

Meeting No. 1,242

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

Pages 1 - 157

February 21 - 22, 2024

Austin, Texas

MEETING NO. 1,242

WEDNESDAY, FEBRUARY 21, 2024.-- The members of the Board of Regents of The University of Texas System convened at 1:00 p.m. on Wednesday, February 21, 2024, in the Board Room, Second Floor, The University of Texas System Building, 210 West Seventh Street, Austin, Texas, with the below meeting participation:

ATTENDANCE.--

Present

Chairman Eltife  
Vice Chairman Longoria  
Vice Chairman Weaver  
Regent Crain  
Regent Gauntt  
Regent Jiles  
Regent Perez  
Regent Stedman  
Regent Warren  
Regent Austin, Student Regent, nonvoting

CONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION.--  
At 1:00 p.m., in accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Eltife called the meeting to order in Open Session.

RECESS TO EXECUTIVE SESSION.--At 1:02 p.m., the Board recessed to Executive Session, pursuant to *Texas Government Code* Section 551.074 to consider the matters listed on the Executive Session agenda.

RECONVENE THE BOARD IN OPEN SESSION FOR POSSIBLE ACTION ON EXECUTIVE SESSION ITEMS AND TO CONVENE COMMITTEE MEETINGS.--  
At 2:59 p.m., in accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Eltife called the meeting to order in Open Session.

Chairman Eltife welcomed Vice Chancellor for Governmental Relations Julia Rathgeber to her first Board meeting.

- 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 including interim presidents); U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors); other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive); Board members; and U. T. System and institutional employees

No action was taken on this item.

- 1b. U. T. Permian Basin: Discussion with president regarding individual duties and responsibilities associated with the possible expansion of U. T. Permian Basin's Midland Campus

No action was taken on this item.

- 2a. U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features

Regent Perez made the following motion:

I move that the U. T. System Board of Regents authorize Chancellor Milliken, Vice Chancellor Safady, and the President of U. T. Dallas to conclude negotiations necessary to finalize, approve, and accept gifts and to finalize and execute any agreements related to gift-associated namings consistent with the terms and conditions outlined and recommended in Executive Session.

The motion was seconded by Vice Chairman Longoria and carried unanimously.

- 2b. U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features

Vice Chairman Longoria made the following motion:

I move that the U. T. System Board of Regents authorize Chancellor Milliken, Vice Chancellor Safady, and the Presidents of U. T. Southwestern Medical Center and U. T. M. D. Anderson Cancer Center to conclude negotiations necessary to finalize, approve, and accept gifts and to finalize and execute any agreements related to gift-associated namings consistent with the terms and conditions outlined and recommended in Executive Session.

The motion was seconded by Regent Crain and carried unanimously.

3a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

3b. U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding legal issues related to a) approval of an agreement with Cures Accelerator LLC regarding technology development; b) delegation of authority to execute related documents, including a Participation Agreement, and to take other action necessary; c) finding of adequate fair market value; and d) finding of public purpose

No action was taken on this item.

PUBLIC HEARING OPPORTUNITY, PURSUANT TO *TEXAS EDUCATION CODE* SECTION 54.0513, REGARDING PROPOSED CHANGE IN TUITION AND FEE RATES FOR THE DOCTOR OF NURSE PRACTITIONER IN NURSE ANESTHESIA DEGREE PROGRAM AT U. T. HEALTH SCIENCE CENTER - HOUSTON

Chairman Eltife noted that an item to be heard later today during the Health Affairs Committee regarding proposed tuition and fee rates for the Doctor of Nurse Practitioner in Nurse Anesthesia degree program at UT Health Houston was posted for public hearing, as required by state law, but no individuals had signed up to speak.

AGENDA ITEMS

1. U. T. System: Update regarding transition of Stephen F. Austin State University into The University of Texas System

Executive Vice Chancellor Holmes provided an update on the transition of Stephen F. Austin State University into The University of Texas System, using the PowerPoint presentation set forth on the following pages.

# Update on Transition of Stephen F. Austin State University into The University of Texas System

Archie L. Holmes Jr., Executive Vice Chancellor

U. T. System Board of Regents Meeting

February 2024



# Summary of Major Transition Accomplishments

- Fully incorporated SFA into the Science and Technology Acquisition and Retention (STARs) and Library, Equipment, Repair and Rehabilitation (LERR) programs
- Fully incorporated SFA into the Promise Plus program
- Fully incorporated SFA into Systemwide student mental health and well-being resources, including free telepsychiatry through TimelyCare
- Fully incorporated SFA into U. T. System's agreement with Coursera's Career Academy, making top industry credentials free for students and alumni
- Worked with SFA to develop a plan to advance the forestry program
- Transitioned SFA investments to UTIMCO

# Summary of Major Transition Activities in Progress

- National search for a president
- Facilities expansion and renovation within the Arthur Temple College of Forestry and Agriculture, funded by Capital Construction Assistance Project (CCAP) funds from the State of Texas and Permanent University Fund bond proceeds
- Continued integration with U. T. System's:
  - Digital Library
  - Information technology/Information security resources
  - Accounting and financial reporting
  - Advancement

# Summary of Major Investments (\$ in Millions)

Investment	FY 2024	FY 2025-27	Total
Transition Support	\$ 5.5	\$ 16.5	\$ 22.0
Forestry Program Support	\$ 0.5	\$ 3.0	\$ 3.5
Promise Plus	\$ 1.0	\$ 3.0	\$ 4.0
Direct Campus Support*	\$ 3.5	\$ 8.6	\$ 12.1
LERR and STARS	\$ 5.0	\$ 15.0	\$ 20.0
Forestry/Ag PUF	\$ 35.0	-	\$ 35.0
Other PUF	\$ 45.0	-	\$ 45.0
<b>TOTAL</b>	<b><u>\$ 95.5</u></b>	<b><u>\$ 46.1</u></b>	<b><u>\$ 141.6</u></b>

\* Estimated



2. U. T. System: Report on development performance for the U. T. Institutions

Vice Chancellor Safady reported on development performance of the U. T. institutions for Fiscal Year 2023 and made recommendations for advancing philanthropic support, using the PowerPoint presentation set forth on the following pages.

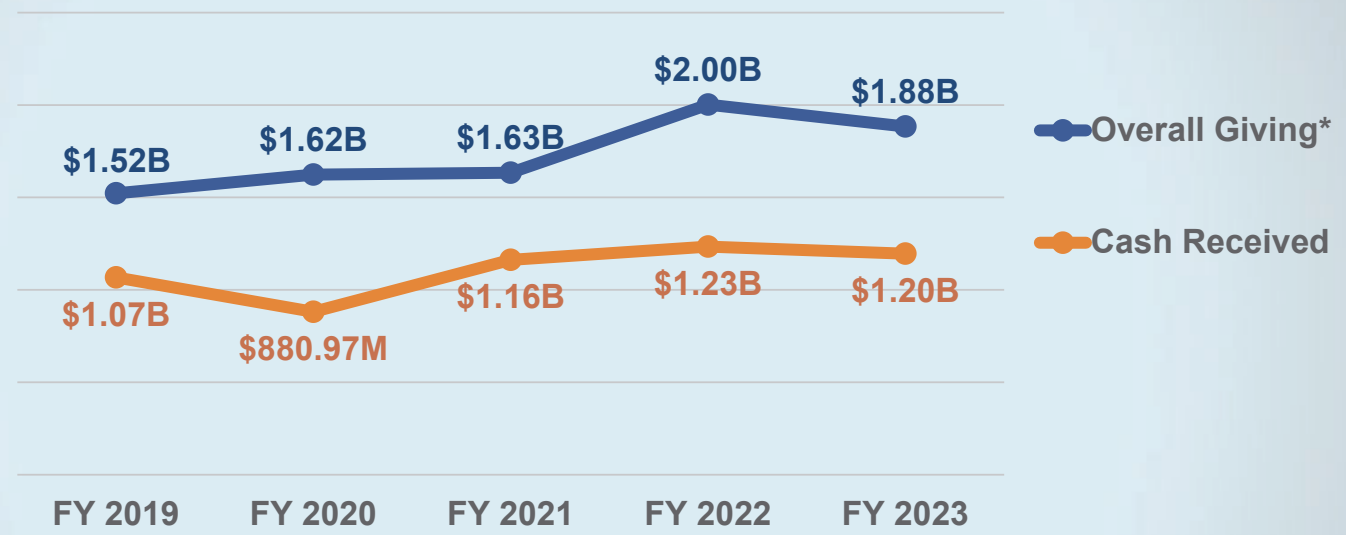
# Philanthropic Performance and Outcomes Across U. T. Institutions, FY 2023

Dr. Randa Safady, Vice Chancellor for External Relations,  
Communications and Advancement Services

U. T. System Board of Regents Meeting  
February 2024



# Overall Giving and Cash Received FY 2019-2023

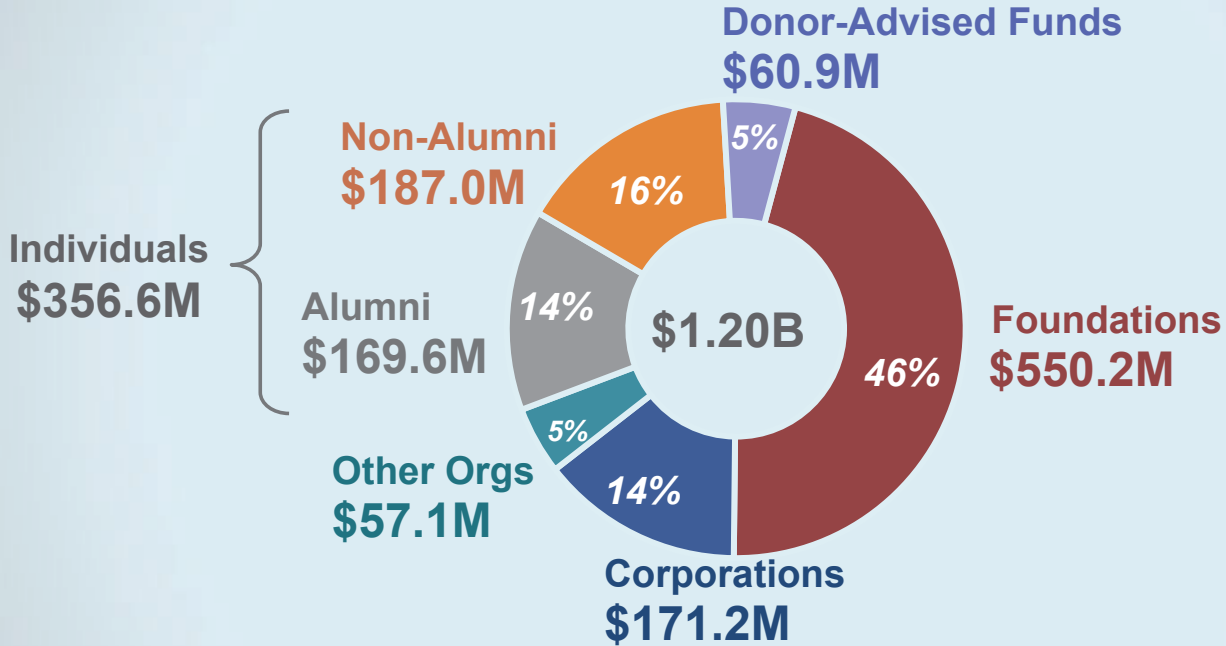


\*Overall Giving = cash, new pledges balances, and new testamentary commitments at face value. FY21 and prior displays new testamentary commitments at present value, per previous Voluntary Support of Education (VSE) Survey reporting requirements.

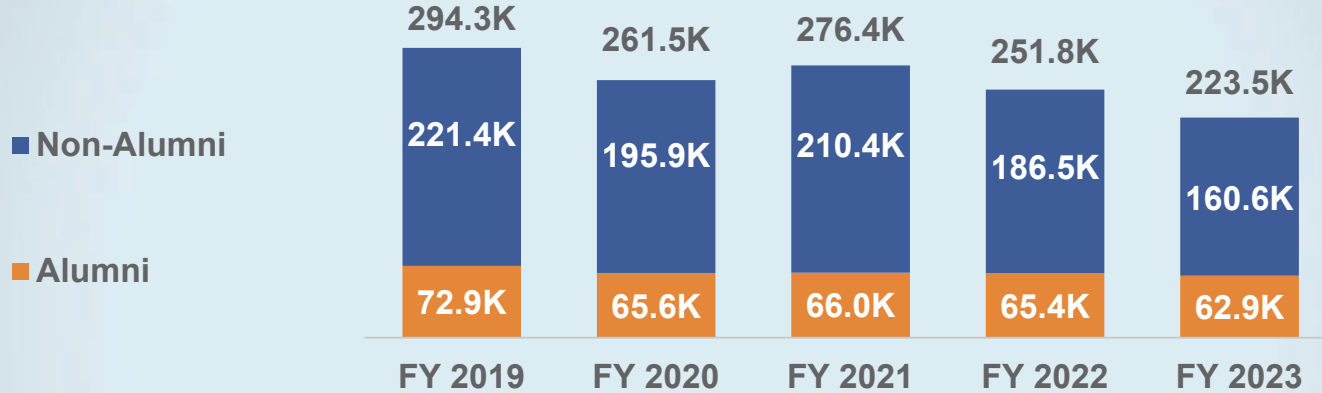


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# Sources of Cash Gifts in FY 2023



# Total Individual Donor Count FY 2019-2023

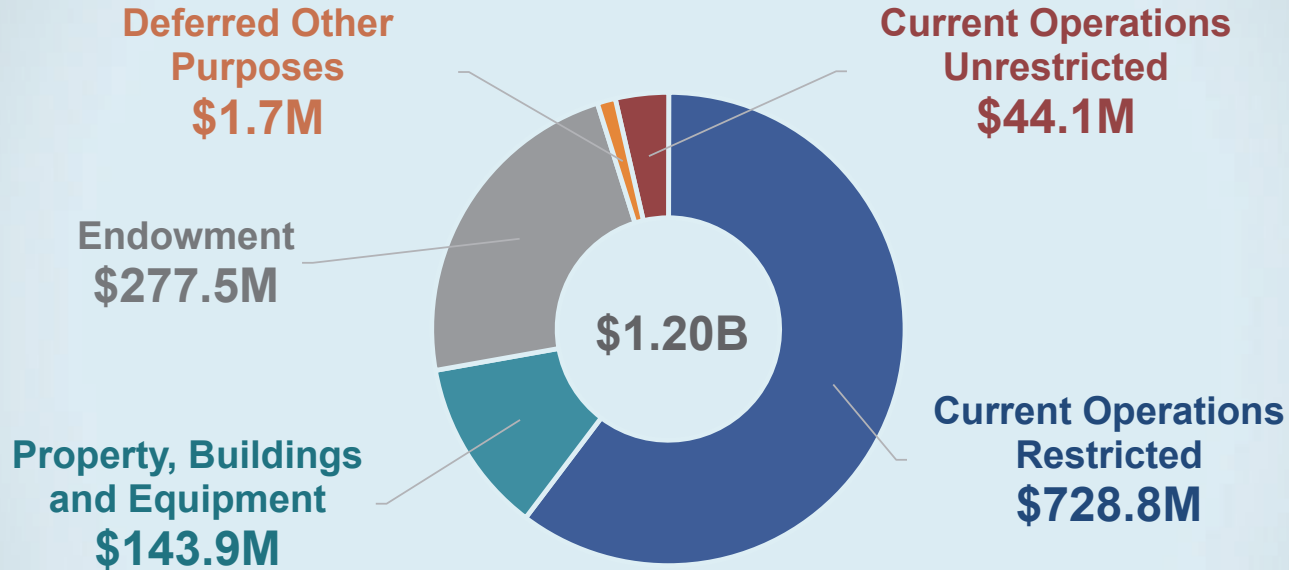


<i>Alumni of Record:</i>	1,457,555	1,514,106	1,549,281	1,626,972	1,864,106
<i>Participation Rate:</i>	5.00%	4.33%	4.26%	4.02%	3.47%

*Note: alumni counts for FY21 and prior include alumni spouses, while counts after that year do not, per revised VSE reporting requirements.*



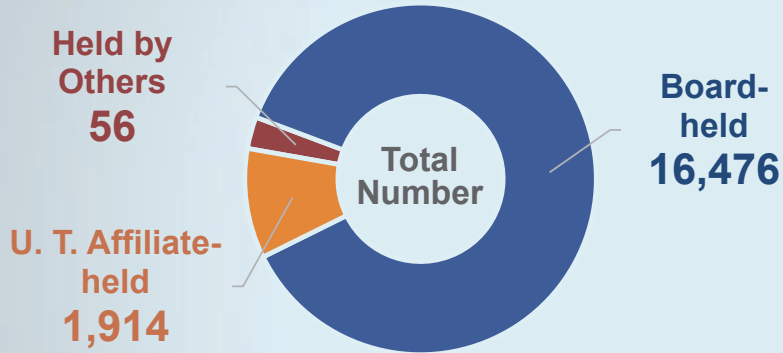
# Designation of Cash Gifts in FY 2023



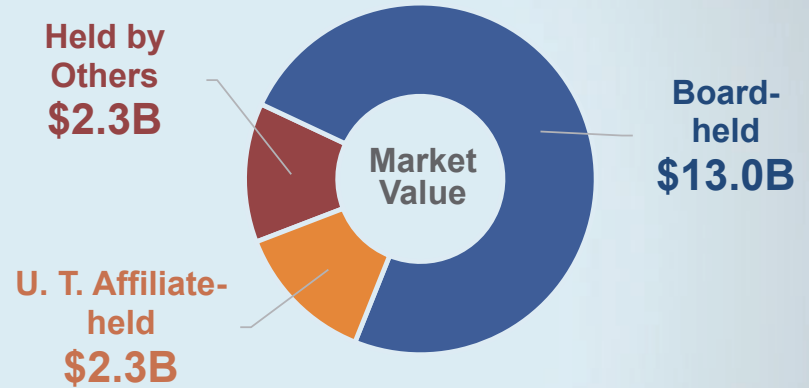
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# Endowment Status FY 2023

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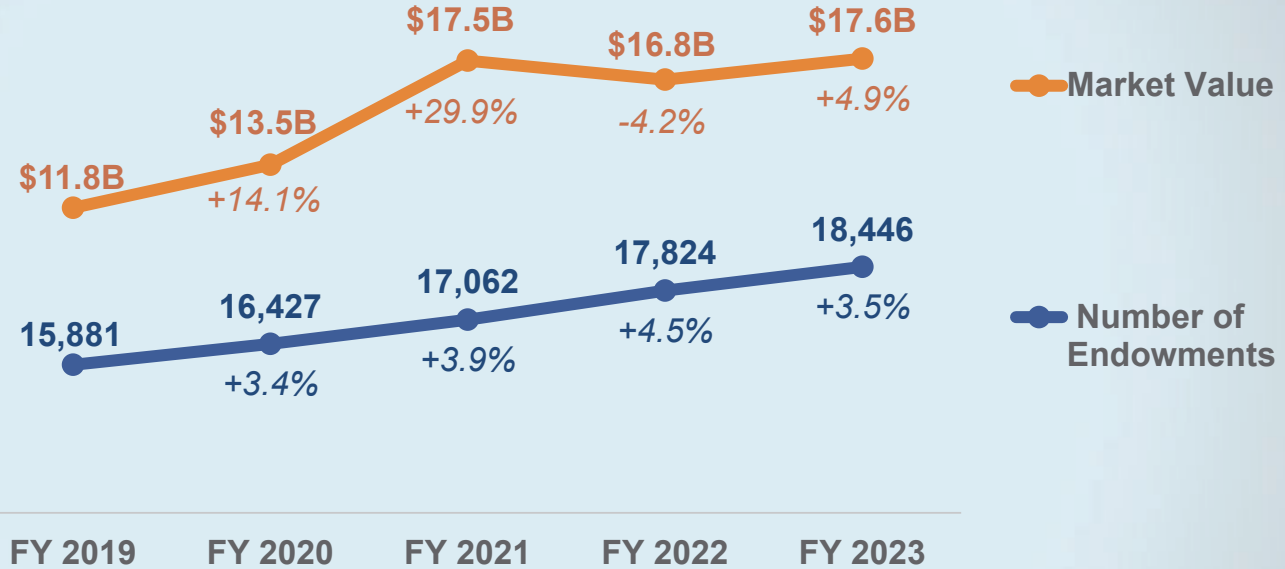


18,446 total endowments held by Board and external entities



\$17.6 billion in total market value

# Endowment Growth FY 2019-2023

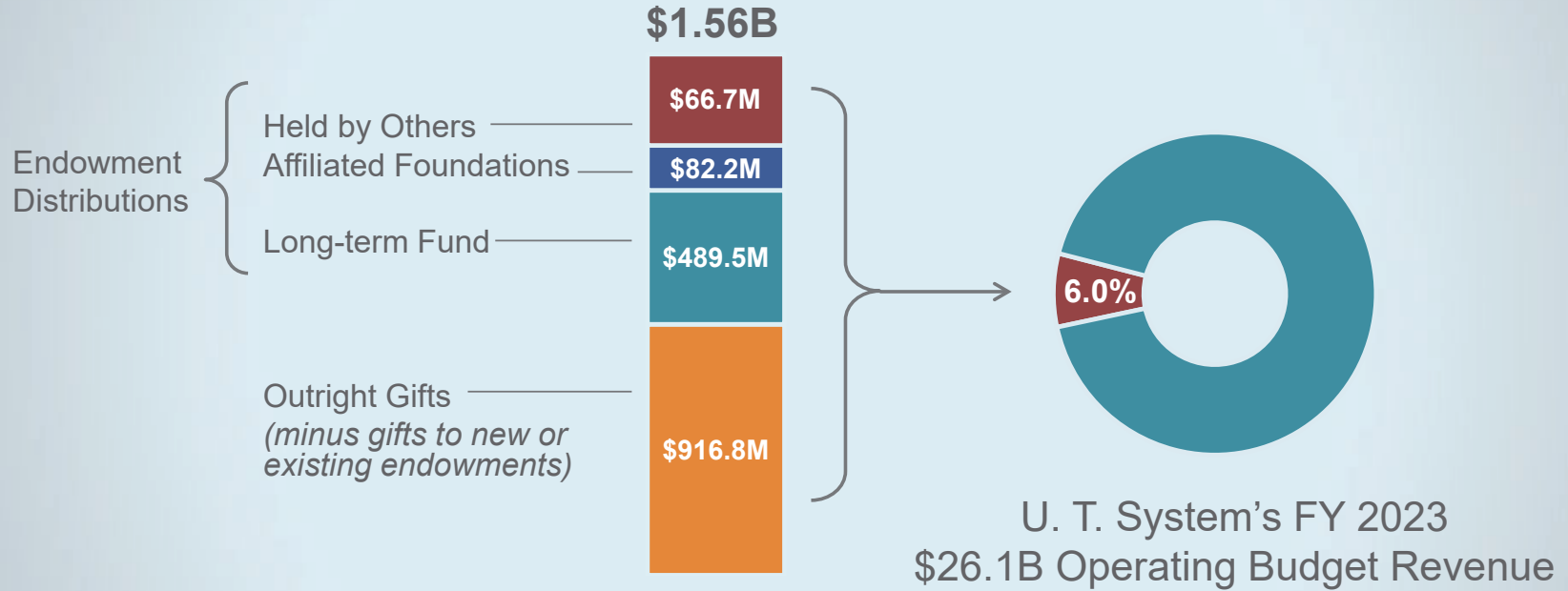


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# Impact of Philanthropy in FY 2023

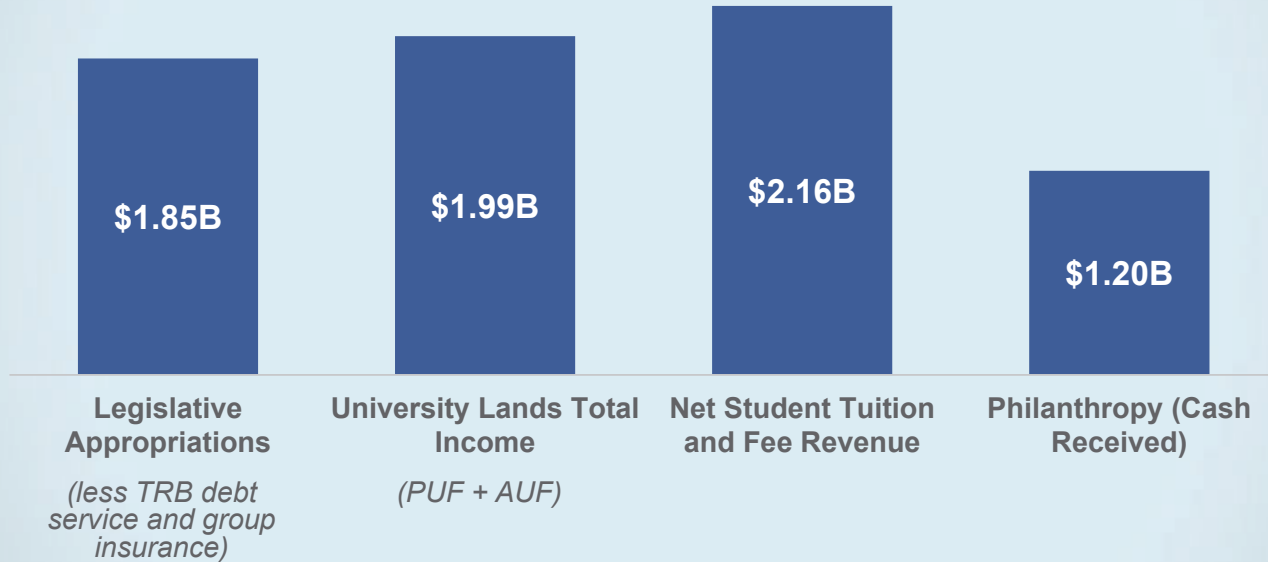
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# Select Revenue Sources in FY 2023

*Philanthropy is a major revenue source for U. T. institutions*

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# Sustainable Giving – Challenges

- More dollars raised, fewer donors
- Alumni giving continues decline nationally
- Multigenerational communication and engagement
- Invest in long-term

# Sustainable Giving – Opportunities

- Develop and implement near-term and long-term goals that run concurrently to build a sustainable philanthropic future
- Include all generations in the institution’s philanthropic future
- Use data more effectively to guide new, intentional, customized engagement, and fundraising initiatives at scale
- Communicate value and impact; enhance confidence in institution

STANDING COMMITTEES.--The Board convened in Open Session for Standing Committee meetings from 3:21 p.m. – 4:23 p.m.

