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THE UNIVERSITY OF TEXAS SYSTEM BOARD OF REGENTS  
CONSENT AGENDA**

**Committee and Board Meetings:**

November 5-6, 2014  
El Paso, Texas

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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 August 20-21, 2014; and the special called meetings held on September 15, 2014, October 3, 2014, and October 16, 2014
2. Other Fiscal Matters - U. T. System Board of Regents: Adoption of a Supplemental Resolution to benefit U. T. Southwestern Medical Center authorizing the issuance and delivery of Revenue Financing System obligations in the form of a loan to U. T. Southwestern Medical Center from the Small Business Incubator Fund, authorization to complete all related transactions, and resolution regarding parity debt

Adoption of the Supplemental Resolution authorizing the issuance and delivery of The University of Texas System Revenue Financing System obligations not to exceed \$1,000,000 in the form of a loan to U. T. Southwestern Medical Center from the Small Business Incubator Fund (Fund) to be used for capital costs associated with the establishment of a charged particle radiotherapy center at U. T. Southwestern Medical Center as part of the Texas Center for Advanced Radiation Therapy.

Section 481.415 of the *Texas Government Code* authorizes the Fund to make loans to governmental entities for projects, activities, or enterprises that foster economic development in Texas. As outlined in the loan agreement, the interest rate on the loan is 0% and the loan is forgivable provided certain project milestones are reached. If the project milestones are not met within the timeframe provided in the loan agreement, U. T. Southwestern Medical Center must repay the loan. Because the loan term extends beyond one year and there is a possibility of repayment, the loan constitutes a debt that must be authorized as a Revenue Financing System obligation. The findings have been reviewed and are recommended by the Executive Vice Chancellor for Business Affairs and the Associate Vice Chancellor for Finance. The institution therefore requests that the Board resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System the 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. Southwestern Medical Center, 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 \$1,000,000; and
- this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

3. Contract (funds coming in) - U. T. System: Cabot Oil and Gas Corporation to enter into an oil and gas lease benefiting U. T. San Antonio

Agency: Cabot Oil and Gas Corporation

Funds: \$3,758,400 (1,392 acres at \$2,700 per acre), which represents a bonus payment plus royalty of 25% of gross production

Period: Agreement shall be for a term of three years commencing on the effective date after approval and for so long thereafter as oil or gas is produced in paying quantities from the leased premises

Description: Oil and gas lease of 1,392 acres of land in Frio County, Texas, benefiting U. T. San Antonio.

4. Contract (funds going out) - U. T. System: Jaster - Quintanilla Dallas, LLP to perform surveying services

Agency: Jaster - Quintanilla Dallas, LLP

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis

Source of Funds: Various funds approved for individual Capital Improvement Program projects

Period: December 3, 2011 through December 2, 2017 (Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Jaster - Quintanilla Dallas, LLP to perform miscellaneous professional surveying services on a job order basis. Services were competitively procured.

5. Contract (funds going out) - U. T. System: Jacobs Engineering Group Inc. to perform professional commissioning services on capital projects on an as-needed basis

Agency: Jacobs Engineering Group Inc.

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis

Source of Funds: Various funds approved for individual Capital Improvement Program projects

Period: May 1, 2014 through April 30, 2020 (Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Jacobs Engineering Group Inc. to perform miscellaneous professional commissioning services on a job order basis. Services were competitively procured.

6. Contract (funds going out) - U. T. System: Page Southerland Page, LLP to perform professional commissioning services on capital projects on an as-needed basis

Agency: Page Southerland Page, LLP

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis

Source of Funds: Various funds approved for individual Capital Improvement Program projects

Period: May 1, 2014 through April 30, 2020 (Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Page Southerland Page, LLP to perform miscellaneous professional commissioning services on a job order basis. Services were competitively procured.

7. Contract (funds going out) - U. T. System: Progressive Environmental Service, Inc. dba SWS Environmental Services to provide emergency and spill services

Agency: Progressive Environmental Service, Inc. dba SWS Environmental Services

Funds: This contract could exceed \$1,000,000 over the five-year term of the agreement if a significant emergency event occurs.

Source of Funds: Funded by each institution electing to use the services of Progressive Environmental Service, Inc. dba SWS Environmental Services

Period: The original one-year contract was signed in August 2014 for Fiscal Year 2015. This contract includes four additional options to renew. If all four terms are executed, this contract will expire August 31, 2020.

Description: This contract serves health and academic institutions' spill and emergency response needs. U. T. System issued a request for proposal and an agreement was put in place following a competitive bid process earlier this year. All vendors were evaluated by a selection committee consisting of six U. T. System institutions.

8. Contract (funds going out) - U. T. System: SET Environmental, Inc. to provide emergency and industrial services

Agency: SET Environmental, Inc.

Funds: This contract could exceed \$1,000,000 over the five-year term of the agreement if a significant emergency event occurs.

Source of Funds: Funded by each institution electing to use SET Environmental, Inc. services

Period: Original contract was signed in August 2014 for Fiscal Year 2015. This contract includes four additional options to renew. At the end of the fourth renewal, this agreement will expire August 31, 2020.

Description: This contract serves both health and academic institutions' spill and emergency response needs. U. T. System issued a request for proposal and an agreement was put in place following a competitive bid process earlier this year. All bidders were evaluated by a selection committee consisting of six U. T. System institutions.

9. Contract (funds going out) - U. T. System: Stericycle, Inc. to process regulated medical waste

Agency: Stericycle, Inc.

Funds: The combined service needs will exceed \$1,000,000 over the five-year term of the agreement.

Source of Funds: Funded by each institution electing to use Stericycle, Inc. services

Period: This contract was signed in August 2014 for Fiscal Year 2015. This contract includes four additional one-year renewal options. The fourth executed renewal will expire August 31, 2020.

Description: This contract serves both health and academic institutions' regulated medical waste needs. U. T. System issued a request for proposal and a contract was put in place after the competitive bid process earlier this year. All bidders were evaluated by a selection committee consisting of six U. T. System institutions who are users of this contract.

10. Contract (funds going out) - U. T. System: Witt O'Brien's to provide nonexclusive emergency and recovery services on an as-needed basis

Agency: Witt O'Brien's

Funds: To be determined, and may exceed \$1,000,000, based on need in the event of a disaster

Source of Funds: Will vary by institution electing to use Witt O'Brien's services in the event of a disaster

Period: August 1, 2014 through August 31, 2015 with the option of four additional one-year terms

Description: This contract will provide emergency services related to disaster events including project identification, project claims processing, project preparation, and project reporting as related to federal reimbursement for the disaster.

11. Contract (funds going out) - U. T. System: Adjusters International, Inc. to provide nonexclusive emergency and recovery services on an as-needed basis

Agency: Adjusters International, Inc.

Funds: To be determined, and may exceed \$1,000,000, based on need in the event of a disaster

Source of Funds: Will vary by institution electing to use Adjusters International, Inc. services in the event of a disaster

Period: August 1, 2014 through August 31, 2015 with the option of four additional one-year terms

Description: This contract will provide emergency services related to disaster events including project identification, project claims processing, project preparation, and project reporting as related to federal reimbursement for the disaster.

12. Intra-agency Agreement - U. T. System: Agreement between U. T. System and U. T. Health Science Center - San Antonio for continued services of Francisco G. Cigarroa, M.D., to assist with establishment and operation of the new university and medical school in the Rio Grande Valley

Agency: U. T. Health Science Center - San Antonio

Funds: \$350,000 per year for 3 years, with possibility of 3 additional one-year extensions

Period: Commencing on Dr. Cigarroa's return to the faculty of U. T. Health Science Center - San Antonio for a minimum of three years

Description: Agreement to secure the services of Francisco G. Cigarroa, M.D., as Regents' Special Liaison, dedicated to the new university and medical school in the Rio Grande Valley. Dr. Cigarroa's continued involvement with the new university as a key liaison between U. T. Rio Grande Valley and U. T. Health Science Center - San Antonio has been determined to be of significant benefit in assuring timely and complete implementation of the new university and medical school. The terms of the agreement are set out on the following pages.



**The University of Texas System**  
Nine Universities. Six Health Institutions. Unlimited Possibilities.

**Paul L. Foster, Chairman**  
**U. T. System Board of Regents**  
201 West Seventh Street, Suite 820  
Austin, Texas 78701-2981  
Phone: (512) 499-4402 Fax: (512) 499-4425  
<http://www.utsystem.edu/board-of-regents>

September 2, 2014

- 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

**William L. Henrich, M.D.**  
**President**  
**The University of Texas Health Science Center at San Antonio**  
7703 Floyd Curl Drive, MSC 7834  
San Antonio, Texas 78229

Dear President Henrich:

This memorandum of understanding, which is subject to review and approval by the U. T. System Board of Regents via the Board’s Consent Agenda and is not effective unless so approved, is intended to document understandings and expectations related to the desire of the Board of Regents to continue to have access to the unique skills and experience of Chancellor Francisco G. Cigarroa, M.D., to assist with the development of The University of Texas Rio Grande Valley and its new medical school.

It is clear that Dr. Cigarroa’s continued involvement with the new university and as a key liaison between U. T. Rio Grande Valley and U. T. Health Science Center - San Antonio will be of great benefit in assuring timely and complete implementation of the new university and medical school. Acknowledging the need for a dual assignment with the U. T. Health Science Center - San Antonio and the U. T. System, we propose to reimburse the U. T. Health Science Center - San Antonio, with Available University Fund dollars available to the U. T. System, for a portion of Dr. Cigarroa’s time for services provided to the U. T. System in conjunction with the steps necessary to open the new university and medical school to students within the established timeline.

Based upon Dr. Cigarroa’s contractually-approved academic salary rate of \$770,000, U. T. System Administration will reimburse U. T. Health Science Center - San Antonio up to \$350,000 for the time and effort Dr. Cigarroa will dedicate as the Regents’ Special Liaison to the new university and medical school in the Rio Grande Valley. The agreement for service as Regents’ Special Liaison is for a minimum of three years following Chancellor Cigarroa’s return to the faculty of the Health Science Center and includes any period of contractually guaranteed development leave at his academic salary rate. The agreement may be extended on a year-by-year basis following a review of the need for continued assistance from Dr. Cigarroa, with the written consent of the Chairman of the Board, the Chancellor of the U. T. System, and the President of the U. T. Health Science Center - San Antonio, for a period of time not to exceed a total of six years.

