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CONSENT AGENDA**

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November 16 - 17, 2022
Austin, Texas

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FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

No items for Consent Agenda

MEETING OF THE BOARD

1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meeting held August 24-25, 2022

AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE

2. UTIMCO Committee Appointment - U. T. System: Proposed appointment of two members to the Audit and Ethics Committee of the Board of Directors of The University of Texas/Texas A&M Investment Management Company (UTIMCO)

The University of Texas/Texas A&M Investment Management Company (UTIMCO) Board of Directors recommends that the U. T. System Board of Regents approve the appointment of James B. Milliken and Janiece Longoria to the Audit and Ethics Committee of the UTIMCO Board of Directors. The other members of the Committee are Janet Handley and Jodie L. Jiles.

Section 66.08 of the *Texas Education Code* requires that the U. T. System Board of Regents approve the appointment of members to the Audit and Ethics Committee of the UTIMCO Board of Directors. The UTIMCO Board of Directors recommended and approved these appointments on September 15, 2022, conditioned on approval of the U. T. System Board of Regents.

FINANCE AND PLANNING COMMITTEE

3. Other Fiscal Matters - U. T. System Board of Regents: Approval of \$15,075,000 of funding for U. T. Rio Grande Valley's portion of a building to be constructed by the Edinburg Consolidated ISD; and resolution regarding parity debt

The Executive Vice Chancellor for Business Affairs recommends approval of this item authorizing funding of \$15,075,000 from Revenue Financing System (RFS) bond proceeds for U. T. Rio Grande Valley to finance capital costs associated with a building to be constructed by the Edinburg Consolidated ISD on land owned by the institution and to be leased by the ISD as approved by the Board of Regents on August 25, 2022. The debt is expected to be repaid with institutional funds. Annual debt service is estimated at \$839,000. The institution's Scorecard Rating of 2.3 at fiscal year-end 2021 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt. The institution therefore requests that the Board resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System RFS the findings that are stated below:

- parity debt shall be issued to fund all or a portion of the project, including any costs prior to the issuance of such parity debt;

- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the RFS Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System;
- U. T. Rio Grande Valley, which is a “Member” as such term is used in the RFS Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of parity debt in an aggregate amount of \$15,075,000; and
- this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board’s intention to reimburse project expenditures with bond proceeds.

4. Contract (funds going out) - U. T. System: Veolia ES Technical Solutions, LLC, to provide hazardous waste management and disposal services for U. T. institutions

Agency: Veolia ES Technical Solutions, LLC

Funds: To be paid by U. T. institutions requesting services under this Agreement. Anticipated value estimated at \$10,000,000 over the potential five-year term of this Agreement.

Period: September 1, 2022 through August 31, 2023; with four one-year renewal options

Description: This nonexclusive Systemwide agreement allows each U. T. institution to request hazardous and regulated waste services (including management, handling, packaging, labeling, transportation, disposal, training, and consulting services) on an as-needed basis. This contract was competitively bid.

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

Agency: Precision Task Group, Inc.

Funds: \$7,000,000

Period: December 1, 2022 through December 15, 2024

Description Precision Task Group, Inc., to provide flexible staff augmentation services to 1) support efforts to improve Permanent University Fund (PUF) bond proceeds and Available University Fund (AUF) land administration processes and systems; and 2) provide staffing resources for custom development, data architecture, system architecture, business analysis, and project management.

This contract was competitively bid. The original Agreement dated December 16, 2019, had a fee cap of \$500,000. An Amendment to the Agreement was entered on September 29, 2020, and approved by the Board of Regents on November 19, 2020, increasing the fee cap to \$1,900,000. An Amendment to the Agreement was entered on January 29, 2022, and approved by the Board of Regents on February 23, 2022, increasing the fee cap to \$2,900,000. This Amendment increases the fee cap to \$7,000,000, to allow continuation, if desired, of the current level of services through December 15, 2024. U. T. System may terminate this contract at any time with thirty days written notice and U. T. System is only obligated to pay for work satisfactorily performed prior to termination.

6. Other Fiscal Matters - U. T. System: Results of the 2022 Group Purchasing Organization (GPO) Accreditation Program

On February 11, 2016, the Board of Regents approved a Group Purchasing Organization (GPO) Accreditation Program. The Program is designed to ensure that U. T. institutions utilize contracts offered by GPOs, including Texas state agencies performing GPO functions, only if the GPOs use sourcing processes accredited by U. T. System as meeting minimum procurement standards. The approval delegated authority to the Executive Vice Chancellor for Business Affairs to determine whether any applicant for accreditation meets such standards. Results from previous years of operation of the Program were reported to the Board of Regents at the August 25, 2016, August 24, 2017, November 15, 2018, November 14, 2019, and November 19, 2020 meetings.

No new applications for accreditation were submitted in the 2022 Program. With assistance from the U. T. System Office of Collaborative Business Services, however, reviews of the 10 GPOs previously accredited were conducted to ensure ongoing compliance with accreditation standards and to review institutional use of GPO contracts.

Based on these reviews, the accreditations of all GPOs previously accredited have been continued.

As a result, the following are the GPOs accredited at the conclusion of the 2022 Program:

- The University of Texas System Supply Chain Alliance
- Choice Partners National Purchasing Cooperative
- E&I Cooperative Services, Inc.
- Education Service Center - Region 19 Allied States Cooperative
- The Local Government Purchasing Cooperative, dba BuyBoard Texas
- Comptroller of Public Accounts (Statewide Procurement Division) (TPASS/TXMAS)
- Texas Department of Information Resources (DIR)
- National Cooperative Purchasing Alliance (NCPA)
- Sourcwell, formerly known as National Joint Powers Alliance (NJPA)
- Vizient, Inc.

All accreditations will expire August 31, 2026, unless terminated earlier under U. T. System procedures.

Per the Systemwide Audit Plan approved by the U. T. System Internal Audit Committee and the U. T. System Audit, Compliance and Risk Management Committee earlier this year, the U. T. System Audit Office plans to audit in fiscal year 2023 one of the accredited GPOs to confirm that its operational controls meet the standards of the Program, as represented by the GPO.

7. Other Fiscal Matters - U. T. System: Reallocation of a portion of previously allocated capital funding, from a Research Core Labs project, to use for the dental hygiene simulation lab improvements at the U. T. Education and Research Center at Laredo

On November 14, 2013, the U. T. System Board of Regents allocated \$8,600,000 of Permanent University Fund (PUF) funding to support a new U. T. System Research Core Infrastructure, including the implementation of a pilot project on a core to advance the study of proteomics across U. T. System health institutions and the purchase of a U. T. Systemwide license for Research Core Management Software. On February 12, 2015, the Board allocated \$3,800,000 of the \$8,600,000 for a contract with iLab Solutions, LLC, to provide licensing and hosting of multi-institutional research core collaboration and management software. U. T. System subsequently determined that only a portion of the software license and implementation costs could be capitalized and on November 18, 2021, the Board approved the reallocation of \$600,000 of the previously allocated PUF funding to reimburse U. T. Health Science Center - San Antonio for capital improvements creating the gross anatomy laboratory at the U. T. Education and Research Center at Laredo.

