



**AGENDA**  
**SPECIAL CALLED TELEPHONE MEETING**  
**of**  
**THE UNIVERSITY OF TEXAS SYSTEM**  
**BOARD OF REGENTS**  
**June 24, 2021**  
**Austin, Texas**

CONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION

3:00 p.m.

1. Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072

**U. T. Rio Grande Valley: Discussion and appropriate action regarding the purchase of approximately 37.82 acres of unimproved land along the south side of Pecan Boulevard between Jackson Road and McColl Road and bisected by Commerce Center Street, located within a development known as 495 Commerce Center, in McAllen, Hidalgo County, Texas from 495 Commerce Center Partners, Ltd. and 495-McColl Partners, Ltd., for future campus expansion and other mission related purposes, including use by UTRGV's School of Medicine**

2. 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**

3. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers – Section 551.071

**U. T. System Board of Regents: Discussion with Counsel on pending legal issues**

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**

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RECONVENE IN OPEN SESSION TO CONSIDER ACTION ON EXECUTIVE SESSION ITEM AND AGENDA ITEMS	3:15 <i>p.m.</i>
<b>1. U. T. System Board of Regents: Approval of Consent Agenda items and referral of any items to the full Board</b>	<b>3</b>
<b>a. Approval of Dual Position of Honor, Trust, or Profit - U. T. System:</b> Appointment by Xavier Becerra, Secretary of the U.S. Department of Health and Human Services, of David L. Lakey, M.D., Vice Chancellor for Health Affairs and Chief Medical Officer, as Member of the Board of Scientific Counselors, Center for Preparedness and Response, Centers for Disease Control and Prevention	
<b>b. Sale and Lease - U. T. Southwestern Medical Center:</b> Authorization to lease an unimproved parcel of land consisting of approximately 1.85 acres and an adjacent improved parcel consisting of approximately 0.681 acres, totaling approximately 2.531 acres of land, and to sell the improvements on the 0.681 acres of land consisting of an approximately 16,291 square foot building and site improvements, located at 6516 Forest Park Road, Dallas, Dallas County, Texas, to the Dallas Independent School District (DISD), for renovation, addition, construction, operation, maintenance, repair, and use as the DISD STEM Transformation School and related uses	
<b>2. U. T. System Board of Regents: Approval of Chairman’s recommended Committee Chairmen and Regental representatives; and notification of appointments to Standing Committees and Liaison roles for the record (Regents’ Rules and Regulations, Rule 10402, regarding Committees and Other Appointments)</b>	<b>4</b>
<b>3. U. T. Rio Grande Valley: Discussion and appropriate action regarding authorization to establish and assess an intercollegiate athletics fee and to reduce the Student Services Fee</b>	<b>6</b>
<b>4. U. T. System: Authorization to settle builder’s risk insurance claims for U. T. Southwestern Medical Center and U. T. Medical Branch - Galveston, delegation of authority to Chief Compliance and Risk Officer</b>	<b>8</b>
<b>5. U. T. System Board of Regents: Discussion and appropriate action regarding proposed recipient for the Santa Rita Award</b>	<b>9</b>
ADJOURN	3:40 <i>p.m.</i> <i>approximately</i>

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

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 10](#).

2. **U. T. System Board of Regents: Approval of Chairman's recommended Committee Chairmen and Regental representatives; and notification of appointments to Standing Committees and Liaison roles for the record (Regents' Rules and Regulations, Rule 10402, regarding Committees and Other Appointments)**

RECOMMENDATION

In accordance with the requirements of the Regents' *Rules and Regulations*, Rule 10102, Chairman Eltife requests concurrence of the U. T. System Board of Regents on the appointments of the Committee Chairmen, Representatives of the Board, and Liaison roles as underlined below.

Committee membership and other appointments are listed below for the record. All appointments will be effective immediately and will remain in effect until new appointments are made.

**Committees**

Academic Affairs Committee

James C. "Rad" Weaver, Chairman

Christina Melton Crain

R. Steven Hicks

Janiece Longoria

Nolan E. Perez, M.D.