[www.utsystem.edu](http://www.utsystem.edu)

William L. Henrich, M.D.  
September 2, 2014  
Page 2

Nothing in this letter and the arrangement outlined is intended to modify, in any way, the terms and commitments documented in the attached Letter Agreements between the Board of Regents and Chancellor Cigarroa dated January 13, 2009 and September 27, 2013.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Foster', with a long horizontal stroke extending to the right.

Paul L. Foster  
Chairman

PLF:ps  
Attachments

c: Members, U. T. System Board of Regents  
Executive Vice Chancellor Pedro Reyes  
Executive Vice Chancellor Raymond S. Greenberg, M.D., Ph.D.  
Executive Vice Chancellor Scott C. Kelley  
Vice Chancellor and General Counsel Dan Sharphorn  
General Counsel to the Board Francie A. Frederick  
Associate Vice Chancellor, Controller and Chief Budget Officer  
Randy Wallace



- 13. Request for Budget Change - U. T. System: Grant budget authority of \$2,500,000 funded from State Sponsored Programs to pay expenses associated with the Lone Star Stroke Initiative to implement a statewide patient-centered clinical stroke research trial network that spans urban and rural Texas (RBC No. 160) -- amendment to the 2013-2014 budget
  
- 14. Request for Budget Change - U. T. System: Increase budget authority by \$561,028 funded from reimbursements from U. T. System institutions to pay expenses related to the Copyright Clearance Center (RBC No. 164) -- amendment to the 2014-2015 budget  
  
 Transfer for the annual renewal of copyright licensing for the U. T. System academic and health institutions to continue education and research missions by utilizing this service for compliance with all U.S. copyright laws. The annual license will enable faculty, students, and staff to lawfully reproduce excerpts from the titles in the Copyright Clearance Center's repository, in print and digital formats, cover information reuse and distribution, and reduce the burden of tracking and managing content, and simplify the royalty payment process.
  
- 15. Request for Budget Change - U. T. System: Increase budget authority by \$5,928,189 funded from receipts from participating institutions to be used for ongoing sustainment of the UTShare Project (RBC No. 166) -- amendment to the 2014-2015 budget
  
- 16. Transfer of Funds - U. T. System: Transfer \$3,000,000 from the Rolling Owner Controlled Insurance Program (ROCIP) to rebate surplus premium contributions by participating U. T. System institutions paid by Phase IV of ROCIP. Surplus amount was actuarially determined considering premiums paid into the fund as well as the individual institution's losses (RBC No. 159) -- amendment to the 2014-2015 budget

Description	\$ Amount	RBC #
ROCIP		
Amount of Transfer:	3,000,000	159
From: ROCIP		
To:		
U. T. Arlington	42,954	
U. T. Austin	789,910	
U. T. Brownsville	9,606	
U. T. Dallas	104,940	
U. T. El Paso	51,756	
U. T. San Antonio	124,793	
U. T. Tyler	72,721	
U. T. Southwestern Medical Center	316,548	
U. T. Medical Branch - Galveston	188,041	
U. T. Health Science Center - Houston	313,138	
U. T. Health Science Center - San Antonio	222,063	
U. T. M. D. Anderson Cancer Center	<u>763,530</u>	
TOTAL	3,000,000	

17. Transfer of Funds - U. T. System: Approval to transfer \$15,000,000 of Permanent University Fund (PUF) Bond Proceeds to U. T. Health Science Center - San Antonio (RBC No. 161)

On December 6, 2012, the Board of Regents approved \$100,000,000 of unspecified resources to be used for start-up costs for the U. T. Rio Grande Valley Medical School. On May 15, 2014, an initial distribution of \$5,000,000 of PUF Bond Proceeds was approved to be transferred to U. T. Health Science Center - San Antonio. Request approval to transfer an additional \$15,000,000 of PUF Bond Proceeds to U. T. Health Science Center - San Antonio to be used for eligible capital expenses related to the U. T. Rio Grande Valley Medical School.

18. Transfer of Funds - U. T. System: Approval to allocate \$8,000,000 of Permanent University Fund Bond Proceeds for U. T. Dallas to purchase temporary buildings needed to provide additional space for teaching and research (RBC No. 162) -- amendment to the 2014-2015 budget

The continued rapid growth in the numbers of students enrolling at U. T. Dallas, particularly in engineering disciplines, has created an immediate and urgent need for additional space for teaching classrooms, research laboratories, and offices for associated personnel. The requested funds will be used to purchase, install, and equip a minimum of four modular buildings, each with approximately 8,700 gross square feet of space for a total of at least 34,800 gross square feet. The modular buildings would be installed in the first half of 2015 and be available by the start of the Fall 2015 semester.

From Fall 2010 to Fall 2014, enrollment at U. T. Dallas increased from 17,128 to 23,220 students, which is a 36% increase (average of 9% per year). This sustained rate of growth is by far the largest rate of enrollment increase among public universities in Texas with at least 10,000 students.

The enrollment increase in engineering at U. T. Dallas is particularly challenging. Enrollment in engineering and computer science has increased from 3,173 students in Fall 2010 to 5,771 students in Fall 2014, which is an increase of 82% in just four years. An additional key pressure point is undergraduate math and science courses – the number of undergraduate semester credit hours taken by U. T. Dallas students is 17% higher in Fall 2014 compared to Fall 2013.

U. T. Dallas remains focused on graduating students from exceptionally high-quality programs. The 4-year graduation rate has increased from 45% in Fall 2010 to 50% in Fall 2014. The 6-year graduation rate has increased from 63% in Fall 2010 to 70% in Fall 2014. Quality of programs is strong and improving, but threatened above all else by limitations in available academic space.

Even with additional space that will come online over the next two years, and with continued efficient use of space by U. T. Dallas, more academic space is needed immediately to accommodate the growth in enrollment. It has been determined that modular buildings are the only practical choice to meet the need. U. T. Dallas has limited capacity to borrow funds; potential new debt capacity needs to be reserved for renovations to existing space and investments in future permanent buildings.

19. Transfer of Funds - U. T. System: Approval to allocate \$2,700,000 of Permanent University Fund Bond Proceeds for U. T. El Paso to demolish Barry Hall and Burges Hall (RBC No. 163) -- amendment to the 2014-2015 budget

U. T. El Paso requires demolition of two adjacent and underutilized campus buildings, Barry Hall and Burges Hall, both of which were originally constructed as student dormitories nearly 50 years ago. An attempt was made to convert Burges Hall into office space 20 years ago with support from a federal grant, but the building's structural constraints limit its use and efficiency, and the cost-to-benefit potential of further upgrades is decidedly unfavorable. Barry Hall was a high-rise dormitory that was mothballed more than 25 years ago due to the significant cost of complying with life safety directives issued by the State Fire Marshal for residential facilities. The investment required for renovation of this facility for office or instructional use would be both cost prohibitive and of limited benefit due to its inherent structural constraints. This space will be used for future growth.

20. Transfer of Funds - U. T. System: Approval to transfer \$576,875 to the International Risk Program funded from assessments to U. T. System institutions. The increase to the International Risk Program relates to the newly implemented International Student Medical Insurance Program. (RBC No. 165) -- amendment to the 2014-2015 budget

21. Employment Agreement - U. T. System: Agreement with William H. McRaven, Admiral U.S. Navy Retired, concerning terms and conditions associated with Admiral McRaven's appointment as Chancellor-Designate effective December 1, 2014 and Chancellor effective January 5, 2015

The employment agreement summarized below documents the terms of employment approved by the U. T. System Board of Regents on August 21, 2014. The final agreement is recommended for approval by the Board.

Item:	Chancellor for U. T. System
Funds:	Annual funds of \$1,200,000 for salary, \$400,000 for deferred compensation contribution, and \$300,000 in contingent annual funds for performance review/retention payments. One-time funds of \$300,000, respectively, for contract commencement (2014) and contingent contract completion payments (2018).
Period:	Beginning December 1, 2014
Description:	Three-year agreement for employment of William H. McRaven, Admiral U.S. Navy Retired, as Chancellor. The employment agreement is set forth on the following pages.

**EMPLOYMENT AGREEMENT**  
**BETWEEN THE UNIVERSITY OF TEXAS SYSTEM**  
**AND WILLIAM H. McRAVEN, Admiral, USN, Retired**

**THIS EMPLOYMENT AGREEMENT** (this "Agreement") is effective on the date The University of Texas System Board of Regents ("Board"), votes to ratify this Agreement ("Effective Date"), and is by and between THE UNIVERSITY OF TEXAS SYSTEM ("System") and WILLIAM H. McRAVEN, Admiral, USN, Retired ("Adm. McRaven").

**RECITALS**

A. The System and Adm. McRaven herein enter into the Employment Agreement dated as of the Effective Date.

B. The parties acknowledge that Adm. McRaven was offered and has accepted the position of CHANCELLOR of THE UNIVERSITY OF TEXAS SYSTEM ("Chancellor") on the terms set forth in this Agreement.

C. Adm. McRaven's years of experience and tenure in senior leadership positions and his background, talents, and abilities uniquely qualify him to hold the position of Chancellor of The University of Texas System.

D. This Agreement and its execution have been duly authorized by the Board, subject to full Board ratification at the next scheduled Board meeting.

**AGREEMENT**

**NOW, THEREFORE**, for and in consideration of the mutual benefits and consideration received and to be received by the respective parties, Adm. McRaven is employed as Chancellor upon the following terms, conditions, covenants, and agreements:

**I. EMPLOYMENT AND APPOINTMENT**

Adm. McRaven's employment with the System shall be effective December 1, 2014, and his employment as Chancellor shall be effective January 5, 2015.

**II. TERM OF AGREEMENT**

The term of this Agreement shall begin as of the Effective Date, and such term shall continue for a period ending January 5, 2018, subject to earlier termination as provided in Section VIII hereunder. During the period from December 1, 2014, through January 4, 2015, Adm. McRaven shall be employed as a non-salaried employee of the System holding the position of Chancellor-Designate.

### III. SALARY AND OTHER COMPENSATION

A. Base Salary. Adm. McRaven shall be remunerated for services rendered as Chancellor based on an annual base rate salary of \$1,200,000 per year payable in accordance with the System's established pay practices, with such compensation to begin as of January 5, 2015. The Board will review Adm. McRaven's performance and overall compensation at least annually commencing on or before the start of each calendar year during the term of this Agreement.

