

Meeting No. 1,136

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

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May 13-14, 2015

Austin, Texas

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MEETING NO. 1,136

WEDNESDAY, MAY 13, 2015.--The members of the Board of Regents of The University of Texas System convened at 9:07 a.m. in the Board Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Foster  
Vice Chairman Hicks  
Regent Aliseda  
Regent Beck  
Regent Cranberg  
Regent Hall  
Regent Hildebrand  
Regent Pejovich  
Regent Tucker  
Regent Richards, Student Regent, nonvoting

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Foster called the meeting to order in open session.

AGENDA ITEMS

1. U. T. System Board of Regents: Election of Jeffery D. Hildebrand as an additional Vice Chairman of the Board (Regents' Rules and Regulations, Rule 10102, regarding Chairman and Vice Chairmen); approval of Chairman's recommended Committee Chairmen and Regental representatives; and notification of appointments to Standing Committees and Liaison roles for the record (Regents' Rules and Regulations, Rule 10402, regarding Committees and Other Appointments)

The Board approved the election of Regent Jeffery D. Hildebrand as an additional Vice Chairman of the Board, pursuant to Regents' *Rules and Regulations*, Rule 10102, regarding the Chairman and Vice Chairmen.

For the record, the officers of the Board are:

**Chairman:** Paul L. Foster

**Vice Chairman** (to act in place of the Chairman): R. Steven Hicks

**Vice Chairman:** Jeffery D. Hildebrand

The Board's approval of Regent Hildebrand as an additional Vice Chairman will complement the Board's March 27, 2015 approval of Vice Chairman Hicks to serve as Vice Chairman to act in place of the Chairman, as necessary.

Further, in accordance with the requirements of the Regents' *Rules and Regulations*, Rule 10402, the Board approved Chairman Foster's appointments of Committee Chairmen and Regental representatives. Appointments to The University of Texas Investment Management Company (UTIMCO) Board of Directors and to The University of Texas at Austin Intercollegiate Athletics Council for Men were approved in separate items (Items 6 and 7 on Pages 10 and 11, respectively).

Committee membership is listed below for the record. All appointments were effective immediately and will remain in effect until new appointments are made.

### **Committees**

#### Academic Affairs Committee

Ernest Aliseda, Chairman  
Alex M. Cranberg  
R. Steven Hicks  
Brenda Pejovich  
Sara Martinez Tucker

#### Audit, Compliance, and Management Review Committee

Jeffery D. Hildebrand, Chairman  
Ernest Aliseda  
David J. Beck  
R. Steven Hicks  
Brenda Pejovich

#### Facilities Planning and Construction Committee

Brenda Pejovich, Chairman  
David J. Beck  
Alex M. Cranberg  
Wallace L. Hall, Jr.  
R. Steven Hicks

#### Finance and Planning Committee

R. Steven Hicks, Chairman  
David J. Beck  
Wallace L. Hall, Jr.  
Jeffery D. Hildebrand  
Sara Martinez Tucker

Health Affairs Committee  
Alex M. Cranberg, Chairman  
Ernest Aliseda  
David J. Beck  
Jeffery D. Hildebrand  
Sara Martinez Tucker

Technology Transfer and Research Committee  
Wallace L. Hall, Jr., Chairman  
Ernest Aliseda  
Alex M. Cranberg  
Brenda Pejovich  
Sara Martinez Tucker

**Regental Representatives**

Athletics Liaison  
R. Steven Hicks

Board for Lease of University Lands  
David J. Beck  
Brenda Pejovich

Liaison to Governor's Office on Technology Transfer and Commercialization Issues  
Wallace L. Hall, Jr.

M. D. Anderson Services Corporation Board of Directors  
Alex M. Cranberg

Special Advisory Committee on the Brackenridge Tract  
David J. Beck  
Jeffery D. Hildebrand  
Sara Martinez Tucker

Special Liaison on South Texas Projects  
Ernest Aliseda

RECESS FOR STANDING COMMITTEE MEETINGS.--At 9:09 a.m., the Board recessed to convene in Standing Committee meetings from 9:10 a.m. - 4:00 p.m.



THURSDAY, MAY 14, 2015.--The members of the Board of Regents of The University of Texas System convened at 8:15 a.m. on Thursday, May 14, 2015, in the Board Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Foster

Vice Chairman Hicks

Vice Chairman Hildebrand

Regent Aliseda

Regent Beck

Regent Cranberg

Regent Hall

Regent Pejovich

Regent Tucker

Regent Richards, Student Regent, nonvoting (arrived at 11:50 a.m.)

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Foster called the meeting to order in open session.

WELCOME TO REGENTS TUCKER AND BECK.--Chairman Foster formally welcomed Regents Tucker and Beck to the second day of their first regularly scheduled Board meeting. He provided the following remarks.

Remarks by Chairman Foster

As you begin your service, it is appropriate that the Board reflect on the shared vision of each previous Board of Regents. The history of the Board of Regents is preserved in documents such as the framed photos placed around this room, on this floor, and in the 8th floor Board Office.

One of those documents is a reproduction of the original handwritten Minutes from the first Board meeting in 1881. These historical documents serve to remind us of the great responsibility to continue the commitment to excellence started over a century ago.

In 2005, in conjunction with the 100th anniversary of the approval of the U. T. System Seal, the Board commissioned a unique bronze rendition of the Seal. At this time, we will present replica seals to our new Regents to remind them of the rich history of The University of Texas and of the responsibilities associated with their Board service.

Chairman Foster presented medallions with the customary symbolic seal of office to Regents Tucker and Beck.

WELCOME TO EXECUTIVE VICE CHANCELLOR STEVEN W. LESLIE, PH.D.-- Chairman Foster welcomed Dr. Steven W. Leslie as Executive Vice Chancellor for Academic Affairs for The University of Texas System. Dr. Leslie began his service on May 10, 2015. Dr. Leslie previously served, with distinction, at The University of Texas at Austin as Dean of Pharmacy and as Executive Vice President and Provost, and he played a key role in the establishment of the Dell School of Medicine at U. T. Austin.

RECOGNITION OF CHAIRS OF STUDENT ADVISORY COUNCIL, FACULTY ADVISORY COUNCIL, AND EMPLOYEE ADVISORY COUNCIL.--Chairman Foster recognized the Chairs of three University of Texas System Councils as follows:

- Student Advisory Council, Mr. Zachary Dunn,
- Faculty Advisory Council, Dr. Ann Killary, and
- Employee Advisory Council, Ms. Kimberly Coleman.

#### AGENDA ITEMS

2. U. T. Austin: Recognition of Men's Swimming and Diving Team for their 11th National Championship and other team championships

Chairman Foster called on President Powers to introduce Men's Swimming and Diving Team Coach Eddie Reese and members of The University of Texas at Austin Men's Swimming and Diving Team for their 11th National Championship win.

Chairman Foster also congratulated the members of the U. T. Austin Men's Golf team and their coach for their recent Big 12 Championship win.

Also, 20 students from the U. T. Austin McCombs School of Business were recognized for earning four national championships during the 2014-15 All America Student Analyst Competition.

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

The following officers of The University of Texas System Student Advisory Council (SAC) met with the Board of Regents to discuss accomplishments of the Council and plans for the future. The Council's recommendations and brief discussions are on the following pages.

Chair: Mr. Zachary Dunn, The University of Texas at San Antonio

Academic Affairs Committee: Ms. Nancy Fairbank, The University of Texas at Dallas, Political Science

Student Involvement and Campus Life Committee: Ms. Brooke Knudtson, U. T. Dallas, Political Science

Health and Graduate Affairs Committee: Mr. Tyler McDonald, The University of Texas Southwestern Medical Center, fourth year medical student, School of Medicine

Financial and Legislative Affairs Committee: Mr. Jeff Schilder, U. T. San Antonio, Global Affairs

Mr. Dunn introduced Mr. Varun Joseph as the incoming Chair of the Student Advisory Council. Mr. Joseph is a third year dental student at The University of Texas Health Science Center at San Antonio and former Master of Business Administration student at The University of Texas at Arlington.

Health and Graduate Affairs Committee

1. A recommendation to increase the efforts of interdisciplinary education among health professions schools

Chancellor McRaven commented that interdisciplinary education was a consistent theme in his meetings with each Council representative, and he voiced his support for this recommendation not only for the medical field, but for all aspects of education. He said he would review this recommendation further, and asked that the Council present any further recommendations.

2. A recommendation for adoption of a uniform set of guidelines in relation to Electronic Medical Record (EMR) preparedness

Chairman Foster suggested the EMR guidelines should be uniform statewide, and Mr. McDonald agreed.

3. A recommendation on expanded training for graduate students

## Student Involvement and Campus Life Committee Recommendations

1. A recommendation supporting the inclusion of the LGBTQ community

Vice Chairman Hicks commented on the Board's support for all students.

2. A recommendation to implement effective enforcement policies for tobacco use at U. T. System institutions

Chairman Foster asked if the Council is prepared to recommend penalties for enforcing smoking and tobacco use on campus, and Ms. Knudtson said the Council has had discussions on a fine. She said the Council has focused more on the mental and physical health of the students, encouraging smokers to adopt a cessation program. She asked the Board for assistance in developing a uniform policy that speaks to consequences, and Chairman Foster said he doubts the Board would get involved at this level. Chancellor McRaven challenged the students to own the difficulties and participate in solving problems on campus as students, without having to get authorities involved. He noted that confronting and handling these kinds of conflicts issues are part of a great University experience. Ms. Knudtson said she will take this back to other student leaders to help to change the culture.

## Academic Affairs Committee Recommendations

1. A recommendation addressing student concerns about online course offerings

Ms. Fairbank responded to questions from Regent Cranberg about the availability and completion of course evaluations, and she explained the recommendation by saying that the U. T. System institutions should be comparing online course evaluations completed by students to the equivalent in-class course evaluations and reviewing the online course offerings based on student comments to ensure quality.

2. A recommendation to create a central advising record platform at each institution

Financial and Legislative Affairs Committee Policy Statements and Recommendations (These recommendations were not included in the Agenda materials.)

1. A recommendation to ensure steps are taken regarding a safe and effective rollout concerning guns on campus

Mr. Schilder stated the Council is against guns on campuses, while the Legislature is in favor of such a stance. He acknowledged Chancellor McRaven's support of the students' stance on this issue.

2. A recommendation to continue and expand the green fee on campuses

Chancellor McRaven said that if the students are interested, he would look further into the allowance of green fees Systemwide.

3. A recommendation regarding voter identification laws

Mr. Schilder explained that, if passed, House Bill 733 would allow veterans health and student identification (ID) cards to be included in voter identification laws. Chancellor McRaven asked how that would work for undocumented students, and Mr. Schilder explained there might be a designation whereby the card reader at the voting station would presumably not accept the student ID cards for undocumented students.

4. U. T. System Board of Regents: Award of Regents' Outstanding Student Awards in Arts and Humanities – recognition of musical arts winners

The Board awarded Regents' Outstanding Student Awards in Arts and Humanities to the following students who were recognized for their abilities in the musical arts:

- Flute: Ms. Meera Gudipati, The University of Texas at Austin, for outstanding instrumental performance by an individual/duo
- Guitar Quartet: Mr. Kyle Comer, Mr. Carlos Martinez, Mr. Tyler Rhodes, and Mr. Thales Smith, U. T. Austin, for outstanding instrumental performance by a group

In recognition of its support of the arts and humanities, on February 9, 2012, the Board of Regents authorized the Office of Academic Affairs to establish the Regents' Outstanding Student Awards in Arts and Humanities. The awards program is designed to provide a framework that fosters excellence in student performance, rewards outstanding students, stimulates the arts and humanities, and promotes continuous quality in education. This year's awards were for the musical arts.

The nominees were evaluated on the following elements: tone production, technique, rhythm, intonation, interpretation, overall quality of performance, and diction (for vocalists).

5. U. T. System Board of Regents: Approval of Consent Agenda items

Chairman Foster noted the following related to the Consent Agenda:

- Item 8 authorizes an agreement with The University of Texas M. D. Anderson Cancer Center to invest in The University of Texas System Institute for Health Transformation and Project Diabetes Obesity Control (Project DOC).
- Item 10 concerns a contract with The University of Texas at Austin's Institute on Domestic Violence and Sexual Assault for a biennial Systemwide climate survey and related services.
- Item 16.1 is an employment agreement with Dr. David Daniel, President of The University of Texas at Dallas, as Deputy Chancellor at U. T. System effective July 1, 2015. Related to this appointment, Chancellor McRaven asked U. T. Dallas Provost Hobson Wildenthal to serve as Interim President until a new president is named. A search will start with the appointment of a search advisory committee to work under the leadership of Executive Vice Chancellor Leslie.
- Employment Agreements also include the following individuals:
  - Executive Vice Chancellor for Academic Affairs Steve Leslie (Item 16.2),
  - Dr. Gregory Fenves as U. T. Austin President (Item 31), and
  - U. T. Austin Head Basketball Coach Shaka Smart (Item 32).
- Item 17 requests approval of updates of the U. T. System Seal, Wordmark, and Tagline. (Note: Vice Chancellor Safady advised that the approved updates will be used only in a very limited way.)

- Items 19 and 20 report on Fiscal Year 2014 Post-Tenure Review for the academic and health institutions.
- Items 21 and 36 request changes to admission criteria for The University of Texas at Arlington and U. T. Dallas.
- Vice Chairman Hildebrand advises that he will abstain from vote on Item 61 regarding a contract for U. T. M. D. Anderson Cancer Center with Cardinal Health 200, LLC because of financial interests.

The Board then approved the Consent Agenda, which is set forth on Pages 174 - 239.

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

6. U. T. System Board of Regents: Appointment of Regent David J. Beck and reappointments of Vice Chairman R. Steven Hicks and Vice Chairman Jeffery D. Hildebrand to the Board of Directors of The University of Texas Investment Management Company (UTIMCO)

The Board approved the appointment of Regent David J. Beck to The University of Texas Investment Management Company (UTIMCO) Board of Directors to replace Regent Robert L. Stillwell as a Regental Director effective immediately, for a term to expire on April 1, 2017.

The Board also approved the reappointment of Vice Chairman R. Steven Hicks and Vice Chairman Jeffery D. Hildebrand to serve on the UTIMCO Board of Directors for terms to expire on April 1, 2017.

The named Regents abstained from any discussion and Board vote on this item.

*Texas Education Code* Section 66.08 and Regents' *Rules and Regulations*, Rule 10402, Section 4 require that the U. T. System Board of Regents appoint six members to the UTIMCO Board of Directors of whom three must be members of the Board of Regents and the other three must have a substantial background and expertise in investments. The U. T. System Chancellor serves as a member of the UTIMCO Board upon appointment by the Board of Regents, and two additional members are appointed by The Texas A&M University System Board of Regents. The approved UTIMCO bylaws allow Regental directors to serve two-year terms and external directors to serve a maximum of three terms of three years each. All Directors serve until the expiration of such Director's term, or until such Director's successor has been chosen and qualified.

Regent Beck will replace Former Regent Stillwell, whose term on the Board of Regents has expired. Regent Beck was appointed to the U. T. System Board of Regents on January 22, 2015.

Vice Chairman Hicks was appointed to the UTIMCO Board on February 17, 2011, and was reappointed on September 12, 2013. Regent Hildebrand was appointed to the UTIMCO Board on September 12, 2013.

Mr. Ardon E. Moore has agreed to continue to serve as an External Director until a replacement is named. Mr. Moore was appointed to the UTIMCO Board of Directors on July 13, 2006, and serves as Vice Chairman of the UTIMCO Board. Mr. Moore was reappointed for a second term on February 12, 2009, and for a third term on May 3, 2012. Mr. Moore has agreed to serve as an External Director until his replacement is named.

The Board of Regents was also advised that Mr. Phil Adams was appointed to the UTIMCO Board of Directors by The Texas A&M University System Board of Regents to replace Mr. Morris Foster effective April 1, 2015.

Secretary's Note: Vice Chairman Hildebrand was elected UTIMCO Board Chairman on April 22, 2015.

7. U. T. System Board of Regents: Approval of appointment of Mr. Robert L. Stillwell as Regental Representative to U. T. Austin Intercollegiate Athletics Council for Men

The Board approved the appointment of Mr. Robert L. Stillwell to the position of Regental Representative to The University of Texas at Austin Intercollegiate Athletics Council for Men to replace and complete Regent David J. Beck's four-year term, effective immediately. Mr. Stillwell's term will expire on August 31, 2017.

The U. T. Austin Intercollegiate Athletics Council for Men is a nine member advisory group composed of two Regental appointees, five members of the University General Faculty, one student, and one ex-student. The Regental appointments are for four-year, staggered terms.

Former Regent Stillwell was appointed to The University of Texas System Board of Regents on February 12, 2009, and served until March 11, 2015. During his term on the Board, Mr. Stillwell served as one of the Board's Athletics Liaisons. Former Regent Stillwell replaced Regent Beck, who served on the Council from October 4, 2013, until his confirmation as Regent on March 11, 2015.

Mr. Charles W. Matthews, Jr., currently serves on the Men's Council.



8. U. T. System Board of Regents: Amendment of Regents' *Rules and Regulations*, Rule 10801, Section 3, concerning Compliance with the Texas Public Information Act (TPIA)

In reference to discussion of the report on revisions to The University of Texas Systemwide Policy UTS139, regarding procedures and application of the Texas Public Information Act (TPIA), that was presented and discussed under Item 8 of the Audit, Compliance, and Management Review Committee on May 13, 2015, Regent Hall noted his concern with the one-year timeline to implement Subsection 11.3 of UTS139, and Chancellor McRaven said he agreed and will work to shorten the timeline for the institutions to post responsive information online.

The Board then approved amendment of Section 3 of the Regents' *Rules and Regulations*, Rule 10801, concerning Compliance with the TPIA, to read as set forth below. (These changes are also reflected in Rule 10801 revisions included in Item 24 on Page 163 of these Minutes.

Sec. 3 Compliance with Texas Public Information Act (TPIA). The Board requires all U. T. System Administration, U. T. System institutional employees, and members of the Board to comply fully with the requirements of the Texas Public Information Act (TPIA) and to respond thoroughly, appropriately, and in accordance with State and federal laws to all lawful requests as detailed in U. T. Systemwide Policy UTS139. Any substantive changes to UTS139 require approval by the Board.

The Board expects all employees to work to achieve and maintain an environment of transparency, cooperation, and compliance with applicable law and policy. The Board will support staffing levels and acquisition of resources necessary and reasonable to implement and achieve the intent of this Rule.

The changes to Regents' Rule 10801 (Policy on Transparency, Accountability, and Access to Information) codify the Board's longstanding expectation of full compliance with the TPIA. Regents' Rule 10801 also includes a link to the recently revised U. T. Systemwide Policy UTS139, regarding procedures and application of the TPIA, and requires that substantive changes to UTS139 be approved by the Board.

9. U. T. System Board of Regents: Adoption of new Regents' *Rules and Regulations*, Rule 10901, concerning Statement of U. T. System Values and Expectations

Chancellor McRaven recommended a statement of values and expectations for The University of Texas System related to the conduct of all operations with integrity, accountability, transparency, and respect.

The Board adopted new Rule 10901 of the Regents' *Rules and Regulations* as set forth on the following pages. The statement was drafted following consideration of a suggestion from Regent Hall.

**1. Title**

Statement of U. T. System Values and Expectations

**2. Rule and Regulation**

**Sec. 1 Purpose.**

This Rule outlines the general values to be adopted and embraced by all U. T. System officers and employees to ensure that The University of Texas System maintains its reputation as a System that strongly values integrity and requires all operations to be conducted with accountability, transparency, and respect.

The Rule is not a comprehensive guide to all matters of conduct or ethics. Officers and employees are expected to use common sense and best judgment in all situations.

**Sec. 2 Compliance with Laws and Policy.**

In addition to the expectations outlined below, U. T. System officers and employees are expected to comply with all applicable federal, State, and local laws as well as applicable rules and policies.

**Sec. 3 Minimum Expectations.**

**3.1 Trust and Credibility.** The success of The University of Texas System is dependent on maintaining the trust and confidence earned from students, patients, faculty, staff, elected leaders, and members of the public. Trust and confidence are gained by adhering to commitments, displaying honesty and integrity, and reaching goals solely through diligence and honorable conduct.

**3.2 Respect for the Individual.** The University of Texas System and the Board of Regents are committed to creating an environment where all U. T. System officers and employees are treated with dignity and respect.

**3.3 Culture of Open and Honest Communication.** Managers have a responsibility to create an open and supportive environment where employees understand the importance and value of raising and responding to concerns about potentially questionable or unethical behavior.

- 3.4 Setting the Tone. U. T. System leadership including the Chancellor and the Presidents and the members of the Board of Regents has the added responsibility for demonstrating, through actions and leadership, the importance of the expectations described in this Rule. The Chancellor and the Presidents must be responsible for promptly and appropriately reviewing questions or concerns about ethical behavior raised by employees or others and for taking appropriate and timely steps to address any problems identified.

10. U. T. System Board of Regents: Amendments to Regents' *Rules and Regulations*, Rule 20201, Section 1 (Presidential Selection), concerning confidentiality of the search process

The Board approved amendments to Regents' *Rules and Regulations*, Rule 20201, Section 1 (Presidential Selection) to read as set forth below to include language on the confidentiality of the presidential selection process:

- 1.10 Confidentiality. The presidential selection process must be conducted in a manner that protects the identity of all candidates. Information about the process, other than statements or releases by the Chairman of the Board or the Chancellor, will be distributed only as required by the Texas Public Information Act (TPIA). Each individual participating in the search process, including U. T. System employees, members of the Board, search firm representatives, members of a Presidential Search Advisory Committee, and individuals asked to meet with candidates, must sign a confidentiality agreement in a form approved by the General Counsel to the Board and the U. T. System Vice Chancellor and General Counsel prior to participation.

An individual found to have violated the confidentiality agreement may be removed from the search process. A U. T. System employee found to have violated the confidentiality agreement is subject to disciplinary action, up to and including termination. A member of the Board found to have violated the confidentiality agreement is subject to sanctions.

The addition of language to the Rule regarding the presidential search process specifically mandates confidentiality in the process and requires each individual participating in the search process to sign and honor a confidentiality agreement.

11. U. T. System Board of Regents: Amendments to Regents' *Rules and Regulations*, Rule 20201, Sections 2, 3, and 4, concerning the organizational and reporting structure of the U. T. System

Upon recommendation of Chancellor McRaven, the Board approved a change in the organizational and reporting structure of The University of Texas System to have the institutional presidents report directly to the Chancellor, with a supervisory and oversight role by the Executive Vice Chancellor for Academic Affairs or the Executive Vice Chancellor for Health Affairs, as appropriate. The changes are reflected in the revisions to Regents' *Rules and Regulations*, Rule 20201, Sections 2, 3, and 4 as set forth on the following pages.

**1. Title**

Presidents

**2. Rule and Regulation**

...

Sec. 2 Reporting. The president reports to and is responsible to the Chancellor. The president is expected to consult with the Chancellor and the appropriate Executive Vice Chancellor on significant issues as needed.

Sec. 3 Term and Removal from Office. The president serves without fixed term, subject to the pleasure of the Chancellor, following an opportunity for input by the appropriate Executive Vice Chancellor and subject to the approval of the Board of Regents. When circumstances warrant or require such action, the Chancellor may take interim action involving a president, including but not limited to suspension or leave of absence, pending approval by the Board.

Sec. 4 Duties and Responsibilities. Within the policies and regulations of the Board of Regents and under the supervision and direction of the Chancellor and the appropriate Executive Vice Chancellor, the president has general authority and responsibility for the administration of that institution.

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12. U. T. System Board of Regents: Amendments to Regents' *Rules and Regulations*, Rule 30105, concerning Sexual Harassment, Sexual Misconduct, and Consensual Relationships

The Board approved amendments to Regents' *Rules and Regulations*, Rule 30105, regarding Sexual Harassment, Sexual Misconduct, and Consensual Relationships, to read as set forth on the following pages.

The amendments ensure compliance with federal law and recent guidance and consistency across The University of Texas System institutions by including several changes to better align with the Campus Sexual Violence Elimination (SaVE) Act. The SaVE Act is a 2013 amendment to the federal Jeanne Clery Act. The Act was designed by advocates along with victims/survivors and championed by a bipartisan coalition in Congress as a companion to Title IX that will help bolster the response to and prevention of sexual violence at institutions of higher education.

The amendments also include a codification of the definition of sexual harassment currently being used in the model policy drafted by the Office of General Counsel for use by the U. T. System institutions. Also, inclusion of a new definition of sexual misconduct is in harmony with the federal definition.

**1. Title**

Sexual Harassment, Sexual Misconduct, and Consensual Relationships

**2. Rule and Regulation**

Sec. 1 Environment. The educational and working environments of The University of Texas System and all of the institutions shall be free from sexual harassment, sexual misconduct, inappropriate consensual relationships, and other inappropriate sexual conduct. Engaging in such conduct or relationships is unprofessional and unacceptable.

Sec. 2 Adoption of Policies. Each U. T. System institution and U. T. System Administration shall adopt policies and procedures prohibiting sexual harassment, sexual misconduct, other inappropriate sexual conduct, and regarding consensual relationships in substantial compliance with the Office of General Counsel model policies and procedures. The institution's policies and procedures must be published in the institution's *Handbook of Operating Procedures* after review and approval by the appropriate Executive Vice Chancellor.

**3. Definitions**

Sexual Harassment – Unwelcome conduct of a sexual nature, including, but not limited to, unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature when:

- a) Submission to such conduct is made either explicitly or implicitly a term or condition of employment, student status, or participation in University activities; or
- b) Such conduct is sufficiently severe or pervasive that it interferes with an individual's education, employment, or participation in University activities, or creates an objectively hostile environment; or
- c) Such conduct is intentionally directed towards a specific individual and has the effect of unreasonably interfering with that individual's education, employment, or participation in University activities, or creating an intimidating, hostile, or offensive environment.

Sexual assault, sexual exploitation, dating violence, domestic violence, and stalking are behaviors that may constitute sexual harassment.



Sexual Misconduct – A broad term encompassing a range of nonconsensual sexual activity or unwelcome behavior of a sexual nature. The term includes, but is not limited to, sexual assault, sexual exploitation, sexual intimidation, sexual harassment, domestic violence, dating violence, and stalking. Sexual misconduct can be committed by men or women, strangers or acquaintances, and can occur between or among people of the same or opposite sex.

Inappropriate Consensual Relationships – A consensual sexual relationship, romantic relationship, or dating between a university faculty member or other employee and any employee or student over whom the individual has any direct or indirect supervisory, teaching, evaluation, or advisory authority, unless the relationship has been reported in advance and a plan to manage the conflict inherent in the relationship has been approved and documented.

Other Inappropriate Sexual Conduct – Includes unwelcome sexual advances, requests for sexual favors, or verbal or physical conduct of a sexual nature directed towards another individual that does not rise to the level of sexual harassment but is unprofessional and inappropriate for the workplace or classroom. It also includes consensual sexual conduct that is unprofessional and inappropriate for the workplace or classroom.

13. U. T. System Board of Regents: Adoption of new Regents' *Rules and Regulations*, Rule 50801, concerning Student Learning Outcomes Assessment

The Board adopted new Regents' *Rules and Regulations*, Rule 50801, regarding Student Learning Outcomes Assessment, to ensure that each University of Texas System institution and U. T. System Administration have internal policies that incorporate strategies for assessment of student learning outcomes. The Rule is set forth on the following pages, with revisions recommended by Regent Pejovich and Executive Vice Chancellor Leslie approved at the meeting set forth in congressional style.

Student learning is the knowledge, skills, and attitudes that students acquire as a result of an educational experience and should always be at the forefront of what institutions of higher education do. Determining whether a student has learned a particular concept or skill set and to what extent she/he has learned it is a critical component of the higher education enterprise. The Regents' Rule seeks to ensure that U. T. System institutions engage thoroughly in the assessment of student learning outcomes. The results of those assessments inform the public of the value added by the higher education experience and should also be used by the institutions as part of their commitment to continuous quality improvement.

Regent Pejovich clarified the intent of the new language was to determine that the level of testing reflects best practices for each U. T. System institution. She asked Dr. Leslie to continue to bring these assessments to the Board or to the appropriate Committee of the Board to keep the Board engaged in these analyses and best practices and to continue to make this transparent to the public. She said these best practices as set forth in Section 4.2 are the basis for making changes in curriculum, instruction, advising, or other aspects of an educational program. Dr. Leslie committed to do so.

A more detailed U. T. Systemwide model policy will be developed by the Office of Academic Affairs.

**1. Title**

Student Learning Outcomes Assessment

**2. Rule and Regulation**

Sec. 1 Board Commitment. The Board of Regents and U. T. System Administration are committed to continuous improvement for the purpose of establishing best practices as a means of ensuring institutional effectiveness and ongoing enhancement of all academic programs. Assessing student learning -- the outcomes of an institution's educational programs -- is at the heart of these efforts.

Sec. 2 Purpose. The purpose of this Rule is (a) to ensure that U. T. System institutions design and implement appropriate strategies for assessing student learning outcomes and for the use of assessment findings for continuous improvement of teaching and learning, and (b) to set forth principles and guidelines for the implementation of learning outcomes assessment at U. T. System institutions.

Sec. 3 Principles and Guidelines.

3.1 Student learning outcomes assessment will be used to inform the continuous improvement of teaching and learning in all degree programs offered at each U. T. System institution.

3.2 Assessment of student learning outcomes at the program level are to be designed, implemented, and interpreted by the faculty most directly associated with the program.

Rationale. Outcomes assessment is based on explicit learning goals or expectations associated with particular educational programs. It involves the systematic collection and analysis of data -- both qualitative and quantitative -- to determine how well student performance matches goals or expectations. The major purpose of outcomes assessment is to improve student learning.

Sec. 4 Requirements.

4.1 U. T. System institutions shall develop and implement methods for assessing student learning outcomes in all undergraduate, graduate, and professional programs with the expectation of establishing best practices.

- 4.2 Assessment findings will be systematically analyzed and used as a basis for making changes in curriculum, instruction, advising, or other aspects of an educational program to improve student learning and success.

Sec. 5 Implementation and Reporting.

- 5.1 Implementation of this Rule at the U. T. System institutions is to be consistent with the *Principles of Accreditation: Foundations for Quality Enhancement* as promulgated by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC).
- 5.2 On a schedule that aligns with its reaffirmation of accreditation with SACSCOC, each institution shall submit an assessment report on student learning outcomes to the Office of Academic Affairs or to the Office of Health Affairs.

14. U. T. System Board of Regents: Amendments to Regents' *Rules and Regulations*, Rule 80105, Section 1.2 (Joint Sponsorship of the Use of Property or Buildings) and Rule 80106, Section 2.3 (Special Use Facilities)

The Board approved amendment of the Regents' *Rules and Regulations*, Rule 80105, Section 1.2 (Joint Sponsorship of the Use of Property or Buildings) and Rule 80106, Section 2.3 (Special Use Facilities) to read as set forth below to enable University of Texas System institutions to more efficiently enter into agreements with outside entities to host campus events in furtherance of and related to the educational, cultural, recreational, and athletic programs of the institutions.

Rule 80105: Joint Sponsorship of the Use of Property or Buildings

Sec. 1.2 For joint sponsorship to be appropriate, the implications of a program or activity must, in the determination of the Chancellor or President, directly supplement the educational purposes of the institution.

Rule 80106: Special Use Facilities

Sec. 2.3 As a lower priority, the rules and regulations may provide for reservation and use of Special Use Facilities by individuals, groups, associations, or corporations without the necessity of joint sponsorship by the U. T. System or any of the institutions. Subject to all constitutional and statutory provisions relating to the use of State property or funds for religious or political purposes, Special Use Facilities may be made available for religious and political conferences or conventions. Rates must be charged for the use of the Special Use Facility that, at a minimum, ensure recovery of that part of the operating cost of the facility attributable directly or indirectly to such use. Agreements for the use of Special Use Facilities shall be consistent with model contracts developed by the Office of General Counsel.

The changes to Rule 80105, Section 1.2 and Rule 80106, Section 2.3 were initiated in response to the institutions' need for flexibility and efficiency and are designed to remove current obstacles institutions face when attempting to enter into contracts with outside entities that will bring enriching and cultural events to the campuses. The Rules had prohibited U. T. System institutions from jointly sponsoring or entering into a contract with an outside entity if the non-U. T. entity were to realize any financial gain from the use of the facilities.

The changes allow U. T. System institutions to efficiently negotiate and execute agreements with outside entities to host and/or jointly sponsor cultural, educational, recreational, and athletic events. The Office of General Counsel will provide a template and checklist designed to streamline the process and aid the institutions in contracting, as there is a constitutional consideration with the change. The group or association utilizing a university facility must provide adequate consideration to the

university pursuant to the Texas Constitution. Also, a university may receive less than adequate monetary consideration so long as there is a legitimate public purpose, the university retains control, and the university receives a return benefit.

15. U. T. System Board of Regents: Group Purchasing Organization (GPO)/Sole Source Purchasing Working Group Report

At the November 6, 2014 meeting of the Board, Executive Vice Chancellor Kelley led a discussion regarding the use of University of Texas System group purchasing contracts through the Texas Department of Information Resources (DIR) and other sources; and issues related to competitive bidding, justification for exclusive acquisitions, and requirements for Board approval. Following the discussion, noting the magnitude of the DIR and Group Purchasing Organization (GPO) contracts, and the guidance received from the Board, then Chancellor Cigarroa asked Executive Vice Chancellor Kelley to gather a working group of internal experts to recommend improvements on these procurement policies and to report at a future Board meeting.

At this meeting, Executive Vice Chancellor Kelley presented the report of the Group Purchasing Organization (GPO)/Sole Source Purchasing Working Group, which is set forth on the following pages and includes nine recommendations.

Regent Tucker asked about the internal controls behind the established minimum thresholds, and Dr. Kelley described the procurement controls (Recommendation #4), such as dollar limits, and required training of authorized procurement personnel at the U. T. System institutions. He explained the blanket exception for GPOs to facilitate contracting processes that have been competitively bid, noting that the larger institutions such as The University of Texas M. D. Anderson Cancer Center and The University of Texas Southwestern Medical Center have more operating room in recognition of the staffing depth and other delegations. Dr. Kelley also explained the recommendation to provide an opportunity to expedite procurements by sending a proposed purchase to the members of the Board's Audit, Compliance, and Management Review Committee for review. He summarized the intent was to identify the "sweet spot" where the institutions could get work done quickly if needed while recognizing required Board approval.

In reply to a question from Regent Hall about reporting of contracts on the public website, Dr. Kelley said individual contracts are reported consistent with Governor Abbott's letter (see Pages 48 - 49). Regent Hall said he asked the question because he strongly supports the idea that the public be made aware of how money is being spent and on what products and services.

Dr. Kelley also discussed the recommendations regarding consulting services (Recommendation #3) in response to a question from Regent Hall, commenting that all contracts over \$3 million will require Board approval, and if the GPO has multiple suppliers in the same service category, a scope of work will be created and proposals solicited. Dr. Kelley elaborated on the complexity of procurements, determining how to set deliverables-based contracts and holding consultants accountable. He commented a similar process used by the Office of Facilities Planning and Construction to engage a firm to audit contractor records at the end of a construction process might be beneficial to review and then look at what the consultants promised and whether or not those services were secured. He also discussed the merits of consultancies or not.

In reply to a question from Regent Hall about how an issue reported by the *Austin American-Statesman* was missed in the audit process, Dr. Kelley said nothing suggested this was fraudulent or even overly problematic, but there clearly were some lost efficiencies. He said that although GPOs use competitive pricing, some of the U. T. System institutions were already utilizing a second step of competitive bidding. He commented on challenges related to balancing procurements that are needed quickly. He also commented on overall best practices to do a better job on matters such as documentation and standardization that should grow over time and bringing procurements at least at some threshold to the Board for review and approval. He said the ability to remove the Board entirely from what were some large contracts through the GPOs was probably a miscontrolled point.

Dr. Kelley explained the Fiscal Year 2014 spend of \$1.28 billion on sole source (about \$600 million) and GPOs (\$680 million) in response to a question from Vice Chairman Hildebrand who also asked if that was a high number. Dr. Kelley explained the large number of expenditures on health care including pharmaceuticals, libraries, research. He noted that the sole source contracts over \$1 million came to the Board, but what was lacking was a greater clarification and standardization of that justification for sole sourcing.

Vice Chairman Hildebrand commented that in private markets, authority for expenditure is essentially the limit that any one individual or entity can spend. He asked for a matrix that explains the authority of university personnel, such as procurement officers, deans, and chairmen, to sign contracts. Dr. Kelley said that information is available and in place, and will be gathered and communicated.

Vice Chairman Hildebrand agreed that the length of contracts should be reviewed (Recommendation #9) since five years is a long time and the world changes. Dr. Kelley agreed that contracts with the same vendor, for instance, to go through the competitive process again would be an area of improvement.

Following further discussion, Dr. Kelley said he would provide information on consulting fees and work to drive those costs down. Accepting that unique situations exist whereby consultants can help on particular problems, Vice Chairman Hildebrand commented that consultancies need to be the exception rather than the rule to solving problems in the U. T. System.

Saying he agreed with the Group's recommendations, Regent Beck asked how the Board's review cap is determined for multiple year contracts that might be valued at \$1 million per year. Dr. Kelley explained the cap is based on the total value of the contract, and in that example, the \$4 million contract would require Board approval.

Chairman Foster said he is supportive of consolidating purchasing and sharing resources to benefit from economies of scale, but cautioned against the inefficiencies of too much time and money spent on the contracting process. Dr. Kelley agreed and stated the U. T. System is a long way from that, and he mentioned the Working Group is trying to find the right balance of serving the U. T. System institutions, such as consolidating the reporting into one website rather than 15.

Chairman Foster also commented on his experience with the GPO process in that smaller companies in particular may have a difficult time, and he said it is always good to recognize that there are sometimes exceptions and sometimes better ways to do things. Dr. Kelley responded that he is hopeful the additional transparency of reports to the Board on where money is being spent and the purchasing websites will highlight if opportunities are missed for inclusion of smaller firms.

Vice Chairman Hildebrand agreed, saying it is a balance between centralizing and decentralizing the purchasing process. He favored trusting and giving the institutions some autonomy by providing the tools to be able to make the best purchasing decisions that they can.

Regent Cranberg spoke about the need to demonstrate absolute best practices in purchasing while trying to make these balances, and he expressed gratitude to Regent Hall for having been persistent and tenacious in pursuing the questions related to purchasing procedures.



**Group Purchasing Organization (GPO)/Sole Source Purchasing  
Working Group Report  
to the U. T. System Board of Regents**

**BACKGROUND**

Following the November 6, 2014 meeting of the Board of Regents, a small working group was formed to review the purchasing policies and practices in the procurement of goods and services through methods other than competitive bidding by the U. T. System and its institutions, and to suggest recommendations for improvement in those practices. Such purchasing practices subject to this review included procurement through sole sourcing, state agencies, and the use of other group purchasing organizations (GPOs).

The working group met initially to review its charge and to formulate a plan moving forward (**Appendix A** - Working Group Charge). In November 2014, a request was made to all of the U. T. System institutions to provide information on all contracts and purchase orders entered into in Fiscal Year 2014 that were not competitively bid--including information on the vendor, method of procurement (sole source, specific GPO, etc.) and dollar amount of each contract. That information was received in late December and summarized and collated in an attempt to ensure consistency and comparability. The data revealed that approximately 30% of our total purchases were procured in a method other than the traditional competitive bidding process. The total dollars spent in Fiscal Year 2014 for Sole Source, TXMAS/State, DIR and other group purchasing organizations were just over \$1.28 billion.

While at first glance this number may seem extraordinarily large, there were valid reasons for why such a large dollar amount was spent procuring goods and services utilizing purchasing methods other than the traditional competitive bidding process. Indeed, the data illustrated both the value of the flexibility the state has provided in procurement methods and, perhaps more importantly, the absolute imperative we have to ensure that the trust given is not abused and that policies and practices are in place to guarantee that U. T. System is fair, transparent and absolutely ethical in all procurements. **Appendix B** provides an excerpt from the *Texas Education Code* under which U. T. System institutions are generally allowed to operate.

Of the \$1.28 billion in identified purchases (utilizing methods other than traditional competitive bidding), almost half or just under \$600 million were categorized as sole source purchases. These sole source purchases included the following:

- Library materials
- Direct Publications/Software Renewals/Maintenance

- Proprietary (i.e. Pharmaceuticals, Chemical Reagents)
- Original Equipment Manufacturer (OEM) Maintenance/Renewals
- Compatibility with Existing Equipment
- Continuity of Services/Research
- Meets Required Specifications/Unique Specifications
- Contractor/Grantor Requirements
- Professional Services (Legal, Architect, Engineer, Physician)
- Professional Organization Memberships
- Insurance
- Emergency Purchases

Also, unlike purchases made using group purchasing organizations that are, for now, exempt from Board of Regents’ approval under Regents’ Rule 10501, these sole source purchases (in excess of the required dollar threshold) do require approval by the Board. (**Appendix C** - Regents’ Rule 10501 excerpt).

Of the remaining \$680 million, which was not sole sourced, approximately \$230 million (18% of the total \$1.28 billion) were purchases made through state contracts, while \$450 million (35% of the total \$1.28 billion) were purchases from one of more than 25 GPOs, including the U. T. System Supply Chain Alliance.

In addition, two state agencies and three GPOs accounted for over \$620 million (or more than 90%) of the identified \$680 million procured through agency contracts or GPOs. They are as follows:

- |   |   |               |
|---|---|---------------|
| • The Department of Information Resources (DIR) | - | \$178 million |
| • Texas Multiple Awards Schedules (TXMAS)       | - | \$ 42 million |
| • Premier Healthcare Alliance GPO               | - | \$245 million |
| • U. T. System Supply Chain Alliance            | - | \$130 million |
| • E&I Cooperative Services                      | - | \$ 25 million |

Given the large amount of goods and services procured by the U. T. System through the five organizations mentioned above, the working group requested information from all five groups to better understand individual practices and processes in soliciting contract proposals from vendors and in identifying contract and pricing terms that can be used by members utilizing the organization’s shared contracts. **Appendix D** shows a list of the questions generally asked of the State Agencies/GPOs with whom we visited.

Variation was found in the approach taken by these agencies/GPOs in how they qualify vendors and set pricing for contracts. For example, the U. T. System Supply Chain Alliance engages in a very rigorous competitive bidding process determined not only to qualify vendors for use by U. T. System institutions, but also to ensure that the vendor(s) selected provide the most competitive pricing by, in part, communicating the aggregate spend likely to come from our institutions and agreeing to narrow the choice available to the institutions. Other groups add value by “pre-qualifying” vendors through a competitive bidding process but, by their own admission, are not seeking to necessarily acquire the most favorable pricing terms that would come through the bidding of a large contract. In other words the price

offered by the vendor in the process may be a standard price that the vendor would give to any purchaser.

On January 28, 2015, as the working group was engaged in its work, Governor Abbott issued a letter (**Appendix E**) to all state agency heads asking for greater transparency and better stewardship in the state's contracting and procurement processes. This letter was in response to concerns raised in the contracting processes at another State agency, which reinforces the value and insight of our Board of Regents, which noted the risks associated with this important function many months earlier and convened this working group to review practices and policies well in advance of any identified procurement challenges in other state agencies.

Once the letter was issued by Governor Abbott, the U. T. System agreed, to the extent possible to immediately implement the five specific suggestions from the letter to improve transparency and foster accountability. In addition, U. T. System informed the Governor's staff and members of the Legislature of the review that was currently underway by this working group and that further recommendations would be coming to the Board of Regents in May. The working group has attempted to adjust its process and to reflect the Governor's suggestions and guidance into its recommendations.

### **RECOMMENDATIONS**

Having reviewed the data, conducted numerous interviews and deliberations, the working group suggests the following recommendations for the Board of Regents to consider.

**Recommendation #1:** It is recommended that all U. T. System institutions begin using a standardized sole source ("Exclusive Acquisition") procedure and best value determination. The working group recommends that the Office of General Counsel (OGC) publish guidelines to standardize the process for all U. T. System institutions based on a set of best practices. The working group has identified the following Best Practices that should be considered:

- Adopt the term "Exclusive Acquisition" and include justification for:
  - Sole source/proprietary purchases
  - Best value purchases
  - Emergency purchases
  - Purchases of professional services
    - *Texas Government Code* 2254.002/003 requires pre-qualification. In situations where only one supplier is being considered, written justification would be required in the absence of pre-qualification
- Cite in either the procedure or the form the legislative guideline that applies or defines a requirement
- Affirmation signed by the request originator that attests to accuracy of the information presented and absence of any conflict of interest
- Counter signature by the school/department-level administrative official

- Dual approval within the Purchasing Department by both the Buyer and a purchasing manager
  - Purchasing management signature must be in line with established delegation of authority limits

Exclusive Acquisition Justification (EAJ) would be required when only one supplier is being considered for purchases that meet the institution's dollar threshold requirements for competitive bids or proposals.

In **Appendix F**, the working group offers a suggested standardized form that could be used for all sole source (exclusive acquisition) procurements.