Stuart W. Stedman

Audit, Compliance, and Management Review Committee

Nolan E. Perez, M.D., Chairman

Christina Melton Crain

Jodie Lee Jiles

Janiece Longoria

Kelcy L. Warren

James C. "Rad" Weaver

Facilities Planning and Construction Committee

R. Steven Hicks, Chairman

Christina Melton Crain

Nolan E. Perez, M.D.

Stuart W. Stedman

Kelcy L. Warren

James C. "Rad" Weaver

Finance and Planning Committee

Janiece Longoria, Chairman

R. Steven Hicks

Jodie L. Jiles

Stuart W. Stedman

Kelcy L. Warren

James C. "Rad" Weaver

Health Affairs Committee

Christina Melton Crain, Chairman

R. Steven Hicks

Jodie Lee Jiles

Janiece Longoria

Nolan E. Perez, M.D.

Stuart W. Stedman

**Regental Representatives**

Athletic Liaison(s)

James C. "Rad" Weaver

Jodie Lee Jiles

Board for Lease of University Lands

Christina Melton Crain

Nolan E. Perez, M.D.

R. Steven Hicks (Alternate)

University Lands Advisory Board

James C. "Rad" Weaver, Chairman

Stuart W. Stedman

The University of Texas/Texas A&M Investment Management Company (UTIMCO)

Board of Directors

Janiece Longoria

James C. "Rad" Weaver

Jodie Lee Jiles

Texas Medical Center Advisory Board of Directors

Jodie Lee Jiles

M. D. Anderson Services Corporation Board of Directors

Jodie Lee Jiles

System Review and Structure Task Force

Kevin P. Eltife, Chairman

Janiece Longoria

James C. "Rad" Weaver

R. Steven Hicks

3. **U. T. Rio Grande Valley: Discussion and appropriate action regarding authorization to establish and assess an intercollegiate athletics fee and to reduce the Student Services Fee**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the institutional president that the U. T. System Board of Regents authorize U. T. Rio Grande Valley to

- 1) establish and assess an intercollegiate athletics fee of up to \$15 per semester credit hour, to support the intercollegiate athletics program at U. T. Rio Grande Valley; and
- 2) reduce the Student Services Fee currently charged to students by a like amount (up to \$15 per semester credit hour) for the first semester in which the intercollegiate athletics fee is charged.

BACKGROUND INFORMATION

When U. T. Rio Grande Valley began operations in Fall 2015, it was statutorily authorized to collect the intercollegiate athletics fee authorized for U. T. Brownsville, one of its legacy institutions. The \$7 per semester credit hour (SCH) statutory fee cap in the U. T. Brownsville legislation, however, would not have provided sufficient funds to operate the new institution's intercollegiate athletics program. To ensure sufficient support for the intercollegiate athletics program, the institution instead funded the program through Student Services Fee revenue, as it is statutorily authorized to do.

Currently, the Student Services Fee is set at \$20.83 per SCH and is capped at 12 hours per semester. Roughly 70% of Student Services Fee revenue is now used to support the intercollegiate athletics program, with the remaining revenue being used for student-life related endeavors such as student government, student publications, the chess club, international trips, civic engagement, and student entertainment.

Moving forward, U. T. Rio Grande Valley would like to support its intercollegiate athletics program using a separately imposed intercollegiate athletics fee, which will promote greater transparency with students. To support this effort, U. T. Rio Grande Valley requested revision to the state statute authorizing the U. T. Brownsville intercollegiate athletics fee, and legislation was passed during the 87<sup>th</sup> Legislative Session. Specifically, the amendment raised the statutory fee cap to \$15 per semester credit hour; deleted outdated references to U. T. Brownsville and Texas Southmost College; updated the name to U. T. Rio Grande Valley; and made related conforming changes. The amendment also provides that the intercollegiate athletics fee may not be increased by more than 10% unless approved by a majority vote of students participating in a general election called for that purpose.

To ensure the initial imposition of the intercollegiate athletic fee would not increase the total amount of fees currently imposed on U. T. Rio Grande Valley students, the statutory amendment included a requirement to reduce the Student Services Fee by an equivalent amount per SCH for the first semester in which the intercollegiate athletics fee is charged. As a result, the imposition of the intercollegiate athletics fee will not increase the total amount of fees currently imposed on any U. T. Rio Grande Valley student. If approved by the Board of Regents, the fee charge will be reflected on students' Fall 2021 statements.

