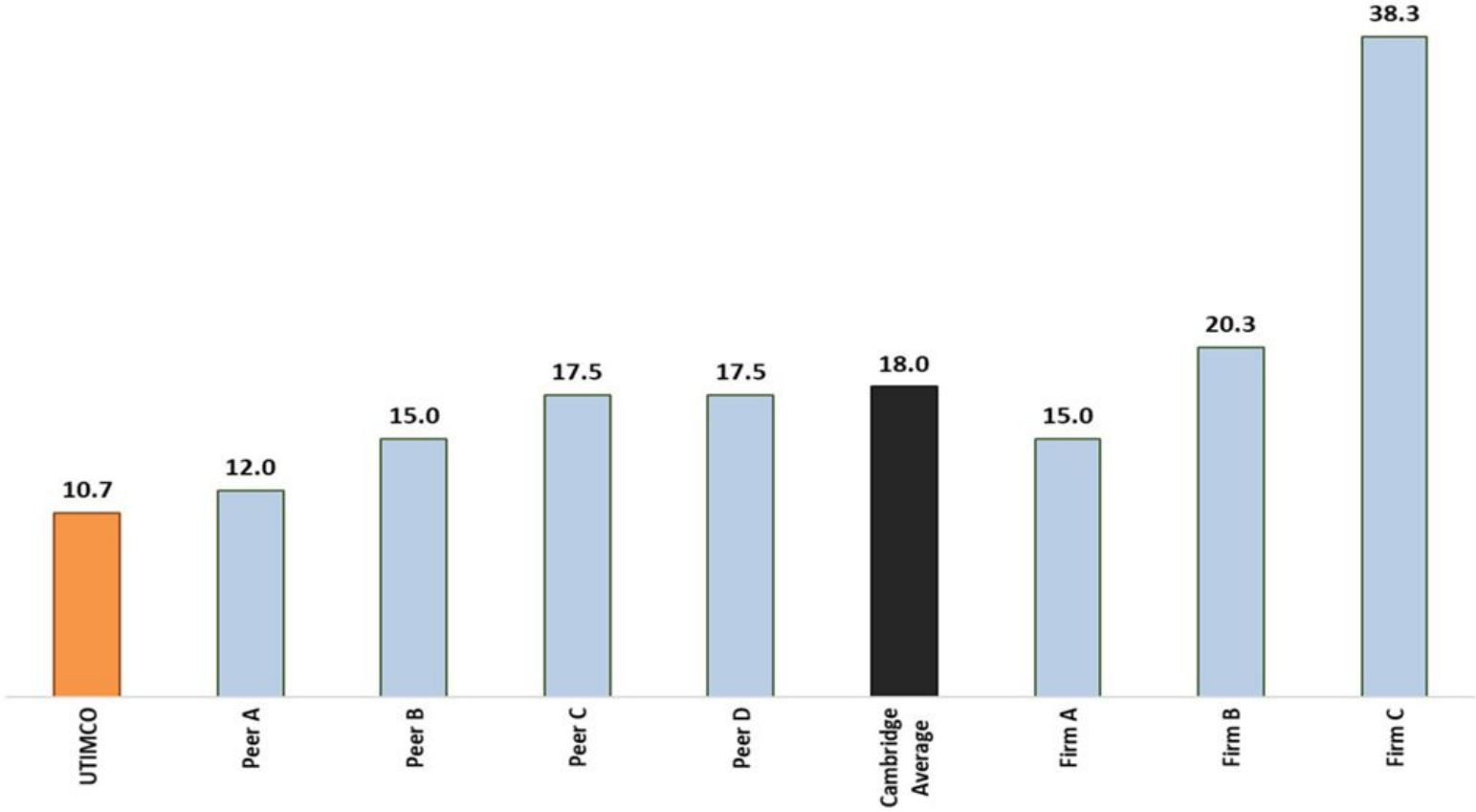
Proposed Budget	Fund Name						Separate Funds	Debt Proceeds	Total
	PUF	PHF	LTF	GEF	ITF	STF			
<b>Market Value 4/30/19 (\$ millions)</b>	22,370	1,195	10,804		9,513	2,172	153	313	46,520
<b>UTIMCO Management Fee</b>									
Dollars	25,421,875	1,358,030	12,277,959		10,810,831				49,868,696
Basis Points	11.4	11.4	11.4		11.4				10.7
<b>Direct Expenses to the Fund, excluding UT System Direct Expenses to the Fund</b>									
Dollars	3,544,425	24,230	27,230	2,005,746	1,499,638				7,101,269
Basis Points	1.6	0.2	0.0	1.7	1.6				1.5





# Benchmarking

## Basis Points of Assets Under Management



**Fiscal Year 2020**

**Review of UTIMCO Services Budget and  
Other Direct Costs to Funds Budget  
Excluding External Investment Manager Fees**

**The University of Texas System  
Office of Finance**

**Presented by:**

**Terry Hull – Associate Vice Chancellor for Finance  
Allen Hah – Assistant Vice Chancellor for Finance**

**July 25, 2019**

*Based on UTIMCO Board approval on June 27, 2019*

**Fiscal Year 2020  
Review of UTIMCO Services Budget and  
Other Direct Costs to Funds Budget  
Excluding External Investment Manager Fees**

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## Executive Summary

This report reviews the UTIMCO Services Budget and other budgeted investment management expenses (“Direct Costs to Funds”) for fiscal year 2020 that the UTIMCO Board approved on June 27, 2019 and the U. T. System Board of Regents will consider at its August 14-15, 2019 meeting. The “UTIMCO Services Budget” includes corporate expenses paid directly by UTIMCO, and the “Direct Costs to Funds” budget includes costs related to custody, consulting, risk measurement, and legal and audit costs related to funds. The proposed budget for FY20 is:

	<b>FY20</b> <b>(\$ millions)</b>
UTIMCO Services Budget	49.9
Direct Costs to Funds Budget	7.1
Total Budgeted Costs	<u>\$ 57.0</u>

The Total Budgeted Costs exclude external manager fees that are paid by the funds and netted from asset values as well as external investment manager fees paid directly by UTIMCO. The total investment costs for UTIMCO managed funds, comprising Investment Manager Fees paid directly and fees netted against asset values, are reviewed in a separate report.

### Highlights:

- **Total Budgeted Costs for FY20:** The FY20 budget is \$57.0 million, a 3.0% increase from the FY19 budget.
- **Total Forecast Costs for FY19:** Total costs for FY19 are forecast at \$51.1 million, which is 7.7% lower than what was budgeted. This decrease is due primarily to the reduction in custodian-related costs because of a new fee structure that resulted from the operations team’s custodian review process conducted earlier this year.
- **The UTIMCO Services Budget:** The FY20 budget includes \$49.9 million for the “operating” budget of UTIMCO, a 14.0% increase from the FY19 budget. The increase is primarily due an increase in headcount of 15 new hires as a part of a five-year strategic plan.
- **The Total Direct Costs to Funds Budget:** The FY20 budget of \$7.1 million for direct fund costs is down \$4.4 million, a 38.4% decrease from the FY19 budget. The decrease is primarily due to a substantial reduction in custodian-related costs resulting from the custodian review process.
- **UTIMCO Reserves:** There are no reserves available to be distributed at fiscal year-end 2019 as the reserve balances are at the recommended levels to cover appropriate levels of the budget and capital expenditures.

## Budget Analysis and Trends

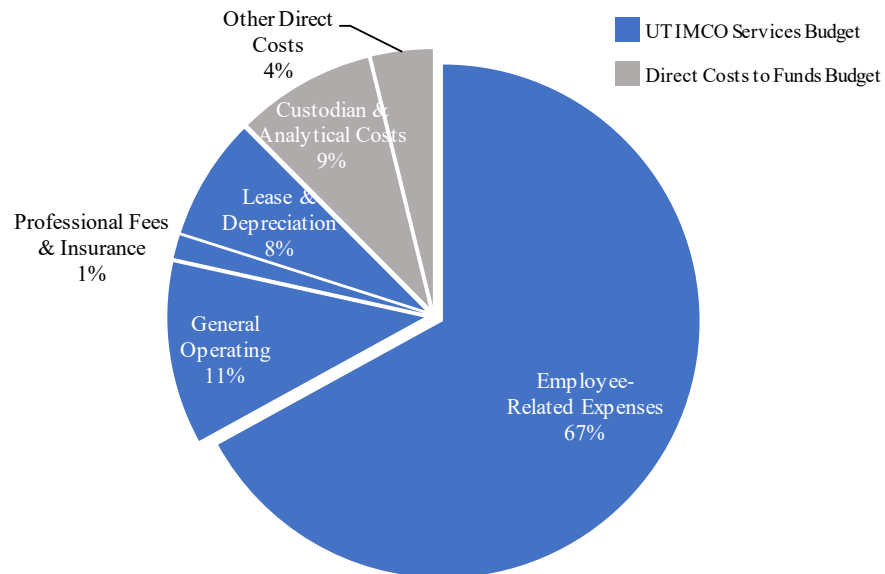
UTIMCO proposes Total Budgeted Costs for FY20 of \$57.0 million. Table 1 shows the Total Budgeted Costs (Direct Costs to Funds and UTIMCO Services Budget) as a percent of average Assets Under Management (“AUM”) for FY20 and the Total Actual Costs as a percent of average AUM from FY15 to FY19.

**Table 1: Total Actual Costs Trend FY15-FY19 and Total Budgeted Costs FY20**  
(\$ millions)

	FY15	FY16	FY17	FY18	Forecast FY19	Budget FY20
Average Total AUM <sup>1</sup>	34,957	36,016	39,063	43,173	45,968	48,028
% Change in AUM	8%	3%	8%	11%	6%	4%
Direct Costs to Funds	8.1	8.2	8.4	10.6	8.4	7.1
% Change in Direct Costs to Funds	14.0%	1.7%	2.2%	27.1%	-21.3%	-15.2%
Direct Costs to Funds % of AUM	0.02%	0.02%	0.02%	0.02%	0.02%	0.01%
UTIMCO Services	25.7	26.8	33.2	36.1	42.7	49.9
% Change in UTIMCO Services	3.2%	4.5%	23.6%	8.7%	18.2%	16.8%
UTIMCO Services % of AUM	0.07%	0.07%	0.08%	0.08%	0.09%	0.10%
Total Costs	33.7	35.0	41.6	46.7	51.1	57.0
% Change in Total Costs	5.6%	3.8%	18.6%	12.4%	9.3%	11.6%
Total Costs % of AUM	0.10%	0.10%	0.11%	0.11%	0.11%	0.12%

<sup>1</sup> FY19 and FY20 Average Total AUM assumes projected balances based on moderate returns, projected West Texas Land and gift income, and projected distributions.

### FY 20 Total Budgeted Costs \$57.0 million



The UTIMCO Services Budget (blue shade in the pie chart above) represents 87% of the total budget, with employee-related expenses being the largest component at 77%. Direct Costs to Funds include Custodian & Analytical Costs (9%) and Other Direct Costs (4%).

Management fees and performance fees paid to external investment managers, which are either paid directly by UTIMCO or netted against asset values by the external managers, are not included in these amounts. UTIMCO retains external managers for approximately 92% of the AUM, with UTIMCO staff directly managing approximately 8% of assets as well as an internal derivatives portfolio.

Table 2 compares the Total Budgeted Costs for FY19 and FY20. Refer to Exhibits A and B at the end of this memo for a detailed budget comparison for FY19-FY20 and actual trend history for FY15-FY19.

**Table 2: FY19 Forecast and FY20 Budget Overview**  
(\$ millions)

	FY19 Forecast				FY20 Budget			
	\$ Budget	\$ Projected	\$ Change vs FY19 Budget	% Change vs FY19 Budget	\$ Budget	\$ Change vs FY19 Projected	% Change vs FY19 Projected	% Change vs FY19 Budget
<b>UTIMCO Services</b>	43.8	42.7	-1.1	-2.5%	49.9	7.2	16.8%	13.9%
<b>Direct Costs to Funds</b>	11.5	8.4	-3.1	-27.3%	7.1	-1.3	-15.2%	-38.4%
<b>Total Budgeted Costs</b>	55.3	51.1	-4.2	-7.7%	57.0	5.9	11.6%	3.0%

## UTIMCO Services Budget

During the current fiscal year, UTIMCO staff conducted a comprehensive review to establish a long-term strategic plan that would be fully supported by UTIMCO’s Board of Directors and the U. T. System Board of Regents that would determine appropriate peer and industry benchmarks and appropriate resource requirements to maintain strong fiduciary stewardship of U. T. and Texas A&M assets. This plan requests increased resources as a result of expected growth in AUM, complexity, succession planning, and oversight responsibilities. The plan, presented at the June 27, 2019 UTIMCO Board meeting calls for an increase of 33 people by fiscal year 2024, of which 15 are expected to be hired in FY20.

It is expected that the increase in direct personnel costs under the plan will be at least partially offset by a proposed fee-saving initiative with external investment managers, reduced fees and carrying costs on increased co-investments, and lower custodian fees as a result of the custodian review process conducted earlier this year.

For FY20, total personnel-related expenses including employee benefits account for 77% of the UTIMCO Services Budget (or 67% of Total Budgeted Costs). Trends in staffing and total compensation in relation to assets under management are shown in Table 3. Highlights from these tables include:

- Staffing increased 4 budgeted positions to 98 positions during FY19. Actual positions at the end of FY19 are projected to be 99, and the FY20 budget includes an additional 15 positions for a total of 114 budgeted positions by the fiscal year-end.
  - During FY19, there was some staff movement in the operations team with one director retiring and another resigning, so in preparation for these departures, a permanent position was added to provide

some overlap to aid in the transition, resulting in the increase from 98 to 99 positions by the current fiscal year-end.

- The FY20 request for 15 FTE includes 6 positions for investment professionals, 7 positions for operations, and 2 for information technology.
- With the additional staffing, average AUM per employee in FY20 is expected to decrease to \$421 million, which is the lowest it has been over the past 5 years, when it has ranged from \$471 to \$515 million.
- Total Compensation has grown by 12.5% annually from FY15 to FY19 primarily because of the addition of new positions. Total Compensation for FY20 is budgeted 16.6% above FY19 projected levels, which would equate to a 13.3% growth rate on an average annual basis over a five-year period.
- Since FY15, Total Compensation per employee has increased 3.9% (annualized) from \$249k to \$290k forecast in FY19 and is budgeted to be at \$294k in FY20.

**Table 3: UTIMCO Compensation and Headcount FY14-FY19 (excluding benefits)**

	Actual				Forecast FY19	% Change Since FY15 (annual)	Budget FY20	% Change From FY19
	FY15	FY16	FY17	FY18				
Employees (as of year end)	72	70	83	94	99	8.3%	114	15.2%
Average Total AUM (\$ millions)	34,957	36,016	39,063	43,173	45,968	7.1%	48,028	4.5%
Average AUM/Employee (\$ millions)	486	515	471	459	464	-1.1%	421	-9.3%
Salaries (\$ millions)	9.4	10.4	10.9	13.7	15.8	13.9%	17.9	13.1%
Performance Compensation (\$ millions)	8.5	7.2	10.3	10.4	12.9	10.9%	15.6	20.8%
Total Compensation (\$ millions)	17.9	17.6	21.2	24.1	28.7	12.5%	33.5	16.6%
Total Compensation per Employee (\$)	248,920	251,857	255,552	256,204	290,119	3.9%	293,696	1.2%
Perf. Comp. as % of Salaries	91%	70%	94%	76%	82%		87%	
Perf. Comp. as % of Total Compensation	48%	41%	49%	43%	45%		47%	

**Lease and Depreciation Expenses:** Lease expenses are budgeted to increase 3% compared to FY19 forecasted amounts. UTIMCO moved into the new building in February 2018, leasing 68% more space than was being leased in the Frost Tower to accommodate future growth. Although the move to the UTS building resulted in significant savings on a per square foot basis due to both reduced operating expenses and property tax savings, overall lease expenses were higher in FY18 compared to FY17 due to the additional space leased. The City of Austin has seen tremendous growth since UTIMCO’s original lease was executed and rent rates have increased accordingly. Table 4 shows the lease expense trends from FY15-FY20.

**Table 4: UTIMCO Lease Expenses FY14-FY19**

	Actual				Forecast FY19	Budget FY20
	FY15	FY16	FY17	FY18		
Property Lease	\$518,373	\$518,373	\$1,136,800	\$1,762,827	2,047,589	\$2,047,589
Operating Lease	632,036	661,948	860,630	523,826	578,846	640,000
Parking Expenses	149,819	154,348	169,335	197,847	213,580	240,000
Other Expenses	7,050	9,497	14,150	4,716	0	0
Amortization (Deferred Rent Credit)	(170,344)	(170,344)	(108,267)	(208,054)	(263,865)	(263,865)
<b>Total Lease Expenses (net)</b>	<b>\$1,136,934</b>	<b>\$1,173,822</b>	<b>\$2,072,648</b>	<b>\$2,281,162</b>	<b>\$2,576,150</b>	<b>\$2,663,724</b>

Depreciation Expense is budgeted to increase 2% to \$1.7 million compared to the FY19 forecasted amount of \$1.6 million as most of the new equipment, furniture, and leasehold improvement purchases related to the office move was purchased last year.

**Other General Operating Expenses, Professional Fees, and Insurance (non-employee):** Office expenses, insurance, travel, professional fees, contract services and maintenance costs fall in this category and are forecast to be \$6.0 million in FY19, which is \$0.65 million or 10% lower than the FY19 budget of \$6.7 million. The decrease is due to lower than expected costs for online data providers and subscriptions as well as lower than expected travel expenses.

General operating expenses for FY20 are budgeted to increase by \$0.68 million, or 10%, from \$6.7 million in FY19 to \$7.4 million. The increase is primarily attributable to increased costs related to staffing increases:

- several new online data providers and subscription additions along with additional license purchases (\$535k);
- an increase in travel costs due to the new hires and more international travel (\$283k).

## Direct Costs to Funds

Direct Costs to Funds for FY20 are budgeted at \$7.1 million, a \$4.4 million or 38.4% decrease from the FY19 budget. This is primarily because of the reduction in custodian-related costs because of a new fee structure that resulted from the operations team’s custodian review process conducted earlier this year. These savings are expected to continue through future years, resulting in substantially reduced direct costs to funds.

## UTIMCO Capital Expenditures

The trend for Capital Expenditures for FY15-FY20 is summarized in Table 5 below. Capital expenditures in FY19 were primarily for technology upgrades. For FY20, capital expenditures are budgeted to return to historic levels due to reduced costs associated with the new building although there is \$300k budgeted for the build-out of existing space to accommodate new hires.

**Table 5: UTIMCO Capital Expenditures FY15-FY20**

	Actual				Forecast FY19	Budget FY20
	FY15	FY16	FY17	FY18		
Ongoing: Technology and Software Upgrades	\$107,810	\$179,345	\$56,488	\$17,758	\$163,000	\$140,000
Ongoing: Office Equipment and Fixtures	107,135	4,241	5,374	77,585	-	-
Expansion: Technology Initiatives / Video Conferencing	1,076,643	91,580	-	1,238,149	-	26,000
Expansion: Leasehold Buildout (net of TI allowance in FY18)	150,085	-	-	6,498,972	-	300,000
Expansion: Furniture and Fixtures	-	-	-	2,669,179	37,000	70,000
<b>Total Capital Expenditures (net)</b>	<b>\$1,441,673</b>	<b>\$275,166</b>	<b>\$61,862</b>	<b>\$10,501,643</b>	<b>\$200,000</b>	<b>\$536,000</b>



## EXHIBIT A

### Total Budgeted Costs FY19-FY20

	FY19		Change from FY19 Budget		FY20		Change from FY19 Forecast		Change from FY19 Budget
	Budget	Forecast	\$	%	Budget	\$	%	%	
<b>UTIMCO Services</b>									
Salaries	15,876,073	15,814,080	-61,993	-0.4%	17,889,310	2,075,230	13.1%	12.7%	
Performance Compensation + Earnings	12,907,738	12,907,738	0	0.0%	15,592,053	2,684,315	20.8%	20.8%	
<b>Total Compensation</b>	<b>28,783,811</b>	<b>28,721,817</b>	<b>-61,993</b>	<b>-0.2%</b>	<b>33,481,363</b>	<b>4,759,546</b>	<b>16.6%</b>	<b>16.3%</b>	
Total Payroll taxes	1,101,784	1,101,784	0	0.0%	1,337,347	235,562	21.4%	21.4%	
403(b) Contributions	1,193,022	1,089,839	-103,184	-8.6%	1,345,928	256,089	23.5%	12.8%	
Insurance & Cell Phone	1,425,603	1,348,520	-77,083	-5.4%	1,600,102	251,582	18.7%	12.2%	
<b>Employee Benefits</b>	<b>2,618,625</b>	<b>2,438,359</b>	<b>-180,266</b>	<b>-6.9%</b>	<b>2,946,030</b>	<b>507,671</b>	<b>20.8%</b>	<b>12.5%</b>	
Recruiting and Relocation Expenses	162,000	80,375	-81,625	-50.4%	162,000	81,625	101.6%	0.0%	
Employee Education	215,706	108,480	-107,226	-49.7%	243,223	134,743	124.2%	12.8%	
<b>Other Employee Related Expenses</b>	<b>377,706</b>	<b>188,855</b>	<b>-188,851</b>	<b>-50.0%</b>	<b>405,223</b>	<b>216,368</b>	<b>114.6%</b>	<b>7.3%</b>	
<b>Total Employee Related Expenses</b>	<b>32,881,926</b>	<b>32,450,816</b>	<b>-431,111</b>	<b>-1.3%</b>	<b>38,169,963</b>	<b>5,719,147</b>	<b>17.6%</b>	<b>16.1%</b>	
<b>On-Line Data &amp; Subscriptions</b>	<b>3,279,505</b>	<b>3,176,620</b>	<b>-102,885</b>	<b>-3.1%</b>	<b>3,712,008</b>	<b>535,388</b>	<b>16.9%</b>	<b>13.2%</b>	
Contract Services & Maintenance	900,296	850,920	-49,376	-5.5%	954,801	103,881	12.2%	6.1%	
Travel & Meetings, Including BOD	1,313,020	1,051,346	-261,675	-19.9%	1,333,956	282,611	26.9%	1.6%	
Phone and Telecommunications	56,412	40,020	-16,392	-29.1%	41,244	1,224	3.1%	-26.9%	
Computer & Office Supplies	69,176	70,172	996	1.4%	66,368	-3,804	-5.4%	-4.1%	
Other Office Expenses	156,228	165,009	8,781	5.6%	417,072	252,063	152.8%	167.0%	
<b>Total Office Expense</b>	<b>281,816</b>	<b>275,201</b>	<b>-6,615</b>	<b>-2.3%</b>	<b>524,684</b>	<b>249,483</b>	<b>90.7%</b>	<b>86.2%</b>	
<b>Total Lease Expense</b>	<b>2,630,324</b>	<b>2,576,150</b>	<b>-54,174</b>	<b>-2.1%</b>	<b>2,663,724</b>	<b>87,574</b>	<b>3.4%</b>	<b>1.3%</b>	
Board, Comp., & Hiring Consultants	411,000	229,875	-181,125	-44.1%	342,000	112,125	48.8%	-16.8%	
Legal Expenses	215,004	175,358	-39,647	-18.4%	215,004	39,647	22.6%	0.0%	
Accounting fees	60,600	60,525	-75	-0.1%	65,600	5,075	8.4%	8.3%	
<b>Total Professional Fees</b>	<b>686,604</b>	<b>465,758</b>	<b>-220,847</b>	<b>-32.2%</b>	<b>622,604</b>	<b>156,847</b>	<b>33.7%</b>	<b>-9.3%</b>	
Total Insurance	215,520	202,271	-13,249	-6.1%	211,956	9,685	4.8%	-1.7%	
Depreciation of Equipment	1,600,000	1,635,000	35,000	2.2%	1,675,000	40,000	2.4%	4.7%	
<b>Total Non-Employee Related Expenses</b>	<b>10,907,085</b>	<b>10,233,265</b>	<b>-673,820</b>	<b>-6.2%</b>	<b>11,698,733</b>	<b>1,465,468</b>	<b>14.3%</b>	<b>7.3%</b>	
<b>Total UTIMCO Services</b>	<b>43,789,012</b>	<b>42,684,081</b>	<b>-1,104,931</b>	<b>-2.5%</b>	<b>49,868,696</b>	<b>7,184,615</b>	<b>16.8%</b>	<b>13.9%</b>	
<b>Direct Costs to Funds</b>									
Custodian Fees and Other Direct Costs	8,947,724	5,607,719	-3,340,006	-37.3%	4,100,000	-1,507,719	-26.9%	-54.2%	
Analytical Tools	0	0	N/A	N/A	154,500	154,500	N/A	N/A	
Risk Measurement	324,000	282,667	-41,333	-12.8%	665,500	382,833	135.4%	105.4%	
<b>Custodian and Analytical Costs</b>	<b>9,271,724</b>	<b>5,890,385</b>	<b>-3,381,339</b>	<b>-36.5%</b>	<b>4,920,000</b>	<b>-970,385</b>	<b>-16.5%</b>	<b>-46.9%</b>	
Consultant Fees	527,500	491,496	-36,004	-6.8%	307,500	-183,996	-37.4%	-41.7%	
Auditing	811,750	811,750	0	0.0%	828,919	17,169	2.1%	2.1%	
Legal Fees	250,000	244,738	-5,262	-2.1%	300,000	55,262	22.6%	20.0%	
Background Searches & Other	664,200	935,561	271,361	40.9%	744,850	-190,711	-20.4%	12.1%	
<b>Other Direct Costs Total</b>	<b>2,253,450</b>	<b>2,483,544</b>	<b>230,094</b>	<b>10.2%</b>	<b>2,181,269</b>	<b>-302,275</b>	<b>-12.2%</b>	<b>-3.2%</b>	
<b>Total Direct Costs to Funds</b>	<b>11,525,174</b>	<b>8,373,930</b>	<b>-3,151,245</b>	<b>-27.3%</b>	<b>7,101,269</b>	<b>-1,272,661</b>	<b>-15.2%</b>	<b>-38.4%</b>	
<b>Total Budgeted Costs</b>	<b>55,314,186</b>	<b>51,058,011</b>	<b>-4,256,175</b>	<b>-7.7%</b>	<b>56,969,965</b>	<b>5,911,954</b>	<b>11.6%</b>	<b>3.0%</b>	

