### Meeting No. 1,181

## THE MINUTES OF THE BOARD OF REGENTS

OF

#### THE UNIVERSITY OF TEXAS SYSTEM

Pages 1 - 21

July 11, 2018

Austin, Texas

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#### MEETING NO. 1,181

WEDNESDAY, JULY 11, 2018.--The members of the Board of Regents of The University of Texas System convened at 10:00 a.m. on Wednesday, July 11, 2018, in the Board Room, Second Floor, The University of Texas System Building, 210 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE	
Present	Absent
Chairman Tucker	Regent Weaver
Vice Chairman Hildebrand	
Vice Chairman Foster	
Regent Aliseda	
Regent Beck	
Regent Eltife	
Regent Hicks	
Regent Longoria	
Regent Jewell, Student Regent, nonvoting	

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Tucker called the meeting to order in Open Session. She welcomed Regent Jewell and Chancellor *ad interim* Faulkner to their first in-person Board meeting.

#### AGENDA ITEM

1. <u>U. T. Health Science Center - Tyler: School of Community and Rural Health - Amendment of the FY 2018-2023 Capital Improvement Program to increase total project cost; and appropriation of funds and authorization of expenditure</u>

The Board approved the recommendations for the School of Community and Rural Health project at The University of Texas Health Science Center at Tyler as follows:

- a. amend the Fiscal Year 2018-2023 Capital Improvement Program (CIP) to increase the total project cost from \$39,000,000 to \$47,000,000; and
- b. appropriate funds and authorize expenditure of \$8,000,000 in additional funding from previously approved Permanent University Fund (PUF) Bond Proceeds.

#### **Previous Actions**

On October 31, 2016, the Chancellor approved the School of Community and Rural Health project for Definition Phase. On November 10, 2016, the Board approved an allocation of \$30,000,000 in PUF Bond Proceeds for this project. On May 10, 2017, the Board approved inclusion of the project in the CIP and design development and authorized expenditure of \$39,000,000 with funding of \$30,000,000 from PUF Bond Proceeds, \$6,750,000 from Revenue Financing System Bond Proceeds, \$1,250,000 from Gifts, and \$1,000,000 from Hospital Revenues.

In a separate action on November 10, 2016, the Board approved an allocation of \$45,000,000 in PUF Bond Proceeds for a Cancer Collaboration project between The University of Texas M. D. Anderson Cancer Center and four other U. T. institutions, \$10,000,000 of which was designated for a collaboration with U. T. Health Science Center - Tyler. This allocation included \$8,000,000 to provide an electronic health record (EHR) system to facilitate communication between the institutions. The EHR system will now be provided as part of a separate third-party agreement, freeing those funds for use by the School of Community and Rural Health project.

#### **Project Description**

The School of Community and Rural Health is designed to impact the region by educating and training the next generation of practitioners, researchers, and community and public health officials to address public health challenges and health disparities in Northeast Texas. The project will include classrooms, collaborative education spaces, conference rooms, and faculty and administrative offices. The project was originally designed to have 40% shelled space for future growth to support comprehensive health services research.

The School of Community and Rural Health has established the Center for Population Health, Analytics and Quality Advancement program to improve the health status in Northeast Texas by concentrating on cancer reduction. The professionals who comprise the Center's team currently work in multiple locations. The reallocation of the \$8,000,000 from the Cancer Collaboration project will fund completion of the shelled space and allow the Center's personnel to relocate to a contiguous space within the School of Community and Rural Health building.