ADJOURNMENT.--There being no further business, the meeting was adjourned following Standing Committee meetings at 4:23 p.m.to reconvene on February 22, 2024.

THURSDAY, FEBRUARY 22, 2024.-- The members of the Board of Regents of The University of Texas System reconvened at 8:02 a.m. on Thursday, February 22, 2024, in the Board Room, Second Floor, The University of Texas System Building, 210 West Seventh Street, Austin, Texas, with the below meeting participation:

ATTENDANCE.--

Present

Chairman Eltife

Vice Chairman Longoria (arrived before Item 4, at 8:09 a.m.)

Vice Chairman Weaver

Regent Crain

Regent Gauntt

Regent Jiles

Regent Perez

Regent Stedman

Regent Warren

Regent Austin, Student Regent, nonvoting

CONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS.--At 8:02 a.m., in accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Eltife called the meeting to order in Open Session to consider action on the following items.

Chairman Eltife began by congratulating the U. T. Austin Texas Volleyball team on their National Championship win in a sweep for the final match and the second year in a row as national champions. He also congratulated the football team on a stellar season. The Longhorns won the Big 12 Conference Championship and made it to the College Football Division 1 Playoffs.

Chairman Eltife congratulated U. T. San Antonio Roadrunners for ending the football season with a big win at the Frisco Bowl. He also noted that U. T. Permian Basin, although only in their 8<sup>th</sup> year with a football program, had a standout season, winning the Lonestar Conference Championship and claiming a spot in the NCAA Division II Playoffs.

STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD.--

At 8:03 a.m., Chairman Eltife announced the Board would hear the reports and recommendations of the Standing Committees, which are set forth on Pages 22 - 73.

REPORT OF THE AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE  
(Page 22).--Unless otherwise indicated, the actions set forth in the Minute Orders  
that follow were recommended and approved by the Board in Open Session.

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 the results of the triennial Systemwide Quality Assessment Review of internal audit activities

This item was for consideration only by the Committee.

3. U. T. System: Fiscal Year 2023 Consolidated Annual Financial Report, including the Independent Auditors' Report, and audits of the financial statements of U. T. Austin, U. T. M. D. Anderson Cancer Center, U. T. Southwestern Medical Center, and U. T. Medical Branch - Galveston and for funds managed by The University of Texas/Texas A&M Investment Management Company (UTIMCO)

This item was for consideration only by this Committee and the Finance and Planning Committee (Item 1) in a joint meeting.

REPORT OF THE FINANCE AND PLANNING COMMITTEE (Pages 23 - 27).--  
Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended and approved by the Board in Open Session.

1. U. T. System: Fiscal Year 2022 Consolidated Annual Financial Report, including the Independent Auditors' Report, and audits of the financial statements of U. T. Austin, U. T. M. D. Anderson Cancer Center, U. T. Southwestern Medical Center, and U. T. Medical Branch - Galveston and for funds managed by The University of Texas/Texas A&M Investment Management Company (UTIMCO)

This item was for consideration only by this Committee and the Audit, Compliance, and Risk Management Committee (Item 3) in a joint meeting.

2. 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.

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

This item was for consideration only by the Committee.

4. U. T. System Board of Regents: Adoption of Supplemental Resolution Authorizing the Revenue Financing System Commercial Paper Note Program; authorization for officers of U. T. System to complete all transactions related thereto; and resolution regarding parity debt

The Board approved the following recommendation:

#### RECOMMENDATION

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

- a. adopt the Thirty-Ninth Supplemental Resolution to the Master Resolution authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Revenue Financing System Commercial



Paper Notes, Series C in an aggregate principal amount not to exceed \$500 million;

- b. authorize appropriate officers and employees of the U. T. System as set forth in the Thirty-Ninth Supplemental Resolution to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents, within the limitations and procedures specified therein; make certain covenants and agreements in connection therewith; and resolve other matters incident and related to the issuance, sale, security, and delivery of such Notes.

The Chancellor also concurs with the recommendation of the Executive Vice Chancellor for Business Affairs that as required by Section 5(a) of the Master Resolution, the Board determine that upon the delivery of Notes authorized by this Resolution, it will have sufficient funds to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and that the Members on whose behalf such Notes are issued possess the financial capacity to satisfy their direct obligations after taking such Notes into account.

### BACKGROUND INFORMATION

Due to certain IRS tax law restrictions, the System's existing Revenue Financing System Commercial Paper Note Program cannot be used to finance capital projects involving 501(c)(3) organizations. Adoption of this Resolution would authorize an interim financing program to finance these types of capital projects, such as the joint development of the New Pediatric Campus at U. T. Southwestern Medical Center with Children's Health System of Texas approved by the Board of Regents on November 16, 2023.

Liquidity for the System's commercial paper programs will continue to be provided by the U. T. System through an arrangement with The University of Texas/Texas A&M Investment Management Company (UTIMCO) consistent with the governing provisions.

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

Note: The proposed Resolution is available [online](#).

5. U. T. Southwestern Medical Center: Discussion and appropriate action regarding a) appropriation and authorization of expenditure for U. T. Southwestern Medical Center's portion of project costs for the construction phase of the state-of-the-art children's health care campus (New Pediatric Campus) to be jointly owned and operated by U. T. Southwestern Medical Center and Children's Health System of Texas (Children's); b) finding of public purpose, and c) approval of Revenue Financing System debt and resolution regarding parity debt

The Board approved the following recommendation:

### RECOMMENDATION

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

- a. appropriate funds and authorize expenditure of up to \$1.626 billion with funding of \$976 million from Revenue Financing System (RFS) Bond Proceeds, \$150 million from Institutional Funds, and \$500 million from Gifts for U. T. Southwestern Medical Center's portion of project costs for the construction phase of the New Pediatric Campus;
- b. reaffirm the finding of public purpose made by the Board on November 16, 2023, and find that U. T. Southwestern Medical Center retains sufficient control over the Pediatric Health Management Services (a nonprofit corporate entity formed by U. T. Southwestern Medical Center and Children's in 2019 and approved by the Board on September 27, 2019) and the yet-to be formed nonprofit corporate entity that will jointly own and operate the New Pediatric Campus with Children's (as approved by the Board on November 16, 2023) to ensure the public purpose will continue to be met on an ongoing basis; 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 \$976 million.

## BACKGROUND INFORMATION

### Debt Service

The \$976 million in RFS debt is expected to be repaid from clinical revenues. Annual debt service on the \$976 million in RFS debt is expected to be \$54.3 million. U. T. Southwestern Medical Center's long-range forecast reflects the institution's projected debt service coverage ratio exceeding 2.1 times, demonstrating that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

### Previous Actions

Children's Health System of Texas (Children's) and U. T. Southwestern Medical Center have for over 75 years maintained a successful affiliation that has benefitted both institutions, the communities they serve, and the State of Texas. During this long-standing relationship, Children's has served as the principal teaching hospital for members of the U. T. Southwestern Medical Center faculty who specialize in pediatric medicine and who perform pediatric services. In 2019, Children's and U. T. Southwestern Medical Center formed a Joint Pediatric Enterprise, including the creation of a separate nonprofit corporate entity called Pediatric Health Management Services (PHMS).

As part of the Joint Pediatric Enterprise efforts, Children's and U. T. Southwestern Medical Center intend to develop a state-of-the-art children's health care campus that partners the clinical and academic expertise of U. T. Southwestern Medical Center with the outstanding care delivered at Children's. This project includes a replacement children's hospital, an ambulatory care center, an office building, a parking deck, and central utility plant (New Pediatric Campus).

On May 5, 2022, the Board authorized U. T. Southwestern Medical Center to enter into a Development Agreement with Children's and PHMS for the development of the New Pediatric Campus and authorized expenditure of institutional funds for U. T. Southwestern Medical Center's portion of the project cost for the Definition Phase.

On November 16, 2023, the Board of Regents authorized U. T. Southwestern Medical Center to negotiate and enter into definitive agreements with Children's for the development of the New Pediatric Campus and to form a separate, yet-to-be-named nonprofit corporate entity (Nonprofit) for the purpose of jointly owning and operating the New Pediatric Campus.

Project Description

The New Pediatric Campus is expected to be comprised of 4.2 million square feet including 552 operational beds upon opening, outpatient clinics, a faculty and administrative office building, a thermal energy plant, a bridge to Clements University Hospital, 2,100 spaces of underground parking, and 4,000 spaces of structured parking. The total project cost is currently estimated at \$5.4 billion, of which Children's will fund \$3.3 billion, U. T. Southwestern Medical Center will fund \$1.1 billion, and \$1.0 billion is expected to be funded through joint fundraising with equal credit to each institution. Approval of the item will authorize \$976 million of Revenue Financing Debt as part of U. T. Southwestern Medical Center's \$1.1 billion funding commitment of the New Pediatric Campus.

REPORT OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 28 - 30).-- Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended and approved by the Board in Open Session.

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. Austin: Approval to establish a Master of Arts and a Doctor of Philosophy in Rhetoric and Writing Studies degree program

The Board approved the following recommendation:

#### RECOMMENDATION

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

- a. establish a Master of Arts and a Doctor of Philosophy in Rhetoric and Writing Studies degree program at The University of Texas at Austin; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

#### BACKGROUND INFORMATION

##### Program Description

The proposed Master of Arts (M.A.) and Doctor of Philosophy (Ph.D.) degrees in Rhetoric and Writing Studies represent the continuation of doctoral study in Rhetoric and Writing that, until now, has been offered by graduate faculty in the Department of Rhetoric and Writing (DRW) through and in conjunction with the Department of English, resulting in a Ph.D. in English with a concentrated focus on rhetoric and writing. The proposed change will elevate the existing concentration to the level of a degree program and represents an administrative change to align the degree program with the long-standing Department of Rhetoric and Writing. The program will continue to prepare students to examine how people argue, deliberate, and persuade or fail to persuade each other especially, but not exclusively, in written and digital media.

Training will include (inter)disciplinary perspectives that will facilitate a multi-dimensional understanding of rhetoric and rhetorical approaches to academic, practical, and community problems. The program is designed to provide students with specialized knowledge about rhetoric and skills to allow them to pursue an academic career; conduct field, archival, and community research; publish scholarly papers; design, develop, teach, and assess rhetoric and writing curricula; and use rhetoric and writing skills to solve nonacademic problems, including through field investigations, recommendations, and digital artifacts (i.e., digital content). Given the broad application of the knowledge and skills garnered through the rigorous academic training proposed, graduates will be prepared for careers in academic departments as well as nonacademic jobs.

The proposed Ph.D. program will require a minimum of 57 hours of coursework. This includes 15 semester credit hours (SCH) of required core courses, 15 prescribed electives, and nine general electives. In addition to required coursework, students must complete six SCH in a digital writing and research practicum. Doctoral students are also required to take at least six exam hours and six dissertation hours.

The proposed Ph.D. program will provide an option for students to earn an M.A. either on the way to or in lieu of the Ph.D. degree. The M.A. degree will require 30 credit hours of coursework in rhetoric studies completed with a minimum grade of B.

### Need and Student Demand

Since 1993, U. T. Austin's DRW has been responsible for teaching all courses in the English Department's graduate concentration in rhetoric. Since 2016, DRW faculty have also been responsible for designing and setting the distinct graduate rhetoric curriculum and for recruiting, advising, and offering professional development opportunities for rhetoric students. The faculty have built a very successful, world-class graduate rhetoric concentration in the English Department. Both departments agree that the proper home for the graduate-level rhetoric curriculum is the DRW.

Over the past eight years (2014-2021), the graduate rhetoric concentration in the English department has received 416 applications, with an average of 52 per year (with a high of 71 in 2015 and a low of 43 in 2020). Just under 8% of these applicants have been accepted: 32 students, typically four per year. This practice is expected to continue, admitting an average of four full-time students per year.

### Program Quality

The proposed program will include 13 core faculty (12.5 full-time employees), all of whom are research active and are currently appointed in the DRW and already delivering this curriculum through the Department of English.

### Revenue and Expenses

Because the required resources for the proposed Ph.D. are already in place, practically no new expenses are anticipated. Therefore, the following explanation of the proposed program's costs to the institution is offered:

1. All faculty who will teach in this program are already full-time faculty in the DRW, save one, who has (and will retain) a split appointment with the English Department.
2. The DRW currently provides financial support to graduate students in English who are pursuing the graduate concentration in rhetoric, have fulfilled the requirements for an M.A., and have teaching experience (Assistant Instructors). The DRW will continue to provide this student financial support when the new program is established in the DRW. The English Department currently provides financial support to graduate students in its rhetoric concentration who have not yet fulfilled the requirements for an M.A. and/or who have no teaching experience (Teaching Assistants). The English Department will continue to provide this student financial support when the new program is established in the DRW.
3. The two graduate program coordinators who currently share duties in the English department to serve students pursuing the graduate concentration in rhetoric will continue to provide this administrative support to students pursuing the new Ph.D. in Rhetoric and Writing Studies.
4. All facilities, equipment, technology, and resources needed to support the proposed Ph.D. already exist and will remain in place once it is established.

### Coordinating Board Criteria

The proposed program meets all applicable Coordinating Board criteria for new master's and doctoral degree programs.

REPORT OF THE HEALTH AFFAIRS COMMITTEE (Pages 31 - 36).-- Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended and approved by the Board in Open Session.

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 assigned for review by this Committee.

2. U. T. Health Science Center - Houston: Discussion and appropriate action regarding proposed change in tuition and fee rates for the Doctor of Nurse Practitioner in Nurse Anesthesia degree program

During the Committee Meeting on Wednesday, Committee Chairman Crain noted that earlier in the day, as required by state law, the Board provided an opportunity for public comment regarding the proposed changes related to designated tuition, but no individuals signed up to speak.

The Board approved the following recommendation:

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel that the U. T. System Board of Regents approve the proposed change in tuition and fee rates for the Doctor of Nurse Practitioner (DNP) in Nurse Anesthesia degree program for Fiscal Years 2025 through 2029, as recommended by the institution president.

#### BACKGROUND INFORMATION

On August 24, 2023, the U. T. System Board of Regents approved tuition and fee proposals for Fiscal Years 2025 through 2029 for the five health institutions. At the time, U. T. Health Science Center - Houston relied upon published tuition rates of the Doctor of Nurse Practitioner in Nurse Anesthesia programs similar to that offered by the institution's Cizik School of Nursing. Several programs, however, had either just been approved or were still being considered by the Texas Higher Education Coordinating Board so accurate comparisons were not fully available. Based on the additional information relating to recently approved similar programming and to remain competitive to attractive applicants, the institution seeks to create a specialized graduate tuition rate for the Bachelor of Science (BSN) to DNP in Nurse Anesthesia degree program only. An overview of the institution's tuition and fee proposal for the BSN to DNP in Nurse Anesthesia degree program for Fiscal Years 2025 through 2029 are indicated below.



The proposal was developed after a consultative process with students currently enrolled in the BSN to DNP in Nurse Anesthesia degree program.

A public hearing opportunity regarding the proposed changes to designated tuition will be provided before the full Board prior to consideration of this item during the Committee meeting.

**The University of Texas Health Science Center at Houston (UTHealth Houston)  
Cizik School of Nursing (BSN to DNP Program in Nurse Anesthesia)  
Tuition and Fee Five-Year Proposal Plans  
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

**SUMMARY OF RESIDENT TUITION AND MANDATORY FEES**

	<b>Current Graduate Tuition Rate 2023-24</b>	<b>Proposed 2024-25</b>	<b>Proposed 2025-26</b>	<b>Proposed 2026-27</b>	<b>Proposed 2027-28</b>	<b>Proposed 2028-29</b>
<b>Cizik School of Nursing</b>						
<b>BSN to DNP in Nurse Anesthesia 23 Semester Credit Hours (SCH) Resident</b>	\$8,211	\$12,627	\$13,040	\$13,470	\$13,916	\$14,381

**PROJECTED ANNUAL INCREASE IN REVENUE**

	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>
<b>BSN to DNP in Nurse Anesthesia Program</b>	\$442,560	\$41,398	\$43,054	\$44,776	\$46,567

**DETAILS OF RESIDENT TUITION FOR BSN TO DNP IN NURSE ANESTHESIA DEGREE PROGRAM**

**PROPOSED TUITION (New)**

<b>Cizik School of Nursing BSN to DNP in Nurse Anesthesia (23 SCH)</b>						
<b>Statutory Authority</b>	<b>Current Rate</b>	<b>Proposed 2024-25</b>	<b>Proposed 2025-26</b>	<b>Proposed 2026-27</b>	<b>Proposed 2027-28</b>	<b>Proposed 2028-29</b>
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$257	\$449	\$467	\$486	\$505	\$525
Differential-54.008	\$50	\$50	\$50	\$50	\$50	\$50
Tuition Total per SCH	\$357	\$549	\$567	\$586	\$605	\$625
<b>TOTAL Annual Tuition @ 23 SCH</b>	<b>\$8,211</b>	<b>\$12,627</b>	<b>\$13,040</b>	<b>\$13,470</b>	<b>\$13,916</b>	<b>\$14,381</b>

**The University of Texas Health Science Center at Houston (UTHealth Houston)  
 Cizik School of Nursing (BSN to DNP Program in Nurse Anesthesia)  
 Tuition and Fee Five-Year Proposal Plans  
 Fall 2024 (FY2025) – Fall 2028 (FY2029)**

**DETAILS OF NON-RESIDENT TUITION:**

<b>Cizik School of Nursing BSN to DNP in Nurse Anesthesia (23 SCH)</b>						
<b>Statutory Authority</b>	<b>Current Rate</b>	<b>Proposed 2024-25</b>	<b>Proposed 2025-26</b>	<b>Proposed 2026-27</b>	<b>Proposed 2027-28</b>	<b>Proposed 2028-29</b>
Statutory-54.051	\$470	\$460	\$460	\$460	\$460	\$460
Designated-54.0513	\$239	\$449	\$467	\$486	\$505	\$525
Differential-54.008	\$470	\$470	\$470	\$470	\$470	\$470
Tuition Total per SCH	\$1,167	\$1,379	\$1,397	\$1,416	\$1,435	\$1,155
<b>TOTAL Annual Tuition @ 23 SCH</b>	<b>\$26,841</b>	<b>\$31,717</b>	<b>\$32,130</b>	<b>\$32,560</b>	<b>\$33,006</b>	<b>\$33,471</b>

3. U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, and U. T. M. D. Anderson Cancer Center: Approval of four pharmacy distribution agreements for wholesale drug services

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, and the respective institution presidents that the U. T. System Board of Regents authorize the contracts for wholesale drug distribution services, including financial enhancements as listed below:

- a. contract between U. T. Southwestern Medical Center and Cardinal Health, Inc. with an initial contract term of five years with two optional one-year renewals and an estimated contract value of \$1,417,895,543;
- b. contract between U. T. Medical Branch - Galveston and Cardinal Health, Inc. with an initial contract term of five years with two optional one-year renewals and an estimated contract value of \$772,208,299;
- c. contract with Morris & Dickson for U. T. Medical Branch - Galveston's Correctional Managed Care Program with an initial contract term of five years with two optional one-year renewals and an estimated contract value of \$475,669,397; and
- d. contract between U. T. M. D. Anderson Cancer Center and Cencora, Inc. (formerly AmerisourceBergen) with an initial contract term of five years with two optional one-year renewals and an estimated contract value of \$10,446,936,585.

It is further recommended that the Board delegate authority to the respective institutional presidents to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary to carry out the purpose and intent of the foregoing actions, following review and approval by the Chancellor, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel.

BACKGROUND INFORMATION

In February 2023, U. T. System arranged for Vizient, Inc. (Vizient), U. T. System's primary healthcare group purchasing organization, to lead negotiations, on behalf of the above institutions, to enhance existing competitively procured Vizient contracts with pharmacy distributors.

Throughout calendar year 2023, Vizient worked closely with pharmacy and procurement officers from the U. T. System Supply Chain Alliance, U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, and U. T. M. D. Anderson Cancer Center. This competitive solicitation included two requests for enhancement, supplier presentations, tours of the U. T. System institutions and of the pharmacy distribution centers, several best and final offers, and conceptual agreement on all key business and legal issues. Fully executed contracts, subject to approval by the U. T. System Board of Regents, are expected in February 2024 with an effective date of February 1, 2024. The collective seven-year contract values are estimated to be \$13,112,709,824. Three-year estimated cost savings, ongoing rebates, and incentives are \$92,398,638, partly due to changing pharmacy distributors, and are estimated to be:

- a. \$14,436,641 for U. T. Southwestern Medical Center;
- b. \$11,121,894 for U. T. Medical Branch - Galveston;
- c. \$799,245 for U. T. Medical Branch - Galveston's Correctional Managed Care Program; and
- d. \$66,040,858 for U. T. M. D. Anderson Cancer Center.

While the U. T. institutions explored making a joint contract award to a single distributor for all needs in the aggregate, each institution determined an individual agreement with each distributor would best meet its unique business needs. However, the pending contracts have been made coterminous to facilitate a collaborative, future competitive solicitation.

4. U. T. System: Report on medical Spanish elective learning opportunities for health professions students at U. T. institutions

This item was for consideration only by the Committee.

REPORT OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE  
(Pages 37 - 73).--Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended and approved in Open Session.

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 assigned for review by this Committee.

2. U. T. Arlington: Maverick Hall - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board approved the following recommendation:

RECOMMENDATION

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

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$116,213,000 with funding of \$98,213,000 from Revenue Financing System (RFS) Bond Proceeds and \$18,000,000 from Unexpended Plant Funds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Arlington, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$98,213,000.

## BACKGROUND INFORMATION

### Debt Service

The \$98,213,000 in RFS debt will be repaid from rental income. Annual debt service on the \$98,213,000 in RFS debt is expected to be \$1,366,820. The institution's Scorecard Rating of 2.8 at fiscal year-end 2023 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

### Previous Actions

On February 8, 2022, the Chancellor approved the project for Definition Phase. On November 16, 2023, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$116,213,000 with funding of \$98,213,000 from RFS Bond Proceeds and \$18,000,000 from Unexpended Plant Funds.

### Project Description

The five-story residence hall will provide 654 beds in private and double-occupancy configurations. Maverick Hall will include a laundry room, a kitchen, and study and social areas on each floor. Spacious common areas and a classroom are also included in the project to facilitate student engagement. The residence hall will be located on west campus and adjacent to the Maverick Activities Center and the Commons dining hall.

The construction of Maverick Hall supports U. T. Arlington's strategic plan to replace older residence halls with new facilities to meet the needs of the student population. The addition of Maverick Hall reflects the university's commitment to provide a contemporary and conducive living and learning environment for students.

## **The University of Texas at Arlington Maverick Hall**

### **Project Information**

Project Number	301-1395
CIP Project Type	New Construction
Facility Type	Housing, Dormitory
Management Type	Institutionally Managed
Institution's Project Advocate	Mari Duncan, Director of Apartment and Residence Life
Project Delivery Method	Design/Build
Gross Square Feet (GSF)	205,638
Beds Added this Project	654

**The University of Texas at Arlington**  
**Maverick Hall**  
 (continued)

**Project Funding**

	<u>Current</u>
Revenue Financing System Bond Proceeds <sup>1</sup>	\$ 98,213,000
Unexpended Plant Funds	<u>18,000,000</u>
Total Project Cost	<u>\$116,213,000</u>

<sup>1</sup> Revenue Financing System (RFS) Bond Proceeds to be repaid from rental income

**Project Cost Detail**

	Cost
Building Cost	\$90,849,185
Fixed Equipment	2,550,000
Site Development	2,490,215
Furniture and Moveable Equipment	5,331,380
Institutionally Managed Work	925,000
Architectural/Design Services	6,662,600
Project Management	2,324,260
CIP Support Services	225,000
Insurance	2,162,855
Other Professional Fees	1,148,800
Project Contingency	1,543,705
<b>Total Project Cost</b>	<b>\$116,213,000</b>

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

Maverick Hall	\$138,913
Regional Median Cost per Bed	\$124,227
	Low Quartile      Median      High Quartile
Other U. T. System Projects	\$107,954      \$133,554      \$155,708
National Projects	\$98,141      \$130,792      \$164,710

**Investment Metrics**

- Increase housing options as part of campus master plan
- Encourage student achievement through an enriching university experience

**Project Milestones**

Definition Phase Approval	February 2022
Addition to CIP	November 2023
Design Development Approval	February 2024
Construction Notice to Proceed	February 2024
Substantial Completion	August 2025
Final Completion	September 2025



**The University of Texas at Arlington**  
**Maverick Hall**  
(continued)

**Student Housing Statistics**

Waiting list for on-campus housing last semester	298
Total number of beds added in this project	654
Units to be demolished in this project	0
Total number of beds on campus after completion	5,586

**Basis of Design**

The planned building life expectancy includes the following elements:

Enclosure: 40 years

Building Systems: 25 years

Interior Construction: 15 years

3. U. T. Austin: Darrel K Royal Texas Memorial Stadium Belmont Hall Renovation - Amendment of the current Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and resolution regarding parity debt

The Board approved the following recommendation:

RECOMMENDATION

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

- a. amend the current CIP and approve a total project cost of \$80,000,000;
- b. appropriate funds of \$80,000,000 with funding of \$50,000,000 from Revenue Financing System (RFS) Bond Proceeds and \$30,000,000 from Gifts; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service

Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Austin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$50,000,000.

