



SCHEDULE OF EVENTS FOR BOARD OF REGENTS MEETING

August 23-24, 2023
Austin, Texas

Wednesday, August 23, 2023

Convene the Board in Open Session to Recess to Executive Session.....	1:00 p.m.
Reconvene the Board in Open Session for Possible Action on Executive Session Items, Agenda Items, and to Convene Committee Meetings.....	1:55 p.m. approximately
Public Hearing Opportunity.....	2:00 p.m.
Audit, Compliance, and Risk Management Committee	2:15 p.m.
Finance and Planning Committee	2:45 p.m.
Academic Affairs Committee	3:30 p.m.
Health Affairs Committee	4:00 p.m.
Facilities Planning and Construction Committee.....	4:30 p.m.
Recess	5:15 p.m.

Thursday, August 24, 2023

Convene the Board in Open Session to Consider Agenda Items.....	9:00 a.m.
Recess to Executive Session	10:00 a.m.
Reconvene the Board in Open Session for Possible Action on Executive Session Items and to Consider Agenda Items.....	11:30 a.m.
Adjourn	12:00 p.m.



**AGENDA
FOR MEETING
OF
THE UNIVERSITY OF TEXAS SYSTEM
BOARD OF REGENTS**

**August 23-24, 2023
Austin, Texas**

Wednesday, August 23, 2023

CONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551

1:00 p.m.

1. Individual Personnel Matters Relating to Officers or Employees – Section 551.074
 - a. **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**
 - b. **U. T. San Antonio: Discussion regarding individual personnel matters associated with duties and responsibilities of the president and other university administrators regarding strategic issues related to real property**
 - c. **U. T. Rio Grande Valley: Discussion regarding individual personnel matters associated with duties and responsibilities of the president and other university administrators regarding strategic issues related to real property**
2. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers – Section 551.071
 - a. **U. T. System Board of Regents: Discussion with Counsel on pending legal issues**
 - b. **U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning pending legal claims by and against U. T. System**
 - c. **U. T. Health Science Center - San Antonio: Discussion and appropriate action regarding legal responsibilities concerning authorization to lease approximately 20,000 or more square feet of space in a to-be-built medical office building located at 6111 Via Mercado, San Antonio, Bexar County, Texas**
 - d. **U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding legal issues associated with the purchase and acquisition of certain assets from Bellicum Pharmaceuticals, Inc. for mission related purposes**

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- 3. Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072
 - a. **U. T. Health Science Center - San Antonio: Discussion and appropriate action regarding authorization to lease approximately 20,000 or more square feet of space in a to-be-built medical office building located at 6111 Via Mercado, San Antonio, Bexar County, Texas from an entity likely involving Lincoln Property Commercial Services Enterprises, Inc., and SASP Management, L.L.C. or related entities, for clinical, research and educational uses**
 - b. **U. T. Medical Branch - Galveston: Discussion and possible appropriate action regarding the purchase of real property consisting of approximately 4.40 acres and an approximately 373,070 square-foot hospital building and related parking garage currently leased to U. T. Medical Branch and 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**
 - c. **U. T. San Antonio: Discussion regarding strategic issues related to real property**
 - d. **U. T. Rio Grande Valley: Discussion regarding strategic issues related to real property**

RECONVENE THE BOARD IN OPEN SESSION FOR POSSIBLE ACTION ON EXECUTIVE SESSION ITEMS, IF ANY, TO TAKE ACTION ON AGENDA ITEMS, AND TO CONVENE COMMITTEE MEETINGS 1:55 p.m.

- 1. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' *Rules and Regulations*, Rule 70202 (Interest Rate Swap Policy), Section 9 and Definitions** 7

PUBLIC HEARING OPPORTUNITY, PURSUANT TO *TEXAS EDUCATION CODE* SECTION 54.0513, REGARDING PROPOSED ONE-YEAR EXTENSION OF PREVIOUSLY APPROVED CHANGES TO DESIGNATED TUITION FOR NON-RESIDENT AND GRADUATE STUDENTS AT ACADEMIC INSTITUTIONS AND PROPOSED CHANGES TO DESIGNATED TUITION AT HEALTH INSTITUTIONS 2:00 p.m.

COMMITTEE MEETINGS 2:15 p.m. – 5:15 p.m.

RECESS 5:15 p.m.

Thursday, August 24, 2023

CONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS 9:00 a.m.

STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD 9:05 a.m.

- 2. **U. T. System Board of Regents: Approval of Consent Agenda and consideration of any item referred to the full Board** 8

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3. U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' <i>Rules and Regulations</i> to amend and retitle Rule 10701 (Policy Against Discrimination) and take other action to comply with applicable law	9
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5. U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' <i>Rules and Regulations</i> to amend Rules 40401 (Assessment, Collection, Delegation, and Waiver of Tuition, Fees, and Charges) and 50101 (Student Conduct and Discipline) regarding nonpayment of tuition, fees, or other charges	15
6. U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' <i>Rules and Regulations</i>, Rule 80103 (Solicitation), Section 2, regarding exceptions to prohibition on solicitation	16
7. U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' <i>Rules and Regulations</i>, Rule 80301 (Capital Improvement Program), regarding major projects	17
8. U. T. System Board of Regents: Discussion and appropriate action regarding higher education affordability	18
9. U. T. System: Discussion and appropriate actions regarding the establishment of the Regents' Research Excellence Program and the allocation and expenditure of \$55 million of Available University Funds and additional funding from the Internal Lending Program and other sources	19
10. U. T. System Board of Regents: Discussion and appropriate action regarding the establishment of Stephen F. Austin State University, a member of The University of Texas System	21
RECESS TO EXECUTIVE SESSION PURSUANT TO <i>TEXAS GOVERNMENT CODE</i> , CHAPTER 551	10:00 a.m.
1. Individual Personnel Matters Relating to Officers or Employees – Section 551.074	
a. 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	

Thursday, August 24, 2023 (cont.)

- b. 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 (such as Chancellor, General Counsel to the Board, and Chief Audit Executive); U. T. System and institutional employees, and related personnel aspects of the operating budget for Fiscal Year 2024**
 - c. U. T. System: Discussion and appropriate action concerning individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of U. T. System and institutional employees including employees covered by Regents' *Rules and Regulations*, Rule 20204, regarding compensation for highly compensated employees, and Rule 20203, regarding compensation for key executives**
- 2. Negotiated Contracts for Prospective Gifts or Donations – Section 551.073
 - a. U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features**
 - b. U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features**
- 3. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers – Section 551.071
 - a. U. T. Austin: Discussion regarding legal issues related to the utilization of the Brackenridge Tract, including land bounded by the Exposition Boulevard, Lake Austin Boulevard, and Enfield Road, Austin, Travis County, Texas, and associated leases and agreements**
 - b. U. T. Austin: Discussion and appropriate action regarding legal issues related to taking action to acquire, exercising eminent domain to condemn specific units if necessary, the Two Thousand Whitis Place Condominiums located at 2000 Whitis Avenue, Austin, Travis County, Texas**
- 4. Deliberation Regarding Security Devices or Security Audits – Sections 551.076 and 551.089
 - 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**
- 5. Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072
 - a. U. T. Austin: Discussion regarding the lease, uses, or value of property related to the Brackenridge Tract, including land bounded by Exposition Boulevard, Lake Austin Boulevard, and Enfield Road, Austin, Travis County, Texas**

Thursday, August 24, 2023 (cont.)

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- b. U. T. Austin: Discussion and appropriate action regarding proposed acquisition of the property consisting of all units and common areas in the Two Thousand Whitis Place Condominiums located at 2000 Whitis Avenue, Austin, Travis County, Texas, including consideration of the use of eminent domain to condemn specific units if necessary, from various owners for future campus expansion**

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS AND TO CONSIDER AGENDA ITEMS

*11:30 a.m.
approximately*

- 11. U. T. System: Discussion and appropriate action regarding a) the nonpersonnel aspects of the operating budgets for Fiscal Year 2024, including Permanent University Fund Bond Proceeds allocations for Library, Equipment, Repair and Rehabilitation Projects, for the Faculty Science and Technology Acquisition and Retention program, and for capital expenses for Stephen F. Austin State University and Internal Lending Program funds for Stephen F. Austin State University, and b) finding that expenditure of AUF is appropriate**

23

- 12. U. T. System: Discussion and appropriate action regarding personnel aspects of the U. T. System Administration and institutional operating budgets for Fiscal Year 2024**

25

ADJOURN

*12:00 p.m.
approximately*

1. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' Rules and Regulations, Rule 70202 (Interest Rate Swap Policy), Section 9 and Definitions**

RECOMMENDATION

The Chancellor, the Executive Vice Chancellors for Academic Affairs, Health Affairs, and Business Affairs, and the Vice Chancellor and General Counsel recommend that the U. T. System Board of Regents approve revisions to Regents' *Rules and Regulations*, Rule 70202 (Interest Swap Policy), Section 9, as shown below and make conforming changes to the Rule's Definitions to include the Effective Federal Funds Rate and the Secured Overnight Financing Rate and to delete the London Interbank Offered Rate (LIBOR):

- Sec. 9 Basis Risk. Basis risk arises as a result of movement in the underlying variable rate indices that may not be in tandem, creating a cost differential that could result in a net cash outflow from the U. T. System. Basis risk can also result from the use of floating, but different, indices. To mitigate basis risk, any index used as part of a swap shall be a recognized market index, including but not limited to the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index, the Effective Federal Funds Rate (EFFR), or the Secured Overnight Financing Rate (SOFR) ~~London Interbank Offered Rate (LIBOR).~~

BACKGROUND INFORMATION

Regents' Rule 70202 sets forth the policy governing the use of interest rate swaps in connection with U. T. System's management of its debt programs. The proposed revision updates references to examples of market indices to be used as part of an interest rate swap to remove reference to London Interbank Offered Rate, which was discontinued on June 30, 2023, and add references to the Effective Federal Funds Rate and the Secured Overnight Financing Rate.

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.

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

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 352](#).

3. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' Rules and Regulations to amend and retitle Rule 10701 (Policy Against Discrimination) and take other action to comply with applicable law**

RECOMMENDATION

It is recommended that the U. T. System Board of Regents take the following actions:

a) Approve the following revisions to Regents' *Rules and Regulations*, Rule 10701:

1. Title

~~Policy Against Discrimination~~ Compliance with Laws Related to Race, Color, National Origin, Ethnicity, Religion, Sex, Age, Veteran Status, or Disability

2. Rule and Regulation

Sec. 1 To the extent provided by applicable law, no person shall be excluded from participation in, denied the benefits of, or be subject to discrimination under, any program or activity sponsored or conducted by The University of Texas System or any of the institutions, on the basis of race, color, national origin, ethnicity, religion, sex, age, veteran status, or disability.

Sec. 2 Unless required by federal law or permitted by Texas Education Code Section 51.3525, an institution may not maintain a diversity, equity, and inclusion (DEI) office or engage in other conduct prohibited by Section 51.3525 and must adopt policies and procedures for appropriately disciplining an employee or contractor of the institution who engages in prohibited conduct.

The Board authorizes the Chancellor to submit required reports to the Texas Legislature and Texas Higher Education Coordinating Board each fiscal year certifying compliance with Section 51.3525, to testify before legislative committees regarding compliance with Section 51.3525, and to take other actions needed to ensure compliance with Section 51.3525.

b) Authorize the General Counsel to the Board to review existing Regents' Rules and make additional revisions as necessary to comply with Texas Education Code Section 51.3525, other applicable law, and controlling caselaw. This recommendation is based upon the June 29, 2023, United States Supreme Court decision prohibiting the use of race as a factor in student admissions and will formally document the repeal of Regents' Rule 40304 authorizing plans that consider an applicant's race or ethnicity as part of an institution's admissions or financial assistance policies.

BACKGROUND INFORMATION

In response to discussions during the Texas 88th Legislative Session regarding diversity, equity, and inclusion (DEI) practices and policies at institutions of higher education, the U. T. System

Board of Regents took action on February 22, 2023, to pause any new DEI initiatives and review all existing DEI policies. On June 17, 2023, Governor Abbott signed Senate Bill 17, codified as Texas Education Code Section 51.3525, limiting diversity, equity, and inclusion policies and initiatives at public institutions of higher education. The legislation requires the Board to ensure that institutions comply with the new law and adopt policies to appropriately discipline employees or institutional contractors who do not comply. The legislation also contains certain requirements regarding compliance reporting as well as scheduled compliance audits by the State Auditor.

The proposed revisions articulate the Board's commitment to compliance with Section 51.3525 and delegate authority to the Chancellor to take necessary action to ensure compliance on behalf of the Board.

Additional proposed language acknowledges the impact of the United States Supreme Court's June 29, 2023, decision prohibiting the use of an applicant's race as a factor in student admissions and directs the General Counsel to the Board to make changes in other Regents' Rules as necessary to comply with this decision as well as applicable state and federal law. Accordingly, Regents' Rule 40304 allowing plans that consider an applicant's race or ethnicity as part of an institution's admissions or financial assistance policies will be deleted.

These revisions and the underlying legislation have the potential to impact full-time equivalent (FTE) employee counts and budgets upon implementation. 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.

4. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' Rules and Regulations, Rule 31002, Section 1 (Notice to Nontenured Faculty); Rule 31007 (Tenure); Rule 31008 (Termination of a Faculty Member); and Rule 31102 (Evaluation of Tenured Faculty) and additional action to comply with state law**

RECOMMENDATION

The Chancellor, the Executive Vice Chancellors for Academic Affairs and Health Affairs, and the Vice Chancellor and General Counsel recommend the Board take the following actions to assure compliance with Senate Bill 18, Texas Legislature, 88th Regular Session, codified as *Texas Education Code* [Section 51.942](#), amended effective September 1, 2023, and retitled as Faculty Tenure:

- a) Revise Regents' Rule 31002 at the last sentence of Section 1 as follows:

Sec. 1 Notice to Nontenured Faculty.

....

The notice required by this ~~Section~~ ~~Subsection~~ is not applicable where termination of employment is for good cause as defined in under Rule 31008, ~~Section 4~~ of the Regents' *Rules and Regulations*.

- b) Amend Regents' Rule 31007 to add additional language to Sections 1 and 6 as follows:

Sec. 1 Granting of Tenure. Tenure denotes a status of continuing appointment as a member of the faculty at an institution of The University of Texas System. The granting of tenure means the entitlement of a faculty member of an institution of higher education to continue in the faculty member's academic position unless dismissed by the institution for good cause in accordance with Regents' Rule 31008. The granting of tenure may not be construed to create a property interest in any attribute of a faculty position beyond a faculty member's continuing employment, including the faculty member's regular annual salary and any privileges incident to the faculty member's status as a tenured professor.

....

Sec. 6 Board Approval. The award of tenure may be granted only by ~~is subject to approval of the Board of Regents,~~ on the recommendation of the institutional president and the Chancellor.

- c) Amend Regents' Rule 31008 as follows and renumber prior Section 4 and the remaining sections as appropriate:

Sec. 1 Termination for Good Cause. Termination by an institution of the employment of a faculty member who has been granted tenure and of all other faculty members before the expiration of the stated period of appointment, except as is otherwise provided in Rule 31007, Section 5, and *Texas Education Code* [Section 51.943](#),

or by resignation or retirement, will be only for good cause shown, as further detailed below.

Such termination may be made at any time after providing the faculty member with appropriate due process in conformance with the institution's policies, on a determination that:

(a) the faculty member has engaged in one of the following forms of conduct and the faculty conduct is serious or egregious in nature such that the president determines it is in the best interest of the institution to separate the implicated faculty:

(1) exhibited professional incompetence;

(2) continually or repeatedly failed to perform duties or meet professional responsibilities of the faculty member's position;

(3) failed to successfully complete any post-tenure review professional development program;

(4) engaged in conduct involving moral turpitude that adversely affects the institution or the faculty member's performance of duties or meeting of responsibilities;

(5) violated laws or university system or institution policies substantially related to the performance of the faculty member's duties;

(6) been convicted of a crime affecting the fitness of the faculty member to engage in teaching, research, service, outreach, or administration;

(7) engaged in unprofessional conduct that adversely affects the institution or the faculty member's performance of duties or meeting of responsibilities; or

(8) falsified the faculty member's academic credentials;

(b) there is actual financial exigency or the phasing out of the institution's programs requiring elimination of the faculty member's position as determined following Regents' Rule 31003 and any relevant institutional policy; or

(c) there is other good cause as defined in the institution's policies, which are subject to approval by the Chancellor, Executive Vice Chancellor for Academic Affairs or Health Affairs, and the Vice Chancellor and General Counsel.

....

Sec. 3 Response to Allegation. If the president determines that the allegations are supported by evidence that justifies the initiation of termination procedures, the president will meet with the faculty member, explain the allegations and

supporting evidence, and give the faculty member a reasonable amount of time, as determined by the president to respond either orally or in writing.

Sec. 4 Authorization for Summary Dismissal. ~~In cases of incompetency or gross immorality where the facts are admitted, or in cases of felony conviction, the hearing procedures of Section 4 of this Rule shall not apply, and dismissal by the president will follow.~~ The institutional policies and procedures adopted pursuant to this Rule will include a process for the summary dismissal of a tenured faculty member upon a finding that the faculty member committed serious misconduct, as defined by institutional policies, at any time after providing the faculty member with appropriate due process required by state law, including providing the faculty member with written notice of the allegations against the faculty member together with an explanation of the evidence supporting dismissal and an opportunity for the faculty member to respond to the allegations in a hearing with a designated administrator.

The designated administrator must consider the faculty member’s response, must make a written determination of whether the institution will proceed with the summary dismissal, and must promptly provide the faculty member a copy of the written determination. If the decision is in favor of summary dismissal, the written determination must state that clearly and include the effective date of the dismissal and information regarding the faculty member’s opportunity for a post-dismissal appeal. If the decision is against summary dismissal, the written determination must state that clearly.

Following a designated administrator’s written determination to summarily dismiss a faculty member, the former faculty member must be provided with the opportunity for a post-dismissal appeal in accordance with the institution’s policies and procedures.

Institutional policies adopted pursuant to this Rule must be approved by the Chancellor, Executive Vice Chancellor for Academic Affairs or Health Affairs, and the Vice Chancellor and General Counsel.

....

d) Amend Regents’ Rule 31102, at Subsection 5.2 to add new language as follows:

5.2 Comprehensive Periodic Evaluations. Comprehensive periodic evaluations are required in compliance with *Texas Education Code* [Section 51.942](#).

....

(h) Communication of Results. Results of the evaluation will be communicated in writing to the faculty member, the department chair/dean, the chief academic officer, and the president for review and appropriate action.

(i) Uses. Possible uses of the information contained in the report include the following:

- (1) The evaluation may be used to determine salary recommendations, nominations for awards, or other forms of performance recognition.
- (2) For individuals whose performance indicates they would benefit from additional institutional support or a remediation plan, the evaluation shall be used to provide such support or a remediation plan (e.g., teaching effectiveness assistance, counseling, or mentoring in research issues/service expectations). Schools/colleges and/or departments, in consultation with a peer committee, shall monitor individuals receiving such support for evidence of improvement and, if there is insufficient improvement, shall take action under (3) or Section 5.3 below, if appropriate, for termination or other appropriate disciplinary action.
- (3) For individuals who receive an unsatisfactory rating in any area of any evaluation conducted under the comprehensive periodic evaluation policy, the process must provide for a short-term development plan that includes performance benchmarks for returning to satisfactory performance. Such individuals ~~Individuals whose performance is unsatisfactory~~ may be subject to further review and/or to appropriate administrative action. Institutional policies shall provide procedures for appeals.
- (4) If incompetence, neglect of duty, or other good cause is determined to be present, appropriate disciplinary action may be taken under Section 5.3 below.

It is further recommended that the Board of Regents direct the General Counsel to the Board to submit these Rules amendments to the Texas Higher Education Coordinating Board prior to September 1, 2023, and to submit any substantive revisions to these Rules annually, prior to each September 1.

BACKGROUND INFORMATION

Senate Bill 18, which amended *Texas Education Code* [Section 51.942](#), effective September 1, 2023, requires several amendments to current Regents' Rules related to the award of tenure, requirements for the comprehensive periodic evaluation of tenured faculty, and the details associated with termination for cause of a tenured faculty member or a nontenured faculty member during the term of his or her appointment. It is anticipated that institutional policies will be modified with input from faculty and following System guidance to facilitate implementation of these revisions.

The proposed revisions do not impact the full-time equivalent (FTE) employee count systemwide and are budget-neutral.

The proposed Rules changes were reviewed by the institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council and were also distributed by the presidents to faculty at each institution for advice and comment.

5. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' Rules and Regulations to amend Rules 40401 (Assessment, Collection, Delegation, and Waiver of Tuition, Fees, and Charges) and 50101 (Student Conduct and Discipline) regarding nonpayment of tuition, fees, or other charges**

RECOMMENDATION

It is recommended that the U. T. System Board of Regents take the following actions to approve the repositioning of language as follows:

- a) Approve the following addition to Regents' *Rules and Regulations*, Rule 40401 to reposition language related to the nonpayment of tuition, fees, and charges in a more relevant Rule:

Sec. 6 **In the event of nonpayment of university tuition, fees, or other charges, an institution may take actions permissible under federal or state laws or regulations.**

- b) Approve the deletion of Section 3 (Penalties for Nonpayment), Regents' *Rules and Regulations*, Rule 50101.

BACKGROUND INFORMATION

Regents' Rule 50101 currently includes, in a Rule otherwise related to the student disciplinary process, certain remedies in the event of nonpayment of tuition, fees, and charges by a student. The proposed revisions move this topic to Regents' Rule 40401, a rule discussing tuition, fees, and charges, and provide general authority for an institution to act in the event of nonpayment to the extent not in conflict with federal or state laws or policies.

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.

6. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' Rules and Regulations, Rule 80103 (Solicitation), Section 2, regarding exceptions to prohibition on solicitation**

RECOMMENDATION

The Chancellor, the Executive Vice Chancellors for Academic Affairs, Health Affairs, and Business Affairs, and the Vice Chancellor and General Counsel recommend that the U. T. System Board of Regents approve revisions to Regents' *Rules and Regulations*, Rule 80103 (Solicitation), Section 2 as shown below:

...

Sec. 2 Exceptions to Prohibition. The following activities shall not be deemed Solicitations prohibited by this Rule when conducted in accordance with the approved rules and regulations of the U. T. System Administration or any of the institutions. Such activities must be conducted in a manner that does not disturb or interfere with the academic programs or administrative activities of the U. T. System Administration or any of the institutions or any program or activity that is conducted by or is authorized by the U. T. System Administration or any of the institutions; does not interfere with entry to or exit from a building, structure, or facility; does not interfere with the flow of pedestrians or vehicular traffic on sidewalks or streets or at places of ingress and egress to and from property, buildings, or facilities; does not harass, or intimidate the person or persons being solicited; and does not violate applicable State, federal, or local laws or regulations:

...

2.6 Sale of Items at Events. The sale or offer for sale by the U. T. System Administration or any of the institutions or a subcontractor, under an approved written agreement, of food, drink, art, souvenirs, novelty items, and programs, or other items related to participation at athletic contests, arts festivals, summer camps, or other programs or events sponsored or authorized by the U. T. System Administration or any of the institutions.

....

BACKGROUND INFORMATION

Regents' Rule 80103 generally prohibits solicitation on property owned or controlled by the U. T. System or any of the institutions. Section 2 provides a number of exceptions to this prohibition including the general sale, under written agreement, of items at sponsored programs or events, such as food, drink, or souvenirs at athletic events. The proposed revisions would also specifically include in this exception the sale of art at university-sponsored arts festivals and items related to sponsored or authorized events, including summer camps.

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.

7. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' Rules and Regulations, Rule 80301 (Capital Improvement Program), regarding major projects**

RECOMMENDATION

The Chancellor, the Executive Vice Chancellors for Academic Affairs, Health Affairs, and Business Affairs, the Vice Chancellor and General Counsel, and the General Counsel to the Board recommend that the U. T. System Board of Regents approve revisions to Regents' *Rules and Regulations*, Rule 80301 (Capital Improvement Program), to add a new Section 4, incorporate the definition of Major Project into the text, and renumber the remaining Sections accordingly:

...

Sec. 4 Major Projects.

- a. A Major Project is any project that meets one or more of the following criteria: 1) new building construction with a total project cost of \$10 million or more, 2) road, paving, and repair and rehabilitation projects with a total project cost of \$10 million or more, and 3) any project determined by the Board to be architecturally or historically significant.
- b. **An institution's dollar threshold for defining a Major Project may be increased from \$10 million up to \$25 million by the Chancellor, in consultation with the Executive Vice Chancellor for Business Affairs, if it is determined that the institution has the expertise to plan, design, and implement such projects.**

BACKGROUND INFORMATION

Rule 80301 sets forth rules for the administration of U. T. System's Capital Improvement Program. In doing so, the Rule defines Major Project and establishes additional requirements for the management of those projects.

Currently a major project is defined as one with a total project cost of at least \$10 million or a project determined by the Board to be architecturally or culturally significant. The proposed revision would allow flexibility to increase an institution's cost threshold to up to \$25 million if it is determined that the institution has the expertise to plan, design, and implement such projects; such determinations would be recorded in a summary chart accessible from the Rule. This approach is consistent with the flexibility provided in *Regents' Rule* 10501 for Board contract approval thresholds.

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.

8. U. T. System Board of Regents: Discussion and appropriate action regarding higher education affordability

RECOMMENDATION

The Chancellor and the Executive Vice Chancellor for Academic Affairs recommend that the U. T. System Board of Regents certify that U. T. general academic institutions will maintain total resident undergraduate academic costs including tuition, mandatory academic fees, all academic-related general fees, and college course fees at the current levels for the next two academic years, at levels as approved by the Board on May 4, 2023.

BACKGROUND INFORMATION

The U. T. System understands the value of offering world-class, affordable higher education opportunities within the state and remains fully committed to controlling costs for students wherever possible. However, the cost of providing high-quality education continues to increase. In an effort to hold tuition flat for students and their families, the U. T. System joined with five other major university systems in the state to request an increased state investment.

With an unprecedented revenue surplus for the State of Texas for the 2024-2025 biennium, the Texas Legislature, 88th Regular Session, was able to approve significant additional state funding for general academic institutions, contingent on an institution's adoption of policies to maintain total resident undergraduate academic cost including tuition, mandatory academic fees, all academic-related general fees, and college course fees at currently approved levels for the next two academic years. The Chancellor and Executive Vice Chancellor for Academic Affairs have confirmed that all U. T. academic institutions have adopted such policies.

The recommended Board action will further document the Board's commitment to partner with the State of Texas to ensure public institutions of higher education in Texas continue to be some of the most affordable in the nation.

9. U. T. System: Discussion and appropriate actions regarding the establishment of the Regents' Research Excellence Program and the allocation and expenditure of \$55 million of Available University Funds and additional funding from the Internal Lending Program and other sources

RECOMMENDATION

The Chancellor and the Executive Vice Chancellors for Academic Affairs and Business Affairs recommend that the U. T. System Board of Regents:

- a. Adopt a goal for the U. T. System to accelerate its national research prominence and the state's economy through the establishment of the Regents' Research Excellence Program to enhance the U. T. System's global research competitiveness;
- b. authorize the allocation of \$55 million of Available University Funds (AUF) for the Regents' Research Excellence Program in furtherance of U. T. System Administration's responsibility to provide oversight and coordination of the activities of the U. T. System;
- c. authorize the expenditure of up to \$25 million in each year of the 2024-2025 biennium to be funded from the Internal Lending Program and other available sources serving as the matching allocation of institutional funds required under Art. III, Sec. 56 of the *General Appropriations Act*; and
- d. find that expenditure of AUF for the purpose of providing oversight and coordination of the activities of the U. T. System is appropriate and that the expenditure benefits a broad number of U. T. System institutions.

BACKGROUND INFORMATION

The establishment of the U. T. System Regents' Research Excellence Program is proposed to permanently maintain and enhance the research competitiveness of the U. T. System and the U. T. institutions. The Program will provide the support required to continue to enhance the competitiveness of Texas and its research universities and will assure that the U. T. System and U. T. institutions achieve national research prominence at the highest levels and continue to help drive the state's innovation economy. The Program will provide recurring funding for the salaries and benefits of U. T. System research-active faculty and postdoctoral fellows needed to accelerate the rate of growth of high-quality research. The Chancellor will take steps necessary to implement the program if approved.

Since August 2004, the U. T. System Board of Regents has approved allocations of Permanent University Fund bond proceeds for the Science and Technology Acquisition and Retention program (STARs program), designed to help U. T. System institutions attract and retain the best qualified faculty by funding research start-up costs, including state-of-the-art research equipment and laboratory renovations. While the STARs program has been instrumental in helping U. T. institutions attract and retain high-quality faculty through research facilities and equipment, additional funds made available through the Regents' Research Excellence Program

are needed to accelerate the pace of faculty hiring. This additional investment in the overall research capacity and success of the U. T. System is consistent with and contemplated by the actions of the Texas 88th Legislature and Governor Abbott.

Art. III, Sec. 56 of the General Appropriations Act provides up to \$25 million in General Revenue funding to the Core Research Support Fund, provided the eligible institutions receive an equal matching allocation of institutional funds. The allocation of up to \$25 million under subsection (c) will serve as the institutional match needed to access the up to \$25 million in additional state funding. The amount of funding provided to U. T. System institutions from the Core Research Support Fund depends on whether House Bill 1595, 88th Legislature, Regular Session, takes effect with the adoption of an amendment to the Texas Constitution.

The Executive Vice Chancellor for Business Affairs has determined that, following distribution of funds based on Board approval of this item, revenues generated through the Internal Lending Program will exceed amounts needed to maintain a sufficient interest rate buffer, to meet principal and interest due on external debt, and to provide necessary liquidity.

Advance notice of this proposed System initiative funded with Available University Funds was provided to the Legislative Budget Board as required by Rider 7, Page III-70 of the current *General Appropriations Act*.

10. **U. T. System Board of Regents: Discussion and appropriate action regarding the establishment of Stephen F. Austin State University, a member of The University of Texas System**

RECOMMENDATION

The Chancellor, the Executive Vice Chancellors for Academic Affairs and Business Affairs, the Vice Chancellor and General Counsel, and the General Counsel to the Board recommend that The University of Texas System Board of Regents take the following actions regarding the establishment of Stephen F. Austin State University, a member of The University of Texas System:

- a. establish Stephen F. Austin State University, a member of The University of Texas System, to begin operation on September 1, 2023, as a general academic teaching institution of the first class;
- b. ratify existing approvals and adoptions of policies made by the Stephen F. Austin State University Board of Regents necessary to the operation of an institution of higher education for use by Stephen F. Austin State University, a member of The University of Texas System;
- c. delegate authority to the Chancellor to take any action needed to facilitate the transfer of operations from Stephen F. Austin State University to Stephen F. Austin State University, a member of The University of Texas System;
- d. delegate authority to the General Counsel to the Board to make amendments to the *Regents' Rules and Regulations* to reflect the affiliation with Stephen F. Austin, a member of The University of Texas System; and
- e. add Stephen F. Austin State University, a member of The University of Texas System, to the listing in Regents' Rule 40404 of the U. T. institutions eligible and authorized by the Board to charge reduced tuition at a rate equal to the statutory rate for Texas residents, plus \$30 per semester credit hour, for citizens of the State of Louisiana, subject to the approval of the Texas Higher Education Coordinating Board, and find that this rate is in the best interest of the institution, effective for students first registering for the Spring semester 2024.

BACKGROUND INFORMATION

On November 29, 2022, the Stephen F. Austin State University Board of Regents approved an affiliation with The University of Texas System. On May 10, 2023, Governor Abbott signed legislation requiring that the U. T. System Board of Regents establish Stephen F. Austin State University, a member of The University of Texas System (SFA), as a general academic teaching institution of the first class and establish a date of operations. On July 27, 2023, the U. T. System Board of Regents assumed management and control of SFA to comply with conditions of continued accreditation set by the Southern Association of Colleges and Schools Commission on Colleges.

The item recommends the delegation of authority to the Chancellor to take actions necessary to facilitate transfer of operations to the newly established institution and to the General Counsel to the Board to amend Regents' Rules to reflect SFA's inclusion in The University of Texas System. The recommended Board actions also include an initial ratification of previous Stephen F. Austin Board actions to ensure continuity in the operation of the new institution. U. T. System offices will continue to work with SFA to ensure existing policies are consistent with systemwide standards and requirements to the extent possible.

A specific recommendation seeks authorization regarding tuition rates for out-of-state students from Louisiana to allow the new institution to offer reduced tuition as was the practice of the previous institution. Existing students and students registered for classes for Fall 2023 will continue to benefit from the previous institution's discounted tuition rates for out-of-state students.

11. **U. T. System: Discussion and appropriate action regarding a) the nonpersonnel aspects of the operating budgets for Fiscal Year 2024, including Permanent University Fund Bond Proceeds allocations for Library, Equipment, Repair and Rehabilitation Projects, for the Faculty Science and Technology Acquisition and Retention program, and for capital expenses for Stephen F. Austin State University and Internal Lending Program funds for Stephen F. Austin State University, and b) finding that expenditure of AUF is appropriate**

RECOMMENDATION

Chancellor Milliken, with the concurrence of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and the presidents of the U. T. institutions, recommends

- a) approval of the nonpersonnel aspects of the U. T. System Operating Budgets for Fiscal Year 2024, including Educational and General Funds, Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical, Dental, Nursing, and Allied Health Faculty Services, Research and Development Plans;
- b) that the Chancellor be authorized to make editorial corrections to the approved budget and that subsequent adjustments be reported to the U. T. System Board of Regents through the Consent Agenda subject to the requirements of the Budget Rules and Procedures;
- c) appropriation of PUF Bond Proceeds in the amount of \$41.2 million directly to the institutions and U. T. System Administration to fund LERR Projects for Fiscal Year 2024;
- d) appropriation of \$35.8 million of PUF Bond Proceeds to provide additional funding to build and enhance research infrastructure to attract and retain the best qualified faculty through the Faculty STARs program. Funding authorized may be used by institutions in either the Faculty STARs or the Rising STARs programs to take advantage of recruitment and retention opportunities presented by the institutions;
- e) allocation of \$45 million of PUF Bond Proceeds in Fiscal Year 2024 to fund capital expenses at Stephen F. Austin State University (SFA);
- f) allocation of \$25.5 million from the Internal Lending Program (ILP) be appropriated to SFA for Fiscal Years 2024 – 2027, with \$3.5 million of the allocated funding (\$0.5 million in Fiscal Year 2024, \$1.0 million annually in Fiscal Years 2025 - 2027) to support programs within the Arthur Temple College of Forestry and Agriculture and the remaining \$22 million (\$5.5 million annually in Fiscal Years 2024 -2027) to support transition expenses; and
- g) find that expenditure of AUF for the purpose of providing operational support to the U. T. System institutions and identified in the U. T. System Administration Operating Budget for Fiscal Year 2024 as Direct Campus Support is appropriate under the U. T. System's responsibilities to oversee and coordinate the activities and operations of the U. T. institutions, with the intent that expenditures will benefit all academic and health institutions.

BACKGROUND INFORMATION

Executive Vice Chancellor Jonathan Pruitt and Assistant Vice Chancellor Derek Horton will present the following recommended items:

Fiscal Year 2024 Operating Budgets

Allocations from Permanent University Fund (PUF) Bond Proceeds

- Fiscal Year 2024 Library, Equipment, Repair and Rehabilitation (LERR) Budget
- Fiscal Year 2024 Faculty Science and Technology Acquisition and Retention (STARs) program
- Fiscal Year 2024 support for capital expenses for Stephen F. Austin State University (SFA)

Allocations from the Internal Lending Program (ILP) Funds

Fiscal Year 2024 - 2027 support for Stephen F. Austin State University

Budget materials titled "Operating Budget Summaries and Reserve Allocations for Library, Equipment, Repair and Rehabilitation and Faculty STARs" will be available online at <https://utsystem.edu/offices/budget-and-planning/operating-budget-summaries>.

Included in the U. T. System Administration Operating Budget for Fiscal Year 2024 is a \$3.5 million allocation of AUF for Direct Campus Support to provide assistance to U. T. academic institutions.

The appropriation of PUF Bond Proceeds for LERR and STARs will be presented in the Fiscal Year 2024 LERR Budget and is subject to the budget rules and expenditure guidelines adopted therein. The allocation of LERR funds to the U. T. institutions was developed from prioritized lists of projects submitted by the institutions and reviewed by U. T. System Administration staff. The allocation for both LERR and STARs includes year one of a four year commitment made to SFA for these programs as it joins the U. T. System.

The \$25.5 million of ILP for operations and the \$45 million of PUF Bond Proceeds being requested for capital expenses were part of the commitment made to SFA as it joins the U. T. System. The leadership of SFA will identify and communicate PUF-eligible projects to U. T. System Administration. The allocation of PUF Bond Proceeds for this purpose does not have a specific expiration date.

The PUF Bond Proceeds appropriated as indicated above must be spent in accordance with Article VII, Section 18 of the Texas Constitution. PUF Bond Proceeds may only be used for acquiring land either with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair and rehabilitation of buildings and other permanent improvements, acquiring capital equipment, and acquiring library books and library materials.

Executive Vice Chancellor Jonathan Pruitt has determined that for the distribution of ILP to SFA and for amounts included in the U. T. System Administration Operating Budget based on Board approval of this item, revenues generated through the ILP will exceed amounts needed to maintain a sufficient interest rate buffer to meet principal and interest due on external debt and to provide necessary liquidity.

12. **U. T. System: Discussion and appropriate action regarding personnel aspects of the U. T. System Administration and institutional operating budgets for Fiscal Year 2024**

RECOMMENDATION

Chancellor Milliken concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Executive Vice Chancellor for Business Affairs that approval be granted regarding personnel aspects of the U. T. System Administration operating budget for Fiscal Year 2024 as included in the previous Agenda Item.

See also the Executive Session items related to the individual personnel aspects of the U. T. System Operating Budgets.



TABLE OF CONTENTS FOR AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE

Committee Meeting: 8/23/2023

Board Meeting: 8/24/2023
Austin, Texas

Nolan Perez, Chairman
Christina Melton Crain
Jodie Lee Jiles
Janiece Longoria
Kelcy L. Warren
Rad Weaver

	Committee Meeting	Board Meeting	Page
Convene	2:15 p.m. <i>Chairman Perez</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	27
2. U. T. System: Discussion and Appropriate Action regarding institutional Audit Committee chair changes; Report on the chief administrator travel, entertainment, and university residence maintenance expenses audit, the Systemwide Cancer Prevention and Research Institute of Texas (CPRIT) grants assurance work, the State Auditor’s Office Statewide Single Audit Report for FY 2022 and Systemwide internal audit administrative items, including Required Communications and Annual Audit Plan Status	Action <i>Mr. Peppers</i>	Not on Agenda	28
3. U. T. System: Approval of the U. T. Systemwide Annual Audit Plan for Fiscal Year 2024	Action <i>Mr. Peppers</i>	Action	30
Adjourn	2:45 p.m.		

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

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 352](#).

2. **U. T. System: Discussion and Appropriate Action regarding institutional Audit Committee chair changes; Report on the chief administrator travel, entertainment, and university residence maintenance expenses audit, the Systemwide Cancer Prevention and Research Institute of Texas (CPRIT) grants assurance work, the State Auditor's Office Statewide Single Audit Report for FY 2022 and Systemwide internal audit administrative items, including Required Communications and Annual Audit Plan Status**

RECOMMENDATION

Chief Audit Executive Peppers, on behalf of the Presidents at U. T. Arlington, U. T. Austin, U. T. San Antonio, and Stephen F. Austin State University recommends formal approval by the Audit, Compliance, and Risk Management Committee (ACRMC) of the appointment of the following individuals to serve as Chairs of the Institutional Audit Committees:

- Helen Dickey, Partner at Harris & Dickey LLC, U. T. Arlington
- Ayse McCracken, President at eNNOVATE Health Ventures, U. T. Austin;
- Jason Sechrist, Director of Sales Engineering at CrossComply, at U. T. San Antonio (reappointment); and
- Tom Mason, Executive Vice President and Chief Financial Officer at Hillwood Development, at Stephen F. Austin State University.

Details on the qualifications of the new Chair candidates were provided to the ACRMC members prior to the meeting.

REPORT

Mr. Peppers will:

1. provide a report on the chief administrator travel, entertainment, and university residence maintenance expenses audit;
2. provide a report on the State Auditor's Office (SAO) State of Texas Federal and Financial Portions of the Statewide Single Audit for Fiscal Year 2022;
3. provide a report on the Systemwide Cancer Prevention and Research Institute of Texas (CPRIT) grants assurance work;
4. discuss required communications to the Committee, including independence of the Chief Audit Executives; and
5. provide an update on the Fiscal Year 2023 Annual Audit Plan status as of May 31, 2023.

A summary of the chief administrator expenses audit results, SAO audit results, CPRIT assurance work, and details on required communications and Audit Plan status, including Priority Observations, were provided to the ACRMC members prior to the meeting.

BACKGROUND INFORMATION

The ACRMC annually reviews and approves nominations from all the institutional presidents for external member chairs of their institutional audit committees. Delegated approval was provided by the ACRMC Chairman and the Chancellor for those candidates with terms beginning between May ACRMC meetings.

Deloitte & Touche, LLP was engaged to conduct audits of FY 2022 CPRIT grant activity for six U. T. institutions. Five other U. T. institutions engaged Weaver & Tidwell to perform agreed upon procedures of FY 2022 CPRIT grant activity.

The Texas State Auditor's Office performs the Statewide Single Audit annually. The audit includes a federal portion, which is an audit of compliance and controls over the State's federal awards, and a financial portion, which includes an audit of the basic financial statements for the State of Texas. These reports are submitted to the federal government.

Required communications to the Committee include the discussion of internal auditing professional standards and confirmation of the organizational independence of the internal audit activity. Through their annual certification process, all institutional chief audit executives confirmed they are receiving adequate support to conduct the necessary audit services and there are institutional internal audit departmental processes to ensure compliance with professional standards.

Internal audit across the U. T. System uses a consistent classification process to evaluate audit results to identify Priority, High, Medium, or Low level reportable observations. A Priority Observation is defined as "an issue that, if not addressed timely, has a high probability to directly impact achievement of a strategic or important operational objective of a U. T. institution or the U. T. System as a whole." All reportable observations are rated based on an assessment of applicable risk factors and the probability of a negative outcome occurring if the risk is not adequately mitigated. The standard risk factors considered are: Qualitative (evaluates the probability and consequences across seven areas), Operational Control (evaluates operational vulnerability to risks by considering the existence of management oversight and effective alignment of operations), and Quantitative (evaluates the level of financial exposure or lost revenue).

3. **U. T. System: Approval of the U. T. Systemwide Annual Audit Plan for Fiscal Year 2024**

RECOMMENDATION

Chief Audit Executive Peppers will present the proposed Fiscal Year 2024 U. T. Systemwide Annual Audit Plan (Audit Plan) using the PowerPoint set forth on the following pages and will recommend its approval. Development of the Audit Plan is based on risk assessments performed at each institution. Implementation of the Audit Plan will be coordinated with the institutional auditors. The Audit Plan executive summary and the detailed annual audit plans were provided to the Audit, Compliance, and Risk Management Committee members prior to the meeting.

BACKGROUND INFORMATION

Institutional audit plans, compiled by the internal audit departments after input and guidance from the U. T. System Audit Office, the Offices of Academic or Health Affairs, and the institution's management and institutional internal audit committee, were submitted to the respective institutional internal audit committee and institutional president for review and comments. Also, the U. T. System Chief Audit Executive provided feedback by conducting audit plan presentations with each institution. After the review process, each institutional internal audit committee formally approved its institution's audit plan.

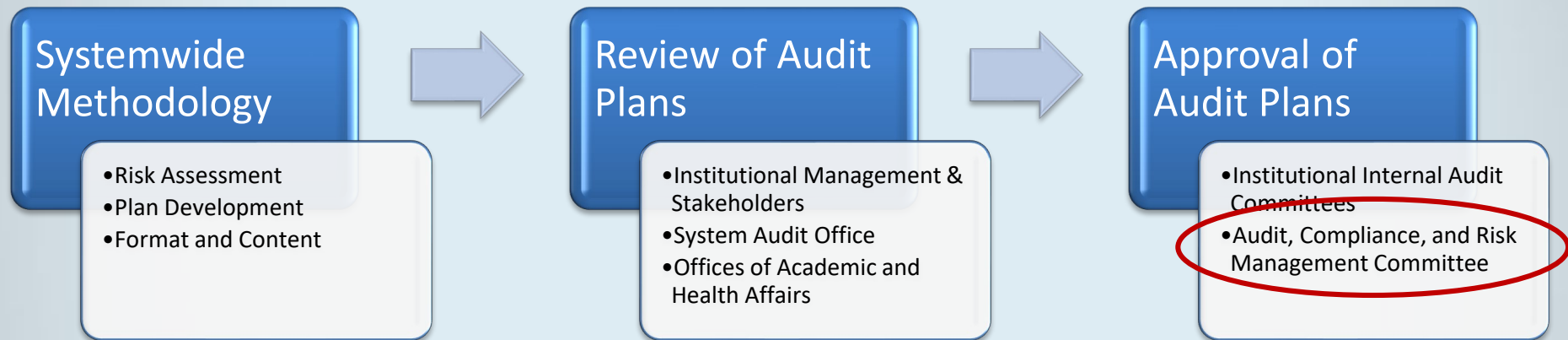
U. T. Systemwide FY 2024 Annual Audit Plan

Mr. J. Michael Peppers, U. T. System Chief Audit Executive

U. T. System Board of Regents Meeting
Audit, Compliance, and Risk Management Committee
August 2023



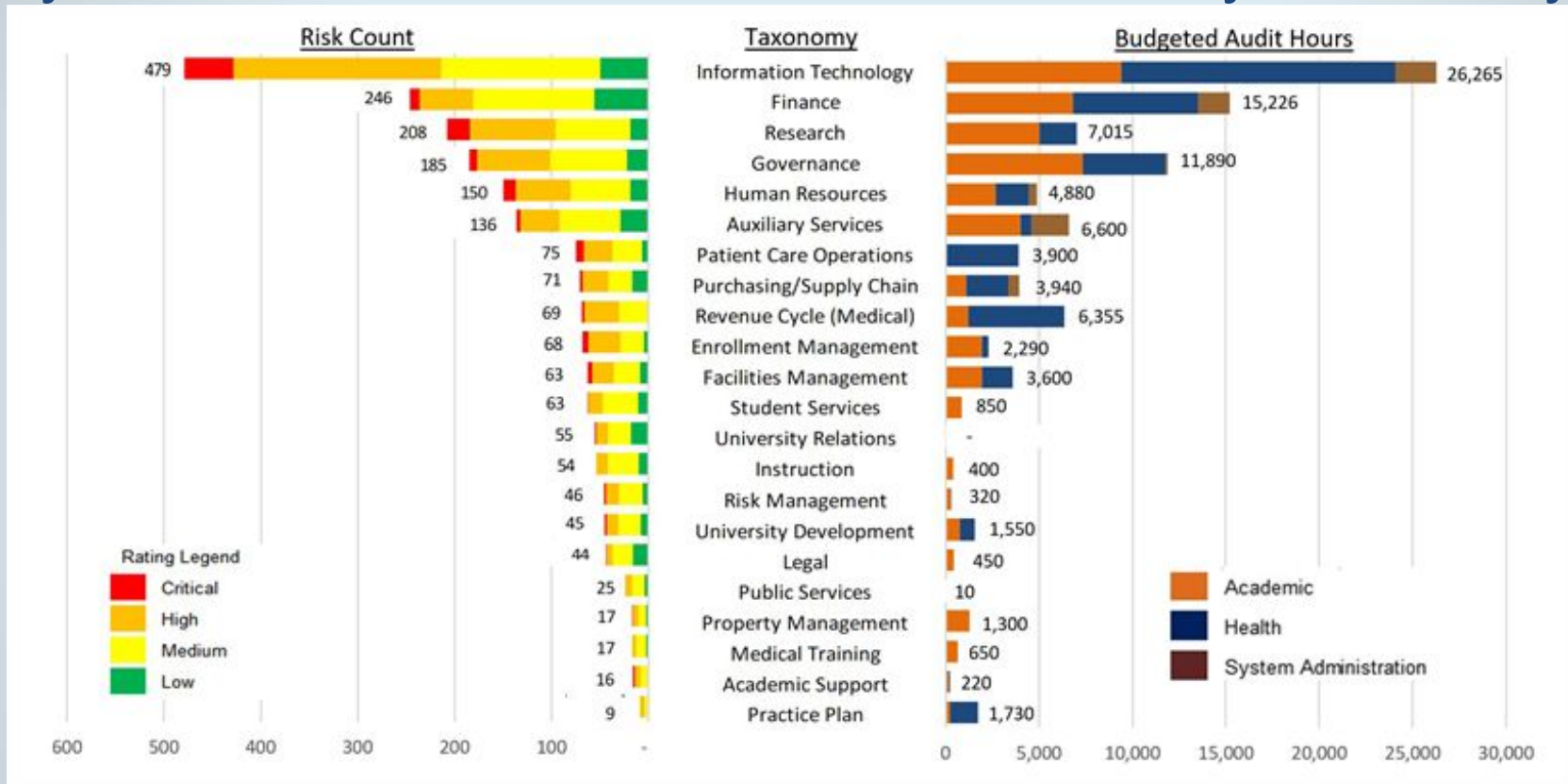
Overall Audit Plan Process



FY 2024 Annual Work Plans

- Internal audit work plans across the System include 184k direct hours in the following categories:
 - Assurance, Advisory, and Required Engagements
 - Investigations
 - Reserve
 - Follow-up
 - Development Operations and Initiatives
- Diverse topics to maximize coverage of risk areas
- Commonality in high-risk area topics

Systemwide Risk Count vs. Audit Hours by Taxonomy



Most Common IT Topics



Information Security

- Cybersecurity protection and incident response
- Identity and access management
- Cloud/third-party security

Most Common IT Topics (cont.)

Data Governance and Data Management

- Data governance
- Research data
- Shared data initiatives
- Payment Card Industry (PCI) data security compliance

Other Common IT Topics

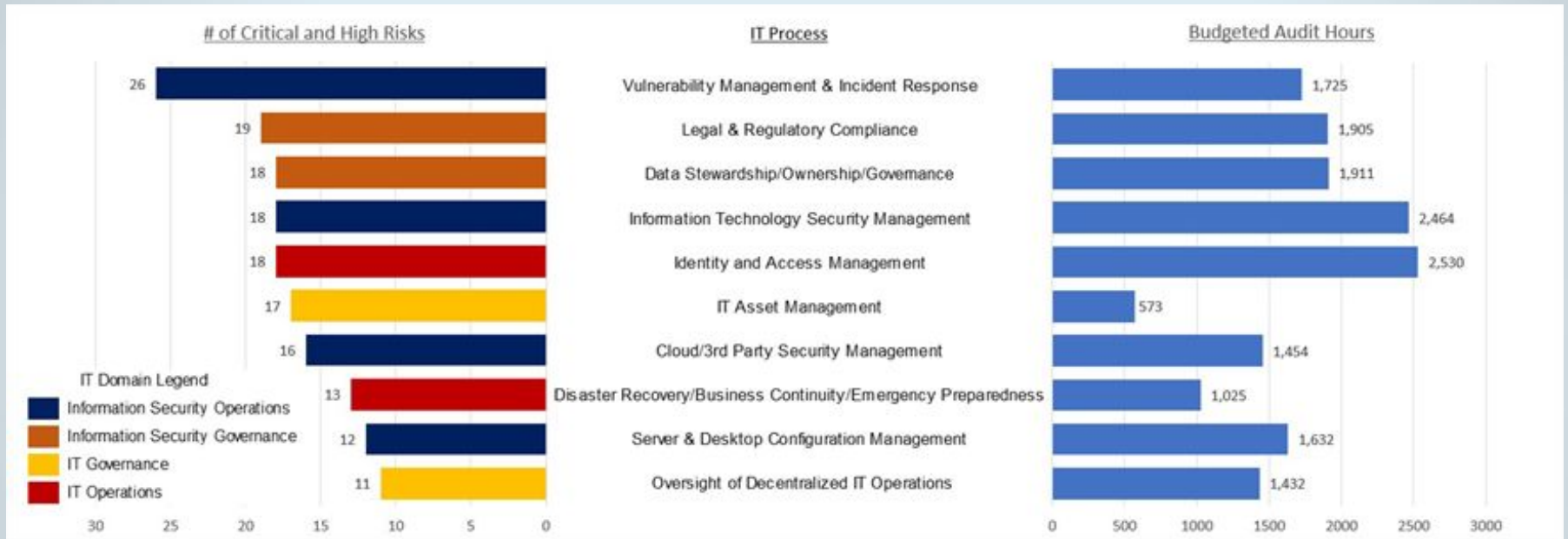
Disaster
Recovery/
Business
Continuity

Decentralized IT

Electronic Health
Records

IT Asset
Management

Systemwide IT Critical/High Risk Count vs. Audit Hours by IT Process



Most Common Topics

Medical Services Revenue Cycle

- Evaluate processes and controls around various aspects of the medical services revenue cycle, including:
 - Billing practices
 - Charge capture for services provided
 - Clinical operations
 - Collections
 - Compliance with regulations

Most Common Topics (cont.)

Purchasing/ Supply Chain

- Review processes, policies, and controls around purchasing:
 - Oversight of vendor activities and billing
 - Monitoring for conflicts of interest
 - Ensuring supply chain resilience
 - Compliance with statutes/regulations

Most Common Topics (cont.)

Research Administration

- Ensure expenditure compliance with grant- or contract-specific requirements, including:
 - Evaluating processes and controls, policies and procedures

Most Common Topics (cont.)

Foreign Influence

- Assess processes and controls to protect research and intellectual property from inappropriate foreign influence:
 - Data security
 - Identity and access management
 - Disclosure requirements
 - Compliance with federal, state, and other applicable regulations

Most Common Topics (cont.)

Financial Reporting

- Assess processes, controls, and procedures for financial and accounting processes

Other Common Topics

Account Reconciliation
Segregation of Duties

Travel & Entertainment Expenses

Financial Aid

Gifts and Endowments

Practice Plan

Campus Security

Construction

Employee Onboarding & Offboarding

Common Topics for Required Engagements

Procurement
Compliance

Annual
Financial Report

NCAA
Compliance

Joint Admission
Medical
Program (JAMP)

Various Grants

FY 2024 Internal Audit Resources

- Approximately 105 internal audit professionals Systemwide
- Co-source hours to meet long-term and immediate needs
 - Master Service Agreements with 15 service providers



TABLE OF CONTENTS FOR FINANCE AND PLANNING COMMITTEE

Committee Meeting: 8/23/2023

Board Meeting: 8/24/2023
Austin, Texas

Janiece Longoria, Chairman
Robert P. Gauntt
Jodie Lee Jiles
Stuart W. Stedman
Kelcy L. Warren
Rad Weaver

	Committee Meeting	Board Meeting	Page
Convene	<i>2:45 p.m.</i> <i>Chairman</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	49
2. U. T. System: Financial Status Presentation and Monthly Financial Report	Report/Discussion <i>Mr. Pruitt</i>	Not on Agenda	50
3. U. T. System Board of Regents: Equipment financing authorization for Fiscal Year 2024 and resolution regarding parity debt	Action <i>Mr. Pruitt</i>	Action	79
4. U. T. System Board of Regents: Adoption of a Resolution authorizing the issuance, sale, and delivery of Permanent University Fund Bonds and authorization to complete all related transactions	Action <i>Mr. Pruitt</i>	Action	81
5. U. T. System Board of Regents: Adoption of a Supplemental Resolution authorizing the issuance, sale, and delivery of Revenue Financing System Bonds and authorization to complete all related transactions	Action <i>Mr. Pruitt</i>	Action	83
6. U. T. System Board of Regents: Adoption of resolutions authorizing certain bond enhancement agreements for Revenue Financing System debt and Permanent University Fund debt and ratification of Regents' Rule 70202, as amended, in its entirety	Action <i>Mr. Pruitt</i>	Action	85

- | | | | | |
|-----|---|---|---|------------|
| 7. | U. T. System Board of Regents: Approval of annual distributions from the Permanent University Fund, the Permanent Health Fund, the Long Term Fund, and the Intermediate Term Fund | Action
<i>Mr. Pruitt</i> | Action | 92 |
| 8. | U. T. System Board of Regents: Approval of amendments to the Investment Policy Statements for the Permanent University Fund, the General Endowment Fund, the Intermediate Term Fund, the Permanent Health Fund, the Long Term Fund, and the Liquidity Policy | Action
<i>Mr. Hall</i> | Action | 95 |
| 9. | U. T. System Board of Regents: Approval to amend The University of Texas/Texas A&M Investment Management Company (UTIMCO) Code of Ethics | Action
<i>Mr. Pruitt</i>
<i>Mr. Hall</i> | Action
<i>Mr. Pruitt</i>
<i>Mr. Hall</i> | 155 |
| 10. | U. T. System Board of Regents: Approval of the Annual Budget for Fiscal Year 2024, including the capital expenditures budget and other external direct charges to the Funds, and the Annual Fee and Allocation Schedule for The University of Texas/Texas A&M Investment Management Company (UTIMCO) | Action
<i>Mr. Pruitt</i>
<i>Mr. Hall</i> | Action | 179 |
| 11. | U. T. System Board of Regents: The University of Texas/Texas A&M Investment Management Company (UTIMCO) Update | Report/Discussion
<i>Mr. Hall</i> | Not on
Agenda | 194 |

Adjourn

3:30 p.m.

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

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 352](#).

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

REPORT

Mr. Jonathan Pruitt, Executive Vice Chancellor for Business Affairs, will discuss the Financial Status Presentation, the highlights of which are set forth in the PowerPoint on the following pages and the May Monthly Financial Report, which follows the PowerPoint. The monthly financial report represents the consolidated and individual operating detail of the U. T. institutions.

U. T. System

Fiscal Year-to-Date Actuals and Projected Fiscal Year-End

Jonathan Pruitt

Executive Vice Chancellor for Business Affairs

U. T. System Board of Regents Meeting

Finance and Planning Committee

August 2023



THE UNIVERSITY of TEXAS SYSTEM
THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

U. T. System Consolidated Summary

Fiscal Year Summary
Period Ending May 31, 2023



Revenues
\$21,057.9 M



Expenses
\$19,898.7 M



Adjusted Income
\$1,159.2 M



FYE Projection
\$1,823.4 M

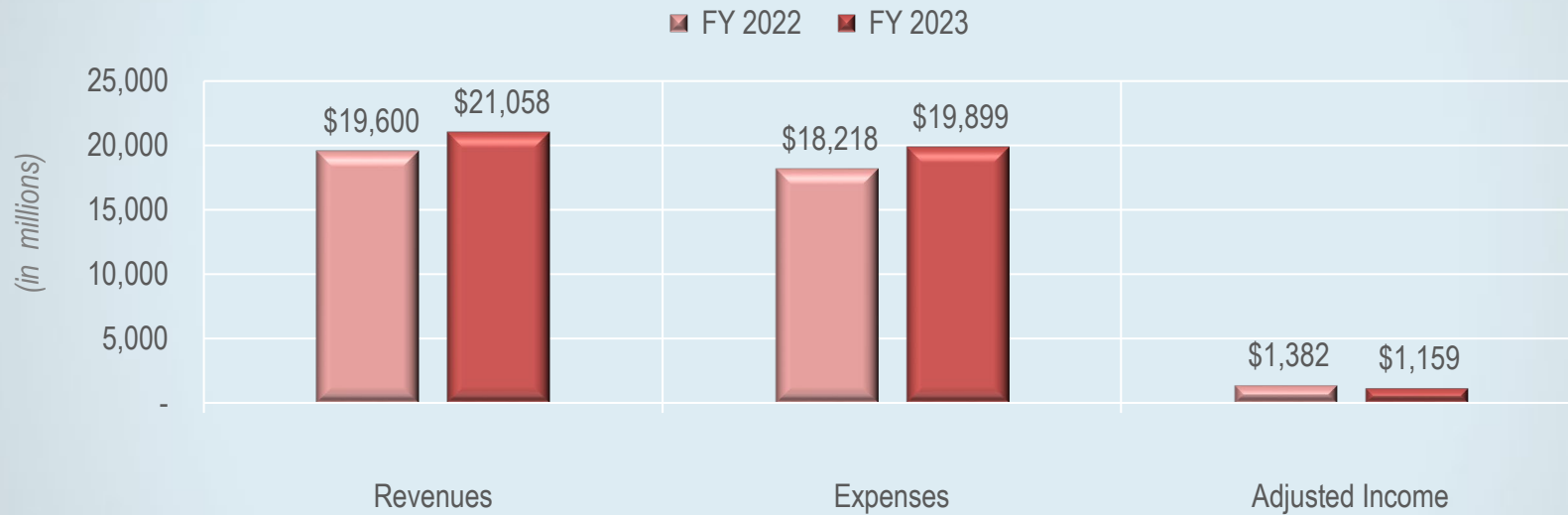


THE UNIVERSITY of TEXAS SYSTEM
THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

Excludes OPEB & Pension Expenses

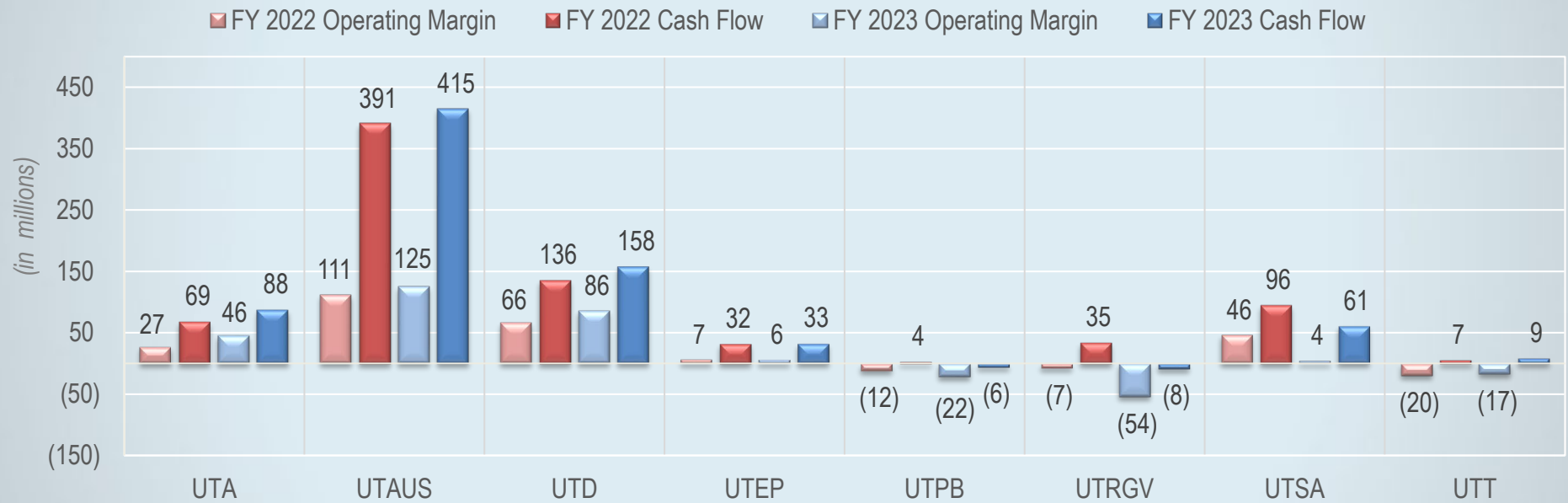
U. T. System Consolidated Revenue & Expenses

Year-Over-Year Comparison (May)



Adjusted Income – Academic Institutions

Year-Over-Year Comparison (May)

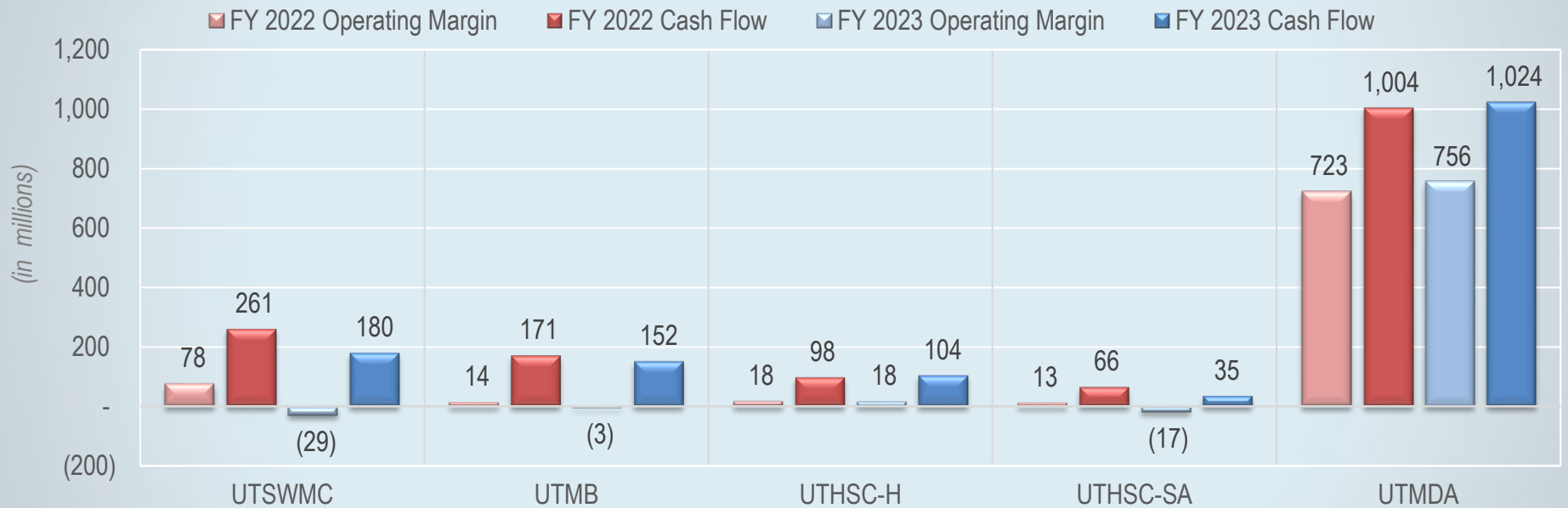


THE UNIVERSITY of TEXAS SYSTEM
THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

Operating Margin – with depreciation
Cash Flow – without depreciation

Adjusted Income – Health Institutions

Year-Over-Year Comparison (May)



THE UNIVERSITY of TEXAS SYSTEM
THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

Operating Margin – with depreciation
Cash Flow – without depreciation

Budget to Actuals – Academic Institutions

FY 2023
May

	Budget (\$ Millions)				Actuals (\$ Millions)				
	Revenues	Expenses	Operating Margin	Margin Ratio	Revenues	Expenses	Operating Margin	Margin Ratio	
U. T. Arlington	\$782.7	\$796.4	(\$13.7)	-1.7%	\$635.9	\$590.1	\$45.9	7.2%	▲
U. T. Austin	\$2,972.8	\$3,066.3	(\$93.5)	-3.1%	\$3,085.3	\$2,959.9	\$125.4	4.1%	▲
U. T. Dallas	\$792.4	\$797.2	(\$4.8)	-0.6%	\$662.5	\$576.3	\$86.1	13.0%	▲
U. T. El Paso	\$531.0	\$542.4	(\$11.5)	-2.2%	\$395.0	\$388.7	\$6.4	1.6%	▲
U. T. Permian Basin	\$94.1	\$110.5	(\$16.4)	-17.5%	\$73.7	\$95.5	(\$21.7)	-29.5%	▼
U. T. Rio Grande Valley	\$632.5	\$681.0	(\$48.5)	-7.7%	\$482.7	\$536.7	(\$54.0)	-11.2%	▼
U. T. San Antonio	\$684.9	\$720.8	(\$35.9)	-5.2%	\$556.0	\$551.6	\$4.5	0.8%	▲
U. T. Tyler	\$535.9	\$550.6	(\$14.8)	-2.8%	\$406.5	\$423.8	(\$17.3)	-4.3%	▼
Total	\$7,026.1	\$7,265.2	(\$239.1)	-3.4%	\$6,297.7	\$6,122.5	\$175.2	2.8%	▲



Budget to Actuals – Health Institutions

FY 2023
May

	Budget (\$ Millions)				Actuals (\$ Millions)				
	Revenues	Expenses	Operating Margin	Margin Ratio	Revenues	Expenses	Operating Margin	Margin Ratio	
U. T. Southwestern Medical Center	\$4,580.3	\$4,510.5	\$69.7	1.5%	\$3,572.7	\$3,601.7	(\$29.0)	-0.8%	▼
U. T. Medical Branch - Galveston	\$2,734.9	\$2,753.0	(\$18.1)	-0.7%	\$2,166.8	\$2,170.1	(\$3.3)	-0.2%	▼
U. T. Health Science Center - Houston	\$2,258.1	\$2,254.8	\$3.3	0.1%	\$1,736.5	\$1,718.0	\$18.5	1.1%	▲
U. T. Health Science Center - San Antonio	\$1,205.4	\$1,223.4	(\$18.0)	-1.5%	\$947.0	\$964.4	(\$17.4)	-1.8%	▼
U. T. M. D. Anderson Cancer Center	\$7,101.4	\$6,300.0	\$801.4	11.3%	\$5,463.3	\$4,706.8	\$756.5	13.8%	▲
Total	\$17,880.1	\$17,041.8	\$838.3	4.7%	\$13,886.3	\$13,161.0	\$725.3	5.2%	▲



Financial Summary

Systemwide Operations May 2023

	Budget	Actuals	% of Budget
U. T. System Administration (AUF)	\$60,998,033	\$42,696,540	70%
Direct Campus Support (AUF)	\$61,700,000	\$34,350,343	56%
Service Departments & Other Non-AUF	\$62,805,782	\$38,507,703	61%
Total	\$185,503,815	\$115,554,586	62%



THE UNIVERSITY OF TEXAS SYSTEM OFFICE OF BUDGET AND PLANNING

MONTHLY FINANCIAL REPORT *(unaudited)*

May 2023
FY 2023

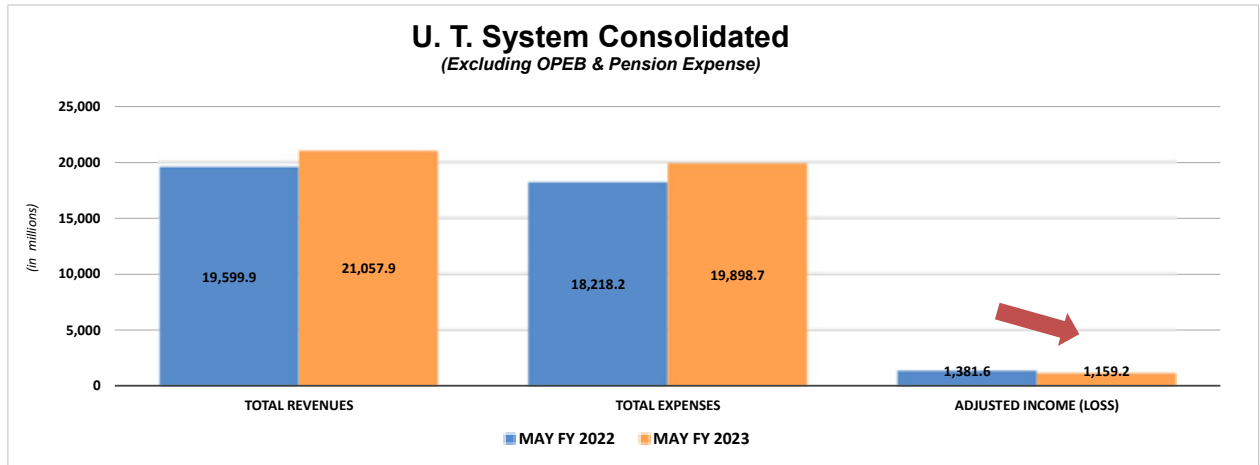


210 West Seventh Street
Austin, Texas 78701
512.499.4792
www.utsystem.edu/offices/budget-and-planning

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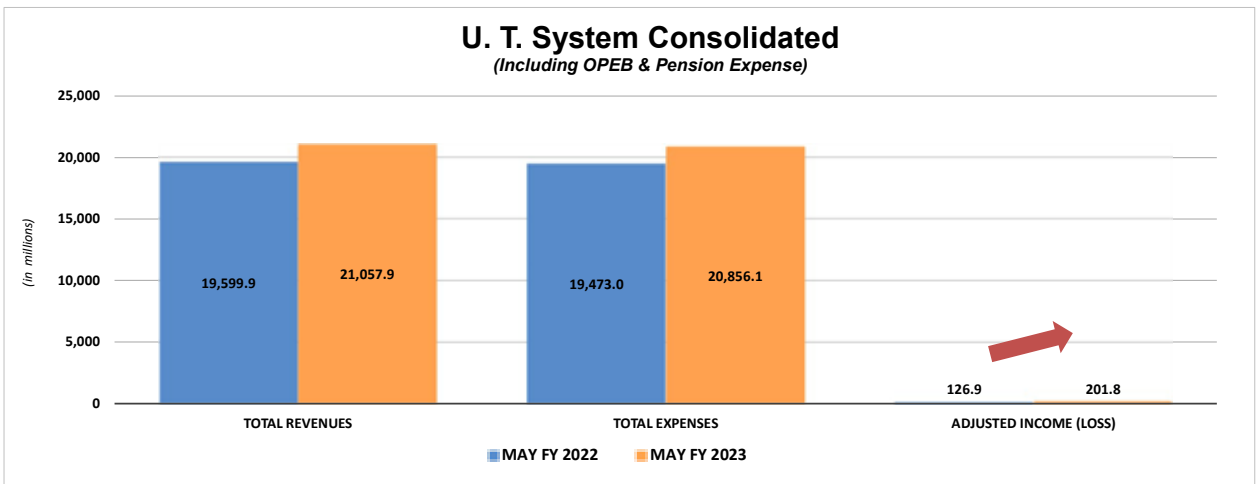
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Monthly Financial Report Comparison of Operating Results, Margin and Projected Year-End For the Period Ending May 31, 2023

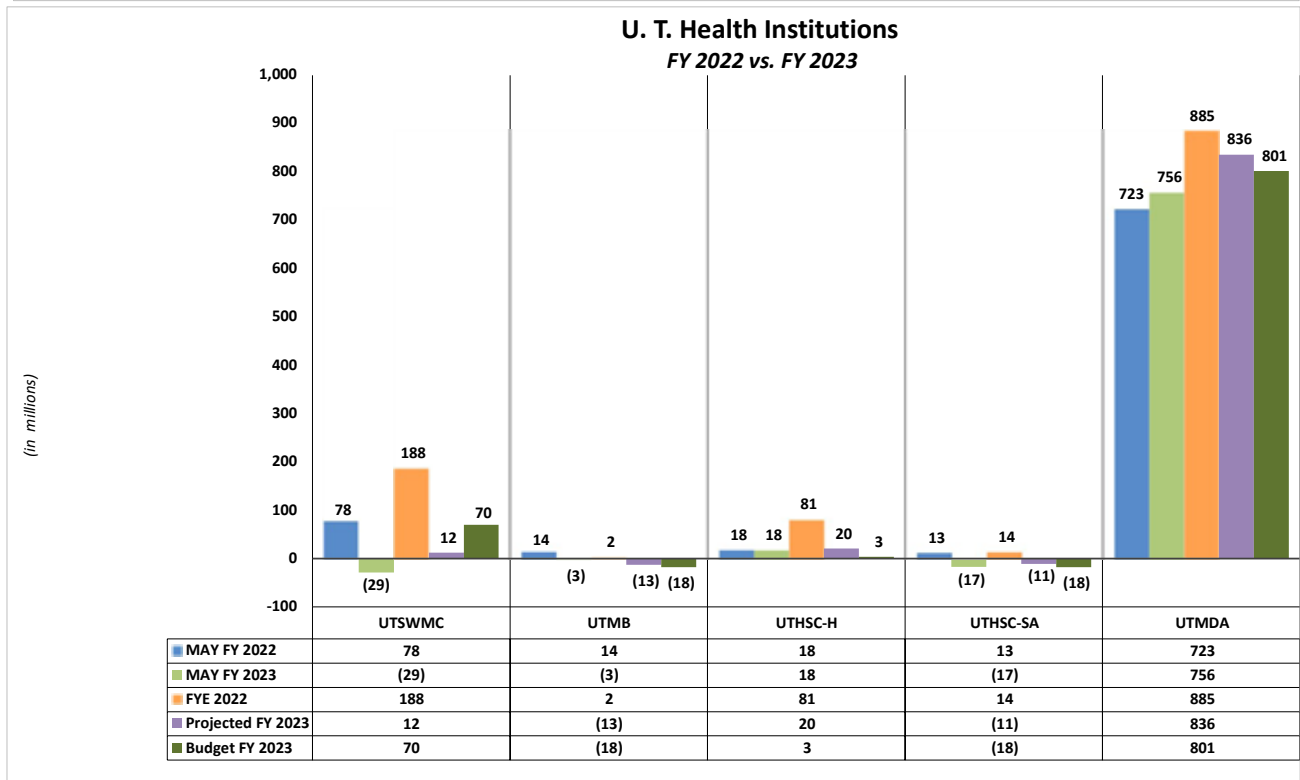
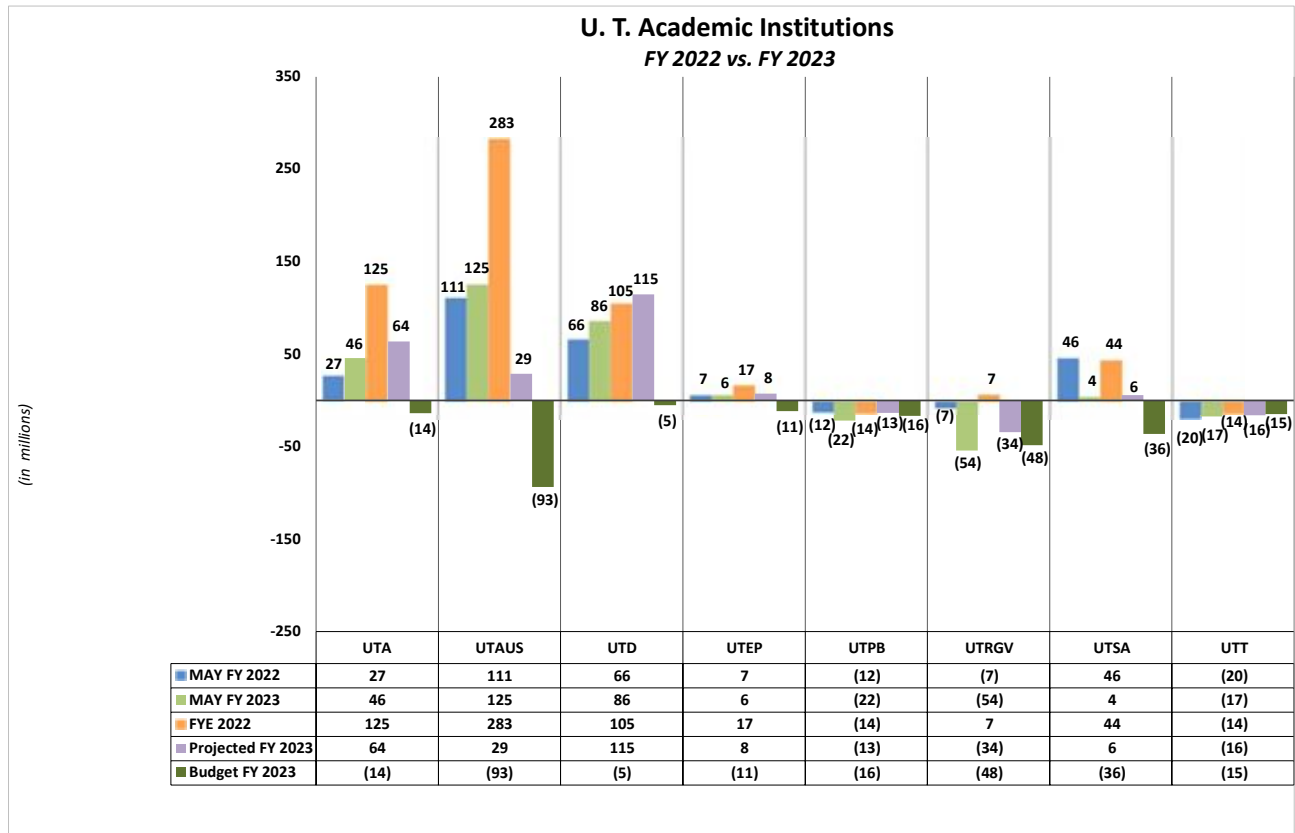


Excluding other postemployment benefits (OPEB) and pension expense, *U. T. System Consolidated* shows year-to-date adjusted income of \$1,159.2 million, a decrease in adjusted income of \$222.4 million (16%) from the prior year. The decrease was primarily due to an increase in salaries and wages and payroll related costs across most of the institutions as a result of increases in faculty and staff positions and merit increases.