## EXHIBIT B

### Total Actual Costs FY15-FY19 and FY20 Budget

	FY15	FY16	FY17	FY18	FY19	FY20
	Actual	Actual	Actual	Actual	Forecast	Budget
<b>UTIMCO Services</b>						
Salaries	9,394,865	10,394,021	10,919,643	13,667,683	15,814,080	17,889,310
Performance Compensation + Earnings	8,527,380	7,235,982	10,291,209	10,415,478	12,907,738	15,592,053
<b>Total Compensation</b>	<b>17,922,244</b>	<b>17,630,003</b>	<b>21,210,852</b>	<b>24,083,161</b>	<b>28,721,817</b>	<b>33,481,363</b>
<b>Total Payroll taxes</b>	<b>690,884</b>	<b>701,081</b>	<b>843,661</b>	<b>955,790</b>	<b>1,101,784</b>	<b>1,337,347</b>
403(b) Contributions	696,658	748,756	749,882	941,512	1,089,839	1,345,928
Insurance & Cell Phone	861,002	891,694	1,126,193	1,234,563	1,348,520	1,600,102
<b>Employee Benefits</b>	<b>1,557,659</b>	<b>1,640,450</b>	<b>1,876,075</b>	<b>2,176,075</b>	<b>2,438,359</b>	<b>2,946,030</b>
Recruiting and Relocation Expenses	65,609	86,701	161,814	181,230	80,375	162,000
Employee Education	62,452	170,253	82,904	90,110	108,480	243,223
<b>Other Employee-Related Expenses</b>	<b>128,061</b>	<b>256,954</b>	<b>244,718</b>	<b>271,340</b>	<b>188,855</b>	<b>405,223</b>
<b>Total Employee Related Expenses</b>	<b>20,298,848</b>	<b>20,228,487</b>	<b>24,175,306</b>	<b>27,486,366</b>	<b>32,450,816</b>	<b>38,169,963</b>
<b>On-Line Data &amp; Subscriptions</b>	<b>1,118,283</b>	<b>1,285,682</b>	<b>1,935,118</b>	<b>2,688,550</b>	<b>3,176,620</b>	<b>3,712,008</b>
<b>Contract Services &amp; Maintenance</b>	<b>414,417</b>	<b>572,156</b>	<b>425,494</b>	<b>813,342</b>	<b>850,920</b>	<b>954,801</b>
<b>Travel &amp; Meetings, Including BOD</b>	<b>706,348</b>	<b>669,207</b>	<b>688,498</b>	<b>792,548</b>	<b>1,051,346</b>	<b>1,333,956</b>
Phone and Telecommunications	44,263	38,233	40,540	46,616	40,020	41,244
Computer & Office Supplies	62,536	57,638	60,836	165,639	70,172	66,368
Other Office Expenses	108,060	151,632	147,974	149,779	165,009	417,072
<b>Total Office Expense</b>	<b>214,860</b>	<b>247,503</b>	<b>249,349</b>	<b>362,034</b>	<b>275,201</b>	<b>524,684</b>
<b>Total Lease Expense</b>	<b>1,136,934</b>	<b>1,173,823</b>	<b>2,072,648</b>	<b>2,281,161</b>	<b>2,576,150</b>	<b>2,663,724</b>
Board, Compensation, & Hiring Consultants	295,519	609,327	762,181	328,063	229,875	342,000
Legal Expenses	100,462	145,157	188,846	75,414	175,358	215,004
Accounting fees	60,045	53,520	56,950	58,910	60,525	65,600
<b>Total Professional Fees</b>	<b>456,027</b>	<b>808,005</b>	<b>1,007,977</b>	<b>462,386</b>	<b>465,758</b>	<b>622,604</b>
<b>Total Insurance</b>	<b>213,576</b>	<b>204,428</b>	<b>187,348</b>	<b>195,114</b>	<b>202,271</b>	<b>211,956</b>
<b>Depreciation of Equipment</b>	<b>1,129,717</b>	<b>1,657,536</b>	<b>2,453,498</b>	<b>1,015,435</b>	<b>1,635,000</b>	<b>1,675,000</b>
<b>Total Non-Employee Related Expenses</b>	<b>5,390,160</b>	<b>6,618,339</b>	<b>9,019,930</b>	<b>8,610,569</b>	<b>10,233,265</b>	<b>11,698,733</b>
<b>Total UTIMCO Services</b>	<b>25,689,009</b>	<b>26,846,826</b>	<b>33,195,236</b>	<b>36,096,935</b>	<b>42,684,081</b>	<b>49,868,696</b>
<b>Direct Costs to Funds</b>						
Custodian Fees and Other Direct Costs	5,766,874	5,686,948	6,221,234	8,501,722	5,607,719	4,100,000
Analytical Tools	395,581	412,156	399,568	0	0	154,500
Risk Measurement	292,000	292,000	286,501	297,499	282,667	665,500
<b>Custodian and Analytical Costs</b>	<b>6,454,455</b>	<b>6,391,103</b>	<b>6,907,303</b>	<b>8,799,221</b>	<b>5,890,385</b>	<b>4,920,000</b>
Consultant Fees	292,193	359,041	320,000	470,000	491,496	307,500
Auditing	718,663	789,873	770,000	790,000	811,750	828,919
Legal Fees	229,987	156,126	83,715	152,895	244,738	300,000
Background Searches & Other	357,264	489,539	287,165	425,515	935,561	744,850
<b>Other Direct Costs Total</b>	<b>1,598,107</b>	<b>1,794,579</b>	<b>1,460,880</b>	<b>1,838,410</b>	<b>2,483,544</b>	<b>2,181,269</b>
<b>Total Direct Costs to Funds</b>	<b>8,052,562</b>	<b>8,185,683</b>	<b>8,368,183</b>	<b>10,637,631</b>	<b>8,373,930</b>	<b>7,101,269</b>
<b>Total Budgeted Costs</b>	<b>33,741,571</b>	<b>35,032,509</b>	<b>41,563,419</b>	<b>46,734,566</b>	<b>51,058,011</b>	<b>56,969,965</b>

**EXHIBIT C**  
**UTIMCO Reserve Analysis for August 31, 2019**

<u>Projected Cash Reserves at August 31, 2019</u>		
Cash		\$ 24,800,000
Prepaid Expenses		1,200,000
Less: Accounts Payable (Includes incentive compensation & earnings payable)		(14,000,000)
Projected Cash Reserves at August 31, 2019		\$ 12,000,000
FY20 Proposed Operating Budget	49,868,696	
Applicable Percentage	25%	12,467,174
Capital Budget Expenditures		536,000
Depreciation Expense		(1,675,000)
Required Cash Reserves at August 31, 2019		\$ 11,328,174
Balance Available for Distribution		\$ 671,826
Recommended Distribution		\$ -



**TABLE OF CONTENTS  
FOR  
ACADEMIC AFFAIRS COMMITTEE**

**Committee Meeting:** 8/14/2019

**Board Meeting:** 8/15/2019  
Austin, Texas

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

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	<i>1:30 p.m. Chairman Weaver</i>		
1. <b>U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration</b>	<i>1:30 p.m. Discussion</i>	<b>Action</b>	<b>150</b>
2. <b>U. T. El Paso: Approval to establish a Doctor of Philosophy in Data Science degree program</b>	<i>1:32 p.m. Action President Natalicio</i>	<b>Action</b>	<b>151</b>
3. <b>Discussion and appropriate action regarding proposed changes to admission criteria for the following degree programs</b>	<i>1:37 p.m. Action</i>	<b>Action</b>	<b>154</b>
<u><b>U. T. Rio Grande Valley:</b></u>	<i>President Bailey</i>		<b>154</b>
a. <b>All graduate degree programs</b>			
b. <b>Master in Physician Assistant Studies Bridge Program</b>			
c. <b>Master Reading Teacher Certificate</b>			
d. <b>Master of Arts in School Psychology</b>			
e. <b>Master of Science in Physics</b>			
f. <b>Master of Science in Ocean, Coastal, and Earth Sciences</b>			
g. <b>Master of Science in Social Work</b>			
h. <b>Master of Business Administration</b>			
i. <b>Doctor of Philosophy in Rehabilitation Counseling</b>			
<u><b>U. T. San Antonio:</b></u>	<i>President Eighmy</i>		<b>169</b>
j. <b>All graduate degree programs</b>			

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>U. T. Tyler:</b>			
k. <b>Master of Science in Nursing (MSN) Family Nurse Practitioner and Post-MSN Certificate</b>	<i>President Tidwell</i>		<b>172</b>
l. <b>Master of Arts in Political Science</b>			
m. <b>Doctor of Philosophy in Human Resource Development</b>			
4. <b>U. T. Arlington: Discussion and appropriate action regarding authorization to increase student union fee contingent upon majority vote by students participating in a general election</b>	<i>1:50 p.m.</i> <b>Action</b> <i>President Karbhari</i>	<b>Action</b>	<b>178</b>
5. <b>U. T. Austin: Request to approve the honorific naming of the Student Activity Center as the William C. Powers, Jr. Student Activity Center</b>	<i>1:55 p.m.</i> <b>Action</b> <i>President Fenves</i>	<b>Action</b>	<b>179</b>
6. <b>U. T. Permian Basin: Strategic Plan</b>	<i>2:05 p.m.</i> <b>Discussion</b> <i>President Woodley</i>	Not on Agenda	<b>180</b>
<b>Adjourn</b>	<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 proposed Consent Agenda items assigned to this Committee are [Items 11 - 47](#).

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

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

**BACKGROUND INFORMATION**

**Program Description**

The proposed Doctor of Philosophy (Ph.D.) in Data Science (DS) is designed to prepare graduates to work in industry and government where high-level data science skills are in demand and in short supply. The proposed program will support a critical area of rapid growth and high demand in the national and state economies and will be sustained through university and community partnerships to fund student research, provide student salaries, and engage students in experiential learning. The proposed degree program will incorporate a curriculum that provides solid theoretical foundations and real-world applications using a mix of coursework, community-university collaborations, and research. This program is designed to prepare students to work in government, industry, or academia as graduates will have a mix of research, consulting, or collaborative experiences, and will be trained in communicating complex ideas to nondata scientist populations.

**Need and Student Demand**

There is a consistent and growing need for doctoral-prepared data science professionals (Forbes, 2017). The U.S. Bureau of Labor Statistics projects that between 2016 to 2026 the number of mathematical science jobs will increase by 28%, making it one of the fast-growing occupation sectors in the country. The proposed DS program has been designed to respond to industry demand to produce data science experts with training in the core components of data science (mathematics, statistics, and computing), integrates instruction and exposure to domain specific knowledge, and provides professional development that prepares graduates to work in industry. It is estimated that approximately two-thirds of all DS related jobs are unfilled and many companies settle on underqualified DS applicants; approximately 43% of companies

report not having or being able to find the personnel for their data science needs (Forbes, 2015). In addition, International Business Machines Corporation (IBM) predicts that data science jobs will grow 28% by 2020. It can be anticipated that there will be 6,043 open jobs in this area for Texas in the next three years (Forbes, 2017). The number of DS graduate programs in Texas, particularly at the doctoral level, is insufficient to meet industry demand and contribute to growth of the key sectors of the economy that require these kinds of technical and intellectual skills and training.

U. T. El Paso anticipates strong interest among local undergraduate and master's students in the proposed doctoral program, and helping these students enter and complete a DS Ph.D. program will support an increase in the proportion of Hispanic individuals in DS. Although the program will recruit nationally and internationally, every effort to recruit students from the local population, U. T. El Paso will be made to advise them on how to prepare to enter a Ph.D. program directly with an undergraduate degree. Also anticipated is a large proportion of Ph.D. students to be graduates of the master's programs in statistics and mathematics. A survey conducted in Fall 2017 showed strong interest among current U. T. El Paso graduate students and good support among undergraduates. U. T. El Paso anticipates an initial enrollment of at least seven students in the first year, with a total cumulative enrollment of 40 students by the fifth year.

#### Program Quality

In total, the doctoral program will involve 37 core and support faculty from eight different departments/programs (Computer Science, Biology, Chemistry, Environmental Science, Geology, Mathematical Sciences, Public Health Sciences, and Physics) at U. T. El Paso. Sixteen faculty in the Department of Mathematical Sciences will make up the core faculty. The core faculty have secured significant extramural support, with over \$31 million in funding over the past five years. These external funds can support data science related research projects, and these and future projects will support data science Ph.D. students. Two new faculty in Mathematical Sciences were hired in the 2018-2019 academic year that will also support the proposed program, and the department plans to hire two additional data science faculty during the first two years of the program.

The support faculty affiliated with the proposed program will represent expertise in a variety of fields. Moreover, the support faculty are research active and nationally acclaimed experts in their fields and, correspondingly, attract high levels of extramural funding to support research endeavors.



Revenue and Expenses

<b>Expenses</b>	<b>5-Year Total</b>
<i>Faculty</i>	
Salaries	705,886
Benefits	
<i>Graduate Students</i>	
TA Salaries	399,748
GRA Salaries	627,093
<i>Staff &amp; Administration</i>	
Graduate Coordinator Salary	375,000
Administrative Staff Salaries	267,500
Staff Benefits	179,900
<i>Other Expenses</i>	
HPC resources	100,000
Facilities (Computing Lab)	300,000
Equipment (Computing Lab)	100,000
Library & IT	25,000
Supplies and Materials	25,000
<b>Total Expenses</b>	3,105,127
	<b>5-Year Total</b>
<b>Revenue</b>	
<i>From Student Enrollment</i>	
Formula Funding	1,139,618
Tuition and Fees	504,989
<i>From Institutional Funds</i>	
Reallocated Resources	625,198
<i>From Other Revenue Sources</i>	
Contract Funding	835,322
<b>Total Revenue</b>	3,105,127

Coordinating Board Criteria

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

**3a. U. T. Rio Grande Valley: Discussion and appropriate action regarding proposed changes to admission criteria for all graduate degree programs**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the institutional president that the U. T. System Board of Regents approve changes to the criteria for admission for all graduate programs as described below.

BACKGROUND INFORMATION

The Graduate College at U. T. Rio Grande Valley seeks to revise the method for calculating the minimum undergraduate Grade Point Average (GPA) for admission to all graduate degree programs. The change is requested following an extensive review of practices statewide and nationally. The review indicates that many graduate programs consider the last 60 hours of undergraduate credit in calculating the GPA. While an applicant's overall undergraduate GPA is important, the earned GPA in the last 60 hours of the undergraduate degree, which commonly encompasses the student's major coursework, is more indicative of the applicant's potential for success. This is especially true for applicants to U. T. Rio Grande Valley since the vast majority of applicants seek a graduate degree in the same or closely related discipline as their undergraduate studies. Making these requested changes will allow the Graduate College to better facilitate a timely admissions decision.

<b>Current Unconditional Admission Criteria</b>	<b>Proposed Unconditional Admission Criteria</b>
An applicant who meets the following criteria is eligible for clear admission to a graduate degree program:	An applicant who meets the following criteria is eligible for clear admission to a graduate degree program:
1. Awarded a baccalaureate degree from an accredited institution and earned at least a 3.0 (on a 4.0 scale) Grade Point Average overall; or	1. Awarded a baccalaureate degree from an accredited institution and earned at least a 3.0 (on a 4.0 scale) Grade Point Average <del>overall</del> <u>in the last 60 hours</u> ; or
2. Earned a previous master's degree from an accredited university.	No change

**3b. U. T. Rio Grande Valley: Discussion and appropriate action regarding proposed changes to admission criteria for the Master in Physician Assistant Studies Bridge Program degree program**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the institutional president that the U. T. System Board of Regents approve changes to the criteria for admission to the Master in Physician Assistant Studies Bridge Program at U. T. Rio Grande Valley as described below.

BACKGROUND INFORMATION

The Master in Physician Assistant Studies Bridge Program (MPAS) is a web-based program that enables a practicing physician assistant with a bachelor's degree to obtain a master's degree in Physician Assistant Studies, allowing the physician assistant to remain in their community while completing the course of study.

Over the last several years, the faculty of the Department of Physician Studies has determined that the MPAS admission requirement for a "Bachelor's Degree in Physician Assistant (P.A.) Studies" has been confusing to many applicants. This occurred because in the earlier years of the field, it was common for graduates to receive degrees in Health Care or Health Science or similar fields, rather than in P.A. studies. Therefore, the program seeks to clarify that candidates must have graduated from an accredited P.A. program, but the bachelor's degree may be in any discipline from an approved institution of higher education. This new wording will help clarify the requirement and expand the pool of eligible applicants.

The program also seeks to clarify the wording of the admission requirement for a letter of reference from supervising physicians. This requirement was intended to be a statement of willingness from the physician to serve as a precept for the P.A. However, due to the wording, this requirement was taken by applicants and physicians alike to be a traditional letter of reference. This change will align the admission language with the program's intent.

<b>Current Unconditional Admission Criteria</b>	<b>Proposed Unconditional Admission Criteria</b>
Bachelor's Degree in Physician Assistant Studies	<u>Bachelor's Degree in Physician Assistant Studies Accredited Physician Assistant program graduate with a bachelor's degree from an approved institution of higher education</u>
Undergraduate GPA of at least 3.0.	No change

Official transcripts from each institution attended.	No change
Current license to practice as a P.A.	No change
Current NCCPA certification.	No change
Be employed as a P.A.	No change
Medical Malpractice Insurance	No change
Letter of reference from their supervising physician	A letter of reference from their supervising physician <u>agreeing to precept the P.A.</u>

**3c. U. T. Rio Grande Valley: Discussion and appropriate action regarding proposed changes to admission criteria for the Master Reading Teacher Certificate degree program**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the institutional president that the U. T. System Board of Regents approve changes to the criteria for admission for the Master Reading Teacher Certificate degree program at U. T. Rio Grande Valley as described below.

BACKGROUND INFORMATION

U. T. Rio Grande Valley is requesting approval to revise program admission requirements by adding the admission requirement of a cleared criminal background check. Students in the Master Reading Teacher program are asked to work with children throughout the program. In addition, students will need to have a clear background check before being hired by a school district after receiving certification. Because students will be working with a vulnerable population and because of future career implications, students should have a clear criminal background check before being admitted to the program. U. T. Rio Grande Valley is also proposing the removal of letters of recommendation as an admissions requirement. These are a major roadblock to application completion and program faculty do not find them a useful tool for evaluating applications.

<b>Current Unconditional Admission Criteria</b>	<b>Proposed Unconditional Admission Criteria</b>
Submission of two letters of recommendation from individuals knowing the applicant in a professional or academic capacity.	<del>Submission of two letters of recommendation from individuals knowing the applicant in a professional or academic capacity.</del>
Submission of a one to two-page letter of intent indicating reasons for pursuing the certificate	No change
Minimum of 15 hours undergraduate hours in reading or a related field	No change
Submission of teaching certificate and teacher service record showing a minimum of two years of teaching experience	No change
Personal interview	No change
	<u>Clear criminal background check</u>

**3d. U. T. Rio Grande Valley: Discussion and appropriate action regarding proposed changes to admission criteria for the Master of Arts in School Psychology degree program**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the institutional president that the U. T. System Board of Regents approve changes to the criteria for admission to the Master of Arts in School Psychology degree program at U. T. Rio Grande Valley as described below.

BACKGROUND INFORMATION

The School Psychology program is requesting to reinstate the requirement for a clear criminal background check (CBC). A clear CBC was part of the admission criteria at the program's legacy institution but was inadvertently deleted from the initial U. T. Rio Grande Valley admission criteria for the program. A clear CBC is important at the time of admission as some students begin school-based experiences in the first or second semester of classes. Under *Texas Occupations Code* Section 53.152, if an individual is applying for admission to or currently enrolling in an educational program that prepares that person for an occupation as defined under *Texas Occupations Code*, the institution must notify the individual that an individual who has been convicted of an offense may be ineligible for issuance of an occupational license upon completion of the educational program. Since this program prepares students for an initial occupational license, the program will notify the applicant and require the CBC at admission as permissible under *Texas Occupations Code* Section 53.152.

<b>Current Unconditional Admission Criteria</b>	<b>Proposed Unconditional Admission Criteria</b>
Bachelor's or master's degree in a related field preferred.	No change
Graduate Record Examination (GRE)	No change
If applicant does not meet the minimum undergraduate GPA criterion, GRE general test with minimum scores of 150 Verbal, 141 Quantitative, and 4.0 Analytical are required for conditional admission	No change

Submission of three letters of recommendation from individuals in a position to judge the professional and academic potential of the applicant. At least one should be from a university professor in the applicant's major area of study	No change
Submission of a letter of intent indicating reasons for pursuing the degree.	No change
	<u>Clear criminal background check</u>

**3e. U. T. Rio Grande Valley: Discussion and appropriate action regarding proposed changes to admission criteria for the Master of Science in Physics degree program**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the institutional president that the U. T. System Board of Regents approve changes to the criteria for admission to the Master of Science in Physics degree program at U. T. Rio Grande Valley as described below.

**BACKGROUND INFORMATION**

The Graduate Record Exam (GRE) subject test in physics is not a requirement for many graduate programs in physics in the U.S. Thus, the Department of Physics faculty are requesting to modify the requirement of the GRE subject test to the following: If the applicant's undergraduate Grade Point Average (GPA) is below 3.0 or the applicant does not have a Bachelor of Science (B.S.) degree in physics, the applicant shall provide a GRE subject test score in physics, which will be considered by the graduate admission committee as an additional measure to evaluate the candidate's likelihood to be successful in the program.

<b>Current Unconditional Admission Criteria</b>	<b>Proposed Unconditional Admission Criteria</b>
Bachelor's degree from a regionally accredited institution in the United States or a recognized international equivalent in a similar or related field.	No change
Undergraduate GPA of at least 3.0. Official transcripts from each institution attended.	No change
Submission of a statement of research interest and career goals which should clearly articulate why the student wants to enter the Physics Graduate program and what are their long- term career goals.	No change



<p>Submission of two letters of recommendation that should mention concrete examples of applicant's prior research experience and highlight strength and weaknesses of the applicant in his/her proposed area of specialization.</p>	<p>No change</p>
<p>GRE General Test with a minimum Quantitative score of 161 for admitted students. GRE subject (Physics) test. (No minimum score) No waiver of the GRE test if the applicant has completed a previous master's degree. GRE test scores are valid for 5 years.</p>	<p>GRE General Test with a minimum Quantitative score of 161 for admitted students. <del>GRE subject (Physics) test. (No minimum score) No waiver of the GRE test if the applicant has completed a previous master's degree.</del> <u>If the applicant's undergraduate GPA is below 3.0 or the applicant does not have a B.S. degree in physics, the applicant is required to provide a GRE subject test score in physics.</u> GRE test scores are valid for 5 years.</p>

**3f. U. T. Rio Grande Valley: Discussion and appropriate action regarding proposed changes to admission criteria for the Master of Science in Ocean, Coastal, and Earth Sciences degree program**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the institutional president that the U. T. System Board of Regents approve changes to the criteria for admission to the Master of Science in Oceans, Coastal, and Earth Sciences degree program at U. T. Rio Grande Valley as described below.

BACKGROUND INFORMATION

The faculty in the Ocean, Coastal, and Earth Sciences (OCES) program reviewed the admission and program requirements for the M.S. degree in an effort to improve processes, enhance enrollment, and support student success. Based on the results of the review, it was determined that a successful applicant should have a bachelor's degree related to the program, rather than an undergraduate degree in an unrelated discipline, since a foundation in the sciences best supports student's retention and graduation. The program also requests three letters of recommendation to better assess the student's capabilities of performing satisfactorily in graduate OCES studies. In addition, because the program is highly research-focused and students work closely with a faculty mentor, the faculty sees a need for applicants to submit a CV or resume, along with statement of research indicating what areas of scholarship they wish to pursue and the faculty member(s) they are most interested in working with. Adding this requirement will assist the program in identifying prospective students for mentorship.

<b>Current Unconditional Admission Criteria</b>	<b>Proposed Admission Criteria</b>
Bachelor's degree from a regionally accredited institution in the United States or a recognized international equivalent in a similar or related field.	Bachelor's degree from a regionally accredited institution in the United States or a recognized international equivalent <del>in a similar or</del> in a related field.
Undergraduate GPA of at least 3.0.	No change
Official transcripts from each institution attended (must be submitted directly to UTRGV).	No change

<p>GRE General Test with minimum GRE scores of: Verbal 153 and Quantitative 144 are required. GRE test scores are valid for 5 years. A waiver of the GRE requirement will be granted to applicants who show proof of completing a graduate degree (master's or doctoral).</p>	<p>No change</p>
	<p><u>A statement of research including potential advisor(s) in the School of Earth, Environmental, and Marine Sciences at U. T. Rio Grande Valley with whom the applicant wants to work for thesis research.</u></p>
	<p><u>A recent CV/resume</u></p>
	<p><u>Three (3) letters of recommendation, at least one of which should be from a faculty member</u></p>

**3g. U. T. Rio Grande Valley: Discussion and appropriate action regarding proposed changes to admission criteria for the Master of Science in Social Work degree program**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the institutional president that the U. T. System Board of Regents approve changes to the criteria for admission to the Master of Science in Social Work degree program at U. T. Rio Grande Valley as described below.

BACKGROUND INFORMATION

Following an internal review of admission requirements and processes, and considering feedback from applicants and recently admitted students, the faculty of the School of Social Work have determined that requiring both a personal statement and a writing sample in the admission process is duplicative as well as confusing to applicants. Based on review of past student files, it was found that an applicant's general writing abilities can be effectively evaluated based on the personal statement alone. Therefore, approval is requested to remove the redundant requirement for a separate writing sample.

<b>Current Unconditional Admission Criteria</b>	<b>Proposed Unconditional Admission Criteria</b>
Submission of three letters of recommendation students	No change
Submission of a personal narrative statement	No change
Verified successful completion of a course in basic statistics	No change
Submission of a writing sample	<del>Submission of a writing sample</del>

3h. **U. T. Rio Grande Valley: Discussion and appropriate action regarding proposed changes to admission criteria for the Master of Business Administration degree program**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the institutional president that the U. T. System Board of Regents approve changes to the criteria for admission to the Master of Business Administration degree program at U. T. Rio Grande Valley as described on the following page.

**BACKGROUND INFORMATION**

The Robert C. Vackar College of Business requests permission to change the criteria for admission into the Master of Business Administration (MBA) program. In particular, the College requests permission to change the required undergraduate Grade Point Average (GPA) from 3.5 to 3.25 to qualify for a waiver of the Graduate Management Admission Test (GMAT). Students with a GPA of 3.25 or above have proven successful in the program irrespective of the GMAT score. In addition, the College requests permission to remove the letters of recommendation requirement as faculty have found the letters are unhelpful.

Current Unconditional Admission Criteria	Proposed Unconditional Admission Criteria
Complete the GMAT Exam with a minimum score 400 or the GRE test with minimum scores of 146 Verbal and 146 Quantitative	No change
<p>A waiver of the GMAT requirement will be granted to applicants who show proof of one of the following:</p> <ul style="list-style-type: none"> <li>• Another graduate degree (master's or doctoral)</li> <li>• An undergraduate GPA of 3.50 or higher on a 4- point scale</li> <li>• A waiver may be granted to those students who have more than four years of upper managerial experience in supervisory roles, control of budgets, and decision-making</li> </ul>	<p>A waiver of the GMAT requirement will be granted to applicants who show proof of one of the following:</p> <ul style="list-style-type: none"> <li>• Another graduate degree (master's or doctoral)</li> <li>• An undergraduate GPA of <del>3.50</del> <u>3.25</u> or higher on a 4- point scale</li> <li>• A waiver may be granted to those students who have more than four years of upper managerial experience in supervisory roles, control of budgets, and decision-making</li> </ul>
Respond to five short answer questions to demonstrate writing competency and communication skills	No change
Submission of two letters of recommendation	<del>Submission of two letters of recommendation</del>
Students with a GPA lower than 3.0 but higher than 2.75 will be considered on a case-by-case basis.	No change

**3i. U. T. Rio Grande Valley: Discussion and appropriate action regarding proposed changes to admission criteria for the Doctor of Philosophy in Rehabilitation Counseling degree program**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the institutional president that the U. T. System Board of Regents approve changes to the criteria for admission to the Doctor of Philosophy in Rehabilitation Counseling degree program at U. T. Rio Grande Valley as described below.

**BACKGROUND INFORMATION**

The current foundational courses for this program do not include all of the courses required by the program's accrediting body, The Council for Accreditation of Counseling and Related Educational Programs (CACREP). The requested change alters the previous but now erroneous list of foundational courses to include all courses as required by CACREP.

