

Meeting No. 1,239

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

Pages 1 - 97

November 15 - 16, 2023

Austin, Texas

MEETING NO. 1,239

WEDNESDAY, NOVEMBER 15, 2023.-- The members of the Board of Regents of The University of Texas System convened at 1:01 p.m. on Wednesday, November 15, 2023, in the Board Room, Second Floor, The University of Texas System Building, 210 West Seventh Street, Austin, Texas, with the below meeting participation:

ATTENDANCE.--

Present

Chairman Eltife
Vice Chairman Longoria
Regent Crain
Regent Gauntt
Regent Jiles
Regent Perez
Regent Stedman
Regent Warren
Vice Chairman Weaver (left meeting at 1:30 p.m.)
Regent Austin, Student Regent, nonvoting

CONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION.-- At 1:01 p.m., in accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Eltife called the meeting to order in Open Session.

RECESS TO EXECUTIVE SESSION.--At 1:02 p.m., the Board recessed to Executive Session, pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073 and 551.074 to consider the matters listed on the Executive Session agenda.

RECONVENE THE BOARD IN OPEN SESSION FOR POSSIBLE ACTION ON EXECUTIVE SESSION ITEMS AND TO CONVENE COMMITTEE MEETINGS.--At 1:25 p.m., in accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Eltife called the meeting to order in Open Session.

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

No action was taken on this item.

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

No action was taken on this item.

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

No action was taken on this item.

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

No action was taken on this item.

- 3b. U. T. Austin: Discussion and appropriate action regarding legal issues associated with proposed ground lease and related agreements with The 2033 Higher Education Development Foundation for the development and construction of multi-functional football training complex on a portion of U. T. Austin's main campus located at 1925 San Jacinto Blvd, Austin, Travis County, Texas; resolution regarding parity debt; and finding of public purpose

See related item 4 for action taken in Open Session.

4. U. T. Austin: Discussion and appropriate action to enter into a ground lease and related agreements with The 2033 Higher Education Development Foundation for the development and construction of multi-functional football training complex on a portion of U. T. Austin's main campus located at 1925 San Jacinto Blvd, Austin, Travis County, Texas; resolution regarding parity debt; and finding of public purpose

Vice Chairman Longoria made the following motion:

I move that the U. T. System Board of Regents:

- a. authorize President Hartzell to conclude negotiations and enter into a memorandum of understanding with The 2033 Higher Education Development Foundation (the "Foundation"), following review and approval by the Chancellor, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel, as necessary to effect a short-term ground lease to the Foundation for the demolition of the existing Steve Hicks School of Social Work Building and the construction of a new multi-functional football training complex on a portion of U. T. Austin's main campus located at 1925 San Jacinto Boulevard, Austin, Travis County, Texas, on terms and in accordance with parameters outlined in Executive Session;

- b. authorize U. T. Austin to utilize U. T. System’s Revenue Financing System (“RFS”) to finance the project, on terms in accordance with the parameters outlined in Executive Session; and
- c. make the findings required under Section 5 of the Amended and Restated Master Resolution establishing the RFS relating to the issuance of parity debt on behalf of U. T. Austin in an aggregate amount as outlined in Executive Session and that this action satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

I further move that the Board:

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

I also recommend that the Board find that:

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

The motion was seconded by Regent Jiles and carried unanimously.

STANDING COMMITTEES.--The Board convened in Open Session for Standing Committee meetings from 1:30 p.m. - 3:09 p.m.

RECESS.--There being no further business, the meeting was adjourned at 3:09 p.m. to reconvene on November 16, 2023.

THURSDAY, NOVEMBER 16, 2023.-- The members of the Board of Regents of The University of Texas System reconvened at 9:01 a.m. on Thursday, November 16, 2023, in the Board Room, Second Floor, The University of Texas System Building, 210 West Seventh Street, Austin, Texas, with the below meeting participation:

ATTENDANCE.--

Present

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

Absent

Vice Chairman Weaver

CONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS.--At 9:01 a.m., in accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Eltife called the meeting to order in Open Session to consider action on the following items.

Chairman Eltife recognized Dr. Ian Dalziel, Professor in the Department of Earth and Planetary Sciences and Senior Research Scientist at U. T. Austin's Jackson School of Geosciences, who has been awarded the Polar Medal, the United Kingdom's top honor for polar exploration.

STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD.--

At 9:02 a.m., Chairman Eltife announced the Board would hear the reports and recommendations of the Standing Committees, which are set forth on Pages 5 - 32.

REPORT OF THE AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE
(Page 5).--Unless otherwise indicated, the actions set forth in the Minute Orders
that follow were recommended and approved by the Board in Open Session.

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

There were no items referred from the Consent Agenda.

2. U. T. System: Report and discussion on the Systemwide internal audit activities, including FY 2023 Annual Report

This item was for consideration only by the Committee.

REPORT OF THE FINANCE AND PLANNING COMMITTEE (Page 6).-- Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended and approved by the Board in Open Session.

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

There were no items referred from the Consent Agenda.

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

This item was for consideration only by the Committee.

3. U. T. System: University Lands Update

This item was for consideration only by the Committee.

REPORT OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 7 - 11).-- Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended and approved by the Board in Open Session.

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

There were no items referred from the Consent Agenda.

2. U. T. Tyler: Approval to establish a Doctor of Philosophy degree program in Integrated Biomedical Sciences

The Board approved the following recommendation:

RECOMMENDATION

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

- a. establish a Doctor of Philosophy degree in Integrated Biomedical Sciences at U. T. Tyler; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

BACKGROUND INFORMATION

Program Description

The Health Science Center at U. T. Tyler proposes to establish a Doctor of Philosophy (Ph.D.) in Integrated Biomedical Sciences degree program. The program is designed to prepare graduates to be faculty at research-intensive universities and enable them to design and successfully execute scientific research that addresses a significant area of scientific inquiry. The program will also prepare graduates to develop strong collaborative skills to lead scientific investigations facilitating the integration of multidisciplinary research teams.

There will be four initial program foci offering students a range of options that include cellular and molecular biology of tissue remodeling and neoplasia; immunology and pulmonary infectious diseases; pulmonary injury, pathophysiology, and repair; and biotechnology/biomedical technology. All foci will share the same core courses to establish a baseline for all Ph.D. students in the program and will vary only by the electives chosen related to the foci.

The program is designed to provide a multidisciplinary learning environment to foster the development of knowledge, skills, and creativity necessary to succeed as scientists in an increasingly complex research community. Therefore, graduates of the program will be expected to possess responsible conduct of research ethics as well as expertise in experimental design and analysis in the biomedical sciences.

The program layout includes 12 semester credit hours (SCH) of core didactic courses, nine SCH of required electives from within the student's chosen focus, and six SCH of free electives that do not have to be within the student's focus. More electives are allowed but not required, and are based on student need, preference, and advisory committee decision. In addition to didactic coursework, each student will be required to accumulate eight SCH of lab rotations and eight SCH of seminar (only two of which count toward degree completion). Required research hours are a minimum of 60 SCH (pre-candidacy and dissertation research) for a total of 97 SCH required for graduation. A two-part qualifying exam will be administered for transition of the student to candidacy, with the first part administered at the end of the first summer term, and the second part administered at the end of the second fall term. Should the student fail the qualifying exam, they would be released from the program with an M.S. in Integrated Biomedical Sciences degree (37 SCH).

Need and Student Demand

National Analysis:

An analysis of the national labor market for jobs in biomedical sciences and related fields remains strong, with most occupations growing at a rate above the national aggregate rate of growth for all occupations (5.3% growth). Specifically, the U.S. Bureau of Labor Statistics (BLS) projects a growing need for medical scientists, except epidemiologists (17.4% growth), biochemists and biophysicists (15.3% growth), and professors in the biological sciences (12.4% growth) all whose job projections are growing at more than double the average rate and are considered to be growing "faster than average". Moreover, according to the BLS, all of these occupations generally require a doctorate or professional degree for an entry-level position. Other notable occupations projected to grow at above-average rates include biomedical engineers (9.8% growth), microbiologists (9.0% growth), and life scientists (6.6% growth).

State Analysis:

Labor demand for relevant positions in the State of Texas is projected to grow by 24.4% between 2020 and 2030, above the average projected growth rate of 17.3% across all occupational groups in the state and well over the national averages (5.3% overall, and 12% for relevant positions). Like the BLS, the Texas Workforce Commission expects postsecondary health specialties and biological science teachers, medical scientists, and environmental scientists and specialists to experience some of the highest growth rates across the state (24+%). Occupational projections for life scientists (21%), biochemists and biophysicists (20%), biological science teachers, postsecondary (19%), and biomedical engineers (17%) in Texas are also well above the national average, with approximately 512 monthly job postings for these positions across the state in the 4th quarter of 2022.

Currently, there are five Ph.D. programs in biomedical science authorized in Texas, located in College Station, Lubbock, Fort Worth, San Antonio, and Houston. None are in the Northeast Texas Region that is served by U. T. Tyler. This region is predominately rural with many potential students that are essentially site-bound and unable to leave and attend educational programs in other parts of the state and in primarily metropolitan areas.

Student Demand:

Nationally, doctorate completions in general biomedical sciences have increased substantially over the past five years, growing by an Annual Growth Rate (AGR) of 4%. By comparison, the average AGR for all U.S. doctorate completions was 0.6% over this same period. The field is relatively high volume, reporting over 600 completions for four of the past five school years during this period. This data indicates that doctorate degrees in the biomedical sciences are relatively popular among students.

Other fields showing above-average growth and high completions (at least 100 in 2021) include bioengineering and biomedical engineering (AGR of 2.3%), microbiology and immunology (AGR of 8.5%), and bioinformatics (AGR of 6.1%). While several other biomedical sciences fields have reported high growth in doctoral completions over the past five years, these have occurred at a low volume with fewer than 60 completions per year nationally. Of note, however, is the field of biotechnology with an AGR of over 26.9%. This is a relatively new field at the doctorate level but is trending as one of the highest growth areas in biomedical science.

With respect to the projected number of students for the proposed program, it is anticipated that approximately three new enrollments per year of the 4-year program. This is based on the current interest of students graduating from the M.S. in Biotechnology program who enter Ph.D. programs post-graduation.

Program Quality

There are currently 19 core faculty who will contribute to the program in various combinations of didactic teaching hours and research hours. These faculty are all productive and have published 291 peer-reviewed journal articles over the past five years (an average of three publications per core faculty per year) with 16 patents. Research funding for this group of faculty totaled over \$22 million over the past five years (essentially equivalent to roughly \$231,000 of sponsored research funding per faculty per year). The Health Science Center at U. T. Tyler anticipates adding three new faculty over the first four years of the program to add to the expertise to support coursework as well as to provide three new research labs in which students can perform their dissertation work. Two support (non-core) faculty will also be involved to help with didactic coursework as well as lab training and research compliance training.

Revenue and Expenses

Expenses	5-Year Total
<i>Faculty</i>	
Salaries	\$1,470,000
Benefits	\$367,500
<i>Graduate Students</i>	
GRA Salaries	\$1,176,000
GRA Benefits	\$294,000
<i>Staff & Administration</i>	
Graduate Coordinator Salary	\$250,000
Administrative Staff Salaries	\$250,000
Staff Benefits	\$125,000
<i>Other Expenses</i>	
Support for Student Travel to Conferences	\$50,000
Total Expenses	\$3,982,500
Revenue	5-Year Total
<i>From Student Enrollment</i>	
Formula Funding	\$280,728
<i>From Institutional Funds</i>	
I&O reallocations	\$3,701,772
<i>From Grant Funds</i>	
Anticipated new grants Y2+	\$1,848,750
Total Revenue	\$5,831,250

Coordinating Board Criteria

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

3. U. T. Arlington: Report on the Strategic Plan

This item was for consideration only by the Committee.

4. U. T. San Antonio: Report on the Long Range Financial Plan

This item was for consideration only by the Committee.

REPORT OF THE HEALTH AFFAIRS COMMITTEE (Page 12).-- Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended and approved by the Board in Open Session.

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

There were no items referred from the Consent Agenda.

REPORT OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE
(Pages 13 - 32).--Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended and approved in Open Session.

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

There were no items referred from the Consent Agenda.

2. U. T. Arlington: Maverick Hall - Amendment of the current Capital Improvement Program to include project

The Board approved the following recommendation:

RECOMMENDATION

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

BACKGROUND INFORMATION

Previous Action

On February 8, 2022, the Chancellor approved the project for Definition Phase.

Project Description

The proposed residence hall will be five stories tall, include 654 beds in private and double-occupancy configurations, and be located on west campus. On every floor, the project will include a laundry room, a kitchen, study, and spacious common areas to facilitate student engagement. With an increase of 22% in freshman enrollment between 2020 and 2022 and current housing at maximum capacity, including nearly 300 students on the waiting list, the project will provide students with modern housing to enhance the first-time college experience.

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

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

Project Information

Project Number	301-1395
CIP Project Type	New Construction
Facility Type	Housing, Dormitory
Management Type	Institutionally Managed
Institution’s Project Advocate	Eric Leidlein, Executive Director Auxiliary Services
Project Delivery Method	Design/Build
Gross Square Feet (GSF)	212,800
Beds Added this Project	654

Project Funding

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

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from rental income

Project Cost Detail

	Cost
Building Cost	\$84,350,761
Fixed Equipment	2,550,000
Site Development	2,688,920
Furniture and Moveable Equipment	5,403,000
Institutionally Managed Work	1,425,000
Architectural/Design Services	7,251,712
Project Management	2,324,267
CIP Support Services	225,000
Insurance	2,073,736
Other Professional Fees	1,923,800
Project Contingency	5,996,804
Total Project Cost	\$116,213,000

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

Maverick Hall	\$128,977		
Regional Median Cost per Bed	\$124,227		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$102,987	\$119,198	\$144,138
Other National Projects	\$101,214	\$134,886	\$169,867

The University of Texas at Arlington
Maverick Hall
(continued)

Investment Metrics

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

Project Planning

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

Project Milestones

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

Student Housing Statistics

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

Basis of Design

The planned building life expectancy includes the following elements:

Enclosure: 40 years
Building Systems: 25 years
Interior Construction: 15 years

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

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) for the Life Science Building Renovation and New Addition project at The University of Texas at Arlington as follows:

- a. amend the current CIP to increase the total project cost from \$149,000,000 to \$180,000,000;
- b. revise funding sources to include Revenue Financing System (RFS) Bond Proceeds;
- c. approve design development plans;
- d. appropriate funds and authorize expenditure of \$180,000,000 with funding of \$72,000,000 from Permanent University Fund (PUF) Bond Proceeds, \$52,409,972 from Capital Construction Assistance Project (CCAP) Bond Proceeds, \$45,590,028 from Unexpended Plant Funds, and \$10,000,000 from RFS Bond Proceeds; and
- e. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Arlington, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$10,000,000.

BACKGROUND INFORMATION

Debt Service

The \$10,000,000 in RFS debt will be repaid from excess reserves. Annual debt service on the \$10,000,000 in RFS debt is expected to be \$557,000. The institution's Scorecard Rating of 1.8 at fiscal year-end 2022 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

Previous Actions

On May 24, 2022, the Chancellor approved the project for Definition Phase. On November 17, 2022, the project was included in the CIP with a total project cost of \$149,000,000 with funding of \$72,000,000 from PUF Bond Proceeds, \$52,409,972 from CCAP Bond Proceeds, \$20,000,000 from Unexpended Plant Funds, and \$4,590,028 from Gifts. On August 24, 2023, \$52,409,972 in CCAP Bond Proceeds were allocated.

