

Meeting No. 1,172

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

Pages 1 - 156

November 8 - 9, 2017

Austin, Texas

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OF
THE UNIVERSITY OF TEXAS SYSTEM
NOVEMBER 8-9, 2017
AUSTIN, TEXAS

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MEETING NO. 1,172

WEDNESDAY, NOVEMBER 8, 2017.--The members of the Board of Regents of The University of Texas System convened in Standing Committee meetings from 9:00 a.m. - 10:34 a.m. on Wednesday, November 8, 2017, in the Board Room, Second Floor, The University of Texas System Building, 210 West Seventh Street, Austin, Texas.

CONVENE THE BOARD IN OPEN SESSION.--At 10:37 a.m., in accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Tucker called the meeting of the Board to order in Open Session with the following participation:

ATTENDANCE.--

Present _____

Chairman Tucker
Vice Chairman Hildebrand
Regent Aliseda
Regent Beck
Regent Eltife
Regent Longoria
Regent Weaver
Regent Castro, Student Regent, nonvoting

Absent _____

Vice Chairman Hicks
Regent Foster

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Tucker called the meeting to order in Open Session. She welcomed members of the Board and the audience to the first in-person meeting in the new Board Room in the new University of Texas System Building.

RECESS TO EXECUTIVE SESSION.--At 10:39 a.m., the Board recessed to Executive Session in the Executive Session Room, Second Floor, The University of Texas System Building, pursuant to *Texas Government Code* Sections 551.071 and 551.074 to consider the matters listed on the Executive Session agenda.

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS AND TO CONSIDER AN AGENDA ITEM.--The Board reconvened in Open Session in the Board Room at 2:31 p.m. No action was taken on the following Executive Session items, and the Board considered the following Agenda Item.

- 1a. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Deputy Chancellor, Executive Vice Chancellors, and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), members of the Board of Regents, and U. T. System and institutional employees

No action was taken on this item.

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

No action was taken on this item.

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

No action was taken on this item.

- 2a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues, including pending legal claims by and against U. T. System

No action was taken on this item.

- 2b. U. T. Southwestern Medical Center: Discussion regarding legal issues related to health care provider networks and business opportunity

No action was taken on this item.

- 2c. U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning intellectual property, contracts, funding, and operations of the Institute for Transformational Learning (ITL)

No action was taken on this item.

AGENDA ITEM

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

Assistant Vice Chancellor Franzen introduced Mr. James Smiley, The University of Texas Health Science Center at Houston and Immediate Past Chair of The University of Texas System Employee Advisory Council (EAC), who introduced the other officers of the EAC as follows:

Secretary: Ms. Shannon Rios, The University of Texas at San Antonio
Vice Chair: Ms. Jeannie Farahnak, The University of Texas at Austin
Chair 2018: Ms. Paige Buechley, U. T. System

Mr. Smiley presented the EAC's recommendation regarding an employee engagement survey to promote institutional health and requested the Board's support. Ms. Rios reported on the progress of the Regents' Outstanding Employee Awards program, noting that the first nominations and awards will take place this fiscal year. Ms. Farahnak spoke about the Council's work on educating employees on planning for retirement and improving communications Systemwide. Ms. Buechley reported on planned future activities of the Council, including launching the Regents' Outstanding Employee Awards, working on initiatives to enhance employee morale such as possible tuition reimbursement and wellness programs, and promoting the work of the EAC through social media.

In reply to questions from Regent Castro, Mr. Smiley spoke about the desire that the employee engagement survey would be consistent and regular, measured through metrics and benchmarks, with action plans put in place and reports delivered to the Chancellor's Office. Chairman Tucker suggested a Systemwide policy might be appropriate with the institutional leadership tasked to administer the survey as best fits their individual campuses. Mr. Smiley thought that might work, and Chairman Tucker expressed caution that the Board may be overstepping its oversight role by telling the Chancellor what to expect from the institutions. She asked Chancellor McRaven to comment. Chancellor McRaven commented on the importance of employee health and welfare, and he spoke about the need to look at existing surveys to see if they are meaningful, look at best practices that could apply well at individual institutions, and look at the proposed Request for Proposals (RFP) to avoid duplication of what is already being done on the campuses. Regent Longoria requested more information on the proposal, and Chairman Tucker confirmed that was also the sentiment of the Board. Chancellor McRaven agreed to provide the Board with more detail on the recommendation.

The EAC was established in August 2000 to provide a vehicle for communication and to facilitate the flow of ideas and information between and among the Board of Regents, U. T. System Administration, and the institutions. The EAC functions to define, analyze, and make recommendations on employee issues to the Board through the Chancellor.

RECESS TO COMMITTEE MEETINGS.--The Board recessed for Standing Committee meetings from 2:45 p.m. - 4:00 p.m. In the temporary absence of Regent Eltife, Chairman Tucker appointed Vice Chairman Hildebrand to the Academic Affairs Committee to begin that Committee meeting.

RECONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551.--The Board reconvened in Open Session at 4:00 p.m. to recess to Executive Session in the Executive Session Room pursuant to *Texas Government Code* Sections 551.071 and 551.072 to consider the matters listed on the Executive Session agenda.

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS.--The Board reconvened in Open Session in the Board Room at 5:16 p.m. No action was taken on the following Executive Session items.

3. U. T. M. D. Anderson Cancer Center and U. T. Health Science Center - Houston: Discussion regarding the lease and/or exchange of land and lease of common facilities at the proposed TMC3 collaborative research development located on approximately 28 acres bounded by Old Spanish Trail, South Braeswood Boulevard, and bisected by William C. Harvin Boulevard, from Texas Medical Center, Inc., for research and related uses

No action was taken on this item. (See related Open Session Item 3 on Page 6.)

4. U. T. M. D. Anderson Cancer Center and U. T. Health Science Center - Houston: Discussion regarding legal issues related to proposed TMC3 collaborative research development

No action was taken on this item. (See related Open Session Item 3 on Page 6.)

RECESS.--The Board recessed at 5:17 p.m.

THURSDAY, NOVEMBER 9, 2017.--The members of the Board of Regents of The University of Texas System reconvened at 8:33 a.m. on Thursday, November 9, 2017, in the Board Room, Second Floor, The University of Texas System Building, 210 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

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

Absent

Vice Chairman Hicks

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

She acknowledged the leadership of Paul Foster as Board Chairman over the last four years, remarking on his graciousness, his open-mindedness, and his respect for others.

She also welcomed President Taylor Eighmy, The University of Texas at San Antonio, to his first Board meeting, noting his enthusiasm and energy.

Chairman Tucker recognized Dr. Marshall Hicks as Interim President of The University of Texas M. D. Anderson Cancer Center. She commented on his ability to foster unity across the faculty, staff, and community to advance the institution.

She also noted that Senior Associate General Counsel to the Board Kristy Orr was leaving The University of Texas System after six years to begin work as the first Board Professional for the Baylor University Board of Regents.

AGENDA ITEMS (continued)

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

Chairman Tucker highlighted the following related to the Consent Agenda:

- Item 38 requests approval of participation by The University of Texas at Austin in Capital City Innovation, Inc., a new nonprofit organization and

joint initiative to establish an Innovation Zone in an area including the U. T. Austin Dell Medical School and the Dell Seton Medical Center.

- Item 42 is deferred.
- Items 46, 47, and 48 recommend approval for real estate property purchases at The University of Texas Rio Grande Valley for future campus expansion.
- Item 53 proposes approval of the contract between The University of Texas Medical Branch at Galveston and the Texas Department of Criminal Justice to provide Correctional Managed Health Care Services.
- Item 63 requests approval of a contract between The University of Texas M. D. Anderson Cancer Center and Cardinal Health 105, Inc. for T-cell therapy products.
- Item 64 requests formal approval of the terms of employment for Dr. Peter Pisters as President of U. T. M. D. Anderson Cancer Center. In approving this item, the Board is asked to make a finding, as required by state law, that this item is in the best interest of the institution and the System. Appropriate advance notice was provided to the Legislative Budget Board.
- Vice Chairman Hildebrand will abstain from vote on Consent Agenda Items 3, 12, 28, and 63 for contracts with Arthur J. Gallagher Risk Management Services, Zurich Insurance, Coca-Cola, and Cardinal Health because of equity interests. Regent Beck will also abstain from vote on Consent Agenda Item 28.

The Board then approved the Consent Agenda, which is set forth on Pages 105 -156.

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

3. U. T. M. D. Anderson Cancer Center and U. T. Health Science Center - Houston: Discussion and possible appropriate action regarding proposed TMC3 collaborative research development

Mr. William F. McKeon, President and CEO of the Texas Medical Center, discussed the proposed TMC3 collaborative research development project, using the PowerPoint presentation, titled Texas Medical Center's Translational Research Campus, set forth on Pages 9 - 24. (The video referenced on the slide on Page 13 is on file in the Office of the Board of Regents.)

Mr. McKeon said that given the governing board approvals by all other founding institutions (Baylor College of Medicine, Texas Medical Center, and The Texas A&M University System), the following were requested from The University of Texas System Board of Regents to move forward with the TMC3 proposal:

1. Ratify the Letter of Intent (LOI) and Addendum previously executed by The University of Texas M. D. Anderson and The University of Texas Health Science Center at Houston;
2. Such action by the U. T. System commits each of these two institutions to (i) a proportionate share of the collaborative space (\$2.8 million/year for 30 years or \$36.45 million), and (ii) colocating an unspecified amount of incremental and/or relocated research space within TMC³; and
3. Once ratified, in partnership with the founding institutions, an RFP would be issued for a fee developer and architect, the legal structure and financing would be finalized, and teams to refine core labs would be reassembled.

In reply to questions from Regent Foster, Mr. McKeon spoke about the financing options for the four institutions and the business model of the project.

In response to questions from Regent Eltife, Mr. McKeon confirmed that \$2.8 million is being requested per year for 30 years from each institution; therefore U. T.'s contribution would be \$5.6 million per year for 30 years. He added that the Texas A&M Board has committed to that investment into the TMC3 helix and into its own building and the Baylor Board also committed to the project. Chairman Tucker asked about the total cost, including the individual research building costs, and Mr. McKeon answered that the land will be provided, and with the exception that the exterior of the buildings would be designed to look alike, how the buildings are constructed is at the discretion of each institution. Mr. McKeon explained that the cost of the helix is \$240 million, but each institution's building will be different so those costs are different.

In reply to a question from Regent Beck, Mr. McKeon spoke about the proposed construction of parking lots, and he noted that parking proceeds will come back into the campus. Regent Beck also asked about partnerships with industry, and Mr. McKeon spoke about industry's potential contributions into the double helix that will reduce operating costs for the anchor institutions.

In reply to questions and concerns from Vice Chairman Hildebrand and Regent Longoria about the large philanthropic campaign being proposed, Mr. McKeon noted the campaign consists of \$250 million for capital and \$250 million for programming for a total of \$500 million, and he indicated there is universal support and the response is positive.

Vice Chairman Hildebrand also asked about the dependence on U. T.'s approval to move the project forward, and Mr. McKeon commented that the project has been premised on the anchor of five institutions for the financing structure, and while the initiative could happen on a smaller scale, it would not have the pull of industry. He said U. T. M. D. Anderson Cancer Center is a big draw along with the Baylor College of Medicine.

Regent Beck noted there are some unresolved legal issues about what U. T. institutions can and cannot do, and Mr. McKeon said he is willing to commit that his attorneys will meet with U. T.'s attorneys to address the issues, and discussions have recently taken place.

Mr. McKeon said there is no business requirement that each participating institution guarantee the results of the other institutions. Mr. McKeon said it is important that each institution is not reliant on other institutions.

In reply to a question from Regent Weaver about the potential role of industry in the project, Mr. McKeon explained that industry is expected to buy or lease space in buildings, invest their technology, and invest in research. Regent Aliseda asked if there are letters of intent with industry, and Mr. McKeon said that potential industry partners are ready when U. T. signs onto the project.

Noting that U. T.'s contributions in the project would be 40% of the spend for the helix and 50% on the four buildings, and U. T.'s five-year spend on capital is already committed, Chairman Tucker asked Chancellor McRaven to bring this proposal back to the Board at the Special Called Meeting on November 27, 2017, with details on the all-in cost, risks associated with the spend, the legality question, the readiness of the institutions to put up resources, what collaborations are in the works and how firm are they, what is the business model case, and points that address concerns with the philanthropic plan. She stated she does not want this potential investment to preclude the ability to invest in the visions of the other U. T. institutions.

TMC³

NOVEMBER 2017 | TEXAS MEDICAL CENTER'S TRANSLATIONAL RESEARCH CAMPUS

University of Texas System Board of Regents' Meeting
WILLIAM F. MCKEON | PRESIDENT & CEO, TEXAS MEDICAL CENTER

TMC | TEXAS MEDICAL CENTER

TMC-WIDE STRATEGIC PLAN

- Over 200 stakeholders, inclusive of all TMC member institutions and community and state leaders
- Seven Design Teams worked over a year with 139 participants of which 39 were UT System Institution Representatives
- Strategic Plan finalized September 2014

Steering Committee

- Giuseppe Colasurdo, UT Health
- David Callender, UT Medical Branch
- Ron DePinho, MD Anderson
- Aman Buzdar, MD Anderson
- Tom Feeley, MD Anderson
- Andy Futreal, MD Anderson

Leadership Governance

- Giuseppe Colasurdo, UT Health
- David Callender, UT Medical Branch
- Kevin Dillon, UT Health
- Dan Fontaine, UT Health

Innovation Design Team

- Mauro Ferrari, UTHealth
- Bruce Butler, UTHealth
- Michael Alvarez, MD Anderson
- Roberta Ness, UTHealth

Health Policy Design Team

- Tom Feeley, MD Anderson *
- Sharon Giordano, MD Anderson
- Mark Moreno, MD Anderson
- Stephen Linder, UT Health
- Dean Sittig, UTHealth
- Melinda Stanley, UTHealth
- Eric Thomas, UTHealth
- Ben Raimer, UT Medical Branch

Genomics Design Team

- Andy Futreal, MD Anderson *
- John Mendelsohn, MD Anderson
- Eric Boerwinkle, UTHealth
- Dianna Milewicz, UTHealth

Clinical Research Design Team

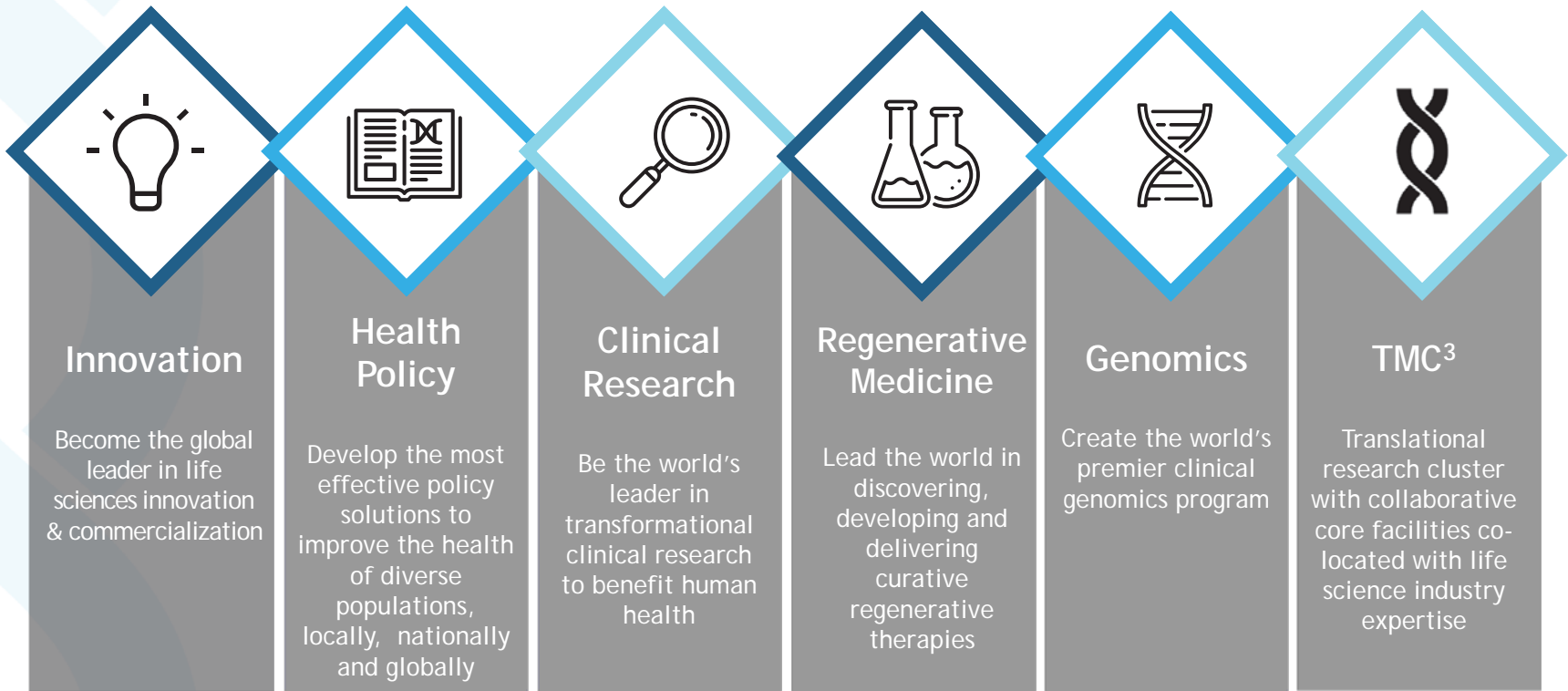
- Aman Buzdar, MD Anderson *
- John Frenzel, MD Anderson
- Sujatha Sridhar, UTHealth
- Patricia Starck, UTHealth
- Jon Tyson, UTHealth
- Jiajie Zhang, UTHealth
- Mark Kirshbaum, UT Medical Branch

Regenerative Medicine Design Team

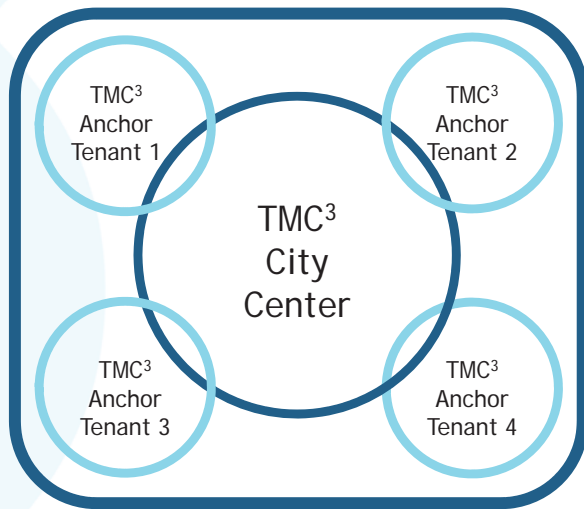
- Brian Davis, UTHealth*
- Michael Andreeff, MD Anderson
- Michelle Barton, MD Anderson
- Richard Behringer, MD Anderson
- Elizabeth Shpall, MD Anderson
- Charles Cox, Jr., UTHealth
- Radbod Darabi, UTHealth

*Design Team Co-Chair

VISION FOR COLLABORATIVE INSTITUTES



STRATEGIC PLAN IDENTIFIED COLLABORATIVE CAMPUS CENTER



- TMC³ Campus Perimeter**
- Early stage companies
 - Pharma, biotech, VC
 - Retail
 - Hotel
 - Residential

- TMC³ City Center**
- TMC Institutes
 - TMC Corporate
 - Shared Core Facilities
 - Parking
 - Conference Center

- TMC³ Anchor Tenants**
- TMC member institutions with identified research space needs and plans

3. Identify Resources to Achieve the TMC Vision

3.1: Create a master plan for development of the TMC³ site

Implementation Tactics:

- TMC will engage experts to create a comprehensive master plan
- Identify interested and vested academic, clinical and industry partners
- Develop a space plan to quantify square footage needs for:
 - Research space for the five thematic TMC institutes
 - Research and academic space for TMC member institutions
 - Student and Faculty Housing
 - Patient and Guest Hotel
 - Parking
 - Shared core facilities
- Develop construction cost estimates and development phasing plan
- Explore legal options to modify covenant restrictions to allow close proximity of public and private enterprise

VIDEO

TMC³ 1+1=3 “COLLABATITION”

- Leading institutions collaborate to compete on a global level
- Collaborative efforts serve as a magnet to industry
- Multi-institutional initiatives yield greater outcomes
 - Increase access to grant, philanthropic and industry funding
 - Reduce individual costs and increase utilization of core labs and specialized equipment
- TMC³, with the collaboration of our Founding Institutions, will establish Texas as the premier destination for life science and commercialization

COLLABORATION INDUSTRY MAGNETS



COLLABORATION INDUSTRY MAGNETS



LIFE SCIENCE TRANSLATION

- 40 acre UCSF investment yielded 300 plus acres of life science innovation
- \$6.5 billion in industry output and 36,200 jobs
- Innovation and technology leader
- Company creation and workforce development



THIRD COAST OF LIFE SCIENCES

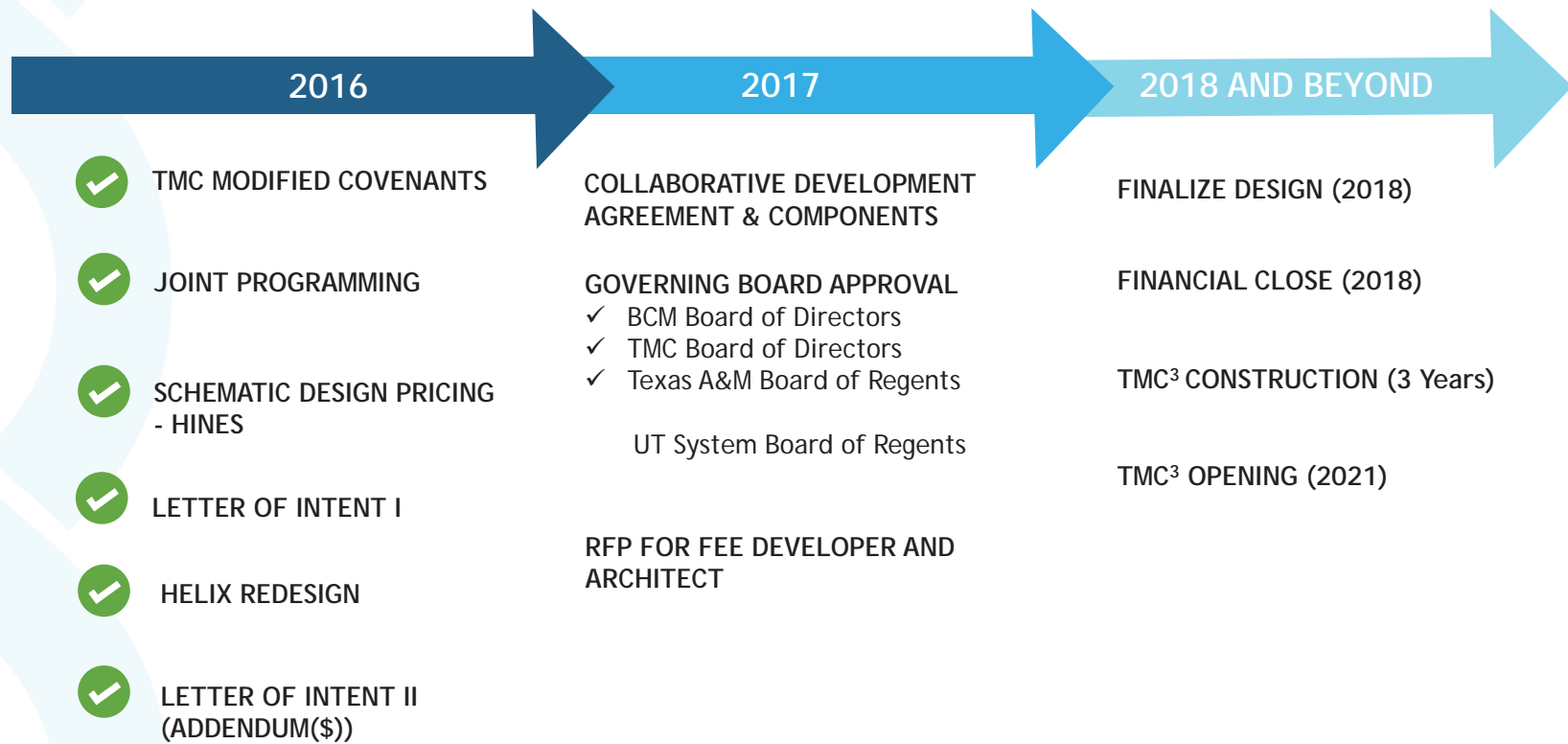
24:1
IN TEXAS

3:1
IN BOSTON

5:1
IN SAN FRANCISCO

- Despite being the largest medical center in the world and having the highest concentration of NIH research funding, Texas lags behind in commercialization of research
 - Currently, for every \$24 invested in research \$1 commercialized
- TMC³ is an investment in Texas' Life Science ecosystem that will increase translational output
- Essential to recruit and retain world class talent
- Attract life science industry to partner with academic institutions

TMC³ PROGRESS AND NEXT STEPS



INDUSTRY ENGAGEMENT & ANTICIPATION

Johnson & Johnson

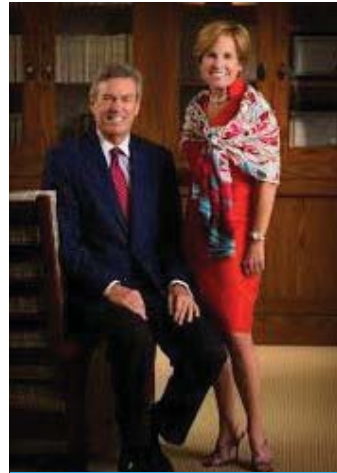


illumina

PHILANTHROPIC CAMPAIGN FOR COLLABORATION



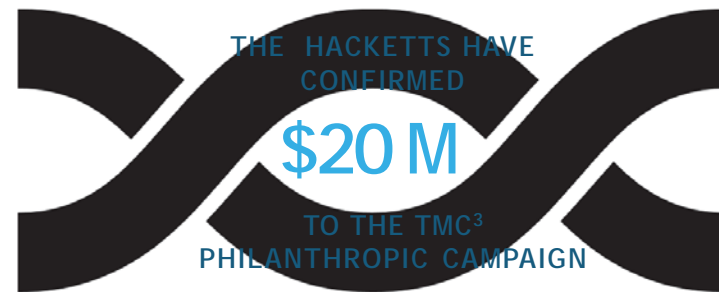
The Honorable & Mrs.
James A. Baker, III
Honorary Campaign Chairs



Jim & Maureen
Hackett
Campaign Chairs

CAMPAIGN UPDATE

- Founding Institutions development teams have united for the TMC³ philanthropic campaign
- Leading philanthropists in the State of Texas have all expressed support of TMC³, and are now waiting for TMC³ Founding Institutions to consummate the deal



TMC INVESTMENT

TMC is dedicated to the success of TMC³ and contributing the following:

- \$40 million cash
- \$120 million in real estate
- Net proceeds from parking
- Net proceeds from TMC Hotel
- \$5.4 million in surface parking revenue foregoing yearly

TMC funds and philanthropic funds raised for TMC³ are directly reducing UT System institutions costs.



ACTION REQUIRED FOR UT SYSTEM PARTICIPATION

Given the governing board approvals by all other Founding Institutions, in order to move forward with TMC³, we respectfully request the UT System Board of Regents to:

- 1 Ratify the Letter of Intent (LOI) and Addendum previously executed by MD Anderson and UTHealth
- 2 Such action by UT System commits each of its institutions to (i) a proportionate share of the collaborative space (\$2.8M/year for 30 years or \$36.45M), and (ii) co-locating an unspecified amount of incremental and/or relocated research space within TMC³
- 3 Once ratified, in partnership with the Founding Institutions, we will:
 - Issue an RFP for a fee developer and architect
 - Finalize legal structure and financing
 - Reassemble teams to refine core labs

TEXAS' NEXT GIFT TO THE WORLD

Thank you for
your consideration.

4. U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendment to Regents' Rules and Regulations, Rule 10801 (Policy on Transparency, Accountability, and Access to Information) to add new language regarding expectations associated with communications

Chairman Tucker noted that Items 4 and 5 propose Regents' Rules changes as the result of the ongoing comprehensive review of the Rules to assure continued relevance and compliance and to maximize efficiency.