<b>Current Foundational Courses</b>	<b>Proposed Foundational Courses</b>
To be admitted to the doctoral program in rehabilitation counseling, prospective candidates must first meet all requirements for graduate admission to U. T. Rio Grande Valley, as well as the other requirements listed below:	No change
1. Earned master's degree from an accredited institution in a field related to rehabilitation counseling with a minimum graduate GPA of 3.25	No change
2. GRE general test	No change
3. Submission of three letters of recommendation	No change
4. Submission of a personal statement	No change
5. Documentation of two years of professional experience with people with disabilities	No change

<p>6. Personal interview Application for admission must be submitted prior to the published deadline. The application is available at <a href="http://www.utrgv.edu/gradapply">www.utrgv.edu/gradapply</a>. All applications are reviewed by the Department of Rehabilitation's graduate faculty. Deadline for application each year is March 31, and incomplete applications will not be reviewed. Successful applicants will be notified by late April.</p>	<p>No change</p>
<p>All students entering the Ph.D. program are required to have a Rehabilitation Counseling foundation. This foundation may be achieved by holding a Masters' degree in Rehabilitation Counseling that is accredited by CACREP/Council on Rehabilitation Education (CORE). Students with related degrees will most likely have taken similar coursework that will be equivalent to the required foundation courses. Foundation courses include the following:</p> <ul style="list-style-type: none"> <li>• REHS 6300 Introduction to Rehabilitation Foundations</li> <li>• REHS 6310 Case Management in Rehabilitation</li> <li>• REHS 6320 Psychosocial Aspects of Disability</li> <li>• REHS 6350 Job Placement</li> <li>• REHS 6360 Counseling Theories in Rehabilitation Counseling</li> <li>• REHS 6370 Techniques in Rehabilitation Counseling students</li> </ul>	<ul style="list-style-type: none"> <li>• REHS 6300: Introduction to Rehabilitation Foundations</li> <li>• REHS 6310: Case Management in Rehabilitation</li> <li>• <a href="#"><u>REHS 6315: Research in Rehabilitation</u></a></li> <li>• REHS 6320: Psychosocial Aspects of Disability</li> <li>• <a href="#"><u>REHS 6325: Group Counseling in Rehabilitation</u></a></li> <li>• <a href="#"><u>REHS 6330: Assessment and Vocational Evaluation</u></a></li> <li>• <a href="#"><u>REHS 6345: Medical Aspects of Disability</u></a></li> <li>• REHS 6350: Job Placement</li> <li>• <a href="#"><u>REHS 6355: Lifespan and Disability</u></a></li> <li>• REHS 6360: Counseling Theories in Rehabilitation</li> <li>• <a href="#"><u>REHS 6365: Multicultural Counseling in Rehabilitation</u></a></li> <li>• REHS 6370: Techniques in Rehabilitation Counseling</li> <li>• <a href="#"><u>REHS 6375: Psychiatric Rehabilitation</u></a></li> <li>• <a href="#"><u>REHS 6390: Practicum in Rehabilitation</u></a></li> <li>• <a href="#"><u>REHS 7600: Rehabilitation Counseling Internship</u></a></li> </ul>



**3j. U. T. San Antonio: Discussion and appropriate action regarding proposed changes to admission criteria for all graduate degree programs**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the institutional president that the U. T. System Board of Regents approve changes to the criteria for admission to all graduate degree programs at U. T. San Antonio as described on below.

BACKGROUND INFORMATION

U. T. San Antonio proposes changes to the criteria for admission into a graduate program. For degree-seeking applicants, the institution proposes to change the method for calculating the minimum Grade Point Average (GPA) of at least a 3.0 in the last 60 hours of the applicant's undergraduate degree to an overall minimum GPA of at least a 3.0. In addition, for nondegree-seeking applicants, the institution proposes to change the minimum GPA of at least a 3.0 in the last 30 hours of the applicant's undergraduate degree to an overall minimum GPA of at least a 3.0. U. T. San Antonio did an analysis of its undergraduate curricular requirements and found that in certain cases discipline-specific courses were not necessarily concentrated in the last 60 hours but were instead spread out across the four years of the program.

U. T. San Antonio also proposes elimination of the English Language Assessment Program (ELAP) test requirement. This is an additional test international students take after they arrive on campus if they received a Test of English as a Foreign Language (TOEFL) Internet score between 79-100. Students take additional courses in English for International Students based on the ELAP test. However, the current minimum test scores on the TOEFL and the International English Language Testing System (IELTS) allow for admission at peer institutions without additional assessment.

<b>Current Degree-Seeking Admission Criteria</b>	<b>Proposed Degree-Seeking Admission Criteria</b>
A minimum grade point average of at least 3.0 (on a 4.0 scale) in the last 60 semester credit hours of undergraduate coursework or total hours of an awarded graduate degree.	A minimum grade point average of at least 3.0 (on a 4.0 scale) <del>in the last 60 semester credit hours of undergraduate coursework or total hours of an awarded graduate degree.</del> <u>from an awarded bachelor's or master's degree may be admitted with no conditions. Departments may consider the grade point average of at least 3.0 (on a 4.0 scale) in the last 60 semester credit hours.</u>

<b>Current NonDegree-Seeking Graduate Student Admission Criteria</b>	<b>Proposed NonDegree-Seeking Graduate Student Admission Criteria</b>																								
<p>A minimum grade point average of at least 3.0 (on a 4.0 scale) in the last 30 semester credit hours of undergraduate coursework or total hours of an awarded graduate degree.</p>	<p>A minimum grade point average of at least 3.0 (on a 4.0 scale) <del>in the last 30 semester credit hours of undergraduate coursework or total hours of an awarded graduate degree.</del> <u>from an awarded bachelor's or master's degree may be admitted with no conditions. Departments may consider the minimum grade point average of at least 3.0 (on a 4.0 scale) in the last 30 semester credit hours of undergraduate coursework.</u></p>																								
<b>Current International Graduate Student Admission Criteria</b>	<b>Proposed International Graduate Student Admission Criteria</b>																								
<p>In addition to meeting the general requirements for admission, applicants whose native language is not English must demonstrate sufficient competency in English to study effectively at the University. These applicants are required to submit scores on either the Test of English as a Foreign Language (TOEFL) or the International English Language Testing System (IELTS) to the Graduate School. Information about TOEFL and IELTS is available online.</p> <p>English Language Assessment Program (ELAP) Exempt:</p> <table border="0"> <tr> <td>TOEFL Internet</td> <td>100</td> </tr> <tr> <td>TOEFL Paper</td> <td>600</td> </tr> <tr> <td>IELTS</td> <td>7</td> </tr> </table> <p>Graduate Admission Qualification:</p> <table border="0"> <tr> <td>TOEFL Internet</td> <td>79</td> </tr> <tr> <td>TOEFL Paper</td> <td>550</td> </tr> <tr> <td>IELTS</td> <td>6.5</td> </tr> </table> <p>Participation in UTSA's English Language Assessment Program (ELAP), before registration, is required of students with TOEFL scores below 600 (paper version) or 100 (Internet based) or an IELTS score below 7. Based on this assessment, students needing additional instruction in</p>	TOEFL Internet	100	TOEFL Paper	600	IELTS	7	TOEFL Internet	79	TOEFL Paper	550	IELTS	6.5	<p>In addition to meeting the general requirements for admission, applicants whose native language is not English must demonstrate sufficient competency in English to study effectively at the University. These applicants are required to submit scores on either the Test of English as a Foreign Language (TOEFL) or the International English Language Testing System (IELTS) to the Graduate School. Information about TOEFL and IELTS is available online.</p> <p><del>English Language Assessment Program (ELAP) Exempt:</del></p> <table border="0"> <tr> <td><del>TOEFL Internet</del></td> <td><del>100</del></td> </tr> <tr> <td><del>TOEFL Paper</del></td> <td><del>600</del></td> </tr> <tr> <td><del>IELTS</del></td> <td><del>7</del></td> </tr> </table> <p>Graduate Admission Qualification:</p> <table border="0"> <tr> <td>TOEFL Internet</td> <td>79</td> </tr> <tr> <td>TOEFL Paper</td> <td>550</td> </tr> <tr> <td>IELTS</td> <td>6.5</td> </tr> </table> <p><del>Participation in UTSA's English Language Assessment Program (ELAP), before registration, is required of students with TOEFL scores below 600 (paper version) or 100 (Internet based) or an IELTS score below 7. Based on this assessment, students needing additional instruction in</del></p>	<del>TOEFL Internet</del>	<del>100</del>	<del>TOEFL Paper</del>	<del>600</del>	<del>IELTS</del>	<del>7</del>	TOEFL Internet	79	TOEFL Paper	550	IELTS	6.5
TOEFL Internet	100																								
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IELTS	6.5																								

<p>English are required to enroll in appropriate English for International Students (EIS) courses.</p>	<p><del>English are required to enroll in appropriate English for International Students (EIS) courses.</del></p>
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**3k. U. T. Tyler: Discussion and appropriate action regarding proposed changes to admission criteria for the Master of Science in Nursing (MSN) Family Nurse Practitioner (FNP) degree program and the Post-MSN FNP certificate program**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the institutional president that the U. T. System Board of Regents approve changes to the criteria for admission to the Master of Science in Nursing (MSN) Family Nurse Practitioner (FNP) degree program and the Post-MSN FNP certificate program at U. T. Tyler as described below.

BACKGROUND INFORMATION

U. T. Tyler would like to add a requirement that the MSN FNP students have one year of full-time work as a nurse before applying to the program. U. T. Tyler faculty and preceptors agree that applicants must have competency in the basic nursing role and medication management before assuming an advanced nursing role as students without such experience encounter difficulties in clinical settings.

<b>Current Admission Criteria</b>	<b>Proposed Admission Criteria</b>
<p><b>Admission Requirements Family Nurse Practitioner MSN and Post-MSN certification</b></p> <p>Students applying for admission to the MSN program are expected to submit a portfolio for evaluation consisting of the following:</p> <ol style="list-style-type: none"> <li>1. Submit three professional and/or academic references;</li> <li>2. Submit transcripts verifying a minimum grade-point average of 3.0 for the last 60 semester credit hours of undergraduate work*;</li> <li>3. Hold a Bachelor of Science in Nursing (BSN) degree from a nationally accredited College;</li> <li>4. Show proof of current licensure as a Registered Nurse in the state(s) where clinical practicum will occur;</li> </ol>	<p><b>Admission Requirements Family Nurse Practitioner MSN and Post-MSN certification</b></p> <p>Students applying for admission to the MSN program are expected to submit a portfolio for evaluation consisting of the following:</p> <ol style="list-style-type: none"> <li>1. No change</li> <li>2. No change</li> <li>3. No change</li> <li>4. No change</li> </ol>

<p>5. Complete an undergraduate statistics course with a grade of "C" or better;</p> <p>6. Submit either a two-page essay or video describing reasons for seeking a particular MSN degree and plans for the future.</p> <p>7. Applicants from countries other than the United States must also meet the admission requirements for international students seeking a graduate degree as listed in the University catalog.</p> <p>8. Consideration for admission is also given to one or more of the following: the applicant's demonstrated commitment to his or her chosen field of study; socioeconomic background; and involvement and level of responsibility related to other factors, including extracurricular activities, employment, community service, first generation of family to graduate from an undergraduate program, family responsibility for raising children, multilingual proficiency, or geographic region of residence.</p> <p>* Students who do not meet the GPA requirement for Full admission may be granted Conditional admission based on satisfactory scores on the verbal/quantitative portions of the Graduate Record Examination (GRE) in combination with GPA for the last 60 semester hours of undergraduate work.</p>	<p>5. No change</p> <p>6. No change</p> <p>7. No change</p> <p>8. No change</p> <p><u>9. In the last four years, one year of full-time work experience as a nurse prior to application is needed. This experience should be direct patient care involving patient assessment and medication administration.</u></p> <p>* No change</p>
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31. **U. T. Tyler: Discussion and appropriate action regarding proposed changes to admission criteria for the Master of Arts in Political Science degree program**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the institutional president that the U. T. System Board of Regents approve changes to the criteria for admission to the Master of Arts in Political Science degree program at U. T. Tyler as described on the following page.

**BACKGROUND INFORMATION**

Based on recommendations from an external program reviewer, U. T. Tyler proposes a change in admission requirements for the Master in Political Science degree program to require a directed essay demonstrating the student's motivation for study in political science and the student's analytical writing skills instead of using the GRE requirement.

Current Criteria	Proposed Criteria
<p data-bbox="196 254 711 317"><b>Admission Requirements for M.A. in Political Science</b></p> <p data-bbox="196 348 748 478">In addition to the general requirements for admission to graduate study, the requirements for admission to the political science program are as follows:</p> <ol data-bbox="196 510 748 1381" style="list-style-type: none"> <li data-bbox="196 510 656 573">1. A baccalaureate degree from an accredited college or university.</li> <li data-bbox="196 604 732 735">2. A satisfactory score on the General Test (verbal, quantitative, and analytical) of the Graduate Record Examination (GRE).</li> <li data-bbox="196 892 748 989">3. A satisfactory grade-point average on all prior advanced-level (junior, senior, and graduate) work (Minimum GPA - 3.0).</li> <li data-bbox="196 1020 743 1381">4. Consideration is also given to one or more of the following: the applicant's demonstrated commitment to his or her chosen field of study, socioeconomic background, first generation college graduate, multilingual proficiency, geographic region of residence, and level of responsibility in other matters including extracurricular activities, employment, community service, and family responsibilities.</li> </ol>	<p data-bbox="769 254 1284 317"><b>Admission Requirements for M.A. in Political Science</b></p> <p data-bbox="769 348 1321 478">In addition to the general requirements for admission to graduate study, the requirements for admission to the political science program are as follows:</p> <ol data-bbox="769 510 1321 1045" style="list-style-type: none"> <li data-bbox="769 510 959 541">1. No change.</li> <li data-bbox="769 594 1321 835">2. <del>A satisfactory score on the General Test (verbal, quantitative, and analytical) of the Graduate Record Examination (GRE).</del> <u>A directed essay designed to demonstrate the candidate's motivation for study in political science as well as the student's facility with analytical writing.</u></li> <li data-bbox="769 888 959 919">3. No change.</li> <li data-bbox="769 1014 959 1045">4. No change.</li> </ol>

**3m. U. T. Tyler: Discussion and appropriate action regarding proposed changes to admission criteria for the Doctor of Philosophy in Human Resource Development degree program**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the institutional president that the U. T. System Board of Regents approve changes to the criteria for admission to the Doctor of Philosophy in Human Resource Development degree program at U. T. Tyler as described on the following page.

BACKGROUND INFORMATION

The graduate faculty were provided with feedback from external examiners who recently visited and performed an assessment of the doctoral program. Their feedback included the need for expanding the current admissions requirements in the following ways: identifying research interests to better match incoming students with an interim faculty advisor and conducting interviews with prospective applicants. The program faculty have previously discussed the need to obtain writing samples (or to obtain a writing sample under time conditions) given the importance of writing capability associated with this program's doctoral coursework and required doctoral milestones and recommend adding those requirements as well.



<b>Current Catalog Copy Admissions Requirements:</b>	<b>Proposed Catalog Copy Admissions Requirements:</b>
<p>The following criteria must be met for entry into the program:</p> <ol style="list-style-type: none"> <li>1. Master's degree in HRD, business administration, management or related field from a college or university approved by a recognized regional accrediting body.</li> <li>2. 3.0 GPA (on 4.0 scale) on all previous academic coursework.</li> <li>3. Submission of GMAT scores (in some cases the GRE may be accepted in lieu of the GMAT) taken within 5 years at time of application to the program.</li> <li>4. Submission of a career statement that articulates the purpose for pursuing the Ph.D. in HRD and the connection of obtaining the degree with future career goals.</li> <li>5. Submission of a complete resume or curriculum vita.</li> <li>6. Submission of three original letters of recommendation that address the applicant's potential as a Ph.D. scholar in HRD.</li> </ol>	<p>The following criteria must be met for entry into the program:</p> <ol style="list-style-type: none"> <li>1. No change.</li> <li>2. No change.</li> <li>3. No change.</li> <li>4. Submission of a career statement that articulates the purpose for pursuing the Ph.D. in HRD, <del>and the connection of obtaining the degree with future career goals</del> <u>describes potential research interests and articulates how the attainment of the degree will influence future career goals.</u></li> <li>5. No change.</li> <li>6. No change.</li> <li>7. <u>Submission of a writing sample or a writing sample under timed conditions may also be scheduled.</u></li> <li>8. <u>Participation in an interview with program faculty on the admissions committee.</u></li> </ol>

4. **U. T. Arlington: Discussion and appropriate action regarding authorization to increase student union fee contingent upon majority vote by students participating in a general election**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the institutional president that that the U. T. System Board of Regents authorize U. T. Arlington to levy a student union fee not to exceed \$150 per student for each regular semester and not to exceed \$75 per student for each summer session term contingent on approval of such fees by a majority vote of students participating in a general election and with such fees to be used only for financing, constructing, operating, and maintaining the student union building.

BACKGROUND INFORMATION

The E. H. Hereford University Center (Student Union), at U. T. Arlington was constructed in 1953, with an addition and renovation occurring in 1985 at the time when U. T. Arlington's student population was 12,000 students. In 2017, 5,275 square feet was added for the Career Development Center. The building now comprises over 240,000 gross square feet and houses numerous activity centers and offices meant to serve a population of over 43,000 students. The student union fee was last increased in 1985 from \$15 to \$39 per semester.

During the 86th Legislative Session, U. T. Arlington requested statutory authorization for an increase to the student union fee contingent upon majority vote by students participating in a general election within one year and with such fees to be used only for financing, constructing, operating, and maintaining the student union building. Specifically, the request was for authorization to levy a student union fee not to exceed \$150 per student for each regular semester and not to exceed \$75 per student for each summer session term, up from \$39 per student for each regular semester and \$19.50 per student for each summer session term. The legislation was passed to be effective on September 1, 2019.

Following necessary approvals for the increase in the student union fee, this renovation project will proceed as a Major Project, pursuant to Regents' *Rules and Regulations*, Rules 80301 (Capital Improvement Program) and 80404 (Institutional Management of Major Construction and Repair and Rehabilitation Projects) and will be institutionally managed by U. T. Arlington personnel.

5. **U. T. Austin: Request to approve the honorific naming of the Student Activity Center as the William C. Powers, Jr. Student Activity Center**

**RECOMMENDATION**

The Chancellor recommends that the U. T. System Board of Regents approve the honorific naming of the Student Activity Center as the William C. Powers, Jr. Student Activity Center to recognize Mr. Powers as an esteemed teacher and university leader, nationally recognized legal scholar, and staunch proponent of the value of the public research university.

**BACKGROUND INFORMATION**

The Student Activity Center, which was approved for addition to the Capital Improvement Program by the Board of Regents on May 11, 2006, and is located at 2201 Speedway, is a component of the Division of Student Affairs and is operated by University Unions. The grand opening was held in January 2011. The seven-story structure offers 149,000 square feet of departmental space, dining, and distributed lounge space, and 25,000 feet of outdoor seating. It offers 13 meeting rooms, including a ballroom, the Black Box Theater (an experimental performance space), a dance rehearsal space, a legislative assembly room, and an auditorium. The building is occupied by the Office of the Dean of Students, Department of Anthropology, Gender and Sexuality Center, Multicultural Engagement Center, Graduate Student Assembly, Senate of College Councils, Student Government, and Leadership and Ethics Institute.

William C. "Bill" Powers, Jr., who passed away March 10, 2019, was the 28th president of U. T. Austin, serving from 2006 to 2015, the second-longest term of service in the university's history. The Student Activity Center is one of 13 major buildings completed under his leadership. Mr. Powers oversaw the completion of the \$3.1 billion Campaign for Texas, the largest public university campaign in Texas history, and was instrumental in the founding of Dell Medical School and the School of Undergraduate Studies. Other major accomplishments include reforming the undergraduate curriculum, increasing U. T. Austin's four-year graduation rate, and leading U. T. Austin to the U.S. Supreme Court to defend the educational benefits of diversity in higher education. A member of the U. T. Austin School of Law faculty for more than 40 years, including six years as dean, Mr. Powers was a beloved mentor, connecting with thousands of students on the Forty Acres and remaining a classroom teacher even during his nine years as president. Of his many titles, "teacher" was the one of which he most proud.

The proposed naming is consistent with the Board of Regents' *Rules and Regulations*, Series 80307, relating to the honorific naming of facilities, because of former President Powers' significant vision and leadership.

**6. U. T. Permian Basin: Strategic Plan**

REPORT

A report to the Board on the Strategic Plan for U. T. Permian Basin is set forth on the following pages. President Woodley will be available to respond to questions from the Board.

# The University of Texas Permian Basin Strategic Plan

## Strategic Plan

### Vision Statement

The University of Texas Permian Basin will be an innovative, responsive, university that thinks large and lives local. We will lead in advancing education, research, economic competitiveness, and cultural enrichment.

### Mission Statement

As a regional, comprehensive institution, The University of Texas Permian Basin serves a diverse community of students from the region, the state, and beyond. Through excellence in student-centered teaching, learning, research, and public service, the University cultivates engaged citizens and impacts lives while advancing the technological and public interests of West Texas.

### Values Statements

- **Extra Mile Service** which starts with an attitude of “yes”, enables flexibility to go above and beyond, and is proactive in finding solutions.
- **Kindhearted** means being nice, positive, friendly, and respectful; being generous with your gifts and talents; and investing in the success and well-being of others.
- **Integrity** means doing right, even when no one else is looking; being forthright in your intentions, words, and actions; and being honest, honorable, and trustworthy.
- **Collaboration** is a big tent mentality, being a partner who embraces and considers diverse perspectives and always being aware of and pursuing positive collective impact.
- **Innovation** inspired by curiosity, adaptability, and responsiveness; embracing the wildcatter spirit to be the solution.

## The University of Texas Permian Basin Strategic Plan

### Priorities

#### Pillar One: Student Success

- I. Support students to achieve their educational and career goals, become life-long learners, outstanding citizens, and leaders who thrive in a changing world.
- II. Provide an engaged, healthy, safe, and fun student life.
- III. Recruit, retain, and support high quality faculty and staff dedicated to the success of the students.

#### Pillar Two: Serve the Region

- I. Support education, healthcare, and economic needs by increasing the number of graduates in high-demand professions.
- II. Partner with community and industry leaders to solve the most pressing challenges and improve the quality of life in the Permian Basin through public service, educational, and cultural events.

#### Pillar Three: Advance Creativity and Knowledge

- I. Engage in research that enhances knowledge, human health, and well-being.
- II. Promote creativity and artistic expression.
- III. Develop and sustain excellent, relevant, and high-impact academic programs.

#### Pillar Four: Responsible Stewardship

- I. Strategically align and maximize resources.
- II. Ensure a well-managed, strategic, efficient, and transparent enterprise.
- III. Understand and exceed expectations of donors, alumni, and other stakeholders.

Specific objectives for each pillar, including primary actions and approaches, are outlined below. Key performance indicators are listed on page eight of this document.

## The University of Texas Permian Basin Strategic Plan

### **Pillar One: Student Success**

#### Objective One

Support students to achieve their educational and career goals, become life-long learners, outstanding citizens, and leaders who thrive in a changing world.

##### *Primary Actions*

- Implement initiatives and programs to recruit and retain students.
- Graduate and place outstanding citizens and leaders who remain as engaged alumni.

##### *Approaches*

- Develop and implement a student success strategic plan that aligns with the University goal to double degrees by 2030.
- Develop new and relevant academic programs that meet students' career goals.
- Develop and implement a strategic enrollment plan that rebalances the on-campus and online student mix.
- Develop and implement a strategic marketplace plan that aligns with the University goal to increase career success through internships, co-ops, and post-graduate placement.

#### Objective Two

Provide an engaged, healthy, safe, and fun student life.

##### *Primary Action*

Redesign the student experience through initiatives and programs that engage both on-campus and online student communities.

##### *Approaches*

- Transform the campuses.
- Develop quality athletic programs.
- Foster greater sense of belonging among students.

## **The University of Texas Permian Basin Strategic Plan**

### Objective Three

Recruit, retain, and support high quality faculty and staff dedicated to the success of the students.

#### *Primary Action*

Improve faculty and staff recruitment, engagement, and retention efforts.

#### *Approaches*

- Offer competitive salary, benefits, and other compensation.
- Incentivize faculty work in alignment with high impact practices and engaged learning activities.
- Foster an environment that is focused on institutional values and supports recognition, engagement, work-life balance, and professional development.

### **Pillar Two: Serve the Region**

#### Objective One

Support education, healthcare, and economic needs by increasing the number of graduates in high-demand professions.

#### *Primary Action*

Scale placement of graduates in high-demand professions with industry needs in the region.

#### *Approaches*

- Partner with community and business leaders to analyze and identify current needs and forecast future trends to achieve University goals of filling workforce gaps and doubling K-12 teachers through the development of relevant academic programs and non-credit programs.



## **The University of Texas Permian Basin Strategic Plan**

- Integrate needs of the region with strategic enrollment plan targets and recruitment and retention of high quality faculty and staff.

### Objective Two

Partner with community and industry leaders to solve the most pressing challenges and improve the quality of life in the Permian Basin through public service, educational, and cultural events.

#### *Primary Actions*

- Promote arts, culture, athletics, continuing education, and community forums that engage the community.
- Cultivate opportunities for public service and service learning endeavors by faculty, staff, and students.
- Engage community on campus by creating accessible venues (art exhibits, recital spaces, theatres, sports arenas, green spaces, and study spaces).

#### *Approaches*

- Strengthen existing partnerships and cultivate new collaborative opportunities by identifying challenges where the University and its partners can be successful.
- Increase the variety and quality of on campus community events, programs, and performances.
- Enrich the experience at student/community events by optimizing programs and expanding offerings.

### **Pillar Three: Advance Creativity and Knowledge**

#### Objective One

Engage in research that enhances knowledge, human health, and well-being.

## **The University of Texas Permian Basin Strategic Plan**

### *Primary Action*

Increase research.

### *Approaches*

- Amplify funding resources for key, strategic research opportunities.
- Incentivize and support research activities.
- Foster commercialization of applied research outcomes.

### Objective Two

Promote creativity and artistic expression.

### *Primary Action*

Nurture an environment where performers and artists are drawn to the University to share their gifts.

### *Approaches*

- Recruit, reward, and retain outstanding artists and scholars.
- Provide the infrastructure to advance artistic disciplines.

### Objective Three

Develop and sustain excellent, relevant, and high-impact academic programs.

### *Primary Action*

Complete strategic academic planning process and implement plan.

### *Approaches*

- Assess academic portfolio and grow high quality and relevant programs that align with the academic plan.
- Adequately support and provide facilities for current programs and support developing new programs.
- Achieve specialized accreditations, where applicable.

## The University of Texas Permian Basin Strategic Plan

### **Pillar Four: Responsible Stewardship**

#### Objective One

Strategically align and maximize resources.

##### *Primary Action*

Establish a governance model for ensuring resource allocation to the most critical areas.

##### *Approaches*

- Strategically allocate resources to achieve a financial plan.
- Become a financially strong institution.

#### Objective Two

Ensure a well-managed, strategic, efficient, and transparent enterprise.

##### *Primary Action*

Achieve operational excellence.

##### *Approaches*

- Stabilize the base operations of the University.
- Reduce operational costs and improve effectiveness.
- Increase communication effectiveness.