Project Description

The proposed project entails renovation of the existing Life Science Building constructed in 1970 and the construction of a multi-story state-of-the-art addition to the building. One of the most heavily used buildings on campus, the Life Science Building is occupied by the College of Science and includes the Departments of Biology, Psychology, and Bioengineering, and the Animal Research Facility. The new construction addition will include flexible, high-tech interactive classrooms, teaching labs, as well as wet and dry research labs, all of which will have a positive impact on student success and increase the value of research and teaching. Approximately 18,065 gross square feet will be left as research shell space. The renovations in the existing building will address replacement of infrastructure including life safety systems, heating, ventilation, and air conditioning (HVAC) systems, and electrical upgrades. The building exterior façade will be replaced to resemble the new additions in stone, metal panel, and glass, and the project will address approximately \$23,000,000 in deferred maintenance, including asbestos abatement.

The proposed increase in the total project cost results from the change from repair of mechanical, electrical, and plumbing systems to replacement of the systems, updated laboratory safety code requirements including increased electrical panel and circuit sizes, larger electrical rooms, running additional gas lines and more rigorous HVAC systems. Additionally, a new building generator is required for capacity to support renovated teaching labs and new research labs.

**The University of Texas at Arlington
Life Science Building Renovation and New Addition**

Project Information

Project Number	301-1410
CIP Project Type	New Construction and Repair and Rehabilitation
Facility Type	Laboratory, General
Management Type	Institutional Management
Institution’s Project Advocate	Morteza Khaledi, Dean of Science
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	77,713 - New Addition 210,612 - Renovation
Shell Space (GSF)	18,065

Project Funding

	<u>Current</u>	<u>Proposed</u>
Permanent University Fund Bond Proceeds	\$ 72,000,000	\$ 72,000,000
Capital Construction Assistance Project Bond Proceeds	52,409,972	52,409,972
Unexpended Plant Funds	20,000,000	45,590,028
Revenue Financing System Bond Proceeds ¹	-	10,000,000
Gifts	<u>4,590,028</u>	<u>-</u>
Total Project Cost	\$149,000,000	\$180,000,000

¹ RFS debt to be repaid with excess reserves

Project Cost Detail

	Cost
Building Cost - Life Science Building New Addition	\$ 62,979,028
Building Cost - Life Science Building Renovation	72,201,671
Fixed Equipment	4,375,000
Site Development	3,544,301
Furniture and Moveable Equipment	3,100,000
Institutionally Managed Work	2,725,000
Architectural/Design Services	11,404,800
Project Management	3,600,000
Insurance	3,439,134
Other Professional Fees	3,255,000
Project Contingency	9,376,066
Total Project Cost	\$180,000,000

The University of Texas at Arlington
Life Science Building Renovation and New Addition
 (continued)

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

Life Science Building New Addition (includes 9% Shell Space)	\$810		
Life Science Building New Addition (estimated Total Finish-Out)	\$892		
Texas Higher Education Coordinating Board Average - Laboratory, General	\$798		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$611	\$744	\$835
Other National Projects	\$598	\$757	\$1,016

Investment Metrics

- Recruit and graduate 12 to 20 Ph.D. students to the College of Science by 2030
- Recruit and/or retain six active research faculty by 2028

Project Planning

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

Project Milestones

Definition Phase Approval	May 2022
Addition to CIP	November 2022
Design Development Approval	November 2023
Construction Notice to Proceed	January 2024
Substantial Completion	November 2027
Final Completion	December 2027

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50 years
- Building Systems: 30 years
- Interior Construction: 15 years

4. U. T. Austin: Montopolis Research Center Renovation - Amendment of the current Capital Improvement Program to include project; approval of total project cost; and appropriation of funds

The Board approved the following recommendation:

RECOMMENDATION

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

- a. amend the current CIP and approve a total project cost of \$198,000,000; and
- b. appropriate funds of \$198,000,000 from General Revenue.

BACKGROUND INFORMATION

Previous Action

On September 12, 2023, the Chancellor approved the project for Definition Phase.

Project Description

The proposed project is necessary to meet the strategic goals of the Texas Institute for Electronics (TIE) to restore leading-edge semiconductor manufacturing back to the United States, secure the supply chain, ensure national security, and educate the next generation of industry innovators in Texas. The Montopolis Research Center (MRC) is a critical asset for TIE with the overall goal to accelerate wafer-level advanced heterogeneous integration (HI) for defense electronics and commercial industry roadmaps. The MRC will focus on silicon integration for late-stage startups and high-volume manufacturing enablement in the HI space.

This project will update, refresh, and enhance the physical infrastructure and will convert existing space for cleanroom use to support state-of-the-art microelectronics process tools. Additionally, HI processes require precise, reliable, and stable temperatures and humidity, necessitating an upgrade to the infrastructure and mechanical, electrical, and plumbing systems throughout the entire building. The majority of the cost of the project will equip the renovated facility with leading-edge tools for HI research and development.

This proposed Repair and Rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be presented to the President for

approval at a later date. Pursuant to a Memorandum of Understanding effective September 1, 2017, U. T. Austin has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas at Austin
Montopolis Research Center Renovation**

Project Information

Project Number	102-1498
CIP Project Type	Repair and Rehabilitation
Facility Type	Laboratory, General
Management Type	Institutionally Managed
Institution’s Project Advocate	Leland Snell, Director III, Cockrell School of Engineering
Project Delivery Method	Design/Build
Gross Square Feet (GSF)	391,780

Project Funding

General Revenue	<u>Proposed</u> <u>\$198,000,000</u>
Total Project Cost	\$198,000,000

Project Cost Detail

	Cost
Building Cost	\$ 59,180,000
Fixed Equipment	118,000,000
Furniture and Moveable Equipment	500,000
Institutionally Managed Work	2,000,000
Architectural/Design Services	5,918,000
Project Management	2,400,000
Insurance	893,080
Other Professional Fees	4,000,000
Project Contingency	4,000,000
Other Costs	1,108,920
Total Project Cost	\$198,000,000

Project Planning

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

The University of Texas at Austin
Montopolis Research Center Renovation
(continued)

Project Milestones

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

5. U. T. Austin: Red McCombs School of Business New Building - Amendment of the current Capital Improvement Program to include project; approval of total project cost; approval of Design Development for Stage I, and appropriation of funds and authorization of expenditure for Stage I

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the Red McCombs School of Business New Building project at The University of Texas at Austin as follows:

- a. amend the current CIP to include the project with a total project cost of \$425,000,000;
- b. approve design development plans for Stage I; and
- c. appropriate funds and authorize expenditure of \$25,000,000 from Designated Funds for Stage I.

BACKGROUND INFORMATION

Previous Action

On August 15, 2022, the Chancellor approved the project for Definition Phase.

Project Description

The proposed project consists of a new academic building to house the Red McCombs School of Business, parking, and the necessary enabling utilities to support the new building. The academic building will house the McCombs

undergraduate programs, specialized master's programs, and six academic departments integrating faculty across departments by incorporating flexible and reconfigurable spaces, providing collaborative areas for students and faculty to enhance research, teaching, and corporate partnerships. The 10-story building will include offices, classrooms, student collaborative spaces, faculty and administrative office space, event spaces, a career center, and underground parking with approximately 120 spaces.

The new academic building will be located on a site currently occupied by the Dobie Parking Garage and adjacent surface parking lots bounded by West 20th Street, University Avenue, West 21st Street, and Whitis Avenue. Approval of design development plans for Stage I will allow the early excavation and demolition of Dobie Garage, relocation of the storm water line, and temporarily tie or relocation of the remaining alley utilities in preparation for the building construction.

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

**The University of Texas at Austin
Red McCombs School of Business New Building**

Project Information

Project Number	102-1422
CIP Project Type	New Construction
Facility Type	Classroom, General
Management Type	Institutionally Managed
Institution's Project Advocate	Caitlin Mullaney, Senior Associate Dean for Business Affairs and Chief Operating Officer, McCombs School of Business
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	450,000
Parking Garage Spaces	120

Project Funding

	<u>Proposed</u>
Revenue Financing System Bond Proceeds ¹	\$225,000,000
Gifts	150,000,000
Designated Funds	<u>50,000,000</u>
Total Project Cost	<u>\$425,000,000</u>

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from Designated Tuition and parking revenues

The University of Texas at Austin
Red McCombs School of Business New Building
 (continued)

Project Cost Detail

	Cost
Building Cost	
Red McCombs School of Business New Building	\$297,158,562
Parking Garage	13,933,000
Site Development	16,704,000
Furniture and Moveable Equipment	8,500,000
Institutionally Managed Work	20,027,648
Architectural/Design Services	25,060,550
Project Management	10,200,000
Insurance	5,231,624
Other Professional Fees	13,082,089
Project Contingency	14,365,707
Other Costs	736,820
Total Project Cost	\$425,000,000

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

Red McCombs School of Business New Building	\$660		
Texas Higher Education Coordinating Board Average – Classroom, General	\$664		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$577	\$658	\$705
Other National Projects	\$523	\$712	\$1,000

Investment Metrics

- Increase reputation and ranking among peer colleges of business at other Tier 1 institutions by 2028
- Fulfill promise of 2011 McCombs School of Business Strategic Master Plan Update by providing state-of-the-art classroom and collaborative spaces for students, faculty, and staff by 2028

Project Planning

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

The University of Texas at Austin
Red McCombs School of Business New Building
(continued)

Project Milestones

Definition Phase Approval	August 2022
Addition to CIP	November 2023
Design Development Approval – Stage I	November 2023
Design Development Approval – Stage II	November 2024
Construction Notice to Proceed	November 2024
Substantial Completion	February 2028
Final Completion	May 2028

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50 years
- Building Systems: 25 years
- Interior Construction: 20 years

6. U. T. Dallas: Student Success Center/Student Union, Phase II - Amendment of the current Capital Improvement Program to include Phase II; increase total project cost to add Phase II; and appropriation of funds

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the Student Success Center/Student Union, Phase II project at The University of Texas at Dallas as follows:

- a. amend the current CIP and approve a total project cost of \$187,500,000 for Phase II; and
- b. appropriate funds of \$187,500,000 from Revenue Financing System (RFS) Bond Proceeds for Phase II.

BACKGROUND INFORMATION

Previous Actions

On June 17, 2022, the Chancellor approved the Student Success Center/Student Union Phases I and II project for Definition Phase. On August 24, 2023, the Student Success Center/Student Union Phase I project was included in the CIP with a total project cost of \$105,000,000 with funding of \$52,409,972 from Capital Construction Assistance Project Bond Proceeds, \$42,000,000 from Permanent University Funds Bond Proceeds, \$10,500,000,000 from RFS Bond Proceeds, and \$90,028 from Designated Funds.

Project Description

The proposed Student Success Center/Student Union, Phase II project will provide the campus with a student-focused gathering place that cultivates a welcoming, dynamic, and collaborative learning community. Programmatic spaces for Phase II, the Student Union, will include a large event space with a pre-function lounge, student government offices, the Student Wellness Center, the Office of Student Volunteerism, the Student Union Activities Advisory Board, Building Services, and a retail food hall and display gallery.

The previously approved Student Success Center will include classrooms, a 400-seat lecture hall, the Office of Undergraduate Education, the Honors College, the Office of Graduate Education, the Education Abroad Office, the Center for Teaching and Learning, and the Office of Instructional Technology, meeting spaces, and administration and support space. Co-locating student success activities with the Student Union will achieve efficient and effective coordination and will serve as a model for leveraging the synergies among diverse departments to the overall benefit of the student body. The Student Success Center when combined with the Student Union portion of the project will result in an approximately 359,297 GSF four-story building.

The proposed project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding for both phases of the project will be presented to the Board for approval at a later date.

**The University of Texas at Dallas
Student Success Center/Student Union, Phase II**

Project Information

Project Number	302-1414
CIP Project Type	New Construction
Facility Type	Student Center
Management Type	Office of Capital Projects
Institution’s Project Advocate	Gene Fitch, Vice President of Student Affairs
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	223,567

Project Funding

Student Union, Phase II Only

	<u>Proposed</u>
Revenue Financing System Bond Proceeds ¹	<u>\$187,500,000</u>
Total Project Cost	<u>\$187,500,000</u>

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from Designated Tuition and previously approved Student Fees

Student Service Center, Phase I Only

	<u>Current</u>
Capital Construction Assistance Project Bond Proceeds	\$ 52,409,972
Permanent University Fund Bond Proceeds	42,000,000
Revenue Financing System Bond Proceeds	10,500,000
Designated Funds	<u>90,028</u>
Total Project Cost	<u>\$105,000,000</u>

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from Designated Tuition from Excess Reserves

Phases I and II Combined

	<u>Proposed</u>
Capital Construction Assistance Project Bond Proceeds	\$ 52,409,972
Permanent University Fund Bond Proceeds	42,000,000
Revenue Financing System Bond Proceeds	198,000,000
Designated Funds	<u>90,028</u>
Total Project Cost	<u>\$292,500,000</u>

Project Cost Detail

	Phase I Only	Phase II Only
Building Cost	\$77,072,758	\$143,503,067
Site Development	3,291,377	6,309,093
Furniture and Moveable Equipment	1,500,000	4,864,000
Institutionally Managed Work	2,900,000	3,712,000
Architectural/Design Services	6,447,748	11,032,592
Project Management	2,700,000	2,368,000
CIP Support Services	500,000	64,000
Insurance	1,746,600	3,143,840
Other Professional Fees	5,929,264	6,855,840
Project Contingency	2,912,253	5,647,568
Total Project Cost	\$105,000,000	\$187,500,000

The University of Texas at Dallas
Student Success Center/Student Union, Phase II
 (continued)

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

Student Success Center/Student Union, Phase II	\$642		
Texas Higher Education Coordinating Board Average - Student Center	\$1,033		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$400	\$492	\$629
National Projects	\$504	\$671	\$810

Investment Metric

- Support Strategic Plan by enriching the student experience by 2027

Project Planning

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

Project Milestones

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

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50 years
- Building Systems: 25 years
- Interior Construction: 25 years

7. U. T. M. D. Anderson Cancer Center: Expand Rotary House International Hotel - Amendment of the current Capital Improvement Program to increase total project cost; revise funding sources; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents approve the recommendations for the Expand Rotary House International Hotel project at The University of Texas M. D. Anderson Cancer Center as follows:

- a. amend the current Capital Improvement Program (CIP) to increase the total project cost from \$83,500,000 to \$112,300,000;
- b. revise funding sources to include Hospital Revenues;
- c. approve design development plans;
- d. appropriate funds and authorize expenditure of \$112,300,000 with funding of \$79,300,000 from Revenue Financing System (RFS) Bond Proceeds, \$20,000,000 from Auxiliary Enterprises Balances, and \$13,000,000 from Hospital Revenues; and
- e. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. M. D. Anderson Cancer Center, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$79,300,000.

