

Meeting No. 1,189

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

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November 14 - 15, 2018

Richardson, Texas

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OF
THE UNIVERSITY OF TEXAS SYSTEM
NOVEMBER 14-15, 2018
RICHARDSON, TEXAS

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MEETING NO. 1,189

WEDNESDAY, NOVEMBER 14, 2018.--The members of the Board of Regents of The University of Texas System convened in Standing Committee meetings on Wednesday, November 14, 2018, from 10:00 a.m. - 2:45 p.m. in the Ann and Jack Graves Ballroom (Ballrooms A&B) of the Davidson-Gundy Alumni Center Building, The University of Texas at Dallas, 2501 Drive G, Richardson, Texas.

CONVENE THE BOARD IN OPEN SESSION.--At 2:45 p.m., in accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Tucker called the meeting of the Board to order in Open Session with the following participation:

ATTENDANCE.--

Present

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

Chairman Tucker welcomed Vice Chancellor for Governmental Relations Stacey Napier to The University of Texas family.

AGENDA ITEM

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

The University of Texas System Faculty Advisory Council met with the Board to discuss accomplishments of the Council and plans for the future. Council members who attended were:

Chair: Dan Cavanagh, M.M., The University of Texas at Arlington

Past-Chair: Jonathan Cheng, M.D., The University of Texas Southwestern Medical Center

Chair-Elect: Gurur Biliciler-Denktaş, M.D., FAAP, FACC, The University of Texas Health Science Center at Houston

Governance Committee: Charlotte Canning, Ph.D., The University of Texas at Austin

Secretary: Emily Bonner, Ph.D., The University of Texas at San Antonio

Chairman Tucker thanked members of the Council and liaison staff at the U. T. System for bringing the issues to the Board's attention and for their work on teaching effectiveness and student success.

RECESS TO EXECUTIVE SESSION.--At 3:16 p.m., Chairman Tucker recessed the Board to Executive Session in the Mike Redeker Executive Boardroom 2.110 of the Davidson-Gundy Alumni Center Building, pursuant to *Texas Government Code* Sections 551.071, 551.073, and 551.074, to consider the matters listed on the Executive Session agenda.

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS.--Chairman Tucker reconvened the Board in Open Session in Ballrooms A&B of the Davidson-Gundy Alumni Center Building at 4:32 p.m. for action on Executive Session Agenda Items as follows.

1a. U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features

Regent Longoria moved that the Board authorize the Vice Chancellor for External Relations, the Chancellor, and the Presidents of The University of Texas at Dallas, The University of Texas at San Antonio, The University of Texas at Tyler, The University of Texas Medical Branch at Galveston, and The University of Texas Health Science Center at Houston to conclude negotiations necessary to finalize, approve, and accept gifts and to finalize and execute agreements with potential naming features for the benefit of the named institutions consistent with the terms and conditions outlined and recommended in Executive Session.

Regent Beck seconded the motion, which carried unanimously.

1b. U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features

See Item 1a for action taken on this item.

2a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

2b. U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning pending legal claims by and against U. T. System

No action was taken on this item.

2c. U. T. Health Science Center - Houston: Discussion and appropriate action regarding legal issues related to possible resolution of federal government review of National Institutes of Health grant funds

Vice Chairman Foster moved that the Board authorize the Vice Chancellor and General Counsel, with approval of the Chancellor, the Executive Vice Chancellor for Health Affairs, and the President of The University of Texas Health Science Center at Houston, to take actions necessary to resolve any issues related to federal government review of expenditures of National Institutes of Health grant funds under Item 2c, within the parameters recommended to the Board in Executive Session.

The motion was duly seconded and carried by acclamation.

2d. U. T. System: Discussion and appropriate action regarding legal issues concerning underpayment of oil and gas royalties and hiring of outside legal counsel on a contingent fee basis to provide representation associated with the matter

Regent Eltife moved that the Board approve the following actions within the parameters recommended to the Board in Executive Session:

- a. authorize the Vice Chancellor and General Counsel to retain outside counsel to represent The University of Texas System Board of Regents on a contingency-fee basis to pursue the underpayment of oil and gas royalties; and
- b. delegate to the Vice Chancellor and General Counsel authority to execute all documents and take all actions necessary to accomplish the transaction.

The motion was duly seconded and carried unanimously.

3a. 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); task force members and advisory council members; and U. T. System and institutional employees

No action was taken on this item.

- 3b. U. T. Southwestern Medical Center: Discussion and appropriate action regarding proposed new hire with tenure and compensation for Dai H. Chung, M.D., as Division Chief of Pediatric Surgery and Executive Vice Chair in the Department of Surgery (Regents' Rules and Regulations, Rule 20204, regarding compensation for highly compensated employees)

Regent Hicks moved that the Board approve

- the proposed new hire with tenure and compensation for Dai Chung, M.D., in the Department of Surgery at The University of Texas Southwestern Medical Center; and
- proposed compensation for Executive Vice President and Chief Executive Officer of Health Systems, Donna Sollenberger, at The University of Texas Medical Branch at Galveston (UTMB)

within the parameters outlined and recommended in Executive Session.

He further moved that the Board find that this recommendation is in the best interest of U. T. Southwestern Medical Center, UTMB, and The University of Texas System as required by state law.

The motion was duly seconded and carried by acclamation.

- 3c. U. T. Medical Branch - Galveston: Discussion and appropriate action regarding proposed compensation for Donna K. Sollenberger, Executive Vice President and Chief Executive Officer, Health Systems (Regents' Rules and Regulations, Rule 20204, regarding compensation for highly compensated employees)

See Item 3b above for action taken on this item.

- 3d. U. T. System: Discussion and appropriate action regarding approval of proposed incentive compensation for Mark A. Houser, Chief Executive Officer of University Lands

Vice Chairman Hildebrand moved that the Board approve proposed incentive compensation for Mark A. Houser, Chief Executive Officer of University Lands, consistent with his employment contract and within the parameters outlined and recommended in Executive Session.

Regent Beck seconded the motion, which carried unanimously.

RECESS.--The Board recessed at 4:36 p.m.

THURSDAY, NOVEMBER 15, 2018.--The members of the Board of Regents of The University of Texas System reconvened at 8:30 a.m. on Thursday, November 15, 2018, in the Ann and Jack Graves Ballroom (Ballrooms A&B) of the Davidson-Gundy Alumni Center Building, The University of Texas at Dallas, 2501 Drive G, Richardson, Texas, with the following participation:

ATTENDANCE.--

Present

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

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Tucker called the meeting to order in Open Session. She thanked President Benson for hosting this meeting at The University of Texas at Dallas.

WELCOME TO CHANCELLOR MILLIKEN.--Chairman Tucker welcomed Chancellor Milliken to his first in-person Board meeting after seven weeks on the job and said the Board looks forward to working with him as he leads The University of Texas System institutions to greater heights. She then presented him with the traditional Chancellor's bronze medallion.

Chancellor Milliken received a round of applause and provided the following remarks.

Remarks by Chancellor Milliken

As the Chairman said, in seven weeks on the job, I've had the great opportunity to visit each of our 14 institutions, to visit with each of the members of the Board of Regents. I've been quite impressed, as I've gone across this large state, with our institutional leadership, with the faculty I've had the chance to meet with, and especially with our students. I think The University of Texas System is very well prepared for the 21st century, but there's a lot of work we have to do, but I feel good about our prospects. One of the things that drew me to Texas was what I observed was part of the ethos of this special place. It's a level of ambition, it's a level of confidence, but most of all, it's optimism that if we do the right things, it will be a better place. And, I emphatically share that philosophy, and I think it bodes very well, this feeling in Texas and the feeling at The University of Texas System, that we will

be better tomorrow than we are today. I look forward to working with each of you in the future to make sure we do all the things we can do to support the great State of Texas. Thank you.

AGENDA ITEMS (continued)

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

Chairman Tucker noted the following related to the Consent Agenda:

- Item 6 is a report for the record documenting Regent Eltife's service on the Board of Directors for Citizens 1st Bank and does not require Board approval.
- Vice Chairman Hildebrand and Regent Hicks will abstain from discussion and vote on Item 61 regarding a contract between The University of Texas Medical Branch at Galveston and AT&T due to financial interests.
- Item 4 requests approval of the terms of employment for Chancellor Milliken, and Item 5 requests approval of the terms of employment for Vice Chancellor for Governmental Relations Stacey Napier. In approving these items, the Board is asked to make findings, as required by state law, that these items are in the best interest of The University of Texas System. Appropriate advance notice was provided to the Legislative Budget Board.
- Items 11 through 14 request approval of contracts for staff augmentation services, if needed, for PeopleSoft information technology services.
- Item 17 requests approval of an amendment to the Master Agreement between U. T. System and edX Inc.
- Item 35 requests approval of the dual appointment of John Salsman, Environmental Health and Safety Director at The University of Texas at Austin, as a member of the Texas Low-Level Radioactive Waste Disposal Compact Commission. Item 57 requests approval for the dual appointment of Jennifer Flanagan, a radiologist assistant at The University of Texas Southwestern Medical Center, as a member of the Texas Board of Medical Radiologic Technology. And Item 58 requests approval for the dual appointment of Dr. Jeffrey Barnard, Professor of Pathology at U. T. Southwestern Medical Center, as a member of the Texas Forensic Science Commission.

In approving these items, the Board is asked to make findings that holding of each position is of benefit to the State of Texas and the University, and that there is no conflict between each position and the University.

- Item 42 requests approval for The University of Texas Rio Grande Valley to enter into an agreement with the City of Heroica Matamoros for the rent-free use of space at a cultural building in Matamoros. Approval is also requested for authorization to form a Mexican civil association.
- Item 47 requests approval of a new logo for UT Health Rio Grande Valley.
- Item 52, U. T. Southwestern Medical Center advises that the value of funds coming in should be revised to \$15 million.
- Item 72 proposes revisions to the comprehensive leave program at The University of Texas M. D. Anderson Cancer Center.
- Finally, Item 75 requests approval for U. T. System to sell or lease land in Houston.

The Board then approved the Consent Agenda, which is set forth on Pages 96 - 163.

In approving the Consent Agenda, the Board expressly authorized that any contracts or other documents or instruments approved therein may be executed by the appropriate officials of the respective University of Texas institution involved.

3. U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendments to Regents' *Rules and Regulations*, Rule 30104 (Conflict of Interest, Conflict of Commitment, and Outside Activities), Section 7, regarding separation of activities

The Board amended Regents' *Rules and Regulations*, Rule 30104 (Conflict of Interest, Conflict of Commitment, and Outside Activities), Section 7, regarding separation of activities, to read as set forth below:

Sec. 7 Separation of Activities. If a U. T. System Administration or U. T. institution employee engages in any outside activity, the employee must make it clear to those who employ him or her that the work is unofficial and that the name of the U. T. System or any U. T. institution is not in any way to be connected with the employee's name, except for identification purposes in a way that avoids the appearance of endorsement or support by U. T. System or any U. T. institution. No employee engaged in outside activities shall use in connection therewith the official stationery of the System, give as a business address any building or department of the U. T. System or any of the institutions, or any University telephone extension.

The purpose of the revision was to (i) conform the text of the Rule to existing practice, (ii) prohibit the improper appearance of endorsement by The University of Texas of private activities, and (iii) preserve the rights of employees to provide appropriate reference to their U. T. service.

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

4. U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendments to Regents' *Rules and Regulations*, Rule 31001 (Faculty Appointments and Titles), Section 2, regarding academic titles, to ensure consistency in use

The Board amended Regents' *Rules and Regulations*, Rule 31001 (Faculty Appointments and Titles), Section 2, regarding academic titles, to read as set forth on the following pages.

Regents' Rule 31001 outlines the permissible faculty titles to be used by University of Texas institutions. The amendments to Section 2.2, (i), (j), (l), and (m) eliminate redundant language pertaining to reappointments.

Another amendment to Section 2.2(l) reflects the way the titles of Professor of Practice, Associate Professor of Practice, and Assistant Professor of Practice are used at U. T. institutions and other major university systems nationally to reflect a faculty member's experience and achievements in nonacademic careers, rather than through the attainment of typical academic credentials.

On November 10, 2016, Section 2.2(m) was added to Rule 31001 to authorize the use of three new titles for full-time, nontenured faculty primarily engaged in instruction: Professor of Instruction, Associate Professor of Instruction, and Assistant Professor of Instruction. Removing the reference to "full-time" will provide flexibility to award these titles to part-time faculty likewise primarily engaged in instruction.

The amendment to Section 2.3(b) eliminates the requirement for System-level approval of the honorific title "Distinguished Teaching Professor." Existing institutional nomination and review processes ensure that faculty who are selected to be members of an institutional academy of distinguished teachers meet the highest standards of teaching excellence.

Finally, the amendment to Section 2.3(d) eliminates the requirement for Board approval of Emeritus titles for Dean, Chair, and Professor appointments. Existing institutional processes ensure appropriate award of these Emeritus titles.

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

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

Rule: 31001

1. Title

Faculty Appointments and Titles

2. Rule and Regulation

...

Sec. 2 Academic Titles. To achieve consistency in the use of academic titles among the institutions of the System, the following Subsections describe the use of titles to apply in all institutions.

...

2.2 Other Titles. The following academic titles may also be used by the institutions of the U. T. System. Tenure may not be awarded to a person appointed to these titles. With the exception of the title of Instructor, academic service with these titles may not be counted toward the satisfaction of any maximum probationary period. Appointments to these titles shall be for a period of time not to exceed one academic year except in the case of Lecturer, Senior Lecturer, or a clinical or research position with a title authorized by Section 2.2(g) below when an appointment may be for periods of time not to exceed three academic years. With the exception of the title of Instructor, such appointments shall terminate at the expiration of the stated period of appointment without notification of nonrenewal. Except for the titles described in Sections 2.2(n) and 2.2(o), if an institution determines that it is to the benefit of the institution, it may offer reappointments to these titles in accordance with *Texas Education Code* Section 51.943 and may provide annual renewability of two- and three-year appointments.

...

- (i) Adjunct Professor, Adjunct Associate Professor, and Adjunct Assistant Professor. One of these titles may be used when a qualified person from business, industry, government, private practice, or another institution of higher education may be teaching a course or participating in the teaching of a course at one of the institutions. For the health institutions, this prefix should be used only for those persons not involved in patient care who otherwise satisfy the above criteria. Appointments to the faculty with an adjunct title may be with or without pay and shall be for a stated period of time not to exceed one academic

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Rules and Regulations of the Board of Regents

Rule: 31001

year. Such appointments shall terminate upon expiration of the stated period of appointment without notification of nonrenewal.

- (j) Clinical Professor, Clinical Associate Professor, Clinical Assistant Professor, and Clinical Instructor. These titles may be used by the institutions of the U. T. System to designate regular part-time or full-time service on the faculty while involved in a professional clinical experience program. Appointments to the faculty with a clinical title may be with or without pay and shall be for a period of time not to exceed three academic years. Such appointments shall terminate upon expiration of the stated period of appointment without notification of nonrenewal.

...

- (l) Professor of Practice, Associate Professor of Practice, and Assistant Professor of Practice. These titles may be used by the institutions of the U. T. System to designate regular part-time or full-time service for faculty qualified to teach by virtue of professional experience in lieu of typical academic credentials. Appointments to the faculty with a Professor of Practice title may be with or without pay and shall be for a period of time not to exceed three academic years. Such appointments shall terminate upon expiration of the stated period of appointment without notification of nonrenewal.
- (m) Professor of Instruction, Associate Professor of Instruction, and Assistant Professor of Instruction. These titles may be used by the institutions of the U. T. System to designate nontenure-track faculty primarily engaged in instruction. Appointments to the faculty with a Professor of Instruction title may be with or without pay and shall be for a period of time not to exceed three academic years. Such appointments shall terminate upon expiration of the stated period of appointment without notification of nonrenewal.
- (n) Assistant Instructor or Graduate Teaching Associate. These titles may be used interchangeably for:
- certain graduate students teaching on a part-time or full-time basis who are in the last phase of their doctoral programs and who are unconditionally enrolled in graduate study, or

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

Rule: 31001

- persons who, because of the nature of their duties, such as in a laboratory or hospital, do not qualify for one of the usual academic titles and do not hold the academic training or professional distinction usually required for attaining tenured positions.

(o) Teaching Assistant. This title usually applies to graduate students who assist faculty and who are employed on a part-time basis.

2.3 Honoric Titles

...

(b) Distinguished Teaching Professor. In recognition of their significant contributions to education, members of an institutional academy of distinguished teachers may use the honorific title Distinguished Teaching Professor. The use of this title may be conferred only upon approval by the president of the institution or by another official in accordance with procedures included in the institutional *Handbook of Operating Procedures*.

...

(d) Honorary Titles. Honorary titles such as Dean Emeritus, Chair Emeritus, Professor Emeritus, and similar honorary designations may be given to a retired faculty member or in anticipation of the retirement of a faculty member, effective upon retirement. The conferring of one of these titles is not automatic upon retirement and may be conferred only upon approval by the president of the institution or by another official in accordance with procedures included in the institutional *Handbook of Operating Procedures*.

.....

5. Item intentionally left blank

This item was intentionally left blank.

6. U. T. System: Discussion and appropriate action regarding participation in the TMC3 collaborative research development project

On March 19, 2018, the Board of Regents approved participation by The University of Texas Health Science Center at Houston and The University of Texas M. D. Anderson Cancer Center in the TMC3 project in Houston. The motion approving that participation included the required hiring of an experienced Chief Executive Officer (CEO) for the project with experience and involvement in biomedical technology development and academic industry partnerships. Following discussions regarding a TMC3 governance agreement, the parties agreed a CEO for the TMC3 project is not needed.

In response to a question from Regent Beck about the governance structure of TMC3, former Chancellor *ad interim* Larry Faulkner explained that the governance structure does not involve one CEO over all the TMC3 activities because practically all of the property, research space, and people doing research in the TMC3 project are under the control of individual institutions, thus the CEOs of the individual institutions control their individual spaces and their own people. He said a board structure, comprised of CEOs of member organizations (U. T. Health Science Center - Houston, U. T. M. D. Anderson Cancer Center, Baylor College of Medicine, and The Texas A&M Health Science Center in Houston) and a Texas Medical Center (TMC) representative will control policies and be responsible for the scientific program and for the scientific use of the scientific space in the Helix. He said the TMC will be responsible for the physical operation of the Helix and the commercial space.

The governance agreement, which, he said, is almost ready for execution, involves creation of an executive committee of the board, which will be comprised of a representative of each member organization and be responsible for the routine policy operation. Vice Chairman Hildebrand asked if all parties were satisfied with the outcome of the discussions, and Dr. Faulkner replied that the process of developing the governance agreement has moved smoothly, and he sees that as a major step in defining the partnership.

Chairman Tucker confirmed with President Pisters and President Colasurdo their support for the project, and she thanked Dr. Faulkner for staying with The University of Texas System as emissary to TMC3. Executive Vice Chancellor Greenberg noted that the two Presidents and their teams have collaborated on the plans for the shared building that is expected to be presented to the Board in the future.

The Board then approved modification of its March 19, 2018 approval to remove the requirement for the recruitment and hiring of a CEO for the project.

7. U. T. Dallas: Appointment of Dr. David E. Daniel as President Emeritus

The Board appointed Dr. David E. Daniel as President Emeritus at The University of Texas at Dallas in accordance with the Regents' *Rules and Regulations*, Rule 20301. Chairman Tucker congratulated Dr. Daniel, who was in attendance at the meeting, and Dr. Daniel received a round of applause.

In 2005, Dr. Daniel became the fourth President of U. T. Dallas, serving in that position until 2015. He began a decade of surging enrollment growth and increasing prominence for the University. He believed that the prosperity of the State of Texas was tied to the strength of its university system, and he drafted the plan for U. T. Dallas to achieve top-tier research status.

Throughout his career, Dr. Daniel has been closely aligned with The University of Texas System, earning his bachelor's, master's, and doctoral degrees in engineering from The University of Texas at Austin before joining the faculty in 1981. He then moved to the University of Illinois in 1996, serving as the head of the Department of Civil Engineering, and later, as the Dean of the College of Engineering. He returned to Texas when appointed President of U. T. Dallas in 2005, and he served at U. T. System as Deputy Chancellor from July 1, 2015 to August 30, 2018.

Dr. Daniel advocated widely for developing and cultivating world-class research universities. He focused on hiring exceptional faculty, attracting top students, delivering quality education, improving outcomes such as graduation rates, expanding diversity, and partnering with the community in research, education, outreach, the arts, and technology commercialization.

Dr. Daniel's tenure at U. T. Dallas was marked by a number of accomplishments. Enrollment at the University increased significantly, growing from 14,500 to 24,500 students. Fifty academic programs were added during his presidency, research expenditures nearly tripled, and more than \$1 billion in construction of new buildings and infrastructure was initiated and/or completed. Dr. Daniel pointed U. T. Dallas on its path to becoming a Tier One research university. His strategy directly led to more than \$600 million of state funding to be earmarked for the creation of more top-tier research universities in the state.

A member of the National Academy of Engineering, Dr. Daniel was frequently called upon for his civil engineering expertise. He led a panel for the American Society of Civil Engineers from 2005 to 2008 that analyzed the performance of New Orleans' levees during Hurricane Katrina. Dr. Daniel was also appointed by the National Academy of Engineering and the National Research Council in 2010 to a committee that investigated the Deepwater Horizon explosion and oil spill in the Gulf of Mexico.

8. U. T. System: Recognition of Nobel Prize recipient, Dr. James P. Allison, and ratification of designation as Regental Professor [Regents' *Rules and Regulations*, Rule 31001, Section 2.3(a)] and allocation of funds

On October 1, 2018, Dr. James P. Allison, Chair of Immunology and Executive Director of the Immunotherapy Platform at The University of Texas M. D. Anderson Cancer Center, was awarded the Nobel Prize in Physiology or Medicine. Following introduction by President Pisters, Dr. Allison made a presentation titled “Immune Checkpoint Blockade in Cancer Therapy,” which is [on file](#) in the Office of the Board of Regents. Dr. Allison received a standing ovation.

Regent Jewell expressed appreciation to Dr. Allison for his inspiration, teaching, and mentorship, and on behalf of the students of The University of Texas System, she extended hearty congratulations. Dr. Allison encouraged the next generation of students to continue the work.

In recognition of this prestigious achievement, the Board ratified award to Nobel laureate Allison of the title of Regental Professor and granted \$500,000 in Permanent University Funds (PUF) for equipment purchases, to be paid \$100,000 annually for five years.

The designation of Regental Professor is in accordance with the Regents' *Rules and Regulations*, Rule 31001, Section 2.3(a), which allows a faculty member awarded the Nobel Prize to be given the title of Regental Professor upon recommendation of the President, the appropriate Executive Vice Chancellor, and the Chancellor.

Dr. Allison shares the Nobel Prize with Dr. Tasuku Honjo of Kyoto University “for their discovery of cancer therapy by inhibition of negative immune regulation.” Dr. Allison was selected for his basic research discoveries that launched a revolutionary new way to attack cancer -- by treating the immune system rather than the tumor. A drug based on his research was the first to extend the lives of people with late-stage melanoma, some for 10 years and beyond.

Dr. Allison received his bachelor's and doctoral degrees in biological science from The University of Texas at Austin. He started his career at M. D. Anderson in 1977 as one of the first employees of a new basic science research center and was recruited in November 2012 to lead the Immunology Department and to establish an immunotherapy research platform for M. D. Anderson's Moon Shots Program.

He is a 2012 recipient of a Science and Technology Acquisition and Retention (STARs) award and was recognized by the Board for his Breakthrough Prize in Life Sciences award for T-Cell Research in 2014. He is a member of the National Academies of Science and Medicine and has received other prestigious awards, including the Canada Gairdner International Award and the Lasker-DeBakey Clinical Medical Research Award.

STANDING COMMITTEE REPORTS AND RECOMMENDATIONS.--At 9:10 a.m., Chairman Tucker announced the Board would hear the reports and recommendations of the Standing Committees, which are set forth on Pages 16 - 82.

REPORT AND RECOMMENDATION OF THE AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE (Pages 16 - 17).--Committee Chairman Beck reported that the Audit, Compliance, and Risk Management Committee met in Open Session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the action set forth in the Minute Order that follows was recommended by the Audit, Compliance, and Risk Management Committee and approved in Open Session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. System: Report on Audits of the Systemwide Cancer Prevention and Research Institute of Texas Grants

This item was for consideration only by the Committee.

3. U. T. System: Report on the Systemwide internal audit activities, including the FY 2018 Annual Report

This item was for consideration only by the Committee.

4. U. T. System: Discussion and presentation of Systemwide Compliance Risk Assessment (Deferred)

This item was for consideration only by the Committee and was deferred.

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

This item was for consideration only by the Committee.

6. U. T. System: Discussion and appropriate action regarding request for additional funding of \$16,900,000 from Available University Funds (AUF) to expand the capabilities of the Intrusion Detection System (IDS), upgrade the vulnerability scanning service, and license a suite of other information security-related products

The Board approved additional funding in the amount of \$16,900,000 from Available University Funds (AUF) for Systemwide security services and applications.

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

Information security is a significant high-risk area within the U. T. System. The Systemwide Intrusion Detection System (IDS) has reliably served U. T. institutions in detecting and reporting system compromises, high-risk vulnerabilities, and data exfiltration events but has only covered portions of the data traffic generated by the institutions. Of the \$16,900,000, \$10,000,000 will be added to the amount approved by the Board on May 1, 2018, to expand the coverage of the intrusion detection system provided by The University of Texas at Austin on behalf of U. T. System; \$900,000 will be used to upgrade the software to enhance the vulnerability scanning service provided by U. T. Austin on behalf of U. T. System; and \$6,000,000 will fund the license of security applications available from Microsoft.

Vice Chairman Hildebrand, Regent Beck, and Regent Hicks abstained from discussion and vote on the portion of the authorization that relates to Microsoft due to financial interests.

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 18 - 44).--Committee Chairman Hildebrand reported that the Finance and Planning Committee met in Open Session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Finance and Planning Committee and approved in Open Session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. System: Key Financial Indicators Report

This item was for consideration only by the Committee.

3. U. T. System Board of Regents: Approval of the Annual Budget for FY 2019, 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)

Upon recommendation of the Board of Directors of The University of Texas/Texas A&M Investment Management Company (UTIMCO), the Board approved the Annual Budget for the year ending August 31, 2019, as set forth in the PowerPoint presentation on the following pages, which includes the capital expenditures budget and other external direct charges to the Funds on Page 23, and the Annual Fee and Allocation Schedule on Page 26.

The Total Budgeted Costs consist of \$43.8 million for UTIMCO services [18.0% increase over Fiscal Year (FY) 2018 budget] and \$11.5 million (31.3% increase from FY 2018 budget) for Fund Direct Costs (external non-investment manager services such as custodial, legal, audit, and consulting services), for a total of \$55.3 million. These Total Budgeted Costs represent only a portion of total investment costs as they exclude external manager fees. The Total Budgeted Costs was approved by the UTIMCO Board on September 20, 2018.

The 18.0% increase in UTIMCO services is mostly attributable to the creation of new investment groups and an increase in depreciation and lease expenses related to the office move to The University of Texas System Building in 2017. The 31.3% increase in Fund Direct Costs is mostly attributable to an increase in custodian-related costs due to considerable asset base appreciation, especially in the emerging markets.

The capital expenditures budget totaling \$.3 million is included in the total Annual Budget.

The Annual Fee and Allocation Schedule shows the allocation of the budgeted expenses among U. T. System funds in total.

UTIMCO projects that there will be no surplus cash reserves available to be distributed back to U. T. System per the Master Investment Management Services Agreement (IMSA) between the U. T. System Board of Regents and UTIMCO.



