



---

# Chancellor Milliken

## PREPARED REMARKS

### UT SYSTEM BOARD OF REGENTS MEETING

March 27, 2020

#### **INTRODUCTION**

The first known cases of what's now called COVID-19 began in December 2019. We initiated meetings to prepare for its impact on the UT System in January.

Like everyone else, we have embraced the strategies to slow transmission of the virus to help enable the health care system to cope. This began with social distancing, and has now extended to very limited physical presence at our academic institutions and the UT System building.

With the Board's support, 10 days ago we announced plans for online education, no gathering of more than 10 people, and limited presence on academic campuses and the UT System building. Our strategies have evolved since then, becoming progressively more restrictive. We have been operating in compliance with all orders and guidance from Governor Abbott, and we have been in frequent communication with his administration.

Higher education is an essential state agency operation and as such not subject to the jurisdiction of local shelter in place orders, but our academic campuses are operating with much reduced presence to provide essential service to students. Our health campuses are, of course, in a much different position and on the front lines of patient care at this time.

#### **WE ARE IN THE ACCELERATION PHASE OF THE PANDEMIC**

As of this morning (March 27, 2020), there are 553,000 cases worldwide and 60,000 new cases in last 24 hours. There are now 86,000 reported cases in the U.S., the most in the world. In Texas, there are now 1,658 cases and, sadly, there have been 24 deaths.

Currently in the United States, the number of cases is doubling every three to four days. Models show that the social distancing steps currently being taken will significantly decrease the number of hospitalizations and deaths. But they also likely extend the duration of the outbreak indefinitely.

#### **UT SYSTEM AND INSTITUTION CASES**

As of this morning, we are aware of 7 cases of the virus affecting students, faculty, staff or clinicians on our campuses; there are likely more we don't know about yet. And we expect numbers could go up as more tests are available. There are no known cases at UT System Administration.

## **LEADERSHIP THROUGHOUT THE UT SYSTEM**

I could not be prouder of the presidents and other senior leadership at the institutions. They have responded quickly to a rapidly changing and very challenging environment, helping to ensure the safest possible environments while fulfilling our commitment to educate students, treat patients, and keep our institutions operating. I have been gratified and even inspired by what I've witnessed.

At the UT System Administration, our teams in Health and Academic Affairs, Risk Management, Legal, Business and Finance, Human Resources, Communications and more are working every day with each of our institutions, using every available source of expertise to assist the entire UT community of students, patients, faculty and staff. We are providing guidance where appropriate and support wherever possible.

Efforts across the system are around-the-clock and in the midst of all the challenges faced, the degree of collaboration, good will and support among presidents, faculty and health care professionals has been profoundly gratifying.

## **ACADEMIC INSTITUTIONS: ONLINE AND LIMITED PRESENCE**

With the encouragement and support of the Board of Regents, the UT System was an early adapter, making and announcing the decision to shift to online instruction and limited presence on campuses following spring break. As of today, all instruction at our eight academic institutions is taking place online.

Campus housing and dining is now restricted to those students who have no suitable alternative. Campuses are handling these accommodations on a case-by-case basis. While degrees will be earned in May, the actual commencement ceremonies will either take place virtually, be postponed, or both.

We are working with campus presidents on reimbursement to students for housing, dining plans and parking. Tuition is not affected, as a matter of state law and because all instruction continues.

Today, there is very limited activity on campuses.

## **HEALTH INSTITUTIONS: ON THE FRONT LINES OF THE PANDEMIC**

The situation is obviously very different at our health institutions. They train the physicians, other health care professionals, and researchers who are on the front lines of treatment and discovery. And they are working 24/7, under great challenges, to treat patients and save lives.

UT institutions are opening up about 40% to 50% of their bed capacity, in some cases more. Our institutions were among the first to eliminate elective surgery and procedures, with obvious financial impact.

Other efforts include:

- Increasing use of telemedicine, with expanded state authorization.
- Ramping up testing capacity at each of our institutions.
- Evaluating options for discharging patients if their hospitals become full (such as using hotels and motels for non-infectious patients who need more time to fully recover).

- Looking at new staffing patterns to provide health care:
  - o Different staffing patterns for nurses on wards,
  - o Changing the role of medical students and residents.

### **ADDITIONAL CONTRIBUTIONS**

I'm especially grateful to Executive Vice Chancellor for Health Affairs Dr. John Zerwas, who is serving on the Governor's supply strike force, leading the hospital bed capacity issue, and Vice Chancellor for Health Affairs Dr. David Lakey, whose expertise and state leadership role in public health has made him an invaluable resource to institutions across the state and nation.

While we could spend a great deal of time reporting on the contributions UT institutions are making in the fight against COVID-19, and we will continue to provide the Board with examples of this important activity, today I'll highlight just a few.

Our UT institutions are intimately involved in accelerating the COVID-19 testing capacity for Texas. UT Health Science Center at Tyler is the home of one of the state public health laboratories, which provides COVID-19 tests for the health departments in northeast Texas.

UT MD Anderson Cancer Center, UT Health San Antonio, UT Southwestern Medical Center, and UT Medical Branch have developed their own in-house testing capacity to protect their patients and staff, but also serve their community. Our other health related institutions and medical schools are working with their communities to develop drive-through systems to obtain the samples needed for the tests and partnering with commercial entities for the laboratory tests.

