

Meeting No. 1,169

THE MINUTES OF THE BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

Pages 1 - 261

August 23 - 24, 2017

Austin, Texas

TABLE OF CONTENTS  
THE MINUTES OF THE BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM  
AUGUST 23-24, 2017  
AUSTIN, TEXAS

MEETING NO. 1,169

	<u>Page No.</u>
<u>August 23, 2017</u>	
I. ATTENDANCE	1
II. RECESS TO EXECUTIVE SESSION	1
III. RECONVENE IN OPEN SESSION	1
1a. U. T. Health Science Center - San Antonio: Periodic comprehensive performance review of institutional president (Regents' <i>Rules and Regulations</i> , Rule 20201, Section 5, regarding Evaluation of Presidents)	1
1b. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Deputy Chancellor, Executive Vice Chancellors, and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), members of the Board of Regents, and U. T. System and institutional employees	2
1c. U. T. System: Discussion regarding individual personnel matters related to possible creation of a nonprofit corporation for the management of University Lands	2
2a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues	2
2b. U. T. System: Discussion regarding legal issues concerning possible creation of a nonprofit corporation for the management of University Lands	2

3a.	U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features	2
3b.	U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features	3
IV.	RECESS TO COMMITTEE MEETINGS	3
V.	RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS	3
VI.	AGENDA ITEMS	3
1.	U. T. System: Annual Meeting with Officers of the U. T. System Faculty Advisory Council	3
2.	U. T. System Board of Regents: Recognition of academic and health institution recipients of the 2017 Regents' Outstanding Teaching Awards	3
VII.	RECESS	4
<u>August 24, 2017</u>		
VIII.	AGENDA ITEMS (continued)	9
3.	U. T. System Board of Regents: Presentation of Certificate of Appreciation to Former U. T. Permian Basin President W. David Watts and Comments	9
4.	U. T. System Board of Regents: Approval of Consent Agenda items and consideration of any items referred to the full Board	10
5.	U. T. System Board of Regents: Update from Texas Higher Education Coordinating Board Chair Robert “Bobby” Jenkins, Jr. and Commissioner Paredes on the long-range strategic plan for Texas higher education	11
6.	U. T. System Board of Regents: Discussion and appropriate action regarding proposed replacement for Regents' <i>Rules and Regulations</i> , Rule 70301 (Matters Relating to Real Property)	12

7.	U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendment of Regents' <i>Rules and Regulations</i> , Rule 80103 (Solicitation) to permit advertising by bicycle share programs	24
8.	U. T. System Board of Regents: Discussion and appropriate action regarding proposed rescission of Regents' <i>Rules and Regulations</i> , Rules 10801, Section 3 concerning U. T. Systemwide Policy UTS139; 40902 concerning cooperative use of courses and facilities; 50301 concerning off-campus student housing; 50303 concerning students' responsibilities for debts, transferring Section 2 regarding penalties for nonpayment to 50101 regarding student conduct and discipline; 50305 concerning the role of an institutional Students' Attorney; 50801 concerning student learning outcomes assessments; and 80308 concerning building plaques	25
	Additional item posted with the Secretary of State: U. T. System Board of Regents: Discussion and possible appropriate action regarding proposed appointment to the Board of Directors of The University of Texas/Texas A&M Investment Management Company (UTIMCO)	48
IX.	RECESS TO FINANCE AND PLANNING COMMITTEE MEETING	48
X.	RECONVENE THE BOARD FOR STANDING COMMITTEE REPORTS AND RECOMMENDATIONS TO THE BOARD	48
A.	REPORT AND RECOMMENDATION OF THE AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE	49
1.	U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	49
2.	U. T. System: Report and discussion on Information Security Program (Committee Meeting Only)	49
3.	U. T. System: Approval of the U. T. Systemwide Annual Internal Audit Plan for Fiscal Year 2018	49
4.	U. T. System: Report on Audits of the Systemwide Cancer Prevention and Research Institute of Texas Grants (Committee Meeting Only)	49

5.	U. T. System: Report on Systemwide internal audit activities, including an update on organizational changes and the status of External Quality Assessments, Priority Findings and Annual Audit Plan (Committee Meeting Only)	49
B.	REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE	
1.	U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	50
2.	U. T. System: Key Financial Indicators Report and Monthly Financial Report (Committee Meeting Only)	50
3.	U. T. System Board of Regents: Adoption of resolutions authorizing certain bond enhancement agreements for Revenue Financing System debt and Permanent University Fund debt, including ratification of U. T. System Interest Rate Swap Policy	50
4.	U. T. System Board of Regents: Adoption of a Resolution authorizing the issuance, sale, and delivery of Permanent University Fund Bonds and authorization to complete all related transactions	75
5.	U. T. System Board of Regents: Adoption of a Supplemental Resolution authorizing the issuance, sale, and delivery of Revenue Financing System Bonds and authorization to complete all related transactions	76
6.	U. T. System Board of Regents: Equipment financing authorization for Fiscal Year 2018 and resolution regarding parity debt	77
7.	U. T. System Board of Regents: The University of Texas/Texas A&M Investment Management Company (UTIMCO) Update and Investment Reports for the quarter ended May 31, 2017	80
8.	U. T. System Board of Regents: Approval of annual distribution from the Permanent University Fund	89

9.	U. T. System: Discussion regarding possible creation of a nonprofit corporation for the management of University Lands (Committee Meeting Only)	91
10.	U. T. System Board of Regents: Discussion and appropriate action regarding proposed Incentive Compensation Plan for key University Lands employees (Deferred)	92
C.	REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE	102
1.	U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	102
2.	U. T. System: Discussion and appropriate action regarding recommendations from the Academic Affairs Committee of guidelines for submission of tuition and fee proposals for the academic institutions for FY 2019 and FY 2020	102
3.	U. T. Rio Grande Valley: Approval of preliminary authority for a Doctor of Philosophy in Cellular, Molecular, and Biomedical Sciences	102
4.	U. T. Rio Grande Valley: Approval of preliminary authority for a Doctor of Physical Therapy	103
5.	U. T. Permian Basin: Approval to create the College of Engineering	104
6.	U. T. Arlington: Discussion and appropriate action regarding approval of the Campus Master Plan Expansion	105
7.	U. T. Rio Grande Valley: Discussion and appropriate action regarding approval of the Campus Master Plan	107
8.	U. T. Rio Grande Valley: Discussion and appropriate action regarding proposed changes to admission criteria for nine graduate programs	119

D.	REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE	130
1.	U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	130
2.	U. T. System: Discussion and appropriate action regarding guidance to the health-related institutions for submission of tuition and fee proposals for FY 2019, based upon recommendations from the presidents after a consultative process with broad student engagement	130
3.	U. T. System: Discussion and appropriate action regarding reaffirmation of Mission Statements for U. T. Medical Branch - Galveston and U. T. Health Science Center - San Antonio	131
4.	U. T. System: Approval to distribute a portion of The University of Texas System Professional Medical Liability Benefit Plan premium returns and approve rates for the Plan	134
5.	U. T. Health Science Center - Houston: Approval to establish a Doctorate in Health Informatics degree program in the School of Biomedical Informatics at Houston	136
6.	U. T. Health Science Center - Houston: Report on participation in the \$500 million National Heart, Lung, and Blood Institute's Trans-Omics for Precision Medicine program (Committee Meeting Only)	138
E.	REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE	139
1.	U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	139
2.	U. T. Dallas: U. T. Dallas Athenaeum - Amendment of the FY 2018-2023 Capital Improvement Program to include project	139

3.	U. T. Dallas: Science Building - Amendment of the FY 2018-2023 Capital Improvement Program to revise funding sources; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	141
4.	U. T. Permian Basin: Kinesiology Building - Amendment of the FY 2018-2023 Capital Improvement Program to increase total project cost; approval to revise funding sources; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	144
5.	U. T. Health Science Center - San Antonio: Relocate the Barshop Institute - Amendment of the FY 2018-2023 Capital Improvement Program to increase total project cost; approval to revise funding sources; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	147
6.	U. T. Health Science Center - San Antonio: UT Health San Antonio Cancer Center Renovations - Amendment of the FY 2018-2023 Capital Improvement Program to increase total project cost; approval to revise funding sources; and appropriation of funds and authorization of expenditure	150
XI.	APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS	153
XII.	RECESS TO EXECUTIVE SESSION	153
XIII.	RECONVENE IN OPEN SESSION	153
1.	U. T. System: Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property	153
2a.	U. T. System Board of Regents: Discussion with Counsel on pending legal issues	153
2b.	U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning decision in <i>Fisher v. State of Texas, University of Texas at Austin, et al.</i>	153
2c.	U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning pending legal claims by and against U. T. System	153

2d.	U. T. System: Discussion of legal issues related to management of a national laboratory	153
2e.	U. T. Health Science Center - Tyler: Discussion and appropriate action regarding legal issues related to East Texas opportunities	154
3a.	U. T. Southwestern Medical Center: Discussion and appropriate action regarding proposed compensation for Robert D. B. Jaquiss, M.D., Professor of Pediatric Cardiovascular and Thoracic Surgery and Professor of Pediatrics ( <i>Regents' Rules and Regulations</i> , Rule 20204, regarding compensation for highly compensated employees)	154
3b.	U. T. Health Science Center - Houston: Discussion and appropriate action regarding proposed compensation for Jorge D. Salazar, M.D., Professor and Division Chief, Department of Pediatric Surgery, Division of Pediatric Cardiovascular Surgery ( <i>Regents' Rules and Regulations</i> , Rule 20204, regarding compensation for highly compensated employees)	154
3c.	U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Deputy Chancellor, Executive Vice Chancellors, and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), members of the Board of Regents, and U. T. System and institutional employees, and related personnel aspects of the operating budget for Fiscal Year 2018	155
3d.	U. T. System: Discussion and appropriate action concerning individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of U. T. System and institutional employees including employees covered by <i>Regents' Rules and Regulations</i> , Rule 20204, regarding compensation for highly compensated employees, and Rule 20203, regarding compensation for key executives	155
3e.	U. T. System: Discussion and appropriate action regarding individual personnel matters relating to compensation including achievement of goals for incentive compensation for Presidents	155

3f.	U. T. System Board of Regents: Discussion regarding individual personnel matters associated with the reorganization of the Board of Regents and the election of officers	155
4.	U. T. System Board of Regents: Discussion and appropriate action regarding update on safety and security issues, including security audits and the deployment of security personnel and devices	155
XIV.	AGENDA ITEMS (continued)	156
9.	U. T. System: Discussion and appropriate action regarding issues related to development of a potential bid for management of Los Alamos National Laboratory	156
10.	U. T. System: Approval of the nonpersonnel aspects of the operating budgets for Fiscal Year 2018, including the Permanent University Fund Bond Proceeds allocation for Library, Equipment, Repair and Rehabilitation Projects, allocation for the Science and Technology Acquisition, and support for capital expenses for the U. T. Rio Grande Valley Medical School; Available University Fund allocation for campus support; and Internal Lending Program funding for strategic projects	158
11.	U. T. System: Discussion and appropriate action regarding proposed creation of the Proof-of-Concept Fund (Deferred)	171
12.	U. T. System: Discussion and appropriate action related to proposed contract with Digerati, Inc. for a job and internship matching network, and finding that expenditure of Available University Funds for this purpose is appropriate	171
13.	U. T. System: Discussion and appropriate action regarding personnel aspects of the U. T. System Administration operating budget for Fiscal Year 2018	172
14.	U. T. System Board of Regents: Possible election of officers	172
XV.	SCHEDULED MEETING	172
XVI.	ADJOURNMENT	172

MEETING NO. 1,169

WEDNESDAY, AUGUST 23, 2017.--The members of the Board of Regents of The University of Texas System convened in Standing Committee meetings on Wednesday, August 23, 2017, from 9:30 a.m. - 11:55 a.m. in the Board Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas.

CONVENE THE BOARD IN OPEN SESSION.--At 11:58 a.m., in accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Foster called the meeting of the Board to order in Open Session with the following participation:

ATTENDANCE.--

Present

Chairman Foster  
Vice Chairman Hicks  
Vice Chairman Hildebrand  
Regent Aliseda  
Regent Beck  
Regent Eltife  
Regent Longoria  
Regent Tucker  
Regent Weaver  
Regent Castro, Student Regent, nonvoting

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Foster called the meeting to order in Open Session.

RECESS TO EXECUTIVE SESSION.--At 11:59 a.m., the Board recessed to Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.073, and 551.074 to consider the matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS.--The Board reconvened in Open Session at 1:28 p.m. to consider action on Executive Session Items 3a and 3b as set forth below.

- 1a. U. T. Health Science Center - San Antonio: Periodic comprehensive performance review of institutional president (Regents' *Rules and Regulations*, Rule 20201, Section 5, regarding Evaluation of Presidents)

No action was taken on this item.

- 1b. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Deputy Chancellor, Executive Vice Chancellors, and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), members of the Board of Regents, and U. T. System and institutional employees

No action was taken on this item.

- 1c. U. T. System: Discussion regarding individual personnel matters related to possible creation of a nonprofit corporation for the management of University Lands

No action was taken on this item.

- 2a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

- 2b. U. T. System: Discussion regarding legal issues concerning possible creation of a nonprofit corporation for the management of University Lands

No action was taken on this item.

- 3a. U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features

Regent Aliseda moved that the Board authorize the Vice Chancellor for External Relations, the Chancellor or Deputy Chancellor, and the Presidents of The University of Texas at Dallas, The University of Texas at San Antonio, The University of Texas at Tyler, The University of Texas Health Science Center at Houston, and The University of Texas M. D. Anderson Cancer Center to conclude negotiations necessary to finalize, approve, and accept gifts and to finalize and execute agreements with potential naming features for the benefit of the named institutions consistent with the terms and conditions outlined and recommended in Executive Session.

The motion was seconded by Regent Beck and carried by acclamation.

3b. U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features

See Item 3a above for action taken on this item.

RECESS TO COMMITTEE MEETINGS.--At 1:33 p.m., Chairman Foster stated the Board would recess to Committee meetings and would reconvene at approximately 4:00 p.m.

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS.--The Board reconvened in Open Session at 4:08 p.m. to consider the following Agenda Items.

### AGENDA ITEMS

1. U. T. System: Annual Meeting with Officers of the U. T. System Faculty Advisory Council

The University of Texas System Faculty Advisory Council met with the Board to discuss accomplishments of the Council and plans for the future. Council members who attended were:

Chair: Jonathan Cheng, M.D., The University of Texas Southwestern Medical Center

Academic Affairs and Faculty Quality Committee: Elena Izquierdo, Ph.D., The University of Texas at El Paso

Governance Committee and Chair-Elect: Dan Cavanagh, M.M., The University of Texas at Arlington

Health Affairs Committee: Suman Challa, B.D.S., M.S., The University of Texas Health Science Center at San Antonio

Chancellor McRaven commended the Council for their work on important matters.

2. U. T. System Board of Regents: Recognition of academic and health institution recipients of the 2017 Regents' Outstanding Teaching Awards

Chairman Foster congratulated the 2017 recipients of the Regents' Outstanding Teaching Awards and, following a short video, called on the following representative faculty members for brief remarks:

- Ann Branan Horak, Ph.D., Associate Professor/Director of Religious Studies Program, College of Liberal Arts, The University of Texas at El Paso; and

- Brian L. Mealey, D.D.S., M.S., Professor and Graduate Program Director, Department of Periodontics, School of Dentistry, The University of Texas Health Science Center at San Antonio.

Chairman Foster thanked and congratulated the Board for understanding that rewarding great teachers is less an act of generosity than a wise investment in the state's future.

The Board of Regents of The University of Texas System places the highest priority on undergraduate teaching at U. T. System universities and encourages teaching excellence by recognizing those faculty who deliver the highest quality of undergraduate instruction, demonstrate their commitment to teaching, and have a history and promising future of sustained excellence with undergraduate teaching in the classroom, in the laboratory, in the field, or online.

On August 14, 2008, the Board established the Regents' Outstanding Teaching Awards (ROTA), which are a symbol of the importance the Board places on the provision of teaching and learning of the highest order, in recognition of those who serve students in an exemplary manner and as an incentive for others who aspire to such service. These teaching awards complement existing ways in which faculty excellence is recognized and incentivized.

The Board allocated \$1 million per year for the awards for The University of Texas at Austin and another \$1 million per year for the remaining academic institutions. On August 25, 2011, the Board expanded the program to the faculty at the six health institutions and allocated \$1 million per year for the awards. The allocations have been approved through Fiscal Year 2017.

Program details for the awards were approved by the Board on November 13, 2008, and modified to include one-time payments of \$25,000 each to the individual faculty members.

Among the academic institutions, awards are made according to faculty level, with no more than 30 awards for tenured faculty, tenure-track faculty, and contingent faculty (including adjuncts, lecturers, and instructional assistants). Across the health institutions, no more than 30 awards are made annually.

RECESS.--The Board recessed at 5:20 p.m.

THURSDAY, AUGUST 24, 2017.--The members of the Board of Regents of The University of Texas System reconvened at 8:40 a.m. on Thursday, August 24, 2017, in the Board Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Foster  
Vice Chairman Hicks  
Vice Chairman Hildebrand  
Regent Aliseda  
Regent Beck  
Regent Eltife  
Regent Longoria  
Regent Tucker  
Regent Weaver  
Regent Castro, Student Regent, nonvoting

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Foster called the meeting to order in Open Session.

He commented that The University of Texas M. D. Anderson Cancer Center was recently ranked Number One in cancer care in *US News and World Report's* "Best Hospitals" edition, with a perfect score of 100. He stated that The University of Texas Southwestern Medical Center and The University of Texas Medical Branch at Galveston also received high rankings.

Chairman Foster then made the following remarks regarding the last Board of Regents' meeting in Ashbel Smith Hall, and the first page of the 1977 Board Minutes and a picture of the Board at that time as set forth on the following pages were displayed:

Remarks by Chairman Foster

On a historical note, this is the last regular meeting of the Board of Regents to be held in this building. Next month, we will move to a new Board Room across the street, one with improved functionality and easier access for the public.

As we prepare for that move, it is good to reflect on 40 years of Board history. The first Board meeting in this room was held on February 11, 1977, and Board members at that time were:

Chairman, Governor Allan Shivers  
Vice Chairman Dan Williams  
Regent James Bauerle

Regent Jane Weinert Blumberg  
Regent Edward Clark  
Regent Sterling Fly  
Regent Jess Hay  
Regent Thomas Law, and  
Regent Walter Sterling.

The Board has held 326 meetings since then, with the majority held in this space.

MEETING NO. 744

FRIDAY, FEBRUARY 11, 1977. --The members of the Board of Regents of The University of Texas System convened in regular session at 9:00 a.m. on February 11, 1977, in the Regents' Meeting Room on the 9th Floor of Ashbel Smith Hall.\*

ATTENDANCE. --

Present

Chairman Shivers, presiding  
 Vice-Chairman Williams  
 Regent Bauerle  
 Regent (Mrs.) Blumberg  
 Regent Clark  
 Regent Fly  
 Regent Hay  
 Regent Law  
 Regent Sterling

Absent

Secretary Thedford

Chancellor LeMaistre  
 Deputy Chancellor Walker

On January 10, 1977, Governor Dolph Briscoe named the following to membership on the Board of Regents of The University of Texas System, each for a six year term to expire on January 10, 1983:

Mrs. Roland K. Blumberg, Seguin, Texas, to succeed Mrs. Lyndon B. Johnson of Austin, Texas, whose term had expired on January 10, 1977

Sterling H. Fly, Jr., M.D., Uvalde, Texas, to succeed Joe T. Nelson, M.D., of Weatherford, Texas, whose term had expired on January 10, 1977

Jess Thomas Hay, Dallas, Texas, to succeed A. G. McNeese, Jr., of Houston, Texas, whose term had expired on January 10, 1977]

Chairman Shivers opened the meeting with a word of welcome to the three new members of the Board.

BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING ON DECEMBER 10, 1976. --The Minutes of the meeting of the Board of Regents of The University of Texas System held on December 10, 1976, in Austin, Texas, were approved as circulated by Secretary Thedford upon motion of Regent Sterling, seconded by Vice-Chairman Williams. The official copy is recorded in the Permanent Minutes, Volume XXIV, beginning with Page 1074.

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\*This is the first meeting to be held at Ashbel Smith Hall which is located at the corner of Seventh and Colorado streets.



AGENDA ITEMS (continued)

3. U. T. System Board of Regents: Presentation of Certificate of Appreciation to Former U. T. Permian Basin President W. David Watts and Comments

Chairman Foster recognized and thanked Dr. W. David Watts for his outstanding service as President of The University of Texas of the Permian Basin. He said that as President for the last 15 years, Dr. Watts has been a steady and driving force to create top quality educational, athletic, and student programs at U. T. Permian Basin.

Dr. Watts became President of U. T. Permian Basin on June 11, 2001, and stepped down effective June 31, 2017.

Former President Watts provided brief remarks about accomplishments made at U. T. Permian Basin during his presidency, including enrollment increases, professional accreditations, facilities construction, online instruction, and philanthropy. He attributed the accomplishments to the Board for having set the foundation for the work, and he encouraged the Board to continue to empower the institutional presidents.

Dr. Watts received a standing ovation and the following certificate of appreciation:

CERTIFICATE OF APPRECIATION

The Board of Regents

Expresses to

W. DAVID WATTS, Ph.D.

Its Sincere Appreciation for His

Distinguished Service and Outstanding Contributions

to

The University of Texas System

as

President

The University of Texas of the Permian Basin  
2001 - 2017

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

Chairman Foster said that each Board Committee Chairman had an opportunity to discuss assigned Consent Agenda Items with the respective Committee liaison in advance of the Board meeting to assure each Consent Agenda Item is reviewed prior to the Board meeting.

He then highlighted the following items:

- Item 10 proposes contracting with J.P. Morgan Securities LLC for consulting services related to healthcare opportunities and potential transactions Systemwide. Vice Chairman Hicks, Vice Chairman Hildebrand, and Regent Beck will abstain from vote and discussion on this item because of equity interests.
- Item 15 requests approval to exceed the full-time equivalent limitations at The University of Texas at El Paso and The University of Texas Rio Grande Valley for Fiscal Year 2018.
- Under Item 44, UT Rio Grande Valley requests approval for a new dba name, U. T. Health Rio Grande Valley, and for a proposed logo for the School of Medicine.
- Item 47 proposes approval of the terms of the employment agreement with Dr. Taylor Eighmy as President of The University of Texas at San Antonio. In approving this item, the Board is also asked to make a finding that the agreement is in the best interest of U. T. San Antonio and The University of Texas System.
- Item 56 seeks approval for The University of Texas Southwestern Medical Center to lease approximately 30,000 rentable square feet of space located at 5801 East Campus Circle in Irving, Texas, for approximately \$9.9 million during the initial term.

Chairman Foster stated that Chancellor McRaven has learned that his nephew is a broker and a part-owner of the proposed lessor entity. Chancellor McRaven has taken no action related to this transaction, and U. T. Southwestern has verified that the family relationship is coincidental and not a factor in the recommendation. This transaction has been reviewed by legal counsel at U. T. Southwestern and at U. T. System Administration and by the U. T. System Administration's Ethics Officer and no conflict of interest issues were identified.

- Item 84 recommends approval for the appointment of two University of Texas M. D. Anderson Cancer Center employees as Managers of Vescor Therapeutics. An appropriate conflicts management plan will address any potential conflicts.
- Vice Chairman Hildebrand will also abstain from vote on proposed contracts with BFI Waste Services dba Republic Services at The University of Texas Medical Branch at Galveston and Cardinal Health at The University of Texas Health Science Center at Tyler at Consent Agenda Items 63 and 85 because of equity interests.

The Board then approved the Consent Agenda, which is set forth on Pages 173 - 261.

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

5. U. T. System Board of Regents: Update from Texas Higher Education Coordinating Board Chair Robert "Bobby" Jenkins, Jr. and Commissioner Paredes on the long-range strategic plan for Texas higher education

Texas Higher Education Coordinating Board Chairman Robert "Bobby" Jenkins, Jr. and Commissioner Raymund Paredes provided an update on the long-range strategic plan for Texas higher education. The presentation, titled 60x30TX, is [on file](#) in the Office of the Board of Regents. The goal of the plan is that by 2030, 60% of all Texans ages 25-34 will have some type of postsecondary degree or certificate for the State of Texas to remain competitive nationally and internationally. Chairman Jenkins added that the plan's completion goal is 550,000 degrees or certificates awarded in 2030.

In reply to a question from Regent Beck, Commissioner Paredes explained work being done on the plan at the regional level.

Regent Tucker requested information to clarify the effectiveness of the financial aid programs at The University of Texas institutions be sent to the Academic Affairs Committee members.

Chairman Foster commented on the proposed increase in the number of students to receive a postsecondary degree or certificate according to the strategic plan, and Commissioner Paredes said it is a matter of increasing enrollment and graduating those in the pipeline.

Vice Chairman Hildebrand asked that information be provided on how the U. T. System can do its part with regard to graduating students and student debt to help manage and identify progress towards the identified goals.

Regent Castro emphasized the need to support economically disadvantaged students by identifying preventative strategies to help students not drop out.

Regent Weaver said that to increase from 321,000 to 550,000 graduates, there is a need to work with students early on, in elementary school. Commissioner Paredes said institutions are working on this and there is a need to attract high-quality students into the teaching profession and improve work with teachers. He said the work has to be comprehensive and sustained.

Regent Beck asked what is driving the reduction of student debt, and Commissioner Paredes discussed financial literacy and opportunities for flat-rate tuition.

6. U. T. System Board of Regents: Discussion and appropriate action regarding proposed replacement for Regents' Rules and Regulations, Rule 70301 (Matters Relating to Real Property)

The Board approved a complete revision of Regents' *Rules and Regulations*, Rule 70301 (Matters Relating to Interests in Real Property) as set forth on Pages 14 - 23.

Under former Regents' Rules, with the exception of The University of Texas/Texas A&M Investment Management Company (UTIMCO) investments, Permanent University Fund (PUF) lands, institutional space leases, and land used for institutional purposes, the Board of Regents delegated the management of real property under its ownership or control to The University of Texas System Real Estate Office.