U. T. System now requests approval to reallocate the remaining balance of \$1,664,471 of the previously allocated PUF funding to pay for modular buildings and other capital improvements to create a simulation laboratory and classroom space for the expansion of U. T. Health Science Center - San Antonio's dental hygiene program and to pay for other necessary equipment and major repairs at the U. T. Education and Research Center at Laredo.

8. Other Fiscal Matters - U. T. System: Approval for an allocation of \$1,000,000 to U. T. El Paso from funds generated through the Internal Lending Program (ILP) related to the West Texas Aerospace and Defense Manufacturing Coalition

The Chancellor, with the concurrence of the Executive Vice Chancellor for Academic Affairs and the Executive Vice Chancellor for Business Affairs, recommends an allocation to U. T. El Paso of \$1,000,000 from funds generated through the Internal Lending Program (ILP) to support U. T. El Paso's role in leading the West Texas Aerospace and Defense Manufacturing Coalition.

On September 2, 2022, the U. S. Department of Commerce's Economic Development Administration announced award of approximately \$40,000,000 in grants to the West Texas Aerospace and Defense Manufacturing Coalition, led by U. T. El Paso. The purpose of the West Texas Aerospace and Defense Manufacturing Coalition is to strengthen America's aerospace and defense manufacturing capabilities by integrating legacy manufacturers in West Texas into the aerospace and defense supply chain.

Executive Vice Chancellor Pruitt has determined that, following distribution of funds based on Board approval of this item, revenues generated through the ILP will exceed amounts needed to maintain a sufficient interest rate buffer, to meet principal and interest due on external debt, and to provide necessary liquidity.

9. Request for Budget Change - U. T. Permian Basin: Grant budget authority of \$1,114,702 of insurance settlement proceeds to cover expenses incurred for hailstorm repairs (RBC No. 11824) -- amendment to the 2021-2022 budget
10. Request for Budget Change - U. T. Permian Basin: Transfer \$3,000,000 of remaining insurance settlement proceeds from hailstorm damage sustained in 2017 to plant funds for the Kinesiology Building construction project to fulfill the funding commitment for this building included in the Capital Improvement Plan (RBC No. 11825) -- amendment to the 2021-2022 budget

ACADEMIC AFFAIRS COMMITTEE

11. Contract (funds coming in) - U. T. Austin: License Agreement with Sports in Action, LLC, dba High Field Marketing, for licensing of multimedia rights relating to University Interscholastic League

Agency: Sports in Action, LLC, dba High Field Marketing

Funds: Approximately \$50,000,000

Period: September 1, 2022 through August 31, 2032

Description: U. T. Austin will license to High Field Marketing certain multimedia rights for radio, internet, and television broadcasts; the production, sale, and distribution of programs and certain printed materials; sponsorships; use of trademark; signage and other ancillary and marketing activities related to the University Interscholastic League (UIL).

12. Contract (funds coming in) - U. T. Austin: Amendment to Agreement with Bottling Group, LLC, to provide and maintain snack and sundry items for vending machines on campus

Agency: Bottling Group, LLC

Funds: \$ 3,277,286 over the Amendment term

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

Description: Bottling Group, LLC, will provide and maintain snack and sundry items for vending machines on U. T. Austin campus. This Fifth Amendment will increase the pricing of the vending machine items. The underlying Agreement and Amendments were previously approved by the U. T. System Board of Regents. The initial Agreement was competitively procured by a Request for Proposal. Pursuant to *Texas Education Code* Section 51.945, students were provided an opportunity to comment prior to determination that this food service provider was selected pursuant to a request for proposal. Board approval for this Agreement is sought in accordance with *Texas Government Code* Section 2203.005(a) and The University of Texas System Policy UTS 130 pertaining to Vending Machine Contracts.

13. Contract (funds going out) - U. T. Austin: Amendment to Texas Child Health Access Through Telemedicine (TCHAT) Telemedicine Services Agreement with Dell Children's Medical Group related to the provision of medical services and other related administrative services by clinicians employed by Dell Children's Medical Group for the TCHAT Program

Agency: Dell Children's Medical Group

Funds: \$ 5,521,000

Period: August 31, 2022 through August 31, 2023

Description: Texas Child Health Access Through Telemedicine (TCHAT) is a program within the Texas Child Mental Health Care Consortium (TCMHCC) that U. T. Austin participates in with U. T. System Administration. TCMHCC was created by the 86th Texas Legislature in Senate Bill 11 to address gaps in mental health care for children and adolescents in Texas. The TCHAT program is designed to deliver telemedicine services to public school students experiencing a mental health crisis.

As a TCHAT provider, Dell Medical School has established relationships with local independent school districts to facilitate access to the TCHAT services. Under the TCHAT Telemedicine Services Agreement, Dell Medical School engaged Dell Children's Medical Group, an affiliate of Ascension Seton, to provide TCHAT mental health services. Dell Children's Medical Group and Dell Medical School have an established pediatric psychiatry program in place and the relationship is an ideal platform to provide this service.

The Agreement was originally effective September 1, 2020, with a total contract value of approximately \$1,350,000. As the TCHAT initiative has been extended and expanded, the Agreement was amended twice previously to update reimbursement terms and extend the contract term. This Third Amendment now extends the Agreement through August 31, 2023 (the current end point for legislative authorization) and the Board of Regents is now asked to approve a total contract value of approximately \$5,521,200 through that extended term.

14. Request for Budget Change - U. T. Austin: Transfer \$6,147,758 from AT&T Executive Education and Conference Center (EECC) – Operating Income to AT&T Executive Education and Conference Center (EECC) – Maintenance, Operation, and Equipment to fund AT&T Reserve account per the approved EECC Capital Expenditure Plan (RBC No. 11843) -- amendment to the 2021-2022 budget

15. Request for Budget Change - U. T. Austin: Transfer \$16,000,000 from Intellectual Property Income – Operating Income to Intellectual Property Income – Distribution – Employees and Distribution – Former Employees. Budget adjustment made to distribute 50% of royalty payment received from NIH to the investors. (RBC No. 11844) -- amendment to the 2021-2022 budget

16. Request for Budget Change - U. T. Austin: Tenure Appointment -- amendment to the 2022-2023 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 \$	
Cockrell School of Engineering					
Electrical and Computer Engineering					
Evdokia Nikolova					
From: Assistant Professor					
To: Associate Professor (T)	9/1-5/31	100	09	132,000	11842

17. Request for Budget Change - U. T. Austin: New Hires with Tenure -- amendment to the 2022-2023 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
Moody College of Communication					
Journalism and Media					
Professor					
David Ryfe (T)	9/1-5/31	100	09	180,000	11850
Cockrell School of Engineering					
Aerospace Engineering and Engineering Mechanics					
Associate Professor					
Hayden Schaeffer (T)	1/16-5/31	100	09	175,000	11851
College of Fine Arts					
Design and Creative Technologies					
Associate Professor					
Tasheka Arceneaux Sutton (T)	9/1-5/31	100	09	102,500	11854
Music					
Associate Professor					
Jacqueline Avila (T)	9/1-5/31	100	09	110,000	11846
Associate Professor					
Diego Rivera (T)	9/1-5/31	100	09	125,000	11849
College of Liberal Arts					
African and African Diaspora Studies					
Professor					
Michael Charles (T)*	9/1-5/31	100	09	170,000	11847
English					
Associate Professor					
Julija Sukys (T)	9/1-5/31	100	09	105,000	11853
College of Natural Sciences					
Marine Science					
Associate Professor					
Mark Lever (T)	9/1-5/31	100	09	120,000	11848

* Michael Charles is cross appointed in Design and Creative Technologies in the College of Fine Arts.