BACKGROUND INFORMATION

Debt Service

The \$79,300,000 in RFS debt will be repaid from auxiliary operations of the hotel. Annual debt service on the \$79,300,000 in RFS debt is expected to be \$5.7 million. The institution's Scorecard Rating of 2.2 at fiscal year-end 2022 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

Previous Actions

On January 21, 2020, the Chancellor approved this project for Definition Phase. On February 24, 2022, the project was included in the CIP with a total project cost of \$83,500,000 with funding of \$63,400,000 from RFS Bond Proceeds and \$20,100,000 from Auxiliary Enterprises Balances.

Project Description

The Jesse H. Jones Rotary House International Hotel was constructed in 1992 to provide lodging and accommodations for patients undergoing treatment at U. T. M. D. Anderson in the Texas Medical Center. The proposed project involves the expansion of the hotel to provide an additional 180 guest rooms and suites, with the construction of a 12-story wing immediately adjacent to and interconnected with the hotel. The project also involves renovating space within the existing hotel to improve the amenities, including the kitchen and dining services areas, to meet the needs of the increased guest population following the expansion. The renovations and upgrade to life safety systems will necessitate the removal of seven existing guest rooms and suites from service and will result in 7,300 gross square feet of shell space for future finish out for amenity areas and a net increase of 173 guest rooms and suites. Upon completion of the project, the hotel is expected to have a total of 495 guest rooms and suites.

The proposed increase in funding is due in part to the design and construction of an elevated pedestrian walkway. The walkway will be adjacent to but not directly connected to the Rotary House Hotel to interconnect U. T. M. D. Anderson's Braeswood Parking Garage to the balance of the institution's elevated pedestrian walkway system. The walkway is being constructed as an extension of the existing elevated pedestrian walkway system for use predominantly by faculty and staff to access the Braeswood Parking Garage. Other increases are attributed to construction price market fluctuations.

**The University of Texas M. D. Anderson Cancer Center
Expand Rotary House International Hotel**

Project Information

Project Number 703-1178
 CIP Project Type New Construction
 Facility Type Other
 Management Type Institutional Management
 Institution’s Project Advocate Tim Peglow, Associate Vice President
 for Patient Care & Cancer Prevention Facilities
 Project Delivery Method Construction Manager-at-Risk
 Number of Guest Rooms 180
 Gross Square Feet (GSF) 149,900 New Construction
 43,200 Repair & Rehabilitation (7,300 shell space)
 7,400 Elevated Walkway

Project Funding

	<u>Current</u>	<u>Proposed</u>
Revenue Financing System Bond Proceeds ¹	\$63,400,000	\$ 79,300,000
Auxiliary Enterprises Balances	\$20,100,000	\$ 20,000,000
Hospital Revenues	-	<u>13,000,000</u>
Total Project Cost	<u>\$83,500,000</u>	<u>\$112,300,000</u>

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from auxiliary enterprises revenues from ongoing hotel operations

Project Cost Detail

	Cost
Building Cost:	
Expansion - New Construction	\$55,127,000
Repair and Rehabilitation - existing RHI areas	10,582,000
Elevated Pedestrian Walkway - New Construction	9,402,000
Fixed Equipment	7,260,200
Site Development	2,457,800
Furniture and Moveable Equipment	4,892,200
Institutionally Managed Work	4,250,000
Architectural/Design Services	5,367,400
Project Management	2,686,400
Insurance	2,902,500
Other Professional Fees	1,574,800
Project Contingency	5,628,900
Other Costs	168,800
Total Project Cost	<u>\$112,300,000</u>

**The University of Texas M. D. Anderson Cancer Center
Expand Rotary House International Hotel
(continued)**

Building Cost per GSF

Expand Rotary House International Hotel (includes 4% Shell Space)	\$375
Expand Rotary House International Hotel (estimated Total Finish-out)	\$383
Hospitality/Lodging (Regional Cost Data)	\$433-\$618

Investment Metrics

- Design and construct expansion to align with an average daily room rate of \$225 per night or less by 2026
- Design and construct expansion wing to have an assignable square feet to gross square feet ratio of 60% or better by 2026

Project Planning

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

Project Milestones

Definition Phase Approval	March 2018
Addition to CIP	February 2022
Design Development Approval	November 2023
Construction Notice to Proceed	March 2024
Substantial Completion	January 2026
Final Completion	May 2026

Basis of Design

The planned building life expectancy includes the following elements:

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

APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD.--At 9:03 a.m., the Board voted and unanimously approved the Standing Committee recommendations.

AGENDA ITEMS

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

Chairman Eltife noted the following related to the Consent Agenda:

- Consent Item 6 requests approval of a Foreign Contract with the University Academic Alliance in Taiwan to enable collaboration with U. T. institutions related to semi-conductor focused education and workforce development projects.
- Item 20 requests approval of U. T. Rio Grande Valley's Annual Operating Agreement with the South Texas Health System.
- Item 24 requests authorization for U. T. San Antonio to purchase the leasehold interest and improvements in the Roadrunner Athletics Center of Excellence.
- Under Item 25, Stephen F. Austin State University requests approval of amendment to its Multi-Media Rights Agreement with Lumberjack Sports Properties, LLC.
- Regent Stedman will abstain from discussion and vote on Consent Agenda Item 33 regarding a request for approval of a U. T. Medical Branch - Galveston contract with AT&T Corp because of financial interests.
- Regent Jiles will abstain from discussion and vote on Consent Agenda Item 38 regarding a UTMB real estate matter.
- Item 40 requests authorization for UTMB to purchase land and improvements, including a hospital building and parking garage, currently leased to UTMB.
- Under Item 46, U. T. Health Science Center - San Antonio requests approval to lease space on its main campus to Bexar County for continued use as a morgue and medical examiner's office and for forensic science education. In recommending approval of this item, the Board is also asked to make a finding of public purpose as described in the item.
- For Item 49, U. T. M. D. Anderson Cancer Center requests authorization to purchase land and improvements, including a light industrial manufacturing building.

Regent Perez moved approval of the Consent Agenda, which was seconded by Regent Warren. The Board then approved the Consent Agenda, which is set forth on Pages 60 - 97.

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

2. U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' *Rules and Regulations*, Rule 20601 (Aircraft Use), regarding aviation-related academic programs

The Board approved the following recommendation:

RECOMMENDATION

It is recommended that the U. T. System Board of Regents consider the addition of a new Section 20 to Regents' *Rules and Regulations*, Rule 20601 (Aircraft Use) as follows:

Sec. 20 Aviation-related Academic Programs. The provisions of this Rule do not apply to aviation-related academic programs to the extent strict compliance would be impracticable; however, such programs must operate in compliance with applicable state and federal law and safety standards and shall coordinate with the System Chief Risk Officer to determine appropriate insurance requirements.

BACKGROUND INFORMATION

Regents' Rule 20601 sets forth required procedures for use of aircraft for non-commercial flights in furtherance of U. T. business. As applied, some of the requirements are impracticable in the context of aviation-related academic programs where students are training to obtain a pilot's license, such as Stephen F. Austin's Bachelor of Science degree in Aviation Sciences.

The proposed revision would allow for an exception for such academic programs, for which separate insurance requirements may be determined in coordination with the System Chief Risk Officer, to conduct the program in compliance with applicable state and federal law and safety standards.

The proposed revisions do not impact the full-time equivalent (FTE) employee count Systemwide and are budget-neutral. The proposed Rules change was reviewed by the institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

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

Representatives of the Faculty Advisory Council reported on the work of the Council using the PowerPoint presentation set forth on the following pages.

The U. T. System Faculty Advisory Council was established in 1989 to facilitate the flow of ideas and information between and among the Board of Regents, the System Administration, and the institutions of the System. Council guidelines require that recommendations have a multi-institutional focus and that the Council explore individual campus issues with institutional administrators prior to any consideration. The Faculty Advisory Council consists of two faculty representatives from each U. T. System institution and meets quarterly. The Standing Committees of the Council are: Academic Affairs and Faculty Quality, Governance, and Health Affairs.

Council officers are:

Chair: Christopher Messenger, M.D., U. T. Medical Branch - Galveston, Professor, Department of Nutrition, Metabolism & Rehabilitation Sciences

Chair-Elect: Jacqueline Fay, Ph.D., U. T. Arlington, Professor of English

Past-Chair: David Coursey, Ph.D., U. T. Arlington, Associate Professor of Public Affairs

Secretary: Maria Danet Lapiz Bluhm, Ph.D., U. T. Health Science Center - San Antonio, Professor, School of Nursing

Chairman Eltife and Chancellor Milliken thanked Dr. Messenger for his service to the Faculty Advisory Council and expressed his appreciation for all faculty across the U. T. institutions.

Faculty Advisory Council (FAC)

Annual Activity and Objectives Report

Dr. Chris Messenger, Chair, U. T. System FAC

U. T. System Board of Regents Meeting
November 2023



Our Role

- According to Regents Rule 30401
 - The Faculty Advisory Council represents institutions in the U. T. System to facilitate the flow of ideas and information between and among the Board of Regents, the System Administration, and the institutions of the System.
 - Representatives of the Faculty Advisory Council are encouraged to address the Board of Regents at meetings of the Board, including meetings of the Standing Committees, and may recommend action to the Board through the Chancellor.

Recent Shared Accomplishments FY 2022-2023

- Consulted with U. T. System leaders and provided support for The University of Texas System Commitment to Freedom of Speech and Expression
- Coordinated with U. T. System leaders to facilitate information sharing related to legislation concerning faculty passed during the 88th Texas Legislative Session
- Explored parental leave pool and tax implications

Core Tasks for FY 2023-2024

- U. T. Systemwide research symposiums
- Collaborating with Employee Advisory Council on a Wellness Initiative
- Faculty Ombuds offices
- Providing input on implementing legislation concerning faculty from the 88th Texas Legislative Session

Other Discussion Topics

- Graduate assistant and postdoc support and recruiting
- U. T. System negotiations with scholarly publishers
- Accountability around shared governance
- Better understanding endowment rules and compliance
- U. T. System health insurance costs and coverage

4. U. T. System Board of Regents: Recognition of recipients of the 2023 Regents' Outstanding Teaching Awards

The Board and Chancellor Milliken recognized the 2023 recipients for the Regents' Outstanding Teaching Awards, as listed below:

U. T. Arlington:

Sonia Kania, Ph.D.
Professor, Modern Languages

Christy Spivey, Ph.D.
Clinical Professor, Economics

U. T. Austin:

Paul Bonin-Rodriguez, Ph.D.
Associate Professor, Theatre and Dance

U. T. Dallas:

John Zweck, Ph.D.
Professor, Mathematical Sciences

U. T. El Paso:

Cherry Duke, A.D.
Professor of Practice and Director of Opera, Music

U. T. San Antonio:

Nehal Abu-Lail, Ph.D.
Professor, Biomedical Engineering and Chemical Engineering

U. T. Tyler:

Joshua Banta, Ph.D.
Professor, Biology

Kenneth Bryant Jr., Ph.D.
Associate Professor, Political Science

U. T. Southwestern Medical Center:

Nora E. Gimple, M.D.
Professor, Family and Community Medicine

Melanie S. Sulistio, M.D., F.A.C.C., F.A.H.A.
Distinguished Teaching Professor, Internal Medicine

U. T. Medical Branch - Galveston:

Sharron Forest, DNP, NNP-BC
Professor, School of Nursing

U. T. Health Science Center - Houston:

Robert Spears, Ph.D.
Professor, School of Dentistry

Jennifer L. Swails, M.D.
Associate Professor, Internal Medicine

U. T. Health Science Center - San Antonio:

Bridgett Piernik-Yoder, Ph.D., OTR, FAOTA
Professor, Occupational Therapy

BACKGROUND INFORMATION

The Board of Regents places the highest priority on undergraduate and graduate teaching at U. T. institutions and encourages teaching excellence by recognizing those faculty who deliver the highest quality of instruction, demonstrate their commitment to teaching, and have a history and promising future of sustained excellence with teaching in the classroom, in the laboratory, in the field, or online.

On August 14, 2008, the Board established the Regents' Outstanding Teaching Awards (ROTA), which are a recognition of the importance the Board places on the provision of teaching and learning of the highest order, by honoring those who serve students in an exemplary manner, and are an incentive for others who aspire to such service. These teaching awards complement existing ways in which faculty excellence is recognized and incentivized.

Up to 15 awards may be given across both academic and health institutions with the number of awards determined by the number of applications, recommendations from the review committee, and other factors.

RECESS TO EXECUTIVE SESSION.--At 9:23 a.m. the Board recessed to Executive Session, pursuant to Texas Government Code Sections 551.071, 551.073, 551.074, 551.076, and 551.089 to consider the matters listed on the Executive Session agenda.

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS AND TO CONSIDER AGENDA ITEMS.--Chairman Eltife reconvened the Board in Open Session at 10:52 a.m. to consider action on the following items.

- 5a. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions including interim presidents); U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors); other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive); Board members; and U. T. System and institutional employees

No action was taken on this item.

- 5b. U. T. Southwestern Medical Center: Discussion with President regarding assignment and duties, including individual responsibilities regarding the institution's pediatric clinical enterprise

See related item 7c for action taken in Open Session.

- 6a. U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features

Regent Jiles made the following motion:

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

The motion was seconded by Regent Perez and carried unanimously.

- 6b. U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features

Regent Stedman made the following motion:

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

The motion was seconded by Regent Crain and carried unanimously.

7a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

7b. 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.

7c. U. T. Southwestern Medical Center: Discussion and possible appropriate action regarding legal issues associated with the institution's pediatric clinical enterprise, including a) authorization to enter into and operate a nonprofit corporate entity with Children's Health System of Texas for the development of a joint state-of-the-art children's health care campus; b) allocation and authorization of expenditure of institutional funds for U. T. Southwestern Medical Center's portion of the project cost for the Construction Phase; c) delegation of authority to the President to execute related documents, including a Memorandum of Understanding, and to take other action necessary; and d) finding of public purpose

Regent Crain made the following motion:

I move that the U. T. System Board of Regents:

- a. authorize U. T. Southwestern to negotiate and enter into definitive agreements with Children's Health System of Texas (Children's) for the development of a joint state-of-the-art children's health care campus (the New Pediatric Campus) and form a separate, yet-to-be-named nonprofit corporate entity (Nonprofit) for the purpose of jointly owning and operating a New Pediatric Campus; and
- b. delegate authority to the President of U. T. Southwestern to execute all documents, instruments, and other agreements and to take all further actions deemed necessary to carry out the purpose and intent of the foregoing actions, following review and approval by the Chancellor, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel.

I further move that the Board make a finding that:

1. the joint development with Children's of the New Pediatric Campus by U. T. Southwestern supports the public mission of and serves public purposes appropriate to the functions of U. T. Southwestern;
2. U. T. Southwestern retains sufficient control over Pediatric Health Management Services (a nonprofit corporate entity formed by U. T.

Southwestern and Children’s in 2019) and the to-be-formed Nonprofit to ensure the public purpose will continue to be met on an ongoing basis; and

3. the joint development of the New Pediatric Campus with Children’s will result in adequate consideration and benefits to U. T. Southwestern and the State of Texas.

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

8. 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)

5. U. T. System: Discussion and appropriate action regarding implementation of Senate Bill 17 and Senate Bill 18 and relevant U. T. System policies

Chairman Eltife called on Chancellor Milliken for an update on the status of implementation of new laws enacted during the most recent regular sessions of the Texas Legislature with the passage of Senate Bills 17 and 18.