## BACKGROUND INFORMATION

### Debt Service

The \$50,000,000 in RFS debt will be recovered from Gifts. Annual debt service on the \$50,000,000 in RFS debt is expected to be \$2.8 million. The institution's Scorecard Rating of 2.3 at fiscal year-end 2023 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

### Previous Action

On December 19, 2023, the Chancellor approved this project for Definition Phase.

### Project Description

This proposed project will include renovations for Kinesiology and Health Education (KHE) classrooms and laboratory space on Levels 1, 2, and 9, and for football suites on Level 8 of Belmont Hall, to better serve the needs of the KHE and Intercollegiate Athletic departments, respectively. Constructed in 1972, the mechanical, electrical, and plumbing systems in Belmont Hall are outdated and in need of replacement. Renovations to the KHE department will provide for more efficient systems, laboratories, and classroom space, and will provide increased efficiency of outdated utilities.

The proposed project will also include the addition of two independent structures on top of the existing South End Zone concourse. The eastern addition will be used for working media members during gameday operations. The western addition will support facilities for the visiting team's athletic director, four radio team booths, and additional seating for working media members. Gameday operations will be relocated to a new structure to be built on Level 10 of the North End Zone. This facility will house public announcement, disc jockey, scoreboard, light show control, and supplemental gameday operations activities. The national television broadcast teams and their main camera equipment will be moved and incorporated into the uppermost concourse of the lower stadium bowl, located on Level 8 on the east side of DKR stadium.

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

**The University of Texas at Austin  
Darrell K Royal Texas Memorial Stadium Belmont Hall Renovation**

**Project Information**

Project Number	102-1506
CIP Project Type	Repair and Rehabilitation
Facility Type	Athletic
Management Type	Institutional Management
Institution’s Project Advocates	Fernando Lovo, Intercollegiate Athletics Executive Senior Associate Athletics Director, Operations Janice Todd, Kinesiology and Health Education Interim Department Chair
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	99,100

**Project Funding**

Revenue Financing System Bond Proceeds <sup>1</sup>	<u>Proposed</u> \$50,000,000
Gifts <sup>2</sup>	<u>30,000,000</u>
Total Project Cost	\$80,000,000

<sup>1</sup>RFS Bond Proceeds to be repaid by Gifts as received.

<sup>2</sup>Gifts are not fully collected or committed at this time; however, the Office of Finance has determined that the institution has sufficient local funds to cover any shortfall.

**Project Cost Detail**

	Cost
Building Cost	\$63,200,000
Fixed Equipment	650,000
Furniture and Moveable Equipment	4,807,000
Institutionally Managed Work	920,000
Architectural/Design Services	5,025,000
Project Management	1,600,000
Insurance	1,643,000
Other Professional Fees	675,000
Project Contingency	1,400,000
Other Costs	80,000
<b>Total Project Cost</b>	<b>\$80,000,000</b>

**The University of Texas at Austin**  
**Darrell K Royal Texas Memorial Stadium Belmont Hall Renovation**  
(continued)

**Project Planning**

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

**Project Milestones**

Definition Phase Approval	December 2023
Addition to CIP	February 2024
Design Development Approval	May 2024
Construction Notice to Proceed	June 2024
Substantial Completion	August 2026
Final Completion	September 2026

4. U. T. Austin: Main Building Exterior Restoration and Landscaping - Amendment of the current Capital Improvement Program to include project

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the Main Building Exterior Restoration and Landscaping project at The University of Texas at Austin.

BACKGROUND INFORMATION

Previous Action

On November 17, 2022, the Board approved the project for Definition Phase.

Project Description

The U. T. Austin Main Building, standing at the heart of the historic 40 acres upon which the campus began, is the most iconic building on the university's campus. Designed by Paul Cret and completed in 1937, the building has not undergone any significant renovations of the building exterior. This proposed project seeks restoration of the exterior of the Main Building to its original appearance, including

repair and cleaning of the stone masonry, restoration of metal windows and spandrels, waterproofing of the tower observation deck and gilding of decorative elements, as well as restoration of the clock. Targeted interior rehabilitation to support an enhanced visitor experience will include lobbies, restrooms, elevators, lighting, 27th floor and tower observation deck, and wayfinding signage.

Critical landscape and grounds redevelopment of the areas adjacent to the Main Building are also included in the project. Updates to the landscape and plantings and exterior lighting around the Main Building will be more inviting and create dynamic exterior spaces.

This proposed Repair and Rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. This project has been determined to be both architecturally and historically significant; therefore, 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 a May 10, 2017 Board of Regents approval, effective September 1, 2017, U. T. Austin has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.

## **The University of Texas at Austin Main Building Exterior Restoration and Landscaping**

### **Project Information**

Project Number	102-1450
CIP Project Type	Repair and Rehabilitation
Facility Type	Office, High Rise
Historically Significant	Yes
Architecturally Significant	Yes
Management Type	Institutional Management
Institution's Project Advocate	Brent Stringfellow, Associate Vice President, Campus Operations
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	25,641

### **Project Funding**

	<u>Proposed</u>
Permanent University Fund Bond Proceeds	\$26,000,000
Available University Fund	18,000,000
Gifts <sup>1</sup>	<u>26,000,000</u>
Total Project Cost	<u>\$70,000,000</u>

<sup>1</sup> Gifts are not fully collected at this time

**The University of Texas at Austin**  
**Main Building Exterior Restoration and Landscaping**  
 (continued)

**Project Cost Detail**

	Cost
Building Cost	\$46,215,080
Site Development	4,750,000
Furniture and Moveable Equipment	750,000
Institutionally Managed Work	1,200,000
Architectural/Design Services	5,234,920
Project Management	1,750,000
Insurance	1,250,000
Other Professional Fees	4,100,000
Project Contingency	3,000,000
Other Costs	1,750,000
<b>Total Project Cost</b>	<b>\$70,000,000</b>

**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 2022
Addition to CIP	February 2024
Design Development Approval	May 2024
Construction Notice to Proceed	January 2025
Substantial Completion	March 2027
Final Completion	May 2027

5. U. T. Permian Basin: Mesa Building Renovation and Campus Transformation - Approval of design development for Phase II; appropriation of funds between Phase I and Phase II; and appropriation of funds and authorization of expenditure for Phase I and Phase II

The Board approved the following recommendation:

RECOMMENDATION

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

recommendations for the Mesa Building Renovation and Campus Transformation, Phase I and Phase II project at The University of Texas Permian Basin as follows:

- a. approve design development plans for Phase II;
- b. appropriate funds of \$8,900,000 from Permanent University Funds (PUF) Bond Proceeds from Phase II to Phase I for a total project cost of \$41,000,000 from PUF Bond Proceeds for Phase I; and
- c. appropriate funds and authorize expenditure for Phase II with a total project cost of \$45,922,833 with funding of \$44,922,833 from Capital Construction Assistance Project (CCAP) Bond Proceeds and \$1,000,000 from PUF Bond Proceeds.

### BACKGROUND INFORMATION

#### Previous Actions

On May 4, 2022, the Chancellor approved the Mesa Building Renovation and Campus Transformation project for Definition Phase. On August 25, 2022, this project was included in the CIP with a total project cost of \$32,100,000 for Phase I, with funding from PUF Bond Proceeds and with an additional allocation of \$9,000,000 from PUF Bond Proceeds for Phase II of the project. On April 26, 2023, President Woodley approved design development plans for the Bright Star Memorial portion of Phase I for \$6,000,000 with funding from PUF Bond Proceeds. On August 24, 2023, via the consent agenda, Phase II was included in the CIP with a total project cost of \$54,822,833 with funding of \$44,922,833 from CCAP Bond Proceeds and the previously allocated \$9,900,000 from PUF Bond Proceeds.

#### Project Description

The Mesa Building Renovation and Campus Transformation, Phase II portion of the project will provide needed upgrades to the Mesa Building, which houses the Colleges of Business, Arts and Sciences, and Education, as well as the administration center and support services. The scope of work includes the addition of a fire suppression system, replacement of ceilings, light fixtures, and heating, ventilation, and air conditioning supply registers/return air grills throughout the building. Other improvements include replacement of cast iron piping in selected areas, refurbishment of electrical switchgear, and upgrades to building controls, flooring, paint, and wall coverings in selected areas of the building.

Recent cost estimates for Campus Transformation, Phase I project components have necessitated an increase in funding for that portion of the project that consists of a wide range of improvements to both the main campus in Odessa and the Midland campus to provide landscaping and infrastructure elements. Phase I will also incorporate a memorial plaza, a joint project with the City of Odessa, to recognize the victims of the August 31, 2019, mass shooting in Midland and Odessa.

The Bright Star Memorial bronze cylinder, proposed for gift acceptance under Consent Agenda Item 30, will be on display in the plaza. The project will also include pedestrian and vehicular access, parking, landscaping and hardscaping, site lighting, seating, and public restrooms. The main entrance to the Odessa campus will be realigned and will provide new institution identification, way finding, informational signage, landscaping and lighting elements, and new parking areas for the Welcome Center. The project also includes replacement of all existing campus entrance signage on both campuses with modern, illuminated and effective University identification signage, as well as pedestrian and vehicular wayfinding signage around both campuses.

Also as part of Phase I, the Quad, as bounded by the Library, the Science and Technology Building, the Student Activity Center, and the Mesa Building, will be transformed into a flexible, efficient, accessible, and user-friendly area. Amenities will include shade structures and a pavilion with stage, water features, outdoor learning spaces, and space where the Falcon Sculpture approved by the Board as a gift of outdoor art on August 20, 2020, will be located.

Design development plans and authorization of expenditure of funding for remaining projects under Phase I will be presented to the President for approval at a later date.

## **The University of Texas Permian Basin Mesa Building Renovation and Campus Transformation, Phase II**

### **Project Information**

Project Number	501-1402
CIP Project Type	Repair and Rehabilitation
Facility Type	Classroom, General
Management Type	Office of Capital Projects
Institution's Project Advocates	Becky Spurlock, Vice President of Student Affairs and Leadership Tatum Hubbard, Chief of Staff and Executive Director for Communications/Marketing Bradley Shook, Vice President of Information Technology and Analytics/CIO
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	317,000



**The University of Texas Permian Basin  
Mesa Building Renovation and Campus Transformation, Phase II**  
(continued)

**Project Funding**

<u>Phase I Only</u>	<u>Current</u>	<u>Proposed</u>
Capital Construction Assistance Project (CCAP)	0	0
Bond Proceeds		
Permanent University Fund Bond Proceeds	<u>\$32,100,000</u>	<u>\$41,000,000</u>
Total Project Cost	\$32,100,000	\$41,000,000
<u>Phase II Only</u>	<u>Current</u>	<u>Proposed</u>
CCAP Bond Proceeds	\$44,922,833	\$44,922,833
Permanent University Fund Bond Proceeds	<u>9,900,000</u>	<u>1,000,000</u>
Total Project Cost	\$54,822,833	\$45,922,833
<u>Phases I and II Combined</u>	<u>Current</u>	<u>Proposed</u>
CCAP Bond Proceeds	\$44,922,833	\$44,922,833
Permanent University Fund Bond Proceeds	<u>42,000,000</u>	<u>42,000,000</u>
Total Project Cost	\$86,922,833	\$86,922,833

**Project Cost Detail**

	<b>Combined</b>	<b>Mesa Building Renovation (Phase II)</b>	<b>Campus Transformation (Phase I)</b>
Building Cost	\$32,389,000	\$31,989,000	\$400,000
Fixed Equipment	3,053,000	2,553,000	500,000
Site Development	33,500,000	-	33,500,000
Furniture and Moveable Equipment	1,400,000	1,000,000	400,000
Institutionally Managed Work	2,000,000	1,000,000	1,000,000
Architectural/Design Services	7,188,000	4,200,000	2,988,000
Project Management	2,426,000	2,346,000	80,000
CIP Support Services	25,000	25,000	-
Insurance	1,165,000	780,000	385,000
Other Professional Fees	1,053,000	653,000	400,000
Project Contingency	2,723,833	1,376,833	1,347,000
<b>Total Project Cost</b>	<b>\$86,922,833</b>	<b>\$45,922,833</b>	<b>\$41,000,000</b>

**Project Planning**

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

**The University of Texas Permian Basin  
Mesa Building Renovation and Campus Transformation, Phase II**  
(continued)

**Project Milestones**

	<b>Mesa Building Renovation (Phase II)</b>	<b>Campus Transformation (Phase I)</b>
Definition Phase Approval	May 2022	May 2022
Addition to CIP	August 2023	August 2022
Design Development Approval	February 2024	May 2025
Construction Notice to Proceed	March 2024	June 2024
Substantial Completion	December 2025	November 2025
Final Completion	March 2026	December 2025

6. U. T. San Antonio: Volleyball and Basketball Training Facility - Amendment of the current Capital Improvement Program to include project

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the Volleyball and Basketball Training Facility project at The University of Texas at San Antonio.

BACKGROUND INFORMATION

Previous Actions

On January 6, 2022, the Chancellor approved the Basketball and Volleyball Training Facility project for Definition Phase. On January 2, 2024, the Assistant Vice Chancellor for Capital Projects approved the project name change to Volleyball and Basketball Training Facility.

Project Description

The proposed project will be located adjacent to the recently completed Roadrunner Athletic Center of Excellence (RACE) on the west part of the main campus and will house the daily operations of the Men's and Women's Basketball and the Women's Volleyball programs. This two-story, approximately 52,285 gross square foot (GSF) facility will provide all practice facility amenities associated with top-tier NCAA Division 1 basketball and volleyball programs. Each program will have its own

practice court, team locker room with shower space, film review room, team lounge area, and program office spaces for coaching staff. Programs will share strength and conditioning facilities, hydrotherapy facilities, and equipment and laundry facilities. The building will also include 14,200 GSF of shell space on the second floor for use as future office space.

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

This proposed project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date. Pursuant to a Memorandum of Understanding effective September 1, 2020, U. T. San Antonio has delegated authority of institutional management of construction projects under the continued oversight of the Office of Capital Projects.

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

### **Project Information**

Project Number	401-1394
CIP Project Type	New
Facility Type	Athletic
Management Type	Institutional Management
Institution's Project Advocates	Veronica Salazar, Chief Enterprise Development Officer and Senior Vice President for Business Affairs Lisa Campos, Vice President for Intercollegiate Athletics
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	52,285
Shell Space (GSF)	14,200

### **Project Funding**

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

<sup>1</sup> Revenue Financing System (RFS) Bond Proceeds to be repaid from Ticket Sales

<sup>2</sup> Grant funding from Bexar County and City of San Antonio Bonds

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

**Project Cost Detail**

	Cost
Building Cost	\$26,335,500
Fixed Equipment	-
Site Development	1,000,000
Furniture and Moveable Equipment	1,100,000
Institutionally Managed Work	50,000
Architectural/Design Services	2,652,000
Project Management	1,125,000
CIP Support Services	262,500
Insurance	505,000
Other Professional Fees	350,000
Project Contingency	1,500,000
Other Costs	120,000
<b>Total Project Cost</b>	<b>\$35,000,000</b>

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

Volleyball and Basketball Training Facility (includes 27% Shell Space)	\$504		
Volleyball and Basketball Training Facility (Total Estimated Finish-out)	\$540		
Texas Higher Education Coordinating Board Average – Athletics	\$747		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$470	\$499	\$740
National Projects	\$363	\$449	\$621

**Investment Metrics**

- Free 58,400 GSF in the Intercollegiate Athletics Building to support growth needs in research and academics by 2026
- Serve as hub for over 350 student-athletes participating in 17 NCAA Division 1 sports programs at UTSA by 2026

**Project Planning**

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

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

**Project Milestones**

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

**Basis of Design**

The planned building life expectancy includes the following elements:

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

7. U. T. M. D. Anderson Cancer Center: Consolidated Service Center - Amendment of the current Capital Improvement Program to include project

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the Consolidated Service Center project at The University of Texas M. D. Anderson Cancer Center.

BACKGROUND INFORMATION

Previous Actions

On March 8, 2021, the Chancellor approved this project for Definition Phase as the Central Service Center project. On January 3, 2024, the Assistant Vice Chancellor for Capital Projects approved the project name change to Consolidated Service Center.

Project Description

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

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

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

This proposed project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date. Pursuant to a Memorandum of Understanding effective September 1, 2020, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.

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

**Project Information**

Project Number	703-1348
CIP Project Type	New Construction
Facility Type	Healthcare Facility, Hospital
Management Type	Institutionally Managed
Institution's Project Advocate	Ken Postma, Vice President for Ambulatory Operations and Clinical Infrastructure Development
Project Delivery Method	Design/Build
Gross Square Feet (GSF)	261,200

**Project Funding**

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

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

**Project Cost Detail**

	Cost
Building Cost	\$97,300,000
Fixed Equipment	9,117,300
Site Development	8,600,000
Furniture and Moveable Equipment	8,275,000
Institutionally Managed Work	13,487,700
Architectural/Design Services	2,000,000
Project Management	5,250,000
Insurance	1,507,000
Other Professional Fees	1,400,000
Project Contingency	11,863,000
Other Costs	200,000
<b>Total Project Cost</b>	<b>\$159,000,000</b>

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

Consolidated Service Center	\$373		
Texas Higher Education Coordinating Board Average, Healthcare Facility Hospital	\$834		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$642	\$724	\$870
National Projects	\$677	\$919	\$1,402

**Investment Metrics**

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

**Project Planning**

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

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

**Project Milestones**

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

**Basis of Design**

The planned building life expectancy includes the following elements:

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

8. U. T. M. D. Anderson Cancer Center: Lutheran Pavilion Facility Renewal - Amendment of the current Capital Improvement Program to include project; approval of total project cost; and appropriation of funds

The Board approved the following recommendation:

RECOMMENDATION

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

- a. amend the current CIP and approve a total project cost of \$53,000,000; and
- b. appropriate funds of \$53,000,000 from Hospital Revenues.

BACKGROUND INFORMATION

Previous Action

On September 16, 2021, the Chancellor approved this project for Definition Phase.



### Project Description

The Lutheran Pavilion was constructed in 1975 and, at nearly fifty years old, the existing utility systems within the facility have lasted beyond their original design lives. The proposed project will repair, rehabilitate, and upgrade the electrical, plumbing, and information technology infrastructure systems in the facility. The scope will also include upgrades to the chilled water riser. The facility houses inpatient rooms, a Post Anesthesia Care Unit, and the Acute Cancer Care Center.

This project is part of a planned facility strategy to ensure the institution has sufficient inpatient care facilities until the new inpatient bed tower is completed and fully operational within the next 7-12 years.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be presented to the President for approval at a later date. Pursuant to a Memorandum of Understanding effective September 1, 2020, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.

## **The University of Texas M. D. Anderson Cancer Center Lutheran Pavilion Facility Renewal**

### **Project Information**

Project Number	703-1388
CIP Project Type	Repair and Rehabilitation
Facility Type	Healthcare Facility, Hospital
Management Type	Institutional Management
Institution's Project Advocate	Tim Peglow, Associate Vice President for Patient Care Facilities
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	292,580

### **Project Funding**

Hospital Revenues	<u>Proposed</u> <u>\$53,000,000</u>
Total Project Cost	\$53,000,000

**The University of Texas M. D. Anderson Cancer Center  
Lutheran Pavilion Facility Renewal**  
(continued)

**Project Cost Detail**

	Cost
Building Cost	\$37,794,000
Architectural/Design Services	3,101,000
Project Management	1,639,000
Insurance	969,000
Other Professional Fees	969,000
Project Contingency	7,753,000
Other Costs	775,000
<b>Total Project Cost</b>	<b>\$53,000,000</b>

**Project Planning**

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

**Project Milestones**

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

9. U. T. M. D. Anderson Cancer Center: Northwest Houston Imaging Facility - Amendment of the current Capital Improvement Program to include project; approval of total project cost; and appropriation of funds

The Board approved the following recommendation:

RECOMMENDATION

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

- a. amend the current CIP and approve a total project cost of \$60,000,000; and
- b. appropriate funds of \$60,000,000 from Hospital Revenues.

### BACKGROUND INFORMATION

#### Previous Action

On June 10, 2022, the Chancellor approved this project for Definition Phase.

#### Project Description

The proposed project will repair and rehabilitate an existing, single-story building encompassing approximately 45,100 gross square feet. The project involves the extensive renovation of the building to adapt it for use in providing diagnostic imaging, breast imaging, diagnostic lab and cancer prevention services for patients, as well as to meet general administration and building operation space needs. Key modalities and services to be provided at this facility include: Computed Tomography, Mammography, Breast Ultrasound, Magnetic Resonance Imaging, General Ultrasound, Radiography/Fluoroscopy, Positron Emission Tomography, Interventional Radiology and Nuclear Medicine; Cancer Screenings (Breast, Cervical, Prostate, and Lung), Undiagnosed Breast Clinic, and Survivorship Programs; Donor Operations, Point of Care Testing, and Cytopathology.

In addition to full interior renovation, the scope of the project will include replacement of the mechanical, electrical, plumbing, life safety, information technology, and security infrastructure systems that serve the building.

To further U. T. M. D. Anderson Cancer Center's strategy to develop new facilities throughout the Houston area as part of overall growth strategy, the institution acquired an existing facility in the northwest region of Houston and has recently completed the first phase of a project to renovate that facility known as Northwest Houston Surgical and Specialty Care (NWHSSC). The Northwest Houston Imaging Facility will be located near the NWHSSC to provide a more convenient location for imaging, diagnostic, and cancer prevention services for patients undergoing treatment, as well as to meet the oncologic imaging and cancer prevention services needs of the local population.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be presented to the President for approval at a later date. Pursuant to a Memorandum of Understanding effective September 1, 2020, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas M. D. Anderson Cancer Center  
Northwest Houston Imaging Facility**

**Project Information**

Project Number 703-1413  
 CIP Project Type Repair and Rehabilitation  
 Facility Type Healthcare Facility, Clinic  
 Management Type Institutional Management  
 Institution’s Project Advocate Kent Postma, Vice President for Ambulatory Operations and Clinical Infrastructure Development  
 Project Delivery Method Design/Build  
 Gross Square Feet (GSF) 45,100

**Project Funding**

Hospital Revenues	<u>Proposed</u> <u>\$60,000,000</u>
Total Project Cost	\$60,000,000

**Project Cost Detail**

	Cost
Building Cost	\$24,700,000
Fixed Equipment	23,310,000
Site Development	675,000
Furniture and Moveable Equipment	6,500,000
Institutionally Managed Work	780,000
Architectural/Design Services	1,360,000
Project Management	1,500,000
CIP Support Services	-
Insurance	190,000
Other Professional Fees	260,000
Project Contingency	600,000
Other Costs	125,000
<b>Total Project Cost</b>	<b>\$60,000,000</b>

**Project Planning**

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

**Project Milestones**

Definition Phase Approval	June 2022
Addition to CIP	February 2024
Design Development Approval	February 2024
Construction Notice to Proceed	June 2024
Substantial Completion	October 2025
Final Completion	December 2025

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

The Board approved the following recommendation:

RECOMMENDATION

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

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$100,000,000 with funding of \$90,000,000 from Revenue Financing System (RFS) Bond Proceeds and \$10,000,000 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. Health Science Center - San Antonio, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$90,000,000.

BACKGROUND INFORMATION

Debt Service

The \$90,000,000 in RFS debt will be repaid from indirect cost recovery. Annual debt service on the \$90,000,000 in RFS debt is expected to be \$6.4 million. The institution's Scorecard Rating of 7.4 at fiscal year-end 2023 is above the threshold of 6.0 as expected under the institution's long-range financial plan previously presented to the Board. The long-range plan along with the institution's operating reserves demonstrate that U. T. Health Science Center - San Antonio has the financial capacity to satisfy its direct obligations related to parity debt.

Previous Actions

On February 28, 2022, the Chancellor approved this project for Definition Phase. On August 24, 2023, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$100,000,000 with funding of \$90,000,000 from RFS Bond Proceeds and \$10,000,000 from Designated Funds.

Project Description

The proposed Science One Building is designed to house investigators whose research focus will be in cancer biology, neuroscience, aging biology, and age-associated disorders, using state-of-art technologies including microscopy, genomics, bioinformatics, molecular and cellular technologies to allow a deeper understanding of the processes that go awry leading to diseases and other medical conditions. The studies that will be conducted in the new building will also allow the development of therapeutics for human cancers and neurological and aging-associated diseases.

The project will provide wet lab research, support labs, equipment zones, offices, write up spaces, and one lab suite to accommodate future cryo electron microscopy stations. In the Biology space, investigators will focus on major types of cancers including breast, ovarian, and prostate cancers as well as the causes that underlie the prevalence of cancers across ethnicities and populations.

The Science One Building will be located across the street from the Center for Brain Health and will connect to the Sam and Ann Barshop Institute for Longevity and Aging Studies building and its vivarium including the Vivarium Expansion project proposed in Facilities Planning and Construction Committee Item 11.