The Board then authorized that previous University of Texas Systemwide Policy UTS178, *Required Reporting of Significant Events*, be replaced with new language in Regents' Rules and Regulations, Rule 10801, regarding expectations associated with communications, as set forth below:

Sec. 3 Importance of Communication. To assist the Board of Regents in its duties and responsibilities, the Board and the Chancellor expect to be informed of significant matters within the U. T. System Administration and at each U. T. institution. Significant matters include those matters, which in the exercise of individual best judgment, reflect a significant achievement, present a substantial concern or interest, and/or have the potential to impact the reputation of the institution in a substantial manner.

Remaining sections of Rule 10801 were renumbered.

Led by the former Chancellor and former Chairman of the Board, Systemwide Policy UTS178 was established in 2012 to detail expectations for enhanced communications to assure the Board was provided timely, relevant information necessary to discharge governance and oversight responsibilities. The replacement of UTS178 with guidance in the Regents' Rules will maintain a better structure and clarify expectations surrounding the communication of significant matters to appropriate officials and eliminate unnecessary or burdensome reporting.

Under the amendment, significant achievements, matters, or complaints within System Administration and at each U. T. institution are to be reported to the Chancellor and the Board of Regents. Matters are deemed significant for purposes of the amendment if they have the potential to impact the reputation of the institution in a substantial manner and/or generate substantial public interest or concern. UTS178 previously defined significant matters to include, without limitation,

- reports of death or serious injury occurring on campus or involving a member of the university community;
- allegations of fraud or fiscal loss of \$100,000 or more;
- allegations involving impropriety or failure to follow law or policy by the Chancellor, a System Executive Vice Chancellor or Vice Chancellor, the General Counsel to the Board, the System Chief Audit Executive, or an institutional president or vice president;

- allegations of sexual misconduct;
- allegations related to the care or safety of minors;
- material concerns expressed by federal and state oversight agencies;
- security breaches involving confidential records;
- potential media reports that may impact the reputation of the university; and
- matters that reflect a systemic threat to patient safety.

Generally, this definition will still provide guidance for operating under the Rule addition. Exceptions include issues that would not typically require the attention of or action by a president or the Chancellor.

Significant matters and complaints may be discovered through the ordinary course of business, through an audit function, through legal matters, or through one of the several complaint intake processes throughout the U. T. System.

This Agenda Item was reviewed by the U. T. institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

5. U. T. System Board of Regents: Discussion and appropriate action regarding proposed rescission of Regents' *Rules and Regulations*, Rule 80107 (Filming Motion Pictures or Television Productions)

The Board rescinded Regents' *Rules and Regulations*, Rule 80107 (Filming Motion Pictures or Television Productions), as set forth for the record on the following pages, on the earlier of the implementation of a related University of Texas Systemwide Policy or December 1, 2017.

Rule 80107 was identified for rescission as a part of the ongoing review by the Office of the Board of Regents and others within U. T. System Administration and at the U. T. institutions to identify the most efficient oversight of U. T. System. The requirements in the Rule were operational in nature and were identified as more appropriately included in a U. T. Systemwide Policy.

This Agenda Item was reviewed by the U. T. institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

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

Rule: 80107

1. Title

Filming Motion Pictures or Television Productions

2. Rule and Regulation

- Sec. 1 Authorization to Film. The Chancellor or the president of an institution may authorize the use of property or buildings owned or controlled by the U. T. System or any of the institutions for filming motion pictures or television productions under a written agreement approved pursuant to U. T. System procedures. Requests to film a motion picture or television production shall be reviewed and considered on a case by case basis. Subject to the provisions of this Rule; it shall be within the discretion of the Chancellor or the president of an institution, following consultation with campus security personnel, to determine whether to grant the request. The safety of students, faculty, and staff; the potential for damage to buildings, facilities, or property and for disruption of administrative or academic programs or other scheduled activities; and the subject matter of the film shall be of primary consideration in determining whether to grant a filming request.
- Sec. 2 Scheduling. The Chancellor or president shall be responsible for ensuring that scheduled time(s) and location(s) for filming do not interfere with administrative and academic programs or other scheduled activities of the U. T. System or any of the institutions.
- Sec. 3 Script Approval. The Chancellor or the president of an institution must approve either the script for the motion picture or television production or the topic and format for a live or unscripted program.
- Sec. 4 Interest in the Production. The production company must identify the persons or entities with an interest in the company.
- Sec. 5 Insurance Requirements. The production company must provide a policy providing protection against all liability, to the extent possible, with a minimum of comprehensive general liability and property damage insurance issued by a company authorized to do business in the State of Texas naming the Board of Regents, the U. T. System, the institution, and the officers and employees of each as additional insureds, providing coverage for injury and death of persons and damage to property that result directly or indirectly from the negligent or intentional act or omission of, or from the use or condition of any property, equipment, machinery, or vehicle used, operated, or controlled by, the production company or its

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

Rule: 80107

officers, employees, agents, or subcontractors while on property owned or controlled by the U. T. System or any of the institutions. The scope and limits of coverage shall be determined by the Chancellor or the president of an institution on the basis of the nature and extent of the activities to be conducted by the production company and the property, buildings, or facilities to be utilized. In no event shall the limits of liability for each occurrence be less than \$2 million for injury or death of a person and \$1 million for property damage.

Sec. 6 Use Fee. A use fee will be established in each case based upon the nature and extent of the activities, including costs associated with moving and replacing computers and other equipment and furniture of the production company and the U. T. System property, buildings, personnel, and services that are required to accommodate such activities. The use fee must be paid in advance by a certified or cashiers check made payable to the U. T. System or the institution. If the production company cancels a scheduled use, the deposit, less any expense incurred by the U. T. System or any of the institutions in preparation for such use, will be refunded.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code [Section 51.202](#) – Rules and Regulations; Penalty

Texas Government Code [Section 2165.008](#) – Temporary Use of State Building or Grounds by Television or Film Production Company

Texas Government Code [Section 2203.004](#) – Requirement to Use State Property for State Purposes

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations*, [Rule 80101](#) – Category of Facilities and Authorized Users

Regents' *Rules and Regulations*, [Rule 80103](#) – Solicitation

Regents' *Rules and Regulations*, [Rule 80105](#) – Joint Sponsorship of the Use of Property or Buildings

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

Rule: 80107

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs

Office of Health Affairs

8. Dates Approved or Amended

Editorial amendment to Number 4 made May 5, 2008

December 10, 2004

9. Contact Information

Questions or comments regarding this Rule should be directed to:

- bor@utsystem.edu

6. U. T. System Board of Regents: Authorization for the Chancellor to submit Report Concerning Designated Tuition

The Board granted authority to the Chancellor to submit on its behalf the "Report Concerning Designated Tuition" as required by the current General Appropriations Act, House Bill 1, Article III, Section 49 to the Lieutenant Governor, Speaker of the House, Chair of the Senate Finance Committee, Chair of the House Appropriations Committee, and members of the Legislative Oversight Committee on Higher Education.

A Report Concerning Designated Tuition is to be filed not later than January 1, 2018, by the governing board of each public institution of higher education that charges students designated tuition under Section 54.0513, *Texas Education Code*. The Report identifies the amount of designated tuition collected, the purposes for which it was spent, the amount spent for each purpose, the amounts set aside for resident undergraduate and graduate student assistance as required by Sections 56.011 and 56.012, *Texas Education Code*, and how those amounts are allocated among various types of student assistance.

Completion of the Report requires certain financial information contained in the pending annual financial report, which will not be completed until December 1, 2017. Upon completion of the Report, a copy will be provided to members of the Board.

7. U. T. System: Discussion and appropriate action regarding approval of modified graphic of U. T. System seal for limited use (Deferred)

Using a revised PowerPoint presentation set forth on Pages 32 - 37, Vice Chancellor Safady presented a modified University of Texas System seal proposed for limited use in print and digitally, especially with mobile platforms, to protect the integrity, legibility, and identification of the seal. Following several comments and concerns from members of the Board, Dr. Safady was asked to consult with the U. T. institutions to ensure there will not be added confusion with the institution seals and will bring a recommendation to the Board at a future meeting. Action on the item was deferred.

The official U. T. System seal's large horizontal footprint makes it difficult to see and read in small-size formats. With communications and media consumption moving more to mobile platforms, including tablets and smart phones, the U. T. System seal in its official form and historical font is difficult to read and does not adjust well to a reduction in size. University systems and universities commonly use their respective official seals for certificates, ceremonial documents, financial documents, contracts, commemorations, and signage, for example. They use an alternative visual identity for print and web publications, social media, internal communications, and some promotional items, invitations, and stationery.

The U. T. System proposed a modified version of its official seal to better accommodate its viewership and to visually represent the U. T. System in a modern way, while retaining the historical identity and essential elements of the seal.

Proposed Seal Modification for Limited Use

Dr. Randa Safady, Vice Chancellor for External Relations

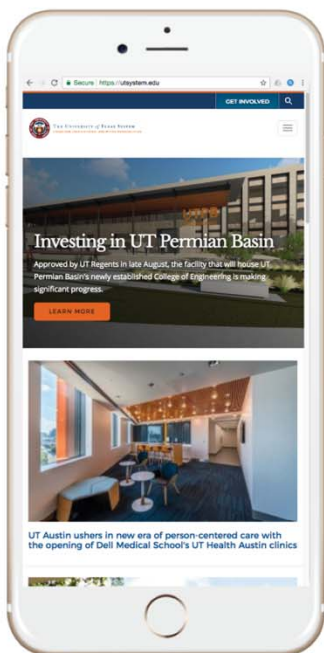
U. T. System Board of Regents' Meeting
November 2017



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Current Usage and Challenges



HEALTHIER TEXAS SUMMIT
A COLLABORATION BETWEEN IT'S TIME TEXAS AND THE UNIVERSITY OF TEXAS SYSTEM

Dear Friends and Colleagues,

I'd like to invite you to join us in Austin, on November 6-7, for the inaugural [Healthier Texas Summit](#). The Summit, which is being co-hosted by The University of Texas System and IT'S TIME TEXAS, is the kickoff event of Healthier Texas, a new public-private initiative designed to rapidly reduce the burden of preventable chronic disease in Texas.

Reducing preventable chronic disease in Texas is an enormous challenge, and one that will require hard work, collaboration, and innovation across many realms and over many years. To reflect the complexity and breadth of that challenge, we have brought together an extraordinary, and extraordinarily diverse, group of presenters and panelists from across Texas.

The Chancellor of The University of Texas System, [William McRaven](#), will be giving the keynote address on Monday morning. He will be joined at the Summit by, among others, CodeNEXT Planner [Jennifer Todd](#), State Representative [Kirk Watson](#), Episcopal Health Foundation President and CEO [Elena Marks](#), Texas Tribune Health Reporter [Marissa Evans](#), Federal Reserve Senior Advisor [Jordana Barton](#), Dell Medical School Systems Designer [Lucas Artusi](#), KUT Senior Reporter [Ashley Lopez](#), Michael & Susan Dell Center for Healthy Living Director [Deanna Hoelscher](#), Social Finance Director [Nirav Shah](#), Center for Health Communication Director [Michael Mackert](#), Healthy Tarrant County Collaboration Executive Director [Linda Fullmer](#), City of Austin Food Policy Manager [Edwin Marty](#), Go Collaborative Founder [Sarah Gamble](#), UTMB Director of Telehealth [Marti Robinson](#), Cooper Institute Youth Division President [Jeremy Lyon](#), and more.



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Official Seals of UT Institutions



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Academic/Marketing Logos



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Other University System Seals and Alternative Logos



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UNIVERSITY OF CALIFORNIA



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Proposed Visual Identity



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8. U. T. System: Report and discussion on hurricane preparedness, response, and recovery

Chief Compliance and Risk Officer Dendy reported on The University of Texas System's preparation, response, and recovery related to Hurricane Harvey that made landfall in the Houston area, Texas, as a Category 1 hurricane on August 24, 2017, and developed into a Category 4 hurricane on August 25, 2017. (A video displayed at the meeting is on file in the Office of the Board of Regents.)

Chairman Tucker thanked Mr. Dendy for his comprehensive report and thanked the institutional presidents of those campuses affected and of those who pitched in to help. She commented on the ability to learn from prior storms. Regents Beck and Longoria also spoke about the collaboration of institutions, including The Texas A&M University System's offering of their Corpus Christi facility to The University of Texas at Austin for use by the damaged Marine Science Institute. In reply to a question from Vice Chairman Hildebrand, Mr. Dendy spoke about the total damage, which is estimated to be more than \$100 million.

STANDING COMMITTEE REPORTS AND RECOMMENDATIONS.--At 10:15 a.m., Chairman Tucker announced the Board would hear the reports and recommendations of the Standing Committees, which are set forth on Pages 39 - 98.

REPORT OF THE AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE
(Page 39).--Chairman Tucker confirmed with Committee Chairman Aliseda that there were no items from the Audit, Compliance, and Risk Management Committee to report.

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

There were no items referred from the Consent Agenda.

2. U. T. System: Discussion regarding review of the Audit, Compliance, and Risk Management Committee Charter

This item was for consideration only by the Committee.

3. U. T. System: Presentation of Institute of Internal Auditors' Global Chairman's Theme

This item was for consideration only by the Committee.

4. U. T. System: Report on the Systemwide internal audit activities, including the FY 2017 Annual Report

This item was for consideration only by the Committee.

5. U. T. System: Report and discussion on Systemwide Compliance Programs

This item was for consideration only by the Committee.

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 40 - 71).--Committee Chairman Hildebrand reported that the Finance and Planning Committee met in Open Session to consider the matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Finance and Planning Committee and approved in Open Session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

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

This item was for consideration only by the Committee.

3. U. T. System Board of Regents: Approval of amendments to the Investment Policy Statements for the Permanent University Fund, the General Endowment Fund, the Permanent Health Fund, the Long Term Fund, the Intermediate Term Fund, and the Liquidity Policy

Upon recommendation of the Board of Directors of The University of Texas/Texas A&M Investment Management Company (UTIMCO), the Board approved amendments to the following Investment Policy Statements, including asset allocation, as set forth on the referenced pages to be effective December 1, 2017. Amendments to the Liquidity Policy, as set forth on the referenced pages, were effective November 9, 2017.

- a. Permanent University Fund (PUF) (see Pages 42 - 43)
- b. General Endowment Fund (GEF) (see Pages 42 - 43)
- c. Permanent Health Fund (PHF) (see Pages 42 - 43)
- d. Long Term Fund (LTF) (see Pages 42 - 43)
- e. Intermediate Term Fund (ITF) (see Pages 44 - 45)
- f. Liquidity Policy (see Pages 46 - 49)

The Master Investment Management Services Agreement (IMSA) between The University of Texas System Board of Regents and UTIMCO requires that UTIMCO review the current Investment Policies for each Fund at least annually. The review includes distribution (spending) guidelines; long-term investment return expectations and expected risk levels; Asset Class and Investment Type allocation targets and ranges for each eligible Asset Class and Investment Type; expected returns for each Asset Class, Investment Type, and Fund; designated performance benchmarks for each Asset Class and/or Investment Type; and such other matters as the U. T. System Board or its staff designees may request.

Amendments to the PUF, GEF, PHF, LTF, and ITF Investment Policy Statements and the Liquidity Policy were approved by the UTIMCO Board on September 11, 2017.

Exhibits to the Investment Policy Statements for the PUF, GEF, PHF, LTF (see Attachment 1) and ITF (see Attachment 2) were amended to reflect the following changes:

- Revised Policy Portfolio Asset Class and Investment Type Targets and Ranges for Fiscal Year Ending (FYE) 2018
- Revised Policy Benchmarks and Expected 10-year Annual Real Return (Benchmark) target and the One-Year Downside Volatility for FYE 2018 to reflect revised Asset Class and Investment Type targets for FYE 2018

All amended Investment Policy Statements will be effective December 1, 2017.

Amendments to the Liquidity Policy changed the period for determining whether an investment is liquid from 90 days or less to 120 days or less, and the requirement to report liquidity quarterly was deleted since 120 days is the new measurement period.

The Short Term Fund Investment Policy Statement, Separately Invested Funds Investment Policy Statement, and the Derivative Investment Policy were reviewed but no changes were made.

ATTACHMENT 1
EXHIBIT A for PUF and GEF, EXHIBIT B for PHF and LTF
ASSET CLASS AND INVESTMENT TYPE TARGETS, RANGES, AND PERFORMANCE
OBJECTIVES EFFECTIVE DECEMBER 1, 2017

POLICY PORTFOLIO	FYE 2018		
	Min	Target	Max
<u>Asset Classes</u>			
Investment Grade Fixed Income	3.0%	9.5%	25.0%
Credit-Related Fixed Income	0.0%	7.5%	30.0%
Real Estate	0.0%	7.0%	12.5%
Natural Resources	2.5%	14.5%	20.0%
Developed Country Equity	30.0%	44.5%	65.0%
Emerging Markets Equity	8.0%	17.0%	25.0%
<u>Investment Types</u>			
More Correlated & Constrained	30.0%	39.0%	60.0%
Less Correlated & Constrained	15.0%	21.0%	37.5%
Private Investments	20.0%	40.0%	50.0%

The total Asset Class & Investment Type exposure, including the amount of derivatives exposure not collateralized by Cash, may not exceed 105% of the Asset Class & Investment Type exposures excluding the amount of derivatives exposure not collateralized by Cash.

POLICY BENCHMARK	FYE 2018
Barclays Capital Global Aggregate Index	7.5%
FTSE EPRA/NAREIT Developed Index Net TRI USD	0.0%
Gold Spot price (XAU)	2.5%
MSCI World Index with net dividends	19.0%
MSCI Emerging Markets with net dividends	10.0%
Hedge Fund Research Indices Fund of Funds Composite Index	21.0%
Custom Cambridge Fund of Funds Benchmark	40.0%

POLICY/TARGET RETURN/RISKS	FYE 2018
Expected 10-Year Annual Real Return (Benchmark)	3.93%
One Year Downside Volatility	11.23%
Risk Bounds	
Lower: 1 Year Downside Volatility	75.00%
Upper: 1 Year Downside Volatility	115.00%

ATTACHMENT 1
EXHIBIT A for PUF and GEF, EXHIBIT B for PHF and LTF
(continued)
ASSET CLASS AND INVESTMENT TYPE TARGETS, RANGES AND PERFORMANCE OBJECTIVES
EFFECTIVE DATE DECEMBER 1, 2017

POLICY BENCHMARKS BY ASSET CLASS AND INVESTMENT TYPE: FYE 2018

FYE 2018		More Correlated & Constrained	Less Correlated & Constrained	Private Investments	Total
Fixed Income	Investment Grade	Barclays Capital Global Aggregate Index (7.5%)	2.0%	0.0%	9.5%
	Credit-Related	(0.0%)	4.0%	3.5%	7.5%
Real Assets	Real Estate	FTSE EPRA/NAREIT Developed Index Net TRI USD (0.0%)	0.0%	7.0%	7.0%
	Natural Resources	Gold Spot price (XAU) (2.5%)	0.0%	12.0%	14.5%
Equity	Developed Country	MSCI World Index with Net Dividends (19.0%)	13.0%	12.5%	44.5%
	Emerging Markets	MSCI EM Index with Net Dividends (10.0%)	2.0%	5.0%	17.0%
Total		39.0%	21.0%	40.0%	100.0%

Hedge Fund Research Indices Fund of Funds Composite Index
 Custom Cambridge Fund of Funds Benchmark

Investment Policy/Benchmarks are indicated in Black/Bold
Reportable Targets are indicated in Gray

ATTACHMENT 2
EXHIBIT A - INTERMEDIATE TERM FUND
ASSET CLASS AND INVESTMENT TYPE TARGETS, RANGES, AND PERFORMANCE OBJECTIVES
EFFECTIVE DATE DECEMBER 1, 2017

POLICY PORTFOLIO	FYE 2018		
	Min	Target	Max
<u>Asset Classes</u>			
Investment Grade Fixed Income	20.0%	34.5%	50.0%
Credit-Related Fixed Income	0.0%	7.5%	12.0%
Real Estate	0.0%	0.0%	10.0%
Natural Resources	0.0%	2.5%	10.0%
Developed Country Equity	20.0%	44.0%	60.0%
Emerging Markets Equity	2.5%	11.5%	20.0%
<u>Investment Types</u>			
More Correlated & Constrained	45.0%	55.0%	65.0%
Less Correlated & Constrained	35.0%	45.0%	55.0%

The total Asset Class & Investment Type exposure, including the amount of derivatives exposure not collateralized by Cash, may not exceed 100% of the Asset Class & Investment Type exposures excluding the amount of derivatives exposure not collateralized by Cash.


POLICY BENCHMARK	FYE 2018
Barclays Capital Global Aggregate Index	30.0%
FTSE EPRA/NAREIT Developed Index Net TRI USD	0.0%
Gold Spot price (XAU)	2.5%
MSCI World Index with net dividends	15.0%
MSCI Emerging Markets with net dividends	7.5%
Hedge Fund Research Indices Fund of Funds Composite Index	45.0%

POLICY/TARGET RETURN/RISKS	FYE 2018
Expected 10-Year Annual Real Return (Benchmark)	2.03%
One Year Downside Volatility	5.98%
Risk Bounds	
Lower: 1 Year Downside Volatility	70.00%
Upper: 1 Year Downside Volatility	115.00%

ATTACHMENT 2
EXHIBIT A - INTERMEDIATE TERM FUND
(continued)
ASSET CLASS AND INVESTMENT TYPE TARGETS, RANGES AND PERFORMANCE OBJECTIVES
EFFECTIVE DATE DECEMBER 1, 2017

POLICY BENCHMARKS BY ASSET CLASS AND INVESTMENT TYPE: FYE 2018

FYE 2018		More Correlated & Constrained	Less Correlated & Constrained	Total
Fixed Income	Investment Grade	Barclays Capital Global Aggregate Index (30.0%)	4.5%	34.5%
	Credit-Related	(0.0%)	7.5%	7.5%
Real Assets	Real Estate	FTSE EPRA/NAREIT Developed Index Net TRI USD (0.0%)	0.0%	0.0%
	Natural Resources	Gold Spot price (XAU) (2.5%)	0.0%	2.5%
Equity	Developed Country	MSCI World Index with Net Dividends (15.0%)	29.0%	44.0%
	Emerging Markets	MSCI EM Index with Net Dividends (7.5%)	4.0%	11.5%
Total		55.0%	45.0%	100.0%

 Hedge Fund Research
Indices Fund of Funds
Composite Index

Investment Policy/Benchmarks are indicated in Black/Bold
Reportable Targets are indicated in Gray

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

Effective Date of Policy: November 9, 2017

Date Approved by U. T. System Board of Regents: November 9, 2017

Date Approved by UTIMCO Board: September 11, 2017

Original Effective Date of Policy: August 7, 2003

Supersedes: Liquidity Policy dated November 5, 2015

Purpose:

The purpose of this Liquidity Policy is to establish limits on the overall liquidity profile of investments in (1) the Permanent University Fund (PUF) and the General Endowment Fund (GEF), hereinafter collectively referred to as the Endowment Funds and, (2) the Intermediate Term Fund (ITF). For the purposes of this policy, “liquidity” is defined as a measure of the ability of an investment position to be converted into Cash. The established liquidity profile limits will act in conjunction with, but do not supersede, the Investment Policies adopted by the U. T. System Board of Regents.

Objective:

The objective of this Liquidity Policy is to control the element of total risk exposure of the Endowment Funds and the ITF stemming from the uncertainties associated with the ability to convert longer term investments to Cash to meet immediate needs or to change investment strategy, and the potential cost of that conversion.

Scope:

This Liquidity Policy applies to all PUF, GEF, and ITF investments made by The University of Texas/Texas A&M Investment Management Company (UTIMCO), both by internal and by external managers. Policy implementation will be managed at the aggregate UTIMCO level and will not be a responsibility of individual internal or external managers managing a portion of the aggregate assets.

Definition of Liquidity Risk:

“Liquidity risk” is defined as that element of total risk resulting from the uncertainty associated with both the cost and time period necessary to convert existing investment positions to Cash. Liquidity risk also entails obligations relating to the unfunded portions of capital commitments. Liquidity risk can result in lower than expected returns and reduced opportunity to make changes in investment positions to respond to changes in capital market conditions.

Definition of Cash:

Cash is defined as short term (generally securities with time to maturity or mandatory purchase or redemption of three months or less), highly liquid investments that are readily convertible to known amounts and which are subject to a relatively small risk of changes in value. Holdings may include:

- the existing Dreyfus Institutional Preferred Money Market Fund mandate and any other UTIMCO Board approved SEC Rule 2a-7 money market fund rated AAAM by Standard & Poor’s or the equivalent by a Nationally Recognized Statistical Rating Organization (NRSRO),
- securities of the U.S. Treasury and U.S. Agencies and their instrumentalities with maturities of 397 days or less,
- separately managed accounts with investment guidelines equivalent to, or more stringent than, unaffiliated liquid investment funds rated AAAM by Standard & Poor’s Corporation or the equivalent by a NRSRO,
- the Custodian’s late deposit interest bearing liquid investment fund,
- municipal short term securities,
- commercial paper rated in the two highest quality classes by Moody’s Investor Service, Inc. (P1 or P2) or Standard & Poor’s Corporation (A1 or A2 or the equivalent),
- negotiable certificates of deposit with a bank that is associated with a holding company whose short-term rating meets the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps, and

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

- repurchase agreements and reverse repurchase agreements transacted with a dealer that is approved by UTIMCO and selected by the Federal Reserve as a Primary Dealer in U.S. Treasury securities and rated A-1 or P-1 or the equivalent.

Liquidity Risk Measurement-The Liquidity Profile:

For the purposes of this Liquidity Policy, potential liquidity risk will be monitored by measuring the aggregate liquidity profile of the Endowment Funds and ITF. All individual investments within the Endowment Funds and ITF will be segregated into two categories:

- **Liquid:** Investments that could be converted to Cash within a period of 120 days or less in an orderly market at a discount of 10% or less.
- **Illiquid:** Investments that could be converted to Cash in an orderly market over a period of more than 120 days or in a shorter period of time by accepting a discount of more than 10%.

The UTIMCO Team will report individual investments within the Endowment Funds and ITF categorized as follows:

- **Cash:** Short term (generally securities with time to maturity or mandatory purchase or redemption of three months or less), highly liquid investments that are readily convertible to known amounts and which are subject to a relatively small risk of changes in value.
- **Liquid (Weekly):** Investments that could be converted to Cash within a period of one day to less than 7 days in an orderly market at a discount of 5% or less.
- **Liquid (Annual):** Investments that could be converted to Cash within a period of one day to less than 365 days in an orderly market at a discount of 10% or less.

The measurements necessary to segregate all existing investments into one of the two categories assume normally functioning capital markets and cash market transactions. In addition, swaps, derivatives, or other third party arrangements to alter the status of an investment classified as illiquid may be considered, with the prior approval of the UTIMCO Board or the Risk Committee, in determining the appropriate liquidity category for each investment.

The result of this liquidity risk measurement process will be a liquidity profile for the Endowment Funds and the ITF which indicates the percentage of the total portfolio assets within each liquidity category. This Liquidity Policy defines the acceptable range of percentage of total assets within each liquidity category, specifies “trigger zones” requiring special review by the UTIMCO Team and special action by the UTIMCO Board or the Risk Committee, and specifies the method of monitoring and presenting actual versus policy liquidity profiles.

Liquidity Policy Profile:

The current Liquidity Policy Profile ranges and trigger zones for each of the Endowment Funds are defined by the table below:

	<u>FY 14+</u>
Liquidity above trigger zone:	30.0%
Liquidity within trigger zone:	25.0%-30.0%
Liquidity below trigger zone:	<25.0%

The permitted maximum for **illiquid** investments is 75% of the total portfolio for the Endowment Funds. Investments for the Endowment Funds that maintain liquidity above the trigger zone do not require any action by the Risk Committee. Any **illiquid** investments made in the 70% to 75% trigger zone require prior approval by the Risk Committee. No investment may be made for the Endowment Funds which would cause illiquidity to be greater than 75%.

**The University of Texas/Texas A&M Investment Management Company
Liquidity Policy**

The current Liquidity Policy Profile ranges and trigger zones for the ITF are defined by the table below:

Liquidity above trigger zone:	<u>FY 14+</u> 50%
Liquidity within trigger zone:	45%-50%
Liquidity below trigger zone:	<45%

The permitted maximum for **illiquid** investments is 55% of the total portfolio for the ITF. Investments for the ITF that maintain liquidity above the trigger zone do not require any action by the Risk Committee. Any **illiquid** investments made in the 50% to 55% trigger zone require prior approval by the Risk Committee. No investment may be made for the ITF which would cause illiquidity to be greater than 55%.

