



**SCHEDULE OF EVENTS
FOR
BOARD OF REGENTS MEETING**

August 12-13, 2026
Austin, Texas

Wednesday, August 12, 2026

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

Thursday, August 13, 2026

Reconvene 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.....	11:45 a.m. approximately
Adjourn	12:00 p.m.



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

August 12-13, 2026
Austin, Texas

Wednesday, August 12, 2026

PUBLIC HEARING OPPORTUNITY, PURSUANT TO TEXAS EDUCATION CODE SECTION 54.0513, REGARDING PROPOSED TUITION AND FEE RATES FOR THE PROPOSED PH.D. IN PUBLIC HEALTH PROGRAM AT U.T. SAN ANTONIO AND TO ESTABLISH TUITION RATES FOR THE NEWLY APPROVED SCHOOL OF OPTOMETRY PROGRAM AT U.T. RIO GRANDE VALLEY *1:00 p.m.*

COMMITTEE MEETINGS *1:15 p.m. - 3:30 p.m.*

CONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551 *3:30 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); 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; including any interim appointments

2. Negotiated Contracts for Prospective Gifts or Donations – Section 551.073

U.T. System 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**

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

Wednesday, August 12, 2026 (cont.)

Page

5. Deliberation Regarding Security Devices, Security Audits, or Cybersecurity Measures – Sections 551.076, 551.0761, 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, and cybersecurity measures, policies, or contracts intended to protect critical infrastructure facilities

RECONVENE THE BOARD IN OPEN SESSION FOR POSSIBLE ACTION ON EXECUTIVE SESSION ITEMS 4:30 p.m.

RECESS 4:45 p.m.

Thursday, August 13, 2026

RECONVENE 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 Board of Regents: Discussion and appropriate action regarding proposed appointments to the Board of Directors of The University of Texas/Texas A&M Investment Management Company (UTIMCO)** 7
3. **U.T. System: Annual Meeting with Officers of the U.T. System Employee Advisory Council** 8

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); 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; including any interim appointments**
 - b. **U.T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions); 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; including any interim appointments, and related personnel aspects of the operating budget for Fiscal Year 2027**

Thursday, August 13, 2026 (cont.)

- c. **U.T. System: Discussion and appropriate action concerning individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of U.T. System and institutional employees including employees covered by Regents' *Rules and Regulations*, Rule 20204, regarding compensation for highly compensated employees, and Rule 20203, regarding compensation for key executives**

2. **Negotiated Contracts for Prospective Gifts or Donations – Section 551.073**

U.T. System 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**
- c. **U.T. Austin: Discussion and appropriate action regarding legal issues associated with entering into a short-term ground lease of approximately five acres of land located at the north side of East Martin Luther King Junior Boulevard between Robert Dedman Drive and Interstate Highway 35, in Austin, Travis County, Texas with The 2033 Higher Education Development Foundation or a subsidiary thereof, for the purpose of designing and constructing certain site enabling improvements, including the relocation of utilities and other infrastructure to accommodate the future development of a multipurpose arena and of a student housing complex; and a related finding of public purpose**

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

U.T. Austin: Discussion and appropriate action regarding entering into a short-term ground lease of approximately five acres of land located at the north side of East Martin Luther King Junior Boulevard between Robert Dedman Drive and Interstate Highway 35, in Austin, Travis County, Texas with The 2033 Higher Education Development Foundation or a subsidiary thereof, for the purpose of designing and constructing certain site enabling improvements, including the relocation of utilities and other infrastructure to accommodate the future development of a multipurpose arena and of a student housing complex; and a related finding of public purpose

5. **Deliberation Regarding Security Devices, Security Audits, or Cybersecurity Measures – Sections 551.076, 551.0761, 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, and cybersecurity measures, policies, or contracts intended to protect critical infrastructure facilities

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

11:45 a.m.
approximately

Thursday, August 13, 2026 (cont.)

Page

4. U.T. System: Discussion and appropriate action regarding a) the nonpersonnel aspects of the operating budgets for Fiscal Year 2027, including Permanent University Fund Bond Proceeds allocations for Library, Equipment, Repair and Rehabilitation Projects and for the Faculty Science and Technology Acquisition and Retention program, b) a revision of the previously approved Fiscal Year 2027 Operating Budget Rules and Procedures, c) appropriation of Available University Funds (AUF) for a supplement to the U.T. System self-insurance funds and additions to the Promise Plus AUF endowment, and d) a finding that expenditure of the AUF is appropriate
5. U.T. System: Discussion and appropriate action regarding personnel aspects of the U.T. System Administration and institutional operating budgets for Fiscal Year 2027
6. U.T. Austin: President's Report on the review of the core curriculum

13

27

28

ADJOURN

12:00 p.m.
approximately

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 144](#).

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

RECOMMENDATION

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

3. **U.T. System: Annual Meeting with Officers of the U.T. System Employee Advisory Council**

INTRODUCTION

The U.T. System Employee Advisory Council (EAC) will discuss the Council's work and planned activities, utilizing the summary on the following pages.

BACKGROUND INFORMATION

The U.T. System Employee Advisory Council (EAC) was established in August 2000 to provide a vehicle for communication and to facilitate the flow of ideas and information between and among the Board of Regents, U.T. System Administration, and the institutions. The EAC functions to define, analyze, and make recommendations on employee issues to the U.T. System Administration, the Chancellor, and the Board of Regents.

Council officers are:

Chair: Ms. Jitenga Knox, Administrator, Center for Innovation in Health Informatics, University of Texas at Arlington

Vice Chair: Mr. William McWhorter, Senior Practice Manager – Correctional Managed Care, University of Texas Medical Branch at Galveston

Secretary: Mrs. Mercedes Ojeda, Assistant Director – Department of Community & Family Health, University of Texas Permian Basin

Historian: Ms. Mary Katherine Camp, Talent Acquisition Program Lead, University of Texas Health Science Center at Houston



The University of
Texas System

U.T. SYSTEM
Employee
Advisory
Council

Employee Advisory Council (EAC) FY 2025-2026 Committee Overview and Topics

Overview

The following committees represent strategic initiatives designed to comprehensively support institutions in their efforts to enhance employee engagement, strengthen professional development, foster collaboration, and improve the overall employee experience across the institution. Through a combination of networking opportunities, recognition programs, and employee-focused resources, these committees support a workplace culture that values connection, appreciation, wellbeing, and continuous improvement.

Each committee is charged with addressing a distinct aspect of the employee experience while maintaining alignment with broader institutional goals related to engagement, collaboration, professional growth, operational excellence, and organizational culture.

Committee Topics

1. Employee Networking & Collaboration Committee

Purpose

To strengthen professional connections across institutions, promote knowledge sharing, and foster collaboration that improves employee effectiveness and organizational innovation.

Scope of Work

The committee develops and supports professional networking communities that connect employees with similar responsibilities across institutions to share expertise, address common challenges, and identify opportunities for collaboration.

Current Focus Areas

- Change Management Community
- Talent Acquisition Network
- Learning & Development Network

Accomplishments

- Successfully launched and expanded systemwide professional networks.
- Re-established Learning & Development collaboration forums.
- Created ongoing communication channels and shared resource repositories.
- Developed opportunities for cross-institutional problem solving and professional development.

THE UNIVERSITY OF TEXAS AT ARLINGTON • THE UNIVERSITY OF TEXAS AT AUSTIN • THE UNIVERSITY OF TEXAS AT DALLAS
THE UNIVERSITY OF TEXAS AT EL PASO • THE UNIVERSITY OF TEXAS PERMIAN BASIN • THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY
THE UNIVERSITY OF TEXAS SAN ANTONIO • STEPHEN F. AUSTIN STATE UNIVERSITY • THE UNIVERSITY OF TEXAS AT TYLER
THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER • THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON • THE UNIVERSITY OF TEXAS MD ANDERSON CANCER CENTER



**The University of
Texas System**

**U.T. SYSTEM
Employee
Advisory
Council**

Strategic Impact

- Reduces duplication of effort across institutions.
- Promotes adoption of best practices.
- Increases talent mobility and retention.
- Strengthens organizational knowledge sharing.
- Supports a unified institutional culture and collaborative workforce.

Future Objectives

- Achieve full institutional participation.
- Expand networking opportunities into additional professional disciplines.
- Measure outcomes related to collaboration, employee engagement, and operational efficiencies.

2. Employee Recognition & Engagement Committee

Purpose

To strengthen employee engagement, morale, retention, and organizational culture by promoting meaningful recognition practices that acknowledge contributions across all employee groups.

Scope of Work

The committee develops practical, sustainable, and inclusive recognition strategies that encourage institutions to build cultures of appreciation through employee-led and leadership-supported initiatives. The committee's work emphasizes low-cost, high-impact approaches that can be adopted across academic, clinical, administrative, hybrid, and remote work environments.

Key Initiative

Development and deployment of the **Elevating Recognition Toolkit**, a comprehensive resource providing guidelines, examples, and best practices for implementing meaningful employee recognition programs across institutions.

Accomplishments

- Developed a scalable recognition framework adaptable to diverse institutional environments.
- Created practical recognition tools and resources for leaders and employees.
- Promoted recognition practices that support faculty, staff, student employees, and remote workers.
- Established a culture-focused approach that complements existing formal recognition programs.

Strategic Impact

- Improves employee engagement and workplace satisfaction.
- Supports retention and workforce wellbeing.
- Reduces burnout through increased appreciation and recognition.
- Reinforces institutional values.
- Strengthens organizational culture through consistent and meaningful recognition practices.



**The University of
Texas System**

**U.T. SYSTEM
Employee
Advisory
Council**

Future Objectives

- Expand dissemination of the Elevating Recognition Toolkit across institutions.
- Encourage leadership and employee participation in recognition initiatives.
- Incorporate recognition practices into onboarding and employee development programs.
- Measure employee engagement and recognition effectiveness through institutional feedback and workforce metrics.

3. Employee Experience & Perks Committee

Purpose

To enhance employee engagement, awareness, and access to institution-specific resources and benefits through a centralized information platform.

Scope of Work

The committee is leading the development of a systemwide employee perks resource designed to provide a single access point for institution-specific benefits, discounts, wellness resources, and employee programs.

Key Initiative

Creation of a centralized Employee Perks Portal that:

- Increases visibility of available employee benefits.
- Simplifies access to institution-specific resources.
- Supports employee wellness and engagement efforts.
- Promotes transparency and equity across institutions.

Strategic Impact

- Improves employee awareness of available resources.
- Supports recruitment and retention initiatives.
- Strengthens institutional branding and employee experience.
- Reduces administrative burden through centralized information sharing.

Future Objectives

- Launch and maintain a centralized resource hub.
- Establish governance and maintenance processes.
- Track employee engagement and utilization metrics.
- Expand content based on employee feedback and institutional needs.



**The University of
Texas System**

**U.T. SYSTEM
Employee
Advisory
Council**

Key Priorities and Impact

Together, these FY 25-26 committees create a comprehensive framework that strengthens workforce capability, supports institutional growth, enhances employee engagement, promotes collaboration, and advances a culture of excellence across the enterprise.

Employee Networking & Collaboration

- Expands systemwide professional networks that facilitate knowledge sharing, best-practice adoption, and cross-institutional collaboration.
- Supports operational efficiencies, workforce development, and organizational innovation.

Employee Recognition & Engagement

- Promotes meaningful and inclusive recognition practices through the Elevating Recognition Toolkit.
- Enhances employee engagement, morale, wellbeing, and retention while reinforcing institutional values.

Employee Experience & Perks

- Developing a centralized Employee Perks Portal to improve awareness and access to employee benefits, wellness resources, and institutional programs.
- Supports recruitment, retention, and employee satisfaction through improved resource accessibility.

4. **U.T. System: Discussion and appropriate action regarding a) the nonpersonnel aspects of the operating budgets for Fiscal Year 2027, including Permanent University Fund Bond Proceeds allocations for Library, Equipment, Repair and Rehabilitation Projects and for the Faculty Science and Technology Acquisition and Retention program, b) a revision of the previously approved Fiscal Year 2027 Operating Budget Rules and Procedures, c) appropriation of Available University Funds (AUF) for a supplement to the U.T. System self-insurance funds and additions to the Promise Plus AUF endowment, and d) a finding that expenditure of the AUF is appropriate**

RECOMMENDATION

Chancellor Zerwas, with the concurrence of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor and Chief Operating Officer, and the presidents of the U.T. institutions, recommends

- a) approval of the nonpersonnel aspects of the U.T. System Operating Budgets for Fiscal Year 2027, including Educational and General Funds, Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, Medical, Dental, Nursing, and Allied Health Faculty Services, Research and Development Plans;
- b) approval of a revision to the previously approved Fiscal Year 2027 Operating Budget Rules and Procedures;
- c) that the Chancellor be authorized to make editorial corrections to the approved budget and that subsequent adjustments be reported to the U.T. System Board of Regents through the Consent Agenda subject to the requirements of the Budget Rules and Procedures;
- d) allocation of Permanent University Fund (PUF) Bond Proceeds in the amount of \$107,830,700 directly to the institutions and U.T. System Administration consisting of \$82,007,700 to fund Library, Equipment, Repair and Rehabilitation (LERR) Projects for Fiscal Year 2027 and \$25,823,000 as an additional one-time LERR allocation in lieu of student technology and library fee increases;
- e) allocation of PUF Bond Proceeds in the amount of \$32,992,300 to provide additional funding to build and enhance research infrastructure to attract and retain the best qualified faculty through the Faculty Science and Technology Acquisition and Retention (STARs) program for Fiscal Year 2027. Funding authorized may be used by institutions in either the Faculty STARs or the related Rising STARs programs to take advantage of recruitment and retention opportunities presented by the institutions;
- f) appropriation of \$97,000,000 of AUF in Fiscal Year 2026 to the U.T. System self-insurance funds with specific allocations determined by the Executive Vice Chancellor and Chief Operating Officer;

- g) appropriation of \$65,000,000 of AUF in each of Fiscal Year 2026 and 2027 to contribute additional principal to the AUF funded endowment at U.T. System Administration that supports the Promise Plus program;
- h) a finding that expenditure of AUF for the purpose of providing operational support to the U.T. System institutions and identified in the U.T. System Administration Operating Budget for Fiscal Year 2027 as Direct Campus Support and in support of the U.T. System self-insurance funds is appropriate under the U.T. System's responsibilities to oversee and coordinate the activities and operations of the U.T. institutions, with the intent that expenditures will benefit all academic and health institutions.

BACKGROUND INFORMATION

Dr. Derek Horton will present the following recommended items:

Fiscal Year 2027 Operating Budgets

Allocations from PUF Bond Proceeds

- Fiscal Year 2027 LERR Budget, including one-time LERR
- Fiscal Year 2027 Faculty STARs program, including Rising STARs

Allocations from AUF

- U.T. System self-insurance funds
- Promise Plus Endowment contributions

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

Included in the U.T. System Administration Operating Budget for Fiscal Year 2027 is a \$140,000,000 allocation of AUF for Direct Campus Support to provide assistance to U.T. academic and health institutions. The additional AUF appropriation to be contributed to the System's various self-insurance funds will bolster plan reserves to absorb future losses and will reduce future insurance premiums charged to U.T. institutions. The contribution from AUF to the existing Promise Plus endowment for Fiscal Year 2026 and 2027 will increase the corpus to provide additional support for ongoing costs related to the Promise Plus scholarship program.

The Operating Budget Rules and Procedures for Fiscal Year 2027 were approved by the Board on February 19, 2026. The revision to the Operating Budget Rules and Procedures will remove reporting and approval of tenure awards as a budget change due to an alternative reporting and approval process having been developed by the Offices of Academic and Health Affairs. Removal of the tenure approval process from the budget rules will reduce the administrative burden on the U.T. institutions.

The total allocations of PUF Bond Proceeds for LERR, including the one-time LERR allocation in lieu of student technology and library fee increases, and Faculty STARs is presented in the Fiscal Year 2027 LERR and Faculty STARs Budget and is subject to the budget rules and

expenditure guidelines adopted therein. In accordance with the budget rules for LERR and Faculty STARs, the Chancellor is authorized to approve allocations to institutions within the program totals authorized by the U.T. System Board of Regents if specific allocations are not included when the initial budget is adopted.

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

Executive Vice Chancellor and Chief Operating Officer Jonathan Pruitt has determined that new distributions totaling \$9,650,000 from the Internal Lending Program (ILP) included in the U.T. System Administration Operating Budget based on Board approval of this item, revenues generated through the ILP will exceed amounts needed to maintain a sufficient interest rate buffer to meet principal and interest due on external debt and to provide necessary liquidity.

The University of Texas System

Fiscal Year 2027 Annual Operating Budget

Derek Horton

Associate Vice Chancellor and Deputy Chief Financial Officer

U.T. System Board of Regents Meeting

Meeting of the Board

August 2026



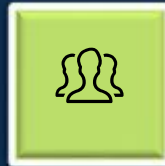
The University of
Texas System

About The University of Texas System

Size, scale, and diversity of the U.T. System exceeds all other higher education systems in the state.



FY 2027 budget is almost **four** times the size of next largest Texas system



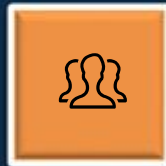
More than 160,000 faculty, staff, and medical professionals – one of the largest employers in Texas



Research expenditures in FY 2025 of \$5.21 billion – largest in the state and second largest in the country



Continues to carry AAA credit rating with each of three credit rating agencies: Moody's, Standard & Poor's, and Fitch



More than 12.1 million patient visits in 2025



270,046 students – producing more than 1/3 of bachelor degrees and almost 56% of medical degrees in Texas



69,415 graduates in AY 2025 – more than any other system in Texas



Receives a patent every 1.35 days; invention disclosure every 8.8 hours



The University of
Texas System

U.T. System Office of the Chief Financial Officer

Introduction to the FY 2027 Annual Operating Budget



Continued growth
in health care
activities



Continued
increases in
investment income



Focus on
affordability



Inflationary
impacts increasing
operations and
maintenance costs
across
all institutions



Increases in
scholarships and
fellowships



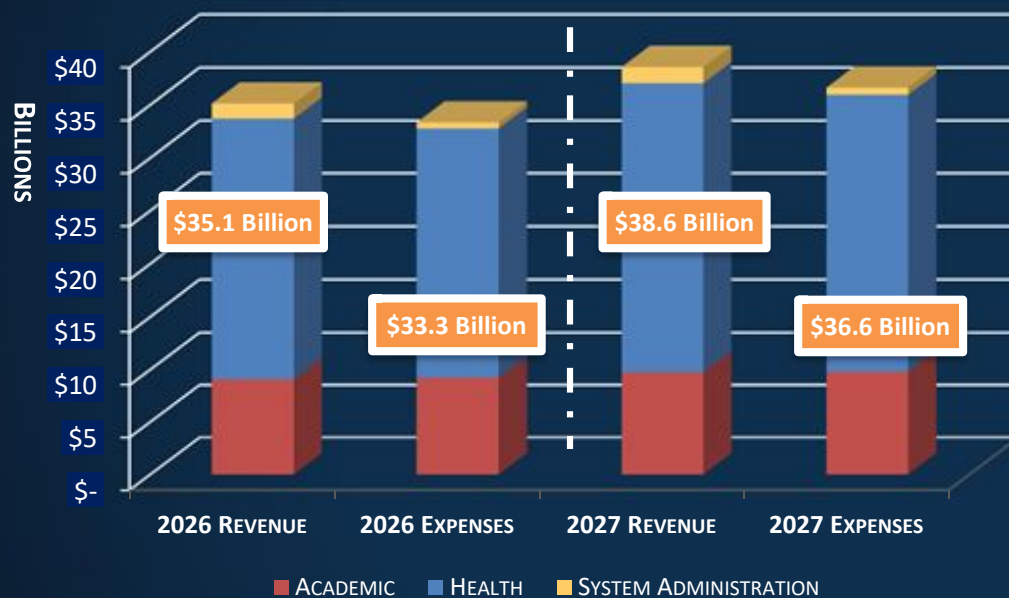
The University of
Texas System

U.T. System Office of the Chief Financial Officer

3

Budget Highlights

TOTAL BUDGETED REVENUE AND EXPENSES FY 2026 AND FY 2027



BUDGETED REVENUE

\$38.6 BILLION IN FY 2027

\$3.5 BILLION OR 10.0% MORE THAN FY 2026

MAJOR DRIVERS

- SALES & SERVICES OF HOSPITAL & CLINICS - \$1.8 BILLION
- FEDERAL SPONSORED PROGRAMS - \$602 MILLION
- LOCAL AND PRIVATE SPONSORED PROGRAMS - \$305 MILLION

BUDGETED EXPENSES

\$36.6 BILLION IN FY 2027

\$3.3 BILLION OR 9.9% MORE THAN FY 2026

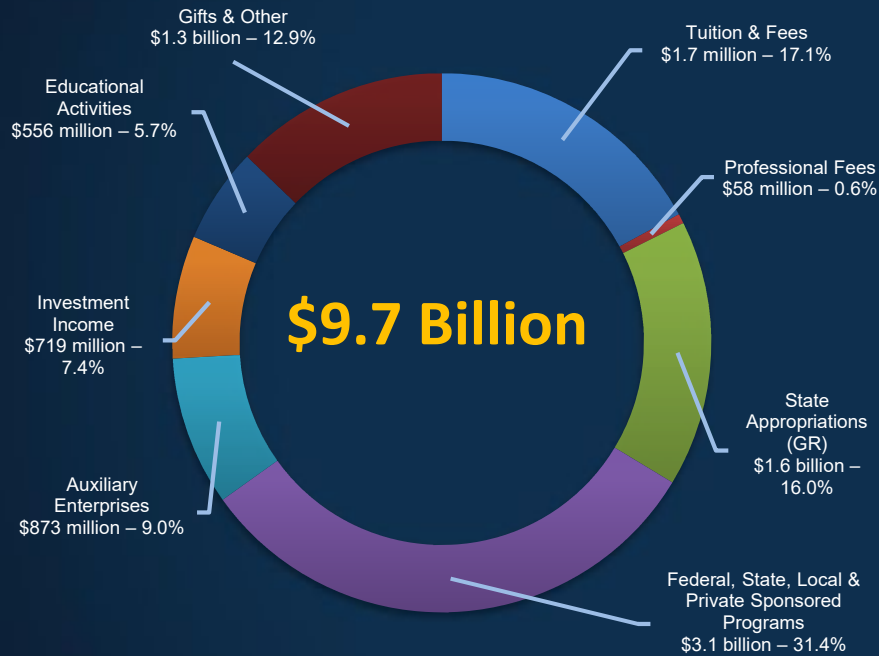
MAJOR DRIVERS

- PERSONNEL COSTS - \$1.9 BILLION
- OPERATIONS, MAINTENANCE, AND TRAVEL - \$1.7 BILLION
- SCHOLARSHIPS AND FELLOWSHIPS - \$206 MILLION

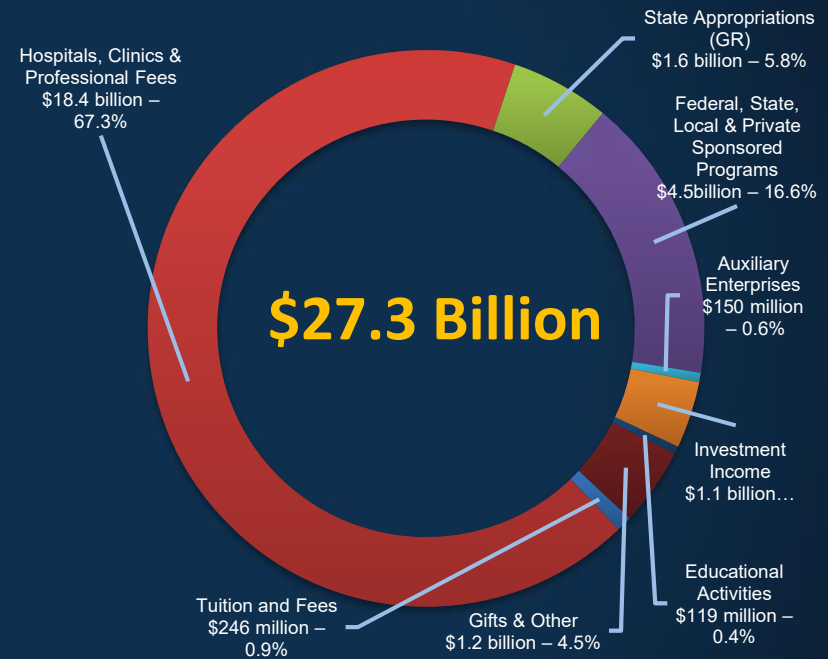
U.T. System Office of the Chief Financial Officer

FY 2027 Budgeted Revenue

ACADEMIC INSTITUTIONS



HEALTH INSTITUTIONS

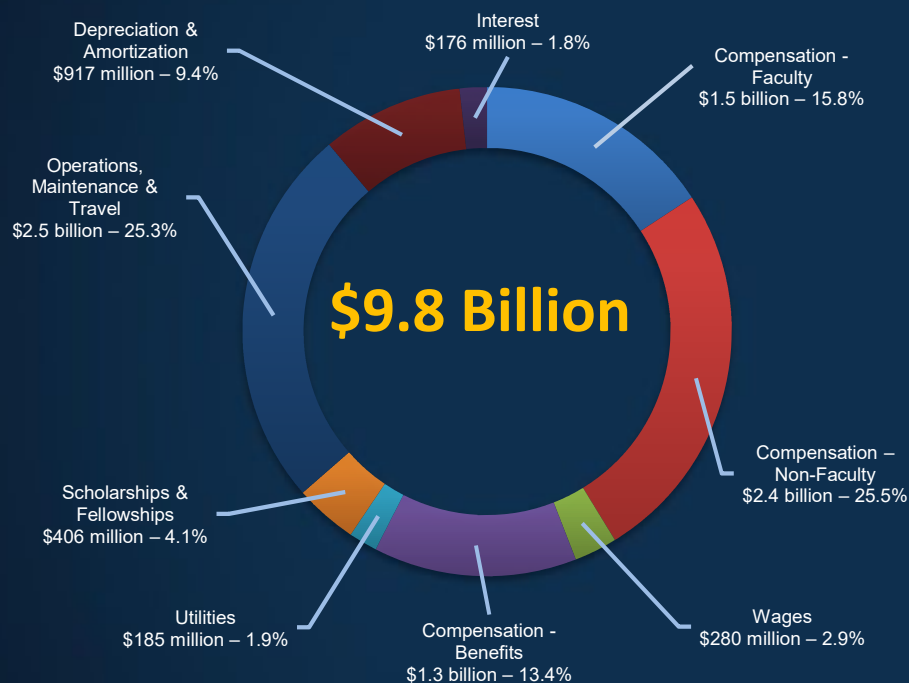


The University of
Texas System

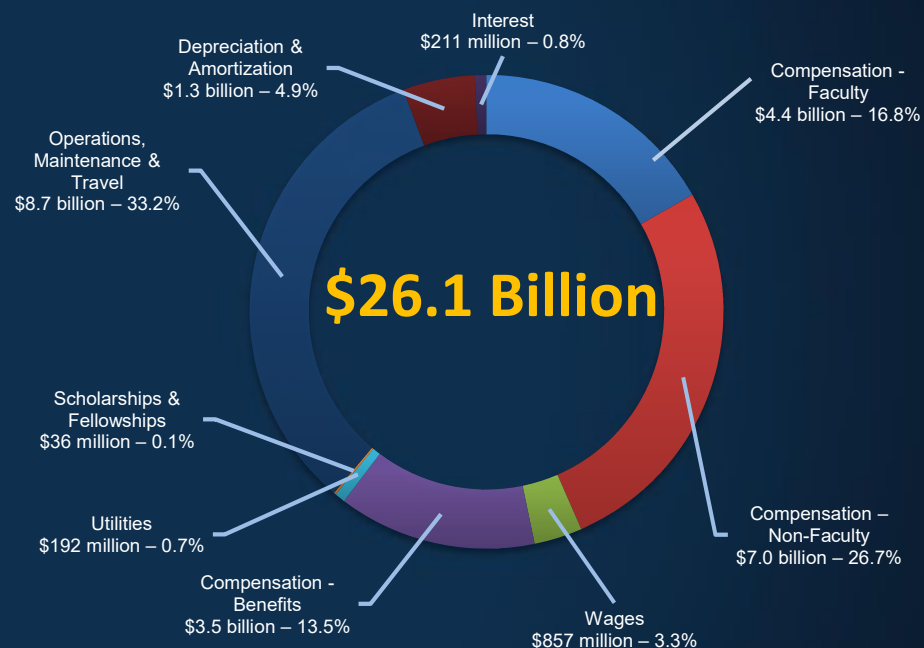
U.T. System Office of the Chief Financial Officer

FY 2027 Budgeted Expenses

ACADEMIC INSTITUTIONS



HEALTH INSTITUTIONS



The University of
Texas System

U.T. System Office of the Chief Financial Officer

U.T. System Academic Institutions – FY 2026-2027 Budget *(\$ millions)*

	FY 2026 Revenue	FY 2026 Expenses	FY 2026 Margin	FY 2026 Margin Ratio	FY 2027 Revenue	FY 2027 Expenses	FY 2027 Margin	FY 2027 Margin Ratio
U.T. Arlington	\$ 876.7	\$ 840.4	\$ 36.3	4.1%	\$ 914.0	\$ 877.1	\$ 36.9	4.0%
U.T. Austin	4,568.6	4,114.9	453.7	9.9%	5,108.7	4,427.0	681.7	13.3%
U.T. Dallas	907.0	814.1	92.9	10.2%	906.1	841.0	65.1	7.2%
U.T. El Paso	563.8	540.5	23.3	4.1%	602.1	579.5	22.6	3.8%
U.T. Permian Basin	109.6	104.4	5.2	4.8%	109.3	105.1	4.2	3.8%
U.T. Rio Grande Valley	747.3	727.0	20.2	2.7%	771.7	764.3	7.4	1.0%
U.T. San Antonio	816.5	793.5	23.1	2.8%	881.2	834.7	46.4	5.3%
Stephen F. Austin State University	226.9	220.9	6.0	2.6%	240.1	234.5	5.7	2.4%
U.T. Tyler	216.3	210.2	6.2	2.8%	209.7	200.1	9.6	4.6%
TOTAL	\$ 9,032.7	\$ 8,365.9	\$ 666.9	7.4%	\$ 9,742.9	\$ 8,863.3	\$ 879.6	9.0%



The University of
Texas System

Expenses are adjusted net of depreciation and amortization

U.T. System Office of the Chief Financial Officer

U.T. System Health Institutions – FY 2026-2027 Budget (\$ millions)

	FY 2026 Revenue	FY 2026 Expenses	FY 2026 Margin	FY 2026 Margin Ratio	FY 2027 Revenue	FY 2027 Expenses	FY 2027 Margin	FY 2027 Margin Ratio
U.T. Southwestern Medical Center	\$ 6,391.1	\$ 5,974.3	\$ 416.8	6.5%	\$ 7,266.4	\$ 6,828.4	\$ 438.0	6.0%
U.T. Medical Branch - Galveston	3,703.2	3,486.4	216.8	5.9%	3,998.9	3,773.0	226.0	5.7%
U.T. Health Science Center - Houston	2,824.5	2,730.3	94.2	3.3%	3,027.0	2,900.2	126.9	4.2%
Health Science Center at U.T. San Antonio	1,869.3	1,765.5	103.8	5.6%	2,034.0	1,947.8	86.2	4.2%
U.T.M.D. Anderson Cancer Center	9,375.1	7,932.0	1,443.1	15.4%	10,401.9	8,896.7	1,505.2	14.5%
Health Science Center at U.T. Tyler	494.9	466.0	28.9	5.8%	550.1	521.5	28.7	5.2%
TOTAL	\$ 24,658.1	\$ 22,354.5	\$ 2,303.6	9.3%	\$ 27,278.3	\$ 24,867.5	\$ 2,410.8	8.8%



The University of
Texas System

Expenses are adjusted net of depreciation and amortization

U.T. System Office of the Chief Financial Officer

U.T. System Administration Budget (\$ millions)

	FY 2026 Adjusted Budget	FY 2027 Proposed Budget	\$ Increase (Decrease)	% Change
U.T. System Administration Operations (AUF)	\$ 67.7	\$ 73.3	\$ 5.5	8.2%
U.T. System Administration – University Lands (PUF)	36.1	41.0	4.8	13.3%
U.T. System Administration Service Departments and Other (Non-AUF)	67.5	82.9	15.4	22.8%
U.T. System Administration	\$171.4	\$197.2	\$ 25.8	15.0%

Excludes the following components of the U.T. System Operations Budget

- *State General Revenue Funded programs for Lone Star Stroke, Texas Child Mental Health Care Consortium (TCMHCC), U.T. System Multi-Institution Center in Laredo, and REAL- Health-AI*
- *Sponsored programs includes grants and federal support through the Employee Group Waiver Program (EGWP) for Medicare Part D retiree prescription drug coverage*
- *Capital Construction Assistance Projects (CCAP) and PUF Debt Service*
- *Depreciation and capitalized lease amortization net of capital outlay*
- *Self-insurance claims activity and certain systemwide software licenses centrally negotiated and reimbursed by U.T. institutions*

U.T. Systemwide Budget (\$ millions)

	FY 2026 Adjusted Budget	FY 2027 Proposed Budget	\$ Increase (Decrease)	% Change
U.T. Systemwide Operations				
Direct Campus Support (AUF)	\$115.3	\$140.0	\$24.7	21.4%
Regents' Research Excellence Program	23.7	25.5	1.8	7.5%
State General Revenue Funded Programs *	35.8	39.9	4.1	11.6%
Sponsored Programs **	61.4	106.7	45.3	73.8%
U.T. System Building/CCAP/PUF Debt Interest (all institutions)	263.1	240.7	(22.4)	(8.5)%
Depreciation and Capitalization Lease Amortization	11.1	9.3	(1.8)	(16.6)%
U.T. Systemwide Operations***	\$510.4	\$562.0	\$51.6	10.1%

* State General Revenue Funded programs include Lone Star Stroke, Texas Child Mental Health Care Consortium (TCMHCC), and REAL-Health-AI

** Sponsored programs includes grants and federal support through the Employee Group Waiver Program (EGWP) for Medicare Part D retiree prescription drug coverage

*** Excludes self-insurance claims activity and certain Systemwide software licenses centrally negotiated and reimbursed by U.T. institutions

	FY 2026 Adjusted Budget	FY 2027 Proposed Budget	\$ Increase (Decrease)	% Change
U.T. Systemwide PUF Allocations				
Library, Equipment, Repair and Rehabilitation	\$ 82.0	\$82.0	-	-
One-Time LERR – In Lieu of Student Technology and Library Fee Increases	-	25.8	25.8	-
Faculty Science and Technology Acquisition and Retention	33.0	33.0	-	-
Total	\$115.0	\$140.8	\$25.8	22.5%



The University of
Texas System

U.T. System Office of the Chief Financial Officer

Additional Allocations

- \$65 million of AUF in each of FY 2026 and 2027 to contribute additional principal to the Promise Plus endowment to provide additional support for ongoing program related costs.
- \$97 million of AUF for increased Direct Campus Support in FY 2026 to bolster self-insurance reserves and reduce future institutional premiums.

5. **U.T. System: Discussion and appropriate action regarding personnel aspects of the U.T. System Administration and institutional operating budgets for Fiscal Year 2027**

RECOMMENDATION

Chancellor Zerwas, with the concurrence of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor and Chief Operating Officer, and the presidents of the U.T. institutions, recommends that approval be granted regarding personnel aspects of the U.T. System Administration and U.T. institution operating budgets for Fiscal Year 2027 as included in the previous Agenda Item.

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

6. U.T. Austin: President's Report on the review of the core curriculum

President Davis will report on the status of The University of Texas at Austin's review of its core curriculum.

In the fall of 2025, President Davis charged a committee of 22 distinguished faculty members to review the current general education curriculum and make recommendations for improvement. The U.T. Austin Core Curriculum Task Force worked diligently for the past year and consulted a broad cross section of U.T. Austin faculty, academic leaders at other non-U.T. universities, U.T. Austin students, and the U.T. Austin President's Faculty Advisory Board.

Respected U.T. Austin faculty and the U.T. Austin leadership agree that the institution should fundamentally revise the core curriculum to prepare students to flourish in a complex future. U.T. Austin should deliver a rigorous common undergraduate learning experience so that students develop a foundational body of knowledge of shared traditions, learn to evaluate claims, engage evidence, challenge assumptions and exercise sound judgment in a modern world where information is abundant, but wisdom is scarce.

President Davis will outline the content of a proposed new core curriculum to accomplish this vision. President Davis will further discuss a proposed process and timeline to adopt and implement an improved core curriculum.



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

Committee Meeting: 8/12/2026

Board Meeting: 8/13/2026
Austin, Texas

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

	Committee Meeting	Board Meeting	Page
Convene	1:15 p.m. <i>Chairman Perez</i>		
1. U.T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	30
2. U.T. System: Approval of the U.T. Systemwide Annual Audit Plan for Fiscal Year 2027	Action <i>Mr. Peppers</i>	Action	31
3. U.T. System: Discussion of Systemwide internal audit activities, including updates on the chief administrator travel, entertainment, and university residence maintenance expenses engagement, the Systemwide Cancer Prevention and Research Institute of Texas (CPRIT) grants assurance work, and the Fiscal Year 2026 Annual Audit Plan status	Report/Discussion <i>Mr. Peppers</i>	Not on Agenda	45
Adjourn	1:45 p.m.		

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

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 144](#).

2. U.T. System: Approval of the U.T. Systemwide Annual Audit Plan for Fiscal Year 2027

Chief Audit Executive Peppers will present the proposed Fiscal Year 2027 U.T. Systemwide Annual Audit Plan (Audit Plan) using the PowerPoint set forth on the following pages and will recommend its approval. Development of the Audit Plan is based on risk assessments performed at each institution. Implementation of the Audit Plan will be coordinated with the institutional auditors. The Audit Plan executive summary and the detailed annual audit plans were provided to the Audit, Compliance, and Risk Management Committee members prior to the meeting.

BACKGROUND INFORMATION

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

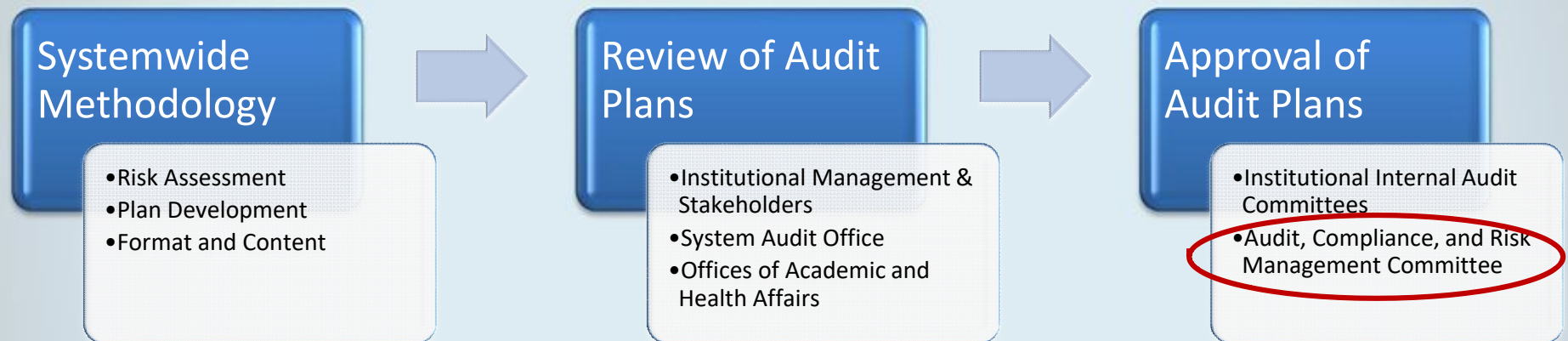
U.T. Systemwide FY 2027 Annual Audit Plan

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

U.T. System Board of Regents Meeting
Audit, Compliance, and Risk Management Committee
August 2026



Overall Annual Audit Plan Process

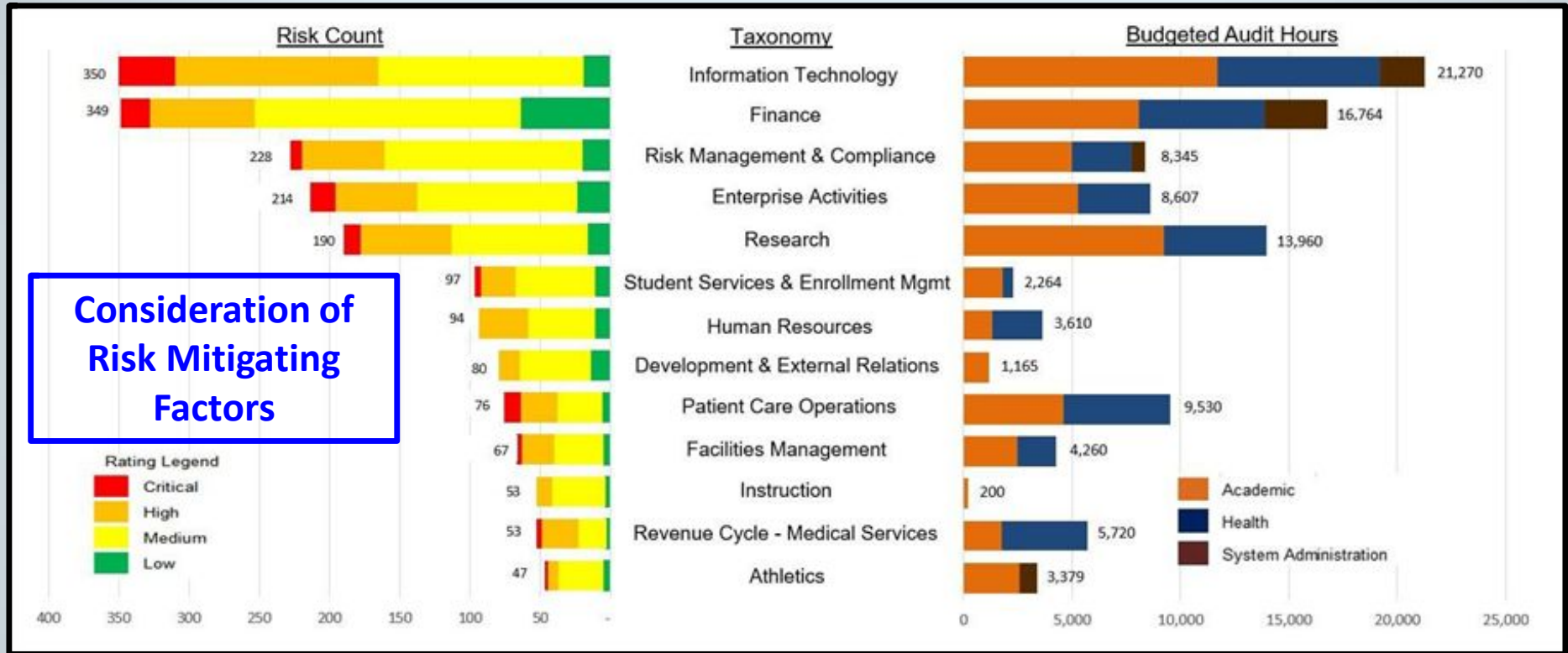


Systemwide Annual Audit Plan Resource Allocation



*Other Activities include hours for Investigations, Follow-Up on Action Plans, & Reserves

Systemwide Risk Count vs. Audit Hours by Taxonomy



Most Common Audit Plan Topics

Export Controls & Foreign Influence

- Management of foreign collaborations in accordance with regulatory and institutional requirements
- Data protection controls over confidential research data

Most Common Audit Plan Topics (cont.)

Patient Care Operations

- Policies, processes, risks and controls for:
 - Patient care risk management
 - Physician & staffing management
 - Financial performance
 - Controlled substances management
 - Regulations compliance

Most Common Audit Plan Topics (cont.)

Policy Management

- Effectiveness of governance structures and risk management practices in various areas, including a focus on the use of artificial intelligence

Most Common Audit Plan Topics (cont.)

Purchasing/ Supply Chain

- Purchasing processes, policies, and controls for:
 - Contract execution and termination
 - Vendor activities and billing oversight
 - Supply chain resilience
 - Statutes/regulations compliance

Most Common Audit Plan Topics (cont.)

Construction

- Policies, processes, risks and controls for:
 - Timely completion of projects
 - Project monitoring of deliverables
 - Accurate billing
 - Change order/contract management

Other Common Audit Plan Topics

Research
Administration

Digital Accessibility

Research
Compliance

Campus Security &
Safety

Medical Services
Revenue Cycle

Data Privacy

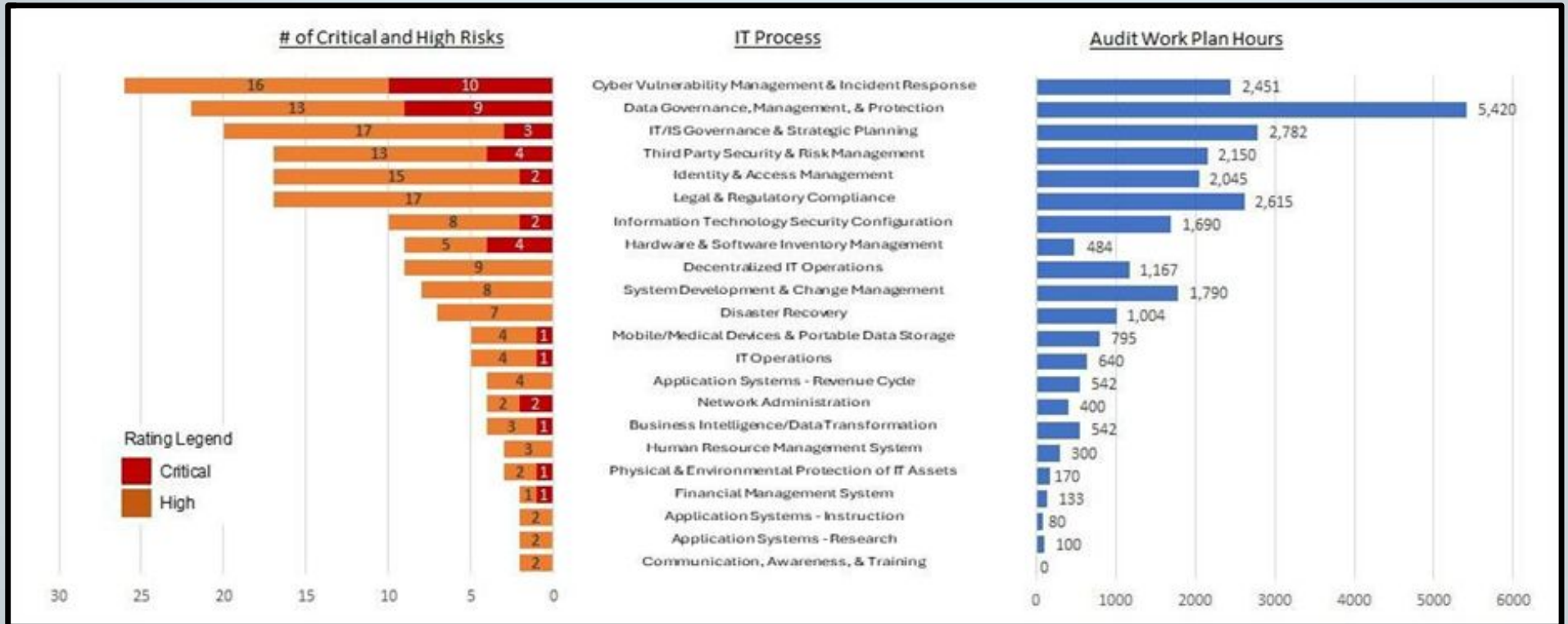
Account
Reconciliation
Segregation of
Duties

Gifts &
Endowments



The University of
Texas System

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



Most Common Audit Plan Topics – IT

Information Security

- Cyber vulnerability management and incident response
- Data governance, management, and protection
- Identity and access management

Other Common Audit Plan Topics – IT

AI Governance,
Data Protection,
& Use

IT & Information
Security
Governance

Legal &
Regulatory
Compliance

Third Party
Security & Risk
Management

System
Development &
Change
Management

3. **U.T. System: Discussion of Systemwide internal audit activities, including updates on the chief administrator travel, entertainment, and university residence maintenance expenses engagement, the Systemwide Cancer Prevention and Research Institute of Texas (CPRIT) grants assurance work, and the Fiscal Year 2026 Annual Audit Plan status**

Chief Audit Executive Peppers will report on the engagement of chief administrator travel, entertainment, and university residence maintenance expenses conducted by internal audit and on the assurance work performed of Cancer Prevention and Research Institute of Texas (CPRIT) grant activity at U.T. institutions conducted by external providers. Additionally, Mr. Peppers will provide an update on the Fiscal Year 2026 Annual Audit Plan status as of May 31, 2026. A summary of the chief administrator expenses audit and the CPRIT assurance work, as well as details on the plan status, including Priority Observations, were provided to the Audit, Compliance, and Risk Management Committee members prior to the meeting.

BACKGROUND INFORMATION

Deloitte & Touche LLP was engaged to conduct audits of FY 2025 CPRIT grant activity for seven U.T. institutions. Five other U.T. institutions engaged Weaver & Tidwell to perform agreed upon procedures of FY 2025 CPRIT grant activity.



TABLE OF CONTENTS FOR FINANCE AND PLANNING COMMITTEE

Committee Meeting: 8/12/2026

Board Meeting: 8/13/2026
Austin, Texas

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

	Committee Meeting	Board Meeting	Page
Convene	1:45 p.m. <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	47
2. U.T. System: Financial Status Presentation and Monthly Financial Report	Report/Discussion <i>Dr. Horton</i>	Not on Agenda	48
3. U.T. System Board of Regents: Approval of the Annual Budget for Fiscal Year 2027, including the capital expenditures budget and other external direct charges to the Funds, and the Annual Fee and Allocation Schedule for The University of Texas/Texas A&M Investment Management Company (UTIMCO)	Action <i>Mr. Pruitt</i> <i>Mr. Hall</i>	Action	75
4. U.T. System Board of Regents: The University of Texas/Texas A&M Investment Management Company (UTIMCO) Update	Report/Discussion <i>Mr. Hall</i>	Not on Agenda	94
Adjourn	2:15 p.m.		

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

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 144](#).

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

Dr. Derek Horton, Associate Vice Chancellor and Deputy Chief Financial Officer, will discuss the Financial Status Presentation, the highlights of which are set forth in the PowerPoint on the following pages and the May Monthly Financial Report, which follows the PowerPoint. The monthly financial report represents the consolidated and individual operating detail of the U.T. institutions.

U.T. System

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

Derek Horton, Ed.D.