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

UTIMCO Budget

Mr. Britt Harris
President, CEO and Chief Investment Officer

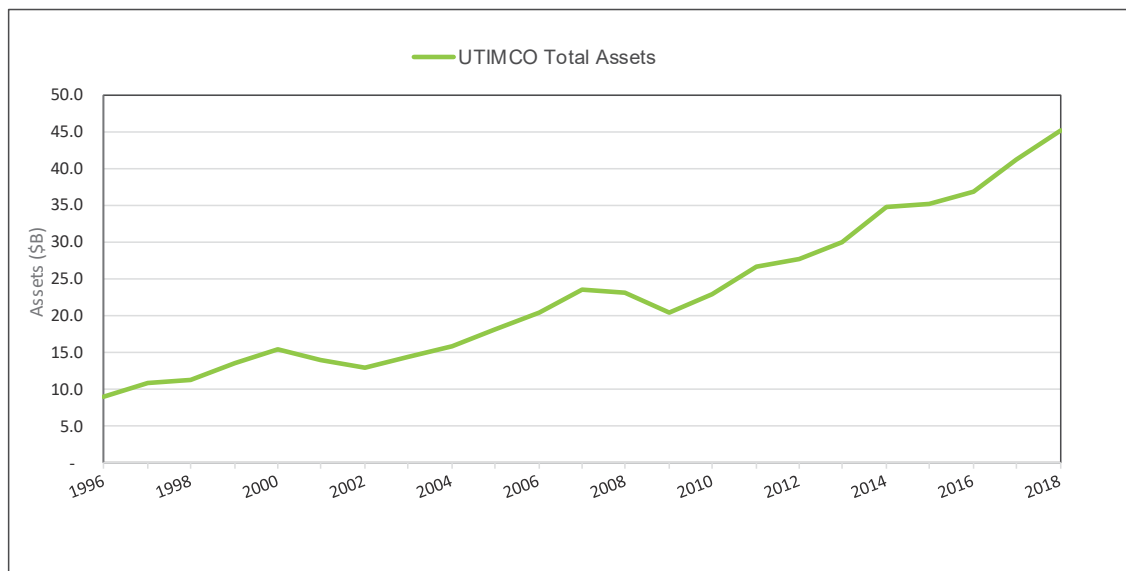
U. T. System Board of Regents' Meeting
Finance and Planning Committee
November 2018

UTIMCO Asset Growth



As of Aug 31, 2018, \$ in Mill

	1 Year	3 Year
Total Asset Growth	+\$3,774	+\$9,870
UTIMCO Value-Added	+\$354	+\$966

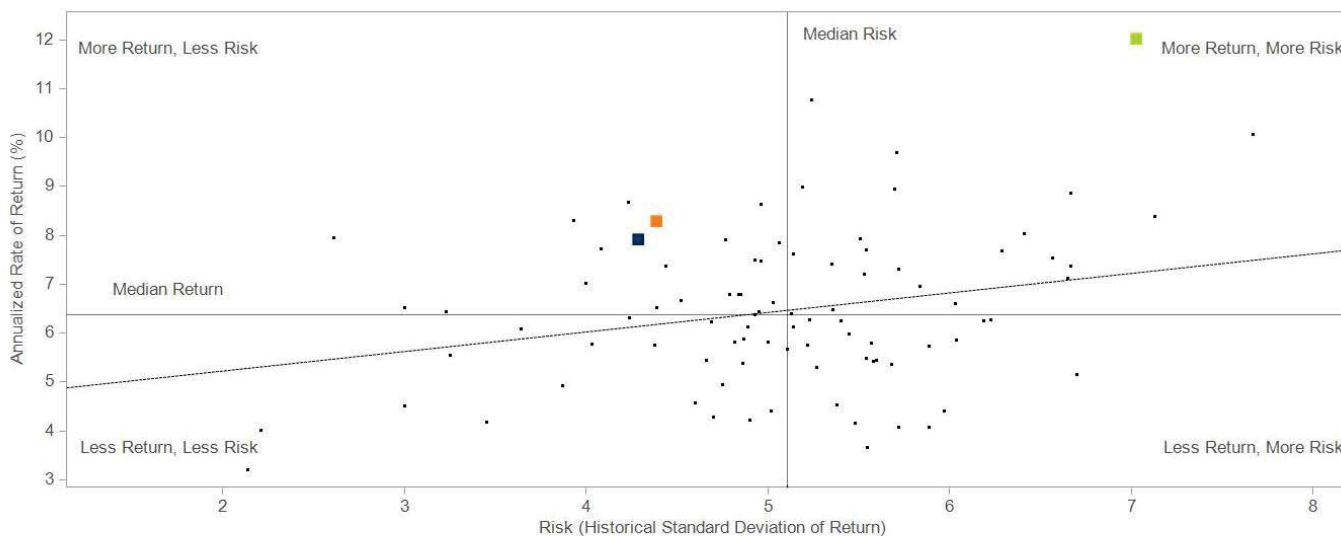


Source: UTIMCO

Risk vs. Total Returns



Three Years Ending June 30, 2018



Alpha: 4.43
Beta: 0.4
R-Squared: 0.07

	Risk Value	Risk Rank	Return Value	Return Rank
GEF TOTAL FUND	4.41	79	8.19	13
PUF TOTAL FUND	4.31	82	7.82	19
S&P 500	7.05	3	11.93	1
Median	5.11		6.37	

UTIMCO Annual Budget



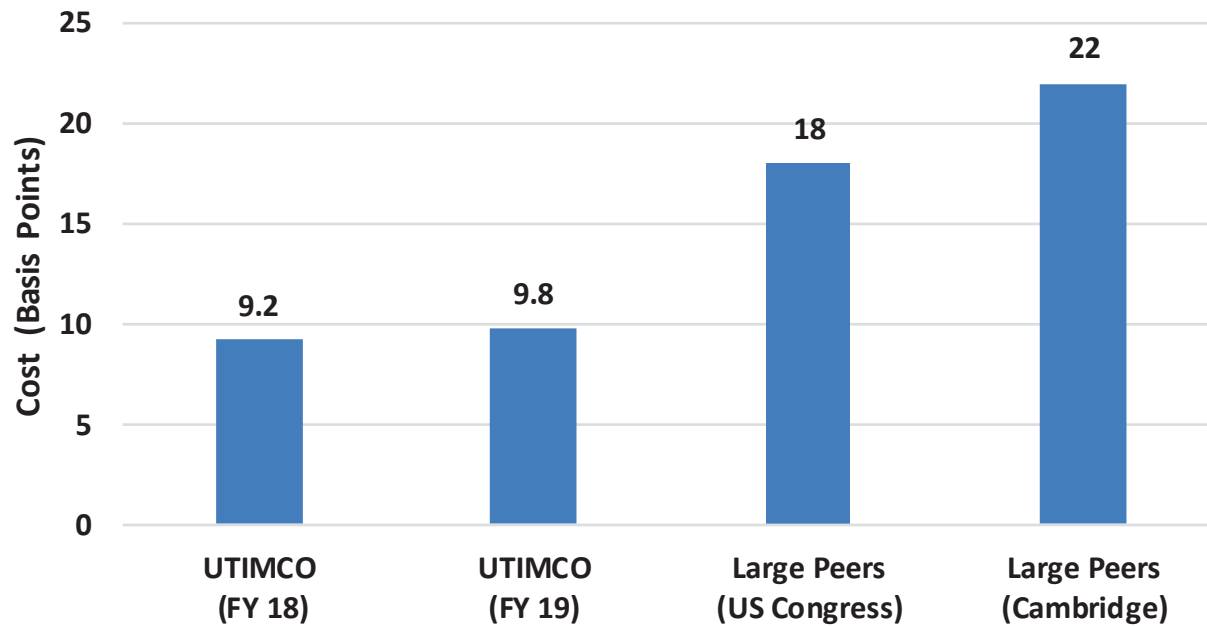
\$ in thousands	FY 2018	FY 2019	FY 2019 Budget v FY 2018 Budget	
	Budget	Budget	\$	%
Salaries, Benefits & Taxes	\$17,680	\$19,760	\$2,080	11.8%
Incentive Compensation	9,316	12,908	3,592	38.6%
Total Compensation	26,996	32,668	5,672	21.0%
Other Expenses	10,106	11,121	1,015	10.0%
Total UTIMCO Services	\$37,102	\$43,789	\$6,687	18.0%
Other Direct Costs to Funds	\$8,777	\$11,525	\$2,748	31.3%

Summary of FY 2019 Budget



Actual FY18	Baseline Increase	Incremental Budget 5.7%	Approved FY19
\$37.1 M	\$4.3 M	\$2.4 M	\$43.8 M
	New capabilities/ Senior Investors: <ul style="list-style-type: none"> • CEO • Asset Allocation • Stable Value Hedge Funds • Deputy CIO • Strategic Partnership 	Results: <ul style="list-style-type: none"> • Changes to current employee compensation • 4 Additional employees • Contractors to help IT improve cyber security and address infrastructure system issues 	

UTIMCO Services Budget In Context



Minutes - 25

UTIMCO Annual Fee and Allocation Schedule



UTIMCO Management Fee and Direct Budgeted Investment Expenses

For the fiscal year ending August 31, 2019

<u>Proposed Budget</u>	<u>Fund Name</u>						Separate Funds	Debt Proceeds	Total
	PUF	PHF	LTF	GEF	ITF	STF			
<u>Market Value 6/30/18 (\$ millions)</u>	21,519			10,416	9,944	1,861	309	515	44,564
<u>UTIMCO Management Fee</u>									
Dollars	22,500,436			10,891,051	10,397,525				43,789,012
Basis Points	10.5			10.5	10.5				9.8
<u>Direct Expenses to the Fund, excluding UT System Direct Expenses to the Fund</u>									
Dollars	5,708,565	26,478	28,828	3,001,345	2,759,958				11,525,174
Basis Points	2.7	0.2	0.0	2.9	2.8				2.6

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

This item was for consideration only by the Committee.

[Secretary's Note: Mr. Mark Houser provided an additional slide for his PowerPoint presentation, as set forth on the following page.]

Key Takeaways

- **FY 2018 revenue exceeded \$1.1 billion and is projected at similar level for FY 2019**
 - ~90% of goes to the PUF, ~10% goes to the AUF
 - FY 2018 Expenses of \$24.7 million represent \$1.28/BOE (~\$1/BOE G&A only), significantly below industry peers
- **Oil and gas production is at record levels and up 20% year-over-year**
 - PUF lands production correlates with overall Permian Basin production
 - Oil and gas proved reserves increased 23% year-over-year
 - Lateral footage drilled on PUF Lands in 2018 up ~200% year-over-year, while rig count has remained relatively constant
 - Increased drilling commitments from operators up 3 to 4 million lateral feet (300 - 400 wells) over next 5 years
- **Environmental stewardship continues to be a priority**
 - Permian Basin emissions down 4% while production up 22% in 2017
 - UL pushing for efficient use of infrastructure related to pipelines, highways, water usage and sand usage through various agreements
- **Leasing for renewable energy remains ongoing**
 - Since 2017, UL has leased 57,000 acres for new wind and solar development, with another 40,000 acres currently being negotiated
- **Pipelines being built to remedy Permian takeaway issues**
 - Anticipate capacity issues resolved by late 2019
- **Oil prices have decreased from \$76/bbl (WTI) to \$57/bbl (WTI) in past 40 days**
 - Anticipate “received price” of ~\$50/bbl for foreseeable future



5. U. T. System Board of Regents: Approval of an Incentive Compensation Plan for University Lands Employees

The Board approved the Incentive Compensation Plan (Plan) for University Lands Employees as set forth on the following pages.

Section III.C. of the Employment Agreement between The University of Texas System and Mark Allen Houser, approved by the Board of Regents on March 19, 2018, states Mr. Houser will work with the University Lands Advisory Board (ULAB) and U. T. System staff to obtain Board of Regents’ approval of an Incentive Compensation Plan for University Lands Employees. The following Plan was reviewed and endorsed by the ULAB. Additionally, University Lands employee compensation was independently reviewed by Mercer (US) Inc.

The methodology for the Plan payout is two-fold. It is based on the following:

Eligibility

Award Opportunity (% of Salary)

Employee Group	Number of Employees*	Minimum	Target	Maximum
CEO	1	0%	100%	200%
Executive	3	0%	75%	150%
Management	9	0%	30%	60%
Professional	14	0%	15%	30%
Team**	~40	0%	5%	10%

* Numbers include open positions.

**Team includes all remaining employees, who are eligible to receive awards based on CEO recommendation.

Quantitative vs. Qualitative Performance

The following proportions will be used in determining the breakdown between quantitative and qualitative performance.

Employee Group	Quantitative	Qualitative
CEO	80%	20%
Executive	70%	30%
Management	50%	50%
Professional	40%	60%
Team**	80%	20%

The quantitative component is based on the following four value-added measures:

1. Production -- Barrels of Oil Equivalent (BOE) (30%);
2. Proved Reserves (30%);
3. Costs (General and Administrative) per BOE (15%); and
4. Revenue Generated (25%)
 - i) PUF (10%); and
 - ii) AUF (15%).

THE UNIVERSITY OF TEXAS SYSTEM

INCENTIVE
COMPENSATION PLAN

FOR
UNIVERSITY LANDS EMPLOYEES

EFFECTIVE UPON APPROVAL BY THE
U. T. SYSTEM BOARD OF REGENTS

INCENTIVE COMPENSATION PLAN FOR UNIVERSITY LANDS EMPLOYEES

I. BACKGROUND

The Incentive Compensation Plan for University Lands Employees (UL Incentive Plan) is designed to provide structure for the annual review and consideration of incentive reward for University Lands employees based upon predetermined performance goals. This plan is consistent with the strategy endorsed by the U. T. System Board of Regents originally in 2013 which recommended several changes in the management of University Lands, including “funding a competitive compensation plan” to attract and retain individuals to assist in maximizing the long-term value of the Permanent University Fund (PUF) Lands.

The UL Incentive Plan was developed over the past three years, with its current form endorsed by the University Lands Advisory Board (ULAB) in October 2018. This plan served as guidance for determining the incentive compensation for the Chief Executive Officer (CEO) of University Lands for Fiscal Years 2016 and 2017 and to determine the merit payments granted to University Lands employees for their performance in Fiscal Years 2016 and 2017.

II. UL INCENTIVE PLAN OBJECTIVES

The UL Incentive Plan supports the strategy implemented by the U. T. System Board of Regents with respect to changes implemented with the University Lands organization in the following ways:

- Supports the strategic mission of University Lands to maximize the value of the PUF Lands over the long-term by setting annual performance objectives aligned with the strategic goals recommended by the ULAB and supported by the U. T. System Board of Regents.
- Provides a mechanism to enhance the ability of University Lands to attract and retain high quality professionals in the energy sector with competitive compensation in a structure that is generally consistent with other companies also seeking their services.
- Focuses the attention and efforts of key employees on the issues that are most important to the mission of University Lands by placing a significant, meaningful portion of the employee’s compensation “at risk” based on attainment of specific goals.

In addition, the plan is designed to be reasonably consistent with UTIMCO’s incentive plan.

III. THE PLAN DESIGN

Eligibility

All University Lands employees who are in good standing will be eligible to participate in the UL Incentive Plan. Those eligible for the four upper-tier levels of the five-tier plan will be presented by the CEO of University Lands to the ULAB for review, and if there are no objections, the recommended awards will be brought forward to the Chancellor, or the Chancellor's designee for approval. Awards for eligible participants at the fifth-tier "Team" level will be determined and approved by the CEO of University Lands.

Generally, employees who are newly-hired or promoted into an Eligible Position on or before March 1 of a given year may participate on a prorated basis. The Chancellor, or the Chancellor's designee, has discretionary authority to designate the employment position of a newly-hired or promoted employee as eligible to participate in the full UL Incentive Plan for any performance period or remainder of a performance period.

An employee will cease to be a Participant in the UL Incentive Plan on the earliest to occur of:

- the date such employee is no longer employed in an Eligible Position;
- the date of termination of the UL Incentive Plan;
- the date such employee commences a leave of absence;
- any date designated by the Chancellor, or the Chancellor's designee as the date on which said employee is no longer a Participant.

Setting Performance Goals

Performance goals for the upcoming fiscal year will typically be finalized by August 31 of the current fiscal year and will be based on key performance measures. Individual performance goals for newly-eligible Participant levels will normally be finalized within 60 days of eligibility. The performance period for Participants will be from September 1 through August 31 of each fiscal year.

Performance goals for University Lands will be established annually by the CEO and the ULAB with final approval by the Chancellor, or the Chancellor's designee. Performance goals should be realistic, but aggressive, and should address the highest-level issues of greatest priority in advancing the long-term value of the PUF Lands. The goals will be easily measurable and focused on key value drivers within the energy industry. Presently, quantitative measures such as oil and gas production growth, proved reserves and/or proved reserves value growth, AUF and PUF revenue growth and cost efficiency are considered key industry drivers. Additionally, individual qualitative measures will be developed for each plan participant, consistent with each individual's contribution and each team's contribution to the overall strategic and budgetary objectives.

Assessing goal attainment

Assessing attainment of team and individual performance goals will include holistic consideration of the degree to which an individual effectively executed their duties and addressed issues of greatest priority,

and, as appropriate, may include quantitative and qualitative goals. Performance metrics will be benchmarked and reviewed against a combination of industry performance metrics in the greater Permian Basin. The assessments will typically be completed for the prior fiscal year in October of the following fiscal year by the ULAB and the Executive Vice Chancellor for Business Affairs, with input from the CEO. Recommendations for total incentive-based compensation for University Lands, excluding the CEO's incentive-based compensation award which is determined separately under the terms of the CEO's employment contract, will typically be considered by the Chancellor, or the Chancellor's designee, as soon as reasonably possible after review and recommendation by the ULAB. Upon approval by the Chancellor, or the Chancellor's designee, payments will be made to University Lands employees by November 1 if possible, but in any event, no later than November 30 of each year consistent with IRS rules.

As a guide, three levels will be used to assess performance for eligible Participants in the UL Incentive Plan based on performance goals established for University Lands by the ULAB:

1. **Target** – Participant fully met established objectives
2. **Maximum** – Participant significantly exceeded some or all Target objectives
3. **Minimum** – Participant performed below Target because the Participant did not meet some or all established objectives

Primary assessors of performance goal attainment and corresponding award levels for Participants in the UL Incentive Plan will be the Executive Vice Chancellor for Business Affairs with input from the ULAB. The Chancellor will conduct a final review of the assessments and is authorized to approve the UL Incentive Plan awards each year.

Incentive Award Specifics

University Lands will target total direct compensation for Participants in the UL Incentive Plan at the market median for oil and gas industry professionals, with potential upside to the 75th percentile if performance is outstanding. A specific group of peer companies will be identified and reviewed at least bi-annually by a third-party consultant with expertise in oil and gas industry compensation to ensure this objective is met.

All employees are eligible for participation in the UL Incentive Plan at five levels. Specific recommendations will be made each year by the CEO of University Lands and with input from the ULAB for Levels 1 – 4. The targets and ranges for all five levels of employees eligible for the UL Incentive Plan are listed in **Table A**. As stated above, the Chancellor, or the Chancellor's designee, will have discretionary authority to approve incentive compensation awards based on the recommendation of the ULAB.

The incentive award covered within this UL Incentive Plan is a percentage of a Participant's base salary as highlighted below.

Table A
Award Opportunity (% of Salary)

Employee Group	Number of Employees*	Minimum	Target	Maximum
CEO	1	0%	100%	200%
Executive	3	0%	75%	150%
Management	9	0%	30%	60%
Professional	14	0%	15%	30%
Team**	~40	0%	5%	10%

* Numbers include open positions.

**Team includes all remaining employees, who are eligible to receive awards based on CEO recommendation.

Award opportunity levels, within the total incentive pool award available, will be adjusted to reflect each individual Participant’s success in attaining performance goals. Based upon annual performance assessment, the awards will be provided as follows:

1. **If the Participant’s performance meets Target**, the Participant will earn 100% of the potential Target award.
2. **If the Participant’s performance significantly exceeds Target**, the Participant will earn 200% of the potential Target award.
3. **If the Participant fails to meet Target**, the Participant’s award will be a discretionary amount, with the award range to be between 0% and a number below the Participant’s Target, taking into account incremental performance measures and goals met if appropriate.

The ranges listed in Table A will be reviewed annually and may be adjusted by up to 33% with the endorsement of the ULAB and with the Chancellor’s approval. Increases in target ranges should include a portion of deferred compensation, consistent with the framework of the UTIMCO incentive compensation plan. The Chancellor, or the Chancellor’s designee, has full discretion over adjustments to ranges, within the limit noted above, and the total amount of the approved award. For clarification, neither the Chancellor nor U. T. System is obligated to grant awards under the UL Incentive Plan in any given year.

Quantitative and Qualitative Measures

The Plan will also provide for both quantitative and qualitative measures, which helps to recognize both overall performance and individual performance. These proportional measures are highlighted in **Table B**.

Table B
Proportional Measures

Employee Group	Quantitative	Qualitative
CEO	80%	20%
Executive	70%	30%
Management	50%	50%
Professional	40%	60%
Team**	80%	20%

Incentive Award Payments

Incentive awards will be considered annually following the performance period, and a recommendation will normally be reviewed for endorsement at the ULAB October meeting, with final approval given by the Chancellor, or the Chancellor’s designee, and payments made as soon as practical thereafter, in compliance with current Internal Revenue Service regulations. Incentive award payments will be made in lump sum.

Calculation of prorated incentive awards, if applicable, will be based on the Participant’s attainment of performance goals and the length of time a Participant was eligible to receive an incentive award during the performance period. Rules for payment of incentive awards upon termination of employment follow.

All incentive awards will be subject to any deductions as noted:

1. for tax withholding required by federal, state, or local law at the time such tax and withholding is due (irrespective of whether such incentive award is deferred and not payable at such time), and
2. for any and all amounts owed by the Participant to The University of Texas System at the time of payment of the incentive award. The University of Texas System will not be obligated to advise an employee of the existence of the tax or the amount that The University of Texas System will be required to withhold.

Payment of Incentive Award upon Termination of Employment

Except as otherwise noted below, any Participant who ceases to be a Participant, either because of termination of employment with The University of Texas System (specifically employed on behalf of University Lands), or for any other reason stated below, prior to the end of a performance period will not be eligible to receive payment of any incentive award for that or any subsequent performance periods.

If a Participant ceases to be a Participant in the UL Incentive Plan prior to the end of the performance period because he or she commences an approved leave of absence or retires, such Participant’s incentive award for the current performance period, if any, will be calculated on a prorated basis from the first day of the performance period to the date coinciding with the date the Participant commence such leave of absence or retirement, and such individual will not be entitled to any incentive awards for any performance period thereafter (unless he or she again become a Participant as previously described)

If a Participant transitions from one level to another during a fiscal year, by default, the award will be calculated by prorating performance and ranges for time spent during the fiscal year in each level. However, calculation for an award in this situation is within the sole discretion of the CEO of University Lands.

The following chart outlines the treatment of the incentive award upon termination of a Participant’s employment:

Termination reason	Forfeit	Prorated	Discretion of Board of Regents
Death		X	
Disability		X	
Retirement		X	
Quit	X		
Termination			X

Annual Due Dates

Annual Due Date	Action
<p>July 31</p> <p>Propose Goals for Upcoming Year to the ULAB</p> <p>Third party assessment of compensation performance</p>	<p>Proposed University Lands goals for upcoming fiscal year are developed by University Lands management and endorsed by the ULAB. Individual goals are developed and reviewed by the CEO. CEO goals are reviewed with both the ULAB and the Executive Vice Chancellor for Business Affairs.</p> <p>Retain third party at least bi-annually to assist the ULAB, CEO and Executive Vice Chancellor for Business Affairs in determining peer group, industry compensation trends, etc.</p>
<p>August 31</p> <p>Goal Review Process and Final Approval</p> <p>Identify Eligible Participants for next year’s plan</p>	<p>Performance goals for University Lands and for individual employees for the upcoming fiscal year are finalized. University Lands goals are reviewed by the ULAB and approved as part of the U. T. System budget process. CEO goals are reviewed and endorsed by the ULAB and the Executive Vice Chancellor for Business Affairs. Eligible employees are identified, and goals are established and reviewed with CEO of University Lands.</p>

<p>September 30 Assessment of Prior Year’s Goal Attainment</p>	<p>University Lands provides an assessment of performance to third party and appropriate stakeholders. Third party conducts assessment of performance, qualitative and quantitative, through analysis and interview with key stakeholders</p>
<p>Early October Recommended Incentive Payments</p>	<p>The ULAB (including the Executive Vice Chancellor for Business Affairs) receives recommendation from the CEO and/or a third party for the total compensation pool for University Lands employees. The ULAB makes recommendation to the Chancellor for final UL Incentive Pay awards.</p>
<p>Mid-October Incentive Award Recommendations for UL Employees under the UL Incentive Plan (non-CEO)</p>	<p>For the UL Incentive Plan, the Chancellor, or the Chancellor’s designee reviews the ULAB’s recommendations for UL Incentive Pay Awards, and if approved by the Chancellor, awards are paid as soon as possible following the Chancellor’s approval.</p>
<p>November Incentive Award Recommendation for CEO</p>	<p>Based upon the ULAB’s recommendation, the Chancellor makes a recommendation to the U. T. System Board of Regents for approval and payment of the University Lands CEO’s incentive award. The CEO’s award will be paid as soon as possible following the Board of Regents’ approval.</p>

IV. UL INCENTIVE PLAN AUTHORITY, RESPONSIBILITY AND INTERPRETATION

Authority

Except as otherwise specifically provided, this Incentive Plan will be administered by the Chancellor, or the Chancellor’s designee, upon recommendations from the ULAB.

The U. T. System Board of Regents and the Chancellor have all powers specifically vested herein and all powers necessary or advisable to administer or direct administration of the UL Incentive Plan as the Board and the Chancellor determine in their discretion, including without limitation, the authority to:

1. establish the conditions for the determination and payment of compensation by establishing the provisions of the UL Incentive Plan,
2. select the employees who are eligible to be Participants in the UL Incentive Plan, and

3. designate to any other person, committee, or entity any of its ministerial powers and/or duties under the UL Incentive Plan, as long as any such delegation is in writing and complies with Regents' Rules.

Responsibility/Rights

The Board of Regents has the right in its discretion to amend the UL Incentive Plan or any portion thereof from time to time, to suspend it for a specified period or to terminate it entirely, or any portion thereof.

If the UL Incentive Plan is suspended or terminated during a performance period, Participants are eligible to be considered to receive a prorated incentive award based on performance achieved through the performance measurement date immediately preceding such suspension or termination. The UL Incentive Plan will be in effect until suspension or termination by the Board of Regents.

All records for the UL Incentive Plan will be maintained by the Office of the Chancellor.

Interpretation

Consistent with the provisions of the UL Incentive Plan, the Chancellor, or the Chancellor's designee, or the U. T. System Board of Regents has the discretion to interpret the UL Incentive Plan and may from time to time adopt such rules and regulations that it may deem advisable to carry out the UL Incentive Plan. All decisions made by the Chancellor in selecting the Participants approved to receive incentive awards, including the amount thereof, and in construing the provisions of the UL Incentive Plan, including without limitation the terms of any incentive awards, are final.