Risk Committee review of new investments in the illiquid trigger zone will supplement, rather than replace, the procedures established by the UTIMCO Board for the approval of new investments.

Unfunded Commitments:

As used herein, “unfunded commitments” refers to capital that has been legally committed from an Endowment Fund and has not yet been called but may still be called by the general partner or investment manager. The Maximum Permitted Amount of unfunded commitments for each Endowment Fund is:

Unfunded Commitment as a percent of total invested assets:	<u>FY 14+</u> 30.0%
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No new commitments may be made for an Endowment Fund without approval from the Risk Committee if the actual amount of unfunded commitments for such Endowment Fund exceeds, or, as a result of such commitment, would exceed the Maximum Permitted Amount.

Documentation and Controls:

Managing Directors responsible for each asset class are responsible for determining the liquidity category for each investment in that asset class as well as the amount of unfunded commitments for each Endowment Fund. The determination of liquidity will include underlying security trading volumes, notice periods, redemption dates, lock-up periods, and “soft” and “hard” gates. These classifications will be reviewed by the Risk Manager and the Chief Compliance Officer, and must receive final approval from the Chief Investment Officer. Classifications and weights within each liquidity category will be updated and reported on a monthly basis. All new investments considered will be categorized by liquidity category, and a statement regarding the effect on overall liquidity and the amount of unfunded commitments for each Endowment Fund of the addition of a new investment must be an element of the due diligence process and will be a part of the recommendation report to the UTIMCO Board.

As additional safeguards, trigger zones have been established as indicated above to trigger required review and action by the UTIMCO Board or the Risk Committee in the event any investment action would cause the actual investment position in illiquid investments to enter the designated trigger zone, or in the event market actions caused the actual investment position in illiquid investments to move into trigger zones. In addition, any proposed investment actions which would increase the actual investment position in illiquid investments in any of the PUF, the GEF, or the ITF by 10% or more of the total asset value of such fund would also require review and action by the UTIMCO Board or the Risk Committee prior to the change. Any actual positions in any trigger zones or outside the policy ranges will be communicated to the Chief Investment Officer immediately. The Chief Investment Officer will then determine the process to be used to eliminate the exception and report promptly to the UTIMCO Board and the Risk Committee the circumstances of the deviation from Policy and the remedy to the situation. Furthermore, as indicated above, no new commitments may be made for an Endowment Fund without approval from the Risk Committee if the actual amount

**The University of Texas/Texas A&M Investment Management Company
Liquidity Policy**

of unfunded commitments for such Endowment Fund exceeds, or, as a result of such new commitment, would exceed, the Maximum Permitted Amount.

Reporting:

The actual liquidity profiles of the Endowment Funds and the ITF, including a detailed analysis of liquidity by category, and the status of unfunded commitments for each Endowment Fund, and compliance with this Liquidity Policy will be reported to the UTIMCO Board on at least a quarterly basis. Any exception to this Liquidity Policy and actions taken to remedy the exception will be reported promptly.

4. U. T. System Board of Regents: Approval of the Annual Budget for FY 2018 and the Annual Fee and Allocation Schedule for The University of Texas/Texas A&M Investment Management Company (UTIMCO)

Upon recommendation of the Board of Directors of The University of Texas/Texas A&M Investment Management Company (UTIMCO), the Board approved the Annual Budget for the year ending August 31, 2018, as set forth on Page 51, and the Annual Fee and Allocation Schedule as set forth on Page 52.

The Total Budgeted Costs consist of \$37.1 million for UTIMCO services (14.9% increase over Fiscal Year 2017 budget) and \$8.8 million (.3% increase from FY 2017 budget) for external noninvestment manager services such as custodial, legal, audit, and consulting services. These Total Budgeted Costs represent only a portion of total investment costs as they exclude external manager fees.

The 14.9% increase in UTIMCO services is mostly attributable to an increase in employee-related expenses due to salary adjustments and six new full-time equivalent (FTE) employees and higher expenses due to relocation to larger office space. The UTIMCO Compensation Program states that compensation will be at the peer median. The purpose is to attract and retain top investment professionals. Over the previous few years, 27 employees have chosen to leave UTIMCO. The UTIMCO Board of Directors conducted an independent analysis of current compensation relative to other large endowments and found that UTIMCO compensation was more than 10% below the peer average, which partially explains the extensive list of departures.

The size and complexity of assets managed has grown extensively over the past few years. The endowments' performance ranked in the first quartile versus all other plans and in the second quartile versus other large endowments. The value added over the year (above benchmark) was \$1,165 million for the endowments and \$1,367 million in total across all funds. In addition, recent results have ranked in the top quartile when adjusted for risk.

The Total Budgeted Costs was approved by the UTIMCO Board on September 11, 2017.

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

In accordance with the Master Investment Management Services Agreement (IMSA) between the U. T. System Board of Regents and UTIMCO, UTIMCO will retain cash reserves on hand at August 31, 2017. The U. T. System Office of Business Affairs and UTIMCO expect that a portion of the cash reserves will be utilized in FY 2018 in connection with the new lease space in the new U. T. System office building.

UTIMCO ANNUAL BUDGET

\$ in thousands	FY 2017	FY 2018	FY 2018 Budget v FY 2017 Budget	
	Budget	Budget	\$	%
Salaries, Benefits & Taxes	\$15,274	\$17,574	\$2,300	15.1%
Incentive Compensation	9,006	9,316	310	3.4%
Total Compensation	24,280	26,890	2,610	10.7%
Other Expenses	8,015	10,212	2,197	27.4%
Total UTIMCO Services	\$32,295	\$37,102	\$4,807	14.9%
Other Direct Costs to Funds	\$8,747	\$8,777	\$30	0.3%

Prepared by: UTIMCO
 Date: September 29, 2017

UTIMCO Management Fee and Direct Budgeted Investment Expenses
 Annual Fee and Allocation Schedule
 For the fiscal year ending August 31, 2018

Proposed Budget	Fund Name						Separate Funds 	Debt Proceeds 	Total
	PUF	PHF	LTF	GEF PHF LTF	ITF	STF			
Market Value 6/30/17 (\$ millions)	19,467	1,124	8,088		8,595	2,146	108	848	40,376
UTIMCO Management Fee									
Dollars	19,377,327	1,118,822	8,050,743		8,555,408	0	0	0	37,102,301
Basis Points	10.0	10.0	10.0	0	10.0	0	0	0	9.2
Direct Expenses to the Fund, excluding UT System Direct Expenses to the Fund									
Dollars	3,473,564	25,842	28,192	2,756,805	2,492,745	0	0	0	8,777,148
Basis Points	1.8	0.2	0.0	3.0	2.9	0	0	0	2.2

5. U. T. System Board of Regents: The University of Texas/Texas A&M Investment Management Company (UTIMCO) Update

Mr. Britt Harris, President, Chief Executive Officer and Chief Investment Officer, presented an update on The University of Texas/Texas A&M Investment Management Company (UTIMCO), using a revised PowerPoint presentation set forth on the following pages.



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

UTIMCO Update

Mr. Britt Harris
President, CEO and Chief Investment Officer

U. T. System Board of Regents' Meeting
Finance and Planning Committee
November 2017

UTIMCO Overview

Period Ending September 30, 2017 (Preliminary)



Endowment Funds	\$B	Return (1Yr)	Alpha (1Yr)
PUF	\$20.0	11.8%	2.0%
PHF	\$1.2	12.1%	2.3%
LTF	\$8.3	12.1%	2.3%
Other	<u>\$0.1</u>	-	-
TOTAL	\$29.6		

Operating Funds			
ITF	\$9.2	8.0%	2.6%
Debt Proceeds	\$0.8	0.8%	0.4%
STF	<u>\$1.8</u>	0.7%	0.2%
TOTAL	\$11.8		

Total All Assets 9/30/2017	\$41.4	Increase
Total All Assets 9/30/2016	\$37.1	\$4.3
Total All Assets 9/30/2015	\$34.4	\$7.0

Budget	\$M
2017 Actual	\$41.1
2017 Budget	\$41.0

Income & Distributions (\$M)	Projected 8/31/2018	8/31/2017	8/31/2016
PUF Land Contributions	\$655	\$665	\$512
PUF Distribution	<u>(\$887)</u>	<u>(\$839)</u>	<u>(\$773)</u>
Net Payout (\$M)	<u>(\$232)</u>	<u>(\$174)</u>	<u>(\$261)</u>

UTIMCO: Return Comparison

UTIMCO outperformed large private endowments

Period Ending June 30, 2017

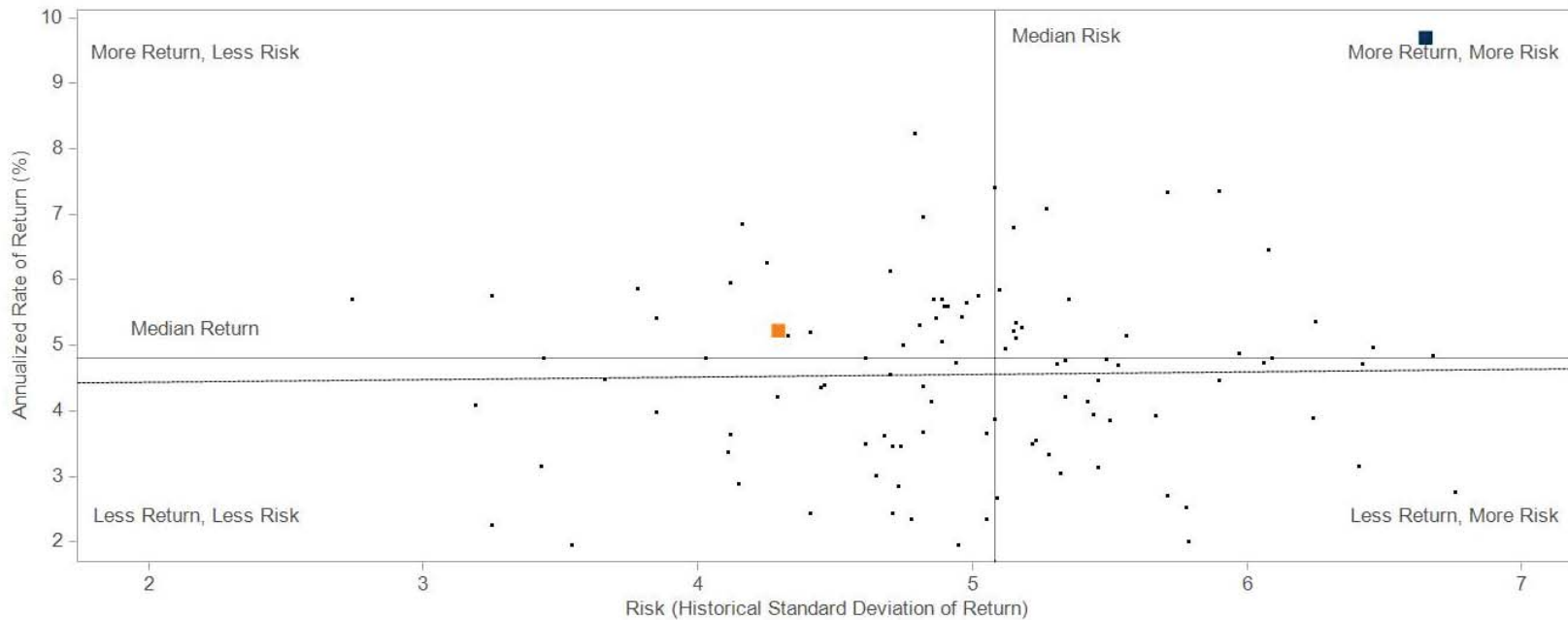


	<i>Endowment Size</i> (\$, Bn)	<i>1-Y</i> <i>Return</i>	<i>UTIMCO</i> <i>Outperformance</i>
UTIMCO	29.0	13.4%	
Stanford	24.8	13.1%	+0.3%
Princeton	23.8	12.5%	+0.9%
Yale	27.2	11.3%	+2.1%
Harvard	37.1	8.1%	+5.3%

Risk/Return

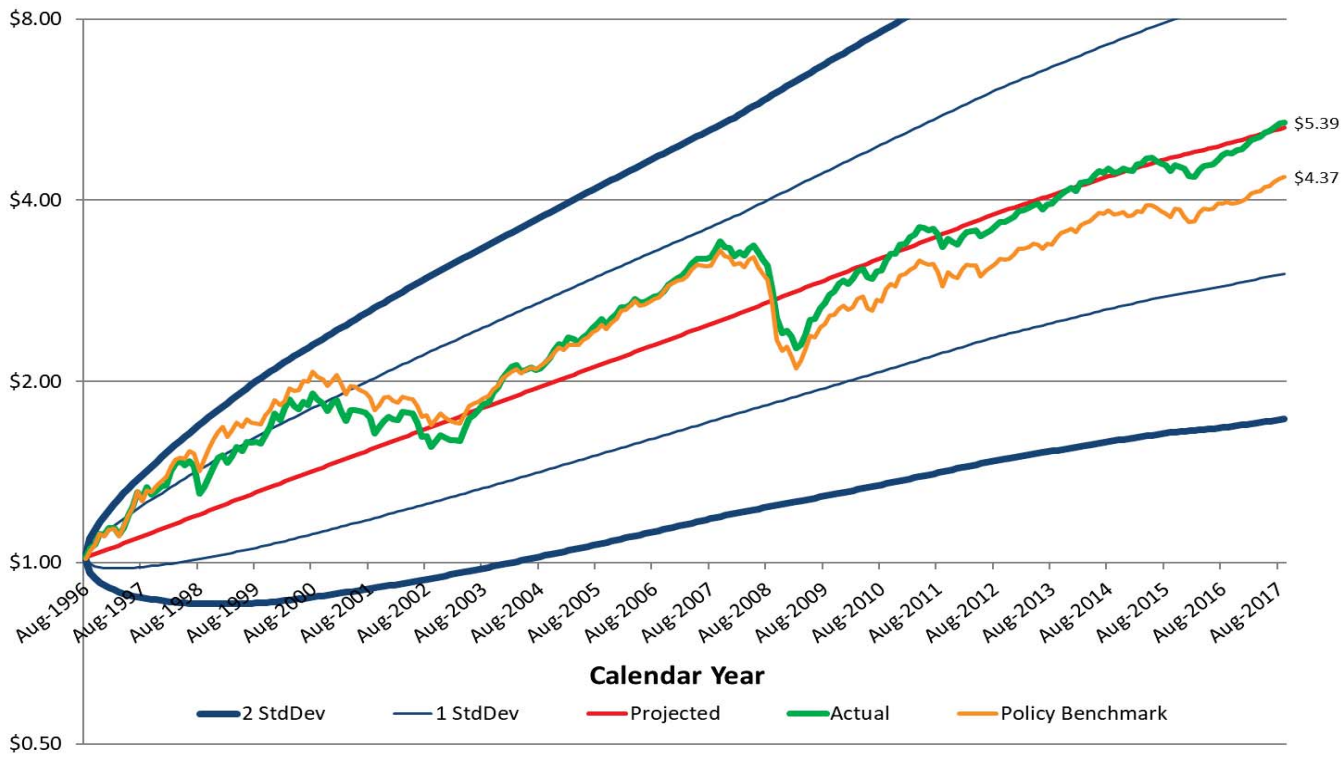


For past three years, PUF has generated more returns for less risk



	Risk Value	Risk Rank	Return Value	Return Rank
PUF TOTAL FUND	4.31	81	5.15	39
S&P 500	6.67	4	9.61	1
Median	5.08		4.80	

Projected Long-Term Return



PUF Historical Performance



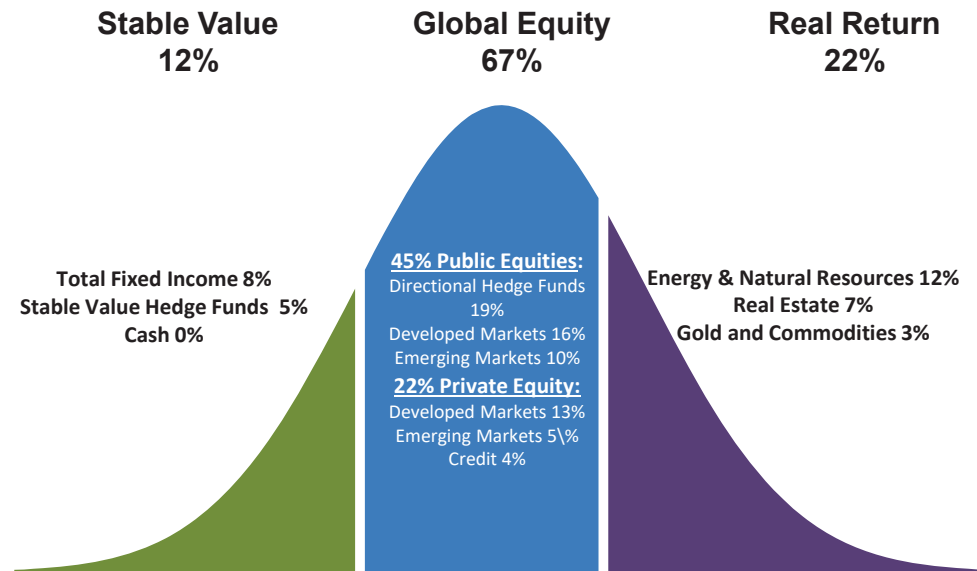
	AUM (\$, Bn)			Return	Volatility	Sharpe Ratio
	Start	End	Change			
<i>1996 - Present</i>	5.3	20.0	+14.7	7.7%	8.0%	0.7
<i>Feb 2009 - Present</i>	8.3	20.0	+11.7	9.8%	6.1%	1.4

AUM = Assets Under Management

Review of Current Environment



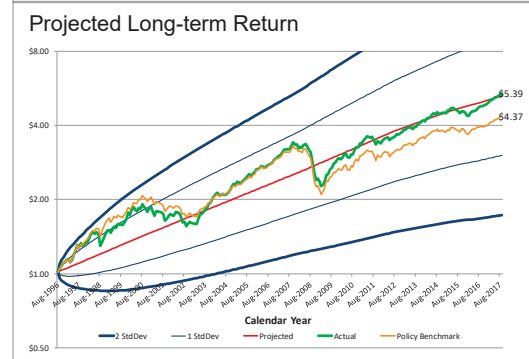
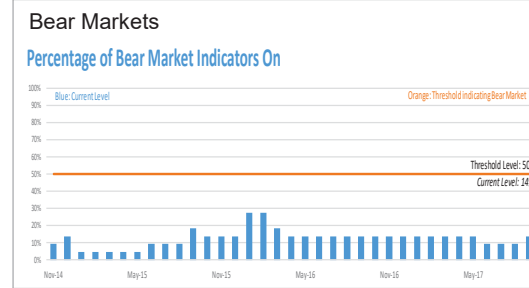
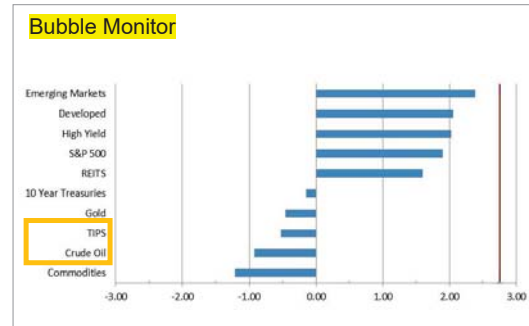
As of August 31, 2017



Economic Conditions

<ul style="list-style-type: none"> •GDP surprises are negative •Inflation surprisingly low with weak demand •Negative earnings surprises •Out of line valuations •Flight to quality 	<ul style="list-style-type: none"> •Positive GDP surprises •Inflation surprises not dramatic •Positive earnings surprises •Reasonable valuations •Political stability 	<ul style="list-style-type: none"> •Real GDP growth too low •Inflation surprises on the high side •Real earnings too low •Commodity-oriented demand exceeds supply by an above normal margin
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* Percentages may not add up to 100% due to rounding



PureView Asset Allocation

Period Ending September 30, 2017



November 9, 2017 Meeting of the U. T. System Board of Regents – Finance and Planning Committee

Permanent University Fund

	PUF Allocation(\$)	PUF Allocation (%)	Neutral Weight	Over/ (Under)
Global Equity				
US Public Equity				
Total US Public Equity	\$ 1,703.4	8.8%	11.3%	(-2.7%)
Non-US Public Equity				
EAFE + Canada	1,350.8	8.7%	7.8%	(-1.1%)
Emerging Markets	2,110.4	10.5%	10.0%	+0.5%
Total Non-US Public Equity	3,461.2	17.2%	17.8%	(-0.6%)
Total Directional Hedge	3,286.4	16.4%	16.3%	+0.1%
Private Equity				
Private Equity	1,442.8	7.2%	7.4%	(-0.2%)
Venture Capital	969.1	4.8%	4.9%	(-0.1%)
Emerging Markets	982.2	4.9%	5.0%	(-0.1%)
Credit	563.9	2.8%	3.5%	(-0.7%)
Total Private Equity	3,958.0	19.7%	20.9%	(-1.1%)
Total Global Equity	12,409.0	61.9%	66.3%	(-4.4%)
Stable Value				
US Fixed Income (IG)	532.2	2.7%	2.5%	+0.2%
Non-US Fixed Income	528.7	2.6%	4.7%	(-2.1%)
Emerging Market Sov Debt	324.5	1.6%	0.3%	+1.3%
Non-Directional Hedge Funds	949.3	4.7%	4.7%	+0.0%
Cash	840.7	4.2%	0.0%	+4.2%
Total Stable Value	3,175.4	15.8%	12.2%	+3.6%
Real Return				
ILB	9.4	0.0%	0.0%	+0.0%
Real Estate	1,463.7	7.3%	7.0%	+0.3%
Natural Resources	2,641.0	13.2%	12.0%	+1.2%
Gold	459.1	2.3%	2.5%	(-0.2%)
Other Commodities	-	0.0%	0.0%	+0.0%
Total Real Return	4,573.2	22.8%	21.5%	+1.3%
Other Assets/Liabilities	(109.0)	(-0.6%)	0.0%	(-0.6%)
Total PUF	\$ 20,048.6	100.0%	100.0%	0.0%

General Endowment Fund

	GEF Allocation(\$)	GEF Allocation (%)	Neutral Weight	Over/ (Under)
Global Equity				
US Public Equity				
Total US Public Equity	\$ 809.2	8.5%	11.3%	(-2.8%)
Non-US Public Equity				
EAFE + Canada	622.4	6.6%	7.8%	(-1.2%)
Emerging Markets	1,047.4	11.1%	10.0%	+1.1%
Total Non-US Public Equity	1,669.8	17.7%	17.8%	(-0.1%)
Total Directional Hedge	1,556.5	16.5%	16.3%	+0.2%
Private Equity				
Private Equity	682.1	7.2%	7.4%	(-0.2%)
Venture Capital	458.1	4.9%	4.9%	(-0.1%)
Emerging Markets	464.3	4.9%	5.0%	(-0.1%)
Credit	266.6	2.8%	3.5%	(-0.7%)
Total Private Equity	1,871.1	19.8%	20.9%	(-1.1%)
Total Global Equity	5,906.6	62.5%	66.3%	(-3.8%)
Stable Value				
US Fixed Income (IG)	248.9	2.6%	2.5%	+0.1%
Non-US Fixed Income	252.6	2.7%	4.7%	(-2.0%)
Emerging Market Sov Debt	153.6	1.6%	0.3%	+1.3%
Non-Directional Hedge Funds	449.6	4.8%	4.7%	+0.1%
Cash	336.8	3.6%	0.0%	+3.6%
Total Stable Value	1,441.5	15.3%	12.2%	+3.1%
Real Return				
ILB	4.9	0.1%	0.0%	+0.1%
Real Estate	692.0	7.3%	7.0%	+0.3%
Natural Resources	1,250.1	13.2%	12.0%	+1.2%
Gold	214.5	2.3%	2.5%	(-0.2%)
Other Commodities	-	0.0%	0.0%	+0.0%
Total Real Return	2,161.5	22.9%	21.5%	+1.4%
Other Assets/Liabilities	(69.0)	(-0.8%)	0.0%	(-0.8%)
Total GEF	\$ 9,440.6	100.0%	100.0%	0.0%

Intermediate Term Fund

	ITF Allocation(\$)	ITF Allocation (%)	Neutral Weight	Over/ (Under)
Global Equity				
US Public Equity				
Total US Public Equity	\$ 633.7	6.8%	8.0%	(-2.1%)
Non-US Public Equity				
EAFE + Canada	491.4	5.3%	6.1%	(-0.8%)
Emerging Markets	662.2	7.2%	7.5%	(-0.3%)
Total Non-US Public Equity	1,153.6	12.5%	13.6%	(-1.1%)
Total Directional Hedge	3,065.5	33.2%	34.9%	(-1.7%)
Private Equity				
Private Equity	-	0.0%	0.0%	+0.0%
Venture Capital	-	0.0%	0.0%	+0.0%
Emerging Markets	-	0.0%	0.0%	+0.0%
Credit	-	0.0%	0.0%	+0.0%
Total Private Equity	-	0.0%	0.0%	+0.0%
Total Global Equity	4,852.8	52.5%	57.4%	(-4.9%)
Stable Value				
US Fixed Income (IG)	1,016.4	11.0%	10.0%	+1.0%
Non-US Fixed Income	983.7	10.7%	18.9%	(-8.2%)
Emerging Market Sov Debt	589.6	6.4%	1.1%	+5.3%
Non-Directional Hedge Funds	885.5	9.8%	10.1%	(-0.5%)
Cash	833.9	9.0%	0.0%	+9.0%
Total Stable Value	4,309.1	46.7%	40.1%	+6.6%
Real Return				
ILB	19.8	0.2%	0.0%	+0.2%
Real Estate	-	0.0%	0.0%	+0.0%
Natural Resources	79.0	0.9%	0.0%	+0.9%
Gold	202.2	2.2%	2.5%	(-0.3%)
Other Commodities	-	0.0%	0.0%	+0.0%
Total Real Return	301.0	3.3%	2.5%	+0.8%
Other Assets/Liabilities	(234.3)	(-2.6%)	0.0%	(-2.6%)
Total ITF	\$ 9,228.6	100.0%	100.0%	0.0%

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Global Markets, Risk Premiums and Diversification