#### **Project Information**

Project Number 801-1096

CIP Project Type New Construction
Facility Type Classroom, General

Management Type Office of Facilities Planning and Construction

Institution's Project Advocate

Joseph F. Woelkers, Executive Vice President, Chief

Operating Officer, and Chief Business Officer

Project Delivery Method Construction Manager-at-Risk

Gross Square Feet (GSF) 89,038

#### **Project Funding**

<u> Former</u>	<u>Current</u>
\$30,000,000	\$38,000,000
\$ 6,750,000	\$ 6,750,000
\$ 1,250,000	\$ 1,250,000
\$ 1,000,000	\$ 1,000,000
\$39,000,000	\$47,000,000
	\$30,000,000 \$ 6,750,000 \$ 1,250,000 \$ 1,000,000

<sup>&</sup>lt;sup>1</sup> Revenue Financing System Bond Proceeds (RFS) to be repaid from clinical revenue

**Project Cost Detail** 

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Building Cost	\$ 34,100,987
Fixed Equipment	50,000
Site Development	1,380,310
Furniture and Moveable Equipment	1,875,000
Institutionally Managed Work	1,475,000
Architectural/Design Services	2,544,357
Project Management Fees	1,497,773
Insurance	659,729
Other Professional Fees	1,877,903
Project Contingency	1,388,941
Other Costs	150,000
Total Project Cost	\$ 47,000,000

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

School of Community and Rural Health	\$383
Texas Higher Education Coordinating Board Average - Classroom,	\$410
General	

	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$180	\$342	\$455
Other National Projects	\$266	\$378	\$522

<sup>&</sup>lt;sup>2</sup> Gifts are fully collected

#### **Investment Metrics**

- Meet criteria to apply for Council on Education for Public Health accreditation review by 2019
- Increase student enrollment from 18 to 100 students by 2022
- Recruit 15 faculty by 2022

#### **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	October 2016
Addition to CIP	May 2017
Design Development Approval	May 2017
Construction Notice to Present	November 2017

Construction Notice to Proceed November 2017 Substantial Completion February 2019 RECESS TO EXECUTIVE SESSION.--At 10:05 a.m., the Board recessed to Executive Session, pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073, 551.074, 551.076, and 551.089 to consider the matters listed on the Executive Session agenda. A working lunch was held in the Executive Session Room, Second Floor, The University of Texas System Building.

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS AND TO CONSIDER AGENDA ITEMS.--Chairman Tucker reconvened the Board in Open Session at 2:55 p.m. to consider action on Executive Session Agenda Items 1a and 5i and to consider the following Agenda Items.

1a. <u>U. T. Austin: Discussion and appropriate action regarding expansion of the sublease of the proposed office building with related parking facilities on Block 164 of the original City of Austin Subdivision, Austin, Travis County, Texas, from The 2033 Fund, or an affiliated entity controlled by The 2033 Fund, and prepayment of a portion of the sublease; and resolution regarding parity debt</u>

Regent Aliseda moved that the Board take the following actions on behalf of The University of Texas at Austin:

- a. authorize expansion of the sublease of the proposed office building with related parking facilities located on Block 164 of the original City of Austin Subdivision, Austin, Travis County, Texas, from The 2033 Fund, or an affiliated entity controlled by The 2033 Fund, and prepayment of a portion of the sublease rent; and resolution regarding parity debt on terms in accordance with the parameters outlined in Executive Session; and
- b. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary to carry out the purpose and intent of the foregoing actions within the parameters outlined in Executive Session.

The motion was seconded by Regent Hicks and carried unanimously.

1b. <u>U. T. M. D. Anderson Cancer Center and U. T. Health Science Center - Houston:</u>

<u>Discussion regarding the lease of land and common facilities at the TMC3</u>

<u>collaborative research development located on approximately 28 acres bounded by Old Spanish Trail, South Braeswood Boulevard, and bisected by William C. Harvin Boulevard, from Texas Medical Center, Inc., for research and related uses</u>

2a. <u>U. T. System: Discussion with Vice Chancellor for Strategic Initiatives regarding assignment and duties, including responsibilities associated with providing information and data to the Board and U. T. System leadership</u>

No action was taken on this item.

2b. <u>U. T. M. D. Anderson Cancer Center: Discussion with president regarding assignment and duties, including individual responsibilities associated with outlining a vision and plans for the future of the institution</u>

No action was taken on this item.

2c. <u>U. T. M. D. Anderson Cancer Center and U. T. Health Science Center - Houston:</u>

<u>Discussion regarding individual personnel matters related to TMC3 collaborative research development</u>

No action was taken on this item.