B. Annual Retention Payment. In consideration of Adm. McRaven's commitment and service described in this Agreement, the System agrees to pay Adm. McRaven an annual retention bonus in the amount of \$100,000 ("Retention Bonus"). The Retention Bonus shall be due and payable within sixty (60) days of the Board's completion of Adm. McRaven's annual performance evaluation, with the first annual performance evaluation performed no later than November 2015, and the first Retention Bonus to be due and payable on or before December 30, 2015.

C. Contingent Performance Review Payment. Upon completion of mutually agreed annual achievement efforts, the System may pay Adm. McRaven, an additional annual performance bonus in the amount of \$200,000 ("Contingent Performance Payment"). The Contingent Performance Payment, if awarded, shall be due within sixty (60) days of the Board's completion of Adm. McRaven's annual performance evaluation. The Board of Regents may award a greater Contingent Performance Payment in its discretion based upon outstanding effort.

D. Contingent Contract Completion Payment. In consideration of Adm. McRaven's successful completion of the full term of this Agreement, the System agrees to pay Adm. McRaven a contract completion payment in the amount of \$300,000 ("Completion Payment"). The Completion Payment, if awarded, shall be due and payable within thirty (30) days of Adm. McRaven's full term as Chancellor under this Agreement, with the Completion Payment to be due and payable within sixty (60) days after January 5, 2018.

E. One-Time Contract Commencement Payment. The System agrees to pay Adm. McRaven a one-time payment in the amount of \$300,000, within thirty (30) days of the Effective Date. This payment is in lieu of any additional payment for costs associated with the moving, storage, relocation and transitional living expenses of Adm. McRaven and his family and any other expenses related to relocation.

F. Notwithstanding anything to the contrary herein, the payments described in this Section III are subject to Section VIII of this Agreement.

### IV. PERFORMANCE

Adm. McRaven shall serve, and shall oversee and administer the activities and operations of the System with maximum application of effort, experience and ability consistent with Board and System policy. Adm. McRaven agrees to devote his full-time and attention and to use his talents and best efforts to perform the duties assigned to him as Chancellor, by this Agreement and by law. Adm. McRaven may, with prior written consent of the Chairman of the Board, participate

as a member of board(s) of directors of for-profit and nonprofit corporations, subject to all applicable U.T. System and Board policies. Adm. McRaven may also expend reasonable time on charitable and other professional activities; provided that these activities do not interfere with his full and faithful performance of duties as Chancellor. Specifically, Adm. McRaven shall be permitted to engage in up to 6 outside speeches per year as mutually agreed to by the Chairman of the Board and Adm. McRaven, or by prior written consent, and to serve on not less than one for-profit board, subject to state law, *Regents' Rules*, the System's conflicts policy and approval. All income or other compensation due Adm. McRaven in connection with any approved outside activities shall be paid to and retained by him and reported in accordance with applicable law and established System policy.

## V. RESIDENCE

Adm. McRaven shall be required, as a condition of employment and for the benefit and convenience of the System, to live in Bauer House in Austin, Texas ("Residence"). Residence at Bauer House is required to assist the Chancellor in the proper performance of his duties of employment and to serve the best interests of the System. This requirement results from the nature of the System's responsibilities and the need for the Chancellor to accommodate student and staff meetings, System events, and other official functions at the Residence in the performance of his duties. The System shall provide adequate clerical and custodial staff to Adm. McRaven and shall provide or pay for all reasonable maintenance and operating expenses, including without limitation, grounds keeping, housekeeping, and repair on the Residence. The housekeeping services may be utilized related to the personal portion of Bauer House. Personal services must be documented and the value of these services will be reported as taxable income.

Adm. McRaven may use the Residence for entertaining community groups, associations, individuals, alumni, prospective university friends, donors and anyone else judged by the Chancellor to advance the System and its mission. Costs associated with such events shall be paid by the System. In addition, it is acknowledged that the house serves as the personal residence of the Chancellor and, as a result, there will be occasions where entertaining of a personal, rather than business nature will occur. In such situations the use of the Residence is permissible but the Chancellor is personally responsible for the costs of such personal entertainment.

As Bauer House and most of its contents are defined as state property under the laws of the State of Texas, the System is required to have an annual physical inventory. Adm. McRaven agrees to make the Bauer House and the state property therein available to the System to conduct this inventory during the timeframe scheduled for the annual property inventory, and at mutually convenient times prior to the termination of this Agreement. All efforts will be made to ensure that all personal non-state property owned by Adm. McRaven and his family will not be included in the inventory.

Upon termination of this Agreement or upon cessation of service as Chancellor, Adm. McRaven agrees to vacate the Residence within thirty (30) days. The family of Adm. McRaven has ninety (90) days to vacate the residence if Adm. McRaven dies or becomes permanently disabled during the term of this Agreement. All property within the Bauer House that is deemed

state property shall remain in the Bauer House upon Adm. McRaven vacating the Residence as described herein. Adm. McRaven shall be entitled to occupy Bauer House on December 1, 2014, his first day of employment with the System.

## VI. BENEFITS

A. Employee Benefits Generally. Adm. McRaven shall be entitled to participate in all benefits programs customarily available to senior executives of the System in accordance with applicable state and federal laws and the System's rules and regulations governing such programs, including without limitation group life insurance with a death benefit of \$1,500,000.

B. Supplemental Retirement Provisions. Adm. McRaven and the System have agreed to enter into a deferred compensation agreement effective on January 5, 2015, (the "Deferred Compensation Agreement"). The Deferred Compensation Agreement will provide Adm. McRaven with deferred compensation benefits for the period from January 5, 2015 through January 5, 2018. For each of the calendar years 2015, 2016 and 2017, the System will credit Adm. McRaven's account under the Deferred Compensation Plan with \$400,000, for a potential total of \$1,200,000 of deferred compensation contributions. Subject to acceleration of vesting in the case of death, disability, involuntary termination without cause, Adm. McRaven will vest in the amounts credited to his account as set out in the Deferred Compensation Plan.

C. Club Memberships. Adm. McRaven shall be provided the use of a membership in and payment of the dues and reasonable expenses of such club memberships as deemed appropriate and approved in writing by the Chairman of the Board to assist in the discharge of his official duties.

D. General Expenses. Subject to the limitations of the laws of the State of Texas, the System shall allocate sufficient funds for Adm. McRaven's office and for salaries for personnel required to staff such office, travel, official entertainment expenses and other official activities. Adm. McRaven's reasonable travel, entertainment and other business expenses incurred in his capacity as Chancellor shall be paid or reimbursed with an appropriate source of funds. Subject to State of Texas travel guidelines and laws and applicable *Regents' Rules*, the System shall cover the reasonable costs of travel and entertainment expenses of Adm. McRaven's spouse when she accompanies him on travel or entertainment for the benefit of the System. The expenses of Adm. McRaven and his spouse shall be reviewed and approved pursuant to applicable *Regents' Rules*.

## VII. TENURE

Subject to normal academic review and approval procedures, Adm. McRaven shall be appointed as Professor of Public Affairs, with tenure, at The University of Texas at Austin. Pursuant to such tenure, Adm. McRaven shall be eligible for one (1) year of paid leave assignment at his academic salary after serving at least four (4) years as Chancellor, to prepare for faculty duties at the assigned academic rate. Consistent with the provisions of Texas Education Code §51.948(c), the total academic rate compensation will be set at an amount at least equal to the average of the total academic rate compensation not including applicable

incentive paid to the three most highly compensated full-time tenured faculty members of the LBJ School of Public Affairs. Notwithstanding the forgoing, Adm. McRaven shall not be eligible for such one-year paid leave assignment if his employment under this Agreement is terminated pursuant to the provisions of Section VIII.B.

## VIII. TERMINATION

A. Resignation. If, during the term of this Agreement, Adm. McRaven resigns from his position as Chancellor, no further compensation or benefits shall be due under this Agreement; provided, however, that the provisions of Section VIII.F shall apply to any such resignation. Adm. McRaven shall provide the System a minimum of ninety (90) days written notice of his resignation to the extent practicable.

B. Termination by the System for Cause. The Board may terminate Adm. McRaven for Cause after giving Adm. McRaven thirty (30) days written notice, during which time Adm. McRaven shall have the right to cure the allegations for Cause, if curable, and a reasonable opportunity to be heard with respect to the grounds for Cause. "Cause" is defined as (1) conviction (including a pleading of nolo contendere) for a felony, (2) conviction (including a pleading of nolo contendere) for a misdemeanor involving moral turpitude that materially impairs Adm. McRaven's ability to discharge his duties hereunder, (3) fraud, (4) embezzlement, (5) theft, (6) engaging in conduct that displays a continual and serious disrespect or disregard for the Board and/or the System; or (7) engaging in conduct by Adm. McRaven that brings material public disrespect, contempt or ridicule upon University of Texas institutions and/or the System, or creates a material adverse effect on the reputation and/or brand of University of Texas institutions and/or the System. Upon termination for Cause, no further compensation or benefits shall be due under this Agreement; provided, however, that the provisions of Section VIII.F shall apply to any such termination.

C. Termination by the System Without Cause. The System may terminate this Agreement without Cause at any time by giving ninety (90) days written notice to Adm. McRaven. In such event, Adm. McRaven shall be entitled to receive his base salary for the remainder of the three-year term of this Agreement, as set forth in Section III. In addition, Adm. McRaven shall receive any Retention Bonus, Contingent Performance Bonus (at target) during the remainder of the term and a pro rata portion of the Completion Payment, all payable in a lump sum promptly upon such termination. Any such payments shall not exceed an amount equal to the discounted net present cash value of the contract on termination at the market rate of interest at the time of termination. If he elects to assume faculty status, Adm. McRaven will be entitled to continue his participation in the System's retirement program, health and dental, and life insurance as an employee of the System consistent with then-current System policy and state and federal law. The System's obligations to make payments as described above shall be reduced to the extent of Adm. McRaven's compensation from new full-time employment after such termination and during the remainder of the three-year term of this Agreement. Such reduction shall include amounts received by Adm. McRaven by reason of his taking a one-year paid leave assignment and/or assuming faculty status as provided in Section VII. Adm. McRaven agrees to provide reasonable evidence of his new full-time employment salary under this paragraph. The provisions of Section VIII.F shall apply to any such termination.



D. Permanent Disability. If Adm. McRaven becomes permanently disabled during his service as Chancellor, this Agreement shall terminate effective on the date of permanent disability and he shall receive all benefits to which he is entitled pursuant to the System's disability insurance plans in which he participates and payout of the then-current balance in the Deferred Compensation Plan.

