



SCHEDULE OF EVENTS FOR BOARD OF REGENTS MEETING

May 3-4, 2023
Austin, Texas

Wednesday, May 3, 2023

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

Thursday, May 4, 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**

May 3-4, 2023
Austin, Texas

Wednesday, May 3, 2023

Page

CONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551 1:30 p.m.

- 1. Individual Personnel Matters Relating to Officers or Employees – Section 551.074

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

RECONVENE THE BOARD IN OPEN SESSION FOR POSSIBLE ACTION ON EXECUTIVE SESSION ITEM, AGENDA ITEM, AND TO CONVENE COMMITTEE MEETINGS 1:45 p.m.

- 1. **U. T. System: Discussion and appropriate action regarding non-resident and graduate tuition and non-academic mandatory fee increases for the academic institutions; public hearing opportunity for changes to designated tuition pursuant to *Texas Education Code Section 54.0513*** **5**

COMMITTEE MEETINGS 2:15 p.m. – 5:00 p.m.

RECESS 5:00 p.m.

Thursday, May 4, 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.

- 1. **U. T. System Board of Regents: Approval of Consent Agenda and consideration of any item referred to the full Board** **6**

- 2. **U. T. System: Annual Meeting with Officers of the U. T. System Student Advisory Council** **7**

- 3. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed revisions to Section 2 of Regents' *Rules and Regulations*, Rule 60102 (Fees for Endowment Administration and Management and Enhancement of Philanthropy to Support University Missions)** **9**

<u>Thursday, May 4, 2023 (cont.)</u>	Page
4. U. T. System Board of Regents: Discussion and appropriate action regarding proposed appointment to the Board of Directors of The University of Texas/Texas A&M Investment Management Company (UTIMCO)	11
5. U. T. System Board of Regents: Discussion and appropriate action regarding proposed appointment to the University Lands Advisory Board	12
6. U. T. System: Update on the U. T. System Historically Underutilized Business (HUB) program	13

RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, 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**
 - b. **U. T. System Board of Regents: Discussion regarding the Board's ongoing process for evaluation of its responsibilities and expectations [Regents' *Rules and Regulations*, Rule 10101 (Board Authority and Duties), Section 4 (Board Self-Evaluation)]**
 - c. **U. T. Austin: Discussion and appropriate action regarding approval of terms of Employment Agreement and related Professional Services and License Agreement for Head Men's Basketball Coach Rodney Terry**
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. 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**

Thursday, May 4, 2023 (cont.)

Page

c. U. T. Austin: Discussion and appropriate action related to legal issues concerning terms of contracts associated with U. T. Austin's membership in the Southeastern Conference (SEC)

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

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*

7. **U. T. System Board of Regents: Discussion regarding the Board's ongoing process for evaluation of its responsibilities and expectations [Regents' Rules and Regulations, Rule 10101 (Board Authority and Duties), Section 4 (Board Self-Evaluation)]** **25**

8. **U. T. System Board of Regents: Presentation of Certificate of Appreciation to Student Regent Neelesh C. "Neel" Mutyala** **25**

9. **U. T. System Board of Regents: Presentation of Certificate of Appreciation to Regent R. Steven Hicks** **25**

10. **U. T. System Board of Regents: Discussion and appropriate action regarding individual personnel matters associated with the reorganization of the Board of Regents and the election of Chairman and Vice Chairmen of the Board (Regents' Rules and Regulations, Rule 10102, regarding Chairman and Vice Chairmen)** **25**

ADJOURN

*12:00 p.m.
approximately*

1. **U. T. System: Discussion and appropriate action regarding non-resident and graduate tuition and non-academic mandatory fee increases for the academic institutions; public hearing opportunity for changes to designated tuition pursuant to Texas Education Code Section 54.0513**

RECOMMENDATION

The Chancellor and the Executive Vice Chancellors for Academic Affairs and Business Affairs recommend that the U. T. System Board of Regents approve increases to non-resident undergraduate tuition, graduate tuition, and non-academic mandatory fees, effective beginning with the 2023-2024 Academic Year, not to exceed the 2022 Higher Education Price Index® of 5.2%, as reported by Commonfund, with the understanding that the U. T. System Office of Academic Affairs will verify that the institutions' charges comply with these requirements.

BACKGROUND INFORMATION

Data from the annual Commonfund Higher Education Price Index® (HEPI) show that inflation for U.S. colleges and universities rose 5.2% in FY 2022, a sharp increase from the previous fiscal year's 2.7% rate and the highest since the 6.0% increase in FY 2001. HEPI is an inflation index designed specifically for use by institutions of higher education. Compiled from data reported by government agencies and industry sources, HEPI measures the average relative level in the price of a fixed market basket of goods and services purchased by colleges and universities each year through current fund educational and general expenditures, excluding research. A more accurate indicator of cost changes for colleges and universities than the Consumer Price Index (CPI), HEPI is used primarily to project future budget increases required to preserve purchasing power. With compilations dating back to 1961, HEPI offers more than 60 continuous years of higher education inflation data. It is an essential tool enabling schools to determine increases in funding necessary to maintain both real purchasing power and investment.

Even in the current inflationary environment, 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, Chancellor Milliken signed on to an affordability compact on December 14th, 2022, along with chancellors of the five other major higher education systems in Texas, that proposes that in return for additional state investment, 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. While the outcome of the aforementioned compact will not be certain until the Texas 88th Legislature approves a budget for the 2024 - 2025 biennium, the recommended increases apply only to the limited subset of tuition and fee charges that are not included in the proposed compact.

1. **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 109](#).

2. **U. T. System: Annual Meeting with Officers of the U. T. System Student Advisory Council**

INTRODUCTION

The U. T. System Student Advisory Council will provide an update to the Board of Regents on issues and priorities worked throughout the year. The Council's recommendations are set forth on the following page.

BACKGROUND INFORMATION

The U. T. System Student Advisory Council was established in 1989 to provide input to the U. T. System Board of Regents working through and with the Chancellor and U. T. System Administration on issues of student concern. The operating guidelines of the Council require that recommendations have a multi-institutional focus and that the Council explore individual campus issues with institutional administrators prior to any consideration thereof. The Student Advisory Council consists of two student representatives from each U. T. System institution in addition to three elected officers and meets three times a year in Austin.

Council officers are:

Chair: Ms. Savannah Seely, U. T. Medical Branch - Galveston, Biochemistry and Molecular Biology

Vice Chair: Ms. Jasmin Paquet-Durand Ford, U. T. San Antonio, Economics

Secretary: Ms. Imaan Razak Macchiwalla, U. T. Dallas, Marketing

Undergraduate Committee: Mr. Brandon Lippert, U. T. Permian Basin, Music Education

Graduate Committee: Mr. Grayson Jackson, U. T. Medical Branch - Galveston, Institute for Bioethics & Health Humanities M.D.-Ph.D. Combined Degree Program

2022-23 Student Advisory Council: Summary of Priorities and Issues

Priority/Issue	Outcome
Student Success	<p>Provided feedback and a letter to U. T. System Executive Vice Chancellor for Academic Affairs regarding the holistic approach required to ensure student success beyond completion.</p> <p>Provided feedback to U. T. System Office of Academic Affairs staff on quality academic advising strategies and tools.</p> <p>Examined best practices related to freshman seminar courses and shared feedback with the U. T. System Faculty Advisory Council.</p>
Artificial Intelligence	<p>Provided feedback to U. T. System Executive Vice Chancellor for Academic Affairs regarding student engagement with artificial intelligence.</p>
Finish@UT	<p>Consulted with U. T. System Office of Academic Affairs staff on strategies for improving and expanding Finish@UT, U. T. System's cross-campus online enrollment program.</p>
Industry Credentials	<p>Provided feedback to U. T. System Office of Academic Affairs staff on student-centered strategies to make relevant industry credentials more accessible to students.</p>
Student Employment	<p>Conducted research on student employment best practices and shared information with student leaders across the U. T. System.</p>
Student Health Insurance	<p>Consulted with U. T. System Office of Employee Benefits staff on strategies to improve student engagement with U. T. System's Student Health Insurance Plan.</p>
Graduate Student Stipends	<p>Discussed challenges around increasing graduate student stipends and shared information among student leaders across the U. T. System.</p>
Affordability	<p>Examined best practices around tuition and fee transparency and shared information about best practices among student leaders across the U. T. System.</p>

3. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed revisions to Section 2 of Regents' Rules and Regulations, Rule 60102 (Fees for Endowment Administration and Management and Enhancement of Philanthropy to Support University Missions)**

RECOMMENDATION

The Chancellor, the Executive Vice Chancellors for Academic Affairs, Health Affairs, and Business Affairs, the Vice Chancellor for External Relations, Communications and Advancement Services, and the Vice Chancellor and General Counsel recommend that the U. T. System Board of Regents approve revisions to Section 2 of Regents' *Rules and Regulations*, Rule 60102 (Fees for Endowment Administration and Management and Enhancement of Philanthropy to Support University Missions), as shown below:

Sec. 2 Type and Amount of Mandatory Fees. Type and Amount of Mandatory Fees. As authorized by *Texas Education Code* [Section 65.37](#), the Board of Regents assesses the following fees from Endowments for endowment administration, management and compliance, and the enhancement of philanthropy. Investment-related expenses are not covered under this Rule, but are covered by the Investment Management Services Agreement between the U. T. System Board of Regents and The University of Texas/Texas A&M Investment Management Company (UTIMCO).

2.1 Institutional Endowment Fee. The Board of Regents assesses an endowment fee of 0.80% (80 basis points) of the market value of the Long Term Fund's (LTF's) net asset value of an institution's Endowments to be disbursed to each institution. Such endowment fee shall be used by each institution to ensure endowment administration and compliance; to provide more adequate funding for development operations at the institution; and to substantially increase philanthropic revenue to support the education, research, and clinical missions and goals of the institution.

All new Endowments created after September 1, 2022, will be assessed the Institutional Endowment Fee.

Only Endowments that were previously exempted from the Institutional Endowment Fee (formerly the "development allocation") prior to August 31, 2022, are grandfathered.

Donors with cumulative Endowments with a market value in excess of \$50 million at one institution may request an exception from the institutional president to allow their Endowments to be assessed the Institutional Endowment Fee at 20 basis points at that institution once the cumulative market value of the Endowment exceeds \$50 million.

2.2 ~~Endowment~~ Administration and Management Fee. The Board of Regents assesses an administrative fee of an amount up to 0.03% (3 basis points) of the market value of the LTF's net asset value ~~of all institutional Endowments~~ to be disbursed to U. T. System Administration for the support of Systemwide

endowment administration of the LTF and management efforts in the provision of direct service and support to the institutions. The amount of the fee assessed will be the amount needed to cover related operational costs approved by the Board of Regents in the annual budgeting process, up to the authorized amount.

- 2.3 System Administrative and Endowment Fee. The Board of Regents assesses an administrative fee of an amount up to 0.20% (20 basis points) of the market value of the LTF's net asset value of only U. T. System Administration's restricted Endowments (not institutional Endowments) to be disbursed to U. T. System Administration to ensure appropriate administration and management as well as compliance with the agreements made with Endowment donors. The amount of the fee assessed will be the amount needed to cover related operational costs approved by the Board of Regents in the annual budgeting process, up to the authorized amount.

BACKGROUND INFORMATION

Regents' Rule 60102 authorizes fees to be charged on endowments in the Long Term Fund. The Rule authorizes an allocation of 0.80% from the market value of an institution's endowments in the LTF to provide each institution funding for endowment administration and compliance and institutional development operations; 0.03% to fund Systemwide endowment administration and management efforts in direct System support to the institutions; and 0.20% assessed only on System Administration endowments to fund endowment compliance and administration for those endowments.

The proposed revisions clarify which funds are subject to each fee and provide flexibility for lesser fees to be charged when the full authorized amount exceeds what is needed to cover the operational costs that are approved by the Board in the annual budgeting process.

The proposed revisions do not impact the full-time equivalent (FTE) employee count Systemwide and is 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.

4. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed appointment to the Board of Directors of The University of Texas/ Texas A&M Investment Management Company (UTIMCO)**

RECOMMENDATION

Chairman Eltife may recommend action concerning appointment to the UTIMCO Board of Directors.

BACKGROUND INFORMATION

Texas Education Code Section 66.08 and *Regents' Rules and Regulations*, Rule 10402, Section 6 require that the U. T. System Board of Regents appoint seven members to the UTIMCO Board of Directors of whom three must be members of the Board of Regents, three must have a substantial background and expertise in investments, and one must be a qualified individual as determined by the Board, who may be the Chancellor.

5. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed appointment to the University Lands Advisory Board**

RECOMMENDATION

Chairman Eltife may recommend action concerning appointment to the University Lands Advisory Board (ULAB).

BACKGROUND INFORMATION

On March 19, 2018, the Board of Regents approved changes to the membership structure for the ULAB, as follows:

- five members appointed by The University of Texas System Board of Regents;
- three members appointed by The Texas A&M University System Board of Regents; and
- the Commissioner of the General Land Office.

Further, at least two of the members appointed by the U. T. System Board and at least one of the members appointed by the A&M System Board must be current Regents, with the ULAB Chairman to be named by the U. T. System Board. In addition, at least three of the members appointed by the U. T. System Board and at least two of the members appointed by the A&M System Board must have industry experience.

6. **U. T. System: Update on the U. T. System Historically Underutilized Business (HUB) program**

Mr. Hopeton Hay, Executive Director, HUB Programs, will report on Systemwide HUB expenditures for FY 2022, the highlights of which are set forth in the PowerPoint on the following pages.

Fiscal Year 2022 HUB Program Update

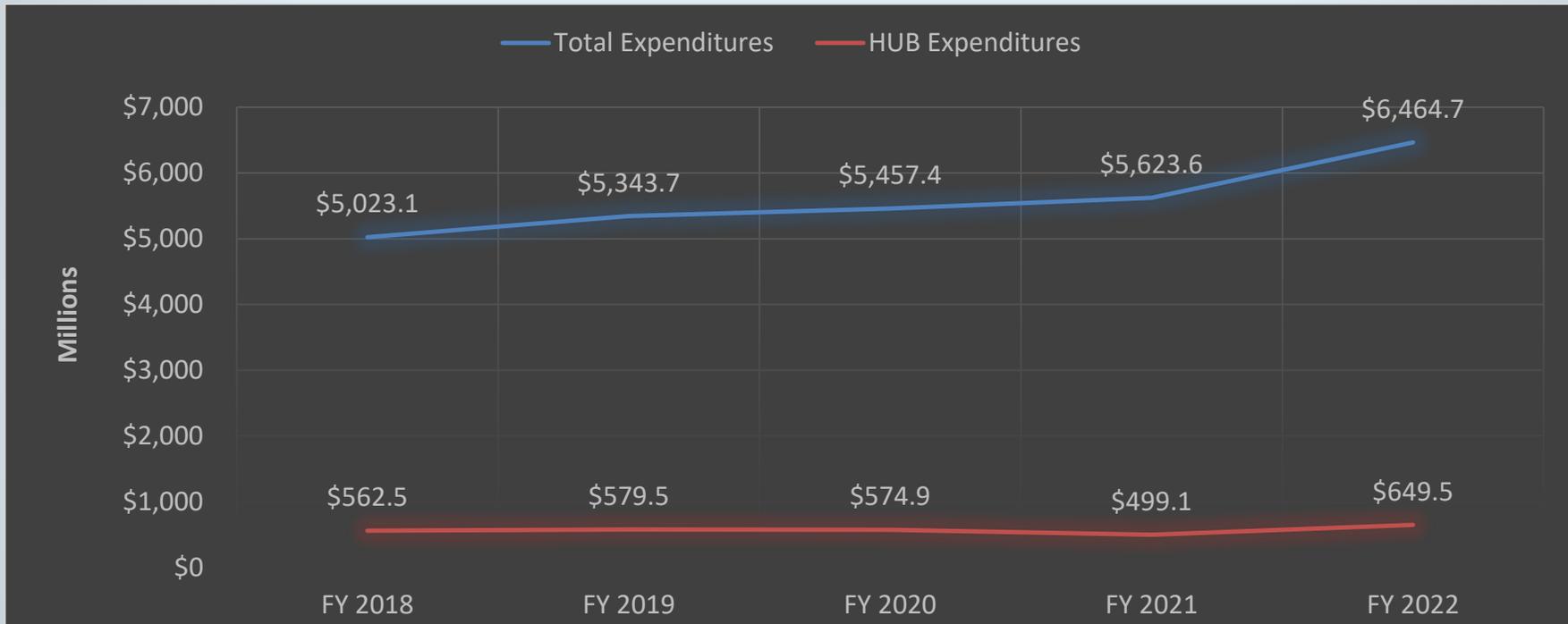
Hopeton Hay
Executive Director, HUB Office

U. T. System Board of Regents Meeting
May 2023



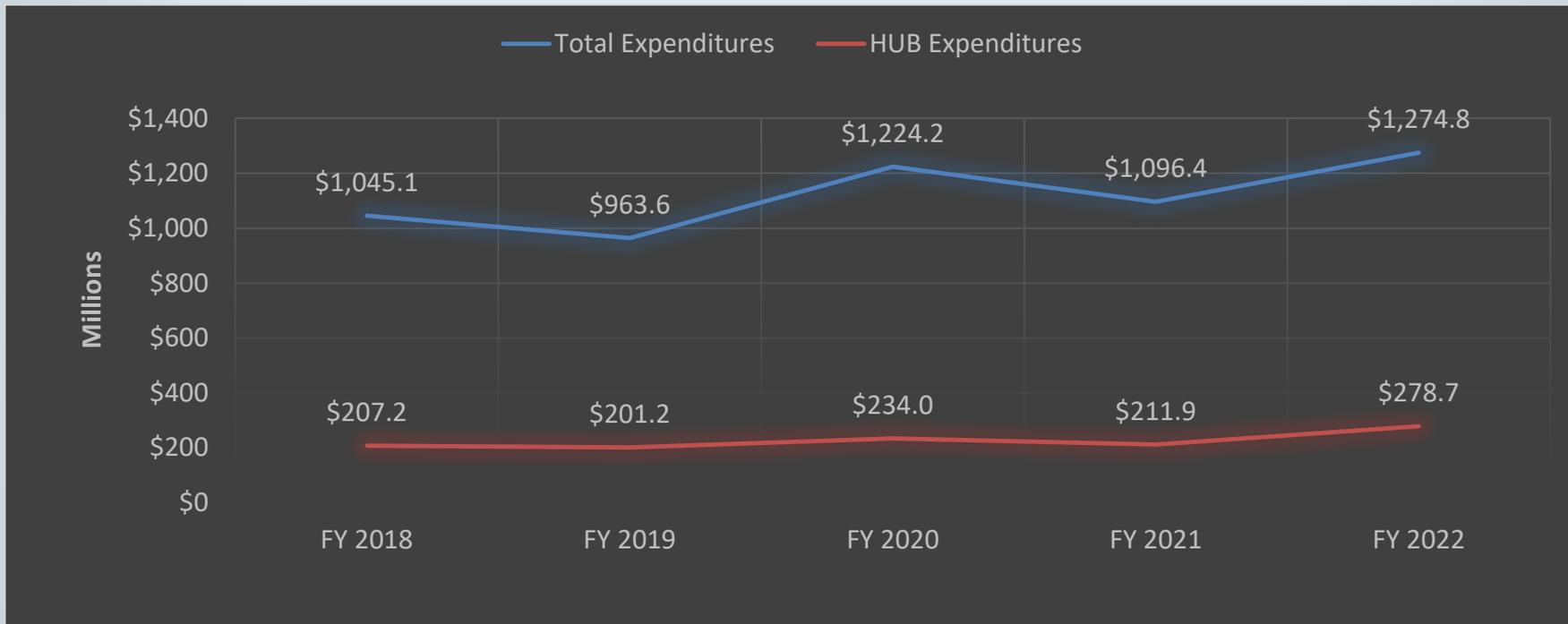
THE UNIVERSITY of TEXAS SYSTEM
THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

U. T. Systemwide HUB Expenditures



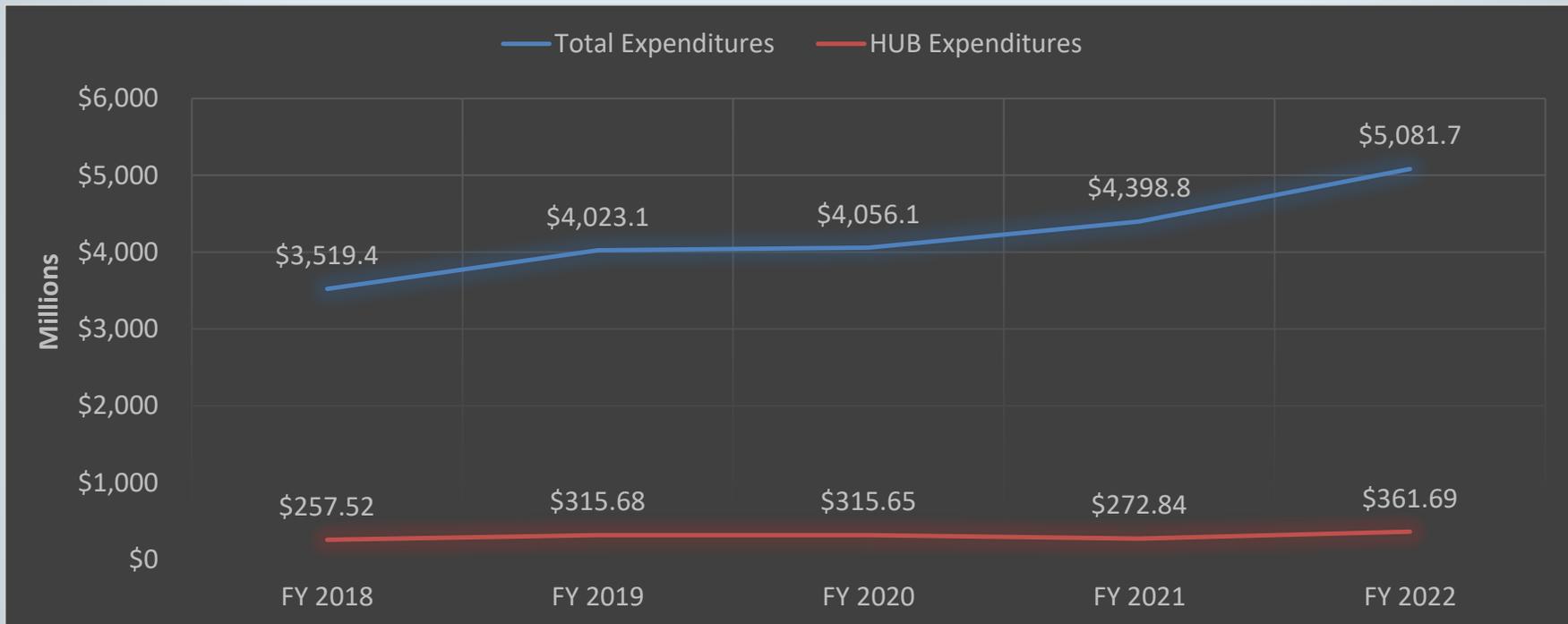
THE UNIVERSITY of TEXAS SYSTEM
THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

Academic Institutions



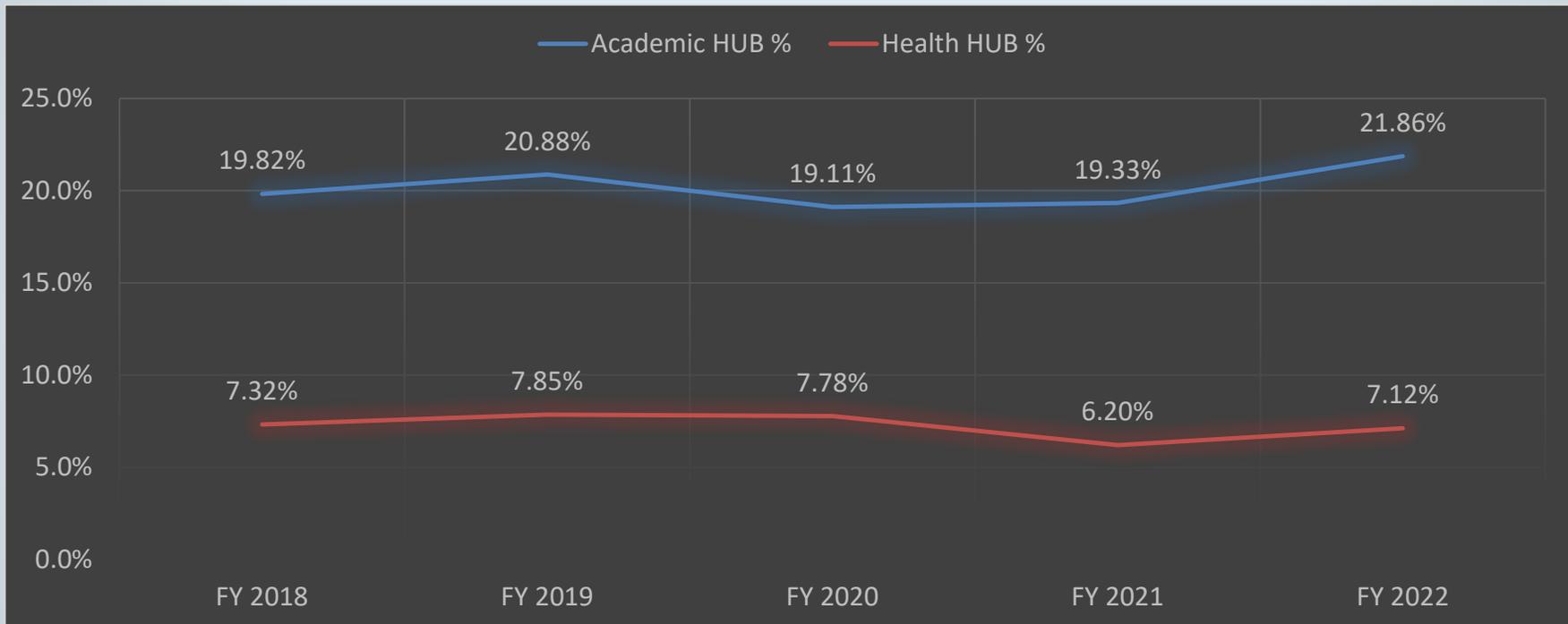
THE UNIVERSITY of TEXAS SYSTEM
THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

Health Institutions



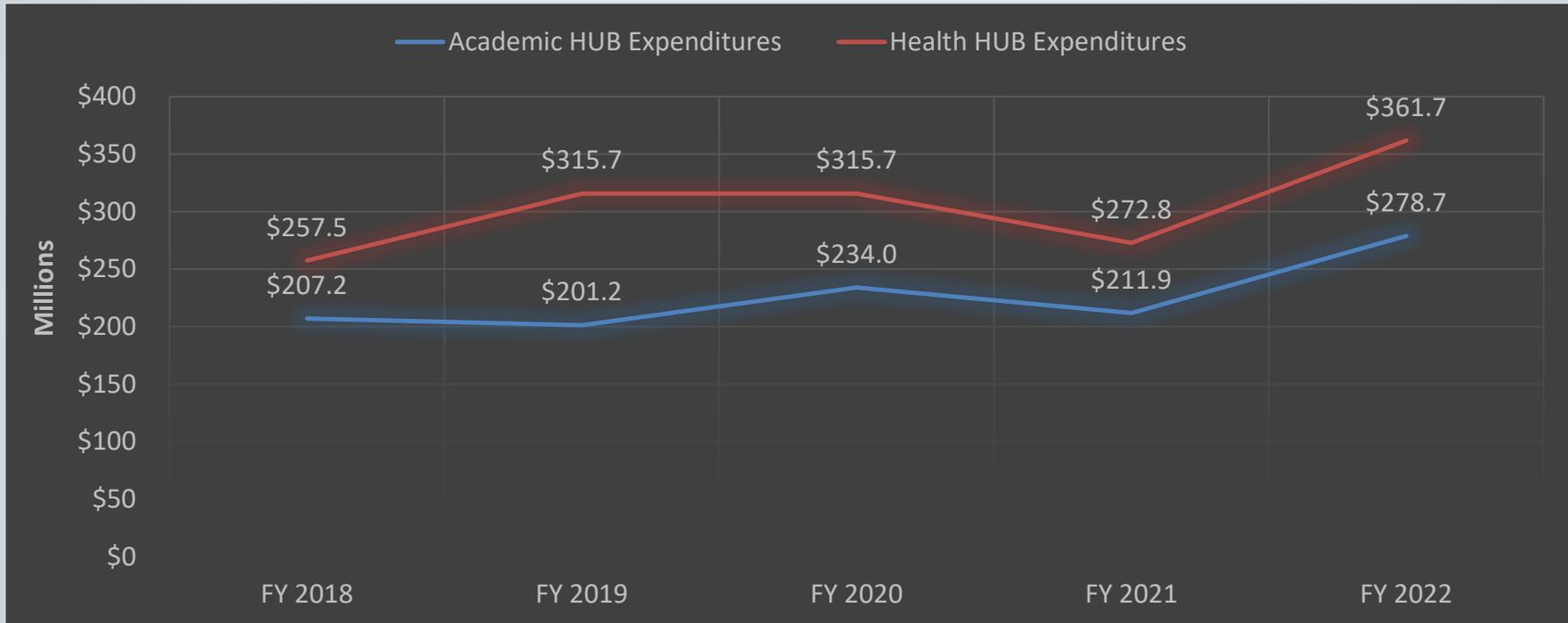
THE UNIVERSITY of TEXAS SYSTEM
THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

