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CONSENT AGENDA**

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February 18-19, 2026
Austin, Texas

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MEETING OF THE BOARD

1. Minutes - U.T. System Board of Regents: Approval of Minutes of the regular meeting held November 19-20, 2025
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. The revision adds Board of Regents Chairman Kevin P. Eltife to the KMP list to satisfy updated security mandates, and removes Brandon Norwat, Associate Director, Science and Security Officer, following his departure from The University of Texas at Austin.

A Resolution amending the Managerial Group list was last adopted by the Board of Regents on November 20, 2025.

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):

Kevin P. Eltife, Chairman of the Board of Regents

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

~~Brandon H. Norwat, Associate Director, Science and Security, 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 Lester, Research Security Analyst, Office of Research Support and Compliance, 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)

AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE

No items for Consent Agenda

FINANCE AND PLANNING COMMITTEE

3. Other Matters - U.T. System: Approval of the Budget Preparation Policies, including delegation of authority to develop and promulgate the Calendar for budget operations, and Annual Operating Budget Rules and Procedures for Fiscal Year 2027

With the concurrence of the Executive Vice Chancellor and Chief Operating Officer and the Executive Vice Chancellor for Academic Affairs, Dr. John M. Zerwas, in his roles as Chancellor and Executive Vice Chancellor for Health Affairs, recommends that the U.T. System Board of Regents approve the Budget Preparation Policies set out on the following pages for use in preparing the Fiscal Year (FY) 2027 Annual Operating Budget for the U.T. System, and the Annual Operating Budget Rules and Procedures for FY 2027.

The U.T. System FY 2027 Budget Preparation Policies are consistent with the regulations and directives included in the General Appropriations Act enacted by the 89th Texas Legislature and other general law. A proposed change would delegate authority to the Associate Vice Chancellor, and Deputy Chief Financial Officer to develop and promulgate the budget calendar. As written, this policy provides general direction to the U.T. System institutions.

Proposed changes to the Annual Operating Budget Rules and Procedures for FY 2027 (Budget Rules) would

- clarify compensation reporting for Chief Administrative Officers and others;
- adjust references to Regents' Rule 10501 resulting from changes in the rule;
- add a reference to Regents' Rule 20501 resulting from changes in the rule related to reappropriation of Educational and General Balances and a requirement that the Operating Budget Rules and Procedures address these;
- remove reporting of faculty workload requirements due to a change to the *Texas Education Code* previously made by the 87th Legislature;
- reduce the time institutions have to allocate STARs funding to 24 months from 36 months;
- reduce the time that a faculty member has to spend a STARs award to 24 months from 36 months; and
- make other nonsubstantive editorial changes.

THE UNIVERSITY OF TEXAS SYSTEM

Fiscal Year 2027 Budget Preparation Policies

1. **General Guidelines** - The regulations and directives included in the *General Appropriations Act* enacted by the 89th Texas Legislature, along with other general law, serve as the basis for these guidelines and policies. In preparing the draft of the FY 2027 Operating Budget, the president of each institution should adhere to guidelines and policies as detailed below and as included in the *General Appropriations Act*. The Associate Vice Chancellor, Deputy Chief Financial Officer, will issue detailed instructions regarding the implementation of those regulations and directives into the institutional budget process.

The president of each institution should examine the resources used at the institution and, where possible, redirect resources toward high priority mission critical activities and strategic competitive investments that are consistent with the goals and objectives included in the institution's Strategic and Long Range Financial Plans.

Overall budget totals, including retaining reasonable reserves for potential future financial shortfall, must be limited to the funds available for the year from General Revenue Appropriations, Estimates of Educational and General Income, other anticipated institutional revenue sources, and limited use of institutional unappropriated balances. Institutions should not incorporate uncollected pledged gifts that have been recognized as revenue into budget totals nor grant budget authority based on them.

2. **Maintenance of Operating Margin and Use of Prior Year Balances** - Institutions should make all reasonable efforts to maintain a favorable operating margin within the FY 2027 Operating Budget. Use of prior year balances should be limited to critical items, unique opportunities, or projects funded from prior year income committed for that purpose. Generally, balance usage should be reserved for nonrecurring activities. Balance usage cannot be recommended to the U.T. System Board of Regents for approval without the consent of the Chancellor, the appropriate Executive Vice Chancellor, and the Associate Vice Chancellor, Deputy Chief Financial Officer.
3. **Salary Guidelines** - Recommendations regarding salary policy are subject to the following directives:

Salaries Proportional by Fund - Unless otherwise restricted, payment for salaries, wages, and benefits paid from appropriated funds, including local funds and educational and general funds as defined in *Texas Education Code* Section 51.009 (a) and (c), shall be proportional to the source of funds.

Merit Increases and Promotions - Institutions should consider available resources and resolution of any major salary inequities when implementing merit salary increases for faculty and staff.

As established by *Texas Education Code* Section 51.962, an employee must have been employed by the institution for the six months immediately preceding the effective date of the increase to be eligible for a merit increase, and at least six months must have elapsed since the employee's last merit salary increase. These limitations also apply to one-time merit payments.

U.T. System Fiscal Year 2027 Budget Preparation Policies (*continued*)

Merit increases or advances in rank for faculty are to be on the basis of their professional responsibilities in teaching effectiveness, research, public service, patient care, and administration. Merit increases or promotions for administrative and professional staff and classified staff are to be based on evaluation of performance in areas appropriate to work assignments.

Other Increases - Equity adjustments, competitive offers, and increases to accomplish contractual commitments should also consider merit where appropriate, subject to available resources. Subject to guidance issued by the Associate Vice Chancellor, Deputy Chief Financial Officer, such increases should be noted and explained in the supplemental data accompanying the budget.

New Positions - Subject to available resources, new administrative and professional staff, classified staff, and faculty positions are to be requested only when justified by workloads or to meet needs for developing new programs.

Reporting - The Associate Vice Chancellor, Deputy Chief Financial Officer, will issue guidance on reporting compensation changes and amounts. It is expected that required reports will encompass highly compensated and high-ranking personnel covered by Regents' *Rules and Regulations*, Rules 20203 and 20204.

4. **Staff Benefits Guidelines** - Recommendations regarding the State contribution for employee staff benefits such as group insurance premium sharing, social security, teacher retirement, and optional retirement are subject to legislative determination via the *General Appropriations Act*. Payments for benefits, including for retirees, should comply with the provisions of Texas Comptroller of Public Accounts' Accounting Policy Statement No. 11, "Benefits Proportional by Method of Finance" and the *General Appropriations Act*. The Associate Vice Chancellor, Deputy Chief Financial Officer, will issue instructions regarding the implementation of the benefits into the budget process.
5. **Other Employee Benefits** - Employer contributions to the self-insured Unemployment Compensation Fund are based on an actuarial study. Workers' Compensation Insurance rates are experience-rated for each institution. Appropriate instructions will be issued regarding the implementation of Unemployment Compensation Fund and Workers' Compensation Insurance benefits.
6. **Other Operating Expenses Guidelines** - Increases in Maintenance, Operation, Equipment, and Travel are to be justified by expanded workloads, for developing new programs, significant inflationary or other external cost pressures, or for correcting past deferrals or deficiencies.
7. **Calendar** - Authority is delegated to the Associate Vice Chancellor, Deputy Chief Financial Officer, to develop and promulgate the Calendar.

THE UNIVERSITY OF TEXAS SYSTEM

OPERATING BUDGET RULES AND PROCEDURES

For Fiscal Year Ending August 31, 2026~~6~~⁷

A. INITIAL BUDGET

1. Any transfers subsequent to the approval of the initial budget shall be made only after careful consideration of the allocations, transfer limitations, and general provisions of the current general appropriations act. (See B. Budget Amendments)
2. All appointments are subject to the provisions of the U.T. System Board of Regents' *Rules and Regulations* ("Regents' Rules") for the governance of The University of Texas System.
3. The established merit policy will be observed in determining salary rates.
4. All academic salary rates in the instructional departments of the academic institutions are nine-month rates (September 1 - May 31, or August 16 – May 15 for U.T. Austin) unless otherwise specified. In the health-related institutions and medical schools of academic institutions, all salary rates are twelve-month rates unless otherwise specified.
5. All appointments of classified personnel are based on twelve-month rates and are made within appropriate salary ranges as defined by the classified personnel Pay Plan approved by the president or Chancellor. All appointments of administrative and professional personnel are based on twelve-month rates.
6. Compensation for continuing personnel services (for a period longer than one month), though paid for on an hourly basis, is not to be paid out of maintenance and equipment, or like appropriations, except upon specific approval of the president of the institution or the Chancellor.
7. All maintenance and operation, equipment, and travel appropriations are for twelve months (September 1 - August 31) and should be budgeted and expended accordingly.

B. BUDGET AMENDMENTS

1. Items requiring approval of the U.T. System Administration and subsequent approval by the U.T. System Board of Regents via the Consent Agenda
 - a. New appointments of tenured faculty (Regents' Rule 31007).
 - b. Award of tenure to any faculty member (Regents' Rule 31007).
 - c. New appointments as Regental Professor (Regents' Rule 31001). Titles set forth in Regents' Rule 20301 including Chancellor Emeritus, President Emeritus, and similar honorary designations are conferred by the U.T. System Board of Regents.
 - d. Appointments, promotions, and ~~compensation changes~~ salary increases involving Chief Administrative Officers ~~the president~~ (Regents' Rules 20101, 20201, 20202, and 20203).
 - e. New contracts or contract ~~changes~~ amendments affecting compensation involving athletic directors or coaches whose total annual compensation equals or exceeds the amounts specified by Regents' Rule 10501 Section ~~2.2.12~~ 3.1.
 - f. Compensation changes for Key Executives as defined by Regents' Rule 20203.
 - g. Compensation for Highly Compensated Personnel whose total annual compensation for the first time exceeds or may exceed the amount set as the approved institutional contract threshold discussed in Regents' Rules and Regulations, Rule 10501, Subsection 2.1.1 ~~2.17~~ during the year and who are not subject to B.1.d, B.1.e or B.1.f (Regents' Rules 10501 and 20204).
 - h. Compensation changes greater than five percent for Highly Compensated Personnel whose total annual compensation exceeds the amount set as the approved institutional contract threshold discussed in Regents' Rules and Regulations, Rule 10501, Subsection 2.1.1 and who are not subject to B.1.d, B.1.e or B.1.f (Regents' Rules 10501 and 20204).
 - i. Increases in budgeted amounts from income or unappropriated balances for Educational and General, Auxiliary Enterprises, Designated Funds, Service Departments, Revolving Funds, and Plant Funds, subject to the thresholds established in B.5 below.
 - j. Increases to Plant Funds which result from transfers from Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments, and Revolving Funds, subject to the thresholds established in B.5 below.