Associate Vice Chancellor and Deputy Chief Financial Officer

U.T. System Board of Regents Meeting

Finance and Planning Committee

August 2026



The University of
Texas System

U.T. System Consolidated Summary

Fiscal Year Summary
Period Ending May 31, 2026



Revenues
\$28,715.6M



Expenses
\$24,772.8M



Cash Flow Margin
\$3,942.8M



FYE Projected Cash Flow
4,103.2M

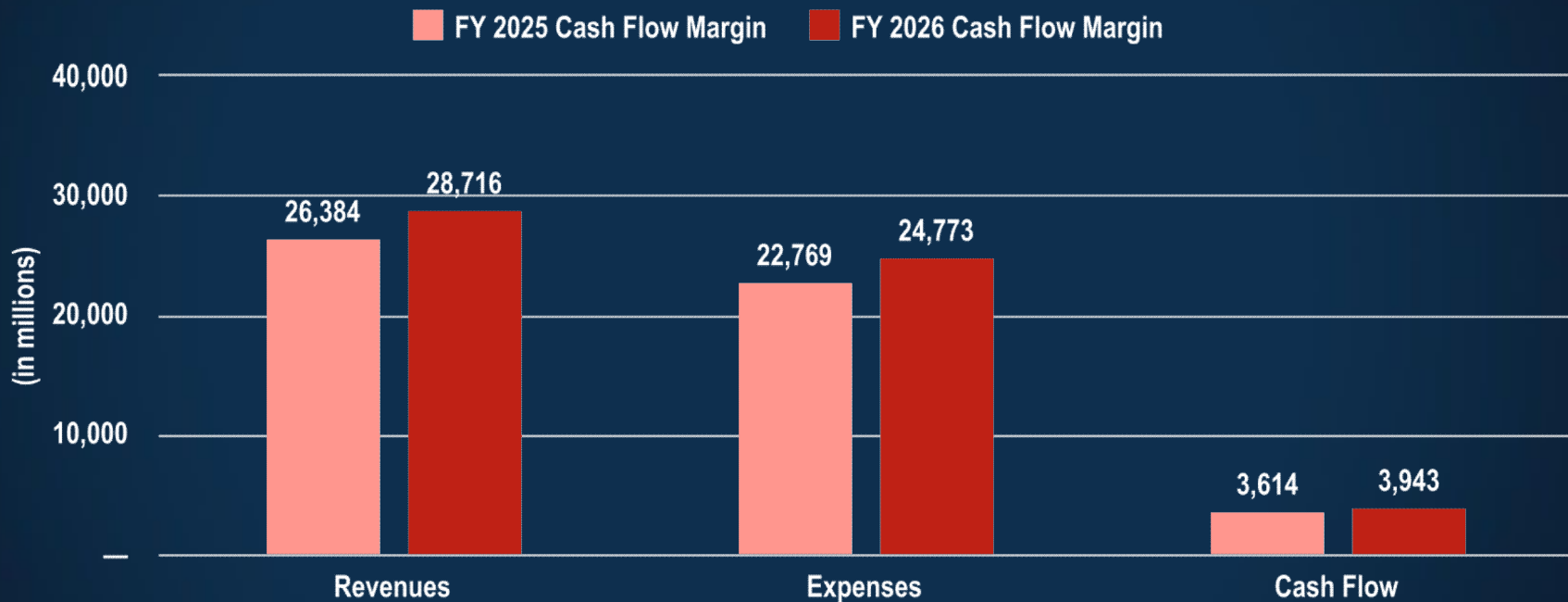


The University of
Texas System

Excludes Other Postemployment Benefits, Pension & Depreciation Expenses

U.T. System Consolidated Revenue & Expenses

Year-Over-Year Comparison (May)

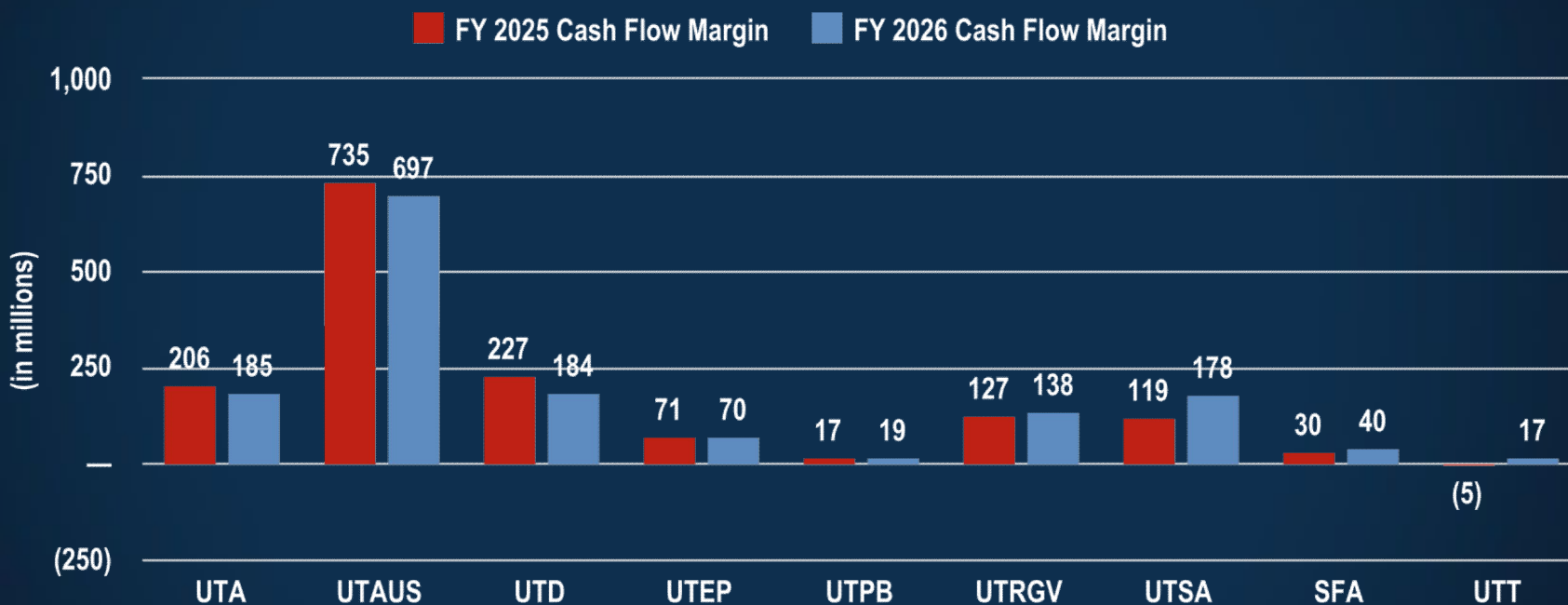


The University of
Texas System

Excludes Other Postemployment Benefits, Pension & Depreciation Expenses

Cash Flow Margin – Academic Institutions

Year-Over-Year Comparison (May)

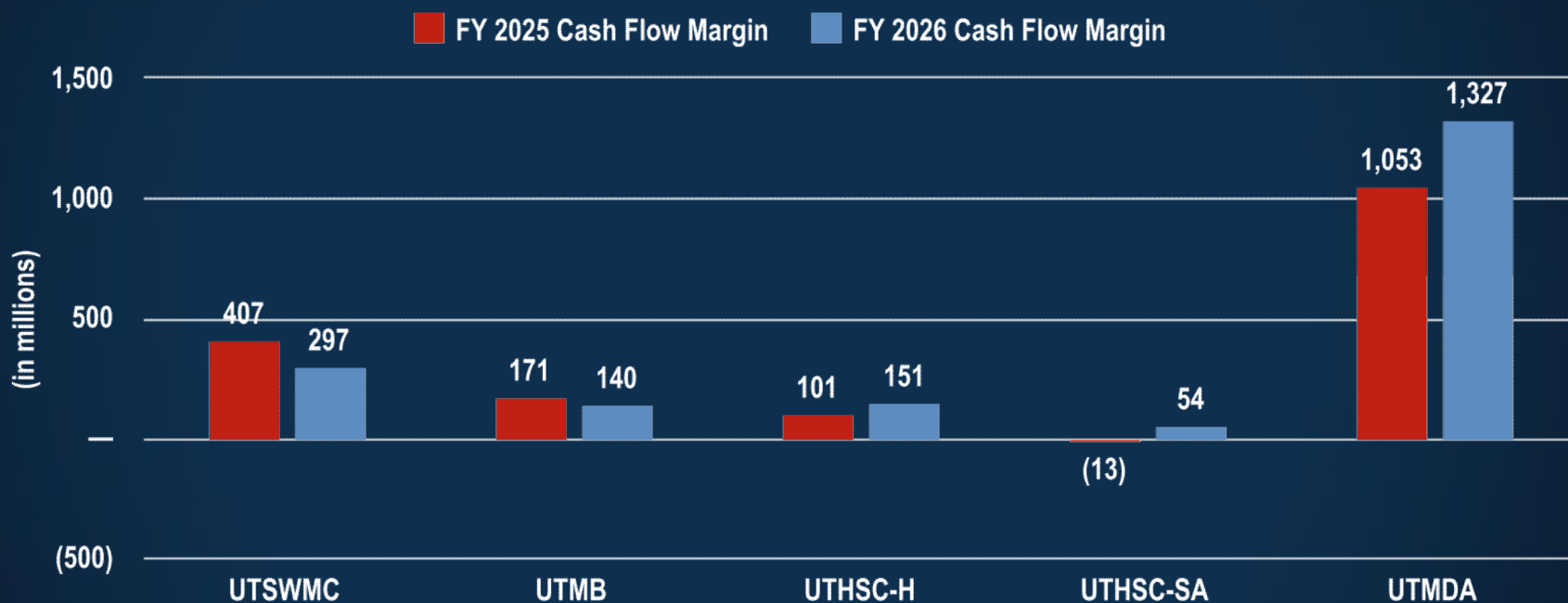


The University of
Texas System

Excludes Depreciation Expense

Cash Flow Margin – Health Institutions

Year-Over-Year Comparison (May)



The University of
Texas System

Excludes Depreciation Expense

5

Budget to Projected – Academic Institutions

Projected FY 2026									
	Budget (\$ Millions)				Projected (\$ Millions)				
	Revenues	Expenses	Cash Flow	Cash Flow Ratio	Revenues	Expenses	Cash Flow	Cash Flow Ratio	
U.T. Arlington	\$876.7	\$840.5	\$36.2	4.1%	\$1,026.0	\$895.9	\$130.1	12.7%	▲
U.T. Austin	\$4,568.6	\$4,114.9	\$453.7	9.9%	\$4,837.0	\$4,359.1	\$477.8	9.9%	▲
U.T. Dallas	\$907.0	\$814.1	\$92.9	10.2%	\$907.9	\$812.1	\$95.8	10.5%	▲
U.T. El Paso	\$563.8	\$540.5	\$23.3	4.1%	\$575.6	\$526.7	\$48.9	8.5%	▲
U.T. Permian Basin	\$109.6	\$104.4	\$5.2	4.8%	\$112.7	\$105.4	\$7.3	6.4%	▲
U.T. Rio Grande Valley	\$747.3	\$727.0	\$20.2	2.7%	\$761.3	\$733.9	\$27.4	3.6%	▲
U.T. San Antonio	\$816.5	\$793.5	\$23.1	2.8%	\$873.9	\$788.0	\$85.9	9.8%	▲
Stephen F. Austin	\$226.9	\$220.9	\$6.0	2.6%	\$232.6	\$227.7	\$4.9	2.1%	▼
U.T. Tyler	\$711.2	\$676.2	\$35.0	4.9%	\$739.5	\$715.5	\$24.0	3.3%	▼
Total	\$9,527.5	\$8,831.8	\$695.7	7.3%	\$10,066.3	\$9,164.3	\$902.0	9.0%	▲

Budget to Projected – Health Institutions

Projected FY 2026									
	Budget (\$ Millions)				Projected (\$ Millions)				
	Revenues	Expenses	Cash Flow	Cash Flow Ratio	Revenues	Expenses	Cash Flow	Cash Flow Ratio	
U.T. Southwestern Medical Center	\$6,391.1	\$5,974.3	\$416.8	6.5%	\$6,751.8	\$6,360.4	\$391.4	5.8%	▼
U.T. Medical Branch - Galveston	\$3,703.2	\$3,486.4	\$216.8	5.9%	\$3,764.0	\$3,547.1	\$216.8	5.8%	▼
U.T. Health Science Center - Houston	\$2,824.5	\$2,730.3	\$94.1	3.3%	\$2,890.9	\$2,743.8	\$147.1	5.1%	▲
Health Science Center at U.T. San Antonio	\$1,869.3	\$1,765.5	\$103.8	5.6%	\$1,867.0	\$1,772.2	\$94.8	5.1%	▼
U.T.M.D. Anderson Cancer Center	\$9,375.2	\$7,932.0	\$1,443.1	15.4%	\$9,680.8	\$8,037.6	\$1,643.2	17.0%	▲
Total	\$24,163.2	\$21,888.5	\$2,274.7	9.4%	\$24,954.5	\$22,461.1	\$2,493.4	10.0%	▲

Financial Summary

U.T. System Administration May 2026

U.T. System Administration	Adjusted Budget	Actuals	% of Budget
U.T. System Administration Operations (AUF)	\$118,587,806	\$44,365,605	37%
U.T. System Administration – University Lands (PUF)	\$49,086,292	\$29,599,105	60%
U.T. System Administration Service Departments & Other (Non-AUF)	\$67,505,461	\$35,287,772	52%
Total U.T. System Administration	\$235,179,559	\$109,252,482	46%

Excludes the following components of the U.T. Systemwide Annual Operating Budget:

- *State General Revenue Funded programs for Lone Star Stroke, Texas Child Mental Health Care Consortium, U.T. System Multi-Institution Center in Laredo, and UT-REAL-Health-AI*
- *Sponsored programs from grants and federal support through the Employee Group Waiver Program for Medicare Part D retiree prescription drug coverage*
- *Capital Construction Assistance Projects and PUF Debt Service*
- *Depreciation and capitalized lease amortization*
- *Self-insurance claims activity and certain systemwide software licenses centrally negotiated and reimbursed by U.T. institutions*



The University of
Texas System



The University of Texas System

OFFICE OF THE CHIEF FINANCIAL OFFICER

Budget and Planning

MONTHLY FINANCIAL REPORT

(unaudited)

MAY 2026 • FY 2026

The University of Texas at Arlington ♦ The University of Texas at Austin ♦ The University of Texas at Dallas ♦ The University of Texas at El Paso ♦ The University of Texas Permian Basin ♦ The University of Texas Rio Grande Valley ♦ The University of Texas at San Antonio ♦ Stephen F. Austin State University ♦ The University of Texas at Tyler ♦ The University of Texas Southwestern Medical Center ♦ The University of Texas Medical Branch at Galveston ♦ The University of Texas Health Science Center at Houston ♦ The University of Texas M. D. Anderson Cancer Center
The University of Texas System Administration

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

Monthly Financial Report
Comparison of Adjusted Cash Flow Margin
For the Period Ending May 31, 2026

Executive Summary of Adjusted Cash Flow Margin (Loss)*

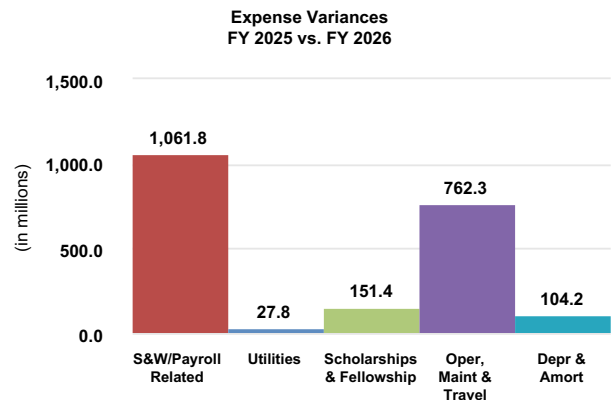
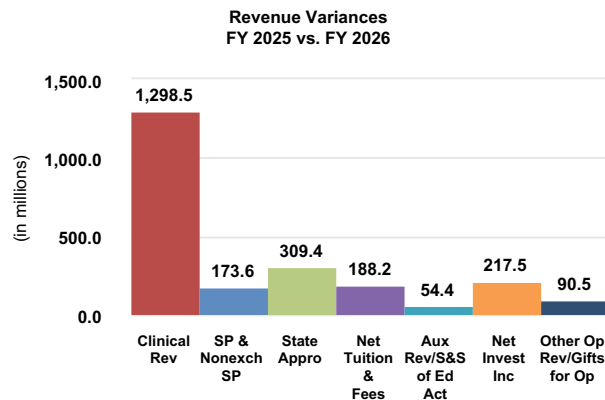
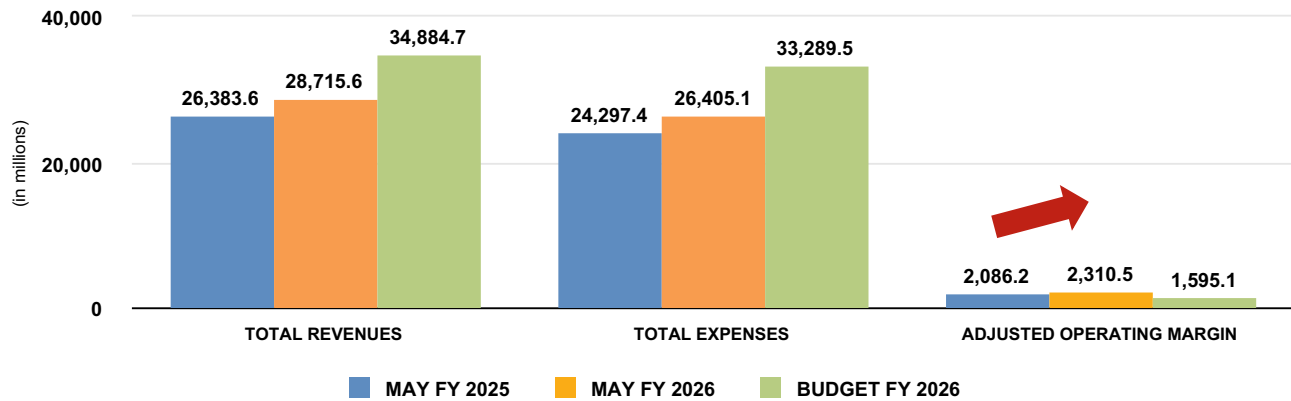
(Excludes OPEB, Pension, Depreciation and Amortization Expense)

(in millions)	May YTD FY 2025	May YTD FY 2026	FY 2026 Budget	Annual Projected FY 2026	Variance %	Comments on Budget to Projection Variance
U.T. Arlington	205.8	185.3	36.2	130.1	260%	Decrease in Operations, Maintenance and Travel due to cost-saving measures implemented after budget development; Increase in Sponsored Programs due to actuals trending higher than budget.
U.T. Austin	735.2	697.3	453.7	477.8	5%	Increase in Net Investment Income as a result of improved market conditions.
U.T. Dallas	226.9	184.5	92.9	95.8	3%	Increase in Net Investment Income due to conservative budget assumptions.
U.T. El Paso	70.9	70.0	23.3	48.9	110%	Decrease in Operations, Maintenance and Travel due to budgeted Mining Engineering program expenses incurred over the biennium; Increase in Sponsored Programs due to updated budget assumptions.
U.T. Permian Basin	16.5	19.2	5.2	7.3	38%	Decrease in Salaries & Wages/Payroll Related Costs as a result of savings from faculty and staff vacancies combined with planned reorganizations.
U.T. Rio Grande Valley	127.4	137.5	20.2	27.4	35%	Increase in Net Tuition and Fees due to increased enrollment; Decrease in Salaries & Wages/Payroll Related Costs from anticipated salary savings.
U.T. San Antonio	119.3	177.7	23.1	85.9	273%	Decrease in Operations, Maintenance and Travel due to unutilized Health Campus integration costs; Increase in Net Investment Income from improved market conditions; Increase in Net Student Tuition and Fees due to higher enrollment.
Stephen F. Austin State University	29.9	39.7	6.0	4.9	-19%	Decrease in Transfers In being adjusted downward from original budget assumptions.
U.T. Tyler	(5.1)	16.8	35.0	24.0	-31%	Decrease in Net Tuition and Fees due to student credit hours tracking below budget assumptions; Decrease in Auxiliary Revenues due to leased dorm units no longer in use.
U.T. Southwestern Medical Center	407.4	296.7	416.8	391.4	-6%	Increases in Salaries & Wages/Payroll Related Costs and Operations, Maintenance and Travel from growth in both the hospital and physician practice plan.
U.T. Medical Branch - Galveston	170.7	139.9	216.8	216.8	0%	No significant variances in revenues or expenses; Institution remains on target to meet budget.
U.T. Health Science Center - Houston	101.0	150.5	94.1	147.1	56%	Increase in Sponsored Programs due to higher indirect cost rate; Increase in Gift Contributions for Operations due to a significant gift received.
Health Science Center at U.T. San Antonio	(12.5)	54.2	103.8	94.8	-9%	Decrease in State Appropriations due to deferring a portion of the TRC4 funding for use next year.
U.T.M.D. Anderson Cancer Center	1,052.7	1,327.4	1,443.1	1,643.2	14%	Increase in Clinical Revenues driven by higher patient volumes, clinical expansion, and productivity improvements; Decrease in Operations, Maintenance and Travel due to disciplined expense management.
U.T. System Administration (excluding OPEB & Pension Expense)	368.1	446.2	681.1	707.8	4%	Increase in Net Investment Income attributable to favorable market conditions.
Total Adjusted Cash Flow Margin	\$3,614.2	3,942.8	3,651.5	4,103.2	12%	

* For additional details on the variances, please see pages 3 through 17 of the MFR.

Monthly Financial Report Comparison of Operating Results, Margin, Budget and Projected Year-End For the Period Ending May 31, 2026

U.T. System Consolidated (Excluding OPEB & Pension Expense)

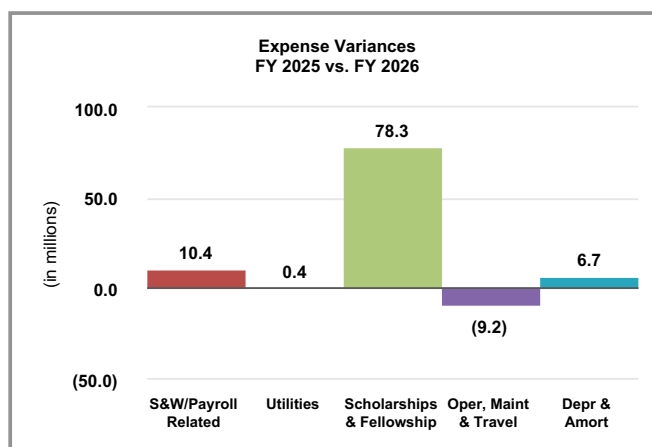
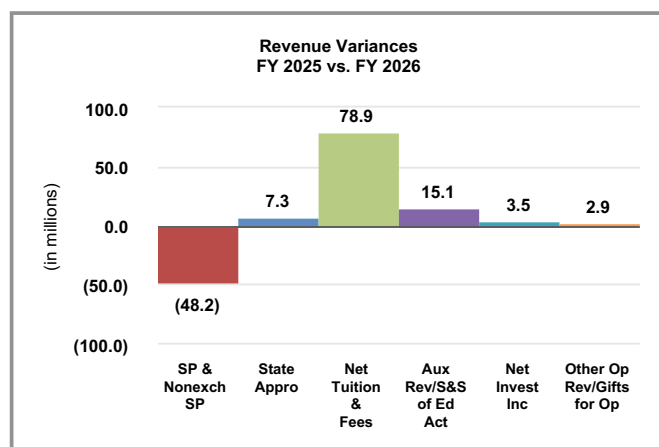
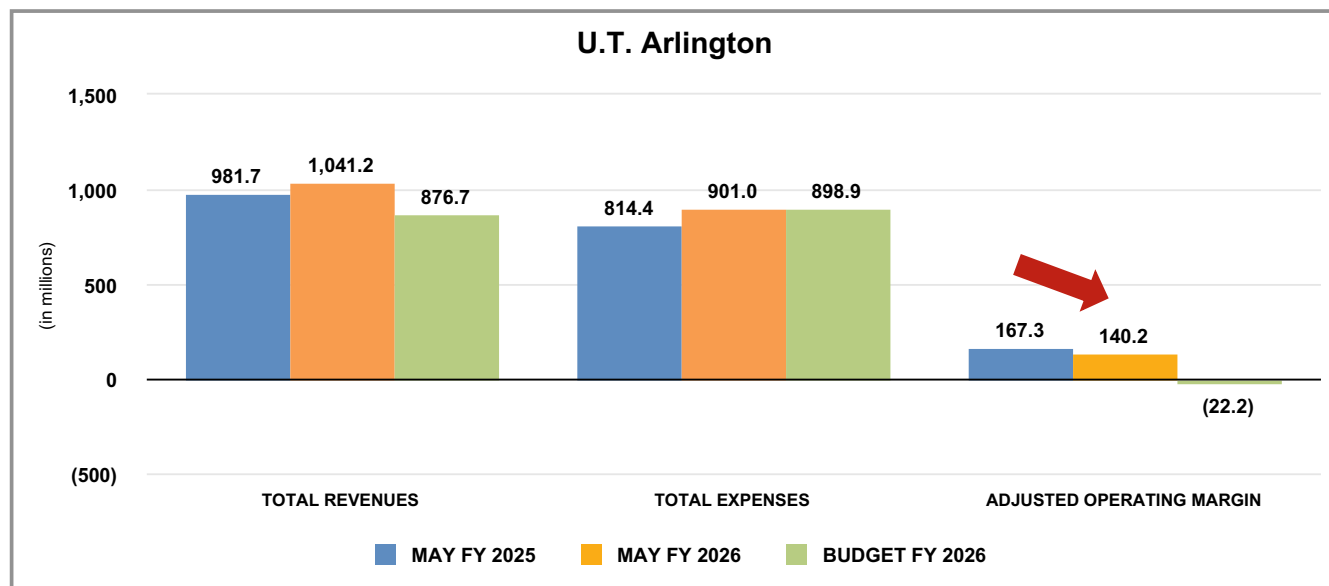


(in millions)	May YTD FY 2025	May YTD FY 2026	Variance	FY 2026 Budget	Annual Projected FY 2026	Variance
Clinical Revenues	\$ 11,179.9	\$ 12,478.4	\$ 1,298.5	\$ 16,447.6	\$ 16,910.5	\$ 462.9
Sponsored Programs/Nonexchange Sponsored Programs	5,007.5	5,181.1	173.6	6,797.9	7,322.0	524.1
State Appropriations	2,322.2	2,631.5	309.4	3,194.6 *	3,192.9	(1.7)
Net Tuition and Fees	2,911.2	3,099.4	188.2	2,088.8	1,990.1	(98.8)
Auxiliary Revenues/Sales & Services of Educational Activities	1,166.9	1,221.2	54.4	1,582.6	1,640.3	57.7
Net Investment Income	2,554.4	2,771.9	217.5	3,263.6	3,508.7	245.1
Other Operating Revenues/Gift Contributions for Operations	1,241.6	1,332.1	90.5	1,509.6	1,752.5	242.9
Total Revenues	\$ 26,383.6	\$ 28,715.6	\$ 2,331.9	\$ 34,884.7	\$ 36,316.9	\$ 1,432.3
Salaries and Wages/Payroll Related Costs	\$ 14,158.0	\$ 15,219.8	\$ 1,061.8	\$ 19,504.9	\$ 20,292.0	\$ 787.1
Utilities	221.6	249.4	27.8	369.9	357.4	(12.4)
Scholarships and Fellowships	1,291.9	1,443.4	151.4	584.9	446.0	(138.9)
Operations, Maintenance and Travel	7,097.9	7,860.2	762.3	10,773.5 *	11,118.3	344.8
Depreciation and Amortization	1,528.1	1,632.3	104.2	2,056.4	2,093.7	37.3
Total Expenses (Excluding OPEB & Pension)	\$ 24,297.4	\$ 26,405.1	\$ 2,107.6	\$ 33,289.5	\$ 34,307.4	\$ 1,017.9
Adj Operating Margin (Excl OPEB & Pension)	\$ 2,086.2	\$ 2,310.5	\$ 224.3	\$ 1,595.1	\$ 2,009.5	\$ 414.4
Adj Cash Flow Margin (Excl OPEB, Pension, Depr & Amort)	\$ 3,614.2	\$ 3,942.8	\$ 328.6	\$ 3,651.5	\$ 4,103.2	\$ 451.7

*State appropriations and corresponding expense for TRB/CCAP for all U.T. institutions have been excluded.

Excluding other postemployment benefits (OPEB), pension, and depreciation expense, U.T. System Consolidated anticipates ending the year with an adjusted cash flow margin of \$4,103.2 million, which represents an increase of \$451.7 million (12%) as compared to the budgeted level. The projected increase is primarily due to an increase in clinical revenues and other operating revenues associated with increased patient volumes and rates; and an increase in net investment income as a result of improved market conditions.

Monthly Financial Report Comparison of Operating Results, Margin, Budget and Projected Year-End For the Period Ending May 31, 2026

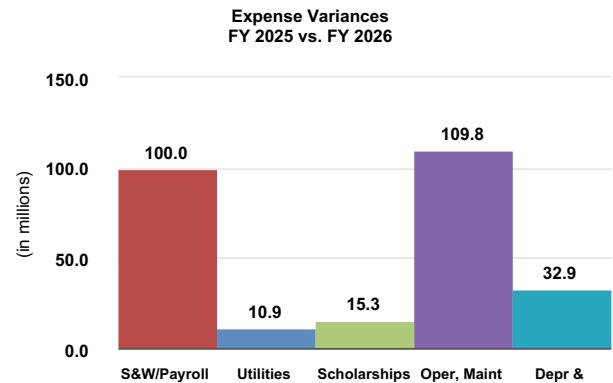
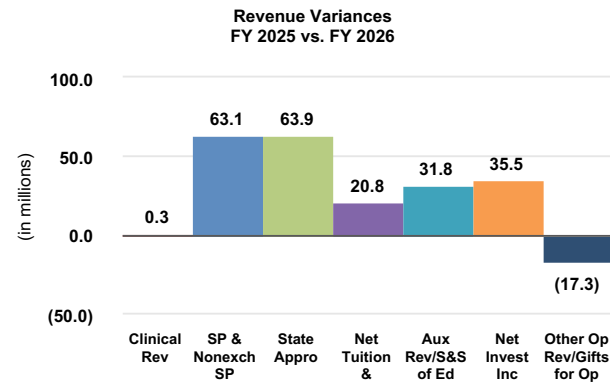
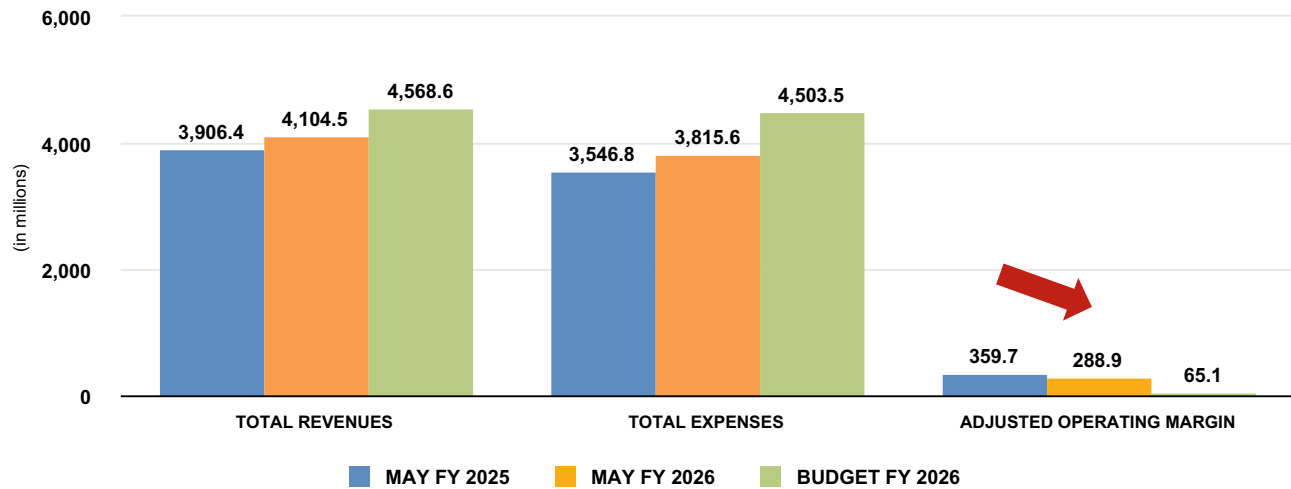


(in millions)	May YTD FY 2025	May YTD FY 2026	Variance	FY 2026 Budget	Annual Projected FY 2026	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 218.9	\$ 170.7	\$ (48.2)	\$ 220.0	\$ 263.0	\$ 43.0
State Appropriations	164.3	171.6	7.3	182.4	182.4	0.0
Net Tuition and Fees	474.2	553.1	78.9	324.0	402.2	78.2
Auxiliary Revenues/Sales & Services of Educational Activities	71.8	86.9	15.1	93.0	107.6	14.6
Net Investment Income	38.2	41.7	3.5	32.1	45.6	13.5
Other Operating Revenues/Gift Contributions for Operations	14.2	17.1	2.9	25.1	25.1	0.0
Total Revenues	\$ 981.7	\$ 1,041.2	\$ 59.5	\$ 876.7	\$ 1,026.0	\$ 149.3
Salaries and Wages/Payroll Related Costs	\$ 416.8	\$ 427.3	\$ 10.4	\$ 537.9	\$ 561.9	\$ 24.0
Utilities	8.0	8.4	0.4	11.1	11.1	0.0
Scholarships and Fellowships	183.9	262.2	78.3	21.8	100.1	78.2
Operations, Maintenance and Travel	167.1	157.9	(9.2)	269.6	222.8	(46.8)
Depreciation and Amortization	38.5	45.2	6.7	58.4	58.4	0.0
Total Expenses	\$ 814.4	\$ 901.0	\$ 86.7	\$ 898.9	\$ 954.3	\$ 55.4
Adj Operating Margin	167.3	140.2	(27.2)	(22.2)	71.7	93.9
Adj Cash Flow Margin (Excludes Depr & Amort)	205.8	185.3	(20.5)	36.2	130.1	93.9

U.T. Arlington anticipates ending the year with an adjusted cash flow margin of \$130.1 million, which represents an increase of \$93.9 million (260%) as compared to the budgeted level. The projected increase is primarily attributable to the following: a decrease in operations, maintenance and travel expenses due to cost-saving measures implemented after budget development; and an increase in sponsored programs as year-to-date actuals are trending higher than budget. The variance in net tuition and fees, and the offsetting variance in scholarships and fellowships, is related to a change in the accounting methodology for recording scholarships and fellowships implemented after the budget was approved.

Monthly Financial Report Comparison of Operating Results, Margin, Budget and Projected Year-End For the Period Ending May 31, 2026

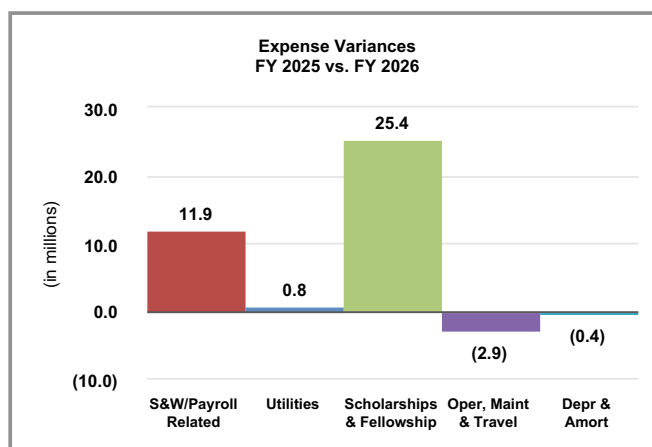
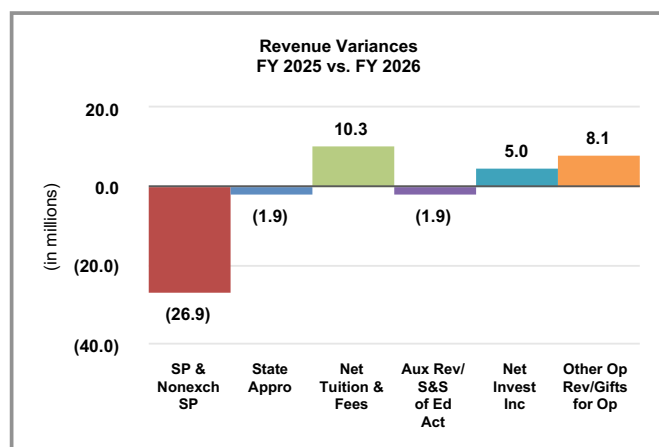
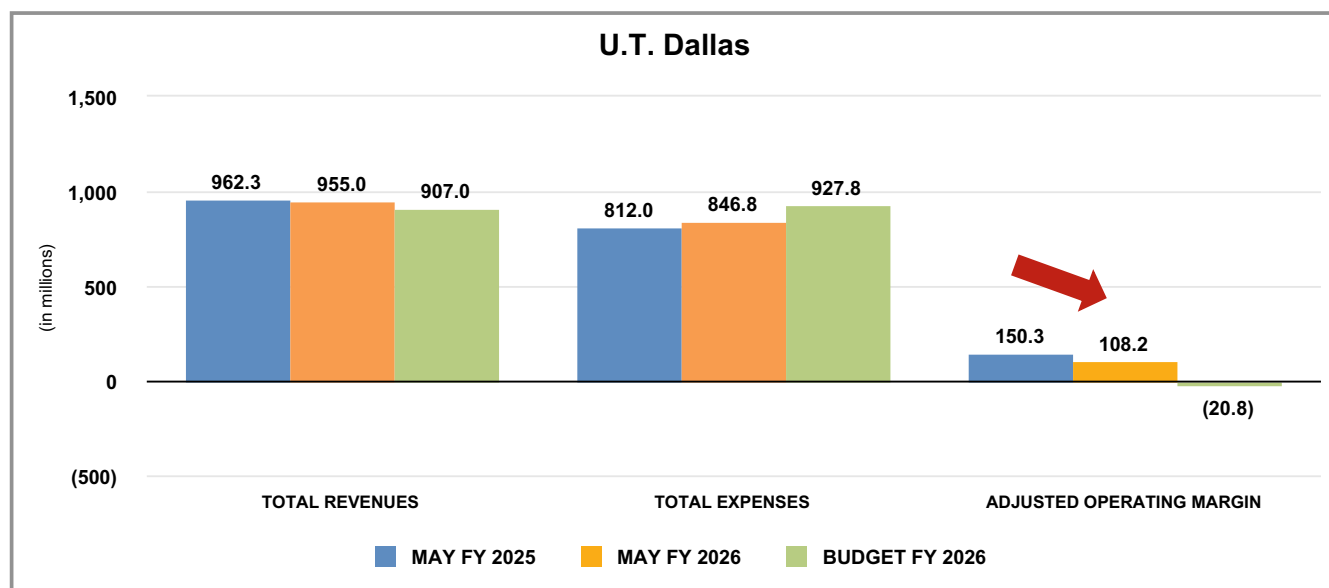
U.T. Austin



(in millions)	May YTD FY 2025	May YTD FY 2026	Variance	FY 2026 Budget	Annual Projected FY 2026	Variance
Clinical Revenues	\$ 18.7	\$ 19.0	\$ 0.3	\$ 23.7	\$ 27.8	\$ 4.1
Sponsored Programs/Nonexchange Sponsored Programs	957.7	1,020.9	63.1	1,247.8	1,597.1	349.2
State Appropriations	390.0	453.9	63.9	523.0	523.0	0.0
Net Tuition and Fees	757.2	778.0	20.8	573.9	398.4	(175.6)
Auxiliary Revenues/Sales & Services of Educational Activities	580.7	612.5	31.8	831.9	858.9	27.0
Net Investment Income/Available University Fund (AUF)	876.6	912.1	35.5	966.4	1,009.7	43.3
Other Operating Revenues/Gift Contributions for Operations	325.5	308.2	(17.3)	401.8	422.0	20.2
Total Revenues	\$ 3,906.4	\$ 4,104.5	\$ 198.1	\$ 4,568.6	\$ 4,837.0	\$ 268.4
Salaries and Wages/Payroll Related Costs	\$ 1,854.6	\$ 1,954.6	\$ 100.0	\$ 2,515.6	\$ 2,655.4	\$ 139.8
Utilities	57.2	68.1	10.9	98.7	96.4	(2.3)
Scholarships and Fellowships	424.8	440.1	15.3	278.0	76.4	(201.7)
Operations, Maintenance and Travel	834.6	944.4	109.8	1,222.6	1,531.0	308.4
Depreciation and Amortization	375.5	408.4	32.9	388.7	418.3	29.6
Total Expenses	\$ 3,546.8	\$ 3,815.6	\$ 268.8	\$ 4,503.5	\$ 4,777.4	\$ 273.9
Adj Operating Margin	359.7	288.9	(70.7)	65.1	59.6	(5.5)
Adj Cash Flow Margin (Excludes Depr & Amort)	735.2	697.3	(37.9)	453.7	477.8	24.1

U.T. Austin anticipates ending the year with an adjusted cash flow margin of \$477.8 million, which represents an increase of \$24.1 million (5%) as compared to the budgeted level. The projected increase is primarily due to an increase in net investment income attributable to improved market conditions. The variance in net tuition and fees, and the corresponding variance in scholarships and fellowships, is related to a change in the accounting methodology for recording scholarships and fellowships implemented after the budget was approved.

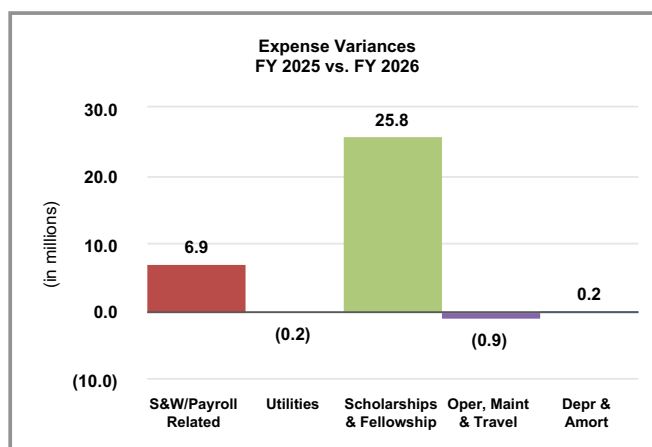
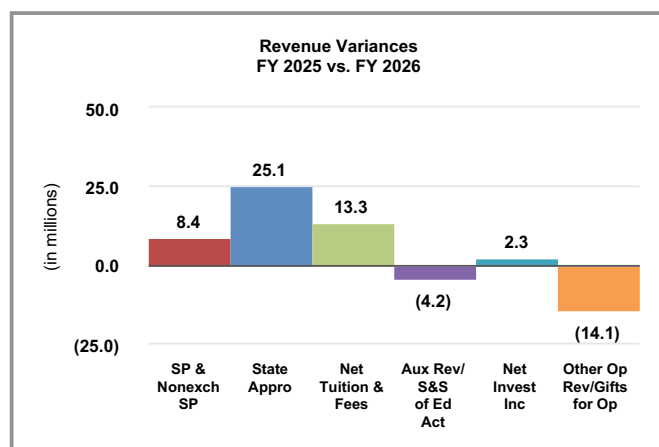
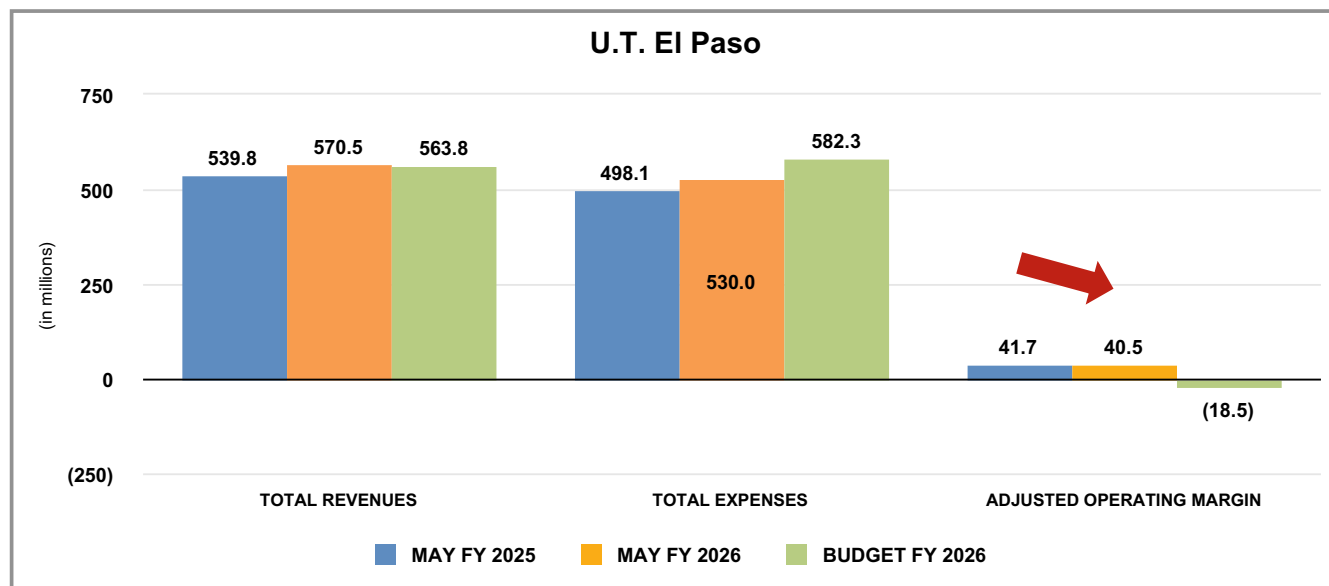
Monthly Financial Report Comparison of Operating Results, Margin, Budget and Projected Year-End For the Period Ending May 31, 2026



(in millions)	May YTD FY 2025	May YTD FY 2026	Variance	FY 2026 Budget	Annual Projected FY 2026	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 129.7	\$ 102.8	\$ (26.9)	\$ 171.2	\$ 178.2	\$ 7.0
State Appropriations	170.8	168.9	(1.9)	180.0	180.4	0.4
Net Tuition and Fees	480.3	490.6	10.3	339.5	319.1	(20.3)
Auxiliary Revenues/Sales & Services of Educational Activities	93.9	92.0	(1.9)	103.6	105.3	1.7
Net Investment Income	64.1	69.2	5.0	80.8	88.4	7.6
Other Operating Revenues/Gift Contributions for Operations	23.4	31.5	8.1	31.9	36.6	4.7
Total Revenues	\$ 962.3	\$ 955.0	\$ (7.2)	\$ 907.0	\$ 907.9	\$ 0.9
Salaries and Wages/Payroll Related Costs	\$ 426.5	\$ 438.4	\$ 11.9	\$ 542.1	\$ 564.2	\$ 22.1
Utilities	9.7	10.5	0.8	16.8	16.8	0.1
Scholarships and Fellowships	179.6	204.9	25.4	59.5	44.0	(15.5)
Operations, Maintenance and Travel	119.6	116.7	(2.9)	195.8	187.2	(8.6)
Depreciation and Amortization	76.7	76.3	(0.4)	113.7	108.8	(5.0)
Total Expenses	\$ 812.0	\$ 846.8	\$ 34.8	\$ 927.8	\$ 920.9	\$ (6.9)
Adj Operating Margin	150.3	108.2	(42.0)	(20.8)	(13.0)	7.8
Adj Cash Flow Margin (Excludes Depr & Amort)	226.9	184.5	(42.4)	92.9	95.8	2.9

U.T. Dallas anticipates ending the year with an adjusted cash flow margin of \$95.8 million, which represents an increase of \$2.9 million (3%) as compared to the budgeted level. The projected increase is primarily attributable to an increase in net investment income resulting from conservative budget assumptions.

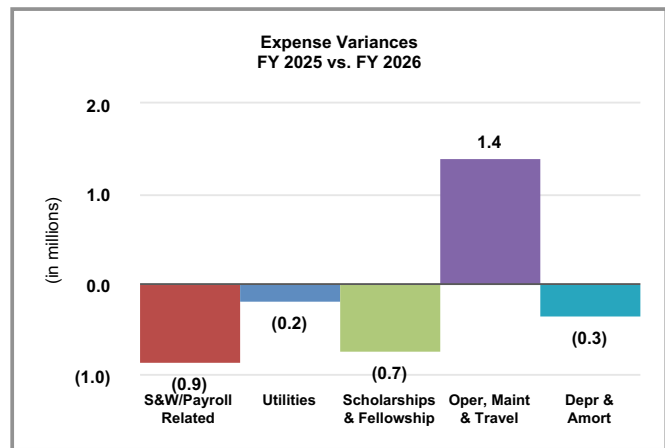
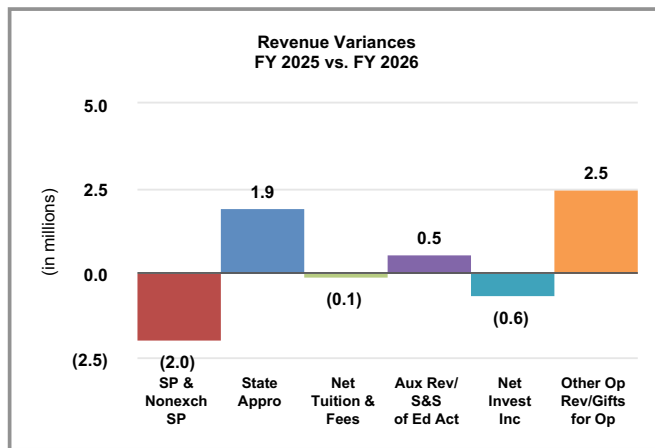
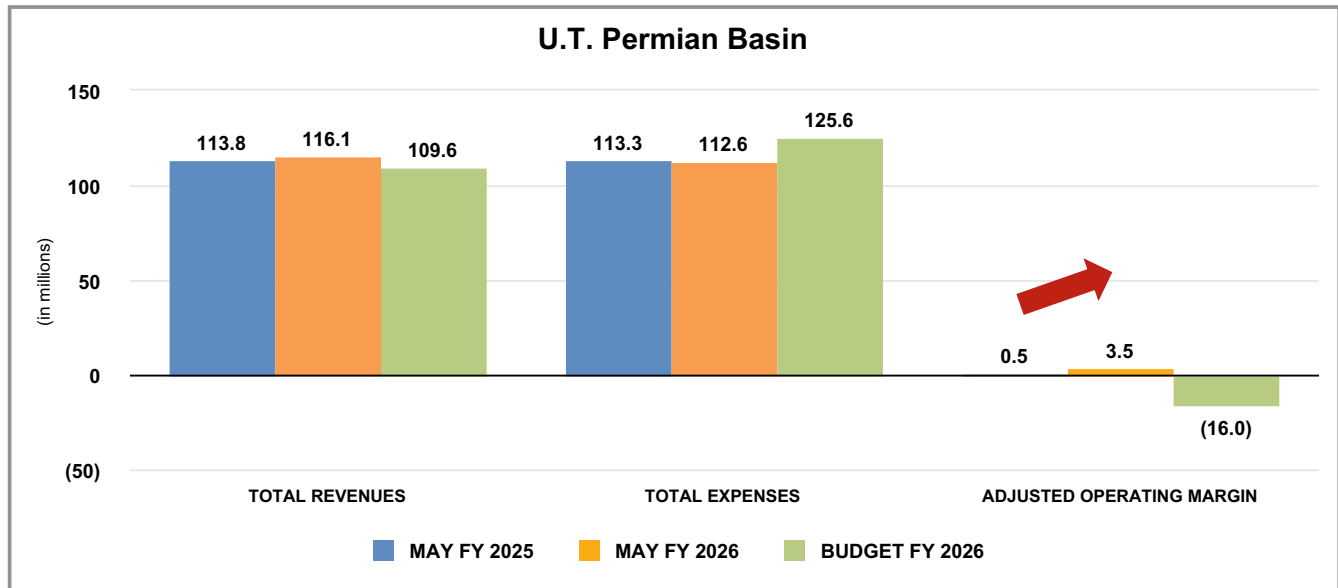
Monthly Financial Report Comparison of Operating Results, Margin, Budget and Projected Year-End For the Period Ending May 31, 2026



(in millions)	May YTD FY 2025	May YTD FY 2026	Variance	FY 2026 Budget	Annual Projected FY 2026	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 111.9	\$ 120.3	\$ 8.4	\$ 190.0	\$ 197.5	\$ 7.4
State Appropriations	114.6	139.7	25.1	155.0	155.0	0.0
Net Tuition and Fees	217.4	230.8	13.3	93.4	90.3	(3.1)
Auxiliary Revenues/Sales & Services of Educational Activities	34.7	30.6	(4.2)	68.7	77.2	8.5
Net Investment Income	25.5	27.8	2.3	32.5	33.3	0.8
Other Operating Revenues/Gift Contributions for Operations	35.6	21.5	(14.1)	24.2	22.3	(1.9)
Total Revenues	\$ 539.8	\$ 570.5	\$ 30.8	\$ 563.8	\$ 575.6	\$ 11.8
Salaries and Wages/Payroll Related Costs	\$ 264.9	\$ 271.8	\$ 6.9	\$ 326.1	\$ 344.9	\$ 18.8
Utilities	6.1	5.9	(0.2)	10.0	10.0	0.0
Scholarships and Fellowships	113.8	139.5	25.8	36.9	29.5	(7.3)
Operations, Maintenance and Travel	84.2	83.3	(0.9)	167.5	142.3	(25.2)
Depreciation and Amortization	29.2	29.4	0.2	41.8	40.3	(1.5)
Total Expenses	\$ 498.1	\$ 530.0	\$ 31.9	\$ 582.3	\$ 567.0	\$ (15.3)
Adj Operating Margin	41.7	40.5	(1.1)	(18.5)	8.6	27.1
Adj Cash Flow Margin (Excludes Depr & Amort)	70.9	70.0	(0.9)	23.3	48.9	25.6

U.T. El Paso anticipates ending the year with an adjusted cash flow margin of \$48.9 million, which represents an increase of \$25.6 million (110%) as compared to the budgeted level. The projected increase is primarily due to the following: a decrease in operations, maintenance and travel expenses related to several construction projects for the Mining Engineering program that were budgeted but are expected to be incurred over the course of the biennium; and an increase in sponsored programs due to updated budget assumptions related to federally sponsored funding.

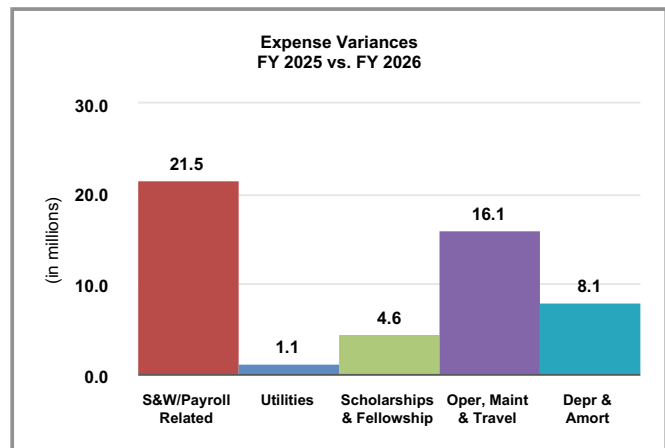
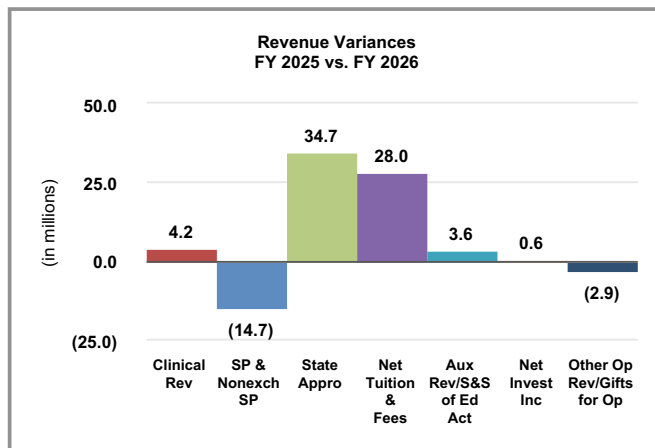
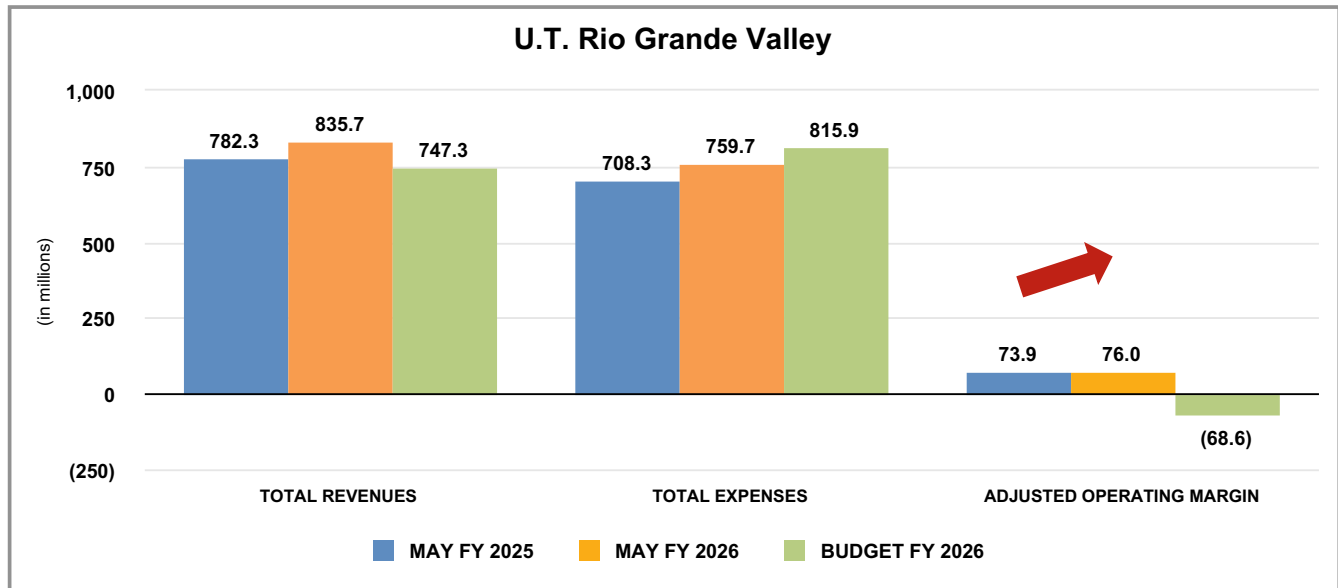
Monthly Financial Report Comparison of Operating Results, Margin, Budget and Projected Year-End For the Period Ending May 31, 2026



(in millions)	May YTD FY 2025	May YTD FY 2026	Variance	FY 2026 Budget	Annual Projected FY 2026	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 16.3	\$ 14.3	\$ (2.0)	\$ 26.4	\$ 24.0	\$ (2.4)
State Appropriations	29.0	30.9	1.9	33.4	33.4	0.0
Net Tuition and Fees	43.6	43.5	(0.1)	25.1	27.3	2.2
Auxiliary Revenues/Sales & Services of Educational Activities	7.8	8.3	0.5	8.7	6.8	(1.9)
Net Investment Income	5.3	4.6	(0.6)	4.5	4.9	0.4
Other Operating Revenues/Gift Contributions for Operations	11.9	14.4	2.5	11.5	16.3	4.8
Total Revenues	\$ 113.8	\$ 116.1	\$ 2.3	\$ 109.6	\$ 112.7	\$ 3.0
Salaries and Wages/Payroll Related Costs	\$ 45.1	\$ 44.2	\$ (0.9)	\$ 60.0	\$ 58.2	\$ (1.9)
Utilities	1.9	1.8	(0.2)	3.3	2.7	(0.6)
Scholarships and Fellowships	27.6	26.9	(0.7)	12.8	11.3	(1.5)
Operations, Maintenance and Travel	22.7	24.1	1.4	28.3	33.3	5.0
Depreciation and Amortization	16.0	15.6	(0.3)	21.2	20.8	(0.4)
Total Expenses	\$ 113.3	\$ 112.6	\$ (0.7)	\$ 125.6	\$ 126.3	\$ 0.7
Adj Operating Margin	0.5	3.5	3.0	(16.0)	(13.6)	2.4
Adj Cash Flow Margin (Excludes Depr & Amort)	16.5	19.2	2.6	5.2	7.3	2.0

U.T. Permian Basin anticipates ending the year with an adjusted cash flow margin of \$7.3 million, which represents an increase of \$2.0 million (38%) as compared to the budgeted level. The projected increase is primarily attributable to a decrease in salaries and wages and payroll related costs due to anticipated savings as a result of faculty and staff vacancies, as well as planned reorganizations to enhance business needs.

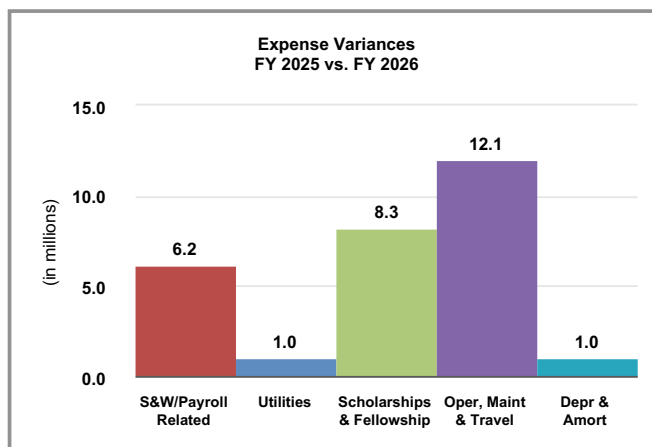
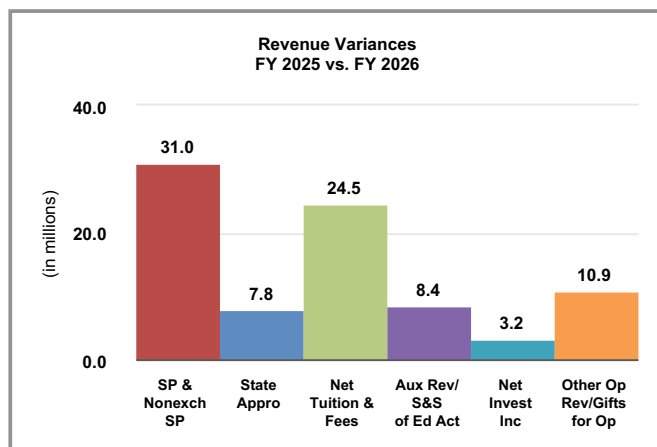
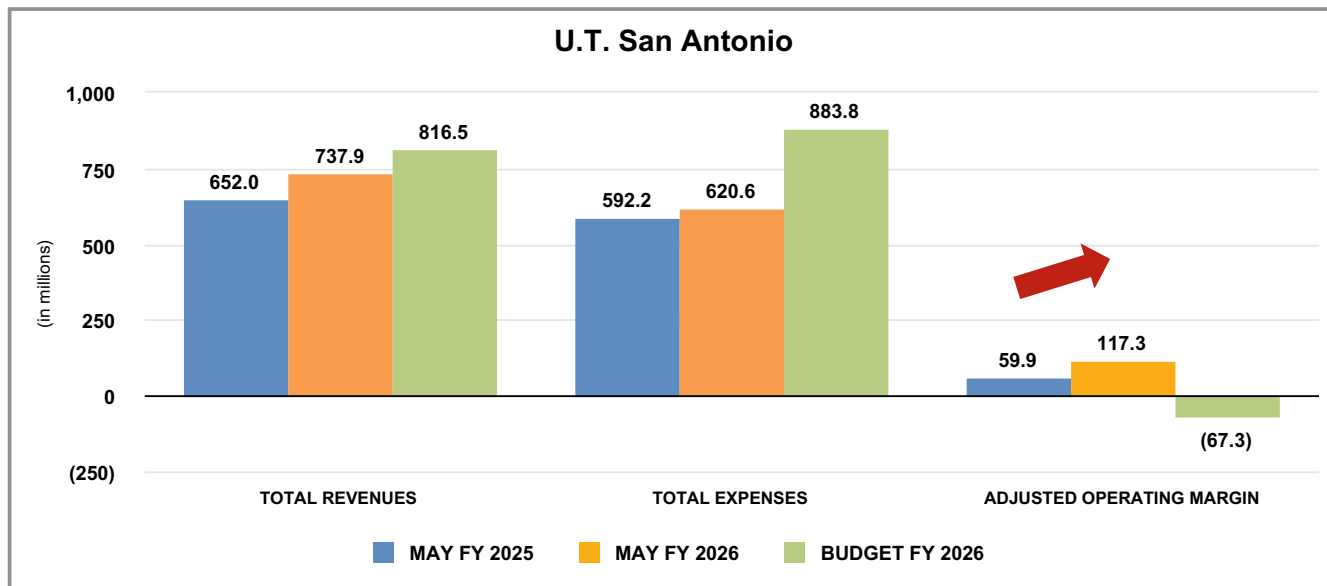
Monthly Financial Report Comparison of Operating Results, Margin, Budget and Projected Year-End For the Period Ending May 31, 2026



(in millions)	May YTD FY 2025	May YTD FY 2026	Variance	FY 2026 Budget	Annual Projected FY 2026	Variance
Clinical Revenues	\$ 15.2	\$ 19.4	\$ 4.2	\$ 32.7	\$ 23.6	\$ (9.1)
Sponsored Programs/Nonexchange Sponsored Programs	210.6	195.9	(14.7)	292.9	304.3	11.4
State Appropriations	185.7	220.4	34.7	221.7	221.3	(0.4)
Net Tuition and Fees	311.1	339.1	28.0	117.4	135.4	18.0
Auxiliary Revenues/Sales & Services of Educational Activities	17.8	21.4	3.6	26.7	28.9	2.2
Net Investment Income	18.6	19.2	0.6	24.8	24.3	(0.5)
Other Operating Revenues/Gift Contributions for Operations	23.3	20.4	(2.9)	31.2	23.5	(7.7)
Total Revenues	\$ 782.3	\$ 835.7	\$ 53.4	\$ 747.3	\$ 761.3	\$ 14.0
Salaries and Wages/Payroll Related Costs	\$ 370.6	\$ 392.1	\$ 21.5	\$ 519.0	\$ 508.5	\$ (10.5)
Utilities	6.5	7.6	1.1	13.6	12.7	(0.9)
Scholarships and Fellowships	192.9	197.5	4.6	44.1	57.1	13.0
Operations, Maintenance and Travel	84.8	100.9	16.1	150.3	155.5	5.2
Depreciation and Amortization	53.5	61.6	8.1	88.9	86.8	(2.1)
Total Expenses	\$ 708.3	\$ 759.7	\$ 51.4	\$ 815.9	\$ 820.7	\$ 4.8
Adj Operating Margin	73.9	76.0	2.0	(68.6)	(59.4)	9.2
Adj Cash Flow Margin (Excludes Depr & Amort)	127.4	137.5	10.1	20.2	27.4	7.1

U.T. Rio Grande Valley anticipates ending the year with an adjusted cash flow margin of \$27.4 million, which represents an increase of \$7.1 million (35%) as compared to the budgeted level. The projected increase is primarily due to the following: an increase in net student tuition and fees attributable to increased enrollment; and a decrease in salaries and wages and payroll related costs resulting from anticipated salary savings.