The primary purposes of the revisions were (i) to consolidate in one Rule those provisions of Regents' Rule 10501 (Delegation to Act on Behalf of the Board) and former Rule 70301 and other policies governing real estate contracts; (ii) to grant greater authority to the institutions with regard to leasing and licensing; and (iii) to eliminate the required review and approval of certain smaller real estate lease transactions by the Real Estate Office. The revised Rule:

- Retains the requirements of Board approval for all transactions over a threshold, and for acquisitions of real property for institutional purposes located outside of a Campus Master Plan approved by the Board.
- Retains the separate authority of the University Lands Office over mineral interests and the PUF and of the Office of Development and Gift Planning Services over gifts and trusts.
- Memorializes the change from the former \$1 million threshold for Board approval of real estate contracts applicable to all institutions to individual thresholds that match each institution's dollar threshold authority for goods and services contracts. That change was previously approved by the Vice

Chancellor and General Counsel, after consultation with the General Counsel to the Board of Regents, as authorized in Regents' Rule 10501, Section 2.2.16 (Increase in Board Approval Threshold).

- Retains the existing structure for the delegation of signature authority to institution Presidents and System officers, and also broadens the signature authority of the institutions to generally enter into leases and licenses and other agreements where the institution is the user with a term not exceeding 10 years (with no or minimized Real Estate Office review unless Board authorization is required, but retained Office of General Counsel legal review).
- Retains and clarifies System Real Estate Office review and signature by the Executive Director of Real Estate of all long-term agreements and contracts pertaining to the purchase/sale of real property, ground leases, and build-to-suit leases. Related policy provides for the delegation by the Executive Director of Real Estate to officers at the institutions of licenses and leases with a term of 10 years or less of Board-owned property managed by the institutions.
- More clearly details the requirement under the Regents' Rules concerning the delegation of signature authority to various institution and System officers.
- Clarifies that Rule 70301 concerning real estate contracts prevails over any more general provisions in the Regents' Rules.
- Formalizes the role of the Real Estate Office as the central repository for copies of all real estate contracts.

In connection with this replacement of Regents' Rule 70301, the U. T. System real estate policies will be revised (i) to consolidate the policies into one policy; (ii) to implement the authorized delegations; and (iii) to change review procedures for smaller short-term contracts by the Real Estate Office and the Office of General Counsel.

This Agenda Item was reviewed by the U. T. System institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

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

**Rule: 70301**

**1. Title**

Matters Relating to Interests in Real Property

**2. Rule and Regulation**

Sec. 1 Authority. *Texas Education Code* Section 65.39 provides that “The board of regents of The University of Texas System has the sole and exclusive management and control of the lands set aside and appropriated to, or acquired by, The University of Texas System.” *Texas Education Code* Section 65.34 further provides that a contract must be approved by the Board or entered into in accordance with rules of the Board.

Sec. 2 Scope. This Rule governs all Real Estate Contracts, which include Real Estate Sales Contracts, Real Estate Leases, and Easements (as defined below). This Rule does not cover the transfer or acquisition of rights pertaining to the ownership and/or development of mineral interests (such as oil and gas leases, oil and gas transportation pipeline easements, and the transfer of royalty interests) under the administration of the University Lands Office.

To the extent of any conflict between the provisions of this Rule and other provisions of the Regents’ *Rules and Regulations*, this Rule shall control with respect to Real Estate Contracts, and Regents’ Rules 60101 and 60103 shall control with respect to the acceptance and administration of gifts of real property.

Sec. 3 Title to Real Property Interests. Title to all interests in real property of every kind or nature owned, leased, or otherwise held for the use or benefit of the U. T. System or any U. T. institution shall be held in the name of the “Board of Regents of The University of Texas System.”

Sec. 4 Delegation of Authority - Real Property Management.

4.1 Office of General Counsel. The negotiation and execution of Real Estate Contracts shall be done in accordance with all guidelines promulgated by the Office of General Counsel.

4.2 Real Estate Office. The Board delegates to the U. T. System’s Real Estate Office authority to collect and

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

**Rule: 70301**

account for all rents, mortgages, and other charges relating to real property managed or supervised by the Real Estate Office. All interests in real property owned, leased, or otherwise held by the Board shall be administered and managed by the Real Estate Office, except the following:

- (i) Permanent University Fund (PUF) Lands, which shall be administered and managed by the University Lands Office;
- (ii) real properties used for Institutional Purposes, which shall be administered and managed by the applicable institution, subject to the requirements of this Rule and U. T. Systemwide Policies. For purposes of this Rule, "Institutional Purposes" shall mean the duties, responsibilities, missions, and purposes of U. T. System and U. T. institutions authorized under the *Texas Education Code*, but shall not include uses principally intended to generate funds for the U. T. institution; and
- (iii) real property investments managed by UTIMCO.

4.3 Executive Director of Real Estate. The Board delegates to the Executive Director of Real Estate the authority to negotiate, execute, and deliver on behalf of the Board Real Estate Contracts and other associated documents or agreements pertaining to or regarding the transfer, acceptance, or acquisition of interests in real property owned, leased, or controlled (or to be owned, leased, or controlled) by the Board, including real property, subject to limitations in this Rule.

Except as expressly provided otherwise in this Rule, the authority granted in this Section to the Executive Director of Real Estate includes the authority to

- (i) negotiate, execute, and deliver all instruments necessary and convenient relating to (a) the management, control, purchase, sale, transfer, acquisition, or disposition of any real property or interests in real property owned, leased, or controlled by the Board (including, without limitation, joint, several and undivided interests in the fee title to real property

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

**Rule: 70301**

and the acquisition or sale of mineral interests not administered by the University Lands Office);  
(b) easements, licenses, access rights, or permits with any length of term and for monetary or nonmonetary consideration; or (c) instruments relating to financing for such real properties, such as estoppel certificates requested by a third-party landlord or lender; and

- (ii) negotiate, execute, and deliver documents and agreements commonly and reasonably undertaken in connection with the purchase, sale, lease, transfer, or other acquisition or disposition of real property, such as, without limitation, the engagement of brokers, building and environmental inspectors, appraisers, and attorneys to assist with a particular transaction, provided that the engagement of such services shall be done in accordance with the other provisions of the Regents' Rules and U. T. Systemwide Policies.

**4.4 Other Requirements.**

- 4.4.1 The Real Estate Office shall consult with the institutional chief business officer or delegate prior to approving and executing any Real Estate Contract or associated instrument relating to real property used or to be used by a U. T. institution for Institutional Purposes.
- 4.4.2 The authority granted by this Rule to negotiate, execute, and deliver binding contracts and other associated agreements or instruments related to the acquisition of real property for Institutional Purposes applies only (i) if the real property is within a Campus Master Plan approved by the Board or (ii) the matter is an Easement or other similar agreement necessary to implement institutional projects or to serve real property owned or controlled by the Board.

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

**Rule: 70301**

Sec. 5 Delegation of Authority - PUF Lands. The Board delegates to the Executive Vice Chancellor for Business Affairs the authority to

- (i) execute and deliver on behalf of the Board contracts pertaining to or conveying interests in PUF Lands and in mineral interests in other lands owned or controlled by the Board; and
- (ii) to take any action on behalf of the Board as may be necessary or desirable with regard to the management and administration of oil and gas leases and other instruments issued by the Board for Lease of University Lands regarding PUF Lands, including without limitation, promulgating forms and requiring submission of documents, records, or reports to verify gross production and disposition and market value of the production.

This authority includes all instruments necessary and convenient relating to the management, acquisition, and disposition of PUF Lands, including mineral interests, and of mineral interests in other lands owned or controlled by the Board, and licenses and surface rights for activities on PUF Lands.

Sec. 6 Delegation of Authority - Real Estate Leases. The Board delegates to each President of a U. T. institution the authority to sign Real Estate Leases and renewals and amendments for the purpose of leasing as tenant or licensing as licensee space for Institutional Purposes; provided that

- (i) the maximum initial term for each such agreement is 10 years or less, and at the end of 10 years or later there is no penalty or fee for ending the agreement; any extension or renewal term must be 10 years or less and must be under the control of the Board (i.e., the Board has the right to elect or not to elect to extend or renew the then existing term under the agreement), and there is no penalty or fee for ending the agreement at the expiration of the 10-year term or later;
- (ii) the agreement contains no options to purchase the property in question;

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

**Rule: 70301**

- (iii) the agreement does not require or involve the construction or substantial completion of a new building or the substantial replacement or reconstruction of an existing building;
- (iv) the President consults with the chief business officer of the institution prior to approving and executing any Real Estate Lease;
- (v) the Real Estate Lease complies with applicable law, Regents' Rules, and U. T. Systemwide Policies; and
- (vi) if approval by the Real Estate Office, the Office of General Counsel, or the Board is required under this Rule, the President may not sign a Real Estate Lease until the Real Estate Office or the Office of General Counsel has notified the U. T. institution either that (a) the contract has been approved by the appropriate U. T. office or the Board, as applicable; or (b) the contract may be executed subject to compliance with Section 8.2 below.

Sec. 7 Delegation of Authority - Gifts of Land. The Board delegates to the Office of Development and Gift Planning Services the administration of real property received by the Board through a bequest, an interest in an account held in trust, a gift to establish or modify an endowment (other than the PUF), a fund functioning as an endowment, or a life income or annuity fund. The Office of Development and Gift Planning Services shall promptly notify the Real Estate Office and the University Lands Office of gifts of surface and mineral estates in real property received, processed, and administered pursuant to this Section, to be managed by either the Real Estate Office or University Lands Office. This Section shall not apply to current purpose gifts of surface and mineral estates in real property (other than gifts received through a bequest or a trust) or additions to an existing endowment, a fund functioning as an endowment, or a life income or annuity fund if the addition does not change or modify the purpose of the endowment or fund.

The Real Estate Office and the University Lands Office shall, in accordance with applicable Regents' Rules, accept and administer the receipt of all gifts of surface and mineral estates in real property that are not processed and administered in

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

**Rule: 70301**

accordance with the preceding paragraph, unless the property is used as campus property by the institution. Once the property is owned or controlled by the Board, the institution shall administer and manage such real property as is used for Institutional Purposes.

Sec. 8 Authority Levels. The Authority Levels for Real Estate Contracts for each U. T. institution are established by Regents' Rule 10501 and U. T. Systemwide Policy UTS145, *Processing of Contracts*. Contracts in excess of Authority Levels shall be subject to the following:

8.1 A U. T. institution officer or employee must obtain (i) prior review and approval of the System Real Estate Contract by the Real Estate Office and the Office of General Counsel, and (ii) authorization from the Board to exceed the Authority Level of the institution.

8.2 If the Real Estate Office and the Office of General Counsel have previously reviewed and approved a Real Estate Contract having a total cost or monetary value in excess of the U. T. institution's Authority Level, a U. T. officer authorized under this Rule to sign the type of contract in question is authorized, prior to obtaining Board approval, to execute the Real Estate Contract if the Real Estate Contract (i) is promptly submitted for Board approval, and (ii) contains a provision, approved by the Office of General Counsel, to the effect that such portion of the obligations of the institution under the contract that are in excess of the institution's Authority Level are not binding unless and until the contract is approved by the Board.

Real Estate Leases negotiated or documented by the Texas Facilities Commission on behalf of a U. T. institution in excess of the institution's Authority Level must be approved by the Board.

Sec. 9 Contract Terms and Valuations

9.1 Total Cost or Monetary Value. The Total Cost or Monetary Value of a Real Estate Contract and examples are found in Definitions, below.

9.2 Extensions and Renewals. All potential extensions or renewals provided for in a Real Estate Contract (whether

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

**Rule: 70301**

automatic or requiring action by a party) shall be deemed exercised for purposes of calculating the total cost or monetary value of the contract.

9.3 Amendments.

9.3.1 For the purpose of calculating the total cost or monetary value of a Real Estate Contract, the total cost or monetary value of any amendment or modification to the Real Estate Contract shall be calculated on a cumulative basis with the total cost or monetary value actually incurred, received, or payable under the Real Estate Contract (or reasonably estimated as permitted in this Rule) prior to such amendment or modification.

9.3.2 Amendments to a Real Estate Contract do not require approval by the Board unless

- (i) for a Real Estate Contract not previously approved by the Board, the amendment increases the cumulative total cost or monetary value of the Real Estate Contract (as amended by any prior amendments) above the Authority Level of the institution;
- (ii) for a Real Estate Contract previously approved by the Board, any amendments thereto cumulatively increase the total cost or monetary value of the contract previously approved by the Board to an amount greater than 125% of the total cost or monetary value approved by the Board, unless such cumulative increases in the total cost or monetary value are less than the Authority Level of the institution (in which case Board approval is not required); or
- (iii) Board approval is otherwise required by these Rules because of the particular provisions of the amendment.

9.4 Contracts for the Same Property. Any new Real Estate Contract pertaining to substantially the same real property that was the subject of a prior Real Estate Contract between

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

**Rule: 70301**

the same parties or their successors in interest shall be treated as an extension, renewal, or modification of the prior Real Estate Contract for purposes of this calculation, except in such instances where the real property in question had been totally vacated by the occupant of the real property under the prior Real Estate Contract for a period of three consecutive months or more following the expiration or termination of the prior Real Estate Contract.

9.5 Assurance of Authority. No officer or employee of U. T. System or any U. T. institution, as an individual or as a member of any association or agency, has the power to bind U. T. System or any U. T. institution by a Real Estate Contract unless the review and execution thereof is done in accordance with this Rule. The officer or employee executing any Real Estate Contract shall be responsible for assuring that he or she has the requisite authority to act on behalf of the Board and that such authority is being exercised in compliance with applicable law, the Regents' Rules, and U. T. Systemwide Policies. Such officer or employee is strongly encouraged to contact the Executive Director of Real Estate or the Vice Chancellor and General Counsel with any questions regarding the nature and scope of the officer's or employee's authority.

9.6 Certification. Documents executed on behalf of the Board pursuant to authority granted under the Regents' Rules shall not require further certification or attestation.

Sec. 10 Record Keeping. The Board designates the Real Estate Office as the central repository for all Real Estate Contracts. Promptly following the execution of a Real Estate Contract by a U. T. institution, the institution shall deliver to the Real Estate Office a full, complete, and accurate electronic copy of the contract, regardless of whether such contract required the review and approval of the Real Estate Office and/or the Office of General Counsel. The Real Estate Office shall promulgate policies and processes for the maintenance of such Real Estate Contracts as part of the permanent records of its office, consistent with and subject to U. T. System's general record retention policies, but in no event shall a Real Estate Contract be maintained for a period of less than four years following the expiration or sooner termination of the Real Estate Contract.

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

**Rule: 70301**

Sec. 11 Consultation with Real Estate Office. Upon the request of a U. T. institution, the Real Estate Office will consult with, advise, and assist the institution concerning a Real Estate Contract, regardless of the length of term, total cost, or monetary value of the contract.

**3. Definitions**

**Real Estate Sales Contracts** - A contract for the purchase, sale, exchange, transfer, or acquisition of any fee interests in real property by U. T. System and U. T. institutions.

**Real Estate Leases** - A contract for the lease, sublease, license, or use of real property by U. T. System and/or U. T. institutions, whether as landlord, tenant, sublandlord, subtenant, licensee, licensor, or otherwise.

**Easements** - The grant or acquisition by U. T. System and/or U. T. institutions of the right to cross or use real property for a specific purpose that is not terminable at the will of the grantor.

**Real Estate Contracts** - Real Estate Sales Contracts, Real Estate Leases, and Easements are collectively referred to in this Rule as “Real Estate Contracts.” The term includes (i) all amendments and modifications of the foregoing, and (ii) ancillary agreements to such contracts, such as (by way of example only) estoppel certificates and nondisturbance agreements for leases.

**Total Cost or Monetary Value** - For a Real Estate Contract, it is the net cumulative sum of all costs and expenses to be paid or all monies to be received by a U. T. institution over the term of the Real Estate Contract.

- For example, if a U. T. institution leased real property as tenant for a total rental of \$950,000 and were contractually obligated to build or reimburse landlord for improvements to the premises costing an additional \$100,000 above the rental, the contract would have a total cost or monetary value of \$1,050,000 to the U. T. institution; however, if the landlord were obligated to pay for the improvements and received no additional monies from the U. T. institution other than the rental, the total cost or monetary value to the U. T. institution would be \$950,000.
- Total cost or monetary value includes, without limitation, expenditures for real estate brokerage commissions, expenditures to build or pay for improvements to real property not included within

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

**Rule: 70301**

the rental for the real property, and reasonably anticipated operating expenses (however denominated) in excess of the base rental payable by a tenant to the landlord over the term of a Real Estate Lease.

- Total cost or monetary value also includes (i) all operational expenses payable by the institution directly to persons not parties to the Real Estate Contract, such as utility charges or janitorial costs to a third-party service provider, and (ii) items such as ad valorem taxes that are paid directly by the institution to the governmental taxing authority.
- If all or part of the consideration payable under a Real Estate Contract is of an unspecified monetary value, the institution shall make a reasoned determination of whether the total cost or monetary value of the contract, in the light of the current and reasonably anticipated circumstances, is more or less than the institution's Authority Level and shall use such determination for the purposes of this Rule. The officer or employee of the institution making such determination shall prepare a written statement outlining the basis of such determination and such determination shall be preserved as part of the record of the transaction.
- Nonmonetary consideration (for example, the receipt of services or benefits that further an Institutional Purpose) shall be considered at its fair market value for purposes of calculating the total cost or monetary value of a Real Estate Contract. If any material part of the fair market value compensation paid or received by a U. T. institution under a Real Estate Contract is nonmonetary consideration, (i) the contract must be reviewed and approved by the Real Estate Office, and (ii) the Executive Director of Real Estate, with the help of the institution, shall determine the value of such nonmonetary compensation. If the consideration received under a Real Estate Contract is below fair market value, or if the consideration paid is above fair market value, the Board shall make the final determination as to the value and adequacy of the consideration paid or received by the institution.

7. U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendment of Regents' Rules and Regulations, Rule 80103 (Solicitation) to permit advertising by bicycle share programs

The Board approved the addition of Subsection 2.26 to Regents' *Rules and Regulations*, Rule 80103 (Solicitation) to permit advertising by bicycle share programs to read as set forth below:

Sec. 2 Exceptions to Prohibition. The following activities shall not be deemed solicitations prohibited by this Rule when conducted in accordance with the approved rules and regulations of the U. T. System or any of the institutions. Such activities must be conducted in a manner that does not disturb or interfere with the academic programs or administrative activities of the U. T. System or any of the institutions or any program or activity that is conducted by or is authorized by the U. T. System or any of the institutions; does not interfere with entry to or exit from a building, structure, or facility; does not interfere with the flow of pedestrians or vehicular traffic on sidewalks or streets or at places of ingress and egress to and from property, buildings, or facilities; does not harass, or intimidate the person or persons being solicited; and does not violate applicable state, federal, or local laws or regulations:

...

2.26 Bicycle Share Programs. Subject to the institutions' reasonable and nondiscriminatory rules concerning time, place, and manner of posting, advertising displayed on bicycles and on and around kiosks participating in bicycle share programs approved by the institution.

Regents' Rule 80103 prohibits the distribution or display of printed material, merchandise, or products designed to encourage the purchase, use, or rental of any property, product, merchandise, publication, or service.

A bicycle share program provides individuals with bicycles for short-term rent used between unattended stations strategically located throughout an urban area traditionally beset with traffic congestion and parking shortage. Bicycle share systems can provide a convenient and inexpensive mode of transportation by allowing sponsors to advertise their logos on bicycles. In response to requests from The University of Texas M. D. Anderson Cancer Center and The University of Texas Health Science Center at Houston, this revision to Regents' Rule 80103 allows a bicycle share program on The University of Texas System property, streets, or sidewalks. The bicycle share program will promote the spirit of collaboration between U. T. M. D. Anderson Cancer Center and U. T. Health Science Center - Houston and the Texas Medical Center (TMC), the City of Houston, and their institutions while improving the experience of students, employees, patients, and other visitors to the TMC corridor in Houston, Texas.

The amendment authorizes bicycles provided by a bicycle share program on U. T. System owned or controlled property, streets, or sidewalks to display advertisements.

This Agenda Item was reviewed by the U. T. System institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

8. U. T. System Board of Regents: Discussion and appropriate action regarding proposed rescission of Regents' *Rules and Regulations*, Rules 10801, Section 3 concerning U. T. Systemwide Policy UTS139; 40902 concerning cooperative use of courses and facilities; 50301 concerning off-campus student housing; 50303 concerning students' responsibilities for debts, transferring Section 2 regarding penalties for nonpayment to 50101 regarding student conduct and discipline; 50305 concerning the role of an institutional Students' Attorney; 50801 concerning student learning outcomes assessments; and 80308 concerning building plaques

The Board authorized revisions of the Regents' *Rules and Regulations* as follows:

- a. Revise Rule 10801 (Policy on Transparency, Accountability, and Access to Information) to delete Section 3 (Compliance with the Texas Public Information Act), concerning required Board approval of changes to The University of Texas Systemwide Policy UTS139 on the handling of public information requests;
- b. Rescind Rule 40902 (Guidelines for Cooperative Use of Courses and Facilities with Texas A&M University);
- c. Rescind Rule 50301 (Off-Campus Student Housing);
- d. Rescind Rule 50303 (Debts of Students), transferring Section 2 regarding penalties for nonpayment to Rule 50101 (Student Conduct and Discipline);
- e. Rescind Rule 50305 (Employment of a Students' Attorney);
- f. Rescind Rule 50801 (Student Learning Outcomes Assessment); and
- g. Rescind 80308 (Inscriptions on Building Plaques).

For the record, the rescinded Rules as provided to members of the Board in advance of the meeting are set forth on Pages 27 - 46.

The Regents' Rules are continuously reviewed by the Office of the Board of Regents and others within U. T. System Administration and at the U. T. institutions in an effort to identify revisions needed as the result of changes in underlying legal requirements as well as changes that will effect the most efficient oversight of the U. T. System

without undue administrative burden. The Rules identified are not required by law and, while useful at other points in institutional history, have been identified as no longer relevant to the Board's governance of the U. T. System.

Section 3 of Rule 10801 sets forth the Board's well-understood expectation of compliance with state law and involves an unusual requirement concerning Board involvement in U. T. Systemwide Policy UTS139, which details the requirements for compliance with the Texas Public Information Act by System Administration and all U. T. institutions. Deletion of this provision gives the Chancellor latitude to amend the policy as needed, consistent with state law, and to maintain a more appropriate balance between the requirements of Systemwide Policies and Regents' Rules.

Rule 40902, regarding the guidelines for cooperative use of courses and facilities for graduate education at the U. T. System and The Texas A&M University System, is better handled with individualized agreements between the two participating institutions, when needed, rather than through a governing board rule.

Rule 50301, regarding off-campus housing, contained restrictive language identified as an unnecessary inclusion in Board policy.

Rule 50303, Section 1, regarding student debt, restated well-understood expectations regarding the responsibilities of individual students and student organizations in their commercial transactions. Section 2 outlined penalties for nonpayment that was moved in full to Rule 50101, regarding student conduct and discipline.

Rule 50305, regarding the limitations on the role of an attorney hired to serve as a Students' Attorney, was identified as unneeded as a governing board rule.

Rule 50801 was added in 2015 at the request of the Board to assure attention to the assessment of student learning outcomes. The Rule duplicated requirements of the Texas Higher Education Coordinating Board regarding core curriculum learning assessment and general requirements of the Southern Association of Colleges and Schools (SACS) for assessment of learning outcomes. All U. T. institutions are actively engaged in assessment, and both external entities perform periodic, substantive reviews of institutional assessment plans. This deletion was requested by the Office of Academic Affairs.

Rule 80308, regarding the appropriate inscriptions on building plaques within the U. T. System, became a routine part of building practice and was identified as no longer necessary.

This Agenda Item was reviewed by the U. T. System institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

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

**Rule: 10801**

**1. Title**

Policy on Transparency, Accountability, and Access to Information

**2. Rule and Regulation**

Sec. 1 The Board of Regents and U. T. System Administration are committed to enhancing transparency, accountability, and access and disclosure of information to the public, the media, elected and appointed state and federal officials, and executive policy makers.

Sec. 2 To assist in achieving these goals, the Board wishes to provide maximum transparency to the public and its representatives to the fullest extent allowed by law while ensuring compliance with best governance practices and appropriate protection of confidential information and personal privacy. The Board acknowledges significant U. T. System leadership and progress in expanding access and transparency, supports these ongoing efforts, and recognizes that the efforts will require continuing and long-term commitment.

~~Sec. 3 Compliance with Texas Public Information Act (TPIA). The Board requires all U. T. System Administration, U. T. System institutional employees, and members of the Board to comply fully with the requirements of the Texas Public Information Act (TPIA) and to respond thoroughly, appropriately, and in accordance with State and federal laws to all lawful requests as detailed in U. T. Systemwide Policy UTS139. Any substantive changes to UTS139 require approval by the Board.~~

~~The Board expects all employees to work to achieve and maintain an environment of transparency, cooperation, and compliance with applicable law and policy. The Board will support staffing levels and acquisition of resources necessary and reasonable to implement and achieve the intent of this Rule.~~

Sec. 43 Enhancement of Access to and Analysis of Data and Information.

43.1 Importance of Data Collection, Retention, and Analysis.  
The U. T. System recognizes and supports the importance of data collection, retention, and analysis for purposes such as reviewing System operations and policies, guiding

decision-making, improving productivity and efficiency, and evaluating performance outcomes.

**43.2** Increase in the Amount of Data Available. The U. T. System recognizes that the amount of significant data being accumulated by the U. T. System and U. T. System institutions is expanding exponentially each year. The System further recognizes that current data collection and management systems in use are not sufficient to effectively manage and utilize all data becoming available.

**43.3** Opportunities for Additional Enhancements. The U. T. System is continually looking for ways to enhance the performance of its institutions, to support access and success for all students, to improve educational outcomes, and to remain a national leader in providing access to data. As such, the U. T. System is committed to continue collecting additional data and finding and utilizing new, better and more expansive systems and software with which to manage and access these data. These improved systems and new software will greatly improve the ability to generate better informed decisions to enhance student success, to increase productivity and efficiency, and to facilitate access to and analysis of the data.

**43.4** Framework for Advancing Excellence. The Framework, established in 2011, implemented a centralized data warehouse for the purposes of evaluating the progress of U. T. System institutions in achieving the goals set forth in the Framework. The data warehouse is a central source of information for the U. T. System Dashboard, which specifically supports the goals of transparency and efficiency as expressed in the Framework.