**Recommendation #2:** The working group applauds the purchasing training and certification currently mandated by University of Texas System Policy UTS156 and endorses its continuing application. In UTS156, core training is required for all employees who process procurements of goods or services and must include the following areas:

- Ethics
- Supplier relations
- U. T. System Historically Underutilized Business (HUB) program
- Applicable laws, rules and regulations
- The role of the buyer and the buyer's fiduciary responsibility
- Documentation and records management
- Applicable policies and procedures
- Contract administration
- Principles of "best value" procurement

In addition, all personnel who process competitive procurements and issue purchase orders in an amount greater than \$25,000 must obtain certification from one of the nationally recognized procurement educational associations and/or Texas Procurement and Support Services (TPASS) training programs listed below:

- Institute for Supply Management
- National Institute of Government Purchasing
- State of Texas (administered by TPASS division of the Texas Comptroller's Office)

Only individuals who have specific procurement knowledge and experience are eligible for certification. There are three essential components for eligibility:

- Level of education
- A required number of years in procurement experience
- Coursework training and a successful passing score on a formal examination

The required certification levels are classified by the type of purchase (e.g., formal bids, small dollar procurements) and the level of commitment authority given to the purchaser. For example, a purchaser who processes formal bids requires more years of procurement experience and course work training than a purchaser who process informal quotes. Certifications must be renewed every five years and the recertification process requires continuing education hours ranging from 45 hours to 120 hours depending upon the certifying educational association. Certification requirements are incorporated into institution's job descriptions to ensure all applicable personnel are appropriately certified.

**Recommendation #3:** The working group recommends that there be a tiered approach to the use of State Agency Contracts/Group Purchasing Organizations. It is recommended that the Regents delegate to the Executive Vice Chancellor for Business Affairs (EVCBA) to work with the U. T. System Purchasing Council and the U. T. System Supply Chain Alliance to develop an "accreditation" process whereby GPOs might be certified for various levels of use. Until a GPO is recommended for certification to the Board of Regents and subsequently approved by the Board, an institution cannot procure goods or services through the GPO. The group, working with the EVCBA, would recommend GPO "certifications" to the Board of Regents and the conditions under which an institution can utilize the GPO's services. It is further recommended that GPOs certified by the Board undergo a recertification process every two years whereby they are reapproved for use by the Board of Regents.

While the accreditation process is being developed and until GPO certification recommendations are approved by the Board, we recommend institutions be permitted full use of contracts provided by the U. T. System Supply Chain Alliance as is, and conditional use of contracts provided by:

- The Department of Information Services (DIR);
- Texas Multiple Awards Schedules (TXMAS);
- Premier Healthcare Alliance GPO; and
- E&I Cooperative Services.

Subject to the following:

Services: Where it is clear that the Agency/GPO has multiple suppliers in the same service category, then the institution must develop a specific scope of work and solicit and receive a minimum of three valid proposals (or two if there are only two firms in the category) from contracted suppliers.

Goods: Where it is clear that the Agency/GPO has multiple suppliers for the same good category, then the institution shall solicit a minimum of three valid proposals (or two if there are only two firms in the category) from contracted suppliers;

- for DIR, TXMAS, and E&I Cooperative Services, this step is applicable to contracts over a \$1.0 million threshold that are calculated based on the contract terms, and

- for Premier Healthcare Alliance GPO, this step is applicable according to the following contract requirement thresholds that are calculated based on the contract term:
  - \$1.0 million for UTB, UTPA, UTPB, UTRGV, UTT and UTHSCT;
  - \$2.0 million for UTA, UTD, UTEP, UTSA; and
  - \$3.0 million for UTAUS, UTHSCH, UTHSCSA, UTMB, UTSWMC, UTMDA, and U. T. System.

In addition, if the institution exceeds the top tier volumes, spend, or market share under a GPO contract with a tiered pricing structure, then the institution shall be required to obtain a minimum of three valid proposals or two if there are only two firms in the category.

Best Value Justification: In all cases the institution must complete and sign off on a standard “best value” justification form. **Appendix G** illustrates a sample process, already implemented at a number of our institutions which takes into account these required conditions. The “best value” form is in development.

**Recommendation #4:** It is recommended that Regents’ Rule 10501, Sec. 2.2.7, which exempts all purchases made under a group purchasing program that follow all applicable statutory and regulatory standards for procurement from Board of Regents approval – be amended. Instead, it is proposed that:

- First, Section 2.2.7 would only apply to State Agencies/GPOs that have been “certified” by the Board of Regents (see **Recommendation #3**) and contracts that follow the conditions associated with that certification (currently we recommend application of this section to the U. T. System Supply Chain Alliance and the four Agencies/GPOs noted above in **Recommendation #3**).
- Second, purchases made through a “certified” State Agency/GPO purchasing program under:
  - \$1.0 million for UTB, UTPA, UTPB, UTRGV, UTT and UTHSCT;
  - \$2.0 million for UTA, UTD, UTEP, UTSA; and
  - \$3.0 million for UTAUS, UTHSCH, UTHSCSA, UTMB, UTSWMC, UTMDA, and U. T. System be exempt from Board of Regents’ approval.
- Third, that proposed purchases made through a “certified” State Agency/GPO over the above mentioned thresholds be communicated via email to members of the Audit, Compliance, and Management Review (ACMR) Committee of the Board and that each member of the ACMR Committee be given 48 hours for any individual questions concerning the purchase.
- Fourth, that a quarterly report of all procurements made in the prior three months that are over the above mentioned thresholds and that utilize a State Agency/GPO purchasing program, be provided to the Board of Regents.

**Recommendation #5:** Consistent with the direction received from Governor Abbott, it is recommended that each U. T. System institution locate and develop a webpage on their website to report information on each sole source contract within 30 days of the signing of the contract. This recommendation has already been implemented.

**Recommendation #6:** Again, consistent with the direction received from Governor Abbott, it is recommended that for any procurement of more than \$5 million, the institution’s procurement director

or contract manager certify in writing the procurement method to the institution President or Chancellor. **Appendix H** shows a recommended “certification template,” which can be used for this process. And, while the template has yet to be standardized, the certification process for contracts exceeding \$5 million has already been implemented.

**Recommendation #7:** The working group recommends continued adherence to current U. T. System policy and conflict of interest programs and finds that the policy and programs currently in place adequately protect the U. T. System, its institutions, and its employees from unmanageable conflicts while still allowing for appropriate engagement in needed business activities.

**Recommendation #8:** While we of course recognize the guidance received from the Governor and will clearly adhere to any new legislative requirement related to transparency and ethical procurement of goods and services, the working group believes that current delegations of contracting authority are reasonable, efficient and reflective of the appropriate levels of accountability. This is particularly apparent when considering University of Texas System Policy UTS156 and the rigorous training and certifications required of all those engaged in the procurement of goods and services. The working group does not believe that requiring the institution President or the Chancellor to sign all contracts in excess of \$1 million is a particularly effective control mechanism and believes such a requirement creates some unnecessary inefficiencies in the system.

**Recommendation #9:** With a few identified exceptions (including food services/concessions) it is recommended that U. T. System explore the implementation of contract term limits of no more than five years (including extensions). It is recommended that this issue be studied and considered with input from the institutions to determine if such term limits are practical, what length they might be, and what list of exceptions should be identified. Another considered approach would be to require Board of Regents’ approval for contracts beyond five years, regardless of total dollar value.

## **FUTURE THOUGHTS**

While not part of its specific recommendations the working group would note two other items for possible future discussion and study.

First, there may be a need for more review and consideration of how and when to engage consulting services at the U. T. System and its institutions. It is clear that U. T. System expends large amounts of resources on such services and it is likewise apparent that there is often a need to supplement internal expertise with outside help due to a narrow proficiency required, the temporary nature of a project or study, an independent approach or review, etc. But it is also evident that contracts for consulting services can be some of the most difficult to negotiate and manage to ensure risk is shared, value is maximized,

and objectives are met. Therefore, there may be value in better understanding how, when and why to obtain such services and what might be done to enhance efficiency in this area.

Second, an identified purchasing best practice for future consideration is the possible further consolidation of procurement functions within the U. T. System. If done right, this more corporate-like model – relating only to purchasing and procurement – has the advantages of enhanced efficiency, better controls, and simplified processes while still allowing for the individualized decision-making and flexibility critical to the individual institutions.



**APPENDIX A**  
**Working Group Charge**

As requested by the Board of Regents (BOR) on November 6, 2014, this working group will gather data and information on the processes and procedures under which U. T. institutions acquire goods and services. Based on the data gathered and the information obtained, the working group will make recommendations to the BOR to assure compliance with statutory “best value” requirements, to suggest best practices and enhanced efficiency, and to provide assurance to the BOR that they are exercising an appropriate degree of oversight regarding U. T. System expenditures.

Specifically, the task force will

1. Obtain data on the various ways U. T. institutions acquire goods and services, including number and type of contracts and dollars expended on sole source acquisitions, competitive procurements conducted by the institutions themselves, and group purchases made under contracts procured by the Department of Information Resources, the Comptroller of Public Accounts (TXMAS), Premier, Novation and other significant group purchasing organizations.
2. Review best practices on the use and documentation of sole source and group purchase contracts. Review the competitive processes used by the group purchasing organizations and how well they satisfy our best value requirements.
3. Review how the use of various purchase methods can be justified and documented under the best value purchasing authority.
4. Review the BOR Rules on purchasing, including exemptions from BOR approval, for significant contracts by type and monetary value.
5. Make recommendations on how to strengthen purchasing policies and procedures to reflect best practices, maintain efficiency and flexibility while ensuring proper oversight and public transparency.

**APPENDIX B**  
***Texas Education Code Excerpt***

The following is an excerpt from the *Texas Education Code* under which U. T. System institutions are generally allowed to operate:

**§ 51.9335. ACQUISITION OF GOODS AND SERVICES.**

- (a) An institution of higher education may acquire goods or services by the method that provides the best value to the institution, including:
  - (1) competitive bidding;
  - (2) competitive sealed proposals;
  - (3) a catalogue purchase;
  - (4) a group purchasing program; or
  - (5) an open market contract.
  
- (b) In determining what is the best value to an institution of higher education, the institution shall consider:
  - (1) the purchase price;
  - (2) the reputation of the vendor and of the vendor's goods or services;
  - (3) the quality of the vendor's goods or services;
  - (4) the extent to which the goods or services meet the institution's needs;
  - (5) the vendor's past relationship with the institution;
  - (6) the impact on the ability of the institution to comply with laws and rules relating to historically underutilized businesses and to the procurement of goods and services from persons with disabilities;
  - (7) the total long-term cost to the institution of acquiring the vendor's goods or services;
  - (8) any other relevant factor that a private business entity would consider in selecting a vendor; and
  - (9) the use of material in construction or repair to real property that is not proprietary to a single vendor unless the institution provides written justification in the request for bids for use of the unique material specified.

APPENDIX C

1. Title

Delegation to Act on Behalf of the Board

2. Rule and Regulation

Sec. 2 Delegation

- 2.1 Compliance with Special Instructions. All authority to execute and deliver contracts, agreements, and other documents is subject to these *Rules and Regulations* and compliance with all applicable laws and special instructions or guidelines issued by the Chancellor, an Executive Vice Chancellor, and/or the Vice Chancellor and General Counsel. Special instructions or guidelines by the Chancellor, an Executive Vice Chancellor, or the Vice Chancellor and General Counsel may include without limitation instructions concerning reporting requirements; standard clauses or provisions; ratification or prior approval by the Board of Regents or the appropriate Executive Vice Chancellor; review and approval by the Office of General Counsel; and recordkeeping.
- 2.2 Contracts Not Requiring Board Approval. The following contracts or agreements, including purchase orders and vouchers, do not require prior approval by the Board of Regents.
- 2.2.1 Construction Projects. Contracts, agreements, and documents relating to construction projects previously approved by the Board of Regents in the Capital Improvement Program and Capital Budget or Minor Projects.
- 2.2.2 Construction Settlements. All settlement claims and disputes relating to construction projects to the extent funding for the project has been authorized.
- 2.2.3 Intellectual Property. Legal documents, contracts, or grant proposals for sponsored research, including institutional support grants, and licenses or other conveyances of intellectual

property owned or controlled by the Board of Regents as outlined in [Rule 90105](#) of these Rules.

- 2.2.4 Replacements. Contracts or agreements for the purchase of replacement equipment or licensing of replacement software or services associated with the implementation of the software.
- 2.2.5 Routine Supplies. Contracts or agreements for the purchase of routinely purchased supplies or equipment.
- 2.2.6 Approved Budget Items. Purchases of new equipment or licensing of new software or services associated with the implementation of the software, identified specifically in the institutional budget approved by the Board of Regents.
- 2.2.7 Group Purchases. Purchases made under a group purchasing program that follow all applicable statutory and regulatory standards for procurement.
- 2.2.8 Loans. Loans of institutional funds to certified nonprofit health corporations, which loans have been approved as provided in The University of Texas System Administration Policy [UTS166, \*Cash Management and Cash Handling Policy\*](#) and The University of Texas System Administration Policy [UTS167, \*Banking Services Policy\*](#) concerning deposits and loans.
- 2.2.9 Certain Employment Agreements. Agreements with administrators employed by the U. T. System or any of the institutions, so long as such agreements fully comply with the requirements of *Texas Education Code Section 51.948* including the requirement to make a finding that the agreement is in the best interest of the U. T. System or any of the institutions, except those with total annual compensation of \$1 million or greater or with proposed multiyear contracts of \$1 million or greater.

- 2.2.10 Energy Resources. Contracts or agreements for utility services or energy resources and related services, if any, which contracts or agreements have been approved in advance by the Chancellor or the Chancellor's delegate.
- 2.2.11 Library Materials and Subscriptions. Contracts or agreements for the purchase or license of library books and library materials.
- 2.2.12 Athletic employment agreements. Contracts, contract revisions, and contract extensions with athletic directors and coaches except those with total annual compensation of \$1 million or greater or those with proposed multiyear contracts of \$1 million or greater.
- (a) Contracts, contract revisions, and contract extensions for individuals with total annual compensation of \$1 million or greater may be negotiated and executed by the President following consultation with the Chancellor, the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor and General Counsel, and the Chairman of the Board of Regents and additional consultation, as requested by the Chairman, to determine if special circumstances require an offer or contract change to be made prior to a scheduled meeting of the Board and if the proposed offer or contract change is in the best interest of the institution.
  - (b) Such special circumstance contracts shall be submitted to the Board for formal approval via the Consent Agenda at the next appropriate meeting of the Board as required by [Rule 20204](#) of these Rules.
  - (c) Alternatively, the President may seek prior approval of the Board to negotiate with a slate of identified individuals within defined contract terms and proceed, if authorized, to hire an athletic director or coach and

submit a contract for formal approval by the Board as set out in (b) above.

- (d) It is the expectation of the Board, the Chancellor, and the Executive Vice Chancellor for Academic Affairs that each President will assure the Chairman, the Chancellor, and the Executive Vice Chancellor for Academic Affairs are provided advance notice of proposed hirings and potential terms of employment related to such contracts in advance of an offer or publication or public distribution of information to allow for meaningful consultations and/or approvals.

2.2.13 Athletic Games. Contracts or agreements related to athletic games, including postseason bowl games. If the contract or agreement exceeds \$1 million in value, the contract or agreement must be approved by the Executive Vice Chancellor for Academic Affairs and be in a form acceptable to the Vice Chancellor and General Counsel.

2.2.14 Property or Casualty Losses. Contracts or agreements with a cost or monetary value to the U. T. System or any of the institutions in excess of \$1 million but not exceeding \$10 million associated with or related to a property or casualty loss that is expected to exceed \$1 million may be approved, executed, and delivered by the Chancellor. The Chancellor shall consult with the institutional president, if applicable.

2.2.15 Health Operations. Contracts or agreements for the procurement of routine services or the purchase or lease of routine medical equipment, required for the operation or support of a hospital or medical clinic, if the services or equipment were competitively procured.

2.2.16 Increase in Board Approval Threshold. An institution's dollar threshold specified in Section 3.1 may be increased to up to \$5 million by the

Vice Chancellor and General Counsel, after consultation with the General Counsel to the Board of Regents, if it is determined that the institution has the expertise to negotiate, review, and administer such contracts. Unless approved in advance by the Vice Chancellor and General Counsel, any increase will not apply to contracts or agreements designated as Special Procedure Contracts by the Vice Chancellor and General Counsel.

- 2.2.17 Group Employee or Student Benefits. Contracts or agreements for uniform group employee or student benefits, including those offered pursuant to [Chapter 1601, Texas Insurance Code](#).
- 2.3 (inadvertently left out)
- 2.4 Signature Authority. The Board of Regents delegates to the Chancellor or the president of an institution authority to execute and deliver on behalf of the Board contracts and agreements of any kind or nature, including without limitation licenses issued to the Board or an institution. In addition to other primary delegates the Board assigns in the Regents' *Rules and Regulations*, the Board assigns the primary delegate for signature authority for the following types of contracts.
- 2.5 System Administration and Systemwide Contracts. The Board of Regents delegates to the Executive Vice Chancellor for Business Affairs authority to execute and deliver on behalf of the Board contracts or agreements:
- (a) affecting only System Administration,
  - (b) binding two or more institutions of the U. T. System with the concurrence of the institutions bound, or
  - (c) having the potential to benefit more than one institution of the U. T. System so long as participation is initiated voluntarily by the institution.
- 2.6 Contracts Between or Among System Administration and Institutions. The Board of Regents delegates to the Executive Vice Chancellor for Business Affairs authority to execute on behalf of the Board contracts or agreements between or among System Administration

and institutions of the U. T. System for resources or services. Any such contract or agreement shall provide for the recovery of the cost of services and resources furnished.

- 2.7 Contracts with System Administration or Between or Among Institutions. The Board of Regents delegates to the president of an institution authority to execute on behalf of the Board contracts or agreements with System Administration or between or among institutions of the U. T. System for resources or services. Any such contract or agreement shall provide for the recovery of the cost of services and resources furnished.
- 2.8 Contracts for Legal Services and Filing of Litigation. The Board of Regents delegates to the Vice Chancellor and General Counsel authority to execute and deliver on behalf of the Board contracts for legal services and such other services as may be necessary or desirable in connection with the settlement or litigation of a dispute or claim after obtaining approvals as may be required by law. Litigation to be instituted under these contracts on behalf of the Board, System Administration, or an institution of U. T. System must have the prior approval of the Vice Chancellor and General Counsel.
- 2.9 Settlement of Disputes. Except as provided in Section 3.6 below, the Board of Regents delegates to the Vice Chancellor and General Counsel authority to execute and deliver on behalf of the Board agreements settling any claim, dispute, or litigation. The Vice Chancellor and General Counsel shall consult with the institutional president and the appropriate Executive Vice Chancellor or Chancellor with regard to all settlements greater than \$150,000 that will be paid out of institutional funds. Settlements greater than \$1,000,000 will require the approval of the Board as outlined in Section 3.6 below. The Vice Chancellor and General Counsel shall consult with the Office of External Relations with respect to settlement of will contests and other matters relating to gifts and bequests administered by that Office.

Sec. 3 Matters Not Delegated. The following contracts or agreements, including purchase orders or vouchers and binding letters of intent or memorandums of understanding, must be submitted to the Board for approval or authorization:



- 3.1 Contracts Exceeding \$1 Million.
  - 3.1.1 All contracts or agreements, with a total cost or monetary value to the U. T. System or any of the institutions of more than \$1 million, unless exempted in Section 4 below. The total cost or monetary value of the contract includes all potential contract extensions or renewals whether automatic or by operation of additional documentation. For purposes of this Rule, any contract with unspecified cost or monetary value with a term of greater than four years is presumed to have a total value of greater than \$1 million.
  - 3.1.2 Any amendment, extension, or renewal that increases the cost or monetary value of the original contract to more than \$1 million must be submitted to the Board for approval or authorization. Any amendment, extension, or renewal with a cost or monetary value that exceeds 25% of the cost or monetary value of the original contract approved by the Board must be submitted to the Board for approval.
- 3.2 Contracts with Foreign Governments. Contracts or agreements of any kind or nature, regardless of dollar amount, with a foreign government or agencies thereof, except affiliation agreements and cooperative program agreements, material transfer agreements, sponsored research agreements and licenses, or other conveyances of intellectual property owned or controlled by the Board of Regents prepared on an approved standard form or satisfying the requirements set by the Office of the General Counsel, or agreements or contracts necessary to protect the exchange of confidential information or nonbinding letters of intent or memorandums of understanding executed in advance of definitive agreements each as reviewed and approved by the Vice Chancellor and Office of General Counsel.
- 3.3. Contracts Involving Certain Uses of Institution Names, Trademarks, or Logos. Except as specifically allowed under existing contracts entered into between the Board of Regents and nonprofit entities supporting a U. T. System institution, agreements regardless of dollar

amount that grant the right to a non-U. T. entity to use the institutional name or related trademarks or logos in association with the provision of a material medical-related service or in association with physical improvements located on property not owned or leased by the contracting U. T. System institution.

- 3.4 Contracts with Certain Officers. Agreements, regardless of dollar amount, with the Chancellor, a president, a former Chancellor or president, an Executive Vice Chancellor, a Vice Chancellor, the General Counsel to the Board, or the Chief Audit Executive are subject to the applicable provisions of *Texas Education Code Section 51.948*.
- 3.5 Insurance Settlements.
- (a) Settlements in excess of \$1 million must have the approval of the Board.
- (b) Settlement claims from insurance on money and securities or fidelity bonds of up to \$1 million shall be approved by the Executive Vice Chancellor for Business Affairs.
- (c) If a loss is so extensive that partial payments in excess of \$1 million are necessary, the Chancellor is delegated authority to execute all documents related to the partial payment or adjustment. Final settlement of claims in excess of \$1 million will require approval by the Board.
- 3.6 Settlement of Disputes. Settlements of any claim, dispute or litigation for an amount greater than \$1 million require approval. The settlement may also be approved by the appropriate standing committee of the Board of Regents. The Vice Chancellor and General Counsel shall consult with the institution's president and appropriate Executive Vice Chancellor or Vice Chancellor with regard to all settlements in excess of \$150,000 that will be paid out of institutional funds.
- 3.7 Power to Authorize Expenditures. No expenditure out of funds under control of the Board shall be made and no debt or obligation shall be incurred and no promise shall be made in the name of the System or any of the

institutions or of the Board of Regents by any member of the respective staffs of the U. T. System or any of the institutions except:

- 3.7.1 In accordance with general or special budgetary apportionments authorized in advance by the Board of Regents and entered in its minutes; or
- 3.7.2 In accordance with authority specifically vested by the Board of Regents in a committee of the Board; or
- 3.7.3 In accordance with authority to act for the Board of Regents when it is not in session, specifically vested by these *Rules and Regulations* or by special action of the Board.

Sec. 4 Exceptions. This Rule does not apply to any of the following:

- 4.1 UTIMCO. Management of assets by UTIMCO, which is governed by contract and the provisions of [Rule 70101](#), [70201](#), [70202](#), and [70401](#) of these *Rules and Regulations*.
- 4.2 Acceptance of Gifts. The acceptance, processing, or administration of gifts and bequests, which actions are governed by [Rule 60101](#), [60103](#), [70101](#), and [70301](#) of these *Rules and Regulations* and applicable policies of the Board of Regents.
- 4.3 Statutory. Any power, duty, or responsibility that the Board has no legal authority to delegate, including any action that the Texas Constitution requires be taken by the Board of Regents.

### 3. Definitions

Group Purchasing Program – for purposes of this Rule, a purchasing program established by (1) a state agency that is authorized by law to procure goods and services for other state agencies, such as the **Texas Procurement and Support Services Division of the Texas Comptroller of Public Accounts** and the Texas Department of Information Resources, or any successor agencies, respectively; or (2) a group purchasing organization in which the institution participates, such as Novation, Premier, Western States Contracting Alliance, and U.S. Communities Government Purchasing Alliance; or (3) the U. T. System Supply Chain Alliance.

**APPENDIX D**  
**Questions for Group Purchasing Organizations**

1. Describe how your GPO's sourcing and contracting processes help UT System institutions satisfy legally required "best value" standards (see next page for excerpt from the relevant Texas statute).
2. Please discuss:
  - a. How solicitations for proposals are advertised (e.g., when, where, to whom, minority suppliers, etc.).
  - b. What percentage of your GPO's contract awards are competitively bid, as opposed to being sole sourced, and how you make your members aware of the method used for a particular award.
  - c. How competing bids are evaluated, and what criteria have to be satisfied for a vendor to be awarded a contract.
  - d. How GPO members are involved in the sourcing process.
  - e. How transparency is achieved by making bid materials (e.g., RFP responses, scoring process, etc.) available to members.
3. Does your GPO practice an "all awards" process (e.g., where 80-100% of the bidders are awarded a contract)?
4. What percentage of your contract awards are "all awards," multiple awards," and "single awards," respectively?
5. What instructions do you give to your GPO members about their ability to negotiate terms that are better than those in the awarded contract, or to choose among multiple awards?
6. How do you determine the duration of awarded contracts?
7. Are complete master contract terms and conditions made available to your GPO members?

Only for TXMAS:

Provide details of how business terms are established in contract awards to product distributors, in situations where the federal or state contracts on which TXMAS relies in making its awards are only with the product manufacturers.

APPENDIX E



OFFICE OF THE GOVERNOR

**GREG ABBOTT**

January 28, 2015

To: All State Agency Heads

Re: Transparency in State Agency Contracting and Procurement

As leaders in state government, we must never forget that we work for the people of Texas, whose hard-earned tax dollars make all our work possible. Our duty to be good stewards of the taxpayers' money is not just a statutory or public policy goal---it is a moral obligation that we owe to the millions of Texans whose precious resources have been entrusted to us.

One simple, effective way state agencies can both maximize value for the taxpayers---and improve the public's confidence in their government---is to utilize a competitive bidding process to purchase goods and services whenever that is possible. As Governor, I must ensure that all state agencies are committed to maximizing value and utilizing open and transparent contracting processes.

With that very important goal in mind, I am strongly supporting contracting reform legislation that Sen. Jane Nelson announced Monday. If enacted, SB 353 would impose meaningful reforms on state contracting processes that would improve transparency and foster accountability in the contracting process. Specifically, Sen. Nelson's legislation would, among other requirements:

Require public disclosure of all no-bid contracts and a public justification for using such a procurement method;

Require that all agency employees involved in procurement or contract management disclose any possible conflicts of interest;

Prohibit contracts with business entities with which high-level agency leadership or staff have a financial interest;

Require that the agency's board chair sign any contract valued at more than \$1 million--or delegate signature authority to the agency head;

For procurements of more than \$5 million, require the agency's central contracting office or procurement director to sign off on the procurement method and to indicate, in writing, to the Board and agency head any potential issue that could arise in the contract solicitation.

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While this bill is still a work in progress and may be amended to include additional reforms, I believe that the filed version of SB 353 is an important first step toward restoring public trust. There is no reason to wait and no time to waste in working to ensure the highest level of transparency and integrity in the state contracting process. And while we plan to work proactively with Sen. Nelson with the goal of enacting even more stringent reforms to the contracting process, as Governor, I believe that immediate action is necessary and that the reforms outlined above form a solid foundation that will improve public confidence and transparency in state contracting.

With that in mind, effective February 1, I expect all state agency heads to begin complying with the reforms outlined above. Again, we recognize that this legislation may be amended as it proceeds through the legislative process, however until the law eventually takes effect, state agencies must begin to implement the reforms outlined in this letter immediately.

Finally, I want to reiterate my commitment to an open and transparent bidding process for all state contracts. In light of that goal, I expect that all state agencies will utilize a competitive bidding process not only when it is required by law-but also at all times that it is feasible to do so. Of course, I understand that emergencies may arise that require immediate action by agencies that is not amenable to a more lengthy competitive bidding process. However, it is my expectation as Governor that agencies will utilize a competitive bidding process at all other times.

This memorandum does not change the law. That is the Legislature's responsibility. It does not change any agency administrative rules regarding contracting or procurement. There is a process for that. The purpose of this letter is to outline higher standards for state agencies and to call on custodians of the public trust to achieve those high standards when they face decisions about how to spend the taxpayers' hard-earned money.

Thank you for your service to the State of Texas.

Sincerely,



Greg Abbott  
Governor of Texas

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**APPENDIX F**  
**Sole Source (Exclusive Acquisition) Justification Form**

EXCLUSIVE ACQUISITION JUSTIFICATION (EAJ)

*Use this form for purchases or new contracts over \$5,000 where there are no GPO or bidding opportunities.*

*Note: Every order exceeding \$100,000 is subject to HUB subcontracting rules and regulations*

For assistance in completing this form please call the Purchasing Office at ext. 78000

Acquisition Type:

Categorization of request:

- Academic  
 Direct patient care  
 Research
- Service/Maintenance  
Other:

Requisition. # (if applicable)

Acquisition \$ Amount

Definition of Scope:

Recommended Supplier:

What function, scope, or outcome the requested equipment, product, or service will provide? (Please provide a general description of the function. Additionally, you may attach a detailed specification.)

**Type of Justification**

**Sole Source:**

(as defined in *Government Code 2155.067*)

- Only known supplier that meets your "definition of scope." (Please complete sections "A" and "B" and "F")

**Best Value:**

(as defined in *Education Code Section 74.008, Section b*)

- Required for exact compatibility with existing equipment, standardization, or hospital formulary.  
(Please complete sections "C" and "F")

**Emergency:**

(as defined in *Government Code 2155.086, Section c*)

- A purchase for which delay would create a hazard to life, health, safety, welfare or property.  
(Please complete sections "D" and "F")

**Professional Services:**

(as defined in *Government Code 2254.002*, e.a. Architects, Engineers, RNs, CPAs, Physician, Land Surveyor, etc.)

- Note: For Architects/Engineers Services, if a Direct Appointment Letter is required, please attach the signed letter to this form.  
(Please complete sections "E" and "F")

**A)** Explain what unique features or specifications are contained that will allow you to meet your "definition of scope" but aren't offered by any other supplier.

**B) Note any other competitor considered and why they were excluded: If none, explain why.**

Supplier

Reason for Exclusion/Explanation for "None"

--	--

**C) Describe the existing condition(s) requiring exact compatibility or standardization.**

**D) Describe the urgency and impact to the institution for not placing this purchase through the competitive bid process.**

**E) Professional Services**

1) Anticipated contract completion time frame, based from the award date.

2) Supplier Selection

a) Criteria used to select the Supplier for these services.

b) Reason for selection (Identify specific qualifications of selected Supplier)

3) If the recommended supplier is an individual or sole-proprietor, please complete the Employee/ Independent Contractor Verification Form and attach it to this form.

**F) Approvals**

**ATTENTION:** For contracts not requiring a requisition for contract signature, or, Contracts for signature only:

Two signatures are required for approval (Financial Approver and Subject Matter Expert)

For contracts with requisition for contract signature, or, Requisitions only:

Only one signature is required for approval from the Subject Matter Expert.

**Your approval affirms that:**

- No substitute or equivalent product/service exists in the marketplace that can meet your operational needs.
- No employee/employer relationship exists (*IRS regulations and guidelines*).
- This supplier is not related to anyone who has authority over this purchase and has not been employed by the institution within the past 12 calendar months (*Government Code; Section 2252.901*).
- Supplier has not been paid by the institution to develop/recommend specifications or requirements (*Government Code; Section 2155.004*).
- The above statements are true and correct to the best of my knowledge, and that no other material fact or consideration offered or given has influenced this recommendation for an Exclusive Acquisition.



Your **SIGNATURE** verifies your acknowledgment of the above requirements for disclosure and authorization.

- For contracts not requiring a requisition for contract signature,  
or  
- Contracts for signature only (no payment)

<p>_____</p> <p>Financial Approver Signature      Date</p> <p><input style="width: 100%;" type="text"/></p> <p>Financial Approver Name (typed or printed)</p>	<p>_____</p> <p>Subject Matter Expert Signature      Date</p> <p><input style="width: 100%;" type="text"/></p> <p>Subject Matter Expert Name (typed or printed)</p>
---	---

- For contracts with requisition for contract signature,  
or  
- Requisitions only

<p>_____</p> <p>Subject Matter Expert Signature      Date</p> <p><input style="width: 100%;" type="text"/></p> <p>Subject Matter Expert Name (typed or printed)</p>
---

**For Purchasing Use Only:**

<p>_____</p> <p>Buyer Review      Date</p>	<p>_____</p> <p>Team/Sr. Team Lead      Date</p> <p>(if exceeds Buyer delegation)</p>	<p>_____</p> <p>Purchasing Manager      Date</p> <p>(\$250,000 - \$750,000)</p>	
<p>_____</p> <p>Purchasing Dir. Approval      Date</p> <p>(\$750,000 - \$1,000,000)</p>	<p>_____</p> <p>EVP &amp; Chief Bus/Fin Officer Approval      Date</p> <p>(over \$1,000,000)</p>		

Attachments:

- Attach **complete and signed** form to your requisition in PeopleSoft.
- Attach any quote/proposal from supplier to your requisition in PeopleSoft
- For Architects/Engineers only, attach Direct Appointment Letter (if applicable)

**NOTE:** Missing documentation and/or information, or signatures on form will cause a delay in processing your request.

**APPENDIX G**  
**Sample procedure for utilizing DIR (and other GPO contracts)**  
**currently implemented by some U. T. System institutions**

This procedure is effective immediately and applies to group purchase contracts and local contracts for services in which contracts have been awarded to multiple suppliers. This applies specifically to those contracts that require a scope of work (SOW) to be developed that includes establishment of specific tasks/deliverables, resource hours and hourly rates. It includes, but is not limited to:

- Department of Information Resources (DIR) Deliverables-Based IT Services (DBITS) contracts
- Other DIR contracts for services where it is clear on the DIR website that other suppliers have awards in the same service category
- Other Group Purchasing Organization (GPO) service contracts where multiple awards have been made
- Local contracts where multiple awards have been made
  - This includes but is not limited to recent awards under RFP-1402 Digital Asset Development

**Procedure**

- The business unit requiring the service will develop a SOW and obtain a minimum of three (3) valid proposals from contracted suppliers
  - If only two suppliers have contracts awarded, then two (2) proposals are required
  - A decision by a supplier to not submit a proposal is not counted as a valid proposal
- The business unit will select a winning proposal based on the appropriate best value criteria listed in *Texas Education Code* Section 51.9335(b)
  - All proposals and rationale for selection must be provided to the Purchasing Office or Business Contracts Office as appropriate
  - Appropriateness of the selection must be reviewed and approved by the Assistant Director, Purchasing or Business Contracts Administrator

**Exceptions**

- Any requests for exception must be reviewed and approved by the AVP, Procurement & Payment Services
  - Requests for approval for consideration of one supplier only will require submission and approval of a best value determination based on the best value criteria listed in *Texas Education Code* Section 51.9335(b)

**APPENDIX H**  
**Sample Certification Template**

[Date]

TO: Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs

FROM: \_\_\_\_\_

SUBJECT: Certification Memorandum for Contract with \_\_\_\_\_ [vendor]

The [department] has awarded a contract to [vendor] for [describe goods/services]. The base term of the contract is     years, and the total value of the contract over those     years is estimated to be \$          .

The contract was awarded following a competitive procurement process facilitated by the [department], which included the issuance of request for proposal (RFP) number UTS/   . All proposals received in response to the solicitation were evaluated and scored by a selection committee comprised of Subject Matter Experts (SMEs) from various U. T. System institutions.

The committee identified the proposal submitted by [vendor] as offering best value to U. T. System [Administration] or [and its institutions].

ACKNOWLEDGED BY:

\_\_\_\_\_  
Scott C. Kelley, Executive Vice Chancellor for Business Affairs

BREAK.--The Board recessed for a short break.

16. U. T. System: Authorization to sell approximately 0.338 of an acre improved with O.Henry Hall, a historic office building containing approximately 24,572 gross square feet located at 601 Colorado Street in Austin, Travis County, Texas, to the Texas State University System, an agency of the State of Texas, for a price at market value as established by independent appraisals; and leaseback at a nominal rent until the U. T. System vacates O.Henry Hall, estimated to be in Fall 2017

Chairman Foster deferred consideration of this item until after the Executive Session and, following discussion in Executive Session (Items 1b and 5g), Vice Chairman Hildebrand moved to execute the sale of approximately 0.338 of an acre of real property improved with O.Henry Hall (OHH), a historic office building containing approximately 24,572 gross square feet located at 601 Colorado Street in Austin, Travis County, Texas, under the terms and conditions discussed in Executive Session.

Vice Chairman Hicks seconded the motion, which carried with Regent Pejovich opposing the motion.

On August 21, 2014, the Board of Regents authorized the construction of The University of Texas System Replacement Office Building into which all of the System's administrative offices will be consolidated. The subject property is across Colorado Street from the rest of the U. T. System downtown campus.

The 0.338 of an acre subject property is improved with a four-story office building containing approximately 24,572 gross square feet of which 20,324 is interior gross square footage, and includes a small paved parking court behind OHH. Construction of OHH was completed by the federal government in 1881. The building originally housed Federal Courts and the Post Office. Title was transferred to the Board of Regents in 1968. Although remodeled, OHH retains much of its architectural character both inside and out and is listed on the National Register of National Historic Properties and is a Texas Historic Landmark.

The Texas State University System (TSUS) expressed interest in purchasing OHH. The proposed purchase contract provides for closing in Summer 2015 and provides both parties with certainty of the transaction. TSUS will receive a price discount or credit at closing for the cost of disconnecting the OHH HVAC units from the U. T. System chilled water facilities.

Simultaneously with the closing, TSUS will lease back the entire facility for continued use by U. T. System until 120 days after the Replacement Office Building is complete, which completion is estimated to be in Summer 2017. Rent will be \$200 total, to be paid at closing. U. T. System will be responsible for all costs to operate and maintain the facility, including the costs of capital replacements, and damages or losses, if any, during the lease term.

TRANSACTION SUMMARY FOR PROPOSED SALE OF O.HENRY HALL

Institution: U. T. System

Type of Transaction: Sale

Total Area: Approximately 0.338 of an acre

Improvements: O.Henry Hall, an approximately 24,572 gross square foot office building with a small parking court; the buyer will disconnect the property from U. T. System's chilled water system and will install a separate heating and air conditioning unit at the expiration of the lease.

Location: 601 Colorado Street, Austin, Travis County, Texas

Buyer: Texas State University System, an agency of the State of Texas

Sale Price: Fair market value as determined by the average of two independent appraisals, less the estimated cost for buyer to disconnect the property from U. T. System's chilled water system and install a separate heating and air conditioning unit to serve OHH

Appraised Value: Values by Integra Realty Resources and The Aegis Group, Inc. were sent to members of the Board.

Use: The buyer will use the facility for its university system administrative offices.

TRANSACTION SUMMARY FOR PROPOSED LEASE OF O.HENRY HALL

Description: Lease back of O.Henry Hall

Landlord: Texas State University System (TSUS), an agency of the State of Texas

Tenant: U. T. System

Total Area: Approximately 0.338 of an acre

Improvements: O.Henry Hall, an approximately 24,572 gross square foot office building of which 20,324 is interior gross square footage

Location: 601 Colorado Street, Austin, Travis County, Texas

Term: From the closing of the sale of OHH to TSUS, estimated to occur during Summer 2015, through 120 days after the completion of the U. T. System Replacement Office Building, which completion is estimated to occur in Summer 2017

Rent: \$200 total, paid at commencement of the lease

Expenses: The leaseback will be an absolute triple-net lease: all costs to operate and maintain the facility will be borne by U. T. System, including any costs for capital replacements, and damages or losses, if any

Source of Funds: Sale proceeds

Use: Administrative offices

BREAK.--The Board took a short break from approximately 10:00 - 10:15 a.m.

17. U. T. System: Report from the Blue Ribbon Panel regarding admissions procedures

On February 13, 2015, Chancellor McRaven formed a Blue Ribbon Panel to study the recommendations offered by Kroll Associates regarding University of Texas Systemwide admissions practices. The Panel was charged to analyze and compare the recommendations provided by the Kroll Report and the White Paper on Best Practices in Admissions Processes for Undergraduate and Professional Programs approved by the Board of Regents on July 10, 2014.

The Panel consisted of:

- The University of Texas at Austin President Emeritus Larry R. Faulkner
- U. T. Austin President Emeritus Peter T. Flawn
- Former U. T. System Chancellor and U. T. Austin President William H. Cunningham
- Former U. T. System Chancellor Mark G. Yudof
- Former U. T. System Chancellor R. D. (Dan) Burck
- U. T. System Executive Vice Chancellor for Academic Affairs Pedro Reyes, *ex officio*

Chancellor McRaven said his recommendations on the admissions policy will be made at the August 2015 Board meeting following consideration of the Kroll Report, the White Paper, and this Blue Ribbon Panel. He added that incoming Executive Vice Chancellor for Academic Affairs, Dr. Steven W. Leslie, will meet with the presidents of the U. T. System academic institutions and their input will be considered as well.

He then called on Dr. Larry R. Faulkner, President Emeritus at U. T. Austin, to report on the work of the Blue Ribbon Panel regarding admissions procedures at the U. T. System. Dr. Faulkner's report is set forth on Pages 59 - 63.

Following presentation of the report, Chairman Foster thanked the members of the Panel for their time and efforts, and for their integrity, experience, and knowledge that provides weight to their recommendations. He asked members of the Board if there were any questions or discussion.

Regent Cranberg commented that he agrees with most of the Panel's conclusions, and he asked if the goal is to judge the applicant only on the merits of the individual applicant or should there be consideration made of the ecosystem of the applicant? Dr. Faulkner answered the criteria is up to the Regents to determine and as written in the institutional policies, but he believes the student's merit as evaluated in a holistic process should be the determinant of the decision. He added that there is no right or clear line because the holistic process involves weighting, which is a matter of judgments, and different people weight different characteristics or merits of students differently.

Regent Cranberg asked a question about how prospective future financial or other support might weight an admissions decision, and Dr. Cunningham discussed that a quid pro quo situation would be unacceptable, and the holistic process should be allowed to take its course.

Regent Hall noted the June 2004 proposal to consider race and ethnicity in admissions at U. T. Austin, and he agreed there is not a clear line on who qualifies and does not. He said that it appeared Kroll had identified that sometimes the holistic process was denied, and he asked how the president can be involved to do something different than the policy allows. Dr. Cunningham discussed how someone (the President) has to be a decision-maker, and make the best decisions they can with the information available at the time. He said that decisions, if made wrongly, can be reversed. Dr. Faulkner clarified that the Panel did not revisit the investigative portion of the Kroll Report as the Panel's charge was to speak to identifying the best admissions procedure going forward.

Mr. Burck emphasized his disagreement with establishing a firewall around the President, and Dr. Flawn spoke about the past Provisional Admissions Program (PAP) that took pressure off the admissions policy. He described working in the past on options whereby a student could transfer into the university. He also agreed that creation of a firewall as described would be a mistake.

Regent Cranberg and members of the Panel discussed when a written record of admissions decision would not be appropriate, and Chairman Foster said in closing that the President has to be ultimate arbitrator and there should not be a firewall between the President and admissions process. He noted that the U. T. System desires to develop best processes to be a national leader in this arena.



Briefing of the U. T. System Board of Regents  
Larry R. Faulkner, Chair  
Blue Ribbon Panel on Admissions  
Dated March 25, 2015

(essentially as delivered on May 14, 2015)

- Thank you, Mr. Chairman and Members of the Board. It is my honor to speak, but let me note that three other Panel members are present:
  - Former Chancellor R. D. (Dan) Burck
  - Former Chancellor and Former U. T. Austin President William H. Cunningham
  - Former U. T. Austin and U. T. San Antonio President Peter T. Flawn
- Also a member of the Panel, but not present today, is Former Chancellor Mark G. Yudof, who is also Former President of the University of California and the University of Minnesota.
- The full text of the Panel's report was furnished to you in advance, so I will just cover main points here, setting a stage for questions.
- The Blue Ribbon Panel on Admissions was appointed by Chancellor McRaven in February with a three-point charge. We met all points with unanimous agreement on substance and language.
- The Panel began by articulating fundamentals upon which any system of practice regarding admissions should be built.
- Here are our main points concerning presidential responsibility and authority:
  - In (Regents') Rule 20201, Section 4, the Regents have defined the President's duties elaborately and clearly. The President has "general authority and responsibility" within the bounds of Regental and System-level policies and oversight.
  - In the Panel's view, the admission of students to a public university is a central process bearing strongly on the institution's public identity, its service to the people, the quality of its academic programs, and its external academic standing.
  - The Panel does not believe that a "firewall" should seal the President off from important duties in this area. The office has many responsibilities in which public trust is invested. We do not accept the argument that the President's work regarding admissions is so risk-laden that he or she should be removed from it.
  - The Panel members agree that a well-earned reputation for integrity is a priceless asset of a public university. The President's top priority regarding admissions must be to assure that the work is actually carried out -- and is broadly understood to be carried out -- with the best achievable fairness and validity.
  - To the extent that confidence in admissions practices has eroded, we judge that the answer is in improved presidential accountability, not the removal of this one duty from a President who is otherwise fully responsible for the well-being of his or her institution.