18. Employment Agreement - U. T. Austin: Approval of amendment to terms of Employment Agreement for current Associate Head Men's Basketball Coach Rodney Terry

The following terms of the amended Employment Agreement for Associate Head Men's Basketball Coach Rodney Terry have been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel and are recommended for approval by the U. T. System Board of Regents. If the terms are approved, total compensation for the contract period will be in excess of \$1 million. The amended Agreement references the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. A violation of the provisions of such constitution, bylaws, rules, regulations, or policies may be grounds for suspension without pay and/or dismissal.

From: **Guaranteed compensation:**

Annual Salary: \$ 500,000

Automobile: One dealer car

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

Relocation and Temporary Housing Allowance: One-time payment of \$29,000

Tickets: In accordance with Athletics Department's policies and procedures, and based on availability

Nonguaranteed compensation:

Performance Incentives: Maximum of 30% of annual base salary

To: **Guaranteed compensation (Increase of 20%):**

Annual Salary: \$ 600,000

Automobile: One dealer car

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

Tickets: In accordance with Athletics Department's policies and procedures, and based on availability

Nonguaranteed compensation (No change):

Performance Incentives: Maximum of 30% of annual base salary

Source of Funds: Intercollegiate Athletics

Period: August 3, 2022 through March 31, 2024

19. Request for Budget Change - U. T. Dallas: New Hire with Tenure -- amendment to the 2022-2023 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 \$	
Erik Jonsson School of Engineering and Computer Science					
Mechanical Engineering					
Associate Professor					
Majid Minary-Jolandan (T)	9/1-5/31	100	09	134,500	11837

20. Contract (funds coming in) - U. T. Rio Grande Valley: STX SnackTime Vending Company LLC

Agency: STX SnackTime Vending Company LLC

Funds: Estimated \$342,000

Period: August 1, 2022, through July 31, 2028

Description: STX SnackTime Vending LLC will provide snack and food vending services to the institution. Pursuant to *Texas Education Code* Section 51.945, students were provided an opportunity to comment prior to determination that this food service provider should be selected. Board approval for this Agreement is sought in accordance with *Texas Government Code* Section 2203.005(a) and The University of Texas System Policy UTS 130 pertaining to Vending Machine Contracts.

21. Contract (funds coming in) - U. T. Rio Grande Valley: Approval of Amendments to Annual Operating Agreement between South Texas Health System and U. T. Rio Grande Valley

Agency: South Texas Health System

Funds: First Amendment: Initial quarterly payment of \$557,768 due July 1, 2020, then \$546,069 quarterly payments from October 1, 2020 through June 30, 2021, or \$2,195,975 for the academic year, and estimated quarterly payments of at least \$546,059 from July 1, 2021 through June 30, 2022, or \$2,195,975 for the academic year, final amount subject to reconciliation

Second Amendment: Quarterly payments of \$564,549.75 from July 1, 2022 through June 30, 2023, and estimated quarterly payments of at least \$564,549.75 from July 1, 2023 through June 30, 2024, or \$2,258,199 per academic year, final amount subject to reconciliation

Period: First Amendment: July 1, 2020 through June 30, 2022

Second Amendment: July 1, 2022 through June 30, 2024

Description: The Annual Operating Agreement between South Texas Health System and U. T Rio Grande Valley was initially approved by the Board of Regents on May 23, 2019, with a term from July 1, 2018 through June 30, 2020, and monthly payments of \$159,577, for a total of \$3,829,848. The First Amendment documents the payments flowing between the parties in connection with graduate medical education programs and describes the commitment of the parties related to educational, clinical, structural, financial, and administrative needs of the medical education programs and other collaboration efforts. The First Amendment converted the payment schedule to quarterly, replaced current schedule with a new schedule, and extended the term for an additional two years. The Second Amendment extends the term for two Academic Years and replaces the current schedule with a new schedule.

22. Request for Budget Change - U. T. Rio Grande Valley: New Hires with Tenure -- amendment to the 2021-2022 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
College of Engineering and Computer Science					
Department of Manufacturing and Industrial Engineering					
Dean and Professor					
Can (John) Saygin (T)	8/1-8/31	100	12	400,000	11827
School of Podiatric Medicine					
Department of Podiatric Medicine					
Dean and Professor					
Javier La Fontaine (T)	7/1-8/31	100	12	380,000	11828

23. Request for Budget Change - U. T. Rio Grande Valley: New Hires with Tenure -- amendment to the 2022-2023 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
Robert C. Vackar College of Business and Entrepreneurship					
Department of International Business and Entrepreneurship					
Professor					
Jaime Ortiz (T)	9/1-8/31	100	09	120,000	11822
School of Social Work					
Department of Social Work					
Associate Professor					
Jo Redcliffe (T)	1/16-5/31	100	09	77,000	11826
College of Health Professions					
Department of Physical Therapy					
Director and Professor					
Mark Lester (T)	1/17-8/31	100	12	150,000	11835

24. Lease - U. T. Rio Grande Valley: Authorization to lease space, as lessor, in a to-be-built building located on approximately 7.00 acres at 495 Commerce Center between East Pecan Boulevard and Lakeview Drive in McAllen, Hidalgo County, Texas, to the McAllen Independent School District for a proposed Dual Credit Program Collegiate Academy; approval of \$12,500,000 of financing for U. T. Rio Grande Valley's portion of to-be-built school building and furniture, fixtures, and equipment; and resolution regarding parity debt; and a finding of public purpose

Description: Authorization to lease space in a to-be-built school building on approximately 7.00 acres of land located at 495 Commerce Center between East Pecan Boulevard and Lakeview Drive in McAllen, Hidalgo County, Texas, to the McAllen Independent School District (ISD) for a Dual Credit Program Collegiate Academy.

U. T. Rio Grande Valley, in concert with the McAllen ISD, will use the property as a dual-enrollment and higher education campus. The institution expects the high school courses taught at the facility will be mostly, if not entirely, dual credit early college courses taught by the institution's faculty; these may emphasize education, engineering, and computer science. In addition, U. T. Rio Grande Valley may offer baccalaureate and masters courses after-hours at the facility.

McAllen ISD will build the improvements on the property consisting of approximately 66,150 square feet of classroom space, teaching labs, and support spaces for university and high school classes. U. T. Rio Grande Valley and the McAllen ISD will each fund one-half of the project cost, which is estimated to be approximately \$22,440,000, for the building. Furniture, fixtures and equipment are estimated at \$2,560,000 for a total estimated project cost of \$25,000,000 which will also be shared equally among the parties.