UT Dallas, UT El Paso and UT Austin are working on the 3D printing of medical equipment and protective gear.

UT Medical Branch, UT Southwestern, UT Austin and other institutions are doing research on the virus so that we can develop the needed vaccine and medical treatments.

The Texas Advanced Computing Center (TACC) at UT Austin is developing an atom-by-atom molecular model of the virus, which will be useful in the development of medications and vaccines against COVID-19. Professors working with TACC have developed a web-based service that simulates the spread of the disease to help hospitals forecast where and when to place ventilators.

These efforts represent only a fraction of the work underway at UT institutions. In short, while we wish it were under other circumstances, our institutions are demonstrating in real time what an essential resource the UT System is to Texas.

### **INTERNATIONAL TRAVEL ISSUE**

We have been actively engaging with international travel contacts on COVID-19 issues since January 20, 2020. Approximately 20 UT System students or faculty were in China when the outbreak began.

UT San Antonio had the largest single group to return from overseas - 71 students from Italy, who all returned safely and self-isolated, about half with the assistance of UTSA.

On March 11, the travel advisory was elevated to Level 3 in Europe and Level 2 globally. At that time we had approximately 400 students or faculty in Europe, including about 200 in the UK,

and 1,600 total around the world. Our number of travelers still abroad is now 253 worldwide, with 86 remaining in place with authorization and 167 attempting to return.

## **FINANCES**

The Legislative Budget Board has asked us to keep track of all financial issues associated with COVID-19. This will be a big undertaking by academic and health institutions and the System Administration.

I attended the UTIMCO board meeting this week, with Board Members Weaver, Longoria, and Hicks. Although we have seen dramatic declines in both oil prices and financial markets, the five-year rolling average and new distribution strategy currently employed means there will be initial protection against a significant decline in recommended PUF distributions this year. If declines continue, we will have to adjust expectations over time.

Declines in oil prices globally as a result of Saudi and Russian actions will clearly impact University Lands' transfers to UTIMCO.

UTIMCO has prepared for a market decline in a number of ways over the last year, including a contingency plan to manage the fund's risk exposures and liquidity during a market downturn. And UTIMCO has been growing the "Stable Value" portion of its portfolio over the last several years, designed to preserve capital in extreme scenarios.

Campuses and the System Administration are planning and modeling scenarios incorporating possible long-term financial impact. Campuses may need to make difficult decisions as we move forward.

Our academic campuses are refunding student housing, meal and parking fees for the time period when the campuses have closed. We will propose using ILP (and possibly AUF) funds from system to reimburse campuses for part or all of these refunds.

## **PURCHASING**

Under the previous delegation given to system from the Board, we have temporarily raised threshold amounts for contracts requiring Board approval. Those thresholds differ by campus depending on financial strength.

We have instituted emergency purchasing procedures; we do not require an RFP for emergency purchases related to the COVID-19 situation. These purchases will have a documented "exclusive acquisition justification" (EAJ) supporting the need to move forward without an RFP.

## **FEDERAL STIMULUS**

Congress appropriated \$13.95 billion into a Higher Education Emergency Relief Fund. Allocations will be based on each institution's enrollment of Pell-eligible and non-Pell students and also include weights based on whether students are online or non-online (prior to COVID-19).

The institutions will allocate at least 50% of the stimulus funds to student needs like food, housing, course materials, technology, health care and childcare. The other 50% will be used by each institution to cover costs associated with significant changes to the delivery of instruction

due to the coronavirus (not including payment to contractors for pre-enrollment activities, endowments, or capital outlays associated with facilities related to athletics, sectarian instruction or religious worship).

Governors will also have access to \$3 billion to allocate based on need in K-12 and higher education.

### **CONSTANT COMMUNICATION ESSENTIAL**

The situation is changing very fast, so we're keeping in constant touch with one another to do scenario planning, to trouble shoot and to make sure we can provide critical resources and expertise to help the academic and health presidents best serve their campuses.

Executive officers meet as a group by Zoom every Monday, Wednesday, and Friday morning.

Executive Vice Chancellor Leslie and I meet with the academic presidents as a group via Zoom two days a week at 6:30 a.m. and very frequently with presidents one-on-one and by group email.

Executive Vice Chancellor Zerwas and I meet with the health presidents as a group via Zoom two days a week at 6:30 a.m and very frequently with presidents one-on-one and by group email.

I join a weekly teleconference convened by Texas Higher Education Coordinating Board Commissioner Harrison Keller with the six public university system chancellors.

System-wide guidance to institutions is issued and updated regularly and posted on the UT System COVID-19 website. The site also includes resources and FAQs for employees, including links to all institutional sites.

I hosted a Town Hall meeting with 550 System Administration colleagues on Tuesday, and our communications and human resources professionals are working on many fronts to keep a constant flow of questions and answers.

As for the UT System Administration, almost our entire workforce is working remotely, with building access mostly limited to those whose physical presence is essential for business continuity. We have developed temporary purchasing guidelines that will help accommodate reasonable purchases of office supplies that may be needed while working remotely.

Army Futures Command and UTIMCO, our largest tenants, are likewise reducing presence and working remotely.

I am in frequent communication with Chairman Eltife and will continue to provide regular updates for the Board. The presidents and I, and our leadership teams, are deeply appreciative of the important leadership of the Board of Regents at this time, and we are grateful for your guidance, support and confidence.