- Now I turn to the president's involvement in the annual admissions cycle.
  - The Panel believes that is appropriate for the President to be involved in planning and policy development prior to, and during, an admissions cycle.
  - From time to time, when the President has relevant knowledge, he or she might also participate in the evaluation of a student's credentials. The members of the Panel judge that this is an acceptable practice. The President has a depth of experience and a range of responsibilities that qualify him or her fully for such work.
  - Nevertheless, we advise that, with rare exceptions, the President leave to the admissions staff the final evaluation of credentials, after he or she has commented.
  - Having an able senior professional in charge of the annual process of undergraduate admissions is important to the institution and to the President. A university is best served when this person has clear delegated authority for normal operations, including the related decision-making.
  - Even so, there may be individual cases in which the President disagrees strongly enough with the admissions staff to make an independent final decision on an applicant's admission. The members of the Panel believe that the President now has this authority under the Regents' Rules and should retain it. The evaluation of issues is complicated, and the President needs always to have the ability to act optimally and properly for the institution, as he or she judges, within the parameters of the holistic admissions process.
  - But decisions to override the outcome of the regular admissions process should be taken judiciously and rarely.
  - Toward accountability, the members of the Panel recommend that the Chancellor require of each President a face-to-face personal report at least once per year to discuss admissions cases in which the President made an independent, final decision. If the Chancellor is not satisfied with the President's approach and actions, the Chancellor has options for follow-up.
  - The Panel members believe that admissions is not an area in which open records offer an appropriate avenue of accountability. By its nature, an admissions process deals individually and personally with applicants. Each has the right to expect the institution to hold in confidence their identities and information. This is the reason for our emphasis on a mechanism of accountability built on direct, face-to-face reporting and discussion.
- Let us now turn to the handling of letters and calls, sometimes called "unsolicited communication."
  - In the experience of the Panel members, there is no harm in most of this communication. The majority of letters simply convey information of the kind normally found in supporting letters, without any suggestion of request for special treatment.
  - The Panel report speaks in detail to the recommended handling of letters, email messages, or calls in various categories. Toward brevity, I omit the details here.
- Rare letters and calls involve attempts at undue influence.
  - The Panel judges that an unsolicited communication manifests an attempt at undue influence if it involves any coercion of institutional personnel.

- Many such cases are not egregious and can be disarmed by the President. Others simply become moot because of the applicant's own success in the process.
- In any case, the President has a clear duty to protect the admissions staff from any part of the coercion.
- If, in a very rare case, there is coercion based on a serious, credible threat to the University's future, the Panel recommends that the President consult in a timely manner with the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Chairman of the Board of Regents.
- With regard to admissions to professional degree programs, the Panel's views are simple:
  - Deans should, by presidential delegation, be principally responsible for admissions to the professional programs in their schools, with roles and responsibilities mirroring those of the President regarding undergraduate admissions.
- Now I turn specifically to the Kroll Report.
  - The Panel does not see the necessity to institute policies that are sharply restrictive with respect to the number and sources of supporting letters in a student's file. But, if an institution judges that policies are needed in this area, we urge that they be made simple and easily explained.
  - The Panel members are in agreement with Kroll's recommendation to establish a policy that unsolicited communications should not unduly influence admissions decisions.
  - The Panel agrees with Kroll's recommendations regarding inquiries from third parties. The privacy of the student's record, including his or her application for admission and its status at any time, must be guarded with care.
  - The Panel does not agree that the President should be precluded from judicious, rare, independent actions in admissions cases for good and sufficient reason. Moreover, the Panel believes that it is unwise to place the Office of Admissions in the role of judge over the President's actions, as Kroll suggests. The Chancellor and the Executive Vice Chancellor for Academic Affairs are the proper agents of accountability.
  - Kroll speaks extensively about the system of "holds" in the Office of Admissions at U. T. Austin.
    - While the Panel recognizes the legitimate administrative needs that gave rise to the procedures, it is amply clear that this system is no longer appropriate, for it feeds mistrust in the integrity of the process. The Panel recommends that it be abandoned.
    - All efforts should be made to avoid tagging any student's file, except as needed to meet internal needs of the admissions process itself.
    - Presidents and deans will still want and need timely information about the outcomes of admissions cases, but the mechanism for assuring their notification should be separated from the individuals and the tools involved in the actual evaluation and decision-making.
  - The Panel agrees with Kroll that there is no need to establish elaborate admissions committees. The members do believe that admissions processes should involve collaborative decision-making among multiple qualified parties.

- Finally, we turn to the White Paper on admissions.
  - The Panel agrees that each institution should revisit and update its written policy governing admissions. We are not in agreement with all elements recommended in the White Paper for inclusion in such a policy, but I have already covered our points of disagreement.
  - The White Paper also includes “Recommendations for Best Practices” under five headings:
    1. Ensure transparency throughout the admissions process.
    2. Identify for prospective students the criteria used in holistic review.
    3. Promote consistency in holistic reviews.
    4. Uphold the integrity of the admissions process by eliminating external influences and conflicts of interest.
    5. Encourage accurate and timely communication between students and admissions staff.
  - The Panel fully endorses the points in the White Paper under four of the five headings (1, 2, 3, and 5).
  - The members support the goal expressed for the fourth heading (conflicts of interest and external influences), but not most of the provisions in the related text. We suggest alternatives that we believe to be superior.
- Admissions processes at a highly selective public university in Texas are intrinsically complex. Practical policies, applied with integrity and sound judgment, are essential. The Panel has endeavored to deliver a report that can be useful over time for those who must develop such policies and carry them out across The University of Texas System.
- This concludes our briefing. Thank you for your attention.

18. U. T. System: Report on the official launch of InFluuent, a U. T. Systemwide research experts tool to promote research collaboration

Dr. Stephanie Bond Huie, Vice Chancellor for Strategic Initiatives, reported on the official launch of The University of Texas Systemwide research experts tool through a live demonstration of a website and federated search engine called "InFluuent at The University of Texas System." She also showed a short video on the launch of InFluuent.

Dr. Huie demonstrated the capabilities of the website and search engine to promote increased research collaborations across all U. T. System institutions and across disciplines. The tool is also designed to facilitate the formation of public-private partnerships.

The Board approved funding for the construction of a U. T. Systemwide Research Experts Data Warehouse with big data analytics structures on May 15, 2014. The first phase of this initiative called for the creation of a Systemwide research experts search engine for both business and industry and for internal collaborations. These Board-funded tools will be officially launched and available for public use.

Chairman Foster asked who is envisioned to be the primary users of the tool, and Dr. Huie said there will be multiple users, including faculty who will use it to connect with their colleagues across the U. T. System, particularly across disciplines, as well as industry. In reply to a question from Regent Hall, Dr. Huie said information on intellectual property, such as patents, may be added to faculty profiles.

19. U. T. System: Update on the Institute for Transformational Learning's (ITL) progress toward developing and implementing competency-based undergraduate degree completion programs in areas of high employment demand

Dr. Steven Mintz, Executive Director of The University of Texas System Institute for Transformational Learning (ITL), and Dr. Marni Baker Stein, Chief Innovation Officer, provided an update on progress toward developing and implementing competency-based undergraduate degree completion programs in areas of high employment demand.

In response to a question from Regent Tucker about the different experiences of competency-based education (CBE), Dr. Baker Stein explained that the definition of CBE varies. Western Governors University, for instance, focuses on the adult professional degree completion experience, while The University of Texas Rio Grande Valley is a more traditional experience with young people, 18-24 years old. She noted the need to define what CBE means and that the ITL is working with industry and professions to map the competency that students are working on during a lifetime. She said it will take years to accomplish, as people will continue to work on competencies as competencies in those professions evolve.

She said she hopes the ITL will distinguish itself in student success, the ability to accelerate through the programs, and honor completion rates. Dr. Mintz said this model has been carefully designed for student success as opposed to self-directed learning.

In reply to a question from Regent Hall, Dr. Baker Stein said the biggest challenge is to meet the demands and challenges of the scale and pace of the initiatives. Both she and Dr. Mintz commended the staff of the U. T. System and the U. T. System institutions for their engagement.

20. U. T. System Board of Regents: Approval of The Sealy & Smith Foundation as recipient of the Santa Rita Award

The Board approved The Sealy & Smith Foundation as recipient of the Santa Rita Award with a related exception to Regents' Rule 10601 to make the award to an entity rather than an individual because of sustained and unique contributions to The University of Texas System.

Chairman Foster's remarks about the award are set forth below.

Remarks by Chairman Foster

I am pleased to make a recommendation concerning the Santa Rita Award, the highest honor bestowed by the Board of Regents.

It is reserved to recognize extraordinary contributions to U. T. institutions, a deep commitment to higher education, and service to the U. T. community. The Award takes its name from Santa Rita, the discovery oil well that transformed The University of Texas.

Since the creation of the award in 1968, only 24 Santa Rita Awards have been made. The last award was given to Former Board Chairman James Huffines in 2010.

It gives me great pleasure today to nominate The Sealy & Smith Foundation of Galveston as the 25th recipient of the Santa Rita Award. While it is unusual to consider an entity for this award, the Foundation's long history of support for and contributions to the U. T. System is unusual, unique, and legendary.

Established in 1922 by John Sealy and Jennie Sealy Smith, joined by her husband R. Waverly Smith, the Foundation has contributed almost \$1 billion to support medical education and the delivery of health care at U. T. Medical Branch in Galveston, including funding for the construction of its hospitals, its biosafety lab, endowed academic and clinical positions, and equipment.

In many respects, it is through the vision and strategic direction of The Sealy & Smith Foundation that UTMB serves Galveston, the State of Texas and the nation as a premier health institution. The Sealy & Smith Foundation is also the largest single entity contributor to the U. T. System.

If approved, I recommend that this very significant award be bestowed upon the Foundation at an appropriate ceremony to be held in Galveston, when we may celebrate the Foundation's lengthy record of dedication and service to higher education.

BREAK.--The Board took a short break from approximately 11:30 - 11:49 a.m.

21. U. T. System Board of Regents: Presentation of Certificate of Appreciation to Student Regent David "Max" Richards

This item was taken up after Items 22 and 23 below. Chairman Foster thanked Student Regent David "Max" Richards for his service to The University of Texas System over the past year and presented a certificate of appreciation as follows. Regent Richards then provided the following remarks.

CERTIFICATE OF APPRECIATION

to

DAVID "MAX" RICHARDS

from the

Board of Regents  
of

The University of Texas System

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

Student Regent, 2014 - 2015

Remarks by Regent Richards  
(essentially as delivered)

First off, I would like to acknowledge my parents in the audience, Laura and David Richards, for coming today. I would not be up here today if it wasn't for them. They have always been my biggest fans and I can always count on them to be in my corner when I need them.

I came to the Board of Regents last June at a very exciting time. With two medical schools that will soon be online, my term has been a transformational time from U. T. System. With programs like seekUT, which provides real-time data for incoming freshmen students to decide on majors, and UTRGV, U. T. System has embodied progress and strides to make sure that higher education is both affordable and accessible to all students.

During my term, I had the opportunity to meet with students and visit all 15 academic and medical institutions that span just about every corner of this great state. During these visits, students would often ask what my favorite part of being the Student Regent is. Unequivocally, I can say the best part about this job is the people I have had the privilege of working with. From the day I took office, I have received an overwhelmingly warm welcome from everyone at System and I wanted to give a special thanks to Francie, Michele, Kristy, Dr. Safady, and the countless others that have made my term so enjoyable.

To the Board and each individual Regent, on behalf of the students of the U. T. System, thank you for your relentless pursuit in trying to make a better U. T. System . The students are fortunate to have such a diverse group of Regents that bring together an arsenal of expertise that can tackle any problem. You all spend countless hours of your time trying to leave a positive impact and each and every single one of you has touched hundreds of thousands of lives. Think... the U. T. System has a little over 216,000 students currently. After your terms are completed, you could have very well reached over 1 million students. This does not include the positive impact you have had on their families and subsequent generations after theirs. If you were to do the math, within a few generations the number could be in the tens of millions. That is an astounding number and every single one of you have an immense reach not just now, but also for future generations to come.

Chancellor, it's been a pleasure working with you over the last few months. You offer the System visionary leadership that will undoubtedly continue its trajectory into excellence. Going back to what I touched on earlier, you bring a very valuable set of leadership skills to your position and the students are very fortunate to have you at the helm of our System.

Once again, thank you to everyone who has made this year truly exceptional, and I have no doubt U. T. System will continue to have a very promising future ahead. Thank you!



22. U. T. System Board of Regents: Presentation of Certificate of Appreciation to U. T. System Executive Vice Chancellor for Academic Affairs Pedro Reyes

The Board thanked Dr. Pedro Reyes for his many years of service to The University of Texas at Austin and the entire University of Texas System. Chairman Foster noted that Dr. Reyes joined the U. T. Austin faculty in 1991 and was named Associate Vice Chancellor for Academic Planning and Assessment for the U. T. System in 2003. In January 2012, he was appointed Executive Vice Chancellor for Academic Affairs. In that role, he has provided strategic and administrative leadership to the Presidents of U. T.'s nine academic institutions.

Throughout his tenure at the U. T. System, Dr. Reyes continued to teach and to hold the title of Ashbel Smith Professor of Education Policy at U. T. Austin, also serving as the Director of the U. T. Austin Texas Education Research Center.

Dr. Reyes has agreed to continue as Special Assistant to the Chancellor through December 2015 to provide guidance on University of Texas Rio Grande issues, U. T. System's engineering and computer science initiative, the establishment of the Americas Institute, and other high-profile projects. Following a short sabbatical, Dr. Reyes will return to the faculty at U. T. Austin.

Chairman Foster presented a certificate of appreciation to Dr. Reyes as follows:

CERTIFICATE OF APPRECIATION

The Board of Regents

Expresses to

PEDRO REYES, PH.D.

Sincere Appreciation for His  
Distinguished Service and Outstanding Contributions

as

Executive Vice Chancellor for Academic Affairs  
The University of Texas System  
2012 - 2015

Associate Vice Chancellor for Academic Planning and Assessment  
The University of Texas System  
2003 - 2012

23. U. T. System Board of Regents: Presentation of Certificate of Appreciation to U. T. Austin President William Powers, Jr.

The Board recognized and thanked President William Powers, Jr., for his outstanding service as President at The University of Texas at Austin. President Powers served as President of U. T. Austin from February 1, 2006 to June 2, 2015.

Chairman Foster commented that President Powers was an admired leader who advanced the University in many ways. He concluded a record-breaking \$3 billion capital campaign, worked with The University of Texas System and the Board of Regents to establish the Dell Medical School and to launch construction of a \$310 million Engineering Education and Research Center, which together will be a major catalyst for even greater achievements at U. T. Austin.

Chairman Foster then presented a certificate of appreciation to President Powers as follows:

CERTIFICATE OF APPRECIATION

to

WILLIAM POWERS, JR.

Upon the Occasion of Completion of His Term of Service

to

The University of Texas System

As

Dean, School of Law  
The University of Texas at Austin  
2000 - 2005

President  
The University of Texas at Austin  
2006 - 2015

RECESS TO EXECUTIVE SESSION.--At 12:00 p.m., Chairman Foster announced that the reports and recommendations of Standing Committees would be considered following the Executive Session. The Board recessed to Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073, 551.074, and 551.076 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--The Board reconvened in Open Session at 3:11 p.m. (See action taken in Open Session on Executive Session items beginning on Page 157.)

STANDING COMMITTEE REPORTS TO THE BOARD.--Chairman Foster announced the Board would hear the reports and recommendations of the Standing Committees, which are set forth on Pages 71 - 156.

REPORT OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE  
(Pages 71 - 72).--Committee Chairman Hildebrand stated there were no items from the  
Audit, Compliance, and Management Review Committee to report 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. System: Approval of non-audit services to be performed by U. T. System's external audit firm, Deloitte & Touche LLP

This item was for consideration only by the Committee (see Committee Minutes).

3. U. T. System: Report on the State Auditor's Office Statewide Single Audit for FY 2014

This item was for consideration only by the Committee (see Committee Minutes).

4. U. T. System: Report on Systemwide audits, including Proportionality of Higher Education Benefits Audits and the Presidential Travel and Entertainment Expenses Audit

This item was for consideration only by the Committee (see Committee Minutes).

5. U. T. System: Report on the Systemwide internal audit activities and audit administrative items, including Priority Findings, Annual Audit Plan status, and Chief Audit Executive Annual Statements; and consideration and appropriate action regarding an Institutional Audit Committee chair change

This item was for consideration only by the Committee (see Committee Minutes).

6. U. T. System: Report on the status of the Systemwide Compliance Program

This item was for consideration only by the Committee (see Committee Minutes).

7. U. T. System: Presentation on the U. T. Systemwide Endowment Compliance Program

This item was for consideration only by the Committee (see Committee Minutes).

8. U. T. System: Discussion and appropriate action related to work of the Texas Public Information Act compliance working group, including report on revisions to U. T. Systemwide Policy UTS139 regarding procedures and application of the Texas Public Information Act

This item was for consideration only by the Committee (see Committee Minutes).

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 73 - 87).--Committee Chairman Hicks reported that the Finance and Planning Committee met in open session to consider the matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Finance and Planning Committee and approved in open session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

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

This item was for consideration only by the Committee (see Committee Minutes).

3. U. T. System: Approval of the Fiscal Year 2016 Budget Preparation Policies and Calendar for budget operations

The Board approved the Budget Preparation Policies below and the Calendar on Page 76 for use in preparing the Fiscal Year (FY) 2016 Operating Budget for The University of Texas System as set out below:

U. T. System Fiscal Year 2016 Budget Preparation Policies

1. General Guidelines - The regulations and directives that will be included in the General Appropriations Act enacted by the 84th Texas Legislature serve as the basis for these guidelines and policies. In preparing the draft of the FY 2016 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 Chancellor 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 Plan.

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, 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 2016 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, Controller, and Chief Budget Officer.
3. Salary Guidelines - Recommendations regarding salary policy are subject to the following directives:
  - A. 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.
  - B. Merit Increases and Promotions - Merit increases or advances in rank for faculty are to be on the basis of teaching effectiveness, research, and public service.

As defined in *Texas Education Code* Section 51.962, administrative and professional staff and classified staff must have been employed by the institution for at least six consecutive 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.

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 the Regents' *Rules and Regulations*, performance appraisals are required to be conducted annually for all employees of the U. T. System. To verify compliance with this policy, U. T. System presidents and the Executive Vice Chancellor for Business Affairs for U. T. System Administration shall annually certify that all eligible employees (including staff and faculty) have completed performance appraisals. Subject to available resources and resolution of any major salary inequities, institutions should give priority to implementing merit salary increases for faculty and staff.

- C. 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 Chancellor, such increases should be noted and explained in the supplemental data accompanying the budget.

- D. 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.
- E. Reporting - The Chancellor will issue guidance on reporting of salary changes and amounts. It is expected that required reports will encompass high-ranking staff covered by Regents' *Rules and Regulations*, Rules 20203 and 20204 along with those staff receiving significant changes in compensation.
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 Chancellor will issue instructions regarding the implementation of the benefits into the budget process.
  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 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 - In the event of unforeseen circumstances, authority is delegated to the Chancellor to modify the Calendar.

The U. T. System FY 2016 Budget Preparation Policies are consistent with the regulations and directives included in the General Appropriations Act and other general law to be enacted by the 84th Texas Legislature. As written, this policy provides general direction to the U. T. System institutions and may be modified as necessary to conform to the legislation, as finally passed.





**THE UNIVERSITY OF TEXAS SYSTEM  
FY 2016 OPERATING BUDGET CALENDAR**

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January 2015 – August 2015	Performance appraisal focal period
April 14, 2015	Request for Library, Equipment, Repair and Rehabilitation new project instructions and information on balances subject to lapse are sent to institutions
May 14, 2015	U. T. System Board of Regents takes appropriate action on budget preparation policies
June 1, 2015	New Library, Equipment, Repair and Rehabilitation project requests are due to U. T. System
June 1 - 12, 2015	Major goals, priorities, and resource allocation hearings with U. T. System Administration
June 29, 2015	Draft budget documents due to U. T. System
July 2 – 7, 2015	Technical budget review with U. T. System
July 17, 2015	Final budget documents due to U. T. System
July 20, 2015	Reports on highly compensated staff covered by Regents' Rules 20203 and 20204, high-ranking staff salaries, and institutional Top Ten salaries due to U. T. System
August 7, 2015	Operating Budget Summaries provided to the U. T. System Board of Regents
August 15, 2015	Salary change report due to U. T. System
August 20, 2015	U. T. System Board of Regents takes appropriate action on Operating Budget and President and Executive Officer compensation

4. U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended February 28, 2015

The February 28, 2015 UTIMCO Performance Summary Report is attached on Page 78.

The Investment Reports for the quarter ended February 28, 2015, are set forth on Pages 79 - 82.

Item I on Page 79 reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the quarter was 1.69% versus its composite benchmark return of .49%. The PUF's net asset value increased by \$509 million during the quarter to \$18,043 million. The increase was due to \$211 million PUF Lands receipts, plus a net investment return of \$298 million. No distribution was made to the Available University Fund (AUF) during the quarter.

Item II on Page 80 reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the quarter was 1.80% versus its composite benchmark return of .49%. The GEF's net asset value increased by \$84 million during the quarter to \$8,323 million.

Item III on Page 81 reports activity for the Intermediate Term Fund (ITF). The ITF's net investment return for the quarter was 1.35% versus its composite benchmark return of .53%. The net asset value increased during the quarter to \$6,998 million due to net contributions of \$182 million and net investment return of \$93 million, less distributions of \$51 million.

All exposures were within their asset class and investment type ranges. Liquidity was within policy.

Item IV on Page 82 presents book and market values of cash, debt, equity, and other securities held in funds outside of internal investment pools. Total cash and equivalents, consisting primarily of institutional operating funds held in the Dreyfus and Fidelity money market fund, increased by \$262 million to \$2,238 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$20 million versus \$20 million at the beginning of the period; equities: \$73 million versus \$74 million at the beginning of the period; and other investments: \$9 million versus \$2 million at the beginning of the period.

## UTIMCO Performance Summary

February 28, 2015

	Net Asset Value 2/28/2015 (in Millions)	Periods Ended February 28, 2015 (Returns for Periods Longer Than One Year are Annualized)							
		Short Term		Year to Date		Historic Returns			
		1 Mo	3 Mos	Fiscal	Calendar	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b><u>ENDOWMENT FUNDS</u></b>									
Permanent University Fund	\$ 18,043	2.67%	1.69%	1.06%	2.43%	7.15%	8.87%	9.08%	6.79%
Permanent Health Fund	1,105								
Long Term Fund	<u>7,218</u>								
General Endowment Fund	<u>8,323</u>	2.63%	1.80%	1.47%	2.21%	7.30%	8.97%	9.17%	6.86%
Separately Invested Funds	<u>217</u>								
Total Endowment Funds	<u>26,583</u>								
<b><u>OPERATING FUNDS</u></b>									
Intermediate Term Fund	6,998	1.70%	1.35%	0.29%	1.87%	3.75%	5.59%	6.63%	N/A
Short Term Fund and Debt Proceeds Fund	<u>2,123</u>								
Total Operating Funds	<u>9,121</u>								
Total Assets Under Management	<u>\$ 35,704</u>								
<b><u>VALUE ADDED (1) (Percent)</u></b>									
Permanent University Fund		0.90%	1.20%	1.42%	0.62%	1.66%	1.83%	1.44%	1.53%
General Endowment Fund		0.86%	1.31%	1.83%	0.40%	1.81%	1.93%	1.53%	1.60%
Intermediate Term Fund		0.42%	0.82%	1.82%	0.63%	2.15%	2.30%	2.19%	N/A
<b><u>VALUE ADDED (1) (\$ IN MILLIONS)</u></b>									
Permanent University Fund		\$160	\$212	\$253	\$109	\$279	\$856	\$1,101	\$2,242
General Endowment Fund		71	108	153	33	142	462	610	1,276
Intermediate Term Fund		<u>29</u>	<u>56</u>	<u>126</u>	<u>43</u>	<u>144</u>	<u>399</u>	<u>594</u>	-
Total Value Added		<u>\$260</u>	<u>\$376</u>	<u>\$532</u>	<u>\$185</u>	<u>\$565</u>	<u>\$1,717</u>	<u>\$2,305</u>	<u>\$3,518</u>

Footnote available upon request

UTIMCO 4/1/2015

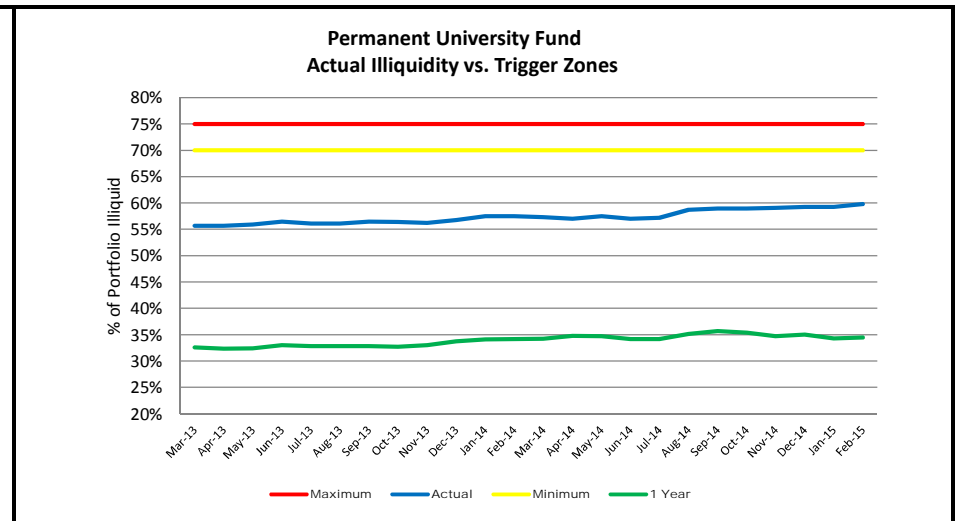
**I. PERMANENT UNIVERSITY FUND**  
**Investment Reports for Periods Ended February 28, 2015**

Prepared in accordance with Texas Education Code Sec. 51.0032

	Fiscal Year to Date							
	Asset Allocation		Returns		Value Added			Total
	Actual	Policy	Portfolio	Policy Benchmark	Tactical Allocation	Active Management		
<b>More Correlated and Constrained:</b>								
Investment Grade	6.9%	7.0%	-1.43%	-4.73%	0.07%	0.17%	0.24%	
Credit-Related	0.1%	0.0%	-4.51%	-3.56%	0.00%	0.00%	0.00%	
Real Estate	2.5%	2.5%	1.63%	5.45%	-0.02%	-0.09%	-0.11%	
Natural Resources	6.7%	7.5%	-19.29%	-14.57%	0.01%	-0.41%	-0.40%	
Developed Country	15.5%	14.0%	9.07%	2.14%	0.06%	0.92%	0.98%	
Emerging Markets	<u>9.8%</u>	<u>9.9%</u>	<u>-6.70%</u>	<u>-8.30%</u>	<u>0.04%</u>	<u>0.15%</u>	<u>0.19%</u>	
<b>Total More Correlated and Constrained</b>	<b>41.5%</b>	<b>40.9%</b>	<b>-2.26%</b>	<b>-4.52%</b>	<b>0.16%</b>	<b>0.74%</b>	<b>0.90%</b>	
<b>Less Correlated and Constrained</b>	<b>30.6%</b>	<b>30.0%</b>	<b>3.78%</b>	<b>2.47%</b>	<b>0.03%</b>	<b>0.35%</b>	<b>0.38%</b>	
<b>Private Investments</b>	<b><u>27.9%</u></b>	<b><u>29.1%</u></b>	<b><u>3.25%</u></b>	<b><u>2.72%</u></b>	<b><u>-0.05%</u></b>	<b><u>0.19%</u></b>	<b><u>0.14%</u></b>	
<b>Total</b>	<b><u>100.0%</u></b>	<b><u>100.0%</u></b>	<b><u>1.06%</u></b>	<b><u>-0.36%</u></b>	<b><u>0.14%</u></b>	<b><u>1.28%</u></b>	<b><u>1.42%</u></b>	

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	Summary of Capital Flows		
(\$ millions)	Fiscal Year Ended August 31, 2014	Quarter Ended February 28, 2015	Fiscal Year to Date August 31, 2015
Beginning Net Assets	\$14,853	\$17,534	\$17,365
PUF Lands Receipts	1,129	211	488
Investment Return (Net of Expenses)	2,260	298	190
Distributions to AUF	(877)	0	0
Ending Net Assets	<u>\$17,365</u>	<u>\$18,043</u>	<u>\$18,043</u>



## II. GENERAL ENDOWMENT FUND

### Investment Reports for Periods Ended February 28, 2015

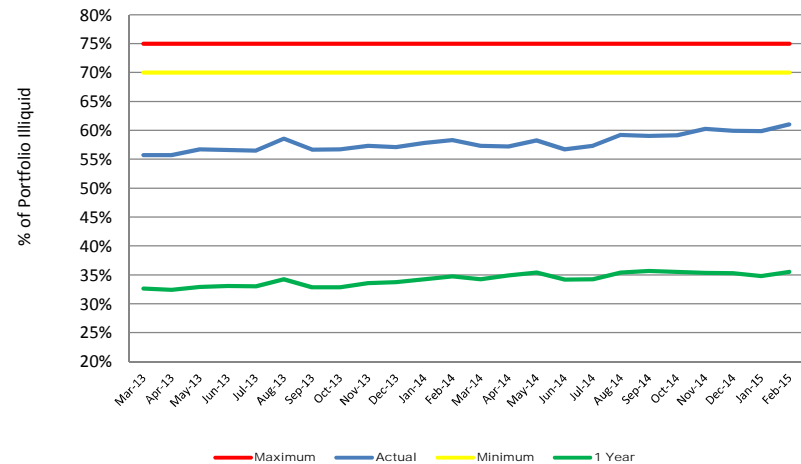
Prepared in accordance with Texas Education Code Sec. 51.0032

	Fiscal Year to Date						
	Asset Allocation		Returns		Value Added		
	Actual	Policy	Portfolio	Policy Benchmark	Tactical Allocation	Active Management	Total
<b>More Correlated and Constrained:</b>							
Investment Grade	5.2%	7.0%	-0.80%	-4.73%	0.09%	0.19%	0.28%
Credit-Related	0.1%	0.0%	-4.51%	-3.56%	0.00%	0.00%	0.00%
Real Estate	2.6%	2.5%	1.63%	5.45%	-0.01%	-0.09%	-0.10%
Natural Resources	6.8%	7.5%	-19.31%	-14.57%	0.03%	-0.41%	-0.38%
Developed Country	15.2%	14.0%	9.05%	2.14%	0.07%	0.93%	1.00%
Emerging Markets	<u>10.0%</u>	<u>9.9%</u>	<u>-3.06%</u>	<u>-8.30%</u>	<u>0.01%</u>	<u>0.53%</u>	<u>0.54%</u>
<b>Total More Correlated and Constrained</b>	<b>39.9%</b>	<b>40.9%</b>	<b>-1.29%</b>	<b>-4.52%</b>	<b>0.19%</b>	<b>1.15%</b>	<b>1.34%</b>
<b>Less Correlated and Constrained</b>	<b>31.3%</b>	<b>30.0%</b>	<b>3.78%</b>	<b>2.47%</b>	<b>0.03%</b>	<b>0.34%</b>	<b>0.37%</b>
<b>Private Investments</b>	<b><u>28.8%</u></b>	<b><u>29.1%</u></b>	<b><u>3.25%</u></b>	<b><u>2.72%</u></b>	<b><u>-0.08%</u></b>	<b><u>0.20%</u></b>	<b><u>0.12%</u></b>
<b>Total</b>	<b><u>100.0%</u></b>	<b><u>100.0%</u></b>	<b><u>1.47%</u></b>	<b><u>-0.36%</u></b>	<b><u>0.14%</u></b>	<b><u>1.69%</u></b>	<b><u>1.83%</u></b>

#### Summary of Capital Flows

(\$ millions)	Fiscal Year Ended August 31, 2014	Quarter Ended February 28, 2015	Fiscal Year to Date August 31, 2015
Beginning Net Assets	\$7,396	\$8,239	\$8,325
Contributions	225	41	80
Withdrawals	(13)	(9)	(11)
Distributions	(371)	(97)	(194)
Investment Return (Net of Expenses)	<u>1,088</u>	<u>149</u>	<u>123</u>
Ending Net Assets	<u>\$8,325</u>	<u>\$8,323</u>	<u>\$8,323</u>

#### General Endowment Fund Actual Illiquidity vs. Trigger Zones



### III. INTERMEDIATE TERM FUND

#### Investment Reports for Periods Ended February 28, 2015

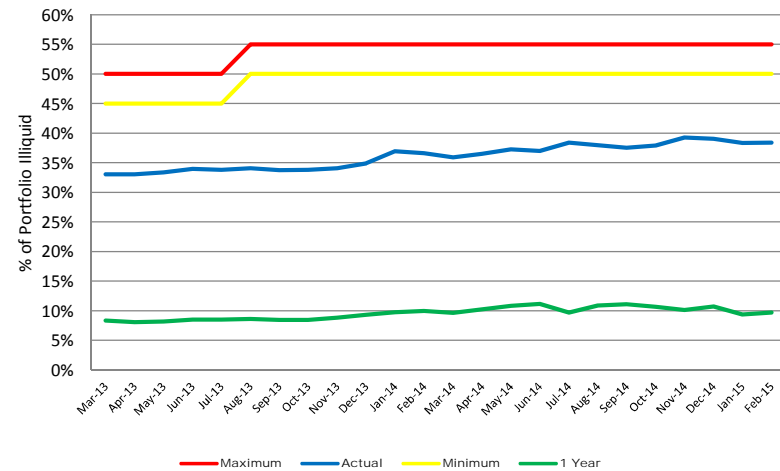
Prepared in accordance with *Texas Education Code Sec. 51.0032*

	Fiscal Year to Date						
	Asset Allocation		Returns		Value Added		
	Actual	Policy	Portfolio	Policy Benchmark	Tactical Allocation	Active Management	Total
<b>More Correlated and Constrained:</b>							
Investment Grade	30.3%	30.0%	-2.09%	-4.73%	0.01%	0.77%	0.78%
Credit-Related	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
Real Estate	2.9%	3.0%	1.64%	5.45%	-0.01%	-0.12%	-0.13%
Natural Resources	6.3%	7.0%	-19.08%	-14.57%	0.05%	-0.36%	-0.31%
Developed Country	9.4%	9.0%	9.15%	2.14%	0.01%	0.62%	0.63%
Emerging Markets	<u>5.9%</u>	<u>6.0%</u>	<u>-3.10%</u>	<u>-8.30%</u>	<u>-0.01%</u>	<u>0.31%</u>	<u>0.30%</u>
<b>Total More Correlated and Constrained</b>	<b>54.8%</b>	<b>55.0%</b>	<b>-2.44%</b>	<b>-4.72%</b>	<b>0.05%</b>	<b>1.22%</b>	<b>1.27%</b>
<b>Less Correlated and Constrained</b>	<b>45.2%</b>	<b>45.0%</b>	<b>3.78%</b>	<b>2.47%</b>	<b>-0.02%</b>	<b>0.57%</b>	<b>0.55%</b>
<b>Private Investments</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total</b>	<b><u>100.0%</u></b>	<b><u>100.0%</u></b>	<b><u>0.29%</u></b>	<b><u>-1.53%</u></b>	<b><u>0.03%</u></b>	<b><u>1.79%</u></b>	<b><u>1.82%</u></b>

#### Summary of Capital Flows

(\$ millions)	Fiscal Year Ended August 31, 2014	Quarter Ended February 28, 2015	Fiscal Year to Date August 31, 2015
Beginning Net Assets	\$5,520	\$6,774	\$6,665
Contributions	2,111	423	1,074
Withdrawals	(1,391)	(241)	(661)
Distributions	(186)	(51)	(102)
Investment Return (Net of Expenses)	<u>611</u>	<u>93</u>	<u>22</u>
Ending Net Assets	<u>\$6,665</u>	<u>\$6,998</u>	<u>\$6,998</u>

#### Intermediate Term Fund Actual Illiquidity vs. Trigger Zones



**IV. SEPARATELY INVESTED ASSETS**  
**Summary Investment Report at February 28, 2015**  
 Report prepared in accordance with *Texas Education Code Sec. 51.0032*

ASSET TYPES	(\$ thousands)															
	FUND TYPE															
	CURRENT PURPOSE DESIGNATED		RESTRICTED		ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		TOTAL EXCLUDING OPERATING FUNDS		OPERATING FUNDS (DEBT PROCEEDS AND (SHORT TERM FUND))		TOTAL	
	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET
<b>Cash &amp; Equivalents:</b>																
Beginning value 11/30/14	-	-	14,358	14,358	44,621	44,621	1,786	1,786	1,567	1,567	62,332	62,332	1,913,584	1,913,584	1,975,916	1,975,916
Increase/(Decrease)	-	-	(10,863)	(10,863)	63,595	63,595	(309)	(309)	825	825	53,248	53,248	209,039	209,039	262,287	262,287
Ending value 02/28/15	-	-	3,495	3,495	108,216	108,216	1,477	1,477	2,392	2,392	115,580	115,580	2,122,623	2,122,623	2,238,203	2,238,203
<b>Debt Securities:</b>																
Beginning value 11/30/14	-	-	13	14	11,310	11,897	7,659	7,857	-	-	18,982	19,768	-	-	18,982	19,768
Increase/(Decrease)	-	-	-	-	(6)	(141)	302	176	-	-	296	35	-	-	296	35
Ending value 02/28/15	-	-	13	14	11,304	11,756	7,961	8,033	-	-	19,278	19,803	-	-	19,278	19,803
<b>Equity Securities:</b>																
Beginning value 11/30/14	1,160	10,585	881	857	40,972	50,236	12,121	12,456	-	-	55,134	74,134	-	-	55,134	74,134
Increase/(Decrease)	1	(2,337)	(605)	(585)	539	732	479	659	-	-	414	(1,531)	-	-	414	(1,531)
Ending value 02/28/15	1,161	8,248	276	272	41,511	50,968	12,600	13,115	-	-	55,548	72,603	-	-	55,548	72,603
<b>Other:</b>																
Beginning value 11/30/14	-	-	322	322	6	6	537	111	1,670	1,670	2,535	2,109	-	-	2,535	2,109
Increase/(Decrease)	-	-	(117)	(117)	1	1	23	2	6,923	6,923	6,830	6,809	-	-	6,830	6,809
Ending value 02/28/15	-	-	205	205	7	7	560	113	8,593	8,593	9,365	8,918	-	-	9,365	8,918
<b>Total Assets:</b>																
Beginning value 11/30/14	1,160	10,585	15,574	15,551	96,909	106,760	22,103	22,210	3,237	3,237	138,983	158,343	1,913,584	1,913,584	2,052,567	2,071,927
Increase/(Decrease)	1	(2,337)	(11,585)	(11,565)	64,129	64,187	495	528	7,748	7,748	60,788	58,561	209,039	209,039	269,827	267,600
Ending value 02/28/15	1,161	8,248	3,989	3,986	161,038	170,947	22,598	22,738	10,985	10,985	199,771	216,904	2,122,623	2,122,623	2,322,394	2,339,527

Details of individual assets by account furnished upon request.

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

The Board approved that

- a. the Fiscal Year 2016 distribution from the Permanent University Fund (PUF) to the Available University Fund (AUF) be increased from \$763,552,645 to \$772,876,690 effective September 1, 2015. This distribution equates to 5.00% of the trailing 12-quarter average of the net asset value of the PUF;
- b. the distribution rate for the Permanent Health Fund (PHF) be increased from \$0.0597 per unit to \$0.0606 per unit for Fiscal Year 2016 (effective with November 30, 2015 distribution);
- c. the distribution rate for The University of Texas System Long Term Fund (LTF) be increased from \$0.3423 per unit to \$0.3472 per unit for Fiscal Year 2016 (effective with November 30, 2015 distribution); and
- d. the distribution rate for the U. T. System Intermediate Term Fund (ITF) remain at 3.0% per annum (paid monthly) for Fiscal Year 2016.

The PUF Investment Policy states that the Board of Regents will approve an annual distribution from the PUF to the AUF. Regents' Rule 80303 provides the default distribution shall be an amount equal to 4.75% of the trailing 12-quarter average of the net asset value of the Fund for the quarter ending February of each fiscal year unless the average annual rate of return of the PUF investments over the trailing 12 quarters exceeds the Expected Return by 25 basis points or more, in which case the distribution shall be an amount equal to 5.0% of the trailing 12-quarter average. "Expected Return" is the Expected Annual Return or Benchmarks set out in Exhibit A to the PUF Investment Policy Statement.

As shown in the table below, the average annual return of the PUF investments for the trailing 12 quarters ending February 28, 2015, has exceeded the Expected Return by 25 basis points or more ( $\geq 25\%$ ). Therefore, as outlined in Regents' Rule 80303, the "default" distribution rate for Fiscal Year 2015-2016 will be 5.0%, or \$772,876,690.

	<b>Trailing 12 Quarters Ending February 28, 2015</b>	<b>Expected or Benchmark</b>	<b>Excess/(Deficit)</b>
Average Annual Rate of Return	8.87%	6.82%	2.05%

The Chancellor and the Executive Vice Chancellor for Business Affairs recommended that the distribution from the PUF to the AUF for Fiscal Year 2016 be \$772,876,690 or 5.00% of the trailing 12-quarter average of the net asset value of the Fund. This calculation is shown on the next page.



<u>Quarter Ended</u>	<u>Net Asset Value</u>
05/31/2012	12,843,337,655
08/31/2012	13,470,262,684
11/30/2012	13,686,958,344
02/28/2013	14,241,921,929
05/31/2013	14,630,924,697
08/31/2013	14,852,538,510
11/30/2013	15,625,425,857
02/28/2014	16,284,907,290
05/31/2014	16,912,325,818
08/31/2014	17,364,902,520
11/30/2014	17,533,457,255
02/28/2015	18,043,442,921
	<u>\$ 185,490,405,477</u>
Number of quarters	12
Average Net Asset Value	<u>\$ 15,457,533,790</u>
Distribution Percentage	5.00%
FY 2015-16 Distribution	<u><u>\$ 772,876,690</u></u>

Article VII, Section 18 of the Texas Constitution requires that the amount of distributions to the AUF be determined by the Board of Regents of The University Texas System (Board of Regents) in a manner intended to provide the AUF with a stable and predictable stream of annual distributions and to maintain over time the purchasing power of PUF investments and annual distributions to the AUF. The Constitution further limits the Board of Regents' discretion to set annual PUF distributions to the satisfaction of three tests:

1. The amount of PUF distributions to the AUF in a fiscal year must be not less than the amount needed to pay the principal and interest due and owing in that fiscal year on PUF bonds and notes. The distribution of \$772,876,690 is substantially greater than PUF bond debt service of \$296,800,000 projected for FY 2015-2016.

<u>System</u>	<u>Debt Service</u>
U. T.	\$ 171,100,000
TAMU	125,700,000
Total:	<u>\$ 296,800,000</u>

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

2. The Board of Regents may not increase annual PUF distributions to the AUF (except as necessary to pay PUF debt service) if the purchasing power of PUF investments for any rolling 10-year period has not been preserved. As the schedule on the next page indicates, the average annual increase in the rate of growth of the value of PUF investments (net of expenses, inflation, and distributions) for the trailing 10-year period ended February 28, 2015, was 5.19%, which indicates that the purchasing power test was met.

<b>Average Annual</b>	<b>Percent</b>
Rate of Total Return, Net of Investment Manager Fees	6.90%
Mineral Interest Receipts	4.78%
Expense Rate	(0.16)%
Inflation Rate	(2.04)%
Distribution Rate	(4.29)%
Net Real Return	<u>5.19%</u>

3. The annual distribution from the PUF to the AUF during any fiscal year made by the Board of Regents may not exceed an amount equal to 7% of the average net fair market value of PUF investment assets as determined by the Board of Regents (except as necessary to pay PUF bond debt service). The annual distribution rate calculated using the trailing 12-quarter average value of the PUF is within the 7% maximum allowable distribution rate.

<b>Value of PUF Investments (1)</b>	<b>Distribution</b>	<b>Distribution as a % of Value of PUF Investments</b>	<b>Maximum Allowed Rate</b>
\$15,457,533,790	\$772,876,690	5.00%	7.00%

(1) Source: UTIMCO

The spending policy objectives of the PHF and LTF are to

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

The increase in the consumer price index for the prior three years as of November 30, 2014, was 1.4%. The 1.4% increase in the PHF distribution rate of \$0.0597 to \$0.0606 per unit will increase the distributions by the average rate of inflation for the trailing 12 quarters. The PHF's distribution rate calculated using the prior 12-quarter average value of the PHF is 4.8%.

The 1.4% increase in the LTF distribution rate from \$0.3423 to \$0.3472 per unit will increase the distributions by the average rate of inflation for the trailing 12 quarters. The LTF's distribution rate calculated using the prior 12-quarter average value of the LTF is 5.1%.

The distribution rate for the ITF was originally set at 3.0% per annum for Fiscal Year 2007 by the U. T. Board on May 11, 2006, and has continued at that rate for each succeeding fiscal year. The recommendation for Fiscal Year 2016 was to continue a distribution rate of 3.0%.

6. U. T. System Board of Regents: Report on activities of the University Lands Advisory Board

This item was for consideration only by the Committee (see Committee Minutes).