#### Objective Three

Understand and exceed expectations of donors, alumni, and other stakeholders.

##### *Primary Action*

Raise awareness of value, impact, and return on investment.

##### *Approaches*

- Promote the accomplishments of the campus community to create positive perceptions and promote engagement.
- Develop programs and initiatives to increase targeted funding for critical needs.

## **The University of Texas Permian Basin Strategic Plan**

### **Key Performance Indicators**

The following key performance indicators (listed alphabetically) will be used to measure success across all four pillars:

1. Career Pathways
2. Community College Transfers
3. Degrees Awarded
4. Enrollment
5. External Funding
6. Financial/Operational Strength
7. Graduation Rates
8. Research Expenditures
9. Retention

# Strategic Plan

Dr. Sandra Woodley, President

U. T. System Board of Regents' Meeting  
Academic Affairs Committee  
August 2019



# Strategic Planning Process 2018-2019

## ASSESS

- January 2018**
  - Budget and Planning Committee meeting (1/31)
- February**
  - Executive Staff Strategic Planning meeting (2/1-2)
  - Falcon Future: Strategic Overview (2/23)
- March**
  - Budget and Planning Committee meeting (3/5)
  - Falcon Future: Budget/Enrollment Connection (3/9)
  - Faculty Future meeting (3/23)
- April**
  - Community Leaders Strategic Planning (4/3)
  - Executive Staff Strategic Planning meeting (4/4)
  - Falcon Future: Strategic Planning and Institutional Effectiveness (4/20)
  - Focus group discussions begin
- May**
  - Budget and Planning Committee Meeting (5/9)
- June**
  - Focus group discussions complete
  - Executive Staff Strategic Planning meeting (6/25-27)
- July**
  - Regional, state, and national demographics reviewed (7/31)

## DESIGN

- July**
  - Vision and Mission initial drafts created
  - Capabilities framework analysis complete
- August**
  - Executive Staff Strategic Planning meeting (8/20-22)
  - Vision, Mission, and Values drafts confirmed
  - Unique advantages identified
  - Strategic Pillar draft confirmed
  - Long-term Objectives draft confirmed
- September-October**
  - Begin drafting financial projections to accomplish objectives, achieve strategy, and fulfill mission and vision

## BUILD

- August**
  - Priorities draft confirmed
  - Gathering feedback on draft strategic planning outcomes begins
- September**
  - Gathering feedback on draft strategic planning outcomes complete
- October**
  - Executive Staff Strategic Planning meeting (10/3-4)
  - Finalize Vision, Mission, and Values
  - Finalize Strategic Pillars and Long-term Objectives
  - DRAFT organizational goals
  - DRAFT key performance indicators
- May 2019 and beyond**
  - DRAFT departmental goals
  - DRAFT individual goals

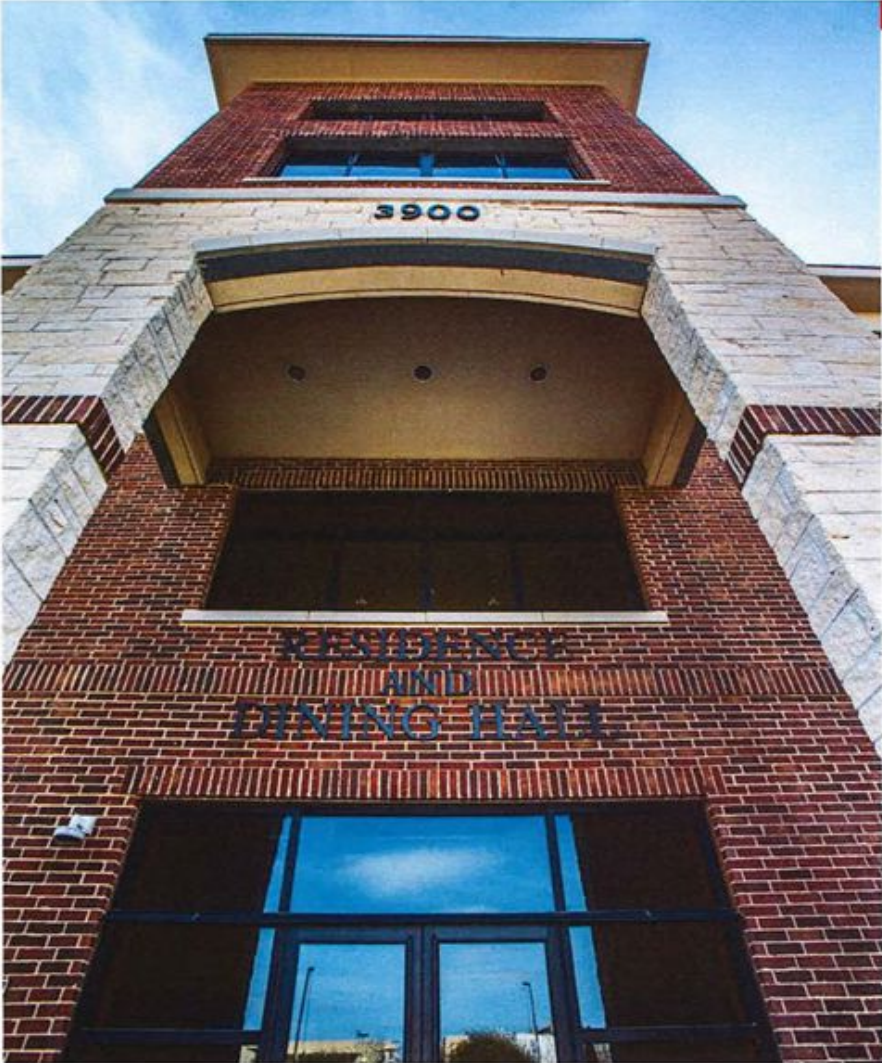
## MANAGE

- November**
  - Gather feedback on organizational goals and key performance indicators
  - Begin developing strategic plan review schedule to ensure alignment and adapt as needed for a changing environment
- December**
  - Finalize organizational goals
  - Finalize key performance indicators
  - Finalize financial projections
  - Widely communicate plan, ensure understanding
- December 2018-March 2019**
  - Develop budget
- April 2019 and beyond**
  - Fully implement strategic plan
  - Track performance to plan
  - Regularly review, adapt, and update plan as needed
  - Develop a plan for training required to accomplish objectives, achieve strategy, and fulfill mission and vision

# Vision

The University of Texas Permian Basin will be an innovative, responsive university that thinks large and lives local. We will lead in advancing education, research, economic competitiveness, and cultural enrichment.





## Mission

As a regional, comprehensive institution, The University of Texas Permian Basin serves a diverse community of students from the region, the state, and beyond. Through excellence in student-centered teaching, learning, research, and public service, the University cultivates engaged citizens and impacts lives while advancing technology and the public interests of West Texas.



# At U. T. Permian Basin, we believe in...

**Extra Mile Service** Attitude of YES!  
Flexible and proactive.

**Kindhearted** Be nice, positive, friendly,  
and respectful. Be generous with your  
gifts and talents. Invest in the success  
and well-being of others.

**Integrity** Do right. Be forthright,  
honest, honorable, and trustworthy.

**Collaboration** Be a partner. Embrace  
and consider diverse perspectives.  
Pursue positive collective impact.

**Innovation** Be curious, adaptable,  
and responsive. Embrace the  
wildcatter spirit!



Extra Mile  
Service



Kindhearted



Integrity



Collaboration  
(Big Tent Mentality)



Innovation

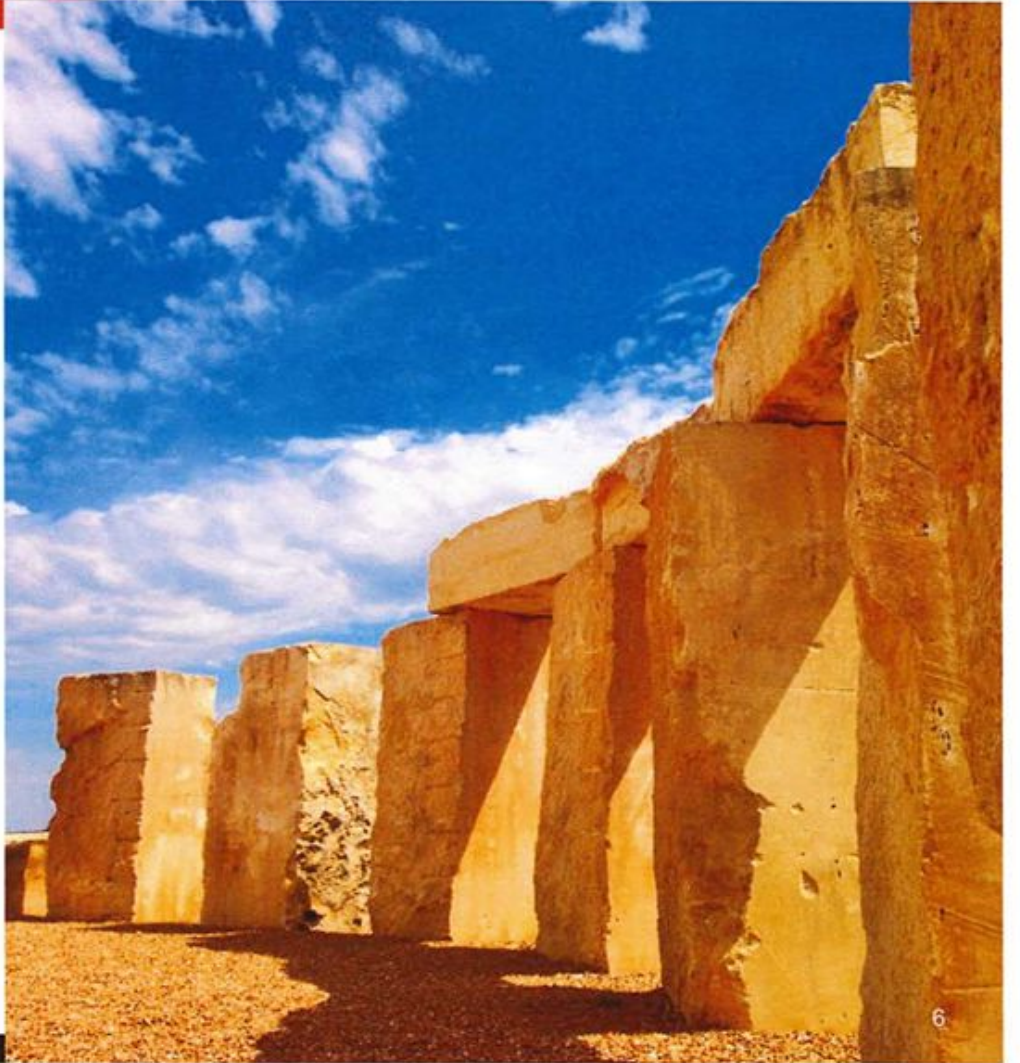
# Pillars

Student Success

Serve the Region

Advance Creativity  
& Knowledge

Responsible  
Stewardship





# 1◀

## Student Success

### Objectives

- Support students in achieving their educational and career goals, and becoming life-long learners, outstanding citizens, and leaders who thrive in a changing world.
- Provide an engaged, healthy, safe, and fun student life.
- Recruit, retain, and support high-quality faculty and staff dedicated to the success of the students.



## 2◀ Serve the **Region**

### Objectives

- Support education, healthcare, and economic needs by increasing the number of graduates in high-demand professions.
- Partner with community and industry leaders to solve the most pressing challenges and improve the quality of life in the Permian Basin through public service, education, and cultural events.



### 3◀ Advance Creativity & Knowledge

#### Objectives

- Engage in research that enhances knowledge, human health, and well-being.
- Promote creativity and artistic expression.
- Develop and sustain excellent, relevant, and high-impact academic programs.



## 4◀ Responsible Stewardship

### Objectives

- Strategically align and maximize resources.
- Ensure a well-managed, strategic, efficient, and transparent enterprise.
- Understand and exceed expectations of donors, alumni, and other stakeholders.

# Example: Objectives Within Pillars

## Pillar One **Student Success** ◀

### OBJECTIVE ONE

Support students in achieving their educational and career goals, and becoming life-long learners, outstanding citizens, and leaders who thrive in a changing world.

### Primary Actions

Implement initiatives and programs to recruit and retain students.

Graduate and place outstanding citizens and leaders who remain engaged alumni.

### Approaches

1. **Develop** and implement a student success strategic plan that aligns with the University goal to double degrees by 2030.
2. **Grow** new and relevant academic programs that meet students' career goals.
3. **Develop** and implement a strategic enrollment plan that rebalances the on-campus and online student mix and aligns with the University goal to double degrees by 2030.
4. **Develop** and implement a strategic marketplace plan that aligns with the University goal to increase career success through internships, co-ops, and post-graduate placement.

# Success is Measured Through Key Performance Indicators (KPIs)



ENROLLMENT



DEGREES AWARDED



CAREER PATHWAYS



RESEARCH  
EXPENDITURES



EXTERNAL FUNDING



RETENTION



GRADUATION  
RATES



COMMUNITY  
COLLEGE  
TRANSFERS



FINANCIAL/OPERATIONAL  
STRENGTH



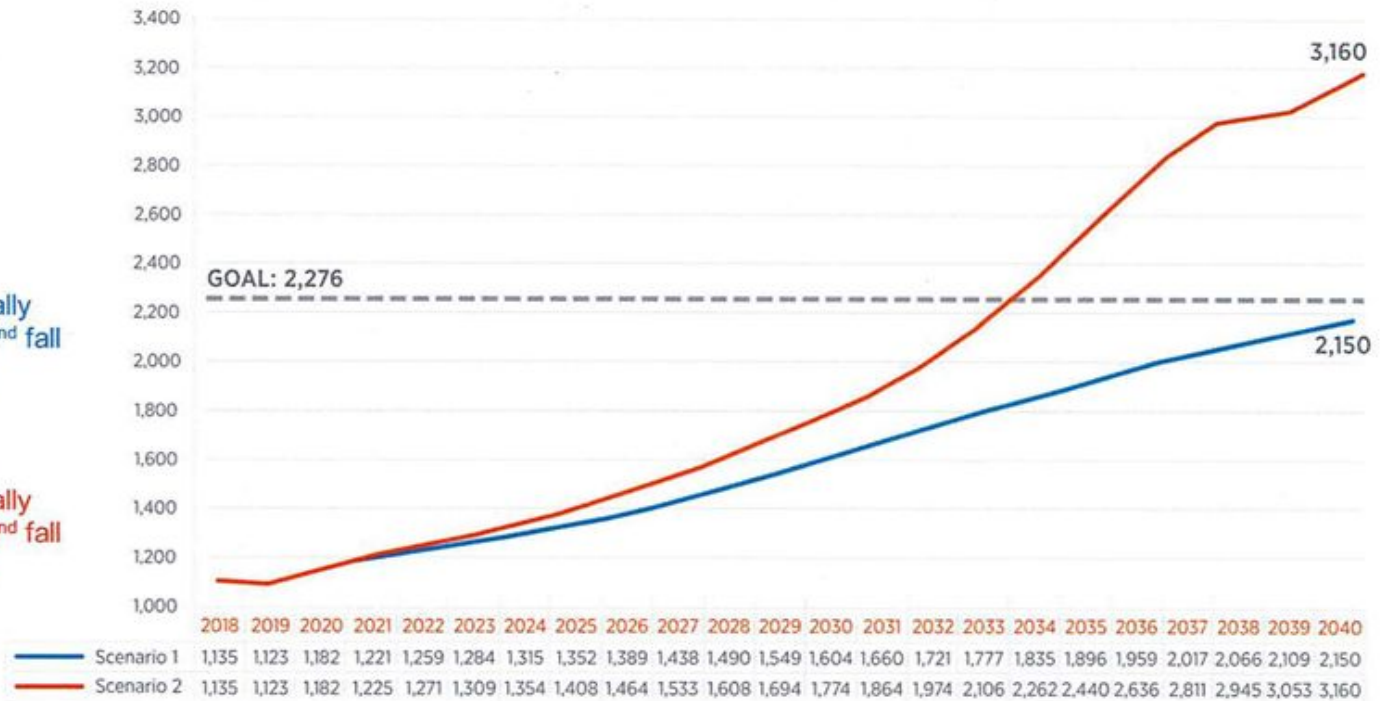
# Degree Production Projections by Scenario

## Scenario 1

3% enrollment growth annually until 2013, 1% increase in 2<sup>nd</sup> fall retention for these cohorts

## Scenario 2

5% enrollment growth annually until 2035, 1% increase in 2<sup>nd</sup> fall retention for these cohorts





## Strategic Direction

### Transformation Goals

Double # of  
degrees awarded

Double  
research efforts

Double # of  
endowments

Achieve  
operational excellence

Campus  
transformation

Grow  
athletic programs

Build  
research institutes

Double # of  
K-12 teachers

Increase  
Internships and co-ops

Fill  
Workforce gaps



**TABLE OF CONTENTS  
FOR  
HEALTH AFFAIRS COMMITTEE**

**Committee Meeting:** 8/14/2019

**Board Meeting:** 8/15/2019  
Austin, Texas

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

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	<i>2:30 p.m. Chairman Longoria</i>		
1. <b>U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration</b>	<i>2:30 p.m. Discussion</i>	<b>Action</b>	<b>205</b>
2. <b>U. T. System: Approval to distribute a portion of The University of Texas System Professional Medical Liability Benefit Plan premium returns and approve rates for the Plan</b>	<i>2:35 p.m. Action Ms. Thomas Mr. Sharphorn</i>	<b>Action</b>	<b>206</b>
3. <b>U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding a) allocation and authorization of expenditure of \$10 million of institutional funds to Harris Health System solely for the design and construction of expanded oncology facilities at the Lyndon Baines Johnson Hospital; b) based on a successful philanthropic campaign, allocation and authorization of expenditure of up to \$37 million of institutional funds to Harris Health System solely for the build-out of the radiation oncology facility and expanded oncology facilities at the Lyndon Baines Johnson Hospital; c) authorization to license its name to Harris Health System for purposes of branding or co-branding the oncology facilities at the Lyndon Baines Johnson Hospital; d) delegation of authority to the President of UTMDACC to execute related documents and take other action necessary; and e) finding of public purpose</b>	<i>2:45 p.m. Action Stephen Hahn, M.D. UTMDACC</i>	<b>Action</b>	<b>208</b>

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
4. <b>U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding authorization a) to participate as a member of Alliance of Dedicated Cancer Centers, Inc. (ADCC), b) to pay dues and other assessments to ADCC when due, c) for U. T. M. D. Anderson Cancer Center employees to serve on an uncompensated basis as U. T. M. D. Anderson Cancer Center's director on the board of ADCC, d) for U. T. M. D. Anderson Cancer Center employees to serve, from time to time, on an uncompensated basis as officers of ADCC when and if elected, and e) delegation of authority to the President to execute documents and take other actions as necessary, following final review and approval</b>	3:00 p.m. <b>Action</b> <i>Mr. Steven Haydon UTMDACC Mr. Brad Gibson UTMDACC</i>	<b>Action</b>	<b>211</b>
5. <b>U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding a) proposed participation as a special limited partner in the Focus Fund, L.P., b) use of U. T. M. D. Anderson Cancer Center names, logos, and trademarks in association with the Focus Fund, and c) delegation of authority to the President to execute documents and take other actions as necessary, following final review and approval</b>	3:15 p.m. <b>Action</b> <i>Mr. Steve Haydon UTMDACC Mr. Ferran Prat UTMDACC</i>	<b>Action</b>	<b>212</b>
<b>Adjourn</b>	3:30 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 proposed Consent Agenda items assigned to this Committee are [Items 48 - 70](#).

2. **U. T. System: Approval to distribute a portion of The University of Texas System Professional Medical Liability Benefit Plan premium returns and approve rates for the Plan**

RECOMMENDATION

The Chancellor concurs in the recommendation of The University of Texas System Professional Medical Liability Benefit Plan (Plan) Management Committee, chaired by the Vice Chancellor and General Counsel and comprised of the Chair, the Executive Vice Chancellor for Health Affairs *ad interim*, the Executive Vice Chancellor for Academic Affairs, and the Executive Vice Chancellor for Business Affairs, after consultation with Milliman, Inc., actuary for the Plan, that:

- a. overall premium rates remain unchanged; and
- b. \$6 million in premiums be returned to the participating U. T. System institutions based on a methodology that considers each institution's losses.

The proposed distribution of \$6 million is set forth on the following page as Exhibit 1.

BACKGROUND INFORMATION

With the implementation of tort reform in 2003, the Plan Management Committee (Committee) has consistently recommended significant reductions in total Plan assets to bring the reserve levels to those generally accepted by the industry. The Committee continues balancing Plan revenue from premiums charged and investment income with adequate capitalization from which to pay Plan claims, reserves for future claims, and administrative expenses. As part of this effort, Plan premiums were significantly reduced for several years immediately following tort reform adoption, and since 2007, the premium rates have either been reduced or unchanged. However, Plan premiums are adjusted annually for institutional loss experience.

For the coming year, the Committee recommends maintaining overall premiums at the current rates. Based on Plan investment income and efficient management of claims, the Committee recommends a return to the contributing institutions of \$6 million so that excessive reserves are not maintained. The combination of unchanged rates along with this distribution should still allow for adequate capitalization of the Plan.

The methodology for distribution of \$6 million to participating institutions considers the proportion of each institution's payment into the Plan as well as each institution's loss experience. Thus, those institutions with higher claims receive lower distributions.

Since there are remaining funds previously designed for U. T. efforts in patient safety enhancement through collaborative projects, as identified by the Executive Vice Chancellor for Health Affairs *ad interim*, no additional such funds are recommended for this fiscal year.

Exhibit 1  
**The University of Texas System Professional Medical Liability Benefit Plan**  
Proposed Distribution of Plan Returns  
 FY 2019

<i><b>Institution</b></i>	<i><b>Premium Paid</b></i>	<i><b>Claims Expense</b></i>	<i><b>Net Contribution Amount</b></i>	<i><b>Rebate based on Net Contribution</b></i>
	<i><b>2017-2019</b></i>	<i><b>2017-2019</b></i>		
UT Arlington	6,594	-	6,594	2,107
UT Austin	362,593	121,860	240,733	76,913
UT Dallas	1,488	-	1,488	475
UT El Paso	948	-	948	303
UT Rio Grande Valley	798,352	16,270	782,082	249,870
UT San Antonio	3,834	-	3,834	1,225
UTSWMC	6,937,127	3,479,671	3,457,456	1,104,634
UTMB	4,551,443	2,048,422	2,503,021	799,698
UTHSCH	7,001,732	2,632,141	4,369,591	1,396,055
UTHSCH Medical Foundation	2,675,950	1,005,962	1,669,988	533,550
UTHSCSA	5,110,264	1,798,910	3,311,354	1,057,955
UTMDACC	3,643,826	1,615,231	2,028,595	648,123
UTHSCT	490,072	86,020	404,052	129,092
<b>Subtotal</b>	<b>\$ 31,584,223</b>	<b>\$ 12,804,487</b>	<b>\$ 18,779,736</b>	<b>\$ 6,000,000</b>
<b>TOTAL PROPOSED DISTRIBUTION</b>				<b>\$ 6,000,000</b>

3. **U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding a) allocation and authorization of expenditure of \$10 million of institutional funds to Harris Health System solely for the design and construction of expanded oncology facilities at the Lyndon Baines Johnson Hospital; b) based on a successful philanthropic campaign, allocation and authorization of expenditure of up to \$37 million of institutional funds to Harris Health System solely for the build-out of the radiation oncology facility and expanded oncology facilities at the Lyndon Baines Johnson Hospital; c) authorization to license its name to Harris Health System for purposes of branding or co-branding the oncology facilities at the Lyndon Baines Johnson Hospital; d) delegation of authority to the President of UTMDACC to execute related documents and take other action necessary; and e) finding of public purpose**

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs *ad interim*, the Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, and the institutional president that the U. T. System Board of Regents:

- a. to authorize allocation and expenditure of \$10 million from unrestricted institutional funds to Harris Health System solely for the design and construction of expanded oncology facilities at the Lyndon Baines Johnson Hospital (LBJ Hospital), with the understanding that no state-appropriated funds or tuition revenues will be used;
- b. based on a successful philanthropic campaign, to authorize allocation and expenditure of up to \$37 million from unrestricted institutional funds to Harris Health System solely for the build-out of the radiation oncology facility and expanded oncology facilities at the LBJ Hospital, with the understanding that no state-appropriated funds or tuition revenues will be used;
- c. to authorize U. T. M. D. Anderson to license its name to Harris Health System for purposes of branding or co-branding the oncology facilities at the LBJ Hospital;
- d. to delegate authority to the President of U. T. M. D. Anderson Cancer Center to execute all documents, instruments, and other agreements and to take all further actions deemed necessary to carry out the purpose and intent of the foregoing actions, following review and approval by the Chancellor, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel; and
- e. to make a finding that the proposed expenditures and the licensing of U. T. M. D. Anderson's name for branding and co-branding the oncology facilities at the LBJ Hospital (i) supports the public mission of and serves public purposes appropriate to the functions of U. T. M. D. Anderson Cancer Center, (ii) is structured with adequate safeguards, and controls in place to ensure the public purpose will continue to be met on an ongoing basis, and (iii) will result in adequate consideration and benefits to U. T. M. D. Anderson Cancer Center and to Harris Health's underserved population.



## BACKGROUND INFORMATION

U. T. M. D. Anderson Cancer Center began collaborating with Harris Health System's Lyndon Baines Johnson Hospital (LBJ Hospital) in 1995. Since that time, U. T. M. D. Anderson has provided medical oncology services for patients being treated at the LBJ Hospital. Today, U. T. M. D. Anderson resources dedicated to the LBJ Hospital include 15 faculty, five advanced practice providers, two genetic counselors, and four pharmacists. This collaboration provides the opportunity for the LBJ Hospital patients to receive state of the art medical oncology care and provides U. T. M. D. Anderson with educational and clinical research opportunities and the opportunity to directly care for Harris County's underserved population.

At present, medical and surgical oncology services are provided on site at the LBJ Hospital. There are, however, no radiation oncology services offered at the LBJ Hospital. Patients requiring these services must travel to a site adjacent to the Texas Medical Center. This trip can take more than two hours via public transportation, which is inconvenient at best and, at worst, may lead some patients to forgo appropriate multidisciplinary care.

To better serve these patients, U. T. M. D. Anderson proposes to expand the service offerings at the LBJ Hospital by providing financial assistance to Harris Health System to construct an onsite radiation oncology facility at the LBJ Hospital. U. T. M. D. Anderson seeks to grant \$10 million to partially fund the construction of such a facility. Additionally, U. T. M. D. Anderson seeks to embark on a philanthropic campaign, in collaboration with Harris Health System, to raise approximately \$37 million for Harris Health System to fully fund the build-out of the radiation oncology facility along with expanded oncology clinics, infusion therapy, laboratory medicine and pharmacy. U. T. M. D. Anderson will provide the professional staff for these expanded facilities, which will be owned and operated by Harris Health System.

