



**AGENDA
SPECIAL CALLED TELEPHONE MEETING
of
THE UNIVERSITY OF TEXAS SYSTEM
BOARD OF REGENTS
May 18, 2018
Austin, Texas**

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

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1:00 p.m.

1. Individual Personnel Matters Relating to Officers or Employees – Section 551.074
 - a. **U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions); 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**
 - b. **U. T. System: Discussion and appropriate action regarding individual personnel matters relating to Chancellor search**
2. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers – Section 551.071
 - a. **U. T. System Board of Regents: Discussion with Counsel on pending legal issues**
 - b. **U. T. System: Discussion and appropriate action regarding legal issues related to management of Los Alamos National Laboratory**
 - c. **U. T. Health Science Center - Houston: Discussion and appropriate action concerning legal issues regarding the proposed interagency contract to provide planning, design, and construction services related to new Texas Health and Human Services Commission psychiatric hospital in Houston**
3. Negotiated Contracts for Prospective Gifts or Donations – Section 551.073
 - a. **U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**
 - b. **U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**

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

1:45 p.m.
approximately

1. **U. T. System Board of Regents: Approval of Consent Agenda and consideration of any items referred to the full Board** 3
2. **U. T. Southwestern Medical Center: Approval to establish a Doctor of Philosophy in Applied Clinical Research degree program in the School of Health Professions, Department of Health Care Sciences** 4

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ADJOURN	<i>2:00 p.m. approximately</i>

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

RECOMMENDATION

The Board will be asked to approve the [Consent Agenda](#) and will discuss any items referred for consideration by the full Board.

2. U. T. Southwestern Medical Center: Approval to establish a Doctor of Philosophy in Applied Clinical Research degree program in the School of Health Professions, Department of Health Care Sciences

RECOMMENDATION

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

- a. establish a Doctor of Philosophy (Ph.D.) in Applied Clinical Research degree program in the School of Health Professions, Department of Health Care Sciences at U. T. Southwestern Medical Center; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

BACKGROUND INFORMATION

U. T. Southwestern Medical Center proposes to establish a Ph.D. in Applied Clinical Research degree program to be administered by the School of Health Professions in the Department of Health Care Sciences. On August 22, 2013, preliminary planning authority for this degree program was approved by the Board of Regents via the Consent Agenda.

Program Description

The proposed Ph.D. in Applied Clinical Research degree program is designed to provide research training in patient-oriented research and clinically relevant basic/translational science research for graduate-level health care professionals holding a master's level degree and having discipline-specific clinical skills. The proposed degree program is analogous to the M.D./Ph.D. program model, combining clinical and research training, but is designed to enhance the research skills and marketability of allied health care professionals. Providing rigorous research training to allied health clinicians has the potential to expand career options in the clinical practice setting to include research and teaching opportunities in academic institutions and government agencies, as well as the private sector.

The degree requirements for the Ph.D. in Applied Clinical Research include holding a master's level degree in a clinical/allied health-related discipline and 42 additional hours of doctoral level research training. The didactic curriculum will be designed as a full-time enrollment (average of nine hours per fall/spring semester; six hours per summer semester) over two years for a total of 33 hours. An additional nine credit hours will be required to complete dissertation research. During the dissertation research period, the full-time semester credit load for a doctoral student will be nine hours per fall/spring semester and six hours per summer semester.