7. U. T. System: Approval of \$7 million in Available University Funds for a Shared Services spend analytics project

The Board approved \$7 million of Available University Funds (AUF) for a Shared Services spend analytics project at The University of Texas System covering the costs of software licenses, related services, project implementation costs, and ongoing project support over a five-year period. The project is more fully described below.

The U. T. Shared Services program involves cross-campus collaboration projects that save money and improve quality. Potential U. T. System Shared Services projects are brought to the U. T. System Shared Services Executive Committee (Committee) for consideration. The Committee is comprised of the institutions' chief business officers (CBOs), and the U. T. System Executive Vice Chancellor for Business Affairs chairs the Committee. The Committee's role, among others, is to decide whether to recommend to the Board to invest money, time, and effort into particular projects.

The U. T. System Supply Chain Alliance (Alliance) is a key component of the U. T. Shared Services program. Acting on behalf of U. T. System institutions, the Alliance conducts group purchases of goods and services that leverage the size and strength of the U. T. System. The resulting U. T. System master agreements are designed to achieve lower prices and better purchase terms than any institution could achieve on its own. Since its inception in 2007, the Alliance has put in place more than 70 master agreements that are projected to generate cumulative savings to U. T. System institutions of \$132 million, with the Alliance's costs of operation being funded entirely from vendor-paid administrative fees.

To identify savings on potential group purchases, the Alliance relies on spend data obtained from the campuses and external sources. This information, commonly referred to as "spend analytics," is essential to identify what the U. T. System health institutions are spending, who their suppliers are, what prices each institution is actually paying, and how these prices compare across the U. T. System health institutions and to prices available to others outside of U. T. System. To date, it has proven difficult to obtain accurate and timely spend analytics data. The U. T. System health institutions do not share common tools or processes or sources for gathering spend analytics data, with the result that data quality is often poor and unreliable.

The U. T. System health institutions' CBOs wish to have the Alliance conduct a competitive procurement for a significantly improved spend analytics solution that will involve:

- Data Validation: acquiring, cleansing, categorizing, and processing unrelated data sets for common use. Data validation services may be performed manually or through the use of software, pending verification by the U. T. System health institutions' subject matter experts (SMEs).
- Analysis Software: studying large data sets to identify patterns, trends, and outliers.
- Business Intelligence: using tools and services to conduct benchmarking, clinical value analyses, strategic sourcing, contract management, supplier negotiations, and other spend activities.

To secure this solution, the Alliance will competitively procure spend analytics tools and services that initially will focus on the more than \$3.0 billion in annual, impactable spend by the six U. T. System health institutions. Later, the tools and services could be extended to impactable spend by the nine U. T. System academic institutions as well.

The U. T. System health institutions' SMEs have characterized the institutions' workload to implement the spend analytics project as moderate, with the largest portion of the work involving use of business intelligence, in cooperation with the Alliance, to deliver on more cost savings and improved service levels. Implementation will begin promptly after contracting with a spend analytics supplier, with the Alliance overseeing implementation, and initial spend analytics results will be available for use about six months later.

The spend analytics solution is conservatively projected to achieve incremental savings from cross-campus collaborations of \$40-50 million over a five-year period, generating a return on investment estimated at 6.5 to 1. Savings will result, for example, from lower pricing achieved through greater aggregation of existing spend across campuses, and through subjecting more spend to competitive procurements, in both cases while maintaining or improving the quality of goods and services purchased.

This proposal is part of an overall strategy that identifies future opportunities for the U. T. System health institutions to pursue and collaborate on other activities across the Procure-to-Pay business process. The U. T. System health institutions' CBOs are evaluating these potential additional, internal collaborations, and in the future, the U. T. System Board of Regents may be asked to fund investment in other projects designed to drive significant efficiencies in performing these other redundant activities.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 88 - 124).--Committee Chairman Aliseda reported that the Academic Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Academic Affairs Committee and approved in open session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. Arlington: Approval to create the College of Architecture, Planning and Public Affairs by merging the School of Architecture and the School of Urban and Public Affairs, and related amendment to the Regents' *Rules and Regulations*, Rule 40601, Section 1.3

The Board granted approval

- a. to create the College of Architecture, Planning and Public Affairs by merging the School of Architecture and the School of Urban and Public Affairs at The University of Texas at Arlington; and
- b. to amend the Regents' *Rules and Regulations*, Rule 40601, Section 1.3, concerning institutions comprising The University of Texas System, as set forth below:

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

...

1.3 The University of Texas at Arlington (U. T. Arlington)

- (a) The University of Texas at Arlington College of Architecture, Planning and Public Affairs
- (b) The University of Texas at Arlington College of Business
- (c) The University of Texas at Arlington College of Education
- (d) The University of Texas at Arlington College of Engineering

- (e) The University of Texas at Arlington Graduate School
- (f) The University of Texas at Arlington Honors College
- (g) The University of Texas at Arlington College of Liberal Arts
- (h) The University of Texas at Arlington College of Nursing and Health Innovation
- (i) The University of Texas at Arlington College of Science
- (j) The University of Texas at Arlington School of Social Work
- (k) The University of Texas at Arlington University College

The change merges two existing units into one, enhancing efficiencies and increasing interaction within the disciplines housed in the new College. The new College of Architecture, Planning and Public Affairs will enable impactful teaching, research, and outreach that contribute significantly to improve the health and vitality of places, ecosystems, economies, and communities.

The new College has been approved by the Executive Vice Chancellor for Academic Affairs, and the Office of Academic Affairs will notify the Texas Higher Education Coordinating Board of the change so that the U. T. Arlington administrative unit structure can be updated.

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

3. U. T. El Paso: Approval to establish a Doctor of Philosophy degree program in Mechanical Engineering

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

- a. establish a Doctor of Philosophy degree program in Mechanical Engineering at The University of Texas at El Paso; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

## Program Description

The program at U. T. El Paso will provide a broad-based, integrative education for doctoral students, including design thinking for complex engineered systems, research (with emphases in energy, aerospace, and advanced manufacturing) in a creative knowledge environment, and training in a national laboratory or industry setting.

The program's long-term vision is to create a new generation of doctoral graduates to lead industry innovation, to create new technology businesses, and to bring jobs to the southwest border region as well as to the state and nation. The program will complement Texas' conventional mechanical engineering doctoral programs, which focus on developing future educators. U. T. El Paso's program will focus on training future technology leaders for industry, which will strengthen the innovation ecosystem for regional, state, and national economic growth. Students in the program, trained in technology entrepreneurship and leadership, will partner with industry to create new jobs.

Each student must complete at least 84 semester credit hours beyond the bachelor's degree, of which at least 54 hours will be course work. Overall, the course work requirements are flexible, so that the program may meet the changing needs of its stakeholders and students. In addition to conventional graduate classes in mechanical engineering, the program will provide students with diverse perspectives by offering novel classes with content in technology entrepreneurship, leadership, and applied research project management. The courses will cover:

- (a) technology commercialization, including business plans, investments, and venture capital commercialization,
- (b) technical communication, and
- (c) project management in advanced research and development.

To enable students to develop much-needed skills for excelling in cultural and research environments beyond the research laboratory, the program will encourage students to participate in external summer research experiences. The program's graduates will be trained to function effectively in applied research and development environments as well as in traditional academic settings. These graduates will have the opportunity to gain specialized skills and experiences in applying cutting-edge scientific advances to the development of advanced engineering systems.

## Need and Student Demand

A mechanical engineering degree is one of the broadest of all engineering degrees and qualifies graduates for employment in a diverse range of industries such as energy, aerospace, defense, chemical, automotive, machinery and manufacturing, and utilities. The current U.S. mechanical engineering workforce of more than 258,000 will experience a robust growth over the next several decades. According to the U.S. Bureau of Labor Statistics, employment in mechanical engineering will grow 5% from 2012 to 2022.

Based on labor market analysis reports from the Burning Glass Technologies, companies across the country sought to fill more than 8,000 jobs annually from 2010-2014 for individuals prepared at the graduate level in mechanical engineering. During the same period, institutions of higher education sought to fill approximately 113 faculty positions in mechanical engineering annually. The available data (2009-2013) show that U.S. institutions of higher education conferred on average about 6,500 master's and doctoral degrees in mechanical engineering each year (approximately 5,425 master's degrees and 1,156 doctoral degrees conferred annually). These two sets of figures seem to indicate a gap between the number of mechanical engineering positions available and the number of graduates from graduate programs in mechanical engineering who might apply for such positions, suggesting that the supply of mechanical engineers is lower than the demand.

This demand is also demonstrated by the data collected from the Survey of Program Head's, regarding the employment of their Ph.D. graduates. The data show that, on average, approximately 93% of mechanical engineering Ph.D. graduates find employment by the time they graduate. Additionally, the pivotal role mechanical engineers play in the pursuit of America's next industrial frontiers, such as clean energy, additive manufacturing, remanufacturing, and nanotechnology, offers new opportunities for job growth. The Job Outlook 2014 report, published by the National Association of Colleges and Employers, ranks the mechanical engineering major as one of the nation's top five doctorate degrees.

Another concern for the U.S. mechanical engineering research and development (R&D) workforce is its limited diversity. Hispanics are highly underrepresented nationally in doctoral enrollment. Despite comprising 17% of the population between the ages of 18 to 23, less than 5% of engineering doctoral degrees are awarded to Hispanics. Hispanics are significantly underrepresented in the state's mechanical engineering doctoral programs. In 2012, only 24 of the 549 students enrolled in mechanical engineering doctoral programs at Texas universities were Hispanic. In the same year, none of the 78 mechanical engineering doctoral graduates of Texas public universities were Hispanic. Some institutions have had no Hispanic mechanical engineering doctoral students in several years. The single digit percentage of Hispanic mechanical engineering doctoral graduates from Texas universities clearly shows that existing programs are unable to address the sustainability and diversity issues of the state's R&D workforce.

U. T. El Paso is uniquely placed to remedy this shortfall. Twenty-one of the 33 master's graduates in 2011 from the mechanical engineering program were Hispanics. In the last five years, the faculty members in mechanical engineering have graduated 20 doctoral students through the Energy Science and Engineering (ENSE) track and other U. T. El Paso Ph.D. programs. More than 70% of those students were Hispanics. U. T. El Paso's College of Engineering ranks first nationally in awarding master's and Ph.D. degrees to Hispanics. For nine consecutive years, Hispanic Business magazine has ranked U. T. El Paso's College of Engineering as a Top Ten M.S./Ph.D. graduate school for Hispanics. The new mechanical engineering doctoral program can significantly increase the state's number of Hispanic doctoral graduates, thus ensuring the diversity and sustainability of the state's and the nation's mechanical engineering R&D workforce.



Overall, Texas underproduces mechanical engineering doctoral students. Texas universities produced less than 6% of the U.S.'s mechanical engineering doctoral graduates, which is 25% less than the number expected from Texas' 8% share of the nation's population. The graduation data mirror the enrollment trends and indicate the state's limited contribution toward the total number of mechanical engineering doctoral degrees awarded nationally.

A significantly large pipeline of qualified students exists for the program. Currently, mechanical engineering is the largest program in U. T. El Paso's College of Engineering, enrolling 610 undergraduates and 58 graduate students. The program has steadily grown in last six years. The mechanical engineering faculty currently mentor 30 doctoral students, primarily in the ENSE track of the interdisciplinary Environmental Science and Engineering (ESE) Ph.D. Program. The ENSE track was developed in 2009 with funding from the U.S. Department of Education's Fund for the Improvement of Postsecondary Education (FIPSE) program to provide access to a doctoral program for students from the mechanical engineering department. The track has experienced a remarkable growth in enrollment over the last five years. Additionally, the quality and strength of the ENSE track has earned the department a prestigious Graduate Assistance in the Area of National Need (GAANN) fellowship program from the U.S. Department of Education, which is used to recruit and support highly qualified U.S. citizen doctoral students.

### Program Quality

The present mechanical engineering faculty has a strong record of external funding and scholarship and is highly experienced in training doctoral students. The faculty is diverse in rank: there are five professors, five associate professors, and seven assistant professors. In addition, the department plans to hire three new faculty members in the next two years. Three faculty members are Registered Professional Engineers and three faculty members hold fellow or associate fellow ranks in the American Society of Mechanical Engineers and the American Institute of Aeronautics and Astronautics. Two faculty members have been serving as editor-in-chief and associate editor for two prominent international journals. The program is further augmented by seven support faculty. Collectively, the core faculty members have graduated 42 doctoral students to date. Currently, they are supervising 30 doctoral students, primarily in the ENSE track of the ESE Ph.D. program. In the past five years, the average number of papers; patents issued, filed, and disclosed; and books per core faculty is nine.

U. T. El Paso's Department of Mechanical Engineering boasts one of the nation's most dynamic research programs, with a more than 500% increase in annual research expenditures over the last five years (\$4.62 million annual research expenditures in 2013) that focuses on the areas of energy, aerospace, and advanced manufacturing, which will develop the knowledge and technologies needed to retain America's global edge in innovation. The department houses two of U. T. El Paso's top research centers, the NASA Center for Space Exploration and Technology Research (cSETR) and the W.M. Keck Center for 3D Innovation, and has more than 25,000 square feet of research space.

Revenue and Expenses

<b>Projected Enrollment</b>	<b>5-Year Total</b>
Number of Students Used for Formula Funding Calculation	181
Total Number of Students	181

<b>Expenses</b>	
<i>Faculty</i>	
Salaries	236,493
<i>Graduate Students</i>	
Teaching Assistant Salaries	423,622
Graduate Research Assistant Salaries	2,972,766
<i>Staff &amp; Administration</i>	
Administrative Staff Salaries	187,225
<i>Other Expenses</i>	
Materials and Supplies; Travel	75,000
<b>Total Expenses</b>	<b>3,895,106</b>

<b>Revenue</b>	<b>5-Year Total</b>
<i>From Student Enrollment</i>	
Formula Funding	1,894,824
Tuition and Fees	473,181
<i>From Grant Funds</i>	
Research Grants and Contracts	2,972,766
<b>Total Revenue</b>	<b>5,340,771</b>

Coordinating Board Criteria

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

4. U. T. Austin: Approval to establish a Master of Science degree program in Identity Management and Security

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

- a. establish a Master of Science degree program in Identity Management and Security at The University of Texas at Austin; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

Program Description

The School of Information at U. T. Austin, in conjunction with the Center for Identity at U. T. Austin, will offer an Option III Master of Science in Identity Management and Security (MSIMS) degree program designed to produce graduates versed in the technology, policy, law, business practices, societal factors, and communication skills needed to guide companies toward stronger identity management, security, and privacy practices. The program aims to target working professionals in roles that address identity management and security, or those wishing to develop the expertise to obtain such roles. Courses comprising the 30 semester credit hour (SCH) program of work will be taught by tenured U. T. Austin faculty and qualified industry practitioners.

This Option III (nonformula funded) MSIMS degree program will be supported by the Center for Identity, the Vice President for Research, the Cockrell School of Engineering, the Moody College of Communication, the School of Information, the Department of Electrical and Computer Engineering, and the Department of Communication Studies. The primary educational objective of this advanced degree is to educate professionals who are responsible for identity management and security at all levels of responsibility by offering a holistic, interdisciplinary education ensuring that professionals from multiple market sectors, roles, and levels of responsibility have the opportunity to acquire the knowledge and skills necessary to be effective stewards of Personal Identifiable Information (PII) and leaders of technological, policy, legal, and societal initiatives to advance identity management, security, and privacy.

Students in the MSIMS program must complete 30 SCH of required course work, including a three SCH master's report that will be undertaken during the student's final semester in the program.

Need and Student Demand

Identity management, privacy, and security roles exist in a variety of areas within companies and government agencies, including management, fiduciary, policy, legal, customer service, and information technology roles. Policy makers, both within

organizations and in external regulatory roles, are increasingly demanding that high-level executives assume more responsibility and accountability for the PII shared with and stored by their organizations. Policies under consideration include those that make executives, whose organizations hold PII, personally responsible for negligent exposure of this valuable information. Additionally, as PII is more frequently used as currency on the Internet to gain access to goods and services, professionals in our society responsible for these systems requiring and managing PII must be endowed with a multidisciplinary understanding of PII's use, value, risk, protection, privacy, and security.

The plague of identity theft and fraud is growing each year. Identity theft costs the U.S. economy more than all types of theft combined, totaling \$25 billion in 2012. Organizations must improve the protection and security of PII and improve how they collect and use PII for all types of transactions across almost every market sector.

Within Texas alone, growth in identity management and security roles are anticipated to rise quickly. The State Information Security Advisory Committee has several work groups creating and updating job descriptions that require these exact skills to ensure that the State of Texas continues to be a leader in this realm.

The absence of programs offering the interdisciplinary depth of the MSIMS program makes it difficult to draw comparisons. Most similar programs at comparable institutions typically focus on one discipline and are offered through computer science, information systems, and engineering programs. The current number of competitors for programs like the Option III MSIMS is small, with a noticeable absence of multidisciplinary programs specializing in identity management, security, and privacy education. Consultations with corporate and government leaders indicate that the MSIMS degree fills employers' needs not currently addressed by other graduate programs, and as a result, student demand is expected to be strong.

Student demand in programs most similar to the MSIMS appears to be high. For instance, the Johns Hopkins University Master of Science in Cybersecurity has seen a 300% increase in applications since it began in 2009 and a similar increase in its course enrollments. Corporate and government leaders indicate that existing cybersecurity programs lack the multidisciplinary education required to understand the breadth of business, social, communications, technological, legal, and policy challenges and solutions faced by professionals. The Option III MSIMS will fill an education gap not currently addressed by these cybersecurity programs.

## Enrollment Projections

YEAR	1	2	3	4	5
Head Count (estimated 25% growth each year)	25	31	39	49	61
Full-Time Student Equivalent	25	31	39	49	61

Initial enrollment projections are based on recent initial enrollment in other new Option III programs on campus that are designed for working professionals. These include the Master of Science in Finance, the Master of Arts in Human Dimensions of Organizations, and the Master of Public Affairs. First year projections are also similar to the first year rates in the Johns Hopkins Cybersecurity program.

The 25% growth rate is a conservative estimate based on expected marketing and outreach combined with growth in employment opportunities.

## Program Quality

Sixteen existing tenured faculty from the Department of Electrical and Computer Engineering, the School of Information (iSchool), and the Department of Communication Studies will teach in the program. There are no current plans to hire new faculty for the program.

To ensure the program's quality and responsiveness to the needs of its students, the program director will conduct an internal review of the program's curriculum and operation on a periodic basis and will report the results to the program's Graduate Studies Committee. The program director and the iSchool's career development director will receive feedback on the program's quality and effectiveness from the companies with which program graduates are placed. The program director along with the iSchool's assistant dean for student affairs and the associate dean will review the program annually using TracDat, a software system that helps institutions align planning initiatives, review and reflect on academic and nonacademic outcomes, and take action to improve performance.

## Revenue and Expenses

The Option III MSIMS will be a self-supporting program, will not be requesting University funding, and will not receive state formula funding. The full cost of the MSIMS program will be covered from fees charged to the students (\$45,000 per student). The startup costs will be incurred by the Center for Identity.

<b>Projected Enrollment</b>	<b>5-Year Total</b>
Number of Students Used for Formula Funding Calculation	0
<b>Total Number of Students</b>	<b>175</b>

<b>Expenses</b>	<b>5-Year Total</b>
<i>Faculty</i>	
Salaries	1,274,760
Benefits	318,690
<i>Graduate Students</i>	
Teaching Assistant (TA) Salaries*	480,914
TA Benefits	40,878
Graduate Research Assistants (GRA) Salaries	0
GRA Benefits	0
<i>Staff &amp; Administration</i>	
Graduate Coordinator Salary	464,815
Administrative Staff Salaries	610,551
Staff Benefits	268,844
<i>Other Expenses</i>	
Marketing and programming expenses (events, room rental, etc. )	1,181,468
Fees and Administrative Charges	1,002,074
<b>Total Expenses</b>	<b>5,642,994</b>

<b>Revenue</b>	<b>5-Year Total</b>
<i>From Student Enrollment</i>	
Formula Funding	0
Tuition and Fees	7,852,500
<i>From Institutional Funds</i>	
[Enter Description]	0
<i>From Grant Funds</i>	
[Enter Description]	0
<i>From Other Revenue Sources</i>	
[Enter Description]	0
<b>Total Revenue</b>	<b>7,852,500</b>

\* Instructors, with the advice of the Program Director and the financial aid team at the School of Information, will choose Teaching Assistants (TAs) from the full-time graduate students at U. T. Austin. Only full-time students are eligible for academic appointments such as Teaching Assistantships.

### Coordinating Board Criteria

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

#### 5. U. T. Austin: Approval of the East Campus Master Plan

The Board approved the East Campus Master Plan for The University of Texas at Austin as described below and as presented at the Academic Affairs Committee meeting on May 13, 2015. The related presentation is set forth on the following pages for the record.

Following Board approval on May 9, 2013, of the 2012 Campus and Medical School Master Plan, planning was initiated for the East Campus, which encompasses U. T. Austin property located east of Interstate Highway 35. The East Campus had not been included in the 2012 Campus Master Plan, but the Dell Medical School's need for the Penick-Allison Tennis Center site prompted the East Campus planning to begin.

The East Campus Master Plan incorporates several new construction elements, including a new parking garage adjacent to the UFCU Disch-Falk Field baseball stadium, new graduate student housing, and the Tennis Center Replacement Facility. Locating the tennis facility on the East Campus instead of a remote location will greatly improve the ability of student athletes to work tennis practice into their academic schedules. The plan calls for the tennis facility to be located on the current site of the Printing and Press Building.

New housing for graduate students has been prompted by increased difficulty for graduate students to find available and affordable housing in close proximity to the University due to escalating housing costs in Central Austin. Graduate student housing currently exists, but the large living units are mainly aimed at married students. The graduate student housing on the East Campus will be designed primarily to meet the needs of single students and will be built in phases. Offering affordable and proximate graduate housing can be a recruiting tool, as other peer institutions have found, and having a location near the Dell Medical School will make the housing an option for medical students.

A parking shortage currently exists on the East Campus during certain times of the year, which can push commuters into the adjacent neighborhood. The construction of graduate student housing (Item 4 on Page 140 of the Facilities Planning and Construction Committee) will remove the existing surface parking; therefore, the Plan will add a garage with 2,000 parking spaces (Item 3 on Page 139 of the Facilities Planning and Construction Committee).

THE UNIVERSITY OF TEXAS AT AUSTIN

# EAST CAMPUS MASTER PLAN

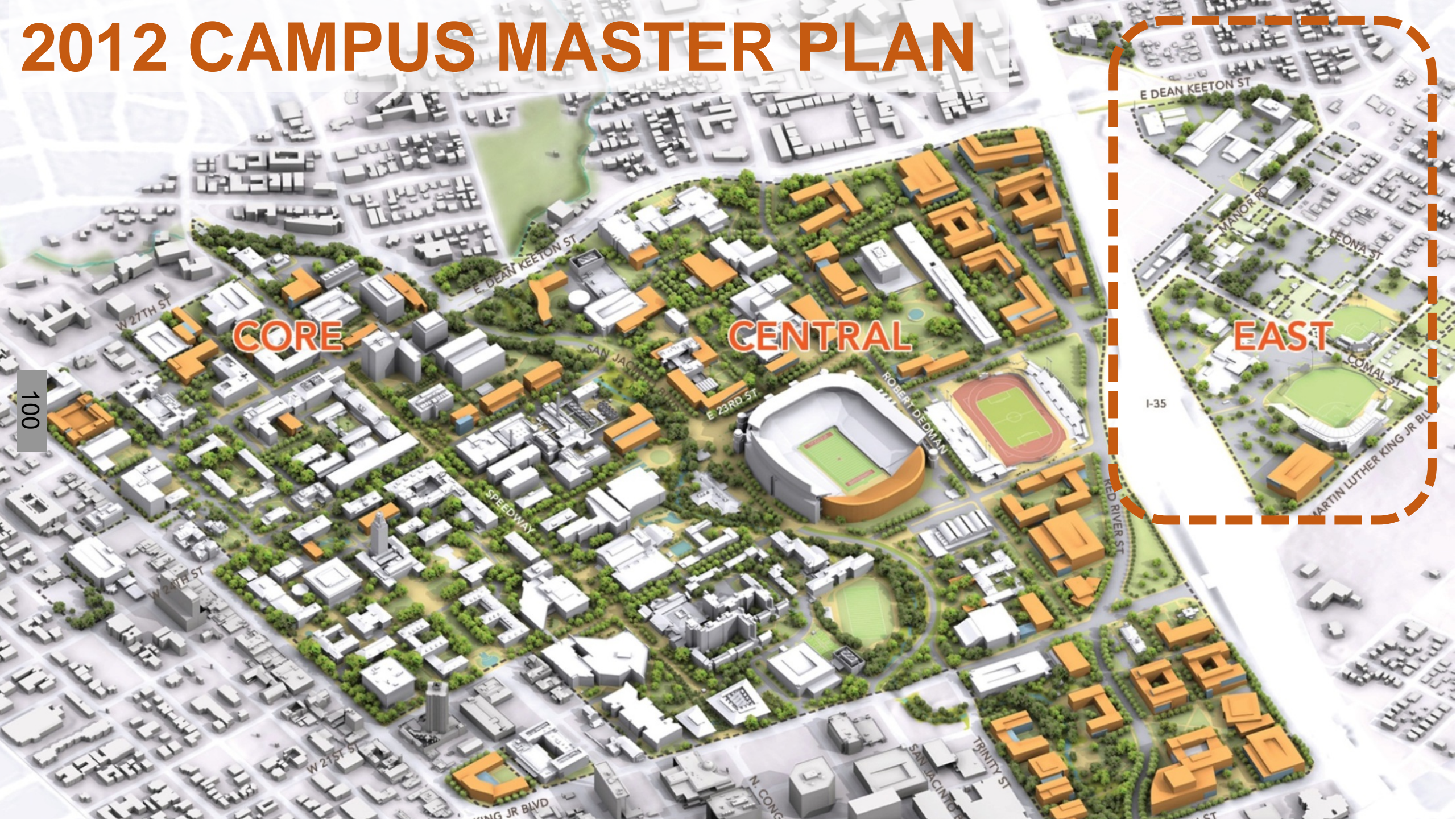
President Powers

Board of Regents' Meeting  
Academic Affairs Committee  
May 2015

SASAKI



# 2012 CAMPUS MASTER PLAN



CORE

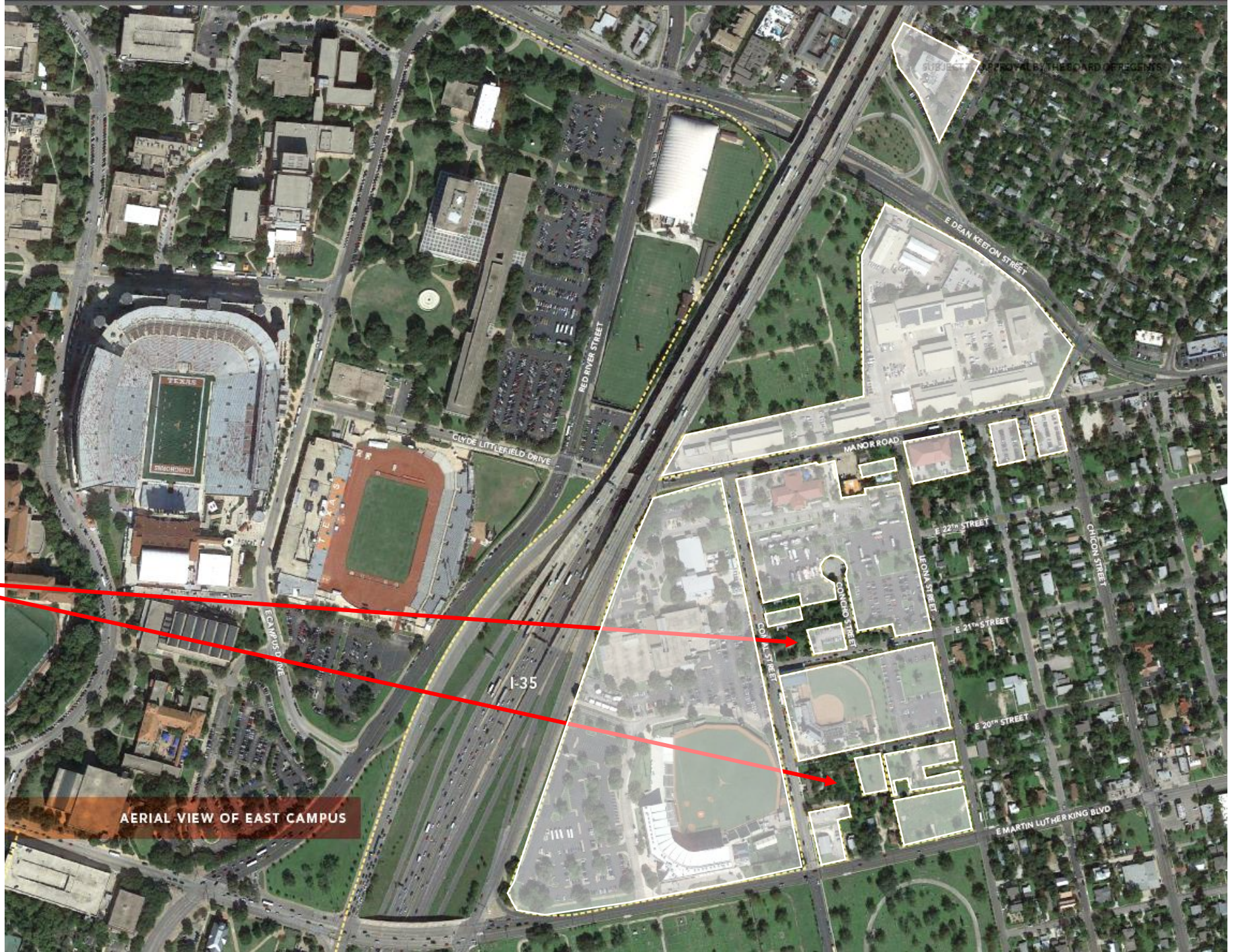
CENTRAL

EAST

# EAST CAMPUS

## Existing UT Austin Property in East Campus

Several property parcels are not owned by UT Austin



AERIAL VIEW OF EAST CAMPUS

# EAST CAMPUS MASTER PLAN



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# 2012 CAMPUS MASTER PLAN

## UT AUSTIN EAST CAMPUS MASTER PLAN

- NEW BUILDINGS PROPOSED IN EAST CAMPUS MASTER PLAN
- NEW BUILDINGS PROPOSED IN CAMPUS MASTER PLAN
- FUTURE GRADUATE STUDENT HOUSING
- UT AUSTIN CAMPUS BOUNDARY

# TRANSITION TO NEIGHBORHOOD SCALE

Limit Graduate Student Housing Facing Leona Street to 2 Stories  
With Landscaped Street Frontage





# East Campus Master Plan

## Highlights:

- Worked closely with adjacent neighborhood and have neighborhood support for the plan
- Provides an organized and efficient way to achieve better utilization of existing property
- Recommends placement and conceptual size for the following needed projects:
  1. East Campus Parking Garage – 2,000 parking spaces
  2. Graduate Student Housing – 734 student beds
  3. Tennis Center Replacement Facility – 12 competition courts for student-athletes
- Accommodates future graduate student housing as well as consolidation of some service and administrative support functions

6. U. T. Rio Grande Valley: Approval to transfer assets, facilities, operations, programs, and liabilities from U. T. Pan American, U. T. Brownsville, U. T. Health Science Center - South Texas, and the Lower Rio Grande Valley Academic Health Center to U. T. Rio Grande Valley effective August 30, 2015, and abolition of U. T. Pan American effective September 1, 2015

The Board authorized the transfer of assets, facilities, operations, programs, and liabilities from The University of Texas-Pan American, The University of Texas at Brownsville, The University of Texas Health Science Center - South Texas, and the Lower Rio Grande Valley Academic Health Center to The University of Texas Rio Grande Valley effective August 30, 2015, subject to a determination by the Chancellor that a particular asset, facility, operation, program, or liability be otherwise transferred.

In addition, the Board authorized the abolition of U. T. Pan American from The University of Texas System effective September 1, 2015. The Board will provide written notice of that action to the Texas Secretary of State as provided by law.

The transfer of assets, facilities, operations, programs, and liabilities of U. T. Brownsville is subject to the need to maintain a minimal administrative structure for the sole purpose of facilitating the continued partnership with the Texas Southmost College (TSC), until that institution achieves accreditation independent of U. T. Brownsville. For that purpose, consistent with the delegation given to the Chancellor on March 4, 2015, the Chancellor will appoint an Interim Chief Executive Officer of U. T. Brownsville and other officers or employees as necessary, with those salaries and expenses paid from the Available University Fund.

The delegation does not supersede the action taken by the Board of Regents on February 12, 2015, regarding the delegation of authority to approve contracts of less than \$5 million for U. T. Rio Grande Valley, and the report of actions taken under this delegation shall be combined with the report concerning delegated contract authority.

Further, this action does not affect the delegation given to the Chancellor on March 4, 2015, to take actions necessary to achieve accreditation, maximum operating efficiency, and the orderly windup of the affairs of U. T. Brownsville and U. T. Pan American.

Senate Bill 24 of the 83rd Texas Legislature created a new university in South Texas and granted to the Board of Regents the duty to provide for the organization, administration, location, and name of the University. In the exercise of that responsibility, the law directs the Board to act in a manner "to achieve the maximum operating efficiency" of the University (*Texas Education Code* Section 79.01). That duty is in addition to the authority of the Board under other law to provide for the administration, organization, and names of all institutions and entities of the system (*Texas Education Code* Section 65.11).

In addition to creating the new University, which the Board of Regents named The University of Texas Rio Grande Valley, Senate Bill 24 gave to the Board all the powers and duties provided by law in relation to U. T. Brownsville and U. T. Pan American and acknowledged that the assets, facilities, operations, programs, and liabilities will be transferred to U. T. Rio Grande Valley in anticipation of the abolition of those two universities. The law provides that, on a date within the discretion of the Board of Regents but not earlier than the date U. T. Rio Grande Valley becomes operational, U. T. Pan American and U. T. Brownsville are abolished and the enabling statutes for those universities are repealed.

Consistent with the Board of Regents' general authority and with its specific authority in relation to U. T. Rio Grande Valley, Senate Bill 24 directs the Board to choose a date of abolition of the two existing universities that the Board determines is appropriate to achieve maximum operating efficiency of the U. T. System. In addition, the law requires the Board to take all actions necessary to provide for the orderly windup of the affairs of each abolished university. The designated date of abolition must be entered into the Minutes of the Board of Regents, with notice to the Texas Secretary of State.

In creating U. T. Rio Grande Valley, the law expressly provides that the University include the medical school and other programs of U. T. Health Science Center - South Texas (created by law in 2009 but never operational), the Lower Rio Grande Academic Health Center (known as the Regional Academic Health Center and administered by The University of Texas Health Science Center at San Antonio), and the Star County Academic Center (an upper-level center of U. T. Pan American). Unlike U. T. Pan American and U. T. Brownsville, the law does not require the Board of Regents to abolish these entities, nor does the law provide that the statutory authority for the entities be repealed. Accordingly, the Board action under this recommendation as to these entities is a formal recognition of the transfer of assets, facilities, operations, programs, and liabilities to U. T. Rio Grande Valley as set forth above, and further Board action in this regard is not necessary.

Senate Bill 24 also requires that the partnership agreement between U. T. Brownsville and TSC be continued at least until September 1, 2015, to the extent necessary to ensure accreditation of the respective entities.

U. T. Rio Grande Valley will begin academic classes as an accredited institution for the Fall Semester 2015. After the final transfer of assets, facilities, operations, programs, and liabilities to U. T. Rio Grande Valley, the Board of Regents may reasonably determine that abolition of U. T. Pan American is appropriate on the date of September 1, 2015. Abolition on that date does not affect the authority of the Board under *Texas Education Code* Section 79.02 to exercise powers and duties provided by the prior law in regard to U. T. Pan American as necessary to provide for the orderly windup of the affairs of that University, should any action remain necessary after September 1, 2015. The authority to take those actions was delegated to the Chancellor by the Board of Regents on March 4, 2015, and the Chancellor will provide the Board with reports of those actions as required by the delegation.

TSC has not achieved accreditation independent of U. T. Brownsville, and will not do so until 2016 at the earliest. Accordingly, even though the statutory obligation of the University to remain in partnership with the College District expires September 1, 2015, it is incumbent on the U. T. System to continue in partnership with TSC. For accreditation purposes, U. T. Brownsville and TSC are a single institution; as a result, for the TSC students to have classes offered by an accredited institution and to receive federal financial aid, the College must continue to operate under the accreditation of UTB/TSC (as the institution is recognized by the accrediting agency). For this purpose, even as the assets, facilities, programs, liabilities, and other operations of U. T. Brownsville are transferred to U. T. Rio Grande Valley, the accrediting agency requires a minimal administrative structure for U. T. Brownsville, including a full-time chief executive officer. Appointment of an interim chief executive officer and other necessary officers or employees for that purpose is consistent with and covered by the delegation to the Chancellor made on March 4, 2015.

As with the organizational period of U. T. Rio Grande Valley, support of the continued administrative structure of U. T. Brownsville through the Available University Fund is appropriate because the orderly windup of the affairs of U. T. Brownsville is an express statutory duty of the U. T. System Board of Regents and System Administration.

Because of the need to continue a minimal administrative structure for U. T. Brownsville, it is not yet appropriate for the Board of Regents to determine a date for the abolition of U. T. Brownsville. That date is entirely within the discretion of Board, and nothing in the statute prevents the continued operation of U. T. Brownsville for this limited purpose even as U. T. Rio Grande Valley becomes operational.

7. U. T. Rio Grande Valley: Approval of tuition and fee proposals for the academic institution, including the medical school, for Fiscal Year 2016

The Board approved the tuition and fee proposals for The University of Texas Rio Grande Valley academic institution, including the medical school, for Fiscal Year 2016 as set forth on the following pages.

U. T. Rio Grande Valley will begin classes in Fall 2015, and the medical school will begin classes in Fall 2016. U. T. Rio Grande Valley has introduced guaranteed tuition rates based upon the amount of transfer credit each undergraduate student has upon entry.

A legal analysis for statutory authority may be found on Page 112.



**Section I – Overview**

Below are the key elements of the inaugural tuition and fee rates of The University of Texas Rio Grande Valley (UTRGV). The plan, developed by a task force comprised of staff and students, is structured to promote student access and success while ensuring affordability, transparency, and predictability. Over a period of five months, the task force conducted research, ran models, and considered feedback from U. T. Brownsville (UTB) and U. T. Pan American (UTPA) students, faculty, staff, and student government leadership gathered through surveys, involvement in committee meetings, and open forums. U. T. System Administration provided guidance throughout the development process, including legal interpretations, to ensure compliance with statutes as well as Regental and state rules.

**Mandated guaranteed rates for undergraduate students.** Undergraduate students will enjoy a predictable, transparent rate structure which will motivate them to graduate in a timely manner. The institution will avoid the administrative expenses associated with offering and maintaining both variable and fixed price plans. Continuing students, regardless of institution of initial enrollment, will be assigned rates based on college start and prior hours earned, as outlined below.

Undergraduate Cohort	College Start	Hours at Start of Fall 2015
<b>UG1</b>	1 year guarantee	Before Fall 2014
<b>UG2</b>	2 year guarantee	Before Fall 2014
<b>UG3</b>	3 year guarantee	Before Fall 2014
<b>UG4</b>	4 year guarantee	Before Fall 2014
<b>UG4</b>	4 year guarantee	Academic Year 2014 - 2015
<b>UGE</b> <b>(Entering)</b>	4 year guarantee	Fall 2015 and after

**Mandated guaranteed rates for graduate students.** Masters students will be provided a 2-year guarantee; doctoral students will be provided a 4-year guarantee. To encourage growth of graduate programs, baccalaureates may use unexpired time in their guarantee periods for graduate coursework at rates in effect for their entering cohorts.

**Capping tuition rates at 12 SCH.** To promote larger course loads and reduce time-to-degree, tuition and mandatory fees will be capped at 12 hours, except for lab and supplemental instruction fees. A student taking more than 12 hours will incur no additional academic charges. This incentive functions as an “instant” built-in rebate.

**Uniformity of rates.** To foster a “one university, multiple campuses” identity, the institution will charge the same rates regardless of location and mode of delivery. Unlike many institutions, including UTB and UTPA, UTRGV will not impose additional charges for online and hybrid classes.

**Simplified fee structure.** UTRGV will not adopt the information technology, athletics, library, advising, international, and records/registration mandatory fees currently charged at UTB and UTPA. In addition, except for statutorily required lab and supplemental instruction fees, college and course fees are not being adopted. Instead, designated tuition and other revenue streams will support these activities and, importantly, allow the institution to move resources to areas of needs as those needs change from year to year.

**No charges for concurrent and dual enrollment.** In order to promote transition to college, reduce time-to-degree, reduce the cost to obtain a degree, and to better utilize university facilities, UTRGV will not impose charges to high school students earning college credit through concurrent and dual enrollment programs.

**Affordability and access.** UTRGV will utilize an estimated \$4.0 million in additional tuition set-asides to minimize the impact of the tuition and fee rates on students and, in doing so, continue the legacy of affordable access to higher education in the region. Although the average undergraduate financial aid applicant would incur a Fall 2015 out-of-pocket increase of \$285 over the Fall 2014 rates, the institution will develop a program whereby no students with family incomes below a certain level are faced with out-of-pocket costs for tuition and fees. In addition, a summer bridge program is being deployed to help ensure that all college-worthy students are prepared for university work.

**Section II – Proposed Total Academic Cost (TAC)<sup>1</sup>**

**Resident Undergraduate Students  
Enrolled in 15 SCH, by Cohort**

College Start (Earned Hours)	Fall 2015 UTRGV	Fall 2014 UTB	Fall 2014 UTPA
	TAC	TAC	TAC
<b>UG1 – Before Fall 2014 (90+ SCH)</b>	<b>\$3,305</b>	\$3,018	\$3,141
<b>UG2 – Before Fall 2014 (60 – 89 SCH)</b>	<b>\$3,425</b>	\$3,018	\$3,141
<b>UG3 – Before Fall 2014 (30 – 59 SCH)</b>	<b>\$3,545</b>	\$3,018	\$3,141
<b>UG4 – Before Fall 2014 (0 – 29 SCH)</b>	<b>\$3,605</b>	\$3,018	\$3,141
<b>UG4 – Fall 2014 to Summer 2015</b>	<b>\$3,605</b>	\$3,018	\$3,141
<b>UGE – Fall 2015 to Summer 2016</b>	<b>\$3,665</b>	\$3,018	\$3,141

**Non-Resident Undergraduate Students  
Enrolled in 15 SCH, by Cohort**

College Start (Earned Hours)	Fall 2015 UTRGV	Fall 2014 UTB	Fall 2014 UTPA
	TAC	TAC	TAC
<b>UG1 – Before Fall 2014 (90+ SCH)</b>	<b>\$9,155</b>	\$8,816	\$8,665
<b>UG2 – Before Fall 2014 (60 – 89 SCH)</b>	<b>\$9,275</b>	\$8,816	\$8,665
<b>UG3 – Before Fall 2014 (30 – 59 SCH)</b>	<b>\$9,395</b>	\$8,816	\$8,665
<b>UG4 – Before Fall 2014 (0 – 29 SCH)</b>	<b>\$9,455</b>	\$8,816	\$8,665
<b>UG4 – Fall 2014 to Summer 2015</b>	<b>\$9,455</b>	\$8,816	\$8,665
<b>UGE – Fall 2015 to Summer 2016</b>	<b>\$9,515</b>	\$8,816	\$8,665

Note: Proposed rates have incorporated the increase in statutory tuition for non-resident students from \$412 per SCH in Fall 2014 to \$440 per hour in Fall 2015. Without the increase in non-resident statutory tuition, increases above the total academic costs charged at UTPA and UTB in Fall 2014 range from 0% - 5% depending on the college start designation.

**Resident and Non-Resident Graduate Students  
Enrolled in 9 SCH**

Residency	Fall 2015 UTRGV	Fall 2014 UTB	Fall 2014 UTPA
	TAC	TAC	TAC
Resident	<b>\$3,260</b>	\$2,232*	\$2,568
Non Resident	<b>\$6,770</b>	\$5,689*	\$5,903

<sup>1</sup> Total Academic Cost (TAC) represents the total of statutory tuition, designated tuition, mandatory fees, and average course fees for an undergraduate student enrolled in 15 semester credit hours (SCH). For graduate students, the total represents the sum of tuition, mandatory fees, and average course fees required for enrollment in 9 SCHs (except that, as noted above, UTB graduate TAC does not include average course fees).

**Section III – Mandatory Fee Structure**

Below is a comparison of UTB, UTPA, and proposed UTRGV mandatory fees. These mandatory fees are included in the above tables that summarize total academic cost.