The activities proposed above are ensured to serve a public purpose based on the following:

1. The expenditure under the proposed collaboration has a predominantly public purpose because it is to an entity, the inherent mission of which, is a public purpose. More specifically, Harris Health System is a public hospital district providing care to residents of Harris County. Harris Health System's stated mission is "improving the health of those most in need in Harris County through quality care delivery, coordination of care, and education." Approximately 60% of care provided by Harris Health System is to the uninsured; 20% to Medicaid and the Children's Health Insurance Program patients; 9.5% to Medicare patients; 10% to commercial/other funded patients. The proposed project will provide underserved patients with access to cancer care that would not otherwise be available.
2. U. T. M. D. Anderson will retain sufficient control over its contribution to Harris Health System to ensure the public purpose is accomplished. U. T. M. D. Anderson will negotiate multiple agreements with Harris Health System to memorialize the obligations associated with the collaboration, including grant agreements that will act as mechanisms for providing funds to Harris Health System. Payments to Harris Health System will be based on milestones achieved with audit and claw-back rights for U. T. M. D. Anderson if the funds are not used in furtherance of the defined project.

3. U. T. M. D. Anderson will obtain return benefits from the collaboration through expanded educational and clinical research opportunities and by being able to provide more extensive health care in a high-quality facility to an underserved population of Harris County. Providing cancer care to this population aligns with U. T. M. D. Anderson's mission.

4. **U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding authorization a) to participate as a member of Alliance of Dedicated Cancer Centers, Inc. (ADCC), b) to pay dues and other assessments to ADCC when due, c) for U. T. M. D. Anderson Cancer Center employees to serve on an uncompensated basis as U. T. M. D. Anderson Cancer Center's director on the board of ADCC, d) for U. T. M. D. Anderson Cancer Center employees to serve, from time to time, on an uncompensated basis as officers of ADCC when and if elected, and e) delegation of authority to the President to execute documents and take other actions as necessary, following final review and approval**

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs *ad interim*, the Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, and the institutional president that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. M. D. Anderson Cancer Center

- a. to participate as a member of Alliance of Dedicated Cancer Centers, Inc. (ADCC)
- b. to pay dues and other assessments to ADCC when due;
- c. for U. T. M. D. Anderson employees to serve on an uncompensated basis as U. T. M. D. Anderson's director of the board of ADCC;
- d. for U. T. M. D. Anderson employees to serve, from time to time, on an uncompensated basis as officers of ADCC when and if elected; and
- e. to delegate authority to the President of U. T. M. D. Anderson Cancer Center or his delegate to execute all documents, instruments, and other agreements, following review and final approval by the Chancellor, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel, and to take all further actions necessary or advisable to carry out the purpose and intent of the foregoing actions and to accomplish the foregoing transactions.

#### BACKGROUND INFORMATION

The Alliance of Dedicated Cancer Centers, Inc. currently exists and operates as an informal organization of the nation's top cancer centers. ADCC was created in approximately 1986 shortly after Congress passed legislation establishing a different method of paying the costs of care at these highly specialized institutions, exempting them from the Diagnosis Related Groups' payment system that covers medical care providers that treat all types of diseases. At that time, eight of the nation's leading cancer centers, including U. T. M. D. Anderson, formed the ADCC. In subsequent years, additional members joined and there are currently 10 members. To facilitate and enhance the collective operations of the ADCC, the members now wish to formalize the organization by forming a non-profit 501(c)(6) trade association under the laws of the State of Delaware.

5. **U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding a) proposed participation as a special limited partner in the Focus Fund, L.P., b) use of U. T. M. D. Anderson Cancer Center names, logos, and trademarks in association with the Focus Fund, and c) delegation of authority to the President to execute documents and take other actions as necessary, following final review and approval**

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs *ad interim*, the Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, and the institutional president that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. M. D. Anderson Cancer Center:

- a. to participate as a special limited partner in an investment fund initiated by U. T. M. D. Anderson Cancer Center and to be known as the Focus Fund, L.P.;
- b. to use U. T. M. D. Anderson Cancer Center names, logos, and trademarks in association with the Focus Fund, L.P.; and
- c. to delegate authority to the President of U. T. M. D. Anderson Cancer Center or his delegate to execute all documents, instruments, and other agreements, following review and final approval by the Chancellor, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel, and to take all further actions necessary or advisable to carry out the purpose and intent of the foregoing actions and to accomplish the foregoing transaction.

#### BACKGROUND INFORMATION

The Focus Fund, L.P. (the Fund) is being created as an independent, privately sponsored venture capital fund to make investments with respect to biotech companies with promising late pre-clinical to early clinical oncology assets. The Fund's capital will be primarily used to finance the advancement of oncology assets through clinical trials conducted at U. T. M. D. Anderson Cancer Center. Transaction documents are substantially complete and agreed to by the principals. The Fund has \$25 million in commitments as of July 24, 2019.

Early stage biotechnology companies all over the world are seeking to partner with U. T. M. D. Anderson to perform first-in-human clinical trials with their novel cancer drugs. Additionally, these companies often need help from U. T. M. D. Anderson to conduct or confirm pre-clinical results and to develop assays or biomarkers that will aid in the development of potentially life-saving drugs. Human clinical trials are expensive and many small biotech companies do not have adequate resources to undertake the clinical development of the assets in a thoughtful and comprehensive manner. Given the early stage of these companies and the significant cost to conduct a human clinical trial, many highly promising drugs are unable to move forward while the company's founders seek funding, which can take months or years. As a result, the unfortunate reality is that very promising drugs are under-developed or in some

cases, not developed at all. It is these drugs that the Fund will target. Specifically, with capital from third party investors, the Fund will provide funding at appropriate risk-adjusted rates for clinical trials of drugs about to enter clinical trials.

U. T. M. D. Anderson Cancer Center has negotiated in an arms-length transaction its participation as a special limited partner (although U. T. M. D. Anderson would not be investing any money in the Fund.) Other Limited Partners would invest capital in the Fund in the expectation of a return comprised of the cash flows that would arise from the monetization of each one of the assets in which the Fund has invested. The initial term of the Fund would be 10 years, although earlier returns are expected.

The duties and privileges of U. T. M. D. Anderson Cancer Center as the special limited partner will be:

- A stake in the Fund, in exchange for a discount in the provision of services to the Fund (primarily clinical trials). It would also receive consulting and administrative fees from the General Partner.
- Formation of a Scientific Advisory Board. U. T. M. D. Anderson scientists would preselect and rank all the drugs of which it is aware on a worldwide basis and establish the threshold of what drugs are eligible for consideration by the Investment Committee.
- The Investment Committee, formed by members of the General Partner and special advisors of world renown - but not U. T. M. D. Anderson itself, to minimize conflict of interest issues - would select the drugs into which the Fund would make an investment.
- For those companies and drugs, U. T. M. D. Anderson would conduct the clinical trials under strict additional conflict of interest guidelines. U. T. M. D. Anderson would not benefit from the success of an individual drug, but it would have upside if the Fund's investments are successful.

From U. T. M. D. Anderson Cancer Center's perspective, participation in the Fund is attractive and beneficial because:

1. U. T. M. D. Anderson would not have to invest any capital in the Fund.
2. U. T. M. D. Anderson would have access to novel agents from around the world that it otherwise would not have had access to, to the benefit of U. T. M. D. Anderson's clinicians and scientists.
3. Participation in the Fund would increase the number of clinical trials performed at U. T. M. D. Anderson and the number of drugs that are developed at U. T. M. D. Anderson and provide further meaningful research and development opportunities for U. T. M. D. Anderson faculty.

It is believed that the Fund will be successful and attractive to investors and drug owners because:

1. The scientific resources of U. T. M. D. Anderson would be dedicated to finding, triaging, and developing drugs that are undervalued.
2. Financial resources would be employed at the premier cancer center in the world, ensuring that the very best scientists would come with a state-of-the-art development plan, which would give each drug the highest chance of success.
3. Investment by the Fund would be tailored to each drug. It may or may not involve an equity investment in the corporate structure of the owner of the drug, and it could be comprised of milestones and/or royalties upon commercialization. This would allow drugs to be developed that otherwise may not have had a chance due to unorthodox or imperfect corporate structures of the company that has the rights to the drug. Moreover, investors could avail themselves of a broad range of exit strategies, unlike traditional funds that always obtain equity in the companies in which they invest and suffer from very long-term horizons and large amounts of uncertainty.
4. Small biotech companies that are outside of the traditional financing centers (e.g., New York, Boston, and San Francisco) and struggling to finance the development of novel drugs could avail themselves through the Fund to highly differentiated and advantageous mechanisms to advance assets, without sacrificing a large amount of equity in the company or agreeing to a sub-optimal early licensing deal with pharmaceutical companies.



**TABLE OF CONTENTS  
FOR  
FACILITIES PLANNING AND CONSTRUCTION  
COMMITTEE**

**Committee Meeting:** 8/14/2019

**Board Meeting:** 8/15/2019  
Austin, Texas

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

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	<i>3:30 p.m. Chairman Beck</i>		
1. <b>U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration</b>	<i>3:30 p.m. Discussion</i>	<b>Action</b>	<b>217</b>
<b><u>Addition to the CIP</u></b>			
2. <b>U. T. Rio Grande Valley: School of Medicine Institute of Neurosciences - Amendment of the current Capital Improvement Program to include project</b>	<i>3:35 p.m. Action President Bailey</i>	<b>Action</b>	<b>218</b>
3. <b>U. T. Medical Branch - Galveston: John Sealy Hospital Modernization Phase III - Amendment of the current Capital Improvement Program to include project; approval of total project cost; and appropriation of funds</b>	<i>3:45 p.m. Action President Callender</i>	<b>Action</b>	<b>221</b>
4. <b>U. T. Austin: Anna Hiss Gymnasium Renovation - Amendment of the current Capital Improvement Program to include project; approval of total project cost; and appropriation of funds</b>	<i>3:55 p.m. Action President Fenves</i>	<b>Action</b>	<b>224</b>
5. <b>U. T. Austin: Campus Infrastructure Upgrades Program - Amendment of the current Capital Improvement Program to include project; approval of total project cost; and appropriation of funds</b>	<i>4:05 p.m. Action President Fenves</i>	<b>Action</b>	<b>227</b>

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b><u>Design Development Approval</u></b>			
6. <b>U. T. Austin: Sarah M. and Charles E. Seay Building Addition - Approval of design development; and appropriation of funds and authorization of expenditure</b>	4:10 p.m. <b>Action</b> <i>President Ferves</i>	<b>Action</b>	<b>230</b>
7. <b>U. T. Southwestern Medical Center: Radiation Therapy Building Phase II - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt</b>	4:20 p.m. <b>Action</b> <i>President Podolsky</i>	<b>Action</b>	<b>233</b>
<b>Adjourn</b>	4:30 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 proposed Consent Agenda item assigned to this Committee is [Item 71](#).

**2. U. T. Rio Grande Valley: School of Medicine Institute of Neurosciences - 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 School of Medicine Institute of Neurosciences project at The University of Texas Rio Grande Valley.

BACKGROUND INFORMATION

Previous Actions

On August 29, 2018, the Chancellor approved this project for Definition Phase. On December 6, 2012, the Board approved \$100 million of unspecified resources over the next 10 years to be used for start-up costs for the School of Medicine. To date, the Board has partially fulfilled this commitment through multiple appropriations of Permanent University Fund (PUF) Bond Proceeds totaling \$50 million.

Project Description

The proposed project will be located in Harlingen, Texas on 35 acres of land located near the Clinical Education Building. The facility will advance one of the core research priorities for the School of Medicine of alleviating the space demand in clinical and research areas. The facility will serve as a world-class site for the departments of neurology, psychiatry, and neurosciences and will house clinics and diagnostic centers for numerous neuropsychiatric and aging disorders.

The project is expected to consist of two or three phases over several years and to be a designated center for research on brain health and other aspects of neurosciences. This first phase is planned to include clinical, shared clinical, clinical research, imaging, core research, satellite vivarium, collaboration and support space.

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

**The University of Texas Rio Grande Valley  
School of Medicine Institute of Neurosciences**

**Project Information**

Project Number 903-1220  
 CIP Project Type New Construction  
 Facility Type Laboratory, Medical Healthcare  
 Management Type Office of Capital Projects  
 Institution's Project Advocates Sofia Hernandez, Chief of Staff for the School of Medicine  
 Project Delivery Method Construction Manager-at-Risk  
 Gross Square Feet (GSF) 30,000

**Project Funding**

Permanent University Fund Bond Proceeds <sup>1</sup>	<u>Proposed</u> \$30,000,000
Total Project Cost	\$30,000,000

<sup>1</sup> PUF Bond Proceeds committed to the project from the Board's 12/06/12 award in support of the School of Medicine

**Project Cost Detail**

Building Cost	\$ 16,309,356
Fixed Equipment	639,068
Site Development	3,819,181
Furniture and Moveable Equipment	720,000
Institutionally Managed Work	1,518,592
Architectural/Design Services	2,021,878
Project Management Fees	1,059,508
Insurance	633,457
Other Professional Fees	655,000
Project Contingency	2,564,461
Other Costs	<u>59,499</u>
Total Project Cost	\$30,000,000

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

School of Medicine Institute of Neurosciences	\$544		
Texas Higher Education Coordinating Board Average – Laboratory, Medical/Healthcare	\$469		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$477	\$528	\$606
Other National Projects	\$534	\$670	\$811

**The University of Texas Rio Grande Valley  
School of Medicine Institute of Neurosciences**  
(Continued)

**Investment Metrics**

- Increase neurology clinical faculty by 2023
- Increase School of Medicine extramural research by 50% by 2023

**Project Planning**

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

**Project Milestones**

Definition Phase Approval	August 2018
Addition to CIP	August 2019
Design Development Approval	November 2019
Construction Notice to Proceed	March 2020
Substantial Completion	June 2021

**Basis of Design**

The planned building life expectancy includes the following elements:

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

3. **U. T. Medical Branch - Galveston: John Sealy Hospital Modernization Phase III - 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 Health Affairs *ad interim*, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the John Sealy Hospital Modernization Phase III project at the University of Texas Medical Branch - Galveston as follows:

- a. amend the current CIP and approve a total project cost of \$54,000,00 with funding of \$25,000,000 from Gifts, \$15,000,000 from Permanent University Fund (PUF) Bond Proceeds, and \$14,000,000 from Hospital Revenues; and
- b. appropriate funds.

BACKGROUND INFORMATION

Previous Actions

On May 21, 2019, the Chancellor approved this project for Definition Phase. On November 10, 2016, the Board approved \$15 million in PUF Bond Proceeds for the construction of a behavioral health treatment, research, and education center. On May 14, 2019, the Chancellor approved the extension of use of PUF Bond Proceeds through November 2022.

Project Description

The proposed project will construct an inpatient rehabilitation unit and a behavioral health unit allowing for the expansion of clinical services by modernizing patient treatment and staff support space in the John Sealy Hospital, John Sealy Annex, and the Waverley Smith Pavilion. Additionally, the project will improve patient access and convenience by centralizing the existing neurodiagnostic services, oncology, and infusion outpatient services within the Waverly Smith Pavilion.

The John Sealy Hospital Modernization Phase III project follows a series of expansion and modernization projects in Galveston as part of the 2015-2040 UTMB Campus Master Plan. The project encompasses multiple service lines across three different buildings on the Galveston campus by consolidating and centralizing patient care service areas.

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 Board of Regents approval on May 10, 2017, UTMB has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas Medical Branch - Galveston  
John Sealy Hospital Modernization Phase III**

**Project Information**

Project Number	601-1100
CIP Project Type	Repair and Rehabilitation
Facility Type	Healthcare Facility, Hospital
Management Type	Institutional Management
Institution's Project Advocates	Rebecca Korenek, Senior Vice President Strategic and Business Planning
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	131,600
Shell Space (GSF)	27,000

**Project Funding**

	<u>Proposed</u>
Gifts <sup>1</sup>	\$25,000,000
Permanent University Fund Bond Proceeds <sup>2</sup>	\$15,000,000
Hospital Revenues	<u>\$14,000,000</u>
Total Project Cost	<u>\$54,000,000</u>

<sup>1</sup> Gift funding in hand

<sup>2</sup> PUF Bond Proceeds approved November 10, 2016

**Project Cost Detail**

Building Cost	\$36,592,108
Fixed Equipment	-
Site Development	822,185
Furniture and Moveable Equipment	8,641,932
Institutionally Managed Work	1,155,628
Architectural/Design Services	2,554,382
Project Management Fees	1,315,894
Insurance	631,565
Other Professional Fees	752,110
Project Contingency	1,534,196
Other Costs	-
Total Project Cost	<u>\$54,000,000</u>

**The University of Texas Medical Branch - Galveston  
John Sealy Hospital Modernization Phase III**  
(continued)

**Project Planning**

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

**Project Milestones**

Definition Phase Approval	May 2019
Addition to CIP	August 2019
Design Development Approval	July 2020
Construction Notice to Proceed	February 2021
Substantial Completion	August 2022

**4. U. T. Austin: Anna Hiss Gymnasium Renovation - Amendment of the current Capital Improvement Program to include project; approval of total project cost; and appropriation of funds**

RECOMMENDATION

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

- a. amend the current CIP and approve a total project cost of \$24,500,000 with funding of \$20,000,000 from the Available University Fund and \$4,500,000 from Permanent University Fund (PUF) Bond Proceeds; and
- b. appropriate funds.

BACKGROUND INFORMATION

Previous Action

On May 23, 2019, the Board approved \$17 million from PUF Bond Proceeds and \$3 million from Available University Funds to support the startup of U. T. Austin's collaboration with the Army Futures Command. A portion of the PUF Bond Proceeds will be used on this project.

Project Description

The project will renovate collaborative interdisciplinary space in the Anna Hiss Gymnasium to support research and academic programs for Aerospace Engineering and Engineering Mechanics, Computer Science, Electrical and Computer Engineering, Mechanical Engineering, and Fine Arts. This adaptive reuse of space will also support the University's partnership with the Army Futures Command modernization program by providing an immersive environment for cross-functional innovation teams connecting the university's academic programs with the U. S. Army's modernization initiatives. Faculty and students will bring research skills on key technical problems the Army must solve to remain competitive, and the innovative campus environment typically allows teams to produce and test prototypes faster and at a lower cost. This working relationship will allow students to work closely with Army personnel, preparing them to become leaders in critical technologies.

The project will upgrade and improve current infrastructure, provide flexible research space for current needs and future growth, as well as advancements in technology. Collocating portions of the various robotics and fine arts programs in one facility will allow for meaningful research and teaching opportunities and increase visibility to further advance the programs' goals and prestige. The shell space is anticipated to be utilized in the future for similar programmatic activities.



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 Board of Regents approval on May 10, 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  
Anna Hiss Gymnasium Renovation**

**Project Information**

Project Number	102-1250
CIP Project Type	Repair and Rehabilitation
Facility Type	Laboratory, General
Management Type	Institutional Management
Institution's Project Advocate	Ross Johnson, Director of Academic Space Planning
Project Delivery Method	Competitive Sealed Proposals
Gross Square Feet (GSF)	55,240
Shell Space (GSF)	12,000

**Project Funding**

Available University Fund	<u>Proposed</u> \$20,000,000
Permanent University Funding Bond Proceeds <sup>1</sup>	<u>\$ 4,500,000</u>
Total Project Cost	\$24,500,000

<sup>1</sup>PUF approved May 23, 2019 for Army Futures Command Collaboration

**Project Cost Detail**

Building Cost	\$15,725,000
Fixed Equipment	1,350,000
Site Development	450,000
Furniture and Moveable Equipment	500,000
Institutionally Managed Work	1,300,000
Architectural/Design Services	1,650,000
Project Management Fees	875,000
Insurance	-
Other Professional Fees	150,000
Project Contingency	2,500,000
Other Costs	-
Total Project Cost	<u>\$24,500,000</u>

**Project Planning**

Definition Phase Completed	No
Owner's Project Requirements	Yes
Basis of Design	Yes
Schematic Design	Yes
Detailed Cost Estimate	Yes

**Project Milestones**

Definition Phase Approval	N/A
Addition to CIP	August 2019
Design Development Approval	November 2019
Construction Notice to Proceed	April 2020
Substantial Completion	March 2021

**5. U. T. Austin: Campus Infrastructure Upgrades Program - 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 Campus Infrastructure Upgrades Program project at The University of Texas at Austin as follows:

- a. amend the current CIP and approve a total project cost of \$26,000,000 with funding of \$25,000,000 from the Available University Fund and \$1,000,000 from Designated Funds; and
- b. appropriate funds.

BACKGROUND INFORMATION

Project Description

This proposed project combines multiple capital renewal projects together into a single multi-year program of work over a three-year time frame. Five academic buildings with varying infrastructure upgrades include heating, ventilating, air conditioning (HVAC), roofing, and building envelope repairs for Battle Hall; F. L. Winship Drama Building; Music Building and Recital Hall; Goldsmith Hall; and West Mall Office Building. The design and construction of each of the buildings will be staggered based on need, logistics, and coordination with other planned renovation projects.

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 Board of Regents approval on May 10, 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  
Campus Infrastructure Upgrades Program**

**Project Information**

Project Number	102-1249
CIP Project Type	Repair and Rehabilitation
Facility Type	Utilities/Infrastructure
Management Type	Institutional Management
Institution's Project Advocate	Mike Carmagnola, Director Project Management and Construction Services
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	N/A
Shell Space (GSF)	N/A

**Project Funding**

Available University Fund	<u>Proposed</u> \$25,000,000
Designated Funds	<u>\$ 1,000,000</u>
Total Project Cost	\$26,000,000

**Project Cost Detail**

Building Cost	
West Mall Office Building	\$4,000,000
Battle Hall	2,350,000
Goldsmith Hall	5,500,000
Music Building and Recital Hall	6,200,000
F. L. Winship Drama Building	3,000,000
Fixed Equipment	-
Site Development	-
Furniture and Moveable Equipment	-
Institutionally Managed Work	750,000
Architectural/Design Services	1,750,000
Project Management Fees	-
Insurance	-
Other Professional Fees	600,000
Project Contingency	1,750,000
Other Costs	<u>100,000</u>
Total Project Cost	\$26,000,000

**The University of Texas at Austin  
Campus Infrastructure Upgrades Program**  
(continued)

**Project Planning**

Definition Phase Completed	No
Owner's Project Requirements	Yes
Basis of Design	Yes
Schematic Design	Yes
Detailed Cost Estimate	Yes

**Project Milestones**

Definition Phase Approval	N/A
Addition to CIP	August 2019
Design Development Approval	September 2019
Construction Notice to Proceed	March 2020
Substantial Completion	December 2021

**6. U. T. Austin: Sarah M. and Charles E. Seay Building Addition - Approval of design development; and appropriation of funds and authorization of expenditure**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents approve the recommendations for the Sarah M. and Charles E. Seay Building Addition project at The University of Texas at Austin as follows:

- a. approve design development plans; and
- b. appropriate funds and authorize expenditure of \$20,000,000 with funding of \$18,000,000 from the Available University Fund and \$2,000,000 from Designated Funds.

BACKGROUND INFORMATION

Previous Actions

On August 23, 2018, the Chancellor approved this project for Definition Phase. On May 23, 2019, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$20,000,000 with funding of \$18,000,000 from the Available University Fund and \$2,000,000 from Designated Funds.

Project Description

The proposed project will provide centrally located and consolidated office space for the Department of Psychology's Center for Perceptual Systems (CPS) and research space for its Institute for Mental Health Research (IMHR). The direct connection of the addition to the existing building will provide much-needed departmental adjacencies and collaborative opportunities for research. The space vacated by CPS and IMHR will support additional faculty hiring in Psychology and throughout the College of Liberal Arts.

For the College of Liberal Arts, this building addition will represent a commitment to cutting-edge scientific study. The project includes offices and dry labs for research with human subjects as well as computational research in modeling, simulation, and analysis of data. Testing requires design consideration for mental health patients, families and children, specialized equipment, and careful control of lighting and acoustics. Shell space in the addition will support faculty research recruitment throughout the College of Liberal Arts.

**The University of Texas at Austin  
Sarah M. and Charles E. Seay Building Addition**

**Project Information**

Project Number	102-1219
CIP Project Type	New Construction
Facility Type	Office, General
Management Type	Institutional Management
Institution's Project Advocate	Joseph Tenbarge, Assistant Dean, Liberal Arts Instructional Technology Service, College of Liberal Arts
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	32,700
Shell Space (GSF)	2,900

**Project Funding**

	<u>Current</u>
Available University Fund	\$18,000,000
Designated Funds	<u>\$ 2,000,000</u>
Total Project Cost	<u>\$20,000,000</u>

**Project Cost Detail**

Building Cost	\$12,833,000
Fixed Equipment	200,000
Site Development	500,000
Furniture and Moveable Equipment	350,000
Institutionally Managed Work	1,000,000
Architectural/Design Services	1,500,000
Project Management Fees	580,000
Insurance	325,000
Other Professional Fees	662,000
Project Contingency	2,000,000
Other Costs	<u>50,000</u>
Total Project Cost	<u>\$20,000,000</u>

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

Sarah M. and Charles E. Seay Building Addition (with 9% Shell Space)	\$392
Sarah M. and Charles E. Seay Building Addition (Estimated Total Finish-Out)	\$416
Texas Higher Education Coordinating Board Average - Office, General	\$399
	Low Quartile      Median      High Quartile
Other U. T. System Projects	\$303      \$397      \$460
Other National Projects	\$392      \$540      \$571

**Investment Metrics**

- Provide office and research labs for tenured and tenure-track research faculty by 2021
- Support Department of Psychology's recruitment efforts by 2021

**The University of Texas at Austin**  
**Sarah M. and Charles E. Seay Building Addition**  
(continued)

**Project Planning**

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

**Project Milestones**

Definition Phase Approval	August 2018
Addition to CIP	May 2019
Design Development Approval	August 2019
Construction Notice to Proceed	November 2019
Substantial Completion	July 2021

**Basis of Design**

The planned building life expectancy includes the following elements:

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



7. **U. T. Southwestern Medical Center: Radiation Therapy Building Phase II - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs *ad interim*, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents approve the recommendations for the Radiation Therapy Building Phase II project at The University of Texas Southwestern Medical Center as follows:

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$69,154,000 with funding of \$54,154,000 from Revenue Financing System (RFS) Bond Proceeds and \$15,000,000 from Designated Funds.
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Southwestern Medical Center, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$54,154,000.

BACKGROUND INFORMATION

Debt Service

The \$54,154,000 in RFS debt will be repaid from Patient Care Revenues. Annual debt service on the \$54,154,000 in RFS debt is expected to be \$3.1 million. The institution's debt service coverage is expected to be at least 2.2 times and average 2.4 times over FY 2020-2024.

Previous Action

On April 25, 2018, the Chancellor approved this project for Definition Phase. On May 23, 2019, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$69,154,000 with funding of \$54,154,000 from RFS Bond Proceeds and \$15,000,000 from Designated Funds.

## Project Description

U. T. Southwestern Medical Center's Harold C. Simmons Comprehensive Cancer Center is one of the nation's top destinations for cancer treatment. In April 2017, Simmons Cancer Center opened the doors to a new Radiation Oncology facility on the East Campus, which serves as an outpatient clinic of the William P. Clements Jr. University Hospital. The facility houses six conventional linear accelerators and one CyberKnife robotic radiosurgery system dedicated to patient care. Future facility expansion was planned at the time of construction, but it was not expected that expansion would be needed for several years. However, volume growth between 2014 and 2018 has far exceeded expectations with a cumulative growth of 38%. Without additional space for expansion, U. T. Southwestern will be unable to meet the documented need for additional capacity during a period of dynamic growth, while also sustaining appropriate patient access and achieving maximal operational efficiency.