(Framework url:

<https://www.utsystem.edu/chancellor/speeches/a-framework-for-advancing-excellence-throughout-the-university-of-texas-system>)

**43.5** Information Accessible through Data Dashboard. The U. T. System Dashboard provides a rolling 10 years (where available) of data on the performance of all U. T. System institutions and is available free to the public. The Dashboard provides important data and metrics

concerning students, faculty, research and technology transfer, health care, and productivity and efficiency.

(Dashboard url: <http://data.utsystem.edu/>)

Sec. **54** Processing Information Requests.

**54.1** Requests by Members of the Public. To enhance transparency, U. T. System institutions and U. T. System Administration are expected to act in strict compliance with the Texas Public Information Act (TPIA) and applicable State and federal law in providing public access to governmental records.

**54.2** Requests by Representatives of the Media. In addition to the public right of access to information through the TPIA, representatives of the media may utilize U. T. System Administration and institutional offices of external relations as an additional resource for questions.

**54.3** Requests by Members of the Texas Legislature. The TPIA provides members of the Texas Legislature a special right of access to information needed for legislative purposes. U. T. System Administration and institutional offices of governmental affairs serve as additional resources for questions from members of the Legislature.

**54.4** Requests by Members of the Board of Regents and Chancellor.

**54.4.1** This process is not intended nor will it be implemented to prevent a member of the Board of Regents or the Chancellor from access to information or data necessary for the Board member or the Chancellor to fulfill his or her official duties and responsibilities.

**54.4.2** Except for a request processed under Subsection 5.4.4, requests by an individual Regent for information shall be submitted to the Chancellor in writing by the requesting Regent, with a copy to the Board Chairman and General Counsel to the Board. An individual Regent's written request for information shall identify, with specificity, the need

for the information requested and shall provide a requested deadline for response if the request is time-sensitive.

- 54.4.3 Information requests from or on behalf of an individual member of the Board of Regents seeking the compilation of significant quantities of information or data from the U. T. System or from a U. T. System institution will be reviewed by the Chairman of the Board and the Chancellor and, if necessary, discussed with the requesting Regent to determine the appropriate scope of the request and timing of the response to avoid inefficiencies and duplication of effort but shall also ensure that requests are fulfilled in a timely manner consistent with applicable law and policy.
- 54.4.4 Smaller requests for existing information or data that do not appear to require significant time or effort may be processed through the Office of the Board of Regents and the Chancellor's Office.
- 54.4.5 Within 5 business days of the receipt of a Regent's information request, the Chancellor's Office will provide the requesting Regent with an estimated date for delivery or production. The Board requires all U. T. System Administration and U. T. System institutional employees to respond thoroughly and appropriately to requests for information from a member of the Board or the Chancellor, without undue delay. In the rare circumstance when the Chairman or the Chancellor has concerns about a Regent's request, the matter will be discussed with the Regent within 5 business days of receipt of the request. If concerns about a request for information or data are unresolved following discussion with the Regent, the matter will be presented to the Board as quickly as possible, but in no event later than the next regular Board meeting following the date of the receipt of the request. For the purpose of a Board vote on this issue, the vote of a majority of the members of the Board in support of the request is sufficient to direct that the request will be filled without delay.

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

**Rule: 10801**

**54.4.6** After consultation with the Chairman of the Board, the Chancellor may adopt reasonable procedures with regard to the timing, copying, and process for review of records by a Regent, including prohibiting the copying of any confidential material. In addition, the Chancellor, in consultation with the U. T. System General Counsel, shall determine whether State or federal law restricts compliance with the request. Accordingly, the Chancellor, in consultation with the U. T. System General Counsel, shall determine whether a Regent may review information that is protected by the Family Educational Rights and Privacy Act ([20 U.S.C. §1232g](#); [34 CFR Part 99](#)), by constitutional privacy, or by other State or federal law.

Sec. **65** Access to Requests for Information.

**65.1** The U. T. System Administration is directed to look for opportunities to expand the existing U. T. System websites, established in 2012 to provide public access to requests for information and which include all Texas Public Information Act requests.

([Open Records website: http://www.utsystem.edu/open-records?src=uts-homepage](http://www.utsystem.edu/open-records?src=uts-homepage))

**65.2** It is the intent of the Board that documents responsive to those requests be made available electronically to the extent legal and feasible, with the Chancellor to set timelines for implementation, in consultation with the Chairman.

**3. Definitions**

None

**4. Relevant Federal and State Statutes**

*Texas Government Code* [Chapter 552](#) – Public Information

Family Educational Rights and Privacy Act – [20 U.S.C. § 1232g](#)

[34 Code of Federal Regulations Part 99](#) – Family Educational Rights and Privacy

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

**Rule: 10801**

**5. Relevant System Policies, Procedures, and Forms**

Regents' *Rules and Regulations*, [Rule 10101](#) – Board Authority and Duties

Regents' *Rules and Regulations*, [Rule 10403](#) – Conduct of Meetings of the Board

~~The University of Texas System Administration Policy [UTS139](#) – Texas Public Information Act~~

~~Chancellor Cigarroa's Memo to Executive Officers dated September 22, 2014, regarding compliance with Rule 10801~~

**6. Who Should Know**

Board of Regents  
Administrators  
Employees

**7. System Administration Office(s) Responsible for Rule**

Office of the Board of Regents

**8. Dates Approved or Amended**

August 24, 2017

Editorial amendments to Sec. 4.4 and 4.5 made September 28, 2015  
May 14, 2015

Editorial amendment to Number 5 made October 14, 2014

Editorial amendment to Sec. 5.4.5 made August 4, 2014

May 20, 2014

February 6, 2014

**9. Contact Information**

Questions or comments regarding this Rule should be directed to:

- [bor@utsystem.edu](mailto:bor@utsystem.edu)

**DELETE THIS RULE 8/24/2017**

**1. Title**

Guidelines for Cooperative Use of Courses and Facilities with Texas A&M University

**2. Rule and Regulation**

Sec. 1 Purpose. Establishment of a simplified procedure for the cooperative use of courses and facilities in graduate education to allow graduate students from The University of Texas System or Texas A&M University to benefit from the laboratory facilities and/or graduate course offerings unique to each institution.

Sec. 2 Background. The following guidelines were developed with representatives from The Texas A&M University System and the concept was approved by the offices of General Counsel in both systems for transmission to the Texas Higher Education Coordinating Board. Participation in the program will be voluntary and operating details will be written by the graduate deans and approved by the presidents of the institutions concerned.

Sec. 3 Cooperative Use. A graduate student from one institution may study at a cooperating institution with its sister System when there exists a unique educational opportunity related to the student's program and interest (laboratory or course), but only with the consent of the instructor or director of the laboratory and when all concerned recognize that it is in the best interest of all parties. Such arrangements are contingent on space being readily available in the laboratory or course.

Sec. 4 Registration. The graduate student will maintain registration only at the home institution. Credit for any course or work taken at an institution with its sister System will be through student registration in an appropriate course at the home institution (such as graduate special problems). The graduate dean of the sister institution will certify the course grade to the graduate dean of the home institution by letter or on a form adopted for this purpose.

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

**Rule: 40902**

- Sec. 5 Compliance. Graduate students doing work at a sister System institution will comply with all appropriate rules of the sister institution.
- Sec. 6 Fees. Graduate students will pay all applicable fees at the home institution, but none at the cooperating sister system institution. It is anticipated that the number of students participating in this program will be small and that the paperwork associated with money exchanges will not justify such a practice.
- Sec. 7 Financial Assistance. Students on a fellowship or receiving financial assistance at the home institution may continue receiving such assistance, if otherwise appropriate, while doing research in a laboratory or taking courses with its sister system institution, but will not at the same time receive financial support from the sister system institution. The cooperating sister system institution assumes no financial responsibility for the student.
- Sec. 8 Operating Details. Other operating details which may be needed will be worked out within these guidelines by the graduate deans of the individual cooperating institutions with the approval of the presidents of the institutions concerned.

**3. Definitions**

None

**4. Relevant Federal and State Statutes**

None

**5. Relevant System Policies, Procedures, and Forms**

*Regents' Rules and Regulations, [Rule 50701](#) – Visiting U. T. System Students Program*

**6. Who Should Know**

Administrators  
Faculty  
Students

**7. System Administration Office(s) Responsible for Rule**

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

**Rule: 40902**

Office of Academic Affairs

**8. Dates Approved or Amended**

December 10, 2004

**9. Contact Information**

Questions or comments regarding this Rule should be directed to:

- [bor@utsystem.edu](mailto:bor@utsystem.edu)

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

**Rule: 50101**

**1. Title**

Student Conduct and Discipline

**2. Rule and Regulation**

Sec. 1 Standards of Conduct. All students are expected and required to obey federal, State, and local laws; to comply with the Regents' *Rules and Regulations*, with The University of Texas System and institutional rules and regulations, and with directives issued by administrative officials of the U. T. System or U. T. System institution in the course of their authorized duties; and to observe standards of conduct appropriate for an academic institution.

Sec. 2 Institutional Rules. Each U. T. System institution shall adopt rules and regulations concerning student conduct and discipline. Such rules shall be in accordance with a model policy developed by the Office of General Counsel that complies with State and federal law, Regents' Rules, and U. T. System policies. Institutional rules shall become effective upon review and approval by the Executive Vice Chancellor for Health Affairs or the Executive Vice Chancellor for Academic Affairs, as appropriate, and by the Vice Chancellor and General Counsel. Each student is deemed to have notice of the provisions of the Regents' *Rules and Regulations* and institutional policies.

Sec. 3 Penalties for Nonpayment of Student Debt. In the event of nonpayment to the U. T. System, one or more of the following actions may be taken: (a) a bar against readmission for the student; (b) withholding of the student's grades and official transcript; (c) withholding of a degree to which the student otherwise would be entitled.

**3. Definitions**

None

**4. Relevant Federal and State Statutes**

*Texas Education Code* [Section 51.936](#) – Hazing

*Texas Education Code* [Section 37.151](#) et seq. – Definitions

**5. Relevant System Policies, Procedures, and Forms**

[Model Policy for Student Conduct and Discipline](#)

**6. Who Should Know**

Administrators  
Dean of Students  
Hearing Officers  
Students  
Office of General Counsel

**7. System Administration Office(s) Responsible for Rule**

Office of Academic Affairs  
Office of Health Affairs

**8. Dates Approved or Amended**

[August 24, 2017](#)

Editorial amendments to Numbers 4 and 5 made October 22, 2013  
May 3, 2012  
August 14, 2008  
December 10, 2004

**9. Contact Information**

Questions or comments regarding this Rule should be directed to:

- [bor@utsystem.edu](mailto:bor@utsystem.edu)

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

**Rule: 50301**

**DELETE THIS RULE 8/24/2017**

**1. Title**

Off-Campus Student Housing

**2. Rule and Regulation**

Sec. 1 Approved Housing Status. The institutions of The University of Texas System will not extend Approved Housing status to any student residential units except those directly operated by the System. Each student at an institution will have free choice in the selection of his or her residential accommodations not operated by the University, subject to parietal rules.

**3. Definitions**

None

**4. Relevant Federal and State Statutes**

None

**5. Relevant System Policies, Procedures, and Forms**

None

**6. Who Should Know**

Administrators  
Students

**7. System Administration Office(s) Responsible for Rule**

Office of Academic Affairs  
Office of Health Affairs

**8. Dates Approved or Amended**

December 10, 2004

**9. Contact Information**

Questions or comments regarding this Rule should be directed to:

- bor@utsystem.edu

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

**Rule: 50303**

**MOVE SEC. 2 TO RULE 50101 and DELETE THIS RULE 8/24/2017**

**1. Title**

Debts of Students

**2. Rule and Regulation**

Sec. 1 Student Responsibilities. The University of Texas System is not responsible for debts contracted by individual students or by student organizations. However, students and student organizations are expected to conduct themselves honorably in all commercial transactions. The U. T. System will not assume the role of a collection agency except for monies owed to the System, nor will the System adjudicate disputes between students and creditors over the existence or the amounts of debts.

Sec. 2 Penalties for Nonpayment. In the event of nonpayment to the U. T. System, one or more of the following actions may be taken: (a) a bar against readmission for the student; (b) withholding of the student's grades and official transcript; (c) withholding of a degree to which the student otherwise would be entitled.

**3. Definitions**

None

**4. Relevant Federal and State Statutes**

None

**5. Relevant System Policies, Procedures, and Forms**

None

**6. Who Should Know**

Administrators  
Students

**7. System Administration Office(s) Responsible for Rule**

Office of Academic Affairs

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

**Rule: 50303**

Office of Health Affairs

**8. Dates Approved or Amended**

December 10, 2004

**9. Contact Information**

Questions or comments regarding this Rule should be directed to:

- [bor@utsystem.edu](mailto:bor@utsystem.edu)

**DELETE THIS RULE 8/24/2017**

**1. Title**

Employment of a Students' Attorney

**2. Rule and Regulation**

Sec. 1 Limitation on Representation. If an attorney is retained in any manner by an institution or by a Students' Association or other agency of student government or other agency of an institution of The University of Texas System to serve as a students' attorney, said attorney shall not act as counsel of record nor represent any student, faculty member, or staff member; any group or combination of students, faculty members, or staff members; or System Administration or any institution of the System:

1.1 In any matter that requires an administrative decision to be made by any officer, committee, board, or agency of an institution of the U. T. System, the System, or the Board of Regents.

1.2 At any stage of any felony criminal proceeding in any court, or if a student suspect is attending the same campus as the victim of the alleged crime. Further, no representation is to be provided at trial if the detention or arrest involved university police.

1.3 At any stage of any civil proceeding in any federal, State, county, or local court where such proceeding is directly or indirectly against or antagonistic to the interests of the U. T. System or any institution thereof, or against or antagonistic to the interests of any person who is sued in his or her official capacity as an officer of the System or any institution thereof.

Sec. 2 Contracts Subject to Rules. Any contract or agreement for legal services entered into by a students' association or other agency of student government or other agency of an institution with an attorney whose remuneration will be paid from funds under the control and management of the Board of Regents, including funds from student fees whether compulsory or voluntary, is

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

**Rule: 50305**

expressly subject to the applicable provisions of the Regents'  
*Rules and Regulations.*

**3. Definitions**

None

**4. Relevant Federal and State Statutes**

None

**5. Relevant System Policies, Procedures, and Forms**

None

**6. Who Should Know**

Administrators  
Students

**7. System Administration Office(s) Responsible for Rule**

Office of General Counsel

**8. Dates Approved or Amended**

Editorial amendment made July 26, 2017  
December 10, 2004

**9. Contact Information**

Questions or comments regarding this Rule should be directed to:

- [bor@utsystem.edu](mailto:bor@utsystem.edu)

**DELETE THIS RULE 8/24/2017**

**1. Title**

Student Learning Outcomes Assessment

**2. Rule and Regulation**

Sec. 1 Board Commitment. The Board of Regents and U. T. System Administration are committed to continuous improvement for the purpose of establishing best practices as a means of ensuring institutional effectiveness and ongoing enhancement of all academic programs. Assessing student learning -- the outcomes of an institution's educational programs -- is at the heart of these efforts.

Sec. 2 Purpose. The purpose of this Rule is (a) to ensure that U. T. System institutions design and implement appropriate strategies for assessing student learning outcomes and for the use of assessment findings for continuous improvement of teaching and learning, and (b) to set forth principles and guidelines for the implementation of learning outcomes assessment at U. T. System institutions.

Sec. 3 Principles and Guidelines.

3.1 Student learning outcomes assessment will be used to inform the continuous improvement of teaching and learning in all degree programs offered at each U. T. System institution.

3.2 Assessment of student learning outcomes at the program level are to be designed, implemented, and interpreted by the faculty most directly associated with the program.

Rationale. Outcomes assessment is based on explicit learning goals or expectations associated with particular educational programs. It involves the systematic collection and analysis of data -- both qualitative and quantitative -- to determine how well student performance matches goals or expectations. The major purpose of outcomes assessment is to improve student learning.

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

**Rule: 50801**

Sec. 4 Requirements.

- 4.1 U. T. System institutions shall develop and implement methods for assessing student learning outcomes in all undergraduate, graduate, and professional programs with the expectation of establishing best practices.
- 4.2 Assessment findings will be systematically analyzed and used as a basis for making changes in curriculum, instruction, advising, or other aspects of an educational program to improve student learning and success.

Sec. 5 Implementation and Reporting.

- 5.1 Implementation of this Rule at the U. T. System institutions is to be consistent with the *Principles of Accreditation: Foundations for Quality Enhancement* as promulgated by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC).
- 5.2 On a schedule that aligns with its reaffirmation of accreditation with SACSCOC, each institution shall submit an assessment report on student learning outcomes to the Office of Academic Affairs or to the Office of Health Affairs.

**3. Definitions**

None

**4. Relevant Federal and State Statutes**

None

**5. Relevant System Policies, Procedures, and Forms**

None

**6. Who Should Know**

Presidents and Provosts/Chief Academic Officers  
Chancellor, Deputy Chancellor, and Executive Vice Chancellors  
Board of Regents

**7. System Administration Office(s) Responsible for Rule**

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

**Rule: 50801**

Office of Academic Affairs  
Office of Health Affairs

**8. Dates Approved or Amended**

Editorial amendment to Number 6 made July 13, 2015  
May 14, 2015

**9. Contact Information**

Questions or comments regarding this Rule should be directed to:

- [bor@utsystem.edu](mailto:bor@utsystem.edu)

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

**Rule: 80308**

**DELETE THIS RULE 8/24/2017**

**1. Title**

Inscriptions on Building Plaques

**2. Rule and Regulation**

Sec. 1 Content and Format. The Board of Regents authorizes the Chancellor to approve inscriptions on building plaques within The University of Texas System, which are in conformity with the content and format below:

BUILDING NAME  
20\_\_  
(Year of Notice to Proceed)

BOARD OF REGENTS

Name, Chairman	Name, Chancellor, The University of Texas System
Name, Vice Chairman	Name, President, The University of Texas (Institution)
Name, Vice Chairman	Name, Project Advocate
Name, Regent	Name, Project Architect
Name, Regent	Name, Contractor
Name, Regent	
Name, Student Regent	

**3. Definitions**

None

**4. Relevant Federal and State Statutes**

None

**5. Relevant System Policies, Procedures, and Forms**

None

**6. Who Should Know**

Administrators

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

**Rule: 80308**

**7. System Administration Office(s) Responsible for Rule**

Office of External Relations

**8. Dates Approved or Amended**

Editorial amendment made September 1, 2016

Editorial amendment made July 7, 2016

December 10, 2004

**9. Contact Information**

Questions or comments regarding this Rule should be directed to:

- [bor@utsystem.edu](mailto:bor@utsystem.edu)

Additional item posted with the Secretary of State: U. T. System Board of Regents: Discussion and possible appropriate action regarding proposed appointment to the Board of Directors of The University of Texas/Texas A&M Investment Management Company (UTIMCO)

Chairman Foster stated that an additional item was posted with the Secretary of State regarding an appointment to The University of Texas/Texas A&M University Investment Management Company (UTIMCO) Board of Directors. Upon recommendation of Chairman Foster and Vice Chairman Hildebrand, as Chairman of the UTIMCO Board, Robert P. Gauntt, Founding and Managing Partner at Avalon Advisors, LLC, was appointed to the UTIMCO Board effective immediately for a term to expire on April 1, 2020.

RECESS TO FINANCE AND PLANNING COMMITTEE MEETING.--From 9:45 a.m. - 10:00 a.m., the Board recessed for an additional meeting of the Finance and Planning Committee to consider an item deferred by the Committee on August 23, 2017 (see Agenda Item 10 on Page 92).

RECONVENE THE BOARD FOR STANDING COMMITTEE REPORTS AND RECOMMENDATIONS TO THE BOARD.--At 10:00 a.m., Chairman Foster announced the Board would hear the reports and recommendations of the Standing Committees, which are set forth on Pages 49 - 152.

REPORT AND RECOMMENDATION OF THE AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE (Page 49).--Committee Chairman Aliseda reported that the Audit, Compliance, and Risk Management Committee met in Open Session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. The action set forth in the Minute Order that follows was recommended by the Audit, Compliance, and Risk Management Committee and approved in Open Session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. System: Report and discussion on Information Security Program

This item was for consideration only by the Committee.

3. U. T. System: Approval of the U. T. Systemwide Annual Internal Audit Plan for Fiscal Year 2018

The Board approved the University of Texas Systemwide Annual Audit Plan for Fiscal Year 2018. Development of the Audit Plan was based on risk assessments performed at each institution and implementation of the Audit Plan will be coordinated with the institutional auditors.

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

4. U. T. System: Report on Audits of the Systemwide Cancer Prevention and Research Institute of Texas Grants

This item was for consideration only by the Committee.

5. U. T. System: Report on Systemwide internal audit activities, including an update on organizational changes and the status of External Quality Assessments, Priority Findings and Annual Audit Plan

This item was for consideration only by the Committee.

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 50 - 101).--Committee Chairman Hildebrand reported that the Finance and Planning Committee met in Open Session to consider the matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Finance and Planning Committee and approved in Open Session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. System: Key Financial Indicators Report and Monthly Financial Report

This item was for consideration only by the Committee.

3. U. T. System Board of Regents: Adoption of resolutions authorizing certain bond enhancement agreements for Revenue Financing System debt and Permanent University Fund debt, including ratification of U. T. System Interest Rate Swap Policy

The Board of Regents adopted resolutions substantially in the form set out on the following pages (the Resolutions) authorizing appropriate officers of The University of Texas System to enter into bond enhancement agreements related to its Revenue Financing System (RFS) and Permanent University Fund (PUF) debt programs in accordance with the U. T. System Interest Rate Swap Policy and to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents.

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

The U. T. System Interest Rate Swap Policy was approved by the Board of Regents as a Regental Policy on February 13, 2003, and was incorporated into the Regents' *Rules and Regulations*, Rule 70202, on December 10, 2004. The Rule was subsequently amended on August 23, 2007. Section 1371.056(l) of the *Texas Government Code* requires that while an interest rate management agreement transaction is outstanding, the governing body of the issuer shall review and ratify or modify its related risk management policy at least biennially.

On August 25, 2016, the Board approved bond enhancement agreement resolutions for Fiscal Year (FY) 2017. This item authorizes the execution of bond enhancement agreement transactions related to RFS and PUF debt in accordance with the U. T. System Interest Rate Swap Policy for FY 2018 and will ratify the existing U. T.

System Interest Rate Swap Policy, set out as Exhibit B, as required by *Texas Government Code* Section 1371.056. The determination to utilize bond enhancement agreements will be made based on market conditions at the time of pricing the related debt issuance. The Chancellor and the Chairman of the Board's Finance and Planning Committee will be informed in advance of any proposed transactions to be undertaken pursuant to the resolutions.

**A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF BOND ENHANCEMENT AGREEMENTS RELATING TO REVENUE FINANCING SYSTEM DEBT AND AUTHORIZING AND APPROVING OTHER INSTRUMENTS AND PROCEDURES RELATING TO SAID AGREEMENTS**

August 24, 2017

**WHEREAS**, the Board of Regents (the "Board") of The University of Texas System (the "System") is the governing body of the System, an institution of higher education under the *Texas Education Code* and an agency of the State of Texas; and

**WHEREAS**, on February 14, 1991, the Board adopted the First Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System and amended such resolution on October 8, 1993, and August 14, 1997 (referred to herein as the "Master Resolution"); and

**WHEREAS**, unless otherwise defined herein, terms used herein shall have the meaning given in the Master Resolution or as set forth in Exhibit A hereto; and

**WHEREAS**, the Master Resolution establishes the Revenue Financing System comprised of the institutions now or hereafter constituting components of the System that are designated "Members" of the Financing System by action of the Board and pledges the Pledged Revenues attributable to each Member of the Financing System to the payment of Parity Debt to be outstanding under the Master Resolution; and

**WHEREAS**, the Board has adopted Supplemental Resolutions to the Master Resolution authorizing the issuance of Parity Debt thereunder as special, limited obligations of the Board payable solely from and secured by a lien on and pledge of Pledged Revenues pledged for the equal and proportionate benefit and security of all owners of Parity Debt; and

**WHEREAS**, the Board has previously entered into certain Executed Master Agreements (as defined herein) with certain counterparties setting forth the terms and conditions applicable to each Confirmation (as defined herein) executed or to be executed thereunder; and

**WHEREAS**, the Board hereby desires to ratify and approve the System's Interest Rate Swap Policy, a copy of which is attached hereto as Exhibit B, and to severally authorize each Authorized Representative (as defined in the System's Interest Rate Swap Policy) to enter into Bond Enhancement Agreements (as defined herein) from time to time, all as provided in this Resolution.

**NOW THEREFORE BE IT RESOLVED**, that

**SECTION 1. DEFINITIONS.** In addition to the definitions set forth in the preamble of this Resolution, the terms used in this Resolution and not otherwise defined shall have the meanings given in the Master Resolution or in Exhibit A to this Resolution attached hereto and made a part hereof.

**SECTION 2. AUTHORIZATION OF BOND ENHANCEMENT AGREEMENTS.**

(a) Delegation. Each Authorized Representative is hereby severally authorized to act on behalf of the Board in accepting and executing new or amended confirmations under one or more of the Master Agreements (each, a "Confirmation", and collectively with the applicable Master Agreement, a "Bond Enhancement Agreement") when, in his or her judgment, the execution of such Confirmation is consistent with this Resolution and the System's Interest Rate Swap Policy (except to the extent provided for in

Section 2(h) hereof) and either (i) the transaction is expected to reduce the net interest to be paid by the Board with respect to any then outstanding Parity Debt or Parity Debt anticipated to be issued in the future over the term of the Bond Enhancement Agreement or (ii) the transaction is in the best interests of the Board given the market conditions at that time. Prior to entering into any such transaction, an Authorized Representative must deliver to the General Counsel of the Board a certificate setting forth the determinations of the Authorized Representative in connection with the foregoing. Each Authorized Representative is also severally authorized to execute any required novation agreement related to the execution and delivery of a new or amended Confirmation undertaken in conjunction with the novation of an existing Confirmation. The delegation to each Authorized Representative to execute and deliver Bond Enhancement Agreements on behalf of the Board under this Resolution shall expire on September 1, 2018.