**UNDERGRADUATE STUDENTS – 15 SCH**

<b>Mandatory Fees</b>	<b>UTB Fall 2014</b>	<b>UTPA Fall 2014</b>	<b>UTRGV Proposed</b>
University Services Fee	--	--	<b>\$349.20</b>
Student Services Fee	\$150	\$210	<b>\$249.96</b>
Recreation Fee	\$79	\$75	<b>\$75</b>
Medical Services Fee	\$24.20	\$27.35	<b>\$30</b>
Student Union Fee	--	\$30	<b>\$30</b>
Information Technology Fee	\$225	\$153.75	--
Athletic Fee	\$105	--	--
Library Fee	\$75	\$48.75	--
Advising Fee	\$50	\$25	--
Records/Registration Fee	\$10	\$10	--
International Education Fee	\$2	\$1	--

**GRADUATE STUDENTS – 9 SCH**

<b>Mandatory Fees</b>	<b>UTB Fall 2014</b>	<b>UTPA Fall 2014</b>	<b>UTRGV Proposed</b>
University Services Fee	--	--	<b>\$261.90</b>
Student Services Fee	\$108	\$126	<b>\$187.47</b>
Recreation Fee	\$79	\$75	<b>\$75</b>
Medical Services Fee	\$24.20	\$27.35	<b>\$30</b>
Student Union Fee	--	\$30	<b>\$30</b>
Information Technology Fee	\$153	\$92.25	--
Athletic Fee	\$63	--	--
Library Fee	\$45	\$29.25	--
Advising Fee	\$25	--	--
Records/Registration Fee	\$10	\$10	--
International Education Fee	\$2	\$1	--

**Section IV – Average College and Course Fees**

As discussed above, most college and course fees currently charged at UTB and UTPA will not be adopted by UTRGV. However, lab and supplemental instruction fees will be charged as required respectively by Sections 54.501 and 54.051(l), *Texas Education Code*. These estimates are included in total academic cost.

<b>Level</b>	<b>UTB Fall 2014</b>	<b>UTPA Fall 2014</b>	<b>UTRGV Proposed</b>
Undergraduate – 15 SCH	\$53.74	\$73.76	<b>\$18.75</b>
Graduate – 9 SCH	n/a	\$83.88	<b>\$11.25</b>

**Section V – Tuition for Repeated and Excessive Credit Hours**

\$150 per hour will be added when attempting a class for the third and subsequent times. \$50 per hour will be added when the hours previously attempted exceed applicable limits.

**Section VI – Medical School Tuition and Fee Rates**

Tuition and fees for medical students include statutory tuition, designated tuition, mandatory fees, and additional fees required for medical education including clinical skills fees, liability/malpractice insurance fees, lab and testing fees, educational software or electronic textbook fees, and immunization fees (not all fees are charged at all state medical institutions). UTRGV has not yet determined the rate for health insurance. Therefore, *health insurance is not included* in the rates listed below.

Proposed rates for UTRGV resident and non-resident medical students:

**Proposed Rates for first Medical School entering cohort Fall 2016 – Spring 2017**

Resident Rate <i>(Without Health Insurance)</i>	<b>\$18,298</b>
Non-Resident Rate <i>(Without Health Insurance)</i>	<b>\$31,398</b>

A comparison of national mean and median rates, Assoc. of American Medical Colleges:

AAMC National Comparison*	Average	Median
Public		
Resident	\$30,868	\$32,434
Non Resident	\$54,786	\$55,949
Private		
Resident	\$49,345	\$50,849
Non Resident	\$49,374	\$50,995

Source: Association of American Medical College, Data on 2014-2015 Tuition and Fees

### Statutory Authority

As a new and distinct university, UTRGV may charge any fee permitted by law for universities generally.

In addition, UTRGV may charge any fee authorized by law for UTB or UTPA, subject to the limitations prescribed by those laws. (Sec. 79.02(g), *Education Code*: “The board may impose and collect any fee authorized by prior law, as that law existed at the time the applicable university was abolished, for The University of Texas at Brownsville or The University of Texas Pan American, as determined by the board and subject to the limitations provided by the prior law authorizing the fee.”) Section 79.02(g) effectively authorizes the board to pick and choose between the statutory fee authority in relation to UTB and the statutory fee authority in relation to UTPA, and may choose to use the authority with the higher rate.

The fee statutes contain ambiguities when dealing with a new university, as opposed to existing universities with an existing student body to approve fees or increases in fees. In addition, the fee statutes are not designed to accommodate a single institution with multiple campuses, even though the statutes do accommodate a student enrolled at multiple institutions.

SB 24, 83rd Legislature, creating UTRGV gives the Board of Regents broad powers:

- 79.02(e): “The authority of the board under this section to achieve maximum operating efficiency of the university and to provide for the...administration...of the university prevails over other law....”
- 79.02(f): “The board has all the powers and duties provided by prior law...in regard to...any facility, operation, or program that is transferred to the university.”
- 79.04: “The board shall make any other rules and regulations for the operation, control, and management of the university as may be necessary for the conduct of the university as a university of the first class.”

In addition, in relationship to fees, the attorney general has recognized that “governing boards...generally are given broad powers which will not be interfered with in the absence of a clear showing that it has acted arbitrarily or has abused the discretion vested in it,” that “the amount of fees and the basis of their allocation to various students will depend on the facts existing at each institution,” and that what “fits one may not fit another.” Such fees, “when set in good faith, will not be subject to reversal upon judicial review except in the event of an abuse of discretion.” Op. Tex. Att’y Gen. No. H-284A (1974)

All of these fees are initial fees for UTRGV students. Current UTB or UTPA students are not experiencing an “increase” in fees. It may well be that a student at the Brownsville campus will pay a different and perhaps higher fee than the same student paid at UTB, but that would be true if the student enrolled at UTSA or UTEP.

**Student Union Fee:** The UTPA statutory authority, Sec. 54.542, is capped at \$30. The UTB statutory authority, Sec. 54.546, has a minimum of \$34.50 and a maximum of \$70, but also has limitations of being dependent on an agreement with Texas Southmost College (TSC).

**Recreation Center Fee:** UTPA statute limits the fee to \$75. Brownsville statute limits the fee to \$79 and states that the rate shall be identical to the TSC rate (currently \$79).

**Student Services Fee:** The cap on compulsory student services fee is \$250; if the fee is more than \$150, the increase does not take effect unless approved by a majority vote of the students. The fee cap “authorized by prior law” for purposes of UTRGV and Section 79.02(g) is the \$250 cap authorized for UTPA. No additional election is necessary because the UTPA previously conducted a student referendum to increase the fee, resulting in legal authority for a \$250 cap.

**University Services Fee:** Section 55.16, *Education Code*, provides the Board of Regents with the broadest general fee authority, including fees for “services” and for the “availability of...activities, [and] operations.” This statutory authority allows a university to combine many incidental and mandatory fees into a single fee, such as the prior Information Technology, Athletic, Library, Advising, International Education, and Registration/Records fees at UTB and UTPA, for purposes of simplifying the fee structure at UTRGV.

**Medical Services Fee:** The board is authorized by Section 54.50891 to charge a medical services fee not to exceed \$55.

**College/Course Fees:** These fees are authorized by Section 54.504, *Education Code*, and other specific laws such as Section 54.051(l), authorizing course fees for courses where individual coaching or instruction is the usual method of instruction.

8. U. T. Austin: Approval of tuition and fee proposal for the Dell Medical School for Fiscal Year 2017

The Board approved the tuition and fee proposal for The University of Texas at Austin Dell Medical School for Fiscal Year 2017 as set forth on the following pages.

The U. T. Austin Dell Medical School will begin classes in Fall 2016. The new doctoral degree program in medicine at the Dell Medical School is designed to educate physicians to be skilled clinicians, biomedical scientists, professional leaders, and innovators in the ongoing transformation of the health care system in Texas and nationally.



The University of Texas at Austin  
Dell Medical School

# **TUITION AND FEE PROPOSAL**

## **Academic Year 2016-2017**

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## EXECUTIVE SUMMARY

The University of Texas at Austin Dell Medical School (DMS) offers the enclosed proposal to establish the initial tuition and fees for review and recommendation by the President and transmittal to the Executive Vice Chancellor for Academic Affairs at the U. T. System.

The following were taken into consideration as guiding principles when establishing tuition for this new institution:

The need for tuition and certain fees is essential in providing key elements of a first-class medical education. Tuition and fees are expected to support student-specific services, ever-changing technology enhancements, student resources, and administrative functions directly supporting student needs.

Total tuition and fees should be affordable. We are mindful of the growing level of student debt and the impact it can have on students' lives and career choices. DMS strives to keep student costs low in order to improve the student experience and encourage a wider range of career choices in the medical and health care fields beyond graduation.

Tuition and fees as a whole should be comparable to other U. T. System health institutions and potentially favorable to other medical schools, particularly those to which we aspire to be peers. The U. T. System health institutions offer tuition and fees within a tight range of one another and, by comparison to national averages, provide a quality medical education at a low cost to students.

Dell Medical School will, like most institutions, offer tuition and fees less than the actual cost of providing a first-class medical education. Through various studies performed both within the U. T. System and outside, the actual cost of providing a medical education averages approximately \$90,000 per student per year. A cursory analysis of the DMS projected costs would confirm this amount when taking into account teaching faculty, support administration, facilities, and resources.

In summary, our proposal includes the following request:

- 2016-2017 annual base tuition (Statutory and Designated) of \$17,212 for Texas residents and \$30,312 for non-residents of Texas
- Fees of \$2,080
- Resulting in total tuition and fees of: **\$19,292 for Texas residents and \$32,392 for nonresidents**

Details regarding the proposal are discussed further herein with supporting detail provided in Appendix 1.

## OVERVIEW

The new doctoral degree program in medicine at The University of Texas at Austin Dell Medical School will educate physicians to be skilled clinicians, biomedical scientists, professional leaders, and innovators in the ongoing transformation of the health care system in Texas and nationally. Students and faculty will conduct in-depth research in basic sciences and medicine. They will test theories in the natural sciences, business management, and social sciences in clinics and state-of-the-art laboratories.

The Dell Medical School will create vast opportunities for synergy among U. T. Austin's existing schools of nursing, social work, pharmacy, and engineering, among others. It will leverage research in areas as diverse as medical ethics and business systems to solve one of the most pressing issues facing America: how to create better health in the communities we serve.

From research bench to bedside, it will be a fertile, inspirational academic environment for the intellectually curious student and for faculty members dedicated to discovery. This approach — interprofessional and transdisciplinary education — will train doctors who will pursue medicine with broad scientific and academic backgrounds to pursue innovation and respect the contributions of all health care providers.

The U. T. Austin Dell Medical School's mission, vision, and values were developed by the Dell Medical School Steering Committee, a group that includes leadership from the medical school, parent institution, and partner health institutions.

The mission, vision, and values align and fully complement those of our parent university, U. T. Austin, and are listed below.

### ***Vision***

A vital inclusive health ecosystem.

### ***Mission***

The Dell Medical School has an opportunity to redesign academic medicine from its foundations, fulfilling the promise of academic medicine to recognize the importance of population health, creating a culture that prioritizes the value of care over the amount of care, and improving the model for training future physicians and supporting research.

The Dell Medical School is driven by the creative opportunity to plan and develop new paradigms in several areas:

- Clinical care: will strive to create models that reward enhancements in health as opposed to encouraging high reimbursing procedures.
- Education: will recognize the importance of interprofessional education, complex systems, implementation sciences, and population health in all of our training programs and will incorporate pedagogical innovations proven in other fields.

- Innovation: will support a broad range of innovation, with an initial emphasis on care redesign, technology and informatics, and on interdisciplinary programs that build on the great strengths across the U. T. Austin campus.
- Community: will partner to enable Austin to become a model healthy city.

In all of these activities we will remain nimble, focused on feedback and metrics, quick to learn from our own shortcomings, collaborative, caring, and good natured.

### **Core Values**

The school will accomplish its mission and vision by modeling the university's core values:

- *Learning* - working together and aligning interprofessional teams to fulfill our mission regardless of organizational boundaries; develop strategies for life-long, self-directed learning, sharing of knowledge, and translating new concepts to practice;
- *Discovery* - motivate towards the cutting edge of what is unknown by empowering our faculty and students to remain intellectually curious and inquisitive;
- *Freedom* - maintain flexibility and resilience in order to respond to changing needs and expectations of individuals and the community;
- *Leadership* - educate and train physicians, researchers, and other health care professionals to become leaders in their fields at a regional, state, and national level; maintain the highest respect, trust, and ethical standards in all our interactions and activities; achieve our highest goals and become the best we can be;
- *Individual Opportunity* - create, foster, and maintain a culturally diverse learning community;
- *Responsibility* - exhibit a strong sense of duty, stewardship, and accountability to each other and to our varied constituencies; relate to others in a caring, empathic manner and strive to prevent and relieve suffering.

## TUITION AND FEE PLAN

After careful consideration, the Dell Medical School proposes the tuition and fees introduced in the Executive Summary and which are further detailed on the following page and Appendices. DMS leadership recognizes that it is not prudent to attempt to cover the actual cost of educational delivery through tuition alone. Instead, the tuition and fee rates at DMS aim to balance the need for a funding source with the desire to attract top students and minimize their debt burden after graduation.

The proposed tuition, coupled with other funding sources, will allow the DMS medical education program to achieve its goal of preparing graduates to be well-informed, knowledgeable, clinically competent, conversant, collaborative, and empathetic physicians who will be lifelong learners, who incorporate the highest ethical principles into their practice and daily living, and who respect the patient as an individual. We aspire for our graduates to be dedicated to community service in addressing societal needs. Moreover, we envision our graduates to be prepared for work in complex medical systems while contributing to positive change through leadership and innovation. The curriculum is designed to prepare students to successfully enter residency training with innovation and leadership skills. The curriculum will also foster intellectual curiosity, self-directed learning, and lifelong learning.

Given our plan to hold tuition rates in line with other U. T. System health institutions, our medical education program will be highly affordable. M.D. students will also be eligible to receive grants and scholarships to defray the cost of a medical education. DMS and U. T. Austin have already begun actively fundraising to create scholarships for DMS students. To date, over one million dollars has been raised for this purpose. In addition to grants, scholarships, and work study options, students have the opportunity to participate in the following loan programs:

### Federal/State Loans

1. Direct Stafford Loans
2. Federal Perkins Loan

### Other Types of Aid and Loan Programs

1. Texas Public Education Grant
2. Graduate PLUS Loan (Direct PLUS)
3. College Access Loan
4. Hazlewood Act
5. Alternative Private Loans

## THE PROPOSAL

The proposal for the Dell Medical School was determined for the inaugural year of 2016-2017. The components of the proposal are comprised of the following:

### 2016-2017 Academic Year Proposed Rates for Dell Medical School

- **The statutory tuition rate of \$6,550 for resident students and \$19,650 for nonresident students**
- **Designated tuition set at a discretionary rate of \$10,662** for all students to ensure affordability and consistency with U. T. System health institutions. It provides funding for financial aid, academic support, educational facility operations and maintenance, and includes a set-aside of 15% for resident non-loan student financial aid.
- **Fees totaling \$2,080** which cover student-related support and resources. The fees include the following:
  - Student Support Fee of \$750 covering the use of University Health Services clinics, personal counseling and mental health services, recreational and fitness facilities, campus union facilities, and regional shuttle services.
  - Malpractice insurance of \$25 provided through U. T. System.
  - Medical Student Resources Fee of \$1,305 covering lab, technical, and curriculum delivery expenses.

**The total of the amounts above come to \$19,292 for residents and \$32,392 for nonresidents for the inaugural school year of 2016-2017.**

See [Appendix 1](#) for tuition and fee details.

See [Appendix 2](#) for details and descriptions of Student Support.

See [Appendix 3](#) for a discussion of Medical Student Resources fees.

The following statutes were referenced in setting tuition for the Dell Medical School:

- *Texas Education Code*, Chapter 54.051(f) Statutory tuition
- *Texas Education Code*, Chapter 54.0513 Designated tuition
- *Texas Education Code*, Chapter 55.16 Incidental Fee Authorization
- *Texas Education Code*, Chapter 56.033 tuition set-aside requirements
- *Texas Education Code*, Chapter 61.539 medical tuition set-aside for loan repayment program

**The Dell Medical School**

**COMPARISON OF CURRENT TUITION AND FEE CHARGES\***

The resulting tuition and fees described above place the Dell Medical School in the same affordability range as U. T. Southwestern, U. T. Health Science Center - San Antonio, and Baylor College of Medicine. Proposed rates are approximately 9-10% higher than U. T. Medical Branch - Galveston, Texas Tech University, and Texas A&M University but 40-50% lower than institutions such as the University of California, Los Angeles, the University of California, San Francisco, Johns Hopkins University, Harvard University, and University of Pennsylvania Medical Schools.

The table below also provides pricing and affordability comparisons of the national averages and means of public and private medical school tuition and fees. While these figures are current year (2014-2015), they are still significantly higher than the tuition and fees projected for the Dell Medical School in 2016-2017.

<b>Association of American Medical Colleges (AAMC) Comparison*</b>	<b>National Average</b>	<b>National Median</b>
AAMC Public - Resident	\$31,092	\$32,452
AAMC Public - Nonresident	\$54,727	\$55,865
AAMC Private - Resident	\$49,333	\$50,703
AAMC Private - Nonresident	\$50,921	\$51,506

Note: \*85 schools reporting; 2014-2015 rates were used for comparison purposes

**The Dell Medical School**

**TUITION AND FEE DETAIL** (Reflecting rates to be introduced in 2016-2017)

DMS Tuition & Fees	FY 2016-2017	Proposed Tuition & Fees			
		Fees	Tuition		
Tuition Statutory <sup>1</sup> - Resident			\$6,550.00		
Tuition Statutory <sup>1</sup> - Nonresident			\$19,650.00		
Tuition Designated <sup>2</sup>			\$10,662.00		
Medical Student Resources		\$1,305.00			
Student Support		\$750.00			
Malpractice		\$ 25.00			
Health Insurance not included (\$1,859)					
	<b>YEAR</b>	<b>FEES</b>	<b>TUITION</b>	<b>TOTAL NONRES</b>	
	1	2,080	17,212	19,292	32,392
	2	2,080	17,212	19,292	32,392
	3	2,080	17,212	19,292	32,392
	4	2,080	17,212	19,292	32,392

Notes

<sup>1</sup> Statutory tuition reflects state and Regent approved amount as of 2014.

<sup>2</sup> Designated tuition includes a legislatively mandated 15% set-aside for resident non-loan student financial aid.

## The Dell Medical School

### STUDENT SUPPORT FEE

The Student Support Fee is a compulsory, mandatory fee charged to all enrolled students to support on-campus, student-specific services. These services are provided by the following departments:

- University Health Services
- Counseling and Mental Health Center
- Centers for Student Life
- Recreational Sports
- Center for Students in Recovery

Students at Dell Medical School will have access to the broad range of supportive services supported by statutory fees assessed of all U. T. Austin students. Additionally, they will have access to specialized services through the Dean of Students Office that is designed to meet the unique advising and student services support needed to navigate a medical program.

More specifically, the student support fee will provide the following:

University Health Services offers a full spectrum of health services including a student wellness program, immunization/vaccines, optimal health maintenance, behavioral/mental health services, lab services, and urgent after hours care.

DMS students will have access to personal counseling and mental health services at the U. T. Counseling and Mental Health Center, located within walking distance from DMS. Students can schedule appointments in person or over the phone. DMS students may also access the 24-hour crisis line provided by the Counseling and Mental Health Center. Staff and professionals providing clinical services to DMS students at the Counseling and Mental Health Center are not involved in the evaluation of DMS students.

Centers for Student Life include four unique and multi-faceted facilities; Hogg Memorial Auditorium, Student Activity Center, Student Services Building, and The Texas Union. These facilities provide a wide array of student services, leadership development opportunities, study and event spaces, and food venues to enhance the student experience.

Recreational Sports offers a comprehensive array of facilities, program, services, special events, and student employment opportunities. This student-centric unit features six program areas – Fitness/Wellness, Informal Recreation, Instructional, Intramural Sports, Outdoor Recreation and Sports Clubs, plus nine facilities with over 500,000 square feet of indoor and 40 acres of outdoor space.

Students can find ongoing support for alcoholism and other drug addictions at the Center for Students in Recovery, which offers a pathway to recovery and academic achievement.



## **The Dell Medical School**

### **MEDICAL STUDENT RESOURCES FEE**

The Medical Student Resources Fee covers specific expenses related to providing essential learning resources to medical students as well as supporting the technology infrastructure and services enabling an advanced curriculum delivery and learning environment. These resources and services include:

- Investigative and educational lab materials and maintenance
- Anatomy lab materials
- Educational and instructional technology including personal devices utilized in the instructional environment
- On-site information technology support center for students and faculty as well as wireless connectivity
- Up-to-date online library medical resources, journals, and subscriptions
- Student ceremonies and graduation events

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE  
(Pages 125 - 137).--Committee Chairman Cranberg reported that the Health Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Health Affairs Committee and approved in open session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. System: Approval of tuition and fee proposals for U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, U. T. Health Science Center - Houston, U. T. Health Science Center - San Antonio, and U. T. M. D. Anderson Cancer Center for Fiscal Year 2016

The Board approved the tuition and fee proposals for The University of Texas Southwestern Medical Center, The University of Texas Medical Branch at Galveston, The University of Texas Health Science Center at Houston, The University of Texas Health Science Center at San Antonio, and The University of Texas M. D. Anderson Cancer Center for Fiscal Year 2016 as set forth on the following pages.

- U. T. Southwestern Medical Center, Page 126
- U. T. Medical Branch - Galveston, Pages 127 - 129
- U. T. Health Science Center - Houston, Page 130
- U. T. Health Science Center - San Antonio, Page 131. A revised proposal for the School of Health Professions was approved as set forth on Page 132.
- U. T. M. D. Anderson Cancer Center, Page 133. This additional proposal was sent to members of the Board in advance of the meeting.

The University of Texas Health Science Center at Tyler did not seek approval of a tuition and fee proposal for Fiscal Year 2016 at this time.

**Estimate of Proposed Tuition and Fee Increases**

	<b>Fall 2014 Total</b>	<b>Prop Fall 2015</b>	<b>Over Fall 2014</b>
<b>Medical</b>	\$18,593	\$19,343	4.03%
<b>Biomedical Sciences</b> 24 semester credit hours (SCH)	\$7,443	\$7,743	4.03%
<b>Health Professions</b> 24 SCH	\$7,443	\$7,743	4.03%

- Estimate reflects tuition and mandatory fees.
- An increase in the Differential Tuition Rate, from \$50 to \$75 per credit hour, is proposed for Physician Assistant and Physical Therapy Programs in Fall 2015.
- A reduction is proposed for the Physician Assistant student’s malpractice fee from the current rate of \$61.00 per year to \$14.50 per year.

**Projected New Revenue**

	<b>Increase in Revenue for 2015-16</b>
<b>Medical</b>	\$703,500
<b>Biomedical Sciences and Health Professions</b>	\$340,800

The additional revenue will be used entirely to fund expenses to further develop the Center for Innovation in Education:

- Campus-wide faculty development and creation of new educational materials;
- Implementation of high fidelity simulation and digital technologies; and
- Improve on-line connectedness across campuses.

Summary of Proposed Tuition and Fee Plan: U. T. MEDICAL BRANCH - GALVESTON

**Estimate of Proposed Tuition and Fee Increases**

(Estimate reflects tuition, mandatory fees, and average course fees.)

	<b>Fall 2014 Total</b>	<b>Prop. Fall 2015</b>	<b>Over Fall 2014</b>
<b>School of Medicine</b>	\$17,000	\$17,408	2.3%
<b>Graduate School of Biomedical Sciences*</b> (9 semester credit hours)	\$2,636	\$2,690	2.1%
<b>Graduate School of Biomedical Sciences**</b> (9 semester credit hours)	\$2,491	\$2,536	1.8%
<b>School of Nursing - Undergraduate</b> (15 semester credit hours)	\$4,097	\$4,150	1.3%
<b>School of Nursing - Graduate</b> (9 semester credit hours)	\$4,008	\$4,008	0.0%
<b>School of Health Professions - Undergraduate</b> (15 semester credit hours)	\$3,136	\$3,219	2.6%
<b>School of Health Professions - Graduate***</b> (9 semester credit hours)	\$2,614	\$2,677	2.4%
<b>School of Health Professions - Graduate****</b> (9 semester credit hours)	\$3,277	\$3,341	1.9%

\* Applies to Graduate Programs in Public Health

\*\* Applies to all Graduate Programs in Biomedical Sciences

\*\*\* Applies to MS in Clinical Lab Science, Nutrition, and Occupational Therapy

\*\*\*\* Applies to Master of Physician Assistant and Doctor of Physical Therapy

**Projected Annual Tuition Revenue**

	<b>Increase in Revenue for 2015-16</b>
<b>School of Medicine</b>	\$318,000
<b>Graduate School of Biomedical Sciences</b>	\$42,280
<b>School of Nursing</b>	\$64,766
<b>School of Health Professions</b>	\$191,447

### **Expected Use for Additional Revenue**

A portion of the School of Medicine increase is statutorily reserved for financial aid, with the remainder available for general academic programs, which will be used to pay for nationally-developed, standardized exams from the National Board of Medical Examiners (NBME) for Years 1 and 2. The remainder of the additional funding will be used to assist in hiring two new educational support staff.

The additional funds in the Graduate School of Biomedical Sciences would be used to support bridging of enrolled students, student development activities, and student academic conferences. These activities are currently supported by investigator funds and GSBS funds, but limit the scope and frequency of these important activities.

The additional funds in GSBS would be used to support bridging of enrolled students, student development activities, and student academic conferences. Because of the challenging extramural funding environment and UTMB budget constraints, respectively, these activities have been significantly limited. Bridging funds provides short term stipend support for trainees when an investigator is waiting for the arrival of new grant funding. Development activities involve speakers/activities that can help with career building and job seeking skills that would launch trainees in the professional/commercial world. Travel funds allow students to network with scientists from around the country and the world, which also builds the reputation of and adds prestige to UTMB. A portion of the GSBS budget, philanthropy, and outside grants support some of these activities, but not at the level that would be needed to effectively support our trainees. The proposed increase in tuition would greatly help in providing these increasingly important activities.

The requested increase for the School of Nursing will be used to increase the number of full-time faculty and retain current full-time faculty to educate the increased numbers of students enrolling in nursing programs. Additionally, the increased funding would support part-time and pay-by-letter (PBL) clinical faculty and resources for reaching in the classroom, online, and simulation.

Additional revenue for the School of Health Professions will support additional faculty to supervise clinical settings, maintain distance education programs and instructional software, and recoup course costs.

Summary of Proposed Tuition and Fee Plan: U. T. MEDICAL BRANCH - GALVESTON

**Compulsory Fees**

UTMB is proposing an increase to two fees that support the University Academic Resources and Library. The first, Student Computing and Teaching Equipment Fee, will help to cover increased costs for annual maintenance and support costs of 560 personal computer student workstations and computer-related teaching equipment in 48 classrooms around campus. The second, Library Acquisition Fee, is intended to cover some of these increased costs of acquisitions, which rose 9.2% in FY14. The proposed increases, listed below, were reviewed and approved last year by the students present at an open hearing on compulsory fees.

<b>Compulsory Fee Name</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
Student Computing & Teaching Equipment Fee	\$181.50 for SOM students \$60.50 all other students per academic year	\$220 for SOM students \$73.50 all other students per academic year
Library Acquisition Fee	\$275 per student per academic year	\$325 per student per academic year

**Incidental Fees**

UTMB is proposing changes to the following incidental fees and the addition of two new incidental fees. The existing fees have not been increased in quite some time and no longer cover the costs associated with providing these services. The two new incidental fees being requested are the New Student Orientation and Welcome Weekend Fee and a Credit Card Processing Fee. The New Student Orientation and Welcome Weekend Fee is being added as a one-time fee to new students to cover the costs associated with the nearly weeklong orientation program that is sponsored by the University and its four schools. The Credit Card Processing Fee is a new fee and will cover the costs associated with the service charge incurred by UTMB when accepted tuition and fee payments are from students.

<b>Incidental Fee Name</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
Registration Processing Fee	\$15.00 per semester	\$25.00 per semester
Tuition Installment Plan Fee	\$15.00 per semester	\$25.00 per semester
Late Tuition Payment Fee	\$10.00 per occurrence	\$25.00 per occurrence
Returned Check Fee	\$25.00 per occurrence	\$25.00 per occurrence
New Student Orientation and Welcome Weekend Fee	New Fee	\$125 (one-time fee for new students)
Credit Card Processing Fee	New Fee	3%

**Estimate of Proposed Resident Tuition and Fee Increases**

	<b>Fall 2014 Total</b>	<b>Prop Fall 2015</b>	<b>Over Fall 2014</b>
<b>Medical</b>	\$16,325	\$17,457	6.9%
<b>Nursing Undergraduate*</b> 15 semester credit hours (SCH)	\$3,589	\$3,685	2.6%
<b>Nursing Graduate*</b> 9 SCH	\$2,437	\$2,551	4.7%
<b>Public Health</b>	\$5,646	\$5,897	4.5%

\*Figures do not reflect course fees.

**Projected New Revenue**

	<b>Increase in Revenue for 2015-16</b>
<b>Medical</b>	\$1,364,160
<b>Nursing</b>	\$223,126
<b>Public Health</b>	\$312,194

Additional revenue for the Medical School will allow for the development, implementation, and maintenance of a revised curriculum.

Additional revenue for the Nursing School will be used for faculty recruitment and retention, scholarships, and educational expansions for on-line testing and courses.

Additional revenue for Public Health will be used for scholarships, faculty retention, expanded course offerings, technology improvements, and rebates for graduating on time.

SCHOOL OF BIOMEDICAL INFORMATICS (No Proposed Tuition or Fee Increases for Fall 2015)

SCHOOL OF DENTISTRY (Fall 2015 Tuition and Fees approved by the Board of Regents on May 14, 2014, as proposed.)

GRADUATE SCHOOL OF BIOMEDICAL SCIENCES (Fall 2015 Tuition and Fees approved by the Board of Regents on May 14, 2014, as proposed.)

**Estimate of Proposed Resident Tuition and Fees Increases**

	Fall 2014 Total	Prop Fall 2015	Over 2014
<b>Nursing Undergraduate*</b> 15 semester credit hours (SCH)	\$3,935	\$4,023	2.2%
<b>Nursing Graduate*</b> 9 semester credit hours (SCH)	\$3,443	\$3,516	2.1%
<b>School of Health Professions BS Clinical Laboratory Sciences*</b> 31 semester credit hours (SCH)	\$7,653	\$8,353	9.1%
<b>School of Health Professions BS Respiratory Care*</b> 32 semester credit hours (SCH)	\$7,819	\$8,561	9.5%
<b>School of Health Professions MS Occupational Therapy*</b> 43 semester credit hours (SCH)	\$11,396	\$12,508	9.8%
<b>School of Health Professions D Physical Therapy*</b> 37 semester credit hours (SCH)	\$10,248	\$11,257	9.8%
<b>School of Health Professions MS Physician Assistant Studies</b> 62 semester credit hours (SCH)*	\$17,029	\$18,715	9.9%
<b>School of Health Professions Emergency Health Sciences*</b> 42 semester credit hours (SCH)	\$7,472	\$8,001	7.1%

\*Figures include average Course Fees and Mandatory Student Fees

**Projected New Revenue**

	Increase in Revenue for 2015-16
<b>Nursing</b>	\$78,905
<b>School of Health Professions</b>	\$486,291

Additional revenue for the Nursing School will be used to address the costs of attracting and retaining qualified faculty.

Additional revenue for the School of Health Professions will be used to address three of the school's most critical needs: 1) increases in faculty compensation, 2) investments in new faculty to expand programs, and 3) investments in teaching laboratories and technology.

SCHOOL OF MEDICINE (No Proposed Tuition or Fee Increases for Fall 2015)

SCHOOL OF DENTISTRY (Fall 2015 Tuition and Fees approved by the Board of Regents on May 14, 2014, as proposed)

GRADUATE SCHOOL OF BIOMEDICAL SCIENCES (No Proposed Tuition or Fee Increases for Fall 2015)



**REVISED Summary of Proposed Tuition and Fee Plan: U.T. HEALTH SCIENCE CENTER-SAN ANTONIO**

**Estimate of Proposed Resident Tuition and Fees Increases**

	<b>Fall 2014 Total</b>	<b>Prop Fall 2015</b>	<b>Over 2014</b>
<b>School of Health Professions BS Clinical Laboratory Sciences*</b> 31 semester credit hours (SCH)	\$7,653	\$8,003	4.6%
<b>School of Health Professions BS Respirator Care*</b> 32 semester credit hours (SCH)	\$7,819	\$8,190	4.7%
<b>School of Health Professions MS Occupational Therapy*</b> 43 semester credit hours (SCH)	\$11,396	\$11,952	4.9%
<b>School of Health Professions D Physical Therapy*</b> 37 semester credit hours (SCH)	\$10,248	\$10,752	4.9%
<b>School of Health Professions MS Physician Assistant Studies*</b> 62 semester credit hours (SCH)	\$17,029	\$17,872	4.9%
<b>School of Health Professions Emergency Health Sciences*</b> 42 semester credit hours (SCH)	\$7,472	\$7,737	3.5%

\*Figures include average Course Fees and Mandatory Student Fees

**Projected New Revenue**

	<b>Increase in Revenue for 2015-16</b>
<b>School of Health Professions</b>	\$243,136

**Estimate of Proposed Tuition and Fee Increases**

	<b>Fall 2014 Total</b>	<b>Prop. Fall 2015</b>	<b>Over Fall 2014</b>
<b>Health Professions</b> 15 semester credit hours	\$1,599	\$1,676	4.8%

Estimate reflects tuition, mandatory fees, laboratory fees, and average course fees.

**Projected New Revenue**

	<b>Increase in Revenue for 2015-16</b>
<b>Health Professions</b>	\$23,100

**How will the additional revenue be used?**

The proposed increases in designated tuition and fees for the School of Health Professions (SHP) reflect the need for resources to drive innovation in education in the SHP while maintaining high-touch, small group, hands-on teaching of the health professions. Current innovation investments are focused in part on simulation technology in the M. D. Anderson simulation lab that allows students to learn in environments that closely resemble the clinical environment, but offer a risk-free opportunity for skill development.

Another area of innovation is the recently introduced Master of Science degree program in Molecular Diagnostic Genetics. It answers the national demand for health care professionals with a background in diagnostic genetics, which is a field that is expected to increase for the next several decades as the genomics revolution completes the arc to full clinical impact.

Finally, added revenue would provide the support, vital at this time, for the SHP to maintain and grow quality programs as the subsidies from M. D. Anderson’s clinical margin come under increasing pressure. This measure is important to ensuring the ongoing competitive edge of the SHP with other Texas professional schools, and its ability to train a critical segment of the health care workforce.

**Student Approval of Fee Increase**

On April 2, 2014, the Dean met with the SHP Student Congress to discuss the proposed increase in designated tuition and fees. This group of students is the student governing body for the SHP and includes elected representatives from all programs. The discussion was informative with students asking several appropriate questions. Following the discussion, the students voted unanimously to support the proposed increases. The details of the proposal will be distributed to the entire student body, and the Dean will accept feedback on comments or concerns.

3. U. T. Southwestern Medical Center: Approval of the honorific naming of a new Brain Institute as the Peter O'Donnell Jr. Brain Institute in honor of Peter O'Donnell, Jr.

The Board approved the honorific naming of a new Brain Institute at The University of Texas Southwestern Medical Center as the Peter O'Donnell Jr. Brain Institute in honor of Peter O'Donnell, Jr., to recognize his longstanding support of the institution.

The new Brain Institute will leverage U. T. Southwestern Medical Center's expertise in fundamental neuroscience, clinical and translational medicine, and brain imaging. This will allow U. T. Southwestern Medical Center to rapidly advance therapies for brain diseases and injury and further position Southwestern as an international leader in this area. The new Institute will bring together talented investigators who will collaborate to better understand the basic molecular workings of the brain and translate these discoveries into better therapies for patients suffering from brain injuries and disorders, many of which are currently incurable.

Through the O'Donnell Foundation, Edith and Peter O'Donnell have made significant contributions to medical research, education, and arts at many different entities. Their involvement with U. T. Southwestern Medical Center extends back four decades. The most recent gift from the O'Donnells will allow U. T. Southwestern Medical Center to implement a multidisciplinary, multidimensional program that will accelerate progress in injury prevention, novel brain preservation strategies, and restoring function lost by brain injury or disease. The Peter O'Donnell Jr. Brain Institute is the first named institute at U. T. Southwestern Medical Center.

On February 14, 2013, the Board of Regents approved the honorific naming of the Applied Computational Engineering and Sciences Building at U. T. Austin as the O'Donnell Building for Applied Computational Engineering and Sciences in recognition of Mr. Peter O'Donnell, Jr., and his extraordinary history of support. In addition, on May 9, 2013, the Board of Regents approved the honorific naming of the Art and Technology Facility at U. T. Dallas as the Edith O'Donnell Arts and Technology Building in honor of Mrs. Edith O'Donnell's generous support of U. T. Dallas.

Peter O'Donnell, Jr., is Chairman of the O'Donnell Foundation of Dallas, Texas, a private foundation that develops and funds model programs designed to strengthen engineering and science education and research. Previously, Mr. O'Donnell served as a member of President Ronald Reagan's Foreign Intelligence Advisory Board, as Commissioner of the Texas National Research Laboratory Commission, and he was appointed to the Texas Select Committee on Higher Education. He is a member of The Presidents' Circle of the National Academy of Science and a founding member of the Academy of Medicine, Science and Engineering of Texas. He received a B.S. in Mathematics from The University of the South and an M.B.A. from the Wharton Graduate School at the University of Pennsylvania.

This naming is consistent with the Regents' *Rules and Regulations*, Rule 80307, relating to the honorific naming of facilities to recognize an individual who has made an unforgettable impact on U. T. Southwestern Medical Center.

4. U. T. Health Science Center - San Antonio: Approval of preliminary authority for a Doctor of Occupational Therapy degree program

The Board approved

- a. preliminary authority for The University of Texas Health Science Center at San Antonio to transition the current entry-level Master of Occupational Therapy degree program to an entry-level Doctor of Occupational Therapy degree program; and
- b. notification of the proposal to the Texas Higher Education Coordinating Board.

The School of Health Professions currently offers an entry-level Master of Occupational Therapy degree program and will transition this program to an entry-level Doctor of Occupational Therapy. The Doctor of Occupational Therapy program will provide additional training in leadership, specialized interventions, outcomes research and evidence-based practice, and educational and teaching skills.

The Doctor of Occupational Therapy will not be in addition to the current Master of Occupational Therapy degree. The admission requirements for the doctoral program include completion of a bachelor's degree and certain prerequisites. The intent is to begin the first cohort of Doctor of Occupational Therapy students in the Summer Session 2016 (pending all required approvals). Thus, the last master's cohort will begin the Master of Occupational Therapy program in Summer 2015 and continue in the master's program until graduation (December 2017). All students admitted in Summer 2016 or later will enter the Doctor of Occupational Therapy program.

Quality health care services are increasingly needed in complex health care service delivery systems, including those for the increased aging population, children with disabilities, and persons with multiple chronic conditions. The increased focus on primary care, interprofessional care teams, and specialization in practice has required increased content in entry-level academic programs. The current Master of Occupational Therapy degree program does not fully prepare graduates to meet the current health care challenges. Today's occupational therapist is expected to provide advanced practice in much-needed and underserved areas such as mental health, burn injuries, traumatic brain injuries, autism, and Alzheimer's disease. Graduates of the Doctor of Occupational Therapy degree program will be prepared immediately upon graduation to provide evidence-based evaluation and intervention, deliver specialized services, utilize current health care technologies, assume leadership roles in health care teams, and independently serve patients in the urban and rural settings of the South Texas region.

According to the U.S. Bureau of Labor Statistics, employment of occupational therapists is expected to increase by 29% from 2012 to 2022, and more employment prospects will be available for occupational therapists who are highly qualified in a

particular treatment area (source: U.S. Bureau of Labor Statistics). In Texas, workforce demand for occupational therapy from 2012 to 2022 was projected to increase by 29.7% and from 2006 to 2016, the projected unfilled positions as related to job openings will be 60% (source: Texas Workforce Commission). The health care environment continues to increase in complexity and will continue to demand increasingly high-level occupational therapy skills to ensure successful patient outcomes.

5. U. T. System: Report on activities and accomplishments of three National Cancer Institute-designated cancer centers at U. T. System

This item was for consideration only by the Committee (see Committee Minutes).

6. U. T. System: Approval of \$5 million from Available University Funds and other sources to support Phase 1B of the U. T. Systemwide Diabetes Obesity Control initiative and delegation of authority to contract with selected entities to conduct essential feasibility studies

The Board approved

- a. \$5 million from Available University Funds (AUF) and other sources to support Phase 1B of The University of Texas Systemwide Diabetes Obesity Control initiative (Project DOC); and
- b. delegation of authority to the Executive Vice Chancellor for Health Affairs and the Vice Chancellor and General Counsel to contract with selected entities to conduct essential feasibility studies. Funds will be used to conduct these studies and provide support within the U. T. System Office of Health Affairs and through expansion of existing contracts with outside entities.

Dr. Lynda Chin introduced a proposal at the August 20, 2014 Board of Regents' meeting to improve care of patients with diabetes through improved data collection, management, analysis, and application.

On November 6, 2014, the Board of Regents approved \$5 million from the Available University Fund to support Phase 1 of Project DOC and delegated authority for the Office of Health Affairs and the Office of General Counsel to contract with selected entities to create a Technology Core (Phase 1A). Those funds provided operational project support within the U. T. System Office of Health Affairs and funded the contract for hire of an external multifunction consultant team to implement this initiative.

Pricewaterhouse Coopers, LLC, International Business Machines Corporation, and AT&T Corporation were selected as the multifunction consultant team to implement this initiative after a thorough Request for Proposal process.

At the February 11, 2015 Board of Regents' meeting, Executive Vice Chancellor Greenberg reported on the progress of Project DOC.

Project DOC intends to leverage social, mobile, and cloud technologies, as well as big data and cognitive analytics, to augment and accelerate effective management and care for diabetes in Texas and initially in the Rio Grande Valley (RGV) communities. Through a Technology Core made up of industry leaders with cutting-edge capabilities and assets, Project DOC will develop and implement a suite of provider-enabling and patient-empowering technology solutions. These capabilities fall into three main anchor platforms: (1) cognitive analytics and expert system, (2) personal connected mobile health solution, and (3) cloud-based information interchange.

In addition, as the fourth component of the Technology Core, a diversified and experienced System Integration Team will incorporate these solutions into local health care delivery systems to create a disease management framework for providing patient-centric and value-based diabetes care.

Phase 1B will involve several discrete projects to establish the capability for undertaking Project DOC. One project will involve the integration of data from at least two different clinical record sources. A second project will evaluate the ability to create a summary of relevant information extracted from electronic medical records. A third project will relate to establishing core training data for creating a diabetes management system. Other activities will include securing the participation of key stakeholders in South Texas and exploring the interest and participation of employers, health care payers, and retail businesses.

The budget will support existing contracts with Technology Core members with additions to support the Phase 1B activities, as well as operating funds to direct and manage this project by the newly formed Institute for Health Transformation under the direction of the Office of Health Affairs.

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 138 - 155).--Committee Chairman Pejovich reported that the Facilities Planning and Construction Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Facilities Planning and Construction Committee and approved in open session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. Austin: Bureau of Economic Geology Building Laboratory Repair and Renovation - Amendment of the FY 2015-2020 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)

The Board amended the Fiscal Year 2015-2020 Capital Improvement Program (CIP) to include the Bureau of Economic Geology Building Laboratory Repair and Renovation project at The University of Texas at Austin as follows:

Project No.:	102-925	
Institutionally Managed:	Yes	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	November 2016	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Unexpended Plant Funds <sup>1</sup>	\$3,400,000
	Interest on Local Funds	<u>\$4,100,000</u>
		\$7,500,000

Funding Note: <sup>1</sup> Unexpended Plant Funds from indirect cost recovery

- a. approve a total project cost of \$7,500,000 with funding of \$3,400,000 from Unexpended Plant Funds and \$4,100,000 from Interest on Local Funds;
- b. appropriate funds; and
- c. authorize U. T. Austin to manage the project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

## Project Description

Located on the J. J. Pickle Research Campus, the Bureau of Economic Geology (Bureau) building was constructed in 1983. Many of the major building components are at the end of their life cycle, and new systems and equipment are needed to stay current. This project will renovate laboratory facilities including mechanical, electrical, plumbing, and data/communications systems. Existing labs will receive new laboratory built-in cabinets, fume hoods, and equipment, and other non-laboratory spaces will be reconfigured into additional lab space. Other renovations include environmental refrigerated rooms, core viewing and slicing rooms, Asbestos Composition Tile flooring and petroleum contamination abatement, and replacement of locksets to comply with the Americans with Disabilities Act (ADA), and a Building Access Control System to ensure security of the building. An 8,000 gross square foot addition will be constructed on the existing facility as a core public viewing area. The Bureau has the largest archive of rock material in the world, and the addition will facilitate the high demand to view the extensive collection of geologic holdings.

This repair and rehabilitation project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be presented to the President for approval at a later date. It has been determined that this project would best be managed by U. T. Austin Facility Management personnel, who have the experience and capability to manage all aspects of the work.