2. Items requiring approval of U.T. System Administration (no Consent Agenda approval required)

- a. Reappropriation of prior year Educational and General Fund balances, subject to the thresholds established in B.5 below (Regents' Rule 20501).
- b. Increases in budgeted amounts from income or unappropriated balances for Educational and General, Auxiliary Enterprises, Designated Funds, Service Departments, Revolving Funds, and Plant Funds, subject to the thresholds established in B.5 below.
- c. Increases to Plant Funds which result from transfers from Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments, and Revolving Funds, subject to the thresholds established in B.5 below.
- d. Compensation changes for Highly Compensated Personnel other than those subject to B.1.d, B.1.e or B.1.f with total annual compensation in excess of the amount set as the approved institutional contract threshold discussed in Regents' Rules and Regulations, Rule 10501, Subsection 3.1 ~~2-2-17~~, whose change in total annual compensation is five percent or less and whose initial compensation was previously approved by the U.T. System Board of Regents (Regents' Rules 10501 and 20204).
- e. Appointments and compensation changes for Highly Compensated Personnel (\$1 million or more) who are not subject to B.1.a, B.1.b, B.1.c, B.1.d, B.1.e, B.1.f, B.1.g, B.1.h or B.2.d (Regents Rule 20204).
- f. Appointments and promotions involving administrative and professional personnel reporting directly to the president who are not subject to another provision specified within Sections B.1 or B.2 of these Rules.

3. Items requiring approval of the president only (Chancellor for U.T. System Administration)

- a. All interdepartmental transfers.
- b. All budget transfers between line-item appropriations within a department.
- c. Increases in budgeted amounts from income or unappropriated balances for Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments, and Revolving Funds, subject to the thresholds established in B.5 below.
- d. Reappropriation of Prior Year Educational and General Fund Balances, subject to the thresholds established in B.5 below (Regents' Rule 20501).
- e. Promotions involving tenured faculty (Regents' Rule 20201).
- f. New honorary title appointments as Dean Emeritus, Chair Emeritus, Professor Emeritus, and similar honorary designations (Regents' Rule 31001).
- g. Transactions involving all other personnel except those specified in ~~B.1.a, B.1.b, B.1.c, B.1.d, B.1.e, B.1.f, B.1.g, B.1.h, B.2.d, B.2.e, and B.2.f~~ as defined above by another provision within these Rules.

- h. Changes in sources of funds, changes in time assignments, and other changes in status for personnel categorized in Item B.1 or B.2, provided no change in the individual's salary rate is involved. In the case of Medical Faculty, this provision applies to "Total Compensation."
 - i. Clinical faculty appointments or changes, including medical or hospital staff, without salary provided the clinical faculty member is not considered to be Highly Compensated Personnel.
- 4. Effective date of appointments and compensation increases
 - a. Any increase in approved compensation for the current fiscal year without a change in classification or position is not to be effective prior to the first day of the month in which the required final approval of the rate change is obtained.
 - b. A compensation increase resulting from an appointment to another classification or to a position involving new and different duties may be made effective to the time of the first performance of duties under the new appointment.
 - c. The effective date of an appointment is the date on which the individual is first to perform service for the institution under that appointment.
 - d. The original appointment during a fiscal year of a person not in a budget for that year or not under an existing appointment for that year may relate back to the first performance of duties during the fiscal year although such person may have been employed in a previous fiscal year and although increased compensation for the same classification or position is involved.
- 5. Budget amendment criteria
 - a. Institutions other than U.T. System Administration with budgeted revenue, including transfers from the Available University Fund, of \$1 billion or more will have a threshold of:
 - i. For B.1i and B.1j – Equal to or greater than \$10,000,000 (budget increase approval via the Consent Agenda)
 - ii. For B.2a – Equal to or greater than \$10,000,000 (reappropriation of E&G balances approval by U.T. System Administration)
 - iii. For B.2b and B.2c – Equal to or greater than \$5,000,000 and less than \$10,000,000 (budget increase approval by U.T. System Administration)
 - iv. For B.3c – Less than \$5,000,000 (budget increase approval by the president)
 - v. For B.3.d – Less than \$10,000,000 (reappropriation of E&G balances approval by the president)

- b. Institutions other than U.T. System Administration with budgeted revenue, including transfers from the Available University Fund, between \$250 million and \$1 billion will have a threshold of:
 - i. For B.1i and B.1j – Equal to or greater than \$5,000,000 (budget increase approval via the Consent Agenda)
 - ii. For B.2a – Equal to or greater than \$5,000,000 (reappropriation of E&G balances approval by U.T. System Administration)
 - iii. For B.2b and B.2c – Equal to or greater than \$2,500,000 and less than \$5,000,000 (budget increase approval by U.T. System Administration)
 - iv. For B.3c – Less than \$2,500,000 (budget increase approval by the president)
 - v. For B.3.d – Less than \$5,000,000 (reappropriation of E&G balances approval by the president)
- c. Institutions other than U.T. System Administration with budgeted revenue, including transfers from the Available University Fund, less than \$250 million will have a threshold of:
 - i. For B.1i and B.1j – Equal to or greater than \$2,500,000 (budget increase approval via the Consent Agenda)
 - ii. For B.2a – Equal to or greater than \$2,500,000 (reappropriation of E&G balances approval by U.T. System Administration)
 - iii. For B.2b and B.2c – Equal to or greater than \$500,000 and less than \$2,500,000 (budget increase approval by U.T. System Administration)
 - iv. For B.3c – Less than \$500,000 (budget increase approval by the president)
 - v. For B.3.d – Less than \$2,500,000 (reappropriation of E&G balances approval by the president)
- d. U.T. System Administration will have a threshold of:
 - i. For B.1i and B.1j – Equal to or greater than \$2,500,000 (budget increase approval via the Consent Agenda)
 - ii. For B.2a and B.3e – All amounts may be approved by the Chancellor (reappropriation of E&G balances)
 - iii. For B.2b, B.2c, and B.3c – All amounts less than \$2,500,000 may be approved by the Chancellor (budget increase approval)
 - iv. Notwithstanding i., ii., and iii., the Chancellor may authorize any budget amendment in the U.T. System revolving insurance or revolving systemwide information technology funds without limitation.
- e. Notwithstanding a., b., and c. of this section, the president of an institution may authorize any budget amendment related to hospital patient care activities or Medical, Dental, Nursing, and Faculty Services Research and Development Plans, the Allied Health Faculty Services Plan or the Physicians Referral Service Plan without limitation if the budget increase is supported by a corresponding increase in revenue. This exception does not apply to increases from unappropriated balances.

C. OTHER CONSIDERATIONS

1. All appropriations not actually expended or encumbered by August 31 will automatically lapse to the Unappropriated Balance Account except for those reallocated pursuant to Item B.2a and Item B.3d.
2. Compensation from the Medical Service Research and Development Plan, Dental Service Research and Development Plan, Physicians Referral Service Plan, Faculty Services Research and Development Plan, Allied Health Faculty Services Plan, or Nursing Clinical Enterprise Health Services Research and Development Plan is contingent upon its being earned or available in accordance with the regulations applicable to the appropriate plan.
3. Budgeted expenditures authorized from sources of funds other than Educational and General Funds are contingent upon receipt of such funds. Appointments from such fund sources will not become an obligation of the institution in the event the supplemental or grant funds are not realized.
4. Leaves of Absence may be granted only in accordance with provisions contained in Regents' Rule 30201.
5. In these Rules, Compensation means total annual compensation as defined by Regents' Rule 20204.
6. Appropriations of the Available University Fund are subject to the appropriation limitations and notice requirements found in the General Appropriations Act.

~~THE UNIVERSITY OF TEXAS SYSTEM~~

~~FACULTY WORKLOAD REQUIREMENTS FOR ACADEMIC INSTITUTIONS~~

~~For Fiscal Year Ending August 31, 2027~~

FACULTY WORKLOAD REQUIREMENTS FOR ACADEMIC INSTITUTIONS

The general workload policy for faculty employed at U.T. System academic institutions is set forth in Regents' Rule 31006. Through established shared governance processes, the U.T. System Board of Regents have authorized each academic institution to establish a faculty workload policy that adheres to the provisions and reporting requirements of Rule 31006 and the *Texas Education Code* Section 51.402.

THE UNIVERSITY OF TEXAS SYSTEM

MEDICAL, DENTAL, NURSING, FACULTY SERVICES RESEARCH AND DEVELOPMENT PLANS,
ALLIED HEALTH FACULTY SERVICES PLAN AND PHYSICIANS REFERRAL SERVICE

For Fiscal Year Ending August 31, 2026~~6~~7

RULES AND PROCEDURES

1. These Rules and Procedures are to be used for the Medical, Dental, Nursing, and Faculty Services Research and Development Plans, the Allied Health Faculty Services Plan and Physicians Referral Service ("the Plans") Budgets in conjunction with the Rules and Procedures for the General Operating Budget.
2. Budgeted expenditures authorized from the Plans are contingent upon receipt of such funds. Appointments and other budget transactions from such fund sources shall not become an obligation of any institution in the event the funds are not realized.
3. All income for professional services earned by members of the plans, except royalties, payments for editing scientific publications, and consultation fees as a regional or national consultant to any branch of the U.S. Government as approved by the U.T. System Board of Regents shall be deposited in the appropriate institution's institutional Trust Fund Account.
4. Administration, operation, and disbursement of funds shall be in accordance with each institutional plan approved by U.T. System Administration and the U.T. System Board of Regents.
5. At U.T.M. D. Anderson Cancer Center, associate members' earnings will be contingent upon the earned income of the member in accordance with the services rendered to the patient assigned to the member's specialty by the chief of the major service. The Executive Council of the Physicians Referral Service will approve all payments.
6. Budgeted funds can be used for staff retirement and insurance benefits, for actual travel or supplemental travel expenses for attending meetings for the benefit of any institution, for memberships and dues in medical organizations, for official entertainment, and for such other disbursements as may be authorized by the president consistent with the policies approved by the U.T. System Board of Regents and U.T. System Administration. These expenditures must be in the best interests of the research, educational and patient care activities of any institution and in the best interest of maintaining a distinguished scientific staff for such purposes and activities.

THE UNIVERSITY OF TEXAS SYSTEM

PERMANENT UNIVERSITY FUND (PUF) BOND PROCEEDS FOR LIBRARY, EQUIPMENT,
REPAIR AND REHABILITATION (LERR)
AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARS)
AND SIMILAR FUNDED PROGRAMS BUDGET RULES AND PROCEDURES

For Fiscal Year Ending August 31, 2026~~6~~7

A. INITIAL BUDGET

1. The Chancellor is authorized to approve allocations of LERR and Faculty STARS to institutions within the program totals authorized by the U.T. System Board of Regents if specific allocations are not adopted when the Initial Budget is adopted.
2. Upon recommendation by the Executive Vice Chancellors for Academic, Health, and Business Affairs, the Chancellor may approve initial Library and Equipment or Repair and Rehabilitation projects if not specifically approved by the U.T. System Board of Regents when the Initial Budget is adopted.
3. U.T. System institutions are authorized to purchase approved Library and Equipment items and to contract for Repair and Rehabilitation projects following standard purchasing and contracting procedures. This includes expenditures for STARS (including Faculty and Rising STARS), or similar funded programs.
4. Transfers by the U.T. System Administration of allocated funds to institutional control or to vendors will coincide with vendor payment requirements.
5. Final approval of specific Repair and Rehabilitation projects will be in accordance with U.T. System Board of Regents established procedures for construction projects.
6. All expenditures are subject to the provisions of the Texas *Constitution* of the State of Texas, the U.T. System Board of Regents' *Rules and Regulations* for the governance of the U.T. System, and U.T. System Policies (UTS Policies).
7. All expenditures are subject to the guidance established by the U.T. System Board of Regents in the *Permanent University Fund (PUF) Bond Proceeds for Library, Equipment, Repair and Rehabilitation (LERR) and Faculty Science and Technology Acquisition and Retention (STARS) and Similar Funded Programs Expenditure Guidelines*.