As of September 30, 2017

	Market Returns					Std Dev		Max Drawdown	Corr vs. S&P500	Sharpe Ratio	
	QTR	YTD	1Y	5Y	10Y	1	10E			5	10
United States											
CPI	0.76	1.64	2.23	1.30	1.70	0.78	1.39	4.43	0.13	1.02	0.89
Cash	0.26	0.53	0.66	0.22	0.47	0.10	0.34	0.01	(0.21)		
Long Treasury (Duration)	0.57	5.61	(6.35)	2.84	6.89	10.18	11.93	15.94	(0.30)	0.26	0.54
Credit (IG)	1.76	5.06	(1.26)	0.50	2.85	6.04	5.76	10.07	0.31	0.06	0.41
High Yield (Default)	2.84	7.49	9.28	6.44	7.95	3.57	11.26	33.37	0.75	1.10	0.66
US Dollar Index	(2.67)	(6.47)	(2.50)	3.09	1.82	7.10	8.77	17.13	(0.51)	0.43	0.15
S&P 500	4.48	12.11	18.61	14.22	7.44	5.46	15.05	50.95	1.00	1.47	0.46
U.S. Small Cap	4.57	11.81	18.71	14.23	7.57	6.01	15.58	51.20	1.00	1.43	0.46
Private Equity ¹	1.99	6.68	8.76	11.23	8.80	5.38	12.21	23.84	0.28	2.21	0.68
Size	1.52	1.23	1.23	0.30	2.10	10.06	7.99	15.37	0.28	0.01	0.20
Value	0.66	(8.21)	4.48	0.61	(1.19)	12.82	9.69	25.02	0.31	0.05	(0.17)
Momentum	4.22	3.50	(1.40)	1.53	(2.03)	6.79	17.43	57.39	(0.37)	0.12	(0.14)
Non-US Equity											
EAFE Developed (USD)	5.40	16.58	19.10	8.38	1.34	7.07	18.50	56.68	0.89	0.70	0.05
Emerging Markets (USD)	7.89	21.15	22.46	3.99	1.32	9.68	23.22	61.59	0.80	0.26	0.04
Global Equity (USD)	5.18	14.13	18.65	10.20	3.88	4.57	16.82	54.92	0.96	1.00	0.20
Europe (USD)	6.45	20.30	22.30	8.36	1.08	9.68	20.29	59.29	0.89	0.63	0.03
Europe (Local)	3.45	12.02	17.71	10.93	3.24	7.60	15.02	50.09	0.88	1.03	0.18
Japan (USD)	4.10	10.51	14.46	10.91	1.91	5.51	15.62	45.98	0.72	0.86	0.09
Diversifiers (Typical)											
Hedge Funds	2.71	4.75	6.73	3.89	1.09	1.70	5.27	22.20	0.72	1.12	0.12
Real Estate (Private) ¹	1.99	6.68	8.76	11.10	4.37	5.38	16.34	42.48	0.23	2.15	0.24
REITS	0.93	3.63	0.54	9.58	5.79	9.43	25.38	65.48	0.75	0.68	0.21
TIPS	0.86	0.87	(0.73)	0.02	3.90	2.91	6.18	12.22	0.19	(0.04)	0.56
Infrastructure	(3.05)	(10.03)	(3.70)	(0.57)	6.49	11.37	19.00	48.51	0.53	(0.04)	0.32
Diversifiers (Other)											
Commodities	2.52	(3.00)	(0.29)	(10.47)	(6.83)	4.87	17.79	67.02	0.51	(0.90)	(0.41)
Natural Resources	3.21	3.06	1.85	(3.59)	(3.12)	7.90	18.43	54.23	0.67	(0.33)	(0.19)
Oil	9.35	(4.67)	4.36	(11.40)	(4.72)	17.26	32.49	75.99	0.46	(0.40)	(0.16)
Energy Equipment & Services ²	4.43	(16.35)	(6.14)	(5.74)	(3.05)	22.31	30.22	63.36	0.74	(0.28)	(0.12)
Mining	13.98	3.96	20.45	(5.43)	(4.81)	20.95	33.15	75.11	0.62	(0.20)	(0.16)
Gold	3.07	5.70	(2.74)	(6.30)	5.58	13.14	19.28	41.88	0.04	(0.41)	0.27

¹ Private Market assets are based on independent and/or manager valuations

² 10Y columns are only for 9 years

Long-Term Projected Nominal Returns



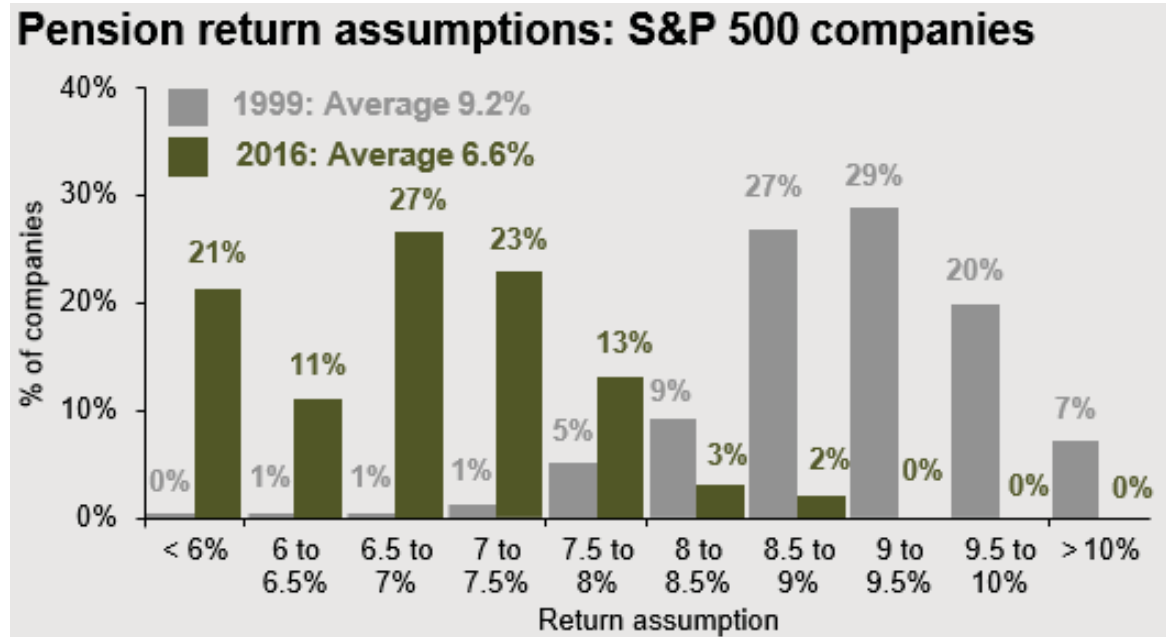
External Research Return Assumptions

	GMO	Black-rock	Bridge-water	JPM	UBS	PIMCO	Average ex. UTIMCO	UTIMCO	Average w/ UTIMCO
MCC ex. FI									
DCE	0.6	6.3	2.7	6.8	8.2	4.9	4.9	6.0	5.1
EM	6.0	5.7	7.8	9.3	10.0	7.3	7.7	6.5	7.5
Total Public Equity	2.5	6.1	4.5	7.7	8.9	5.8	5.9	6.2	5.9
RE	-	-	-	-	-	-	-	-	-
NR Equities	-	-	-	-	-	-	-	-	-
Gold/Commodities	-	3.3	5.9	3.8	6.4	2.2	4.3	-	4.3
Total Public Real Assets	-	-	-	-	-	-	-	-	-
Total MCC ex. FI	-	-	-	-	-	-	-	-	-
Equity Diversifiers									
Hedge Funds	-	3.6	-	3.5	6.2	-	4.4	2.2	3.9
Fixed Income	0.9	3.0	2.7	3.0	3.9	3.0	2.8	3.0	2.8
Private Credit	-	4.7	4.6	5.8	5.6	4.1	5.0	7.5	5.4
Total Equity Diversifiers	-	3.6	-	3.6	5.7	-	4.1	2.8	3.8
Privates ex. Credit									
DCE ex. VC	-	6.6	7.4	8.0	11.8	-	8.5	9.5	8.7
VC	-	-	-	-	-	-	-	9.5	-
RE	-	4.1	6.1	5.5	8.5	5.7	6.0	9.5	6.6
NR	-	-	-	-	-	-	-	7.0	-
EM	-	-	-	-	-	-	-	9.0	-
Total Privates ex. Credit	-	-	-	-	-	-	-	9.3	-

Risk Premiums

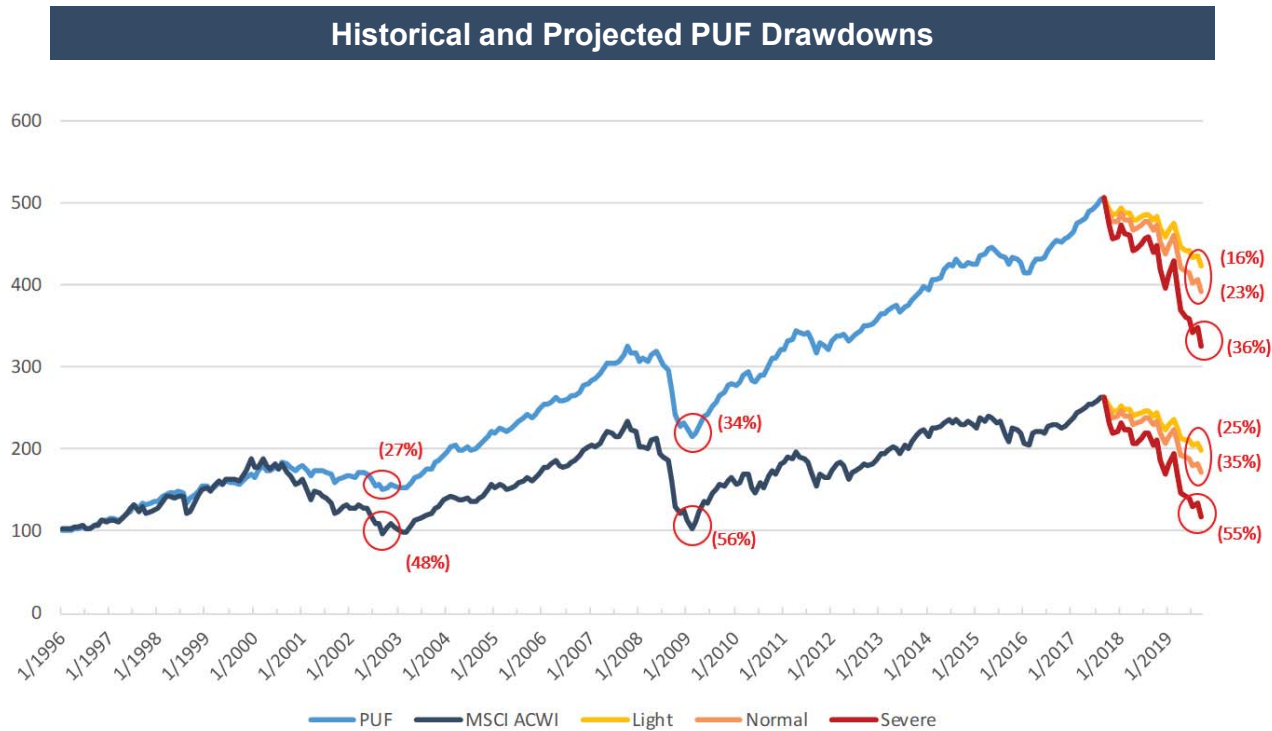
Asset Class	Expected Return	Expected Risk	Sharpe Ratio
CPI	2.0	-	-
Cash	2.0	0.3	-
US Bonds	2.7	4.5	0.2
Non-US Bonds	2.2	6.7	0.0
EM Debt	4.4	9.5	0.3
High Yield	5.5	10.7	0.3
US Equities	4.5	17.6	0.1
Non US Equities	5.4	18.5	0.2
EM Equities	7.5	23.9	0.2
Private Equity	8.7	23.7	0.3
Hedge Funds	3.9	6.7	0.3
Real Estate	6.6	15.8	0.3
Commodities	4.3	18.9	0.1

Pension Return Assumptions



Source: JP Morgan Asset Management

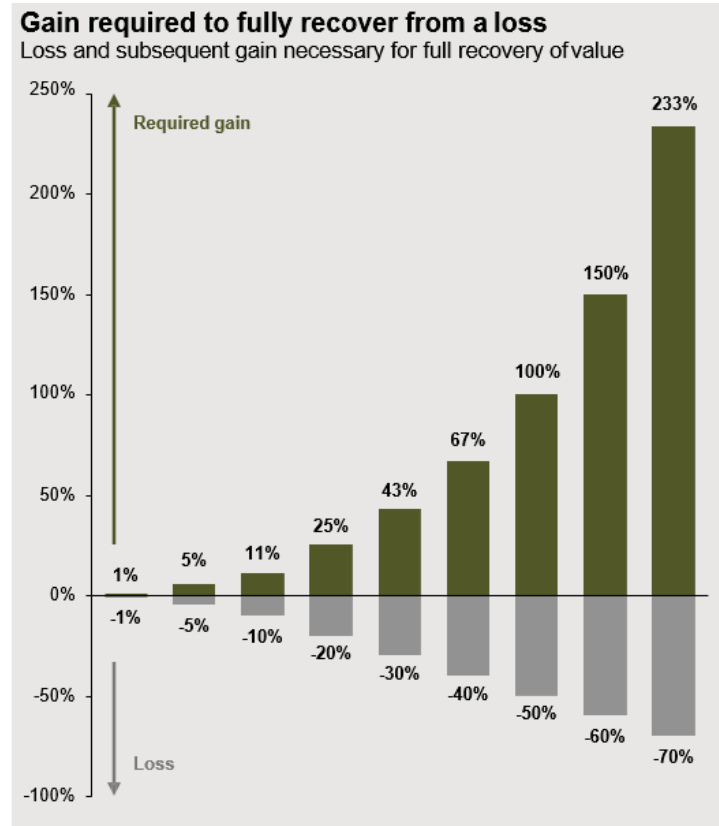
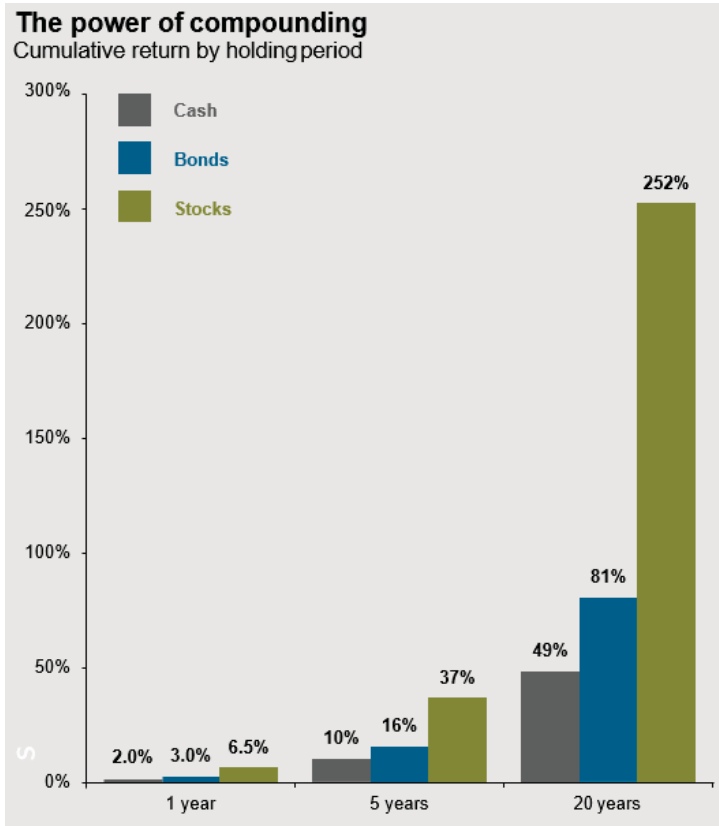
Next Recession/Bear Market



We estimate that the endowment beta is 0.65 to public equity and that the next recession/bear market will be accompanied by a 24 month drawdown (average length of bear market) with one of three levels of intensity:

- Light – Global Equity: (25%); Endowment: (16%)
- Normal – Global Equity: (35%); Endowment (23%)
- Severe – Global Equity (55%); Endowment (36%)

Staying Invested and Limiting Losses



Minutes - 66

Source: JP Morgan Asset Management



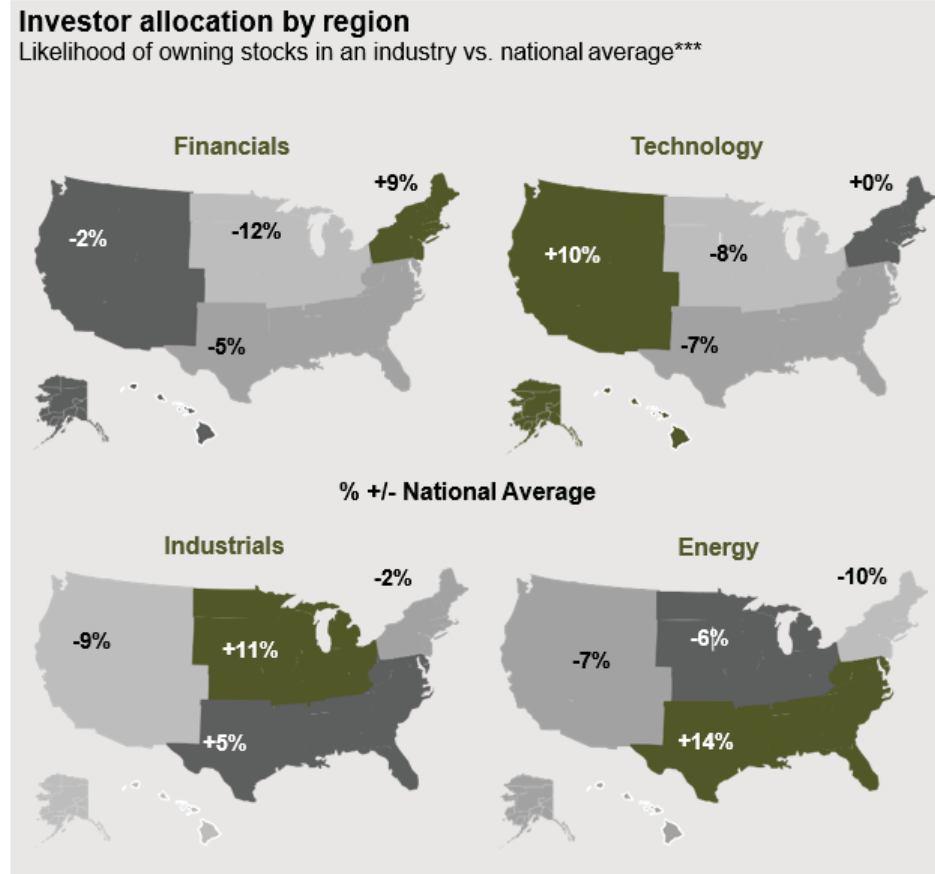
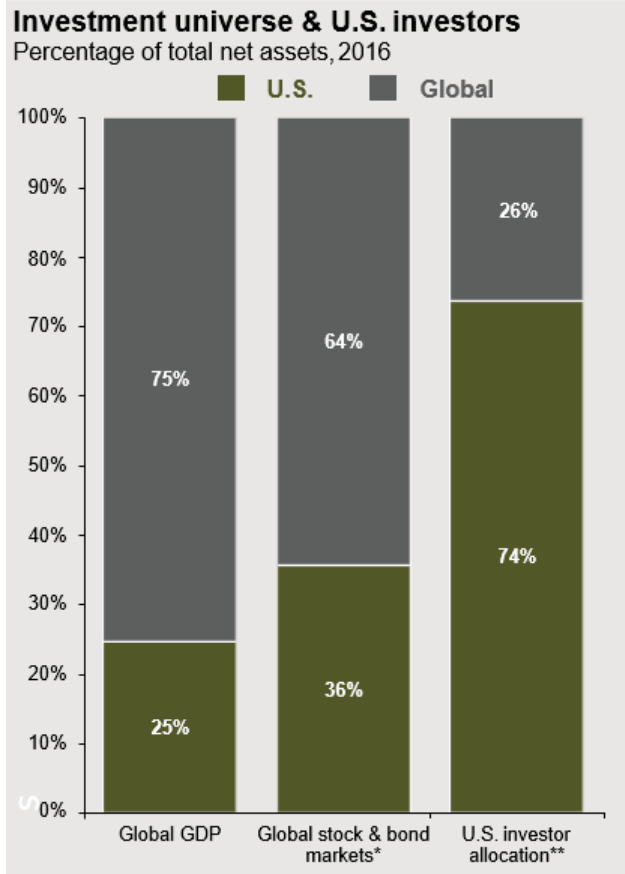
Appendix

Long-Term Endowment and Operating Funds Returns



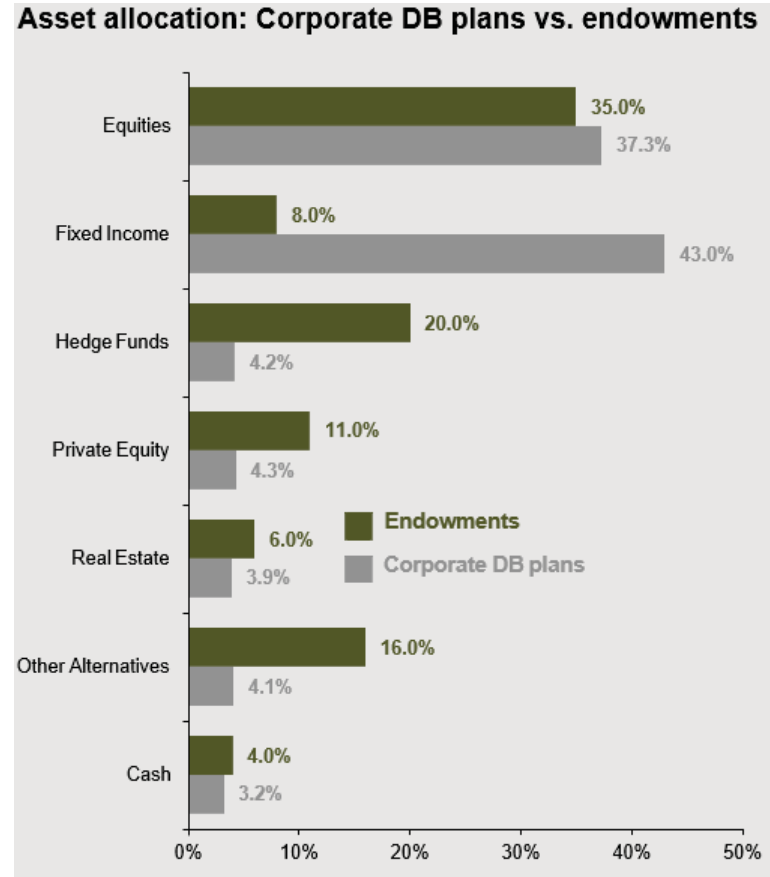
	<u>\$B</u>	<u>Return (1Yr)</u>	<u>Alpha (1Yr)</u>	<u>Return (5Yr)</u>	<u>Alpha (5Yr)</u>	<u>Return (10Yr)</u>	<u>Alpha (10Yr)</u>
Endowment Funds							
PUF	\$20.0	11.8%	2.0%	7.7%	1.3%	4.9%	1.8%
PHF	\$1.2	12.1%	2.3%	7.8%	1.4%	4.9%	1.8%
LTF	\$8.3	12.1%	2.3%	7.8%	1.4%	4.9%	1.8%
Other	<u>\$0.1</u>	-	-	-	-	-	-
TOTAL	\$29.6						
Operating Funds							
ITF	\$9.2	8.0%	2.6%	4.4%	1.1%	3.7%	1.9%
Debt Proceeds	\$0.8	0.8%	0.4%	0.4%	0.1%	N/A	N/A
STF	<u>\$1.8</u>	0.7%	0.2%	0.3%	0.1%	0.7%	0.2%
TOTAL	\$11.8						

Local Investing and Global Opportunities



Source: JP Morgan Asset Management

Asset Allocation of Endowments and Pensions



Source: JP Morgan Asset Management

Following the Finance and Planning Committee report, Chairman Tucker noted that she and Committee Chairman Hildebrand had the opportunity to discuss the press coverage yesterday regarding the separate legal entities set up to manage risk for certain investments and correlated that with a recent audit that discussed Board of Regents' oversight of LLCs established by The University of Texas/Texas A&M Investment Management Company (UTIMCO). Pointing to changes in UTIMCO Board membership and a new CEO, Chairman Tucker asked Committee Chairman Hildebrand to look at those policies and how they impact The University of Texas System and the Board of Regents and to come back with a report. Committee Chairman Hildebrand committed to thoroughly research the matter and return with good answers.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 72 - 87).--Acting Committee Chairman Aliseda reported that the Academic Affairs Committee met in Open Session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Academic Affairs Committee and approved in Open Session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. Rio Grande Valley: Approval of preliminary authority for a Doctor of Philosophy degree program in Mathematics and Statistics with Interdisciplinary Applications

The Board approved

- a. preliminary authority for The University of Texas Rio Grande Valley to create a Doctor of Philosophy degree program in Mathematics and Statistics with Interdisciplinary Applications; and
- b. notification of the proposal to the Texas Higher Education Coordinating Board.

The School of Mathematical and Statistical Sciences in the College of Sciences at U. T. Rio Grande Valley will establish a new doctoral program in Mathematics and Statistics with Interdisciplinary Applications. The program will have specializations in pure and applied mathematics, computational mathematics, and statistics and is designed to meet the needs of students interested in a wide range of careers, including those in academia, industry, and government. An important characteristic of the program is its emphasis on applications of mathematics and statistics that cut across biological, environmental, life, physical and social sciences, engineering, medicine, and finance fields. Student dissertations will encompass theoretical and applied research as well as the discovery and application of effective mathematical models and advanced data analysis methods and tools to address important interdisciplinary problems in agriculture, business, engineering, the environment, health care, medicine, and the social and behavioral sciences.

The projected job market appears to be strong nationally and in Texas for individuals with an advanced degree in mathematics and statistics. Between 2012 and 2022, the U.S. Bureau of Labor Statistics projects a 33% increase in the number of jobs for statisticians, a 16.4% increase in the number of jobs for postsecondary mathematics faculty, and a 30.2% increase in the number of jobs for operations research analysts, among other occupations for which math and statistics would be required skill sets. In Texas, the need is projected to be even higher for certain

professions: 33.8% increase for statisticians, 25% increase for postsecondary faculty, and 45% increase for operations research analysts.

The core faculty who will support the program demonstrate high levels of research productivity in terms of publications and external funding.

U. T. Rio Grande Valley will submit the full degree program proposal for approval by The University of Texas System Board of Regents and the Texas Higher Education Coordinating Board.

3. U. T. System: Discussion and appropriate action regarding proposed replacement of Regents' Rules and Regulations, Rule 31006 (Academic Workload Requirements), regarding the development of faculty workload policies for the individual academic institutions

The Board approved a replacement of Regents' Rules and Regulations, Rule 31006 (Academic Workload Requirements), regarding the development of faculty workload policies for the individual academic institutions, as set forth on the following pages.

Based on the work of the Faculty Workload Task Force, the Office of Academic Affairs recommended amending Regents' Rule 31006 as follows. These amendments constitute a full rewrite of the Regents' Rule on faculty workload and reporting requirements.

The amendments bring the Rule into alignment with other governing board policies developed in response to the original Texas legislation and with governing board policies on faculty workload across the country. In particular, the revised Regents' Rule on faculty workload enables each academic institution to develop a workload policy designed to achieve two main goals: foster greater student success while advancing each institution's unique mission. In addition, the amendments to the Rule streamline the reporting required by *Texas Education Code* Section 51.402, this Rule, and Texas Higher Education Coordinating Board policies.

The University of Texas System Faculty Advisory Council unanimously endorsed the amendments. In addition, Council members have been working in collaboration with staff in the Office of Academic Affairs to develop a set of guidelines and best practices that the academic institutions can use in setting their own campus-level policies.

The presidents of the eight academic institutions also supported the amendments to Regents' Rule 31006, and the changes were reviewed by all presidents and representatives of the Employee Advisory Council and the Student Advisory Council.

The University of Texas System

Rules and Regulations of the Board of Regents

Rule: 31006

1. Title

Faculty Workload and Reporting Requirements

2. Rule and Regulation

Sec. 1 Purpose. Pursuant to *Texas Education Code* Section 51.402, this Rule establishes the general workload policy for faculty employed at an academic institution of higher education in The University of Texas System. The Rule also establishes the reporting requirements associated with faculty workload.

Sec. 2 Importance of Faculty. Faculty play a fundamental role in advancing an institution of higher education and in fostering student success. The quality and value of a university education are in large part defined by the faculty. The curricula the faculty design, the programs they offer, the learning environment they create, the instructional methods they employ, the research they conduct, the creative works they produce, the service they provide, and their professional engagement with students inside and outside of the classroom, including advising, are important components of the educational experience. As such, institutions of higher education supported by public funds have the responsibility to fully utilize their faculty resources in ways that achieve the greatest possible educational benefit.

Sec. 3 General Provisions for Faculty Workload

Sec. 3.1 Through established shared governance processes, each academic institution shall establish a faculty workload policy that adheres to the following general provisions.

Sec. 3.2 The institution's workload policy shall set forth equitable and fair guidelines that permit each department chair (or head of a comparable academic unit), under the supervision of the dean, to best deploy departmental faculty to foster student success and advance the department's mission.

Sec. 3.3 A chair may assign differential teaching loads for circumstances such as graduate instruction, research activities, time bought out by external grants, administrative assignments, large class sizes, team-taught courses, significant advising responsibilities, or other activities aligned with the institution's mission and/or critical to student success.