(b) Authorizing Law and Treatment as Credit Agreement. The Board hereby determines that any such Bond Enhancement Agreement entered into by an Authorized Representative pursuant to this Resolution is necessary or appropriate to place the Board's obligations with respect to its outstanding Parity Debt or Parity Debt anticipated to be issued in the future on the interest rate, currency, cash flow or other basis set forth in such Bond Enhancement Agreement as approved and executed on behalf of the Board by an Authorized Representative. Each Bond Enhancement Agreement constitutes a "Credit Agreement" as defined in the Master Resolution and a "bond enhancement agreement" under Section 65.461 of the *Texas Education Code*, as amended ("Section 65.461"). Pursuant to Section 65.461, a Bond Enhancement Agreement authorized and executed by an Authorized Representative under this Resolution shall not be considered a "credit agreement" under Chapter 1371 of the *Texas Government Code*, as amended ("Chapter 1371"), unless specifically designated as such by such Authorized Representative. In the event an Authorized Representative elects to treat a Bond Enhancement Agreement authorized by this Resolution as a "credit agreement" under Chapter 1371 and this Resolution has not previously been submitted to the Attorney General by an Authorized Representative, such Authorized Representative shall submit this Resolution to the Attorney General for review and approval in accordance with the requirements of Chapter 1371 as the proceedings authorizing Bond Enhancement Agreements entered into by the Board pursuant to this Resolution.

(c) Maximum Term. The maximum term of each Bond Enhancement Agreement authorized by this Resolution shall not exceed the maturity date of the then outstanding related Parity Debt or the related Parity Debt anticipated to be issued in the future, as applicable.

(d) Notional Amount. The notional amount of any Bond Enhancement Agreement authorized by this Resolution shall not at any time exceed the aggregate principal amount of the then outstanding related Parity Debt and related Parity Debt anticipated to be issued in the future, as applicable; provided that the aggregate notional amount of multiple Bond Enhancement Agreements relating to the same Parity Debt may exceed the principal amount of the related Parity Debt if such Bond Enhancement Agreements are for different purposes, as evidenced for example by different rates for calculating payments owed, and the aggregate notional amount of any such Bond Enhancement Agreements for the same purpose otherwise satisfies the foregoing requirements.

(e) Early Termination. Except as provided in the following sentence, no Confirmation entered into pursuant to this Resolution shall contain early termination provisions at the option of the counterparty except upon the occurrence of an event of default or an additional termination event, as prescribed in the applicable Master Agreement. With respect to a Bond Enhancement Agreement described in Section 4(a)(4), each Authorized Representative is hereby severally authorized to include early termination provisions at the option of the counterparty in a Confirmation for such a transaction if, in his or her judgment, such provisions are in the best interests of the Board given the market conditions at that time. In addition to subsections (a) and (b) of Section 6 hereof, each Authorized Representative is hereby

severally authorized to terminate any Bond Enhancement when, in his or her judgment, such termination is in the best interests of the Board given the market conditions at that time.

(f) Maximum Rate. No Bond Enhancement Agreement authorized by this Resolution shall be payable at a rate greater than the maximum rate allowed by law.

(g) Credit Enhancement. An Authorized Representative may obtain credit enhancement for any Bond Enhancement Agreement if such Authorized Representative, as evidenced by a certificate delivered to the General Counsel to the Board, has determined that after taking into account the cost of such credit enhancement, such credit enhancement will reduce the amount payable by the Board pursuant to such Bond Enhancement Agreement; provided that the annual cost of credit enhancement on any Bond Enhancement Agreement entered into pursuant to this Resolution may not exceed 0.50% of the notional amount of such Bond Enhancement Agreement.

(h) Deutsche Bank Credit Rating. Notwithstanding anything else in this Resolution or the System's Interest Rate Swap Policy to the contrary, an Authorized Representative is authorized specifically to execute a Bond Enhancement Agreement described in Section 4(a)(4) with Deutsche Bank AG, New York Branch ("Deutsche Bank"), provided that if Deutsche Bank does not have a long term rating of at least A/A2, any new Bond Enhancement Agreements executed with Deutsche Bank AG shall require Deutsche Bank to post collateral for the benefit of the Board at a zero threshold as security for Deutsche Bank's obligations under such Bond Enhancement Agreement. The Board hereby finds that entering into a Bond Enhancement Agreement contemplated by this subsection would constitute a beneficial transaction for the System and would be in the best interest of the Board, and upon the execution of such a Bond Enhancement Agreement, the Board hereby deems the System's Interest Rate Swap Policy to be amended to permit such a Bond Enhancement Agreement. Additionally, the Board's current Bond Enhancement Agreements with Deutsche Bank executed pursuant to the Board's resolution dated January 11, 2017 are hereby found to be within the System's Interest Rate Swap Policy as amended in accordance with Section 2(h) of such resolution.

**SECTION 3. BOND ENHANCEMENT AGREEMENTS AS PARITY DEBT**. The costs of any Bond Enhancement Agreement and the amounts payable thereunder shall be payable out of Pledged Revenues and each Bond Enhancement Agreement shall constitute Parity Debt under the Master Resolution, except to the extent that a Bond Enhancement Agreement provides that an obligation of the Board thereunder shall be payable from and secured by a lien on Pledged Revenues subordinate to the lien securing the payment of the Parity Debt. The Board determines that this Resolution shall constitute a Supplemental Resolution to the Master Resolution and as required by Section 5(a) of the Master Resolution, the Board further determines that upon the delivery of the Bond Enhancement Agreements authorized by this Resolution it will have sufficient funds to meet the financial obligations of the System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System and that the Members on whose behalf such Bond Enhancement Agreements are entered into possess the financial capacity to satisfy their Direct Obligations after taking such Bond Enhancement Agreements into account.

**SECTION 4. AUTHORIZATION FOR SPECIFIC TRANSACTIONS**. (a) In addition to the authority otherwise granted in this Resolution, each Authorized Representative is hereby severally granted continuing authority to enter into the following specific transactions pursuant to a Confirmation (or other agreement or instrument deemed necessary by an Authorized Representative) upon satisfaction of the following respective conditions:

(1) Floating-to-fixed rate interest rate swap transactions under which the Board would pay an amount based upon a fixed rate of interest and the counterparty would pay an amount based upon a

variable rate of interest with respect to Parity Debt then outstanding bearing interest at a variable rate and Parity Debt anticipated to be issued in the future that will bear interest at a variable rate, as applicable. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that (i) the synthetic fixed rate to the Board pursuant to the swap transaction is lower than the rate available to the Board for comparable fixed rate debt at the time of the swap transaction, and (ii) if the variable rate being paid or expected to be paid by the Board on the applicable Parity Debt is computed on a basis different from the calculation of the variable rate to be received under the swap transaction over the stated term of such swap transaction, the basis risk of the transaction is expected to be minimal based upon historical relationships between such bases.

(2) Fixed-to-floating rate interest rate swap transactions under which the Board would pay an amount based upon a variable rate of interest and the counterparty would pay an amount based upon a fixed rate of interest, with respect to Parity Debt then outstanding bearing interest at a fixed rate and Parity Debt anticipated to be issued in the future that will bear interest at a fixed rate, as applicable. Prior to entering into such transaction an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that converting such portion of fixed rate Parity Debt to a variable rate pursuant to the fixed-to-floating interest rate swap transaction would be beneficial to the System by (i) lowering the anticipated net interest cost on the Parity Debt to be swapped against or (ii) assisting in the System's asset/liability management by matching a portion of its variable rate assets with variable rate Parity Debt.

(3) Basis swap transactions under which the Board would pay a variable rate of interest computed on one basis, such as the Securities Industry and Financial Markets Association Municipal Swap Index, and the counterparty would pay a variable rate of interest computed on a different basis, such as the London Interbank Offered Rate ("LIBOR"), with respect to a designated maturity or principal amount of outstanding Parity Debt and Parity Debt anticipated to be issued in the future, as applicable. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that by entering into the basis swap transaction the Board is expected to be able to (i) achieve spread income or upfront cash payments, (ii) preserve call option and advance refunding capability on its Parity Debt, (iii) lower net interest cost by effecting a percent of LIBOR synthetic refunding without issuing additional bonds or acquiring credit enhancement, (iv) lower net interest cost on Parity Debt by layering tax risk on top of a traditional or synthetic fixed rate financing, (v) preserve liquidity capacity, or (vi) avoid the mark to market volatility of a fixed-to-floating or floating-to-fixed swap in changing interest rate environments.

(4) Basis swap transactions that are a combination of authority granted under subsections (1) and (2) above under which the Board would pay a variable rate of interest computed on one basis, such as LIBOR, and the counterparty would pay a fixed rate of interest ("Fixed Rate #1"), combined with a swap under which the Board would receive the same variable rate of interest, and the counterparty would receive a fixed rate of interest different than Fixed Rate #1, with respect to a given principal amount of Parity Debt then outstanding or Parity Debt anticipated to be issued in the future. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that by entering into the basis swap transaction the Board is expected to be able to (i) achieve spread income or upfront cash payments, or (ii) lowering the anticipated net interest cost on the related Parity Debt.

(5) Interest rate locks, caps, options, floors, and collars for the purpose of limiting the exposure of the Board to adverse changes in interest rates in connection with outstanding Parity Debt or additional Parity Debt anticipated to be issued in the future. Prior to entering into such a transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that such transaction is expected to limit or eliminate such exposure.

(b) The foregoing is not intended to be a comprehensive list of permissible types of transactions, but rather to specify additional conditions necessary to enter into the specified types of transactions. The requirements of Section 2(a) above shall apply to any transaction not specified in subsection (a) hereof.

**SECTION 5. APPLICATION OF PAYMENTS RECEIVED UNDER BOND ENHANCEMENT AGREEMENTS.**

(a) General. Except as further limited by subsection (b) hereof, to the extent the Board receives payments pursuant to a Bond Enhancement Agreement, such payments shall be applied for any lawful purpose.

(b) Payments under Chapter 1371 Credit Agreements. In the event an Authorized Representative elects to treat a Bond Enhancement Agreement authorized by this Resolution as a "credit agreement" under Chapter 1371 and such Bond Enhancement Agreement is executed and delivered pursuant to Chapter 1371, to the extent that the Board receives payments pursuant to such a Bond Enhancement Agreement, such payments shall be applied as follows: (i) to pay (A) debt service on the Parity Debt or anticipated issuance of Parity Debt related to the Bond Enhancement Agreement, or (B) the costs to be financed by the Parity Debt or anticipated issuance of Parity Debt related to the Bond Enhancement Agreement; provided that, if applicable, such costs shall have been approved for construction by the Board; (ii) to pay other liabilities or expenses that are secured on parity with or senior to the Parity Debt or anticipated issuance of Parity Debt related to the Bond Enhancement Agreement; or (iii) to the extent that costs set forth in (i) and (ii) have been satisfied, for any other lawful purpose.

**SECTION 6. BOND ENHANCEMENT AGREEMENTS IN CONNECTION WITH ANTICIPATED PARITY DEBT.**

(a) Requirement to Terminate or Modify Agreement for Non-issuance of Anticipated Parity Debt. In the event a Bond Enhancement Agreement is entered into under this Resolution in connection with the anticipated issuance of Parity Debt and such Parity Debt is not actually issued on or prior to the effective date of such agreement, an Authorized Representative shall either terminate such Bond Enhancement Agreement or amend such Bond Enhancement Agreement in such event to (i) delay the effective date of such Bond Enhancement Agreement; or (ii) replace such anticipated Parity Debt with any then outstanding Parity Debt having the same types of interest rates (fixed or variable) as the anticipated Parity Debt.

(b) Requirement to Terminate or Modify Agreement for Notional Amount in Excess of Anticipated Parity Debt as Issued. In the event a Bond Enhancement Agreement is entered into under this Resolution in connection with the anticipated issuance of Parity Debt and such Bond Enhancement Agreement has a notional amount that at any time exceeds the principal amount to be outstanding of such anticipated Parity Debt as actually issued, an Authorized Representative shall either terminate such Bond Enhancement Agreement or amend such Bond Enhancement Agreement to (i) reduce the notional amount of such Bond Enhancement as appropriate so that such notional amount does not exceed at any time the principal amount to be outstanding of such anticipated Parity Debt as actually issued or (ii) supplement or replace all or a portion of such anticipated Parity Debt with any then outstanding Parity Debt having the same types of interest rates (fixed or variable) as the anticipated Parity Debt as necessary to ensure that the notional amount of such Bond Enhancement Agreement does not exceed at any time the principal amount of the applicable Parity Debt.

(c) Board Recognition of Anticipated Parity Debt. No Bond Enhancement Agreement may be entered into under this Resolution with respect to the Board's obligations under an anticipated future issuance of Parity Debt unless such anticipated issuance of future debt shall have been recognized by official action of the Board pursuant to (i) the Board's prior adoption of a resolution authorizing the issuance of such debt, including, but not limited to, a resolution delegating the parameters of such issuance to an Authorized Representative or a resolution authorizing the issuance of commercial paper notes, (ii) the Board's prior approval of its then current Capital Improvement Program contemplating the financing of the projects to be financed or refinanced by such anticipated issuance of debt and the amount of such debt to be issued or the Board's other approval of such projects for financing or (iii) the Board's action pursuant to subsection (e) hereof with respect to Parity Debt anticipated to be issued to refund outstanding Parity Debt.

(d) Required Description of Anticipated Parity Debt. To the extent that a Bond Enhancement Agreement is entered into under this Resolution with respect to the Board's obligations under an anticipated future issuance of Parity Debt, an Authorized Representative must also deliver to the General Counsel to the Board at the time such agreement is entered into a certificate with respect to such anticipated Parity Debt stating: (i) the anticipated issuance date of such Parity Debt or a range of anticipated dates of up to six months for such issuance, provided that such date or range of dates may not be more than the lesser of seventy-two (72) months after the date of the applicable Confirmation or the latest date contemplated for the issuance of such Parity Debt in the Board's then current Capital Improvement Program; (ii) whether such Parity Debt will bear interest at a fixed or variable rate; (iii) if such Parity Debt will bear interest at a fixed rate, what fixed interest rate or range of interest rates with respect to such Parity Debt is anticipated; (iv) if such Parity Debt will bear interest at a variable rate, what basis is anticipated to be used to compute such variable rate; (v) the assumed maturity schedule and amortization for such Parity Debt, including the assumed interest cost; (vi) the anticipated purposes for which the proceeds of such Parity Debt will be used; and (vii) for Parity Debt anticipated to be issued for new money projects, a list or description of such projects anticipated to be financed, provided that each such project must be contemplated for financing with Parity Debt by the Board's then current Capital Improvement Program or have otherwise received Board approval for financing.

(e) Board's Statement of Intent to Issue Refunding Debt for Savings. If the conditions in this Resolution are otherwise satisfied, the Board hereby authorizes each Authorized Representative to enter into a Bond Enhancement Agreement in connection with Parity Debt anticipated to be issued for the purpose of advance refunding any existing Parity Debt, provided that as certified by an Authorized Representative to the General Counsel to the Board, such anticipated issue of Parity Debt, when taking into consideration the effect of such Bond Enhancement Agreement, is expected to result in a present value savings in connection with such advance refunding of at least 3.0% (determined in the manner set forth in a supplemental resolution approved by the Board authorizing the issuance of additional Parity Debt), and in such event, the Board hereby declares its intention to cause such Parity Debt to be issued. No such certification or declaration shall be applicable in connection with Parity Debt anticipated to be issued for the purpose of currently refunding any existing Parity Debt within ninety (90) days of the date of issuance of such anticipated Parity Debt.

## **SECTION 7. MASTER AGREEMENTS.**

(a) New Master Agreements. Each Authorized Representative is hereby severally authorized to enter into ISDA Master Agreements (the "New Master Agreements") with counterparties satisfying the ratings requirements of the System's Interest Rate Swap Policy. Such New Master Agreements shall be in substantially the same form as the Executed Master Agreements, with such changes as, in the judgment of an Authorized Representative, with the advice and counsel of the Office of General Counsel and Bond Counsel, are necessary or desirable (i) to carry out the intent of the Board as expressed in this Resolution,

(ii) to receive approval of this Resolution by the Attorney General of the State of Texas, if pursuant Section 2(b) of this Resolution, an Authorized Representative elects to designate any Bond Enhancement Agreement entered into by the Board pursuant to this Resolution as a "credit agreement" under Chapter 1371, (iii) to accommodate the credit structure or requirements of a particular counterparty or (iv) to incorporate comments received or anticipated to be received from any credit rating agency relating to a New Master Agreement. Each Authorized Representative is authorized to enter into such New Master Agreements and to enter into Confirmations thereunder in accordance with this Resolution and in furtherance of and to carry out the intent hereof. If a New Master Agreement entered into pursuant to this subsection replaces a then effective Master Agreement with the same or a related counterparty, each Authorized Representative is hereby severally authorized to terminate such existing Master Agreement upon the New Master Agreement becoming effective and to take and all actions necessary to transfer any Confirmations thereunder to such New Master Agreement.

(b) Amendments to Master Agreements. Each Authorized Representative is hereby further severally authorized to enter into amendments to the Master Agreements to allow Confirmations thereunder to be issued and entered into with respect to any then outstanding Parity Debt or Parity Debt anticipated to be issued in the future and to make such other amendments in accordance with the terms of the respective Master Agreements as in the judgment of such Authorized Representative, with the advice and counsel of the Office of General Counsel and Bond Counsel, are necessary or desirable to allow the Board to achieve the benefits of the Bond Enhancement Agreements in accordance with and subject to the System's Interest Rate Swap Policy and this Resolution.

**SECTION 8. ADDITIONAL AUTHORIZATION; RATIFICATION AND APPROVAL OF SWAP POLICY.**

(a) Additional Agreements and Documents Authorized. Each Authorized Representative and all officers of the Board are severally authorized to execute and deliver such other agreements and documents as are contemplated by this Resolution and the Master Agreements or are otherwise necessary in connection with entering into Confirmations and Bond Enhancement Agreements as described in this Resolution, as any such Authorized Representative or officer shall deem appropriate, including without limitation, officer's certificates, legal opinions, credit support documents and any documentation pursuant to an ISDA DF Protocol, and the execution of any certificates and the filing of any returns with the Internal Revenue Service as may be necessary in the judgment of Bond Counsel with respect to a Bond Enhancement Agreement or the related Parity Debt. Any such actions heretofore taken are hereby ratified, approved and affirmed in all respects.

(b) Further Actions. Each Authorized Representative and all officers of the Board are severally authorized to take all such further actions, to execute and deliver such further instruments and documents in the name and on behalf of the Board to pay all such expenses as in his or her judgment shall be necessary or advisable in order fully to carry out the purposes of this Resolution.

(c) Swap Policy. The Board has reviewed and hereby ratifies, approves and affirms the System's Interest Rate Swap Policy, a copy of which is attached hereto as Exhibit B.

*[Remainder of page intentionally left blank]*

## **EXHIBIT A**

### **DEFINITIONS**

As used in this Resolution the following terms and expressions shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

"Authorized Representative" – As defined in the System's Interest Rate Swap Policy (a copy of which is attached hereto as Exhibit B).

"Board" – The Board of Regents of The University of Texas System.

"Bond Enhancement Agreement" – Collectively, each Confirmation and the applicable Master Agreement.

"Chapter 1371" – Chapter 1371 of the *Texas Government Code*, as amended.

"Confirmation" – Each confirmation entered into by an Authorized Representative on behalf of the Board pursuant to this Resolution.

"Executed Master Agreements" – The following existing and fully executed ISDA Master Agreements currently in effect between the Board and the respective counterparty noted below (copies of which are attached hereto as Exhibit C):

(i) ISDA Master Agreement with Bank of America, N.A., dated as of December 6, 2005;

(ii) ISDA Master Agreement with JPMorgan Chase Bank, National Association, dated as of May 2, 2006;

(iii) ISDA Master Agreement with Merrill Lynch Capital Services, Inc., dated as of May 1, 2006;

(iv) ISDA Master Agreement with Morgan Stanley Capital Services Inc., dated as of December 6, 2005;

(v) ISDA Master Agreement with UBS AG, dated as of November 1, 2007;

(vi) ISDA Master Agreement with Goldman Sachs Bank USA, dated as of August 1, 2009;

(vii) ISDA Master Agreement with Wells Fargo Bank, National Association, dated as of August 21, 2009;

(viii) ISDA Master Agreement with Barclays Bank PLC, dated as of November 4, 2010;

(ix) ISDA Master Agreement with Deutsche Bank AG, New York Branch, dated as of May 1, 2011;

(x) ISDA Master Agreement with Royal Bank of Canada, dated as of June 8, 2011;  
and

(xi) ISDA Master Agreement with Citibank, N.A., dated as of October 26, 2011.

"ISDA" – The International Swaps and Derivatives Association, Inc.

"ISDA DF Protocol" – Any protocol developed by ISDA in response to provisions of the Dodd Frank Wall Street Reform and Consumer Protection Act relating to derivatives.

"LIBOR" – London Interbank Offered Rate.

"Master Agreements" – Collectively, the Executed Master Agreements and any New Master Agreements.

"Master Resolution" – The First Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System adopted by the Board on February 14, 1991, and amended on October 8, 1993, and August 14, 1997.

"New Master Agreements" – Any ISDA Master Agreements entered into by an Authorized Representative pursuant to Section 7(a) of this Resolution.

"Section 65.461" – Section 65.461 of the *Texas Education Code*, as amended.

"System" – The University of Texas System.

**EXHIBIT B**

**INTEREST RATE SWAP POLICY  
OF THE UNIVERSITY OF TEXAS SYSTEM**

[See Regents' *Rules and Regulations*, Rule 70202 titled Interest Rate Swap Policy]

**EXHIBIT C**

**EXECUTED MASTER AGREEMENTS**

[On file with the U. T. System Office of Business Affairs]

**A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF BOND ENHANCEMENT AGREEMENTS RELATING TO PERMANENT UNIVERSITY FUND DEBT AND AUTHORIZING AND APPROVING OTHER INSTRUMENTS AND PROCEDURES RELATING TO SAID AGREEMENTS**

August 24, 2017

**WHEREAS**, the Board of Regents (the “Board”) of The University of Texas System (the “System”) is the governing body of the System, an institution of higher education under the Texas Education Code and an agency of the State of Texas (the “State”); and

**WHEREAS**, the Permanent University Fund is a constitutional fund and public endowment created in the Texas Constitution of 1876, as created, established, implemented and administered pursuant to Sections 10, 11, 11a, 11b, 15 and 18 of Article VII of the Constitution of the State, as amended, and by other applicable present and future constitutional and statutory provisions, and further implemented by the provisions of Chapter 66, *Texas Education Code*, as amended (the “Permanent University Fund”); and

**WHEREAS**, the Available University Fund is defined by the Constitution of the State and consists of distributions made to it from the total return on all investment assets of the Permanent University Fund, including the net income attributable to the surface of Permanent University Fund land, as determined by the Board pursuant to Section 18 of Article VII of the Constitution of the State, as amended (the “Available University Fund”); and

**WHEREAS**, Section 18 of Article VII of the Constitution of the State, as may hereafter be amended (the “Constitutional Provision”), authorizes the Board to issue bonds and notes (“PUF Debt”) not to exceed a total amount of 20% of the cost value of investments and other assets of the Permanent University Fund, exclusive of real estate, at the time of issuance thereof and to pledge all or any part of its two-thirds interest in the Available University Fund (the “Interest of the System”) to secure the payment of the principal of and interest on PUF Debt, for the purpose of acquiring land, constructing and equipping buildings or other permanent improvements, major repair and rehabilitation of buildings and other permanent improvements, acquiring capital equipment and library books and library materials, and refunding bonds or notes issued under the Constitutional Provision or prior law, at or for the System administration and institutions of the System as listed in the Constitutional Provision; and

**WHEREAS**, the Constitutional Provision also provides that out of the Interest of the System in the Available University Fund there shall be appropriated an annual sum sufficient to pay the principal and interest due on PUF Debt, and the remainder of the Interest of the System in the Available University Fund (the “Residual AUF”) shall be appropriated for the support and maintenance of The University of Texas at Austin and the System Administration; and

**WHEREAS**, the Board has previously entered into certain Executed Master Agreements (as defined herein) with certain counterparties setting forth the terms and conditions applicable to each Confirmation (as defined herein) to be executed thereunder; and

**WHEREAS**, the Board hereby desires to ratify and approve the U.T. System’s Interest Rate Swap Policy, a copy of which is attached hereto as Exhibit B, and to severally authorize each Authorized Representative (as defined in the System’s Interest Rate Swap Policy) to enter into Bond Enhancement Agreements (as defined herein) from time to time, all as provided in this Resolution.

**NOW THEREFORE BE IT RESOLVED**, that

**SECTION 1. DEFINITIONS.** Capitalized terms used in this Resolution and not otherwise defined shall have the meanings given in Exhibit A attached hereto and made a part hereof.

**SECTION 2. AUTHORIZATION OF BOND ENHANCEMENT AGREEMENTS.**

(a) Delegation. Each Authorized Representative is hereby severally authorized to act on behalf of the Board in accepting and executing new or amended confirmations under one or more of the Master Agreements (each, a “Confirmation” and, collectively with the applicable Master Agreement, a “Bond Enhancement Agreement”) when, in his or her judgment, the execution of such Confirmation is consistent with this Resolution and the System’s Interest Rate Swap Policy and either (i) the transaction is expected to reduce the net interest to be paid by the Board with respect to any then outstanding PUF Debt or PUF Debt anticipated to be issued in the future over the term of the Bond Enhancement Agreement or (ii) the transaction is in the best interests of the Board given the market conditions at that time. Prior to entering into any such transaction, an Authorized Representative must deliver to the General Counsel of the Board a certificate setting forth the determinations of the Authorized Representative in connection with the foregoing. Each Authorized Representative is also severally authorized to execute any required novation agreement related to the execution and delivery of a new or amended Confirmation undertaken in conjunction with the novation of an existing Confirmation. The delegation to each Authorized Representative to execute and deliver Bond Enhancement Agreements on behalf of the Board under this Resolution shall expire on September 1, 2018.