In addition to this dynamic growth, the existing four linear accelerators currently housed at the Moncrief Radiation Oncology Center (MROC) on the North Campus are over 16 years old and need to be replaced. A feasibility study conducted to renovate the MROC facility concluded that between the required renovation costs, new equipment costs, and the downtime of approximately one year, the potential overall cost of renovation and replacement of the four machines at MROC would be \$48 million. That investment would only support continuation of current levels of service, which are already at maximum capacity.

The proposed Radiation Therapy Building Phase II project will expand the current East Campus facility by approximately 70,000 square feet allowing for seven conventional linear accelerators for patient care. This expansion will accommodate replacement of the four aging units at MROC and will provide space for three new units, for a total of seven new accelerators by 2021. The expansion also includes three new shelled vaults to meet continued patient growth through 2026 and beyond. Consolidation of all units into one facility will also improve the quality of care and both the patient and provider experience.

**The University of Texas Southwestern Medical Center  
Radiation Therapy Building Phase II**

**Project Information**

Project Number	303-1183
CIP Project Type	New Construction
Facility Type	Healthcare Facility, Hospital
Management Type	Institutional Management
Institution's Project Advocate	Arnim Dontes, Executive Vice President, Business Affairs
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	70,814
Shell Space (GSF)	5,500

**Project Funding**

	<u>Current</u>
Revenue Financing System Bond Proceeds <sup>1</sup>	\$54,154,000
Designated Funds	<u>\$15,000,000</u>
Total Project Cost	<u>\$69,154,000</u>

<sup>1</sup> RFS Bond Proceeds to be repaid from Patient Care Revenues

**Project Cost Detail**

Building Cost	\$ 42,491,400
Fixed Equipment	15,190,800
Site Development	-
Furniture and Moveable Equipment	1,595,000
Institutionally Managed Work	-
Architectural/Design Services	2,651,900
Project Management Fees	1,000,000
Insurance	611,400
Other Professional Fees	-
Project Contingency	4,800,000
Other Costs	813,500
<b>Total Project Cost</b>	<b>\$69,154,000</b>

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

Radiation Therapy Building Phase II (with 8% Shell Space)	\$600
Radiation Therapy Building Phase II (Estimated Total Finish-Out)	\$617
	Low Quartile      Median      High Quartile
Other U. T. System Projects	\$674      \$747      \$819
Other National Projects	\$534      \$653      \$1,005

**The University of Texas Southwestern Medical Center  
Radiation Therapy Building Phase II**  
(continued)

**Investment Metrics**

- Allow for much needed capacity for future growth to meet patient demand
- Allow for consolidation of patient services at one location, achieving operational efficiency and overall savings of operational expenses

**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	April 2018
Addition to CIP	May 2019
Design Development Approval	August 2019
Construction Notice to Proceed	September 2019
Substantial Completion	June 2021

**Basis of Design**

The planned building life expectancy includes the following elements:

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



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1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meeting held on May 22-23, 2019; and the special called meeting held on July 9, 2019
  
2. Resolution - U. T. System Board of Regents: Adoption of resolution regarding the list of Key Management Personnel authorized to negotiate, execute, and administer classified government contracts (Managerial Group) to reflect the name and term of new Student Regent

To comply with the Department of Defense National Industrial Security Program Operating Manual (NISPOM) requirements, it is recommended that the Board of Regents approve the revised resolution set forth below regarding exclusion of individuals from the list of Key Management Personnel (KMP) authorized to negotiate, execute, and administer classified government contracts. The revision reflects the name and term of the new Student Regent.

A Resolution amending the Managerial Group list was last adopted by the Board of Regents on November 15, 2018.

NISPOM defines KMP as "officers, directors, partners, regents, or trustees." The Manual requires that the Senior Management Official (SMO), Facility Security Officer (FSO), and the Insider Threat Program Senior Official (ITPSO) must always be designated as part of the Managerial Group and be cleared at the level of the Facility Clearance. Other officials or KMPs, as determined by the Defense Security Service, must be granted Personal Security Clearances or be formally excluded by name from access to classified material.

### RESOLUTION

BE IT RESOLVED:

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

James B. Milliken, J.D., Chancellor, The University of Texas System  
Gregory L. Fenves, Ph.D., President, The University of Texas at Austin  
Daniel T. Jaffe, Ph.D., Vice President for Research, The University of Texas  
at Austin  
Francis J. Landry III, Facility Security Officer (FSO), The University of Texas  
System/Security Manager, Applied Research Labs, The University of Texas  
at Austin

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

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

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

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

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

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

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

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

Kevin P. Eltife, Chairman

Janiece Longoria, Vice Chairman

James C. "Rad" Weaver, Vice Chairman

David J. Beck

Christina Melton Crain

R. Steven Hicks

Jodie Lee Jiles

Nolan E. Perez, M.D.

Kelcy L. Warren

Daniel R. Dominguez, Student Regent from June 1, 2019 to May 31, 2020 (nonvoting)

3. Contract (funds coming in) - U. T. System: Joint Admission Medical Program (JAMP) Council for Texas Medical Dental Schools Application Service (TMDSAS) to perform administrative duties of the JAMP as delegated by the JAMP Council

Agency: Joint Admission Medical Program (JAMP) Council

Funds: The 86th Texas Legislature allocated \$10,206,794 to the Texas Higher Education Coordinating Board (THECB) for JAMP. The funds will be transferred from the THECB to U. T. System to be administered by the Texas Medical Dental Schools Application Service (TMDSAS) for the use of the JAMP Council, which delegated the administrative duties of the program to TMDSAS.

Period: September 1, 2019 through August 31, 2021

Description: TMDSAS to perform the administrative duties of the JAMP as delegated by the JAMP Council.

4. Terms of Employment - U. T. System: John Zerwas, M.D., as Executive Vice Chancellor for Health Affairs

The terms of employment for John Zerwas, M.D., are outlined below and recommended for approval by the U. T. System Board of Regents:

Item: Executive Vice Chancellor for Health Affairs

Funds: \$675,000 annually, to be paid monthly

Period: Beginning October 1, 2019

Description: The Executive Vice Chancellor for Health Affairs reports to the Chancellor and holds office without fixed term. U. T. System Administration will pay or reimburse the approved cost of club membership and monthly dues, professional memberships, required continuing education, and reasonable travel related to U. T. business.

5. 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 June 7, 2019.

<u>Name</u>	<u>Institution</u>
Rosemary Bill	U. T. San Antonio
Alyssa Perez	U. T. San Antonio
Madelin March	U. T. Medical Branch - Galveston
Eliseo Alvarado	U. T. Health Science Center - Houston
Michael Calvillo	U. T. Health Science Center - Houston
Devante James	U. T. Health Science Center - Houston
Bennett Nguyen	U. T. Health Science Center - Houston
Philip Nguyen	U. T. Health Science Center - Houston
Lucila Santibanez	U. T. Health Science Center - Houston
Ena Becirovic	U. T. Austin
Kyle Elliott	U. T. Austin
Bruce Holm	U. T. Austin
Rachel Jett	U. T. Austin
Ricardo Salas-Moala	U. T. Austin
Angela Tidwell	U. T. Austin

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

6. Contract (funds going out) - U. T. System: Amendment to Agreement with Baker Tilly Virchow Krause, LPP, for continued audit services

Agency: Baker Tilly Virchow Krause, LPP

Funds: \$2,500,000

Period: Commencing on May 1, 2019, and ending no later than September 14, 2022. No further renewal options are available under this contract.

Description: The Amendment to Agreement with Baker Tilly Virchow Krause, LLP, increases funds from \$750,000 to \$2,500,000 for continued audit services. The initial agreement had a total cost of services of \$750,000 with a term from September 15, 2016, through September 15, 2019. This amendment is being brought to the Board as the funds to be spent exceeds the U. T. System's delegated contract authority. This agreement was competitively bid.

7. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Fifth Amendment to Agreement with PricewaterhouseCoopers, LLC, to continue to provide professional services related to auditing information technology system controls

Agency: PricewaterhouseCoopers, LLC

Funds: The total cost of services under this agreement, including all renewals, will not exceed \$8,000,000

Period: February 2, 2020 through September 1, 2020

Description: Vendor will continue to provide professional services related to auditing information technology (IT) system controls and assisting U. T. M. D. Anderson Cancer Center's Internal Audit Department with IT systemic audit risk assessment processes to mitigate gaps. Services were competitively procured.

The initial Agreement, which was approved by the Board of Regents on February 12, 2015, had a total cost of services of \$5,000,000, with a term of February 2, 2015, through February 1, 2018, including the option of two 12-month renewals. Amendment 1 increased the Cap Amount from \$2,500,000 to \$3,600,000. Amendment 2 increased the Cap Amount from \$3,600,000 to \$5,000,000 and extended the term to February 2, 2020. Amendment 3 increased the Cap Amount from \$5,000,000 to \$6,000,000. Amendment 4 increased the Cap Amount from \$6,000,000 to \$6,250,000. As noted above, Amendment 5 extends the contract term to September 1, 2020, and increases the Cap Amount to \$8,000,000. While prior amendments did not require Board approval, this fifth amendment is being brought to the Board as the current Cap Amount exceeds the total cost of the original contract total costs of services approved by the Board by more than 25%.



## FINANCE AND PLANNING COMMITTEE

8. Contract (funds going out) - U. T. System: Approval to renegotiate or extend the existing Master Custodian Agreement with Bank of New York Mellon (BNY Mellon) for investment assets under the fiduciary care of the U. T. System Board of Regents

Agency: Bank of New York Mellon (BNY Mellon)

Funds: Estimated value of the agreement over the five-year term beginning July 1, 2019, is \$4,100,000 per year

Period: The University of Texas/Texas A&M Investment Management Company (UTIMCO) or Custodian may cancel current agreement by giving 90 days' notice

Description: The Master Investment Management Services Agreement between the U. T. System Board of Regents (U. T. System Board) and UTIMCO requires UTIMCO to select one or more custodians, each of which shall be approved by the U. T. System Board. The master custodian provides a wide range of services, including custody of investment assets, accounting, performance, analytics, and securities lending. BNY Mellon (formerly Mellon Trust of New England) has served as the master custodian for the investment assets under the fiduciary care of the U. T. System Board since September 1, 1995. The current agreement with BNY Mellon was most recently approved by the U. T. System Board on August 23, 2012. UTIMCO periodically reviews potential custodians. UTIMCO distributed a Request for Proposals (RFP) to four potential custodian candidates. The candidates were BNY Mellon, State Street Corporation, The Northern Trust Company, and JP Morgan Chase Bank, N.A. After careful consideration, a recommendation to retain BNY Mellon as the Master Custodian was made and was approved by the UTIMCO Audit and Ethics Committee on June 20, 2019, and by the UTIMCO Board of Directors on June 27, 2019.

9. Transfer - U. T. System: Approval of transfer of funds between Legislative Appropriation items during the biennium beginning September 1, 2019

The Chancellor, with the concurrence of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs *ad interim*, and the presidents of the U. T. institutions, recommends that the U. T. System Board of Regents adopt the resolution that follows to provide for the most effective utilization of General Revenue Appropriations during the biennium beginning September 1, 2019.

This requested resolution is a standard action by the U. T. System Board of Regents at the beginning of each biennium and is pursuant to provisions of the *General Appropriations Act*, Article III, Section 4, enacted by the 86th Texas Legislature.

RESOLUTION

Pursuant to the appropriate transfer provisions of the *General Appropriations Act* of the 86th Legislature, it is hereby resolved that the State Comptroller be requested to make necessary transfers within the Legislative Appropriations (and/or Informational Items of Appropriation) from the General Revenue Fund as authorized by the Chief Financial Officer of each entity as follows:

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  
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 M. D. Anderson Cancer Center  
The University of Texas Health Science Center at Tyler  
The University of Texas System Administration

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

**THE UNIVERSITY OF TEXAS SYSTEM  
SEPARATELY INVESTED ASSETS  
Managed by U. T. System  
Summary Report at May 31, 2019**

	FUND TYPE							
	Current Purpose Restricted		Endowment and Similar Funds		Annuity and Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
<b>Land and Buildings:</b>								
Ending Value 02/28/2019	\$ 1,666,061	\$ 10,993,854	\$ 96,409,658	\$ 351,816,931	\$ 253,270	\$ 389,536	\$ 98,328,989	\$ 363,200,321
Increase or Decrease	-	-	(250)	(554,079)	-	-	(250)	(554,079)
Ending Value 05/31/2019	<u>\$ 1,666,061</u>	<u>\$ 10,993,854</u>	<u>\$ 96,409,408</u>	<u>\$ 351,262,852</u>	<u>\$ 253,270</u>	<u>\$ 389,536</u>	<u>\$ 98,328,739</u>	<u>\$ 362,646,242</u>
<b>Other Real Estate:</b>								
Ending Value 02/28/2019	\$ 4	\$ 4	\$ 6	\$ 6	\$ -	\$ -	\$ 10	\$ 10
Increase or Decrease	-	-	-	-	-	-	-	-
Ending Value 05/31/2019	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 10</u>

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

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

## ACADEMIC AFFAIRS COMMITTEE

11. Contract (funds going out) - U. T. Arlington: Contemporary Services Corporation to provide crowd management, crowd control, and event staffing services

Agency: Contemporary Services Corporation

Funds: \$5,250,000 (total amount for all terms including possible extensions)

Period: September 1, 2019 through August 31, 2024; with option to extend for two additional one-year terms

Description: Crowd management, crowd control, and event staffing services for College Park Center (7,000 seat arena) events, including intercollegiate athletic games, WNBA professional basketball games, concerts, performances, speaking engagements, and commencement ceremonies. This contract was competitively procured.

12. Contract (funds going out) - U. T. Arlington: Echo360, Inc., to provide cloud-based software services and hardware for automated audiovisual recording of lectures and events

Agency: Echo360, Inc.

Funds: \$1,500,000

Period: January 1, 2019 through December 29, 2023; with no renewal

Description: Echo360, Inc., to provide U. T. Arlington with cloud-based software services and hardware to enable automated audiovisual recording of lectures and events within classrooms and similar venues and also allows for later viewing by U. T. Arlington faculty, students, and other members of the campus community via the internet or other devices. The contract was competitively procured.

13. Request for Budget Change - U. T. Arlington: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2020 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>College of Business</b>		
Accounting Narayanan Janakiraman	Assistant Professor	Associate Professor (T)
Finance and Real Estate J. Andrew Hansz	New Hire	Professor (T)
Marketing Fred Miao	New Hire	Associate Professor (T)
<b>College of Education</b>		
Educational Leadership and Policy Studies Taryn Allen	Assistant Professor	Associate Professor (T)
Bradley Davis	Assistant Professor	Associate Professor (T)
<b>College of Engineering</b>		
Electrical Engineering Catrina Coleman	New Hire	Professor (T)
Jim Coleman	New Hire	Professor (T)
Yuze Sun	Assistant Professor	Associate Professor (T)
Industrial Engineering Shouyi Wang	Assistant Professor	Associate Professor (T)
Mechanical and Aerospace Engineering Kyung Suk Yum	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
<b>College of Liberal Arts</b>		
Art and Art History August Davis	New Hire	Associate Professor (T)
History David LaFevor	Assistant Professor	Associate Professor (T)
Cristna Salinas	Assistant Professor	Associate Professor (T)
Linguistics Naoko Witzel	Assistant Professor	Associate Professor (T)
Suwon Yoon	Assistant Professor	Associate Professor (T)
<b>College of Nursing and Health Innovation</b>		
Kinesiology Michael Nelson	Assistant Professor	Associate Professor (T)
<b>College of Science</b>		
Chemistry and Biochemistry Sherri McFarland	New Hire	Professor (T)
<b>School of Social Work</b>		
Social Work Anne Nordbert	Assistant Professor	Associate Professor (T)
Katherine Sanchez	New Hire	Associate Professor (T)

14. Employment Agreement - U. T. Arlington: Approval of terms of new Employment Agreement for current Head Women's Basketball Coach Krista Gerlich

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

To: **Period:**

September 1, 2019 through August 31, 2023

**Guaranteed compensation:**

Annual Salary:

FY 2019-20: \$310,000 annually

FY 2020-21: \$335,000 annually

FY 2021-22: \$360,000 annually

FY 2022-23: \$385,000 annually

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

**Nonguaranteed compensation:**

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

Incentives:

Team performance incentives: maximum of \$63,500 annually

Team academic performance Incentives: maximum of \$14,000 annually

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

From: **Guaranteed compensation:**

Annual Salary:

FY 2018-19: \$250,000 annually

FY 2019-20: \$275,000 annually

FY 2020-21: \$300,000 annually

FY 2021-22: \$325,000 annually

Automobile: courtesy automobile from a local dealership

**Nonguaranteed compensation:**

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

Incentives:

Team performance incentives: maximum of \$11,000 annually

Team academic performance Incentives: maximum of \$17,000 annually

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

Guaranteed  
Compensation  
Percent

Change: 20.71%

Nonguaranteed  
Compensation

Change: 150%

Source of Funds: Intercollegiate Athletics



15. Contract (funds coming in) - U. T. Austin: Amendment to Graduate Medical Education (GME) Program Director Agreement by and among Ascension Seton (formerly known as Seton Family of Hospitals) and U. T. Austin, on behalf of Dell Medical School, to provide academic program director services

Agency: Ascension Seton (formerly known as Seton Family of Hospitals)

Funds: \$5,000,000

Period: September 1, 2018 through August 31, 2021

Description: Under the initial agreement, Ascension Seton (Seton) compensated Dell Medical School (DMS) for the services of two physicians to provide professional medical program director services from December 13, 2017 through August 31, 2018. The amendment adds nine additional positions, increases the contract value by \$3,627,420, taking the agreement over the institution's \$2,500,000 delegation threshold; and extends the termination date. Seton compensates DMS based on a percentage of each physicians' time at a rate determined by level of skill and practice area.

16. Contract (funds coming in) - U. T. Austin: Pediatric Neurosciences Program Support Agreement by and among Ascension Seton (formerly known as Seton Family of Hospitals), Dell Children's Medical Group, and U. T. Austin

Agency: Ascension Seton (formerly known as Seton Family of Hospitals) and Dell Children's Medical Group

Funds: U. T. Austin will be paid a maximum of approximately \$23,000,000 in the first year escalating to approximately \$29,500,000 by the final program year (with full staffing of program personnel)

Period: Initial term beginning July 1, 2019 through June 30, 2024; with automatic renewal periods of one year each, unless terminated earlier

Description: The program support agreement outlines the terms of a regional comprehensive pediatric neurosciences program to provide interdisciplinary, multidisciplinary team-based care for a wide variety of neurological conditions, which will include inpatient and outpatient care, to be created by Dell Medical School and Seton (the program). Among other terms, the program will include the following coverage and services: full-time clinical coverage necessary to support pediatric neurology, epilepsy, and neurosurgery hospital call coverage and emergency room coverage at Dell Children's Medical Center; appropriate and necessary clinical coverage at Seton-affiliated pediatric clinics; and appropriate academic coverage for pediatric psychiatric residents and fellows.

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

Agency: Texas Health and Human Services Commission (HHSC)

Funds: \$180,717,817

Period: February 1, 2018 through August 31, 2024

Description: The initial agreement, which was approved by the Board of Regents on May 1, 2018, and Amendment No. 2, which was approved by the Board of Regents on November 15, 2018, provide that U. T. Austin Dell Medical School will provide HHSC with planning and related services focused on the creation of a mental health plan that defines the vision for the replacement of Austin State Hospital (ASH), incorporating a continuum of inpatient and outpatient psychiatric services on the ASH campus to serve the existing ASH catchment area. This amendment adds construction phases II and III of the ASH project, increases the contract value by \$165,000,000, and extends the termination date, which was November 30, 2020.

18. Contract (funds going out) - U. T. Austin: Second Amendment to Agreement with War on the Rocks Media, LLC., on behalf of Clements Center for National Security, to create and publish journals and articles relating to national security issues

Agency: War on the Rocks Media, LLC.

Funds: \$4,354,996

Period: August 20, 2019 through March 1, 2022

Description: U. T. Austin's Clements Center will obtain the services of War on the Rocks Media, LLC., to create and publish journals and articles relating to national security issues. The Second Amendment and underlying agreement were procured through an Exclusive Acquisition Justification. The value of the initial agreement and First Amendment was below the institution's delegation threshold.

19. Contract (funds going out) - U. T. Austin: Approval of Memorandum of Understanding between U. T. Austin and the U. T. Austin Mexico Institute, A.C. (UTAMI); and finding of public purpose

Agency: U. T. Austin Mexico Institute, A.C. (UTAMI), a nonprofit civil association licensed to operate in Mexico

Funds: \$60,000

Period: September 1, 2019 through August 31, 2020

Description: Funds support (1) a \$10,000 one-time payment to establish an in-country bank account, (2) \$25,000 to sustain the 2019-2020 operating budget, and (3) \$25,000 to be drawn upon as needed, to provide services to U. T. Austin units until such time that U. T. Austin Mexico Institute is able to provide invoices for services.

U. T. Austin entered into an initial Memorandum of Understanding (MOU) with UTAMI in August 2018. This initial MOU did not require Board of Regents' approval because it complied with Regents' *Rules and Regulations*, Rule 60305, University-Affiliated Foundations. The amended and restated MOU requires Board approval because U. T. Austin will be providing 2019-20 bridge funding to UTAMI while operations are established, and until such time that the organization is able to accept philanthropic donations and bill for services.

Finding of Public Purpose: U. T. Austin has determined that providing bridge funding to UTAMI while operations are being established supports the public mission and serves public purposes appropriate to the functions of U. T. Austin as the resulting interdisciplinary collaboration with Mexican education and scientific organizations will foster and facilitate mutual goals in education and research. UTAMI will promote U. T. Austin programs, both within and outside Mexico, including supporting and facilitating the advancement of collaborative cross-disciplinary academic and scientific research partnerships, and will provide access to Mexican funding opportunities only available to Mexican entities. Accordingly, U. T. Austin has also determined that there is adequate consideration and benefit to the institution.

Finally, U. T. Austin is the sole institutional member of UTAMI's General Assembly, and each individual member of the General Assembly must be a U. T. Austin employee. Thus, U. T. Austin has determined that there are adequate safeguards in place to ensure the public purpose noted above will continue to be met on an ongoing basis.

20. Request for Budget Change - U. T. Austin: Transfer \$7,570,000 from Research Infusion and Holding Account for Plant Funds to Applied Research Laboratories (ARL) - ARL Construction & Equipment Reserve for funding of future capital and equipment purchases (RBC No. 10764) -- amendment to the 2018-2019 budget

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

Description	\$ Amount	RBC #
<b>Research Infusion &amp; Applied Research Laboratories</b>		
Amount of Transfer:	7,570,000	10764
From: Research Infusion - Designated Funds, Allocation for Budget Adjustment	5,550,000	
Holding Account - Plant Funds, Allocated for Budget	2,020,000	
To: ARL - ARL Construction & Equipment Reserve - Plant Funds, Allocated for Budget	7,570,000	

21. Request for Budget Change - U. T. Austin: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2020 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>Architecture</b>		
Junfeng Jiao	Assistant Professor	Associate Professor (T)
Sarah Lopez	Assistant Professor	Associate Professor (T)
Clay Odom	Assistant Professor	Associate Professor (T)
Benjamin Ibarra Sevilla	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
<b>McCombs School of Business</b>		
Accounting Jeffrey Hales	New Hire	Professor (T)
Information, Risk, and Operations Management Mingyuan Zhou	Assistant Professor	Associate Professor (T)
<b>Moody College of Communication</b>		
Communication Sciences and Disorders Maya Henry	Assistant Professor	Associate Professor (T)
Communication Studies Joshua Barbour	Assistant Professor	Associate Professor (T)
<b>College of Education</b>		
Curriculum and Instruction Flavio Azevedo Maria Franquiz	Assistant Professor New Hire	Associate Professor (T) Professor (T)
Educational Leadership and Policy Terrance Green	Assistant Professor	Associate Professor (T)
Kinesiology and Health Education Brian Mills	New Hire	Associate Professor (T)
<b>Cockrell School of Engineering</b>		
Aerospace Engineering and Engineering Mechanics Efsthios Bakolas Tan Bui	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
Civil, Architecture and Environmental Engineering Manish Kumar	New Hire	Associate Professor (T)
Electrical and Computer Engineering Jose Millan Ruiz Mohit Tiwari	New Hire Assistant Professor	Professor (T) Associate Professor (T)

College, Department, and Name	From	To
Mechanical Engineering		
Vaibhav Bahadur	Assistant Professor	Associate Professor (T)
Kevin Clarno	New Hire	Associate Professor (T)
David Mitlin	New Hire	Professor (T)
Venkat Subramanian	New Hire	Professor (T)
Jamie Warner	New Hire	Professor (T)
Yuebing Zheng	Assistant Professor	Associate Professor (T)
Petroleum and Geosystems Engineering		
Hugh Daigle	Assistant Professor	Associate Professor (T)
David Espinoza	Assistant Professor	Associate Professor (T)
<b>College of Fine Arts</b>		
Butler School of Music		
Stephen Page	Assistant Professor	Associate Professor (T)
Theatre and Dance		
Kathryn Dawson	Assistant Professor	Associate Professor (T)
Karen Sanchez	Associate Professor	Associate Professor (T)
<b>School of Information</b>		
Information		
Ying Ding	New Hire	Professor (T)
Anthony (Tony) Grubestic	New Hire	Professor (T)
Jacek Gwizdka	Assistant Professor	Associate Professor (T)
Soo Young Rieh	New Hire	Professor (T)
<b>School of Law</b>		
Elizabeth Sepper	New Hire	Professor (T)
<b>College of Liberal Arts</b>		
African and African Diaspora Studies		
Xavier Livermon	Assistant Professor	Associate Professor (T)
Anthropology		
Jason Cons	Assistant Professor	Associate Professor (T)
Economics		
Carolina Thomas	Assistant Professor	Associate Professor (T)
English		
Chad Bennett	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
Geography and the Environment Carlos Ramos	Assistant Professor	Associate Professor (T)
History		
Lina Del Castillo	Assistant Professor	Associate Professor (T)
Adam Clulow	New Hire	Associate Professor (T)
Megan Raby	Assistant Professor	Associate Professor (T)
Mark Ravina	New Hire	Professor (T)
Middle Eastern Studies		
Jonathan Kaplan	Assistant Professor	Associate Professor (T)
Philosophy		
Julia Driver	New Hire	Professor (T)
Roy Sorensen	New Hire	Professor (T)
Psychology		
Jessica Church-Lang	Assistant Professor	Associate Professor (T)
Rhetoric and Writing		
Casey Boyle	Assistant Professor	Associate Professor (T)
Sociology		
Daniel Fridman	Assistant Professor	Associate Professor (T)
<b>College of Natural Sciences</b>		
Astronomy		
Michael Boylan-Kolchin	Assistant Professor	Associate Professor (T)
Adam Kraus	Assistant Professor	Associate Professor (T)
Chemistry		
Michael Rose	Assistant Professor	Associate Professor (T)
Mathematics		
Maria Gualdani	New Hire	Associate Professor (T)
Molecular Biosciences		
Bryan Davies	Assistant Professor	Associate Professor (T)
Ilya Finkelstein	Assistant Professor	Associate Professor (T)
Hong Qiao	Assistant Professor	Associate Professor (T)
Keiko Torii	New Hire	Professor (T)
Blerta Xhemalce	Assistant Professor	Associate Professor (T)
Physics		
Feliciano Giustino	New Hire	Professor (T)



College, Department, and Name	From	To
Statistics and Data Science Catherine Calder	New Hire	Professor (T)
<b>School of Nursing</b>		
Nursing Shelli Kesler Kavita Radhakrishnan	New Hire Assistant Professor	Associate Professor (T) Associate Professor (T)
<b>College of Pharmacy</b>		
Somshuvra Mukhopadhyay	Assistant Professor	Associate Professor (T)
<b>Lyndon B. Johnson School of Public Affairs</b>		
Martin Luby	Assistant Professor	Associate Professor (T)
<b>School of Social Work</b>		
Social Work Kari White	New Hire	Associate Professor (T)

22. Employment Agreement - U. T. Austin: Approval of terms of Employment Agreement for new Head Men's Tennis Coach Bruce Berque

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

Proposed: **Guaranteed compensation:**

Annual Salary:

- FY 2019-2020: \$ 56,695
- FY 2020-2021: \$215,000
- FY 2021-2022: \$215,000
- FY 2022-2023: \$215,000
- FY 2023-2024: \$215,000

Automobile: One Dealer Car

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

**Nonguaranteed compensation:**

Sports Camps: Determined by the Vice President and Athletics Director

Incentives:

- Team performance incentives: 30%
- Team academic performance Incentives: \$0
- National Coach of the Year: 5%
- Conference Coach of the Year: 2%
- Top 5 ranking in the final poll: N/A
- Top 10 ranking in the final poll: N/A

Description: Employment Agreement for Head Men's Tennis Coach Bruce Berque. Approved pursuant to Regents' *Rules and Regulations*, Rule 10501, Section 2.2.12(a).