**The University of Texas Health Science Center at San Antonio  
Science One Building**

**Project Information**

Project Number	402-1351C
CIP Project Type	New Construction
Facility Type	Laboratory, Medical/Healthcare
Management Type	Institutional Management
Institution’s Project Advocate	Michael Charlton, Vice President for Facilities and Capital Planning
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	96,775
Shell Space (GSF)	30,000

**The University of Texas Health Science Center at San Antonio  
Science One Building**  
(continued)

**Project Funding**

	<u>Current</u>
Revenue Financing System Bond Proceeds <sup>1</sup>	\$90,000,000
Designated Funds	<u>\$10,000,000</u>
Total Project Cost	\$100,000,000

<sup>1</sup> Revenue Financing System (RFS) Bond Proceeds to be repaid from indirect cost recovery

**Project Cost Detail**

	Cost
Building Cost	\$ 68,150,000
Fixed Equipment	650,000
Site Development	3,392,360
Furniture and Moveable Equipment	5,950,000
Institutionally Managed Work	1,750,000
Architectural/Design Services	7,325,000
Project Management	3,250,000
CIP Support Services	200,000
Insurance	1,515,000
Other Professional Fees	2,055,000
Project Contingency	5,562,640
Other Costs	200,000
<b>Total Project Cost</b>	<b>\$100,000,000</b>

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

Science One Building (includes 31% Shell Space)	\$704
Science One Building (Total Estimated Finish-Out)	\$879
Texas Higher Education Coordinating Board Average – Laboratory, Medical/Healthcare	\$761
	Low Quartile
	Median
	High Quartile
Other U. T. System Projects	\$618
National Projects	\$769
	\$994
	\$1,249

**Investment Metrics**

- Increase the number of Principal Investigators in areas of cancer biology, neuroscience and aging biology from 276 to 300 by 2026, with an additional 16 future investigators upon finish-out of the building

**The University of Texas Health Science Center at San Antonio  
Science One Building**  
(continued)

**Project Milestones**

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

**Basis of Design**

The planned building life expectancy includes the following elements:

- Enclosure: 30 years
- Building Systems: 25 years
- Interior Construction: 25 years

11. U. T. Health Science Center - San Antonio: UT Health San Antonio Infrastructure - Approval of design development; and appropriation of funds and authorization of expenditure for Vivarium Expansion Phase B

The Board approved the following recommendation:

RECOMMENDATION

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

- a. approve design development plans for Vivarium Expansion Phase B; and
- b. appropriate funds and authorize expenditure of \$10,000,000 from Permanent University Fund (PUF) Bond Proceeds for Vivarium Expansion Phase B.



## BACKGROUND INFORMATION

### Previous Actions

On February 28, 2022, the Chancellor approved this project for Definition Phase. On August 25, 2022, the U. T. Health San Antonio Infrastructure project was included in the CIP with a total project cost of \$50,123,467 from PUF Bond Proceeds for Central Energy Plant Phase A, and approval of design development plans. Also included in the CIP was the Vivarium Expansion Phase B with a total project cost of \$10,000,000 from PUF Bond Proceeds.

### Project Description

The Vivarium Expansion Phase B will be located on the Greehey Campus adjacent to the existing vivarium in the Sam and Ann Barshop Institute for Longevity and Aging Studies building. The expansion will add nine animal holding rooms and five procedure rooms to increase capacity by 3,520 research animals. This addition will create synergistic adjacencies for the Barshop Institute and the connected Science One Building, Facilities Planning and Construction Committee Item 10.

The Central Energy Plant Phase A project currently underway, will allow the institution to provide redundancy to the existing clinical research facilities on the Greehey campus including the Barshop Institute, the Center for Brain Health, the Medical Arts and Research Center, the Center for Oral Health Care, the Mays Cancer Center, and the Science One Building. The energy plant is scheduled to be operational by August 2024.

## **The University of Texas Health Science Center - San Antonio UT Health San Antonio Infrastructure, Vivarium Expansion, Phase B**

### **Project Information**

Project Number	402-1352 B
CIP Project Type	New Construction
Facility Type	Laboratory, General
Management Type	Institutional Management
Institution's Project Advocate	Michael Charlton, Vice President for Facilities and Capital Projects
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	8,500

**The University of Texas Health Science Center - San Antonio**  
**UT Health San Antonio Infrastructure, Vivarium Expansion, Phase B**  
 (continued)

**Project Funding**

Permanent University Fund Bond Proceeds	<u>Current</u> <u>\$10,000,000</u>
Total Project Cost	\$10,000,000

**Project Cost Detail**

	Cost
Building Cost	\$7,675,000
Fixed Equipment	50,000
Site Development	-
Furniture and Moveable Equipment	10,000
Institutionally Managed Work	50,000
Architectural/Design Services	820,000
Project Management	425,000
CIP Support Services	25,000
Insurance	143,715
Other Professional Fees	135,000
Project Contingency	626,285
Other Costs	40,000
<b>Total Project Cost</b>	<b>\$10,000,000</b>

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

Vivarium Expansion, Phase B	\$903		
Texas Higher Education Coordinating Board Average - Laboratory, General	\$801		
Texas Higher Education Coordinating Board Average – Laboratory, Medical/Healthcare	\$761		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$848	\$866	\$889
National Projects	\$717	\$848	\$1,219

**Investment Metrics**

- Add nine animal holding rooms and five procedure rooms to increase capacity by 3,520 research animals by 2026

**The University of Texas Health Science Center - San Antonio**  
**UT Health San Antonio Infrastructure, Vivarium Expansion, Phase B**  
(continued)

**Project Planning**

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

**Project Milestones**

Definition Phase Approval	February 2022
Addition to CIP	August 2022
Design Development Approval	February 2024
Construction Notice to Proceed	August 2024
Substantial Completion	August 2026
Final Completion	October 2026

**Basis of Design**

The planned building life expectancy includes the following elements:

- Enclosure: 30 years
- Building Systems: 25 years
- Interior Construction: 25 years

12. U. T. Tyler: Science Building - Amendment of the current Capital Improvement Program to increase total project cost; approval of design development; approval to revise funding sources; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board approved the following recommendation:

**RECOMMENDATION**

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

- a. amend the current Capital Improvement Program (CIP) to increase the total project cost from \$90,000,000 to \$103,000,000;

- b. approve design development plans;
- c. revise funding sources to include Revenue Financing System (RFS) Bond Proceeds;
- d. appropriate funds and authorize expenditure of \$103,000,000 with funding of \$44,922,833 from Capital Construction Assistance Project (CCAP) Bond Proceeds, \$42,000,000 from Permanent University Fund (PUF) Bond Proceeds, \$1,577,167 from Unexpended Plant Funds, \$1,500,000 from Gifts, and \$13,000,000 from RFS Bond Proceeds; and
- e. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Tyler, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$13,000,000.

### BACKGROUND INFORMATION

#### Debt Service

The \$13,000,000 in RFS debt will be repaid from laboratory fees. Annual debt service on the \$13,000,000 in RFS debt is expected to be \$724,000. The institution's Scorecard Rating of 4.8 at fiscal year-end 2023 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

#### Previous Actions

On May 5, 2022, the Chancellor approved this project for Definition Phase. On August 24, 2023, via the consent agenda, the project was included in the CIP with a total project cost of \$90,000,000 with funding with funding of \$44,922,833 from CCAP, \$42,000,000 from PUF Bond Proceeds, \$1,577,167 from Unexpended Plant Funds, and \$1,500,000 from Gifts.

Project Description

The three-story, approximately 125,664 gross square foot (GSF), Science Building project will provide flexible, state-of-the-art labs for research and teaching with the associated instrumentation, prep, and write-up spaces for the Chemistry and Biology Departments. Other programmatic functions will include offices and conference rooms to support faculty and graduate students, dedicated student success areas with common areas, huddle spaces, and open study locations, and a shared chemical suite with stock and dispensing rooms to serve the entire building. The building will also include 7,520 GSF of first floor shell space and 42,720 GSF of third floor shell space for future chemistry research and teaching use.

The proposed increase in the total project cost is directly attributable to the addition of 5,664 GSF needed for the teaching and research wet lab space to meet programmatic criteria.

Infrastructure improvements include extension of campus telecom and electrical feeds, new utility vaults, connections to existing natural gas distribution, fire lines and hydrants, storm water management, and connections to existing campus hydronic supply and return. Exterior improvements will include landscaping, irrigation, site lighting, and sidewalks designed to interact with existing campus pedestrian traffic.

**The University of Texas at Tyler  
Science Building**

**Project Information**

Project Number	802-1408
CIP Project Type	New Construction
Facility Type	Laboratory, General
Management Type	Office of Capital Projects
Institution’s Project Advocate	Neil Gray, Dean, College of Arts and Sciences
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	125,664
Shell Space (GSF)	50,240

**Project Funding**

	<u>Current</u>	<u>Proposed</u>
Capital Construction Assistance Project Bond Proceeds	\$44,922,833	\$44,922,833
Permanent University Fund Bond Proceeds	42,000,000	42,000,000
Revenue Financing System Bond Proceeds <sup>1</sup>	0	13,000,000
Unexpended Plant Funds	1,577,167	1,577,167
Gifts <sup>2</sup>	<u>1,500,000</u>	<u>1,500,000</u>
<b>Total Project Cost</b>	<b>\$90,000,000</b>	<b>\$103,000,000</b>

<sup>1</sup> Revenue Financing System (RFS) Bond Proceeds to be repaid from Laboratory Fees

<sup>2</sup>Gifts - Not all of the gift funding authorized for expenditure is fully collected or committed at this time; however, the Office of Finance has determined that the institution has sufficient local funds to cover any shortfall.

**The University of Texas at Tyler  
Science Building**  
(continued)

**Project Cost Detail**

	Cost
Building Cost	\$79,875,000
Fixed Equipment	-
Site Development	3,000,000
Furniture and Moveable Equipment	2,200,000
Institutionally Managed Work	2,000,000
Architectural/Design Services	6,445,841
Project Management	2,000,000
CIP Support Services	25,000
Insurance	1,759,765
Other Professional Fees	2,150,000
Project Contingency	3,544,394
Other Costs	-
<b>Total Project Cost</b>	<b>\$103,000,000</b>

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

Science Building (includes 40% Shell Space)	\$636		
Science Building (Total Estimated Finish-Out)	\$759		
Texas Higher Education Coordinating Board Average - Laboratory, General	\$801		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$635	\$697	\$794
National Projects	\$624	\$795	\$1,053

**Investment Metrics**

- Increase undergraduate students from 5,726 to 8,741 by 2027
- Increase total combined graduate students from 30 to 52 by 2027

**Project Planning**

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

**The University of Texas at Tyler  
Science Building**  
(continued)

**Project Milestones**

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

**Basis of Design**

The planned building life expectancy includes the following elements:

- Enclosure: 50 years
- Building Systems: 20 years
- Interior Construction: 15 years

13. U. T. Tyler: Longview University Center Addition - Approval of design development; and appropriation of funds and authorization of expenditure

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents approve the recommendations for the Longview University Center Addition project at The University of Texas at Tyler as follows:

- a. approve design development plans; and
- b. appropriate funds and authorize expenditure of \$10,000,000 from Capital Construction Assistance Project (CCAP) Bond Proceeds.

BACKGROUND INFORMATION

Previous Actions

On December 7, 2022, the Chancellor approved this project for Definition Phase. On August 24, 2023, via the consent agenda, the project was included in the Capital

Improvement Program with a total project cost of \$10,000,000 with funding from CCAP Bond Proceeds.

Project Description

The proposed addition of approximately 10,011 gross square feet to the existing Longview University Center will provide a classroom, multipurpose wet lab, nursing skills lab, nursing health assessment lab, and an office. The facility will expand bachelor's degree programs in the Longview and Gregg County communities and support a seamless transfer of students between Kilgore College and U. T. Tyler, allowing access to both institutions through a dual admission process.

This project will also include critical site improvements to the existing campus drive to include roadwork that will improve overall traffic ingress and egress, assist with student pick-up and drop-off to the adjacent University Academy, and initiate expansion of future parking and inner campus transportation routes.

**The University of Texas at Tyler  
Longview University Center Addition**

**Project Information**

Project Number	801-1455
CIP Project Type	New Construction
Facility Type	Classroom, Medical/Healthcare
Management Type	Institutional Management
Institution's Project Advocate	Amir Mirmiran, Executive Vice President of Academic Affairs and Provost
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	10,011

**Project Funding**

Capital Construction Assistance Project Bond Proceeds	<u>Current</u> <u>\$10,000,000</u>
Total Project Cost	\$10,000,000



**The University of Texas at Tyler  
Longview University Center Addition**  
(continued)

**Project Cost Detail**

	Cost
Building Cost	\$5,969,267
Fixed Equipment	-
Site Development	1,689,683
Furniture and Moveable Equipment	280,000
Institutionally Managed Work	550,000
Architectural/Design Services	596,650
Project Management	300,000
CIP Support Services	25,000
Insurance	10,400
Other Professional Fees	279,000
Project Contingency	300,000
Other Costs	-
<b>Total Project Cost</b>	<b>\$10,000,000</b>

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

Longview University Center Addition	\$596		
Texas Higher Education Coordinating Board Average - Classroom, Medical/Healthcare	\$667		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$544	\$640	\$764
National Projects	\$491	\$693	\$889

**Investment Metric**

- Increase enrollment across all programs from 315 to 1,000 students by 2028

**Project Planning**

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

**The University of Texas at Tyler**  
**Longview University Center Addition**  
(continued)

**Project Milestones**

Definition Phase Approval	December 2022
Addition to CIP	August 2023
Design Development Approval	February 2024
Construction Notice to Proceed	April 2024
Substantial Completion	July 2025
Final Completion	August 2025

**Basis of Design**

The planned building life expectancy includes the following elements:

- Enclosure: 50 years
- Building Systems: 20 years
- Interior Construction: 15 years

APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD.--At 8:07 a.m., the Board voted and unanimously approved the Standing Committee recommendations.

AGENDA ITEMS (continued)

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

Chairman Eltife noted the following related to the Consent Agenda:

- Regent Jiles will abstain from discussion and vote on Consent Agenda Items 6, 10, 34, 44, and 53 due to financial interests.
- Consent Agenda Item 2 requests approval of terms of employment with Julia Rathgeber as Vice Chancellor for Governmental Relations. In approving this item, the Board is asked to make a finding that the proposed agreement is in the best interest of U. T. System.
- Item 11 requests approval of the Fiscal Year 2025 Budget Preparation Policies, including the Calendar for budget operations, and the Annual Operating Budget Rules and Procedures.
- Item 14 requests reapproval of U. T. Arlington's lease of space to the Bezos Academy for a tuition-free preschool education program, including a finding of public purpose as described in the item.
- Under Items 23 through 26, U. T. Austin requests approval of amendments to terms of employment agreements for the Head Football Coach and three assistant coaches.
- Item 30 requests authorization to accept a loan of outdoor art to be placed in the center of the U. T. Permian Basin Bright Star Memorial Plaza.
- Item 32 requests authorization for U. T. Rio Grande Valley to purchase land improved with a vacant elementary school from the Brownsville Independent School District.
- Item 49 concerns designation by the International Atomic Energy Agency of U. T. M. D. Anderson Cancer Center as an International Atomic Energy Agency Collaborating Centre.
- Item 54 requests approval of an Amended and Restated Certificate of Formation for the M. D. Anderson Services Corporation to update the composition of the Corporation's Board of Directors.

Regent Jiles moved approval of the Consent Agenda, which was seconded by Regent Crain. The Board then approved the Consent Agenda, which is set forth on Pages 85 - 157.

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

4. U. T. System Board of Regents: Discussion and appropriate action regarding Amendment to Regents' Rules and Regulations, to add new Rule 10902, concerning Framework for Research Security Policies, and other actions needed to comply with Texas Education Code Section 51.956

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor recommends that the U. T. System Board of Regents take the following actions:

- a. approve the addition of new Regents' Rule 10902 as set forth on the following page to establish a framework for U. T. System research security policies as required by Senate Bill 1565, passed by the Texas Legislature, 88<sup>th</sup> Regular Session, codified as *Texas Education Code* [Section 51.956](#), and effective September 1, 2023, and applicable federal laws and regulations;
- b. designate Mr. Trey Atchley, Chief Inquiry Officer and Chief Research Security Officer for the U. T. System, as the Systemwide Research Security Officer for purposes of complying with *Texas Education Code* [Section 51.956](#) (RSO) and delegate to the Chancellor authority to name succeeding RSOs; and
- c. approve each U. T. institution's [proposed institutional Research Security policy framework](#) and delegate to the RSO authority to approve subsequent amendments to institutional Research Security policy frameworks.

BACKGROUND INFORMATION

The proposed new Rule 10902 establishes the context and framework for the research security policies for all U. T. institutions as required by Senate Bill 1565 and included in Texas law as *Texas Education Code* [Section 51.956](#). That legislation also requires the Board to designate an individual to serve as Systemwide Research Security Officer for the U. T. System and establish research security policy frameworks for each institution.

Mr. Atchley currently serves as Chief Inquiry Officer and Chief Research Security Officer for the U. T. System and advises institutions on matters related to research and data security and other key risk areas. Prior to his employment with U. T. System, Mr. Atchley served as a Special Agent with the Federal Bureau of Investigation for over twenty years. Mr. Atchley has reviewed each proposed institutional policy framework and found them to be in compliance with the framework outlined in the proposed new Regents' Rule 10902.

The new Rule is not expected to impact the U. T. System full-time equivalent (FTE) employee count or budget. The proposed Rules change was reviewed by the institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

**1. Title**

Research Security Policies

**2. Rule and Regulation**

Sec. 1 Purpose. Federal and State governments and granting agencies have recognized the risks of foreign influence within the higher education research community and that some foreign governments, institutions, and researchers have used their participation in the research community to compromise U.S. national and economic security. Education and research are core missions of every U. T. institution, and the Board recognizes the value and necessity of international collaborations in fulfilling these goals. Therefore, to mitigate the risks related to research security and foreign interference, it is imperative that each U. T. institution follow the highest standards of compliance and security and pursue international collaborations with researchers and institutions similarly committed to research integrity, transparency, and reciprocity.

Sec. 2 Research Security Programs and Policies. Each U. T. institution shall submit for Board approval a policy framework addressing research security risks.

a. Each policy framework shall seek to achieve the highest level of compliance with all applicable ethical, legal, regulatory, and contractual guidelines to secure, protect, and expand the institution's research portfolio, including but not limited to the following categories of research: classified, export-controlled, controlled unclassified, and fundamental.

b. Each U. T. institution shall appoint a Research Security Officer and establish a research security program that addresses key risk areas identified by federal and state governments, including [National Security Presidential Memorandum-33](#) and *Texas Education Code Section 51.956*, which are applicable to each institution's research portfolio, including, but not limited to, intellectual property, cybersecurity, research and proprietary data security, clinical trial data security, foreign collaborations, foreign travel, foreign visitors, foreign scholars and scientists, insider threats, and any other key risk areas.

- c. U. T. System Administration and each U. T. institution shall promote an organizational culture of compliance regarding research security and shall periodically monitor and assess the effectiveness of their programs. Institutional Research Security Officers shall promptly inform the Systemwide Research Security Officer regarding research security incidents that may significantly impact the mission or reputation of U. T. System or a U. T. institution.

**3. Definitions**

None

**4. Relevant Federal and State Statutes**

[National Security Presidential Memorandum-33](#)

*Texas Education Code* [Section 51.956](#) – Policy Framework for Research Security

**5. Relevant System Policies, Procedures, and Forms**

None

**6. Who Should Know**

Compliance Officers

**7. System Administration Office(s) Responsible for Rule**

Office of Systemwide Compliance  
Office of Risk Management

**8. Dates Approved or Amended**

[Regents' Rules Revision History](#)

**9. Contact Information**

Questions or comments regarding this Rule should be directed to:

- [bor@utsystem.edu](mailto:bor@utsystem.edu)

5. U. T. System Board of Regents: Presentation of Certificate of Appreciation to Director Michael J. Heidingsfield (Deferred)

This item was deferred.

RECESS TO EXECUTIVE SESSION.--At 8:10 a.m. the Board recessed to Executive Session, pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073, 551.074, 551.076, and 551.089 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 AND TO CONSIDER AGENDA ITEMS.--Chairman Eltife reconvened the Board in Open Session at 9:22 a.m. to consider action on the following 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 including interim presidents); U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors); other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive); Board members; and U. T. System and institutional employees

No action was taken on this item.

- 1b. U. T. Arlington: Discussion with president regarding individual duties and responsibilities associated with strategic issues related to real property and campus expansion

No action was taken on this item.

- 2a. U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features

No action was taken on this item.

- 2b. U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features

No action was taken on this item.



3a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

3b. 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.

3c. U. T. Austin: Discussion and appropriate action regarding legal issues related to the extension of the ground lease to the West Austin Youth Association, located at 1314 Exposition Boulevard, Austin, Travis County, Texas and related finding of public purpose

See related Item 4a for action taken in Open Session.

3d. U. T. Austin: Discussion and appropriate action regarding legal issues associated with ground lease of approximately 1.64 acres of improved land and related agreements with The 2033 Higher Education Development Foundation, which will enter into a development contract with Balfour Beatty Campus Solutions, LLC or a subsidiary thereof, for an approximately 1,000-bed undergraduate student housing complex at 2610 Whitis Avenue, Austin, Travis County, Texas, and related finding of public purpose

See related Item 4b for action taken in Open Session.

4a. U. T. Austin: Discussion and appropriate action regarding extension of the ground lease to the West Austin Youth Association, located at 1314 Exposition Boulevard, Austin, Travis County, Texas and related finding of public purpose

Regent Jiles made the following motion:

I move that the U. T. System Board of Regents take the following actions on behalf of U. T. Austin:

- a. authorize amending the lease to West Austin Youth Association, Inc., located at 1314 Exposition Boulevard, Austin, Travis County, Texas, for a term not to exceed one year and on terms in accordance with the parameters recommended in Executive Session; and
- b. authorize the Executive Vice Chancellor for Business Affairs or designee 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.

I further move that the Board find that

1. the lease amendments support the public mission of and serve a public purpose appropriate to the functions of U. T. Austin;
2. U. T. Austin will maintain sufficient controls under the terms of the amendments to ensure the public purpose will continue to be met on an ongoing basis; and
3. the lease amendments will result in adequate consideration and benefits to U. T. Austin and the State of Texas.

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

- 4b. U. T. Austin: Discussion and appropriate action regarding entering into a ground lease of approximately 1.64 acres of improved land and related agreements with The 2033 Higher Education Development Foundation, which will enter into a development contract with Balfour Beatty Campus Solutions, LLC or a subsidiary thereof, for an approximately 1,000-bed undergraduate student housing complex at 2610 Whitis Avenue, Austin, Travis County, Texas; resolution regarding parity debt; and finding of public purpose

Regent Stedman made the following motion:

I move that the U. T. System Board of Regents take the following actions on behalf of U. T. Austin:

- a. authorize entering into a ground lease and related agreements with The 2033 Higher Education Development Foundation, (the “Foundation”) who will enter into a development contract with Balfour Beatty Campus Solutions, LLC or a subsidiary thereof for the development of an approximately 1,000-bed student housing complex at 2610 Whitis Avenue, Austin, Travis County, Texas, on terms and in accordance with parameters outlined in Executive Session;
- b. authorize U. T. Austin to utilize U. T. System’s Revenue Financing System (“RFS”) to finance the project, on terms in accordance with the parameters outlined in Executive Session; and
- c. make the findings required under Section 5 of the Amended and Restated Master Resolution establishing the RFS relating to the issuance of parity debt on behalf of U. T. Austin in an aggregate

amount as outlined in Executive Session and that this action satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations*.

I further move that the Board:

- a. delegate authority to the Executive Vice Chancellor for Business Affairs, following review and approval by President Hartzell, the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel (or their respective designees), to execute a ground lease to the Foundation for development and construction of the project described above and to execute all other documents and to take all further actions deemed necessary to enter into such ground lease and related agreements; and
- b. delegate authority to President Hartzell, following review and approval by the Chancellor, the Executive Vice Chancellors for Academic Affairs and Business Affairs, and the Vice Chancellor and General Counsel, to take all other steps necessary to effectuate this authorization, including the authority to execute a Memorandum of Understanding and any related ancillary agreements with the Foundation and other parties for the project described above for the use, benefit, and enjoyment of U. T. Austin.

I also recommend that the Board find that:

1. the ground lease and any related agreements support the public mission of and serve a public purpose appropriate to the function of U. T. Austin;
2. pursuant to the ground lease, U. T. Austin will have sufficient safeguards in place to ensure the public purpose will continue to be met on an ongoing basis; and
3. the transaction will result in adequate consideration and benefits to U. T. Austin and the State of Texas.

The motion was seconded by Regent Crain and carried unanimously.

- 4c. U. T. San Antonio: Discussion and appropriate action regarding the grant of an exclusive option to purchase or lease to the City of San Antonio real property and improvements comprised of approximately 13.59 acres and approximately 180,000 square feet of improvements located on the Hemisfair campus at 801 E Cesar E. Chavez Boulevard, San Antonio, Bexar County, Texas, for a potential downtown revitalization project

Vice Chairman Weaver made the following motion:

I move that the U. T. System Board of Regents take the following actions on behalf of U. T. San Antonio:

- a. conditionally authorize the grant of an exclusive option to purchase or lease to the City of San Antonio of real property and improvements comprised of approximately 13.59 acres and approximately 180,000 square feet of improvements located on the Hemisfair campus at 801 E Cesar E. Chavez Boulevard, San Antonio, Bexar County, Texas, for a potential downtown revitalization project on terms in accordance with the parameters outlined in Executive Session; and
- b. authorize the Executive Vice Chancellor for Business Affairs 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 outlined in Executive Session.