For purposes of this Agreement, "Permanent Disability" shall mean the inability of Adm. McRaven to perform the essential functions of the position of Chancellor for a period of six (6) continuous months, with reasonable accommodations (as such term is defined in 42 U.S.C. § 12111(9), as amended, and in the applicable law interpreting same).

E. Death. In the event of the death of Adm. McRaven during the term of this Agreement, his compensation and benefits shall cease immediately and this Agreement shall terminate effective on the date of death. As determined by state and/or federal laws, Adm. McRaven's estate shall be entitled to receive all benefits to which he is entitled under the System's various insurance plans and payout of the then-current balance in the Deferred Compensation Plan.

F. Effect of Termination. Termination of this Agreement under any of the foregoing paragraphs shall not affect any retirement, welfare (including but not limited to medical, death, and disability programs), or any other benefits accrued as of the date of such termination under any program or plan established and maintained by the System for which Adm. McRaven qualifies or in which Adm. McRaven participates, all of which shall be governed by their respective terms.

## IX. MISCELLANEOUS

A. General. Other than the Deferred Compensation Plan, this Agreement is the complete agreement between Adm. McRaven and the System concerning the employment of Adm. McRaven by the System and the appointment of Adm. McRaven as Chancellor, and shall, as of the Effective Date hereof, supersede any other agreements between the parties. The parties stipulate that neither of them has made any representation to the other with respect to the subject matter of this Agreement except such representations as are specifically set forth herein. No modification of this Agreement or any part thereof shall be valid unless in writing and signed by both Adm. McRaven and the Chairman of the Board of Regents on behalf of the System. If any provision of this Agreement shall be determined to be void, invalid, or unenforceable or illegal for any reason, it shall be ineffective only to the extent of such prohibition, and the validity and enforceability of all the remaining provisions shall not be affected. Any notice required or permitted to be given under this Agreement shall be sufficient if in writing and sent by registered mail to his residence address, in the case of Adm. McRaven, or to the Office of the Board of Regents, in the case of the System, addressed to the attention of the Chairman of the Board. The rights and obligations of the System under this Agreement shall inure to the benefits of and be binding upon successors and assigns of the System. Adm. McRaven may not assign any of his rights or obligations under this Agreement. This Agreement is intended to fully comply with all applicable state and federal laws and System regulations and any provision to the contrary shall be null and void. This Agreement shall be governed and construed, and the rights and obligations of the parties hereto shall be determined, in accordance with the laws of the State of Texas.

B. Enforcement. The payments and benefits provided in Section VIII (or cessation thereof) have been carefully considered and agreed upon by the System and Adm. McRaven and represent the sole obligations of the System resulting from Adm. McRaven's termination under the circumstances defined therein.

C. Mediation. If a dispute arises out of or related to this Agreement and the dispute cannot be settled through direct discussions, the System and Adm. McRaven agree that they shall first endeavor to settle the dispute in an amicable fashion, including the use of non-binding mediation. Within fifteen (15) days after delivery of a written notice of a request for mediation from one party to the other, the dispute shall be submitted to a single mediator chosen by the parties in Austin, Texas. The cost of mediation shall be paid by the System.

D. Counterparts. This Agreement may be executed in counterparts, and by the parties on separate counterparts each of which, when so executed, shall constitute but one of the same instrument.

*[Remainder of Page Intentionally Left Blank – Signature Page to Follow]*

**SIGNED AND EXECUTED** in duplicate originals as indicated below, but effective as of the Effective Date.

\_\_\_\_\_  
Adm. William H. McRaven, USN (Ret'd).

Date Signed: \_\_\_\_\_

**THE UNIVERSITY OF TEXAS SYSTEM**

\_\_\_\_\_  
Paul L. Foster  
Chairman, Board of Regents

Date Signed: \_\_\_\_\_

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

**THE UNIVERSITY OF TEXAS SYSTEM  
SEPARATELY INVESTED ASSETS  
Managed by U. T. System  
Summary Report at August 31, 2014**

**FUND TYPE**

	Current Purpose Restricted		Endowment and Similar Funds		Annuity and Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
<b>Land and Buildings:</b>								
Ending Value 05/31/14	\$ 1,735,492	\$ 11,830,603	\$ 97,979,386	\$ 269,922,269	\$ 1,601,467	\$ 3,033,085	\$ 101,316,345	\$ 284,785,957
Increase or Decrease	(307)	1,149,651	(36,763)	1,838,180	-	(110,006)	(37,070)	2,877,825
Ending Value 08/31/2014	\$ 1,735,185	\$ 12,980,254	\$ 97,942,623	\$ 271,760,449	\$ 1,601,467	\$ 2,923,079	\$ 101,279,275	\$ 287,663,782
<b>Other Real Estate:</b>								
Ending Value 05/31/14	\$ 17,766	\$ 17,766	\$ 9	\$ 9	\$ -	\$ -	\$ 17,775	\$ 17,775
Increase or Decrease	(3,286)	(3,286)	-	-	-	-	(3,286)	(3,286)
Ending Value 08/31/2014	\$ 14,480	\$ 14,480	\$ 9	\$ 9	\$ -	\$ -	\$ 14,489	\$ 14,489

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

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

**ACADEMIC INSTITUTIONS**

23. Tenure Appointment - U. T. Arlington: 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 Science</b>					
Chemistry and Biochemistry					
Associate Professor					
Robin Macaluso (T)	12/1-5/31	100	09	\$82,000	6328

24. Contract (funds coming in) - U. T. Austin: Facilities Management Agreement with National Archives and Records Administration

Agency: National Archives and Records Administration

Funds: \$2,349,663

Period: September 1, 2014 through August 31, 2015

Description: Facilities Management Agreement between Department of Facility Services and National Archives and Records Administration for provision of consolidated facilities management, security services, utilities, and additional services for the Lyndon B. Johnson Presidential Library/Museum.

25. Contract (funds coming in and going out) - U. T. Austin: Football Game Agreement with University of Michigan

Agency: University of Michigan

Funds: \$1,000,000 per game, for two games, to the visiting school only

Period: September 4, 2014 through September 4, 2027

Breach of Contract: Damages up to \$2,000,000

Source of Funds: Intercollegiate Athletics

Description: Football Game Agreement between Intercollegiate Athletics for Men and University of Michigan for two football games: on August 31, 2024, at Michigan Stadium, Ann Arbor, Michigan, and on September 4, 2027, at Darrell K Royal-Texas Memorial Stadium, Austin, Texas.

26. Contract (funds coming in and going out) - U. T. Austin: Football Game Agreement with University of South Florida

Agency: University of South Florida

Funds: To visiting school only -  
\$400,000 for game on August 31, 2019  
\$450,000 for game on September 3, 2022  
\$1,200,000 for game on September 7, 2024

Period: September 12, 2014 through September 30, 2024

Breach of Contract: Damages up to \$1,000,000

Source of Funds: Intercollegiate Athletics

Description: Football Game Agreement between Intercollegiate Athletics for Men and University of South Florida for football games: on August 31, 2019, at Darrell K Royal-Texas Memorial Stadium, Austin, Texas; on September 3, 2022, at Raymond James Stadium, Tampa, Florida; and on September 7, 2024, at Darrell K Royal-Texas Memorial Stadium, Austin, Texas.

27. Contract (funds going out) - U. T. Austin: Football Game Agreement with The University of Tulsa

Agency: The University of Tulsa

Funds: \$1,100,000 to the visiting school only

Breach of Contract: Damages up to \$1,100,000

Source of Funds: Intercollegiate Athletics

Period: November 7, 2014 through September 30, 2018

Description: Football Game Agreement between Intercollegiate Athletics for Men and The University of Tulsa for football game on September 8, 2018, at Darrell K Royal-Texas Memorial Stadium, Austin, Texas.

28. Contract (funds going out) - U. T. Austin: Contract to purchase the literary archive of Gabriel García Márquez

Agency: Representatives of Gabriel García Márquez

Funds: Proposed purchase amount protected under *Texas Government Code* Section 552.104

Source of Funds: Education and General Funds

Period: November 7, 2014

Description: The Harry Ransom Humanities Research Center will be purchasing the Archive of author Gabriel García Márquez, composed of more than 30 feet of literary manuscripts, correspondence, professional files, photographs, personal artifacts, and books.

29. Tenure Appointments - U. T. Austin: Amendment to the 2013-2014 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>Moody College of Communication</b>					
Department of Communication Studies					
Professor					
Jay M. Bernhardt (T)	7/1-8/31	100	09	186,000	6316
School of Journalism					
Professor					
Robert B. Brenner (T)	8/1-8/31	100	09	140,000	6315
<b>Cockrell School of Engineering</b>					
Department of Civil, Architectural, and Environment Engineering					
Professor					
Charles J. Werth (T)	8/1-8/31	100	09	160,000	6318
<b>College of Fine Arts</b>					
School of Music					
Professor					
Mary E. Poole (T)	5/12-8/31	100	09	135,000	6317
<b>College of Liberal Arts</b>					
Department of Economics					
Professor					
Venkataraman Bhaskar (T)	8/18-8/31	100	09	220,000	6311
	9/1-5/31	SUPL		20,000	
Department of Geography and the Environment					
Professor					
Timothy Beach (T)	7/1-8/31	100	09	165,000	6298
	9/1-5/31	SUPL		15,000	



30. Tenure Appointments - U. T. Austin: 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>Moody College of Communication</b>					
Department of Communication Sciences and Disorders					
Chair and Professor					
James Booth (T)	9/1-5/31	100	09	186,000	6334
<b>College of Education</b>					
Department of Curriculum and Instruction					
Associate Professor					
Victor Sampson (T)	9/1-5/31	100	09	107,000	6335
	9/1-5/31	SUPL		3,000	
<b>Cockrell School of Engineering</b>					
Department of Mechanical Engineering					
Associate Professor					
Maura Borrego (T)	9/1-5/31	100	09	107,000	6336
Marissa N. Rylander (T)	9/1-5/31	100	09	125,000	6337
	9/1-5/31	SUPL		3,000	
Christopher G. Rylander (T)	9/1-5/31	100	09	105,000	6338
<b>College of Liberal Arts</b>					
Department of Anthropology					
Associate Professor					
Ronald Covey (T)	9/1-5/31	100	09	110,000	6330
Department of English					
Associate Professor					
Deborah Unferth (T)	9/1-5/31	100	09	100,000	6332
Department of Philosophy					
Associate Professor					
Matthew L. Evans (T)	9/1-5/31	100	09	108,000	6333