ATTACHMENT A

LIST OF POSITIONS IN LEVELS 1-5 FOR FISCAL YEARS 2018 & 19

CEO (Level 1)

Chief Executive Officer of University Lands

Executive Level Positions (Level 2)

Senior Vice President & General Counsel

Senior Vice President, Operations

Vice President, Land ~(67% of target levels)

Management Level Positions (Level 3)

Budget & Revenue Manager

Director, Accounting, Audit and Regulatory

Director, Corporate Strategy & Development

Land Manager*

Engineering Manager

Geoscience Manager

Information Systems Manager

Right of Way Manager

Surface Interests Manager

Professional Level Positions (Level 4)

Assistant to the CEO

Attorney

Landman (2)

Network Infrastructure Supervisor

O&G Operator Technical/Operations Data Management

Oil & Gas Accounting Supervisor

Reservoir Engineer

Senior Engineering Advisor

Senior Engineering Analyst

Senior Geoscience Technician

Senior Landman – Surface

Senior Reservoir Engineer*

Software Development Supervisor

Team Level Positions (Level 5) - Remaining eligible staff (~40)

* Positions currently open and unfilled

6. U. T. System Board of Regents: Adoption of Resolution amending the Permanent University Fund Commercial Paper Note Program

The Board adopted the Resolution set forth on the following pages

- a. amending the Resolution adopted by the Board of Regents on August 14, 2008, and amended by the Board of Regents on February 6, 2014, authorizing the issuance, sale, and delivery of the Board of Regents of The University of Texas System Permanent University Fund (PUF) Commercial Paper Notes, Series A, and Taxable Commercial Paper Notes, Series B, to increase the aggregate principal amount of such Commercial Paper Notes that may be outstanding at any time from \$750 million to \$1.25 billion; and
- b. authorizing appropriate officers and employees of the U. T. System as set forth in the Resolution to take any and all actions necessary or desirable to carry out the terms and provisions of the Resolution, the Commercial Paper Notes, and the agreements relating to the Commercial Paper Notes.

On August 14, 2008, the Board of Regents approved a resolution authorizing the PUF Commercial Paper Note Program not to exceed \$500 million outstanding at any one time. On February 6, 2014, the Board of Regents adopted a resolution which, among other matters, amended the original resolution to increase the aggregate principal amount of PUF Commercial Paper Notes that may be outstanding thereunder at any time from \$500 million to \$750 million.

Adoption of this Resolution will increase the maximum authorization of the PUF Commercial Paper Note Program from \$750 million to \$1.25 billion. The increase in the PUF Commercial Paper Note Program will provide additional capacity for the U. T. System to provide efficient interim financing and additional timing flexibility in accessing the long-term capital markets.

Liquidity for the Commercial Paper Note Program will continue to be provided by the U. T. System through the existing arrangement with The University of Texas/ Texas A&M Investment Management Company (UTIMCO).

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

RESOLUTION AMENDING THAT CERTAIN RESOLUTION ADOPTED BY THE BOARD OF REGENTS ON AUGUST 14, 2008 AUTHORIZING THE ISSUANCE FROM TIME TO TIME OF THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND COMMERCIAL PAPER NOTES, SERIES A AND TAXABLE COMMERCIAL PAPER NOTES, SERIES B; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

WHEREAS, Section 18 of Article VII of the Constitution of the State of Texas, as amended (the “Constitutional Provision”), authorizes the Board of Regents (the “Board”) of The University of Texas System (the “System”) to issue bonds and notes 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 to secure the payment of the principal of and interest on those bonds and notes, 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 component institutions of the System as listed in the Constitutional Provision; and

WHEREAS, on August 14, 2008, the Board adopted a resolution (the “Original Resolution”) authorizing the issuance, pursuant to the Constitutional Provision, of its Permanent University Fund Commercial Paper Notes, Series A and its Permanent University Fund Taxable Commercial Paper Notes, Series B (collectively, the “Commercial Paper Notes”), in an aggregate principal amount outstanding at any time not to exceed \$500,000,000, which are secured by a pledge of the Interest of the System in the Available University Fund; and

WHEREAS, on February 6, 2014, the Board adopted a resolution (the “First Amendment”) which, among other matters, amended the Original Resolution to increase the aggregate principal amount of Commercial Paper Notes that may be outstanding thereunder at any time from \$500,000,000 to \$750,000,000; and

WHEREAS, the Original Resolution, as amended by the First Amendment, is referred to herein as the Authorizing Resolution; and

WHEREAS, capitalized terms used in this resolution (this “Resolution”) and not otherwise defined shall have the meaning given to such terms in the Authorizing Resolution; and

WHEREAS, the Board issues Commercial Paper Notes from time to time for its interim financing needs for eligible projects under the Constitutional Provision; and

WHEREAS, the Board desires to amend the Authorizing Resolution for the purpose of increasing the aggregate principal amount of Commercial Paper Notes that may be outstanding at any time from \$750,000,000 to \$1,250,000,000; and

WHEREAS, pursuant to its terms, the Authorizing Resolution may be amended at any time without notice to or the consent of any Holders of the Commercial Paper Notes for the purpose, among others, of increasing the amount of Commercial Paper Notes which may be outstanding thereunder.

NOW, THEREFORE BE IT RESOLVED, that the Authorizing Resolution is hereby amended to increase the aggregate principal amount of Commercial Paper Notes that may be outstanding thereunder at any time from \$750,000,000 to \$1,250,000,000, and, therefore, all references in the Authorizing Resolution to \$750,000,000 are hereby deleted and replaced with \$1,250,000,000; and

BE IT FURTHER RESOLVED, that the Chairman of the Board, the General Counsel to the Board, each Authorized Representative and all other officers, employees, and agents of the Board, and each of them, shall be and they are hereby expressly severally authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver, in the name and under the seal and on behalf of the Board, all such agreements, documents and instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Commercial Paper Notes, each Dealer Agreement, the Issuing and Paying Agent Agreement, the Trust Agreement, the Offering Memorandum, the Master Notes and any other agreement, document or instrument relating to the Commercial Paper Notes; and

BE IT FURTHER RESOLVED, that each Authorized Representative is hereby severally authorized to approve, subsequent to the date of the adoption of this Resolution, any technical amendments to this Resolution as may be required by any rating agency as a condition to the granting of a rating on the Commercial Paper Notes and as may be required by the office of the Attorney General of the State of Texas as a condition to the approval of this Resolution and any other agreements and proceedings as required in connection therewith; and

BE IT FURTHER RESOLVED, the Board hereby reaffirms the Authorizing Resolution, and the Authorizing Resolution shall remain in full force and effect, as amended by this Resolution; and

BE IT FURTHER RESOLVED, that this Resolution shall become effective upon the approval of this Resolution, and any other agreements and proceedings as may be required in connection therewith, by the Attorney General of the State of Texas.

[Execution Page Follows]

ADOPTED AND APPROVED this the ____ day of _____, 2018.

Chairman
Board of Regents of
The University of Texas System

Attest:

General Counsel to the
Board of Regents of
The University of Texas System

[SEAL]

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE

(Pages 45 - 64).--Committee Chairman Aliseda reported that the Academic Affairs Committee met in Open Session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Academic Affairs Committee and approved in Open Session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. Dallas: Discussion and appropriate action regarding approval of an update to the Campus Master Plan

Following a presentation by President Benson, set forth on the following pages, the Board approved the update to the Campus Master Plan for The University of Texas at Dallas.

The Campus Master Plan Update will support the University's 2018 Strategic Plan and overall long-term growth. (The 2018 Strategic Plan was before members of the Board and is on file in the Office of the Board of Regents.) The Update integrates the 2003 Master Plan, the 2009 North Campus Transit Oriented Development Plan, and the 2010 Campus Site Development Plan. A significant effort, with extensive involvement of the campus community, was made to develop the Master Plan Update. The Update had the goal of ensuring that the ongoing physical evolution of U. T. Dallas provides an environment that supports student success and excellence in teaching, learning, research, and service, while enhancing the campus' distinctive sense of place and community.

The Master Plan Update creates an urban pedestrian-friendly campus infrastructure that is supported by distinctive academic, research, and living spaces. These are augmented by the introduction of additional art spaces, additional phases of landscaping that have softened the campus feel, and the continued development of a transit-oriented development adjacent to the campus that strengthens the investment in multimodal access to the campus. Some of the additional results of the planning exercise are illustrated in President Benson's PowerPoint presentation.

2018 Campus Master Plan Update

Based upon the 2018 strategic plan

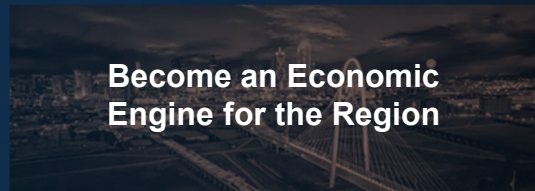
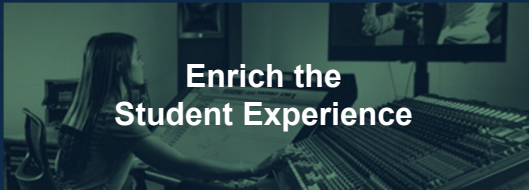
Dr. Richard C. Benson, President

U. T. System Board of Regents' Meeting
Academic Affairs Committee
November 2018



U. T. DALLAS 2018 CAMPUS MASTER PLAN UPDATE

Strategic Plan Themes



U. T. DALLAS 2018 CAMPUS MASTER PLAN UPDATE

Measuring Progress (from 2017-2018 to 2022-2023)

INCREASE
undergraduate
enrollment
FROM
18,388 to 23,000



INCREASE
graduate
enrollment
FROM
9,254 to 12,000



INCREASE
academic
space
FROM
1,781,065 SF to
2,300,000 SF



INCREASE
tenure-system
faculty
FROM
580 to 710



U. T. DALLAS 2018 CAMPUS MASTER PLAN UPDATE

Purpose of the Master Plan Update

*The Master Plan Update **articulates** the vision/mission for the campus and **supports** the University's 2018 Strategic Plan.*

Projected Program Details for 30,000 Full-time Equivalent (FTE)/35,000 Head Count

Based on the Texas Higher Education Coordinating Board space requirements formula, the University has significant space deficits. **To support a student population of 30,000 FTE/35,000 head count, the University needs to provide a total of 720,162 assignable square feet (ASF) which equals 1,107,942 gross square feet (GSF).**



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Campus Plan Strategies

Strategy 1

Provide an integrated environment for teaching, living, learning, and research.

Strategy 2

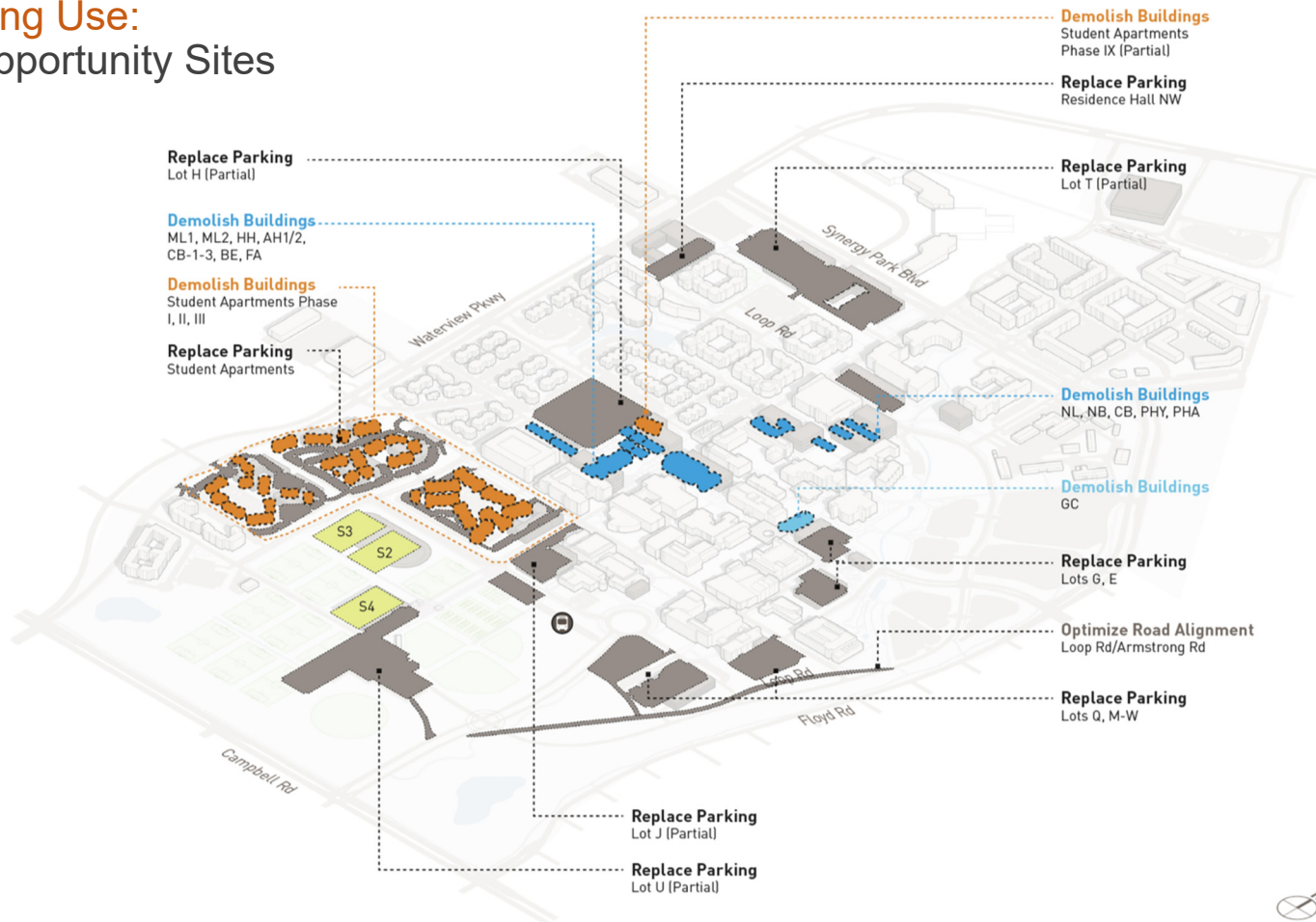
Increase accessibility and efficiency through smart growth principles.

Strategy 3

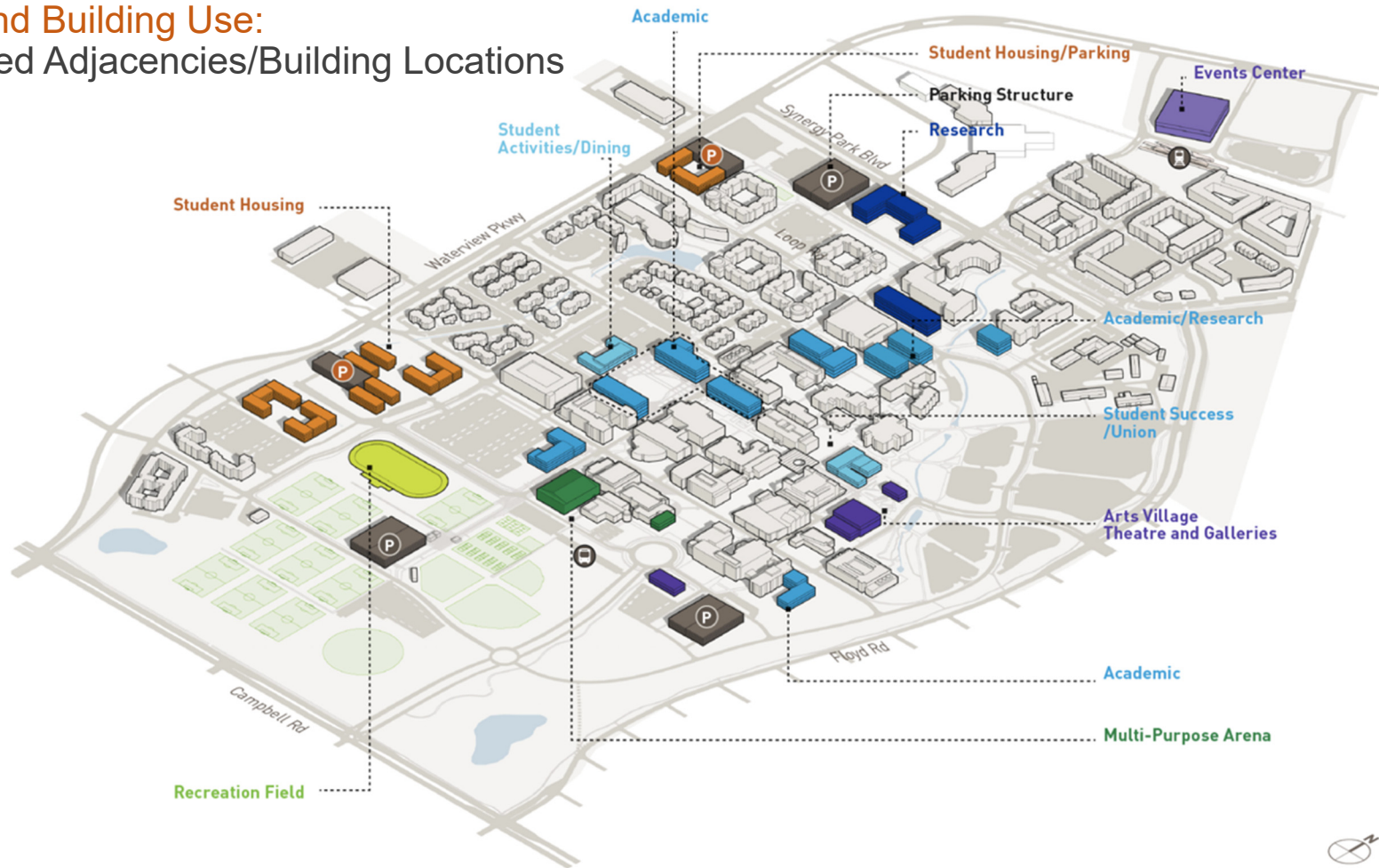
Enhance the campus' distinctive sense of place.



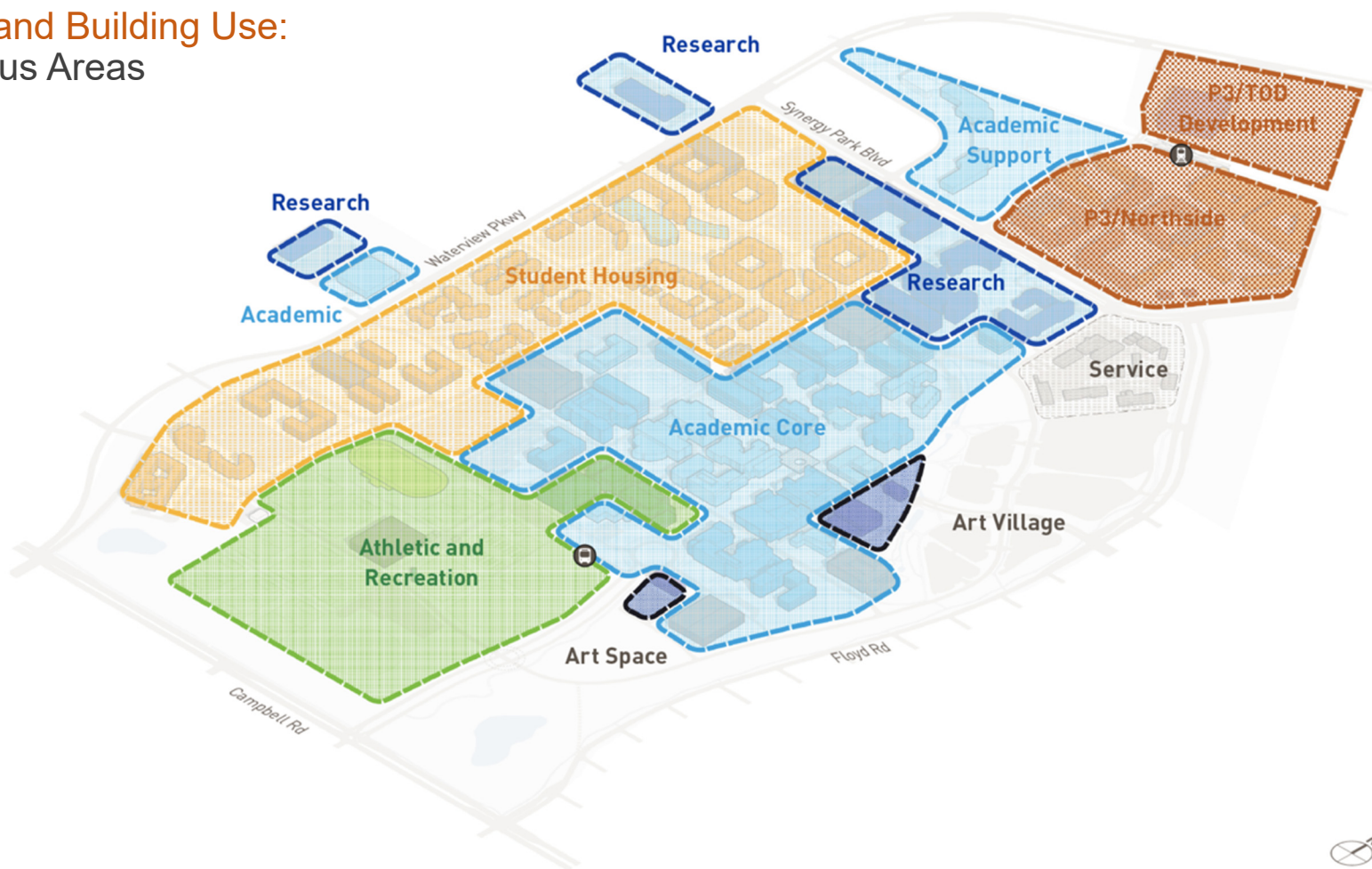
Land and Building Use: Repurposing/Opportunity Sites



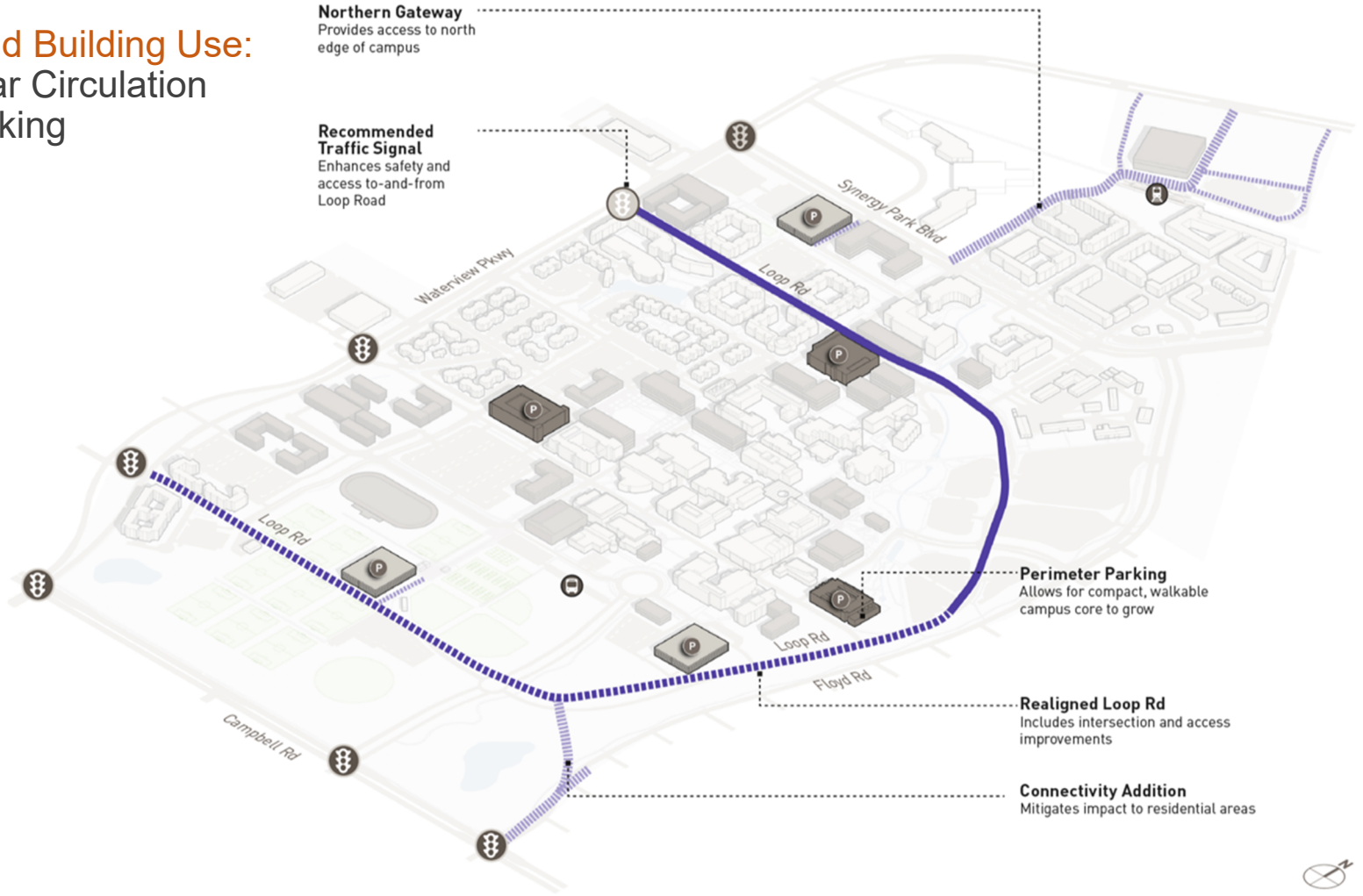
Land and Building Use: Proposed Adjacencies/Building Locations