Need and Student Demand

There are no current employment data related specifically to doctoral (Ph.D.) trained health care professionals; however, the *Occupational Outlook Handbook* published by the U.S. Department of Labor, Bureau of Labor Statistics does provide data related to specific health care disciplines, as well as data for medical scientists performing health care related research. It is anticipated students in the proposed Ph.D. program will be primarily drawn from U. T. Southwestern's current programs (i.e. clinical nutrition, physical therapy, physician assistant studies, prosthetics and orthotics, radiation therapy, and rehabilitation counseling). Therefore, data for medical scientists performing health care research, as well as for master's level graduates of the health care disciplines offered through the U. T. Southwestern School of Health Professions, are provided with the assumption that the rate of employment of health care professionals holding a doctoral degree should be similar to, if not greater than, the rate of employment of health care professionals not holding a doctoral degree. The U.S. Bureau of Labor Statistics, U.S. Department of Labor, *Occupational Outlook Handbook* states:

Employment of medical scientists is projected to grow 13 percent from 2016 to 2026, faster than the average for all occupations. Medical scientists will continue to be needed because they contribute to the development of treatments and medicines that improve human health. Employment of dietitians and nutritionists is projected to grow 15 percent from 2016 to 2026, much faster than the average for all occupations. Employment of physical therapists is projected to grow 28 percent from 2016 to 2026, much faster than the average for all occupations. Employment of physician assistants is projected to grow 37 percent from 2016 to 2026, much faster than the average for all occupations. Employment of orthotists and prosthetists is projected to grow 22 percent from 2016 to 2026, much faster than the average for all occupations. Employment of psychologists (inclusive of rehabilitation counselors) is projected to grow 14 percent from 2016 to 2026, faster than the average for all occupations. Job prospects should be best for those who have a doctoral degree in an applied specialty.

It is currently anticipated that there would be 10 graduates from the Ph.D. program each year. The proposed program would start small (approximately 5 students) to ensure quality and student success, but eventually target recruitment of approximately 10 highly qualified and motivated new students each year. Upon finishing the discipline specific clinical training, the students would spend an additional two to three years working with faculty from the School of Health Professions and Medical School to develop skills and competency in patient-oriented research or clinically relevant basic/translational research, completing dissertation projects in the process. The goal would be to have approximately 20-30 enrolled students in the program continually with 10 students graduating each year.

Program Quality

As the Ph.D. program will be offered to health professionals holding master's level degrees and having discipline specific clinical skills, the program has included core faculty from multiple disciplines. The program will consist of a core of seven full-time and six part-time (10%-20% time) faculty members. Five of the core faculty members have primary affiliations within the School of Health Professions, represent current programs, and are currently employed by U. T. Southwestern in a full-time capacity. Two new full-time core faculty members are required for this program. Funding for the new hires has been budgeted and encumbered as two new faculty lines under Dr. Scott Smith, Program Director. The core faculty will have a

dedicated percent effort to the Ph.D. program and will be involved in teaching lectures in various courses, student mentoring, and directing dissertation research.

In addition to the core faculty described above, 16 support faculty (10% time) from several different departments at U. T. Southwestern have agreed to participate in the Ph.D. program and provide training to students. Support faculty will primarily direct dissertation projects and provide research support and student mentoring. Adjunct faculty overseeing research facilities at U. T. Arlington and Southern Methodist University will also be involved to enhance program quality.

Core faculty productivity (Table 1) and sponsored research (Table 2) are included.

Table 1. Total Faculty Publications and Other Scholarly/Creative Accomplishments for the Past Five Years

Faculty Member	Refereed Papers	Book Chapters	Books	Juried Creative/Performance	Patents
Totals:	116	8	0	0	0

Table 2. Total External Grant Awards for the Past Five Years

Faculty Member	Total Grant Amount	Institutional Amount
Totals:	\$17,796,294	\$22,113,500

Indicators of program quality

The Applied Clinical Research Ph.D. program will be evaluated both internally and externally on a regularly planned and systematic basis. According to policy, all academic programs are required to undergo a formal program review every five years. The Department of Health Care Sciences, in which the Ph.D. program will be housed, will also collect data and conduct evaluations of the proposed Ph.D. program.

Revenue and Expenses

Data with more detailed financial information, including five-year totals requested, has been presented to U. T. Southwestern Medical Center Administration using the Texas Higher Education Coordinating Board New Doctoral Program proposal worksheet, and is provided on the following page.