Source of Funds: Intercollegiate Athletics

Period: May 27, 2019 through August 31, 2024

23. Employment Agreement - U. T. Austin: Approval of terms of new Employment Agreement for current Head Women's Tennis Coach Howard Joffe

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

To:

**Period:**

September 1, 2019 through August 31, 2024

**Guaranteed compensation:**

Annual Salary: \$215,285

Automobile: One Dealer Car

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

**Nonguaranteed compensation:**

Sports Camps: Determined by the Vice President and Athletics Director

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

**Note:**

In proposing the new Agreement for Head Women's Tennis Coach Howard Joffe, U. T. Austin has substantially changed the approach to compensation without a significant increase in total compensation. For comparison purposes, the approximate increase in guaranteed compensation from FY 2019 to FY 2020 is 1.85% with changes throughout the agreements to the classification of other employment terms as guaranteed.

From: **Guaranteed compensation:**

Annual Salary: \$209,285

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

Product Endorsement: \$2,000 annually

Social club memberships: The University of Texas Club, The University of Texas Golf Club, and The University of Texas Tennis Club

**Nonguaranteed compensation:**

Sports Camps: Determined by the Vice President and Athletics Director

Performance Incentives:

Team wins Big 12 Conference Tournament

Championship: \$10,000

Team wins the NCAA National Championship: \$20,000

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

National Coach of the Year: \$5,000

Source of Funds: Intercollegiate Athletics

24. Employment Agreement - U. T. Austin: Approval of terms of new Employment Agreement for current Head Women's Swimming and Diving Coach Carol Capitani

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

To:

**Period:**

September 1, 2019 through August 31, 2024

**Guaranteed compensation:**

Annual Salary: \$213,090

Automobile: One Dealer Car

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

**Nonguaranteed compensation:**

Sports Camps: Determined by the Vice President and Athletics Director

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

**Note:**

In proposing the new Agreement for Head Women's Swimming and Diving Coach Carol Capitani, U. T. Austin has substantially changed the approach to compensation without a significant increase in total compensation. For comparison purposes, the approximate increase in guaranteed compensation from FY 2019 to FY 2020 is 2.89% with changes throughout the agreements to the classification of other employment terms as guaranteed.

From: **Guaranteed compensation:**

Annual Salary: \$197,590

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

Product Endorsement: \$2,000 annually

**Nonguaranteed compensation:**

Sports Camps: Determined by the Vice President and Athletics Director

Incentives:

Team wins Big 12 Conference Championship: maximum of \$10,000 annually

Team wins the NCAA National Championship Team: \$25,000

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

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

National Coach of the Year: \$5,000

Source of Funds: Intercollegiate Athletics

25. Employment Agreement - U. T. Austin: Approval of terms of new Employment Agreement for current Head Women's Golf Coach Ryan Murphy

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

To:

**Period:**

September 1, 2019 through August 31, 2024

**Guaranteed compensation:**

Annual Salary: \$205,000

Automobile: One Dealer Car

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

**Nonguaranteed compensation:**

Sports Camps: Determined by the Vice President and Athletics Director

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

**Note:**

In proposing the new Agreement for Head Women's Golf Coach Ryan Murphy, U. T. Austin has substantially changed the approach to compensation without a significant increase in total compensation. For comparison purposes, the approximate increase in guaranteed compensation from FY 2019 to FY 2020 is 20.58% with changes throughout the agreements to the classification of other employment terms as guaranteed.

From: **Guaranteed compensation:**

Annual Salary: \$160,500

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

Social club memberships: The University of Texas Club, UT Golf Club, Barton Creek Country Club, and The Hills of Lakeway

Product Endorsement: \$2,000, annually

**Nonguaranteed compensation:**

Performance Incentives:

Team wins Big 12 Conference Tournament

Championship: \$10,000

Team wins the NCAA National Championship: \$20,000

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

National Coach of the Year: \$5,000

Source of Funds: Intercollegiate Athletics



26. Employment Agreement - U. T. Austin: Approval of terms of new Employment Agreement for current Head Women's Rowing Coach David O'Neill

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

To: **Period:**

September 1, 2019 through August 31, 2024

**Guaranteed compensation:**

Annual Salary:

FY 2019-2020: \$215,370

FY 2020-2021: \$225,370

FY 2021-2022: \$235,370

FY 2022-2023: \$235,370

FY 2023-2024: \$235,370

Automobile: One Dealer Car

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

**Nonguaranteed compensation:**

Sports Camps: Determined by the Vice President and Athletics Director

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

**Note:**

In proposing the new Agreement for Head Women's Rowing Coach David O'Neill, U. T. Austin has substantially changed the approach to compensation without a significant increase in total compensation. For comparison purposes, the approximate increase in guaranteed compensation from FY 2019 to FY 2020 is 4.8% with changes throughout the agreements to the classification of other employment terms as guaranteed.

From: **Guaranteed compensation:**

Annual Salary: \$205,370

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

Social club memberships: The University of Texas Club

Product Endorsement: N/A

**Nonguaranteed compensation:**

Sports Camps: Determined by the Vice President and Athletics Director

Performance Incentives:

Team wins Big 12 Conference Tournament

Championship: maximum of \$10,000 annually

Team wins the NCAA National Championship Team

Finish: \$25,000

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

National Coach of the Year: \$5,000

Source of Funds: Intercollegiate Athletics

27. Contract (funds going out) - U. T. Dallas: Pavement Services Corporation to provide parking lot repairs and upkeep as needed

Agency: Pavement Services Corporation

Funds: This is a multiple award to two vendors, Pavement Services and Anderson Asphalt & Concrete Paving, for services to be provided on an as-needed basis. The annual expense for parking lot repairs is estimated to be less than \$1,000,000, with a maximum expectation of \$3,000,000 over the three-year period, split among the two contractors.

Period: May 15, 2019 through May 14, 2020, with option to renew agreement for two additional one-year periods

Description: Pavement Services Corporation to provide parking lot repair and upkeep services as needed by the University. These services will include parking lot rehabilitation, asphalt repair, crack fill/seal, sealcoat and cleaning of work areas. This recommended award is the result of a competitive solicitation.

28. Contract (funds going out) - U. T. Dallas: Anderson Asphalt & Concrete Paving, LLC, to provide parking lot repairs and upkeep as needed

Agency: Anderson Asphalt & Concrete Paving, LLC

Funds: This is a multiple award to two vendors, Anderson Asphalt & Concrete Paving and Pavement Services Corporation, for services to be provided on an as-needed basis. The annual expense for parking lot repairs is estimated to be less than \$1,000,000, with a maximum expectation of \$3,000,000 over the three-year period, split among the two contractors.

Period: May 15, 2019 through May 14, 2020, with option to renew agreement for two additional one-year periods

Description: Anderson Asphalt & Concrete Paving, LLC, to provide parking lot repair and upkeep services as needed by the University. These services will include parking lot rehabilitation, asphalt repair, crack fill/seal, sealcoat and cleaning of work areas. This recommended award is the result of a competitive solicitation.

29. Request for Budget Change - U. T. Dallas: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2020 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>School of Behavioral and Brain Sciences</b>		
Dean's Office Steven Small	New Hire	Professor (T)
Cognition and Neuroscience Ana Solodkin	New Hire	Professor (T)
Gagandeep Wig	Assistant Professor	Associate Professor (T)
<b>School of Economic, Political and Policy Science</b>		
Economics Rodney Andrews	Assistant Professor	Associate Professor (T)
Public Affairs James Harrington	Assistant Professor	Associate Professor (T)
Public Policy and Political Economy Jonas Bunte	Assistant Professor	Associate Professor (T)
<b>Erik Jonsson School of Engineering and Computer Science</b>		
Dean's Office Stephanie Adams	New Hire	Professor (T)
Bioengineering Robert Gregg	Assistant Professor	Associate Professor (T)
Kenneth Hoyt	Associate Professor	Associate Professor (T)
Danieli Rodrigues	Assistant Professor	Associate Professor (T)
Computer Science Feng Chen	New Hire	Associate Professor (T)
Cong Liu	Assistant Professor	Associate Professor (T)

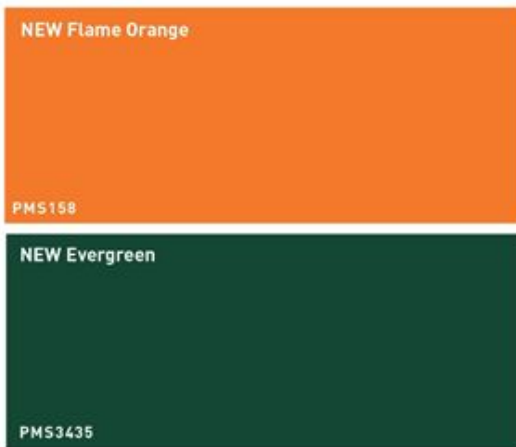
College, Department, and Name	From	To
<b>Naveen Jindal School of Management</b>		
Finance		
Michael Hasler	New Hire	Associate Professor (T)
Information Systems		
Mehmet Ayvaci	Assistant Professor	Associate Professor (T)
<b>School of Natural Sciences and Mathematics</b>		
Biological Sciences		
Heng Du	Assistant Professor	Associate Professor (T)
Duane Winkler	Assistant Professor	Associate Professor (T)
Chemistry and Biochemistry		
Jeremiah Gassensmith	Assistant Professor	Associate Professor (T)
Vladimir Gevorgyan	New Hire	Professor (T)
Mathematical Science		
Oleg Makarenkov	Assistant Professor	Associate Professor (T)
Physics		
Michael Kesden	Assistant Professor	Associate Professor (T)

30. Official School Colors - U. T. Dallas: Proposed School Colors

The following proposed new school colors have been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor for External Relations, Communications, and Advancement Services and are submitted for approval by the U. T. System Board of Regents in accordance with Regents' *Rules and Regulations*, Rule 40801.

The proposed Pantone Marking System colors are PMS 158 [flame orange] and PMS 3435 [evergreen] as set forth below. After review and testing, it was determined these new colors work well together and are seen as a stronger representation of the institution as it is today. The new primary colors will be changed in all instances currently used in branding and logos, with exception of legacy marks.

**PROPOSED COLORS**



**CURRENT COLORS**



31. Contract (funds coming in) - U. T. El Paso: Dahill Office Technology Corporation to provide mail room and printing services

Agency: Dahill Office Technology Corporation

Funds: \$973,220 for the initial five-year term and \$134,745 for each of the three one-year renewal options

Period: July 1, 2019 through July 2, 2026; with three one-year renewal options to extend

Description: Dahill Office Technology Corporation will provide operation of the print shop and mail room on the University campus. This contract was competitively procured.

32. Request for Budget Change - U. T. El Paso: New Hire with Tenure -- amendment to the 2018-2019 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>College of Health Sciences</b> Department of Public Health Associate Professor Julia Lechuga (T)	6/1-8/31	100	09	94,000	10769

33. Request for Budget Change - U. T. El Paso: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2020 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>College of Education</b>		
Educational Psychology and Special Services Paul A. Carrola	Assistant Professor	Associate Professor (T)
Teacher Education So Jung Kim	Assistant Professor	Associate Professor (T)
<b>College of Engineering</b>		
Computer Science Mahmud Shahriar Hossain	Assistant Professor	Associate Professor (T)
Salamah Salamah	Associate Professor	Associate Professor (T)
<b>College of Liberal Arts</b>		
Criminal Justice Egbert Zavala	Assistant Professor	Associate Professor (T)
English Lauren Rosenberg	New Hire	Associate Professor (T)
History Ignacio Martinez	Assistant Professor	Associate Professor (T)
Language and Linguistics Sara Potter	Assistant Professor	Associate Professor (T)
Music Andrea Shaheen Espinosa	Assistant Professor	Associate Professor (T)
Political Science Todd Curry	Assistant Professor	Associate Professor (T)
Psychology Sergio Iniguez	Associate Professor	Associate Professor (T)
Sociology and Anthropology Aurelia Lorena Murga	Assistant Professor	Associate Professor (T)



College, Department, and Name	From	To
<b>College of Science</b>		
Biological Sciences Charlotte Vines	Assistant Professor	Associate Professor (T)
Chemistry and Biochemistry Adrian Skye Fortier	Assistant Professor	Associate Professor (T)
Geological Sciences Antonio Arribas	New Hire	Professor (T)
Physics Mark R. Pederson	New Hire	Chair and Professor (T)

34. Request for Budget Change - U. T. El Paso: Transfer \$3,021,413 from SEUP Road Shows and Special Events Revenue to SEUP Road Shows and Special Events Maintenance and Operation to adjust budget related to increased event activity (RBC No. 10752) -- amendment to the 2018-2019 budget

35. Employment Agreement - U. T. El Paso: Approval of terms of Transition Agreement with Diana Natalicio, Ph.D.

The following agreement has been approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents.

Item: Transition Agreement

Funds: \$426,775 annually

Period: August 15, 2019 through January 1, 2020

Description: As President Emerita, Dr. Natalicio will report to President Wilson. She will complete work on files of historical significance concerning her term as President. The agreement is on the following pages.



THE UNIVERSITY of TEXAS SYSTEM  
FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

Office of Academic Affairs  
210 West 7<sup>th</sup> St.  
Austin, Texas 78701-2982  
512-499-4233  
[WWW.UTSYSTEM.EDU](http://WWW.UTSYSTEM.EDU)

July 26, 2019

Dr. Diana Natalicio, President  
The University of Texas at El Paso  
500 W. University Avenue  
El Paso, TX 79968

Dear Diana,

Congratulations again on your remarkable career in higher education. You have inspired many and have made a tremendous impact in Texas and beyond, and it has been an honor to work with you over the years.

In light of recent conversations you've had with both me and President-designate Wilson, I wanted to memorialize our understanding of your transition plans.

Your last day as President of the University of Texas at El Paso (UTEP) will be August 14, 2019. Chancellor Milliken will recommend to the Board at the August meeting that you be designated President Emerita, to take effect immediately upon Board approval.

I understand that you have moved from the Hoover House into your condominium. As we have previously agreed, your moving expenses will be covered by the University.

I understand that you would like to extend your employment with UTEP through January 1, 2020 in order to complete work on files of historical significance concerning your term as President, and to accept some speaking engagements, participate in academic meetings and board work in your personal, faculty or President Emerita capacity.

You do not plan to take academic leave or assume a position on the faculty. However, to support you as you complete your transition to retirement, UTEP would be willing to support an extension of your employment from August 15, 2019 through January 1, 2020. During this period, you may use the title President Emerita and your salary will be tied to an annual salary of \$426,775.

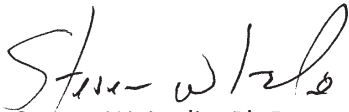
The University will make available, for your use, a furnished faculty office, computer access and technical support through January 1, 2020. The University will make arrangements for you to have part time or shared administrative support during this period. President-designate Wilson has agreed to make available up to \$10,000 in travel expenses for your professional commitments through January 1, 2020.

Page 2

July 26, 2019


I hope these arrangements will be helpful as you complete your transition to retirement. It has been a pleasure to serve with you and I will always treasure our friendship.

Sincerely,

  
Steven W. Leslie, Ph.D.

Cc: James B. Milliken, Chancellor  
Heather Wilson, Ph.D., President-designate

Accepted by:

  
\_\_\_\_\_  
Diana Natalicio, Ph.D.

Date:

August 5, 2019

36. Sale - U. T. El Paso: Authorization to sell the surface estate only of approximately 2.733 acres of improved land with commercial buildings located at 5304, 5308 and 5310 El Paso Drive, El Paso, El Paso County, Texas, to a-be-determined buyer

Description: U. T. El Paso has solicited proposals for the sale of approximately 2.733 acres of improved land located at 5304, 5308 and 5310 El Paso Drive, El Paso, El Paso County, Texas; and authorization is requested for the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to sell the property. The 2.733-acre tract is located well outside of U. T. El Paso's Proposed Plan for campus acquisition. The property is improved with four older commercial structures, including two buildings, a metal ancillary structure, and a concrete block ancillary building. All of the structures are currently vacant and have experienced a series of reoccurring maintenance issues that make the property cost prohibitive to continue to maintain. This property was a gift that benefits U. T. El Paso.

Purchase Price: The property is being offered through request for proposals. The institution has obtained an appraisal performed by Gayle-Reid Appraisal Services Inc.; appraisal confidential pursuant to *Texas Education Code* Section 51.951

37. Contract (funds going out) - U. T. Permian Basin: First Amendment to Master Services Agreement, with Ruffalo Noel Levitz, to provide consultant services to assist in enhancing enrollment management operations

Agency: Ruffalo Noel Levitz

Funds: Not to exceed \$2,400,000

Period: April 1, 2019 through March 31, 2023

Description: Ruffalo Noel Levitz to continue providing consultant services to assist in enhancing enrollment management operations including application marketing, modeling analytics, reporting, financial aid solutions, research, strategic enrollment projection, demand analysis, and student satisfaction. The initial agreement was for a term beginning December 20, 2017, and did not include a cap amount or termination date. This amendment establishes the term end date as March 31, 2023, and also establishes a cap of \$2,400,000.

38. Request for Budget Change - U. T. Permian Basin: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2020 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>College of Arts and Sciences</b>		
Department of Literature and Languages		
Perla Abrego	Assistant Professor	Associate Professor (T)
Marlon Fick	New Hire	Associate Professor (T)
Department of Mathematics and Computer Science		
Quan Yuan	Assistant Professor	Associate Professor (T)
Department of Physical Sciences		
Scott McKay	New Hire	Dean and Professor (T)
<b>College of Education</b>		
Department of Counseling		
Maria Avalos	Assistant Professor	Associate Professor (T)
Department of Educational Leadership		
Larry Daniel	New Hire	Dean and Professor (T)
Department of Special Education		
Kara Rosenblatt	Assistant Professor	Associate Professor (T)
<b>College of Nursing</b>		
Department of Nursing		
Donna Beuk	New Hire	Dean and Professor (T)

39. Request for Budget Change - U. T. Rio Grande Valley: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2020 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>Robert C. Vacker College of Business and Entrepreneurship</b>		
Accountancy		
Arno Forst	Assistant Professor	Associate Professor (T)
Monika Rabarison	Assistant Professor	Associate Professor (T)
Economics and Finance		
Lance Nail	New Hire	Dean and Professor (T)
Management		
Lakshman Chandrashekhar	Assistant Professor	Associate Professor (T)
Marketing		
Reto Felix	Assistant Professor	Associate Professor (T)
<b>College of Education and P-16 Integration</b>		
Organization and School Leadership		
Alejandro Garcia	Assistant Professor	Associate Professor (T)
Federico Guerra	Assistant Professor	Associate Professor (T)
Teaching and Learning		
Angela Chapman	Assistant Professor	Associate Professor (T)
Karin Lewis	Assistant Professor	Associate Professor (T)
<b>College of Engineering and Computer Science</b>		
Civil Engineering		
Ahmed Ibrahim	New Hire	Associate Professor (T)
Emad Kassem	New Hire	Associate Professor (T)
Thuy Vu	Assistant Professor	Associate Professor (T)
Manufacturing and Industrial Engineering		
Sheng-Jen Hsieh	New Hire	Professor (T)
Hiram Moya	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
Mechanical Engineering Mataz Alcoutlabi	Assistant Professor	Associate Professor (T)
<b>College of Health Professions</b>		
Communication Sciences and Disorders Srikanta Mishra	New Hire	Professor (T)
Health and Biomedical Science Chun Xu	Assistant Professor	Associate Professor (T)
Health and Human Performance Zasha Romero	Assistant Professor	Associate Professor (T)
<b>College of Fine Arts</b>		
School of Art Elizabeth Berger	New Hire	Associate Professor (T)
<b>College of Liberal Arts</b>		
Communication Young Joon Lim	Assistant Professor	Associate Professor (T)
Criminal Justice Marika Dawkins	Assistant Professor	Associate Professor (T)
Rachel Rayburn	New Hire	Associate Professor (T)
History George Diaz	Assistant Professor	Associate Professor (T)
Jamie Starling	Assistant Professor	Associate Professor (T)
Interdisciplinary Programs and Community Engagement Christopher Carmona	Assistant Professor	Associate Professor (T)
Philosophy Mary Alessandri	Assistant Professor	Associate Professor (T)
Ian Werkheiser	Assistant Professor	Associate Professor (T)
Sociology Steven Foy	Assistant Professor	Associate Professor (T)
Dean Kyne	Assistant Professor	Associate Professor (T)
Salvatore Restifo	Assistant Professor	Associate Professor (T)
Writing and Language Studies Alyssa Cavazos	Assistant Professor	Associate Professor (T)
Randall Monty	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
<b>College of Sciences</b>		
Biology		
Megan Keniry	Assistant Professor	Associate Professor (T)
Alexis Racelis	Assistant Professor	Associate Professor (T)
Chemistry		
Tulay Atesin	Assistant Professor	Associate Professor (T)
Mathematical and Statistical Sciences		
Sergey Grigorian	Assistant Professor	Associate Professor (T)
Erwin Suazo	Assistant Professor	Associate Professor (T)
Aaron Wilson	Assistant Professor	Associate Professor (T)
Physics		
Efrain Ferrer	New Hire	Professor (T)
<b>School of Medicine</b>		
Immunology and Microbiology		
Subhash Chauhan	New Hire	Professor (T)
Meena Jaggi	New Hire	Professor (T)
Murali Yallapu	New Hire	Associate Professor (T)
Neurology		
Michael Dobbs	New Hire	Professor (T)
Psychiatry		
Michael Escamilla	New Hire	Professor (T)
Neuroscience		
Gladys Maestre	Professor	Professor (T)
<b>School of Nursing</b>		
Nursing		
Linda Eanes	Assistant Professor	Associate Professor (T)



40. Contract (funds going out) - U. T. San Antonio: Himjar, LLC, dba VIP Staffing, to provide temporary employee staffing services

Agency: Himjar, LLC, dba VIP Staffing

Funds: Up to \$1,500,000

Period: The initial 12-month term begins September 1, 2019. Thereafter, U. T. San Antonio may elect to exercise as many as three additional 12-month terms.

Description: Himjar, LLC, dba VIP Staffing, to provide temporary staffing of up to seven different positions in the U. T. San Antonio department of facilities. The contract resulted from a competitive Request for Proposal.

41. Contract (funds going out) - U. T. San Antonio: WTP America, LLC, dba WT Partnership, to provide various real estate and facility capital development consulting and business services on an as-requested, service order basis

Agency: WTP America, LLC, dba WT Partnership

Funds: Possible fees of up to \$3,000,000 for the entire contract term, including all renewal terms. Total fees may increase or decrease depending on the volume of services required and the number and value of service orders issued under the contract. Each service order issued under the contract will be independently evaluated and executed.

Period: Initial 12-month term beginning June 6, 2019, with three additional 12-month renewal options, with each renewal option being at U. T. San Antonio's discretion.

Description: The contract secures various real estate and facility capital development consulting and business services related to U. T. San Antonio's capital development and construction projects, ground lease development projects, public-private collaborations, and other associated real estate and capital development initiatives, all on as-requested, service order basis. The contract resulted from a competitive Request for Proposal.

42. Foreign Contract - U. T. San Antonio: National Museum of Prehistory, Taiwan, Loan Agreement to provide exhibit for the International Touring Exhibition of "Fertility, Blessings, and Protection: Cultures of Baby Carriers"

Agency: National Museum of Prehistory, Taiwan

Funds: No funds will be exchanged under the agreement.

Period: September 13, 2019 through July 13, 2020

Description: The Loan Agreement covers all aspects regarding the loan of the International Touring Exhibition ("Exhibition") entitled "Fertility, Blessings and Protection: Cultures of Baby Carriers".

43. Request for Budget Change - U. T. San Antonio: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2020 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>College of Architecture, Construction and Planning</b>		
Department of Urban and Regional Planning		
Ryan James	New Hire	Associate Professor (T)
<b>College of Business</b>		
Department of Accounting		
Harrison Liu	Assistant Professor	Associate Professor (T)
Department of Management		
Dina Krasikova	Assistant Professor	Associate Professor (T)
Department of Management Science and Statistics		
Min Wang	New Hire	Associate Professor (T)
Department of Marketing		
Deepa Chandrasekaran	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
<b>College of Education and Human Development</b>		
Department of Bicultural-Bilingual Studies Kristen Lindahl	Assistant Professor	Associate Professor (T)
Department of Counseling Derek Robertson	Assistant Professor	Associate Professor (T)
Department of Educational Leadership and Policy Studies Nathern Okilwa	Assistant Professor	Associate Professor (T)
Department of Educational Psychology Victor Villarreal	Assistant Professor	Associate Professor (T)
Department of Interdisciplinary Learning and Teaching Crystal Kalinec-Craig Ann Marie Ryan	Assistant Professor New Hire	Associate Professor (T) Professor (T)
Department of Kinesiology, Health and Nutrition William Land	Assistant Professor	Associate Professor (T)
<b>College of Engineering</b>		
Department of Civil and Environmental Engineering Wassim Ghannoum Marcio Giacomoni	Associate Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
Department of Electrical and Computer Engineering Nikolaos Gatsis Dhireesha Kudithipudi	Assistant Professor New Hire	Associate Professor (T) Professor (T)
Department of Mechanical Engineering Bing Dong	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
<b>College of Liberal and Fine Arts</b>		
Department of Art and Art History		
Mark McCoin	Assistant Professor	Associate Professor (T)
Department of Communication		
James McDonald	Assistant Professor	Associate Professor (T)
Department of History		
Andrew Konove	Assistant Professor	Associate Professor (T)
Department of Modern Languages and Literatures		
Whitney Chappell	Assistant Professor	Associate Professor (T)
Melissa Wallace	Assistant Professor	Associate Professor (T)
Department of Music		
Ronald Ellis	Assistant Professor	Associate Professor (T)
John Zarco	Assistant Professor	Associate Professor (T)
Department of Philosophy and Classics		
Abraham Graber	Assistant Professor	Associate Professor (T)
Department of Political Science and Geography		
Matthew Brogdon	Assistant Professor	Associate Professor (T)
Bryan Gervais	Assistant Professor	Associate Professor (T)
Jon Taylor	New Hire	Professor (T)
<b>College of Public Policy</b>		
Department of Social Work		
Candace Christensen	Assistant Professor	Associate Professor (T)
Heidi Rueda	Assistant Professor	Associate Professor (T)
<b>College of Sciences</b>		
Department of Biology		
Alfonso Apicella	Assistant Professor	Associate Professor (T)
Melanie Carless	New Hire	Associate Professor (T)
Guoquan Zhang	New Hire	Professor (T)
Department of Chemistry		
Stanton McHardy	New Hire	Associate Professor (T)

College, Department, and Name	From	To
Department of Computer Science		
Sushil Prasad	New Hire	Professor (T)
Xiaoyin Wang	Assistant Professor	Associate Professor (T)
Department of Geological Sciences		
Saugata Datta	New Hire	Professor (T)
Alexis Godet	Assistant Professor	Associate Professor (T)
Alan Whittington	New Hire	Professor (T)
Department of Mathematics		
Juan Gutierrez	New Hire	Professor (T)
Mihai Popa	Assistant Professor	Associate Professor (T)
Department of Physics and Astronomy		
Angela Speck	New Hire	Professor (T)

44. Employment Agreement - U. T. San Antonio: Approval of terms of new Employment Agreement for current Head Men's Basketball Coach Steve Henson

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

To:

**Period:**

May 1, 2019 through March 31, 2024

**Guaranteed compensation:**

Annual Salary: \$400,000

Automobile: At the discretion of the Athletics Director, Coach may be assigned a dealer car of \$500 monthly car allowance.