Description (cont.)	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>College of Natural Sciences</b>					
Department of Astronomy					
McDonald Observatory Director and Professor					
Taft E. Armandroff (T)	9/1-5/31	0	09	189,000	6331
	9/1-8/31	100	12	252,000	
<b>School of Social Work</b>					
Associate Dean and Professor					
Allan H. Cole Jr. (T)	9/1-5/31	50	09	120,000	6339
	9/1-8/31	50	12	160,000	

31. Emeritus Appointments - U. T. Austin: Approval of emeritus titles

**Ekwere J. Peters** from Frank W. Jessen Professorship in Petroleum Engineering and George H. Fancher Professorship in Petroleum Engineering to Frank W. Jessen Professor Emeritus in Petroleum Engineering, Department of Petroleum and Geosystems Engineering in the Cockrell School of Engineering (RBC No. 6186) -- amendment to the 2014-2015 budget

**Gilbert C. Rappaport** from Professor to Professor Emeritus, Department of Slavic and Eurasian Studies in the College of Liberal Arts (RBC No. 6187) -- amendment to the 2014-2015 budget

**Roger D. Bengtson** from Professor to Professor Emeritus, Department of Physics in the College of Natural Sciences (RBC No. 6188) -- amendment to the 2014-2015 budget

**Joseph F. Malina, Jr.** from C. W. Cook Professorship in Environmental Engineering to C. W. Cook Professor Emeritus in Environmental Engineering, Department of Civil, Architectural and Environmental Engineering in the Cockrell School of Engineering (RBC No. 6189) -- amendment to the 2014-2015 budget

**Daniel S. Hamermesh** from Sue Killam Professorship in the Foundations of Economics to Sue Killam Professor Emeritus in the Foundations of Economics, Department of Economics in the College of Liberal Arts (RBC No. 6190) -- amendment to the 2014-2015 budget

**Douglas C. Dacy** from Professor to Professor Emeritus, Department of Economics in the College of Liberal Arts (RBC No. 6191) -- amendment to the 2014-2015 budget

**J. K. Aggarwal** from Professor and Cullen Trust for Higher Education Endowed Professorship in Engineering to Cullen Trust for Higher Education Endowed Professor Emeritus in Engineering, Department of Electrical and Computer Engineering in the Cockrell School of Engineering (RBC No. 6267) -- amendment to the 2014-2015 budget

32. Request for Budget Change - **U. T. Austin**: Transfer \$1,875,819 from Info Technology Services Residential Network Operating Income account to Info Technology Services Residential Network Classified Salaries, Special Equipment, and Maintenance, Operation, and Equipment accounts to distribute income from Information Technology Services Residential Network payments (RBC No. 6096) -- amendment to the 2013-2014 budget
33. Request for Budget Change - **U. T. Austin**: Transfer \$536,786 from Masters of Arts Degree Program Operating Income account to Masters of Arts Degree Program Maintenance, Operation, and Equipment, Travel, Wages, Tuition Remission, Fringe Benefits, Administrative and Professional, and Classified Salaries accounts to distribute income from program fees (RBC No. 6195) -- amendment to the 2013-2014 budget
34. Request for Budget Change - **U. T. Austin**: Transfer \$567,680 from Quest Student Operating Income account to Quest Student Maintenance, Operation, and Equipment, Classified Salaries, Administrative and Professional Salaries, and Fringe Benefits accounts to distribute income from Quest student fees (RBC No. 6198) -- amendment to the 2013-2014 budget
35. Request for Budget Change - **U. T. Austin**: Transfer \$1,364,186 from Professional Development Operating Income account to Professional Development Maintenance, Operation, and Equipment, Travel and Miscellaneous Income accounts to distribute income from open-to-public, online, and certification registrations (RBC No. 6199) -- amendment to the 2013-2014 budget
36. Request for Budget Change - **U. T. Austin**: Transfer \$1,980,000 from International Office - ESL Programs Operating Income account to International Office - ESL Programs Maintenance, Operation, and Equipment, Wages and Travel accounts to distribute income from English as a Second Language program tuition (RBC No. 6214) -- amendment to the 2013-2014 budget
37. Request for Budget Change - **U. T. Austin**: Transfer \$2,000,000 from Law School Excellence Funds Operating Income - Tuition Differential accounts to Law School Facility Upgrades Allocated for Budget account for Plant Fund reserves (RBC No. 6277) -- amendment to the 2013-2014 budget
38. Request for Budget Change - **U. T. Austin**: Transfer \$3,250,000 from Library - A.U.F. Maintenance, Operation, and Equipment account to Create New Learning Commons All Expenses account for new Learning Commons renovation at the Perry-Castaneda Library (RBC No. 6278) -- amendment to the 2013-2014 budget

39. Request for Budget Change - U. T. Austin: Transfer \$600,000 from Division of Recreational Sports Operating Income Other Expenses account and Recreational Sports Center - Operating Income Other Expenses account to Recreational Sports Reserve for Repair and Replacement - Programs/Services/Retail – Recreational account to support building renovation at the Caven Lacrosse and Sports Center at Clark Field (RBC No. 6279) -- amendment to the 2013-2014 budget
40. Request for Budget Change - U. T. Austin: Transfer \$1,640,000 from Frank C. Erwin, Jr. Center Special Events Operating Income account to Frank Erwin Center Reserve for Renewals and Replacements Allocated for Budget account for Plant Fund reserves (RBC No. 6280) -- amendment to the 2013-2014 budget
41. Request for Budget Change - U. T. Austin: Transfer \$1,000,000 from Interest on Temporary Investments - Designated Funds Allocation for Budget Adjustment account to Pooled Plant Funds Balances Unallocated account for Pooled Plant Funds reserves (RBC No. 6291) -- amendment to the 2013-2014 budget
42. Lease - U. T. Austin: Authorization to lease space at 2706 Montopolis Drive, Austin, Travis County, Texas, to Novati Technologies, Inc. for semiconductor-related research, development, and manufacturing

Description: Lease of approximately 138,317 square feet of research and development and manufacturing space located at 2706 Montopolis Drive, Austin, Texas to be used by Lessee for semiconductor manufacturing

Lessee: Novati Technologies, Inc., a Texas corporation

Term: The initial term will commence January 1, 2016 and continue through December 31, 2022. Lessee shall have two options to renew the lease for a period of three years each.

Lease Income: Base rent over the initial seven-year term totals \$7,662,431.53. The rent for the renewal periods shall be at then-current market rents. The Lessee will be responsible for all ad valorem taxes and operating costs for the property. Tezzaron Semiconductor, Inc. will guarantee Lessee's performance under the lease.

43. Lease - U. T. Brownsville: Authorization to extend the term of leased space on the Texas Southmost College campus in Brownsville, Texas, from the Board of Trustees of Texas Southmost College, for administrative, office, classroom, laboratory, and ancillary uses

Description: Extension of term of Lease of approximately 99,456 square feet of space located in various buildings and suites on the Texas Southmost College campus located at 80 Fort Brown Road, Brownsville, Texas, for administrative, office, classroom, laboratory, and ancillary uses. The term of each space will be extended to expire on the same date.

Lessor: Board of Trustees of Texas Southmost College

Term: The lease term for each of the spaces for which approval is requested, including extension periods, will expire on August 31, 2017

Lease Cost: The base rental rate is \$12.00 per square foot each year. The aggregate value of the increase in base rent during the extension term for the various spaces is approximately \$1,972,326.00. In addition to base rent, U. T. Brownsville will pay its proportionate share of the costs of utilities and janitorial services provided to the space.

Source of Funds: General operating funds

44. Purchase - U. T. Brownsville: Authorization to acquire by gift and bargain purchase from the City of Brownsville, a tract of land improved with park facilities and consisting of approximately 47.96 acres currently known as Lincoln Park, located immediately southwest of the 21.2-acre tract at the southwest corner of West University Boulevard and U.S. Highways 77/83 in Brownsville, Cameron County, Texas, for future programmed development of campus expansion; lease back of said land to the City of Brownsville; resolution regarding parity debt; and finding pursuant to Chapter 26 of the *Texas Parks and Wildlife Code*

Description: Gift and bargain purchase from the City of Brownsville of a tract of land improved with park facilities and consisting of approximately 47.96 acres currently known as Lincoln Park, located immediately southwest of the 21.2-acre tract at the southwest corner of West University Boulevard and U.S. Highways 77/83 in Brownsville, Cameron County, Texas. The City of Brownsville agreed to provide the land for \$6,500,000, the estimated expense of replacing the park facilities, which consist of playing fields, playground equipment, restrooms and locker facilities, if U. T. Brownsville was not relocated from downtown Brownsville.

On May 9, 2013, the Board authorized the institution to continue discussions with the City to acquire the subject tract as well as an adjacent tract. The property is critical for the growth of the institution due to its size and proximity to the academic core of the campus; there is no alternative site of equal benefit available. The City of Brownsville has indicated that it plans to use the bargain sale proceeds to replace the park facilities at locations more convenient to the public.

Seller: City of Brownsville

Bargain Purchase Price: \$6.5 million

Appraisal: Appraised by Aquire & Patterson, Inc., dated July 23, 2014; market value range from \$8,860,000 to \$9,360,000

Finding: The Board is asked to make the following finding:

Chapter 26 of the *Texas Parks and Wildlife Code* requires that a public hearing be held before a state agency may approve any program or project that requires the use or taking of any public land designated and used as a park. Such public hearing was held in Brownsville, Texas, on October 30, 2014. Pursuant to Chapter 26 of the *Texas Parks and Wildlife Code*, the U. T. System Board of Regents determines that (i) there is no feasible and prudent alternative to the use or taking of the subject property and (ii) the program or project includes all reasonable planning to minimize harm to the land as a park resulting from the use or taking.

Lease Back: Lease back at no cost to the City of Brownsville of Lincoln Park for a period not to exceed five years, so that the City of Brownsville will have time to construct alternate park facilities elsewhere. No further improvements may be located on the property during the lease term. Uses will be limited to park and recreational uses.