The University of Texas System

Rules and Regulations of the Board of Regents

Rule: 31006

- Sec. 3.4 A chair may assign differential teaching loads based on the expectations of tenured and tenure-track faculty who have active and productive research/scholarly/creative programs, tenured faculty who are less active in research/scholarly/creative work, and nontenure-track faculty.
- Sec. 3.5 An institution's faculty workload policy shall recognize that classroom teaching, basic and applied research, service, and professional development are important elements of faculty workloads by giving appropriate weight to each activity when determining the standards for faculty workload.
- Sec. 3.6 Each institution may give the same or different weight to each activity and to other activities recognized by the institution as important elements of faculty workloads.
- Sec. 3.7 The president of each academic institution shall submit the initial faculty workload policy for review and approval by the Executive Vice Chancellor for Academic Affairs.
- Sec. 4 Reporting Requirements
- Sec. 4.1 The president shall designate an officer to monitor workloads, prepare and review appropriate workload reports, and submit the reports to the institutional head for certification or approval and comments as may be appropriate.
- Sec. 4.2 Each institution shall include its faculty workload policy in its operating budget reported to the Texas Higher Education Coordinating Board.
- Sec. 4.3 Each institution shall submit the Faculty Reports (CBM-008) required by the Texas Higher Education Coordinating Board.
- Sec. 4.4 Within 30 days of the end of each academic year, each institution shall file with the Board of Regents a report, by department, of the academic duties and services performed by each member of the faculty during the nine-month academic year, showing evidence of compliance with requirements established by the Board.
- Sec. 4.5 The report of academic duties and services performed by each member of the faculty, based on data submitted in the CBM-008, shall indicate all appointments held by the faculty

The University of Texas System

Rules and Regulations of the Board of Regents

Rule: 31006

member in the employing institution, the salary paid to each appointment, the percent of time of each appointment, and the source of funds from which salary payments were made.

Sec. 4.6 For a faculty member paid partially from a source of funds other than state appropriations, the teaching load shall be proportioned to the percentage of salary paid from state appropriations.

Sec. 4.7 Upon the request of an institution, if additional time is needed to prepare the report to the Board of Regents, the Executive Vice Chancellor for Academic Affairs is authorized to extend the deadline for submission.

4. U. T. Arlington: Discussion and appropriate action regarding proposed changes to admission criteria for the Accounting Master's program

The Board approved changes to the criteria for admission to the Accounting Master's program at The University of Texas at Arlington as described in congressional style on the following pages.

Summary of Changes to Graduate Admission Criteria

1. GMAT Condition

Current Unconditional Admission Criteria	Proposed Unconditional Admission Criteria
<p>Individuals who meet each of the following two conditions are given unconditional admission:</p> <ul style="list-style-type: none"> • Applicant holds an earned bachelor's degree from an AACSB accredited college or university, with a minimum GPA of 3.0 on the last 60 hours of undergraduate work and • GMAT total score is at least 550 with verbal and quantitative score at the 40th percentile or higher, on both. 	<p>Individuals who meet each of the following two conditions are given unconditional admission:</p> <ul style="list-style-type: none"> • Applicant holds an earned bachelor's degree from an AACSB accredited college or university, with a minimum GPA of 3.0 on the last 60 hours of undergraduate work and • GMAT total score is at least 550 <u>500</u> with verbal and quantitative score at the 40th <u>30th</u> percentile or higher, on both. <u>While the GMAT is strongly preferred, for non-business majors, an equivalent GRE score will be accepted in lieu of the GMAT.</u>

Change in GMAT Score Cutoffs: Two different studies undertaken by the U. T. Arlington Department of Accounting indicate that the GMAT is not a reliable predictor of the likelihood that a student will succeed in the graduate program. This change seeks to deemphasize what the department has found to be an unreliable predictor of success in the graduate program.

Addition of Graduate Record Examinations (GRE): A substantial percentage of departmental Master of Public Accounting (MPA) students have majored in science, engineering, and liberal arts. Many of these students take the GRE when they are planning for graduate studies. Given this fact, use of the GRE as a substitute for the GMAT is designed to avoid an unnecessary hurdle for qualified students seeking admission into our MPA program. Other graduate programs in the College of Business also accept the GRE in lieu of the GMAT. Hence, this change enhances the consistency of graduate admission practices within the college.

2. GMAT Waiver Condition

Current Unconditional Admission Criteria	Proposed Unconditional Admission Criteria
<p>This unconditional admission set #2 focuses on satisfying any one of the following criteria.</p> <ul style="list-style-type: none"> • Graduated from UTA within three years of expected entrance into the graduate program with a minimum GPA of 3.25 in their major and overall; • Graduated from an AACSB accredited college or university with an earned bachelor's degree, with a minimum GPA of 3.0 in their major and overall, holds a current recognized professional accounting credential or license (e.g., certified public accountant, certified management accountant, certified financial analyst, chartered accountant); • Graduated from an AACSB accredited college or university with an earned bachelor's degree, with a minimum GPA of 3.0 in their major and overall, and completed another postbaccalaureate degree (e.g., master's degree, JD degree, LLM degree, MD degree, Ph.D. degree). 	<p>This unconditional admission set #2 focuses on satisfying any one of the following criteria.</p> <ul style="list-style-type: none"> • Graduated from UTA <u>or equivalent university</u> within three years of expected entrance into the graduate program with a minimum GPA of 3.25 in their major and overall; • Graduated from an AACSB accredited college or university with an earned bachelor's degree, with a minimum GPA of 3.0 in their major and overall, holds a current recognized professional accounting credential or license (e.g., certified public accountant, certified management accountant, certified financial analyst, chartered accountant); • Graduated from an AACSB accredited college or university with an earned bachelor's degree, with a minimum GPA of 3.0 in their major and overall, and completed another postbaccalaureate degree (e.g., master's degree, JD degree, LLM degree, MD degree, Ph.D. degree).

Change in GMAT Waiver Criteria: Currently, U. T. Arlington graduates who have graduated within three years of expected entrance into the graduate program with a minimum GPA of 3.25 in their major and overall are granted a GMAT waiver. The department proposes to extend this condition to graduates from other universities equivalent to U. T. Arlington. We plan to use Association to Advance Collegiate Schools of Business (AACSB) accreditation and/or other national or global rankings such as that provided by *U.S. News & World Report* to determine which institutions will be considered equivalent. The studies undertaken by the Department of Accounting indicating that the GMAT is not a reliable predictor of the likelihood that a student will succeed in the graduate program is the basis of this decision. The department believes that a good GPA from a comparable university is a more reliable predictor of student success in the graduate program.

5. U. T. Arlington: Discussion and appropriate action related to authorization to execute first amendment to agreement with Academic Partnerships, LLC to continue existing online programs

The Board authorized the President of The University of Texas at Arlington to execute a first amendment to an agreement with Academic Partnerships, LLC to extend services for U. T. Arlington's current online programs as described below following approval by the Executive Vice Chancellor for Academic Affairs and the Vice Chancellor and General Counsel.

In 2011, The University of Texas System executed an Online Education Services Agreement with Academic Partnerships, LLC under which U. T. institutions could enter orders for online education services. In 2012, U. T. Arlington entered such an order. Since that time, Academic Partnerships has provided U. T. Arlington with education services for numerous online programs. For these services, Academic Partnerships is paid a percentage of the total tuition received. Revenue for the current year is approximately \$114 million.

The current U. T. Arlington agreement expires August 30, 2019. Because of the growth and current size of the programs, U. T. Arlington wishes to extend the current agreement for an additional three years past the 2019 expiration, for a total of five years from the current date.

The extension also provides clarity on the teach out services to be provided upon conclusion of the agreement and decreases the percentages payable to Academic Partnerships. U. T. Arlington has successfully negotiated significant reductions in the percentage share payable to Academic Partnerships for the additional term, which will be in the range of 36% to 49% depending on the specific online program.

6. U. T. Austin: Review and possible action regarding the U. T. Austin campus carry rules, regulations, and provisions

President Fennes submitted revisions to The University of Texas at Austin campus carry rules, regulations, and provisions regarding the carrying of handguns by license holders on campus. The changes were clarifying and did not alter the exclusion areas nor any other right of license holders or other members of the university community. The changes, which are identified within the document submitted and set forth on the following pages, add needed definitions and make minor editorial changes to the U. T. Austin *Handbook of Operating Procedures*.

The revisions were reviewed, as required by state law, with the Board taking no further action.



Handbook of Operating Procedures 8-1060

Campus Concealed Carry

Effective August 01, 2016

Executive Sponsor: Senior Vice President and Chief Financial Officer

Policy Owner: Associate Vice President for Campus Safety and Security

I. Policy Statement

The University of Texas at Austin (“University”) is committed to providing a safe environment for students, employees, University affiliates, and visitors, and to respecting the right of individuals licensed to carry a handgun in the state of Texas. Individuals licensed to carry may do so on campus except in locations and at activities prohibited by law or by this policy. The carrying of any handgun by an unlicensed person or the open carry of a handgun is not permitted in any place at the University.

II. Reason for Policy

Texas Government Code, **Section 411.2031** (<http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.411.htm#411.2031>) entitles license holders (individuals licensed to carry a handgun) to carry concealed handguns on the campus of an institution of higher education. Texas Government Code Section 411.2031 also authorizes the president of a university to enact reasonable rules and regulations regarding the concealed carry of handguns on campus, so long as the rules do not generally prohibit or have the effect of generally prohibiting license holders from carrying concealed handguns on campus. This policy memorializes the rules and regulations enacted by the president regarding the carrying of concealed handguns by license holders on campus or University owned property.

Texas Penal Code, **Section 46.03** (<http://www.statutes.legis.state.tx.us/Docs/PE/htm/PE.46.htm#46.03>), strictly forbids the open carry of a handgun at institutions of higher education.

III. Scope & Audience

This policy applies to all students, employees, University affiliates, and visitors of the University while on campus or University owned property. This policy does not apply to commissioned peace officers as defined in Texas Code of Criminal Procedures, **Article 2.12** (<http://www.statutes.legis.state.tx.us/Docs/CR/htm/CR.2.htm#2.12>).

IV. Definitions (specific to this policy)

Campus:

All land and buildings owned or leased by the University.

Concealed Carry:

The Texas Department of Public Safety defines a concealed handgun as a handgun not openly discernable to the ordinary observation of a reasonable person.

Handgun or Pistol:

A handgun is any firearm that is designed, made, or adapted to be fired with one hand. This characteristic differentiates handguns as a general class of firearms from long guns such as rifles and shotguns (which usually can be braced against the shoulder). The most common types of handguns carried by license holders are semi-automatic pistols and to a lesser degree revolvers.

Formal Hearing:

A formal hearing is a meeting or other proceeding in which a party is pursuing a complaint, charge, grievance, appeal or other administrative process, and the other party is responding to the complaint, charge, grievance, appeal or other administrative process. A hearing officer, administrative officer, committee, hearing panel, or similar administrative body, either during or subsequent to the hearing, decides the

outcome or makes recommendations through an official process as outlined in the *Handbook of Operating Procedures*, Institutional Rules on Student Services and Activities, or Regents' Rules.

License Holder:

A person licensed to carry a handgun under Chapter 411 of the Texas Government Code.

"On or about their person":

Means a person licensed to carry a handgun must carry a handgun in a manner that the handgun is close enough to the license holder that he or she can reach it without materially changing position.

Revolver:

A revolver is a repeating handgun which has a revolving cylinder containing multiple chambers and at least one barrel for firing.

Semi-automatic Pistol:

A semi-automatic pistol uses the energy of the fired cartridge to cycle the action of the firearm and advance the next available cartridge into position for firing. One round fires each time the trigger of a semi-automatic pistol is pulled, and it uses a magazine to store and feed rounds into the chamber.

Sole Occupant Office:

A sole occupant office is a room with at least one door and walls that extend to the ceiling that is assigned to a single person as his or her workspace. The occupant must give oral notice of exclusion. Only authorized 30.06 signage may be posted in locations designated as exclusion areas.

Oral Notice:

Oral notice is notification spoken by the sole occupant of an office that clearly communicates to someone who might enter the office that concealed carry of handguns is not permitted in there. Such notice is effective only to the individual, or individuals, to whom the notification was given. For example, if you give oral notification to a group of students on the first day of class, and a student was not present because he or she had not joined the class yet, then legally effective notice has not been given to that student. Faculty or staff members must ensure they have provided proper notification to all individuals who might enter that office. The publicly-available class syllabus should focus on information pertinent to the academic requirements for the class. Faculty are encouraged to inform students about other class information by Canvas or other means.

School Sponsored Activities:

"School-sponsored activities" for purposes of this policy is defined as: tours, demonstrations, field trips, events, clubs, camps, classes, clinics, programs, etc., held on UT property that are authorized by a K-12 school district or individual school(s) as a curricular, co-curricular, or interscholastic activity and are managed or supervised in part by the district or school, or district or school employee.

Patient Care Areas:

Areas in which patients are treated or evaluated, including those areas in which professional mental health services are provided. A "patient" is a person who is treated or evaluated and for whom a formal record of treatment is maintained. This also includes areas in which research is occurring that involves the treatment or evaluation of a medical or mental health condition of a patient by a licensed health care provider or under the supervision or direction of a licensed health care provider. Waiting rooms for patient care areas can be considered as an excluded area when greater than 50% of the use of that waiting room is for patients waiting to receive care.

High Hazardous Laboratories:

Are laboratories that contain:

- A. Greater than 55 gallons of Class I flammable liquids and/or significant quantities of acids, bases, organics, pyrophorics, peroxides, extremely toxic materials or pyrophoric or toxic gases classified NFPA 704 Category 3 or higher.
- B. Hazardous Gases with K-size cylinders containing corrosive, reactive, flammable, toxic, and/or oxidizer gases classified NFPA 704 Category 2 or higher.
- C. MRI and/or NMR equipment capable of generating significant magnetic fields with field strength of at least 5 gauss is measured outside the equipment or 5 gauss line typically at least 3 feet and as much as 20 feet from equipment.
- D. Large cylinders of acetylene

Animal Research Facility:

The term "Animal Research Facility" (which is specifically mentioned in the policy for exclusion) has been defined for these purposes as a group of rooms that is managed as a defined unit

dedicated to animal housing and use. In these locations, animal holding, procedure and support rooms are located behind a defined, secure perimeter with access via anterooms, directly connecting doors or service hallways. In addition to the locations that can be considered "facilities", there are a variety of individual rooms across campus that are also used primarily for the housing and care of research animals. These rooms are interspersed throughout various research buildings, but the task force was able to identify a clear, existing criteria to define these exclusion areas. The Institutional Animal Care and Use Committee (IACUC) is responsible for approving locations used for permanent (longer than 12-24 hour) animal holding, and it has been recommended that any rooms on that list that are fully dedicated to animal holding will be excluded.

V. Website (for policy)

<https://policies.utexas.edu/policies/hop/8-1060>

VI. Contacts

CONTACT	DETAILS	WEB
Campus Safety and Security	Phone: 512-471-5767	Website: http://www.utexas.edu/campus-life/safety-and-security (http://www.utexas.edu/campus-life/safety-and-security)

VII. Responsibilities & Procedures

A. General Safety

1. Texas Penal Code, [Section 46.035\(a-1\)](http://www.statutes.legis.state.tx.us/Docs/PE/htm/PE.46.htm#46.035) (<http://www.statutes.legis.state.tx.us/Docs/PE/htm/PE.46.htm#46.035>) provides that a license holder may not carry a partially or wholly visible handgun on campus premises or on any University driveway, street, sidewalk or walkway, parking lot, parking garage, or other parking area. License holders who carry a handgun on campus must carry it concealed and on or about their person at all times or secure their handgun in a locked, privately- owned, or leased motor vehicle. The only exception to this policy is for license holders who reside in University Apartments or staff whose employment responsibilities require them to reside in University housing. Only these license holders may store their handgun in a gun safe that meets the requirements set forth in this policy.
2. A license holder who carries a handgun on campus must carry it in a holster that completely covers the trigger and entire trigger guard area. The holster must have sufficient tension or grip on the handgun to retain it in the holster even when subjected to unexpected jostling.
3. Where permitted by this policy, a gun safe used by a license holder must:
 - a. be large enough to fully contain all firearms placed in it and provide for secure storage;
 - b. have exterior walls constructed of a minimum 16-gauge steel;
 - c. have a high-strength locking system consisting of a mechanical or electronic combination or biometric lock, and not a key lock; and
 - d. be physically secured inside the license holder’s residence in a manner which conforms to Division of Housing and Food Service policy.

B. Housing

1. The following rules apply to the concealed carry of handguns in University housing.
 - a. with three exceptions, the concealed carry of handguns is prohibited in all on- campus residence halls except for University Apartments. Those exceptions are as follows:
 - i. For on-campus residence halls, the carrying of a concealed handgun by a license holder is permitted in common areas such as lounges, dining areas, and study areas.
 - ii. A resident’s family member who is a license holder may carry a **concealed handgun** on or about their person while visiting. Residents are also responsible for ensuring their guests comply with all rules and regulations contained in this policy.
 - iii. Staff members whose employment responsibilities require them to be in University housing and are license holders are permitted to carry a concealed handgun on or about their person while present in University housing for business purposes.

- b. License holders who ~~reside in University Apartments or staff~~ are full time employees and whose employment responsibilities require them to reside in University housing must store their handguns either in a locked, privately-owned or leased motor vehicle, or in a gun safe in the residence that meets the requirements set forth in Section VII(A)(3) of this policy. License holders are also responsible for ensuring their guests comply with all rules and regulations.
2. Housing contracts of the Division of Housing and Food Service provide that a violation of any University rules regarding the carrying or storage of firearms is grounds for termination of the housing contract.

C. Offices

1. The occupant of an office to which the occupant has been solely assigned and is not generally open to the public is permitted, at the occupant's discretion, to prohibit the concealed carry of a handgun in that office. An occupant who chooses to exercise this discretion must provide oral notice that the concealed carry of a handgun in the occupant's office is prohibited. In addition, if the occupant's duties ordinarily entail meeting people who may be license holders, the occupant will make reasonable arrangements to meet them in another location.
2. The concealed carry of handguns is prohibited in areas in which formal hearings are being conducted pursuant to the *General Information Catalog* ("GIC"), **Chapter 11** (<http://catalog.utexas.edu/general-information/appendices/appendix-c/student-discipline-and-conduct/>), Student Discipline and Conduct; Board of Regents' *Rules and Regulations*, **Rule 31008** (<http://www.utsystem.edu/board-of-regents/rules/31008-termination-faculty-member>) Termination of a Faculty Member; and the *Handbook of Operating Procedures* ("HOP") **HOP** (<https://www.policies.utexas.edu/policies/faculty-grievance-procedure>) **2-2310** (<https://www.policies.utexas.edu/policies/faculty-grievance-procedure>), Faculty Grievance Procedure, or **HOP 5-2420** (<https://www.policies.utexas.edu/policies/policies-and-procedures-discipline-and-dismissal-employees>), Policies and Procedures for Discipline and Dismissal of Employees. Notice conforming to Texas Penal Code, **Section 30.06** (<http://www.statutes.legis.state.tx.us/Docs/PE/htm/PE.30.htm#30.06>) will be provided.
3. To the extent possible, office space within areas where concealed carry is not permitted pursuant to state law or another provision of this policy will be made available on a scheduled basis to faculty and staff who do not have offices to which they are solely assigned. These spaces can be used by faculty or staff preferring to conduct ~~these conferences~~ meetings in a gun-exclusion zone.

D. Events

1. The University is often the site of pre-K-12 school-sponsored activities, such as field trips. When a pre-K-12 school-sponsored activity is conducted at a particular location, the carrying of handguns is prohibited. A sign reading "Pre-K-12 school-sponsored activity in progress" will be posted during these activities.
2. Texas Penal Code, **Section 46.035(b)(2)** (<http://www.statutes.legis.state.tx.us/Docs/PE/htm/PE.46.htm#46.035>) excludes license holders of handguns from carrying a handgun where a high school, collegiate, or professional sporting event or inter-scholastic event is taking place, unless the license holder is a participant in an event where a handgun will be used. Notice ~~will~~ **must** be given for all collegiate sporting events. If possible, for ticketed sporting events this notice will be given by means of a written communication on the back of, or appended to, the ticket. Vendors and others who are permitted to enter the premises without a ticket will be provided written notice through other means.
3. The concealed carry of handguns is prohibited on premises in which a ticketed sporting event is taking place. Notice conforming to Texas Penal Code, Section 30.06 will be provided.
4. Designated individuals who work in a campus program for minors must, as a condition of their participation, agree not to carry a concealed handgun on the grounds or in buildings where the program is conducted. Parents of attendees must also agree, as a condition of their child's participation, not to carry a concealed handgun on the grounds or in buildings where the program is

conducted. “Campus Program for Minors” is defined in **HOP 3-1710** (<http://www.policies.utexas.edu/policies/youth-protection-program>), Youth Protection Program. Notice conforming to Texas Penal Code, Section 30.06 will be provided.

5. The carrying of any firearm, including a concealed handgun carried by a license holder, is prohibited at ticketed events at the Frank Erwin Center where the introduction of firearms is inconsistent with the safety and security of the event. Notice conforming to Section 30.06, Texas Penal Code will be provided.

E. Patient Care

The concealed carry of handguns is prohibited in patient-care areas, including those areas in which professional mental health services are provided. This prohibition includes not only traditional patient care facilities, but also research labs and other research areas where and when, as part of a research program, patient care is delivered by or under the supervision or direction of a licensed health care provider. Notice conforming to Texas Penal Code, Section 30.06, will be provided.

F. Laboratories

1. The concealed carry of handguns is prohibited in areas where the discharge of a firearm might cause great harm, such as laboratories with extremely dangerous chemicals, biologic agents, or explosive agents, and areas with equipment that are incompatible with metallic objects, such as magnetic resonance imaging machines.
2. The concealed carry of handguns is prohibited in animal-research facilities and other animal-care and animal-use locations in which protocols regulating entrance and exit ways create a risk that a concealed handgun will accidentally discharge, be contaminated, or be separated from a license holder. Notice conforming to Texas Penal Code, Section 30.06 will be provided.

G. Other Exclusion Zones

1. Texas Penal Code, Section 46.03(a)(2) excludes license holders from carrying a handgun on the premises of a polling place on the day of an election or while early voting is in progress. A sign **that reads either “Polling Place” or “Vote Here”** will be posted at any polling place located on campus from the commencement of early voting through Election Day ~~that reads either “Polling Place” or “Vote Here”~~ **when the polling place is open.**
2. Texas Penal Code, Section 46.03(a)(3) excludes license holders from carrying a handgun on the premises of any government court or offices utilized by the court, unless pursuant to written regulations or written authorization of the court. A sign will be posted at the entrance to any courtroom and associated offices on campus whenever in use by a federal, state, or local judge for official business.
3. Texas Penal Code, Section 46.035(b)(1) excludes license holders from carrying a handgun in the premise of a business permitted or licensed under designated chapters of the Texas Alcoholic Beverage Code, **Section 104.06** (<http://www.statutes.legis.state.tx.us/Docs/AL/htm/AL.104.htm#104.06>), if the business derives 51 percent or more of its income from the sale or service of alcoholic beverages for on-premises consumption. Any premise on campus ~~meeting that meets~~ the requirements of Texas Penal Code, Section 46.035(b)(1) will provide notice in accordance with Texas Government Code, Section 411.204.
4. The concealed carry of handguns by license holders is prohibited in areas for which state or federal law, licensing requirements, or contracts require exclusion solely at the discretion of the state or federal government, or are required by a campus accrediting authority. Where appropriate, signage will conform to the overriding federal or state law requirements. Otherwise, notice conforming to Texas Penal Code, Section 30.06 will be provided.
5. The carrying of any firearm, including a concealed handgun carried by a license holder, is prohibited on the UT Tower observation deck and in those immediate areas secured by The University of Texas at Austin Police Department (“UTPD”) in advance of any public or private tour. Notice conforming to Texas Penal Code, Section 30.06 will be provided.

6. Gun-exclusion zones created by state law as well as those created by this policy may sometimes comprise only a portion of a building. In some instances, it may not be feasible to exclude concealed handguns only from the designated exclusion zones. The following factors and principles will govern the implementation of these rules and regulations in those buildings in which some, but not all parts are designated as exclusion zones.

Governing factors:

- The percentage of assignable space or rooms in a building that are designated as exclusion zones.
- The extent to which the area(s) designated as exclusion zones are segregable from other areas of the building.
- The extent to which use of the building, and hence its status as an exclusion zone, varies from day-to-day or week-to-week.

Governing principles:

- If a small number of rooms or a small fraction of assignable space in a building is subject to exclusion, only the rooms or areas that qualify for exclusion should be excluded. Appropriate signage must be posted for excluded rooms or areas.
- If a significant fraction of the total building in terms of number of rooms or assignable space is subject to exclusion, or if the excludable space is not **segregable able to be segregated** from other space, then as a matter of practicality, the whole building will be excluded. Appropriate signage must be posted for any such building.

H. Discipline

1. The University has amended the *General Information Catalog*, Appendix C, **Section 11-404(a)** (<http://catalog.utexas.edu/general-information/appendices/appendix-c/student-discipline-and-conduct/#subchapter11400.prohibitedconduct>), General Misconduct of the Institutional Rules on Student Services and Activities; and **HOP 8-1010** (<https://www.policies.utexas.edu/policies/prohibition-campus-violence>), Prohibition of Campus Violence to provide that causing the accidental discharge of a firearm is conduct subject to disciplinary action.

I. Education

1. The University has developed and posted a Campus Concealed Carry FAQ (refer to Sec. IX).
2. The University has developed training materials particular to the University on responding to an active shooter situation. The material is covered in Compliance Training Module: CW 122: A Safe Workplace; employees and University affiliates are encouraged to complete this module. Students are encouraged to complete training on how to respond to an active shooter situation.
3. The University has developed materials to educate and inform parents of University students and prospective students about campus carry and implementation.

J. Process and Appeal

A student, or a member of the faculty or staff of the University may appeal a decision regarding the implementation of a policy contained herein to the Campus Safety and Security Committee/associate vice president for campus safety and security for consideration. A further appeal of the decision of the Campus Safety and Security Committee/associate vice president for campus safety and security may be made to the senior vice president and chief financial officer. The senior vice president and chief financial officer may approve, reject, or modify the decision in question, or may submit the issue to the Campus Safety and Security Committee/associate vice president for campus safety and security for reconsideration. The decision of the senior vice president and chief financial officer to approve, reject, or modify a decision is final.

Additional policies or exclusion areas not provided for in this policy will not be the subject of or considered as a matter of appeal. In accordance with Texas Government Code, Section **411.2031**

<http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.411.htm#411.2031>), the president is authorized to enact reasonable rules and regulations regarding the concealed carry of handguns on campus.

VIII. Forms & Tools

None

IX. Frequently Asked Questions

<https://campuscarry.utexas.edu/faq> (<https://campuscarry.utexas.edu/faq>)

X. Related Information

Texas Government Code, **Section 411.204** (<http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.411.htm#411.204>)

Texas Government Code, **Section 411.2031** (<http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.411.htm#411.2031>) (Senate Bill 11)

Texas Penal Code, **Section 30.06** (<http://www.statutes.legis.state.tx.us/Docs/PE/htm/PE.30.htm#30.06>)

Texas Penal Code, **Section 46.03(a)(2)** (<http://www.statutes.legis.state.tx.us/Docs/PE/htm/PE.46.htm#46.03>)

Texas Penal Code, **Section 46.03(a)(3)** (<http://www.statutes.legis.state.tx.us/Docs/PE/htm/PE.46.htm#46.03>)

Texas Penal Code, **Section 46.035(a-1)** (<http://www.statutes.legis.state.tx.us/Docs/PE/htm/PE.46.htm#46.035>)

Texas Penal Code, **Section 46.035(b)(2)** (<http://www.statutes.legis.state.tx.us/Docs/PE/htm/PE.46.htm#46.035>)

Texas Penal Code, **Section 46.035(2)** (<http://www.statutes.legis.state.tx.us/Docs/PE/htm/PE.46.htm#46.035>)

Texas Code of Criminal Procedures, **Article 2.12** (<http://www.statutes.legis.state.tx.us/Docs/CR/htm/CR.2.htm#2.12>)

Board of Regents' **Rule 31008** (<http://www.utsystem.edu/board-of-regents/rules/31008-termination-faculty-member>)
- Termination of a Faculty Member

HOP 2-2310 (<http://www.policies.utexas.edu/policies/faculty-grievance-procedure>) – Faculty Grievance Procedure

HOP 3-1710 (<http://www.policies.utexas.edu/policies/youth-protection-program>) – Youth Protection Program

HOP 5-2420 (<http://www.policies.utexas.edu/policies/policies-and-procedures-discipline-and-dismissal-employees>) –
Policies and Procedures for Discipline and Dismissal of Employees

HOP 8-1010 (<https://www.policies.utexas.edu/policies/prohibition-campus-violence>) – Prohibition of Campus
Violence

General Information Catalog, Appendix C (<http://catalog.utexas.edu/general-information/appendices/appendix-c/student-discipline-and-conduct/>): Institutional Rules on Student Services and Activities

General Information Catalog, Appendix C, Chapter 11 (<http://catalog.utexas.edu/general-information/appendices/appendix-c/student-discipline-and-conduct/#subchapter11400.prohibitedconduct>) – Student Discipline
and Conduct

General Information Catalog, Appendix C, Chapter 11, Section 11-404(a) (<http://catalog.utexas.edu/general-information/appendices/appendix-c/student-discipline-and-conduct/>) – General Misconduct Compliance

Training Module: CW 122: A Safe Workplace

XI. History

None

REPORT AND RECOMMENDATION OF THE HEALTH AFFAIRS COMMITTEE

(Pages 88 - 97).--Acting Committee Chairman Longoria reported that the Health Affairs Committee met in Open Session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. The action set forth in the Minute Order that follows was recommended by the Health Affairs Committee and approved in Open Session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. Medical Branch - Galveston: Request to approve the honorific naming of four streets on the League City Campus as Ashbel Smith Avenue, Dolly Vinsant Drive, Ruby Decker Avenue, and Ned Dudney Drive

The Board approved the honorific naming of four streets on the League City Campus of The University of Texas Medical Branch at Galveston as Ashbel Smith Avenue, Dolly Vinsant Drive, Ruby Decker Avenue, and Ned Dudney Drive.