Monthly Financial Report Comparison of Operating Results, Margin, Budget and Projected Year-End For the Period Ending May 31, 2026

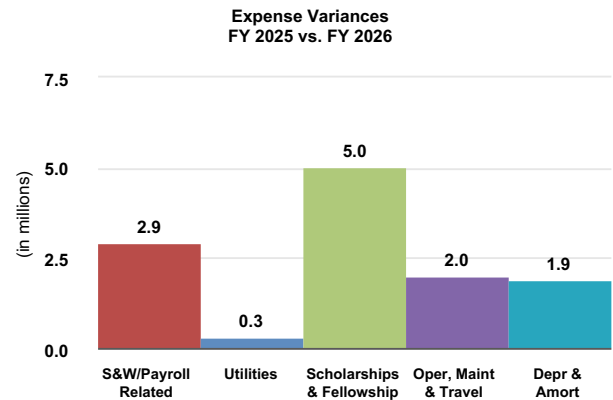
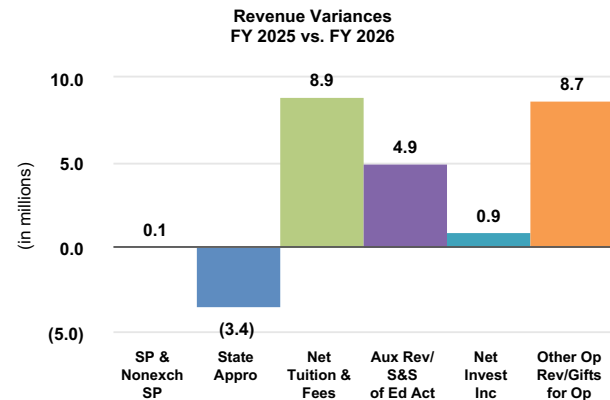
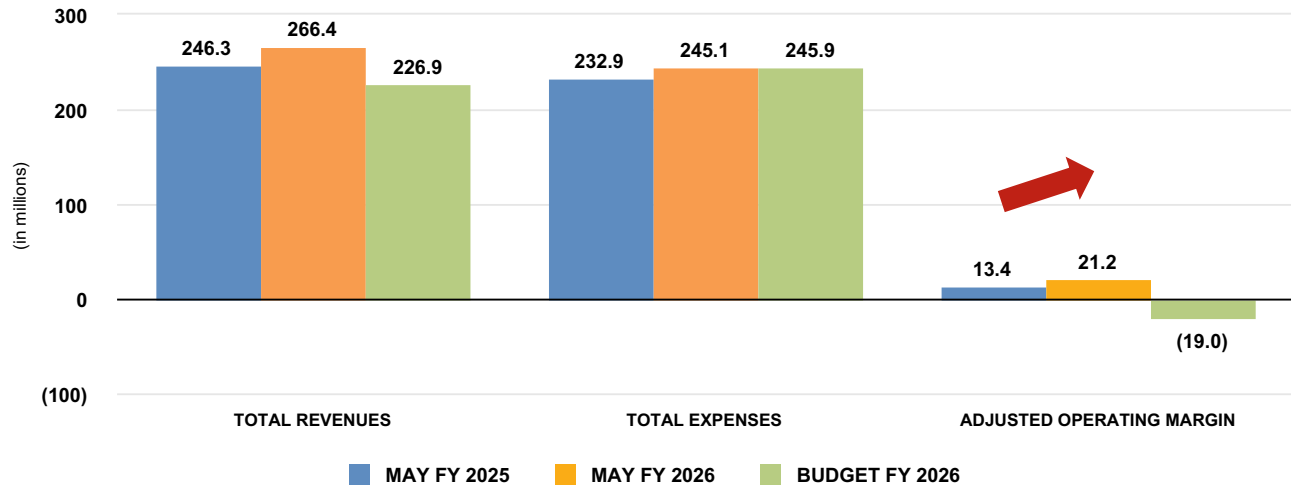


(in millions)	May YTD FY 2025	May YTD FY 2026	Variance	FY 2026 Budget	Annual Projected FY 2026	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 127.3	\$ 158.3	\$ 31.0	\$ 234.2	\$ 234.4	\$ 0.1
State Appropriations	160.9	168.7	7.8	186.0	186.0	(0.0)
Net Tuition and Fees	245.9	270.4	24.5	248.4	272.6	24.3
Auxiliary Revenues/Sales & Services of Educational Activities	69.9	78.4	8.4	85.8	100.6	14.8
Net Investment Income	31.2	34.4	3.2	32.3	45.4	13.1
Other Operating Revenues/Gift Contributions for Operations	16.9	27.8	10.9	29.8	34.9	5.1
Total Revenues	\$ 652.0	\$ 737.9	\$ 85.9	\$ 816.5	\$ 873.9	\$ 57.4
Salaries and Wages/Payroll Related Costs	\$ 363.7	\$ 369.9	\$ 6.2	\$ 455.3	\$ 483.0	\$ 27.7
Utilities	11.2	12.1	1.0	20.7	18.5	(2.2)
Scholarships and Fellowships	34.1	42.4	8.3	67.5	85.5	18.0
Operations, Maintenance and Travel	123.7	135.8	12.1	250.0	201.0	(49.0)
Depreciation and Amortization	59.4	60.4	1.0	90.3	80.5	(9.8)
Total Expenses	\$ 592.2	\$ 620.6	\$ 28.5	\$ 883.8	\$ 868.5	\$ (15.3)
Adj Operating Margin	59.9	117.3	57.4	(67.3)	5.4	72.7
Adj Cash Flow Margin (Excludes Depr & Amort)	119.3	177.7	58.4	23.1	85.9	62.9

U.T. San Antonio anticipates ending the year with an adjusted cash flow margin of \$85.9 million, which represents an increase of \$62.9 million (273%) as compared to the budgeted level. The projected increase is primarily attributable to the following: a decrease in operations, maintenance and travel expenses related to Health Campus integration costs that will not be utilized; an increase in net investment income as a result of strong market performance; and an increase in net student tuition and fees due to increased enrollment.

Monthly Financial Report Comparison of Operating Results, Margin, Budget and Projected Year-End For the Period Ending May 31, 2026

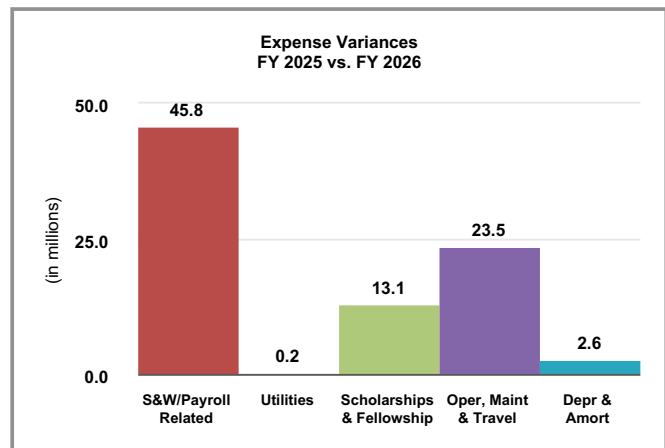
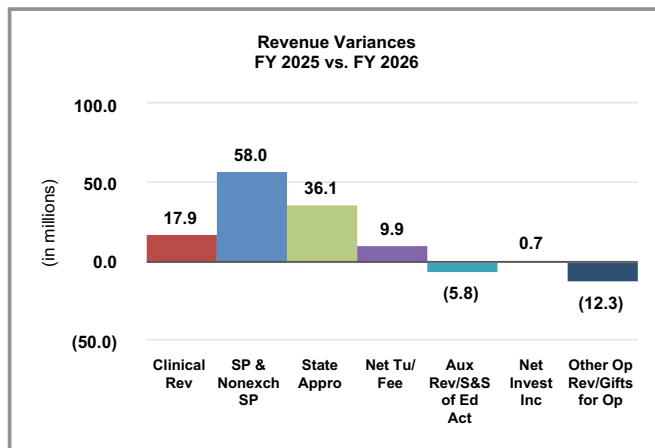
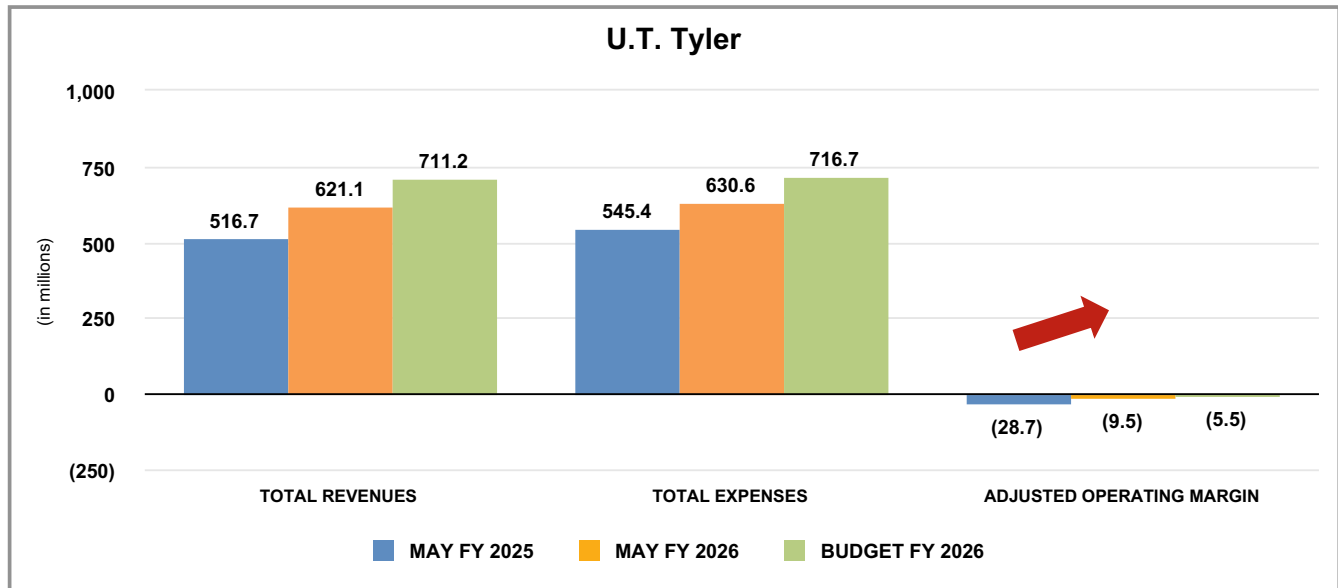
Stephen F. Austin State University



(in millions)	May YTD FY 2025	May YTD FY 2026	Variance	FY 2026 Budget	Annual Projected FY 2026	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 29.7	\$ 29.8	\$ 0.1	\$ 46.8	\$ 42.8	\$ (4.1)
State Appropriations	52.0	48.5	(3.4)	51.7	51.7	0.0
Net Tuition and Fees	99.8	108.7	8.9	57.9	58.0	0.1
Auxiliary Revenues/Sales & Services of Educational Activities	47.7	52.6	4.9	41.5	43.6	2.1
Net Investment Income	9.9	10.8	0.9	23.8	20.6	(3.2)
Other Operating Revenues/Gift Contributions for Operations	7.3	16.0	8.7	5.2	16.0	10.8
Total Revenues	\$ 246.3	\$ 266.4	\$ 20.0	\$ 226.9	\$ 232.6	\$ 5.7
Salaries and Wages/Payroll Related Costs	\$ 120.1	\$ 123.0	\$ 2.9	\$ 154.7	\$ 155.2	\$ 0.5
Utilities	4.6	4.9	0.3	6.5	7.5	1.0
Scholarships and Fellowships	51.6	56.6	5.0	6.7	7.2	0.5
Operations, Maintenance and Travel	40.1	42.1	2.0	53.0	57.8	4.8
Depreciation and Amortization	16.6	18.5	1.9	25.0	25.0	0.0
Total Expenses	\$ 232.9	\$ 245.1	\$ 12.2	\$ 245.9	\$ 252.7	\$ 6.8
Adj Operating Margin	13.4	21.2	7.9	(19.0)	(20.1)	(1.1)
Adj Cash Flow Margin (Excludes Depr & Amort)	29.9	39.7	9.8	6.0	4.9	(1.1)

Stephen F. Austin State University anticipates ending the year with an adjusted cash flow margin of \$4.9 million, which represents a decrease of \$1.1 million (19%) as compared to the budgeted level. The projected decrease is primarily due to transfers in projections being adjusted downward from original budget assumptions.

Monthly Financial Report Comparison of Operating Results, Margin, Budget and Projected Year-End For the Period Ending May 31, 2026

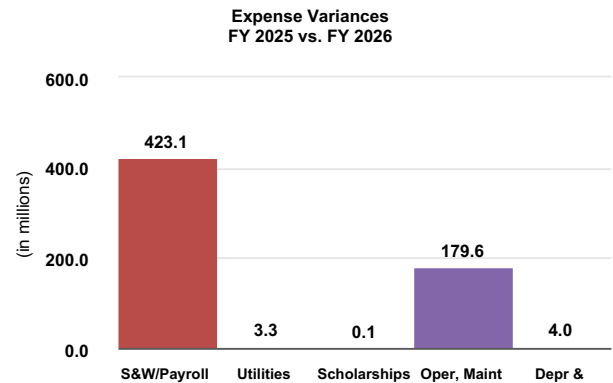
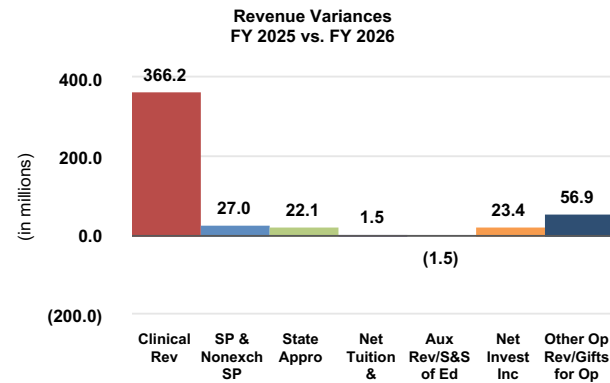
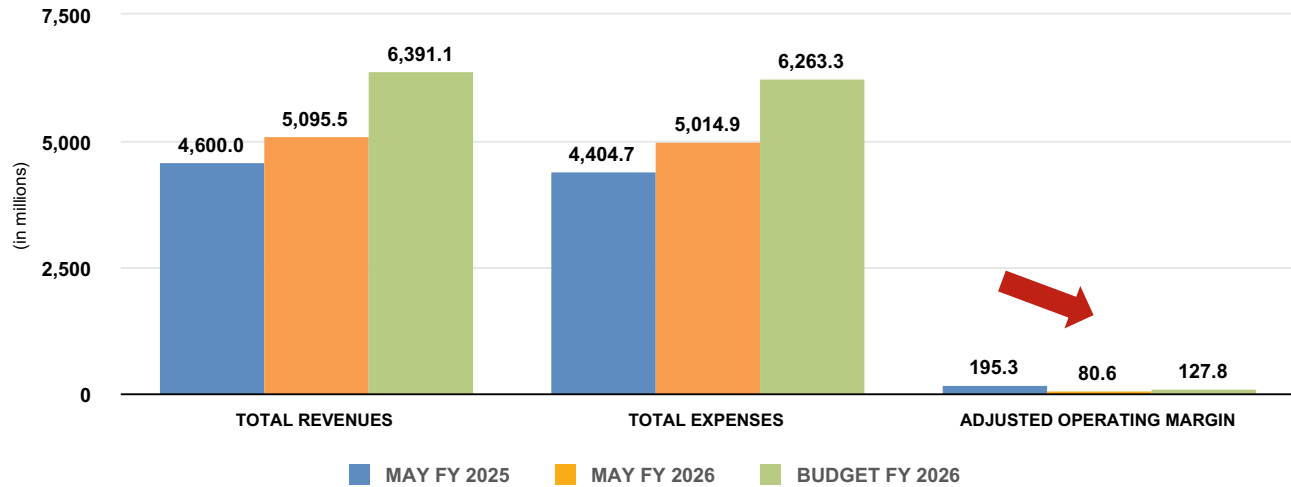


(in millions)	May YTD FY 2025	May YTD FY 2026	Variance	FY 2026 Budget	Annual Projected FY 2026	Variance
Clinical Revenues	\$ 162.0	\$ 179.9	\$ 17.9	\$ 223.0	\$ 242.9	\$ 20.0
Sponsored Programs/Nonexchange Sponsored Programs	129.8	187.8	58.0	205.7	240.7	35.0
State Appropriations	53.1	89.2	36.1	128.1	127.8	(0.3)
Net Tuition and Fees	99.8	109.7	9.9	77.5	64.5	(13.0)
Auxiliary Revenues/Sales & Services of Educational Activities	37.1	31.3	(5.8)	45.7	37.6	(8.1)
Net Investment Income	9.1	9.8	0.7	13.0	15.1	2.1
Other Operating Revenues/Gift Contributions for Operations	25.8	13.5	(12.3)	18.2	10.8	(7.4)
Total Revenues	\$ 516.7	\$ 621.1	\$ 104.4	\$ 711.2	\$ 739.5	\$ 28.3
Salaries and Wages/Payroll Related Costs	\$ 329.8	\$ 375.6	\$ 45.8	\$ 466.3	\$ 499.0	\$ 32.7
Utilities	3.8	4.0	0.2	6.9	6.1	(0.8)
Scholarships and Fellowships	49.7	62.8	13.1	17.7	16.8	(0.9)
Operations, Maintenance and Travel	138.5	162.0	23.5	185.3	193.5	8.2
Depreciation and Amortization	23.6	26.2	2.6	40.5	43.8	3.3
Total Expenses	\$ 545.4	\$ 630.6	\$ 85.2	\$ 716.7	\$ 759.3	\$ 42.6
Adj Operating Margin	(28.7)	(9.5)	19.2	(5.5)	(19.8)	(14.3)
Adj Cash Flow Margin (Excludes Depr & Amort)	(5.1)	16.8	21.8	35.0	24.0	(11.0)

U.T. Tyler anticipates ending the year with an adjusted cash flow margin of \$24.0 million, which represents a decrease of \$11.0 million (31%) as compared to the budgeted level. The projected decrease is primarily attributable to the following: a decrease in net tuition and fees due to student credit hours projected to be below the levels assumed during budget development; and a decrease in auxiliary enterprises revenues related to leased dormitory units that were included in the budget but are no longer in use.

Monthly Financial Report Comparison of Operating Results, Margin, Budget and Projected Year-End For the Period Ending May 31, 2026

U.T. Southwestern Medical Center

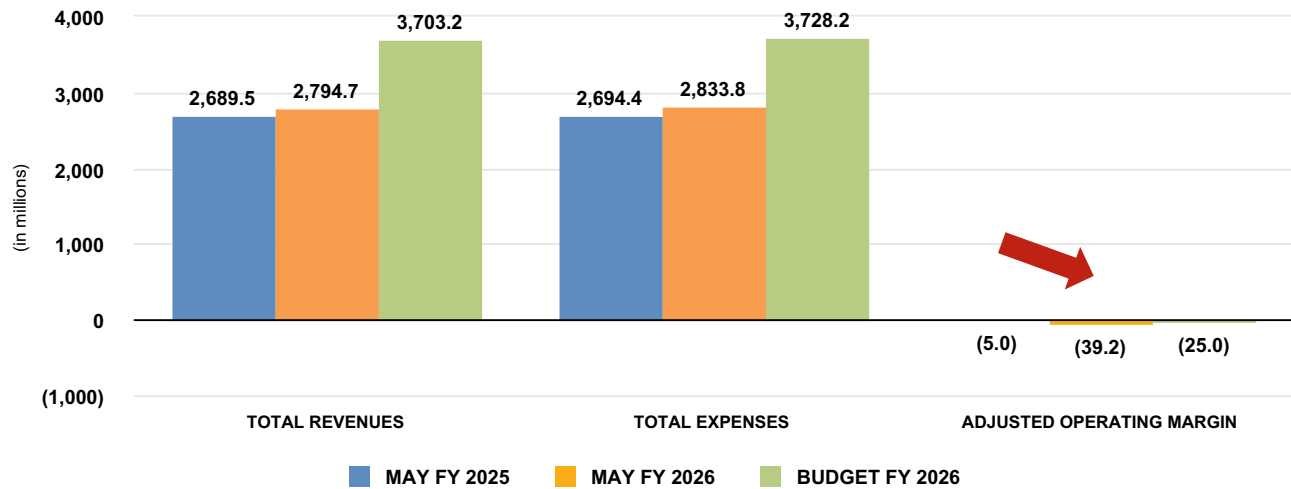


(in millions)	May YTD FY 2025	May YTD FY 2026	Variance	FY 2026 Budget	Annual Projected FY 2026	Variance
Clinical Revenues	\$ 3,045.2	\$ 3,411.4	\$ 366.2	\$ 4,403.9	\$ 4,546.6	\$ 142.7
Sponsored Programs/Nonexchange Sponsored Programs	786.1	813.1	27.0	1,069.0	1,074.1	5.1
State Appropriations	170.6	192.6	22.1	265.7	265.7	0.0
Net Tuition and Fees	26.0	27.5	1.5	31.3	32.2	0.9
Auxiliary Revenues/Sales & Services of Educational Activities	47.9	46.4	(1.5)	59.4	61.8	2.4
Net Investment Income	172.6	196.0	23.4	230.1	251.5	21.4
Other Operating Revenues/Gift Contributions for Operations	351.7	408.5	56.9	331.7	519.9	188.2
Total Revenues	\$ 4,600.0	\$ 5,095.5	\$ 495.5	\$ 6,391.1	\$ 6,751.8	\$ 360.7
Salaries and Wages/Payroll Related Costs	\$ 2,687.1	\$ 3,110.2	\$ 423.1	\$ 3,796.0	\$ 4,096.1	\$ 300.1
Utilities	23.3	26.6	3.3	34.3	36.1	1.8
Scholarships and Fellowships	3.3	3.4	0.1	4.9	6.3	1.5
Operations, Maintenance and Travel	1,479.0	1,658.6	179.6	2,139.2	2,221.9	82.7
Depreciation and Amortization	212.1	216.1	4.0	289.0	289.6	0.7
Total Expenses	\$ 4,404.7	\$ 5,014.9	\$ 610.2	\$ 6,263.3	\$ 6,650.0	\$ 386.7
Adj Operating Margin	195.3	80.6	(114.7)	127.8	101.7	(26.1)
Adj Cash Flow Margin (Excludes Depr & Amort)	407.4	296.7	(110.7)	416.8	391.4	(25.4)

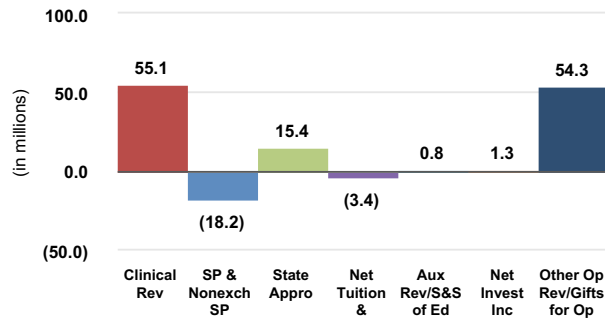
U.T. Southwestern Medical Center anticipates ending the year with an adjusted cash flow margin of \$391.4 million, which represents a decrease of \$25.4 million (6%) as compared to the budgeted level. The projected decrease is primarily due to the following: an increase in salaries and wages and payroll related costs as a result of growth in both the hospital and the physician practice plan; and an increase in operations, maintenance and travel expenses attributable to an increase in materials and supplies driven by patient volumes.

Monthly Financial Report Comparison of Operating Results, Margin, Budget and Projected Year-End For the Period Ending May 31, 2026

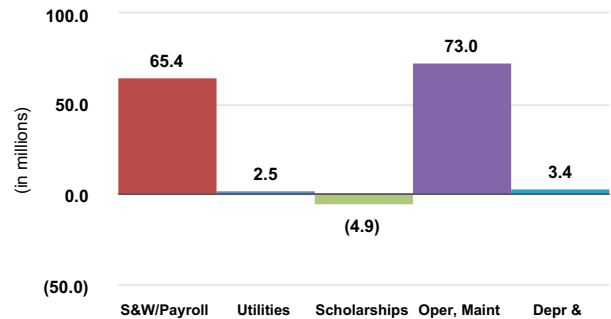
U.T. Medical Branch - Galveston



Revenue Variances FY 2025 vs. FY 2026



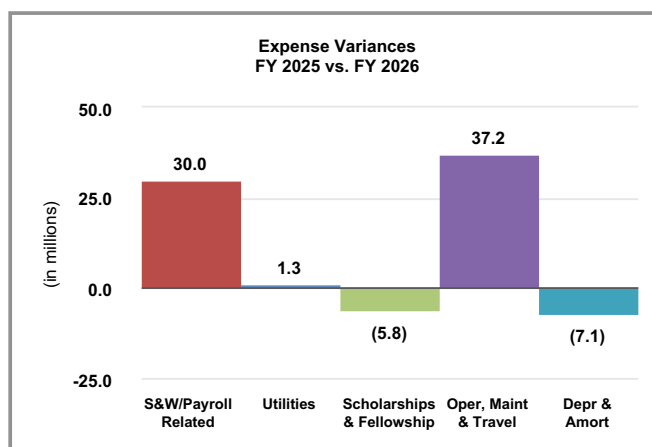
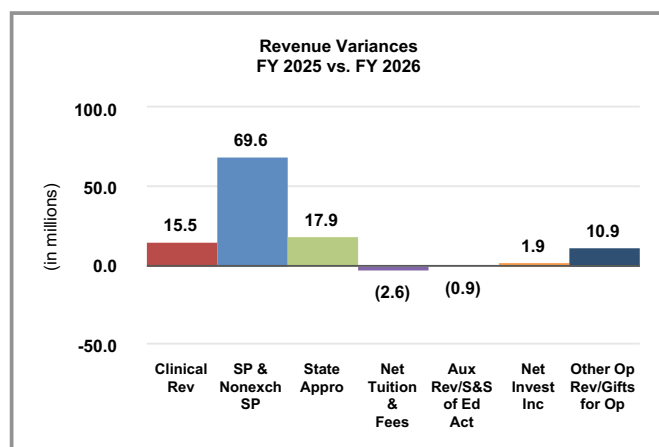
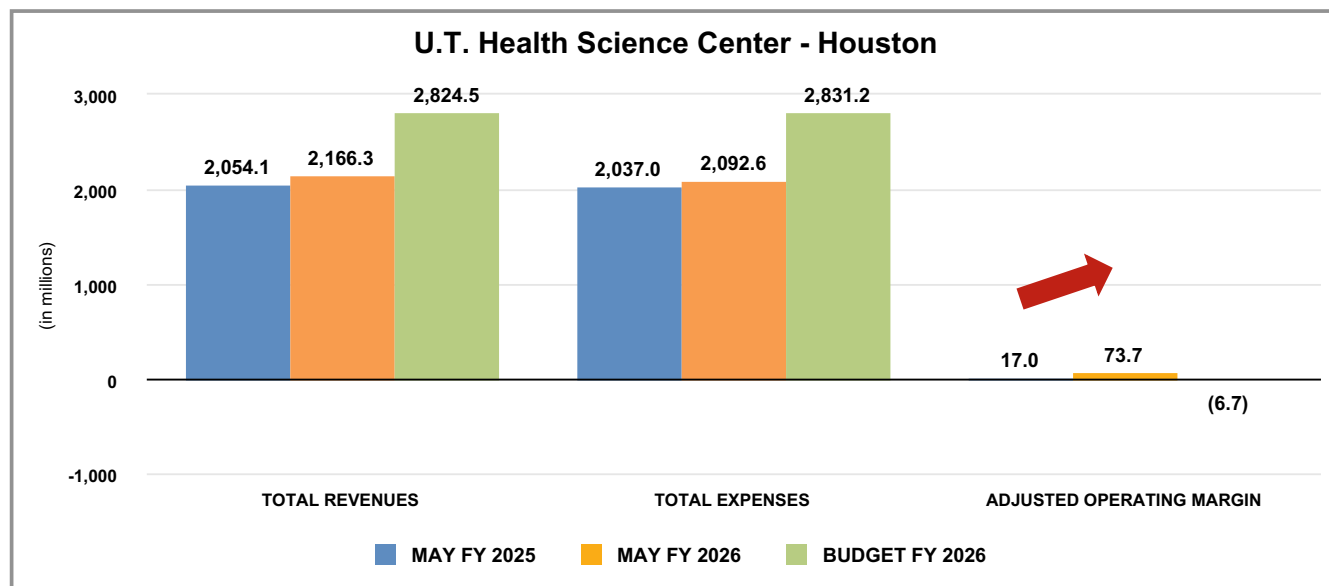
Expense Variances FY 2025 vs. FY 2026



(in millions)	May YTD FY 2025	May YTD FY 2026	Variance	FY 2026 Budget	Annual Projected FY 2026	Variance
Clinical Revenues	\$ 1,881.2	\$ 1,936.3	\$ 55.1	\$ 2,602.9	\$ 2,632.3	\$ 29.4
Sponsored Programs/Nonexchange Sponsored Programs	251.8	233.6	(18.2)	306.6	324.5	17.9
State Appropriations	294.9	310.3	15.4	411.5	415.1	3.5
Net Tuition and Fees	43.1	39.7	(3.4)	54.4	49.0	(5.4)
Auxiliary Revenues/Sales & Services of Educational Activities	22.1	22.8	0.8	32.8	30.3	(2.5)
Net Investment Income	67.3	68.5	1.3	85.1	89.3	4.2
Other Operating Revenues/Gift Contributions for Operations	129.1	183.4	54.3	209.9	223.5	13.6
Total Revenues	\$ 2,689.5	\$ 2,794.7	\$ 105.2	\$ 3,703.2	\$ 3,764.0	\$ 60.7
Salaries and Wages/Payroll Related Costs	\$ 1,613.9	\$ 1,679.4	\$ 65.4	\$ 2,210.2	\$ 2,277.1	\$ 67.0
Utilities	25.1	27.6	2.5	48.7	37.8	(10.9)
Scholarships and Fellowships	7.9	3.0	(4.9)	13.8	1.9	(11.9)
Operations, Maintenance and Travel	871.8	944.8	73.0	1,213.7	1,230.3	16.5
Depreciation and Amortization	175.7	179.1	3.4	241.8	237.6	(4.3)
Total Expenses	\$ 2,694.4	\$ 2,833.8	\$ 139.4	\$ 3,728.2	\$ 3,784.7	\$ 56.4
Adj Operating Margin	(5.0)	(39.2)	(34.2)	(25.0)	(20.7)	4.3
Adj Cash Flow Margin (Excludes Depr & Amort)	170.7	139.9	(30.8)	216.8	216.8	0.0

U.T. Medical Branch - Galveston anticipates ending the year with an adjusted cash flow margin of \$216.8 million, in line with the budgeted level (0% variance). The projection reflects no significant changes to total revenues or expenses, with U.T. Medical Branch - Galveston remaining on track to meet budget expectations.

Monthly Financial Report Comparison of Operating Results, Margin, Budget and Projected Year-End For the Period Ending May 31, 2026

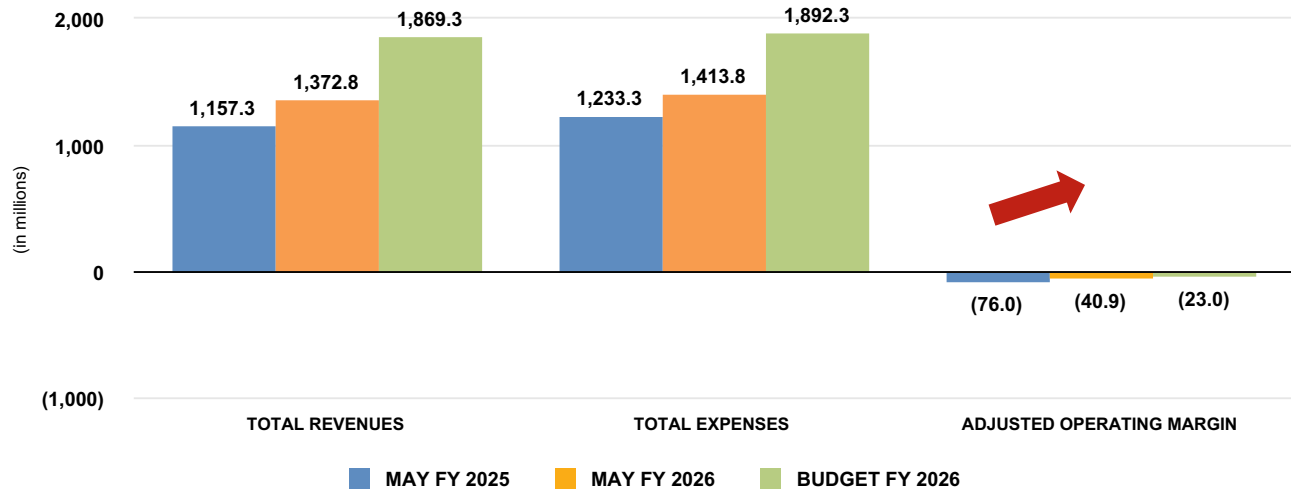


(in millions)	May YTD FY 2025	May YTD FY 2026	Variance	FY 2026 Budget	Annual Projected FY 2026	Variance
Clinical Revenues	\$ 564.8	580.3	15.5	774.9	777.6	2.7
Sponsored Programs/Nonexchange Sponsored Programs	1,004.0	1,073.5	69.6	1,390.6	1,437.4	46.8
State Appropriations	197.9	215.8	17.9	282.7	283.0	0.4
Net Tuition and Fees	59.5	56.9	(2.6)	69.6	70.4	0.8
Auxiliary Revenues/Sales & Services of Educational Activities	70.5	69.6	(0.9)	87.8	87.9	0.1
Net Investment Income	94.9	96.8	1.9	122.7	129.2	6.5
Other Operating Revenues/Gift Contributions for Operations	62.5	73.4	10.9	96.1	105.3	9.3
Total Revenues	2,054.1	2,166.3	112.2	2,824.5	2,890.9	66.5
Salaries and Wages/Payroll Related Costs	1,602.8	1,632.7	30.0	2,259.9	2,201.0	(58.8)
Utilities	11.2	12.6	1.3	17.4	19.2	1.9
Scholarships and Fellowships	8.1	2.3	(5.8)	6.5	3.5	(3.0)
Operations, Maintenance and Travel	331.1	368.3	37.2	446.6	520.0	73.4
Depreciation and Amortization	83.9	76.8	(7.1)	100.8	110.2	9.4
Total Expenses	\$ 2,037.0	2,092.6	55.5	2,831.2	2,854.0	22.9
Adj Operating Margin	17.0	73.7	56.7	(6.7)	36.9	43.6
Adj Cash Flow Margin (Excludes Depr & Amort)	101.0	150.5	49.6	94.1	147.1	53.0

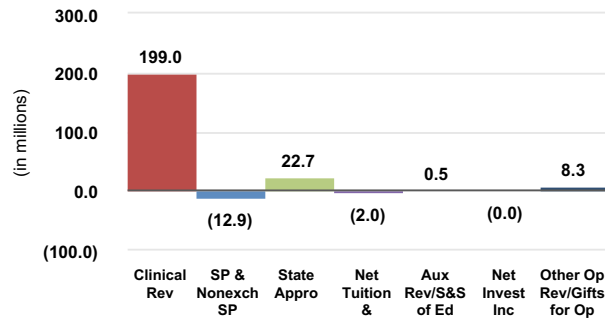
U.T. Health Science Center - Houston anticipates ending the year with an adjusted cash flow margin of \$147.1 million, which represents an increase of \$53.0 million (56%) as compared to the budgeted level. The projected increase is primarily due to the following: an increase in sponsored programs driven by the indirect cost rate trending above the budgeted rate; and an increase in gift contributions for operations as a result of a significant gift received during the fiscal year.

Monthly Financial Report Comparison of Operating Results, Margin, Budget and Projected Year-End For the Period Ending May 31, 2026

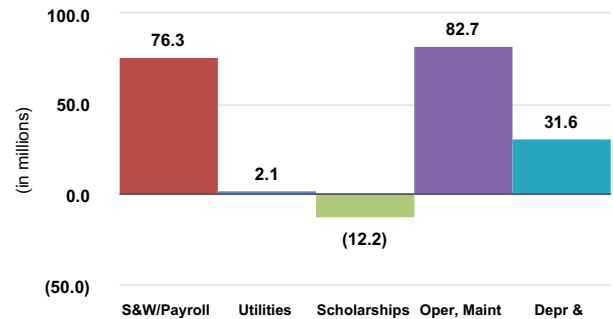
Health Science Center at U.T. San Antonio



Revenue Variances FY 2025 vs. FY 2026



Expense Variances FY 2025 vs. FY 2026

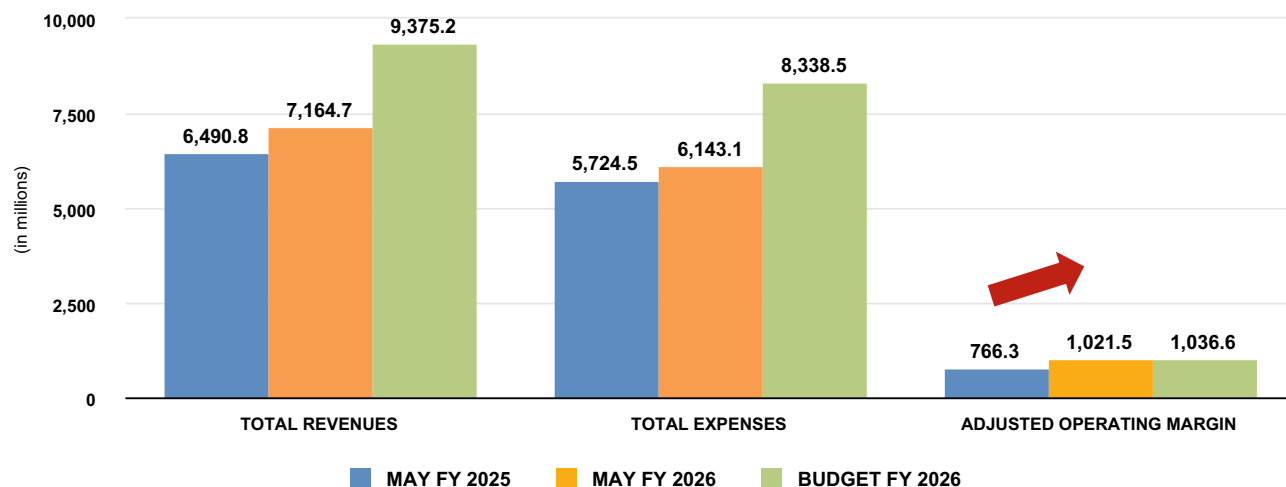


(in millions)	May YTD FY 2025	May YTD FY 2026	Variance	FY 2026 Budget	Annual Projected FY 2026	Variance
Clinical Revenues	\$ 365.9	\$ 564.8	\$ 199.0	\$ 771.6	\$ 779.2	\$ 7.6
Sponsored Programs/Nonexchange Sponsored Programs	481.6	468.8	(12.9)	626.6	627.1	0.5
State Appropriations	162.6	185.3	22.7	261.7	251.7	(10.0)
Net Tuition and Fees	51.4	49.4	(2.0)	74.5	68.7	(5.8)
Auxiliary Revenues/Sales & Services of Educational Activities	26.0	26.4	0.5	36.9	33.4	(3.5)
Net Investment Income	49.4	49.3	(0.0)	67.5	65.9	(1.6)
Other Operating Revenues/Gift Contributions for Operations	20.5	28.8	8.3	30.5	41.0	10.5
Total Revenues	\$ 1,157.3	\$ 1,372.8	\$ 215.6	\$ 1,869.3	\$ 1,867.0	\$ (2.3)
Salaries and Wages/Payroll Related Costs	\$ 781.9	\$ 858.1	\$ 76.3	\$ 1,176.9	\$ 1,163.9	\$ (13.0)
Utilities	16.2	18.3	2.1	26.4	28.7	2.4
Scholarships and Fellowships	12.4	0.2	(12.2)	9.7	3.3	(6.4)
Operations, Maintenance and Travel	359.4	442.0	82.7	552.5	576.2	23.7
Depreciation and Amortization	63.5	95.1	31.6	126.8	132.8	6.0
Total Expenses	\$ 1,233.3	\$ 1,413.8	\$ 180.5	\$ 1,892.3	\$ 1,905.0	\$ 12.7
Adj Operating Margin	(76.0)	(40.9)	35.1	(23.0)	(38.0)	(15.0)
Adj Cash Flow Margin (Excludes Depr & Amort)	(12.5)	54.2	66.7	103.8	94.8	(9.0)

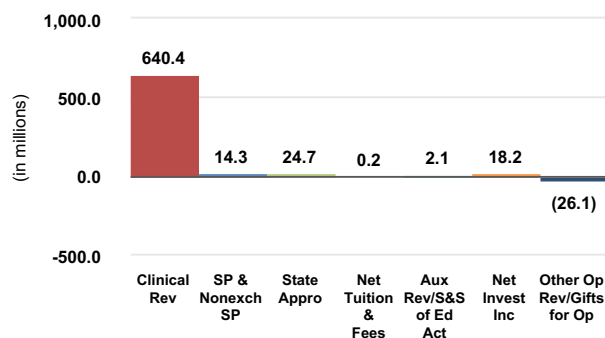
Health Science Center at U.T. San Antonio anticipates ending the year with an adjusted cash flow margin of \$94.8 million, which represents a decrease of \$9.0 million (9%) as compared to the budgeted level. The projected decrease is primarily attributable to a decrease in state appropriations due to the timing of revenue recognition for Trauma Research and Combat Casualty Care Collaborative (TRC4) funds, as the budget reflects the full \$20 million allocation from U.T. System in fiscal year 2026, while half of the allocation will be deferred to fiscal year 2027.

Monthly Financial Report Comparison of Operating Results, Margin, Budget and Projected Year-End For the Period Ending May 31, 2026

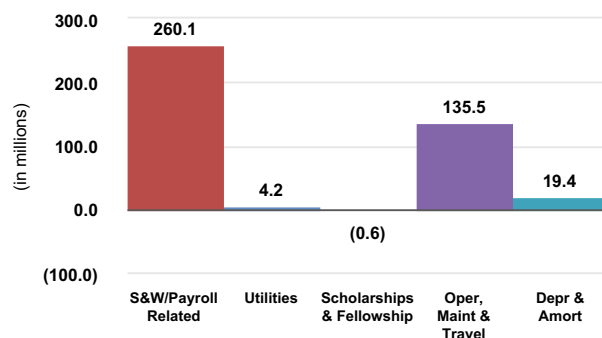
U.T.M.D. Anderson Cancer Center



Revenue Variances FY 2025 vs. FY 2026



Expense Variances FY 2025 vs. FY 2026

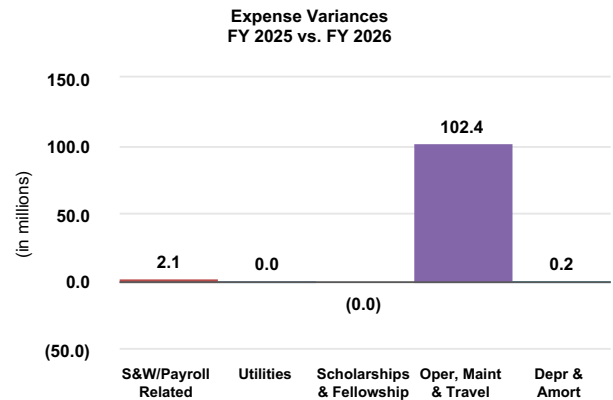
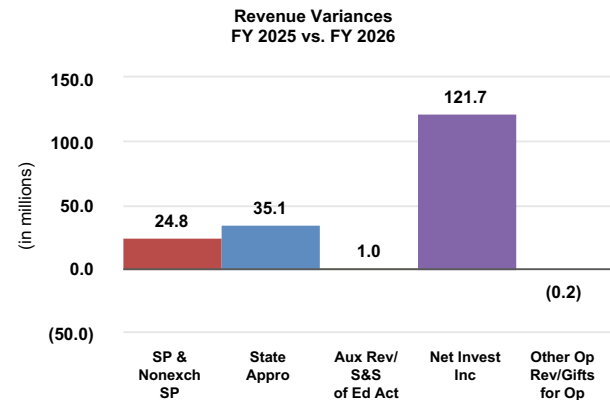
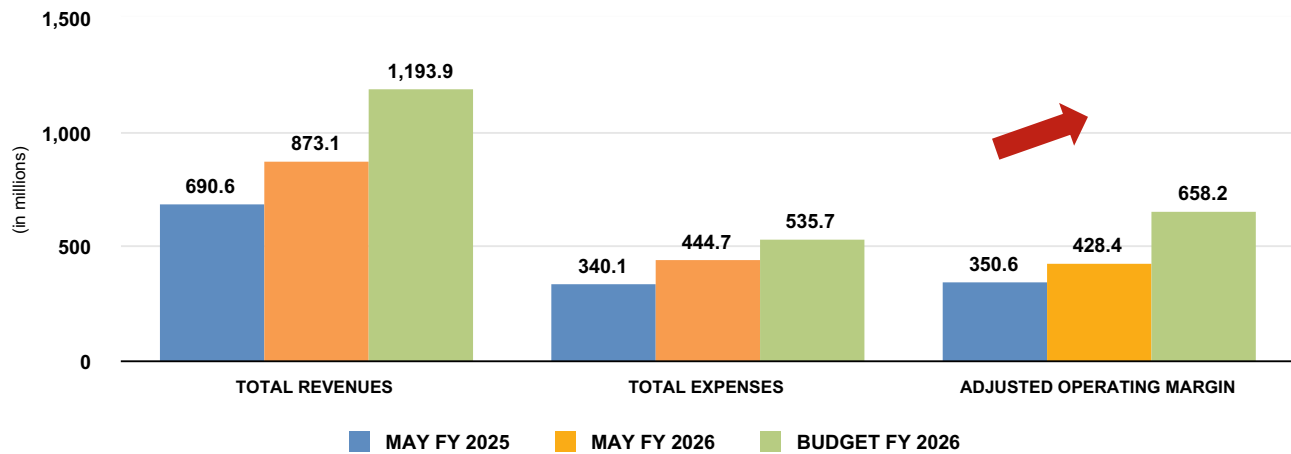


(in millions)	May YTD FY 2025	May YTD FY 2026	Variance	FY 2026 Budget	Annual Projected FY 2026	Variance
Clinical Revenues	\$ 5,126.9	5,767.3	640.4	7,615.0	7,880.6	265.6
Sponsored Programs/Nonexchange Sponsored Programs	514.9	529.3	14.3	698.3	704.4	6.1
State Appropriations	164.8	189.6	24.7	258.0	258.0	0.0
Net Tuition and Fees	1.9	2.1	0.2	1.9	1.9	(0.0)
Auxiliary Revenues/Sales & Services of Educational Activities	37.2	39.3	2.1	52.0	52.3	0.4
Net Investment Income	454.8	473.0	18.2	490.0	531.8	41.8
Other Operating Revenues/Gift Contributions for Operations	190.2	164.1	(26.1)	260.0	251.9	(8.1)
Total Revenues	6,490.8	7,164.7	673.8	9,375.2	9,680.8	305.7
Salaries and Wages/Payroll Related Costs	3,238.1	3,498.2	260.1	4,418.0	4,662.2	244.2
Utilities	36.6	40.8	4.2	55.5	53.7	(1.8)
Scholarships and Fellowships	1.8	1.1	(0.6)	2.7	2.7	(0.0)
Operations, Maintenance and Travel	2,161.6	2,297.1	135.5	3,455.8	3,319.0	(136.8)
Depreciation and Amortization	286.4	305.8	19.4	406.5	417.9	11.4
Total Expenses	\$ 5,724.5	6,143.1	418.6	8,338.5	8,455.5	117.0
Adj Operating Margin	766.3	1,021.5	255.2	1,036.6	1,225.3	188.7
Adj Cash Flow Margin (Excludes Depr & Amort)	1,052.7	1,327.4	274.6	1,443.1	1,643.2	200.1

U.T.M.D. Anderson Cancer Center anticipates ending the year with an adjusted cash flow margin of \$1,643.2 million, which represents an increase of \$200.1 million (14%) as compared to the budgeted level. The projected increase is due to the following: an increase in clinical revenues as a result of increased patient volume, clinical expansion efforts, and productivity improvements; and a decrease in operations, maintenance and travel expenses attributable to disciplined expense management and continued efforts to align operating costs with patient care activity and operational needs.

Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending May 31, 2026

U.T. System Administration
(Excluding OPEB & Pension Expense)



(in millions)	May YTD FY 2025	May YTD FY 2026	Variance	FY 2026 Budget	Annual Projected FY 2026	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 37.2	\$ 62.0	\$ 24.8	\$ 71.8	\$ 72.7	\$ 0.9
State Appropriations	11.0	46.1	35.1	53.7 *	58.4	4.7
Auxiliary Revenues/Sales & Services of Educational Activities	1.9	2.9	1.0	7.9	7.9	0.0
Net Investment Income/Available University Fund (AUF)	637.0	758.7	121.7	1,057.9	1,153.7	95.8
Other Operating Revenues/Gift Contributions for Operations	3.6	3.4	(0.2)	2.5	3.4	0.9
Total Revenues	\$ 690.6	\$ 873.1	\$ 182.5	\$ 1,193.9	\$ 1,296.1	\$ 102.3
Salaries and Wages/Payroll Related Costs	\$ 42.1	\$ 44.2	\$ 2.1	\$ 67.2	\$ 61.3	\$ (5.8)
Utilities	0.1	0.1	0.0	0.0	0.0	0.0
Scholarships and Fellowships	0.5	0.5	(0.0)	2.3	0.5	(1.8)
Operations, Maintenance and Travel	279.8	382.2	102.4	443.3 *	526.5	83.2
Depreciation and Amortization	17.6	17.8	0.2	22.9	22.9	0.0
Total Expenses (Excluding OPEB & Pension)	\$ 340.1	\$ 444.7	\$ 104.6	\$ 535.7	\$ 611.3	\$ 75.6
Adj Operating Margin (Excl OPEB & Pension)	350.6	428.4	77.8	658.2	684.9	26.7
Adj Cash Flow Margin (Excl OPEB, Pension, Depr & Amort)	368.1	446.2	78.1	681.1	707.8	26.7

*State appropriations and corresponding expense for TRB/CCAP for all U.T. institutions have been excluded.

Excluding OPEB, pension, and depreciation expense, U.T. System Administration anticipates ending the year with an adjusted cash flow margin of \$707.8 million, which represents an increase of \$26.7 million (4%) as compared to the budgeted level. The projected increase is primarily attributable to an increase in net investment income due to market conditions exceeding budget expectations.

3. **U.T. System Board of Regents: Approval of the Annual Budget for Fiscal Year 2027, including the capital expenditures budget and other external direct charges to the Funds, and the Annual Fee and Allocation Schedule for The University of Texas/Texas A&M Investment Management Company (UTIMCO)**

RECOMMENDATION

The Chancellor and the Executive Vice Chancellor and Chief Operating Officer concur in the recommendation of The University of Texas/Texas A&M Investment Management Company (UTIMCO) Board of Directors that the U.T. System Board of Regents approve the proposed Annual Budget for the year ending August 31, 2027, as set forth below, which includes the capital expenditures budget and other external direct charges to the Funds, and the Annual Fee and Allocation Schedule as set forth following the proposed budget.

BACKGROUND INFORMATION

The proposed Total Budgeted Costs consist of \$97.7 million (12.3% increase over FY 2026 budget) for UTIMCO Services and \$10.4 million (5.9% increase from FY 2026 budget) for Fund Direct Costs (external non-investment manager services such as custodial, legal, audit, and consulting services). These Total Budgeted Costs represent only a portion of total investment costs as they exclude external manager fees. The proposed Total Budgeted Costs were approved by the UTIMCO Board on June 18, 2026.

The increase in UTIMCO Services is due primarily to increased personnel expenses (fixed costs such as salaries and benefits as well as variable performance compensation), as well as higher costs for information technology systems, services, data, and security.

The proposed capital expenditures budget is \$275,000.

The proposed Annual Fee and Allocation Schedule shows the allocation of the proposed budgeted expenses among U.T. System funds. The fees are to be paid quarterly.

UTIMCO recommends no rebate to the Investment Funds (PUF, GEF, ITF) given required cash reserves.

The U.T. System Office of Business Affairs has prepared a memorandum for the purpose of reviewing budgeted expenses, which is included as a part of this Agenda Item following the proposed Budget and the Fee and Allocation Schedule.



AUGUST 2026

UTIMCO FY 2027 Budget

U.T. System Board of Regents Meeting
Finance and Planning Committee

Mr. Richard Hall, President, Chief Executive Officer and Chief Investment Officer



FY27 Summary Budget

	FY 2026	FY 2027			FY 2027 Proposed Budget v FY 2026 Budget		FY 2027 Proposed Budget v FY 2027 Budget Projected in 2025 Strategic Plan	
	Budget	Proposed Budget	% of Total Budget	Projected in 2025 Strategic Plan	\$	%	\$	%
UTIMCO Personnel Costs:								
Salaries	30,035,756	32,359,448	30%	32,399,406	2,323,692	7.7%	(39,958)	-0.1%
Performance Compensation	28,945,287	33,127,180	30%	33,820,582	4,181,893	14.4%	(693,402)	-2.1%
Benefits & Taxes	8,453,082	9,553,745	9%	9,843,341	1,100,663	13.0%	(289,596)	-2.9%
Total UTIMCO Personnel Costs (1)	\$ 67,434,125	\$ 75,040,373	69%	\$ 76,063,329	\$ 7,606,248	11.3%	\$ (1,022,956)	-1.3%
Other UTIMCO Costs:								
Data & Subscriptions	7,905,672	9,689,147	9%	9,061,695	1,783,475	22.6%	627,452	6.9%
Travel	1,586,650	1,655,800	2%	1,815,000	69,150	4.4%	(159,200)	-8.8%
Lease Expense & Lease Asset Amortization	3,436,960	3,548,189	3%	3,476,637	111,229	3.2%	71,552	2.1%
Depreciation	1,575,000	1,500,000	1%	1,825,000	(75,000)	-4.8%	(325,000)	-17.8%
Other Costs	5,044,709	6,225,786	6%	3,850,130	1,181,077	23.4%	2,375,656	61.7%
Total Other UTIMCO Costs: (2)	\$ 19,548,991	\$ 22,618,922	21%	\$ 20,028,462	\$ 3,069,931	15.7%	\$ 2,590,460	12.9%
Total UTIMCO Services Costs:	\$ 86,983,116	\$ 97,659,295	90%	\$ 96,091,791	\$ 10,676,179	12.3%	\$ 1,567,504	1.6%
Bps of AUM	10.36	9.97		10.82				
Direct Fund Costs:								
Custodian Fees	6,216,250	6,500,000	6%	5,963,422	283,750	4.6%	536,578	9.0%
Other (3)	3,648,267	3,948,168	4%	4,056,698	299,901	8.2%	(108,530)	-2.7%
Total Direct Fund Costs	\$ 9,864,517	\$ 10,448,168	10%	\$ 10,020,120	\$ 583,651	5.9%	\$ 428,048	4.3%
Bps of AUM	1.17	1.07		1.13				
Grand Total UTIMCO Budget:	\$ 96,847,633	\$ 108,107,463		\$ 106,111,911	\$ 11,259,830	11.6%	\$ 1,995,552	1.9%
Bps of AUM	11.53	11.03		11.95				
AUM projected (\$ billion)	\$84	\$98		\$89				
UTIMCO Headcount	140	144		143				

- FY27 Budgeted Total Personnel Costs** increased by \$7.6M (11.3%) from the FY26 Budget, reflecting increased headcount (4 FTEs), merit increases, market adjustments, and promotions, but remain \$1.0M (1.3%) below the levels projected in the 2025 Strategic Plan.
- FY27 Budgeted Other UTIMCO Costs** increased by 15.7% from the FY26 Budget, primarily reflecting increases in Data & Subscriptions, Consultant Fees, and Audit Fees, partially offset by a reduction in Depreciation Expense, and are 12.9% above the 2025 Strategic Plan projection.
- Other Direct Fund Costs** include Fund Auditor and Accounting Fees: \$1.1M, Legal Fees: \$1.8M, Foreign Tax Consultants and Tax Compliance & Consulting: \$501K, Background Searches: \$226K, and Consultant Fees: \$316K.