(in millions)	May YTD FY 2022	May YTD FY 2023	Variance	Annual Projected FY 2023
Clinical Revenues	\$ 8,220.0	9,035.9	815.9	12,095.8
Sponsored Programs/Nonexchange Sponsored Programs	4,063.5	4,114.1	50.6	5,682.1
State Appropriations	1,766.9	1,792.5	25.5	2,383.2
Net Tuition and Fees	1,574.0	1,655.9	81.9	2,195.5
Auxiliary Revenues/Sales & Services of Educational Activities	1,044.6	1,098.0	53.4	1,243.7
Net Investment Income	2,027.9	2,339.2	311.3	2,939.9
Other Operating Revenues/Gift Contributions for Operations	902.9	1,022.4	119.4	1,319.0
Total Revenues	19,599.9	21,057.9	1,458.0	27,859.2
Salaries and Wages/Payroll Related Costs	10,730.3	11,806.3	1,075.9	14,994.8
Materials and Supplies/Cost of Goods Sold	2,495.9	2,817.9	322.0	3,857.1
Depreciation and Amortization	1,317.5	1,363.4	45.9	1,838.6
Other Contracted Services/Professional Fees & Services	1,297.3	1,384.7	87.4	1,864.0
All Other Operating Expenses	2,377.2	2,526.4	149.2	3,481.3
Total Expenses (Excluding OPEB & Pension Exp)	\$ 18,218.2	19,898.7	1,680.5	26,035.7
Adjusted Income (Loss) Excluding OPEB & Pension Exp	1,381.6	1,159.2	(222.4)	1,823.4
OPEB Expense	747.0	862.9	115.9	1,150.5
Pension Expense	507.8	94.5	(413.3)	126.0
Adjusted Income (Loss)	126.9	201.8	74.9	546.9
Adjusted Income (Loss) Excluding Depr & Amort Exp	1,444.4	1,565.2	120.8	2,385.5



**Monthly Financial Report
Comparison of Adjusted Income (Loss)
For the Period Ending May 31, 2023**



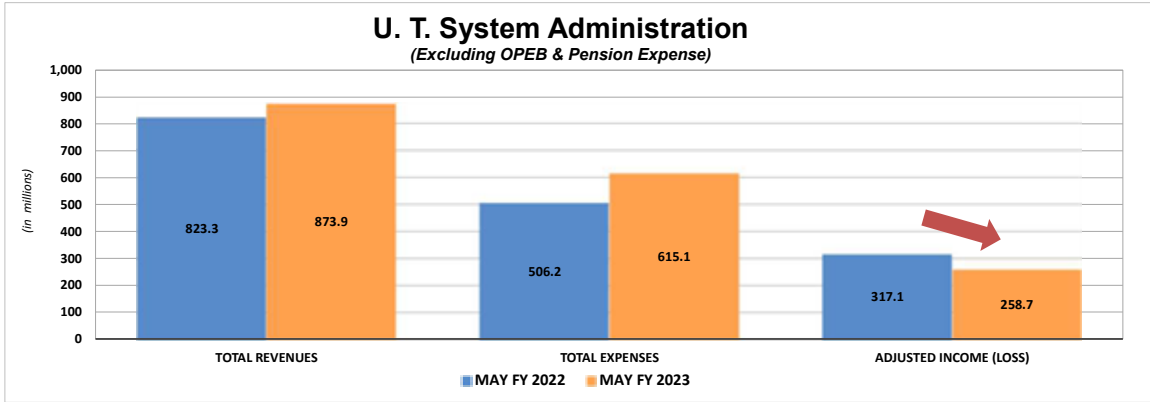
Monthly Financial Report
Comparison of Adjusted Income (Loss)
For the Period Ending May 31, 2023

Executive Summary of Adjusted Income (Loss)*

	May FYTD 2022 (millions)	May FYTD 2023 (millions)	Variance %	Comments
U. T. System Administration (excluding OPEB & Pension Expense)	\$ 317.1	258.7	-18%	Increase in Other Operating Expenses (Claims & Losses, Insurance Costs/Premiums) Projected income of \$822.0 million for the FY
U. T. Arlington	26.9	45.9	71%	Increase in Net Tuition and Fees Projected income of \$63.9 million for the FY
U. T. Austin	111.4	125.4	13%	Increase in Net Investment Income Projected income of \$28.8 million for the FY
U. T. Dallas	66.5	86.1	30%	Increase in Net Tuition and Fees Projected income of \$114.9 million for the FY
U. T. El Paso	6.6	6.4	-4%	Increase in Salaries & Wages/Payroll Related Costs Projected income of \$7.5 million for the FY
U. T. Permian Basin	(12.1)	(21.7)	-80%	Decrease in Gift Contributions for Operations Increases in Materials & Supplies, Other Operating Expenses (Travel) Projected loss of (\$13.4) million for the FY
U. T. Rio Grande Valley	(7.4)	(54.0)	-625%	Increase in Salaries & Wages/Payroll Related Costs, Depreciation & Amortization, Other Contracted Services Decrease in Clinical Revenues Projected loss of (\$34.3) million for the FY
U. T. San Antonio	46.4	4.5	-90%	Increase in Salaries & Wages/Payroll Related Costs Decrease in Gift Contributions for Operations Projected income of \$5.8 million for the FY
U. T. Tyler	(19.8)	(17.3)	13%	Increase in Clinical Revenues Projected loss of (\$15.8) million for the FY
Southwestern	77.8	(29.0)	-137%	Increase in Salaries & Wages/Payroll Related Costs Projected income of \$12.0 million for the FY
UTMB	14.4	(3.3)	-123%	Increase in Salaries & Wages/Payroll Related Costs Projected loss of (\$12.9) million for the FY
UTHSC-Houston	18.2	18.5	2%	Increase in Clinical Revenues Projected income of \$20.3 million for the FY
UTHSC-San Antonio	12.6	(17.4)	-238%	Increase in Salaries & Wages/Payroll Related Costs Projected loss of (\$11.1) million for the FY
M. D. Anderson	723.1	756.5	5%	Increase in Clinical Revenues Projected income of \$835.7 million for the FY
Total Adjusted Income (Loss)	\$ 1,381.6	1,159.2	-16%	

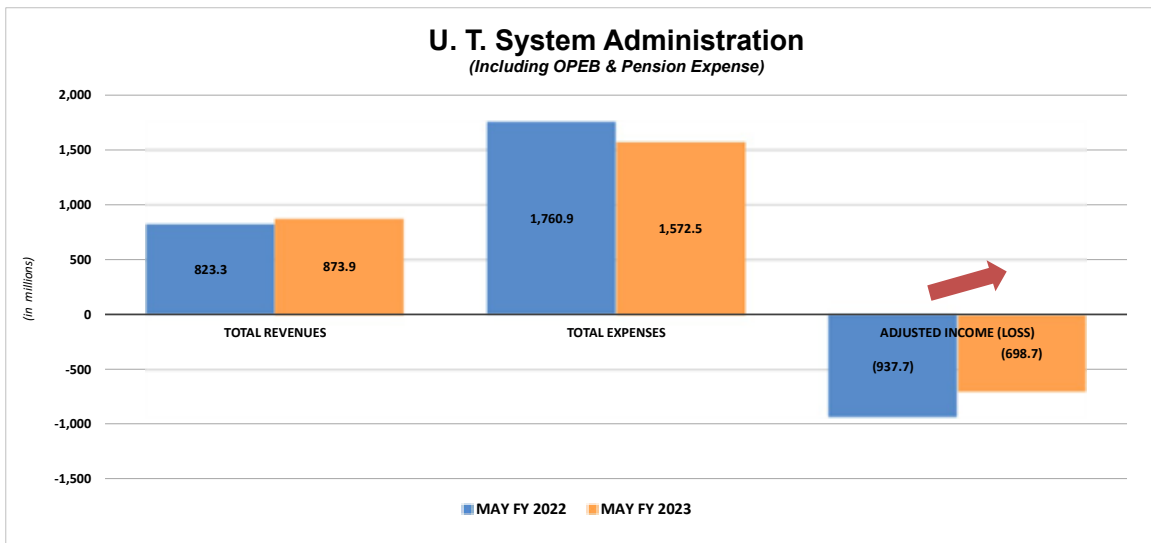
* For additional details on the variances, please see pages 4 through 18.

Monthly Financial Report
Comparison of Operating Results, Margin and Projected Year-End
For the Period Ending May 31, 2023



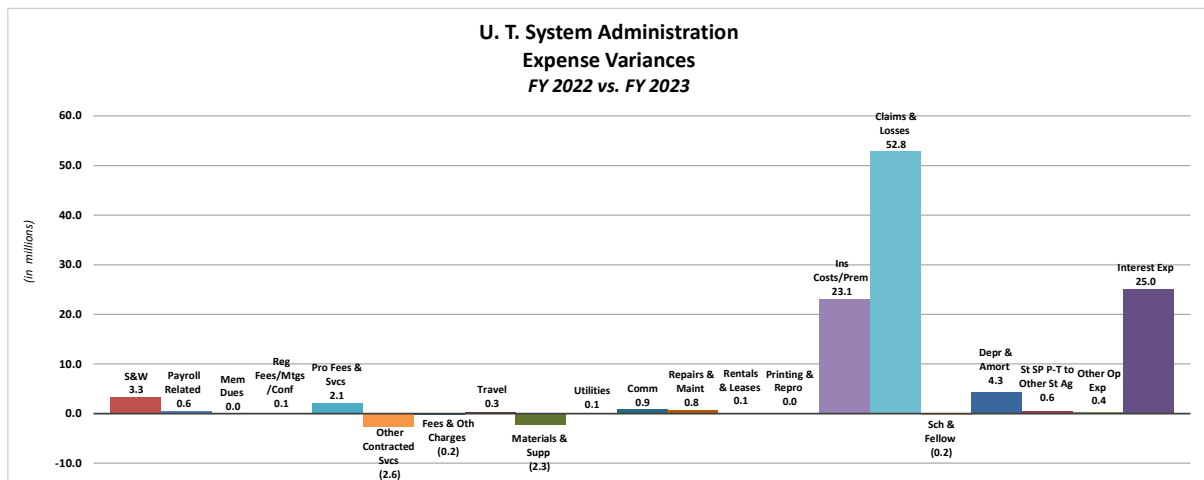
Excluding OPEB and pension expense, *U. T. System Administration* reported year-to-date adjusted income of \$258.7 million, a decrease in adjusted income of \$58.4 million (18%) from the prior year. The decrease was primarily attributable to an increase in other operating expenses as a result of an increase in claims and losses for the medical self-insurance plan, as well as increases in insurance costs/premiums for Comprehensive Property Protection Plan (CPPP) Wind & Flood, CPPP Fire and All Other Perils (AOP), Rolling Owner Controlled Insurance Program (ROCIP), and the medical self-insurance plan. The most current projection, excluding OPEB and pension expense, reflects income of \$822.0 million for the year.

<i>(in millions)</i>	May YTD FY 2022	May YTD FY 2023	Variance	Annual Projected FY 2023
Sponsored Programs/Nonexchange Sponsored Programs	\$ 35.2	30.8	(4.4)	47.7
State Appropriations	5.5	5.5	0.0	7.3
Auxiliary Revenues/Sales & Services of Educational Activities	10.1	13.5	3.4	18.0
Net Investment Income/Available University Fund (AUF)	749.8	794.8	45.1	1,059.8
Other Operating Revenues/Gift Contributions for Operations	22.7	29.2	6.5	38.8
Total Revenues	823.3	873.9	50.6	1,171.6
Salaries and Wages/Payroll Related Costs	42.2	46.1	3.9	(382.4)
Materials and Supplies/Cost of Goods Sold	19.5	17.1	(2.3)	2.5
Depreciation and Amortization	12.7	17.0	4.3	22.4
Other Contracted Services/Professional Fees & Services	45.8	45.2	(0.5)	56.0
All Other Operating Expenses	386.0	489.7	103.6	651.1
Total Expenses (Excluding OPEB & Pension Exp)	\$ 506.2	615.1	109.0	349.6
Adjusted Income (Loss) Excluding OPEB & Pension Exp	317.1	258.7	(58.4)	822.0
OPEB Expense	747.0	862.9	115.9	1,150.5
Pension Expense	507.8	94.5	(413.3)	126.0
Adjusted Income (Loss)	(937.7)	(698.7)	239.0	(454.6)
Adjusted Income (Loss) Excluding Depr & Amort Exp	(925.0)	(681.7)	243.3	(432.1)



Monthly Financial Report Detailed Expense Break-out for U. T. System Administration For the Period Ending May 31, 2023

<i>(in millions)</i>	May YTD FY 2022	May YTD FY 2023	Actual Year-End FY 2022	Annual Projected FY 2023
Salaries and Wages	\$ 33.3	36.7	46.3	48.9
Payroll Related Costs	8.9	9.5	(431.7)	(431.2) *
Membership Dues	0.3	0.3	0.3	0.5
Registration Fees, Meetings, Conferences	0.1	0.2	0.2	0.2
Professional Fees and Services	3.3	5.4	6.5	7.2
Other Contracted Services	42.5	39.9	49.6	48.8
Fees and Other Charges	0.6	0.4	0.7	0.5
Travel	0.3	0.5	0.5	0.7
Materials and Supplies	19.5	17.1	7.9	2.5
Utilities	0.2	0.3	0.3	0.4
Communications	3.4	4.3	3.7	4.6
Repairs and Maintenance	11.7	12.5	7.9	16.6
Rentals and Leases	0.1	0.2	0.3	0.3
Printing and Reproduction	0.1	0.1	0.1	0.1
Insurance Costs/Premiums	79.8	102.9	18.4	137.2
Claims and Losses	267.2	320.0	273.1	426.6
Scholarships and Fellowships	0.3	0.1	0.7	0.1
Depreciation and Amortization	12.7	17.0	21.6	22.4
State Sponsored Program Pass-Through to Other State Agencies	4.1	4.7	5.0	5.5
Other Operating Expenses	1.1	1.5	1.4	2.0
Interest Expense	16.8	41.7	45.0	55.6
Total Expenses (Excluding OPEB & Pension Expense)	506.2	615.1	57.9	349.6
OPEB Expense	747.0	862.9	1,150.5	1,150.5
Pension Expense	507.8	94.5	126.0	126.0
Total Expenses (Including OPEB & Pension Expense)	\$ 1,760.9	1,572.5	1,334.4	1,626.2



Brief explanations for *U. T. System Administration's* largest expense variances are provided below:

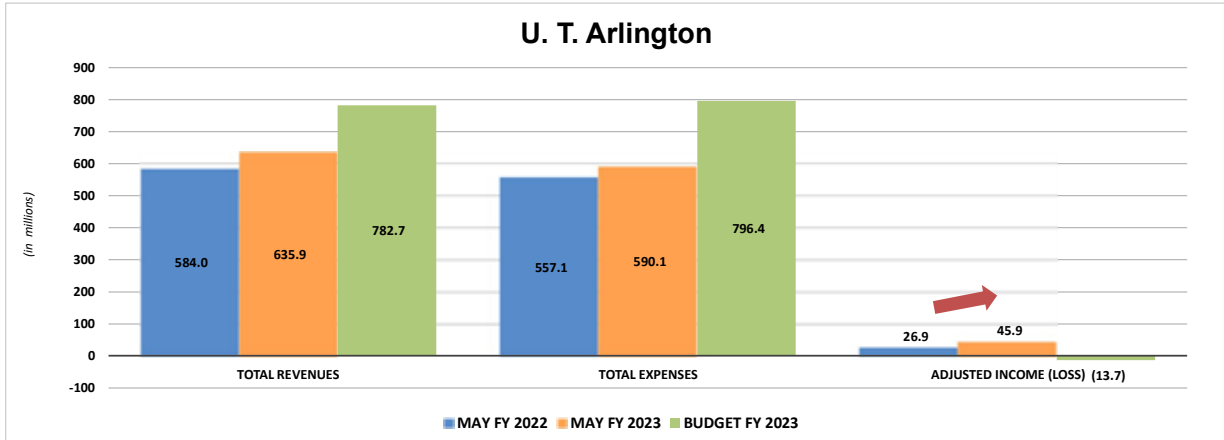
***Payroll Related Costs** - the negative payroll related costs at year-end relate to the pension entry to defer pension contributions made after the measurement date for the entire System.

Insurance Costs/Premiums - increase of \$23.1 million primarily a result of increases in insurance premiums in CPPP Wind & Flood, CPPP Fire and All Other Perils (AOP), ROCIP, and the medical self-insurance plan. Reimbursement for CPPP Wind & Flood and CPPP Fire and AOP insurance costs/premiums expected in the fourth quarter of fiscal year 2023.

Claims and Losses - increase of \$52.8 million primarily due to the medical self-insurance plan.

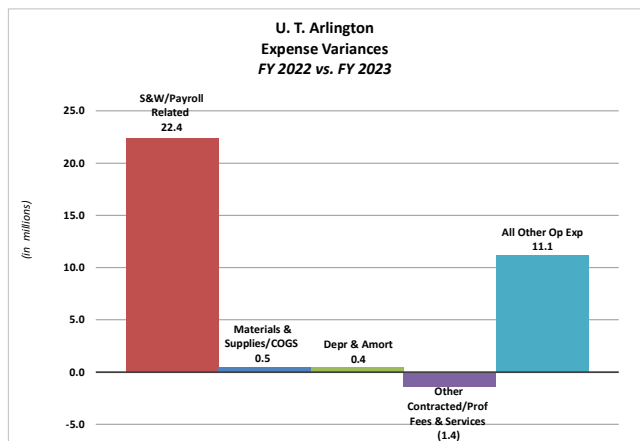
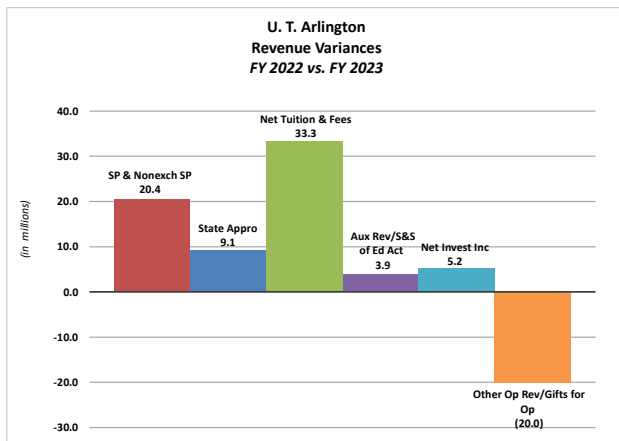
Interest Expense - increase of \$25.0 million largely attributable to an increase in Permanent University Fund interest expense.

Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending May 31, 2023

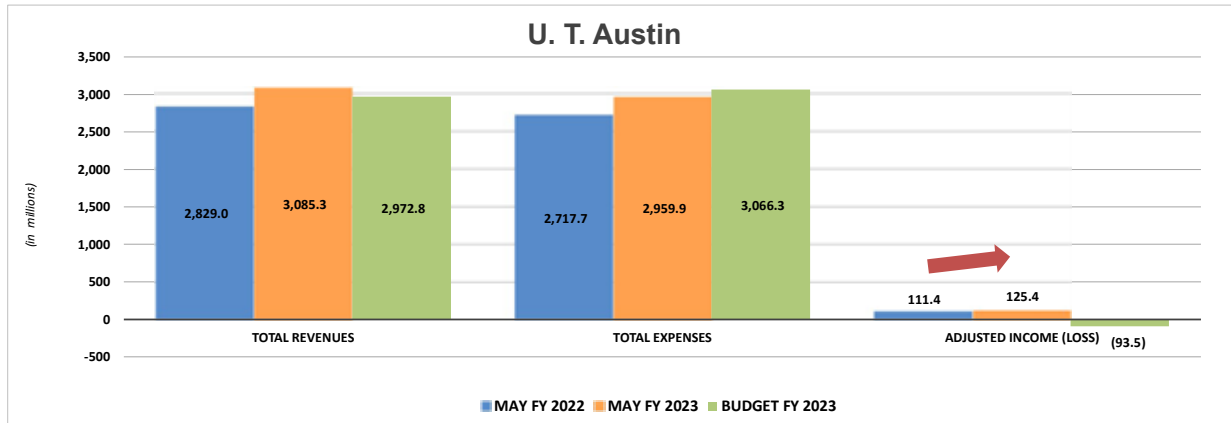


U. T. Arlington reported year-to-date adjusted income of \$45.9 million, an increase in adjusted income of \$19.0 million (71%) from the prior year. The increase was primarily attributable to an increase in net student tuition and fees as a result of an increase in semester credit hours. The most current projection received from *U. T. Arlington* reflects income of \$63.9 million for the year.

(in millions)	May YTD FY 2022	May YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Sponsored Programs/Nonexchange Sponsored Programs	\$ 126.0	146.5	20.4	204.1	
State Appropriations	102.0	111.2	9.1	161.1	
Net Tuition and Fees	248.9	282.2	33.3	376.3	
Auxiliary Revenues/Sales & Services of Educational Activities	50.3	54.2	3.9	71.4	
Net Investment Income	24.7	29.9	5.2	34.9	
Other Operating Revenues/Gift Contributions for Operations	32.0	12.0	(20.0)	15.9	
Total Revenues	584.0	635.9	52.0	863.7	782.7
Salaries and Wages/Payroll Related Costs	330.0	352.3	22.4	463.2	
Materials and Supplies/Cost of Goods Sold	38.2	38.7	0.5	48.4	
Depreciation and Amortization	42.1	42.5	0.4	56.7	
Other Contracted Services/Professional Fees & Services	57.9	56.5	(1.4)	73.6	
All Other Operating Expenses	88.9	100.0	11.1	158.0	
Total Expenses	\$ 557.1	590.1	33.0	799.8	796.4
Adjusted Income (Loss)	26.9	45.9	19.0	63.9	(13.7)
Adjusted Income (Loss) Excluding Depr & Amort Exp	69.0	88.4	19.4	120.5	43.0

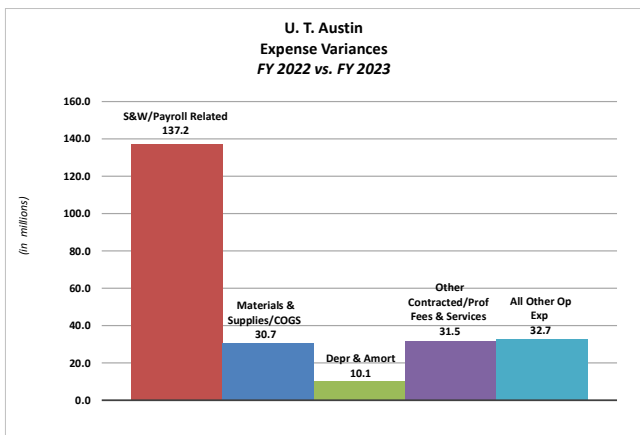
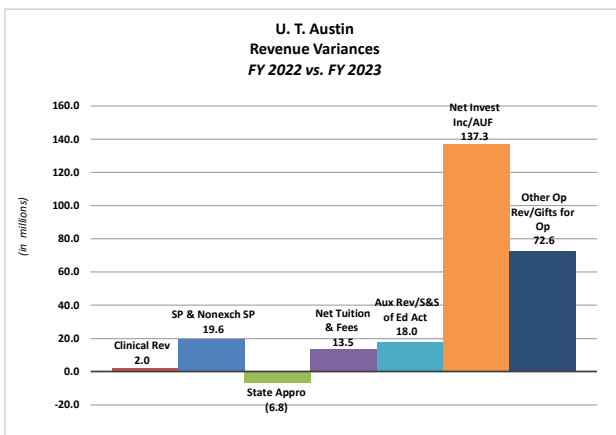


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending May 31, 2023

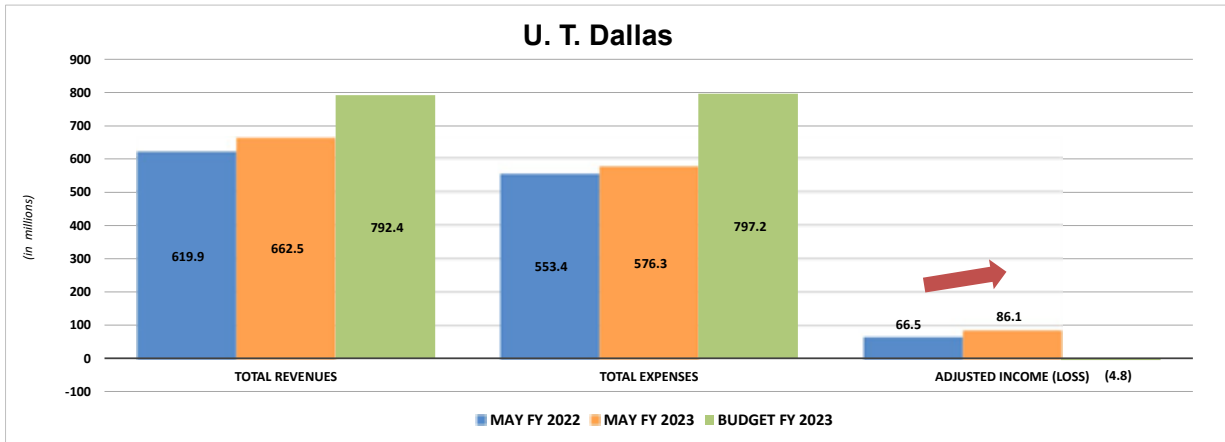


U. T. Austin reported year-to-date adjusted income of \$125.4 million, an increase in adjusted income of \$14.0 million (13%) from the prior year. The increase was primarily due to an increase in net investment income attributable to COVID-19 technology royalties received from the National Institute of Health. The most current projection received from U. T. Austin reflects income of \$28.8 million for the year.

(in millions)	May YTD FY 2022	May YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 10.3	12.3	2.0	16.9	
Sponsored Programs/Nonexchange Sponsored Programs	727.6	747.2	19.6	1,107.4	
State Appropriations	279.9	273.1	(6.8)	359.6	
Net Tuition and Fees	405.8	419.3	13.5	559.0	
Auxiliary Revenues/Sales & Services of Educational Activities	634.2	652.2	18.0	657.9	
Net Investment Income/Available University Fund (AUF)	609.7	747.1	137.3	904.9	
Other Operating Revenues/Gift Contributions for Operations	161.6	234.2	72.6	298.5	
Total Revenues	2,829.0	3,085.3	256.3	3,904.2	2,972.8
Salaries and Wages/Payroll Related Costs	1,559.1	1,696.3	137.2	2,150.7	
Materials and Supplies/Cost of Goods Sold	139.0	169.8	30.7	210.0	
Depreciation and Amortization	279.4	289.5	10.1	386.0	
Other Contracted Services/Professional Fees & Services	189.1	220.6	31.5	299.6	
All Other Operating Expenses	551.0	583.7	32.7	829.1	
Total Expenses	\$ 2,717.7	2,959.9	242.2	3,875.4	3,066.3
Adjusted Income (Loss)	111.4	125.4	14.0	28.8	(93.5)
Adjusted Income (Loss) Excluding Depr & Amort Exp	390.7	414.9	24.2	414.8	286.5

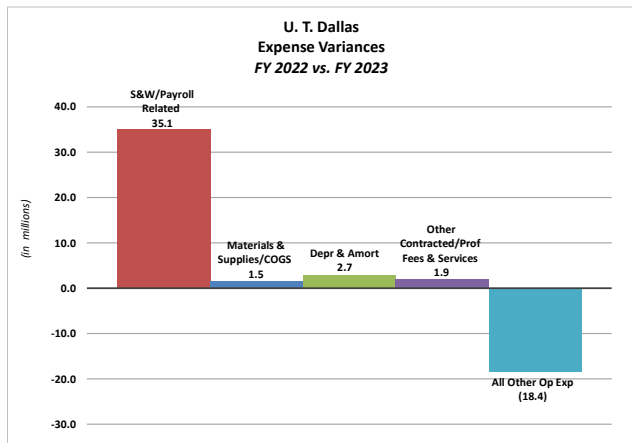
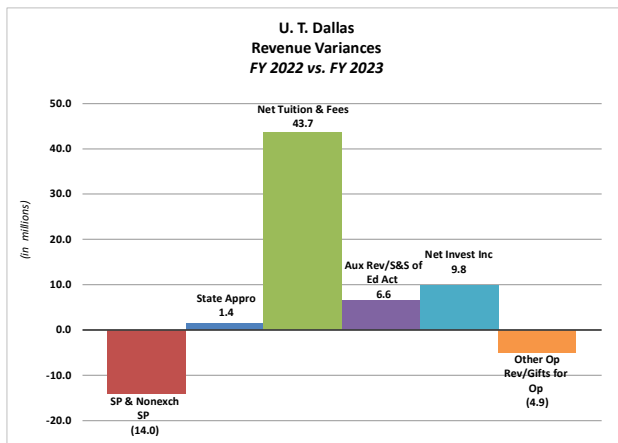


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending May 31, 2023

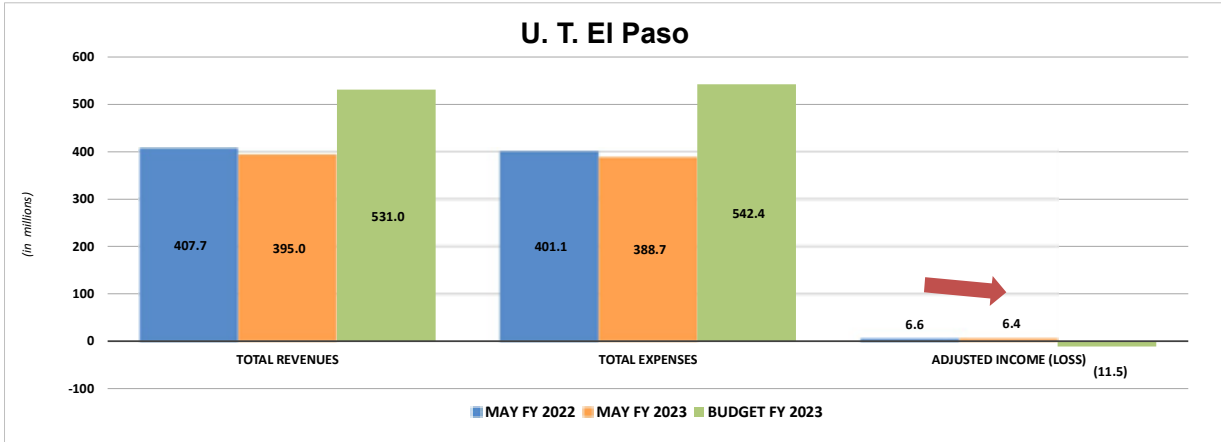


U. T. Dallas reported year-to-date adjusted income of \$86.1 million, an increase in adjusted income of \$19.7 million (30%) from the prior year. The increase was primarily attributable to an increase in net student tuition and fees due to increased enrollment of undergraduate and graduate students. The most current projection received from *U. T. Dallas* reflects income of \$114.9 million for the year.

(in millions)	May YTD FY 2022	May YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Sponsored Programs/Nonexchange Sponsored Programs	\$ 125.3	111.3	(14.0)	148.5	
State Appropriations	103.5	104.9	1.4	139.9	
Net Tuition and Fees	274.2	317.8	43.7	423.8	
Auxiliary Revenues/Sales & Services of Educational Activities	64.9	71.4	6.6	95.3	
Net Investment Income	31.0	40.8	9.8	54.4	
Other Operating Revenues/Gift Contributions for Operations	21.1	16.2	(4.9)	21.6	
Total Revenues	619.9	662.5	42.6	883.3	792.4
Salaries and Wages/Payroll Related Costs	308.1	343.2	35.1	457.5	
Materials and Supplies/Cost of Goods Sold	25.3	26.8	1.5	35.8	
Depreciation and Amortization	69.4	72.1	2.7	96.2	
Other Contracted Services/Professional Fees & Services	27.9	29.9	1.9	39.8	
All Other Operating Expenses	122.7	104.3	(18.4)	139.1	
Total Expenses	\$ 553.4	576.3	22.9	768.5	797.2
Adjusted Income (Loss)	66.5	86.1	19.7	114.9	(4.8)
Adjusted Income (Loss) Excluding Depr & Amort Exp	135.9	158.3	22.4	211.0	83.4

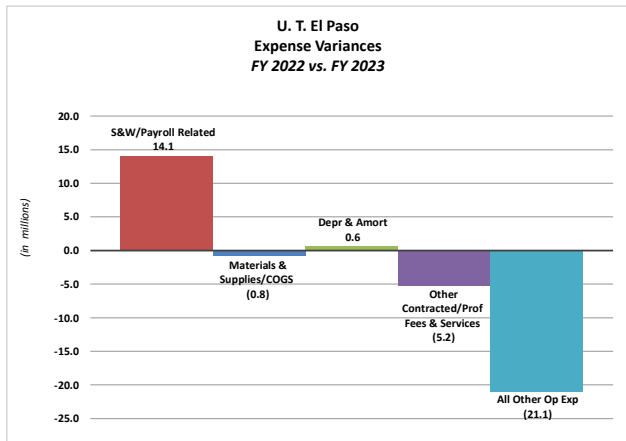
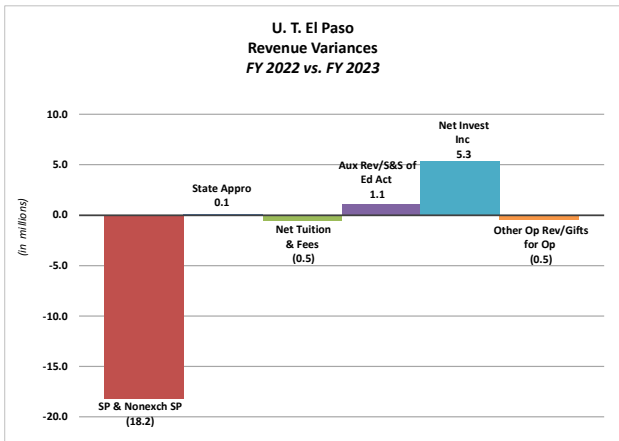


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending May 31, 2023

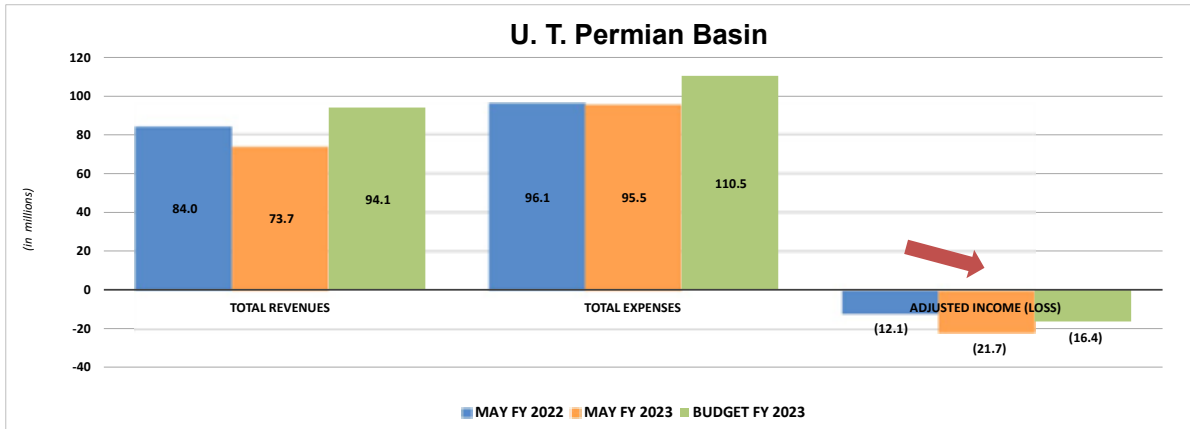


U. T. El Paso reported year-to-date adjusted income of \$6.4 million, a decrease in adjusted income of \$0.2 million (4%) from the prior year. The decrease was primarily due to an increase in salaries and wages and payroll related costs due to merit increases. The most current projection received from *U. T. El Paso* reflects income of \$7.5 million for the year.

(in millions)	May YTD FY 2022	May YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Sponsored Programs/Nonexchange Sponsored Programs	\$ 146.9	128.7	(18.2)	194.8	
State Appropriations	83.1	83.2	0.1	107.5	
Net Tuition and Fees	115.0	114.5	(0.5)	146.0	
Auxiliary Revenues/Sales & Services of Educational Activities	37.2	38.3	1.1	52.7	
Net Investment Income	15.1	20.5	5.3	25.8	
Other Operating Revenues/Gift Contributions for Operations	10.5	10.0	(0.5)	10.3	
Total Revenues	407.7	395.0	(12.7)	537.0	531.0
Salaries and Wages/Payroll Related Costs	215.4	229.5	14.1	284.0	
Materials and Supplies/Cost of Goods Sold	19.1	18.2	(0.8)	28.0	
Depreciation and Amortization	25.9	26.5	0.6	35.4	
Other Contracted Services/Professional Fees & Services	31.1	25.8	(5.2)	32.0	
All Other Operating Expenses	109.7	88.7	(21.1)	150.2	
Total Expenses	\$ 401.1	388.7	(12.4)	529.5	542.4
Adjusted Income (Loss)	6.6	6.4	(0.2)	7.5	(11.5)
Adjusted Income (Loss) Excluding Depr & Amort Exp	32.5	32.9	0.4	42.9	23.6

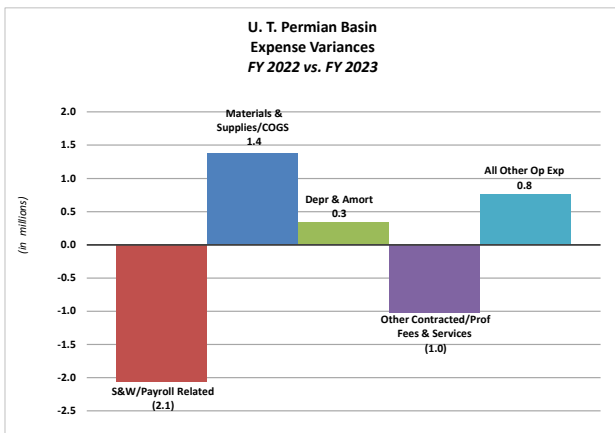
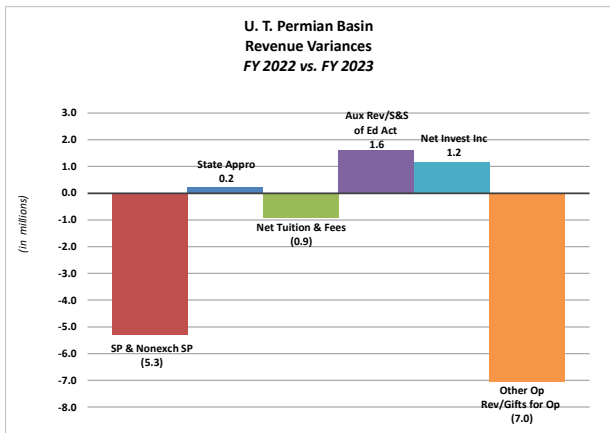


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending May 31, 2023

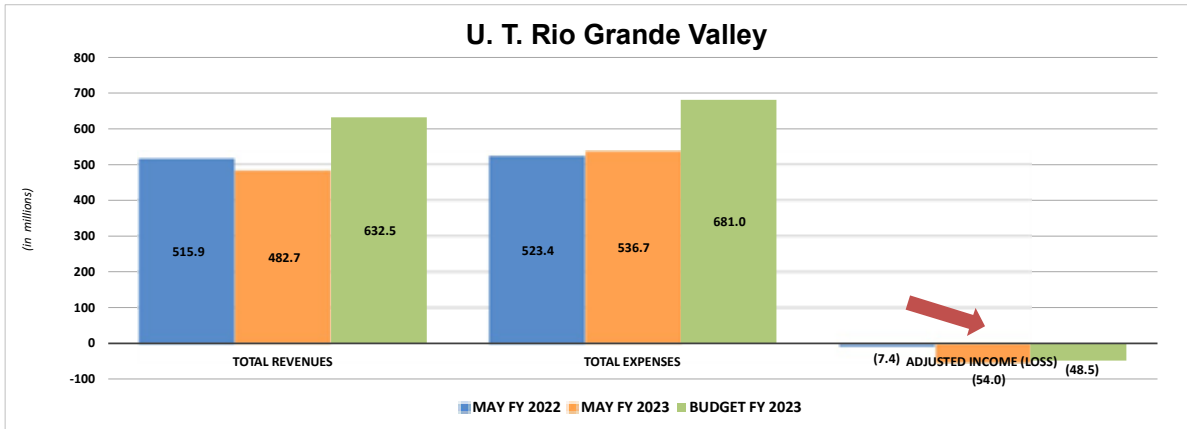


U. T. Permian Basin incurred a year-to-date adjusted loss of \$21.7 million, an increase in adjusted loss of \$9.7 million (80%) from the prior year. The increase was primarily attributable to the following: a decrease in gift contributions for operations as a result of a \$10.7 million gift received in 2022 with no such comparable gift received in the current fiscal year; an increase in materials and supplies due to an increase in furnishings and equipment due to several building and office remodeling projects on campus, as well as an increase in computer software expenses; and an increase in other operating expenses primarily attributable to an increase in travel expenses as restrictions due to COVID-19 are eased. The most current projection received from *U. T. Permian Basin* reflects a loss of \$13.4 million for the year.

(in millions)	May YTD FY 2022	May YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Sponsored Programs/Nonexchange Sponsored Programs	\$ 19.7	14.4	(5.3)	24.7	
State Appropriations	18.8	19.0	0.2	25.4	
Net Tuition and Fees	24.3	23.4	(0.9)	31.1	
Auxiliary Revenues/Sales & Services of Educational Activities	5.1	6.7	1.6	8.9	
Net Investment Income	2.7	3.8	1.2	4.5	
Other Operating Revenues/Gift Contributions for Operations	13.5	6.5	(7.0)	15.5	
Total Revenues	84.0	73.7	(10.3)	110.1	94.1
Salaries and Wages/Payroll Related Costs	46.8	44.8	(2.1)	55.4	
Materials and Supplies/Cost of Goods Sold	4.6	5.9	1.4	6.5	
Depreciation and Amortization	15.6	16.0	0.3	21.3	
Other Contracted Services/Professional Fees & Services	8.5	7.5	(1.0)	11.8	
All Other Operating Expenses	20.5	21.3	0.8	28.5	
Total Expenses	\$ 96.1	95.5	(0.6)	123.5	110.5
Adjusted Income (Loss)	(12.1)	(21.7)	(9.7)	(13.4)	(16.4)
Adjusted Income (Loss) Excluding Depr & Amort Exp	3.6	(5.8)	(9.3)	7.9	4.8

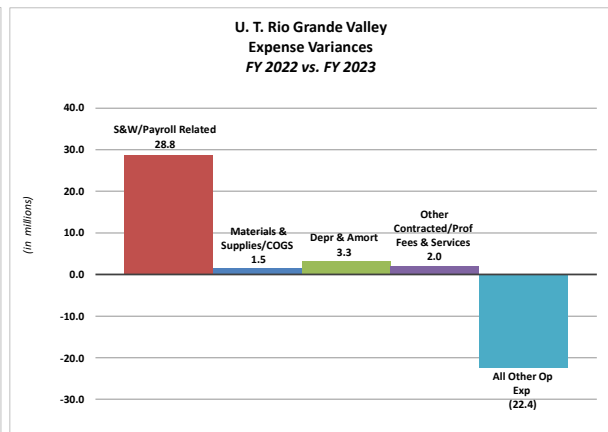
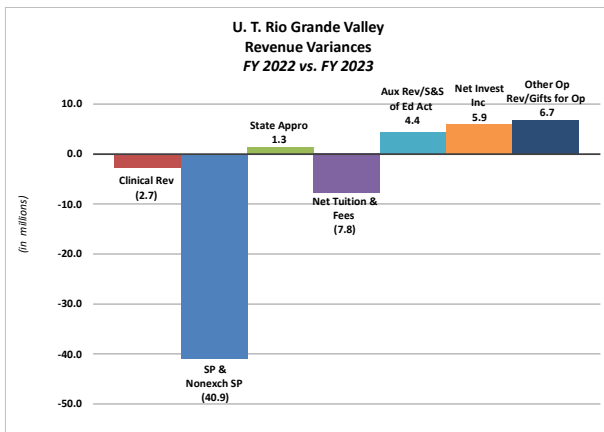


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending May 31, 2023

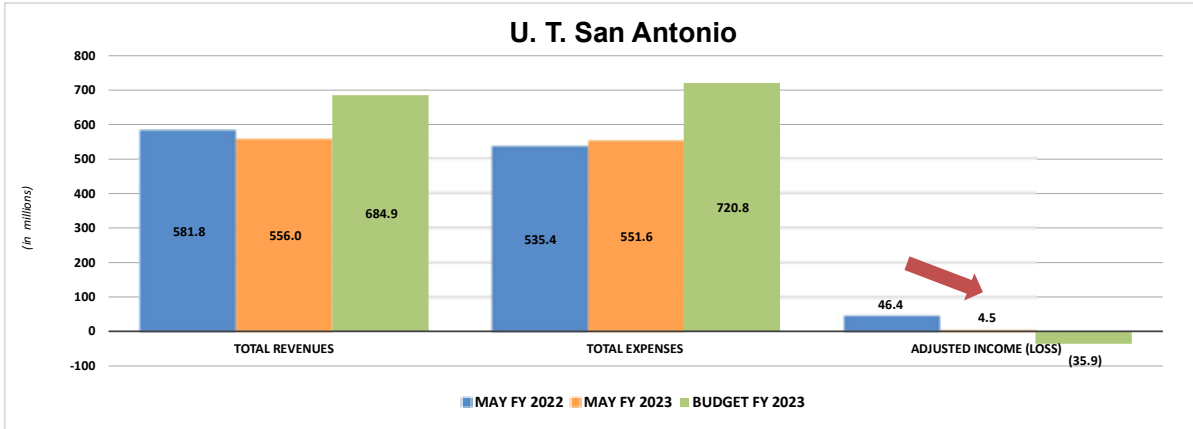


U. T. Rio Grande Valley incurred a year-to-date adjusted loss of \$54.0 million, an increase in adjusted loss of \$46.6 million (625%) from the prior year. The increase was primarily due to the following: an increase in salaries and wages and payroll related costs as a result of an increase in faculty and staff positions and annual merit increases; an increase in depreciation and amortization expense due to new buildings placed into service; a decrease in clinical revenues attributable to a decrease in patient volume due to the economic downturn; and an increase in other contracted services as a result of increases in transportation services, Student Accessibility Services, and Accelerated Program marketing expenses. The most current projection received from *U. T. Rio Grande Valley* reflects a loss of \$34.3 million for the year.

(in millions)	May YTD FY 2022	May YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 14.8	12.1	(2.7)	17.2	
Sponsored Programs/Nonexchange Sponsored Programs	224.8	183.9	(40.9)	270.5	
State Appropriations	132.9	134.2	1.3	163.5	
Net Tuition and Fees	110.3	102.5	(7.8)	136.9	
Auxiliary Revenues/Sales & Services of Educational Activities	12.3	16.7	4.4	20.6	
Net Investment Income	10.7	16.6	5.9	21.4	
Other Operating Revenues/Gift Contributions for Operations	10.1	16.7	6.7	19.9	
Total Revenues	515.9	482.7	(33.2)	650.0	632.5
Salaries and Wages/Payroll Related Costs	320.0	348.8	28.8	431.2	
Materials and Supplies/Cost of Goods Sold	24.2	25.7	1.5	32.2	
Depreciation and Amortization	42.4	45.7	3.3	62.5	
Other Contracted Services/Professional Fees & Services	16.8	18.8	2.0	22.6	
All Other Operating Expenses	120.0	97.6	(22.4)	135.8	
Total Expenses	\$ 523.4	536.7	13.3	684.3	681.0
Adjusted Income (Loss)	(7.4)	(54.0)	(46.6)	(34.3)	(48.5)
Adjusted Income (Loss) Excluding Depr & Amort Exp	34.9	(8.3)	(43.2)	28.2	13.5

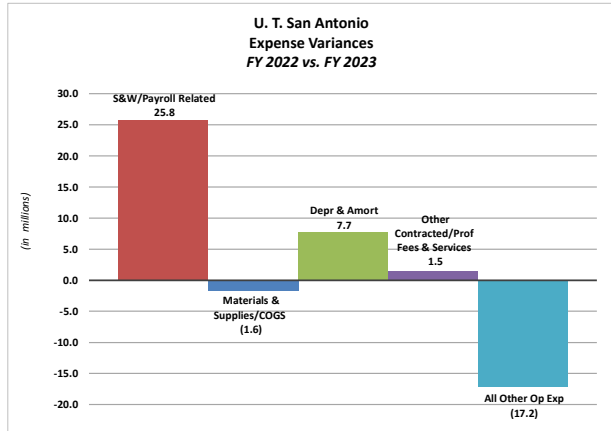
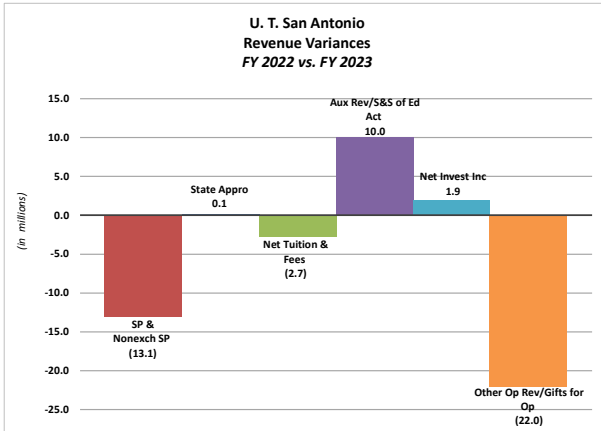


**Monthly Financial Report
Comparison of Operating Results, Margin, Projected Year-End and Budget
For the Period Ending May 31, 2023**

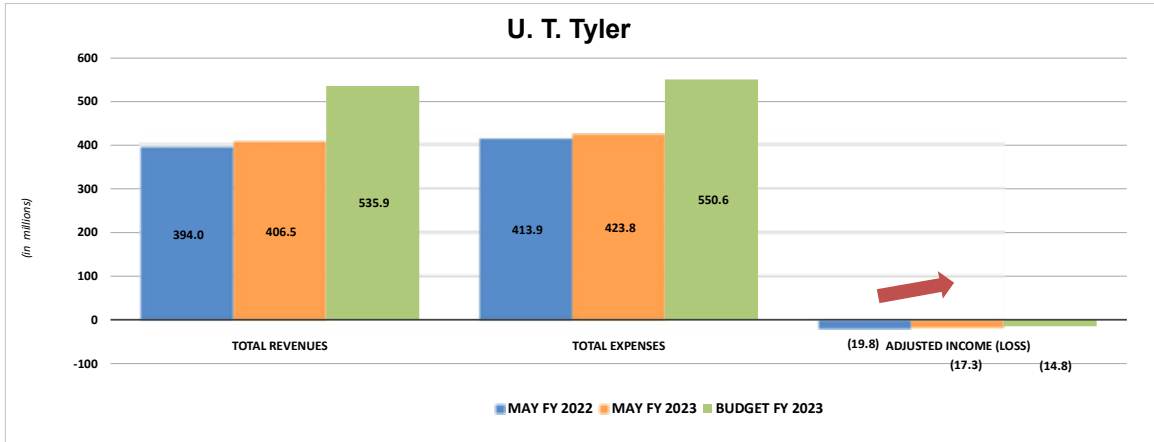


U. T. San Antonio reported year-to-date adjusted income of \$4.5 million, a decrease in adjusted income of \$41.9 million (90%) from the prior year. The decrease was primarily attributable to the following: an increase in salaries and wages and payroll related costs due to the university implementing its strategic compensation plan last year, as well as an increase in annual merit increases; and a decrease in gift contributions for operations as a result of a \$20 million gift received in 2022 with no such comparable gift received in the current fiscal year. The most current projection received from U. T. San Antonio reflects income of \$5.8 million for the year.

(in millions)	May YTD FY 2022	May YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Sponsored Programs/Nonexchange Sponsored Programs	\$ 173.7	160.7	(13.1)	214.2	
State Appropriations	114.3	114.4	0.1	152.5	
Net Tuition and Fees	194.1	191.4	(2.7)	255.2	
Auxiliary Revenues/Sales & Services of Educational Activities	45.2	55.2	10.0	73.6	
Net Investment Income	18.4	20.3	1.9	27.1	
Other Operating Revenues/Gift Contributions for Operations	36.2	14.1	(22.0)	18.3	
Total Revenues	581.8	556.0	(25.8)	740.9	684.9
Salaries and Wages/Payroll Related Costs	284.5	310.3	25.8	413.7	
Materials and Supplies/Cost of Goods Sold	30.1	28.4	(1.6)	37.9	
Depreciation and Amortization	49.2	56.9	7.7	75.9	
Other Contracted Services/Professional Fees & Services	28.3	29.7	1.5	39.6	
All Other Operating Expenses	143.4	126.2	(17.2)	167.9	
Total Expenses	\$ 535.4	551.6	16.1	735.1	720.8
Adjusted Income (Loss)	46.4	4.5	(41.9)	5.8	(35.9)
Adjusted Income (Loss) Excluding Depr & Amort Exp	95.6	61.4	(34.2)	81.7	36.8

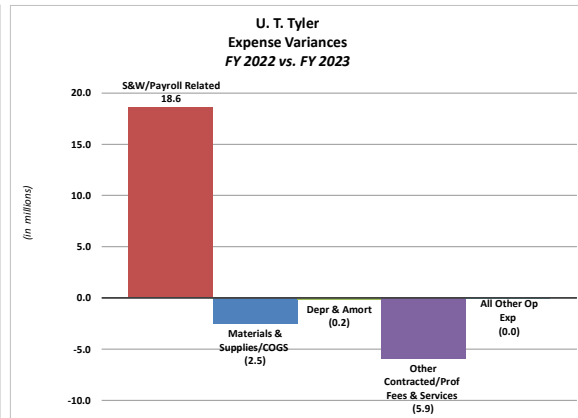
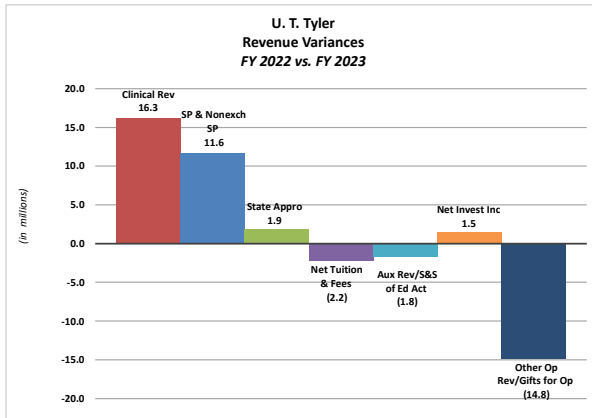


Monthly Financial Report
Comparison of Operating Results, Margin, Projected Year-End and Budget
For the Period Ending May 31, 2023



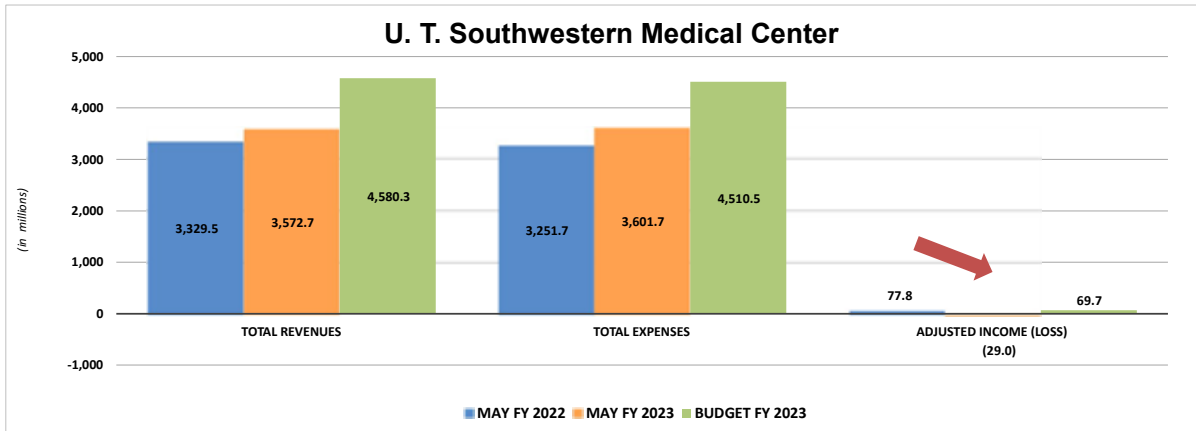
U. T. Tyler incurred a year-to-date adjusted loss of \$17.3 million, a decrease in adjusted loss of \$2.5 million (13%) from the prior year. The decrease was primarily due to an increase in clinical revenues attributable to an increase in outpatient visits, as well as growth in retail pharmacy volumes. The most current projection received from *U. T. Tyler* reflects a loss of \$15.8 million for the year.

(in millions)	May YTD FY 2022	May YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 130.4	146.7	16.3	192.4	
Sponsored Programs/Nonexchange Sponsored Programs	98.7	110.3	11.6	147.1	
State Appropriations	64.6	66.6	1.9	90.8	
Net Tuition and Fees	46.3	44.1	(2.2)	57.9	
Auxiliary Revenues/Sales & Services of Educational Activities	24.9	23.2	(1.8)	29.4	
Net Investment Income	8.2	9.7	1.5	13.6	
Other Operating Revenues/Gift Contributions for Operations	20.8	6.0 *	(14.8)	12.6 *	
Total Revenues	394.0	406.5	12.5	543.9	535.9
Salaries and Wages/Payroll Related Costs	245.7	264.2	18.6	346.4	
Materials and Supplies/Cost of Goods Sold	58.0	55.5	(2.5)	73.4	
Depreciation and Amortization	26.3	26.2	(0.2)	36.5	
Other Contracted Services/Professional Fees & Services	40.9	34.9	(5.9)	47.1	
All Other Operating Expenses	43.1	43.0	(0.0)	56.2	
Total Expenses	413.9	423.8	10.0	559.7	550.6
Adjusted Income (Loss)	(19.8)	(17.3)	2.5	(15.8)	(14.8)
Adjusted Income (Loss) Excluding Depr & Amort Exp	6.5	8.8	2.3	20.7	21.7



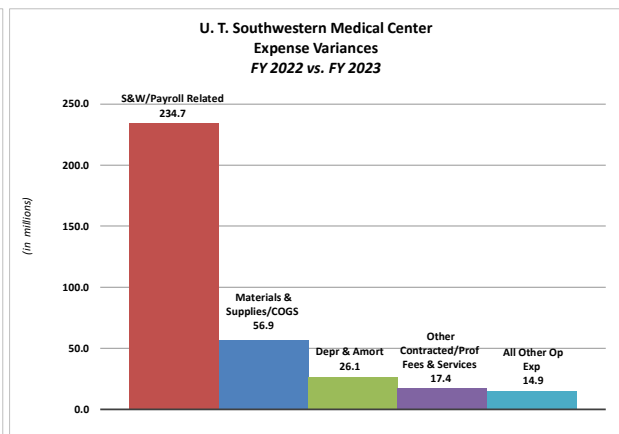
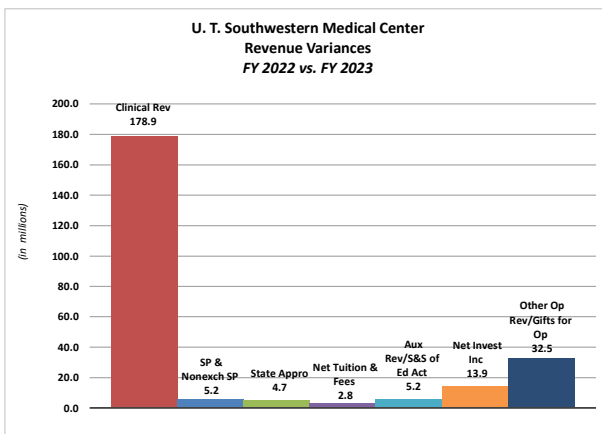
*Other Operating Income includes 30% of UTHET's net adjusted loss which was \$4.3 million through May. The projected loss of \$15.8 million includes less than \$0.1 million of UTHET's net adjusted income for the year.

Monthly Financial Report
Comparison of Operating Results, Margin, Projected Year-End and Budget
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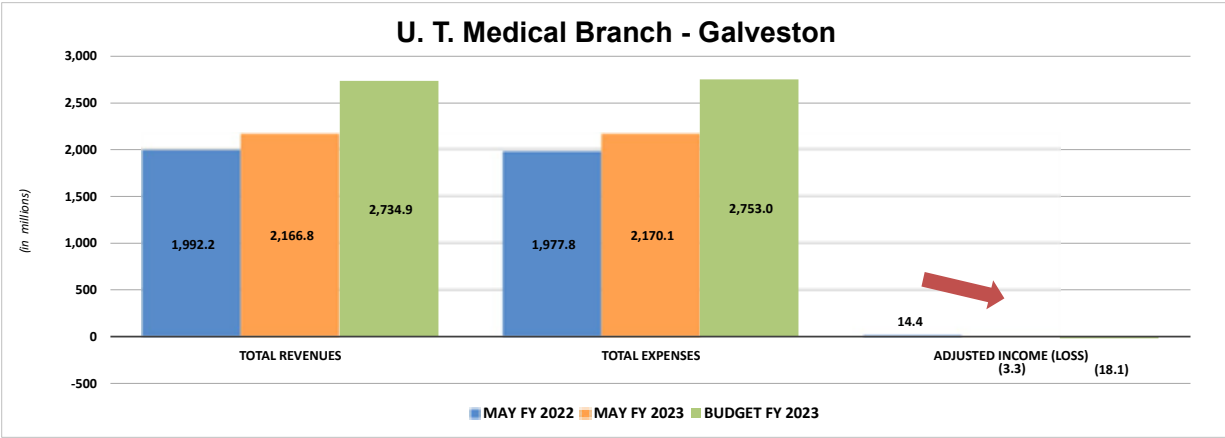


U. T. Southwestern Medical Center incurred a year-to-date adjusted loss of \$29.0 million, a decrease of \$106.8 million (137%) from the prior year. The decrease was primarily due to an increase in salaries and wages and payroll related costs as a result of increases in staff and faculty positions associated with growth in both the hospitals and clinical operations. The most current projection received from U. T. Southwestern Medical Center reflects income of \$12.0 million for the year primarily due to an anticipated increase in patient care revenues in the back half of the fiscal year and an anticipated increase in other operating revenues related to the timing of revenue recognition to offset operating expenses associated with the decant and demolition of the Paul M. Bass Administrative and Clinical Center.

(in millions)	May YTD FY 2022	May YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 2,157.9	2,336.8	178.9	3,135.7	
Sponsored Programs/Nonexchange Sponsored Programs	636.5	641.7	5.2	837.1	
State Appropriations	140.3	145.0	4.7	195.7	
Net Tuition and Fees	18.4	21.2	2.8	28.3	
Auxiliary Revenues/Sales & Services of Educational Activities	28.4	33.7	5.2	45.3	
Net Investment Income	125.6	139.5	13.9	185.7	
Other Operating Revenues/Gift Contributions for Operations	222.4	254.8	32.5	303.2	
Total Revenues	3,329.5	3,572.7	243.2	4,730.9	4,580.3
Salaries and Wages/Payroll Related Costs	2,025.1	2,259.8	234.7	3,010.5	
Materials and Supplies/Cost of Goods Sold	628.6	685.5	56.9	895.4	
Depreciation and Amortization	183.0	209.1	26.1	277.8	
Other Contracted Services/Professional Fees & Services	195.6	213.0	17.4	267.7	
All Other Operating Expenses	219.4	234.3	14.9	267.4	
Total Expenses	\$ 3,251.7	3,601.7	350.0	4,718.9	4,510.5
Adjusted Income (Loss)	77.8	(29.0)	(106.8)	12.0	69.7
Adjusted Income (Loss) Excluding Depr & Amort Exp	260.9	180.1	(80.7)	289.8	337.0

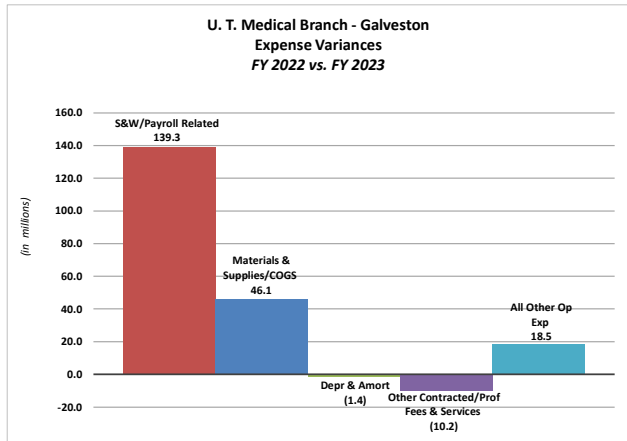
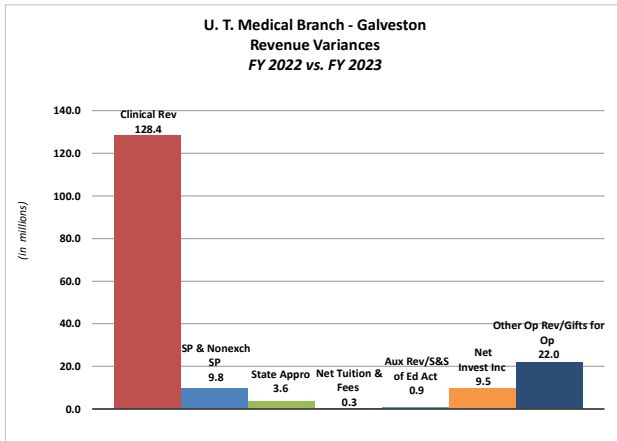


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending May 31, 2023

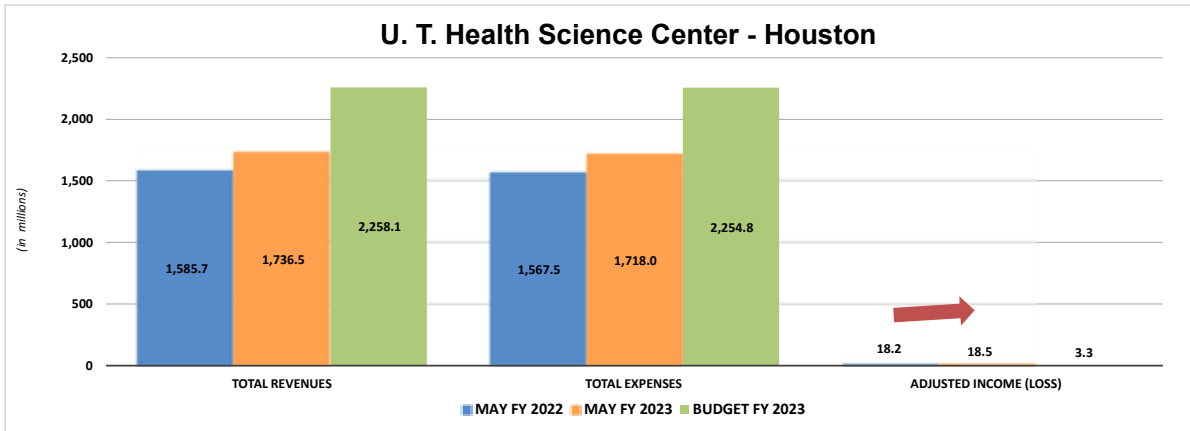


U. T. Medical Branch - Galveston incurred a year-to-date adjusted loss of \$3.3 million, a decrease of \$17.7 million (123%) from the prior year. The decrease was primarily attributable to an increase in salaries and wages and payroll related costs as a result of increases in staff and faculty positions due to increased clinical volumes, as well as merit and market increases. The most current projection received from U. T. Medical Branch - Galveston reflects a loss of \$12.9 million for the year.

(in millions)	May YTD FY 2022	May YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 1,321.9	1,450.3	128.4	1,938.6	
Sponsored Programs/Nonexchange Sponsored Programs	183.8	193.6	9.8	266.6	
State Appropriations	269.6	273.2	3.6	363.5	
Net Tuition and Fees	39.6	39.9	0.3	52.1	
Auxiliary Revenues/Sales & Services of Educational Activities	19.2	20.2	0.9	26.9	
Net Investment Income	52.0	61.5	9.5	77.3	
Other Operating Revenues/Gift Contributions for Operations	106.1	128.0	22.0	169.5	
Total Revenues	1,992.2	2,166.8	174.6	2,894.6	2,734.9
Salaries and Wages/Payroll Related Costs	1,187.2	1,326.5	139.3	1,773.6	
Materials and Supplies/Cost of Goods Sold	286.7	332.8	46.1	436.6	
Depreciation and Amortization	156.9	155.6	(1.4)	223.6	
Other Contracted Services/Professional Fees & Services	173.8	163.6	(10.2)	218.2	
All Other Operating Expenses	173.1	191.6	18.5	255.7	
Total Expenses	\$ 1,977.8	2,170.1	192.3	2,907.6	2,753.0
Adjusted Income (Loss)	14.4	(3.3)	(17.7)	(12.9)	(18.1)
Adjusted Income (Loss) Excluding Depr & Amort Exp	171.4	152.3	(19.1)	210.7	207.5

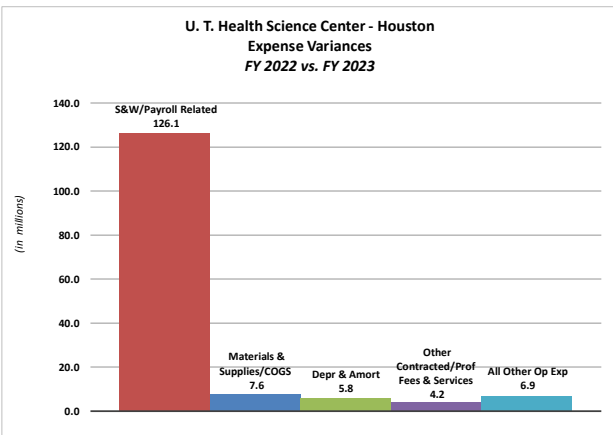
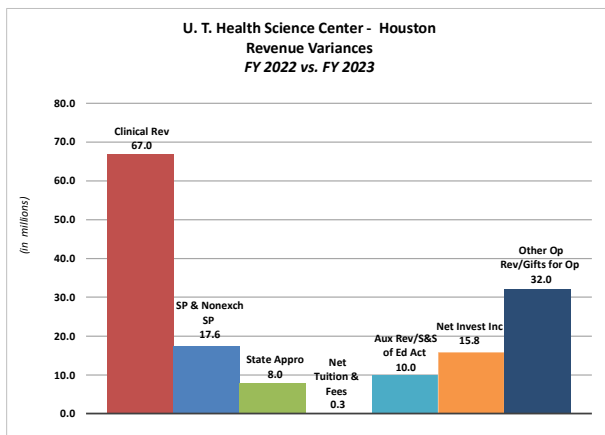


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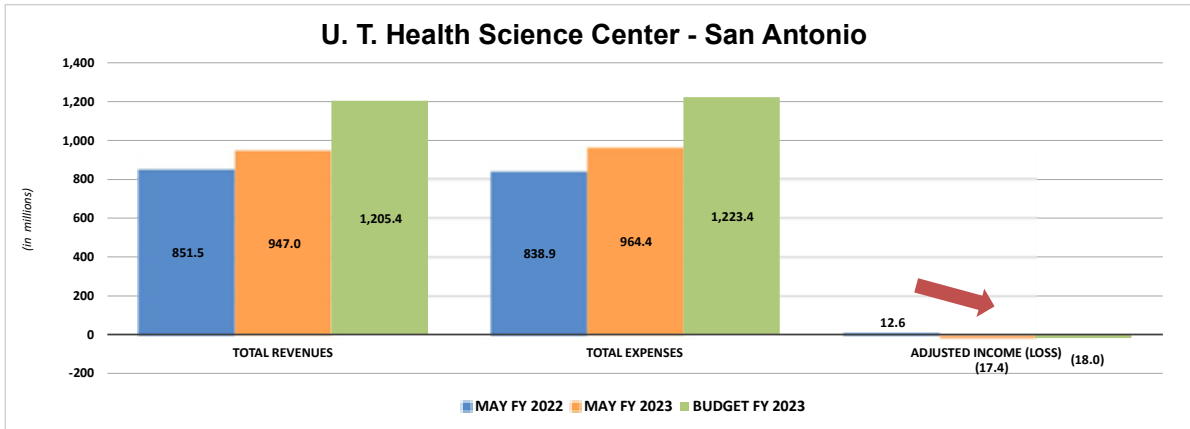


U. T. Health Science Center - Houston reported year-to-date adjusted income of \$18.5 million, an increase in adjusted income of \$0.3 million (2%) from the prior year. The increase was primarily due to an increase in clinical revenues attributable to increased clinical productivity, as well as increased funding from Health and Human Services related to the new Dunn Center Building. The most current projection received from *U. T. Health Science Center - Houston* reflects income of \$20.3 million for the year.

(in millions)	May YTD FY 2022	May YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 414.2	481.2	67.0	636.1	
Sponsored Programs/Nonexchange Sponsored Programs	799.0	816.6	17.6	1,104.8	
State Appropriations	162.4	170.4	8.0	225.9	
Net Tuition and Fees	56.2	56.5	0.3	70.3	
Auxiliary Revenues/Sales & Services of Educational Activities	52.5	62.5	10.0	78.0	
Net Investment Income	63.0	78.9	15.8	94.0	
Other Operating Revenues/Gift Contributions for Operations	38.3	70.3	32.0	98.3	
Total Revenues	1,585.7	1,736.5	150.8	2,307.4	2,258.1
Salaries and Wages/Payroll Related Costs	1,209.8	1,336.0	126.1	1,765.7	
Materials and Supplies/Cost of Goods Sold	78.7	86.3	7.6	115.0	
Depreciation and Amortization	80.2	85.9	5.8	118.6	
Other Contracted Services/Professional Fees & Services	89.2	93.3	4.2	128.5	
All Other Operating Expenses	109.6	116.5	6.9	159.3	
Total Expenses	\$ 1,567.5	1,718.0	150.5	2,287.1	2,254.8
Adjusted Income (Loss)	18.2	18.5	0.3	20.3	3.3
Adjusted Income (Loss) Excluding Depr & Amort Exp	98.3	104.4	6.1	138.9	80.7

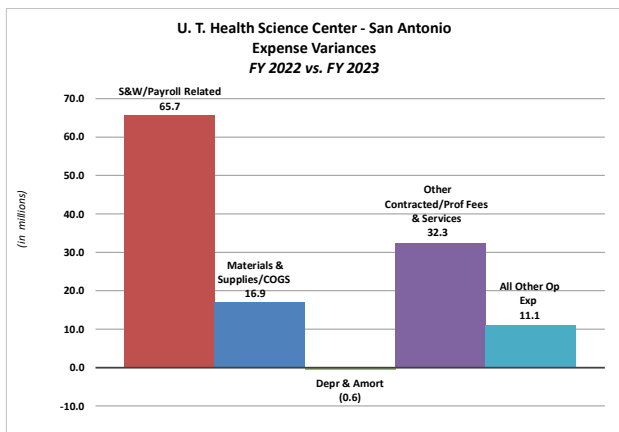
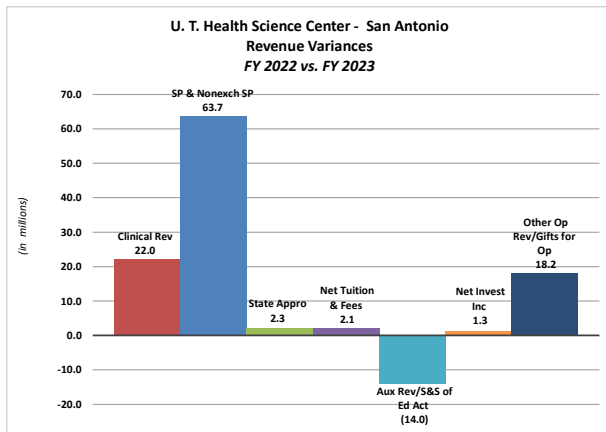


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending May 31, 2023

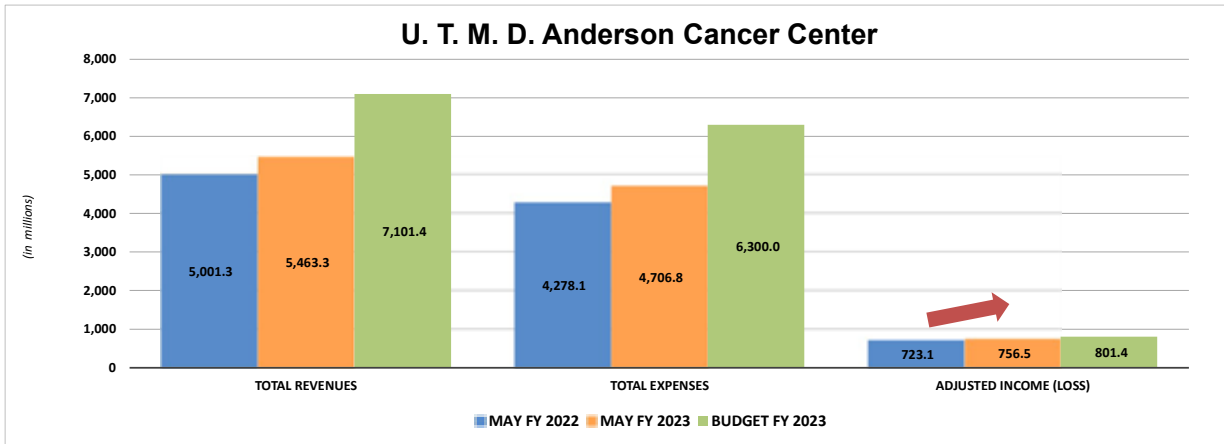


U. T. Health Science Center - San Antonio incurred a year-to-date adjusted loss of \$17.4 million, a decrease of \$30.0 million (238%) from the prior year. The decrease was primarily attributable to an increase in salaries and wages and payroll related costs as a result of an increase in clinical faculty and staff positions associated with planned clinical volume and research growth. The most current projection received from U. T. Health Science Center – San Antonio reflects a loss of \$11.1 million for the year, which represents a \$6.9 million improvement over the planned \$18.0 million operating deficit.

(in millions)	May YTD FY 2022	May YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 253.6	275.6	22.0	377.5	
Sponsored Programs/Nonexchange Sponsored Programs	331.8	395.5	63.7	542.0	
State Appropriations	132.5	134.8	2.3	180.6	
Net Tuition and Fees	39.2	41.3	2.1	56.5	
Auxiliary Revenues/Sales & Services of Educational Activities	33.2	19.2	(14.0)	26.4	
Net Investment Income	43.7	44.9	1.3	54.3	
Other Operating Revenues/Gift Contributions for Operations	17.6	35.7	18.2	47.5	
Total Revenues	851.5	947.0	95.6	1,284.9	1,205.4
Salaries and Wages/Payroll Related Costs	562.1	627.8	65.7	844.4	
Materials and Supplies/Cost of Goods Sold	92.6	109.6	16.9	147.8	
Depreciation and Amortization	53.2	52.6	(0.6)	70.8	
Other Contracted Services/Professional Fees & Services	62.3	94.7	32.3	112.3	
All Other Operating Expenses	68.7	79.8	11.1	120.6	
Total Expenses	\$ 838.9	964.4	125.5	1,295.9	1,223.4
Adjusted Income (Loss)	12.6	(17.4)	(30.0)	(11.1)	(18.0)
Adjusted Income (Loss) Excluding Depr & Amort Exp	65.7	35.1	(30.6)	59.7	51.8

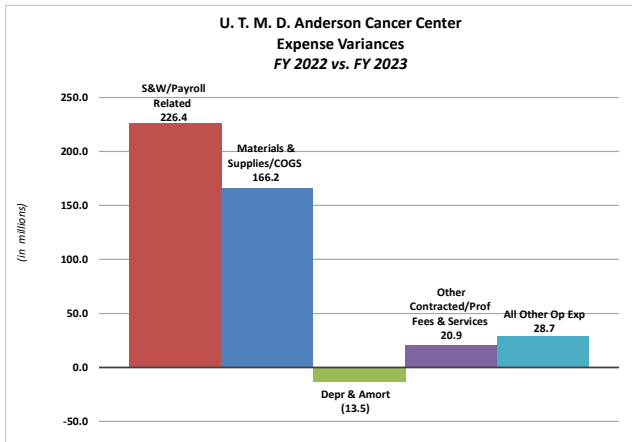
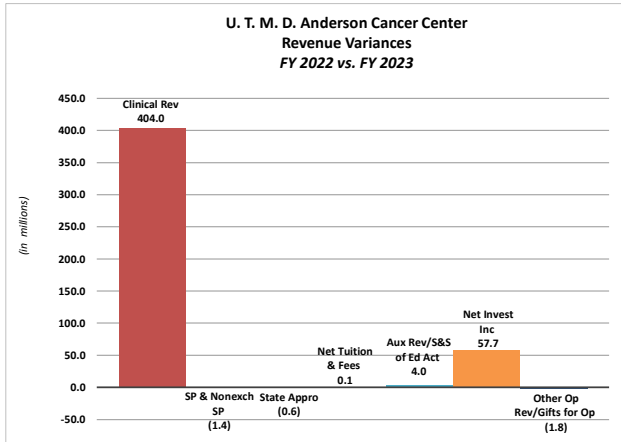


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending May 31, 2023



U. T. M. D. Anderson Cancer Center reported year-to-date adjusted income of \$756.5 million, an increase in adjusted income of \$33.4 million (5%) from the prior year. The increase was primarily due to an increase in clinical revenues attributable to increased volume and clinical productivity. The most current projection received from U. T. M. D. Anderson Cancer Center reflects income of \$835.7 million for the year.

(in millions)	May YTD FY 2022	May YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 3,916.8	4,320.8	404.0	5,781.3	
Sponsored Programs/Nonexchange Sponsored Programs	434.3	432.9	(1.4)	572.8	
State Appropriations	157.5	157.0	(0.6)	209.9	
Net Tuition and Fees	1.8	1.9	0.1	2.0	
Auxiliary Revenues/Sales & Services of Educational Activities	27.0	31.1	4.0	39.1	
Net Investment Income	273.3	331.0	57.7	382.3	
Other Operating Revenues/Gift Contributions for Operations	190.4	188.7	(1.8)	249.2	
Total Revenues	5,001.3	5,463.3	462.1	7,236.7	7,101.4
Salaries and Wages/Payroll Related Costs	2,394.4	2,620.7	226.4	3,380.7	
Materials and Supplies/Cost of Goods Sold	1,051.4	1,217.6	166.2	1,787.5	
Depreciation and Amortization	281.3	267.9	(13.5)	354.9	
Other Contracted Services/Professional Fees & Services	330.1	351.1	20.9	515.4	
All Other Operating Expenses	220.9	249.6	28.7	362.5	
Total Expenses	\$ 4,278.1	4,706.8	428.7	6,401.0	6,300.0
Adjusted Income (Loss)	723.1	756.5	33.4	835.7	801.4
Adjusted Income (Loss) Excluding Depr & Amort Exp	1,004.4	1,024.3	19.9	1,190.7	1,168.8



3. U. T. System Board of Regents: Equipment financing authorization for Fiscal Year 2024 and resolution regarding parity debt

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents

- a. approve an aggregate amount of \$319,781,000 of Revenue Financing System Equipment Financing for FY 2024 as allocated to those U. T. System institutions listed in the table at the end of this item; and
- b. 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 cost of equipment including costs incurred 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;
 - the U. T. System institutions, which are “Members” as such term is used in the Master Resolution, possess the financial capacity to satisfy their 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 \$319,781,000 for the purchase of equipment; and
 - this resolution satisfies the official intent requirements set forth in Section 1.150-2 of Title 26 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

BACKGROUND INFORMATION

On April 14, 1994, the U. T. System Board of Regents approved the use of Revenue Financing System debt for equipment purchases in accordance with the Guidelines Governing Administration of the Revenue Financing System. Equipment financing is used for the purchase of equipment in lieu of more costly vendor financing. The guidelines specify that the equipment to be financed must have a useful life of at least three years. The debt is amortized four times a year with full amortization period not to exceed 10 years.

This agenda item requests approval of an aggregate amount of \$319,781,000 for equipment financing for Fiscal Year 2024. On August 25, 2022, the U. T. System Board of Regents approved a total of \$266,908,000 of equipment financing for Fiscal Year 2023. Through July 31, 2023, \$54,921,000 of equipment financing has been utilized for Fiscal Year 2023.

Further details on the equipment to be financed and leverage ratios for individual institutions may be found on the following page.

U. T. SYSTEM EQUIPMENT FINANCING - INSTITUTION REQUESTS
FY 2024

Institution	\$ Amount of Request	Description of Expected Capital Equipment	Spendable Cash & Inv. to Total Debt *	Unrestricted Cash & Inv. to Total Debt *
U. T. Austin	18,300,000	TV production equipment	3.0x	
U. T. Dallas	4,000,000	General purpose equipment supporting instruction, research, and business operations	1.9x	
U. T. El Paso	400,000	Vehicle purchases	2.7x	
U. T. Rio Grande Valley	6,000,000	Campus PC and IT replacement; instruction and research equipment; security-related equipment	5.5x	
U.T. San Antonio	13,304,000	Boiler, modular, athletic, and technology equipment; Bueno Vista Theater equipment; faculty start-up lab equipment	2.3x	
U. T. Tyler	12,777,000	Academic, clinical, laboratory, research, and IT equipment	1.6x	
U. T. Southwestern Medical Center	30,000,000	Information resources projects; clinical and hospital equipment		0.7x
U. T. Medical Branch - Galveston	50,000,000	Clinical, research, and facility-related equipment; IT infrastructure		0.8x
U. T. Health Science Center - Houston	35,000,000	Imaging and ambulatory surgical center equipment		3.8x
U. T. Health Science Center - San Antonio	70,000,000	Electronic medical records system; outpatient surgical equipment; research lab equipment		2.7x
U. T. M. D. Anderson Cancer Center	80,000,000	Medical, diagnostic, and research equipment; vehicles; information technology systems		8.5x

Total	\$319,781,000
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* Spendable Cash & Inv. to Total Debt ratios and Unrestricted Cash & Inv. to Total Debt ratios are based on FY2022 Analysis of Financial Condition (February 2023). The calculation excludes TRB debt service.

U. T. System Office of Finance, June 29, 2023

4. U. T. System Board of Regents: Adoption of a Resolution authorizing the issuance, sale, and delivery of Permanent University Fund Bonds and authorization to complete all related transactions

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents

- a. adopt a Resolution, substantially in the form previously approved by the U. T. System Board of Regents, authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Permanent University Fund (PUF) Bonds in one or more installments in an aggregate principal amount not to exceed \$975 million to be used to refund certain outstanding PUF Bonds, to refund PUF Commercial Paper Notes, to provide new money to fund construction and acquisition costs, and to pay the costs of issuance; and
- b. authorize appropriate officers and employees of U. T. System as set forth in the Resolution to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents within the limitations and procedures specified therein; to make certain covenants and agreements in connection therewith; and to resolve other matters incident and related to the issuance, sale, security, and delivery of such bonds.

BACKGROUND INFORMATION

On August 25, 2022, the Board of Regents adopted a resolution authorizing the issuance of PUF Bonds in an amount not to exceed \$750 million for Fiscal Year 2023. Adoption of this Resolution would provide \$975 million of authorization for similar purposes for Fiscal Year 2024. Approval of this item does not allocate additional PUF debt for capital projects.

Adoption of this Resolution would authorize the advance or current refunding of a portion of certain outstanding PUF Bonds provided that an advance refunding exceeds a minimum 3% present value debt service savings threshold. An advance refunding involves issuing bonds to refund outstanding bonds more than 90 days in advance of the call date, whereas a current refunding involves issuing bonds to refund outstanding bonds within 90 days of the call date. Refunding bonds are issued at lower interest rates thereby producing debt service savings. Adoption of this Resolution would provide the flexibility to select the particular bonds to be refunded depending on market conditions at the time of pricing. The Resolution provides that additional PUF Bonds may be refunded if such refunding is determined to be in the best interest of the U. T. System.