HUB Percentage Academic and Health



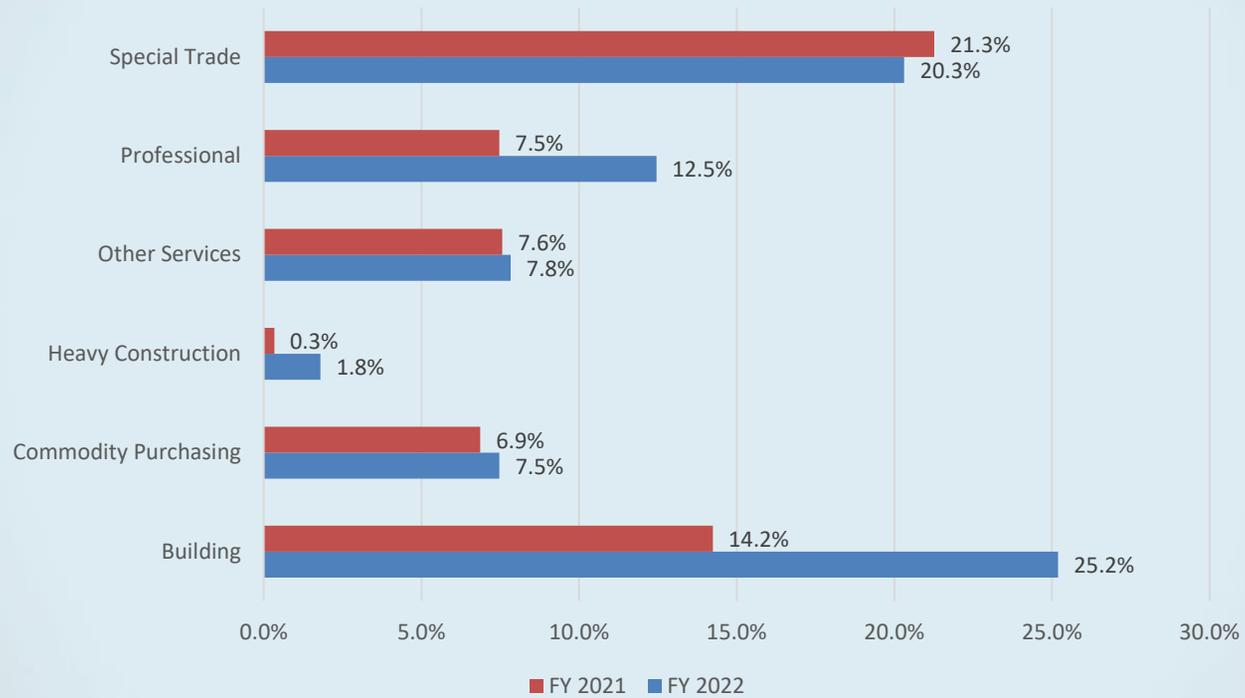
THE UNIVERSITY of TEXAS SYSTEM
THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

HUB Expenditures Academic and Health



THE UNIVERSITY of TEXAS SYSTEM
THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

U. T. Systemwide HUB Percentages Procurement Category



THE UNIVERSITY of TEXAS SYSTEM
THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

HUB Percentages and Expenditures – FY 2021 and FY 2022

U. T. System Institutions and Administration				
INSTITUTION	FY 2021 HUB PERCENT	FY 2022 HUB PERCENT	FY 2021 HUB DOLLARS	FY 2022 HUB DOLLARS
U. T. Arlington**	15.03%	20.50%	\$25,001,048	\$40,337,821
U. T. Austin*	17.43%	16.78%	\$100,259,661	\$109,244,166
U. T. Dallas**	28.61%	35.22%	\$23,285,055	\$37,049,178
U. T. El Paso*	26.19%	23.74%	\$14,094,118	\$15,153,352
U. T. Permian Basin*	11.78%	13.09%	\$3,416,790	\$3,359,030
U. T. Rio Grande Valley**	25.52%	30.26%	\$14,333,377	\$18,730,125
U. T. San Antonio**	27.55%	38.03%	\$29,563,387	\$51,970,999
U. T. Tyler**	7.36%	8.48%	\$1,992,250	\$2,868,584
U. T. Southwestern Medical Center*	7.85%	7.80%	\$111,962,513	\$122,044,609
U. T. Medical Branch - Galveston**	6.39%	6.80%	\$36,192,383	\$43,009,204
U. T. Health Science Center - Houston*	10.49%	11.20%	\$29,272,219	\$26,004,724
U. T. Health Science Center - San Antonio**	8.77%	14.19%	\$22,275,451	\$59,674,848
U. T. Health Science Center - Tyler**	4.76%	8.52%	\$3,823,303	\$4,449,710
U. T. M. D. Anderson Cancer Center**	3.87%	4.89%	\$69,316,266	\$106,511,460
U. T. System Administration	11.16%	8.36%	\$14,330,803	\$9,047,229
U. T. Systemwide	8.88%	10.05%	\$499,118,624	\$649,455,038

Institutions with two asterisks increased HUB percentage and HUB expenditures over previous year, institutions with one asterisk increased HUB percentage or HUB expenditures



U. T. Systemwide Key Expenditures Trends FY 2021 – FY 2022

- ❖ **Total reportable expenditures grew by 15%**
- ❖ Total HUB expenditures grew by 30%
- ❖ Total HUB building construction expenditures grew by 30%
- ❖ Total HUB commodity expenditures grew by 27%
- ❖ Total HUB other services expenditures grew by 30%
- ❖ Total HUB professional services grew by 107%



THE UNIVERSITY of TEXAS SYSTEM
THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

Systemwide Collaborations

- Systemwide virtual HUB outreach events
 - Goods and Services (April)
 - Construction (June)
- U. T. System Supply Chain Alliance
 - Seventeen contracts with HUB firms
 - \$262 million spent with Alliance members in FY 2022
- Development and enhancement of collaborative mentor protégé relationships between U. T. System Administration and institutions
- Launching a U. T. Systemwide HUB Coordinator training program in collaboration with institutions
- HUB Power Bi Dashboard – A collaboration with the U. T. System Office of Institutional Research and Analysis that provides detailed HUB data for all institutions and state agencies for last five fiscal years



Institution	Accomplishments
U. T. Arlington	Provide real time HUB performance with ability to track participation to department and transaction level. Additional insight to identify informal procurements to increase HUB participation
U. T. Austin	Initial indicators – will update when more impact information is available
U. T. Dallas	Meetings have been beneficial by providing better sharing of information, teamwork and workflow processes.
U. T. El Paso	Continuous training has allowed the University to identify HUB vendors in the El Paso Region
U. T. Permian Basin	Educating university community on what and who HUB is and the importance of the program and how to be a part of it
U. T. Rio Grande Valley	Increased end user awareness
U. T. San Antonio	Quarterly post-pandemic workshop series designed to provide HUBs information on how to develop/recover business post pandemic, prepare them to do business with local agencies and other State entities; improve skills or get insight on RFPs, contracts, writing proposals, knowledge on public grant funding for relief, etc. Over 800 HUB vendors attended workshops. FY2023 series in currently in process.
U. T. Tyler	There has been an increase in the use of HUB vendors, dollars spent with HUB vendors and in the overall awareness of the HUB program by the campus departments when purchasing commodities.
U. T. Southwestern Medical Center	Requestor training (September 22); 1,700 completed; requestors select products within departments – training explains what HUB is and why it's important
U. T. Medical Branch - Galveston	Increased HUB percentage participation and HUB expenditures
U. T. Health Science Center - Houston	Increased HUB participation and visibility to program through creation of e-commerce dashboard.
U. T. Health Science Center - San Antonio	Improved reporting on website – streamlined and more appealing
U. T. M. D. Anderson Cancer Center	Increased HUB percentage participation and HUB expenditures

7. **U. T. System Board of Regents: Discussion regarding the Board's ongoing process for evaluation of its responsibilities and expectations [Regents' Rules and Regulations, Rule 10101 (Board Authority and Duties), Section 4 (Board Self-Evaluation)]**

8. **U. T. System Board of Regents: Presentation of Certificate of Appreciation to Student Regent Neelesh C. "Neel" Mutyala**

9. **U. T. System Board of Regents: Presentation of Certificate of Appreciation to Regent R. Steven Hicks**

10. **U. T. System Board of Regents: Discussion and appropriate action regarding individual personnel matters associated with the reorganization of the Board of Regents and the election of Chairman and Vice Chairmen of the Board (Regents' Rules and Regulations, Rule 10102, regarding Chairman and Vice Chairmen)**



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

Committee Meeting: 5/3/2023

Board Meeting: 5/4/2023
Austin, Texas

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

	Committee Meeting	Board Meeting	Page
Convene	<i>2:15 p.m.</i> <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: Report on the results of the Fiscal Year 2022 U. T. Systemwide Endowment Compliance Program	Report/Discussion <i>Dr. Safady</i>	Not on Agenda	28
Adjourn	<i>2:45 p.m.</i>		

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

No [Consent Agenda](#) items are assigned for review by this Committee.

2. **U. T. System: Report on the results of the Fiscal Year 2022 U. T. Systemwide Endowment Compliance Program**

REPORT

Vice Chancellor Safady will report on the U. T. Systemwide Endowment Compliance Program for the fiscal year ended August 31, 2022, using a PowerPoint presentation set forth on the following pages.

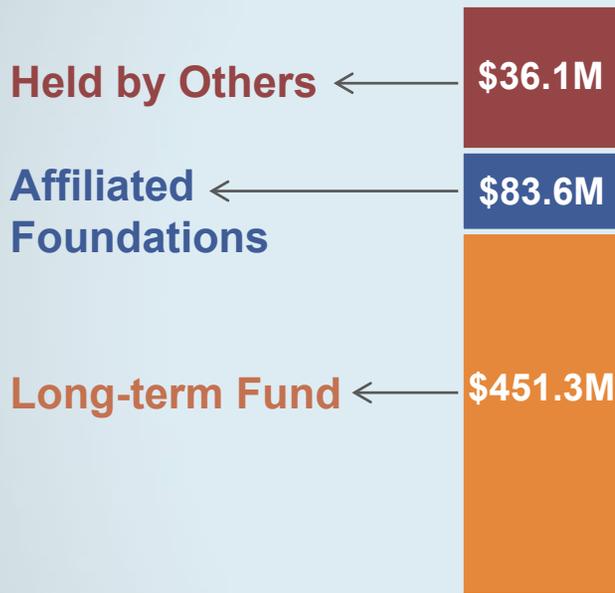
Systemwide Endowment Compliance Report, FY 2022

Dr. Randa Safady, Vice Chancellor for External Relations, Communications and Advancement Services

UT System Board of Regents Meeting
Audit, Compliance, and Risk Management Committee
May 2023



Impact of Endowment Distributions in FY 2022



Endowment distributions from these three sources provided \$571.0M in support for faculty, students, research and programs.



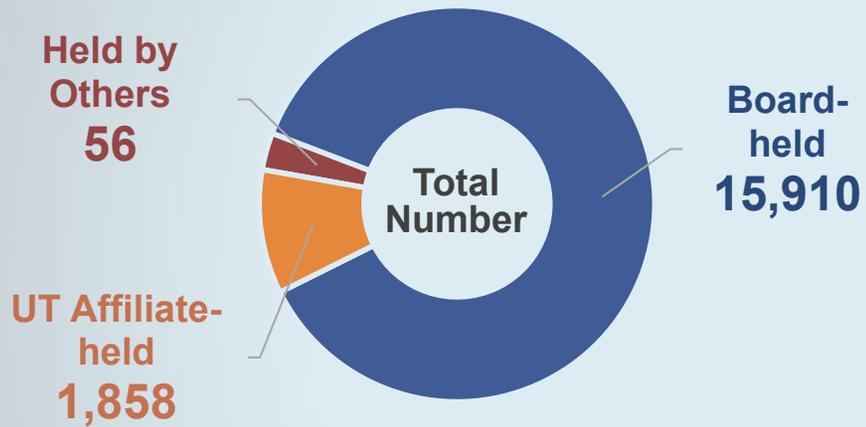
Purpose of Endowment Compliance Program

- UT System Board of Regents' Rule 60102:

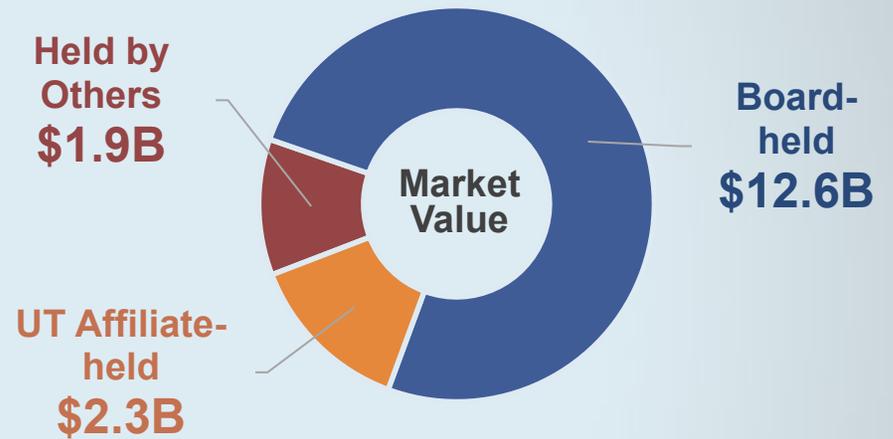
"...Administration and management of the endowments are the joint responsibility of the UT System and each institution."

- To **honor donor intent** by the appropriate use of gift funds, confirmed by timely reporting
- To **utilize endowment resources** most effectively
- To **standardize management** of endowments
- To **ensure awareness** of compliance issues across UT institutions
- To **encourage philanthropy** through donor trust

FY 2022 Total UT Systemwide Endowments



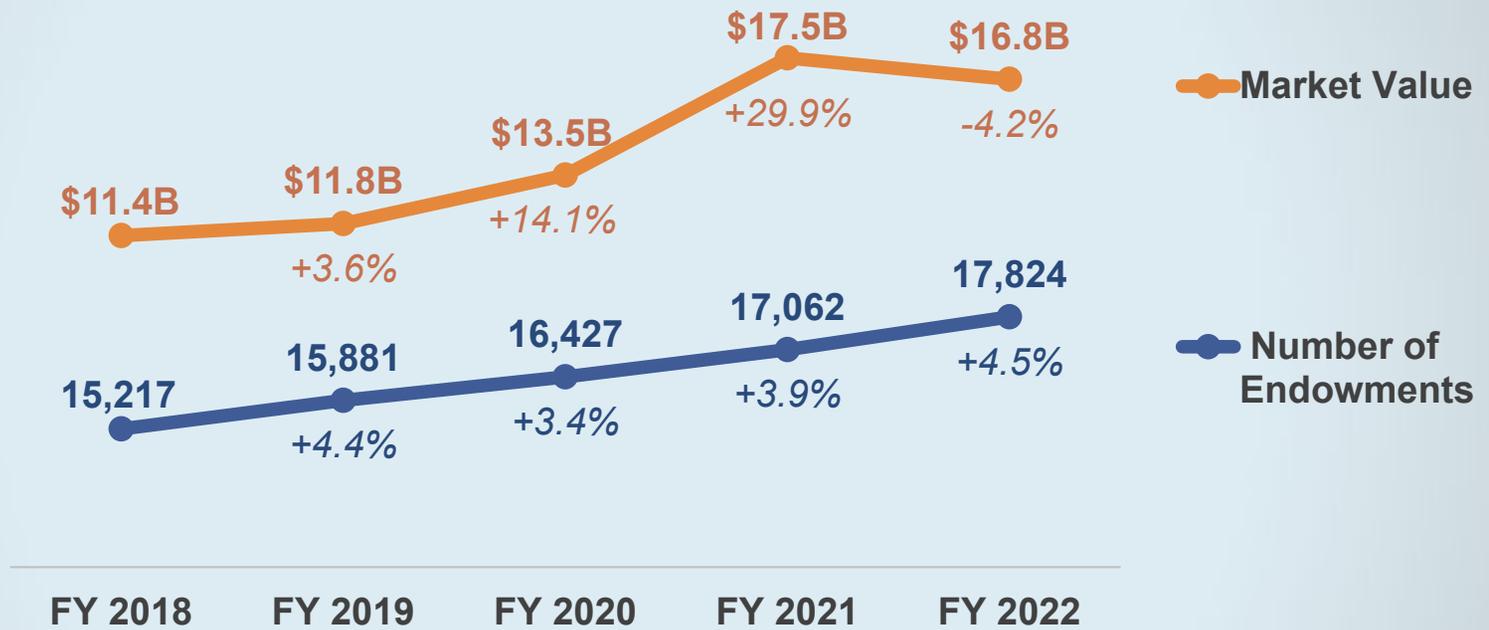
17,824 total endowments held by Board and external entities



\$16.8 billion in total market value

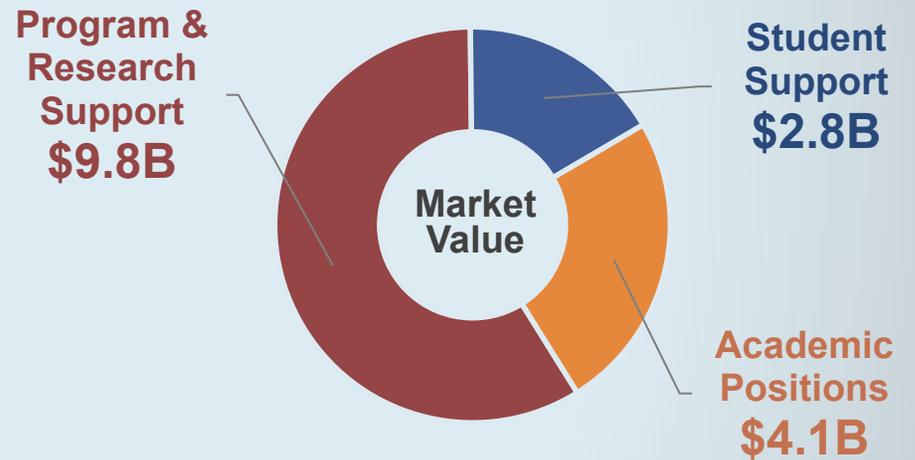
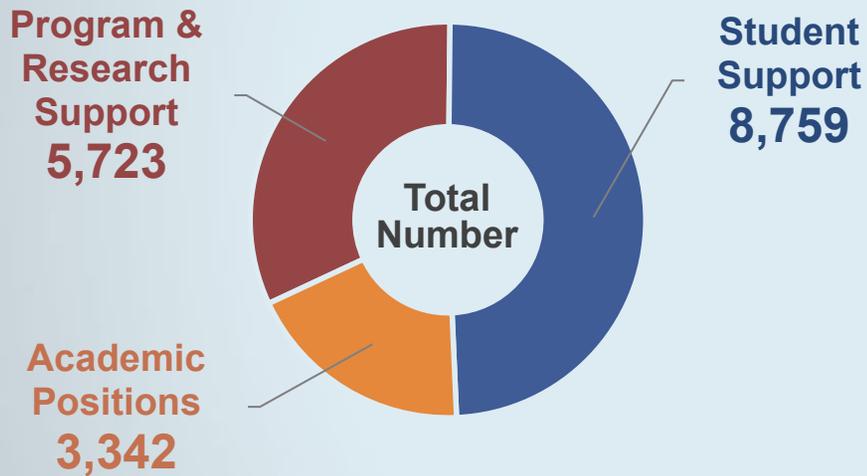


Total Endowments: Five-Year Trends



Total Endowments by Type

Endowments typically fall into three categories: Student Support, Academic Positions, and Program/Research Support.



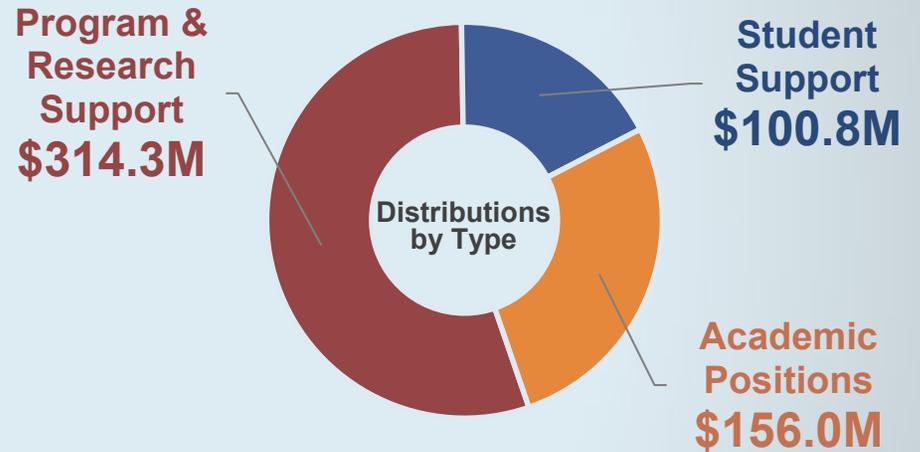
The University of Texas System

Total Endowments: FY 2022 Distributions

A total of \$571.0 million* was distributed from endowments:

- \$451.3 million from Board-held endowments
- \$119.7 million from UT affiliate-held and held by others

* Distributions do not include amounts that were reinvested



Annual Report: Primary Risks and Activities Addressed

Annual review of between 20% to 100% of all endowments annually, with emphasis on primary risk factors and other essential activities.

Primary Risks Monitored:

- Excessive accumulation of distributions
- Incorrect spending of distributions
- Non-spending of distributions
- Fully funded academic positions unfilled for 24+ months
- Unawarded scholarships and graduate fellowships

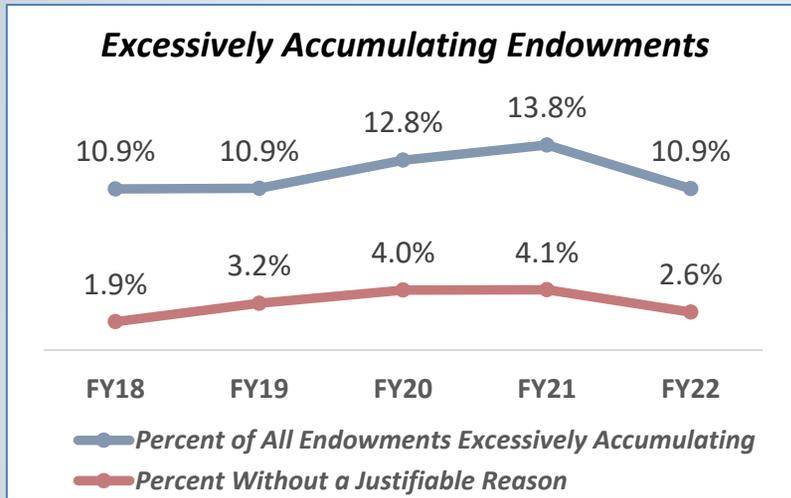
Other Activities Addressed:

- Donor reporting
- Meetings of an internal endowment compliance committee
- Training of institution staff

Each institution submits its assessment to the UT System Administration annually, including responses to significant findings or negative trends.

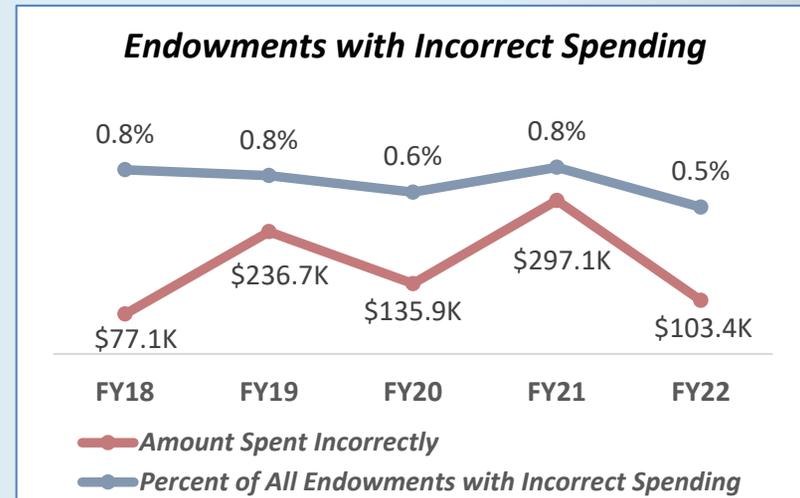


Risks Monitored: Summary of Findings FY 2022



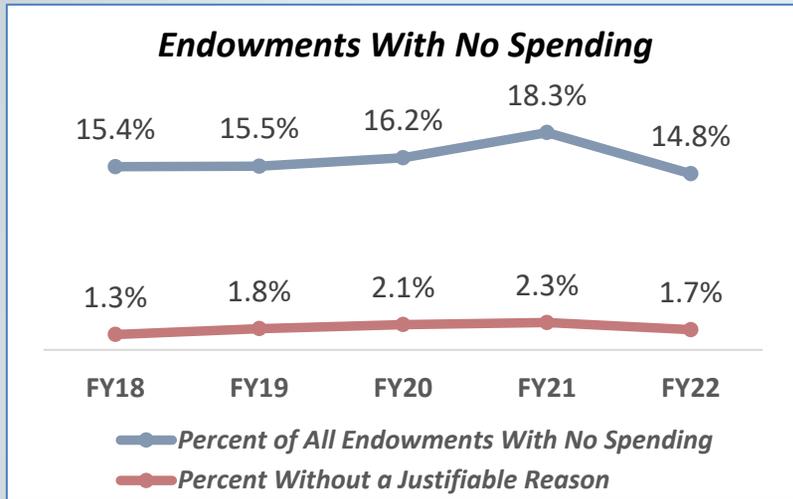
# reviewed:	7,787
# excessively accumulating without a justifiable reason:	199 (2.6%)*
Total accumulated balance:	\$19.7M

*endowments identified and being addressed by institutions



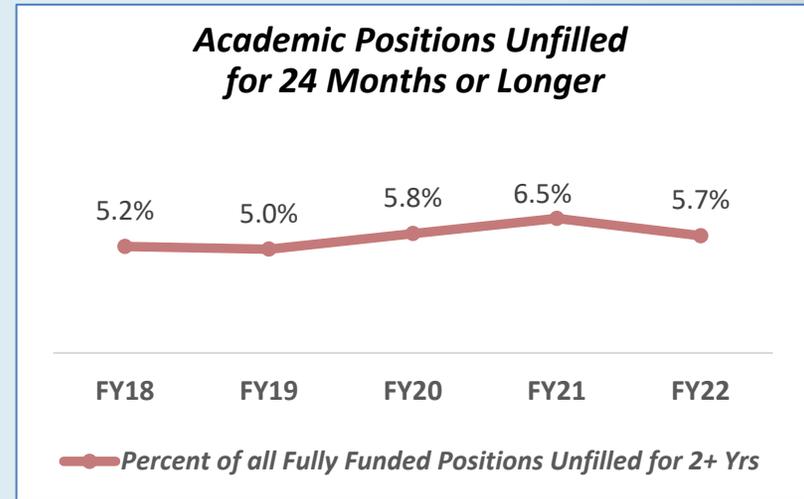
# reviewed:	8,226
# endowments with incorrect spending:	45 (0.5%)*
Total amount initially spent incorrectly:	\$103.4K

Risks Monitored: Summary of Findings FY 2022 (cont.)



# reviewed:	7,787
# unspent without a justifiable reason:	132 (1.7%)*
Total annual distributions:	\$1.2M

*endowments identified and being addressed by institutions

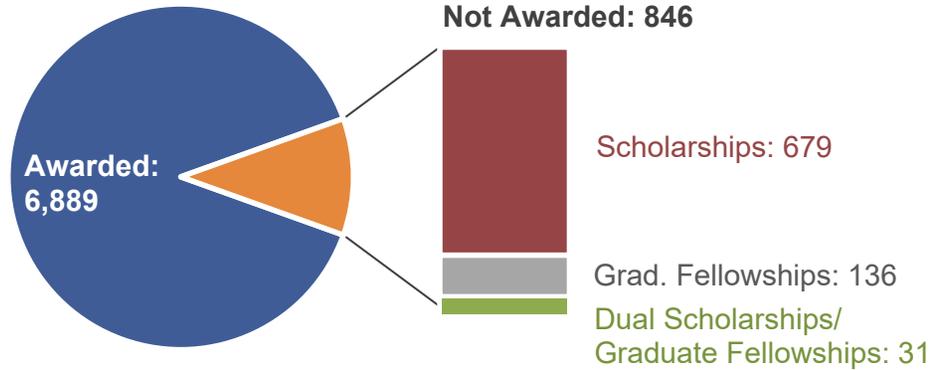


Total # fully funded academic positions:	3,175
# unfilled for 2+ years:	180 (5.7%)*



Risks Monitored: Summary of Findings FY 2022 (cont.)

Unawarded Student Support Endowments



<i>Fiscal Year</i>	<i>% Unawarded</i>
FY 2020	12.3%
FY 2021	12.3%
FY 2022	10.9%

Other Activities Addressed in FY 2022

Donor Reporting:

- 99.9% of known endowment donors or honorees received an annual report detailing the use of the endowment's distributions and a comprehensive financial statement (13,398 endowments)

Institutional Endowment Compliance Committee:

- Each institution maintains an internal committee charged with overseeing endowment compliance from an institutional perspective
- The committees include representation from the offices of development, compliance and/or audit, business, financial aid, and various academic and health departments

Staff Training

- Institution staff members with endowment administration responsibilities at any level are expected to receive training on endowment administration and compliance at least every two years





**TABLE OF CONTENTS
FOR
FINANCE AND PLANNING COMMITTEE**

Committee Meeting: 5/3/2023

Board Meeting: 5/4/2023
Austin, Texas

Janiece Longoria, Chairman
R. Steven Hicks
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 Longoria</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	42
2. U. T. System: Financial Status Presentation and Monthly Financial Report	Report/Discussion <i>Mr. Pruitt</i>	Not on Agenda	43
Adjourn	<i>3:15 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 109](#).