Annual Fee and Allocation Schedule

UTIMCO Management Fee and Direct Budgeted Investment Expenses Annual Fee and Allocation Schedule For the fiscal year ending August 31, 2027									
Proposed Budget	Fund Name						Separate Funds	Debt Proceeds	Total
	PUF	PHF	LTF	GEF	ITF	STF			
Market Value 4/30/26 (\$ millions)	43,601			29,487	10,723	6,064	268	1,081	91,224
UTIMCO Management Fee									
Dollars	50,805,299			34,359,209	12,494,787				97,659,295
Basis Points	11.7			11.7	11.7				10.7
Direct Expenses to the Fund, Excluding UT System Direct Expenses to the Fund									
Dollars	5,259,591	31,922	34,922	3,702,475	1,419,258				10,448,168
Basis Points	1.2	0.2	0.0	1.3	1.3				1.1



Appendix



5-Year Strategic Plan Starting FY25

	5-Year Strategic Plan					
	Projected Budget (to be approved annually by Board)					CAGR
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	2025-29
UTIMCO Personnel Costs:						
Base Salary	27,248,025	29,951,987	32,399,406	34,184,439	34,753,216	6%
Performance Comp	25,942,695	31,210,892	33,820,582	35,284,583	36,294,946	9%
Benefits and Taxes	8,387,046	9,238,906	9,843,341	10,241,394	10,573,443	6%
Total UTIMCO Personnel Costs	\$ 61,577,766	\$ 70,401,786	\$ 76,063,329	\$ 79,710,416	\$ 81,621,606	7%
Other UTIMCO Costs:						
Data & Subscriptions	7,493,040	8,331,529	9,061,695	9,867,531	10,764,006	9%
Travel & Meetings	1,661,940	1,819,622	1,992,707	2,182,720	2,391,336	10%
Lease & Lease Asset Amortization	3,403,990	3,451,239	3,476,637	3,412,327	3,532,467	1%
Depreciation	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	0%
Other Costs	4,327,664	3,744,094	3,672,422	4,266,153	4,148,935	-1%
- Contract Svcs & Maint	2,626,128	2,086,874	2,026,162	2,066,178	1,950,196	-7%
- Hiring, Relo, Mercer Comp	634,524	592,088	530,372	1,029,387	969,162	11%
- Legal	405,000	370,000	385,000	401,000	418,000	1%
- Other / Miscellaneous	662,012	695,131	730,889	769,588	811,577	5%
Total Other UTIMCO Costs	18,711,634	19,171,483	20,028,462	21,553,732	22,661,745	5%
Y-O-Y Increase (%)	9%	2%	4%	8%	5%	
Total UTIMCO Costs	\$ 80,289,400	\$ 89,573,269	\$ 96,091,791	\$ 101,264,148	\$ 104,283,350	7%
Y-O-Y Increase (%)	12%	12%	7%	5%	3%	
Bps of AUM	10.12	10.67	10.82	10.77	10.48	
Direct Fund Costs						
Custodian Fees	5,409,000	5,679,450	5,963,423	6,261,594	6,574,673	5%
Other	3,623,234	3,833,363	4,056,698	4,294,366	4,547,500	6%
Total Fund Costs	\$ 9,032,234	\$ 9,512,813	\$ 10,020,120	\$ 10,555,959	\$ 11,122,174	5%
Y-O-Y Increase (%)	9%	5%	5%	5%	5%	
Bps of AUM	1.14	1.13	1.13	1.12	1.12	
Grand Total UTIMCO Budget	\$ 89,321,634	\$ 99,086,082	\$ 106,111,911	\$ 111,820,107	\$ 115,405,524	7%
Y-O-Y Increase (%)	12%	11%	7%	5%	3%	
Bps of AUM	11.26	11.81	11.95	11.90	11.60	
Projected AUM (\$B)	\$79	\$84	\$89	\$94	\$100	



Cash Reserves

UTIMCO maintains a cash reserve of 25% of the annual operating budget and any excess amounts are returned to the Investment Funds. Conclusion: No Rebate to the Investment Funds is recommended.

Projected Cash Reserves at August 31, 2026:		
Cash		\$ 52,700,000
Prepaid Expenses		1,500,000
Less: Accounts Payable, Accrued Liabilities		(30,650,000)
Expected Cash Reserves at August 31, 2026		\$ 23,550,000
2027 Proposed Operating Budget	97,659,295	
Applicable Percentage	25%	24,414,824
Capital Budget Expenditures		275,000
Depreciation Expense		(1,500,000)
Required Cash Reserves at August 31, 2026		\$ 23,189,824
Balance Available for Rebate		\$ 360,176
Conclusion: No Rebate to the Investment Funds (PUF, GEF, ITF)		



FY27 Capital Budget

(\$ in thousands)	FY 2026		FY 2027	FY 2027 Budget v FY 2026 Budget		Description
	Budget	Forecast	Budget	\$	%	
Server Room/Telecom/AV & Other Equipment	\$ 25	\$ 24	\$ 145	\$ 120	480.0%	Conference Rooms; Router LCM
Computer Equipment	125	111	130	5	4.0%	Laptops; Monitors
Leasehold Improvements/Furniture & Fixtures	250	150	-	(250)	-100.0%	Server Room Reconfiguration; Workstations
Total Capital Budget	\$ 400	\$ 285	\$ 275	\$ (125)	-31.3%	

Fiscal Year 2027

Review of UTIMCO Services Budget and Other Direct Costs to Funds Budget

(Excluding External Investment Manager Fees)

The University of Texas System Office of Finance

Presented by:

Allen Hah – Assistant Vice Chancellor for Finance

June 25, 2026

Based on UTIMCO Board approval on June 18, 2026

Fiscal Year 2027
Review of UTIMCO Services Budget and
Other Direct Costs to Funds Budget
(Excluding External Investment Manager Fees)

Table of Contents

	Page
Contents	
Executive Summary.....	1
Highlights:	1
Budget Analysis and Trends	2
Table 1: Total Actual Costs Trend FY22-FY26 and Total Budgeted Costs FY27	2
FY27 Total Budgeted Costs	2
Table 2: FY26 Forecast and FY27 Budget Overview	3
UTIMCO Services Budget.....	3
Table 3: UTIMCO Compensation and Headcount FY22-FY27	4
Table 4: UTIMCO Lease Expenses FY22- FY27	5
Direct Costs to Funds.....	5
UTIMCO Capital Expenditures.....	6
Table 5: UTIMCO Capital Expenditures FY22-FY27	6
Cash Reserves.....	6
EXHIBIT A	7
Total Budgeted Costs FY26-FY27	7
EXHIBIT B	8
Total Actual Costs FY22-FY26 and FY27 Budget	8
EXHIBIT C	9
UTIMCO Reserve Analysis for August 31, 2026	9

Executive Summary

This report reviews the UTIMCO Services Budget and other budgeted investment management expenses (“Direct Costs to Funds”) for fiscal year 2027 that the UTIMCO Board approved on June 18, 2026, and the U. T. System Board of Regents will consider at its August 12-13, 2026 meeting. The “UTIMCO Services Budget” includes corporate expenses paid directly by UTIMCO, and the “Direct Costs to Funds” budget includes costs related to custody, consulting, and legal and audit costs related to funds. The proposed budget for FY27 is:

	FY27 (\$ millions)
UTIMCO Services Budget	97.7
Direct Costs to Funds Budget	10.4
Total Budgeted Costs	\$ 108.1

The Total Budgeted Costs exclude external manager fees that are paid by the funds and netted from asset values as well as external investment manager fees paid directly by UTIMCO. The total investment costs for UTIMCO managed funds, comprising Investment Manager Fees paid directly and fees netted against asset values, are reviewed in a separate report.

Highlights:

- **Strategic Plan:** Growth in the UTIMCO budget for FY27 reflects the ongoing implementation of the 2024 Strategic Plan, which established a framework and direction for budgeting from 2025 to 2029 and prioritizes long-term success by investing in talent, technology, data, investment design, and liquidity/leverage.
- **Total Forecast Costs for FY26:** Total costs for FY26 are forecast at \$94.4 million, which is \$2.4 million or 2.5% lower than what was budgeted. The decrease is due primarily to lower salary and benefits costs associated with unfilled vacancies.
- **Total Budgeted Costs for FY27:** The FY27 budget is \$108.1 million, an 11.6% increase from the FY26 budget:
 - **The UTIMCO Services Budget:** The FY27 budget includes \$97.7 million for the "operating" budget of UTIMCO, a 12.3% increase from the FY26 budget. The increase is due primarily to increases in headcount, merit raises, market catch-up adjustments, promotions, and continued investment in data, technology, and AI-related tools and services.
 - **The Total Direct Costs to Funds Budget:** The FY27 budget of \$10.4 million for direct fund costs is 5.9% higher than the FY26 budget, due primarily to the completed transition of master custodian services to Northern Trust and associated increases in accounting/auditing fees. Additionally, legal fees are increasing due to new and more complicated investment deals.
- **UTIMCO Reserves:** No rebate from reserves is recommended for FY27, as cash reserves are expected to be near the required cash reserve calculation.
- **UTIMCO Costs Compared to Peers:** UTIMCO's total costs as a percentage of AUM are forecast to remain below the Plan's ~11.6 bps target for both FY26 and FY27 and continue to compare favorably with peers.

Budget Analysis and Trends

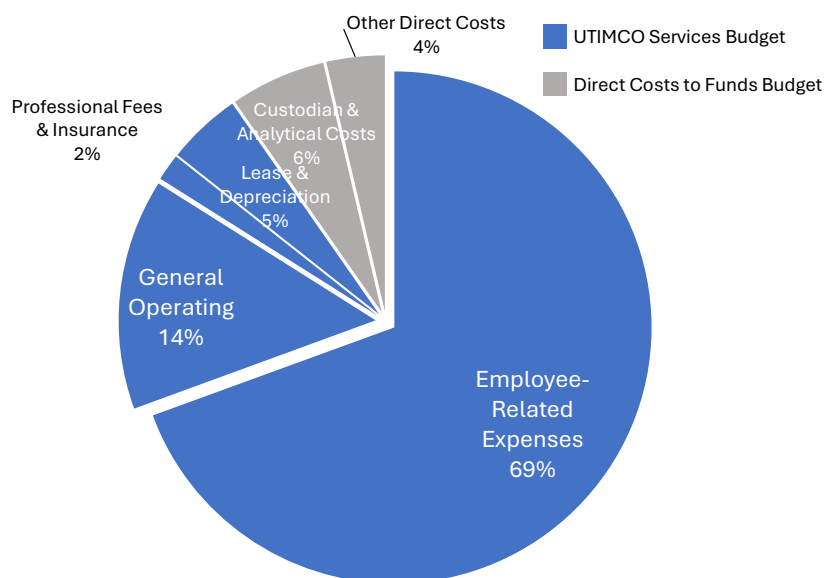
UTIMCO proposes Total Budgeted Costs for FY27 of \$108.1 million. Table 1 shows the Total Budgeted Costs (UTIMCO Services Budget and Direct Costs to Funds) as a percent of average AUM for FY27 and the Total Actual and Forecast Costs as a percent of average AUM from FY22 to FY26.

Table 1: Total Actual Costs Trend FY22-FY26 and Total Budgeted Costs FY27
(\$ millions)

	FY22	FY23	FY24	FY25	Forecast FY26	Budget FY27
Average Total AUM¹	66,392	67,693	73,409	80,933	89,592	96,050
% Change in AUM	11%	2%	8%	10%	11%	7%
UTIMCO Services	52.7	69.0	61.4	76.4	84.8	97.7
% Change in UTIMCO Services	-5.4%	30.8%	-11.0%	24.4%	10.9%	15.2%
UTIMCO Services % of AUM	0.08%	0.10%	0.08%	0.09%	0.09%	0.10%
Direct Costs to Funds	8.4	8.5	8.7	9.3	9.7	10.4
% Change in Direct Costs to Funds	9.6%	1.1%	2.7%	7.2%	3.7%	8.3%
Direct Costs to Funds % of AUM	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Total Costs	61.1	77.4	70.1	85.7	94.4	108.1
% Change in Total Costs	-3.6%	26.8%	-9.5%	22.3%	10.1%	14.5%
Total Costs % of AUM	0.09%	0.11%	0.10%	0.11%	0.11%	0.11%

¹ FY26 and FY27 Average Total AUM assumes projected balances based on moderate returns, projected West Texas Land and gift income, and projected distributions.

FY27 Total Budgeted Costs \$108.1 million



The UTIMCO Services Budget (blue shade in the pie chart above) represents 90% of the total budget, with employee-related expenses being the largest component at 77% of the Services Budget. Direct Costs to Funds include Custodian & Analytical Costs (6%) and Other Direct Costs (5%).

Management fees and performance fees paid to external investment managers, which are either paid directly by UTIMCO or netted against asset values by the external managers, are not included in these amounts. UTIMCO retains external managers for approximately 96% of the AUM, with UTIMCO staff directly managing approximately 4% of assets as well as an internal derivatives portfolio.

Table 2 compares the Total Budgeted Costs for FY26 and FY27. Refer to Exhibits A and B at the end of this memo for a detailed budget comparison for FY26-FY27 and actual trend history for FY22-FY26.

Table 2: FY26 Forecast and FY27 Budget Overview
(\$ millions)

	FY26 Forecast				FY27 Budget			
	\$ Budget	\$ Projected	\$ Change vs FY26 Budget	% Change vs FY26 Budget	\$ Budget	\$ Change vs FY26 Projected	% Change vs FY26 Projected	% Change vs FY26 Budget
UTIMCO Services	87.0	84.8	-2.2	-2.6%	97.7	12.9	15.2%	12.3%
Direct Costs to Funds	9.9	9.7	-0.2	-2.2%	10.4	0.8	8.3%	5.9%
Total Budgeted Costs	96.8	94.4	-2.4	-2.5%	108.1	13.7	14.5%	11.6%

UTIMCO Services Budget

Strategic Plan: Growth in the UTIMCO budget for FY27 reflects the ongoing implementation of the 2024 Strategic Plan that established a framework and direction for budgeting from 2025 to 2029. The Plan prioritizes long-term success by investing in talent, technology, data, investment design, and liquidity leverage. The Plan aims to keep UTIMCO's costs at around 11.6bps of the AUM. The 2024 Strategic Plan calls for the addition of ~10 new FTEs and takes into account key operations retirements likely in the next few years. This growth reflects the tapering of personnel growth needs compared to the prior 2019 Strategic Plan that added ~33 FTEs over the 2019-2024 time period.

Compensation: FY27 Budgeted Total Personnel Costs, including payroll taxes and benefits, increased by \$7.6M or 11.3% from the FY26 Budget. Salaries increased by \$2.3M or 7.7% and performance compensation increased by \$4.2M or 14.4% primarily related to an increase in headcount (4 FTE), merit raises, market catch-up adjustments, and promotions. Even with these planned staffing and compensation increases, FY27 budgeted total personnel costs remain 1.3% below the Strategic Plan projection.

Total personnel-related expenses, including employee benefits, account for 77% of UTIMCO's FY27 Services Budget (or 69% of Total Budgeted Costs). Trends in staffing and total compensation in relation to assets under management are shown in Table 3. Highlights from these tables include:

- Total Compensation has increased 14.6% annually over the last five years as a result of hiring additional employees, promotions, and base salary raises, in line with the 2019 and 2024 Strategic Plans.
- Total Compensation per employee has increased 11.0% (annualized) from \$270k in FY22 to \$455k budgeted in FY27. The annualized increase is influenced by lower-than-normal performance compensation expense in FY22 resulting from extraordinary deferrals. The 4-year (FY23-FY27) and 6-year (FY21-FY27) average annual increase is 3.5% and 5.4%, respectively. These increases are in line with market trends among endowment investment management peers as reported by Mercer, an independent compensation consultant, which provides annual guidance to the UTIMCO Board and its Compensation Committee.
- AUM has steadily increased since FY22 due to positive returns and historic levels of PUF lands income, which continues a longer-term trend of increasing average AUM per Employee.

Table 3: UTIMCO Compensation and Headcount FY22-FY27
(excluding benefits)

	FY22	FY23	FY24	FY25	Forecast FY26	% Change Since FY22 (annual)	Budget FY27	% Change From FY26	% Change Since FY22 (annual)
Employees (as of year end)	123	122	122	128	128	1.0%	144	12.5%	3.2%
Average Total AUM (\$ millions)	66,392	67,693	73,409	80,933	88,592	7.5%	92,000	3.8%	6.7%
Average AUM/Employee (\$ millions)	540	555	602	632	692	6.4%	639	-7.7%	3.4%
Salaries (\$ millions)	20.3	22.3	23.5	26.7	28.6	8.9%	32.4	13.3%	9.8%
Performance Comp. (\$ millions)	12.9	26.0	15.3	24.8	28.9	22.5%	33.1	14.4%	20.8%
Total Comp. (\$ millions)	33.2	48.3	38.8	51.5	57.5	14.8%	65.5	13.9%	14.6%
Total Comp. per Employee (\$)	269,622	395,881	318,051	402,327	449,298	13.6%	454,768	1.2%	11.0%
Perf. Comp. as % of Salaries	63%	116%	65%	93%	101%		102%		
Perf. Comp. as % of Total Comp.	39%	54%	39%	48%	50%		51%		

On-Line Data & Subscriptions: FY27 Budgeted Data & Subscriptions are higher than the FY26 Budget by \$1.8M. This is due to the addition of new AI tools, Microsoft Azure services, and other technology and market data solutions increasing \$1.9M, increased costs for existing services of \$307K, and service reclassifications of \$158K, net of service removals of \$595K. FY27 Budgeted Data & Subscriptions are \$627K above the FY27 projection included in the 2025 Strategic Plans, primarily reflecting investment in AI-related tools and services.

For UTIMCO there has been a shift in recent years to more subscription-based information technology (“SBIT”), which results in higher operating expenses but reduces both capital expenditures and maintenance costs related to IT hardware and software. Increases in SBIT costs include additional data storage cloud capacity, cybersecurity, data tooling, and adoption of new AI tools.

Hiring, Recruiting, Relocation & Compensation Expenses: FY27 Budgeted Hiring, Recruiting, Relocation and Compensation Expenses are increasing by \$1.0M due to the initiation of the search for higher level positions that are retiring in the next few years, the increase in recruiting efforts to fill open vacancies, and the biennial Mercer compensation study that is typically performed in odd-number years.

Lease and Depreciation Expenses: FY27 Budgeted Lease and Lease Asset Amortization costs of \$3.5M is 3.2% higher than FY26 Budget levels. FY27 Budgeted Depreciation Expense decreased by \$75k from FY26 Budget because furniture from the 2018 office move will be fully depreciated, and the capital purchases budget is decreasing. Table 4 shows the lease expense trends from FY22-FY27:

Table 4: UTIMCO Lease Expenses FY22- FY27

(\$ thousands)

	Actual				Forecast	Budget
	FY22	FY23	FY24	FY25	FY26	FY27
Property Lease and Interest Expense	\$2,373	\$2,351	\$2,328	\$2,306	\$2,298	\$2,255
Operating Lease	663	750	809	877	903	916
Parking Expenses	236	263	257	264	368	378
Total Lease Expenses (net)	\$3,272	\$3,363	\$3,395	\$3,447	\$3,569	\$3,548

There are currently no further plans for significant capital improvements.

Other General Operating Expenses, Professional Fees, and Insurance (non-employee): Office expenses, insurance, travel, and professional fees fall in this category and are forecast to be \$2.7 million in FY26, which is 11% less than what was budgeted due primarily to less travel activity than expected. Accounting fees are budgeted \$200k higher due to the expected independent review of controls and processes within the accounting functions. This increase is largely offset by reductions in office expenses and lower than expected insurance fees. The FY27 Budget of \$3.2 million is flat to the FY26 Budget.

Direct Costs to Funds

With over 30 years of service from Bank of New York Mellon (BNY), UTIMCO initiated a best-practice review to assess technological advancements, optimize service quality, and explore cost efficiencies. The review covered a wide range of services beyond basic asset safekeeping, including accounting, performance analytics, derivatives support, and compliance. Last year, an Internal Review Committee issued an RFP to four global custodians—BNY, Northern Trust, JP Morgan, and State Street—and conducted extensive due diligence, including site visits and system evaluations. Based on criteria such as technological capabilities, reporting, data management, and fees, the committee recommended transitioning from BNY to Northern Trust as the new Master Custodian. This transition occurred during FY26 with Northern Trust officially taking over custodian services effective June 1, 2026. The Direct Costs to Funds for FY27 are budgeted at \$10.4 million, a 5.9% increase from the FY26 Budget due primarily to this transition and the associated costs such as increased accounting/auditing fees. Legal fees are also increasing because of a projected increase in complex investment deals.

UTIMCO Capital Expenditures

The trend for Capital Expenditures for FY21-FY26 is summarized in Table 5 below. There are no significant capital plans for FY27.

Table 5: UTIMCO Capital Expenditures FY22-FY27

	Actual				Forecast	Budget
	FY22	FY23	FY24	FY25	FY26	FY27
Ongoing: Technology and Software Upgrades	\$25,000	\$266,612	\$50,245	\$462,836	\$24,000	\$145,000
Ongoing: Office Equipment and Fixtures	109,000	117,352	128,394	136,920	111,000	130,000
Expansion: Leasehold Buildout (net of TI allowance)	-	-	-	-	150,000	-
Expansion: Furniture and Fixtures	2,730	-	-	-	-	-
Total Capital Expenditures (net)	\$136,730	\$383,964	\$178,639	\$599,756	\$285,000	\$275,000

Cash Reserves

UTIMCO maintains a cash reserve of 25% of the annual operating budget and any excess amounts are returned to the Investment Funds. See Exhibit C for the calculation. No rebate to the Investment Funds is recommended as the cash reserves are expected to be near the required cash reserve calculation.

EXHIBIT A**Total Budgeted Costs FY26-FY27**

	FY26		Change from FY26 Budget		FY27		Change from FY26 Forecast		Change from FY26 Budget
	Budget	Forecast	\$	%	Budget	\$	%	%	
UTIMCO Services									
Salaries	30,035,756	28,564,849	-1,470,906	-4.9%	32,359,448	3,794,599	13.3%	7.7%	
Performance Compensation + Earnings	28,945,287	28,945,287	0	0.0%	33,127,180	4,181,893	14.4%	14.4%	
Total Compensation	58,981,042	57,510,136	-1,470,906	-2.5%	65,486,629	7,976,492	13.9%	11.0%	
Total Payroll taxes	3,034,228	3,107,219	72,990	2.4%	3,426,173	318,955	10.3%	12.9%	
403(b) Contributions	2,320,394	2,094,094	-226,300	-9.8%	2,477,703	383,610	18.3%	6.8%	
Insurance, Cell Phone, Learning	3,098,460	2,663,600	-434,860	-14.0%	3,649,868	986,268	37.0%	17.8%	
Employee Benefits	5,418,854	4,757,693	-661,160	-12.2%	6,127,571	1,369,878	28.8%	13.1%	
Total Employee Related Expenses	67,434,125	65,375,048	-2,059,077	-3.1%	75,040,373	9,665,325	14.8%	11.3%	
On-Line Data Services	3,959,736	3,793,673	-166,063	-4.2%	4,258,100	464,427	12.2%	7.5%	
Subscriptions	3,945,936	3,957,347	11,411	0.3%	5,431,047	1,473,700	37.2%	37.6%	
On-Line Data & Subscriptions	7,905,672	7,751,020	-154,652	-2.0%	9,689,147	1,938,127	25.0%	22.6%	
Contract Services & Maintenance	2,794,584	2,942,657	148,073	5.3%	2,942,484	-173	-0.0%	5.3%	
Travel & Meetings, Including BOD	1,751,446	1,532,722	-218,724	-12.5%	1,800,616	267,894	17.5%	2.8%	
Recruiting & Comp. Expenses	799,920	911,755	111,835	14.0%	1,782,744	870,989	95.5%	122.9%	
Total Office Expense	393,893	407,526	13,633	3.5%	328,162	-79,364	-19.5%	-16.7%	
Total Lease Expense	3,436,960	3,568,747	131,787	3.8%	3,548,189	-20,558	-0.6%	3.2%	
Legal Expenses	380,028	379,671	-357	-0.1%	418,052	38,381	10.1%	10.0%	
Accounting fees	121,500	103,359	-18,141	-14.9%	308,016	204,657	198.0%	153.5%	
Board Advisors	60,000	30,000	-30,000	-50.0%	30,000	0	0.0%	-50.0%	
Total Professional Fees	561,528	513,030	-48,498	-8.6%	756,068	243,038	47.4%	34.6%	
Total Insurance	329,988	252,449	-77,539	-23.5%	271,512	19,063	7.6%	-17.7%	
Depreciation	1,575,000	1,500,000	-75,000	-4.8%	1,500,000	0	0.0%	-4.8%	
Total Non-Employee Related Expenses	19,548,991	19,379,905	-169,086	-0.9%	22,618,922	3,239,017	16.7%	15.7%	
Total UTIMCO Services	86,983,116	84,754,953	-2,228,163	-2.6%	97,659,295	12,904,342	15.2%	12.3%	
Direct Costs to Funds									
Custodian Fees and Other Direct Costs	6,216,250	6,216,250	0	0.0%	6,500,000	283,750	4.6%	4.6%	
Consultant Fees	300,983	300,983	0	0.0%	316,031	15,048	5.0%	5.0%	
Auditing	972,264	976,667	4,403	0.5%	1,091,960	115,293	11.8%	12.3%	
Legal Fees	1,620,000	1,620,000	0	0.0%	1,782,000	162,000	10.0%	10.0%	
Background Searches & Other	755,020	537,701	-217,319	-28.8%	758,177	220,476	41.0%	0.4%	
Other Direct Costs Total	3,648,267	3,435,351	-212,916	-5.8%	3,948,168	512,817	14.9%	8.2%	
Total Direct Costs to Funds	9,864,517	9,651,601	-212,916	-2.2%	10,448,168	796,567	8.3%	5.9%	
Total Budgeted Costs	96,847,633	94,406,554	-2,441,079	-2.5%	108,107,463	13,700,909	14.5%	11.6%	

Fiscal Year 2027 Review of UTIMCO Services Budget and Other Direct Costs to Funds
 Prepared by the U. T. System Office of Finance
 June 25, 2026

EXHIBIT B**Total Actual Costs FY22-FY26 and FY27 Budget**

	FY22	FY23	FY24	FY25	FY26	FY27
	Actual	Actual	Actual	Actual	Forecast	Budget
UTIMCO Services						
Salaries	20,289,489	22,331,375	23,518,847	26,694,221	28,564,849	32,359,448
Performance Compensation + Earnings	12,873,958	25,966,115	15,283,366	24,803,657	28,945,287	33,127,180
Total Compensation	33,163,447	48,297,490	38,802,213	51,497,878	57,510,136	65,486,629
Total Payroll taxes	2,561,796	2,553,680	3,208,633	2,422,847	3,107,219	3,426,173
403(b) Contributions	1,470,167	1,659,557	1,774,952	2,070,024	2,094,094	2,477,703
Insurance, Cell Phone, Learning	2,396,713	2,373,648	2,498,105	2,481,971	2,663,600	3,649,868
Employee Benefits	3,866,880	4,033,205	4,273,056	4,551,995	4,757,693	6,127,571
Total Employee Related Expenses	39,592,122	54,884,375	46,283,903	58,472,720	65,375,048	75,040,373
On-Line Data & Subscriptions	4,231,143	4,784,668	5,872,978	7,467,928	7,751,020	9,689,147
Contract Services & Maintenance	1,557,170	1,413,216	1,248,131	1,876,384	2,942,657	2,942,484
Travel & Meetings, Including BOD	585,888	1,212,281	1,192,965	1,236,042	1,532,722	1,800,616
Recruiting & Comp. Expenses	779,723	718,189	892,529	919,060	911,755	1,782,744
Total Office Expense	159,832	181,402	181,800	193,056	407,526	328,162
Total Lease Expense	3,272,032	3,363,351	3,394,635	3,447,280	3,568,747	3,548,189
Legal Expenses	184,607	193,841	154,315	793,685	379,671	418,052
Accounting fees	107,201	106,782	133,720	125,845	103,359	308,016
Board Advisors	30,000	30,000	30,000	30,000	30,000	30,000
Total Professional Fees	321,808	330,623	318,035	949,530	513,030	756,068
Total Insurance	231,430	231,354	227,534	221,747	252,449	271,512
Depreciation	2,001,103	1,871,313	1,820,000	1,654,953	1,500,000	1,500,000
Total Non-Employee Related Expenses	13,140,129	14,106,398	15,148,606	17,965,980	19,379,905	22,618,922
Total UTIMCO Services	52,732,252	68,990,772	61,432,509	76,438,700	84,754,953	97,659,295
Direct Costs to Funds						
Custodian Fees and Other Direct Costs	4,201,672	4,704,620	5,652,937	5,798,199	6,216,250	6,500,000
Risk Measurement	1,079,100	838,276	0	0	0	0
Custodian and Risk Measurement Costs	5,280,772	5,542,896	5,652,937	5,798,199	6,216,250	6,500,000
Consultant Fees	302,167	317,575	275,000	275,000	300,983	316,031
Auditing	980,378	849,799	847,208	907,865	976,667	1,091,960
Legal Fees	544,785	1,050,875	1,401,061	1,518,165	1,620,000	1,782,000
Background Searches & Other	1,253,754	690,869	505,370	807,592	537,701	758,177
Other Direct Costs Total	3,081,084	2,909,118	3,028,639	3,508,622	3,435,351	3,948,168
Total Direct Costs to Funds	8,361,856	8,452,013	8,681,576	9,306,821	9,651,601	10,448,168
Total Budgeted Costs	61,094,107	77,442,785	70,114,085	85,745,521	94,406,554	108,107,463

Fiscal Year 2027 Review of UTIMCO Services Budget and Other Direct Costs to Funds
 Prepared by the U. T. System Office of Finance
 June 25, 2026

EXHIBIT C**UTIMCO Reserve Analysis for August 31, 2026**

Projected Cash Reserves at August 31, 2026		
Cash		\$ 52,700,000
Prepaid Expenses		1,500,000
Less: Accounts Payable (Includes incentive compensation & earnings payable)		(30,650,000)
Projected Cash Reserves at August 31, 2026		<u>\$ 23,550,000</u>
FY27 Proposed Operating Budget	\$97,659,295	
Applicable Percentage	25%	24,414,824
Capital Budget Expenditures		275,000
Depreciation Expense		(1,500,000)
Required Cash Reserves at August 31, 2026		<u>\$ 23,189,824</u>
Balance Available for Distribution		\$ 360,176
Recommended Distribution		\$ -

4. U.T. System Board of Regents: The University of Texas/Texas A&M Investment Management Company (UTIMCO) Update

Mr. Richard Hall, President, Chief Executive Officer and Chief Investment Officer, will provide an update on The University of Texas/Texas A&M Investment Management Company (UTIMCO) using the PowerPoint set forth on the following pages.



AUGUST 2026

UTIMCO Update

U.T. System Board of Regents Meeting
Finance and Planning Committee

Mr. Richard Hall, President, Chief Executive Officer and Chief Investment Officer

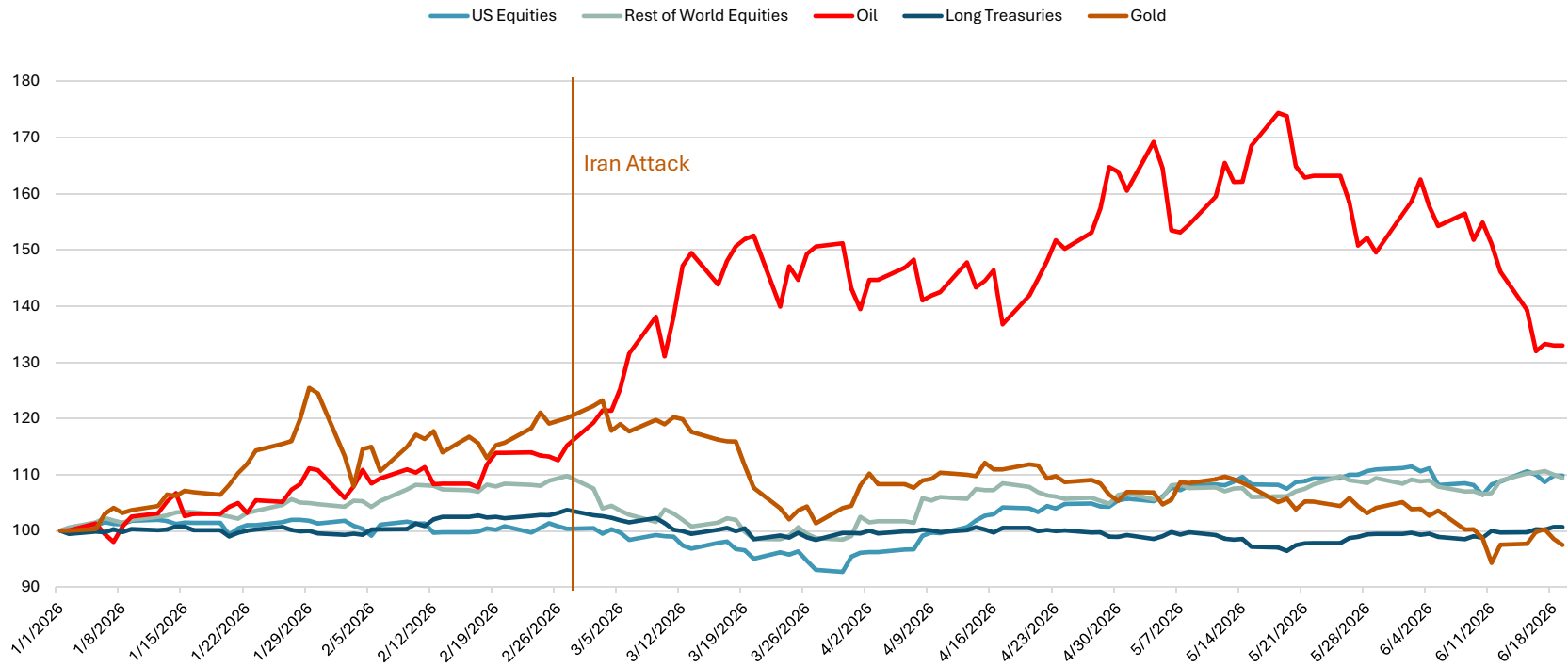


Market Update



Year-to-Date Market Performance

Strong equity performance despite geopolitical stresses

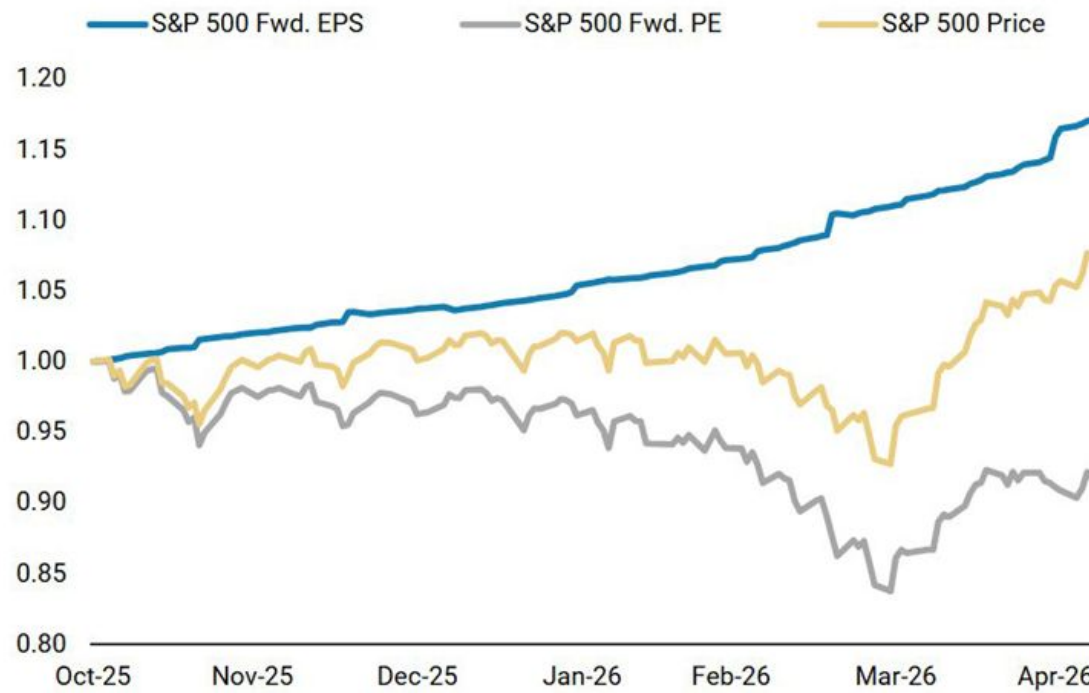


Source: Bloomberg



Strong Earnings Growth

Resilient forward earnings



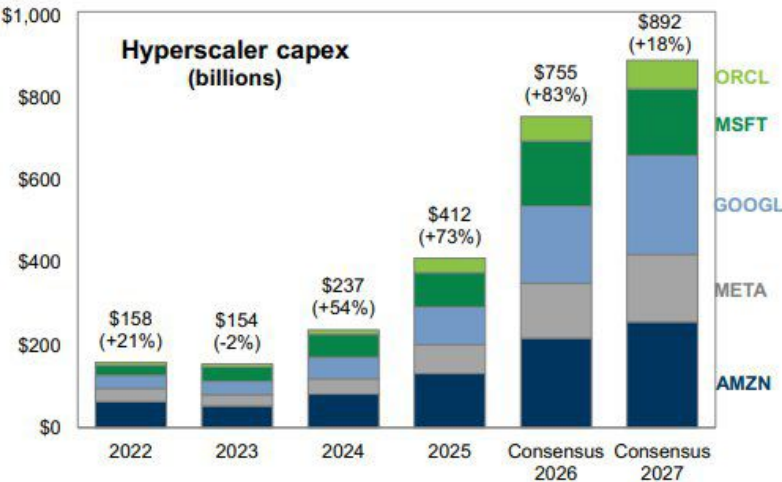
Note: S&P refers to Standard & Poor; Fwd. EPS refers to Forward Earnings Per Share; Fwd. PE refers to Forward Price to Earnings ratio
Source: FactSet, Morgan Stanley



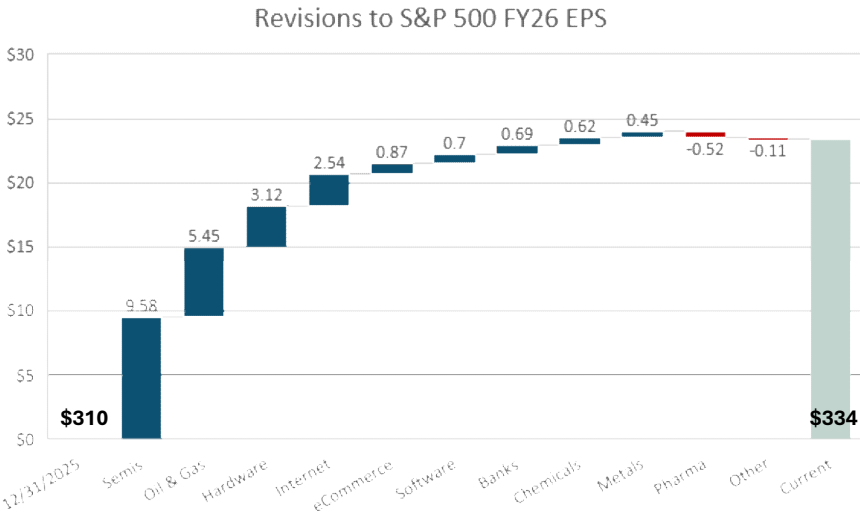
Earnings Revisions Fueled by AI Related Capex

Race to build out compute is financed largely by Hyperscalers

AI Hyperscaler CAPEX growth is accelerating



Semis and O&G account for 63% of year-to-date revision of EPS growth, above 28% index weight



Note: CAPEX refers to Capital Expenditures; S&P refers to Standard & Poor; EPS refers to Earnings Per Share; Semis refers to Semiconductors
Source: Bloomberg, Barclays, Goldman Sachs, FactSet

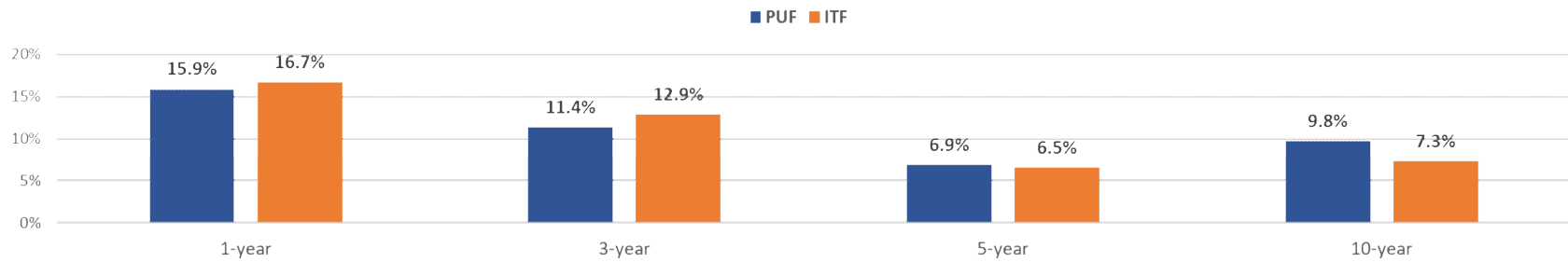
UTIMCO Performance



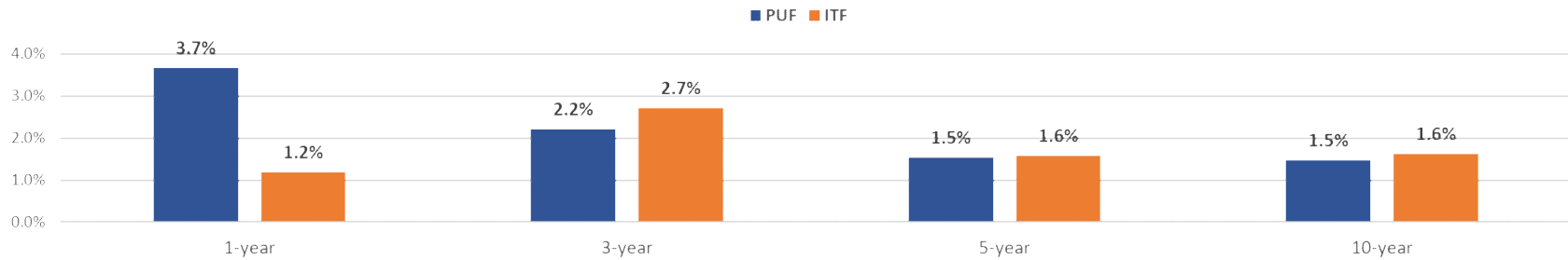
Portfolio Performance

UTIMCO returns and alpha as of May 31, 2026

Total Net Returns



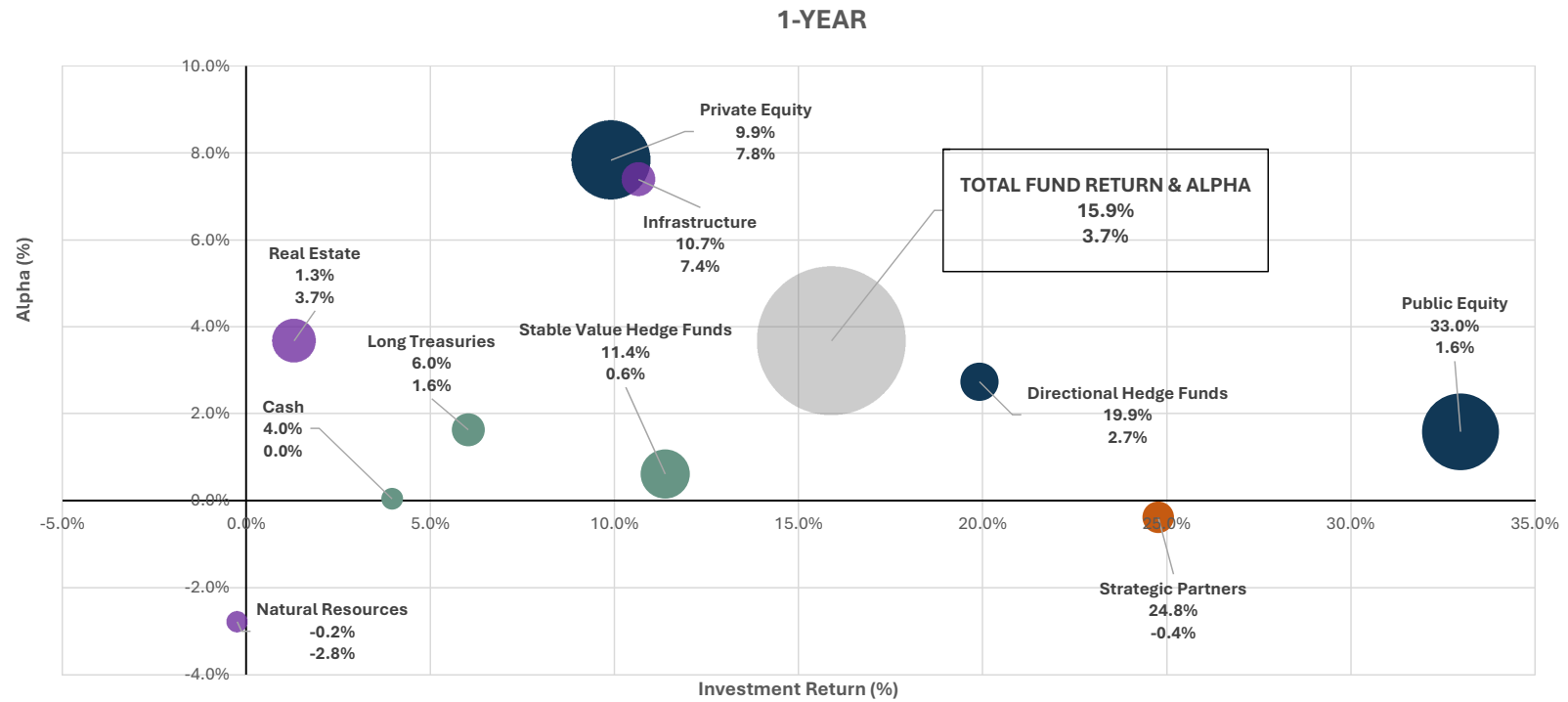
Outperformance vs. Benchmarks





Endowment Performance

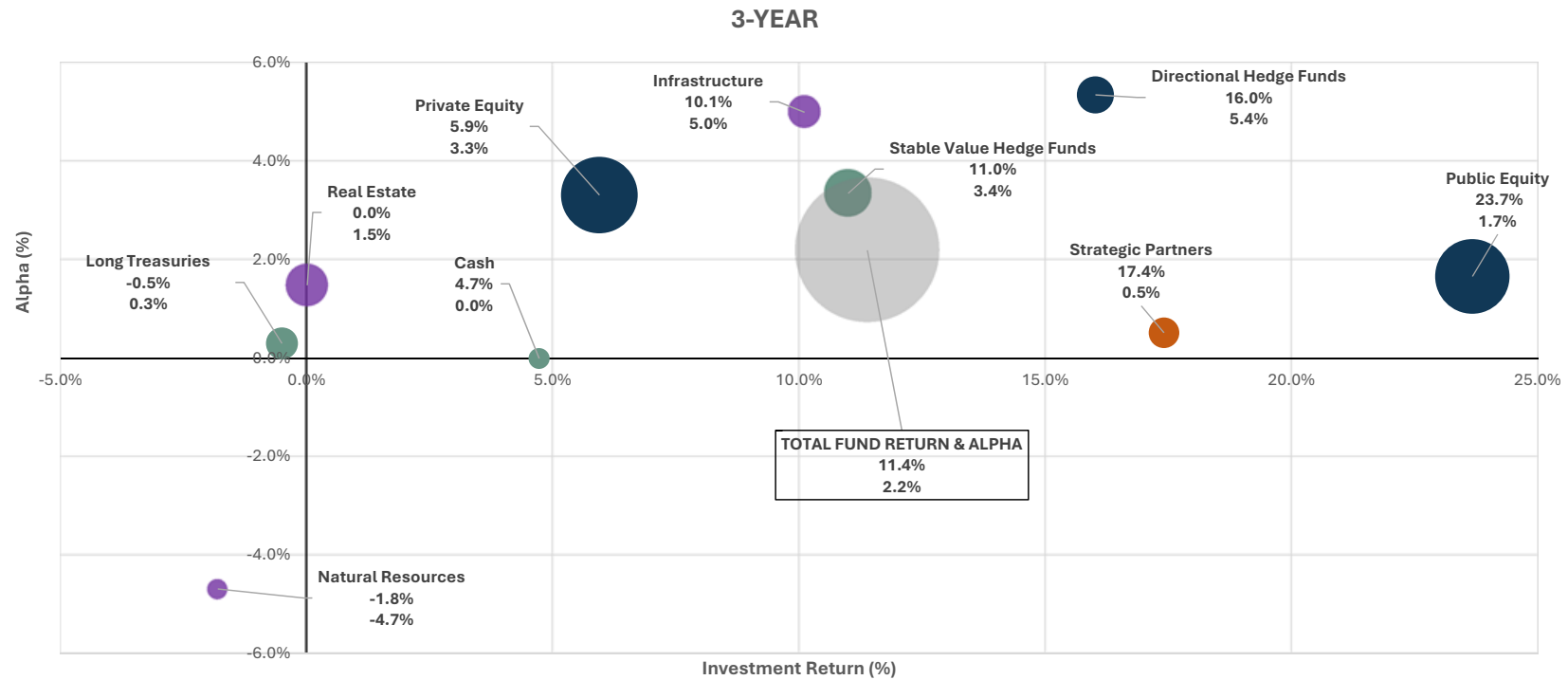
Detailed 1-Year Performance as of May 31, 2026





Endowment Performance (cont.)