Source of Funds: Revenue Financing System (RFS) debt; the \$6,500,000 in aggregate Revenue Financing System debt will be repaid with institutional funds. Annual debt service on the \$6,500,000 Revenue Financing System debt is expected to be \$422,835. The institution's debt service coverage is projected to be 2.7 times in FY 2014 and has averaged 2.4 times over FY 2009-2013:

- 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 Pledge 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. Brownsville, 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 fair market value as established by independent appraisals; 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.

45. Tenure Appointments - U. T. Dallas: 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>Erik Jonsson School of Engineering and Computer Science</b>					
Bioengineering					
Associate Professor					
Mario Romero-Ortega (T)	9/1-5/31	100	09	140,000	6241
Professor					
Stuart Cogan (T)	9/1-5/31	100	09	160,000	6232
Professor					
David Schmidtke (T)	9/1-5/31	100	09	140,000	6243
Computer Science					
Associate Professor					
Andrian Marcus (T)	9/1-5/31	100	09	140,000	6236

Description (cont.)	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
Mechanical Engineering Professor Reza Moheimani (T)	9/1-5/31	100	09	180,000	6238
<b>Naveen Jindal School of Management</b>					
Management Associate Professor Toyah Miller (T)	9/1-5/31	100	09	165,000	6237
Professor Gil Sadka (T)	9/1-5/31	100	09	232,000	6242
<b>School of Arts and Humanities</b>					
Emerging Media and Communications Associate Professor Rosanna Guadagno (T)	9/1-5/31	100	09	90,000	6233
<b>School of Behavioral and Brain Sciences</b>					
Psychological Sciences Associate Professor Amy Pinkham (T)	9/1-5/31	100	09	88,000	6240
<b>School of Economic, Political and Policy Sciences</b>					
Economics Professor Dong Li (T)	9/1-5/31	100	09	190,000	6235
<b>School of Natural Sciences and Mathematics</b>					
Mathematics Associate Professor Tae Hoon Kim (T)	9/1-5/31	100	09	150,000	6234
Professor L. Felipe Pereira (T)	9/1-5/31	100	09	166,000	6239

46. Emeritus Appointment - U. T. Dallas: Appointment of Shun-Chen Niu from Professor of Operations Research, Naveen Jindal School of Management, to Professor Emeritus, Department of Operations Research, Naveen Jindal School of Management (RBC No. 6276) -- amendment to the 2014-2015 budget



47. Facilities Planning and Construction - U. T. Dallas: Callier Richardson Expansion - Amendment of the FY 2015-2020 Capital Improvement Program (CIP) to increase total project cost; approval to revise funding sources; and appropriation of funds and authorization of expenditure

Item: Amend the FY 2015-2020 CIP to increase the total project cost from \$20,000,000 to \$22,650,000; revise funding sources to include Unexpended Plant Funds; and appropriate and authorize expenditure of \$2,650,000 from Unexpended Plant Funds.

Source of Funds: Unexpended Plant Funds from Excess Reserves

Substantial Completion Date: June 2016

Description: Finish out shell space to accommodate enrollment growth that has outpaced the planned rate of expansion and created an immediate and urgent need for additional academic space.

48. Tenure Appointments - U. T. El Paso: 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 Business Administration</b>					
Accounting and Information Systems Professor					
Samuel Louis Tiras (T)	9/1-5/31	100	09	180,000	6281
<b>College of Liberal Arts</b>					
Sociology and Anthropology Associate Professor and Director of Asian Studies					
Pratyusha Basu (T)	1/15-5/31	100	09	80,000	6282
Professor					
Jayajit Chakraborty (T)	1/15-5/31	100	09	108,000	6285

Description (cont.)	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>School of Nursing</b>					
Nursing					
Associate Professor					
Gloria McKee-Lopez (T)	9/1-5/31	100	09	90,000	6286

49. Report - U. T. Pan American: No items for Consent Agenda

50. Report - U. T. Permian Basin: No items for Consent Agenda

51. Report - U. T. Rio Grande Valley: No items for Consent Agenda

52. Request for Budget Change - U. T. San Antonio: Transfer \$516,763 from University Center Repair and Remodel account to University Center II Install Seating and Flooring account for the installation of seating and flooring in the University Center II (RBC No. 6271) -- amendment to the 2014-2015 budget

53. Report - U. T. Tyler: No items for Consent Agenda

## HEALTH INSTITUTIONS

54. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide physician services

Agency: Anesthesiologists for Children  
Funds: \$14,866,448  
Period: September 1, 2014 through August 31, 2015  
Description: U. T. Southwestern Medical Center will provide physician services.

55. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide physician clinic coverage, on-call coverage, and medical administrative services

Agency: Complex Care Medical Services Corporation  
Funds: \$2,400,000  
Period: September 1, 2014 through August 31, 2017  
Description: U. T. Southwestern Medical Center will provide physician clinic coverage, on-call coverage, and medical administrative services.

56. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide physician services to Parkland Health and Hospital System

Agency: Dallas County Hospital District  
Funds: \$70,000,000  
Period: October 1, 2014 through September 30, 2015  
Description: U. T. Southwestern Medical Center will provide physician services to Parkland Health and Hospital System.

57. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide physicians and other health care services to Parkland Health and Hospital System

Agency: Dallas County Indigent Care Corporation

Funds: \$136,000,000

Period: October 1, 2014 through September 30, 2015

Description: Provide physician and other health care services at Parkland Health and Hospital System to indigent and needy persons in and around Dallas County, Texas.

58. Contract (funds going out) - U. T. Southwestern Medical Center: Balcones Resources, Inc. to provide waste and recycling services

Agency: Balcones Resources, Inc.

Funds: \$1,903,000

Source of Funds: Designated and Service - MSRDP/DSRDP/PRS practice plan professional fees

Period: September 1, 2014 through August 31, 2015

Description: Balcones Resources, Inc. will provide waste disposal and recycling services at the U. T. Southwestern Medical Center campus.

59. Contract (funds going out) - U. T. Southwestern Medical Center: Payment for neonatal intensive care unit clinical, administrative, and consulting services at William P. Clements, Jr. University Hospital

Agency: Children's Medical Center

Funds: \$1,147,417

Source of Funds: Designated Funds - Hospital Patient Income at U. T. Southwestern Medical Center

Period: September 1, 2014 through August 31, 2023

Description: Children's Medical Center to provide neonatal intensive care unit clinical, administrative, and consulting services.

60. Contract (funds going out) - U. T. Southwestern Medical Center: MedTouch to provide content marketing strategy, content creation and planning, and digital media buying

Agency: MedTouch

Funds: \$3,548,825

Source of Funds: Designated Funds - MSRDP/DSRDP/PRS practice plan professional fees

Period: December 6, 2012 through December 31, 2017 (Contract is being brought forward for Board approval as it has reached the \$1,000,000 threshold)

Description: MedTouch will provide content marketing strategy, content creation and planning, and digital media buying.

61. Emeritus Appointments - U. T. Southwestern Medical Center: Approval of emeritus titles

**James Forman** from Professor to Professor Emeritus, Department of Immunology in the Medical School (RBC No. 6306) -- amendment to the 2014-2015 budget

**Peter Stastny** from Professor to Professor Emeritus, Department of Internal Medicine in the Medical School (RBC No. 6308) -- amendment to the 2014-2015 budget

**Duke Samson** from Professor to Professor Emeritus, Department of Neurological Surgery in the Medical School (RBC No. 6322) -- amendment to the 2014-2015 budget

62. Lease - U. T. Southwestern Medical Center: Authorization to extend the lease of space located at 6300 Harry Hines Boulevard, Dallas, Texas, for Suites 105, 900, and 1200 and 141 square feet of space on the tenth floor to Children's Medical Center of Dallas

Description: Extension of the lease of approximately 32,427 square feet in the Chase Bank Building of the U. T. Southwestern Medical Center campus in Dallas, Texas, to be used by Lessee for medical and general office purposes

Lessee: Children's Medical Center of Dallas, a Texas nonprofit corporation

Term: The term of the lease is extended for a period commencing on December 1, 2016, and continuing through November 30, 2018.

Lease Income: U. T. Southwestern Medical Center will receive a total of \$531,390.96 in rent during the first lease year and \$547,332.72 during the second lease year, for a total of \$1,078,723.68 over the entire extension term.

63. Lease - U. T. Southwestern Medical Center: Authorization to enter into a lease for space located at 400 West Magnolia Avenue, Fort Worth, Texas, from U. T. Southwestern Moncrief Cancer Institute for medical and office use

Description: Lease for 23,757 square feet of space designated as "Single Tenant Floors" located on the first, second, and third floors of the building located at 400 West Magnolia Avenue, Fort Worth, Texas, known as the U. T. Southwestern Moncrief Cancer Institute

Lessor: U. T. Southwestern Moncrief Cancer Center, a Texas nonprofit corporation, doing business as Moncrief Cancer Institute

Term: The term is for a period of 120 months, commencing upon the date that the Landlord delivers a Certificate of Occupancy to Tenant for the leased premises issued by the City of Fort Worth and continuing for 120 months after the Commencement Date, which is anticipated to be April 1, 2015.

Lease Cost: Tenant shall pay Landlord \$35.00 per square foot of the Leased Premises annually. The base rent will escalate by 3 percent on each anniversary of Commencement Date throughout the term. The amount of Base Rent shall total \$9,532,258.68 over the 10 year life of the lease.

Additionally, Tenant shall pay a pro rata share of electricity. Electricity costs are estimated at \$2.25 per square foot over the term of the lease. The total amount of electricity charges is estimated to be \$534,532.50 over the 10 year life of the lease.

Source of Funds: Funds from clinical operations

64. Facilities Planning and Construction - U. T. Southwestern Medical Center: West Campus - Phase 1 - appropriation and authorization of partial expenditure of funds to begin abatement, partial demolition, and relocation of occupants

Item: Appropriate and authorize expenditure of \$12,000,000 from previously approved Permanent University Fund (PUF) Bond Proceeds.

Funds: \$12,000,000 from PUF Bond Proceeds. \$50,000,000 in PUF was approved for this project on November 14, 2013, as part of a \$187,000,000 total project cost. Funding is needed now for Phase I.

Substantial Completion Date: November 2017

Description: The West Campus - Phase 1 project includes the demolition of St. Paul University Hospital, construction of an academic/ambulatory clinical building, and infrastructure including utilities, streets, and parking garage.

Approval of funds is needed for preliminary development work including abatement and partial demolition of the existing St. Paul University Hospital, modification of existing buildings, and relocation of occupants in areas affected by the demolition.

65. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide comprehensive family planning services for Texas Department of State Health Services, Family Planning Fee for Service

Agency: Texas Department of State Health Services (DSHS)

Funds: \$2,683,801

Period: September 1, 2014 through August 31, 2015

Description: U. T. Medical Branch - Galveston will continue to provide comprehensive family planning services which include medical, counseling, client education, referral, community education, and outreach services to Title X eligible individuals. This is the first of two family planning agreements (DSHS Contract No. 2015-045820).

66. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide comprehensive family planning services for Texas Department of State Health Services, Family Planning
- Agency: Texas Department of State Health Services (DSHS)
- Funds: \$2,683,800
- Period: September 1, 2014 through August 31, 2015
- Description: U. T. Medical Branch - Galveston will continue to provide comprehensive family planning services which include medical, counseling, client education, referral, community education, and outreach services to eligible individuals through a categorical budget. This is the second of two family planning agreements (DSHS Contract No. 2015-046267).
67. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide preventive and primary care medical services for Texas Department of State Health Services
- Agency: Texas Department of State Health Services (DSHS)
- Funds: \$3,911,550
- Period: September 1, 2014 through August 31, 2015
- Description: U. T. Medical Branch - Galveston will provide preventive and primary care medical services to eligible individuals. This is the first of two preventative and primary care contracts (DSHS Contract No. 2015-046337).
68. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide preventive and primary care medical services for Texas Department of State Health Services
- Agency: Texas Department of State Health Services (DSHS)  
Expanded Primary Health Care Program
- Funds: \$1,303,850
- Period: September 1, 2014 through August 31, 2015
- Description: U. T. Medical Branch - Galveston will provide preventive and primary care medical services to eligible individuals. This is the second of two preventative and primary care contracts (DSHS Contract No. 2015-046721).



69. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide comprehensive breast and cervical cancer screening services for Texas Department of State Health Services

Agency: Texas Department of State Health Services (DSHS)  
Funds: \$1,254,233  
Period: September 1, 2014 through August 31, 2015  
Description: U. T. Medical Branch - Galveston will provide comprehensive breast and cervical cancer screening services to eligible individuals (DSHS Contract No. 2015-047036).

70. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide a program of early childhood intervention services for Texas Department of Assistive and Rehabilitative Services

Agency: Texas Department of Assistive and Rehabilitative Services (DARS)  
Funds: \$1,095,834  
Period: September 1, 2014 through August 31, 2015  
Description: U. T. Medical Branch - Galveston to provide a program of early childhood intervention services (ECI) for children with development delay and respite services for families of children enrolled in DARS ECI comprehensive services.

71. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide oversight and reporting functions for Texas Health and Human Services Commission related to the Texas Transformation and Quality Improvement Program 1115 Waiver

Agency: Texas Health and Human Services Commission (THHSC)  
Funds: Not to exceed \$2,000,000  
Period: October 1, 2012 through September 30, 2016  
Description: The Waiver authorizes the State of Texas to establish a Delivery System Reform Incentive Payment (DSRIP) program. Texas has 20 Regional Healthcare Partnerships (RHPs) whose members may participate in DSRIP. Each RHP has one governmental entity, designated by THHSC that assists THHSC in coordinating RHP activities. The designated governmental entity is referred to as the

“Anchor.” The purpose of this contract is to delegate certain administrative functions associated with the 1115 Waiver from THHSC to the Anchor. The administrative functions relate to Waiver implementation within the Anchor’s RHP. The contract also provides a corresponding mechanism for THHSC to use federal Medicaid matching funds to make certain matching payments to Anchor for the performance of the administrative functions. U. T. Medical Branch - Galveston has been performing duties as the 1115 Waiver Anchor for RHP 2 since Fall 2012. THHSC recently submitted this agreement to formalize the arrangement with all RHP Anchors in the State of Texas. Reimbursements from federal and state funding sources are based upon expenditures by Anchor, which are not to exceed \$2,000,000.

72. Contract (funds going out) - U. T. Medical Branch - Galveston: Texas Gas Service Company, a division of ONE Gas, Inc. to provide a dedicated natural gas pipeline

Agency: Texas Gas Service Company, a division of ONE Gas, Inc.

Funds: Estimated \$10,000,000

Source of Funds: Combination of federal, State, and patient income funds

Period: November 1, 2014, until installation is complete. Installation is expected to take six (6) months.

Description: Texas Gas Service (TGS) is a natural gas transmission and distribution utility that serves Galveston Island. Under this Agreement for Natural Gas Pipeline Installation, TGS will install a natural gas pipeline that will exclusively serve U. T. Medical Branch - Galveston. This dedicated natural gas pipeline will serve U. T. Medical Branch - Galveston’s onsite generation and separate U. T. Medical Branch - Galveston from the municipal distribution system. The Pipeline is a component part of the District Heating and Cooling Project, part of the previously Board-approved Ike project, that improves campus resiliency and mitigates the impacts of events like Hurricane Ike. As is typical with extensions of utility facilities that serve only one customer, TGS will own the pipeline and U. T. Medical Branch - Galveston will reimburse TGS for the cost of installation of the pipeline. TGS provided a cost estimate of \$8,000,000. Contingency funds are calculated at \$2,000,000. TGS and U. T. Medical Branch - Galveston are currently in negotiations to enter into a separate contract for U. T. Medical Branch - Galveston to purchase natural gas transportation services from TGS using the dedicated pipeline.

73. Tenure Appointments - U. T. Medical Branch - Galveston: Amendment to the 2014-2015 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>Academic Enterprise</b>					
Biochemistry and Molecular Biology Professor and Chair					
Mariano Garcia-Blanco (T)	9/1-8/31	100	12	\$375,000	6079
Preventive Medicine and Community Health Professor					
Thomas Smith (T)	9/1-8/31	100	12	\$220,000	6073

74. Lease - U. T. Medical Branch - Galveston: Authorization to lease space at 1560 West Bay Area Boulevard, Friendswood, Harris County, Texas, from Cole Baybrook, Ltd. for office use

Description: Lease of approximately 21,748 square feet of space at 1560 West Bay Area Boulevard, Friendswood, Harris County, Texas for office use

Lessor: Cole Baybrook, Ltd., a Texas limited partnership

Term: The lease will commence on the date that Landlord delivers the Premises. The commencement date is estimated to be December 1, 2014, and the initial term is for a period of 60 months. U. T. Medical Branch - Galveston has the option, exercisable in its discretion, to renew the lease for two five-year renewal periods.

Lease Cost: Base Rent will be \$1,957,320 during the initial term. During the first lease year, the rental rate is \$17.00 per square foot annually and increases by \$0.50 per square foot each year. Beginning on January 1, 2016, in addition to base rent, U. T. Medical Branch - Galveston will pay the amount by which operating expenses exceed the actual operating expenses incurred during the 2015 base year. Base rent for the renewal periods will be at then-current fair market rental rates. The Lessor is providing a tenant allowance of approximately \$152,236.00 for improvements to the premises.

Source of Funds: TDCJ/TJJD Contract

75. Lease - U. T. Medical Branch - Galveston: Authorization to lease space at Clear Lake Center, 20728-20740 Gulf Freeway, Webster, Harris County, Texas, from Clear Lake Center, L.P., a Texas limited partnership for administrative use by U. T. Medical Branch - Galveston's Purchasing, Procurement, Supply Chain, Information Services Help Desk, Service Response, and Accounts Payable Offices

Description: Lease of 62,312 square feet located at 20728-20740 Gulf Freeway, Webster, Harris County, Texas. U. T. Medical Branch - Galveston currently leases 62,312 rentable square feet of space in five suites pursuant to five separate leases that commenced on different dates between October 2009 and August 2012; all of the leases expire on August 31, 2015. The aggregate rent payable by U. T. Medical Branch - Galveston for the initial terms of the five leases exceeds one million dollars; no record of prior Board of Regents' approval of the five leases has been found. U. T. Medical Branch - Galveston is further seeking to extend the term of the five leases for a period of 36 months.

Lessor: Clear Lake Center, L.P., a Texas limited partnership

Term: The commencement dates of the five leases occurred between October 20, 2009 and August 24, 2012; the extension term for all of the leases will commence on September 1, 2015 and will expire August 31, 2018.

Lease Cost: The aggregate rent for the initial term of the five leases is \$3,657,072. The aggregate rent during the extension period will be \$2,800,300. During the lease term, common area charges are capped at 5% over the previous year. The Lessor will contribute \$600,000 for tenant improvements to the space. The total aggregate rent for the initial lease terms and the extension term is \$6,457,372.

Source of Funds: Patient revenue

76. Approval of Dual Position of Honor, Trust, or Profit - U. T. Medical Branch - Galveston: Appointment by Governor Perry of James LeDuc, Ph.D., Professor of Microbiology and Immunology, as Member of the Texas Task Force on Infectious Disease Preparedness and Response

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

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

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

Name: James LeDuc, Ph.D.

Title: Director, Galveston National Lab  
Director, Program on Global Health, Institute for Infections and Immunity  
Professor of Microbiology and Immunology

Position: Member, Texas Task Force on Infectious Disease Preparedness and Response

Period: Beginning October 6, 2014

Compensation: Per Diem expenses only

Description: Governor Perry has appointed Dr. LeDuc to serve as a Member of the Texas Task Force on Infectious Disease Preparedness and Response. The Task Force duties are to provide expert evidence-based assessments, protocols, and recommendations related to the current Ebola response and a strategy emergency management plan for the incident command team and their parties at the state and local levels of government.

77. Approval of Dual Position of Honor, Trust, or Profit - U. T. Medical Branch - Galveston: Appointment by Governor Perry of Thomas Ksiazek, D.V.M., Ph.D., Professor, Department of Pathology, as Member of the Texas Task Force on Infectious Disease Preparedness and Response

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

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

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

Name: Thomas Ksiazek, D.V.M., Ph.D.

Title: Director of High Containment Laboratory Operations,  
Galveston National Lab  
Professor, Department of Pathology

Position: Member, Texas Task Force on Infectious Disease Preparedness and Response

Period: Beginning October 6, 2014

Compensation: Per Diem expenses only

Description: Governor Perry has appointed Dr. Ksiazek to serve as a Member of the Texas Task Force on Infectious Disease Preparedness and Response. The Task Force duties are to provide expert evidence-based assessments, protocols, and recommendations related to the current Ebola response and a strategy emergency management plan for the incident command team and their parties at the state and local levels of government.