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 February 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

May 2023



THE UNIVERSITY of TEXAS SYSTEM
THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

U. T. System Consolidated Summary

Fiscal Year Summary
Period Ending February 28, 2023



Revenues
\$13,862.2 M



Expenses
\$13,136.6 M



Adjusted Income
\$725.6 M



FYE Projection
\$1,871.1 M

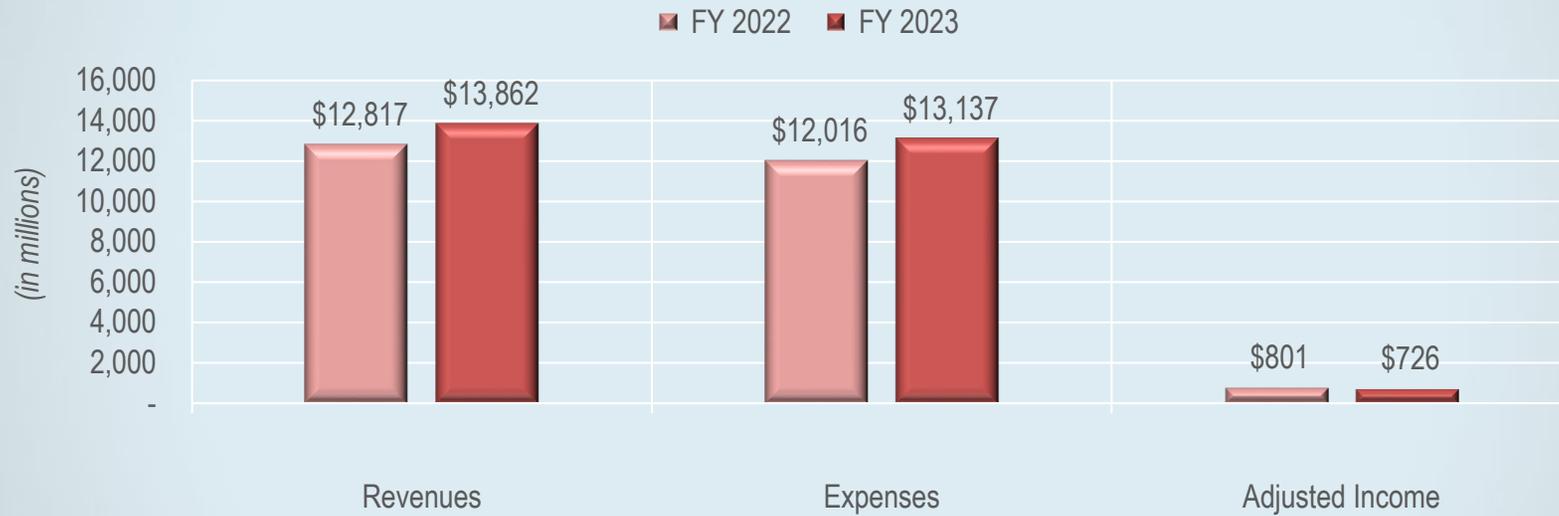


THE UNIVERSITY of TEXAS SYSTEM
THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

Excludes OPEB & Pension Expenses

U. T. System Consolidated Revenue & Expenses

Year-Over-Year Comparison (February)



Adjusted Income – Academic Institutions

Year-Over-Year Comparison (February)



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 (February)



Budget to Actuals – Academic Institutions

FY 2023
February

	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%	\$395.6	\$389.0	\$6.6	1.7%	▲
U. T. Austin	\$2,972.8	\$3,066.3	(\$93.5)	-3.1%	\$2,128.9	\$1,963.7	\$165.2	7.8%	▲
U. T. Dallas	\$792.4	\$797.2	(\$4.8)	-0.6%	\$444.9	\$385.3	\$59.7	13.4%	▲
U. T. El Paso	\$531.0	\$542.4	(\$11.5)	-2.2%	\$280.0	\$275.5	\$4.4	1.6%	▲
U. T. Permian Basin	\$94.1	\$110.5	(\$16.4)	-17.5%	\$52.4	\$65.0	(\$12.6)	-24.0%	▼
U. T. Rio Grande Valley	\$632.5	\$681.0	(\$48.5)	-7.7%	\$350.1	\$399.4	(\$49.2)	-14.1%	▼
U. T. San Antonio	\$684.9	\$720.8	(\$35.9)	-5.2%	\$365.6	\$371.1	(\$5.5)	-1.5%	▼
U. T. Tyler	\$535.9	\$550.6	(\$14.8)	-2.8%	\$274.1	\$281.1	(\$7.1)	-2.6%	▼
Total	\$7,026.1	\$7,265.2	(\$239.1)	-3.4%	\$4,291.6	\$4,130.1	\$161.5	3.8%	▲



Budget to Actuals – Health Institutions

FY 2023
February

	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%	\$2,325.6	\$2,352.5	(\$26.9)	-1.2%	▼
U. T. Medical Branch - Galveston	\$2,734.9	\$2,753.0	(\$18.1)	-0.7%	\$1,406.3	\$1,443.7	(\$37.5)	-2.7%	▼
U. T. Health Science Center - Houston	\$2,258.1	\$2,254.8	\$3.3	0.1%	\$1,132.5	\$1,126.2	\$6.3	0.6%	▲
U.T. Health Science Center - San Antonio	\$1,205.4	\$1,223.4	(\$18.0)	-1.5%	\$609.7	\$624.5	(\$14.8)	-2.4%	▼
U. T. M. D. Anderson Cancer Center	\$7,101.4	\$6,300.0	\$801.4	11.3%	\$3,563.8	\$3,094.0	\$469.9	13.2%	▲
Total	\$17,880.1	\$17,041.8	\$838.3	4.7%	\$9,037.9	\$8,640.8	\$397.1	4.4%	▲



Financial Summary

Systemwide Operations February 2023

	Budget	Actuals	% of Budget
U. T. System Administration (AUF)	\$60,998,033	\$29,884,886	49%
Direct Campus Support (AUF)	\$61,700,000	\$27,314,960	44%
Service Departments & Other Non-AUF	\$62,805,782	\$26,194,716	42%
Total	\$185,503,815	\$83,394,562	45%



THE UNIVERSITY OF TEXAS SYSTEM OFFICE OF BUDGET AND PLANNING

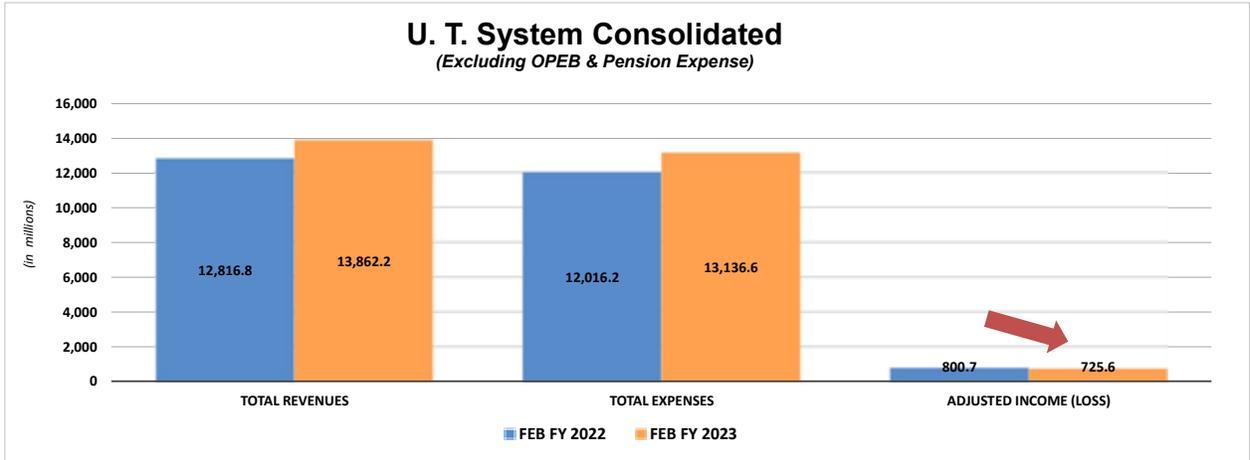
MONTHLY FINANCIAL REPORT *(unaudited)*

February 2023
FY 2023



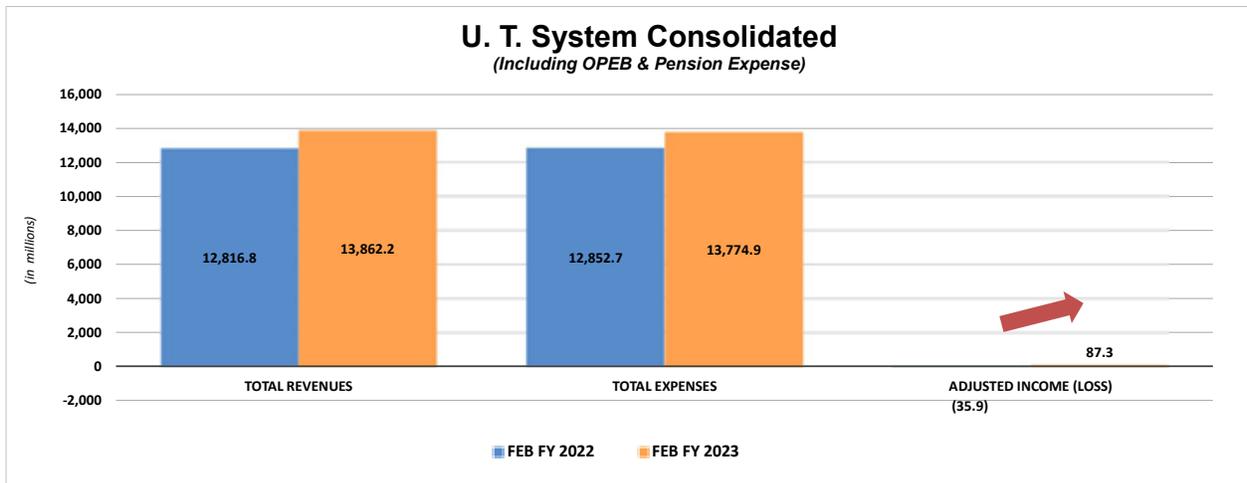
210 West Seventh Street
Austin, Texas 78701
512.499.4792
www.utsystem.edu/offices/budget-and-planning

Monthly Financial Report Comparison of Operating Results, Margin and Projected Year-End For the Period Ending February 28, 2023

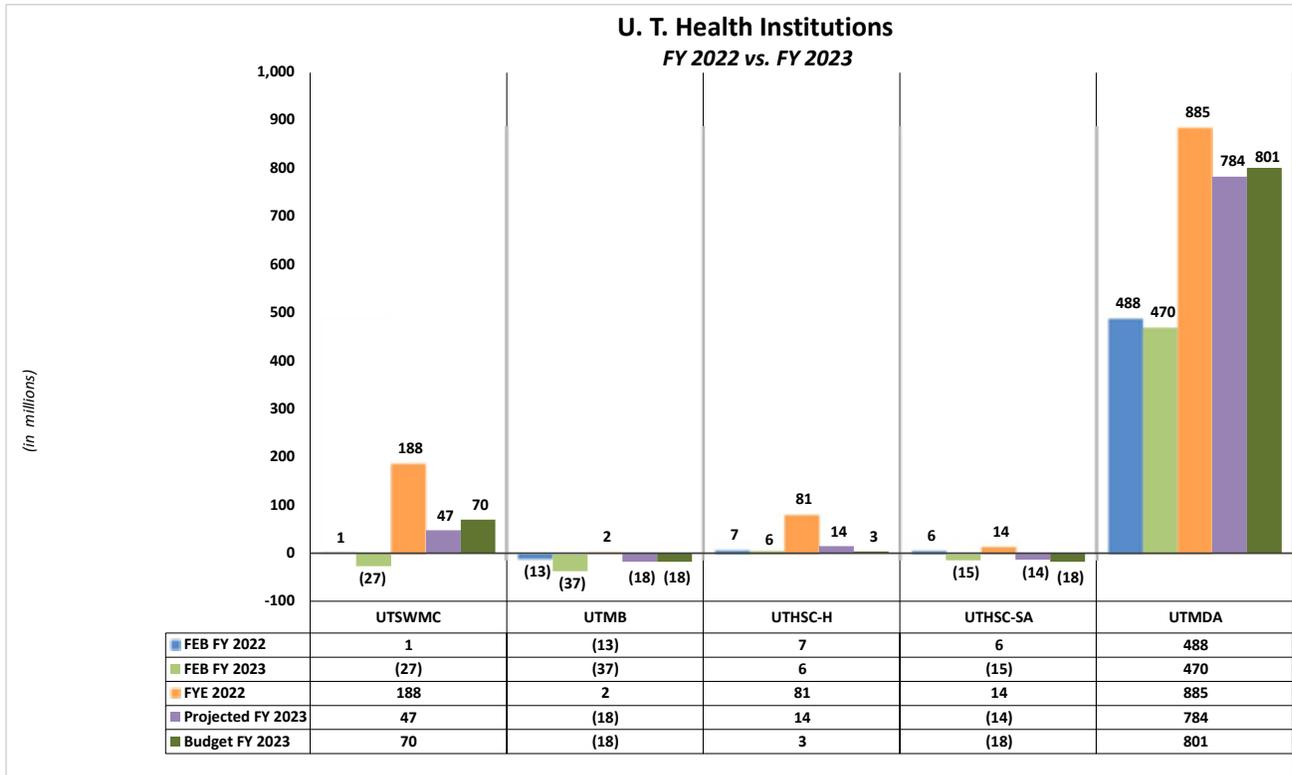
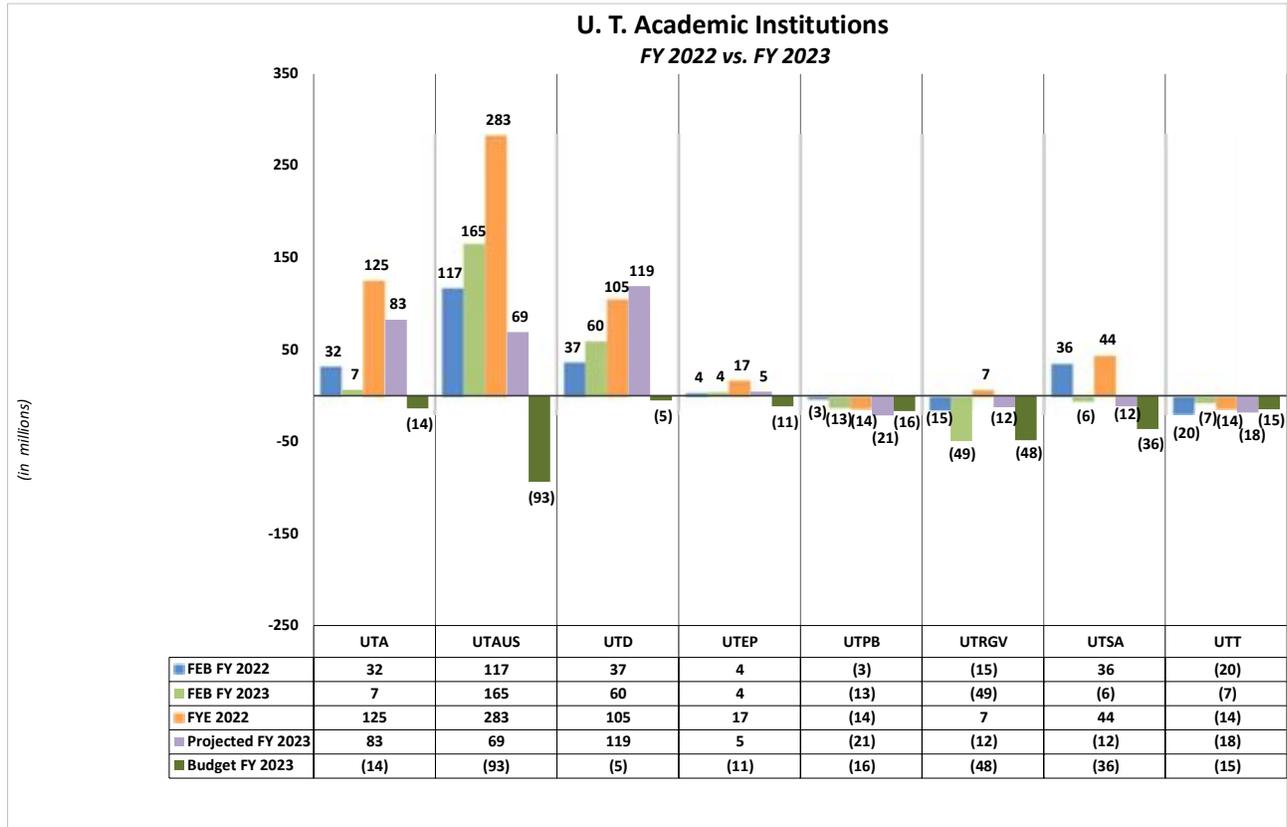


Excluding other postemployment benefits (OPEB) and pension expense, *U. T. System Consolidated* shows year-to-date adjusted income of \$725.6 million, a decrease in adjusted income of \$75.0 million (9%) from the prior year. The decrease was primarily due to an increase in salaries and wages and payroll related costs across most of the institutions as a result of increases in faculty and staff positions and merit increases.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023
Clinical Revenues	\$ 5,382.1	5,883.7	501.6	12,064.6
Sponsored Programs/Nonexchange Sponsored Programs	2,676.6	2,683.6	7.0	5,610.6
State Appropriations	1,172.4	1,187.6	15.3	2,377.5
Net Tuition and Fees	1,046.1	1,103.6	57.4	2,208.4
Auxiliary Revenues/Sales & Services of Educational Activities	718.8	764.2	45.3	1,270.9
Net Investment Income	1,271.5	1,565.1	293.6	2,787.9
Other Operating Revenues/Gift Contributions for Operations	549.2	674.4	125.1	1,273.6
Total Revenues	12,816.8	13,862.2	1,045.4	27,593.4
Salaries and Wages/Payroll Related Costs	7,051.3	7,776.9	725.7	15,119.4
Materials and Supplies/Cost of Goods Sold	1,638.1	1,832.7	194.6	3,638.5
Depreciation and Amortization	887.0	922.3	35.3	1,842.7
Other Contracted Services/Professional Fees & Services	844.6	913.6	69.0	1,794.2
All Other Operating Expenses	1,595.2	1,691.1	95.9	3,327.5
Total Expenses (Excluding OPEB & Pension Exp)	\$ 12,016.2	13,136.6	1,120.4	25,722.3
Adjusted Income (Loss) Excluding OPEB & Pension Exp	800.7	725.6	(75.0)	1,871.1
OPEB Expense	498.0	575.3	77.3	1,150.5
Pension Expense	338.5	63.0	(275.5)	126.0
Adjusted Income (Loss)	(35.9)	87.3	123.2	594.6
Adjusted Income (Loss) Excluding Depr & Amort Exp	851.2	1,009.7	158.5	2,437.2



**Monthly Financial Report
Comparison of Adjusted Income (Loss)
For the Period Ending February 28, 2023**



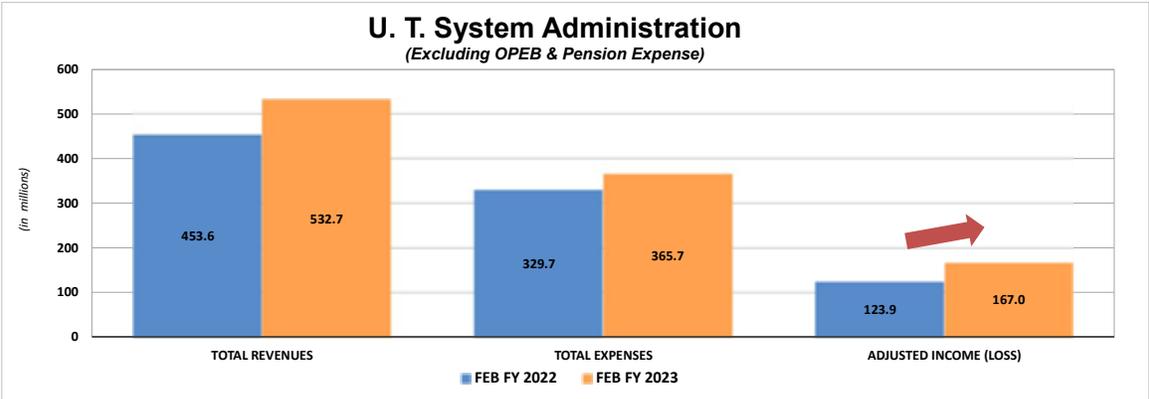
**Monthly Financial Report
Comparison of Adjusted Income (Loss)
For the Period Ending February 28, 2023**

Executive Summary of Adjusted Income (Loss)*

	February FYTD 2022 (millions)	February FYTD 2023 (millions)	Variance %	Comments
U. T. System Administration (excluding OPEB & Pension Expense)	\$ 123.9	167.0	35%	Increase in Net Investment Income Projected income of \$845.1 million for the FY
U. T. Arlington	31.9	6.6	-79%	Decrease in Other Operating Revenues Increase in Salaries & Wages/Payroll Related Costs Projected income of \$83.0 million for the FY
U. T. Austin	117.1	165.2	41%	Increase in Net Investment Income Projected income of \$69.3 million for the FY
U. T. Dallas	36.9	59.7	62%	Increase in Net Tuition and Fees Projected income of \$119.3 million for the FY
U. T. El Paso	3.8	4.4	17%	Increase in Gift Contributions for Operations Projected income of \$4.6 million for the FY
U. T. Permian Basin	(2.8)	(12.6)	-348%	Decrease in Gift Contributions for Operations Increase in Materials & Supplies Projected loss of (\$21.4) million for the FY
U. T. Rio Grande Valley	(15.1)	(49.2)	-227%	Increases in Salaries & Wages/Payroll Related Costs, Materials & Supplies, Depreciation & Amortization, Other Contracted Services Decrease in Clinical Revenues Projected loss of (\$12.4) million for the FY
U. T. San Antonio	35.5	(5.5)	-116%	Increases in Salaries & Wages/Payroll Related Costs, Depreciation & Amortization Decrease in Gift Contributions for Operations Projected loss of (\$11.6) million for the FY
U. T. Tyler	(20.0)	(7.1)	65%	Increase in Clinical Revenues Projected loss of (\$18.3) million for the FY
Southwestern	1.0	(26.9)	-2,842%	Increase in Salaries & Wages/Payroll Related Costs Projected income of \$47.4 million for the FY
UTMB	(12.6)	(37.5)	-197%	Increase in Salaries & Wages/Payroll Related Costs Projected loss of (\$18.1) million for the FY
UTHSC-Houston	6.8	6.3	-7%	Increase in Salaries & Wages/Payroll Related Costs Projected income of \$14.4 million for the FY
UTHSC-San Antonio	6.0	(14.8)	-344%	Increase in Salaries & Wages/Payroll Related Costs Projected loss of (\$13.8) million for the FY
M. D. Anderson	488.2	469.9	-4%	Increase in Salaries & Wages/Payroll Related Costs Projected income of \$783.6 million for the FY
Total Adjusted Income (Loss)	\$ 800.7	725.6	-9%	

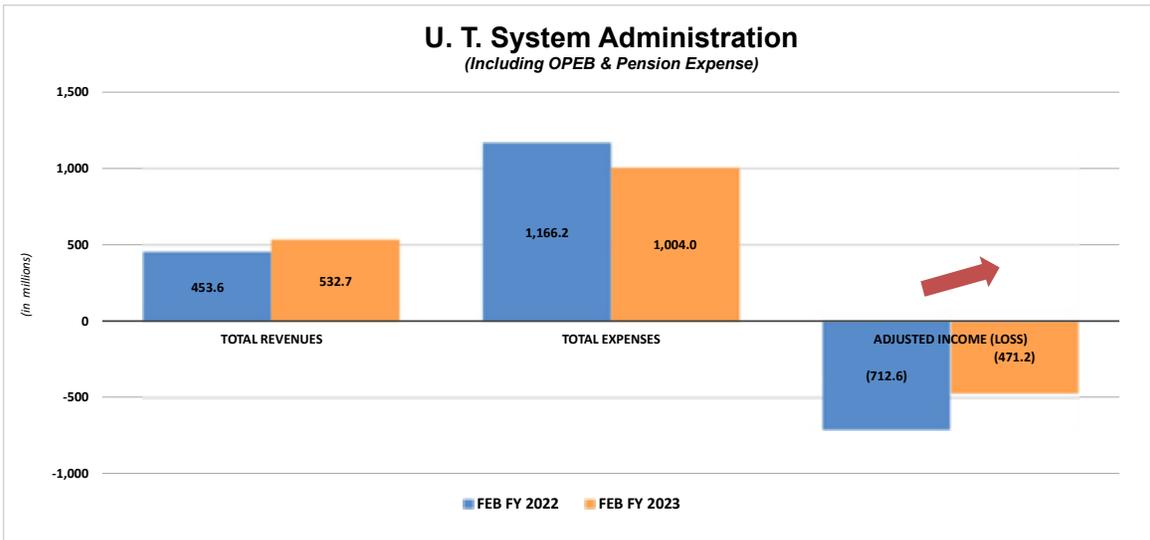
* For additional details on the variances, please see pages 4 through 18.

**Monthly Financial Report
Comparison of Operating Results, Margin and Projected Year-End
For the Period Ending February 28, 2023**



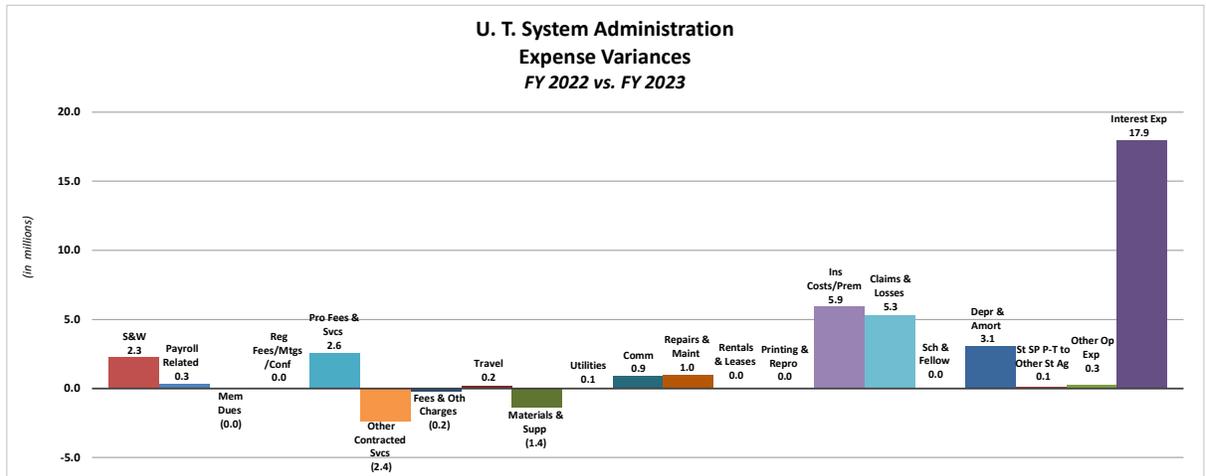
Excluding OPEB and pension expense, *U. T. System Administration* reported year-to-date adjusted income of \$167.0 million, an increase in adjusted income of \$43.1 million (35%) from the prior year. The increase was primarily attributable to an increase in net investment income as a result of the quarterly Long Term Fund (LTF) distribution from prior-year gains, as well as increases in oil royalties and surface easements. Decreases in gas royalties, mineral lease bonuses, and drilling utilization bonuses partially offset the increase. The most current projection, excluding OPEB and pension expense, reflects income of \$845.1 million for the year.

<i>(in millions)</i>	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023
Sponsored Programs/Nonexchange Sponsored Programs	\$ 29.8	15.6	(14.2)	50.3
State Appropriations	4.0	3.5	(0.4)	7.0
Auxiliary Revenues/Sales & Services of Educational Activities	8.4	9.8	1.4	19.6
Net Investment Income/Available University Fund (AUF)	394.3	484.5	90.2	968.9
Other Operating Revenues/Gift Contributions for Operations	17.2	19.4	2.2	38.6
Total Revenues	453.6	532.7	79.2	1,084.5
Salaries and Wages/Payroll Related Costs	28.3	30.9	2.6	(382.1)
Materials and Supplies/Cost of Goods Sold	17.5	16.2	(1.4)	1.8
Depreciation and Amortization	8.4	11.5	3.1	22.9
Other Contracted Services/Professional Fees & Services	36.5	36.6	0.2	60.2
All Other Operating Expenses	239.0	270.6	31.6	536.5
Total Expenses (Excluding OPEB & Pension Exp)	\$ 329.7	365.7	36.0	239.3
Adjusted Income (Loss) Excluding OPEB & Pension Exp	123.9	167.0	43.1	845.1
OPEB Expense	498.0	575.3	77.3	1,150.5
Pension Expense	338.5	63.0	(275.5)	126.0
Adjusted Income (Loss)	(712.6)	(471.2)	241.4	(431.4)
Adjusted Income (Loss) Excluding Depr & Amort Exp	(704.2)	(459.8)	244.4	(408.5)



**Monthly Financial Report
Detailed Expense Break-out for U. T. System Administration
For the Period Ending February 28, 2023**

<i>(in millions)</i>	February YTD FY 2022	February YTD FY 2023	Actual Year-End FY 2022	Annual Projected FY 2023
Salaries and Wages	\$ 22.3	24.5	46.3	49.1
Payroll Related Costs	6.0	6.3	(431.7)	(431.2) *
Membership Dues	0.3	0.3	0.3	0.6
Registration Fees, Meetings, Conferences	0.1	0.1	0.2	0.2
Professional Fees and Services	2.7	5.3	6.5	10.6
Other Contracted Services	33.7	31.3	49.6	49.6
Fees and Other Charges	0.6	0.3	0.7	0.7
Travel	0.1	0.3	0.5	0.6
Materials and Supplies	17.5	16.2	12.7	1.8
Utilities	0.2	0.2	0.3	0.5
Communications	3.3	4.2	3.7	5.0
Repairs and Maintenance	6.5	7.4	7.9	14.9
Rentals and Leases	0.1	0.1	0.3	0.2
Printing and Reproduction	0.1	0.1	0.1	0.1
Insurance Costs/Premiums	39.9	45.8	18.4	91.6
Claims and Losses	175.1	180.4	273.1	360.7
Scholarships and Fellowships	0.0	0.1	0.7	0.1
Depreciation and Amortization	8.4	11.5	16.8	22.9
State Sponsored Program Pass-Through to Other State Agencies	2.6	2.7	5.0	4.2
Other Operating Expenses	0.7	1.0	1.4	1.9
Interest Expense	9.6	27.5	45.0	55.1
Total Expenses (Excluding OPEB & Pension Expense)	329.7	365.7	57.8	239.3
OPEB Expense	498.0	575.3	1,150.5	1,150.5
Pension Expense	338.5	63.0	126.0	126.0
Total Expenses (Including OPEB & Pension Expense)	\$ 1,166.2	1,004.0	1,334.3	1,515.8



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

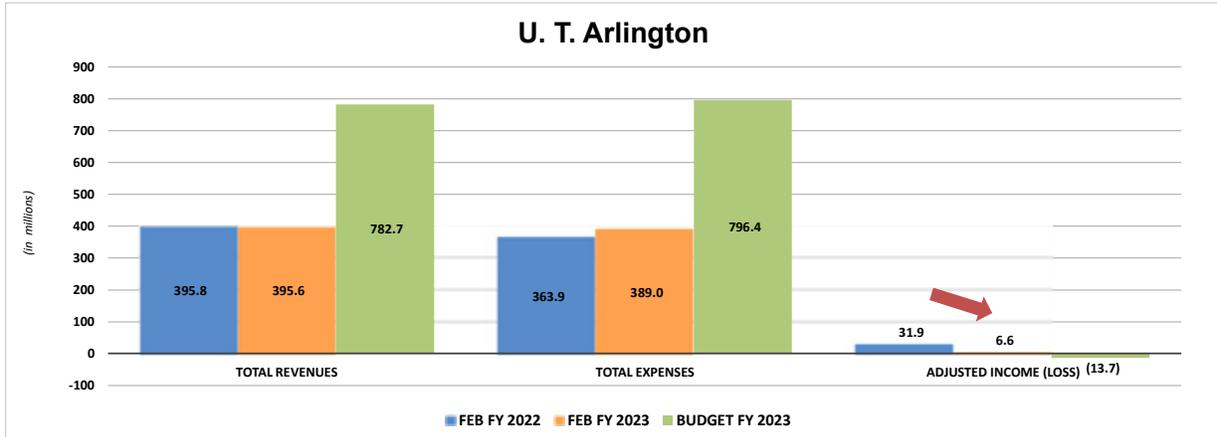
***Payroll Related Costs** - the negative payroll related costs at year-end relate to the pension entry to defer pension contributions made after the measurement date for the entire System.