The motion was seconded by Regent Perez and carried unanimously.

- 4d. U. T. Southwestern Medical Center: Discussion and appropriate action regarding authorization to lease approximately 36 acres of land located at the southeast quadrant of Harry Hines Boulevard and Mockingbird Lane, Dallas, Dallas County, Texas, to Pediatric Health Management Services (PHMS) and/or assigns for the development and operation of a new pediatric hospital, campus, and clinical facilities

Regent Warren made the following motion:

I move that the U. T. System Board of Regents take the following actions on behalf of U. T. Southwestern:

- a. authorize the lease of approximately 36 acres of land located at the southeast quadrant of Harry Hines Boulevard and Mockingbird Lane, Dallas, Dallas County, Texas, to Pediatric Health Management Services (PHMS) and/or assigns for the development and operation of a new pediatric hospital, campus, and clinical facilities on terms in accordance with the parameters outlined in Executive Session; and

- b. authorize the Executive Vice Chancellor for Business Affairs 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 outlined in Executive Session.

The motion was seconded by Vice Chairman Longoria and carried unanimously.

5. 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.

Before adjourning, Chairman Eltife acknowledged the decision of President Kirk Calhoun to retire after 22 years of service to U. T. Tyler and the Health Science Center at U. T. Tyler. He noted there will be time to formally celebrate his retirement in the coming months, and the Board will begin a process to find his replacement in the weeks or months to come, but today the board would like to publicly thank Dr. Calhoun for his decades of exemplary service to U. T. Tyler.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 9:30 a.m.

/s/  
Tina E. Montemayor  
Secretary to the Board of Regents  
February 22, 2024



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CONSENT AGENDA**

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Austin, Texas

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**MEETING OF THE BOARD**

- |    |  |           |
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| 1. | Minutes - <b>U. T. System Board of Regents:</b> Approval of Minutes of the regular meeting held on November 15 - 16, 2023; and the special called meeting held November 28, 2023 | <b>90</b> |
| 2. | Employment Agreement - <b>U. T. System:</b> Approval of terms of Employment Agreement with Julia Jeffrey Rathgeber, as Vice Chancellor for Governmental Relations                | <b>90</b> |

**AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE**

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| 3. | Other Fiscal Matters - <b>U. T. System:</b> Authorization to settle builder's risk insurance claims for U. T. Austin; and delegation of authority | <b>92</b> |
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**FINANCE AND PLANNING COMMITTEE**

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| 4.  | Other Fiscal Matters - <b>U. T. System Board of Regents:</b> Approval of aggregate amount of \$10,000,000 of supplemental equipment financing for Fiscal Year 2024; and resolution regarding parity debt                         | <b>93</b> |
| 5.  | Contract (funds going out) - <b>U. T. System:</b> Crowe LLP to provide tax preparation and advisory services   | <b>94</b> |
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| 7.  | Contracts (funds going out) - <b>U. T. System:</b> Master Service Agreements with five prequalified firms to provide IT Staff Augmentation Services for PeopleSoft projects  | <b>96</b> |
| 8.  | Contracts (funds going out) - <b>U. T. System:</b> Master Service Agreements with seven prequalified firms to provide services to support communications, public relations, and media relations activities at U. T. institutions | <b>97</b> |
| 9.  | Contracts (funds going out) - <b>U. T. System:</b> Master Service Agreements with five prequalified firms to provide services to support fundraising and advancement services at U. T. institutions                              | <b>98</b> |
| 10. | Contracts (funds going out) - <b>U. T. System:</b> Master Service Agreements with 10 prequalified firms to provide services to support marketing and branding programs at U. T. institutions                                     | <b>99</b> |

11. Other Matters - **U. T. System**: Approval of the Fiscal Year 2025 Budget Preparation Policies including the Calendar for budget operations, and the Annual Operating Budget Rules and Procedures **100**

**ACADEMIC AFFAIRS COMMITTEE**

12. Contract (funds coming in) - **U. T. Arlington**: Fidis Logistics Solutions, LLC, to provide snack vending machine service **119**

13. Request for Budget Change - **U. T. Arlington**: New Hire with Tenure -- amendment to the 2023-2024 budget **119**

14. Lease - **U. T. Arlington**: Authorization to lease approximately 5,585 square feet of indoor space, approximately 3,200 square feet of outdoor space, and parking located at 841 West Mitchell Street, Arlington, Tarrant County, Texas, to DAY 1 ACADEMIES, dba Bezos Academy, a Delaware nonprofit corporation, for a tuition-free preschool education program; and finding of a public purpose **120**

15. Contract (funds coming in) - **U. T. Austin**: Amendment to Gastroesophageal Reflux Disease (GERD) Professional Services Agreement with Seton Family of Doctors related to the provision of clinical and other related administrative services by physicians employed by U. T. Austin’s Dell Medical School **123**

16. Contract (funds going out) - **U. T. Austin**: Agreement with Tejas Elevator Co. to provide repair and maintenance for campus elevators **123**

17. Contract (funds going out) - **U. T. Austin**: Amendment to Agreement with The Davis Group to provide communication and advertising services for U. T. Austin’s Center for Health Communication **124**

18. Contract (funds going out) - **U. T. Austin**: Amendment to Agreement with Universal Protection Services LP, dba Allied Universal Security Services, to provide armed security services at the Lyndon Baines Johnson Presidential Library **124**

19. Contract (funds going out) - **U. T. Austin**: Amendment to Agreement with athenahealth, Inc., to provide electronic medical record services at Dell Medical School / UT Health Austin **125**

20. Foreign Contract (funds going out) - **U. T. Austin**: Agreement with Marine Institute, an Irish State Agency, to obtain services of an offshore services vessel to conduct sponsored research **125**

21. Interagency Agreement (funds coming in) - **U. T. Austin**: Interagency Agreement with Texas Education Agency to provide funds for OnRamps Reimbursement Program **126**

22. Request for Budget Change - **U. T. Austin**: New Hire with Tenure -- amendment to the 2023-2024 budget **126**

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- 23. Employment Agreement - **U. T. Austin**: Approval of amendment to terms of Employment Agreement for Head Football Coach Steve Sarkisian and related Services and Intellectual Property Agreement with Sark Enterprises, Inc. **127**
- 24. Employment Agreement - **U. T. Austin**: Approval of amendments to terms of Employment Agreement for current Assistant Football Coach Jeff Banks **130**
- 25. Employment Agreement - **U. T. Austin**: Approval of amendments to terms of Employment Agreement for current Assistant Football Coach Kyle Flood **132**
- 26. Employment Agreement - **U. T. Austin**: Approval of amendment to terms of Employment Agreement for current Assistant Football Coach Pete Kwiatkowski **134**
- 27. Lease - **U. T. Austin**: Authorization to sublease approximately 53,254 square feet of office space located at 1300 Red River Street, Travis County, Austin, Texas, commonly known as Innovation Tower, to the Texas Permanent School Fund Corporation, a special purpose governmental corporation (Texas PSF) **136**
- 28. Gift - **U. T. Austin**: Authorization to accept a gift of approximately 68 acres of land located on Carlos G Parker Boulevard SW (US Hwy 79), near the intersection of FM 973, Taylor, Williamson County, Texas, and approximately \$200,000 in cash assets from Temple College at Taylor Foundation Inc., for the future development of a programmed education and research facility **137**
- 29. Request for Budget Change - **U. T. Dallas**: New Hires with Tenure -- amendment to the 2023-2024 budget **138**
- 30. Gift - **U. T. Permian Basin**: Authorization to accept a loan of outdoor art to be placed in the center of the U. T. Permian Basin Bright Star Memorial Plaza **138**
- 31. Contract (funds coming in) - **U. T. Rio Grande Valley**: Campus Food Services Agreement and Trademark License Agreement with Compass Group USA through its Chartwells Division **141**
- 32. Purchase - **U. T. Rio Grande Valley**: Authorization to purchase approximately 4.24 acres of land improved with a vacant elementary school campus totaling approximately 45,852 square feet, located at 2400 East Van Buren Street, Brownsville, Cameron County, Texas, from the Brownsville Independent School District, for future campus expansion **141**

**HEALTH AFFAIRS COMMITTEE**

- 33. Contract (funds coming in) - **U. T. Southwestern Medical Center**: To provide multi-specialty professional medical services, medical administrative services, and certain graduate medical education services to Texas Health Presbyterian Hospital Dallas **142**
- 34. Lease - **U. T. Southwestern Medical Center**: Authorization to lease approximately 10,524 rentable square feet of space located at 1300 East Lookout Drive, Richardson, Dallas County, Texas, from Exeter 1300 Lookout, L.P, a Texas limited partnership, for ophthalmology and medical office use **143**



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**FACILITIES PLANNING AND CONSTRUCTION COMMITTEE**

No items for Consent Agenda

## MEETING OF THE BOARD

1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meeting held on November 15 - 16, 2023; and the special called meeting held November 28, 2023
2. Employment Agreement - U. T. System: Approval of terms of Employment Agreement with Julia Jeffrey Rathgeber, as Vice Chancellor for Governmental Relations

The employment agreement summarized below has been approved by the Chancellor and is recommended for approval by the U. T. System Board of Regents.

Item:	Vice Chancellor for Governmental Relations
Funds:	\$435,000
Period:	Beginning February 1, 2024
Description:	Agreement for employment of Julia Jeffrey Rathgeber, as Vice Chancellor for Governmental Relations. The Vice Chancellor for Governmental Relations reports to the Chancellor and holds office without fixed term, subject to the pleasure of the Chancellor. The employment agreement is on the following pages.



# The University of Texas System

Office of Talent and Innovation  
210 West Seventh Street  
Austin, Texas 78701  
512-499-4587  
[WWW.UTSYSTEM.EDU](http://WWW.UTSYSTEM.EDU)

January 19, 2024

Ms. Julia Jeffrey Rathgeber



Dear Ms. Rathgeber,

I am pleased to offer you the position of Vice Chancellor for Governmental Relations at The University of Texas System, effective February 1, 2024.

As Vice Chancellor for Governmental Relations, you will report directly to the Chancellor. Your gross annual salary will be \$435,000, paid in monthly installments minus taxes and deductions. You will be eligible for all standard UT System fringe benefits under state law, including retirement plan contributions, health and dental insurance, and paid leave. The Office of Talent and Innovation will provide details on these benefits; for additional information, see <https://www.utsystem.edu/offices/human-resources/prospective-employees/benefits-summary>).

Once we have received your acceptance of this offer, the Office of Talent and Innovation will contact you to initiate your new hire process. This offer is contingent on the completion of standard pre-employment requirements, including a criminal background check and approval of compensation by the UT System Board of Regents. Your employment will be at will, and this letter is not a contract for a defined period of time.

If these terms of employment are agreeable, please sign and date this letter and return it to my office. We are exceedingly pleased that you will be joining the UT System family, and we stand ready to assist you in your transition to the UT System Administration and the Office of Governmental Relations.

Sincerely,

James B. Milliken  
Chancellor

Lee Hage and Joseph D. Jamail Regents Chair in Higher Education Leadership

  
Accepted by: Ms. Julia Jeffrey Rathgeber  
Date

## **AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE**

3. Other Fiscal Matters - U. T. System: Authorization to settle builder's risk insurance claims for U. T. Austin; and delegation of authority

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

- a. approve, in accordance with Regents' Rule 80601, final settlement of the U. T. Austin builder's risk insurance claim covered under the Master Builder's Risk Program in the amount of \$2,308,494; and
- b. delegate authority to the Executive Vice Chancellor for Business Affairs to execute all related Proofs of Loss and other settlement documents.

### BACKGROUND INFORMATION

The Master Builder's Risk Program provides property insurance coverage for Major Capital Improvement Program (CIP) projects. The insurance includes coverage for project work, equipment, damage to existing property, and delay in completion losses when the delay is caused by physical damage to the project.

On July 30, 2021, U. T. Austin construction project 102-782, South End Zone Addition at 2100 San Jacinto Boulevard, Austin, Texas 78712, discovered pitting damages to the glass panels caused by grinding/welding activities during construction.

The general contractor replaced the windows at a total cost of \$2,308,494. After application of the \$25,000 deductible, the final net settlement is \$2,283,494. U. T. Austin agrees with this settlement.

## FINANCE AND PLANNING COMMITTEE

4. Other Fiscal Matters - U. T. System Board of Regents: Approval of aggregate amount of \$10,000,000 of supplemental equipment financing for Fiscal Year 2024; and resolution regarding parity debt

The Executive Vice Chancellor for Business Affairs recommends approval of an additional \$10,000,000 for U. T. Austin to finance a new video display and ribbon retrofit and related costs for Darrell K Royal-Texas Memorial Stadium. U. T. Austin expects to repay the debt as gifts are collected. U. T. Austin 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) that:

- parity debt shall be issued to fund all or a portion of the project, including any costs prior to the issuance of such parity debt;
- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the RFS Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System;
- U. T. Austin, 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 \$10,000,000; 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.

5. Contract (funds going out) - U. T. System: Crowe LLP to provide tax preparation and advisory services

Agency: Crowe LLP

Funds: Estimated \$2,949,364 over the full term of the contract inclusive of optional renewals

Period: September 1, 2023 through August 31, 2025; with option of two two-year renewals

Description: Crowe LLP will provide professional tax and accounting services related to the preparation of the annual Form 990-T Unrelated Business Income Tax return, and related tax advisory services. This contract is being brought forward for Board approval as it is projected to reach U. T. System's \$2,000,000 delegation threshold during the second renewal period. The total costs under this contract are broken down as follows: initial term spend is not expected to exceed \$886,750; first two-year renewal is estimated to be \$981,554; and second two-year renewal is estimated to be \$1,081,060. This Agreement was competitively bid.

6. Contract (funds going out) - U. T. System: Fisher Scientific Company LLC to provide research lab products and distribution services

Agency: Fisher Scientific Company LLC

Funds: Total spend estimated to be \$1,235,944,905 over the maximum eight-year contract period

Period: November 1, 2023, through October 31, 2029, with two, optional one-year renewals

Description: Throughout calendar year 2023, the U. T. System Supply Chain Alliance conducted a competitive solicitation for comprehensive research lab products and distribution services. This competitive solicitation included a Request for Proposal, supplier presentations, tours of the research lab distribution centers, a best and final offer and agreement on all key business and legal issues. The evaluation committee that recommended a contract award to Fisher Scientific Company LLC was comprised of research lab subject matter experts from U. T. institutions.

The Agreement between U. T. System and Fisher Scientific Company LLC, subject to the approval of the Board of Regents, has been fully executed with an effective date of November 1, 2023. Estimated product cost savings and incremental, new administrative fees over the next three years are \$9,956,456 and \$3,376,178, respectively.

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



7. Contracts (funds going out) - U. T. System: Master Service Agreements with five prequalified firms to provide IT Staff Augmentation Services for PeopleSoft projects

- Agency:                    1. ERP Analysts, Inc.  
                                  2. r2 Technologies, Inc.  
                                  3. SpearMC Consulting, Inc.  
                                  4. TEKSystems, Inc.  
                                  5. Zencon Group Inc.
- Funds:                      Total spend for each contractor under each Master Service Agreement has the potential to exceed \$2,000,000 over the term of the Agreement.
- Period:                     An initial three-year term, November 1, 2023 through October 31, 2026; with option to renew for two one-year periods, upon mutual written agreement of both parties
- Description:                The proposed agreements are Master Service Agreements with firms that have been selected following an Invitation to Bid process.
- The Master Service Agreements provide staff augmentation services to support PeopleSoft-related projects on an as-needed basis. U. T. System Administration uses these services to provide additional short-time staffing support to large PeopleSoft related projects.
- The U. T. System Office of Shared Information Services will closely monitor the spend over the life the agreements.

8. Contracts (funds going out) - U. T. System: Master Service Agreements with seven prequalified firms to provide services to support communications, public relations, and media relations activities at U. T. institutions

Agencies:

1. CKP Communications Group, LLC
2. Elmore Public Relations, Inc.
3. JODesign, LLC, dba J.O. Agency
4. One Sixty Over Ninety, LLC
5. Satori Marketing LLC
6. Sue Ellen Jackson Marketing and Communications
7. talkStrategy, LLC

Funds: Total spend for each contractor under each Master Service Agreement has the potential to exceed \$2,000,000 over the term of the Agreement.

Period: An initial three-year term, with the option to renew for one two-year period, upon mutual written agreement of both parties

Description: This nonexclusive Systemwide Agreement allows each U. T. institution to obtain services on an as-needed basis through a Project Addendum that will designate the project scope of work, schedule, and fees, which will be paid by the U. T. institution requesting services under the Agreement. Services may include communications planning and assessments, crisis communications, issue management, writing services, reputational enhancement, social media, collateral design and development, video and photography services, serving as institution's media buy agent, website design, and all aspects of communication and public relations training and professional development.

Authorization is requested to raise the expense cap from not to exceed \$1,000,000 to an unspecified cost or monetary value with a term greater than four years and is being placed on the Consent Agenda as the total spend has or is expected to exceed \$2,000,000, which is U. T. System's contract delegation threshold. As a result, the U. T. System Office of External Relations, Communications and Advancement Services will monitor the spend by the institutions over the life of the agreements. These contracts were competitively procured.

9. Contracts (funds going out) - U. T. System: Master Service Agreements with five prequalified firms to provide services to support fundraising and advancement services at U. T. institutions

Agencies:

1. Bentz Whaley Flessner
2. Community Counseling Service CO., LLC
3. Grenzabach Glier and Associates, Inc.
4. Marts & Lundy, Inc.
5. Ruffalo Noel Levitz LLC

Funds:

Total spend for each contractor under each Master Service Agreement has the potential to exceed \$2,000,000 over the term of the Agreement.

Period:

An initial three-year term, with the option to renew for one two-year period, upon mutual written agreement of both parties

Description:

This nonexclusive Systemwide Agreement allows each U. T. institution to obtain services on an as-needed basis through a Project Addendum that will designate the project scope of work, schedule, and fees, which will be paid by the U. T. institution requesting services under the Agreement. Services may include annual giving services, alumni, grateful patient, and constituent relations services, gift planning services, advancement services, strategic planning and organizational structure services, training and professional development services, fundraising feasibility studies, campaign consulting services and artificial intelligence for advancement programs services.

Authorization is requested to raise the expense cap from not to exceed \$1,000,000 to an unspecified cost or monetary value with a term greater than four years and is being placed on the Consent Agenda as the total spend has or is expected to exceed \$2,000,000, which is U. T. System's contract delegation threshold. As a result, the U. T. System Office of External Relations, Communications and Advancement Services will monitor the spend by the institutions over the life of the agreements. These contracts were competitively procured.

10. Contracts (funds going out) - U. T. System: Master Service Agreements with 10 prequalified firms to provide services to support marketing and branding programs at U. T. institutions

- Agencies:
1. Accenture, LLP
  2. Gilbreath Communications, Inc.
  3. JODesign, LLC, dba J.O. Agency
  4. One Sixty Over Ninety, LLC
  5. Outreach Strategists LLC
  6. Satori Marketing, LLC
  7. Steel Digital Studios, Inc., dba Steel Advertising
  8. talkStrategy, LLC
  9. TradeMark Media Corporation, dba Mighty Citizen
  10. TXC Texas Creative LLC, dba Texas Creative
- Funds: Total spend for each contractor under each Master Service Agreement has the potential to exceed \$2,000,000 over the term of the Agreement.
- Period: An initial three-year term, with the option to renew for one two-year period, upon mutual written agreement of both parties
- Description: This nonexclusive Systemwide Agreement allows each U. T. institution to obtain services on an as-needed basis through a Project Addendum that will designate the project scope of work, schedule, and fees, which will be paid by the U. T. institution requesting services under the Agreement. Services may include comprehensive branding and rebranding services, developing and implementing marketing campaigns and strategic marketing plans and assessments, serving as a media buying agent, creating social media and digital marketing services, developing messaging and written content, collateral design and development (print and digital), website design, marketing training and professional development.
- Authorization is requested to raise the expense cap from not to exceed \$1,000,000 to an unspecified cost or monetary value with a term greater than four years. It is being placed on the Consent Agenda as the total spend has or is expected to exceed \$2,000,000, which is U. T. Systems contract delegation threshold. As a result, the U. T. System Office of External Relations, Communications and Advancement Services will monitor the spend by the institutions over the life of the agreements. These contracts were competitively procured.

11. Other Matters - U. T. System: Approval of the Fiscal Year 2025 Budget Preparation Policies including the Calendar for budget operations, and the Annual Operating Budget Rules and Procedures

With the concurrence of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and the Executive Vice Chancellor for Health Affairs, the Chancellor recommends that the U. T. System Board of Regents approve the Budget Preparation Policies set out on the following pages, including the Calendar for budget operations, and the Annual Operating Budget Rules and Procedures, which follows the Calendar, for use in preparing the Fiscal Year (FY) 2025 Annual Operating Budget for the U. T. System.

The U. T. System FY 2025 Budget Preparation Policies are consistent with the regulations and directives included in the General Appropriations Act and other general law enacted by the 88th Texas Legislature. Proposed changes would clarify sources of funding within the budget and conform to language for faculty merit increases or advances in rank in Regents' Rule 31002 (Evaluation of Tenured Faculty). As written, this policy provides general direction to the U. T. System institutions.

Proposed changes to the Annual Operating Budget Rules and Procedures for FY 2025 (Budget Rules) would authorize U. T. System Administration to approve all changes to Library, Equipment, Repair and Rehabilitation (LERR) projects within the approved LERR budget and clarify authority within the Budget Rules for reappropriation of Educational and General Fund balances.

## U. T. System Fiscal Year 2025 Budget Preparation Policies

1. **General Guidelines** - The regulations and directives included in the *General Appropriations Act* enacted by the 88th Texas Legislature serve as the basis for these guidelines and policies. In preparing the draft of the FY 2025 Operating Budget, the president of each institution should adhere to guidelines and policies as detailed below and as included in the *General Appropriations Act*. The Associate Vice Chancellor, Budget and Planning will issue detailed instructions regarding the implementation of those regulations and directives into the institutional budget process.

The president of each institution should examine the resources used at the institution and, where possible, redirect resources toward high priority mission critical activities and strategic competitive investments that are consistent with the goals and objectives included in the institution's Strategic and Long Range Financial Plans.

Overall budget totals, including retaining reasonable reserves for potential future financial shortfall, must be limited to the funds available for the year from General Revenue Appropriations, Estimates of Educational and General Income, other anticipated institutional revenue sources, and limited use of institutional unappropriated balances.

2. **Maintenance of Operating Margin and Use of Prior Year Balances** - Institutions should make all reasonable efforts to maintain a favorable operating margin within the FY 2025 Operating Budget. Use of prior year balances should be limited to critical items, unique opportunities, or projects funded from prior year income committed for that purpose. Generally, balance usage should be reserved for nonrecurring activities. Balance usage cannot be recommended to the U. T. System Board of Regents for approval without the consent of the Chancellor, the appropriate Executive Vice Chancellor, and the Associate Vice Chancellor, Budget and Planning.
3. **Salary Guidelines** - Recommendations regarding salary policy are subject to the following directives:

Salaries Proportional by Fund - Unless otherwise restricted, payment for salaries, wages, and benefits paid from appropriated funds, including local funds and educational and general funds as defined in *Texas Education Code* Section 51.009 (a) and (c), shall be proportional to the source of funds.

Merit Increases and Promotions - Institutions should consider available resources and resolution of any major salary inequities when implementing merit salary increases for faculty and staff.

## U. T. System Fiscal Year 2025 Budget Preparation Policies (continued)

As defined in *Texas Education Code* Section 51.962, an employee must have been employed by the institution for the six months immediately preceding the effective date of the increase to be eligible for a merit increase, and at least six months must have elapsed since the employee's last merit salary increase. These limitations also apply to one-time merit payments.

Merit increases or advances in rank for faculty are to be on the basis of teaching effectiveness, research, public service, patient care, and administration.

Merit increases or promotions for administrative and professional staff and classified staff are to be based on evaluation of performance in areas appropriate to work assignments.

In accordance with Regent's *Rules and Regulations*, performance appraisals are to be conducted annually for all employees of the U. T. System. The U. T. System Administration Office of Talent and Innovation will issue specific guidance related to this requirement.

Other Increases - Equity adjustments, competitive offers, and increases to accomplish contractual commitments should also consider merit where appropriate, subject to available resources. Subject to guidance issued by the Associate Vice Chancellor, Budget and Planning, such increases should be noted and explained in the supplemental data accompanying the budget.

New Positions - Subject to available resources, new administrative and professional staff, classified staff, and faculty positions are to be requested only when justified by workloads or to meet needs for developing new programs.

Reporting - The Associate Vice Chancellor, Budget and Planning will issue guidance on reporting of compensation changes and amounts. It is expected that required reports will encompass highly compensated and high-ranking personnel covered by Regents' *Rules and Regulations*, Rules 20203 and 20204.

4. **Staff Benefits Guidelines** - Recommendations regarding the State contribution for employee staff benefits such as group insurance premiums, teacher retirement, and optional retirement are subject to legislative determination via the *General Appropriations Act*. Payments for benefits, including for retirees, should comply with the provisions of Accounting Policy Statements No. 11, "Benefits Proportional by Fund" and the *General Appropriations Act*. The Associate Vice Chancellor, Budget and Planning will issue instructions regarding the implementation of the benefits into the budget process.