The Resolution would also authorize the current refunding of all or a portion of the PUF Commercial Paper Notes. The PUF Commercial Paper Note program is used to provide interim financing for PUF projects approved by the Board. Adoption of the Resolution would permit the interim financing provided through the Notes to be replaced with long-term financing. The Resolution would also authorize the issuance of bonds to provide new money to fund the capital costs of eligible projects.

The Resolution would also authorize the appropriate officers and employees of the U. T. System to refund outstanding PUF Bonds pursuant to a tender program and to use lawfully available funds to defease outstanding PUF Bonds when economically advantageous.

The proposed Resolution has been reviewed by outside bond counsel and the U. T. System Office of General Counsel.

Note: The proposed Resolution is available online at <https://utsystem.edu/board-of-regents/meetings/board-meeting-2023-08-23>.

5. U. T. System Board of Regents: Adoption of a Supplemental Resolution authorizing the issuance, sale, and delivery of Revenue Financing System Bonds and authorization to complete all related transactions

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents

- a. adopt a Supplemental Resolution, substantially in the form previously approved by the U. T. System Board of Regents, authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Revenue Financing System (RFS) Bonds in one or more installments in an aggregate principal amount not to exceed \$975 million to be used to refund certain outstanding RFS Bonds, to refund RFS Commercial Paper Notes, to provide new money to fund construction and acquisition costs of projects in the Capital Improvement Program, and to pay the costs of issuance; and
- b. authorize appropriate officers and employees of U. T. System as set forth in the Supplemental Resolution to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents within the limitations and procedures specified therein; to make certain covenants and agreements in connection therewith; and to resolve other matters incident and related to the issuance, sale, security, and delivery of such RFS Bonds.

BACKGROUND INFORMATION

On August 25, 2022, the Board of Regents adopted the 37th Supplemental Resolution authorizing the issuance of additional RFS Bonds in an amount not to exceed \$850 million. Adoption of this 38th Supplemental Resolution would provide \$975 million of authority to finance additional projects approved by the Board of Regents under the same provisions as the prior resolution.

Adoption of the Supplemental Resolution would authorize the advance or current refunding of a portion of certain outstanding RFS Bonds provided that an advance refunding exceeds a minimum 3% present value debt service savings threshold. An advance refunding involves issuing bonds to refund outstanding bonds more than 90 days in advance of the call date whereas a current refunding involves issuing bonds to refund outstanding bonds within 90 days of the call date. Refunding bonds are issued at lower interest rates thereby producing debt service savings. Adoption of this Supplemental Resolution will provide the flexibility to select the particular bonds to be refunded depending on market conditions at the time of pricing.

The Supplemental Resolution would also authorize the current refunding of all or a portion of the RFS Commercial Paper Notes. The RFS Commercial Paper Note program is used to provide interim financing for RFS projects approved by the Board. Adoption of the Supplemental Resolution will permit the interim financing provided through the Notes to be replaced with long-term financing. The Supplemental Resolution would also authorize the issuance of bonds to provide new money to fund the capital costs of eligible projects.

The Supplemental Resolution would also authorize the appropriate officers and employees of the U. T. System to refund outstanding RFS Bonds pursuant to a tender program and to use lawfully available funds to defease outstanding RFS Bonds when economically advantageous.

Approval of the Supplemental Resolution would also designate Stephen F. Austin State University, a member of The University of Texas System, as a Member of the Revenue Financing System effective September 1, 2023 in accordance with the RFS Master Resolution and provides, in accordance with Senate Bill 1055, that the U. T. System Board of Regents becomes the successor to the obligations of the prior Stephen F. Austin State University previously incurred and outstanding as of September 1, 2023.

The proposed Supplemental Resolution has been reviewed by outside bond counsel and the U. T. System Office of General Counsel.

Note: The proposed Resolution is available online at <https://utsystem.edu/board-of-regents/meetings/board-meeting-2023-08-23>.

6. U. T. System Board of Regents: Adoption of resolutions authorizing certain bond enhancement agreements for Revenue Financing System debt and Permanent University Fund debt and ratification of Regents' Rule 70202, as amended, in its entirety

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents

- a. adopt resolutions substantially in the form previously approved by the U. T. System Board of Regents (the Resolutions) authorizing appropriate officers of the U. T. System to enter into bond enhancement agreements related to its Revenue Financing System (RFS) and Permanent University Fund (PUF) debt programs in accordance with the U. T. System Interest Rate Swap Policy and to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents; and
- b. ratify Regents' Rule 70202, as amended and attached on the following pages.

BACKGROUND INFORMATION

Texas Education Code Section 65.461 provides specific authority to the U. T. System Board of Regents to enter into "bond enhancement agreements," which include interest rate swaps and related agreements in connection with administration of the U. T. System's RFS and PUF debt programs.

On August 25, 2022, the Board approved bond enhancement agreement resolutions for FY2023. Approval of this item would authorize the execution of bond enhancement agreement transactions related to RFS and PUF debt in accordance with the U. T. System Interest Rate Swap Policy for FY2024. The determination to utilize bond enhancement agreements will be made based on market conditions at the time of pricing the related debt issuance. The Chancellor and the Chairman of the Board's Finance and Planning Committee will be informed in advance of any proposed transactions to be undertaken pursuant to the resolutions.

The U. T. System Interest Rate Swap Policy was approved by the Board of Regents as a Regental Policy on February 13, 2003, and was incorporated into the Regents' *Rules and Regulations*, Rule 70202, on December 10, 2004. The Rule was subsequently amended on August 23, 2007. Section 1371.056(l) of the *Texas Government Code* requires that while an interest rate management agreement transaction is outstanding, the governing body of the issuer shall review and ratify or modify its related risk management policy at least biennially. Rule 70202, as will be included as Exhibit B to both resolutions, will be the subject of minor revision via a separate agenda item to be considered by the Board of Regents prior to this committee meeting.

Note: The proposed Resolutions are available online at <https://utsystem.edu/board-of-regents/meetings/board-meeting-2023-08-23>.

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

Rule: 70202

1. Title

Interest Rate Swap Policy

2. Rule and Regulation

- Sec. 1 Authority. *Texas Education Code*, [Chapter 55](#), including [Section 55.13](#), *Texas Education Code*, [Chapter 65](#), including [Section 65.461](#), and *Texas Government Code*, [Chapter 1371](#), including [Section 1371.056](#), authorize the Board of Regents (Board) of The University of Texas System (U. T. System) to enter into interest rate management agreements and bond enhancement agreements (collectively “swaps”).
- Sec. 2 Purpose. This policy will govern the use of swaps in connection with the U. T. System’s management of its debt programs, including the Permanent University Fund and Revenue Financing System debt programs. By using swaps in a prudent manner, the U. T. System can increase the U. T. System’s financial flexibility, provide opportunities for interest rate savings, allow the U. T. System to actively manage asset and liability interest rate risk, take advantage of market opportunities to lower the overall cost of debt, balance interest rate risk, or hedge other exposures. The use of swaps must be tied directly to U. T. System debt instruments. The U. T. System shall not enter into swaps for speculative purposes.
- Sec. 3 Legality/Approval. Prior to entering into a swap, the U. T. System must receive approval from the Board of Regents (which may include a delegation of authority to an Authorized Representative to enter into one or more swaps) and any required approvals from the Texas Attorney General and the Texas Bond Review Board. The U. T. System will also secure an opinion acceptable to the Authorized Representative from legal counsel that the swap is a legal, valid, and binding obligation of the U. T. System and that entering into the swap complies with applicable State and federal laws.
- Sec. 4 Form of Agreements. Each interest rate swap shall contain terms and conditions as set forth in the International Swaps and Derivatives Association, Inc. (ISDA) Master Agreement, as amended, and such other terms and conditions including schedules, credit support annexes, and confirmations as deemed necessary by an Authorized Representative.

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

Rule: 70202

- Sec. 5 Methods of Procuring Swaps. Swaps can be procured via competitive bids or on a negotiated basis with counterparties or its credit support providers having credit ratings of 'A' or 'A2' or better from Standard & Poor's or Moody's, respectively.
- 5.1 Competitive. The competitive bid should include a minimum of three firms. An Authorized Representative may allow a firm or firms not submitting the bid that produces the lowest cost to match the lowest bid and be awarded a specified percentage of the notional amount of the swap.
- 5.2 Negotiated. An Authorized Representative may procure swaps by negotiated methods in the following situations:
- (a) A determination is made by an Authorized Representative that due to the complexity of a particular swap, a negotiated bid would result in the most favorable pricing;
 - (b) A determination is made by an Authorized Representative that, in light of the facts and circumstances, a negotiated bid will promote the U. T. System's interests by encouraging and rewarding innovation; or
 - (c) A determination is made by an Authorized Representative that a competitive bid would likely create market pricing effects that would be detrimental to the interests of the U. T. System.
- Sec. 6 Counterparty Risk. Counterparty risk is the risk of a failure by one of the U. T. System's swap counterparties to perform as required under a swap. To mitigate this risk, the U. T. System will 1) diversify its exposure among highly rated swap counterparties satisfying the rating criteria set forth in Section 5 above; 2) require collateralization as set forth below; and 3) include an optional termination event if the counterparty (or its credit support provider, if applicable) is downgraded below a second (lower) threshold.
- 6.1 Value Owed by Counterparty. To limit and diversify the U. T. System's counterparty risk and to monitor credit exposure to each counterparty, the U. T. System may not enter into a swap with an otherwise qualified counterparty

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

Rule: 70202

unless the cumulative mark-to-market value owed by the counterparty (and its credit support provider, if applicable) to the U. T. System shall be less than or equal to the applicable threshold amount set forth in Section 6.3 below.

6.2 Calculation of Value Owed. The value owed shall be the sum of all mark-to-market values between the subject counterparty and the U. T. System regardless of the type of swap, net of collateral posted by the counterparty. Collateral will consist of cash, U.S. Treasury securities, and Federal Agency securities guaranteed unconditionally by the full faith and credit of the U.S. Government. Collateral shall be deposited with a third-party trustee acceptable to U. T. System or as mutually agreed upon between U. T. System and each counterparty.

6.3 Threshold Amounts Based on Credit Rating. Specific threshold amounts by counterparty are based on the cumulative mark-to-market value of the swap(s) and the credit rating of the counterparty or its credit support provider. The threshold amounts are as follows:

(a) AAA / Aaa	\$30 million
(b) AA+ / Aa1	\$25 million
(c) AA / Aa2	\$20 million
(d) AA- / Aa3	\$15 million
(e) A+ / A1	\$10 million
(f) A / A2	\$ 5 million

6.4 Downgraded Rating. If the credit rating of a counterparty or its credit support provider is downgraded such that the cumulative mark-to-market value of all swaps between such counterparty and the U. T. System exceeds the maximum permitted by this policy, the counterparty must post collateral or provide other credit enhancement that is satisfactory to the U. T. System and ensures compliance with this policy.

Sec. 7 Termination Risk. The U. T. System shall consider the merits of including a provision that permits optional termination at any time over the term of the swap (elective termination right). In general, exercising the right to optionally terminate a swap should produce a benefit to the U. T. System, either through

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receipt of a payment from a termination, or if a termination payment is made by the U. T. System, a conversion to a more beneficial debt instrument or credit relationship. It is possible that a termination payment by the U. T. System may be required in the event of termination of a swap due to a counterparty default or following a decrease in credit rating.

- Sec. 8 Amortization Risk. The amortization schedules of the debt and associated swap should be closely matched for the duration of the swap. Mismatched amortization schedules can result in a less than satisfactory hedge and create unnecessary risk. In no circumstance may (i) the notional amount of a swap exceed the principal amount of the related debt at any time, or (ii) the term of a swap extend beyond the final maturity date of the related debt instrument, or in the case of a refunding transaction, beyond the final maturity date of the refunding bonds.
- Sec. 9 Basis Risk. Basis risk arises as a result of movement in the underlying variable rate indices that may not be in tandem, creating a cost differential that could result in a net cash outflow from the U. T. System. Basis risk can also result from the use of floating, but different, indices. To mitigate basis risk, any index used as part of a swap shall be a recognized market index, including but not limited to the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index, the Effective Federal Funds Rate (EFFR), or the Secured Overnight Financing Rate (SOFR).
- Sec. 10 Tax Risk. Tax risk is the risk that tax laws will change, resulting in a change in the marginal tax rates on swaps and their underlying assets. Tax risk is present in all tax-exempt debt issuances. The U. T. System Office of Finance will continually monitor and evaluate tax risk.
- Sec. 11 Interest Rate Risk. Interest rate risk is the risk that costs associated with variable rate exposure increase as a result of changes in market interest rates. Additional interest rate risk can be created by entering into certain types of swaps. The U. T. System Office of Finance will incorporate the impact of each swap on the overall debt portfolio.

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

Rule: 70202

Sec. 12 Reporting.

12.1 The U. T. System Office of Finance staff will report to the Board within 30 days of completion of any swap transaction.

12.2 The Annual Financial Report prepared by the U. T. System and presented to the Board of Regents will discuss the status of all swaps. The report shall include a list of all swaps with notional value and interest rates, a list of counterparties (and credit support providers, if applicable) and their respective credit ratings, and other key terms.

Sec. 13 Qualified Independent Representative. In connection with CFTC Rule 23.450(b)(1), an Authorized Representative will select a qualified independent representative ("QIR") to advise the U. T. System Office of Finance on derivative transactions, and U. T. System Office of Finance staff will monitor the performance of such QIR on an ongoing basis. The U. T. System Office of Finance will consult with the QIR prior to entering into or modifying any derivative transactions.

3. Definitions

Authorized Representative – includes the Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, the Associate Vice Chancellor for Finance, and the Assistant Vice Chancellor for Finance.

Counterparty – a participant in a swap who exchanges payments based on interest rates or other criteria with another counterparty.

Counterparty Long-Term Debt Rating – lowest prevailing rating from Standard & Poor's / Moody's.

Effective Federal Funds Rate (EFFR) – The effective federal funds rate is calculated and published by the New York Federal Reserve Bank based on domestic unsecured borrowings in U.S. dollars by depository institutions. It is a commonly used benchmark for swaps.

Hedge – a transaction entered into to reduce exposure to market fluctuations.

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

Rule: 70202

Interest Rate Swap – a swap in which two parties agree to exchange future net cash flows based on predetermined interest rates or indices calculated on an agreed notional amount. An interest rate swap is not a debt instrument and there is no exchange of principal.

ISDA Master Agreement – the International Swaps and Derivatives Association, Inc. (ISDA), is the global trade association for the derivatives industry. The ISDA Master Agreement is the basic governing document that serves as a framework for all interest rate swaps and certain other types of swaps between two counterparties. It is a standard form used throughout the industry. It is typically negotiated once, prior to the first swap transaction, and remains in force for all subsequent swap transactions.

Mark-to-Market – calculation of the value of a financial instrument (like an interest rate swap) based on the current market rates or prices of the underlying indices.

Maximum cumulative mark-to-market – value of swaps owed to the U. T. System by counterparty (net of collateral posted).

Notional Amount – the size of the swap and the dollar amount used to calculate interest payments.

SIFMA Index – the principal benchmark for floating rate payments for tax-exempt issuers. The index is a national rate based on a market basket of high-grade, seven-day, tax-exempt variable rate bond issues.

Secured Overnight Financing Rate (SOFR) - the Secured Overnight Financing Rate (SOFR) is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities. It is a commonly used benchmark for swaps to replace LIBOR.

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

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Business Affairs in the recommendation that

- a. the Fiscal Year 2024 distribution from the Permanent University Fund (PUF) to the Available University Fund (AUF) be \$1,407,795,000 effective September 1, 2023;
- b. the distribution rate for the Permanent Health Fund (PHF) be increased from \$0.0689 per unit to \$0.0724 per unit for Fiscal Year 2024 (effective with November 30, 2023 distribution);
- c. the distribution rate for the U. T. System Long Term Fund (LTF) be increased from \$0.3763 per unit to \$0.3951 per unit for Fiscal Year 2024 (effective with November 30, 2023 distribution); and
- d. the distribution rate for the U. T. System Intermediate Term Fund (ITF) remain at 3.0% per annum (paid monthly) for Fiscal Year 2024.

BACKGROUND INFORMATION

Article VII, Section 18 of the Texas Constitution requires that distributions to the AUF be determined by the Board of Regents in a manner intended to provide the AUF with a stable and predictable stream of annual distributions and to maintain over time the purchasing power of PUF investments and annual distributions to the AUF.

The Constitution further limits the Board of Regents' discretion to set annual PUF distributions to the satisfaction of three tests:

- 1. The amount of PUF distributions to the AUF in a fiscal year must be not less than the amount needed to pay the principal and interest due and owing in that fiscal year on PUF bonds and notes. The proposed distribution of \$1,407,795,000 is substantially greater than PUF bond debt service of \$522,000,000 projected for Fiscal Year 2024.

System	Debt Service
U. T.	\$ 313,700,000
TAMU	208,300,000
Total:	\$ 522,000,000

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

2. The Board of Regents may not increase annual PUF distributions to the AUF (except as necessary to pay PUF debt service) if the purchasing power of PUF investments for any rolling 10-year period has not been preserved. As the schedule below indicates, the average annual increase in the rate of growth of the value of PUF investments (net of expenses, inflation, and distributions) for the trailing 10-year period ended February 28, 2023, was 5.54%, which indicates that the purchasing power test was met.

Average Annual	Percent
Rate of Total Return, Net of Investment Manager Fees	8.09%
Mineral Interest Receipts	4.83%
Expense Rate	(0.20%) ⁽¹⁾
Inflation Rate	(2.63%)
Distribution Rate	(4.55%)
Net Real Return	5.54%

(1) The expense rate as shown is a 10-year annualized average and includes PUF Land Expenses and PUF investment management costs other than investment manager fees. Investment management fees are a reduction to the Rate of Total Return.

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

Value of PUF Investments ⁽¹⁾	Proposed Distribution	Proposed Distribution as a % of Value of PUF Investments	Maximum Allowed Rate
\$26,721,088,387	\$ 1,407,795,000	5.27%	7.00%

(1) Source: UTIMCO

The spending policy objectives of the PHF and LTF are to:

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

The increase in the consumer price index for the prior three years as of November 30, 2022, was 5.00%. The recommended 5.00% increase in the PHF distribution rate of \$0.0689 to \$0.0724 per unit will increase the distributions by the average rate of inflation for the trailing 12 quarters. The PHF's distribution rate calculated using the prior 12-quarter average value of the PHF is 4.17%.

On November 14, 2019, the Board of Regents authorized a maximum 0.80% allocation (80 basis points) from the market value of the LTF to provide additional funding for development operations at U. T. institutions to substantially increase philanthropic revenue. The proposed LTF distribution rate of \$0.3951 per unit or 4.39% of the market value of the LTF plus the 0.80% development allocation will result in a total LTF spending rate of 5.19% of the prior 12-quarter average value of the LTF.

The distribution rate for the ITF was originally set at 3.0% per annum for Fiscal Year 2007 by the U. T. System Board on May 11, 2006, and has continued at that rate for each succeeding fiscal year. The recommendation for Fiscal Year 2024 is to continue a distribution rate of 3.0%.

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

RECOMMENDATION

The Chancellor and the Executive Vice Chancellor for Business Affairs concur in the recommendation of the Board of Directors of The University of Texas/Texas A&M Investment Management Company (UTIMCO) that the U. T. System Board of Regents approve the proposed amendments to the following Investment Policy Statements, including asset allocation, and the Liquidity Policy as set forth in congressional style on the following pages.

- a. [Permanent University Fund \(PUF\)](#)
- b. [General Endowment Fund \(GEF\)](#)
- c. [Intermediate Term Fund \(ITF\)](#)
- d. [Permanent Health Fund \(PHF\)](#)
- e. [Long Term Fund \(LTF\)](#)
- f. [Liquidity Policy](#)

A PowerPoint Presentation setting out UTIMCO's Strategic Asset Allocation follows the Investment Policy Statements.

BACKGROUND INFORMATION

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

The amended PUF, GEF, PHF, LTF and ITF Investment Policy Statements, and the Liquidity Policy were approved by the UTIMCO Board on June 15, 2023.

The PUF, GEF and ITF Investment Policy Statements have been amended to reflect the following changes:

- Add detail to the non-exclusive lists of strategies that may be employed by Hedge Funds.
- Clarify that Fixed Income strategies may utilize Exchange Traded Funds.

Exhibits A of the PUF, GEF, and ITF, and Exhibits B of the PHF and LTF Investment Policy Statements have been amended to set forth the revised Asset Class targets and ranges, for each of the respective funds, for the fiscal year beginning September 1, 2023. The benchmarks applicable to Emerging Markets Public Equity and Natural Resources have been modified. In addition, the Expected 10-Year Annual Real Returns and the One Year Downside Volatility have been updated. Finally, permissible Asset Class exposure has been increased from 105% to 110% (leverage of 10%) for the PUF and GEF. For the ITF, permissible Asset Class exposure has been increased from 100% to 105% (leverage of 5%).

Recommended changes to the Liquidity Policy:

- Raise maximum permitted illiquidity by 5%, from 70% to 75% in the Endowment Funds (PUF and GEF) and from 55% to 60% in the ITF.
- Increase Unfunded Commitments as a percent of the highest total Net Asset Value of the Endowment Funds over a trailing 24-month period from 30% to 35%.

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



Investment Policies

Mr. Rich Hall, President, Chief Executive Officer and Chief Investment Officer
U. T. System Board of Regents Meeting
Finance and Planning Committee
August 2023



Strategic Asset Allocation (SAA) – Endowments

Increase UT and A&M System Resources With Improved Expected Returns and Similar Risk

Asset Class	Past/Current		Proposed	Diff	
	2018	2021	L-T Target	vs 2018	vs 2021
Total Public Equity	33%	35%	27%	(-6%)	(-8%)
Developed Market Public Equity	25%	27%	21%	(-4%)	(-6%)
Emerging Market Public Equity	8%	8%	6%	(-2%)	(-2%)
Directional Hedge Funds	5%	5%	6%	+1%	+1%
Private Equity	25%	25%	30%	+5%	+5%
Private Credit	-	-	-	-	-
Total Global Equity	63%	65%	63%	-	(-2%)
Global Aggregate Bonds	7%	-	-	(-7%)	-
Long Treasuries	-	5%	6%	+6%	+1%
Cash	1%	1%	2%	+1%	+1%
Stable Value Hedge Funds	10%	10%	11%	+1%	+1%
Total Stable Value	18%	16%	19%	+1%	+3%
Private Real Estate	10%	9%	9%	(-1%)	-
Natural Resources	5%	3%	-	(-5%)	(-3%)
Infrastructure	4%	5%	9%	+5%	+4%
TIPS	-	2%	-	-	(-2%)
Commodities	-	-	-	-	-
Public Real Estate	-	-	-	-	-
Total Real Return	19%	19%	18%	(-1%)	(-1%)
TOTAL	100%	100%	100%		

Headline Portfolio Stats					
Expected Return	7.45%	6.80%	8.83%	+1.38%	+2.03%
Beta	6.45%	5.40%	7.59%	+1.14%	+2.19%
Alpha	1.00%	1.40%	1.24%	+0.24%	(-0.16%)
Volatility	15.79%	12.00%	12.34%	(-3.45%)	+0.34%
Sharpe	0.47	0.48	0.45	(-0.02)	(-0.03)

Long-Term expected returns increased 1.4% - 2.0% from 2018 and 2021

- Strong Beta contribution meets 7.5% return Target
- Shift in Capital Market Assumptions Line a key driver of uplift

Very minor changes to risk-level and allocations across regimes

- +35 bps in Expected Risk level
- More Stable Value (+3%); Less Global Equity (-2%) and Real Return (-1%)

Incremental changes within regimes

- More Private Equity, Less Public Equity
- More Infrastructure, Less NR + TIPS
- More Cash + Fixed Income

SAA – Endowments (cont.)



Key Elements of the SAA recommendation

- Increase private investments from 42% to 48% (5% Private Equity, 1% Real Return)
- Reduce Public Equity from 35% to 27% and increase Private Equity from 25% to 30%
 - Increases expected returns: Private Equity 10% + 20% vol, vs. Public 7.5% - 9.8% w/ 16% - 21% vol
 - Leverages unique cash flow attributes of the endowments, particularly the PUF
 - Retains prudent levels of liquidity, even in market drawdowns of 50%
 - Requires adjustments to Liquidity Policy and Unfunded Commitment limits
- Public Equity reduction also reduces uncompensated currency risks
 - Fundamental drivers of expected equity returns are relatively equal across geographies
 - Currency return is frequently the differentiator in relative performance across markets
 - Acknowledges heightened equity risk driven by geopolitical factors
- Enable growth of Portable Alpha strategies in Public Equities
 - Combines UTIMCO's best alpha-strategies, Stable Value Hedge Funds, with higher returning Public Equities as replacement for some Long-Only equity strategies
 - Requires increased leverage utilization

SAA – Endowments (cont.)



Key Elements of the SAA recommendation

- Increase Stable Value Assets from 16% to 19% (Cash, Treasuries, Stable Value Hedge Funds)
 - Additional ballast to the endowments in recessions
 - Increases overall liquidity profile to offset growth in illiquidity
- Shift Real Return Portfolio composition to focus on Real Estate (9%) and Infrastructure (9%)
 - On a look-through basis, University Lands ~14% of institutional assets, providing significant inflation protection to UT System when it matters the most
 - Recognizing this existing exposure, allows endowments to shift Natural Resources portfolio to more opportunistic strategy
 - Benefit from high risk adjusted returns of Real Estate and Infrastructure to protect portfolio against inflation across the cycle

Policy Changes



Proposed Policy Changes

- Liquidity – facilitates increase in private investments and portable alpha
 - \$21 billion of assets that are liquid within 120 days
 - 8x expected annual liquidity needs
 - Endowments: Increase to 75% of assets with liquidity longer than 120-day (currently 70%)
 - ITF: Increase to 60% of assets with liquidity longer than 120-day (currently 55%)
 - Increase Maximum unfunded commitments to 35% of Net Asset Value (currently 30%)
- Leverage – facilitates expansion of portable alpha programs:
 - Increase endowment leverage limit to 10% (currently 5%)
 - Increase ITF to 5% leverage
- Benchmarks – Improve alignment with strategy
 - Public Emerging Markets – adopt blended 33% Morgan Stanley Capital International (MSCI) ex-China + 67% MSCI EM w/ China All Share (currently MSCI Emerging Markets Index)
 - Natural Resources – Cambridge Associates Natural Resources Net Asset Value weighted by component



FY 2023 Proposed Targets and Ranges

EXHIBIT A
ASSET CLASS TARGETS, RANGES, AND PERFORMANCE OBJECTIVES
 EFFECTIVE SEPTEMBER 1, 2022-2023

Asset Class	Min v Target ⁽¹⁾	Target ⁽²⁾⁽³⁾	Max v Target ⁽¹⁾	Benchmark
Global Equity:				
Developed Public Equity	-5.0%	23.6% 20.0%	+5% +15.0%	MSCI World Index with Net Dividends
Emerging Markets Public Equity	-5.0%	7.0% 6.4%	-5.0%	MSCI Emerging Markets with Net Dividends Blended 67% MSCI Emerging Markets with China All Shares and 33% MSCI Emerging Markets ex-China
Total Public Equity	-5.0%	20.6% 26.4%	+6% +15.0%	
Directional Hedge Funds	-5.0%	6.0% 6.0%	+5.0%	HFRI Fund of Funds Composite
Private Equity ⁽²⁾		16.0% 17.5%	26.0% 27.5%	Blended Cambridge Buyouts, Emerging Markets Private Equity and Venture Capital, Credit Opportunities, and Venture Capital
Total Global Equity	-7.0%	60.6% 59.9%	+7.0% +15%	
Stable Value:				
Investment Grade Fixed Income	-5.0%	0.0%	+5.0%	Bloomberg Global Aggregate Index - Hedged
Long Treasuries	-5.0%	4.4% 5.1%	+5.0%	Bloomberg US Treasury Long Index
Credit-Related Fixed Income	-5.0%	0.0%	+5.0%	Bloomberg Capital Global High Yield Index
Total Fixed Income	-5.0%	4.4% 5.1%	+5.0%	
Cash	-5.0%	4.0% 2.0%	+5.0%	3 month T-Bills
Stable Value Hedge Funds	-5.0%	10.0% 10.5%	+5.0%	HFRI Fund of Funds Conservative
Total Stable Value	-10.0%	15.4% 17.6%	+8.0%	
Real Return:				
Inflation Linked Bonds	-5.0%	2.0% 0.0%	+5.0%	Bloomberg Global Inflation-Linked U.S. TIPS Index
Gold	-5.0%	0.0%	+5.0%	Gold Spot Price (XAU)
Commodities	-5.0%	0.0%	+5.0%	Bloomberg Commodity TRI
Total Commodities	-5.0%	0.0%	+5.0%	
Natural Resources ⁽²⁾	0.0%	3.0% 3.3%	8.0%	Cambridge Natural Resources Blended Cambridge PE Energy and Upstream & Royalty, PE Energy (Mining), and Timber
Infrastructure ⁽²⁾	0.0%	6.0% 4.5%	10.0%	Cambridge Infrastructure
Real Estate ⁽²⁾	4.0% 5.0%	9.0% 9.7%	14.0% 15.0%	Blended MSCI US REIT Gross Total Return Index (RMSG) and Cambridge Total Real Estate
Total Real Return	-8.0%	19.0% 17.5%	+8.0%	
Strategic Partnerships	-5.0%	5.0%	+5.0%	Blended Bloomberg US Treasury Long Index, MSCI World Index with Net Dividends, MSCI Emerging Markets Index with Net Dividends, and HFRI Macro
Innovation & Disruption	0.0%	0.0%	5.0%	Aggregate Policy Portfolio Benchmark before returns from Innovation & Disruption portfolio
Total All Asset Classes		100.0%	110.0%	

The total Asset Class exposure, including the amount of derivatives exposure not collateralized by Cash, may not exceed 100% 110% of the Asset Class exposure excluding the amount of derivatives exposure not collateralized by Cash.

EXHIBIT A
ASSET CLASS TARGETS, RANGES, AND PERFORMANCE OBJECTIVES
 EFFECTIVE SEPTEMBER 1, 2022-2023

Asset Class	Min v Target ⁽¹⁾	Target ⁽²⁾	Max v Target ⁽¹⁾	Benchmark
Global Equity:				
Developed Public Equity	-5.0%	11.5%	+5.0%	MSCI World Index with Net Dividends
Emerging Markets Public Equity	-5.0%	3.5%	+5.0%	MSCI Emerging Markets Index with Net Dividends Blended 67% MSCI Emerging Markets with China All Shares and 33% MSCI Emerging Markets ex-China
Total Public Equity	-5.0%	15.0%	+5.0%	
Directional Hedge Funds	-5.0%	35.0%	+5.0%	HFRI Fund of Funds Composite
Total Global Equity	-7.0%	50.0%	+7.0%	
Stable Value:				
Investment Grade Fixed Income	-5.0%	6.0%	+5.0%	Bloomberg Global Aggregate Index - Hedged
Long Treasuries	-5.0%	7.0%	+5.0%	Bloomberg US Treasury Long Index
Total Fixed Income	-5.0%	13.0%	+5.0%	
Cash	-5.0%	2.0%	+5.0%	3 month T-bills
Stable Value Hedge Funds	-5.0%	25.0%	+5.0%	HFRI Fund of Funds Conservative
Total Stable Value	-10.0%	40.0%	+8.0%	
Real Return:				
Inflation Linked Bonds	-5.0%	5.0%	+5.0%	Bloomberg Global Inflation-Linked U.S. TIPS Index
Gold	-5.0%	0.0%	+5.0%	Gold Spot Price (XAU)
Commodities	-5.0%	2.5%	+5.0%	Bloomberg Commodity TRI
Total Commodities	-5.0%	2.5%	+5.0%	
Public Real Estate	-5.0%	2.5%	+5.0%	MSCI US REIT Gross Total Return Index (RMSG)
Total Real Return	-8.0%	10.0%	+8.0%	
Total All Asset Classes		100.0%	105.0%	

The total Asset Class exposure, including the amount of derivatives exposure not collateralized by Cash, may not exceed 100% 105% of the Asset Class exposure excluding the amount of derivatives exposure not collateralized by Cash.

**THE UNIVERSITY OF TEXAS SYSTEM
PERMANENT UNIVERSITY FUND
INVESTMENT POLICY STATEMENT**

Purpose

The Permanent University Fund (the “PUF”) is a public endowment contributing to the support of eligible institutions of The University of Texas System and The Texas A&M University System as provided in Article VII, Section 18 of the *Texas Constitution*.

PUF Organization

The PUF was established in the *Texas Constitution* of 1876 through the appropriation of land grants previously given to The University of Texas at Austin plus one million acres. The land grants to the PUF were completed in 1883 with the contribution of an additional one million acres of land. Today, the PUF contains 2,109,190 acres of land (the “PUF Lands”) located in 19 counties primarily in West Texas.

The 2.1 million acres comprising the PUF Lands produce two streams of income: a) mineral income, primarily in the form of oil and gas royalties and b) surface income, primarily from surface leases and easements. Under the Texas Constitution, mineral income, as a non-renewable source of income, remains a non-distributable part of PUF corpus, and is invested pursuant to this Policy Statement. Surface income, as a renewable source of income, is distributed to the Available University Fund (the “AUF”), as received. The Constitution also requires that all surface income and investment distributions paid to the AUF be expended for certain authorized purposes.

The expenditure of the AUF is subject to a prescribed order of priority:

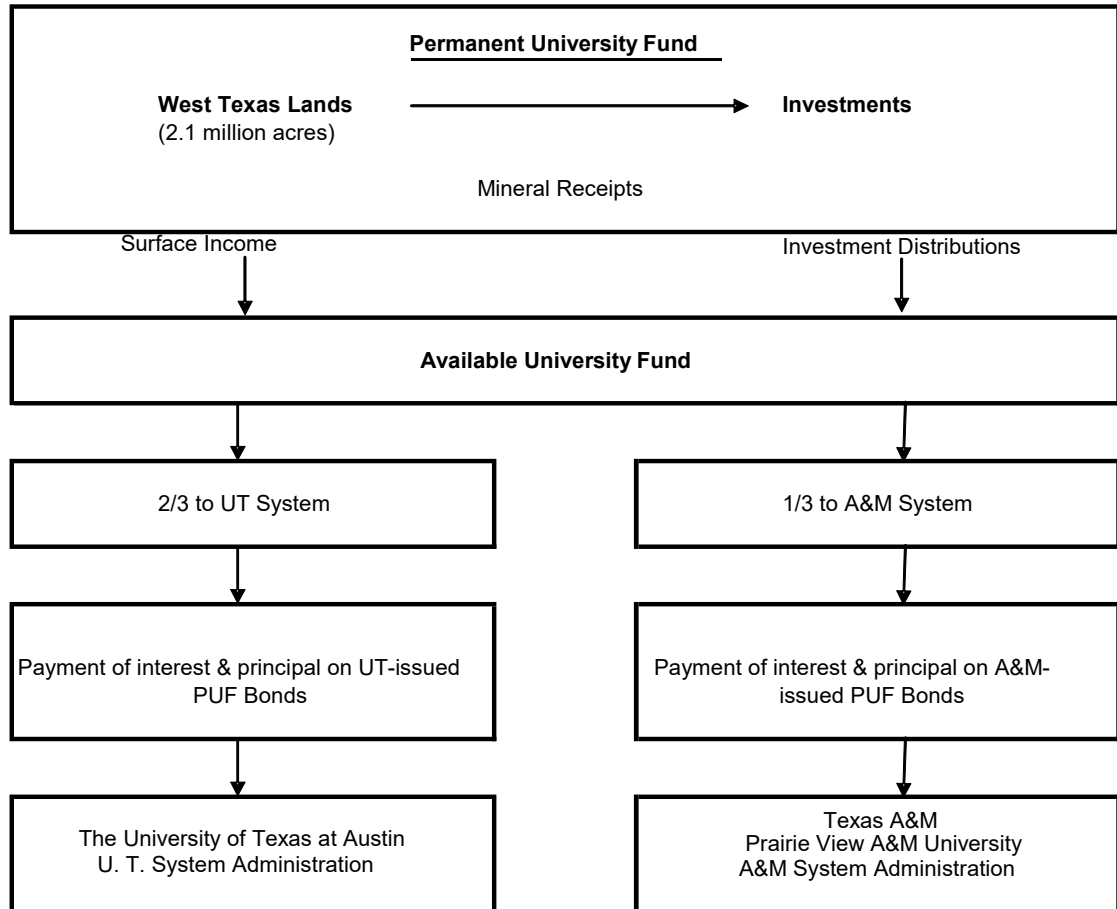
First, following a 2/3rds and 1/3rd allocation of AUF receipts to the U. T. System and the A&M System, respectively, AUF receipts are expended for debt service on PUF bonds. Article VII of the *Texas Constitution* authorizes the U. T. System Board of Regents (the “Board of Regents”) and the Texas A&M University System Board of Regents (the “TAMUS Board”) to issue bonds payable from their respective interests in AUF receipts to finance permanent improvements and to refinance outstanding PUF obligations. The Constitution limits the amount of bonds and notes secured by each System’s interest in divisible PUF income to 20% and 10% of the book value of PUF investment securities, respectively. Bond resolutions adopted by both Boards also prohibit the issuance of additional PUF parity obligations unless the interest of the related System in AUF receipts during the preceding fiscal year covers projected debt service on all PUF Bonds of that System by at least 1.5 times.

Permanent University Fund Investment Policy Statement (continued)

Second, AUF receipts are expended to fund a) excellence programs specifically at U. T. Austin, Texas A&M University and Prairie View A&M University and b) the administration of the university Systems.

The payment of surface income and investment distributions from the PUF to the AUF and the associated expenditures is depicted below in Exhibit 1:

Exhibit 1



PUF Management

Article VII, Section 11b of the *Texas Constitution* assigns fiduciary responsibility for managing and investing the PUF to the Board of Regents. Article VII, Section 11b authorizes the Board of Regents, subject to procedures and restrictions it establishes, to invest the PUF in any kind of investments and in amounts it considers appropriate, provided that it adheres to the prudent investor standard. This standard provides that the Board of Regents, in making investments, may acquire, exchange, sell, supervise, manage, or retain, through procedures and subject to restrictions it establishes and in amounts it considers appropriate, any

Permanent University Fund Investment Policy Statement (continued)

kind of investment that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment.

Ultimate fiduciary responsibility for the PUF rests with the Board of Regents. Section 66.08 of the *Texas Education Code*, as amended, authorizes the Board of Regents, subject to certain conditions to enter into a contract with a nonprofit corporation to invest funds under the control and management of the Board of Regents.

Pursuant to an Investment Management Services Agreement between the Board of Regents and The University of Texas/Texas A&M Investment Management Company (“UTIMCO”), the PUF shall be managed by UTIMCO, which shall a) recommend investment policy for the PUF, b) recommend specific Asset Class allocation targets, ranges and performance benchmarks consistent with PUF objectives, and c) monitor PUF performance against PUF objectives. UTIMCO shall invest the PUF’s assets in conformity with this Policy Statement. All changes to this Policy Statement or the exhibits to this Policy Statement, including changes to Asset Class allocation targets, ranges, and performance benchmarks, are subject to approval by the Board of Regents.

UTIMCO may select and terminate unaffiliated investment managers subject to the Delegation of Authority Policy approved by the UTIMCO Board. Managers shall be monitored for performance and adherence to investment disciplines.

PUF Administration

UTIMCO shall employ an administrative staff to ensure that all transaction and accounting records are complete and prepared on a timely basis. Internal controls shall be emphasized so as to provide for responsible separation of duties and adequacy of an audit trail. Custody of PUF assets shall comply with applicable law and be structured so as to provide essential safekeeping and trading efficiency.

PUF Investment Objectives

The PUF and the General Endowment Fund (the “GEF”) are managed similarly for efficient investment purposes. The primary investment objective of the PUF shall be to maximize investment returns within the risk parameters specified in this Policy Statement without regard to the distribution rate. Investment returns are expressed net of all investment-related expenses. Additional expenses include U.T. System administrative fees charged to the fund.

Investments must be prudently diversified, and within the approved Policy Downside Volatility Bounds, as defined in Exhibit A, and measured at least monthly by

Permanent University Fund Investment Policy Statement (continued)

UTIMCO's risk model. Liquidity of the PUF will be governed by the Liquidity Policy, overseen by the Investment Risk Committee of the UTIMCO Board.

PUF return, Asset Class allocations, and downside volatility targets are subject to adjustment from time to time by the Board of Regents.

Asset Class Allocation and Policy

Asset Class allocation is the primary determinant of the volatility of investment return and, subject to the Asset Class allocation ranges specified in Exhibit A, is the responsibility of UTIMCO. UTIMCO is responsible for measuring actual Asset Class allocation at least monthly (incorporating the impact of derivative positions covered under the Derivative Investment Policy), and for reporting the actual portfolio Asset Class allocation to the UTIMCO Board and the Board of Regents at least quarterly. While specific Asset Class allocation positions may be changed within the ranges specified in Exhibit A based on the economic and investment outlook from time to time, the range limits cannot be intentionally breached without prior approval of the Board of Regents.

In the event that actual portfolio positions in Asset Classes or the Portfolio Projected Downside Volatility move outside the ranges indicated in Exhibit A due to market forces that shift relative valuations, UTIMCO staff will immediately report this situation to the UTIMCO Board Chairman and take steps to rebalance portfolio positions back within the policy ranges in an orderly manner as soon as practicable. Extenuating circumstances that could cause immediate rebalancing to be irrational and detrimental to the interest of the PUF asset values could warrant requesting approval of the UTIMCO Board Chairman to waive immediate remedial action.

Portable alpha strategies are permitted within and across regimes and generally involve the use of leverage. Each Asset Class may include investments that collectively target a combined market sensitivity (defined by beta to the relevant benchmark for the particular Asset Class) of approximately 1.0. For example, portable alpha strategies may include, but are not limited to, the use of fixed income or hedge fund overlays within an equity portfolio to target a combined market sensitivity of approximately 1.0.

Within the general investment regimes of Global Equity, Stable Value, and Real Return, PUF assets shall be allocated among the following broad Asset Classes based upon their individual return/risk characteristics and relationships to other Asset Classes:

Global Equity:

Developed Public Equity – Developed Public Equity invests primarily in the equity securities of companies that are domiciled in the developed countries (including the U.S.) that are part of the MSCI World Index. These securities are traded in public markets (on an exchange, over the counter, or issued in an

Permanent University Fund Investment Policy Statement (continued)

underwritten initial public offering (“IPO”)) or are restricted but expected to become public or otherwise freely marketable within three years after the initial investment. Developed Public Equity includes common stocks, depositary receipts, preferred stocks, exchange traded funds, and derivatives based on common stocks or equity indices (including convertibles, warrants, rights, options, and futures).

Emerging Markets Public Equity – Emerging Markets Public Equity invests primarily in the equity securities of companies that are domiciled in (i) the emerging countries that are part of the MSCI Emerging Markets Index or (ii) countries that have yet to reach MSCI Emerging Markets Index qualification status. These securities are traded in public markets (on an exchange, over the counter, or issued in an underwritten initial public offering (“IPO”)) or are restricted but expected to become public or otherwise freely marketable within three years after the initial investment. Emerging Markets Public Equity includes common stocks, depositary receipts, preferred stocks, exchange traded funds, and derivatives based on common stocks or equity indices (including convertibles, warrants, rights, options, and futures).

Directional Hedge Funds – Directional Hedge Funds invest long and short in equities, fixed income, commodities, currencies and other global market instruments including derivatives. Directional Hedge Funds exhibit ~~some~~ moderate market sensitivity as defined by beta to public equities. Strategies may include but are not limited to long/short equity, multi-strategy, event-driven, ~~distressed and stressed credit~~ credit (loans, bonds, asset-backed securities, direct lending and distressed) and global macro.

Private Equity – Private Equity investments are made directly, through private limited partnerships, joint ventures or other special purpose vehicles and result in controlling or minority ownership interests in private or publicly-traded companies. These investments are acquired by purchasing publicly-traded or privately-issued common and preferred stocks, convertible securities, warrants, rights, options or debt obligations of private or publicly-traded companies. Private Equity investments often have transfer restrictions and are not as liquid as publicly-traded securities. Private Equity investments are often classified by strategy including: buyouts, venture capital and private credit.

Stable Value:

Investment Grade Fixed Income – Investment Grade Fixed Income represents ownership of fixed income instruments across all maturities, U.S. and non-U.S., that are rated investment grade. These include debt issued by the Sovereign Governments, various government enterprises and agencies, and corporations. The principal securities include bonds, notes, bills ~~and~~ mortgage and asset-backed securities and ETFs. In addition, derivative applications that serve as a fixed income substitute may be classified as Investment Grade Fixed Income.

Permanent University Fund Investment Policy Statement (continued)

Long Treasuries – Long Treasuries represents ownership of fixed income instruments across long-dated maturities issued by the U.S. government. The principal securities may include bonds, notes ~~and~~, bills ~~and~~ ETFs. In addition, derivative applications that serve as a fixed income substitute may be classified as Long Treasuries.

Credit-Related Fixed Income – Credit-Related Fixed Income represents ownership of fixed income instruments across all maturities, including real and nominal, U.S. and non-U.S., that are rated below investment grade.

Stable Value Hedge Funds – Stable Value Hedge Funds invest long and short in equities, fixed income, commodities, currencies and other global market instruments including derivatives. Stable Value Hedge Fund investments exhibit little to no market sensitivity, as defined by beta to ~~Developed~~–public Equity equities, and have an absolute return orientation. Strategies may include but are not limited to market-neutral equity, multi-strategy, re-insurance, risk premia, relative value, trend following, ~~senior secured~~direct lending, specialty credit and global macro.

Cash – Cash has the same meaning as given to the term “Cash” in the Liquidity Policy and includes, for example, cash in any currencies and other overnight funds that have not been allocated to a specific Asset Class.

Real Return:

Inflation Linked Bonds – Inflation Linked Bonds include fixed income investments issued by both U.S. and Non-U.S. Governments where the principal value of the bond has been indexed to some rate of inflation, as well as ETFs and derivatives referencing Inflation Linked Bonds or directly linked to inflation rates, including but not limited to inflation swaps. Inflation Linked Bonds are intended to provide some degree of inflation protection.

Commodities – Commodities investments represent ownership of fungible goods such as metals, grains, foods and energy products or any other investment defined by regulators as a commodity. These investments can be made through actual physical ownership of the goods, or through financial ownership of the underlying goods achieved through the purchase of derivatives based on commodities or commodities indices.

Natural Resources – Natural Resources investments are made directly, through private limited partnerships, joint ventures or other special purpose vehicles and result in a controlling or minority ownership interest in a company involved in the production of natural resources including, but not limited to: energy, precious metals, metals, minerals, agriculture, livestock, and timber. Some Natural Resource investments may have transfer restrictions and may not be as liquid as publicly-traded securities.

Permanent University Fund Investment Policy Statement (continued)

Infrastructure – Infrastructure investments are made directly, through private limited partnerships, joint ventures or other special purpose vehicles and result in ownership of companies or assets that provide an essential service that contributes to the economic or social productivity of an organization, community, or society at large with real assets in the water, transportation, energy, communication or social sectors. Investments generally have structure features that include a monopolistic or oligopolistic market position with high barriers to entry; a low elasticity of demand due to their essential functions; stable, predictable, and long-term revenue contracts; or inflation protection through inflation adjustment mechanisms in underlying contracts. Some Infrastructure investments may have transfer restrictions and may not be as liquid as publicly-traded securities.

Real Estate – Real Estate investments may be public, made principally in companies that are part of the MSCI US REIT Gross Total Return Index (RMSG) and that own or manage equity or debt interests in portfolios of real estate. Public Real Estate investments generally trade in public markets (on an exchange, over the counter, or issued in an underwritten initial public offering) or are restricted but expected to become public or otherwise freely marketable within three years after the initial investment. Real Estate investments may also be private. Private Real Estate investments may have transfer restrictions and may not be as liquid as publicly-traded securities. Real Estate investments may be made by purchasing or selling: physical real estate; privately issued securities such as interests in private limited partnerships, joint ventures or other special purpose vehicles (which in each case could result in a controlling or minority ownership interest in a real estate focused company); common or preferred stocks; depositary receipts; exchange traded funds; secured or subordinated debt; mortgage-related investments; real estate investment trusts (“REITs”) or any other instrument commonly used by institutional investors and derivatives based on any of the foregoing. Real Estate investments are often classified by strategy including: core, core-plus, value-added, opportunistic and special situations.

Strategic Partnerships:

Strategic Partnerships are multi-asset investment portfolios designed to generate investment returns through a combination of security selection and tactical asset allocation. Strategic Partnerships may invest long or short in equities, fixed income, commodities, currencies, funds, and other global market instruments, including derivatives. Strategies utilized by Strategic Partnerships may involve the use of leverage to enhance the portfolio’s risk-adjusted returns.

Innovation and Disruption:

The Innovation and Disruption portfolio comprises investments in emerging asset types or industries that are innovative or disruptive. Innovation and Disruption investments have the potential to become large and institutional

Permanent University Fund Investment Policy Statement (continued)

markets over time. This portfolio provides a nimble and timely means to identify and invest in these opportunities with the primary objectives of developing a deeper understanding of the assets and benefitting from the returns earned by early movers. To manage the risk of this portfolio, UTIMCO will develop and maintain portfolio guidelines that determine the investment selection process and limit the maximum size of the portfolio and the maximum size of individual investments. Over time, UTIMCO will assess if these investments should become larger and more permanent elements of funds managed by UTIMCO, either as part of an existing or a newly defined Asset Class.

All mandates will be categorized at inception and on an ongoing basis by Asset Class.

Performance Measurement

The investment performance of the PUF will be measured by the PUF's custodian, an unaffiliated organization, with recognized expertise in this field and reporting responsibility to the UTIMCO Board and compared against the stated Policy Benchmarks of the PUF, as indicated in Exhibit A (incorporating the impact of internal derivative positions) and reported to the UTIMCO Board and the Board of Regents at least quarterly. The Policy Portfolio benchmark will be maintained by UTIMCO and will comprise a blend of Asset Class indices weighted to reflect PUF's Asset Class allocation policy targets as defined in Exhibit A. Monthly performance data and net asset values will be available on the UTIMCO website within a reasonable time after each month end.

Investment Guidelines

The PUF must be invested at all times in strict compliance with applicable law.

Investment guidelines include the following:

General

- Investment guidelines for index, commingled funds, limited partnerships, and corporate vehicles managed externally shall be governed by the terms and conditions of the respective investment management contracts, partnership agreements or corporate documents.
- Investment guidelines of all other externally managed accounts as well as internally invested funds must be reviewed and approved by UTIMCO's Chief Investment Officer prior to investment of PUF assets in such investments.
- No securities may be purchased or held which would jeopardize the PUF's tax-exempt status.

Permanent University Fund Investment Policy Statement (continued)

- No internal investment strategy or program may purchase securities on margin or use leverage unless specifically authorized by the UTIMCO Board.
- No internal investment strategy or program employing short sales may be made unless specifically authorized in the Delegation of Authority Policy, the Derivative Investment Policy or by the UTIMCO Board.
- The PUF's investments in warrants shall not exceed more than 5% of the PUF's net assets or 2% with respect to warrants not listed on the New York or American Stock Exchanges.
- The PUF may utilize derivatives only in accordance with the Derivative Investment Policy. The aggregate prorated annual premium of Derivative Investments utilized to reduce exposure to an Asset Class or hedge against risk shall not exceed 75 basis points of PUF value.

Investment Grade and Credit-Related Fixed Income

Not more than 5% of the market value of fixed income securities may be invested in corporate and municipal bonds of a single issuer.

Public Real Estate, and Public Equity

- Not more than 25% of the market value of equity securities may be invested in any one industry or industries (as defined by the standard industry classification code and supplemented by other reliable data sources) at cost.
- Not more than 5% of the market value of equity securities may be invested in the securities of one corporation at cost.

Stable Value

- Not more than 7.5% of the market value of equity and fixed income securities taken together may be invested in one corporation at cost.

PUF Distributions

The PUF shall balance the needs and interests of present beneficiaries with those of the future. PUF spending policy objectives shall be to:

- provide a predictable, stable stream of distributions over time;
- ensure that the inflation adjusted value of distributions is maintained over the long term; and
- ensure that the inflation adjusted value of PUF assets after distributions is maintained over rolling 10-year periods.

Permanent University Fund Investment Policy Statement (continued)

The goal is for the PUF's average spending rate over time not to exceed the PUF's average annual investment return after inflation and expenses in order to preserve the purchasing power of PUF distributions and underlying assets.

Annually, the Board of Regents will approve a distribution amount to the AUF pursuant to Regents' Rule 80303, Section 2.2.

Following approval of the distribution amount, distributions from the PUF to the AUF will be made at the discretion of UTIMCO management in consultation with the U. T. System Office of Finance and The Texas A&M University System Office of Treasury Services.

PUF Accounting

The fiscal year of the PUF shall begin on September 1st and end on August 31st. Market value of the PUF shall be maintained on an accrual basis in compliance with Generally Accepted Accounting Principles ("GAAP"), Governmental Accounting Standards Board Statements, industry guidelines, or state statutes, whichever is applicable. Significant asset write-offs or write-downs shall be approved by UTIMCO's Chief Investment Officer and reported to the UTIMCO Board. Assets deemed to be "other than temporarily impaired" as defined by GAAP shall be written off and reported to UTIMCO's Chief Investment Officer and the UTIMCO Board when material. The PUF's financial statements shall be audited each year by an independent accounting firm selected by the Board of Regents.

Valuation of Assets

As of the close of business on the last business day of each month, UTIMCO shall determine the fair market value of all PUF net assets. Valuation of PUF assets shall be based on the books and records of the custodian for the valuation date. The final determination of PUF net assets for a month end close shall normally be completed within seven business days but determination may be longer under certain circumstances.

The fair market value of the PUF's net assets shall include all related receivables and payables of the PUF on the valuation. Such valuation shall be final and conclusive.

Compliance

Compliance with this Policy will be monitored by UTIMCO's Chief Compliance Officer. UTIMCO's Chief Executive Officer, the UTIMCO Board, and the UTIMCO Audit & Ethics Committee will receive regular reports on UTIMCO's compliance with this Policy. All material instances of noncompliance, as determined by UTIMCO's Chief Compliance Officer and the Chair of the UTIMCO Audit & Ethics Committee, will require an action plan proposed by UTIMCO's Chief Executive Officer and

Permanent University Fund Investment Policy Statement (continued)

approved by the Chairman of the UTIMCO Board with timelines for bringing the non-compliant activity within this Policy.

Securities Lending

The PUF may participate in a securities lending contract with a bank or nonbank security lending agent for purposes of realizing additional income. Loans of securities by the PUF shall be collateralized by cash, letters of credit or securities issued or guaranteed by the U.S. Government or its agencies. The collateral will equal at least 100% of the current market value of the loaned securities. The contract shall state acceptable collateral for securities loaned, duties of the borrower, delivery of loaned securities and collateral, acceptable investment of collateral and indemnification provisions. The contract may include other provisions as appropriate.

The securities lending program will be evaluated from time to time as deemed necessary by the UTIMCO Board. Monthly reports issued by the lending agent shall be reviewed by UTIMCO staff to ensure compliance with contract provisions.

Investor Responsibility

As a shareholder, the PUF has the right to a voice in corporate affairs consistent with those of any shareholder. These include the right and obligation to vote proxies in a manner consistent with the unique role and mission of higher education as well as for the economic benefit of the PUF. Notwithstanding the above, the UTIMCO Board shall discharge its fiduciary duties with respect to the PUF solely in the interest of the U. T. System and the A&M System, in compliance with the Proxy Voting Policy then in effect, and shall not invest the PUF so as to achieve temporal benefits for any purpose including use of its economic power to advance social or political purposes.

Amendment of Policy Statement

The Board of Regents reserves the right to amend this Policy Statement as it deems necessary or advisable.

Effective Date

The effective date of this Policy shall be September 1, ~~2022~~2023.

EXHIBIT A
ASSET CLASS TARGETS, RANGES, AND PERFORMANCE OBJECTIVES
EFFECTIVE SEPTEMBER 1, 2022 2023

Asset Class	Min v Target ⁽¹⁾	Target ⁽²⁾⁽³⁾	Max v Target ⁽¹⁾	Benchmark
Global Equity:				
Developed Public Equity	-5.0%	23.6% 20.0%	+5% +15.0%	MSCI World Index with Net Dividends MSCI Emerging Markets with Net Dividends Blended 67% MSCI Emerging Markets with China All Shares and 33% MSCI Emerging Markets ex-China
Emerging Markets Public Equity	-5.0%	7.0% 6.4%	+5.0%	
<i>Total Public Equity</i>	-5.0%	30.6% 26.4%	+5% +15.0%	
Directional Hedge Funds	-5.0%	5.0% 6.0%	+5.0%	HFRI Fund of Funds Composite Blended Cambridge Buyouts, Emerging Markets Private Equity and Venture Capital, Credit Opportunities, and Venture Capital
Private Equity ⁽³⁾	15.0% 17.5%	25.0% 27.5%	35.0% 37.5%	
Total Global Equity	-7.0%	60.6% 59.9%	+7.0% +15%	
Stable Value:				
Investment Grade Fixed Income	-5.0%	0.0%	+5.0%	Bloomberg Global Aggregate Index - Hedged Bloomberg US Treasury Long Index
Long Treasuries	-5.0%	4.4% 5.1%	+5.0%	
Credit-Related Fixed Income	-5.0%	0.0%	+5.0%	Bloomberg Capital Global High Yield Index 3 month T-Bills
<i>Total Fixed Income</i>	-5.0%	4.4% 5.1%	+5.0%	
Cash	-5.0%	4.0% 2.0%	+5.0%	HFRI Fund of Funds Conservative
Stable Value Hedge Funds	-5.0%	10.0% 10.5%	+5.0%	
Total Stable Value	-10.0%	15.4% 17.6%	+6.0%	
Real Return:				
Inflation Linked Bonds	-5.0%	2.0% 0.0%	+5.0%	Bloomberg Global Inflation-Linked: U.S. TIPS Index Gold Spot Price (XAU)
Gold	-5.0%	0.0%	+5.0%	
Commodities	-5.0%	0.0%	+5.0%	Bloomberg Commodity TRI Cambridge Natural Resources Blended Cambridge PE Energy and Upstream & Royalty, PE Energy (Mining), and Timber
<i>Total Commodities</i>	-5.0%	0.0%	+5.0%	
Natural Resources ⁽³⁾	0.0%	3.0% 3.3%	8.0%	Cambridge Infrastructure Blended MSCI US REIT Gross Total Return Index (RMSG) and Cambridge Total Real Estate
Infrastructure ⁽³⁾	0.0%	5.0% 4.5%	10.0%	
Real Estate ⁽³⁾	4.0% 5.0%	9.0% 9.7%	14.0% 15.0%	
Total Real Return	-6.0%	19.0% 17.5%	+6.0%	
Strategic Partnerships	-5.0%	5.0%	+5.0%	Blended Bloomberg US Treasury Long Index, MSCI World Index with Net Dividends, MSCI Emerging Markets Index with Net Dividends, and HFRI Macro
Innovation & Disruption	0.0%	0.0%	5.0%	Aggregate Policy Portfolio Benchmark before returns from Innovation & Disruption portfolio
Total All Asset Classes		100.0%	110.0%	

The total Asset Class exposure, including the amount of derivatives exposure not collateralized by Cash, may not exceed ~~105%~~ 110% of the Asset Class exposure excluding the amount of derivatives exposure not collateralized by Cash.

POLICY/TARGET RETURN/RISKS⁽²⁾	
Expected 10-Year Annual Real Return (Policy Portfolio Beta)	3.43% 5.19%
Expected 10-Year Annual Real Return (Policy Portfolio Total Return)	4.78% 6.43%
One Year Downside Volatility	9.62% 8.24%
Risk Bounds	
Lower: 1 Year Downside Volatility	75.00%
Upper: 1 Year Downside Volatility	115.00%

(1) When preceded by a "-" or "+", in relation to the Asset Class Target; with the exception of Cash, "Min" will not be below zero

(2) Asset Class Targets and Policy/Target Return/Risks reset monthly

(3) The Adjusted Target weight of each of Private Equity, Real Estate, Natural Resources and Infrastructure, will be set each month as the average ending actual weight of the combined PUF and GEF from the prior month. Any difference in the calculated Private Equity, Real Estate, Natural Resources, and Infrastructure Adjusted Target weights from the original Target weights derived from this table will be offset using ~~other asset classes with 80% Developed Public Equity and 20% to blend of Total Fixed Income components~~ 100% Developed Public Equity.

**THE UNIVERSITY OF TEXAS SYSTEM
GENERAL ENDOWMENT FUND
INVESTMENT POLICY STATEMENT**

Purpose

The General Endowment Fund (the "GEF"), established by the Board of Regents of The University of Texas System (the "Board of Regents") March 1, 2001, is a pooled fund for the collective investment of certain long-term funds under the control and management of the Board of Regents. The GEF provides for greater diversification of investments than would be possible if each account were managed separately.

GEF Organization

The GEF functions like a mutual fund in which each eligible fund purchases and redeems GEF units as provided herein. The ownership of GEF assets shall at all times be vested in the Board of Regents. Such assets shall be deemed to be held by the Board of Regents, as a fiduciary, regardless of the name in which the assets may be registered.

GEF Management

Article VII, Section 11b of the Texas Constitution authorizes the Board of Regents, subject to procedures and restrictions it establishes, to invest the Permanent University Fund (the "PUF") in any kind of investment and in amounts it considers appropriate, provided that it adheres to the prudent investor standard. This standard provides that the Board of Regents, in making investments, may acquire, exchange, sell, supervise, manage, or retain, through procedures and subject to restrictions it establishes and in amounts it considers appropriate, any kind of investment that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment. Pursuant to Section 51.0031(c) of the *Texas Education Code*, the Board of Regents has elected the PUF prudent investor standard to govern its management of the GEF.

Ultimate fiduciary responsibility for the GEF rests with the Board of Regents. Section 66.08, *Texas Education Code*, as amended, authorizes the Board of Regents, subject to certain conditions, to enter into a contract with a nonprofit corporation to invest funds under the control and management of the Board of Regents.

General Endowment Fund Investment Policy Statement (continued)

Pursuant to an Investment Management Services Agreement between the Board of Regents and The University of Texas/Texas A&M Investment Management Company (“UTIMCO”), the GEF shall be managed by UTIMCO, which shall a) recommend investment policy for the GEF, b) recommend specific Asset Class allocation targets, ranges, and performance benchmarks consistent with GEF objectives, and c) monitor GEF performance against GEF objectives. UTIMCO shall invest the GEF assets in conformity with this Policy Statement. All changes to this Policy Statement or the exhibits to this Policy Statement, including changes to Asset Class allocation targets, ranges and performance benchmarks, are subject to approval by the Board of Regents.

UTIMCO may select and terminate unaffiliated investment managers subject to the Delegation of Authority Policy approved by the UTIMCO Board. Managers shall be monitored for performance and adherence to investment disciplines.

GEF Administration

UTIMCO shall employ an administrative staff to ensure that all transaction and accounting records are complete and prepared on a timely basis. Internal controls shall be emphasized so as to provide for responsible separation of duties and adequacy of an audit trail. Custody of GEF assets shall comply with applicable law and be structured so as to provide essential safekeeping and trading efficiency.

Funds Eligible to Purchase GEF Units

No fund shall be eligible to purchase units of the GEF unless it is under the sole control, with full discretion as to investments, of the Board of Regents.

Any fund whose governing instrument contains provisions which conflict with this Policy Statement, whether initially or as a result of amendments to either document, shall not be eligible to purchase or hold units of the GEF.

Currently, the Long Term Fund (the “LTF”) and the Permanent Health Fund (the “PHF”) purchase units in the GEF.

GEF Investment Objectives

The GEF and the PUF are managed similarly for efficient investment purposes. The primary investment objective of the GEF shall be to maximize investment returns within the risk parameters specified in this Policy Statement without regard to the distribution rate. Investment returns are expressed net of all investment-related expenses.

Investments must be prudently diversified, and within the approved Policy Downside Volatility Bounds, as defined in Exhibit A, and measured at least monthly by UTIMCO’s risk model. Liquidity of the GEF will be governed by the Liquidity Policy, overseen by the Investment Risk Committee of the UTIMCO Board.

General Endowment Fund Investment Policy Statement (continued)

GEF return, Asset Class allocations, and downside volatility targets are subject to adjustment from time to time by the Board of Regents.

Asset Class Allocation and Policy

Asset Class allocation is the primary determinant of the volatility of investment return and, subject to the Asset Class allocation ranges specified in Exhibit A, is the responsibility of UTIMCO. UTIMCO is responsible for measuring actual Asset Class allocation at least monthly (incorporating the impact of derivative positions covered under the Derivative Investment Policy), and for reporting the actual portfolio Asset Class allocation to the UTIMCO Board and the Board of Regents at least quarterly. While specific Asset Class allocation positions may be changed within the ranges specified in Exhibit A based on the economic and investment outlook from time to time, the range limits cannot be intentionally breached without prior approval of the Board of Regents.

In the event that actual portfolio positions in Asset Classes or the Portfolio Projected Downside Volatility move outside the ranges indicated in Exhibit A due to market forces that shift relative valuations, UTIMCO staff will immediately report this situation to the UTIMCO Board Chairman and take steps to rebalance portfolio positions back within the policy ranges in an orderly manner as soon as practicable. Extenuating circumstances that could cause immediate rebalancing to be irrational and detrimental to the interest of the GEF asset values could warrant requesting approval of the UTIMCO Board Chairman to waive immediate remedial action.

Portable alpha strategies are permitted within and across regimes and generally involve the use of leverage. Each Asset Class may include investments that collectively target a combined market sensitivity (defined by beta to the relevant benchmark for the particular Asset Class) of approximately 1.0. For example, portable alpha strategies may include, but are not limited to, the use of fixed income or hedge fund overlays within an equity portfolio to target a combined market sensitivity of approximately 1.0.

Within the general investment regimes of Global Equity, Stable Value, and Real Return, GEF assets shall be allocated among the following broad Asset Classes based upon their individual return/risk characteristics and relationships to other Asset Classes:

Global Equity:

Developed Public Equity – Developed Public Equity invests primarily in the equity securities of companies that are domiciled in the developed countries (including the U.S.) that are part of the MSCI World Index. These securities are traded in public markets (on an exchange, over the counter, or issued in an underwritten initial public offering (“IPO”)) or are restricted but expected to become public or otherwise freely marketable within three years after the initial

General Endowment Fund Investment Policy Statement (continued)

investment. Developed Public Equity includes common stocks, depositary receipts, preferred stocks, exchange traded funds, and derivatives based on common stocks or equity indices (including convertibles, warrants, rights, options, and futures).

Emerging Markets Public Equity – Emerging Markets Public Equity invests primarily in the equity securities of companies that are domiciled in (i) the emerging countries that are part of the MSCI Emerging Markets Index or (ii) countries that have yet to reach MSCI Emerging Markets Index qualification status. These securities are traded in public markets (on an exchange, over the counter, or issued in an underwritten initial public offering (“IPO”)) or are restricted but expected to become public or otherwise freely marketable within three years after the initial investment. Emerging Markets Public Equity includes common stocks, depositary receipts, preferred stocks, exchange traded funds, and derivatives based on common stocks or equity indices (including convertibles, warrants, rights, options, and futures).

Directional Hedge Funds – Directional Hedge Funds invest long and short in equities, fixed income, commodities, currencies and other global market instruments including derivatives. Directional Hedge Funds exhibit ~~some~~moderate market sensitivity as defined by beta to public equities. Strategies may include but are not limited to long/short equity, multi-strategy, event-driven, ~~distressed and stressed credit~~credit (loans, bonds, asset-backed securities, direct lending and distressed) and global macro.

Private Equity – Private Equity investments are made directly, through private limited partnerships, joint ventures or other special purpose vehicles and result in controlling or minority ownership interests in private or publicly-traded companies. These investments are acquired by purchasing publicly-traded or privately-issued common and preferred stocks, convertible securities, warrants, rights, options or debt obligations of private or publicly-traded companies. Private Equity investments often have transfer restrictions and are not as liquid as publicly-traded securities. Private Equity investments are often classified by strategy including: buyouts, venture capital and private credit.

Stable Value:

Investment Grade Fixed Income – Investment Grade Fixed Income represents ownership of fixed income instruments across all maturities, U.S. and non-U.S., that are rated investment grade. These include debt issued by the Sovereign Governments, various government enterprises and agencies, and corporations. The principal securities include bonds, notes, bills ~~and~~, mortgage and asset-backed securities and ETFs. In addition, derivative applications that serve as a fixed income substitute may be classified as Investment Grade Fixed Income.

Long Treasuries – Long Treasuries represents ownership of fixed income instruments across long-dated maturities issued by the U.S. government. The

General Endowment Fund Investment Policy Statement (continued)

principal securities may include bonds, notes ~~and~~, bills and ETFs. In addition, derivative applications that serve as a fixed income substitute may be classified as Long Treasuries.

Credit-Related Fixed Income – Credit-Related Fixed Income represents ownership of fixed income instruments across all maturities, including real and nominal, U.S. and non-U.S., that are rated below investment grade.

Stable Value Hedge Funds – Stable Value Hedge Funds invest long and short in equities, fixed income, commodities, currencies and other global market instruments including derivatives. Stable Value Hedge Fund investments exhibit little to no market sensitivity, as defined by beta to ~~Developed~~—public Equity equities, and have an absolute return orientation. Strategies may include but are not limited to market-neutral equity, multi-strategy, re-insurance, risk premia, relative value, trend following, ~~senior-secured~~direct lending, specialty credit and global macro.

Cash – Cash has the same meaning as given to the term “Cash” in the Liquidity Policy and includes, for example, cash in any currencies and other overnight funds that have not been allocated to a specific asset class.

Real Return:

Inflation Linked Bonds – Inflation Linked Bonds include fixed income investments issued by both U.S. and Non-U.S. Governments where the principal value of the bond has been indexed to some rate of inflation, as well as ETFs and derivatives referencing Inflation Linked Bonds or directly linked to inflation rates, including but not limited to inflation swaps. Inflation Linked Bonds are intended to provide some degree of inflation protection .

Commodities – Commodities investments represent ownership of fungible goods such as metals, grains, foods and energy products or any other investment defined by regulators as a commodity. These investments can be made through actual physical ownership of the goods, or through financial ownership of the underlying goods achieved through the purchase of derivatives based on commodities or commodities indices.

Natural Resources – Natural Resources investments are made directly, through private limited partnerships, joint ventures or other special purpose vehicles and result in a controlling or minority ownership interest in a company involved in the production of natural resources including, but not limited to: energy, precious metals, metals, minerals, agriculture, livestock, and timber. Some Natural Resource investments may have transfer restrictions and may not be as liquid as publicly-traded securities.

Infrastructure – Infrastructure investments are made directly, through private limited partnerships, joint ventures or other special purpose vehicles and result

General Endowment Fund Investment Policy Statement (continued)

in ownership of companies or assets that provide an essential service that contributes to the economic or social productivity of an organization, community, or society at large with real assets in the water, transportation, energy, communication or social sectors. Investments generally have structure features that include a monopolistic or oligopolistic market position with high barriers to entry; a low elasticity of demand due to their essential functions; stable, predictable, and long-term revenue contracts; or inflation protection through inflation adjustment mechanisms in underlying contracts. Some Infrastructure investments may have transfer restrictions and may not be as liquid as publicly-traded securities.

Real Estate – Real Estate investments may be public, made principally in companies that are part of the MSCI US REIT Gross Total Return Index (RMSG) and that own or manage equity or debt interests in portfolios of real estate. Public Real Estate investments generally trade in public markets (on an exchange, over the counter, or issued in an underwritten initial public offering) or are restricted but expected to become public or otherwise freely marketable within three years after the initial investment. Real Estate investments may also be private. Private Real Estate investments may have transfer restrictions and may not be as liquid as publicly-traded securities. Real Estate investments may be made by purchasing or selling: physical real estate; privately issued securities such as interests in private limited partnerships, joint ventures or other special purpose vehicles (which in each case could result in a controlling or minority ownership interest in a real estate focused company); common or preferred stocks; depositary receipts; exchange traded funds; secured or subordinated debt; mortgage-related investments; real estate investment trusts (“REITs”) or any other instrument commonly used by institutional investors and derivatives based on any of the foregoing. Real Estate investments are often classified by strategy including: core, core-plus, value-added, opportunistic and special situations.

Strategic Partnerships:

Strategic Partnerships are multi-asset investment portfolios designed to generate investment returns through a combination of security selection and tactical asset allocation. Strategic Partnerships may invest long or short in equities, fixed income, commodities, currencies, funds, and other global market instruments, including derivatives. Strategies utilized by Strategic Partnerships may involve the use of leverage to enhance the portfolio’s risk-adjusted returns.

Innovation and Disruption:

The Innovation and Disruption portfolio comprises investments in emerging asset types or industries that are innovative or disruptive. Innovation and Disruption investments have the potential to become large and institutional markets over time. This portfolio provides a nimble and timely means to identify and invest in these opportunities with the primary objectives of developing a

General Endowment Fund Investment Policy Statement (continued)

deeper understanding of the assets and benefitting from the returns earned by early movers. To manage the risk of this portfolio, UTIMCO will develop and maintain portfolio guidelines that determine the investment selection process and limit the maximum size of the portfolio and the maximum size of individual investments. Over time, UTIMCO will assess if these investments should become larger and more permanent elements of funds managed by UTIMCO, either as part of an existing or a newly defined Asset Class.

All mandates will be categorized at inception and on an ongoing basis by Asset Class.

Performance Measurement

The investment performance of the GEF will be measured by the GEF's custodian, an unaffiliated organization, with recognized expertise in this field and reporting responsibility to the UTIMCO Board, and compared against the stated Policy Benchmarks of the GEF, as indicated in Exhibit A (incorporating the impact of internal derivative positions) and reported to the UTIMCO Board and the Board of Regents at least quarterly. The Policy Portfolio benchmark will be maintained by UTIMCO and will comprise a blend of Asset Class indices weighted to reflect GEF's Asset Class allocation policy targets as defined in Exhibit A. Monthly performance data and net asset values will be available on the UTIMCO website within a reasonable time after each month end.

Investment Guidelines

The GEF must be invested at all times in strict compliance with applicable law.

Investment guidelines include the following:

General

- Investment guidelines for index, commingled funds, limited partnerships, and corporate vehicles managed externally shall be governed by the terms and conditions of the respective investment management contracts, partnership agreements or corporate documents.
- Investment guidelines of all other externally managed accounts as well as internally invested funds must be reviewed and approved by UTIMCO's Chief Investment Officer prior to investment of GEF assets in such investments.
- No securities may be purchased or held which would jeopardize the GEF's tax-exempt status.
- No internal investment strategy or program may purchase securities on margin or use leverage unless specifically authorized by the UTIMCO Board.

General Endowment Fund Investment Policy Statement (continued)

- No internal investment strategy or program employing short sales may be made unless specifically authorized in the Delegation of Authority Policy, the Derivative Investment Policy or by the UTIMCO Board.
- The GEF's investments in warrants shall not exceed more than 5% of the GEF's net assets or 2% with respect to warrants not listed on the New York or American Stock Exchanges.
- The GEF may utilize derivatives only in accordance with the Derivative Investment Policy. The aggregate prorated annual premium of Derivative Investments utilized to reduce exposure to an Asset Class or hedge against risk shall not exceed 75 basis points of GEF value.

Investment Grade and Credit-Related Fixed Income

Not more than 5% of the market value of fixed income securities may be invested in corporate and municipal bonds of a single issuer.

Public Real Estate, and Public Equity

- Not more than 25% of the market value of equity securities may be invested in any one industry or industries (as defined by the standard industry classification code and supplemented by other reliable data sources) at cost.
- Not more than 5% of the market value of equity securities may be invested in the securities of one corporation at cost.

Stable Value

- Not more than 7.5% of the market value of equity and fixed income securities taken together may be invested in one corporation at cost.

GEF Accounting

The fiscal year of the GEF shall begin on September 1st and end on August 31st. Market value of the GEF shall be maintained on an accrual basis in compliance with Generally Accepted Accounting Principles ("GAAP"), Governmental Accounting Standards Board Statements, industry guidelines, or state statutes, whichever is applicable. Significant asset write-offs or write-downs shall be approved by UTIMCO's Chief Investment Officer and reported to the UTIMCO Board. Assets deemed to be "other than temporarily impaired" as defined by GAAP shall be written off and reported to UTIMCO's Chief Investment Officer and the UTIMCO Board when material. The GEF's financial statements shall be audited each year by an independent accounting firm selected by the Board of Regents.

Valuation of Assets

General Endowment Fund Investment Policy Statement (continued)

As of the close of business on the last business day of each month, UTIMCO shall determine the fair market value of all GEF net assets and the net asset value per unit of the GEF. Valuation of GEF assets shall be based on the books and records of the custodian for the valuation date. The final determination of GEF net assets for a month end close shall normally be completed within seven business days but determination may be longer under certain circumstances.

The fair market value of the GEF's net assets shall include all related receivables and payables of the GEF on the valuation date and the value of each unit thereof shall be its proportionate part of such net value. Such valuation shall be final and conclusive.

Compliance

Compliance with this Policy will be monitored by UTIMCO's Chief Compliance Officer. UTIMCO's Chief Executive Officer, the UTIMCO Board, and the UTIMCO Audit & Ethics Committee will receive regular reports on UTIMCO's compliance with this Policy. All material instances of noncompliance, as determined by UTIMCO's Chief Compliance Officer and the Chair of the UTIMCO Audit & Ethics Committee, will require an action plan proposed by UTIMCO's Chief Executive Officer and approved by the Chairman of the UTIMCO Board with timelines for bringing the non-compliant activity within this Policy.

Purchase of GEF Units

Purchase of GEF units may be made on any quarterly purchase date (September 1, December 1, March 1, and June 1 of each fiscal year or the first business day subsequent thereto) upon payment of cash to the GEF or contribution of assets approved by UTIMCO's Chief Investment Officer, at the net asset value per unit of the GEF as of the most recent quarterly valuation date. Each fund whose monies are invested in the GEF shall own an undivided interest in the GEF in the proportion that the number of units invested therein bears to the total number of all units comprising the GEF.

Redemption of GEF Units

Redemption of GEF units shall be paid in cash as soon as practicable after the quarterly valuation date of the GEF. Withdrawals from the GEF shall be at the market value price per unit determined at the time of the withdrawal.

Securities Lending

The GEF may participate in a securities lending contract with a bank or nonbank security lending agent for purposes of realizing additional income. Loans of securities by the GEF shall be collateralized by cash, letters of credit, or securities issued or guaranteed by the U.S. Government or its agencies. The collateral will equal at least 100% of the current market value of the loaned securities. The

General Endowment Fund Investment Policy Statement (continued)

contract shall state acceptable collateral for securities loaned, duties of the borrower, delivery of loaned securities and collateral, acceptable investment of collateral and indemnification provisions. The contract may include other provisions as appropriate.

The securities lending program will be evaluated from time to time as deemed necessary by the UTIMCO Board. Monthly reports issued by the lending agent shall be reviewed by UTIMCO staff to ensure compliance with contract provisions.

Investor Responsibility

As a shareholder, the GEF has the right to a voice in corporate affairs consistent with those of any shareholder. These include the right and obligation to vote proxies in a manner consistent with the unique role and mission of higher education as well as for the economic benefit of the GEF. Notwithstanding the above, the UTIMCO Board shall discharge its fiduciary duties with respect to the GEF solely in the interest of GEF unit holders, in compliance with the Proxy Voting Policy then in effect, and shall not invest the GEF so as to achieve temporal benefits for any purpose including use of its economic power to advance social or political purposes.

Amendment of Policy Statement

The Board of Regents reserves the right to amend this Policy Statement as it deems necessary or advisable.

Effective Date

The effective date of this Policy shall be September 1, ~~2022~~2023.

EXHIBIT A
ASSET CLASS TARGETS, RANGES, AND PERFORMANCE OBJECTIVES
EFFECTIVE SEPTEMBER 1, 2022 2023

Asset Class	Min v Target ⁽¹⁾	Target ⁽²⁾⁽³⁾	Max v Target ⁽¹⁾	Benchmark
Global Equity:				
Developed Public Equity	-5.0%	23.6% 20.0%	+5% +15.0%	MSCI World Index with Net Dividends MSCI Emerging Markets with Net Dividends Blended 67% MSCI Emerging Markets with China All Shares and 33% MSCI Emerging Markets ex-China
Emerging Markets Public Equity	-5.0%	7.0% 6.4%	+5.0%	
<i>Total Public Equity</i>	-5.0%	30.6% 26.4%	+5% +15.0%	
Directional Hedge Funds	-5.0%	5.0% 6.0%	+5.0%	HFRI Fund of Funds Composite Blended Cambridge Buyouts, Emerging Markets Private Equity and Venture Capital, Credit Opportunities, and Venture Capital
Private Equity ⁽³⁾	15.0% 17.5%	25.0% 27.5%	35.0% 37.5%	
Total Global Equity	-7.0%	60.6% 59.9%	+7.0% +15%	
Stable Value:				
Investment Grade Fixed Income	-5.0%	0.0%	+5.0%	Bloomberg Global Aggregate Index - Hedged Bloomberg US Treasury Long Index
Long Treasuries	-5.0%	4.4% 5.1%	+5.0%	
Credit-Related Fixed Income	-5.0%	0.0%	+5.0%	Bloomberg Capital Global High Yield Index 3 month T-Bills
<i>Total Fixed Income</i>	-5.0%	4.4% 5.1%	+5.0%	
Cash	-5.0%	4.0% 2.0%	+5.0%	HFRI Fund of Funds Conservative
Stable Value Hedge Funds	-5.0%	10.0% 10.5%	+5.0%	
Total Stable Value	-10.0%	15.4% 17.6%	+6.0%	
Real Return:				
Inflation Linked Bonds	-5.0%	2.0% 0.0%	+5.0%	Bloomberg Global Inflation-Linked: U.S. TIPS Index Gold Spot Price (XAU)
Gold	-5.0%	0.0%	+5.0%	
Commodities	-5.0%	0.0%	+5.0%	Bloomberg Commodity TRI Cambridge Natural Resources Blended Cambridge PE Energy and Upstream & Royalty, PE Energy (Mining), and Timber
<i>Total Commodities</i>	-5.0%	0.0%	+5.0%	
Natural Resources ⁽³⁾	0.0%	3.0% 3.3%	8.0%	Cambridge Infrastructure Blended MSCI US REIT Gross Total Return Index (RMSG) and Cambridge Total Real Estate
Infrastructure ⁽³⁾	0.0%	5.0% 4.5%	10.0%	
Real Estate ⁽³⁾	4.0% 5.0%	9.0% 9.7%	14.0% 15.0%	
Total Real Return	-6.0%	19.0% 17.5%	+6.0%	
Strategic Partnerships	-5.0%	5.0%	+5.0%	Blended Bloomberg US Treasury Long Index, MSCI World Index with Net Dividends, MSCI Emerging Markets Index with Net Dividends, and HFRI Macro
Innovation & Disruption	0.0%	0.0%	5.0%	Aggregate Policy Portfolio Benchmark before returns from Innovation & Disruption portfolio
Total All Asset Classes		100.0%	110.0%	

The total Asset Class exposure, including the amount of derivatives exposure not collateralized by Cash, may not exceed ~~105%~~ 110% of the Asset Class exposure excluding the amount of derivatives exposure not collateralized by Cash.

POLICY/TARGET RETURN/RISKS⁽²⁾	
Expected 10-Year Annual Real Return (Policy Portfolio Beta)	3.43% 5.19%
Expected 10-Year Annual Real Return (Policy Portfolio Total Return)	4.78% 6.43%
One Year Downside Volatility	9.62% 8.24%
Risk Bounds	
Lower: 1 Year Downside Volatility	75.00%
Upper: 1 Year Downside Volatility	115.00%

(1) When preceded by a "-" or "+", in relation to the Asset Class Target; with the exception of Cash, "Min" will not be below zero

(2) Asset Class Targets and Policy/Target Return/Risks reset monthly

(3) The Adjusted Target weight of each of Private Equity, Real Estate, Natural Resources and Infrastructure, will be set each month as the average ending actual weight of the combined PUF and GEF from the prior month. Any difference in the calculated Private Equity, Real Estate, Natural Resources, and Infrastructure Adjusted Target weights from the original Target weights derived from this table will be offset using ~~other asset classes with 80% Developed Public Equity and 20% to blend of Total Fixed Income components~~ 100% Developed Public Equity.