Land and Building Use: Campus Areas

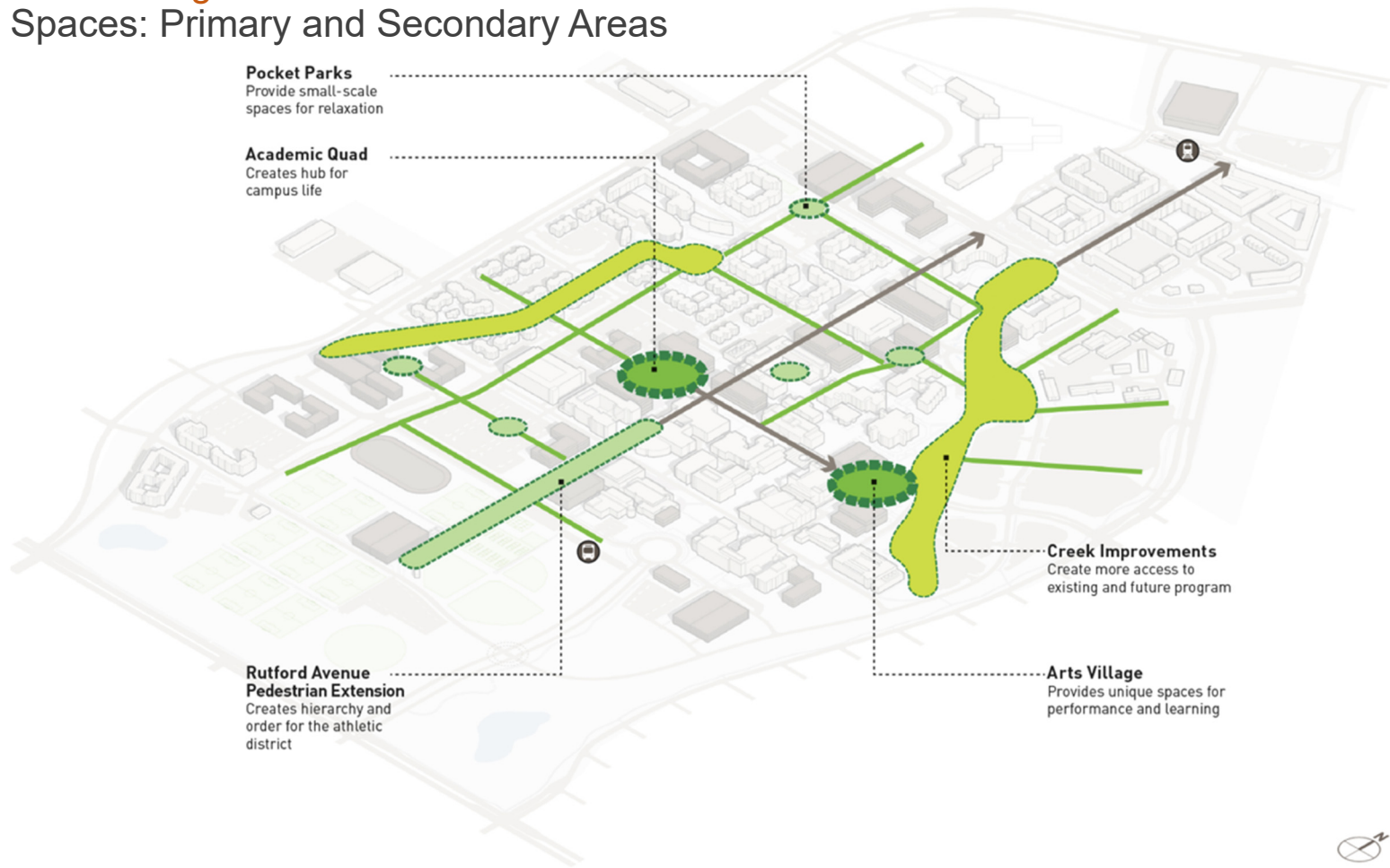


Land and Building Use: Vehicular Circulation and Parking



Minutes - 54

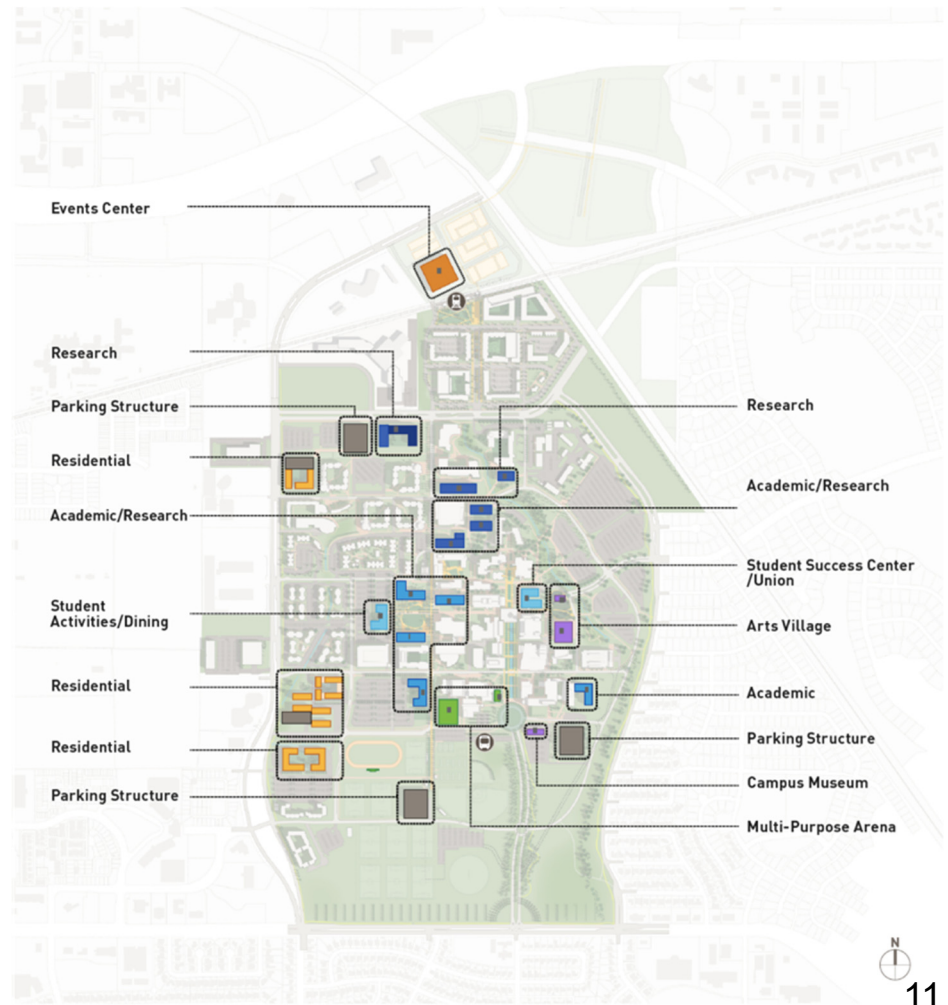
Land and Building Use: Open Spaces: Primary and Secondary Areas



New Building Program: Locations



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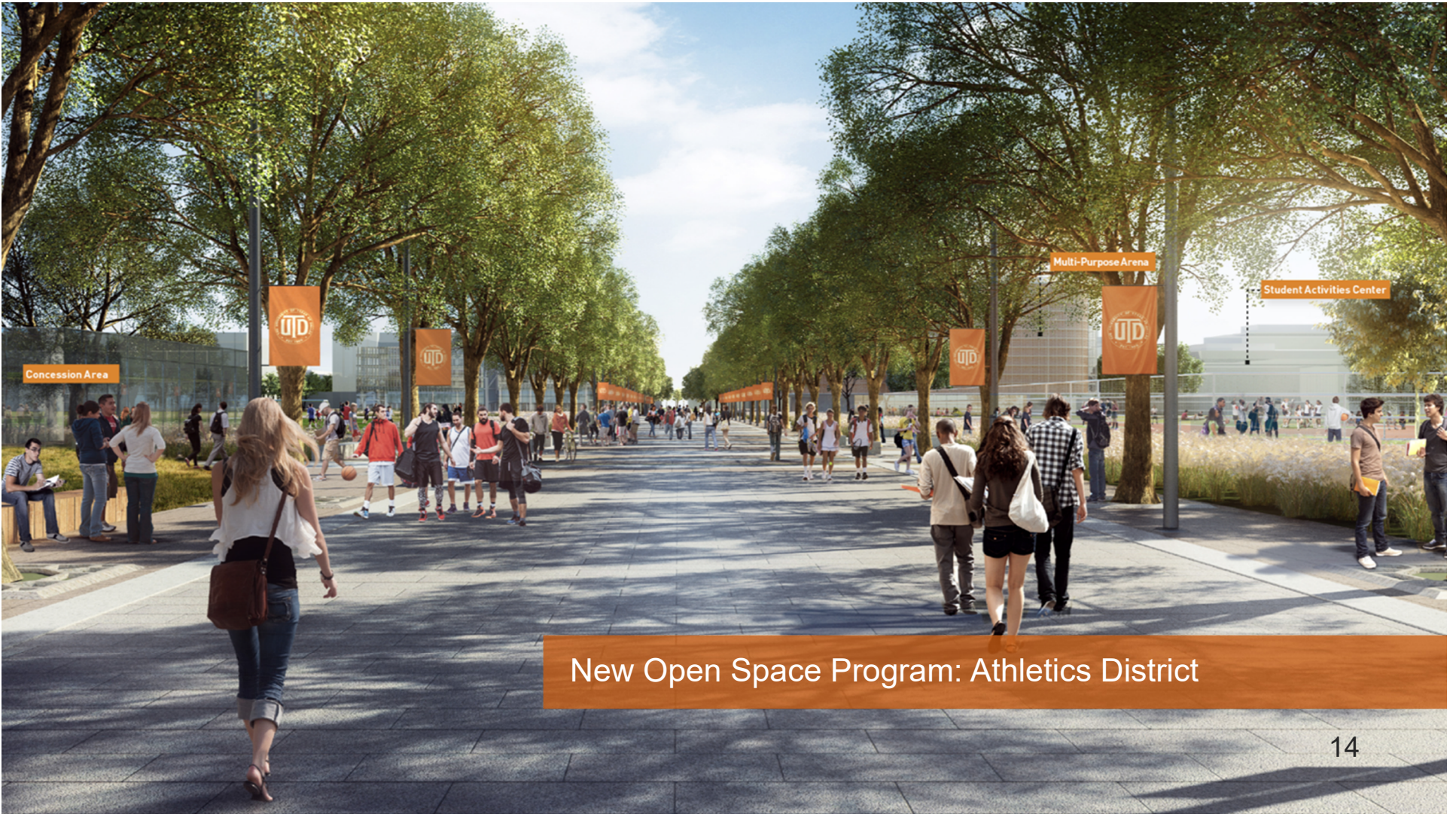




New Open Space Program: Academic Quadrangle



New Open Space Program: Arts Village



New Open Space Program: Athletics District

Long-Term Growth: North Campus Framework



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3. U. T. Rio Grande Valley: Approval of preliminary authority for an Occupational Therapy Doctorate

The Board approved

- a. preliminary authority for The University of Texas Rio Grande Valley to create an Occupational Therapy Doctorate; and
- b. notification of the proposal to the Texas Higher Education Coordinating Board.

U. T. Rio Grande requested preliminary authority to amass the resources needed to offer an Occupational Therapy Doctorate (OTD). The OTD program will prepare graduates who can demonstrate professional autonomy, increase practice-based scholarship and research, and allow increased focus on primary care, interprofessional care teams, and specialization in practice. The institution currently offers a master's degree in occupational therapy and has graduated 43 students since 2015 (the year U. T. Rio Grande Valley was established). The Accreditation Council for Occupational Therapy Education (ACOTE) has mandated that the entry-level degree requirement for occupational therapists will move to the doctoral level by July 1, 2027. Only doctoral-level occupational therapy programs will be eligible to receive or maintain ACOTE accreditation as of July 2027.

Nationally, the U.S. Bureau of Labor Statistics projects that by 2026, the number of occupational therapist jobs will increase by 24% (from 130,400 to 161,400). In Texas, the number of jobs is expected to increase by 34%, going from 8,170 to 10,920. At Texas public institutions of higher education, there are eight master's programs and three doctoral programs. Since 2014, approximately 300 master's degrees and 10 doctoral degrees have been awarded annually by public universities and public health-related institutions in Texas.

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

4. U. T. San Antonio: Approval of preliminary authority for a Doctor of Philosophy degree program in Molecular Microbiology and Immunology

The Board approved

- a. preliminary authority for The University of Texas at San Antonio to create a Doctor of Philosophy degree program in Molecular Microbiology and Immunology; and
- b. notification of the proposal to the Texas Higher Education Coordinating Board.

U. T. San Antonio requested preliminary authority to amass the resources needed to offer a Doctor of Philosophy (Ph.D.) in Molecular Microbiology and Immunology. The program will complement the existing doctoral program in cell and molecular biology, but with a focus on infectious diseases. Faculty in the Ph.D. program will partner with scientists at the Texas Biomedical Research Institute (TBRI) to co-train Ph.D. students. This partnership will allow the program to prepare students for high-level positions in the academic, government, and private sectors.

The institution currently has 18 faculty members within the Department of Biology who are affiliated with the Molecular Microbiology and Immunology track. These faculty members currently have national and international recognition, laboratory infrastructure, and support required for a successful Ph.D. program.

The U.S. Bureau of Labor Statistics (BLS) projects an employment increase of 8.2% for microbiologists from 23,200 to 25,100 by 2026. The Texas Workforce Commission (TWC) also projects an increase of 18.1% from 830 to 980 by 2024. In addition to working as microbiologists, these graduates will have substantial opportunities to work in an array of health care industry occupations (e.g., microbiological laboratories, research scientists, etc.) that are not captured by either the BLS or TWC. It is unlikely that the current production of Ph.D. graduates in Texas will alone meet the various types of occupations available to these graduates. From 2014 to 2017, approximately 35 annual doctoral degrees have been awarded by Texas public academic and health-related institutions in either microbiology, immunology, or microbiology and immunology.

After preliminary authority has been approved, U. T. San Antonio will submit the full degree program proposal for approval by the U. T. System Board of Regents and the Texas Higher Education Coordinating Board.

5. U. T. Permian Basin: Authorization to change the official name of the institution to The University of Texas Permian Basin

The Board granted approval to

- a. change the official name of The University of Texas of the Permian Basin to The University of Texas Permian Basin; and
- b. amend the Regents' *Rules and Regulations*, Rule 40601, Section 1.3(e), concerning institutions comprising The University of Texas System, as set forth below:

Sec. 1 Official Titles of Institutions. The U. T. System is composed of the institutions set forth below. To ensure uniformity and consistency of usage throughout the U. T. System, the institutions shall be listed in the following order and the following titles (short form of title follows) shall be used:

...

1.3 Academic Institutions of the U. T. System are:

. . .

(e) The University of Texas Permian Basin (U. T. Permian Basin)

. . . .

This amendment to the Regents' *Rules and Regulations*, Rule 40601 is to reflect the name change of The University of Texas of the Permian Basin to The University of Texas Permian Basin.

Much like U. T. Rio Grande Valley, U. T. Permian Basin is situated in a geographic region known as the Permian Basin, rather than in a city-specific location like other U. T. institutions. In addition, because the University's official name is lengthy, it is difficult to find a visual balance in its marketing efforts. The shortened name will help to enhance the University's outreach and marketing efforts.

Texas Education Code Section 65.11 authorizes the Board of Regents to provide for the "administration, organization, and names of the institutions and entities in The University of Texas System in such a way as will achieve the maximum operating efficiency of such institutions and entities."

The Office of Academic Affairs will notify the Texas Higher Education Coordinating Board of the name change. Texas statute will also need to be amended to reflect the new name.

6. U. T. El Paso: Discussion and appropriate action regarding proposed revisions to the Mission Statement

The Board approved a revised Mission Statement for The University of Texas at El Paso as set forth on the following page.

Each public institution of higher education is required to have a mission statement under *Texas Education Code* Section 51.359. Section 51.352 of the Code, regarding the Responsibility of Governing Boards, requires governing boards to insist on clarity of focus and mission of each institution under its governance. Regents' *Rules and Regulations*, Rule 10402 states that the Academic Affairs Committee or the Health Affairs Committee, as appropriate, must review proposed changes to institutional mission statements.

Approval of this item also helps to ensure compliance with the Southern Association of Colleges and Schools (SACS) requirements regarding the periodic review and approval of each institution's mission statement by its governing board.

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

Revised Mission Statement

The University of Texas at El Paso is dedicated to the advancement of the El Paso region through education, technological advancement, creative and artistic production, and the generation, interpretation, application and dissemination of knowledge. UTEP embraces its transformative role as an intellectual, cultural and socioeconomic asset to the region, offering programs to meet human resource needs and contribute to prosperity and quality of life.

As a public university, UTEP is committed to providing access and opportunity for social mobility to residents of the El Paso region and the State of Texas. UTEP's mission of ensuring access is coupled with a commitment to excellence reflected in rigorous academic programs and enhanced experiences for personal and professional growth that prepare students to make significant contributions to their professions, their communities, and the world.

As a research/doctoral institution, UTEP fosters a climate of scholarly inquiry, with a special focus on applying innovative interdisciplinary approaches to explore and address major issues that confront the binational and multicultural U.S.-Mexico border region.

REPORT AND RECOMMENDATION OF THE HEALTH AFFAIRS COMMITTEE
(Pages 65 - 70).--Committee Chairman Foster reported that the Health Affairs Committee met in Open Session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. The action set forth in the Minute Order that follows was recommended by the Health Affairs Committee and approved in Open Session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. Health Science Center - San Antonio: Approval to establish a Doctor of Philosophy degree program in Health Sciences

Pursuant to the Regents' *Rules and Regulations*, Rule 40307, related to academic program approval standards, the Board granted authorization to

- a. establish a Doctor of Philosophy degree program in Health Sciences in the Graduate School of Biomedical Sciences, in collaboration with the School of Health Professions, at The University of Texas Health Science Center at San Antonio; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

Program Description

The Graduate School of Biomedical Sciences, in collaboration with the School of Health Professions at U. T. Health Science Center - San Antonio will offer a Doctor of Philosophy (Ph.D.) degree program in Health Sciences. The program is designed to prepare allied health professionals to assume major leadership, research, and educational positions within their professions as well as providing preparation for career advancement opportunities at colleges and universities, research institutions, clinical agencies, governmental and health care organizations, and in industry. The Ph.D. in Health Sciences is intended to be a broad-based, interprofessional degree that will allow graduates to place their individual health field in the context of the allied health disciplines, the health care delivery system as a whole, and the larger issues of health and wellness across the continuum of the health care system.

For students entering with a master's or professional doctoral degree (e.g., Doctor of Occupational Therapy or Doctor of Physical Therapy), the minimum number of additional semester credit hours (SCH) required for completion of the Ph.D. in Health Sciences will be 68 SCH for a total of 98 SCH; such students may transfer up to 30 SCH towards fulfillment of Ph.D. program requirements. Students entering the program with a bachelor's degree will be required to complete a master's degree in

an allied health-related discipline or complete 30 SCH of other acceptable graduate credit. Including the master’s degree course work (30 SCH), a total of 98 SCH is required for award of the Ph.D.

The Ph.D. in Health Sciences consists of four major core areas: Education (12 SCH), Research and Statistics (16 SCH), Leadership (10 SCH), and Professional Track (9 SCH). In addition to the four core areas, 12 SCH of electives and 9 SCH of dissertation research hours and successful defense of the dissertation research project is required. The nine hours of Professional Track credit provides advanced cognate courses in specific allied health disciplines offered at U. T. Health Science Center - San Antonio. The 12 SCH of elective course work may include the advanced biomedical sciences, clinical sciences, education, management and supervision, leadership principles, measurement and statistics, and additional research courses that are available at U. T. Health Science Center - San Antonio. Courses will be offered online and in face-to-face/blended formats integrating distance technology, where appropriate.

The goals of the program are to: (1) prepare competent Health Science professionals at the doctoral level to assume leadership roles as educators, researchers, and leaders; (2) provide leadership training in specific clinical-related specialty areas; and (3) develop individuals who can formulate appropriate questions, organize and test hypotheses, and apply research results to improve health care.

Need and Student Demand

Allied health may be broadly defined as those health professions that are distinct from medicine and nursing. Allied health workers in the U.S. represent approximately 60% of the health care workforce. Allied health professionals are trained at colleges and universities and according to the Bureau of Labor Statistics (BLS) and the Texas Workforce Commission, there will be large workforce shortages in almost all allied health fields in Texas and the U.S. As seen in the chart below, BLS projects that the workforce demand for the allied health disciplines specifically addressed by the proposal range from a 12.7% to 37.4% increase for the period 2016 to 2026.

Occupation	Employment Numbers			Replacement Total
	2016	2026	%	
Clinical laboratory technologist and technicians	335,700	378,300	12.7%	42,700
Emergency medical technicians and paramedics	248,000	285,400	15.1%	37,400
Occupational Therapists	130,400	158,000	27.7%	21,200
Physical Therapists	239,800	299,800	25.0%	60,000
Physicians Assistants	106,200	145,900	37.4%	39,700
Respiratory Therapist	130,200	160,600	23.4%	30,400
Speech-language Pathologist	145,100	170,500	17.5%	25,400

Due to the large workforce demand, optimization of training program enrollments at colleges and universities requires sufficient numbers of well-qualified faculty in the allied health disciplines available for hiring. Many allied health programs report faculty shortages that have persisted for many years.

Many current allied health faculty members are approaching retirement age and the availability of qualified, doctorally-prepared individuals to assume roles as allied health faculty members is at risk. There is also a significant need for researchers prepared to conduct outcomes research in the allied health disciplines to ensure care provided continues to be cost-effective and appropriate and to evaluate new forms of care as they emerge.

There are many practicing allied health professionals interested in completing a doctoral degree in health sciences to prepare them for faculty and leadership positions. This is most evident in colleges and universities that have allied health training programs. Often, faculty teaching in these college and university programs have professional master's degrees (e.g., Master of Occupational Therapy, Master of Science in Medical Laboratory Sciences, Master of Science in Respiratory Care, Master of Science in Physician Assistant Studies, Master of Science in Speech Language Pathology), but lack a terminal doctoral degree. Regional accrediting bodies such as the Commission on Colleges of the Southern Association of Colleges and Schools (SACSCOC) are increasingly reluctant to allow allied health faculty without a terminal doctoral degree in a health sciences-related discipline to teach allied health graduate students. The program will allow faculty currently teaching in allied health programs to obtain the requisite doctoral degree.

In 2016, according to the National Science Foundation National Center for Science and Engineering Statistics Survey of Earned Doctorates, there were 11,183 doctorate recipients in the life sciences (biological, biomedical, and health sciences) nationwide and of those, 3,976 were in Texas. Currently, there are only two programs awarding the Ph.D. in Health Sciences in Texas and only a small number of such programs in the U.S. Not only is there demand for doctorally-prepared faculty to succeed current allied health faculty, but there is also a significant need for faculty to conduct outcomes research in the allied health disciplines.

Over the past five years, public four-year universities across the state have increased annual baccalaureate degrees awarded to students with majors in the biological sciences (e.g., general biology, microbiology, molecular biology, cell biology) by 11.7%. Thus, in 2013, over 4,000 students graduated from these biological sciences programs, providing one indicator of the level of interest present in students to pursue a bachelor's degree that prepares students for graduate programs in the health sciences (including research). Each year, many graduates earn a bachelor's or master's degree in an allied health discipline.

Texas Public University Allied Health Graduates in Selected Fields, 2014-2015

Discipline	2014-15 Graduates
Audiology and Speech-Language Pathologist	230
Community Health Services	122
Dietetics and Nutrition	85
Health and Wellness, General	786
Health Care Management	444
Health Services	278
Medical Laboratory Sciences	158
Occupational Therapist	164
Physical Therapist	201
Physician Assistant	79
Rehabilitation Sciences	382
Respiratory Therapist	101
Speech-Language Pathologist	239
Total	3,269

Thus, there is a large pool of individuals completing graduate professional degrees in the allied health sciences, and many of these may choose to go on and pursue the Ph.D. in Health Sciences.

Program Quality

Fourteen (14) core faculty and nine (9) supporting faculty from the U. T. Health Science Center - San Antonio School of Health Professions will support the program. New faculty to be hired include one individual to serve as program director to manage the program. The remainder of the core and support faculty will be drawn from existing faculty who currently teach in their disciplines and bring significant experience in allied health, the biosciences, research, leadership, and education. These core and support faculty have the requisite research and scholarly productivity needed and current or past funding in various areas including community service learning, rehabilitation outcomes, education, the biosciences, and medicine.

An existing Program Review and Outcomes Assessment system will be used to evaluate program resources (i.e., faculty, support staff, facilities, library, learning resources, and web-based instructional services) and program outcomes (job placement, graduate satisfaction, employer satisfaction). Program evaluation will occur annually and will include multiple inputs: resource assessment surveys completed by students; standardized course and instructor evaluations completed at the conclusion of each course; graduate exit and follow-up surveys to assess achievement of program goals and objectives; program applicant pools, entering students, attrition, and graduation success; curriculum review; teaching and learning artifacts (e.g., course syllabi, instructional materials); and review of student dissertation research projects completed and resultant peer-reviewed publications.

U. T. Health Science Center - San Antonio's Academic Learning and Teaching Center (ALTC) opened in February 2016, adding 33 state-of-the-art classrooms and the ability to accommodate variable configurations. The 130,000-square-foot building also features strategic learning spaces and cutting-edge technology in the digital anatomy laboratory. In addition to the ALTC, three programs in the School of Health Professions (Occupational Therapy, Physical Therapy, and Speech-Language Pathology) recently moved into 46,000 square feet of renovated space in the Dental School. The move, which occurred upon completion in Fall 2018, enables the School of Health Professions to operate in a consolidated, contiguous area on the Long Campus, where the administrative offices of the Graduate School of Biomedical Sciences are located. The School of Health Professions gains dedicated research space, expanded faculty office space, a student lounge, study areas, and two large flex labs for classroom instruction. The physical environment will further promote interprofessional research and learning the Ph.D. program aims to cultivate.

Revenue and Expenses

Projected Enrollment	5-Year Total
Number of Students Used for Formula Funding Calculation	30
Total Number of Students	30
Expenses	5-Year Total
<i>Faculty</i>	
Salaries	\$1,084,005
Benefits	
<i>Graduate Students</i>	
TA Salaries	\$0
TA Benefits	\$0
GRA Salaries	\$0
GRA Benefits	\$0
<i>Staff and Administration</i>	
Graduate Coordinator Salary	\$0
Administrative Staff Salaries	\$167,345
Staff Benefits	
SCC Operating Benefits	
<i>Other Expenses</i>	
Supplies and Materials	\$82,500
Equipment	\$25,000
Other (Travel)	\$15,000
Total Expenses	\$1,373,850
Revenue	5-Year Total
<i>From Student Enrollment</i>	
Formula Funding	\$684,833
Tuition and Fees	\$756,024
<i>From Institutional Funds</i>	
Reallocation of Existing Resources	\$500,000
Total Revenue	\$1,940,857

Coordinating Board Criteria

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

3. U. T. System: Report on the U. T. System Virtual Health Network Infrastructure

This item was for consideration only by the Committee.

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 71 - 82).--Committee Chairman Hicks reported that the Facilities Planning and Construction Committee met in Open Session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Facilities Planning and Construction Committee and approved in Open Session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. M. D. Anderson Cancer Center: Renovate Head and Neck Center - Main Building - Floor 10 - Amendment of the current Capital Improvement Program to include project; approval of total project cost; and appropriation of funds

The Board amended the current Capital Improvement Program (CIP) to include the Renovate Head and Neck Center - Main Building - Floor 10 project at The University of Texas M. D. Anderson Cancer Center as follows:

- a. approve a total project cost of \$11,500,000 with funding from Hospital Revenues; and
- b. appropriate funds.

Previous Actions

On March 14, 2018, the Chancellor approved this project for Definition Phase.

Project Description

The project involves the renovation of ambulatory clinical space to include the relocation of the sterile processing function, expansion of audiology space, and centralization of the patient waiting, check-in, and check-out areas. The project will involve architectural renovations as well as modifications and upgrades to mechanical, electrical, plumbing, and information technology infrastructure systems. The renovations are needed to increase clinical capacity, improve the overall patient experience, and bring the sterile processing area into compliance with accreditation requirements promulgated by The Joint Commission.

This repair and rehabilitation project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be presented to the President for approval at a later date. Pursuant to a Memorandum of Understanding effective September 1, 2007, U. T. M. D. Anderson Cancer Center has delegated authority for

institutional management of construction projects under the continued oversight of the Office of Facilities Planning and Construction.

Project Information

Project Number 703-1175
 CIP Project Type Repair and Renovation
 Facility Type Healthcare Facility, Clinic
 Management Type Institutional Management
 Institution’s Project Advocates Ehab Hanna, Medical Director for Head and Neck Center
 Judy Moore, Clinical Administrative Director for Head and Neck Center
 Project Delivery Method Competitive Sealed Proposal
 Gross Square Feet (GSF) 32,800

Project Funding

Hospital Revenues	<u>Current</u> <u>\$11,500,000</u>
Total Project Cost	\$11,500,000

Project Cost Detail

Building Cost	\$7,271,200
Fixed Equipment	126,200
Site Development	-
Furniture and Moveable Equipment	1,975,000
Institutionally Managed Work	407,700
Architectural/Design Services	484,700
Project Management Fees	-
Insurance	117,700
Other Professional Fees	223,800
Project Contingency	655,500
Other Costs	<u>238,200</u>
Total Project Cost	\$11,500,000

Project Planning

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

Project Milestones

Definition Phase Approval	March 2018
Addition to CIP	November 2018
Design Development Approval	November 2018
Construction Notice to Proceed	April 2019
Substantial Completion	October 2020

3. U. T. Austin: Applied Research Laboratories New Office Building - Amendment of the current Capital Improvement Program to include project

The Board amended the current Capital Improvement Program (CIP) to include the Applied Research Laboratories New Office Building project at The University of Texas at Austin.

Previous Actions

On January 9, 2018, the Chancellor approved this project for Definition Phase.

Project Description

The Applied Research Laboratories complex located at the J. J. Pickle Research Campus is at capacity and limits anticipated workload and growth. The project will provide needed additional office and work space in a three-story building located adjacent to and connected with the existing building. This project will also include replacement and expansion of existing utility equipment and infrastructure necessary to support the new building and provide reliable service to the rest of the campus.