B. BUDGET AMENDMENTS

Items requiring approval of U.T. System Administration (no Consent Agenda approval required)

1. Substitute Library or Equipment purchases that are not on the approved list.
2. Substitute Repair and Rehabilitation projects that are not on the approved list.
3. Transfers of appropriated funds between approved Library, Equipment, Repair and Rehabilitation items.

C. RETENTION OF RECORDS

The Internal Revenue Service requires that invoice documentation supporting capital expenditures, including LERR, STARs and similar programs funded with proceeds of tax-exempt bonds, be maintained for a period ending three (3) years after the complete extinguishment of the bonds. Pursuant to the Texas *Constitution*, PUF bonds may be structured with a maximum maturity of 30 years. In order to comply with the IRS requirement and *UTS 181 Policy for Post Bond Issuance Federal Tax Compliance*, U.T. institutions shall maintain invoice documentation for 35 years for any capital expenditure funded with tax-exempt proceeds.

D. OTHER CONSIDERATIONS

1. All LERR appropriations must be expended within 36 months from the date of the award, or the appropriation will lapse and be made available for future Systemwide reallocation.
2. All STARs or similar program appropriations must be expended within ~~24~~ 36 months from the time the retained faculty member accepts the award, or the new faculty member arrives at the institution, or the appropriation will lapse and be made available for future Systemwide reallocation.
3. U.T. System institutions receiving block STARs allocations have ~~24~~ 36 months from the beginning of the fiscal year in which funds are allocated to award the funds to a specific faculty member, or the appropriation will lapse and be made available for future Systemwide reallocation.
4. Notwithstanding the limitations adopted at the time LERR, STARs, or other similar funding was authorized, these *Budget Rules and Procedures* apply to all previously authorized LERR, STARs and similar funding with the exception of D.2 and D.3 which are effective only for FY 2027 and future years.
5. In accordance with the *UTS 168 Capital Expenditure Policy*, LERR and STARs funding that is incorporated into a Major Project will be defined as PUF and will be subject to rules applicable to all Major Projects. Regents' Rule 80301 defines Major Projects.

THE UNIVERSITY OF TEXAS SYSTEM

PERMANENT UNIVERSITY FUND (PUF) BOND PROCEEDS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION (LERR) AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARs) AND SIMILAR FUNDED PROGRAMS EXPENDITURE GUIDELINES

For Fiscal Year Ending August 31, 2026~~6~~⁷

A. AUTHORIZATION OF PUF BOND PROCEEDS FOR LERR, STARs, OR SIMILARLY FUNDED PROGRAMS

Article VII, Section 18 (b) of the Texas *Constitution* authorizes the U.T. System Board of Regents to issue bonds and notes secured by the U.T. System's interest in the Permanent University Fund for the purpose of:

- acquiring land, 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.

It is for the last three purposes noted above that the U.T. System Board of Regents has established ~~the~~ LERR, STARs (including Faculty and Rising STARs), and similarly funded programs.

B. ELIGIBILITY FOR PROGRAM FUNDS

Eligibility for LERR, STARs, or other similar funded programs is the same as eligibility for PUF bond proceeds as set forth in the Texas *Constitution*.

C. GENERAL GUIDELINES FOR USE OF PROGRAM FUNDS

In addition to meeting the constitutional requirements outlined above, the general guideline to determine whether an item is eligible for LERR, STARs, or similar funded programs, is that it must have a useful life of at least one year. The following sections are provided to assist with that determination. These guidelines are not intended to be exhaustive and any questions regarding LERR, STARs, or similar funded program eligibility should be directed to the U.T. System Administration Office of Budget and Planning ~~the~~ the Chief Financial Officer.

Repair and Rehabilitation of Buildings or Other Permanent Improvements

Major repairs or rehabilitation of buildings or other permanent improvements include, but are not limited to, repairs, renovations, replacements, or betterments that are normally expected to extend the useful life, improve operating efficiency, eliminate health and safety hazards, correct structural or mechanical defects, upgrade the quality of existing facilities, or convert these assets to more useful functions, but that are not considered routine maintenance.

The cost of major repairs or rehabilitation of buildings or other improvements can include the contract price or cost of construction and other costs that would be applicable to make the building or improvement suitable for its intended use.

Acquisition of Capital Equipment

Capital equipment is regarded as nonexpendable, tangible personal property having a useful life of more than one year. The acquisition cost for equipment includes the net invoice price, including any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. In addition, taxes, duty, in-transit insurance, freight, and installation charges are also included as part of the acquisition cost. Capital equipment, including software which will be used Systemwide, or between and among U.T. institutions and System Administration, is eligible for LERR, STARS, or similar program funds.

Warranties and Similar Service Features

The cost of warranties and similar service features related to purchase of capital equipment (such as maintenance agreements and loaner programs) are not eligible for LERR, STARS, or similar program funds as these are considered operating expenses. This ineligibility also applies to warranty and similar service feature costs separately identified during original purchase. For example, a warranty agreement charge that is separately identified on a laptop purchase is not allowed.

Software

Any capitalized costs associated with the development or implementation of software, including personnel costs (salaries), are eligible for LERR, STARS, or similar funded programs if they are incurred in the Application Development Stage as defined by *Statement No. 51 of the Governmental Accounting Standards Board* "Accounting and Financial Reporting for Intangible Assets." This principle applies whether the salaries are paid to employees of the institution or to outside parties. Training costs related to software usage are discussed below.

The purchase of bundled software included as part of the initial acquisition of computer hardware is capitalizable regardless of threshold and therefore eligible for LERR, STARS, or similar program funds.

Software maintenance costs are considered operating expenses and therefore are not eligible for LERR, STARS, or similar program funds as these are considered operating expenses.

Costs for software licenses with a useful life extending beyond one year that will be owned are eligible for LERR, STARS, or similar program funds. Leased or licensed software that requires the payment of an annual fee (i.e., does not have a useful life extending beyond one year) and that will not be owned when the license expires is not eligible for LERR, STARS, or similar program funds.

Employee Training and Travel Costs

Employee training and travel costs are not eligible for LERR or STARS program funds as these are considered operating expenses.

Operating Expenses

Consumables, which include those items that have an expected useful life of less than one year, are not eligible for LERR or STARs program funds as these are considered operating expenses. Some examples include, but are not limited to chemicals, gases, paper, staplers and other office supplies, toner cartridges, medical supplies, disposal services, and laboratory supplies.

Examples of other operating expenses that are not eligible for LERR or STARs program funds include, but are not limited to: monthly telephone services, animals, software maintenance cost, and routine maintenance.

Acquisition of Library Books and Library Materials

The acquisition of library books and library materials is eligible for LERR. A library book is defined as a literary composition bound into a separate volume and identifiable as a separate copyrighted unit. Library materials are information sources other than books, including journals, periodicals, microforms, audio/visual media, computer-based information, manuscripts, maps, documents, and similar items that provide information essential to the learning process or enhance the quality of university library programs. The purchase of a license for library materials is allowable if the license period is in excess of one year. Annual license subscriptions and payments are not eligible for LERR.

The acquisition cost of library books and library materials can include the invoice price, freight-in, handling and insurance, binding, electronic access charges, reproduction, and other like costs required to put these assets in place, except for library salaries.

Prohibition for Student Housing, Athletics, and Auxiliary Enterprises

Article VII, Section 18 (d) of the Texas *Constitution* prohibits the use of PUF bond proceeds, and therefore the use of LERR, STARs, and similar program funds, for student housing, intercollegiate athletics, or auxiliary enterprises.

D. SPECIAL PROGRAM FUNDING

Allocations of STARS funding by the Board of Regents are for the Faculty STARS program. With appropriate approvals those funds can be redirected to the Rising STARS program. U.T. System institutions receiving block STARS allocations can elect to use them as either Faculty STARS or Rising STARS without further approval being required.

Faculty STARS Program

The Faculty STARS program funded by PUF bond proceeds supports the recruitment and retention of the best-qualified faculty at both academic and health institutions by providing additional resources to build and enhance research infrastructure. Because the Faculty STARS program is funded in the same manner as LERR, the same guidelines apply, and each item must have a useful life of more than one year. Faculty STARS funds are available for laboratory renovation and equipment purchases; however, faculty and other staff salaries cannot be paid from Faculty STARS funds.

There are three related program goals that form the basis of the Faculty STARS program:

- recruit senior faculty with national prominence; and
- improve the quality of new faculty and research capacity of the institutions by augmenting the start-up packages for tenure and tenure-track faculty; and
- retain high quality faculty who have had offers from another research institution or have the potential to leave because of limited access to quality equipment or laboratories.

Rising STARS Program

The Rising STARS program makes up to \$300,000 available for recruitment of promising faculty members who are recruited in a tenure track position at any academic level, i.e., assistant, associate, or full professor. Rising STARS funding is limited to the same equipment and renovation expenditure restrictions as Faculty STARS.

ACADEMIC AFFAIRS COMMITTEE

4. Foreign Contract - **U.T. System:** Approval of Memorandum of Understanding for International Collaboration with Fundacao de Amparo a Pesquisa do Estado de Sao Paulo (FAPESP), the Sao Paulo Research Foundation, Brazil

Agency: Fundacao de Amparo a Pesquisa do Estado de Sao Paulo (FAPESP), the Sao Paulo Research Foundation, Brazil

Funds: No exchange of funds; potential for joint funding of research projects in the future by respective institution personnel

Period: Five years from the date of execution of the Agreement

Description: The purposes of the Memorandum of Understanding (MOU) are to promote research and discovery, to foster enrichment of teaching and learning, to strengthen and expand mutual contacts and activities, and to provide for a variety of collaborative educational and research opportunities for faculty and students at the U.T. System institutions and at higher education and research institutions in the state of Sao Paulo.

FAPESP is a public foundation in the state of Sao Paulo founded in 1962 to support research in science and technology in the state of Sao Paulo. It has expanded its mission to include research in all fields of knowledge. FAPESP receives monthly 1% of all revenue collected by the State of Sao Paulo; it also is funded by revenue from investments and funding from agreements with Brazilian and international companies, governments, and funding agencies.

FAPESP has supported research involving U.T. System institutions such as U.T. Austin, U.T. Arlington, U.T. Dallas, U.T. El Paso, U.T. San Antonio, U.T. Medical Branch - Galveston, U.T. Health Science Center - Houston, U.T. Rio Grande Valley, and U.T. Southwestern Medical Center; and Sao Paulo State universities such as the University of Sao Paulo and the State University of Campinas. Most recently, health research has been an important area of cooperation. FAPESP has requested U.T. System explore collaboration on priority areas of research important to the states of Texas and Sao Paulo – Brain Health, Cancer, and Energy are the topics intended for collaboration.