Remarks by Chancellor Milliken

When SB17 was adopted by the Texas Legislature and signed by the Governor, we worked with our institutions and collaborated with other Texas university systems to provide initial guidance that would serve as a roadmap toward compliance – that early guidance, published in September, allowed our campuses to begin the process of implementing legally required changes in policy and practice.

The draft policies submitted for review today by the Regents sets specific standards, consistent with the September administrative guidance to ensure that U. T. institutions achieve compliance with Senate Bill 17 by January 1, 2024, as required by the law.

Our institutional presidents are now reporting changes made on their campuses and they will certify full compliance to me. I will, in turn, certify compliance to the Board of Regents prior to the statutory deadline.

The Board of Regents, the presidents and I understand our obligation to fully comply with the laws of Texas, and this policy is a necessary step in that process. We also understand, and believe all support, our mission to provide affordable access and robust student support to the richly diverse population of Texas, to ensure everyone

has the opportunity to develop their talents with the education University of Texas institutions provide.

With regard to SB 18, the U. T. System policy implements the new state law that recognizes and codifies tenure for Texas public institutions of higher education and establishes certain guidelines regarding the termination of tenured faculty.

The Texas Legislature and the Governor, through the adoption of this new law, recognize that tenure is essential to attract and retain talented faculty members. The law establishes what constitutes “good cause” for termination of a faculty member and allows for summary dismissal in certain limited cases.

The law and the U. T. System policy require that all appropriate due process be provided in all cases where revocation of a faculty member’s tenure is proposed. Each institution shall adopt procedures consistent with the U. T. System policy and the law that ensures such due process.

The U. T. System Administration will provide U. T. institutions with a model policy for consideration, and the institutions will determine whether they adopt the model or elements of it, but in all cases institutional procedures shall be consistent with the essential elements of the model policy and the law. Institutions will use their established shared governance processes to develop their procedures, and faculty will be important participants in those processes.

Prior to adoption of institutional policies or procedures regarding revocation of tenure, the policies or procedures will be approved by the Chancellor, following review and approval by the relevant Executive Vice Chancellor and the Vice Chancellor and General Counsel.

Remarks by Chairman Eltife

I want to thank you Chancellor and our Vice Chancellors and our Presidents. They have worked very hard on this since the legislation was passed. We want to make something crystal clear, whether you like the policy or whether you like this law or any other law, the University of Texas System is going to respect the process and we are going to respect the law. We are not going to look for loopholes, we are not going to look for work arounds. We are going to implement the law as passed and signed by the Governor. We appreciate your work on this and that is how we are going to move forward.

There being no questions from the Board, Chairman Eltife then called for a motion to endorse the draft policies provided by Chancellor Milliken for implementation as U. T. System policies, as set forth on the following pages. The motion was made by Regent Warren, seconded by Regent Crain, and carried unanimously.

Title

Compliance with State Law Regarding Diversity, Equity, and Inclusion in Institutions of Higher Education

Sec. 1 Purpose

This policy implements Senate Bill 17, Texas Education Code § 51.3525, passed by the Texas Legislature during the 2023 term. Pursuant to this law, each University of Texas System institution shall maintain an environment that promotes learning, academic freedom, and the creation and transmission of knowledge free from any requirements to exhibit or reflect a specific ideology or political view and without providing advantages or disadvantages to individuals based on race, sex, color, ethnicity, or national origin.

Sec. 2 Prohibitions

Texas law prohibits:

(a) Diversity, Equity, and Inclusion Offices.

A diversity, equity, and inclusion (“DEI”) office means an office, division, or other unit of an institution of higher education (“DEI Office”), including any group of employees of any size that is established for any of the following purposes or carries out any of the listed duties:

- 1) influencing hiring or employment practices at the institution with respect to race, sex, color, or ethnicity, other than through the use of color-blind and sex-neutral hiring processes in accordance with any applicable state and federal antidiscrimination laws;
- 2) promoting differential treatment of or providing special benefits to individuals on the basis of race, color, or ethnicity. UT System interprets “special benefit” to mean a term, condition, opportunity, or privilege that is unavailable, or substantially better than what is available, or provided to others;
- 3) promoting policies or procedures designed or implemented in reference to race, color, or ethnicity, other than policies or procedures approved in writing by the institution’s chief legal officer, the UT System’s Office of General Counsel, and the Texas Higher Education Coordinating Board for the sole purpose of ensuring compliance with any applicable court order or state or federal law;
- 4) conducting trainings (required or voluntary), programs, or activities designed or implemented in reference to race, color, ethnicity, gender identity, or sexual orientation, other than trainings, programs, or activities developed by an attorney and approved in writing by the institution’s chief

**The University of Texas System
Systemwide or System Administration Internal Policy**

UTS 197

legal officer, the U.T. System’s Office of General Counsel, and the Texas Higher Education Coordinating Board for the sole purpose of ensuring compliance with any applicable court order or state or federal law.

- (b) Performing the duties of a DEI Office.

An institution shall not permit, hire, or assign any employee or volunteer or contract with a third party to perform any of the duties of a DEI Office set out in 2(a) above.

- (c) Requiring or considering DEI statements.

An institution shall not compel, require, induce, or solicit any person to provide a DEI statement or give preferential consideration to any person based on the provision of a DEI statement.

- (1) A “DEI statement” is a written or oral statement of a person’s commitment to (1) furthering diversity, equity, and inclusion based on race, color, ethnicity, national origin, sex, gender identity and/or sexual orientation or (2) promoting differential treatment of or providing special benefits to individuals based on their identification as a member of one or more of these classifications.

- (2) “Preferential consideration to any person” who provides a DEI statement means treating one person more favorably than another, in any respect, because of their inclusion or provision of a DEI statement expressing a preferred viewpoint in materials they provide to the institution.

- (d) Preferences based on race, sex, color, ethnicity, or national origin.
An institution shall not give preference on the basis of race, sex, color, ethnicity, or national origin to an applicant for employment, an employee, or a participant in any function of the institution.

To “give preference on the basis of” an attribute means to treat one person more favorably than another, in any respect, because of that attribute.

- (e) Requiring participation in DEI training.

An institution shall not require any person to participate in DEI training as a condition of enrollment, employment, or performing any institution function.

- (1) “DEI training” includes a training, program, or activity designed or implemented in reference to race, color, ethnicity, gender identity, or sexual orientation.

**The University of Texas System
Systemwide or System Administration Internal Policy****UTS 197**

- (2) “DEI training” does not include a training, program, or activity developed by an attorney and approved in writing by the institution’s chief legal officer, the U. T. System Office of General Counsel, and the Texas Higher Education Coordinating Board for the sole purpose of ensuring compliance with any applicable court order or state or federal law.
- (3) Prohibited “DEI trainings” do not include annual equal employment opportunity and Title IX compliance trainings, including sexual harassment training, for faculty, staff, and students designed to educate on legal obligations and the institution’s commitment to treating employees, students, and applicants consistently and fairly without regard to protected classifications, including race, color, sex, sexual orientation, gender identity, pregnancy, religion, national origin, age, disability, genetic information, citizenship status, and veteran status. The trainings identify applicable federal and state laws and institution policies, explain definitions, describe employee and student rights and reporting requirements, outline complaint reporting procedures, and emphasize the prohibition on retaliation.

Similarly, prohibited “DEI trainings” do not include trainings required of students, faculty, or staff as a sanction for violating institutional policies regarding compliance with Title IX, Title VII, and Chapter 21 of the Texas Labor Code or similar federal or state laws, if designed to educate recipients on compliance with institution policies.

Sec. 3 Exceptions from Section 2 Prohibitions**(a) Statements in Support of Grant Proposals or Accreditation Compliance**

- 1) Notwithstanding the prohibitions stated in Section 2 of this policy, an institution, or an employee of an institution, for purposes of applying for a grant or complying with the terms of accreditation by an accrediting agency, is permitted to submit to the grantor or accrediting agency a statement that:
 - i. Highlights the institution's work in supporting:
 1. first-generation college students;
 2. low-income students; or
 3. underserved student populations;
 - ii. Certifies compliance with state and federal antidiscrimination laws.

**The University of Texas System
Systemwide or System Administration Internal Policy****UTS 197**

- 2) Institutions may disclose data regarding impacts on certain student subgroups within the umbrella term of “underserved student populations.”
 - 3) Institutions are authorized to collect and disclose data and information, which includes but is not limited to data and information necessary to maintain accreditation.
- (b) **Academic Course Instruction.** Faculty instruction in their assigned courses, practicums, seminars, and executive education programs is not subject to the prohibitions of this policy.
- (c) **Scholarly Research or a Creative Work.** Scholarly research and creative work by an institution’s students, faculty, or other research personnel, and the dissemination of that research or work are not subject to the prohibitions of this policy.
- 1) “Scholarly research” may include research conducted by a student, faculty, or other research personnel in their respective field under generally accepted scientific standards (e.g., systems in place to ensure the quality and accuracy of hypotheses, methods, data, and findings, such as in a peer reviewed or refereed publication).
 - 2) UT System interprets “creative work” consistent with UT System’s Regents’ Rules and state and federal law. “Creative Work” may include academic work product of an innovative or interpretive nature, including, but not limited to, music, dance, visual art, and literature. “Creative work” may also include non-research written material created for publication and grant submissions seeking funding for research, instructional or other activities.
 - 3) Programmatic components directly related to and part of the scholarly research or creative work, as defined in Sections 3(c)(1)-(2) above, and proposed in a grant submission, are deemed scholarly research or creative work and are not subject to the prohibitions of this policy.
 - 4) “Research personnel” may include any non-faculty staff or trainee with assigned job responsibilities related to research based on the employment or academic training position they hold at an institution, including individuals who serve on institutional review boards.
- (d) **Student Organizations.** Student organizations that hold registered student organization status pursuant to an institution’s rules and polices are not subject to the prohibitions of this policy. Depending on the level of institutional control and support, and the institution’s policies and practices, the programs and activities of a student organization that is sponsored by the institution may be subject to the prohibitions of this policy.

- (e) **Guest Speakers and Performers.** The prohibitions in this policy do not apply to guest speakers or performers on short term engagements. An institution may host guest speakers and performers under its usual policies and rules on a short-term basis for limited duration events. UT System maintains its commitment to freedom of speech and expression at its institutions to promote open inquiry and expand knowledge.
- (f) **Student Academic Achievement and Postgraduate Outcomes.** This policy does not prevent an institution from having a policy, practice, procedure, program, or activity to enhance student academic achievement or postgraduate outcomes that is designed and implemented without regard to race, sex, color, or ethnicity.
- (g) **Data Collection.** Nothing in this policy prohibits the collection of data by an institution or its appropriate disclosure in compliance with the law. This policy includes other exceptions that may be related to the use of collected data, e.g., statements in support of grant proposals or accreditation compliance, academic course instruction, scholarly research, creative work, student academic achievement and postgraduate outcomes designed and implemented without regard to race, sex, color, or ethnicity, and student recruitment and admissions.
- (h) **Student Recruitment and Admissions.** The prohibitions of this policy generally do not apply to student recruitment and admissions except those prohibitions set out in Section 2(c) above.

Sec. 4 Policy Impact on Programs and Activities.

- (a) **Programs or Activities Designed in Reference to Sex.** This policy does not prohibit programs and activities designed in reference to sex, as opposed to gender identity or sexual orientation. Programs and activities designed for women or men that are otherwise lawfully implemented remain permissible. Examples of such permissible programs and activities include men's and women's athletics programs and single-sex dormitories. Academic programs, like Women in STEM, are permissible when such programs openly allow participation by both women and men.
- (b) **Employee Organizations.** Institutions shall not establish employee groups organized in reference to one or more of race, color, ethnicity, gender identity, or sexual orientation. Groups are considered established by an institution when they are created by the administration of a college, school, department, or business unit. This does not apply to employee organizations that are merely registered with the institution and do not have an employee assigned by the institution to lead the organization or its activities.

Employee resource groups are organizations that are not established by an institution. Employee resource groups typically consist of employees with a

**The University of Texas System
Systemwide or System Administration Internal Policy****UTS 197**

common background or a common set of interests. Identity-based groups must be open to all interested participants and receive similar treatment and benefits as other employee groups.

An institution's staff that handles ministerial tasks like reserving university spaces, coordinating access to audio visual equipment for meeting spaces, or other similar tasks, for all of an institution's employee organizations may continue to provide such services to all employee organizations, including those organized in reference to one or more of race, color, ethnicity, gender identity, or sexual orientation.

- (c) **Institutional Investigative Units.** The prohibitions in this policy do not apply to institutional investigative units that must sometimes consider race, color, ethnicity, gender identity, or sexual orientation in reaching determinations on alleged violations of institutional policies.
- (d) **Recognized History Events.** The prohibitions in this policy do not apply to institutional activities to participate in state, federal, or other widely recognized history events, including but not limited to Black History Month, Hispanic Heritage Month, Women's History Month, and Pride Month.
- (e) **Patient Healthcare and Other Health and Wellness Initiatives.** The prohibitions in this policy do not apply to the provision of healthcare to patients and health and wellness initiatives, which are expressly excluded from the definition of programs or activities. Healthcare is individualized and is primarily designed and implemented to address health care needs.

Sec. 5 Employee Compliance.

- (a) Employees, including contractors hired to perform university work that would otherwise be performed by an institutional employee, are subject to discipline, up to and including termination, for violating any provision set out in Section 2 above.
- (b) Institutions may either use their existing discipline policies and procedures or develop new policies and procedures for handling violations of this policy.

Sec. 6 Impacted Employee Positions.

- (a) An employee whose position is eliminated through implementation of Texas Education Code § 51.3525 may be reassigned to a different position at the institution, if appropriate, or invited to apply for a different position.

**The University of Texas System
Systemwide or System Administration Internal Policy**

UTS 197

- (b) An institution may provide a letter of recommendation for employment at the institution or elsewhere to each employee in good standing whose position is eliminated as a result of the implementation of Texas Education Code § 51.3525. The institution may also provide such employees reemployment assistance.

Sec. 7 Institution Compliance and Certification.

- (a) Institutions shall adopt and communicate policies, procedures, or other guidance to implement the requirements of Texas Education Code § 51.3525 and this policy and shall educate community members on permitted and prohibited activities. Institutions shall identify one or more points of contact that various constituencies may consult with compliance questions.
- (b) The institution president shall, upon confirming the institution's compliance with this policy, submit to the Chancellor a certification on behalf of the institution that the institution complies with this policy.
- (c) The required form and timing of an institution's certification will be prescribed by the Chancellor.
- (d) An institution may not spend money appropriated to the institution for a state fiscal year until the Board of Regents submits to the legislature and the Texas Higher Education Coordinating Board a report certifying the board's compliance with this Section during the preceding state fiscal year. This provision applies beginning with funds appropriated for the fiscal year starting September 1, 2024.

Sec. 8 State Audit for Compliance with Texas Education Code § 51.3525(g).

- (a) Upon receiving notice from the state auditor of an audit of the institution under Texas Education Code § 51.3525, an institution shall promptly notify the UT System Audit Office and the Vice Chancellor and General Counsel of the pending audit.
- (b) An institution is required to cooperate with the state auditor conducting the statutory audit.
- (c) If an institution receives an audit finding of a violation of Texas Education Code § 51.3525, it must cure the violation not later than the 180th day after the date on which the determination is made; and if the institution fails to cure the violation during the 180-day period, it shall be ineligible to receive formula funding increases, institutional enhancements, or exceptional items during the state fiscal biennium immediately following the state fiscal biennium in which the determination is made.