Insurance Costs/Premiums - increase of \$5.9 million primarily due to an increase in Comprehensive Property Protection Plan (CPPP) Fire and All Other Perils, CPPP Wind & Flood, Directors & Officers/Employment Practices Liability, Rolling Owner Controlled Insurance Program, and medical self-insurance plan insurance costs. Reimbursement for CPPP Fire and AOP, CPPP Wind & Flood, and D&O EPL insurance costs/premiums expected in the fourth quarter of fiscal year 2023.

Claims and Losses - increase of \$5.3 million primarily a result of an increase in CPPP Fire and AOP claims.

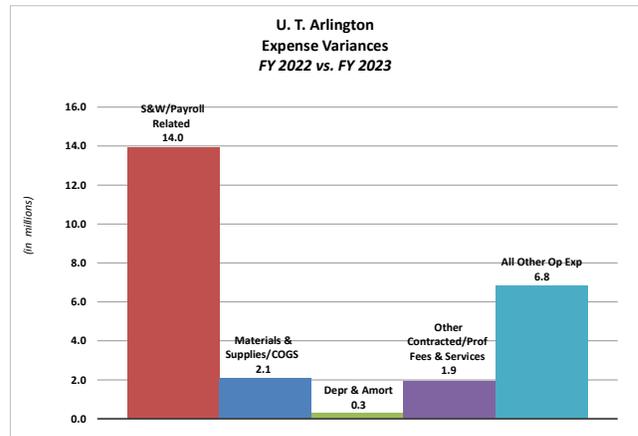
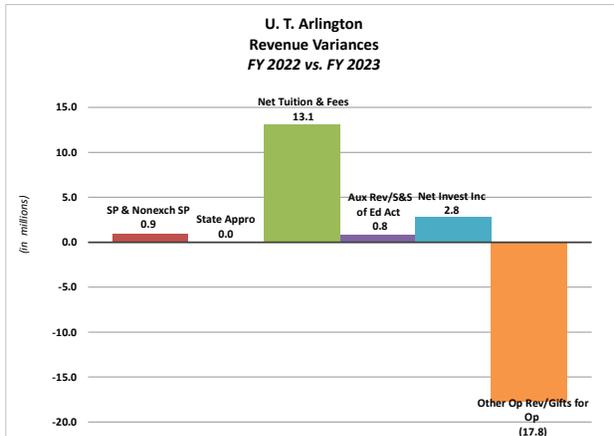
Interest Expense - increase of \$17.9 million largely attributable to an increase in Permanent University Fund interest expense.

Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending February 28, 2023

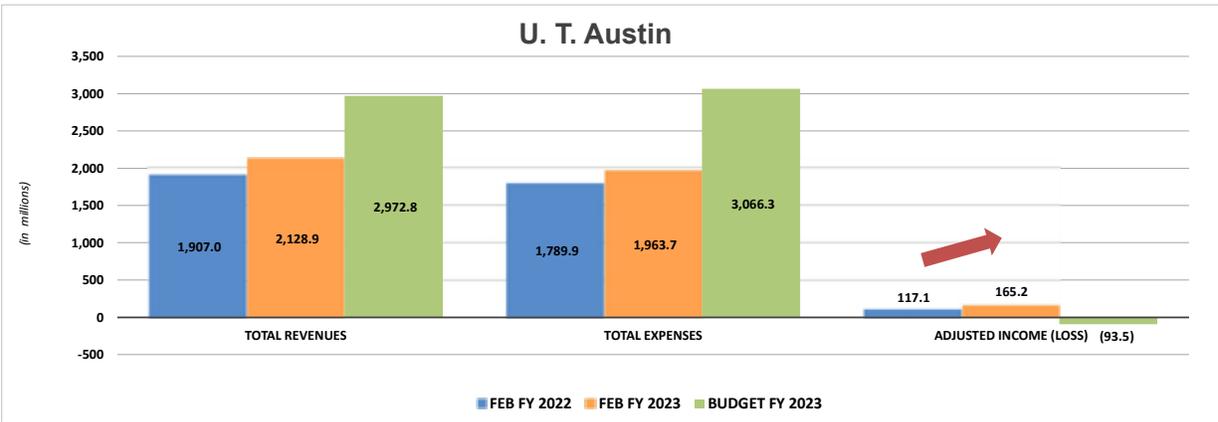


U. T. Arlington reported year-to-date adjusted income of \$6.6 million, a decrease in adjusted income of \$25.3 million (79%) from the prior year. The decrease was primarily attributable to the following: a decrease in other operating revenues due to a Direct Loans misclassification in the prior year; and an increase in salaries and wages and payroll related costs attributable to merit increases. The most current projection received from U. T. Arlington reflects income of \$83.0 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Sponsored Programs/Nonexchange Sponsored Programs	\$ 84.7	85.5	0.9	204.1	
State Appropriations	68.0	68.1	0.0	161.1	
Net Tuition and Fees	165.9	179.0	13.1	376.3	
Auxiliary Revenues/Sales & Services of Educational Activities	33.8	34.6	0.8	79.4	
Net Investment Income	16.4	19.2	2.8	34.9	
Other Operating Revenues/Gift Contributions for Operations	26.9	9.2	(17.8)	20.9	
Total Revenues	395.8	395.6	(0.2)	876.7	782.7
Salaries and Wages/Payroll Related Costs	216.1	230.1	14.0	463.2	
Materials and Supplies/Cost of Goods Sold	25.5	27.6	2.1	48.4	
Depreciation and Amortization	28.1	28.3	0.3	56.7	
Other Contracted Services/Professional Fees & Services	35.3	37.2	1.9	73.6	
All Other Operating Expenses	59.0	65.8	6.8	151.8	
Total Expenses	\$ 363.9	389.0	25.1	793.6	796.4
Adjusted Income (Loss)	31.9	6.6	(25.3)	83.0	(13.7)
Adjusted Income (Loss) Excluding Depr & Amort Exp	60.0	35.0	(25.0)	139.7	43.0

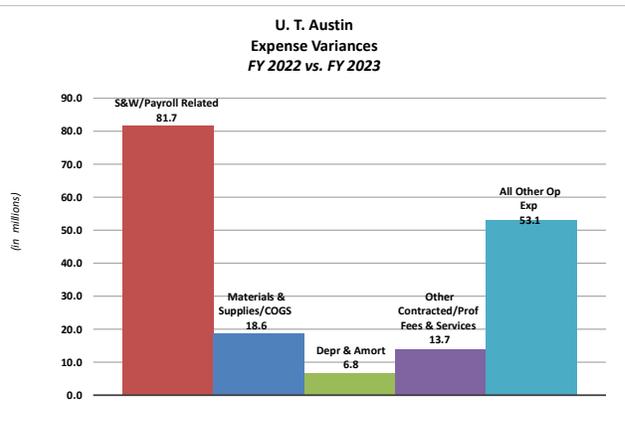
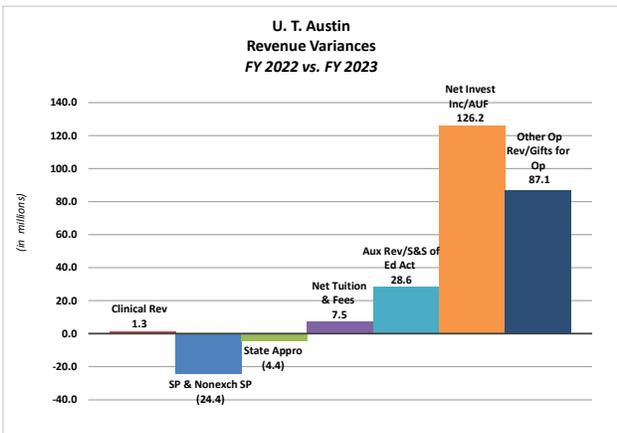


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending February 28, 2023

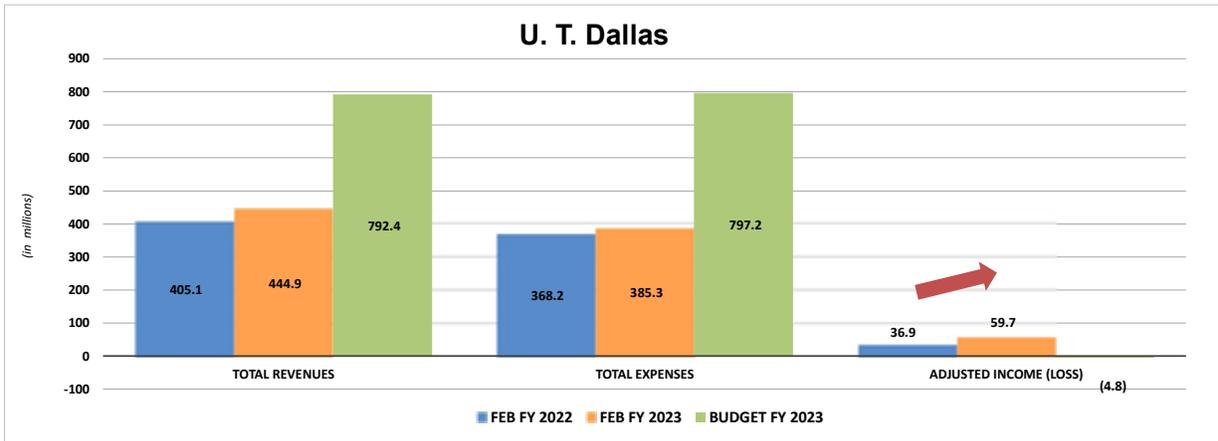


U. T. Austin reported year-to-date adjusted income of \$165.2 million, an increase in adjusted income of \$48.1 million (41%) from the prior year. The increase was primarily due to an increase in net investment income attributable to COVID-19 technology royalties received from the National Institutes of Health. The most current projection received from *U. T. Austin* reflects income of \$69.3 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 6.5	7.8	1.3	16.0	
Sponsored Programs/Nonexchange Sponsored Programs	494.6	470.1	(24.4)	1,070.3	
State Appropriations	184.2	179.8	(4.4)	359.6	
Net Tuition and Fees	270.5	278.0	7.5	556.0	
Auxiliary Revenues/Sales & Services of Educational Activities	440.8	469.3	28.6	684.8	
Net Investment Income/Available University Fund (AUF)	413.8	539.9	126.2	904.1	
Other Operating Revenues/Gift Contributions for Operations	96.7	183.8	87.1	298.5	
Total Revenues	1,907.0	2,128.9	221.9	3,889.3	2,972.8
Salaries and Wages/Payroll Related Costs	1,030.7	1,112.4	81.7	2,133.5	
Materials and Supplies/Cost of Goods Sold	97.4	116.0	18.6	202.0	
Depreciation and Amortization	186.3	193.0	6.8	386.0	
Other Contracted Services/Professional Fees & Services	126.9	140.6	13.7	284.9	
All Other Operating Expenses	348.7	401.7	53.1	813.6	
Total Expenses	\$ 1,789.9	1,963.7	173.8	3,820.0	3,066.3
Adjusted Income (Loss)	117.1	165.2	48.1	69.3	(93.5)
Adjusted Income (Loss) Excluding Depr & Amort Exp	303.3	358.2	54.9	455.3	286.5

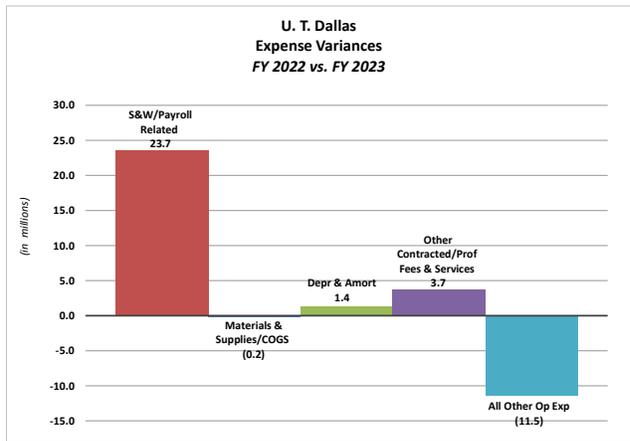
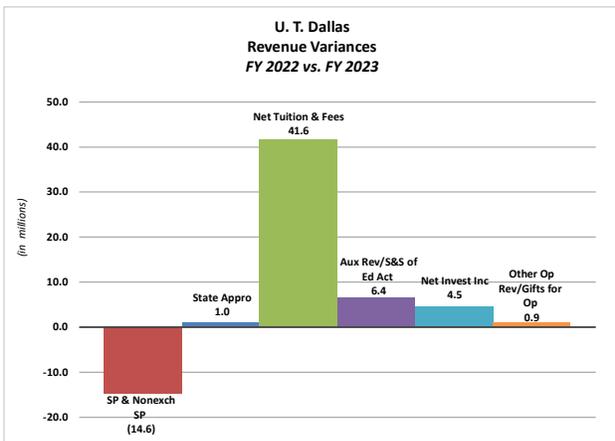


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending February 28, 2023

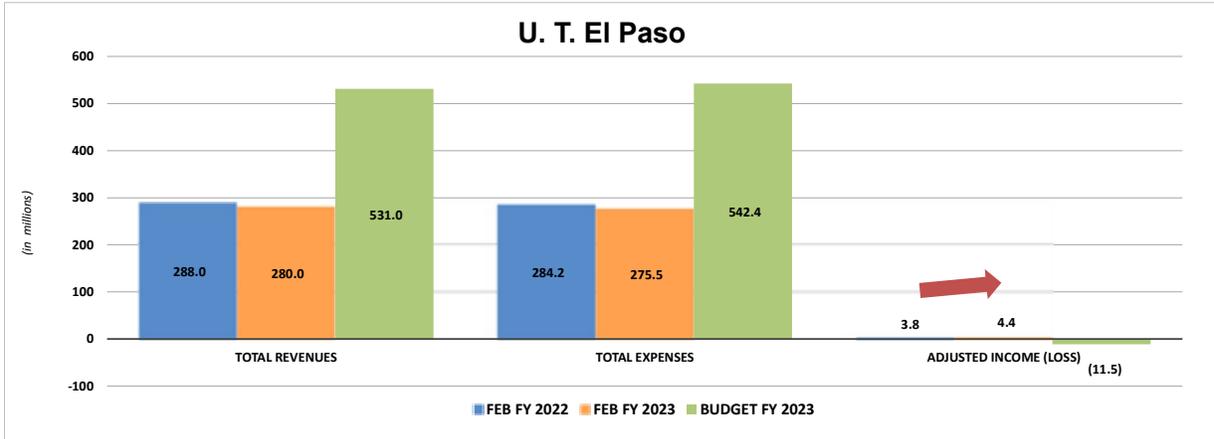


U. T. Dallas reported year-to-date adjusted income of \$59.7 million, an increase in adjusted income of \$22.7 million (62%) from the prior year. The increase was primarily attributable to an increase in net student tuition and fees due to increased enrollment of undergraduate and graduate students. The most current projection received from *U. T. Dallas* reflects income of \$119.3 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Sponsored Programs/Nonexchange Sponsored Programs	\$ 85.9	71.3	(14.6)	142.6	
State Appropriations	69.0	69.9	1.0	139.9	
Net Tuition and Fees	176.7	218.3	41.6	436.5	
Auxiliary Revenues/Sales & Services of Educational Activities	41.8	48.3	6.4	96.6	
Net Investment Income	21.2	25.7	4.5	51.4	
Other Operating Revenues/Gift Contributions for Operations	10.5	11.4	0.9	22.8	
Total Revenues	405.1	444.9	39.8	889.8	792.4
Salaries and Wages/Payroll Related Costs	204.8	228.5	23.7	457.1	
Materials and Supplies/Cost of Goods Sold	18.0	17.8	(0.2)	35.7	
Depreciation and Amortization	46.3	47.7	1.4	95.3	
Other Contracted Services/Professional Fees & Services	18.4	22.1	3.7	44.2	
All Other Operating Expenses	80.6	69.1	(11.5)	138.3	
Total Expenses	\$ 368.2	385.3	17.1	770.5	797.2
Adjusted Income (Loss)	36.9	59.7	22.7	119.3	(4.8)
Adjusted Income (Loss) Excluding Depr & Amort Exp	83.2	107.3	24.1	214.7	83.4

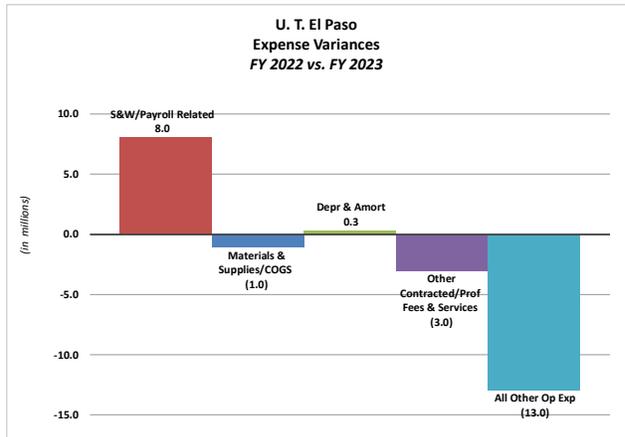
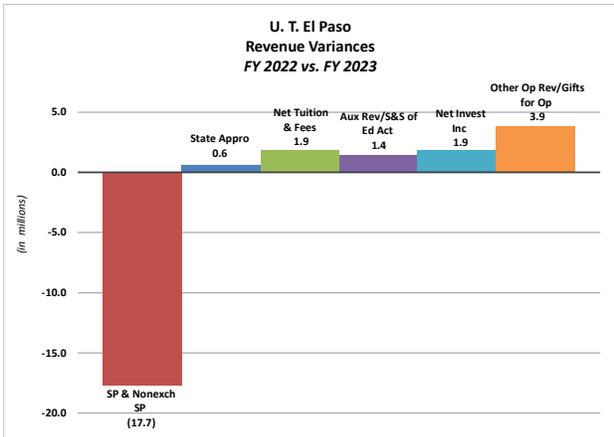


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending February 28, 2023

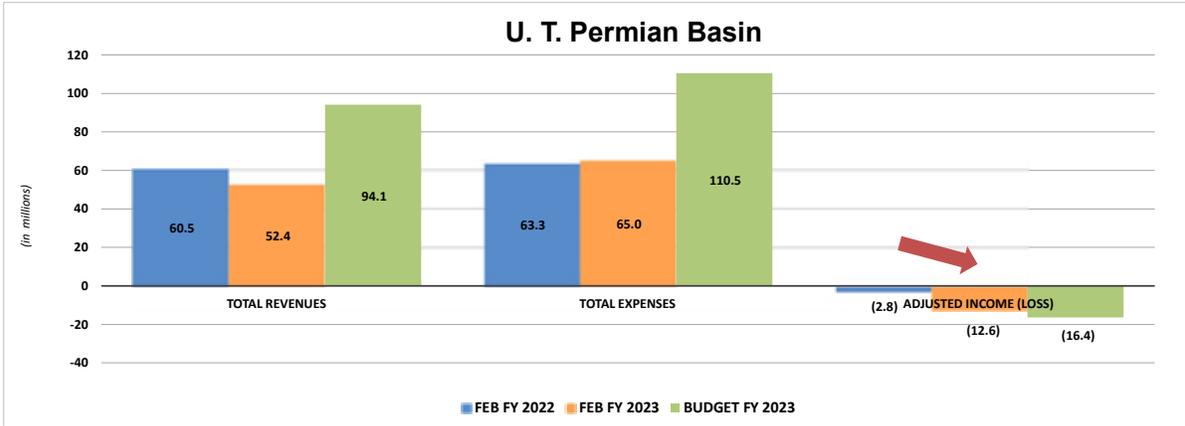


U. T. El Paso reported year-to-date adjusted income of \$4.4 million, an increase in adjusted income of \$0.6 million (17%) from the prior year. The increase was primarily due to an increase in gift contributions for operations attributable to a \$3 million gift received in the current fiscal year, as well as an increase in pledge commitments as compared to the prior year. The most current projection received from *U. T. El Paso* reflects income of \$4.6 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Sponsored Programs/Nonexchange Sponsored Programs	\$ 115.3	97.6	(17.7)	202.7	
State Appropriations	55.8	56.4	0.6	107.6	
Net Tuition and Fees	76.8	78.7	1.9	148.8	
Auxiliary Revenues/Sales & Services of Educational Activities	24.6	26.0	1.4	51.8	
Net Investment Income	10.6	12.4	1.9	26.1	
Other Operating Revenues/Gift Contributions for Operations	4.9	8.8	3.9	9.2	
Total Revenues	288.0	280.0	(8.0)	546.3	531.0
Salaries and Wages/Payroll Related Costs	142.6	150.6	8.0	284.9	
Materials and Supplies/Cost of Goods Sold	13.2	12.2	(1.0)	29.7	
Depreciation and Amortization	17.3	17.6	0.3	35.2	
Other Contracted Services/Professional Fees & Services	20.6	17.6	(3.0)	32.5	
All Other Operating Expenses	90.5	77.5	(13.0)	159.3	
Total Expenses	284.2	275.5	(8.6)	541.6	542.4
Adjusted Income (Loss)	3.8	4.4	0.6	4.6	(11.5)
Adjusted Income (Loss) Excluding Depr & Amort Exp	21.1	22.0	0.9	39.8	23.6

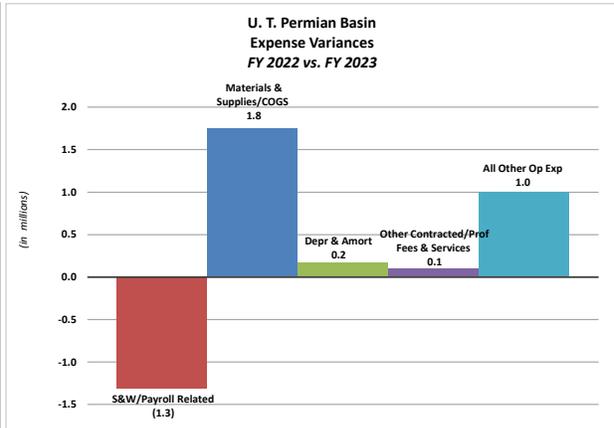
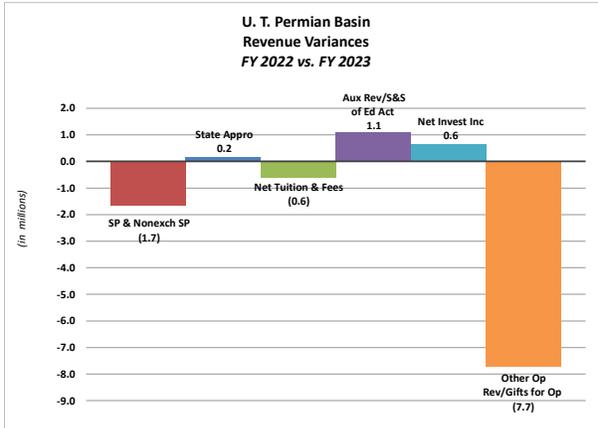


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending February 28, 2023

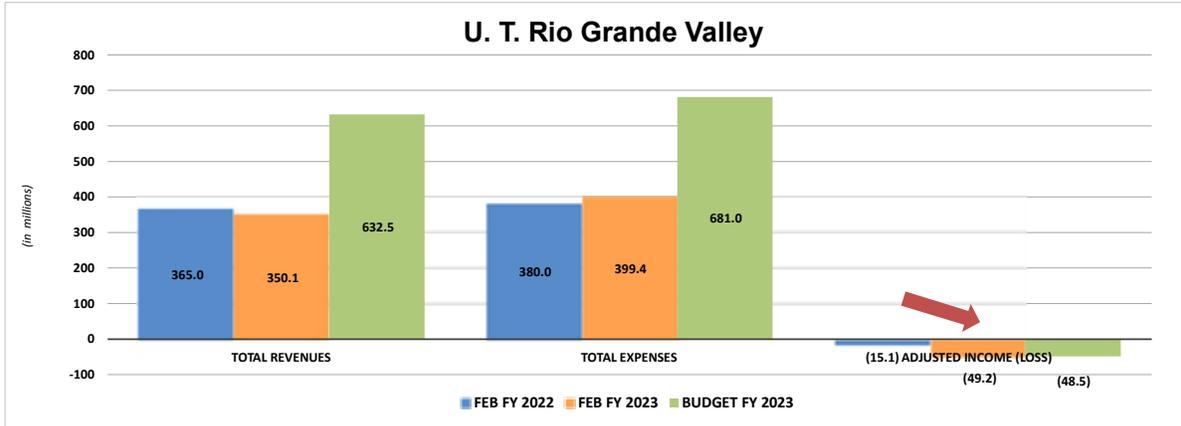


U. T. Permian Basin incurred a year-to-date adjusted loss of \$12.6 million, an increase in adjusted loss of \$9.8 million (348%) from the prior year. The increase was primarily attributable to the following: a decrease in gift contributions for operations as a result of a \$10.7 million gift received in 2022 with no such comparable gift received in the current fiscal year; and an increase in materials and supplies attributable 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. The most current projection received from *U. T. Permian Basin* reflects a loss of \$21.4 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Sponsored Programs/Nonexchange Sponsored Programs	\$ 14.6	12.9	(1.7)	24.1	
State Appropriations	12.5	12.7	0.2	25.3	
Net Tuition and Fees	16.4	15.8	(0.6)	31.6	
Auxiliary Revenues/Sales & Services of Educational Activities	3.4	4.5	1.1	8.9	
Net Investment Income	1.9	2.5	0.6	4.7	
Other Operating Revenues/Gift Contributions for Operations	11.8	4.1	(7.7)	6.1	
Total Revenues	60.5	52.4	(8.1)	100.7	94.1
Salaries and Wages/Payroll Related Costs	31.2	29.8	(1.3)	55.1	
Materials and Supplies/Cost of Goods Sold	2.9	4.6	1.8	6.0	
Depreciation and Amortization	10.5	10.6	0.2	21.3	
Other Contracted Services/Professional Fees & Services	5.5	5.6	0.1	11.7	
All Other Operating Expenses	13.3	14.3	1.0	28.0	
Total Expenses	\$ 63.3	65.0	1.7	122.1	110.5
Adjusted Income (Loss)	(2.8)	(12.6)	(9.8)	(21.4)	(16.4)
Adjusted Income (Loss) Excluding Depr & Amort Exp	7.7	(1.9)	(9.6)	(0.1)	4.8

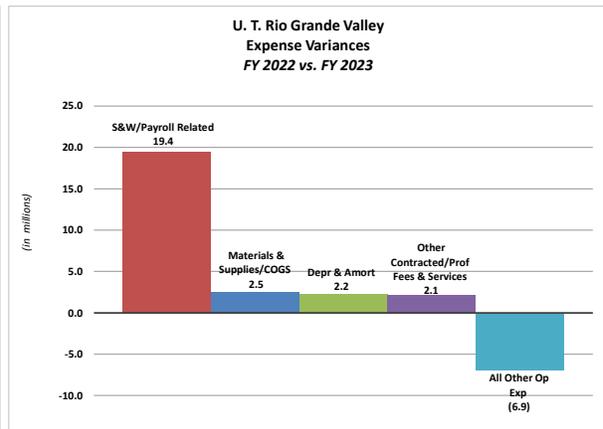
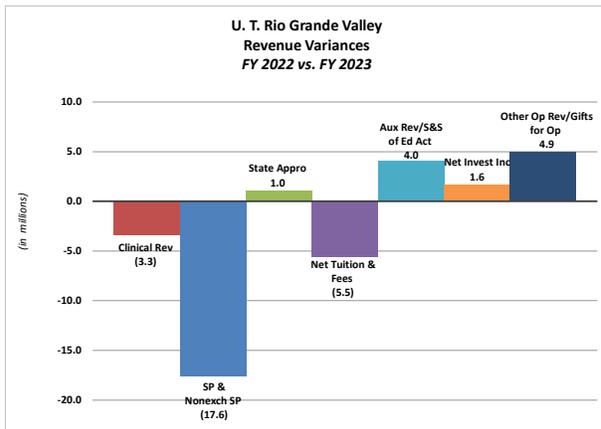