### 3. U. T. Austin: East Campus Parking Garage - Amendment of the FY 2015-2020 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the Fiscal Year 2015-2020 Capital Improvement Program (CIP) to include the East Campus Parking Garage project at The University of Texas at Austin as follows:

Project No.:	102-928				
Project Delivery Method:	Design-Build				
Substantial Completion Date:	December 2017				
Total Project Cost:	<table><thead><tr><th><u>Source</u></th><th><u>Current</u></th></tr></thead><tbody><tr><td>Revenue Financing System Bond Proceeds<sup>1</sup></td><td>\$62,400,000</td></tr></tbody></table>	<u>Source</u>	<u>Current</u>	Revenue Financing System Bond Proceeds <sup>1</sup>	\$62,400,000
<u>Source</u>	<u>Current</u>				
Revenue Financing System Bond Proceeds <sup>1</sup>	\$62,400,000				
Funding Note:	<sup>1</sup> Revenue Financing System (RFS) will be repaid from parking fees and \$2,400,000 from capitalized interest				
Investment Metrics:	<ul style="list-style-type: none"><li>• Restore revenues displaced from densification of adjacent central campus</li><li>• Add 2,000 parking spaces for Dell Medical School, visitors, and campus events</li></ul>				



This project will construct a new parking garage to provide parking for students, faculty, event patrons, and visitors to the campus. The garage will be located on an existing parking lot at UFCU (University Federal Credit Union) Disch-Falk Field, east of IH-35. As envisioned in the U. T. Austin East Campus Master Plan, presented at the May 13, 2015 Academic Affairs Committee meeting (Item 5 on Page 98), this parking garage will be designed as a 2,000 car capacity, multilevel garage.

The garage will help replace many of the surface parking spaces on campus that have been displaced by new buildings. The garage will provide for more centralized parking to preserve land for densification of the adjacent Central Campus, the Dell Medical School District, and East Campus, and will also help restore revenues for U. T. Austin Parking and Transportation Services.

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

4. U. T. Austin: Graduate Student Housing Complex - Amendment of the FY 2015-2020 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the Fiscal Year 2015-2020 Capital Improvement Program (CIP) to include the Graduate Student Housing Complex project at The University of Texas at Austin as follows:

Project No.:	102-926	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	March 2018	
Total Project Cost:	<u>Source</u> Revenue Financing System Bond Proceeds <sup>1</sup>	<u>Current</u> \$89,000,000

Funding Note: <sup>1</sup> Revenue Financing System (RFS) will be repaid from the Division of Student Housing and Food Service revenues

- Investment Metrics:
- Recruit and retain top graduate students
  - Diversify housing inventory and provide new revenue source

As envisioned in the U. T. Austin East Campus Master Plan presented at the May 13, 2015 Academic Affairs Committee meeting (Item 5 on Page 98), the University seeks to construct new on-campus housing designed to attract high-quality graduate students by providing a guaranteed place to live close to study and work. This project will help graduate departments better recruit and retain top graduate students for their programs.

The project will provide 538 micro-studio living units, 160 one-bedroom units, and 18 two-bedroom units for a total of 734 graduate students housed across approximately 343,000 gross square feet. The Graduate Student Housing Complex will be located on property that is currently surface parking lots along Leona Street between Manor Road and East 20th Street in close proximity to the Red and Charline McCombs Field. The design of the student housing units will conform to the needs of graduate students and be compatible with the private residential community located nearby. Additional graduate student housing will be proposed in multiple phases.

Current graduate student housing is operating at 100% occupancy. U. T. Austin provides approximately 715 beds for graduate students, and the total number of beds will increase to 1,449 with the completion of the Graduate Student Housing Complex. The waiting list in August 2014 was 1,100 students, and the current waiting list is 810 students.

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

5. U. T. Austin: Montopolis Research Center Office Building Repair and Renovation - Amendment of the FY 2015-2020 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)

The Board approved the amendment of the Fiscal Year 2015-2020 Capital Improvement Program (CIP) to include the Montopolis Research Center Office Building Repair and Renovation project at The University of Texas at Austin as follows:

Project No.:	102-936	
Institutionally Managed:	Yes	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	December 2015	
Total Project Cost:	<u>Source</u> Unexpended Plant Funds <sup>1</sup>	<u>Current</u> \$11,000,000
Funding Note:	<sup>1</sup> Unexpended Plant Funds from various cash balances, which could include investment income	

- a. approve a total project cost of \$11,000,000 with funding from Unexpended Plant Funds;
- b. appropriate funds; and

- c. authorize U. T. Austin to manage the project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

As envisioned in U. T. Austin's East Campus Master Plan, presented at the May 13, 2015 Academic Affairs Committee meeting (Item 5 on Page 98), this project will involve infrastructure and building repairs to the Montopolis Research Center Office Building to allow for relocation of the University's printing service from the East Campus location. The Montopolis Research Center is located approximately six miles southeast of U. T. Austin's main campus and includes three structures and two large surface parking lots sitting on approximately 95 acres. The three structures include a vacant five-story office building containing approximately 150,000 gross square feet. The building was privately constructed in 1979 and was purchased and renovated by U. T. Austin in 1988.

U. T. Austin plans to initiate repairs on the building infrastructure that will extend the life of the building another 20 to 30 years. This project will include the following work related primarily to floors one and two of the office building: heating, ventilation, and air conditioning (HVAC) upgrades, building envelope repairs, electrical upgrades, fire/life safety upgrades, the Americans with Disabilities Act (ADA) upgrades, exterior grading/drainage repairs, architectural finish repairs, and other base level improvements to allow the building to be occupied.

Future renovations of floors three through five are expected as suitable University activities for this location are identified. This potential future phase(s) could total an additional approximately \$6,000,000.

This repair and rehabilitation project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be presented to the President for approval at a later date. It has been determined that this project would best be managed by U. T. Austin Facility Management personnel, who have the experience and capability to manage all aspects of the work.

6. U. T. Dallas: Student Housing Phase VI - Amendment of the FY 2015-2020 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the Fiscal Year 2015-2020 Capital Improvement Program (CIP) to include the Student Housing Phase VI project at The University of Texas at Dallas as follows:

Project No.:	302-934	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	July 2017	
Total Project Cost:	<u>Source</u> Revenue Financing System Bond Proceeds <sup>1</sup>	<u>Current</u> \$46,000,000

Funding Note: <sup>1</sup> Revenue Financing System (RFS) will be repaid from rental revenue

Investment Metric: 

- Directly support the University's Strategic Plan imperative of increasing enrollment to more than 27,500 students by 2017

U. T. Dallas is critically short of housing space to accommodate current and new students who wish to live on campus. In addition to increased student enrollment, a larger percentage of today's students are full-time, residential students who make use of campus facilities. The University has constructed 2,200 beds in the past six years and currently has a waiting list of 700 students.

The apartment-style residence hall will contain a mix of efficiency, one-bedroom, and two-bedroom apartments for a total of 400 beds. Encompassing approximately 206,000 gross square feet, the project will also provide multipurpose support space for students, offices for housing management, a common laundry facility, outdoor recreational facilities, and a 150 car surface parking lot.

Current student housing is operating at 100% occupancy. U. T. Dallas provides approximately 4,750 beds for students, and the total number of beds will increase to 5,150 with the completion of the Student Housing Phase VI project.

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

7. U. T. Health Science Center - Houston: Medical School Extension Building Renovation - Amendment of the FY 2015-2020 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and resolution regarding parity debt (Final Board approval) (Deferred)

Upon recommendation of Facilities Planning and Construction Committee Chairman Pejovich following discussion in Executive Session of a related purchase of land with improvements (Item 1a on Page 157), the Board deferred action on the proposed Medical School Extension Building Renovation project at The University of Texas Health Science Center at Houston.

8. U. T. Health Science Center - Houston: U. T. Professional Building Garage Facade Reclad - Amendment of the FY 2015-2020 Capital Improvement Program to include project; approval of total project cost; appropriation of funds and authorization of expenditure; and authorization of institutional management (Final Board approval)

The Board amended the Fiscal Year 2015-2020 Capital Improvement Program (CIP) to include the U. T. Professional Building Garage Facade Reclad project at The University of Texas Health Science Center at Houston as set forth on the next page.

Project No.:	701-XXD	
Institutionally Managed:	Yes	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	April 2015	
Total Project Cost:	<u>Source</u> Auxiliary Enterprises Balances <sup>1</sup>	<u>Current</u> \$4,205,000

Funding Note: <sup>1</sup> Auxiliary Enterprises Balances from parking fees

- a. approve a total project cost of \$4,205,000;
- b. appropriate funds and authorize expenditure of \$4,205,000 with funding from Auxiliary Enterprises Balances; and
- c. authorize U. T. Health Science Center - Houston to manage the project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

The scope of this project includes a replacement facade, vehicle barrier system, and two canopies to the existing University of Texas Professional Building parking garage. The new facade and vehicle barrier system will provide upgrades to the structure to meet current building codes. A structural assessment of the parking garage determined that the existing metal facade of the garage was severely corroded at its connection points and needed replacement, and the existing construction of the vehicle barrier system did not meet current building codes.

The total project cost was originally estimated at less than the \$4,000,000 threshold for major construction requiring Board approval for addition to the CIP. During the course of the project, modifications to the facade panels resulted in an increase in cost from \$3,979,211 to \$4,205,000, thus requiring Board approval. The parking garage was originally constructed in 1957 and purchased by The University of Texas System in 2004.

This repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. The project is managed by U. T. Health Science Center - Houston Facility Management personnel, who have the experience and capability to manage all aspects of the work.

9. U. T. Austin: *Austin* by Ellsworth Kelly - Amendment of the FY 2015-2020 Capital Improvement Program to increase total project cost; approval to revise funding sources; approval of design development; and appropriation of funds and authorization of expenditure (Final Board approval)

The Board approved the recommendations for the *Austin* by Ellsworth Kelly project at The University of Texas at Austin as set forth on the next page.

Project No.: 102-778  
 Project Delivery Method: Design-Build  
 Substantial Completion Date: June 2016

Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Gifts	\$8,000,000	\$ 9,000,000
	Unexpended Plant Funds <sup>1</sup>	\$ 0	\$ 5,750,000
		\$8,000,000	\$14,750,000

Funding Note: <sup>1</sup> Unexpended Plant Funds from various cash balances, which could include investment income

- Investment Metric:
- Create a transformative art experience for visitors
- a. amend the Fiscal Year 2015-2020 Capital Improvement Program (CIP) to increase the total project cost from \$8,000,000 to \$14,750,000;
  - b. revise funding sources to include Unexpended Plant Funds;
  - c. approve design development plans;
  - d. appropriate funds and authorize expenditure of \$14,750,000 with funding of \$9,000,000 from Gifts and \$5,750,000 from Unexpended Plant Funds.

Previous Board Action

On July 10, 2013, the Freestanding Blanton Art Repository project was included in the CIP with a total project cost of \$8,000,000 with funding from Gifts. On April 6, 2015, the Associate Vice Chancellor for Facilities Planning and Construction approved a redesignation of the project to *Austin* by Ellsworth Kelly.

Project Description

The Jack S. Blanton Museum of Art at U. T. Austin has acquired and seeks to construct a permanent freestanding repository conceived by Ellsworth Kelly, one of the world's most renowned living artists. As envisioned, this structure will become a singular work of art that will contain three monumental walls of stained glass windows, 14 stone panels, and one totemic sculpture made out of redwood, also made by the artist. This work is unprecedented in the artist's career and represents the only building he has designed and the first work he has made in stained glass or stone.

Ellsworth Kelly is regarded as one of the most important abstract painters, sculptors, draughtsman, and printmakers working today. Spanning seven decades, his career is marked by the independent route his art has taken, diverging from any formal school or art movement and by his contribution to 21st century painting and sculpture.

Mr. Kelly was born in Newburgh, New York, in 1923. Since 1970, he has lived and worked in Upstate New York. His works are held in public and private collections worldwide. Major retrospectives have been shown at the Museum of Modern Art (1973), Whitney Museum of American Art (1982), and Solomon R. Guggenheim Museum (1996), among other venues in the U.S. and in Europe. In 2013, celebrating the artist's 90th birthday, special exhibitions were on view at the Museum of Modern Art, New York; Barnes Foundation, Philadelphia; Philadelphia Museum of Art; Art Institute of Chicago; San Francisco Museum of Modern Art; Tate Modern, London; Centre Pompidou, Paris; and National Gallery of Art and Phillips Collection in Washington, D.C. In 2013, Mr. Kelly was awarded the National Medal of Arts, presented by the President of the United States.

The project cost increase reflects an improved understanding of this internationally-renowned artist's vision for what has been described as an inhabitable work of art. Conceived more than 40 years ago, the custom-cut, compound-curve stone pieces, museum-quality temperature and humidity controls, and "invisible" mechanical, electrical, and safety systems will allow the museum patrons to experience the contemplative space as intended by the artist.

The Gift funding authorized for expenditure is fully collected or committed at this time, and the institution has sufficient Local Funds to cover any shortfall.

10. U. T. Austin: Speedway Mall North of the Blanton Museum and South of Dean Keeton Street and East Mall/East Mall Fountain - Amendment of the FY 2015-2020 Capital Improvement Program to decrease total project cost; approval to revise funding sources; approval of design development; appropriation of funds and authorization of expenditure; and redesignate the project as Speedway Mall and East Mall (Final Board approval)

The Board approved the recommendations for the Speedway Mall North of the Blanton Museum and South of Dean Keeton Street and East Mall/East Mall Fountain project at The University of Texas at Austin as follows, with the requirement that Phase II of the project be brought back to the Board for approval:

Project No.:	102-219		
Project Delivery Method:	Construction Manager-at-Risk		
Substantial Completion Date:	August 2017		
Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Gifts	\$130,000,000	\$36,949,000
	Available University Fund	\$ 0	\$30,000,000
	Interest on Local Funds	\$ 0	\$ 8,051,000
		<u>\$130,000,000</u>	<u>\$75,000,000</u>

- a. amend the Fiscal Year 2015-2020 Capital Improvement Program (CIP) to decrease the total project cost from \$130,000,000 to \$75,000,000;

- b. revise funding sources to include the Available University Fund and Interest on Local Funds;
- c. approve design development plans;
- d. appropriate and authorize expenditure of partial funding in the amount of \$39,251,000 with funding of \$1,200,000 from Gifts, \$30,000,000 from the Available University Fund, and \$8,051,000 from Interest on Local Funds; and
- e. redesignate the project as Speedway Mall and East Mall.

#### Previous Board Actions

On November 5, 2004, the Speedway Mall North of 21st Street and East Mall/East Mall Fountain, Phase I project was included in the CIP with a total project cost of \$12,000,000 with funding from Gifts. With the adoption of the FY 2008-2013 CIP on August 23, 2007, the funding was revised to \$11,000,000 from Gifts and \$1,000,000 from Designated Tuition. On May 15, 2008, the Board approved an increase in the total project cost to \$130,000,000 with funding from Gifts and redesignated the project as Speedway Mall North of the Blanton Museum and South of Dean Keeton Street and East Mall/East Mall Fountain.

#### Project Description

The first phase of the project will provide pedestrian traffic enhancements and landscape improvements for Speedway Avenue from the Jack S. Blanton Museum of Art to East Dean Keeton Street. The project scope involves minor grade changes along the former roadway, minor utility upgrades, lighting and power improvements, construction of a plaza at Speedway's intersection with 24th Street, food trailer utility connections, and landscape enhancements. The completed project will become a focal point of numerous campus activities and services that will enrich the experience of students, faculty, staff, and visitors. In addition, the project will protect the endangered mature oak trees that line Speedway. This portion of work encompasses approximately 8.8 acres and will be divided into multiple construction stages to minimize the overall impact construction will have on day-to-day operations at U. T. Austin.

The East Mall from Inner Campus Drive to San Jacinto Boulevard, including the East Mall Fountain, will be designed and constructed in future phases. Approval of design development plans and authorization of expenditure of funding of future phases of the project will come back to the Board for approval at a later date.

The Gift funding authorized for expenditure is fully collected or committed at this time, and the institution has sufficient Local Funds to cover any shortfall.



11. U. T. Dallas: Parking Structure Phase IV - Amendment of the FY 2015-2020 Capital Improvement Program to include project; approval of total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

The Board amended the Fiscal Year 2015-2020 Capital Improvement Program (CIP) to include the Parking Structure Phase IV project at The University of Texas at Dallas and approved the recommendations for the project as follows:

Project No.: 302-931

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: August 2016

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds <sup>1</sup>	\$25,500,000

Funding Note: <sup>1</sup> Revenue Financing System (RFS) debt will be repaid from parking revenues

Investment Metric: 

- Directly support the University's Strategic Plan imperative of increasing enrollment to more than 27,500 students by 2017

- a. approve a total project cost of \$25,500,000;
- b. approve design development plans;
- c. appropriate funds and authorize expenditure of \$25,500,000 from RFS Bond Proceeds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
  - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
  - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
  - U. T. Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$25,500,000.

Debt Service

The \$25,500,000 in aggregate RFS debt will be repaid from parking income. Annual debt service on the \$25,500,000 RFS debt is expected to be \$1,565,484. The institution's debt service is expected to be at least 1.5 times and average 2.4 times over FY 2015-2020.

Project Description

The project containing approximately 392,000 gross square feet will provide approximately 1,206 parking spaces in the center of campus. The five-story, cast-in place, post-tensioned garage will accommodate parking for students, faculty, and staff, as well as future planned expansion along this sector of campus. The parking structure will also provide event parking.

The Parking Structure Phase IV project replaces the parking garage that was to be constructed under the Student Housing Living Learning Center, Phase IV project due to higher priority needs.

This project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP.

12. U. T. Rio Grande Valley: Science Building - Approval of design development; and appropriation of funds and authorization of expenditure (Final Board approval)

The Board approved the recommendations for the Science Building project at The University of Texas Rio Grande Valley as follows:

Project No.: 903-PA847

Project Delivery Method: Construction Manager-at-Risk

Substantial Completion Date: December 2017

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Permanent University Fund (PUF) Bond Proceeds	\$70,000,000*

\*Secretary's Note: Following discussion with Facilities Planning and Construction Committee Chairman Pejovich following the meeting, President Bailey and Associate Vice Chancellor O'Donnell are working to reduce the Total Project Cost (TPC) by \$3-\$4 million.

Investment Metrics:

- Provide infrastructure to increase Science, Technology, Engineering, and Mathematics (STEM) graduates to 873
- Provide 16 additional laboratories reducing time to degree

- a. approve design development plans; and
- b. appropriate and authorize expenditure of funding in the amount of \$70,000,000 from PUF Bond Proceeds.

### Previous Board Actions

On November 14, 2013, the Board approved \$70,000,000 from PUF Bond Proceeds for a new science building to be built on the existing University of Texas-Pan American campus for the benefit of U. T. Rio Grande Valley. On May 15, 2014, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$70,000,000 with funding from PUF Bond Proceeds.

### Project Description

The four-story Science Building will be built on the Edinburg, Hidalgo County campus for the benefit of U. T. Rio Grande Valley. The approximately 115,000 gross square foot facility will increase research capacity for approximately 168 researchers and provide four teaching laboratories, allowing students to take courses and laboratories during the same semester. The project will accommodate 16 additional research laboratories, two classrooms, 42 faculty offices, 11 staff workstations, and eight suites for research assistants.

The research laboratory space will support physical and biological sciences with a special focus on biomedical research by providing infrastructure to assist the institution towards meeting the goal of \$30 million in annual research expenditures.

13. U. T. Southwestern Medical Center: Radiation Therapy Building - Amendment of the FY 2015-2020 Capital Improvement Program to increase total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

The Board approved the recommendations for the Radiation Therapy Building project at The University of Texas Southwestern Medical Center as follows:

Project No.:	303-829		
Institutionally Managed:	Yes		
Project Delivery Method:	Construction Manager-at-Risk		
Substantial Completion Date:	February 2017		
Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds <sup>1</sup>	\$40,000,000	\$44,000,000
	Hospital Revenues	\$12,000,000	\$22,000,000
		\$52,000,000	\$66,000,000
Funding Note:	<sup>1</sup> Revenue Financing System (RFS) debt will be repaid from clinical operations		
Investment Metrics:	<ul style="list-style-type: none"><li>• Educate the next generation of leaders in patient care, biomedical science, and disease prevention</li><li>• Conduct high-impact, internationally recognized research</li><li>• Create clinical expansion necessary to keep pace with growing patient volume</li></ul>		

- a. amend the Fiscal Year 2015-2020 Capital Improvement Program (CIP) to increase the total project cost from \$52,000,000 to \$66,000,000;
- b. approve design development plans;
- c. appropriate funds and authorize expenditure of \$44,000,000 from RFS Bond Proceeds and \$22,000,000 from Hospital Revenues; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
  - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
  - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
  - U. T. 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 \$44,000,000.

#### Debt Service

The \$44,000,000 in RFS debt will be repaid from revenues derived from clinical operations. Annual debt service on the \$44,000,000 RFS debt is expected to be \$3,605,900. The institution's debt service coverage is expected to be at least 2.0 times and average 2.4 times over FY 2015-2020.

#### Previous Board Action

On February 6, 2014, the project was included in the CIP with a total project cost of \$52,000,000 with funding of \$40,000,000 from RFS Bond Proceeds and \$12,000,000 from Hospital Revenues.

#### Project Description

In FY 2014, the U. T. Southwestern Medical Center Department of Radiation Oncology grew to over 39,000 radiation treatments, with more than a 7% annual growth rate from FY 2008 to FY 2014. The consistently increasing patient

volume and expanding research opportunities have presented challenges to patients, faculty, and staff. Construction of the Radiation Therapy Building will allow the Department to expand clinical operations and will be the first phase of a consolidation of services, allowing the Department to reduce sites from four to three. Later phases will include expansion of the Radiation Oncology Building and potential construction of a heavy ion particle-based research center.

The project will include an approximately 71,000 gross square foot building with seven conventional linear accelerators for radiation treatment for patients with potential expansion to 13 treatment rooms. The building will also include 12 exam rooms and support and faculty office space. The project includes a 480-space parking garage adjacent to the site.

14. U. T. Health Science Center - San Antonio: MARC Plaza - Approval of design development; appropriation of funds and authorization of expenditure; authorization of institutional management; and resolution regarding parity debt (Final Board approval)

The Board approved the recommendations for the MARC Plaza project at The University of Texas Health Science Center at San Antonio as follows:

Project No.:	402-909	
Institutionally Managed:	Yes	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	October 2016	
Total Project Cost:	<u>Source</u> Revenue Financing System Bond Proceeds <sup>1</sup>	<u>Current</u> \$16,000,000
Funding Note:	<sup>1</sup> Revenue Financing System (RFS) will be repaid from parking fees and lease cost savings	
Investment Metrics:	<ul style="list-style-type: none"> <li>• Reduce lease costs by over \$1.3 million per year</li> <li>• Vacate 25,000 square feet of office space for revenue generating clinical space</li> <li>• Reduce current space deficit of 224,440 square feet</li> </ul>	

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$16,000,000 from RFS Bond Proceeds; and
- c. authorize U. T. Health Science Center - San Antonio to manage the project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts; and

- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
  - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
  - U. T. 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 \$16,000,000.

#### Debt Service

The \$16,000,000 in Revenue Financing System (RFS) debt will be repaid from parking fees and income from converted clinic space. Annual debt service on the \$16,000,000 RFS debt is expected to be \$1,177,308. The debt service coverage for the institution is expected to be at least 3.1 times and average 3.2 times over FY 2015-2020.

#### Previous Board Action

On February 12, 2015, the project was included in the CIP with a total project cost of \$16,000,000 with funding from RFS Bond Proceeds.

#### Project Description

This project includes an approximately 68,350 gross square foot office building that will house personnel from the billing services and information technology operations, currently housed in leased space, and faculty and staff from the seventh and eighth floors of the Medical Arts and Research Center (MARC). The building will include offices, open work spaces, and conference, break, and training rooms. Surface parking for 200 vehicles will be provided, with plans to construct a parking structure accommodating up to 400 spaces in the future.

The Clinical Transformation, Phase I project approved by the Board on November 6, 2014, will convert faculty offices and administrative space to new functional clinical space in the MARC. This MARC project will provide necessary

space for faculty and staff displaced by the expansion of new functional clinic space within the MARC. The project will also provide an opportunity to reduce overall administrative costs and consolidate operations currently in leased space.

It has been determined that this project would best be managed by U. T. Health Science Center - San Antonio Facility Management personnel, who have the experience and capability to manage all aspects of the work, as the project requires extensive coordination with the building occupants.

15. U. T. Arlington: E. H. Hereford University Center Repurposing Renovations - Amendment of the FY 2015-2020 Capital Improvement Program to increase total project cost; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

The Board approved the recommendations for the E. H. Hereford University Center Repurposing Renovations project at The University of Texas at Arlington as follows:

Project No.: 301-781  
 Institutionally Managed: Yes  
 Project Delivery Method: Design-Build  
 Substantial Completion Date: June 2016

Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds <sup>1</sup>	\$2,500,000	\$6,192,000
	Unexpended Plant Funds <sup>2</sup>	\$1,400,000	\$1,400,000
		\$3,900,000	\$7,592,000

Funding Notes: <sup>1</sup> Revenue Financing System (RFS) debt will be repaid from Designated Tuition  
<sup>2</sup> Unexpended Plant Funds from Designated Tuition

- a. amend the Fiscal Year 2015-2020 Capital Improvement Program (CIP) to increase the total project cost from \$3,900,000 to \$7,592,000;
- b. appropriate and authorize expenditure of an additional \$3,692,000 from RFS Bond Proceeds; 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 \$3,692,000.

### Debt Service

The \$3,692,000 in Revenue Financing System debt will be repaid from Designated Tuition. Annual debt service on the \$3,692,000 RFS debt is expected to be \$283,827. The institution's debt service coverage is expected to be at least 2.2 times and average 2.8 times over FY 2015-2020.

### Previous Board Action

On August 22, 2013, the project was added to the CIP with a total project cost of \$3,900,000 with funding of \$2,500,000 from RFS Bond Proceeds and \$1,400,000 from Unexpended Plant Funds.

### Project Description

The original scope of the project included renovation of approximately 26,000 gross square feet in the existing E. H. Hereford University Center, built in 1953. The renovation will allow for expansion and relocation of key programs and services that will attract students, promote a sense of community, prepare students for engagement and involvement in leadership, and assist students with career development internships and job placement, giving students abundant opportunities to develop their intellects, leadership abilities, careers, and civic engagement.

The increase in funding will partially be used to infill a pedestrian plaza adjacent to the Career Center. Additionally, the increase will cover increased costs due to market conditions and infrastructure issues. Work will include typical office and small conference room construction, mechanical and electrical upgrades incorporating energy efficiency improvements, finishes, information technology, audiovisual, and telecommunications. Significant fire alarm and sprinkler modifications and emergency egress lighting will be enhanced in spaces within this project.



REPORT OF THE TECHNOLOGY TRANSFER AND RESEARCH COMMITTEE  
(Page 156).--Committee Chairman Hall stated there were no items from the Technology Transfer and Research Committee to report in open session.

1. U. T. System: Report on the U. T. System Innovation Framework 2014 initiative to create a U. T. System Entrepreneurship Academy Network

This item was for consideration only by the Committee (see Committee Minutes).

2. U. T. System: Report on the Medical Technology Lean Startup Course

This item was for consideration only by the Committee (see Committee Minutes).

3. U. T. System: Report on Texas FreshAIR, a U. T. System Innovation Framework 2014 initiative

This item was for consideration only by the Committee (see Committee Minutes).

APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS.--At 3:20 p.m., the Board voted and approved the Standing Committee recommendations.

EXECUTIVE SESSION.--The following actions were taken on matters discussed in Executive Session.

- 1a. U. T. Health Science Center - Houston: Authorization to purchase approximately 3.423 acres of land and improvements located at 1133 John Freeman Boulevard, Houston, Harris County, Texas, from the Houston Academy of Medicine, a Texas nonprofit corporation, for immediate office use and future development and campus expansion; authorization to lease space in buildings located at 1133 John Freeman Boulevard and 1851 Crosspoint Avenue to the Houston Academy of Medicine dba The Texas Medical Center Library; resolution regarding parity debt and finding of public purpose

Regent Cranberg moved that, on behalf of The University of Texas Health Science Center at Houston, the Board take the actions set forth in the following motion that was distributed to all members of the Board:

- a. authorize the purchase of approximately 3.423 acres of land and improvements located at 1133 John Freeman Boulevard, Houston, Harris County, Texas, from the Houston Academy of Medicine, for immediate office use and future development and campus expansion;
- b. lease library space at 1133 John Freeman Boulevard and storage space at 1851 Crosspoint Avenue to the Houston Academy of Medicine and possibly lease office space at 1133 John Freeman Boulevard to the Harris County Medical Society;
- c. determine that
  - the lease of the library and storage space to the Houston Academy of Medicine for nominal cash rental payments serves a public purpose appropriate to the function of U. T. Health Science Center - Houston;
  - pursuant to the lease agreement, the consideration received by U. T. Health Science Center - Houston is adequate, including use of a library sufficient to receive accreditation and cost avoidance created by sharing library resources with other institutions; and
  - U. T. Health Science Center - Houston will have sufficient safeguards in place to ensure the public purpose will continue to be met on an ongoing basis, including lease provisions requiring the library to meet standards sufficient to maintain the institution's ongoing accreditation;

- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System the findings reflected on Attachment A to this motion; and
- e. authorize the Executive Director of Real Estate to execute the real estate contract, leases, and all related documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to complete the purchase and lease transactions in accordance with the parameters discussed in Executive Session.

The motion was seconded by Regent Beck and carried unanimously.

See related Facilities Planning and Construction Committee Item 7 on Page 143 regarding the Medical School Extension Building Renovation project at U. T. Health Science Center - Houston.

## ATTACHMENT A

- Parity debt shall be issued to fund a portion of the purchase price, including any costs prior to the issuance of such parity debt;
- Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the RFS Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System;
- U. T. Health Science Center - Houston, which is a “Member” as such term is used in the RFS Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of parity debt in an aggregate amount not to exceed \$33,600,000; 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.

- 1b. U. T. System: Discussion and appropriate action regarding authorization to sell approximately 0.338 of an acre improved with O.Henry Hall, a historic office building containing approximately 24,572 gross square feet located at 601 Colorado Street in Austin, Travis County, Texas, to the Texas State University System, an agency of the State of Texas, for a price at market value as established by independent appraisals; and leaseback at a nominal rent until the U. T. System vacates O.Henry Hall, estimated to be in Fall 2017

See related Item 5g. See also related Item 16 on Page 55 for action taken in Open Session following discussion in Executive Session.

2. 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.

- 3a. U. T. Austin: Approval of proposed negotiated gifts with potential naming features

Regent Aliseda moved that the Board authorize the Presidents of

- The University of Texas at Austin,
- The University of Texas-Pan American,
- The University of Texas at San Antonio,
- The University of Texas Southwestern Medical Center,
- The University of Texas Health Science Center at Houston, and
- The University of Texas M. D. Anderson Cancer Center

and the Vice Chancellor for External Relations to conclude negotiations necessary to finalize and accept gifts to benefit those institutions with potential naming features consistent with the terms and conditions outlined and recommended in Executive Session.

The motion was seconded and carried unanimously.

- 3b. U. T. Pan American: Approval of proposed negotiated gifts with potential naming features

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

- 3c. U. T. San Antonio: Approval of proposed negotiated gifts with potential naming features

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

- 3d. U. T. Southwestern Medical Center: Approval of proposed negotiated gifts with potential naming features

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

- 3e. U. T. Health Science Center - Houston: Approval of proposed negotiated gifts with potential naming features

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

- 3f. U. T. M. D. Anderson Cancer Center: Approval of proposed negotiated gifts with potential naming features

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

- 4a. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), and U. T. System and institutional employees

No action was taken on this item.

- 4b. U. T. System: Approval related to the hiring of a Chief Executive Director for the Texas Energy Research, Engineering, and Education Institute (Regents' Rules and Regulations, Rule 20204, regarding compensation for highly compensated employees)

Vice Chairman Hildebrand moved that the Board delegate authority to the Chancellor and the Executive Vice Chancellor for Academic Affairs to conclude negotiations for the hiring of an individual as Chief Executive Director for The University of Texas System Texas Energy Research, Engineering, and Education Institute (EREEI) consistent with the terms and conditions of employment outlined and recommended in Executive Session.

He further moved that the Chancellor and the Executive Vice Chancellor for Academic Affairs be authorized to conclude negotiations and execute an agreement with the individual regarding the terms and conditions of employment consistent with the parameters outlined in Executive Session, with the requirement that the agreement be submitted to the Board for approval via the usual budgetary procedures and in compliance with all required notice requirements.

Additionally, Regent Hildebrand moved that the Minutes reflect that, by approval of this motion, the Board has made a finding, as required by *Texas Education Code* Section 51.948, that the potential appointment is in the best interest of the U. T. System.

The motions were seconded by Regent Beck and carried unanimously.

5a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

5b. 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.

5c. U. T. Southwestern Medical Center: Discussion regarding legal issues associated with area health care provider networks

No action was taken on this item.

5d. U. T. System Board of Regents: Discussion of legal issues associated with real estate acquisitions

No action was taken on this item.

5e. U. T. System Board of Regents: Discussion and appropriate action regarding legal issues related to request for Attorney General's Opinion (RQ-0020-KP), including related changes to Rules and policies and pending Regental requests

No action was taken on this item.

- 5f. U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning proposed amendments to Regents' Rules 10101, 10401, and 10801

See related Item 24 below related to action taken in Open Session.

- 5g. U. T. System: Discussion and appropriate action regarding legal issues related to authorization to sell approximately 0.338 of an acre improved with O.Henry Hall, a historic office building containing approximately 24,572 gross square feet located at 601 Colorado Street in Austin, Travis County, Texas, to the Texas State University System, an agency of the State of Texas, for a price at market value as established by independent appraisals; and leaseback at a nominal rent until the U. T. System vacates O.Henry Hall, estimated to be in Fall 2017

See related Item 1b. See also related Item 16 on Page 55 for action taken in Open Session following discussion in Executive Session.

#### AGENDA ITEMS (continued)

24. U. T. System Board of Regents: Amendment of Regents' *Rules and Regulations*, Rule 10101 (Board Authority and Duties), Rule 10401 (Policies and Procedures for Board and Standing Committee Meetings), and Rule 10801 (Policy on Transparency, Accountability, and Access to Information)

Recommended amendments of Regents' *Rules and Regulations*, Rule 10101 (Board Authority and Duties), Rule 10401 (Policies and Procedures for Board and Standing Committee Meetings), and Rule 10801 (Policy on Transparency, Accountability, and Access to Information) were before the Board as shown in congressional style on the following pages.

Chairman Foster asked Vice Chairman Hicks if he wished to move approval of this item as presented to the Board, and Vice Chairman Hicks said he would like to so move with an additional amendment to Rule 10801, Section 5.4.5 to change the required number of Regents voting to approve a request for information from two to five Regents, clarifying that the wording would be "a majority of the members of the Board."

Regent Hall commented that he thought the Regents' Rules changes over the past year in this area have been designed to limit the ability of each Regent to perform fiduciary duties required by the law and to slow down the speed with which issues of concern are brought to the Board. He said it is not appropriate for the Board of Regents to delegate the fiduciary duties that are individually held, and he opposed any further changes to the Rules.



In reply to a question from Vice Chairman Hildebrand, General Counsel Frederick said neither The Texas A&M University System nor Texas Tech University had similar rules.

Regent Cranberg opposed the motion, particularly as amended, because he said individually Regents, as Board members, have a fiduciary obligation to satisfy good governance of the University. He said the occasional time when there is not Board consensus can involve awkward, difficult questions that a majority of the Board would not wish to be associated with endorsing. He said he is mindful of the current situation where Regent Hall has asked a lot of questions about admissions and purchasing and other topics that have led to important revelations that the U. T. System has and continues to respond to in a positive and appropriate way to needed reforms. Regent Cranberg said future Boards could encounter the same situation 5-10 years from now.

Chancellor McRaven spoke about his responsibility to provide answers, within the rules, to awkward questions, and Regent Cranberg spoke about processes and procedures on how a Board discovers something that would lead to a better University.

Chairman Foster clarified it is not his intent, nor the intent of the Board, to restrict access to data other than legally restricted data such as that covered by the Family Educational Rights and Privacy Act (FERPA), but to bring order to that rare occasion when a request for information is not automatically and routinely filled where it is questionable legally or it is unreasonably burdensome.

Regent Pejovich said she does not support the motion, and she spoke about the broad policy that will cover the Board of Regents today and in the future. She said the proposal is restrictive about a Regent's right to his or her individual judgment as to what information is necessary for him or her to perform his or her duties and he or she sees fit. She said the Board received the final redlined version of the Rules less than 24 hours ago and is deserving of more discussion and time to process.

In reply to a question from Regent Aliseda about circumstances surrounding "a majority of the Board," General Counsel Frederick and Chairman Foster clarified that the request for information as proposed would require five votes regardless of how many Regents were present or abstained.

Chairman Foster called for a second to Vice Chairman Hicks' motion, and Vice Chairman Hildebrand seconded the motion, which carried with Regent Cranberg, Regent Hall, and Regent Pejovich opposed.

**1. Title**

Board Authority and Duties

**2. Rule and Regulation**

Sec. 1 Authority of the Board. The Legislature, which is given the duty and authority to provide for the maintenance, support, and direction of The University of Texas by Article VII, Section 10 of the Texas Constitution, has delegated the power and authority to govern, operate, support, and maintain The University of Texas System to the Board of Regents. (See *Texas Education Code* Section 65.11 et seq. and Section 51.352) Texas court cases construing these statutes have held that the Board has wide discretion in exercising its power and authority and that the rules adopted by the Board have the same force as statutes. The System's lands and buildings are State of Texas property subject to the control of the Board as the State's agent.

Sec. 2 Amendment or Suspension of Rules. The Regents' *Rules and Regulations* may be added to, amended, waived, or suspended by a majority of all of the members of the Board of Regents present at any regular meeting or at any special meeting called for that purpose.

Sec. 3 Duties and Responsibilities of Each Regent.

3.1 In carrying out the duties and responsibilities referenced in Section 1 above, it is the responsibility of each Regent to be knowledgeable in some detail regarding the operations, management, finances, and effectiveness of the academic, research, and public service programs of the U. T. System, and each member of the Board of Regents has the right and authority to inform himself/herself as to the duties, responsibilities, and obligations of the member ~~in such a manner as they each may deem proper~~. Members of the Board of Regents are to be provided access to such information as ~~in their individual judgments~~ will enable them to fulfill their duties and responsibilities as Regents of the U. T. System.

3.2 Information requests for data or for the compilation of information by an individual member of the Board will be processed in compliance with Regents' Rule 10801 concerning Transparency, Accountability, and Access to Information.

3.3 A Regent may not publicly disclose information that is confidential by law, unless disclosure is required by law or made pursuant to a vote of the Board to waive an applicable privilege.

In addition, the use or disclosure of information that has not been made public may implicate the provisions of *Texas Penal Code Section 39.06 (Misuse of Official Information)*.

- 3.4 Members of the Board shall bring concerns about operations, accountability, compliance, or the need for an investigation to the Chancellor, Chairman, Board, or an appropriate Committee of the Board.
  - 3.5 Members of the Board will at all times respect the role of the Chancellor as the chief executive officer of the U. T. System and will at all times respect management and reporting lines for U. T. System and institutional employees.
- Sec. 4 Communication with Faculty, Staff, and Administration. Members of the Board of Regents are to be provided access to such personnel as in their individual judgments will enable them to fulfill their duties and responsibilities as Regents of the U. T. System.
- 4.1 The regular channel of communication from members of the Board to the faculty, staff, and administration is through the Chancellor, the appropriate Executive Vice Chancellor, and the president of the institution involved, and a copy of any communication sent by a Regent directly to any member of the faculty, staff, or administration should be furnished to the Chancellor, the appropriate Executive Vice Chancellor, and the president of the institution involved; however, individual Board members are not precluded from direct participation and communication with the presidents, faculty, staff, and students of the U. T. System.
  - 4.2 Communications from the Faculty Advisory Council, the Student Advisory Council, and the Employee Advisory Council to the Board are through the Chancellor.
  - 4.3 Official materials for members of the Board of Regents shall be sent to the Office of the Board of Regents for distribution to the Board.
- Sec. 5 Public Statements on Controversial Matters. The Board of Regents acts to determine the official position of the U. T. System or the Board of Regents on matters of an obviously controversial nature.
- 5.1 Statements on such matters on behalf of the Board or the U. T. System shall be made by the Chairman of the Board or the Chancellor.

- 5.2 Except as allowed in this Rule, no Regent, officer, or employee shall make or issue any public statement on an obviously controversial subject which might reasonably be construed as a statement of the official position of the U. T. System or the Board of Regents without the advance approval of the Board. Each institution's *Handbook of Operating Procedures* may specify the institutional officers authorized to speak on behalf of the institution.
- 5.3 It is not the intent of this policy statement to stifle the right of freedom of speech of anyone speaking in a personal capacity where that person makes it clear by an express statement that he or she is not speaking for the U. T. System or the Board of Regents.
- 5.4 Except in unusual circumstances, To the extent possible, Regents are expected to coordinate media contacts with and to provide advance notice to the U. T. System Office of External Relations regarding any media contacts and press statements.

Sec. 6 Records and Information Management. Members of the Board of Regents shall comply with the Systemwide policies regarding records retention and information management, including System Administration policies on encryption, retention, destruction, and release of documents.

- 6.1 In addition to required training under State law, each member of the Board will be provided training on records and document management, including compliance with U. T. System records and retention policies.
- 6.2 U. T. System Administration will provide a U. T. System email address and account to each Regent at the beginning of service as a member of the Board of Regents. Members of the Board are expected to use U. T. System email addresses for all communications related to public business or public policy over which the Board of Regents has supervision or control.

1. Title

Policies and Procedures for Board and Standing Committee Meetings

2. Rule and Regulation

Sec. 1 Regular Meetings of the Board. Regular meetings of the Board of Regents shall be held at such times and places as the Chairman of the Board shall designate.

Sec. 2 Special Meetings of the Board. Special meetings of the Board of Regents shall be held upon the call of the Chairman, or upon the written request of not less than five ~~three~~ members of the Board. Written notification of the time, place, and purpose of a special meeting will be provided by the General Counsel to the Board to each member of the Board at least three days before the time of the meeting, ~~when possible~~.

Sec. 3 Regular Meetings of Standing Committees. Regular meetings of standing committees of the Board of Regents shall be held in conjunction with regular meetings of the Board.

Sec. 4 Special Meetings of Standing Committees. Special meetings of standing committees shall be held upon the call of the Chairman of the Committee, upon the call of the Chairman of the Board of Regents, or upon the written request of a majority of the membership ~~two members~~ of the Committee. Written notification of the time, place, and purpose of a special meeting will be provided to each member of the Board at least three days before the time of the meeting, when possible.

.....

**1. Title**

Policy on Transparency, Accountability, and Access to Information

**2. Rule and Regulation**

Sec. 1 The Board of Regents and U. T. System Administration are committed to enhancing transparency, accountability, and access and disclosure of information to the public, the media, elected and appointed state and federal officials, and executive policy makers.

Sec. 2 To assist in achieving these goals, the Board wishes to provide maximum transparency to the public and its representatives to the fullest extent allowed by law while ensuring compliance with best governance practices and appropriate protection of confidential information and personal privacy. The Board acknowledges significant U. T. System leadership and progress in expanding access and transparency, supports these ongoing efforts, and recognizes that the efforts will require continuing and long-term commitment.

Sec. 3 Compliance with Texas Public Information Act (TPIA). The Board requires all U. T. System Administration, U. T. System institutional employees, and members of the Board to comply fully with the requirements of the Texas Public Information Act (TPIA) and to respond thoroughly, appropriately, and in accordance with State and federal laws to all lawful requests as detailed in U. T. Systemwide Policy UTS139. Any substantive changes to UTS139 require approval by the Board.

The Board expects all employees to work to achieve and maintain an environment of transparency, cooperation, and compliance with applicable law and policy. The Board will support staffing levels and acquisition of resources necessary and reasonable to implement and achieve the intent of this Rule.

*(Secretary's Note: Section 3 above includes amendments approved in Item 8 on Page 12.)*

Sec. 4 Enhancement of Access to and Analysis of Data and Information.

4.1 Importance of Data Collection, Retention, and Analysis. The U. T. System recognizes and supports the importance of data collection, retention, and analysis for purposes such as reviewing System operations and policies, guiding decision-making, improving productivity and efficiency, and evaluating performance outcomes.

- 4.2 Increase in the Amount of Data Available. The U. T. System recognizes that the amount of significant data being accumulated by the U. T. System and U. T. System institutions is expanding exponentially each year. The System further recognizes that current data collection and management systems in use are not sufficient to effectively manage and utilize all data becoming available.
- 4.3 Opportunities for Additional Enhancements. The U. T. System is continually looking for ways to enhance the performance of its institutions, to support access and success for all students, to improve educational outcomes, and to remain a national leader in providing access to data. As such, the U. T. System is committed to continue collecting additional data and finding and utilizing new, better and more expansive systems and software with which to manage and access these data. These improved systems and new software will greatly improve the ability to generate better informed decisions to enhance student success, to increase productivity and efficiency, and to facilitate access to and analysis of the data.
- 4.4 Framework for Advancing Excellence. The Framework, established in 2011, implemented a centralized data warehouse for the purposes of evaluating the progress of U. T. System institutions in achieving the goals set forth in the Framework. The data warehouse is a central source of information for the U. T. System Productivity Dashboard, which specifically supports the goals of transparency and efficiency as expressed in the Framework.