U. T. Medical Branch - Galveston's League City Campus is quickly growing. To help navigate the developing campus, U. T. Medical Branch - Galveston requested approval to honorifically name four streets for the individuals described below and on the following pages.

The Ashbel Smith Avenue was named in honor of Ashbel Smith, M.D. Born in 1805, Dr. Smith was the first president of The University of Texas Board of Regents and was instrumental in forming the Texas Medical Association. He graduated from Yale University at the age of 19 and earned his medical degree, also from Yale University, in 1828. He was a strong advocate for higher education during his three terms as a State Representative and was instrumental in establishing U. T. Medical Branch - Galveston. The Old Red Building, the first building on U. T. Medical Branch's campus and the oldest medical school building in Texas, was named as The Ashbel Smith Building on December 1, 1950.

Dolly Vinsant Drive was named in honor of Ms. Wilma "Dolly" Vinsant, a 1940 U. T. Medical Branch - Galveston School of Nursing graduate. Ms. Vinsant enlisted in the U.S. Army Nurse Corps in 1942 and went on to become one of only 500 air evacuation flight nurses. She was killed when her plane was shot down over Germany in 1945 during a mission for which she volunteered. Her bravery earned her many subsequent honors, including the Purple Heart and a special citation from President Harry Truman. Although both buildings are no longer standing, Ms. Vinsant's hometown named a hospital after her, and on November 21, 1957, U. T. Medical Branch - Galveston named a Dormitory Building for nursing students in her memory as the Wilma Roland Vinsant Hall.

Ruby Decker Avenue was named in honor of Ms. Ruby Decker, the first director of U. T. Medical Branch's physical therapy program. She taught high school physical education classes in Port Arthur, Texas, did advanced training in massage and hydrotherapy in Michigan, helped treat wounded soldiers returning from World War I, and volunteered to do the same for World War II veterans. The Physical Therapy Laboratory in the School of Allied Health Sciences and Nursing Building was named The Ruby Decker Physical Therapy Laboratory on August 8, 1985, in recognition of Ms. Decker's many contributions in the area of physical therapy and her distinguished service to U. T. Medical Branch - Galveston.

Ned Dudney Drive was named in honor of Dr. Newton "Ned" E. Dudney. Dr. Dudney graduated in 1949 from U. T. Medical Branch - Galveston. After completing his medical degree, he served as commander of a Battalion Aid Station in Korea. In 1954, Dr. Dudney joined his friend, Harry K. Davis, M.D., in a family medicine practice in League City, Texas. Dr. Dudney served the League City community as a primary care physician for over 50 years. He served on the U. T. Medical Branch - Galveston's Development Board and was a member of the School of Medicine Alumni Association for more than 30 years. In 1996, Dr. Dudney was a recipient of the Ashbel Smith Distinguished Alumnus Award.

These namings are consistent with Regents' *Rules and Regulations*, Rule 80307, relating to the honorific naming of facilities to recognize individuals who have contributed significantly to the history of U. T. Medical Branch - Galveston.

The University of Texas Medical Branch

League City Campus – Street Naming – Historical Figures in UTMB History

David Callender, M.D., MBA, FACS
President
The University of Texas Medical Branch at Galveston

U. T. System Board of Regents' Meeting
Health Affairs Committee
November 2017



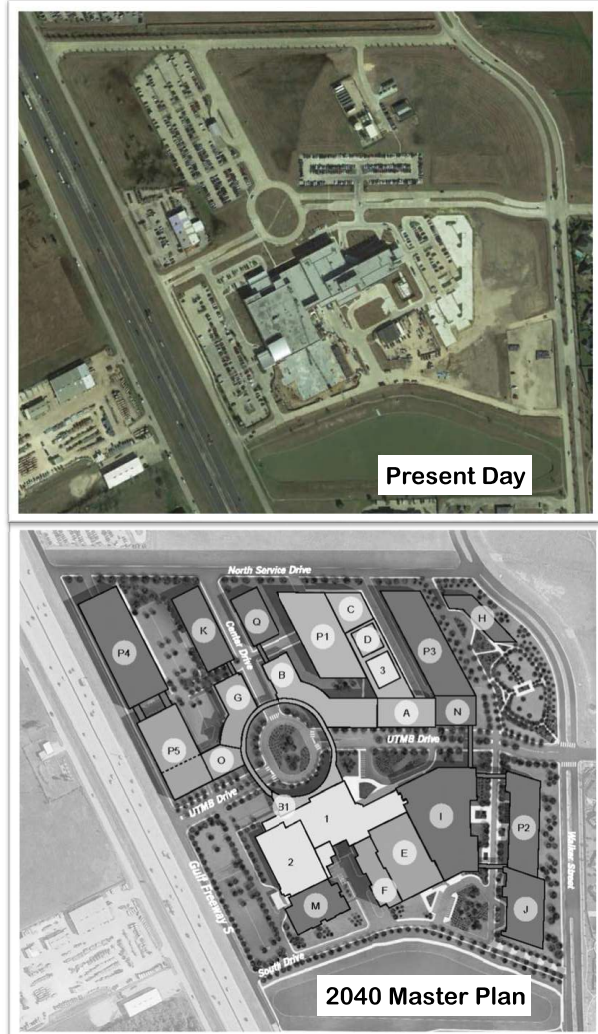
Background and Proposal

Background

As the UTMB League City Campus grows, plans are being made to formally name five roadways on the property. These names and related signage not only will help with wayfinding for employees, patients, and visitors, but four will also present an opportunity to bring UTMB’s rich history to its newest campus.

Proposal

The proposed plan calls for naming the main thoroughfare in the center of campus “UTMB Boulevard,” with other roads named for key figures in the University’s history. An initial list of four individuals includes representatives of the School of Medicine/Research, School of Nursing, and School of Health Professions. A brief description of their relationships to UTMB follows.



Minutes - 91

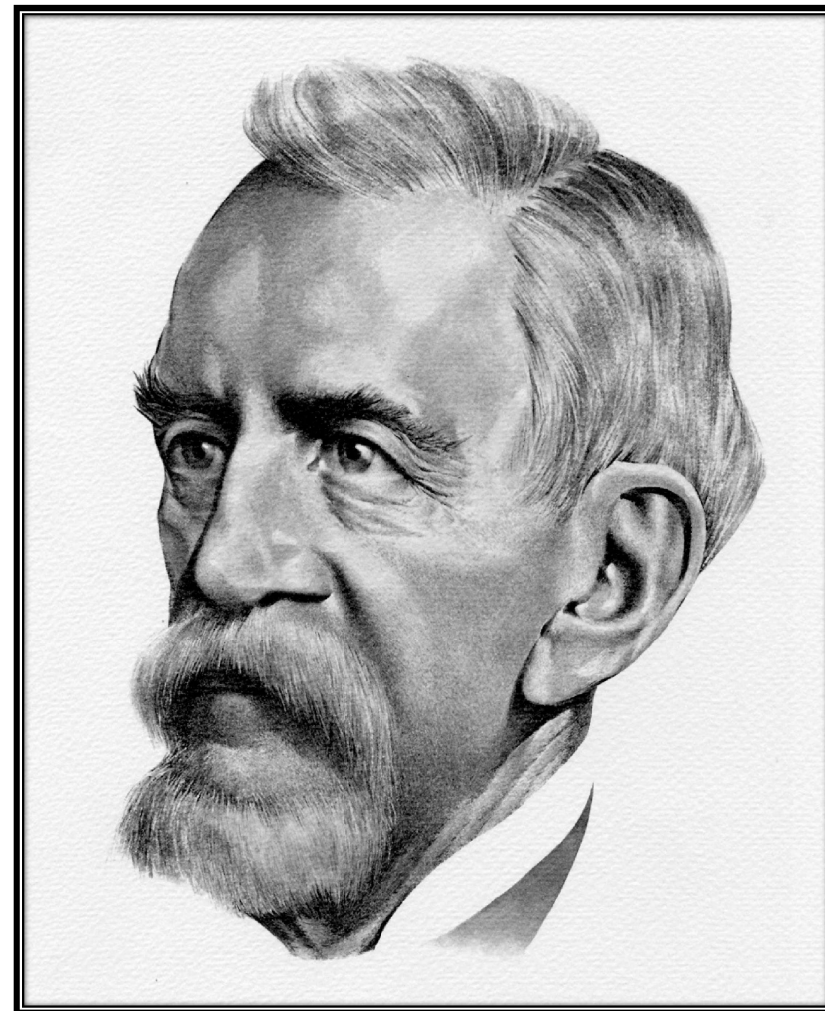
Ashbel Smith, M.D.

Ashbel Smith was a physician, statesman, diplomat, and soldier. Born in 1805, he graduated from Yale University at the age of 19 and earned his medical degree from Yale University in 1828.

He moved to Texas in 1837 and was instrumental in forming the Texas Medical Association. Known as “the father of the University of Texas,” Smith was a strong advocate for higher education during his three terms as a state Representative.

He went on to serve as the first president of the University of Texas Board of Regents and was instrumental in establishing The University of Texas Medical Branch at Galveston.

The oldest medical school building in Texas, The Old Red Building, located on UTMB’s Galveston campus, bears his name.



November 9, 2017 Meeting of the U. T. System Board of Regents – Health Affairs Committee

Wilma “Dolly” Vinsant

A 1940 School of Nursing graduate, Wilma “Dolly” Vinsant spent much of World War II evacuating wounded Americans from battlefields in Germany, many from the front lines. She enlisted in the U.S. Army Nurse Corps in 1942 and, after acing rigorous basic training, went on to become one of only 500 air evacuation flight nurses.

Stationed in England, Vinsant had completed her hazardous-flight quota when she volunteered for one last mission. She became one of only three in the Army Nurse Corps (and the only one from Texas) killed by direct enemy action when her plane was shot down over Germany. Her valor earned her many posthumous honors, including the Purple Heart and a special citation from President Harry Truman.

Although neither building stands today, Vinsant’s hometown named a hospital after her, and UTMB recognized its nursing graduate by naming a student dormitory in her honor.



November 9, 2017 Meeting of the U. T. System Board of Regents – Health Affairs Committee

Ruby Decker

Ruby Decker's path to becoming the first director of UTMB's up-and-coming physical therapy program in 1945 took a few twists and turns, including stints as a chicken farmer and bookseller. But her interest in reducing people's pain and restoring their mobility never wavered.

She taught high school physical education classes in Port Arthur, Texas, did advanced training in massage and hydrotherapy in Michigan, helped treat wounded soldiers returning from World War I battlefields, and volunteered to do the same for World War II veterans.

After more than 18 years at UTMB, Ruby "retired" to teach physical therapy at a school in West Pakistan.



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Dr. Newton “Ned” E. Dudney

Dr. Ned Dudney graduated in 1949 from The University of Texas Medical Branch at Galveston. After completing his medical degree, he served as commander of a Battalion Aid Station in Korea. In 1954, Dr. Dudney joined his friend, Dr. Harry K. Davis, in a family medicine practice in League City, Texas. Dr. Dudney served the League City community as a primary care physician for over 50 years.

Dr. Dudney and his wife of 60 years, Fay, were leaders in the Clear Lake community. He was instrumental in the incorporation of League City, the founding of St. Christopher’s Episcopal Church, the creation of Clear Lake Hospital, as well as the Clear Lake Economic Development Foundation, now known as the Bay Area Houston Economic Partnership. He was a member of the original City of League City Charter Committee and the first City of League City Council. The couple’s contributions to League City were recognized in 2010 by the rededication and naming of the Dr. Ned and Fay Dudney Clear Creek Nature Park.

Dr. Dudney’s regard for The University of Texas Medical Branch at Galveston was evidenced by his service as a Development Board member. He was a member of UTMB School of Medicine Alumni Association for more than thirty years and an ex-officio member of the board of trustees. Dr. Dudney was a recipient of the Ashbel Smith Distinguished Alumnus Award in 1996. In his memory, friends and family established the Ned Dudney, MD Presidential Scholarship at The University of Texas Medical Branch at Galveston.



November 9, 2017 Meeting of the U. T. System Board of Regents – Health Affairs Committee

Minutes - 95

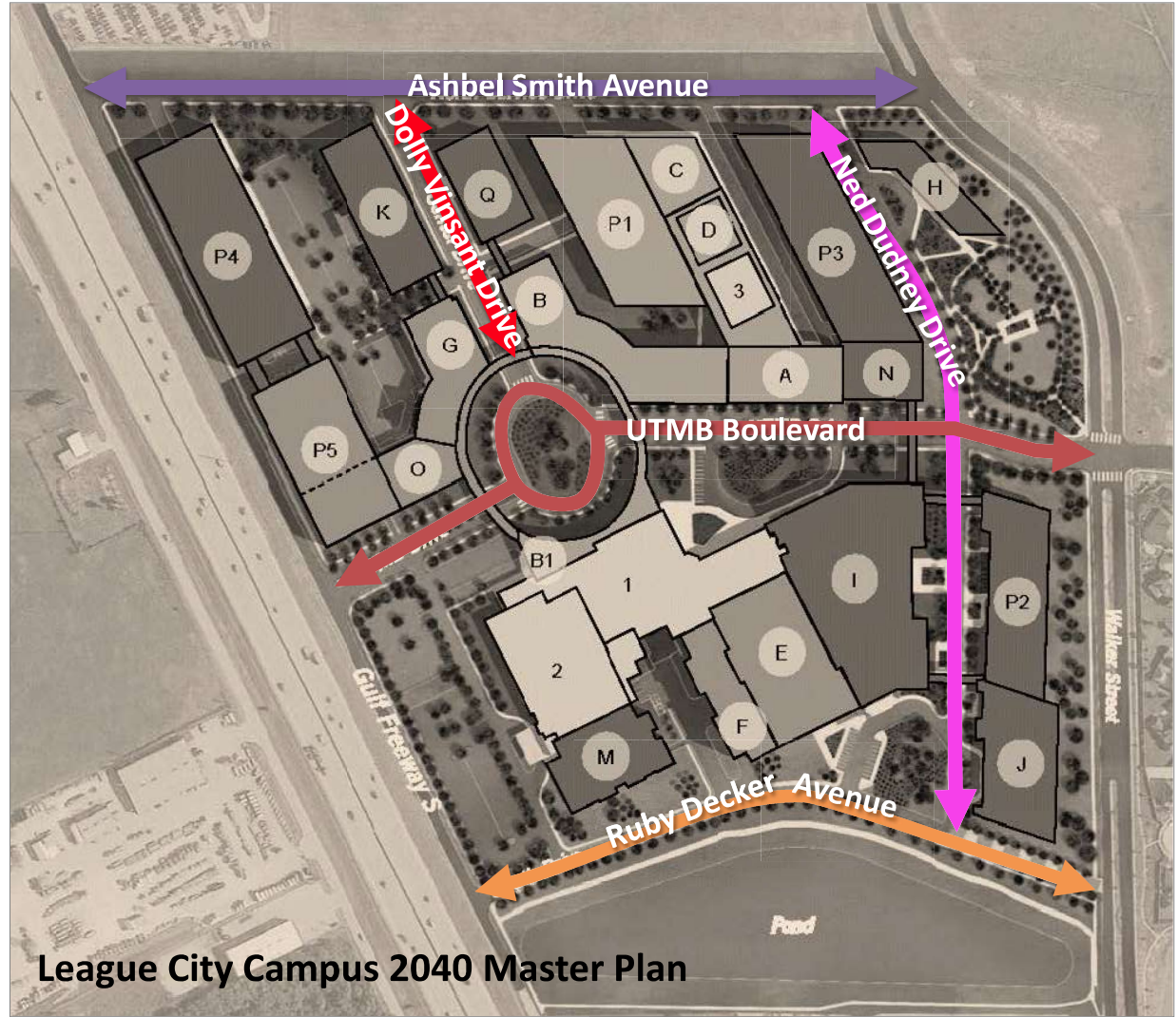
Street Names Recognizing UTMB History

East-West Streets:

- Ashbel Smith Avenue
- Ruby Decker Avenue
- UTMB Boulevard

North-South Streets:

- Dolly Vinsant Drive
- Ned Dudney Drive



League City Campus 2040 Master Plan

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3. U. T. System: Report on the U. T. System Population Health initiatives

This item was for consideration only by the Committee.

REPORT OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

(Page 98).--Chairman Tucker confirmed with Committee Chairman Beck that there were no items from the Facilities Planning and Construction Committee to report in Open Session.

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

There were no items referred from the Consent Agenda.

2. U. T. System: Update on transition regarding delegation of responsibility for the delivery of institutional capital projects at U. T. Austin and U. T. Medical Branch - Galveston to the institutional presidents

This item was for consideration only by the Committee.

APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS.--At 10:20 a.m., the Board voted and unanimously approved the Standing Committee recommendations.

RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551.--At 10:21 a.m., the Board recessed to Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073, 551.074, and 551.076 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS AND TO CONSIDER AGENDA ITEMS.--The Board reconvened in Open Session at 3:21 p.m. to consider the following actions on Executive Session items and to consider the following Agenda Items.

1. U. T. Austin: Discussion regarding the lease or value of property related to the Brackenridge Tract, including Lions Municipal Golf Course, Austin, Travis County, Texas

No action was taken on this item.

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

Regent Weaver moved that the Board authorize the Vice Chancellor for External Relations, the Chancellor or Deputy Chancellor, and the Presidents of The University of Texas Rio Grande Valley, The University of Texas at Tyler, The University of Texas Health Science Center at Houston, and The University of Texas M. D. Anderson Cancer Center to conclude negotiations necessary to finalize, approve, and accept gifts and to finalize and execute agreements with potential naming features for the benefit of the named institutions consistent with the terms and conditions outlined and recommended in Executive Session.

The motion was seconded by Regent Longoria and carried unanimously.

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

See Item 2a above for action taken on this item.

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

No action was taken on this item.

- 3b. U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning pending legal claims by and against U. T. System

No action was taken on this item.

- 3c. U. T. System: Discussion and appropriate action regarding legal issues related to development of a bid for management of Los Alamos National Laboratory

No action was taken on this item. (Related Open Session Item 10 was deferred.)

- 3d. U. T. Austin: Discussion regarding legal issues related to the utilization of the Brackenridge Tract, including Lions Municipal Golf Course, Austin, Travis County, Texas

No action was taken on this item.

- 3e. U. T. Health Science Center - Tyler: Discussion and appropriate action regarding legal issues related to formation of partnership with Ardent Health Services

No action was taken on this item.

- 4a. U. T. Dallas: Discussion with president regarding assignment and duties, including individual responsibilities associated with outlining a vision and plans for the future of the institution

No action was taken on this item.

- 4b. U. T. Austin: Discussion with president regarding assignment and duties, including individual responsibilities associated with outlining a vision and plans for the future of the institution

No action was taken on this item.

- 4c. U. T. System: Discussion and appropriate action regarding individual personnel matters related to development of a bid for management of Los Alamos National Laboratory

No action was taken on this item. (Related Open Session Item 10 was deferred.)

- 4d. U. T. System: Discussion and appropriate action regarding approval of proposed incentive compensation for Mark A. Houser, Chief Executive Officer of University Lands

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

The motion was seconded by Regent Foster and carried unanimously.

- 4e. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Deputy Chancellor, Executive Vice Chancellors, and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), members of the Board of Regents, and U. T. System and institutional employees

No action was taken on this item.

5. U. T. System Board of Regents: Discussion and appropriate action regarding safety and security issues, including security audits and the deployment of security personnel and devices

No action was taken on this item.

AGENDA ITEMS (continued)

9. U. T. Dallas: President's report on Strategic Vision and Institutional Priorities (Regents' Rules and Regulations, Rule 20201, Section 5, regarding Evaluation of Presidents) (Deferred)

President Benson's report on his strategic vision and institutional priorities for The University of Texas at Dallas was deferred to a future meeting due to time constraints.

10. U. T. System: Discussion and appropriate action regarding development of a bid for management of Los Alamos National Laboratory (Deferred)

The item related to an update on the process of developing a bid for management of the Los Alamos National Laboratory was deferred to the November 27, 2017 Special Called Meeting.

11. U. T. System Board of Regents: Approval of recommendations for Vice Chairmen and Standing Committee Chairmen and Other Appointments, as required

Chairman Tucker recommended the election of Vice Chairmen of the Board and requested the concurrence of the Board on appointments of Committee Chairmen and Representatives of the Board as follows, effective upon conclusion of this meeting:

- Jeffery Hildebrand to serve as First Vice Chairman and to act, as needed, in the place of the Chairman as authorized by Regents' Rule 10102; and
- Paul Foster to serve as second Vice Chairman.

Chairman Tucker thanked Vice Chairmen Hildebrand and Foster for their willingness to serve in these leadership positions. Her recommended appointments were approved, with Vice Chairmen Hildebrand and Foster abstaining from vote on their election as Vice Chairmen.

For the record, Committee composition and representative appointments are as follows:

Academic Affairs Committee

Ernest Aliseda, Chairman
Kevin P. Eltife
Paul L. Foster
R. Steven "Steve" Hicks
Janiece Longoria
James C. "Rad" Weaver

Audit, Compliance, and Risk Management Committee

David J. Beck, Chairman
Ernest Aliseda
Kevin P. Eltife
R. Steven "Steve" Hicks
Janiece Longoria
James C. "Rad" Weaver

Facilities Planning and Construction Committee

R. Steven "Steve" Hicks, Chairman
Ernest Aliseda
David J. Beck
Kevin P. Eltife
Jeffery D. Hildebrand
James C. "Rad" Weaver

Finance and Planning Committee

Jeffery D. Hildebrand, Chairman

David J. Beck

Kevin P. Eltife

Paul L. Foster

Janiece Longoria

James C. "Rad" Weaver

Health Affairs Committee

Paul L. Foster, Chairman

Ernest Aliseda

David J. Beck

R. Steven "Steve" Hicks

Jeffery D. Hildebrand

Janiece Longoria

Special Advisory Committee on the Brackenridge Tract

David J. Beck

Janiece Longoria

Athletics Liaisons

David J. Beck

James C. "Rad" Weaver

Board for Lease of University Lands

Ernest Aliseda

Kevin P. Eltife

R. Steven "Steve" Hicks, Alternate

Continuing service were:

Special Liaison on South Texas Projects

Ernest Aliseda

M. D. Anderson Services Corporation Board of Directors

Janiece Longoria

Regental Representative to Texas Medical Center Board (Advisory)

Janiece Longoria

The University of Texas/Texas A&M Investment Management Company (UTIMCO)

Board of Directors

R. Steven "Steve" Hicks

Jeffery D. Hildebrand

James C. "Rad" Weaver

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on February 26-27, 2018, in Austin.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 3:23 p.m.

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

February 1, 2018



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MEETING OF THE BOARD

1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meeting held on August 23-24, 2017; and the special called meetings held on August 25, 2017, and September 18, 2017
2. Lease - U. T. System: Authorization to lease approximately 5,951 square feet of space located at 919 Congress Avenue, Austin, Travis County, Texas, from 919 Congress Avenue, LLC, for office use by the Texas Medical and Dental Schools Application Service

Description:	Lease of approximately 5,951 square feet of space located at 919 Congress Avenue, Austin, Travis County, Texas, for office use. The Texas Medical and Dental Schools Application Service (TMDSAS) is currently located in this space under a short-term lease and requests authorization to remain in the space under a long-term lease agreement. TMDSAS acts as a centralized admissions office for all public medical and dental schools in Texas.
Lessor:	919 Congress Avenue, LLC, a Delaware limited liability company
Term:	120 months commencing on January 1, 2018, and continuing through December 31, 2028, with one five-year option to renew at the Tenant's sole discretion. The original lease began on April 25, 2014.
Lease Cost:	Annual base rent is \$169,604 (\$28.50 per square foot), escalating by \$1 per square foot annually for a total of \$1,908,039 over the initial term of the lease. Initial annual operating expenses are estimated to be \$129,196. Base rent for the renewal term will be based on then fair market value rental rates.
Tenant Improvements:	The space was renovated, in August 2017, at the Landlord's expense. Landlord will provide a tenant improvement allowance in the amount of \$53,559 (\$9 per square foot) to be used at the Tenant's discretion in year six of the lease term.
Total Projected Cost:	The total cost of the lease over a 15-year term is estimated to be approximately \$8,800,000.

AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE

3. Contract (funds going out) - U. T. System: Arthur J. Gallagher Risk Management Services, Inc. to provide risk management and insurance broker services

Agency: Arthur J. Gallagher Risk Management Services, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 over the term of the contract

Period: September 1, 2017 through August 31, 2020, with an option to renew for two additional one-year terms

Description: Arthur J. Gallagher Risk Management Services, Inc. will provide risk management and insurance broker services on an as-needed basis. U. T. System Administration uses a panel of brokers to provide brokerage, insurance placement, claims advocacy, and risk management services. This contract was competitively bid.

4. Contract (funds going out) - U. T. System: Dissinger Reed, LLC to provide risk management and insurance broker services

Agency: Dissinger Reed, LLC

Funds: Anticipated total cost may exceed \$1,000,000 over the term of the contract

Period: September 1, 2017 through August 31, 2020, with an option to renew for two additional one-year terms

Description: Dissinger Reed, LLC will provide risk management and insurance broker services on an as-needed basis. U. T. System Administration uses a panel of brokers to provide brokerage, insurance placement, claims advocacy, and risk management services. This contract was competitively bid.

5. Contract (funds going out) - U. T. System: Aon Risk Services Southwest, Inc. to provide risk management and insurance broker services

Agency: Aon Risk Services Southwest, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 over the term of the contract

Period: September 1, 2017 through August 31, 2020, with an option to renew for two additional one-year terms

Description: Aon Risk Services Southwest, Inc. will provide risk management and insurance broker services on an as-needed basis. U. T. System Administration uses a panel of brokers to provide brokerage, insurance placement, claims advocacy, and risk management services. This contract was competitively bid.

6. Contract (funds going out) - U. T. System: Willis of Texas, Inc. to provide risk management and insurance broker services

Agency: Willis of Texas, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 over the term of the contract

Period: September 1, 2017 through August 31, 2020, with an option to renew for two additional one-year terms

Description: Willis of Texas, Inc. will provide risk management and insurance broker services on an as-needed basis. U. T. System Administration uses a panel of brokers to provide brokerage, insurance placement, claims advocacy, and risk management services. This contract was competitively bid.

7. Contract (funds going out) - U. T. System: Beecher Carlson Insurance Services, LLC to provide risk management and insurance broker services

Agency: Beecher Carlson Insurance Services, LLC

Funds: Anticipated total cost may exceed \$1,000,000 over the term of the contract

Period: September 1, 2017 through August 31, 2020, with an option to renew for two additional one-year terms

Description: Beecher Carlson Insurance Services, LLC will provide risk management and insurance broker services on an as-needed basis. U. T. System Administration uses a panel of brokers to provide brokerage, insurance placement, claims advocacy, and risk management services. This contract was competitively bid.

8. Contract (funds going out) - U. T. System: John L. Wortham & Son, L.P. to provide risk management and insurance broker services

Agency: John L. Wortham & Son, L.P.