Lessee: McAllen Independent School District

Term: 35 years

Premises: Exclusive use of certain improvements, including some offices. The nonexclusive use of certain rooms or facilities, including teaching space, limited to certain times.

Lease Income: McAllen ISD will prepay a rental amount of approximately \$12,500,000, which is equal to one-half of the total project cost, estimated at approximately \$25,000,000. In addition, the McAllen ISD will pay its pro rata share of operating expenses. The prepaid base rental amount constitutes a below market rate, as it covers approximately 16 years and seven months of the 35-year lease term. The amount of the fair market value rent that will not be paid by Tenant equals approximately \$26,782,425, or a present value of approximately \$12,656,925. In the event of a programmatic change, U. T. Rio Grande Valley will have the option to terminate the lease with McAllen ISD by paying a termination fee equal to the lesser of (a) the then fair market value of McAllen ISD leasehold interest based on the shared use of the facility as a public school or (b) the portion of the prepaid rent not yet amortized.

Source of Funds: \$12,500,000 of Revenue Financing System bonds repaid out of local funds to finance U. T. Rio Grande Valley's portion of capital costs and furniture, fixtures and equipment associated with a building to be constructed by McAllen ISD. Annual debt service is estimated to be \$696,000 annually. The institution's Scorecard Rating of 2.3 at fiscal year-end 2021 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt. The institution therefore requests that the Board resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System the following findings:

- parity debt shall be issued to fund all or a portion of the purchase price, including any costs prior to the issuance of such parity debt;
- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the RFS Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System;
- U. T. Rio Grande Valley, which is a "Member" as such term is used in the RFS Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of parity debt in an aggregate amount of \$12,500,000; and
- this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

Public Purpose: The prepaid base rental amount described above constitutes a below market rate. The Attorney General of the State of Texas, in Opinion No. MW-373 (1981), has advised that, for the use of space in university facilities with no or nominal cash rental payments to comply with the Texas Constitution, three requirements must be met: (1) the use of the property must serve a public purpose appropriate to the function of the university; (2) adequate consideration must be received by the university; and (3) the university must maintain controls over the user's activities to ensure that the public purpose is achieved.

Accordingly, because the pre-paid rent is below market, the Board of Regents is also asked to find that (1) the lease of space in the to-be-built building to the McAllen ISD for a prepaid base rental payment, as described above, serves a public purpose appropriate to the function of U. T. Rio Grande Valley, including uses that enlarge the institution's student base or that lead to the award of college credits to students in the Rio Grande Valley; (2) pursuant to the proposed lease agreement, the consideration received by U. T. Rio Grande Valley is adequate; and (3) U. T. Rio Grande Valley will have sufficient safeguards in place to ensure the public purpose will continue to be met on an ongoing basis, including lease provisions limiting use by the McAllen ISD only to programs that offer dual credit or that otherwise tie into higher education.

25. Purchase - U. T. Rio Grande Valley: Authorization to purchase an approximately 0.72 acre tract of land located at 501 W. Kuhn Street, near the northeast corner of W. Kuhn Street and N. 6th Avenue in Edinburg, Hidalgo County, Texas, from the City of Edinburg, for future campus expansion

Description: Authorization to purchase an approximately 0.72 acre tract of land located at 501 W. Kuhn Street, near the northeast corner of W. Kuhn Street and N. 6th Avenue in the City of Edinburg, Hidalgo County, Texas. The property will be used by the institution for future campus expansion.

Seller: City of Edinburg

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

26. Contract (funds going out) - U. T. San Antonio: Instructure, Inc., to provide a new Learning Management System

Agency: Instructure, Inc.

Funds: Fees of \$4,172,179 for the five-year term

Period: January 1, 2023 through December 31, 2027

Description: Master Terms and Conditions Hosted Software License Agreement with Instructure, Inc. and associated Order Form for a campus-wide Learning Management System application for the administration and delivery of educational courses, training programs, materials, and learning and development programs. The Agreement and Order Form resulted from utilizing a group purchasing procurement method under a Request for Proposal issued by the Tarrant County College District.

27. License - U. T. San Antonio: Authorization to enter into a use license agreement with Follett Higher Education Group, Inc., for operation and management of an on-campus bookstore and coffee shop utilizing approximately 14,000 usable square feet of space within the University's Student Union Building at One UTSA Circle, and 1,400 usable square feet of space located within the University's Frio Street Building at 501 W. Cesar E. Chavez Boulevard, San Antonio, Bexar County, Texas

Description: Authorization to license to Follett Higher Education Group, Inc. to operate a full service on-campus bookstore and coffee shop utilizing approximately 14,000 usable square feet of space within the University's Student Union Building at One UTSA Circle, and approximately 1,400 usable square feet of space located within the University's Frio Street Building at 501 W. Cesar E. Chavez Boulevard, San Antonio, Bexar County, Texas.

Licensee: Follett Higher Education Group, Inc., an Illinois Corporation ("Follett")

Term: The estimated commencement date is approximately November 1, 2022, and will continue for an initial term of approximately 10 years. The University, at its sole discretion, may extend the Initial Term of this Agreement for one additional five-year period.

- Use License Value: Consideration to U. T. San Antonio (inclusive of potential royalties, base fee, and other payments) is estimated to be between \$6,500,000 to \$7,000,000 over the initial 10-year term and between \$10,500,000 to \$12,000,000 over a possible 15-year term. In addition to base fees, Follett will pay an annual royalty fee of 16% – 18% of each year’s adjusted gross revenue of non-course related materials with an annual guaranteed royalty of \$300,000. Follett will also provide \$150,000 in signing bonuses to U. T. San Antonio over the course of the possible 15-year term, as well as \$9,000 annually to support University services that are engaged in marketing the campus bookstore operations, and a \$5,000 scholarship for students attending the University. In addition, Follett will invest \$700,000 to provide for premises improvements to the existing bookstore.
- Termination Option: U. T. San Antonio, at any time, shall have the right to terminate the license upon not less than 180 days prior written notice to licensee. In the event that University exercises the right to terminate during the initial 10-year term, then licensor shall reimburse licensee in an amount equal to the unamortized costs of the lump sum payments paid to licensor, namely the \$700,000 capital investment bonus and initial signing bonuses of \$100,000 to U. T. San Antonio. During the five-year extension period, if University decides to terminate the license, then University will reimburse the licensee for unamortized costs for the second signing bonus, currently estimated to be \$50,000. In the event that a Material Adverse Financial Impact that is solely in the direct control of the University is determined, both parties may negotiate an amendment to the license.