Detailed 3-Year Performance as of May 31, 2026





Endowment Positioning

Asset allocation as of May 31, 2026

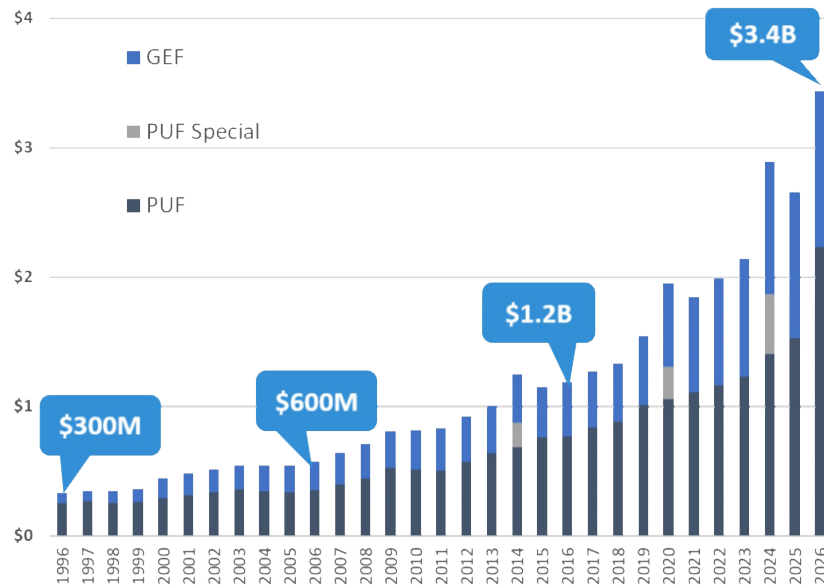




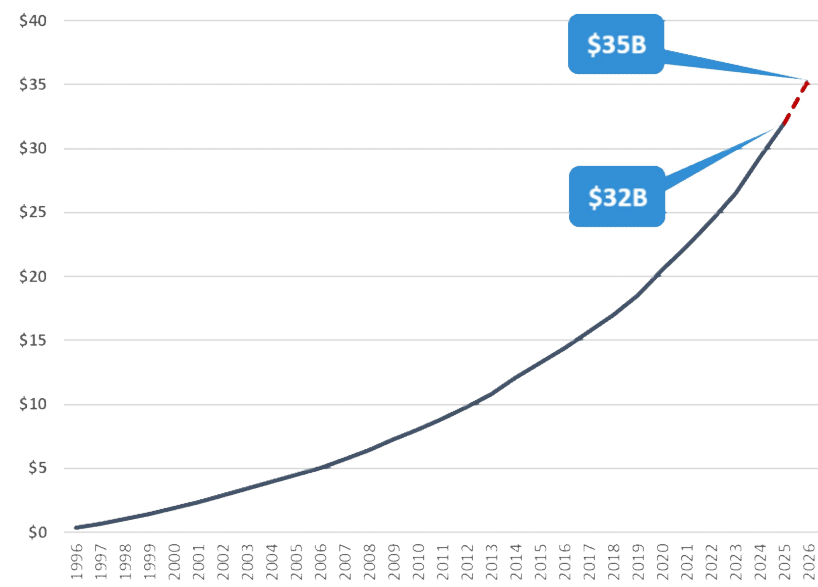
Distributions

Annual and cumulative distributions over the last 30 years

Annual Distributions (\$B)



Cumulative Distributions (\$B)



Note: Cumulative and annual distributions are based on Fiscal Years ending August 31

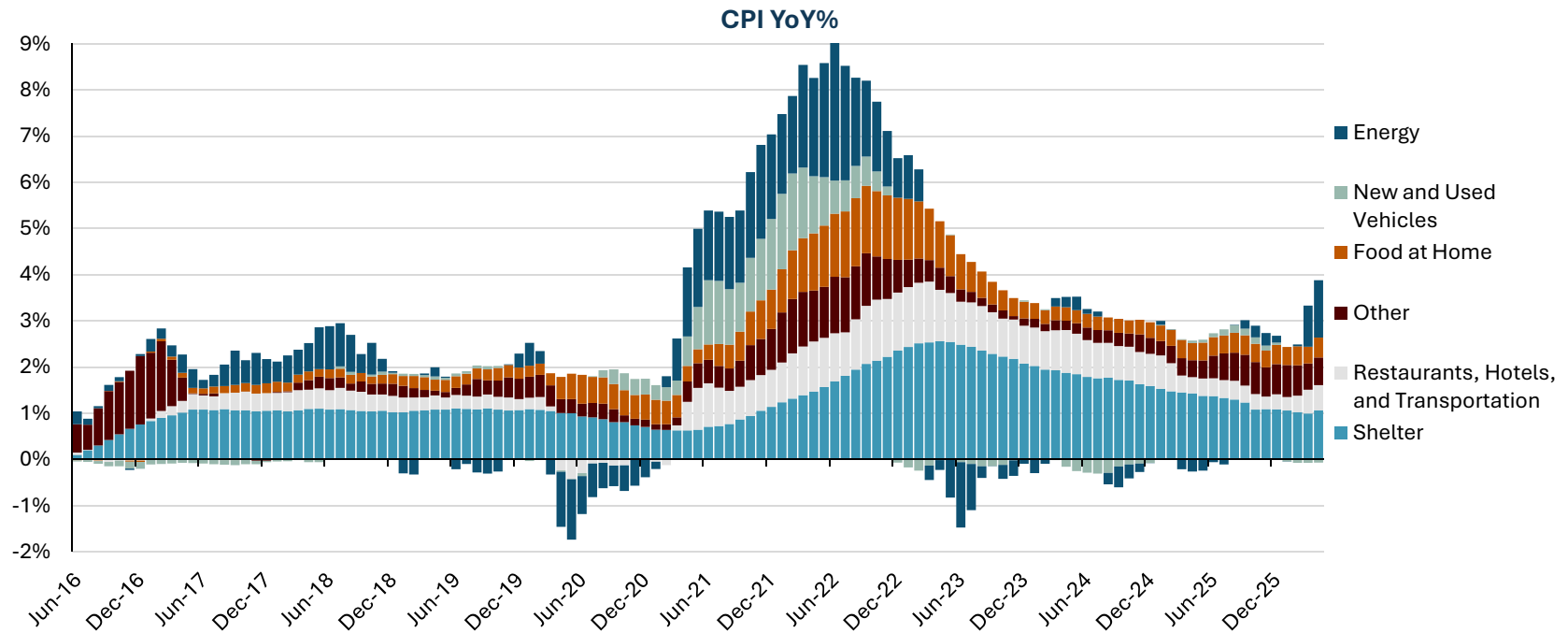


Appendix

Inflation Growth Over Time



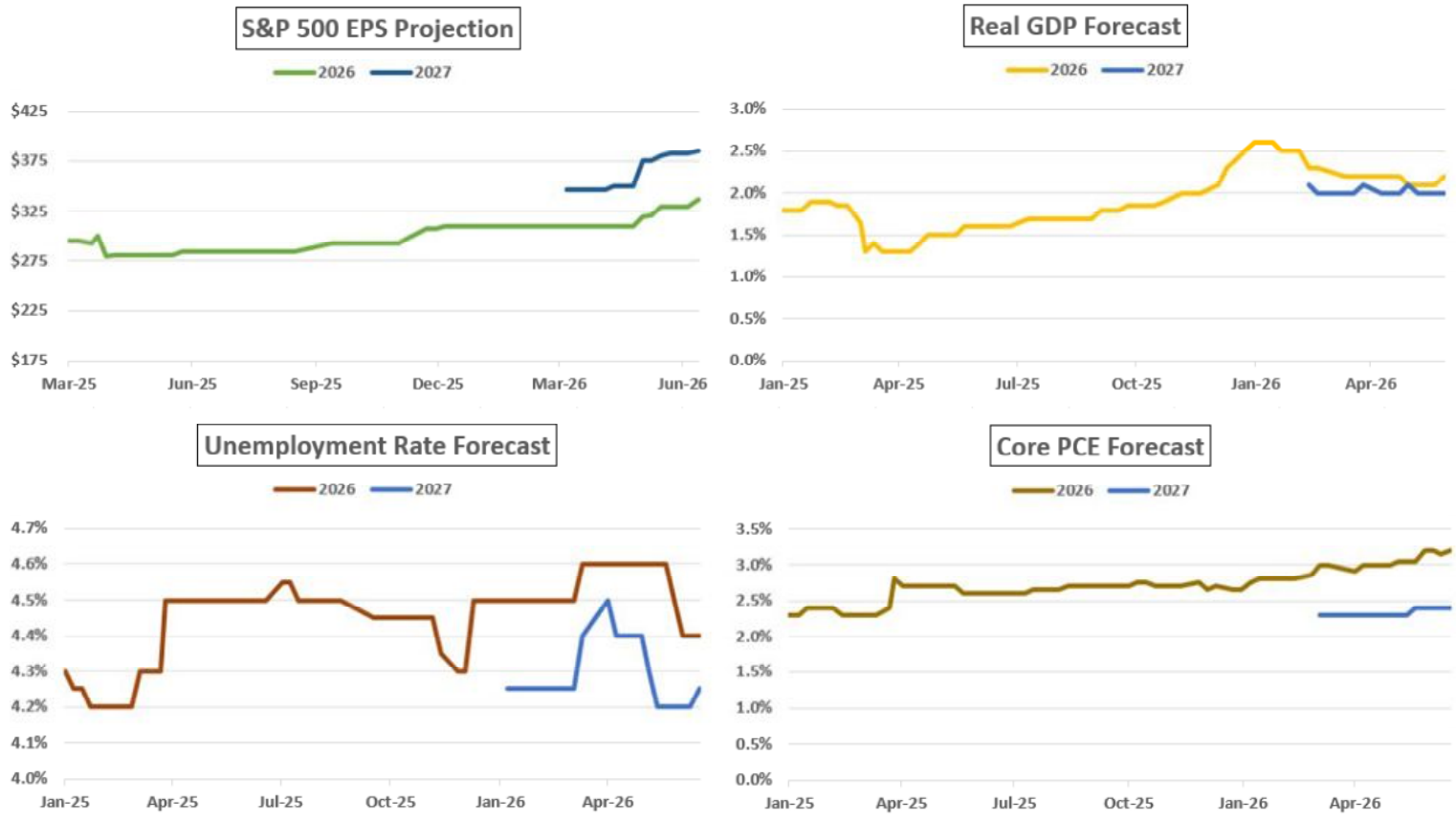
- Year-on-year (YoY) % inflation change has shown second month over 3% due to Iranian Conflict's impact on Energy
- Last 3-month CPI/PCE annualized at 7.3% and 5.6% respectively
- Last 6-month CPI/PCE annualized at 5.1% and 4.3% respectively



Note: Personal Consumption Expenditure (PCE) as of March 31st, 2026; Consumer Price Index (CPI) as of April 30th, 2026

Market dashboard

Market projections

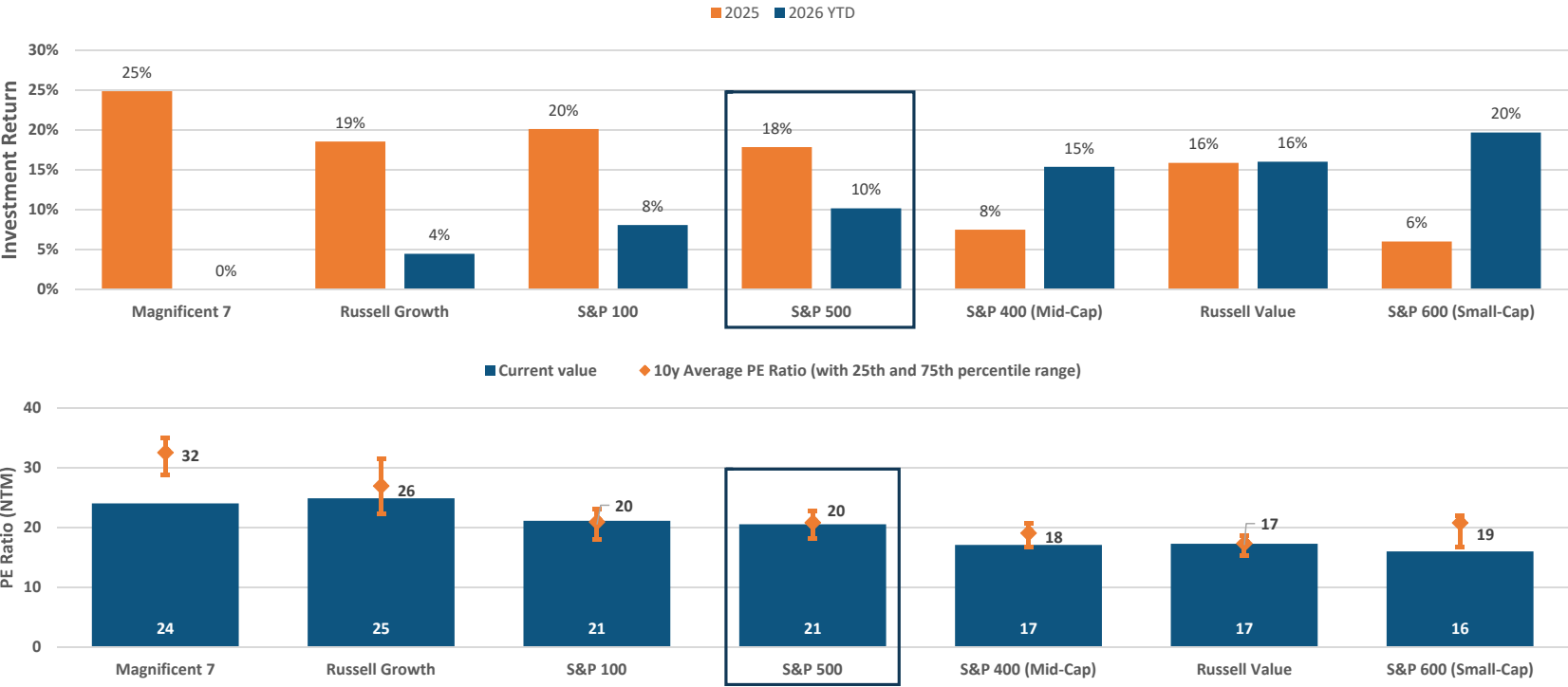


Note: S&P refers to Standard & Poor; EPS refers to Earnings Per Share; PCE refers to Personal Consumption Expenditure (inflation measure)
As of 6/26/2026



Market Recap

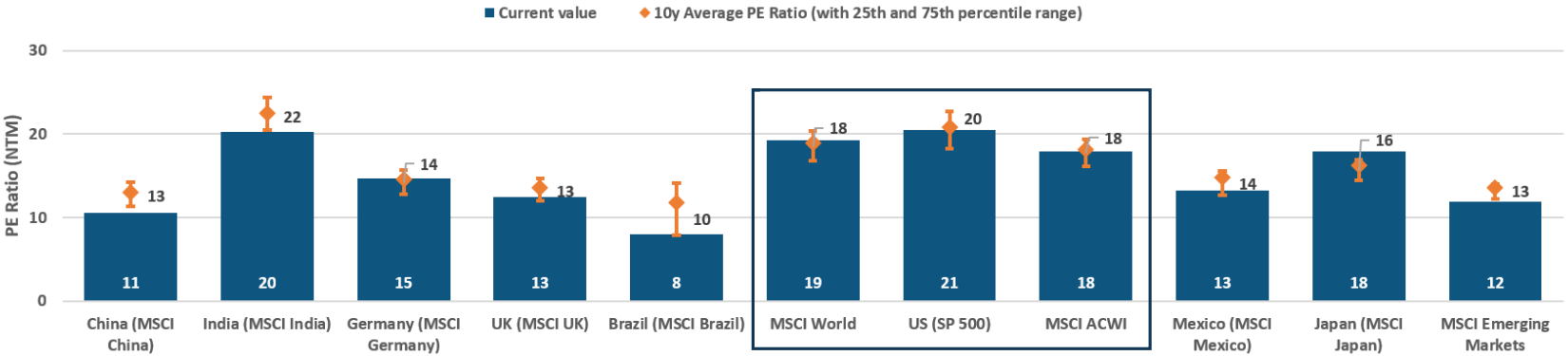
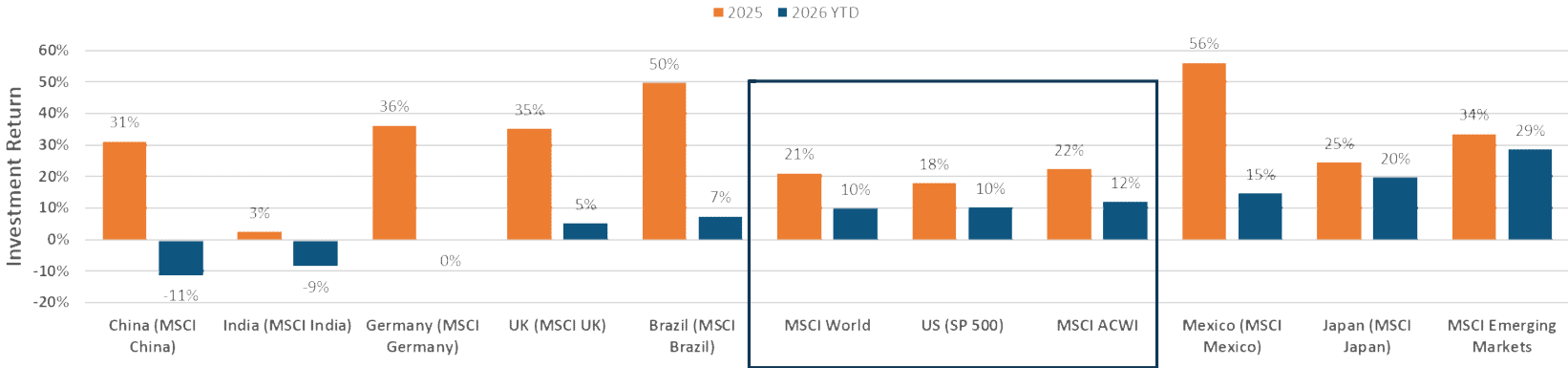
Performance and valuation by style and size



Notes: Magnificent 7 refers to Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia, and Tesla; PE or P/E refers to Price to Earnings ratio; NTM refers to next twelve months
Source: Bloomberg (as of 6/18/26)

Market Recap

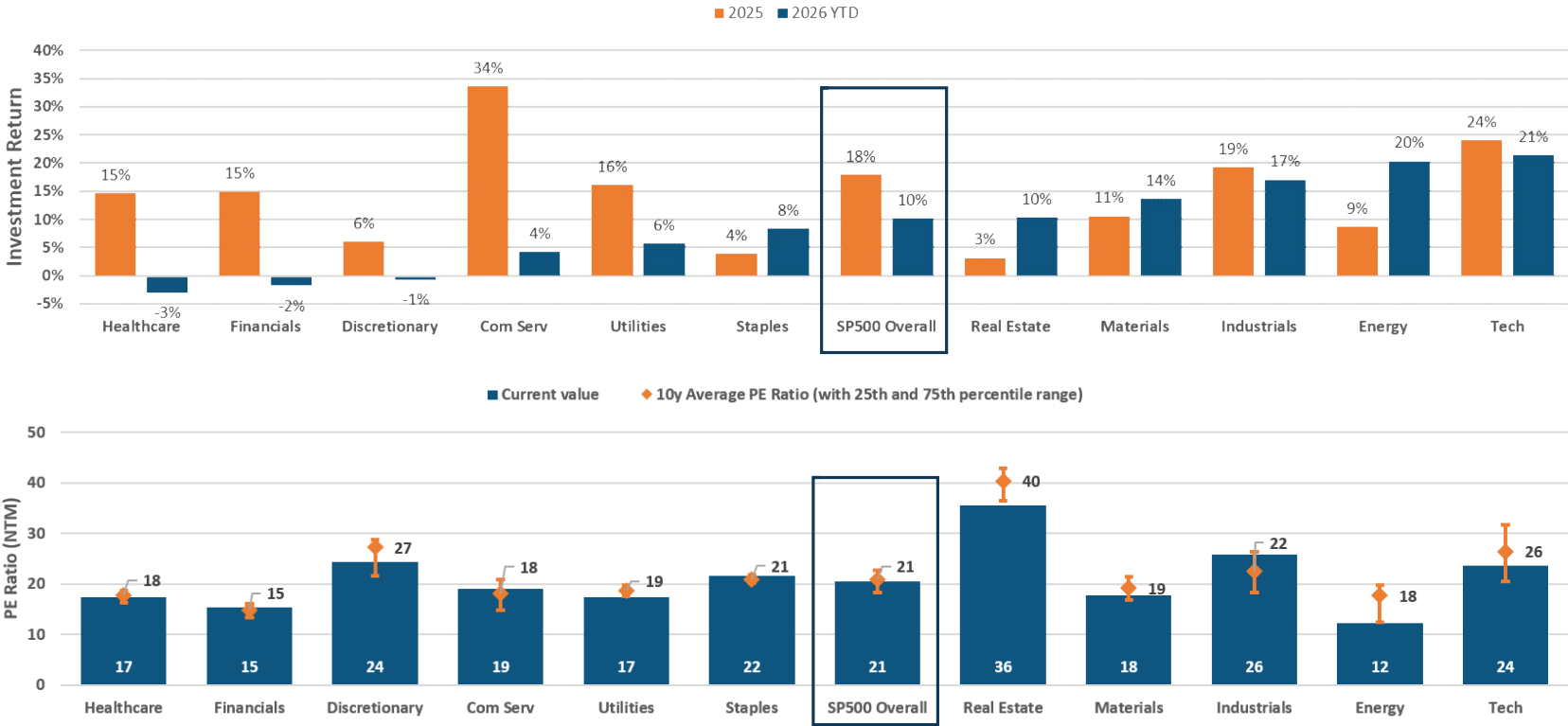
Performance and valuation by country



Note: MSCI refers to Morgan Stanley Capital International; ACWI refers to the MSCI All Country World Index; PE refers to Price to Earnings ratio; NTM refers to next twelve months
Source: Bloomberg (as of 6/18/26)

Market Recap

Performance and valuation by sector



Note: PE refers to Price to Earnings ratio; NTM refers to next twelve months
Source: Bloomberg (as of 6/18/26)



TABLE OF CONTENTS FOR ACADEMIC AFFAIRS COMMITTEE

Committee Meeting: 8/12/2026

Board Meeting: 8/13/2026
Austin, Texas

Jodie Lee Jiles, Chairman
Christina Melton Crain
Robert P. Gauntt
Janiece Longoria
Nolan Perez
Stuart W. Stedman

	Committee Meeting	Board Meeting	Page
Convene	2:15 p.m. <i>Chairman Jiles</i>		
1. U.T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	113
Adjourn	2:30 p.m.		

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

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 144](#).



TABLE OF CONTENTS FOR HEALTH AFFAIRS COMMITTEE

Committee Meeting: 8/12/2026

Board Meeting: 8/13/2026
Austin, Texas

Christina Melton Crain, Chairman
Robert P. Gauntt
Jodie Lee Jiles
Janiece Longoria
Nolan Perez
Stuart W. Stedman

	Committee Meeting	Board Meeting	Page
Convene	2:30 p.m. <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 <i>Chancellor Zerwas</i>	Action	115
2. U.T. System: Approval to distribute a portion of The University of Texas System Professional Medical Liability Benefit Plan premium returns and approve rates for the Plan	Action <i>Chancellor Zerwas</i> <i>Mr. Sharphorn</i>	Action	116
3. U.T. Rio Grande Valley: Discussion and appropriate action regarding authorization to establish tuition and fee rates for the newly approved Doctor of Optometry program	Action <i>President Bailey</i>	Action	118
4. U.T. San Antonio: Approval to establish a Doctor of Philosophy (Ph.D.) in Public Health degree program and appropriate action regarding proposed tuition and fee rates	Action <i>President Eighmy</i>	Action	120
Adjourn	3:00 p.m.		

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

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 144](#).

2. U.T. System: Approval to distribute a portion of The University of Texas System Professional Medical Liability Benefit Plan premium returns and approve rates for the Plan

RECOMMENDATION

The Chancellor concurs in the recommendation of The University of Texas System Professional Medical Liability Benefit Plan (Plan) Management Committee, chaired by the Vice Chancellor and General Counsel and comprised of the Chair, the Executive Vice Chancellor and Chief Operating Officer, and the Executive Vice Chancellors for Academic and Health Affairs, after consultation with Milliman, Inc., actuary for the Plan, that

- a. overall premium rates remain unchanged; and
- b. \$6 million in premiums be returned to the participating U.T. institutions based on a methodology that considers each institution's payments to the Plan and loss experience.

The proposed distribution of \$6 million is set forth as Exhibit 1.

BACKGROUND INFORMATION

The Medical Liability Management Committee (Committee) reviews the annual actuarial fund and rate studies to ensure Plan revenue from premiums charged and investment income provide adequate capitalization from which to pay claims, reserves for future claims, and administrative expenses.

For the coming year, the Committee recommends maintaining overall premiums at the current rates. Based on Plan investment income and efficient management of claims, the Committee recommends a return to the contributing institutions of \$6 million. The combination of unchanged rates along with these distributions should still allow for adequate capitalization of the Plan.

The methodology for distribution of \$6 million to participating institutions considers the proportion of each institution's payment into the Plan, as well as each institution's loss experience. Thus, those institutions with higher claims receive lower distributions.

Exhibit 1

The University of Texas System Professional Medical Liability Benefit PlanProposed Distribution of Plan Returns

FY 2026

<i>Institution</i>	<i>Premium Paid</i>	<i>Claims Expense</i>	<i>Net Contribution Amount</i>	<i>Rebate based on Net Contribution</i>
	<i>2024-2026 (3 year)</i>	<i>2024-2026 (3 year)</i>	<i>3 Yr (Premium - Expenses)</i>	<i>FY 2026</i>
UT Arlington	18,651.50	-	18,651.50	3,943.77
UT Austin	1,151,086.58	196,494.90	954,591.68	201,843.91
UT Dallas	7,310.00	5,012.00	2,298.00	485.90
UT El Paso	9,390.20	-	9,390.20	1,985.51
UT Permian Basin	9,220.00	-	9,220.00	1,949.53
UT Rio Grande Valley	655,440.22	82,256.80	573,183.42	121,196.93
UT San Antonio ¹	6,463,829.51	1,994,886.52	4,468,942.99	944,936.90
Stephen F. Austin	3,200.00	-	3,200.00	676.63
UT Tyler ²	1,727,438.72	1,290,663.80	436,774.92	92,353.99
UTSWMC	9,577,399.38	3,907,859.62	5,669,539.76	1,198,797.42
UTMB	5,825,999.07	1,822,747.75	4,003,251.32	846,468.60
UTHSCH	13,256,118.73	4,508,727.32	8,747,391.41	1,849,594.62
UTMDACC	4,702,688.88	1,222,988.15	3,479,700.73	735,766.29
Subtotal	43,407,772.79	15,031,636.86	28,376,135.93	6,000,000.00

TOTAL DISTRIBUTION FY 2026:**\$ 6,000,000.00****TOTAL DISTRIBUTION FY 2024-2026:****\$ 18,000,000.00**¹ **UT San Antonio split:**

UT San Antonio	2,206.00	-	2,206.00	466.45
HSC at UTSA	6,461,623.51	1,994,886.52	4,466,736.99	944,470.45
	6,463,829.51	1,994,886.52	4,468,942.99	944,936.90

² **UT Tyler split:**

UT Tyler	6,401.25	-	6,401.25	1,353.51
HSC at UT Tyler	1,721,037.47	1,290,663.80	430,373.67	91,000.48
	1,727,438.72	1,290,663.80	436,774.92	92,353.99

3. **U.T. Rio Grande Valley: Discussion and appropriate action regarding authorization to establish tuition and fee rates for the newly approved Doctor of Optometry program**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, and the institutional president that the U.T. System Board of Regents approve the proposed tuition and fee rates for the newly created Doctor of Optometry program beginning in Academic Year 2027-2028, as set forth on the following page.

BACKGROUND INFORMATION

The U.T. Rio Grande Valley School of Optometry will begin classes in the Doctor of Optometry (O.D.) program in the Fall 2027 semester, pending approval from the Accreditation Council on Optometric Education. This program is critical to expanding health profession education and research and to improving healthcare access and outcomes in South Texas.

Addition of this program was approved by the U.T. System Board of Regents on May 9, 2024, the Texas Higher Education Coordinating Board in January 2025, and the Southern Association of Colleges and Schools Commission on Colleges in December 2025.

The O.D. degree program requires completion of 183 semester credit hours over four years including summer semesters. An estimated 40 students will be admitted per year in what will be only the second public university O.D. program in the state. The proposed tuition and fees will establish the U.T. Rio Grande Valley O.D. program as the most affordable in the state.

A public hearing opportunity regarding the proposed designated tuition will be provided before the full Board prior to consideration of this item during the Committee meeting.

**The University of Texas Rio Grande Valley
School of Optometry / Doctor of Optometry (O.D.)
Tuition and Fee Proposal
Fall 2027**

PROPOSED TUITION AND FEES

Doctor of Optometry (O.D.) Proposed FY 2027-2028 Tuition Rates (\$/SCH)		
Category	Resident Students	Non-resident Students
Statutory-54.051	\$50	\$478
Designated-54.0513	\$272	\$272
Differential-54.008	\$50	\$50
Tuition Total per SCH	\$372	\$800

Doctor of Optometry (O.D.) Summary of Program Tuition and Fees		
Category	Resident Students	Non-resident Students
Statutory-54.051	\$9,150	\$87,474
Designated-54.0513	\$49,776	\$49,776
Differential-54.008	\$9,150	\$9,150
Tuition Total for Program	\$68,076	\$146,400
Mandatory Fees*	16,493	16,493
Lab Fees**	420	420
Total Tuition and Fees (183 Credit Hours, 4 Years)	\$84,989	\$163,313

**There are no new mandatory fees proposed.*

***Lab fees are estimated at the statutory maximum of \$30 per lab course. Actual cost may be less.*

Tuition for the Doctor of Optometry Program will be charged per semester credit hour (SCH) and will not be capped. Mandatory fee charges will continue to be capped at 12 SCHs per semester.

Two non-mandatory fees specific to the O.D. program will be established upon review and written approval by the Executive Vice Chancellor. First, the specific lab course rates will be established. Second, an Enrollment and Admission Deposit of \$250 is proposed to reserve a seat in the program and will be applied to tuition and fees upon completion of enrollment.

4. U.T. San Antonio: Approval to establish a Doctor of Philosophy (Ph.D.) in Public Health degree program and appropriate action regarding proposed tuition and fee rates

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health 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 (Ph.D.) in Public Health degree program at U.T. San Antonio;
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action; and
- c. approve new tuition rates of \$371 per semester credit hour (SCH) for residents and \$1,124 per SCH for non-residents.

BACKGROUND INFORMATION

Program Description

The proposed Ph.D. in Public Health at the Kate Marmion School of Public Health will be designed to prepare post-master's students to become independent scholars who advance public health through original research, methodological innovation, and theory development, ultimately shaping public health science and informing evidence-based policy. Graduates of Ph.D. programs in Public Health typically pursue careers in academic institutions, governmental and non-governmental organizations, health systems, and community-based settings. The proposed degree program, comprising 48 graduate student credit hours, is intentionally flexible, allowing graduates to contribute across various domains, including data science, epidemiology and biostatistics, health promotion, environmental health, and health policy. Students will receive training that integrates rigorous research methodology with applied public health practice. Students will explore the causes, consequences, and interventions related to population health challenges, with a focus on evidence-based solutions. This program will be open to both full-time and part-time students and offered through in-person instructional delivery.

Need and Student Demand

Future job projections indicate a strong rise in demand for individuals trained in public health, both nationally and within Texas. According to the U.S. Bureau of Labor Statistics, employment in the healthcare and social assistance sector is projected to grow by 5.2 million jobs between 2024 and 2034, making it the fastest-growing sector in the country. Within this sector, public health roles are expected to see sustained growth as the emphasis on preventive care and population health management grows. Public health roles that typically require a Ph.D. in Public Health are projected to grow 16% from 2024 to 2034, reflecting continued demand for advanced

analytical skills in population health. Similarly, health system management positions are projected to grow 23% over the same period, driven by increasing complexity in public health systems and population health management. These roles require leadership, data analytics, policy evaluation, and systems thinking, core competencies that can be developed within this proposed Ph.D. program.

In Texas, the Health Professions Resource Center projects significant shortages in health-related occupations through 2036. This shortage is driven by increased demand, including for epidemiologists and prevention specialists, disaster and emergency preparedness, disease prevention, and population health professionals. Recent data from the Department of State Health Services, the state's lead public-health agency, reveal that 1 in 5 employees in public health leadership positions are nearing retirement. The proposed doctoral program is designed to provide rigorous methodological training and advanced theoretical grounding in public health sciences, with focused scholarly engagement relevant to central and south Texas. The research-focused curriculum will be delivered by faculty with expertise in rural, military, and community health research, emphasizing the development of independent investigators capable of generating original, impactful research important to Texas. The proposed Ph.D. program will be the only doctoral-level public health program offered within 200 miles of San Antonio.

Increasing the number of public health professionals trained and retained in Texas is critically needed to enhance population health and address health gaps in South Texas and statewide. U.T. San Antonio, situated in a high-need region and already serving a large pool of graduate students in health-related fields, is uniquely positioned to meet this demand and make a meaningful contribution to the state's and nation's public health infrastructure.

Program Quality

The proposed Ph.D. program combines academic rigor with professional relevance, ensuring quality through accomplished faculty with strong research records and applied expertise. It will be supported by 18 core faculty from four Departments in the Kate Marmion School of Public Health, which in the less than five years since it was established, has risen to a rank of 36 in National Institutes of Health research funding for professionally accredited public health schools nationwide. Additionally, faculty collaborations with the Department of Public Health in the College for Health, Community and Policy will forge expanding opportunities for faculty engagement and provide students with wide-range possibilities to develop public health expertise that is responsive to community needs. No new hires are required at program launch, though strategic additions could occur within three to five years, depending on program growth.

The proposed program is designed to prepare students for advanced research, leadership, and academic careers in public health and population health sciences, emphasizing interdisciplinary training, methodological rigor, and real-world application, with a curriculum that integrates foundational public health competencies and two specialized concentrations – applied public health data sciences and public health systems, management, and policy. Through coursework and research mentorship with faculty members, students will be trained to integrate advanced data science methodologies with public health practice, ensuring that their research is both methodologically rigorous and directly responsive to public health needs.

Revenue and Expenses

Projected Enrollment	5-Year Total
Number of Students Used for Formula Funding Calculation (for years 2 and 4)	27
Total Number of Students	61
Expenses	5-Year Total
<i>Faculty</i>	
Salaries and Benefits	\$ 2,038,963
Graduate Teaching Assistant Salaries and Benefits	\$ 232,200
<i>Staff & Administration</i>	
Administrative Staff Salaries and Benefits	\$ 210,228
<i>Other Expenses</i>	
Scholarships, Materials, Marketing	\$ 238,281
Total Expenses	\$ 2,719,672
Revenue	5-Year Total
<i>From Student Enrollment</i>	
Formula Funding	\$ 414,170
Tuition and Fees	\$ 437,723
<i>From Other Revenue Sources</i>	
Institutional Support	\$1,867,779
Total Revenue	\$ 2,719,672

Tuition and Fees

The tuition and fee rates for this proposed Ph.D. program are benchmarked to existing Ph.D. programs in U.T. San Antonio's academic programs and are in line with similar programs statewide. The proposed rates are \$371 per SCH for residents and \$1,124 per SCH for non-residents. Existing mandatory fees will also be assessed for students enrolled in this proposed program. As a post-master's doctoral program, this proposed program of 48 SCH will accommodate full-time and part-time students.

Ph.D. Public Health Resident Tuition Per SCH	
Statutory Authority	Proposed FY 2027-2028 Rate (\$/SCH)
Statutory-54.051	\$50
Designated-54.0513	\$221
Differential-54.008	\$100
Tuition Total per SCH	\$371
Annual SCH for Program	24
TOTAL Annual Tuition	\$8,904

Ph.D. Public Health Non-Resident Tuition Per SCH	
Statutory Authority	Proposed 2027-2028 Rate (\$/SCH)
Statutory-54.051	\$478
Designated-54.0513	\$546
Differential-54.008	\$100
Tuition Total per SCH	\$1,124
Annual SCH for Program*	24
TOTAL Annual Tuition	\$26,976

A public hearing opportunity regarding the proposed designated tuition will be provided before the full Board prior to consideration of this item during the Committee meeting.

Coordinating Board Criteria

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



TABLE OF CONTENTS FOR FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

Committee Meeting: 8/12/2026

Board Meeting: 8/13/2026
Austin, Texas

Robert P. Gauntt, Chairman
Christina Melton Crain
Nolan Perez
Stuart W. Stedman
Kelcy L. Warren
Rad Weaver

	Committee Meeting	Board Meeting	Page
Convene	<i>3:00 p.m.</i> <i>Chairman</i>		
1. U.T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	126
2. U.T. System: Amendment of the current Capital Improvement Program to include Deferred Maintenance Permanent University Fund (PUF) Funded Program projects; appropriation of funds for Repair and Rehabilitation projects; authorization of institutional management	Action <i>Stephen Harris</i>	Action	127
3. U.T. Austin: The UT Dell Medical Center at The University of Texas at Austin, Phase 1 - Early Work and Site Preparation - Amendment of the current Capital Improvement Program to include Phase I; approval of total project cost; approval of design development for Phase I; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	Action <i>President Davis</i>	Action	130
4. U.T. Dallas: Research and Operations Center West, Phase II - Amendment of the current Capital Improvement Program to include project; approval of total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	Action <i>President Moghe</i>	Action	135

	Committee Meeting	Board Meeting	Page
5. U.T. Rio Grande Valley: Repair and Renovation of the School of Optometry - Amendment of the current Capital Improvement Program to include project; approval of design development; allocation of Permanent University Fund (PUF) Bond Proceeds; and appropriation of funds and authorization of expenditure	Action <i>President Bailey</i>	Action	139
6. U.T. Tyler: Campus Village Residence Hall, Phase 1 - Amendment of the current Capital Improvement Program to include project	Action <i>President Philley</i>	Action	141
Adjourn	3:30 p.m.		

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

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 144](#).

2. U.T. System: Amendment of the current Capital Improvement Program to include Deferred Maintenance Permanent University Fund (PUF) Funded Program projects; appropriation of funds for Repair and Rehabilitation projects; authorization of institutional management

RECOMMENDATION

In accordance with the Constitutional debt capacity of the Permanent University Fund (PUF) funding for U.T. institutions, the Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor and Chief Operating Officer, and the Presidents of the respective U.T. institutions that the U.T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the following projects as follows:

- a. amend the current Capital Improvement Program (CIP) to include the projects for the following institutions: U.T. Permian Basin, U.T. San Antonio, and Stephen F. Austin State University;
- b. approve the appropriation of \$4,450,000 of PUF Bond Proceeds for U.T. Permian Basin to address Library/Lecture Center Rehabilitation, Phase 1 deferred maintenance in education and general facilities;
- c. approve the appropriation of \$117,551,167 of PUF Bond Proceeds for U.T. San Antonio to address Phase 2 deferred maintenance in education and general facilities;
- d. approve the appropriation of \$37,350,000 of PUF Bond Proceeds for Stephen F. Austin State University to address deferred maintenance in education and general facilities; and
- e. authorize U.T. Permian Basin, U.T. San Antonio, and Stephen F. Austin State University to manage its project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts in compliance with U.T. System rules, regulations, and policies.

BACKGROUND INFORMATION

Previous Action

On August 21, 2025, the Board approved the allocation of \$1.19 billion of Permanent University Fund (PUF) Bond Proceeds for capital projects addressing Deferred Maintenance (DM). Based on the Fiscal Year 2024 Campus Condition Report (Report), issued January 2025 summarizing the facilities condition and deferred maintenance needs across U.T. institutions, there was \$2.63 billion in unfunded deferred maintenance needs in Education and General (E&G) space as of Fiscal Year 2024. This amount excludes the deferred maintenance needs in non-E&G space, which totaled an additional \$1.2 billion.

On February 19, 2026, the Board approved the addition of four institutional PUF DM projects to the current CIP for U.T. Dallas, U.T. San Antonio, Phase I, U.T. Southwestern Medical Center, and U.T. Health Science Center - Houston, totaling approximately \$422 million.

On May 21, 2026, the Board approved the addition of four institutional PUF DM projects to the current CIP for U.T. Arlington, U.T. El Paso, U.T. Tyler, and U.T. Medical Branch - Galveston, totaling approximately \$336.8 million.

Project Description

As described in the Report, a relevant industry metric for annual facility recapitalization is 1.5% to 3.0% of current replacement value. The proposed allocation methodology would allocate PUF bond proceeds to address deferred maintenance for E&G space allocated at 2.5% of current replacement value for academic institutions and 1.5% of current replacement value for health institutions, with each institution's allocation capped at the amount of deferred maintenance reflected on the most recent Report, subject to a minimum annual allocation of \$10 million.

The aggregate PUF allocation of \$1.19 billion would address approximately 45% of the \$2.63 billion of deferred maintenance needs in E&G space across U.T. institutions. This item addresses approximately \$159.5 million of the total \$1.19 billion PUF allocation, and additional phases at the remaining institutions will be presented to the Board for approval at a later date.

The proposed repair and rehabilitation projects have been approved by U.T. System staff and meet the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be presented to the Board of Regents, Chancellor, or the institution President for approval at a later date.

U.T. Permian Basin

Project 501-1607 Library/Lecture Center Rehabilitation, Phase I: The J. Conrad Dunagan Library was completed in 2001, with daily foot-traffic among the highest of any building on campus and building systems rapidly approaching end of life. Building remediations are necessary to address known deficiencies and ensure the continued availability of this critical campus resource. The project will consist of exterior building rehabilitation including sealing curtain wall framing and windows, resetting mullions on curtain walls, mechanical repairs including elevator systems, HVAC equipment and controls upgrades, fire detection systems, plumbing, and roof repairs.

U.T. San Antonio

Phase 2 of this PUF DM Program will address essential infrastructure needs across various campus facilities for both U.T. San Antonio and U.T. Health San Antonio. This phase will concentrate on older academic and administrative buildings requiring attention. Planned improvements encompass updating legacy utility systems to enhance reliability and meet current regulatory standards accounting for the net \$117,551,167 of the total \$185,820,000 PUF allocation for U.T. San Antonio. Project 401-1605 Academic Campus will receive \$88,360,975 and Project 402-1606 Health Campus will receive \$29,190,192.

Stephen F. Austin

Project 805-1627 includes multiple campus buildings and various building systems. Systems to be addressed through this program include roofing, HVAC, mechanical, electrical, plumbing, life safety, elevators and interior finishes. The scope also includes the removal of three campus buildings that have reached the end of their useful life.

3. **U.T. Austin: The UT Dell Medical Center at The University of Texas at Austin, Phase 1 - Early Work and Site Preparation - Amendment of the current Capital Improvement Program to include Phase I; approval of total project cost; approval of design development for Phase I; 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 Health Affairs, the Executive Vice Chancellor and Chief Operating Officer, and the institutional president that the U.T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the UT Dell Medical Center at The University of Texas at Austin, Phase 1 - Early Work and Site Preparation project at The University of Texas at Austin as follows:

- a. amend the CIP to include project with a total project cost for Phase I of \$1,000,000,000;
- b. approve design development plans Phase I;
- c. appropriate funds and authorize expenditure of \$1,000,000,000 from Revenue Financing System (RFS) Bond Proceeds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U.T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U.T. System Board of Regents relating to the Financing System; and U.T. Austin, 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 \$1,000,000,000.

BACKGROUND INFORMATION

Debt Service

The \$1,000,000,000 in RFS debt is expected to be repaid from clinical revenues. Annual debt service on the \$1,000,000,000 in RFS debt is expected to be \$56 million. The institution's Scorecard Rating of 1.4 at Fiscal Year-end 2025 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

The original Definition Phase request for the Medical Complex Project was approved by the Chancellor on January 8, 2024, with a proposed total project cost (TPC) of \$2,900,000,000, and a revision increasing the proposed TPC to \$5,000,000,000 was requested and approved by the Chancellor on June 19, 2025.

Since that time, an alternate project site has been identified and the program requirements have been reviewed and refined. On July 7, 2026, a revised Definition Phase request, including a project name change to the UT Dell Medical Center at The University of Texas at Austin, was approved by the Chancellor.

Project Description

The University of Texas at Austin is constructing the UT Dell Medical Center, located on the UT Dell Campus for Advanced Research, a transformative new academic medical destination on an approximately 27-acre site in the center of the west (former) Pickle Research Campus. Enabled by a historic philanthropic commitment from Michael and Susan Dell, this once-in-a-generation investment will bring together clinical care, research, advanced computing, and medical education in a purpose-built environment. The campus is envisioned as a unified ecosystem that connects prevention, diagnosis, treatment, education, and discovery, positioning U.T. Austin at the forefront of innovation while advancing its vision for an integrated academic health system. At the core of the campus will be the UT Dell Medical Center, projected to be an approximately 2.5 million gross square feet (GSF) tertiary care medical center with inpatient, outpatient, and clinical support space. Designed as a next-generation operative and interventional platform, the campus will deliver comprehensive inpatient and outpatient services, including acute and critical care, advanced diagnostics, rehabilitation, and surgical services. In partnership with The University of Texas M.D. Anderson Cancer Center, the facility will incorporate oncology care within a fully integrated healthcare enterprise designed to serve patients with a broader approach to complex conditions. Care delivery will be supported by a digitally enabled infrastructure that enhances coordination, strengthens clinical decision-making, and advances more personalized and predictive care. The facility will position U.T. Austin to lead in the treatment of complex and high-acuity conditions, while fully integrating research and medical education into care delivery.

The campus will support a patient-centered model of care, incorporating digital technology, robotics, and automation to improve operations and the experience for patients and care teams. Design strategies emphasize efficient patient flow, coordinated care pathways, and real-time information sharing, while maintaining flexibility to adapt to future care models and growth.

Development will advance in phases to support efficient delivery and alignment with funding and program maturity. U.T. Austin is seeking approval to advance an initial phase, Early Packages and Site Preparation, to maintain schedule and enable timely execution. Early activities include site clearing, excavation, subgrade structures, and procurement of long-lead building and utility components.

This proposed project has been approved by U.T. System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding for future phases will be presented to the Board for approval at a later date.

The University of Texas Austin
The UT Dell Medical Center at The University of Texas at Austin,
Phase 1 - Early Work and Site Preparation

Project Information

Project Number	102-2024
CIP Project Type	New Construction
Facility Type	Healthcare Facility, Hospital
Management Type	Institutional Management
Institution's Project Advocates	Claudia Lucchinetti, Dean of Dell Medical School and Senior Vice President for Medical Affairs Kathleen Brock, Vice President of Operations
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	2,500,000

Project Funding

Revenue Financing System Bond Proceeds ¹	<u>Proposed</u> <u>\$1,000,000,000</u>
Total Project Cost	\$1,000,000,000

¹ Revenue Financing System (RFS) debt service to be repaid from clinical revenues

Project Cost Detail

	Cost
Building Cost	\$0
Fixed Equipment	60,000,000
Site Development	650,000,000
Furniture and Moveable Equipment	50,000,000
Institutionally Managed Work	52,000,000
Architectural/Design Services	100,000,000
Project Management	2,800,000
Insurance	-
Other Professional Fees	-
Project Contingency	85,200,000
Other Costs	-
Total Project Cost	\$1,000,000,000

Project Planning

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

The University of Texas Austin
The UT Dell Medical Center at The University of Texas at Austin,
Phase 1 - Early Work and Site Preparation
(continued)

Project Milestones

Definition Phase Approval - DMC	July 2026
Addition to CIP	August 2026
Design Development Approval	August 2026
Construction Notice to Proceed	September 2026
Substantial Completion	July 2030
Final Completion	December 2030

4. **U.T. Dallas: Research and Operations Center West, Phase II - Amendment of the current Capital Improvement Program to include project; approval of total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor and Chief Operating Officer, and the institutional president that the U.T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the Research and Operations Center West, Phase II project at The University of Texas at Dallas as follows:

- a. amend the CIP to include project with a total project cost of \$23,000,000;
- b. approve design development plans;
- c. appropriate funds and authorize expenditure of \$23,000,000 from Revenue Financing System (RFS) Bond Proceeds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U.T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U.T. System Board of Regents relating to the Financing System; and U.T. Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U.T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$23,000,000.

BACKGROUND INFORMATION

Debt Service

The \$23,000,000 in RFS debt is expected to be repaid from institutional funds. Annual debt service on the \$23,000,000 in RFS debt is expected to be \$1.29 million. The institution's Scorecard Rating of 3.3 at Fiscal Year-end 2025 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

Previous Action

On January 12, 2026, the Chancellor approved the project for Definition Phase.

Project Description

This project is anticipated to mirror the approximately 36,000 gross square feet (GSF) of the adjacent Research and Operations Center West, Phase I facility as a metal building, including the finish-out of offices, a break area, workroom, restrooms, and infrastructure for the future finish-out of lab spaces. Laboratory spaces will be constructed as shell space to be completed at a later date as researchers are assigned, which is currently planned as a separate phase.

Supporting spaces for the new facility include restrooms, building storage, mechanical, electrical, telecom/server rooms, and janitorial spaces. Selective demolition of existing building tie-in locations, utilities, landscaping, and paving is expected to make way for the new construction. Exterior improvements will include landscaping, irrigation, lighting, sidewalks, and crosswalks. Infrastructure improvements are anticipated to include telecom and electrical duct banks, manholes, utility vaults, natural gas distribution, potable water supply, sanitary sewer, fire lines and hydrants, and storm water management.

This proposed project has been approved by U.T. System staff and meets the criteria for inclusion in the CIP.

**The University of Texas Dallas
Research and Operations Center West, Phase II**

Project Information

Project Number	302-1613
CIP Project Type	New Construction
Facility Type	Laboratory, General
Management Type	Office of Capital Projects
Institution's Project Advocate	Joe Pancrazio, Vice President for Research and Innovation
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	35,980
Shell Space (GSF)	16,736

Project Funding

Revenue Financing System Bond Proceeds ¹	<u>Proposed</u> <u>\$23,000,000</u>
Total Project Cost	<u>\$23,000,000</u>

¹ Revenue Financing System (RFS) debt service to be repaid from institutional funds

Project Cost Detail

	Cost
Building Cost	\$13,450,000
Fixed Equipment	650,000
Site Development	1,500,000
Furniture and Moveable Equipment	500,000
Institutionally Managed Work	2,149,750
Architectural/Design Services	1,720,225
Project Management	1,200,000
Insurance	249,750
Other Professional Fees	500,250
Project Contingency	1,080,025
Other Costs	-
Total Project Cost	\$23,000,000

The University of Texas Dallas
Research and Operations Center West, Phase II
 (continued)

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

Research and Operations Center West, Phase II (with 47% Shell space)	\$374		
Research and Operations Center West, Phase II (Total Estimated Finish-Out)	\$538		
Texas Higher Education Coordinating Board Average – Laboratory, General	\$902		
	Low Quartile	Median	High Quartile
Other U.T. System Projects	\$622	\$706	\$793
Other National Projects	\$759	\$956	\$1,228

Investment Metrics

- Add six new labs and floater space to support new researchers by 2028
- Aligns with Strategic Plan to support hiring goals by 2028

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 2026
Addition to CIP	August 2026
Design Development Approval	August 2026
Construction Notice to Proceed	September 2026
Substantial Completion	September 2027
Final Completion	October 2027

Basis of Design

The planned building life expectancy includes the following elements:

Enclosure: 25 - 30 years
 Building Systems: 25 years
 Interior Construction: 10 - 20 years

5. **U.T. Rio Grande Valley: Repair and Renovation of the School of Optometry - Amendment of the current Capital Improvement Program to include project; approval of design development; allocation of Permanent University Fund (PUF) Bond Proceeds; 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 Health Affairs, the Executive Vice Chancellor and Chief Operating Officer, and the institutional president that the U.T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the Repair and Renovation for the School of Optometry project at The University of Texas Rio Grande Valley as follows:

- a. amend the CIP to include project with a total project cost of \$41,300,000;
- b. approve design development plans; and
- c. appropriate funds and authorize expenditure of \$41,300,000 from Permanent University Fund (PUF) Bond Proceeds;

BACKGROUND INFORMATION

Previous Action

On April 6, 2026, the Chancellor approved the project for Definition Phase.

Project Description

The School of Optometry at UTRGV aims to address the region's critical shortage of vision care while advancing research and treatment on the effects of diabetes on ocular structures. Through collaboration with the School of Medicine, School of Podiatric Medicine, South Texas Diabetes and Obesity Institute, and Memory and Aging Center, the program will integrate state-of-the-art research into its curriculum to tackle diabetes-related eye diseases, a major local health concern. The repair and renovations will include instructional, clinical spaces, faculty and administrative offices, research, student support, and building support functions.

The new Doctor of Optometry program plans to enroll around 40 students per cohort and employ 21 full-time faculty, combining research and clinical expertise. Students will receive comprehensive training in optometric specialties such as ocular disease, myopia management, vision therapy, and minor surgical care, including laser procedures, along with significant hands-on experience through approximately 1,500 supervised patient encounters, consistent with national benchmarks for excellence.

This proposed Repair and Rehabilitation project has been approved by U.T. System staff and meets the criteria for inclusion in the CIP. It has been determined that this project would best be managed by the UTRGV Facilities Management personnel who have the experience and capability to manage all aspects of the work.

The University of Texas Rio Grande Valley Repair and Renovation of the School of Optometry

Project Information

Project Number	903-1625
CIP Project Type	Repair and Rehabilitation
Facility Type	Classroom, Medical/Healthcare
Management Type	Institutional Management
Institution's Project Advocate	William L. Miller, Dean, School of Optometry
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	46,000

Project Funding

Permanent University Fund Bond Proceeds	<u>Proposed</u> <u>\$41,300,000</u>
Total Project Cost	<u>\$41,300,000</u>

Project Cost Detail

	Cost
Building Cost	\$19,940,000
Fixed Equipment	508,025
Site Development	1,004,000
Furniture and Moveable Equipment	10,597,475
Institutionally Managed Work	2,025,000
Architectural/Design Services	2,051,500
Project Management	1,652,000
Insurance	613,000
Other Professional Fees	749,000
Project Contingency	2,150,000
Other Costs	10,000
Total Project Cost	\$41,300,000

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	April 2026
Addition to CIP	August 2026
Design Development Approval	August 2026
Construction Notice to Proceed	November 2026
Substantial Completion	December 2027
Final Completion	January 2028

6. **U.T. Tyler: Campus Village Residence Hall, Phase 1 - Amendment of the current Capital Improvement Program to include project**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor and Chief Operating Officer, and the institutional president that the U.T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the Campus Village Residence Hall, Phase 1 project at The University of Texas at Tyler.

BACKGROUND INFORMATION

Previous Actions

On December 14, 2023, the Chancellor approved the project for Definition Phase with an original total project cost of \$100,000,000. On March 16, 2026, a revised Definition Phase request was approved to increase the total project cost to \$114,000,000.

Project Description

The Campus Village Residence Hall, Phase 1 (CVRH) project represents the first component of a broader residence hall development initiative intended to support sustained enrollment growth and expand on-campus housing capacity. During the initial Definition Phase, the project advanced into programming and development, then the project was subsequently paused. The pause was to allow for alignment with updated institutional planning priorities and to undertake additional financial analyses, as well as a more comprehensive evaluation of site feasibility.

U.T. Tyler is seeking approval to resume progress on CVRH, building upon the work completed prior to the project being paused. The revised project scope is currently envisioned at approximately 118,000 gross square feet and includes approximately 390 beds primarily serving first and second-year students. The development also incorporates an associated parking facility with approximately 450 parking spaces to support the residence hall and adjacent campus needs bringing the overall footprint to 227,200 gross square feet.

This proposed project has been approved by U.T. System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date.

The University of Texas at Tyler
Campus Village Residence Hall, Phase 1

Project Information

Project Number	802-1503
CIP Project Type	New Construction
Facility Type	Housing, Apartments
Management Type	Office of Capital Projects
Institution's Project Advocates	Daniel Deslatte, Chief Business Officer Stephanie Fenter, Vice President Operations for Academic Affairs
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	227,200
Parking Spaces	450

Project Funding

Revenue Financing System Bond Proceeds ¹	<u>Proposed</u> <u>\$114,000,000</u>
Total Project Cost	\$114,000,000

¹ Revenue Financing System (RFS) debt service to be repaid from rental income

Project Cost Detail

	Cost
Building Cost	
Residence Hall	\$67,416,830
Parking Garage	\$14,730,914
Fixed Equipment	500,000
Site Development	2,142,505
Furniture and Moveable Equipment	3,600,000
Institutionally Managed Work	4,275,000
Architectural/Design Services	7,526,720
Project Management	3,375,000
Insurance	1,689,819
Other Professional Fees	4,275,000
Project Contingency	4,468,212
Other Costs	-
Total Project Cost	\$114,000,000

The University of Texas at Tyler
Campus Village Residence Hall, Phase 1
 (continued)

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

Campus Village Residence Hall, Phase 1	\$172,864		
Texas Higher Education Coordinating Board Average – Housing, Dormitory	Not Available		
	Low Quartile	Median	High Quartile
Other U.T. System Projects	\$117,543	\$143,314	\$175,950
Other National Projects	\$119,816	\$178,271	\$217,876

Investment Metrics

- Increase student housing from 1,362 beds to 1,752 beds by 2029

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 2026
Addition to CIP	August 2026
Design Development Approval	November 2026
Construction Notice to Proceed	December 2026
Substantial Completion	September 2028
Final Completion	October 2028

Basis of Design

The planned building life expectancy includes the following elements:

Enclosure: 25 - 30 years
 Building Systems: 15 - 25 years
 Interior Construction: 10 - 15 years



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

Committee and Board Meetings:

August 12-13, 2026
Austin, Texas

		Page
MEETING OF THE BOARD		
1.	Minutes - U.T. System Board of Regents : Approval of Minutes of the regular meeting held on May 20-21, 2026; and the special called meeting held June 24, 2026	151
2.	Resolution - U.T. System Board of Regents : Adoption of resolution regarding the list of Key Management Personnel authorized to negotiate, execute, and administer classified government contracts (Managerial Group)	151
3.	Contract (funds going out) - U.T. System : Academic Impressions to provide professional development membership to U.T. System and U.T. academic and health institutions' faculty, staff, and students	153
4.	Contract (funds going out) - U.T. System : Coursera, Inc., to provide U.T. academic and health institutions unlimited access to industry-recognized micro-credentials	154
AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE		
5.	Resolution - U.T. System Board of Regents : Adoption of resolution to contract with Zurich American Insurance Company and affiliates, Schaumburg, Illinois, and to guarantee payments under Phase IX of The University of Texas System's Rolling Owner Controlled Insurance Program (ROCIP)	155
6.	Other Matters - U.T. System : Approval of Revisions to the U.T. System Model Policy for Sexual Harassment and Sexual Misconduct, and approval of Subsequent Revisions to Sexual Harassment and Sexual Misconduct Policies at U.T. Academic and Health Institutions	156
FINANCE AND PLANNING COMMITTEE		
7.	Other Fiscal Matters - U.T. System Board of Regents : Adoption of a Resolution authorizing the issuance, sale, and delivery of Permanent University Fund Bonds and authorization to complete all related transactions	157
8.	Other Fiscal Matters - U.T. System Board of Regents : Adoption of a Supplemental Resolution authorizing the issuance, sale, and delivery of Revenue Financing System Bonds and authorization to complete all related transactions	158
9.	Other Fiscal Matters - U.T. System Board of Regents : Adoption of resolutions authorizing certain bond enhancement agreements for Revenue Financing System debt and Permanent University Fund debt and ratification of Regents' Rule 80306	160

	Page
10. Other Fiscal Matters - U.T. System Board of Regents: Equipment financing authorization for Fiscal Year 2027 and resolution regarding parity debt	168
11. Other Fiscal Matters - U.T. System Board of Regents: Amendments to the Investment Policy Statements for the Permanent University Fund, the General Endowment Fund, the Intermediate Term Fund, the Long Term Fund, the Permanent Health Fund, and the Liquidity Policy	171
12. Request for Budget Change - U.T. System: Transfer \$40,000,000 from Available University Fund revenue to U.T. System Revenue Financing System Clearing to adjust budget to permit retirement of outstanding debt (RBC No. 15749) -- amendment to the FY 2026 budget	173
13. Other Fiscal Matters - U.T. Arlington: Approval of loan agreement with the State Energy Conservation Office	173

ACADEMIC AFFAIRS COMMITTEE

14. Other Matters - U.T. System Board of Regents: Research Security Certification required pursuant to House Bill 127	174
15. Contracts (funds going out) - U.T. Arlington: Harold James, Inc.; Spaeth Machine Shop, Inc.; XSail Mechanical A/C & Heating; and McCarthy Wild Services, Inc., to provide job order contracting services to campus facilities	175
16. Contracts (funds going out) - U.T. Arlington: Tri-Lam Roofing & Waterproofing, Inc.; Frontier Waterproofing, Inc.; and Marshal Renee Construction Companies, LLC, to provide blanket order contracting services to campus facilities	175
17. Request for Budget Change - U.T. Arlington: New award of tenure appointments	176
18. Contract (funds going out) - U.T. Austin: Agreement with Mydatt Services Inc., dba Block by Block, to provide cleaning, environmental maintenance, and safety services in designated service area	178
19. Contract (funds going out) - U.T. Austin: Amendment to Agreement with ACC SC MANAGEMENT, LLC, to provide property management services	179
20. Contract (funds going out) - U.T. Austin: Amendment to Agreement with Foundation DIS to provide on-site support to U.T. Austin students who study abroad on a faculty-led program	180
21. Contract (funds going out) - U.T. Austin: Amendment to Interlocal Agreement with City of Austin to provide police officers for security at U.T. Austin home football games	181
22. Contract (funds going out) - U.T. Austin: Amendment to Agreement with the Texas Center for Child and Family Studies to provide funding to support statewide programs for families with adopted children	182

	Page
23. Request for Budget Change - U.T. Austin : New award of tenure appointments	183
24. Request for Budget Change - U.T. Austin : Tenure Appointments -- amendment to the FY 2026 budget	186
25. Provost Appointment - U.T. Austin : Approval of appointment of Bob Bursey as Vice Provost for the Arts	187
26. Provost Appointment - U.T. Austin : Approval of appointment of John Dalton, M.S., as Associate Vice Provost for Academic Effectiveness	187
27. Sale - U.T. Austin : Authorization to sell four parcels totaling approximately 18,548 square feet of land located at 1701 Red River Street, 2901 North I-35, 2400 North I-35, and 1104 Manor Road, Austin, Travis County, Texas, to the State of Texas, acting by and through the Texas Transportation Commission, in support of the I-35 Capital Express Central Project	188
28. Request for Budget Change - U.T. Dallas : New award of tenure appointments	189
29. Request for Budget Change - U.T. Dallas : Tenure Appointment -- amendment to the FY 2026 budget	190
30. Provost Appointment - U.T. Dallas : Approval of appointment of Marc Christensen, Ph.D., P.E., F.N.A.I., as Executive Vice President for Academic Affairs and Provost	191
31. Lease - U.T. Dallas : Authorization to amend and extend lease of approximately 30.832 acres of land improved with a golf driving range located at the southeast corner of Waterview Parkway and West Renner Road, north of the U.T. Dallas Campus in Richardson, Collin County, Texas, to North Campus Practice Range LLC, or its successors or assigns, for use as a golf driving range and practice facility	191
32. Gift - U.T. Dallas : Authorization to accept the gift of five sculptures (all untitled) already installed on the U.T. Dallas campus outside of the Edith and Peter O'Donnell Jr. Athenaeum Phase I for use by the Crow Museum of Asian Art	192
33. Contract (funds coming in) - U.T. El Paso : El Paso Community Foundation to provide programming and operational services for U.T. El Paso's FM radio broadcast station KTEP, including purchase option	201
34. Contract (funds coming in and going out) - U.T. El Paso : Amendment to Agreement with Sodexo Services of Texas Limited Partnership to provide campus food services	203
35. Request for Budget Change - U.T. El Paso : Transfer \$15,000,000 from Designated Funds to Approved Projects for use of one-time fund balances to support minor capital improvements and cover implementation costs for a donor management and customer relationship management (CRM) software platform (RBC No. 15635) -- amendment to the FY 2026 budget	204
36. Request for Budget Change - U.T. El Paso : New award of tenure appointments	204

	Page
37. Request for Budget Change - U.T. El Paso : Tenure Appointment -- amendment to the FY 2026 budget	205
38. Contract (funds coming in and going out) - U.T. Permian Basin : Agreement with Genuine Foods, LLC, to provide campus food services	206
39. Request for Budget Change - U.T. Permian Basin : New award of tenure appointments	206
40. Request for Budget Change - U.T. Rio Grande Valley : New award of tenure appointments	207
41. Lease - U.T. Rio Grande Valley : Authorization to amend, extend, and increase the size of an approximately 27,850 square-foot lease space by including an additional approximately 9,019 square-foot attached gymnasium space for a total of approximately 36,869 square feet, and to extend the lease term for the space, parking, and tennis court complex located at 101 Saint Joseph Drive, City of Brownsville, Cameron County, Texas, from Franco American Educational Society, for mission use, including academic, student, and administrative uses	208
42. Contract (funds going out) - U.T. San Antonio : Amendment to Agreement with Boldyn Networks Higher Ed LLC (formerly known as Apogee Telecom, Inc.) to provide wired and wireless networking services	209
43. Contract (funds going out) - U.T. San Antonio : Marksmen General Contractors, LLC, to provide job order contracting services for minor construction projects	210
44. Request for Budget Change - U.T. San Antonio : New award of tenure appointments	210
45. Request for Budget Change - U.T. San Antonio : Tenure Appointments -- amendment to the FY 2026 budget	212
46. Lease - U.T. San Antonio : Authorization to lease approximately 29,054 rentable square feet of medical office space, and related parking located at 3846 Medical Drive, San Antonio, Bexar County, Texas, from Serac Fountainhead San Antonio Owner, LLC, for mission related use	213
47. Lease - U.T. San Antonio : Authorization to master lease approximately 23,785 square feet of space, including 28 furnished residential units together with associated lobby, elevator, and common areas, located at 322 West Commerce Street, San Antonio, Bexar County, Texas, and commonly known as The Continental Hotel, from REVOLURBAN1, LLC, for mission purposes, including student housing and accommodations for faculty and guests of U.T. San Antonio; and authorization to obtain an option to purchase the property	214
48. Request for Budget Change - Stephen F. Austin State University : New award of tenure appointments	216
49. Contract (funds coming in and going out) - U.T. Tyler : Agreement with American Food and Vending Service of Missouri, Inc., dba American Dining Creations, to provide campus food service	217

	Page
50. Request for Budget Change - U.T. Tyler : New award of tenure appointments	218
HEALTH AFFAIRS COMMITTEE	
51. Request for Budget Change - U.T. Arlington : New award of tenure appointments	219
52. Request for Budget Change - U.T. Austin : New award of tenure appointments	219
53. Request for Budget Change - U.T. Austin : Tenure Appointment -- amendment to the FY 2026 budget	219
54. Request for Budget Change - U.T. El Paso : New award of tenure appointments	220
55. Request for Budget Change - U.T. Rio Grande Valley : New award of tenure appointments	220
56. Request for Budget Change - U.T. San Antonio : New award of tenure appointments	221
57. Request for Budget Change - U.T. San Antonio : Tenure Appointments -- amendment to the FY 2026 budget	222
58. Request for Budget Change - Stephen F. Austin State University : New award of tenure appointments	222
59. Request for Budget Change - Stephen F. Austin State University : Tenure Appointment -- amendment to the FY 2026 budget	222
60. Request for Budget Change - U.T. Tyler : New award of tenure appointments	223
61. Contract (funds coming in) - U.T. Southwestern Medical Center : To provide neurosurgery physician services onsite and on-call to beneficiaries of the Veterans Affairs and the North Texas Veterans Health Care System	223
62. Lease - U.T. Southwestern Medical Center : Authorization to lease approximately 6,900 rentable square feet of additional space and extend the current lease of approximately 48,770 rentable square feet of space located at 3020 and 3030 Waterview Parkway, Richardson, Collin County, Texas from GI DC RICHARDSON, LLC, for mission related uses	224
63. Lease - U.T. Southwestern Medical Center : Authorization to lease approximately 55,242 rentable square feet of space and related parking located at 1311 West President George Bush Turnpike, Richardson, Dallas County, Texas, from 1301 President George Bush Highway Holdings, LP, for mission related uses	225
64. Contract (funds going out) - U.T. Medical Branch - Galveston : Amendment to Agreement with Evoqua Water Technologies, LLC, to provide specialty water treatment systems	226

	Page
65. Contract (funds going out) - U.T. Medical Branch - Galveston : Amendment to Agreement with Qualified Health, PBC, to provide AI technology platform	227
66. Contract (funds going out) - U.T. Medical Branch - Galveston : Amendment to Agreement with Tejas Anesthesia, PLLC, to provide anesthesia services at U.T. Medical Branch - Galveston's League City Campus	228
67. Contract (funds going out) - U.T. Medical Branch - Galveston : Wavemark, Inc. to provide surgical procedure area inventory point-of-use technology	228
68. Request for Budget Change - U.T. Medical Branch - Galveston : New award of tenure appointments	229
69. Request for Budget Change - U.T. Medical Branch - Galveston : Tenure Appointment -- amendment to the FY 2026 budget	229
70. Lease - U.T. Medical Branch - Galveston : Authorization to amend and extend a lease of approximately 12,017 square feet of space in a building located at 1108 A East Mulberry Street, Angleton, Brazoria County, Texas, from Angleton Investments, LTD., for mission purposes, including clinical, operation, and administrative use	230
71. Purchase - U.T. Medical Branch - Galveston : Authorization to purchase approximately 0.34 acres of land and improvements, including an approximately 2,800 square foot medical office building and parking lot, located at 215 Oak Drive South, Suite B, Lake Jackson, Brazoria County, Texas, from Bennett Property Holdings, LLC, for mission use, including medical clinic use	231
72. Purchase - U.T. Medical Branch - Galveston : Authorization to purchase approximately 0.86 acres of land and improvements, including an approximately 6,040 square foot vacant medical office building and parking lot located at 6 Professional Park Drive, Webster, Harris County, Texas, from Charles Schuhmacher, for future medical use	231
73. Contract (funds coming in) - U.T. Health Science Center - Houston : To provide telepsychiatry/telepsychology and related services to residents and psychiatric patients in the Texas Health and Human Services Health and Specialty Care System	232
74. Request for Budget Change - U.T. Health Science Center - Houston : New award of tenure appointments	232
75. Request for Budget Change - U.T. Health Science Center - Houston : Tenure Appointment -- amendment to the FY 2026 budget	234
76. Provost Appointment - U.T. Health Science Center - Houston : Approval of appointment of Kevin Morano, Ph.D., as Provost and Chief Academic Officer	234
77. Contract (funds going out) - U.T.M.D. Anderson Cancer Center : Increase in estimated contract value for the Agreement with LMC Corporation to provide maintenance and repair job order contracting services	235

	Page
78. Contract (funds going out) - U.T.M.D. Anderson Cancer Center : Increase in estimated contract value for the Agreement with Noble Texas Builders, LLC, to provide maintenance and repair job order contracting services	236
79. Contract (funds going out) - U.T.M.D. Anderson Cancer Center : Increase in estimated contract value for the Agreement with P & W Architects, LLP, dba Philo Wilke Partnership, to provide architectural services	237
80. Contract (funds going out) - U.T.M.D. Anderson Cancer Center : Increase in estimated contract value for the Agreement with Trevino Group, Inc., to provide maintenance and repair job order contracting services	238
81. Contract (funds going out) - U.T.M.D. Anderson Cancer Center : Increase in estimated contract value for the Agreement with York Construction, Inc., to provide maintenance and repair job order contracting services	239
82. Contract (funds going out) - U.T.M.D. Anderson Cancer Center : Marriott Hotel Services, LLC to provide hotel management services	240
83. Contract (funds going out) - U.T.M.D. Anderson Cancer Center : Amendment to Agreement with Medical Informatics Corp. to provide subscription for patient data monitoring software	240
84. Contract (funds going out) - U.T.M.D. Anderson Cancer Center : TCB Specialties LLC, to provide institution-wide promotional products	241
85. Contract (funds going out) - U.T.M.D. Anderson Cancer Center : Amendment to Agreement with Terracon Consultants, Inc., to provide construction material testing services	241
86. Foreign Contract (funds coming in) - U.T.M.D. Anderson Cancer Center : To provide radiation quality assurance services for the Veneto Institute of Oncology IOV-IRCCS	242
87. Request for Budget Change - U.T.M.D. Anderson Cancer Center : New award of tenure appointments	242

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

88. Facilities Planning and Construction - U.T. Permian Basin : Mesa Building Renovation and Campus Transformation - Phase I - Amendment of the current Capital Improvement Program (CIP) to increase total project cost; allocation of Permanent University Fund (PUF) Bond Proceeds; and appropriation of funds and authorization of expenditure	244
89. Facilities Planning and Construction - Stephen F. Austin State University : Greg Arnold Center for Entrepreneurship - Amendment of the current Capital Improvement Program (CIP) to increase total project cost; allocation of Permanent University Fund (PUF) Bond Proceeds; and appropriation of funds and authorization of expenditure	245

MEETING OF THE BOARD

1. Minutes - U.T. System Board of Regents: Approval of Minutes of the regular meeting held on May 20-21, 2026; and the special called meeting held June 24, 2026
2. Resolution - U.T. System Board of Regents: Adoption of resolution regarding the list of Key Management Personnel authorized to negotiate, execute, and administer classified government contracts (Managerial Group)

To comply with the Department of Defense National Industrial Security Program Operating Manual (NISPOM) requirements, it is recommended that the Board of Regents approve the revised resolution set forth below regarding the designation and exclusion of individuals from the list of Key Management Personnel (KMP) authorized to negotiate, execute, and administer classified government contracts. This revision updates the title for Dr. Fernanda L. Leite, Vice President for Research at The University of Texas at Austin, as well as the name and term of the newly appointed Student Regent.