**4. U. T. System: Authorization to settle builder's risk insurance claims for U. T. Southwestern Medical Center and U. T. Medical Branch - Galveston, delegation of authority to Chief Compliance and Risk Officer**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Chief Compliance and Risk Officer and the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents:

- a. approve, in accordance with Regents' Rule 80601, final settlement of the U. T. Southwestern Medical Center (UTSWMC) builder's risk insurance claim covered under the Master Builder's Risk Program in the amount of \$2,442,202.39; and
- b. approve, in accordance with Regents' Rule 80601, final settlement of the U. T. Medical Branch - Galveston (UTMB) builder's risk insurance claim covered under the Master Builder's Risk Program in the amount of \$1,221,938; and
- c. delegate authority to Chief Compliance and Risk Officer to execute all related Proofs of Loss and other settlement documents

BACKGROUND INFORMATION

The Master Builder's Risk Program provides property insurance coverage for Major Capital Improvement Program (CIP) projects. The insurance includes coverage for project work, equipment, damage to existing property, and delay in completion losses when the delay is caused by physical damage to the project.

On May 23, 2020, UTSWMC construction project 303-1035, Clements University Hospital Tower 3 Expansion at 6201 Harry Hines Blvd, Dallas, TX 75390 sustained water damages from a failed high pressure water line. Several finished floors and surgical suites were impacted by the incident.

The general contractor completed repairs totaling \$2,442,202.39 minus a \$25,000 deductible. Salvage values totaling \$5,152.15 were also deducted resulting in a net settlement of \$2,412,050.24. UTSWMC agrees with this settlement.

On August 22, 2019, UTMB construction project 601-1093, League City Expansion Phase II at 2240 Gulf Freeway South, League City, TX 77573 sustained damages when a worker on a lift broke a sprinkler line that sprayed water onto electrical equipment.

The general contractor completed repairs totaling \$818,259 minus a \$25,000 deductible. Delay costs were also incurred totaling \$403,679 minus a \$161,471.60 deductible. Total claim for this loss is \$1,221,938 minus salvage values totaling \$1,697.13 with a net settlement of \$1,033,769.27. UTMB agrees with this settlement.

5. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed recipient for the Santa Rita Award**

**RECOMMENDATION**

Chairman Eltife may recommend a recipient of the Santa Rita Award, the highest honor bestowed by the Board of Regents.

**BACKGROUND INFORMATION**

The Santa Rita Award may be made annually to an individual who has made valuable contributions over an extended period to The University of Texas System in its developmental efforts. The recipient may be judged on the basis of a broad list of criteria, primary among which will be a demonstrated concern for the principles of higher education generally, as well as deep commitment to the furtherance of the purposes and objectives of The University of Texas System.

Regents' Rule 10601 provides that the award is made, upon recommendation of the Chairman of the Board following consultation with others including the Chancellor and other appropriate U. T. System officials, by a majority vote of members present at a Board of Regents' meeting.



THE UNIVERSITY OF TEXAS SYSTEM  
BOARD OF REGENTS  
CONSENT AGENDA

**Special Called Board Meeting:**

June 24, 2021  
Austin, Texas

- a. Approval of Dual Position of Honor, Trust, or Profit - **U. T. System**: Appointment by Xavier Becerra, Secretary of the U.S. Department of Health and Human Services, of David L. Lakey, M.D., Vice Chancellor for Health Affairs and Chief Medical Officer, as Member of the Board of Scientific Counselors, Center for Preparedness and Response, Centers for Disease Control and Prevention

The following item has been approved by the Chancellor 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 System and that there is no conflict between holding this position and the appointment with the U. T. System.