(Framework url: <https://www.utsystem.edu/chancellor/speeches/a-framework-for-advancing-excellence-throughout-the-university-of-texas-system>)

- 4.5 Information Accessible through Data Dashboard. The U. T. System Productivity Dashboard provides a rolling 10 years (where available) of data on the performance of all U. T. System institutions and is available free to the public. The Productivity Dashboard provides important data and metrics concerning students, faculty, research and technology transfer, health care, and productivity and efficiency.

(Productivity Dashboard url: <http://data.utsystem.edu/>)

Sec. 5 Processing Information Requests.

- 5.1 Requests by Members of the Public. To enhance transparency, U. T. System institutions and U. T. System Administration are

expected to act in strict compliance with the Texas Public Information Act (TPIA) and applicable State and federal law in providing public access to governmental records.

- 5.2 Requests by Representatives of the Media. In addition to the public right of access to information through the TPIA, representatives of the media may utilize U. T. System Administration and institutional offices of external relations as an additional resource for questions.
- 5.3 Requests by Members of the Texas Legislature. The TPIA provides members of the Texas Legislature a special right of access to information needed for legislative purposes. U. T. System Administration and institutional offices of governmental affairs serve as additional resources for questions from members of the Legislature.
- 5.4 Requests by Members of the Board of Regents and Chancellor.
  - 5.4.1 This process is not intended nor will it be implemented to prevent a member of the Board of Regents or the Chancellor from access to information or data ~~that the Board member or Chancellor deems is~~ necessary for the Board member or the Chancellor to fulfill his or her official duties and responsibilities.
  - 5.4.2 Except for a request processed under Subsection 5.4.4, requests by an individual Regent for information shall be submitted to the Chancellor in writing by the requesting Regent, with a copy to the Board Chairman and General Counsel to the Board. An individual Regent's written request for information shall identify, with specificity, the need for the information requested and shall provide a requested deadline for response if the request is time-sensitive.
  - 5.4.3 Information requests from or on behalf of an individual member of the Board of Regents seeking the compilation of significant quantities of information or data from the U. T. System or from a U. T. System institution will be reviewed by the Chairman of the Board and the Chancellor and, if necessary, discussed with the requesting Regent to determine the appropriate scope of the request and timing of the response to avoid inefficiencies and duplication of effort but shall also ensure that requests are fulfilled in a timely manner consistent with applicable law and policy.



- 5.4.4 Smaller requests for existing information or data that do not appear to require significant time or effort may be processed through the Office of the Board of Regents and the Chancellor's Office.
- 5.4.5 Within 5 business days of the receipt of a Regent's information request, the Chancellor's Office will provide the requesting Regent with an estimated date for delivery or production. The Board requires all U. T. System Administration and U. T. System institutional employees to respond thoroughly and appropriately to requests for information from a member of the Board or the Chancellor, without undue delay. In the rare circumstance when the Chairman or the Chancellor has ~~there are~~ concerns about a Regent's request, the matter will be discussed with the Regent within 5 business days of receipt of the request. If concerns about a request for information or data are unresolved following discussion with the Regent, the matter will be presented to the Board as quickly as possible, but in no event later than the next regular Board meeting following 21 days from the date of the receipt of the request. For the purpose of a Board vote on this issue, *the vote of a majority of the members of the Board* ~~any two or more Regents~~ in support of the request is sufficient to direct that the request will be filled without delay.

*[Secretary's Note: The italicized language above was added pursuant to a motion made and approved at the May 14, 2015 meeting (see Page 164).]*

- 5.4.6 After consultation with the Chairman of the Board, the Chancellor may adopt reasonable procedures with regard to the timing, copying, and process for review of records by a Regent, including prohibiting the copying of any confidential material. In addition, the Chancellor, in consultation with the U. T. System General Counsel, shall determine whether State or federal law restricts compliance with the request. Accordingly, the Chancellor, in consultation with the U. T. System General Counsel, shall determine whether a Regent may review information that is protected by the Family Educational Rights and Privacy Act (20 U.S.C. §1232g; 34 CFR Part 99), by constitutional privacy, or by other State or federal law.

Sec. 6 Access to Requests for Information.

- 6.1 The U. T. System Administration is directed to look for opportunities to expand the [existing U. T. System websites, established in 2012 to provide public access to requests for information](#) and which include all Texas Public Information Act requests.

(Open Records website: <http://www.utsystem.edu/open-records?src=uts-homepage>)

- 6.2 It is the intent of the Board that documents responsive to those requests be made available electronically to the extent legal and feasible, with the Chancellor to set timelines for implementation, in consultation with the Chairman.

\* \* \* \* \*

SCHEDULED MEETING.--The regularly scheduled meeting scheduled to be held on July 8 - 9, 2015, in Austin, Texas, was cancelled, and the next regularly scheduled meeting will be held on August 19 - 20, 2015, in Austin.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 3:41 p.m.

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

July 3, 2015



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## U. T. SYSTEM ADMINISTRATION

1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meeting held on February 11-12, 2015, and the special called meetings held on March 4, 2015, March 27, 2015, April 8, 2015, April 20, 2015, and May 4, 2015
2. UTIMCO Committee Appointment - U. T. System Board of Regents: Proposed appointment of member to the Audit and Ethics Committee of the Board of Directors of The University of Texas Investment Management Company (UTIMCO)

The University of Texas Investment Management Company (UTIMCO) Board of Directors recommends that the U. T. System Board of Regents approve the appointment of Phil Adams and the reappointment of John D. White and H. Lee S. Hobson to the Audit and Ethics Committee of the UTIMCO Board of Directors. The UTIMCO Board of Directors recommended and approved this appointment and reappointments on April 22, 2015, conditioned on approval of the U. T. System Board of Regents. Section 66.08 of the *Texas Education Code* requires that the U. T. System Board of Regents approve the appointment of members to the Audit and Ethics Committee of the UTIMCO Board of Directors.

3. Resolution - U. T. System Board of Regents: Adoption of resolution regarding the list of Key Management Personnel authorized to negotiate, execute, and administer classified government contracts (Managerial Group) to reflect names of new Regents and appointment of new President of U. T. Austin

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

- the names of the new Regents, effective March 12, 2015; and
- the appointment of Gregory L. Fenves as President of U. T. Austin, effective June 3, 2015.

A Resolution amending the Managerial Group list was last adopted by the Board of Regents on February 12, 2015.

NISPOM defines KMP as "officers, directors, partners, regents, or trustees." The Manual requires that the senior management official and the Facility Security Officer must always be designated as part of the Managerial Group and be cleared at the

level of the Facility Clearance. Other officials or KMPs, as determined by the Defense Security Service, must be granted Personal Security Clearances or be formally excluded by name from access to classified material.

## RESOLUTION

BE IT RESOLVED:

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

William H. McRaven, Chancellor, The University of Texas System  
William C. Powers, Jr., President, The University of Texas at Austin  
(until June 2, 2015)

Gregory L. Fenves, President, The University of Texas at Austin  
(as of June 3, 2015)

Juan Miguel Sanchez, Vice President for Research, The University of  
Texas at Austin

Neil S. Fox II, Facility Security Officer, The University of Texas System

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

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

- b. That the following named members of the U. T. System Board of Regents shall not require, shall not have, and can be effectively excluded from access to all classified information in the possession of U. T. System, including U. T. Austin, and do not occupy positions that would enable them to affect adversely the policies and practices of the U. T. System, including U. T. Austin, in the performance of classified contracts for the Department of Defense or User Agencies of the NISPOM awarded to the U. T. System, including U. T. Austin, and need not be processed for a personnel security clearance:

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

Paul L. Foster, Chairman

R. Steven Hicks, Vice Chairman

Ernest Aliseda  
David J. Beck  
Alex M. Cranberg  
Wallace L. Hall, Jr.  
Jeffery D. Hildebrand  
Brenda Pejovich  
Sara Martinez Tucker  
David Maximilian Richards, Student Regent from June 1, 2014  
to May 31, 2015 (nonvoting)

4. Resolution - U. T. System Board of Regents: Adoption of resolution related to acceptance of bequest from the Estate of Christine Brooke-Rose and delegation to Dr. Stephen Enniss, Director of the Harry Ransom Humanities Research Center, the authority to accept the gift on behalf of the U. T. System Board of Regents

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for External Relations, and the Vice Chancellor and General Counsel that the Board of Regents accept, on behalf of the Harry Ransom Humanities Research Center at U. T. Austin, the gift of the estate of Christine Brooke-Rose and delegate to Dr. Stephen Enniss, Director of the Harry Ransom Humanities Research Center, the power to sign all papers necessary to receive the gift.

Ms. Christine Brooke-Rose died in France on March 21, 2012. In a holographic will, she left all of her estate property to the U. T. Austin Harry Ransom Humanities Research Center to create the Christine Brooke-Rose Fund for the Experimental Novel. Ms. Brooke-Rose's will was probated in France under the Succession of Christine Brooke-Rose. Mr. Lawrence Liens was named the French Notaire (legal notary). The assets as of 2012 consisted of a house in France and bank accounts in France and England worth a combined value of approximately \$305,000.

After two years documenting with the Notaire that U. T. System is a public charity in the U.S. and is exempt from French succession taxation, the Notaire is ready to sell the house and distribute the funds. Despite best efforts to show the Notaire that the U. T. System Board of Regents has authorized Ms. Julia K. Lynch, Associate Vice Chancellor for Development and Gift Planning Services, as its representative to accept the bequest, to authorize the sale of the house, and to receive the succession's final distribution and because the bequest was made to the Harry Ransom Humanities Research Center, the Notaire requires that the U. T. System Board of Regents accept the estate bequest and designate an official at the Harry Ransom Humanities Research Center as its official representative to approve all actions in the succession. It is recommended that the Board approve the following resolution.

## RESOLUTION

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

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

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

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

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

1. The Board of Regents of The University of Texas System, on behalf of The University of Texas at Austin for the use and benefit of the Harry Ransom Humanities Research Center, hereby accepts the bequest from the Succession of Christine Brooke-Rose under her will and hereby authorizes the sale of the house included in the Succession.
2. The Board of Regents appoints Dr. Stephen Enniss, Director of the Harry Ransom Humanities Research Center, as its representative to collect and receive any and all sums of money, property or effects payable to the Board of Regents from the succession of Christine Brooke-Rose and to execute any and all necessary or proper receipts, releases, and discharges and any other instruments as may be necessary or appropriate relating to the sale of the house, receipt, handling, management, control and disposition of any asset acquired by bequest from the Succession of Christine Brooke-Rose.
5. Other Fiscal Matters - U. T. System Board of Regents: Approval of aggregate amount of \$2,200,000 of supplemental equipment financing for Fiscal Year 2015 and resolution regarding parity debt

The Executive Vice Chancellor for Business Affairs recommends approval of this item authorizing an additional \$2,200,000 for U. T. El Paso to finance artificial turf replacement in the Sun Bowl and practice facility to be repaid with auxiliary revenue generated by athletics. The institution therefore requests that the Board resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (RFS) the findings that are stated below:

- parity debt shall be issued to fund all or a portion of the project, including any costs prior to the issuance of such parity debt;
- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the RFS Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System;
- U. T. El Paso, 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 \$2,200,000; 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.

6. Contract (funds coming in) - U. T. System: Provide Smart Sand Reagan County LLC, a wholly owned subsidiary of Smart Sand Inc., with a commercial lease (surface)

Agency: Smart Sand Reagan County LLC, a wholly owned subsidiary of Smart Sand Inc.

Funds: Projected revenue for duration of this project is \$2,000,000

Period: June 1, 2015 through May 31, 2035

Description: Provide a rail site for drill sand unloading and drying on 295 acres in parts of Sections 1, 2, 11, 12, Block 11, University Lands, Reagan County.

7. Contract (funds coming in) - U. T. System: Provide Kinder Morgan Texas Pipeline, LLC with a pipeline easement

Agency: Kinder Morgan Texas Pipeline, LLC

Funds: Projected revenue for duration of the project is \$1,854,750

Period: June 1, 2015 through May 31, 2025

Description: Provide renewal of 12,365 rods (38.6 miles) of a pipeline easement on University lands in Hudspeth County.

8. Contract (funds coming in) - U. T. System: U. T. M. D. Anderson Cancer Center to invest up to \$7,500,000 to support the Institute for Health Transformation (IHT) and Project Diabetes Obesity Control (Project DOC) in exchange for up to 6% of the net proceeds attributable to U. T. System's ownership of Project DOC

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

Funds: Up to \$7,500,000 (U. T. M. D. Anderson Cancer Center Institutional Funds)

Period: May 31, 2015 through August 31, 2016

Description: U. T. System is creating the Institute for Health Transformation (IHT) within the Office of Health Affairs and, as part of that effort, U. T. System Board of Regents on November 6, 2014, authorized the funding of Project Diabetes Obesity Control (Project DOC). Accordingly, U. T. M. D. Anderson Cancer Center will invest in the IHT and Project DOC in exchange for up to 6% of the net proceeds attributable to U. T. System's ownership of Project DOC.

9. Contract (funds going out) - U. T. System: Huron Consulting Services, LLC to continue hosting online Effort Certification and Reporting Tool (ECRT) software

Agency: Huron Consulting Services LLC

Funds: \$1,300,000

Source of Funds: U. T. System Institutions using ECRT will reimburse U. T. System

Period: January 1, 2015 through December 31, 2015

Description: In November 2007, the Board approved a contract with Huron to license the use of Huron's ECRT software by U. T. System institutions. The software supports compliance with U. T. System policy and federal regulations on reporting of time and effort expended by faculty and staff on research projects and other endeavors. The ECRT software initially was hosted internally at U. T. M. D. Anderson Cancer Center. In October 2011, U. T. System entered into an agreement with Huron to transfer hosting responsibilities to Huron. Fees for hosting services under this agreement through 2014 have been less than \$1,000,000. Extension of

the agreement through 2015; however, would result in aggregate fees, from inception of the hosting agreement through 2015, totaling approximately \$1,300,000.

The 2011 transfer to Huron of ECRT hosting services was based on a sole source justification. In the interim, other potential providers of ECRT hosting services agreement have been identified, and U. T. System intends to conduct a competitive procurement for ECRT hosting services for 2016 and beyond.

10. Contract (funds going out) - U. T. System: The Institute on Domestic Violence and Sexual Assault at U. T. Austin to administer a Systemwide biennial campus climate survey, more extensive research at U. T. Arlington, U. T. Austin, U. T. El Paso, and U. T. Medical Branch - Galveston, a multiyear cohort study of students at U. T. Austin, and a cost analysis of sexual assault crimes

Agency: The Institute on Domestic Violence and Sexual Assault at U. T. Austin

Funds: Anticipated total costs are approximately \$1,700,000 over a four-year period

Source of Funds: Available University Funds

Period: May 18, 2015 through August 31, 2019

Description: The Institute of Domestic Violence and Sexual Assault at U. T. Austin will administer a biennial climate survey at all institutions across the U. T. System to determine the incidence and prevalence of intimate personal violence and examine post-assault behavior of students. The academic and health institutions will receive a report of finding, with evidence-based policy and service recommendations. The climate survey will comply with pending federal legislation and recommendations of The White House Task Force to Protect Students from Sexual Assault. The Institute will conduct additional research at U. T. Arlington, U. T. Austin, U. T. El Paso, and U. T. Medical Branch - Galveston to gain insight into services provided, training, and impact of sexual assault on academic, health, and quality of life variables, a multiyear cohort study of students at U. T. Austin, and a cost analysis of sexual assault crimes.

11. Request for Budget Change - **U. T. System**: Grant budget authority of \$2,084,116 funded from Supply Chain Alliance to fund reimbursements to U. T. M. D. Anderson Cancer Center for program support and administrative fee distribution to participating U. T. System institutions (RBC No. 169) -- amendment to the 2014-2015 budget
12. Request for Budget Change - **U. T. System**: Transfer \$6,500,000 from Institute for Transformational Learning (ITL) Project Reserves to ITL Operating to fund program operating expenses (RBC No. 170) -- amendment to the 2014-2015 budget
13. Request for Budget Change - **U. T. System**: Transfer \$1,955,000 funded from Finance Swap Reserves to cover debt service for U. T. Brownsville property acquisition (RBC No. 171) -- amendment to the 2014-2015 budget
14. Request for Budget Change - **U. T. System**: Grant budget authority of \$1,198,694 funded from Tobacco Premium Program Income to fund wellness initiatives at the U. T. System institutions (RBC No. 172) -- amendment to the 2014-2015 budget
15. Request for Budget Change - **U. T. System**: Transfer \$600,000 from System Unallocated to Office of General Counsel Operating to pay routine expenses for outside counsel (RBC No. 173) -- amendment to the 2014-2015 budget
16. Request for Budget Change - **U. T. System**: Transfer \$3,500,000 from Oracle Reserve to UTShare Revolving and \$1,900,000 of Available University Funds to UTShare Activities for expenses associated with sponsored projects data clean up and reconciliation, PeopleSoft remediation, IT security review, and providing functional business process, application expertise, and identifying best practices related to various processes (RBC No. 174) -- amendment to the 2014-2015 budget



16.1 Employment Agreement - U. T. System: Appointment of David E. Daniel, Ph.D. as Deputy Chancellor at The University of Texas System

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:	Deputy Chancellor
Funds:	\$725,000 annually and a one-time payment of \$150,000 in lieu of additional cost associated with moving, storage, and any transitional living expenses related to relocation.
Period:	Beginning July 1, 2015
Description:	Agreement for employment of Dr. David E. Daniel as Deputy Chancellor. The Deputy Chancellor reports to the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor. Dr. Daniel will be eligible to participate in the Board of Regents' "Incentive Plan for The University of Texas System Presidents and System Administration Executive Officers" subject to the requirements and terms of the plan. U. T. System will pay for club membership(s) approved by the Chancellor including initial fees for joining and properly documented reasonable business-related expenses. U. T. System will reimburse or pay directly for reasonable travel related to U. T. business.

During employment, Dr. Daniel will continue to be appointed as Professor of Engineering and Computer Science, with tenure, in the Erik Jonsson School of Engineering and Computer Science, and as Professor of Geosciences, with tenure, in the School of Natural Sciences and Mathematics at U. T. Dallas. While serving as Deputy Chancellor, the appointment as Professor will be without compensation. The employment agreement is set forth on the following pages.



**The University of Texas System**  
Nine Universities. Six Health Institutions. Unlimited Possibilities.

Office of the Chancellor  
601 Colorado Street, Austin, Texas 78701-2982  
Phone: 512 499 4201 Fax: 512 499 4215

May 5, 2015

The University of Texas at Arlington  
The University of Texas at Austin  
The University of Texas at Brownsville  
The University of Texas at Dallas  
The University of Texas at El Paso  
The University of Texas–Pan American  
The University of Texas  
of the Permian Basin  
The University of Texas at San Antonio  
The University of Texas at Tyler

The University of Texas  
Southwestern Medical Center  
The University of Texas  
Medical Branch at Galveston  
The University of Texas  
Health Science Center at Houston  
The University of Texas  
Health Science Center at San Antonio  
The University of Texas  
M. D. Anderson Cancer Center  
The University of Texas  
Health Science Center at Tyler

[www.utssystem.edu](http://www.utssystem.edu)

David E. Daniel, Ph.D.  
12001 Leuders Lane  
Dallas, Texas 75230

Dear David,

I am delighted to offer you the position of Deputy Chancellor at The University of Texas System, effective July 1, 2015. Your annual salary rate of that date will be \$725,000. You are entitled to other State-paid fringe benefits required to be provided to higher education employees by State law and for which you are eligible. Among these benefits are State-paid OASI, longevity pay, workers' compensation liability, insurance coverage, retirement, insurance premium sharing, and paid leave. This offer will remain contingent upon the successful completion of the enclosed criminal background check as per U. T. System policy. I look forward to working with you in a transitional period mid-June through July and having you fully engaged with our team upon your arrival in July.

The Deputy Chancellor reports to the Chancellor and shall hold office without fixed term, subject to the pleasure the Chancellor. You will be provided an office within the chancellor's office suite as well as dedicated administrative support from the chancellor's office administrative team.

Additional elements of your compensation package are:

- a. You are eligible to participate in the Board of Regents' "Incentive Plan for The University of Texas System Presidents and System Administration Executive Officers" subject to the requirements and terms specified therein. The compensation earned from this incentive plan will vary depending on your attainment of certain specific performance goals.

Dr. David Daniel  
May 5, 2015  
Page 2

- b. The cost of club membership(s) approved by the Chancellor will be paid, including initial fees for joining the club and all properly documented and reasonable business-related expenses. All personal expenses, including the portion of dues related to personal use, is calculated based on the personal expenses for that month as a percent of total expenses. That percentage is applied to the dues owed to determine the personal amount.
- c. Continued appointment as Professor of Engineering and Computer Science, with tenure, in the Erik Jonsson School of Engineering and Computer Science, and as Professor of Geosciences, with tenure, in the School of Natural Sciences and Mathematics at U. T. Dallas, at your current academic salary rate of \$203,000. While serving as Deputy Chancellor, your appointment as Professor will be without compensation. When your administrative appointment as Deputy Chancellor ends you will be entitled to return to your tenured faculty position as professor, consistent with Regents' Rule 31007, which governs tenured appointments at U. T. Dallas, and to be compensated at your academic salary rate. Texas Education Code, Section 51.948, states that if a university administrator is reassigned to a faculty or other position at the institution, the institution cannot pay that person a salary that exceeds the salary of other persons with similar qualifications performing similar duties.

Business-related travel and entertainment expenses shall be in accordance with the Regents' Rules 20205, and reasonable expenses will be paid directly or reimbursed as appropriate.

The U. T. System agrees to pay you a one-time payment of \$150,000 within thirty (30) days of your effective hiring date. This payment is in lieu of any additional cost associated with moving, storage, relocation and any transitional living expenses for you or your family and any other expenses related to relocation.

Benefits including health insurance, disability, life insurance and retirement should transfer seamlessly from U. T. Dallas and will be discussed in more detail by the Office of Employee Services when you arrive.

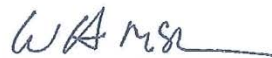
Some elements in this compensation package will be subject to federal income tax and as such will be subject to withholding and reported on the W-2 form along with base salary paid. You should consult your tax adviser as to the handling of business or other offsetting deductions.

Dr. David Daniel  
May 5, 2015  
Page 3

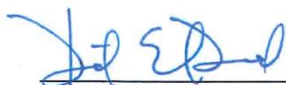
David, I am delighted that you are joining our team and I look forward to working with you as we move the U. T. System into a more global footprint. With your background and expertise, the operation of The University of Texas System Administration is in good hands and will allow us to move more strategically.

To indicate your acceptance of this offer, please sign and date the enclosed copy of this letter and return it to my office. A coordinated public announcement is currently in the works with a planned distribution on Wednesday, May 6, 2015.

With respect,

  
William H. McRaven  
Chancellor

WHM/jbp



Accepted: David E. Daniel

  
Date

c: Randy Wallace, Associate Vice Chancellor – Controller and Chief Budget Officer

16.2 Employment Agreement - U. T. System: Appointment of Steven W. Leslie, Ph.D., as Executive Vice Chancellor for Academic Affairs at The University of Texas System

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:	Executive Vice Chancellor for Academic Affairs
Funds:	\$420,000 annually
Period:	Beginning May 11, 2015
Description:	Agreement for employment of Dr. Steven W. Leslie as Executive Vice Chancellor for Academic Affairs. The Executive Vice Chancellor for Academic Affairs reports to the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor. During employment, Dr. Leslie will retain his position as the James E. Bauerle Centennial Professor in Drug Dynamics at U. T. Austin College of Pharmacy. The employment agreement is set forth on the following pages.



**The University of Texas System**  
Nine Universities. Six Health Institutions. Unlimited Possibilities.

Office of the Chancellor  
601 Colorado Street, Austin, Texas 78701-2982  
Phone: 512 499 4201 Fax: 512 499 4215

**Personal and Confidential**

April 28, 2015

Dr. Steven W. Leslie  
2718 Bartons Bluff Lane  
Austin, Texas 78746

Dear Steve:

I am delighted to offer you the position of Executive Vice Chancellor for Academic Affairs at The University of Texas System, effective May 11, 2015 and contingent upon a clear background check. You will also retain your position at The University of Texas at Austin in the College of Pharmacy, as the James E. Bauerle Centennial Professor in Drug Dynamics. In your position as the Executive Vice Chancellor, you will report directly to the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor.

Your initial compensation will be \$420,000 gross annual salary to be paid monthly. In addition, monthly dues, professional memberships, continuing education allowances, wireless device allowances, as well as reasonable travel expenses related to U. T. business, will be reimbursed by System Administration.

State law allows the grant of development leave for up to one year at the regular academic salary rate, as determined by the respective U. T. System institution, for preparation to return to the faculty by an individual who has held an administrative position at U. T. System more than four years. An administrator who receives development leave must return to the faculty at a U. T. System institution for an amount of time equal to the amount of time the administrator received development leave or repay the institution for all the costs of the development leave.

To indicate your acceptance of these terms, please sign and date this letter and return a copy to my office. Our office will coordinate with you on a public announcement upon receiving your signed acceptance. Steve, I look forward to working with you and to your service as an integral part of my team.

With respect,

William H. McRaven  
Chancellor

WHM/jbp

\_\_\_\_\_  
Signature of Acceptance

\_\_\_\_\_  
Date

- The University of Texas at Arlington
- The University of Texas at Austin
- The University of Texas at Brownsville
- The University of Texas at Dallas
- The University of Texas at El Paso
- The University of Texas – Pan American
- The University of Texas of the Permian Basin
- The University of Texas at San Antonio
- The University of Texas at Tyler

- The University of Texas Southwestern Medical Center
- The University of Texas Medical Branch at Galveston
- The University of Texas Health Science Center at Houston
- The University of Texas Health Science Center at San Antonio
- The University of Texas M. D. Anderson Cancer Center
- The University of Texas Health Science Center at Tyler

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17. Seal - U. T. System: Update of U. T. System Seal, Wordmark, and Tagline

The following proposed seal has been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for External Relations, and the Office of Trademark Licensing and is submitted for approval by the U. T. System Board of Regents in accordance with Regents' *Rules and Regulations*, Rule 40801

The Office of External Relations proposes to make modifications of the current U. T. System seal to highlight the important elements of the seal's shield, book, star, and laurels to present a stronger and simpler design. The new design updates will allow the seal and wordmark to be better recognized in many different sizes and uses in all print and digital media forms. The official seal will not be replaced, and a rationale for when the updated seal may be used in very limited forms is provided on the following pages.

The proposed tagline has been revised to account for the total number of institutions that comprise the U. T. System in Fall 2015. The tagline drops the distinction of the universities and health institutions to focus on promoting the full size of the U. T. System family of institutions. This shorter version, "The University of Texas System: Fourteen Institutions, Unlimited Possibilities," will also present opportunities to use the phrase in future branding distinctions.



CURRENT COLOR SEAL



INSPIRATION FROM ORIGINAL SEAL



METAMORPHOSIS



FINALIZED  
LOCKUP WITH  
UPDATED TAGLINE

**THE UNIVERSITY OF TEXAS SYSTEM**

**14 Institutions. Unlimited Possibilities.**



CURRENT ONE COLOR SEAL



UPDATED ONE COLOR SEAL



CURRENT ORIGINAL SEAL



PROPOSED SEAL UPDATE



## **The University of Texas System Branding Rationale**

The Office of External Relations proposes to create a new version of the current University of Texas System seal, wordmark, and tagline. The current, original seal has been an important staple of the U. T. System's identity for a long time. The aim is not to replace the seal, but to create an updated and modern version to co-exist and use in place of the current seal. These situations are likely to occur around communication efforts through screen-based technology, but they may also include print and marketing situations as well. A table of potential uses may be found at the end of this rationale.

## **The Updated Mark**

The important elements of the seal: the shield, book, star and laurels, have been recreated with a stronger and simpler design that emphasizes the same values of the seal and U. T. System. The stronger design updates will make them better recognized in many different sizes and uses in all media forms.

## **Tagline**

The tagline has been revised to account for the total number of institutions that comprise U. T. System as of Fall 2015. The tagline drops the distinction of the "Universities and Health Institutions" to focus on promoting the full size of the U. T. System family of institutions. This shorter version gives more weight to the "Unlimited Possibilities" phase of the tagline and will allow better opportunities to use the phrase in future branding distinctions.

## **Font**

The new font will give a modern appearance to the wordmark in various uses across all media. The font is weighted better for readability at all sizes, as well as being more versatile than the previous version and more legible in uses, such as backdrops for speakers, website graphics, promotional materials, and new media.

## **Seal and Updated Mark Uses**

Below is an initial guide of when to use the established, current seal and when to use the new mark. In broad terms, the current seal will be used in traditional business aspects, while the new seal and elements will be used in modern communication strategies and designs.

### **Established, Current Seal**

- Official documents and certificates
- Board Office usage
- Legal documents when required
- Board Meeting paper presentations
- Building entrance
- Outdoor flags

### **Updated Seal, Mark, and Font**

- Public facing Marketing/Communications
- Business cards and print collateral
- General PowerPoint design
- Social media profile branding
- Website header and footer
- Building way-finding
- Speaker backdrops
- Promotional collateral for business use
- Internal communications

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

**THE UNIVERSITY OF TEXAS SYSTEM  
SEPARATELY INVESTED ASSETS  
Managed by U. T. System  
Summary Report at February 28, 2015**

		<b>FUND TYPE</b>							
		<b>Current Purpose Restricted</b>		<b>Endowment and Similar Funds</b>		<b>Annuity and Life Income Funds</b>		<b>TOTAL</b>	
		<b>Book</b>	<b>Market</b>	<b>Book</b>	<b>Market</b>	<b>Book</b>	<b>Market</b>	<b>Book</b>	<b>Market</b>
<b>Land and Buildings:</b>									
Ending Value 11/30/14	\$	1,660,183	\$ 12,609,889	\$ 97,942,626	\$ 271,332,483	\$ 1,601,467	\$ 2,923,079	101,204,275	\$ 286,865,450
Increase or Decrease		(71,036)	(71,036)	(374,999)	(1,153,626)	-	(516,535)	(446,035)	(1,741,197)
Ending Value 2/28/15	\$	1,589,147	\$ 12,538,853	\$ 97,567,627	\$ 270,178,857	\$ 1,601,467	\$ 2,406,544	\$ 100,758,241	\$ 285,124,253
<b>Other Real Estate:</b>									
Ending Value 11/30/14	\$	11,127	\$ 11,127	\$ 9	\$ 9	\$ -	\$ -	\$ 11,135	\$ 11,135
Increase or Decrease		(3,420)	(3,420)	(1)	(1)	-	-	(3,421)	(3,421)
Ending Value 2/28/15	\$	7,707	\$ 7,707	\$ 8	\$ 8	\$ -	\$ -	\$ 7,714	\$ 7,714

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

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

19. Report - U. T. System Academic Institutions: Fiscal Year 2014 Post-Tenure Review

In accordance with *Texas Education Code* Section 51.942 and Regents' *Rules and Regulations*, Rule 31102, the following report on the Fiscal Year 2014 post-tenure review for the U. T. System academic institutions is provided by the Executive Vice Chancellor for Academic Affairs.

During Fiscal Year 2014, 409 tenured faculty members at the nine academic institutions with tenured faculty were subject to post-tenure review. Of the faculty members reviewed, 395 or 96.6% were evaluated as Meets or Exceeds Expectations; 14 or 3.4% Did Not Meet Expectations; and none received Unsatisfactory evaluations. Sixteen faculty members retired or resigned before their post-tenure reviews.

The following summary tables provide additional details of the post-tenure review results for Academic Year 2013-2014.

**Summary of Post-Tenure Review Results**

	Total Actually Reviewed	Total Exceeding Expectations	Total Meets Expectations	Total Does Not Meet Expectations	Total Unsatisfactory	Decided to Retire or Resign Before Review
UTA	40	18	22	0	0	4
UTAUS	187	71	109	7	0	7
UTB	13	0	8	5	0	0
UTD	43	11	32	0	0	0
UTEP	30	26	4	0	0	1
UTPA	39	27	11	1	0	3
UTPB	4	0	4	0	0	0
UTSA	40	23	16	1	0	0
UTT	13	7	6	0	0	1
Total	409	183	212	14	0	16
		44.7%	51.8%	3.4%	0.0%	

**Post-Tenure Review Results by Gender**

	Actually Reviewed		Exceeding Expectations		Meets Expectations		Does Not Meet Expectations		Unsatisfactory		Decided to Retire or Resign Before Review	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
UTA	29	11	14	4	15	7	0	0	0	0	2	2
UTAUS	141	46	52	19	84	25	5	2	0	0	7	0
UTB	9	4	0	0	6	2	3	2	0	0	0	0
UTD	38	5	7	4	31	1	0	0	0	0	0	0
UTEP	25	5	22	4	3	1	0	0	0	0	0	1
UTPA	27	12	17	10	10	1	0	1	0	0	3	0
UTPB	2	2	0	0	2	2	0	0	0	0	0	0
UTSA	30	10	18	5	12	4	0	1	0	0	0	0
UTT	9	4	4	3	5	1	0	0	0	0	0	1
Total	310	99	134	49	168	44	8	6	0	0	12	4

**Post-Tenure Review Results by Ethnicity**

	Total Actually Reviewed					Exceeds Expectations				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
UTA	29	1	3	7	0	12	1	2	3	0
UTAUS	157	6	4	20	0	61	0	1	9	0
UTB	8	0	4	0	1	0	0	0	0	0
UTD	32	0	1	10	0	9	0	0	2	0
UTEP	22	0	5	3	0	19	0	4	3	0
UTPA	16	2	9	7	5	12	2	5	4	4
UTPB	4	0	0	0	0	0	0	0	0	0
UTSA	26	2	5	7	0	16	0	3	4	0
UTT	10	0	0	3	0	7	0	0	0	0
Total	304	11	31	57	6	136	3	15	25	4

	Meets Expectations					Does Not Meet Expectations				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
UTA	17	0	1	4	0	0	0	0	0	0
UTAUS	92	4	2	11	0	4	2	1	0	0
UTB	5	0	3	0	0	3	0	1	0	1
UTD	23	0	1	8	0	0	0	0	0	0
UTEP	3	0	1	0	0	0	0	0	0	0
UTPA	4	0	4	3	0	0	0	0	0	1
UTPB	4	0	0	0	0	0	0	0	0	0
UTSA	9	2	2	3	0	1	0	0	0	0
UTT	3	0	0	3	0	0	0	0	0	0
Total	160	6	14	32	0	8	2	2	0	2

	Unsatisfactory					Decided to Retire/Resign Before Review				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
UTA	0	0	0	0	0	3	1	0	0	0
UTAUS	0	0	0	0	0	6	1	0	0	0
UTB	0	0	0	0	0	0	0	0	0	0
UTD	0	0	0	0	0	0	0	0	0	0
UTEP	0	0	0	0	0	1	0	0	0	0
UTPA	0	0	0	0	0	2	0	1	0	0
UTPB	0	0	0	0	0	0	0	0	0	0
UTSA	0	0	0	0	0	0	0	0	0	0
UTT	0	0	0	0	0	1	0	0	0	0
Total	0	0	0	0	0	13	2	1	0	0

**PRESENT STATUS OF EACH PERFORMANCE THAT DOES NOT MEET EXPECTATIONS:**

**U. T. Austin:** Department chairs and deans will monitor performance each year and provide feedback through the Annual Review process.

**U. T. Brownsville:** As part of the process of becoming part of U. T. Rio Grande Valley, U. T. Brownsville offered a voluntary separation incentive program to those faculty/staff who qualified. Both of the Professors and two of the Associate Professors reported as Not Meeting Expectations chose to accept the incentive and will be retiring effective May 31, 2015; no further action is required. The third Associate Professor in this category developed a professional development plan in conjunction with the Department Chair and Dean and has demonstrated sufficient improvement to now be considered as meeting expectations.

**U. T. Pan American:** The faculty member discussed with their Chair and Dean the corresponding areas of concern. She received feedback regarding her professional performance. She is expected to take action on the weaknesses and issues identified by the Chair and/or Dean. A professional development plan was prepared.

**U. T. San Antonio:** The Department Chair has recommended that the faculty member collaborate with a mentor to develop a growth plan focusing on publishing the research projects stated on the Curriculum Vita and in the Summary of Accomplishments. The Chair also recommends that the faculty member limit conference presentations to manuscripts that are in final draft to submit for publication. The Dean has requested to see a working plan to increase research productivity and also suggests that the faculty member consider co-editing special editions of peer-reviewed journals.

**PLANS FOR EVALUATION DURING THE CURRENT YEAR, FY 2015:**

**U. T. Austin:** All faculty scheduled for post-tenure review in the 2014-2015 Academic Year will be evaluated and faculty development support plans for previous unsatisfactory reviews will be monitored.

**U. T. Dallas:** U. T. Dallas anticipates that 49 faculty will be reviewed during the FY 2015 cycle of periodic performance evaluation.

**U. T. Pan American:** The Department Chair will continue to monitor each faculty member, will review their progress in the areas of concern, and will provide additional guidance as needed. A teaching effectiveness/professional development plan was prepared for each faculty member below expectations, which was approved at the department and college level.

**U. T. San Antonio:** The faculty member is working with the department chair to develop a plan to strengthen research productivity. The Department Chair and Dean will monitor performance through the annual evaluation of faculty process.

20. **Report - U. T. System Health Institutions: Fiscal Year 2014 Post-Tenure Review**

In accordance with *Texas Education Code* Section 51.942 and Regents' *Rules and Regulations*, Rule 31102, the following report on the Fiscal Year 2014 post-tenure review for the U. T. System health institutions is provided by the Executive Vice Chancellor for Health Affairs.

During Fiscal Year 2014, 210 tenured faculty members at the six health institutions with tenured faculty were subject to post-tenure review. Of the 210 faculty members subject to review, 107 or 51.0% Exceed Expectations; 91 or 43.3% Meet Expectations; 7 or 3.3% Does Not Meet Expectations; and 5 or 2.4% received an Unsatisfactory evaluation. Fourteen faculty members retired or resigned the tenured position before their post-tenure review.

The following summary tables provide additional details of the post-tenure review results for Academic Year 2013-2014.

**Summary of Post-Tenure Review Results**

	Total Subject to Review	Total Exceeds Expectations	Total Meets Expectations	Total Does Not Meet Expectations	Total Unsatisfactory	Decided to Retire or Resign Before Review
UTSWMC	55	32	19	2	2	6
UTMB	44	33	11	0	0	5
UTHSC-H	26	14	12	0	0	3
UTHSC-SA	47	27	19	1	0	0
UTMDACC	37	0	30	4	3	0
UTHSC-T	1	1	0	0	0	0
Total	210	107	91	7	5	14
		51.0%	43.3%	3.3%	2.4%	

**Post-Tenure Review Results by Gender**

	Subject to Review		Exceeds Expectations		Meets Expectations		Does Not Meet Expectations		Unsatisfactory		Decided to Retire or Resign Before Review	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
UTSWMC	47	8	26	6	18	1	2	0	1	1	4	2
UTMB	25	19	19	14	6	5	0	0	0	0	2	3
UTHSC-H	18	8	10	4	8	4	0	0	0	0	3	0
UTHSC-SA	35	12	22	5	13	6	0	1	0	0	0	0
UTMDACC	27	10	0	0	20	10	4	0	3	0	0	0
UTHSC-T	1	0	1	0	0	0	0	0	0	0	0	0
Total	153	57	78	29	65	26	6	1	4	1	9	5

**Post-Tenure Review Results by Ethnicity**

	Total Actually Reviewed					Exceeds Expectations				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
UTSWMC	52	1	1	1	0	32	0	0	0	0
UTMB	31	1	6	6	0	22	0	5	6	0
UTHSC-H	17	1	2	5	1	8	1	2	3	0
UTHSC-SA	33	0	4	7	3	18	0	3	3	3
UTMDACC	25	0	4	8	0	0	0	0	0	0
UTHSC-T	1	0	0	0	0	1	0	0	0	0
Total	159	3	17	27	4	81	1	10	12	3
	Meets Expectations					Does Not Meet Expectations				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
UTSWMC	17	0	1	1	0	2	0	0	0	0
UTMB	9	1	1	0	0	0	0	0	0	0
UTHSC-H	9	0	0	2	1	0	0	0	0	0
UTHSC-SA	14	0	1	4	0	1	0	0	0	0
UTMDACC	20	0	4	6	0	4	0	0	0	0
UTHSC-T	0	0	0	0	0	0	0	0	0	0
Total	69	1	7	13	1	7	0	0	0	0
	Unsatisfactory					Decided to Retire/Resign Before Review				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
UTSWMC	1	1	0	0	0	2	0	1	3	0
UTMB	0	0	0	0	0	5	0	0	0	0
UTHSC-H	0	0	0	0	0	2	0	0	1	0
UTHSC-SA	0	0	0	0	0	0	0	0	0	0
UTMDACC	1	0	0	2	0	0	0	0	0	0
UTHSC-T	0	0	0	0	0	0	0	0	0	0
Total	2	1	0	2	0	9	0	1	4	0

**PRESENT STATUS OF EACH PERFORMANCE THAT DOES NOT MEET EXPECTATIONS:**

**U. T. Southwestern Medical Center:** One resigned; and one was counseled and provided with an Action Plan and will be reviewed in 2015.

**U. T. Health Science Center - San Antonio:** Remediation plan was developed with 18 month evaluation planned.

**U. T. M. D. Anderson Cancer Center:** Three pending administrative review and one separated.

**UNSATISFACTORY:**

**U. T. Southwestern Medical Center:** One submitted an Action Plan and was reviewed again in 2015; and one transitioned to part-time (no longer tenured).

**U. T. M. D. Anderson Cancer Center:** One position ends at 7th year term; one retired; and one switched to Clinical Faculty Appointment.



## ACADEMIC INSTITUTIONS

### 21. Admissions Criteria - U. T. Arlington: Changes to Admission Criteria

U. T. Arlington requests approval for minor changes to the criteria for admission into the Doctor of Nursing Practice (DNP) program to 1) include both Master of Science in Nursing (MSN) degree holders who are not certified as a nurse practitioner (NP) and MSN degree holders who are certified as an NP, 2) allow consideration of applications from students holding MSN degrees from anticipated new federally recognized agencies for nursing accreditation, and 3) require that applicants have unencumbered Registered Nurse (RN) licenses from any state in the U.S. or its territories.

The changes have been reviewed and administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents.

#### **Summary of Changes to Admission Criteria**

Proposed Change 1: Prospective students holding an MSN degree will be considered for admission regardless of whether certified as an NP.

The original DNP was conceived in the American Association of Colleges of Nursing (AACN) as a degree offering for advanced practice nurses. Subsequently, leaders in positions other than advanced practice sought the programs because leadership content was relevant to their work. The accrediting body of the AACN, through which U. T. Arlington is accredited for its nursing programs, now recognizes that the DNP is relevant for others and accredits programs with the expanded admission criteria. The change in accreditation standards reflects the highest level of approval for nursing programs in the nation.

Many MSN prepared individuals not currently NP certified see the relevance and value of the DNP in practice and career trajectory/goals. Other DNP programs in Texas and the nation are admitting students with MSN degrees who are not NPs. Because of current admission criteria, these students are not eligible for U. T. Arlington's program. The Graduate Nursing DNP Curriculum Committee of the College of Nursing and Health Innovation evaluated the curriculum carefully and determined that all MSN-prepared nurses could be enrolled in the existing courses, succeed in them, and be prepared for roles as Doctors of Nursing Practice.

Proposed Change 2: Allow admission to students with master's degree in nursing from schools accredited by federally recognized agencies for nursing education accreditation in addition to schools accredited by the National League for Nursing Accrediting Commission (NLNAC), the Commission on Collegiate Nursing Education (CCNE), or an equivalent body.

There will soon be another national accrediting body, making it necessary to cast admission criteria in terms that will allow evaluation of graduates from programs with this new federally recognized accreditation.

Proposed Change 3: Prospective students with unencumbered RN licenses from any U.S. state or territory will be considered for admission, no longer limiting this requirement to individuals holding an RN license in Texas or from designated compact states.

This change allows the DNP program to consider and admit qualified applicants from across the United States and its territories as well as those from designated compact states. This will help address the need for more doctorally prepared nurses. The Institute of Medicine's Future of Nursing Report (2010) includes a recommendation to double the number of doctorally prepared nurses by 2020. Preparing more nurses at the doctoral level is also a priority for the American Association of Colleges of Nursing (AACN, 2015). According to the latest survey by AACN, enrollment in research doctorate programs has increased by 3.2% and enrollment in practice-focused doctorate programs has increased by 26.2% in the past year. The increase in enrollment has been outpaced; however, by the need for DNP prepared nurses in Texas and in the U.S.