Projected Enrollment	5-Year Total
Number of Students Used for Formula Funding Calculation	20
Total Number of Students	20 per year
Expenses	5-Year Total
<i>Faculty</i>	
Salaries	\$2,359,500
Benefits	\$665,500
<i>Graduate Students</i>	
TA Salaries	
TA Benefits	
GRA Salaries	
GRA Benefits	
<i>Staff & Administration</i>	
Graduate Coordinator Salary (Program Administration)	\$526,500
Administrative Staff Salaries	\$351,750
Staff Benefits	\$321,750
SCC Operating Benefits	
<i>Other Expenses</i>	
Meals and supplies to support an orientation meeting for new students and a weekly "laboratory" meeting with lunches for students	\$15,000
Supplies, Library, Equipment	\$1,125,000
Total Expenses	\$5,365,000
Revenue	5-Year Total
<i>From Student Enrollment</i>	
Formula Funding *	\$984,600
Tuition and Fees (Differential tuition)**	\$180,000
<i>From Institutional Funds</i>	
Reallocation of Existing Funds	\$3,084,400
<i>From Grant Funds</i>	
[Enter Description]	
<i>From Other Revenue Sources</i>	
Funding from Faculty Service Plan and fee structure ***	\$1,116,000
Total Revenue	\$5,365,000

*New Formula Income: Using the 2016-2017 Instruction & Operations (I&O) formula rate of \$9,829 and doctoral student formula weight of 1.018, the 20 students would generate 33.4 Full-Time Student Equivalent (FTSE) for a total of \$328,288 per year formula income. The formula begins in Year 3.

**The program would charge a differential tuition of \$100 per semester credit hour for 60 hours or \$60,000 per year in differential tuition for 20 enrolled students in Years 3, 4, and 5.

***The School of Health Professions will utilize revenue from the Faculty Service Plan clinical fund prior year balance to help support the doctoral program over the first five years. The clinical funding will be decreased each year, as formula funding is generated and faculty grants are obtained. The amount of funding is anticipated to be \$658,000 for year one and \$458,000 for year two (primarily associated with equipment/start-up). After the first two years, this funding source will not be required as state funds are realized.

Additional program support could also be derived from the current U. T. Southwestern fee structure, including the following (on a per semester basis): student services \$42 per credit hour, capped at \$250 per semester; computer fee \$81.66, with lab equipment fee added at \$125. This total of \$456.66 will be paid three times per year (spring, summer, fall) by 20 students for a total of \$27,399 in fee revenue per year.

Coordinating Board Criteria

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

3. U. T. Health Science Center - Houston: Discussion and appropriate action concerning proposed interagency contract to provide planning, design, and construction services related to new Texas Health and Human Services Commission psychiatric hospital in Houston

RECOMMENDATION

The Chancellor concurs in the recommendation of the Deputy Chancellor, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, and the institutional president that the Board of Regents authorize U. T. Health Science Center - Houston (UTHealth), working with the U. T. System Office of Facilities Planning and Construction (OFCP), to enter into an interagency contract with the Texas Health and Human Services Commission (HHSC) to provide planning, design, and construction services related to a new HHSC psychiatric hospital in the Texas Medical Center in Houston.

BACKGROUND INFORMATION

The 85th Texas Legislature appropriated approximately \$300,000,000 directly to HHSC to be used for modernizing and upgrading mental health facilities it manages in Texas, of which HHSC has agreed to use \$125,000,000, or more than 40 percent of the total statewide funding, to build a new psychiatric hospital in Houston (the Project) adjacent to the existing Harris County Psychiatric Center currently operated by UTHealth in the Texas Medical Center. Under the proposed interagency contract between UTHealth and HHSC, UTHealth would also manage the planning, design and construction of the new psychiatric hospital facility for HHSC.