**THE UNIVERSITY OF TEXAS SYSTEM
INTERMEDIATE TERM FUND
INVESTMENT POLICY STATEMENT**

Purpose

The University of Texas System Intermediate Term Fund (the "ITF") was established by the Board of Regents of The University of Texas System (the "Board of Regents") as a pooled fund for the collective investment of operating funds and other intermediate and long-term funds held by U. T. System institutions and U. T. System Administration.

ITF Organization

The ITF functions as a mutual fund in which each eligible account purchases and redeems ITF units as provided herein. The ownership of ITF assets shall at all times be vested in the Board of Regents. Such assets shall be deemed to be held by the Board of Regents, as a fiduciary, regardless of the name in which the assets may be registered.

ITF Management

Article VII, Section 11b of the Texas Constitution authorizes the Board of Regents, subject to procedures and restrictions it establishes, to invest the Permanent University Fund (the "PUF") in any kind of investment and in amounts it considers appropriate, provided that it adheres to the prudent investor standard. This standard provides that the Board of Regents, in making investments, may acquire, exchange, sell, supervise, manage, or retain, through procedures and subject to restrictions it establishes and in amounts it considers appropriate, any kind of investment that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment. Pursuant to Section 51.0031(c) of the *Texas Education Code*, the Board of Regents has elected the PUF prudent investor standard to govern its management of the ITF.

Ultimate fiduciary responsibility for the ITF rests with the Board of Regents. Section 66.08, *Texas Education Code*, as amended, authorizes the Board of Regents, subject to certain conditions, to enter into a contract with a nonprofit corporation to invest funds under the control and management of the Board of Regents.

Pursuant to an Investment Management Services Agreement between the Board of Regents and The University of Texas/Texas A&M Investment Management Company ("UTIMCO"), the ITF shall be managed by UTIMCO, which shall a) recommend investment policy for the ITF, b) recommend specific Asset Class allocation targets, ranges, and performance benchmarks consistent with ITF objectives, and c) monitor ITF performance against ITF objectives. UTIMCO shall invest the ITF assets in

Intermediate Term Fund Investment Policy Statement (continued)

conformity with this Policy Statement. All changes to this Policy Statement or the exhibits to this Policy Statement, including changes to Asset Class allocation targets, ranges and performance benchmarks, are subject to approval by the Board of Regents.

UTIMCO may select and terminate unaffiliated investment managers subject to the Delegation of Authority Policy approved by the UTIMCO Board. Managers shall be monitored for performance and adherence to investment disciplines.

ITF Administration

UTIMCO shall employ an administrative staff to ensure that all transaction and accounting records are complete and prepared on a timely basis. Internal controls shall be emphasized so as to provide for responsible separation of duties and adequacy of an audit trail. Custody of ITF assets shall comply with applicable law and be structured so as to provide essential safekeeping and trading efficiency.

Funds Eligible to Purchase ITF Units

No account shall be eligible to purchase units of the ITF unless it is under the sole control, with full discretion as to investments, by the Board of Regents. Any account whose governing instrument contains provisions which conflict with this Policy Statement, whether initially or as a result of amendments to either document, shall not be eligible to purchase or hold units of the ITF.

ITF Investment Objectives

The ITF consists of intermediate and long-term funds held by the U. T. System Board of Regents, as a fiduciary, for the benefit of U. T. System institutions, U. T. System Administration, and other affiliated funds. ITF assets are pooled for efficient investment purposes and managed by UTIMCO over the intermediate to longer term.

The primary investment objective of the ITF is to maximize investment returns within the risk parameters specified in this Policy Statement without regard to the distribution rate.

The secondary investment objective is to preserve the purchasing power of ITF assets by earning a compound annualized return over rolling five-year periods, net of all direct and allocated expenses, of at least inflation as measured by the Consumer Price Index (CPI-U) plus 3% and to generate average annual returns net of all investment-related expenses, in excess of the approved Policy Portfolio over rolling five-year periods. Investment returns are expressed net of all investment-related expenses. Additional expenses include U. T. System administrative fees charged to the fund.

Investments must be prudently diversified, and within the approved Policy Downside Volatility Bounds, as defined in Exhibit A, and measured at least monthly by UTIMCO's risk model. Liquidity of the ITF will be governed by the Liquidity Policy, overseen by the Investment Risk Committee of the UTIMCO Board.

Intermediate Term Fund Investment Policy Statement (continued)

ITF return, Asset Class allocations, and downside volatility targets are subject to adjustment from time to time by the Board of Regents.

Asset Class Allocation and Policy

Asset Class allocation is the primary determinant of the volatility of investment return and, subject to the Asset Class allocation ranges specified in Exhibit A, is the responsibility of UTIMCO. The Asset Class allocation is designed to accommodate the intermediate investment horizon of the ITF assets with enhanced returns at moderate managed risk levels. UTIMCO is responsible for measuring actual Asset Class allocation at least monthly (incorporating the impact of derivative positions covered under the Derivative Investment Policy), and for reporting the actual portfolio Asset Class allocation to the UTIMCO Board and the Board of Regents at least quarterly. While specific Asset Class allocation positions may be changed within the ranges specified in Exhibit A based on the economic and investment outlook from time to time, the range limits cannot be intentionally breached without prior approval of the Board of Regents.

In the event that actual portfolio positions in Asset Class or the Projected Downside Volatility move outside the ranges indicated in Exhibit A due to market forces that shift relative valuations, UTIMCO staff will immediately report this situation to the UTIMCO Board Chairman and take steps to rebalance portfolio positions back within the policy ranges in an orderly manner as soon as practicable. Extenuating circumstances that could cause immediate rebalancing to be irrational and detrimental to the interest of the ITF asset values could warrant requesting approval of the UTIMCO Board Chairman to waive remedial action.

Portable alpha strategies are permitted within and across regimes and generally involve the use of leverage at the underlying strategy level. The ITF will offset that leverage with Cash holdings. Each Asset Class may include investments that collectively target a combined market sensitivity (defined by beta to the relevant benchmark for the particular Asset Class) of approximately 1.0. For example, portable alpha strategies may include, but are not limited to, the use of fixed income or hedge fund overlays within an equity portfolio to target a combined market sensitivity of approximately 1.0.

Within the general investment regimes of Global Equity, Stable Value, and Real Return, ITF assets shall be allocated among the following broad Asset Classes based upon their individual return/risk characteristics and relationships to other Asset Classes:

Global Equity:

Developed Public Equity – Developed Public Equity invests primarily in the equity securities of companies that are domiciled in the developed countries (including the U.S.) that are part of the MSCI World Index. These securities are traded in public markets (on an exchange, over the counter, or issued in an underwritten initial

Intermediate Term Fund Investment Policy Statement (continued)

public offering (“IPO”)) or are restricted but expected to become public or otherwise freely marketable within three years after the initial investment. Developed Public Equity includes common stocks, depositary receipts, preferred stocks, exchange traded funds, and derivatives based on common stocks or equity indices (including convertibles, warrants, rights, options, and futures).

Emerging Markets Public Equity – Emerging Markets Public Equity invests primarily in the equity securities of companies that are domiciled in (i) the emerging countries that are part of the MSCI Emerging Markets Index or (ii) countries that have yet to reach MSCI Emerging Markets Index qualification status. These securities are traded in public markets (on an exchange, over the counter, or issued in an underwritten initial public offering (“IPO”)) or are restricted but expected to become public or otherwise freely marketable within three years after the initial investment. Emerging Markets Public Equity includes common stocks, depositary receipts, preferred stocks, exchange traded funds, and derivatives based on common stocks or equity indices (including convertibles, warrants, rights, options, and futures).

Directional Hedge Funds – Directional Hedge Funds invest long and short in equities, fixed income, commodities, currencies and other global market instruments including derivatives. Directional Hedge Funds exhibit ~~some~~ moderate market sensitivity as defined by beta to public equities. Strategies may include but are not limited to long/short equity, multi-strategy, event-driven, ~~distressed and stressed credit~~ credit (loans, bonds, asset-backed securities, direct lending and distressed) and global macro.

Stable Value:

Investment Grade Fixed Income – Investment Grade Fixed Income represents ownership of fixed income instruments across all maturities, U.S. and non-U.S., that are rated investment grade. These include debt issued by the Sovereign Governments, various government enterprises and agencies, and corporations. The principal securities include bonds, notes, bills ~~and~~, mortgage and asset-backed securities and ETFs. In addition, derivative applications that serve as a fixed income substitute may be classified as Investment Grade Fixed Income.

Long Treasuries – Long Treasuries represents ownership of fixed income instruments across long-dated maturities issued by the U.S. government. The principal securities may include bonds, notes ~~and~~, bills and ETFs. In addition, derivative applications that serve as a fixed income substitute may be classified as Long Treasuries.

Stable Value Hedge Funds – Stable Value Hedge Funds invest long and short in equities, fixed income, commodities, currencies and other global market instruments including derivatives. Stable Value Hedge Fund investments exhibit little to no market sensitivity, as defined by beta to ~~Developed~~ public Equity equities, and have an absolute return orientation. Strategies may include but are not limited

Intermediate Term Fund Investment Policy Statement (continued)

to market-neutral equity, multi-strategy, re-insurance, risk premia, relative value, trend following, ~~senior secured~~direct lending, specialty credit and global macro.

Cash – Cash has the same meaning as given to the term “Cash” in the Liquidity Policy and includes, for example, cash in any currencies and other overnight funds that have not been allocated to a specific Asset Class.

Real Return:

Inflation Linked Bonds – Inflation Linked Bonds include fixed income investments issued by both U.S. and Non-U.S. Governments where the principal value of the bond has been indexed to some rate of inflation, as well as ETFs and derivatives referencing Inflation Linked Bonds or directly linked to inflation rates, including but not limited to inflation swaps. Inflation Linked Bonds are intended to provide some degree of inflation protection.

Commodities – Commodities investments represent ownership of fungible goods such as metals, grains, foods and energy products or any other investment defined by regulators as a commodity. These investments can be made through actual physical ownership of the goods, or through financial ownership of the underlying goods achieved through the purchase of derivatives based on commodities or commodities indices.

Public Real Estate – Public Real Estate invests principally in companies that are part of the MSCI US REIT Gross Total Return Index (RMSG) and that own or manage equity or debt interests in portfolios of real estate or real assets. These securities are traded in public markets (on an exchange, over the counter, or issued in an underwritten initial public offering) or are restricted but expected to become public or otherwise freely marketable within three years after the initial investment. Public Real Estate includes common stocks, depositary receipts, preferred stocks, exchange traded funds, and derivatives based on common stocks or equity indices (including convertibles, warrants, rights, options, and futures).

All mandates will be categorized at inception and on an ongoing basis by Asset Class.

Intermediate Term Fund Investment Policy Statement (continued)

Performance Measurement

The investment performance of the ITF will be measured by the ITF's custodian, an unaffiliated organization, with recognized expertise in this field and reporting responsibility to the UTIMCO Board, compared against the stated Policy Benchmarks of the ITF, as indicated in Exhibit A (incorporating the impact of internal derivative positions) and reported to the UTIMCO Board and the Board of Regents at least quarterly. The Policy Portfolio benchmark will be maintained by UTIMCO and will comprise a blend of Asset Class indices reported by the independent custodian and weighted to reflect ITF's approved Asset Class allocation policy targets as defined in Exhibit A. Monthly performance data and net asset values will be available on the UTIMCO website within a reasonable time after each month end.

Investment Guidelines

The ITF must be invested at all times in strict compliance with applicable law. Investment guidelines include the following:

General

- Investment guidelines for index, commingled funds, limited partnerships, and corporate vehicles managed externally shall be governed by the terms and conditions of the respective investment management contracts, partnership agreements or corporate documents.
- Investment guidelines of all other externally managed accounts as well as internally invested funds must be reviewed and approved by UTIMCO's Chief Investment Officer prior to investment of ITF assets in such investments.
- No securities may be purchased or held which would jeopardize the ITF's tax-exempt status.
- No internal investment strategy or program may purchase securities on margin or use leverage unless specifically authorized by the UTIMCO Board.
- No internal investment strategy or program employing short sales may be made unless specifically authorized in the Delegation of Authority Policy, the Derivative Investment Policy or by the UTIMCO Board.
- The ITF's investments in warrants shall not exceed more than 5% of the ITF's net assets or 2% with respect to warrants not listed on the New York or American Stock Exchanges.
- The ITF may utilize derivatives only in accordance with the Derivative Investment Policy. The aggregate prorated annual premium of Derivative Investments utilized to reduce exposure to an Asset Class or hedge against risk shall not exceed 50 basis points of ITF value.

Intermediate Term Fund Investment Policy Statement (continued)

Investment Grade Fixed Income

Not more than 5% of the market value of fixed income securities may be invested in corporate and municipal bonds of a single issuer.

Public Real Estate and Public Equity

- Not more than 25% of the market value of equity securities may be invested in any one industry or industries (as defined by the standard industry classification code and supplemented by other reliable data sources) at cost.
- Not more than 5% of the market value of equity securities may be invested in the securities of one corporation at cost.

Stable Value

- Not more than 7.5% of the market value of equity and fixed income securities taken together may be invested in one corporation at cost.

ITF Accounting

The fiscal year of the ITF shall begin on September 1st and end on August 31st. Market value of the ITF shall be maintained on an accrual basis in compliance with Generally Accepted Accounting Principles (“GAAP”), Governmental Accounting Standards Board Statements, industry guidelines, or state statutes, whichever is applicable. Significant asset write-offs or write-downs shall be approved by UTIMCO’s Chief Investment Officer and reported to the UTIMCO Board. Assets deemed to be “other than temporarily impaired” as defined by GAAP shall be written off and reported to UTIMCO’s Chief Investment Officer and the UTIMCO Board when material. The ITF’s financial statements shall be audited each year by an independent accounting firm selected by the Board of Regents.

Valuation of ITF Assets

As of the close of business on the last business day of each month, UTIMCO shall determine the fair market value of all ITF net assets and the net asset value per unit of the ITF. The final determination of ITF net assets for a month end close shall normally be completed within seven business days but determination may be longer under certain circumstances. Valuation of ITF assets shall be based on the books and records of the custodian for the valuation date.

The fair market value of the ITF’s net assets shall include all related receivables and payables of the ITF on the valuation date and the value of each unit thereof shall be its proportionate part of such net value. Such valuation shall be final and conclusive.

Compliance

Intermediate Term Fund Investment Policy Statement (continued)

Compliance with this Policy will be monitored by UTIMCO's Chief Compliance Officer. UTIMCO's Chief Executive Officer, the UTIMCO Board, and the UTIMCO Audit & Ethics Committee will receive regular reports on UTIMCO's compliance with this Policy. All material instances of noncompliance, as determined by UTIMCO's Chief Compliance Officer and the Chair of the UTIMCO Audit & Ethics Committee, will require an action plan proposed by UTIMCO's Chief Executive Officer and approved by the Chairman of the UTIMCO Board with timelines for bringing the noncompliant activity within this Policy.

ITF Distributions

The ITF shall provide monthly distributions to the unit holders. The Board of Regents will approve an annual distribution amount. Distributions from the ITF to the unit holders shall be made monthly on the first business day of each month. To calculate the monthly distribution, the distribution rate (% divided by 12) will be multiplied by each unit holder's account, determined as follows:

- Net asset value of each unit holder's account on the last business day of the second prior month;
- Plus value of each unit holder's net purchase/redemption amount on the first business day of the prior month;
- Less the distribution amount paid to each unit holder's account on the first business day of the prior month.

Purchase and Redemption of ITF Units

The ITF participants may purchase units on the first business day of each month upon payment of cash or reinvestment of distributions to the ITF, at the net asset value per unit of the ITF as of the prior month ending valuation date. Such purchase commitments are binding. The ITF participants may redeem ITF units on a monthly basis. The unit redemption shall be paid in cash as soon as practicable after the month end valuation date of the ITF. Redemptions from the ITF shall be at the market price per unit determined at the time of the redemption. Such redemption commitments are binding.

Participants of the ITF are required to provide notification of purchases and redemptions based on specific notification requirements as set forth in The University of Texas System Allocation Policy for Non-Endowment Funds.

Intermediate Term Fund Investment Policy Statement (continued)

Securities Lending

The ITF may participate in a securities lending contract with a bank or non-bank security lending agent for purposes of realizing additional income. Loans of securities by the ITF shall be collateralized by cash, letters of credit, or securities issued or guaranteed by the U.S. Government or its agencies. The collateral will equal at least 100% of the current market value of the loaned securities. The contract shall state acceptable collateral for securities loaned, duties of the borrower, delivery of loaned securities and collateral, acceptable investment of collateral and indemnification provisions. The contract may include other provisions as appropriate.

The securities lending program will be evaluated from time to time as deemed necessary by the UTIMCO Board. Monthly reports issued by the lending agent shall be reviewed by UTIMCO staff to ensure compliance with contract provisions.

Investor Responsibility

As a shareholder, the ITF has the right to a voice in corporate affairs consistent with those of any shareholder. These include the right and obligation to vote proxies in a manner consistent with the unique role and mission of higher education as well as for the economic benefit of the ITF. Notwithstanding the above, the UTIMCO Board shall discharge its fiduciary duties with respect to the ITF solely in the interest of ITF unitholders, in compliance with the Proxy Voting Policy then in effect, and shall not invest the ITF so as to achieve temporal benefits for any purpose including use of its economic power to advance social or political purposes.

Amendment of Policy Statement

The Board of Regents reserves the right to amend the Investment Policy Statement as it deems necessary or advisable.

Effective Date

The effective date of this Policy shall be September 1, ~~2022~~2023.

EXHIBIT A
ASSET CLASS TARGETS, RANGES, AND PERFORMANCE OBJECTIVES
EFFECTIVE SEPTEMBER 1, 2022-2023

Asset Class	Min v Target ⁽¹⁾	Target ⁽²⁾	Max v Target ⁽¹⁾	Benchmark
Global Equity:				
Developed Public Equity	-5.0%	11.5%	+5.0%	MSCI World Index with Net Dividends MSCI Emerging Markets Index with Net Dividends Blended 67% MSCI Emerging Markets with China All Shares and 33% MSCI Emerging Markets ex-China
Emerging Markets Public Equity	-5.0%	3.5%	+5.0%	
<i>Total Public Equity</i>	-5.0%	15.0%	+5.0%	
Directional Hedge Funds	-5.0%	35.0%	+5.0%	HFRI Fund of Funds Composite
Total Global Equity	-7.0%	50.0%	+7.0%	
Stable Value:				
Investment Grade Fixed Income	-5.0%	6.0%	+5.0%	Bloomberg Global Aggregate Index - Hedged Bloomberg US Treasury Long Index
Long Treasuries	-5.0%	7.0%	+5.0%	
<i>Total Fixed Income</i>	-5.0%	13.0%	+5.0%	
Cash	-5.0%	2.0%	+5.0%	3 month T-bills
Stable Value Hedge Funds	-5.0%	25.0%	+5.0%	HFRI Fund of Funds Conservative
Total Stable Value	-10.0%	40.0%	+6.0%	
Real Return:				
Inflation Linked Bonds	-5.0%	5.0%	+5.0%	Bloomberg Global Inflation-Linked: U.S. TIPS Index
Gold	-5.0%	0.0%	+5.0%	Gold Spot Price (XAU)
Commodities	-5.0%	2.5%	+5.0%	Bloomberg Commodity TRI
<i>Total Commodities</i>	-5.0%	2.5%	+5.0%	
Public Real Estate	-5.0%	2.5%	+5.0%	MSCI US REIT Gross Total Return Index (RMSG)
Total Real Return	-6.0%	10.0%	+6.0%	
Total All Asset Classes		100.0%	105.0%	

The total Asset Class exposure, including the amount of derivatives exposure not collateralized by Cash, may not exceed ~~100%~~ 105% of the Asset Class exposure excluding the amount of derivatives exposure not collateralized by Cash.

POLICY/TARGET RETURN/RISKS⁽²⁾	
Expected 10-Year Annual Real Return (Policy Portfolio Beta)	0.16% 2.30%
Expected 10-Year Annual Real Return (Policy Portfolio Total Return)	2.73% 4.30%
One Year Downside Volatility	4.56% 3.80%
Risk Bounds	
Lower: 1 Year Downside Volatility	75.00%
Upper: 1 Year Downside Volatility	115.00%

(1) In relation to the Asset Class Target; with the exception of Cash, "Min" will not be below zero

(2) Asset Class Targets and Policy/Target Return/Risks reset monthly

**THE UNIVERSITY OF TEXAS SYSTEM
PERMANENT HEALTH FUND
INVESTMENT POLICY STATEMENT**

Purpose

The Permanent Health Fund (the “PHF”), established by the Board of Regents of The University of Texas System (the “Board of Regents”), is a pooled fund for the collective investment of certain permanent funds for health-related institutions of higher education created, effective August 30, 1999, by Chapter 63 of the *Texas Education Code*. The permanent health funds which have assets in the PHF are:

- A. The Permanent Health Fund for Higher Education (the “PHFHE”), the distributions from which are to fund programs that benefit medical research, health education, or treatment programs at 10 health-related institutions of higher education; and
- B. Eight of the thirteen separate Permanent Funds for Health Related Institutions (the “PFHRIs”), the distributions from which are to fund research and other programs at health-related institutions of higher education that benefit public health. The PFHRIs invested in the PHF are:

- U. T. Health Science Center - San Antonio
- U. T. M. D. Anderson Cancer Center
- U. T. Southwestern Medical Center
- U. T. Medical Branch - Galveston
- U. T. Health Science Center - Houston
- U. T. Health Science Center - Tyler
- U. T. El Paso
- Regional Academic Health Center

The PHF provides for greater diversification of investments than would be possible if each account were managed separately.

PHF Organization

The PHF functions like a mutual fund in which each eligible fund purchases and redeems PHF units as provided herein.

Permanent Health Fund Investment Policy Statement (continued)

PHF Management

Chapter 63 of the *Texas Education Code* designates: a) the Board of Regents as the administrator for the PHFHE and b) the governing board of an institution for which a PFHRI fund is established as the administrator for its own PFHRI, or if the governing board so elects, the Comptroller of Public Accounts (State Comptroller). It permits the State Comptroller, in turn, to contract with the governing board of any institution that is eligible to receive a grant under Chapter 63. Pursuant to the foregoing and an Investment Management Services Agreement between the Board of Regents and the State Comptroller, the Board of Regents is the administrator responsible for managing the PHF. Chapter 63 further states that the Board of Regents may manage and invest the PHF in the same manner as the Board of Regents manages and invests other permanent endowments. It also requires that the administrator invest the funds in a manner that preserves the purchasing power of the funds' assets and distributions. It further requires that the administrator make distributions in a manner consistent with the administrator's policies and procedures for making distributions to the beneficiaries of its own endowments in the case of the PHFHE or the funds themselves in the case of the PFHRI funds.

Article VII, Section 11b of the Texas Constitution authorizes the Board of Regents, subject to procedures and restrictions it establishes, to invest the Permanent University Fund (the "PUF") in any kind of investment and in amounts it considers appropriate, provided that it adheres to the prudent investor standard. This standard provides that the Board of Regents, in making investments, may acquire, exchange, sell, supervise, manage, or retain, through procedures and subject to restrictions it establishes and in amounts it considers appropriate, any kind of investment that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment. Pursuant to Chapter 63 of the *Texas Education Code*, the Board of Regents has elected the PUF prudent investor standard to govern its management of the PHF.

Ultimate fiduciary responsibility for the PHF rests with the Board of Regents. Section 66.08, *Texas Education Code*, as amended, authorizes the Board of Regents, subject to certain conditions, to enter into a contract with a nonprofit corporation to invest funds under the control and management of the Board of Regents.

Pursuant to an Investment Management Services Agreement between the Board of Regents and The University of Texas/Texas A&M Investment Management Company ("UTIMCO"), the PHF shall be managed by UTIMCO which shall: a) recommend investment policy for the PHF; b) recommend specific Asset Class allocation targets, ranges, and performance benchmarks consistent with PHF objectives; and c) monitor PHF performance against PHF objectives. UTIMCO shall invest the PHF assets in conformity with this Policy Statement. All changes to this Policy Statement or the exhibits to this Policy Statement, including changes to Asset

Permanent Health Fund Investment Policy Statement (continued)

Class allocation targets, ranges and performance benchmarks, are subject to approval by the Board of Regents.

PHF Administration

UTIMCO shall employ an administrative staff to ensure that all transaction and accounting records are complete and prepared on a timely basis. Internal controls shall be emphasized so as to provide for responsible separation of duties and adequacy of an audit trail. Custody of PHF assets shall comply with applicable law and be structured so as to provide essential safekeeping and trading efficiency.

Funds Eligible to Purchase PHF Units

No fund shall be eligible to purchase units of the PHF unless it is a permanent health fund established pursuant to Chapter 63 of the *Texas Education Code*, under the control, with full discretion as to investments, of the Board of Regents.

Any fund whose governing instrument contains provisions which conflict with this Policy Statement, whether initially or as a result of amendments to either document, shall not be eligible to purchase or hold units of the PHF.

PHF Investment Objectives

The primary investment objective shall be to maximize investment returns within the risk parameters specified in this Policy Statement without regard to the distribution rate. Investment returns are expressed net of all investment-related expenses. Additional expenses include U. T. System administrative fees charged to the fund. The PHF's success in meeting its objectives depends upon its ability to generate high returns in periods of low inflation that will offset lower returns generated in years when the capital markets underperform the rate of inflation.

Asset Allocation and Policy

PHF assets shall be allocated among the following investments:

- A. Cash and Cash Equivalents - Cash and Cash Equivalents has the same meaning as given to the term "Cash" in the Liquidity Policy.
- B. U. T. System General Endowment Fund (GEF) - See Exhibit B for the current GEF allocation, which is subject to changes by the Board of Regents. Upon any change to the GEF asset allocation, Exhibit B shall be revised accordingly.

In the event that actual Cash and Cash Equivalents positions move outside the range indicated in Exhibit A due to market forces that shift relative valuations, UTIMCO staff will immediately report this situation to the UTIMCO Board Chairman

Permanent Health Fund Investment Policy Statement (continued)

and take steps to rebalance the Cash and Cash Equivalents positions back within the policy range in an orderly manner as soon as practicable. Extenuating circumstances that could cause immediate rebalancing to be irrational and detrimental to the interest of the PHF asset values could warrant requesting approval of the UTIMCO Board Chairman to waive immediate remedial action.

Performance Measurement

The investment performance of the PHF will be measured by the PHF's custodian, an unaffiliated organization, with recognized expertise in this field and reporting responsibility to the UTIMCO Board, and compared against the stated Policy Benchmarks of the PHF, as indicated in Exhibits A and B (incorporating the impact of internal derivative positions) and reported to the UTIMCO Board and the Board of Regents at least quarterly. Monthly performance data and net asset values will be available on the UTIMCO website within a reasonable time after each month end.

Investment Guidelines

The PHF must be invested at all times in strict compliance with applicable law. Investment guidelines for the U. T. System GEF shall be as stated in the GEF Investment Policy Statement.

PHF Distributions

The PHF shall balance the needs and interests of present beneficiaries with those of the future. PHF spending policy objectives shall be to:

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

The goal is for the PHF's average spending rate over time not to exceed the PHF's average annual investment return after inflation and expense ratio in order to preserve the purchasing power of PHF distributions and underlying assets.

The Board of Regents will designate a per unit distribution amount annually.

Distributions from the PHF to the unit holders shall be made quarterly as soon as practicable on or after the last business day of November, February, May, and August of each fiscal year.

Permanent Health Fund Investment Policy Statement (continued)

PHF Accounting

The fiscal year of the PHF shall begin on September 1st and end on August 31st. Market value of the PHF shall be maintained on an accrual basis in compliance with Generally Accepted Accounting Principles (“GAAP”), Governmental Accounting Standards Board Statements, industry guidelines, or state statutes, whichever is applicable. Significant asset write-offs or write-downs shall be approved by UTIMCO’s Chief Investment Officer and reported to the UTIMCO Board. Assets deemed to be “other than temporarily impaired” as defined by GAAP shall be written off and reported to UTIMCO’s Chief Investment Officer and the UTIMCO Board when material. The PHF’s financial statements shall be audited each year by an independent accounting firm selected by the Board of Regents.

Valuation of Assets

As of the close of business on the last business day of each month, UTIMCO shall determine the fair market value of all PHF net assets and the net asset value per unit of the PHF. Valuation of PHF assets shall be based on the books and records of the custodian for the valuation date. The final determination of PHF net assets for a month end close shall normally be completed within eight business days but determination may be longer under certain circumstances.

The fair market value of the PHF’s net assets shall include all related receivables and payables of the PHF on the valuation date and the value of each unit thereof shall be its proportionate part of such net value. Such valuation shall be final and conclusive.

Compliance

Compliance with this Policy will be monitored by UTIMCO’s Chief Compliance Officer. UTIMCO’s Chief Executive Officer, the UTIMCO Board, and the UTIMCO Audit & Ethics Committee will receive regular reports on UTIMCO’s compliance with this Policy. All material instances of noncompliance, as determined by UTIMCO’s Chief Compliance Officer and the Chair of the UTIMCO Audit & Ethics Committee, will require an action plan proposed by UTIMCO’s Chief Executive Officer and approved by the Chairman of the UTIMCO Board with timelines for bringing the non-compliant activity within this Policy.

Permanent Health Fund Investment Policy Statement (continued)

Purchase of PHF Units

Purchase of PHF units may be made on any quarterly purchase date (September 1, December 1, March 1, and June 1 of each fiscal year or the first business day subsequent thereto) upon payment of cash to the PHF or contribution of assets approved by UTIMCO's Chief Investment Officer, at the net asset value per unit of the PHF as of the most recent quarterly valuation date.

Each fund whose monies are invested in the PHF shall own an undivided interest in the PHF in the proportion that the number of units invested therein bears to the total number of all units comprising the PHF.

Redemption of PHF Units

Redemption of PHF units shall be paid in cash as soon as practicable after the quarterly valuation date of the PHF. If the withdrawal is greater than \$10 million, advance notice of 60 business days shall be required prior to the quarterly valuation date. If the withdrawal is for less than \$10 million, advance notice of five business days shall be required prior to the quarterly valuation date. If the aggregate amount of redemptions requested on any redemption date is equal to or greater than 5% of the PHF's net asset value, the Board of Regents may redeem the requested units in installments and on a pro rata basis over a reasonable period of time that takes into consideration the time frame to liquidate illiquid investments and the best interests of all PHF unit holders. Withdrawals from the PHF shall be at the market value price per unit determined for the period of the withdrawal.

Investor Responsibility

As a shareholder, the PHF has the right to a voice in corporate affairs consistent with those of any shareholder. These include the right and obligation to vote proxies in a manner consistent with the unique role and mission of higher education as well as for the economic benefit of the PHF. Notwithstanding the above, the UTIMCO Board shall discharge its fiduciary duties with respect to the PHF solely in the interest of PHF unit holders, in compliance with the Proxy Voting Policy then in effect, and shall not invest the PHF so as to achieve temporal benefits for any purpose including use of its economic power to advance social or political purposes.

Amendment of Policy Statement

The Board of Regents reserves the right to amend the Investment Policy Statement as it deems necessary or advisable.

Effective Date

The effective date of this Policy shall be September 1, 20222023.

Permanent Health Fund Investment Policy Statement (continued)

EXHIBIT A

PHF ASSET ALLOCATION

**POLICY TARGETS, RANGES AND PERFORMANCE OBJECTIVES
EFFECTIVE DATE SEPTEMBER 1, 2008**

	Neutral Allocation	Range	Benchmark Return
GEF Commingled Fund	100.0%	95% - 100%	Endowment Policy Portfolio
Cash and Cash Equivalents	0.0%	-1% - 5%	90 day T-Bills
Unencumbered Cash			
Temporary Cash Imbalance*			
Net non-trading receivable			

The endowment policy portfolio is the sum of the neutrally weighted benchmark returns for the GEF.

*3 trading days or less

**EXHIBIT B - GENERAL ENDOWMENT FUND
ASSET CLASS TARGETS, RANGES, AND PERFORMANCE OBJECTIVES
EFFECTIVE SEPTEMBER 1, 2022-2023**

Asset Class	Min v Target ⁽¹⁾	Target ⁽²⁾⁽³⁾	Max v Target ⁽¹⁾	Benchmark
Global Equity:				
Developed Public Equity	-5.0%	23.6% 20.0%	+5% +15.0%	MSCI World Index with Net Dividends MSCI Emerging Markets with Net Dividends Blended 67% MSCI Emerging Markets with China All Shares and 33% MSCI Emerging Markets ex-China
Emerging Markets Public Equity	-5.0%	7.0% 6.4%	+5.0%	
<i>Total Public Equity</i>	-5.0%	30.6% 26.4%	+5% +15.0%	HFRI Fund of Funds Composite Blended Cambridge Buyouts, Emerging Markets Private Equity and Venture Capital, Credit Opportunities, and Venture Capital
Directional Hedge Funds	-5.0%	5.0% 6.0%	+5.0%	
Private Equity ⁽³⁾	15.0% 17.5%	25.0% 27.5%	35.0% 37.5%	
Total Global Equity	-7.0%	60.6% 59.9%	+7.0% +15%	
Stable Value:				
Investment Grade Fixed Income	-5.0%	0.0%	+5.0%	Bloomberg Global Aggregate Index - Hedged
Long T reasuries	-5.0%	4.4% 5.1%	+5.0%	Bloomberg US Treasury: Long Index
Credit-Related Fixed Income	-5.0%	0.0%	+5.0%	Bloomberg Capital Global High Yield Index
<i>Total Fixed Income</i>	-5.0%	4.4% 5.1%	+5.0%	
Cash	-5.0%	1.0% 2.0%	+5.0%	3 month T-Bills
Stable Value Hedge Funds	-5.0%	10.0% 10.5%	+5.0%	HFRI Fund of Funds Conservative
Total Stable Value	-10.0%	15.4% 17.6%	+6.0%	
Real Return:				
Inflation Linked Bonds	-5.0%	2.0% 0.0%	+5.0%	Bloomberg Global Inflation-Linked: U.S. TIPS Index
Gold	-5.0%	0.0%	+5.0%	Gold Spot Price (XAU)
Commodities	-5.0%	0.0%	+5.0%	Bloomberg Commodity TRI
<i>Total Commodities</i>	-5.0%	0.0%	+5.0%	
Natural Resources ⁽³⁾	0.0%	3.0% 3.3%	8.0%	Cambridge Natural Resources Blended Cambridge PE Energy and Upstream & Royalty, PE Energy (Mining), and Timber
Infrastructure ⁽³⁾	0.0%	5.0% 4.5%	10.0%	Cambridge Infrastructure
Real Estate ⁽³⁾	4.0% 5.0%	9.0% 9.7%	14.0% 15.0%	Blended MSCI US REIT Gross Total Return Index (RMSG) and Cambridge Total Real Estate
Total Real Return	-6.0%	19.0% 17.5%	+6.0%	
Strategic Partnerships	-5.0%	5.0%	+5.0%	Blended Bloomberg US Treasury: Long Index, MSCI World Index with Net Dividends, MSCI Emerging Markets Index with Net Dividends, and HFRI Macro
Innovation & Disruption	0.0%	0.0%	5.0%	Aggregate Policy Portfolio Benchmark before returns from Innovation & Disruption portfolio
Total All Asset Classes		100.0%	110.0%	

The total Asset Class exposure, including the amount of derivatives exposure not collateralized by Cash, may not exceed ~~405%~~ 110% of the Asset Class exposure excluding the amount of derivatives exposure not collateralized by Cash.

POLICY/TARGET RETURN/RISKS ⁽²⁾	
Expected 10-Year Annual Real Return (Policy Portfolio Beta)	3.43% 5.19%
Expected 10-Year Annual Real Return (Policy Portfolio Total Return)	4.78% 6.43%
One Year Downside Volatility	9.62% 8.24%
Risk Bounds	
Lower: 1 Year Downside Volatility	75.00%
Upper: 1 Year Downside Volatility	115.00%

(1) When preceded by a "-" or "+", in relation to the Asset Class Target, with the exception of Cash, "Min" will not be below zero
(2) Asset Class Targets and Policy/Target Return/Risks reset monthly

(3) The Adjusted Target weight of each of Private Equity, Real Estate, Natural Resources and Infrastructure, will be set each month as the average ending actual weight of the combined PUF and GEF from the prior month. Any difference in the calculated Private Equity, Real Estate, Natural Resources, and Infrastructure Adjusted Target weights from the original Target weights derived from this table will be offset using ~~other asset classes with 80%~~ ~~Developed Public Equity and 20% to blend of Total Fixed Income components-100% Developed Public Equity.~~

**THE UNIVERSITY OF TEXAS SYSTEM
LONG TERM FUND
INVESTMENT POLICY STATEMENT**

Purpose

The Long Term Fund (the "LTF"), succeeded the Common Trust Fund in February 1995, and was established by the Board of Regents of The University of Texas System (the "Board of Regents") as a pooled fund for the collective investment of private endowments and other long-term funds supporting various programs of The University of Texas System. The LTF provides for greater diversification of investments than would be possible if each account were managed separately.

LTF Organization

The LTF functions like a mutual fund in which each eligible account purchases and redeems LTF units as provided herein. The ownership of LTF assets shall at all times be vested in the Board of Regents. Such assets shall be deemed to be held by the Board of Regents, as a fiduciary, regardless of the name in which the assets may be registered.

LTF Management

Article VII, Section 11b of the Texas Constitution authorizes the Board of Regents, subject to procedures and restrictions it establishes, to invest the Permanent University Fund (the "PUF") in any kind of investment and in amounts it considers appropriate, provided that it adheres to the prudent investor standard. This standard provides that the Board of Regents, in making investments, may acquire, exchange, sell, supervise, manage, or retain, through procedures and subject to restrictions it establishes and in amounts it considers appropriate, any kind of investment that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment. Pursuant to Section 51.0031(c) of the *Texas Education Code*, the Board of Regents has elected the PUF prudent investor standard to govern its management of the LTF.

Ultimate fiduciary responsibility for the LTF rests with the Board of Regents. Section 66.08, *Texas Education Code*, as amended, authorizes the Board of Regents, subject to certain conditions, to enter into a contract with a nonprofit corporation to invest funds under the control and management of the Board of Regents.

Pursuant to an Investment Management Services Agreement between the Board of Regents and The University of Texas/Texas A&M Investment Management

Long Term Fund Investment Policy Statement (continued)

Company (“UTIMCO”), the LTF shall be managed by UTIMCO, which shall a) recommend investment policy for the LTF, b) recommend specific Asset Class allocation targets, ranges, and performance benchmarks consistent with LTF objectives, and c) monitor LTF performance against LTF objectives. UTIMCO shall invest the LTF assets in conformity with this Policy Statement. All changes to this Policy Statement or the exhibits to this Policy Statement, including changes to Asset Class allocation targets, ranges and performance benchmarks, are subject to approval by the Board of Regents.

LTF Administration

UTIMCO shall employ an administrative staff to ensure that all transaction and accounting records are complete and prepared on a timely basis. Internal controls shall be emphasized so as to provide for responsible separation of duties and adequacy of an audit trail. Custody of LTF assets shall comply with applicable law and be structured so as to provide essential safekeeping and trading efficiency.

Funds Eligible to Purchase LTF Units

No account shall be eligible to purchase units of the LTF unless it is under the sole control, with full discretion as to investments, of the Board of Regents.

Any account whose governing instrument contains provisions which conflict with this Policy Statement, whether initially or as a result of amendments to either document, shall not be eligible to purchase or hold units of the LTF.

LTF Investment Objectives

The primary investment objective shall be to maximize investment returns within the risk parameters specified in this Policy Statement without regard to the distribution rate. Investment returns are expressed net of all investment-related expenses. Additional expenses include U. T. System administrative fees charged to the fund. The LTF’s success in meeting its objectives depends upon its ability to generate high returns in periods of low inflation that will offset lower returns generated in years when the capital markets underperform the rate of inflation.

Asset Allocation and Policy

LTF assets shall be allocated among the following investments.

- A. Cash and Cash Equivalents – Cash and Cash Equivalents has the same meaning as given to the term “Cash” in the Liquidity Policy.
- B. U. T. System General Endowment Fund (GEF) - See Exhibit B for the current GEF allocation, which is subject to changes by the Board of

Long Term Fund Investment Policy Statement (continued)

Regents. Upon any change to the GEF asset allocation, Exhibit B shall be revised accordingly.

In the event that actual Cash and Cash Equivalents positions move outside the range indicated in Exhibit A due to market forces that shift relative valuations, UTIMCO staff will immediately report this situation to the UTIMCO Board Chairman and take steps to rebalance Cash and Cash Equivalents positions back within the policy range in an orderly manner as soon as practicable. Extenuating circumstances that could cause immediate rebalancing to be irrational and detrimental to the interest of the LTF asset values could warrant requesting approval of the UTIMCO Board Chairman to waive immediate remedial action.

Performance Measurement

The investment performance of the LTF will be measured by the LTF's custodian, an unaffiliated organization, with recognized expertise in this field and reporting responsibility to the UTIMCO Board, and compared against the stated Policy Benchmarks of the PHF, as indicated in Exhibits A and B (incorporating the impact of internal derivative positions) and reported to the UTIMCO Board and the Board of Regents at least quarterly. Monthly performance data and net asset values will be available on the UTIMCO website within a reasonable time after each month end.

Investment Guidelines

The LTF must be invested at all times in strict compliance with applicable law. Investment guidelines for the U. T. System GEF shall be as stated in the GEF Investment Policy Statement.

LTF Distributions

The LTF shall balance the needs and interests of present beneficiaries with those of the future. LTF spending policy objectives shall be to:

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

The goal is for the LTF's average spending rate over time not to exceed the LTF's average annual investment return after inflation and expense ratio in order to preserve the purchasing power of LTF distributions and underlying assets.

Long Term Fund Investment Policy Statement (continued)

Generally, pursuant to the Uniform Prudent Management of Institutional Funds Act, Chapter 163, *Texas Property Code*, as amended, (“Act”), subject to the intent of a donor in a gift instrument, the Board of Regents may appropriate for expenditure or accumulate so much of the LTF as it determines is prudent for the uses, benefits, purposes, and duration for which the LTF is established. Notwithstanding the preceding sentence, the Board of Regents may not appropriate for expenditure in any year an amount greater than nine percent (9%) of the LTF, calculated on the basis of market values determined at least quarterly and averaged over a period of not less than three years immediately preceding the year in which the appropriation for expenditure was made.

The Board of Regents will annually approve a per unit distribution amount.

Distributions from the LTF to the unit holders shall be made quarterly as soon as practicable on or after the last business day of November, February, May, and August of each fiscal year.

LTF Accounting

The fiscal year of the LTF shall begin on September 1st and end on August 31st. Market value of the LTF shall be maintained on an accrual basis in compliance with Generally Accepted Accounting Principles (“GAAP”), Governmental Accounting Standards Board Statements, industry guidelines, or state statutes, whichever is applicable. Significant asset write-offs or write-downs shall be approved by UTIMCO’s Chief Investment Officer and reported to the UTIMCO Board. Assets deemed to be “other than temporarily impaired” as defined by GAAP shall be written off and reported to UTIMCO’s Chief Investment Officer and the UTIMCO Board when material. The LTF’s financial statements shall be audited each year by an independent accounting firm selected by the Board of Regents.

Valuation of Assets

As of the close of business on the last business day of each month, UTIMCO shall determine the fair market value of all LTF net assets and the net asset value per unit of the LTF. Valuation of LTF assets shall be based on the books and records of the custodian for the valuation date. The final determination of LTF net assets for a month end close shall normally be completed within eight business days but determination may be longer under certain circumstances.

The fair market value of the LTF’s net assets shall include all related receivables and payables of the LTF on the valuation date and the value of each unit thereof shall be its proportionate part of such net value. Such valuation shall be final and conclusive.

Long Term Fund Investment Policy Statement (continued)

Compliance

Compliance with this Policy will be monitored by UTIMCO's Chief Compliance Officer. UTIMCO's Chief Executive Officer, the UTIMCO Board, and the UTIMCO Audit & Ethics Committee will receive regular reports on UTIMCO's compliance with this Policy. All material instances of noncompliance, as determined by UTIMCO's Chief Compliance Officer and the Chair of the UTIMCO Audit & Ethics Committee, will require an action plan proposed by UTIMCO's Chief Executive Officer and approved by the Chairman of the UTIMCO Board with timelines for bringing the non-compliant activity within this Policy.

Purchase of LTF Units

Purchase of LTF units may be made on any quarterly purchase date (September 1, December 1, March 1, and June 1 of each fiscal year or the first business day subsequent thereto) upon payment of cash to the LTF or contribution of assets approved by UTIMCO's Chief Investment Officer, at the net asset value per unit of the LTF as of the most recent quarterly valuation date.

Each account whose monies are invested in the LTF shall own an undivided interest in the LTF in the proportion that the number of units invested therein bears to the total number of all units comprising the LTF.

Redemption of LTF Units

Redemption of LTF units shall be paid in cash as soon as practicable after the quarterly valuation date of the LTF. If the withdrawal is greater than \$25 million, advance notice of 60 business days shall be required prior to the quarterly valuation date. If the withdrawal is for less than \$25 million, advance notice of five business days shall be required prior to the quarterly valuation date. If the aggregate amount of redemptions requested on any redemption date is equal to or greater than 5% of the LTF's net asset value, the Board of Regents may redeem the requested units in installments and on a pro rata basis over a reasonable period of time that takes into consideration the time frame to liquidate illiquid investments and the best interests of all LTF unit holders. Withdrawals from the LTF shall be at the market value price per unit determined for the period of the withdrawal except as follows: withdrawals to correct administrative errors shall be calculated at the per unit value at the time the error occurred. To be considered an administrative error, the contribution shall have been invested in the LTF for a period less than or equal to one year determined from the date of the contribution to the LTF. Transfer of units between endowment unit holders shall not be considered redemption of units subject to this provision.

Long Term Fund Investment Policy Statement (continued)

Investor Responsibility

As a shareholder, the LTF has the right to a voice in corporate affairs consistent with those of any shareholder. These include the right and obligation to vote proxies in a manner consistent with the unique role and mission of higher education as well as for the economic benefit of the LTF. Notwithstanding the above, the UTIMCO Board shall discharge its fiduciary duties with respect to the LTF solely in the interest of LTF unit holders, in compliance with the Proxy Voting Policy then in effect, and shall not invest the LTF so as to achieve temporal benefits for any purpose including use of its economic power to advance social or political purposes.

Amendment of Policy Statement

The Board of Regents reserves the right to amend the Investment Policy Statement as it deems necessary or advisable.

Effective Date

| The effective date of this Policy shall be September 1, ~~2022~~2023.

Long Term Fund Investment Policy Statement (continued)

EXHIBIT A

LTF ASSET ALLOCATION

**POLICY TARGETS, RANGES AND PERFORMANCE OBJECTIVES
EFFECTIVE DATE SEPTEMBER 1, 2008**

	Neutral Allocation	Range	Benchmark Return
GEF Commingled Fund	100.0%	95% - 100%	Endowment Policy Portfolio
Cash and Cash Equivalents	0.0%	-1% - 5%	90 day T-Bills
Unencumbered Cash			
Temporary Cash Imbalance*			
Net non-trading receivable			

The endowment policy portfolio is the sum of the neutrally weighted benchmark returns for the GEF.

*3 trading days or less

**EXHIBIT B - GENERAL ENDOWMENT FUND
ASSET CLASS TARGETS, RANGES, AND PERFORMANCE OBJECTIVES
EFFECTIVE SEPTEMBER 1, 2022-2023**

Asset Class	Min v Target ⁽¹⁾	Target ⁽²⁾⁽³⁾	Max v Target ⁽¹⁾	Benchmark
Global Equity:				
Developed Public Equity	-5.0%	23.6% 20.0%	+5% +15.0%	MSCI World Index with Net Dividends MSCI Emerging Markets with Net Dividends Blended 67% MSCI Emerging Markets with China All Shares and 33% MSCI Emerging Markets ex-China
Emerging Markets Public Equity	-5.0%	7.0% 6.4%	+5.0%	
<i>Total Public Equity</i>	-5.0%	30.6% 26.4%	+5% +15.0%	HFRI Fund of Funds Composite Blended Cambridge Buyouts, Emerging Markets Private Equity and Venture Capital, Credit Opportunities, and Venture Capital
Directional Hedge Funds	-5.0%	5.0% 6.0%	+5.0%	
Private Equity ⁽³⁾	15.0% 17.5%	25.0% 27.5%	35.0% 37.5%	
Total Global Equity	-7.0%	60.6% 59.9%	+7.0% +15%	
Stable Value:				
Investment Grade Fixed Income	-5.0%	0.0%	+5.0%	Bloomberg Global Aggregate Index - Hedged
Long T reasuries	-5.0%	4.4% 5.1%	+5.0%	Bloomberg US Treasury: Long Index
Credit-Related Fixed Income	-5.0%	0.0%	+5.0%	Bloomberg Capital Global High Yield Index
<i>Total Fixed Income</i>	-5.0%	4.4% 5.1%	+5.0%	
Cash	-5.0%	1.0% 2.0%	+5.0%	3 month T-Bills
Stable Value Hedge Funds	-5.0%	10.0% 10.5%	+5.0%	HFRI Fund of Funds Conservative
Total Stable Value	-10.0%	15.4% 17.6%	+6.0%	
Real Return:				
Inflation Linked Bonds	-5.0%	2.0% 0.0%	+5.0%	Bloomberg Global Inflation-Linked: U.S. TIPS Index
Gold	-5.0%	0.0%	+5.0%	Gold Spot Price (XAU)
Commodities	-5.0%	0.0%	+5.0%	Bloomberg Commodity TRI
<i>Total Commodities</i>	-5.0%	0.0%	+5.0%	
Natural Resources ⁽³⁾	0.0%	3.0% 3.3%	8.0%	Cambridge Natural Resources Blended Cambridge PE Energy and Upstream & Royalty, PE Energy (Mining), and Timber
Infrastructure ⁽³⁾	0.0%	5.0% 4.5%	10.0%	Cambridge Infrastructure
Real Estate ⁽³⁾	4.0% 5.0%	9.0% 9.7%	14.0% 15.0%	Blended MSCI US REIT Gross Total Return Index (RMSG) and Cambridge Total Real Estate
Total Real Return	-6.0%	19.0% 17.5%	+6.0%	
Strategic Partnerships	-5.0%	5.0%	+5.0%	Blended Bloomberg US Treasury: Long Index, MSCI World Index with Net Dividends, MSCI Emerging Markets Index with Net Dividends, and HFRI Macro
Innovation & Disruption	0.0%	0.0%	5.0%	Aggregate Policy Portfolio Benchmark before returns from Innovation & Disruption portfolio
Total All Asset Classes		100.0%	110.0%	

The total Asset Class exposure, including the amount of derivatives exposure not collateralized by Cash, may not exceed ~~405%~~ 110% of the Asset Class exposure excluding the amount of derivatives exposure not collateralized by Cash.

POLICY/TARGET RETURN/RISKS ⁽²⁾	
Expected 10-Year Annual Real Return (Policy Portfolio Beta)	3.43% 5.19%
Expected 10-Year Annual Real Return (Policy Portfolio Total Return)	4.78% 6.43%
One Year Downside Volatility	9.62% 8.24%
Risk Bounds	
Lower: 1 Year Downside Volatility	75.00%
Upper: 1 Year Downside Volatility	115.00%

(1) When preceded by a "+" or "-", in relation to the Asset Class Target, with the exception of Cash, "Min" will not be below zero
(2) Asset Class Targets and Policy/Target Return/Risks reset monthly

(3) The Adjusted Target weight of each of Private Equity, Real Estate, Natural Resources and Infrastructure, will be set each month as the average ending actual weight of the combined PUF and GEF from the prior month. Any difference in the calculated Private Equity, Real Estate, Natural Resources, and Infrastructure Adjusted Target weights from the original Target weights derived from this table will be offset using ~~other asset classes with 80%~~ ~~Developed Public Equity and 20% to blend of Total Fixed Income components-100% Developed Public Equity.~~

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

Effective Date of Policy: August ~~25~~24, ~~2022~~2023

Date Approved by U. T. System Board of Regents: August ~~25~~24, ~~2022~~2023

Date Approved by UTIMCO Board: June ~~10~~15, ~~2022~~2023

Supersedes: Liquidity Policy effective ~~March~~ ~~1~~August 25, ~~2020~~2022

Purpose:

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

Objective:

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

Scope:

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

Definition of Liquidity Risk:

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

Definition of Cash:

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

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

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

Liquidity Risk Measurement-The Liquidity Profile:

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

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

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

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

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

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

Liquidity Policy Profile:

The permitted maximum for **illiquid** investments for each of the Endowment Funds is ~~70~~75% of the total portfolio for the Endowment Funds. Any **illiquid** investment made that would cause illiquidity to exceed ~~70~~75% requires prior approval by the Investment Risk Committee after consultation with The University of Texas System Office of Business Affairs.

The permitted maximum for **illiquid** investments for the ITF is ~~55~~60% of the total portfolio for the ITF. Any **illiquid** investment that would cause illiquidity to exceed ~~55~~60% requires prior approval by the Investment Risk Committee after consultation with The University of Texas System Office of Business Affairs.

Investment Risk Committee review of new investments above the permitted maximums will supplement, rather than replace, the procedures established by the UTIMCO Board for the approval of new investments.

Unfunded Commitments:

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

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

~~2020~~2023

Beg ~~March~~September 1,

Unfunded Commitment as a percent of the highest total Net Asset Value of the Endowment Funds over a trailing 24-month period:

~~30.0~~35.0%

No new commitments may be made for an Endowment Fund without approval from the Investment Risk Committee if the actual amount of unfunded commitments for such Endowment Fund exceeds, or, as a result of such commitment, would exceed the Maximum Permitted Amount.

Documentation and Controls:

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

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

Reporting:

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

9. U. T. System Board of Regents: Approval to amend The University of Texas/Texas A&M Investment Management Company (UTIMCO) Code of Ethics

RECOMMENDATION

The Chancellor, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel concur in the recommendation of the Board of Directors of The University of Texas/Texas A&M Investment Management Company (UTIMCO) that the U. T. System Board of Regents approve amendments to the UTIMCO Code of Ethics as set forth below.

BACKGROUND INFORMATION

Texas Education Code Section 66.08 requires that the U. T. System Board of Regents approve the UTIMCO Code of Ethics (Code) and any changes thereto. The Code was last amended on December 6, 2012. The recommended changes have been reviewed by fiduciary counsel and U. T. System staff. The changes to the Code were approved on June 15, 2023, by the UTIMCO Board.

The material changes to the Code include the following:

Revising Section 1.02 (Definitions) as follows:

- Revise the definition of General Counsel to conform to the current organizational structure
- Revise the definition of Chief Compliance Officer (CCO) to conform to the Charter of the Audit and Ethics Committee
- Add a new definition of Fiduciary Counsel
- Add a new definition of UTIMCO Contractor and make provisions of the Code applicable to UTIMCO Contractors as if they were UTIMCO employees

Revising Section 1.12 (Nepotism) as follows:

- Revise to prohibit UTIMCO from employing a relative of a Board-appointed consultant rather than all UTIMCO consultants

Revising Section 1.13 (Gifts and Entertainment) as follows:

- Make explicit that cash gifts and equivalents of any value are prohibited
- Allow employees who receive prohibited gifts to donate the gift or its equivalent value to charity instead of returning the gift to the donor
- Allow employees to have travel, lodging and meal expenses paid for by conference sponsors in exchange for speaking at conferences

Revising Section 3.07 (Employee Personal Securities Transactions) as follows:

- Remove outdated personal trading procedures and create a new requirement for UTIMCO to develop and implement a Personal Trading Policy

Revising Section 4.01 (Employee Ethics and Compliance Committee) as follows:

- Create new obligations on and requirements for the CCO and delegate obligations of the Employee Ethics and Compliance Committee to the CCO

Revising Section 4.02 (Financial Disclosure Statements) as follows:

- Add a new requirement that material updates to a financial disclosure statement must be made as soon as practicable, and no later than 90 days after the change occurred

Revising Section 4.04 (Certification of No Pecuniary Interest) as follows:

- Add a requirement that the CCO must provide summary descriptions of each proposed investment to UTIMCO Directors and Key Employees
- Create duty for UTIMCO Directors and Key Employees to alert the CCO of a pecuniary interest relating to the proposed UTIMCO investment
- Create a new obligation on UTIMCO to develop procedures to ensure compliance with these new requirements

Other minor clarifications, formatting, and numbering changes

**THE UNIVERSITY OF TEXAS/TEXAS A&M
INVESTMENT MANAGEMENT COMPANY
CODE OF ETHICS**

Subchapter A. GENERAL PROVISIONS

Sec. 1.01. General Principles. (a) The Board of Regents of The University of Texas System has ultimate fiduciary responsibility for causing the funds within its investment authority to be managed in accordance with applicable law.

(b) The standard mandated by Article VII, Section 11b, of the Texas Constitution concerning the permanent university fund, the standard mandated by the Board of Regents concerning all of the funds within its investment authority under the Investment Management Services Agreement between the Board of Regents and The University of Texas/Texas A&M Investment Management Company (UTIMCO), and the standard mandated by the Board of Regents' Investment Policy Statements require those funds to be invested in such investments that "prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of the assets of the fund rather than a single investment."

(c) Pursuant to the Investment Management Services Agreement, the Board of Regents has appointed UTIMCO as its investment manager with respect to those funds for which the Board of Regents has investment responsibility. In the agreement, UTIMCO has acknowledged that it acts as a fiduciary of the Board of Regents in the discharge of its investment management responsibilities and is obligated to manage the investments of the funds pursuant to policies of the Board of Regents that incorporate and adhere to the prudent investor standard. Accordingly, both the Board of Regents and UTIMCO have fiduciary interests in assuring that the Directors and Employees of UTIMCO possess the requisite knowledge, skill, and experience to manage the funds in accordance with the prudent investor standard described in Subsection (b) of this section and other applicable law.

(d) This Code of Ethics (Code) sets forth the basic principles and guidelines for Directors and Employees of UTIMCO, in addition to and in accordance with the requirements of Section 66.08 of the *Texas Education Code*, the Texas Non-Profit Corporation Act, and other applicable laws.

(e) This Code of Ethics anticipates that many of UTIMCO's Directors and Employees will be active investors, either individually or on behalf of

others, in the same asset categories as the funds managed by UTIMCO on behalf of the Board of Regents. Without seeking to disqualify those Directors and Employees from service to UTIMCO except to the extent necessary or appropriate to avoid conflicts of interest or otherwise conform to applicable law, this Code holds all Directors and Employees to high standards of conduct consistent with their special relationship of trust, confidence, and responsibility to UTIMCO. This Code also recognizes UTIMCO's unique role as the dedicated investment manager of the Board of Regents in investing the funds in furtherance of the education mission of the Board of Regents, the institutions of The University of Texas System, and other beneficiaries of the funds.

(f) In addition to strict compliance with legal requirements, all Directors and Employees are expected to be guided by the basic principles of loyalty, prudence, honesty and fairness in conducting UTIMCO's affairs.

Sec. 1.02. Definitions. In this Code:

- (1) "Audit and Ethics Committee" means the standing Audit and Ethics Committee established by UTIMCO bylaws.
- (2) "Board" means the Board of Directors of UTIMCO.
- (3) "Board of Regents" means the Board of Regents of The University of Texas System.
- (4) "CEO" means the Chief Executive Officer of UTIMCO.
- (5) "Chief Compliance Officer" means the person designated ~~from time to time~~ as the ~~chair of the Employee Ethics and Chief Compliance Officer by the Audit and Ethics~~ Committee of the Board.
- (6) "Director" means a member of the Board of Directors of UTIMCO.
- (7) "Director entity" means an investment fund or other entity controlled by a UTIMCO Director.
- (8) "Employee" means a person working for UTIMCO in an employer-employee relationship.
- (9) "Employee entity" means an investment fund or other entity controlled by a UTIMCO Employee.
- (10) "General Counsel" means ~~the lawyer or firm of lawyers designated from time to time as the external General Counsel~~ an Employee of UTIMCO serving in the position as the chief legal adviser of UTIMCO.

(11) “Fiduciary Counsel” means the lawyer or firm of lawyers designated from time to time as the external counsel to the Board.

(12) “Key Employee” means an Employee who has been designated by the Board as an officer of UTIMCO.

(1213) “Pecuniary interest” in a business entity means:

- (A) ownership of five percent or more of the voting stock or shares of the business entity; or
- (B) ownership of five percent or more of the fair market value of the business entity; or
- (C) receipt of more than five percent of the person’s gross income for the preceding calendar year from the business entity; or
- (D) any private investment in the business entity.

(1314) “Personal securities transactions” means:

- (A) transactions for a Director’s or Employee’s own account, including an individual retirement account; or
- (B) transactions for an account, other than an account over which the Director or Employee has no direct or indirect influence or control, in which the Director or Employee, or the Director’s or Employee’s spouse, minor child, or other dependent Relative:
 - (i) is an income or principal beneficiary or other equity owner of the account; or
 - (ii) receives compensation for managing the account for the benefit of persons other than such person or his or her family.

(1415) “Private investment” means any debt obligation or equity interest that is not a publicly traded security, including a “private investment” in a publicly traded company.

(1516) “Publicly traded company” means a business entity with a class of securities that consists of publicly traded securities.

(1617) “Publicly traded securities” means securities of a class that is listed on a national securities exchange or quoted on the NASDAQ national market system in the United States or that is publicly traded on any foreign stock exchange or other foreign market.

(1718) “Relative” means a person related within the third degree by consanguinity or the second degree by affinity determined in accordance with Sections 573.021 – 573.025, *Government Code*. For purposes of this definition:

- (i) examples of a relative within the third degree by consanguinity are a child, grandchild, great-grandchild, parent, grandparent, great-grandparent, brother, sister, uncle, aunt, niece, or nephew;
- (ii) examples of a relative within the second degree by affinity are a spouse, a person related to a spouse within the second degree by consanguinity, or a spouse of such a person;
- (iii) a person adopted into a family is considered a relative on the same basis as a natural born family member; and
- (iv) a person is considered a spouse even if the marriage has been dissolved by death or divorce if there are surviving children of that marriage.

(1819) “UTIMCO” means The University of Texas/Texas A&M Investment Management Company.

(20) “UTIMCO Contractor” means an independent contractor or secondee who:

- (i) works on premises at UTIMCO or has access to UTIMCO information systems for at least eight consecutive weeks, and
- (ii) is performing a function that would normally be performed by an Employee of UTIMCO.

A third-party vendor or consultant to UTIMCO is not considered an “UTIMCO Contractor.” UTIMCO Contractors are subject to the provisions of this Code, except with respect to Section 3.11, as if they were Employees.

(1921) “UTIMCO entity” means an investment fund or other entity controlled by UTIMCO.

Sec. 1.03. Definition of “Control.” (a) For purposes of this Code, UTIMCO or a Director or Employee is presumed to control an investment fund or other entity if UTIMCO’s or the Director’s or Employee’s management role with or investment in the fund or entity enables UTIMCO or the Director or Employee, as appropriate, to direct the operating or financial decisions of the fund or entity. However, the presumption of control by a Director or Employee shall be rebutted if the General Counsel advises the Board that, based upon a review and confirmation of relevant facts provided by the respective Director or Employee, it is the opinion of the General Counsel that the Director or Employee does not have ultimate control of the operating or financial decisions of a particular fund or entity.

(b) Without limiting the provisions of Subsection (a), UTIMCO or a Director or Employee is not presumed to control an investment fund or other entity if UTIMCO or the Director or Employee, as appropriate, does not have a management role, if the terms of the investment do not give UTIMCO or the Director or Employee, as appropriate, the legal right to direct the operating or financial decisions of the fund or entity, and if UTIMCO or the Director or Employee, as appropriate, does not attempt to direct the operating or financial decisions.

Sec. 1.04. Decision-Making Based on Merit. (a) UTIMCO Directors and Employees shall base UTIMCO business transactions on professional integrity and competence, financial merit and benefit to UTIMCO, and, if required or prudent, on a competitive basis.

(b) UTIMCO Directors and Employees may not base any UTIMCO business decisions on family or personal relationships.

Sec. 1.05. Compliance with Law. Directors and Employees shall comply with all applicable laws, and should be specifically knowledgeable of Section 66.08, *Education Code* (Investment Management), Section 39.02, *Penal Code* (Abuse of Official Capacity), and Section 39.06, *Penal Code* (Misuse of Official Information).

Sec. 1.06. Compliance with Professional Standards. Directors and Employees who are members of professional organizations, such as the CFA Institute, shall comply with any standards of conduct adopted by the organizations of which they are members.

Sec. 1.07. Accounting and Operating Controls. Directors and Employees shall observe the accounting and operating controls established by law and UTIMCO policies, including restrictions and prohibitions on the use

of UTIMCO property for personal or other purposes not related to UTIMCO business.

Sec. 1.08. General Standards of Conduct for Directors and Employees.

(a) It is the policy of UTIMCO that a Director or Employee should not:

- (1) accept or solicit any gift, favor, or service that might reasonably tend to influence the Director or Employee in the discharge of his or her duties for UTIMCO or that the Director or Employee knows or should know is being offered with the intent to influence the Director's or Employee's conduct on behalf of UTIMCO;
- (2) accept other employment or engage in a business or professional activity that the Director or Employee might reasonably expect would require or induce the Director or Employee to disclose confidential information acquired by reason of his or her position with UTIMCO;
- (3) accept other employment or compensation that could reasonably be expected to impair the Director's or Employee's independence of judgment in the performance of his or her duties for UTIMCO;
- (4) make personal investments that could reasonably be expected to create a substantial conflict between the Director's or Employee's private interest and the interests of UTIMCO; or
- (5) intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised the Director's or Employee's authority or performed the Director's or Employee's duties at UTIMCO in favor of another.

Sec. 1.09. Honesty and Loyalty. (a) Directors and Employees shall be honest in the exercise of their duties and may not take actions that will discredit UTIMCO.

(b) Directors and Employees should be loyal to the interests of UTIMCO to the extent that their loyalty is not in conflict with other duties that legally have priority.

Sec. 1.10. Relationship with UTIMCO Not Used for Personal Gain.

(a) Directors and Employees may not use their relationship with UTIMCO to seek or obtain personal gain beyond agreed compensation or any properly authorized expense reimbursement.

(b) This section does not prohibit the use of UTIMCO as a reference or prohibit communicating to others the fact that a relationship with UTIMCO exists as long as no misrepresentation is involved.

Sec. 1.11. Confidential Information. (a) Directors and Employees may not disclose confidential information unless duly authorized personnel determine that the disclosure is either permitted or required by law.

(b) Directors and Employees shall use confidential information for UTIMCO purposes and not for their own personal gain or for the gain of third parties.

(c) Directors and Employees may not copy confidential information, for any reason, except as required to fulfill their duties for UTIMCO.

(d) Employees may not remove confidential information from the premises of UTIMCO, except as required to fulfill their duties for UTIMCO and then only for so long as required to fulfill their duties.

(e) Employees must return to UTIMCO all confidential information in their possession immediately upon request or immediately upon the termination of Employee's employment with UTIMCO, whichever comes first.

Sec. 1.12. Nepotism. (a) UTIMCO may not employ a person who is a Relative of a Director. This subsection does not prohibit the continued employment of a person who has been working for UTIMCO for at least 30 consecutive days before the date of the related Director's appointment.

(b) UTIMCO may not employ a person who is a Relative of a Key Employee, of a Board-appointed consultant, or of any owner, director, or officer of a Board-appointed consultant. This subsection does not prohibit the continued employment of a person who has been working for UTIMCO for at least 30 consecutive days:

(1) before the date of the selection of the Key Employee or Board-appointed consultant; or

(2) before becoming a Relative.

(c) An Employee may not exercise discretionary authority to hire, evaluate, or promote a Relative.

(d) An Employee may not directly or indirectly supervise a Relative. In this subsection, "supervise" means to oversee with the powers of direction and decision-making the implementation of one's own or another's

intentions, and normally involves assigning duties, overseeing and evaluating work, and approving leave.

(e) This section does not prohibit the employment of a Relative of an Employee for a short-term special project as a non-exempt Employee if the Employee seeking to employ a Relative discloses the relationship in advance to the Chief Compliance Officer and obtains prior approval from that officer for the employment.

Sec. 1.13. Gifts and Entertainment. (a) A Director or Employee may not accept a gift that the Director or Employee knows or should know is being offered or given because of the Director's or Employee's position with UTIMCO. This prohibition applies to gifts solicited or accepted for the personal benefit of the Director or Employee as well as to gifts to third parties.

(b) The prohibitions in this Code do not apply to the following gifts if acceptance does not violate a law:

- (1) gifts given on special occasions between Employees and/or Directors;
- (2) books, pamphlets, articles, or other similar materials that contain information directly related to the job duties of a Director or Employee and that are accepted by the Director or Employee on behalf of UTIMCO for use in performing his or her job duties;
- (3) gifts from the Relatives of a Director or Employee that are based solely on a personal relationship between the Director or Employee and his or her Relative;
- (4) business meals and receptions when the donor or a representative of the donor is present;
- (5) ground transportation in connection with business meetings, meals, or receptions;
- (6) fees for seminars or conferences that relate to the Director's or Employee's job duties and that are sponsored by UTIMCO's consultants or agents, prospective consultants or agents, or persons or entities whose interests may be affected by UTIMCO; ~~and~~
- (7) travel, lodging and meal expenses paid by conference sponsors in exchange for speaking at conferences; and

(8) items of nominal intrinsic value, such as modest items of food and refreshment on infrequent occasions, gifts on special occasions, and unsolicited advertising or promotional material such as plaques, certificates, trophies, paperweights, calendars, note pads, and pencils, ~~but excluding cash or negotiable instruments.~~

(c) Gifts of cash, cash equivalents or negotiable instruments of any value are always prohibited.

(d) Attendance of Directors or Employees at seminars, conferences or other sponsored events that involve entertainment or recreation and that are hosted in person and paid for by UTIMCO's consultants or agents, prospective consultants or agents, or persons or entities whose interests may be affected by UTIMCO may in some cases be in the best interest of UTIMCO. An Employee must obtain specific written approval to attend such events from the CEO or Chief Compliance Officer. Approval may be withheld for elaborate entertainment events such as ski trips, hunting trips, or stays at expensive resorts.

(e) A Director or Employee may not accept a gift if the source of the gift is not identified or if the Director or Employee knows or has reason to know that a prohibited gift is being offered through an intermediary.

(f) A Director or Employee who receives a prohibited gift should return the gift to its source or, ~~if that is not possible or feasible,~~ donate the gift or an equivalent value to charity.

Sec. 1.14. Communications with ~~General-Fiduciary~~ Counsel. When the ~~General-Fiduciary~~ Counsel of UTIMCO is a firm of lawyers, one principal within that firm must be identified to receive all written and oral communications made pursuant to this Code.

Subchapter B. CONFLICTS OF INTEREST

Sec. 2.01. Definition of Conflict of Interest. (a) A conflict of interest exists for a Director or Employee when the Director or Employee has a personal or private commercial or business relationship that could reasonably be expected to diminish the Director's or Employee's independence of judgment in the performance of the Director's or Employee's responsibilities to UTIMCO.

(b) For example, a person's independence of judgment is diminished when the person is in a position to take action or not take action with respect to UTIMCO or its business and the act or failure to act is or

reasonably appears to be influenced by considerations of personal gain or benefit rather than motivated by the interests of UTIMCO.

Sec. 2.02. Duty to Avoid Conflicts of Interest. (a) Directors and Employees should avoid personal, employment, or business relationships that create conflicts of interest.

(b) A Director or Employee may not take action personally or on behalf of UTIMCO that will result in a reasonably foreseeable conflict of interest. If a Director or Employee believes that an action is in the best interest of UTIMCO but could foreseeably result in a conflict of interest, the Director must disclose that fact to the General Counsel or the Employee must disclose that fact to the Chief Compliance Officer before taking the action.

Sec. 2.03. Duty to Disclose and Cure Conflicts. A Director or Employee who becomes aware of a conflict of interest has an affirmative duty to disclose and cure the conflict in a manner provided for in this Code.

Sec. 2.04. Curing Conflicts of Interest. (a) A Director or Employee who becomes aware, or reasonably should have become aware, of a conflict of interest shall cure the conflict by promptly eliminating it, except as provided by Subsection (b).

(b) A Director or Employee may cure a conflict by prudently withdrawing from action on a particular matter in which a conflict exists if:

- (1) the Director or Employee may be and is effectively separated from influencing the action taken;
- (2) the action may properly be taken by others;
- (3) the nature of the conflict is not such that the Director or Employee must regularly and consistently withdraw from decisions that are normally the Director's or Employee's responsibility with respect to UTIMCO; and
- (4) the conflict is not a prohibited transaction resulting from a Director or Employee having a pecuniary interest in a business entity as defined in Section 1.02(~~12~~13) of this Code.

(c) A Director or Employee who cannot or does not wish to eliminate or cure a conflict of interest shall terminate his or her relationship with UTIMCO as quickly as responsibly and legally possible.

Sec. 2.05. Disclosing and Refraining from Participation. (a) A Director must disclose any conflicts of interest regarding matters that are before the Board, absent himself or herself from any relevant deliberations, and refrain from voting on the matter.

(b) An Employee must disclose any conflicts of interest and refrain from giving advice or making decisions about matters affected by the conflict unless the Board, after consultation with the General Counsel and/or Fiduciary Counsel, expressly waives the conflict.

Sec. 2.06. Waivers of Conflicts of Interest. (a) The Board shall decide at an official meeting whether to waive any conflict of interest disclosed under Section 2.05(b) of this Code.

(b) To assist it in deciding whether to grant waivers, the Board may develop criteria for determining the kinds of relationships that do not constitute material conflicts.

(c) Any waiver of a conflict of interest, including the reasons supporting the waiver, must be included in the minutes of the meeting.

(d) The Chief Compliance Officer shall maintain records of all waivers granted, including the reasons supporting the waivers.

Sec. 2.07. Procedures for Director's Disclosure of Conflict of Interest. A Director must disclose conflicts of interest in writing to the General Counsel before a UTIMCO Board meeting. If disclosure is made at a Board meeting, the minutes of the meeting must include the disclosure of the conflict.

Sec. 2.08. Procedures for Employee's Disclosure of Conflict of Interest. (a) An Employee must promptly disclose conflicts of interest in writing to the Chief Compliance Officer through the financial disclosure and ethics compliance statement required by Section 4.03 of this Code. The Chief Compliance Officer shall report to the Audit and Ethics Committee regarding the statements the officer receives under this subsection.

(b) If a person with a duty to disclose a conflict has a reasonable cause to believe that disclosure to the Chief Compliance Officer will be ineffective, the person shall disclose the conflict to the Audit and Ethics Committee by filing a written disclosure with the chair of the Committee.

(c) A copy of the disclosure provided to either the Chief Compliance Officer or the Audit and Ethics Committee shall be provided to the Employee's supervisor unless the person with the conflict of interest

believes that the disclosure would be detrimental to the resolution of the conflict.

Sec. 2.09. Procedures for Preventing Conflicts Related to Publicly Traded Companies. UTIMCO and UTIMCO entities shall implement procedures and safeguards to insure that none of the funds for which the Board of Regents has investment responsibility and for which UTIMCO has been appointed as investment manager is invested by UTIMCO or a UTIMCO entity in the publicly traded securities of a publicly traded company in which a Director or Employee has a pecuniary interest.

Sec. 2.10. Exceptions for Minimal Stock Ownership. It is not a conflict of interest solely because a Director or Employee has an investment in the stock of a publicly traded company that is owned, purchased, sold, or otherwise dealt with by UTIMCO if the Director's or Employee's interest in the stock is not more than five percent of any class and if the Director or Employee is not a director or officer of the company.

Sec. 2.11. Referrals. Referral of information from a Director related to investment opportunities outside of a posted open meeting of the Board must be made using the procedures provided by the Regents' *Rules and Regulations*, Rule 70201, Section ~~4213~~.

Subchapter C. PROHIBITED TRANSACTIONS AND INTERESTS

Sec. 3.01. Prohibitions Related to UTIMCO. (a) Except as provided in Sections 3.04 and 3.05, UTIMCO or a UTIMCO entity may not enter into an agreement or transaction with:

- (1) a Director or Employee acting in other than an official capacity on behalf of UTIMCO;
- (2) a Director entity, Employee entity, or other business entity in which a Director or Employee has, or is in the process of acquiring, a pecuniary interest; or
- (3) an investment fund or account managed by a Director, Director entity, Employee, or Employee entity as a fiduciary or agent for compensation, other than funds for which the Board of Regents has investment responsibility and for which UTIMCO has been appointed as investment manager.

(b) UTIMCO or a UTIMCO entity may not enter into an agreement or transaction with a former Director or Employee, an investment fund or other entity controlled by a former Director or Employee, or a business entity in which a former Director or Employee has a pecuniary interest, on

or before the first anniversary of the date the person ceased to be a Director or Employee.

(c) The prohibitions provided by this section apply to the spouse, minor children, or other dependent Relatives of a current or former Director or Employee.

(d) Notwithstanding the prohibitions provided by this section, the CEO, with the approval of the Chairman of the Policy Committee, may waive the application of this section with respect to an agreement or transaction with a business entity in which the spouse, minor child, or other dependent Relative of an Employee has a pecuniary interest as a result of Section 1.02(~~1213~~)(C) of this Code so long as such spouse, minor child, or other dependent Relative is not in a management or executive officer position and does not have control of the operating or financial decisions of the business entity.

Sec. 3.02. Prohibitions Related to Directors. (a) Except as provided in Sections 3.04 and 3.05, a Director or a Director entity may not enter into an agreement or transaction with:

- (1) UTIMCO or an Employee acting in other than an official capacity on behalf of UTIMCO; or
- (2) a UTIMCO entity, Employee entity, or other business entity in which UTIMCO owns, or is in the process of acquiring, a private investment or an Employee has, or is in the process of acquiring, a pecuniary interest.

(b) The prohibitions provided by this section apply to the spouse, minor children, or other dependent Relatives of a Director or Employee.

Sec. 3.03. Prohibitions Related to Employees. (a) Except as provided in Sections 3.04 and 3.05, an Employee or Employee entity may not enter into an agreement or transaction with:

- (1) UTIMCO or a Director acting in other than an official capacity on behalf of UTIMCO; or
- (2) a UTIMCO entity, Director entity, or other business entity in which UTIMCO owns, or is in the process of acquiring, a private investment or a Director has, or is in the process of acquiring, a pecuniary interest.

(b) The prohibitions provided by this section apply to the spouse, minor children, or other dependent Relatives of a Director or Employee.

Sec. 3.04. UTIMCO Investments in Private Investments of Certain Business Entities. UTIMCO or a UTIMCO entity may invest in the private investments of a business entity when a Director or Director entity then owns a private investment in the same business entity if:

- (1) the Director or Director entity acquired the private investment before the date on which the Director assumed a position with UTIMCO;
- (2) the Director's private investment does not constitute a pecuniary interest in a business entity as defined in Section 1.02(~~12~~13)(A)-(C) of this Code; and
- (3) the Board approves the investment by UTIMCO or the UTIMCO entity by a vote of two-thirds of the membership of the Board after a full disclosure in an open meeting of the relevant facts and a finding by the Board that the investment will not benefit the director or director entity financially.

Sec. 3.05. Divestment Not Required For Certain Private Investments. A Director, Director entity, Employee or Employee entity that owns a private investment in a business entity on the date on which the Director or Employee assumes a position with UTIMCO is not required by Section 3.02 or 3.03 of this Code to divest that private investment as long as the private investment does not constitute a pecuniary interest in a business entity as defined in Section 1.02(1~~32~~32)(A)-(C) of this Code. Any transactions concerning the private investment that might occur after that date are subject to this Code.

Sec. 3.06. Director Personal Securities Transactions. (a) A Director or Director entity may buy or sell a publicly traded security of an issuer that is held by UTIMCO but may not engage in a personal securities transaction if the Director has actual knowledge that an internal portfolio manager of UTIMCO has placed a buy/sell order for execution.

(b) The prohibition provided by this section applies to a Director's spouse, minor child, or other dependent Relative.

Sec. 3.07. Employee Personal Securities Transactions. (a) Employees are explicitly prohibited from using, directly or indirectly, advance knowledge of a UTIMCO trading decision to buy or sell a security (front-running) or trading a security when he/she has material, non-public information concerning the security or the issuer of the security (insider trading).

(b) UTIMCO shall develop and implement a Personal Trading Policy that addresses policies, procedures, and standards of conduct applicable to Employees' personal securities transactions. It is a condition of employment that Employees comply with the Personal Trading Policy.

(c) Employees must disclose all accounts where they have the influence or control to trade securities subject the Personal Trading Policy.

(d) Employees have an obligation to obtain approval to trade prior to buying or selling securities subject to the Personal Trading Policy. Trade approval must be requested and obtained in the manner set forth in the Personal Trading Policy. UTIMCO will monitor Employee personal trading activities in disclosed accounts.

~~Employees are prohibited from using advance knowledge of a UTIMCO decision to buy or sell a security for the personal financial gain of the Employee.~~

~~(b) An Employee or Employee entity may engage in a personal securities transaction without obtaining preclearance for the transaction from the Chief Compliance Officer with respect to a security that is not a security of an issuer that is held by UTIMCO and included on the UTIMCO maintained list of securities holdings. The UTIMCO list of securities holdings will be posted on the UTIMCO intranet and updated as securities holdings change. An employee may rely on the posted list when engaging in personal securities transactions.~~

~~(c) Before an Employee or Employee entity may engage in a personal securities transaction with respect to a security of an issuer that is included on the UTIMCO maintained list of securities holdings, the Employee or Employee entity must obtain preclearance for the transaction from the Chief Compliance Officer. Preclearance is effective for one trading day only.~~

~~(d) The Chief Compliance Officer shall verify that no buy/sell order has been placed by a UTIMCO internal manager with respect to the security of an issuer held by and included on the UTIMCO maintained list of securities holdings that is the subject of the Employee's personal securities transaction. If such a buy/sell order has been placed, an Employee or Employee entity may not conduct the personal securities transaction for those securities until at least one trading day after the buy/sell order has been completed or canceled.~~

~~(e) The Chief Compliance Officer shall document preclearances in a personal securities transaction log for each Employee, which will provide a record of all requests and approvals or denials of preclearances.~~

~~(f) An Employee who engages in a personal securities transaction must provide transactional disclosure for each transaction by completing a transactional disclosure form and filing it with the Chief Compliance Officer not~~

~~later than the tenth calendar day after the trade date. The form must contain the:~~

~~(1) name and amount of the security involved;~~

~~(2) date and nature of the transaction;~~

~~(3) price at which the transaction was effected; and~~

~~(4) name of the broker through whom the transaction was effected.~~

~~(g) The preclearance and transactional disclosure requirements apply only to equity or equity related transactions, including stocks, convertibles, preferreds, options on securities, warrants, and rights, etc., for domestic and foreign securities, whether publicly traded or privately placed. The preclearance and transactional disclosure requirements do not apply to bonds other than convertible bonds, mutual funds, co-mingled trust funds, exchange traded funds, interest rate, currency, commodity, and stock index futures, and options on those futures.~~

~~(he) This section applies to an Employee's spouse, minor child, or other dependent Relative.~~

Sec. 3.08. Interest in Brokerage Firm (a) A Director may not direct trades or exercise discretion over the selection of brokerage firms.

(b) An Employee may not have stock or other ownership or profit sharing interest in a brokerage firm selected by the Employee for UTIMCO business if the Employee has the discretion to direct trading and therefore the discretion to select brokerage firms.

(c) The restrictions provided by this section apply to:

(1) stock held for an Employee's own account;

(2) stock or other ownership or profit sharing interests held by an Employee's spouse; and

(3) stock held for an account, other than an account over which the Employee has no direct or indirect influence or control, in which the Employee has a beneficial interest, such as accounts involving the spouse, minor child, or other dependent Relative.

(d) The restrictions provided by this section do not prohibit the ownership of stock in a company that may own stock in a brokerage firm if the brokerage firm is not the dominant or primary business of the parent company.

Sec. 3.09. Employee's Outside Employment or Business Activity. (a) An Employee may not engage in outside employment, business, or other activities that detract from the ability to reasonably fulfill the full-time responsibilities to UTIMCO.