Funds: Anticipated total cost may exceed \$1,000,000 over the term of the contract

Period: September 1, 2017 through August 31, 2020, with an option to renew for two additional one-year terms

Description: John L. Wortham & Son, L.P. will provide risk management and insurance broker services on an as-needed basis. U. T. System Administration uses a panel of brokers to provide brokerage, insurance placement, claims advocacy, and risk management services. This contract was competitively bid.

9. Contract (funds going out) - U. T. System: Anco Insurance Managers, Inc. to provide risk management and insurance broker services

Agency: Anco Insurance Managers, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 over the term of the contract

Period: September 1, 2017 through August 31, 2020, with an option to renew for two additional one-year terms

Description: Anco Insurance Managers, Inc. will provide risk management and insurance broker services on an as-needed basis. U. T. System Administration uses a panel of brokers to provide brokerage, insurance placement, claims advocacy, and risk management services. This contract was competitively bid.

10. Contract (funds going out) - U. T. System: MARSH USA, Inc. to provide risk management and insurance broker services

Agency: MARSH USA, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 over the term of the contract

Period: September 1, 2017 through August 31, 2020, with an option to renew for two additional one-year terms

Description: MARSH USA, Inc. will provide risk management and insurance broker services on an as-needed basis. U. T. System Administration uses a panel of brokers to provide brokerage, insurance placement, claims advocacy, and risk management services. This contract was competitively bid.

11. Contract (funds going out) - U. T. System: Southwest Special Risk Insurance to provide risk management and insurance broker services

Agency: Southwest Special Risk Insurance

Funds: Anticipated total cost may exceed \$1,000,000 over the term of the contract

Period: September 1, 2017 through August 31, 2020, with an option to renew for two additional one-year terms

Description: Southwest Special Risk Insurance will provide risk management and insurance broker services on an as-needed basis. U. T. System Administration uses a panel of brokers to provide brokerage, insurance placement, claims advocacy, and risk management services. This contract was competitively bid.

FINANCE AND PLANNING COMMITTEE

12. Resolution - U. T. System Board of Regents: Adoption of resolution to contract with Zurich American Insurance Company and affiliates, Schaumburg, Illinois, and to guarantee payments under Phase VII of The University of Texas System's Rolling Owner Controlled Insurance Program

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Executive Vice Chancellor for Health Affairs that the resolution to contract with Zurich American Insurance Company and affiliates, Schaumburg, Illinois, to guarantee payments under Phase VII of The University of Texas System's Rolling Owner Controlled Insurance Program (ROCIP), be adopted as set forth below:

RESOLUTION

WHEREAS, Zurich American Insurance Company and affiliates (Zurich), will insure The University of Texas System (U. T. System) and other persons under Phase VII of a Rolling Owner Controlled Insurance Program (ROCIP) for various construction projects managed by the Office of Facilities Planning and Construction or by a U. T. System institution in certain, pre-approved circumstances;

WHEREAS, Pursuant to this ROCIP, Zurich will issue one or more workers' compensation insurance policies and comprehensive general liability insurance policies that contain deductibles of \$250,000 per claim subject to a maximum of \$375,000 per occurrence that include allocated costs and indemnity payments;

however, such deductibles are subject to a minimum aggregate limit based on \$3,000,000,000 in construction value at a rate of \$7.33 per \$1,000 of construction value; and

WHEREAS, The Board of Regents of U. T. System understands and agrees that this large deductible ROCIP requires the prompt reimbursement of sums advanced by Zurich to adjust or pay claims within the deductibles, and the Board desires to guaranty to Zurich the prompt reimbursement of the deductibles for the ROCIP;

NOW THEREFORE, BE IT RESOLVED, That the Board hereby guarantees to Zurich the prompt repayment of the sums advanced by Zurich to adjust or pay claims within the deductibles for the ROCIP, subject to the aggregate deductible limit for the Program. This guaranty shall remain fully binding although Zurich may waive one or more defaults of the insured or fail to exercise any rights against the insured or modify one or more terms of the ROCIP as required by law or with the consent of U. T. System; and, be it further

RESOLVED, That the Board represents and warrants to Zurich that the funds necessary to reimburse Zurich for the aggregate deductible liability of the insured for the ROCIP are included in the appropriations for the various construction projects heretofore approved by the Board.

The resolution, which will be provided in lieu of a letter of credit, trust agreement, or cash, provides Zurich with assurances necessary to complete the ROCIP Phase VII program.

13. Contract (funds going out) - U. T. System: Community Counseling Services Co., LLC to provide fundraising feasibility study and campaign consulting services for U. T. institutions

Agency:	Community Counseling Services Co., LLC
Funds:	To be paid by U. T. institutions requesting services under this agreement
Period:	June 21, 2017 through June 20, 2022
Description:	This nonexclusive Systemwide agreement allows each U. T. institution to obtain services on an as-needed basis through a Project Addendum that will designate the project scope of work, schedule, and fees. Services may include feasibility studies, planning studies, campaign fundraising, and related services.

The agreement has an unspecified cost or monetary value with a term of greater than four years and is being placed on the Consent Agenda in accordance with Section 3.1.1 of Regents' Rule 10501. As a result, the U. T. System Office of External Relations will closely monitor the spend by the institutions over the life of the agreement. This contract was competitively procured.

14. Contract (funds going out) - U. T. System: Community Counseling Services Co., LLC to provide extended strategic services to support advancement programs at U. T. institutions

Agency: Community Counseling Services Co., LLC

Funds: To be paid by U. T. institutions requesting services under this agreement

Period: June 21, 2017 through June 20, 2022

Description: This nonexclusive Systemwide agreement allows each U. T. institution to obtain services on an as-needed basis through a Project Addendum that will designate the project scope of work, schedule, and fees. Services may include annual giving programs; alumni and constituent relations; gift planning; advancement services; strategic planning and organizational structure; and professional training and development.

The agreement has unspecified cost or monetary value with a term of greater than four years and is being placed on the Consent Agenda in accordance with Section 3.1.1 of Regents' Rule 10501. As a result, the U. T. System Office of External Relations will closely monitor the spend by the institutions over the life of the agreement. This contract was competitively procured.

15. Contract (funds going out) - U. T. System: Marts & Lundy, Inc. to provide fundraising feasibility study and campaign consulting services for U. T. institutions

Agency: Marts & Lundy, Inc.

Funds: To be paid by U. T. institutions requesting services under the agreement

Period: June 21, 2017 through June 20, 2022

Description: This nonexclusive Systemwide agreement allows each U. T. institution to obtain services on an as-needed basis through a Project Addendum that will designate the project scope of work, schedule, and fees. Services may include feasibility studies, planning studies, campaign fundraising, and related services.

The agreement has an unspecified cost or monetary value with a term of greater than four years and is being placed on the Consent Agenda in accordance with Section 3.1.1 of Regents' Rule 10501. As a result, the U. T. System Office of External Relations will closely monitor the spend by the institutions over the life of the agreement. This contract was competitively procured.

16. Contract (funds going out) - U. T. System: Marts & Lundy, Inc. to provide extended strategic services to support advancement programs at U. T. institutions

Agency: Marts & Lundy, Inc.

Funds: To be paid by U. T. institutions requesting services under the agreement

Period: June 14, 2017 through June 13, 2022

Description: This nonexclusive Systemwide agreement allows each U. T. institution to obtain services on an as-needed basis through a Project Addendum that will designate the project scope of work, schedule, and fees. Services may include annual giving programs; alumni and constituent relations; gift planning; advancement services; strategic planning and organizational structure; and professional training and development.

The agreement has an unspecified cost or monetary value with a term of greater than four years and is being placed on the Consent Agenda in accordance with Section 3.1.1 of Regents' Rule 10501. As a result, the U. T. System Office of External Relations will closely monitor the spend by the institutions over the life of the agreement. This contract was competitively procured.

17. Contract (funds going out) - U. T. System: Bentz Whaley Flessner and Associates to provide fundraising feasibility study and campaign consulting services for U. T. institutions

Agency: Bentz Whaley Flessner and Associates

Funds: To be paid by U. T. institutions requesting services under the agreement

Period: June 8, 2017 through June 7, 2022

Description: This nonexclusive Systemwide agreement allows each U. T. institution to obtain services on an as-needed basis through a Project Addendum that will designate the project scope of work, schedule, and fees. Services may include feasibility studies, planning studies, campaign fundraising, and related services.

The agreement has an unspecified cost or monetary value with a term of greater than four years and is being placed on the Consent Agenda in accordance with Section 3.1.1 of Regents' Rule 10501. As a result, the U. T. System Office of External Relations will closely monitor the spend by the institutions over the life of the agreement. This contract was competitively procured.

18. Contract (funds going out) - U. T. System: Bentz Whaley Flessner and Associates to provide extended strategic services to support advancement programs at U. T. institutions

Agency: Bentz Whaley Flessner and Associates

Funds: To be paid by U. T. institutions requesting services under the agreement

Period: June 6, 2017 through June 5, 2022

Description: This nonexclusive Systemwide agreement allows each U. T. institution to obtain services on an as-needed basis through a Project Addendum that will designate the project scope of work, schedule, and fees. Services may include annual giving programs; alumni and constituent relations; gift planning; advancement services; strategic planning and organizational structure; and professional training and development.

The agreement has an unspecified cost or monetary value with a term of greater than four years and is being placed on the Consent Agenda in accordance with Section 3.1.1 of Regents' Rule 10501. As a result, the U. T. System Office of External Relations will closely monitor the spend by the institutions over the life of the agreement. This contract was competitively procured.

19. Contract (funds going out) - U. T. System: Grenzebach Glier and Associates, Inc. to provide fundraising feasibility study and campaign consulting services for U. T. institutions

Agency: Grenzebach Glier and Associates, Inc.

Funds: To be paid by U. T. institutions requesting services under the agreement

Period: June 6, 2017 through June 5, 2022

Description: This nonexclusive Systemwide agreement allows each U. T. institution to obtain services on an as-needed basis through a Project Addendum that will designate the project scope of work, schedule, and fees. Services may include feasibility studies, planning studies, campaign fundraising, and related services.

The agreement has an unspecified cost or monetary value with a term of greater than four years and is being placed on the Consent Agenda in accordance with Section 3.1.1 of Regents' Rule 10501. As a result, the U. T. System Office of External Relations will closely monitor the spend by the institutions over the life of the agreement. This contract was competitively procured.

20. Contract (funds going out) - U. T. System: Grenzebach Glier and Associates, Inc. to provide extended strategic services to support advancement programs at U. T. institutions

Agency: Grenzebach Glier and Associates, Inc.

Funds: To be paid by U. T. institutions requesting services under the agreement

Period: June 21, 2017 through June 20, 2022

Description: This nonexclusive Systemwide agreement allows each U. T. institution to obtain services on an as-needed basis through a Project Addendum that will designate the project scope of work, schedule, and fees. Services may include annual giving programs; alumni and constituent relations; gift planning; advancement services; strategic planning and organizational structure; and professional training and development.

The agreement has an unspecified cost or monetary value with a term of greater than four years and is being placed on the Consent Agenda in accordance with Section 3.1.1 of Regents' Rule 10501. As a result, the U. T. System Office of External Relations will closely monitor the spend by the institutions over the life of the agreement. This contract was competitively procured.

21. Contract (funds going out) - U. T. System: Alexander Haas, Inc. to provide fundraising feasibility study and campaign consulting services for U. T. institutions

Agency: Alexander Haas, Inc.

Funds: To be paid by U. T. institutions requesting services under the agreement

Period: June 6, 2017 through June 5, 2022

Description: This nonexclusive Systemwide agreement allows each U. T. institution to obtain services on an as-needed basis through a Project Addendum that will designate the project scope of work, schedule, and fees. Services may include feasibility studies, planning studies, campaign fundraising, and related services.

The agreement has an unspecified cost or monetary value with a term of greater than four years and is being placed on the Consent Agenda in accordance with Section 3.1.1 of Regents' Rule 10501. As a result, the U. T. System Office of External Relations will closely monitor the spend by the institutions over the life of the agreement. This contract was competitively procured.

22. Contract (funds going out) - U. T. System: Bionomics, Inc. to provide low-level radioactive waste management services for U. T. institutions

Agency: Bionomics, Inc.

Funds: To be paid by U. T. institutions requesting services under this Agreement. Services under this agreement may be requested by any U. T. institution; therefore, it is possible the value may exceed \$1,000,000 over the potential five-year term. U. T. System has the right to renew for four additional one-year periods.

Period: Initial term: September 1, 2017 through August 31, 2018

Description: This nonexclusive Systemwide agreement allows each U. T. institution to request low-level radioactive waste disposal services (including packaging, marking, placarding, handling, transportation, treatment, disposal, minimization, and other related services). This contract was competitively procured.

23. Contract (funds going out) - U. T. System: Alvarez & Marsal Healthcare Industry Group, LLC to provide health care consulting services

Agency: Alvarez & Marsal Healthcare Industry Group, LLC

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract

Source of Funds: Available University Funds and various other funds

Period: August 1, 2017 through July 31, 2022

Description: Alvarez & Marsal Healthcare Industry Group, LLC will provide health care consulting services related to health care opportunities and potential transactions for U. T. System Administration and the U. T. institutions. The services include health care advising and consulting services relating to the opportunities and potential transactions; assistance in evaluation, valuation, and negotiation of health care opportunities, development of new lines of business, potential partnership opportunities, and other transactions; and assistance in the start-up phases of health care opportunities, business lines, partnership opportunities, and other transactions. This contract was competitively bid.

24. Contract (funds going out) - U. T. System: Identify Theft Guard Solutions, Inc. to provide call center, breach notification, and credit monitoring services to U. T. institutions

Agency: Identify Theft Guard Solutions, Inc., dba ID Experts

Funds: To be paid by U. T. institutions requesting services under this agreement. Anticipated value of all services obtained under this agreement may exceed \$1,000,000 over the potential term of this agreement.

Period: Initial Term: August 1, 2017 through July 31, 2020, with the right to renew for two additional one-year periods

Description: This nonexclusive Systemwide agreement allows each U. T. institution to obtain call center, breach notification, and credit monitoring services on an as-requested basis. This agreement was competitively bid.

25. 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, 2017**

FUND TYPE

	Current Purpose Restricted		Endowment and Similar Funds		Annuity and Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
Land and Buildings:								
Ending Value 05/31/2017	\$ 2,035,558	\$ 17,475,919	\$ 96,906,348	\$ 258,877,809	\$ 717,835	\$ 1,590,056	\$ 99,659,741	\$ 277,943,784
Increase or Decrease	(369,498)	(7,772,753)	437,134	(13,113,971)	(464,565)	(1,201,770)	(369,929)	(22,088,494)
Ending Value 08/31/2017	\$ 1,666,060	\$ 9,703,166	\$ 97,343,482	\$ 245,763,838	\$ 253,270	\$ 388,286	\$ 99,262,812	\$ 255,855,290
Other Real Estate:								
Ending Value 05/31/2017	\$ 4	\$ 4	\$ 6	\$ 6	\$ -	\$ -	\$ 10	\$ 10
Increase or Decrease	-	-	-	-	-	-	-	-
Ending Value 08/31/2017	\$ 4	\$ 4	\$ 6	\$ 6	\$ -	\$ -	\$ 10	\$ 10

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

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

ACADEMIC AFFAIRS COMMITTEE

26. Contract (funds coming in) - U. T. Arlington: To provide staff to assist the Texas Commission on Environmental Quality (TCEQ) Water Supply Division (WSD)

Agency: Texas Commission on Environmental Quality (TCEQ)

Funds: First amendment to existing contract for an additional \$1,700,000; bringing the total to \$3,700,000

Period: September 1, 2017 through August 31, 2018

Description: U. T. Arlington will provide staff to assist the TCEQ Water Supply Division (WSD) with the state's implementation of the Federal Safe Drinking Water Act such as administrative and technical support, data management, and reporting.

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

The following Requests for Budget Change (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 \$	
College of Education					
Educational Leadership and Policy Studies					
Chair and Professor					
Mario Martinez (T)	1/2-8/31	100	12	130,000	8744
College of Nursing and Health Innovation					
Nursing					
Professor					
Yan Xiao (T)	10/1-8/31	100	09	157,000	8748

28. Contract (funds coming in) - U. T. Austin: Coca-Cola Southwest Beverages LLC will provide beverage vending machines on the U. T. Austin campus

Agency: Coca-Cola Southwest Beverages LLC

Funds: U. T. Austin will receive a royalty in the amount of 30-35% of gross revenue from the sale of various products, and an annual sponsorship payment of \$132,000

Period: Initial Term: begins on the later of December 1, 2017, or the date approved by the Board and expires December 31, 2021
Renewal Terms: upon mutual agreement, this contract may be extended for two additional three-year periods

Description: Nonexclusive vending machine agreement for Coca-Cola to sell carbonated and noncarbonated beverages, bottled water, sports drinks, isotonic beverages, and fruit juices in machines located throughout campus. Coca-Cola will have up to 55% of the total number of beverage vending machines operated on campus.
In accordance with *Texas Education Code* Section 51.945, students of U. T. Austin were provided with a reasonable opportunity to appear before a committee that determined that this food service provider should be selected by U. T. Austin.

29. Contract (funds coming in) - U. T. Austin: Bottling Group, LLC will provide beverage vending machines on the U. T. Austin campus

Agency: Bottling Group, LLC

Funds: Royalty in the amount of 35% of gross receipts and an annual support fund payment of \$119,000

Period: Initial Term: December 1, 2017 through December 31, 2021
U. T. Austin has the right to renew for two additional three-year periods

Description: Nonexclusive vending machine agreement for Bottling Group, LLC to sell carbonated and noncarbonated beverages, bottled water, sports drinks, isotonic beverages, and fruit juices in machines located throughout campus. Bottling Group, LLC will have up to 45% of the total number of beverage vending machines operated on campus.

In accordance with *Texas Education Code* Section 51.945, the students of U. T. Austin were provided with a reasonable opportunity to appear before a committee that determined that this food service provider should be selected by U. T. Austin.

30. Interagency Agreement (funds coming in) - U. T. Austin: Interagency agreement between U. T. Austin and Texas Education Agency (OnRamps Program)

Agency: Texas Education Agency

Funds: \$4,000,000

Period: September 1, 2017 through August 31, 2019

Description: OnRamps Program will be providing numerous dual credit courses to high school students throughout Texas. The teachers will be provided professional development by U. T. Austin to teach the dual credit courses.

31. Contract (funds going out) - U. T. Austin: SpawGlass Contractors, Inc. to provide construction manager at risk services to campus facilities in conjunction with various Cockrell School of Engineering relocations

Agency: SpawGlass Contractors, Inc.

Funds: Initial estimated total is \$4,000,000 to \$5,000,000; additional phases are being developed

Period: June 9, 2017 through December 31, 2022, for services on an as-needed basis; contract is being brought forward for Board approval as expenditures will quickly reach the \$2,500,000 threshold

Description: SpawGlass Contractors, Inc. will perform construction manager at risk services, with individual projects varying in scope and size associated with relocation of various individual departments within the Cockrell School of Engineering. The initial project will be the relocation of Department of Aerospace Engineering and Engineering Mechanics and related relocations of staff and faculty to various existing facilities. Additional projects will involve renovation and preparation of multiple existing and new buildings on campus. Services were competitively procured.

32. Foreign Contract (funds coming in) - U. T. Austin: Service Agreement for workshop conducted by the Cockrell School of Engineering's Texas Engineering Executive Education for Employees of Petrobras taking place in Austin

Agency: Petrobras, a Brazilian company in which the Brazilian government owns shares

Funds: \$260,000

Period: June 26, 2017 through August 25, 2017

Description: Texas Engineering Executive Education, a unit of the Cockrell School of Engineering, will provide educational workshops for employees of Petrobras, which is a Brazilian company in which the Brazilian government owns shares.

33. Request for Budget Change - U. T. Austin: New Hire with Tenure -- amendment to the 2016-2017 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 \$	
Dell Medical School					
Department of Medicine					
Professor					
Elizabeth A. Jacobs (T)	8/2 - 8/31	100	12	310,000	8688

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

Mahmoud M. Al-Batal, from Professor to Professor Emeritus, Department of Middle Eastern Studies in the College of Liberal Arts (RBC No. 8690) -- amendment to the 2017-2018 budget

Gary D. Borich, from Professor to Professor Emeritus, Department of Educational Psychology in the College of Education (RBC No. 8689) -- amendment to the 2017-2018 budget

Lester L. Faigley, from Professor to Robert Adger Law and Thos. H. Law Centennial Professor Emeritus in Humanities, Department of Rhetoric and Writing in the College of Liberal Arts (RBC No. 8691) -- amendment to the 2017-2018 budget

Gary A. Kocurek, from Professor to J. Nalle Gregory Chair Emeritus in Sedimentary Geology, Department of Geological Sciences in Jackson School of Geosciences (RBC No. 8696) -- amendment to the 2017-2018 budget

Joan Lazarus, from Professor to Professor Emerita, Department of Theatre and Dance in the College of Fine Arts (RBC No. 8697) -- amendment to the 2017-2018 budget

Brian P. Levack, from Professor to John E. Green Regents Professor Emeritus in History and Distinguished Teaching Professor Emeritus, Department of History in the College of Liberal Arts (RBC No. 8692) -- amendment to the 2017-2018 budget

Delbert Tesar, from Professor to Carol Cockrell Curran Chair Emeritus in Engineering, Department of Mechanical Engineering in the Cockrell School of Engineering (RBC No. 8698) -- amendment to the 2017-2018 budget

35. Request for Budget Change - U. T. Austin: Transfer a total of \$19,000,000 from Provost – E&G Reserves – Provost – AUF – Allotment, Unallocated, and Reserve to Resource Management – Academic Space – Classroom Improvements – Plant Funds, Allocated for Budget (RBC No. 8701) -- amendment to the 2016-2017 budget
36. Employment Agreement - U. T. Austin: Approval of amendment to terms of Employment Agreement for Head Volleyball Coach Jerritt Elliott

The following Second Amendment to Employment Agreement for the Head Volleyball Coach has been approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents. If the Amendment is approved, total compensation for the contract period for Jerritt Elliott may be in excess of \$1 million. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conferences of which U. T. Austin is a member, the Regents' *Rules and Regulations* (Regents' *Rules and Regulations*, Rule 10501, Section 2.2.12, Athletic Employment Agreements; and Rule 20204, Section 3, Board Approval), and the policies of U. T. Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies will be grounds for suspension without pay and/or dismissal.

Item: Second Amendment to Employment Agreement for Head Volleyball Coach Jerritt Elliott

From: **Guaranteed compensation:**

Annual Salary:

Fiscal Year 2017-2018, \$262,000

Fiscal Year 2018-2019, \$262,000

Annual Retention:

Fiscal Year 2017-2018, \$20,000

Fiscal Year 2018-2019; \$20,000

Automobile: \$7,500

Product Endorsement:

Fiscal Year 2016-2017, \$65,000

Fiscal Year 2017-2018, \$65,000

Fiscal Year 2018-2019, \$65,000

Speaking Engagements Media: \$20,000

Nonguaranteed compensation:

Sports Camps: as determined by Athletics Director
Team Performance incentives: maximum of \$50,000 annually
Coach of the Year (National and/or Big 12) award: maximum of \$7,000 annually

To:

Guaranteed compensation:

Annual Salary:

Fiscal Year 2017-2018, \$307,500
Fiscal Year 2018-2019, \$317,500
Fiscal Year 2019-2020, \$327,500
Fiscal Year 2020-2021, \$337,500
Fiscal Year 2021-2022, \$347,500

Annual Retention:

Fiscal Year 2017-2018, \$20,000
Fiscal Year 2018-2019, \$20,000
Fiscal Year 2019-2020, \$20,000
Fiscal Year 2020-2021, \$20,000
Fiscal Year 2021-2022, \$20,000

Automobile: \$7,500

Product Endorsement:

Fiscal Year 2017-2018, \$75,000
Fiscal Year 2018-2019, \$75,000
Fiscal Year 2019-2020, \$75,000
Fiscal Year 2020-2021, \$75,000
Fiscal Year 2021-2022, \$75,000

Speaking Engagements Media: \$35,000

Nonguaranteed compensation:

Sports Camps: as determined by Athletics Director
Team Performance incentives: maximum of \$60,000 annually
Coach of the Year (National and/or Big 12) award: maximum of \$12,000 annually

Guaranteed
Compensation
Percent Change: 56%

Nonguaranteed
Compensation
Change: 54%

Description: Amendment No. 2 to the Agreement for employment of Head Volleyball Coach Jerritt Elliott

Period: September 1, 2017 through August 31, 2022

37. Lease - U. T. Austin: Authorization to lease approximately 13,000 square feet of space located in the East Campus Parking Garage at 300 East Martin Luther King, Jr. Boulevard, Austin, Travis County, Texas, to yet-to-be-determined lessees for commercial and retail use

Description: Lease of vacant ground floor commercial space located in the East Campus Parking Garage at 300 East Martin Luther King Jr. Boulevard, to yet-to-be-determined lessees for commercial and retail use.

U. T. Austin is seeking authorization to enter into leases with to-be-determined lessees at market terms, with market concessions and for rental rates no less than the prevailing fair market rent as supported by independent appraisals or other evidence of value for comparable properties in Austin, Texas. The institution anticipates leasing approximately 13,000 rentable square feet of commercial space on the 1st floor.

U. T. Austin is seeking commercial retail tenants to serve the East Campus area and future Graduate Student Housing. The Lease Revenue calculations below reflect the entire commercial rentable area under one tenant and such calculations may proportionally adjust based on changes to the leased rentable area and final number of tenants.

Lessee(s): To-be-determined; the leased premises may be subdivided to accommodate up to six tenants

Lease Term: Based on market; lease terms for primary retail tenants are commonly 10 years, with up to two five-year extension options. Secondary tenants may consider five-year terms with one five-year extension.

Lease Income: Based on market; currently anticipated available space and market rent suggest estimated rent payable during an initial 10-year term totals approximately \$5,216,065 (initial base rent of \$26 per rentable square foot and currently estimated \$9 per rentable square foot in operating expenses, both escalating 3% per year).

The estimated rental rates are based on current comparable leases in central Austin, Texas. In addition to base rent, the lessees will each pay their proportionate shares of operating expenses attributable to their respective premises.

Improvements and Commissions: U. T. Austin will provide the lessees a market tenant improvement allowance, currently estimated in the aggregate amount of \$650,000 (\$50 per rentable square foot for the rentable area) to construct improvements in the premises. Each lessee will either (a) directly pay the cost of improvements that exceed their respective allowances or (b) at U. T. Austin's discretion, repay all or a portion of such excess costs as additional rent over the term of the lease. U. T. Austin will pay market commissions, currently anticipated to total between \$58,500 - \$273,000 (3% - 7% of the aggregate rent for a term between five and 10 years, with or without a co-broker) to brokers for services related to the marketing and leasing of the leased premises.

Estimated Total Revenue: Approximately \$4,500,000

38. Other Matters - U. T. Austin: Request for Approval of Action Related to Participation Among U. T. Austin, The Travis County Healthcare District, dba Central Health, and Ascension Health Texas, dba Seton Healthcare Family, to establish and support an Innovation Zone in an area that includes the U. T. Austin Dell Medical School and the Dell Seton Medical Center at The University of Texas through a new joint initiative, Capital City Innovation, Incorporated, a Texas nonprofit organization

The Chancellor concurs in the recommendation of the Deputy Chancellor, the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor and General Counsel, and President Fenves that the U. T. System Board of Regents approve the participation by U. T. Austin in the activities of Capital City Innovation, Incorporated, a Texas nonprofit corporation (the Corporation) that was formed and organized to further education, research, and innovation in Austin, Texas. It is further recommended that President Fenves or his delegate be authorized to expend an initial \$250,000 to fund the administrative infrastructure and personnel necessary to facilitate and support the development of an innovation zone in addition to other member contributions in the future as long as the Corporation meets the public

purposes for U. T. Austin expressed in the Corporation's Bylaws. Such annual contribution may increase in future years and also may include, in part, in-kind expenditures.

U. T. Austin, the Travis County Healthcare District (Central Health), and Ascension Health Texas, dba Seton Healthcare Family (Seton), have a mutual interest in the development of a robust and dense entrepreneurial district in and around the U. T. Austin Dell Medical School and the Dell Seton Medical Center at The University of Texas and are the initial members of the Corporation. The Certificate of Formation was filed with the Office of the Secretary of State on March 14, 2016. A Certificate of Correction was filed April 15, 2016, correcting the membership of the initial members.