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending February 28, 2023

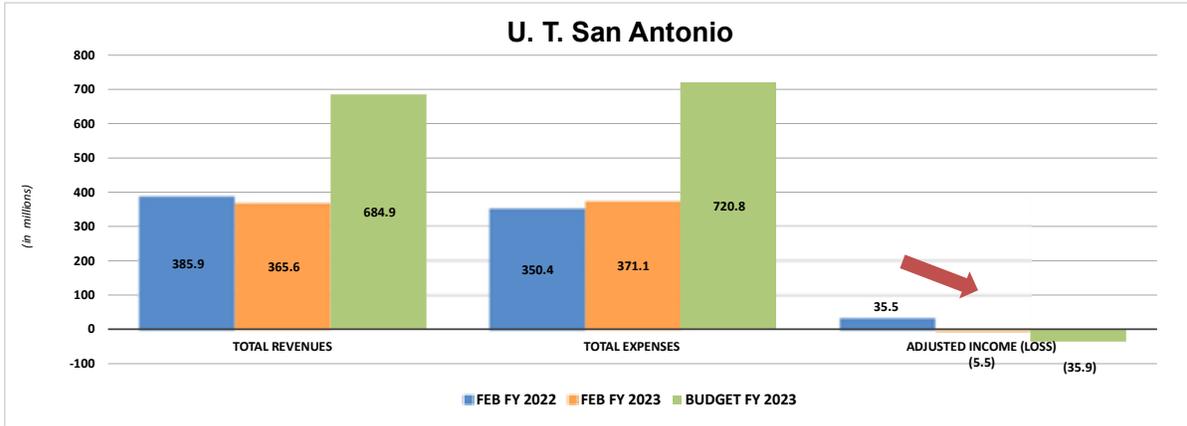


U. T. Rio Grande Valley incurred a year-to-date adjusted loss of \$49.2 million, an increase in adjusted loss of \$34.2 million (227%) from the prior year. The increase was primarily due to the following: an increase in salaries and wages and payroll related costs as a result of an increase in faculty and staff positions and annual merit increases; a decrease in clinical revenues due to a decrease in patient volume attributable to the economic downturn; an increase in materials and supplies as a result of an increase in computing system maintenance expenses, as well as an increase in library books and materials; an increase in depreciation and amortization expense attributable to new buildings placed into service; and an increase in other contracted services due to increases in security, transportation services, and Accelerated Program marketing expenses. The most current projection received from *U. T. Rio Grande Valley* reflects a loss of \$12.4 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 11.2	7.8	(3.3)	18.7	
Sponsored Programs/Nonexchange Sponsored Programs	168.0	150.4	(17.6)	275.8	
State Appropriations	88.5	89.6	1.0	163.7	
Net Tuition and Fees	73.9	68.3	(5.5)	136.7	
Auxiliary Revenues/Sales & Services of Educational Activities	8.7	12.8	4.0	20.7	
Net Investment Income	7.3	9.0	1.6	20.6	
Other Operating Revenues/Gift Contributions for Operations	7.4	12.3	4.9	19.4	
Total Revenues	365.0	350.1	(14.9)	655.7	632.5
Salaries and Wages/Payroll Related Costs	209.7	229.1	19.4	420.9	
Materials and Supplies/Cost of Goods Sold	15.8	18.3	2.5	32.1	
Depreciation and Amortization	28.0	30.2	2.2	62.0	
Other Contracted Services/Professional Fees & Services	10.9	13.1	2.1	22.4	
All Other Operating Expenses	115.7	108.8	(6.9)	130.7	
Total Expenses	\$ 380.0	399.4	19.3	668.0	681.0
Adjusted Income (Loss)	(15.1)	(49.2)	(34.2)	(12.4)	(48.5)
Adjusted Income (Loss) Excluding Depr & Amort Exp	12.9	(19.1)	(32.0)	49.6	13.5

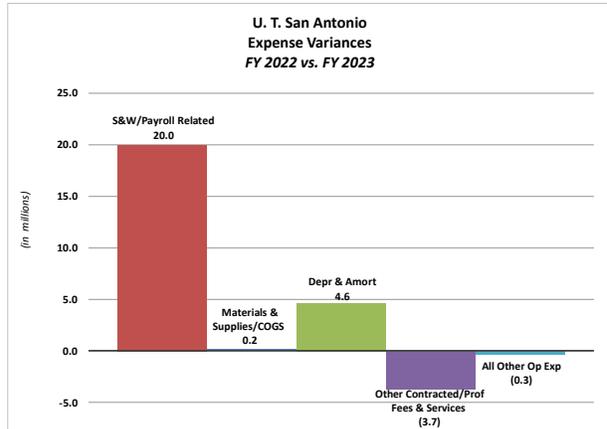
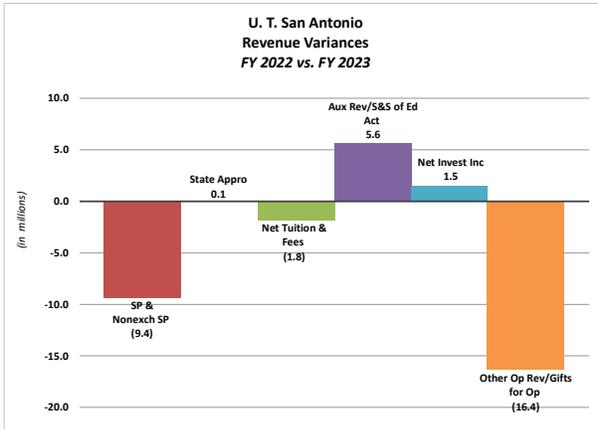


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending February 28, 2023

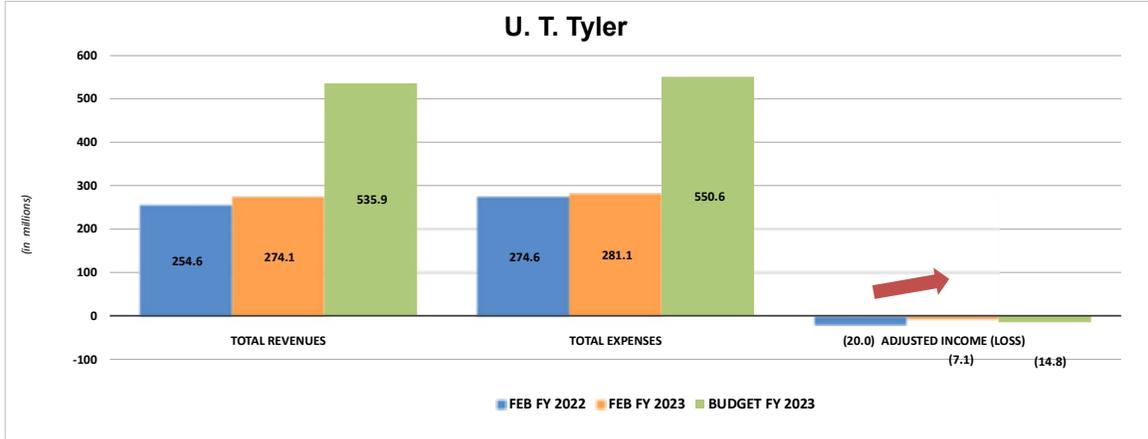


U. T. San Antonio incurred a year-to-date adjusted loss of \$5.5 million, a decrease of \$41.1 million (116%) from the prior year. The decrease was primarily attributable to the following: an increase in salaries and wages and payroll related costs due to the university implementing its strategic compensation plan last year, as well as an increase in annual merit increases; 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; and an increase in depreciation and amortization expense attributable to new buildings placed into service. The most current projection received from U. T. San Antonio reflects a loss of \$11.6 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Sponsored Programs/Nonexchange Sponsored Programs	\$ 113.9	104.5	(9.4)	208.7	
State Appropriations	76.2	76.3	0.1	152.5	
Net Tuition and Fees	129.4	127.6	(1.8)	255.2	
Auxiliary Revenues/Sales & Services of Educational Activities	31.0	36.6	5.6	73.2	
Net Investment Income	11.9	13.4	1.5	26.8	
Other Operating Revenues/Gift Contributions for Operations	23.6	7.3	(16.4)	14.5	
Total Revenues	385.9	365.6	(20.3)	730.8	684.9
Salaries and Wages/Payroll Related Costs	187.8	207.8	20.0	415.6	
Materials and Supplies/Cost of Goods Sold	19.6	19.8	0.2	39.6	
Depreciation and Amortization	32.6	37.2	4.6	74.5	
Other Contracted Services/Professional Fees & Services	22.4	18.6	(3.7)	37.3	
All Other Operating Expenses	88.0	87.7	(0.3)	175.4	
Total Expenses	\$ 350.4	371.1	20.7	742.4	720.8
Adjusted Income (Loss)	35.5	(5.5)	(41.1)	(11.6)	(35.9)
Adjusted Income (Loss) Excluding Depr & Amort Exp	68.1	31.7	(36.4)	62.9	36.8

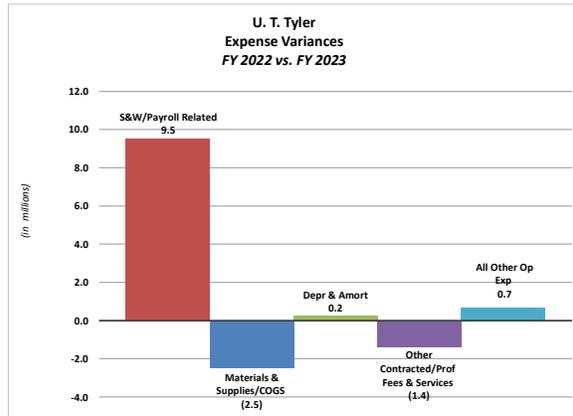
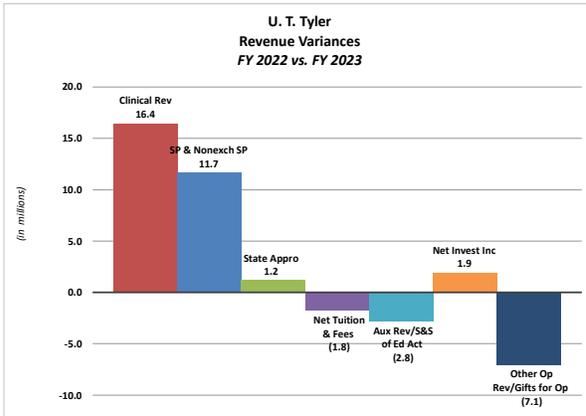


Monthly Financial Report
Comparison of Operating Results, Margin, Projected Year-End and Budget
For the Period Ending February 28, 2023



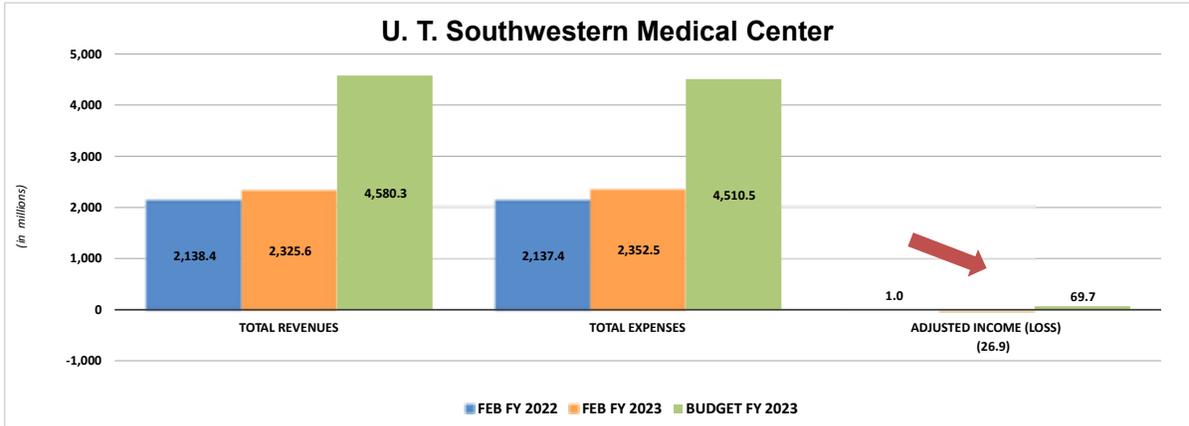
U. T. Tyler incurred a year-to-date adjusted loss of \$7.1 million, a decrease in adjusted loss of \$12.9 million (65%) from the prior year. The decrease was primarily due to an increase in clinical revenues attributable to an increase in outpatient visits, as well as growth in retail pharmacy volumes. The most current projection received from U. T. Tyler reflects a loss of \$18.3 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 82.4	98.8	16.4	184.4	
Sponsored Programs/Nonexchange Sponsored Programs	60.0	71.7	11.7	143.4	
State Appropriations	43.1	44.3	1.2	88.6	
Net Tuition and Fees	30.9	29.1	(1.8)	58.0	
Auxiliary Revenues/Sales & Services of Educational Activities	18.8	15.9	(2.8)	27.0	
Net Investment Income	5.8	7.7	1.9	13.2	
Other Operating Revenues/Gift Contributions for Operations	13.6	6.5 *	(7.1)	17.6 *	
Total Revenues	254.6	274.1	19.5	532.2	535.9
Salaries and Wages/Payroll Related Costs	164.1	173.6	9.5	340.3	
Materials and Supplies/Cost of Goods Sold	38.7	36.2	(2.5)	71.1	
Depreciation and Amortization	17.5	17.7	0.2	36.8	
Other Contracted Services/Professional Fees & Services	25.2	23.9	(1.4)	46.5	
All Other Operating Expenses	29.1	29.7	0.7	55.8	
Total Expenses	\$ 274.6	281.1	6.6	550.5	550.6
Adjusted Income (Loss)	(20.0)	(7.1)	12.9	(18.3)	(14.8)
Adjusted Income (Loss) Excluding Depr & Amort Exp	(2.5)	10.6	13.1	18.5	21.7



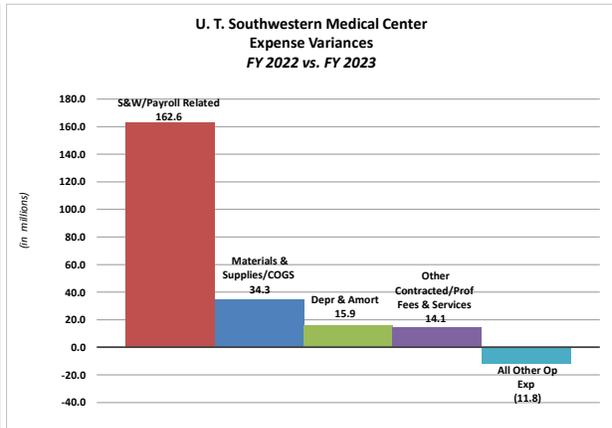
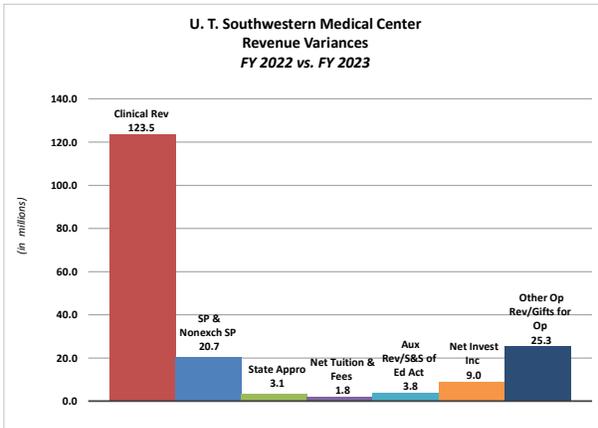
*Other Operating Income includes 30% of UTHET's net adjusted loss which was \$1.7 million through February. The projected loss of \$18.3 million includes \$3.8 million of UTHET's net adjusted income for the year.

Monthly Financial Report
Comparison of Operating Results, Margin, Projected Year-End and Budget
For the Period Ending February 28, 2023

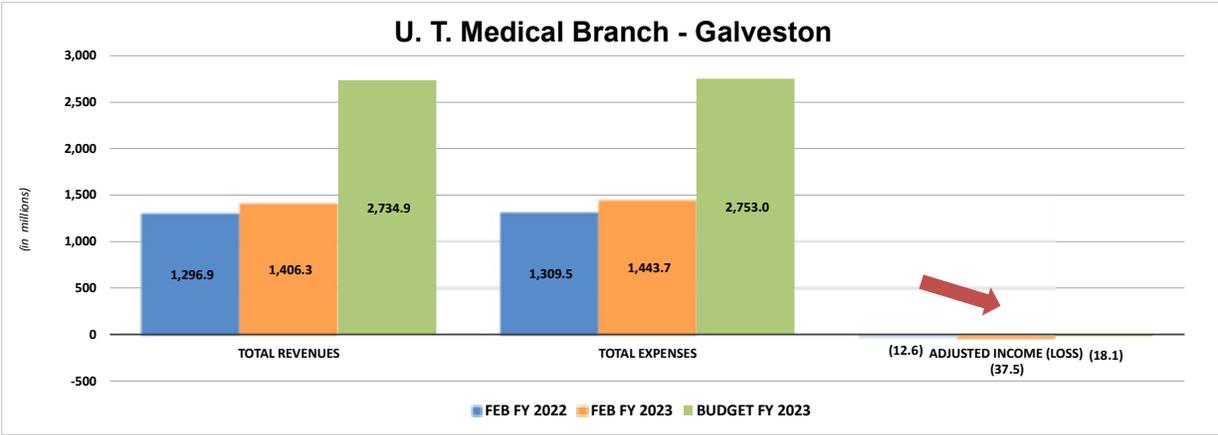


U. T. Southwestern Medical Center incurred a year-to-date adjusted loss of \$26.9 million, a decrease of \$27.9 million (2,842%) from the prior year. The decrease was primarily due to an increase in salaries and wages and payroll related costs as a result of increases in staff and faculty positions associated with growth in both the hospitals and clinical operations. The most current projection received from U. T. Southwestern Medical Center reflects income of \$47.4 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 1,403.1	1,526.5	123.5	3,102.3	
Sponsored Programs/Nonexchange Sponsored Programs	399.5	420.2	20.7	836.9	
State Appropriations	92.7	95.8	3.1	195.7	
Net Tuition and Fees	12.3	14.1	1.8	28.3	
Auxiliary Revenues/Sales & Services of Educational Activities	18.9	22.7	3.8	45.3	
Net Investment Income	89.6	98.7	9.0	186.2	
Other Operating Revenues/Gift Contributions for Operations	122.3	147.5	25.3	300.3	
Total Revenues	2,138.4	2,325.6	187.2	4,694.9	4,580.3
Salaries and Wages/Payroll Related Costs	1,325.8	1,488.4	162.6	2,973.5	
Materials and Supplies/Cost of Goods Sold	411.6	445.9	34.3	869.3	
Depreciation and Amortization	124.1	139.9	15.9	279.9	
Other Contracted Services/Professional Fees & Services	123.3	137.4	14.1	262.2	
All Other Operating Expenses	152.7	140.8	(11.8)	262.7	
Total Expenses	\$ 2,137.4	2,352.5	215.0	4,647.5	4,510.5
Adjusted Income (Loss)	1.0	(26.9)	(27.9)	47.4	69.7
Adjusted Income (Loss) Excluding Depr & Amort Exp	125.1	113.1	(12.0)	327.3	337.0

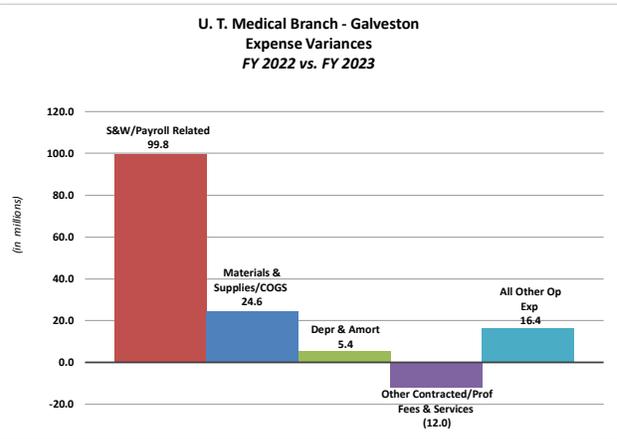
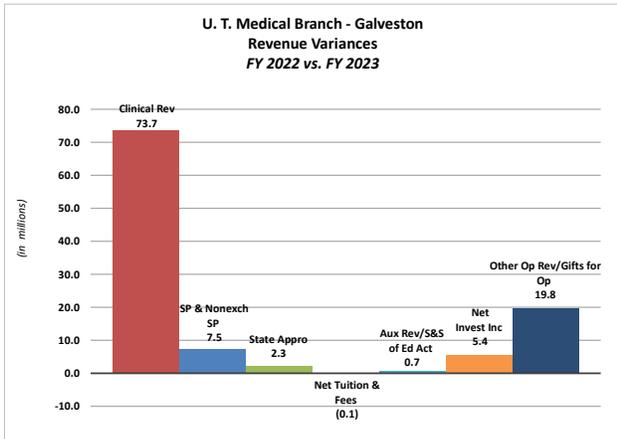


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending February 28, 2023

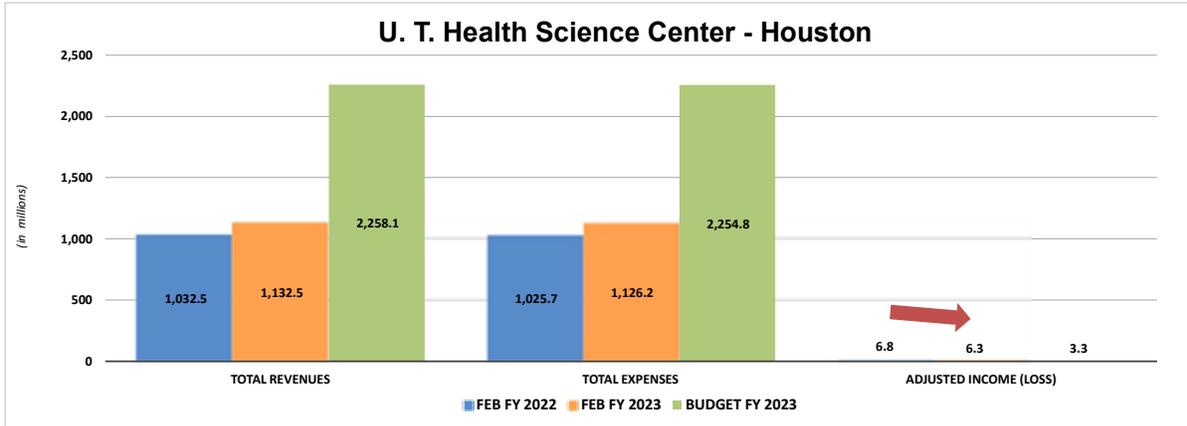


U. T. Medical Branch - Galveston incurred a year-to-date adjusted loss of \$37.5 million, an increase in adjusted loss of \$24.9 million (197%) from the prior year. The increase was primarily attributable to an increase in salaries and wages and payroll related costs as a result of increases in staff and faculty positions combined with merit and market increases. The most current projection received from U. T. Medical Branch - Galveston reflects a loss of \$18.1 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 875.5	949.2	73.7	1,937.0	
Sponsored Programs/Nonexchange Sponsored Programs	120.1	127.6	7.5	266.2	
State Appropriations	179.5	181.8	2.3	362.9	
Net Tuition and Fees	26.8	26.7	(0.1)	52.0	
Auxiliary Revenues/Sales & Services of Educational Activities	12.7	13.4	0.7	27.2	
Net Investment Income	35.5	40.9	5.4	73.0	
Other Operating Revenues/Gift Contributions for Operations	46.9	66.7	19.8	142.1	
Total Revenues	1,296.9	1,406.3	109.4	2,860.4	2,734.9
Salaries and Wages/Payroll Related Costs	780.0	879.9	99.8	1,757.8	
Materials and Supplies/Cost of Goods Sold	189.4	214.0	24.6	419.5	
Depreciation and Amortization	105.3	110.8	5.4	224.3	
Other Contracted Services/Professional Fees & Services	118.6	106.5	(12.0)	213.1	
All Other Operating Expenses	116.1	132.6	16.4	263.8	
Total Expenses	\$ 1,309.5	1,443.7	134.2	2,878.6	2,753.0
Adjusted Income (Loss)	(12.6)	(37.5)	(24.9)	(18.1)	(18.1)
Adjusted Income (Loss) Excluding Depr & Amort Exp	92.8	73.3	(19.4)	206.2	207.5

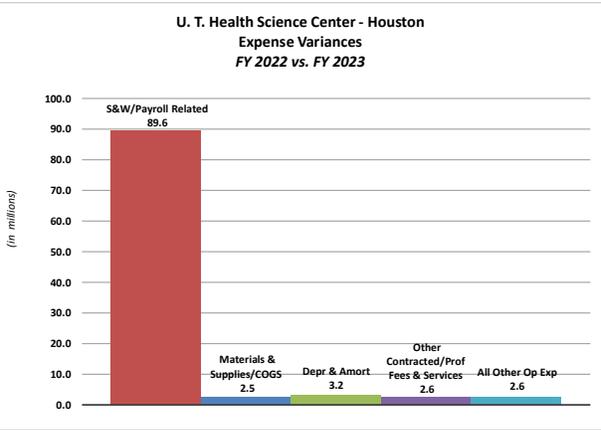
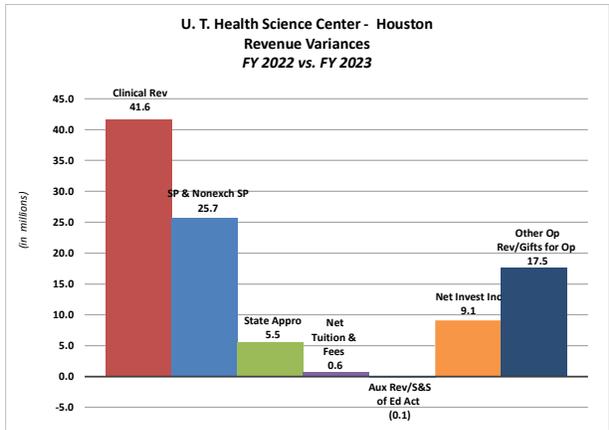


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending February 28, 2023

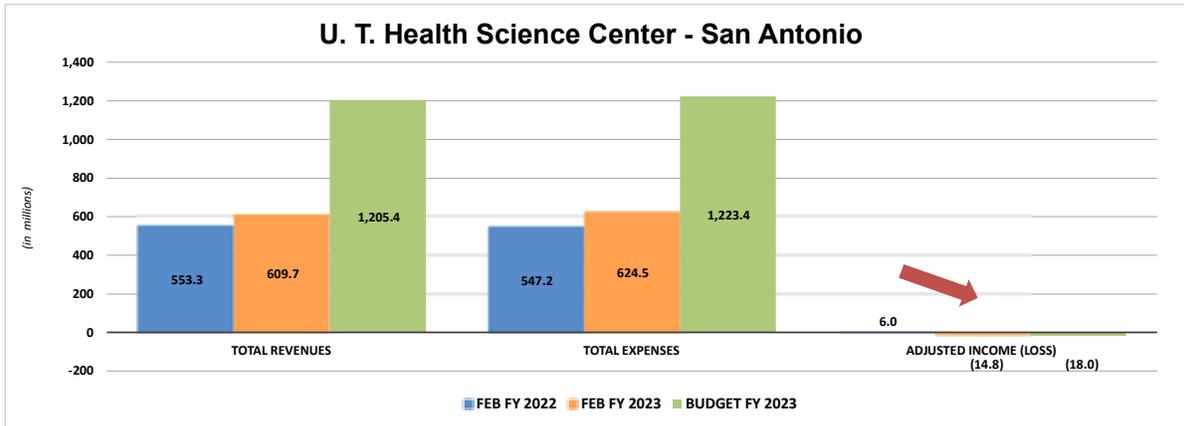


U. T. Health Science Center - Houston reported year-to-date adjusted income of \$6.3 million, a decrease in adjusted income of \$0.5 million (7%) from the prior year. The decrease was primarily due to an increase in salaries and wages and payroll related costs attributable to an increase in staff and faculty positions largely related to the opening of the Dunn Center Building. The most current projection received from U. T. Health Science Center - Houston reflects income of \$14.4 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 271.1	312.8	41.6	629.9	
Sponsored Programs/Nonexchange Sponsored Programs	508.4	534.1	25.7	1,084.4	
State Appropriations	107.8	113.2	5.5	225.9	
Net Tuition and Fees	38.1	38.7	0.6	70.3	
Auxiliary Revenues/Sales & Services of Educational Activities	35.3	35.2	(0.1)	70.4	
Net Investment Income	44.1	53.2	9.1	86.3	
Other Operating Revenues/Gift Contributions for Operations	27.7	45.2	17.5	93.7	
Total Revenues	1,032.5	1,132.5	100.0	2,260.9	2,258.1
Salaries and Wages/Payroll Related Costs	789.6	879.2	89.6	1,751.1	
Materials and Supplies/Cost of Goods Sold	50.5	53.0	2.5	106.1	
Depreciation and Amortization	54.2	57.4	3.2	114.7	
Other Contracted Services/Professional Fees & Services	58.5	61.0	2.6	122.1	
All Other Operating Expenses	72.9	75.5	2.6	152.5	
Total Expenses	\$ 1,025.7	1,126.2	100.4	2,246.5	2,254.8
Adjusted Income (Loss)	6.8	6.3	(0.5)	14.4	3.3
Adjusted Income (Loss) Excluding Depr & Amort Exp	61.0	63.7	2.7	129.1	80.7

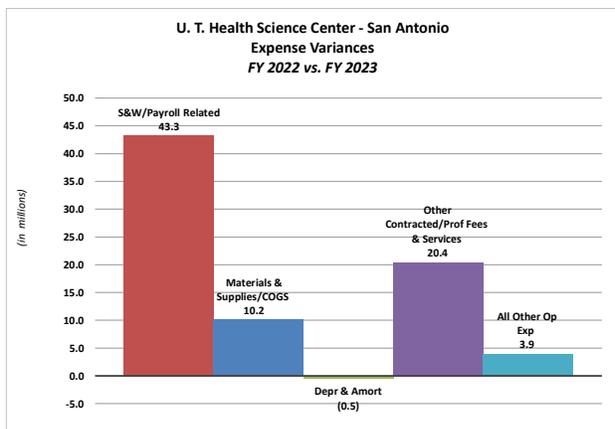
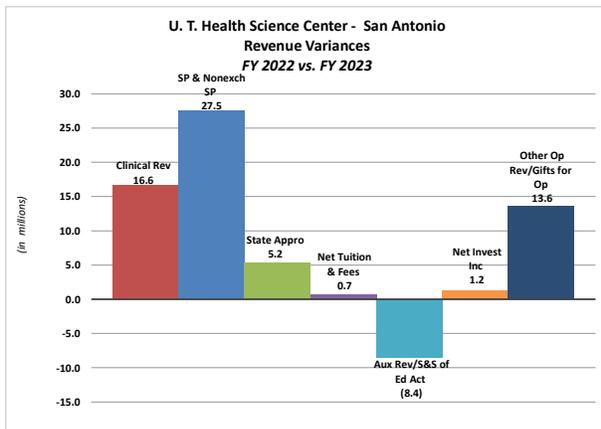