5. Contract - **U.T. Arlington**: Join the United Athletic Conference for all Intercollegiate Athletics

Agency: United Athletic Conference

Funds: \$0

Period: Effective July 1, 2026

Description: U.T. Arlington currently competes in the Western Athletic Conference (WAC), with the men's tennis team competing in the Atlantic Sun Conference (ASUN) as approved by the Board of Regents on November 20, 2025. The WAC and the ASUN are partnering to create the United Athletic Consortium. With the creation of this Consortium, both conferences will benefit from consolidation of governance and administrative support as well as economies of scale that should result in reduction in the cost of operating their athletics program. As part of this partnership, the WAC and the ASUN will be rebranded as the United Athletic Conference (UAC).

6. Request for Budget Change - **U.T. Arlington**: 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 Engineering			
Electrical Engineering			
Vamegh Rasouli	New Hire	Professor (T)	15599

7. Lease - U.T. Arlington: Authorization to lease approximately 29,000 square feet of space for the university bookstore with coffee shop and technology store, located at 400 South Spaniolo Drive, Arlington, Tarrant County, Texas, to Follett Higher Education Group, LLC

Description:	Authorization to lease approximately 29,000 square feet of space for the university bookstore with coffee shop and technology store, located at 400 South Spaniolo Drive, Arlington, Tarrant County, Texas.
Lessee:	Follett Higher Education Group, LLC, an Illinois company, or successors or assigns
Term:	The initial term will be approximately seven years. The University, at its sole discretion, may extend the Initial Term of this Agreement for two additional five-year periods.
Lease Value:	Consideration to U.T. Arlington (inclusive of potential royalties, base fee, and other payments) is estimated to be between \$9,518,273 to \$9,800,000 over the initial seven-year term and between \$21,267,202 to \$21,500,000 over a possible 17-year term. In addition to base fees, Follett will pay an annual royalty fee of 16.5% – 17.5% of each year's adjusted gross revenue of non-course related materials. Follett will also provide a one-time \$450,000 signing bonus to U.T. Arlington, as well as \$25,000 annually in non-personnel advertising and promotion expenses, and a \$5,000 textbook scholarship for students attending the University. In addition, Follett will invest approximately \$1,000,000 to provide for premises improvements to the existing bookstore during the first seven years, and an additional \$600,000 during the renewal terms.
Termination Option:	Either party, at any time, shall have the right to terminate the lease upon not less than 180 days prior written notice to the other party. In the event University exercises the right to terminate during the initial seven-year term, then University shall reimburse Lessee in an amount equal to the unamortized costs of the lump sum payments paid to University, namely the unamortized portion of the \$1,000,000 capital investment.

8. Contract (funds going out) - **U.T. Austin**: Elk Electric, Inc., to provide job order contracting services to campus facilities

Agency: Elk Electric, Inc.

Funds: Total costs are expected to exceed \$5,000,000 (with prior written approval of the University), over the maximum five-year contract period.

Period: July 1, 2022 through June 30, 2023; with four one-year renewal options (one renewal remaining)

Description: Elk Electric, Inc., to provide mechanical systems (electrical) related job order contracting services, with projects varying in scope and size. Separate service agreements will be executed for individual projects. Services were competitively procured. Contract is being brought forward for Board approval as expenditures are expected to exceed the institution's \$5,000,000 delegated authority threshold.

9. Contract (funds going out) - **U.T. Austin**: Port Enterprises, LTD., to provide job order contracting services to campus facilities

Agency: Port Enterprises, LTD.

Funds: Total costs are expected to exceed \$5,000,000 (with prior written approval of the University), over the maximum five-year contract period.

Period: July 1, 2022 through June 30, 2023; with four one-year renewal options (one renewal remaining)

Description: Port Enterprises, LTD., to provide building envelope, roofing, and waterproofing-related job order contracting services, with projects varying in scope and size. Separate service agreements will be executed for individual projects. Services were competitively procured. Contract is being brought forward for Board approval as expenditures are expected to exceed the institution's \$5,000,000 delegated authority threshold.

10. Contract (funds going out) - **U.T. Austin**: Amendment to Agreement with Linde Inc. to provide bulk hydrogen gases to the Montopolis Research Center for the Texas Institute for Electronics

Agency: Linde Inc.

Funds: \$7,331,158

Period: October 1, 2025 through August 5, 2035

Description: The Texas Institute for Electronics (TIE) is a U.T. Austin-supported semiconductor consortium, which has received funding from the Texas Legislature and federal government to support 3DHI microelectronics research, development, and low-volume production.

TIE requires certain bulk gases to support its operations. The underlying Agreement provides for the delivery of bulk hydrogen gases to TIE's Montopolis Research Center facility. The current Agreement has a value of \$500,000 and did not require Board approval as the total contract value was within U.T. Austin's delegated approval threshold. This First Amendment will add \$6,831,158 and increase the total contract value to \$7,331,158. The Agreement was procured pursuant to a best value determination.

11. Contract (funds going out) - **U.T. Austin**: Amendment to Agreement with Linde Inc. to provide bulk nitrogen gases to the Montopolis Research Center for the Texas Institute for Electronics

Agency: Linde Inc.

Funds: \$10,063,537

Period: October 1, 2025 through June 1, 2035

Description: The Texas Institute for Electronics (TIE) is a U.T. Austin-supported semiconductor consortium, which has received funding from the Texas Legislature and federal government to support 3DHI microelectronics research, development, and low-volume production.

TIE requires certain bulk gases to support its operations. The underlying Agreement provides for the delivery of bulk nitrogen gases to TIE's Montopolis Research Center facility. The current Agreement has a value of \$500,000 and did not require Board approval as the total contract value was within U.T. Austin's delegated approval threshold. This First Amendment will add funds in the amount of \$9,563,537 to the Agreement and increase the total contract value to \$10,063,537. The Agreement was procured pursuant to a best value determination.

12. Contract (funds going out) - **U.T. Austin**: Amendment to Agreement with Linde Inc. to provide bulk nitrogen gases to the Microelectronics and Engineering Research Center for the Texas Institute for Electronics at Pickle Research Campus

Agency: Linde Inc.

Funds: \$10,109,265

Period: September 30, 2025 through December 21, 2030

Description: The Texas Institute for Electronics (TIE) is a U.T. Austin-supported semiconductor consortium, which has received funding from the Texas Legislature and federal government to support 3DHI microelectronics research, development, and low-volume production.

TIE requires certain bulk gases to support its operations. The underlying Agreement provides for the delivery of bulk nitrogen gases to TIE's Microelectronics and Engineering Research Center facilities. The current Agreement has a total value of \$500,000 and did not require Board approval as the total contract value was within U.T. Austin's delegated approval threshold. This First Amendment will add \$9,609,265 to the Agreement for delivery of bulk nitrogen gases to TIE's Microelectronics and Engineering Research Center at the Pickle Research Campus and increases the total value to \$10,109,265. The Agreement was procured pursuant to a best value determination.

13. Request for Budget Change - **U.T. Austin**: Transfer \$15,677,853 from University Budget Council (UBC)–UBC Commitments–AUF–Allotment, Unallocated, and Reserve to Project Controls and Management System (PCMS)–Repair and Replacement (RR)–Safety and Code for confirmed planned programs and projects and to enable replacement or renewal of building assets, systems, and equipment necessary for facilities operations (RBC No. 15575)

14. Request for Budget Change - **U.T. Austin**: Tenure Appointments -- amendment to the FY 2025 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 #
School of Civic Leadership			
Civic Leadership			
William Inboden	New Hire	Professor (T)	15547
College of Liberal Arts			
Economics			
Stefano Eusepi	New Hire	Professor (T)	15536
History			
Kate Imy	New Hire	Associate Professor (T)	15539
Philosophy			
Johan Gustafsson	New Hire	Professor (T)	15537
College of Natural Sciences			
Molecular Biosciences			
Dima Kozakov	New Hire	Professor (T)	15540
Statistics and Data Sciences			
Yang Ni	New Hire	Associate Professor (T)	15542

15. 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 #
School of Civic Leadership			
Civic Leadership			
Karl Gunther	New Hire	Associate Professor (T)	15585
Jill Ingram	New Hire	Professor (T)	15586
Robert Ingram	New Hire	Professor (T)	15587
School of Education			
Special Education			
Elizabeth Stevens	New Hire	Associate Professor (T)	15590
College of Liberal Arts			
Germanic Studies			
Angus Nicholls	New Hire	Professor (T)	15529
History			
Justin Roberts	New Hire	Professor (T)	15588
Sociology			
David Schaefer	New Hire	Professor (T)	15530
LBJ School of Public Affairs			
Public Affairs			
Michael Wahman	New Hire	Professor (T)	15531

16. Provost Appointment - **U.T. Austin**: Approval of appointment of Melissa Taylor, Ph.D., as Senior Vice Provost for Strategic Initiatives

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 Melissa Taylor, Ph.D., as Senior Vice Provost for Strategic Initiatives. The Senior Vice Provost for Strategic Initiatives 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' <i>Rules and Regulations</i> , Rule 20102 (Appointment of Institutional Administrative Officers).
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17. Employment Agreement - **U.T. Austin**: Approval of terms of Employment and Intellectual Property Agreement for new Assistant Football Coach William L. Muschamp and related Professional Services and License Agreement with Davis Island Holdings LLC

The following terms of the Employment and Intellectual Property Agreement for new Assistant Football Coach William L. Muschamp and related Professional Services and License Agreement with Davis Island Holdings LLC have been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel and are recommended for approval by the U.T. System Board of Regents. If the terms are approved, total annual compensation will be in excess of \$1 million. The Agreements reference the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. A violation of the provisions of such constitution, bylaws, rules, regulations, or policies may be grounds for suspension without pay and/or dismissal.

Proposed:

Guaranteed compensation:

Annual Salary:

December 19, 2025 through December 31, 2026: \$1,080,000

January 1, 2027 through December 31, 2027: \$1,120,000

January 1, 2028 through February 28, 2029: \$1,160,000

Professional Services Payments:

December 19, 2025 through December 31, 2026: \$1,620,000

January 1, 2027 through December 31, 2027: \$1,680,000

January 1, 2028 through February 28, 2029: \$1,740,000

Automobile: One dealer car, pursuant to Athletics Department's policies and procedures

Club membership: In accordance with the Athletics Department's policies and procedures

Tickets: In accordance with the Athletics Department's policies and procedures

Relocation: One-time payment of \$35,000

Nonguaranteed compensation:

Incentives:

Team Performance: Maximum of 19% of Annual Base Salary and Professional Services Payments

Source of Funds: Intercollegiate Athletics

Period: December 19, 2025 through February 28, 2029

18. Employment Agreement - U.T. Austin: Approval of amendments to terms of Employment Agreement for Assistant Football Coach Johnny Nansen

The following terms of the amended Employment Agreement for Assistant Football Coach Johnny Nansen have been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel and are recommended for approval by the U.T. System Board of Regents. If the terms are approved, total annual compensation will be in excess of \$1 million. The amended Agreement references the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. A violation of the provisions of such constitution, bylaws, rules, regulations, or policies may be grounds for suspension without pay and/or dismissal.