22. Request for Budget Change - U. T. Arlington: Tenure Appointments -- amendment to the 2014-2015 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>College of Engineering</b>					
Mechanical and Aerospace					
Presidential Distinguished Professor and Director of Institute for Predictive Performance of Advanced Materials and Structures					
Kenneth Reifsnider (T)	6/1-8/31	100	09	260,000	6673
<b>College of Liberal Arts</b>					
Criminology and Criminal Justice Chair and Professor					
Kent R. Kerley (T)	6/1-8/31	100	12	115,000	6668

23. Contract (funds coming in) - U. T. Austin: First Amendment to Interlocal Agreement between the Institute for Public School Initiatives and the El Paso Independent School District (ISD) to provide training to El Paso ISD teachers

Agency: El Paso Independent School District

Funds: \$1,864,925

Period: December 31, 2015 to August 31, 2016

Description: The Institute of Public School Initiatives (IPSI) will provide new training services to El Paso ISD's teachers through the program titled "Project Share."

24. Contract (funds coming in) - U. T. Austin: Compass Group USA, Inc., through its Canteen Vending Services Division, will sell snack and sundry items through vending machines the vendor operates on campus

Agency: Compass Group USA, Inc., through its Canteen Vending Services Division

Funds: Estimated \$900,000 in annual payments over the initial period of the agreement, plus renewal period and an upfront signing bonus royalty of \$10,000

Period: September 1, 2015 through September 21, 2018, plus one two-year renewal. University will receive \$180,000 per year, for a maximum amount of \$900,000 for the entire contract period including the renewal.

Description: Compass Group USA, Inc., through its Canteen Vending Services Division, will sell snack and sundry items through vending machines the vendor operates on campus. U. T. Austin will receive from the vendor an upfront signing bonus royalty of \$10,000, an upfront payment of \$250,000 against future royalties, and a monthly royalty payment of 27.5% of total gross revenue with a guaranteed annual royalty to U. T. Austin of \$110,000. Approval by the U. T. System Board of Regents is sought by U. T. Austin in compliance with Section 2203.005 of the *Texas Government Code* and U. T. Systemwide Policy UTS130 pertaining to Vending Machine Contracts. In accordance with *Texas Education Code* Section 51.945, students were provided an opportunity to comment prior to determination that this food services and vending services provider should be selected by the institution.

25. Contract (funds coming in and going out) - U. T. Austin: The Aspire Sport Marketing Group, LLC to provide marketing and sales of athletic tickets

Agency: The Aspire Sport Marketing Group, LLC

Funds: Funds coming in:  
Ticket sales revenue estimated increase of \$500,000 per year, plus a 10% escalator

Funds going out:  
Management Fee fixed \$319,999 per year (paid monthly at \$26,666)

Service and Retention Bonuses and Sales Consultant Commissions estimated at \$600,000 per year, plus a 10% escalator

Success Fee (exceeding Annual Sales Revenue Goals) \$500,000 per year, plus a 10% escalator

Period: June 1, 2015 through August 31, 2017, with options to renew for two additional three-year periods

Description: The Aspire Sport Marketing Group, LLC will provide management and operational services for the University of Texas Fan Relationship Management Center for the

purpose of athletics ticket marketing, sales, and service (renewals, new sales, service, and handling inbound and outbound calls) of all athletic ticket inventories, and other duties requested by Intercollegiate Athletics. A Request for Proposal was issued and The Aspire Sport Marketing Group, LLC was the winning bidder.

26. Contract (funds going out) - U. T. Austin: Stage Alliance, Inc. to provide staffing for shows at the Texas Performing Arts

Agency: Stage Alliance, Inc.

Funds: \$2,700,000 including all renewals

Source of Funds: Performing Arts Funds

Period: January 1, 2015 through August 31, 2017, with options to renew for three additional two-year terms

Description: Stage Alliance, Inc. will provide theatrical stagehand personnel to staff touring Broadway productions and concerts, fine arts performances, and other University events. There is an anticipated need for services at facilities including, but not limited to, the Nancy Lee and Perry R. Bass Concert Hall, Kate Broocks Bates Recital Hall, Ralph and Ruth McCullough Theatre, B. Iden Payne Theatre, and Oscar G. Brockett Theatre. Stagehands may provide services at indoor and at outdoor venues. The primary service will be in support of presentations and productions.

27. Contract (funds going out) - U. T. Austin: Jacobs Engineering Group, Inc. to provide professional services to campus facilities

Agency: Jacobs Engineering Group, Inc.

Funds: Anticipated total costs expected to exceed \$1,000,000 (with prior written approval of the University) over the five-year contract period

Source of Funds: Unexpended Plant Funds, Intercollegiate Athletic Funds, Available University Funds, and various other funds

Period: September 1, 2012 through August 31, 2017 (one-year contract with option to renew for four additional one-year periods). Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold.

Description: Jacobs Engineering provides engineering and architectural design and feasibility services for renovation projects that may include laboratories, research facilities, office and classroom, and support areas. Some project-specific assignments range from providing a building infrastructure study at the Chemical and Petroleum Engineering Building to decommissioning smoke controls at the North Office Building. Services were competitively procured.

28. Contract (funds going out) - U. T. Austin: Delgado Daniels & Associates, Inc., dba DMD Designworks, to provide professional services to campus facilities

Agency: Delgado Daniels & Associates, Inc., dba DMD Designworks

Funds: Anticipated total costs expected to exceed \$1,000,000 (with prior written approval of the University) over the five-year contract period

Source of Funds: Unexpended Plant Funds, Intercollegiate Athletic Funds, Available University Funds, and various other funds

Period: September 1, 2012 through August 31, 2017 (one-year contract with option to renew for four additional one-year periods). Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold.

Description: Delgado Daniels & Associates, Inc., dba DMD Designworks provides architectural design and feasibility services that may include renovations of office and lab space, administrative and support areas on campus. Some project-specific assignments include designing of new office spaces at the IC2 Institute to active learning classroom renovations at the College of Business Administration Building. Services were competitively procured.

29. Contract (funds going out) - U. T. Austin: Energy Engineering Associates, Inc., dba EEA Consulting Engineers, to provide professional services to campus facilities

Agency: Energy Engineering Associates, Inc., dba EEA Consulting Engineers

Funds: Anticipated total costs expected to exceed \$1,000,000 (with prior written approval of the University) over the five-year contract period

Source of Funds: Unexpended Plant Funds, Intercollegiate Athletic Funds, Available University Funds, and various other funds

Period: September 1, 2012 through August 31, 2017 (one-year contract with option to renew for four additional one-year periods). Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold.

Description: Energy Engineering Associates, Inc., dba EEA Consulting Engineers provides mechanical, electrical, and plumbing design services. Project-specific assignments range from renovations for a HVAC replacement at Calhoun Hall to electrical distribution system replacement at the Jesse H. Jones Communication Center. Services were competitively procured.

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

**David Hull** from Professor to Professor Emeritus, Department of Aerospace Engineering and Engineering Mechanics, Cockrell School of Engineering (RBC No. 6380) -- amendment to the 2014-2015 budget

**John Murphy** from Professor to Joe C. Thompson Centennial Professor Emeritus in Advertising, Stan Richards School of Advertising and Public Relations, Moody College of Communication (RBC No. 6390) -- amendment to the 2014-2015 budget

**Claire Weinstein** from Professor to Professor Emerita, Department of Educational Psychology, College of Education (RBC No. 6570) -- amendment to the 2014-2015 budget

31. Employment Agreement - U. T. Austin: Appointment of Gregory L. Fenves, Ph.D., as President of U. T. Austin

The following agreement has been approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs, has been signed by Dr. Fenves, and is recommended for approval by the U. T. System Board of Regents. Terms of employment under this agreement are subject to the Regents' *Rules and Regulations*, Rules 10501 and 20201, and *Texas Education Code* Section 51.948.

Item:	President
Funds:	\$750,000 annually
Period:	Beginning June 3, 2015
Description:	Agreement for employment of Dr. Gregory L. Fenves as President of The University of Texas at Austin. The President reports to the Chancellor and the Executive Vice Chancellor for Academic Affairs and shall hold office without fixed term, subject to the pleasure of the Executive Vice Chancellor for Academic Affairs and approval by the Chancellor and Board of Regents. Additionally, the Board has authorized \$50,000 per year in deferred compensation for five years subject to the terms and conditions of a separate agreement related to deferred compensation. During his Presidency, Dr. Fenves will hold an appointment as Professor, with tenure, in the Cockrell School of Engineering at U. T. Austin without compensation. The employment agreement is set forth on the following pages.





**The University of Texas System**  
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Office of Academic Affairs  
601 Colorado Street, Austin, Texas 78701  
Phone: 512-499-4233 Fax: 512-499-4240

April 20, 2015

Dr. Gregory L. Fenves  
3714 Meredith Street  
Austin, Texas 78703

The University of Texas at Arlington  
The University of Texas at Austin  
The University of Texas at Brownsville  
The University of Texas at Dallas  
The University of Texas at El Paso  
The University of Texas –Pan American  
The University of Texas  
of the Permian Basin  
The University of Texas at San Antonio  
The University of Texas at Tyler

The University of Texas  
Southwestern Medical Center  
The University of Texas  
Medical Branch at Galveston  
The University of Texas  
Health Science Center at Houston  
The University of Texas  
Health Science Center at San Antonio  
The University of Texas  
M. D. Anderson Cancer Center  
The University of Texas  
Health Science Center at Tyler

[www.utssystem.edu](http://www.utssystem.edu)

Dear Dr. Fenves:

On behalf of the Board of Regents of The University of Texas System, it is my pleasure to offer you the position of President of The University of Texas at Austin, effective June 3, 2015. Your annual salary rate as of that date will be \$750,000. You are entitled to other State-paid fringe benefits required to be provided to higher education employees by State law and for which you are eligible. Among these benefits are State-paid OASI, longevity pay, workers' compensation liability, insurance coverage, retirement, insurance premium sharing, and paid leave.

The Board of Regents has authorized \$50,000 per year in deferred compensation for five years subject to the terms and conditions of a separate agreement related to deferred compensation.

Pursuant to Regents' *Rules and Regulations*, Rule 20201, the presidents of The University of Texas academic campuses are selected by the Board of Regents of The University of Texas System and serve without fixed term, subject to the pleasure of the Executive Vice Chancellor for Academic Affairs and approval by the Chancellor and Board of Regents. Also, your performance as President of U.T. Austin will be evaluated in accordance with Rule 20201.

Additional elements of your compensation package are:

- a. You are eligible to participate in the Board of Regents' "Incentive Plan for The University of Texas System Presidents and System Administration Executive Officers" subject to the requirements and terms specified therein. The compensation earned from this incentive plan will vary depending on your attainment of certain specific performance goals.
- b. The cost of club membership(s) approved by the Executive Vice Chancellor for Academic Affairs will be paid, including initial fees for joining the club and all properly documented and reasonable business-related expenses. All personal expenses, including the portion of dues related to personal use, is calculated based on the personal expenses for that month as a percent of total expenses. That percentage is applied to the dues owed to determine the personal amount.
- c. Continued appointment as Professor, with tenure, in the Cockrell School of Engineering at U. T. Austin, with a beginning academic rate

of \$223,600. During your presidency, you will not be paid your salary as Professor. When your administrative appointment as President ends you will be entitled to return to your tenured faculty position as professor, and be compensated at a level equal to the highest compensated member of the Cockrell School of Engineering, consistent with Regents' Rule 31007 which governs tenured appointments at U. T. Austin. *Texas Education Code*, Section 51.948, states that if a university administrator is reassigned to a faculty or other position at the institution, the institution cannot pay that person a salary that exceeds the salary of other persons with similar qualifications performing similar duties.

- d. State law allows the grant of development leave at the individual's academic salary rate for one year to a faculty member who has held an administrative position at the institution for more than four years. An administrator who receives development leave must return to work (as a faculty member) at a U.T. System institution for an amount of time equal to the amount of time the administrator received development leave or repay the institution for all the costs of the development leave. To the extent required by law, these provisions will apply in your situation. The specific length of the development leave will be negotiated dependent on your term of service as President and other pertinent considerations should you leave the presidency and return to the faculty.

Please note that the benefits described in (c) may, at the discretion of the Board be denied should you be terminated from the position of President for good cause, as determined by the Board.

Business-related travel and entertainment expenses shall be in accordance with the Regents' Rules 20205, and with current travel and entertainment budgets of the institution. Reasonable expenses will be paid directly or reimbursed as appropriate. Acceptance of donated travel must be approved pursuant to the requirements set forth in Regents' *Rules and Regulations*, Rule 20601.

Appropriate and timely submission of documentation required for reimbursement of travel and entertainment expenditures is required by the Regents' Rule 20205. Quarterly reports on travel and entertainment shall be filed with the Executive Vice Chancellor for Academic Affairs.

Pursuant to Regents' *Rules and Regulations*, Rule 30104, the President of a U. T. System academic institution may not be employed in any outside work or activity or receive from an outside source any compensation, or serve on an outside board until a description of the nature and extent of the employment or activity, and the range of any compensation has been submitted to and approved by the Executive Vice Chancellor for Academic Affairs.

Your base salary is all inclusive and there are no additional allowances provided for housing or automobile consistent with the Regents' *Rules and Regulations* on compensation for chief administrative officers. Reimbursement will be made for mileage associated with business use of a vehicle in accordance with the latest published Internal Revenue Service guidelines, the State Travel Regulations Act (*Texas Government Code*, Chapter 660) and applicable institutional policies. There is no separate provision for the use of a cellular telephone or other wireless device. Such use shall follow the policy for wireless

devices at your institution.

Information about benefits including health insurance, disability, life insurance and retirement has been transmitted under separate cover.

Some elements in this compensation package will be subject to federal income tax and as such will be subject to withholding and reported on the W-2 form along with base salary paid. You should consult your tax adviser as to the handling of business or other offsetting deductions.

I look forward to the opportunity to work with you as President of The University of Texas at Austin. If you have any questions, please let me know.

Sincerely,



Pedro Reyes, Ph.D.  
Executive Vice Chancellor for Academic Affairs  
Ashbel Smith Professor of Education Policy

Accepted: \_\_\_\_\_



Date: \_\_\_\_\_

4/20/2015

PR/smr

Cc: Chancellor William H. McRaven  
Randy Wallace, Associate Vice Chancellor-Controller and Chief Budget Officer  
Francie Frederick, General Counsel to the Board of Regents

32. Employment Agreement - U. T. Austin: Head Basketball Coach Agreement for Shaka D. Smart

The following Head Basketball Coach Employment Agreement has been approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents. If the Agreement is approved, total compensation for the contract period for Shaka D. Smart will be in excess of \$1 million. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay and/or dismissal (Regents' *Rules and Regulations*, Rule 10501, Section 2.2.12 - Board Approval).

Item: Head Basketball Coach Agreement for Shaka D. Smart

Proposed: **Guaranteed compensation:**

Annual Salary:

FY2015-2016 - \$2,800,000

FY2016-2017 - \$2,900,000

FY2017-2018 - \$3,000,000

FY2018-2019 - \$3,100,000

FY2019-2020 - \$3,200,000

FY2020-2021 - \$3,300,000

FY2021-2022 - \$3,400,000\*

\* The seventh year funds will begin vesting at a guaranteed \$500,000 on the effective date of the Agreement and increasing by \$500,000 each year upon the anniversary of the effective date through the six-year term.

Automobile: option of two dealer cars or \$7,500 in lieu of one of the cars annually

Social club membership: The University of Texas Club,  
The University of Texas Golf Club

Reasonable moving expenses and temporary housing

**Nonguaranteed compensation:**

Sports camps and clinics: TBD

Incentives:

Team performance incentives: maximum of \$550,000 annually

Team academic performance incentives: maximum of \$50,000 annually  
National Coach of the Year: \$50,000 annually  
Any additional national coaching award other than National Coach of the Year: \$20,000 annually

Source of funds: Intercollegiate Athletics

Description: Agreement for employment of Shaka D. Smart as Head Basketball Coach. Approved pursuant to Regents' *Rules and Regulations*, Rule 10501, Section 2.2.12(a).

Period: Guaranteed six-year term from April 6, 2015 through April 5, 2021; possible seventh year (non-guaranteed) through April 5, 2022

Note: To acquire the opportunity to hire Coach Smart as the head men's basketball coach, U. T. Austin will pay the Virginia Commonwealth University (VCU) an assignment fee of \$500,000 and will commit to playing the VCU men's basketball team for two years, once at home and once at VCU, beginning within one year of April 5, 2015. If U. T. Austin does not meet that commitment, U. T. Austin would owe VCU an additional \$250,000. The assignment agreement does not require Board of Regents' approval, but is contingent on approval of the employment agreement.

33. Employment Agreement - U. T. Austin: Assistant Football Coach Agreement for Merritt J. Norvell

The following Assistant Football Coach Employment Agreement has been approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents. If the Agreement is approved, total compensation for the contract period for Merritt J. Norvell will be in excess of \$1 million. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay and/or dismissal (Regents' *Rules and Regulations*, Rule 10501, Section 2.2.12 - Board Approval).

Item: Assistant Football Coach Agreement for Merritt J. Norvell

Proposed: **Guaranteed compensation:**

Annual Base Salary:

January 19, 2015-January 18, 2016 \$355,000 annually  
January 19, 2016-January 18, 2017 \$355,000 annually

Speaking Engagements:

January 19, 2015-January 18, 2016 \$5,000 annually  
January 19, 2016-January 18, 2017 \$5,000 annually

Sports Campus and Clinics:

January 19, 2015-January 18, 2016 \$10,000 annually  
January 19, 2016-January 18, 2017 \$10,000 annually

Automobile

January 19, 2015-January 18, 2016 Courtesy dealer car or  
monthly allowance  
January 19, 2016-January 18, 2017 Courtesy dealer car or  
monthly allowance

Social Club Membership

January 19, 2015-January 18, 2016 The University of Texas  
Golf Club  
January 19, 2016-January 18, 2017 The University of Texas  
Golf Club

Relocation Housing Search

\$2,000 one-time, within 30 days of execution of the Agreement

**Nonguaranteed compensation:**

Incentives:

- (a) \$15,000 in any contract year in which the team wins the Big 12 Championship
- (b) \$10,000 in any contract year in which the team participates in a Bowl Game that is not a Major Bowl; and
- (c) an additional \$10,000 in any contract year in which the team wins in a Bowl Game that is not a Major Bowl.
- (d) \$30,000 in any contract year in which the team appears in one of the six Major Bowls (Rose, Orange, Cotton, Sugar, Peach, and Fiesta) that is not a College Football Playoff Semi-Final game; and
- (e) an additional \$30,000 in any contract year in which the team wins such Major Bowl that is not a College Football Playoff Semi-Final game.

- (f) \$40,000 in any contract year in which the team appears in the College Football Playoff Semi-Final game, but team does not win the College Football Playoff National Championship game; and
- (g) an additional \$40,000 in any contract year in which the team wins the College Football Playoff Semi-Final game, but team does not win the College Football Playoff National Championship game.
- (h) \$140,000 in any contract year in which the team wins the College Football Playoff National Championship game. However, if the team wins the College Football Playoff National Championship, then the Assistant Coach is not entitled to receive any incentives listed above in (f) and (g) related to the College Football Playoff Semi-Final game.
- (i) \$17,000 in any contract year in which the team is ranked second through fifth in the final national ranking by the Associated Press; or
- (j) \$10,000 in any contract year in which the team is ranked sixth through tenth in the final national ranking by the Associated Press.
- (k) \$25,000 in any contract year in which the Assistant Coach wins the Broyles Assistant Coach of the Year.

Source of funds: Intercollegiate Athletics

Description: Agreement for employment of Merritt J. Norvell as Assistant Football Coach. Approved pursuant to Regents' *Rules and Regulations*, Rule 10501, Section 2.2.12(a)

Period: January 19, 2015 through January 19, 2017

34. Purchase - U. T. Austin: Authorization to purchase a total of approximately 1.1636 acres of land located at 1503, 1505, 1507, and 1509 East 20th Street and 1506, 1508, and 1510 East Martin Luther King Jr. Boulevard, Austin, Travis County, Texas, from Milton Gooden, for future campus expansion

Description: Purchase of lots within the approved boundaries of the U. T. Austin Campus Master Plan; these lots are located within the 2015 East Campus Master Plan update (see Academic Affairs Committee Agenda Item 5)

Total Area: Approximately 1.1636 acres

Location: 1503, 1505, 1507, and 1509 East 20th Street and 1506, 1508, and 1510 East Martin Luther King Jr. Boulevard, Austin, Travis County, Texas

Seller: Milton Gooden

Purchase Price: Approximately \$6,000,000 as confirmed by an independent appraisal currently underway by Sayers & Associates with an anticipated delivery of May 10, 2015

Source of Funds: Investment Funds

Intended Use: Future campus expansion

35. Report - U. T. Brownsville: No items for Consent Agenda



36. Admissions Criteria - U. T. Dallas: Changes to Admission Criteria

U. T. Dallas requests approval of proposed changes to admissions standards for freshman and transfer students to (1) modify the assured admissions criteria to require a successful completion of a full college-track high school curriculum, a composite ACT score of 26 or greater, or an SAT score of 1200, and (2) establish an admissions review process that includes an undergraduate admissions committee to review applicants who do not meet criteria for automatic or assured admissions.

UNDERGRADUATE ADMISSIONS - FRESHMEN

The University of Texas at Dallas is a comprehensive, State-supported institution of higher learning committed to providing quality education to a diverse student body. U. T. Dallas accepts applications for admission from freshmen and transfer students at all levels for the fall, spring, and summer semesters. Admission to U. T. Dallas is open to all candidates on the basis of academic preparation, ability, and availability of space without regard to race, ethnicity, religion, national origin, gender, age, disability, citizenship, veteran status, or sexual orientation. All admissions-related inquiries may be directed to [admission-status@utdallas.edu](mailto:admission-status@utdallas.edu).

Students are admitted to U. T. Dallas in accord with the following officially approved policies for freshman and transfer students that describe the criteria for both automatic and reviewed admission. Subject to available enrollment capacities and academic requirements for specific degree programs, all students admitted to the University will be enrolled in the degree program requested in their application material. Students who, because of these constraints, cannot be enrolled in their first or second choice of major will be offered enrollment in the School of Interdisciplinary Studies or as “undeclared.”

The goal of U. T. Dallas’ admission review process is to admit applicants who demonstrate excellence both academically and as engaged, compassionate leaders within the community. Applicants with exceptional performance in these areas may qualify for automatic admission to the University. In accordance with Chapter 51 of the *Texas Education Code*, students are automatically admitted to the University as first-time freshmen if they graduate in the top 10% of their class from an accredited Texas high school and successfully complete the Recommended or Distinguished Program, or earn a Distinguished Level of Achievement. Applicants admitted automatically may be required to complete additional preparatory work before enrolling in the University.

~~Applicants who are assured admission have met the following admission criteria:~~

- ~~• Graduate in good standing from an accredited high school~~
- ~~• Complete the full Texas recommended college-track high school curriculum~~
- ~~• Have academic records meeting one of the following:~~
- ~~• An SAT score of 1200 (combined math and critical reading) or higher~~
- ~~• A composite ACT score of 26 or greater~~
- ~~• A class rank in the top 15% of their high school class~~

Assured admission is granted to first-time freshmen who have successfully

completed a full college-track high school, the full Texas Recommended High School Program (RHSP) curriculum, graduate in the top 15%, and have exhibited strong general verbal and quantitative aptitudes as measured on national standardized tests. Applicants who meet all other requirements and achieve a composite ACT score of 26 or greater, or an SAT score of 1200 (combined math and critical reading) or higher are automatically admitted through an assured admission process. Students from private schools and those outside the State of Texas will be considered for admission based on the same academic benchmarks listed above and a comparable high school curriculum.

### Admissions Review Process and Undergraduate Admissions Committee

An undergraduate admissions committee (UAC) will review applications that do not meet the criteria for automatic or assured admission based on the holistic review of all submitted material. In an effort to avoid conflict of interest, a UAC member must recuse him or herself if he or she recognizes an applicant as a personal or professional acquaintance. Other members of the UAC may also ask other members to recuse themselves if a conflict of interest is detected. The UAC, which contains administrative, faculty and staff representatives, will assess the academic and personal experiences of the applicant using the following criteria:

- ~~High school class rank~~
- ~~Strength of academic preparation including the number and complexity of courses taken (Honors, AP, IB, etc.)~~
- ~~SAT-I or ACT scores~~
- ~~Record of achievements, honors, and awards~~
- ~~Special accomplishments, work, and community service, both in and out of school~~
- ~~Essays~~
- ~~Special circumstances that put academic achievements in context~~
- ~~Recommendations (suggested but not required)~~
- ~~Successful completion of a high school curriculum that includes:~~
  - ~~Four units of English Language Arts, including at least one unit of writing skills~~
  - ~~Two units of a single foreign language (three units recommended)~~
  - ~~Four units of Mathematics, including Algebra II and including a course dealing with trigonometry, such as pre-calculus~~
  - ~~Three units of laboratory science, not including Physical Science (four units recommended)~~
  - ~~Three units of Social Sciences, not including work-study (four units recommended)~~
  - ~~One-half unit of Fine Arts (one unit recommended)~~
  - ~~The university also recommends one unit of Computer Science, one-half unit of Health, and one unit of Physical Education~~
  - ~~For Texas residents, consideration may be given to socioeconomic and geographic information~~

### Academic Achievement

Academic achievement is assessed based on factors such as the applicant's high

school GPA and class rank. The strength of academic preparation, including the number and complexity of courses taken (e.g., Honors, Advanced Placement, International Baccalaureate), is also considered. Each applicant is expected to take full advantage of available academic resources.

### Special Accomplishments

Academic performance is often influenced by students' shared experiences on campus. In general, students tend to thrive in a vibrant, diverse, and socially rich environment, therefore special accomplishments (e.g., honors, awards, or service reflecting intellectual, artistic, or entrepreneurial achievements), both inside and outside the classroom, that can contribute to the energetic atmosphere of the University, are also valued.

### Performance on standardized tests

Performance on standardized tests is used to identify suitable candidates for admission. Both SAT I and ACT scores are accepted, however, if a student submits more than one set of test scores, only the highest composite score will be considered. Advanced Placement test scores can also be submitted for review.

### Essays

Essays are used in the review process to provide insight into an applicant's academic record, to showcase his/her cognitive abilities, and to highlight personal characteristics such as leadership ability, character, motivation, responsibility, dedication, and compassion. Applicants are encouraged to write detailed explanations of their achievements, relative to the essay topic.

### Successful Completion of Texas Recommended High School Program Curriculum Proper High School Curriculum

Applicants are also evaluated based on the successful completion of a high school curriculum that includes the following set of courses:

- English/Language Arts: 4 credits-units (including at least one unit of writing skills)
- Foreign language: 2 credits of the same units of a single language (3 credits-units recommended)
- Mathematics, including Algebra II and a trigonometry-based course, such as pre-calculus: 4 credits-units
- Science Laboratory science, not including Physical Science: 3 units (four units recommended) 4 credits (Chemistry and Physics are recommended in addition to Biology)
- Social Sciences: 3 credits (4 credits-units recommended) : not including work-study: 3-units:
- Fine Arts: 1 credit 1/2-unit (one unit recommended)
- The university also recommends one credit unit of Computer Science, one-half credit unit of Health, and one credit unit of Physical Education

### Special Circumstances

Special circumstances that put academic achievement in context are valuable to the

review process. Applicants who have experienced extraordinary circumstances or hardships should explain those events that may demonstrate qualities, characteristics, or skills sought in an applicant. Socioeconomic status and geographic information may also be considered for Texas residents.

#### Letters of Recommendation

Applicants are limited to three Letters of Recommendation (LREC), which must be supplied by someone who can speak to the student's academic, professional, extra-curricular, or community involvement. Applicants who choose to supply LRECs are responsible for ensuring their LRECs have been submitted by those appointed to write recommendations by supplying the recommenders with an official cover page. The UAC will only review LRECs with an official cover page. The name of each recommender will be published on the applicant's secure, online file. The UAC does not review additional LRECs or those submitted outside the formal admissions process.

#### Additional Requirements

In addition to current university requirements for admission, applicants will have either:

- Successfully completed the curriculum requirements for the Recommended or Distinguished Program or earn a Distinguished Level of Achievement or its equivalent, or
- Satisfied ACT's College Readiness Benchmark assessment or College Board's SAT Benchmark assessment.
- Satisfied ACT's College Readiness Benchmarks on the ACT assessment or earned a score of at least 1500 out of 2400 (or the equivalent) on the SAT assessment

Students who were unable to complete the above requirements due to scheduling, lack of enrollment, or other issues beyond the applicant's control may still be considered for admission.

#### Admissions Appeal Process

Applicants who have been denied admission to U. T. Dallas are eligible to appeal the UAC's decision. To appeal, applicants must complete and file an Appeal Form and Reconsideration Resume with the Office of Admission and Enrollment Services. The UAC will review the file and determine whether the applicant should be admitted to U. T. Dallas or if the original decision should stand.

37. Request for Budget Change - U. T. Dallas: Tenure Appointment -- amendment to the 2014-2015 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>Erik Jonsson School of Engineering and Computer Science</b>					
Geospatial Information Sciences Program					
Professor					
May Yuan (T)	9/1-5/31	100	09	190,000	6740

Note: Appointment to be retroactive to September 1, 2014, to correct a clerical error in processing the recommendation.

38. Request for Budget Change - U. T. El Paso: Tenure Appointment -- amendment to the 2014-2015 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>College of Liberal Arts</b>					
Criminal Justice					
Associate Professor and Special Advisor to the Vice President for Research on Border and Security Issues					
Jeffrey Rojek (T)	1/1-5/31	100	09	105,000	6734
	1/1-5/31	SUPL	09	7,500	

39. Report - U. T. Pan American: No items for Consent Agenda

40. Other Fiscal Matters – U. T. Permian Basin: Allocation of \$461,655 of Permanent University Fund debt proceeds for repair and replacement of a cooling tower

Description: On October 22, 2012, the Board of Regents allocated \$2,000,000 of Permanent University Fund debt proceeds for the replacement of a 40-year old cooling tower that had become a safety issue and required immediate attention. Total cost of the emergency repair is \$2,461,655. This request will fund the \$461,655 balance of the emergency repair.

Source of Funds: Permanent University Fund debt proceeds

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

**Shelia Pozorski** from Professor to Professor Emeritus, Department of Sociology and Anthropology and the Dean of the College of Social and Behavioral Sciences (RBC No. 6756) -- amendment to the 2014-2015 budget

**Tom Pozorski** from Professor to Professor Emeritus, Department of Sociology and Anthropology and the Dean of the College of Social and Behavioral Sciences (RBC No. 6757) -- amendment to the 2014-2015 budget

42. Request for Budget Change - U. T. San Antonio: New Hires with Tenure -- amendment to the 2014-2015 budget

The following personnel actions involving new hires with tenure appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2015 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>College of Sciences</b>					
Department of Chemistry					
Professor					
Michael Doyle (T)	1/1-5/31	100	09	160,000	6690
<b>College of Public Policy</b>					
Department of Social Work					
Professor					
DeBrenna Agbényiga (T)	3/1-5/31	100	09	145,000	6704

43. Request for Budget Change - U. T. San Antonio: Approval of Emeritus Title of Raymond Baird from Professor to Professor Emeritus, Department of Psychology in the College of Liberal and Fine Arts (RBC No. 6745) -- amendment to the 2014-2015 budget

44. Report - U. T. Tyler: No items for Consent Agenda

## HEALTH INSTITUTIONS

45. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide clinical research administrative services in the Altshuler Center for Education and Research at Dallas Metrocare Services

Agency: Dallas Metrocare Services

Funds: This amendment to the agreement increases the contract amount from \$999,733 to \$1,963,765, which is above the \$1,000,000 threshold requiring Board approval.

Period: December 1, 2014 through February 28, 2019 (first amendment to agreement)

Description: U. T. Southwestern Medical Center will provide clinical research administrative services in the Altshuler Center for Education and Research at Dallas Metrocare Services.

46. Contract (funds going out) - U. T. Southwestern Medical Center: Jack Boles Parking SWM, LLC dba Jack Boles Parking will provide valet parking services to patients and visitors at the Aston Ambulatory Care Center and the William P. Clements, Jr. University Hospital

Agency: Jack Boles Parking SWM, LLC dba Jack Boles Parking

Funds: \$4,500,000

Source of Funds: Auxiliary Enterprises

Period: October 6, 2014 through October 5, 2017, initial term with the option to renew this agreement for two additional one-year terms

Description: Jack Boles Parking SWM, LLC dba Jack Boles Parking will provide valet parking services to patients and visitors at the Aston Ambulatory Care Center and the William P. Clements, Jr. University Hospital.



47. Contract (funds going out) - U. T. Southwestern Medical Center: TEMPEG, LLP will provide emergency room physician and scribe services coverage at Parkland Health and Hospital System

Agency: TEMPEG, LLP

Funds: \$4,800,000

Source of Funds: Designated Funds - MSRDP/DSRDP/PRS practice plan professional fees

Period: March 1, 2015 through June 30, 2016

Description: TEMPEG, LLP will provide emergency room physician and scribe services coverage at Parkland Health and Hospital System. This procurement was not competitively bid because it is for professional services. Under *Texas Government Code*, Chapter 2254.003, a government entity may not select a provider of professional services on the basis of competitive bids, but instead shall make the selection based on the demonstrated competence and qualifications to perform the services; and for a fair and reasonable price.

48. Purchase - U. T. Southwestern Medical Center: Authorization to purchase approximately six acres of land located approximately at the east side of Dallas North Tollway, north of Lebanon Road, Frisco, Collin County, Texas, from Texas Scottish Rite Hospital for Crippled Children for clinical use

Description: Purchase of approximately six acres of unimproved land for future clinical facilities. This property, once developed, will constitute the institution's fourth remote clinical facility in the Dallas/Fort Worth area. It will join other facilities serving Fort Worth, Richardson, and Dallas Park cities.

Location: East side of Dallas North Tollway, north of Lebanon Road, Frisco, Collin County, Texas; see map on the following page

Seller: Texas Scottish Rite Hospital for Crippled Children, a Texas nonprofit corporation

Purchase Price: \$3,920,000

Appraised Value: \$3,920,000 (Hunsicker Appraisal Company, LLC, February 26, 2015)

Source of Funds: MSRDP Funds



49. Request for Budget Change - U. T. Medical Branch - Galveston: Approval of Emeritus Title of Robert Hirschfeld from Professor and Chair to Professor Emeritus, Psychiatry and Behavioral Sciences in the Academic Enterprise (RBC No. 6725) -- amendment to the 2014-2015 budget

50. Lease - U. T. Medical Branch - Galveston: Authorization to lease approximately 12,500 square feet of space at 17448 Highway 3, Webster, Harris County, Texas, from Salitex II, LTD for clinical use

Description: Lease of approximately 12,500 square feet of space at 17448 Highway 3, Webster, Harris County, Texas, for use as a clinic

Lessor: Salitex II, LTD, a Texas Domestic Limited Partnership

Term: The lease is estimated to be effective on approximately June 1, 2015, and will be for a period of the time to finish out the space plus five years. Rent will commence after the Lessor delivers the space in its required condition. U. T. Medical Branch - Galveston will have the option to renew the lease for up to two periods of five years each at the then fair market rental value.

Lease Cost: Approximately \$275,000 in rent and estimated operating expenses during the first year of the initial term. After the first lease year, U. T. Medical Branch - Galveston will pay the cost of growth of operating expenses. The initial rental rate is \$22 per square foot annually and increases \$.50 per square foot annually. The Lessor is providing a minimum tenant allowance of \$335,000 to a maximum of \$355,000 for improvements to the premises.

Source of Funds: U. T. Medical Branch - Galveston Health Ambulatory Services

51. Lease - U. T. Medical Branch - Galveston: Authorization to extend the lease of space at Clear Lake Center, 20728-20740 Gulf Freeway, Webster, Harris County, Texas, from Clear Lake Center, L.P., for administrative and office use

Description: Lease extension of five leases totaling 62,312 square feet located at Clear Lake Center, 20728-20740 Gulf Freeway, Webster, Harris County, Texas. The Board of Regents previously granted approval of these leases to U. T. Medical Branch - Galveston on November 6, 2014. Since then, the lease term for each lease has increased, which correspondingly increased the aggregate rental amount to the extent that this transaction requires resubmission to the Board of Regents for approval.

Lessor: Clear Lake Center, L.P., a Texas Limited Partnership

Term: The initial term for each lease shall be extended for a period of one year commencing on September 1, 2018, and expiring August 31, 2019. Additionally, U. T. Medical Branch - Galveston shall have the option to renew the leases for up to two periods of 24 months each.

Lease Cost: The additional aggregate amount of rental payments for the period from September 1, 2018 through August 31, 2019 is \$1,008,209. The aggregate amount of rental payments during the two renewal options is \$4,119,387.

Source of Funds: Patient revenue

52. Contract (funds going out) - U. T. Health Science Center - Houston: Richards Carlberg, Inc., dba Richards/Carlberg from Houston, Texas, to provide Texas-focused advertising/marketing services

Agency: Richards Carlberg, Inc., dba Richards/Carlberg

Funds: \$5,000,000

Period: April 1, 2015 through September 30, 2017

Source of Funds: Designated Funds – Interest on Designated Funds

Description: Following a competitive bid process, Richards/Carlberg was selected to develop and execute a qualified, comprehensive and Texas-focused advertising/marketing services campaign aimed at a targeted, potential donor audience.

53. Request for Budget Change - U. T. Health Science Center - Houston: New Hires with Tenure -- amendment to the 2014-2015 budget

The following personnel actions involving new hires with tenure appointments have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2015 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>School of Nursing</b>					
Dean's Office					
Dean Huffington					
Foundation Endowed Chair and John P. McGovern Distinguished Professor					
Lorraine Frazier (T)	2/1-8/31	100	12	220,000	6684
	2/1-8/31	SUPL	12	106,250	
<b>School of Public Health</b>					
Management, Policy and Community Health Professor					
Rebecca S. Wells (T)	1/20-8/31	100	12	147,000	6736
	1/20-8/31	SUPL	12	15,000	

54. Request for Budget Change - U. T. Health Science Center - Houston: Approval of Emeritus Titles

**Dorothy A. Otto** from Associate Professor to Associate Professor Emeritus, Nursing Systems in the School of Nursing (RBC No. 6695) -- amendment to the 2014-2015 budget

**Nancy H. Busen** from Professor to Professor Emeritus, Department of Family Health in the School of Nursing (RBC No. 6694) -- amendment to the 2014-2015 budget

55. Purchase - U. T. Health Science Center - San Antonio: Authorization to purchase a tract of unimproved land consisting of approximately three acres located approximately at the 25700 Block of Old Fredericksburg Road, Boerne, Bexar County, Texas, from Clyde B. Smith Business Park, Ltd., for development and operation of a medical clinic; and parity debt resolution

Description: The Board of Regents approved the purchase of 2.05 acres of land by U. T. Health Science Center - San Antonio at the February 12, 2015 meeting. To accommodate a larger clinic, the institution now desires to instead purchase a 2.9963 acre site located in the same development as the 2.05 acre site. The revised approval request is for the purchase of a tract of unimproved land consisting of approximately 2.9963 acres located approximately at the 25700 Block of Old Fredericksburg Road, Boerne, Bexar County, Texas; and authorization for the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to purchase the property. The property will be used by the institution for the development and operation of a medical clinic.

Seller: Clyde B. Smith Business Park, Ltd., a Texas limited partnership

Purchase Price: \$2,610,377, which is the fair market value as established by independent appraisals, plus all due diligence expenses, closing costs, and expenses to complete the acquisition as deemed necessary by the Executive Director of Real Estate.

Source of Funds: \$560,377 of the Purchase Price will come from Patient Revenue; \$2,050,000 of the Purchase Price will come from Revenue Financing System bonds repaid out of clinic revenues. Debt service for the acquisition is estimated to be \$150,843 annually. The institution's debt service coverage ratio is expected to be at least 3.1 times through the term of the bonds. The institution therefore requests that the Board resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (RFS) the findings that are stated below:

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

- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the RFS Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System;
- U. T. Health Science Center - San Antonio, 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 \$2,050,000; 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.

56. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Cryogene Partners G.P. to provide off-site biological specimen storage services

Agency: Cryogene Partners G.P.

Funds: Amendment number three increases the total amount of services under this agreement, including all renewals, from \$14,999,999 to \$18,000,000.

Source of Funds: Hospital patient income

Period: Amendment number three executes the last of two 12-month renewals, extending the term of the agreement from July 1, 2015 through June 30, 2016.

Description: Vendor maintains refrigerated specimens for laboratory research at a designated off-site location until items are requested by institution.



57. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: iProspect.com, LLC to provide search engine marketing services

Agency: iProspect.com, LLC

Funds: Amendment number two increases the total amount of services under this agreement from \$2,500,000 to \$4,500,000.

Source of Funds: Hospital patient income

Period: Amendment number two executes a partial-term renewal of four months, extending the agreement from November 1, 2015 through February 28, 2016.

Description: Vendor manages the institution's search marketing and is responsible for strategy, implementation, and performance tracking on paid search campaigns.

58. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Sapient Corporation to provide web design and digital experience strategy services

Agency: Sapient Corporation

Funds: Amendment number three increases the total amount of services under this agreement from \$2,499,999 to \$4,500,000.

Source of Funds: Hospital patient income

Period: Amendment number three executes the first of two 12-month renewals, extending the term of the agreement from April 15, 2015 through April 14, 2016.

Description: Vendor is assisting U. T. M. D. Anderson Cancer Center in creating a new digital experience to build better brand awareness. This involves rebuilding the institutional website with the goals of increasing global awareness, enhancing fundraising efforts, and improving the patient and physician experience. In addition, vendor is providing competitive analysis, market strategy, and on-site workshops.

59. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: STA Pharmaceutical Hong Kong Limited, a subsidiary of WUXI APPTec Hong Kong, to provide Active Pharmaceutical Ingredient production services

Agency: STA Pharmaceutical Hong Kong Limited, a subsidiary of WUXI APPTec Hong Kong

Funds: The total cost of goods and services under this agreement, including all renewals, will not exceed \$12,000,000.

Source of Funds: Hospital patient income

Period: The term of this agreement will be for a period of 60 months, commencing on June 1, 2015, and continuing through May 31, 2020. The agreement includes the option for three 12-month renewals.

Description: Vendor will provide services related to the production of Active Pharmaceutical Ingredients needed for biologic therapies as part of the process for moving preclinical drug discoveries into clinical studies. Agreement was competitively bid.

60. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: UST Global will assist in the development of an innovative cancer risk assessment and prevention product that will be marketed to Fortune 500 Companies

Agency: UST Global

Funds: The total cost of goods and services under this agreement, including all renewals, will not exceed \$9,000,000.

Source of Funds: Hospital patient income

Period: The term of this agreement will be for a period of 60 months, commencing on May 18, 2015, and continuing through May 17, 2020. The agreement includes the option for two 12-month renewals.

Description: U. T. M. D. Anderson Cancer Center's Employer Partnership Product aims to complement cancer risk assessments from the employer and employee perspective, with personalized recommendations for cancer prevention, screening, and related diagnostic services, as well as enhanced access and referral management. Vendor will develop and implement the Employer Partnership Product software, including an Employer and Employee portal, dashboard, mobile app, and wearable devices. Agreement was competitively bid.

61. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Cardinal Health 200, LLC to provide medical and surgical product distribution services

Agency: Cardinal Health 200, LLC

Funds: The total cost of goods and services under this agreement, including all renewals, will not exceed \$400,000,000.

Source of Funds: Hospital patient income

Period: The term of this agreement will be for a period of 60 months, commencing on September 1, 2015, and continuing through August 31, 2020. The agreement includes the option for three 12-month renewals.

Description: Vendor will provide medical and surgical product distribution services, including a just-in-time inventory system, 24/7 delivery services for 365 days per year, and on-site personnel. Agreement was competitively bid.

62. Contract (funds going out) - U. T. Health Science Center - Tyler: Watson Commercial Construction, Ltd. to perform alterations to central sterilization

Agency: Watson Commercial Construction, Ltd.

Funds: \$1,032,000

Source of Funds: Library, Education, Repair and Rehabilitation Funds (LERR)

Period: March 15, 2015 through August 31, 2015

Description: Standard Agreement between U. T. Health Science Center - Tyler and Watson Commercial Construction, Ltd. Agreement was competitively bid for alterations to be made on central sterilization.

63. Lease - U. T. Health Science Center - Tyler: Authorization to lease approximately 8,211 rentable square feet of space located at 2808 South Main Street, Lindale, Smith County, Texas, from Main Street Center, LLC, for clinical use

Description: Lease of approximately 8,211 rentable square feet of space located at 2808 South Main Street, Lindale, Smith County, Texas for clinical use

Lessor: Main Street Center, LLC, a Texas limited liability company

Total Area: 8,211 rentable square feet

Improvements: Shopping center

Lease Cost: \$1,068,000 (\$13.00 per rentable square foot) during the initial term; fair market value during the extension term as agreed or determined by appraisal process. U. T. Health Science Center - Tyler estimates a \$1,500,000 construction budget for the tenant improvements.

Term: 10 years with one 10-year extension option

Source of Funds: Hospital and Clinic Patient Revenue

Intended Use: Clinical use