28. Request for Budget Change - U. T. Tyler: New Hires with Tenure -- amendment to the 2022-2023 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
School of Nursing					
School of Nursing					
Associate Dean of Research and Professor					
Susan McBride (T)	9/1-8/31	100	12	170,000	11878
Soules College of Business					
Computer Science					
Professor					
Wingyan Chung (T)	9/1-5/31	100	09	175,000	11880

29. Lease - U. T. Tyler: Authorization of a short-term ground lease extension of approximately one acre of land to the Winona Volunteer Fire Department and to subsequently lease an approximately 3,700 square foot building on the same approximately one-acre site located at 11525 State Highway 155, Tyler, Smith County, Texas, to the Winona Volunteer Fire Department, for continued use as an emergency services and fire station; and finding of public purpose

Description: Authorize a short-term ground lease extension of approximately one acre of land located at 11525 State Highway 155, Tyler, Smith County, Texas (the "Land") to the Winona Volunteer Fire Department (Winona VFD). Upon the expiration of the ground lease, ownership of the existing 3,700 ± square foot building located on the Land (the "Building") will become the property of the Board. Thereafter, the Building and the Land will be leased back to Winona VFD for continued use as an emergency services and fire station.

In 2000, the institution ground leased the Land at no cost to Winona VFD, which built a simple metal, fire station facility, located approximately six miles outside of the Tyler city limits. There is no record that the Board approved the initial ground lease. This ground lease expired on April 14, 2020, but Winona VFD has continued in occupancy and has continued to provide emergency services to U. T. Tyler and the surrounding community. To ensure continuity of emergency services, U. T. Tyler requests a short-term extension of the ground lease until the commencement of the proposed lease to Winona VFD.

Lessee: Winona Volunteer Fire Department, a Texas nonprofit corporation; for both the extended ground lease and new lease.

Term: The ground lease extension will terminate upon the commencement of the new lease to Winona VFD. The new lease will be for a primary term of 20 years, estimated to commence on January 1, 2023, and continue through approximately December 31, 2042.

Lease Income: Annual base rent for both the extended ground lease and the new lease is \$0. In consideration for the \$0 base rent, the Lessee will use the facility to provide emergency services to the campus and surrounding area. Lessor will benefit from the timely and responsive emergency services offered by the nearby fire station. The leases will be net to Lessor, with all related capital and operating expenses paid directly by or reimbursed by the Lessee.

Public Purpose: The base rental amount described above constitutes a below market rate. The Attorney General of the State of Texas, in Opinion No. MW-373 (1981) has advised that, for the use of space in university facilities with no or nominal cash rental payments to comply with the Texas Constitution, three requirements must be met: (1) the use of the property must serve a public purpose appropriate to the function of the university; (2) adequate consideration must be received by the university; and (3) the university must maintain controls over the user's activities to ensure that the public purpose is achieved.

Accordingly, because the rent is below market, the Board of Regents is also asked to find that (1) the lease of the Land to Winona VFD, and then the lease of the Land and Building to Winona VFD for no base rental payment, as described above, serves a public purpose appropriate to the function of U. T. Tyler, including protecting the institution's assets by providing for timely and responsive emergency services to the institution's hospital and medical research facility; (2) pursuant to the lease agreements, the consideration received by U. T. Tyler is adequate; and (3) U. T. Tyler will have sufficient safeguards in place to ensure the public purpose will continue to be met on an ongoing basis, including provisions in the leases requiring that the property be operated as an emergency services and fire station.

HEALTH AFFAIRS COMMITTEE

30. Contract (funds going out) - U. T. Southwestern Medical Center: Agreement for Services with Dallas Physician Medical Services for Children, Inc. to assist U. T. Southwestern Medical Center in managing and operating regional Child Psychiatry Access Network (CPAN) and Texas Child Health Access through Telemedicine (TCHATT) Programs

Agency: Dallas Physician Medical Services for Children, Inc.

Funds: \$5,851,211

Period: September 1, 2021 through August 31, 2023

Description: This is an Agreement for Services between Dallas Physician Medical Services for Children, Inc. (DPMSC) and U. T. Southwestern Medical Center wherein DPMSC will assist in managing and operating regional Child Psychiatry Access Network (CPAN) and Texas Child Health Access through Telemedicine (TCHATT) programs by providing program staffing and support (including but not limited to Behavioral Health Providers and various administrators) for program activities that occur at DPMSC. The Agreement was not competitively bid, but instead procured through an Exclusive Acquisition Justification.

31. Contract (funds going out) - U. T. Southwestern Medical Center: Amendment to Agreement with Hallmark Fashion Kitchens, Inc., dba Hallmark Casework, to provide laboratory casework and ceiling panel goods and services for construction and facilities projects

Agency: Hallmark Fashion Kitchens, Inc., dba Hallmark Casework

Funds: \$15,000,000

Period: September 23, 2022 through March 8, 2026

Description: Hallmark Fashion Kitchens, Inc., dba Hallmark Casework, to provide laboratory casework and ceiling panel goods and services for construction and facilities. The original Agreement, effective March 9, 2021, was not previously submitted for Board consideration because the total contract amount was below the delegated approval threshold. The First Amendment added pricing information and did not require Board approval. The Second Amendment added required COVID-19 vaccination requirement for contractors who provide services in clinical facilities. This Third Amendment increases the total contract value to \$15,000,000. The Agreement was competitively bid.

32. Contract (funds going out) - U. T. Southwestern Medical Center: Amendment to Agreement with Mercury Global, Inc., to continue to provide revenue billing support services

Agency: Mercury Global, Inc.

Funds: \$14,000,000

Period: February 1, 2022 through February 14, 2023; with no additional renewal options

Description: Mercury Global, Inc., will continue to provide revenue billing support services (charge entry, claim denial follow-up, payment posting, etc.). The Master Services Agreement dated February 15, 2018, and the First Amendment dated June 20, 2018, were not previously submitted for Board consideration because the total contract amounts were below the institution's delegated approval threshold. The First Amendment added a clause for Medicare Parts C and D compliance. The Second Amendment, which was approved by the Board of Regents on August 20, 2020, increased the Fee Cap to \$8,000,000. The Third and Fourth Amendments extended the term to February 14, 2022, and February 14, 2023, respectively. This Fifth Amendment increases the Fee Cap to \$14,000,000. This is the final amendment and there will be no other renewals. The Agreement was competitively bid.

33. Interagency Agreement (funds coming in) - U. T. Southwestern Medical Center: Amendment to Interagency Agreement with the Texas Health and Human Services Commission for planning and development of new state psychiatric hospital

Agency: Texas Health and Human Services Commission

Funds: \$282,550,000

Period: Effective as of the date last signed by the Parties, through August 31, 2023

Description: This Amendment amends the Interagency Agreement with funding of \$44,750,000, which was approved by the Board of Regents on November 18, 2021. This First Amendment includes a Notice to Proceed from the Texas Health and Human Services Commission and adds \$237,800,000 in federal funding awarded under the American Rescue Plan Act of 2021 and appropriated by the Texas Legislature for the construction phase of a new state psychiatric hospital in the Dallas-Fort Worth Metropolitan Area to be managed by U. T. Southwestern Medical Center.