From: **Guaranteed compensation:**

Annual Salary:

March 1, 2025 through February 28, 2026: \$1,100,000

March 1, 2026 through February 28, 2027: \$1,200,000

Automobile: One dealer car, pursuant to Athletics Department's policies and procedures

Nonguaranteed compensation:

Incentives: Team Performance: Maximum of 19% of Annual Base Salary

To: **Guaranteed compensation (Increase of 10%):**

Annual Salary:

December 22, 2025 through February 29, 2028: \$1,200,000 annually

Automobile: One dealer car, pursuant to Athletics Department's policies and procedures

Nonguaranteed compensation (No change)

Source of Funds: Intercollegiate Athletics

Period: December 22, 2025 through February 29, 2028

19. Employment Agreement - U.T. Austin: Approval of amendments to terms of Employment Agreement for Assistant Football Coach Kyle Flood

The following terms of the amended Employment Agreement for Assistant Football Coach Kyle Flood have been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel and are recommended for approval by the U.T. System Board of Regents. If the terms are approved, total annual compensation will be in excess of \$1 million. The amended Agreement references the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. A violation of the provisions of such constitution, bylaws, rules, regulations, or policies may be grounds for suspension without pay and/or dismissal.

From: **Guaranteed compensation:**

Annual Salary:

March 1, 2025 through February 28, 2026: \$1,450,000

March 1, 2026 through February 28, 2027: \$1,525,000

Automobile: One dealer car, pursuant to Athletics Department's policies and procedures

Nonguaranteed compensation:

Incentives: Team Performance: Maximum of 19% of Annual Base Salary

To: **Guaranteed compensation (Increase of 5%):**

Annual Salary:

December 22, 2025 through February 29, 2028: \$1,525,000 annually

Automobile: One dealer car, pursuant to Athletics Department's policies and procedures

Nonguaranteed compensation (No change)

Source of Funds: Intercollegiate Athletics

Period: December 22, 2025 through February 29, 2028

20. Lease - U.T. Austin: Authorization to extend the ground lease of approximately 14.6 acres located at 1314 Exposition Boulevard, Austin, Travis County, Texas, to the West Austin Youth Association; and reaffirmation of related finding of public purpose

Description:	Authorization to extend the lease of approximately 14.6 acres of land located at the southwest corner of Enfield Road and Exposition Boulevard at 1314 Exposition Boulevard, Austin, Travis County, Texas, to the West Austin Youth Association (WAYA). WAYA serves youth sports and has improved the property with a gymnasium, sports fields, and related facilities. The subject property is adjacent to the approximately 141-acre Lions Municipal Golf Course property, which is currently under a below-market, short term ground lease to the City of Austin.
Tenant:	West Austin Youth Association, a nonprofit corporation
Term:	The initial term commenced in 1989, and by prior extensions continues through May 25, 2026. U.T. Austin seeks a one-year renewal of the WAYA lease. The lease currently allows for potential annual extensions to renew through May 25, 2028.
Lease Income:	\$0
Lease Value:	Appraisal of the value of the land and ground rent is confidential pursuant to <i>Texas Education Code</i> Section 51.951.
Finding of Public Purpose:	The base rental amount described above constitutes a below market rate. The Attorney General of the State of Texas, in Opinion No. MW-373 (1981), has advised that, for the use of university property 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.

Accordingly, because the pre-paid rent is below market, the Board of Regents is also asked to reaffirm the finding of public purpose made by the Board on February 22, 2024, by finding that

1. the lease amendment continues to support the public mission of and serve a public purpose appropriate to the functions of U.T. Austin;
2. the lease amendment continues to provide adequate consideration and benefits to U.T. Austin and the State of Texas; and
3. U.T. Austin will continue to maintain sufficient controls under the terms of the amendment to ensure the public purpose will continue to be met on an ongoing basis.

21. Lease - U.T. Austin: Authorization to (i) execute a master sublease (the Master Sublease) and related agreements with 25.02 HEDF, LLC, for all leasable space in a newly-built shell office building known as 1121@Symphony Square, located at 1121 Red River Street, Austin, Travis County, Texas, and (ii) approve subleases between 25.02 HEDF, LLC, and to-be-determined subtenants, for vacant space in the Building; and related finding of public purpose

Description:

In August of 2025, 25.02 HEDF, LLC (25.02 HEDF), a wholly-owned subsidiary of The 2033 Higher Education Development Foundation (the Foundation), acquired a condominium interest in the new Class A office and research building known as 1121@Symphony Square (the Building). The Building consists of approximately 172,500 rentable square feet of office space, of which approximately 20,000 square feet are configured to reasonably allow for research use, with related structured and underground parking. The building is vacant and in shell condition. The Board simultaneously master leased the entire Building from 25.02 HEDF pursuant to authorization granted on June 23, 2025.

The institution seeks to master sublease (the Lease) the Building to 25.02 HEDF for it to administer the subleasing of the premises to third party subtenants. The building is currently vacant.

Location:

An approximately 0.92-acre condominium unit located at 1121 Red River Street, Austin, Travis County, Texas. The Building is strategically located near U.T. Austin's Dell Medical School and lies within Austin's innovation district.

- Leased Premises:** All leasable space within the Building (the Premises). The Lease will allow the parties to add or remove portions of the Premises to provide U.T. Austin the flexibility to directly occupy space in the Building, or to directly sublease space to tenants.
- Lessee:** 25.02 HEDF, LLC, a Texas limited liability company, or its successors and assigns. 25.02 HEDF is a wholly-owned subsidiary of the Foundation and is the lessor to the Board of the Building under a master lease. The Foundation is a U.T. Austin-affiliated foundation consistent with Regents' Rule 60305 and is operated exclusively for charitable and educational purposes, including matters pertaining to the management, development, and administration of real property for the benefit of U.T. Austin. The institution has determined that consistent with the Foundation's mission to support U.T. Austin through real property management and development, and given the Foundation's broad real estate industry experience, the Foundation is uniquely positioned and qualified to assist the institution in successfully managing and administering the subleasing of the Building premises for the purpose of supporting the institution's mission.
- Use of Premises:** 25.02 HEDF may use the Premises only for the purpose of subleasing the Premises to subtenants pursuant to third party subleases approved by U.T. Austin and U.T. System (Subtenants). 25.02 HEDF will have no right to directly occupy the Premises under the Master Sublease. Uses will likely include office, medical office, and research.
- Subtenant Leases:** Subject to U.T. Austin and U.T. System approval, 25.02 HEDF will sublease space in the Building directly to yet to-be-determined Subtenants at market terms, tenant improvement allowances, concessions, and for rental rates no less than the prevailing fair market rent therefor as supported by a third-party validation of fair market value.
- Subtenant Lease Terms:** All Subtenant lease terms will vary based on prevailing market conditions. Subtenant lease terms could range up to 15 years, and even longer for institutional tenants. Base rents will be negotiated on a per-square foot basis based on current market data. Subtenant leases may also include other expenses paid by U.T. Austin, such as tenant improvement allowances or an agreement to pay brokerage commissions, consistent with prevailing market conditions. Subtenants will be responsible for their insurance and taxes. Subtenants will also be responsible for their proportionate share of common area maintenance and operations costs for the Building.

Base Rent:	25.02 HEDF will pay to U.T. Austin as "Base Rent" all Subtenant lease revenue, which will be no less than Fair Market Value (FMV), and will include (i) "base rent" and (ii) any "additional rent", including operating expense reimbursements, received by 25.02 HEDF from Subtenants.
Additional Rent:	All amounts 25.02 HEDF is obligated to pay to or on behalf of U.T. Austin or reimburse to U.T. Austin pursuant to the Subtenant leases (other than Base Rent) are referred to in the Lease as "Additional Rent".
Term:	The primary term of the Master Lease is 30 years, expiring on December 31, 2055. The full term of the Master Sublease will continue for so long as the Master Lease shall remain in effect, unless this Master Sublease is earlier terminated in accordance with its terms.
Early Termination:	The Board will have the right to terminate the Lease at any time, subject to any existing Subtenant leases.
Finding of Public Purpose:	<p>The Texas Constitution requires a three part test be met any time university assets are rented below fair market value: (1) the below market lease must serve a public purpose appropriate to the function of the university; (2) adequate return benefit must be received by the university; and (3) the university must maintain controls to ensure that the public purpose is achieved.</p> <p>Given that 25.02 HEDF may not occupy the Premises and may use the Premises solely for the purpose of subleasing the Premises to Subtenants approved by U.T. Austin and U.T. System, and the safeguards and controls included in the Lease, in approving this item, the Board is also asked to make a finding that:</p> <ol style="list-style-type: none">1. The Lease to the 25.02 HEDF supports the public mission of and serves a public purpose appropriate to the function of U.T. Austin as 25.02 HEDF will manage and administer the subleasing of the Premises within 1121@Symphony Square to Subtenants for the purpose of supporting the institution's mission;2. pursuant to the Lease, U.T. Austin will have sufficient safeguards in place to ensure the public purpose will continue to be met on an ongoing basis; and3. the transaction will result in adequate consideration and benefits to U.T. Austin and the State of Texas.

22. Provost Appointment - U.T. Dallas: Approval of appointment of Brandon Davidson as Assistant Provost for Teaching and Learning Spaces

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 Brandon Davidson as Assistant Provost for Teaching and Learning Spaces. The Assistant Provost for Teaching and Learning Spaces 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).

23. Contract (funds going out) - U.T. San Antonio: ReUp Education, Inc., to provide services designed to assist students stay enrolled in higher education programs

Agency: ReUp Education, Inc. (ReUp)

Funds: Compensation to ReUp is variable. Through August 31, 2026, the total spend is expected to be \$1,820,000. The total spend is expected to be approximately \$5,000,000 through the full contract term.

Period: February 5, 2024 through August 31, 2029

Description: ReUp provides certain bundled services designed to assist students stay enrolled in higher education programs until earning a degree. The bundle of service includes recruiting "stopped-out" students who have previously enrolled at U.T. San Antonio and not continued necessary coursework to earn a degree. For their services, ReUp is paid a commission equal to 30% of reenrolled students tuition. The contract is being brought to the Board for approval as the contract spend is expected to surpass the institution's \$2,500,000 delegated authority threshold. The institution will continue to closely monitor the spend over the life of the Agreement. This contract was competitively procured via an RFP issued by Texas A&M University System.

24. Contract (funds going out) - **U.T. San Antonio**: The Watermark Group, Inc., to provide fulfillment, direct mail, inventory management, and print on demand services

Agency: The Watermark Group, Inc. (Watermark)

Funds: Compensation over the potential 10-year term is estimated to be as high as \$3,000,000.

Period: The Agreement is for a four-year term beginning September 1, 2025, and continuing through August 31, 2029. The Agreement may be renewed for as many as six additional one-year terms.

Description: Watermark provides fulfillment, direct mail, inventory management, and print on demand services. The U.T. San Antonio strategic enrollment department uses the vendor to print and mail marketing materials to prospective students.

25. Request for Budget Change - **U.T. San Antonio**: 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:

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>	<u>RBC #</u>
College of AI, Cyber, and Computing			
Department of Computer Engineering			
Jinjun Xiong	New Hire	Professor (T)	15584

26. Provost Appointment - **Stephen F. Austin State University**: Approval of appointment of Stacy Hendricks, Ed.D., as Vice 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 Stacy Hendricks, Ed.D., as Vice Provost. The Vice Provost 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).