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

Project Information

Project Number	102-1049
CIP Project Type	New Construction
Facility Type	Office, General
Management Type	Institutional Management
Institution's Project Advocate	Timothy W. Hawkins, Deputy Executive Director, Applied Research Laboratories, Vice-President for Research
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	75,000
Shell Space (GSF)	16,600

Project Funding

	<u>Current</u>
Revenue Financing System Bond Proceeds ¹	<u>\$40,400,000</u>
Total Project Cost	<u>\$40,400,000</u>

¹ RFS to be repaid with ongoing research contract with the U.S. Armed Forces

Project Cost Detail

Building Cost	\$23,500,000
Fixed Equipment	500,000
Site Development	6,500,000
Furniture and Moveable Equipment	750,000
Institutionally Managed Work	1,000,000
Architectural/Design Services	2,900,000
Project Management Fees	950,000
Insurance	1,160,000
Other Professional Fees	1,650,000
Project Contingency	1,490,000
Other Costs	-
Total Project Cost	\$40,400,000

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

Applied Research Laboratories New Office Building (with 22% Shell Space)	\$313
Applied Research Laboratories New Office Building (Estimated Total Finish-Out)	\$358
Texas Higher Education Coordinating Board Average - Office, General	\$350

	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$244	\$362	\$418
Other National Projects	\$375	\$553	\$579

Investment Metric

- Add 160 offices allowing for 100 additional staff by 2025

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	January 2018
Addition to CIP	November 2018
Design Development Approval	February 2019
Construction Notice to Proceed	April 2019
Substantial Completion	May 2021

4. U. T. Austin: Energy Engineering Building - Amendment of the current Capital Improvement Program to increase the total project cost; approval of design development; and appropriation of funds and authorization of expenditure

The Board approved the recommendations for the Energy Engineering Building project at The University of Texas at Austin as follows:

- a. amend the current Capital Improvement Program (CIP) to increase the total project cost from \$165,000,000 to \$168,000,000;
- b. approve design development plans; and
- c. appropriate funds and authorize expenditure of \$168,000,000 with funding of \$100,000,000 from Permanent University Fund (PUF) Bond Proceeds, \$60,000,000 from Gifts, and \$8,000,000 from Unexpended Plant Funds.

Previous Actions

On August 1, 2016, the Chancellor approved this project for Definition Phase. On November 10, 2016, the Board approved \$100 million in PUF Bond Proceeds for this project. On May 1, 2018, the project was included in the CIP with a total project cost of \$165,000,000 with funding of \$100,000,000 from PUF Bond Proceeds, \$60,000,000 from Gifts, and \$5,000,000 from Unexpended Plant Funds.

Project Description

The Energy Engineering Building will provide critically needed education and research space for the Cockrell School of Engineering. The project is central to achieving the Cockrell School of Engineering's vision to be a globally recognized leader in multidisciplinary innovation dedicated to solving the pressing societal problems of the 21st century and beyond, driving future economic progress, and improving the quality of life. This project will address both the insufficiency of space for energy research and the dated nature of the current space, allow hiring of future faculty with an energy focus, and allow for more collaboration with industrial partners.

Significant flexibility is planned into the building to allow interdisciplinary teams to occupy a space for a definite period of time with the space subsequently modified for other programs or projects. New teaching laboratories and classrooms will allow innovations in the curriculum that are not possible with the current facilities, thereby improving the ability to attract top undergraduate students and enhance student learning outcomes.

The increase in the total project cost will support air quality improvements to the J. T. Patterson Laboratories Building adjacent to the project site.

Project Information

Project Number	102-853
CIP Project Type	New Construction
Facility Type	Laboratory, General
Management Type	Institutional Management
Institution’s Project Advocate	John Ekerdt, Associate Dean for Research, Cockrell School of Engineering
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	184,300

Project Funding

	<u>Previous</u>	<u>Current</u>
Permanent University Fund Bond Proceeds	\$100,000,000	\$100,000,000
Gifts ¹	\$ 60,000,000	\$ 60,000,000
Unexpended Plant Funds	<u>\$ 5,000,000</u>	<u>\$ 8,000,000</u>
Total Project Cost	\$165,000,000	\$168,000,000

¹ Gift funding authorized for expenditure not fully collected or committed at this time; U. T. System Finance has confirmed institution has sufficient local funds to cover any shortfalls; Institution anticipates committed Gift funding no later than 11/3/2018

[Secretary’s Note: During the Committee Meeting, President Fenves noted that the institution anticipates \$60 million in committed Gift funding for this project by December 31, 2018 (rather than November 3, 2018.)]

Project Cost Detail

Building Cost	
Energy Engineering Building	\$ 93,996,846
J. T. Patterson Labs	1,744,397
Fixed Equipment	4,895,249
Site Development	8,163,849
Furniture and Moveable Equipment	12,053,564
Institutionally Managed Work	4,925,000
Architectural/Design Services	17,203,034
Project Management Fees	7,371,095
Insurance	3,363,250
Other Professional Fees	9,025,983
Project Contingency	5,207,733
Other Costs	<u>50,000</u>
Total Project Cost	\$168,000,000

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

Energy Engineering Building	\$510
Texas Higher Education Coordinating Board Average - Laboratory, General	\$521

	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$446	\$492	\$545
Other National Projects	\$419	\$621	\$736

Investment Metrics

- Increase research expenditures incrementally \$2,000,000 per year by 2026
- Six-year graduation rates for engineering students entering as freshmen to exceed 75% by 2023-2024 academic year

Project Planning

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

Project Milestones

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

5. U. T. Rio Grande Valley: School of Medicine Team Based Learning Center - Amendment of the current Capital Improvement Program to increase total project cost; approval of design development; and appropriation of funds and authorization of expenditure

The Board approved the recommendations for the School of Medicine Team Based Learning Center project at The University of Texas Rio Grande Valley as follows:

- a. amend the current Capital Improvement Program (CIP) to increase the total project cost from \$12,200,000 to \$13,700,000;
- b. approve design development plans; and
- c. appropriate funds and authorize expenditure of \$13,700,000 from Permanent University Fund (PUF) Bond Proceeds.

Previous Actions

On November 19, 2017, the Chancellor approved this project for Definition Phase in the amount of \$12,200,000. On December 6, 2012, the Board approved \$100 million over the next 10 years of unspecified resources to be used for start-up costs for the School of Medicine. To date, the Board has fulfilled this commitment through multiple appropriations of PUF Bond Proceeds totaling \$50 million.

On February 6, 2014, the Board authorized construction of the South Texas Medical Academic Building (STMAB) with funding of \$54,000,000 from PUF Bond Proceeds. On October 2, 2017, the Chancellor approved a transfer of \$5,002,268 of unspent PUF Bond Proceeds from the STMAB project to this project.

On August 20, 2015, the Board approved \$10,000,000 in PUF Bond Proceeds to be used in support of eligible capital expenses associated with the start-up of the Medical School, of which \$7,197,732 will be transferred to this project.

On February 27, 2018, the project was included in the CIP with a total project cost of \$12,200,000 with funding from PUF Bond Proceeds.

Project Description

The project will be an extension of the existing Medical Education Building (formerly the South Texas Medical Academic Building) located on the Edinburg Campus. This facility is necessary to accommodate current and expected growth in the School of Medicine (SOM) while maintaining the mission of the school as a catalyst for education in health care. The building will house faculty and administrative offices, small group study spaces for the growing medical student population, flexible and general-purpose classrooms, conference rooms, and support spaces.

The facility will provide additional teaching space to help the SOM meet its expected enrollment growth. Existing classrooms, offices, and study spaces are currently at full capacity. The design will feature flexible classrooms with modern technology needed to provide the educational experience mandated for accreditation by The Joint Commission. This facility will continue to support innovative pedagogies including problem-based instruction and critical thinking exercises. The new building will strengthen and expand the distance learning program. This facility will allow the institution to efficiently and effectively serve the needs of the South Texas medical students.

The request for increase in the total project cost is due to the SOM's continued growth and subsequent need for additional square footage and to provide additional offices and work areas to support the academic programs.

Project Information

Project Number	903-1159
CIP Project Type	New Construction
Facility Type	Office, General
Management Type	Office of Facilities Planning and Construction
Institution's Project Advocates	Marta Salinas-Hovar, AIA, Associate Vice President for Facilities Planning and Operations Michael Patriarca, Senior Associate Vice President of Finance and Administration for Health Affairs and Executive Vice Dean School of Medicine Sofia Hernandez, Chief of Staff for the School of Medicine
Project Delivery Method	Competitive Sealed Proposals
Gross Square Feet (GSF)	26,652

Project Funding	<u>Previous</u>	<u>Current</u>
Permanent University Fund Bond Proceeds ¹	<u>\$12,200,000</u>	<u>\$13,700,000</u>
Total Project Cost	\$12,200,000	\$13,700,000

¹ Permanent University Fund (PUF) Bond Proceeds include \$5,002,268 transferred from previously approved funding for the Medical Education Building and \$8,697,732 committed to the project from the Board’s previously awarded PUF support for the School of Medicine

Project Cost Detail

Building Cost	\$ 9,531,106
Fixed Equipment	-
Site Development	523,667
Furniture and Moveable Equipment	787,746
Institutionally Managed Work	418,000
Architectural/Design Services	773,494
Project Management Fees	511,765
Insurance	286,561
Other Professional Fees	343,403
Project Contingency	500,000
Other Costs	24,258
Total Project Cost	\$13,700,000

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

School of Medicine Team Based Learning Center	\$358
Texas Higher Education Coordinating Board Average - Office, General	\$349

	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$234	\$348	\$402
Other National Projects	\$361	\$532	\$558

Investment Metric

- Increase enrollment from 100 to 110 students per year by 2021

Project Planning

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

Project Milestones

Definition Phase Approval	November 2017
Addition to CIP	February 2018
Design Development Approval	November 2018
Construction Notice to Proceed	January 2019
Substantial Completion	March 2020

6. U. T. Southwestern Medical Center: North Campus Phase VI - Brain Institute and Cancer Center - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board approved the recommendations for the North Campus Phase VI - Brain Institute and Cancer Center project at The University of Texas Southwestern Medical Center as follows:

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$453,757,000 with funding of \$313,757,000 from Revenue Financing System (RFS) Bond Proceeds, \$39,000,000 from Permanent University Fund (PUF) Bond Proceeds, \$51,000,000 from Gifts, and \$50,000,000 from Designated Funds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. 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 \$313,757,000.

Debt Service

The \$313,757,000 in RFS debt will be repaid from Hospital Revenues. Annual debt service on the \$313,757,000 in RFS debt is expected to be \$18.7 million. The institution's debt service coverage is expected to be at least 2.2 times and average 2.4 times over FY 2019-2024.

Previous Actions

On November 10, 2016, the Board approved \$39,000,000 in PUF Bond Proceeds for this project. On August 3, 2017, the Chancellor approved this project for Definition Phase. On August 9, 2018, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$453,757,000 with funding of \$313,757,000 from RFS Bond Proceeds, \$39,000,000 from PUF Bond Proceeds, \$51,000,000 from Gifts, and \$50,000,000 from Designated Funds.

Project Description

The Harold C. Simmons Comprehensive Cancer Center builds on the research strengths of U. T. Southwestern and a broad network of scientific and clinical

partners to develop new cancer insights and treatments. The Simmons Cancer Center's scientific programs and disease-oriented teams work hand-in-hand to advance cancer research and patient care by focusing on a major type or area of cancer and are instrumental in shaping and conveying basic and translational findings for use in the clinic.

The Peter O'Donnell Jr. Brain Institute encompasses both research and clinical programs including brain health in sports, the military, and the aging population. The Brain Institute provides advanced diagnostic capabilities and treatment options for brain, spine, muscle, nerve, and psychiatric disorders.

The North Campus Phase VI - Brain Institute and Cancer Center project is essential to the growth of patient care and research for both the Cancer Center and the Brain Institute. The project will add a nine-floor tower to provide clinic and research space and shared support space. The major cost drivers include infusion bays, exam rooms, research labs, and imaging facilities. The project will also include a parking structure with approximately 1,200 parking spaces.

Project Information

Project Number	303-1099
CIP Project Type	New Construction
Facility Type	Healthcare Facility, Clinic
Management Type	Institutional Management
Institution’s Project Advocate	Dwain Thiele, M.D., Interim Executive Vice President for Academic Affairs, Provost and Dean of U. T. Southwestern Medical School
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	590,342
Shell Space (GSF)	241,928

Project Funding

	<u>Current</u>
Revenue Financing System Bond Proceeds ¹	\$313,757,000
Permanent University Fund Bond Proceeds	\$39,000,000
Gifts ²	\$51,000,000
Designated Funds	<u>\$50,000,000</u>
Total Project Cost	\$453,757,000

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from Hospital Revenues

² Gift funding authorized for expenditure not fully collected or committed at this time; U. T. System Finance has confirmed institution has sufficient local funds to cover any shortfalls; Institution anticipates committed Gift funding no later than 12/1/20

Project Cost Detail

Building Cost	
North Campus Phase VI - Brain Institute and Cancer Center	\$301,027,326
Parking Garage	30,188,152
Fixed Equipment	34,698,160
Site Development	-
Furniture and Moveable Equipment	7,153,480
Institutionally Managed Work	-
Architectural/Design Services	22,845,754
Project Management Fees	8,590,000
Insurance	5,609,647
Other Professional Fees	-
Project Contingency	33,250,000
Other Costs	10,394,481
Total Project Cost	\$453,757,000

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

North Campus Phase VI - Brain Institute and Cancer Center (with 41% Shell Space*)	\$510
North Campus Phase VI - Brain Institute and Cancer Center (Estimated Total Finish-Out)	\$686
Texas Higher Education Coordinating Board Average - Healthcare Facility, Clinic	\$426

*[Secretary's Note: At the Committee Meeting, President Podolsky provided additional details regarding shell space.]

	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$443	\$487	\$590
Other National Projects	\$440	\$635	\$836

Investment Metrics

- Provide best-in-class facility to improve patient care and save lives through treatment
- Expand basic molecular brain research to provide prevention and treatment of brain, spine, nerve, and muscle disorders

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 2017
Addition to CIP	August 2018
Design Development Approval	November 2018
Construction Notice to Proceed	January 2019
Substantial Completion	June 2022

APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS.--At 9:17 a.m., the Board voted and unanimously approved the Standing Committee recommendations.

RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551.--At 9:19 a.m., the Board recessed to Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.074, 551.076, and 551.089 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS AND TO CONSIDER AGENDA ITEMS.--The Board reconvened in Open Session at 11:49 a.m. to consider the following action on Executive Session Items 2b and 3 and to consider the following Agenda Items.

- 1a. 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); task force members and advisory council members; and U. T. System and institutional employees

No action was taken on this item.

- 1b. U. T. System: Discussion with Vice Chancellor for Strategic Initiatives regarding assignment and duties, including responsibilities associated with providing information and data to the Board and U. T. System leadership

No action was taken on this item.

- 1c. U. T. Permian Basin: Discussion with president regarding assignment and duties, including individual responsibilities associated with outlining a vision and plans for the future of the institution

No action was taken on this item.

- 1d. U. T. System: Discussion with Chancellor regarding responsibilities associated with organization and structure of U. T. System Administration

No action was taken on this item.

2a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

2b. U. T. Austin: Discussion and appropriate action regarding legal issues related to the utilization of the Brackenridge Tract, including land bounded by Exposition Boulevard, Lake Austin Boulevard, and Enfield Road, Austin, Travis County, Texas, and associated leases and agreements

See related Item 3 below for action taken on this item.

3. U. T. Austin: Discussion and appropriate action regarding the lease, uses, or value of property related to the Brackenridge Tract, including land bounded by Exposition Boulevard, Lake Austin Boulevard, and Enfield Road, Austin, Travis County, Texas

Regent Beck moved that the Board take the following actions on behalf of The University of Texas at Austin:

- a. authorize amending the lease to the City of Austin for the Lions Municipal Golf Course, located at 2260 Enfield Road, and/or the Brackenridge Development Agreement with the City of Austin affecting the Brackenridge Tract property, in Austin, Travis County, Texas, on terms in accordance with the parameters recommended in Executive Session;
- b. authorize amending the lease to West Austin Youth Association, Inc. [WAYA], located at 1314 Exposition Boulevard, Austin, Travis County, Texas, on terms in accordance with the parameters recommended in Executive Session; and
- c. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary to carry out the purpose and intent of the foregoing actions within the parameters recommended in Executive Session.

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

4. 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

No action was taken on this item.

AGENDA ITEMS (continued)

9. U. T. System: Discussion regarding support of U. T. institutions

Chairman Tucker reminded members of the Board of the August 9-10, 2018 strategy session, which involved participation by the 14 University of Texas institutional presidents. She referenced the panel discussions led by the eight academic institutional presidents about the responsibilities of the flagship, emerging research, and comprehensive universities to the citizens and to the State of Texas. Chairman Tucker also referenced the panel discussions led by the health institutional presidents about health problems confronting Texans and what the health institutions can do to help ensure a healthier Texas population. She said the Board then heard from The University of Texas System perspective about initiatives occurring across the campuses, such as the TeleHealth initiative presented during the Health Affairs Committee meeting on November 14, 2018.

Chairman Tucker stated there had also been discussion about U. T. System Administration, and the Board presented then Chancellor-Designate Milliken with challenges, the first being to work with Chancellor *ad interim* Faulkner and the Executive Vice Chancellors on “What is it that you heard your institutional leaders say that they needed this Board of Regents to [do to] help them achieve their progress in advancing their institutions?” Chairman Tucker said one thing the Board was united in hearing was the importance of the Science and Technology Acquisition and Retention (STARs) Program to attract and/or retain rising talent and talent as it exists today. She said the Executive Vice Chancellors for Academic Affairs and Health Affairs were directed to return to the Board with a plan to further institutional goals.

Chairman Tucker then called on Chancellor Milliken for progress on that first challenge. Chancellor Milliken said he had had the benefit of listening to the presentations in August 2018, and he heard the presidents say they need to attract and retain talent to grow the research and educational missions. He said he met with Executive Vice Chancellors Leslie and Greenberg about the areas and levels that would be most important to support, such as the STARs Program.

Mr. Milliken also presented approaches that might make sense for emerging institutions and the flagship institution to continue to build their research enterprises to encourage and support institution-driven collaborations and interdisciplinary and interinstitutional work; a team science concept that, he said, is rapidly being supported across the country. He noted these concepts are often started at the faculty level, and he proposed the following three areas for investment:

1. Enhance the STARs Program
2. Support the interdisciplinary research programs presented by the institutions
3. Invest in research excellence, with special consideration for the flagship and the four emerging research universities.

Chancellor Milliken said a telephone meeting was held with the institutional presidents who were provided a draft concept paper, and they provided feedback. He then called on Executive Vice Chancellors Leslie and Greenberg for remarks. Dr. Greenberg said the health presidents were enthusiastic about all of the concepts put forward, particularly about exciting collaborations emerging in Dallas, San Antonio, and Houston that would be difficult for the institutions to accomplish on their own. Dr. Leslie also spoke about the strong support for the concept paper from the academic presidents. He mentioned that discussions included balancing critical needs for new innovative programs versus needs for deferred maintenance support and capital projects. Dr. Leslie suggested that funds be delegated to the Chancellor to administer, as that structure has provided flexibility in administering the successful STARs Program.

Chairman Tucker called on Chancellor Milliken to discuss the criteria for the Concept projects, and she called on Executive Vice Chancellor Kelley to discuss potential funding sources. Mr. Milliken explained the proposals would be peer-reviewed, like the STARs Program, so that the best quality proposals that rose from institutional priorities would be the ones that would be accepted. He noted that although no action would be taken on the proposals today, feedback from the Board would be addressed and incorporated into a future action item.

Chancellor Milliken noted the proposal includes an increase in the STARs Program from \$35 million to \$60 million annually: \$30 million for the academic institutions and \$30 million for the health institutions. He said there could be a matching requirement, depending on the capability of the institution. Chancellor Milliken said the proposal also recommends \$50 million per year for three years for Team Science collaboration and \$50 million per year for three years for the Research Excellence Thrust. He said the three-year period would provide an opportunity to see what the investment yielded. He listed several initiatives the Research Excellence Thrust would support as presented by the Office of Academic Affairs as follows:

- The University of Texas at Austin Texas Materials Institute
- U. T. Austin Dell Medical School program in pediatrics
- The University of Texas at Arlington research in materials sciences
- The University of Texas at Dallas support in biomedical fields
- The University of Texas at San Antonio Research Information Technology (IT) Base to support developments at the downtown campus for the National Security Collaboration Center
- The University of Texas at El Paso additive manufacturing programs

Regarding funding sources for the proposals, Dr. Kelley explained that all proposed initiatives will be capital expenditures supported through Permanent University Fund (PUF) debt in the order of about \$120 - \$130 million per year over the next three years, which is about half of the current PUF capacity. He also spoke about possible operational constraints.

Chairman Tucker called on members of the Board for feedback. Regent Eltife encouraged the Board to be thoughtful before PUF capacity is used to fund new proposals since there are stated infrastructure needs at the institutions. He also advised flexibility in that PUF money may be needed to assist with Tuition Revenue Bond (TRB) projects if the Legislature passes the TRBs. Regent Longoria and Regent Hicks expressed the same concerns, and Regent Hicks added that he would look to the institutions to provide input on the trade-offs.

Chancellor Milliken expressed appreciation for the feedback, and he emphasized this is not a U. T. System initiative and would only go forward if the institutions expressed interest. He suggested he meet again with the institutional presidents to discuss if there is a right balance to best serve the needs of the institutions. Regent Weaver commented that he thinks talent wins, and he supported providing resources to the presidents to attract the best people.

Chairman Tucker said Chancellor Milliken had heard the challenge from the Board and wanted to be responsive by bringing ideas to the Board that benefit the institutions. She asked that he ensure the institutional presidents feel heard and bring their ideas forward, and then she asked that he return to the Board with a proposal.

(See the next item, Item 10, regarding the second challenge.)

10. U. T. System: Chancellor's update related to U. T. System Administration organization and structure

Chairman Tucker moved on to the second challenge given in August 2018 to then Chancellor-Designate Milliken, and she thanked Regents Eltife, Aliseda, Longoria, and Weaver for the completion of the work of the System Review and Structure Task Force. She noted that the [Task Force Report](#) had been released and identified areas of The University of Texas System Administration operations, services, and budget for possible restructuring or modification after further review. She noted that Chancellor Milliken had received one of the first copies on becoming Chancellor and was asked by the Board, as the Chief Executive Officer, to conduct the additional reviews and implement needed changes. She then called on Chancellor Milliken for his initial thoughts. His prepared remarks are set forth on the following pages.

(See the previous item, Item 9, regarding the first challenge.)



Statement of Chancellor James B. Milliken Regarding the
Task Force Report UT Board of Regents Meeting
November 15, 2018

Today is my first meeting with the Board of Regents. In my eight weeks on the job, I've learned a fair amount about the University of Texas System. I've been on every campus and I've been impressed by our institutional leadership, our faculty, and especially our students. This system of diverse, extraordinary institutions is well positioned for the beginning of the 21st Century. There's much work to do, as we all know, but I feel very good about our prospects. What drew me to Texas originally and what fills me with hope every day is what I see as a central part of the ethos of this special place: a sense of ambition, confidence, and above all, optimism. I emphatically share this outlook, and it's what gives me such high hopes for Texas and the UT System.

There is much that is unique about Texas and there is much that's unique about the UT System. But there are also some similarities with university systems across the country. I read the other day that there are 46 systems of higher education in this country. As states grew and required many more institutions to meet their education needs, the creation of systems was a logical response to coordinate and support the institutions as they strive to meet the educational, research, health care, and outreach needs of their state or region. While most university systems have pretty similar mandates or missions, whether in constitutions, statutes, bylaws, or regulations, I've always felt there is one essential characteristic of highly performing systems: their value is greater than the sum of their parts. I have certainly seen strong evidence of that in Texas, including most recently several days ago with the celebration of the new, game-changing collaboration in League City between the M.D. Anderson Cancer Center and UTMB.

Most relevant to administration of university systems in our state is the Texas Education Code, Section 51.353. In pertinent part, the statute says:

The system administration of each system shall coordinate the activities of component institutions within the system.

In addition to other powers and duties provided by this code or other law, each system administration shall:

- (1) initiate, monitor, approve, and coordinate long-range planning for the system;
- (2) approve short-range institutional plans for operations and expenditures;
- (3) provide to component institutions technical assistance such as legal and financial services;
- (4) evaluate each component institution and assist the institution in the achievement of performance goals; and
- (5) perform such other duties as may be delegated to it by the governing board of its system.

Also instructive is Section 65.16, governing the appointment of an executive of the UT System:

The board shall appoint a chief executive officer ...

Subject to the power and authority of the board, the chief executive officer is responsible for the general management of the university system within the policies of the board ...

I assume we would all agree these are important and reasonable functions for a university system, but they also provide for a fair amount of latitude left to the governing board. Some aspects of a system's mission, such as general policy development, compliance, and oversight, where it is important to have common expectations and requirements, are not optional. Similarly, having the structure, processes, and people in place to assure the Board of Regents and Texans that our institutions are financially sound, operating within the law and otherwise meeting the important fiduciary obligations of the Board is essential. In addition, system administrations, like the governing boards themselves, are really the locus of responsibility to consider how the collective assets of a system's institutions best serve their states. I believe this is true in every state, including Texas.

Beyond policy, coordination, and compliance roles, system administrations have become important providers of services to campuses, particularly where it makes sense because of economies of scale or expertise to do so. In this way, more resources should be available for campuses to deploy for instruction, student success programs, and research. What kind of service and how much is necessary or optimal could depend on many factors, including the proximity of campuses, the size of the system, and the diversity of system institutions. It won't surprise anyone that there has been debate, since the first system was created, over whether the institutions had enough or too much autonomy, whether there was unnecessary duplication of function, whether value was added, whether oversight was sufficient, and so on. And volumes could be written about the relationships between flagships, often the original campus, and systems created by states that include the flagships. I've now been in four very different systems, and many of the discussions I've heard in my first two months in Texas are familiar to me.

Not long before I left New York, I worked with a leading management consulting firm on some of these same issues. We concluded, in essence, that there are three major categories of functions in a rational, modern system, and it makes sense to carry out those functions in different places. First, there are functions related to governance, coordination, and oversight where consistency of policy, expectations, and compliance is important, and those are the responsibility of a system administration. Second, there are the many functions relating to the education and success of students and the research and service of the faculty—the heart of a university -- and those are clearly the responsibility of the institution. Third, there are functions where ownership and location are less important, but economy and expertise are—what we often refer to as shared services. These shared services could be carried out on a campus, serving other campuses; at a system office, with appropriate governance roles for those to whom the services are provided; or by a third party.

I participated in similar discussions in Nebraska and North Carolina. These discussions are important opportunities for governance and management to become aligned, for there to be agreement on roles and expectations, and, because circumstances, requirements, economics, and technology change, they are necessary to have periodically. The establishment of the Board of Regent's System Administration Task Force provided just such an opportunity, and I have been asked today to share some perspectives on the task force report and provide an update on our implementation plans.

It's clear that much hard work went into the development of the task force report, and I commend Regents Eltife, the task force chair, and members Aliseda, Longoria, and Weaver for the dedication and thoughtfulness they brought to their assignment. There is much we can learn from the report, and as a newcomer to Texas and the UT System, it is an invaluable crash course on how key services are perceived by institution presidents, in particular. The task force didn't try to boil the ocean; its members were careful and selective about the scope of their work. While the task force was careful to acknowledge at the beginning of its report that under the Texas Education Code the system administration is responsible for "oversight and coordination of the activities of the system and each component institution within the system," it appropriately focused on the service function, which is of course a major role today and is where a significant share of any system's budget is concentrated. The task force report—and conversations I've had with institution presidents, regents, and state political leaders—also made it emphatically clear that there was "top down initiatives" fatigue, and that academic and program initiatives should emerge from the institutions, a proposition with which I completely agree as right for the UT System.

The task force members and their consultants interviewed a large number of system administration leaders and all presidents and produced findings that substantiate a view that might be said to be self-evident—but often isn't—that in a system of diverse institutions, as many are, individual institutions may require or desire different levels of service. Larger institutions are often more self-sufficient than smaller ones, and as a result some services from the system administration may be less important. So while it sounds clichéd, one size clearly does not fit all in the provision of some support.