## U. T. System Fiscal Year 2025 Budget Preparation Policies (continued)

5. **Other Employee Benefits** - Employer contributions to the self-insured Unemployment Compensation Fund are based on an actuarial study. Workers' Compensation Insurance rates are experience-rated for each institution. Appropriate instructions will be issued regarding the implementation of the Unemployment Compensation Fund and Workers' Compensation Insurance Benefits.
6. **Other Operating Expenses Guidelines** - Increases in Maintenance, Operation, Equipment, and Travel are to be justified by expanded workloads, for developing new programs, or for correcting past deferrals or deficiencies.
7. **Calendar** - Authority is delegated to the Associate Vice Chancellor, Budget and Planning to modify the Calendar as needed.





**THE UNIVERSITY OF TEXAS SYSTEM**

**FISCAL YEAR 2025 OPERATING BUDGET CALENDAR**

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February 22, 2024	Board of Regents takes appropriate action on budget preparation policies and budget rules
April 19, 2024	Request for Library, Equipment, Repair and Rehabilitation new project instructions and information on balances subject to lapse are sent to institutions
May 1-10, 2024	Institution Budget Meetings with U. T. System Administration
May 1, 2024	Budget instructions issued by U. T. System Administration
June 3, 2024	New Library, Equipment, Repair and Rehabilitation project requests due to U. T. System Administration
June 24, 2024	Draft budget due to U. T. System Administration
July 2-8, 2024	Technical budget review with U. T. System Administration
July 12, 2024	Final budget due to U. T. System Administration
July 17, 2024	Reports on highly compensated staff covered by Regents' Rule 20204, institutional top ten salaries and high-ranking staff salaries due to U. T. System Administration
August 9, 2024	Operating Budget Summaries provided to the Office of the Board of Regents
August 22, 2024	Board of Regents takes appropriate action on Operating Budget and compensation of Presidents and Executive Officers

# THE UNIVERSITY OF TEXAS SYSTEM

## OPERATING BUDGET RULES AND PROCEDURES

For Fiscal Year Ending August 31, 2024<sup>5</sup>

### A. INITIAL BUDGET

1. Any transfers subsequent to the approval of the initial budget shall be made only after careful consideration of the allocations, transfer limitations, and general provisions of the current general appropriations act. (See B. Budget Amendments)
2. All appointments are subject to the provisions of the U. T. System Board of Regents' *Rules and Regulations* ("Regents' Rules") for the governance of The University of Texas System.
3. The established merit policy will be observed in determining salary rates.
4. All academic salary rates in the instructional departments of the academic institutions are nine-month rates (September 1 - May 31) unless otherwise specified. In the health-related institutions, all salary rates are twelve-month rates unless otherwise specified.
5. All appointments of classified personnel are based on twelve-month rates and are made within appropriate salary ranges as defined by the classified personnel Pay Plan approved by the president or Chancellor. All appointments of administrative and professional personnel are based on twelve-month rates.
6. Compensation for continuing personnel services (for a period longer than one month), though paid for on an hourly basis, is not to be paid out of maintenance and equipment, or like appropriations, except upon specific approval of the president of the institution or the Chancellor.
7. All maintenance and operation, equipment, and travel appropriations are for twelve months (September 1 - August 31) and should be budgeted and expended accordingly.

## B. BUDGET AMENDMENTS

1. Items requiring approval of the U. T. System Administration and subsequent approval by the U. T. System Board of Regents ~~through~~ via the Consent Agenda
  - a. New appointments of tenured faculty (Regents' Rule 31007).
  - b. Award of tenure to any faculty member (Regents' Rule 31007).
  - c. New appointments as Regental Professor (Regents' Rule 31001). Titles set forth in Regents' Rule 20301 including Chancellor Emeritus, President Emeritus and similar honorary designations are conferred by the U. T. System Board of Regents.
  - d. Appointments, promotions, and salary increases involving the president (Regents' Rules 20201, 20202, and 20203).
  - e. New contracts or contract changes involving athletic directors or head coaches whose total annual compensation equals or exceeds the amounts specified by Regents' Rule 10501 Section 2.2.12.
  - f. Compensation changes for Key Executives as defined by Regents' Rule 20203.
  - g. Compensation for Highly Compensated Personnel whose total annual compensation for the first time exceeds or may exceed the amount set as the approved institutional contract threshold discussed in Regents' Rules and Regulations, Rule 10501, Subsection 2.2.17 during the year and who are not subject to B.1.e or B.2.f (Regents' Rules 10501 and 20204).
  - h. Compensation changes greater than five percent for Highly Compensated Personnel whose total annual compensation exceeds the amount set as the approved institutional contract threshold discussed in Regents' Rules and Regulations, Rule 10501, Subsection 2.2.17 and who are not subject to B.1.e or B.2.f (Regents' Rules 10501 and 20204).
  - i. Increases in budgeted amounts from income or unappropriated balances for Educational and General, Auxiliary Enterprises, Designated Funds, Service Departments, Revolving Funds, and Plant Funds, subject to the thresholds established in B.5 below.
  - j. Increases to Plant Funds which result from transfers from Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments, and Revolving Funds, subject to the thresholds established in B.5 below.
2. Items requiring approval of U. T. System Administration (no Consent Agenda approval required)
  - a. Reappropriation of prior year Educational and General Fund balances, subject to the thresholds established in B.5 below.
  - b. Increases in budgeted amounts from income or unappropriated balances for Educational and General, Auxiliary Enterprises, Designated Funds, Service Departments, Revolving Funds, and Plant Funds, subject to the thresholds established in B.5 below.

- c. Increases to Plant Funds which result from transfers from Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments, and Revolving Funds, subject to the thresholds established in B.5 below.
  - d. Compensation changes for Highly Compensated Personnel other than those subject to B.1.e or B.2.f with total annual compensation in excess of the amount set as the approved institutional contract threshold discussed in Regents' Rules and Regulations, Rule 10501, Subsection 2.2.17, whose change in total annual compensation is five percent or less and whose initial compensation was previously approved by the U. T. System Board of Regents (Regents' Rules 10501 and 20204).
  - e. Appointments and compensation changes for Highly Compensated Personnel (\$1 million or more) who are not subject to B.1.a, B.1.b, B.1.c, B.1.d, B.1.e, B.1.f, B.1.g, B.1.h or B.2.d (Regents Rule 20204).
  - f. Appointments and promotions involving administrative and professional personnel reporting directly to the president.
3. Items requiring approval of the president only (Chancellor for U. T. System Administration)
- a. All interdepartmental transfers.
  - b. All budget transfers between line-item appropriations within a department.
  - c. Increases in budgeted amounts from income or unappropriated balances for Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments, and Revolving Funds, subject to the thresholds established in B.5 below.
  - ~~d. Reallocation of unallocated Faculty Salaries. All unfilled and uncommitted line-item faculty salary positions will lapse to the institutional "Unallocated Faculty Salaries" account.~~
  - de. Reappropriation of Prior Year Educational and General Fund Balances, subject to the thresholds established in B.5 below.
  - ef. Promotions involving tenured faculty (Regents' Rule 20201).
  - fg. New honorary title appointments as Dean Emeritus, Chair Emeritus, Professor Emeritus, and similar honorary designations (Regents' Rule 31001).
  - gh. Transactions involving all other personnel except those specified in B.1.a, B.1.b, B.1.c, B.1.d, B.1.e, B.1.f, B.1.g, B.1.h, B.2.d, B.2.e and B.2.f as defined above.
  - hi. Changes in sources of funds, changes in time assignments, and other changes in status for personnel categorized in Item B.1, provided no change in the individual's salary rate is involved. In the case of Medical Faculty, this provision applies to "Total Compensation."
  - ~~j. Summer Session Budgets.~~

- ik. Clinical faculty appointments or changes, including medical or hospital staff, without salary provided the clinical faculty member is not considered to be Highly Compensated Personnel.

4. Effective date of appointments and compensation increases

- a. Any increase in approved compensation for the current fiscal year without a change in classification or position is not to be effective prior to the first day of the month in which the required final approval of the rate change is obtained.
- b. A compensation increase resulting from an appointment to another classification or to a position involving new and different duties may be made effective to the time of the first performance of duties under the new appointment.
- c. The effective date of an appointment is the date on which the individual is first to perform service for the institution under that appointment.
- d. The original appointment during a fiscal year of a person not in a budget for that year or not under an existing appointment for that year may relate back to the first performance of duties during the fiscal year although such person may have been employed in a previous fiscal year and although increased compensation for the same classification or position is involved.

5. Budget amendment criteria

- a. Institutions other than U. T. System Administration with budgeted revenue, including transfers from the Available University Fund, of \$1 billion or more will have a threshold of:
  - i. For B.1i and B.1j – Equal to or greater than \$10,000,000 (budget increase approval ~~on~~ via the Consent Agenda)
  - ii. For B.2a – Equal to or greater than \$10,000,000 (reappropriation of E&G balances approval by U. T. System Administration)
  - iii. For B.2b and B.2c – Equal to or greater than \$5,000,000 and less than \$10,000,000 (budget increase approval by U. T. System Administration)
  - iv. For B.3c ~~and B.3e~~ – Less than \$5,000,000 (budget increase approval by president)
  - v. For B.3.d – Less than \$1,000,000 (reappropriation of E&G balances approval by the president)
- b. Institutions other than U. T. System Administration with budgeted revenue, including transfers from the Available University Fund, between \$250 million and \$1 billion will have a threshold of:
  - i. For B.1i and B.1j – Equal to or greater than \$5,000,000 (budget increase approval ~~on~~ via the Consent Agenda)
  - ii. For B.2a – Equal to or greater than \$5,000,000 (reappropriation of E&G balances approval by U. T. System Administration)
  - iii. For B.2b and B.2c – Equal to or greater than \$2,500,000 and less than \$5,000,000 (budget increase approval by U. T. System Administration)
  - iv. For B.3c ~~and B.3e~~ – Less than \$2,500,000 (budget increase approval by the president)
  - v. For B.3.d – Less than \$5,000,000 (reappropriation of E&G balances approval by the president)

- c. Institutions other than U. T. System Administration with budgeted revenue, including transfers from the Available University Fund, less than \$250 million will have a threshold of:
  - i. For B.1i and B.1j – Equal to or greater than \$2,500,000 (budget increase approval ~~on~~ via the Consent Agenda)
  - ii. For B.2a – Equal to or greater than \$2,500,000 (reappropriation of E&G balances approval by U. T. System Administration)
  - iii. For B.2b and B.2c – Equal to or greater than \$500,000 and less than \$2,500,000 (budget increase approval by U. T. System Administration)
  - iv. For B.3c ~~and B.3e~~ – Less than \$500,000 (budget increase approval by president)
  - v. For B.3.d – Less than \$2,500,000 (reappropriation of E&G balances approval by the president)
  
- d. U. T. System Administration will have a threshold of:
  - i. For B.1i and B.1j – Equal to or greater than \$2,500,000 (budget increase approval ~~on~~ via the Consent Agenda)
  - ii. For B.2a and B.3e – All amounts may be approved by the Chancellor (reappropriation of E&G balances)
  - iii. For B.2b, B.2c, and B.3c – All amounts less than \$2,500,000 may be approved by the Chancellor (budget increase approval)
  - iv. Notwithstanding i., ii., and iii., the Chancellor may authorize any budget amendment in the U. T. System revolving insurance or revolving systemwide information technology funds without limitation.
  
- e. Notwithstanding a., b., and c. of this section, the president of an institution may authorize any budget amendment related to hospital patient care activities or Medical, Dental, Nursing, and Faculty Services Research and Development Plans, the Allied Health Faculty Services Plan or the Physicians Referral Service Plan without limitation if the budget increase is supported by a corresponding increase in revenue. This exception does not apply to increases from unappropriated balances.

## C. OTHER CONSIDERATIONS

1. All appropriations not actually expended or encumbered by August 31 will automatically lapse to the Unappropriated Balance Account except for those reallocated pursuant to Item B.2a and Item B.3d.
  
2. Compensation from the Medical Service Research and Development Plan, Dental Service Research and Development Plan, Physicians Referral Service Plan, Faculty Services Research and Development Plan, Allied Health Faculty Services Plan, or Nursing Clinical Enterprise Health Services Research and Development Plan indicated as "~~MSRDP Funds, "DSRDP Funds, "PRS Funds, "FSRDP Funds, "Allied Health Faculty Services Plan" or "Nursing Clinical Enterprise Health Services, Research and Development Plan"~~ is contingent upon its being earned or available in accordance with the regulations applicable to the appropriate plan ~~Medical Service Research and Development Plan, Dental Service Research and Development Plan, Physicians Referral Service Plan, Faculty Services Research and Development Plan, Allied Health Faculty Services Plan, or Nursing Clinical Enterprise Health Services Research and Development Plan.~~
  
3. Budgeted expenditures authorized from sources of funds other than Educational and General Funds

are contingent upon receipt of such funds. Appointments from such fund sources will not become an obligation of the institution in the event the supplemental or grant funds are not realized.

4. Leaves of Absence may be granted only in accordance with provisions contained in Regents' Rule 30201.
5. In these Rules, Compensation means total annual compensation as defined by Regents' Rule 20204 or total compensation under a multiyear contract.
6. Appropriations of the Available University Fund are subject to the appropriation limitations and notice requirements found in the General Appropriations Act.

# THE UNIVERSITY OF TEXAS SYSTEM

## FACULTY WORKLOAD REQUIREMENTS FOR ACADEMIC INSTITUTIONS

For Fiscal Year Ending August 31, 2024<sup>5</sup>

### FACULTY WORKLOAD REQUIREMENTS FOR ACADEMIC INSTITUTIONS

The general workload policy for faculty employed at U. T. System academic institutions is set forth in Regents' Rule 31006. Through established shared governance processes, each academic institution has been authorized by the U. T. System Board of Regents to establish a faculty workload policy that adheres to the provisions and reporting requirements of Rule 31006 and the *Texas Education Code* Section 51.402.



# THE UNIVERSITY OF TEXAS SYSTEM

## MEDICAL, DENTAL, NURSING, FACULTY SERVICES RESEARCH AND DEVELOPMENT PLANS, ALLIED HEALTH FACULTY SERVICES PLAN AND PHYSICIANS REFERRAL SERVICE

For Fiscal Year Ending August 31, 2024<sup>5</sup>

### RULES AND PROCEDURES

1. These Rules and Procedures are to be used for the Medical, Dental, Nursing, and Faculty Services Research and Development Plans, the Allied Health Faculty Services Plan and Physicians Referral Service (“the Plans”) Budgets in conjunction with the Rules and Procedures for the General Operating Budget.
2. Budgeted expenditures authorized from the Plans are contingent upon receipt of such funds. Appointments and other budget transactions from such fund sources shall not become an obligation of any institution in the event the funds are not realized.
3. All income for professional services earned by members of the plans, except royalties, payments for editing scientific publications, and consultation fees as a regional or national consultant to any branch of the U.S. Government as approved by the U. T. System Board of Regents shall be deposited in the appropriate institution’s institutional Trust Fund Account.
4. Administration, operation, and disbursement of funds shall be in accordance with each institutional plan approved by U. T. System Administration and the U. T. System Board of Regents.
5. At U. T. M. D. Anderson Cancer Center, associate members’ earnings will be contingent upon the earned income of the member in accordance with the services rendered to the patient assigned to the member’s specialty by the chief of the major service. All payments will be approved by the Executive Council of the Physicians Referral Service.
6. Budgeted funds can be used for staff retirement and insurance benefits, for actual travel or supplemental travel expenses for attending meetings for the benefit of any institution, for memberships and dues in medical organizations, for official entertainment, and for such other disbursements as may be authorized by the president consistent with the policies approved by the U. T. System Board of Regents and the U. T. System Administration. These expenditures must be in the best interests of the research, educational and patient care activities of any institution and in the best interest of maintaining a distinguished scientific staff for such purposes and activities.

## THE UNIVERSITY OF TEXAS SYSTEM

### PERMANENT UNIVERSITY FUND (PUF) BOND PROCEEDS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION (LERR) AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARS) AND SIMILAR FUNDED PROGRAMS BUDGET RULES AND PROCEDURES

For Fiscal Year Ending August 31, 2024<sup>5</sup>

#### A. INITIAL BUDGET

1. U. T. System institutions are authorized to purchase approved Library and Equipment items and to contract for Repair and Rehabilitation projects following standard purchasing and contracting procedures. This includes expenditures for STARS (including Faculty and Rising STARS), or similar funded programs.
2. Transfers by the U. T. System Administration of allocated funds to institutional control or to vendors will coincide with vendor payment requirements.
3. Final approval of specific Repair and Rehabilitation projects will be in accordance with U. T. System Board of Regents established procedures for construction projects.
4. All expenditures are subject to the provisions of the Texas *Constitution* of the State of Texas and the U. T. System Board of Regents' Rules and Regulations for the governance of The University of Texas System.
5. All expenditures are subject to the guidance established by the U. T. System Board of Regents in the *Permanent University Fund (PUF) Bond Proceeds for Library, Equipment, Repair and Rehabilitation (LERR) and Faculty Science and Technology Acquisition and Retention (STARS) and Similar Funded Programs Expenditure Guidelines*.

#### B. BUDGET AMENDMENTS

- ~~1. U. T. System institutions are authorized to purchase approved Library and Equipment items and to contract for Repair and Rehabilitation projects following standard purchasing and contracting procedures. This includes expenditures for STARS (including Faculty and Rising STARS), or similar funded programs.~~
  - ~~a. Substitute Library or Equipment purchases in excess of \$1 million that are not on the approved list.~~
  - ~~b. Substitute Repair and Rehabilitation projects in excess of \$1 million that are not on the approved list.~~

2.—Items requiring approval of U. T. System Administration (no Consent Agenda approval required)

- a. Substitute Library or Equipment purchases of ~~\$1 million or less~~ that are not on the approved list.
- b. Substitute Repair and Rehabilitation projects of ~~\$1 million or less~~ that are not on the approved list.
- c. Transfers of appropriated funds between approved Library, Equipment, Repair and Rehabilitation items.

## C. OTHER CONSIDERATIONS

1. All LERR appropriations must be expended within 36 months from the date of the award or the appropriation will lapse and be made available for future Systemwide reallocation.
2. All STARS or similar program appropriations must be expended within 36 months from the time the retained faculty member accepts the award, or the new faculty member arrives ~~on campus~~ at the institution, or the appropriation will lapse and be made available for future Systemwide reallocation.
3. U. T. System academic institutions receiving block STARS allocations have 36 months from the beginning of the fiscal year in which funds are allocated to award the funds to a specific faculty member or the appropriation will lapse and be made available for future Systemwide reallocation.
4. Notwithstanding the limitations adopted at the time LERR, STARS, or other similar funding was authorized, these *Budget Rules and Procedures* apply to all previously authorized LERR, STARS and similar funding.
5. In accordance with the *UTS 168 Capital Expenditure Policy*, LERR and STARS funding that is incorporated into a Major Project will be defined as PUF and will be subject to rules applicable to all Major Projects. Major Projects are defined by Regents' Rule 80301.

## THE UNIVERSITY OF TEXAS SYSTEM

### PERMANENT UNIVERSITY FUND (PUF) BOND PROCEEDS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION (LERR) AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARS) AND SIMILAR FUNDED PROGRAMS EXPENDITURE GUIDELINES

For Fiscal Year Ending August 31, 2024<sup>5</sup>

#### A. AUTHORIZATION OF PUF BOND PROCEEDS FOR LERR, STARS, OR SIMILARLY FUNDED PROGRAMS

Article VII, Section 18 (b) of the Texas *Constitution* authorizes the U. T. System Board of Regents to issue bonds and notes secured by the U. T. System's interest in the Permanent University Fund for the purpose of:

- acquiring land, with or without permanent improvements;
- constructing and equipping buildings or other permanent improvements;
- major repair and rehabilitation of buildings and other permanent improvements;
- acquiring capital equipment; and
- acquiring library books and library materials.

It is for the last three purposes noted above that the U. T. System Board of Regents has established the LERR, STARS (including Faculty and Rising STARS), and similarly funded programs.

#### B. RETENTION OF RECORDS

The Internal Revenue Service requires that invoice documentation supporting capital expenditures, including LERR, STARS and similar programs funded with proceeds of tax-exempt bonds, be maintained for a period ending three (3) years after the complete extinguishment of the bonds. Pursuant to the Texas *Constitution*, PUF bonds may be structured with a maximum maturity of 30 years. In order to comply with the IRS requirement and *UTS 181 Policy for Post Bond Issuance Federal Tax Compliance*, U. T. institutions shall maintain invoice documentation for 35 years for any capital expenditures funded with tax-exempt proceeds.

#### C. ELIGIBILITY FOR PROGRAM FUNDS

Eligibility for LERR, STARS, or other similar funded programs is the same as eligibility for PUF bond proceeds as set forth in the Texas *Constitution*.

## D. GENERAL GUIDELINES FOR USE OF PROGRAM FUNDS

In addition to meeting the constitutional requirements outlined above, the general guideline to determine whether an item is eligible for LERR, STARS, or similar funded programs, is that it must have a useful life of at least one year. The following sections are provided to assist with that determination. These guidelines are not intended to be exhaustive and any questions regarding LERR, STARS, or similar funded program eligibility should be directed to the U. T. System Administration Office of Budget and Planning.

### ***Repair and Rehabilitation of Buildings or Other Permanent Improvements***

Major repairs or rehabilitation of buildings or other permanent improvements include, but are not limited to, repairs, renovations, replacements, or betterments that are normally expected to extend the useful life, improve operating efficiency, eliminate health and safety hazards, correct structural or mechanical defects, upgrade the quality of existing facilities, or convert these assets to more useful functions, but that are not considered routine maintenance.

The cost of major repairs or rehabilitation of buildings or other improvements can include the contract price or cost of construction and other costs that would be applicable to make the building or improvement suitable for its intended use.

### ***Acquisition of Capital Equipment***

Capital equipment is generally regarded as nonexpendable, tangible personal property having a useful life of more than one year. The acquisition cost for equipment includes the net invoice price, including any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. In addition, taxes, duty, in-transit insurance, freight, and installation charges are also included as part of the acquisition cost. Capital equipment, including software, that will be used Systemwide, or between and among U. T. institutions and System Administration, is eligible for LERR, STARS, or similar program funds.

### **Warranties and Similar Service Features**

The cost of warranties and similar service features related to a purchase of capital equipment (such as maintenance agreements and loaner programs) are not eligible for LERR, STARS, or similar program funds as these are considered operating expenses. This ineligibility also applies to warranty and similar service feature costs separately identified during original purchase. For example, a warranty agreement charge that is separately identified on a laptop purchase is not allowed.

### **Software**

Any capitalized costs associated with the development or implementation of software, including personnel costs (salaries), are eligible for LERR, STARS, or similar funded programs if they are incurred in the Application Development Stage as defined by *Statement No. 51 of the Governmental Accounting Standards Board* "Accounting and Financial Reporting for Intangible Assets." This principle applies whether the salaries are paid to employees of the institution or to outside parties. Training costs related to software usage are discussed below.

The purchase of bundled software included as part of the initial acquisition of computer hardware is capitalizable regardless of threshold and therefore eligible for LERR, STARS, or similar program funds.

Software maintenance costs are considered operating expenses and therefore are not eligible for LERR, STARS, or similar program funds as these are considered operating expense.

Costs for software licenses with a useful life extending beyond one year that will be owned are eligible for LERR, STARS, or similar program funds. Leased or licensed software that requires the payment of an annual fee (i.e., does not have a useful life extending beyond one year) and that will not be owned when the license expires is not eligible for LERR, STARS, or similar program funds.

### **Employee Training and Travel Costs**

Employee training and travel costs are not eligible for LERR or STARS program funds as these are considered operating expenses.

### **Operating Expenses**

Consumables, which generally include those items that have an expected useful life of less than one year, are not eligible for LERR or STARS program funds as these are considered operating expenses. Some examples include, but are not limited to: chemicals, gases, paper, staplers and other office supplies, toner cartridges, medical supplies, disposal services, and laboratory supplies.

Examples of other operating expenses that are not eligible for LERR or STARS program funds include, but are not limited to: monthly telephone services, animals, software maintenance cost, and routine maintenance.

### ***Acquisition of Library Books and Library Materials***

The acquisition of library books and library materials is eligible for LERR. A library book is generally defined as a literary composition bound into a separate volume and identifiable as a separate copyrighted unit. Library materials are information sources other than books, including journals, periodicals, microforms, audio/visual media, computer-based information, manuscripts, maps, documents, and similar items that provide information essential to the learning process or enhance the quality of university library programs. A [The](#) purchase of a license for library materials is allowable if the license period is in excess of one year. Annual license subscriptions and payments are not eligible for LERR.

The acquisition cost of library books and library materials can include the invoice price, freight-in, handling and insurance, binding, electronic access charges, reproduction, and other like costs required to put these assets in place, except for library salaries.

### ***Prohibition for Student Housing, Athletics, and Auxiliary Enterprises***

Article VII, Section 18 (d) of the Texas *Constitution* prohibits the use of PUF bond proceeds, and therefore the use of LERR, STARS, and similar program funds, for student housing, intercollegiate athletics, or auxiliary enterprises.

## **E. SPECIAL PROGRAM FUNDING**

Allocations of STARS funding by the Board of Regents are for the Faculty STARS program. With appropriate approvals those funds can be redirected to the Rising STARS program. U. T. System academic institutions receiving block STARS allocations can elect to use them as either Faculty STARS or Rising STARS without further approval being required.