34. Sale - U. T. Southwestern Medical Center: Authorization to sell a tract of vacant land totaling approximately 5.52 acres located at 4711 Harry Hines Boulevard and extending along the southwest side of Harry Hines Boulevard, Dallas, Dallas County, Texas, to the Texas Health and Human Services Commission for development of a psychiatric hospital, with the institution possibly retaining property rights and interests to portions of the property located at 4501 Harry Hines Boulevard containing a cell tower lease premises and a billboard

Description: Authorization to sell a tract of vacant land totaling approximately 5.52 acres located at 4711 Harry Hines Boulevard and extending along the southwest side of Harry Hines Boulevard, Dallas, Dallas County, Texas, to the Texas Health and Human Services Commission (THHSC) for development of a psychiatric hospital, with the institution possibly retaining property rights and interests to portions of the property located at 4501 Harry Hines Boulevard containing a cell tower lease premises and a billboard.

U. T. Southwestern Medical Center is entering into this transaction pursuant to an Interagency Cooperation Contract with THHSC wherein the institution will assist THHSC with the purchase of real property for and manage the design and construction of a psychiatric hospital, and thereafter the institution will staff and operate such psychiatric hospital, all on behalf of THHSC (see related [Item 33](#)).

Following Board approval on February 1, 2022, U. T. Southwestern Medical Center acquired the subject property in August of 2022 from Dallas County Hospital District (DCHD); THHSC simultaneously acquired approximately 10.25 adjacent acres of property from DCHD. Both tracts are located across Harry Hines Boulevard from DHCD's Parkland Hospital, Dallas County's primary public health medical facility.

The additional 5.52 acres will allow for the planned state psychiatric hospital to include pediatric services. The approximately 100-bed inpatient unit for children and adolescents will be in addition to the approximately 200 adult beds at the new Texas State Psychiatric Hospital. At the time of the previous acquisition, THHSC had not yet secured funding to purchase the additional 5.52 acres for the pediatric unit.

Purchaser: Texas Health and Human Services Commission, an agency of the State of Texas.

Encumbrances: U. T. Southwestern Medical Center may retain property rights and interests on a portion of the property containing a billboard and a portion of the property subject to a ground lease through 2058 to SpectraSite Communications, LLC, a Delaware limited liability company, for a cell tower. The institution may retain related access rights to both sites.

Sale Price: No less than fair market value as determined by independent appraisal. Appraisal is confidential pursuant to *Texas Education Code* Section 51.951.

35. Lease - U. T. Southwestern Medical Center: Authorization to sublease approximately 70,651 rentable square feet of space located on the second floor at 3450 W. Camp Wisdom Road, Dallas, Dallas County, Texas, to Children's Health System of Texas, a Texas nonprofit corporation, for medical office use

Description: Authorization to sublease approximately 70,651 rentable square feet of space located on the second floor at 3450 W. Camp Wisdom Road, Dallas, Texas, to Children's Health System of Texas for medical office and clinical use. U. T. Southwestern Medical Center currently leases approximately 151,808 rentable square feet of space from RB East Wing Property, LLC via a Master Lease Agreement, and currently occupies approximately 81,157 rentable square feet on the first floor of the building, which is used as a multi-specialty regional medical center.

Sublessee: Children's Health System of Texas, a Texas nonprofit corporation

Term: The initial term of the sublease is estimated to be up to approximately 177 months, but in any event will be coterminous with the Master Lease Agreement. The sublessee will also have four additional options to renew the sublease for 60 months each at the then current fair market value, provided that such renewal term is consistent with and available pursuant to the Master Lease Agreement. Sublessee may be provided with approximately three months of abated rent; however, sublessee will pay for all operating expenses for the subleased premises during the abatement period.

Rental Amount: The base rental rate for the initial term has been determined to be approximately \$13.00 per square foot for the first 57 months and will increase by five percent on or around August 1, 2027, and by another five percent on or around August 1, 2032.

Total estimated base rent payments to U. T. Southwestern Medical Center over the initial lease term are estimated to be \$14,017,159. The estimated lease payments for the initial term and potential renewal term are estimated to be approximately \$39,861,294.

Additionally, Sublessee will pay for the pro-rata share of all operating expenses that U. T. Southwestern is responsible for paying for the subleased premises pursuant to the Master Lease Agreement, which are estimated to be approximately \$9.50 per square foot. Assuming 3% annual operating expense increases, the operating expenses to be paid by sublessee for the subleased premises during the initial period will be approximately \$12,315,507 and during the renewal periods will be approximately \$28,097,910. Sublessee will be responsible to pay utility charges for the subleased premises.

Sublessee Improvements: U. T. Southwestern Medical Center is delivering the space to the Sublessee in as-is shell condition and will not be providing a tenant improvement allowance. The sublessee will construct improvements in and to the subleased premises at its sole cost and expense.

Total Sublease Cost: The total base rent and operating expense payments collected from the Sublessee for the initial term and potential renewal terms has an estimated total value of approximately \$80,274,710.

36. Contract (funds going out) - U. T. Medical Branch - Galveston: Texas EM-I Services, P.A. to provide emergency department coverage

Agency: Texas EM-I Services, P.A.

Funds: \$19,500,000 over the full contract term

Period: October 1, 2022 through September 30, 2025; with an automatic renewal of one year

Description: Texas EM-I Medical Services, P. A., to provide emergency department coverage to all four U. T. Medical Branch - Galveston campus emergency departments (providing both emergency physicians and advanced practice providers, as appropriate). The arrangement provides a subsidy/guarantee to Texas EM-I Medical Services, P.A., in the event it is unable to collect such service payment amounts through billing patients who present to U. T. Medical Branch - Galveston. Such subsidy is capped at \$6,500,000 per year, or \$19,500,000 for the full term of the agreement.

37. Request for Budget Change - U. T. Medical Branch - Galveston: New Hires with Tenure -- amendment to the 2022-2023 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
School of Medicine					
Internal Medicine Division of Cardiology					
Professor					
Hani Jneid (T)	5/25-8/31	100	12	750,000	11754
School of Health Professions					
Occupational Therapy					
Chair and Professor					
Jyothi Gupta (T)	11/28-8/31	100	12	175,000	11865
Graduate School of Biomedical Sciences					
Internal Medicine					
Senior Vice President and Dean, Professor					
Melinda Sheffield-Moore (T)	2/5-8/31	100	12	380,000	11839

38. Lease - U. T. Medical Branch - Galveston: Authorization to extend the lease of approximately 11,418 square feet of space located at Beltway Office Park, located at 3737-3743 Red Bluff Drive, Harris County, Pasadena, Texas, from TriCal Commercial Investments, LLC, for medical office use

Description: Authorization to extend the lease of space of approximately 11,418 square feet of medical office space at Beltway Office Park, located at 3737-3743 Red Bluff Drive in Pasadena, Texas. The existing space is used as a Regional Women’s Services and Pediatrics clinic, formerly known as Regional Maternal and Child Health Program (RMCHP), which serves the underprivileged community. This clinic offers the ability to educate mothers on infant care in both nutrition and hygiene.