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

Name:	David L. Lakey, M.D.
Title:	Vice Chancellor for Health Affairs and Chief Medical Officer
Position:	Member, Board of Scientific Counselors, Center for Preparedness and Response, Centers for Disease Control and Prevention
Period:	Immediately through September 30, 2024
Compensation:	Reimbursement of travel expenses
Description:	U.S. Department of Health and Human Services Secretary Becerra appointed Dr. Lakey to serve as one of 11 members on the Board of Scientific Counselors, Center for Preparedness and Response (CPR), to provide advice and guidance to Secretary Becerra, the Assistant Secretary for Health, the Director of the Centers for Disease Control and Prevention, and to the Director of the CPR concerning strategies and goals for preparedness and response activities pertaining to programs and research within the divisions and to monitor the overall strategic direction and focus of the

divisions and offices. The Board may also administer and oversee peer-review of CPR scientific programs, and perform second-level peer review of applications for grants-in-aid for research and research training activities, cooperative agreements, and research contract proposals relating to the broad areas within CPR. Dr. Lakey will not be involved in review of grant applications associated with any U. T. institutions. As a state employee, Dr. Lakey will also follow all applicable laws and U. T. System policies related to conflicts of interest, conflicts of commitment, and outside activities.

- b. Sale and Lease - U. T. Southwestern Medical Center: Authorization to lease an unimproved parcel of land consisting of approximately 1.85 acres and an adjacent improved parcel consisting of approximately 0.681 acres, totaling approximately 2.531 acres of land, and to sell the improvements on the 0.681 acres of land consisting of an approximately 16,291 square foot building and site improvements, located at 6516 Forest Park Road, Dallas, Dallas County, Texas, to the Dallas Independent School District (DISD), for renovation, addition, construction, operation, maintenance, repair, and use as the DISD STEM Transformation School and related uses

Description: Lease of an unimproved parcel of land consisting of approximately 1.85 acres and an adjacent improved parcel consisting of approximately 0.681 acres, totaling approximately 2.531 acres of land, and sale of the improvements located on the 0.681 acres of land consisting of an approximately 16,291 square foot building and site improvements, located at 6516 Forest Park Road, Dallas, Dallas County, Texas, to the Dallas Independent School District (DISD) for renovation, addition, construction, operation, maintenance, repair, and use as a DISD STEM Transformation School and related uses.

The Lease will convey use of two parcels of land. One improved parcel totaling approximately 0.681 acres containing an approximately 16,291 square foot commercial building built in approximately 1971 and recently acquired by U. T. Southwestern Medical Center. U. T. Southwestern Medical Center will retain ownership of the 0.681 acres of land, but will sell the building and site improvements. DISD plans to renovate the building and construct additional improvements on the tracts of land at its cost and expense. DISD will be responsible for the operation and expenses relating to the use and upkeep of all improvements and the land. At the end of the lease period, any improvements on the land will revert to U. T. Southwestern Medical Center. The improvements may or may not be demolished prior to reversion of the land. The lease will not subordinate the Board's fee simple interest in the land.

- Lessee/Purchaser:** Dallas Independent School District, a public independent school district and political subdivision of the State of Texas
- Term:** Initial term of 40 years with one, five-year option to renew. The DISD has an ongoing right to terminate the lease if funding is not appropriated.
- Income:** DISD will purchase the existing commercial building and site improvements for \$1,030,000 at the commencement of the ground lease. Base rental income is estimated to total approximately \$17,456,173.14 from commencement date of the lease through expiration of the 40-year term assuming an annual Consumer Price Index (CPI) increase of 2.0%. Base rental will increase annually by actual CPI and results will vary depending on actual CPI fluctuations and whether market rate adjustments occur during the primary term of the lease, which may or may not be included in the lease. Initial annual rental for the ground lease will be approximately \$289,000 (approximately \$2.62 per square foot). Ground rent is subject to adjustment based on actual square footage leased.
- Rent for the extension term will be at a market rate at the time of renewal. If tenant should elect to exercise the five-year extension term, it is estimated that total additional income could result in additional revenue of approximately \$3,320,820.13 depending on CPI fluctuations and the market rate at the time of exercise of the lease extension.
- Enrollment:** DISD was selected as the tenant for this site through direct negotiation due to consideration given to children of U. T. Southwestern Medical Center employees for enrollment in the STEM Transformation School. The project will be similar to a magnet school, but without academic entry requirements. Students are selected for enrollment through a randomized lottery, and transportation is provided within district boundaries. DISD plans to establish priority lotteries for parents living or working in the Medical District with first priority as to 50% of the seats given to the parents working for U. T. Southwestern Medical Center and 50% of the seats will always be reserved for economically disadvantaged children. U. T. Southwestern Medical Center believes a convenient, accessible, nearby quality school will help it recruit and retain faculty and staff.