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending February 28, 2023

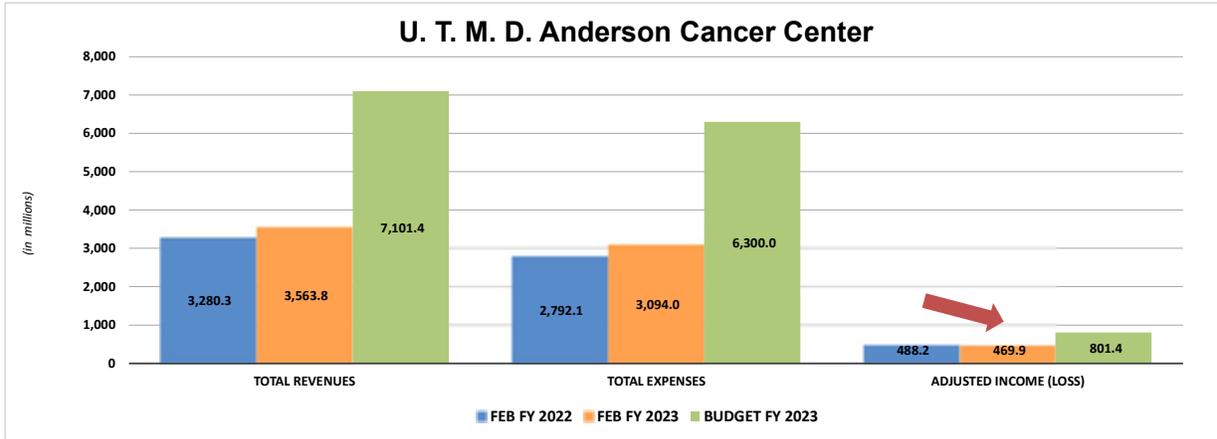


U. T. Health Science Center - San Antonio incurred a year-to-date adjusted loss of \$14.8 million, a decrease of \$20.8 million (344%) from the prior year. The decrease was primarily attributable to an increase in salaries and wages and payroll related costs as a result of an increase in clinical faculty and staff positions associated with increased clinical volume and research growth. The most current projection received from U. T. Health Science Center – San Antonio reflects a loss of \$13.8 million for the year, which represents a \$4.2 million improvement over the planned \$18.0 million operating deficit.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 158.0	174.6	16.6	376.5	
Sponsored Programs/Nonexchange Sponsored Programs	218.0	245.5	27.5	511.4	
State Appropriations	86.4	91.7	5.2	178.0	
Net Tuition and Fees	27.0	27.7	0.7	56.8	
Auxiliary Revenues/Sales & Services of Educational Activities	23.2	14.8	(8.4)	27.7	
Net Investment Income	29.6	30.8	1.2	52.5	
Other Operating Revenues/Gift Contributions for Operations	11.1	24.7	13.6	42.0	
Total Revenues	553.3	609.7	56.4	1,244.8	1,205.4
Salaries and Wages/Payroll Related Costs	368.4	411.7	43.3	843.7	
Materials and Supplies/Cost of Goods Sold	60.5	70.6	10.2	146.3	
Depreciation and Amortization	34.7	34.2	(0.5)	69.8	
Other Contracted Services/Professional Fees & Services	36.3	56.7	20.4	88.8	
All Other Operating Expenses	47.4	51.2	3.9	110.0	
Total Expenses	\$ 547.2	624.5	77.2	1,258.6	1,223.4
Adjusted Income (Loss)	6.0	(14.8)	(20.8)	(13.8)	(18.0)
Adjusted Income (Loss) Excluding Depr & Amort Exp	40.7	19.5	(21.2)	56.0	51.8



Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending February 28, 2023



U. T. M. D. Anderson Cancer Center reported year-to-date adjusted income of \$469.9 million, a decrease in adjusted income of \$18.3 million (4%) from the prior year. The decrease was primarily due to an increase in salaries and wages and payroll related costs attributable to an increase in staff and faculty positions. The most current projection received from U. T. M. D. Anderson Cancer Center reflects income of \$783.6 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 2,574.3	2,806.1	231.8	5,799.9	
Sponsored Programs/Nonexchange Sponsored Programs	264.0	276.5	12.5	589.7	
State Appropriations	104.7	104.6	(0.2)	209.5	
Net Tuition and Fees	1.4	1.5	0.1	2.0	
Auxiliary Revenues/Sales & Services of Educational Activities	17.5	20.4	2.8	38.4	
Net Investment Income	189.7	227.3	37.6	339.2	
Other Operating Revenues/Gift Contributions for Operations	128.6	127.5	(1.1)	248.0	
Total Revenues	3,280.3	3,563.8	283.6	7,226.6	7,101.4
Salaries and Wages/Payroll Related Costs	1,572.1	1,724.9	152.8	3,604.9	
Materials and Supplies/Cost of Goods Sold	677.4	780.4	102.9	1,630.9	
Depreciation and Amortization	194.0	186.2	(7.7)	363.2	
Other Contracted Services/Professional Fees & Services	206.3	236.7	30.4	494.7	
All Other Operating Expenses	142.3	165.7	23.4	349.3	
Total Expenses	\$ 2,792.1	3,094.0	301.8	6,443.0	6,300.0
Adjusted Income (Loss)	488.2	469.9	(18.3)	783.6	801.4
Adjusted Income (Loss) Excluding Depr & Amort Exp	682.1	656.1	(26.0)	1,146.8	1,168.8

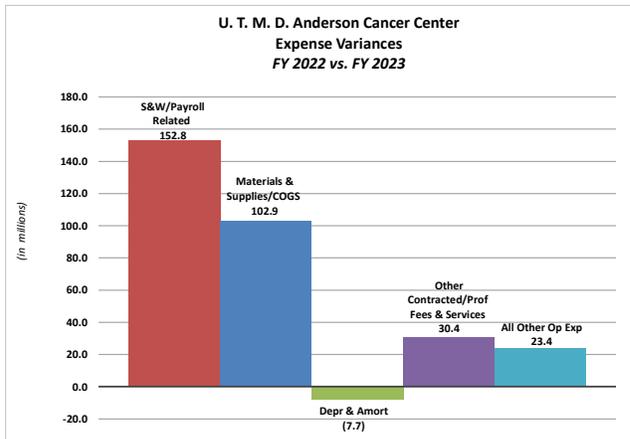
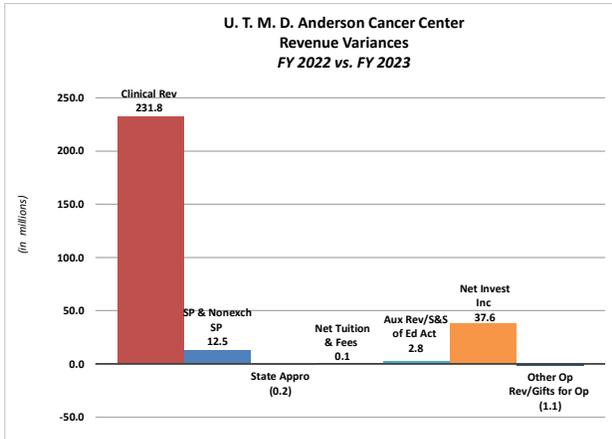




TABLE OF CONTENTS FOR ACADEMIC AFFAIRS COMMITTEE

Committee Meeting: 5/3/2023

Board Meeting: 5/4/2023
Austin, Texas

Rad Weaver, Chairman
Christina Melton Crain
R. Steven Hicks
Janiece Longoria
Nolan Perez
Stuart W. Stedman

	Committee Meeting	Board Meeting	Page
Convene	<i>3:15 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	72
2. U. T. Rio Grande Valley: Approval to establish a Doctor of Philosophy in Computer Science with Interdisciplinary Applications degree program	Action <i>President Bailey</i>	Action	73
Adjourn	<i>3:45 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 109](#).

2. U. T. Rio Grande Valley: Approval to establish a Doctor of Philosophy in Computer Science with Interdisciplinary Applications 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 Science with Interdisciplinary Applications degree program at U. T. Rio Grande Valley; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

BACKGROUND INFORMATION

Program Description

U. T. Rio Grande Valley proposes a Doctor of Philosophy (Ph.D.) in Computer Science with Interdisciplinary Applications degree program, which will be designed to provide rigorous, fundamental training in computer science and the application of computational methods to other disciplines, including science, business, medicine, health care, and engineering. The program will be designed to prepare graduates to become faculty at research-intensive universities or to establish research careers in industry. Students entering with a bachelor's (B.S.) degree will be required to complete 72 Semester Credit Hours (SCH) while those entering with a master's (M.S.) degree in computer science or a related field will complete 54 SCH. All students will complete 12 SCH of required core coursework covering fundamental computer science theory and systems, research seminars to connect students with faculty mentors, and doctoral training to increase accessibility and elevate soft skills critical for collaboration and productivity. They will also complete 3 SCH of a prescribed elective focused on advanced operating systems, computer architecture, or parallel computing. Students will also need to complete 36 SCH of research/dissertation, with research activities beginning in the first semester of study. Remaining coursework is chosen from computer science and interdisciplinary electives by the student together with their advisor to best support each student's research development.

Need and Student Demand

Workforce projections in the U.S. and the State of Texas predict a large and ongoing shortage of workers in computer science and related fields. This includes the long-standing shortage in technology-focused industries such as software development, communications, and cybersecurity, and is now exacerbated by the rapid adoption of computational, data-driven methods across engineering, business, healthcare, logistics, and other sectors. Data from the National Science Foundation (NSF) and the National Center for Science and Engineering Statistics (NCSES) databases and the 2021 Taulbee Survey data demonstrate an increasing demand for doctorally qualified computer science graduates.

The number of graduates with B.S. and M.S. degrees has grown nationally by 175% (212% in Texas) since 2010. The number of Ph.D. graduates has not kept pace, growing only 44% nationally and 39% in Texas over the last decade. In the year 2020, there were only 1,935 computer science Ph.D. graduates in the U.S. and 146 in Texas. This is not enough to support the current or projected growth in academic computer science programs, as computer science departments across the nation struggle to hire faculty to support undergraduate and master's-level program growth. As a result, the gap between the supply of qualified B.S. and M.S. computer science graduates and workforce demand continues to grow.

This shortage of computer science Ph.D. graduates is detrimental to the research enterprise. Data-driven computational methods have revolutionized research in all fields. A search of the NSF awards database shows that 40% (19,254) of all active grant awards contain the word "computation" in their title or abstract. Research teams need interdisciplinary collaboration with computer science faculty and students, especially at the Ph.D. level.

A significant contributing factor to the shortage in academia is the increasing demand for Ph.D. graduates in the industrial workforce. The 2021 Taulbee Survey showed that 58% of computer science Ph.D.'s produced in North America went into industry or government and only 32% took academic positions in North America. Even in the current down market for traditional "big tech", the need for computational expertise is ramping up in every other quantitative sector. Searching for open job listings on indeed.com in computer science with a Ph.D. as a job requirement returns 15,905 in the U.S. and 893 in Texas.

Program Quality

The program will begin with seven core faculty and anticipates hiring one new faculty member each year in the first two years of the program. Current core faculty are active scholars, producing 194 refereed papers and receiving more than \$14 million in external grant awards in the past five years. An additional 10 faculty will serve as support faculty, providing a wide range of expertise from engineering, mathematics and statistics, biomedical sciences, and human genetics. This year, seven research-oriented, tenure-track faculty were hired by the College of Engineering and Computer Science in a college-wide cluster hire in artificial intelligence, machine learning, and intelligent systems. Two of those faculty are assigned to the Department of Computer Science, and all the cluster of hires are expected to be involved in research collaborations surrounding the proposed program.

Computation is an increasingly critical tool for every scientific endeavor. Faculty supporting this proposal come from the computer science engineering, the sciences, mathematics, statistics, business, and health professions, including medicine. Through this partnership, students will participate in joint research projects, training for effective collaboration across disciplinary boundaries to maximize their career options and impact.

Core to the mission as a regional Hispanic-Serving Institution is to create accessible pathways from secondary education to career. In research, this often means introducing and mentoring students who have never considered a research career and have no background or model of it. The program faculty have a strong record of successfully including undergraduate and master's-level students on their projects and publications. The proposed program will widen this pipeline and raise the ceiling with a cycle of increased opportunities and Ph.D. students training to mentor and engage.

Revenue and Expenses

Expenses	5-Year Total
<i>Faculty</i>	
Salaries	\$2,710,569
Benefits	\$ 758,959
<i>Graduate Students</i>	
GRA Salaries	\$3,657,600
GRA Benefits	\$ 182,880
<i>Staff & Administration</i>	
Administrative Staff Salaries	\$ 179,165
Staff Benefits	\$ 53,749
<i>Other Expenses</i>	
Scholarships	\$1,198,555
Equipment	\$ 120,000
Library Resources	\$ 10,000
Student Travel	\$ 15,000
Total Expenses	\$8,886,477

Revenue	5-Year Total
<i>From Student Enrollment</i>	
Formula Funding	\$1,279,556
Tuition and Fees	\$ 888,624
<i>From Institutional Funds</i>	
Reallocation of Existing Resources	\$3,974,115
Institutional Enhancement	\$1,956,215
<i>From Grant Funds</i>	
Grant-funded GRAs	\$ 789,451
Total Revenue	\$8,887,961

Coordinating Board Criteria

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



TABLE OF CONTENTS FOR HEALTH AFFAIRS COMMITTEE

Committee Meeting: 5/3/2023

Board Meeting: 5/4/2023
Austin, Texas

Christina Melton Crain, Chairman
R. Steven Hicks
Jodie Lee Jiles
Janiece Longoria
Nolan Perez
Stuart W. Stedman

	Committee Meeting	Board Meeting	Page
Convene	<i>3:45 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	77
Adjourn			

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 109](#).



**TABLE OF CONTENTS
FOR
FACILITIES PLANNING AND CONSTRUCTION
COMMITTEE**

Committee Meeting: 5/3/2023

Board Meeting: 5/4/2023
Austin, Texas

R. Steven Hicks, Chairman
Christina Melton Crain
Nolan Perez
Stuart W. Stedman
Kelcy L. Warren
Rad Weaver

	Committee Meeting	Board Meeting	Page
Convene	<i>4:15 p.m.</i> <i>Chairman Hicks</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	80
2. U. T. Austin: Erwin Center Demolition - Amendment of the current Capital Improvement Program to include project; approval of total project cost; and appropriation of funds	Action <i>President Hartzell</i>	Action	81
3. U. T. Austin: Engineering Discovery Building - Amendment of the current Capital Improvement Program to increase total project cost; approval of design development; and appropriation of funds and authorization of expenditure	Action <i>President Hartzell</i>	Action	83
4. U. T. Austin: Library Storage Facility Phase IV - Approval of design development; and appropriation of funds and authorization of expenditure	Action <i>President Hartzell</i>	Action	87
5. U. T. San Antonio: Blanco Hall - 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 Eighmy</i>	Action	90
6. U. T. Health Science Center - Houston: Public Health Education and Research Building - Amendment of the current Capital Improvement Program to decrease total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	Action <i>President Colasurdo</i>	Action	94

	Committee Meeting	Board Meeting	Page
7. U. T. M. D. Anderson Cancer Center: Renovate Acute Cancer Care Center - 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	98
8. U. T. M. D. Anderson Cancer Center: Replace Uninterruptible Power Supply Systems - 1 Mid Campus Data Center - Amendment of the current Capital Improvement Program to include project; approval of total project cost; approval of design development; and appropriation of funds and authorization of expenditure	Action <i>President Pisters</i>	Action	100
9. U. T. M. D. Anderson Cancer Center: Replace Uninterruptible Power Supply Systems - Guhn Road Data Center - Amendment of the current Capital Improvement Program to include project; approval of total project cost; approval of design development; and appropriation of funds and authorization of expenditure	Action <i>President Pisters</i>	Action	103
10. U. T. M. D. Anderson Cancer Center: Modular Vivarium - Amendment of the current Capital Improvement Program to increase total project cost; approval of design development; and appropriation of funds and authorization of expenditure	Action <i>President Pisters</i>	Action	106
Adjourn	<i>5:00 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 109](#).

2. U. T. Austin: Erwin Center Demolition - 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 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 Erwin Center Demolition project at The University of Texas at Austin as follows:

- a. amend the current CIP and approve a total project cost of \$25,000,000; and
- b. appropriate funds of \$25,000,000 from the Available University Fund (AUF).

BACKGROUND INFORMATION

Previous Action

On January 10, 2023, the Chancellor approved this project for Definition Phase.

Project Description

The proposed project consists of demolition of the Frank C. Erwin Jr. Center (ERC) and the Denton A. Cooley Pavilion (DCP) to make room for the expansion of the Dell Medical School. The existing ERC is a 500,000 square foot, six-story multi-purpose arena built in 1977, and the adjacent DCP is a 44,000 square foot, three-story basketball training facility built in 2003. The project site is located at the southeast end of U. T. Austin's campus and is bounded by East Interstate 35 to the east, Red River Street to the west, the Dell Medical School Health Learning Building to the south, and the Little Campus to the north.

The project consists of demolition and complete abatement of hazardous materials of the ERC and the DCP and will begin with vacating both facilities by mid-2023. The debris will be sorted, and steel will be recycled and hauled off site to appropriate facilities. All utilities will be cut and capped at the limits of construction, and all utilities within the limits of demolition will be removed. Site drainage will include an area inlet at the center point of the hole, grading the hole to drain towards the area inlet, and will connect to existing drainage infrastructure. Tree protection will be provided and hydro mulch seeding installed to help stabilization of the bottom of the site and to prevent sediment runoff.

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 May 10, 2017 Board of Regents approval, 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
Erwin Center Demolition**

Project Information

Project Number 102-1458
 CIP Project Type Repair and Rehabilitation
 Facility Type Athletic
 Management Type Institutional Management
 Institution’s Project Advocate Glenn Deaver, Executive Director of Facility Management and Operations, Dell Medical School
 Project Delivery Method Design-Build
 Gross Square Feet (GSF) 544,000

Project Funding

Available University Fund	<u>Proposed</u> <u>\$25,000,000</u>
Total Project Cost	\$25,000,000

Project Cost Detail

	Cost
Building Cost	\$18,195,320
Institutionally Managed Work	661,732
Architectural/Design Services	2,043,825
Project Management	625,000
Insurance	794,223
Other Professional Fees	733,900
Project Contingency	1,275,000
Other Costs	671,000
Total Project Cost	\$25,000,000

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	May 2023
Design Development Approval	June 2023
Construction Notice to Proceed	June 2023
Substantial Completion	September 2024
Final Completion	October 2024

3. U. T. Austin: Engineering Discovery Building - Amendment of the current Capital Improvement Program to increase total project cost; approval of design development; 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 recommendation for the Engineering Discovery Building 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 \$316,000,000 to \$332,000,000;
- b. approve design development plans; and
- c. appropriate funds and authorize expenditure of \$332,000,000 with funding of \$122,000,000 from Available University Fund (AUF), \$120,000,000 from Permanent University Fund (PUF) Bond Proceeds, \$85,000,000 from Gifts, and \$5,000,000 from Unexpended Plant Funds.

BACKGROUND INFORMATION

Previous Actions

On November 14, 2019, the Board approved \$120,000,000 in PUF Bond Proceeds for the Chemical and Petroleum Engineering Replacement Building project. On March 5, 2021, the Chancellor approved the project for Definition Phase. On May 3, 2021, the Assistant Vice Chancellor for Capital Projects approved the non-honorary renaming of the project to Engineering Discovery Building. On August 25, 2022, the project was included in the CIP with a total project cost of \$316,000,000 with funding of \$106,000,000 from AUF, \$120,000,000 from PUF Bond Proceeds, \$85,000,000 from Gifts and \$5,000,000 from Unexpended Plant Funds.

Project Description

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

The proposed increase in total project cost is for the addition of the Facilities Complex Building 4. This enabling project will house the Utilities and Energy Management, Electrical and Mechanical Distribution, Insulator Shop, Machine Shop, Information Technology Services (ITS)

Cabling and Construction Team and the ITS Warehouse departments being relocated from the current Service Building.

The seven-story EDB will support research within the Cockrell School of Engineering and will be the home for the Hildebrand Department of Petroleum and Geosystems Engineering and the McKetta Department of Chemical Engineering. Incorporating flexible and reconfigurable research labs, integrated teaching labs and classrooms, and collaborative areas for students and faculty, this project will further support student and faculty recruitment, development, and retention by providing the facilities necessary to keep programs competitive with peers.

**The University of Texas at Austin
Engineering Discovery Building**

Project Information

Project Number 102-1347
 CIP Project Type New Construction
 Facility Type Laboratory, General
 Management Type Institutional Management
 Institution’s Project Advocate John Ekerdt, Associate Dean for Research,
 Cockrell School of Engineering
 Project Delivery Method Construction Manager-at-Risk
 Gross Square Feet (GSF) 207,094 – Engineering Discovery Building
 24,000 – Facilities Complex Building 4

Project Funding

	<u>Current</u>	<u>Proposed</u>
Permanent University Fund Bond Proceeds	\$120,000,000	\$120,000,000
Available University Fund	106,000,000	122,000,000
Gifts ¹	85,000,000	85,000,000
Unexpended Plant Funds	<u>5,000,000</u>	<u>5,000,000</u>
Total Project Cost	<u>\$316,000,000</u>	<u>\$332,000,000</u>

¹ Gifts are not fully collected at this time however, U. T. Austin has the operating reserves to cover any shortfall.

Project Cost Detail

	Cost
Building Cost	
Engineering Discovery Building	\$200,935,068
FC4 Renovation and Expansion	13,629,105
Fixed Equipment	11,588,825
Site Development	19,252,616
Furniture and Moveable Equipment	8,789,860
Institutionally Managed Work	15,456,100
Architectural/Design Services	23,832,049
Project Management	6,010,000
Insurance	6,981,439
Other Professional Fees	8,721,853
Project Contingency	16,189,022
Other Costs	614,063
Total Project Cost	<u>\$332,000,000</u>

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

Engineering Discovery Building	\$970		
Texas Higher Education Coordinating Board Average – Laboratory, General	\$768		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$620	\$676	\$762
Other National Projects	\$594	\$749	\$1,015

**The University of Texas at Austin
Engineering Discovery Building**
(continued)

Facilities Complex Building 4	\$568		
Texas Higher Education Coordinating Board Average – Other	\$910		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$170	\$256	\$417
Other National Projects	\$414	\$668	\$805

Investment Metrics

- Provide state-of-the-art classrooms and laboratories fulfilling promise of 2014 Cockrell School of Engineering Strategic Master Plan Update and the 2021 New Engineering Building Formation Study by 2026
- Consolidate program footprint into a more cohesive precinct of buildings allowing closer coordination of programs and sharing of facilities by 2026

Project Planning

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

Project Milestones

Definition Phase Approval	March 2021
Addition to CIP	August 2022
Design Development Approval	May 2023
Construction Notice to Proceed	December 2023
Substantial Completion	April 2026
Final Completion	June 2026

Basis of Design

The planned building life expectancy includes the following elements:

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

4. U. T. Austin: Library Storage Facility Phase IV - Approval of design development; 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 recommendation for the Library Storage Facility Phase IV project at The University of Texas at Austin as follows:

- a. approve design development plans; and
- b. appropriate funds and authorize expenditure of \$47,000,000 from Available University Fund (AUF).

BACKGROUND INFORMATION

Previous Actions

On September 2, 2021, the Chancellor approved the project for Definition Phase. On February 23, 2023, the project was included in the CIP with a total project cost of \$47,000,000 with funding from AUF.

Project Description

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

The gross square footage (GSF) has increased from 39,640 GSF to 44,393 GSF to allow for wider rows between high bay racks to accommodate retrieval equipment. Incorporating processing and research space with cool high bay, cool low bay, and cold low bay storage, this project will streamline the intake and processing of materials by centralizing these functions, provide the necessary adjacencies, and allow for flexibility in the future. A new public facing Research Center will allow scholars to perform research without the need to transport sensitive materials back to the main campus and provide capacity to properly store and preserve material for future generations.

**The University of Texas at Austin
Library Storage Facility Phase IV**

Project Information

Project Number	102-1358
CIP Project Type	New Construction
Facility Type	Library/Study Facilities
Management Type	Institutional Management
Institution's Project Advocate	Ross Johnson, Assistant Vice Provost, Director of Academic Facilities Planning and Management
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	44,393

Project Funding

Available University Fund	<u>Current</u> <u>\$47,000,000</u>
Total Project Cost	<u>\$47,000,000</u>

Project Cost Detail

	Cost
Building Cost	\$26,000,000
Fixed Equipment	7,500,000
Site Development	2,000,000
Furniture and Moveable Equipment	685,000
Institutionally Managed Work	989,000
Architectural/Design Services	2,756,000
Project Management	1,175,000
Insurance	910,000
Other Professional Fees	1,000,000
Project Contingency	2,820,000
Other Costs	1,165,000
Total Project Cost	\$47,000,000

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

Library Storage Facility Phase IV	\$586
Texas Higher Education Coordinating Board Average – Library/Study Facilities	\$554
	Low Quartile Median High Quartile
Other National Projects	\$521 \$627 \$886

**The University of Texas at Austin
Library Storage Facility Phase IV**
(continued)

Investment Metrics

- Maintain collections of documents, photos, and artifacts for The Briscoe Center, the Harry Ransom Center, and University of Texas Libraries by 2025
- Fulfill vision detailed in the 2015 Collections Master Plan by 2025
- Provide storage and retrieval of collections currently housed at Harry Ransom Center while it is renovated 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	July 2021
Addition to CIP	February 2023
Design Development Approval	May 2023
Construction Notice to Proceed	November 2023
Substantial Completion	January 2025
Final Completion	February 2025

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50 years
- Building Systems: 35 years
- Interior Construction: 35 years

5. U. T. San Antonio: Blanco Hall - 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 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 Blanco Hall 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 \$87,000,000 to \$89,500,000;
- b. approve design development plan;
- c. appropriate funds and authorize expenditure of \$89,500,000 with funding of \$85,000,000 from Revenue Financing System (RFS) Bond Proceeds and \$4,500,000 from Designated Funds; 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. 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 \$85,000,000.

BACKGROUND INFORMATION

Debt Service

The \$85,000,000 in RFS debt will be repaid from rental income. Annual debt service on the \$85,000,000 in RFS debt is expected to be \$4.73 million. 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 August 4, 2022, the Chancellor approved this project for Definition Phase. On February 23, 2023, the Student Housing Phase IV project was included in the CIP with a total project cost of \$87,000,000 with funding of \$82,500,000 from RFS Bond Proceeds and

\$4,500,000 from Designated Funds. On March 15, 2023, the Assistant Vice Chancellor for Capital Projects approved the project name change to Blanco Hall.

Project Description

The proposed project will construct a new dormitory-style residence hall to house 594 undergraduate students and will be located on the Northwest corner of the Main Campus. Designed with student success in mind, the hall will feature a variety of common spaces for study and community-building activities and be in close proximity to dining facilities and other existing housing communities. The residence hall will offer a mix of single and double-bed units configured in pods around shared community spaces. The project will include open vending space with indoor and outdoor seating area, multiple spaces for individual and group studying, and outdoor public space connecting to the Roadrunner Cafe.

The proposed increase in the total project cost will provide for a Dietetics Kitchen which is a shared nutrition, research and practice laboratory for utilization by the campus community for a health, community and policy-coordinated program in dietetics and for cooking classes. The Dietetics Kitchen will also utilize a multipurpose room as an Education and Training Center and will engage students in meaningful research related to chronic disease prevention.

Providing quality on-campus residential experiences is one of the many keys to fostering student success. Retention rates for students living on campus are consistently higher than for those who live off campus, especially for first-generation students. In support of the university's strategic vision, the hall will expand the residential experience to a greater number of students and drive student retention and success through programming that emulates best practices for student engagement. This project will increase student housing capacity on the Main Campus to meet 96% of the 2025 projected housing demand of 5,440 beds.

**The University of Texas at San Antonio
Blanco Hall**

Project Information

Project Number	401-1419
CIP Project Type	New Construction
Facility Type	Housing, Dormitory
Management Type	Institutional Management
Institution's Project Advocate	Kevin Price, Senior Associate Vice President for Housing and Campus Services
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	155,510
Beds Added this Project	594

Project Funding

	<u>Current</u>	<u>Proposed</u>
Revenue Financing System Bond Proceeds ¹	\$82,500,000	\$85,000,000
Designated Funds	<u>4,500,000</u>	<u>4,500,000</u>
Total Project Cost	\$87,000,000	\$89,500,000

¹ RFS to be repaid from future rental income

Project Cost Detail

	Cost
Building Cost	\$70,426,020
Site Development	2,000,000
Furniture and Moveable Equipment	2,138,342
Institutionally Managed Work	651,034
Architectural/Design Services	4,051,927
Project Management	3,527,266
CIP Support Services	500,000
Insurance	1,293,902
Other Professional Fees	2,171,514
Project Contingency	2,739,995
Total Project Cost	\$89,500,000

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

Blanco Hall	\$118,562		
Regional Median Cost per Bed	\$110,413		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$102,987	\$119,198	\$143,292
Other National Projects	\$94,749	\$126,313	\$160,101

The University of Texas at San Antonio
Blanco Hall
(continued)

Investment Metrics

- Increase on-campus student housing capacity by 594, from 4,610 to 5,204 by 2025
- Increase on-campus student housing capacity to 96% of goal of 5,440 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	August 2022
Addition to CIP	February 2023
Design Development Approval	May 2023
Construction Notice to Proceed	August 2023
Substantial Completion	March 2025
Final Completion	April 2025

Student Housing Statistics

Waiting list for on-campus housing last semester	382
Total number of beds added in this project	594
Units to be demolished in this project	0
Total number of beds on campus after completion	5,204

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. Health Science Center - Houston: Public Health Education and Research Building - Amendment of the current Capital Improvement Program to decrease 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 Public Health Education and Research Building project at The University of Texas Health Science Center at Houston as follows:

- a. amend the current Capital Improvement Program (CIP) to decrease the total project cost from \$329,991,854 to \$320,615,578;
- b. approve design development plans;
- c. appropriate funds and authorize expenditure of \$320,615,578 with funding of \$170,595,000 from Revenue Financing System (RFS) Bond Proceeds; \$69,897,111 from Tuition Revenue Bond (TRB) Proceeds; \$60,123,467 from Permanent University Fund (PUF) Bond Proceeds, and \$20,000,000 from Designated Funds; 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. Health Science Center - Houston, 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 \$240,492,111.

BACKGROUND INFORMATION

Debt Service

The \$170,595,000 in RFS debt will be repaid from institutional funds. Annual debt service on the \$170,595,000 in RFS debt is expected to be \$9.5 million. 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 July 14, 2021, the Chancellor approved this project for Definition Phase. On November 17, 2022, the project was included in the CIP with a total project cost of \$329,991,854 with funding of \$179,971,000 from RFS Bond Proceeds, \$69,897,111 from TRB Funds, \$60,123,467 from PUF Bond Proceeds, and \$20,000,276 from Designated Funds.

Project Description

The Public Health Education and Research Building (PHERB) will consolidate the School of Public Health's faculty, staff, students, and residents from multiple locations into one 10-story, modernized building. Facility programs will include an auditorium, computational labs, and multi-purpose classrooms, as well as faculty and staff offices, wet research lab space, IT data center, teaching kitchen, simulation space, and an exterior garden.