(b) Authorizing Law and Treatment as Credit Agreement. The Board hereby determines that any such Bond Enhancement Agreement entered into by an Authorized Representative pursuant to this Resolution is necessary or appropriate to place the Board’s obligations with respect to its outstanding PUF Debt or PUF Debt anticipated to be issued in the future on the interest rate, currency, cash flow or other basis set forth in such Bond Enhancement Agreement as approved and executed on behalf of the Board by an Authorized Representative. Each Bond Enhancement Agreement constitutes a “bond enhancement agreement” under Section 65.461 of the *Texas Education Code*, as amended (“Section 65.461”). Pursuant to Section 65.461, a Bond Enhancement Agreement authorized and executed by an Authorized Representative under this Resolution shall not be considered a “credit agreement” under Chapter 1371 of the *Texas Government Code*, as amended (“Chapter 1371”), unless specifically designated as such by such Authorized Representative. In the event an Authorized Representative elects to treat a Bond Enhancement Agreement authorized by this Resolution as a “credit agreement” under

Chapter 1371 and this Resolution has not previously been submitted to the Attorney General by an Authorized Representative, such Authorized Representative shall submit this Resolution to the Attorney General for review and approval in accordance with the requirements of Chapter 1371 as the proceedings authorizing Bond Enhancement Agreements entered into by the Board pursuant to this Resolution.

(c) Costs; Maximum Term. The costs of any Bond Enhancement Agreement and the amounts payable thereunder, including but not limited to any amounts payable by the Board as a result of terminating a Bond Enhancement Agreement, shall be payable from the Residual AUF as a cost of the support and maintenance of System administration or from any other source that is legally available to make such payments.

The maximum term of each Bond Enhancement Agreement authorized by this Resolution shall not exceed the maturity date of the then outstanding related PUF Debt or the related PUF Debt anticipated to be issued in the future, as applicable.

(d) Notional Amount. The notional amount of any Bond Enhancement Agreement authorized by this Resolution shall not at any time exceed the aggregate principal amount of the then outstanding related PUF Debt or related PUF Debt anticipated to be issued in the future, as applicable; provided that the aggregate notional amount of multiple Bond Enhancement Agreements relating to the same PUF Debt may exceed the principal amount of the related PUF Debt if such Bond Enhancement Agreements are for different purposes, as evidenced for example by different rates for calculating payments owed, and the aggregate notional amount of any such Bond Enhancement Agreements for the same purpose otherwise satisfies the foregoing requirements.

(e) Early Termination. No Confirmation entered into pursuant to this Resolution shall contain early termination provisions at the option of the counterparty except upon the occurrence of an event of default or an additional termination event, as prescribed in the applicable Master Agreement. In addition to subsections (a) and (b) of Section 5 hereof, each Authorized Representative is hereby severally authorized to terminate any Bond Enhancement when, in his or her judgment, such termination is in the best interests of the Board given the market conditions at that time.

(f) Maximum Rate. No Bond Enhancement Agreement authorized by this Resolution shall be payable at a rate greater than the maximum rate allowed by law.

(g) Credit Enhancement. An Authorized Representative may obtain credit enhancement for any Bond Enhancement Agreement if such Authorized Representative, as evidenced by a certificate delivered to the General Counsel to the Board, has determined that after taking into account the cost of such credit enhancement, such credit enhancement will reduce the amount payable by the Board pursuant to such Bond Enhancement Agreement; provided that the annual cost of credit enhancement on any Bond Enhancement Agreement entered into pursuant to this Resolution may not exceed 0.50% of the notional amount of such Bond Enhancement Agreement.

**SECTION 3. AUTHORIZATION FOR SPECIFIC TRANSACTIONS.**

(a) In addition to the authority otherwise granted in this Resolution, each Authorized Representative is hereby severally granted continuing authority to enter into the following specific transactions pursuant to a Confirmation (or other agreement or instrument deemed necessary by an Authorized Representative) upon satisfaction of the following respective conditions:

(1) Floating-to-fixed rate interest rate swap transactions under which the Board would pay an amount based upon a fixed rate of interest and the counterparty would pay an amount based upon a variable rate of interest with respect to PUF Debt then outstanding bearing interest at a variable rate and any PUF Debt anticipated to be issued in the future that will bear interest at a variable rate, as applicable. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that (i) the synthetic fixed rate to the Board pursuant to the swap transaction is lower than the rate available to the Board for comparable fixed rate debt at the time of the swap transaction, and (ii) if the variable rate being paid or expected to be paid by the Board on the applicable PUF Debt is computed on a basis different from the calculation of the variable rate to be received under the swap transaction over the stated term of such swap transaction, the basis risk of the transaction is expected to be minimal based upon historical relationships between such bases.

(2) Fixed-to-floating rate interest rate swap transactions under which the Board would pay an amount based upon a variable rate of interest and the counterparty would pay an amount based upon a fixed rate of interest, with respect to PUF Debt then outstanding bearing interest at a fixed rate or PUF Debt anticipated to be issued in the future that will bear interest at a fixed rate, as applicable. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that converting such portion of fixed rate PUF Debt to a variable rate pursuant to the fixed-to-floating interest rate swap transaction would be beneficial to the System by (i) lowering the anticipated net interest cost on the PUF Debt to be swapped against or (ii) assisting in the System's asset/liability management by matching a portion of its variable rate assets with variable rate PUF Debt.

(3) Basis swap transactions under which the Board would pay a variable rate of interest computed on one basis, such as the Securities Industry and Financial Markets Association Municipal Swap Index, and the counterparty would pay a variable rate of interest computed on a different basis, such as a designated maturity of the London Interbank Offered Rate ("LIBOR"), with respect to a given principal amount of PUF Debt then outstanding or PUF Debt anticipated to be issued in the future, as applicable. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that by entering into the basis swap transaction the Board is expected to be able to (i) achieve spread income or upfront cash payments, (ii) preserve call option and advance refunding capability on its PUF Debt, (iii) lower net interest cost by

effecting a percent of LIBOR synthetic refunding without issuing additional bonds or acquiring credit enhancement, (iv) lower net interest cost on PUF Debt by layering tax risk on top of a traditional or synthetic fixed rate financing, (v) preserve liquidity capacity, or (vi) avoid the mark to market volatility of a fixed-to-floating or floating-to-fixed swap in changing interest rate environments.

(4) Basis swap transactions that are a combination of authority granted under subsections (1) and (2) above under which the Board would pay a variable rate of interest computed on one basis, such as LIBOR, and the counterparty would pay a fixed rate of interest (“Fixed Rate #1”), combined with a swap under which the Board would receive the same variable rate of interest, and the counterparty would receive a fixed rate of interest different than Fixed Rate #1, with respect to a given principal amount of PUF Debt then outstanding or PUF Debt anticipated to be issued in the future. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that by entering into the basis swap transaction the Board is expected to be able to (i) achieve spread income or upfront cash payments, or (ii) lower the anticipated net interest cost on the related PUF Debt.

(5) Interest rate locks, caps, options, floors, and collars for the purpose of limiting the exposure of the Board to adverse changes in interest rates in connection with outstanding PUF Debt or additional PUF Debt anticipated to be issued in the future. Prior to entering into such a transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that such transaction is expected to limit or eliminate such exposure.

(b) The foregoing is not intended to be a comprehensive list of permissible types of transactions, but rather to specify additional conditions necessary to enter into the specified types of transactions. The requirements of Section 2(a) above shall apply to any transaction not specified in Section 3(a) above.

#### **SECTION 4. APPLICATION OF PAYMENTS RECEIVED UNDER BOND ENHANCEMENT AGREEMENTS.**

(a) General. Except as provided in subsection (b) hereof, to the extent the Board receives payments pursuant to a Bond Enhancement Agreement, such payments shall be applied for any lawful purpose.

(b) Payments under Chapter 1371 Credit Agreements. In the event an Authorized Representative elects to treat a Bond Enhancement Agreement authorized by this Resolution as a “credit agreement” under Chapter 1371 and such Bond Enhancement Agreement is executed and delivered pursuant to Chapter 1371, to the extent that the Board receives payments pursuant to such a Bond Enhancement Agreement, such payments shall be applied as follows: (i) to pay (A) debt service on the PUF Debt or anticipated issuance of PUF Debt related to the Bond Enhancement Agreement, or (B) the costs to be financed by the PUF Debt or anticipated issuance of PUF Debt related to the Bond Enhancement Agreement; provided that, if applicable, such costs shall have been approved for

construction by the Board; (ii) to pay other liabilities or expenses that are secured on parity with or senior to the PUF Debt or anticipated issuance of PUF Debt related to the Bond Enhancement Agreement; or (iii) to the extent that costs set forth in (i) and (ii) have been satisfied, for any other lawful purpose.

**SECTION 5. BOND ENHANCEMENT AGREEMENTS IN CONNECTION WITH ANTICIPATED PUF DEBT.**

(a) Requirement to Terminate or Modify Agreement for Non-issuance of Anticipated PUF Debt. In the event a Bond Enhancement Agreement is entered into under this Resolution in connection with the anticipated issuance of PUF Debt and such PUF Debt is not actually issued on or prior to the effective date of such agreement, an Authorized Representative shall either terminate such Bond Enhancement Agreement or amend such Bond Enhancement Agreement in such event (i) to delay the effective date of such Bond Enhancement Agreement; or (ii) to replace such anticipated PUF Debt with any then outstanding PUF Debt having the same types of interest rates (fixed or variable) as the anticipated PUF Debt.

(b) Requirement to Terminate or Modify Agreement for Notional Amount in Excess of Anticipated PUF Debt as Issued. In the event a Bond Enhancement Agreement is entered into under this Resolution in connection with the anticipated issuance of PUF Debt and such Bond Enhancement Agreement has a notional amount that at any time exceeds the principal amount to be outstanding of such anticipated PUF Debt as actually issued, an Authorized Representative shall either terminate such Bond Enhancement Agreement or amend such Bond Enhancement Agreement (i) to reduce the notional amount of such Bond Enhancement as appropriate so that such notional amount does not exceed at any time the principal amount to be outstanding of such anticipated PUF Debt as actually issued or (ii) supplement or replace all or a portion of such anticipated PUF Debt with any then outstanding PUF Debt having the same types of interest rates (fixed or variable) as the anticipated PUF Debt as necessary to ensure that the notional amount of such Bond Enhancement Agreement does not exceed at any time the principal amount of the applicable PUF Debt.

(c) Board Recognition of Anticipated PUF Debt. No Bond Enhancement Agreement may be entered into under this Resolution with respect to the Board's obligations under an anticipated future issuance of PUF Debt unless such anticipated issuance of future debt shall have been recognized by official action of the Board pursuant to (i) the Board's prior adoption of a resolution authorizing the issuance of such debt, including but not limited to a resolution delegating the parameters of such issuance to an Authorized Representative or a resolution authorizing the issuance of commercial paper notes, (ii) the Board's prior approval of its then current Capital Improvement Program contemplating the financing of the projects to be financed by such anticipated issuance of debt and the amount of such debt to be issued, or (iii) the Board's action pursuant to subsection (e) hereof with respect to PUF Debt anticipated to be issued to refund outstanding PUF Debt.

(d) Required Description of Anticipated PUF Debt. To the extent that a Bond Enhancement Agreement is entered into under this Resolution with respect to the Board's

obligations under an anticipated future issuance of PUF Debt, an Authorized Representative must also deliver to the General Counsel to the Board at the time such agreement is entered into a certificate with respect to such anticipated PUF Debt stating: (i) the anticipated issuance date of such PUF Debt or a range of anticipated dates of up to six months for such issuance, provided that such date or range of dates may not be more than the lesser of seventy-two (72) months after the date of the applicable Confirmation or the latest date contemplated for the issuance of such PUF Debt in the Board's then current Capital Improvement Program; (ii) whether such PUF Debt will bear interest at a fixed or variable rate; (iii) if such PUF Debt will bear interest at a fixed rate, what fixed interest rate or range of interest rates with respect to such PUF Debt is anticipated; (iv) if such PUF Debt will bear interest at a variable rate, what basis is anticipated to be used to compute such variable rate; (v) the assumed maturity schedule and amortization for such PUF Debt, including the assumed interest cost; (vi) the anticipated purposes for which the proceeds of such PUF Debt will be used; and (vii) for PUF Debt anticipated to be issued for new money projects, a list or description of such projects anticipated to be financed, provided that each such project must be contemplated for financing with PUF Debt by the Board's then current Capital Improvement Program or have otherwise received Board approval for financing.

(e) Board's Statement of Intent to Issue Advance Refunding Debt for Savings. If the conditions in this Resolution are otherwise satisfied, the Board hereby authorizes each Authorized Representative to enter into a Bond Enhancement Agreement in connection with PUF Debt anticipated to be issued for the purpose of advance refunding any existing PUF Debt, provided that as certified by an Authorized Representative to the General Counsel to the Board, such anticipated issue of PUF Debt, when taking into consideration the effect of such Bond Enhancement Agreement, is expected to result in a present value savings in connection with such advance refunding of at least 3.0% (determined in the manner set forth in the resolution approved by the Board authorizing the issuance of such anticipated issue of PUF Debt), and in such event, the Board hereby declares its intention to cause such anticipated PUF Debt to be issued. No such certification or declaration shall be applicable in connection with PUF Debt anticipated to be issued for the purpose of currently refunding any existing PUF Debt within ninety (90) days of the date of issuance of such anticipated PUF Debt.

## **SECTION 6. MASTER AGREEMENTS.**

(a) New Master Agreements. Each Authorized Representative is hereby severally authorized to enter into ISDA Master Agreements (the "New Master Agreements") with counterparties satisfying the ratings requirements of the System's Interest Rate Swap Policy. Such New Master Agreements shall be in substantially the same form as the Executed Master Agreements, with such changes as, in the judgment of an Authorized Representative, with the advice and counsel of the Office of General Counsel and Bond Counsel, are necessary or desirable (i) to carry out the intent of the Board as expressed in this Resolution, (ii) to receive approval of this Resolution by the Attorney General of the State of Texas, if pursuant Section 2(b) of this Resolution, an Authorized Representative elects to designate any Bond Enhancement Agreement entered into by the Board pursuant to this Resolution as a "credit agreement" under Chapter 1371, (iii) to accommodate the credit structure or requirements of a particular counterparty or (iv) to incorporate comments

received or anticipated to be received from any credit rating agency relating to a New Master Agreement. Each Authorized Representative is authorized to enter into such New Master Agreements and to enter into Confirmations thereunder in accordance with this Resolution and in furtherance of and to carry out the intent hereof. If a New Master Agreement entered into pursuant to this subsection replaces a then effective Master Agreement with the same or a related counterparty, each Authorized Representative is hereby severally authorized to terminate such existing Master Agreement upon the New Master Agreement becoming effective and to take any and all actions necessary to transfer any Confirmations thereunder to such New Master Agreement.

(b) Amendments to Master Agreements. Each Authorized Representative is hereby further severally authorized to enter into amendments to the Master Agreements to allow Confirmations thereunder to be issued and entered into with respect to any then outstanding PUF Debt or PUF Debt anticipated to be issued in the future and to make such other amendments in accordance with the terms of the respective Master Agreements as in the judgment of such Authorized Representative, with the advice and counsel of the Office of General Counsel and Bond Counsel, are necessary or desirable to allow the Board to achieve the benefits of the Bond Enhancement Agreements in accordance with and subject to the System's Interest Rate Swap Policy and this Resolution.

**SECTION 7. ADDITIONAL AUTHORIZATION; RATIFICATION AND APPROVAL OF SWAP POLICY.**

(a) Additional Agreements and Documents Authorized. Each Authorized Representative and all officers of the Board are severally authorized to execute and deliver such other agreements and documents as are contemplated by this Resolution and the Master Agreements or are otherwise necessary in connection with entering into Confirmations and Bond Enhancement Agreements as described in this Resolution, as any such Authorized Representative or officer shall deem appropriate, including without limitation, officer's certificates, legal opinions, credit support documents and any documentation pursuant to an ISDA DF Protocol, and the execution of any certificates and the filing of any returns with the Internal Revenue Service as may be necessary in the judgment of Bond Counsel with respect to a Bond Enhancement Agreement or the related PUF Debt. Any such actions heretofore taken are hereby ratified, approved and affirmed in all respects.

(b) Further Actions. Each Authorized Representative and all officers of the Board are severally authorized to take all such further actions, to execute and deliver such further instruments and documents in the name and on behalf of the Board to pay all such expenses as in his or her judgment shall be necessary or advisable in order fully to carry out the purposes of this Resolution.

(c) Swap Policy. The Board has reviewed and hereby ratifies, approves and affirms the System's Interest Rate Swap Policy, a copy of which is attached hereto as Exhibit B.

*[Remainder of page intentionally left blank]*

## **EXHIBIT A**

### **DEFINITIONS**

As used in this Resolution the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

“Authorized Representative” shall have the meaning given to such term in the System’s Interest Rate Swap Policy (a copy of which is attached hereto as Exhibit B).

“Available University Fund” shall have the meaning given to such term in the recitals to this Resolution.

“Board” shall have the meaning given to such term in the recitals to this Resolution.

“Bond Enhancement Agreement” shall have the meaning given to such term in Section 2(a) hereof.

“Chapter 1371” shall have the meaning given to such term in Section 2(b) hereof.

“Confirmation” shall have the meaning given to such term in Section 2(a) hereof.

“Constitutional Provision” shall have the meaning given to such term in the recitals to this Resolution.

“Executed Master Agreements” shall mean the following existing and fully executed ISDA Master Agreements currently in effect between the Board and the respective counterparty noted below (copies of which are attached hereto as Exhibit C):

(i) ISDA Master Agreement with Bank of America, N.A., dated as of December 1, 2007;

(ii) ISDA Master Agreement with Goldman Sachs Capital Markets, L.P., dated as of December 1, 2007;

(iii) ISDA Master Agreement with JPMorgan Chase Bank, National Association, dated as of December 1, 2007;

(iv) ISDA Master Agreement with Merrill Lynch Capital Services, Inc., dated as of December 1, 2007;

(v) ISDA Master Agreement with Morgan Stanley Capital Services Inc., dated as of December 1, 2007;

(vi) ISDA Master Agreement with UBS AG, dated as of April 1, 2008;

(vii) ISDA Master Agreement with Barclays Bank PLC, dated as of February 3, 2011;

(viii) ISDA Master Agreement with Deutsche Bank AG, New York Branch, dated as of February 1, 2011;

(ix) ISDA Master Agreement with Royal Bank of Canada, dated as of June 8, 2011;

(x) ISDA Master Agreement with Wells Fargo Bank, National Association, dated as of January 15, 2010; and

(xi) ISDA Master Agreement with Citibank, N.A., dated as of May 15, 2017.

“Interest of the System” shall have the meaning given to such term in the recitals to this Resolution.

“ISDA” shall mean the International Swaps and Derivatives Association, Inc.

“ISDA DF Protocol” shall mean any protocol developed by ISDA in response to provisions of the Dodd Frank Wall Street Reform and Consumer Protection Act relating to derivatives.

“LIBOR” shall have the meaning given to such term in Section 3(a)(3) hereof.

“Master Agreements” shall mean, collectively, the Executed Master Agreements and any New Master Agreements.

“New Master Agreements” shall have the meaning given to such term in Section 6(a) hereof.

“Permanent University Fund” shall have the meaning given to such term in the recitals to this Resolution.

“PUF Debt” shall have the meaning given to such term in the recitals to this Resolution.

“Residual AUF” shall have the meaning given to such term in the recitals to this Resolution.

“Section 65.461” shall have the meaning given to such term in Section 2(b) hereof.

“State” shall have the meaning given to such term in the recitals to this Resolution.

“System” shall have the meaning given to such term in the recitals to this Resolution.

**EXHIBIT B**

**INTEREST RATE SWAP POLICY  
OF THE UNIVERSITY OF TEXAS SYSTEM**

[See Regents' *Rules and Regulations*, Rule 70202 titled Interest Rate Swap Policy]

**EXHIBIT C**

**EXECUTED MASTER AGREEMENTS**

[On file with the U. T. System Office of Business Affairs]

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

The Board

- a. adopted a Resolution, substantially in the form previously approved by The University of Texas System Board of Regents, authorizing the issuance, sale, and delivery of Board of Regents of the U. T. System Permanent University Fund (PUF) Bonds in one or more installments in an aggregate principal amount not to exceed \$600 million to be used to refund certain outstanding PUF Bonds, to refund PUF Commercial Paper Notes, to provide new money to fund construction and acquisition costs, and to pay the costs of issuance; and
- b. authorized appropriate officers and employees of U. T. System as set forth in the Resolution to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents within the limitations and procedures specified therein; to make certain covenants and agreements in connection therewith; and to resolve other matters incident and related to the issuance, sale, security, and delivery of such bonds.

On August 25, 2016, the Board of Regents adopted a resolution authorizing the issuance of PUF Bonds in an amount not to exceed \$600 million for Fiscal Year (FY) 2017. Adoption of this Resolution provides a similar authorized amount and purposes for FY 2018.

Adoption of this Resolution authorizes the advance or current refunding of a portion of certain outstanding PUF Bonds provided that an advance refunding exceeds a minimum 3% present value debt service savings threshold. An advance refunding involves issuing bonds to refund outstanding bonds more than 90 days in advance of the call date, whereas a current refunding involves issuing bonds to refund outstanding bonds within 90 days of the call date. Refunding bonds are issued at lower interest rates thereby producing debt service savings. Adoption of this Resolution provides the flexibility to select the particular bonds to be refunded depending on market conditions at the time of pricing. The Resolution provides that additional PUF Bonds may be refunded if such refunding is determined to be in the best interest of the U. T. System.

The Resolution also authorizes the current refunding of all or a portion of the PUF Commercial Paper Notes. The PUF Commercial Paper Note program is used to provide interim financing for PUF projects approved by the Board. Adoption of the Resolution permits the interim financing provided through the Notes to be replaced with long-term financing. The Resolution also authorizes the issuance of bonds to provide new money to fund the capital costs of eligible projects.

The Resolution also authorizes the appropriate officers and employees of the U. T. System to refund outstanding PUF Bonds pursuant to a tender program and to use

lawfully available funds to defease outstanding PUF Bonds when economically advantageous.

The Resolution, which is on file in the Office of the Board of Regents, was reviewed by outside bond counsel and the U. T. System Office of General Counsel.

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

The Board

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

On August 25, 2016, the Board of Regents adopted the 31st Supplemental Resolution authorizing the issuance of additional RFS Bonds in an amount not to exceed \$975 million. This authority was utilized to issue \$250,000,000 of Revenue Financing System Bonds, Taxable Series 2016G on September 15, 2016; \$233,350,000 of Revenue Financing System Refunding Bonds, Series 2016H on November 17, 2016; \$184,725,000 of Revenue Financing System Refunding Bonds, Series 2016I on November 30, 2016; and \$306,925,000 of Revenue Financing System Bonds, Series 2016J on January 4, 2017. Adoption of this 32nd Supplemental Resolution would provide additional capacity to finance additional projects under the same provisions as the prior resolution.

Adoption of the Supplemental Resolution authorizes the advance or current refunding of a portion of certain outstanding RFS Bonds provided that an advance refunding exceeds a minimum 3% present value debt service savings threshold. An advance refunding involves issuing bonds to refund outstanding bonds more than 90 days in advance of the call date whereas a current refunding involves issuing bonds to refund outstanding bonds within 90 days of the call date. Refunding bonds

are issued at lower interest rates thereby producing debt service savings. Adoption of this Supplemental Resolution provides the flexibility to select the particular bonds to be refunded depending on market conditions at the time of pricing.

The Supplemental Resolution also authorizes the current refunding of all or a portion of the RFS Commercial Paper Notes. The RFS Commercial Paper Note program is used to provide interim financing for RFS projects approved by the Board. Adoption of the Supplemental Resolution will permit the interim financing provided through the Notes to be replaced with long-term financing. The Supplemental Resolution also authorizes the issuance of bonds to provide new money to fund the capital costs of eligible projects.

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

The Supplemental Resolution, which is on file in the Office of the Board of Regents, was reviewed by outside bond counsel and the U. T. System Office of General Counsel.

6. U. T. System Board of Regents: Equipment financing authorization for Fiscal Year 2018 and resolution regarding parity debt

The Board

- a. approved an aggregate amount of \$201,950,000 of Revenue Financing System Equipment Financing for Fiscal Year (FY) 2018 as allocated to those University of Texas System institutions listed on Page 79; and
- b. resolved in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
  - parity debt shall be issued to pay the cost of equipment including costs incurred prior to the issuance of such parity debt;
  - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System;
  - the U. T. System institutions, which are “Members” as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to

the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$201,950,000 for the purchase of equipment; and

- this resolution satisfies the official intent requirements set forth in Section 1.150-2 of Title 26 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

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

This agenda item requested approval of an aggregate amount of \$201,950,000 for equipment financing for FY 2018. On August 25, 2016, the U. T. System Board of Regents approved a total of \$249,293,000 of equipment financing for FY 2017. Through August 1, 2017, \$64,087,000 of equipment financing has been utilized for FY 2017.

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

**U. T. SYSTEM EQUIPMENT FINANCING - INSTITUTION REQUESTS  
FY 2018**

<b>Institution</b>	<b>\$ Amount of Request</b>	<b>Description of Expected Capital Equipment</b>	<b>DSC*</b>
U. T. Arlington	\$2,000,000	Telephone system upgrade; campus network and wireless upgrade	4.4x
U. T. Dallas	12,000,000	General purpose equipment supporting instruction, research, and business operations	2.5x
U. T. El Paso	750,000	Patrol vehicle purchases; campus network infrastructure upgrades	1.3x
U. T. San Antonio	500,000	Science and Engineering equipment; equipment for athletics and life safety renovations	1.2x
U. T. Southwestern Medical Center	30,000,000	Information resources projects; clinical and hospital equipment	4.5x
U. T. Medical Branch - Galveston	30,000,000	Clinical, IT infrastructure, research related, and facility related equipment	2.4x
U. T. Health Science Center - Houston	5,000,000	Research and clinic/laboratory equipment	5.0x
U. T. Health Science Center - San Antonio	35,000,000	Core research, clinical and/or infrastructure equipment	4.0x
U. T. M. D. Anderson Cancer Center	70,000,000	Medical, diagnostic, and research equipment, IT systems	6.3x
U. T. Health Science Center - Tyler	16,700,000	Clinical/Laboratory and IT equipment	2.6x
<b>Total</b>	<b>\$201,950,000</b>		

\* Debt Service Coverage ("DSC") ratios based on FY2016 Analysis of Financial Condition (Feb 2017).