Lessor: TriCal Commercial Investments, LLC

- Term:** The term of the new lease will be for approximately 60 months, commencing on March 1, 2022, and expiring on February 28, 2027.
- Lease Cost:** Estimated rent of \$1,267,398 for the lease renewal term, plus make up rent of approximately \$43,295.25 (make-up rent from February 1, 2021 through February 28, 2022) for a total of approximately \$1,310,693.25.
- The commencement date of the initial lease was August 1, 1993, in which the tenant occupied approximately 1,680 square feet. The lease has been amended over the years with the tenant expanding and leasing office space within the building. As of February 1, 2011, U. T. Medical Branch - Galveston occupied approximately 11,418 square feet.
- Base Rent over the new lease period will be \$22.00 per square foot annually for the first twelve months or approximately \$20,933 monthly and will increase by 0.50 cents per square foot annually thereafter. Tenant will be responsible for any additional operating expenses over the base year of 2021 (which is approximately \$9.17 per square foot and if assuming 3% annual operating expense increases over the term of the new lease will be approximately \$49,017) and any additional incremental increase in premium costs for landlord's liability insurance to be increased from \$5,000,000 to \$10,000,000, which is estimated to be \$17,500 for the renewal period. As of the new lease period, Tenant will be responsible to pay any and all electricity charges directly to the utility company for Tenant's separately metered premises. In exchange, Landlord will reduce the monthly base rent of the lease by a maximum amount of approximately \$919.90, which is the estimated initial average monthly costs for Tenant's electricity. In addition, Lessee will pay the cost of \$5,000 annually to maintain the existing HVAC system servicing the premises.
- Total Cost:** Total estimated lease expense over the prior lease terms and proposed extension is approximately \$5,827,149, which includes all operating expenses, past, and proposed tenant improvement dollars, and all additional costs outlined above. This lease renewal is being brought to the Board for approval as the total costs now exceed the institution's contract threshold.
- Tenant Improvements:** The institution will contribute approximately \$560,000 towards improvements to the leased space.

39. Purchase - U. T. Medical Branch - Galveston: Authorization to purchase approximately 0.24 acres of land and improvements including an approximately 3,480 square foot medical office building and parking lot, located at 501 Holiday Drive, Galveston, Galveston County, Texas, from Michael B. Hughes, for future medical related use

Description: Authorization to purchase approximately 0.24 acres of land and improvements containing an approximately 3,480 square foot medical office building with a surface area parking lot, located at 501 Holiday Drive, City of Galveston, Galveston County, Texas. The property is located approximately one block south of the institution's campus. U. T. Medical Branch - Galveston anticipates using the property for future medical related uses.

Seller: Michael B. Hughes

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

40. Request for Budget Change - U. T. Health Science Center - Houston: Tenure Appointments -- amendment to the 2021-2022 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
McGovern Medical School					
Diagnostic and Interventional Imaging Professor					
Michael A. Jacobs (T)	8/2-8/31	100	12	340,000	11870
Internal Medicine - Division of Cardiology Associate Professor					
Romain Harmancey (T)	3/1-8/31	100	12	165,000	11869

41. Request for Budget Change - U. T. Health Science Center - Houston: Tenure Appointments -- amendment to the 2022-2023 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
School of Public Health					
Biostatistics and Data Science					
Professor					
Samiran Ghosh (T)	9/1-8/31	100	12	210,000	11871
McGovern Medical School					
Neurosurgery					
Professor					
Hui-Wen Lo (T)	9/1-8/31	100	12	300,000	11868

42. Purchase - U. T. Health Science Center - Houston: Authorization to purchase approximately 1.722 acres of land, located at 1930 Old Spanish Trail, Houston, Harris County, Texas, from U. T. M. D. Anderson Cancer Center, for future university planning and use, and possible conveyance of approximately 0.625 acres of land located at 7440 Cambridge Street, Houston, Harris County, Texas, to U. T. M. D. Anderson Cancer Center as partial payment

Description: Authorization to purchase approximately 1.722 acres of land, located at 1930 Old Spanish Trail, Houston, Harris County, Texas, for future university planning and use from U. T. M. D. Anderson Cancer Center, for future university planning and use.

Seller: U. T. M. D. Anderson Cancer Center

Total Area: Approximately 1.722 acres

Use: For future university planning and use

Purchase/Sales Price: Not to exceed fair market value as determined by independent appraisal. An appraisal dated September 15, 2022, obtained from Valbridge Property Advisors indicates the following values:

Approximately 1.722 acres \$12,030,000 (1.722 acres to be transferred to U. T. Health Science Center - Houston)

Approximately 0.625 acres \$2,450,000 (0.625 acres to be transferred to U. T. M. D. Anderson Cancer Center)

Possible Land Exchange: U. T. Health Science Center - Houston may convey approximately 0.625 acres of land located at 7440 Cambridge Street along the west boundary line of Cambridge Street, just south of Old Spanish Trail. Any land so conveyed in exchange for the subject properties will result in a reduction in the Purchase Price by the fair market value of such exchanged land.

43. Request for Budget Change - U. T. Health Science Center - San Antonio: New Hire with Tenure -- amendment to the 2021-2022 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
School of Medicine					
Medicine					
Professor					
Montaser Shaheen (T)	8/1-8/31	100	12	372,900	11813

44. Request for Budget Change - U. T. Health Science Center - San Antonio: Tenure Appointments -- amendment to the 2022-2023 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
School of Public Health					
Population Health Sciences and Medicine					
Dean and Professor					
Vasan Ramachandran (T)	9/1-8/31	100	12	425,000	11817
School of Nursing					
Office for Faculty Practice					
Vice Dean and Professor					
Lixin Song (T)	9/1-8/31	100	12	250,644	11840

45. Lease - U. T. Health Science Center - San Antonio: Authorization to lease approximately 72,390 usable square feet of space located at 5788 Eckhert Road, Bexar County, San Antonio, Texas, from Clearview San Antonio, GSA, LP, for medical office and clinical use

Description: Authorization to lease approximately 72,390 usable square feet of medical office and clinical space located at 5788 Eckhert Road in San Antonio, Texas, which is approximately two miles from the institution. The entire building will become the new home for the institution's Department of Psychiatry, which will consolidate multiple clinics into one location and become the home of the new Wellness Center.

Lessor: Clearview San Antonio, GSA, LP a Texas Limited Partnership

Term: The term of the lease will be for approximately 96 months, which will commence on approximately June 1, 2023. Tenant will also have the option to further extend the term of the lease for approximately 60 months.

Lease Cost: Estimated base rent for the initial term and potential renewal term is approximately \$23,997,285.

Base Rent over the initial period will be \$22.50 per square foot annually with \$0.50 per square foot annual increases thereafter. The base rent for the potential renewal period will be at the then determined Fair Market Value. Lessee will be responsible for any additional operating expenses, which are approximately \$6.00 per square foot. Assuming 3% annual operating expense increases, the operating expenses during the initial period will be approximately \$3,862,297 and the renewal period will be approximately \$2,921,134. Lessee will be responsible to pay utility charges and janitorial service, which is estimated to be approximately \$289,560 per year directly to the utility company and janitorial provider for the Lessee's premises.