2d. <u>U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of U. T. System and institutional employees including employees covered by Regents' *Rules and Regulations*, Rule 20204 and Rule 20203, regarding compensation</u>

No action was taken on this item.

2e. <u>U. T. Permian Basin: Discussion with president regarding assignment and duties, including individual responsibilities associated with outlining a vision and plans for the future of the institution</u>

No action was taken on this item.

2f. <u>U. T. San Antonio: Discussion with president regarding assignment and duties, including individual responsibilities associated with outlining a vision and plans for the future of the institution</u>

No action was taken on this item.

2g. <u>U. T. System Board of Regents: Discussion with Chancellor and Deputy Chancellor concerning assignment and duties including individual personnel issues associated with proposed U. T. System budget</u>

2h. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions); U. T. System Administration officers (Deputy Chancellor, Executive Vice Chancellors, and Vice Chancellors); other officers reporting directly to the Board (such as Chancellor, General Counsel to the Board, and Chief Audit Executive); Board members, task force members, and advisory council members; and U. T. System and institutional employees

No action was taken on this item.

2i. <u>U. T. System Board of Regents: Discussion and appropriate action related to identification of candidates to be invited to interview for the position of Chancellor</u>

Vice Chairman Hildebrand moved that the Board interview candidates for the position of The University of Texas System Chancellor, as discussed in Executive Session, at a future Board meeting. He said this motion is premised on the understanding that the names of any finalists for this position will be made public at least 21 days before the vote to name a Chancellor.

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

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

  No action was taken on this item.
- 3b. <u>U. T. M. D. Anderson Cancer Center and U. T. Health Science Center Houston:</u>

  <u>Discussion regarding legal issues related to TMC3 collaborative research development</u>

No action was taken on this item.

3c. <u>U. T. System Board of Regents: Discussion regarding legal issues associated with proposed U. T. System budget</u>

No action was taken on this item.

4a. <u>U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features</u>

4b. <u>U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features</u>

No action was taken on this item.

5. <u>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</u>

No action was taken on this item.

#### AGENDA ITEMS (continued)

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

The Board approved the Consent Agenda, which is set forth on Pages 11 - 21.

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

3. U. T. System Board of Regents: Update from Houston Land Task Force (Deferred)

This item was deferred.

4. <u>U. T. System Board of Regents: Update from System Review and Structure Task</u>
<u>Force (Deferred)</u>

This item was deferred.

5. <u>U. T. System: Discussion and possible appropriate action regarding preparation of the proposed Fiscal Year 2019 Budget</u>

# 6. <u>U. T. System Board of Regents: Discussion and appropriate action regarding proposed recipient for the Santa Rita Award</u>

The Board approved Mr. Joe R. and Dr. Teresa Lozano Long as recipients of the Santa Rita Award. Chairman Tucker's remarks about the award are set forth below.

#### Remarks and Recommendation by Chairman Tucker

Under Item 6, I am pleased to make a recommendation concerning the Santa Rita Award, the highest honor bestowed by the Board of Regents.

The Santa Rita Award is made to recognize extraordinary contributions to U. T. institutions, coupled with a deep commitment to higher education and service to the U. T. community. The Award takes its name from Santa Rita, the discovery oil well that transformed The University of Texas.

Since the creation of the award in 1968, only 25 Santa Rita Awards have been made, with the last award to The Sealy & Smith Foundation in 2016.

It is my great honor and it gives me great pleasure to nominate Joe R. and Dr. Teresa Lozano Long for receipt of the Santa Rita Award. As many of you know, the Longs have a long-standing history of dedication and generosity to The University of Texas Health Science Center at San Antonio and The University of Texas at Austin. The couple's work at U. T. Austin has highlighted Hispanic culture and history and supported Hispanic youth and performing arts programs and the Hispanic Scholarship Consortium. In 2000, U. T. Austin's center for Latin American studies, the oldest in the nation, was renamed the Teresa Lozano Long Institute of Latin American Studies in recognition of an endowed gift that funds student scholarships and professorships.