U. T. System Office of Finance, July 18, 2017

7. U. T. System Board of Regents: The University of Texas/Texas A&M Investment Management Company (UTIMCO) Update and Investment Reports for the quarter ended May 31, 2017

At the Finance and Planning Committee meeting on August 23, 2017, the Board welcomed Mr. Thomas Britton "Britt" Harris IV, the recently appointed President, Chief Executive Officer and Chief Investment Officer of The University of Texas/Texas A&M Investment Management Company (UTIMCO). Mr. Harris distributed the UTIMCO Report set forth on Pages 81 - 84 to the Board.

The Investment Reports for the quarter ended May 31, 2017, are set forth on Pages 85 - 88.

Item I on Page 85 reports activity for the Permanent University Fund (PUF) investments. The fiscal year to date PUF net investment return was 8.80% versus its composite benchmark return of 6.69%. The PUF's net asset value increased by \$317 million during the quarter to \$19,544 million. The increase was due to \$168 million PUF Lands receipts, plus a net investment return of \$569 million. Distributions for \$420 million was made to the Available University Fund (AUF) during the quarter.

Item II on Page 86 reports activity for the General Endowment Fund (GEF) investments. The fiscal year to date GEF net investment return was 9.12% versus its composite benchmark return of 6.69%. The GEF's net asset value increased by \$238 million during the quarter to \$9,150 million.

Item III on Page 87 reports activity for the Intermediate Term Fund (ITF). The fiscal year to date ITF net investment return was 5.33% versus its composite benchmark return of 3.72%. The net asset value increased during the quarter to \$8,490 million due to net contributions of \$217 million, net investment return of \$216 million and less distributions of \$62 million.

All exposures were within their asset class and investment type ranges. Liquidity was within policy.

Item IV on Page 88 presents book and market values of cash, debt, equity, and other securities held in funds outside of internal investment pools. Total cash and equivalents, consisting primarily of institutional operating funds held in the Dreyfus and Fidelity money market fund, decreased by \$46 million to \$3,022 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$20 million versus \$21 million at the beginning of the period; equities: \$67 million versus \$67 million at the beginning of the period; and other investments: \$22 million versus \$305 thousand at the beginning of the period.

# UTIMCO Report

August 23, 2017



Period Ending June 30, 2017

<b>Endowment Funds</b>	<b>\$B</b>	<b>Return (1Yr)</b>	<b>Alpha (1Yr)</b>	<b>Peer Rank</b>
PUF	\$19.5	13.4%	4.4%	25 <sup>th</sup> percentile
PHF	\$1.1	13.6%	4.6%	
LTF	\$8.1	13.7%	4.6%	
Other	<u>\$0.1</u>	-	-	
<b>TOTAL</b>	<b>\$28.8</b>			
<b>Operating Funds</b>				
ITF	\$8.6	8.0%	2.6%	
Debt Proceeds	\$0.8	0.8%	0.4%	
STF	<u>\$2.1</u>	0.7%	0.2%	
<b>TOTAL</b>	<b>\$11.6</b>			
<b>Total All Assets 6/30/2017</b>	<b>\$40.4</b>			
Total All Assets 6/30/2016	\$35.5			
Total All Assets 6/30/2015	\$35.9			
<b>Budget</b>	<b>\$M</b>			
2017 Actual	\$40.1			
2017 Budget	\$40.0			
<b>Income &amp; Distributions (\$M)</b>	<b>8/31/2017</b>	<b>8/31/2016</b>		
ULandCo Income	\$665	\$512		
UTIMCO Distribution	<u>(\$839)</u>	<u>(\$773)</u>		
Net Payout (\$M)	<u>(\$174)</u>	<u>(\$261)</u>		
<b>Student Impact</b>	<b>2016 Endowment</b>	<b>FTE Enrollment</b>	<b>Value per Student</b>	
UT System	\$24.2 B	174,263	\$138,889	

# Review of Current Environment



As of June 30, 2017

**Stable Value**  
11%

**Global Equity**  
65%

**Real Return**  
25%

IGFI 6%  
Macro Hedge Funds 3%  
Cash 2%

**45% Public Equities:**  
Directional Hedge Funds 20%  
Developed Markets 15%  
Emerging Markets 10%  
**20% Private Equity:**  
Developed Markets 12%  
Emerging Markets 5%  
Credit 3%

**Energy & Natural Resources 16%**  
**Real Estate 7%**  
**Gold and Commodities 2%**

## Economic Conditions

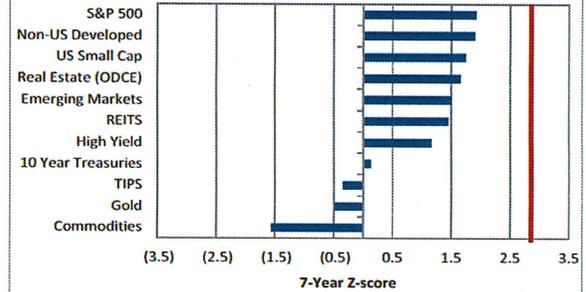
- GDP surprises are negative
- Inflation surprisingly low with weak demand
- Negative earnings surprises
- Out of line valuations
- Flight to quality

- Positive GDP surprises
- Inflation surprises not dramatic
- Positive earnings surprises
- Reasonable valuations

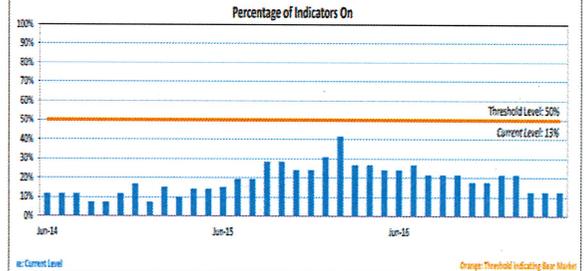
- Real GDP growth too low
- Inflation surprises on the high side
- Real earnings too low
- Commodity-oriented demand exceeds supply by an above normal margin

\* Percentages may not add up to 100% due to rounding

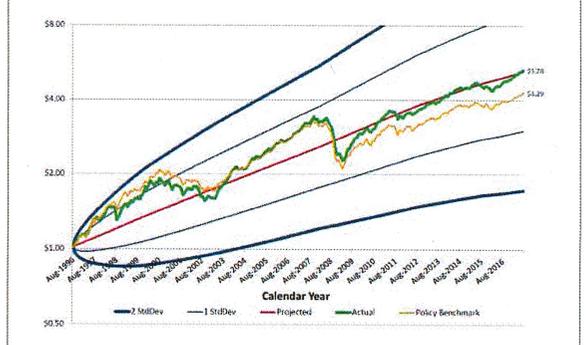
## Bubble Monitor



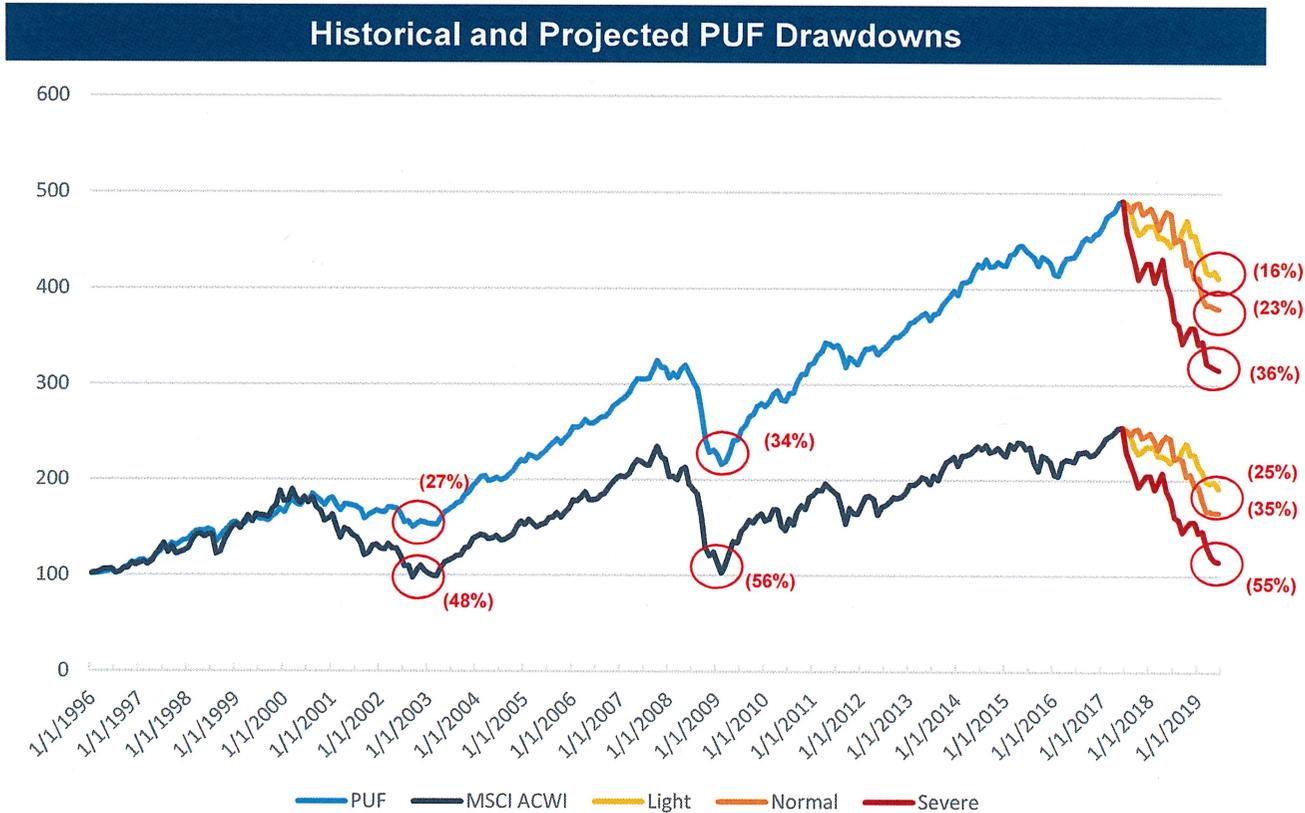
## Bear Markets



## Projected Long-term Return



# Next Recession/Bear Market



We estimate that the endowment beta is 0.65 to public equity and that the next recession/bear market will be accompanied by a 24 month drawdown (average length of bear market) with one of three levels of intensity:

- Light – Global Equity: (25%); Endowment: (16%)
- Normal – Global Equity: (35%); Endowment (23%)
- Severe – Global Equity (55%); Endowment (36%)

# Long-Term Projected Nominal Returns



## External Research Return Assumptions

	GMO	Black-rock	Bridge-water	JPM	UBS	PIMCO	Average ex. UTIMCO	UTIMCO	Average w/ UTIMCO
<b>MCC ex. FI</b>									
DCE	0.6	6.3	2.7	6.8	8.2	4.9	4.9	6.0	5.1
EM	6.0	5.7	7.8	9.3	10.0	7.3	7.7	6.5	7.5
<b>Total Public Equity</b>	<b>2.5</b>	<b>6.1</b>	<b>4.5</b>	<b>7.7</b>	<b>8.9</b>	<b>5.8</b>	<b>5.9</b>	<b>6.2</b>	<b>5.9</b>
RE	-	-	-	-	-	-	-	-	-
NR Equities	-	-	-	-	-	-	-	-	-
Gold/Commodities	-	3.3	5.9	3.8	6.4	2.2	4.3	-	4.3
<b>Total Public Real Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total MCC ex. FI</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Equity Diversifiers</b>									
Hedge Funds	-	3.6	-	3.5	6.2	-	4.4	2.2	3.9
Fixed Income	0.9	3.0	2.7	3.0	3.9	3.0	2.8	3.0	2.8
Private Credit	-	4.7	4.6	5.8	5.6	4.1	5.0	7.5	5.4
<b>Total Equity Diversifiers</b>	<b>-</b>	<b>3.6</b>	<b>-</b>	<b>3.6</b>	<b>5.7</b>	<b>-</b>	<b>4.1</b>	<b>2.8</b>	<b>3.8</b>
<b>Privates ex. Credit</b>									
DCE ex. VC	-	6.6	7.4	8.0	11.8	-	8.5	9.5	8.7
VC	-	-	-	-	-	-	-	9.5	-
RE	-	4.1	6.1	5.5	8.5	5.7	6.0	9.5	6.6
NR	-	-	-	-	-	-	-	7.0	-
EM	-	-	-	-	-	-	-	9.0	-
<b>Total Privates ex. Credit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.3</b>	<b>-</b>

## Risk Premiums

Asset Class	Expected Return	Expected Risk	Sharpe Ratio
CPI	2.0	-	-
Cash	2.0	0.3	-
US Bonds	2.7	4.5	0.2
Non-US Bonds	2.2	6.7	0.0
EM Debt	4.4	9.5	0.3
High Yield	5.5	10.7	0.3
US Equities	4.5	17.6	0.1
Non US Equities	5.4	18.5	0.2
EM Equities	7.5	23.9	0.2
Private Equity	8.7	23.7	0.3
Hedge Funds	3.9	6.7	0.3
Real Estate	6.6	15.8	0.3
Commodities	4.3	18.9	0.1

**I. PERMANENT UNIVERSITY FUND**  
**Investment Reports for Periods Ended May 31, 2017**

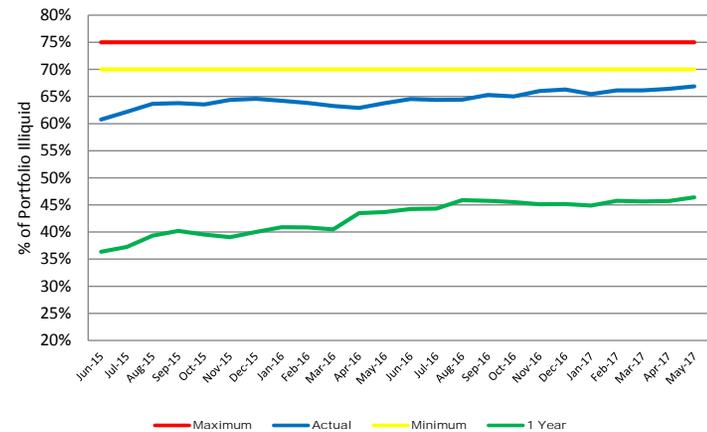
Prepared in accordance with Texas Education Code Sec. 51.0032

	Fiscal Year to Date						
	Asset Allocation		Returns		Value Added		
	Actual	Policy	Portfolio	Policy Benchmark	Tactical Allocation	Active Management	Total
<b>More Correlated and Constrained:</b>							
Investment Grade	7.7%	7.3%	-1.68%	-2.35%	-0.06%	0.04%	-0.02%
Credit-Related	0.1%	0.0%	5.54%	6.91%	0.00%	0.00%	0.00%
Real Estate	0.1%	0.6%	5.14%	-2.74%	0.00%	0.09%	0.09%
Natural Resources	4.6%	3.8%	2.15%	2.99%	-0.07%	0.07%	0.00%
Developed Country	14.5%	17.6%	15.23%	12.88%	-0.20%	0.31%	0.11%
Emerging Markets	<u>9.8%</u>	<u>9.9%</u>	<u>13.13%</u>	<u>13.81%</u>	<u>-0.09%</u>	<u>-0.10%</u>	<u>-0.19%</u>
<b>Total More Correlated and Constrained</b>	<b>36.8%</b>	<b>39.2%</b>	<b>8.68%</b>	<b>8.46%</b>	<b>-0.42%</b>	<b>0.41%</b>	<b>-0.01%</b>
<b>Less Correlated and Constrained</b>	<b>23.9%</b>	<b>26.2%</b>	<b>6.63%</b>	<b>4.41%</b>	<b>0.07%</b>	<b>0.63%</b>	<b>0.70%</b>
<b>Private Investments</b>	<b>39.3%</b>	<b>34.6%</b>	<b>10.30%</b>	<b>6.42%</b>	<b>0.25%</b>	<b>1.17%</b>	<b>1.42%</b>
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>8.80%</b>	<b>6.69%</b>	<b>-0.10%</b>	<b>2.21%</b>	<b>2.11%</b>

Summary of Capital Flows

(\$ millions)	Fiscal Year Ended August 31, 2016	Quarter Ended May 31, 2017	Fiscal Year to Date May 31, 2017
Beginning Net Assets	\$17,490	\$19,227	\$17,880
PUF Lands Receipts	512	168	508
Investment Return (Net of Expenses)	651	569	1,576
Distributions to AUF	(773)	(420)	(420)
Ending Net Assets	<u>\$17,880</u>	<u>\$19,544</u>	<u>\$19,544</u>

**Permanent University Fund**  
**Actual Illiquidity vs. Trigger Zones**



## II. GENERAL ENDOWMENT FUND

### Investment Reports for Periods Ended May 31, 2017

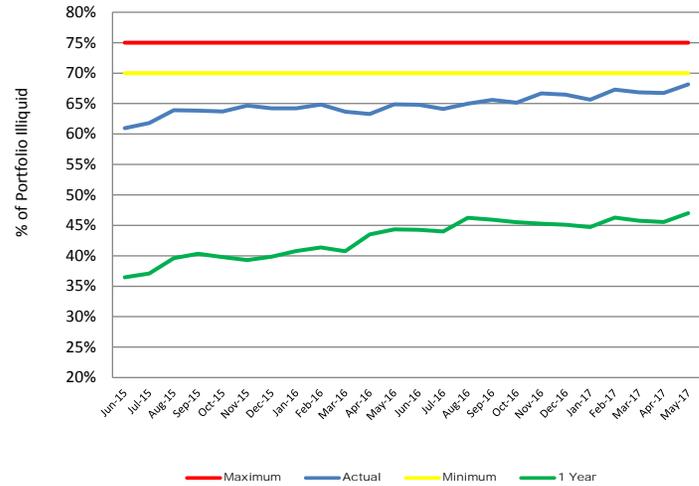
Prepared in accordance with Texas Education Code Sec. 51.0032

	Fiscal Year to Date						
	Asset Allocation		Returns		Value Added		
	Actual	Policy	Portfolio	Policy Benchmark	Tactical Allocation	Active Management	Total
<b>More Correlated and Constrained:</b>							
Investment Grade	5.9%	7.3%	-0.61%	-2.35%	-0.03%	0.12%	0.09%
Credit-Related	0.1%	0.0%	5.54%	6.91%	0.00%	0.00%	0.00%
Real Estate	0.1%	0.6%	5.14%	-2.74%	0.01%	0.09%	0.10%
Natural Resources	4.6%	3.8%	2.11%	2.99%	-0.07%	0.07%	0.00%
Developed Country	14.9%	17.6%	15.24%	12.88%	-0.19%	0.30%	0.11%
Emerging Markets	<u>10.0%</u>	<u>9.9%</u>	<u>15.22%</u>	<u>13.81%</u>	<u>-0.08%</u>	<u>0.11%</u>	<u>0.03%</u>
<b>Total More Correlated and Constrained</b>	<b>35.6%</b>	<b>39.2%</b>	<b>9.56%</b>	<b>8.46%</b>	<b>-0.36%</b>	<b>0.69%</b>	<b>0.33%</b>
<b>Less Correlated and Constrained</b>	<b>24.4%</b>	<b>26.2%</b>	<b>6.63%</b>	<b>4.41%</b>	<b>0.04%</b>	<b>0.64%</b>	<b>0.68%</b>
<b>Private Investments</b>	<b><u>40.0%</u></b>	<b><u>34.6%</u></b>	<b><u>10.30%</u></b>	<b><u>6.42%</u></b>	<b><u>0.26%</u></b>	<b><u>1.16%</u></b>	<b><u>1.42%</u></b>
<b>Total</b>	<b><u>100.0%</u></b>	<b><u>100.0%</u></b>	<b><u>9.12%</u></b>	<b><u>6.69%</u></b>	<b><u>-0.06%</u></b>	<b><u>2.49%</u></b>	<b><u>2.43%</u></b>

#### Summary of Capital Flows

(\$ millions)	Fiscal Year Ended August 31, 2016	Quarter Ended May 31, 2017	Fiscal Year to Date May 31, 2017
Beginning Net Assets	\$8,237	\$8,912	\$8,500
Contributions	361	94	230
Withdrawals	(21)	(22)	(26)
Distributions	(411)	(109)	(323)
Investment Return (Net of Expenses)	<u>334</u>	<u>275</u>	<u>769</u>
Ending Net Assets	<u>\$8,500</u>	<u>\$9,150</u>	<u>\$9,150</u>

**General Endowment Fund**  
Actual Illiquidity vs. Trigger Zones



### III. INTERMEDIATE TERM FUND

#### Investment Reports for Periods Ended May 31, 2017

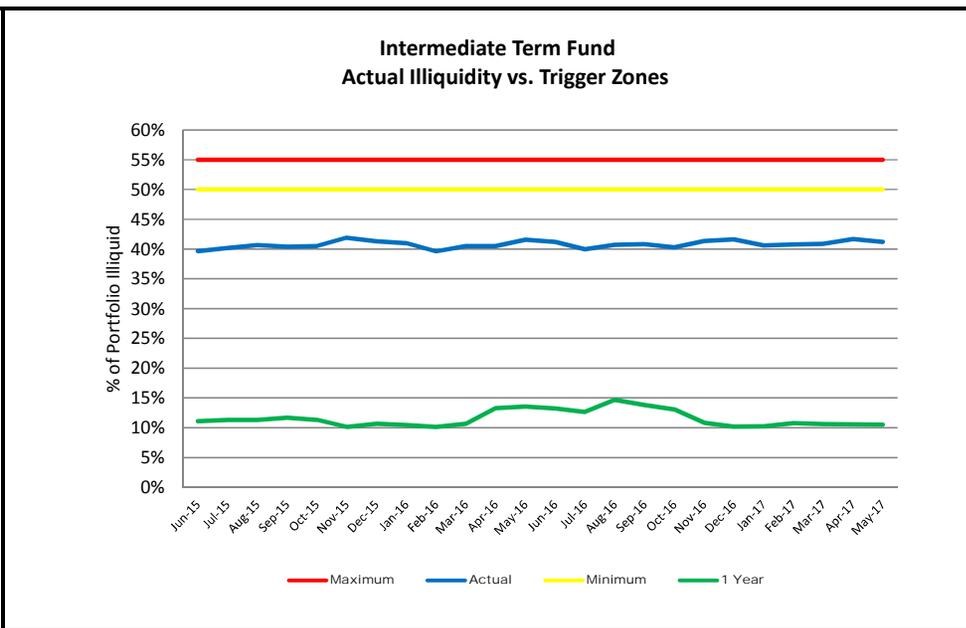
Prepared in accordance with Texas Education Code Sec. 51.0032

	Fiscal Year to Date						
	Asset Allocation		Returns		Value Added		
	Actual	Policy	Portfolio	Policy Benchmark	Tactical Allocation	Active Management	Total
<b>More Correlated and Constrained:</b>							
Investment Grade	32.8%	30.0%	-0.71%	-2.35%	-0.07%	0.55%	0.48%
Credit-Related	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
Real Estate	0.1%	0.8%	5.19%	-2.74%	-0.02%	0.09%	0.07%
Natural Resources	4.4%	3.6%	2.30%	2.99%	-0.08%	0.06%	-0.02%
Developed Country	10.8%	13.5%	15.21%	12.88%	-0.15%	0.21%	0.06%
Emerging Markets	<u>6.7%</u>	<u>7.1%</u>	<u>15.22%</u>	<u>13.81%</u>	<u>-0.04%</u>	<u>0.07%</u>	<u>0.03%</u>
<b>Total More Correlated and Constrained</b>	<b>54.8%</b>	<b>55.0%</b>	<b>4.25%</b>	<b>3.10%</b>	<b>-0.36%</b>	<b>0.98%</b>	<b>0.62%</b>
<b>Less Correlated and Constrained</b>	<b>45.2%</b>	<b>45.0%</b>	<b>6.64%</b>	<b>4.41%</b>	<b>-0.11%</b>	<b>1.10%</b>	<b>0.99%</b>
<b>Private Investments</b>	<b><u>0.0%</u></b>	<b><u>0.0%</u></b>	<b><u>0.00%</u></b>	<b><u>0.00%</u></b>	<b><u>0.00%</u></b>	<b><u>0.00%</u></b>	<b><u>0.00%</u></b>
<b>Total</b>	<b><u>100.0%</u></b>	<b><u>100.0%</u></b>	<b><u>5.33%</u></b>	<b><u>3.72%</u></b>	<b><u>-0.47%</u></b>	<b><u>2.08%</u></b>	<b><u>1.61%</u></b>

Minutes - 87

August 24, 2017 Meeting of the U. T. System Board of Regents – Finance and Planning Committee

<u>Summary of Capital Flows</u>			
(\$ millions)	Fiscal Year Ended August 31, 2016	Quarter Ended May 31, 2017	Fiscal Year to Date May 31, 2017
Beginning Net Assets	\$7,037	\$8,119	\$7,836
Contributions	1,009	293	748
Withdrawals	(248)	(76)	(329)
Distributions	(220)	(62)	(182)
Investment Return (Net of Expenses)	<u>258</u>	<u>216</u>	<u>417</u>
Ending Net Assets	<u>\$7,836</u>	<u>\$8,490</u>	<u>\$8,490</u>



**IV. SEPARATELY INVESTED ASSETS**

**Summary Investment Report at May 31, 2017**

Report prepared in accordance with Texas Education Code Sec. 51.0032

ASSET TYPES	(\$ thousands)															
	FUND TYPE															
	CURRENT PURPOSE DESIGNATED		RESTRICTED		ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		TOTAL EXCLUDING OPERATING FUNDS		OPERATING FUNDS (DEBT PROCEEDS AND (SHORT TERM FUND))		TOTAL	
	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET
<b>Cash &amp; Equivalents:</b>																
Beginning value 02/28/17	-	-	2,910	2,910	94,471	94,471	2,746	2,746	1,503	1,503	101,630	101,630	2,966,378	2,966,600	3,068,008	3,068,230
Increase/(Decrease)	-	-	(1,024)	(1,024)	(48,604)	(48,604)	(1,524)	(1,524)	268	268	(50,884)	(50,884)	4,506	4,494	(46,378)	(46,390)
Ending value 05/31/17	-	-	1,886	1,886	45,867	45,867	1,222	1,222	1,771	1,771	50,746	50,746	2,970,884	2,971,094	3,021,630	3,021,840
<b>Debt Securities:</b>																
Beginning value 02/28/17	-	-	7	6	12,507	12,460	8,698	8,277	-	-	21,212	20,743	-	-	21,212	20,743
Increase/(Decrease)	-	-	-	-	109	234	(830)	(694)	-	-	(721)	(460)	-	-	(721)	(460)
Ending value 05/31/17	-	-	7	6	12,616	12,694	7,868	7,583	-	-	20,491	20,283	-	-	20,491	20,283
<b>Equity Securities:</b>																
Beginning value 02/28/17	-	-	321	2,478	40,219	52,225	10,982	11,835	-	-	51,522	66,538	-	-	51,522	66,538
Increase/(Decrease)	-	-	(164)	(165)	423	1,849	(1,266)	(1,121)	-	-	(1,007)	563	-	-	(1,007)	563
Ending value 05/31/17	-	-	157	2,313	40,642	54,074	9,716	10,714	-	-	50,515	67,101	-	-	50,515	67,101
<b>Other:</b>																
Beginning value 02/28/17	-	-	122	122	2	2	4	4	177	177	305	305	-	-	305	305
Increase/(Decrease)	-	-	1,609	1,609	(1)	(1)	1	1	20,347	20,347	21,956	21,956	-	-	21,956	21,956
Ending value 05/31/17	-	-	1,731	1,731	1	1	5	5	20,524	20,524	22,261	22,261	-	-	22,261	22,261
<b>Total Assets:</b>																
Beginning value 02/28/17	-	-	3,360	5,516	147,199	159,158	22,430	22,862	1,680	1,680	174,669	189,216	2,966,378	2,966,600	3,141,047	3,155,816
Increase/(Decrease)	-	-	421	420	(48,073)	(46,522)	(3,619)	(3,338)	20,615	20,615	(30,656)	(28,825)	4,506	4,494	(26,150)	(24,331)
Ending value 05/31/17	-	-	3,781	5,936	99,126	112,636	18,811	19,524	22,295	22,295	144,013	160,391	2,970,884	2,971,094	3,114,897	3,131,485

Details of individual assets by account furnished upon request.