### **Faculty STARS Program**

The Faculty STARS program funded by PUF bond proceeds supports the recruitment and retention of the best-qualified faculty at both academic and health institutions by providing additional resources to build and enhance research infrastructure. Because the Faculty STARS program is funded in the same manner as LERR, the same guidelines apply, and each item must have a useful life of more than one year. Faculty STARS funds are available for laboratory renovation and equipment purchases; however, faculty and other staff salaries cannot be paid from Faculty STARS funds.

There are three related program goals that form the basis of the Faculty STARS program:

- recruit senior faculty with national prominence; and
- improve the quality of new faculty and research capacity of the institutions by augmenting the start-up packages for tenure and tenure-track faculty; and
- retain high quality faculty who have had offers from another research institution or have the potential to leave because of limited access to quality equipment or laboratories.

### **Rising STARS Program**

The Rising STARS program makes up to \$300,000 available for recruitment of promising faculty members who are recruited in a tenure track position at any academic level, i.e., assistant, associate, or full professor. Rising STARS funding is limited to the same equipment and renovation expenditure restrictions as Faculty STARS.

**ACADEMIC AFFAIRS COMMITTEE**

12. Contract (funds coming in) - U. T. Arlington: Fidis Logistics Solutions, LLC, to provide snack vending machine service

Agency: Fidis Logistics Solutions, LLC

Funds: Estimated total revenue is \$300,000 over the life of the contract. Royalties paid by the contractor's vending machines is approximately \$5,000 per month.

Period: December 1, 2023 through November 30, 2026; with one five-year renewal option

Description: The purpose of this Agreement is for the provision of snack vending machines across U. T. Arlington's campus. U. T. Arlington will receive a royalty on the revenue generated by vending machine sales.

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

13. Request for Budget Change - U. T. Arlington: New Hire with Tenure -- amendment to the 2023-2024 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>College of Education</b>					
Curriculum and Instruction					
Dean and Professor					
Tim Jacobbe (T)	1/17-8/31	100	12	265,000	13085



14. Lease - U. T. Arlington: Authorization to lease approximately 5,585 square feet of indoor space, approximately 3,200 square feet of outdoor space, and parking located at 841 West Mitchell Street, Arlington, Tarrant County, Texas, to DAY 1 ACADEMIES, dba Bezos Academy, a Delaware nonprofit corporation, for a tuition-free preschool education program; and finding of a public purpose

Description: Lease to DAY 1 ACADEMIES, dba Bezos Academy, of approximately 5,585 square feet of indoor space, approximately 3,200 square feet of outdoor space, and parking located on the edge of the main campus at 841 West Mitchell Street, Arlington, Tarrant County, Texas, for a tuition-free preschool education program for the nearby community. U. T. Arlington will be provided priority enrollment of up to 20% of the preschool capacity for the children of U. T. Arlington faculty, staff, and students, which is estimated to be between 8-12 students. The total capacity of the preschool is estimated to be between 40-60 students. Tenant will work closely with U. T. Arlington to directly market the program to the U. T. Arlington community, which may lead to additional enrollment by U. T. Arlington faculty, staff, and students, above the 8-12 prioritized slots.

The City of Arlington will be providing a separate encroachment easement to U. T. Arlington to expand the exterior play area to approximately 3,200 square feet and this play area will be included in the leased premises to the Tenant. The exterior play area will be exclusive to the Tenant during Tenant's operating hours but will be open to the public after business hours and on weekends.

This matter previously received Board approval on August 24, 2023. However, the item is being brought back for approval due to the additional approximately \$700,000 in Tenant Improvement Allowance to be provided by U. T. Arlington for Tenant's buildout. U. T. Arlington anticipates that the City of Arlington will be gifting approximately \$250,000 and the Sid Richardson Foundation will be gifting approximately \$450,000 to U. T. Arlington for the restricted purpose of funding the Landlord's construction allowance.

Tenant: DAY 1 ACADEMIES, dba Bezos Academy, a Delaware nonprofit corporation

Term: The Agreement will be for an initial term of approximately 10 years from the commencement date of the lease, with one five-year renewal option on the same terms and conditions as the lease. Tenant will have the option to terminate the lease with 180 days written notice.

Lease Cost: Annual rent of \$1.00, which will be prepaid by Tenant.

Tenant will be responsible for cost and expense of janitorial services, utilities serving the premises, security systems, and maintenance services for the premises; including but not limited to telephone and communication equipment, office equipment, and repair of damage caused to the premises by its staff, employees, representatives, clients, and/or visitors. Tenant will be responsible for costs related to the maintenance and repair of the HVAC system. If Tenant has properly maintained and repaired the HVAC system, Landlord will be responsible for the replacement of the units.

Landlord, at Landlord's sole cost and expense, will provide grass mowing, landscaping, fire monitoring, and shared security for the premises.

**Tenant Improvements:** Tenant will be responsible for performing any work necessary to bring the premises into the condition suitable for Tenant's use. The estimated cost of Tenant improvements is approximately \$270 per square foot or approximately \$1,500,000. Landlord agrees to provide the Tenant approximately \$700,000 towards Tenant's actual construction costs. U. T. Arlington anticipates that the City of Arlington will be gifting approximately \$250,000 and the Sid Richardson Foundation will be gifting approximately \$450,000 to U. T. Arlington for the restricted purpose of funding the Landlord's construction allowance.

**Public Purpose:** The annual rent described above constitutes a below market rate. In consideration for the below market rate and the approximately \$700,000 construction allowance, U. T. Arlington will be provided priority, tuition-free enrollment of a minimum of 20% of the preschool capacity for the children of U. T. Arlington faculty, staff, and students, which U. T. Arlington estimates carries a total value of approximately \$81,408 to \$122,112 per year, depending on the actual capacity of the preschool. In addition, the parties will work on facilitating experiential learning opportunities at the preschool for students in U. T. Arlington's College of Education.

The Attorney General of the State of Texas has advised in Opinion No. MW-373 (1981) that to comply with the Texas Constitution, the use of space in university facilities at below market rental must meet three requirements: (1) the use of the property must serve a public purpose appropriate to the function of the university, (2) adequate consideration must be received by the university, and (3) the university must maintain controls over the user's activities to ensure that the public purpose is achieved.

Accordingly, the U. T. System Board of Regents is also asked to find that:

(1) the Agreement serves a public purpose appropriate to the function of U. T. Arlington, in requiring that the Tenant continuously operate the preschool facility and provide priority, tuition-free enrollment for a minimum of 20% of the school capacity for U. T. Arlington faculty, staff, and students, as well as possibly providing experiential learning opportunities for students in U. T. Arlington's College of Education. Free tuition preschool will be an important benefit and assist with recruitment and retention of university students and employees and enhances the desirability of the institution as a place to work and study and contribute to student success.

(2) Pursuant to the Agreement, the consideration received by U. T. Arlington is adequate, in obligating the Tenant to provide a 20% priority enrollment to U. T. Arlington staff, faculty, students, and their families.

(3) U. T. Arlington will have sufficient safeguards in place to ensure the public purpose will continue to be met on an ongoing basis by maintaining controls over the Tenant to ensure that the public purpose is achieved, which include U. T. Arlington having the ability to terminate the lease or charge fair market value for the space if (a) the use of the premises changes during the term of the lease or (b) if the minimum 20% prioritized enrollment provided by the Tenant to U. T. Arlington is ever decreased.

15. Contract (funds coming in) - U. T. Austin: Amendment to Gastroesophageal Reflux Disease (GERD) Professional Services Agreement with Seton Family of Doctors related to the provision of clinical and other related administrative services by physicians employed by U. T. Austin's Dell Medical School

Agency: Seton Family of Doctors

Funds: \$1,518,000 for the extension term, \$5,675,000 over the full contract term

Period: September 30, 2023 through September 30, 2024

Description: Amendment 2 updates the terms of the Gastroesophageal Reflux Disease (GERD) Professional Services Agreement to extend the term and increase the annual value of the Agreement to continue the provision of inpatient, surgical, and clinical care of patients experiencing GERD by U. T. Austin employed faculty providers at Ascension clinics and facilities. The initial Professional Services Agreement was effective October 1, 2020. Amendment 1 was executed effective May 1, 2021, adding additional providers and increasing the payments to U. T. Austin for professional services. Amendment 2 extends the term from September 30, 2023, to continue until September 30, 2024. This Amendment is being submitted because the value for the overall term will now exceed the threshold requiring approval by the Board of Regents.

16. Contract (funds going out) - U. T. Austin: Agreement with Tejas Elevator Co. to provide repair and maintenance for campus elevators

Agency: Tejas Elevator Co.

Funds: \$15,300,000

Period: September 1, 2023 through August 31, 2024; with option to extend four additional one-year periods

Description: Tejas Elevator Co. will provide elevator repair and maintenance for all U. T. Austin elevators as needed. This Agreement was procured pursuant to a competitive procurement.

17. Contract (funds going out) - U. T. Austin: Amendment to Agreement with The Davis Group to provide communication and advertising services for U. T. Austin’s Center for Health Communication

Agency: The Davis Group

Funds: \$5,017,613 over the full contract term

Period: September 1, 2023 through August 31, 2024

Description: The Davis Group will provide communication and advertising services for U. T. Austin’s Center for Health Communication.

The original Agreement had a total value of \$3,500,000 and a term of June 1, 2022 through August 31, 2023. The First Amendment updated the Agreement’s end date to August 31, 2024, and increased the total value to \$4,900,000. This Second Amendment does not extend the term of the Agreement, but does add additional funds of \$117,613, to increase the total to \$5,017,613.

The Agreement was procured pursuant to a competitive procurement.

18. Contract (funds going out) - U. T. Austin: Amendment to Agreement with Universal Protection Services LP, dba Allied Universal Security Services, to provide armed security services at the Lyndon Baines Johnson Presidential Library

Agency: Universal Protection Services LP, dba Allied Universal Security Services

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

Period: November 1, 2023 through October 31, 2024; with one additional one-year renewal term.

Description: Allied Universal Security Services provides security officers at the Lyndon Baines Johnson Presidential Library. The original Agreement had a term of November 1, 2020 through October 31, 2023, with a contract cap of \$4,500,000 and an option to renew for two one-year terms. The First Amendment updated payment terms for the Agreement, and this Second Amendment utilizes the first renewal option to extend the term to October 31, 2024, and increases the total value of the Agreement from \$4,500,000 to \$7,500,000.

This Master Services Agreement was procured through a competitive procurement, namely an invitation to bid.

19. Contract (funds going out) - U. T. Austin: Amendment to Agreement with athenahealth, Inc., to provide electronic medical record services at Dell Medical School / UT Health Austin

Agency: athenahealth, Inc.

Funds: \$6,430,000 over the full contract term

Period: From date of execution through December 31, 2024

Description: Under this Tenth Amendment, athenahealth, Inc., will continue to provide a cloud-based electronic health record system that is used by Dell Medical School's U. T. Health Austin clinics and Ambulatory Surgery Center.

The Master Services Agreement was initially procured pursuant to an Exclusive Acquisition Justification in 2017. This Tenth Amendment increases the total value of the Agreement from \$4,740,000 to \$6,430,000.

20. Foreign Contract (funds going out) - U. T. Austin: Agreement with Marine Institute, an Irish State Agency, to obtain services of an offshore services vessel to conduct sponsored research

Agency: The Marine Institute, an Irish State Agency

Funds: \$990,861

Period: From the date of execution of the Agreement through September 1, 2024

Description: The Agreement would allow U. T. Austin's Institute for Geophysics, in the John A. and Katherine G. Jackson School of Geosciences, to obtain use of an offshore services vessel to conduct sponsored research off the shore of Western Greenland.

[Secretary's Note: A correction to the Minutes has been made in the description of the item to reflect the correct school for the Institute for Geophysics.]

21. Interagency Agreement (funds coming in) - U. T. Austin: Interagency Agreement with Texas Education Agency to provide funds for OnRamps Reimbursement Program

Agency: Texas Education Agency

Funds: \$9,750,000 over the full contract term

Period: September 1, 2023 through August 31, 2024; with option to extend for two two-year periods

Description: The Interagency Agreement will provide access to legislated funds for the OnRamps Reimbursement Program. The program includes reimbursement for online educator and student resources related to Texas high school students taking OnRamps Dual Enrollment courses for college credit.

22. Request for Budget Change - U. T. Austin: New Hire with Tenure -- amendment to the 2023-2024 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>College of Pharmacy</b>					
Pharmacy					
Associate Professor					
Nayun Kim (T)	9/5-5/31	100	09	118,000	13096

23. Employment Agreement - U. T. Austin: Approval of amendment to terms of Employment Agreement for Head Football Coach Steve Sarkisian and related Services and Intellectual Property Agreement with Sark Enterprises, Inc.

The following terms of the amended Employment Agreement for Head Football Coach Steve Sarkisian and related Services and Intellectual Property Agreement with Sark Enterprises, Inc. have been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel and are recommended for approval by the U. T. System Board of Regents. The terms of the Agreement were previously reviewed pursuant to Regents' *Rules and Regulations*, Rule 10501, Section 2.2.12(a). If the terms are approved, total annual compensation will be in excess of \$1 million. The amended Agreement references the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. A violation of the provisions of such constitution, bylaws, rules, regulations, or policies may be grounds for suspension without pay and/or dismissal.

From: **Guaranteed compensation:**

Annual Salary and payment to Sark Enterprises, Inc.:  
Contract Year 4 (January 1 - December 31, 2024): \$5,800,000  
Contract Year 5 (January 1 - December 31, 2025): \$6,000,000  
Contract Year 6 (January 1 - December 31, 2026): \$6,200,000

The University will pay 60% of the guaranteed compensation directly to Sark Enterprises, Inc. on a bi-monthly basis and 40% for base salary on a monthly basis.

Automobile: Two dealer cars

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

Private Airplane Use: University to provide 20 hours of private aircraft flight time for personal use each year and unused hours will not carryover

Relocation and Temporary Housing Allowance: \$250,000

Tickets available upon request for use in accordance with Athletics Department's policies and procedures:

- (a) One suite for all home football games; and
- (b) Six tickets to all home games for all other University sports

**Nonguaranteed compensation:**

Sports camps and clinics



Incentives:

Performance incentives: maximum of \$825,000 annually, to include:

- (1) Team performance incentives: maximum of \$675,000 annually
- (2) National Coach of the Year: \$100,000 annually
- (3) Conference Coach of the Year: \$50,000 annually

To:

**Guaranteed compensation (Increase of 78%):**

Annual Salary and payment to Sark Enterprises, Inc.:

- Contract Year 4 (January 1 - December 31, 2024): \$10,300,000
- Contract Year 5 (January 1 - December 31, 2025): \$10,400,000
- Contract Year 6 (January 1 - December 31, 2026): \$10,500,000
- Contract Year 7 (January 1 - December 31, 2027): \$10,600,000
- Contract Year 8 (January 1 - December 31, 2028): \$10,700,000
- Contract Year 9 (January 1 - December 31, 2029): \$10,800,000
- Contract Year 10 (January 1 - December 31, 2030): \$10,900,000

The University will pay 60% of the guaranteed compensation directly to Sark Enterprises, Inc. on a bi-monthly basis and 40% for base salary on a monthly basis

Automobile: Two dealer cars

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

Private Airplane Use: University to provide 20 hours of private aircraft flight time for personal use each year and unused hours will not carryover

Special one-time payment of \$300,000 on or before April 1, 2024

Tickets available upon request for use in accordance with Athletics Department's policies and procedures:

- (a) Up to 12 tickets to all home football games, opportunity to purchase up to 20 tickets to all home football games; and one suite for use at all home football games (including commensurate premium parking passes);
- (b) Up to eight tickets at away football games, and opportunity to purchase up to 20 tickets to all football away games;
- (c) Up to eight tickets to Conference Championship Game and all post-season football games, and one suite for use at all post-season football games, and opportunity to purchase up to 20 tickets;
- (d) Up to six tickets to all home games for all other U. T. Austin sports

**Nonguaranteed compensation (Increase of 124%):**

Incentives:

Performance incentives: maximum of \$1,850,000 annually:

- (1) Conference Champion (not cumulative - not to exceed \$300,000): \$150,000 in any contract year in which the team participates in the Conference Championship Game; or \$300,000 in any contract year in which team wins such Conference Championship Game; and
- (2) The highest following Post-Season Bowl/College Football Playoff achievement (not cumulative – not to exceed \$1,250,000);
  - (a) \$100,000 in the post-season of any contract year in which the team participates in a Bowl Game that is not part of the College Football Playoff; or
  - (b) \$250,000 in the post-season of any contract year in which the team participates in the College Football Playoff First Round Game; or
  - (c) \$500,000 in the post-season of any contract year in which the team participates in the College Football Playoff Quarterfinal Game; or
  - (d) \$750,000 in the post-season of any contract year in which the team participates in the College Football Playoff Semifinal Game; or
  - (e) \$1,000,000 in the post-season of any contract year in which the team participates in the College Football Playoff National Championship Game; or
  - (f) \$1,250,000 in the post-season of any contract year in which the team wins the College Football Playoff National Championship Game; and
- (3) Coaching Recognition (not to exceed \$300,000):
  - (a) \$200,000 in any contract year for which Head Coach is named a National Coach of the Year for one (or more) of the following: Eddie Robinson Coach of the Year, George Monger Coach of the Year, Bear Bryant Coach of the Year, Home Depot Coach of the Year, Associated Press Coach of the Year, Walter Camp Football Foundation Coach of the Year; and Gene Stallings Coach of the Year. Only one \$200,000 incentive payment per year will be made even if Head Coach is recognized with more than one of these national coaching awards in such year; and
  - (b) \$100,000 in any contract year in which Head Coach is named Conference Coach of the Year (Coaches' Vote)

Source of Funds: Intercollegiate Athletics

Period: January 2, 2024 through December 31, 2030

24. Employment Agreement - U. T. Austin: Approval of amendments to terms of Employment Agreement for current Assistant Football Coach Jeff Banks

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

From: **Guaranteed compensation:**

Annual Salary:

Contract Year 4 (March 1, 2024 - February 28, 2025): \$1,150,000

Automobile: One dealer car

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

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

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

Assumption of Previous Contractual Obligation: \$407,813

**Nonguaranteed compensation:**

Performance Incentives: Maximum of 19% of annual base salary

To: **Guaranteed compensation (Increase of 4.3%):**

Annual Salary:

Contract Year 4 (March 1, 2024 - February 28, 2025): No Change

Contract Year 5 (March 1, 2025 - February 28, 2026): \$1,200,000

Contract Year 6 (March 1, 2026 - February 28, 2027): \$1,250,000

Automobile: One dealer car

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

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

**Nonguaranteed compensation (No change):**

Performance Incentives: Maximum of 19% of annual base salary

Source of Funds: Intercollegiate Athletics

Period: March 1, 2024 through February 28, 2027

25. Employment Agreement - U. T. Austin: Approval of amendments to terms of Employment Agreement for current Assistant Football Coach Kyle Flood

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

From: **Guaranteed compensation:**

Annual Salary:

Contract Year 4 (March 1, 2024 - February 28, 2025): \$1,325,000

Contract Year 5 (March 1, 2025 - February 28, 2026): \$1,400,000

Automobile: One dealer car

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

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

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

**Nonguaranteed compensation:**

Performance Incentives: Maximum of 19% of annual base salary

To: **Guaranteed compensation (Increase of 5.4%):**

Annual Salary:

Contract Year 4 (March 1, 2024 - February 28, 2025): No Change

Contract Year 5 (March 1, 2025 - February 28, 2026): No Change

Contract Year 6 (March 1, 2026 - February 28, 2027): \$1,475,000

Automobile: One dealer car

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

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

**Nonguaranteed compensation (No change):**

Performance Incentives: Maximum of 19% of annual base salary

Source of Funds: Intercollegiate Athletics

Period: March 1, 2024 through February 28, 2027

26. Employment Agreement - U. T. Austin: Approval of amendment to terms of Employment Agreement for current Assistant Football Coach Pete Kwiatkowski

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

From: **Guaranteed compensation:**

Annual Salary:

Contract Year 4 (March 1, 2024 - February 28, 2025): \$680,000

Annual Payment to PK Enterprises LLC:

Contract Year 4 (March 1, 2024 - February 28, 2025): \$1,020,000

Automobile: One dealer car

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

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

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

**Nonguaranteed compensation:**

Performance Incentives: Maximum of 19% of that year's total annual salary

To: **Guaranteed compensation (Increase of 5.9%):**

Annual Salary:

Contract Year 4 (March 1, 2024 - February 28, 2025): \$720,000

Contract Year 5 (March 1, 2025 - February 28, 2026): \$760,000

Contract Year 6 (March 1, 2026 - February 28, 2027): \$800,000

Annual Payment to PK Enterprises LLC:

Contract Year 4 (March 1, 2024 - February 28, 2025): \$1,080,000

Contract Year 5 (March 1, 2025 - February 28, 2026): \$1,140,000

Contract Year 6 (March 1, 2026 - February 28, 2027): \$1,200,000

Automobile: One dealer car

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

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

**Nonguaranteed compensation (No change):**

Performance Incentives: Maximum of 19% of that year's total annual salary

Source of Funds: Intercollegiate Athletics

Period: March 1, 2024 through February 28, 2027



27. Lease - U. T. Austin: Authorization to sublease approximately 53,254 square feet of office space located at 1300 Red River Street, Travis County, Austin, Texas, commonly known as Innovation Tower, to the Texas Permanent School Fund Corporation, a special purpose governmental corporation (Texas PSF)

Description: Authorization to sublease approximately 53,254 square feet of office space located at 1300 Red River Street, Travis County, Austin, Texas, commonly known as Innovation Tower, to the Texas Permanent School Fund Corporation, a special purpose governmental corporation (Texas PSF).

Landlord: The 2033 Higher Education Development Foundation, a Texas nonprofit corporation

Master Tenant: Board of Regents of The University of Texas System, for the use and benefit of The University of Texas at Austin

Subtenant: Texas Permanent School Fund Corporation, a special-purpose governmental corporation

Term: The initial term will be for approximately 10 years from the lease commencement date. Subtenant will be provided with two renewal options of five years each, which will be at fair market value.

Subtenant shall be provided an ongoing right of first refusal with respect to any available vacant space on the eighth or ninth floor of the building.

Lease Cost: Estimated base rent for the initial term and potential renewal terms is approximately \$48,369,803.

Initial annual base rent is estimated to be approximately \$35.00 per square foot with 3% annual escalations. Total estimated base rent for the initial term is approximately \$19,651,943. Master Tenant is providing abated rent equal to approximately \$1,715,466. The base rent for the potential renewal periods will be at the then determined Fair Market Value.

Subtenant will be responsible for its share of the operating expenses and real estate taxes during the term of the lease, which are initially estimated at \$15.00 per square foot for operating expenses and \$11.50 per square foot for real estate taxes. Assuming 3% annual operating expense and real estate tax increases, the total estimated operating expenses and real estate taxes for the initial term and potential renewal terms is approximately \$37,920,305.

Tenant Improvements: The Master Tenant will provide a tenant improvement allowance of approximately \$100.00 per square foot, which is approximately \$5,325,400.

Parking: The Subtenant will be provided with approximately 159 parking spaces, which will provide initial parking fees of approximately \$257,700 per year.

Total Cost: Total estimated lease revenue over the initial term and potential renewal periods is approximately \$89,785,612, which includes all estimated rent, estimated operating expenses, real estate commissions paid by the Master Tenant, and parking revenue, but does not include the provided tenant improvement allowance of approximately \$5,325,400. The Master Tenant will be responsible to pay all real estate commissions due per a separate written agreement.

28. Gift - U. T. Austin: Authorization to accept a gift of approximately 68 acres of land located on Carlos G Parker Boulevard SW (US Hwy 79), near the intersection of FM 973, Taylor, Williamson County, Texas, and approximately \$200,000 in cash assets from Temple College at Taylor Foundation Inc., for the future development of a programmed education and research facility

Description: Gift of two adjacent tracts of unimproved land, totaling approximately 68 acres, located on Carlos G Parker Boulevard SW (US Hwy 79), near the intersection of FM 973, Taylor, Williamson County, Texas, and approximately \$200,000 in cash assets. The properties are in close proximity to Taylor High School and the future Samsung plant. U. T. Austin shall make good-faith and reasonable efforts to utilize and maintain the property consistent with its teaching, education, innovation, health care, and research mission.

If University fails to begin construction of an education and research facility before the five-year anniversary of the transfer of the title to the Board of Regents, the donor by written notice to the University may begin tolling an 18-month cure period during which the University must begin or cause such construction to begin, and failing to do so within that cure period, may require the property to revert to the donor or its designated successor organization. Once construction begins on the property, the reversionary right shall automatically terminate.

Donor: Temple College at Taylor Foundation Inc., a Texas nonprofit corporation

Estimated Value: \$1,483,070 per the Williamson Central Appraisal District 2023 valuation

29. Request for Budget Change - U. T. Dallas: New Hires with Tenure -- amendment to the 2023-2024 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>School of Behavioral and Brain Sciences</b>					
Psychology					
Professor					
Jennifer Callahan (T)	1/1-5/31	100	09	150,000	13075
Professor					
Camilo Ruggero (T)	1/1-5/31	100	09	150,000	13076

30. Gift - U. T. Permian Basin: Authorization to accept a loan of outdoor art to be placed in the center of the U. T. Permian Basin Bright Star Memorial Plaza

**Description:** The Bright Star Memorial will be a tribute to individuals from Midland and Odessa who lost their lives in the August 31, 2019, mass casualty shooting. The artwork is an 11-foot tall, five-foot wide cylinder composed of bronze, curved sheets, with perforated text of lyrics and the victims' names and dates of life. The text on the cylinder may be read directly from the perforations and from the paving on which the letters are projected by the sun. At night, the bright pinpoint light (symbolic of the Lone Star) at the center of the cylinder will illuminate through the perforated text. The artwork will be anchored to a concrete platform in the center of the Bright Star Memorial Plaza, which will be built in proximity to the southeast corner of U. T. Permian Basin's Odessa campus.