(b) An Employee must obtain advance written approval from the CEO for any outside employment or business, including service as director, officer, or investment consultant or manager for another person or entity. The CEO must obtain advance approval from the Board for any outside employment.

(c) An Employee, with the prior approval of the Board, may serve as a director of a company in which UTIMCO has directly invested its assets. The Board's approval must be conditioned on the extension of UTIMCO's Directors and Officers Insurance Policy coverage to the Employee's service as director of the investee company. All compensation paid to an Employee for service as director of an investee company shall be endorsed to UTIMCO and applied against UTIMCO's fees.

Sec. 3.10. Further Restrictions on Directors and Employees. A Director or Employee may not:

- (1) participate in a matter before UTIMCO that involves a business, contract, property, or investment held by the person if it is reasonably foreseeable that UTIMCO action on the matter would confer a benefit to the person by or through the business, contract, property, or investment;
- (2) recommend or cause discretionary UTIMCO business to be transacted with or for the benefit of a Relative;
- (3) accept offers by reason of the person's position with UTIMCO to trade in any security or other investment on terms more favorable than available to the general investing public;
- (4) borrow from investment managers, outside service providers, professional advisors or consultants, banks, or other financial institutions with which UTIMCO has a business relationship unless the entity is normally engaged in such lending in the usual course of business, in which case the transaction must be on customary terms offered to others under similar circumstances to finance proper and usual activities; or

- (5) represent any person in any action or proceeding before or involving the interests of UTIMCO except as a duly authorized representative or agent of UTIMCO.

Sec. 3.11. Former Directors and Employees. (a) A former Director or Employee may not make any communication to or appearance before a current Director or Employee before the second anniversary, in the case of a former Director, or the first anniversary, in the case of a former Employee, of the date the former Director or Employee ceased to be a Director or Employee if the communication is made:

- (1) with the intent to influence; and
- (2) on behalf of any person in connection with any matter on which the former Director or Employee seeks action by UTIMCO.

(b) State law provides that a former Director who violates subsection (a) commits an offense. An offense under this subsection is a Class A misdemeanor.

(c) A Director or Employee who knowingly communicates with a former Director or Employee in violation of subsection (a) is subject to disciplinary action, including removal from serving as a Director.

(d) A former officer or Employee may not represent any person or receive compensation for services rendered on behalf of any person regarding a particular matter in which the former officer or Employee participated during the period of service or employment with the corporation, either through personal involvement or because the particular matter was within the officer's or Employee's responsibility. In this subsection:

- (1) "Participated" means to have taken action as an officer or Employee through decision, approval, disapproval, recommendation, giving advice, investigation, or similar action.
- (2) "Particular matter" means a specific investigation, application, request for a ruling or determination, rulemaking proceeding, contract, claim, charge, accusation, arrest, or judicial or other proceeding.

(e) State law provides that a former officer or Employee who violates subsection (d) commits an offense. An offense under this subsection is a Class A misdemeanor.

(f) A former Director or Employee may not disclose confidential information without UTIMCO's written consent or except as permitted or required by law.

**Subchapter D. FINANCIAL DISCLOSURE, COMPLIANCE,
AND ENFORCEMENT**

Sec. 4.01. ~~Employee Ethics and Duties of the Chief Compliance Committee Officer.~~ (a) ~~The CEO shall appoint an Employee Ethics and Compliance Committee composed of UTIMCO Chief Compliance Officer shall personnel.;~~

~~(b) The Chief Compliance Officer appointed by the Audit and Ethics Committee shall be the chair of the Employee Ethics and Compliance Committee.~~

~~(c) The Employee Ethics and Compliance Committee shall:~~

~~(1) be a Key Employee of UTIMCO;~~

~~(2) provide regular updates to the Audit and Ethics Committee, the CEO, and other Key Employees of material compliance matters;~~

~~(3) communicate with representatives of the Board of Regents as required by Regents' Rules and Regulations and U.T. System policies;~~

~~(1)(4) provide periodic ethics training for UTIMCO personnel; and~~

~~(25) issue opinions on the proper interpretation of this Code.~~

~~(db) An Employee may file a written request with the Employee Ethics and Chief Compliance Committee Officer for an opinion on the proper interpretation of this Code, and may rely on that opinion with respect to compliance with this Code.~~

Sec. 4.02. Financial Disclosure Statements. (a) Directors and Employees shall file financial disclosure statements with the Chief Compliance Officer.

(b) Directors and Employees shall file the financial disclosure statement not later than the 30th day after the date of appointment or employment, and not later than April 30 of each year thereafter. If the deadline falls on a weekend or holiday, the financial disclosure statement shall be filed on the next business day. The CEO may postpone a filing deadline for not

more than 60 days on the written request of a Director or Employee (other than the CEO), or for an additional period for good cause as determined by the chair of the Board. A CEO's request to postpone his/her filing deadline must be approved by the chair of the Board.

(c) Directors and Employees must provide material updates to their financial disclosure statements as soon as practicable and in any event no later than ninety days after the material change occurred.

(d) UTIMCO must maintain a financial disclosure statement for at least five years after the date it is filed.

(~~e~~) Directors who are required to file disclosure statements with the Texas Ethics Commission shall file those statements in the form prescribed by law.

Sec. 4.03. Ethics Compliance Statements. (a) Directors and Employees, ~~including acting or interim Employees,~~ must file ethics compliance statements with the Chief Compliance Officer.

(b) Directors and Employees shall sign, date, and file the ethics compliance statements not later than the 30th day after the date of appointment or employment. Thereafter, any person who is a Director or Employee on December 31 of any year must file the compliance statement not later than April 30 of the following year. If the deadline falls on a weekend or holiday, the ethics compliance statement shall be filed on the next business day. The CEO may postpone a filing deadline for not more than 60 days on the written request of a Director or Employee (other than the CEO), or for an additional period for good cause as determined by the chair of the Board. A CEO's request to postpone his/her filing deadline must be approved by the chair of the Board.

(c) In the ethics compliance statement, the Director or Employee must acknowledge that he or she has received and read this Code, that he or she will comply with its provisions, and that it is his or her duty to report any act by other Directors or Employees when he or she has knowledge of a violation of this Code. An Employee must also acknowledge that adherence to this Code is a condition of employment. The statement must also disclose any conflicts of interest or violations of the Code of which the Director or Employee is aware.

(d) Key Employees must acknowledge their Key Employee status in the ethics compliance statement.

(e) The ethics compliance statement must include a reminder that a Director or Employee is required to update a statement if a change in circumstances occurs that would require reporting under this Code.

(f) The Chief Compliance Officer shall maintain the Directors' and Employees' signed statements.

Sec. 4.04. Certification of No Pecuniary Interest. ~~The Chief Compliance Officer will send~~Before the Board enters into an agreement or transaction with a business entity each Director and Key Employee a summary description of a proposed investment in a new business entity that is being considered by the internal investment committee. It is the duty of each Director and Key Employee to disclose to the Chief Compliance Officer if he or she has acquired, or intends to acquire, a pecuniary interest, as defined by Section 1.02(13) of this Code, in the business entity in which UTIMCO will invest. UTIMCO shall develop and implement procedures to ensure compliance with this requirements~~shall certify that he or she does not have a pecuniary interest, as defined by Section 1.02(12) of this Code, in the business entity.~~

Sec. 4.05. Disciplinary Action Disclosure Statements. (a) Directors and Key Employees shall file disciplinary action disclosure statements that disclose any proceedings, actions, or hearings by any professional organization or other entity involving the Director or Key Employee.

(b) Directors and Key Employees must file the disciplinary action disclosure statement with the Chief Compliance Officer not later than April 30 of the first year of designation as a Director or Key Employee and not later than April 30 of each year thereafter. If the deadline falls on a weekend or holiday, the disciplinary action disclosure statement shall be filed on the next business day. The CEO may postpone a filing deadline for not more than 60 days on the written request of a Director or Employee (other than the CEO), or for an additional period for good cause as determined by the chair of the Board. A CEO's request to postpone his/her filing deadline must be approved by the chair of the Board.

(c) A Director or Key Employee must promptly update a statement if any action occurs that would cause a Director's or Employee's answers to change.

Sec. 4.06. Custodian of Records. For open records purposes, the Chief Compliance Officer is the custodian of the disclosure statements required by this Code.

Sec. 4.07. Enforcement. (a) The CEO is responsible for implementing this Code with respect to Employees. The Board shall enforce this Code with respect to Employees through the CEO.

(b) An Employee who violates this Code may be subject to the full range of disciplinary options under UTIMCO personnel policies and practices, including termination.

(c) The Board shall enforce this Code with respect to individual Directors through resolutions of reprimand, censure, or other appropriate parliamentary measures, including requests for resignation.

Sec. 4.08. Duty to Report. (a) A Director who has knowledge of a violation of this Code shall report the violation to the General Counsel.

(b) An Employee who has knowledge of a violation of this Code shall report the violation to the Chief Compliance Officer or to a member of the Audit and Ethics Committee.

(c) Retaliatory action may not be taken against a person who makes a good faith report of a violation involving another person.

Sec. 4.09. Notice to Audit and Ethics Committee. The CEO shall notify the Audit and Ethics Committee in writing not later than February 15 of each year concerning:

- (1) any approval given for outside employment by Employees for the preceding year, including the nature of the employment; and
- (2) any disciplinary action disclosed by Directors or Key Employees.

10. **U. T. System Board of Regents: Approval of the Annual Budget for Fiscal Year 2024, including the capital expenditures budget and other external direct charges to the Funds, and the Annual Fee and Allocation Schedule for The University of Texas/Texas A&M Investment Management Company (UTIMCO)**

RECOMMENDATION

The Chancellor and the Executive Vice Chancellor for Business Affairs concur in the recommendation of The University of Texas/Texas A&M Investment Management Company (UTIMCO) Board of Directors that the U. T. System Board of Regents approve the proposed Annual Budget for the year ending August 31, 2024, as set forth below, which includes the capital expenditures budget and other external direct charges to the Funds, and the Annual Fee and Allocation Schedule as set forth following the proposed budget.

BACKGROUND INFORMATION

The proposed Total Budgeted Costs consist of \$71.7 million (4.0% increase over FY 2023 budget) for UTIMCO Services and \$8.3 million (11.4% increase from FY 2023 budget) for Fund Direct Costs (external non-investment manager services such as custodial, legal, audit, and consulting services). These Total Budgeted Costs represent only a portion of total investment costs as they exclude external manager fees. The proposed Total Budgeted Costs were approved by the UTIMCO Board on June 15, 2023.

The 4.0% increase in UTIMCO Services is due primarily to the increase in the IRS excise taxes, salaries and payroll taxes related to normal raises and promotions, and data & subscription costs.

The proposed capital expenditures budget is \$225,000.

The proposed Annual Fee and Allocation Schedule shows the allocation of the proposed budgeted expenses among U. T. System funds. The fees are to be paid quarterly.

There are no reserves available for distribution back to the U. T. Funds.

The U. T. System Office of Business Affairs has prepared a memorandum for the purpose of reviewing budgeted expenses, which is included as a part of this Agenda Item following the proposed Budget and the Fee and Allocation Schedule.



FY 2024 Budget

Mr. Rich Hall, President, Chief Executive Officer and Chief Investment Officer

U. T. System Board of Regents Meeting

Finance and Planning Committee

August 2023



Annual Fee and Allocation Schedule

UTIMCO Management Fee and Direct Budgeted Investment Expenses Annual Fee and Allocation Schedule For the fiscal year ending August 31, 2024

<u>Proposed Budget</u>	<u>Fund Name</u>						Separate Funds	Debt Proceeds	Total
	PUF	PHF	LTF	GEF	ITF	STF			
<u>Market Value 4/30/23 (\$ millions)</u>	32,397			21,967	8,965	4,265	186	461	68,241
<u>UTIMCO Management Fee</u>									
Dollars	36,668,411			24,863,259	10,146,998				71,678,668
Basis Points	11.3			11.3	11.3				10.5
<u>Direct Expenses to the Fund, excluding UT System Direct Expenses to the Fund</u>									
Dollars	4,155,818	26,039	29,039	2,878,458	1,228,445				8,317,799
Basis Points	1.3	0.2	0.0	1.3	1.4				1.2

Appendix





FY 2024 Budget vs. FY 2023 Budget

	FY 2023	FY 2024			FY 2024 Budget Proposed v FY 2023 Budget	
	Budget	Proposed Budget	% of Total Budget	Projected in Original 2019 Strategic Plan	\$	%
UTIMCO Personnel Costs:						
Salaries	23,484,680	24,680,045	31%	26,017,209	1,195,365	5.1%
Performance Compensation	21,617,598	21,055,462	26%	24,593,696	(562,136)	-2.6%
Benefits & Taxes	7,575,060	8,710,966	11%	6,088,027	1,135,906	15.0%
Total UTIMCO Personnel Costs (1)	\$ 52,677,338	\$ 54,446,473	68%	\$ 56,698,932	\$ 1,769,135	3.4%
Other UTIMCO Costs:						
Data & Subscriptions	5,649,394	6,946,452	9%	4,095,747	1,297,058	23.0%
Travel	1,172,500	1,330,000	2%	1,505,407	157,500	13.4%
Lease	3,310,668	3,198,408	4%	2,900,000	(112,260)	-3.4%
Depreciation	2,000,000	1,850,000	2%	1,500,000	(150,000)	-7.5%
Other Costs	4,085,814	3,907,336	5%	2,204,641	(178,478)	-4.4%
Total Other UTIMCO Costs: (2)	\$ 16,218,376	\$ 17,232,196	22%	\$ 12,205,795	\$ 1,013,820	6.3%
Total UTIMCO Services Costs:	\$ 68,895,714	\$ 71,678,668	90%	\$ 68,904,727	\$ 2,782,954	4.0%
Bps of AUM	10.13	9.96		10.52		
Direct Fund Costs:						
Custodian Fees	4,934,000	4,984,000	6%	6,588,450	50,000	1.0%
Other (3)	2,529,914	3,333,799	4%	3,511,060	803,885	31.8%
Total Direct Fund Costs	\$ 7,463,914	\$ 8,317,799	10%	\$ 10,099,510	\$ 853,885	11.4%
Grand Total UTIMCO Budget:	\$ 76,359,628	\$ 79,996,467		\$ 79,004,237	\$ 3,636,839	4.8%
Bps of AUM	11.23	11.11		12.08		
AUM projected (\$ billion)	\$68	\$72		\$65		
UTIMCO Headcount	132	133		132		

NOTES:

- (1) FY24 Budgeted Total Personnel Costs increased by 3.4% from the FY23 Budget primarily as the result of an increase in the IRS excise taxes of 21% over \$1M in individual compensation. Additionally, salaries and benefits & taxes costs also increased related to normal raises and promotions.
- (2) Budgeted Other UTIMCO Costs increased by 6.3% from FY23 to FY24 primarily as a result of an increase in Data & Subscriptions and Travel costs offset by a decrease in Lease, Depreciation, and Hiring costs.
- (3) Other Direct Costs include: Fund Auditors/Accounting Fees (\$861k), Legal Fees (\$1.5mil), Tax Consultants (\$75k), Background Searches (\$318k), Performance Attribution Costs (\$90k), Consultants (\$273k)

Fiscal Year 2024

**Review of UTIMCO Services Budget and
Other Direct Costs to Funds Budget**

(Excluding External Investment Manager Fees)

The University of Texas System
Office of Finance

Presented by:
Terry Hull – Associate Vice Chancellor for Finance
Allen Hah – Assistant Vice Chancellor for Finance

July 21, 2023

Based on UTIMCO Board approval on June 15, 2023

**Fiscal Year 2024
 Review of UTIMCO Services Budget and
 Other Direct Costs to Funds Budget
 (Excluding External Investment Manager Fees)**

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Executive Summary

This report reviews the UTIMCO Services Budget and other budgeted investment management expenses (“Direct Costs to Funds”) for fiscal year 2024 that the UTIMCO Board approved on June 15, 2023 and the U. T. System Board of Regents will consider at its August 23-24, 2023 meeting. The “UTIMCO Services Budget” includes corporate expenses paid directly by UTIMCO, and the “Direct Costs to Funds” budget includes costs related to custody, consulting, risk measurement, and legal and audit costs related to funds. The proposed budget for FY24 is:

	FY24 (\$ millions)
UTIMCO Services Budget	71.7
<u>Direct Costs to Funds Budget</u>	<u>8.3</u>
Total Budgeted Costs	<u>\$ 80.0</u>

The Total Budgeted Costs exclude external manager fees that are paid by the funds and netted from asset values as well as external investment manager fees paid directly by UTIMCO. The total investment costs for UTIMCO managed funds, comprising Investment Manager Fees paid directly and fees netted against asset values, are reviewed in a separate report.

Highlights:

- **Strategic Plan:** Growth in the UTIMCO budget for FY24 largely reflects the implementation of a five-year strategic growth plan that was approved in June 2019. Although growth plans were delayed in FY21 as a result of the COVID-19 pandemic, UTIMCO revised its original plan as markets recovered such that the FY23 and FY24 budget approximates the original plan.
- **Total Forecast Costs for FY23:** Total costs for FY23 are forecast at \$81.5 million, which is \$5.1 million or 6.7% higher than what was budgeted. The increase is due primarily to the deferral of \$7.7 million compensation from FY22 due to negative returns that year.
- **Total Budgeted Costs for FY24:** The FY24 budget is \$80.0 million, a 4.8% increase from FY23:
 - **The UTIMCO Services Budget:** The FY24 budget includes \$71.7 million for the “operating” budget of UTIMCO, a 4.0% increase from the FY23 budget. The increase is due primarily to increases in baseline salaries, promotions, and increased technology and other costs.
 - **The Total Direct Costs to Funds Budget:** The FY24 budget of \$8.3 million for direct fund costs is 11.4% higher than the FY23 budget due primarily to increased legal expenses, background searches, and higher auditing costs.
- **UTIMCO Reserves:** Although there are some reserves available to be distributed at fiscal year-end 2023 as the reserve balances are at the levels needed to cover appropriate levels of the budget and capital expenditures, we do not currently recommend any rebate.
- **UTIMCO Costs Compared to Peers:** UTIMCO’s total costs as a percentage of AUM are forecast to be 11 bps in FY23, which is lower than where it has been over the prior 5-year period due to higher-than-expected returns and resulting increase in AUM while managing the growth from the 2019 Strategic Plan. While total costs have increased over the years, UTIMCO has conducted benchmarking studies showing that total costs as a percentage of AUM remain below industry averages and are favorable compared to peers.

Budget Analysis and Trends

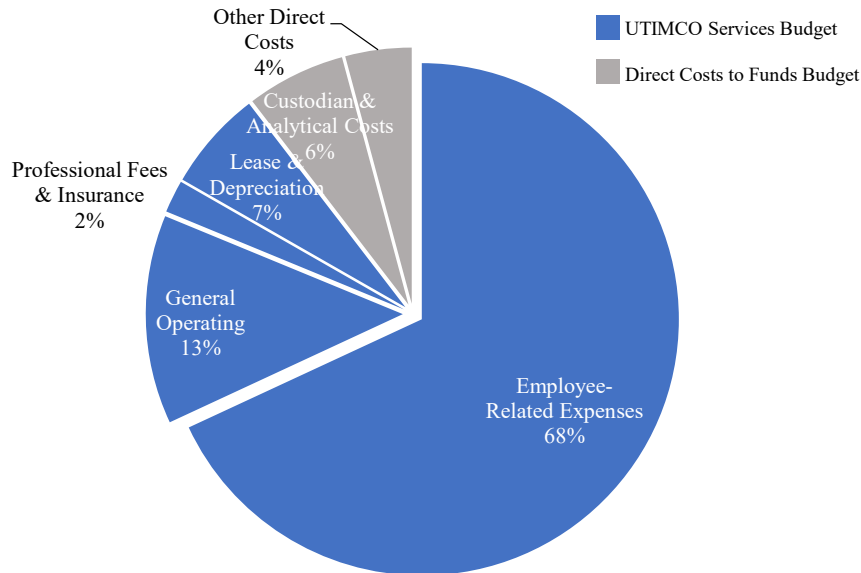
UTIMCO proposes Total Budgeted Costs for FY24 of \$80.0 million. Table 1 shows the Total Budgeted Costs (Direct Costs to Funds and UTIMCO Services Budget) as a percent of average AUM for FY24 and the Total Actual and Forecast Costs as a percent of average AUM from FY19 to FY23.

Table 1: Total Actual Costs Trend FY19-FY23 and Total Budgeted Costs FY24
(\$ millions)

	FY19	FY20	FY21	FY22	Forecast FY23	Budget FY24
Average Total AUM¹	46,400	49,906	59,803	66,392	67,243	70,804
% Change in AUM	7%	8%	20%	11%	12%	7%
Direct Costs to Funds	7.5	6.7	7.6	8.4	7.5	8.3
% Change in Direct Costs to Funds	-29.0%	-11.7%	14.4%	9.6%	-1.4%	-0.5%
Direct Costs to Funds % of AUM	0.02%	0.01%	0.01%	0.01%	0.01%	0.01%
UTIMCO Services	41.8	47.3	55.8	52.7	73.9	71.7
% Change in UTIMCO Services	15.8%	13.2%	17.9%	-5.4%	32.6%	35.9%
UTIMCO Services % of AUM	0.09%	0.09%	0.09%	0.08%	0.11%	0.10%
Total Costs	49.3	54.0	63.4	61.1	81.5	80.0
% Change in Total Costs	5.6%	9.4%	17.5%	-3.6%	28.5%	30.9%
Total Costs % of AUM	0.11%	0.11%	0.11%	0.09%	0.12%	0.11%

¹ FY23 and FY24 Average Total AUM assumes projected balances based on moderate returns, projected West Texas Land and gift income, and projected distributions.

FY24 Total Budgeted Costs \$80.0 million



The UTIMCO Services Budget (blue shade in the pie chart above) represents 90% of the total budget, with employee-related expenses being the largest component at 76% of the Services Budget. Direct Costs to Funds include Custodian & Analytical Costs (6%) and Other Direct Costs (4%).

Management fees and performance fees paid to external investment managers, which are either paid directly by UTIMCO or netted against asset values by the external managers, are not included in these amounts. UTIMCO retains external managers for approximately 94% of the AUM, with UTIMCO staff directly managing approximately 6% of assets as well as an internal derivatives portfolio.

Table 2 compares the Total Budgeted Costs for FY23 and FY24. Refer to Exhibits A and B at the end of this memo for a detailed budget comparison for FY23-FY24 and actual trend history for FY19-FY23.

Table 2: FY23 Forecast and FY24 Budget Overview
(\$ millions)

	FY23 Forecast				FY24 Budget			
	\$ Budget	\$ Projected	\$ Change vs FY23 Budget	% Change vs FY23 Budget	\$ Budget	\$ Change vs FY23 Projected	% Change vs FY23 Projected	% Change vs FY23 Budget
UTIMCO Services	68.9	73.9	5.0	7.3%	71.7	-2.2	-3.0%	4.0%
Direct Costs to Funds	7.5	7.5	0.0	0.8%	8.3	0.8	10.5%	11.4%
Total Budgeted Costs	76.4	81.5	5.0	6.7%	80.0	-1.5	-1.8%	4.8%

UTIMCO Services Budget

In 2019, UTIMCO conducted a comprehensive review of relevant peer and industry benchmarks to determine appropriate resource levels needed to maintain strong fiduciary stewardship of U. T. and Texas A&M assets. These findings provided the basis for a long-term strategic plan (“2019 Strategic Plan”) that was supported by UTIMCO’s Board of Directors on July 27, 2019, and the U. T. System Board of Regents approved the FY20 budget as presented at the August 2019 Board meeting. The plan called for increased resources because of expected growth in AUM, complexity, succession planning, and oversight responsibilities, and it was expected that the plan would result in an increase of 33 employees (or a total headcount of 132) by FY24.

The COVID-19 pandemic significantly affected travel, commerce, and financial markets globally, which caused UTIMCO to diverge from the 2019 Strategic Plan in FY21 by pausing hiring, promotions and raises, but hiring has since caught up to align closely with the original plan. The current proposed budget for FY24 projects 133 employees, which is consistent with the 2019 Strategic Plan.

For FY24, total personnel-related expenses including employee benefits account for 76% of the UTIMCO Services Budget (or 68% of Total Budgeted Costs). Trends in staffing and total compensation in relation to assets under management are shown in Table 3. Highlights from these tables include:

- The increase in Performance Compensation for FY23 is primarily because of the deferral of compensation from FY22. Negative returns in FY22 triggered the extraordinary deferral provision of the compensation plan, which resulted in \$7.7M of budgeted performance compensation being deferred from FY22 to FY23 and was the main reason FY22 actual expenses were under budget by \$7.9M.

- Total Compensation has increased 10.7% annually over the last five years as a result of hiring additional employees, promotions, and base salary raises, in line with the 2019 Strategic Plan.
- Total Compensation per employee has increased 3.5% (annualized) from \$290k to \$344k budgeted in FY24. UTIMCO staff indicates these increases are in line with market trends among endowment investment management peers as reported by Mercer, an independent compensation consultant, which provides annual guidance to the UTIMCO Board.
- AUM has steadily increased since FY19 due to positive returns and historic levels of PUF lands income, which continues a longer-term trend of increasing average AUM per Employee.

Table 3: UTIMCO Compensation and Headcount FY19-FY24 (excluding benefits)

	Actual				Forecast FY23	% Change Since FY19 (annual)	Budget FY24	% Change From FY23	% Change Since FY19 (annual)
	FY19	FY20	FY21	FY22					
Employees (as of year end)	95	110	115	123	132	8.6%	133	0.8%	7.0%
Average Total AUM(\$ millions)	46,400	49,906	59,803	66,392	67,243	9.7%	70,804	5.3%	8.8%
Average AUM/Employee (\$ millions)	488	454	520	540	509	1.1%	532	4.5%	1.7%
Salaries (\$ millions)	16.2	17.0	18.2	20.3	22.3	8.3%	24.7	10.7%	8.7%
Performance Compensation (\$ millions)	11.3	15.2	20.0	12.9	29.2	26.9%	21.1	-27.9%	13.3%
Total Compensation (\$ millions)	27.5	32.2	38.2	33.2	51.5	17.0%	45.7	-11.2%	10.7%
Total Compensation per Employee (\$)	289,541	292,288	332,006	269,622	390,148	7.7%	343,876	-11.9%	3.5%
Perf. Comp. as % of Salaries	69%	89%	110%	63%	131%		85%		
Perf. Comp. as % of Total Compensation	41%	47%	52%	39%	57%		46%		

Lease and Depreciation Expenses: Lease expenses are budgeted to decline slightly compared to FY23 forecasted amounts due primarily to the implementation of new accounting rules (GASB 87), which eliminates amortizing tenant improvements (deferred rent credit) and is used instead to reduce the beginning lease asset that is depreciated. The new accounting treatment is expected to result in a slight decrease in lease expenses over time as the interest expense portion declines, but higher operating lease expenses are expected to offset that. Lease expenses have increased in recent years due to the build-out of additional space in the UT System building to accommodate the growth from the 2019 Strategic Plan that was completed in late 2020. Table 4 shows the lease expense trends from FY19-FY24.

Table 4: UTIMCO Lease Expenses FY19-FY24

	Actual				Forecast FY23	Budget FY24
	FY19	FY20	FY21	FY22		
Property Lease and Interest Expense	\$1,783,725	\$1,942,423	2,394,153	2,372,879	2,350,779	2,168,502
Operating Lease	475,606	582,545	699,171	663,353	749,997	750,906
Parking Expenses	214,830	219,266	215,500	235,800	266,350	279,000
Total Lease Expenses (net)	\$2,474,161	\$2,744,234	\$3,308,824	\$3,272,032	\$3,367,126	\$3,198,408

Depreciation Expense is budgeted to be flat at \$1.9 million compared to the FY23 forecasted amount as the buildout of expanded lease space, furniture, and new equipment to support additional employees has been completed, and there are currently no further plans for significant capital improvements.

Other General Operating Expenses, Professional Fees, and Insurance (non-employee): Office expenses, insurance, travel, professional fees, contract services and maintenance costs fall in this category and are forecast to be \$10.2 million in FY23, which is \$0.7 million or 7% lower than the FY23 budget of \$10.9 million. The decrease is primarily due to lower hiring consultant fees paid and lower legal expenses.

The FY24 budget of \$12.1 million is 12% higher than what was budgeted in FY23. Generally, this increase is related to broad-based cost increases linked to recent inflationary trends in the U.S. economy. For UTIMCO specifically, there has been a shift to more subscription-based information technology (“SBIT”), which results in higher operating expenses but reduces both capital expenditures and maintenance costs related to IT hardware and software. Additionally with a larger number of employees, it is necessary to purchase more IT licenses for existing services and risk systems. Finally, airline and hotel related travel costs have risen significantly in the past 12 months.

Direct Costs to Funds

Direct Costs to Funds for FY24 are budgeted at \$8.3 million, an 11.4% increase from the FY23 budget. This is primarily due to higher legal fees. UTIMCO’s General Counsel has been adding new outside counsel to accommodate the higher number and level of complexity of deals being executed, which is part of a larger plan to utilize internal counsel for most corporate legal matters and to shift more of the investment transaction related legal matters to outside counsel.

UTIMCO Capital Expenditures

The trend for Capital Expenditures for FY19-FY24 is summarized in Table 5 below. Capital expenditures in recent years has been substantially lower than FY21 due to the completion of the build-out of newly leased space.

Table 5: UTIMCO Capital Expenditures FY19-FY24

	Actual				Forecast FY23	Budget FY24
	FY19	FY20	FY21	FY22		
Ongoing: Technology and Software Upgrades	\$115,487	\$200,000	\$119,000	\$25,000	\$282,000	\$100,000
Ongoing: Office Equipment and Fixtures	-	113,000	89,000	109,000	130,000	125,000
Expansion: Technology Initiatives / Video Conferencing	-	-	-	-	-	-
Expansion: Leasehold Buildout (net of TI allowance)	-	-	2,352,000	-	-	-
Expansion: Furniture and Fixtures	65,573	-	423,000	2,730	-	-
Total Capital Expenditures (net)	\$181,060	\$313,000	\$2,983,000	\$136,730	\$412,000	\$225,000

EXHIBIT A

Total Budgeted Costs FY23-FY24

	FY23		Change from FY23 Budget		FY24		Change from FY23 Forecast		Change from FY23 Budget
	Budget	Forecast	\$	%	Budget	\$	%	%	
UTIMCO Services									
Salaries	23,484,680	22,303,794	-1,180,886	-5.0%	24,680,045	2,376,251	10.7%	5.1%	
Performance Compensation + Earnings	21,617,598	29,195,702	7,578,104	35.1%	21,055,462	-8,140,240	-27.9%	-2.6%	
Total Compensation	45,102,278	51,499,496	6,397,218	14.2%	45,735,507	-5,763,989	-11.2%	1.4%	
Total Payroll taxes	3,026,743	2,873,182	-153,561	-5.1%	3,828,386	955,204	33.2%	26.5%	
403(b) Contributions	1,767,930	1,664,615	-103,315	-5.8%	1,903,324	238,709	14.3%	7.7%	
Insurance, Cell Phone, Learning	2,780,387	2,404,511	-375,876	-13.5%	2,979,256	574,745	23.9%	7.2%	
Employee Benefits	4,548,317	4,069,126	-479,191	-10.5%	4,882,580	813,454	20.0%	7.3%	
Total Employee Related Expenses	52,677,338	58,441,804	5,764,466	10.9%	54,446,473	-3,995,331	-6.8%	3.4%	
On-Line Data & Subscriptions	5,649,394	5,826,887	177,493	3.1%	6,946,452	1,119,565	19.2%	23.0%	
Contract Services & Maintenance	1,806,658	1,589,800	-216,858	-12.0%	1,719,732	129,932	8.2%	-4.8%	
Travel & Meetings, Including BOD	1,312,524	1,195,252	-117,272	-8.9%	1,566,544	371,292	31.1%	19.4%	
Total Office Expense	298,740	265,393	-33,347	-11.2%	309,496	44,103	16.6%	3.6%	
Total Lease Expense	3,310,668	3,367,126	56,458	1.7%	3,198,408	-168,718	-5.0%	-3.4%	
Compensation & Hiring Consultants	816,012	481,520	-334,492	-41.0%	605,004	123,484	25.6%	-25.9%	
Legal Expenses	328,548	190,198	-138,350	-42.1%	333,528	143,330	75.4%	1.5%	
Recruiting & Relocation Expense	309,012	242,099	-66,913	-21.7%	310,008	67,909	28.1%	0.3%	
Accounting fees	110,004	110,782	778	0.7%	116,208	5,426	4.9%	5.6%	
Board Advisors	30,000	30,000	0	0.0%	30,000	0	0.0%	0.0%	
Total Professional Fees	1,593,576	1,054,599	-538,977	-33.8%	1,394,748	340,149	32.3%	-12.5%	
Total Insurance	246,815	235,533	-11,282	-4.6%	246,815	11,282	4.8%	0.0%	
Depreciation	2,000,000	1,950,000	-50,000	-2.5%	1,850,000	-100,000	-5.1%	-7.5%	
Total Non-Employee Related Expenses	16,218,375	15,484,590	-733,785	-4.5%	17,232,195	1,747,605	11.3%	6.3%	
Total UTIMCO Services	68,895,712	73,926,394	5,030,682	7.3%	71,678,668	-2,247,726	-3.0%	4.0%	
Direct Costs to Funds									
Custodian Fees and Other Direct Costs	4,934,000	4,934,000	0	0.0%	4,984,000	50,000	1.0%	1.0%	
Risk Measurement	18,656	-53,994	-72,650	-389.4%	0	53,994	-100.0%	-100.0%	
Custodian and Risk Measurement Costs	4,952,656	4,880,006	-72,650	-1.5%	4,984,000	103,994	2.1%	0.6%	
Consultant Fees	268,000	282,783	14,783	5.5%	273,000	-9,783	-3.5%	1.9%	
Auditing	821,658	833,418	11,760	1.4%	890,799	57,381	6.9%	8.4%	
Legal Fees	876,000	1,103,000	227,000	25.9%	1,500,000	397,000	36.0%	71.2%	
Background Searches & Other	545,600	424,927	-120,673	-22.1%	670,000	245,073	57.7%	22.8%	
Other Direct Costs Total	2,511,258	2,644,128	132,870	5.3%	3,333,799	689,671	26.1%	32.8%	
Total Direct Costs to Funds	7,463,914	7,524,134	60,220	0.8%	8,317,799	793,665	10.5%	11.4%	
Total Budgeted Costs	76,359,626	81,450,528	5,090,902	6.7%	79,996,467	-1,454,061	-1.8%	4.8%	

Fiscal Year 2024 Review of UTIMCO Services Budget and Other Direct Costs to Funds
 Prepared by the U. T. System Office of Finance
 July 21, 2023

EXHIBIT B

Total Actual Costs FY19-FY23 and FY24 Budget

	FY19	FY20	FY21	FY22	FY23	FY24
	Actual	Actual	Actual	Actual	Forecast	Budget
UTIMCO Services						
Salaries	16,235,197	16,966,760	18,193,968	20,289,489	22,303,794	24,680,045
Performance Compensation + Earnings	11,271,195	15,184,901	19,986,731	12,873,958	29,195,702	21,055,462
Total Compensation	27,506,392	32,151,661	38,180,699	33,163,447	51,499,496	45,735,507
Total Payroll taxes	1,455,958	1,387,881	2,073,547	2,561,796	2,873,182	3,828,386
403(b) Contributions	1,112,464	1,200,281	1,290,358	1,470,167	1,664,615	1,903,324
Insurance, Cell Phone, Learning	1,456,857	1,597,639	2,005,251	2,396,713	2,404,511	2,979,256
Employee Benefits	2,569,321	2,797,921	3,295,609	3,866,880	4,069,126	4,882,580
Total Employee Related Expenses	31,531,671	36,337,463	43,549,855	39,592,122	58,441,804	54,446,473
On-Line Data & Subscriptions	3,246,582	3,613,927	4,066,592	4,170,273	5,826,887	6,946,452
Contract Services & Maintenance	748,427	862,160	1,444,467	1,506,143	1,589,800	1,719,732
Travel & Meetings, Including BOD	946,860	583,265	63,459	585,888	1,195,252	1,566,544
Total Office Expense	295,829	274,694	299,313	271,729	265,393	309,496
Total Lease Expense	2,474,161	2,744,234	3,308,824	3,272,032	3,367,126	3,198,408
Compensation & Hiring Consultants	320,898	570,516	586,000	532,544	481,520	605,004
Legal Expenses	176,226	171,519	262,928	184,607	190,198	333,528
Recruiting and Relocation Expenses	81,607	146,509	59,510	247,179	242,099	310,008
Accounting fees	63,420	101,590	96,155	107,201	110,782	116,208
Board Advisors	30,000	30,000	30,000	30,000	30,000	30,000
Total Professional Fees	672,151	1,020,133	1,034,593	1,101,531	1,054,599	1,394,748
Total Insurance	202,752	208,714	219,659	231,430	235,533	246,815
Depreciation	1,669,890	1,646,105	1,776,348	2,001,103	1,950,000	1,850,000
Total Non-Employee Related Expenses	10,256,652	10,953,232	12,213,255	13,140,129	15,484,590	17,232,195
Total UTIMCO Services	41,788,323	47,290,695	55,763,110	52,732,251	73,926,394	71,678,668
Direct Costs to Funds						
Custodian Fees and Other Direct Costs	4,868,268	4,047,237	4,157,665	4,201,672	4,934,000	4,984,000
Risk Measurement	292,000	654,340	1,286,353	1,079,100	-53,994	0
Custodian and Risk Measurement Costs	5,160,268	4,701,577	5,444,018	5,280,772	4,880,006	4,984,000
Consultant Fees	481,496	297,500	297,500	302,167	282,783	273,000
Auditing	811,750	828,919	1,053,346	980,378	833,418	890,799
Legal Fees	304,048	188,455	303,577	544,785	1,103,000	1,500,000
Background Searches & Other	792,168	648,894	529,199	1,253,754	424,927	670,000
Other Direct Costs Total	2,389,462	1,963,768	2,183,622	3,081,084	2,644,128	3,333,799
Total Direct Costs to Funds	7,549,730	6,665,345	7,627,640	8,361,856	7,524,134	8,317,799
Total Budgeted Costs	49,338,053	53,956,040	63,390,750	61,094,107	81,450,528	79,996,467

EXHIBIT C
UTIMCO Reserve Analysis for August 31, 2023

Projected Cash Reserves at August 31, 2023		
Cash		\$ 37,100,000
Prepaid Expenses		1,000,000
Less: Accounts Payable (Includes incentive compensation & earnings payable)		<u>(20,500,000)</u>
Projected Cash Reserves at August 31, 2023		<u>\$ 17,600,000</u>
FY24 Proposed Operating Budget	\$71,678,668	
Applicable Percentage	25%	17,919,667
Capital Budget Expenditures		225,000
Depreciation Expense		<u>(1,850,000)</u>
Required Cash Reserves at August 31, 2023		<u>\$ 16,294,667</u>
Balance Available for Distribution		\$ 1,305,333
Recommended Distribution		\$ -

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

INTRODUCTION

Mr. Rich Hall, President, Chief Executive Officer and Chief Investment Officer, will provide an update on The University of Texas/Texas A&M Investment Management Company (UTIMCO) using the PowerPoint set forth on the following pages.



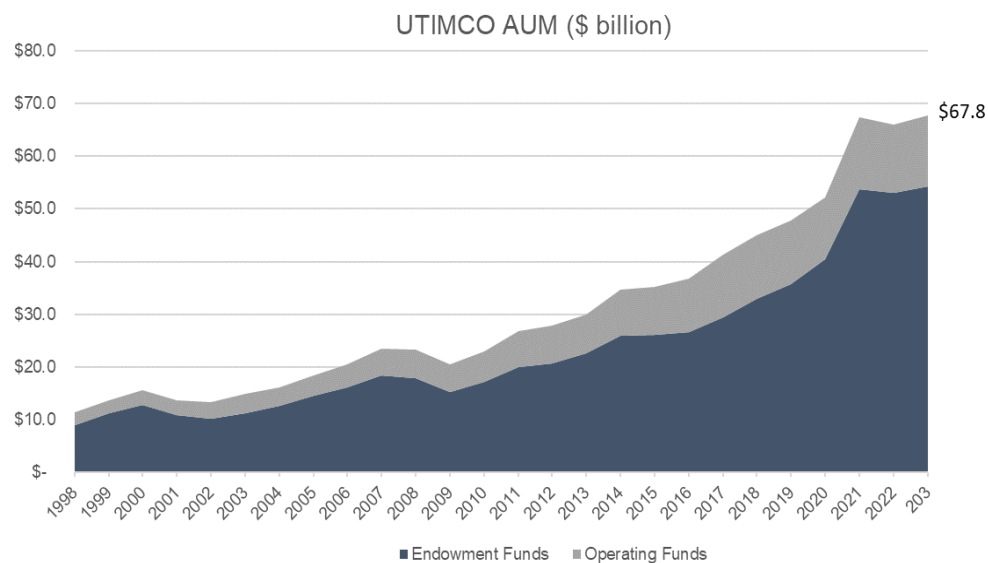
UTIMCO Update

Mr. Rich Hall, President, Chief Executive Officer and Chief Investment Officer
U. T. System Board of Regents Meeting
Finance and Planning Committee
August 2023



Portfolio Performance

Growth in Total Assets Under Management (AUM) through March 31, 2023



3-Month Change in AUM

	\$ Billion
Beginning Net Asset Value (NAV)	66.1
Contributions	1.1
Net Investment Income	1.5
Distributions	-0.9
Ending Net Asset Value	67.8

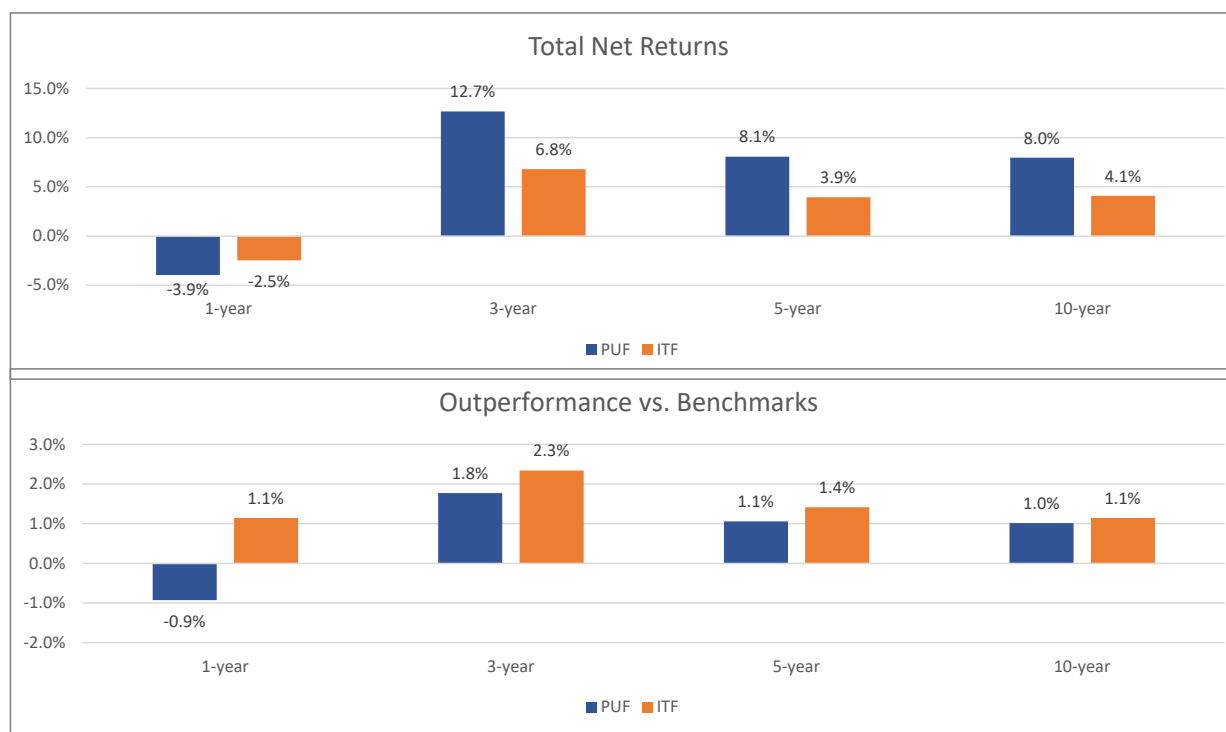
3-Year Change in AUM

	\$ Billion
Beginning Net Asset Value	46.0
Contributions	12.7
Net Investment Income	15.5
Distributions	-6.4
Ending Net Asset Value	67.8



Portfolio Performance (cont.)

UTIMCO Returns and Alpha as of March 31, 2023





Portfolio Performance (cont.)

AUM, Returns and Alpha as of March 31, 2023

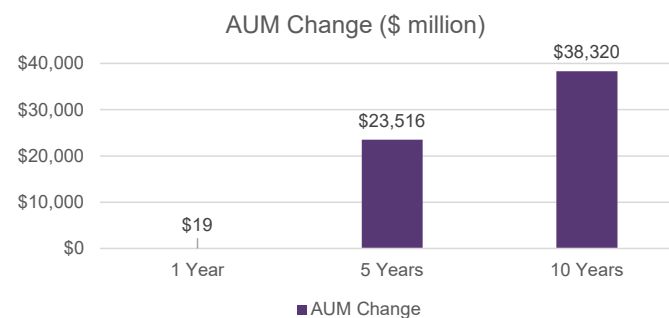
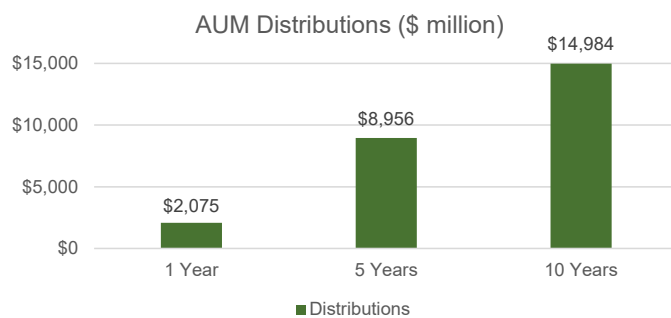
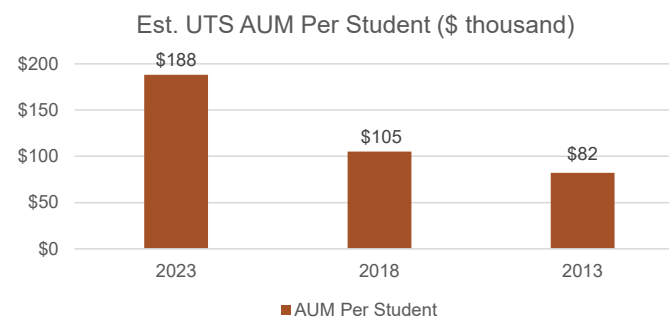
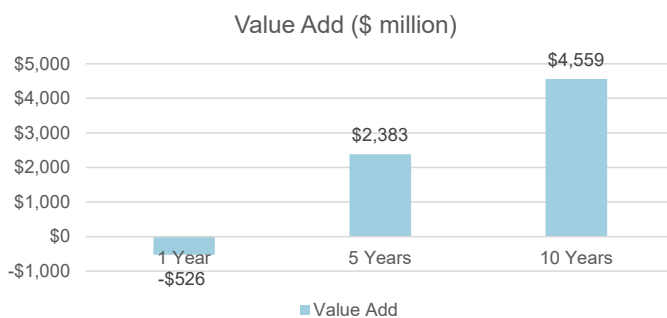




TABLE OF CONTENTS FOR ACADEMIC AFFAIRS COMMITTEE

Committee Meeting: 8/23/2023

Board Meeting: 8/24/2023
Austin, Texas

Jodie Lee Jiles, Chairman
Christina Melton Crain
Robert P. Gauntt
Janiece Longoria
Nolan Perez
Stuart W. Stedman

	Committee Meeting	Board Meeting	Page
Convene	<i>3:30 p.m.</i> <i>Chairman Jiles</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	200
2. U. T. San Antonio: Approval to establish a Doctor of Philosophy in Computer Engineering degree program	Action <i>President Eighmy</i>	Action	201
3. U. T. System: Discussion and appropriate action regarding proposed renewal of Agreement of Cooperation in Higher Education and Research with The National Council of Humanities, Sciences and Technologies (CONAHCYT) of Mexico	Action <i>Dr. Holmes</i>	Action	204
4. U. T. System Academic Institutions: Discussion and appropriate action regarding extending previously approved non-resident and graduate tuition and non-academic mandatory fee increases for the academic institutions to the 2024-2025 Academic Year	Action <i>Dr. Holmes</i>	Action	206
5. U. T. Arlington: Report on the Long Range Financial Plan	Report/Discussion <i>Mr. Horton</i> <i>President Cowley</i>	Not on Agenda	207
Adjourn	<i>4:00 p.m.</i>		

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

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 352](#).

2. U. T. San Antonio: Approval to establish a Doctor of Philosophy in Computer Engineering degree program

RECOMMENDATION

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

- a. establish a Doctor of Philosophy in Computer Engineering degree program at U. T. San Antonio; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

BACKGROUND INFORMATION

Program Description

U. T. San Antonio proposes a Doctor of Philosophy (Ph.D.) in Computer Engineering degree program, which will be designed to prepare graduates to be leaders in computer engineering industries and academia through strong academic preparation, with skills to solve current engineering challenges through performance of independent and interdisciplinary state-of-the-art research in the area of computer engineering.

The Department of Electrical and Computer Engineering (ECE) at U. T. San Antonio currently offers the following degree programs: B.S. in Electrical Engineering, B.S. in Computer Engineering, M.S. in Electrical Engineering, M.S. in Computer Engineering, and Ph.D. in Electrical Engineering. Both the B.S. in Electrical Engineering and B.S. in Computer Engineering programs are separately accredited by the Accreditation Board for Engineering and Technology.

Students entering the Ph.D. in Electrical Engineering degree program can choose from five different concentration areas: communications, computer engineering, digital signal processing, electronic materials and devices, systems and control, and electric power engineering. Computer engineering is the largest area among these concentrations; more than one third of students (44 out of 104 total students as of Fall 2020) in the Ph.D. in Electrical Engineering degree program choose computer engineering as their concentration area. This proposal will offer a new Ph.D. program in Computer Engineering for the students who are currently enrolled in the Ph.D. program in Electrical Engineering with computer engineering concentration.

A separate Ph.D. in Computer Engineering provides students the freedom to enhance their knowledge in the broad range of topics comprising computer engineering, including computer architecture; high performance computing; embedded systems; cybersecurity; hardware security; artificial intelligence and machine learning; mobile, distributed and cloud computing; advanced digital system and hardware design; and software systems. This flexibility in a more focused computer engineering research program is expected to attract additional students to the program who otherwise might not have chosen U. T. San Antonio.

The proposed degree program will require 81 Semester Credit Hours (SCH) beyond the bachelor's degree or 54 SCH beyond the master's degree. It also requires passing a qualifying examination, passing a dissertation proposal defense/examination, passing a final oral dissertation defense, and acceptance of the Ph.D. dissertation. The program includes courses that have been designed to provide advanced training in areas considered to form the foundation for the discipline of computer engineering.

Need and Student Demand

There has been a growing demand for Ph.D. graduates in computer engineering, both in Texas and in the nation. In searching Burning Glass Technologies' Labor Insight for the period between January 2022 and January 2023, there were 658 job postings requiring a Ph.D. degree for positions as computer hardware engineers, computer network support specialists, computer and information research scientists, and computer network architects in Texas. With respect to employment, Texas is only second to California in the top hiring regions in the nation. Furthermore, the San Antonio/New Braunfels region has "much higher demand than average" with 164 job openings during 2019 and 2020. Nationwide, there has been a demand of over 12,000 jobs between January 2022 and January 2023.

There is a major shortage of Ph.D. graduates in computer engineering in the San Antonio region, the State of Texas, and the nation. Recent data on job demand and degrees conferred underlines the shortage of Ph.D. graduates in the Computer Engineering field. For instance, the San Antonio area had 71 job openings between January 2022 and January 2023. However, the supply of Ph.D. graduates in computer engineering from this geographic area from the previous year between 2020 and 2021 was zero. While U. T. San Antonio offers a Ph.D. in Electrical Engineering degree program with a concentration in Computer Engineering, it puts our graduates at a major disadvantage in the job market. This gap between supply and demand is just as pronounced at the state and national levels. In Texas, only 21 Ph.D.s in Computer Engineering were conferred between 2020-2021, while job demand for this credential was at 658. Nationally, 365 Ph.D.s in Computer Engineering were conferred during that same time period, with more than 12,000 job postings requiring the credential.

Year One enrollment is estimated to be 40 students and is based on the current enrollment in the Ph.D. in Electrical Engineering with a Computer Engineering concentration. For the enrollment estimation for Year Two to Year Five, it has been assumed that the current increase in enrollment rate in Ph.D. in Electrical Engineering with Computer Engineering concentration will be sustained and an additional seven students per year will be enrolled.

Program Quality

The ECE department currently has 26 tenured/tenure track faculty members that direct both master's and Ph.D. students. ECE core and support faculty have been highly productive in terms of publications and research grants. Support faculty for the proposed Ph.D. degree program are from the ECE department but not in the Computer Engineering concentration.

Scholarly productivity for the current core and support faculty of the proposed Computer Engineering Ph.D. program for the past five years has been active, with a total of 964 refereed papers. In addition, the external grant awards for core and support faculty members for the past five years are substantial, with total grant funding at \$66,879,250. The ECE department faculty have received prestigious awards and recognitions and include National Science Foundation career awards, National Academy of Inventors, and fellowships of professional organizations including the Institute of Electrical and Electronics Engineers.

Revenue and Expenses

Expenses	5-Year Total
<i>Faculty</i>	
Salaries	\$4,441,700
Benefits	\$1,026,244
<i>Graduate Students</i>	
TA Salaries	\$ 120,000
TA Benefits	\$ 10,500
GRA Salaries	\$ 180,000
GRA Benefits	\$ 14,000
<i>Staff & Administration</i>	
Graduate Coordinator Salary	\$ 75,000
Staff Benefits	\$ 22,500
<i>Other Expenses</i>	
Supplies	\$ 25,000
Faculty Start-up	\$1,000,000
Program Administration	\$ 30,000
Total Expenses	\$6,944,944

Revenue	5-Year Total
<i>From Student Enrollment</i>	
Formula Funding	\$ 2,780,097
Tuition and Fees	\$ 5,635,631
<i>From Other Revenue Sources</i>	
Reallocation of Existing Resources	\$ 5,467,944
Total Revenue	\$13,883,672

Coordinating Board Criteria

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

3. U. T. System: Discussion and appropriate action regarding proposed renewal of Agreement of Cooperation in Higher Education and Research with The National Council of Humanities, Sciences and Technologies (CONAHCYT) of Mexico

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents renew U. T. System's agreement with The National Council of Humanities, Sciences and Technologies (CONAHCYT) through December 31, 2025. A summary of the terms of the Agreement is on the following pages.

BACKGROUND INFORMATION

On August 25, 2015, during an event at U. T. San Antonio, U. T. System signed a Memorandum of Understanding (MOU) with The National Council of Humanities Science and Technology (CONAHCYT), formerly The National Council of Science and Technology (CONACYT), establishing the basis for programs of cooperation between the parties to promote and strengthen relations between both countries in regard to higher education and research.

Following the signing of the MOU, an Agreement of Cooperation in Higher Education and Research was signed in 2016 to establish jointly-funded educational and research programs, and on May 12, 2016, the Board approved a \$5 million allocation of Available University Funds (AUF) in support of that agreement for four years, followed by another \$5 million AUF allocation approved on November 14, 2019.

The proposed second Agreement of Cooperation in Research and Higher Education will enable U. T. institutions to continue to offer funded doctoral education to Mexican students at U. T. System institutions. No additional funding is being requested at this time.

The partnership with CONAHCYT will continue to be administered through the ConTex office located on the U. T. San Antonio campus. The U. T. System Administration, through the Office of Academic Affairs, will reimburse U. T. San Antonio with previously allocated AUF based on invoices submitted or other appropriate means. The previous allocation of AUF will also be used to reimburse U. T. Austin for expenses related to their participation in the program. Funds provided by CONAHCYT will be used to reimburse the cost of institutional participation for those choosing to participate.

Summary of Terms of Agreement

This will be the second Agreement of Cooperation in Research and Higher Education between The National Council of Humanities Science and Technology (CONAHCYT) and U. T. System. The agreement renews and continues joint support of doctoral graduate programs for Mexican students who have been selected as awardees of the CONHACYT doctoral scholarship and who are admitted to a doctoral program at a U. T. institution.

The agreement stipulates that for the first four years of the students' doctoral study, CONAHCYT will provide a scholarship that will include a monthly stipend, tuition scholarship, and annual support for health insurance. During the students' fifth year of study, U. T. System agrees to provide comparable funding support. Additionally, U. T. System will continue supporting the ConTex office, including its operations, which are administered through an office located at U. T. San Antonio, to implement the agreement and ensure the success of the doctoral students.

4. **U. T. System Academic Institutions: Discussion and appropriate action regarding extending previously approved non-resident and graduate tuition and non-academic mandatory fee increases for the academic institutions to the 2024-2025 Academic Year**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents extend its approval of increases to non-resident undergraduate tuition, graduate tuition, and non-academic mandatory fees for the 2023-2024 Academic Year to the 2024-2025 Academic Year.

BACKGROUND INFORMATION

On May 4, 2023, the Board of Regents approved increases to non-resident undergraduate tuition, graduate tuition, and non-academic mandatory fees for the 2023-2024 Academic Year. This item requests approval to extend those increases through the 2024-2025 Academic Year, again not to exceed the 2022 Higher Education Price Index of 5.2%, as reported by Commonfund Institute, and with the understanding that the U. T. System Office of Academic Affairs will verify that the institutions' changes comply with these requirements.

U. T. System understands the importance of offering world-class, affordable higher education opportunities within the state and remains fully committed to controlling costs for students wherever possible. As such, resident undergraduate academic costs, including tuition, mandatory academic fees, all academic-related general fees, and college course fees will remain at currently approved levels for the next two academic years.

A public hearing opportunity regarding the proposed changes to designated tuition will be held in front of the full Board prior to consideration of this item during the Committee meeting.

5. U. T. Arlington: Report on the Long Range Financial Plan

President Cowley will report on the long range financial plan at U. T. Arlington using the PowerPoint on the following pages.

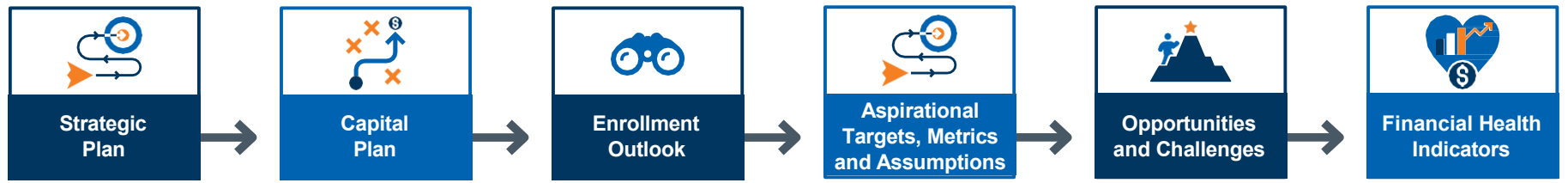
Long Range Financial Planning

Dr. Jennifer Cowley
President

U. T. System Board of Regents Meeting
Academic Affairs Committee
August 2023



Framework, Opportunities, and Challenges




- **Enrollment Trends**
- **University Expansion**
 - Debt and available cash
 - Operational needs
- **State Appropriations**

- **Recruitment and Retention**
 - Students, faculty, and staff
 - Merit and market adjustments for faculty and staff
 - Employee benefits
- **Tuition and Financial Aid**

- **Inflationary Pressures**
- **Strengthening Revenue Position**
- **Competing Priorities**

Strategic Themes




People and Culture



Student Success



Alumni and Community Engagement



Research and Innovation



Finance and Infrastructure

▶ Learn more at go.uta.edu/strategicplan.

Strategic Themes (cont.)

People and Culture

- Retain and expand a strong sense of community and engagement
- Focus on competitive employee compensation
- Strengthen reputation as Hispanic-Serving and Asian American Native American Pacific Islander-Serving Institution
- Align organizational structure to emphasize priorities

Student Success

- Enhance student experience (e.g., academic advising and support for student mental health) and engagement opportunities
- Expand career enhancing experiences
- Provide competitive graduate student support
- Grow scholarship and financial aid programs

Alumni and Community Engagement

- Build a community engagement strategy
- Develop strategies to increase alumni engagement
- Elevate brand identity and awareness
- Expand corporate and foundation engagement

Strategic Themes (cont.)

Research and Innovation

- Increase impact of research and creative activities to transform the innovation ecosystem
- Enhance institutional grant capacity
- Support regional economic development

Finance and Infrastructure

- Align resources to strategic goals and priorities
- Expand student-centered spaces on campus
- Enhance technology resources and availability
- Develop campus master plan and 10-year capital plan



Planning Priorities



Strategic

- Expand research outcomes
- Competitive doctoral student support
- Faculty hiring plan
- Enhance career readiness
- Increase alumni engagement
- Enhance student success



Enrollment

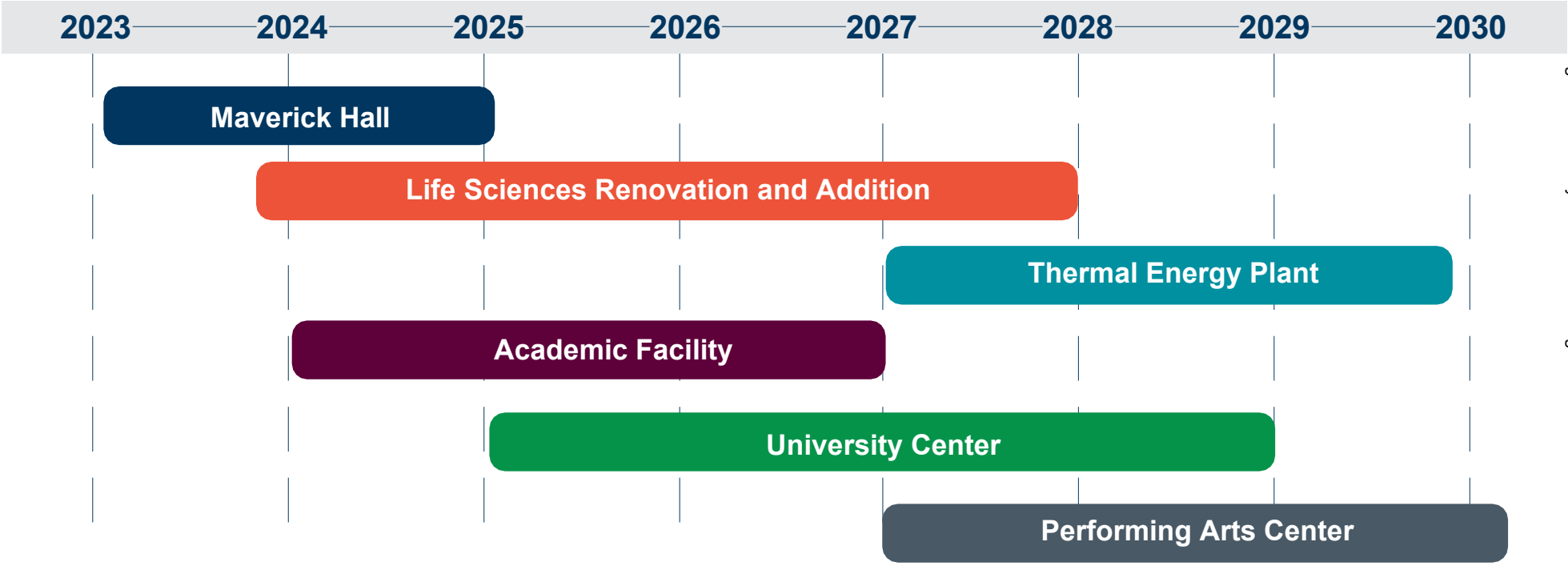
- Enrollment strategies
- Financial aid leveraging
- Housing scholarships



Capital

- Maverick Hall
- Life Sciences Renovation and Addition
- Thermal Energy Plant
- Academic Facility
- University Center
- Performing Arts Center
- Technology Enhancements

Capital Plan



Planning Inputs and Assumptions



Revenues

- Tuition aligned with Higher Education Price Index (HEPI)
- Student Union Fee aligned to support union expansion
- State appropriations two-year lag, formula rate increase aligned with HEPI
- Gifts and endowments
- External research funding



Compensation

- Merit and market-based increases
- Increase related to additional faculty and staff
- Benefits related increases
- Faculty hiring plan

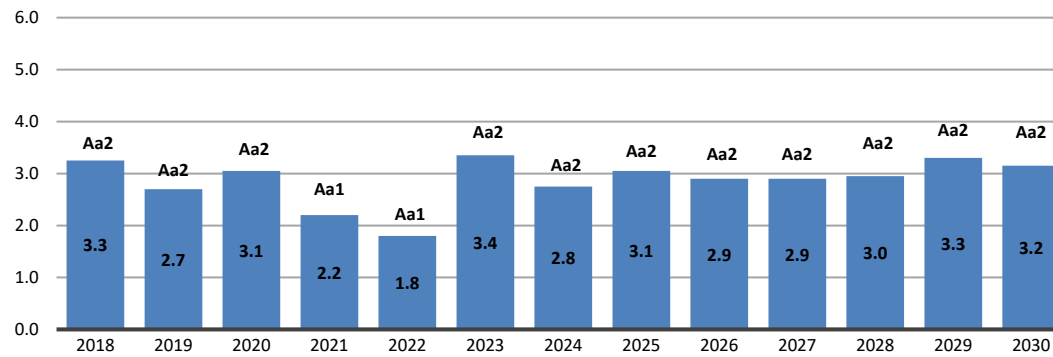


Operations

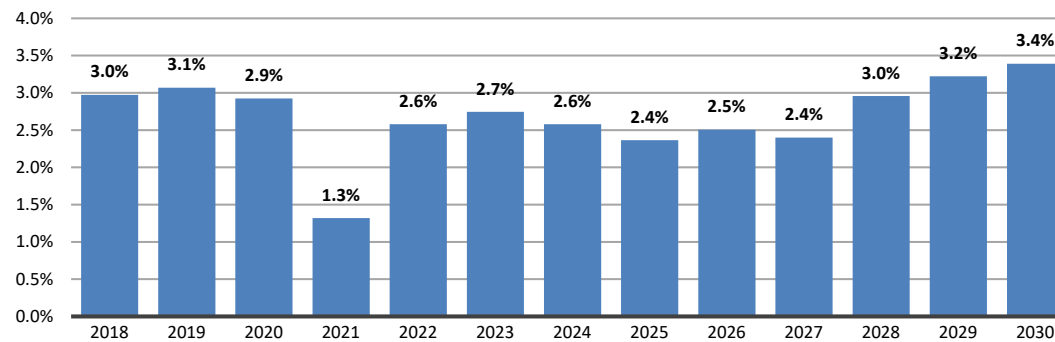
- Debt service increases in FY26-FY30
- New facilities operating support in FY26-FY30
- Operating expenditures increases aligned with HEPI

Financial Outcomes

Overall Scorecard Rating

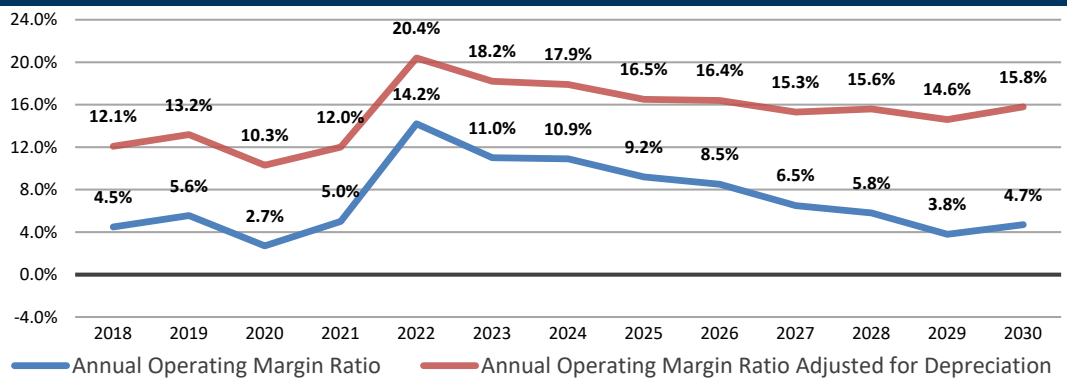


Debt Service to Operations

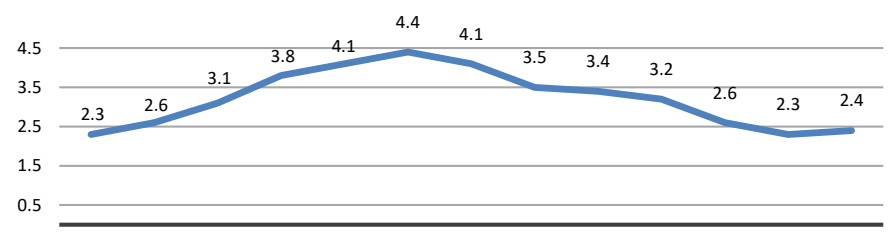


Financial Outcomes (cont.)

Operating Performance



Spendable Cash and Investments to Total Debt



	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Spendable Cash & Inv. To Total Debt (x)	2.3	2.6	3.1	3.8	4.1	4.4	4.1	3.5	3.4	3.2	2.6	2.3	2.4
Spendable C&I	607.3	682.3	787.1	987.7	1,028	1,044	985.5	965.6	960.6	946.9	941.4	935.8	929.9
Total Debt	264.2	267.3	257.0	258.0	248.6	237.3	243.2	273.7	283.0	292.3	361.9	399.8	384.8



TABLE OF CONTENTS FOR HEALTH AFFAIRS COMMITTEE

Committee Meeting: 8/23/2023

Board Meeting: 8/24/2023
Austin, Texas

Christina Melton Crain, Chairman
Robert P. Gauntt
Jodie Lee Jiles
Janiece Longoria
Nolan Perez
Stuart W. Stedman

	Committee Meeting	Board Meeting	Page
Convene	<i>4:00 p.m.</i> <i>Chairman Crain</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	219
2. U. T. System: Discussion and appropriate action regarding tuition and fee proposals for Fiscal Years 2024 through 2028 for the five health institutions	Action <i>Dr. Zerwas</i>	Action	220
3. U. T. System: Approval to distribute a portion of The University of Texas System Professional Medical Liability Benefit Plan premium returns and approve rates for the Plan	Action <i>Dr. Zerwas</i> <i>Mr. Sharphorn</i>	Action	277
4. U. T. Southwestern Medical Center: Discussion and appropriate action regarding approval of proposed comprehensive leave program	Action <i>President Podolsky</i>	Action	280
5. U. T. M. D. Anderson Cancer Center: Report on the Long Range Financial Plan	Report/Discussion <i>Mr. Horton</i> <i>President Pisters</i>	Not on Agenda	284
Adjourn	<i>4:30 p.m.</i>		

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

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 352](#).

2. U. T. System: Discussion and appropriate action regarding tuition and fee proposals for Fiscal Years 2024 through 2028 for the five health institutions

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel that the proposed tuition and fee proposals for U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, U. T. Health Science Center - Houston, U. T. Health Science Center - San Antonio, and U. T. M. D. Anderson Cancer Center, as recommended by the presidents, be approved for Fiscal Years 2024 through 2028.

BACKGROUND INFORMATION

Executive Vice Chancellor Zerwas will introduce a discussion regarding the five health institutions' tuition and fee proposals for Fiscal Years 2024 through 2028, with comments on the deliberative process used to review the institutions' proposals. An overview of health institutions' tuition and fees is set forth on the following pages and the health institutions' tuition and fee proposals for Fiscal Years 2024-2028 are indicated below. The institutional Presidents will be available to address any questions regarding the proposals for the respective health institutions.

- U. T. Southwestern Medical Center, President Podolsky, [Page 222](#).
- U. T. Medical Branch - Galveston, President Reiser, [Page 229](#).
- U. T. Health Science Center - Houston, President Colasurdo, [Page 242](#).
- U. T. Health Science Center - San Antonio, President Henrich, [Page 253](#).
- U. T. M. D. Anderson Cancer Center, President Pisters, [Page 274](#).

A public hearing opportunity regarding the proposed changes to designated tuition will be held in front of the full Board prior to consideration of this item during the Committee meeting.

Executive Summary
U. T. System Health-Related Institutions
Five-year Plans for Tuition and Fees

Tuition and Fee Proposal Development

- In February 2018, the U. T. System Board of Regents approved five-year tuition and fee plans for health-related institutions to cover fiscal years 2019 through 2023. (This was the second time that the U. T. System Board of Regents approved health-related institutions' five-year plans for tuition and fees to align with strategic planning, development, and growth.)
- During academic year 2022, U. T. System health-related institutions sought guidance from the U. T. System Office of Health Affairs and Executive Vice Chancellor John Zerwas, M.D. in the need for developing new long-term plans as part of the health-related institutions strategic assessment, planning and continued development.
- All five U. T. System health-related institutions have experienced significant growth over the past five years, including new facilities, equipment, learning resources, faculty, and staff across all mission areas - academic, clinical and research; this includes the expansion of new schools, degrees and certificate programs approved by the Board of Regents and the Texas Higher Education Coordinating Board to improve major healthcare workforce shortages across numerous disciplines in the state of Texas.
- This expansion, combined with a growing population in Texas, increased inflation, cost-of-living increases across the state, and the increasing competitive landscape for faculty recruitment and retention across Texas and the U.S. requires strategic and long-term planning for all sources of revenue, including tuition and fees.
- During the past two biennia, the base rate for formula funding at health-related institutions did not increase and has remained at \$9,622. For the FY 2024 and FY 2025 biennium, the base rate for health-related institutions will be \$9,689.
- In the fall of 2022 and the spring of 2023, U. T. System's health-related institutions developed proposed plans for adjustments to tuition and fees covering the five-year period of fiscal year 2025 through 2029; these plans were finalized after a consultative process with broad student engagement across each institution.
- The average annual percent increase for tuition and mandatory fees across institutions and all their academic programs is 6.86% (ranging from a low of 3.75% to a high of 11.2%).
- The U. T. System health-related institutions have consistently maintained tuition and fees below the national averages for public institutions of higher education.
 - The most recent data on national averages for public medical schools, schools of dentistry and schools of nursing is as follows:
 - M.D. - \$39,104 (Source: Association of American Medical Colleges Tuition and Student Fees Report, 2022-2023)
 - D.D.S. - \$56,698 (Source: American Dental Association Health Policy Institute, Commission on Dental Accreditation Survey of Dental Education, 2021-2022)
 - B.S.N. - \$9,380 (Source: National Center for Education Statistics, U.S. Department of Education)
 - By comparison, the averages charged by the five U. T. System health-related institutions are as follows:
 - M.D. - \$20,097
 - D.D.S. - \$29,339
 - B.S.N. - \$7,416

The University of Texas Southwestern Medical Center (UT Southwestern)
 Tuition and Fee Five Year Proposed Plan
 Academic Years 2024-25 – 2028-29

SUMMARY OF RESIDENT TUITION AND MANDATORY FEES*

	Current 2023-24	Proposed 2024-25	Proposed 2026-25	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
School of Medicine						
MD (1st Year)	\$22,330	\$23,112	\$23,921	\$24,758	\$25,625	\$26,522
Average Annual Increase – 3.8%						
Public National Average (2022-23)	\$39,104					
Source: AAMC Tuition/Fees Questionnaire						
School of Biomedical Sciences 24 SCHs						
PHD (24 SCH)	\$9,131	\$9,409	\$9,697	\$9,995	\$10,303	\$10,622
School of Public Health 24 SCHs						
PHD (24 SCH)	\$9,731	\$10,009	\$10,297	\$10,595	\$10,903	\$11,222
School of Health Professions 24 SCHs						
MS/PhD (24 SCH)	\$9,731	\$10,009	\$10,297	\$10,595	\$10,903	\$11,222

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051.*

PROJECTED ANNUAL INCREASE IN REVENUE

	2024-25	2025-26	2026-27	2027-28	2028-29
Medicine	\$721,786	\$746,707	\$772,551	\$800,241	\$827,931
Public Health	\$17,765	\$27,945	\$33,980	\$37,012	\$40,194
Biomedical Science	\$153,230	\$159,020	\$164,537	\$170,253	\$176,088
Health Professions	\$107,423	\$111,491	\$115,353	\$119,362	\$123,453

The University of Texas Southwestern Medical Center (UT Southwestern)
 Tuition and Fee Five Year Proposed Plan
 Academic Years 2024-25 – 2028-29

DETAILS OF RESIDENT TUITION, MANDATORY AND OTHER FEE INCREASES

PROPOSED RESIDENT TUITION (New or Increased)

School of Medicine*						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$6,550	\$6,550	\$6,550	\$6,550	\$6,550	\$6,550
Designated-54.0513	\$14,535	\$15,317	\$16,126	\$16,963	\$17,830	\$18,727
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$21,085	\$21,867	\$22,676	\$23,513	\$24,380	\$25,277

Use annual rates for statutory, designated and differential.

School of Public Health* (24 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Designated-54.0513	\$7,296	\$7,574	\$7,862	\$8,160	\$8,468	\$8,787
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$8,496	\$8,774	\$9,062	\$9,360	\$9,668	\$9,987

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051.*

School of Biomedical Sciences* (24 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Designated-54.0513	\$6,696	\$6,974	\$7,262	\$7,560	\$7,868	\$8,187
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$7,896	\$8,174	\$ 8,462	\$8,760	\$9,068	\$9,387

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051.*

The University of Texas Southwestern Medical Center (UT Southwestern)
 Tuition and Fee Five Year Proposed Plan
 Academic Years 2024-25 – 2028-29

School of Health Professions—PT & PA Programs* (24 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Designated-54.0513	\$7,296	\$7,574	\$7,862	\$8,160	\$8,468	\$8,787
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$8,496	\$8,774	\$9,062	\$9,360	\$9,668	\$9,987

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051.*

School of Health Professions—HIMS Programs* (24 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Designated-54.0513	\$13,752	\$14,030	\$14,318	\$14,616	\$14,924	\$15,243
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$14,952	\$15,230	\$15,518	\$15,816	\$16,124	\$16,443

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051.*

School of Health Professions—PO, CN, ACR Programs* (24 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Designated-54.0513	\$5,496	\$5,774	\$6,062	\$6,360	\$6,668	\$6,987
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$6,696	\$6,974	\$7,262	\$7,560	\$7,868	\$8,187

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051.*

The University of Texas Southwestern Medical Center (UT Southwestern)
 Tuition and Fee Five Year Proposed Plan
 Academic Years 2024-25 – 2028-29

DETAILS OF NON-RESIDENT TUITION, MANDATORY AND OTHER FEE INCREASES

PROPOSED NON -RESIDENT TUITION (New or Increased)

School of Medicine*						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Non-Resident Tuition	\$20,165	\$20,165	\$20,165	\$20,165	\$20,165	\$20,165
Designated-54.0513	\$14,535	\$15,317	\$16,126	\$16,963	\$17,830	\$18,727
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$34,700	\$35,482	\$36,291	\$37,128	\$37,995	\$38,892

Use annual rates for statutory, designated and differential.

School of Public Health* (24 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Non-Resident Tuition	\$11,280	\$11,280	\$11,280	\$11,280	\$11,280	\$11,280
Designated-54.0513	\$7,296	\$7,574	\$7,862	\$8,160	\$8,468	\$8,787
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$18,576	\$18,854	\$19,142	\$19,440	\$19,748	\$20,067

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051.*

School of Biomedical Sciences* (24 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Non-Resident Tuition	\$11,280	\$11,280	\$11,280	\$11,280	\$11,280	\$11,280
Designated-54.0513	\$6,696	\$6,974	\$7,262	\$7,560	\$7,868	\$8,187
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$17,976	\$18,254	\$18,542	\$18,840	\$19,148	\$19,467

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051.*

The University of Texas Southwestern Medical Center (UT Southwestern)
 Tuition and Fee Five Year Proposed Plan
 Academic Years 2024-25 – 2028-29

School of Health Professions—PT & PA Programs* (24 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Non-Resident Tuition	\$11,280	\$11,280	\$11,280	\$11,280	\$11,280	\$11,280
Designated-54.0513	\$7,296	\$7,574	\$7,862	\$8,160	\$8,468	\$8,787
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$18,576	\$18,854	\$19,142	\$19,440	\$19,748	\$20,067

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051.*

School of Health Professions—HIMS Programs* (24 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Non-Resident Tuition	\$11,280	\$11,280	\$11,280	\$11,280	\$11,280	\$11,280
Designated-54.0513	\$13,752	\$14,030	\$14,318	\$14,616	\$14,924	\$15,243
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$25,032	\$25,310	\$25,598	\$25,896	\$26,204	\$26,523

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051.*

School of Health Professions—PO, CN, ACR Programs* (24 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Non-Resident Tuition	\$11,280	\$11,280	\$11,280	\$11,280	\$11,280	\$11,280
Designated-54.0513	\$5,496	\$5,774	\$6,062	\$6,360	\$6,668	\$6,987
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$16,776	\$17,054	\$17,342	\$17,640	\$17,948	\$18,267

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051.*

The University of Texas Southwestern Medical Center (UT Southwestern)
 Tuition and Fee Five Year Proposed Plan
 Academic Years 2024-25 – 2028-29

PROPOSED MANDATORY FEES (New or Increased)

Type and Name of Fee	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Mandatory - MED Student Service Fee (1 year term)	\$750	\$750	\$750	\$750	\$750	\$750
Mandatory - MED Medical Service Fee (1 year term)	\$225	\$225	\$225	\$225	\$225	\$225
Mandatory - MED MS1 Anatomy Fee (1 year term)	\$25	\$25	\$25	\$25	\$25	\$25
Mandatory - MED Computer Use Fee (1 year term)	\$245	\$245	\$245	\$245	\$245	\$245
Mandatory - MED Malpractice Fee (1 year term)	\$25	\$25	\$25	\$25	\$25	\$25
Mandatory - MED Lab Fee (1 year term)	\$35	\$35	\$35	\$35	\$35	\$35
Inc - MED Biomedical Imaging Fee (1 year term)	\$100	\$100	\$100	\$100	\$100	\$100
Mandatory - MED Graduation Fee	\$185	\$185	\$185	\$185	\$185	\$185

Type and Name of Fee	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Mandatory - PUB Student Service Fee	\$250	\$250	\$250	\$250	\$250	\$250
Mandatory - PUB Medical Service Fee	\$75	\$75	\$75	\$75	\$75	\$75
Mandatory - PUB Computer Use Fee	\$81.66	\$81.66	\$81.66	\$81.66	\$81.66	\$81.66
Mandatory - PUB Malpractice Fee	\$5	\$5	\$5	\$5	\$5	\$5
Mandatory - PUB Lab Fee (per lab course)	\$10	\$10	\$10	\$10	\$10	\$10
Mandatory - PUB Graduation Fee	\$120	\$120	\$120	\$120	\$120	\$120
Mandatory - Public Health Seat Deposit	\$250	\$250	\$250	\$250	\$250	\$250

The University of Texas Southwestern Medical Center (UT Southwestern)
 Tuition and Fee Five Year Proposed Plan
 Academic Years 2024-25 – 2028-29

Type and Name of Fee	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Mandatory - GRAD Student Service Fee	\$250	\$250	\$250	\$250	\$250	\$250
Mandatory - GRAD Medical Service Fee	\$75	\$75	\$75	\$75	\$75	\$75
Mandatory - GRAD Computer Use Fee	\$81.66	\$81.66	\$81.66	\$81.66	\$81.66	\$81.66
Mandatory - GRAD Malpractice Fee	\$5	\$5	\$5	\$5	\$5	\$5
Mandatory - GRAD Lab Fee (per lab course)	\$10	\$10	\$10	\$10	\$10	\$10
Mandatory - GRAD Graduation Fee	\$185	\$185	\$185	\$185	\$185	\$185

Type and Name of Fee	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Mandatory - SHP Student Service Fee	\$250	\$250	\$250	\$250	\$250	\$250
Mandatory - SHP Medical Service Fee	\$75	\$75	\$75	\$75	\$75	\$75
Mandatory - SHP Computer Use Fee	\$81.66	\$81.66	\$81.66	\$81.66	\$81.66	\$81.66
Mandatory - SHP Malpractice Fee	\$5	\$5	\$5	\$5	\$5	\$5
Mandatory - SHP Lab Fee (per lab course)	\$10	\$10	\$10	\$10	\$10	\$10
Mandatory - SHP Graduation Fee	\$120	\$120	\$120	\$120	\$120	\$120

**The University of Texas Medical Branch (UTMB)
Tuition and Fee Five-Year Proposed Plans
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

SUMMARY OF RESIDENT TUITION AND MANDATORY FEES

	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
School of Medicine						
PA (9 SCH)	\$3,316	\$3,456	\$3,600	\$3,789	\$3,987	\$4,194
MD (1st Year)	\$20,271	\$20,899	\$21,526	\$22,172	\$23,281	\$24,445
	Average Annual Increase – 4.1%					
<i>Public National Average (2022-23)</i>	\$39,104					
<i>Source: AAMC Tuition/Fees Questionnaire</i>						
School of Nursing*						
BSN (30 SCH)	\$7,126	\$7,920	\$8,790	\$9,360	\$9,960	\$10,590
	Average Annual Increase – 9.7%					
<i>BSN Public National Average (2020-21)</i>	\$9,380	<i>Source: National Center for Educational Statistics</i>				
MS (9 SCH)	\$3,176	\$3,528	\$3,888	\$4,122	\$4,365	\$4,635
DNP (9 SCH)	\$3,180	\$3,528	\$3,888	\$4,122	\$4,365	\$4,635
PHD (9 SCH)	\$3,180	\$3,528	\$3,888	\$4,122	\$4,365	\$4,635
School of Biomedical Sciences*						
<i>MS (9 SCH)</i>	\$2,151	\$2,322	\$2,511	\$2,718	\$2,934	\$3,195
<i>PHD (9 SCH)</i>	\$2,151	\$2,322	\$2,511	\$2,718	\$2,934	\$3,195
School of Health Professions*						
<i>BS in CLS (15 SCH)</i>	\$3,780	\$3,900	\$4,020	\$4,185	\$4,350	\$4,530
<i>MS in CLS (9 SCH)</i>	\$2,896	\$2,988	\$3,078	\$3,204	\$3,330	\$3,465
<i>MS in RC (9 SCH)</i>	\$2,896	\$2,988	\$3,078	\$3,204	\$3,330	\$3,465
<i>MS in Health Professions (9 SCH)</i>	\$2,896	\$2,988	\$3,078	\$3,204	\$3,330	\$3,465
<i>MS in Nutr. & Metabolism (9 SCH)</i>	\$3,407	\$3,510	\$3,618	\$3,762	\$3,915	\$4,077
<i>DCLS (9 SCH)</i>	\$3,393	\$3,501	\$3,609	\$3,753	\$3,906	\$4,068
<i>DOT (9 SCH)</i>	\$3,393	\$3,501	\$3,609	\$3,753	\$3,906	\$4,068
<i>DPT (9 SCH)</i>	\$3,393	\$3,501	\$3,609	\$3,753	\$3,906	\$4,068
School of Public and Population Health*						
<i>MPH (9 SCH)</i>	\$2,315	\$2,430	\$2,565	\$2,700	\$2,853	\$3,015
<i>MS (9 SCH)</i>	\$2,152	\$2,268	\$2,385	\$2,520	\$2,655	\$2,790

*Semester credit hours are based on a single semester for a full-time student.