The project will accommodate the future space needs of the Medical School, the School of Nursing, and other education and research programs. Located adjacent to U. T. M. D. Anderson's South Campus Research Building 5 concurrent project, the PHERB project includes support of a pedestrian bridge and a central plaza.

The proposed decrease in the total project cost is a result of value engineering opportunities to use alternate materials and simplify design concepts. Partial savings were also realized from revised insurance rates.

Pursuant to a Memorandum of Understanding effective September 1, 2020, U. T. Health Science Center - Houston has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas Health Science Center at Houston
Public Health Education and Research Building**

Project Information

Project Number	701-1357
CIP Project Type	New Construction
Facility Type	Classroom, Medical/Healthcare
Management Type	Institutional Management
Institution's Project Advocate	Eric Boerwinkle, Dean, School of Public Health
Project Delivery Method	Construction Manager-at-Risk
GSF	350,000

Project Funding

	<u>Current</u>	<u>Proposed</u>
Revenue Financing System Bond Proceeds ¹	\$179,971,000	\$170,595,000
Tuition Revenue Bond Proceeds	69,897,111	69,897,111
Permanent University Fund Bond Proceeds	60,123,467	60,123,467
Designated Funds	<u>20,000,276</u>	<u>20,000,000</u>
Total Project Cost	\$329,991,854	\$320,615,578

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from institutional funds

Project Cost Detail

	Cost
Building Cost	\$232,481,253
TMC3 Sky Bridge Easement and Construction (50%)	20,022,814
Shared Plaza (33%)	1,700,000
Fixed Equipment	1,162,406
Site Development	1,000,000
Furniture and Moveable Equipment	11,972,785
Institutionally Managed Work	1,162,406
Architectural/Design Services	18,598,500
Project Management	5,484,266
CIP Support Services	500,000
Insurance	3,835,941
Other Professional Fees	2,500,000
Project Contingency	19,194,930
Other Costs	1,000,277
Total Project Cost	\$320,615,578

**The University of Texas Health Science Center at Houston
Public Health Education and Research Building**
(continued)

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

Public Health Education and Research Building	\$664		
Texas Higher Education Coordinating Board Average – Classroom, Medical/Healthcare	\$643		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$488	\$541	\$633
Other National Projects	\$445	\$632	\$872

Investment Metrics

- Add labs and classrooms to support 30% enrollment increase by 2025
- Continue trend of increasing grants due to increase in faculty, staff, and students 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	July 2021
Addition to CIP	November 2022
Design Development Approval	May 2023
Construction Notice to Proceed	July 2023
Substantial Completion	June 2026
Final Completion	August 2026

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 30 years
- Building Systems: 30 years
- Interior Construction: 20 years

7. **U. T. M. D. Anderson Cancer Center: Renovate Acute Cancer Care Center - 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 Renovate Acute Cancer Care Center 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 \$21,000,000; and
- b. appropriate funds of \$21,000,000 from Hospital Revenues.

BACKGROUND INFORMATION

Previous Action

On February 10, 2022, the Chancellor approved this project for Definition Phase.

Project Description

The proposed project involves the renovation of the Acute Cancer Care Center that is located on Floors 1 and 2 of the institution's Main Building, which is located in the Texas Medical Center. The project includes light renovations on Floor 2 and extensive renovation of clinical space on Floor 1 to expand the current number of exam and triage rooms. Additional modifications will be made to the existing mechanical, electrical, plumbing, and information technology infrastructure systems that serve these areas, as well as architectural renovations and finish updates.

The renovation aligns with the institution's strategic goal to enhance the patient experience and is needed to improve the physical conditions and address capacity challenges of the existing space to meet hospital standards and ongoing growth volumes. The proposed improvements are aimed to enhance patient privacy, safety, and operational efficiency.

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
Renovate Acute Cancer Care Center**

Project Information

Project Number 703-1397
 CIP Project Type Repair and Rehabilitation
 Facility Type Healthcare Facility, Hospital
 Management Type Institutional Management
 Institution’s Project Advocate Martha Salas, Vice President for Inpatient
 Operations and Infrastructure
 Project Delivery Method Construction Manager-at-Risk
 Gross Square Feet (GSF) 30,400

Project Funding

Hospital Revenues	<u>Proposed</u> <u>\$21,000,000</u>
Total Project Cost	\$21,000,000

Project Cost Detail

	Cost
Building Cost	\$11,100,000
Fixed Equipment	600,000
Furniture and Moveable Equipment	2,500,000
Institutionally Managed Work	1,200,000
Architectural/Design Services	1,600,000
Project Management	1,400,000
Insurance	300,000
Other Professional Fees	260,000
Project Contingency	2,000,000
Other Costs	40,000
Total Project Cost	\$21,000,000

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	February 2022
Addition to CIP	May 2023
Design Development Approval	June 2023
Construction Notice to Proceed	February 2024
Substantial Completion	March 2026
Final Completion	April 2026

8. **U. T. M. D. Anderson Cancer Center: Replace Uninterruptible Power Supply Systems - 1 Mid Campus Data Center - Amendment of the current Capital Improvement Program to include project; approval of total project cost; approval of design development; and appropriation of funds and authorization of expenditure**

RECOMMENDATION

The Chancellor concurs with 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 Replace Uninterruptible Power Supply Systems - 1 Mid Campus Data Center project and approve the recommendation for the 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 \$12,100,000;
- b. approve design development plans; and
- c. appropriate funds and authorize expenditure of \$12,100,000 from Hospital Revenues.

BACKGROUND INFORMATION

Previous Action

On March 9, 2023, the Chancellor approved this project for Definition Phase.

Project Description

The proposed project will replace the uninterruptible power supply systems (UPS Systems) that serve U. T. M. D. Anderson's 1 Mid Campus (1MC) Data Center, which is located within the institution's 1MC building. The scope of the project includes replacing the six existing 675 kilowatt (kW) UPS Systems that were activated in 2011 with eight 750 kW UPS Systems yielding a combined capacity of 6,000 kW. The new UPS Systems have been sized to allow for stabilization of the facility to meet lifecycle and business operation demands on the current server load and accommodate projected growth in the data center demand for uninterruptible power. The project includes modifications to increase the emergency power capacity from 1.8 to 2.4 megawatts, the procurement and installation of active rear door heat exchangers for server racks and modifications to the electrical system, the air handling system, the chilled water system, and the surrounding space, as needed, to support the installation of the new UPS Systems and cooling equipment.

The institution is finalizing a long-term strategy for its data center operations. That strategy currently calls for the construction of a new data center and the reconfiguring of the existing data centers over the next several years. The modifications to be completed under this project are aligned with that long-term strategy and are needed to maximize the amount of power and cooling available for this data center to allow for future growth in the information technology systems and to extend the life of this data center.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. 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
Replace Uninterruptible Power Supply Systems - 1 Mid Campus Data Center**

Project Information

Project Number 703-1462
 CIP Project Type Repair and Rehabilitation
 Facility Type Utilities/Infrastructure
 Management Type Institutional Management
 Institution’s Project Advocate John Gillman, Director of IT Operations
 Project Delivery Method Construction Manager-at-Risk
 Gross Square Feet (GSF) 41,100

Project Funding

Hospital Revenues	<u>Proposed</u> <u>\$12,100,000</u>
Total Project Cost	\$12,100,000

Project Cost Detail

	Cost
Building Cost	\$3,000,000
Fixed Equipment	6,400,000
Architectural/Design Services	820,000
Project Management	190,000
Other Professional Fees	230,000
Project Contingency	940,000
Other Costs	520,000
Total Project Cost	\$12,100,000

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	March 2023
Addition to CIP	May 2023
Design Development Approval	May 2023
Construction Notice to Proceed	September 2023
Substantial Completion	December 2024
Final Completion	January 2025

9. U. T. M. D. Anderson Cancer Center: Replace Uninterruptible Power Supply Systems - Guhn Road Data Center - Amendment of the current Capital Improvement Program to include project; approval of total project cost; approval of design development; and appropriation of funds and authorization of expenditure

RECOMMENDATION

The Chancellor concurs with 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 Replace Uninterruptible Power Supply Systems - Guhn Road Data Center project and approve the recommendation for the 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 \$11,430,000;
- b. approve design development plans; and
- c. appropriate funds and authorize expenditure of \$11,430,000 from Hospital Revenues.

BACKGROUND INFORMATION

Previous Action

On March 9, 2023, the Chancellor approved this project for Definition Phase.

Project Description

The proposed project will replace the uninterruptible power supply systems (UPS Systems) that serve U. T. M. D. Anderson's Guhn Road Data Center, which is located approximately 19 miles northwest of the institution's Texas Medical Center campus. The scope of the project includes replacing the four existing 400 kilowatt (kW) UPS Systems that were activated in 2008 through 2011 with four 750 kW UPS Systems yielding a combined capacity of 3,000 kW. The new UPS Systems have been sized to allow for stabilization of the facility to meet lifecycle and business operation demands on the current server load and accommodate projected growth in the data center demand for uninterruptible power. The project also includes modifications to increase the emergency power capacity from 0.8 to 1.2 megawatts, the procurement and installation of active rear door heat exchangers for server racks and modifications to the electrical system, the air handling system, the chilled water system, and the surrounding space, as needed, to support the installation of the new UPS Systems and cooling equipment.

The institution is finalizing a long-term strategy for its data center operations. That strategy currently calls for the construction of a new data center and the reconfiguring of the existing data centers over the next several years. The modifications to be completed under this project are aligned with that long-term strategy and are needed to maximize the amount of power and cooling available for this data center to allow for future growth in the information technology systems and to extend the life of this data center.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. 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
Replace Uninterruptible Power Supply Systems - Guhn Road Data Center**

Project Information

Project Number 703-1463
 CIP Project Type Repair and Rehabilitation
 Facility Type Utilities/Infrastructure
 Management Type Institutional Management
 Institution’s Project Advocate John Gillman, Director of IT Operations
 Project Delivery Method Construction Manager-at-Risk
 Gross Square Feet (GSF) 16,260

Project Funding

Hospital Revenues	<u>Proposed</u> <u>\$11,430,000</u>
Total Project Cost	\$11,430,000

Project Cost Detail

	Cost
Building Cost	\$ 3,900,000
Fixed Equipment	5,000,000
Architectural/Design Services	800,000
Project Management	180,000
Other Professional Fees	200,000
Project Contingency	950,000
Other Costs	400,000
Total Project Cost	\$11,430,000

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	March 2023
Addition to CIP	May 2023
Design Development Approval	May 2023
Construction Notice to Proceed	September 2023
Substantial Completion	December 2024
Final Completion	January 2025

10. **U. T. M. D. Anderson Cancer Center: Modular Vivarium - Amendment of the current Capital Improvement Program to increase total project cost; approval of design development; and appropriation of funds and authorization of expenditure**

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 Modular Vivarium 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 \$11,100,000 to \$22,000,000;
- b. approve design development plans; and
- c. appropriate funds and authorize expenditure of \$22,000,000 from Hospital Revenues.

BACKGROUND INFORMATION

Previous Actions

On July 5, 2021, the Chancellor approved this project for Definition Phase. On August 25, 2022, the project was included on the CIP with a total project cost of \$11,100,000 with funding from Hospital Revenues.

Project Description

The project involves the acquisition and installation of a single-level vivarium facility, comprised of modular units that meet standards and accreditation and life safety code requirements. The modular vivarium will be installed at grade level on an existing parking area and will connect to the rear of the institution's Smith Research Building (SRB) adjacent to the existing vivarium on the South Campus for ease of access. The modular vivarium will incorporate individually ventilated caging, drinking water, and environmental control systems similar to the institution's existing vivaria. The installation of the modular vivarium will require the relocation of trash dumpsters, liquid nitrogen tanks, a receiving dock office, housekeeping, and maintenance storage areas.

The proposed increase to the total project cost includes increased gross square feet (GSF) from 7,000 GSF to 9,300 GSF that will accommodate 9,680 cages up from 7,000 cages initially proposed and previously funded outside the project. Additional modifications to existing mechanical, electrical, plumbing, and fire protection utility systems are required to interconnect the modular vivarium to the SRB. This modular vivarium will provide a bridging solution to fulfill the need for animal housing until completion and finish out of the South Campus Vivarium project, currently scheduled to conclude within the next five to ten 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
Modular Vivarium**

Project Information

Project Number 703-1356
 CIP Project Type Repair and Rehabilitation
 Facility Type Laboratory, General
 Management Type Institutional Management
 Institution’s Project Advocate Vanessa Jensen, Chair for Veterinary Medicine and Surgery
 Project Delivery Method Construction Manager-at-Risk
 Gross Square Feet (GSF) 9,300

Project Funding

	<u>Current</u>	<u>Proposed</u>
Hospital Revenues	<u>\$11,100,000</u>	<u>\$22,000,000</u>
Total Project Cost	<u>\$11,100,000</u>	<u>\$22,000,000</u>

Project Cost Detail

	Cost
Building Cost	\$ 9,635,000
Fixed Equipment	4,200,000
Site Development	4,205,000
Furniture and Moveable Equipment	50,000
Architectural/Design Services	750,000
Project Management	420,000
Other Professional Fees	440,000
Project Contingency	2,200,000
Other Costs	100,000
Total Project Cost	\$22,000,000

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	July 2021
Addition to CIP	August 2022
Design Development Approval	May 2023
Construction Notice to Proceed	August 2023
Substantial Completion	August 2024
Final Completion	September 2024



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

Committee and Board Meetings:
May 3 - 4, 2023
Austin, Texas

		Page
MEETING OF THE BOARD		
1.	Minutes - U. T. System Board of Regents : Approval of Minutes of the regular meeting held February 22-23, 2023; and the special called meeting held March 24, 2023	113
2.	Other Matters - U. T. System : Approval of Newly Commissioned Peace Officers	113
AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE		
No items for Consent Agenda		
FINANCE AND PLANNING COMMITTEE		
3.	Other Fiscal Matters - U. T. System Board of Regents : Approval of \$35,000,000 of funding for U. T. Rio Grande Valley's Deferred Maintenance Program; and resolution regarding parity debt	114
4.	Contract (funds coming in) - U. T. System : Rito Foods, Inc., to supply and maintain prepared meals in vending machines	115
5.	Contract (funds going out) - U. T. System : Grant Thornton, LLP, to provide technical accounting services related to Governmental Accounting Standards Board (GASB)	115
ACADEMIC AFFAIRS COMMITTEE		
6.	Contract (funds coming in) - U. T. Arlington : Amendment to Agreement with Maverick Sports Properties, LLC, a subsidiary of Learfield Licensing Partners, to license U. T. Arlington's trademarks for use in athletic sponsorship transactions	116
7.	Contract (funds coming in) - U. T. Austin : Master Services Agreement for Clinical Care Services with Travis County Healthcare District, dba Central Health, related to the provision of specialty clinical professional, facility, and technical services to Central Health patients	116
8.	Contract (funds going out) - U. T. Austin : QA Construction Services, Inc., to provide job order contracting services to campus facilities	117

	Page
9. Request for Budget Change - U. T. Austin : Transfer \$40,000,000 from Intellectual Property Income – Operating Income to Intellectual Property Income – Maintenance, Operation and Equipment to increase spending authority to distribute 50% of NIH royalty payments to U. T. researchers for the technology invented for the COVID 19 vaccine (RBC No. 11937) -- amendment to the 2022-2023 budget	117
10. Request for Budget Change - U. T. Dallas : New Hires with Tenure -- amendment to the 2023-2024 budget	118
11. Gift - U. T. Dallas : Authorization to accept the gift of a sculpture entitled “Yo y Tu” by Jose Sacal to be placed outside of the Edith O’Donnell Arts and Technology Building	118
12. Gift - U. T. El Paso : Authorization to accept the gift of a statue entitled of “The Bear” to be placed in front of The Don Haskins Center	121
13. Contract (funds coming in) - U. T. Rio Grande Valley : Approval of Annual Operating Agreement to the Affiliation Agreement between VHS Valley Health System, LLC, dba Valley Baptist Health System, and U. T. Rio Grande Valley	124
14. Request for Budget Change - U. T. Rio Grande Valley : New Hires with Tenure -- amendment to the 2022-2023 budget	124
15. Gift - U. T. San Antonio : Authorization to accept the gift of a historic residential structure to be placed on campus property from RevolUrban1, LLC, or assigns, for mission use	125
16. Request for Budget Change - U. T. Tyler : New Hire with Tenure -- amendment to the 2022-2023 budget	126

HEALTH AFFAIRS COMMITTEE

17. Contract (funds coming in) - U. T. Southwestern Medical Center : American Food and Vending Service of Missouri, Inc., will provide certain products and services on the U. T. Southwestern campus	126
18. Contract (funds coming in) - U. T. Southwestern Medical Center : To provide physician medical directors, quality management teams, an administrative assistant, supplies, and support services to Dallas County Hospital District, dba Parkland Health and Hospital System	127
19. Contract (funds going out) - U. T. Southwestern Medical Center : Administrative Resource Options, Inc., will perform mail room, scanning, and print shop services	127
20. Contract (funds going out) - U. T. Southwestern Medical Center : Amendment to Agreement for Batson Cook Company to provide job order contracting and project management services	128
21. Contract (funds going out) - U. T. Southwestern Medical Center : Amendment to Agreement for Falkenberg Construction Company, Inc., to provide job order contracting and project management services	129

	Page
22. Contract (funds going out) - U. T. Southwestern Medical Center : Mercury Global, Inc., to provide revenue billing support services	129
23. Contract (funds going out) - U. T. Southwestern Medical Center : Amendment to Agreement with Southwest Transplant Alliance, Inc., to provide organ procurement and acquisition services	130
24. Contract (funds going out) - U. T. Southwestern Medical Center : Amendment to Agreement for TDIndustries, Inc., to provide offsite facility management	131
25. Interagency Agreement (funds coming in) - U. T. Southwestern Medical Center : Amendment to Interagency Agreement with the Texas Health and Human Services Commission for planning and development of new state psychiatric hospital	131
26. Lease - U. T. Southwestern Medical Center : Authorization to lease approximately 76,943 rentable square feet with a right of first offer to lease up to an additional approximately 66,023 rentable square feet of space located within Core 35 Logistics Center V - Building 2 at 11110 Goodnight Lane, Dallas, Dallas County, Texas from Malibu Industrial, L.P., a Delaware limited partnership for mission support uses, including to serve as a repair facility and distribution hub/storage for medical equipment and related accessories	132
27. Purchase - U. T. Southwestern Medical Center : Authorization to purchase a to-be-abandoned segment of right-of-way totaling approximately 2.08 acres known as Treadway Street, between Harry Hines Boulevard and Forest Park Road, Dallas, Dallas County, Texas, from the City of Dallas, Texas, for future mission purposes	133
28. Lease - U. T. Medical Branch - Galveston : Authorization to enter into a new lease for approximately 12,120 square feet of space currently leased by U. T. Medical Branch - Galveston located at 6465 South Shore Boulevard, Suite 500, League City, Galveston County, Texas, from South Shore Lakes, LLC, for mission related purposes, including clinical use	134
29. Purchase - U. T. Medical Branch - Galveston : Authorization to purchase approximately 1.87 acres of vacant land located at the southwest corner of the intersection of Orchard Street and Live Oak Street in the City of Webster, Harris County, Texas, from Bay Van Nguyen and Vikram Patel, FLP, for mission related purposes, including future medical related use	135
30. Purchase - U. T. Medical Branch - Galveston : Authorization to purchase approximately 0.40 acres of land improved with an approximately 3,535 square foot medical office building and parking lot located at 3 Professional Park Drive, Webster, Harris County, Texas, from Medparc Partnership, a Texas general partnership, for future mission related purposes, including future medical use	135
31. Purchase - U. T. Medical Branch - Galveston : Authorization to purchase approximately 6.1 acres of land improved with an approximately 92,000 square foot clinical building located at 350 Blossom Street, Webster, Harris County, Texas, from MPT of Clear Lake L.P., for future campus expansion including medical use; and resolution regarding parity debt	136

	Page
32. Purchase - U. T. Medical Branch - Galveston : Authorization to purchase approximately 0.359 acres of land improved with an approximately 2,237 square foot medical office building and parking lot located at 215 Oak Drive South, Suite A, Lake Jackson, Brazoria County, Texas, from Simon Winston, L.P., a Texas limited partnership, for mission related purposes including medical clinic related use	137
33. Purchase - U. T. Medical Branch - Galveston : Authorization to purchase approximately 0.428 acres of land improved with four buildings totaling approximately 6,758 square feet with a surface parking lot located at 1405, 1409, and 1415 Harborside Drive, Galveston, Galveston County, Texas, from Christopher J. & Cathy Frederickson, for future mission related purposes, including future campus expansion	137
34. Request for Budget Change - U. T. Health Science Center - Houston : New Hires with Tenure -- amendment to the 2022-2023 budget	138
35. Interagency Agreement (funds coming in) - U. T. Health Science Center - San Antonio : Amendment to Interagency Agreement with the Texas Health and Human Services Commission for Centralized Training Infrastructure for Evidence-Based Practices (CTI-EBP) initiative	138
36. Request for Budget Change - U. T. Health Science Center - San Antonio : New Hires with Tenure -- amendment to the 2022-2023 budget	139
37. Contract (funds going out) - U. T. M. D. Anderson Cancer Center : Amendment to Agreement with J.T. Vaughn Construction, LLC, to provide job order contracting services	139
38. Contract (funds going out) - U. T. M. D. Anderson Cancer Center : Amendment to Agreement with O'Donnell Snider Construction, to provide job order contracting services	140
39. Request for Budget Change - U. T. M. D. Anderson Cancer Center : New Hire with Tenure -- amendment to the 2022-2023 budget	140
40. License - U. T. M. D. Anderson Cancer Center : Authorization to enter into Parking Permit Agreements with Texas Medical Center (TMC), a Texas non-profit corporation, or an affiliated entity TMC3 Development Corporation, for the use of parking spaces located within any TMC parking facility or lot, including subterranean or above-grade, located on the TMC3 Campus, Houston, Harris County, Texas, to support the Collaborative Space Sublease Agreements with TMC3 Development Corporation	141
FACILITIES PLANNING AND CONSTRUCTION COMMITTEE	
41. Contract (funds going out) - U. T. System : Engineered Air Balance Co., Inc., to perform testing, adjusting, and balancing services of HVAC water and air systems, and associated design review and technical support services	142
42. Contract (funds going out) - U. T. System : Bath Group Inc. to perform total building commissioning technical and procedural services	142

MEETING OF THE BOARD

1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meeting held February 22-23, 2023; and the special called meeting held March 24, 2023
2. Other Matters - U. T. System: Approval of Newly Commissioned Peace Officers

In accordance with Section 51.203 of the *Texas Education Code*, the Board is asked to approve the Commissioning of the following Peace Officers. The Officers have completed training at the U. T. System Police Training Academy and passed the State of Texas Police Officer Licensing Examination, effective March 17, 2023.

<u>Name</u>	<u>Institution</u>
Matthew Adam	U. T. Austin
Keegan Glabus	U. T. Austin
Peter Illing	U. T. Austin
Michael Marcinowski	U. T. Austin
Joseph Morales-Serratos	U. T. Austin
Jose Portillo	U. T. Austin
Irvin Portillo-Zapata	U. T. Austin
Patrick Mullins, Jr.	U. T. Medical Branch - Galveston
Terri Johnson	U. T. Health Science Center - Houston
Edwin Thomas	U. T. Health Science Center - Houston
Ricardo Molina, Jr.	U. T. Rio Grande Valley
Colter Hazel	U. T. Tyler

AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE

No items for Consent Agenda

FINANCE AND PLANNING COMMITTEE

3. Other Fiscal Matters - U. T. System Board of Regents: Approval of \$35,000,000 of funding for U. T. Rio Grande Valley's Deferred Maintenance Program; and resolution regarding parity debt

The Executive Vice Chancellor for Business Affairs recommends approval of this item authorizing funding of \$35,000,000 from Revenue Financing System (RFS) bond proceeds for U. T. Rio Grande Valley to finance its multiyear Deferred Maintenance Program covering prioritized projects at its Edinburg, Brownsville, Harlingen, and South Padre Island locations.

Annual debt service is estimated at \$1,963,067. The debt is expected to be repaid with designated tuition, medical school revenues, and auxiliary service revenues in proportion to amounts borrowed for general academic, medical school, and auxiliary spaces, respectively.

The institution's Scorecard Rating of 3.8 at the 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. The institution therefore requests that the Board resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System 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;
- U. T. Rio Grande Valley, which is a "Member" as such term is used in the RFS Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of parity debt in an aggregate amount of \$35,000,000; and
- this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

The U. T. Rio Grande Valley Office of Operations, Planning and Construction has undertaken a comprehensive study on the institution's facilities and has identified multiple deferred maintenance projects as high priorities. These projects are critical for student retention and success, research, and health care goals and are anticipated to be completed by the close of FY 2025.

The requested funding of \$35,000,000 will finance \$25,000,000 of projects related to general academic and medical school spaces and \$10,000,000 of projects related to student housing and other auxiliary services. Projects include exterior/envelope repairs, roof repairs and replacements, HVAC repairs, erosion control, building automation, chiller replacement, and interior refreshes and renovations. Opportunities to achieve energy savings, operational efficiencies, and cost avoidance will be sought.

4. Contract (funds coming in) - U. T. System: Rito Foods, Inc., to supply and maintain prepared meals in vending machines

Agency: Rito Foods, Inc.

Funds: \$3,750 over the term of the Agreement, including renewals

Period: May 5, 2023 through May 4, 2024; with four one-year renewal options

Description: Rito Foods, Inc., will supply and maintain prepared meals for vending machines at the U. T. System Administration Building, for which U. T. System will receive royalties and operation expenses.

Board approval for this Agreement is sought in accordance with *Texas Government Code* Section 2203.005(a), which requires governing board approval of such vending machine placement agreements, and in accordance with U. T. Systemwide Policy UTS 130 pertaining to Vending Machine Contracts.

5. Contract (funds going out) - U. T. System: Grant Thornton, LLP, to provide technical accounting services related to Governmental Accounting Standards Board (GASB)

Agency: Grant Thornton, LLP

Funds: Possibility that expenditures may exceed \$1,000,000 over the term of the contract

Period: August 31, 2023 through August 31, 2024

Description: In accordance with Governmental Accounting Standards Board (GASB), Grant Thornton will provide technical accounting services related to GASB pronouncements and other related authoritative accounting guidance applicable to State governments and the higher education sector. Contract was acquired through approved procurement procedures.

ACADEMIC AFFAIRS COMMITTEE

6. Contract (funds coming in) - U. T. Arlington: Amendment to Agreement with Maverick Sports Properties, LLC, a subsidiary of Learfield Licensing Partners, to license U. T. Arlington's trademarks for use in athletic sponsorship transactions

Agency: Maverick Sports Properties, LLC, a wholly owned subsidiary of Learfield Licensing Partners

Funds: Estimated \$4,00,000, in addition to a \$200,000 capital subsidy paid in five annual installments

Period: June 30, 2021 through June 30, 2029

Description: Maverick Sports Properties, LLC, to license U. T. Arlington's trademarks for use in athletic sponsorship transactions. The initial Agreement was approved by the Board of Regents on August 20, 2015, and was effective July 1, 2014 through June 30, 2021. This First Amendment extends the Agreement through June 30, 2029. Each year Learfield will receive the first \$275,000 (compounded by 3.5% each year thereafter) in collected sponsorship dollars. Learfield will then pay U. T. Arlington royalties each year of 65% of collected adjusted gross sponsorship revenue up to and including \$1,250,000; and 75% of collected adjusted gross sponsorship revenue in excess of \$1,250,000.

7. Contract (funds coming in) - U. T. Austin: Master Services Agreement for Clinical Care Services with Travis County Healthcare District, dba Central Health, related to the provision of specialty clinical professional, facility, and technical services to Central Health patients

Agency: Travis County Healthcare District, dba Central Health

Funds: \$10,000,000 over approximately five to seven years

Period: October 1, 2022 through September 30, 2023; with annual renewal periods unless terminated

Description: U. T. Austin, Travis County Healthcare District, dba Central Health (Central Health), and Community Care Collaborative (CCC) are parties to an Affiliation Agreement, which was approved by the Board on July 14, 2014. As part of that Affiliation Agreement, U. T. Austin has delivered health care services to the Central Health patients. For several years, U. T. Austin and CCC participated in a separate agreement where U. T. Austin primarily provided musculoskeletal and women's health professional services.

Under this proposed Master Services Agreement, U. T. Austin will provide the following professional, facility, and technical services to Central Health: women's health professional services; ophthalmology professional and facility services, including ambulatory surgery center access and imaging; podiatry professional and facility services, including ambulatory surgery center access and imaging; advanced imaging services; and post-COVID clinical services. The total anticipated revenue is \$950,000 over the initial term, and \$1,200,000 annually for each renewal period, for a total of up to \$10,000,000 over the first five to seven years.

8. Contract (funds going out) - U. T. Austin: QA Construction Services, Inc., to provide job order contracting services to campus facilities

Agency: QA Construction Services, Inc. (QA)

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

Period: November 1, 2022 through October 31, 2023; with four one-year renewal options

Description: QA Construction Services, Inc., to provide general construction job order contracting services, with project varying in scope and size. Separate service agreements will be executed for individual projects. Services were competitively procured.

9. Request for Budget Change - U. T. Austin: Transfer \$40,000,000 from Intellectual Property Income – Operating Income to Intellectual Property Income – Maintenance, Operation and Equipment to increase spending authority to distribute 50% of NIH royalty payments to U. T. researchers for the technology invented for the COVID 19 vaccine (RBC No. 11937) -- amendment to the 2022-2023 budget

10. Request for Budget Change - U. T. Dallas: 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 Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
School of Arts, Humanities, and Technology					
Art History					
Professor Erika Doss (T)	7/1-5/31	100	09	200,000	11931
Professor Tatiana Flores (T)	7/1-5/31	100	09	170,000	11932

11. Gift - U. T. Dallas: Authorization to accept the gift of a sculpture entitled “Yo y Tu” by Jose Sacal to be placed outside of the Edith O’Donnell Arts and Technology Building

Description: U. T. Dallas is requesting approval to accept a gift from the Fundación Jose Sacal, A.C. of a sculpture to be placed outside of the Edith O’Donnell Arts and Technology Building. This location is on the east side of the Margaret McDermott Mall, a pedestrian thoroughfare and the focal point of university outdoor activity.

The outdoor work of art, entitled "Yo y Tu," is 13.2 feet tall and weighs 1,322 lbs. The sculpture is made of cast bronze and was completed by Mexican artist Jose Sacal (1944-2018) in 2005.