Media: \$150,000 annually

Tickets: Eight season tickets to UTSA home games for all sports (\$2,160)

**Nonguaranteed compensation:**

Sports Camps and Clinics: A portion of net proceeds as approved by the Athletics Director (TBD)

Country Club Membership: \$7,500

Incentives:

Team performance incentives: maximum of \$155,000 annually

Team academic performance Incentives: maximum of \$5,000 annually

National Coach of the Year: \$20,000 annually

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

MBB season home average paid attendance greater than 1,000 people/game: \$12,000 annually

MBB season home average student attendance greater than 500 students/game: \$5,000 annually

From: **Guaranteed compensation:**

Annual Salary: \$325,000

Automobile: At the discretion of the athletic director, Coach may be assigned a dealer car or \$500 monthly allowance.

Media: \$50,000

Tickets: Eight season tickets to UTSA home games for all sports (\$2,160)

**Nonguaranteed compensation:**

Media: \$50,000 annually

Country Club Membership: \$7,500

Sports Camps and Clinics: 100% of net proceeds (TBD)

Performance Incentives: (maximum incentive compensation of \$107,500 per contract year for athletic performance)

(a) Conference USA Coach of the Year: \$5,000

(b) National Coach of the Year \$10,000

(c) Team Academic Progress Rate (APR) exceeds 960: \$2,500

(d) The average paid home Men's Basketball attendance for the season is greater than 1,000 per game: \$12,000

(e) The average home Men's Basketball student attendance for the season is greater than 500 students per game: \$5,000

Guaranteed  
Compensation  
Percent Change: 47%

Nonguaranteed  
Compensation  
Change: 5% (potential)

Source of Funds: Intercollegiate Athletics

45. Contract (funds coming in) - U. T. Tyler: Amendment to Agreement for Moran Munchies, Inc., to provide beverage and snack vending machine operations for the Tyler and Palestine campuses

Agency: Moran Munchies, Inc.

Funds: Revenues based on a 23% commission on gross sales for snacks and a 20% commission on gross sales for beverages. Total return to U. T. Tyler over the renewal term (based on projected commission income) is estimated at \$32,000.

Period: Renewal Term to be effective September 1, 2019 through August 31, 2021. The Initial Term was effective February 22, 2016 through August 31, 2019, and provided for one additional renewal not to exceed two years on mutual written agreement of the parties.

Description: Moran Munchies, Inc., will continue to provide beverage and snack vending machine operations for the Tyler and Palestine campuses. U. T. Tyler entered into a Vending Machine Agreement with Compass Group USA, Inc., by and through its Canteen Vending Services Division, dated effective February 22, 2016, and approved by the Board on February 11, 2016. All rights and obligations under that Vending Machine Agreement were subsequently assigned to Moran Munchies, Inc., and Wilmore Snack Sales, Inc., effective August 18, 2017. U. T. Tyler has ensured that students were provided with an opportunity to participate in accordance with *Texas Education Code* Section 51.945 and U. T. Systemwide Policy UTS 130 prior to award of the initial agreement, the assignment of that agreement, and on an ongoing basis.



46. Contract (funds coming in) - U. T. Tyler: Amendment to Agreement for Wilmore Snack Sales, Inc., to provide beverage and snack vending machine operations for the Longview campus

Agency: Wilmore Snack Sales, Inc.

Funds: Revenues based on a 23% commission on gross sales for snacks and a 20% commission on gross sales for beverages. Total return to U. T. Tyler over the renewal term (based on projected commission income) is estimated at \$3,600.

Period: Renewal Term to be effective September 1, 2019 through August 31, 2021. The Initial Term was effective February 22, 2016 through August 31, 2019, and provided for one additional renewal not to exceed two years on mutual written agreement of the parties.

Description: Wilmore Snack Sales, Inc., will continue to provide beverage and snack vending machine operations for the Longview campus. U. T. Tyler entered into a Vending Machine Agreement with Compass Group USA, Inc., by and through its Canteen Vending Services Division, dated effective February 22, 2016, and approved by the Board on February 11, 2016. All rights and obligations under that Vending Machine Agreement were subsequently assigned to Wilmore Snack Sales, Inc., and Moran Munchies, Inc., effective August 18, 2017. U. T. Tyler has ensured that students were provided with an opportunity to participate in accordance with *Texas Education Code* Section 51.945 and U. T. Systemwide Policy UTS 130 prior to award of the initial agreement, the assignment of that agreement, and on an ongoing basis.

47. Request for Budget Change - U. T. Tyler: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2020 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>College of Arts &amp; Sciences</b>		
Biology		
Jon Seal	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
Chemistry & Biochemistry Dustin Patterson	Assistant Professor	Associate Professor (T)
Literature & Languages Emily Standridge	Assistant Professor	Associate Professor (T)
Political Science Amentahru Wahlrab	Assistant Professor	Associate Professor (T)
Social Sciences Jennifer Klein	Assistant Professor	Associate Professor (T)
<b>College of Engineering</b>		
Chemical Engineering Fernando Resende	New Hire	Associate Professor (T)
Civil Engineering Gokhan Saygili Mena Souliman	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
<b>College Education &amp; Psychology</b>		
Psychology & Counseling Bradley Green Karl Witt	New Hire Assistant Professor	Professor (T) Associate Professor (T)
School of Education Gina Doepker	Associate Professor	Associate Professor (T)
<b>College of Nursing &amp; Health Sciences</b>		
Health & Kinesiology Benjamin Tseng	Assistant Professor	Associate Professor (T)
School of Nursing Pamela Lake Jerri Post Carol Rizer	Assistant Professor Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T) Associate Professor (T)

## HEALTH AFFAIRS COMMITTEE

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

Agency: Anesthesiologists for Children, a Texas nonprofit corporation

Funds: \$23,100,515

Period: September 1, 2019 through August 31, 2020

Description: U. T. Southwestern Medical Center to continue providing professional pediatric anesthesiologist services. The agreement dated September 1, 2018, was approved by the Board of Regents on August 10, 2018. The First Amendment, dated May 1, 2019, added cardiac anesthesia call coverage services and compensation. The Second Amendment adds administrative services for physicians rendering services and extends the term one year.

49. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide information technology services to Southwestern Health Resources Clinically Integrated Network

Agency: Southwestern Health Resources Clinically Integrated Network

Funds: Not to exceed \$51,000,000

Period: September 1, 2019 through August 31, 2024

Description: U. T. Southwestern Medical Center will provide information technology services to Southwestern Health Resources Clinically Integrated Network.

50. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide population health management services to Southwestern Health Resources Physician Network

Agency: Southwestern Health Resources Physician Network

Funds: \$24,637,284

Period: September 1, 2018 through August 31, 2019

Description: U. T. Southwestern Medical Center will provide population health management services to Southwestern Health Resources Physician Network. Southwestern Health Resources Physician Network recently underwent significant reorganization over the past year and a number of components of the financial arrangement were resolved only recently between the parties.

51. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide professional and technical services to support the operations of UT Southwestern Moncrief Cancer Center, a not-for-profit corporation

Agency: UT Southwestern Moncrief Cancer Center, a not-for-profit corporation

Funds: \$8,769,678

Period: September 1, 2019 through August 31, 2020

Description: U. T. Southwestern Medical Center to provide professional and technical services. UT Southwestern Moncrief Cancer Center (MCI) will reimburse U. T. Southwestern Medical Center for the cost of leasing employees. These services and leased employees will support the general operations of MCI.

52. Request for Budget Change - U. T. Southwestern Medical Center: New Hires with Tenure -- amendment to the 2018-2019 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>Southwestern Medical School</b>					
Plastic Surgery					
Professor					
Paul Kim (T)	4/22-8/31	100	12	80,000	10743
Harold C. Simmons Comprehensive Cancer Center					
Professor					
John Sweetenham (T)	4/5-8/31	100	12	525,000	10728

53. Request for Budget Change - U. T. Southwestern Medical Center: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs *ad interim*. The personnel actions have been included in the 2020 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>College of Internal Medicine</b>		
Internal Medicine		
Denise Marciano	Assistant Professor	Associate Professor (T)
Nikhil Munshi	Assistant Professor	Associate Professor (T)
Deepak Nijhawan	Assistant Professor	Associate Professor (T)
Kevin Williams	Assistant Professor	Associate Professor (T)
<b>College of Microbiology</b>		
Microbiology		
John Schoggins	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
<b>College of Molecular Biology</b> Molecular Biology Kathryn O'Donnell-Mendell	Assistant Professor	Associate Professor (T)
<b>College of Neurology and Neurotherapeutics</b> Neurology and Neurotherapeutics Nancy Monson	Assistant Professor	Associate Professor (T)
<b>College of Neuroscience</b> Neuroscience Ryan Karr-Hibbs	Assistant Professor	Associate Professor (T)
<b>College of Otolaryngology</b> Otolaryngology I-Fan Mau	Assistant Professor	Associate Professor (T)
<b>College of Pharmacology</b> Pharmacology Elisabeth Martinez	Assistant Professor	Associate Professor (T)
<b>College of Population and Data Sciences</b> Population and Data Sciences Sandi Pruitt Hong Zhu	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
<b>College of Psychiatry</b> Psychiatry Carrie McAdams	Assistant Professor	Associate Professor (T)
<b>College of Radiology</b> Radiology Elena Vinogradov	Assistant Professor	Associate Professor (T)

54. Contract (funds coming in) - U. T. Medical Branch - Galveston: Amendment to Agreement to provide health care services to offenders in prison units operated by the Texas Department of Criminal Justice through U. T. Medical Branch - Galveston's capabilities or by further subcontracting

Agency: Texas Department of Criminal Justice

Funds: Cost of services under this agreement, including the amendment, is \$1,093,656,986.

Reimbursement Period: September 1, 2017 through August 31, 2019

Description: The amendment allows U. T. Medical Branch - Galveston to continue to provide health care services to offenders in prison units operated by the Texas Department of Criminal Justice (TDCJ) through U. T. Medical Branch - Galveston's capabilities or by further subcontracting. TDCJ received state appropriations for FY 2018 and FY 2019 where TDCJ contracts with U. T. Medical Branch - Galveston to provide Correctional Managed Health Care Services. U. T. Medical Branch - Galveston will continue to provide health care services to a population of approximately 125,000 offenders incarcerated in 84 TDCJ prison facilities. The amendment increases the contract value by approximately 21% or \$188,967,444, bringing the total to the new level of \$1,093,656,986.

55. Contract (funds coming in) - U. T. Medical Branch - Galveston: Fourth Amendment to Agreement to provide services to Health and Human Services Commission under the Special Supplemental Nutrition Program for Women, Infants, and Children

Agency: Health and Human Services Commission (HHSC)

Funds: The total costs of services under this agreement, including the amendments, is \$31,739,753

Period: October 1, 2019 through September 30, 2020

Description: U. T. Medical Branch - Galveston to provide services to HHSC for qualified women, infants, and children in the State of Texas under the Special Supplemental Nutrition Program for Women, Infants, and Children. Under this amendment, U. T. Medical Branch - Galveston will continue to perform professional, administrative, and clerical services necessary to determine eligibility, provide food benefits, and provide appropriate nutrition education and counseling to qualified women, infants, and children in a specified geographic area, in accordance to the statutes, rules, policies, and directives of the Special Supplemental Nutrition Program.

The original agreement was approved on February 9, 2017, by the Board of Regents for a term of October 1, 2016, through September 30, 2017, in the amount of \$7,637,723. The First Amendment, approved by the Board on August 24, 2017, extended the term from October 1, 2017, through September 30, 2018, and increased the total dollar value to \$15,321,734. The Second Amendment, approved on November 15, 2018, extended the term from October 1, 2018, through September 30, 2019, and increased the total dollar value to \$23,463,915. The Third Amendment did not require Board approval as it only granted U. T. Medical Branch - Galveston additional time to submit final vouchers and reports. The proposed Fourth Amendment extends the contract term from October 1, 2019, through September 30, 2020, and increases the total dollar value to \$31,739,753.



56. Contract (funds going out) - U. T. Medical Branch - Galveston: CSI Leasing, Inc., to lease personal computers and information technology hardware to U. T. Medical Branch - Galveston

Agency: CSI Leasing, Inc.

Funds: \$21,275,000

Period: March 1, 2019 through February 29, 2024; with two additional 12-month renewal options

Description: CSI Leasing, Inc., will lease personal computers and information technology hardware (including Desktop and Notebook PCs, Tablets, Monitors and All-In- One PCs) to U. T. Medical Branch - Galveston. The contract was competitively bid.

57. Foreign Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide research related radiological imaging services to the University of Ottawa

Agency: University of Ottawa

Funds: Not to exceed \$25,000

Period: August 1, 2015 through November 30, 2020

Description: U. T. Medical Branch - Galveston will provide research related radiological imaging services to the University of Ottawa at a set rate per scan through a simple services agreement. U. T. Medical Branch - Galveston initiated services in 2015 with agreed upon pricing and invoicing without a formal agreement in place. When recently attempting to increase pricing, both parties realized that there was no formal contract in place and therefore formed a contract which required approval by the Board of Regents.

58. Request for Budget Change - U. T. Medical Branch - Galveston: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs *ad interim*. The personnel actions have been included in the 2020 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
<b>School of Nursing</b>		
Nuring		
Lorraine Evangelista	Professor	Professor (T)
Huey-Ming Tzeng	Professor	Professor (T)
<b>School of Health Professions</b>		
Rehabilitation Sciences		
Soham Al Snih	Associate Professor	Professor (T)
Occupational Therapy		
Claudia Hilton	Associate Professor	Associate Professor (T)
<b>School of Medicine</b>		
Biochemistry and Molecular Biology		
Michael Sheetz	Professor	Professor (T)
Anesthesiology		
Michael Kinsky	Professor	Professor (T)
Internal Medicine		
Matthew Dasco	Associate Professor	Associate Professor (T)
Neurology		
Xiang Fang	Associate Professor	Associate Professor (T)
Orthopedic Surgery and Rehabilitation		
Vinod Panchbhavi	Professor	Professor (T)
Pathology		
Marjan Afrouzian	Associate Professor	Associate Professor (T)
Pharmacology and Toxicology		
Jonathan Hommel	Assistant Professor	Associate Professor (T)
Kangling Zhang	Assistant Professor	Associate Professor (T)
Surgery		
Ikenna Okereke	Associate Professor	Associate Professor (T)
Ravi Radhakrishnan	Associate Professor	Associate Professor (T)
Stephen Williams	Associate Professor	Associate Professor (T)

59. Lease - U. T. Medical Branch - Galveston: Authorization to expand and extend lease of approximately 12,156 usable square feet of space known as Suites 320, 321, 335, and 521 located at 12603 Southwest Freeway, Stafford, Fort Bend County, Texas, from Sunblossom 12603 Southwest, LLC, for mission uses, including telemedicine and administrative uses

Description: Lease of approximately 12,156 usable square feet of space located at 12603 Southwest Freeway, Stafford, Fort Bend County, Texas, for mission uses, including telemedicine and administrative uses

Lessor: Sunblossom 12603 Southwest, LLC, a Texas limited liability company

Term: 60 months commencing 30 days after Lessor gives notice to U. T. Medical Branch - Galveston of possession of Suite 521 and Lessor's completion of improvements to Suites 335 and 521, with the original lease effective May 28, 2009, for 6,314 rentable square feet of space and additional space added by First Amendment effective as of October 1, 2014, and Second Amendment dated June 22, 2017.

Lease Cost: Annual rent is \$21 per rentable square foot, which comes to \$21,273 monthly, for the first two years of the extended term and \$22.05 per rentable square foot, which comes to \$22,336.65 monthly, for the last three years of the extended term. Base year for additional rent is calendar year 2019. Prior rent plus rent during the extended term is estimated as \$2,821,816 which takes the lease value above the institution's delegation threshold.

Tenant Improvements: Lessor will install new carpet and paint in Suites 335 and 521.

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

Agency: Texas Department of Family and Protective Services

Funds: \$12,299,750

Period: September 1, 2019 through August 31, 2024

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

61. Contract (funds coming in and going out) - U. T. Health Science Center - Houston: RG Grill, LLC, to provide grab-n-go food services at four locations across campus

Agency: RG Grill, LLC

Funds: \$4,000,000 (funds out), Royalty payments on Adjusted Gross Revenue generated by Cash Plan and Catering Plan (funds in)

Period: August 1, 2019 through July 31, 2024; with five additional one-year renewal options

Description: RG Grill, LLC, to provide grab-n-go food service at four locations across the U. T. Health Science Center - Houston campus. Services include providing fresh food and beverages to students, staff, and guests, and catering services to the campus and for the U. T. Austin School of Nursing MBA Program, which is located on the U. T. Health Science Center - Houston campus. In accordance with *Texas Education Code* Section 51.945, the students were provided with an opportunity to comment prior to determination that this vending services provider should be selected by the institution.

62. Request for Budget Change - U. T. Health Science Center - Houston: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs *ad interim*. The personnel actions have been included in the 2020 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>McGovern Medical School</b>		
Emergency Medicine - Chair Bentley J. Bobrow	New Hire	Professor (T)
Internal Medicine - Clinical & Translational Science Chunyan Cai Minjae Lee	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
Institute of Molecular Medicine Radbod Darabi Sheng Zhang	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
Microbiology & Molecular Genetics Nayum Kim Anne-Marie Krachler	Assistant Professor Associate Professor	Associate Professor (T) Associate Professor (T)
Neurology Fudong Lui	Assistant Professor	Associate Professor (T)
Neurosurgery John P. Hagan	Associate Professor	Associate Professor (T)
Pediatrics - Chair Mary E. Aitken	Associate Professor	Professor (T)
Pediatrics - Children's Learning Institute Tricia A. Zucker	Assistant Professor	Associate Professor (T)
Pediatrics - Regenerative Medicine Pamela L. Wenzel	Associate Professor	Associate Professor (T)
Psychiatry & Behavioral Sciences Consuelo Walss-Bass	Professor	Professor (T)
Surgery - Elective General Erik B. Wilson	Professor	Professor (T)

College, Department, and Name	From	To
<b>School of Dentistry</b>		
Endodontics		
Renato M. Silva	Associate Professor	Associate Professor (T)
Orthodontics		
F. Kurtis Kasper	Assistant Professor	Associate Professor (T)
<b>School of Public Health</b>		
Epidemiology, Human Genetics & Environmental Sciences		
Raymond S. Greenberg	Professor	Professor (T)
A.J. Agopian	Associate Professor	Associate Professor (T)
Bing Yu	Assistant Professor	Associate Professor (T)
Health Promotion and Behavioral Sciences		
Louis D. Brown	Assistant Professor	Associate Professor (T)
Management, Policy and Community Health		
Vanessa Schick	Assistant Professor	Associate Professor (T)

63. Interagency Agreement (funds coming in) - U. T. Health Science Center - San Antonio: Fourth Amendment to Interagency Agreement with the Texas Health and Human Services Commission

Agency: Health and Human Services Commission (HHSC)

Funds: \$203,800,000

Period: February 27, 2018 through December 31, 2023

Description: U. T. Health Science Center - San Antonio provides HHSC with planning and related services focused on the creation and construction of a mental health facility that defines the vision for the replacement of San Antonio State Hospital (SASH), incorporating a continuum of inpatient and outpatient psychiatric services on the SASH campus to serve the existing SASH catchment area. The initial agreement and First Amendment did not require Board of Regents' approval. The Board of Regents approved the Second Amendment on August 10, 2018. The Third Amendment dated March 17, 2019, did not require Board approval. The proposed Fourth Amendment increases the contract value for the first phase of construction by \$190,300,000, and extends the termination date for an additional three years.

64. Request for Budget Change - U. T. Health Science Center - San Antonio: New Hires with Tenure -- amendment to the 2018-2019 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>School of Medicine</b>					
Neurosurgery and May's Cancer Center					
Professor Sandeep Burma (T)	8/6-8/31	100	12	230,000	10705
Anesthesiology					
Professor Francis Anthony Rosinia (T)	6/17-8/31	100	12	424,000	10754
Molecular Medicine					
Professor Mingjiang Xu (T)	7/15-8/31	100	12	210,000	10755
<b>School of Nursing</b>					
Office for Faculty Excellence					
Associate Professor and Director Joseph Zorek (T)	7/1-8/31	100	12	170,000	10745



65. Request for Budget Change - U. T. Health Science Center - San Antonio: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs *ad interim*. The personnel actions have been included in the 2020 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>School of Medicine</b>		
Cell Systems and Anatomy Pei Wang	Assistant Professor	Associate Professor (T)
Cellular and Integrative Physiology Jean Bopassa	Assistant Professor	Associate Professor (T)
Microbiology, Immunology and Molecular Genetics Elizabeth Leadbetter	Associate Professor	Associate Professor (T)
Pediatrics Gregory Aune	Assistant Professor	Associate Professor (T)
Psychiatry David Roberts	Assistant Professor	Associate Professor (T)
<b>School of Dentistry</b>		
Comprehensive Dentistry Rujuta Katkar	Assistant Professor	Associate Professor (T)
Endodontics Nikita Ruparel Shivani Ruparel	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
<b>School of Nursing</b>		
Office for Faculty Excellence Carolyn Pickering Azizeh Sowan	Assistant Professor Associate Professor	Associate Professor (T) Associate Professor (T)
<b>School of Health Professions</b>		
Occupational Therapy Ricky Joseph	Assistant Professor	Associate Professor (T)
Physical Therapy Martha Acosta	Assistant Professor	Associate Professor (T)

66. Foreign Contract (funds coming in) - U. T. M. D. Anderson Cancer Center: Agreement with Her Majesty the Queen in Right of Ontario, as represented by the Minister of Health and Long-Term Care, to participate as hospital preferred provider in the Ontario Health Insurance Plan (OHIP), Ontario, Canada

Agency: Her Majesty the Queen in Right of Ontario, as represented by the Minister of Health and Long-Term Care

Funds: Reimbursement rates will be determined as follows: care provided to adult patients will be reimbursed at 75% of billed charges (less applicable copayments, deductibles, and coinsurance amounts); care provided to pediatric patients will be reimbursed at 65% of billed charges (less applicable copayments, deductibles, and coinsurance amounts)

Period: From September 1, 2019, until terminated by either party. U. T. M. D. Anderson Cancer Center may terminate without cause upon notice of at least 60 days.

Description: The Ontario Minister of Health and Long-Term Care is responsible for the administration and operation of the Ontario Health Insurance Plan (OHIP) and desires to enter into a preferred provider arrangement with U. T. M. D. Anderson Cancer Center (and other hospitals) for the delivery of proton therapy and related services to patients covered under the OHIP. The Ontario Minister of Health and Long-Term Care will reimburse U. T. M. D. Anderson Cancer Center according to negotiated rates for the services.

67. Contract (funds coming in) - U. T. M. D. Anderson Cancer Center: Siemens Medical Solutions USA, Inc. to collaborate with U. T. M. D. Anderson Cancer Center on research co-development and educational projects in cancer diagnosis, advanced therapies, personalized medicine, and trademark licensing

Agency: Siemens Medical Solutions USA, Inc.

Funds: The sum of \$4,600,000 paid annually in installments of \$1,200,000 over four years; and semi-annual payments of 70% of the total price premium of co-branded products. U. T. M. D. Anderson Cancer Center will also receive additional royalty payments.

Period: May 2, 2019 to the later of May 1, 2023; or completion of the Projects

Description: Agreement to collaborate with U. T. M. D. Anderson Cancer Center on research co-development and educational projects in the fields of cancer diagnosis and staging, tumor characterization, advanced therapies, including radiotherapy, personalized medicine, and licensing of trademarks.

68. Request for Budget Change - U. T. M. D. Anderson Cancer Center: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs *ad interim*. The personnel actions have been included in the 2020 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
<b>Department of Cardiology</b>		
Division of Internal Medicine		
Anita Deswal	New Hire	Chair and Professor (T)
<b>Department of Lymphoma Myeloma</b>		
Division of Cancer Medicine		
Christopher R. Flowers	New Hire	Chair and Professor (T)

69. Purchase - U. T. M. D. Anderson Cancer Center: Authorization to purchase approximately 13.51 acres of land improved with an approximately 201,295 rentable square foot Medical Office Building at the southwest corner of State Highway 242 and Fellowship Drive in The Woodlands, Montgomery County, Texas, from The Woodlands MDA, LLC, for future programmed campus expansion, including medical office and clinical uses

Description: Purchase of approximately 13.51 acres and a building with approximately 201,295 rentable square feet located at State Highway 242 and Fellowship Drive, The Woodlands, Montgomery County, Texas, and authorization for the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to purchase the property. The property will be used for future programmed campus expansion, including medical office and clinical uses. The property is newly constructed to U. T. M. D. Anderson Cancer Center's specifications. U. T. M. D. Anderson Cancer Center has leased the property for a term of 20 years pursuant to a lease approved by the Board on February 11, 2016, and an amended lease approved on November 10, 2016. This property is being purchased pursuant to purchase rights in the lease.

Seller: The Woodlands MDA, LLC, a Delaware limited liability company

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

70. Request for Budget Change - U. T. Health Science Center - Tyler: New award of tenure appointment

The following personnel actions involving new award of tenure and renewal of tenure appointments have been administratively approved by the Executive Vice Chancellor for Health Affairs *ad interim*. The personnel actions have been included in the 2020 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>School of Medical Biological Sciences</b>		
Department of Cellular and Molecular Biology		
Andrey Komissarov	Professor	Professor (T)

**FACILITIES PLANNING AND CONSTRUCTION COMMITTEE**

71. Contract (funds going out) - U. T. System: Fugro USA Land, Inc., to perform miscellaneous geotechnical engineering and materials testing services

Agency: Fugro USA Land, Inc.

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

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

Description: Fugro USA Land, Inc., to perform miscellaneous geotechnical engineering and materials testing services on a job order basis. Services were competitively procured. The U. T. System Office of Contracts and Procurement will closely monitor the spend over the life of the agreement.