**The University of Texas Medical Branch (UTMB)
Tuition and Fee Five-Year Proposed Plans
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

PROJECTED ANNUAL INCREASE IN REVENUE

	2024-25	2025-26	2026-27	2027-28	2028-29
Medicine	\$728,748	\$732,943	\$796,905	\$1,238,131	\$1,298,693
Nursing	\$960,121	\$1,016,873	\$664,138	\$725,571	\$746,025
Biomedical Science	\$87,390	\$96,074	\$105,682	\$116,306	\$127,899
Health Professions	\$231,597	\$252,010	\$318,020	\$339,406	\$357,053
Public Health	\$16,784	\$18,699	\$19,635	\$21,317	\$22,158

SUMMARY OF NON-RESIDENT TUITION AND MANDATORY FEES

	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
School of Medicine						
PA (9 SCH)	\$7,459	\$7,767	\$7,380	\$7,677	\$8,964	\$9,432
MD (1st Year)	\$34,981	\$36,065	\$37,146	\$38,261	\$40,174	\$42,183
School of Nursing*						
BSN (15 SCH)	\$9,917	\$10,995	\$12,195	\$12,975	\$13,800	\$14,670
MS (9 SCH)	\$7,036	\$7,812	\$8,586	\$9,090	\$9,630	\$10,197
DNP (9 SCH)	\$6,958	\$7,722	\$8,487	\$8,991	\$9,531	\$10,098
PHD (9 SCH)	\$7,041	\$7,812	\$8,667	\$9,216	\$9,792	\$10,413
School of Biomedical Sciences*						
MS (9 SCH)	\$5,932	\$6,102	\$6,289	\$6,495	\$6,721	\$6,971
PHD (9 SCH)	\$5,932	\$6,102	\$6,289	\$6,495	\$6,721	\$6,971
School of Health Professions*						
<i>BS in CLS (15 SCH)</i>	\$11,286	\$11,625	\$11,970	\$12,450	\$12,945	\$13,455
<i>MS in CLS (9 SCH)</i>	\$7,036	\$7,245	\$7,461	\$7,758	\$8,064	\$8,388
<i>MS in RC (9 SCH)</i>	\$7,036	\$7,245	\$7,461	\$7,758	\$8,064	\$8,388
<i>MS in Health Professions (9 SCH)</i>	\$7,036	\$7,245	\$7,461	\$7,758	\$8,064	\$8,388
<i>MS in Nutr. & Metabolism (9 SCH)</i>	\$7,547	\$7,722	\$7,929	\$8,181	\$8,433	\$8,703
<i>DCLS (9 SCH)</i>	\$7,533	\$7,758	\$8,064	\$8,388	\$8,721	\$9,072
<i>DOT (9 SCH)</i>	\$7,533	\$7,758	\$8,064	\$8,388	\$8,721	\$9,072
<i>DPT (9 SCH)</i>	\$7,533	\$7,758	\$8,064	\$8,388	\$8,721	\$9,072
School of Public and Population Health*						
<i>MPH (9 SCH)</i>	\$6,095	\$6,210	\$6,390	\$6,570	\$6,786	\$7,020
<i>MS (9 SCH)</i>	\$5,932	\$6,048	\$6,165	\$6,300	\$6,480	\$6,705

*Semester credit hours are based on a single semester for a full-time student.

**The University of Texas Medical Branch (UTMB)
Tuition and Fee Five-Year Proposed Plans
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

DETAILS OF TUITION, MANDATORY AND OTHER FEE INCREASES

PROPOSED RESIDENT TUITION (New or Increased)

John Sealy School of Medicine – MD*						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$6,550	\$6,550	\$6,550	\$6,550	\$6,550	\$6,550
Designated-54.0513	\$13,722	\$14,349	\$14,976	\$15,622	\$16,731	\$17,895
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$20,272	\$20,899	\$21,526	\$22,172	\$23,281	\$24,445

**Use annual rates for statutory, designated and differential.*

John Sealy School of Medicine – PA (9 SCH)*						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$450	\$450	\$450	\$450	\$450	\$450
Designated-54.0513	\$2,356	\$2,475	\$2,601	\$2,763	\$2,934	\$3,114
Differential-54.008	\$511	\$531	\$549	\$576	\$603	\$630
TOTAL	\$3,317	\$3,456	\$3,600	\$3,789	\$3,987	\$4,194

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

School of Nursing*-Undergraduate (15 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$750	\$750	\$750	\$750	\$750	\$750
Designated-54.0513	\$2,814	\$3,210	\$3,645	\$3,930	\$4,230	\$4,545
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$3,564	\$3,960	\$4,395	\$4,680	\$4,980	\$5,295

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

School of Nursing*-Graduate MSN (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$450	\$450	\$450	\$450	\$450	\$450
Designated-54.0513	\$2,276	\$2,574	\$2,925	\$3,123	\$3,267	\$3,483
Differential-54.008	\$450	\$504	\$513	\$549	\$648	\$702
TOTAL	\$3,176	\$3,528	\$3,888	\$4,122	\$4,365	\$4,635

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

**The University of Texas Medical Branch (UTMB)
Tuition and Fee Five-Year Proposed Plans
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

School of Nursing*-Graduate DNP (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$450	\$450	\$450	\$450	\$450	\$450
Designated-54.0513	\$2,281	\$2,574	\$2,880	\$3,078	\$3,267	\$3,483
Differential-54.008	\$450	\$504	\$558	\$594	\$648	\$702
TOTAL	\$3,181	\$3,528	\$3,888	\$4,122	\$4,365	\$4,635

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

School of Nursing*-Graduate PhD (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$450	\$450	\$450	\$450	\$450	\$450
Designated-54.0513	\$2,220	\$2,574	\$2,880	\$3,078	\$3,267	\$3,483
Differential-54.008	\$450	\$504	\$558	\$594	\$648	\$702
TOTAL	\$3,120	\$3,528	\$3,888	\$4,122	\$4,365	\$4,635

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

School of Biomedical Sciences - MS* (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$450	\$450	\$450	\$450	\$450	\$450
Designated-54.0513	\$1,048	\$1,153	\$1,268	\$1,395	\$1,592	\$1,841
Differential-54.008	\$654	\$719	\$791	\$870	\$900	\$900
TOTAL	\$2,152	\$2,322	\$2,509	\$2,715	\$2,942	\$3,191

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

School of Biomedical Sciences - PhD* (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$450	\$450	\$450	\$450	\$450	\$450
Designated-54.0513	\$1,048	\$1,153	\$1,268	\$1,395	\$1,592	\$1,841
Differential-54.008	\$654	\$719	\$791	\$870	\$900	\$900
TOTAL	\$2,152	\$2,322	\$2,509	\$2,715	\$2,942	\$3,191

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

**The University of Texas Medical Branch (UTMB)
Tuition and Fee Five-Year Proposed Plans
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

School of Health Professions—BS in CLS Program* (15 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$750	\$750	\$750	\$750	\$750	\$750
Designated-54.0513	\$3,030	\$3,150	\$3,270	\$3,435	\$3,600	\$3,780
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$3,780	\$3,900	\$4,020	\$4,185	\$4,350	\$4,530

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

School of Health Professions—MS in CLS Program* (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$450	\$450	\$450	\$450	\$450	\$450
Designated-54.0513	\$2,446	\$2,538	\$2,628	\$2,754	\$2,880	\$3,015
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$2,896	\$2,988	\$3,078	\$3,204	\$3,330	\$3,465

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

School of Health Professions—MS in Respiratory Care Program* (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$450	\$450	\$450	\$450	\$450	\$450
Designated-54.0513	\$2,446	\$2,538	\$2,628	\$2,754	\$2,880	\$3,015
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$2,896	\$2,988	\$3,078	\$3,204	\$3,330	\$3,465

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

School of Health Professions—MS in Health Professions Program* (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$450	\$450	\$450	\$450	\$450	\$450
Designated-54.0513	\$2,446	\$2,538	\$2,628	\$2,754	\$2,880	\$3,015
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$2,896	\$2,988	\$3,078	\$3,204	\$3,330	\$3,465

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

**The University of Texas Medical Branch (UTMB)
Tuition and Fee Five-Year Proposed Plans
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

School of Health Professions—MS in Nutrition and Metabolism Program* (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$450	\$450	\$450	\$450	\$450	\$450
Designated-54.0513	\$2,356	\$2,430	\$2,511	\$2,628	\$2,745	\$2,871
Differential-54.008	\$601	\$630	\$657	\$684	\$720	\$756
TOTAL	\$3,407	\$3,510	\$3,618	\$3,762	\$3,915	\$4,077

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

School of Health Professions—Doctor of Clinical Lab Sciences Program* (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$450	\$450	\$450	\$450	\$450	\$450
Designated-54.0513	\$2,356	\$2,421	\$2,502	\$2,610	\$2,718	\$2,902
Differential-54.008	\$587	\$630	\$657	\$603	\$648	\$725
TOTAL	\$3,393	\$3,501	\$3,609	\$3,753	\$3,906	\$4,035

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

School of Health Professions—DOT Program* (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$450	\$450	\$450	\$450	\$450	\$450
Designated-54.0513	\$2,356	\$2,421	\$2,502	\$2,610	\$2,718	\$2,902
Differential-54.008	\$587	\$630	\$657	\$693	\$638	\$763
TOTAL	\$3,393	\$3,501	\$3,609	\$3,753	\$3,906	\$4,035

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

School of Health Professions—DPT Program* (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$450	\$450	\$450	\$450	\$450	\$450
Designated-54.0513	\$2,356	\$2,421	\$2,502	\$2,610	\$2,718	\$2,902
Differential-54.008	\$587	\$630	\$657	\$693	\$738	\$783
TOTAL	\$3,393	\$3,501	\$3,609	\$3,753	\$3,906	\$4,035

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

**The University of Texas Medical Branch (UTMB)
Tuition and Fee Five-Year Proposed Plans
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

School of Public Health—MPH Program* (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$450	\$450	\$450	\$450	\$450	\$450
Designated-54.0513	\$1,009	\$1,080	\$1,215	\$1,350	\$1,503	\$1,665
Differential-54.008	\$856	\$900	\$900	\$900	\$900	\$900
TOTAL	\$2,315	\$2,430	\$2,565	\$2,700	\$2,853	\$3,015

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

School of Public Health—MS Program* (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$450	\$450	\$450	\$450	\$450	\$450
Designated-54.0513	\$1,048	\$1,125	\$1,170	\$1,215	\$1,305	\$1,440
Differential-54.008	\$654	\$693	\$765	\$855	\$900	\$900
TOTAL	\$2,152	\$2,268	\$2,385	\$2,520	\$2,655	\$2,790

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

**The University of Texas Medical Branch (UTMB)
Tuition and Fee Five-Year Proposed Plans
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

PROPOSED NON-RESIDENT TUITION						
John Sealy School of Medicine-- MD						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$19,650	\$19,650	\$19,650	\$19,650	\$19,650	\$19,650
Designated-54.0513	\$15,331	\$16,415	\$17,496	\$18,611	\$20,524	\$22,533
TOTAL	\$34,981	\$36,065	\$37,146	\$38,261	\$40,174	\$42,183

**Use annual rates for statutory, designated and differential.*

John Sealy School of Medicine -- PA (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230
Designated-54.0513	\$3,229	\$3,537	\$3,861	\$4,284	\$4,734	\$5,202
TOTAL	\$7,459	\$7,767	\$8,091	\$8,514	\$8,964	\$9,432

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

School of Nursing -- BSN (15 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$7,050	\$7,050	\$7,050	\$7,050	\$7,050	\$7,050
Designated-54.0513	\$2,867	\$3,945	\$5,145	\$5,925	\$6,750	\$7,620
TOTAL	\$9,917	\$10,995	\$12,195	\$12,975	\$13,800	\$14,670

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

**The University of Texas Medical Branch (UTMB)
Tuition and Fee Five-Year Proposed Plans
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

School of Nursing -- MSN (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230
Designated-54.0513	\$2,806	\$3,582	\$4,356	\$4,860	\$5,400	\$5,967
TOTAL	\$7,036	\$7,812	\$8,586	\$9,090	\$9,630	\$10,197

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student*

School of Nursing -- DNP (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230
Designated-54.0513	\$2,728	\$3,492	\$4,257	\$4,761	\$5,301	\$5,868
TOTAL	\$6,958	\$7,722	\$8,487	\$8,991	\$9,531	\$10,098

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

School of Nursing -- PhD (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230
Designated-54.0513	\$2,811	\$3,582	\$4,437	\$4,986	\$5,562	\$6,183
TOTAL	\$7,041	\$7,812	\$8,667	\$9,216	\$9,792	\$10,413

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

School of Public and Population Health -- MPH (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230
Designated-54.0513	\$1,865	\$1,980	\$2,160	\$2,340	\$2,556	\$2,790
TOTAL	\$6,095	\$6,210	\$6,390	\$6,570	\$6,786	\$7,020

**The University of Texas Medical Branch (UTMB)
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Fall 2024 (FY2025) – Fall 2028 (FY2029)**

School of Public and Population Health -- MS (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230
Designated-54.0513	\$1,702	\$1,818	\$1,935	\$2,070	\$2,250	\$2,475
TOTAL	\$5,932	\$6,048	\$6,165	\$6,300	\$6,480	\$6,705

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

Graduate School of Biomedical Sciences -- MS (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230
Designated-54.0513	\$1,702	\$1,872	\$2,059	\$2,265	\$2,491	\$2,741
TOTAL	\$5,932	\$6,102	\$6,289	\$6,495	\$6,721	\$6,971

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

Graduate School of Biomedical Sciences -- PhD (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230
Designated-54.0513	\$1,702	\$1,872	\$2,059	\$2,265	\$2,491	\$2,741
TOTAL	\$5,932	\$6,102	\$6,289	\$6,495	\$6,721	\$6,971

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

School of Health Professions -- BS in Clinical Lab Science (15 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$7,050	\$7,050	\$7,050	\$7,050	\$7,050	\$7,050
Designated-54.0513	\$4,236	\$4,575	\$4,920	\$5,400	\$5,895	\$6,405
TOTAL	\$11,286	\$11,625	\$11,970	\$12,450	\$12,945	\$13,455

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

**The University of Texas Medical Branch (UTMB)
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Fall 2024 (FY2025) – Fall 2028 (FY2029)**

School of Health Professions -- MS in Clinical Lab Science (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230
Designated-54.0513	\$2,806	\$3,015	\$3,231	\$3,528	\$3,834	\$4,158
TOTAL	\$7,036	\$7,245	\$7,461	\$7,758	\$8,064	\$8,388

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

School of Health Professions -- MS in Respiratory Care (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230
Designated-54.0513	\$2,806	\$3,015	\$3,231	\$3,528	\$3,834	\$4,158
TOTAL	\$7,036	\$7,245	\$7,461	\$7,758	\$8,064	\$8,388

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

School of Health Professions -- MS in Health Professions (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230
Designated-54.0513	\$2,806	\$3,015	\$3,231	\$3,528	\$3,834	\$4,158
TOTAL	\$7,036	\$7,245	\$7,461	\$7,758	\$8,064	\$8,388

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

School of Health Professions -- MS in Nutrition and Metabolism (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230
Designated-54.0513	\$3,317	\$3,492	\$3,699	\$3,951	\$4,203	\$4,473
TOTAL	\$7,547	\$7,722	\$7,929	\$8,181	\$8,433	\$8,703

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

**The University of Texas Medical Branch (UTMB)
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Fall 2024 (FY2025) – Fall 2028 (FY2029)**

School of Health Professions -- Doctor of Clinical Lab Science (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230
Designated-54.0513	\$3,303	\$3,528	\$3,834	\$4,158	\$4,491	\$4,842
TOTAL	\$7,533	\$7,758	\$8,064	\$8,388	\$8,721	\$9,072

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

School of Health Professions -- Doctor of Occupational Therapy (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230
Designated-54.0513	\$3,303	\$3,528	\$3,834	\$4,158	\$4,491	\$4,842
TOTAL	\$7,533	\$7,758	\$8,064	\$8,388	\$8,721	\$9,072

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

School of Health Professions -- Doctor of Physical Therapy (9 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230	\$4,230
Designated-54.0513	\$3,303	\$3,528	\$3,834	\$4,158	\$4,491	\$4,842
TOTAL	\$7,533	\$7,758	\$8,064	\$8,388	\$8,721	\$9,072

**Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.*

**The University of Texas Medical Branch (UTMB)
Tuition and Fee Five-Year Proposed Plans
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

PROPOSED MANDATORY FEES* (New or Increased)

Name of Mandatory Fee	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Registration Fee*	\$30.00	\$31.00	\$31.00	\$32.00	\$33.00	\$35.00
Student Service Fee** <i>(capped @ \$250 per semester)</i>	\$12.00	\$12.50	\$12.50	\$13.00	\$14.00	\$15.00
Alumni Fieldhouse Fee**	\$8.00	\$8.50	\$9.00	\$9.50	\$10.50	\$11.50
Campus Security Fee*	\$10.00	\$15.00	\$15.50	\$16.00	\$16.50	\$17.00
Ed. Tech Infrastructure Fee*	\$89.50	\$50.00	\$55.00	\$60.00	\$65.00	\$70.00
Library Acquisition Fee*	\$195.00	\$207.00	\$219.00	\$232.00	\$246.00	\$261.00
Stud Comp. & Teach Equipment Fee*	\$93.50	\$95.50	\$97.50	\$99.50	\$101.50	\$103.75
Health Education Center Fee*	\$400.00	\$400.00	\$412.00	\$424.00	\$445.00	\$467.00
Distance Ed Fee**	\$66.00	\$68.00	\$68.00	\$70.00	\$70.00	\$72.00
Orientation & Welcome Week Fee	\$135.00	\$145.00	\$145.00	\$150.00	\$150.00	\$150.00
ID Badge Fee	\$20.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Graduation Fee – PhD	\$184.00	\$193.00	\$202.00	\$212.00	\$223.00	\$234.00
Graduation Fee – Masters	\$128.00	\$134.00	\$141.00	\$148.00	\$155.00	\$163.00
Graduation Fee – Undergrad.	\$99.00	\$104.00	\$109.00	\$114.00	\$120.00	\$126.00

Mandatory fees are fees that apply to ALL students, such as student services fees.

* Per Semester

** Per Semester Credit Hour

**The University of Texas Health Science Center at Houston (UTHealth Houston)
Tuition and Fee Five-Year Proposal Plans
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

SUMMARY OF RESIDENT TUITION AND MANDATORY FEES*						
	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
McGOVERN MEDICAL SCHOOL						
MD (1st Year)	\$19,521	\$21,083	\$21,926	\$22,803	\$23,715	\$24,664
	Average Annual Increase – 5.3%					
<i>Public National Average (2022-23)</i>	\$39,104					
<i>Source: AAMC Tuition/Fees Questionnaire</i>						
SCHOOL OF DENTISTRY						
DDS (1st Year)	\$34,527	\$36,662	\$38,862	\$41,192	\$43,662	\$46,282
	Average Annual Increase – 6.8%					
<i>Public National Average (2021-22)</i>	\$56,698					
<i>Source: ADA Health Policy Institute</i>						
Dental Hygiene (DH)-(1st Year)	\$4,576	\$4,862	\$4,862	\$5,174	\$5,174	\$5,486
Dental Hygiene Masters (MSDH)	\$8,940	\$8,940	\$8,940	\$8,940	\$8,940	\$8,940
Advanced Edu Post- Grad Programs (MSD)	\$4,992	\$5,304	\$5,616	\$5,954	\$6,318	\$6,708
CIZIK SCHOOL OF NURSING						
BSN (26 SCH)	\$7,098	\$7,558	\$8,064	\$8,621	\$9,233	\$9,907
	Average Annual Increase – 7.9%					
<i>BSN Public National Average (2020-21)</i>	\$9,380	<i>Source: National Center for Educational Statistics</i>				
MSN/DNP/PhD (23 SCH)	\$8,211	\$8,696	\$9,230	\$9,817	\$10,463	\$11,173
SCHOOL OF PUBLIC HEALTH (NO TUITION INCREASES PROPOSED)						
MS/MPH/DrPH /PhD (23 SCH) same tuition rates all degree programs	\$6,601	\$6,601	\$6,601	\$6,601	\$6,601	\$6,601
MCWILLIAMS SCHOOL OF BIOMEDICAL INFORMATICS						
MS/PhD (24 SCH) same tuition rates all degree programs	\$9,472	\$9,606	\$9,993	\$10,356	\$10,722	\$10,748
MD ANDERSON UTHealth GRADUATE SCHOOL OF BIOMEDICAL SCIENCES						
MS/PhD (24 SCH) same tuition rates all degree programs	\$5,952	\$5,952	\$7,200	\$7,200	\$8,400	\$8,400

**The University of Texas Health Science Center at Houston (UTHealth Houston)
Tuition and Fee Five-Year Proposal Plans
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

PROJECTED ANNUAL INCREASE IN REVENUE

	2024-25	2025-26	2026-27	2027-28	2028-29
Medicine (MD)	\$1,499,520	\$809,280	\$841,920	\$875,520	\$911,040
Dentistry (DDS)	\$884,000	\$250,000	\$263,000	\$277,000	\$292,000
Dentistry (MSD-Post Graduate)	\$7,800	\$7,956	\$8,450	\$9,100	\$9,750
Dentistry (DH-undergrad/graduate)	\$20,020	0	\$10,511	0	\$10,920
Nursing (Undergrad/Grad)	\$1,079,760	\$1,145,743	\$1,260,484	\$1,316,933	\$1,433,120
Public Health	0	0	0	0	0
Biomedical Informatics	\$18,750	\$18,750	\$90,000	\$90,000	0
Biomedical Sciences	0	\$405,001	0	\$389,424	0

**The University of Texas Health Science Center at Houston (UTHealth Houston)
Tuition and Fee Five-Year Proposal Plans
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

**DETAILS OF RESIDENT TUITION, NON-RESIDENT TUITION,
MANDATORY AND OTHER FEE INCREASES**

PROPOSED RESIDENT TUITION (New or Increased)

McGovern Medical School – MD Program* - Resident						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-98
Statutory-54.051	\$6,550	\$6,550	\$6,550	\$6,550	\$6,550	\$6,550
Designated-54.0513	\$6,421	\$7,983	\$8,826	\$9,703	\$10,615	\$11,564
Differential-54.008	\$6,550	\$6,550	\$6,550	\$6,550	\$6,550	\$6,550
TOTAL	\$19,521	\$21,083	\$21,926	\$22,803	\$23,715	\$24,664

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051*

McGovern Medical School M.S. in Clinical Research* (23 SCH) Resident						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$46	\$46	\$46	\$46	\$46	\$46
Differential-54.008	\$0	\$0	\$0	\$0	\$0	\$0
Tuition Total per SCH	\$96	\$96	\$96	\$96	\$96	\$96
TOTAL Tuition @ 23 SCH	\$2,208	\$2,208	\$2,208	\$2,208	\$2,208	\$2,208

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051. No tuition changes are being proposed for this program.*

McGovern Medical School – M.S. in Anesthesia* (47 SCH) Resident						
Statutory Authority	Approved by BOR In 2022	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$980	\$980	\$980	\$980	\$980	\$980
Differential-54.008	\$50	\$50	\$50	\$50	\$50	\$50
Tuition Total per SCH	\$1080	\$1080	\$1080	\$1080	\$1080	\$1080
TOTAL Tuition @ 47 SCH	\$50,760	\$50,760	\$50,760	\$50,760	\$50,760	\$50,760

**This program is pending approval by the Texas Higher Education Coordinating Board at the July 2023 meeting. The tuition rates shown were approved by UTS-Board of Regents at the August 24-25, 2022 meeting. Implementation of program is planned for Fall 2024 with THECB approval.*

**The University of Texas Health Science Center at Houston (UTHealth Houston)
Tuition and Fee Five-Year Proposal Plans
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

School of Dentistry DDS Program* - Resident						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400
Designated-54.0513	\$23,727	\$25,862	\$28,062	\$30,392	\$32,862	\$35,482
Differential-54.008	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400
TOTAL	\$34,527	\$36,662	\$38,862	\$41,192	\$43,662	\$46,282

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54,051*

All DDS students will be assessed the increased tuition rate in fall 2024. The School of Dentistry proposes to then lock tuition rates by class for the remainder of their education. Each new entering DDS class in subsequent years will have their tuition locked at their entering 1st year fall rate for the remainder of their education.

School of Dentistry - Dental Hygiene-Undergraduate Program* (26 SCH) Resident						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$126	\$137	\$137	\$149	\$149	\$161
Tuition Total per SCH	\$176	\$187	\$187	\$199	\$199	\$211
TOTAL @ 26 SCH	\$4,576	\$4,862	\$4,862	\$5,174	\$5,174	\$5,486

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54,051*

All DH students will be assessed the increased tuition rate in fall 2024. The School of Dentistry proposes to then lock tuition rates by class for the remainder of their education. Each new entering DH class in subsequent years will have their tuition locked at their entering 1st year fall rate for the remainder of their education.

School of Dentistry – Master of Science in Dental Hygiene Program* (30 SCH) Resident						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$198	\$198	\$198	\$198	\$198	\$198
Differential-54.008	\$50	\$50	\$50	\$50	\$50	\$50
Tuition total per SCH	\$298	\$298	\$298	\$298	\$298	\$298
TOTAL @ 30 SCH	\$8,940	\$8,940	\$8,940	\$8,940	\$8,940	\$8,940

No Resident Tuition increase proposed for Master of Science in Dental Hygiene.

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54,051*

**The University of Texas Health Science Center at Houston (UTHealth Houston)
Tuition and Fee Five-Year Proposal Plans
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

School of Dentistry - Advanced Education-Post Graduate MSD Program (26 SCH) Resident						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$92	\$104	\$116	\$129	\$143	\$158
Differential-54.008	\$50	\$50	\$50	\$50	\$50	\$50
Tuition total per SCH	\$192	\$204	\$216	\$229	\$243	\$258
TOTAL @ 26 SCH	\$4,992	\$5,304	\$5,616	\$5,954	\$6,318	\$6,708

** Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54,051*

Only the new incoming class for fall 2024 will be assessed the fall 2024 increase. The School of Dentistry proposes to then lock tuition rates by class for the remainder of their education. Each new entering MSD class in subsequent years will have their tuition locked at their entering 1st year fall rate for the remainder of their education.

Cizik School of Nursing*-Undergraduate-Resident (26 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$223	\$241	\$260	\$282	\$305	\$331
Tuition total per SCH	\$273	\$291	\$310	\$332	\$355	\$381
TOTAL @26 SCH	\$7,098	\$7,558	\$8,064	\$8,621	\$9,234	\$9,908

** Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54,051*

Cizik School of Nursing*-Graduate-Resident (23 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$257	\$278	\$301	\$327	\$355	\$386
Differential-54.008	\$50	\$50	\$50	\$50	\$50	\$50
Tuition total per SCH	\$357	\$378	\$401	\$427	\$455	\$486
TOTAL	\$8,211	\$8,696	\$9,230	\$9,817	\$10,463	\$11,174

** Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54,051*

**The University of Texas Health Science Center at Houston (UTHealth Houston)
Tuition and Fee Five-Year Proposal Plans
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

Graduate School of Biomedical Sciences* Resident (24 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$198	\$198	\$250	\$250	\$300	\$300
Differential-54.008	\$0	\$0	\$0	\$0	\$0	\$0
Tuition total per SCH	\$248	\$248	\$300	\$300	\$350	\$350
TOTAL @ 24 SCH	\$5,952	\$5,952	\$7,200	\$7,200	\$8,400	\$8,400

** Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051*

McWilliams School of Biomedical Informatics* Resident (24 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$160	\$160	\$175	\$190	\$205	\$205
Differential-54.008	\$50	\$50	\$50	\$50	\$50	\$50
Tuition Total per SCH	\$260	\$260	\$275	\$290	\$305	\$305
TOTAL @ 24 SCH	\$6,240	\$6,240	\$6,600	\$6,960	\$7,320	\$7,320

** Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051*

School of Public Health* Resident (23 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$187	\$187	\$187	\$187	\$187	\$187
Differential-54.008	\$50	\$50	\$50	\$50	\$50	\$50
Tuition total per SCH	\$287	\$287	\$287	\$287	\$287	\$287
TOTAL @ 23 SCH	\$6,601	\$6,601	\$6,601	\$6,601	\$6,601	\$6,601

No Resident Tuition increases are proposed for five-year plan by School of Public Health.

** Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051*

**The University of Texas Health Science Center at Houston (UTHealth Houston)
Tuition and Fee Five-Year Proposal Plans
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

PROPOSED NON-RESIDENT TUITION (New or Increased)

McGovern Medical School -MD Program* (Non-Resident)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$19,650	\$19,650	\$19,650	\$19,650	\$19,650	\$19,650
Designated-54.0513	\$1,725	\$1,725	\$1,725	\$1,725	\$1,725	\$2,181
Differential-54.008	\$4,750	\$7,363	\$8,800	\$10,309	\$11,893	\$13,100
TOTAL (Annual)	\$26,125	\$28,738	\$30,175	\$31,684	\$33,268	\$34,931

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051*

McGovern Medical School - M.S. in Clinical Research* (23 SCH) Non-Resident						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$46	\$46	\$46	\$46	\$46	\$46
Differential-54.008	\$0	\$0	\$0	\$0	\$0	\$0
Tuition total per SCH	\$516	\$516	\$516	\$516	\$516	\$516
TOTAL Tuition @ 23 SCH	\$11,868	\$11,868	\$11,868	\$11,868	\$11,868	\$11,868

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051.*

McGovern Medical School M.S. in Anesthesia Program* (47 SCH) Non-Resident						
Statutory Authority	Approved By BOR in 2022	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$458	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$980	\$980	\$980	\$980	\$980	\$980
Differential-54.008	\$458	\$470	\$470	\$470	\$470	\$470
Tuition total per SCH	\$1,896	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920
TOTAL Tuition @ 47 SCH	\$89,112	\$90,240	\$90,240	\$90,240	\$90,240	\$90,240

** This program is pending review for approval by the Texas Higher Education Coordinating Board in July 2023. The tuition rates shown were approved by UT-Board of Regents at the August 24-25, 2022 meeting. Implementation of program is planned for Fall 2024 with THECB approval.*

**The University of Texas Health Science Center at Houston (UTHealth Houston)
Tuition and Fee Five-Year Proposal Plans
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

School of Dentistry* - DDS Program Non-Resident						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$16,200	\$16,200	\$16,200	\$16,200	\$16,200	\$16,200
Designated-54.0513	\$22,398	\$30,804	\$34,304	\$38,004	\$41,904	\$46,029
Differential-54.008	\$15,936	\$10,800	\$10,800	\$10,800	\$10,800	\$10,800
TOTAL (Annual)	\$54,534	\$57,804	\$61,304	\$65,004	\$68,904	\$73,029

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051*

All DDS students will be assessed the increased tuition rate in fall 2024. The School of Dentistry proposes to then lock tuition rates by class for the remainder of their education. Each new entering DDS class in subsequent years will have their tuition locked at their entering 1st year fall rate for the remainder of their education.

School of Dentistry* - Dental Hygiene Undergraduate Program Non-Resident (26 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$126	\$161	\$161	\$200	\$200	\$241
Tuition Total per SCH	\$596	\$631	\$631	\$670	\$670	\$711
TOTAL @ 26 SCH	\$15,496	\$16,406	\$16,406	\$17,420	\$17,420	\$18,486

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051*

All DH students will be assessed the increased tuition rate in fall 2024. The School of Dentistry proposes to then lock tuition rates by class for the remainder of their education. Each new entering DH class in subsequent years will have their tuition locked at their entering 1st year fall rate for the remainder of their education.

School of Dentistry* - Dental Hygiene Master's Program Non-Resident (30 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$198	\$250	\$250	\$250	\$250	\$250
Differential-54.008	\$458	\$0	\$0	\$0	\$0	\$0
Tuition Total per SCH	\$1,126	\$720	\$720	\$720	\$720	\$720
TOTAL @ 30 SCH	\$33,780	\$21,600	\$21,600	\$21,600	\$21,600	\$21,600

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051*

The School of Dentistry proposes to decrease the DH-Master's non-resident tuition to be more competitive with other master's programs in the state.

**The University of Texas Health Science Center at Houston (UTHealth Houston)
Tuition and Fee Five-Year Proposal Plans
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

School of Dentistry - Post Graduate Programs* MSD Non-Resident (26 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$216	\$386	\$438	\$494	\$553	\$616
Differential-54.008	\$128	\$0	\$0	\$0	\$0	\$0
Tuition Total per SCH	\$814	\$856	\$908	\$964	\$1,023	\$1,086
TOTAL @ 26 SCH	\$21,164	\$22,256	\$23,608	\$25,064	\$26,520	\$28,236

** Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54,051*

Only the new incoming class in fall 2024 will be assessed the fall 2024 increase. The School of Dentistry proposes to then lock tuition rates by class for the remainder of their education. Each new entering MSD class in subsequent years will have their tuition locked at their entering 1st year fall rate for the remainder of their education.

Cizik School of Nursing Undergraduate Program* Non-Resident (26 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$641	\$701	\$766	\$838	\$917	\$1,004
Tuition total per SCH	\$1,111	\$1,171	\$1,236	\$1,308	\$1,387	\$1,474
TOTAL Tuition @ 26 SCH	\$28,886	\$30,446	\$32,136	\$34,008	\$36,062	\$38,324

** Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54,051*

Cizik School of Nursing Graduate Programs* Non-Resident (23 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$239	\$258	\$280	\$303	\$329	\$357
Differential-54.008	\$458	\$470	\$470	\$470	\$470	\$470
Tuition total per SCH	\$1,167	\$1,198	\$1,220	\$1,243	\$1,269	\$1,297
TOTAL Tuition@ 23 SCH	\$26,841	\$27,554	\$28,060	\$28,589	\$29,187	\$29,831

** Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54,051*

**The University of Texas Health Science Center at Houston (UTHealth Houston)
Tuition and Fee Five-Year Proposal Plans
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

Graduate School of Biomedical Sciences* Non-Resident (24 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$198	\$198	\$250	\$250	\$300	\$300
Tuition total per SCH	\$668	\$668	\$720	\$720	\$770	\$770
TOTAL @ 24 SCH	\$15,744	\$15,744	\$17,280	\$17,280	\$18,480	\$18,480

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051*

McWilliams School of Biomedical Informatics*Non-Resident (24 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$160	\$160	\$200	\$240	\$280	\$280
Differential-54.008	\$250	\$470	\$470	\$470	\$470	\$470
Tuition total per SCH	\$880	\$1,100	\$1,140	\$1,180	\$1,220	\$1,220
TOTAL @ 24 SCH	\$21,120	\$26,400	\$27,360	\$28,320	\$29,280	\$29,280

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051*

School of Public Health* Non-Resident (23 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$168	\$168	\$168	\$168	\$168	\$168
Differential-54.008	\$437	\$470	\$470	\$470	\$470	\$470
Tuition total per SCH	\$1,075	\$1,108	\$1,108	\$1,108	\$1,108	\$1,108
TOTAL @ 23 SCH	\$24,725	\$25,484	\$25,484	\$25,484	\$25,484	\$25,484

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051.*

**The University of Texas Health Science Center at Houston (UTHealth Houston)
Tuition and Fee Five-Year Proposal Plans
Fall 2024 (FY2025) – Fall 2028 (FY2029)**

PROPOSED MANDATORY FEES (New or Increased)

The listed proposed fees below are charged across all U. T. Health Science Center at Houston schools

Name of Mandatory Incidental Fee	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Student Services Fee (12-month total-see attached proposal and breakdown for semester cost)	\$591.75	\$558.81	\$586.02	\$586.02	\$586.02	\$615.85
Graduation Fee	\$100	\$150	\$150	\$150	\$150	\$150
Information Technology Access Fee	\$40/sem. \$120/year	\$42/sem. \$126/year	\$42/sem. \$126/year	\$44/sem. \$132/year	\$44/sem. \$132/year	\$44/sem. \$132/year
Installment Use Fee	\$20	\$20	\$25	\$25	\$25	\$25
Return Check Fee	\$25/check	\$25/check	\$35/check	\$35/check	\$35/check	\$35/check
Reinstatement Fee	\$200	\$200	\$225	\$225	\$225	\$225
International Student Services Fee	NEW	\$50/sem	\$50/sem	\$50/sem	\$50/sem	\$50/sem
University Processing Fee	NEW	\$55	\$60	\$65	\$70	\$75
Application Fee	\$50-\$60	\$0	\$0	\$0	\$0	\$0
Medical Services-Counseling Fee	NEW	\$55/sem	\$55/sem	\$55/sem	\$55/sem	\$55/sem

The University of Texas Health Science Center at San Antonio (UT Health San Antonio)
 Tuition and Fee Five Year Proposed Plan
 Academic Years 2024-25 – 2028-29

SUMMARY OF RESIDENT TUITION AND MANDATORY FEES*

	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
School of Medicine						
MD (1st Year)	\$18,267	\$21,823	\$22,587	\$23,377	\$24,196	\$25,042
	Average Annual Increase – 7.4%					
<i>Public National Average (2022-23)</i>	\$39,104					
<i>Source: AAMC Tuition/Fees Questionnaire</i>						
MS Deaf Ed (22 SCH) No Tuition Increases Proposed	\$3,828	\$3,828	\$3,828	\$3,828	\$3,828	\$3,828
School of Dentistry						
DDS (1st Year)	\$24,150	\$37,980	\$40,638	\$43,483	\$46,527	\$49,784
	Average Annual Increase – 21.2%					
¹ <i>Public National Average (2021-22)</i>	\$56,698					
<i>Source: ADA Health Policy Institute</i>						
IDEP Year 2	\$22,766	\$26,295	\$28,135	\$30,105	\$32,212	\$34,467
IDEP Years 3 & 4	\$54,625	\$63,092	\$67,508	\$72,234	\$77,290	\$82,701
Dental Hygiene (32 SCH)	\$6,059	\$6,998	\$7,488	\$8,012	\$8,573	\$9,173
Dental Hygiene Completion (30 SCH)	\$5,680	\$6,560	\$7,020	\$7,511	\$8,037	\$8,599
Endodontics (50 SCH)	\$18,333	\$21,174	\$22,656	\$24,242	\$25,939	\$27,755
Oral & Maxillofacial Radiology (35 SCH)	\$4,211	\$7,392	\$7,909	\$8,463	\$9,056	\$9,689
Advanced Dental Education (16 SCH)	\$1,536	\$3,379	\$3,616	\$3,869	\$4,140	\$4,429
Orthodontics (21 SCH)	\$2,016	\$4,435	\$4,746	\$5,078	\$5,433	\$5,814
Periodontics (31 SCH)	\$2,976	\$6,547	\$7,006	\$7,496	\$8,021	\$8,582
Pediatric Dentistry (34 SCH)	\$3,264	\$7,181	\$7,683	\$8,221	\$8,797	\$9,413
Prosthodontics (37 SCH)	\$3,552	\$7,814	\$8,361	\$8,947	\$9,573	\$10,243
Dental Public Health (4 SCH)	\$384	\$845	\$904	\$967	\$1,035	\$1,107
¹ <i>Total Resident 1st Year Costs</i>						
School of Nursing						
BSN (30 SCH)	\$8,024	\$9,709	\$10,389	\$11,116	\$11,894	\$12,727
	Average Annual Increase – 11.7%					
<i>BSN Public National Average (2020-21)</i>	\$9,380	<i>Source: National Center for Educational Statistics</i>				
MSN (24 SCH)	\$7,900	\$9,559	\$10,228	\$10,944	\$11,710	\$12,529
PHD (18 SCH)	\$5,925	\$7,169	\$7,671	\$8,208	\$8,782	\$9,397
DNP (18 SCH)	\$5,925	\$7,169	\$7,671	\$8,208	\$8,782	\$9,397
DNP Nurse Anesthetist (36 SCH)	\$0	\$29,189	\$31,232	\$33,419	\$35,758	\$38,261
School of Biomedical Sciences						
MS (18 SCH)	\$3,239	\$3,401	\$3,571	\$3,749	\$3,937	\$4,134
PHD (24 SCH)	\$4,319	\$4,534	\$4,761	\$4,999	\$5,249	\$5,512

The University of Texas Health Science Center at San Antonio (UT Health San Antonio)
 Tuition and Fee Five Year Proposed Plan
 Academic Years 2024-25 – 2028-29

SUMMARY OF RESIDENT TUITION AND MANDATORY FEES - Continued*

	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
School of Health Professions						
BS in Respiratory Care-Traditional (41 SCH)	\$10,687	\$12,931	\$13,837	\$14,805	\$15,841	\$16,950
BS in Respiratory Care-Online (32 SCH)	\$8,341	\$10,093	\$10,799	\$11,555	\$12,364	\$13,230
BS in Medical Laboratory Sciences (36 SCH)	\$8,608	\$10,416	\$11,145	\$11,925	\$12,760	\$13,653
BS in Medical Sciences (33 SCH)	\$8,602	\$10,408	\$11,137	\$11,916	\$12,750	\$13,643
BS in Emergency Health Sciences (52 SCH)	\$8,189	\$9,909	\$10,602	\$11,344	\$12,139	\$12,988
CERT in EMT-Basic (6 SCH)	\$945	\$1,143	\$1,223	\$1,309	\$1,401	\$1,499
CERT in EMT-Paramedic (41 SCH)	\$6,457	\$7,813	\$8,359	\$8,945	\$9,571	\$10,241
Doctorate in Physical Therapy (42.5 SCH)	\$13,329	\$16,128	\$17,257	\$18,465	\$19,757	\$21,140
Occupational Therapy Doctorate (43 SCH)	\$11,985	\$14,501	\$15,516	\$16,603	\$17,765	\$19,008
PHD in Health Sciences (18 SCH)	\$5,412	\$6,548	\$7,007	\$7,497	\$8,022	\$8,584
MS in Respiratory Care-Traditional (48 SCH)	\$14,432	\$17,462	\$18,685	\$19,993	\$21,392	\$22,890
MS in Respiratory Care- Online (34 SCH)	\$10,222	\$12,369	\$13,235	\$14,161	\$15,153	\$16,213
MPAS in Physician Assistant Studies (51 SCH)	\$15,557	\$18,824	\$26,305	\$27,715	\$29,223	\$30,837
MS in Medical Laboratory Sciences (39 SCH)	\$15,017	\$18,171	\$19,443	\$20,804	\$22,260	\$23,818
MS in Speech Language Pathology (44 SCH)	\$17,340	\$20,982	\$22,451	\$24,022	\$25,704	\$27,503
CERT in Communication Sci./Disorders (15 SCH)	\$5,912	\$7,153	\$7,654	\$8,189	\$8,763	\$9,376
MS in Imaging Sciences (48 SCH)	\$18,917	\$22,889	\$24,492	\$26,206	\$28,040	\$30,003
School of Public Health						
MS in PH (22.5 SCH)		\$7,110	\$7,466	\$7,839	\$8,231	\$8,642

*Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051.

The University of Texas Health Science Center at San Antonio (UT Health San Antonio)
 Tuition and Fee Five Year Proposed Plan
 Academic Years 2024-25 – 2028-29

PROJECTED ANNUAL INCREASE IN REVENUE

	2024-25	2025-26	2026-27	2027-28	2028-29
Medicine	\$1,222,586	\$1,253,402	\$1,136,917	\$1,147,866	\$625,087
Dentistry	\$1,874,250	\$2,175,815	\$2,356,933	\$2,669,739	\$1,604,663
Nursing	\$1,916,112	\$580,772	\$621,426	\$664,926	\$711,471
Biomedical Science	\$63,051	\$66,204	\$69,514	\$72,989	\$76,639
Health Professions	\$1,304,639	\$1,324,139	\$1,081,033	\$982,484	\$1,051,258
Public Health	\$377,415	\$413,321	\$341,505	\$372,394	\$629,265

DETAILS OF TUITION, MANDATORY AND OTHER FEE INCREASES

PROPOSED RESIDENT TUITION (New or Increased)

School of Medicine: Doctor of Medicine						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$6,550	\$6,550	\$6,550	\$6,550	\$6,550	\$6,550
Designated-54.0513	\$11,717	\$15,273	\$16,037	\$16,827	\$17,646	\$18,492
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Tuition	\$18,267	\$21,823	\$22,587	\$23,377	\$24,196	\$25,042

School of Medicine: Deaf Education and Hearing Sciences (22 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$74	\$74	\$74	\$74	\$74	\$74
Differential-54.008	\$50	\$50	\$50	\$50	\$50	\$50
TOTAL Tuition Per SCH	\$174	\$174	\$174	\$174	\$174	\$174
Total Tuition @ 22 SCH	\$3,828	\$3,828	\$3,828	\$3,828	\$3,828	\$3,828

The University of Texas Health Science Center at San Antonio (UT Health San Antonio)
 Tuition and Fee Five Year Proposed Plan
 Academic Years 2024-25 – 2028-29

School of Dentistry: Doctor of Dental Surgery						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400
Designated-54.0513	\$18,750	\$32,580	\$35,238	\$38,083	\$41,127	\$44,384
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Tuition	\$24,150	\$37,980	\$40,638	\$43,483	\$46,527	\$49,784

School of Dentistry: IDEP Year 2						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400
Designated-54.0513	\$17,366	\$20,895	\$22,735	\$24,705	\$26,812	\$29,067
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Tuition	\$22,766	\$26,295	\$28,135	\$30,105	\$32,212	\$34,467

School of Dentistry: IDEP Year 3 & 4						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400
Designated-54.0513	\$49,225	\$57,692	\$62,108	\$66,834	\$71,890	\$77,301
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Tuition	\$54,625	\$63,092	\$67,508	\$72,234	\$77,290	\$82,701

School of Dentistry: Dental Hygiene (32 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$139	\$169	\$184	\$200	\$218	\$237
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$189	\$219	\$234	\$250	\$268	\$287
Total Tuition @ 32 SCH	\$6,059	\$6,998	\$7,488	\$8,012	\$8,573	\$9,173

The University of Texas Health Science Center at San Antonio (UT Health San Antonio)
 Tuition and Fee Five Year Proposed Plan
 Academic Years 2024-25 – 2028-29

School of Dentistry: Dental Hygiene Completion (30 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$139	\$169	\$184	\$200	\$218	\$237
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$189	\$219	\$234	\$250	\$268	\$287
Total Tuition @ 30 SCH	\$5,680	\$6,560	\$7,020	\$7,511	\$8,037	\$8,599

School of Dentistry: Endodontics (50 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$317	\$373	\$403	\$435	\$469	\$505
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$367	\$423	\$453	\$485	\$519	\$555
Total Tuition @ 50 SCH	\$18,333	\$21,174	\$22,656	\$24,242	\$25,939	\$27,755

School of Dentistry: Oral & Maxillofacial Radiology (35 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$70	\$161	\$176	\$192	\$209	\$227
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$120	\$211	\$226	\$242	\$259	\$277
Total Tuition @ 35 SCH	\$4,211	\$7,392	\$7,909	\$8,463	\$9,056	\$9,689

School of Dentistry: Advanced Education in General Dentistry (16 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$46	\$161	\$176	\$192	\$209	\$227
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$96	\$211	\$226	\$242	\$259	\$277
Total Tuition @ 16 SCH	\$1,536	\$3,379	\$3,616	\$3,869	\$4,140	\$4,429

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School of Dentistry: Orthodontics (21 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$46	\$161	\$176	\$192	\$209	\$227
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$96	\$211	\$226	\$242	\$259	\$277
Total Tuition @ 21 SCH	\$2,016	\$4,435	\$4,746	\$5,078	\$5,433	\$5,814

School of Dentistry: Periodontics (31 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$46	\$161	\$176	\$192	\$209	\$227
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$96	\$211	\$226	\$242	\$259	\$277
Total Tuition @ 31 SCH	\$2,976	\$6,547	\$7,006	\$7,496	\$8,021	\$8,582

School of Dentistry: Pediatric Dentistry (34 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$46	\$161	\$176	\$192	\$209	\$227
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$96	\$211	\$226	\$242	\$259	\$277
Total Tuition @ 34 SCH	\$3,264	\$7,181	\$7,683	\$8,221	\$8,797	\$9,413

School of Dentistry: Prosthodontics (37 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$46	\$161	\$176	\$192	\$209	\$227
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$96	\$211	\$226	\$242	\$259	\$277
Total Tuition @ 37 SCH	\$3,552	\$7,814	\$8,361	\$8,947	\$9,573	\$10,243

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School of Dentistry: Dental Public Health (4 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$46	\$161	\$176	\$192	\$209	\$227
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$96	\$211	\$226	\$242	\$259	\$277
Total Tuition @ 4 SCH	\$384	\$845	\$904	\$967	\$1,035	\$1,107

School of Nursing: Undergraduate (30 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Differential-54.008	\$217	\$274	\$296	\$321	\$346	\$374
TOTAL Tuition Per SCH	\$267	\$324	\$346	\$371	\$396	\$424
Total Tuition @ 30 SCH	\$8,024	\$9,709	\$10,389	\$11,116	\$11,894	\$12,727

School of Nursing: MSN (24 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$179	\$248	\$276	\$306	\$338	\$372
Differential-54.008	\$100	\$100	\$100	\$100	\$100	\$100
TOTAL Tuition Per SCH	\$329	\$398	\$426	\$456	\$488	\$522
Total Tuition @ 24 SCH	\$7,900	\$9,559	\$10,228	\$10,944	\$11,710	\$12,529

School of Nursing: PhD (18 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$179	\$248	\$276	\$306	\$338	\$372
Differential-54.008	\$100	\$100	\$100	\$100	\$100	\$100
TOTAL Tuition Per SCH	\$329	\$398	\$426	\$456	\$488	\$522
Total Tuition @ 18 SCH	\$5,925	\$7,169	\$7,671	\$8,208	\$8,782	\$9,397

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School of Nursing: DNP (18 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$179	\$248	\$276	\$306	\$338	\$372
Differential-54.008	\$100	\$100	\$100	\$100	\$100	\$100
TOTAL Tuition Per SCH	\$329	\$398	\$426	\$456	\$488	\$522
Total Tuition @ 18 SCH	\$5,925	\$7,169	\$7,671	\$8,208	\$8,782	\$9,397

School of Nursing: DNP-Nurse Anesthetist (36 SCH)						
Statutory Authority	Current	Approved	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051		\$50	\$50	\$50	\$50	\$50
Designated-54.0513		\$661	\$718	\$778	\$843	\$913
Differential-54.008		\$100	\$100	\$100	\$100	\$100
TOTAL Tuition Per SCH		\$811	\$868	\$928	\$993	\$1,063
Total Tuition @ 36 SCH		\$29,189	\$31,232	\$33,419	\$35,758	\$38,261

School of Biomedical Sciences: Masters (18 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$58	\$139	\$48	\$58	\$69	\$80
Differential-54.008	\$72	\$ -	\$100	\$100	\$100	\$100
TOTAL Tuition Per SCH	\$180	\$189	\$198	\$208	\$219	\$230
Total Tuition @ 18 SCH	\$3,239	\$3,401	\$3,571	\$3,749	\$3,937	\$4,134

School of Biomedical Sciences: PhD (24 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$58	\$139	\$48	\$58	\$69	\$80
Differential-54.008	\$72	\$ -	\$100	\$100	\$100	\$100
TOTAL Tuition Per SCH	\$180	\$189	\$198	\$208	\$219	\$230
Total Tuition @ 24 SCH	\$4,319	\$4,534	\$4,761	\$4,999	\$5,249	\$5,512

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School of Health Professions: BS in Respiratory Care (41 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$211	\$265	\$287	\$311	\$336	\$363
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$261	\$315	\$337	\$361	\$386	\$413
Total Tuition @ 41 SCH	\$10,687	\$12,931	\$13,837	\$14,805	\$15,841	\$16,950

School of Health Professions: BS in Respiratory Care Online (32 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$211	\$265	\$287	\$311	\$336	\$363
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$261	\$315	\$337	\$361	\$386	\$413
Total Tuition @ 32 SCH	\$8,341	\$10,093	\$10,799	\$11,555	\$12,364	\$13,230

School of Health Professions: BS in Medical Lab Sciences (36 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$189	\$239	\$260	\$281	\$304	\$329
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$239	\$289	\$310	\$331	\$354	\$379
Total Tuition @ 36 SCH	\$8,608	\$10,416	\$11,145	\$11,925	\$12,760	\$13,653

School of Health Professions: BS in Medical Science (33 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$211	\$265	\$287	\$311	\$336	\$363
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$261	\$315	\$337	\$361	\$386	\$413
Total Tuition @ 33 SCH	\$8,602	\$10,408	\$11,137	\$11,916	\$12,750	\$13,643

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School of Health Professions: BS in EHS (52 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$107	\$141	\$154	\$168	\$183	\$200
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$157	\$191	\$204	\$218	\$233	\$250
Total Tuition @ 52 SCH	\$8,189	\$9,909	\$10,602	\$11,344	\$12,139	\$12,988

School of Health Professions: Cert Emergency Medical Technician Basic (6 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$107	\$141	\$154	\$168	\$183	\$200
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$157	\$191	\$204	\$218	\$233	\$250
Total Tuition @ 6 SCH	\$945	\$1,143	\$1,223	\$1,309	\$1,401	\$1,499

School of Health Professions: Cert Emergency Medical Technician Paramedic (41 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$107	\$141	\$154	\$168	\$183	\$200
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$157	\$191	\$204	\$218	\$233	\$250
Total Tuition @ 41 SCH	\$6,457	\$7,813	\$8,359	\$8,945	\$9,571	\$10,241

School of Health Professions: Doctor of Physical Therapy (42.5 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$164	\$229	\$256	\$284	\$315	\$347
Differential-54.008	\$100	\$100	\$100	\$100	\$100	\$100
TOTAL Tuition Per SCH	\$314	\$379	\$406	\$434	\$465	\$497
Total Tuition @ 42.5 SCH	\$13,329	\$16,128	\$17,257	\$18,465	\$19,757	\$21,140

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School of Health Professions: Occupational Therapy Doctorate (43 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$129	\$187	\$211	\$236	\$263	\$292
Differential-54.008	\$100	\$100	\$100	\$100	\$100	\$100
TOTAL Tuition Per SCH	\$279	\$337	\$361	\$386	\$413	\$442
Total Tuition @ 43 SCH	\$11,985	\$14,501	\$15,516	\$16,603	\$17,765	\$19,008

School of Health Professions: PhD in Health Sciences (18 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$151	\$214	\$239	\$267	\$296	\$327
Differential-54.008	\$100	\$100	\$100	\$100	\$100	\$100
TOTAL Tuition Per SCH	\$301	\$364	\$389	\$417	\$446	\$477
Total Tuition @ 18 SCH	\$5,412	\$6,548	\$7,007	\$7,497	\$8,022	\$8,584

School of Health Professions: MS in Respiratory Care (48 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$151	\$214	\$239	\$267	\$296	\$327
Differential-54.008	\$100	\$100	\$100	\$100	\$100	\$100
TOTAL Tuition Per SCH	\$301	\$364	\$389	\$417	\$446	\$477
Total Tuition @ 48 SCH	\$14,432	\$17,462	\$18,685	\$19,993	\$21,392	\$22,890

School of Health Professions MS in Respiratory Care Online (34 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$151	\$214	\$239	\$267	\$296	\$327
Differential-54.008	\$100	\$100	\$100	\$100	\$100	\$100
TOTAL Tuition Per SCH	\$301	\$364	\$389	\$417	\$446	\$477
Total Tuition @ 34 SCH	\$10,222	\$12,369	\$13,235	\$14,161	\$15,153	\$16,213

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School of Health Professions: MS Physician Assistant Studies (51 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$155	\$219	\$245	\$273	\$302	\$334
Differential-54.008	\$100	\$100	\$100	\$100	\$100	\$100
TOTAL Tuition Per SCH	\$305	\$369	\$395	\$423	\$452	\$484
Total Tuition @ 51 SCH	\$15,557	\$18,824	\$20,142	\$21,552	\$23,060	\$24,674

School of Health Professions: MS Medical Lab Sciences (39 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$235	\$316	\$349	\$383	\$421	\$461
Differential-54.008	\$100	\$100	\$100	\$100	\$100	\$100
TOTAL Tuition Per SCH	\$385	\$466	\$499	\$533	\$571	\$611
Total Tuition @ 39 SCH	\$15,017	\$18,171	\$19,443	\$20,804	\$22,260	\$23,818

School of Health Professions: MS in Speech Language Pathology (44 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$244	\$327	\$360	\$396	\$434	\$475
Differential-54.008	\$100	\$100	\$100	\$100	\$100	\$100
TOTAL Tuition Per SCH	\$394	\$477	\$510	\$546	\$584	\$625
Total Tuition @ 44 SCH	\$17,340	\$20,982	\$22,451	\$24,022	\$25,704	\$27,503

School of Health Professions: Cert Comm Sci Disorders (15 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$244	\$327	\$360	\$396	\$434	\$475
Differential-54.008	\$100	\$100	\$100	\$100	\$100	\$100
TOTAL Tuition Per SCH	\$394	\$477	\$510	\$546	\$584	\$625
Total Tuition @ 15 SCH	\$5,912	\$7,153	\$7,654	\$8,189	\$8,763	\$9,376

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School of Health Professions: MS Imaging Sciences (48 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$50	\$50	\$50	\$50	\$50	\$50
Designated-54.0513	\$244	\$327	\$360	\$396	\$434	\$475
Differential-54.008	\$100	\$100	\$100	\$100	\$100	\$100
TOTAL Tuition Per SCH	\$394	\$477	\$510	\$546	\$584	\$625
Total Tuition @ 48 SCH	\$18,917	\$22,889	\$24,492	\$26,206	\$28,040	\$30,003

School of Public Health: Master in Public Health (22.5 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051		\$50	\$50	\$50	\$50	\$50
Designated-54.0513		\$166	\$182	\$198	\$216	\$234
Differential-54.008		\$100	\$100	\$100	\$100	\$100
TOTAL Tuition Per SCH		\$316	\$332	\$348	\$366	\$384
Total Tuition @ 22.5 SCH		\$7,110	\$7,466	\$7,839	\$8,231	\$8,642

DETAILS OF TUITION, MANDATORY AND OTHER FEE INCREASES
PROPOSED NON-RESIDENT TUITION (New or Increased)

School of Medicine: Doctor of Medicine - Non-Resident						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$19,650	\$19,650	\$19,650	\$19,650	\$19,650	\$19,650
Designated-54.0513	\$16,329	\$17,589	\$18,892	\$20,241	\$21,637	\$23,082
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Tuition	\$35,979	\$37,239	\$38,542	\$39,891	\$41,287	\$42,732

School of Medicine: Deaf Education and Hearing Sciences Non-Resident (22 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$74	\$124	\$124	\$124	\$124	\$124
Differential-54.008	\$50	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$594	\$594	\$594	\$594	\$594	\$594
Total Tuition @ 22 SCH	\$13,068	\$13,068	\$13,068	\$13,068	\$13,068	\$13,068

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School of Dentistry: Doctor of Dental Surgery Non-Resident						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$16,200	\$16,200	\$16,200	\$16,200	\$16,200	\$16,200
Designated-54.0513	\$18,750	\$33,660	\$37,150	\$40,884	\$44,880	\$49,156
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Tuition	\$34,950	\$49,860	\$53,350	\$57,084	\$61,080	\$65,356

School of Dentistry: IDEP Year 2 Non-Resident						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$16,200	\$16,200	\$16,200	\$16,200	\$16,200	\$16,200
Designated-54.0513	\$15,281	\$21,975	\$24,647	\$27,506	\$30,566	\$33,839
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Tuition	\$31,481	\$38,175	\$40,847	\$43,706	\$46,766	\$50,039

School of Dentistry: IDEP Year 3 & 4 Non-Resident						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$16,200	\$16,200	\$16,200	\$16,200	\$16,200	\$16,200
Designated-54.0513	\$49,225	\$58,772	\$64,020	\$69,635	\$75,644	\$82,073
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Tuition	\$65,425	\$74,972	\$80,220	\$85,835	\$91,844	\$98,273

School of Dentistry: Dental Hygiene Non-Resident (32 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$139	\$209	\$256	\$306	\$360	\$417
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$609	\$679	\$726	\$776	\$830	\$887
Total Tuition @ 32 SCH	\$19,499	\$21,743	\$23,238	\$24,838	\$26,550	\$28,382

School of Dentistry: Endodontics Non-Resident (50 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$317	\$414	\$475	\$541	\$611	\$685
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$787	\$884	\$945	\$1,011	\$1,081	\$1,155
Total Tuition @ 50 SCH	\$39,333	\$44,214	\$47,267	\$50,534	\$54,029	\$57,769

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School of Dentistry: Oral & Maxillofacial Radiology Non-Resident (35 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$70	\$202	\$248	\$298	\$351	\$407
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$540	\$672	\$718	\$768	\$821	\$877
Total Tuition @ 35 SCH	\$18,911	\$23,520	\$25,137	\$26,867	\$28,718	\$30,699

School of Dentistry: Advanced Education in General Dentistry Non-Resident (16 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$46	\$202	\$248	\$298	\$351	\$407
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$516	\$672	\$718	\$768	\$821	\$877
Total Tuition @ 16 SCH	\$8,256	\$10,752	\$11,491	\$12,282	\$13,128	\$14,034

School of Dentistry: Orthodontics Non-Resident (21 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$46	\$202	\$248	\$298	\$351	\$407
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$516	\$672	\$718	\$768	\$821	\$877
Total Tuition @ 21 SCH	\$10,836	\$14,112	\$15,082	\$16,120	\$17,231	\$18,420

School of Dentistry: Periodontics Non-Resident (31 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$46	\$202	\$248	\$298	\$351	\$407
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$516	\$672	\$718	\$768	\$821	\$877
Total Tuition @ 31 SCH	\$15,996	\$20,832	\$22,264	\$23,797	\$25,436	\$27,191

School of Dentistry: Pediatric Dentistry Non-Resident (34 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$46	\$202	\$248	\$298	\$351	\$407
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$516	\$672	\$718	\$768	\$821	\$877
Total Tuition @ 34 SCH	\$17,544	\$22,848	\$24,419	\$26,100	\$27,898	\$29,822

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School of Dentistry: Prosthodontics Non-Resident (37 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$46	\$202	\$248	\$298	\$351	\$407
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$516	\$672	\$718	\$768	\$821	\$877
Total Tuition @ 37 SCH	\$19,092	\$24,864	\$26,573	\$28,402	\$30,360	\$32,454

School of Dentistry: Dental Public Health Non-Resident (4 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$46	\$202	\$248	\$298	\$351	\$407
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$516	\$672	\$718	\$768	\$821	\$877
Total Tuition @ 4 SCH	\$2,064	\$2,688	\$2,873	\$3,071	\$3,282	\$3,509

School of Nursing: Undergraduate Non-Resident (30 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$329	\$507	\$579	\$655	\$737	\$825
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$845	\$1,023	\$1,185	\$1,171	\$1,253	\$1,341
Total Tuition @ 30 SCH	\$25,364	\$30,690	\$32,839	\$35,137	\$37,597	\$40,229

School of Nursing: MSN Non-Resident (24 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$444	\$636	\$714	\$796	\$885	\$980
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$914	\$1,106	\$1,184	\$1,266	\$1,355	\$1,450
Total Tuition @ 24 SCH	\$21,940	\$26,548	\$28,406	\$30,395	\$32,522	\$34,799

School of Nursing: PhD Non-Resident (18 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$444	\$636	\$714	\$796	\$885	\$980
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$914	\$1,106	\$1,184	\$1,266	\$1,355	\$1,450
Total Tuition @ 18 SCH	\$16,455	\$19,911	\$21,305	\$22,796	\$24,392	\$26,099

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School of Nursing: DNP Non-Resident (18 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$444	\$636	\$714	\$796	\$885	\$980
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$914	\$1,106	\$1,184	\$1,266	\$1,355	\$1,450
Total Tuition @ 18 SCH	\$16,455	\$19,911	\$21,305	\$22,796	\$24,392	\$26,099

School of Nursing: DNP-Nurse Anesthetist Non-Resident (36 SCH)						
Statutory Authority	Current	Approved	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051		\$470	\$470	\$470	\$470	\$470
Designated-54.0513		\$1,046	\$1,152	\$1,266	\$1,387	\$1,517
Differential-54.008		\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH		\$1,516	\$1,622	\$1,736	\$1,857	\$1,987
Total Tuition @ 36 SCH		\$54,576	\$58,396	\$62,484	\$66,858	\$71,538

School of Biomedical Sciences: Masters Non-Resident (18 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$150	\$256	\$292	\$330	\$370	\$412
Differential-54.008	\$72	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$691	\$726	\$762	\$800	\$840	\$882
Total Tuition @ 18 SCH	\$12,439	\$13,061	\$13,714	\$14,400	\$15,120	\$15,876

School of Biomedical Sciences: PhD Non-Resident (24 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$150	\$256	\$292	\$330	\$370	\$412
Differential-54.008	\$72	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$691	\$726	\$762	\$800	\$840	\$882
Total Tuition @ 24 SCH	\$16,586	\$17,415	\$18,286	\$19,200	\$20,160	\$21,168

School of Health Professions: BS in Respiratory Care Non-Resident (41 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$211	\$354	\$411	\$473	\$539	\$610
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$681	\$824	\$881	\$943	\$1,009	\$1,080
Total Tuition @ 41 SCH	\$27,907	\$33,768	\$36,131	\$38,660	\$41,367	\$44,262

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School of Health Professions: BS in Respiratory Care Online Non-Resident (32 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$211	\$354	\$411	\$473	\$539	\$610
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$681	\$824	\$881	\$943	\$1,009	\$1,080
Total Tuition @ 32 SCH	\$21,781	\$26,355	\$28,200	\$30,174	\$32,286	\$34,546

School of Health Professions: BS in Medical Lab Sciences Non-Resident (36 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$189	\$328	\$383	\$443	\$507	\$575
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$659	\$798	\$853	\$913	\$977	\$1,045
Total Tuition @ 36 SCH	\$23,728	\$28,711	\$30,721	\$32,871	\$35,172	\$37,634

School of Health Professions: BS in Medical Science Non-Resident (33 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$211	\$354	\$411	\$473	\$539	\$610
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$681	\$824	\$881	\$943	\$1,009	\$1,080
Total Tuition @ 33 SCH	\$22,462	\$27,179	\$29,081	\$31,117	\$33,295	\$35,626

School of Health Professions: BS in EHS Non-Resident (52 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$107	\$229	\$278	\$330	\$386	\$446
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$577	\$699	\$748	\$800	\$856	\$916
Total Tuition @ 52 SCH	\$30,029	\$36,335	\$38,878	\$41,600	\$44,512	\$47,628

School of Health Professions: Cert Emergency Medical Technician Basic Non-Resident (6 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$107	\$229	\$278	\$330	\$386	\$446
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$577	\$699	\$748	\$800	\$856	\$916
Total Tuition @ 6 SCH	\$3,465	\$4,193	\$4,486	\$4,800	\$5,136	\$5,496

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School of Health Professions: Cert Emergency Medical Technician Paramedic Non-Resident (41 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$107	\$229	\$278	\$330	\$386	\$446
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$577	\$699	\$748	\$800	\$856	\$916
Total Tuition @ 41 SCH	\$23,677	\$28,649	\$30,654	\$32,800	\$35,096	\$37,553

School of Health Professions: Doctor of Physical Therapy Non-Resident (42.5 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$264	\$418	\$480	\$546	\$617	\$694
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$734	\$888	\$950	\$1,016	\$1,087	\$1,164
Total Tuition @ 42.5 SCH	\$31,179	\$37,726	\$40,367	\$43,193	\$46,216	\$49,452

School of Health Professions: Occupational Therapy Doctorate Non-Resident (43 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$229	\$375	\$435	\$498	\$566	\$638
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$699	\$845	\$905	\$968	\$1,036	\$1,108
Total Tuition @ 43 SCH	\$30,045	\$36,354	\$38,899	\$41,622	\$44,535	\$47,653

School of Health Professions PhD in Health Sciences Non-Resident (18 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$251	\$402	\$463	\$528	\$598	\$673
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$721	\$872	\$933	\$998	\$1,068	\$1,143
Total Tuition @ 18 SCH	\$12,972	\$15,696	\$16,795	\$17,970	\$19,228	\$20,574

School of Health Professions: MS in Respiratory Care Non-Resident (48 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$251	\$402	\$463	\$528	\$598	\$673
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$721	\$872	\$933	\$998	\$1,068	\$1,143
Total Tuition @ 48 SCH	\$34,592	\$41,856	\$44,786	\$47,921	\$51,275	\$54,865

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School of Health Professions: MS in Respiratory Care Online Non-Resident (34 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$251	\$402	\$463	\$528	\$598	\$673
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$721	\$872	\$933	\$998	\$1,068	\$1,143
Total Tuition @ 34 SCH	\$24,502	\$29,648	\$31,723	\$33,944	\$36,320	\$38,862

School of Health Professions: MS Physician Assistant Studies Non-Resident (51 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$255	\$407	\$469	\$534	\$605	\$680
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$725	\$877	\$939	\$1,004	\$1,075	\$1,150
Total Tuition @ 51 SCH	\$36,977	\$44,742	\$47,874	\$51,225	\$54,811	\$58,648

School of Health Professions: MS Medical Lab Sciences Non-Resident (39 SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$335	\$504	\$572	\$645	\$723	\$807
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$805	\$974	\$1,042	\$1,115	\$1,193	\$1,277
Total Tuition @ 39 SCH	\$31,397	\$37,991	\$40,650	\$43,496	\$46,540	\$49,798

School of Health Professions: MS in Speech Language Pathology Non-Resident (44 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$344	\$515	\$584	\$658	\$737	\$821
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$814	\$985	\$1,054	\$1,128	\$1,207	\$1,291
Total Tuition @ 44 SCH	\$35,820	\$43,343	\$46,377	\$49,623	\$53,097	\$56,813

School of Health Professions: Cert Comm Sci Disorders Non-Resident (15 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$344	\$515	\$584	\$658	\$737	\$821
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$814	\$985	\$1,054	\$1,128	\$1,207	\$1,291
Total Tuition @ 15 SCH	\$12,212	\$14,776	\$15,810	\$16,917	\$18,101	\$19,368

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School of Health Professions: MS Imaging Sciences Non-Resident (48 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051	\$470	\$470	\$470	\$470	\$470	\$470
Designated-54.0513	\$344	\$515	\$584	\$658	\$737	\$821
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH	\$814	\$985	\$1,054	\$1,128	\$1,207	\$1,291
Total Tuition @ 48 SCH	\$39,077	\$47,283	\$50,593	\$54,134	\$57,924	\$61,978

School of Public Health: Master in Public Health (22.5 SCH)						
Statutory Authority	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Statutory-54.051		\$470	\$470	\$470	\$470	\$470
Designated-54.0513		\$266	\$303	\$341	\$382	\$425
Differential-54.008		\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Tuition Per SCH		\$736	\$773	\$811	\$852	\$895
Total Tuition @ 22.5 SCH		\$16,560	\$17,388	\$18,257	\$19,170	\$20,129

**Include information about any differences between resident and non-resident costs other than differences dictated by Education Code 54.051.*

PROPOSED MANDATORY FEES (New or Increased)

Name of Mandatory Fee	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Student Services Fee (TEC 54.503)	\$220	\$500	\$750	\$750	\$750	\$750
Library Fee (TEC 54.504)	\$300	\$300	\$370	\$370	\$400	\$400

The University of Texas MD Anderson Cancer Center (UTMDACC)
 Tuition and Fee Five Year Proposed Plan
 Academic Years 2024-25 – 2028-29

SUMMARY OF RESIDENT TUITION AND MANDATORY FEES*

	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
School of Biomedical Sciences*						
MS (__ SCH)						
PHD (__ SCH)	Shared Graduate School of Biomedical Sciences – included in the University of Texas Health Science Center at Houston proposed plan.					
School of Health Professions*						
BS in RT, MD, DI, CLS, HTL, CGT, MGT, OMS, DOA, CT, ATC Mammography and new future Programs* _ (_15_SCH)	\$2,119.20	\$2,119.20	\$2,214.26	\$2,312.88	\$2,418.09	\$2,526.92
MS in _ Diagnostic Genetics & Radiological Sciences and new future Programs* (_9_SCH)	\$1,797.42	\$1,797.42	\$1,878.88	\$1,964.37	\$2,053.00	\$2,145.69

*Semester credit hours are based on a single semester for a full-time student.

PROJECTED ANNUAL INCREASE IN REVENUE

	2024-25	2025-26	2026-27	2027-28	2028-29
Health Professions	0	\$91,321.13	\$94,843.14	\$100,924.32	\$104,495.75

The University of Texas MD Anderson Cancer Center (UTMDACC)
 Tuition and Fee Five Year Proposed Plan
 Academic Years 2024-25 – 2028-29

DETAILS OF TUITION, MANDATORY AND OTHER FEE INCREASES

PROPOSED RESIDENT TUITION (New or Increased)

School of Health Professions--_RT, MD, DI, CLS, HTL, CGT, MGT, OMS, DOA, CT, ATC Mammography and new future Programs* (15__SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00
Designated-54.0513	\$1,011.90	\$1,011.90	\$1,094.40	\$1,179.90	\$1,271.40	\$1,365.90
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 1,761.90	\$1,761.90	\$1,844.40	\$1,929.90	\$2,021.40	\$2,115.90

*Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.

School of Health Professions--_Diagnostic Genetics & Radiological Sciences and new future Programs* (_9_SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00
Designated-54.0513	\$608.94	\$608.94	\$680.94	\$756.54	\$834.84	\$916.74
Differential-54.008	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00
TOTAL	\$1,508.94	\$1,508.94	\$1,580.94	\$1,656.54	\$1,734.84	\$1,816.74

*Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.

PROPOSED NON-RESIDENT TUITION (New or Increased)

School of Health Professions--_ RT, MD, DI, CLS, HTL, CGT, MGT, OMS, DOA, CT, ATC Mammography and new future Programs* (_15_SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$7,050.00	\$7,050.00	\$7,050.00	\$7,050.00	\$7,050.00	\$7,050.00
Designated-54.0513	\$1,011.90	\$1,011.90	\$1,378.99	\$1,761.90	\$2,159.40	\$2,579.40
Differential-54.008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$8,061.90	\$8,061.90	\$8,428.99	\$8,811.90	\$9,209.40	\$9,629.40

*Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.

The University of Texas MD Anderson Cancer Center (UTMDACC)
 Tuition and Fee Five Year Proposed Plan
 Academic Years 2024-25 – 2028-29

School of Health Professions-- Diagnostic Genetics & Radiological Sciences and new future Programs* (_9_SCH)						
Statutory Authority	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Statutory-54.051	\$4,230.00	\$4,230.00	\$4,230.00	\$4,230.00	\$4,230.00	\$4,230.00
Designated-54.0513	\$608.94	\$608.94	\$959.71	\$1,324.38	\$1,702.96	\$2,099.97
Differential-54.008	\$4,230.00	\$4,230.00	\$4,230.00	\$4,230.00	\$4,230.00	\$4,230.00
TOTAL	\$9,068.94	\$9,068.94	\$9,419.71	\$9,784.38	\$10,162.96	\$10,559.97

*Semester credit hours are separated by statutory, designated and differential tuition and calculated on a single semester for a full-time student.

* Reflects the most current THECB non-resident rate.

PROPOSED MANDATORY FEES* (New or Increased)

Name of Mandatory Fee	Current 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29
Education Resource Fee/SCH	\$11.47	\$11.47	\$11.99	\$12.53	\$13.09	\$13.68
Technology Fee/Semester	\$107.00	\$107.00	\$111.82	\$116.85	\$122.10	\$127.60

*Mandatory fees are fees that apply to ALL students, such as student services fees.

3. **U. T. System: Approval to distribute a portion of The University of Texas System Professional Medical Liability Benefit Plan premium returns and approve rates for the Plan**

RECOMMENDATION

The Chancellor concurs in the recommendation of The University of Texas System Professional Medical Liability Benefit Plan (Plan) Management Committee, chaired by the Vice Chancellor and General Counsel and comprised of the Chair, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Executive Vice Chancellor for Academic Affairs, after consultation with Milliman, Inc., actuary for the Plan, that

- a. overall premium rates remain unchanged;
- b. \$6 million in premiums be returned to the participating U. T. institutions based on a methodology that considers each institution's losses; and
- c. \$2 million be designated for patient safety enhancement projects, as identified by the Executive Vice Chancellor for Health Affairs.

The proposed distribution of \$8 million is set forth as Exhibit 1.

BACKGROUND INFORMATION

With the implementation of tort reform in 2003, the Plan Management Committee (Committee) has consistently recommended significant reductions in total Plan assets to bring the reserve levels to those generally accepted by the industry. The Committee continues balancing Plan revenue from premiums charged and investment income with adequate capitalization from which to pay Plan claims, reserves for future claims, and administrative expenses. As part of this effort, Plan premiums were significantly reduced for several years immediately following tort reform adoption, and since 2007, the premium rates have either been reduced or unchanged. However, Plan premiums are adjusted annually for institutional loss experience.

On August 9, 2018, U. T. System designated \$2.5 million for Health Affairs Collaborative Projects for U. T. System efforts in patient safety enhancement through projects identified by the Executive Vice Chancellor for Health Affairs. Those funds have been applied to support various successful systemwide efforts including U. T. Labs, engaging Chief Quality Officers, mitigating physician burnout, and supporting patient-provider engagement through EPIC electronic health records. If the \$2 million proposed for patient safety enhancement projects is approved, the Health Affairs Collaborative Projects fund balance will be \$6.5 million.

For the coming year, the Committee recommends maintaining overall premiums at the current rates. Based on Plan investment income and efficient management of claims, the Committee recommends a return to the contributing institutions of \$6 million.

The methodology for distribution of \$6 million to participating institutions considers the proportion of each institution's payment into the Plan, as well as each institution's loss experience. Thus, those institutions with higher claims receive lower distributions.

In addition to the \$6 million to be distributed to participating institutions, \$2 million is recommended for U. T. System efforts Patient Safety Enhancement Projects, as identified by the Executive Vice Chancellor for Health Affairs.

The combination of unchanged rates along with these distributions should still allow for adequate capitalization of the Plan.

Exhibit 1
The University of Texas System Professional Medical Liability Benefit Plan
Proposed Distribution of Plan Returns
 FY 2023

<i>Institution</i>	<i>Premium Paid</i>	<i>Claims Expense</i>	<i>Net Contribution Amount</i>	<i>Rebate based on Net Contribution</i>
	<i>2021-2023 (3 year)</i>	<i>2021-2023 (3 year)</i>	<i>3 Yr (Premium - Expenses)</i>	<i>FY 2023</i>
UT Arlington	8,834	-	8,834	1,966
UT Austin	842,721	581,838	260,883	58,049
UT Dallas	7,486	-	7,486	1,666
UT El Paso	10,808	-	10,808	2,405
UT Permian Basin	1,783	-	1,783	397
UT Rio Grande Valley	1,358,913	124,696	1,234,217	274,623
UT San Antonio	5,777	-	5,777	1,285
UT Tyler	7,404	-	7,404	1,647
UTSWMC	8,610,851	2,763,191	5,847,660	1,301,152
UTMB	5,216,363	1,932,286	3,284,077	730,734
UTHSCH	12,169,792	4,145,676	8,024,116	1,785,431
UTHSCSA	5,567,406	1,519,980	4,047,426	900,586
UTMDACC	4,380,207	1,079,587	3,300,620	734,415
UTHSCT	1,073,902	149,693	924,209	205,644
Subtotal	\$ 39,262,247	\$ 12,296,947	\$ 26,965,300	\$ 6,000,000
Health Affairs Collaborative Projects				\$ 2,000,000
TOTAL DISTRIBUTION FY 2023				\$ 8,000,000
TOTAL CONTRIBUTION FY 2021-2023				\$ 20,000,000

4. **U. T. Southwestern Medical Center: Discussion and appropriate action regarding approval of proposed comprehensive leave program**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, and the institutional president that authorization be granted by the U. T. System Board of Regents to:

- a. approve the adoption of the proposed comprehensive leave program, as set forth on the following pages with planned implementation in Fiscal Year 2025; and
- b. authorize the Chancellor, the Executive Vice Chancellors for Business Affairs and Health Affairs, and the Vice Chancellor and General Counsel to take all steps necessary to meet the requirements of *Texas Education Code* Section 51.961(h), including the negotiation and execution of documents.

BACKGROUND INFORMATION

Section 51.961 of the *Texas Education Code* authorizes the governing board of a university system to adopt a comprehensive leave policy that applies to employees of any component institution of a university system. A leave policy adopted by the governing board may combine state authorized vacation, sick, and holiday leave into a paid leave system that does not distinguish or separate the types of leave to be awarded and may award leave in an amount determined by the governing board to be appropriate and cost effective. Further, the leave policy must include certain provisions that address the effect of the policy on the rights, duties, and responsibilities of employees and employers. Specifically, the policy must include provisions for the payment and direct transfer of accrued leave.

As required by *Texas Education Code*, Section 51.961(h), prior to implementation, reasonable efforts will be made to enter into a memorandum of understanding with the Office of the Auditor, the Employee Retirement System of Texas, and the Texas Higher Education Coordinating Board regarding awards of accrued leave for the purposes of retirement and any other issues of concern related to the implementation of the policy. Accordingly, the Board is further asked to authorize U. T. System, with the assistance of U. T. Southwestern Medical Center, to negotiate and enter into a memorandum of understanding consistent with that requirement.