8. U. T. System Board of Regents: Approval of annual distribution from the Permanent University Fund

The Board approved an increase to the Fiscal Year (FY) 2018 distribution from the Permanent University Fund (PUF) to the Available University Fund (AUF) from \$839,441,000 to \$887,250,000 effective September 1, 2017. This distribution equates to 5.00% of the trailing 12-quarter average of the net asset value of the PUF.

The PUF Investment Policy states that the Board of Regents will approve an annual distribution from the PUF to the AUF. Regents’ Rule 80303 provides that the default distribution shall be an amount equal to 4.75% of the trailing 12-quarter average of the net asset value of the PUF for the quarter ending February of each fiscal year unless the average annual rate of return of the PUF investments over the trailing 12 quarters exceeds the Expected Return by 25 basis points or more, in which case distribution shall be an amount equal to 5.00% of the trailing 12-quarter average. “Expected Return” is the Expected Annual Return or Benchmarks set out in Exhibit A to the PUF Investment Policy Statement.

As shown in the table below, the average annual return of the PUF investments for the trailing 12 quarters ending February 28, 2017, did not exceed the Expected Return by 25 basis points or more ( $\geq 25\%$ ). Therefore, as outlined in Regents’ Rule 80303, the “default” distribution rate for FY 2017-2018 would be 4.75%, or \$842,888,000.

	<b>Trailing 12 Quarters Ending February 28, 2017</b>	<b>Expected or Benchmark</b>	<b>Excess/(Deficit)</b>
Average Annual Rate of Return	5.34%	6.35%	(1.01%)

Due to relatively strong capital market returns and a desire to continue to enhance quality and invest in the institutions even during a period of moderate state funding, the Chancellor, the Deputy Chancellor, and the Executive Vice Chancellor for Business Affairs recommended that the distribution from the PUF to the AUF for FY 2018 be \$887,250,000 or 5.00% of the trailing 12-quarter average of the net asset value of the PUF.

This calculation is shown below:

<b>Quarter Ended</b>	<b>Net Asset Value</b>
05/31/2014	16,912,325,818
08/31/2014	17,364,902,520
11/30/2014	17,533,457,255
02/28/2015	18,043,442,921
05/31/2015	18,200,267,855
08/31/2015	17,490,041,365
11/30/2015	17,549,833,950
02/29/2016	16,977,772,075
05/31/2016	17,432,202,699
08/31/2016	17,880,150,606
11/30/2016	18,329,255,690
02/28/2017	19,226,506,187
	\$ 212,940,158,941
Number of quarters	12
Average Net Asset Value	\$ 17,745,013,245
Distribution Percentage	5.00%
FY 2017-18 Distribution (1)	\$ 887,250,000

(1) Rounded down to the nearest \$1,000.

Article VII, Section 18 of the Texas Constitution requires that the amount of distributions to the AUF be determined by the Board of Regents of The University of Texas System (Board of Regents) in a manner intended to provide the AUF with a stable and predictable stream of annual distributions and to maintain over time the purchasing power of PUF investments and annual distributions to the AUF. The Constitution further limits the Board of Regents' discretion to set annual PUF distributions to the satisfaction of three tests:

1. The amount of PUF distributions to the AUF in a fiscal year must be not less than the amount needed to pay the principal and interest due and owing in that fiscal year on PUF bonds and notes. The distribution of \$887,250,000 is substantially greater than PUF bond debt service of \$298,880,000 projected for FY 2017-2018.

<b>System</b>	<b>Debt Service</b>
U. T.	\$ 180,380,000
TAMU	118,500,000
Total:	\$ 298,880,000

Sources: U. T. System Office of Finance  
Texas A&M University System Office of Treasury Services

2. The Board of Regents may not increase annual PUF distributions to the AUF (except as necessary to pay PUF debt service) if the purchasing power of PUF investments for any rolling 10-year period has not been preserved. As the schedule below indicates, the average annual increase in the rate of growth of

the value of PUF investments (net of expenses, inflation, and distributions) for the trailing 10-year period ended February 28, 2017, was 3.57%, which indicates that the purchasing power test was met.

<b>Average Annual</b>	<b>Percent</b>
Rate of Total Return, Net of Investment Manager Fees	5.31%
Mineral Interest Receipts	4.93%
Expense Rate	(0.18)% (1)
Inflation Rate	(1.82)%
Distribution Rate	(4.67)%
Net Real Return	<b>3.57%</b>

(1) The expense rate as shown is a 10-year annualized average and includes PUF Land Expenses and PUF investment management costs other than investment manager fees. Investment management fees are a reduction to the Rate of Total Return.

- The annual distribution from the PUF to the AUF during any fiscal year made by the Board of Regents may not exceed an amount equal to 7.00% of the average net fair market value of PUF investment assets as determined by the Board of Regents (except as necessary to pay PUF bond debt service). The annual distribution rate calculated using the trailing 12-quarter average value of the PUF is within the 7.00% maximum allowable distribution rate.

<b>Value of PUF Investments (1)</b>	<b>Distribution</b>	<b>Distribution as a % of Value of PUF Investments</b>	<b>Maximum Allowed Rate</b>
\$17,745,013,245	\$ 887,250,000	<b>5.00%</b>	7.00%

(1) Source: UTIMCO

- U. T. System: Discussion regarding possible creation of a nonprofit corporation for the management of University Lands

This item was for consideration only by the Committee.

10. U. T. System Board of Regents: Discussion and appropriate action regarding proposed Incentive Compensation Plan for key University Lands employees (Deferred)

This item was initially discussed at the Finance and Planning Committee meeting on August 23, 2017, and was deferred to the next day to allow additional time for review of the proposed University Lands Incentive Compensation Plan, which was before members of the Board as set forth on Pages 93 - 101.

On August 24, 2017, the Committee reconvened for a short meeting to further discuss the proposed University Lands Incentive Compensation Plan. Several Regents expressed support for an incentive compensation plan, but suggested the structure needed further consideration. Vice Chairman Hildebrand suggested deferring the item and said that the University Lands Advisory Board (ULAB) would work with Chief Executive Officer Mark Houser and the ULAB Board to help establish a merit-based system until the possible creation of the proposed University Lands Management Company (ULandCO). Then the ULandCO Board would have the opportunity to create a long-term incentive plan, somewhat equivalent to how The University of Texas/Texas A&M Investment Management Company (UTIMCO) currently operates. This item was then deferred.

THE UNIVERSITY OF TEXAS SYSTEM

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# INCENTIVE COMPENSATION PLAN

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FOR  
KEY UNIVERSITY LANDS EMPLOYEES

EFFECTIVE UPON APPROVAL BY  
THE U.T. SYSTEM BOARD OF REGENTS

**INCENTIVE COMPENSATION PLAN  
FOR KEY UNIVERSITY LANDS EMPLOYEES**

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**I. BACKGROUND**

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The Incentive Compensation Plan for Key University Lands Employees (UL Incentive Plan) is designed to provide structure for the annual review and consideration of incentive reward for employees based upon predetermined performance goals. This plan is consistent with the strategy endorsed by the UT System Board of Regents originally in 2013 which recommended several changes in the management of University Lands, including “funding a competitive compensation plan” to attract and retain key individuals to assist in maximizing the long term value of the Permanent University Fund (PUF) Lands.

The basis for the UL Incentive Plan, was developed over the past two years, with its current form endorsed by the University Lands Advisory Board (ULAB) in January 2016. This plan served as the basis for determining the incentive compensation for the Chief Executive Officer (CEO) of University Lands for Fiscal Year 2016 and to determine the targeted merit pay increases granted to 11 key University Lands employees.

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**II. UL INCENTIVE PLAN OBJECTIVES**

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The UL Incentive Plan serves a number of objectives, as follows:

- Supports the strategic mission of University Lands to maximize the value of the PUF Lands over the long term by setting annual performance objectives aligned with the strategic goals recommended by ULAB and supported by the UT System Board of Regents.
- Provides a mechanism to enhance the ability of University Lands to attract and retain the highest quality professionals in the energy sector with competitive compensation in a structure that is generally consistent with other companies also seeking their services.
- Focuses the attention and efforts of key employees on the issues that are most important to the mission of University Lands by placing a significant, meaningful portion of the employee’s compensation “at risk,” focused on attainment of specific goals.

### III. THE PLAN DESIGN

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#### **Eligibility**

Employees of University Lands will be recommended annually as Participants in the UL Incentive Plan upon the recommendation of the CEO of University Lands and the endorsement of ULAB. This recommendation will be brought forward to the Chancellor or Chancellor's designee for approval.

Generally, employees who are newly hired or promoted into an Eligible Position on or before March 1 of a given year may participate on a prorated basis. The Chancellor or Chancellor's designee in their discretion may designate the employment position of a newly-hired or promoted employee as eligible to participate in the full UL Incentive Plan for any performance period or remainder of a performance period.

An employee will cease to be a Participant in the UL Incentive Plan on the earliest to occur of:

- the date such employee is no longer employed in an Eligible Position;
- the date of termination of the UL Incentive Plan;
- the date such employee commences a leave of absence;
- the date the Chancellor or Chancellor's designee designates that such employee's employment position is not an Eligible Position; or
- any date designated by the Chancellor or Chancellor's designee as the date on which said employee is no longer a Participant.

#### **Setting Performance Goals**

Performance goals for the upcoming fiscal year will typically be finalized annually no later than August 31. Performance goals for newly eligible Participants will normally be finalized within 60 days of eligibility. The performance period for Participants will be from September 1 through August 31 of each fiscal year.

Performance goals will be established annually through review with ULAB with final approval by the Chancellor or Chancellor's designee. Performance goals should be realistic, but aggressive, and should address the highest-level issues of greatest priority in advancing the long-term value of the PUF Lands.

#### **Assessing goal attainment**

Assessing attainment of team and individual performance goals will include holistic consideration of the degree to which an individual effectively executed their duties and addressed issues of greatest priority, and, as appropriate, may include either quantitative goals and/or qualitative goals. The assessments will be completed for the prior fiscal year, generally in October, in conjunction with ULAB and the Executive Vice Chancellor for Business Affairs. Recommendations for the overall incentive based compensation awards and specifically the CEO's recommended incentive award will typically be considered by the U. T. System Board of Regents at their November meeting, based upon ULAB's recommendation.

As a guide, three levels will be used to assess performance for eligible Participants in the UL Incentive Plan based on performance goals established for University Lands eligible Participants:

1. **Target** – Participant fully met established objectives
2. **Maximum** – Participant significantly exceeded some or all Target objectives
3. **Minimum** – Participant performed below Target because the Participant did not meet some or all established objectives

Assessment of performance goal attainment and corresponding award levels for Participants in the UL Incentive Plan will be done by the Executive Vice Chancellor for Business Affairs with input from ULAB. The Chancellor will conduct a final review of the assessments and make recommendations to the U. T. System Board of Regents.

**Incentive Award Specifics**

University Lands will target total direct compensation for Participants in the UL Incentive Plan at the market median for oil and gas industry professionals. A specific group of peer companies will be identified and reviewed annually by a third party consultant with expertise in oil and gas industry compensation to ensure this objective is met.

Currently, 17-19 employees are eligible for the plan. These employees will be recommended by the CEO of University Lands and approved by ULAB. The types of employees eligible for the UL Incentive Plan are listed in **Table A**. As stated on Page 2, the Chancellor, or Chancellor’s designee, has discretionary authority to designate additional positions to participate in the UL Incentive Plan.

The incentive award covered within this UL Incentive Plan is a percentage of a Participant’s base salary as highlighted below.

**Award Opportunity (% of Salary)**

<b><u>Employee Group</u></b>	<b>Number of Employees</b>	<b>Minimum</b>	<b>Target</b>	<b>Maximum</b>
CEO	1	0%	100%	200%
Executive	4	0%	75%	150%
Management	4	0%	30%	60%
Professional	5	0%	15%	30%
Team	3-5 17-19	0%	Pool equal to 10% of salaries	

Award opportunity levels, within the total incentive pool award available, will be adjusted to reflect each individual Participant's success in attaining performance goals. Based upon annual performance assessment, the awards will be provided as follows:

1. **If the Participant's performance meets Target**, the Participant will earn 100% of the potential Target award.
2. **If the Participant's performance significantly exceeds Target**, the Participant will earn 200% of the potential Target award.
3. **If the Participant fails to meet Target**, the Participant's award will be a discretionary amount, with the award range to be between 0% and a number below the Participant's Target, taking into account incremental performance measures and goals met if appropriate.

The U. T. Board of Regents retains full discretion over the amount of the approved award and is not obligated to make any award.

### **Incentive Award Payments**

Incentive awards will be considered annually following the performance period, and will normally be approved at the U. T. System Board of Regents' November meeting and paid as soon as practical thereafter, in compliance with current Internal Revenue Service regulations. Incentive award payments will be made in lump sum.

Calculation of prorated incentive awards, if applicable, will be based on the Participant's attainment of performance goals and the length of time a Participant was eligible to receive an incentive award during the performance period. Explanation of payment of incentive awards upon termination of employment follow.

All incentive awards will be subject to any deductions as noted:

1. for tax withholding required by federal, state, or local law at the time such tax and withholding is due (irrespective of whether such incentive award is deferred and not payable at such time), and
2. for any and all amounts owed by the Participant to The University of Texas System at the time of payment of the incentive award. The University of Texas System will not be obligated to advise an employee of the existence of the tax or the amount that The University of Texas System will be required to withhold.

### **Payment of Incentive Award upon Termination of Employment**

Except as otherwise noted below, any Participant who ceases to be a Participant, either because of termination of employment with The University of Texas System (specifically employed on behalf of University Lands), or for any other reason stated below, prior to the end of a performance period will not be eligible to receive payment of any incentive award for that or any subsequent performance periods.

If a Participant ceases to be a Participant in the UL Incentive Plan prior to the end of the performance period because he or she commences an approved leave of absence or retires, such Participant's incentive

award for the current performance period, if any, will be calculated on a prorated basis from the first day of the performance period to the date coinciding with the date the Participant commences such leave of absence or retirement, and such individual will not be entitled to any incentive awards for any performance period thereafter (unless he or she again becomes a Participant as previously described).

If a Participant transitions from one Eligible Position to another during a fiscal year and is in Eligible Positions for an entire performance period, the award will be calculated by prorating performance from the Eligible Positions.

The following chart outlines the treatment of the incentive award upon termination of a Participant’s employment:

Termination reason	Forfeit	Prorated	Discretion of Board of Regents
Death		X	
Disability		X	
Retirement		X	
Quit	X		
Termination			X

**Typical Annual Due Dates**

Annual Due Date	Action
July 31 <b>Propose Goals for Upcoming Year to ULAB</b>	Proposed University Lands goals for upcoming fiscal year are developed by University Lands management and endorsed by ULAB. Individual goals are developed and reviewed by the CEO. CEO goals are reviewed with both ULAB and the Executive Vice Chancellor for Business Affairs.
August 31 <b>Goal Review Process and Final Approval</b> <b>Identify Eligible Participants for next year’s plan</b>	Performance goals for University Lands and for individual employees for the upcoming fiscal year are finalized. University Lands goals are reviewed by ULAB and approved as part of the U. T. System budget process. CEO goals are reviewed and endorsed by ULAB and the Executive Vice Chancellor for Business Affairs. Eligible employees are identified and goals are established and reviewed with CEO of University Lands.

<p>September 30</p> <p><b>Assessment of Prior Year’s Goal Attainment</b></p>	<p>University Lands provides an assessment of performance to third party and appropriate stakeholders.</p> <p>Third party conducts assessment of performance, qualitative and quantitative, through analysis and interview with key stakeholders</p>
<p>October</p> <p><b>Recommended Incentive Payments</b></p>	<p>ULAB (including the Executive Vice Chancellor for Business Affairs) receives recommendation from third party for compensation pool for University Lands eligible employees.</p> <p>ULAB makes recommendation to Chancellor for final UL Incentive Plan awards.</p>
<p>November</p> <p><b>Incentive Award Recommendations</b></p>	<p>Chancellor makes recommendations to the U. T. System Board of Regents for payment of incentive awards. Awards are paid as soon as possible following Board of Regents’ approval.</p>

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**IV. UL INCENTIVE PLAN AUTHORITY, RESPONSIBILITY AND INTERPRETATION**

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**Authority**

Except as otherwise specifically provided, this Incentive Plan will be administered by the Chancellor or the Chancellor’s designee upon the recommendation of ULAB.

The U. T. System Board of Regents and the Chancellor have all powers specifically vested herein and all powers necessary or advisable to administer or direct administration of the UL Incentive Plan as the Board and the Chancellor determine in their discretion, including without limitation, the authority to:

1. establish the conditions for the determination and payment of compensation by establishing the provisions of the UL Incentive Plan,
2. select the employees who are eligible to be Participants in the UL Incentive Plan, and
3. designate to any other person, committee, or entity any of its ministerial powers and/or duties under the UL Incentive Plan, as long as any such delegation is in writing and complies with Regents’ Rules.

**Responsibility/Rights**

The Board of Regents has the right in its discretion to amend the UL Incentive Plan or any portion thereof from time to time, to suspend it for a specified period or to terminate it entirely, or any portion thereof.

If the UL Incentive Plan is suspended or terminated during a performance period, Participants are eligible to be considered to receive a prorated incentive award based on performance achieved through the performance measurement date immediately preceding such suspension or termination. The UL Incentive Plan will be in effect until suspension or termination by the Board of Regents.

All records for the UL Incentive Plan will be maintained by the Office of the Chancellor.

**Interpretation**

Consistent with the provisions of the UL Incentive Plan, the U. T. System Board of Regents has the discretion to interpret the UL Incentive Plan and may from time to time adopt such rules and regulations that it may deem advisable to carry out the UL Incentive Plan. All decisions made by the Board of Regents in selecting the Participants approved to receive incentive awards, including the amount thereof, and in construing the provisions of the UL Incentive Plan, including without limitation the terms of any incentive awards, are final.

# ATTACHMENT A

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## LIST OF ELIGIBLE POSITIONS – FISCAL YEAR 2016

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### **CEO**

Chief Executive Officer of University Lands

### **Executive Level Positions**

General Counsel, University Lands

Geoscience Director

Engineering Director

Executive Director, Midland Office and Surface Activities

### **Management Level Positions**

Land Director

Associate Director Accounting – Budget, Revenue and Expense

Manager of Information Systems

Associate Director Accounting and Audit

### **Professional Level Positions**

Senior Geologist

Right of Way Manager

Manager, Surface Interests

Senior Analyst, Corporate Strategy

### **Team Level Positions**

Senior Reservoir Engineering Tech

Geotech

15 eligible positions/17-19 eligible employees

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 102 - 129).--Committee Chairman Tucker reported that the Academic Affairs Committee met in Open Session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Academic Affairs Committee and approved in Open Session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. System: Discussion and appropriate action regarding recommendations from the Academic Affairs Committee of guidelines for submission of tuition and fee proposals for the academic institutions for FY 2019 and FY 2020

The Board approved guidelines for submission of tuition and fee proposals for The University of Texas System academic institutions for Fiscal Year 2019 and Fiscal Year 2020 as recommended at the August 11, 2017 Special Called Academic Affairs Committee meeting, as follows:

1. Institutions should demonstrate a real need for any proposed increase as well as the impact to students that they educate;
2. Institutions should develop an external socialization strategy that includes local champions to use with local delegations and state leadership; and
3. That our institutions should look to peer institution comparisons when preparing proposals for the Board of Regents.

3. U. T. Rio Grande Valley: Approval of preliminary authority for a Doctor of Philosophy in Cellular, Molecular, and Biomedical Sciences

The Board approved

- a. preliminary authority for The University of Texas Rio Grande Valley to create a Doctor of Philosophy (Ph.D.) program in Cellular, Molecular, and Biomedical Sciences; and
- b. notification of the proposal to the Texas Higher Education Coordinating Board.

U. T. Rio Grande Valley requested preliminary authority for a Doctor of Philosophy in Cellular, Molecular, and Biomedical Sciences. The Ph.D. program will be a collaborative, educational, and research effort among highly productive faculty in the College of Sciences, College of Health Affairs, College of Engineering and Computer Science, School of Medicine, and the South Texas Diabetes and Obesity Institute. The interdisciplinary doctoral program will prepare future educators and researchers in several related subdisciplines, including cellular and molecular biology, human genetics and genomics, computational biology and bioinformatics, and neurobiology. Students will study health issues among the predominantly Hispanic population in the region, which is at a high risk for numerous chronic diseases, including obesity and diabetes, cardiovascular diseases, behavioral health conditions, and certain cancers. The program will be designed to produce competitive graduates, particularly from minority and disadvantaged groups, with specialized expertise in an area of interest coupled with experience in team science and a strong interdisciplinary knowledge base.

While projected growth trends in health and biomedical science jobs continue to increase nationally, they are even higher in the State of Texas. From 2014-2024, the U.S. Bureau of Labor Statistics projects a 7% increase in all life, physical, and social science jobs. In Texas for the same period, the number of jobs projected is expected to increase at much higher rates: 21% for medical scientists (except epidemiologists), 19% for epidemiologists, 17% for microbiologists, and 21% for biochemists and biophysicists.

The faculty involved in the creation of the program demonstrate a strong record of accomplishment in research activities, including securing research funding totaling more than \$240 million in the last five years.

U. T. Rio Grande Valley will submit the full degree program for approval by the U. T. System Board of Regents and the Texas Higher Education Coordinating Board.

4. U. T. Rio Grande Valley: Approval of preliminary authority for a Doctor of Physical Therapy

The Board approved

- a. preliminary authority for The University of Texas Rio Grande Valley to create a Doctor of Physical Therapy program; and
- b. notification of the proposal to the Texas Higher Education Coordinating Board.

U. T. Rio Grande Valley requested preliminary authority to offer a Doctor of Physical Therapy. The Doctor of Physical Therapy (DPT) program will prepare students for state licensure and entry into the profession as physical therapists. The program will collaborate with existing programs at U. T. Rio Grande Valley, including medicine, nursing, health and human performance, pharmacy, physician assistants, and social work. The program is anticipated to have a traditional full-time graduate pathway with the typical nine semesters, as well as an accelerated 3+3 pathway option. The program plans to have an enrollment of 40 students at full maturity.

The program will seek accreditation by the Commission on Accreditation in Physical Therapy Education (CAPTE), an accrediting agency recognized by the U.S. Department of Education and the Council for Higher Education Accreditation. Employment for physical therapists at the state and national levels is expected to increase by 35% within the State of Texas (2014-2024) and 34% nationally for the same time period.

U. T. Rio Grande Valley will submit the full degree program proposal for approval by the U. T. System Board of Regents and the Texas Higher Education Coordinating Board.

5. U. T. Permian Basin: Approval to create the College of Engineering

The Board approved the creation of a College of Engineering at The University of Texas of the Permian Basin pursuant to Regents' *Rules and Regulations*, Rule 40601, Institutions Comprising the University of Texas System, which requires Board of Regents' approval of a new college or school within an institution.

Previously, the University's engineering and business programs were all housed in the single College of Business and Engineering. The new College of Engineering will provide the infrastructure needed to support the two petroleum and mechanical engineering programs currently offered by U. T. Permian Basin and the two new engineering programs recently approved by the Board of Regents and currently under review by the Texas Higher Education Coordinating Board. The new College will promote organizational efficiency and provide the infrastructure needed for future programmatic development and fundraising opportunities.

New costs include the hiring of a dean, the annual administrative stipends for the department chairs, and a dedicated administrative assistant. The total annual costs for this organizational change during the first two years will be \$178,600. Starting in Year Three, when the administrative assistant is expected to be hired, annual costs will be \$208,600. The total additional cost over the next five years will be \$983,000.

U. T. Permian Basin received additional state funding for new engineering programs during the 85th Regular Session of the Texas Legislature. This special item funding provided \$800,000 for each year of the FY 2018 - 2019 biennium to support the creation of new programs in civil and electrical engineering. U. T. Permian Basin will utilize part of this funding to create the Dean of the College of Engineering position and the required support staff. The remainder will be used to begin hiring faculty for the new programs and to support current engineering faculty in ramping up these new programs. With the addition of the new Dean of the College of Engineering and with the assistance of President Woodley, U. T. Permian Basin is well positioned to seek philanthropic support for the new engineering programs and facilities to grow and enhance the engineering programs and provide operational funding over the next several years. During the start-up phase of these endeavors, the base funding received from the state will be a crucial foundation to support the creation of and funding for the operations of the new College of Engineering.