At U. T. Health Science Center - San Antonio, the Longs have provided very generous scholarship and other endowment funds, and the School of Medicine is named in their honor. They have made scholarship gifts to other U. T. institutions as well.

The Board should know that we received, as you saw in your materials, letters of recommendation from former Chancellor Cigarroa, from President Henrich at U. T. Health Science Center - San Antonio, from President Greg Fenves, and from Chancellor Larry Faulkner, all recommending their support.

I move that the U. T. Board of Regents make a decision to award the Santa Rita Award, our highest honor, to Joe R. and Teresa Lozano Long. May I have a second?

The motion was seconded by Regent Longoria. Several members of the Board spoke in support of the nomination, and the motion carried unanimously.

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on August 9-10, 2018, in Austin.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 3:00 p.m.

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

July 13, 2018



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#### **ACADEMIC AFFAIRS COMMITTEE**

1. <u>Contract (funds going out)</u> - **U. T. Austin**: First Amendment to Agreement with Huron Consulting Services, LLC to provide implementation services related to Workday human resources and payroll system

Agency: Huron Consulting Services, LLC

Funds: \$5,000,000

Period: November 19, 2017 through March 1, 2019

Description: Huron Consulting Services will provide services in

targeted areas for the final stages of the Workday human resources and payroll system rollout on November 1, 2018. The agreement was procured

through the U. T. System Supply Chain Alliance contract.

The initial contract has a total value of \$2,250,000, which is below the institution's delegated contracting authority, and the first amendment will add \$2,750,000, bringing the

total to \$5,000,000.

2. <u>Lease - U. T. Austin:</u> Authorization to lease approximately 2,889 square feet of space located in U. T. Austin's Health Transformation Building at 1601 Trinity Street, Austin, Travis County, Texas, to HEB Grocery Company, LP, for the operation of a licensed pharmacy

Description: Lease of approximately 2,889 square feet of space on

the 1st floor of the Health Transformation Building located at 1601 Trinity Street, Austin, Travis County, Texas, within the institution's campus, to HEB Grocery Company, LP, a Texas limited partnership, for the

operation of a licensed pharmacy

Lessee: HEB Grocery Company, LP, a Texas limited partnership

Term: Five-year initial term, with two renewal options of

three years each upon mutual agreement

Lease Value: \$2,514,102 gross rental income for the initial five-year

term and two three-year renewal terms. The initial term will begin with an annual per-square-foot rate of \$35 and will increase to a \$72.50 annual per-square-foot rate by the end of the final three-year renewal term. Lessee will be responsible for their pro rata portion of operating expenses, initially estimated at \$17 per square foot. Lessor will provide a one-time tenant improvement allowance of \$144,450 for the cost of a mutually agreed

build-out of the space.

3. Purchase - U. T. Austin: Authorization to purchase the leasehold estate and improvements located at 2400 Nueces Street, Austin, Travis County, Texas, from EDR Austin LLC for future programmed campus expansion, including student housing and office space

Description: Purchase of the leasehold estate in a ground lease

located at 2400 Nueces Street, Austin, Travis County, Texas; and authorization for the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to purchase the property. The leasehold improvements consist of a 16-story residential facility holding approximately 600 beds in over 300 units, with about 20,560 square feet of ground and mezzanine-level commercial space and related structured parking for over 560 vehicles. The purchase is made pursuant to an option stipulated in the ground lease. The property will be used for future programmed campus expansion, including student housing and U. T. Austin's International

Office.

Seller: EDR Austin LLC, a Delaware limited liability company;

this entity is controlled by Education Realty Trust, Inc.

Purchase Price: \$74,759,241; this price is supported by an independent

appraisal performed by Paul Hornsby & Company;

appraisal confidential pursuant to Texas Education Code

Section 51.951

Source of Funds: Revenue Financing System bonds will be repaid from

rental income. The Project's debt service coverage ratio is expected to be at least 1.3 times and to average 1.8 times during the period from Fiscal Year 2020 through Fiscal Year 2025. 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. Austin 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.