The proposed leave program is comprised of six primary components: (1) Paid Time Off (PTO); (2) Extended Illness Bank (EIB); (3) Paid and/or Reduced Paid Parental and Family Leave Program; (4) Official Paid Holiday Schedule; (5) Recruitment and Retention (R&R) Leave; and (6) Previous Vacation Leave Buy-Back Program.

The PTO bank will provide paid time off for an employee's discretionary use, providing faculty and staff more flexibility to use accruals for requested time off. Each current employee will have an individual EIB, which will house grandfathered and transferred existing sick leave balances for current employees to use due to the serious illness of an employee or covered family member. U. T. Southwestern Medical Center may also establish an EIB accrual schedule for

existing or new employees. The Paid and/or Reduced Paid Parental and Family Leave Program will expand employee eligibility for paid or reduced paid family, childcare and/or parental leave, and provide greater flexibility for employees to take paid or reduced paid leave for family reasons. The objective of the Official Paid Holiday Schedule is to provide a set paid holiday schedule for eligible employees and consistency for paid time off year after year. R&R Leave will provide U. T. Southwestern Medical Center with the ability to grant additional paid leave to recruit and retain highly qualified individuals or fill hard-to-fill positions. The Previous Vacation Leave Buy-Back Program will provide U. T. Southwestern Medical Center with the ability to determine annually, based on financial status, whether to offer buy back from eligible employees' residual vacation leave hours that accrued prior to the implementation of the new comprehensive leave program at a discounted rate.

With the implementation of the proposed program, existing vacation balances will be combined and deposited into a separate accrual bank that can be used by the employee up to the state law maximum carryover. Existing sick leave balances will be rolled over into each current employee's individual EIB. Upon implementation, accrual rates for the PTO bank will be formula-driven based on an employee's years of service. The new PTO bank may be subject to accrual caps and may be eligible for payout at separation based on years of service. Provisions for annual carry forward of balances, payouts, and direct transfers of balances to other state employers will be provided for in the program design.

Proposal

The University of Texas Southwestern Medical Center (UT Southwestern) proposes to submit for approval of The University of Texas System Board of Regents (Board of Regents) a comprehensive leave policy pursuant to the authority of Texas Education Code. Section 51.961 of the Texas Education Code authorizes the governing board of a university system to adopt a comprehensive leave policy that applies to employees of any component institution.

A leave policy adopted by the Board of Regents may combine state law authorized vacation, sick, and holiday leave into a paid leave system that does not distinguish or separate the types of leave to be awarded and may award leave in an amount determined by the governing board to be appropriate and cost effective. Further, the leave policy must include certain provisions that address the effect of the policy on the rights, duties, and responsibilities of employees and employers. Specifically, the policy must include provisions for the payment and direct transfer of accrued leave.

With approval of the Board of Regents, UT Southwestern has an opportunity to restructure its current leave program to enhance its value to employees. The objectives of UT Southwestern's comprehensive leave program are to provide paid leave benefits that:

- Comply with Texas Education Code Section 51.961 and address the subject matter in *Texas Government Code* Chapters 661 and 662;
- Are competitive with the national, state, and local markets;
- Better align with the unique operational needs of an academic medical center;
- Enhance recruitment and retention strategies;
- Enhance the health and wellness of employees by promoting the use of paid time off;
- Allow for greater flexibility in the application of leave time; and
- Provide a more inclusive and equitable approach in the application of leave.

Proposed Comprehensive Leave Program

To accomplish these objectives, UT Southwestern proposes to adopt a comprehensive leave policy comprised of the following categories:

- **Paid Time Off (PTO) Bank**. The PTO bank will provide paid time off for an employee's discretionary use, providing faculty and staff more flexibility to use accruals for requested time off. This PTO Bank will replace both Vacation and Sick banks in the current plan moving forward. UT Southwestern will establish a new accrual schedule based on years of service. With certain limitations for new employees, employees would have access to use PTO upon employment.
- **Extended Illness Bank (EIB)**. The primary purpose of the EIB is to provide an individual account for each current employee to house their grandfathered and transferred existing sick leave balance in the current plan for use as income replacement through paid leave due to the serious illness of the employee or a covered family member. UT Southwestern may also establish an accrual schedule for existing or new employees. Employees may be required to use a designated amount of PTO for each illness incident prior to accessing their individual EIB.
- **Paid and/or Reduced Paid Parental and Family Leave**. The program will expand employee eligibility for paid or reduced paid family, childcare and/or parental leave and provide greater

flexibility for employees to take paid or reduced paid leave for family reasons. Employees may be required to use a designated amount of PTO and/or EIB, as applicable, for each event prior to becoming eligible for paid or reduced paid family leave.

- **Official Paid Holiday Schedule.** A set paid holiday schedule for eligible employees provides consistency for paid time off year after year and allows employees to plan use of accruals in conjunction with an established paid holiday schedule.
- **Recruitment & Retention (R&R) Leave.** This leave category will provide UT Southwestern with the ability to grant additional paid leave to recruit and retain highly qualified individuals or fill hard-to-fill positions.
- **Previous Vacation Leave Buy-back Program.** This program will give UT Southwestern the ability to determine annually, based on financial status, whether to offer to buy back from eligible employees some amount of residual vacation leave hours that accrued prior to implementation of the comprehensive leave program, that were grandfathered and transferred, at a discounted rate.

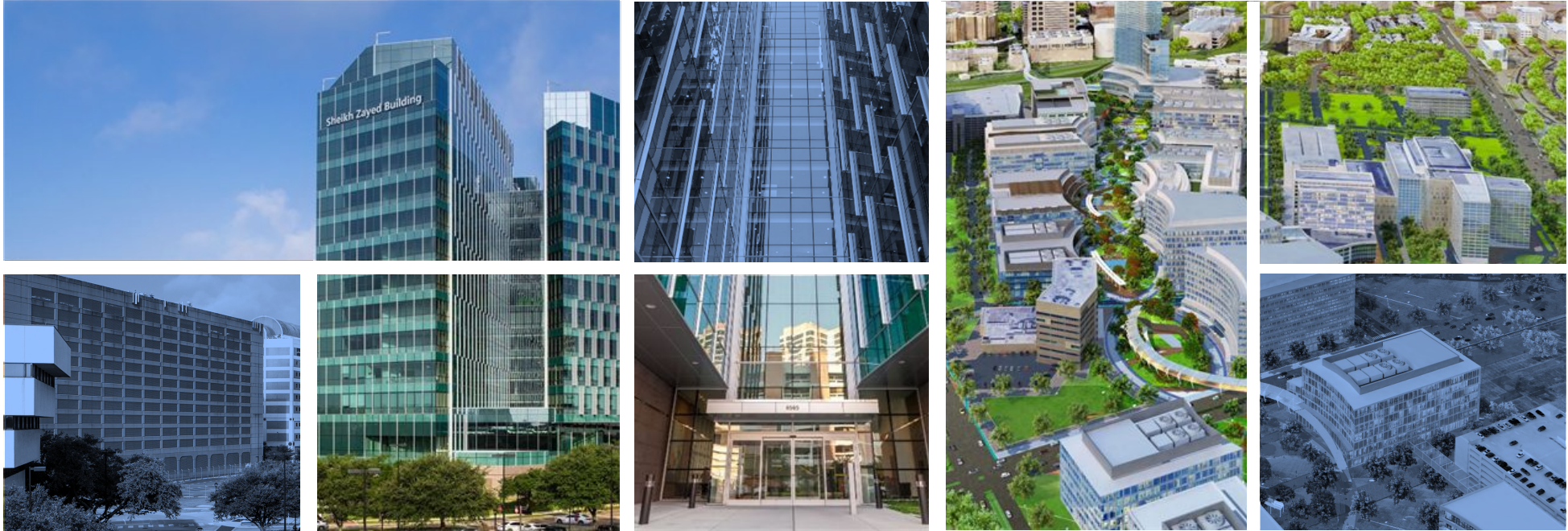
With the implementation of the proposed program, existing vacation balances will be combined and deposited into a separate accrual bank that can be used by the employee up to the state law maximum carryover. Existing sick leave balances will be rolled over into each employee's Extended Illness Bank. Going forward, accrual rates for the PTO bank will be formula-driven based on an employee's years of service. The new PTO bank may be subject to accrual caps and may be eligible for payout at separation based on years of service. Provisions for annual carry forward of balances, payouts, and direct transfers of balances to other state employers will be provided for in the program design.

UT Southwestern anticipates implementing the program in Fiscal Year 2025.

With Board of Regents approval, UT Southwestern will develop the final policy details in cooperation with and subject to approval of the UT System Office of General Counsel and Office of Health Affairs.

5. U. T. M. D. Anderson Cancer Center: Report on the Long Range Financial Plan

President Pisters will report on the long range financial planning at U. T. M. D. Anderson Cancer Center using the PowerPoint on the following pages.



Long Range Financial Plan

Peter WT Pisters, M.D., President
U. T. System Board of Regents Meeting
Health Affairs Committee
August 2023

THE UNIVERSITY OF TEXAS
MD Anderson
~~Cancer Center~~
 Making Cancer History®

Outline

- **Our Strategy**
- **Master Facilities Framework**
- **Financial plan to fund strategic initiatives and facilities for our future**
- **Key drivers of our future**

**OUR
STRATEGY**



**FINANCIAL
PLAN**



THE BUILDING BLOCKS OF OUR FUTURE

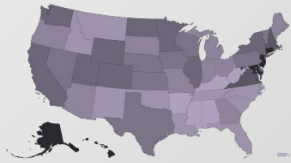
**MASTER
FACILITIES
FRAMEWORK**



**PHILANTHROPIC
CAMPAIGN**



Our Strategy: External factors considered



The national health care environment

- 2010 Affordable Care Act evolution
- Medicare solvency
- Medicaid expansion
- Payor mix shifts
- Local and national competition
- Drug pricing
- Consumer behavior

The future of Texas

- Texas' changing demography and diversification
- Texas 2036 data input
- 10-year CPRIT* investment
- Our commitment to Texas and the U. T. System

Global and societal factors impacting workforce planning

- The future of work
- Environmental sustainability
- Workforce development and growth
- Workforce wellness

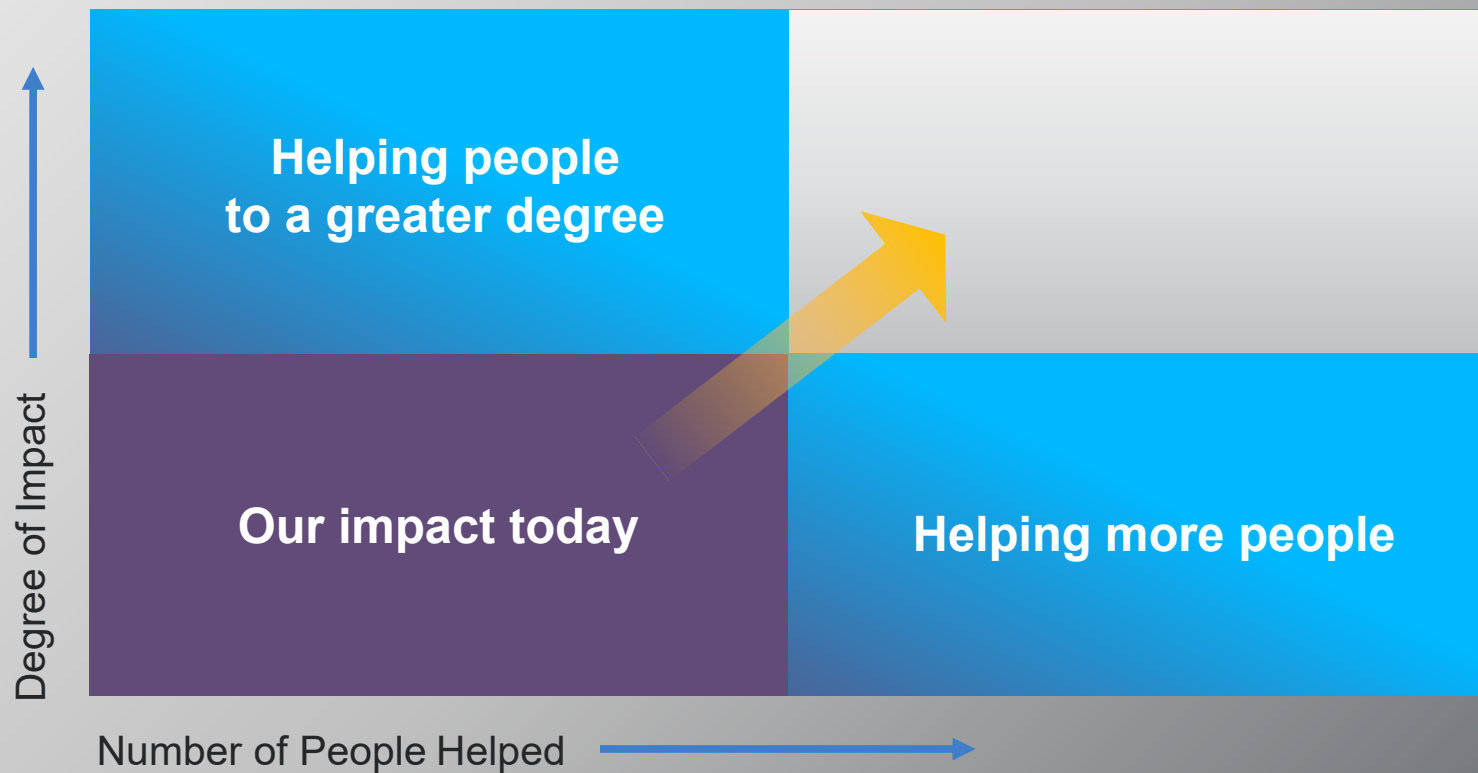
The accelerated pace of innovation

- Data science
- Artificial intelligence and automation
- Emerging areas of science
 - Single cell sequencing
 - Microbiome
 - Immune system modulation
 - CRISPR**

*CPRIT – Cancer Prevention and Research Institute of Texas

**CRISPR – Clustered Regularly Interspaced Short Palindromic Repeats

Our aspiration: Maximize our impact on humanity to finally end cancer



Three strategic themes to achieve our aspiration



REACH

..... OUR AIM

Make it easier for the patients and communities we serve to access our expertise to prevent disease and improve health.



BREAKTHROUGHS

..... OUR AIM

Drive high-impact discovery research focused on unmet medical need and accelerate translation into meaningful improvements in health outcomes to become the No. 1 cancer research organization.



VALUE

..... OUR AIM

Set new standards for high-touch, high-value care.

Program and infrastructure investments aligned with Our Strategy

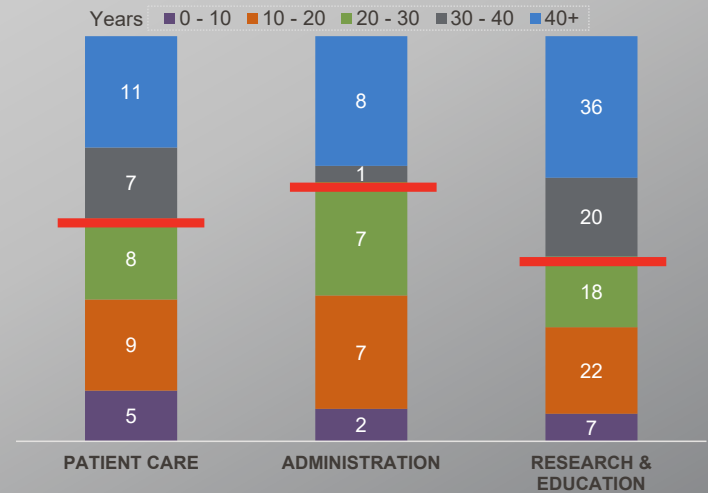
REACH	BREAKTHROUGHS	VALUE
<ul style="list-style-type: none"> • Main Campus Infrastructure Development and Expansion • Houston Area Expansion • Texas Expansion • Population Health • International Patient Program 	<ul style="list-style-type: none"> • James P. Allison Institute • Institute for Data Science in Oncology • Cellular Therapy • Cancer Neuroscience • Texas Medical Center (TMC) Helix Park and South Campus • Talent Recruitment 	<ul style="list-style-type: none"> • Access • Navigation • Nursing Transformation • High Reliability Journey

Purpose of our Master Facilities Framework

Modernize our infrastructure for:

- Our mission
- The patient experience
- Our reputation
- Population growth and revenue generation
- Attracting and retaining top talent

Buildings by Age and Function



FOCUS AREAS



Our TMC campus will be reimagined, reinvigorated, and reborn

Care environment of the future

- Integrated with art
- Inspiring hope and miracles
- Designed with patients and families in mind

Research: South campus

- Re-imagined by world-class architects
- Designed for collaboration and flexibility



North of Holcombe Inpatient + Translational Research

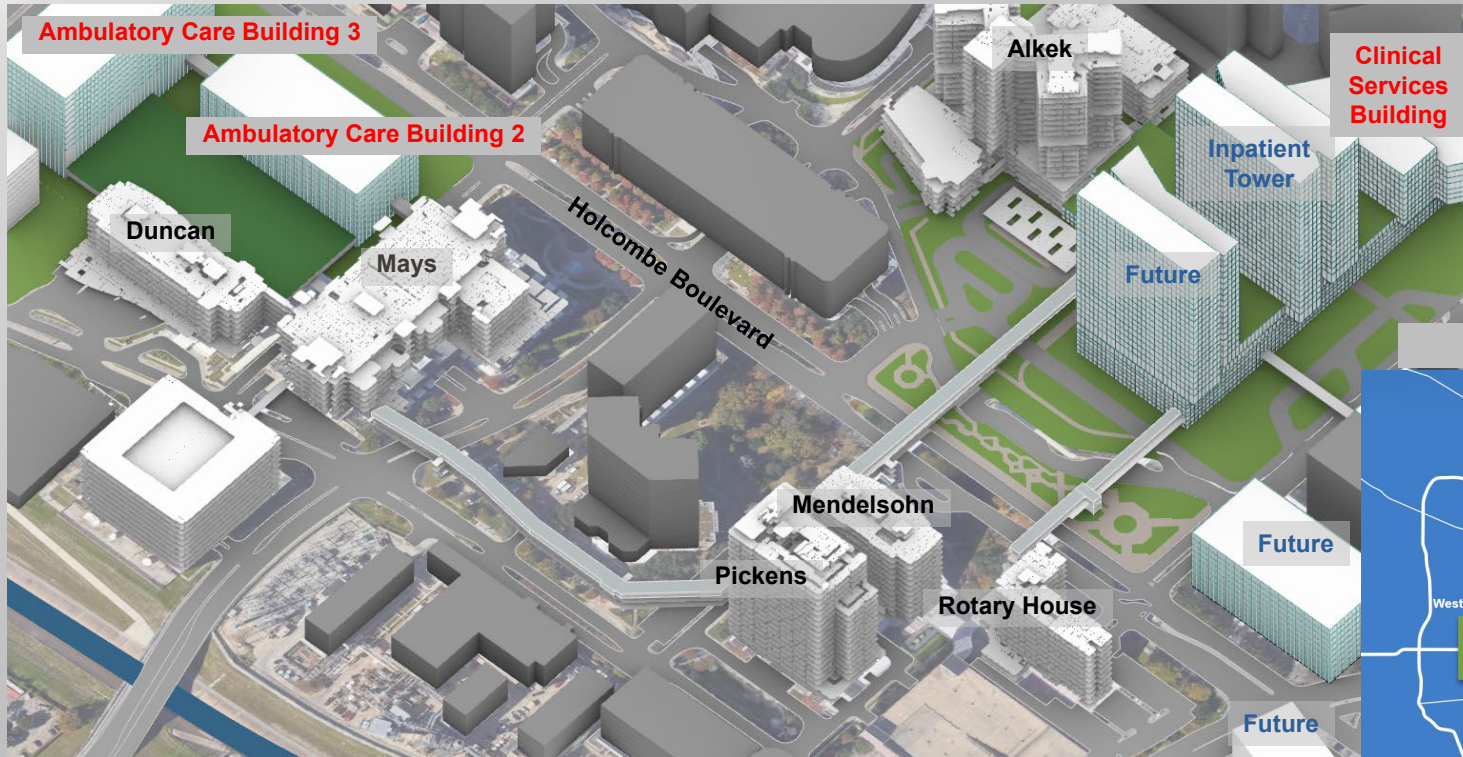
South of Holcombe Less Acute and Outpatient

TMC3 - Innovation + Industry Collaboration

Administrative - People + Business Enterprises

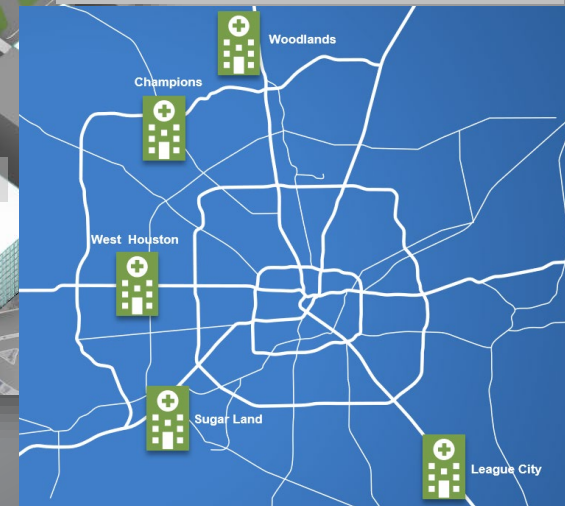
Discovery Science + Education

U. T. M. D. Anderson will transform our TMC campus and extend across Houston



Black: existing
 Red: next 10 years
 Blue: > 10 years

HOUSTON AREA LOCATIONS





Post pandemic, hospital systems are facing significant financial challenges

Margins Plummeted

2022 was the worst financial year since the start of the pandemic. Approximately half of U.S. hospitals finished the year with a negative margin as growth in expenses outpaced revenue increases.

Labor Expenses Increased

Although hospitals hired more aggressively, labor was still in high demand, and prices rose accordingly. Sicker patients stayed in the hospital longer, also driving up costs.

Financial Market Volatility

Liquidity is declining given investment losses and Medicare repayments, and cost of debt continues to rise as rates increase.



Utilization Remains Below Pre-Pandemic Levels

Utilization continues to be impacted with the increase of new COVID variants in addition to a sign of a larger shift to more outpatient settings instead of within hospital walls.

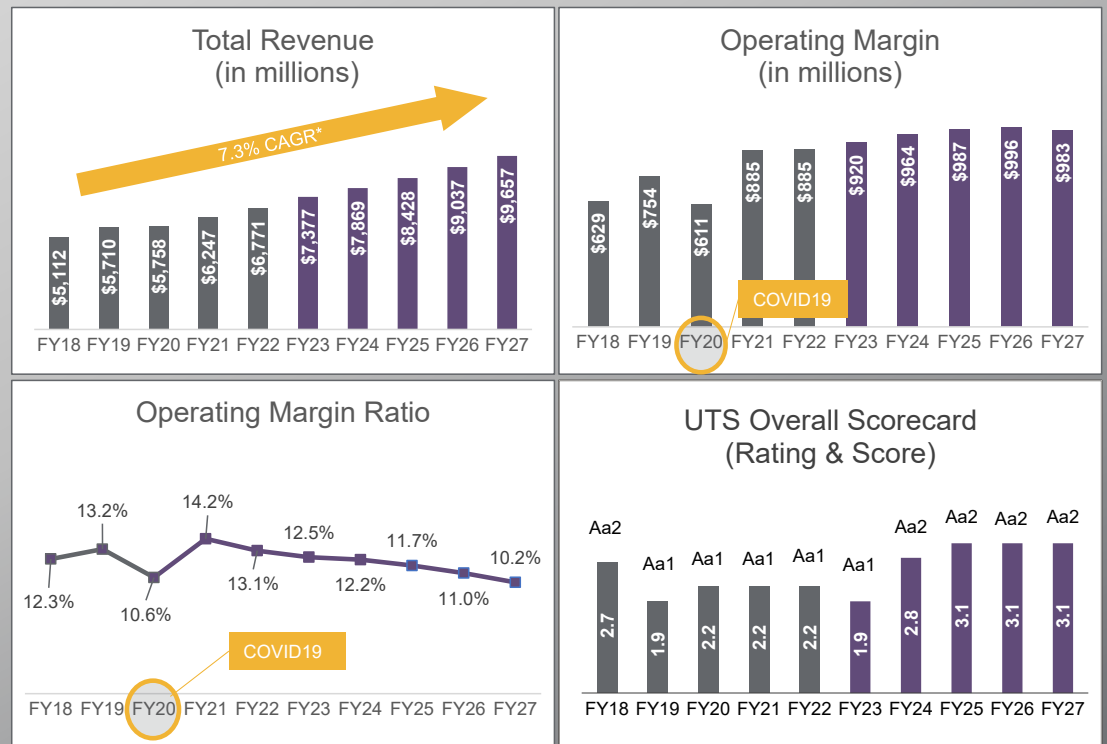
Inflationary Pressures and Supply Chain Challenges

Experiencing the worst inflationary headwinds in the past four decades which is compounded by supply chain challenges, increasing supplies, pharmaceuticals, and other non-labor expenses.

In spite of volatile economic conditions, M. D. Anderson has strong financial performance and outlook

Five-Year Outlook

- Revenue growth expected to maintain a 7.3% CAGR*
- Forecast reflects continued increase in operating margin
- Operating margin ratio remains in double digits
- Scorecard rating remains strong throughout forecast period



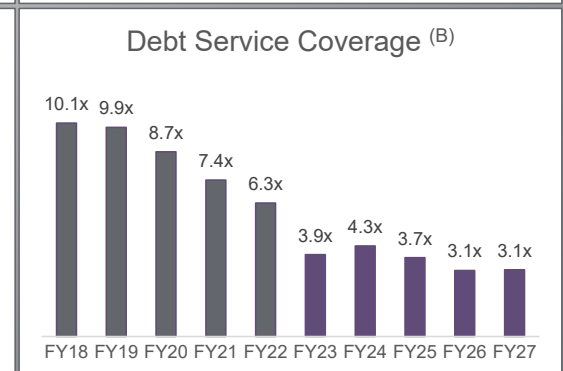
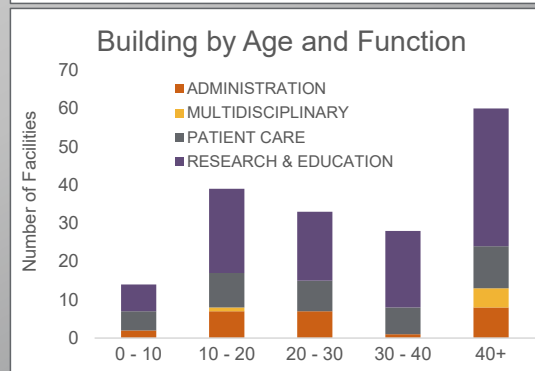
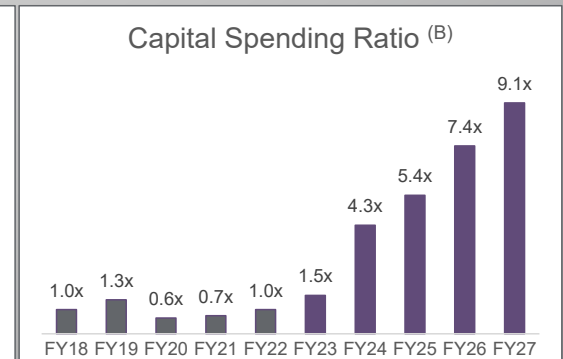
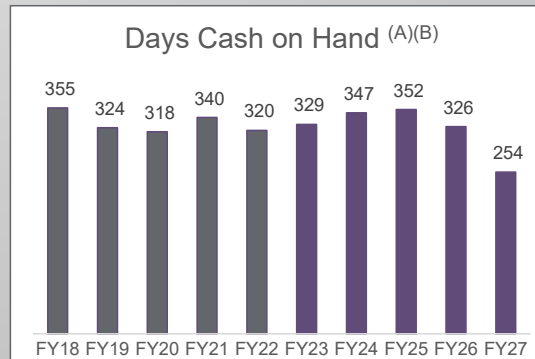
We are primed for continued growth and expansion

Five Year Outlook

- Strong Balance Sheet
 - Liquidity position
 - Debt capacity
 - Philanthropy assumptions included

Historical underinvestment, strategy driving major reinvestments

- Embarking on an unprecedented journey, ensuring that we enhance our competitive position and financial success.



^(A) Days Cash on Hand does not include Long-Term Funds. It includes cash, short, and intermediate term funds.

^(B) Financial Ratio's based on U. T. System Annual Financial reports.

Key drivers of our future

**Co-created
Strategy and
Master Facilities
Framework**

\$920 M
OPERATING
MARGIN*
(FY23 estimate)

\$711 M
PHILANTHROPIC
FUNDS RAISED

89.5%
EMPLOYEE
ENGAGEMENT
(up from 70% in 2017)

\$1.3 B
OPERATING
MARGIN PLUS
D&A**
(FY23 estimate)

\$5.3 B
BRAND
VALUATION

Strong Leadership Team | Talent | 5-star Vizient rating | U. T. System | TX Support

*Operating Margin calculated based on AFC method
**Depreciation and Amortization



**TABLE OF CONTENTS
FOR
FACILITIES PLANNING AND CONSTRUCTION
COMMITTEE**

Committee Meeting: 8/23/2023

Board Meeting: 8/24/2023
Austin, Texas

Rad Weaver, Chairman
Christina Melton Crain
Robert P. Gauntt
Nolan Perez
Stuart W. Stedman
Kelcy L. Warren

	Committee Meeting	Board Meeting	Page
Convene	<i>4:30 p.m.</i> <i>Chairman Weaver</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	303
2. U. T. Austin: Microelectronics and Engineering Research Center Cleanroom Expansion - Amendment of the current Capital Improvement Program to increase total project cost for Phases B-1 and B-2 of the project; approval to revise funding sources; approval of design development for Phase B-2; and appropriation of funds and authorization of expenditure	Action <i>President Hartzell</i>	Action	304
3. U. T. Dallas: Arts and Performance Complex - Performance Hall/Music Building, Phase II - Amendment of the current Capital Improvement Program to include project	Action <i>President Benson</i>	Action	308
4. U. T. Dallas: Student Success Center/Student Union, Phase I - Amendment of the current Capital Improvement Program to include project	Action <i>President Benson</i>	Action	311
5. U. T. Dallas: Esports Center - Amendment of the current Capital Improvement Program to include project; approval of total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	Action <i>President Benson</i>	Action	314

	Committee Meeting	Board Meeting	Page
6. U. T. El Paso: Advanced Teaching and Learning Complex - Amendment of the current Capital Improvement Program to include project; approval of total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	Action <i>President Wilson</i>	Action	318
7. U. T. Rio Grande Valley: Intercollegiate Athletics Expansion and Renovation - Amendment of the current Capital Improvement Program to include project; approval of total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	Action <i>President Bailey</i>	Action	322
8. U. T. San Antonio: San Pedro II - 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	Action <i>President Eighmy</i>	Action	326
9. U. T. System Board of Regents: Discussion and appropriate action regarding Stephen F. Austin State University: Forestry, Agriculture, and Interdisciplinary project - Amendment of the current Capital Improvement Program to include project; allocation of funds; and resolution regarding parity debt	Action <i>Interim President Oglesbee</i>	Action	330
10. U. T. Southwestern Medical Center: Peter O'Donnell Jr. Biomedical Research Building Shell Space Build-out - Amendment of the current Capital Improvement Program to include Phase II of the project; approval of total project cost; appropriation of funds; and resolution regarding parity debt	Action <i>President Podolsky</i>	Action	332
11. U. T. Medical Branch - Galveston: Infrastructure and Research Space Upgrade for Research Buildings - Phase 2A - Amendment of the current Capital Improvement Program to include Phase 2A of the project; approval of total project cost; appropriation of funding; and resolution regarding parity debt	Action <i>President Reiser</i>	Action	335
12. U. T. Health Science Center - San Antonio: Science One Building - Amendment of the current Capital Improvement Program to include project	Action <i>President Henrich</i>	Action	338
13. U. T. M. D. Anderson Cancer Center: Relocate School of Health Professions - Amendment of the current Capital Improvement Program to include project; approval of total project cost; and appropriation of funds	Action <i>President Pisters</i>	Action	341

	Committee Meeting	Board Meeting	Page
14. U. T. M. D. Anderson Cancer Center: South Campus Infrastructure and Parking Garage 2 - Amendment of the current Capital Improvement Program to increase total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	Action <i>President Pisters</i>	Action	344
15. U. T. M. D. Anderson Cancer Center: Clinical Services Building - Amendment of the current Capital Improvement Program to revise funding sources; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	Action <i>President Pisters</i>	Action	348
Adjourn		<i>5:15 p.m.</i>	

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

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 352](#).

2. **U. T. Austin: Microelectronics and Engineering Research Center Cleanroom Expansion - Amendment of the current Capital Improvement Program to increase total project cost for Phases B-1 and B-2 of the project; approval to revise funding sources; approval of design development for Phase B-2; and appropriation of funds and authorization of expenditure**

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 approve the recommendations for the Microelectronics and Engineering Research Center Cleanroom Expansion Phases B-1 and B-2 of the project at The University of Texas at Austin as follows:

- a. amend the current Capital Improvement Program (CIP) to increase the total project cost from \$175,294,000 to \$277,523,084;
- b. revise funding sources to include General Revenue funds; and
- c. appropriate funds and authorize expenditure for Phase B-1 with a total project cost of \$100,700,000 with funding of \$32,700,000 from Capital Construction Assistance Project (CCAP) Bond Proceeds, formerly known as Tuition Revenue Bond (TRB) Proceeds, and \$68,000,000 from General Revenue funds; appropriate funds and authorize expenditure for Phase B-2 with a total project cost of \$123,761,084 with funding of \$26,545,084 from CCAP Bond Proceeds, \$76,916,000 from General Revenue funds, \$15,000,000 from Available University Fund (AUF), \$3,800,000 from Permanent University Fund (PUF) Bond Proceeds, and \$1,500,000 from Designated Funds.

BACKGROUND INFORMATION

Previous Actions

On August 24, 2022, the Chancellor approved the project for Definition Phase.

On August 25, 2022, the Microelectronic and Engineering Research Center (MER) Cleanroom Renovation and Expansion Phase A-1 portion of the project was included in the CIP with a total project cost of \$45,000,000 with funding from CCAP Bond Proceeds, formerly known as TRB Proceeds. On November 17, 2022, Phase A-2 was added to the project in the amount of \$8,062,000 for a total project cost of \$53,062,000 from CCAP Bond Proceeds.

On February 23, 2023, Phase B-1 was added to the project with a total project cost of \$32,700,000 from CCAP Bond Proceeds and Phase B-2 was added with a total project cost of \$89,532,000 with funding of \$26,545,084 from CCAP Bond Proceeds, \$42,687,000 from Revenue Financing System (RFS) Bond Proceeds, \$15,000,000 from AUF, \$3,800,000 from PUF Bond Proceeds, and \$1,500,000 from Designated Funds. On April 5, 2023, the President approved design development plans for Phase B-1. On April 26, 2023, the President approved design development of Phase A-2.

Project Description

In the face of the critical global shortage in microchips and semiconductor systems, U. T. Austin is leading the Texas Institute for Electronics (TIE), a public-private partnership between the State of Texas, preeminent semiconductor systems and defense electronics companies, national labs, and 14 academic institutions across the state to restore leading-edge semiconductor manufacturing back to United States soil, secure the supply chain, ensure national security, and educate the next generation of industry innovators in Texas.

The TIE initiative will leverage and expand the existing infrastructure and research capabilities of U. T. Austin, which houses the Cockrell School of Engineering and several other internationally recognized U. T. centers and labs that contribute to semiconductor advances, including the Microelectronics Research Center, Texas Advanced Computing Center, Army Futures Command, Applied Research Laboratories, and the NASCENT Nanomanufacturing Systems Center. This effort will also build on centers of excellence at the other 14 Texas-based academic institutions.

As originally approved, Phase B-1 included additional semiconductor research equipment for the cleanroom expansion. Phase B-2 included renovation of existing lab space into 13,750 gross square feet of cleanrooms for semiconductor research, repair of HVAC and existing roofs, renovation of code-compliant offices, and upgrades to fire alarms for the MER building.

The proposed increase in funding requested for Phase B-1 will include procurement and installation of state-of-the-art, custom-made, copper line semiconductor tools to be installed in the cleanroom space. The proposed increase in funding for Phase B-2 will renovate 25,100 gross square feet of office space for code compliance and fire alarm upgrades to support the procurement and installation of the mechanical, electrical, and plumbing (MEP) Support Building for the permanent structure, including the infrastructure needed in the MER Cleanrooms. To meet the requirement of operating the semiconductor tools by the third quarter of 2024, it is necessary to rent temporary infrastructure for power, HVAC, and process chilled water lines for approximately 8-12 months, including utility costs, until the permanent infrastructure equipment is delivered, installed, and operational in the newly added MEP Support Building. Further additional funding will support office and restroom renovations for code compliance, and procurement and installation of a gas detection system for flammable and toxic gases that will be used for semiconductor tools.

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
Microelectronics and Engineering Research Center (MER) Cleanroom Expansion
Phases B-1 and B-2**

Project Information

Project Number	102-1400
CIP Project Type	Renovation and Rehabilitation
Facility Type	Laboratory, General
Management Type	Institutional Management
Institution's Project Advocate	John Ekerdt, Cockrell School of Engineering Associate Dean for Research
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	162,634

Project Funding

<u>Phase B-1 Only</u>	<u>Current</u>	<u>Proposed</u>
Capital Construction Assistance Project Bond Proceeds	\$32,700,000	\$ 32,700,000
General Revenue	-	<u>68,000,000</u>
Total Project Cost	<u>\$32,700,000</u>	<u>\$100,700,000</u>

<u>Phase B-2 Only</u>	<u>Current</u>	<u>Proposed</u>
Capital Construction Assistance Project Bond Proceeds	\$26,545,084	\$ 26,545,084
Revenue Financing System Bond Proceeds	42,687,000	-
Permanent University Fund Bond Proceeds	3,800,000	3,800,000
Available University Fund	15,000,000	15,000,000
Designated Funds	1,500,000	1,500,000
General Revenue	-	<u>76,916,000</u>
Total Project Cost	<u>\$89,532,084</u>	<u>\$123,761,084</u>

<u>Phases A-1, A-2, B-1 and B-2 Combined</u>	<u>Current</u>	<u>Proposed</u>
Capital Construction Assistance Project Bond Proceeds	\$112,307,084	\$112,307,084
Revenue Financing System Bond Proceeds	42,687,000	-
Permanent University Fund Bond Proceeds	3,800,000	3,800,000
Available University Fund	15,000,000	15,000,000
Designated Funds	1,500,000	1,500,000
General Revenue	-	<u>144,916,000</u>
Total Project Cost	<u>\$175,294,084</u>	<u>\$277,523,084</u>

**The University of Texas at Austin
Microelectronics and Engineering Research Center (MER) Cleanroom Expansion
Phases B-1 and B-2**

(continued)

**Project Cost Detail
Phases B-1 and B-2**

	Phase B-1	Phase B-2
Building Cost	\$89,623,000	\$85,983,640
Fixed Equipment	-	4,909,675
Furniture and Moveable Equipment	-	990,000
Institutionally Managed Work	-	2,100,859
Architectural/Design Services	-	9,946,467
Project Management	503,500	2,475,222
Insurance	-	1,805,792
Other Professional Fees	10,070,000	7,496,297
Project Contingency	503,500	949,532
Other Costs	-	7,103,600
Total Project Cost	\$100,700,000	\$123,761,084

Project Milestones – Phases B-1 and B-2

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

3. **U. T. Dallas: Arts and Performance Complex - Performance Hall/Music Building, Phase II - Amendment of the current Capital Improvement Program to include project**

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 Arts and Performance Complex - Performance Hall/Music Building, Phase II project at The University of Texas at Dallas.

BACKGROUND INFORMATION

Previous Actions

On August 12, 2019, the Chancellor approved this project for Definition Phase. On June 5, 2023, the Chancellor approved an updated Definition Phase for the Performance Hall/Music Building, Phase II project.

Project Description

This proposed Performance Hall/Music Building project is the second phase of the Arts and Performance Complex, a new arts district located on approximately nine acres of the southeastern edge of the campus. This project will include an approximately 700-seat performance hall, outdoor performance space with 300 seats, practice rooms, rehearsal rooms, offices, meeting spaces, and an exterior plaza. The project will be located adjacent to the Athenaeum building and take advantage of the natural site characteristics that incorporate underused areas into a center of creative activity on campus.

The Arts and Performance Complex is a planned arts district to include a museum, performance hall, and parking garage. The Athenaeum, Phase I project currently underway, will house the Trammell and Margaret Crow Museum of Asian Art, along with other galleries, offices, seminar rooms, and space for art storage and conservation. Additionally, the Athenaeum is intended to house the Edith O'Donnell Institute of Art History, the Dr. Brettell library collection, and gallery space for visiting exhibits.

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 Phase II will be presented to the Board for approval at a later date.

**The University of Texas at Dallas
Arts and Performance Complex - Performance Hall/Music Building, Phase II**

Project Information

Project Number	302-1254B
CIP Project Type	New Construction
Facility Type	Auditorium/Theater
Management Type	Office of Capital Projects
Institution's Project Advocates	Inga H. Musselman, Provost and VP of Academic Affairs Calvin D. Jamison, VP Facilities and Econ Development Rafael Martin, VP and Chief of Staff Amy Hofland, Senior Director, Crow Museum of Asian Art
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	60,400

Project Funding

	<u>Proposed</u>
Gifts ¹	\$50,000,000
Revenue Financing System Bond Proceeds ²	<u>\$33,000,000</u>
Total Project Cost	<u>\$83,000,000</u>

¹ Gifts are fully committed

² Revenue Financing System (RFS) Bond Proceeds to be repaid from designated tuition

Project Cost Detail

	Cost
Building Cost	\$63,728,459
Site Development	1,671,541
Furniture and Moveable Equipment	1,500,000
Institutionally Managed Work	1,650,000
Architectural/Design Services	5,470,647
Project Management	2,200,000
CIP Support Services	500,000
Insurance	1,355,434
Other Professional Fees	1,870,000
Project Contingency	2,600,320
Other Costs	453,599
Total Project Cost	\$83,000,000

The University of Texas at Dallas
Arts and Performance Complex - Performance Hall/Music Building, Phase II
 (continued)

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

Performance Hall/Music Building, Phase II	\$1,055		
The U. T. Permian Basin Wagner Noel Performing Arts Center	\$996		
	Low Quartile	Median	High Quartile
National Projects	\$627	\$769	\$935

Investment Metrics

- Support Strategic Plan by attracting talent and enriching the student experience
- Support Strategic Plan by enriching the Arts and engaging globally
- Support Strategic Plan by advancing research and becoming an economic engine for the region

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	August 2019
Addition to CIP	August 2023
Design Development Approval	February 2024
Construction Notice to Proceed	April 2024
Substantial Completion	March 2026
Final Completion	April 2026

Basis of Design

The planned building life expectancy includes the following elements:

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

4. U. T. Dallas: Student Success Center/Student Union, Phase I - Amendment of the current Capital Improvement Program to include project

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 I project at The University of Texas at Dallas.

BACKGROUND INFORMATION

Previous Action

On June 17, 2022, the Chancellor approved this project for Definition Phase.

Project Description

The proposed Student Success Center/Student Union, Phase I project will provide the campus with a student-focused gathering place that cultivates a welcoming, dynamic, and collaborative learning community. Programmatic spaces 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. New classrooms will be dedicated to exploring and validating current ideas and modalities for improved student learning. Offices will be provided for staff and faculty who have primary responsibility for assisting students to meet academic challenges and to explore the highest levels of individual achievement. Co-locating student success activities will achieve efficient and effective coordination and will serve as a model for leveraging the synergies among diverse departments to the overall benefit of student body.

The Student Success Center is the first phase of the ultimately planned Student Success Center/Student Union building. This phase will be approximately 135,730 gross square feet (GSF) and when combined with the Student Union portion of the project will provide a total of approximately 328,442 GSF of new construction. The institution will seek Board approval for the Student Union Phase II project at a later date.

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 will be presented to the Board for approval at a later date.

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

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	Inga Musselman, Provost and VP of Academic Affairs
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	135,730

Project Funding

	<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 ¹	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

Project Cost Detail

	Cost
Building Cost	\$77,072,758
Site Development	3,291,377
Furniture and Moveable Equipment	1,500,000
Institutionally Managed Work	2,900,000
Architectural/Design Services	6,447,748
Project Management	2,700,000
CIP Support Services	500,000
Insurance	1,746,600
Other Professional Fees	5,929,264
Project Contingency	2,912,253
Total Project Cost	\$105,000,000

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

Student Success Center/Student Union, Phase I	\$568
Texas Higher Education Coordinating Board Average - Student Center	\$1,021
	Low Quartile Median High Quartile
Other U. T. System Projects	\$399 \$582 \$645
National Projects	\$504 \$671 \$810

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

Investment Metric

- Support Strategic Plan by enriching the student experience by 2025

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	June 2022
Addition to CIP	August 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

5. U. T. Dallas: Esports Center - Amendment of the current Capital Improvement Program to include project; approval of total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

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 Esports Center project and approve the recommendations for the project at The University of Texas at Dallas as follows:

- a. amend the CIP to include project and approve a total project cost of \$15,000,000;
- b. approve design development plans;
- c. appropriate funds and authorize expenditure of \$15,000,000 from Revenue Financing System (RFS) Bond Proceeds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$15,000,000.

BACKGROUND INFORMATION

Debt Service

The \$15,000,000 in RFS debt will be repaid from Designated Funds. Annual debt service on the \$15,000,000 in RFS debt is expected to be \$835,000. The institution's Scorecard Rating of 2.3 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 Action

On April 13, 2023, the Chancellor approved this project for Definition Phase.

Project Description

The proposed project will construct an addition of approximately 13,524 gross square feet (GSF) to the existing Student Union, creating a state-of-the-art esports and gaming area. The addition will include an open gaming lounge, multipurpose gaming arena, flex rooms, broadcast and production space, a new eatery area, kitchen, and offices. The project also includes a renovation of approximately 3,474 GSF of the existing eatery area to be converted into classrooms.

The Esports Center will create an inclusive community that fosters student engagement through gaming and esports. The center will support the academic mission of the university by connecting related academic programs and creating new academic pathways that focus squarely on esports.

This proposed project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP.

**The University of Texas at Dallas
Esports Center**

Project Information

Project Number 302-1465
 CIP Project Type New Construction
 Facility Type Student Center
 Management Type Office of Capital Projects
 Institution’s Project Advocate Gene Fitch, VP for Student Affairs
 Project Delivery Method Construction Manager-at-Risk
 Gross Square Feet (GSF) 13,524 - New construction
 3,474 - Repair and Rehabilitation (R&R)

Project Funding

Revenue Financing System Bond Proceeds ¹	<u>Proposed</u> <u>\$15,000,000</u>
Total Project Cost	\$15,000,000

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from Designated Funds

Project Cost Detail

	Cost
Building Cost	
Esports Center Addition	\$8,858,801
Esports Center Repair and Rehabilitation	887,052
Fixed Equipment	-
Site Development	1,227,765
Furniture and Moveable Equipment	1,425,000
Institutionally Managed Work	200,000
Architectural/Design Services	988,780
Project Management	250,000
CIP Support Services	150,000
Insurance	205,375
Other Professional Fees	597,033
Project Contingency	210,194
Other Costs	-
Total Project Cost	\$15,000,000

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

Esports Center	\$573
Texas Higher Education Coordinating Board Average, New Construction - Student Center	\$1,027
Texas Higher Education Coordinating Board Average, R&R - Student Center	\$291
	Low Quartile Median High Quartile
Other U. T. System Projects	\$261 \$372 \$590
National Projects	\$281 \$537 \$758

**The University of Texas at Dallas
Esports Center**
(continued)

Investment Metrics

- Support Strategic Plan by attracting talent and enriching the student experience
- Support Strategic Plan by enriching the Arts and engaging globally

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	April 2023
Addition to CIP	August 2023
Design Development Approval	August 2023
Construction Notice to Proceed	October 2023
Substantial Completion	August 2024
Final Completion	September 2024

Basis of Design

The planned building life expectancy includes the following elements:

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

6. U. T. El Paso: Advanced Teaching and Learning Complex - Amendment of the current Capital Improvement Program to include project; approval of total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

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 Advanced Teaching and Learning Complex project and approve the recommendations for the project at The University of Texas at El Paso as follows:

- a. amend the current CIP to include the project with a total project cost of \$109,518,006;
- b. approve design development plans;
- c. appropriate funds and authorize expenditure of \$109,518,006 with funding of \$57,108,034 from Permanent University Fund (PUF) Bond Proceeds and \$52,409,972 from Capital Construction Assistance Project (CCAP) Bond Proceeds, formerly known as Tuition Revenue Bond (TRB) Proceeds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. El Paso, 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 \$52,409,972

BACKGROUND INFORMATION

Previous Action

On March 14, 2022, the Chancellor approved this project for Definition Phase.

Project Description

The Advanced Teaching and Learning Complex (ATLC) will provide interactive, engaged instructional opportunities in a 21st century learning environment that is needed across the campus. The building will include a five-story east wing, comprised of four floors and a mechanical penthouse, and a three-story west wing. The wings will be connected by a three-

story collaboration area. Space types will include classrooms, computer labs, faculty office space, collaborative spaces, and general shared spaces. The project will include flexible technology and furnishing solutions, and provide a variety of sizes and types of classrooms to better address the various teaching methodologies.

Also included in the project is the demolition of the Academic Advising Center and the Honors House to make way for the construction of the ATLC. In addition, once the ATLC is completed, the Liberal Arts Building will be demolished as part of this project, thereby reducing deferred maintenance projected expenditures by \$16.6 million.

This project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP.

**The University of Texas at El Paso
Advanced Teaching and Learning Complex**

Project Information

Project Number	201-1399
CIP Project Type	New Construction
Facility Type	Classroom, General
Management Type	Office of Capital Projects
Institution's Project Advocate	Mark McGurk, Vice President for Business Affairs
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	124,725

Project Funding

	<u>Proposed</u>
Permanent University Fund Bond Proceeds	\$57,108,034
Capital Construction Assistance Project Bond Proceeds	<u>\$52,409,972</u>
Total Project Cost	\$109,518,006

Project Cost Detail

	Cost
Building Cost	\$62,051,103
Site Development	5,842,089
Furniture and Moveable Equipment	3,850,000
Institutionally Managed Work	21,470,496
Architectural/Design Services	5,692,819
Project Management	607,214
CIP Support Services	500,000
Insurance	1,435,191
Other Professional Fees	2,045,000
Project Contingency	6,024,094
Other Costs	-
Total Project Cost	\$109,518,006

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

Advanced Teaching and Learning Complex	\$498		
Texas Higher Education Coordinating Board Average - Classroom, General	\$663		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$480	\$546	\$572
National Projects	\$454	\$615	\$864

The University of Texas at El Paso
Advanced Teaching and Learning Complex
(continued)

Investment Metrics

- Increase classroom utilization across campus by improving mix of classroom types
- Increase standards of teaching space for needed classes

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 2022
Addition to CIP	August 2023
Design Development Approval	August 2023
Construction Notice to Proceed	September 2023
Substantial Completion	October 2025
Final Completion	December 2025

Basis of Design

The planned building life expectancy includes the following elements:

Enclosure: 40 years
Building Systems: 20 years
Interior Construction: 15 years

7. U. T. Rio Grande Valley: Intercollegiate Athletics Expansion and Renovation - Amendment of the current Capital Improvement Program to include project; approval of total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

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 Intercollegiate Athletics Expansion and Renovation project and approve the recommendations for the project at The University of Texas Rio Grande Valley as follows:

- a. amend the CIP to include project and approve a total project cost of \$54,000,000;
- b. approve design development plans;
- c. appropriate funds and authorize expenditure of \$54,000,000 from Revenue Financing System (RFS) Bond Proceeds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Rio Grande Valley, 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 \$54,000,000.

BACKGROUND INFORMATION

Debt Service

The \$54,000,000 in RFS debt will be repaid from student athletics fees and auxiliary fees. Annual debt service on the \$54,000,000 in RFS debt is expected to be \$3.0 million. The institution's Scorecard Rating of 3.8 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 Action

On January 17, 2023, the Chancellor approved this project for Definition Phase.

Project Description

The Intercollegiate Athletics Expansion and Renovation project includes construction of the Vaqueros Performance Center, an approximately 44,442 gross square foot (GSF) single-story facility, which will house operations for the Football Program located on the Edinburg campus just north of the existing baseball field complex. The facility will include football locker rooms, a team room with stadium-style seating, multiple meeting rooms, coaches' offices, classrooms, study labs, weight room, therapy pools, and areas for sports medicine and equipment storage.

The project also includes an addition of 9,733 GSF to the Health and Physical Education Fieldhouse on the Edinburg campus to add a new main entry lobby. This addition will include a ticketing window, restrooms, concessions, spirit shop, a display wall for the U. T. Rio Grande Valley Hall of Fame, and an equipment and uniform storage room. In addition to games, the existing fieldhouse hosts several university and community events each year and is the largest indoor on-campus venue hosting both athletic and non-athletic events. The fieldhouse lobby addition is key to creating a Division I experience for programs, university community, and supporters. The project will adequately address the needs of visitors and spectators that engage with the university through athletics.

This proposed project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP.

**The University of Texas Rio Grande Valley
Intercollegiate Athletics Expansion and Renovation**

Project Information

Project Number	903-1459
CIP Project Type	New Construction
Facility Type	Athletics
Management Type	Office of Capital Projects
Institution's Project Advocate	Chasse Conque, VP and Athletic Director
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	54,175

Project Funding

Revenue Financing System Bond Proceeds ¹	<u>Proposed</u> <u>\$54,000,000</u>
Total Project Cost	<u>\$54,000,000</u>

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from student athletics fees and auxiliary fees

Project Cost Detail

	Cost
Building Costs	
Vaquero Performance Center	\$26,307,625
Fieldhouse Addition	7,634,717
Fixed Equipment	1,828,158
Site Development	2,261,408
Furniture and Moveable Equipment	950,000
Institutionally Managed Work	3,946,290
Architectural/Design Services	3,189,988
Project Management	1,498,790
CIP Support Services	500,000
Insurance	832,018
Other Professional Fees	2,051,006
Project Contingency	3,000,000
Total Project Cost	\$54,000,000

**The University of Texas Rio Grande Valley
Intercollegiate Athletics Expansion and Renovation**
(continued)

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

Intercollegiate Athletics Expansion and Renovation	\$627		
Texas Higher Education Coordinating Board Average - Athletics	\$741		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$251	\$380	\$673
National Projects	\$334	\$424	\$666

Investment Metric

- Provide a facility to host up to 135 new student athletes
- Increase attendance at RGV Fieldhouse events by 500, from an average of 1,200 fans to 1,700 fans
- Increase concession sales by approximately 35%

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	January 2023
Addition to CIP	August 2023
Design Development Approval	August 2023
Construction Notice to Proceed	October 2023
Substantial Completion	June 2025
Final Completion	July 2025

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50 years
- Building Systems: 20 years
- Interior Construction: 15 years

8. **U. T. San Antonio: San Pedro II - 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**

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 approve the recommendations for the San Pedro II project at The University of Texas at San Antonio as follows:

- a. amend the current Capital Improvement Program (CIP) to increase the total project cost from \$124,409,972 to \$130,909,972;
- b. revise funding sources to include Revenue Financing System (RFS) Bond Proceeds;
- c. approve design development plans;
- d. appropriate funds and authorize expenditure of \$130,909,972 with funding of \$72,000,000 from Permanent University Fund (PUF) Bond Proceeds, \$52,409,972 from Capital Construction Assistance Project (CCAP) Bond Proceeds, formerly known as Tuition Revenue Bond (TRB) Proceeds, and \$6,500,000 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. San Antonio, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$58,909,972.

BACKGROUND INFORMATION

Debt Service

The \$6,500,000 in RFS debt will be recovered from Designated Funds. Annual debt service on the \$6,500,000 in RFS debt is expected to be \$362,000. 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.

Previous Actions

On May 5, 2022, the Chancellor approved this project for Definition Phase. On November 17, 2022, the Innovation, Entrepreneurship and Careers Building project was included in the CIP with a total project cost of \$124,409,972 with funding of \$72,000,000 from PUF Bond Proceeds and \$52,409,972 from TRB Proceeds. On March 15, 2023, the Assistant Vice Chancellor for Capital Projects approved the project name change to San Pedro II.

Project Description

The San Pedro II project will construct a seven-level building adjacent to the San Pedro I in UTSA's downtown district. The project is a crucial component of the institution's strategic plan, linking the downtown campus, cyber security programs, and the School of Data Science with private business and technology entrepreneurs.

The proposed increase in total project cost is needed to accommodate the escalation of construction costs. The building will include academic space for teaching labs, general classrooms and collaborative learning spaces, including meeting rooms, student study spaces, and faculty offices. The project will provide a collaborative environment for faculty and students, for both instruction and entrepreneurship, to create an interactive activity hub. The top two levels will include approximately 47,748 of shell space.

The building will support programs that enhance the development of marketable skills preparing students for careers in business, technology and its applications, and independent small business development. The San Pedro II will provide student innovators and entrepreneurs a space to engage with mentors, coaches, and other creative thinkers in the heart of the city's technology corridor. The downtown incubator and accelerator will be uniquely positioned to provide access to research and academic assets, community innovation and entrepreneurship mentors, and capital and business developers.

**The University of Texas at San Antonio
San Pedro II**

Project Information

Project Number	401-1405
CIP Project Type	New Construction
Facility Type	Classroom, General
Management Type	Institutional Management
Institution's Project Advocate	Veronica Salazar, Senior VP for Business Affairs and Chief Enterprise Development Officer
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	180,051
Shell Space (GSF)	47,748

Project Funding

	<u>Current</u>	<u>Proposed</u>
Permanent University Fund Bond Proceeds	\$ 72,000,000	\$ 72,000,000
Capital Construction Asst. Project Bond Proceeds	52,409,972	52,409,972
Revenue Financing System Bond Proceeds ¹	<u>0</u>	<u>6,500,000</u>
Total Project Cost	\$124,409,972	\$130,909,972

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from Designated Funds

Project Cost Detail

	Cost
Building Cost	\$ 102,800,000
Site Development	1,205,000
Furniture and Moveable Equipment	5,975,000
Institutionally Managed Work	606,647
Architectural/Design Services	5,894,502
Project Management	5,012,005
CIP Support Services	25,000
Insurance	1,869,463
Other Professional Fees	2,281,630
Project Contingency	4,325,625
Other Costs	915,100
Total Project Cost	\$130,909,972

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

San Pedro II (includes 27% shell space)	\$571
San Pedro II (total estimated finish-out)	\$625
Texas Higher Education Coordinating Board Average - Classroom, General	\$663
	Low Quartile
Other U. T. System Projects	\$547
	Median
National Projects	\$615
	High Quartile
	\$665
	\$864

The University of Texas at San Antonio
San Pedro II
(continued)

Investment Metrics

- Reduce overall space deficit by 112,884 assignable square feet (ASF) while increasing assignable degree program space by 27,788 ASF, instructional space by 14,180 ASF, and student centers and hubs by 17,030 ASF by 2026
- Enhance access to higher education opportunities in high-demand industries for non-traditional students 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	May 2022
Addition to CIP	November 2022
Design Development Approval	August 2023
Construction Notice to Proceed	October 2023
Substantial Completion	February 2026
Final Completion	April 2026

Basis of Design

The planned building life expectancy includes the following elements:

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

9. U. T. System Board of Regents: Discussion and appropriate action regarding Stephen F. Austin State University: Forestry, Agriculture, and Interdisciplinary project - Amendment of the current Capital Improvement Program to include project; allocation of funds; and resolution regarding parity debt

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the president that the U. T. System Board of Regents approve the following recommendations, effective September 1, 2023, related to the Forestry, Agriculture, and Interdisciplinary project at Stephen F. Austin State University (SFA) as follows:

- a. amend the current Capital Improvement Program (CIP) to include project with a total project cost of \$79,922,833;
- b. allocate Permanent University Fund (PUF) Bond Proceeds in the amount of \$35,000,000;
- c. authorize the issuance of \$44,922,833 of Capital Construction Assistance Project (CCAP) Bond Proceeds, formerly known as Tuition Revenue Bond (TRB); and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and Stephen F. Austin State University, which will be a "Member" effective September 1, 2023, as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$44,922,833.

BACKGROUND INFORMATION

The 87th Texas Legislature passed Senate Bill 52 that became effective on January 18, 2022, authorizing \$44,922,833 of CCAP Bond Proceeds (formerly known as Tuition Revenue Bonds) to fund construction of an interdisciplinary and applied science building for Stephen F. Austin State University, as it existed prior to the enactment of Senate Bill 1055 by the 88th Legislature, which established a new Stephen F. Austin State University as a member of the U. T. System effective September 1, 2023. On January 30, 2023, the SFA Board of Regents adopted a reimbursement resolution for the expenditure of funds for an "interdisciplinary and applied

sciences building” and infrastructure, which authorized reimbursement of project costs from future CCAP Bond Proceeds. On April 25, 2023, the SFA Board of Regents approved the Forestry, Agriculture, and Interdisciplinary Project with an initial project budget of \$44,922,833 to be funded with CCAP Bond Proceeds. The proposed new total project cost of \$79,922,833 includes \$35 million of PUF bond proceeds pledged to the project as part of the offer made for SFA to join the U. T. System. The action recommended to the U. T. System Board of Regents is necessary to add the project to the U. T. System CIP, to allocate PUF bond proceeds, and to authorize the issuance of CCAP bonds in support of this project previously approved by the SFA Board of Regents.

Project Description

The Forestry, Agriculture, and Interdisciplinary Project will be a new facility serving academic programs across several colleges at SFA. These programs include agriculture, agricultural engineering technology, environmental science, forestry and wildlife sciences, geology, biology, geospatial science, and engineering. The facility will increase collaboration and innovation of faculty and students between these applied disciplines. Combining the applied academic programs into one facility will result in efficiencies in space utilization, operations, and maintenance. The Forestry, Agriculture, and Interdisciplinary Project will support the increasing need for graduates and the current workforce demand in Texas for outreach and continuing education in the applied sciences and technology fields.

Approval of design development plans and authorization of expenditure of funding will be presented to the U. T. System Board of Regents at a later date.

10. **U. T. Southwestern Medical Center: Peter O'Donnell Jr. Biomedical Research Building Shell Space Build-out - Amendment of the current Capital Improvement Program to include Phase II of the project; approval of total project cost; appropriation of funds; and resolution regarding parity debt**

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 amend the current Capital Improvement Program (CIP) to include Phase II of the Peter O'Donnell Jr. Biomedical Research Building Shell Space Build-out project at The University of Texas Southwestern Medical Center as follows:

- a. amend the current CIP and approve a total project cost of \$101,513,201 for Phase II;
- b. appropriate funds of \$101,513, 201 with funding of \$41,616,090 from Permanent University Fund (PUF) Bond Proceeds and \$59,897,111 from Capital Construction Assistance Project (CCAP) Bond Proceeds, formerly Tuition Revenue Bond (TRB) Proceeds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Southwestern Medical Center, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$59,897,111.

BACKGROUND INFORMATION

Previous Actions

On July 14, 2022, the Chancellor approved this project for Definition Phase. On August 25, 2022, Phase I of the project was included in the CIP and design development approved with a total project cost of \$6,700,000 from PUF Bond Proceeds.

Project Description

The Peter O'Donnell Jr. Biomedical Research Building (OBRB) needs additional space to accommodate demand for growth, to expand programs associated with the O'Donnell Brain Institute, and to recruit additional faculty to deliver on the O'Donnell Brain Institute's mission.

The total project includes build-out of approximately 62,000 gross square feet (GSF) of shell space across six floors within the OBRB. Finish-out of the shell space will allow for the expansion of wet labs and office space to support state-of-the-art neuroscience and brain disease research. The project will also include space for laboratory benches, tissue culture, imaging, and microscopy, as well as informatics and quantitative analysis. Approximately 35,000 GSF will remain shelled in OBRB, in part for a future project to construct an animal vivarium with associated infrastructure.

Phase II also includes the renovation of approximately 60,000 GSF in other North Campus buildings to update laboratory facilities and create additional research office space. These spaces were previously used as laboratory, clinical, and pharmacy spaces and were made available following the relocation of staff to the new Cancer Care Outpatient Building.

The previously approved Phase I of the project includes build-out of approximately 1,600 square feet of shell space to house the Cryo-FIB and Cryo-Confocal microscopes on level 1, furnishing laboratory benches on level 7, and provision of a new steam line connecting the new OBRB to the neighboring C. Kern Wildenthal Research Building.

This proposed Phase II 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 for Phase II will be presented to the President for approval at a later date. Pursuant to a Memorandum of Understanding effective September 1, 2020, U. T. Southwestern Medical Center has delegated authority of institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas Southwestern Medical Center
Peter O'Donnell Jr. Biomedical Research Building Shell Space Build-out, Phase II**

Project Information

Project Number 303-1415
 CIP Project Type Repair and Rehabilitation
 Facility Type Laboratory, General
 Management Type Institutional Management
 Institution's Project Advocate Dwain Thiele, Vice Provost and Sr. Associate Dean
 Project Delivery Method Construction Manager at Risk
 Gross Square Feet (GSF) 122,000
 Shell Space (GSF) 35,000

Project Funding

	<u>Current Phase I</u>	<u>Proposed Phase II</u>
Permanent University Fund Bond Proceeds	\$6,700,000	\$ 41,616,090
Capital Construction Asst. Project Bond Proceeds	<u>0</u>	<u>59,897,111</u>
Total Project Cost	\$6,700,000	\$101,513,201

Project Cost Detail

	Phase II Cost
Building Cost	\$61,041,000
Furniture and Moveable Equipment and IR	18,691,000
Institutionally Managed Work	3,379,355
Architectural/Design Services	5,470,000
Project Management	1,575,000
Insurance	890,000
Other Professional Fees	1,253,645
Project Contingency	6,100,000
Other Costs	3,113,201
Total Project Cost	\$101,513,201

Project Planning

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

Project Milestones - Phase II

Definition Phase Approval June 2022
 Addition to CIP August 2023
 Design Development Approval September 2023
 Construction Notice to Proceed September 2023
 Substantial Completion May 2025
 Final Completion June 2025

11. **U. T. Medical Branch - Galveston: Infrastructure and Research Space Upgrade for Research Buildings - Phase 2A - Amendment of the current Capital Improvement Program to include Phase 2A of the project; approval of total project cost; appropriation of funding; and resolution regarding parity debt**

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 amend the current Capital Improvement Program (CIP) to include the Infrastructure and Research Space Upgrade for Research Buildings - Phase 2A project at The University of Texas Medical Branch at Galveston as follows:

- a. amend the current CIP and approve a total project cost of \$69,035,356 for Phase 2A;
- b. appropriate funds of \$69,035,356 with funding of \$59,897,111 from Capital Construction Assistance Project (CCAP) Bond Proceeds, formerly known as Tuition Revenue Bond (TRB) Proceeds, and \$9,138,245 from Permanent University Fund (PUF) Bond Proceeds for Phase 2A; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Medical Branch - Galveston, 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 \$59,897,111.

BACKGROUND INFORMATION

Previous Actions

On March 29, 2022, the Chancellor approved this project for Definition Phase. On November 17, 2022, Phase 1 of the Infrastructure and Research Space Upgrade for Research Buildings project was included in the CIP with a total project cost of \$16,520,000 from PUF Bond Proceeds. On February 17, 2023, the president approved design development plans for Phase 1.

Project Description

The proposed Phase 2A portion of the project will improve and replace aging building systems in the Medical Research Building, the Basic Science Building, and Research Building 6, to extend the usefulness of each building. The scope for the 396,500 gross square foot (GSF) Medical Research Building includes removal and replacement of the roofing system, replacement of all chilled water pumps, heating hot water pumps, piping risers, and building controls. The project will also replace the electrical switchgear distribution equipment, and sanitary waste and vent systems. Improvements to the 147,525 GSF Basic Science Building include replacement of all exhaust fans on the roof and replacement of hot and cold-water piping risers and piping within the mechanical room. The scope for the 197,600 GSF Research Building 6 includes removal and replacement of the roofing system, replacement of all chilled water pumps, hot water pumps, piping risers, and building controls. The project will also replace the electrical switchgear distribution equipment, and sanitary waste and vent systems.

Phase 2B will renovate lab spaces within the Medical Research Building, the Basic Science Building, and Research Building 6 upon completion of Phase 2A, and the institution will seek Board approval for addition of that project to the CIP at a later date.

Phase 1 of the project is underway to build-out shell space on the fourth and fifth floors of the Research Building 17 for the newly established Institute for Drug Discovery. The space will include a chemical wet lab with 24 fume hoods, lab support spaces including a nuclear magnetic resonance magnet, offices, both open and closed collaboration spaces, and mechanical space to support research labs.

This proposed Phase 2A 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, 2020, U. T. Medical Branch - Galveston has delegated authority of institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas Medical Branch at Galveston
Infrastructure and Research Space Upgrade for Research Buildings – Phase 2A**

Project Information

Project Number 601-1401
 CIP Project Type Repair and Rehabilitation
 Facility Type Laboratory, General
 Management Type Institutional Management
 Institution’s Project Advocate Steve LeBlanc, Vice President, Business Operations and Facilities
 Project Delivery Method Construction Manager-at-Risk
 Gross Square Feet (GSF) 396,500 GSF Medical Research Building
 147,525 GSF Basic Science Building
 197,600 GSF Research Building 6

Project Funding

	<u>Current Phase 1</u>	<u>Proposed Phase 2A</u>
Permanent University Fund Bond Proceeds	\$16,520,000	\$9,138,245
Capital Construction Asst. Project Bond Proceeds	<u>0</u>	<u>59,897,111</u>
Total Project Cost	\$16,520,000	\$69,035,356

Project Cost Detail

	Phase 2A Cost
Building Cost	\$55,388,108
Fixed Equipment	100,000
Furniture and Moveable Equipment	510,200
Institutionally Managed Work	500,000
Architectural/Design Services	4,390,100
Project Management	1,723,192
Insurance	1,200,000
Other Professional Fees	2,050,000
Project Contingency	3,173,756
Total Project Cost	\$69,035,356

Project Planning

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

Phase 2 Project Milestones

Definition Phase Approval March 2022
 Addition to CIP August 2023
 Design Development Approval March 2024
 Construction Notice to Proceed August 2024
 Substantial Completion November 2026
 Final Completion January 2027

12. U. T. Health Science Center - San Antonio: Science One Building - Amendment of the current Capital Improvement Program to include project

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 amend the current Capital Improvement Program (CIP) to include the Science One Building project at The University of Texas Health Science Center at San Antonio as follows:

BACKGROUND INFORMATION

Previous Action

On February 28, 2022, the Chancellor approved this project for Definition Phase.

Project Description

The proposed Science One Building is designed to house investigators whose research focus will be in the broad areas of cancer biology, neuroscience, aging biology, and age-associated disorders. Research investigators will use state-of-art technologies including microscopy, genomics, bioinformatics, molecular and cellular technologies, which will allow a deeper understanding of the processes that go awry leading to devastating diseases and conditions. The studies that will be conducted in the new building will also allow the development of therapeutics for human cancers and neurological and aging-associated diseases.

The Science One Building is a key component of the Research Capital Expansion plan for the Greehey Campus. This expansion plan includes the addition of the Center for Brain Health, the Central Energy Plant and vivarium expansion, and a parking garage.

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 a Memorandum of Understanding effective September 1, 2020, U. T. Health Science Center - San Antonio has delegated authority of institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas Health Science Center at San Antonio
Science One Building**

Project Information

Project Number	402-1351C
CIP Project Type	New Construction
Facility Type	Laboratory, Medical/Healthcare
Management Type	Institutional Management
Institution's Project Advocate	Michael Charlton, Vice President for Facilities and Capital Planning
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	95,500

Project Funding

Revenue Financing System Bond Proceeds ¹	<u>Proposed</u> \$90,000,000
Designated Funds	<u>\$10,000,000</u>
Total Project Cost	\$100,000,000

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from indirect cost recovery

Project Cost Detail

	Cost
Building Cost	\$68,150,000
Fixed Equipment	650,000
Site Development	1,400,000
Furniture and Moveable Equipment	5,929,950
Institutionally Managed Work	4,000,000
Architectural/Design Services	7,315,000
Project Management	3,250,000
CIP Support Services	-
Insurance	1,515,000
Other Professional Fees	2,055,000
Project Contingency	5,535,050
Other Costs	200,000
Total Project Cost	\$100,000,000

**The University of Texas Health Science Center at San Antonio
Science One Building**
(continued)

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

Science One Building	\$714		
Texas Higher Education Coordinating Board Average – Laboratory, Medical/Healthcare	\$756		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$661	\$790	\$919
National Projects	\$745	\$970	\$1,225

Investment Metrics

- Increase the number of Clinical Researchers in areas of cancer biology, neuroscience and aging biology from 276 to 307 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	February 2022
Addition to CIP	August 2023
Design Development Approval	November 2023
Construction Notice to Proceed	May 2024
Substantial Completion	August 2026
Final Completion	October 2026

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 30 years
- Building Systems: 25 years
- Interior Construction: 25 years

13. U. T. M. D. Anderson Cancer Center: Relocate School of Health Professions - Amendment of the current Capital Improvement Program to include project; approval of total project cost; and appropriation of funds

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 amend the current Capital Improvement Program (CIP) to include the Relocate School of Health Professions project at The University of Texas M. D. Anderson Cancer Center as follows:

- a. amend the current CIP and approve a total project cost of \$160,000,000; and
- b. appropriate funds of \$160,000,000 from Hospital Revenues.

BACKGROUND INFORMATION

Previous Actions

On March 8, 2021, the Chancellor approved this project for Definition Phase as the South Campus Education Building to construct a new education building to include the School of Health Professions (the School) on the institution's South Campus. The institution reviewed the total projected capital expenditures on new facilities over the next ten years and prioritized capital expenditures with a focus on replacing aged inpatient and outpatient clinical facilities and developing new clinical care facilities. To that end, the institution revised the request to instead seek approval to renovate existing space and move the School. On January 6, 2023, the Chancellor approved the revised scope, total project cost, and project name change to Relocate School of Health Professions project.

Project Description

The proposed project will allow U. T. M. D. Anderson Cancer Center to relocate the School of Health Professions (the School) from its current location within the institution's Main Building complex to its Mid Campus One Building (1MC). The project includes the relocation of occupants from existing floors within 1MC to make room for the School, as well as moderate to extensive renovation of portions of floors six, seven, and ten within 1MC. Totalling approximately 135,000 gross square feet, the renovation will convert open work environments into classrooms, laboratory space, and administrative space needed to support the School. The project will also involve significant modifications to certain mechanical, electrical, plumbing, life safety, and information technology infrastructure systems.

The institution's Strategy and Master Facilities Framework calls for the revitalization of the Texas Medical Center Campus through the vacating and demolishing of aged facilities and replacement with new state-of-the-art facilities. Currently located in the Jones Research Building and the Bates-Freeman Building, relocation of the School is a key step toward realizing the vision of the plans by facilitating the decanting of those buildings in advance of constructing a new inpatient bed tower. To complete the sequence of projects needed to realize this vision,

the School must be relocated by the spring of 2026. There continues to be a long-term desire for a new education building inclusive of the School; however, the construction of such a facility is not expected for the next several years.

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, 2020, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas M. D. Anderson Cancer Center
Relocate School of Health Professions**

Project Information

Project Number 703-1350
 CIP Project Type Repair and Rehabilitation
 Facility Type Classroom, Medical/Healthcare
 Management Type Institutional Management
 Institution’s Project Advocate Diane Bodurka, Chief Education and Training Officer
 Project Delivery Method Construction Manager-at-Risk
 Gross Square Feet (GSF) 135,000

Project Funding

	<u>Proposed</u>
Hospital Revenues	<u>\$160,000,000</u>
Total Project Cost	\$160,000,000

Project Cost Detail

	Cost
Building Cost	\$84,500,000
Fixed Equipment	8,000,000
Site Development	-
Furniture and Moveable Equipment	8,000,000
Institutionally Managed Work	8,600,000
Architectural/Design Services	11,000,000
Project Management	4,500,000
CIP Support Services	-
Insurance	2,500,000
Other Professional Fees	1,500,000
Project Contingency	24,000,000
Other Costs	7,400,000
Total Project Cost	\$160,000,000

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	January 2023
Addition to CIP	August 2023
Design Development Approval	November 2023
Construction Notice to Proceed	August 2024
Substantial Completion	May 2026
Final Completion	June 2026

14. U. T. M. D. Anderson Cancer Center: South Campus Infrastructure and Parking Garage 2 - Amendment of the current Capital Improvement Program to increase total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

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 South Campus Infrastructure and Parking Garage 2 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 \$66,400,000 to \$94,200,000;
- b. approve design development plans;
- c. appropriate funds and authorize expenditure of \$94,200,000 with funding of \$56,700,000 from Revenue Financing System (RFS) Bond Proceeds, \$27,500,000 from Hospital Revenues, and \$10,000,000 from Auxiliary Enterprises Balances; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. 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 \$56,700,000.

BACKGROUND INFORMATION

Debt Service

The \$56,700,000 in RFS debt will be repaid from parking revenues. Annual debt service on the \$56,700,000 in RFS debt is expected to be \$4.0 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 as the South Campus Parking Garage II. On September 21, 2022, the Assistant Vice Chancellor for Capital Projects approved the project name change to South Campus Infrastructure and Parking Garage 2. On November 17, 2022, the project was included in the CIP with a total project cost of \$66,400,000 with funding of \$34,700,000 from RFS Bond Proceeds, \$21,700,000 from Hospital Revenues, and \$10,000,000 from Auxiliary Enterprises Balances.

Project Description

The project includes infrastructure and a parking garage to support further development of U. T. M. D. Anderson Cancer Center's South Campus. The proposed increase in total project cost includes an increase in gross square feet from 400,000 to 600,000 and an increase in parking spaces from 1,100 to 1,700 spaces. The seven-level garage is anticipated to be a free-standing parking structure and is to be located on the institution's South Campus between Bertner Avenue and Cambridge Street, south of Old Spanish Trail.

Infrastructure improvements are required to provide for the immediate and long-term growth of the South Campus. Storm drainage and detention, water system, electrical systems, including emergency, and information technology duct banks are required to support the substantial growth anticipated within the next five to seven years. Without the supporting infrastructure the buildings would not be able to support critical work on the South Campus.

Pursuant to a Memorandum of Understanding effective September 1, 2020, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas M. D. Anderson Cancer Center
South Campus Infrastructure and Parking Garage 2**

Project Information

Project Number	703-1301
CIP Project Type	New Construction
Facility Type	Parking Garage
Management Type	Institutional Management
Institution's Project Advocate	Andrew Burkhardt, Associate Vice President for Research and Administrative Facilities
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	600,000
Parking Garage Spaces	1,700

Project Funding

	<u>Current</u>	<u>Proposed</u>
Revenue Financing System Bond Proceeds ¹	\$34,700,000	\$56,700,000
Hospital Revenues	21,700,000	27,500,000
Auxiliary Enterprises Balances	<u>10,000,000</u>	<u>10,000,000</u>
Total Project Cost	\$66,400,000	\$94,200,000

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

Project Cost Detail

	Parking Garage 2 Cost	Infrastructure Cost
Building Cost	\$51,250,000	-
Site Development	850,000	\$21,685,100
Institutionally Managed Work	1,605,000	668,200
Architectural/Design Services	3,545,000	1,460,100
Project Management	2,380,000	994,000
Insurance	1,220,000	507,700
Other Professional Fees	2,430,000	1,014,000
Project Contingency	3,370,000	1,151,900
Other Costs	50,000	19,000
Total Project Cost	\$66,700,000	\$27,500,000

Building Cost per Parking Space Benchmarks (escalated to midpoint of construction)

South Campus Parking Garage 2	\$30,147		
Regional Median Parking Cost Data	\$26,810		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$25,108	\$27,395	\$34,663
Other National Projects	\$25,024	\$30,158	\$44,192

**The University of Texas M. D. Anderson Cancer Center
South Campus Infrastructure and Parking Garage 2**
(continued)

Investment Metrics

- Supports development of a walkable campus
- Frees up valuable real estate for future construction and creation of a central courtyard on the campus
- South Campus Parking Garage 2 expected to break even in 2030
- Overall Parking Operations portfolio will continue a net profit each year

Project Milestones

Definition Phase Approval	January 2020
Addition to CIP	November 2022
Design Development Approval	August 2023
Construction Notice to Proceed	November 2023
Substantial Completion	October 2025
Final Completion	November 2025

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 40 years
- Building Systems: 20 years
- Interior Construction: 15 years

15. **U. T. M. D. Anderson Cancer Center: Clinical Services Building - Amendment of the current Capital Improvement Program to revise funding sources; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

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 Clinical Services Building project at The University of Texas M. D. Anderson Cancer Center as follows:

- a. revise funding sources to include Revenue Financing System (RFS) Bond Proceeds;
- b. approve design development plans;
- c. appropriate funds and authorize expenditure of \$1,250,000,000 with funding of \$650,000,000 from RFS Bond Proceeds and \$600,000,000 from Hospital Revenues; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. 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 \$650,000,000.

BACKGROUND INFORMATION

Debt Service

The \$650,000,000 in RFS debt will be repaid from Hospital Revenues. Annual debt service on the \$650,000,000 in RFS debt is expected to be \$46.3 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 May 22, 2019, the Chancellor approved this project for Definition Phase as the Inpatient Bed Tower with total project cost of \$600,000,000. On August 25, 2022, the Board approved the

project for Definition Phase with an anticipated total project cost of \$1,250,000,000, authorized expenditure of up to \$62,500,000 from institutional funds to complete the Definition Phase, and approved the project name change to Inpatient Bed Tower, Phase 1 - Support Services Building. On January 3, 2023, the Assistant Vice Chancellor for Capital Projects approved the project name change to Clinical Services Building.

Project Description

The proposed Clinical Services Building (CSB) will be a major addition to the existing U. T. M. D. Anderson Cancer Center campus at the Texas Medical Center (TMC) in Houston. The facility will be located at the northeast corner of the TMC Campus on the site where the recently demolished Dental Branch building was located. The CSB is to be approximately 758,600 gross square feet, including approximately 10,000 gross square feet of shell space to support future growth. The CSB will include a basement and eleven floors of new construction and a mechanical penthouse.

Key occupants of the CSB will include pathology and laboratory medicine, pharmacy, perioperative services, clinical engineering, and patient transportation. The CSB will also include space for an education and simulation center, patient food and dietary services, materials management, environmental services, and building services and support. A full floor will be included for a translational work environment that will be used to support the institution's strategy for vacating facilities that are to be demolished to create the site for the new inpatient bed tower. Expected to be constructed in 10 years under a future phase, the 1,200-inpatient bed tower will contribute to the overall strategy for modernizing and expanding inpatient care capacity.

The project also involves the completion of certain enabling work related to the relocation and expansion of bulk medical gas storage tanks and emergency fuel storage tanks and construction of elevated pedestrian walkways that will connect the CSB to the Main Building complex. It is anticipated that the CSB can be directly connected to the Inpatient Bed Tower that is to be constructed in about 10 years.