Tenant Improvements: The lessor is contributing approximately \$2,533,650 as a tenant improvement allowance. Additionally, the institution will contribute approximately \$4,705,350 towards improvements to the leased space.

Total Cost: Total estimated lease expense over the initial lease term and potential renewal period is approximately \$39,250,346, which includes estimated rent, all estimated operating expenses, proposed tenant improvement expense, and all estimated additional costs outlined above.

46. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with Syntropy Technologies LLC to collect, organize, and make accessible U. T. M. D. Anderson Cancer Center data for health care operations and research and to facilitate collaborations with third parties

Agency: Syntropy Technologies LLC

Funds: The total value of the services under the Agreement is approximately \$39,000,000.

Period: June 30, 2022 through June 30, 2027; with two successive one-year renewals at U. T. M. D. Anderson Cancer Center's discretion

Description: Syntropy Technologies LLC (Syntropy) will continue to collaborate with U. T. M. D. Anderson Cancer Center in the implementation and configuration of a software solution provided by Syntropy and to license the software from Syntropy to (i) collect, organize and make accessible internally U. T. M. D. Anderson Cancer Center's data and (ii) at U. T. M. D. Anderson Cancer Center's discretion, facilitate collaborations with third parties, in each case, for the purposes of accelerating its healthcare operations, data science capabilities, scientific discovery, and research. Statements of Work will continue to be developed for each collaboration, whether it is an academic or industry collaboration.

The initial Agreement was effective from July 1, 2020 through June 30, 2025, with any renewals to be at commercial terms and conditions as agreed between the Parties. Substantively, this First Amendment, dated September 30, 2022 and effective June 30, 2022, extends the term an additional two years to June 30, 2027, adds a renewal option at U. T. M. D. Anderson Cancer Center's discretion for up to two successive one-year terms, changes the fee structure to hosting fees and a flat maintenance fee of \$5,000,000 annually during the initial term and \$7,000,000 annually during any renewal terms, decreases the cyber liability insurance coverage requirements to be in line with current industry standards, provides for waiver of subrogation in U. T. M. D. Anderson Cancer Center's favor and expands the usage for Cancer Network purposes. The initial Agreement was approved by the Board of Regents on August 20, 2020.

47. Request for Budget Change - U. T. M. D. Anderson Cancer Center: New Hires with Tenure -- amendment to the 2022-2023 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
Medical Staff					
Department of Urology					
Associate Professor					
Byron Lee (T)	2/1-8/31	100	12	440,029	11862
Medical Staff					
Department of Thoracic Head and Neck Medical Oncology					
Professor					
Christine Lovly (T)	2/1-8/31	100	12	382,000	11864

48. Lease - U. T. M. D. Anderson Cancer Center: Authorization to amend an existing ground lease to the Halo House Foundation, adding approximately 65,340 square feet of unimproved land located at 2940 Corder Street, Houston, Harris County, Texas, adjacent to Halo House Foundation's current ground leased area at 3000 Corder Street, for the construction and operation by the tenant of an additional medium-term housing facility for cancer patients; and finding of public purpose

Description: Expand size of existing ground lease to the Halo House Foundation of approximately 82,200 square feet by an additional approximate 65,340 square feet of unimproved land located at 2940 Corder Street, Houston, Harris County, Texas, adjacent to the Halo House's current ground leased area at 3000 Corder Street, for the construction and operation by the tenant of additional medium-term housing for cancer patients. The existing ground lease was previously approved by the Board of Regents on February 11, 2016, and the facility which was constructed contains 33 apartment units and has been well received in the community. The expansion proposes to increase the size of the facility and add an estimated 30 to 32 more units.

Lessee: Halo House Foundation, a Texas nonprofit corporation, and/or successors or assigns.

Term: Coterminous with existing lease of 20 years, with an anticipated commencement date of December 1, 2023, for the expansion area. Lessee will have three 10-year extension options as described in the existing lease.

Lease Income: Rent is a nominal \$1 per year in exchange for the benefits to U. T. M. D. Anderson Cancer Center described below. The current value of the expansion land is approximately \$2,418,900 as established by an independent appraisal and appraisal addendum dated February 24, 2022, and October 6, 2022 respectively. The estimated market value of initial annual base rent for the expanded portion of the premises is approximately \$181,417. This amount will increase annually and be combined with the fair market rent previously established for the term of the current existing ground lease with the result being the total ground rent value of the existing and expanded ground lease estimated to be approximately \$464,279 annually in 2024. The additional units to be built are projected to be completed in 2027 or sooner with the estimated total ground rent value projected to increase by three percent annually. However, the Lessee will pay the nominal rent of \$1 per year rather than the fair market value as described below. Lessee will be obligated to pay market rent if the 80% occupancy threshold described below is not met. Additionally, U. T. M. D. Anderson Cancer Center may charge market rent or may terminate the expanded lease under certain circumstances described below, including but not limited to a change in the permitted use and a delay in the substantial completion of the expanded facility. Lessee shall also be responsible for all operating costs of the entire property during the term.

Public Purpose: The rental payments under the expanded ground lease are less than fair market value. For the use of university property with below-market rental payments to comply with the Texas Constitution, three requirements must be met: (1) the use of the property must serve a public purpose appropriate to the function of the university; (2) adequate consideration must be received by the university, and (3) the university must maintain controls over the user's activity to ensure that the public purpose is achieved.

Accordingly, the Board of Regents is asked to find that:

(1) the lease of the additional premises, as described above, serves a public purpose appropriate to the function of the U. T. M. D. Anderson Cancer Center. U. T. M. D. Anderson Cancer Center has concluded that the additional premises would enable the institution, and other institutions in the Texas Medical Center, to offer cancer care services to more patients, especially low to moderate income patients, and would assist the institution in pursuing the fulfillment of its mission "to eliminate cancer in Texas, the nation, and the world";

(2) pursuant to the expanded ground lease agreement, the consideration received by the U. T. M. D. Anderson Cancer Center is adequate. U. T. M. D. Anderson Cancer Center has determined that the expanded facility would provide more low-cost housing primarily to cancer patients in the Texas Medical Center since occupancy will not be restricted to the Cancer Center's patients. Nevertheless, the institution anticipates that its patients will be well represented in the patient census for the expanded facility; and

(3) U. T. M. D. Anderson Cancer Center will have sufficient safeguards in place to ensure the public purpose will continue to be met on an ongoing basis. The expanded ground lease will limit the use of the additional premises to construction and operation of a low-cost patient lodging community facility serving eligible primarily cancer patients in the Texas Medical Center and may terminate at U. T. M. D. Anderson Cancer Center's election if such an expanded facility is not constructed within a given period (as to the additional premises only), or if Halo House abandons or ceases operations at the facility for more than six months or uses the facility for any other purpose. The expanded ground lease will also require that Halo House pay market rent in the event certain circumstances occur, including but not limited to a delay in the substantial completion of the expanded facility, or in the event that the percentage of cancer patients housed in the expanded facility is less than 80% of the total number of all types of patients housed at the expanded facility in a given month.

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

No items for Consent Agenda