27. Provost Appointment - U.T. Tyler: Approval of appointment of Jon Welty Peachey, Ph.D., as Associate Provost for Faculty Affairs

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 Jon Welty Peachey, Ph.D., as Associate Provost for Faculty Affairs. The Associate Provost 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).

28. Purchase - U.T. Tyler: Authorization to purchase approximately 14.99 acres of land improved with a vacant inpatient behavioral health facility containing approximately 48,236 square feet of space with a surface parking lot, located at 4101 University Boulevard, Tyler, Smith County, Texas, from Tyler Regional Hospital, LLC, for future campus expansion; and allocation of Permanent University Fund bond proceeds

Description: Authorization to purchase approximately 14.99 acres of land improved with a vacant inpatient behavioral health facility containing approximately 48,236 square feet of space with a surface parking lot, located at 4101 University Boulevard, Tyler, Smith County, Texas, from Tyler Regional Hospital, LLC, for future campus expansion.

The improvements were constructed in 1983 and consist of a one-story building and related surface parking. The former inpatient behavioral health facility includes approximately 43 bedrooms in addition to clinical, office, and other support space. All the interiors are finished, although the facility may need significant renovation to cure certain deferred maintenance and to configure the building for use by the institution.

The property is directly across a major roadway from U.T. Tyler's main campus. The institution may build a pedestrian skybridge at the location of this property to facilitate the safe pedestrian access by its students, staff, and faculty to the property and local retail and entertainment amenities.

Use: U.T. Tyler will use the property for campus expansion, although initially the institution may use the property for certain academic programs such as psychology and/or nursing and administrative functions.

Seller:	Tyler Regional Hospital, LLC, a Delaware limited liability company, or related entities, successors, or assigns
Purchase Price:	Not to exceed fair market value as determined by independent appraisal; appraisal confidential pursuant to <i>Texas Education Code</i> Section 51.951.
Source of Funds:	Permanent University Fund bond proceeds in an amount not to exceed fair market value as established by independent appraisal and this action satisfies the official intent requirements set forth in Section 1.150-2 of the <i>Code of Federal Regulations</i> .

HEALTH AFFAIRS COMMITTEE

29. 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 Dr. John M. Zerwas, in his roles as Chancellor and the Executive Vice Chancellor for Health Affairs, and are 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>
Dell Medical School			
Neurosurgery Jon Willie	New Hire	Associate Professor (T)	15592
Population Health Nilay Shah	New Hire	Professor (T)	15591

30. Contract (funds coming in) - **U.T. San Antonio:** To ensure qualified health care professionals are available to assist in the diagnosis and treatment of patients at certain University Health facilities

Agency: Bexar County Hospital District, dba University Health, a political subdivision of the state of Texas

Funds: \$164,966,273

Period: November 1, 2025 through October 31, 2026

Description: The Master Health Care Services Agreement continues a long-standing clinical coverage arrangement between U.T. San Antonio and University Health, U.T. San Antonio's primary clinical affiliate for inpatient care training. U.T. San Antonio provides medical and clinical services related to numerous specialties at University Health facilities as a part of U.T. San Antonio's educational and clinical programs.

31. Contract (funds coming in) - **U.T. San Antonio**: To provide University Health, through U.T. San Antonio personnel, with administrative, technical, supervisory and clinical services to assist University Health in rendering quality patient care

Agency: Bexar County Hospital District, dba University Health, a political subdivision of the state of Texas

Funds: \$9,490,549

Period: October 1, 2025 through September 30, 2026

Description: The Annual Operating Agreement for General Services continues a long-standing collaboration between U.T. San Antonio and University Health, U.T. San Antonio's primary clinical affiliate for inpatient care training. U.T. San Antonio provides administrative services related to the U.T. San Antonio's residency program, as well as care coordination, nursing, and research services.

32. Contract (funds coming in) - **U.T. San Antonio**: To provide University Health, through U.T. San Antonio physicians, with administrative medical director services to assist University Health in rendering quality patient care

Agency: Bexar County Hospital District, dba University Health, a political subdivision of the state of Texas

Funds: \$11,189,960

Period: October 1, 2025 through September 30, 2026

Description: The Annual Operating Agreement for Medical Director Services continues a long-standing collaboration between U.T. San Antonio and University Health, U.T. San Antonio's primary clinical affiliate for inpatient care training. U.T. San Antonio provides physician medical director administrative services to assist University Health in achieving the goals of enhancing the quality and efficiency of clinical care, containing costs, improving medical outcomes, and improving patient satisfaction.

33. Contract (funds coming in) - **U.T. San Antonio**: To provide professional ICU specialty medical services on behalf of Community Medicine Associates, dba University Medicine Associates

Agency: Community Medicine Associates, dba University Medicine Associates (UMA), the Texas nonprofit health care organization whose sole member is the Bexar County Hospital District, a political subdivision of the state of Texas

Funds: \$5,001,987

Period: October 1, 2025 through September 30, 2026

Description: The Specialty Critical Care Provider Agreement continues a long-standing collaboration between U.T. San Antonio and UMA, in support of the Bexar County Hospital District, dba University Health System (UHS), U.T. San Antonio's primary clinical affiliate for inpatient care training. U.T. San Antonio provides the professional services of physicians with specialized critical care training and expertise to treat patients needing such services at UHS facilities.

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

The following Request for Budget Change (RBC) has been administratively approved by Dr. John M. Zerwas, in his roles as 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 #
Long School of Medicine			
Radiation Oncology			
Richard Tuli	New Hire	Professor (T)	15581

35. Contract (funds going out) - **U.T. Southwestern Medical Center**: Agreement with North Texas FWC Organizing Committee for Host City Supporter Sponsorship in connection with FIFA World Cup 2026

Agency: North Texas FWC Organizing Committee

Funds: \$8,000,000

Period: December 22, 2025 through October 2, 2026

Description: U.T. Southwestern Medical Center seeks to enter into a new Host City Supporter Agreement with the North Texas FWC Organizing Committee in connection with FIFA World Cup 2026. The Agreement provides U.T. Southwestern Medical Center with category-exclusive sponsorship rights within the designated territory, including branding, hospitality, and activation opportunities across host city events, fan festivals, and marketing platforms. Benefits include logo placement, digital and out-of-home advertising, VIP access to matches and events, and participation in legacy initiatives. The Agreement supports U.T. Southwestern Medical Center's strategic visibility and community engagement during the tournament period.

36. Contract (funds going out) - **U.T. Southwestern Medical Center**: Strata Decision Technology, LLC, to provide integrated cost accounting, contract (reimbursement) analytics, productivity reporting, budgeting and variance tracking, and purpose build dashboards, reports, and ad-hoc reporting tools

Agency: Strata Decision Technology, LLC

Funds: \$5,692,032

Period: Five-year term beginning December 15, 2025

Description: Strata Decision Technology, LLC, a cloud-based Enterprise Performance Management platform will provide integrated cost accounting, contract (reimbursement) analytics, productivity reporting, budgeting, and variance tracking as well as purpose build dashboards, reports and ad-hoc reporting tools. Implementation, project management, advisory, and staff augmentation services are included and provided in-house by vendor. This contract was awarded using an Exclusive Acquisition Justification.

37. Contract (funds going out) - U.T. Southwestern Medical Center: Agreement and Amendment to Agreement with Delcath Systems, Inc., to provide consignment program for cancer treatment of liver-directed uveal melanoma for unresectable hepatic metastases "Hepzato Kit"

Agency: Delcath Systems, Inc.

Funds: \$7,875,000

Period: January 13, 2026 through January 13, 2031

Description: Delcath Systems, Inc., will provide its "Hepzato Kit" via a consignment program for cancer treatment of liver-directed uveal melanoma for unresectable hepatic metastases. This program allows hospitals to maintain on-site inventory of this specialized product without upfront purchasing costs.

The initial Agreement had a two-year term commencing on January 7, 2026, with automatic one-year renewals until terminated. The First Amendment limits the automatic renewals to three, with the total cumulative term not to exceed five years. This Agreement was awarded using an Exclusive Acquisition Justification.

38. Contract (funds going out) - U.T. Southwestern Medical Center: Master Agreement and Amendment to Master Agreement for Graduate Medical Education with Dallas County Hospital District, dba Parkland Health

Agency: Dallas County Hospital District, dba Parkland Health

Funds: \$160,000,000

Period: September 1, 2025 through June 30, 2035

Description: Under the Master Agreement for Graduate Medical Education and the First Amendment, Parkland participates in the training of graduate medical education physicians from U.T. Southwestern Medical Center by providing clinical education experiences using Parkland facilities and personnel. U.T. Southwestern Medical Center will reimburse Parkland for resident stipends, benefits, taxes, and an administrative fee.

39. Contract (funds going out) - **U.T. Southwestern Medical Center**: Amendment to Agreement for Abbott Laboratories to provide neuromodulation implants

Agency: Abbott Laboratories

Funds: \$7,755,500

Period: December 9, 2025 through June 30, 2028

Description: This is an Amendment to a Purchase Agreement for neuromodulation implants and products, specifically for deep brain stimulation. The initial Agreement was sourced using an Exclusive Acquisition Justification, became effective September 13, 2024, and did not require Board approval as the contract value was within the institution's delegated authority threshold. This First Amendment was awarded under a Request for Proposal through a competitive bid and increases the contract value to \$7,755,500.

40. Contract (funds going out) - **U.T. Southwestern Medical Center**: Amendment to Agreement with Netsync Network Solutions, Inc., to provide service for Cisco equipment, products, and associated maintenance

Agency: Netsync Network Solutions, Inc.

Funds: \$50,000.000

Period: November 4, 2025 through May 22, 2026

Description: Amendment to Agreement for Netsync Network Solutions to provide service for Cisco equipment, products, and associated maintenance. The original master services agreement was competitively bid and was approved by the Board of Regents on February 24, 2022, with a contract value of up to \$30,000,000. This First Amendment adds \$20,000,000 to the Agreement, increasing the total value of the Agreement to \$50,000,000.

41. Interagency Agreement (funds coming in) - **U.T. Southwestern Medical Center:** Interagency Cooperation Agreement with Texas Health and Human Services to provide services to operate a new inpatient mental health facility

Agency:	Texas Health and Human Services Commission
Funds:	\$130,166,560
Period:	Effective as of the date of last signature through August 31, 2027, with automatic renewals for up to four successive two-year terms
Description	Interagency cooperation contract for the operation of a new inpatient mental health facility owned by Texas Health and Human Services Commission and operated by U.T. Southwestern Medical Center. U.T. Southwestern Medical Center will provide adult psychiatric services as well as psychiatric services to pediatric and adolescent patients in a dedicated pediatric wing. The facility will provide an opportunity for workforce development, training, and educational programs to address mental health workforce shortages in Texas.

42. Contract (funds coming in) - **U.T. Medical Branch - Galveston:** To provide medical services related to the Health and Human Services Commission Family Planning Program

Agency:	Health and Human Services Commission
Funds:	\$25,979,695
Period:	September 1, 2025 through August 31, 2030
Description:	The Family Planning Grant Agreement with Health and Human Services Commission (HHSC) provides services for the State of Texas under the Family Planning Grant Program. Through the Family Planning Grant Program and under the Agreement with HHSC, U.T. Medical Branch - Galveston provides a wide variety of clinical, testing, and family planning methods to low-income Texas women at both the Galveston teaching facility, as well as its network of outpatient clinics to help prevent unintended pregnancies, positively impact future pregnancy outcomes, and enhance the health and well-being of women and their families.