The Project will have a minimum of 228 beds (with a goal of up to 304 beds) designed to provide acute care, sub-acute care, and residential treatment, reserved for HHSC's patients, and to be operated subject to sufficient state funding for operations. The contract between UTHealth and HHSC would expire on March 31, 2022, based on projected timelines, which may be extended by mutual agreement.

Under the contract, UTHealth is obligated to (1) manage the Architect/Engineer (A/E) selection process, execute a contract with a professional architectural firm to provide the complete design and construction administration services, and administer the contract, and (2) manage the Construction Manager at Risk (CMR) selection process, execute a contract with the CMR to perform all construction services required to complete the project, negotiate the Guaranteed Maximum Price (GMP), and participate in the bidding process for construction packages. UTHealth will also manage the selection of furnishings and the installation of all fixtures, furniture, and equipment for the complete and functioning facility, as well as provide full building commissioning for the building to operate as intended.

UTHealth plans to work with UT System's Office of Facilities Planning and Construction (OFCP), pursuant to Board of Regents' Rules, to manage the planning, design, and construction of the building, for a fee of approximately \$3,700,000. OFPC will manage the A/E and CMR selections, negotiate the GMP, and administer the construction contract, as well as the construction close-out on behalf of UTHealth. OFPC project managers will provide professional guidance and management to UTHealth on planning, design phase management, contract administration, construction observation and close-out, and provide leadership and direction to the construction contractors.

UTHealth has negotiated a number of provisions within the proposed contract to mitigate the risk associated with obligations undertaken in the contract. Further, while the Project goal is to have up to 304 beds, with a realistic goal of 264 to 288 beds, the minimum number of beds required to meet the commitment to HHSC is 228. If unexpected costs arise, the number of beds that exceed the minimum requirement could be reduced in number or eliminated from the Project program as a means of managing Project costs.

4. U. T. M. D. Anderson Cancer Center: Appointment of John Mendelsohn, M.D., as President Emeritus

RECOMMENDATION

The Chancellor concurs in the recommendation of the Deputy Chancellor, the Executive Vice Chancellor for Health Affairs, and the institutional president that the U. T. System Board of Regents appoint John Mendelsohn, M.D., as President Emeritus at U. T. M. D. Anderson Cancer Center. Approval of this recommendation is being requested in accordance with the Regents' *Rules and Regulations*, Rule 20301.

BACKGROUND INFORMATION

Dr. Mendelsohn was the third President of U. T. M. D. Anderson Cancer Center, serving in that position from 1996 to 2011. Prior to his presidency, Dr. Mendelsohn was Chair of the Department of Medicine and co-head of the Program in Molecular Pharmacology and Therapeutics at Memorial Sloan-Kettering Cancer Center for eleven years. From 1970 to 1985, while at the University of California, San Diego, he was founding director of a National Cancer Institute-designated cancer center.

In 1996, Dr. Mendelsohn led the launch of U. T. M. D. Anderson's targeted research initiatives for brain, breast, ovarian, prostate, and skin cancers to broaden the collaboration of scientists and clinicians in developing better strategies to treat and prevent these diseases. During Dr. Mendelsohn's administrative tenure at U. T. M. D. Anderson, the institution more than doubled in size and launched U. T. M. D. Anderson's largest fundraising campaign, Making Cancer History®: The Campaign to Transform Cancer Care.

Since 2011, Dr. Mendelsohn has remained on the U. T. M. D. Anderson faculty as Professor and has served as the co-director of the Sheikh Khalifa Bin Zayed Al Nahyan Institute for Personalized Cancer Therapy. This request is being brought to the Board at this time as appropriate under special circumstances.

5. U. T. System: Discussion and appropriate action regarding request for an allocation of up to \$7 million from funds generated through the U. T. System Internal Lending Program (ILP) to provide bridge financing to support the successful transition of management for the Los Alamos National Laboratory in New Mexico

RECOMMENDATION

The Chancellor, with the concurrence of the Deputy Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Executive Vice Chancellor for Health Affairs, recommends for approval an allocation of up to \$7 million from funds generated through the U. T. System Internal Lending Program (ILP) to provide bridge financing to support the successful transition of management for the Los Alamos National Laboratory in New Mexico.