**The University of Texas System
Systemwide or System Administration Internal Policy**

UTS 197

Sec. 9 Texas Higher Education Coordinating Board Study under Texas Education Code § 51.3525(j).

An institution shall coordinate with the Texas Higher Education Coordinating Board to complete the statutorily required biennial study.

Sec. 10 Effective Date

Institutions shall take immediate steps to ensure implementation by January 1, 2024, the effective date of Senate Bill 17.

Title

Termination of a Faculty Member

Sec. 1 Purpose

The purpose of this document is to ensure full and consistent compliance with federal and state laws and Regents' Rule 31008.

Sec. 2 Applicability

This policy covers policies and procedures for the termination for good cause or for summary dismissal of a (1) tenured faculty member; (2) term-tenured faculty member during the term of appointment; or (3) non-tenured faculty member during the term of appointment.

This policy does not cover a nonrenewal at the end of the faculty member's appointment. Rule 31008, Section 7, applies when an institution decides not to renew or reappoint a non-tenured or term-tenured faculty member at the end of their appointment pursuant to Regents' Rule 31007, Section 5, or Regents' Rule 31002, Sections 1 and 2.

The procedures in Rule 31003 apply when a faculty member's employment is terminated due to an institutional financial exigency or due to an institution's decision to eliminate occupied academic positions or abandon academic programs.

Sec. 3 Good Cause

"Good cause" for termination may be found when the faculty member has engaged in one of the following forms of conduct and the faculty conduct is sufficiently serious in nature such that the president determines it is in the best interest of the institution to separate the implicated faculty:

- (a) professional incompetence;
- (b) continually or repeatedly failing to perform duties or meet professional responsibilities of the faculty member's position;
- (c) failure to successfully complete a required professional development program;
- (d) conduct involving moral turpitude that adversely affects the institution or the faculty member's performance of duties or meeting of responsibilities;
- (e) violation of laws or System or institution policies substantially related to the performance of the faculty member's duties;
- (f) conviction of a crime affecting the fitness of the faculty member to engage in teaching, research, service, outreach, or administration;

**The University of Texas System
Systemwide or System Administration Internal Policy**

UTS 198

- (g) unprofessional conduct that adversely affects the institution or the faculty member's performance of duties or meeting of responsibilities;
- (h) falsification or misrepresentation of the faculty member's academic credentials, scholarly work, or research data, or other research or academic fraud or misconduct, including but not limited to fabrication, falsification, plagiarism or misrepresenting publications;
- (i) failure to maintain credentials or licenses required to perform job duties; or
- (j) sexual misconduct.

Sec. 4 Grounds for Summary Dismissal

Summary Dismissal procedures may be initiated, in accordance with applicable procedures, when the allegations made against the faculty member are sufficiently serious in nature such that the president determines it is in the best interest of the institution to have the faculty member immediately removed from their position because the alleged conduct (1) creates a serious safety threat to students, faculty, staff, or members of the public; (2) creates a significant threat to national security; or (3) creates a significant adverse impact on the operation of the institution.

Sec. 5 Institution Policies and Procedures

Each institution shall adopt policies and procedures regarding faculty termination that comply with federal and state laws and Regents' Rule 31008 and are substantively consistent with a model policy promulgated by U. T. System Administration. Institutional policies and procedures must be approved by the Chancellor, Executive Vice Chancellor for Academic Affairs or Health Affairs, and the Vice Chancellor and General Counsel. (Regents' Rule 31008, Sec. 4)

6. U. T. System Board of Regents: Discussion and possible action concerning supplemental distribution from the Permanent University Fund into the Available University Fund for Fiscal Year 2024

The Board approved the following recommendation:

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents approve a special one-time supplemental distribution of \$462,680,000 from the Permanent University Fund (PUF) into the Available University Fund (AUF) for Fiscal Year 2024.

BACKGROUND INFORMATION

Article VII, Section 18 of the Texas Constitution requires that the amount of distributions to the AUF be determined by the Board of Regents of The University Texas System. On August 24, 2023, the Board of Regents approved a PUF distribution for FY 2024 of \$1,407,795,000, equal to 5.27% of the trailing 20-quarter average of the net asset value of the PUF. With the proposed supplemental one-time distribution of \$462,680,000, the aggregate proposed PUF distribution for FY 2024 is \$1,870,475,000.

Article VII, Section 18 of the Texas Constitution requires that the annual distribution from the PUF to the AUF during any fiscal year made by the Board of Regents may not exceed an amount equal to 7% of the average net fair market value of PUF investment assets as determined by the Board of Regents (except as necessary to pay PUF bond debt service). The annual distribution rate calculated using the trailing 20-quarter average value of the PUF is within the 7% maximum allowable distribution rate.

Value of PUF Investments (1)	Proposed Aggregate Distribution	Proposed Distribution as a % of Value of PUF Investments	Maximum Allowed Rate
\$26,721,088,387	\$ 1,870,475,000	7.00%	7.00%

(1) Source: UTIMCO

7. U. T. System Board of Regents: Recognition of service of Francie A. Frederick, J.D. as General Counsel to the U. T. System Board of Regents

Chairman Eltife presented the following proclamation, in recognition of over 44 years of service of Francie A. Frederick, and as such was adopted by the Board unanimously.

- WHEREAS** Francie A. Frederick, J.D., has served The University of Texas System with distinction for more than 44 years; and
- WHEREAS** Her insightful and poised leadership has seen her advance to the roles of Acting Vice Chancellor for Academic Affairs and ultimately to General Counsel to the Board of Regents, a vital and intricate role she has undertaken with leadership, poise, and grace for more than 17 years; and
- WHEREAS** Her wise counsel and sound guidance has helped shepherd the U. T. System through times of immense and positive transformation in service to Texans; and
- WHEREAS** Her deep knowledge of legal and administrative responsibilities of governing boards contributed immensely to the Regents' successful ability to discharge their roles and duties; and
- WHEREAS** Her camaraderie, humor, and composure have supported and sustained generations of U. T. System leaders; and
- WHEREAS** Her firm and steadfast commitment to service has transcended her service to The University of Texas through her leadership and consultation with civic and professional organizations throughout the State of Texas; and
- WHEREAS** She has made herself an indispensable source of goodwill, knowledge, good advice, and wise support and a paragon of service for the entirety of the U. T System and our state;

NOW, THEREFORE, THE UNIVERSITY OF TEXAS SYSTEM BOARD OF REGENTS honors and expresses utmost gratitude for the exceptional career of Francie Frederick and wishes her the very best as she embraces the next adventure in a life full of remarkable service and success.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 11:18 a.m.

/s/

Tina E. Montemayor
Secretary to the Board of Regents



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

Committee and Board Meetings:
November 15 - 16, 2023
Austin, Texas

Page

MEETING OF THE BOARD

1. Minutes - **U. T. System Board of Regents:** Approval of Minutes of the regular meeting held August 23-24, 2023 **65**

AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE

2. Contract (funds going out) - **U. T. System:** Beecher Carlson Insurance Services, LLC, to provide insurance broker and risk management services related to property and builder's risk insurance programs **65**
3. Contract (funds going out) - **U. T. System:** Ultimate Crane Services, LLC, to provide specialized risk management services **65**
4. Contract (funds going out) - **U. T. System:** NextJob, Inc., to provide reemployment services to transitioning employees **66**

FINANCE AND PLANNING COMMITTEE

5. Other Fiscal Matters - **U. T. System:** 2023 Group Purchasing Organization (GPO) Accreditation Program Results **66**

ACADEMIC AFFAIRS COMMITTEE

6. Foreign Contract - **U. T. System:** Approval of Memorandum of Understanding for International Collaboration with the University Academic Alliance in Taiwan **67**
7. Contract (funds going out) - **U. T. Arlington:** Amendment to Agreement with Groome Transportation of Texas, Inc., to provide shuttle bus and van service **68**
8. Contract (funds going out) - **U. T. Arlington:** ISCO Contractors, LLC, to provide make ready services for residential housing units **69**
9. Request for Budget Change - **U. T. Arlington:** Transfer \$7,802,373 from Tuition and Fees and External Restricted Federal, State and Local Grants to Operating Expense for merit, student services, classroom technology, increase in benefits, faculty startup, new tenure faculty hires, and market adjustments (RBC No. 13060) -- amendment to the 2023-2024 budget **69**

- | | Page |
|---|------|
| 10. Contract (funds coming in) - U. T. Austin: Amendment to Agreement with Bottling Group, LLC, to provide and supply beverages, food, and sundry items to contractor-owned vending machines on campus | 70 |
| 11. Contract (funds coming in) - U. T. Austin: Amendment to Agreement with Compass Group USA, Inc., through its Canteen Division, to provide and supply beverages and snacks to contractor-owned vending machines on campus | 71 |
| 12. Contract (funds going out) - U. T. Austin: W. E. Imhoff & Company Inc., dba Intertech Flooring, to provide job order contracting services to campus facilities | 72 |
| 13. Interagency Agreement (funds coming in) - U. T. Austin: Amendment to Agreement for Office of Admissions to maintain ApplyTexas system for admission into Texas-based colleges on behalf of the Texas Higher Education Coordinating Board | 72 |
| 14. Request for Budget Change - U. T. Austin: Transfer \$8,000,000 from Intellectual Property Income – Operating Income to Intellectual Property Income – Maintenance, Operation and Equipment to increase spending authority to allow for inventor payments to U. T. Austin researchers for the technology invented for the COVID-19 vaccine (RBC No. 13017) -- amendment to the 2022-2023 budget | 73 |
| 15. Request for Budget Change - U. T. Austin: Tenure Appointment -- amendment to the 2022-2023 budget | 73 |
| 16. Request for Budget Change - U. T. Austin: Tenure Appointments -- amendment to the 2023-2024 budget | 74 |
| 17. Request for Budget Change - U. T. Dallas: New Hire with Tenure -- amendment to the 2022-2023 budget | 75 |
| 18. Request for Budget Change - U. T. Dallas: New Hire with Tenure -- amendment to the 2023-2024 budget | 75 |
| 19. Request for Budget Change - U. T. El Paso: Transfer \$7,440,940 from Road Shows and Special Events Revenue to Road Shows and Special Events Maintenance and Operations to adjust budget related to increased stadium event activities (RBC No. 13047) -- amendment to the 2022-2023 budget | 75 |
| 20. Contract (funds coming in) - U. T. Rio Grande Valley: Approval of Amendment to Annual Operating Agreement with South Texas Health System | 76 |
| 21. Request for Budget Change - U. T. Rio Grande Valley: New Hire with Tenure -- amendment to the 2023-2024 budget | 76 |
| 22. Request for Budget Change - U. T. San Antonio: Transfer \$7,600,000 from income or unappropriated balances for E&G, Auxiliary, Designated, Service Departments, Revolving, and Plant Funds for the Merit Pool (RBC No. 13032) -- amendment to the 2023-2024 budget | 77 |

	Page
23. Request for Budget Change - U. T. San Antonio : Tenure Appointment -- amendment to the 2023-2024 budget	77
24. Purchase - U. T. San Antonio : Authorization to purchase the leasehold interest and project improvements in the Roadrunner Athletics Center of Excellence, comprised of approximately 93,929 square feet of improvements and outdoor football fields on approximately 11.35 acres of land located on the main campus at 1 UTSA Circle, San Antonio, Bexar County, Texas, from the Roadrunner Foundation, for mission purposes, including general office, academic, athletic, and classroom purposes; and resolution regarding parity debt	78
25. Contract (funds coming in) - Stephen F. Austin State University : Amendment to Multi-Media Rights Agreement with Lumberjack Sports Properties, LLC (a subsidiary of Learfield Communications, Inc.) to extend contract term, combine existing agreements, and improve revenue sharing	79
26. Purchase - U. T. Tyler : Authorization to purchase approximately 1.242 acres of land and improvements, including an approximately 1,380-square-foot residential building, located at 7010 Highway (CR) 219, Tyler, Smith County, Texas, from Darren Lee Glaspie, acting by Terisa Glaspie, his agent and Attorney-in-Fact; and Terisa Glaspie, for future campus use	80
27. Purchase - U. T. Tyler : Authorization to purchase approximately 13.743 acres of land and improvements, including an approximately 2,793-square-foot residential building with various site improvements, including fencing, sheds, and outbuildings, located at 6832 Highway (CR) 219, Tyler, Smith County, Texas, from Ron L. Luman, Tina Luman and D. Mark Luman, their successors, heirs, and/or assigns, for future campus use	80
HEALTH AFFAIRS COMMITTEE	
28. Contract (funds coming in) - U. T. Southwestern Medical Center : To provide physician and other health services to Dallas County Hospital District, dba Parkland Health and Hospital System	81
29. Contract (funds going out) - U. T. Southwestern Medical Center : Amendment to Agreement with Sodexo Services of Texas Limited Partnership to provide operation and management of hospital nutrition services	81
30. Contract (funds coming in) - U. T. Medical Branch - Galveston : To provide centralized pharmaceutical distribution services to Correctional Managed Care sites administered by Texas Tech University Health Sciences Center	82
31. Contract (funds coming in) - U. T. Medical Branch - Galveston : To provide Correctional Managed Care Services to inmates in units operated by the Texas Department of Criminal Justice	82
32. Contract (funds coming in) - U. T. Medical Branch - Galveston : To provide health care services to inmates within the Texas Juvenile Justice Department	83

33. Contract (funds going out) - **U. T. Medical Branch - Galveston**: Amendment to Agreement with AT&T Corp. to provide high speed internet connections to U. T. Medical Branch Correctional Managed Care prison units, clinics, and office locations **83**
34. Contract (funds going out) - **U. T. Medical Branch - Galveston**: Tejas Anesthesia, PLLC, to provide anesthesia services at U. T. Medical Branch - Galveston's League City Campus **84**
35. Request for Budget Change - **U. T. Medical Branch - Galveston**: New Hire with Tenure -- amendment to the 2022-2023 budget **85**
36. Purchase - **U. T. Medical Branch - Galveston**: Authorization to purchase approximately 0.118 acres of land and approximately 2,292 square feet of improvements, including a single-family residential home, garage, and garage apartment located at 616 Church Street, Galveston, Galveston County, Texas, from Alba Teresa Wylie, for future campus expansion **85**
37. Purchase - **U. T. Medical Branch - Galveston**: Authorization to purchase approximately 1.62 acres of land and improvements, including an approximately 8,962-square-foot medical office building and parking lot, located at 511 Park Grove Drive, Katy, Harris County, Texas from UTMB Healthcare System, Inc., for mission related purposes, including medical clinic related use **86**
38. Purchase - **U. T. Medical Branch - Galveston**: Authorization to purchase approximately 1.76 acres of land located near the northeast corner of Clear Lake City Boulevard and Aesthetic Circle, Houston, Harris County, Texas, from Texas Children's Hospital, for mission related purposes, including medical clinic related use **86**
39. Purchase - **U. T. Medical Branch - Galveston**: Authorization to purchase approximately 2.429 acres of land improved with an approximately 28,950-square-foot vacant micro-hospital, medical office building, and other supporting improvements, located at 1351 Clear Lake City Boulevard, Houston, Harris County, Texas, from FM 1960 Medical Village II, L.P., for mission related purposes, including medical clinic related use **87**
40. Purchase - **U. T. Medical Branch - Galveston**: Authorization to purchase approximately 4.40 acres of land and improvements, including an approximately 373,070-square-foot hospital building and related parking garage currently leased to U. T. Medical Branch - Galveston located at 200 Blossom Street, Webster, Harris County, Texas, from HC 200 Blossom Street, LLC, or related entity, for mission purposes to include clinical, research, and educational uses; and resolution regarding parity debt **87**
41. Contract (funds coming in) - **U. T. Health Science Center - Houston**: Amendment to Agreement with Memorial Hermann Health System to provide financial support for U. T. Health Science Center - Houston's academic, research, and community service programs **88**
42. Interagency Agreement (funds coming in) - **U. T. Health Science Center - Houston**: Interagency agreement with the Texas Department of Family and Protective Services to provide mental health services **89**
43. Request for Budget Change - **U. T. Health Science Center - Houston**: Tenure Appointments -- amendment to the 2023-2024 budget **89**