43. Contract (funds going out) - U.T. Medical Branch - Galveston: Abeona Therapeutics, Inc., to provide autologous gene-modified cellular sheets

Agency: Abeona Therapeutics, Inc.

Funds: \$9,600,000

Period: January 1, 2026 through December 31, 2030

Description: Abeona Therapeutics, Inc., develops and manufactures cutting-edge cell and gene therapies for rare and serious diseases and has the capability to provide the first and only autologous gene-modified cellular sheets approved by the Food and Drug Administration for recessive dystrophic epidermolysis bullosa (RDEB) wounds. The product uses patients' own gene-modified skin cells to treat RDEB and is applied during a surgical procedure performed under general and other appropriate anesthesia followed by five to 10 days of post-surgical recovery.

The Agreement was procured via an Exclusive Acquisition Justification.

44. Contract (funds going out) - U.T. Medical Branch - Galveston: Equipment Operating Lease Agreement for Rad Technology Medical System, LLC, to provide Linear Accelerator system housing

Agency: Rad Technology Medical System, LLC

Funds: \$8,000,000

Period: October 16, 2025 through October 15, 2028

Description: Rad Technology Medical System, LLC, will provide the modular radiation vault that will house a Linear Accelerator system at U.T. Medical Branch - Galveston's League City Campus radiology department. These services are essential for providing the necessary radiology services at the League City Campus.

The Agreement was procured pursuant to best value determination.

45. Contract (funds going out) - U.T. Medical Branch - Galveston: Texas EM-I Medical Services, PA, to provide emergency department coverage

Agency: Texas EM-I Medical Services, PA

Funds: \$5,900,000 per year

Period: October 1, 2025 through September 30, 2028

Description: Texas EM-I Medical Services, PA (Texas EM-I) will provide emergency department coverage to all four U.T. Medical Branch - Galveston campus emergency departments.

The parties previously entered into an Agreement for similar services effective October 1, 2022. This prior Agreement was approved by the Board of Regents on November 16, 2022. The prior Agreement will remain in full force and effect until the Effective Date of the new Agreement.

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

46. Contract (funds going out) - U.T. Medical Branch - Galveston: Amendment to Agreement with Blue Zones, LLC, to transform Galveston into a Blue Zones community

Agency: Blue Zones, LLC

Funds: \$9,500,000

Period: March 15, 2026 through December 14, 2030

Description: Blue Zones, LLC (Blue Zones) will work with U.T. Medical Branch - Galveston (UTMB) on a project to transform Galveston into a Blue Zones community. This work supports the President's five-year Global Impact Strategic Vision focusing on Healthy Living to Healthy Aging.

Blue Zones will use their proven model that has demonstrated significant, measurable improvements in public health, economic vitality, and overall quality of life. This initiative is designed to play a vital role in improving the well-being of the Galveston community. With a healthy outreach initiative like Blue Zones led by UTMB for the Galveston community, the community will be provided a clinical focus on creating outreach programs around chronic disease, improved walkability for the community, healthier food choices in the schools, and healthy initiatives among the local business community. All these components together should improve life expectancy, decrease reliance on processed foods, improve sedentary behavior, and hopefully instill a greater purpose through community initiatives.

On March 28, 2025, UTMB entered into a Master Services Agreement (MSA) with Blue Zones in which Blue Zones performed an Ignite assessment of the Galveston area. The First Amendment extended the term through March 14, 2026, and increased the total value from \$200,000 to \$500,000. The MSA and First Amendment did not require Board approval as the contract value was within the institution's delegated authority threshold.

This Second Amendment will extend the term through December 14, 2030, and increase the total value to \$9,500,000.

The original Agreement was procured via an Exclusive Acquisition Justification.

47. 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 Dr. John M. Zerwas, in his roles as 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			
Biochemistry and Molecular Biology			
Erez Lieberman Aiden	New Hire	Professor (T)	15528

48. Purchase - **U.T. Medical Branch - Galveston**: Authorization to purchase approximately 0.60 acres of land and improvements, including an approximately 4,856 square foot vacant medical office building and parking lot located at 12 Professional Park Drive, Webster, Harris County, Texas, from Richa Investments LLC, a Texas limited liability company, for future medical related use

Description: Authorization to purchase approximately 0.60 acres of land and improvements, including an approximately 4,856 square foot vacant medical office building and parking lot located at 12 Professional Park Drive, Webster, Harris County, Texas, for future medical related use.

Seller: Richa Investments LLC, a Texas limited liability company, or 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.

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

The following Request for Budget Change (RBC) has been administratively approved by Dr. John M. Zerwas, in his roles as 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 #
McGovern Medical School			
Ophthalmology and Visual Science			
Jiyang Cai	New Hire	Professor (T)	15601

50. Contract (funds going out) - **U.T.M.D. Anderson Cancer Center**: F.H. Paschen, S.N. Nielsen & Associates LLC to provide job order contracting services

Agency: F.H. Paschen, S.N. Nielsen & Associates LLC

Funds: It is anticipated that total costs under the Agreement will exceed \$5,000,000, although the maximum amount is indeterminable at this time. The total contract value, including the renewal periods, is estimated to be \$70,000,000.

Period: January 1, 2026 through December 31, 2027; with two additional 24-month renewal options

Description: Under this job order contracting agreement, F.H. Paschen, S.N. Nielsen & Associates LLC will act as a general contractor to provide general and specific construction services for projects on a per-project basis. F.H. Paschen, S.N. Nielsen & Associates LLC will provide all material, labor, equipment, and services necessary for completion of the projects. Services are on a nonexclusive, indefinite quantity basis, and there is no minimum amount of work required. This Master Agreement was competitively bid.

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

Agency: J.T. Vaughn Construction, LLC

Funds: It is anticipated that total costs under the Agreement will exceed \$5,000,000, although the maximum amount is indeterminable at this time. The total contract value, including the renewal periods, is estimated to be \$70,000,000.

Period: January 1, 2026 through December 31, 2027; with two additional 24-month renewal options

Description: Under this job order contracting agreement, J.T. Vaughn Construction, LLC, will act as a general contractor to provide general and specific construction services for projects on a per-project basis. J.T. Vaughn Construction, LLC, will provide all material, labor, equipment, and services necessary for completion of the projects. Services are on a nonexclusive, indefinite quantity basis, and there is no minimum amount of work required. This Master Agreement was competitively bid.

52. Contract (funds going out) - **U.T.M.D. Anderson Cancer Center**: Linbeck Group LLC to provide job order contracting services

Agency: Linbeck Group LLC

Funds: It is anticipated that total costs under the Agreement will exceed \$5,000,000, although the maximum amount is indeterminable at this time. The total contract value, including the renewal periods, is estimated to be \$70,000,000.

Period: January 1, 2026 through December 31, 2027; with two additional 24-month renewal options

Description: Under this job order contracting agreement, Linbeck Group LLC will act as a general contractor to provide general and specific construction services for projects on a per-project basis. Linbeck Group LLC will provide all material, labor, equipment, and services necessary for completion of the projects. Services are on a nonexclusive, indefinite quantity basis, and there is no minimum amount of work required. This Master Agreement was competitively bid.

53. Contract (funds going out) - **U.T.M.D. Anderson Cancer Center**: Noble Texas Builders, LLC, to provide job order contracting services

Agency: Noble Texas Builders, LLC

Funds: It is anticipated that total costs under the Agreement will exceed \$5,000,000, although the maximum amount is indeterminable at this time. The total contract value, including the renewal periods, is estimated to be \$70,000,000.

Period: January 1, 2026 through December 31, 2027; with two additional 24-month renewal options

Description: Under this job order contracting agreement, Noble Texas Builders, LLC, will act as a general contractor to provide general and specific construction services for projects on a per-project basis. Noble Texas Builders, LLC, will provide all material, labor, equipment, and services necessary for completion of the projects. Services are on a nonexclusive, indefinite quantity basis, and there is no minimum amount of work required. This Master Agreement was competitively bid.

54. Contract (funds going out) - **U.T.M.D. Anderson Cancer Center**: SDB, Inc., to provide job order contracting services

Agency: SDB, Inc.

Funds: It is anticipated that total costs under the Agreement will exceed \$5,000,000, although the maximum amount is indeterminable at this time. The total contract value, including the renewal periods, is estimated to be \$70,000,000.

Period: January 1, 2026 through December 31, 2027; with two additional 24-month renewal options

Description: Under this job order contracting agreement, SDB, Inc., will act as a general contractor to provide general and specific construction services for projects on a per-project basis. SDB, Inc., will provide all material, labor, equipment, and services necessary for completion of the projects. Services are on a nonexclusive, indefinite quantity basis, and there is no minimum amount of work required. This Master Agreement was competitively bid.

55. Contract (funds going out) - **U.T.M.D. Anderson Cancer Center**: W.S. Bellows Construction Corporation to provide job order contracting services

Agency: W.S. Bellows Construction Corporation

Funds: It is anticipated that total costs under the Agreement will exceed \$5,000,000, although the maximum amount is indeterminable at this time. The total contract value, including the renewal periods, is estimated to be \$70,000,000.

Period: January 1, 2026 through December 31, 2027; with two additional 24-month renewal options

Description: Under this job order contracting agreement, W.S. Bellows Construction Corporation will act as a general contractor to provide general and specific construction services for projects on a per-project basis. W.S. Bellows Construction Corporation will provide all material, labor, equipment, and services necessary for completion of the projects. Services are on a nonexclusive, indefinite quantity basis, and there is no minimum amount of work required. This Master Agreement was competitively bid.

56. Contract (funds going out) - U.T.M.D. Anderson Cancer Center: York Construction, Inc., to provide job order contracting services

Agency: York Construction, Inc.

Funds: It is anticipated that total costs under the Agreement will exceed \$5,000,000, although the maximum amount is indeterminable at this time. The total contract value, including the renewal periods, is estimated to be \$70,000,000.

Period: January 1, 2026 through December 31, 2027; with two additional 24-month renewal options

Description: Under this job order contracting agreement, York Construction, Inc., will act as a general contractor to provide general and specific construction services for projects on a per-project basis. York Construction, Inc., will provide all material, labor, equipment, and services necessary for completion of the projects. Services are on a nonexclusive, indefinite quantity basis, and there is no minimum amount of work required. This Master Agreement was competitively bid.