Pursuant to a Memorandum of Understanding effective September 1, 2020, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas M. D. Anderson Cancer Center
Clinical Services Building**

Project Information

Project Number	703-1246
CIP Project Type	New Construction
Facility Type	Healthcare Facility, Hospital
Management Type	Institutional Management
Institution's Project Advocate	Rosanna Morris, Chief Operating Officer
Project Delivery Method	Design/Build
Gross Square Feet (GSF)	758,600
Shell Space (GSF)	10,000

Project Funding

	<u>Current</u>	<u>Proposed</u>
Revenue Financing System Bond Proceeds ¹	\$0	\$650,000,000
Hospital Revenues	<u>1,250,000,000</u>	<u>600,000,000</u>
Total Project Cost	\$1,250,000,000	\$1,250,000,000

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from Hospital Revenues

Project Cost Detail

	Cost
Building Cost	\$ 617,959,000
Fixed Equipment	36,500,000
Site Development	134,374,300
Furniture and Moveable Equipment	151,000,000
Institutionally Managed Work	73,500,000
Architectural/Design Services	48,576,700
Project Management	12,000,000
Insurance	19,500,000
Other Professional Fees	5,000,000
Project Contingency	150,590,000
Other Costs	1,000,000
Total Project Cost	\$1,250,000,000

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

Clinical Services Building (includes 1% shell space)	\$815
Clinical Services Building (Total Estimated Finish-Out)	\$821
Texas Higher Education Coordinating Board Average – Healthcare Facility, Hospital	\$824
	Low Quartile Median High Quartile
Other U. T. System Projects	\$658 \$856 \$1,115
National Projects	\$633 \$826 \$1,374

**The University of Texas M. D. Anderson Cancer Center
Clinical Services Building**
(continued)

Investment Metrics

- Complete and activate by end of FY 2025 to support strategy for replacing aged inpatient care facilities
- Support strategy for increasing capacity for providing inpatient care within the next 10-15 years

Project Milestones

Definition Phase Approval	August 2022
Addition to CIP	February 2023
Design Development Approval	August 2023
Construction Notice to Proceed	February 2024
Substantial Completion	September 2027
Final Completion	April 2028

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 40 years
- Building Systems: 20 years
- Interior Construction: 15 years



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MEETING OF THE BOARD

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AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE

2. UTIMCO Committee Appointment - U. T. System: Proposed appointment of two members to the Audit and Ethics Committee of the Board of Directors of The University of Texas/Texas A&M Investment Management Company (UTIMCO)

The University of Texas/Texas A&M Investment Management Company (UTIMCO) Board of Directors recommends that the U. T. System Board of Regents approve the appointment of Howard Berk and Jay Graham to the Audit and Ethics Committee of the UTIMCO Board of Directors. The other members of the Committee are James B. Milliken and Jodie Lee Jiles.

Section 66.08 of the *Texas Education Code* requires that the U. T. System Board of Regents approve the appointment of members to the Audit and Ethics Committee of the UTIMCO Board of Directors. The UTIMCO Board of Directors recommended and approved these appointments on June 15, 2023, conditioned on approval of the U. T. System Board of Regents.

FINANCE AND PLANNING COMMITTEE

3. Contract (funds going out) - U. T. System: Henderson Bros Construction, LLC; Permian Dirt Works, LLC; and Childs Corporation to provide earthmoving and caliche pit reclamation services

Agency: Henderson Bros Construction, LLC; Permian Dirt Works, LLC; and Childs Corporation

Funds: Estimated \$6,300,000 total for all three contracts

Period: January 1, 2023 through December 31, 2029

Description: Henderson Bros Construction, LLC; Permian Dirt Works, LLC; and Childs Corporation to provide earthmoving and caliche pit reclamation services. These contracts were competitively bid. The total value of all services is estimated to be \$6,300,000. The contractors bid on individual projects as they become available through a bid process described in the Master Service Agreement.

4. Contract (funds going out) - U. T. System: Agreement with Kleen-Tech Services, LLC, to provide U. T. System with custodial services

Agency: Kleen-Tech Services, LLC

Funds: \$4,100,000 over the term of the Agreement, including renewals

Period: July 1, 2023 through June 30, 2026; with two one-year renewal options

Description: Agreement with Kleen-Tech Services, LLC, to provide custodial services, including cleaning and maintenance to the U. T. System Building (including lease areas), the U. T. System Police Academy, the University Lands Building in Midland, and the U. T. Education and Research Center at Laredo. The Agreement was competitively bid.

5. Contract (funds going out) - U. T. System: Cornerstone Government Affairs, Inc., to provide advice, consultation, and advocacy services at the federal level

Agency: Cornerstone Government Affairs, Inc.

Funds: \$360,000 annually for the initial term and any contract extensions, for a total of \$2,160,000

Period: April 26, 2023 through April 30, 2025; with two additional two-year renewal options

Description: Cornerstone Governmental Affairs, Inc. (CGA), will advise, consult, and advocate on legislative, regulatory, research, and policy issues under consideration by the U.S. Congress and federal agencies. They will assist the U. T. System and its component institutions in monitoring and advocating on legislative and regulatory measures that have potential impact on all System interests. Specifically, CGA will assist institutions with strategic efforts to secure federal funding through congressional appropriations and through direct grants administered by the various federal agencies.

6. Other Fiscal Matters - U. T. System: Approval regarding authorization of additional \$1,000,000 of funding from the Internal Lending Program to supplement The University of Texas System Board of Regents' Promise Plus Endowment funding for tuition and fees

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents approve an additional \$1,000,000 of funding from the Internal Lending Program to increase the supplement to The University of Texas System Board of Regents' Promise Plus Endowment (Promise Plus Endowment) such that the minimum annual funding to supplement funding for tuition and fees is increased from \$15,000,000 to \$16,000,000 beginning in Fiscal Year 2024.

On February 24, 2022, the U. T. System Board of Regents approved the creation of the Promise Plus Endowment with the distributions from the endowed fund to be used to expand existing programs that supplement federal, state, and institutional grants to cover the full cost of tuition, mandatory fees, and other costs of attendance for eligible resident, full-time undergraduate students who have unmet financial need at U. T. academic institutions other than U. T. Austin. In addition, the Board approved supplemental funding from various sources, including the Internal Lending Program, as needed, that when combined with distributions from the Promise Plus Endowment fund, provide a minimum of \$15,000,000 of aggregate annual support. Approval of this item would increase the minimum aggregate annual funding from \$15,000,000 to \$16,000,000 to provide funding to Stephen F. Austin State University beginning in Fiscal Year 2024 without diminishing support for other institutions receiving funding under this program.

Executive Vice Chancellor Pruitt has determined that, following distribution of funds based on Board approval of this item, revenues generated through the Internal Lending Program will exceed amounts needed to maintain a sufficient interest rate buffer, to meet principal and interest due on external debt, and to provide necessary liquidity.

ACADEMIC AFFAIRS COMMITTEE

7. Contract (funds going out) - U. T. System: Amendment to Agreement with EdCERT LLC, dba Association of College and University Educators (ACUE), to provide credentialing for faculty in evidence-based teaching practices necessary for student success

Agency: EdCERT LLC, dba Association of College and University Educators (ACUE)

Funds: \$3,258,000 over the three-year period

Period: September 1, 2023 through August 31, 2026

Description: New order form with EdCERT LLC, dba Association of College and University Educators (ACUE). ACUE provides training and credentialing for faculty in evidence-based teaching practices necessary for student success.

The initial contract with ACUE, executed in June 2018, was for a one-year pilot to credential a single cohort of faculty from across the U. T. academic institutions at a total cost of \$40,000. Based on the success of the pilot and following Board approval by the Board of Regents on November 14, 2019, the contract was amended to credential faculty cohorts at all academic institutions. On November 18, 2021, the Board approved a Third Amendment to the contract to support two health institutions, U. T. Health Science Center - San Antonio and U. T. M. D. Anderson Cancer Center, in offering the ACUE course to their faculty.

This proposed contract amendment extends ACUE's professional development course and services at all U. T. academic institutions, including Stephen F. Austin State University, and all U. T. health institutions for another three years, in support of U. T. System's commitment to support faculty and effective teaching.

8. **Report - U. T. System Academic Institutions: Fiscal Year 2022 Post-Tenure Review**

In accordance with *Texas Education Code* Section 51.942 and Regents' *Rules and Regulations*, Rule 31102, the following report on the Fiscal Year 2022 post-tenure review for the U. T. System academic institutions is provided by the Executive Vice Chancellor for Academic Affairs.

During Fiscal Year 2022, 379 tenured faculty members at the eight academic institutions with tenured faculty were subject to post-tenure review. Of the 379 faculty members reviewed, 206 or 54% were evaluated as Exceeds Expectations; 164 or 43% were evaluated as Meets Expectations; eight or 2% received Does Not Meet Expectations; and one individual received an Unsatisfactory evaluation. Sixteen faculty members retired or resigned before their post-tenure reviews.

The following summary tables provide additional details of the post-tenure review results for the Academic Year 2021-2022.

Summary of Post-Tenure Review Results

	Total Actually Reviewed	Total Exceeding Expectations	Total Meets Expectations	Total Does Not Meet Expectations	Total Unsatisfactory	Decided to Retire or Resign Before Review
UTA	49	32	16	1	0	0
UTAUS	143	70	69	4	0	10
UTD	54	24	30	0	0	0
UTEP	34	20	14	0	0	0
UTPB	5	0	4	1	0	0
UTRGV	28	19	8	0	1	0
UTSA	47	25	21	1	0	1
UTT	19	16	2	1	0	5
Total	379	206	164	8	1	16
		54%	43%	2%	0.3%	

PRESENT STATUS OF EACH REVIEW THAT DOES NOT MEET EXPECTATIONS:

U. T. Arlington: Faculty member is enrolling in teaching course to address concerns raised.

U. T. Austin: Department Chairs and Deans will monitor performance each year and provide feedback through the Annual Review process.

U. T. Permian Basin: Department Chair and Dean have developed a Performance Improvement Plan and are monitoring the process.

U. T. San Antonio: Faculty member referred to Department Chair and Dean to discuss the evaluation and outline a plan of action to strengthen performance.

U. T. Tyler: Faculty member is working with the Department Chair on a development plan.

PRESENT STATUS OF EACH REVIEW THAT IS UNSATISFACTORY:

U. T. Rio Grande Valley: Faculty member resigned as of August 31, 2022.

9. Contract (funds going out) - U. T. Arlington: Heritage One Roofing, Inc., to provide job order contracting services to campus facilities

Agency: Heritage One Roofing, Inc.

Funds: Total cost has potential to exceed \$2,500,000 over the maximum 10-year contact period

Period: September 1, 2021 through August 31, 2023; with the option of eight additional one-year renewals

Description: Heritage One Roofing, Inc., will provide job order contract services, as needed, to assist the U. T. Arlington maintenance staff in the repair and maintenance of building roofing systems, and to assist with warranty repairs and claims with different roofing manufacturers. Services were competitively procured.

This is an indefinite quantity, indefinite delivery (IDIQ) 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 hourly rates for specific trades and materials at cost plus markup (if needed/not provided by the University). At the time of initial contract award, and based on historical data provided, U. T. Arlington did not anticipate exceeding the \$2,500,000 delegated authority threshold. It is now clear that the spend may exceed that threshold over the possible life of the contract, including renewals. The institution will continue to closely monitor the spend over the life of the Agreement.

10. Contract (funds going out) - U. T. Arlington: RS Frazier Roofing and Guttering, Inc., to provide job order contracting services to campus facilities

Agency: RS Frazier Roofing and Guttering, Inc.

Funds: Total cost has potential to exceed \$2,500,000 over the maximum 10-year contact period

Period: September 1, 2021 through August 31, 2023; with the option of eight additional one-year renewals

Description: RS Frazier Roofing and Guttering, Inc., will provide job order contract services, as needed, to assist the U. T. Arlington maintenance staff in the repair and maintenance of building roofing systems, and to assist with warranty repairs and claims with different roofing manufacturers. Services were competitively procured.

This is an indefinite quantity, indefinite delivery (IDIQ) 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 hourly rates for specific trades and materials at cost plus markup (if needed/not provided by the University). At the time of initial contract award, and based on historical data provided, U. T. Arlington did not anticipate exceeding the \$2,500,000 delegated authority threshold. It is now clear that the spend may exceed that threshold over the possible life of the contract, including renewals. The institution will continue to closely monitor the spend over the life of the Agreement.

11. Contract (funds going out) - U. T. Arlington: Tri-Lam Roofing and Waterproofing, Inc., to provide job order contracting services to campus facilities

Agency: Tri-Lam Roofing and Waterproofing, Inc.

Funds: Total cost has potential to exceed \$2,500,000 over the maximum 10-year contact period

Period: September 1, 2021 through August 31, 2023; with the option of eight additional one-year renewals

Description: Tri-Lam Roofing and Waterproofing, Inc., will provide job order contract services, as needed, to assist the U. T. Arlington maintenance staff in the repair and maintenance of building roofing systems, and to assist with warranty repairs and claims with different roofing manufacturers. Services were competitively procured.

This is an indefinite quantity, indefinite delivery (IDIQ) 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 hourly rates for specific trades and materials at cost plus markup (if needed/not provided by the University). At the time of initial contract award, and based on historical data provided, U. T. Arlington did not anticipate exceeding the \$2,500,000 delegated authority threshold. It is now clear that the spend may exceed that threshold over the possible life of the contract, including renewals. The institution will continue to closely monitor the spend over the life of the Agreement.

12. Request for Budget Change - U. T. Arlington: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2024 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
College of Architecture, Planning and Public Affairs		
Architecture Shadi Nazarian	New Hire	Professor (T)
Landscape Architecture Ming-Han Li	New Hire	Dean and Professor (T)
College of Business		
Finance and Real Estate Owen Parker	Assistant Professor	Associate Professor (T)
Management Alison Hall-Birch	Assistant Professor	Associate Professor (T)
College of Education		
Educational Leadership and Policy Studies Catherine Robert	Assistant Professor	Associate Professor (T)
College of Engineering		
Bioengineering Juhyun Lee	Assistant Professor	Associate Professor (T)
Computer Science and Engineering Ashraf Aboulnaga Dajiang Zhu Kenny Zhu	New Hire Assistant Professor New Hire	Professor (T) Associate Professor (T) Professor (T)
Electrical Engineering Sungyong Jung	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
College of Liberal Arts		
Art and Art History Daniel Garcia	Assistant Professor	Associate Professor (T)
Modern Languages Cynthia Laborde	Assistant Professor	Associate Professor (T)
Political Science Morgan Marietta	New Hire	Chair and Professor (T)
Sociology and Anthropology Elizabeth Newman	New Hire	Dean and Professor (T)
College of Nursing and Health Innovation		
Kinesiology Xiangli Gu	Assistant Professor	Associate Professor (T)
Nursing Renee Manworren Venu Varanasi	New Hire Associate Professor	Professor (T) Associate Professor (T)
College of Science		
Biology Joseph Boll	Assistant Professor	Associate Professor (T)
Mathematics Suvra Pal	Assistant Professor	Associate Professor (T)
Physics Yujie Chi	Assistant Professor	Associate Professor (T)
School of Social Work		
Social Work Phillip Baiden Jandel Crutchfield Rachel Voth Schrag	Assistant Professor Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T) Associate Professor (T)

13. Lease - U. T. Arlington: Authorization to lease approximately 5,800 square feet of indoor space, approximately 1,600 square feet of outdoor space, and parking located at 841 West Mitchell Street, Arlington, Tarrant County, Texas, to DAY 1 ACADEMIES, dba Bezos Academy, a Delaware nonprofit corporation, for a tuition-free preschool education program; and finding of a public purpose

Description: Lease to DAY 1 ACADEMIES, dba Bezos Academy, a Delaware nonprofit corporation, of approximately 5,800 square feet of indoor space, approximately 1,600 square feet of outdoor space, and parking located on the edge of the main campus at 841 West Mitchell Street, Arlington, Tarrant County, Texas, for a tuition-free preschool education program for the nearby community. U. T. Arlington will be provided priority enrollment of up to 20% of the preschool capacity for the children of U. T. Arlington faculty, staff, and students, which is estimated to be between 8-12 students. The total capacity of the preschool is estimated to be between 40-60 students. Tenant will work closely with U. T. Arlington to directly market the program to the U. T. Arlington community, which may lead to additional enrollment by U. T. Arlington faculty, staff, and students, above the 8-12 prioritized slots.

Tenant: DAY 1 ACADEMIES, dba Bezos Academy, a Delaware nonprofit corporation

Term: The agreement will be for an initial term of approximately 10 years from the commencement date of the lease, with one additional five-year renewal option on the same terms and conditions as the lease. Tenant will have the option to terminate the lease with 90 days written notice.

Lease Cost: Annual Rent of \$1.00, which will be prepaid by Tenant.

Tenant will be responsible for cost and expense of janitorial services, utilities serving the premises, security systems, and maintenance services for the premises; including but not limited to telephone and communication equipment, office equipment, and repair of damage caused to the premises by its staff, employees, representatives clients and/or visitors. Tenant will be responsible for costs related to the maintenance and repair of the HVAC system. If tenant has properly maintained and repaired the HVAC system, Landlord will be responsible for the replacement of the units.

Tenant Improvements: Tenant will be responsible for performing any work necessary to bring the premises into the condition suitable for Tenant's use. The estimated cost of Tenant improvements is approximately \$150 per square foot or approximately \$870,000.

Public Purpose: The annual rent described above constitutes a below market rate. In consideration for the below market rate, U. T. Arlington will be provided priority, tuition-free enrollment of a minimum of 20% of the preschool capacity for the children of U. T. Arlington faculty, staff and students, which U. T. Arlington estimates carries a total value of approximately \$81,408 to \$122,112 per year, depending on the actual capacity of the preschool. In addition, the parties will work on facilitating experiential learning opportunities at the preschool for students in U. T. Arlington's College of Education.

The Attorney General of the State of Texas has advised in Opinion No. MW-373 (1981) that to comply with the Texas Constitution, the use of space in university facilities at below market rental must meet three requirements: (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 U. T. System Board of Regents is also asked to find that:

- (1) the Agreement serves a public purpose appropriate to the function of U. T. Arlington, in requiring that the Tenant continuously operate the preschool facility and provide priority, tuition-free enrollment for a minimum of 20% of the school capacity for U. T. Arlington faculty, staff and students, as well as possibly providing experiential learning opportunities for students in U. T. Arlington's College of Education. Free tuition preschool will be an important benefit and assist with recruitment and retention of university students and employees and enhances the desirability of the institution as a place to work and study and contribute to student success.
- (2) Pursuant to the Agreement, the consideration received by U. T. Arlington is adequate, in obligating the Tenant to provide a 20% priority enrollment to U. T. Arlington staff, faculty, students, and their families.
- (3) U. T. Arlington will have sufficient safeguards in place to ensure the public purpose will continue to be met on an ongoing basis by maintaining controls over the tenant to ensure that the public purpose is achieved, which include U. T. Arlington having the ability to terminate the lease or charge fair market value for the space if (a) the use of the premises changes during the term of the lease or (b) if the minimum 20% prioritized enrollment provided by the tenant to U. T. Arlington is ever decreased.

14. Contract (funds coming in) - U. T. Austin: Non-Clinical Funding Agreement between The University of Texas at Austin and Ascension Texas related to program support and the funding of non-clinical portions of joint programs

Agency: Ascension Texas

Funds: Approximately \$126,000,000 over five years

Period: June 30, 2023 through June 30, 2027; with a single one-year renewal option

Description: U. T. Austin's Dell Medical School will provide Ascension Texas non-clinical support of joint medical specialty programs. The Non-Clinical Funding Agreement incorporates the non-clinical payment terms of the previously approved Pediatric Congenital Heart Disease Program Support Agreement, Pediatric Neurosciences Program Support Agreement, Pediatric Chair Program Support Agreement, Abdominal Organ Transplant Program Agreement, Women's Health Program Support Agreement, Master Physician Services Agreement, Pediatric Mental Health Program Support Agreement, Professional Services Agreement, and Gastroenterology Program Support Agreement, as well as allocations within letters of support for specific positions that did not require approval by the Board of Regents. The Non-Clinical Funding Agreement consolidates the payment terms from these agreements and increases the overall payments on a scheduled yearly basis to support the ongoing non-clinical operations of the joint programs.

This Agreement has an overall approximate value of \$126,000,000, beginning at \$21,200,000 in Year 1 and increasing annually to \$30,500,000 over the five-year term.

15. Contract (funds coming in and going out) - U. T. Austin: Amendment to Agreement with Compass Group, dba FLIK Hospitality Group, to provide hotel and building management services at AT&T Hotel and Conference Center on the U. T. Austin campus

Agency: Compass Group USA, Inc., dba FLIK International Corp (Compass)

Funds: Funds coming in: \$65,248,579
Funds going out: \$52,584,519

Period: January 1, 2029 through December 31, 2040

Description: FLIK International Corp (Compass) will continue to provide building and hotel management services for AT&T Hotel and Conference Center. The current Agreement is a Revenue Generation Agreement approved by the Board of Regents on August 24, 2017, with a term ending December 31, 2028. This Thirteenth Amendment extends the term through December 31, 2040, and provides a capital investment by FLIK into the AT&T Hotel and Conference Center so the hotel can be renovated. FLIK will oversee the renovation of the hotel. This Amendment was procured by means of an Exclusive Acquisition Justification based upon best value.

16. Contract (funds going out) - U. T. Austin: Alpha Building Corporation to provide job order contracting services to campus facilities

Agency: Alpha Building Corporation

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

Period: November 1, 2022 through October 31, 2027; with four one-year renewal options

Description: Alpha Building Corporation to provide general construction job order contracting services, with projects varying in scope and size. Separate service agreements will be executed for individual projects. Services were competitively procured. Reports of the current spend are reviewed routinely. The contract is being brought to the Board for approval as the contract spend is approaching the institution's delegated authority threshold. The institution will continue to closely monitor the spend over the life of the Agreement.

17. Contract (funds going out) - U. T. Austin: Balfour Beatty Construction, LLC, to provide job order contracting services to campus facilities

Agency: Balfour Beatty Construction, LLC

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

Period: December 1, 2022 through November 30, 2023; with four one-year renewal options

Description: Balfour Beatty Construction, LLC, will provide general construction job order contracting services, with projects varying in scope and size. Separate service agreements will be executed for individual projects. Services were competitively procured. Reports of the current spend are reviewed routinely. The contract is being brought to the Board for approval as the contract spend is approaching the institution's delegated authority threshold. The institution will continue to closely monitor the spend over the life of the Agreement.

18. Contract (funds going out) - U. T. Austin: Brown & Root Industrial Services, LLC, to provide job order contracting services to campus facilities

Agency: Brown & Root Industrial Services, LLC

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

Period: December 1, 2022 through November 30, 2023; with four one-year renewal options

Description: Brown & Root Industrial Services, LLC, to provide general construction job order contracting services, with projects varying in scope and size. Separate service agreements will be executed for individual projects. Services were competitively procured. Reports of the current spend are reviewed routinely. The contract is being brought to the Board for approval as the contract spend is approaching the institution's delegated authority threshold. The institution will continue to closely monitor the spend over the life of the Agreement.

19. Contract (funds going out) - U. T. Austin: Centennial Contractors Enterprises, Inc., to provide job order contracting services to campus facilities

Agency: Centennial Contractors Enterprises, Inc.

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

Period: December 1, 2022 through November 30, 2023; with four one-year renewal options

Description: Centennial Contractors Enterprises, Inc., to provide general construction job order contracting services, with projects varying in scope and size. Separate service agreements will be executed for individual projects. Services were competitively procured. Reports of the current spend are reviewed routinely. The contract is being brought to the Board for approval as the contract spend is approaching the institution's delegated authority threshold. The institution will continue to closely monitor the spend over the life of the Agreement.

20. Contract (funds going out) - U. T. Austin: LMC Corporation to provide job order contracting services to campus facilities

Agency: LMC Corporation

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

Period: December 1, 2022 through November 30, 2023; with four one-year renewal options

Description: LMC Corporation to provide general construction job order contracting services, with projects varying in scope and size. Separate service agreements will be executed for individual projects. Services were competitively procured. Reports of the current spend are reviewed routinely. The contract is being brought to the Board for approval as the contract spend is approaching the institution's delegated authority threshold. The institution will continue to closely monitor the spend over the life of the Agreement.

21. Contract (funds going out) - U. T. Austin: Warden Construction Corporation to provide job order contracting services to campus facilities

Agency: Warden Construction Corporation

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

Period: December 1, 2022 through November 30, 2023; with four one-year renewal options

Description: Warden Construction Corporation, to provide general construction job order contracting services, with projects varying in scope and size. Separate service agreements will be executed for individual projects. Services were competitively procured. Reports of the current spend are reviewed routinely. The contract is being brought to the Board for approval as the contract spend is approaching the institution's delegated authority threshold. The institution will continue to closely monitor the spend over the life of the Agreement.

22. Contract (funds going out) - U. T. Austin: One Diversified, LLC, to provide and install equipment and software in broadcast and videoboard control rooms located in Darrell K Royal-Texas Memorial Stadium

Agency: One Diversified, LLC

Funds: \$18,268,804

Period: June 1, 2023 through May 1, 2026

Description: One Diversified, LLC, will build and install equipment and software in the broadcast and videoboard control rooms located in Darrell K Royal-Texas Memorial Stadium (DKR). Once the equipment and software are installed in the control rooms, U. T. Austin will be able to broadcast feed to television networks and the DKR videoboard. This broadcasting capability is required by the Southeastern Conference (SEC). The Agreement was procured based upon a competitive procurement, namely a Request for Proposal.

23. Contract (funds going out) - U. T. Austin: Amendment to Agreement with Surveying and Mapping, LLC, to provide surveying services for Capital Improvement Program projects

Agency: Surveying and Mapping, LLC

Funds: \$10,000,000

Period: June 1, 2023 through December 31, 2023

Description: Surveying and Mapping, LLC, provides surveying services for the Capital Improvement Program projects on the U. T. Austin campus. The Agreement is a technical service provider Indefinite Delivery, Indefinite Quantity Agreement. The Agreement was obtained through competitive procurement from a U. T. System-issued Request for Qualifications.

The underlying Agreement had a term of June 1, 2019 through May 31, 2021, with the option to renew for an additional term of two years, plus one optional six-month renewal term at the end of the second two-year period. The First Amendment updated the term to occur June 1, 2021 through May 31, 2023, and this Second Amendment requests implementation of the optional six-month term to extend the Agreement to December 31, 2023, and to increase the contract value to \$10,000,000. The underlying Agreement and First Amendment did not require Board approval as the contract value was below the institution's delegated authority threshold.

24. Interagency Agreement (funds coming in) - U. T. Austin: Interagency Agreement with Texas Health and Human Services Commission for U. T. Austin to provide recovery services training

Agency: Health and Human Services Commission (HHSC)

Funds: \$8,579,660

Period: January 11, 2023 to August 31, 2025

Description: U. T. Austin to provide training and technical assistance services, research, curriculum development, recovery services management, and integration of program support for Health and Human Services Commission (HHSC)-funded Recovery Support Services (RSS), Youth Recovery Communities (YRC), and other HHSC-funded Peer/Recovery contractors. This is a revenue generation agreement for U. T. Austin.

25. Request for Budget Change - U. T. Austin: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2024 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
McCombs School of Business		
Accounting		
Nicholas Hallman	Assistant Professor	Associate Professor (T)
Ronghuo Zheng	Assistant Professor	Associate Professor (T)
Business, Government, and Society		
Christopher Bryan	Assistant Professor	Associate Professor (T)
Finance		
Samuel Kruger	Assistant Professor	Associate Professor (T)
Marketing		
Adrian Ward	Assistant Professor	Associate Professor (T)
Moody College of Communication		
Advertising and Public Relations		
Natalie Devlin	Assistant Professor	Associate Professor (T)
Speech, Language, and Hearing Sciences		
Liberty Hamilton	Assistant Professor	Associate Professor (T)
College of Education		
Curriculum and Instruction		
Nathaniel Bryan	New Hire	Associate Professor (T)
Tracey Flores	Assistant Professor	Associate Professor (T)
Maria Gonzalez-Howard	Assistant Professor	Associate Professor (T)
Grace Kim	Assistant Professor	Associate Professor (T)
Educational Psychology		
Veronica Yan	Assistant Professor	Associate Professor (T)
Kinesiology and Health Education		
Miguel Pinedo	Assistant Professor	Associate Professor (T)
Charles Stocking	New Hire	Associate Professor (T)

College, Department, and Name	From	To
Cockrell School of Engineering		
Aerospace Engineering and Engineering Mechanics		
Brandon Jones	Assistant Professor	Associate Professor (T)
Manuel Rausch	Assistant Professor	Associate Professor (T)
Renato Zanetti	Assistant Professor	Associate Professor (T)
Chemical Engineering		
Benjamin Keitz	Assistant Professor	Associate Professor (T)
Electrical and Computer Engineering		
Jean Incorvia	Assistant Professor	Associate Professor (T)
Jaydeep Kulkarni	Assistant Professor	Associate Professor (T)
Atlas Wang	Assistant Professor	Associate Professor (T)
Mechanical Engineering		
Michael Haberman	Assistant Professor	Associate Professor (T)
College of Fine Arts		
Art and Art History		
Adele Nelson	Assistant Professor	Associate Professor (T)
William Wilson	New Hire	Associate Professor (T)
Music		
Caleb Hudson	New Hire	Associate Professor (T)
Susan Thomas	New Hire	Professor (T)
Theatre and Dance		
Rosemary Candelario	New Hire	Associate Professor (T)
Peter Carpenter	New Hire	Professor (T)
Jackson School of Geosciences		
Geological Sciences		
Ashley Matheny	Assistant Professor	Associate Professor (T)
Daniella Rempe	Assistant Professor	Associate Professor (T)
College of Liberal Arts		
African and African Diaspora Studies		
Ashante Reese	Assistant Professor	Associate Professor (T)
Economics		
Scott Carrell	New Hire	Professor (T)
Richard Murphy	Assistant Professor	Associate Professor (T)
Dean Spears	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
Government		
Derek Epp	Assistant Professor	Associate Professor (T)
Hannah Walker	Assistant Professor	Associate Professor (T)
Linguistics		
Junyi Li	Assistant Professor	Associate Professor (T)
Psychology		
Lori Holt	New Hire	Professor (T)
Sociology		
Diane Coffey	Assistant Professor	Associate Professor (T)
Robert Reece	Assistant Professor	Associate Professor (T)
Abigail Weitzman	Assistant Professor	Associate Professor (T)
College of Natural Sciences		
Astronomy		
Keith Hawkins	Assistant Professor	Associate Professor (T)
Chemistry		
Ken Hsu	New Hire	Associate Professor (T)
Computer Science		
Joydeep Biswas	Assistant Professor	Associate Professor (T)
Gregory Durrett	Assistant Professor	Associate Professor (T)
Qiang Liu	Assistant Professor	Associate Professor (T)
Human Development and Family Sciences		
Gabriela Stein	New Hire	Professor (T)
Fatima Varner	Assistant Professor	Associate Professor (T)
Hannah Williamson	Assistant Professor	Associate Professor (T)
Integrative Biology		
Caroline Farris	Assistant Professor	Associate Professor (T)
Marine Science		
Sharon Herzka	New Hire	Associate Professor (T)
Mathematics		
Stefania Patrizi	Assistant Professor	Associate Professor (T)
Lisa Piccirillo	New Hire	Associate Professor (T)
Samuel Raskin	Assistant Professor	Associate Professor (T)
Neuroscience		
Thibaud Taillefumier	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
Statistics and Data Sciences Antonio Linero Alessandro Rinaldo	Assistant Professor New Hire	Associate Professor (T) Professor (T)
School of Social Work Social Work Mercedes Hernandez	Assistant Professor	Associate Professor (T)

26. 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 \$	
School of Law Professor Joshua Sellers (T)	5/15-5/31	100	09	210,000	11988

27. Employment Agreement - U. T. Austin: Approval of amendment to terms of Employment Agreement for Vice President and Athletics Director Christopher M. Del Conte

The following terms of the amended Employment Agreement for Vice President and Athletics Director Christopher M. Del Conte have been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel and are recommended for approval by the U. T. System Board of Regents. If the terms are approved, total annual compensation will be in excess of \$1 million. The amended Agreement references the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. A violation of the provisions of such constitution, bylaws, rules, regulations, or policies may be grounds for suspension without pay and/or dismissal.

From: **Guaranteed compensation:**

Annual Salary:
 FY 2024: \$2,270,000
 FY 2025: \$2,320,000
 FY 2026: \$2,385,000
 FY 2027: \$2,455,000

Automobile: option of two dealer cars or \$7,500 in lieu of one of the cars annually

Club memberships: The University of Texas Club, The University of Texas Golf Club, Headliners Club of Austin

Nonguaranteed compensation:

Annual Performance Payment:

FY 2024: up to \$200,000

FY 2025: up to \$250,000

FY 2026: up to \$250,000

FY 2027: up to \$250,000

Deferred Compensation:

For FY 2020 through FY 2024, an annual deferred compensation payment of \$250,000 will accrue to Mr. Del Conte at the end of the given fiscal year and vest to him no earlier than November 1, 2024.

To:

Guaranteed compensation (Increase of 8%):

Annual Salary:

FY 2024: \$2,450,000

FY 2025: \$2,525,000

FY 2026: \$2,600,000

FY 2027: \$2,680,000

FY 2028: \$2,850,000

FY 2029: \$3,000,000

FY 2030: \$3,150,000

Automobile: option of two dealer cars or \$7,500 in lieu of one of the cars annually

Club memberships: The University of Texas Club, The University of Texas Golf Club, Headliners Club of Austin

Nonguaranteed compensation (Increase of 12%):

Annual Performance Incentive Payment:

FY 2024: up to \$225,000

FY 2025: up to \$250,000

FY 2026: up to \$275,000

FY 2027: up to \$300,000

FY 2028: up to \$375,000

FY 2029: up to \$425,000

FY 2030: up to \$450,000

Deferred Compensation:

FY 2023: \$250,000

FY 2024: \$250,000

All deferred compensation payments from FY 2020 through FY 2024 accrue to Mr. Del Conte at the end of a given fiscal year. All accrued amounts, vest to him no earlier than November 1, 2024. Unvested amounts are forfeited if Mr. Del Conte’s employment is terminated before August 31, 2024, if he provides notice of his intent to resign his position, or the University provides notice of its intent to suspend or terminate him for cause.

Source of Funds: Intercollegiate Athletics

Period: September 1, 2023, through August 31, 2030

- 28. Lease - U. T. Austin: Authorization to sublease approximately 40,000 square feet of office space located at 1313 Red River Street, Travis County, Austin, Texas, commonly known as Innovation Tower, to the Texas Permanent School Fund Corporation (Texas PSF)

Description: Authorization to sublease approximately 40,000 square feet of office space located at 1313 Red River Street, Travis County, Austin, Texas, commonly known as Innovation Tower, to the Texas Permanent School Fund Corporation (Texas PSF).

Landlord: The 2033 Higher Education Development Foundation, a Texas non-profit corporation

Master Tenant: Board of Regents of The University of Texas System, for the use and benefit of the University of Texas at Austin

Subtenant: Texas Permanent School Fund Corporation, a special-purpose governmental corporation

Term: The initial term will be for approximately 10 years from the lease commencement date. Subtenant will be provided with two renewal options of five years each, which will be at fair market value.

Subtenant may be provided with an option to terminate and may be provided a one-time right of first refusal with respect to any available vacant space on the fifth floor of the building.

Lease Cost: Estimated base rent for the initial term and potential renewal terms is approximately \$42,933,328.

Initial annual base rent is estimated to be approximately \$40.00 per square foot with 3% annual escalations. Total estimated base rent for the initial term is approximately \$18,281,401. The base rent for the potential renewal periods will be at the then determined Fair Market Value.

Subtenant will be responsible for its share of the operating expenses and real estate taxes during the term of the lease, which are initially estimated at \$15.00 per square foot for operating expenses and \$11.50 per square foot for real estate taxes. The total estimated operating expenses and real estate taxes for the initial term and potential renewal terms is approximately \$21,200,000.

Tenant Improvements: The Master Tenant will provide a tenant improvement allowance of \$70.00 per square foot, which is approximately \$2,800,000.

Parking: The Subtenant will be provided with approximately 120 parking spaces, which will provide initial parking fees of approximately \$230,400 per year.

Total Cost: Total estimated lease revenue over the initial term and potential renewal periods is approximately \$68,741,328, which includes all estimated rent, estimated operating expenses, and parking revenue, but does not include the provided tenant improvement allowance of approximately \$2,800,000. The Master Tenant will be responsible to pay all real estate commissions due per a separate written agreement.

29. Request for Budget Change - U. T. Dallas: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2024 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
School of Behavioral and Brain Sciences		
Neuroscience Michael Burton	Assistant Professor	Associate Professor (T)
Speech, Language, and Hearing Roozbeh Behroozmand	New Hire	Associate Professor (T)
School of Economic, Political and Policy Sciences		
Criminology and Criminal Justice Tony Love	New Hire	Associate Professor (T)
Public and Nonprofit Management Sean McCandless	New Hire	Associate Professor (T)
Public Policy and Political Economy Thomas Gray	Assistant Professor	Associate Professor (T)
Erik Jonsson School of Engineering and Computer Science		
Bioengineering Victor Varner	Assistant Professor	Associate Professor (T)
Computer Science Emily Kyle Fox Shiyi Wei	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
Mechanical Engineering Xianming Dai D. Todd Griffith Justin Ruths	Assistant Professor Associate Professor Assistant Professor	Associate Professor (T) Professor (T) Associate Professor (T)

College, Department, and Name	From	To
Naveen Jindal School of Management		
Accounting Ying Huang	Assistant Professor	Associate Professor (T)
Finance Steven Xiao	Assistant Professor	Associate Professor (T)
Organizations, Strategy and International Management Junfeng Wu	Assistant Professor	Associate Professor (T)
School of Natural Sciences and Mathematics		
Biological Sciences Joseph Boll	New Hire	Associate Professor (T)
Chemistry and Biochemistry Rudi Fasan	New Hire	Professor (T)
Mario Wriedt	New Hire	Associate Professor (T)
Mathematics Baris Coskunuzer	Professor	Professor (T)

30. Other Matters - U. T. Dallas: Naming of Five Residence Halls

Since the opening of the five U. T. Dallas residence halls between 2009-2014, the buildings have been named and identified using cardinal and ordinal directions. These names were assigned based on the location of the building, e.g., Residence Hall South, Residence Hall North, etc.

Representatives from Student Government presented a formal proposal with several naming options, which were pared down to seven names that closely relate to the campus' history with the Space Sciences when it was the Graduate Research Center of the Southwest. Five of the seven names will be assigned to existing residence halls and two names will be reserved for future housing projects.

Naming Recommendations:

Current Name: Residence Hall South
Proposed Name: Sirius Hall

Current Name: Residence Hall North
Proposed Name: Capella Hall

Current Name: Residence Hall Northwest
Proposed Name: Vega Hall

Current Name: Residence Hall Southwest
Proposed Name: Helix Hall

Current Name: Residence Hall West
Proposed Name: Andromeda Hall

31. Logo - U. T. Dallas: Proposed athletics logos

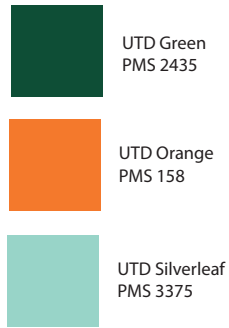
The following proposed athletics logos have been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor for External Relations, Communications and Advancement Services and are submitted for approval by the U. T. System Board of Regents in accordance with Regents' *Rules and Regulations*, Rule 40801.

The current mark, which was the first official athletics logo created for U. T. Dallas more than a decade ago, is no longer favored by U. T. Dallas Athletics. Based on input from President Benson, Chief of Staff Rafael Martin, Director of Athletics Angela Marin, Associate Athletics Director Bill Petitt, Vice President for Student Affairs Gene Fitch, coaches, staff, student-athletes and the Athletics Advisory Board, which includes faculty representatives, U. T. Dallas has proposed a redesign.

The University leadership believes this new family of athletics marks will be embraced by the teams and coaches and will offer more consistency in the Comets branding. None of these marks are intended to appear absent the University name. They will be used in concert with the full name, "UT Dallas" or "UTD".

The proposed Pantone Marking System colors are PMS 2435 UTD Green, PMS 158 UTD Orange, and PMS 3375 UTD Silverleaf.

Current Athletics Logo



Proposed Athletics Logos



32. Request for Budget Change - U. T. El Paso: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2024 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
Woody L. Hunt College of Business		
Accounting and Information Systems		
Adam Esplin	Assistant Professor	Associate Professor (T)
Marketing, Management and Supply Chain		
James J. Hoffman	New Hire	Professor (T)
College of Engineering		
Aerospace and Mechanical Engineering		
David Espalin	Assistant Professor	Associate Professor (T)
Francisco Medina	Associate Professor	Associate Professor (T)
Civil Engineering		
Jeffrey Weidner	Assistant Professor	Associate Professor (T)
Computer Science		
Monika Akbar	Assistant Professor	Associate Professor (T)
College of Health Sciences		
Public Health Sciences		
Jeannie Concha	Assistant Professor	Associate Professor (T)
Gabriel Ibarra-Mejia	Assistant Professor	Associate Professor (T)
Emre Umucu	New Hire	Associate Professor (T)
College of Liberal Arts		
Art Department		
Melissa Warak	Assistant Professor	Associate Professor (T)
Communication		
Maria de los Angeles Flores	Assistant Professor	Associate Professor (T)
History		
Susan Stanfield	Assistant Professor	Associate Professor (T)
Larisa Veloz	Assistant Professor	Associate Professor (T)
Political Science and Public Administration		
Joseph Yingnan Zhou	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
Psychology Ashley Bangert	Assistant Professor	Associate Professor (T)
College of Nursing Nursing Franchesca Nunez	Assistant Professor	Associate Professor (T)
College of Science Chemistry and Biochemistry Amol Kulkarni	New Hire	Associate Professor (T)
Mathematical Sciences Abhijit Mandal Michael Pokojovy	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
Physics Jose Banuelos Ahmed El-Gendy Lin Li	Assistant Professor Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T) Associate Professor (T)

33. Purchase - U. T. El Paso: Authorization to purchase an approximately 1.3389-acre tract of land improved with an approximately 12,054 square foot restaurant building and parking lot benefitting from a related access easement, located at 3601 Mesa Drive, El Paso, El Paso County, Texas, from 2020 Mesa El Paso, LLC, a Texas limited liability company, its successors or assigns, for future campus expansion

Description: Authorization to purchase an approximately 1.3389-acre tract of land improved with an approximately 12,054 square foot restaurant building and parking lot benefitting from a related access easement, located at 3601 Mesa Drive, El Paso, El Paso County, Texas, for potential future campus related use.

This property is near U. T. El Paso's main campus and is adjacent to other campus property.

U. T. El Paso has a right of first refusal to purchase the property as set forth in the Declaration of Covenants, Conditions and Easement, recorded in Volume 1942, Page 575; refiled and corrected, recorded in Volume 1954, Page 1418, both in Real Property Records, El Paso County, Texas.

Additionally, the subject property has an interest right to a nonexclusive easement for access and parking, recorded Volume 207, Page 925 Real Property Records, El Paso County, Texas.

Seller: 2020 Mesa El Paso, LLC, a Texas limited liability company, or its successors or assigns

Purchase Price: Not to exceed fair market value

34. Contract (funds going out) - U. T. Permian Basin: Marcis & Associates to provide custodial services

Agency: Marcis & Associates

Funds: Estimated annually at \$1,488,824 for a total contract value of \$10,421,768, over the initial term and all renewal terms

Period: September 1, 2023 through August 31, 2028; with four one-year renewal options

Description: Marcis & Associates to provide all custodial services for the U. T. Permian Basin. This contract was competitively bid.

35. Request for Budget Change - U. T. Permian Basin: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2024 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
College of Arts and Sciences		
Department of Mathematics John Garza	Assistant Professor	Associate Professor (T)
Department of Geosciences Joonghkyeok Heo	Assistant Professor	Associate Professor (T)
College of Education		
Department of Literacy, Languages, and Special Populations Tara Wilson	Assistant Professor	Associate Professor (T)
Department of Curriculum and Instruction David Sparks	Assistant Professor	Associate Professor (T)

36. Request for Budget Change - U. T. Rio Grande Valley: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2024 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
Robert C. Vackar College of Business and Entrepreneurship		
Finance Ahmed Elnahas	Assistant Professor	Associate Professor (T)
Siamak Javadi	Assistant Professor	Associate Professor (T)
Accountancy Jiajia Fu	Assistant Professor	Associate Professor (T)
Economics Levent Kutlu	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
College of Education and P-16 Integration		
Organization and School Leadership		
Israel Aguilar	Assistant Professor	Associate Professor (T)
Teaching and Learning		
Jair Aguilar	Assistant Professor	Associate Professor (T)
Noushin Nouri	Assistant Professor	Associate Professor (T)
Bilingual and Literacy Studies		
Hitomi Kambara	Assistant Professor	Associate Professor (T)
Elena Venegas	Assistant Professor	Associate Professor (T)
Human Development and School Services		
Noe Ramos	Assistant Professor	Associate Professor (T)
College of Engineering and Computer Science		
Mechanical Engineering		
Javier Ortega	Assistant Professor	Associate Professor (T)
Maysam Pournik	Assistant Professor	Associate Professor (T)
Noe Vargas Hernandez	Assistant Professor	Associate Professor (T)
Civil Engineering		
Quyett Thang Pham	Assistant Professor	Associate Professor (T)
College of Fine Arts		
Theatre		
Ferenc Moldovanyi	Assistant Professor	Associate Professor (T)
Miguel Salazar	Assistant Professor	Associate Professor (T)
School of Art and Design		
Riccardo Pizzinato	Assistant Professor	Associate Professor (T)
Paul Valadez	Assistant Professor	Associate Professor (T)
College of Health Professions		
Health and Biomedical Sciences		
Suad Ghaddar	Assistant Professor	Associate Professor (T)
Rehabilitation Services and Counseling		
Saara Grizzell	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
College of Liberal Arts		
Sociology		
Amie Bostic	Assistant Professor	Associate Professor (T)
Arlett Lomeli	Assistant Professor	Associate Professor (T)
Writing and Language Studies		
Katherine Christoffersen	Assistant Professor	Associate Professor (T)
Anthropology		
Guy Duke	Assistant Professor	Associate Professor (T)
Psychological Science		
Mario Gil	Assistant Professor	Associate Professor (T)
History		
Nilanjana Paul	Assistant Professor	Associate Professor (T)
Department of Literature and Cultural Studies		
Suzanne Lalonde	New Hire	Associate Professor (T)
Department of Psychological Science		
Perry Fuchs	New Hire	Professor (T)
Department of Spanish		
Cristina Sanchez-Conejero	New Hire	Professor (T)
College of Sciences		
Biology		
Bradley Christoffersen	Assistant Professor	Associate Professor (T)
Department of Physics and Astronomy		
Joseph Romano	New Hire	Professor (T)
School of Earth, Environmental, and Marine Sciences		
Engil Pujol Pereira Mikita	Assistant Professor	Associate Professor (T)
School of Mathematical and Statistical Science		
Pulahinge Hansapani Rodrigo	Assistant Professor	Associate Professor
Kristina Vatcheva	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
School of Social Work		
Social Work		
Romeo Escobar	Assistant Professor	Associate Professor (T)
Lin Jiang	Assistant Professor	Associate Professor (T)
Susheelabai Srinivasa	Assistant Professor	Associate Professor (T)

37. Request for Budget Change - U. T. Rio Grande Valley: 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 \$	
School of Social Work					
Social Work					
Professor					
Luis H. Zayas (T)	6/1-8/31	100	09	260,000	13020
			12	450,000	

38. Purchase - U. T. Rio Grande Valley: Authorization to purchase approximately 0.6 acres of land fully improved with two adjacent commercial buildings totaling approximately 54,050 square feet, located at 1002 and 1032 East Elizabeth Street, Brownsville, Cameron County, Texas, from The Roy F. and Joann Cole Mitte Foundation, for future campus expansion

Description: Authorization to purchase approximately 0.6 acres of land fully improved with two adjacent commercial buildings totaling approximately 54,050 square feet, located at 1002 and 1032 East Elizabeth Street, Brownsville, Cameron County, Texas, from The Roy F. and Joann Cole Mitte Foundation, for future campus expansion.

The property consists of two adjacent multi-story vacant commercial buildings. One of the buildings was formerly a movie theatre and includes a small mezzanine with a sloped floor. The façade and marquee may be considered of historical significance by the Texas Historical Commission. The institution will initially use the buildings for educational purposes. U. T. Rio Grande Valley estimates it may spend approximately \$47,131,600 to renovate the buildings to make them suitable for such use, subject to future Board authorization. Acquisition of the buildings will reduce U. T. Rio Grande Valley's reliance on leased space to accommodate its core academic mission in Brownsville.

The property is in downtown Brownsville and does not have dedicated parking. On-street parking is available on a first come, first served basis. U. T. Rio Grande Valley intends to provide shuttle service such that students, staff, and faculty may park on the Brownsville Campus and ride a shuttle slightly over 1.25 miles to and from the property.

Seller: The Roy F. and Joann Cole Mitte Foundation, and/or assigns

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

39. Contract (funds going out) - U. T. San Antonio: AHI Facility Services, Inc., to perform custodial and structural pest control services, as well as other related services

Agency: AHI Facility Services, Inc.

Funds: Estimated \$74,000,000 for the entire possible term, including all renewal terms

Period: June 1, 2023 through August 31, 2025; with four additional 24-month renewal options, with each renewal option being at U. T. San Antonio's sole discretion

Description: The Agreement secures custodial and structural pest control services, and other related as-requested services, for each of U. T. San Antonio's campuses. The Agreement resulted from a competitive Request for Proposal.

40. Contract (funds going out) - U. T. San Antonio: Yellowstone Landscape-Central, Inc., to perform landscaping, grounds maintenance, and street sweeping services, as well as other related services

Agency: Yellowstone Landscape-Central, Inc.

Funds: Estimated \$24,000,000 for the entire possible term, including all renewal terms

Period: June 1, 2023 through August 31, 2025; with four additional 24-month renewal options, with each renewal option being at U. T. San Antonio's sole discretion

Description: The Agreement secures landscaping, grounds maintenance, and street sweeping services, as well as other related as-requested services, for each of U. T. San Antonio's campuses. The Agreement resulted from a competitive Request for Proposal.

41. Request for Budget Change - U. T. San Antonio: Transfer \$2,500,000 from Auxiliary Housing Reserves Funds to Plant Funds for Chisholm Hall; Phase 2 of dorm renovation (RBC No. 11877) -- amendment to the 2022-2023 budget

42. Request for Budget Change - U. T. San Antonio: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2024 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
Alvarez College of Business		
Department of Management		
Arkangel Cordero	Assistant Professor	Associate Professor (T)
Joseph Paul Broschak	New Hire	Chair and Professor (T)
Department of Economics		
Rodrigo Velez	New Hire	Professor (T)
Department of Finance		
Binay Adhikari	Assistant Professor	Associate Professor (T)
Department of Information Systems and Cyber Security		
Philip Menard	Assistant Professor	Associate Professor (T)
College of Liberal and Fine Arts		
School of Art		
Garry Graybill	Assistant Professor	Associate Professor (T)
Humberto Saenz	Assistant Professor	Associate Professor (T)
Department of English		
Kimberly Garza	Assistant Professor	Associate Professor (T)
Department of Political Science and Geography		
Neil Debbage	Assistant Professor	Associate Professor (T)
School for Engagement in the Humanities and Social Sciences		
Chin Jou	New Hire	Associate Professor (T)
Monica Perales	New Hire	Professor (T)

College, Department, and Name	From	To
College of Sciences		
Department of Mathematics		
Mostafa Fazly	Assistant Professor	Associate Professor (T)
Stephen Wirkus	New Hire	Professor (T)
Erika Tatiana Camacho	New Hire	Professor (T)
Department of Molecular Microbiology and Immunology		
Soo Chan Lee	Assistant Professor	Associate Professor (T)
Department of Physics		
Elizabeth Sooby	Assistant Professor	Associate Professor (T)
Department of Computer Science		
Fred Martin	New Hire	Chair and Professor (T)
Klesse College of Engineering and Integrated Design		
Department of Mechanical Engineering		
Robert Hood	Assistant Professor	Associate Professor (T)
Department of Biomedical and Chemical Engineering		
Gabriela Romero-Urbe	Assistant Professor	Associate Professor (T)
Department of Electrical and Computer Engineering		
Miltiadis Alamaniotis	Assistant Professor	Associate Professor (T)
Department of Mechanical Engineering		
Christopher Combs	Assistant Professor	Associate Professor (T)
College of Education and Human Development		
Department of Race, Ethnicity, Gender and Sexuality Studies		
Marc Perry	Associate Professor	Associate Professor (T)
Department of Counseling		
Jennifer Cook	New Hire	Associate Professor (T)
College for Health, Community and Policy		
Department of Public Health		
Nancy Cheak-Zamora	New Hire	Chair and Professor (T)
Department of Social Work		
John Bricout	New Hire	Chair and Professor (T)

43. Sale - U. T. San Antonio: Authorization to market and sell approximately 20.6 acres of vacant land and possibly additional adjacent land containing a creek, of the Park West Campus of U. T. San Antonio, located along the southeast side of North Loop 1604 West, San Antonio, Bexar County, Texas, to a yet to be determined buyer

Description: Authorization to market and sell approximately 20.6 acres of vacant land of the Park West Campus of U. T. San Antonio, located along the southeast side of North Loop 1604 West, San Antonio, Bexar County, Texas, to a yet to be determined buyer. The sale may include additional adjacent land containing a creek.

The sale property is the northerly portion of a 125-acre tract purchased for campus expansion in 2007 and is located approximately one mile away from U. T. San Antonio's 1604 Campus. The sale property abuts single family housing and is separated from the remainder of the parent tract by a branch of Huesca Creek. The balance of the parent tract, which is approximately 125 acres and also abuts the southeast side of North Loop 1604 West, is bisected by Kyle Seale Parkway and is partially developed with track and soccer stadiums and a U. T. Health Science Center - San Antonio medical office building. U. T. San Antonio may in the future offer a vacant portion of the remainder land for ground lease for commercial uses.

Sales Price: The property will be marketed by a commercial real estate broker or other competitive process. The institution has obtained an appraisal of market value; the appraisal is confidential pursuant to *Texas Education Code* Section 51.951.

44. Contract (funds coming in) - U. T. Tyler: Interagency Cooperation Contract with the Texas Health and Human Services Commission to provide mental health services

Agency: Texas Health and Human Services Commission

Funds: \$20,761,541 over the contract term

Period: September 1, 2023 through August 31, 2025

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

45. Request for Budget Change - U. T. Tyler: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2024 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
College of Arts and Sciences		
Literature and Languages Matthew Kelly	Assistant Professor	Associate Professor (T)
Mathematics Clifford Bearden	Assistant Professor	Associate Professor (T)
Soules College of Business		
Management and Marketing Marwan Al-Shammari	Assistant Professor	Associate Professor (T)
College Education and Psychology		
Pradeep Dass	New Hire	Professor (T)
Psychology and Counseling Michael Barnett	Assistant Professor	Associate Professor (T)
Fisch College of Pharmacy		
Pharmaceutical Sciences Joseph Glavy	Associate Professor	Associate Professor (T)
Ayman Hamouda	Associate Professor	Associate Professor (T)
School of Nursing		
School of Nursing Kevin Gosselin	New Hire	Professor (T)

46. Purchase - U. T. Tyler: Authorization to purchase an approximately 0.1377-acre tract of land out of the to-be-vacated Pickens Drive right-of-way, located at the intersection of 3400 Old Omen Road and 4200 Pickens Drive, Tyler, Smith County, Texas, from the City of Tyler, for access control to U. T. Tyler's adjoining properties

Description: Authorization to purchase an approximately 0.1377-acre tract of land out of the to-be-vacated Pickens Drive right-of-way, located at the intersection of 3400 Old Omen Road and 4200 Pickens Drive, Tyler, Smith County, Texas. The road right-of-way will be used for access control to U. T. Tyler's adjoining properties. An easement will be retained by grantee for existing utility infrastructure.

Seller: City of Tyler

Purchase Price: Not to exceed fair market value.

HEALTH AFFAIRS COMMITTEE

47. Report - U. T. System Health Institutions: Fiscal Year 2022 Post-Tenure Review

In accordance with *Texas Education Code* Section 51.942 and Regents' *Rules and Regulations*, Rule 31102, the following report on the Fiscal Year 2022 post-tenure review for the U. T. System health institutions is provided by the Executive Vice Chancellor for Health Affairs.

During Fiscal Year 2022, 225 tenured faculty members at the five health institutions with tenured faculty were subject to post-tenure review. Of the 225 faculty members reviewed, 88 or 39.2% were evaluated as Exceed Expectations; 119 or 52.8% received Meet Expectations; 6 or 2.7% received Does Not Meet Expectations; and 1 or 0.5% received Unsatisfactory evaluations. Eleven faculty members retired or resigned the tenured position before their post-tenure review.

The following summary tables provide additional details of the post-tenure review results for Academic Year 2021-2022.

Summary of Post-Tenure Review Results

	Total Subject to Review	Total Exceeds Expectations	Total Meets Expectations	Total Does Not Meet Expectations	Total Unsatisfactory	Decided to Retire or Resign Before Review
UTSWMC	49	26	20	2	1	0
UTMB	39	10	24	0	0	5
UTHSC-H	69	41	20	2	0	6
UTHSC-SA	19	9	9	1	0	0
UTMDACC	49	2	46	1	0	0
Total	225	88	119	6	1	11
		39.2%	52.8%	2.7%	0.5%	

PERFORMANCE THAT DOES NOT MEET EXPECTATIONS:

U. T. Southwestern Medical Center: Both faculty members were provided action plans and were re-reviewed from the prior year. One faculty member had a reduction in salary and will be reviewed again in Fiscal Year 2024. One faculty member will retire at the end of Fiscal Year 2023.

U. T. Health Science Center - Houston: One faculty member is working with the department chair to address the deficits and ensure goals are met prior to deadlines noted in the faculty member's performance improvement plan. The other faculty member received recommended remediation actions that will be included in the annual review in Fiscal Year 2024.

U. T. Health Science Center - San Antonio: The faculty member was placed on a performance improvement plan and will be evaluated every 6 months.

U. T. M. D. Anderson Cancer Center: The faculty member received feedback from the department chair in Fiscal Year 2022 of the performance improvement and expectations needed to be successful in the following fiscal year. There was an additional performance review by the department chair which was successful. This led to the subsequent submission and approval of the faculty member's term tenure renewal to the promotion and tenure committee in Fiscal Year 2023.

UNSATISFACTORY PERFORMANCE:

U. T. Southwestern Medical Center: The faculty member was provided an action plan and re-reviewed from prior year. The faculty member's salary was reduced and will be reviewed again in Fiscal Year 2023.

48. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide professional and technical services to support the operations of UT Southwestern Moncrief Cancer Center, a not-for-profit corporation

Agency: UT Southwestern Moncrief Cancer Center, a not-for-profit corporation

Funds: \$10,105,690

Period: September 1, 2023 through August 31, 2024

Description: U. T. Southwestern Medical Center to provide professional and technical services. UT Southwestern Moncrief Cancer Center (MCI) will reimburse U. T. Southwestern Medical Center for the cost of leasing employees. These services and leased employees will support the general operations of MCI.

49. Contract (funds going out) - U. T. Southwestern Medical Center: Amendment to Agreement for Dallas Basketball Limited, dba the Dallas Mavericks, Sponsorship Agreement

Agency: Dallas Basketball Limited, dba the Dallas Mavericks

Funds: \$9,000,000

Period: October 20, 2022 through 2024-2025 season

Description: Dallas Mavericks and U. T. Southwestern Medical Center will continue the Sponsorship Agreement through the 2024-2025 regular season as well as the playoff sponsorship if applicable. The initial Agreement, dated December 23, 2020, was not submitted for Board consideration because the total contract amount was below the institution's delegated approved threshold. This First Amendment increases the fee cap to \$9,000,000. The Dallas Mavericks are the only professional basketball team in North Texas. With plans for U. T. Southwestern Medical Center clinical care expansion, this partnership brings the institution closer to the Dallas Mavericks fan base, positions it as an accessible health care provider, and gives the institution wide reach to their audience.

50. Request for Budget Change - U. T. Southwestern Medical Center: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2024 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
College of Biochemistry		
Biochemistry Tian Qin	Assistant Professor	Associate Professor (T)
Cecil H. and Ida Green Center for Reproductive Biology Sciences		
Cecil H. and Ida Green Center for Reproductive Biology Sciences Laura Banaszynski	Assistant Professor	Associate Professor (T)
Center for Alzheimer's and Neurodegenerative Diseases		
Alzheimer's and Neurodegenerative Lukasz Joachimiak	Assistant Professor	Associate Professor (T)
Center for Genetics of Host Defense		
Genetics of Host Defense Tao Wang	Associate Professor	Associate Professor (T)
Children's Medical Center Research Institute		
Children's Medical Center Prashant Mishra	Assistant Professor	Associate Professor (T)
College of Dermatology		
Dermatology Heidi Jacobe	Professor	Professor (T)
College of Internal Medicine		
Internal Medicine Roger Bedimo	Professor	Professor (T)
David Gerber	Professor	Professor (T)
Courtney Karner	Associate Professor	Associate Professor (T)
Ildiko Lingvay	Professor	Professor (T)
David McFadden	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
Lyda Hill Department of Bioinformatics		
Department of Bioinformatics		
Kimberly Reynolds	Assistant Professor	Associate Professor (T)
College of Molecular Biology		
Molecular Biology		
Peter Douglas	Assistant Professor	Associate Professor (T)
Jun Wu	Assistant Professor	Associate Professor (T)
College of Pathology		
Pathology		
Ram Mani	Assistant Professor	Associate Professor (T)
Yingfei Wang	Assistant Professor	Associate Professor (T)
College of Psychiatry		
Psychiatry		
Takashi Kitamura	Assistant Professor	Associate Professor (T)
College of Radiology		
Radiology		
Suhny Abbara	Professor	Professor (T)
Orhan Oz	Professor	Professor (T)
College of Surgery		
Surgery		
Ganesh Sankaranarayanan	Associate Professor	Associate Professor (T)

51. Request for Budget Change - U. T. Medical Branch - Galveston: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2024 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
School of Medicine		
Anesthesiology Tracy Toliver-Kinsky	Professor	Professor (T)
Microbiology and Immunology Vineet Menachery	Assistant Professor	Associate Professor (T)
Neurobiology Eliseo Eugenin	Associate Professor	Professor (T)
Obstetrics and Gynecology Kathleen Vincent	Professor	Professor (T)
Otolaryngology Brian McKinnon	Associate Professor	Professor (T)
Pediatrics Richard Rupp	Professor	Professor (T)
School of Health Professions		
Physical Therapy Lynne Hughes	Associate Professor	Associate Professor (T)

52. Request for Budget Change - U. T. Medical Branch - Galveston: 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 Medicine					
Department of Surgery					
Associate Dean and Professor					
Ruth Bush (T)	10/3-8/31	100	12	360,000	11938
School of Nursing					
Department of Graduate Studies					
Professor					
Darpan Patel (T)	1/1-8/31	100	12	194,168	11954
School of Health Professions					
Department of Nutrition, Metabolism, and Rehabilitation Sciences					
Professor					
Claudia Sealey-Potts (T)	5/1-8/31	100	12	175,000	11958

53. Request for Budget Change - U. T. Medical Branch - Galveston: New Hire with Tenure -- amendment to the 2021-2022 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					
Department of Microbiology and Immunology					
Director and Professor					
Gary Kobinger (T)	9/28-8/31	100	12	420,000	11936

Note: This item did not timely appear on a previous Consent Agenda due to an administrative oversight.

54. Employment Agreement - U. T. Medical Branch - Galveston: Approval of terms of Employment Agreement with Jochen Reiser, M.D., Ph.D., as President of The University of Texas Medical Branch at Galveston

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

Item:	President
Funds:	\$1,350,000 annually
Period:	Beginning August 15, 2023
Description:	Agreement for employment of Dr. Jochen Reiser, as President of The University of Texas Medical Branch at Galveston. The President reports to the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor following input by the Executive Vice Chancellor for Health Affairs and approval by the Board of Regents. The employment agreement is on the following pages.



The University of
Texas System

Office of the Chancellor
210 West Seventh Street
Austin, Texas 78701
512-499-4201

WWW.UTSYSTEM.EDU

May 31, 2023

Jochen Reiser, MD, PhD



Dear Dr. Reiser:

On behalf of the Board of Regents of The University of Texas System, I am pleased to offer you the position of President of The University of Texas Medical Branch at Galveston (UTMB), effective no later than August 15, 2023. Your annual salary will be \$1,350,000 payable in monthly installments. Subject to the terms and conditions of a separate agreement, you will also be eligible for deferred compensation of \$200,000 annually, which will vest and be fully payable on August 2, 2026, or the date following the third anniversary of your start date, whichever is earlier. You will be eligible for annual increases in salary, upon the recommendation of the Chancellor to the Board of Regents, beginning in August 2024. You will receive a one-time award of \$50,000, less any applicable taxes, for transitional expenses.

Upon your start date, you will also be appointed as a tenured Professor in UTMB's Department of Internal Medicine. You will not be compensated for this position while President. If you transition to full-time faculty in the future, your compensation will equal the average academic rate of the three then-most highly compensated, full-time, tenured faculty members in the department. You will also be entitled to faculty development leave consistent with Texas law.

You have informed us that you currently serve as a consultant to Walden Biosciences, Aclipse Therapeutics, and Fortress Biotech, and you have assured us that continuing these commitments will in no way interfere with your full-time responsibilities as president of UTMB. Contingent upon successful completion of a UT System conflict of interest review, I approve your continued relationships with these firms.

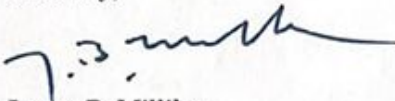
State law also entitles you to applicable fringe benefits. Among these benefits are State-paid OASI, longevity pay, workers' compensation liability, insurance coverage, retirement, insurance premium sharing, and paid leave. Information about these benefits and any others offered by The UT System will be transmitted under separate cover.

Dr. Jochen Reiser
May 31, 2023
Page 2

Under Regents' Rules, presidents of UT institutions are selected by the Board of Regents and serve without a fixed term, subject to the approval of the Chancellor and the Board. Your performance as President of UTMB will be evaluated annually, and you will be asked to present your vision and goals for UTMB to the Board within 12 to 18 months of taking office. I look forward to the opportunity to work with you as President of The University of Texas Medical Branch, and we stand ready to assist you in your transition.


Please sign and date this letter and return it to my office if these terms are agreeable. If you have any questions, please let me know.

Sincerely,


James B. Milliken
Chancellor

JB:amr

Accepted:


Jochen Reiser, MD, PhD

Date:

06/01/2023

cc: John Zerwas, Executive Vice Chancellor for Health Affairs
Jonathan Pruitt, Executive Vice Chancellor for Business Affairs
C. Aaron LeMay, Interim Chief Finance and Business Officer
Francie Frederick, General Counsel to the Board of Regents

55. Lease - U. T. Medical Branch - Galveston: Authorization to consolidate and extend leases of approximately 62,312 square feet in a building located at 20740 Gulf Freeway, Webster, Harris County, Texas, from Clear Lake Center, L. P., for mission purposes, including operational and administrative use

Description: Consolidate and extend five individual leases consisting collectively of approximately 62,312 square feet of rentable space located at 20740 Gulf Freeway, Webster, Harris County, Texas, for operational and administrative support space.

Lessor: Clear Lake Center, L. P., a Texas Limited Partnership and/or successors or assigns

Term: The proposed lease extension will be for an additional five years through August 31, 2028. The leases initially commenced between 2009 and 2012, but did not require Board authorization at that time as the lease values were within the institution's delegated authority. On February 27, 2019, the Board approved additional extensions of the leases through August 31, 2023.

Lease Cost: The proposed five-year lease extension is estimated to include approximately \$6,632,420 in fair market value base rent and expense reimbursements plus approximately \$3,500,000 of estimated institution-funded tenant improvement expenditures for a total of approximately \$10,132,420. The total estimated cost, including previous expenditures and the current lease extension estimate is approximately \$39,082,214, which exceeds the prior Board approved amount of \$30,949,707 by approximately \$8,132,507.

56. Lease - U. T. Medical Branch - Galveston: Authorization to lease approximately 26,500 square feet of space in a medical office building under construction located at 1715 South Friendswood Drive, Friendswood, Galveston County, Texas, from 1715 Friendswood LLC, for clinical and other mission uses

Description: Lease of approximately 26,500 square feet of space in a multi-story 104,000-square-foot medical office building under construction, with surface parking. U. T. Medical Branch - Galveston will use the leased space for clinical and other mission uses.

Total Area: Approximately 26,500 rentable square feet of space; in addition, the institution may obtain the use of approximately 159 surface parking spaces (six per 1000 square feet).

- Location: 1715 South Friendswood Drive, Friendswood, Galveston County, Texas; Friendswood is a large, established master-planned commercial and residential development.
- Lessor: 1715 Friendswood LLC, a Texas limited liability company, or related entities, and/or assigns
- Term: 10 years and a partial month, if applicable. The term commences on the substantial completion of construction of the premises by the Lessor or earlier if Lessee delays completion, currently estimated to be May 1, 2024. In addition, Lessee has two up to five-year renewal options.
- Lease Cost: Approximately \$10,921,400 in base rent and estimated operating expenses over the initial term. Initial base rent for the space will be \$26.16 per rentable square foot; after three years, rent will increase to \$27.12 per rentable square foot; after six years, rent will increase to \$28.68 per rentable square foot. In addition, base rent for the renewal term, if exercised, shall be current fair market value at time of such renewal. Initial operating expenses are estimated to be approximately \$12 per rentable square foot. Lessee will pay its pro-rata share of actual operating expense costs, including property taxes, utilities, and common area charges.
- Tenant Improvements: Total tenant improvement costs are preliminarily estimated at approximately \$286 per square foot, for a total of approximately \$7,579,000, of which the Lessor is providing a tenant allowance of \$70.00 per square foot and U. T. Medical Branch - Galveston will contribute the remainder. The institution's tenant improvement cost is expected to total approximately \$5,724,000.
- Total Cost: Total lease cost during the initial term, inclusive of tenant improvement costs paid by the institution, is estimated at approximately \$16,645,000. If the institution renews the lease for both five year terms, inclusive of the primary term, the estimated cost is approximately \$32,226,000.

57. Purchase - U. T. Medical Branch - Galveston: Authorization to purchase an approximately 11.83-acre tract of vacant land located at the northeast corner of League City Parkway (State Highway 96) and Columbia Memorial Parkway, with frontage along the south side of Woodcock Steet, League City, Galveston County, Texas, from G LC18 LLC, for future growth of U. T. Medical Branch - Galveston's ambulatory network

Description: Authorization to purchase an approximately 11.83-acre tract of vacant land located at the northeast corner of League City Parkway (State Highway 96) and Columbia Memorial Parkway, with frontage along the south side of Woodcock Steet, League City, Galveston County, Texas, for future growth of U. T. Medical Branch - Galveston's ambulatory network.

Seller: G LC18 LLC

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

58. Contract (funds coming in) - U. T. Health Science Center - Houston: Amendment to Interagency Cooperative Contract with the Texas Health and Human Service Commission to operate an inpatient mental health hospital

Agency: Texas Health and Human Services Commission

Funds: The estimated total contract value for the entire contract term, including renewal periods, is estimated to be \$383,572,160, although it is anticipated rate increases may occur, as allocated and approved by the Texas Legislature each biennium, and the maximum amount is subject to availability of funds in each biennium.

Period: September 1, 2023 through August 31, 2025; with three remaining automatic two-year renewal periods, unless terminated

Description: On February 24, 2022, the Board approved the initial Interagency Cooperation Contract between U. T. Health Science Center - Houston and the Texas Health and Human Service Commission (HHSC) for U. T. Health Science Center - Houston to operate the new inpatient mental health hospital known as the John S. Dunn Behavioral Sciences Center. U. T. Health Science Center - Houston will be responsible for the day-to-day operations of the hospital. The initial contract had a contract value of \$39,709,760. The First Amendment did not require Board approval as the parties clarified and amended a provision related to the patient care reporting requirements. The Second Amendment adds additional funding of \$85,965,600 for the Fiscal Year 2024-2025 biennium for a current total contract value of \$125,675,360.

U. T. Health Science Center - Houston also seeks approval from the Board to delegate authority to the institutional president, or his delegee, to execute all documents, instruments or other amendments to the contract where additional funds are allocated by HHSC to U. T. Health Science Center - Houston within the contract term for any future biennium (i.e., Fiscal Year 2026-2027; Fiscal Year 2028-2029; and Fiscal Year 2030-2031) following review and approval by the Chancellor, Executive Vice Chancellor for Health Affairs, and the Vice Chancellor and General Counsel.

59. Request for Budget Change - U. T. Health Science Center - Houston: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2024 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
McGovern Medical School		
Anesthesiology Jennifer Bailey	Assistant Professor	Associate Professor (T)
Integrative Biology and Pharmacology Dung-Fang Lee Yong Zhou	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
Health and Human Spirit Program Keisha Ray	Assistant Professor	Associate Professor (T)
Institute of Molecular Medicine Sheng Pan	Associate Professor	Professor (T)
Microbiology and Molecular Genetics Anna Konovalova	Assistant Professor	Associate Professor (T)
Neurology Yuri Dabaghian Sunil Sheth	Associate Professor Associate Professor	Associate Professor (T) Associate Professor (T)
Pediatrics-Infectious Disease Larry Kramer	Professor	Professor (T)

College, Department, and Name	From	To
School of Biomedical Informatics		
Hongfang Liu	New Hire	Professor (T)
School of Public Health		
Biostatistics		
Ashraf Yaseen	Assistant Professor	Associate Professor (T)
Epidemiology, Human Genetics and Environmental Sciences		
Paul de Vries	Assistant Professor	Associate Professor (T)
Health Promotion and Behavioral Sciences		
Marlyn Allicock	Assistant Professor	Associate Professor (T)

60. Request for Budget Change - U. T. Health Science Center - San Antonio: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2024 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
School of Medicine		
Cellular and Integrative Physiology		
Carie Boychuk	Assistant Professor	Associate Professor (T)
Hye Young Lee	Assistant Professor	Associate Professor (T)
Medicine		
Marzieh Salehi	Associate Professor	Professor (T)
Pathology and Laboratory Medicine		
Faqian Li	Professor	Professor (T)
Urology		
Michael Liss	Associate Professor	Professor (T)
Obstetrics and Gynecology		
Erin Nelson	Associate Professor	Professor (T)
Neurosurgery		
Izabela Tarasiewicz	Associate Professor	Professor (T)

College, Department, and Name	From	To
Microbiology, Immunology and Molecular Genetics		
Evelien Bunnik	Assistant Professor	Associate Professor (T)
Zhenming Xu	Associate Professor	Associate Professor (T)
Radiology		
Geoffrey Clarke	Professor	Professor (T)

61. Request for Budget Change - U. T. Health Science Center - San Antonio: Tenure Appointments -- 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					
Molecular Medicine					
Chen Chun-Liang					12991
From: Associate Professor		100	12	69,795	
To: Professor (T)	6/1-8/31	100	12	155,000	
Office for Faculty Excellence					
Roxana Delgado					12988
From: Assistant Professor		100	12	93,000	
To: Professor (T)	5/15-8/31	100	12	175,000	
School of Medicine					
Neurology					
Professor					
Matthew Wicklund (T)	5/1-8/31	100	12	286,000	11957
Biochemistry and Structural Biology/Medicine - Endocrinology					
Professor					
Blake Rasmussen (T)	7/1-8/31	100	12	310,000	12989
Medicine-Geriatrics/Barshop Institute for Aging and Longevity Studies					
Professor					
Elena Volpi (T)	7/1-8/31	60	12	290,000	12990

62. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Protiviti, Inc., to provide accounting and financial reporting personnel

Agency: Protiviti, Inc.

Funds: Approximately \$6,750,000 over the full contract term, including all renewal options

Period: April 1, 2023 through March 31, 2026; with two 12-month renewal options

Description: Protiviti, Inc., will provide accounting and financial reporting personnel to assess Sarbanes-Oxley compliance regarding planning, documenting, testing, assuring quality, remediation, data repository, and reporting for U. T. M. D. Anderson Cancer Center's Department of Financial Controls. The Agreement was competitively bid.

63. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with Broaddus & Associates to provide project management services for miscellaneous assignments of limited scope

Agency: Broaddus & Associates

Funds: Approximately \$32,000,000 over the initial term and all renewal options

Period: July 1, 2023 through October 20, 2024; with two 24-month renewal options

Description: Broaddus & Associates to provide project management services for miscellaneous assignments of limited scope for a diverse portfolio of projects related to new design and construction, facility renovation, re-commissioning and retro-commissioning of existing systems, or facility system assessments on a per-project basis as requested by U. T. M. D. Anderson Cancer Center. There is no minimum amount of work required. The initial Agreement dated and effective October 21, 2022, did not require Board approval as the cap amount was within the institution's delegated approval threshold. This First Amendment, effective July 1, 2023, increases the contract value to \$32,000,000. The Agreement was competitively bid.

64. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with Jacobs Project Management Co. to provide project management services for miscellaneous assignments of limited scope

Agency: Jacobs Project Management Co.

Funds: Approximately \$28,000,000 over the initial term and all renewal options

Period: July 1, 2023 through October 17, 2024; with two 24-month renewal options

Description: Jacobs Project Management Co. to provide project management services for miscellaneous assignments of limited scope for a diverse portfolio of projects related to new design and construction, facility renovation, re-commissioning and retro-commissioning of existing systems, or facility system assessments on a per-project basis as requested by U. T. M. D. Anderson Cancer Center. There is no minimum amount of work required.

The initial Agreement dated and effective October 18, 2022, did not require Board approval as the cap amount was within the institution's delegated approval threshold. This First Amendment, effective July 1, 2023, increases the contract value to \$28,000,000. The Agreement was competitively bid.

65. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with Cardinal Health 110, LLC; Cardinal Health 112, LLC; and Cardinal Health 108, LLC, to provide full line of wholesale drug services.

Agency: Cardinal Health 110, LLC; Cardinal Health 112, LLC; and Cardinal Health 108, LLC

Funds: The total value of the services under the Agreement is approximately \$6,250,000,000

Period: June 22, 2023 through February 28, 2025; with no remaining renewals

Description: Cardinal Health provides a full line of wholesale drug services to all requesting U. T. M. D. Anderson Cancer Center departments, including procurement, warehousing, and delivery. Services and products include, but will not be limited to, pharmaceuticals, IV solutions, IV sets, and other health and proprietary products. The initial Agreement was effective March 1, 2017 through February 28, 2022, with the option of three additional 12-month renewals. The initial Agreement had a cap amount of \$3,000,000,000 and was approved for a contract value of \$5,000,000,000 by the Board of Regents on February 9, 2017. The First Amendment, effective February 1, 2021, increased the cap amount to \$5,000,000,000 (the contract value which was previously approved by the Board of Regents on February 9, 2017). The Second Amendment, effective May 1, 2021, extended the term to February 28, 2025, using all renewals, added Cardinal Health 108, LLC, as a party to the Agreement, and included other changes not requiring approval. The Third Amendment, effective May 31, 2023, increased the cap amount to \$5,350,000,000 and did not require Board approval as the increase was not more than 25% of the contract value. This Fourth Amendment, effective June 22, 2023, increases the cap amount to \$6,250,000,000. There are no remaining renewals. The initial Agreement was competitively bid.

66. Request for Budget Change - U. T. M. D. Anderson Cancer Center: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2024 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
Department of Cancer Biology		
Division of Vice President, Research		
Tracy McGaha	New Hire	Professor (T)

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

67. Other Fiscal Matters - U. T. System Board of Regents: Amend the current Capital Improvement Program to include Capital Construction Assistance Projects (CCAP), allocation of funds and resolution regarding parity debt

With the passage of S.B. 52, the 87th Texas Legislature authorized Capital Construction Assistance Projects (CCAP) bond proceeds, formerly known as Tuition Revenue Bonds (TRB) for certain projects including \$52,409,972 for the Life Science Building Renovation and New Addition at U. T. Arlington, \$44,922,833 for the Mesa Building and Campus Transformation, Phase II project at U. T. Permian Basin, \$44,922,833 for the Science Building project at U. T. Tyler, and \$10,000,000 for Longview University Center Addition project at U. T. Tyler. The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional presidents that the U. T. System Board of Regents:

- a. amend the current Capital Improvement Program (CIP) to revise the Life Science Building Renovation and New Addition project at U. T. Arlington to allocate \$52,409,972 from Capital Construction Assistance Projects (CCAP) Bond Proceeds;
- b. amend the current CIP to include Phase II of Mesa Building Renovation and Campus Transformation project at U. T. Permian Basin, increase the total project cost from \$42,000,000 to \$86,922,833, and allocate \$44,922,833 from CCAP Bond Proceeds;
- c. amend the current Capital Improvement Program (CIP) to include the Science Building project at U. T. Tyler, allocate Permanent University Fund (PUF) Bond Proceeds in the amount of \$42,000,000, \$44,922,833 from CCAP Bond Proceeds, \$1,577,167 from Unexpended Plant Funds, and \$1,500,000 from Gifts, for an overall total project cost of \$90,000,000;

- d. amend the current CIP to include the Longview University Center Addition project at U. T. Tyler and allocate \$10,000,000 from CCAP Bond Proceeds with a total project cost of \$10,000,000;
- 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 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
- f. U. T. Arlington, U. T. Permian Basin, and U. T. Tyler, which are "Members" as such term is used in the RFS Master Resolution, possess the financial capacity to satisfy their 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 \$152,255,638.

U. T. Arlington Life Science Building Renovation and New Addition

On November 17, 2022, the Board approved adding the project to the CIP. The project entails renovation of approximately 160,000 gross square feet (GSF) of the existing Life Science Building and the construction of 87,000 GSF four-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. Existing instructional labs will be renovated and repurposed to form interconnected research laboratories known as lab neighborhoods. The project will address infrastructure renewal and deferred maintenance. Approval of design development plans and authorization of expenditure of funding will be presented to the Board of Regents at a later date.

U. T. Permian Basin Mesa Building and Campus Transformation, Phase II

On August 25, 2022, the Board approved adding the Phase I project to the CIP. The Mesa Building Renovation and Campus Transformation project will provide needed upgrades to building automation controls, life safety and energy management systems and address deferred maintenance in the Mesa Building. The Campus Transformation Phase I consists of a wide range of improvements to both the main campus in Odessa and at the Midland campus to provide landscaping and infrastructure elements. The Mesa Building Renovation Phase II will provide the Mesa Building, the heart of U. T. Permian Basin's academic mission, with a wide range of interior upgrades, enhancements, and improvements necessary to support the University's academic mission. The scope throughout the building will include the addition of fire suppression, fire alarm, life safety for code compliance, and stairwell improvements to meet ADA requirements. Additionally, 110 offices and 12 classrooms will receive interior finish upgrades and classrooms will receive new technology. Approval of design development plans and authorization of expenditure of funding will be presented to the Board of Regents at a later date.

U. T. Tyler Science Building

The Science Building will provide U. T. Tyler with a facility dedicated to high-quality classrooms and labs for all pre-health related programs. With the newly established medical school, nationally ranked nursing program, and the recent addition of the Ben & Maytee Fisch College of Pharmacy, U. T. Tyler needs a building designed for training future health care workers. The Science Building will provide cutting edge research technology to equip future graduates with the necessary skills to address pressing issues. This approximately 120,000 GSF building will provide flexible, state-of-the-art labs for research and teaching with the associated instrumentation, prep, and write-up spaces. Other programmatic functions will include offices and conference rooms to support the future growth of faculty and graduate students, dedicated student success areas with commons, huddle spaces, and open study locations, and a shared chemical suite with stock and dispensing rooms to serve the entire building. Exterior improvements will include landscaping, irrigation, site lighting, and sidewalks designed to interact with existing campus pedestrian traffic. Approval of design development plans and authorization of expenditure of funding will be presented to the Board of Regents at a later date.

U. T. Tyler Longview University Center Addition

The approximately 9,800 GFS building will provide classrooms, offices, wet labs, nursing simulation and skills labs, and site improvements. This project will facilitate expansion of the University's portfolio of Nursing and Technology, allowing the introduction of new and combined programs. Key milestones include increasing the enrollment of the Longview University Center by merging core courses from U. T. Tyler's new partnership with Kilgore College, implementing a marketing presence in Longview to showcase the available educational opportunities in the East Texas region, and establishing financial support for scholarships, facilities, and equipment among partnered campuses. Exterior improvements include upgrading the existing campus drive and improving traffic ingress and egress. Approval of design development plans and authorization of expenditure of funding will be presented to the Board of Regents at a later date.

68. Contract (funds going out) - U. T. System: Engineered Air Balance Co., Inc., to perform total building commissioning technical and procedural services

Agency: Engineered Air Balance Co., Inc.

Funds: Value is not expected to exceed \$2,500,000 over the potential six-year term, to be paid by U. T. System or the institutions that request services under this Agreement.

Period: May 1, 2022 through April 30, 2024; with one remaining 24-month renewal option

Description: Engineered Air Balance Co., Inc., to perform total building commissioning technical and procedural services on a nonexclusive, indefinite quantity basis. The initial contract term commenced May 1, 2020, and is being brought forward for Board approval as it is nearing the \$1,000,000 delegation threshold. One renewal has been used to extend the term to April 30, 2024, with one remaining renewal. Services were competitively procured.