A Resolution amending the Managerial Group list was last adopted by the Board of Regents on May 21, 2026.

NISPOM defines KMP as "all entity officials who either hold majority interest or stock in, or have direct or indirect authority to influence or decide issues affecting the management or operations of, the entity or classified contract performance." The Manual requires that the Senior Management Official (SMO), Facility Security Officer (FSO), and the Insider Threat Program Senior Official (ITPSO) must always be designated as part of the Managerial Group and be cleared at the level of the Facility Clearance. Other officials or KMPs, as determined by the Defense Counterintelligence and Security Agency (DCSA), must be granted Personal Security Clearances or be formally excluded by name from access to classified material.

RESOLUTION

BE IT RESOLVED:

- a. That those persons occupying the following positions at The University of Texas System and The University of Texas at Austin shall be known as the Managerial Group, having the authority and responsibility for the negotiation, execution, and administration of Department of Defense (DoD) or User Agency contracts, as described in 32 CFR Part 117, "National Industrial Security Program Operating Manual" (NISPOM):

John M. Zerwas, M.D., Chancellor, The University of Texas System

James E. Davis, President, The University of Texas at Austin

Fernanda L. Leite, Ph.D., ~~Interim~~ Vice President for Research, The University of Texas at Austin

Francis J. Landry III, Facility Security Officer (FSO), The University of Texas System/Security Manager, Applied Research Labs, The University of Texas at Austin

Patrick H. Vetter, Insider Threat Program Senior Official (ITPSO), The University of Texas System/Assistant Security Director, Applied Research Labs,
The University of Texas at Austin

George E. Finney, Chief Information Security Officer, The University of Texas System

Joan M. Bienvenue, Ph.D., Associate Vice Chancellor for Research and Chief Research Security Officer, The University of Texas System

Michael J. Parks, Executive Director of Police, The University of Texas System

Margaret E. Lester, Assistant Director, Research Security, The University of Texas at Austin

Jennifer A. Baker, Senior Director, Research Security, The University of Texas at Austin

The Chief Executive Officer (i.e., the Chancellor) is the highest ranking member of the Managerial Group. The Chancellor and the members of the Managerial Group have been processed, or will be processed, for a personnel security clearance for access to classified information to the level of the facility security clearance granted to this institution, as provided for in the NISPOM.

The Managerial Group is hereby delegated all of the Board's duties and responsibilities pertaining to the protection of classified information under classified contracts of the DoD or User Agencies of the NISPOM awarded to U.T. System, including U.T. Austin.

- b. That the following named members of the U.T. System Board of Regents shall not require, shall not have, and can be effectively excluded from access to all classified information in the possession of U.T. System, including U.T. Austin, and do not occupy positions that would enable them to affect adversely the policies and practices of the U.T. System, including U.T. Austin, in the performance of classified contracts for the Department of Defense or User Agencies of the NISPOM awarded to the U.T. System, including U.T. Austin, and need not be processed for a personnel security clearance:

Members of the U.T. System Board of Regents:

Kevin P. Eltife, Chairman

Janiece Longoria, Vice Chairman

James C. "Rad" Weaver, Vice Chairman

Christina Melton Crain

Robert Paul Gauntt

Jodie Lee Jiles

Nolan E. Perez, M.D.

Stuart W. Stedman

Kelcy L. Warren

~~Lucas Benjamin Schwartz, Student Regent from June 1, 2025 to May 31, 2026
(nonvoting)~~

Jeremiah Shelby Clarke, Student Regent from June 1, 2026 to May 31, 2027
(nonvoting)

3. Contract (funds going out) - **U.T. System:** Academic Impressions to provide professional development membership to U.T. System and U.T. academic and health institutions' faculty, staff, and students

Agency: Academic Impressions

Funds: \$4,500,000

Period: September 1, 2026 through August 31, 2029

Description: Academic Impressions will provide enterprise membership services to each institution's faculty, staff, and students, and to U.T. System Administration's employees for leadership development. In addition, each institution will be able to receive two customized co-created leadership development programs per year and have access to a 24/7 AI-enabled leadership coach. This contract supersedes multiple institutions' existing contracts with Academic Impressions to leverage pricing and expand access to institutions that were unable to dedicate funds to their own contract.

Under this Agreement, institutions can procure additional services via the project addendum. The added services would be paid by the institution.

The Agreement was not competitively bid and was instead procured through an Exclusive Acquisition Justification.

4. Contract (funds going out) - **U.T. System:** Coursera, Inc., to provide U.T. academic and health institutions unlimited access to industry-recognized micro-credentials

Agency: Coursera, Inc.

Funds: \$15,065,000

Period: September 1, 2026 through August 31, 2031

Description: This new Master Services Agreement with Coursera, Inc., expands access to Coursera content for the full catalog of courses and resources in its Career Academy Plus program. The new product increases institutional access from 831 courses, which only included entry-level professional certificates, to 12,526 courses that have been curated and catalogued to help institutions navigate new resources. In addition, U.T. academic and health institutions will have access to several new products, including course builder, learning pathways, advanced industry professional certificates and specializations, generative AI courses, and university partner content.

The Agreement was not competitively bid and was instead procured through an Exclusive Acquisition Justification.

AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE

5. Resolution - U.T. System Board of Regents: Adoption of resolution to contract with Zurich American Insurance Company and affiliates, Schaumburg, Illinois, and to guarantee payments under Phase IX of The University of Texas System's Rolling Owner Controlled Insurance Program (ROCIP)

The Chancellor concurs in the recommendation of the Executive Vice Chancellor and Chief Operating Officer and the Chief Risk Officer that the resolution to contract with Zurich American Insurance Company and affiliates, Schaumburg, Illinois, and to guarantee payments under The University of Texas System's Rolling Owner Controlled Insurance Program (ROCIP) be adopted as set forth below:

RESOLUTION

WHEREAS, Zurich American Insurance Company and affiliates (Zurich), will insure The University of Texas System (U.T. System) and other persons under Phase IX of a ROCIP for various construction projects managed by the U.T. System or by a U.T. institution in certain, pre-approved circumstances;

WHEREAS, Pursuant to this ROCIP, Zurich will issue one or more workers' compensation insurance policies and comprehensive general liability insurance policies that contain deductibles of \$250,000 per claim subject to a maximum of \$375,000 per occurrence that include allocated costs and indemnity payments; however, such deductibles are subject to a minimum aggregate limit based on \$3,735,461,800 in construction value at a rate of \$3.3745 per \$1,000 of construction value; and

WHEREAS, The Board of Regents of U.T. System understands and agrees that this large deductible ROCIP requires the prompt reimbursement of sums advanced by Zurich to adjust or pay claims within the deductibles, and the Board desires to guaranty to Zurich the prompt reimbursement of the deductibles for the ROCIP;

NOW THEREFORE, BE IT RESOLVED, That the Board hereby guarantees to Zurich the prompt repayment of the sums advanced by Zurich to adjust or pay claims within the deductibles for the ROCIP, subject to the aggregate deductible limit for the program. This guaranty shall remain fully binding although Zurich may waive one or more defaults of the insured or fail to exercise any rights against the insured or modify one or more terms of the ROCIP as required by law or with the consent of U.T. System; and, be it further

RESOLVED, That the Board represents and warrants to Zurich that the funds necessary to reimburse Zurich for the aggregate deductible liability of the insured for the ROCIP are included in the appropriations for the various construction projects heretofore approved by the Board.

The resolution, which will be provided in lieu of a letter of credit, trust agreement, or cash, provides Zurich with assurances necessary to complete the ROCIP Phase IX program.

6. Other Matters - **U.T. System:** Approval of Revisions to the U.T. System Model Policy for Sexual Harassment and Sexual Misconduct, and approval of Subsequent Revisions to Sexual Harassment and Sexual Misconduct Policies at U.T. Academic and Health Institutions

Consistent with state law and Regents' Rule 30105 (Sexual Harassment, Sexual Misconduct, and Consensual Relationships), the Chancellor, Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor and General Counsel recommend the Board approve substantive revisions to the U.T. System Model Policy for Sexual Misconduct and also extend approval to any individual academic and health institution policies that are subsequently revised in accordance with the approved substantive revisions to the Model Policy, following review by the Office of Systemwide Compliance and the Office of General Counsel.

BACKGROUND INFORMATION

The Office of Systemwide Compliance is proposing revisions to its Model Policy for Sexual Misconduct, set forth on the following pages, to comply with the 2025 updates to the FBI crime definitions applicable to “fondling.” Additionally, the proposed Model Policy includes substantive revisions for additional clarity to existing definitions and procedures. The revised policy has been reviewed by the Office of Systemwide Compliance and the Office of General Counsel and has been found to comply with applicable laws and regulations.

If the proposed revisions to the Model Policy are approved by the Board, the academic and health institutions will then revise their institutional policies accordingly and submit for review by the Office of Systemwide Compliance and Office of General Counsel before taking effect.

The proposed substantive revisions to the Model Policy are as follows:

- Revising the definition of “Fondling” to comply with the 2025 update to the FBI crime definitions.
- Revising the definition of “Sexual Exploitation” to address a broader scope of misconduct to capture the rise of “AI” and “deep-fake” generated images of a sexual nature.
- Simplifying the definition of “Other Inappropriate Sexual Conduct” for better readability.
- Adding terms and definitions to assist with evaluating the elements of “Sexual Harassment” and “Other Inappropriate Sexual Conduct.”
- Revising the informal resolution eligibility options to allow more opportunities for this type of resolution, to incentivize more participation in the overall grievance process, and to allow for more institutional discretion.
- Reorganizing the Model Policy for better organizational flow and readability, and adding clarifying language to various sections for additional clarity and transparency.

Note: The proposed U.T. System Model Policy for Sexual Harassment and Sexual Misconduct is available online at: <https://www.utsystem.edu/board-of-regents/meetings/board-meeting-2026-08-12>.

FINANCE AND PLANNING COMMITTEE

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

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor and Chief Operating Officer that the U.T. System Board of Regents

- a. adopt a Resolution, substantially in the form previously approved by the U.T. System Board of Regents, authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Permanent University Fund (PUF) Bonds in one or more installments in an aggregate principal amount not to exceed \$975,000,000 to be used to refund certain outstanding PUF Bonds, to refund PUF Commercial Paper Notes, to provide new money to fund construction and acquisition costs, and to pay the costs of issuance; and
- b. authorize appropriate officers and employees of U.T. System as set forth in the Resolution to take any and all actions necessary to carry out the intentions of the U.T. System Board of Regents within the limitations and procedures specified therein; to make certain covenants and agreements in connection therewith; and to resolve other matters incident and related to the issuance, sale, security, and delivery of such bonds.

BACKGROUND INFORMATION

On August 21, 2025, the Board of Regents adopted a resolution authorizing the issuance of PUF Bonds in an amount not to exceed \$975,000,000 for Fiscal Year 2026. Adoption of this Resolution would provide \$975,000,000 of authorization for similar purposes for Fiscal Year 2027. Approval of this item does not allocate additional PUF debt for capital projects.

Adoption of this Resolution would authorize the advance or current refunding of a portion of certain outstanding PUF Bonds provided that an advance refunding exceeds a minimum 3% present value debt service savings threshold. An advance refunding involves issuing bonds to refund outstanding bonds more than 90 days in advance of the call date, whereas a current refunding involves issuing bonds to refund outstanding bonds within 90 days of the call date. Refunding bonds are issued at lower interest rates thereby producing debt service savings. Adoption of this Resolution would provide the flexibility to select the particular bonds to be refunded depending on market conditions at the time of pricing. The Resolution provides that additional PUF Bonds may be refunded if such refunding is determined to be in the best interest of the U.T. System. The Resolution would also authorize the current refunding of all or a portion of the PUF Commercial Paper Notes. The PUF Commercial Paper Note program is used to provide interim financing for PUF projects approved by the Board. Adoption of the Resolution would permit the interim financing provided through the Notes to be replaced with long-

term financing. The Resolution would also authorize the issuance of bonds to provide new money to fund the capital costs of eligible projects.

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

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

Note: The proposed Resolution is available online at <https://www.utsystem.edu/board-of-regents/meetings/board-meeting-2026-08-12>.

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

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor and Chief Operating Officer that the U.T. System Board of Regents

- a. adopt a Supplemental Resolution, substantially in the form previously approved by the U.T. System Board of Regents, authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Revenue Financing System (RFS) Bonds in one or more installments in an aggregate principal amount not to exceed \$1,500,000,000 to be used to refund certain outstanding RFS Bonds, to refund RFS Commercial Paper Notes, to provide new money to fund construction and acquisition costs of projects in the Capital Improvement Program, and to pay the costs of issuance; and
- b. authorize appropriate officers and employees of U.T. System as set forth in the Supplemental Resolution to take any and all actions necessary to carry out the intentions of the U.T. System Board of Regents within the limitations and procedures specified therein; to make certain covenants and agreements in connection therewith; and to resolve other matters incident and related to the issuance, sale, security, and delivery of such RFS Bonds.

BACKGROUND INFORMATION

On February 19, 2026, the Board of Regents adopted the 44th Supplemental Resolution authorizing the issuance of additional RFS Bonds in an amount not to exceed \$1,500,000,000. Adoption of this 45th Supplemental Resolution would provide \$1,500,000,000 of authority to finance additional projects approved by the Board of Regents under the same provisions as the prior resolution.

Adoption of the Supplemental Resolution would authorize the advance or current refunding of a portion of certain outstanding RFS Bonds provided that an advance refunding exceeds a minimum 3% present value debt service savings threshold. An advance refunding involves issuing bonds to refund outstanding bonds more than 90 days in advance of the call date whereas a current refunding involves issuing bonds to refund outstanding bonds within 90 days of the call date. Refunding bonds are issued at lower interest rates thereby producing debt service savings. Adoption of this Supplemental Resolution will provide the flexibility to select the particular bonds to be refunded depending on market conditions at the time of pricing. The Supplemental Resolution would also authorize the current refunding of all or a portion of the RFS Commercial Paper Notes. The RFS Commercial Paper Note program is used to provide interim financing for RFS projects approved by the Board. Adoption of the Supplemental Resolution will permit the interim financing provided through the Notes to be replaced with long-term financing. The Supplemental Resolution would also authorize the issuance of bonds to provide new money to fund the capital costs of eligible projects.

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

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

Note: The proposed Resolution is available online at <https://www.utsystem.edu/board-of-regents/meetings/board-meeting-2026-08-12>.

9. Other Fiscal Matters - U.T. System Board of Regents: Adoption of resolutions authorizing certain bond enhancement agreements for Revenue Financing System debt and Permanent University Fund debt and ratification of Regents' Rule 80306

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor and Chief Operating Officer that the U.T. System Board of Regents

- a. adopt resolutions substantially in the form previously approved by the U.T. System Board of Regents (the Resolutions) authorizing appropriate officers of the U.T. System to enter into bond enhancement agreements related to its Revenue Financing System (RFS) and Permanent University Fund (PUF) debt programs in accordance with the U.T. System Interest Rate Swap Policy and to take any and all actions necessary to carry out the intentions of the U.T. System Board of Regents; and
- b. ratify the U.T. System Interest Rate Swap Policy as set forth in Regents' Rule 80306 on the following pages.

BACKGROUND INFORMATION

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

On August 21, 2025, the Board approved bond enhancement agreement resolutions for Fiscal Year 2026. Approval of this item would authorize the execution of bond enhancement agreement transactions related to RFS and PUF debt in accordance with the U.T. System Interest Rate Swap Policy for Fiscal Year 2027. The determination to utilize bond enhancement agreements will be made based on market conditions at the time of pricing the related debt issuance. The Chancellor and the Chairman of the Board's Finance and Planning Committee will be informed in advance of any proposed transactions to be undertaken pursuant to the resolutions.

The U.T. System Interest Rate Swap Policy was approved by the Board of Regents as a Regental Policy on February 13, 2003, and was incorporated into the Regents' *Rules and Regulations*, Rule 70202, on December 10, 2004. The Rule was amended on August 23, 2023, and was renumbered as Rule 80306 on March 26, 2025. Section 1371.056(l) of the *Texas Government Code* requires that while an interest rate management agreement transaction is outstanding, the governing body of the issuer shall review and ratify or modify its related risk management policy at least biennially.

Note: The proposed Resolutions are available online at <https://www.utsystem.edu/board-of-regents/meetings/board-meeting-2026-08-12>.

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

Rule: 80306

1. Title

Interest Rate Swap Policy

2. Rule and Regulation

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

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

Rule: 80306

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

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

Rule: 80306

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

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

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

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

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

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

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

Rule: 80306

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

- Sec. 8 Amortization Risk. The amortization schedules of the debt and associated swap should be closely matched for the duration of the swap. Mismatched amortization schedules can result in a less than satisfactory hedge and create unnecessary risk. In no circumstance may (i) the notional amount of a swap exceed the principal amount of the related debt at any time, or (ii) the term of a swap extend beyond the final maturity date of the related debt instrument, or in the case of a refunding transaction, beyond the final maturity date of the refunding bonds.
- Sec. 9 Basis Risk. Basis risk arises as a result of movement in the underlying variable rate indices that may not be in tandem, creating a cost differential that could result in a net cash outflow from the U. T. System. Basis risk can also result from the use of floating, but different, indices. To mitigate basis risk, any index used as part of a swap shall be a recognized market index, including but not limited to the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index, the Effective Federal Funds Rate (EFFR), or the Secured Overnight Financing Rate (SOFR).
- Sec. 10 Tax Risk. Tax risk is the risk that tax laws will change, resulting in a change in the marginal tax rates on swaps and their underlying assets. Tax risk is present in all tax-exempt debt issuances. The U. T. System Office of Finance will continually monitor and evaluate tax risk.
- Sec. 11 Interest Rate Risk. Interest rate risk is the risk that costs associated with variable rate exposure increase as a result of changes in market interest rates. Additional interest rate risk can be created by entering into certain types of swaps. The U. T. System Office of Finance will incorporate the impact of each swap on the overall debt portfolio.
- Sec. 12 Reporting.

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

Rule: 80306

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

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

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

3. Definitions

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

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

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

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

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

Interest Rate Swap – a swap in which two parties agree to exchange future net cash flows based on predetermined interest rates or indices

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

Rule: 80306

calculated on an agreed notional amount. An interest rate swap is not a debt instrument and there is no exchange of principal.

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

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

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

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

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

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

4. Relevant Federal and State Statutes

Texas Education Code, [Chapter 55](#) – Financing Permanent Improvements

Texas Education Code, [Chapter 65](#) – Administration of The University of Texas System

Texas Government Code, [Chapter 1371](#) – Obligations for Certain Public Improvements

5. Relevant System Policies, Procedures, and Forms

None

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

Rule: 80306

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Business Affairs

8. Dates Approved or Amended

[Regents' Rules Revision History](#)

9. Contact Information

Questions or comments regarding this Rule should be directed to:

- bor@utsystem.edu

10. Other Fiscal Matters - **U.T. System Board of Regents**: Equipment financing authorization for Fiscal Year 2027 and resolution regarding parity debt

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor and Chief Operating Officer that the U.T. System Board of Regents

- a. approve an aggregate amount of \$194,500,000 of Revenue Financing System Equipment Financing for Fiscal Year 2027 as allocated to those U.T. System institutions listed in the table at the end of this item; and
- b. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the cost of equipment including costs incurred prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U.T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U.T. System Board of Regents relating to the Financing System;
 - the U.T. System institutions, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U.T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$194,500,000 for the purchase of equipment; and
 - this resolution satisfies the official intent requirements set forth in Section 1.150-2 of Title 26 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

BACKGROUND INFORMATION

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

This Consent Agenda item requests approval of an aggregate amount of \$194,500,000 for equipment financing for Fiscal Year 2027. On August 21, 2025, the U.T. System Board of Regents approved a total of \$275,000,000 of equipment financing for Fiscal Year 2026. Through July 31, 2026, \$25,785,000 of equipment financing has been utilized for Fiscal Year 2026.

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

U.T. SYSTEM EQUIPMENT FINANCING - INSTITUTION REQUESTS
FY 2027

Institution	\$ Amount of Request	Description of Expected Capital Equipment	Spendable Cash & Inv. to Total Debt (x) *	Unrestricted Cash & Inv. to Total Debt (x) *
U.T. Austin	32,500,000	Implementation of Epic (healthcare system) and Workday (HR management system)	3.4x	
U.T. Rio Grande Valley	8,000,000	Equipment for Instruction and Research Activities; Campus PC/IT Equipment Replacement; Security-related	1.5x	
U.T. San Antonio	8,400,000	Technology equipment related to the upgrade of the campus network infrastructure	2.3x	
U.T. Southwestern Medical Center	30,000,000	Information Resource Projects; Clinical and Hospital Equipment		0.8x
U.T. Medical Branch - Galveston	60,000,000	Clinical, IT infrastructure, research-related, and facility-related equipment		0.9x
U.T. Health Science Center - Houston	35,000,000	Clinical and research equipment		3.8x
Health Science Center at U.T. San Antonio	20,600,000	Clinical and lab equipment; Research equipment for new research facilities		0.5x

Total	\$194,500,000
--------------	----------------------

* Spendable Cash & Inv. to Total Debt ratios and Unrestricted Cash & Inv. to Total Debt ratios are based on FY2025 Analysis of Financial Condition (March 2026). The calculation excludes TRB debt service.

U. T. System Office of Finance, July 10, 2026

11. Other Fiscal Matters - **U.T. System Board of Regents**: Amendments to the Investment Policy Statements for the Permanent University Fund, the General Endowment Fund, the Intermediate Term Fund, the Long Term Fund, the Permanent Health Fund, and the Liquidity Policy

The Chancellor and the Executive Vice Chancellor and Chief Operating Officer concur in the recommendation of the Board of Directors of The University of Texas/TexasA&M Investment Management Company (UTIMCO) that the U.T. System Board of Regents approve the proposed amendments to the following Investment Policy Statements as set forth in congressional style in [Appendices A-F](#).

[A. Permanent University Fund \(PUF\)](#)

[B. General Endowment Fund \(GEF\)](#)

[C. Intermediate Term Fund \(ITF\)](#)

[D. Long Term Fund \(LTF\)](#)

[E. Permanent Health Fund \(PHF\)](#)

[F. Liquidity Policy](#)

No changes were made to the **Short Term Fund** and the **Separately Invested Funds Investment Policy Statements**.

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

The amended PUF, GEF, ITF, LTF, and PHF Investment Policy Statements, and the Liquidity Policy were approved by the UTIMCO Board on June 18, 2026.

All policies are included in the Appendices with the proposed tracked changes.

The **Investment Policy Statements** of the Permanent University Fund (PUF), General Endowment Fund (GEF), Intermediate Term Fund (ITF), Long Term Fund (LTF), and Permanent Health Fund (PHF) are being amended to reflect the proposed changes effective September 1, 2026.

The proposed changes to the **PUF Investment Policy Statement** are as follows:

Pages 8, 13 (Exhibit A); adds Strategic Holdings Portfolio as a new asset class to hold unique opportunities with an initial target weight of 0% and a maximum weight of 10%. Investments in the Strategic Holdings Portfolio will be benchmarked using a NAV-weighted blend of policy benchmarks for the most closely related asset classes.

Pages 7, 8, 13 (Exhibit A); folds the existing “Innovation & Disruption” asset class into the Strategic Holdings Portfolio by removing it as a separate asset class.

Pages 5, 13 (Exhibit A); reduces the duration of the U.S. Treasuries asset class to reduce sensitivity to long-term yields by referencing Treasuries generally rather than Long Treasuries in the asset class description.

Pages 6, 13 (Exhibit A); adds Other Stable Value as a new asset class in the Stable Value Regime to hold opportunistic cash-plus investments, with an initial target weight of 0% and a maximum weight of 5%. Investments in the Other Stable Value asset class will be benchmarked against 3-month Treasury Bills plus 25bps.

Page 10; increases the total leverage permitted from 110% to 115% of the net asset value of the PUF.

Page 13 (Exhibit A); adds Other Stable Value and the Strategic Holdings Portfolio and removes the Innovation & Disruption asset class. Reflects the reduction in duration of the U.S. Treasuries asset class by referencing Treasuries generally and by changing the benchmark to Bloomberg US Treasury Index from Bloomberg US Treasury: Long Index.

Other pages contain other minor drafting points.

The **GEF Investment Policy Statement** will include the same changes as the PUF.

Changes made to Exhibit A of the PUF and GEF Policy Statements will be made to **Exhibit B of the LTF and PHF Investment Policy Statements**.

The **ITF Investment Policy Statement** will include the same changes as the PUF, except there will be no change to the total leverage permitted in the ITF, the Strategic Holdings Portfolio will not be included as an asset class, and the following other changes are proposed:

Pages 5, 11 (Exhibit A); adds the Strategic Partnerships asset class from the PUF/GEF to the ITF with an initial target weight of 0% and a maximum weight of 5%. The Strategic Partnerships asset class in the ITF will be benchmarked against the Blended Bloomberg Global Inflation-Linked: US TIPS Index, Gold Spot Price (XAU), Bloomberg Commodity TRI.

Pages 5, 11 (Exhibit A); removes Public Real Estate as an asset class in the Real Return Regime.

Page 11 (Exhibit A); amends the Real Return allocation from 5% US TIPS, 2.5% Commodities, 0% Gold, and 2.5% US REITS to 2% US TIPS, 4% Commodities, and 4% Gold to improve ITF performance in the Real Return Regime.

In addition to the changes described above, **Exhibits A of the PUF, GEF, and ITF, and Exhibits B of the LTF and PHF Investment Policy Statements** are being amended further to reflect transitional changes to the asset allocation framework and to set forth revised Asset Class targets and ranges effective September 1, 2026.

The recommended change to the **Liquidity Policy** (pages 2-3) is to raise the illiquidity limit for the PUF and the GEF from 75% to 80%, and to permit a temporary increase from 80% to 85% if the S&P 500 declines by 25% or more within a rolling one-year period.

12. Request for Budget Change - **U.T. System**: Transfer \$40,000,000 from Available University Fund revenue to U.T. System Revenue Financing System Clearing to adjust budget to permit retirement of outstanding debt (RBC No. 15749) -- amendment to the FY 2026 budget
13. Other Fiscal Matters - **U.T. Arlington**: Approval of loan agreement with the State Energy Conservation Office

The Chancellor and the Executive Vice Chancellor and Chief Operating Officer recommend approval of this item authorizing the execution of a \$6,768,348 loan agreement between U.T. Arlington and the Texas Comptroller of Public Accounts, through its State Energy Conservation Office, to finance certain energy improvement projects including a chiller replacement, lighting replacement, and duct sealing. The loan is statutorily authorized pursuant to the LoanSTAR Revolving Loan Program and offered at an interest rate of 1.5%.

ACADEMIC AFFAIRS COMMITTEE

14. Other Matters - U.T. System Board of Regents: Research Security Certification required pursuant to House Bill 127

The University of Texas System certifies to the Board of Regents that each U.T. institution has met all of the requirements of House Bill 127 (HB 127) including the following:

- Establish a Research Security Office [*Texas Education Code* (TEC) Section 51B.153]: The institution's chief administrative officer has established a research security office, either at the institutional level or in a system-wide capacity, with authority to review and verify required screening materials and to take appropriate research-security review actions.
- Create a risk-based framework for employment-related foreign travel (TEC Sections 51B.201-51B.202): The institution has established an international travel approval and monitoring program that includes a risk-based framework for employment-related foreign travel approval, including health, safety, and security factors. The institution's research security office preapproves applicable employment-related foreign travel under the framework, and the institution maintains required records and submits the required annual foreign-travel report to its governing board.
- Ensure student organization compliance with foreign-adversary restrictions (TEC Section 51B.103): Student organizations annually certify compliance with prohibitions on accepting gifts from, or entering into contracts or agreements for financial support with, a foreign adversary or agent of a foreign adversary. The institution has a process to withhold benefits from noncompliant student organizations and to terminate recognition or registration when required.
- Ensure compliance with the prohibited software list (TEC Section 51B.251): Since the publication of the list on March 5, 2026, the institution reviews testing, tutoring, and other education software contracts and does not enter into or renew contracts to provide software included on the prohibited software list published by the Texas Higher Education Coordinating Board (THECB) in coordination with Higher Education Research Security Council (HERSC).

15. Contracts (funds going out) - **U.T. Arlington**: Harold James, Inc.; Spaeth Machine Shop, Inc.; XSail Mechanical A/C & Heating; and McCarthy Wild Services, Inc., to provide job order contracting services to campus facilities

Agencies: 1. Harold James, Inc.
 2. Spaeth Machine Shop, Inc.
 3. XSail Mechanical A/C & Heating
 4. McCarthy Wild Services, Inc.

Funds: Total cost has the potential to exceed \$2,500,000 over the maximum six-year contract period

Period: May 25, 2026 through May 25, 2028; with the option of two additional two-year renewals

Description: The four job order contracts are for mechanical and HVAC services on institutionally managed facility renovation projects of varying size and scope. Projects will be assigned on an as-needed basis. Services were competitively procured.

16. Contracts (funds going out) - **U.T. Arlington**: Tri-Lam Roofing & Waterproofing, Inc.; Frontier Waterproofing, Inc.; and Marshal Renee Construction Companies, LLC, to provide blanket order contracting services to campus facilities

Agency: 1. Tri-Lam Roofing & Waterproofing, Inc.
 2. Frontier Waterproofing, Inc.
 3. Marshal Renee Construction Companies, LLC

Funds: Total cost has the potential to exceed \$2,500,000 over the maximum six-year contract period

Period: May 25, 2026 through May 25, 2028; with the option of two additional two-year renewals

Description: These blanket order contracts are for brick, masonry, paver, and waterproofing services. Projects will be assigned on an as-needed basis. Services were competitively procured.

17. Request for Budget Change - **U.T. Arlington**: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the FY 2027 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
College of Architecture, Planning and Public Affairs		
Architecture		
Julia Lindgren	Assistant Professor	Associate Professor (T)
Public Affairs and Planning		
Evan Mistur	Assistant Professor	Associate Professor (T)
College of Business		
Accounting		
Yuan Ji	Assistant Professor	Associate Professor (T)
Finance		
Ramya Aroul	Assistant Professor	Associate Professor (T)
Sima Jannati	Assistant Professor	Associate Professor (T)
Information Systems and Operations Management		
Mahyar Sharif Vaghefi	Assistant Professor	Associate Professor (T)
Management		
David Arena	Assistant Professor	Associate Professor (T)
Lars Johnson	Assistant Professor	Associate Professor (T)
Pyayt Oo	Assistant Professor	Associate Professor (T)
Asli Tasci	New Hire	Associate Professor (T)
Marketing		
Yiyi Li	Assistant Professor	Associate Professor (T)
College of Education		
Higher Education, Adult Learning, and Organizational Studies		
Ericka Roland	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
College of Engineering		
Civil Engineering		
Himan Hojat Jalali	Assistant Professor	Associate Professor (T)
Computer Science and Engineering		
Remi Chou	Assistant Professor	Associate Professor (T)
Mohammad Islam	Assistant Professor	Associate Professor (T)
Hui Lu	Assistant Professor	Associate Professor (T)
Allison Sullivan	Assistant Professor	Associate Professor (T)
Cesar Torres	Assistant Professor	Associate Professor (T)
Mechanical and Aerospace Engineering		
Aurelie Azoug	New Hire	Associate Professor (T)
Md. Russel Raihan	Assistant Professor	Associate Professor (T)
Liwei Zhang	Assistant Professor	Associate Professor (T)
College of Liberal Arts		
Art and Art History		
Fletcher Coleman	Assistant Professor	Associate Professor (T)
Carlos Donjuan	Assistant Professor	Associate Professor (T)
Rachel Raimist	New Hire	Professor (T)
Philosophy and Humanities		
Eli Shupe	Assistant Professor	Associate Professor (T)
Political Science		
Christopher Chambers-Ju	Assistant Professor	Associate Professor (T)
Theatre Arts and Dance		
Austin Eyer	Assistant Professor	Associate Professor (T)
Leah Mazur	Assistant Professor	Associate Professor (T)
College of Nursing and Health Innovation		
Kinesiology		
Yeonwoo Kim	Assistant Professor	Associate Professor (T)
Yue Liao	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
College of Science		
Biology		
Piya Ghose	Assistant Professor	Associate Professor (T)
Alison Ravenscraft	Assistant Professor	Associate Professor (T)
Earth and Environmental Sciences		
Ricardo Sanchez Murillo	Associate Professor	Associate Professor (T)
Physics		
Rui He	New Hire	Professor (T)
Psychology		
Logan Watts	Assistant Professor	Associate Professor (T)
School of Social Work		
Social Work		
Tyler Arguello	New Hire	Associate Professor (T)
Danielle Harrell	Assistant Professor	Associate Professor (T)
Donna Schuman	Assistant Professor	Associate Professor (T)
Christine Spadola	Assistant Professor	Associate Professor (T)

18. Contract (funds going out) - U.T. Austin: Agreement with Mydatt Services Inc., dba Block by Block, to provide cleaning, environmental maintenance, and safety services in designated service area

Agency:	Mydatt Services Inc., dba Block by Block
Funds:	\$8,618,039 over the full contract term, including all renewal options
Period:	August 1, 2026 through July 31, 2027; with option to renew for two additional one-year periods
Description:	Under the Agreement, Block by Block will provide services related to cleaning, environmental maintenance, and safety in the designated service area. The Agreement was procured through a best value determination.

19. Contract (funds going out) - **U.T. Austin**: Amendment to Agreement with ACC SC MANAGEMENT, LLC, to provide property management services

Agency: ACC SC MANAGEMENT LLC

Funds: \$7,000,000 for the full term of the contract, including all renewal options

Period: September 1, 2026 through August 31, 2027; with option to renew for four additional one-year terms

Description: ACC SC MANAGEMENT LLC provides property management services to U.T. Austin at the East Campus Graduate Apartments located at 2105 Comal Street.

The initial Agreement had a term of September 1, 2024 through August 31, 2026, with an option to renew up to five additional one-year periods. The initial Agreement did not require Board approval as the value did not exceed the institution's delegated authority threshold of \$5,000,000.

This First Amendment utilizes one of the five renewal options and increases the contract value from \$4,500,000 to \$7,000,000. The Agreement was procured via a best value determination.

20. Contract (funds going out) - **U.T. Austin**: Amendment to Agreement with Foundation DIS to provide on-site support to U.T. Austin students who study abroad on a faculty-led program

Agency: Foundation DIS

Funds: \$8,000,000 for the full term of the contract

Period: June 1, 2026 through March 1, 2028

Description: Under this Agreement Foundation DIS provides on-site support to U.T. students who study abroad on a faculty-led program.

Since execution of the original Agreement, the contract has been amended on three occasions as set forth in the Summary of Amendments chart below, with the proposed Third Amendment increasing the total contract value from \$2,600,000 to \$8,000,000. The initial Agreement and first two Amendments did not require Board approval as the contract value did not exceed the institution's delegated authority threshold.

Summary of Amendments:

Amendments	Contract Term	Total Contract Value
Initial Agreement	Mar 1, 2022 – Mar 1, 2025	\$ 500,000
First	Mar 1, 2022 – Mar 1, 2025	\$ 2,600,000
Second	Mar 1, 2025 – Mar 1, 2028	\$ 2,600,000
Proposed Third	Jun 1, 2026 – Mar 1, 2028	\$ 8,000,000

21. Contract (funds going out) - U.T. Austin: Amendment to Interlocal Agreement with City of Austin to provide police officers for security at U.T. Austin home football games

Agency: City of Austin

Funds: \$6,500,000

Period: September 1, 2026 through August 31, 2028

Description: Under this Eighth Amendment to the Interlocal Agreement, the City of Austin will continue to provide police officers for security at U.T. Austin home football games. Since execution of the original Agreement, the contract has been amended on eight occasions as set forth in the Summary of Amendments chart below, with the proposed Eighth Amendment increasing the total contract value from \$4,750,000 to \$6,500,000. The initial Agreement and prior Amendments did not require Board approval as the contract value did not exceed the institution's delegated approval threshold.

Summary of Amendments:

Amendments	Contract Term	Total Contract Value	Other Key Terms
Initial Agreement	Oct 1, 2022 – Aug 31, 2025	\$ 900,000	
First	Jul 26, 2023 – Aug 31, 2025	\$ 900,000	Updated fees payable to performing party per City Council fee changes. (Section III of initial Agreement)
Second	Oct 1, 2023 – Aug 31, 2025	\$ 900,000	Updated fees payable to performing party per City Council fee changes. (Section III of initial Agreement)
Third	Jan 13, 2024 – Aug 31, 2025	\$ 2,000,000	
Fourth	Jan 13, 2024 – Aug 31, 2025	\$ 4,000,000	
Fifth	Mar 6, 2025 – Aug 31, 2025	\$ 4,000,000	Updated fees payable to performing party per City Council fee change. (Section III of initial Agreement)
Sixth	Oct 1, 2025 – Aug 31, 2028	\$ 4,000,000	Updated fees payable to performing party per City Council fee change. (Section III of initial Agreement)
Seventh	Jun 1, 2026 – Aug 31, 2028	\$ 4,750,000	
Proposed Eighth	Jun 11, 2026 -Aug 31, 2028	\$ 6,500,000	

22. Contract (funds going out) - U.T. Austin: Amendment to Agreement with the Texas Center for Child and Family Studies to provide funding to support statewide programs for families with adopted children

Agency: Texas Center for Child and Family Studies

Funds: \$18,311,558 over the full contract term, including all renewal options

Period: August 31, 2026 through August 31, 2027; with option to renew for up to four additional years

Description: The Texas Legislature appropriated funds to U.T. Austin for the purpose of creating programs to assist or support adopted children. To fulfill this purpose, U.T. Austin's Texas Institute for Child and Family Wellbeing entered into an Agreement with the Texas Center for Child and Family Studies, the largest statewide membership organization for child welfare services in Texas.

Under the Agreement, the Texas Center for Child and Family Studies will support statewide programs for families with adopted children, provide critical post-adoption resources, and deliver statewide training and technical assistance to community organizations.

Since execution of the original Agreement, the contract has been amended on four occasions as set forth in the Summary of Amendments chart below, with the proposed Fourth Amendment increasing the total contract value from \$13,792,469 to \$18,311,558. The First Amendment was approved by the U.T. System Board of Regents on August 22, 2024, the Second Amendment did not require Board approval as the total value did not exceed 25% of the total value of the Board-approved First Amendment, and the Third Amendment was approved by the Board on August 21, 2025. This Fourth Amendment was procured through Best Value Justification.

Summary of Amendments:

Amendments	Contract Term	Total Contract Value	Other Key Terms
Initial Agreement	Oct 3, 2023 – Aug 31, 2024	\$ 4,601,723	
First	Jun 20, 2024 – Aug 31, 2025	\$ 9,195,743	
Second	Aug 30, 2024 – Aug 31, 2025	\$ 9,290,744	
Third	Aug 31, 2025 – Aug 31, 2026	\$ 13,792,469	
Proposed Fourth	Aug 31, 2026 – Aug 31, 2027	\$ 18,311,558	And possible renewal through August 31, 2031

23. Request for Budget Change - U.T. Austin: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the FY 2027 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
School of Architecture		
Architecture		
Maggie Hansen	Assistant Professor	Associate Professor (T)
McCombs School of Business		
Accounting		
Matthew Kubic	Assistant Professor	Associate Professor (T)
Finance		
Daniel Neuhaan	Assistant Professor	Associate Professor (T)
Moody College of Communication		
Speech, Language, and Hearing Sciences		
Stephanie Grasso	Assistant Professor	Associate Professor (T)
Corinne Jones	Assistant Professor	Associate Professor (T)
Radio-Television-Film		
Iliana Sosa	Assistant Professor	Associate Professor (T)
College of Education		
Educational Leadership and Policy		
Patricia Chen	Assistant Professor	Associate Professor (T)
Rachel White	Assistant Professor	Associate Professor (T)
Cockrell School of Engineering		
Biomedical Engineering		
Samantha Santacruz	Assistant Professor	Associate Professor (T)
Electrical and Computer Engineering		
David Burghoff	Assistant Professor	Associate Professor (T)
Linran Fan	Assistant Professor	Associate Professor (T)
Hyeji Kim	Assistant Professor	Associate Professor (T)
August Shi	Assistant Professor	Associate Professor (T)
Jon Tamir	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
Mechanical Engineering Yijin Liu	Associate Professor	Associate Professor (T)
Petroleum and Geosystems Engineering Yingda Lu	Assistant Professor	Associate Professor (T)
College of Fine Arts		
Art and Art History Scherezade Garcia-Vazquez	Assistant Professor	Associate Professor (T)
Music JD Burnett	Assistant Professor	Associate Professor (T)
Theatre & Dance Corey Allen	Assistant Professor	Associate Professor (T)
Jackson School of Geosciences		
Earth and Planetary Sciences Timothy Goudge	Assistant Professor	Associate Professor (T)
School of Information		
Information Min Kyung Lee	Assistant Professor	Associate Professor (T)
School of Law		
Law Jamein Cunningham	Assistant Professor	Associate Professor (T)
College of Liberal Arts		
Asian Studies Dalpat Rajpurohit	Assistant Professor	Associate Professor (T)
Classics Catherine Pratt	Assistant Professor	Associate Professor (T)
Government Nate Gilmore	Assistant Professor	Associate Professor (T)
History Santiago Munoz Arbelaez	Assistant Professor	Associate Professor (T)
Linguistics Kyle Mahowald	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
Philosophy Robbie Kubala	Assistant Professor	Associate Professor (T)
Psychology Desmond Ong	Assistant Professor	Associate Professor (T)
Slavic and Eurasian Studies Chelsi Ohueri	Assistant Professor	Associate Professor (T)
Sociology Kim Pernell	Assistant Professor	Associate Professor (T)
College of Natural Sciences		
Astronomy Danielle Berg	Assistant Professor	Associate Professor (T)
Chemistry Hang Ren	Assistant Professor	Associate Professor (T)
Computer Science David Harwath	Assistant Professor	Associate Professor (T)
Integrative Biology Vagheesh Narasimhan Brian Sedio	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
Mathematics Joseph Kileel	Assistant Professor	Associate Professor (T)
Molecular Biosciences Elif Sarinay Cenik Despoina Mavridou	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
Neuroscience Xuexin Wei	Assistant Professor	Associate Professor (T)
Nutritional Sciences Marissa Burgermaster	Assistant Professor	Associate Professor (T)
Physics Kimberly Boddy	Assistant Professor	Associate Professor (T)
Statistics and Data Sciences Nhat Ho	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
Lyndon B. Johnson School of Public Affairs		
Public Affairs		
Elizabeth Bell	Assistant Professor	Associate Professor (T)
Richard Bixler	Assistant Professor	Associate Professor (T)

24. Request for Budget Change - **U.T. Austin**: Tenure Appointments -- amendment to the FY 2026 budget

The following Requests for Budget Change (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:

College, Department, and Name	From	To	RBC #
McCombs School of Business			
Information Risk and Operations Management			
Brad Staats	New Hire	Professor (T)	15728
School of Civic Leadership			
Civic Leadership			
John Coffey	New Hire	Professor (T)	15725
Jeremy Friedman	New Hire	Professor (T)	15720
Peter Kwon	New Hire	Associate Professor (T)	15722
Charles Laderman	New Hire	Professor (T)	15726
Andrew Porwancher	New Hire	Professor (T)	15721
Jonathan White	New Hire	Professor (T)	15719
Civitas Institute			
Civitas Institute			
Hunter Powell	New Hire	Professor (T)	15727
College of Education			
Educational Leadership and Policy			
Daniel Hamlin	New Hire	Professor (T)	15730
College of Fine Arts			
Music			
Anna Petrova De Solaun	New Hire	Associate Professor (T)	15729
College of Liberal Arts			
Government			
Gianna Englert	New Hire	Associate Professor (T)	15723

25. Provost Appointment - **U.T. Austin**: Approval of appointment of Bob Bursey as Vice Provost for the Arts

The appointment summarized below has been approved by the Chancellor and is recommended for approval by the U.T. System Board of Regents.

Description: Appointment of Bob Bursey as Vice Provost for the Arts. The Vice Provost for the Arts reports to the Provost and shall hold office without fixed term, subject to the pleasure of the President. This appointment requires approval by the Board of Regents pursuant to Regents' *Rules and Regulations*, Rule 20102 (Appointment of Institutional Administrative Officers).

26. Provost Appointment - **U.T. Austin**: Approval of appointment of John Dalton, M.S., as Associate Vice Provost for Academic Effectiveness

The appointment summarized below has been approved by the Chancellor and is recommended for approval by the U.T. System Board of Regents.

Description: Appointment of John Dalton, M.S., as Associate Vice Provost for Academic Effectiveness. The Associate Vice Provost for Academic Effectiveness reports to the Senior Vice Provost for Academic Affairs and shall hold office without fixed term, subject to the pleasure of the President. This appointment requires approval by the Board of Regents pursuant to *Regents' Rules and Regulations*, Rule 20102 (Appointment of Institutional Administrative Officers).

27. Sale - **U.T. Austin**: Authorization to sell four parcels totaling approximately 18,548 square feet of land located at 1701 Red River Street, 2901 North I-35, 2400 North I-35, and 1104 Manor Road, Austin, Travis County, Texas, to the State of Texas, acting by and through the Texas Transportation Commission, in support of the I-35 Capital Express Central Project

Description: Authorization to sell four parcels, in lieu of condemnation, totaling approximately 18,548 square feet of land located at 1701 Red River Street, 2901 North I-35, 2400 North I-35 and 1104 Manor Road, Austin, Travis County, Texas, to the State of Texas, acting by and through the Texas Transportation Commission (TxDOT), in support of the I-35 Capital Express Central Project.

TxDOT has issued initial offer packages to acquire the four parcels for a right-of-way project through eminent domain. The parcels are located on U.T. Austin campus, along the "University Segment" of the I-35 Capital Express Central Project. The project is intended to enhance roadway safety, reduce congestion, and improve mobility with shared pathway lanes.

Purchaser: The State of Texas, acting by and through the Texas Transportation Commission

Sale Price: No less than fair market value as determined by independent appraisals. Appraisals are confidential pursuant to *Texas Education Code* Section 51.951. The sale price will include compensation for the cost to cure items related to any removal and relocation of improvements, as well as any damages to the remainder parcels resulting from the sale.

28. Request for Budget Change - U.T. Dallas: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the FY 2027 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
Erik Jonsson School of Engineering and Computer Science		
Bioengineering		
Yichen Ding	Assistant Professor	Associate Professor (T)
Girgis Obaid	Assistant Professor	Associate Professor (T)
Computer Science		
William Beksi	New Hire	Associate Professor (T)
Kangkook Jee	Assistant Professor	Associate Professor (T)
Jin Ryong Kim	Assistant Professor	Associate Professor (T)
Mechanical Engineering		
Yaqing Jin	Assistant Professor	Associate Professor (T)
Wei Li	Assistant Professor	Associate Professor (T)
Guoping Xiong	Assistant Professor	Associate Professor (T)
Harry W. Bass Jr. School of Arts, Humanities, and Technology		
Animation and Games		
Christine Veras de Souza	Assistant Professor	Associate Professor (T)
History		
Rosemary Admiral	Assistant Professor	Associate Professor (T)
Mark Celinscak	New Hire	Professor (T)
Naveen Jindal School of Management		
Accounting		
Hao Xue	New Hire	Associate Professor (T)
Finance		
Hongda Zhong	Assistant Professor	Associate Professor (T)
Information Systems		
Hongchang Wang	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
Marketing		
Khai Chiong	Assistant Professor	Associate Professor (T)
Joonhwi Joo	Assistant Professor	Associate Professor (T)
Shervin Tehrani	Assistant Professor	Associate Professor (T)
Operations Management		
Boxiao Chen	New Hire	Associate Professor (T)
Xin Chen	New Hire	Professor (T)
Ignacio Rios Uribe	Assistant Professor	Associate Professor (T)
School of Behavioral and Brain Sciences		
Neuroscience		
Lyle Muller	New Hire	Associate Professor (T)
Speech, Language, and Hearing		
Ioulia Kovelman	New Hire	Professor (T)
School of Economic, Political and Policy Sciences		
Political Science		
Jonathan Pinckney	Assistant Professor	Associate Professor (T)
School of Natural Sciences and Mathematics		
Chemistry and Biochemistry		
Alexander Adibekian	New Hire	Professor (T)
Mathematical Sciences		
Rizwanur Khan	Assistant Professor	Associate Professor (T)
Stephen McKeown	Assistant Professor	Associate Professor (T)
Chuan-Fa Tang	Assistant Professor	Associate Professor (T)

29. Request for Budget Change - U.T. Dallas: Tenure Appointment -- amendment to the FY 2026 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:

College, Department, and Name	From	To	RBC #
Erik Jonsson School of Engineering and Computer Science			
Electrical and Computer Engineering			
Marc Christensen	New Hire	Professor (T)	15746

30. Provost Appointment - U.T. Dallas: Approval of appointment of Marc Christensen, Ph.D., P.E., F.N.A.I., as Executive Vice President for Academic Affairs and Provost

The appointment summarized below has been approved by the Chancellor and is recommended for approval by the U.T. System Board of Regents.

Description: Appointment of Marc Christensen, Ph.D., P.E., F.N.A.I., as Executive Vice President for Academic Affairs and Provost. The Executive Vice President for Academic Affairs and Provost reports to the President and shall hold office without fixed term, subject to the pleasure of the President. This appointment requires approval by the Board of Regents pursuant to *Regents' Rules and Regulations*, Rule 20102 (Appointment of Institutional Administrative Officers).

31. Lease - U.T. Dallas: Authorization to amend and extend lease of approximately 30.832 acres of land improved with a golf driving range located at the southeast corner of Waterview Parkway and West Renner Road, north of the U.T. Dallas Campus in Richardson, Collin County, Texas, to North Campus Practice Range LLC, or its successors or assigns, for use as a golf driving range and practice facility

Description: Authorization to amend and extend the lease of approximately 30.832 acres of land improved with a golf driving range located at the southeast corner of Waterview Parkway and West Renner Road, north of the U.T. Dallas Campus in Richardson, Collin County, Texas, to North Campus Practice Range LLC, and/or related entities, successors, or assigns, for use as a golf driving range and practice facility.

The Lessee desires an extended term and intends to provide additional on-site surface parking at its expense.