4. Purchase - U. T. Rio Grande Valley: Authorization to purchase approximately 3,481 square feet of condominium space located at 512 Victoria Lane, Unit 13, Harlingen, Cameron County, Texas, from Lone Star National Bank for future programmed expansion, including medical and clinical uses

Description: Purchase of a condominium unit containing

approximately 3,481 square feet of medical and clinical office space located at 512 Victoria Lane, Unit 13, Harlingen, Cameron County, Texas; and authorization for the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to purchase the property. This property is located approximately one mile from U. T. Rio Grande Valley's Harlingen campus and is in a medically oriented area

of Harlingen. The property will be used for future programmed campus expansion, including clinical and educational use by the institution's doctorate program

in clinical psychology.

Seller: Lone Star National Bank, a privately held bank holding

company headquartered in McAllen, Texas

Purchase Price: Not to exceed fair market value as determined

by an independent appraisal performed by Aguirre & Patterson, Inc.; appraisal confidential pursuant to

Texas Education Code Section 51.951

5. Purchase - U. T. Rio Grande Valley: Authorization to purchase approximately 0.90 acres improved with a one-story medical and clinical office building located at 615 Camelot Drive, Harlingen, Cameron County, Texas, from Phillips Investments, LTD, for future programmed campus expansion, including medical and clinical uses

Description: Purchase of approximately 0.90 acres improved with a

one-story medical office building located at 615 Camelot Drive, Harlingen, Cameron County, Texas; and

authorization for the Executive Director of Real Estate to execute all documents, instruments, and other

agreements, and to take all further actions deemed necessary or advisable to purchase the property. The improvements consist of a 3,576 square foot one-story medical office and clinical office building, and related surface parking facilities. This property is located approximately one mile from U. T. Rio Grande Valley's

Harlingen campus and is in a medically oriented area of Harlingen. The 0.90-acre tract includes a contiguous pad site for future expansion of the facility. The property will be used for future programmed campus expansion,

including medical office and clinical uses.

Seller: Phillips Investments, LTD, a Texas Limited Partnership

Purchase Price: Not to exceed fair market value as determined by an

independent appraisal performed by Robinson, Duffy and Barnard, LLP; appraisal confidential pursuant to

Texas Education Code Section 51.951

6. Approval of Dual Position of Honor, Trust, or Profit - **U. T. Rio Grande Valley**:

Appointment by Governor Abbott of Lilia Garcia, Adjunct History Lecturer, as a member of the Texas Historical Commission

The following item has been approved by the Executive Vice Chancellor for Academic Affairs in accordance with Regents' *Rules and Regulations*, Rule 30103.

It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas Rio Grande Valley, and there is no conflict between holding this position and the appointment with the University.

The Board is also asked to find that holding this position is of benefit to the State of Texas and the University and that there is no conflict between the position and the University.

Name: Lilia Garcia

Title: Adjunct Faculty, History Department

Position: Member, Texas Historical Commission

Period: April 12, 2018 through February 1, 2021

Compensation: Reimbursement of reasonable travel and related out-of-

pocket expenses

Description: Ms. Garcia has been appointed by Governor Abbott as

a member of the Texas Historical Commission and will work with the Commission in their efforts toward the preservation and promotion of Texas' historic assets to create economic opportunities, educational benefits,

and to keep Texas history alive.

#### **HEALTH AFFAIRS COMMITTEE**

# 7. Other Matters - U. T. System: Appointment of a member to The University of Texas System Health Care Advisory Committee

In accordance with The University of Texas System Health Care Advisory Committee bylaws, approval by the U. T. System Board of Regents is recommended for the appointment of Stephen J. Rohleder to the Advisory Committee. The initial appointment term would commence upon approval and expire May 31, 2021. Mr. Rohleder has significant experience in the health industry. He has been the principal owner of SGR Equity Investments since 2015. Prior to that, he served as the Group Chief Executive of North America at Accenture PLC.