The acceptance of “Yo y Tu” is mission-aligned with U. T. Dallas as it works to make the campus an arts destination for the Dallas community and beyond.

The statue depicts a firmly planted foot transitioning to a hand reaching into the universe. With a solid foundation, reach is unlimited. The importance of art such as this on campus aligns with the 2018 University of Texas at Dallas Campus Master Plan and the 2021 University’s Strategic Plan. The creation of the Arts Village as referenced in the Campus Master Plan provides a location where students and visitors can access visual and performing arts on campus.

Donor: This proposed gift will be donated by the Fundación Jose Sacal, A.C. following participation in a Fall 2022 UTD Center for US-Latin American Initiatives sculpture walk. The event was held in conjunction with the Edith O'Donnell Institute of Art History, the Mexican Consulate in Dallas, and the American Jewish Committee and featured 21 pieces of contemporary art by Sacal. After the event and because of its success, Foundation representatives expressed their desire to permanently donate "Yo y Tu" to the University.

Jose Sacal was born in Curenavaca, Morelos in 1944 and from an early age showed an interest in art, attending the School of Arts of the National Institute of Fine Arts. There he began to explore painting and modeling. During his high school years, he worked for a time in a psychiatric hospital, proposing creative activities for the rehabilitation of patients and later studied medicine in college. Both of these experiences provided him with an understanding of human anatomy and the human condition which would later be incorporated into his works. At the age of 24, he began work as a fashion designer leading to a period of world travel further influencing his perspectives and artistic works. Described primarily as a surrealist, Sacal's works in clay, ceramics, bronze, and other metals touch on human elements viewed through an abstract lens. His work has been installed in the United States, Israel, Mexico, and China.

Value: As of March 2023, the Fundación Jose Sacal valued the sculpture at \$500,000, although it has not yet been formally appraised.

The University estimates costs for site preparation, transportation, lighting, landscaping, signage, and other related items to be \$51,500. Funds for transportation and installation will be allocated by the Dean of the School of Arts, Humanities, and Technology. Monies for ongoing maintenance will be allocated from the University's Maintenance and Facilities budget.



12. Gift - U. T. El Paso: Authorization to accept the gift of a statue entitled of "The Bear" to be placed in front of The Don Haskins Center

Description:

U. T. El Paso is requesting approval to accept a gift from Dan Longoria of a statue to be placed in front of the east entrance of The Don Haskins Center. The late, legendary Don Haskins (nicknamed "The Bear") was head coach of The University of El Paso Miners (and the Texas Western College) men's basketball team from 1961 to 1991. In 1966, his team won the NCAA tournament, highlighting the end of racial segregation in college basketball. Haskins was admitted to the Naismith Memorial Basketball Hall of Fame in 1997.

The statue, to be sculpted by artist Brian Hanlon, will be approximately seven feet tall and three feet in depth with an arm span of five feet in width, depicting the late Don Haskins in an iconic "bear hug" pose. The total weight of the statue is estimated to be 1,200 pounds. The statue is currently in the modeling phase and is anticipated to be completed by late fall of 2023.

This piece of art will honor the late Coach Haskins who built the U. T. El Paso Miners men's basketball program into a respected athletic powerhouse over his 38 years of coaching the team. It is anticipated that the statue will be a popular gathering place for fans of all ages, serving as a reminder of the Coach's impact on the City of El Paso and the university.

Brian Hanlon is a master sculptor, first rising to national prominence with the installation of "Olympian" in the 1990s. He uses a proprietary mix of metal to create a dramatic "living" bronze patina. This technique, along with his use of water-based clay enable his pieces to demonstrate action and movement in ways other artists often struggle to achieve.

Donor:

Dan Longoria is a prominent El Paso businessman. He owns nine Mattress Firm locations in the El Paso area and in Las Cruces, New Mexico, along with more than 2,000 other retail locations nationwide. From his beginnings as a mattress salesman for the company after high school, he worked his way up to ownership within the mattress chain. Mr. Longoria and his wife JoAnn support numerous El Paso area concerns, including the El Paso Symphony Orchestra, the Boys and Girls Clubs of El Paso, El Paso Pro-Musica, and Komen El Paso. Mr. Longoria has supported Miner Athletics, including both basketball and tennis, with gifts totaling more than \$50,000.

Value:

Artist Brian Hanlon anticipates the value of preliminary design work and the ultimate statute to be \$125,000. Mr. Longoria will contract with the artist directly and then gift the work to U. T. El Paso. The university's facilities and maintenance department has developed a budget, which includes structural engineering consultation, lighting, and landscaping (\$39,460). U. T. El Paso plans to secure private philanthropy to complete the project. In the event that further resources are needed, departmental funds will be made available.



Don "The Bear" Haskins
SCULPTURE (ON LOCATION)

13. Contract (funds coming in) - U. T. Rio Grande Valley: Approval of Annual Operating Agreement to the Affiliation Agreement between VHS Valley Health System, LLC, dba Valley Baptist Health System, and U. T. Rio Grande Valley

Agency: VHS Valley Health System, LLC, dba Valley Baptist Health System

Funds: Estimated Value of \$2,793,576 over the term of the contract

Period: December 30, 2022 through June 30, 2024

Description: The Annual Operating Agreement (AOA) to the Affiliation Agreement between VHS Valley Health System, LLC, dba Valley Baptist Health System, and U. T. Rio Grande Valley documents the payments flowing between the parties in connection with graduate medical education programs and describes the commitment of the parties related to educational, clinical, structural, financial, and administrative needs of the medical education programs and other collaboration efforts as contemplated in the related Affiliation Agreement between the parties.

14. Request for Budget Change - U. T. Rio Grande Valley: 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 Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
College of Liberal Arts					
Department of Psychological Science					
Chair and Professor					
Perry Fuchs (T)	9/1-5/31	100	09	150,000	11942
	9/1-8/31		12	42,000	
Department of Spanish					
Chair and Professor					
Cristina Sanchez-Conejero (T)	9/1-5/31	100	09	110,000	11943
	9/1-8/31		12	25,833	

15. Gift - U. T. San Antonio: Authorization to accept the gift of a historic residential structure to be placed on campus property from RevolUrban1, LLC, or assigns, for museum and possible future mission use

Description:

Gift of a small historic house formerly occupied by the American writer William Sydney Porter, known by his pen name O. Henry, to be placed on the 700 Block of West Nueva Street, on U. T. San Antonio's downtown campus.

The O. Henry house is reported by the Bexar County Appraisal District to contain 442 square feet. It is thought to have been originally built in the 1850s, includes a covered porch, and has been relocated twice. The house is a Recorded Texas Historic Landmark. The donor or its related entity, Weston Urban, a prominent developer in San Antonio's downtown core, will transport the house and place it on the institution's campus. As part of the gift, the donor will build foundations and related sitework, will reconfigure adjacent parking as needed and will extend certain utilities. The house will be delivered with electrical service, but without a heating/ air conditioning system or plumbing. The institution plans to locate the O. Henry house near to the abutting Navarro House, a house museum operated by the Texas Historic Commission (THC).

U. T. San Antonio may enter into an agreement with the THC to operate the house as a museum, and/or may in the future use the house as part of its campus. The donor will not place any restrictions on the use or maintenance of the O. Henry house. The THC will exercise oversight over the institution's care of the property to preserve the architectural integrity of the structure.

Donor:

RevolUrban1, LLC, a Delaware limited liability company, or assigns

Value:

The house and related improvements have not yet been valued. The gift may include funds to U. T. San Antonio to support the maintenance of the house for approximately one year. The institution estimates the annual cost to maintain the house may range from nil to \$20,000 in current dollars; U. T. San Antonio would typically use designated funds for deferred maintenance for this expense.

16. Request for Budget Change - U. T. Tyler: 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 Health Professions					
Dean and Professor Theresa Byrd (T)	3/13-8/31	100	12	280,000	11945

HEALTH AFFAIRS COMMITTEE

17. Contract (funds coming in) - U. T. Southwestern Medical Center: American Food and Vending Service of Missouri, Inc., will provide certain products and services on the U. T. Southwestern campus

Agency: American Food and Vending Service of Missouri, Inc.

Funds: Estimated \$400,000 in royalty payments over the initial term

Period: April 3, 2023 through March 31, 2028; with the option to renew for two additional one-year terms

Description: American Food and Vending Service of Missouri, Inc. (AFV) will provide certain product and services on the U. T. Southwestern campus by using vending machines and micro-markets. In accordance with *Texas Education Code* Section 51.945 students were provided with an opportunity to comment prior to determination that this vending services provider should be selected by the institution. AFV agrees to periodically holding meetings or forums to provide students with a reasonable opportunity to discuss the performance of AFV. Board approval for this Agreement is sought in accordance with *Texas Government Code* Section 2203.005(a), which requires governing board approval of such vending machine placement agreements, and The University of Texas Systemwide Policy UTS 130 pertaining to Vending Machine Contracts. This Agreement was competitively bid.

18. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide physician medical directors, quality management teams, an administrative assistant, supplies, and support services to Dallas County Hospital District, dba Parkland Health and Hospital System

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

Funds: \$13,792,561 over the full contract term, including renewal options

Period: October 15, 2022 through October 14, 2027; with the option to renew for two additional one-year terms

Description: U. T. Southwestern Medical Center's Emergency Medicine Department will provide physician medical directors, quality management team, an administrative assistant, supplies, and support services to Dallas County Hospital District, dba Parkland Health and Hospital System, that are needed to support the City of Dallas - Dallas Fire Rescue Biotel Emergency Response system.

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

Agency: Administrative Resource Options, Inc.

Funds: \$21,000,000 over the initial contract term

Period: September 1, 2022 through August 31, 2027; with the option to renew for two additional one-year terms

Description: Administrative Resource Options, Inc., will perform outsourced mail room, scanning, and print shop services. This Agreement was competitively bid.

20. Contract (funds going out) - U. T. Southwestern Medical Center: Amendment to Agreement for Batson Cook Company to provide job order contracting and project management services

Agency: Batson Cook Company

Funds: \$10,000,000 over the full contract term, including renewal options

Period: September 1, 2022 through August 31, 2023; with the option to renew for one additional one-year term

Description: Batson Cook Company will continue to provide job order contracting and project management services. The initial Agreement, dated September 1, 2019, was not submitted for Board consideration because the total contract amount was below the institution's delegated approval threshold; however, the Agreement and its First Amendment, dated February 1, 2021, received Board approval to increase the Agreement's fee cap to \$7,500,000. The Second Amendment to the Agreement exercised the first optional renewal to extend the term of the Agreement to August 31, 2023. U. T. Southwestern Medical Center has an increased need for the services provided due to additional construction projects and thus seeks approval of this Third Amendment to increase the total contract value to \$10,000,000. The Agreement was competitively bid.

21. Contract (funds going out) - U. T. Southwestern Medical Center: Amendment to Agreement for Falkenberg Construction Company, Inc., to provide job order contracting and project management services

Agency: Falkenberg Construction Company, Inc.

Funds: \$10,000,000 over the full contract term, including renewal options

Period: March 10, 2023 through August 31, 2023; with the option to renew for one additional one-year term

Description: Falkenberg Construction Company, Inc., will continue to provide job order contracting and project management services. The initial Agreement, dated September 1, 2019, was not submitted for Board consideration because the total contract amount was below the institution's delegated approved threshold; however, the Agreement and its First Amendment, dated February 1, 2021, received Board approval to increase the Agreement's fee cap to \$7,500,000. A Second Amendment to the Agreement exercised the first optional renewal to extend the term of the Agreement to August 31, 2023, and a Third Amendment added terms that did not require Board approval. U. T. Southwestern Medical Center has an increased need for the services provided due to additional construction projects and thus seeks approval of this Fourth Amendment to increase the total contract value to \$10,000,000. The Agreement was competitively bid.

22. Contract (funds going out) - U. T. Southwestern Medical Center: Mercury Global, Inc., to provide revenue billing support services

Agency: Mercury Global, Inc.

Funds: \$30,000,000 over the full contract term, including renewal options

Period: February 15, 2023 through February 14, 2026; with the option to renew for two additional one-year terms

Description: Mercury Global, Inc., will provide revenue billing support services such as charge entry, claim denial follow-up, and payment posting. The Agreement was competitively bid.

23. Contract (funds going out) - U. T. Southwestern Medical Center: Amendment to Agreement with Southwest Transplant Alliance, Inc., to provide organ procurement and acquisition services

Agency: Southwest Transplant Alliance, Inc.

Funds: \$65,000,000 over the full contract term, including renewal options

Period: January 1, 2023 through January 31, 2024; with the option to renew for three additional one-year terms

Description: Southwest Transplant Alliance, Inc., will continue to provide organ procurement and coordination of anatomical gift donations of organs, tissues, and eyes. The original Agreement dated February 1, 2022, was approved by the Board on February 24, 2022, in the amount of \$15,000,000, which erroneously estimated the contract value over the entire term, including renewal options. During the first year of the Agreement, the parties discovered the valuation error. Thus, this First Amendment adds specific terms addressing transportation services for organ procurement medical teams, and increases the contract value to correct the total contract value to \$65,000,000 over the entire contract term, including renewal options.

This Agreement was not competitively bid as, under the *Texas Government Code*, Chapter 2254.003, a government entity may not select a provider of professional services on the basis of competitive bids, but instead must make the selection based on the demonstrated competence and qualifications to perform the services and for a fair and reasonable price. The Agreement is supported by a sole source justification.

24. Contract (funds going out) - U. T. Southwestern Medical Center: Amendment to Agreement for TDIndustries, Inc., to provide offsite facility management

Agency: TDIndustries, Inc

Funds: \$8,000,000 over the full contract term, including renewal options

Period: March 10, 2023 through February 29, 2024; with the option to renew for three additional one-year terms

Description: TDIndustries, Inc., will continue to provide facilities management supplemental services for offsite buildings and offsite medical clinics. The initial Agreement dated March 1, 2022, was not previously submitted for Board consideration because the total contract amount was below the institution's delegated approval threshold. This First Amendment increases the contract value to \$8,000,000. The Agreement was competitively bid.

25. Interagency Agreement (funds coming in) - U. T. Southwestern Medical Center: Amendment to Interagency Agreement with the Texas Health and Human Services Commission for planning and development of new state psychiatric hospital

Agency: Texas Health and Human Services Commission

Funds: \$482,500,000

Period: Effective as of the date last signed by the Parties through January 31, 2027

Description: The initial Agreement was approved by the Board on November 18, 2021, with funding of \$44,750,000. The First Amendment was approved by the Board on November 17, 2022, and included a Notice to Proceed from the Texas Health and Human Services Commission and added \$237,800,000 in federal funding awarded under the American Rescue Plan Act of 2021 and appropriated by the Texas Legislature for the construction phase of a new state psychiatric hospital in the Dallas-Fort Worth Metropolitan Area to be managed by U. T. Southwestern Medical Center. This Second Amendment includes revised language related to certain real estate matters and adding a charitable gift of \$200,000,000 to Texas Health and Human Services Commission from Children's Health Clinical Operations for the addition of a mental health unit for children and adolescents to the new state psychiatric hospital. Thus, the total contract value is now \$482,500,000.

26. Lease - U. T. Southwestern Medical Center: Authorization to lease approximately 76,943 rentable square feet with a right of first offer to lease up to an additional approximately 66,023 rentable square feet of space located within Core 35 Logistics Center V - Building 2 at 11110 Goodnight Lane, Dallas, Dallas County, Texas from Malibu Industrial, L.P., a Delaware limited partnership for mission support uses, including to serve as a repair facility and distribution hub/storage for medical equipment and related accessories

Description: Authorization to lease approximately 76,943 rentable square feet with a right of first offer to lease up to an additional approximately 66,023 rentable square feet of heated and air-conditioned warehouse space located within Core 35 Logistics Center V - Building 2 at 11110 Goodnight Lane, Dallas, Dallas County, Texas. The space will initially serve as a repair facility and distribution hub/storage for medical equipment and related accessories.

Lessor: Malibu Industrial, L.P., a Delaware limited partnership

Term: The term of the lease will be for approximately 124 months, which will commence on approximately December 1, 2023. Lessee will also have the option to extend the term of the lease for two additional periods of five years each.

Lease Cost: Base rent will be abated for the first four months. After the abatement period the base rent over the initial first year will be \$9.65 per square foot annually or \$61,875 monthly with 4% annual increases thereafter. The base rent for the potential renewal periods, if exercised, shall each be at current fair market value at the time of such renewal. The estimated base rent for the initial term and potential renewal terms is approximately \$22,110,222.

Lessee will be responsible for any operating expenses, which are estimated at \$4.95 per square foot. Assuming 3% annual operating expense increases, the estimated operating expense during the initial term will be approximately \$4,491,909 and total estimated operating expenses during the renewal terms will be approximately \$5,867,839.

The lease includes the right of first offer for up to an additional 66,023 square feet of space. Rental rate for the expansion space will be based on market rates at the time of expansion. If the expansion were to be exercised in the first year of occupancy, the cost of base rent and operating expenses for all of the expansion space during the primary term and potential renewal terms is estimated at an additional approximately \$27,861,727. Assuming a similar level of allowance for tenant improvements is provided by Landlord,

the total allowance from Landlord for the expansion space would be approximately \$1,650,575. However, actual market rent, cost of buildout, and tenant improvement allowance will fluctuate depending on commencement date of the expansion premises and market rates at the time of the expansion.

Tenant Improvements: The lessor is contributing approximately \$25.00 per square foot or \$1,923,575 as a tenant improvement allowance.

Total Cost: Total estimated lease expense including the possible expansion space over the initial lease term and potential renewal terms is approximately \$60,331,697, which includes base rent, operating expenses, and all additional costs outlined above.

27. Purchase - U. T. Southwestern Medical Center: Authorization to purchase a to-be-abandoned segment of right-of-way totaling approximately 2.08 acres known as Treadway Street, between Harry Hines Boulevard and Forest Park Road, Dallas, Dallas County, Texas, from the City of Dallas, Texas, for future mission purposes

Description: Authorization to purchase a to-be-abandoned segment of right-of-way totaling approximately 2.08 acres known as Treadway Street, between Harry Hines Boulevard and Forest Park Road, Dallas, Dallas County, Texas, from the City of Dallas, Texas, for future mission purposes. The right-of-way is adjacent to land already owned by the Board of Regents. The right-of-way is currently burdened with numerous easements that will need to be relocated and those encumbrances will be reflected in the final purchase price.

Seller: City of Dallas, Texas

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

28. Lease - U. T. Medical Branch - Galveston: Authorization to enter into a new lease for approximately 12,120 square feet of space currently leased by U. T. Medical Branch - Galveston located at 6465 South Shore Boulevard, Suite 500, League City, Galveston County, Texas, from South Shore Lakes, LLC, for mission related purposes, including clinical use

Description: Authorization to enter into a new lease for approximately 12,120 square feet of space located at 6465 South Shore Boulevard, Suite 500, League City, Galveston County, Texas, from South Shore Lakes, LLC, for mission related purposes, including clinical use. U. T. Medical Branch - Galveston (UTMB) currently utilizes this space under an existing space lease agreement as a pediatric and adult primary care clinic.

Landlord: South Shore Lakes, LLC, and/or successors or assigns

Lease Cost: The initial monthly base rent is estimated to be approximately \$26,381.20 or \$26.12 per square foot per year, with increases of 3% per year thereafter. The monthly operating costs are estimated to be approximately \$11,100.00 or \$11.00 per square foot per year, plus an additional approximate \$3,400 per month for estimated utility consumption within the premises and an additional approximate \$2,115 per month for estimated janitorial and maintenance expenses.

Term: The initial term will be 61 months with the first month of base rent abated and will commence on approximately June 1, 2023, and expire on June 30, 2028, with one five-year renewal option thereafter.

Tenant Improvements: The lessor will provide a tenant improvement allowance of approximately \$96,960.00 or \$8.00 per square foot. The institution anticipates expending an additional approximate \$500,000 (\$41.25 per square foot) on improvements to the premises.

Total Cost: Estimated to be approximately \$6,440,000 in base rent, operating costs, and excess UTMB tenant improvements, assuming the renewal option is exercised.

29. Purchase - U. T. Medical Branch - Galveston: Authorization to purchase approximately 1.87 acres of vacant land located at the southwest corner of the intersection of Orchard Street and Live Oak Street in the City of Webster, Harris County, Texas, from Bay Van Nguyen and Vikram Patel, FLP, for mission related purposes, including future medical related use

Description: Authorization to purchase approximately 1.87 acres of vacant land located at the southwest corner of the intersection of Orchard Street and Live Oak Street in the City of Webster, Harris County, Texas, for mission related purposes including future medical related use. U. T. Medical Branch - Galveston currently leases a hospital and medical office space to the east of this site.

Seller: Bay Van Nguyen and Vikram Patel, FLP; successors 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

30. Purchase - U. T. Medical Branch - Galveston: Authorization to purchase approximately 0.40 acres of land improved with an approximately 3,535 square foot medical office building and parking lot located at 3 Professional Park Drive, Webster, Harris County, Texas, from Medparc Partnership, a Texas general partnership, for future mission related purposes, including future medical use

Description: Authorization to purchase approximately 0.40 acres of land improved with an approximately 3,535 square foot medical office building with a surface area parking lot located at 3 Professional Park Drive, Webster, Harris County, Texas, for future mission related purposes, including future medical use.

Seller: Medparc Partnership, a Texas general partnership

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

31. Purchase - U. T. Medical Branch - Galveston: Authorization to purchase approximately 6.1 acres of land improved with an approximately 92,000 square foot clinical building located at 350 Blossom Street, Webster, Harris County, Texas, from MPT of Clear Lake L.P., for future campus expansion including medical use; and resolution regarding parity debt

Description: Authorization to purchase approximately 6.1 acres of land improved with an approximately 92,000 square foot clinical building located 350 Blossom Street, Webster, Harris County, Texas.

U. T. Medical Branch - Galveston (UTMB) anticipates using the property for future campus expansion and growth, including augmenting the clinical services provided by UTMB's Clear Lake Campus Hospital and Clinics located one block to the east of the subject property.

Seller: MPT of Clear Lake L.P., a Delaware limited partnership; and its successors or assigns

Tenant: The facility is currently leased to an affiliate of Kindred Hospitals. The institution will acquire the facility subject to the existing lease, provided certain extension rights and other rights in such lease are abridged or waived by agreement of the parties.

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

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

32. Purchase - **U. T. Medical Branch - Galveston**: Authorization to purchase approximately 0.359 acres of land improved with an approximately 2,237 square foot medical office building and parking lot located at 215 Oak Drive South, Suite A, Lake Jackson, Brazoria County, Texas, from Simon Winston, L.P., a Texas limited partnership, for mission related purposes, including medical clinic related use

Description: Authorization to purchase approximately 0.359 acres of land improved with an approximately 2,237 square foot medical office building with a surface area parking lot located at 215 Oak Drive South, Suite A, Lake Jackson, Brazoria County, Texas, for mission related purposes, including medical clinic related use.

Seller: Simon Winston, L.P., a Texas limited partnership

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

33. Purchase - **U. T. Medical Branch - Galveston**: Authorization to purchase approximately 0.428 acres of land improved with four buildings totaling approximately 6,758 square feet with a surface parking lot located at 1405, 1409, and 1415 Harborside Drive, Galveston, Galveston County, Texas, from Christopher J. & Cathy Frederickson, for future mission related purposes, including future campus expansion

Description: Authorization to purchase approximately 0.428 acres of land improved with four buildings totaling approximately 6,758 square feet with a surface area parking lot located at 1405, 1409, and 1415 Harborside Drive, Galveston, Galveston County, Texas, for future mission related purposes, including future campus expansion.

Seller: Christopher J. & Cathy Frederickson

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

34. Request for Budget Change - U. T. Health Science Center - Houston: 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 \$	
McGovern Medical School					
Neurosurgery					
Professor					
Sunil Krishnan (T)	9/6-8/31	100	12	750,000	11941
Cizik School of Nursing					
Research					
Professor					
Carolyn Pickering (T)	8/1-8/31	100	12	257,000	11940

35. Interagency Agreement (funds coming in) - U. T. Health Science Center - San Antonio: Amendment to Interagency Agreement with the Texas Health and Human Services Commission for Centralized Training Infrastructure for Evidence-Based Practices (CTI-EBP) initiative

Agency: Health and Human Services Commission (HHSC)

Funds: \$12,444,012 over the full contract term

Period: March 1, 2023 through August 31, 2024

Description: U. T. Health Science Center - San Antonio provides HHSC with planning and related services focused on providing training to substance use disorder, treatment, intervention, and prevention providers sitewide under the Centralized Training Infrastructure for Evidence-Based Practices (CTI-EBP) initiative. The initial Agreement, which was effective September 1, 2019, as well as the first three Amendments, did not require Board approval as the contract amount was within the institution's delegated authority. This Fourth Amendment increases the contract value by \$10,404,006 for FY 2023 and FY 2024 thus revising the estimated total contract value to \$12,444,012.

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

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
School of Medicine					
Pathology					
Associate Professor					
Margaret E. Flanagan (T)	2/1-8/31	100	12	300,000	11935
Molecular Medicine					
Professor					
Ching-Kang Jason Chen (T)	3/1-8/31	100	12	261,000	11934

37. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with J.T. Vaughn Construction, LLC, to provide job order contracting services

Agency: J.T. Vaughn Construction, LLC

Funds: The total contract value, including the renewal periods, is estimated to be \$50,000,000, although the maximum amount is indeterminable at this time.

Period: January 1, 2022 through December 31, 2023; with one remaining 24-month renewal option

Description: Under this job order contracting Agreement, J.T. Vaughn Construction, LLC, will act as a general contractor to provide general and specific construction services for projects on a per-project basis. J.T. Vaughn Construction, LLC will provide all material, labor, equipment, and services necessary for completion of each project. Services are on a nonexclusive, indefinite quantity basis, and there is no minimum amount of work required. On November 14, 2019, the initial contract, with an estimated value of \$23,500,000, was approved by the Board. One renewal has been used to extend the term to December 31, 2023, with one remaining renewal. The contract value is now estimated to be \$50,000,000, although the maximum amount is indeterminable at this time. This Master Agreement was competitively bid.

38. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with O'Donnell Snider Construction, to provide job order contracting services

Agency: O'Donnell Snider Construction

Funds: The total contract value, including the renewal periods, is estimated to be \$50,000,000, although the maximum amount is indeterminable at this time.

Period: January 1, 2022 through December 31, 2023; with one remaining 24-month renewal option

Description: Under this job order contracting Agreement, O'Donnell Snider Construction will act as a general contractor to provide general and specific construction services for projects on a per-project basis. O'Donnell Snider Construction will provide all material, labor, equipment, and services necessary for completion of each project. Services are on a nonexclusive, indefinite quantity basis, and there is no minimum amount of work required. On November 14, 2019, the initial contract, with an estimated value of \$23,500,000, was approved by the Board. One renewal has been used to extend the term to December 31, 2023, with one remaining renewal. The contract value is now estimated to be \$50,000,000, although the maximum amount is indeterminable at this time. This Master Agreement was competitively bid.

39. Request for Budget Change - U. T. M. D. Anderson Cancer Center: New Hire with Tenure -- amendment to the 2022-2023 budget

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

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
Department of Pediatrics					
Division of Pediatrics					
Professor					
Gregory Kane Friedman (T)	7/1-8/31	100	12	570,000	11939

40. License - U. T. M. D. Anderson Cancer Center: Authorization to enter into Parking Permit Agreements with Texas Medical Center (TMC), a Texas nonprofit corporation, or an affiliated entity TMC3 Development Corporation, for the use of parking spaces located within any TMC parking facility or lot, including subterranean or above-grade, located on the TMC3 Campus, Houston, Harris County, Texas, to support the Collaborative Space Sublease Agreements with TMC3 Development Corporation

Description: Authorization to enter into Parking Permit Agreements for the use of parking spaces located within any TMC parking facility or lot, including subterranean or above-grade, located on the TMC3 Campus, Houston, Harris County, Texas. This parking will support each institution's Collaborative Space Sublease Agreement(s).

Licensor: Texas Medical Center, a Texas nonprofit corporation, or an affiliated entity TMC3 Development Corporation, a Texas nonprofit corporation

Term: Coterminous with the remaining approximately 35-year initial term of the Collaborative Space Sublease Agreements, and two successive 35-year renewal terms, if exercised, for a potential total term of approximately 105 years

License Fees: The fees for the initial term are estimated to be approximately \$13,876,048 and are based on TMC's first year rate of \$375 per month per permit, which is consistent with parking rental rates in the Texas Medical Center market. The estimated fees for the potential renewal terms, if exercised, are estimated at approximately \$148,913,365. The estimated total for the initial and renewal terms is \$162,789,413.

Licensed Area: Any TMC parking facility, garage, subterranean, or above-grade located on the TMC3 Campus, Houston, Harris County, Texas

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

41. Contract (funds going out) - U. T. System: Engineered Air Balance Co., Inc., to perform testing, adjusting, and balancing services of HVAC water and air systems, and associated design review and technical support services

Agency: Engineered Air Balance Co., Inc.

Funds: To be paid by U. T. System or the institutions that request services under this Agreement. Services under this Agreement may be requested by U. T. System or any U. T. institution. Contract is being brought forward for Board approval as it is nearing the \$1,000,000 delegation threshold; however, the maximum amount is indeterminable at this time.

Period: September 1, 2022 through August 31, 2024; with two remaining 24-month renewal options

Description: Engineered Air Balance Co., Inc., to perform testing, adjusting, and balancing services of HVAC water and air systems, and associated design review and technical support services on a nonexclusive, indefinite quantity basis. The contract value is now estimated to be nearing \$1,000,000, although the maximum amount is indeterminable at this time. Services were competitively procured.

42. Contract (funds going out) - U. T. System: Bath Group Inc. to perform total building commissioning technical and procedural services

Agency: Bath Group, Inc.

Funds: To be paid by U. T. System or the institutions that request services under this Agreement. Services under this Agreement may be requested by U. T. System or any U. T. institution. Contract is being brought forward for Board approval as it is nearing the \$1,000,000 delegation threshold; however, the value is not expected to exceed \$2,500,000 over the potential six-year term.

Period: May 1, 2020 through April 30, 2024; with one remaining 24-month renewal option

Description: Bath Group Inc. to perform total building commissioning technical and procedural services on a nonexclusive, indefinite quantity basis. One renewal has been used to extend the term to April 30, 2024, with one remaining renewal. The contract value is now estimated to be \$1,000,000, although the maximum amount is indeterminable at this time. Services were competitively procured.