Page

- 44.
Request for Budget Change - **U. T. Health Science Center - San Antonio**: New Hires with Tenure -- amendment to the 2022-2023 budget
90
- 45.
Request for Budget Change - **U. T. Health Science Center - San Antonio**: New Hire with Tenure -- amendment to the 2023-2024 budget
90
- 46.
Lease - **U. T. Health Science Center - San Antonio**: Authorization to lease approximately 1.372 acres of land improved with a building containing approximately 52,000 square feet of space located at 7337 Louis Pasteur Drive on the institution’s main campus in San Antonio, Bexar County, Texas, to Bexar County, for use as a morgue, a medical examiner’s office, and for forensic science; and finding of public purpose
91
- 47.
Contract (funds going out) - **U. T. M. D. Anderson Cancer Center**: Production Solutions, Inc., to provide direct marketing fundraising production and other related services
93
- 48.
Request for Budget Change - **U. T. M. D. Anderson Cancer Center**: New Hire with Tenure -- amendment to the 2023-2024 budget
93
- 49.
Purchase - **U. T. M. D. Anderson Cancer Center**: Authorization to purchase and temporarily lease back approximately 3.93 acres of land and improvements, including an approximately 57,620-square-foot light industrial manufacturing building and parking lot, located at 2611 El Camino Street, Houston, Harris County, Texas, from National Signs Real Estate, L.P., a Delaware limited partnership, for mission related purposes
94

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

- 50.
Other Fiscal Matters - **U. T. Austin**: For the Engineering Discovery Building project, amend the current Capital Improvement Program to revise funding sources; appropriation of funds and authorization of expenditure; and resolution regarding parity debt
95
- 51.
Other Fiscal Matters - **U. T. Austin**: For the Library Storage Facility Phase IV project, amend the current Capital Improvement Program to revise funding sources; appropriation of funds and authorization of expenditure; and resolution regarding parity debt
96

MEETING OF THE BOARD

1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meeting held August 23-24, 2023

AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE

2. Contract (funds going out) - U. T. System: Beecher Carlson Insurance Services, LLC, to provide insurance broker and risk management services related to property and builder's risk insurance programs

Agency: Beecher Carlson Insurance Services, LLC

Funds: \$9,500,000 to be spent over the life of the contract

Period: October 1, 2023 through October 1, 2027; with option to renew for three additional one-year terms

Description: Beecher Carlson Insurance Services, LLC, to provide insurance broker and risk management services related to property and builder's risk insurance programs. Services include risk assessments, program design/placement, and claims handling. This contract was competitively bid.

3. Contract (funds going out) - U. T. System: Ultimate Crane Services, LLC, to provide specialized risk management services

Agency: Ultimate Crane Services, LLC

Funds: \$1,000,000 over life of the contract

Period: September 16, 2023 through September 16, 2028

Description: Ultimate Crane Services, LLC, to provide oversight as well as structural and mechanical integrity inspections and testing during tower crane erection, dismantle, or jumping operations on Rolling Owner Controlled Insurance Program (ROCIP) covered construction projects. This contract was competitively bid.

4. Contract (funds going out) - U. T. System: NextJob, Inc., to provide reemployment services to transitioning employees

Agency: NextJob, Inc.

Funds: Approximately \$1,000,000 over the life of the contract

Period: June 1, 2023 through May 31, 2027; with option to renew for two additional one-year terms

Description: NextJob, Inc., to provide reemployment services to transitioning U. T. institution employees eligible to file a lack of work claim with the Texas Workforce Commission. This contract was competitively bid.

FINANCE AND PLANNING COMMITTEE

5. Other Fiscal Matters - U. T. System: 2023 Group Purchasing Organization (GPO) Accreditation Program Results

On February 11, 2016, the Board of Regents approved a Group Purchasing Organization (GPO) Accreditation Program. The Program is designed to ensure that U. T. institutions utilize contracts offered by GPOs, including Texas state agencies performing GPO functions, only if the GPOs use sourcing processes accredited by U. T. System as meeting minimum procurement standards. The approval delegated authority to the Executive Vice Chancellor for Business Affairs to determine whether any applicant for accreditation meets such standards. Results from previous years of operation of the Program were reported to the Board of Regents at the August 25, 2016; August 24, 2017; November 15, 2018; November 14, 2019; November 19, 2020; and November 17, 2022 meetings.

No new applications for accreditation were submitted in 2023. In line with Program procedures, no formal compliance reviews of GPOs previously accredited were conducted in 2023. However, the Executive Vice Chancellor for Business Affairs revoked U. T. System's accreditation of National Cooperative Purchasing Alliance because it was acquired by another GPO that declined the invitation to apply for accreditation.

As a result, the following are the GPOs accredited at the conclusion of the 2023 Program:

- The University of Texas System Supply Chain Alliance
- Choice Partners National Purchasing Cooperative
- E&I Cooperative Services, Inc.
- Education Service Center - Region 19 Allied States Cooperative

- The Local Government Purchasing Cooperative, dba BuyBoard Texas
- Comptroller of Public Accounts (Statewide Procurement Division) (TPASS/TXMAS)
- Texas Department of Information Resources (DIR)
- National Cooperative Purchasing Alliance (NCPA)
- Sourcewell, formerly known as National Joint Powers Alliance (NJPA)
- Vizient, Inc.

All accreditations will expire August 31, 2026, unless terminated earlier under U. T. System procedures.

ACADEMIC AFFAIRS COMMITTEE

6. Foreign Contract - U. T. System: Approval of Memorandum of Understanding for International Collaboration with the University Academic Alliance in Taiwan

Agency: University Academic Alliance in Taiwan

Funds: No exchange of funds

Period: Five years from the date of execution of the Agreement

Description: The purposes of the Memorandum of Understanding (MOU) are to promote research and discovery, to foster enrichment of teaching and learning, to strengthen and expand mutual contacts and activities, and to provide for a variety of collaborative educational and research opportunities for faculty and students at the U. T. institutions and the institutions of the University Academic Alliance in Taiwan.

7. Contract (funds going out) - U. T. Arlington: Amendment to Agreement with Groome Transportation of Texas, Inc., to provide shuttle bus and van service

Agency: Groome Transportation of Texas, Inc.

Funds: Approximately \$9,500,000 over the life of contract

Period: October 1, 2023 through December 17, 2026, with no renewals

Description: Amendment to extend the term and increase the contract amount due to pandemic related contract extensions, certified driver wage increases, and additional services previously provided through another vendor. This Eighth Amendment is effective October 1, 2023, and ratifies pricing increases as August 1, 2022.

Groome Transportation of Texas, Inc., provides shuttle bus and van service to the U. T. Arlington main campus and surrounding areas for students, faculty, and staff. Buses run on a continuous path through the campus and to surrounding parking lots at all times classes are in session with limited routes during evenings, weekends, and semester breaks.

The original contract was competitively procured and approved by the Board of Regents on February 27, 2018, for the amount of \$5,705,000. The first seven contract amendments did not require Board approval as the contract value has remained under the previously approved \$5,705,000. This Eighth Amendment increases the contract value to \$9,500,000.

8. Contract (funds going out) - U. T. Arlington: ISCO Contractors, LLC, to provide make ready services for residential housing units

Agency: ISCO Contractors, LLC

Funds: Total cost has potential to exceed \$2,500,000 over the maximum six-year contract period

Period: February 1, 2022 through January 31, 2025; with option of three additional one-year renewals

Description: ISCO will provide make ready services for University-owned housing complexes. Types of services include maintenance, painting, and cleaning.

This is an indefinite quantity, indefinite delivery type contract where services are requested on an as-needed basis. Spend will be monitored by issuing specific work orders against the contract. Specific project costs are based on the exact type of work needed for each unit.

Initially, awards were made to multiple contractors to ensure adequate coverage for the often unpredictable workload. The awarded contracts did not exceed the \$2,500,000 delegated authority threshold. However, one of the original contracts was terminated due to unsatisfactory work and the other contractor's pricing has become cost prohibitive due to increased labor costs. Therefore, U. T. Arlington anticipates using the remaining contractor (ISCO) to complete all work and estimates the spend may exceed the institution's contract delegated authority threshold over the term of the contract.

Services were competitively procured and U. T. Arlington will continue to closely monitor spending during contract term.

9. Request for Budget Change - U. T. Arlington: Transfer \$7,802,373 from Tuition and Fees and External Restricted Federal, State and Local Grants to Operating Expense for merit, student services, classroom technology, increase in benefits, faculty startup, new tenure faculty hires, and market adjustments (RBC No. 13060) -- amendment to the 2023-2024 budget

10. Contract (funds coming in) - U. T. Austin: Amendment to Agreement with Bottling Group, LLC, to provide and supply beverages, food, and sundry items to contractor-owned vending machines on campus

Agency: Bottling Group, LLC

Funds: \$125,355 for Amendment term; total value of \$2,262,663

Period: December 1, 2023 through December 31, 2024

Description: This is an amendment to an existing Agreement with Bottling Group, LLC. Bottling Group to provide and supply beverages, food, and sundry items for vending machines on campus. The underlying Agreement and all prior Amendments were previously approved by the Board of Regents.

The original parent Vending Machine Agreement had a term of December 1, 2017 through December 31, 2021, with the option to extend for two additional three-year periods. At the end of the initial three-year term, the Fourth Amendment updated the Agreement to replace the original renewal terms with six additional one-year terms. This Sixth Amendment enters into the third of the six optional extension periods and outlines the payment scheme for December 1, 2023 through December 31, 2024. The Agreement was procured under a competitive procurement process, and has a total value of \$2,262,663. Parking and Transportation Services (PTS) anticipates receiving \$125,355 during the one-year term of the Sixth Amendment.

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

11. Contract (funds coming in) - U. T. Austin: Amendment to Agreement with Compass Group USA, Inc., through its Canteen Division, to provide and supply beverages and snacks to contractor-owned vending machines on campus

Agency: Compass Group USA, Inc., through its Canteen Division

Funds: \$187,181 for Amendment term; total value of \$1,497,451

Period: December 1, 2023 through December 31, 2024

Description: Compass Group USA, Inc., through its Canteen Division, will provide and supply beverages, food, and sundry items to contractor-owned vending machines on campus.

The underlying Vending Machine Agreement has a term of January 1, 2022 through December 31, 2025; with the option to extend for three additional two-year periods. The Agreement was procured under a group purchasing organization, E&I Cooperative Services, and has a total value of \$1,497,451. It was approved by U. T. System Board of Regents on November 18, 2021.

This First Amendment outlines the payment scheme for the period of December 1, 2023 through December 31, 2024. Parking and Transportation Services (PTS) anticipates receiving \$187,181 during the one-year term of the First Amendment.

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

12. Contract (funds going out) - U. T. Austin: W. E. Imhoff & Company Inc., dba Intertech Flooring, to provide job order contracting services to campus facilities

Agency: W. E. Imhoff & Company Inc., dba Intertech Flooring

Funds: Total costs are expected to exceed \$5,000,000, over the maximum five-year contract period

Period: January 1, 2019 through December 31, 2019; with four one-year renewal options

Description: W. E. Imhoff & Company Inc., dba Intertech Flooring, to provide flooring related job order contracting services, with project varying in scope and size. Separate service agreements will be executed for individual projects. Services were competitively procured. Contract is being brought forward for Board approval as expenditures are expected to exceed the \$5,000,000 threshold.

13. Interagency Agreement (funds coming in) - U. T. Austin: Amendment to Agreement for Office of Admissions to maintain ApplyTexas system for admission into Texas-based colleges on behalf of the Texas Higher Education Coordinating Board

Agency: Texas Higher Education Coordinating Board

Funds: \$1,150,000 for Amendment term, increasing total value to \$5,465,591

Period: September 1, 2023 through August 31, 2024

Description: Second Amendment to the Agreement with Texas Higher Education Coordinating Board (THECB) to maintain ApplyTexas, the Texas Common Application system for admission into Texas-based colleges (as prescribed in *Texas Education Code*, Section 51.762(g)), on behalf of THECB and general academic teaching institutions and community colleges in Texas.

The original Agreement was approved by the Board of Regents on May 1, 2018, with a term of September 1, 2018 through August 31, 2022, and a total value of \$3,215,591. The First Amendment extended the term of the Agreement from September 1, 2022 through August 31, 2023, and added \$1,100,000 to the Agreement for a total of \$4,315,591, which did not require Board approval as the amended contract value was below the institution's new delegated authority threshold of \$5,000,000. This Second Amendment extends the term of the Agreement from

September 1, 2023 through August 31, 2024, and adds \$1,150,000 to the Agreement, bringing the total value of the Agreement to \$5,465,591.

This Amendment is entered into as pursuant to the Interagency Cooperation Act (*Texas Government Code*, Chapter 771).

- 14. Request for Budget Change - U. T. Austin: Transfer \$8,000,000 from Intellectual Property Income – Operating Income to Intellectual Property Income – Maintenance, Operation and Equipment to increase spending authority to allow for inventor payments to U. T. Austin researchers for the technology invented for the COVID-19 vaccine (RBC No. 13017) -- amendment to the 2022-2023 budget

- 15. Request for Budget Change - U. T. Austin: Tenure Appointment -- amendment to the 2022-2023 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
Dell Medical School					
Pediatrics					
Professor					
Stephen Ekker (T)	8/28-8/31	100	12	325,000	13033

16. Request for Budget Change - U. T. Austin: Tenure Appointments -- amendment to the 2023-2024 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
School of Architecture					
Architecture					
Dean and Professor					
Heather Woofler (T)	9/1-8/31	100	12	365,000	13038
College of Liberal Arts					
Geography and the Environment and Philosophy					
Associate Professor					
Mark Budolfson (T)	9/1-5/31	100	09	125,000	13034
Philosophy					
Associate Professor					
Patricio Fernandez (T)	9/1-5/31	100	09	126,000	13035
School of Nursing					
Nursing					
Dean and Professor					
Eun Ok Im (T)	9/1-8/31	100	12	430,000	13037
School of Social Work					
Social Work					
Associate Professor					
Rebecca Gomez (T)	9/1-5/31	100	09	150,000	13036

17. Request for Budget Change - U. T. Dallas: New Hire with Tenure -- amendment to the 2022-2023 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
Erik Jonsson School of Engineering and Computer Science					
Bioengineering					
Associate Professor					
Brian Kim (T)	8/1-5/31	100	09	140,000	13029

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

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
School of Behavioral and Brain Sciences					
Psychology					
Professor					
Noa Ofen (T)	1/1-5/31	100	09	148,000	13028

19. Request for Budget Change - U. T. El Paso: Transfer \$7,440,940 from Road Shows and Special Events Revenue to Road Shows and Special Events Maintenance and Operations to adjust budget related to increased stadium event activities (RBC No. 13047) -- amendment to the 2022-2023 budget

20. Contract (funds coming in) - U. T. Rio Grande Valley: Approval of Amendment to Annual Operating Agreement with South Texas Health System

Agency: South Texas Health System (STHS)

Funds: Quarterly payments of \$587,542 from July 1, 2023 through June 30, 2024, or \$2,350,166 for the academic year, final amount subject to reconciliation

Period: July 1, 2023 through June 30, 2024

Description: The Annual Operating Agreement between STHS and U. T. Rio Grande Valley documents the payments flowing between the parties in connection with graduate medical education programs and describes the commitment of the parties related to educational, clinical, structural, financial, and administrative needs of the medical education programs and other collaboration efforts. The Agreement was initially approved by the Board of Regents on May 23, 2019, with payments totaling \$3,829,848 for Academic Year (AY) 2019 and AY 2020. The First and Second Amendments were approved by the Board on November 17, 2022, with payments of \$2,195,975 per year for AY 2021 and AY 2022, and payments of \$2,258,199 per year for AY 2023 and AY 2024.