BACKGROUND INFORMATION

On September 18, 2017, the Board approved the expenditure of \$4.5 million from the Available University Fund to support preparation for participation in the bid process, and on November 27, 2017, the Board authorized submission by U. T. System of a proposal for management and operation of the Los Alamos National Laboratory in New Mexico. The proposal was submitted on December 11, 2017, and U. T. System will be informed imminently whether the Limited Liability Company that it formed to submit the proposal won the contract.

The purpose of this request is to provide up to \$7 million of bridge financing to that Limited Liability Company to cover certain costs that will arise during the four-month transition period that will commence, subject to any delays caused by a protest by a losing bidder, in the weeks following contract award and culminating with the commencement of the contract base period on or about October 1, 2018.

Given the modest nature and staggered distribution of the \$12.5 million provided to the Limited Liability Company by the federal government for the entire transition period under the contract, U. T. System executive leadership has determined that it will be wise and prudent for U. T. System, should the Limited Liability Company succeed in obtaining the contract, to provide additional resources to ensure that the Limited Liability Company can engage its key personnel from day one, carefully address pre-existing risk conditions during transition due diligence and support other aspects of the transition budgeted to exceed the \$12.5 million in transition funds.

Any funds advanced will be repaid to U. T. System by the Limited Liability Company when the federal government pays contractual fixed fees to the Limited Liability Company commencing during or shortly after the first month of the base term of the contract in October 2018. It is expected that significantly less than \$7 million will be needed, but funds should be available as needed to manage risks to U. T. System as part of the transition process. This request will become moot, and none of the requested funding would be distributed or expended, if the Limited Liability Company does not win the award.

Executive Vice Chancellor Kelley has reviewed the proposed distribution from the ILP and determined that the recommended distribution amount will not negatively impact the funds needed to maintain a sufficient interest rate buffer, to meet principal and interest due on external debt, and to provide necessary liquidity.



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Austin, Texas

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1. Employment Agreement - U. T. System: Approval of Revised Terms of Employment with Raymond S. Greenberg, M.D., Ph.D.

Proposed revised terms of employment, as summarized below, have been approved by the Chancellor and are recommended for approval by the Board.

Upon completion of his term as Executive Vice Chancellor for Health Affairs and prior to beginning one year of development leave as authorized by the original employment agreement approved by the Board on August 22, 2013, Dr. Greenberg will continue employment at U. T. System for one additional year. Dr. Greenberg will work at the direction of his successor to assist in the operations of the Office of Health Affairs and to support the work of the U. T. health institutions and other health-care operations throughout the U. T. System, at an annual salary rate of \$250,000.

The agreement setting forth revised terms of employment is included on the following page.



May 8, 2018

Confidential

Raymond S. Greenberg, M.D., Ph.D.
Executive Vice Chancellor for Health Affairs
The University of Texas System
Office of Health Affairs
210 West Seventh Street
Austin, Texas 78701

Dear Ray:

We have recently discussed your continued support of the U. T. System in other roles when, at a future time, you make the decision to leave the role of Executive Vice Chancellor for Health Affairs. You have made enormous contributions to the U. T. System and especially the six health institutions, and I believe it would be in the best interest of the U. T. System for you to remain employed beyond the completion of your work as Executive Vice Chancellor.