Lessee: North Campus Practice Range LLC, a Texas limited liability company, and/or related entities, successors, or assigns

Term: The initial term commenced in 2020 and was for a period of five years with one option to renew for an additional five years, which Lessee has exercised. Subsequently, there are five one-year renewals that are subject to agreement by both Lessor and Lessee.

The Lessee desires to extend the Lease for a term of 10 years with no additional renewals thereafter.

Rent:	The estimated total rent received under the existing Lease through August 2026 is approximately \$234,450. The annual rental of the proposed extended Lease will increase to \$350,000 annually in year one with scheduled 3% yearly increases thereafter to be paid to Lessor. Lessee will also provide a one-time additional consideration payment of \$250,000, which may be utilized for academic or athletic scholarships or grants as may be determined by Lessor. Additionally, Lessee will pay percentage rent to Lessor of 5% in excess of gross sales above \$5,000,000 annually.
Tenant Improvements:	Lessee will be responsible for the construction and related costs for the surface parking improvements on-site consisting of approximately 100 additional parking spaces. Lessor will not fund any tenant improvements.
Total Cost:	Consideration to Lessor over the extension term is estimated to be approximately \$4,012,500 with a one-time additional consideration payment of \$250,000 which may be utilized for academic or athletic scholarships or grants for a total of approximately \$4,262,500, plus 5% of all gross sales in excess of \$5,000,000 if any, during each lease year. The total estimated consideration inclusive of the existing lease and the proposed extension is approximately \$4,496,950, plus percentage rent, if any. Lessee is responsible for operating expenses, including taxes, insurance, and maintenance.

32. Gift - U.T. Dallas: Authorization to accept the gift of five sculptures (all untitled) already installed on the U.T. Dallas campus outside of the Edith and Peter O'Donnell Jr. Athenaeum Phase I for use by the Crow Museum of Asian Art

Description:	U.T. Dallas is requesting approval to accept five gifts of outdoor art from Barry MacLean, all already placed on the north side of the O'Donnell Athenaeum Phase I building just off the main roundabout. The five sculptures were installed in this location in February 2026 under a loan agreement with MacLean that began in April 2025. MacLean now intends to transfer the sculptures to U.T. Dallas as a permanent gift. The acceptance of these gifts is mission-aligned with U.T. Dallas as it works to make the campus an arts destination for the Dallas community and beyond. 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 with a theme structured around enriching the arts at U.T. Dallas.
--------------	---

Cosmic Buddha (untitled work):

The untitled outdoor work of art is a contemporary copy of a Chinese cosmic buddha. It measures 6.7 feet tall and weighs approximately 2,000 lbs. The sculpture is made of granite, and the original creator is unknown. The statue depicts Dari Rulai, the cosmic buddha, who in Buddhist teaching is regarded as the generating force of the entire universe.

Set of Two Lions (untitled works):

Each of these untitled outdoor works of art is approximately 5.25 feet tall, 4 feet long, 2 feet wide, and weighs approximately 1,500 lbs. Both sculptures are made of red sandstone, and the original creator is unknown. The 17th-century Chinese Ming Dynasty sculptures depict a pair of lions. The male lion playing with a ball and the female lion with a cub symbolize harmony and blessings. This lively pair is notable for their animated expressions, large ears, and dynamic poses, with flowing garlands.

19th Century Taihu Rock (untitled work):

The untitled outdoor work of art measures 6.8 feet tall, 2.75 feet wide, 2.75 feet deep, and weighs approximately 800 lbs. The sculpture is made of naturally occurring limestone that was collected from China's Lake Tai during the 19th century. The sculpture has been mounted upon a sandstone base. This sculpture is a Taihu rock, a type of scholar rock, collected from China's Lake Tai during the 19th century. Taihu rocks were prized as microcosmic embodiments of the primordial creative forces of yin and yang, expressed through the balance of solid stone and the hollow perforations formed by water. Their contrasting features, shaped by both hardness and softness, reflect the idea that opposing forces are interconnected and continuously influence one another. Often placed in traditional Chinese scholars' gardens, these stones were appreciated for their dynamic interplay of positive and negative space. This relatively flat example has been paired with an angular stone base carved in the style preferred in Anhui province.

20th Century Taihu Rock (untitled work):

The untitled outdoor work of art measures 6.5 feet tall, 2 feet wide, 2.1 feet deep, and weighs approximately 500 lbs. The sculpture is made of naturally occurring limestone that was collected during the 20th century. The sculpture has been mounted upon a sandstone base. This sculpture is a 20th century Taihu rock, a type of scholar rock, collected from China's Lake Tai. In East Asian cultures,

Taihu rocks symbolized longevity and reliability because they were formed over vast spans of time, embodying endurance and permanence. Many were also appreciated as miniature mountains, representing sacred landscapes where the earthly and divine meet. Through contemplation, viewers could imaginatively wander within these forms, turning the rocks into spaces for reflection and mental escape. This dynamic vertical rock, a red limestone popular in Nanjing gardens, is paired with a Korean granite trough.

Donor:

Barry MacLean is Chairman of the MacLean-Fogg Company and a graduate of Dartmouth College's Thayer School where he earned both a B.A. and a Master of Mechanical Engineering.

A former Dartmouth trustee and longtime member of the Thayer School Board of Overseers, MacLean has also held numerous civic and cultural leadership roles, including service with the Art Institute of Chicago, Museum of Science and Industry in Chicago and the Village of Mettawa, Illinois where he served 35 years as a trustee and 14 years as mayor.

Together with his wife, Mary Ann, MacLean has spent decades building one of the country's most significant collections of Asian art. The MacLean Collection Asian Art Museum now includes more than 5,000 objects from the Neolithic era to the present with particular strengths in pottery, bronze, and stone from China and Southeast Asia.

Value:

The total value of all five sculptures is approximately \$137,500.

Value of Cosmic Buddha:

As of May 2026, MacLean valued the sculpture at \$2,500, although it has not yet been appraised. The sculpture is already installed at U.T. Dallas. U.T. Dallas estimates one-time signage costs will be \$1,360, and annual maintenance to be \$400. Expenses will be allocated from the University's art conservation budget.

Value of Two Lions:

As of May 2026, MacLean valued the sculptures at a total of \$70,000 (for the pair), although they have not yet been formally appraised. The sculptures are already installed at U.T. Dallas. U.T. Dallas estimates one-time signage costs will be \$2,720, and annual maintenance to be \$400. Expenses will be allocated from the University's art conservation budget.

Value of 19th Century Taihu Rock:

As of May 2026, MacLean valued the sculpture at \$35,000, although it has not yet been formally appraised. The sculpture is already installed at U.T. Dallas. U.T. Dallas estimates one-time signage costs will be \$1,360, and annual maintenance to be \$400. Expenses will be allocated from the University's art conservation budget.

20th Century Taihu Rock:

As of May 2026, MacLean valued the sculpture at \$30,000, although it has not yet been formally appraised. The sculpture is already installed at U.T. Dallas. U.T. Dallas estimates one-time signage costs will be \$1,360, and annual maintenance to be \$400. Expenses will be allocated from the University's art conservation budget.



Cosmic Buddha Sculpture



Male Lion Sculpture



Female Lion Sculpture



19th Century Rock Sculpture



20th Century Rock Sculpture

33. Contract (funds coming in) - U.T. El Paso: El Paso Community Foundation to provide programming and operational services for U.T. El Paso's FM radio broadcast station KTEP, including purchase option

Agency:	El Paso Community Foundation (the Foundation), a community foundation serving El Paso and the surrounding region.
Funds:	\$0, unless either purchase option, or the right of first refusal, is exercised.
Period:	Five years from the effective date, which will be approximately August 1, 2026 through July 31, 2031 (the Initial Term); with an option to renew for two additional five-year terms
Description:	El Paso Community Foundation will provide programming and certain operational services for U.T. El Paso's (UTEP) noncommercial educational, public FM Radio Broadcast station KTEP 88.5 FM (the Station). The Foundation will manage the daily operations and will be responsible for providing noncommercial programming, including music, news, and cultural information comparable to current Station programming. As part of the Public Service Operating Agreement (the Operating Agreement), and in consideration of (and to facilitate) providing the programming and operational services (the Services) to UTEP, the Foundation will be granted, under a separate License Agreement, a license to use and occupy the studio space currently used to operate the Station and to utilize UTEP's broadcasting equipment at no charge. The Foundation will be financially responsible for maintenance and repair that exceeds UTEP's maintenance obligations, as well as all other operational costs to provide the Services. UTEP will continue to be responsible for the payment of rent under the antenna site lease and UTEP's share of maintenance and repair costs of the antenna and transmitter equipment, not to exceed \$162,000 per year (beyond any insurance recovery). In the event the Foundation exercises either of the purchase options or the right of first refusal described below to acquire the Station, any future lease of the studio space will require the Foundation to pay fair market value rates.
Purchase Option:	The Foundation will have an exclusive option to purchase the Station assets, including its FCC license, permits and authorizations, within the first three years of the Initial Term for \$1,000,000 (the Purchase Price). During the remaining two years of the Initial Term, the Foundation will have a nonexclusive option to purchase such assets for the Purchase Price, and a right of first refusal to purchase the Station assets

in the event that UTEP seeks to sell or donate the Station assets to a third party. The Foundation's exercise of either option, or the right of first refusal, will require the additional prior consent of the Board at that time and is subject to prior FCC consent.

Fundraising:

Under the Operating Agreement, the Services that the Foundation will provide to UTEP include fundraising for the Station, including acknowledgements of gifts and contributions. In order to facilitate such efforts, UTEP will provide the Foundation with access to certain Station donor data from the prior 60 months, pursuant to terms and conditions specified in a Donor Data Sharing Agreement. The proceeds from all fundraising efforts for the Station undertaken pursuant to the Operating Agreement – including from contributions and underwriting – will be used solely for the benefit of the Station.

Finding of Public Purpose:

The Attorney General of the State of Texas, in Opinion No. MW-373 (1981), has advised that, for the use of space in university facilities with no or nominal cash rental payments to comply with the Texas Constitution, three requirements must be met: (1) the use of the property must serve a public purpose appropriate to the function of the university; (2) adequate consideration must be received by the university; and (3) the university must maintain controls over the user's activities to ensure that the public purpose is achieved.

The Board is asked to find that (1) the proposed License Agreement supports the public mission and serves a purpose appropriate to the function of UTEP as it will allow the Foundation to perform the operations, programming, broadcasting and fundraising services for UTEP and will allow the Station to continue to operate in service to UTEP and the El Paso community and surrounding areas; (2) adequate consideration and benefits will flow to UTEP for the use of the studio space and broadcasting equipment so long as the Foundation continues to perform the operations, programming, broadcasting and fundraising services at no charge to UTEP; and (3) UTEP will maintain controls over the Foundation's activities through the provisions of the Operating Agreement and License Agreement to ensure that the public purpose is achieved, including, for example, UTEP's retention of ultimate authority over Station programming, finances, facilities, and FCC compliance; the right to reject or preempt programming; and UTEP's rights to monitor compliance with and enforce the agreements, and terminate the License Agreement in the event of noncompliance.

34. Contract (funds coming in and going out) - U.T. El Paso: Amendment to Agreement with Sodexo Services of Texas Limited Partnership to provide campus food services

Agency:	Sodexo Services of Texas Limited Partnership
Funds:	\$16,004,527 in additional contract value (with a total contract value of \$36,283,100)
Period:	September 1, 2026 through August 31, 2037
Description:	Sodexo will continue to provide full-service food, beverage and non-alcoholic beverage services. These services include cash plan, meal plan and flex dollar pricing, non-traditional board, catering, and concession plans. The initial Agreement was approved by the Board of Regents on February 23, 2023, with a term ending August 31, 2029. The First through the Sixth Amendments did not require Board approval as the total contract value remained unchanged and then decreased. This Seventh Amendment extends the term through August 31, 2037, increases the total contract value by \$16,004,527, and provides mandatory meal plan for the new residence hall, Miner Crossing. Pursuant to <i>Texas Education Code</i> Section 51.945, students were provided an opportunity to comment prior to determination that this food services provider should be selected by the institution. This Agreement was competitively bid.

Summary of Amendments:

Amendments	Contract Term	Total Contract Value
Initial Agreement	Aug 1, 2022 - Aug 31, 2029	\$21,284,423
First	Oct 1, 2023 - Aug 31, 2029	\$21,284,423
Second	Jul 1, 2024 to Aug 31, 2029	\$21,284,423
Third	May 22, 2025 to Aug 31, 2029	\$20,278,573
Fourth	Sept 30, 2025 to Aug 31, 2029	\$20,278,573
Fifth	Oct 1, 2025 to Aug 31, 2029	\$20,278,573
Sixth	May 1, 2026 to Aug 31, 2029	\$20,278,573
Proposed Seventh	Sept 1, 2026 to Aug 31, 2037	\$36,283,100

35. Request for Budget Change - **U.T. El Paso**: Transfer \$15,000,000 from Designated Funds to Approved Projects for use of one-time fund balances to support minor capital improvements and cover implementation costs for a donor management and customer relationship management (CRM) software platform (RBC No. 15635) -- amendment to the FY 2026 budget

36. Request for Budget Change - **U.T. El Paso**: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the FY 2027 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
Woody L. Hunt College of Business		
Accounting and Information Systems		
Jie Yan	Assistant Professor	Associate Professor (T)
Economics and Finance		
Linh Thompson	Assistant Professor	Associate Professor (T)
Marketing, Management and Supply Chain		
Fujun Lai	New Hire	Professor (T)
Miguel A. Loya College of Engineering		
Civil, Environmental and Construction Engineering		
Imad Abdallah	Associate Professor	Professor (T)
Computer Science		
Min Xian	New Hire	Associate Professor (T)
Electrical and Computer Engineering		
Sai Mounika Errapotu	Assistant Professor	Associate Professor (T)
Alwathiqbellah Ibrahim	New Hire	Associate Professor (T)
Metallurgical, Materials and Biomedical Engineering		
Sylvia Natividad-Diaz	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
College of Health Sciences		
Kinesiology		
Kisuk Min	Assistant Professor	Associate Professor (T)
College of Liberal Arts		
Chicano Studies, Languages and Linguistics		
Elena Foulis	New Hire	Associate Professor (T)
English		
Brad Jacobson	Assistant Professor	Associate Professor (T)
Vershawn Young	New Hire	Professor (T)
History		
Joshua Savala	Assistant Professor	Associate Professor (T)
Music		
Chris Dickey	New Hire	Professor (T)
College of Science		
Biological Sciences		
Alexander Friedman	Assistant Professor	Associate Professor (T)
Earth, Environment and Resource Sciences		
Laura Alvarez	Assistant Professor	Associate Professor (T)
James Chapman	Assistant Professor	Associate Professor (T)
Physics		
Yun-Pil Shim	Assistant Professor	Associate Professor (T)

37. Request for Budget Change - U.T. El Paso: Tenure Appointment -- amendment to the FY 2026 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:

College, Department, and Name	From	To	RBC #
College of Science			
Biological Sciences			
Zhijie Liu	New Hire	Professor (T)	15740

38. Contract (funds coming in and going out) - U.T. Permian Basin: Agreement with Genuine Foods, LLC, to provide campus food services

Agency: Genuine Foods, LLC

Funds: Royalty of 5% of adjusted gross revenue generated by Snack and Coffee Shop Retail sales, Casual Meal Plan sales, and Catering sales

Period: June 1, 2026 through May 31, 2031; with extension options from year to year or for a period of up to five years

Description: Genuine Foods, LLC, to provide full-service food, alcoholic beverage, and non-alcoholic beverage services. This contract was competitively bid.

Pursuant to *Texas Education Code Section 51.945*, students were provided an opportunity to comment prior to determination that this food services provider should be selected by the institution.

39. Request for Budget Change - U.T. Permian Basin: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the FY 2027 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
College of Arts and Humanities		
Department of Art		
Alissa Adams	Assistant Professor	Associate Professor (T)
Department of History		
Jeffrey Washburn	Assistant Professor	Associate Professor (T)
Department of Communications		
Sarah Cho	Assistant Professor	Associate Professor (T)
College of Business		
Department of Accounting		
Chunhao Xu	Assistant Professor	Associate Professor (T)

40. Request for Budget Change - **U.T. Rio Grande Valley**: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the FY 2027 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
Robert C. Vackar College of Business and Entrepreneurship		
Department of Economics		
Armando Lopez	Assistant Professor	Associate Professor (T)
Xi Mao	Assistant Professor	Associate Professor (T)
College of Engineering and Computer Science		
Department of Mechanical Engineering		
Erik Deerly	New Hire	Associate Professor (T)
Department of Manufacturing and Industrial Engineering		
Farid Ahmed	Assistant Professor	Associate Professor (T)
Department of Civil Engineering		
Fatemeh Nazari	Assistant Professor	Associate Professor (T)
Mohamadhossin Noruzoliaee	Assistant Professor	Associate Professor (T)
College of Fine Arts		
School of Music		
Monica Martinez	Assistant Professor	Associate Professor (T)
College of Sciences		
School of Earth, Environmental, and Marine Sciences		
Erin Easton	Assistant Professor	Associate Professor (T)
School of Mathematical and Statistical Science		
Bingyuan Liu	Assistant Professor	Associate Professor (T)
Department of Human Genetics		
Satish Kumar	Associate Professor	Professor (T)

College, Department, and Name	From	To
College of Education and P-16 Integration		
Department of Organization and School Leadership		
Juan Niño	New Hire	Professor (T)

41. Lease - U.T. Rio Grande Valley: Authorization to amend, extend, and increase the size of an approximately 27,850 square-foot lease space by including an additional approximately 9,019 square-foot attached gymnasium space for a total of approximately 36,869 square feet, and to extend the lease term for the space, parking, and tennis court complex located at 101 Saint Joseph Drive, City of Brownsville, Cameron County, Texas, from Franco American Educational Society, for mission use, including academic, student, and administrative uses

Description:	Authorization to amend, extend, and increase the size of an approximately 27,850 square-foot lease space by including an additional approximately 9,019 square-foot attached gymnasium space for a total of approximately 36,869 square feet and to extend the lease term for the space, parking, and tennis court complex located at 101 Saint Joseph Drive, City of Brownsville, Cameron County, Texas, for mission use, including academic, student, and administrative uses. The Lessor will provide furniture, fixtures and equipment along with the premises.
Lessor:	Franco American Educational Society, a domestic nonprofit corporation, and/or related entities, successors, or assigns
Term:	The initial lease commenced on November 1, 2020 and expires October 31, 2026. The institution desires the lease extension to begin earlier in the year to coincide with the start of classes and the new term will be 37 months beginning on July 1, 2026 through July 31, 2029, with two one-year renewal options thereafter.
Lease Cost:	The Board of Regents approved the existing lease transaction on August 19, 2021 for a total cost of approximately \$4,204,000. The proposed rental amount is approximately \$20.50 per square foot or approximately \$818,800 for the initial 13-month extension period and is paid on a gross basis as Lessor is responsible for typical operating costs such as taxes, insurance, utility, janitorial, and maintenance expenses. Thereafter, there is a 3% increase on the annual rental amounts through July 31, 2029. Additionally, the rental rate for the two one-year option periods will increase by 3% annually.

Tenant Improvements: The Lease extension does not include a tenant improvement allowance, and the institution does not anticipate spending any funds on tenant improvement.

Total Cost: The cost of the proposed lease extension is projected to be approximately \$4,060,000, which includes the proposed 37-month extension and the two one-year renewal options. The total cost of the initial lease and lease extension is estimated to be \$8,264,000.

42. Contract (funds going out) - **U.T. San Antonio**: Amendment to Agreement with Boldyn Networks Higher Ed LLC (formerly known as Apogee Telecom, Inc.) to provide wired and wireless networking services

Agency: Boldyn Networks Higher Ed LLC (formerly known as Apogee Telecom, Inc.) (Boldyn)

Funds: \$10,713,195 for the entire term, including all renewal terms

Period: June 30, 2026 through August 31, 2029

Description: Boldyn will continue to provide wired and wireless networking services for U.T. San Antonio's housing and residence life buildings. The original Agreement was effective May 15, 2018 through May 14, 2023, with a total contract value of \$8,403,785, and was approved by the Board on August 10, 2018. The First Amendment was effective September 1, 2020, extended the terms an additional five years, and did not require Board approval as the total contract value remained unchanged. This Second Amendment extends the term an additional one year, with total contract fees increasing from \$8,403,785 to \$10,713,195. The initial Agreement and First Amendment were competitively bid, and the Second Amendment was procured pursuant to a best value determination.

43. Contract (funds going out) - U.T. San Antonio: Marksmen General Contractors, LLC, to provide job order contracting services for minor construction projects

Agency: Marksmen General Contractors, LLC (Marksmen)

Funds: \$12,500,000 for the entire term

Period: March 1, 2026 through March 1, 2030

Description: The Agreement secures as-needed, indefinite quantity job order contracting services to support U.T. San Antonio's minor construction and renovation projects. Total fees may increase or decrease depending on volume of construction projects. Each job order issued under the Agreement with Marksmen will be independently evaluated and executed.

The Agreement resulted from a competitive Request for Proposal intended to select multiple contractors. The highest-ranked proposals were selected under the RFP, and Marksmen was one of the selected proposers.

44. Request for Budget Change - U.T. San Antonio: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the FY 2027 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
Alvarez College of Business		
Department of Accounting Daniela Sanchez	Assistant Professor	Associate Professor (T)
Department of Management Alexander Lewis	Assistant Professor	Associate Professor (T)
College of AI, Cyber and Computing		
Department of Statistics and Data Science Yeonjoo Park	Assistant Professor	Associate Professor (T)
Department of Information Systems and Cybersecurity Hongyi Zhu	Assistant Professor	Associate Professor (T)
Department of Computer Science Mimi Xie	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
College of Education and Human Development		
Department of Educational Psychology		
Hannah MacNaul	Assistant Professor	Associate Professor (T)
Department of Interdisciplinary Learning and Teaching		
Kathy Ewoldt	Assistant Professor	Associate Professor (T)
Maria Leija	Assistant Professor	Associate Professor (T)
Marrisa Munoz	Assistant Professor	Associate Professor (T)
Elena Novak	New Hire	Professor (T)
Department of Race, Ethnicity, Gender and Sexuality Studies		
Rachel Cruz	Assistant Professor	Associate Professor (T)
Sylvia Mendoza	Assistant Professor	Associate Professor (T)
College of Liberal and Fine Arts		
School of Music		
Nicole Cherry	Assistant Professor	Associate Professor (T)
Ivan Hurd	Assistant Professor	Associate Professor (T)
Yoojin Muhn	Assistant Professor	Associate Professor (T)
College of Sciences		
Department of Biology, Health and the Environment		
Matthew Troia	Assistant Professor	Associate Professor (T)
Allison Veach	Assistant Professor	Associate Professor (T)
Department of Mathematics		
Jessica Gehrtz	Assistant Professor	Associate Professor (T)
Zhuolin Qu	Assistant Professor	Associate Professor (T)
Department of Physics and Astronomy		
Thayne Currie	Associate Professor	Associate Professor (T)
College of Health, Community and Policy		
Department of Kinesiology		
Se-Woong Park	Assistant Professor	Associate Professor (T)
Department of Psychology		
Monica Lawson	Assistant Professor	Associate Professor (T)
Shelby Scott	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
Klesse College of Engineering and Integrated Design		
Department of Biomedical Engineering and Chemical Engineering		
Hugo Giambini	Assistant Professor	Associate Professor (T)
Karina Vielma	Assistant Professor	Associate Professor (T)
 School of Civil and Environmental Engineering, and Construction Management		
Jiannan Cai	Assistant Professor	Associate Professor (T)
Ao Du	Assistant Professor	Associate Professor (T)

45. Request for Budget Change - U.T. San Antonio: Tenure Appointments -- amendment to the FY 2026 budget

The following Requests for Budget Change (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:

College, Department, and Name	From	To	RBC #
Alvarez College of Business			
Department of Economics			
Benjamin Ukert	New Hire	Associate Professor (T)	15705
Elena Andreyeva	New Hire	Associate Professor (T)	15708
 College of Sciences			
Department of Biology, Health and the Environment			
Katrin Kuhn	New Hire	Professor (T)	15706
 Klesse College of Engineering and Integrated Design			
School of Civil and Environmental Engineering and Construction Management			
Olga Bannova	New Hire	Professor (T)	15707
 College of Liberal and Fine Arts			
Department of Philosophy and Classics			
Heidi Furey	New Hire	Associate Professor (T)	15678
 College of Education and Human Development			
Department of Interdisciplinary Learning and Teaching			
Chunling Niu	New Hire	Associate Professor (T)	15676

46. Lease - U.T. San Antonio: Authorization to lease approximately 29,054 rentable square feet of medical office space, and related parking located at 3846 Medical Drive, San Antonio, Bexar County, Texas, from Serac Fountainhead San Antonio Owner, LLC, for mission related use

Description:	Authorization to lease approximately 29,054 rentable square feet of medical office space, and related parking located at 3846 Medical Drive, San Antonio, Bexar County, Texas, for mission related use.
Lessor:	Serac Fountainhead San Antonio Owner, LLC, a Delaware limited liability company, and/or related entities, successors, or assigns
Term:	The initial term of the lease will be for approximately 87 months from the lease commencement date, which is estimated to be May 1, 2027. U.T. San Antonio will receive three months of abated base rent which will be credited equally over the first nine months of the lease. Lessee will also have the option to extend the term of the lease for approximately 60 months.
Lease Cost:	Estimated base rent for the initial term and potential renewal term is approximately \$11,091,365. Initial base rent during the initial term will be \$29.00 per square foot with \$0.50 annual increases each year thereafter. The three months of abated base rent totals approximately \$210,642. The base rent for the renewal period will be the then current fair market value. Lessee is responsible for the cost of its share of operating expenses. Total operating expenses for the initial term are estimated at approximately \$2,745,509. The initial annual operating expense is estimated to be approximately \$11.87 per square foot. Assuming 3% annual operating expense growth, operating expenses during the renewal term are estimated to be approximately \$2,251,585.
Tenant Improvements:	The Lessor is contributing approximately \$2,179,050 (\$75 per square foot). Additionally, the institution will contribute funds not covered by tenant improvement allowance, which amount is currently estimated to be \$2,905,400. The leased space is currently in second generation condition.
Total Cost:	Total estimated lease expense over the initial term and potential renewal term is approximately \$20,737,372, which includes base rent, operating expenses, electricity, janitorial, and proposed tenant improvements paid by U.T. San Antonio.

47. Lease - U.T. San Antonio: Authorization to master lease approximately 23,785 square feet of space, including 28 furnished residential units together with associated lobby, elevator, and common areas, located at 322 West Commerce Street, San Antonio, Bexar County, Texas, and commonly known as The Continental Hotel, from REVOLURBAN1, LLC, for mission purposes, including student housing and accommodations for faculty and guests of U.T. San Antonio; and authorization to obtain an option to purchase the property

Description: Master Lease of approximately 23,785 square feet of space including 28 furnished residential units together with associated lobby, elevator, and common areas, in a recently-renovated multi-story approximately 34,551-square-foot residential and commercial building (Building). U.T. San Antonio will use the leased space to house students, staff, and guests of the institution.

The Building was built circa 1890 and renovated in 2025, and consists of second-floor and third-floor residential units, a small ground floor lobby for the residences, and ground floor storefront commercial spaces that are for lease to third parties. The residents will have non-exclusive use of a patio behind the building. No parking is provided by the Lessor; however, residents may use nearby parking lots owned or controlled by U.T. San Antonio. The units are partially furnished.

U.T. San Antonio plans to operate the residential units primarily as student housing to serve its growing downtown San Antonio academic presence. The cost of such operation, including leasing, make-ready, and turnover shall be borne by the institution.

Location: 322 West Commerce Street, San Antonio, Bexar County, Texas, and commonly known as The Continental Hotel. The Building is located one block away from U.T. San Antonio's downtown San Pedro campus.

Lessor: REVOLURBAN1, LLC, a Texas limited liability company, or related entities, successors and/or assigns. Lessor is controlled by Weston Urban, which redeveloped the Building.

Term: Five years and a partial month, if applicable. The term commences upon lease execution, expected in July 2026. In addition, Lessee has four one-year renewal options.

Lease Cost:	Initial base rent for the space will be \$575,000 and includes furnishings in the lobby and units; rent will increase by 2.5% each lease year. In addition, Lessee will pay its pro-rata share of property taxes, if applicable, estimated at \$41,488 in the initial lease year. Base rent for the renewal terms, if exercised, shall each be 2.5% above the prior year's rent. Lessee's base rent is inclusive of all operating expense costs, including utilities, and common area charges. In addition, Lessor will be responsible for the cost of property taxes to the extent not reimbursed by Lessee as provided above.
Tenant Improvements:	The residential improvements are fully built, and Lessor is not providing any tenant improvement allowance. The institution does not anticipate making any substantial renovations. In the event the residents damage the Building, U.T. San Antonio will pay the Lessor to repair such damages if repaired by the Lessor.
Purchase Option:	Beginning on August 1, 2033, Lessee will have the right to purchase the Building at a price that is equal to the then fair market value as established by independent appraisal, but only if Lessor's development cost basis in the Building does not exceed fair market value. The possible purchase of the Building will be subject to future authorization by the Board.
Total Cost:	Total lease cost during the initial term, inclusive of property taxes, if applicable, paid by the institution, is estimated at approximately \$3,251,636. If the institution renews the lease for all one-year terms, inclusive of the primary term, the estimated cost is approximately \$6,181,318.

48. Request for Budget Change - **Stephen F. Austin State University**: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the FY 2027 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
College of Business		
Schlief School of Accountancy		
Stephanie V. Ross	Assistant Professor	Associate Professor (T)
College of Education, Humanities, and Social Sciences		
English and Creative Writing		
Jason MacIntosh	Assistant Professor	Associate Professor (T)
Media and Communication		
Michael Tyler Welsh	Assistant Professor	Associate Professor (T)
College of Sciences and Mathematics		
Computer Science		
Dipak Singh	Assistant Professor	Associate Professor (T)
Physics, Engineering, and Astronomy		
Carl Andrew Ziegler	Assistant Professor	Associate Professor (T)

49. Contract (funds coming in and going out) - U.T. Tyler: Agreement with American Food and Vending Service of Missouri, Inc., dba American Dining Creations, to provide campus food service

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

Funds: Commission-based revenue model that returns between 10% - 20% commission on gross sales. Estimated gross sales of \$112,000,000 and estimated commission payments of \$20,100,000 with \$16,100,000 guaranteed over the life of the contract, including all renewal options.

Period: May 1, 2026 through August 31, 2033; with option to extend one additional five-year term

Description: The proposed Agreement provides for the delivery of comprehensive, high-quality dining, catering, and concession services in support of the University's mission. Under the Agreement, the selected vendor will serve as the University's primary food service provider, responsible for the day-to-day food operations, catering for institutional events, and concessions for special events, athletics, and performance programs. The Agreement is structured to ensure consistent service standards, food safety compliance, and responsiveness to the evolving needs of the campus.

Pursuant to *Texas Education Code* Section 51.945, students were provided an opportunity to comment prior to determination that this food services provider should be selected by the institution.

50. Request for Budget Change - **U.T. Tyler**: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the FY 2027 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
College of Arts and Sciences		
Chemistry and Biochemistry Jiyong Lee	Assistant Professor	Associate Professor (T)
Biology Matthew Greenwold	Assistant Professor	Associate Professor (T)
Soules College of Business		
Human Resources Development Jeff Allen	New Hire	Professor (T)
School of Education		
Yasemin Gunipar	Assistant Professor	Associate Professor (T)
Forrest Kaiser	Assistant Professor	Associate Professor (T)
Woonhee Sung	Assistant Professor	Associate Professor (T)
College of Engineering		
Electrical and Computer Engineering Shawana Tabassum	Assistant Professor	Associate Professor (T)
School of Health Professions		
Kinesiology Woohyoung Jeon	Assistant Professor	Associate Professor (T)
Psychology and Counseling Olga Berkout	Assistant Professor	Associate Professor (T)

HEALTH AFFAIRS COMMITTEE51. Request for Budget Change - **U.T. Arlington**: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the FY 2027 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
College of Nursing and Health Innovation		
Nursing		
Kristin Gigli	Assistant Professor	Associate Professor (T)
Regina Urban	Assistant Professor	Associate Professor (T)

52. Request for Budget Change - **U.T. Austin**: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the FY 2027 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
Dell Medical School		
Neurology		
Esther Melamed	Assistant Professor	Associate Professor (T)
Psychiatry		
Greg Fonzo	Assistant Professor	Associate Professor (T)
College of Pharmacy		
Kun Yang	Assistant Professor	Associate Professor (T)

53. Request for Budget Change - **U.T. Austin**: Tenure Appointment -- amendment to the FY 2026 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:

College, Department, and Name	From	To	RBC #
Dell Medical School			
Quantitative and Systems Health Science			
Hongfang Liu	New Hire	Professor (T)	15724

54. Request for Budget Change - U.T. El Paso: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the FY 2027 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
College of Health Sciences		
Physical Therapy and Movement Sciences		
Camilla Torriani-Pasin	Associate Professor	Associate Professor (T)
Rehabilitation Sciences		
Gregory Shober	Assistant Professor	Associate Professor (T)
School of Pharmacy		
Pharmaceutical Sciences		
Qin Yong	Assistant Professor	Associate Professor (T)

55. Request for Budget Change - U.T. Rio Grande Valley: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the FY 2027 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
College of Health Professions		
Occupational Therapy		
Wesam Darawsheh	New Hire	Associate Professor (T)
School of Medicine		
Medicine and Oncology		
Subramanian Dhandayuthapani	Professor	Professor (T)
Sheema Khan	Associate Professor	Associate Professor (T)

56. Request for Budget Change - **U.T. San Antonio**: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the FY 2027 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
School of Medicine		
Medicine		
Luke Norton	Associate Professor	Associate Professor (T)
Shangang Zhao	Associate Professor	Associate Professor (T)
Neurosurgery		
Naomi Sayre	Assistant Professor	Associate Professor (T)
Obstetrics and Gynecology		
Sarah Page-Ramsey	Professor	Professor (T)
Patrick Ramsey	Professor	Professor (T)
Orthopedics		
Vaida Glatt	Assistant Professor	Associate Professor (T)
Psychiatry and Behavioral Sciences		
Stefanie LoSavio	Assistant Professor	Associate Professor (T)
Surgery		
Susannah Nicholson	Associate Professor	Professor (T)
School of Health Professions		
Communication Sciences and Disorders		
Catherine Torrington Eaton	Assistant Professor	Associate Professor (T)
Occupational Therapy		
Mei-Ling Lin	Assistant Professor	Associate Professor (T)
Physician Assistant Studies		
Steven Skaggs	Assistant Professor	Associate Professor (T)
School of Dentistry		
Comprehensive Dentistry		
Noorpreet Kaur	Assistant Professor	Associate Professor (T)

57. Request for Budget Change - **U.T. San Antonio**: Tenure Appointments -- amendment to the FY 2026 budget

The following Requests for Budget Change (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:

College, Department, and Name	From	To	RBC #
School of Medicine			
Mays Cancer Center			
George Aue	New Hire	Professor (T)	15648
Kai He	New Hire	Professor (T)	15649
Pathology			
Russell Higgins	Professor	Professor (T)	15716
Cardiothoracic Surgery			
Lacy Harville	Professor	Professor (T)	15718
School of Public Health			
Health, Behavior, and Society			
Gretchen Clum	New Hire	Associate Professor (T)	15647

58. Request for Budget Change - **Stephen F. Austin State University**: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the FY 2027 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
College of Health Professions		
Allied Health Studies		
Ralf Schuster	Assistant Professor	Associate Professor (T)
Robyn H. Whitehead	Assistant Professor	Associate Professor (T)

59. Request for Budget Change - **Stephen F. Austin State University**: Tenure Appointment -- amendment to the FY 2026 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:

College, Department, and Name	From	To	RBC #
College of Health Professions			
Elisabeth Ploran	New Hire	Professor (T)	15737

60. Request for Budget Change - **U.T. Tyler**: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the FY 2027 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
Fisch College of Pharmacy		
Pharmaceutical Sciences		
Santosh Aryal	Associate Professor	Professor (T)
School of Health Professions		
Healthcare Policy, Economics and Management		
Kimberly Elliott	Associate Professor	Associate Professor (T)
Jessica Escareno	Assistant Professor	Associate Professor (T)

61. Contract (funds coming in) - **U.T. Southwestern Medical Center**: To provide neurosurgery physician services onsite and on-call to beneficiaries of the Veterans Affairs and the North Texas Veterans Health Care System

Agency:	Department of Veterans Affairs
Funds:	\$11,220,260
Period:	July 1, 2026 through June 30, 2027; with option to renew for four additional one-year terms
Description:	U.T. Southwestern Medical Center will provide neurosurgery physician services onsite and on-call to beneficiaries of the Veterans Affairs and the North Texas Veterans Health Care System.

62. Lease - U.T. Southwestern Medical Center: Authorization to lease approximately 6,900 rentable square feet of additional space and extend the current lease of approximately 48,770 rentable square feet of space located at 3020 and 3030 Waterview Parkway, Richardson, Collin County, Texas from GI DC RICHARDSON, LLC, for mission related uses

Description: Authorization to lease approximately 6,900 rentable square feet of additional space and extend the current lease of approximately 48,770 rentable square feet of space located at 3020 and 3030 Waterview Parkway, Richardson, Collin County, Texas for mission related uses

Lessor: GI DC RICHARDSON, LLC, and/or related entities, successors, or assigns

Term: The term of the amended lease for the existing space and expansion space will be for approximately 127 months, which will commence on approximately December 1, 2026, for the expansion space and approximately December 1, 2027, for the existing space. The base rent will be abated for the initial seven months following the commencement date for the existing space and for the initial five months for the expansion space. Prior to the amended lease term, the term of the existing space was for 91 months and commenced on December 1, 2012. The lease was further extended for an additional 89 months and will expire on November 20, 2027.

Lease Cost: Estimated base rent for the amended term is approximately \$14,455,172. The Board previously approved \$5,580,029 on August 22, 2012 for the initial term for the existing space, and also an additional \$7,927,157 on May 6, 2020 to extend the initial term.

Initial base rent over the lease amendment term for the existing space and expansion space will be \$22.00 per square foot annually with approximately 3% annual increases thereafter. The base rent for the existing space will be reset to the same rate as the expansion space on approximately December 1, 2027, but the base rental rate will remain unchanged from the initial lease until that time. Lessee will be responsible for any additional operating expenses, which are approximately \$18.00 per square foot. Assuming 3% annual operating expense increases, the operating expenses during the amended term are estimated to be approximately \$12,951,421 and Lessee will be responsible for paying its own cost of janitorial and utilities, which are estimated to be \$222,688 per year.

Tenant Improvements: The lessor is contributing approximately \$2,813,130 for the improvements for both the existing space and expansion space. U.T. Southwestern Medical Center will contribute approximately \$9,428,537 towards improvements to the leased space.

Total Cost: Total estimated lease expense over the amended lease term is approximately \$39,219,280 which includes all estimated rent, all estimated operating expenses, proposed tenant improvement expense paid by U.T. Southwestern Medical Center, and all estimated additional costs outlined above. The total cost for the initial term and amended terms is estimated to be \$52,726,466.

63. **Lease - U.T. Southwestern Medical Center:** Authorization to lease approximately 55,242 rentable square feet of space and related parking located at 1311 West President George Bush Turnpike, Richardson, Dallas County, Texas, from 1301 President George Bush Highway Holdings, LP, for mission related uses

Description: Authorization to lease approximately 55,242 rentable square feet of space and related parking located at 1311 West President George Bush Turnpike, Dallas County, Texas, for mission related uses

Lessor: 1301 President George Bush Highway Holdings, LP, and/or related entities, successors, or assigns

Term: The term of the lease will be for approximately 120 months and will commence upon substantial completion of the construction of tenant improvements. Lessee will also have the option to further extend the term of the lease for two renewal periods of approximately 60 months each.

Lease Cost: Base Rent over the initial period will be approximately \$18.50 per square foot annually for year one, then will increase by 2.5% annually thereafter. The base rent will be abated for the initial nine months following the commencement date.

The base rent for the potential renewal periods will be at the then determined fair market value. Lessee will be responsible for all operating expenses, which are initially estimated to be approximately \$8.29 per square foot per year. Assuming 3% annual operating expense increases, the operating expenses during the initial period are estimated to be approximately \$5,249,954, and the operating expenses for the renewal period are estimated to be approximately \$7,055,500. In addition, Lessee will be responsible for utility

and janitorial service, which costs are estimated to be approximately \$276,210 per year and may be paid directly to the utility company and janitorial provider for the lessee's premises.

Tenant Improvements: The Lessor will contribute approximately \$87.00 per rentable square foot, which is estimated to total approximately \$4,806,054, as a tenant improvement allowance. Additionally, the institution will contribute approximately \$163.00 per rentable square foot, which is estimated to be \$9,005,000, towards improvements to the leased space.

Total Cost: Total estimated lease expense over the initial lease term and potential renewal period is approximately \$52,170,363, which includes estimated rent, estimated operating expenses, estimated janitorial and utility expenses, and proposed tenant improvement expense.

64. Contract (funds going out) - **U.T. Medical Branch - Galveston**: Amendment to Agreement with Evoqua Water Technologies, LLC, to provide specialty water treatment systems

Agency: Evoqua Water Technologies, LLC

Funds: \$7,000,000

Period: February 25, 2026 through June 30, 2027

Description: Second Amendment with Evoqua Water Technologies, LLC, to maintain existing specialty water treatment systems and install new systems. These systems provide purified water by means of reverse osmosis and/or deionization as well as exchange stations that provide additional purification. This Second Amendment will add additional specialty water treatment services and preventative maintenance services.

The Board of Regents previously approved this Agreement on August 20, 2020, in the amount of \$5,000,000. The First Amendment did not require Board approval as the contract value remained unchanged. The initial Agreement and this Second Amendment was procured pursuant to a best value determination.

65. Contract (funds going out) - U.T. Medical Branch - Galveston: Amendment to Agreement with Qualified Health, PBC, to provide AI technology platform

Agency: Qualified Health, PBC

Funds: \$9,850,000

Period: October 31, 2025 through October 30, 2027

Description: In December 2024, U.T. Medical Branch - Galveston (UTMB) entered into a Master Subscription Agreement (MSA) with Qualified Health for the Qualified Operating System (qOS) platform and Qualified GPT, which is a secure interface to interact with Generative Artificial Intelligence (Gen AI) models and applications. The initial Agreement had a contract value set at \$825,000, which was within the institution's delegated authority threshold and did not require Board approval, and the term was one year with two 12-month renewal options thereafter.

In October 2025, UTMB entered into the First Amendment of the MSA, which transitioned to Qualified Health Enterprise AI Platform and increased the value to \$4,250,000, remaining within the institution's delegated authority threshold. The term ends one year from the date UTMB confirms completion of the implementation and integration services.

This Third Amendment extends the Qualified Health Technology Platform to all seven U.T. System Health-Related Institutions (HRIs) and will be funded by U.T. System under the UT-REAL-Health AI initiative appropriated by the 89th Texas Legislature. The term of the Third Amendment is October 31, 2025 through October 30, 2027, and the additional value is \$5,600,000 bringing the total value of the Agreement with Qualified Health to \$9,850,000. This Agreement was competitively procured.

66. Contract (funds going out) - U.T. Medical Branch - Galveston: Amendment to Agreement with Tejas Anesthesia, PLLC, to provide anesthesia services at U.T. Medical Branch - Galveston's League City Campus

Agency: Tejas Anesthesia, PLLC

Funds: Estimated \$28,000,000

Period: March 16, 2026 through December 31, 2026

Description: Tejas Anesthesia, PLLC (Tejas) provides all anesthesia services and management to U.T. Medical Branch - Galveston's League City Campus, supplying physicians and advanced practice providers as appropriate, as well as a Medical Director to perform necessary oversight.

The original contract was approved by the Board of Regents on November 16, 2023, for the amount of \$19,390,469. This First Amendment increases the value to approximately \$28,000,000.

67. Contract (funds going out) - U.T. Medical Branch - Galveston: Wavemark, Inc. to provide surgical procedure area inventory point-of-use technology

Agency: Wavemark, Inc.

Funds: \$10,500,000

Period: May 19, 2026 through May 18, 2033; with two optional 12-month renewals

Description: Wavemark, Inc., will provide surgical procedure area inventory point-of-use technology to U.T. Medical Branch - Galveston's department of Supply Chain Informatics. This Agreement supports the implementation and ongoing use of a Point-of-Use (POU) Inventory Management System that provides enhanced visibility, control, and operational efficiency for the management, tracking, and replenishment of medical and surgical supplies across all hospital and clinic locations. This Agreement was competitively procured.

68. Request for Budget Change - **U.T. Medical Branch - Galveston**: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved the Chancellor and the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the FY 2027 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
School of Medicine		
Obstetrics and Gynecology		
Lauren Richardson	Assistant Professor	Associate Professor (T)
Ananth Kammala	Assistant Professor	Associate Professor (T)
Ophthalmology and Visual Sciences		
Hua Liu	Associate Professor	Associate Professor (T)
School of Public and Population Health		
Biostatistics and Data Science		
Xiaoying Yu	Associate Professor	Associate Professor (T)

69. Request for Budget Change - **U.T. Medical Branch - Galveston**: Tenure Appointment -- amendment to the FY 2026 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:

College, Department, and Name	From	To	RBC #
School of Medicine			
Radiology			
Max Wintermark	New Hire	Professor (T)	15638

70. **Lease - U.T. Medical Branch - Galveston:** Authorization to amend and extend a lease of approximately 12,017 square feet of space in a building located at 1108 A East Mulberry Street, Angleton, Brazoria County, Texas, from Angleton Investments, LTD., for mission purposes, including clinical, operation, and administrative use

Description:	Authorization to amend and extend the lease of approximately 12,017 square feet of space in a building located at 1108 A East Mulberry Street, Angleton, Brazoria County, Texas, for mission purposes, including clinical, operation, and administrative use.
Lessor:	Angleton Investments, LTD., a Texas Limited Partnership, and/or related entities, successors, or assigns.
Term:	The original lease was approved by the Board of Regents on December 5, 1991, and the lease term began on December 1 of that year and continued for a period of 60 months. Since that time, the original lease has been extended in five-year increments, and a new lease was put in place with the current term expiring on November 30, 2026. The existing lease has one additional five-year extension option that may be exercised; however, the institution desires to amend the lease and extend it seven years until November 30, 2033. Additionally, U.T. Medical Branch - Galveston is negotiating to include two additional five-year extension options.
Lease Cost:	The estimated cost of base rent and operating expenses through November 30, 2026, is approximately \$4,988,000. The estimated cost of the seven-year renewal is approximately \$2,303,500, and the two additional five-year renewal options are estimated to cost approximately \$3,804,000 in base rent, operating expenses, and janitorial expenses.
Tenant Improvements:	The Lessor is contributing approximately \$290,000 for a paint and carpet refresh. The institution estimates that it will spend approximately \$300,000 of additional funds on tenant improvement costs.
Total Cost:	The total lease cost, which includes previous lease years, the current lease term, potential renewal terms, and U.T. Medical Branch - Galveston funded improvements is estimated to be approximately \$11,395,500.

71. Purchase - **U.T. Medical Branch - Galveston**: Authorization to purchase approximately 0.34 acres of land and improvements, including an approximately 2,800 square foot medical office building and parking lot, located at 215 Oak Drive South, Suite B, Lake Jackson, Brazoria County, Texas, from Bennett Property Holdings, LLC, for mission use, including medical clinic use

Description: Authorization to purchase approximately 0.34 acres of land and improvements, including an approximately 2,800 square foot medical office building and parking lot currently leased by U.T. Medical Branch - Galveston and used as an ambulatory clinic, located at 215 Oak Drive South, Suite B, Lake Jackson, Brazoria County, Texas, for mission use, including medical clinic use.

Seller: Bennett Property Holdings, LLC and/or related entities, 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.

72. Purchase - **U.T. Medical Branch - Galveston**: Authorization to purchase approximately 0.86 acres of land and improvements, including an approximately 6,040 square foot vacant medical office building and parking lot located at 6 Professional Park Drive, Webster, Harris County, Texas, from Charles Schuhmacher, for future medical use

Description: Authorization to purchase approximately 0.86 acres of land and improvements, including an approximately 6,040 square foot vacant medical office building and parking lot located at 6 Professional Park Drive, Webster, Harris County, Texas, for future medical use.

The property is located in an office park across the street to the north of the U.T. Medical Branch Health Clear Lake Campus Hospital.

Seller: Charles Schuhmacher, a sole proprietorship, and/or related entities, 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.

73. Contract (funds coming in) - U.T. Health Science Center - Houston: To provide telepsychiatry/telepsychology and related services to residents and psychiatric patients in the Texas Health and Human Services Health and Specialty Care System

Agency: Texas Health and Human Services Commission

Funds: \$38,641,952

Period: September 1, 2026 through August 31, 2031

Description: Contract to provide psychiatrists and psychologists to perform telepsychiatry/telepsychology and related services to residents and psychiatric patients in Texas Health and Human Services Health and Specialty Care System.

74. Request for Budget Change - U.T. Health Science Center - Houston: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the FY 2027 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
Cizik School of Nursing		
Research		
Janet Van Cleave	Associate Professor	Professor (T)
McWilliams School of Biomedical Informatics		
Bioinformatics and Systems Medicine		
Arif Harmanci	Assistant Professor	Associate Professor (T)
McGovern Medical School		
Institute of Molecular Medicine		
Priyatansh Gurha	Assistant Professor	Associate Professor (T)
Wenliang Li	Professor	Professor (T)
Integrative Biology and Pharmacology		
Catherine Denicourt	Associate Professor	Associate Professor (T)
Internal Medicine		
Bela Patel	Professor	Professor (T)
Neurology		
Gab Seok Kim	Assistant Professor	Associate Professor (T)
Joo Eun Jung	Associate Professor	Associate Professor (T)
Venugopal Venna	Associate Professor	Associate Professor (T)

College, Department, and Name	From	To
Neurosurgery Georgene Hergenroeder Peeyush Pandit Yanning Rui	Associate Professor Associate Professor Assistant Professor	Professor (T) Associate Professor (T) Associate Professor (T)
Ophthalmology Timothy McCulley	Professor	Professor (T)
Otorhinolaryngology, Head and Neck Surgery Xiaoyang Hua	Associate Professor	Associate Professor (T)
Pediatrics Cheryl Varghese Vahid Serpooshan	Assistant Professor Associate Professor	Associate Professor (T) Associate Professor (T)
Pediatric Surgery Matthew Harting	Associate Professor	Professor (T)
School of Public Health		
Environmental and Occupational Health Sciences Shannon Guillot-Wright	Associate Professor	Associate Professor (T)
Epidemiology Blake Hanson Miryoung Lee	Assistant Professor Associate Professor	Associate Professor (T) Associate Professor (T)
Health Promotion and Behavioral Sciences Lara Savas	Associate Professor	Associate Professor (T)
School of Dentistry		
Endodontics Ji Wook Jeong	Associate Professor	Associate Professor (T)
General Practice and Dental Public Health Ana C. Candia Solari Neumann	Professor	Professor (T)
Periodontics and Dental Hygiene Seonghong Seiko Min	Associate Professor	Associate Professor (T)

75. Request for Budget Change - **U.T. Health Science Center - Houston**: Tenure Appointment -- amendment to the FY 2026 budget

The following tenure appointment has been administratively approved by the president and the Executive Vice Chancellor for Health Affairs, with delegated authority from the Chancellor, and is recommended for approval by the U.T. System Board of Regents.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>	<u>RBC #</u>
McGovern Medical School			
Anesthesiology, Critical Care and Pain Medicine			
John M. Zerwas	New Hire	Professor (T)	15636

76. Provost Appointment - **U.T. Health Science Center - Houston**: Approval of appointment of Kevin Morano, Ph.D., as Provost and Chief Academic Officer

The appointment summarized below has been approved by the Chancellor and is recommended for approval by the U.T. System Board of Regents.

Description:	Appointment of Kevin Morano, Ph.D., as Provost and Chief Academic Officer. The Provost reports to the President and shall hold office without fixed term, subject to the pleasure of the President. This appointment requires approval by the Board of Regents pursuant to Regents' <i>Rules and Regulations</i> , Rule 20102 (Appointment of Institutional Administrative Officers).
--------------	---

77. Contract (funds going out) - U.T.M.D. Anderson Cancer Center: Increase in estimated contract value for the Agreement with LMC Corporation to provide maintenance and repair job order contracting services

Agency: LMC Corporation

Funds: The total contract value, including the renewal periods, is estimated to be \$10,000,000.

Period: September 15, 2023 through September 14, 2027; with one additional 24-month renewal option remaining

Description: Under this job order contracting agreement, LMC Corporation will provide services related to maintenance and repair of U.T.M.D. Anderson Cancer Center's administration, education, patient care and research facilities, and other related services on a per assignment basis. Services are on a nonexclusive, indefinite basis, and there is no minimum amount of work required.

The initial Agreement, effective as of September 15, 2023, has a term of two years with two renewal options of two years each. Renewal Notice Number 1, effective as of March 17, 2025, extended the term to September 14, 2027, with one renewal option remaining. Agreement is being brought forward for Board approval as it is now anticipated that total costs will exceed \$5,000,000. The total contract value, including the renewal periods, is estimated to be \$10,000,000. This Master Agreement was competitively bid.

78. Contract (funds going out) - U.T.M.D. Anderson Cancer Center: Increase in estimated contract value for the Agreement with Noble Texas Builders, LLC, to provide maintenance and repair job order contracting services

Agency	Noble Texas Builders, LLC
Funds:	The total contract value, including the renewal periods, is estimated to be \$10,000,000
Period:	September 15, 2023 through September 14, 2027; with one additional 24-month renewal option remaining
Description:	Under this job order contracting agreement, Noble Texas Builders, LLC, will provide maintenance and repair services related to U.T.M.D. Anderson Cancer Center's administration, education, patient care, and research facilities, and other related services on a per assignment basis. Services are on a non-exclusive, indefinite basis, and there is no minimum amount of work required. The initial Agreement, effective as of September 15, 2023, has a term of two years with two renewal options of two years each. Renewal Notice Number 1, effective as of March 17, 2025, extended the term to September 14, 2027, with one renewal option remaining. The Agreement is being brought forward for Board approval as it is now anticipated that total costs under the Agreement will exceed \$5,000,000. The total contract value, including the renewal periods, is estimated to be \$10,000,000. This Master Agreement was competitively bid.

79. Contract (funds going out) - U.T.M.D. Anderson Cancer Center: Increase in estimated contract value for the Agreement with P & W Architects, LLP, dba Philo Wilke Partnership, to provide architectural services

Agency: P & W Architects, LLP dba Philo Wilke Partnership

Funds: Approximately \$25,000,000

Period: May 20, 2024 through July 17, 2027

Description: P & W Architects, LLP (P&W), will provide miscellaneous architectural services for renovation, repair, minor construction and maintenance projects, and other miscellaneous architectural services on a per assignment basis as requested by U.T.M.D. Anderson Cancer Center. Services are on a nonexclusive, indefinite basis, and there is no minimum amount of work required.

The initial Agreement, effective June 7, 2022 through June 6, 2024, with three renewals of 12-months each, was approved by the Board on May 9, 2024, with an estimated contract value of \$10,000,000.

The First Amendment, effective May 20, 2024, extended the term to July 17, 2027, using all renewals, and did not require Board approval as the contract value remained unchanged. The contract value is now estimated to be \$25,000,000. The initial Agreement was competitively bid.

80. Contract (funds going out) - U.T.M.D. Anderson Cancer Center: Increase in estimated contract value for the Agreement with Trevino Group, Inc., to provide maintenance and repair job order contracting services

Agency: Trevino Group, Inc.

Funds: The total contract value, including the renewal periods, is estimated to be \$10,000,000.

Period: September 15, 2023 through September 14, 2027; with one 24-month renewal option remaining

Description: Under this job order contracting agreement, Trevino Group, Inc. will provide maintenance and repair services for miscellaneous minor projects of limited scope on a per-project basis for maintenance, repair and other related services on a per assignment basis as requested by U.T.M.D. Anderson Cancer Center. Services are on a nonexclusive, indefinite basis, and there is no minimum amount of work required.

The initial term of the Agreement has an effective date of September 15, 2023, for a two-year term with two renewal options of two years each. Renewal Notice Number 1, effective as of March 17, 2025, extended the term to September 14, 2027, with one renewal option remaining. The Agreement is being brought forward for Board approval as it is now anticipated that total costs under the Agreement will exceed \$5,000,000. The total contract value, including the renewal periods, is estimated to be \$10,000,000. This Master Agreement was competitively bid.

81. Contract (funds going out) - U.T.M.D. Anderson Cancer Center: Increase in estimated contract value for the Agreement with York Construction, Inc., to provide maintenance and repair job order contracting services

Agency: York Construction, Inc.

Funds: Approximately \$15,000,000

Period: May 7, 2025 through September 14, 2027; with one renewal remaining

Description: York Construction, Inc., will provide general and specific contracting services related to the maintenance and repair of administrative, education, patient care, and research facilities projects of U.T.M. D. Anderson Cancer Center's facilities within the greater Houston area on a per-project basis. Services are on a nonexclusive, indefinite basis, and there is no minimum of work required.

The initial Agreement, effective as of September 15, 2023, did not require Board approval as the estimated contract value was within the institution's delegated approval threshold. The First Amendment, effective May 7, 2025 through September 14, 2027, with one remaining two-year renewal option, was approved by the Board on May 8, 2025, with an estimated contract value of \$10,000,000.

The contract value is now estimated to be \$15,000,000. The initial Agreement was competitively bid.

82. Contract (funds going out) - U.T.M.D. Anderson Cancer Center: Marriott Hotel Services, LLC to provide hotel management services

Agency: Marriott Hotel Services, LLC

Funds: The total contract value is estimated to be \$13,000,000 for the 10-year term.

Period: July 1, 2026 through June 30, 2036; with no renewal options

Description: Marriott Hotel Services, LLC, will provide hotel management services for U.T.M.D. Anderson Cancer Center's Jesse H. Jones Rotary House International, to include operational responsibility for front desk services, reservations, concierge services, housekeeping, and food and beverage associated with Rotary House restaurants. Marriott Hotel Services, LLC, will also manage facility maintenance, sales, and marketing, and will submit an annual budget and business plan. This Agreement was competitively bid.