This Third Amendment continues support of the Family Residency Program by STHS and increases payments for AY 2024 to \$2,350,166, subject to reconciliation.

21. Request for Budget Change - U. T. Rio Grande Valley: New Hire with Tenure -- amendment to the 2023-2024 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
School of Medicine					
Medicine and Oncology					
Chair and Professor					
Everardo Cobos (T)	9/1-8/31	30	12	\$350,000	13063
	9/1-8/31	70	12	\$200,000	

22. Request for Budget Change - U. T. San Antonio: Transfer \$7,600,000 from income or unappropriated balances for E&G, Auxiliary, Designated, Service Departments, Revolving, and Plant Funds for the Merit Pool (RBC No. 13032) -- amendment to the 2023-2024 budget

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

Description	\$ Amount	RBC #
Merit-Based Compensation Plan for faculty and staff		
Amount of Transfer:	7,600,000	13032
From: Tuition and Fees Revenue	7,600,000	
To: Instruction Merit Pool	2,240,000	
Research Merit Pool	1,520,000	
Public Service Merit Pool	190,000	
Academic Support Merit Pool	1,320,000	
Auxiliary Merit Pool	480,000	
Student Services Merit Pool	460,000	
Institutional Support Merit Pool	970,000	
Operations and Maintenance of Plant Merit Pool	420,000	

23. Request for Budget Change - U. T. San Antonio: Tenure Appointment -- amendment to the 2023-2024 budget

The following Request for Budget Change (RBC) has been administratively approved by the Chancellor and the Executive Vice Chancellor for 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 \$	
College of Liberal and Fine Arts					
School of Engagement					
Professor					
John Phillip Santos (T)	9/1-5/31	100	09	148,000	13030

24. Purchase - U. T. San Antonio: Authorization to purchase the leasehold interest and project improvements in the Roadrunner Athletics Center of Excellence, comprised of approximately 93,929 square feet of improvements and outdoor football fields on approximately 11.35 acres of land located on the main campus at 1 UTSA Circle, San Antonio, Bexar County, Texas, from the Roadrunner Foundation, for mission purposes, including general office, academic, athletic, and classroom purposes; and resolution regarding parity debt

Description: Purchase of the leasehold interest and project improvements in the Roadrunner Athletics Center of Excellence (RACE), comprised of approximately 93,929 square feet of improvements and outdoor football fields on approximately 11.35 acres of land located on the main campus at 1 UTSA Circle, San Antonio, Bexar County, Texas. The RACE is U. T. San Antonio's primary indoor athletic training facility, and its primary outdoor football training facility.

Pursuant to a Board authorization on August 15, 2019, the institution leased land to the Roadrunner Foundation for the development of the RACE on its main campus and a locker room on the Park West Campus. The Foundation completed construction of the RACE in July 2021.

U. T. San Antonio currently leases back the RACE at an advantageous rental rate of \$1,000,000 annually; both the ground lease to the Foundation, and the facility lease back to U. T. San Antonio, expire in July 2046. Purchase of the RACE leasehold interest will lead to the termination of the ground lease to the Foundation and related facility lease to the institution.

Seller: Roadrunner Foundation, a Texas nonprofit corporation; the Foundation's sole purpose is to support U. T. San Antonio's Department of Intercollegiate Athletics.

Purchase Price: Not to exceed fair market value as determined by independent appraisal.

Fair market value of the leasehold interest as of December 1, 2023, is \$12,760,000 as estimated in an appraisal dated July 6, 2023, by Valbridge Property Advisors. The ultimate fair market value at closing may be established by a different future appraisal.

Use: The property will continue to be used by U. T. San Antonio for mission purposes, including intercollegiate athletics training.

Source of Funds: Revenue Financing System debt to be repaid out of institutional funds. The institution’s Scorecard Rating of 3.2 at Fiscal Year-End 2022 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt. In approving this item, the Board will be making the findings required under Section 5 of the Amended and Restated Master Resolution establishing the Revenue Financing System relating to the issuance of parity debt on behalf of U. T. San Antonio in an aggregate amount not to exceed fair market value as established by independent appraisal, and this action satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations*.

25. Contract (funds coming in) - **Stephen F. Austin State University**: Amendment to Multi-Media Rights Agreement with Lumberjack Sports Properties, LLC (a subsidiary of Learfield Communications, Inc.) to extend contract term, combine existing agreements, and improve revenue sharing

Agency: Lumberjack Sports Properties, LLC (a subsidiary of Learfield Communications, Inc.)

Funds: \$21,291,000

Period: July 1, 2023 through June 30, 2036

Description: Stephen F. Austin State University (SFA) entered into a Multi-Media Rights Agreement with Lumberjack Sports Properties, LLC (a Missouri limited liability company qualified to do business in the state of Texas, and subsidiary of Learfield Communications, Inc.) effective August 31, 2016. Since that time, SFA has executed additional agreements for services with Learfield (Collegiate Licensing Company (CLC), Amplify, Amplify Seating, and Paciolan). The proposed contract amendment will bring all SFA agreements related to Learfield together in one master, co-terminus Agreement and extend the partnership to June 30, 2036. This amended Agreement will also improve the revenue sharing proration to the institution with a total revenue projection of \$21,291,000 over the term of the Agreement, for approximately \$3,000,000 more in revenue to SFA. The amended Agreement shifts from a guaranteed rights model to a revenue share model for multi-media rights and projects an increase of 20% in annual revenue. CLC royalties paid to SFA increase 10% annually, with a \$100,000 signing bonus; Amplify terms remain the same with a \$50,000 signing bonus; and PACFund (development customer relationship software, which normally costs \$28,000 annually) is added at no cost.

26. Purchase - U. T. Tyler: Authorization to purchase approximately 1.242 acres of land and improvements, including an approximately 1,380-square-foot residential building, located at 7010 Highway (CR) 219, Tyler, Smith County, Texas, from Darren Lee Glaspie, acting by Terisa Glaspie, his agent and Attorney-in-Fact; and Terisa Glaspie, for future campus use

Description: Authorization to purchase approximately 1.242 acres of land and improvements, including an approximately 1,380-square-foot residential building, located at 7010 Highway (CR) 219, Tyler, Smith County, Texas, for future campus use. The property is contiguous to other U. T.-owned land.

Seller: Darren Lee Glaspie, acting by Terisa Glaspie, his agent and Attorney-in-Fact, and Terisa Glaspie

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

27. Purchase - U. T. Tyler: Authorization to purchase approximately 13.743 acres of land and improvements, including an approximately 2,793-square-foot residential building with various site improvements, including fencing, sheds, and outbuildings, located at 6832 Highway (CR) 219, Tyler, Smith County, Texas, from Ron L. Luman, Tina Luman and D. Mark Luman, their successors, heirs, and/or assigns, for future campus use

Description: Authorization to purchase approximately 13.743 acres of land and improvements, including an approximately 2,793- square-foot residential building with various site improvements, including fencing, sheds, and outbuildings, located at 6832 Highway (CR) 219, Tyler, Smith County, Texas, for future campus use. The property is contiguous to other U. T.-owned land.

Seller: Ron L. Luman, Tina Luman and D. Mark Luman, their successors, heirs, and/or assigns

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

HEALTH AFFAIRS COMMITTEE

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

Agency: Dallas County Hospital District, dba Parkland Health and Hospital System

Funds: \$274,556,265

Period: October 1, 2023 through September 30, 2024

Description: U. T. Southwestern Medical Center to provide physician and other health services.

29. Contract (funds going out) - U. T. Southwestern Medical Center: Amendment to Agreement with Sodexo Services of Texas Limited Partnership to provide operation and management of hospital nutrition services

Agency: Sodexo Services of Texas Limited Partnership

Funds: \$23,775,637 over the full contract term, including all renewal options

Period: May 1, 2023 through April 30, 2028; with the option to renew for five additional one-year terms

Description: Sodexo Services of Texas Limited Partnership (Sodexo) will continue to provide operation and management of hospital nutrition services, and to oversee and manage personnel at William P. Clements Jr. University Hospital and Zale Lipshy Pavilion - William P. Clements Jr. University Hospital. The initial Agreement, dated May 1, 2018, was approved by the Board of Regents on August 9, 2018, with a total cost of \$12,000,000.

The First Amendment, dated May 21, 2018, expanded the scope of retail services. The Second Amendment to the Agreement, dated January 15, 2019, amended the Agreement to reflect construction at U. T. Southwestern Medical Center's campus that impacted Sodexo's services; the Third Amendment dated April 28, 2020, adjusted the scope of retail services; and the Fourth Amendment, dated September 1, 2022, adjusted the scope of retail services and added statutorily required provisions. The first four Amendments did not require Board approval.

U. T. Southwestern Medical Center wishes to extend services for another five years and to increase the total contract value to \$23,775,637. This Fifth Amendment is the final amendment. The contract was competitively bid.

30. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide centralized pharmaceutical distribution services to Correctional Managed Care sites administered by Texas Tech University Health Sciences Center

Agency: Texas Tech University Health Sciences Center

Funds: Estimated \$19,600,000 over the two-year term

Period: September 1, 2023 through August 31, 2025

Description: U. T. Medical Branch - Galveston (UTMB) to continue its longstanding practice of providing centralized pharmaceutical distribution services to the Correctional Managed Care sites administered by Texas Tech University Health Sciences Center (TTUHSC). The new contract extends from September 1, 2023 through August 31, 2025, and provides for TTUHSC to pre-pay UTMB for pharmaceutical services each month in the amount of \$500,000, to be adjusted based on actual volume of prescriptions filled during the year. The Board of Regents approved the previous biennium contract with TTUHSC on November 18, 2021.

31. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide Correctional Managed Care Services to inmates in units operated by the Texas Department of Criminal Justice

Agency: Texas Department of Criminal Justice

Funds: \$1,277,200,120

Period: September 1, 2023 through August 31, 2025

Description: U. T. Medical Branch - Galveston (UTMB) provides health care services to inmates in prison units operated by the Texas Department of Criminal Justice (TDCJ), through its own capabilities or by further subcontracting. TDCJ received State appropriations for FY 2024 and FY 2025 for the purpose of funding TDCJ contracts with UTMB to provide correctional managed health care services to TDCJ inmates incarcerated in TDCJ prison facilities. The Board of Regents approved the previous biennium contract with TDCJ on November 18, 2021.

32. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide health care services to inmates within the Texas Juvenile Justice Department

Agency: Texas Juvenile Justice Department

Funds: \$24,568,818

Period: September 1, 2023 through August 31, 2025

Description: U. T. Medical Branch - Galveston (UTMB) to provide health care services to youth under the care of the Texas Juvenile Justice Department (TJJD), through its own capabilities or by further subcontracting. This Agreement continues a longstanding arrangement between UTMB and TJJD through the current legislative biennium, from September 1, 2023 through August 31, 2025. TJJD will pay UTMB through legislative appropriations with a total value of \$24,568,818. The previous biennium Agreement with TJJD was approved by the Board of Regents on November 18, 2021.

33. Contract (funds going out) - U. T. Medical Branch - Galveston: Amendment to Agreement with AT&T Corp. to provide high speed internet connections to U. T. Medical Branch Correctional Managed Care prison units, clinics, and office locations

Agency: AT&T Corp.

Funds: \$10,200,000 to fund the cost of the First Amendment to the Master Agreement

Period: August 13, 2023 through August 12, 2028

Description: On November 15, 2018, the Board of Regents approved the Master Agreement between U. T. Medical Branch - Galveston (UTMB) and AT&T Corp. (AT&T) to govern high-speed internet connections and related services, including bandwidth, circuit term services, and Virtual Private Network services Order Forms to upgrade the service provisioning network for all UTMB Correctional Managed Care (CMC) clinics that utilize a specific Wide Area Network. The term of the original Master Agreement was from August 13, 2018 through August 12, 2023, with a total contract value of \$5,228,404.

On April 9, 2020, UTMB signed a First Pricing Addendum increasing the bandwidth and increasing the total contract value to an amount less than 25% of the total contract value, which did not require Board approval. On January 8, 2021, UTMB signed a Second Pricing Addendum authorizing

billing for certain system upgrades and increasing the total contract value to an amount less than 25% of the total contract value, which also did not require Board approval. On May 6, 2021, the Board approved the Third Pricing Addendum to the Agreement to 1) update pricing on existing internet ports, and 2) authorize AT&T to begin billing UTMB for a fiber circuit at the Johnston Unit in Winnsboro, Texas. The three Pricing Addenda increased the total contract value to \$6,576,804.

This First Amendment to the Master Agreement extends the term for another five years at a cost estimated to be \$10,200,000. The Master Agreement was secured via Exclusive Acquisition Justification (Sole Source).

34. Contract (funds going out) - U. T. Medical Branch - Galveston: Tejas Anesthesia, PLLC, to provide anesthesia services at U. T. Medical Branch - Galveston's League City Campus

Agency: Tejas Anesthesia, PLLC

Funds: Estimated at \$19,390,469

Period: June 1, 2023 through December 31, 2025; with automatic one-year renewal options

Description: U. T. Medical Branch - Galveston (UTMB) maintains four campus hospitals, one of which is UTMB League City Campus (LCC), which provides outpatient and inpatient services. Tejas Anesthesia, PLLC (Tejas), will provide all anesthesia services and management to LCC, supplying physicians and advanced practice providers as appropriate, as well as a Medical Director to perform necessary oversight.

UTMB will pay Tejas \$625,499 per month for an estimated total contract value of \$19,390,469.

35. Request for Budget Change - U. T. Medical Branch - Galveston: New Hire with Tenure -- amendment to the 2022-2023 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC
			No. Mos.	Rate \$	
School of Health Professions					
Physical Therapy					
Professor					
Susan Geraldine Klappa (T)	8/21-8/31	100	12	153,821	13023

36. Purchase - U. T. Medical Branch - Galveston: Authorization to purchase approximately 0.118 acres of land and approximately 2,292 square feet of improvements, including a single-family residential home, garage, and garage apartment located at 616 Church Street, Galveston, Galveston County, Texas, from Alba Teresa Wylie, for future campus expansion

Description: Authorization to purchase approximately 0.118 acres of land and approximately 2,292 square feet of improvements, including a single-family residential home, garage, and garage apartment located at 616 Church Street, Galveston, Galveston County, Texas, from Alba Teresa Wylie, for future campus expansion.