The task force report was given to me on my first day on the job, and while I might have wished for a bit more of a honeymoon, I'd like to think that the board appointed me because my 30 years of experience helping lead systems and their administrations prepared me well for this and other challenges and opportunities the UT System faces. I welcome the task force report and, given the interest from the Board of Regents and state political leadership in reform, I am grateful to have this guide and perspective from day one. I have embraced the recommendations for next steps, and together with a core leadership team have been working since the beginning of my chancellorship to achieve the goals we share.

We are now deeply involved in this work, and it is my goal to complete it as soon as possible. While the report cautions that in at least one significant area, "any transition would have to be executed slowly and over time," it is my goal to complete our work soon and to make any changes pursuant to a plan that addresses all of the system administration. And while, as the report recognizes, "taking the time to thoroughly vet each [option] and understanding the pros and cons is a necessary step to ensure the right actions," there is a need to wrap up this work and shift focus to the very significant agenda ahead of us as Texas grows rapidly and as we work now to position the state for leadership in the 21st century knowledge economy. As the report astutely recognizes,

"Over the past several years, efforts to reduce headcount have yielded positive short-term results, but the long-term impact to the culture (motivation and engagement of employees) has started to take its toll. What makes System Administration valuable is not only what it offers, but the people who have dedicated their careers to serving UT and those who are attracted to working in this environment."

Thus, while there is a need for thoughtfulness and analysis, there is also a compelling argument for resolution. I have set a goal for our team of having our plans in place by the beginning of the new year, and I intend to meet this goal. Many of the steps I am considering are administrative in nature and I believe I have the authority to implement them. Some may require board approval, and if so I will seek that authority as appropriate. Of course, I intend to keep the board apprised of all actions and the rationale for them. In short, we will execute on the important work ahead, with the critical guidance of the task force report and in consultation with the Board of Regents. I thank the board for this opportunity and I look forward to positioning all of the institutions of the University of Texas System for continued great success in the future.

Chairman Tucker asked members of the Board for comments. Regent Eltife said he has had many conversations since Chancellor Milliken came on board, and they have all been productive. He said the Chancellor is on the right track and on the right course to implement the recommendations. Regent Longoria said the Chancellor was hired because of his breadth of experience and excellent judgement. She said the Board is not here to micromanage, but to support him, and she has complete confidence that he will do what is necessary to assure the U. T. System is as efficient as possible in utilizing scarce Available University Fund resources.

U. T. System Board of Regents: Discussion and appropriate action regarding proposed recipient for the Santa Rita Award

An additional item was posted with the Secretary of State concerning the Santa Rita Award, and following Chairman Tucker's remarks set forth below, the Board approved Mr. Mike A. Myers as recipient of the Santa Rita Award.

Remarks and Recommendation by Chairman Tucker

A final item was posted with the Secretary of State, and I'm pleased to make a recommendation concerning the Santa Rita Award, the highest honor bestowed by the Board of Regents.

The award is made to recognize extraordinary contributions to U. T. institutions, coupled with a deep commitment to higher education and service to The University of Texas community.

Since the creation of the award in 1968, the Board has presented the Santa Rita Award to 26 individuals and one entity, with the most recent awards to Mr. Joe R. and Dr. Teresa Lozano Long.

Following multiple nominations, I am so pleased to recommend Mike A. Myers for receipt of the Santa Rita Award. Mr. Myers has a long-standing history of dedication and generosity. He has served The University of Texas at Austin on most major boards, commissions, and committees over the last 50 years. Mike has established endowments, supported capital projects, and provided valuable advice and counsel to Presidents and Chancellors on University matters. He's also contributed generously to other U. T. institutions, including The University of Texas at Arlington, The University of Texas at Brownsville, The University of Texas at Dallas, The University of Texas at El Paso, The University of Texas Southwestern Medical Center, The University of Texas Health Science Center at Houston, and The University of Texas M. D. Anderson Cancer Center. In addition, Mr. Myers has been a past Chairman of the Chancellor's Council Executive Committee.

Mike has been a dedicated advocate for improved access to and quality of higher education in Texas. He helped to create the Texas Higher Education Coordinating Board and has created numerous scholarship programs. I have

worked with Mr. Myers over many, many years, and I've seen firsthand, his commitment to low-income students and helping them advance in their higher education goals.

A graduate of U. T. Austin, Mr. Myers has had a successful career in banking and real estate. He partnered to develop the U. T. Golf Club in Austin, which provides intercollegiate golf facilities for U. T. Austin. In 1997, U. T. Austin named the soccer and track stadium in recognition of his generosity.

Mike Myers has truly made the State of Texas a better place for the next generation of citizens and students.

If approved, I recommend this very significant award be bestowed at an appropriate ceremony to be held in Dallas to celebrate an incredible record of dedication and service.

The motion was seconded by Regent Beck, who along with Regent Hicks, provided supporting comments for the nomination. The motion carried unanimously.

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on February 26-27, 2019, in Austin.

ADJOURNMENT.--Prior to adjourning, Vice Chairman Hildebrand provided the following remarks about Chairman Tucker.

Remarks by Vice Chairman Hildebrand

I'd like to take a moment to say a few words about our Chairman, and my good friend, Sara Martinez Tucker.

As you all know, Sara recently announced that she will be stepping down from her chairmanship and from the Board of Regents two months from today, on January 15, 2019.

She has been our colleague on the Board since 2015, and was elected Chairman in September of last year.

I am not sure I can adequately put into words my appreciation for her leadership, service, and all the expertise and wisdom she has shared, with the Board, and with me personally over the last few years.

As both a Regent and as a Chairman, she has kept us all focused on student success.

As Chairman, she brought all the institution presidents in, to make sure we could all hear their visions and plans, so that we, as fiduciaries, could better understand and better support their needs and aspirations.

She led the System through a number of important milestones that will have an everlasting impact on the U. T. System: moving forward with TMC3, the Army Futures Command, and of course, the recruitment of our new Chancellor.

Her tenure, though relatively brief, will be applauded as a time of tremendous progress.

But it won't just be the many highlights and milestones that I will always appreciate about Sara's time with us.

It will be the uncommon intellect, poise, and grace she brought to a job where a lot is thrown at the Chairman, from all sides, every moment of every day.

Sara, I just want to say, we are fortunate to have you as our leader. The System is better, stronger, smarter with your leadership.

Thank you from the Board, from the Chancellor, from the University Presidents, and we look forward to the next two months with you. Thank you so much, and God bless.

Chairman Tucker received a standing ovation and a certificate of appreciation as set forth below. She thanked everyone who took the time to write and to call her, saying this has been, and always will be, a labor of love. She expressed appreciation for the opportunity to work with everyone and to serve.

CERTIFICATE OF APPRECIATION

to

SARA MARTINEZ TUCKER

Upon the occasion of her retirement from the

Board of Regents
of
The University of Texas System

In appreciation for her four years of wise counsel,
conscientious stewardship, and dedicated service
to The University of Texas System

Regent, 2015 - 2019

Chairman, 2017 - 2019

Chairman, Academic Affairs Committee
2017

There being no further business, the meeting was adjourned at 12:45 p.m.

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

December 12, 2018



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No items for Consent Agenda

NEW ITEM

75. Sale - U. T. System : Authorization to sell or lease tracts of land generally located south of West Bellfort Avenue, north of Holmes Road, and in the vicinity of Buffalo Speedway and Willowbend Boulevard, Houston, Harris County, Texas, to to-be-determined third-party buyers/lessees	163
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MEETING OF THE BOARD

1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meeting held on August 9-10, 2018; and special called meetings held on August 4, August 20, August 27, and September 6, 2018

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 current personnel

To comply with the Department of Defense National Industrial Security Program Operating Manual (NISPOM) requirements, it is recommended that the Board of Regents approve the revised resolution set forth below regarding the list of Key Management Personnel (KMP) authorized to negotiate, execute, and administer classified government contracts. The revision adds the name of Chancellor James B. Milliken.

A Resolution amending the Managerial Group list was last adopted by the Board of Regents on June 20, 2018.

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

RESOLUTION

BE IT RESOLVED:

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

James B. Milliken, J.D., Chancellor, The University of Texas System
David E. Daniel, Ph.D., Deputy Chancellor, The University of Texas System
Gregory L. Fenves, Ph.D., President, The University of Texas at Austin
Daniel T. Jaffe, Ph.D., Vice President for Research, The University of Texas at Austin
Francis J. Landry III, Facility Security Officer (FSO), The University of Texas System/Security Manager, Applied Research Labs, The University of Texas at Austin

Patrick H. Vetter, Insider Threat Program Senior Official (ITPSO), The University of Texas System/Assistant Security Director, Applied Research Labs, The University of Texas at Austin
James R. (Trey) Atchley III, Chief Inquiry Officer, The University of Texas System
Helen T. Mohrmann, Chief Information Security Officer, The University of Texas System
Michael J. Heidingsfield, Director of Police, The University of Texas System

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

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

- b. That the U. T. System Chancellor [*ad interim*] and 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:

~~Chancellor *ad interim* Larry R. Faulkner~~

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

Sara Martinez Tucker, Chairman
Jeffery D. Hildebrand, Vice Chairman
Paul L. Foster, Vice Chairman
Ernest Aliseda
David J. Beck
Kevin P. Eltife
R. Steven Hicks
Janiece Longoria
James Conrad Weaver
Brittany E. Jewell, Student Regent from June 1, 2018 to May 31, 2019 (nonvoting)

3. Resolution - U. T. System Board of Regents: Adoption of resolution related to bequest from Estate of Christine Brooke-Rose to confirm that funds from the bequest will be used to create an endowment for benefit of the Harry Ransom Humanities Research Center at The University of Texas at Austin, as set out in the terms of the Will of Christine Brooke-Rose and her Letter of Instruction

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for External Relations, and the Vice Chancellor and General Counsel that the Board of Regents accept, on behalf of the Harry Ransom Humanities Research Center at U. T. Austin, the gift of the estate of Christine Brooke-Rose and commit to use such funds to create an endowment as specified in the Will of Christine Brooke-Rose and her Letter of Instruction.

RESOLUTION

WHEREAS, Ms. Christine Brooke-Rose died in France on March 21, 2012, and a Succession for Christine Brooke-Rose has been opened in France;

WHEREAS, Ms. Brooke-Rose left a holographic will creating a fund with the Harry Ransom Humanities Research Center for “research, colloquia, etc. focusing on problems of the experimental novel, not only mine, but others (the Christine Brooke-Rose Fund for the Experimental Novel), the particulars of which are to be determined;”

WHEREAS, by Letter of Instruction to the Board of Regents of The University of Texas System dated March 19, 2003, Ms. Brooke-Rose acknowledged that she would leave a bequest to the Board of Regents of The University of Texas System to create and fund the Christine Brooke-Rose Endowment, as a permanent endowment for the benefit of the Harry Ransom Humanities Research Center at The University of Texas at Austin “to support the study of the experimental novel through the sponsorship of fellowships and lectures;”

WHEREAS, the Harry Ransom Humanities Research Center is part of The University of Texas at Austin;

WHEREAS, pursuant to *Texas Education Code* Section 65.12, The University of Texas at Austin is a component institution of The University of Texas System;

WHEREAS, pursuant to *Texas Education Code* Section 65.11, the Board of Regents is the governing body of The University of Texas System;

WHEREAS, pursuant to *Texas Education Code* Section 65.36(a), the Board of Regents is authorized to accept donations of property for The University of Texas System and its component institutions including The University of Texas at Austin; and

WHEREAS, the Ministry of Interior of the French Republic in settling the Succession of Christine Brooke-Rose has requested a resolution from the Board of Regents committing to use the funds received from the Succession to create an endowed fund per the intent of the decedent.

THEREFORE, the Board of Regents of The University of Texas System, on behalf of The University of Texas at Austin for the use and benefit of the Harry Ransom Humanities Research Center, hereby adopts the following resolutions:

1. The Board of Regents of The University of Texas System, on behalf of The University of Texas at Austin for the use and benefit of the Harry Ransom Humanities Research Center, with regard to any funds received from the Succession of Christine Brooke-Rose, commits to use such funds to create an endowment which will be used to support research, conferences, fellowships and lectures focusing on the study and the problems of the experimental novel as specified in the Will of Christine Brooke-Rose and her Letter of Instruction.
2. The Board of Regents reaffirms its prior resolution dated May 14, 2015, accepting the bequest from the Succession of Christine Brooke-Rose and appointing Dr. Stephen Enniss, Director of the Harry Ransom Humanities Research Center, as its representative to collect and receive any and all sums of money, property or effects payable to the Board of Regents from the Succession of Christine Brooke-Rose and to execute any and all necessary or proper receipts, releases, and discharges and any other instruments as may be necessary or appropriate relating the sale of the house, receipt, handling, management, control and disposition of any asset acquired by bequest from the Succession of Christine Brooke-Rose.
4. Employment Agreement - U. T. System: Approval of Terms of Employment for James B. Milliken, as Chancellor

Proposed terms of employment for James B. Milliken as Chancellor are summarized below and are recommended for approval by The University of Texas System Board of Regents.

Funds: \$900,000 per year

Period: Beginning September 17, 2018

Description: Agreement for employment of James B. Milliken as Chancellor. The employment agreement is attached on the following pages.



THE UNIVERSITY of TEXAS SYSTEM
FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

Sara Martinez Tucker, Chairman
U. T. System Board of Regents
210 West Seventh Street
Austin, Texas 78701
Phone: (512) 499-4402 Fax: (512) 499-4425
<http://www.utssystem.edu/board-of-regents>

September 10, 2018

Mr. James B. Milliken
[REDACTED]
[REDACTED]

Dear J.B.:

This is to officially convey great enthusiasm on behalf of my colleagues on the Board of Regents and myself on your acceptance of the position of Chancellor of The University of Texas System. The appointment will be effective September 17, 2018, with your service as Chancellor at the pleasure of the Board. You have also been appointed to the non-salaried employee position of Chancellor-Designate, effective August 27, 2018, to assure an efficient transition in U. T. System leadership. This letter sets forth additional terms and conditions associated with your acceptance of the position.

Your annual salary is \$900,000.00. Increases in base salary shall be determined by the Board of Regents. In addition to the annual salary, all other State-paid fringe benefits required to be provided to higher education employees by State law and for which you are eligible are included. Among these benefits are State-paid OASI, longevity pay, workers' compensation, liability insurance coverage, retirement plan, insurance premium sharing, and leave entitlement.

The Board may also provide merit-based pay or a deferred compensation plan in the future, based upon its evaluation of progress toward objectives and performance criteria agreed to in advance by you and the Board.

As discussed, you are required, as a condition of employment, for the benefit and convenience of the System, and without personal tax liability to you, to live in Bauer House in Austin, Texas ("Residence"). Residence at Bauer House is required to assist the Chancellor in the proper performance of the duties of employment and to serve the best interests of the System. This requirement results from the nature of the System's responsibilities and the need for the Chancellor to accommodate student, faculty and staff meetings; System events; and other official functions at the Residence in the performance of the assigned duties. The System shall provide adequate clerical and custodial staff and shall provide or pay for all reasonable maintenance and operating expenses, including without limitation, grounds keeping, housekeeping for public areas, and repair on the Residence.

You may use Bauer House for entertaining community groups, associations, individuals, alumni, prospective university friends, donors, and anyone else judged by you to advance the System and its mission. Costs associated with such events shall be paid by the System. Use of Bauer House for personal entertainment is permissible, with the understanding that you will be responsible for any associated costs.

As Bauer House and most of its contents are defined as state property, the System will perform an annual physical inventory as required by State law. We will expect you to make Bauer House and the state property therein available to the System to conduct this inventory, at times determined to be mutually convenient. System will ensure that personal non-state property owned by you and your family is not included in the inventory.

As Chancellor, you agree to serve, to oversee, and to administer the activities and operations of the System with maximum application of effort, experience, and ability consistent with Board and System policies. As Chancellor, you agree to devote your time and attention and to use your talents and best efforts to perform the duties assigned to you as Chancellor.

Additional elements of your compensation/employment package are:

- (a) Appointment as holder of the Lee Hage and Joseph D. Jamail Regents Chair in Higher Education Leadership during your service as Chancellor.
- (b) Payment for or reimbursement for reasonable moving expenses, for which you will be held harmless for any personal tax liability.
- (c) The System shall allocate sufficient funds for travel, official entertainment expenses, and other official activities. Reasonable travel, entertainment and other business expenses incurred in your capacity as Chancellor shall be paid directly or reimbursed to you, as appropriate, from an appropriate source of funds.
- (d) Expenses for official travel for your spouse, pursuant to approved policy on Spousal Travel, will be paid directly or reimbursed as appropriate.
- (e) The cost of club memberships for you as Chancellor, as agreed to by the Chairman of the Board.

Should you be terminated at any time, without cause, you will be entitled to payment of one year's salary at the then current rate, discounted to present value as required by state law, as liquidated damages in lieu of any other remedies. This liquidated damages provision does not guarantee employment for a specific period of time.

Elements of this compensation package may be subject to withholding and reported on the W-2 form. You should, of course, consult your tax advisor as to the handling of business or other offsetting deductions.

The other members of the Board and I look forward to the opportunity to work with you as Chancellor of The University of Texas System and stand ready to support your service to the State of Texas.

Sincerely,

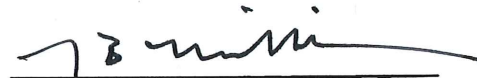


Sara Martinez Tucker
Chairman

SMT:em

c: Members of the Board of Regents
General Counsel to the Board of Regents
Office of the Controller

Accepted:



James B. Milliken

9.17.18

Date

5. Employment Agreement - U. T. System: Approval of Terms of Employment for Stacey Napier, J.D. as Vice Chancellor for Governmental Relations

Proposed terms of employment for Stacey Napier are summarized below, have been approved by the Chancellor, and are recommended for approval by the Board.

Item:	Vice Chancellor for Governmental Relations
Funds:	\$298,000 annual salary rate
Period:	Beginning November 2, 2018
Description:	Agreement for employment of Stacey Napier as Vice Chancellor for Governmental Relations. The employment agreement is set forth on the following pages.



THE UNIVERSITY of TEXAS SYSTEM
FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

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

October 17, 2018

Ms. Stacey Napier, J.D.
[Redacted]
[Redacted]

Dear Stacey:

I am delighted to offer you the position of Vice Chancellor for Governmental Relations at The University of Texas System, effective November 2, 2018, at an annual salary rate of \$298,000. You are entitled to other State-paid fringe benefits required to be provided to higher education employees by State law and for which you are eligible. Among these benefits are State-paid OASI, longevity pay, workers' compensation, liability insurance coverage, retirement plan, insurance premium sharing, and leave entitlement. This offer will remain contingent upon the successful completion of a criminal background check as required by U. T. System policy, as well as formal approval by the U. T. System Board of Regents. I look forward to working with you on your transition period and having you fully engaged with our team upon your arrival in November.

The Vice Chancellor for Governmental Relations reports to the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor. You will be provided an office at the U. T. System headquarters as well as dedicated administrative support.

The cost of club membership(s) approved by the Chancellor will be paid, including initial fees for joining the club and all properly documented and reasonable business-related expenses. Business-related travel and entertainment expenses shall be in accordance with Regents' Rule 20205, and reasonable expenses will be paid directly or reimbursed as appropriate.

Elements in this compensation package may be subject to federal income tax and reported on the W-2 form. You should consult your tax adviser as to the handling of business or other offsetting deductions.

I look forward to working with you as we work together to advance the interests of the entire U. T. System. With your background and expertise, I am certain you will be successful in your new role. To indicate your acceptance of this offer, please sign this letter and return it to my office. We will coordinate an announcement to be made as soon as possible.

Sincerely,

James B. Milliken
Chancellor

/jbm

cc: Alan Werchan, Budget Director

Accepted:

Stacey Napier, J.D.

10/18/18
Date

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 of the 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 MD Anderson Cancer Center • The University of Texas Health Science Center at Tyler

AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE

No items for Consent Agenda

FINANCE AND PLANNING COMMITTEE

6. Disclosure Report for the Record- U. T. System Board of Regents: Citizens 1st Bank to provide depository banking services in support of U. T. Health Science Center - Tyler

Agency:	Citizens 1st Bank
Funds:	No cost agreement
Period:	November 15, 2018; depository agreements are non-terminating based on the Office of General Counsel approved depository agreement template and may be terminated by the Board of Regents or the bank with notice to the other party
Description:	Depository Agreement to support U. T. Health Science Center - Tyler depository banking services related to an off-campus clinic, University Health Clinic. While the contract does not require Board approval as it falls within delegated authority, it is included in the Consent Agenda as a report documenting disclosure by Regent Eltife of his service on the Citizens 1st Bank Board of Directors.

7. Other Fiscal Matters - U. T. System Board of Regents: Approval of aggregate amount of \$6,000,000 of supplemental equipment financing for Fiscal Year 2019; and resolution regarding parity debt

The Executive Vice Chancellor for Business Affairs recommends approval of an additional \$6,000,000 of supplemental equipment financing for Fiscal Year 2019 for U. T. Arlington to finance ultra-high throughput genomic sequencers and related equipment to be repaid with revenues derived from the sales of educational activities. U. T. Arlington 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 (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. Arlington, 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 \$6,000,000; and
- this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board’s intention to reimburse project expenditures with bond proceeds.

8. Other Fiscal Matters - U. T. System Board of Regents: Amendments to the Intermediate Term Fund Investment Policy Statement

The Intermediate Term Fund (ITF) Investment Policy Statement has been amended, as shown in congressional style on the following page, to correct an error in Exhibit A, Asset Class Targets, Ranges, and Performance Objectives. The minimum and maximum ranges for Total Stable Value were reported as 13.0% and 23.0%, respectively. The correct amounts are 36.0% and 52.0%, respectively. In addition, the minimum range for Total Global Equity was changed from 47.5% to 45.0% and the maximum range for Cash in Stable Value was increased from 5.0% to 8.0%. The UTIMCO Board approved the corrected amendment to the ITF Policy on September 20, 2018.

EXHIBIT A
ASSET CLASS TARGETS, RANGES, AND PERFORMANCE OBJECTIVES
EFFECTIVE SEPTEMBER 1, 2018

Asset Class	FYE 2019			Benchmark
	Min	Target	Max	
Global Equity:				
U.S. Public Equity	0.7%	5.7%	10.7%	MSCI U.S. with Net Dividends
Non-U.S. Developed Public Equity	0.0%	3.4%	8.4%	MSCI EAFE and Canada with Net Dividends
Global Developed Public Equity	1.6%	6.6%	11.6%	MSCI World Index with Net Dividends
<i>Total Developed Public Equity</i>	7.5%	15.7%	22.5%	
Emerging Markets Public Equity	2.1%	7.1%	12.1%	MSCI Emerging Markets Index with Net Dividends
<i>Total Public Equity</i>	15.8%	22.8%	29.8%	
Directional Hedge Funds	25.0%	31.6%	38.0%	HFRI Fund of Funds Composite
Total Global Equity	45.0%	54.4%	62.0%	
Stable Value:				
Investment Grade Fixed Income	20.0%	28.7%	35.0%	Bloomberg Barclays Global Aggregate Index - Hedged
Cash	0.0%	3.0%	8.0%	3 month T bills
Stable Value Hedge Funds	5.0%	10.2%	15.0%	HFRI Fund of Funds Conservative
Total Stable Value	36.0%	41.9%	52.0%	
Real Return:				
Inflation Linked Bonds	0.0%	0.0%	5.0%	Bloomberg Barclays Global Inflation Linked TR Index
Gold	0.0%	2.4%	7.5%	Gold Spot Price (XAU)
Commodities	0.0%	1.2%	6.0%	Bloomberg Commodity TRI
<i>Total Commodities</i>	0.0%	3.6%	8.5%	
Public Real Estate	0.0%	0.1%	5.0%	FT SE EPRA/NAREIT Developed Index Net TRIUSD
Total Real Return	0.0%	3.7%	10.0%	
Total All Asset Classes		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 2019
Expected 10-Year Annual Real Return	2.10%
One Year Downside Volatility	5.36%
Risk Bounds	
Lower: 1 Year Downside Volatility	75.00%
Upper: 1 Year Downside Volatility	115.00%

9. Contract (funds going out) - U. T. System: Duo Security, Inc. to provide Systemwide Duo Enterprise platform subscriptions and additional information security software products

Agency: Duo Security, Inc.

Funds: Not to exceed \$2,600,000

Period: September 25, 2015 through September 28, 2021

Description: This Systemwide software services agreement provides Duo Enterprise platform subscriptions via annual U. T. institution order forms. The three-year extension and additional funding of \$2,600,000 is part of the expanded scope of the project being supported by the U. T. System Information Security Office. This contract was competitively bid.

10. Contract (funds going out) - U. T. System: Pamir Consulting, LLC to provide security advisory services

Agency: Pamir Consulting, LLC

Funds: Paid by U. T. institutions requesting services as needed. Board approval is requested as the contract is likely to go over the \$1,500,000 delegation threshold due to the need for these services.

Period: May 14, 2018 through May 31, 2019

Description: This nonexclusive Systemwide agreement allows each U. T. institution to obtain services as needed. The purpose of the security advisory services is to enhance the security posture of U. T. institutions by providing investigation measures, establishing additional precautions, and deploying tools to further minimize the threats to information. The U. T. System Information Security Office will closely monitor the spend over the life of the agreement. This agreement was competitively bid.

11. Contract (funds going out) - U. T. System: ComTec Information Systems to provide PeopleSoft information technology staff augmentation services to support the Office of Shared Information Services

Agency: ComTec Information Systems

Funds: Not to exceed \$2,000,000

Period: December 1, 2018 through November 30, 2023

Description: Staff augmentation services for PeopleSoft information technology resources to support UTShare institutions PeopleSoft projects for campuses Shared Information Services supports. This contract is one of four that will partially replace two expiring contracts currently in place for the Office of Shared Information Services. This contract was competitively bid.

12. Contract (funds going out) - U. T. System: ERP Analysts, Inc. to provide PeopleSoft information technology staff augmentation services to support the Office of Shared Information Services

Agency: ERP Analysts, Inc.

Funds: Not to exceed \$2,000,000

Period: December 1, 2018 through November 30, 2023

Description: Staff augmentation services for PeopleSoft information technology resources to support UTShare institutions PeopleSoft projects for campuses Shared Information Services supports. This contract is one of four that will partially replace two expiring contracts currently in place for the Office of Shared Information Services. This contract was competitively bid.

13. Contract (funds going out) - U. T. System: r2 Technologies, Inc. to provide PeopleSoft information technology staff augmentation services to support the Office of Shared Information Services

Agency: r2 Technologies, Inc.

Funds: Not to exceed \$2,000,000

Period: November 14, 2018 through November 30, 2023

Description: Staff augmentation services for PeopleSoft information technology resources to support UTShare institutions PeopleSoft projects for campuses Shared Information Services supports. This contract is one of four that will partially replace two expiring contracts currently in place for the Office of Shared Information Services. This contract was competitively bid.

14. Contract (funds going out) - U. T. System: Teksystems to provide PeopleSoft information technology staff augmentation services to support the Office of Shared Information Services

Agency: Teksystems

Funds: Not to exceed \$2,000,000

Period: December 1, 2018 through November 30, 2023

Description: Staff augmentation services for PeopleSoft information technology resources to support UTShare institutions PeopleSoft projects for campuses Shared Information Services supports. This contract is one of four that will partially replace two expiring contracts currently in place for the Office of Shared Information Services. This contract was competitively bid.

15. Other Fiscal Matters - U. T. System: Results of the 2018 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 the first two years of operation of the Program were reported to the Board of Regents at the August 25, 2016 and August 24, 2017 meetings.

In 2017, the Program's Operating Procedures were revised to incorporate a "value component" requirement. This requires a GPO to meet specified quantitative or qualitative criteria to become accredited or maintain accreditation. This is intended to focus usage of GPOs on those entities that (a) have the resources and scale in the marketplace sufficient to optimize the value of master agreements they procure, or (b) otherwise meet unique needs of the institutions. This value component requirement was applied for the first time in the 2018 Program.