Each initial member appointed a representative to serve on the Board of Trustees as follows: Gregory L. Fenves (U. T. Austin), Patricia A. Young Brown (Central Health), and Jesús Garza (Seton). The Corporation, working with other interested stakeholders, will develop a vision for and coordinate the development of a robust and dense entrepreneurial district (an innovation zone) that will run generally from the area of Martin Luther King, Jr. Boulevard on the campus of U. T. Austin on the North to Lady Bird Lake on the South and from I-35 on the East to Trinity Street on the West.

The entity is now ready to move forward with operations. An executive director has been hired and the possibility of additional members is being considered.

The success of the innovation zone is critical to the mission of Dell Medical School and U. T. Austin. It allows for dissemination of discoveries from U. T. Austin to flow to industry where they can be adequately capitalized and spread, and it advances the economic interests of U. T. Austin and the broader community by advancing new business opportunities. With a strong emphasis on health, it will target improvements in the health and well-being of Texans and others throughout the world. Through co-localization and specific catalytic programs, it will spur innovations based on U. T. Austin intellectual properties and identified needs, based on proven models in San Francisco, Silicon Valley, and Cambridge, Massachusetts. A collective entity like this will acknowledge the diversity of interests in its success.

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

Dr. David L. Ford, from Professor (T) to Professor Emeritus, Organizations, Strategy and International Management, in the Jindal School of Management (RBC No. 8757) -- amendment to the 2016-2017 budget

40. Request for Budget Change - U. T. El Paso: Tenure Appointment -- amendment to the 2017-2018 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 \$	
Office of the Provost					
Provost and Vice President for Academic Affairs and Department of Economics and Finance					
Carol A. Parker					
From: Provost and Vice President for Academic Affairs		100	12	300,000	8679
To: Provost and Vice President for Academic Affairs / Professor (T)	11/1-8/31	100	12	300,000	
		0	09	134,000	

41. Employment Agreement - U. T. El Paso: Approval of terms of Employment Agreement for new Head Women's Basketball Coach Kevin Baker

The following Head Women's Basketball Coach Employment Agreement has been approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents. If the Agreement is approved, total compensation for the contract period for Kevin Baker will be in excess of \$1 million. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at El Paso is a member, the Regents' *Rules and Regulations* (Regents' *Rules and Regulations*, Rule 10501, Section 2.2.12, Athletic Employment Agreements; and Rule 20204, Section 3, Board Approval), and the policies of The University of Texas at El Paso. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies will be grounds for suspension without pay and/or dismissal.

Item: Head Women's Basketball Coach Employment Agreement for Kevin Baker

Proposed: **Guaranteed compensation:**

Annual Salary:

04/28/2017 - 08/31/2017 - \$240,000 annually (prorated)

FY 2017-18: \$240,000 annually*

FY 2018-19: \$240,000 annually*

FY 2019-20: \$240,000 annually*

FY 2020-21: \$240,000 annually*

FY 2021-22: \$240,000 annually*

*Annual Base Salary will be reviewed annually and may be adjusted.

Automobile: one dealer car

Social club membership: El Paso Country Club

Nonguaranteed compensation:

Sports Camps and Clinics: Coach will be paid a percentage of the net proceeds for each camp

Performance Incentives: maximum \$460,000 annually

Description: Agreement for employment of Head Women's Basketball Coach Kevin Baker

Period: April 28, 2017 through August 31, 2022

42. Lease - U. T. El Paso: Authorization to lease approximately 21,800 square feet of space for the University Bookstore located at 2201 Sun Bowl Drive and two ancillary locations in El Paso, El Paso County, Texas, to Follett Higher Education Group, Inc., for the operation of a campus bookstore (Deferred)

This item was deferred.

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

Martha Tevis, from Professor to Professor Emeritus, Department of Teaching and Learning in the College of Education and P-16 Integration (RBC No. 8763) -- amendment to the 2017-2018 budget

Ava Miller, from Professor to Professor Emeritus, School of Nursing in the College of Health Affairs (RBC No. 8764) -- amendment to the 2017-2018 budget

Guang-zhen Wang, from Professor to Professor Emeritus, Department of Sociology and Anthropology in the College of Liberal Arts (RBC No. 8792) -- amendment to the 2014-2015 budget

44. Lease - U. T. Rio Grande Valley: Authorization to add and subtract premises and further extend the term of leased space located at 80 Fort Brown Road, Brownsville, Cameron County, Texas, on the Texas Southmost College campus, from the Texas Southmost College District, for future programmed campus expansion, including administrative, office, classroom, laboratory, and ancillary uses

Description: Addition and subtraction of premises for a total of approximately 250,178 square feet of space from approximately 270,608 square feet currently, and further extension of the term of the lease of space located in various buildings and suites on the Texas Southmost College campus located at 80 Fort Brown Road, Brownsville, Cameron County, Texas, for administrative, office, classroom, laboratory, and ancillary uses. With the exception of the bookstore lease, the term of each space will be extended to expire on the same date. U. T. Rio Grande Valley has the need to add space due to lack of existing instructional space.

Lessor: Texas Southmost College District

Term: The lease term for each of the spaces for which approval is requested, including extension periods, will expire on August 31, 2021, with the exception of the bookstore lease, which will expire on July 15, 2022.

Lease Cost: Not to exceed fair market value as established by an independent appraisal. Appraisal is confidential pursuant to *Texas Education Code* Section 51.951. In addition to base rent, U. T. Rio Grande Valley will pay its proportionate share of the costs of utilities and janitorial services provided in the space.

45. Lease - U. T. Rio Grande Valley: Authorization to lease approximately 6,200 square feet of space located in the University Library building and at athletic venues on the campus at 1201 West University Drive, Edinburg, Hidalgo County, Texas, and approximately 15,800 square feet of space located at 2120 Gorgas Drive in Brownsville, Cameron County, Texas, to Follett Higher Education Group, Inc., for the operation of campus bookstores

Description: Lease of approximately 6,200 square feet of space located in the University Library building and at athletic venues on the campus at 1201 West University Drive, Edinburg, Hidalgo County, Texas, and approximately 15,800 square feet of space located at 2120 Gorgas Drive in Brownsville, Cameron County, Texas, for the operation of a campus bookstore. Lessee has operated a bookstore in these locations since 2015. The institution recently solicited competitive bids for a new operator and awarded the new contract to Follett Higher Education Group, Inc.

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

Term: 84 months commencing approximately July 15, 2015

Lease Income: Annual base rent for the initial term will average approximately \$258,000 (\$11.73 per square foot), for a total base rental income of approximately \$1,806,250 over the initial term of the lease. Lessee will pay Lessor annual percentage rent in an amount based on break points ranging from 15% to 20% of annual gross sales, excluding sales of academic materials. Lessee will be responsible for annual operating expenses totaling \$455,000 over the lease term (\$65,000 annually). Lessee will pay a \$100,000 signing bonus to Lessor. Based on sales history, royalty payments for nonacademic materials are estimated at \$250,000 per year.

Tenant Improvements: Lessee will contribute \$450,000 in improvements to the lease spaces.

Total Lease Income: Lessee will pay to Lessor approximately \$4,560,000 in base rent, tenant improvement contributions, operating expenses, and estimated royalty payments on nonacademic material.

46. Purchase - U. T. Rio Grande Valley: Authorization to purchase a one-story medical office building located at 614 Maco Drive, Harlingen, Cameron County, Texas, from Hilmy Family Properties, LTD, for future programmed campus expansion, including medical office and clinical use

Description: Purchase of approximately 0.69 of an acre and improvements located at 614 Maco Drive, Harlingen, Cameron County, Texas, and authorization for the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to purchase the property. The improvements consist of a 5,800 square foot one-story medical office and clinical use building and related surface parking facilities. The medical practice located in the facility is joining U. T. Rio Grande Valley's medical school. The property will be used for future programmed campus expansion, including medical office and clinical uses.

Seller: Hilmy Family Properties, LTD, a Texas limited partnership

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

47. Purchase - U. T. Rio Grande Valley: Authorization to purchase 2.45 acres of land and improvements at 451 East Alton Gloor Boulevard, Brownsville, Cameron County, Texas, from J. & M. Zamora Family L.P., for programmed campus expansion, including medical office and clinical use

Description: Purchase of approximately 2.45 acres and improvements located at 451 East Alton Gloor Boulevard, Brownsville, Cameron County, Texas, and authorization for the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to purchase the property. The improvements consist of a 16,298 square foot, one-story medical office building. The institution has been leasing the building since 2013 for administrative office use. The administrative offices will be relocated and the property will be used for programmed campus expansion, including medical office and clinical use.

Seller: J. & M. Zamora Family L.P., a Texas limited partnership

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

48. Purchase - U. T. Rio Grande Valley: Authorization to purchase approximately 1.55 acres improved with a one-story medical and general office building located at 2802 Fountain Plaza Boulevard, Edinburg, Hidalgo County, Texas, from Ashley Fountain Group, Inc., for future programmed campus expansion, including office and clinical uses

Description: Purchase of approximately 1.55 acres improved with a one-story medical and general office building located at 2802 Fountain Plaza Boulevard, Edinburg, Hidalgo County, Texas, and authorization for the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to purchase the property. The improvements consist of an 8,100 square foot one-story medical office and general office building and related surface parking facilities. The property includes an adjacent vacant lot containing 0.74 of an acre. The property will be used for future programmed campus expansion, including medical office and educational use by the institution's doctorate program in clinical psychology. This property is located near Doctor's Hospital at Renaissance, U. T. Rio Grande Valley's primary teaching hospital, and about three miles from the institution's Edinburg campus.

Seller: Ashley Fountain Group, Inc., a Texas for-profit corporation

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

49. Lease - U. T. San Antonio: Authorization to lease approximately 1,800 square feet of space and other facilities located at 23808 Resort Parkway, San Antonio, Bexar County, Texas, from SA Resort, LLLP, and to enter into a related player use agreement with Tournament Players Club of San Antonio, LLC, both for athletic use

Description:	Lease of approximately 1,800 square feet of space and a to-be-built golf hitting bay facility located at the Tournament Players Club of San Antonio, 23808 Resort Parkway, San Antonio, Bexar County, Texas, for athletic use, initially by U. T. San Antonio's golf program. The leased space includes office and meeting space, as well a golf hitting bay training facility.
Lessor:	SA Resort, LLLP, a Colorado limited liability partnership
Term:	Initial term of 120 months commencing approximately January 1, 2018, and continuing through December 31, 2027, with two additional renewal options of five years each, both at the institution's sole discretion
Lease Cost:	<p>Annual gross rent during the initial term of the lease will be \$50,000, escalating by \$1,000 annually and totaling \$535,000 over the initial term. Lessor will be responsible for all operating expenses related to the lease space. U. T. San Antonio will be responsible for approximately \$40,000 in tenant improvement costs to build out offices for the coaches and a team room.</p> <p>Should U. T. San Antonio exercise the renewal options, annual gross rent during the renewal term will begin at \$50,000, escalating by \$1,000 annually and totaling \$545,000 over both five-year renewal terms. Lessor will be responsible for operating expenses related to the golf hitting bay training facility during the renewal term.</p>
Player Use Agreement:	Agreement with Tournament Players Club of San Antonio, LLC, a Texas limited liability company and the operator of the Tournament Players Club of San Antonio, to provide U. T. San Antonio's NCAA golf program use of two golf courses, multiple practice areas, locker rooms, and other golf-related facilities
Term of Player Use Agreement:	Coterminous with Lease Agreement: Initial term of 120 months with two additional renewal options of five years each, both at the institution's sole discretion

Player Use Agreement Cost: Use fees will be \$2,400 annually per membership (with a minimum of 14 and a maximum of 20 memberships) for an estimated total of \$550,266 over the initial term of the agreement, based on 20 memberships. Use fees will be subject to annual escalations not to exceed 3%.

Should U. T. San Antonio exercise the renewal options, use fees will total \$739,512 over both five-year renewal terms.

Total Cost: Over the 20-year term, including both the initial and renewal terms, U. T. San Antonio will be responsible for approximately \$2,409,778. This total includes all rent and operating expenses due, payments for 20 memberships to access the golf facilities, and tenant improvements.

HEALTH AFFAIRS COMMITTEE

50. Contract (funds coming in) - U. T. Southwestern Medical Center: Amendment to agreement to provide professional pediatric anesthesiologist services to Anesthesiologists for Children

Agency: Anesthesiologists for Children, a Texas nonprofit corporation

Funds: \$17,815,000

Period: September 1, 2017 through August 31, 2018; sixth amendment to existing contract

Description: U. T. Southwestern Medical Center will provide professional pediatric anesthesiologist services.

51. Contract (funds going out) - U. T. Southwestern Medical Center: Administrative Resource Options, Inc. will perform mail room and print shop services

Agency: Administrative Resources Options, Inc.

Funds: \$4,976,447 for the initial term and renewal options

Period: September 15, 2017 through September 14, 2020, with two one-year option years

Description: Administrative Resources Options, Inc. will perform outsourced mail room and print shop services.

52. Request for Budget Change - U. T. Southwestern Medical Center: New Hire with Tenure -- amendment to the 2017-2018 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
Southwestern Medical School					
Harold C. Simmons Comprehensive Cancer Center					
Professor and Director					
Carlos Arteaga (T)	9/1-8/31	100	12	700,000	8708

53. Contract (funds coming in) - U. T. Medical Branch - Galveston: U. T. Medical Branch - Galveston will provide Correctional Managed Health Care Services to offenders in units operated by the Texas Department of Criminal Justice (TDCJ)

Agency: Texas Department of Criminal Justice (TDCJ)

Funds: Approximately \$904,689,542

Period: September 1, 2017 through August 31, 2019

Description: U. T. Medical Branch - Galveston will provide Correctional Managed Health Care Services to offenders in units operated by TDCJ, through its own capabilities or by further subcontracting. Health care, among other aspects, includes medical services, dental services, and mental health services.

54. Interagency Agreement (funds coming in) - U. T. Medical Branch - Galveston: Interagency agreement with Texas Tech University Health Sciences Center (TTUHSC) to provide pharmaceutical procurement and dispensing services for Texas Department of Criminal Justice (TDCJ) facilities that TTUHSC operates

Agency: Texas Tech University Health Sciences Center (TTUHSC)

Funds: Approximately \$23,000,000 for two-year agreement (\$11,500,000 in FY2018 and \$11,500,000 in FY2019)

Period: September 1, 2017 through August 31, 2019

Description: U. T. Medical Branch - Galveston will provide certain pharmaceutical procurement and dispensing services for TTUHSC at TDCJ facilities for which TTUHSC is responsible. U. T. Medical Branch - Galveston agrees to provide required professional pharmacists to perform distributive functions and formulary management and administrative and accounting services related to the performance of this agreement.

55. Contract (funds going out) - U. T. Medical Branch - Galveston: Diamond Pharmacy Services to provide comprehensive pharmacy services to private jails

Agency: Diamond Pharmacy Services

Funds: \$15,000,000 cap amount

Period: September 1, 2017 through August 31, 2020, with two 12-month renewal options

Description: Diamond Pharmacy Services will provide comprehensive off-site pharmacy services to U. T. Medical Branch - Galveston Correctional Managed Care contracted private jails managed by U. T. Medical Branch - Galveston Comprehensive Health Solutions. This contract will supply pharmaceuticals and supplies, which may include IV solutions, other health care products, and pharmacy supplies. These services were competitively procured.

56. Contract (funds going out) - U. T. Medical Branch - Galveston: First DataBank to provide a pharmacy database to U. T. Medical Branch - Galveston

Agency: First DataBank

Funds: \$3,200,000

Period: June 15, 2017 through October 31, 2019

Description: First DataBank has provided a pharmacy database (National Drug Datafile Software License) to U. T. Medical Branch - Galveston since November 1, 2004. The software database is loaded into Epic and is used for medication decision support. The Fourth Amendment will set a cap amount on the contract of \$3,200,000, and set a formal end date of October 31, 2019. The original contract was a sole source procurement. The agreement was not previously submitted for Board approval because the total contract amount was below the approval threshold.

57. Request for Budget Change - U. T. Medical Branch - Galveston: Approval of Emeritus Titles

Clifford Houston, from Professor to Professor Emeritus, Department of Microbiology and Immunology in the Graduate School of Biomedical Sciences (RBC No. 8656) -- amendment to the 2017-2018 budget

Martin Colman, from Professor to Chair Emeritus, Department of Radiation Oncology in the School of Medicine (RBC No. 8657) -- amendment to the 2017-2018 budget

58. Lease - U. T. Medical Branch - Galveston: Authorization to expand and extend the lease of space at 2660 Gulf Freeway South, City of League City, Galveston County, Texas, from IA LEAGUE CITY VICTORY LAKES LIMITED PARTNERSHIP, for clinical and educational uses

Description: Expand and extend the lease of space located at 2660 Gulf Freeway South, City of League City, Galveston County, Texas, for clinical and educational uses. The institution proposes to expand the premises by approximately 42,000 contiguous square feet, expanding from the current approximately 45,400 square feet to a combined total of approximately 87,400 square feet. This facility offers clinical services in a rapidly growing area and has experienced strong demand.

Lessor: IA LEAGUE CITY VICTORY LAKES LIMITED PARTNERSHIP, an Illinois limited partnership

Term: The current premises' 10-year lease term began in 2011, and was approved by the Board of Regents on November 11, 2010. U. T. Medical Branch - Galveston proposes to extend this term of the original lease to be coterminous with the expansion premises, providing a term of 10 years commencing on September 1, 2018, and continuing through August 31, 2028. In addition, there are two options to renew for five years each at the institution's sole discretion.

Incremental Lease Cost: Annual base rent for the expansion premises will initially be approximately \$630,000 annually (\$15 per square foot), escalating after five years to \$693,000 annually (\$16.50 per square foot). Annual operating expenses are initially estimated to be \$5.50 per square foot. Base rent for each renewal term will be based on then fair market value rental rates.

Tenant Improvements: The Lessor will provide a tenant improvements allowance to U. T. Medical Branch - Galveston of approximately \$1,890,000 (\$45 per square foot). The institution will pay for the cost of tenant improvements above that allowance, currently estimated at \$5,460,000.

Total Project Cost: Estimated at \$35,425,000

59. Contract (funds going out) - U. T. Health Science Center - Houston: Groome Transportation of Texas, Inc. to perform shuttle bus services for UT Health students and staff

Agency: Groome Transportation of Texas, Inc.

Funds: \$9,000,000

Period: September 1, 2017 through August 31, 2027

Description: Groome Transportation of Texas, Inc. was chosen, after responding to a Request for Proposals, to provide shuttle bus services on the UT Health campus.

60. Request for Budget Change - U. T. Health Science Center - Houston: Approval of Emeritus Titles

Kathleen A. Kennedy, from Professor to Professor Emeritus, Department of Pediatrics (Neonatology), McGovern Medical School (RBC No. 8717) -- amendment to the 2017-2018 budget

Beatrice J. Selwyn, from Associate Professor to Associate Professor Emeritus, Department of Epidemiology, Human Genetics and Environmental Sciences, School of Public Health (RBC No. 8718) -- amendment to the 2017-2018 budget

Deanna E. Grimes, from Professor to Professor Emeritus, School of Nursing (RBC No. 8719) -- amendment to the 2017-2018 budget

61. Contract (funds going out) - U. T. Health Science Center - San Antonio: Lewis Communication to provide marketing and advertising services to promote UT Health San Antonio brand and missions

Agency: Lewis Communication

Funds: \$4,500,000 estimated

Period: August 7, 2017 through August 31, 2020

Description: Lewis Communication will provide marketing and advertising services including television, outdoor, radio, and digital advertisements.

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

Linda Smith, from Professor to Professor Emeritus, Clinical Lab Science in the School of Health Professions (RBC No. 8706) -- amendment to the 2017-2018 budget

63. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Cardinal Health 105, Inc. will accept and process purchase orders from U. T. M. D. Anderson Cancer Center for T-cell therapy products

Agency: Cardinal Health 105, Inc.

Funds: The total cost of goods and services under this agreement, including all renewals, will not exceed \$563,750,000.

Source of Funds: Hospital patient income

Period: The term of this agreement will be for a period of 36 months, commencing on September 1, 2017, and continuing through August 31, 2020. The agreement includes the option for two 12-month renewals.

Description: Cardinal Health 105, Inc. will accept and process purchase orders from U. T. M. D. Anderson Cancer Center as well as invoicing, collections, maintenance of product pricing/terms, and recall and complaint handling assistance for chimeric antigen receptor T-cell therapy products produced by Novartis Pharmaceuticals, Corporation and Kite Pharma, Inc. This agreement was acquired via an Exclusive Acquisition Justification.

64. Employment Agreement - U. T. M. D. Anderson Cancer Center: Approval of terms of Employment Agreement with Peter William Theodor Pisters, M.D., MHCM, CPE, FACHE, FACS, as President of U. T. M. D. Anderson Cancer Center

The following agreement has been approved by the Chancellor and Executive Vice Chancellor for Health Affairs, has been signed by Dr. Pisters, and is recommended for approval by the U. T. System Board of Regents. Terms of employment under this agreement are subject to Regents' *Rules and Regulations*, Rules 10501 and 20201, and *Texas Education Code* Section 51.948.

Title:	President
Funds:	\$1,845,000 annually
Period:	Beginning December 1, 2017
Description:	Agreement for employment of Dr. Peter Pisters as President of The University of Texas M. D. Anderson Cancer Center. The President reports to the Chancellor and will hold office without fixed term, subject to the pleasure of the Chancellor following input by the Executive Vice Chancellor for Health Affairs and approval by the Board of Regents. During his Presidency, Dr. Pisters will hold an appointment as Professor, with Tenure, in the division of Surgical Oncology at U. T. M. D. Anderson without compensation. The Employment Agreement is on the following pages.



THE UNIVERSITY of TEXAS SYSTEM
FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

August 25, 2017

Peter William Theodor Pisters, M.D., MCHM, CPE, FACHE, FACS

Dear Dr. Pisters:

On behalf of the Board of Regents of The University of Texas System, it is my pleasure to offer you the position of President of The University of Texas M.D. Anderson Cancer Center, effective no later than January 1, 2018 and earlier if possible. Your annual salary rate as of that date will be \$1,439,100. You are entitled to other State-paid fringe benefits required to be provided to higher education employees by State law and for which you are eligible. Among these benefits are State-paid OASI, longevity pay, workers' compensation liability, insurance coverage, retirement, insurance premium sharing, and paid leave.

You will also receive a supplement from practice plan funds of \$405,900. The practice plan supplement is not eligible for retirement benefits. The total for your salary therefore will be \$1,845,000 annually.

Pursuant to the Regents' Rules and Regulations, Rule 20201, the presidents of The University of Texas health institutions are selected by the Board of Regents of The University of Texas System and serve without fixed term, subject to the pleasure of the Executive Vice Chancellor for Health Affairs and approval by the Chancellor and the Board of Regents. Also, your performance as President of U. T. MDACC will be evaluated in accordance with Rule 20201 and you will be asked to make a presentation to the Board on your vision and goals for U. T. MDACC within 12 to 18 months of taking office.

Additional elements of your compensation package are:

- a. You are eligible to participate in the Board of Regents' "Incentive Plan for The University of Texas System Presidents and System Administration Executive Officers" subject to the requirements and terms specified therein. The compensation earned from this incentive plan will vary depending on your attainment of certain specific performance goals.
- b. The cost of club membership(s) approved by the Executive Vice Chancellor for Health Affairs will be paid, including initial fees for joining the club and all properly documented and reasonable business-related expenses. All personal expenses, including the

portion of dues related to personal use, is calculated based on the personal expenses for that month as a percent of total expenses. That percentage is applied to the dues owed to determine the personal amount.

- c. Appointment as Professor, with term tenure conditional upon review and approval by the institutional committees and the Board of Regents, in the division of Surgical Oncology at U. T. MDACC, with a beginning rate of \$468,000. During your presidency, you will not be paid your salary as Professor. When your administrative appointment as President ends you will be entitled to return to your tenured faculty position as professor, consistent with Regents' Rule 31007, which governs tenured appointments at U. T. MDACC, and to be compensated at your academic salary rate. *Texas Education Code*, Section 51.948, states that if a university administrator is reassigned to a faculty or other position at the institution, the institution cannot pay that person a salary that exceeds the salary of other persons with similar qualifications performing similar duties.
- d. State law allows the granting of a development leave at the individual's academic salary rate for one academic year to a faculty member who has held an administrative position at the institution for more than four years. An administrator who receives development leave must return to work (as a faculty member) at a U.T. System institution for an amount of time equal to the amount of time the administrator received development leave or repay the institution for all the costs of the development leave. To the extent required by law, these provisions will apply in your situation. The specific length of the development leave will be negotiated dependent on your term of service as President and other pertinent considerations should you leave the presidency and return to the faculty.
- e. Reimbursement or direct payment of actual costs of IRS qualified moving expenses related to moving and storage, if needed, of household, personal, and professional possessions from the effective date of this offer to six months. Qualified moving expenses are not taxable to the employee and include: transportation of household goods and personal effects, travel expenses incurred (including lodging but not meals) relocating to your new home and travel expenses for members of the household who reside at both the old and new residence. Please contact Ben Melson, S.V.P. Chief Financial Officer at U. T. MDACC, or his designee, before making any arrangements related to relocation.

Please note that the benefits described in (d) may, at the discretion of the Board, be denied should you be terminated from the position of President for good cause, as determined by the Board.

Business-related travel and entertainment expenses shall be in accordance with the Regents' Rules 20205, and with current travel and entertainment budgets of the institution. Reasonable expenses will be paid directly or reimbursed as appropriate.

Appropriate and timely submission of documentation required for reimbursement of travel and entertainment expenditures is required by Regents' Rules 20205. Annual reports on travel and entertainment shall be filed with the Executive Vice Chancellor for Health Affairs.

Full-time faculty and administrative and professional staff employed by the U. T. System may not be employed in any outside work or activity or receive from an outside source any compensation or serve on an outside board until a description of the nature and extent of the employment or activity and the range of any compensation has been approved by the Chancellor.

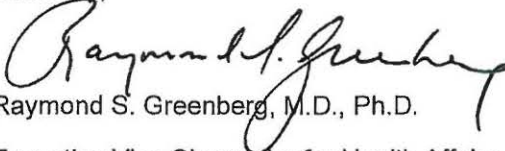
Your base salary is all inclusive and there are no additional allowances provided for housing or automobile consistent with the Regents' *Rules and Regulations* on compensation for chief administrative officers. Reimbursement will be made for mileage associated with business use of a vehicle in accordance with the latest published Internal Revenue Service guidelines, the State Travel Regulations Act (*Texas Government Code*, Chapter 660) and applicable institutional policies. There is no separate provision for the use of a cellular telephone or other wireless device. Such use shall follow the policy for wireless devices at your institution.

Information about benefits including health insurance, disability, life insurance and retirement has been transmitted under separate cover.

Some elements in this compensation package will be subject to federal income tax and as such will be subject to withholding and reported on the W-2 form along with base salary paid. You should consult your tax adviser as to the handling of business or other offsetting deductions.

I look forward to the opportunity to work with you as President of The University of Texas M.D. Anderson Cancer Center. If you have any questions, please let me know.

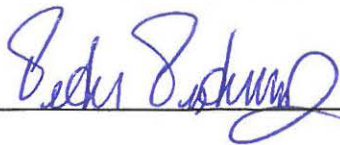
Sincerely,



Raymond S. Greenberg, M.D., Ph.D.

Executive Vice Chancellor for Health Affairs

Accepted: _____



Date: _____

Aug 29, 2017

RG/rjb

cc: Chancellor William H. McRaven
Randy Wallace, Associate Vice Chancellor – Controller and Chief Budget Officer
Ben Melson, S.V.P, Chief Financial Officer
Francie Frederick, General Counsel to the Board of Regents

65. Contract (funds coming in) - U. T. Health Science Center - Tyler: Second amendment to reimbursement contract with the Texas Department of State Health Services to provide mental health services

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

Funds: Approximately \$9,216,250

Period: September 1, 2017 through August 31, 2018

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

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

66. Contract (funds going out) - U. T. System: Hill International, Inc. to perform miscellaneous technical support and construction inspection services

Agency: Hill International, Inc.

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

Period: December 20, 2012 through December 19, 2018
(Contract is being brought forward for Board approval as it is nearing the \$1,000,000 delegation threshold)

Description: Hill International, Inc. will perform miscellaneous technical support and construction inspection services on a nonexclusive, indefinite quantity basis. Services were competitively procured.