Seller: Alba Teresa Wylie

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

37. Purchase - U. T. Medical Branch - Galveston: Authorization to purchase approximately 1.62 acres of land and improvements, including an approximately 8,962-square-foot medical office building and parking lot, located at 511 Park Grove Drive, Katy, Harris County, Texas from UTMB Healthcare System, Inc., for mission related purposes, including medical clinic related use

Description: Authorization to purchase approximately 1.62 acres of land and improvements, including an approximately 8,962-square-foot medical office building and parking lot, located at 511 Park Grove Drive, Katy, Harris County, Texas, for mission related purposes, including medical clinic related use. U. T. Medical Branch - Galveston currently leases the property from UTMB Healthcare Systems, Inc.

Seller: UTMB Healthcare Systems, Inc.

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

38. Purchase - U. T. Medical Branch - Galveston: Authorization to purchase approximately 1.76 acres of land located near the northeast corner of Clear Lake City Boulevard and Aesthetic Circle, Houston, Harris County, Texas, from Texas Children’s Hospital, for mission related purposes, including medical clinic related use

Description: Authorization to purchase approximately 1.76 acres of land located near the northeast corner of Clear Lake City Boulevard and Aesthetic Circle, Houston, Harris County, Texas, from Texas Children’s Hospital, for mission related purposes, including medical clinic related use. This property is adjacent to 1351 Clear Lake City Boulevard, Houston, Harris County, Texas, which U. T. Medical Branch - Galveston is proposing to purchase in the following item (see Item 39).

Seller: Texas Children’s Hospital

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

39. Purchase - **U. T. Medical Branch - Galveston**: Authorization to purchase approximately 2.429 acres of land improved with an approximately 28,950-square-foot vacant micro-hospital, medical office building, and other supporting improvements, located at 1351 Clear Lake City Boulevard, Houston, Harris County, Texas, from FM 1960 Medical Village II, L.P., for mission related purposes, including medical clinic related use

Description: Authorization to purchase approximately 2.429 acres of land improved with an approximately 28,950-square-foot vacant micro-hospital, medical office building, and other supporting improvements, located at 1351 Clear Lake City Boulevard, Houston, Harris County, Texas, from FM 1960 Medical Village II, L.P., for mission related purposes, including medical clinic related use. This property is adjacent to the approximately 1.76-acre tract of land near the northwest corner of Clear Lake Boulevard and Aesthetic Circle, Houston, Harris County, Texas that U. T. Medical Branch - Galveston is proposing to purchase in the previous item (see Item 38).

Seller: FM 1960 Medical Village II, L.P.

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

40. Purchase - **U. T. Medical Branch - Galveston**: Authorization to purchase approximately 4.40 acres of land and improvements, including an approximately 373,070-square-foot hospital building and related parking garage currently leased to U. T. Medical Branch - Galveston located at 200 Blossom Street, Webster, Harris County, Texas, from HC 200 Blossom Street, LLC, or related entity, for mission purposes to include clinical, research, and educational uses; and resolution regarding parity debt

Description: Authorization to purchase approximately 4.40 acres of land and improvements, including an approximately 373,070-square-foot hospital building and related parking garage currently leased to U. T. Medical Branch - Galveston, located at 200 Blossom Street, Webster, Harris County, Texas. In addition, the proposed purchase includes reciprocal parking, drainage, and other easement rights benefitting the subject property and the adjacent property to the west.

Seller: HC 200 Blossom Street, LLC or another Sila Realty Trust, Inc related entity, or successor or assign

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

Source of Funds: In approving this item, the Board will be making the findings required under Section 5 of the Amended and Restated Master Resolution establishing the Revenue Financing System (RFS) relating to the issuance of parity debt on behalf of U. T. Medical Branch - Galveston in an aggregate amount not to exceed fair market value as established by independent appraisal, and this action satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations*. RFS debt service is expected to be repaid from clinical revenue.

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

Agency: Memorial Hermann Health System

Funds: Approximately \$3,700,000,000

Period: July 1, 2023 through June 30, 2028; with no additional renewal options

Description: This is the Sixth Amendment to the Annual Funding Agreement initially approved by the Board of Regents on November 15, 2018, whereby Memorial Hermann Health System provides financial support to U. T. Health Science Center - Houston for academic support, program support, contracted services, and clinical support. Unlike prior annual amendments, the Sixth Amendment has a term of five years and includes a baseline level of annual funding, along with a 4% increase for each year following the initial year of the term. U. T. Health Science Center - Houston anticipates that the five-year term will enable more long-term financial planning.

The First Amendment dated July 1, 2019, which increased the cap, did not require Board approval as the change in monetary value did not exceed 25%. The Second Amendment, dated July 1, 2020, received Board approval on August 20, 2020. The Third Amendment reflected minor editorial changes and did not require Board approval. The Fourth Amendment, dated July 1, 2021, received Board approval on August 19, 2021. The Fifth Amendment, dated July 1, 2022, received Board approval on August 25, 2022. This Sixth amendment is the final amendment and there are no other renewals.

42. Interagency Agreement (funds coming in) - U. T. Health Science Center - Houston: Interagency agreement with the Texas Department of Family and Protective Services to provide mental health services

Agency: Texas Department of Family and Protective Services

Funds: Total contract value of approximately \$11,250,000

Period: December 16, 2023 through August 31, 2025

Description: U. T. Health Science Center - Houston to provide individualized, evidence-based, trauma-informed, and culturally considerate mental health treatment for stabilization purposes to children in Texas Department of Family and Protective Services care pursuant to a program titled, "Successful Transitions for Adolescents - Recovery Trajectories".

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

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
McGovern Medical School					
Biochemistry and Molecular Biology					
Associate Professor					
Julio Cordero-Morales (T)	9/1-8/31	100	12	170,000	13048
Associate Professor					
Valeria Vasquez (T)	9/1-8/31	100	12	155,000	13049
Biochemistry and Molecular Biology					
Professor					
L. Elliot Hong (T)	9/1-8/31	100	12	339,515	13050
Professor					
Peter Kochunov (T)	9/1-8/31	100	12	196,000	13051
Professor					
Mohammed R. Milad (T)	9/1-8/31	100	12	316,246	13061

44. Request for Budget Change - U. T. Health Science Center - San Antonio: New Hires with Tenure -- amendment to the 2022-2023 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
School of Nursing					
Office for Faculty Excellence					
Professor					
Sowan Azizeh (T)	8/15-8/31	100	12	155,000	13042
School of Medicine					
Pharmacology					
Professor					
Hong Yu Li (T)	8/1-8/31	100	12	270,000	13041

45. Request for Budget Change - U. T. Health Science Center - San Antonio: New Hire with Tenure -- amendment to the 2023-2024 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
School of Medicine					
Radiology					
Professor					
Manoj Kumar (T)	10/9-8/31	100	12	430,000	13040

46. Lease - U. T. Health Science Center - San Antonio: Authorization to lease approximately 1.372 acres of land improved with a building containing approximately 52,000 square feet of space located at 7337 Louis Pasteur Drive on the institution's main campus in San Antonio, Bexar County, Texas, to Bexar County, for use as a morgue, a medical examiner's office, and for forensic science; and finding of public purpose

Description: Lease of approximately 1.372 acres of land improved with a building containing approximately 52,000 square feet of space, with related improvements, including surface parking. The facility houses Bexar County's morgue, its medical examiner's office, and forensic science space.

On October 12, 1990, the Board of Regents approved the gift of land to Lessee for construction, at Lessee's expense, of a Medical Examiner's facility. The land was instead ground leased to Lessee at a base rent of \$0 per year, and Bexar County built a three-story facility on the land. The ground lease expired on December 31, 2016. Bexar County and the institution wish to allow continued use of the facility for the county morgue and medical examiner's office, and for forensic science uses.

Location: 7337 Louis Pasteur Drive on the institution's main campus in San Antonio, Bexar County, Texas; the property is in an interior location within the campus.

Lessee: Bexar County, Texas

Term: Five years and possibly a partial month; with one five-year renewal option under Lessee's control

Lease Income: Annual base rent for the lease is \$0, including for the renewal term. In consideration for the \$0 base rent, the Lessee will continue the use of the facility as a morgue and for a medical examiner's office in support of U. T. Health Science Center - San Antonio's programs. Lessor will benefit from on-campus access to the morgue and medical examiner's office and autopsies for its students and interns as further described below.

The lease will be net to Lessor, with all related capital and operating expenses paid directly by or reimbursed by the Lessee. The initial foregone annual fair market rental rate for the leased property is estimated to be \$702,000 and is estimated to grow annually by 2% to 4%.

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

Accordingly, because the rent is below market, the Board of Regents is asked to find that (1) the lease of land, building and related improvements to Bexar County for no base rental payment, as described above, serves a public purpose appropriate to the function of U. T. Health Science Center - San Antonio, including providing an on-campus autopsy suite for pathology residents to perform i) forensic pathology rotations and autopsies as required for accreditation and by medical boards (all residents, currently four per year); ii) medical clerkship rotations; iii) medical student rotations (currently 10 per year); (2) pursuant to the lease agreement the consideration received by U. T. Health Science Center -San Antonio is adequate; and (3) U. T. Health Science Center - San Antonio will have sufficient safeguards in place to ensure the public purpose will continue to be met on an ongoing basis, including provisions in the lease requiring that the property continue to support the mission of the institution by providing an on-campus venue for forensic pathology rotations and autopsies as noted above.

47. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Production Solutions, Inc., to provide direct marketing fundraising production and other related services

Agency: Production Solutions, Inc.

Funds: Approximately \$55,000,000 over the full contract term, including all renewal options

Period: September 15, 2023 through September 14, 2026; with two 12-month renewal options

Description: Production Solutions, Inc., will manage production elements and execution of core direct marketing fundraising programs and will manage the printing, packaging, and mailing of direct mail philanthropy campaigns. The Agreement was competitively bid.

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

The following Request for Budget Change (RBC) has been administratively approved by the Chancellor and the Executive Vice Chancellor for 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 \$	
Medical Staff					
Department of Breast Medical Oncology					
Associate Professor					
Bora Lim (T)	10/2-8/31	100	12	337,530	13044

49. Purchase - U. T. M. D. Anderson Cancer Center: Authorization to purchase and temporarily lease back approximately 3.93 acres of land and improvements, including an approximately 57,620-square-foot light industrial manufacturing building and parking lot, located at 2611 El Camino Street, Houston, Harris County, Texas, from National Signs Real Estate, L.P., a Delaware limited partnership, for mission related purposes

Description: Authorization to purchase and temporarily lease back approximately 3.93 acres of land and improvements, including an approximately 57,620-square-foot light industrial manufacturing building and parking lot, located at 2611 El Camino Street, Houston, Harris County, Texas, from National Signs Real Estate, L.P., a Delaware limited partnership, for mission related purposes.

Seller: National Signs Real Estate, L.P., a Delaware limited partnership, and/or assigns

Tenant: National Signs, LLC and/or assigns

Lease Terms: As a condition of closing, the seller will require a temporary lease back of the property to relocate seller's business to a new facility. The lease term is estimated to be no less than six months from the date of closing and shall have a maximum term expiration date of no later than December 31, 2025. The precise lease term will be determined prior to closing. Seller/tenant may terminate the lease with written notice of 60 days.

Lease Rent: The estimated base rental rate for the initial 12 months will be at fair market value, which is initially estimated to be \$12.00 per square foot. Tenant will pay the operating expenses, which are estimated to be approximately \$5.00 per square foot for the first 12 months. Depending on the agreed upon term of the lease, the approximate total base rent and operating expenses paid by the Tenant will be between \$489,770 and \$1,498,696.

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

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

50. Other Fiscal Matters - U. T. Austin: For the Engineering Discovery Building project, amend the current Capital Improvement Program to revise funding sources; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

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

- a. amend the current Capital Improvement Program (CIP) to revise the funding sources to include Revenue Financing System (RFS) Bond Proceeds;
- b. amend the current CIP to reduce the appropriation and expenditure of Available University Funds by \$106,000,000 from \$122,000,000 to \$16,000,000, and appropriate and authorize expenditure of \$106,000,000 from RFS Bond Proceeds;
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to fund all or a portion of the projects' cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the RFS Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and that
- d. U. T. Austin, which is "Member" as such term is used in the RFS Master Resolution, possess the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of parity debt in an aggregate amount of \$106,000,000.

BACKGROUND INFORMATION

Debt Service

The \$106,000,000 in RFS debt will be recovered from Designated Funds. Annual debt service on the \$106,000,000 in RFS debt is expected to be \$5.9 million. The institution's Scorecard Rating of 1.6 at fiscal year-end 2022 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

Previous Actions

On May 4, 2023, design development was approved for the Engineering Discovery Building project to replace the existing Chemical and Petroleum Engineering (CPE) building. Originally built in 1986, the CPE has significant deficiencies including inadequate and end-of-life mechanical and electrical systems needed to support current research needs, as well as inefficient and inconsistent use of space for offices and lab modules. As recommended in both the 2014 Cockrell School of Engineering Strategic Master Plan Update and the 2021 New Engineering Building Formation Study, the proposed construction site is the location of the existing Service Building. The site is adjacent to the Engineering Education Research Building and the Gary L. Thomas Building. The Service Building will be vacated and demolished as part of the project.

51. Other Fiscal Matters - U. T. Austin: For the Library Storage Facility Phase IV project, amend the current Capital Improvement Program to revise funding sources; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents approve the recommendations for the Library Storage Facility Phase IV project at The University of Texas at Austin as follows:

- a. amend the current Capital Improvement Program (CIP) to revise the funding sources to include Revenue Financing System (RFS) Bond Proceeds;
- b. amend the current CIP to remove \$47,000,000 from the Available University Funds and appropriate and authorize expenditure of \$47,000,000 from RFS Bond Proceeds;
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to fund all or a portion of the projects' cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the RFS Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and that
- d. U. T. Austin, which is "Member" as such term is used in the RFS Master Resolution, possess the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of parity debt in an aggregate amount of \$47,000,000.

BACKGROUND INFORMATION

Debt Service

The \$47,000,000 in RFS debt will be recovered from Available University Funds. Annual debt service on the \$47,000,000 in RFS debt is expected to be \$2.6 million. The institution's Scorecard Rating of 1.6 at fiscal year-end 2022 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

Previous Actions

On May 4, 2023, design development was approved for the Library Storage Facility Phase IV (LSF4) project as an expansion to the existing Library Storage Facility building. The recent LSF4 framework study identified environmental and collection storage needs for the three departments that helped develop the Collections Master Plan: the Dolph Briscoe Center for American History, the Harry Hunt Ransom Humanities Research Center, and The University of Texas Libraries. The project will provide the needed storage and support facilities to allow users to make strategic moves, accommodate growth, and provide adequate research and processing space for those collections, which include documents, photos, and a variety of artifacts. With fewer space constraints and more available land for future growth, J. J. Pickle Research Center was selected as the location site.