83. Contract (funds going out) - U.T.M.D. Anderson Cancer Center: Amendment to Agreement with Medical Informatics Corp. to provide subscription for patient data monitoring software

Agency: Medical Informatics Corp.

Funds: The total cost of services under this Agreement, including all renewals, is estimated to be \$9,300,000.

Period: May 6, 2026 through October 28, 2026; may be extended upon mutual written consent of both parties. The Agreement will remain in effect with respect to any Statement of Work (SOW) still in effect as of the expiration date, for the remainder of the term of the SOW, which is currently April 30, 2027.

Description: Medical Informatics Corp. will provide Sickbay software services, an FDA-cleared, vendor-neutral software platform that unifies patient monitoring data across hospitals. It connects bedside devices and Electronic Health Records (EHR) to create a single, centralized data stream.

The initial Agreement was effective as of October 29, 2021, with a 60-month term that could be extended upon mutual written consent of both parties, and did not require Board approval as the contract value was within the institution's delegated authority threshold. This First Amendment, effective as of May 6, 2026, increases the total contract value, including any renewal periods, to an estimated \$9,300,000.

84. Contract (funds going out) - U.T.M.D. Anderson Cancer Center: TCB Specialties LLC, to provide institution-wide promotional products

Agency: TCB Specialties LLC

Funds: The total cost of services under this Agreement, including all renewals, is estimated to be \$12,000,000.

Period: May 15, 2026 through May 14, 2031; with three renewal options of twelve 12-months each

Description: TCB Specialties LLC (TCB) will provide institution-wide promotional products, including branded merchandise and embroidery items to U.T.M.D. Anderson Cancer Center. TCB will also provide full color on-line catalogs, weekly inventory reports, shipping and handling, and will assist with account management. This Agreement was competitively bid.

85. Contract (funds going out) - U.T.M.D. Anderson Cancer Center: Amendment to Agreement with Terracon Consultants, Inc., to provide construction material testing services

Agency: Terracon Consultants, Inc.

Funds: Approximately \$10,000,000

Period: September 1, 2026 through August 31, 2029

Description: Terracon Consultants, Inc., will provide construction materials testing services, geotechnical investigations, observation of construction completion, and deficiency reporting for specific construction, renovation, and repair and rehabilitation projects.

The initial Agreement was effective March 25, 2024 through August 31, 2026, with a contract value of \$4,000,000 and one 36-month renewal option. This First Amendment, effective September 1, 2026, increases the contract value to \$10,000,000 and extends the term to August 31, 2029, with no remaining renewals. The initial Agreement did not require Board approval as the contract value was within the institution's delegated approval threshold. The initial Agreement was competitively bid.

86. Foreign Contract (funds coming in) - **U.T.M.D. Anderson Cancer Center**: To provide radiation quality assurance services for the Veneto Institute of Oncology IOV-IRCCS

Agency: Veneto Institute of Oncology IOV-IRCCS (Veneto), a public institute in Italy

Funds: \$15,500

Period: August 12, 2026 through August 11, 2027

Description: U.T.M.D. Anderson Cancer Center will provide radiation quality assurance services to Veneto based on two Quotes for services, and Veneto will pay U.T.M.D. Anderson Cancer Center an estimated \$15,500 for the services, based on the listed prices in the Quotes. The term of the Agreement is for one year.

87. Request for Budget Change - **U.T.M.D. Anderson Cancer Center**: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the FY 2027 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
Department of Radiation Oncology		
Amy C. Moreno	Assistant Professor	Associate Professor (T)
Michael T. Spiotto	Associate Professor	Professor (T)
Department of Epidemiology		
Kevin T. Nead	Assistant Professor	Associate Professor (T)
Department of Thoracic Head and Neck Medical Oncology		
Natalie Vokes	Assistant Professor	Associate Professor (T)
Department of Health Services Research		
Iakovos Toumazis	Assistant Professor	Associate Professor (T)
Department of Genetics		
Jihye Yun	Assistant Professor	Associate Professor (T)
Peter Van Loo	Professor	Professor (T)

College, Department, and Name	From	To
Department of Surgical Oncology		
Jessica E. Maxwell	Assistant Professor	Associate Professor (T)
Timothy E. Newhook	Assistant Professor	Associate Professor (T)
Department of Behavioral Science		
Jane Montealegre	Associate Professor	Associate Professor (T)
Department of Biostatistics		
Ziyi Li	Assistant Professor	Associate Professor (T)
Department of Gastrointestinal Medical Oncology		
John Paul Y.C. Shen	Assistant Professor	Associate Professor (T)
Department of Melanoma Medical Oncology		
Isabella C. Glitza Oliva	Professor	Professor (T)
Rodabe N. Amaria	Professor	Professor (T)
Department of Plastic Surgery		
Mark W. Clemens	Professor	Professor (T)
Department of Hematopoietic Biology & Malignancy		
Sachet A. Shukla	Assistant Professor	Associate Professor (T)
Department of Sarcoma Medical Oncology		
Neeta Somaiah	Professor	Professor (T)
Department of Gastroenterology and Hepatology		
Jeffrey H. Lee	Professor	Professor (T)
Department of Leukemia		
Hussein A. Abbas	Assistant Professor	Associate Professor (T)
Department of Stem Cell Transplantation		
William Matsui	Professor	Professor (T)

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

88. Facilities Planning and Construction - U.T. Permian Basin: Mesa Building Renovation and Campus Transformation - Phase I - Amendment of the current Capital Improvement Program (CIP) to increase total project cost; allocation of Permanent University Fund (PUF) Bond Proceeds; and appropriation of funds and authorization of expenditure

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor and Chief Operating Officer, and the institutional president that the U.T. System Board of Regents approve the recommendations for the Mesa Building and Campus Transformation - Phase I project (501-1402) at U.T. Permian Basin as follows:

- a. amend the current CIP to increase the total project cost from \$41,000,000 to \$44,300,000;
- b. allocate additional Permanent University Fund (PUF) Bond Proceeds of \$3,300,000; and
- c. appropriate funds and authorize expenditure of \$3,300,000 from PUF Bond Proceeds.

On August 25, 2022, this portion of the project, Phase I Campus Transformation was included in the Capital Improvement Program (CIP) with a total project cost of \$32,100,000 with funding from PUF Bond Proceeds. On February 22, 2024, the Board approved an increase of the total project cost to \$41,000,000 from PUF Bond Proceeds.

The justification for this increase is to address unforeseen costs associated with the demolition and related remediation of the ramp leading to the second-floor deck of the Mesa Building.

89. Facilities Planning and Construction - **Stephen F. Austin State University**: Greg Arnold Center for Entrepreneurship - Amendment of the current Capital Improvement Program (CIP) to increase total project cost; allocation of Permanent University Fund (PUF) Bond Proceeds; and appropriation of funds and authorization of expenditure

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor and Chief Operating Officer, and the institutional president that the U.T. System Board of Regents approve the recommendations for the Greg Arnold Center for Entrepreneurship project (805-1460B) at Stephen F. Austin State University as follows:

- a. amend the current CIP to increase the total project cost from \$40,000,000 to \$48,500,000;
- b. allocate Permanent University Fund (PUF) Bond Proceeds of \$8,500,000; and
- c. appropriate funds and authorize expenditure of \$8,500,000 funds from PUF Bond Proceeds.

The Chancellor approved the project for Definition Phase on November 7, 2024. On May 8, 2025, this project was added to the current CIP with a total project cost of \$40,000,000 with funding of \$21,000,000 from PUF and \$19,000,000 from General Revenues.

The justification of this increase includes additional scope to add the state-of-the-art Volume Studio, a simulated learning environment, including equipment and installation services.

APPENDIX A

([Consent Agenda Item #11](#))

THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND INVESTMENT POLICY STATEMENT

Purpose

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

PUF Organization

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

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

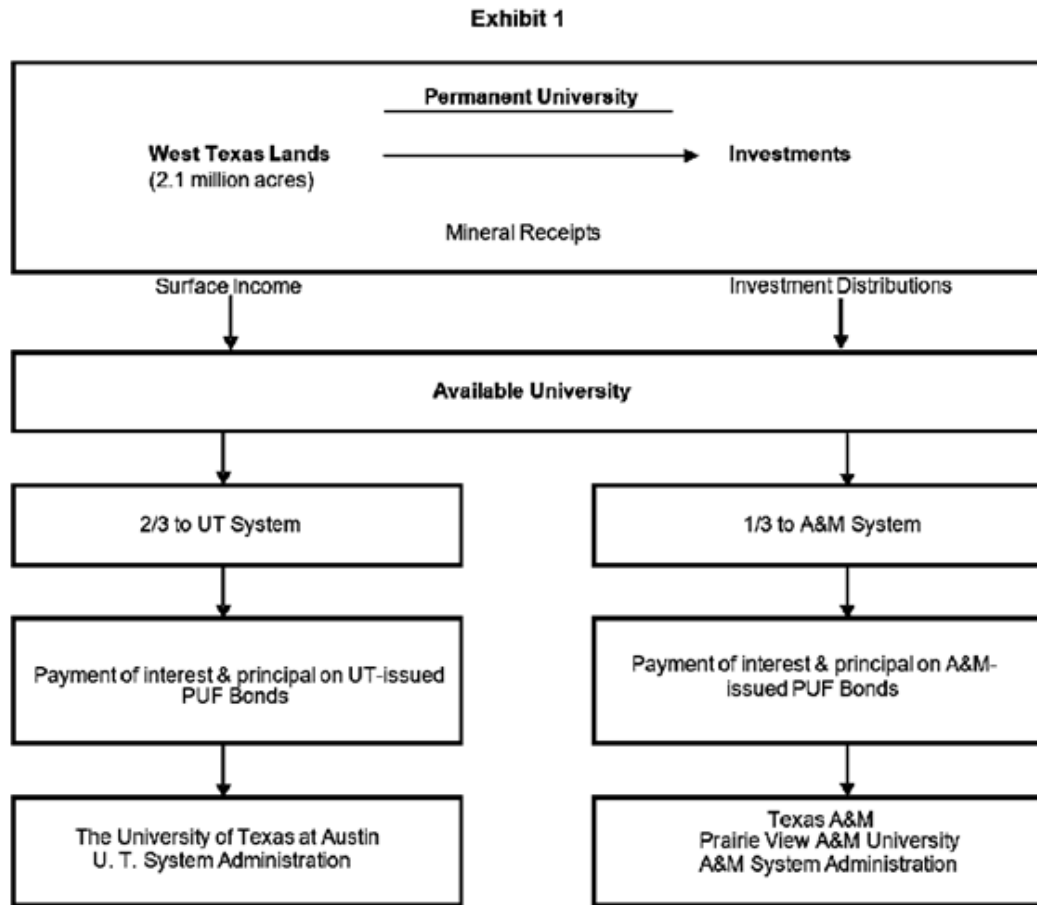
The expenditure of the AUF is subject to a prescribed order of priority:

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

Permanent University Fund Investment Policy Statement (continued)

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

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



PUF Management

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

Permanent University Fund Investment Policy Statement (continued)

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

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

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

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

PUF Administration

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

PUF Investment Objectives

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

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

Permanent University Fund Investment Policy Statement (continued)

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

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

Asset Class Allocation and Policy

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

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

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

Global Equity:

Public Equity – Public Equity invests primarily in the equity securities of companies that are domiciled in the countries that are part of the Public Equity benchmark listed in Exhibit A. These securities are traded in public markets (on an exchange, over the counter, or issued in an underwritten initial public offering (“IPO”)) or are restricted but expected to become public or otherwise freely marketable within three years after the initial investment. Public Equity includes common stocks, depositary receipts, preferred stocks, exchange traded funds (“ETFs”), and derivatives based on common stocks or equity indices (including convertibles, warrants, rights, options, and futures). Active extension strategies involve the use of leverage and include offsetting long and short exposures, often targeting 100% net long exposure. Active extension strategies may be classified as Public Equity, provided that these strategies

Permanent University Fund Investment Policy Statement (continued)

target a combined market sensitivity, defined by beta to the relevant benchmark, of approximately 1.0.

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

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

Stable Value:

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

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

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

Stable Value Hedge Funds – Stable Value Hedge Funds invest long and short in equities, fixed income, commodities, currencies and other global market instruments including derivatives. Stable Value Hedge Fund investments exhibit little to no market sensitivity, as defined by beta to public equities, and

Permanent University Fund Investment Policy Statement (continued)

have an absolute return orientation. Strategies may include but are not limited to market-neutral equity, multi-strategy, re-insurance, risk premia, relative value, trend following, direct lending, specialty credit and global macro.

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

Other Stable Value – Other Stable Value investments represent opportunistic “cash-plus” positions that are expected to generate returns in excess of Cash with limited exposure to equity, interest rate, or commodity market risk. These investments typically exhibit low market sensitivity and are intended to provide incremental return while preserving capital. Strategies may include but are not limited to spread-based investments, such as long cash and short futures positions on the same or similar underlying asset, where returns are driven by convergence and do not rely on long exposure to the underlying asset.

Real Return:

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

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

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

Infrastructure – Infrastructure investments are made directly, through private limited partnerships, joint ventures or other special purpose vehicles and result in ownership of companies or assets that provide an essential service that contributes to the economic or social productivity of an organization, community, or society at large with real assets in the water, transportation, energy, communication or social sectors. Investments generally have structure

Permanent University Fund Investment Policy Statement (continued)

features that include a monopolistic or oligopolistic market position with high barriers to entry; a low elasticity of demand due to their essential functions; stable, predictable, and long-term revenue contracts; or inflation protection through inflation adjustment mechanisms in underlying contracts. Some Infrastructure investments may have transfer restrictions and may not be as liquid as publicly-traded securities.

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

Strategic Partnerships:

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

Cross-Asset Strategies:

Portable alpha strategies are investment strategies within and across regimes and generally involve the use of leverage. Such strategies are permitted in all current Asset Classes other than Private Equity, Cash, Infrastructure, Natural Resources, ~~and~~ private Real Estate, ~~and Innovation and Disruption~~, provided that such strategies target a combined market sensitivity substantially similar to the applicable Asset Class’s benchmark. For example, portable alpha strategies may include, but are not limited to, the use of fixed income or hedge fund overlays within an equity portfolio to target a combined market sensitivity of approximately 1.0.

Permanent University Fund Investment Policy Statement (continued)

Innovation and Disruption Strategic Holdings Portfolio:

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

The Strategic Holdings Portfolio consists of a broad category of investments across all Asset Classes that have a reasonable probability of enhancing long-term total portfolio returns, providing diversification benefits, and/or realizing other unique benefits from evolving market structures and long-term structural trends. The Strategic Holdings Portfolio may hold investments as extended allocations where an investment is associated with a particular asset class strategy, but the total desired exposure exceeds what is prudent to hold entirely within a single asset class portfolio. Such extended allocations may be established, maintained, and reduced through pari passu, pro rata, time-based ordering, or other appropriate methods consistent with the structure of the investment and sound portfolio management.

All investments will be categorized at inception and on an ongoing basis by Asset Class or a blend of Asset Classes, as applicable.

Investment Guidelines

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

Investment guidelines include the following:

General

- Investment guidelines for index, commingled funds, limited partnerships, and corporate vehicles managed externally shall be governed by the terms and conditions of the respective investment management contracts, partnership agreements or corporate documents.
- Investment guidelines of all other externally managed accounts as well as internally invested funds must be reviewed and approved by UTIMCO's Chief Investment Officer prior to investment of PUF assets in such investments.

Permanent University Fund Investment Policy Statement (continued)

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

Investment Grade and Credit-Related Fixed Income

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

Public Real Estate and Public Equity

- Not more than 25% of the market value of equity securities may be invested in any one industry or industries (as defined by the standard Industry Classification code and supplemented by other reliable data sources).
- Not more than 6% of the market value of equity securities may be invested in the securities of one corporation.

Stable Value

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

PUF Distributions

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

- provide a predictable, stable stream of distributions over time;

Permanent University Fund Investment Policy Statement (continued)

- ensure that the inflation-adjusted value of distributions is maintained over the long term; and
- ensure that the inflation-adjusted value of PUF assets after distributions is maintained over rolling 10-year periods.

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

Annually, the Board of Regents will approve a distribution amount to the AUF pursuant to Regents' Rule 80303, Section 3.

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

Leverage

The PUF can incur Leverage directly through derivatives and facilities such as repurchase agreements and reverse repurchase agreements, prime broker loans and other funding mechanisms (collectively "Leverage"). The Total Asset Class exposure, including these forms of Leverage, shall not exceed ~~110~~115% of the net asset value of the PUF. Asset Class exposure will include applicable leverage and must remain within the policy limits provided in Exhibit A. Derivatives and other leverage facilities incurred by external managers operating under limited partnership agreements, through corporations, or through other limited liability entities are not included in any Asset Class exposure.

PUF Accounting

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

Valuation of Assets

As of the close of business on the last business day of each month, UTIMCO shall determine the fair market value of all PUF net assets. Valuation of PUF assets

Permanent University Fund Investment Policy Statement (continued)

shall be based on the books and records of the custodian for the valuation date. The final determination of PUF net assets for a month end close shall normally be completed within seven business days but determination may be longer under certain circumstances.

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

Performance Measurement

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

Compliance

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

Securities Lending

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

Permanent University Fund Investment Policy Statement (continued)

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

Investor Responsibility

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

Amendment of Policy Statement

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

Effective Date

The effective date of this Policy shall be September 1, ~~2025~~2026.

EXHIBIT A
ASSET CLASS TARGETS, RANGES, AND PERFORMANCE OBJECTIVES
EFFECTIVE SEPTEMBER 1, 2025 6

Asset Class	Min v Target ⁽¹⁾	Target ⁽²⁾⁽³⁾	Max v Target ⁽¹⁾	Benchmark
Global Equity:				
Public Equity ⁽⁴⁾	-5.0%	23.4 20.9%	+15.0%	MSCI ACWI Ex-China Ex-Hong Kong Net Total Return USD
Directional Hedge Funds	-5.0%	7.0%	+5.0%	HFRI Fund of Funds Composite
Private Equity ⁽³⁾	-10.0%	28.8 29.1%	+10.0%	Blended Median Cambridge Buyouts, Emerging Markets Private Equity and Venture Capital, Credit Opportunities, and Venture Capital
Total Global Equity	-7.0%	59.2 57.0%	+15%	
Stable Value:				
Investment Grade Fixed Income	-5.0%	0.0%	+5.0%	Bloomberg Global Aggregate Index x-CNY - Hedged
Long -Treasury	-5.0%	5.1%	+5.0%	Bloomberg US Treasury- Long Index
Credit-Related Fixed Income	-5.0%	0.0%	+5.0%	Bloomberg Capital Global High Yield Index
<i>Total Fixed Income</i>	-5.0%	5.1%	+5.0%	
Cash	-5.0%	2.0%	+5.0%	3 month T-Bills
Stable Value Hedge Funds	-5.0%	12.0%	+5.0%	HFRI Fund of Funds Conservative
Other Stable Value	0.0%	0.0%	+5.0%	3 month T-Bills + 25 basis points
Total Stable Value	-10.0%	19.1%	+6.0%	
Real Return:				
Inflation Linked Bonds	-5.0%	0.0%	+5.0%	Bloomberg Global Inflation-Linked: U.S. TIPS Index
Gold	-5.0%	0.0%	+5.0%	Gold Spot Price (XAU)
Commodities	-5.0%	0.0%	+5.0%	Bloomberg Commodity TRI
<i>Total Commodities</i>	-5.0%	0.0%	+5.0%	
Natural Resources ⁽³⁾	-5.0%	2.5 1.9%	+5.0%	Blended Median Cambridge PE Energy and Upstream & Royalty (ex Mining), PE Energy (Mining) and Timber
Infrastructure ⁽³⁾	-5.0%	5.5 7.4%	+5.0%	Median Cambridge Infrastructure
Real Estate ⁽³⁾	-5.0%	9.2 10.1%	+5.0%	Blended MSCI US REIT Gross Total Return Index (RMSG) and Median Cambridge Total Real Estate
Total Real Return	-6.0%	17.2 19.4%	+6.0%	
Strategic Partnerships	-5.0%	4.5%	+5.0%	Blended MSCI ACWI Ex-China Ex-Hong Kong Net Total Return USD, Bloomberg US Treasury- Long -Index, and HFRI Macro
Innovation & Disruption Strategic Holdings Portfolio	-5% 0.0%	0.0%	+5.0% +10.0%	Aggregate Policy Portfolio Benchmark before returns from Innovation & Disruption portfolio Blended benchmark based on underlying asset classification, using applicable policy benchmarks weighted by allocation
Total All Asset Classes		100.0%	110 5.0%	

POLICY/TARGET RETURN/RISKS ⁽²⁾	
Expected 10-Year Annual Real Return (Policy Portfolio Beta)	4.89 4.58%
Expected 10-Year Annual Real Return (Policy Portfolio Total Return)	6.25 5.86%
One Year Downside Volatility	8.38 8.92%
Risk Bounds	
Lower: 1 Year Downside Volatility	75.00%
Upper: 1 Year Downside Volatility	115.00%

(1) The "-" or "+" will be vs the original target, with the exception of Public Equity, where the "-" and "+" will be vs the Adjusted target; with the exception of Cash, "Min" will not be below zero.

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

(3) The Adjusted Target weight of each of Private Equity, Real Estate, Natural Resources, ~~and~~ Infrastructure and Strategic Holdings Portfolio will be set each month as the average ending actual weight of the combined PUF and GEF from the prior month. The "Min" and "Max" in these Asset Classes will be relative to the original Target. Any difference in the calculated Private Equity, Real Estate, Natural Resources, and Infrastructure Adjusted Target weights from the original Target weights derived from this table will be offset using 100% Public Equity. Any difference between the calculated Strategic Holdings Portfolio Adjusted Target weights and the original Target weights derived from this table shall be offset through the blend of Asset Classes assigned to the underlying Strategic Holdings Portfolio investments. Public market exposures may be offset directly against the corresponding public Asset Classes. Private market exposures shall be offset through a basket of public Asset Classes, including Public Equity, Strategic Partnerships, Directional Hedge Funds, and Stable Value Hedge Funds, weighted on a pro rata basis.

(4) All public equity benchmarks are net total return unless stated otherwise.

APPENDIX B

([Consent Agenda Item #11](#))

THE UNIVERSITY OF TEXAS SYSTEM GENERAL ENDOWMENT FUND INVESTMENT POLICY STATEMENT

Purpose

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

GEF Organization

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

GEF Management

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

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

General Endowment Fund Investment Policy Statement (continued)

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

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

GEF Administration

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

Funds Eligible to Purchase GEF Units

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

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

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

GEF Investment Objectives

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

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

General Endowment Fund Investment Policy Statement (continued)

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

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

Asset Class Allocation and Policy

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

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

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

Global Equity:

Public Equity – Public Equity invests primarily in the equity securities of companies that are domiciled in the countries that are part of the Public Equity benchmark listed in Exhibit A. These securities are traded in public markets (on an exchange, over the counter, or issued in an underwritten initial public offering (“IPO”)) or are restricted but expected to become public or otherwise freely marketable within three years after the initial investment. Public Equity includes common stocks, depositary receipts, preferred stocks, exchange traded funds (“ETFs”), and derivatives based on common stocks or equity indices (including convertibles, warrants, rights, options, and futures). Active extension strategies involve the use of leverage and include offsetting long and short exposures, often targeting 100% net long exposure. Active extension

General Endowment Fund Investment Policy Statement (continued)

strategies may be classified as Public Equity, provided that these strategies target a combined market sensitivity, defined by beta to the relevant benchmark, of approximately 1.0.

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

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

Stable Value:

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

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

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

Stable Value Hedge Funds – Stable Value Hedge Funds invest long and short in equities, fixed income, commodities, currencies and other global market

General Endowment Fund Investment Policy Statement (continued)

instruments including derivatives. Stable Value Hedge Fund investments exhibit little to no market sensitivity, as defined by beta to public equities, and have an absolute return orientation. Strategies may include but are not limited to market-neutral equity, multi-strategy, re-insurance, risk premia, relative value, trend following, direct lending, specialty credit and global macro.

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

Other Stable Value – Other Stable Value investments represent opportunistic “cash-plus” positions that are expected to generate returns in excess of Cash with limited exposure to equity, interest rate, or commodity market risk. These investments typically exhibit low market sensitivity and are intended to provide incremental return while preserving capital. Strategies may include but are not limited to spread-based investments, such as long cash and short futures positions on the same or similar underlying asset, where returns are driven by convergence and do not rely on long exposure to the underlying asset.

Real Return:

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

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

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

Infrastructure – Infrastructure investments are made directly, through private limited partnerships, joint ventures or other special purpose vehicles and result in ownership of companies or assets that provide an essential service that

General Endowment Fund Investment Policy Statement (continued)

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

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

Strategic Partnerships:

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

Cross-Asset Strategies:

Portable alpha strategies are investment strategies within and across regimes and generally involve the use of leverage. Such strategies are permitted in all current Asset Classes other than Private Equity, Cash, Infrastructure, Natural Resources, and private Real Estate, ~~and Innovation and Disruption~~, provided that such strategies target a combined market sensitivity substantially similar to

General Endowment Fund Investment Policy Statement (continued)

the applicable Asset Class's benchmark. For example, portable alpha strategies may include, but are not limited to, the use of fixed income or hedge fund overlays within an equity portfolio to target a combined market sensitivity of approximately 1.0.

Innovation and Disruption Strategic Holdings Portfolio:

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

The Strategic Holdings Portfolio consists of a broad category of investments across all Asset Classes that have a reasonable probability of enhancing long-term total portfolio returns, providing diversification benefits, and/or realizing other unique benefits from evolving market structures and long-term structural trends. The Strategic Holdings Portfolio may hold investments as extended allocations where an investment is associated with a particular asset class strategy, but the total desired exposure exceeds what is prudent to hold entirely within a single asset class portfolio. Such extended allocations may be established, maintained, and reduced through pari passu, pro rata, time-based ordering, or other appropriate methods consistent with the structure of the investment and sound portfolio management.

All investments will be categorized at inception and on an ongoing basis by Asset Class or a blend of Asset Classes, as applicable.

Investment Guidelines

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

Investment guidelines include the following:

General

- Investment guidelines for index, commingled funds, limited partnerships, and corporate vehicles managed externally shall be governed by the terms and conditions of the respective investment management contracts, partnership agreements or corporate documents.

General Endowment Fund Investment Policy Statement (continued)

- Investment guidelines of all other externally managed accounts as well as internally invested funds must be reviewed and approved by UTIMCO's Chief Investment Officer prior to investment of GEF assets in such investments.
- No securities may be purchased or held which would jeopardize the GEF's tax-exempt status.
- No internal investment strategy or program may purchase securities on margin or use leverage unless specifically authorized in the Delegation of Authority Policy, the Derivative Investment Policy or by the UTIMCO Board.
- No internal investment strategy or program employing short sales may be made unless specifically authorized in the Delegation of Authority Policy, the Derivative Investment Policy or by the UTIMCO Board.
- The GEF's investments in warrants shall not exceed more than 5% of the GEF's net assets or 2% with respect to warrants not listed on the New York or American Stock Exchanges.
- The GEF may utilize derivatives only in accordance with the Derivative Investment Policy. The aggregate prorated annual premium of Derivative Investments utilized to reduce exposure to an Asset Class or hedge against risk shall not exceed 75 basis points of GEF value.

Investment Grade and Credit-Related Fixed Income

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

Public Real Estate, and Public Equity

- Not more than 25% of the market value of equity securities may be invested in any one industry or industries (as defined by the standard industry classification code and supplemented by other reliable data sources).
- Not more than 6% of the market value of equity securities may be invested in the securities of one corporation.

Stable Value

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

Leverage

General Endowment Fund Investment Policy Statement (continued)

The GEF can incur Leverage directly through derivatives and facilities such as repurchase agreements and reverse repurchase agreements, prime broker loans and other funding mechanisms (collectively “Leverage”). The Total Asset Class exposure, including these forms of Leverage, shall not exceed ~~440~~115% of the net asset value of the GEF. Asset Class exposure will include applicable leverage and must remain within the policy limits provided in Exhibit A. Derivatives and other leverage facilities incurred by external managers operating under limited partnership agreements, through corporations, or through other limited liability entities are not included in any Asset Class exposure.

GEF Accounting

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

Valuation of Assets

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

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

Performance Measurement

The investment performance of the GEF will be measured by the GEF’s custodian, an unaffiliated organization, with recognized expertise in this field and reporting responsibility to the UTIMCO Board and compared against the stated Policy Benchmarks of the GEF, as indicated in Exhibit A (incorporating the impact of internal derivative positions) and reported to the UTIMCO Board and the Board of Regents at least quarterly. The Policy Portfolio benchmark will be maintained by

General Endowment Fund Investment Policy Statement (continued)

UTIMCO and will comprise a blend of Asset Class indices weighted to reflect the GEF's Asset Class allocation policy targets as defined in Exhibit A. Monthly performance data and net asset values will be available on the UTIMCO website within a reasonable time after each month end.

Compliance

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

Purchase of GEF Units

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

Redemption of GEF Units

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

Securities Lending

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

General Endowment Fund Investment Policy Statement (continued)

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

Investor Responsibility

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

Amendment of Policy Statement

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

Effective Date

The effective date of this Policy shall be September 1, ~~2025~~2026.

EXHIBIT A
ASSET CLASS TARGETS, RANGES, AND PERFORMANCE OBJECTIVES
EFFECTIVE SEPTEMBER 1, 2025 6

Asset Class	Min v Target ⁽¹⁾	Target ⁽²⁾⁽³⁾	Max v Target ⁽¹⁾	Benchmark
Global Equity:				
Public Equity ⁽⁴⁾	-5.0%	23.4 20.9%	+15.0%	MSCI ACWI Ex-China Ex-Hong Kong Net Total Return USD
Directional Hedge Funds	-5.0%	7.0%	+5.0%	HFRI Fund of Funds Composite
Private Equity ⁽³⁾	-10.0%	28.8 29.1%	+10.0%	Blended Median Cambridge Buyouts, Emerging Markets Private Equity and Venture Capital, Credit Opportunities, and Venture Capital
Total Global Equity	-7.0%	59.2 57.0%	+15%	
Stable Value:				
Investment Grade Fixed Income	-5.0%	0.0%	+5.0%	Bloomberg Global Aggregate Index x-CNY - Hedged
Long -Treasury	-5.0%	5.1%	+5.0%	Bloomberg US Treasury- Long Index
Credit-Related Fixed Income	-5.0%	0.0%	+5.0%	Bloomberg Capital Global High Yield Index
<i>Total Fixed Income</i>	-5.0%	5.1%	+5.0%	
Cash	-5.0%	2.0%	+5.0%	3 month T-Bills
Stable Value Hedge Funds	-5.0%	12.0%	+5.0%	HFRI Fund of Funds Conservative
Other Stable Value	0.0%	0.0%	+5.0%	3 month T-Bills + 25 basis points
Total Stable Value	-10.0%	19.1%	+6.0%	
Real Return:				
Inflation Linked Bonds	-5.0%	0.0%	+5.0%	Bloomberg Global Inflation-Linked: U.S. TIPS Index
Gold	-5.0%	0.0%	+5.0%	Gold Spot Price (XAU)
Commodities	-5.0%	0.0%	+5.0%	Bloomberg Commodity TRI
<i>Total Commodities</i>	-5.0%	0.0%	+5.0%	
Natural Resources ⁽³⁾	-5.0%	2.5 1.9%	+5.0%	Blended Median Cambridge PE Energy and Upstream & Royalty (ex Mining), PE Energy (Mining) and Timber
Infrastructure ⁽³⁾	-5.0%	5.5 7.4%	+5.0%	Median Cambridge Infrastructure
Real Estate ⁽³⁾	-5.0%	9.2 10.1%	+5.0%	Blended MSCI US REIT Gross Total Return Index (RMSG) and Median Cambridge Total Real Estate
Total Real Return	-6.0%	17.2 19.4%	+6.0%	
Strategic Partnerships	-5.0%	4.5%	+5.0%	Blended MSCI ACWI Ex-China Ex-Hong Kong Net Total Return USD, Bloomberg US Treasury- Long Index, and HFRI Macro
Innovation & Disruption Strategic Holdings Portfolio	-5% 0.0%	0.0%	+5.0% +10.0%	Aggregate Policy Portfolio Benchmark before returns from Innovation & Disruption portfolio Blended benchmark based on underlying asset classification, using applicable policy benchmarks weighted by allocation
Total All Asset Classes		100.0%	110 5.0%	

POLICY/TARGET RETURN/RISKS ⁽²⁾	
Expected 10-Year Annual Real Return (Policy Portfolio Beta)	4.89 4.58%
Expected 10-Year Annual Real Return (Policy Portfolio Total Return)	6.25 5.86%
One Year Downside Volatility	8.38 8.92%
Risk Bounds	
Lower: 1 Year Downside Volatility	75.00%
Upper: 1 Year Downside Volatility	115.00%

(1) The "-" or "+" will be vs the original target, with the exception of Public Equity, where the "-" and "+" will be vs the Adjusted target; with the exception of Cash, "Min" will not be below zero.

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

(3) The Adjusted Target weight of each of Private Equity, Real Estate, Natural Resources, ~~and~~ Infrastructure and Strategic Holdings Portfolio will be set each month as the average ending actual weight of the combined PUF and GEF from the prior month. The "Min" and "Max" in these Asset Classes will be relative to the original Target. Any difference in the calculated Private Equity, Real Estate, Natural Resources, and Infrastructure Adjusted Target weights from the original Target weights derived from this table will be offset using 100% Public Equity. Any difference between the calculated Strategic Holdings Portfolio Adjusted Target weights and the original Target weights derived from this table shall be offset through the blend of Asset Classes assigned to the underlying Strategic Holdings Portfolio investments. Public market exposures may be offset directly against the corresponding public Asset Classes. Private market exposures shall be offset through a basket of public Asset Classes, including Public Equity, Strategic Partnerships, Directional Hedge Funds, and Stable Value Hedge Funds, weighted on a pro rata basis.

(4) All public equity benchmarks are net total return unless stated otherwise.

APPENDIX C

([Consent Agenda Item #11](#))

THE UNIVERSITY OF TEXAS SYSTEM PERMANENT HEALTH FUND INVESTMENT POLICY STATEMENT

Purpose

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

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

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

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

PHF Organization

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

Permanent Health Fund Investment Policy Statement (continued)

PHF Management

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

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

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

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

Permanent Health Fund Investment Policy Statement (continued)

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

PHF Administration

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

Funds Eligible to Purchase PHF Units

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

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

PHF Investment Objectives

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

Asset Allocation and Policy

PHF assets shall be allocated among the following investments:

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

Permanent Health Fund Investment Policy Statement (continued)

Investment Guidelines

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

PHF Distributions

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

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

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

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

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

PHF Accounting

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

Valuation of Assets

As of the close of business on the last business day of each month, UTIMCO shall determine the fair market value of all PHF net assets and the net asset value per unit of the PHF. Valuation of PHF assets shall be based on the books and records

Permanent Health Fund Investment Policy Statement (continued)

of the custodian for the valuation date. The final determination of PHF net assets for a month-end close shall normally be completed within eight business days but determination may be longer under certain circumstances.

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

Performance Measurement

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

Compliance

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

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

Purchase of PHF Units

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

Permanent Health Fund Investment Policy Statement (continued)

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

Redemption of PHF Units

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

Investor Responsibility

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

Amendment of Policy Statement

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

Effective Date

The effective date of this Policy shall be September 1, ~~2025~~2026.

Permanent Health Fund Investment Policy Statement (continued)

EXHIBIT A

PHF ASSET ALLOCATION

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

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

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

*3 trading days or less

EXHIBIT B - GENERAL ENDOWMENT FUND
ASSET CLASS TARGETS, RANGES, AND PERFORMANCE OBJECTIVES
EFFECTIVE SEPTEMBER 1, 2025 6

Asset Class	Min v Target ⁽¹⁾	Target ⁽²⁾⁽³⁾	Max v Target ⁽¹⁾	Benchmark
Global Equity:				
Public Equity ⁽⁴⁾	-5.0%	23.4 20.9%	+15.0%	MSCI ACWI Ex-China Ex-Hong Kong Net Total Return USD
Directional Hedge Funds	-5.0%	7.0%	+5.0%	HFRI Fund of Funds Composite
Private Equity ⁽³⁾	-10.0%	28.8 29.1%	+10.0%	Blended Median Cambridge Buyouts, Emerging Markets Private Equity and Venture Capital, Credit Opportunities, and Venture Capital
Total Global Equity	-7.0%	59.2 57.0%	+15%	
Stable Value:				
Investment Grade Fixed Income	-5.0%	0.0%	+5.0%	Bloomberg Global Aggregate Index x-CNY - Hedged
Long-Treasuries	-5.0%	5.1%	+5.0%	Bloomberg US Treasury-Long Index
Credit-Related Fixed Income	-5.0%	0.0%	+5.0%	Bloomberg Capital Global High Yield Index
Total Fixed Income	-5.0%	5.1%	+5.0%	
Cash	-5.0%	2.0%	+5.0%	3 month T-Bills
Stable Value Hedge Funds	-5.0%	12.0%	+5.0%	HFRI Fund of Funds Conservative
Other Stable Value	0.0%	0.0%	+5.0%	3 month T-Bills + 25 basis points
Total Stable Value	-10.0%	19.1%	+6.0%	
Real Return:				
Inflation Linked Bonds	-5.0%	0.0%	+5.0%	Bloomberg Global Inflation-Linked: U.S. TIPS Index
Gold	-5.0%	0.0%	+5.0%	Gold Spot Price (XAU)
Commodities	-5.0%	0.0%	+5.0%	Bloomberg Commodity TRI
Total Commodities	-5.0%	0.0%	+5.0%	
Natural Resources ⁽³⁾	-5.0%	2.5 1.9%	+5.0%	Blended Median Cambridge PE Energy and Upstream & Royalty (ex Mining), PE Energy (Mining) and Timber
Infrastructure ⁽³⁾	-5.0%	5.5 7.4%	+5.0%	Median Cambridge Infrastructure
Real Estate ⁽³⁾	-5.0%	9.2 10.1%	+5.0%	Blended MSCI US REIT Gross Total Return Index (RMSG) and Median Cambridge Total Real Estate
Total Real Return	-6.0%	17.2 19.4%	+6.0%	
Strategic Partnerships	-5.0%	4.5%	+5.0%	Blended MSCI ACWI Ex-China Ex-Hong Kong Net Total Return USD, Bloomberg US Treasury-Long Index, and HFRI Macro
Innovation & Disruption: Strategic Holdings Portfolio	-5% 0.0%	0.0%	+5.0% +10.0%	Aggregate Policy Portfolio Benchmark before returns from Innovation & Disruption-portfolio Blended benchmark based on underlying asset classification, using applicable policy benchmarks weighted by allocation
Total All Asset Classes		100.0%	110 5.0%	

POLICY/TARGET RETURN/RISKS ⁽²⁾	
Expected 10-Year Annual Real Return (Policy Portfolio Beta)	4.89 4.58%
Expected 10-Year Annual Real Return (Policy Portfolio Total Return)	6.25 5.86%
One Year Downside Volatility	8.38 8.92%
Risk Bounds	
Lower: 1 Year Downside Volatility	75.00%
Upper: 1 Year Downside Volatility	115.00%

(1) The "-" or "+" will be vs the original target, with the exception of Public Equity, where the "-" and "+" will be vs the Adjusted target; with the exception of Cash, "Min" will not be below zero.

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

(3) The Adjusted Target weight of each of Private Equity, Real Estate, Natural Resources, and Infrastructure and Strategic Holdings Portfolio will be set each month as the average ending actual weight of the combined PUF and GEF from the prior month. The "Min" and "Max" in these Asset Classes will be relative to the original Target. Any difference in the calculated Private Equity, Real Estate, Natural Resources, and Infrastructure Adjusted Target weights from the original Target weights derived from this table will be offset using 100% Public Equity. Any difference between the calculated Strategic Holdings Portfolio Adjusted Target weights and the original Target weights derived from this table shall be offset through the blend of Asset Classes assigned to the underlying Strategic Holdings Portfolio investments. Public market exposures may be offset directly against the corresponding public Asset Classes. Private market exposures shall be offset through a basket of public Asset Classes, including Public Equity, Strategic Partnerships, Directional Hedge Funds, and Stable Value Hedge Funds, weighted on a pro rata basis.

(4) All public equity benchmarks are net total return unless stated otherwise.

APPENDIX D

([Consent Agenda Item #11](#))

THE UNIVERSITY OF TEXAS SYSTEM LONG TERM FUND INVESTMENT POLICY STATEMENT

Purpose

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

LTF Organization

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

LTF Management

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

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

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

Long Term Fund Investment Policy Statement (continued)

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

LTF Administration

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

Funds Eligible to Purchase LTF Units

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

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

LTF Investment Objectives

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

Asset Allocation and Policy

LTF assets shall be allocated among the following investments.

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

Long Term Fund Investment Policy Statement (continued)

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

Investment Guidelines

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

LTF Distributions

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

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

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

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

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

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

LTF Accounting

Long Term Fund Investment Policy Statement (continued)

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

Valuation of Assets

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

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

Long Term Fund Investment Policy Statement (continued)

Performance Measurement

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

Compliance

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

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

Purchase of LTF Units

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

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

Redemption of LTF Units

Redemption of LTF units shall be paid in cash as soon as practicable after the quarterly valuation date of the LTF. If the withdrawal is greater than \$25 million, advance notice of 60 business days shall be required prior to the quarterly valuation date. If the withdrawal is for less than \$25 million, advance notice of five business days shall be

Long Term Fund Investment Policy Statement (continued)

required prior to the quarterly valuation date. If the aggregate amount of redemptions requested on any redemption date is equal to or greater than 2.5% of the LTF's net asset value, the Board of Regents may redeem the requested units in installments and on a pro rata basis over a reasonable period of time that takes into consideration the timeframe to liquidate illiquid investments and the best interests of all LTF unit holders. Withdrawals from the LTF shall be at the market value price per unit determined for the period of the withdrawal except as follows: withdrawals to correct administrative errors shall be calculated at the per unit value at the time the error occurred. To be considered an administrative error, the contribution shall have been invested in the LTF for a period less than or equal to one year determined from the date of the contribution to the LTF. Transfer of units between endowment unit holders shall not be considered redemption of units subject to this provision.

Investor Responsibility

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

Amendment of Policy Statement

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

Effective Date

The effective date of this Policy shall be September 1, ~~2025~~2026.

Long Term Fund Investment Policy Statement (continued)

EXHIBIT A

LTF ASSET ALLOCATION

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

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

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

*3 trading days or less

EXHIBIT B - GENERAL ENDOWMENT FUND
ASSET CLASS TARGETS, RANGES, AND PERFORMANCE OBJECTIVES
EFFECTIVE SEPTEMBER 1, 2025 6

Asset Class	Min v Target ⁽¹⁾	Target ⁽²⁾⁽³⁾	Max v Target ⁽¹⁾	Benchmark
Global Equity:				
Public Equity ⁽⁴⁾	-5.0%	23.4 20.9%	+15.0%	MSCI ACWI Ex-China Ex-Hong Kong Net Total Return USD
Directional Hedge Funds	-5.0%	7.0%	+5.0%	HFRI Fund of Funds Composite
Private Equity ⁽³⁾	-10.0%	28.8 29.1%	+10.0%	Blended Median Cambridge Buyouts, Emerging Markets Private Equity and Venture Capital, Credit Opportunities, and Venture Capital
Total Global Equity	-7.0%	59.2 57.0%	+15%	
Stable Value:				
Investment Grade Fixed Income	-5.0%	0.0%	+5.0%	Bloomberg Global Aggregate Index x-CNY - Hedged
Long-Treasuries	-5.0%	5.1%	+5.0%	Bloomberg US Treasury-Long Index
Credit-Related Fixed Income	-5.0%	0.0%	+5.0%	Bloomberg Capital Global High Yield Index
Total Fixed Income	-5.0%	5.1%	+5.0%	
Cash	-5.0%	2.0%	+5.0%	3 month T-Bills
Stable Value Hedge Funds	-5.0%	12.0%	+5.0%	HFRI Fund of Funds Conservative
Other Stable Value	0.0%	0.0%	+5.0%	3 month T-Bills + 25 basis points
Total Stable Value	-10.0%	19.1%	+6.0%	
Real Return:				
Inflation Linked Bonds	-5.0%	0.0%	+5.0%	Bloomberg Global Inflation-Linked: U.S. TIPS Index
Gold	-5.0%	0.0%	+5.0%	Gold Spot Price (XAU)
Commodities	-5.0%	0.0%	+5.0%	Bloomberg Commodity TRI
Total Commodities	-5.0%	0.0%	+5.0%	
Natural Resources ⁽³⁾	-5.0%	2.5 1.9%	+5.0%	Blended Median Cambridge PE Energy and Upstream & Royalty (ex Mining), PE Energy (Mining) and Timber
Infrastructure ⁽³⁾	-5.0%	5.5 7.4%	+5.0%	Median Cambridge Infrastructure
Real Estate ⁽³⁾	-5.0%	9.2 10.1%	+5.0%	Blended MSCI US REIT Gross Total Return Index (RMSG) and Median Cambridge Total Real Estate
Total Real Return	-6.0%	17.2 19.4%	+6.0%	
Strategic Partnerships	-5.0%	4.5%	+5.0%	Blended MSCI ACWI Ex-China Ex-Hong Kong Net Total Return USD, Bloomberg US Treasury-Long Index, and HFRI Macro
Innovation & Disruption Strategic Holdings Portfolio	-5% 0.0%	0.0%	+5.0% +10.0%	Aggregate Policy Portfolio Benchmark before returns from Innovation & Disruption-portfolio Blended benchmark based on underlying asset classification, using applicable policy benchmarks weighted by allocation
Total All Asset Classes		100.0%	110 5.0%	

POLICY/TARGET RETURN/RISKS ⁽²⁾	
Expected 10-Year Annual Real Return (Policy Portfolio Beta)	4.89 4.58%
Expected 10-Year Annual Real Return (Policy Portfolio Total Return)	6.25 5.86%
One Year Downside Volatility	8.38 8.92%
Risk Bounds	
Lower: 1 Year Downside Volatility	75.00%
Upper: 1 Year Downside Volatility	115.00%

(1) The "-" or "+" will be vs the original target, with the exception of Public Equity, where the "-" and "+" will be vs the Adjusted target; with the exception of Cash, "Min" will not be below zero.

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

(3) The Adjusted Target weight of each of Private Equity, Real Estate, Natural Resources, and Infrastructure and Strategic Holdings Portfolio will be set each month as the average ending actual weight of the combined PUF and GEF from the prior month. The "Min" and "Max" in these Asset Classes will be relative to the original Target. Any difference in the calculated Private Equity, Real Estate, Natural Resources, and Infrastructure Adjusted Target weights from the original Target weights derived from this table will be offset using 100% Public Equity. Any difference between the calculated Strategic Holdings Portfolio Adjusted Target weights and the original Target weights derived from this table shall be offset through the blend of Asset Classes assigned to the underlying Strategic Holdings Portfolio investments. Public market exposures may be offset directly against the corresponding public Asset Classes. Private market exposures shall be offset through a basket of public Asset Classes, including Public Equity, Strategic Partnerships, Directional Hedge Funds, and Stable Value Hedge Funds, weighted on a pro rata basis.

(4) All public equity benchmarks are net total return unless stated otherwise.

APPENDIX E

([Consent Agenda Item #11](#))

THE UNIVERSITY OF TEXAS SYSTEM INTERMEDIATE TERM FUND INVESTMENT POLICY STATEMENT

Purpose

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

ITF Organization

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

ITF Management

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

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

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

Intermediate Term Fund Investment Policy Statement (continued)

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

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

ITF Administration

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

Funds Eligible to Purchase ITF Units

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

ITF Investment Objectives

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

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

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

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

Intermediate Term Fund Investment Policy Statement (continued)

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

Asset Class Allocation and Policy

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

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

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

Global Equity:

Public Equity – Public Equity invests primarily in the equity securities of companies that are domiciled in the countries that are part of the Public Equity index listed in Exhibit A. These securities are traded in public markets (on an exchange, over the counter, or issued in an underwritten initial public offering (“IPO”)) or are restricted but expected to become public or otherwise freely marketable within three years after the initial investment. Public Equity includes common stocks, depositary receipts, preferred stocks, exchange traded funds (“ETFs”), and derivatives based on common stocks or equity indices (including convertibles, warrants, rights, options, and futures). Active extension strategies involve the use of leverage and include offsetting long and short exposures, often targeting 100% net long exposure. Active extension strategies may be classified as Public Equity, provided

Intermediate Term Fund Investment Policy Statement (continued)

that these strategies target a combined market sensitivity, defined by beta to the relevant benchmark, of approximately 1.0.

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

Stable Value:

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

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

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

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

Other Stable Value – Other Stable Value investments represent opportunistic “cash-plus” positions that are expected to generate returns in excess of Cash with limited exposure to equity, interest rate, or commodity market risk. These investments typically exhibit low market sensitivity and are intended to provide incremental return while preserving capital. Strategies may include but are not limited to spread-based investments, such as long cash and short futures positions on the same or similar underlying asset, where returns are driven by convergence and do not rely on long exposure to the underlying asset.

Intermediate Term Fund Investment Policy Statement (continued)

Real Return:

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

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

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

Strategic Partnerships:

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

Cross-Asset Strategies:

Portable alpha strategies are investment strategies within and across regimes and generally involve the use of leverage. Such strategies are permitted in all current Asset Classes other than Cash, provided that such strategies target a combined market sensitivity substantially similar to the applicable Asset Class's benchmark. For example, portable alpha strategies may include, but are not limited to, the use of fixed income or hedge fund overlays within an equity portfolio to target a combined market sensitivity of approximately 1.0.

Intermediate Term Fund Investment Policy Statement (continued)

All investments will be categorized at inception and on an ongoing basis by Asset Class or a blend of Asset Classes, as applicable.

Investment Guidelines

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

General

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

Investment Grade Fixed Income

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

~~Public Real Estate and~~ Public Equity

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

Intermediate Term Fund Investment Policy Statement (continued)

- Not more than 6% of the market value of equity securities may be invested in the securities of one corporation.

Stable Value

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

Leverage

The ITF can incur Leverage directly through derivatives and facilities such as repurchase agreements and reverse repurchase agreements, prime broker loans and other funding mechanisms (collectively "Leverage"). The Total Asset Class exposure, including these forms of Leverage, shall not exceed 105% of the net asset value of the ITF. Asset Class exposure will include applicable leverage and must remain within the policy limits provided in Exhibit A. Derivatives and other leverage facilities incurred by external managers operating under limited partnership agreements, through corporations, or through other limited liability entities are not included in any Asset Class exposure.

ITF Accounting

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

Valuation of ITF Assets

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

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

Intermediate Term Fund Investment Policy Statement (continued)

Performance Measurement

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

Compliance

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

ITF Distributions

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

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

Intermediate Term Fund Investment Policy Statement (continued)

Purchase and Redemption of ITF Units

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

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

Securities Lending

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

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

Investor Responsibility

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

Amendment of Policy Statement

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

Intermediate Term Fund Investment Policy Statement (continued)

Effective Date

The effective date of this Policy shall be September 1, ~~2025~~2026.

EXHIBIT A
ASSET CLASS TARGETS, RANGES, AND PERFORMANCE OBJECTIVES
EFFECTIVE SEPTEMBER 1, 2025 6

Asset Class	Min v Target ⁽¹⁾	Target ⁽²⁾	Max v Target ⁽¹⁾	Benchmark
Global Equity:				
Public Equity ⁽³⁾	-5.0%	15.0%	+10.0%	MSCI ACWI Ex-China Ex-Hong Kong Net Total Return USD
Directional Hedge Funds	-5.0%	35.0%	+5.0%	HFRI Fund of Funds Composite
Total Global Equity	-7.0%	50.0%	+10.0%	
Stable Value:				
Investment Grade Fixed Income	-5.0%	6.0%	+5.0%	Bloomberg Global Aggregate Index x-CNY - Hedged
Long Treasuries	-5.0%	7.0%	+5.0%	Bloomberg US Treasury- Long Index
Total Fixed Income	-5.0%	13.0%	+5.0%	
Cash	-5.0%	2.0%	+5.0%	3 month T-bills
Stable Value Hedge Funds	-5.0%	25.0%	+5.0%	HFRI Fund of Funds Conservative
Other Stable Value	0.0%	0.0%	+5.0%	3 month T-bills + 25 basis points
Total Stable Value	-10.0%	40.0%	+6.0%	
Real Return:				
Inflation Linked Bonds	-5.0%	5 2.0%	+5.0%	Bloomberg Global Inflation-Linked: U.S. TIPS Index
Gold	-5.0%	0 4.0%	+5.0%	Gold Spot Price (XAU)
Commodities	-5.0%	2 5 4.0%	+5.0%	Bloomberg Commodity TRI
Total Commodities	-5.0%	2 5 8.0%	+5.0%	
Public Real Estate	-5.0%	2.5%	+5.0%	MSCI US REIT Gross Total Return Index (RMSG)
Total Real Return	-6.0%	10.0%	+6.0%	
Strategic Partnerships	-5.0%	0.0%	+5.0%	Blended Bloomberg Global Inflation-Linked: US TIPS Index, Gold Spot Price (XAU), Bloomberg Commodity TRI
Total All Asset Classes		100.0%	105.0%	

POLICY/TARGET RETURN/RISKS ⁽²⁾	
Expected 10-Year Annual Real Return (Policy Portfolio Beta)	2 24 1.84%
Expected 10-Year Annual Real Return (Policy Portfolio Total Return)	4 51 4.10%
One Year Downside Volatility	3 74 3.92%
Risk Bounds	
Lower: 1 Year Downside Volatility	75.00%
Upper: 1 Year Downside Volatility	115.00%

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

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

(3) All public equity benchmarks are net total return unless stated otherwise.

APPENDIX F

([Consent Agenda Item #11](#))

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

Effective Date of Policy: August ~~2213~~, ~~2024~~2026

Date Approved by U. T. System Board of Regents: August ~~2213~~, ~~2024~~2026

Date Approved by UTIMCO Board: June ~~2018~~, ~~2024~~2026

Supersedes: Liquidity Policy effective August ~~2422~~, ~~2023~~2024

Purpose:

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

Objective:

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

Scope:

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

Definition of Liquidity Risk:

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

Definition of Cash:

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

- SEC Rule 2a-7 money market funds rated AAAM by Standard & Poor's or the equivalent by a Nationally Recognized Statistical Rating Organization (NRSRO),
- securities of the U.S. Treasury and U.S. Agencies and their instrumentalities with maturities of 397 days or less,

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

- separately managed accounts with investment guidelines equivalent to, or more stringent than, unaffiliated liquid investment funds rated AAAM by Standard & Poor's Corporation or the equivalent by a NRSRO,
- the Custodian's late deposit interest bearing liquid investment fund,
- municipal short-term securities,
- commercial paper rated in the two highest quality classes by Moody's Investor Service, Inc. (P1 or P2) or Standard & Poor's Corporation (A1 or A2 or the equivalent),
- negotiable certificates of deposit with a bank that is associated with a holding company whose short-term rating meets the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better, and
- repurchase agreements and reverse repurchase agreements transacted with:
(a) a dealer that is approved by UTIMCO and selected by the Federal Reserve as a Primary Dealer in U.S. Treasury securities and rated A-1 or P-1 or the equivalent or (b) another entity or agency of the State of Texas.

Liquidity Risk Measurement:

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

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

The measurements necessary to segregate all existing investments into one of the two categories assume normally functioning capital markets and cash market transactions.

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

Liquidity Policy Profile:

The permitted maximum for **illiquid** investments for each of the Endowment Funds is ~~75~~80% of the total portfolio for the Endowment Funds. If the S&P 500 declines by 25% or more within a rolling one-year period, the permitted maximum for illiquid investments

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

will temporarily increase to ~~80~~85%. The permitted maximum will revert to ~~75~~80% no later than 18 months after the ~~75~~80% illiquidity threshold was first breached.

The permitted maximum for **illiquid** investments for the ITF is 60% of the total portfolio for the ITF.

Unfunded Commitments:

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

Beg September 1, 2023

Unfunded Commitment as a percent of the highest total NAV of the Endowment Funds over a trailing 24-month period:	35.0%
--	-------

Documentation and Controls:

Senior Managing Directors responsible for each asset class are responsible for determining the liquidity category for each investment in that asset class as well as the amount of unfunded commitments. The determination of liquidity will include consideration of contract terms, underlying security trading volumes, notice periods, redemption dates, lock-up periods, and “soft” and “hard” gates. Classifications and weights within each liquidity category will be updated and periodically reviewed by the Managing Director – Risk Management and the Chief Compliance Officer.

Any illiquid investment or new commitment that would cause illiquidity in either the Endowment Funds or the ITF to exceed the illiquidity thresholds or the Maximum Permitted Amount established by this Policy requires prior approval by the Investment Risk Committee after consultation with The University of Texas System Office of Business Affairs. In the event that market actions cause illiquidity in either the Endowment Funds or the ITF to exceed the illiquidity thresholds or the Maximum Permitted Amount established by this Policy, the Investment Risk Committee must review and approve the Chief Investment Officer’s proposed remedy or strategy for eliminating the exception or deviating from the Liquidity Policy before any such actions are taken. Investment Risk Committee review of new investments above the permitted maximums will supplement, rather than replace, the procedures established by the UTIMCO Board for the approval of new investments.

In addition, any proposed investment actions which would increase the actual investment position in illiquid investments in any of the PUF, the GEF, or the ITF by 10% or more of the total asset value of such fund would also require review and action by the Investment Risk Committee prior to the change.

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

Any actual positions outside the policy ranges will be communicated to the Chief Investment Officer immediately. The Chief Investment Officer will then determine the process to be used to eliminate the exception and report promptly to the UTIMCO Investment Risk Committee the circumstances of the deviation from Policy and the remedy to the situation.

Reporting:

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

UTIMCO staff will report individual investments within the Endowment Funds and ITF to U.T. System categorized as follows:

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