With assistance from the U. T. System Office of Collaborative Business Services, an additional three applications for accreditation were considered in the 2018 Program, with one being approved and two being rejected. The newly accredited GPO is:

- HealthTrust

Rejected applicants have been informed of the reasons for rejection and of their right to reapply for accreditation in next year's Program.

In addition, reviews of the 10 GPOs previously accredited were conducted to ensure ongoing compliance with accreditation standards and to review institutional use of GPO contracts. As a result of these reviews, the accreditation of the following GPO has been revoked for failure to meet the Program's value component requirement:

- Brazos Valley Council of Governments, dba Purchasing Solutions Alliance (PSA)

The accreditations of the other GPOs previously accredited have been continued.

As a result, the following are the GPOs that are accredited at the conclusion of the 2018 Program:

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

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

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

16. Real Estate Report - U. T. System: Summary Report of Separately Invested Assets Managed by U. T. System

**THE UNIVERSITY OF TEXAS SYSTEM
SEPARATELY INVESTED ASSETS
Managed by U. T. System
Summary Report at August 31, 2018**

		FUND TYPE							
		Current Purpose Restricted		Endowment and Similar Funds		Annuity and Life Income Funds		TOTAL	
		Book	Market	Book	Market	Book	Market	Book	Market
Land and Buildings:									
Ending Value	5/31/2018	\$ 1,666,061	\$ 9,703,167	\$ 97,243,479	\$ 245,911,865	\$ 253,270	\$ 388,286	\$ 99,162,810	\$ 256,003,318
Increase or									
Decrease		-	1,391,934	(151,994)	407,371,441	-	1,250	(151,994)	408,764,625
Ending Value	8/31/2018	\$ 1,666,061	\$ 11,095,101	\$ 97,091,485	\$ 653,283,306	\$ 253,270	\$ 389,536	\$ 99,010,816	\$ 664,767,943
Other Real Estate:									
Ending Value	5/31/2018	\$ 4	\$ 4	\$ 6	\$ 6	\$ -	\$ -	\$ 10	\$ 10
Increase or									
Decrease		-	-	-	-	-	-	-	-
Ending Value	8/31/2018	\$ 4	\$ 4	\$ 6	\$ 6	\$ -	\$ -	\$ 10	\$ 10

Report prepared in accordance with Sec. 51.0032 of the *Texas Education Code*. Details of individual assets by account furnished on request.

Note: Surface estates are managed by the U. T. System Real Estate Office. Mineral estates are managed by U. T. System University Lands. The royalty interests received from the Estate of John A. Jackson for the John A. and Katherine G. Jackson Endowed Fund in Geosciences are managed by the U. T. Austin Geology Foundation, with the assistance of the Bureau of Economic Geology.

ACADEMIC AFFAIRS COMMITTEE

17. Contract (funds coming in) - U. T. System: Amendment No. 1 to Master Agreement between U. T. System and edX Inc.

Entity: edX Inc. (edX)

Funds: Amendment No. 1 outlines potential revenue streams for U. T. System institutions offering courses and online master's degree programs on the edX platform. Revenue from courses and online master's degree programs will be shared by the applicable U. T. System institution and edX with a 60/40 split in favor of the U. T. System institution. Increased enrollments in online master's degree programs can increase the revenue share for the applicable U. T. System institution for that specific program.

Period: Initial term of October 4, 2018 through October 15, 2021, with annual renewal terms following, unless either party gives notice of intent not to renew. U. T. System may exercise the option not to renew beginning in 2021. edX may exercise the option not to renew beginning in 2023.

Description: U. T. System entered into a Master Agreement with edX in 2012 under which U. T. System invested in the development of the edX platform and joined a consortium of other institutions of higher education, X University Consortium, advising edX on the best practices in online and blended education. The Master Agreement along with a series of schedules regarding revenue, copyright, and trademark also permitted U. T. System institutions to provide online education courses on the edX platform. Across seven U. T. institutions, there are currently 33 courses open for enrollment, ranging from introduction to engineering to foundations of computer science for teachers. The breakdown of courses are as follows:

School	Open for Enrollment	Not Available	Total
U. T. Austin	13	3	16
U. T. Arlington	10	6	16
U. T. Permian Basin	2	0	2
U. T. San Antonio	0	1	1
U. T. Health Houston	2	0	2
U. T. Medical Branch	1	0	1
U. T. M. D. Anderson	5	0	5

This First Amendment to the Master Agreement adjusts the revenue schedule and course development requirements for new courses, changes the term and termination provisions of the Master Agreement, and establishes an opportunity for U. T. System institutions to launch online master's degree programs (OMD Programs) on the edX platform.

Online Master Degree Program Appendix for Computer Science between U. T. System, U. T. Austin and edX, Inc.

The first proposed OMD Program is U. T. Austin's Master of Science in Computer Science (MSCS) program, an Option III (self-funded) track to the existing MSCS degree program. Courses for the (Option III) program will be delivered to working professionals in a combination of synchronous and asynchronous online formats via the edX platform. The program seeks to address shortfalls in available computer science education by producing a larger volume of graduates than can be accommodated through traditional brick and mortar delivery. The MSCS online (Option III) program will provide working professionals with an opportunity to develop technical expertise in areas (e.g., algorithm design, cybersecurity, computer systems, artificial intelligence, machine learning, high performance computing, and quantum computing) that have broad relevance within the computer science field and across a wide variety of industries. Enrollment for the first cohort is planned for Fall 2019.

The proposed OMD Program has been reviewed and approved by the U. T. Austin Graduate Studies Committee of the Department of Computer Science; the Graduate Assembly; and the Executive Vice President and Provost. The proposal has also been approved by the U. T. System Executive Vice Chancellor for Academic Affairs and will be submitted to the Texas Higher Education Coordinating Board following approval by the Board of Regents.

Per the OMD Program Appendix for U. T. Austin, it is estimated there will be \$8,000,000 total projected revenue (net profit of approximately \$2 - \$2.5 million) through the end of the three-year initial term, assuming cohort enrollment in 2019 of 100 students, enrollment of 500 students in 2020, and enrollment of 1,000 students in 2021. Program tuition will be \$10,000 per student.

18. Contract (funds coming in) - U. T. Austin: Amendment 2 to Master Physician Services Agreement with Tri-County Clinical, Seton/U. T. Austin Dell Medical School University Physicians Group, Pediatric Surgical Subspecialists (dba Pediatric Specialty Services), Seton Family of Doctors, and 'Specially for Children Children's Hospital Subspecialists of Central Texas related to the provision of clinical and other related administrative services

Agency: Tri-County Clinical, Seton/U. T. Austin Dell Medical School University Physicians Group, Pediatric Surgical Subspecialists (dba Pediatric Specialty Services), Seton Family of Doctors, and 'Specially for Children Children's Hospital Subspecialists of Central Texas (collectively, "Seton 162b Entities")

Funds: U. T. Austin will be paid approximately \$7,906,000 per year (\$8,091,000 after all program personnel have transferred) for clinical services provided under Amendment 2

Period: Initial term beginning October 22, 2018 through December 31, 2020, with renewal periods of two years each, unless a 12-month notice of non-renewal or termination is given

Description: This Amendment 2 adds the terms of a joint hospitalist program to the Master Physician Services Agreement approved by the Board on May 10, 2017, and amended with Board approval on August 9, 2018. Dell Medical School will provide the Dell Seton Medical Center at The University of Texas with all needed hospital medicine, medicine consult, and infectious disease consult physician and clinical services, with coverage 24-hrs/day, 365 days/year, as well as hospital medicine/surgical elective service. To provide this coverage, U. T. Austin will hire the hospitalist physicians and advance practice providers who currently provide this service as employees of various Seton entities.

19. Contract (funds coming in and going out) - U. T. Austin: Second Amendment to Academic and Educational Experience Director Services Agreement between The University of Texas at Austin on behalf of Dell Medical School, Seton Family of Hospitals, and ESP Payroll Services, P.A. for the administration of academic services related to the Dell Medical School's Emergency Medicine Residency and Pediatric Emergency Medicine Fellowship programs

Agency: Seton Family of Hospitals and ESP Payroll Services, P.A.

Funds: Funds from Seton Family of Hospitals as contemplated in the master affiliation agreement entered into by and between Seton Healthcare Family, U. T. System, and U. T. Austin on January 1, 2015

Funds coming into U. T. Austin from Seton Family of Hospitals (per contract):

- \$1,009,008 each year; \$2,018,016 over two-year term

Funds going out to ESP Payroll Services, P.A.:

- \$1,009,008 each year; \$2,018,016 over two-year term, to be paid to ESP on a quarterly basis; 20% of this amount may be withheld by U. T. Austin, dependent upon satisfactory evaluation of services provided

Period: Renewal term from October 1, 2018 through September 30, 2019, with one automatic renewal period of 12 months

Description: Physicians or other pertinent personnel employed by or under contract with ESP Payroll Services, P.A. will dedicate a portion of their professional time to providing academic services for the Dell Medical School's Emergency Medicine Residency and Pediatric Emergency Medicine Fellowship programs. The services provided by ESP Payroll Services, P.A. will be evaluated by a Department Chair employed by the Dell Medical School. Seton Family of Hospitals will pay U. T. Austin an amount to cover the cost of services to be provided by ESP Payroll Services, P.A. and U. T. Austin will pay ESP Payroll Services for the services rendered, up to 20% of which will be subject to a satisfactory performance evaluation by the Department Chair. The initial agreement was approved by the Board of Regents on November 10, 2016.

20. Contract (funds going out) - U. T. Austin: Alpha Building Corporation to provide job order contracting services to McDonald Observatory facilities

Agency: Alpha Building Corporation

Funds: Expected to exceed \$2,500,000 over the maximum five-year contract period

Period: December 1, 2015 through November 30, 2018 (one-year contract with option to renew for up to four additional one-year periods, two renewal options remaining)

Description: Alpha Building Corporation to provide general construction job order contracting services, with projects varying in scope and size, for McDonald Observatory facilities. Separate service agreements will be executed for individual projects. Services were competitively procured.

21. Contract (funds going out) - U. T. Austin: Walker Engineering, Inc. to provide job order contracting services to campus facilities

Agency: Walker Engineering, Inc.

Funds: Expected to exceed \$2,500,000 over the maximum five-year contract period

Period: August 24, 2015 through August 23, 2020 (one-year contract with option to renew for up to four additional one-year periods, one renewal option remaining)

Description: Walker Engineering, Inc. to provide electrical services with projects varying in scope and size. Separate service agreements will be executed for individual projects. Services were competitively procured.

22. Contract (funds going out) - U. T. Austin: Page Southerland Page, Inc. to provide professional engineering/architectural services to campus facilities

Agency: Page Southerland Page, Inc.

Funds: Expected to exceed \$2,500,000 over the maximum six-year contract period

Period: June 1, 2017 through May 30, 2019 (one-year contract with option to renew for up to five additional one-year periods, four renewal options remaining)

Description: Page Southerland Page, Inc. to perform professional engineering/architectural services with projects varying in scope and size. Separate service agreements will be executed for individual projects. Services were competitively procured.

23. 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: \$15,717,817

Period: February 1, 2018 through November 30, 2020

Description: The initial agreement, which was approved by the Board of Regents on May 1, 2018, provides that U. T. Austin Dell Medical School will provide HHSC with planning and related services focused on the creation of a mental health plan that defines the vision for the replacement of Austin State Hospital (ASH), incorporating a continuum of inpatient and outpatient psychiatric services on the ASH campus to serve the existing ASH catchment area. This amendment adds the planning phase of the ASH project, increases the contract value by \$13,000,000, and extends the termination date, which was previously December 31, 2018.

24. Interagency Agreement (funds coming in) - U. T. Austin: Interagency cooperation contract between Texas Department of Transportation and U. T. Austin's Texas Engineering Executive Education to provide education services

Agency: Texas Department of Transportation

Funds: \$2,857,181

Period: September 1, 2018 through August 31, 2021

Description: U. T. Austin, through its Texas Engineering Executive Education, will provide education services to the Texas Department of Transportation.

25. Interagency Agreement (funds going out) - U. T. Austin: Contracting Services with Capital Metropolitan Transportation Authority

Agency: Capital Metropolitan Transportation Authority

Funds: \$19,500,000

Period: September 1, 2018 through August 31, 2021

Description: Capital Metropolitan Transportation Authority will provide the shuttle bus transportation services, referred to as the "U. T. Shuttle Service" for students, faculty and staff. This was procured through an exclusive acquisition justification.

26. Request for Budget Change - U. T. Austin: New Hires with Tenure -- amendment to the 2017-2018 budget

The following Requests for Budget Changes (RBC) have been administratively approved by 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 \$	
Dell Medical School					
Dept. of Population Health					
Professor					
Elizabeth Matsui (T)	7/1-8/31	100	12	250,000	9461
	7/1-5/31	0	9	250,000	9461
Dell Medical School					
Dept. of Population Health					
Professor					
Paul J. Rathouz (T)	8/13-8/31	100	12	264,000	9464

27. Request for Budget Change - U. T. Austin: Tenure Appointments -- amendment to the 2018 - 2019 budget

The following Requests for Budget Changes (RBC) have been administratively approved by 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 Architecture					
Associate Professor Phoebe Lickwar (T)	9/1/18	100	9	100,000	9457
Moody College of Communication					
Dept. of Communication Studies					
Professor Shivendranath Ganesh (T)	1/16/19	100	9	165,000	9455
Dept. of Radio, Television, Film					
Professor Noah Isenberg (T)	1/1/19	100	9	180,000	9456
College of Fine Arts					
School of Design and Creative Technologies					
Associate Professor Monica Penick (T)	9/1/18	100	9	85,000	9463
Dept. of Theatre and Dance					
Associate Professor Gesel Mason (T)	9/1/18	100	9	100,000	9460
College of Liberal Arts					
Dept. of English					
Associate Professor Tanya E. Clement (T)	9/1/18	100	9	91,607	9453
Associate Professor Samantha N. Pinto (T)	1/16/19	100	9	110,000	9466
Dept. of Linguistics					
Professor Jenny L. Singleton (T)	9/1/18	100	9	140,000	9465

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
College of Natural Sciences					
Dept. of Mathematics					
Associate Professor					
Kateryna Iushchenko (T)	9/1/18	100	9	145,000	9458
Professor					
Samuel Payne (T)	9/1/18	100	9	230,000	9462
Dept. of Physics					
Professor					
Katherine Freese (T)	1/16/19	100	9	240,000	9454
Dept. of Nutritional Sciences					
Associate Professor (primary appointment)					
Heather J. Leidy (T)	1/16/19	100	9	115,000	9459
Dell Medical School					
Dept. of Pediatrics					
Associate Professor (0% joint appointment)					
Heather J. Leidy (T)	1/16/19	0	9	115,000	9459

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

Barbara G. Dodd, from Professor to Pearson Endowed Professor Emerita in Psychometrics, Department of Educational Psychology in the College of Education (RBC No. 9467) -- amendment to the 2018-2019 budget

Robert W. Jensen, from Professor to Professor Emeritus, School of Journalism in the Moody College of Communication (RBC No. 9471) -- amendment to the 2018-2019 budget

Ellen R. Spiro, from Professor to Professor Emerita, Department of Radio TV Film in the Moody College of Communication (RBC No. 9468) -- amendment to the 2018-2019 budget

George Sylvie, from Associate Professor to Associate Professor Emeritus, School of Journalism in the Moody College of Communication (RBC No. 9470) -- amendment to the 2018-2019 budget

Russell G. Todd, from Professor to Professor Emeritus, School of Journalism in the Moody College of Communication (RBC No. 9469) -- amendment to the 2018-2019 budget

29. Request for Budget Change - **U. T. Austin**: Transfer \$5,000,000 from Athletics – Intercollegiate Athletics Operating Income to Athletics – Intercollegiate Athletics Operating for salaries and departmental operating costs (RBC No. 9422) -- amendment to the 2017-2018 budget for over-realized income

30. Request for Budget Change - **U. T. Austin**: Transfer \$15,000,000 from VPBA – Reserve for Academic Enhancement Initiatives to VPBA – Designated Tuition Construction Control – for funding of Designated Tuition Construction Control (RBC No. 9423) -- amendment to the 2017-2018 budget

31. Employment Agreement - **U. T. Austin**: Approval of terms of Employment Agreement for Head Track and Field Coach Edrick B. Floréal

The following Head Track and Field Coach Employment Agreement has been approved by the Executive Vice Chancellor for Academic Affairs 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 Edrick B. Floréal 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, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin (Regents' *Rules and Regulations*, Rule 10501, Section 2.2.12, Athletic Employment Agreements; and Rule 20204, Section 3, Board Approval). Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies may be grounds for suspension without pay and/or dismissal.

Item: Head Track and Field Coach Employment Agreement for Edrick B. Floréal

Proposed: **Guaranteed compensation:**

Annual Salary:

FY 2017-18: \$ 93,750

FY 2018-19: \$450,000

FY 2019-20: \$450,000

FY 2020-21: \$450,000

FY 2021-22: \$450,000

FY 2022-23: \$450,000

Automobile: One dealer car [or \$7,500 annually in lieu of one dealer car]

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

Speaking: \$0 annually

Tickets: None provided under the Agreement

Nonguaranteed compensation:

Sports Camps and Clinics: Determined by Vice President and Athletics Director

Incentives:

Team performance incentives: Up to 30% of annual salary

Team academic performance Incentives: \$0

National Coach of the Year: Up to 5% of annual salary

Conference Coach of the Year: Up to 2% of annual salary

Top 5 ranking in final poll: N/A

Top 10 ranking in final poll: N/A

Description: Employment agreement for Head Track and Field Coach Edrick B. Floréal

Source of Funds: Intercollegiate Athletics

Period: June 15, 2018 through August 31, 2023

32. Employment Agreement - U. T. Austin: Approval of Terms of Employment Agreement for Head Women's Softball Coach Michael White

The following Head Women’s Softball Coach Employment Agreement has been approved by the Executive Vice Chancellor for Academic Affairs and recommended for approval by the U. T. System Board of Regents. If this Agreement is approved, total compensation for the contract period for Michael White 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, the Regents’ *Rules and Regulations*, and the policies of The University of Texas at Austin (Regents’ *Rules and Regulations*, Rule 10501, Section 2.2.12, Athletic Employment Agreements; and Rule 20204, Section 3, Board Approval). Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies may be grounds for suspension without pay and/or dismissal.

Item: Head Women’s Softball Coach Employment Agreement for Michael White

Proposed: **Guaranteed compensation:**

Annual Salary:

- FY 2017-18: \$ 94,686
- FY 2018-19: \$505,000
- FY 2019-20: \$530,000
- FY 2020-21: \$555,000
- FY 2021-22: \$580,000
- FY 2022-23: \$605,000

Automobile: One dealer car [or \$7,500 annually in lieu of one dealer car]

Social club memberships: In accordance with Athletics Department’s policies and procedures, and based on availability and business need.

Speaking: \$0 annually

Tickets: None provided under the Agreement

Nonguaranteed compensation:

Sports camps and clinics: Discretion of Vice President and Athletics Director

Incentives:

- Team performance incentives: 30% of annual salary
- Team academic performance Incentives: \$0
- National Coach of the Year: 5% of annual salary

Conference Coach of the Year: 2% of annual salary
Top 5 ranking in final poll: N/A
Top 10 ranking in final poll: N/A

Description: Employment agreement for Head Women’s Softball Coach Michael White

Source of Funds: Intercollegiate Athletics

Period: June 26, 2018 through August 31, 2023

33. Employment Agreement - U. T. Austin: Approval of Terms of Employment Agreement for Head Women's Soccer Coach Angela Kelly

The following Head Women’s Soccer Coach Employment Agreement has been approved by the Executive Vice Chancellor for Academic Affairs and recommended for approval by the U. T. System Board of Regents. If this Agreement is approved, total compensation for the contract period for Angela Kelly 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, the Regents’ *Rules and Regulations*, and the policies of The University of Texas at Austin (Regents’ *Rules and Regulations*, Rule 10501, Section 2.2.12, Athletic Employment Agreements; and Rule 20204, Section 3, Board Approval). Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies may be grounds for suspension without pay and/or dismissal.

Item: Head Women’s Soccer Coach Employment Agreement for Angela Kelly

Proposed: **Guaranteed compensation:**

Annual Salary:

FY 2018-19: \$205,135

FY 2019-20: \$205,135

FY 2020-21: \$205,135

FY 2021-22: \$205,135

FY 2022-23: \$205,135

FY 2023-24: \$102,568 (through February 28, 2024)

Automobile: One dealer car [or \$7,500 annually in lieu of one dealer car]

Social club memberships: In accordance with Athletics Department’s policies and procedures, and based on availability and business need.

Speaking: \$0 annually

Tickets: None provided in the Agreement

Nonguaranteed compensation:

Sports camps and clinics: Sole discretion of Vice President and Athletics Director

Incentives:

Team performance incentives: 30% of annual salary

Team academic performance Incentives: \$0

National Coach of the Year: 5% of annual salary

Conference Coach of the Year: 2% of annual salary

Top 5 ranking in final poll: N/A

Top 10 ranking in final poll: N/A

Description: Employment agreement for Head Women’s Soccer Coach Angela Kelly

Source of Funds: Intercollegiate Athletics

Period: September 1, 2018 through February 28, 2024

34. Lease - U. T. Austin: Authorization to lease approximately 16,893 rentable square feet of space located at 3102 Oak Lawn Avenue, Dallas, TX, from Turtle Creek Property Owner 1, L.P., a Delaware limited partnership, for future programmed expansion, including use by the McCombs School of Business Texas MBA at Dallas/Fort Worth

Description: Lease of approximately 16,893 rentable square feet of space located at 3102 Oak Lawn Avenue, Dallas, Texas, from Turtle Creek Property Owner 1, L.P., a Delaware limited partnership, for future programmed expansion, including use by the McCombs School of Business Texas MBA at Dallas/Fort Worth.

Lessor: Turtle Creek Property Owner 1, L.P., a Delaware limited partnership

Term: Eighty-eight months, which consists of a seven-year term plus four months with abated rent. There will be two renewal options of five years each at then fair market value. There will also be an option to terminate early after 62 months of the term with 12 months’ notice and the payment for unamortized costs and six months’ rent. The estimated penalty for early termination is \$940,559.

Lease Cost: Initial annual base rent is \$32 per rentable square foot and will escalate \$0.75 per year during the term. Initial annual operating expenses are estimated at \$15 per rentable square foot. Landlord will provide a \$70 per square foot Tenant Improvement Allowance, and U. T. Austin has the right to amortize an additional \$10 per square foot for improvements over the term. Total rent over the term, including operating expenses and amortized tenant improvements is approximately \$6,072,833. Total lease value including landlords tenant improvement allowance is \$7,436,098.

35. Approval of Dual Position of Honor, Trust, or Profit - U. T. Austin: Appointment by Governor Abbott of John Salsman, U. T. Austin Environmental Health and Safety Director, as a Member of the Texas Low-Level Radioactive Waste Disposal Compact Commission

The following item has been approved by the Executive Vice Chancellor for Academic Affairs in accordance with Regents' *Rules and Regulations*, Rule 30103.

It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas at Austin, and there is no conflict between holding this position and the appointment with the University.

The Board is also asked to find that holding this position is of benefit to the State of Texas and the University and that there is no conflict between the position and the University.

Name: John Salsman

Title: Environmental Health and Safety Director

Position: Member, Texas Low-Level Radioactive Waste Disposal Compact Commission

Period: August 24, 2018 through September 1, 2023

Compensation: Reimbursement of reasonable travel and related out of pocket expenses

Description: Mr. Salsman has been appointed by Governor Abbott as a Member of the Texas Low-Level Radioactive Waste Disposal Compact Commission and will work with the Governing Board to manage and dispose of low-level radioactive waste, while maintaining the health, safety, and welfare of citizens.

36. Request for Budget Change - U. T. Dallas: Approval of Emeritus Title

Brian Ratchford, from Professor to Professor Emeritus, Marketing in the Naveen Jindal School of Management (RBC No. 9397) -- amendment to the 2017-2018 budget

37. Contract (funds coming in) - U. T. El Paso: Bottling Group LLC, operating as Pepsi Beverage Company, to provide beverage vending and pouring services on campus

Agency: Bottling Group LLC, operating as Pepsi Beverages Company, an indirect subsidiary of PepsiCo, Inc.

Funds: \$2,840,000 for the initial seven-year term and \$1,215,000 for the one three-year renewal option

Period: September 1, 2018 through August 31, 2025 with one three-year renewal option

Description: Bottling Group LLC, operating as Pepsi Beverage Company, will provide beverage, products and services on University's campus for the benefit and convenience of the student, faculty, staff and visitors by means of vending machines, retail single serve coolers and fountain machines. Pursuant to *Texas Education Code* Section 51.945, students were provided an opportunity to comment prior to determination that this food services provider should be selected by the institution.

38. Contract (funds coming in) - U. T. El Paso: Bottling Group LLC, operating as Pepsi Beverage Company, to serve as official sponsor for the U. T. El Paso Intercollegiate Athletics

Agency: Bottling Group, LLC, operating as Pepsi Beverages Company, an indirect subsidiary of PepsiCo, Inc.

Funds: \$1,435,000 for the initial seven-year term and \$615,000 for the one three-year renewal option

Period: September 1, 2018 through August 31, 2025 with one three-year renewal option

Description: Bottling Group LLC, operating as Pepsi Beverage Company, will serve as official sponsor of U. T. El Paso Intercollegiate Athletics in exchange for sponsorship payments described above.

39. Contract (funds coming in) - U. T. Rio Grande Valley: Approval of First Amendment to Annual Operating Agreement with Doctors Hospital at Renaissance, Ltd.

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

Funds: Monthly payments of \$1,595,602 from January 1, 2018 through December 31, 2018, unless revised by agreement of the parties, \$19,147,224 total amount subject to reconciliation.

Period: January 1, 2018 through December 31, 2018

Description: The Calendar Year 2018 Amendment to Annual Operating Agreement to the Affiliation Agreement between Doctors Hospital at Renaissance, Ltd. and U. T. Rio Grande Valley documents the payment for services flowing between the parties in connection with graduate and undergraduate medical education programs and describes the commitment of the parties related to educational, clinical, structural, financial, and administrative needs of the graduate and undergraduate medical education programs and other collaboration efforts as contemplated in the related Affiliation Agreement between the parties.

40. Contract (funds coming in and going out) - U. T. Rio Grande Valley: Athenahealth, Inc., Master Services Agreement to provide electronic medical records and practice management system

Agency: Athenahealth, Inc.

Funds: Amount to be paid will be 7.49% of the collected amounts or a minimum monthly fee of \$30,038

Period: March 29, 2018 through March 28, 2019

Description: Master Services Agreement for AthenaOne Service: Cloud-based platform for practice management, electronic health records, care coordination and patient portal for UTRGV's owned/managed clinics. Services include: Payer Enrollment, Contracting and Credentialing, Insurance Package, Management, Quality Program, Billing, Insurance Eligibility Verification, Patient Workflow, and Credit Card Payment processing.

41. Contract (funds going out) - U. T. Rio Grande Valley: Blackboard, Inc., to provide services for online course delivery

Agency: Blackboard, Inc.

Funds: \$2,450,000

Period: June 25, 2018 through June 24, 2021

Description: Extension of current Blackboard License and Services Agreement for three years and Third Amendment of such contract to update terms and conditions. Contract for Online Course Delivery including: Platinum Hosting, Intel Hosting Bundle, Intelligence Managed Hosting VPN, Intelligence Managed Hosting up to 2 modules, Additional Hosting Service Unit, Learning Insight Package, Course Delivery, Content and Community Engagement, Web Conferencing, Intelligence Analytics for learning, Outcomes Assessment, Pyramid Analytics for learning, Mobile Solutions, Course Delivery Developer, and Course Delivery Test.