As an amendment to your initial employment agreement and subject to the approval of the U. T. System Board of Regents via the Consent Agenda at a future meeting, I would like your agreement to remain at the U. T. System in a transitional role as described below:

1. Prior to the start of one year of development leave, as authorized by state law and the agreement executed when you were appointed, you will agree to continue employment at the U. T. System for an additional year at a recommended salary of \$250,000 per year to work at the request of your successor as Executive Vice Chancellor for Health Affairs to assist in the operations of the Office of Health Affairs and to support the work of the health institutions and other health-care operations as assigned.
2. Following that service, you would begin development leave to prepare to assume your 2013 appointment as a tenured member of the faculty at U. T. Health Science Center - Houston. Consistent with the 2013 employment agreement, you will be paid at an academic rate as set by the institution in an amount determined to be at the 75th percentile of salaries for others similarly qualified and serving in the same discipline. This grant of development leave is conditioned upon the requirement that you return to the faculty for a period of time at least equal to the time of the development leave upon conclusion of the development leave.

It has been a great pleasure to work with you.

Sincerely,

William H. McRaven
Chancellor

WHM:em

2. Purchase - U. T. Austin: Authorization to purchase land and improvements at 2007 Guadalupe Street, Austin, Travis County, Texas, from Riverside Resources Investments II, Ltd., or from the Harry D. Pruett Trust, for future programmed campus expansion

Description: Authorization to purchase approximately 0.2009 of an acre located at Lot 4, Louis Horst's Subdivision of Outlot 21, Division D, Austin, Travis County, Texas, and improvements, commonly known as 2007 Guadalupe Street, and authorization 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 2,625 square foot, one-story building and surface parking.

Seller: Riverside Resources Investments II, Ltd., or from the Harry D. Pruett Trust

Purchase Price: Not to exceed fair market value as established by independent appraisal, plus all due diligence expenses, closing costs, and expenses to complete the acquisition. The appraisals are confidential pursuant to *Texas Education Code Section 51.951*.

3. Contract (funds going out) - U. T. System: Amendment to agreement with Willard Robert (Bob) Logan, PhD., for services related to (a) U.T. System's efforts to submit and secure a contract to operate the Department of Energy (DOE) Los Alamos National Laboratory (LANL), and upon potential contract award from DOE, (b) the 120-day transition period preceding commencement of the base term of the contract with DOE

Agency: Willard Robert Logan, PhD.

Funds: Not to exceed \$1,988,640

Period: The term of this agreement (as amended) commenced September 1, 2017, and expires September 30, 2018.

Description: This agreement (as amended) provides U.T. System with services related to (a) preparation of a proposal for submission to the Department of Energy (DOE) in connection with its solicitation for a LANL operator; and, if awarded a contract by DOE, (b) assistance with contract negotiation and transition planning, implementation, and management during the 120-day transition period that will precede commencement of the base term of the contract with the DOE.

The value of this agreement was initially below the threshold requiring Board approval and governed the period through proposal submission. The third amendment of this agreement, precipitated by the potential need for services during the 120-day transition period that would precede commencement of the base term of the contract with the DOE, increased the value to more than that threshold. Therefore, this agreement is being placed on the Consent Agenda for approval in accordance with Section 3.1 of Regents' Rule 10501.

This agreement was acquired via an Exclusive Acquisition Justification.

4. Other Matters - U. T. Tyler: Approval of corrected recalculation of total academic tuition and fee cost for fiscal years 2019 and 2020

As U. T. Tyler prepared the tuition and fee proposal for the 2018-2019 and 2019-2020 academic years for presentation to the Board of Regents at the March 19, 2018 special called meeting, the proposed increase to the Intercollegiate Athletics Fee (the "Athletics Fee") was not properly incorporated into the total academic cost rates due to a mathematical error. Although the proposed increase to the Athletics Fee was well-publicized at U. T. Tyler and passed successfully in an institution-wide student referendum, the increases of \$2 per semester credit hour in 2018-2019 and again in 2019-2020 were not accurately reflected in the proposed total academic costs for all students as presented to the Board for consideration. If approved, the total academic tuition and fee cost will reflect the inclusion of the accurate, student-approved Athletic Fee, which will be an increase of up to \$30 per semester for full-time undergraduate students in Fall 2018 and again in Fall 2019.