78. Contract (funds coming in) - U. T. Health Science Center - Houston: Authorization to license space to Follett Higher Education Group, Inc. to operate the three bookstores on the institution's campus in Houston, Texas

Agency: Follett Higher Education Group, Inc., an Illinois corporation

Funds: Use fee of \$200,000 annually; royalties to the institution ranging from 15% to 17% of certain sales of nonacademic materials; \$75,000 refurbishment obligation. Total consideration over 10 years may exceed \$2,075,000.

Period: July 28, 2014 through July 31, 2019; U. T. Health Science Center - Houston may extend this agreement for up to five additional years, through July 31, 2024. Both parties have early termination rights.

Description: Follett Higher Education Group, Inc. will license a total of approximately 7,487 square feet of space in three locations in the Medical School Building, the School of Dentistry Building, and the School of Nursing Building to operate campus bookstores selling a variety of academic materials, snacks, school supplies, clothing, etc. U. T. Health Science Center - Houston is responsible for utilities and operating expenses.

79. Contract (funds coming in) - U. T. Health Science Center - Houston: Memorial Hermann Health System to provide programmatic support, physician support, and support of graduate medical education programs

Agency: Memorial Hermann Health System

Funds: \$163,700,000

Period: July 1, 2014 through June 30, 2015

Description: The Agreement is intended to implement provisions of the Affiliation Agreement between U. T. Health Science Center - Houston and Memorial Hermann Health System. The Agreement provides funding support to the medical school for activities at Memorial Hermann Health System, including but not limited to programmatic support, physician support, and support of graduate medical education programs.

80. Foreign Contract (funds coming in) - U. T. Health Science Center - Houston: Saudi Arabian Cultural Mission to provide funding to support a Saudi Arabian physician participating in a fellowship at U. T. Health Science Center - Houston

Agency: Saudi Arabian Cultural Mission

Funds: \$67,311

Period: September 1, 2014 through August 31, 2015

Description: The purpose of this agreement is to provide funding to U. T. Health Science Center - Houston to support a Saudi Arabian physician participating in a fellowship at U. T. Health Science Center - Houston.

81. Emeritus Appointments - U. T. Health Science Center - Houston: Approval of emeritus titles

**Luisa Franzini** from Professor and Director to Professor Emeritus, Division of Management, Policy and Community Health in the School of Public Health (RBC No. 6250) -- amendment to the 2014-2015 budget

**Henry W. Strobel** from Adjunct Professor and Associate Dean for Faculty Affairs and Alumni Relations to Professor Emeritus, Department of Biochemistry and Molecular Biology in the Medical School (RBC No. 6246) -- amendment to the 2014-2015 budget

**Leslie Roeder** from Professor and Associate Dean for Academic Affairs to Professor Emeritus, Department of Diagnostic and Biomedical Sciences in the School of Dentistry (RBC No. 6340) -- amendment to the 2014-2015 budget

82. Tenure Appointments - U. T. Health Science Center - San Antonio: Amendment to the 2014-2015 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>School of Health Professions</b>					
Respiratory Care					
Dean of the School of Health Professions and Respiratory Care Professor					
David Shelledy (T)	7/1-8/31	100	12	295,000	6091
<b>School of Medicine</b>					
Family and Community Medicine Professor					
Claudia Miller (T)	9/1-8/31	75	12	113,000	6268
<b>School of Nursing</b>					
Health Restoration and Care Systems Management Professor					
Mickey Parsons (T)	9/1-8/31	100	12	126,255	6269

83. Facilities Planning and Construction - U. T. Health Science Center - San Antonio: Academic Learning and Teaching Center - Amendment of the FY 2015-2020 Capital Improvement Program (CIP) to increase total project cost; approval to revise funding sources; and appropriation of funds and authorization of expenditure

Item: Amend the FY 2015-2020 CIP to increase the total project cost from \$49,231,527 to \$50,731,527; revise funding sources to include Designated Funds; and appropriate and authorize expenditure of \$1,500,000 from Designated Funds.

Source of Funds: Designated Funds are from auxiliary interest income balances

Substantial Completion Date: December 2015

Description: The increase in total project cost will fund the finish-out of originally approved shell space of 9,655 gross square feet on level one for food services.



84. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Alpha Building Corporation to provide job order contracting services

Agency: Alpha Building Corporation

Funds: The cost of each Job Order Project will be established through the development of a Guaranteed Maximum Price (GMP). It is anticipated that total costs under the agreement will exceed \$2,500,000, although the maximum amount is indeterminable at this time.

Source of Funds: Hospital patient income

Period: The initial term of the contract is for 24 months beginning September 1, 2014. Agreement may be renewed for three additional 12-month periods.

Description: A job order contracting agreement. Vendor will provide general and specific construction services for minor construction, repair rehabilitation, or alteration of U. T. M. D. Anderson Cancer Center's facilities at the Bastrop and Smithville campuses.

85. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Cross Country Staffing to provide temporary nurse staffing services

Agency: Cross Country Staffing

Funds: This third amendment increases the cap amount of the contract from \$2,499,999 to \$4,200,000.

Source of Funds: Hospital patient income

Period: The contract commenced on November 6, 2011, and the current term ends on November 5, 2014. Amendment 3 extends the agreement for an additional 12 months, through November 5, 2015.

Description: Vendor provides a pool of experienced oncology-trained nursing personnel to support nursing staff needs that arise due to staffing vacancies, census and seasonal fluctuations in nursing personnel requirements, and planned leave of absences.

86. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Ernst & Young LLP to provide professional services for the operation and management of the ICD-10 Program Management Office

Agency: Ernst & Young LLP

Funds: This fifth amendment to the agreement increases the cap amount from \$22,962,000 to \$42,706,000.

Source of Funds: Hospital patient income

Period: The contract commenced on April 13, 2012, and the current term ends on February 12, 2015. Amendment 5 extends the agreement through April 12, 2016.

Description: The mandatory compliance date of October 1, 2014, initially established by Congress for implementation of International Classification of Diseases, 10th Edition (ICD-10) has been pushed back by Congress for at least one year, with implementation occurring no earlier than October 1, 2015. Ernst & Young LLP provides professional services for the operation and management of the ICD-10 Program Management Office, including activities such as centralized operations of the project management structure and coordination across various work stream activities. This fifth amendment extends the timeline and provides funds to cover additional professional services and expenses to ensure continuity of program support until implementation. Due to the delay, additional work associated with billing and collection activities can be performed and this fifth amendment also covers this expanded scope of work.

87. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Jamail & Smith Construction, LP to provide job order contracting services

Agency: Jamail & Smith Construction, LP

Funds: The cost of each Job Order Project will be established through the development of a Guaranteed Maximum Price (GMP). It is anticipated that total costs under the agreement will exceed \$2,500,000, although the maximum amount is indeterminable at this time.

Source of Funds: Hospital patient income

Period: The initial term of the contract is for 24 months beginning September 1, 2014. Agreement may be renewed for three additional 12-month periods.

Description: A job order contracting agreement. Vendor will provide general and specific construction services for minor construction, repair rehabilitation, or alteration of U. T. M. D. Anderson Cancer Center's facilities at the Bastrop and Smithville campuses.

88. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Marriott Hotel Services, Inc. to provide hotel management services for the Rotary House International

Agency: Marriott Hotels Services, Inc.

Funds: The initial annual base management fee is \$740,000. The base fee increases annually by the greater of 2% or the annual percent increase in the Consumer Price Index. The base fee would also increase on a pro rata basis upon the addition of guest rooms in the hotel. In addition to the base management fee, an incentive fee not to exceed 20% of the base management fee will be paid based on performance on two metrics: a quality audit score and the guest satisfaction index.

Source of Funds: Auxiliary Enterprise Funds

Period: This term of the agreement is for 10 years, commencing on January 1, 2015, and continuing through December 31, 2024, unless terminated by either party in accordance with the provisions of the agreement or by mutual written agreement of both parties.

Description: Vendor will provide hotel management services for the Rotary House International, to include general management of the facility, front desk operations, financial transactions with customers, housekeeping and facility maintenance, food and conference services, and sales and marketing. Vendor will recruit, hire, and maintain a sufficient number of employees to assure quality operation of the hotel. As part of the agreement, vendor will also submit an annual business plan and produce complete financial statements and any other required reporting to U. T. M. D. Anderson Cancer Center.

89. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: SpawGlass Contractors, Incorporated to provide job order contracting services

Agency: SpawGlass Contractors, Incorporated

Funds: The cost of each Job Order Project will be established through the development of a Guaranteed Maximum Price (GMP). It is anticipated that total costs under the agreement will exceed \$2,500,000, although the maximum amount is indeterminable at this time.

Source of Funds: Hospital patient income

Period: The initial term of the contract is for 24 months beginning September 1, 2014. Agreement may be renewed for three additional 12-month periods.

Description: A job order contracting agreement. Vendor will provide general and specific construction services for minor construction, repair rehabilitation, or alteration of U. T. M. D. Anderson Cancer Center's facilities at the Bastrop and Smithville campuses.

90. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Young & Rubicam, Inc., to provide marketing services

Agency: Young & Rubicam, Inc.

Funds: Total fees under this contract, including all available renewal periods, will not exceed \$6,000,000.

Source of Funds: Hospital patient income

Period: The term of the initial agreement will be for a period of 36 months, commencing on November 7, 2014, and continuing through November 6, 2017.

Description: Vendor will develop and launch a creative, strategic, and impactful call-to-action cause marketing public relations plan that will fully saturate the Draw the Line Against Cancer campaign across major national markets to engage media, corporate partners, celebrities, and the general public.

91. Contract (funds coming in) - U. T. Health Science Center - Tyler: Interagency Cooperation Contract between Department of State Health Services (DSHS) and U. T. Health Science Center - Tyler to care for individuals hospitalized in its psychiatric unit

Agency: Department of State Health Services (DSHS), an agency of the State of Texas

Funds: \$8,833,000, calculated at \$550/bed/day for 44 beds for a period of 365 days

Period: September 1, 2014 through August 31, 2015

Description: U. T. Health Science Center - Tyler will provide residential psychiatric services for up to 30 individuals received from any Local Service Area (LSA) in Texas, and acute inpatient psychiatric services for up to 14 individuals from the LSA served by the Andrews Center Local Mental Health Authority located in Tyler, Texas.