57. Request for Budget Change - U.T.M.D. Anderson Cancer Center: Tenure Appointment -- amendment to the FY 2026 budget

The following Request for Budget Change (RBC) has been administratively approved by Dr. John M. Zerwas, in his roles as 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
Department of Abdominal Imaging			
Professor Ivan Pedrosa	New Hire	Professor (T)	15594

58. Other Matters - U.T.M.D. Anderson Cancer Center: Appropriate action related to the appointment of certain U.T. System and U.T.M.D. Anderson Cancer Center employees to (i) the board of directors of the Joint Pediatric Oncology Program - A Collaboration between U.T.M.D. Anderson Cancer Center and Texas Children's Hospital (the Corporation), and (ii) to executive level roles within the Corporation

Dr. John M. Zerwas, in his roles as Chancellor and Executive Vice Chancellor for Health Affairs, concurs in the recommendation of the Executive Vice Chancellor for Business Affairs and the institutional president that the U.T. System Board of Regents:

- a) approve and ratify the appointments of Dr. Peter Pisters, Rosanna Morris, Chris McKee, Omer Sultan, Allyson Kinzel, and the Chancellor or his delegate to the board of directors of the Joint Pediatric Oncology Program - A Collaboration between U.T.M.D. Anderson Cancer Center and Texas Children's Hospital (the "Corporation"); and
- b) approve and ratify the appointments of Dr. Peter Pisters, Omer Sultan, and Allyson Kinzel by the Corporation to executive officer roles within the Corporation.

BACKGROUND INFORMATION

On February 19, 2025, the U.T. System Board of Regents authorized U.T.M.D. Anderson Cancer Center to (i) establish with Texas Children's Hospital a formal collaboration in pediatric oncology, including the creation of a joint pediatric oncology program, in accordance with the terms and parameters outlined in Executive Session; (ii) allocate and authorize expenditure by U.T.M.D. Anderson Cancer Center of institutional funds for its portion of the capital contribution to the joint pediatric oncology program in accordance with the terms and parameters outlined in Executive Session; and (iii) delegate authority to the President of U.T.M.D. Anderson Cancer Center (or his delegates) to execute all documents, instruments, and other agreements and to take all further actions deemed necessary to carry out the purpose and intent of the foregoing actions, following review and approval by the Chancellor, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor of Business Affairs, the Vice Chancellor for External Relations, Communications and Advancement Services, and the Vice Chancellor and General Counsel.

Since the establishment of the Corporation, as approved by the U.T. System Board of Regents on February 19, 2025, the Corporation has appointed (i) Dr. Peter Pisters, Rosanna Morris, Chris McKee, Omer Sultan, and Allyson Kinzel to serve as directors of the Corporation, and (ii) Dr. Peter Pisters, Omer Sultan, and Allyson Kinzel to serve as officers of the Corporation. The members of the Corporation now desire to expand the composition of the board of directors of the Corporation to include the Chancellor or his delegate and one member selected by Texas Children's Hospital.

U.T.M.D. Anderson Cancer Center requests that the U.T. System Board of Regents ratify the appointments of the foregoing individuals, their roles and directors and/or officers in the Corporation, and to approve the new appointment of the Chancellor or his delegate to the board of the Corporation.

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

59. Contract (funds going out) - U.T. System: Agreement with Project Control of Texas, Inc., to provide project management services for the design, construction, and inspection of capital projects

Agency: Project Control of Texas, Inc.

Funds: To be paid by U.T. System or the U.T. institutions requesting services under this Agreement. The value may exceed \$42,000,000 over the potential six-year term.

Period: October 25, 2025 through October 24, 2027; with option to renew for two additional two-year terms

Description: U.T. System entered into a Master Agreement with Project Control of Texas, Inc., to perform a wide range of services as required to assist Office of Capital Projects (OCP) and the OCP-responsible institutions with the management and delivery of permanent improvement projects on the U.T. System Capital Improvement Program. The general scope of work includes selective or comprehensive project management services for the design, construction, and inspection of capital projects at the OCP-responsible institutions. Services were competitively procured.

OCP Responsible Institutions:

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 Tyler

60. Contract (funds going out) - U.T. System: Lee Construction and Maintenance Co., dba LMC Corporation, to demolish all structures and decommission and backfill pits at a property in Pyote, Texas, and request approval to amend the FY 2026 Budget in the amount of \$8,140,517 for managing Permanent University Fund land and investments paid by the Permanent University Fund

Agency:	Lee Construction and Maintenance Co., dba LMC Corporation
Funds:	The Agreement has a total value of \$8,140,517 for the initial term and renewal option.
Period:	December 1, 2025 through November 30, 2026; with option to renew for one one-year period
Description:	<p>LMC Corporation will demolish all wastewater management structures and will deconstruct and remove associated infrastructure and decommission and backfill pits at a property in Pyote, Texas. This Agreement was created through Texas Buy Board, an accredited Group Purchasing Organization.</p> <p>During the demolition process, asbestos abatement will occur. There will be four phases of demolition: heavy, facilities, housing, and the designated Texas Commission on Environmental Quality (TCEQ) Area. Masonry and concrete that are viable for crushing will be crushed. Byproducts of the demolition that can be recycled will be sorted, and all other materials will be disposed of properly. The duration for completion of these services is estimated to occur from January 19, 2026, to August 24, 2026. University Lands is managing the project and coordinating as needed with TCEQ. U.T. System, University Lands, and the region benefit from the demolition of the facilities and restoration of the location to reduce and/or eliminate the safety issues in the current condition.</p>
Budget Amendment:	The Board is also asked to approve \$8,140,517 as an amendment to the FY 2026 budget for managing Permanent University Fund (PUF) land and investments paid by the PUF to fund this contract.

61. Other Fiscal Matters - U.T. Rio Grande Valley: Approval of funding for Brownsville Science Engineering Technology Relocations for minor project; and resolution regarding parity debt

The Chancellor concurs in the recommendation of the Executive Vice Chancellor of Academic Affairs, the Executive Vice Chancellor and Chief Operating Officer, and the institutional president that the Board of Regents approve this item authorizing funding of \$23,850,000 from Revenue Financing System (RFS) Bond Proceeds for U.T. Rio Grande Valley to repair and renovate approximately 40,000 gross square feet of existing, and new buildings, to provide classrooms formerly provided by Texas Southmost College.

The debt is expected to be repaid from designated tuition. Annual debt service is estimated at \$1,300,000. The institution's Scorecard Rating of 4.9 at the 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. The institution therefore requests that the Board resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that:

- parity debt shall be issued to fund all or a portion of the 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 RFS Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U.T. System Board of Regents relating to the Financing System;
- U.T. Rio Grande Valley, which is a "Member" as such term is used in the RFS Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U.T. System Board of Regents of parity debt in an aggregate amount of \$23,850,000; and
- this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

62. Other Fiscal Matters - **U.T. San Antonio**: Approval of funding of Health Campus Clinical Renovations as minor project; and resolution regarding parity debt

Dr. John M. Zerwas, in his roles as Chancellor and Executive Vice Chancellor for Health Affairs, concurs in the recommendation of the Executive Vice Chancellor for Business Affairs and the institutional president that the U.T. System Board of Regents approve this item authorizing funding of \$24,000,000 from Revenue Financing System (RFS) bond proceeds for U.T. San Antonio to replace imaging equipment in the Mays Cancer Center and minor renovations in the clinic area. The debt is expected to be repaid with clinical revenues. Annual debt service is estimated at \$1,300,000. The institution's Scorecard Rating of 2.4 at the 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. The institution therefore requests that the Board resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that:

- parity debt shall be issued to fund all or a portion of the 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 RFS Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U.T. System Board of Regents relating to the Financing System;
- U.T. San Antonio, which is a "Member" as such term is used in the RFS Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U.T. System Board of Regents of parity debt in an aggregate amount of \$24,000,000; and
- this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

63. Other Fiscal Matters - U.T. San Antonio: Approval of funding of Health Campus Lab Renovations as minor project; and resolution regarding parity debt

Dr. John M. Zerwas, in his roles as Chancellor and Executive Vice Chancellor for Health Affairs, concurs in the recommendation of the Executive Vice Chancellor for Business Affairs and the institutional president that the U.T. System Board of Regents approve this item authorizing funding of \$22,000,000 from Revenue Financing System (RFS) bond proceeds for U.T. San Antonio to renovate, expand, and modernize 50,000 square feet of academic research space across the campus. The debt is expected to be repaid from investment income. Annual debt service is estimated at \$1,200,000. The institution's Scorecard Rating of 2.4 at the 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. The institution therefore requests that the Board resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that:

- parity debt shall be issued to fund all or a portion of the 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 RFS Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U.T. System Board of Regents relating to the Financing System;
- U.T. San Antonio, which is a "Member" as such term is used in the RFS Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U.T. System Board of Regents of parity debt in an aggregate amount of \$22,000,000; and
- this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

64. Other Fiscal Matters - U.T. San Antonio: Approval of funding of San Pedro II, Level 6 and 7 for minor project; and resolution regarding parity debt

The Chancellor concurs in the recommendation of the Executive Vice Chancellor of Academic Affairs, the Executive Vice Chancellor and Chief Operating Officer, and the institutional president that the U.T. System Board of Regents approve this item authorizing funding of \$24,950,000 from Revenue Financing System (RFS) bond proceeds for U.T. San Antonio to build-out 47,748 of gross square feet of research space to house the College of AI, Cyber and Computing. The debt is expected to be repaid with local designated funds. Annual debt service is estimated at \$1,400,000. The institution's Scorecard Rating of 2.4 at the 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. The institution therefore requests that the Board resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that:

- parity debt shall be issued to fund all or a portion of the 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 RFS Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U.T. System Board of Regents relating to the Financing System;
- U.T. San Antonio, which is a "Member" as such term is used in the RFS Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U.T. System Board of Regents of parity debt in an aggregate amount of \$24,950,000; and
- this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

ADDITIONAL CONSENT AGENDA ITEM
FACILITIES PLANNING AND CONSTRUCTION COMMITTEE
FEBRUARY 18-19, 2026

65. Other Fiscal Matters - U.T. El Paso: Student Success Building; allocation of Permanent University Fund (PUF) Bond Proceeds

The Chancellor concurs in the recommendation of the Executive Vice Chancellor of Academic Affairs, the Executive Vice Chancellor and Chief Operating Officer, and the institutional president that the Board of Regents approve this item allocating \$65,000,000 from Permanent University Fund (PUF) Bond Proceeds for construction of the Student Success Building at U.T. El Paso. On August 22, 2024, the Board approved an update to the Campus Master Plan for U.T. El Paso. President Wilson presented a proposed Campus Master Plan to support U.T. El Paso's programs based on analysis of projected space needs and building condition. The updated plan integrates U.T. El Paso's 2030 Strategic Plan and included planning for a Student Success Building and the replacement and renovation of the Union Complex.

During the 89th Legislative Session, U.T. El Paso requested statutory authorization for an increase to the student union fee as approved by a majority vote of students participating in a general election held in September 2024 and with such fees to be used for the financing, constructing, operating, maintaining, and improving a student union building, including demolition of the existing student union building. The legislation was passed and became effective on September 1, 2025. On August 21, 2025, the Board of Regents authorized U.T. El Paso to implement a phased increase of the student union fee. Funding from the student union fee will be used to demolish and rebuild Union West, make necessary renovations to Union East, and maintain the facilities. Students have asked for a more modern, accessible, student-centered facility that provides space for student engagement, activities, and events. Several departments currently located in the Union are not eligible to be funded by a student union fee and need to be relocated to the new Student Success Building, with construction funding from PUF Bond Proceeds. The proposed Student Success Building will serve as the hub for the University Career Center, Business and Community Engagement Services, Counseling and Psychological Services, the Center for Accommodations and Support Services, and the Military Student Success and Resource Center.