42. Foreign Contract - U. T. Rio Grande Valley: The City of Heroica Matamoros in Tamaulipas, Mexico, will provide rent-free office space at Avenida Constitución 57, Matamoros, Tamaulipas, México, to U. T. Rio Grande Valley for the purpose of engaging in educational activities; and approval of formation of a Mexican civil association

Agency: City of Heroica Matamoros, Tamaulipas, México

Funds: No funds will be exchanged under this agreement

Period: Initial term of one year; in addition, three one-year renewal options

Description: U. T. Rio Grande Valley seeks approval to enter into an agreement with the City of Heroica Matamoros, Tamaulipas, México, a foreign governmental entity. The City of Heroica Matamoros will provide the use of approximately 1,607 square feet of rent-free office space at a cultural building at Avenida Constitución 57, Matamoros, Tamaulipas, México. The City will provide utilities and services to the space at no cost to the institution. U. T. Rio Grande Valley will utilize the space to engage in educational activities, such as providing information to prospective students and advising services to current students.

Entity Formation: U. T. Rio Grande Valley seeks authorization for the formation of a Mexican civil association, if required or prudent to obtain insurance or for other purposes.

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

Subhash Bose, from Professor to Professor Emeritus, Department of Manufacturing and Industrial Engineering in the College of Engineering and Computer Science (RBC No. 10492) -- amendment to the 2018-2019 budget

Kenneth L. Buckman, from Professor to Professor Emeritus, Department of Philosophy in the College of Liberal Arts (RBC No. 10501) -- amendment to the 2018-2019 budget

Jerry Polinard, from Professor to Professor Emeritus, Department of Political Science in the College of Liberal Arts (RBC No. 9374) -- amendment to the 2018-2019 budget

44. Purchase - U. T. Rio Grande Valley: Authorization to purchase approximately 3,039 square feet of condominium office space located at 6900 North 10th Street, Suite 3, McAllen, Hidalgo County, Texas, from Oscar Sotelo, M.D. for future programmed expansion, including medical and clinical uses

Description: Purchase of a condominium unit containing approximately 3,039 square feet of medical and clinical office space located at 6900 North 10th Street, Suite 3, McAllen, Hidalgo 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. This property is located approximately four miles from U. T. Rio Grande Valley's Edinburg Campus and approximately two miles from the institution's teaching hospital and is in a commercial and medical services-oriented area of McAllen. The property will be used for future programmed expansion, including clinical and educational use by the UTRGV School of Medicine.

Seller: Oscar Sotelo, M.D.

Purchase Price: Not to exceed fair market value as determined by an independent appraisal performed by Aguirre & Patterson, Inc.; appraisal confidential pursuant to *Texas Education Code* Section 51.951

45. Purchase - U. T. Rio Grande Valley: Authorization to purchase a building containing approximately 7,426 square feet of shelled space on approximately 0.75 acres of land located at 7012 North 10th Street, McAllen, Hidalgo County, Texas, from Oscar Sotelo, M.D. for future programmed expansion, including medical and clinical uses

Description: Purchase of a vacant, one-story shelled office building containing approximately 7,426 square feet of space on approximately 0.75 acres located at 7012 North 10th Street, McAllen, Hidalgo 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. This property is located approximately four miles from U. T. Rio Grande Valley's Edinburg Campus and approximately two miles from the institution's teaching hospital and is in a commercial and medical services-oriented area of McAllen. The property will be used for future programmed expansion, including clinical and educational use by the UTRGV School of Medicine.

Seller: Oscar Sotelo, M.D.

Purchase Price: Not to exceed fair market value as determined by an independent appraisal performed by Robinson, Duffy & Barnard, LLP.; appraisal confidential pursuant to *Texas Education Code* Section 51.951

46. Request for Budget Change - U. T. Rio Grande Valley: Transfer \$3,525,000 from designated tuition, local, auxiliary, and restricted funds to salaries and benefits to fund merit-based faculty and staff increases effective December 1, 2018 (RBC No.10469) -- amendment to the 2018-2019 budget

47. Logo - U. T. Rio Grande Valley: Approval of new UT Health Rio Grande Valley logo

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for External Relations, the Vice Chancellor and General Counsel, and President Bailey that the U. T. System Board of Regents approve the use of a new logo for U. T. Health Rio Grande Valley in accordance with Regents' *Rules and Regulations*, Rule 40801.

The proposed UT Health Rio Grande Valley logo combines three main elements: The Ollin, Tree of Life, and the Caduceus. The Ollin, which means "Movement of the Sun," in Aztec mythology, represents the advancement and continuous change of the medical field. The Tree of Life branches represent knowledge and life. This symbol has been used in science, religion, and mythology to symbolize the interconnection of all life on our planet and serves as a metaphor for growth and evolution. The Caduceus represents healing and the field of medicine. Its symmetrical look is a close resemblance to the DNA helix. In addition, the elements in the logo are similar to the patterns within the lattice structures on the new Medical Education Building in Edinburg.

The color palette represents the University branding combined with nature colors to denote the nature and organic feel of the medical profession.

The proposed Pantone Marking System colors are PMS 1655 C, PMS Cool Gray 10 C, PMS 2748 C, PMS 7549 C, PMS 375 C, PMS 2935 C, and PMS 2975 C.

PRIMARY LOGO LAYOUT



SECONDARY LOGO LAYOUT



COLOR PALETTE



PANTONE
1655 C

Hex: #F05023

C: 0
M: 84
Y: 100
K: 0

R: 240
G: 85
B: 35



PANTONE
Cool Gray 10 C

Hex: #646469

C: 61
M: 53
Y: 48
K: 19

R: 100
G: 100
B: 105



PANTONE
2748 C

Hex: #001a70

C: 100
M: 93
Y: 24
K: 23

R: 0
G: 26
B: 112



PANTONE
7549 C

Hex: #ffb600

C: 0
M: 31
Y: 100
K: 0

R: 255
G: 182
B: 0



PANTONE
375 C

Hex: #92D500

C: 31
M: 0
Y: 100
K: 16

R: 146
G: 213
B: 100



PANTONE
2935 C

Hex: #0055b8

C: 100
M: 68
Y: 4
K: 0

R: 0
G: 85
B: 184



PANTONE
2975 C

Hex: #95d4e9

C: 39
M: 2
Y: 5
K: 0

R: 149
G: 212
B: 233

48. Request for Budget Change - U. T. San Antonio: Transfer \$7,200,000 from prior year balances of Designated Tuition Revenue to multiple accounts in support of various initiatives, including research support, academic and administrative support, strategic enrollment efforts, student success efforts, and new faculty startup (RBC No. 10499) -- amendment to the 2018-2019 budget

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

Description	\$ Amount	RBC #
Account or Project		
Amount of Transfer:		10499
From: Designated Tuition Revenue	\$7,200,000	
To: New Faculty Startup	\$2,300,000	
Research Support	\$1,100,000	
Academic and Administrative Support	\$1,700,000	
Inclusive Excellence	\$100,000	
Strategic Enrollment Initiatives	\$1,000,000	
Student Success Initiatives	\$1,000,000	

49. Request for Budget Change - U. T. San Antonio: Transfer \$4,538,000 from Designated Tuition Revenue account to UTSA Financial Aid Awards account to remain competitive with financial aid award packages (RBC No. 9253) -- amendment to the 2017-2018 budget

50. Request for Budget Change - U. T. San Antonio: Transfer \$2,765,000 from Central Auxiliary Operations account to Athletics Operation and Athletics Administration accounts to provide institutional support to cover various costs for the Athletics program for FY 2018 (RBC No. 9269) -- amendment to the 2017-2018 budget

The following Request for Budget Change to cover costs for the Athletics program for FY 2018 has been administratively approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents:

Description	\$ Amount	RBC #
Athletics program accounts		
Amount of Transfer:	\$2,765,000	9269
From: Central Auxiliary Operations		
To: Athletics Operations	\$1,650,000	
Athletics Administration	\$1,115,000	

HEALTH AFFAIRS COMMITTEE

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

Agency: Dallas County Hospital District

Funds: \$227,246,435

Period: October 1, 2018 through September 30, 2019

Description: U. T. Southwestern Medical Center to provide physician services to Parkland Health and Hospital System for Dallas County Hospital District.

52. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide multi-specialty professional medical services as well as medical supervision and administrative services to Texas Health Presbyterian Hospital Dallas

Agency: Texas Health Presbyterian Hospital Dallas

Funds: \$15,000,000

Period: October 1, 2018 through September 30, 2023, with the option to renew for five additional one-year terms

Description: U. T. Southwestern Medical Center to provide multispecialty professional medical services (e.g., neurological surgery call coverage) as well as medical supervision and administrative services.

[Secretary's Note: The funds coming in were reported incorrectly as \$9,951,000 in the Agenda Book. Prior to Board approval of the Consent Agenda, Chairman Tucker noted the correct funds amount is \$15,000,000.]

53. Contract (funds going out) - U. T. Southwestern Medical Center: Amendment to contract with IQVIA RDS, Inc., formerly known as Quintiles, Inc., to provide clinical trial management services

Agency: IQVIA RDS, Inc., formerly known as Quintiles, Inc.

Funds: First amendment to existing contract for additional \$378,018; bringing total for the initial contract and first amendment to \$2,808,736

Period: February 1, 2016 through March 31, 2021

Description: IQVIA RDS, Inc. to provide clinical trial management services. The initial contract was for a four-year term beginning February 1, 2016 for \$2,430,717 that includes a pass-through provision as funding is provided by Biogen, Inc. The first amendment increases the study enrollment period by one year and extends the contract term to end March 31, 2021, for an additional \$378,018. The agreement has not previously been submitted for Board consideration because the total contract amount was below the delegated approval threshold.

54. Contract (funds going out) - U. T. Southwestern Medical Center: Lanier Parking Meter Services LLC to provide valet services on the U. T. Southwestern Medical Center campus

Agency: Lanier Parking Meter Services LLC

Funds: \$8,400,000

Period: July 23, 2018 through July 22, 2021, with the option to renew for five additional one-year terms

Description: Lanier Parking Meter Services LLC to provide valet services on the U. T. Southwestern Medical Center campus.

55. Contract (funds going out) - U. T. Southwestern Medical Center: Amendment to contract with Philips Healthcare Informatics to provide an IntelliSpace image distribution and display system, and related software services

Agency: Philips Healthcare Informatics

Funds: \$6,304,982

Period: August 1, 2018 through July 31, 2023

Description: Amendment to existing contract with Philips Healthcare Informatics to provide an IntelliSpace image distribution and display system, and related software services. The initial master contract for purchase of hardware, software and services was effective September 1, 2007 through August 30, 2010 and approved via capital budget. The first amendment added per-study fees through August 31, 2011, for an estimated \$114,000 plus six years of annual maintenance at \$424,757 per year. The second amendment extended the term through August 31, 2012, for an estimated \$114,000 per-study fees. The third amendment added additional Cardiology studies and prior studies through 2016 and adds \$216,085. That amendment changes payment to a "per-study" pricing model from a 99.99% Capital iSite Services model. This fourth amendment adds five years effective August 1, 2018, and an estimated \$6,304,982 in fees.

56. Purchase Order - U. T. Southwestern Medical Center: Purchase a Krios electron microscope and equipment from FEI Company

Agency: FEI Company

Funds: \$7,290,000

Description: Request for approval to purchase a Krios electron microscope and equipment from FEI Company. Purchase of the Krios electron microscope and equipment is designed to take U. T. Southwestern Medical Center to the next level in studying structures of biological samples.

Authorization is also requested for President Podolsky or his delegate to execute all necessary documents and agreements, subject to approval as to legal form by the Office of General Counsel.

57. Approval of Dual Position of Honor, Trust, or Profit - U. T. Southwestern Medical Center: Appointment by Governor Abbott of Jennifer Flanagan, Radiologist Assistant, to the Texas Board of Medical Radiologic Technology

The following item has been approved by the Executive Vice Chancellor for Health Affairs in accordance with Regents' *Rules and Regulations*, Rule 30103.

It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas Southwestern Medical Center and there is no conflict between holding this position and the appointment with the University.

The Board is also asked to find that holding this position is of benefit to the State of Texas and the University and that there is no conflict between the position and the University.

Name:	Jennifer Flanagan
Title:	Radiologist Assistant
Position:	Member, Texas Board of Medical Radiologic Technology
Period:	September 6, 2018 through February 1, 2023
Compensation:	None
Description:	Governor Abbott has appointed Jennifer Flanagan to the Texas Board of Medical Radiologic Technology. The Texas Board of Medical Radiological Technology is a new advisory board to the Texas Medical Board. The primary duties of this advisory board are to establish a certification program for radiology technologists, oversee approval and renewal of radiology technologist certification applicants, establish requirements for certificate holders to submit to substance abuse screening or examination of physical or mental health, and establish and oversee disciplinary proceedings for certificate holders in violation of board requirements.

58. Approval of Dual Position of Honor, Trust, or Profit - U. T. Southwestern Medical Center: Appointment by Governor Abbott of Jeffrey Barnard, M.D., Professor of Pathology, to the Texas Forensic Science Commission

The following item has been approved by the Executive Vice Chancellor for Health Affairs in accordance with Regents' *Rules and Regulations*, Rule 30103.

It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas Southwestern Medical Center and there is no conflict between holding this position and the appointment with the University.

The Board is also asked to find that holding this position is of benefit to the State of Texas and the University, and that there is no conflict between the position and the University.

Name:	Jeffrey Barnard, M.D.
Title:	Professor of Pathology
Position:	Member, Texas Forensic Science Commission
Period:	August 23, 2018 through September 1, 2019
Compensation:	None
Description	Governor Abbott has appointed Jeffrey Barnard, M.D., to the Texas Forensic Science Commission. The Commission provides oversight over Texas crime laboratories and other entities conducting forensic analyses for use in criminal proceedings and provides an accreditation mandate responsible for establishing procedures, policies, and practices to improve the quality of forensic analyses conducted in Texas.

59. Contract (funds coming in) - U. T. Medical Branch - Galveston: Amendment to contract with Health and Human Services Commission WIC, administered by U. T. Medical Branch - Galveston's Regional Maternal Child Health Program WIC Program, to provide supplemental food benefits, nutrition education, and counseling to enhance good health care at no cost to low-income pregnant and postpartum women, infants and children identified to be at nutritional risk

Agency: Health and Human Services Commission (HHSC)

Funds: \$23,463,915, total contract value

Period: October 1, 2018 through September 30, 2019

Description: U. T. Medical Branch - Galveston's Regional Maternal Child Health Program (RMCHP) WIC Program administers the HHSC WIC to provide supplemental food benefits, nutrition education, and counseling to enhance good health care at no cost to low-income pregnant and postpartum women, infants and children identified to be at nutritional risk. The Fiscal Year 2017 contract in the amount of \$7,637,723 was approved at the February 9, 2017 Board of Regents' meeting. The First Amendment to increase the dollar amount to \$15,321,734 and extend the term from October 1, 2017 through September 30, 2018 was approved at the August 24, 2017 Board of Regents' meeting. The Second Amendment extends the contract through Fiscal Year 2019 and increases the total contract value to \$23,463,915.

60. Contract (funds going out) - U. T. Medical Branch - Galveston: Acadian Ambulance Service of Texas, LLC to provide ambulance transportation for Texas Department of Criminal Justice inmates and Texas Juvenile Justice Department wards from prison units to and from specific health care institutions

Agency: Acadian Ambulance Service of Texas, LLC

Funds: \$14,500,000

Period: September 1, 2018 through August 31, 2019

Description: Ambulance transportation services are required to support the Correctional Managed Care contract between U. T. Medical Branch - Galveston and the Texas Department of Criminal Justice. The original agreement in the amount not to exceed \$6,600,000 was approved at the November 5, 2015 Board of Regents' meeting for the term September 1, 2015 through August 31, 2018, with two optional 12-month renewal periods. The First Amendment will exercise the first of two options to extend the contract from September 1, 2018 through August 31, 2019, and increase the total dollar value from \$6,100,000 to \$14,500,000, due to the extended term and higher utilization of this vendor than was originally anticipated.

61. Contract (funds going out) - U. T. Medical Branch - Galveston: AT&T Corp. to upgrade the service provisioning network for UTMB Correctional Managed Care Clinics

Agency: AT&T Corp.

Funds: \$5,228,404

Period: August 13, 2018 through August 12, 2023

Description: The Master Agreement with AT&T Corp. governs the bandwidth and circuit term services and VPN services Order Forms to upgrade the service provisioning network for all UTMB Correctional Managed Care clinics that presently utilize the OTS WAN Backbone.

62. Request for Budget Change - U. T. Medical Branch - Galveston: Tenure Appointments -- amendment to the 2018-2019 budget

The following Requests for Budget Changes (RBC) have been administratively approved by 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					
Department of Surgery					
Professor					
Steven Wolf (T)	3/19-8/31	100	12	525,000	9380
School of Health Professions					
Division of Rehabilitation Sciences					
Associate Professor					
Amol Karmarkar (T)	9/1-8/31	100	12	96,000	9425

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

Steven Lieberman, from Professor to Professor Emeritus, Department of Internal Medicine in the School of Medicine (RBC No. 10493) -- amendment to the 2018-2019 budget

64. Lease - U. T. Medical Branch - Galveston: Authorization to extend the lease of approximately 4606 rentable square feet of space located at 400 N. Texas Avenue, Suite A, Webster, Harris County, Texas, from Heritage Erectors Development, Inc., for future campus expansion, including clinical use

Description: Lease of approximately 4606 rentable square feet of space located at 400 N. Texas Avenue, Suite A, Webster, Harris County, Texas, for use as a psychiatric clinic

Lessor: Heritage Erectors Development, Inc., a Texas corporation

Term: Extended term commences August 1, 2019, and expires on July 31, 2023, with two 5-year renewal options at the institution's option

Lease Cost: Annual base rent for years 1 and 2 of the extended term is \$94,422.96 (\$20.50/rentable square foot). Annual base rent for years 3 and 4 of the extended term is \$96,219.36 (\$20.89/rentable square foot). Annual base rent for the first 5-year renewal term is \$100,456.86 (\$21.81/rentable square foot) and annual base rent for the second 5-year renewal term is \$110,497.94 (\$24.00/rentable square foot).

Total cost to U. T. Medical Branch from lease commencement through lease expiration, assuming both renewals are exercised is \$2,511,124.24.

Tenant Improvements: Landlord will perform, at Landlord's cost, improvements to the premises in accordance with institution-approved site plans and specifications. The estimated cost of the improvements is \$56,650.24

65. Contract (funds coming in) - U. T. Health Science Center - Houston: Memorial Hermann Health System to provide financial support for U. T. Health Science Center - Houston's academic, research, and community service programs

Agency: Memorial Hermann Health System

Funds: Approximately \$304,000,000

Period: July 1, 2018 through June 30, 2019

Description: Memorial Hermann Health System to provide financial support to U. T. Health Science Center - Houston for academic support, program support, contracted services, and clinical support. All amounts paid for clinical support are to be used for the recruitment, retention, or engagement of physicians as agreed separately in writing.

Authorization is also requested for President Colasurdo or his delegate to execute all necessary documents and agreements, subject to approval by the Executive Vice Chancellor for Health Affairs and the Vice Chancellor and General Counsel.

66. Request for Budget Change - U. T. Health Science Center - Houston: Tenure Appointment -- amendment to the 2018-2019 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
School of Public Health					
Department of Epidemiology, Human Genetics and Environmental Sciences					
Professor					
Sarah Messiah (T)	12/1-8/31	100	12	210,000	10496

67. Request for Budget Change - U. T. Health Science Center - San Antonio: New Hire with Tenure -- amendment to the 2017-2018 budget

The following Request for Budget Change (RBC) has been administratively approved by the Executive Vice Chancellor for 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					
Madesh Muniswamy (T)	6/1-8/31	100	12	200,000	9442

68. Request for Budget Change - U. T. Health Science Center - San Antonio: New Hire with Tenure -- amendment to the 2018-2019 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
School of Nursing					
Office of Faculty Excellence					
Professor and Vice Dean					
Jacqueline McGrath (T)	10/1-8/31	100	12	200,000	9443

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

Joel Baseman, from Professor to Professor Emeritus, Microbiology, Immunology, and Molecular Genetics in the School of Medicine (RBC No. 9444) -- amendment to the 2018-2019 budget

Charles Bowden, from Professor to Professor Emeritus, Psychiatry in the School of Medicine (RBC No. 9447) -- amendment to the 2018-2019 budget

Pamela Wood, from Professor to Professor Emeritus, Pediatrics in the School of Medicine (RBC No. 9448) -- amendment to the 2018-2019 budget

Birgit Glass, from Associate Dean to Professor Emeritus, Comprehensive Dentistry in the School of Dentistry (RBC No. 9445) -- amendment to the 2018-2019 budget

70. Request for Budget Change - U. T. M. D. Anderson Cancer Center: New Hires with Tenure -- amendment to the 2018-2019 budget

The following Requests for Budget Changes (RBC) have been administratively approved by 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					
Veterinary Sciences					
Professor					
William D. Hopkins (T)	11/1-8/31	100	12	200,000	9441
Health Disparities Research					
Professor					
Shastri Surendranath (T)	8/27-8/31	100	12	295,000	9438

[Secretary’s Note: Approval of Emeritus Title for George Starkschall, from Professor to Professor Emeritus, Department of Imaging Physics, was granted retroactively by the Executive Vice Chancellor, to be effective on September 1, 2018.]

71. Request for Budget Change - U. T. M. D. Anderson Cancer Center: Tenure Appointments -- amendment to the 2018-2019 budget

The following Requests for Budget Changes (RBC) have been administratively approved by 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					
Neurosurgery Professor Laurence Rhines (T)	9/1-8/31	100	12	714,566	9435
Neurosurgery Associate Professor Claudio E. Tatsui (T)	9/1-8/31	100	12	666,000	9437
Neurosurgery Professor Ganesh Rao (T)	9/1-8/31	100	12	688,000	9436

72. Other Matters - U. T. M. D. Anderson Cancer Center: Proposed revisions to comprehensive leave program

U. T. M. D. Anderson Cancer Center seeks approval to amend its comprehensive leave program as described below, with the final policy details to be developed in cooperation with and subject to approval by the U. T. System Office of General Counsel and Office of Health Affairs. Authorization is also sought for the U. T. System Office of Business Affairs and Office of General Counsel, acting on behalf of the Board of Regents, to take all steps necessary to meet any requirements of *Texas Education Code* Section 51.961(h) for governing board action, including execution of documents with other state agencies.

The proposed changes to the comprehensive leave program would allow M. D. Anderson to: (1) provide limited grants of additional Paid Time Off (PTO) to permanent employees in the interest of recruiting and retaining highly-qualified individuals and of ensuring hiring into hard-to-fill positions; (2) offer to buy back a designated portion of accrued PTO at a discounted rate, at M. D. Anderson’s discretion determined annually and based on M. D. Anderson’s financial status; (3) expand Extended Illness Bank (EIB) and unpaid leave related to child birth and adoption for non-birth parents and surrogate births; (4) grant four hours of paid

bereavement leave to allow employees to attend a funeral or memorial service of an individual who was an active M. D. Anderson employee at the time of death; (5) grant paid emergency leave upon a showing of good cause and with the good faith belief the employee will return at the end of leave; (6) place employees on paid administrative leave as necessary and desirable for safe and efficient operation, in furtherance of institutional interests, and/or for the health and safety of M. D. Anderson employees; (7) grant up to 15 days paid leave for Red Cross certified disaster volunteers and trainees for specialized disaster relief services upon the request of the Red Cross; (8) require employees to use accrued PTO that exceeds 80 hours prior to being granted Reduced-Salary Paid Leave (RPL) benefits; (9) allow direct access to EIB in certain circumstances without required prior use of PTO; and (10) grant a designated amount of vacation and sick leave to educational employees at the start of their appointment period.

Texas Education Code Section 51.961 authorizes the governing board of a university system to adopt a comprehensive leave policy on behalf of employees working within the system's medical or dental units. A leave policy adopted by the governing board may combine state authorized vacation, sick, and holiday leave into a paid leave system that does not distinguish or separate the types of leave to be awarded and may award leave in an amount determined by the governing board to be appropriate and cost effective.

On August 7, 2003, the U. T. System Board of Regents approved M. D. Anderson's proposal to create a comprehensive leave program comprised of three primary components: (1) a bank of PTO days; (2) an Extended Illness Bank of days; and (3) an RPL feature. In accordance with this approval, M. D. Anderson Cancer Center implemented a comprehensive leave program in September 2004.

No appreciable cost impact is anticipated with implementation of the proposed changes to M. D. Anderson's comprehensive leave program. The proposed changes are intended, among other things, to address societal changes, to ensure that M. D. Anderson remains competitive with national and local markets, to enhance M. D. Anderson's ability to retain and recruit highly qualified employees, to ensure M. D. Anderson remains an employer of choice, and to simplify the administration of leave and provide M. D. Anderson with greater flexibility in the application of leave.

73. Contract (funds coming in) - U. T. Health Science Center - Tyler: Amendment to Health and Human Services Commission contract to provide Zika reporting for Hidalgo County

Agency: Health and Human Services Commission

Funds: \$4,000,000, including amendment

Period: August 31, 2018 through August 31, 2020

Description: U. T. Health Science Center - Tyler will continue to provide Zika reporting for Hidalgo County. The initial two-year contract's termination date will be extended from August 31, 2018 to August 31, 2020, and the contract cap will be increased from \$2,000,000 to \$4,000,000. The agreement has not previously been submitted for Board consideration because the total contract amount was below the delegated approval threshold.

74. Contract (funds coming in) - U. T. Health Science Center - Tyler: Third amendment to reimbursement contract with the Health and Human Services Commission to provide mental health services

Agency: Health and Human Services Commission

Funds: \$9,216,250, for a total contract value of \$36,858,750

Period: September 1, 2018 through August 31, 2019

Description: U. T. Health Science Center - Tyler will continue to provide residential behavioral health services for up to 30 individuals transferred to U. T. Health Science Center - Tyler from state mental health facilities and will provide acute behavioral health services for up to 14 individuals from a five-county area.

On February 11, 2016, the Board of Regents approved the original contract that provided beds for local behavioral health services. The First Amendment updated reporting procedures. The Second Amendment clarified and updated reimbursable rates, raising the total to \$27,642,500.

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

No items for Consent Agenda

NEW ITEM

75. Sale - U. T. System: Authorization to sell or lease tracts of land generally located south of West Bellfort Avenue, north of Holmes Road, and in the vicinity of Buffalo Speedway and Willowbend Boulevard, Houston, Harris County, Texas, to to-be-determined third-party buyers/lessees

Description: On November 4, 2015 the Board authorized the purchase of up to 332 acres of mostly vacant land in Houston, Texas for mission use. U. T. System has acquired or is contracted to acquire approximately 307 acres. Other than one site with a small building and a cell tower, the property consists of vacant land. On March 1, 2017, then Chancellor McRaven announced he was ceasing any additional efforts to launch a U. T. project on that land and recommended to the Board of Regents that the U. T. System real estate office develop a plan to divest the System of the land.

U. T. System is seeking formal authorization to sell or enter into leases with yet to-be-determined buyers or lessees at market terms, for sale prices or rental rates no less than the prevailing fair market as supported by independent appraisals or other evidence of value for comparable properties in Houston, Texas. U. T. System anticipates selling or leasing all of the property.

Specific Board authorization is also requested to allow portions of the land to be dedicated for road, detention, park, or other uses that would enhance the overall value of the property.

Buyers/Lessees: To be determined; the property may be subdivided into an unknown number of tracts; each may be sold or ground leased to separate third-party entities

Terms/Revenue: Based on market, as appropriate for sale or ground lease transactions. Anticipated revenue may vary, based on market conditions, as well as the size of parcels sold or leased in each transaction.

Cost: Following a competitive process, U. T. System may hire commercial land brokers to market the property on its behalf and will pay customary market-based commissions, closing costs, and other transaction costs. In addition, U. T. System may pay consultants to assist in the planning and marketing of the property.