**Artist:** Jim Sanborn is an artist who has public artworks located in Japan, Taiwan, and various United States locations. He has had solo exhibitions in Washington, D.C.; Denver, CO; and New York, NY. Mr. Sanborn holds a double-major in art history and sociology from Randolph-Macon College (1969) and a Master of Fine Arts degree in sculpture from Pratt Institute (1971).

**Lender:** The City of Odessa and Odessa Art (a nonprofit partner with the City of Odessa) own the artwork, but are loaning it to U. T. Permian Basin until 2046 to be displayed at a prominent space for people to experience. The 25-year loan went into effect on April 13, 2021. At the end of the term, the City of Odessa, Odessa Art, and U. T. Permian Basin will have the option to renew for a one-year term.

**Value:** The artwork and installation are valued at \$200,000, which the City of Odessa will fund via private fundraising. There is no cost to the University to receive the loan and installation of artwork. The cost to build the Bright Star Memorial Plaza, the grounds which the artwork will be located, were included in the University's campus transformation project previously approved by the Board of Regents on August 24, 2022. Minimal continuing maintenance includes dust and debris removal. Depending on conditions, cleaning could be done once a year.



31. Contract (funds coming in) - U. T. Rio Grande Valley: Campus Food Services Agreement and Trademark License Agreement with Compass Group USA through its Chartwells Division

Agency: Compass Group USA through its Chartwells Division

Funds: Approximately \$20,268,162

Period: July 16, 2023 through July 15, 2033

Description: Compass Group to provide Campus Food Operation and Management services based on a percentage commission of gross sales. Services include full-service food, alcoholic beverage, and nonalcoholic beverage. Contract was awarded through a Request for Proposal.

Pursuant to *Texas Education Code* Section 51.945, students were provided an opportunity to comment prior to determination that this food services provider should be selected by the institution.

A related Trademark License Agreement grants Compass Group USA through its Chartwells Division a license to the institution's logos for use in connection with services to be provided under the Campus Food Services Agreement.

32. Purchase - U. T. Rio Grande Valley: Authorization to purchase approximately 4.24 acres of land improved with a vacant elementary school campus totaling approximately 45,852 square feet, located at 2400 East Van Buren Street, Brownsville, Cameron County, Texas, from the Brownsville Independent School District, for future campus expansion

Description: Authorization to purchase approximately 4.24 acres of land improved with a vacant elementary school campus totaling approximately 45,852 square feet, located at 2400 East Van Buren Street, Brownsville, Cameron County, Texas, from the Brownsville Independent School District (BISD), for future campus expansion. All areas are estimates and may change once surveyed.

The property consists of a vacant elementary school on an entire elongated city block containing approximately 14 buildings connected with open and covered walkways. The buildings are mostly faced with masonry and were built from 1927 to 1999. The original school building may be considered of historical significance by the Texas Historical Commission. The site also includes a limited amount of surface parking. The campus, known as Longoria Elementary, was closed by BISD in 2019 primarily because of declining enrollment.

The institution will initially use the buildings for educational purposes, including its Visual Arts Department. U. T. Rio Grande Valley estimates it may spend approximately \$33,800,000 to renovate the buildings to make them suitable for such use, subject to future Board authorization as appropriate. Acquisition of the property will reduce U. T. Rio Grande Valley's reliance on leased space to accommodate its core academic mission in Brownsville.

The property is located in a residential neighborhood and is approximately two city blocks from the institution's Brownsville campus.

Seller: Brownsville Independent School District

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

### HEALTH AFFAIRS COMMITTEE

33. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide multi-specialty professional medical services, medical administrative services, and certain graduate medical education services to Texas Health Presbyterian Hospital Dallas

Agency: Texas Health Presbyterian Hospital Dallas

Funds: \$50,000,000

Period: September 1, 2023 through August 31, 2028; with an automatic five-year renewal option

Description: The U. T. Southwestern Medical Center will provide multi-specialty professional medical services, medical administrative services, and graduate medical education (GME) related administrative and supervision services to Texas Health Presbyterian Hospital Dallas.

34. Lease - U. T. Southwestern Medical Center: Authorization to lease approximately 10,524 rentable square feet of space located at 1300 East Lookout Drive, Richardson, Dallas County, Texas, from Exeter 1300 Lookout, L.P, a Texas limited partnership, for ophthalmology and medical office use

Description: Authorization to lease approximately 10,524 rentable square feet of space located at 1300 East Lookout Drive, Richardson, Dallas County, Texas, from Exeter 1300 Lookout, L.P, a Texas limited partnership, for ophthalmology and medical office use

Lessor: Exeter 1300 Lookout, L.P.

Term: The term of the lease will be for approximately 120 months, which will commence on the delivery date of the proposed space with all Landlord's required work completed. Tenant will also have the option to further extend the term of the lease for two renewal periods of approximately 60 months each. The base rent will be conditionally abated for the initial nine months following the commencement date.

Lease Cost: Base Rent over the initial period will be approximately \$20.00 per square foot annually for year one then will increase by 2.5% annually thereafter.

The base rent for the potential renewal periods will be at the then determined fair market value. Lessee will be responsible for any additional operating expense, which is initially estimated to be approximately \$9.02 per square foot. Assuming 3% annual operating expense increases, the operating expenses during the initial period are estimated to be approximately \$1,066,527 and the renewal period is estimated to be approximately \$1,462,484. Lessee will be responsible to pay utility charges and janitorial service, which cost is estimated to be approximately \$52,620 per year and may be paid directly to the utility company and janitorial provider for the Lessee's premises. Tenant will also be provided with an optional six reserved parking spaces, which will be an additional parking fee of approximately \$3,960 per year.

Tenant Improvements: The Lessor will contribute approximately \$73.00 per square foot, which is estimated to be approximately \$768,252, as a tenant improvement allowance. Additionally, the institution will contribute approximately \$127.00 per square foot, which is estimated to be \$1,336,548 towards improvements to the leased space.



Total Cost: Total estimated lease expense over the initial lease term and potential renewal periods is approximately \$10,176,609, which includes estimated rent, estimated operating expenses, proposed tenant improvement expense, and potential parking fees.

35. Contract (funds coming in) - U. T. Medical Branch - Galveston: Texas Department of Criminal Justice (TDCJ) to provide funding for the repair and restoration of Hospital Galveston

Agency: Texas Department of Criminal Justice (TDCJ)

Funds: \$20,000,000

Period: September 1, 2023 through August 31, 2024

Description: Texas Department of Criminal Justice (TDCJ) will reimburse U. T. Medical Branch - Galveston (UTMB) no more than \$20,000,000 for the repair and restoration of the TDCJ-UTMB Hospital Galveston. Funding has been provided to TDCJ by the 88th Legislature of the State of Texas to fund UTMB Deferred Maintenance Projects.

36. Purchase - U. T. Medical Branch - Galveston: Authorization to purchase approximately 3.40 acres of land improved with an approximately 2,418 square foot single-family residential building, located at 402 Orchard Street, Webster, Harris County, Texas, from The Estate of Floyd H. Myers, deceased, heirs, executor, successors or assigns, for future growth of the institution's ambulatory network

Description: Authorization to purchase approximately 3.40 acres of land improved with an approximately 2,418 square foot single-family residential building, located at 402 Orchard Street, Webster, Harris County, Texas, from The Estate of Floyd H. Myers, deceased, heirs, executor, successors or assigns, for future growth of U. T. Medical Branch - Galveston's ambulatory network.

Seller: The Estate of Floyd H. Myers, deceased heirs, executor, successors or assigns

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

37. Request for Budget Change - U. T. Health Science Center - Houston: Tenure Appointments -- amendment to the 2023-2024 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>McGovern Medical School</b>					
Institute of Molecular Medicine					
Professor					
Long-Jun Wu (T)	3/1-8/31	100	12	220,000	13110
Neurology					
Professor					
Hung Wen Lin (T)	1/2-8/31	100	12	215,000	13107
Psychiatry and Behavioral Sciences					
Professor					
Wen Li (T)	12/1-8/31	100	12	200,623	13106
Professor					
Jeffrey R. Temple (T)	11/16-8/31	100	12	316,246	13109
Surgery					
Professor					
Hassan N. Ibrahim (T)	11/16-8/31	100	12	416,667	13108
<b>Cizik School of Nursing</b>					
Research					
Professor					
Jennifer Kawi (T)	12/18-8/31	100	12	200,125	13104

38. Contract (funds coming in) - U. T. Health Science Center - San Antonio: Anesthesiology Provider Agreement with Community Medicine Associates, dba University Medicine Associates

Agency: Community Medicine Associates, dba University Medicine Associates (UMA)

Funds: \$41,999,676

Period: September 1, 2023 through August 31, 2024

Description: This Agreement continues a long-standing clinical coverage arrangement between U. T. Health Science Center - San Antonio and UMA, in support of the Bexar County Hospital District, dba University Health, U. T. Health Science Center - San Antonio's primary clinical affiliate for inpatient activity, under which U. T. Health Science Center - San Antonio provides medical care of patients requiring anesthesia services and/or hospitalization in University Health facilities.

39. Contract (funds coming in) - U. T. Health Science Center - San Antonio: Annual Operating Agreement for General Services to provide non-physician medical and administrative services for Bexar County Hospital District, dba University Health

Agency: Bexar County Hospital District, dba University Health

Funds: \$10,522,765

Period: October 1, 2023 through September 30, 2024

Description: This Agreement continues a long-standing arrangement between U. T. Health Science Center - San Antonio and Bexar County Hospital District, dba University Health under which U. T. Health Science Center - San Antonio provides non-professional medical and administrative support services for University Health. These services include program development support, administration and management of residency programs, and patient care services by non-physicians.

40. Contract (funds coming in) - U. T. Health Science Center - San Antonio: Annual Operating Agreement for Medical Director Services to provide non-physician medical and administrative services for Bexar County Hospital District, dba University Health

Agency: Bexar County Hospital District, dba University Health

Funds: \$9,288,090

Period: October 1, 2023 through September 30, 2024

Description: This Agreement continues a long-standing arrangement between U. T. Health Science Center - San Antonio and Bexar County Hospital District, dba University Health, under which U. T. Health Science Center - San Antonio provides Medical Director services for University Health.

41. Contract (funds coming in) - U. T. Health Science Center - San Antonio: To provide comprehensive professional medical services, administrative support, and non-emergency, and emergency coverage services for Bexar County Hospital District, dba University Health

Agency: Bexar County Hospital District, dba University Health

Funds: \$157,425,568

Period: October 1, 2023 through September 30, 2024

Description: This Agreement continues a long-standing annual coverage arrangement between U. T. Health Science Center - San Antonio and Bexar County Hospital District, dba University Health, under which U. T. Health Science Center - San Antonio provides comprehensive professional medical services, and non-emergency, and emergency coverage services for University Health.

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

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>School of Nursing</b>					
Office for Faculty Excellence					
Professor					
Fayron Epps (T)	1/2-8/31	100	12	260,000	13067
<b>School of Public Health</b>					
Environmental and Occupational Health					
Chair and Professor					
David Gimeno Ruiz de Porras (T)	10/15-8/31	100	12	250,000	13080
Academic Affairs					
Associate Dean and Associate Professor					
William Anthony Garner (T)	11/1-8/31	100	12	150,000	13078
Quantitative and Qualitative Health Sciences					
Chair and Associate Professor					
Tracey Elaine Barnett (T)	11/14-8/31	100	12	260,000	13079
Environmental and Occupational Health					
Associate Professor					
Emmanuel A. Iyiegboniwe (T)	9/1-8/31	100	12	190,000	13077
Department of Neurology					
Professor					
Robin C. Hilsabeck (T)	12/1-8/31	100	12	217,000	13091

43. Lease - U. T. Health Science Center - San Antonio: Authorization to lease approximately 22,000 rentable square feet of space located at 5109 Medical Drive, San Antonio, Bexar County, Texas, from PPH Real Estate, LLC, for clinical research office uses

Description: Authorization to lease approximately 22,000 rentable square feet on the 1st and 3rd Floor at 5109 Medical Drive in San Antonio, Bexar County, Texas, for clinical research office uses.

Lessor: PPH Real Estate, LLC, a Texas limited liability company

Term: The term of the lease will be for approximately 60 months from the lease commencement date, which is estimated to be April 1, 2024. Tenant will also have the option to extend the term of the lease for approximately 60 months.

Lease Cost: Estimated base rent for the initial term and potential renewal term is approximately \$4,924,543.

Base Rent over the initial period will be \$20.00 per square foot annually with 2% annual increases thereafter. The base rent for the potential renewal period will start at the lesser of \$22.08 per square foot annually or fair market value, with 2% annual increases thereafter. Tenant will be responsible for any future operating expenses over the base year of 2023 (which is approximately \$12.12 per square foot). Assuming 3% annual operating expense increases, estimated operating expenses during the initial term will be approximately \$33,466 and estimated operating expenses for the renewal period will be approximately \$47,799. All utility charges for the premises are included in the base rent for the lease, subject to increases above the base year.

Tenant Improvements: The Lessor is contributing approximately \$880,000 as a tenant improvement allowance. Additionally, the institution will contribute approximately \$3,520,000 towards improvements to the leased space.

Total Cost: Total estimated lease expense over the initial lease term and potential renewal period is approximately \$8,444,543, which includes all operating expenses, proposed tenant improvement paid by U. T. Health Science Center - San Antonio, and all additional costs outlined above.

44. Lease - U. T. Health Science Center - San Antonio: Authorization to lease approximately 26,370 rentable square feet of medical office space located at 3846 Medical Drive, San Antonio, Bexar County, Texas, from Serac Fountainhead San Antonio Owner, LLC, for clinical use

Description: Authorization to lease approximately 26,370 rentable square feet of medical office space located at 3846 Medical Drive, San Antonio, Bexar County, Texas, for clinical use.

Lessor: Serac Fountainhead San Antonio Owner, LLC

Term: The initial term of the lease will be for approximately 87 months from the lease commencement date, which is estimated to be August 1, 2024. U. T. Health Science Center - San Antonio will receive three months of abated base rent. Tenant will also have the option to extend the term of the lease for approximately 60 months.

Lease Cost: Estimated base rent for the initial term and potential renewal term is approximately \$9,938,139.

Initial base rent during the initial term will be \$28.00 per square foot with \$0.50 annual increases each year thereafter. The base rent for the renewal period will be the then current fair market value. Tenant is responsible for operating expenses. Total estimated operating expenses for the initial term are approximately \$2,629,100. The initial annual operating expense is estimated to be approximately \$12.51 per square foot. The three months of abated base rent totals approximately \$184,590. Assuming 3% annual operating expense escalations, operating expenses during the renewal term are estimated to be approximately \$2,154,030.

Tenant Improvements: The Lessor is contributing approximately \$1,845,900 (\$70 per square foot). Additionally, the institution will contribute funds not covered by tenant improvement allowance, which is currently estimated to be \$5,274,000.

Total Cost: Total estimated lease expense over the initial term and potential renewal term is approximately \$19,995,414, which includes base rent, operating expenses, and proposed tenant improvements paid by U. T. Health Science Center - San Antonio.

45. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Anne Lewis Strategies LLC, dba MissionWired, to provide offline direct mail marketing fundraising and online direct marketing fundraising programs and other related services

Agency: Anne Lewis Strategies LLC, dba MissionWired

Funds: Approximately \$18,500,000 over the full contract term, including all renewal options

Period: November 20, 2023 through November 19, 2026; with two 12-month renewal options

Description: Anne Lewis Strategies LLC, dba MissionWired, will provide services for offline direct mail marketing fundraising and online direct marketing fundraising programs and other related services, including: support in developing strategy to optimize fundraising; guide overall strategic planning process; provide quality control of content, reporting, and alignment within core direct marketing program campaigns; coordinate services with external suppliers; develop integrated digital fundraising program strategy; manage budget oversight and manage marketing campaigns. The Agreement was competitively bid.

46. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with JB York Construction, Inc., to provide job order contracting services

Agency: JB York Construction, Inc.

Funds: The total contract value, including the renewal periods, is estimated to be \$90,000,000, although the maximum amount is indeterminable at this time.

Period: January 1, 2024 through December 31, 2025; with no remaining renewals

Description: Under this job order contracting Agreement, JB York Construction, Inc. (JB York), will function as a general contractor to provide general and specific construction services for projects on a per-project basis. JB York will provide all material, labor, equipment, and services necessary for completion of each project. Services are on a nonexclusive, indefinite quantity basis, and there is no minimum amount of work required. On November 14, 2019, the initial contract, with an estimated value of \$23,500,000, was approved by the Board. On February 23, 2023, an increased estimated value of \$50,000,000 and an amendment to extend the term to December 31, 2023, was



approved by the Board. This Second Amendment extends the term to December 31, 2025. There are no remaining renewals. The contract value is now estimated to be \$90,000,000, although the maximum amount is undeterminable at this time. This Master Agreement was competitively bid.

47. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with J.T. Vaughn Construction, LLC, to provide job order contracting services

Agency: J.T. Vaughn Construction, LLC

Funds: The total contract value, including the renewal periods, is estimated to be \$70,000,000, although the maximum amount is indeterminable at this time.

Period: January 1, 2024 through December 31, 2025; with no remaining renewals

Description: Under this job order contracting Agreement, J.T. Vaughn Construction, LLC (JT Vaughn), will function as a general contractor to provide general and specific construction services for projects on a per-project basis. J.T. Vaughn will provide all material, labor, equipment, and services necessary for completion of each project. Services are on a nonexclusive, indefinite quantity basis, and there is no minimum amount of work required. On November 14, 2019, the initial contract, with an estimated value of \$23,500,000, was approved by the Board. On May 4, 2023, an increased estimated value of \$50,000,000 and an amendment to extend the term to December 31, 2023, was approved by the Board. This Second Amendment extends the term to December 31, 2025. There are no remaining renewals. The contract value is now estimated to be \$70,000,000, although the maximum amount is indeterminable at this time. This Master Agreement was competitively bid.

48. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with Provation Software, Inc., to provide enterprise software licenses, services, travel, and maintenance

Agency: Provation Software, Inc.

Funds: The total value of the services under the Agreement is approximately \$6,000,000.

Period: January 1, 2024 through February 17, 2025

Description: Provation Software, Inc. (Provation), provides procedure management software that gives structured documentations for providers and technologists to assist in performing endoscopy procedures and automated coding functionality that streamlines the backend coding process and expedites the final charges to U. T. M. D. Anderson Cancer Center's electronic health record system (Epic) for billing to the payor. The initial Agreement was effective December 31, 2014 through December 30, 2017 and had a cap amount of \$2,499,000. The initial Agreement and Amendments One through Fourteen did not require Board approval as the cap amount was within the institution's delegated approval threshold. This Fifteenth Amendment, effective January 1, 2024, increases the cap amount and amends the Agreement to extend the term to February 17, 2025. The initial Agreement was acquired via an Exclusive Acquisition Justification.

49. Contract - U. T. M. D. Anderson Cancer Center: The International Atomic Energy Agency to designate U. T. M. D. Anderson Cancer Center as an International Atomic Energy Agency Collaborating Centre

Agency: The International Atomic Energy Agency

Funds: No exchange of funds

Period: Date of last signature through four years

Description: The International Atomic Energy Agency will designate U. T. M. D. Anderson Cancer Center as an International Atomic Energy Agency Collaborating Centre to help further develop The International Atomic Energy Agency Member States' capabilities in the fight against cancer, cardiovascular diseases, malnutrition, and other diseases using nuclear and nuclear-related techniques including cancer radiotherapy treatment and diagnostic imaging projects.

50. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Harbour Antibodies BV to grant U. T. M. D. Anderson Cancer Center a nonexclusive license and access to Harbour Technology and certain Harbour Intellectual property

Agency: Harbour Antibodies BV

Funds: The total contract value is estimated to be \$11,900,000 plus a \$1,000 fee for every mouse delivered to U. T. M. D. Anderson Cancer Center

Period: November 7, 2023 through November 6, 2033

Description: License Agreement to collaborate with Harbour Antibodies BV (Harbour) as Harbour will grant U. T. M. D. Anderson Cancer Center a nonexclusive license and access to Harbour Technology and certain Harbour Intellectual property. In addition, Harbour will grant U. T. M. D. Anderson Cancer Center with access to (and the right to use) certain mice on a \$1,000 per mouse basis for the purpose of generating antibodies. As consideration for the right to use certain Harbour Intellectual Property and Harbour mice, U. T. M. D. Anderson Cancer Center will pay Harbour certain development milestone payments and a percentage of sublicensing income if U. T. M. D. Anderson Cancer Center is successful in developing and/or commercializing an antibody product created through the use of the Harbour mice.

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

The following Request for Budget Change (RBC) has been administratively approved by the Chancellor and the Executive Vice Chancellor for 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 \$	
<b>Medical Staff</b>					
Department of Therapeutics					
Discovery					
Vice President, Head of Clinical Development					
Timothy A. Yap (T)	9/1-8/31	100	12	500,000	13086

52. Request for Budget Change - U. T. M. D. Anderson Cancer Center: New Hires with Tenure -- amendment to the 2023-2024 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>Medical Staff</b>					
Department of Abdominal Imaging					
Chair and Professor					
Jeffrey J. Brown (T)	11/1-8/31	100	12	540,000	13087
Department of Graduate School of Biomedical Sciences					
Dean and Professor					
Alejandro Aballay (T)	1/2-8/31	100	12	335,000	13088
Department of Experimental Therapeutics					
Associate Professor					
Xi Chen (T)	2/1-8/31	100	12	196,000	13099
Department of Head and Neck Surgery					
Associate Professor					
Yu Leo Lei (T)	3/1-8/31	100	12	290,000	13089

53. Lease - U. T. M. D. Anderson Cancer Center: Authorization to amend three existing leases and extend the lease terms for Suites 100, 202, and 400 containing approximately 42,345 rentable square feet of space located at 1327 Lake Pointe Parkway, Sugar Land, Fort Bend County, Texas, from Sugar Land Medical Plaza, LLC, for medical and office uses

- Description: Authorization to amend three existing leases and extend the lease terms for Suites 100, 202, and 400 containing approximately 42,345 rentable square feet of space located at 1327 Lake Pointe Parkway, Sugar Land, Fort Bend County, Texas, from Sugar Land Medical Plaza, LLC, for medical and office uses
- Lessor: Sugar Land Medical Plaza, LLC
- Current Term: The current term of the three existing leases commenced on the following dates: June 20, 2019 (Suite 400), June 29, 2019 (Suite 202), and August 31, 2019 (Suite 100) with an initial base rental rate of \$20.67. The three existing leases are scheduled to expire on August 31, 2024. The current term was approved during the May 22-23, 2019 Board of Regents meeting.
- Term: The initial term of the lease extension will be for approximately 62 months from the lease commencement date, which is estimated to be September 1, 2024. Tenant will also have the option to extend the term of the lease for approximately 60 months.
- Lease Cost: Estimated base rent for the initial extension term and potential renewal term is approximately \$10,531,930.
- Initial base rent during the initial extension term will be \$21.70 per square foot with 2.75% annual increases each year thereafter. The base rent for the potential renewal term will be the then current fair market value rental rate. Tenant is responsible for operating expenses. Total estimated operating expenses for the initial extension term are approximately \$2,817,493. The initial operating expense is estimated to be approximately \$11.83 per square foot. Assuming 3% annual operating expense escalations, operating expenses during the renewal term are estimated to be approximately \$3,151,554.
- Tenant Improvements: The Lessor is contributing approximately \$423,345 (\$10 per square foot).
- Total Cost: Approximately \$16,459,124, which includes base rent and operating expenses over the initial extension and potential renewal terms.

54. Other Matters - U. T. M. D. Anderson Cancer Center: Approval of the Amended and Restated Certificate of Formation for M. D. Anderson Services Corporation to update the composition of its Board of Directors

It is recommended that the Board of Regents approve the proposed Amended and Restated Certificate of Formation for the M. D. Anderson Services Corporation, which removes the requirement for an M. D. Anderson Services Corporation Director to be appointed by the Chairman of the Board of Regents, and deletes references to M. D. Anderson Services Corporation Director names and addresses.

The M. D. Anderson Services Corporation (formerly M. D. Anderson Cancer Center Outreach Corporation) was established in 1989 to enhance revenues by establishing joint ventures in selected markets, providing additional referrals to the institution, contracting for delivery of inpatient and outpatient management, utilizing existing U. T. M. D. Anderson Cancer Center reference laboratory services, and fostering additional philanthropy in distant areas. The M. D. Anderson Services Corporation is managed by a seven-person Board of Directors. Under the current Articles of Incorporation and Regents' Rule 10402 (Committees and Other Appointments), the Chairman of the Board of Regents is required to appoint a Regent to serve as one of the Directors. In the absence of an appointment by the Chairman of the Board of Regents, the Chairman of the Board of Regents' Health Affairs Committee shall serve. The Executive Vice Chancellors for Health Affairs and Business Affairs both serve on the Board of Directors, and the President of U. T. M. D. Anderson Cancer Center appoints the other four Directors.

Under the proposed Amended and Restated Certificate of Formation, the Executive Vice Chancellors for Health Affairs and Business Affairs will continue to serve as Directors, with the other five Directors appointed by the President of U. T. M. D. Anderson Cancer Center. If approved, Regents' Rule 10402 (Committees and Other Appointments) will be amended accordingly.

**FACILITIES PLANNING AND CONSTRUCTION COMMITTEE**

No items for Consent Agenda