On August 20, 2015, the U. T. System Board of Regents approved the creation of the U. T. System Health Care Advisory Committee (HCAC), which serves in an advisory and review capacity on behalf of the U. T. System Board of Regents. The Advisory Committee's bylaws provide that each member serve for a three-year term, with the option for reappointment for one additional three-year term. The Executive Vice Chancellor for Health Affairs appoints the members, subject to approval by the U. T. System Board of Regents. The HCAC membership is not limited to a specific number, and the current members who were approved by the Board of Regents on February 11, 2016, are Carrol Aulbaugh, Charles J. Barnett, Douglas D. Hawthorne, and Eduardo Sanchez, M.D.

# 8. <u>Purchase Order - U. T. Medical Branch - Galveston</u>: Purchase of electron microscope from FEI Company

Agency: FEI Company

Funds: \$5,809,945

Description: Request for approval to purchase an electron

microscope for the Sealy Center for Structural

Biology (SCSB) from FEI Company. SCSB has set the goal of establishing a state-of-the-art, high resolution, high throughput electron microscopy facility. Purchase of the Krios Titan microscope is designed to take U. T. Medical Branch - Galveston to the next level in studying

structures of biological samples.

Authorization is also requested for President Callender or his delegate to execute all necessary documents and agreements, subject to approval as to legal form by the

Office of General Counsel.

9. Other Fiscal Matters - U. T. Medical Branch - Galveston: Approval of settlement of property insurance claim related to fire at John Sealy Hospital on January 4, 2017, and delegation of authority to Chief Compliance and Risk Officer to execute all related Proofs of Loss and settlement documents

Chancellor Faulkner concurs in the recommendation of the Chief Compliance and Risk Officer and the institutional president that the Board approve final settlement of the property insurance claim related to a fire at John Sealy Hospital at U. T. Medical Branch - Galveston (UTMB) on January 4, 2017, in the amount of \$15,090,253.99, in accordance with Regents' *Rules and Regulations*, Rule 80601. In approving this item, the Board is also asked to delegate authority to the Chief Compliance and Risk Officer to execute all related Proofs of Loss and settlement documents.

On January 4, 2017, a fire occurred in the John Sealy Hospital at UTMB, causing damage to property, disrupted operations, and necessitating the evacuation of more than 100 patients. No injuries were reported as a result of this event.

The total for the loss, including business interruption, clean up, property damage, claim preparation fees, and other nonspecified expenses, is \$15,340,253.99, of which \$6,847,999.01 is attributed to business interruption. The Comprehensive Property Protection Plan (CPPP) Fire and All Other Perils (AOP) covers the \$5,000,000 deductible, less a \$250,000 institutional deductible.

Total for loss	\$15,340,253.99
Institutional deductible	\$250,000.00
Net to UTMB	\$15,090,253.99
CPPP* AOP Fund Advance Payment to UTMB	\$4,750,000.00
Insurance Advance	\$3,000,000.00
Net Insurance Due	\$7,340,253.99

\*\$2,500,000 of the CPPP payment will be replenished over the next five years (\$1,250,000 by UTMB and \$1,250,000 by all UT institutions, including UTMB)

This settlement amount has been approved by President Callender at UTMB and by the Risk Management Executive Committee at System Administration.

10. Interagency Agreement (funds coming in) - U. T. Health Science Center - Tyler:
Interagency agreement between U. T. Health Science Center - Tyler and the Texas
Higher Education Coordinating Board to provide operational support services for the
Northeast Texas Initiative of the Northeast Texas Consortium of Colleges and
Universities (NETnet)

Agency: Texas Higher Education Coordinating Board (THECB)

Funds: \$2,500,000

Period: September 1, 2017 through August 31, 2019

Description: THECB has contracted with U. T. Health Science Center -

Tyler to provide operational support for the Northeast Texas Initiative of the Northeast Texas Consortium of Colleges and Universities (NETnet), as directed by

General Appropriations Act, SB 1, 85th Texas Legislature, Article III, Higher Education Coordinating Board, Rider 57.