The creation of the new College was previously approved by the Executive Vice Chancellor for Academic Affairs pending approval by the Board. The Office of Academic Affairs will notify the Texas Higher Education Coordinating Board of the change so that the U. T. Permian Basin administrative unit structure may be updated.

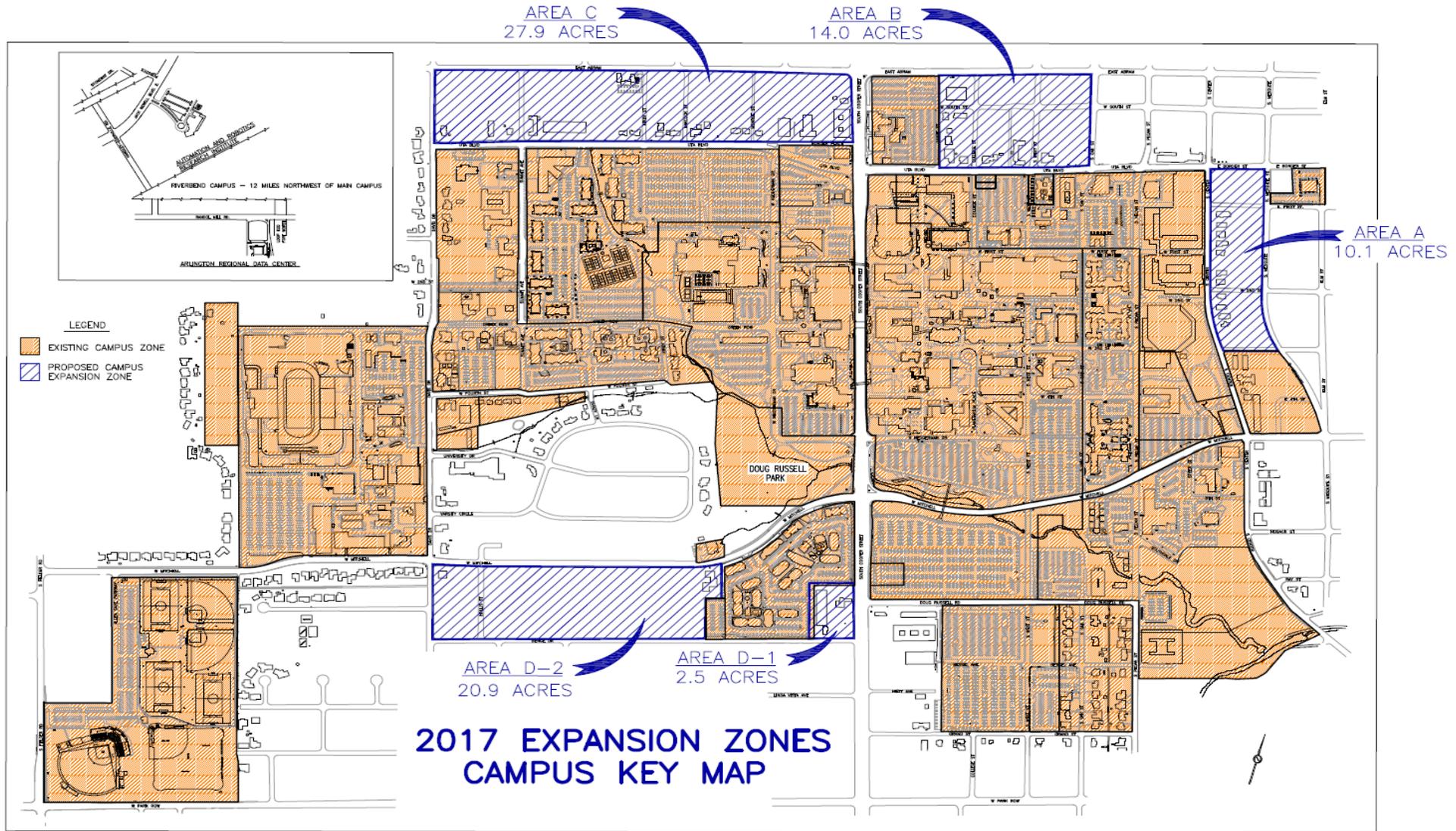
*Texas Education Code* Section 65.11 authorizes the Board of Regents to provide for the "administration, organization, and names of the institutions and entities in The University of Texas System in such a way as will achieve the maximum operating efficiency of such institutions and entities[.]"

6. U. T. Arlington: Discussion and appropriate action regarding approval of the Campus Master Plan Expansion

The Board approved the Campus Master Plan Expansion for The University of Texas at Arlington, which includes authority to acquire property in five zones as parcels become available to provide sufficient land to support the continued growth of the University. The five acquisition zones are set out on Page 106.

U. T. Arlington requested approval to be granted authority, in accordance with The University of Texas System and the Regents' *Rules and Regulations*, to acquire property in five zones as parcels become available to provide sufficient land to support the continued growth of the University. In addition, the redevelopment of these zones will help U. T. Arlington enhance the characteristics of a modern institution that includes an increasing residential population and growing institutional activities while still enabling green spaces and integration with the community.

# Proposed Expansion Zones



7. U. T. Rio Grande Valley: Discussion and appropriate action regarding approval of the Campus Master Plan

The Board approved the Campus Master Plan for The University of Texas Rio Grande Valley as described below and on Pages 109 - 118.

The Campus Master Plan mission, vision, and values will position U. T. Rio Grande Valley as a model of academic innovation for the distributed institution of the future. By leveraging existing locations, an enhanced bus rapid transit system, and digital connectivity, accessibility to regional, affordable, and high quality education will be maximized.

**Core Priorities**

The Master Plan uses the Texas Higher Education Coordinating Board calculation methodology to identify real estate needs. Using enrollment, research expenditures, and benchmarked growth targets to forecast real estate needs over the next 5, 10, and 15 years, building projects have been prioritized at U. T. Rio Grande Valley locations across the Valley.

**Student Success**

The Master Plan envisions physical and digital upgrades to existing locations that enable highly accessible, networked experiential learning, and student services across the Valley. Much needed enhancements to student unions, library, and recreation services will enrich the student experience.

**Educational Opportunities**

Over the next five years, enrollment growth will be absorbed through improvements in utilization and increases in online and hybrid learning. Regional accessibility will be broadened by renovations to significantly increase the use of existing Academic Hubs in Rio Grande City, Weslaco, and McAllen.

**Research Impacting the Rio Grande Valley and Beyond**

Existing research facilities, together with the new Medical Research Building at the Doctors Hospital at Renaissance campus in McAllen, will accommodate five to seven years of growth, but planned increases in research expenditures over 10 to 15 years will require significant space. New space will be decentralized across the Valley at strategic locations defined by the aligning four research themes: Health and Wellness, Innovation, Education, and Environment. These research themes will focus on critical needs relative to the Rio Grande Valley.

**Health and Medical Education**

The Master Plan envisions expansion of facilities at Harlingen as a major health sciences campus. Focusing growth in interprofessional learning and research, it will unite the Medical School with the College of Health Affairs. Expansion of the Ambulatory Interprofessional Medical Experience (AIME) sites will enable students to engage directly in community health and wellness programs region-wide.

### **Community Engagement**

The increased use of the Academic Hubs and AIME locations to include wider programmatic offerings, economic development, and research programs will provide a network of places to facilitate increased community outreach, service learning, and partnerships.

### **Digital Connectivity and Bus Rapid Transit**

Digital connectivity is considered a high priority for the Master Plan and future planning of the distributed campus model. The existing high-speed data/fiber network and planned substantial upgrades over the next five years at each of the campuses will meet current and future Internet needs for teaching and research. It is intended that this will provide for remote teaching, video and streaming needs, and provide the level of connectivity required.

A bus rapid transit (BRT) network and supplementary shuttle system will provide interconnectivity to all three U. T. Rio Grande Valley campuses and Academic Hub locations throughout the Valley. The BRT service is scheduled to start in 2018.

# U. T. Rio Grande Valley Campus Master Plan

U. T. System Board of Regents' Meeting  
Academic Affairs Committee  
August 2017



THE UNIVERSITY of TEXAS SYSTEM  
*Nine Universities. Six Health Institutions. Unlimited Possibilities.*

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# Purpose

Create a singular University that successfully operates in a distributed model across the Rio Grande Valley supported by the appropriate digital and physical infrastructure.

Minutes - 110



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# FOCUS: Maximum Success and Growth for the most Effective Investment

- Leveraging previous master plans
- Building upon the resources in existing locations
- Optimizing transportation & IT infrastructure

Minutes - 111



# 15-Year UTRGV Geography



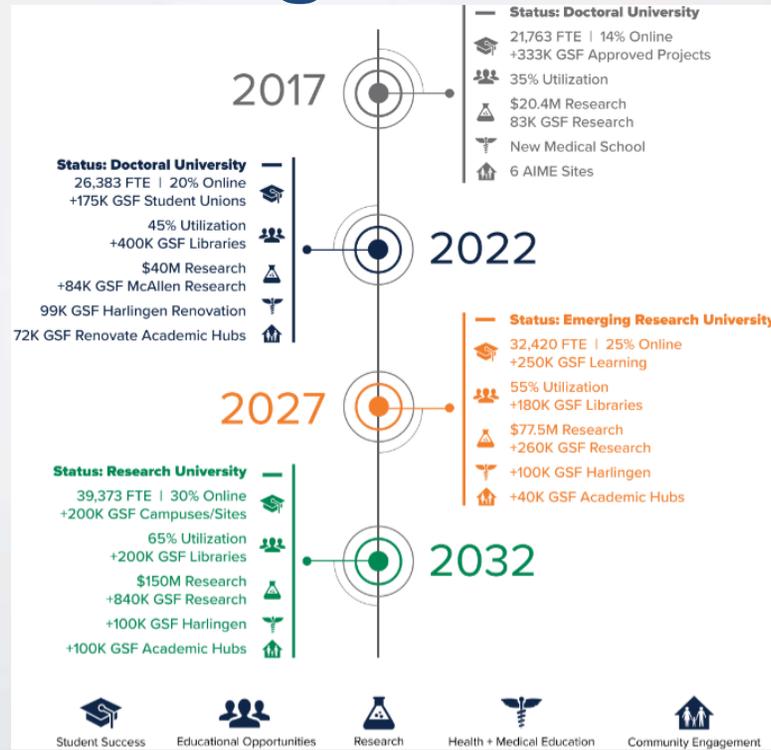
Minutes - 112



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# Master/Strategic Plan Priorities



# Master Plan Priorities

- Learning
  - Campuses/Sites, Academic Hubs, Community Hubs
- Research
  - Health and Wellness, Innovation, Education, Environment
- Student Support
  - Library, Student Union, Recreation, Housing, Administration
- Connectivity
  - Data and Transit



# Learning

Year	Student Enrollment (FTSE)	% Online Learning
2017	21,700	14%
2022	26,400	20%
2027	32,400	25%
2032	39,400	30%

Minutes - 115



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# Research Expenditures and Sites

2017	2022	2027	2032
\$29.1M (Projected)	\$40M	\$77.5M	\$150M

McAllen	Health Sciences, Advanced Manufacturing
Edinburg	Interdisciplinary Research
Weslaco	Earth/Environment, Business/Entrepreneurship
Harlingen	Health Sciences
Brownsville	Interdisciplinary Research
Port Isabel & South Padre Island	Space Innovation, Water, Coast, Oceans

Minutes - 116



# Support

2017	2022	2027	2032
1,459,000 GSF	+845,000 GSF	+355,000 GSF	+495,000 GSF

- |   |  |
|---|--|
| <p>Library</p> <p>Student Union</p> <p>Housing</p> <p>Recreation</p> <p>Admin/Support</p> | <p>Centralized Book repository to free campus space</p> <p>Renovate and expand existing facilities</p> <p>Launch study to determine location, types, markets</p> <p>Upgrade fields and add new recreational facilities</p> <p>Consolidate administration, expand student support</p> |
|---|--|

Minutes - 117



# Connectivity – Data and Transit

- Achieved through data infrastructure and transportation systems
  - Explore Bus Rapid Transit (BRT)
  - Increase Fiber Network
  - Develop Park + Ride Facilities
  - Increase Gigabits/second data rate

Minutes - 118

8. U. T. Rio Grande Valley: Discussion and appropriate action regarding proposed changes to admission criteria for nine graduate programs

The Board approved changes to the criteria for admission to nine graduate programs at The University of Texas Rio Grande Valley as described on the following pages.

## Summary of Changes to Admission Criteria

### 1. Master of Physician Assistant Studies

Current Unconditional Admission Criteria	Proposed Unconditional Admission Criteria
1. Minimum of 15 U.S. Semester hours completed within the past 5 years (starting in the 2016 application cycle)	1. No change
2. Personal statement detailing professional goals and reasons for pursuing the graduate degree	2. No change
3. Three letters of recommendation from professional or academic sources	3. No change
4. Documentation of a minimum of 50 hours of shadowing	4. <del>Documentation of a minimum of 50 hours of shadowing.</del>
5. GRE General Test	5. No change

**Reason for Change:** Many potentially excellent candidates do not have sufficient shadowing hours since they would not have worked in the field prior to enrolling in the program. The students in the program will gain 40 total shadowing hours in the first semester and another approximately 40 shadowing hours in the second semester as part of the curriculum.

**2. Master of Arts in Interdisciplinary Studies – Anthropology**

Current Unconditional Admission Criteria	Proposed Unconditional Admission Criteria
1. GRE general test	1. <u>If applicant does not meet the minimum undergraduate GPA criterion,</u> a GRE general test is required
2. Submission of a statement of purpose and goals for pursuing the degree	2. No change
3. Submission of a resume	3. No change
4.	4. <u>Two letters of recommendation, at least one of them from an academic source</u>

**Reason for Changes:** The GRE was added as a requirement for all applicants when degree programs were proposed for UTRGV and was not a requirement previously at the legacy institution. The program believes that applicants that meet the GPA requirement for clear admission (3.0), have a strong resume (resume submission required), and submit a well-articulated statement of purpose and goals would not accrue additional advantage from taking the GRE test. In order to facilitate a holistic assessment of applicants with GPAs below 3.0, the GRE test would be required. In addition, the program is also now requesting two letters of recommendation from all applicants.

**3. Master of Science in Criminal Justice**

Current Unconditional Admission Criteria	Proposed Unconditional Admission Criteria
1. If applicant does not meet the minimum undergraduate GPA criterion of 3.0, but has a GPA of 2.80 -2.99, GRE general test with minimum scores of 146 Verbal, 150 Quantitative, and 3.5 Analytical are required for conditional admission	1. If applicant does not meet the minimum undergraduate GPA criterion of 3.0, but has a GPA of <u>2.75</u> -2.99, GRE general test with minimum scores of 146 Verbal, 150 Quantitative, and 3.5 Analytical are required for conditional admission
2. Submission of three letters of recommendation from university/college professors who can assess the applicants' abilities to pursue graduate study. In exceptional cases (where an applicant has not attended school for a long period of time, say five years), a non-academic referee, such as a captain and above in the US Armed Forces or law enforcement; a federal or state judge; a senior barrister/attorney-at-law; or a Senior Federal, State/County/Local Public Service Officer above the rank of a supervisor; or other similar position may be considered	2. No change
3. Submission of a 250-500 letter of intent detailing why the student is interested in pursuing a graduate degree in Criminal Justice	3. No change

**Reason for Change:** This requested change is to bring the program in line with the university general requirement of 2.75 – 2.99 used for conditional admission for all other graduate programs.

**4. Master of Science in Kinesiology**

<b>Current Unconditional Admission Criteria</b>	<b>Proposed Unconditional Admission Criteria</b>
1. Submission of two letters of recommendation or reference checklists	1. No change
2. Submission of a statement of purpose in pursuing degree	2. No change
3. Submission of a resume	3. No change
4.	4. <u>Bachelor’s degree in Kinesiology or related field from a regionally accredited institution in the United States or a recognized international equivalent in a similar or related field</u>
5.	5. <u>Applicants who do not have their undergraduate training in Kinesiology or related areas, will be required to complete 9-12 hours of undergraduate leveling work. Leveling work must be completed with a “B” (GPA of 3.0 or higher based upon a 4.0 system) before acceptance into the program</u>

**Reason for Changes:** Previously, applicants could enter the program from a wide cross-section of undergraduate background. It had become apparent that students without a Kinesiology background either performed poorly in their courses or were required to take several foundation courses which unexpectedly increased their time to degree and unplanned tuition costs. This revision will result in greater transparency and ensure that students accepted into the program have the required background to be successful and/or are well aware of foundation requirements.

**5. Master of Education in Bilingual Education**

<b>Current Unconditional Admission Criteria</b>	<b>Proposed Unconditional Admission Criteria</b>
1. Minimum undergraduate GPA of 3.25 overall	1. Minimum undergraduate GPA of <u>3.0</u>
2. If applicant does not meet the minimum undergraduate GPA criterion, GRE general test with minimum scores of 150 Verbal, 141 Quantitative, and 4.0 Analytical are required for conditional admission	2. No change
3. Submission of two letters of recommendation	3. Submission of two letters of recommendation <u>from professional or academic sources</u>
4. Submission of a personal statement essay a. Write 250 words in English explaining your interest in graduate studies b. Write 250 words for your chosen specialization: i. Dual Language Specialization: In Spanish, explain your interest in dual language environments ii. ESL Specialization: In English, explain your interest in students who speak languages other than English iii. Educational Leadership Specialization: In English, explain your interest in leadership for bilingual environments	4. Submission of a personal statement essays ( <u>complete both a and b</u> ) a. Write 250 words in English explaining your interest in graduate studies b. Write 250 words for your chosen specialization: i. Dual Language Specialization: <u>En español, explique su interés en ambientes y aulas bilingües</u> ii. ESL Specialization: In English, explain your interest in students who speak languages other than English iii. Educational Leadership Specialization: In English, explain your interest in leadership for bilingual environments
5. Submission of a resume	5. Submission of a resume <u>which includes educational and background and work experience</u>

<p>6. Submission of Texas Examination of Educator Standards (TExES) or Examination for the Certification of Educators in Texas (ExCET) Certificate. If an applicant lacks Texas certification but has taught in another state, another country, a charter school, a private school, or a community college, conditional admission may be considered.</p>	<p>6. <u>Documentation of one of the following:</u></p> <ul style="list-style-type: none"> <li>• <u>Teacher certification in the U.S., or</u></li> <li>• <u>licenciatura or equivalent from another country, in a field related to education or language, or</u></li> <li>• <u>employment in a charter school, private school, or a community college.</u></li> <li>• <u>For applicants without teaching certification or experience, conditional admission may be considered.</u></li> </ul>
<p>7. Documentation of one year of teaching experience</p>	<p>7. <del>Documentation of one year of teaching experience</del></p>

**Reason for Changes:**

Change: Lower undergraduate GPA requirement for clear admission from 3.25 to 3.0. This change will better align the program with the overall university requirement of 3.0 for clear admission to graduate programs.

Change: Submission of letters of recommendation to be completed specifically by professional or academic sources. This change was deemed necessary to ensure that the letters of recommendations addressed the candidate’s academic abilities. Many letters received were very general and did not address the candidate’s academic abilities.

Change: Personal statement essays now have more specific criteria. This change is intended to ensure that candidates provide better-quality essays that would facilitate the review process.

Change: Resume must now include educational background and work experience. This change is to ensure that applicants create better and more relevant resumes to facilitate the review process.

Change: Teacher Certification now includes entities other than Texas. An increasing number of applications are coming from states other than Texas. This opens applications to these applicants.

Delete: Documentation of one year of teaching experience. Students are required to have documentation of at least one-year of teaching experience to sit for the Texas teaching certification. Students can achieve this while working through the program so it isn’t necessary to have this prior to program entry.

**6. Teacher Certification – Principal Credential (M.Ed. Educational Leadership)**

Current Unconditional Admission Criteria	Proposed Unconditional Admission Criteria
1. Master’s degree in Educational Leadership	1. No change
2. 3.0 GPA	2. No change
3. Three (3) years teaching experience	3. <u>Two (2) years</u> teaching experience
4. Presentation of the following to the Faculty Admissions Committee. (1 hour) <ul style="list-style-type: none"> <li>A. Evidence of Teaching Effectiveness                             <ul style="list-style-type: none"> <li>1. Presentation of how you use student performance data to improve instruction</li> </ul> </li> <li>B. Evidence of Leadership Activities                             <ul style="list-style-type: none"> <li>1. Presentation of End-product from M.Ed. program</li> <li>2. Presentation of school site leadership roles/responsibilities</li> </ul> </li> </ul>	4. No change
5. Evidence of Teaching certificate (Updated)	5. No change
6. Evidence of Teacher Service Record	6. No change
7. Criminal Background Check	7. No change

**Reason for Change:** The program is aligning with TEA requirement of two years teaching experience.

**7. Teacher Certification – Principal Credential (M.Ed. in another field)**

Current Unconditional Admission Criteria	Proposed Unconditional Admission Criteria
1. Master’s degree in Educational Leadership	1. No change
2. 3.0 GPA	2. No change
3. Three (3) years teaching experience	3. <u>Two (2) years</u> teaching experience
4. Presentation of the following to the Faculty Admissions Committee. (1 hour) <ul style="list-style-type: none"> <li>A. Evidence of Teaching Effectiveness                             <ul style="list-style-type: none"> <li>1. Presentation of how you use student performance data to improve instruction</li> </ul> </li> <li>B. Evidence of Leadership Activities                             <ul style="list-style-type: none"> <li>1. Presentation of End-product from M.Ed. program</li> <li>2. Presentation of school site leadership roles/responsibilities</li> </ul> </li> </ul>	4. No change
5. Evidence of Teaching certificate (Updated)	5. No change
6. Evidence of Teacher Service Record	6. No change
7. Criminal Background Check	7. No change

**Reason for Change:** The program is aligning with TEA requirement of two years teaching experience.

**8. Teacher Certification – Assessment of Exceptional Learners Credential (formerly Educational Diagnostician Credential) (Certification in the state of Texas only)**

Current Unconditional Admission Criteria	Proposed Unconditional Admission Criteria
	1. <u>Hold a graduate degree from an accredited institution of higher education recognized by the Texas Higher Education Coordinating Board in education or related field</u>
1. Three letters of recommendation from professional or academic sources	2. No change
2. Personal statement detailing professional goals and reasons for pursuing this degree	3. No change
3. Criminal background check	4. No change
4. Proof of Professional Liability Insurance	5. No change
	6. <u>Hold a valid teaching certification</u>

**Reason for Changes:**

Change: Requirement of a graduate degree from an accredited institution recognized by THECB. This specifies that the undergraduate degree must be recognized by the THECB for Texas certification and is primarily a clarification.

Change: Hold a valid teaching certification. A valid teaching certificate is required in Texas to be certified and to teach in the area. This is to ensure that applicants are prepared for certification when they complete their coursework.

**9. Teacher Certification – Assessment of Exceptional Learners Credential (formerly Educational Diagnostician Credential)**

Current Unconditional Admission Criteria	Proposed Unconditional Admission Criteria
	1. <u>Hold a graduate degree from an accredited institution of higher education in education or related field</u>
1. Three letters of recommendation from professional or academic sources	2. No change
2. Personal statement detailing professional goals and reasons for pursuing this degree	3. No change
3. Criminal background check	4. No change
4. Proof of Professional Liability Insurance	5. No change

**Reason for Change:** This specifies that the undergraduate degree does not have to be recognized by the THECB since certification will be conferred by a governing board outside Texas.

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 130 - 138).--Committee Chairman Hicks reported that the Health Affairs Committee met in Open Session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. The actions set forth in the Minute Orders that follow were recommended by the Health Affairs Committee and approved in Open Session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. System: Discussion and appropriate action regarding guidance to the health-related institutions for submission of tuition and fee proposals for FY 2019, based upon recommendations from the presidents after a consultative process with broad student engagement

The Board approved guidance discussed and approved in the Health Affairs Committee meeting on August 23, 2017, to the presidents of The University of Texas System health institutions regarding submission of tuition and fee proposals for Academic Year 2018-2019. The proposals are to be based upon recommendations from the presidents after a consultative process with broad student engagement.

On May 15, 2014, the Executive Vice Chancellor for Health Affairs presented to the Board of Regents a proposed five-year tuition and fee plan developed by the health-related institutions for their academic programs. The first four years of the plan were approved by the Board of Regents, with minor modifications in specific program recommendations.

To implement the fifth and final year of the plan, authorization was requested from the Board of Regents to initiate the institutional internal review processes necessary to bring tuition and fee recommendations for Academic Year 2018-2019 to the Board of Regents for review and approval.

Further, the institutions were requested to develop a new tuition and fee plan for the succeeding four years.

3. U. T. System: Discussion and appropriate action regarding reaffirmation of Mission Statements for U. T. Medical Branch - Galveston and U. T. Health Science Center - San Antonio

The Board reaffirmed the Mission Statements for The University of Texas Medical Branch at Galveston and The University of Texas Health Science Center at San Antonio as set forth on the following pages.

In 2013, the Texas Legislature repealed *Texas Education Code* Section 61.051(e), which directed the Texas Higher Education Coordinating Board to review the mission statements of public institutions, typically, every four years. However, each institution is required to have a mission statement under *Texas Education Code* Section 51.359. Section 51.352 of the Code, regarding the Responsibility of Governing Boards, requires governing boards to “insist on clarity of focus and mission of each institution under its governance.” *Regents' Rules and Regulations*, Rule 10402 states that the Academic Affairs Committee or the Health Affairs Committee must review proposed changes to institutional mission statements. Further, approval of this item helps to ensure compliance with the Southern Association of Colleges and Schools (SACS) requirements regarding the periodic review and approval of each institution's mission statement by its governing board.

Pursuant to a directive by the Board of Regents on March 26, 2008, each Mission Statement must include a statement regarding the commercialization of university discoveries.

Mission Statements were last approved as follows:

- U. T. Medical Branch - Galveston: last approved by the Board of Regents on November 11, 2010; and
- U. T. Health Science Center - San Antonio: last approved by the Board of Regents on November 10, 2011.

## **U. T. Medical Branch – Galveston**

CURRENT Mission Statement – no change  
**Mission, Vision, and Values Statement**

### **Preamble**

The University of Texas Medical Branch at Galveston's mission is to improve health for the people of Texas and around the world. UTMB is an inclusive, collaborative community of forward-thinking educators, scientists, clinicians, staff, and students dedicated to a single purpose - improving health. We prepare future health professionals for practice, public service, and lifelong learning through innovative curricula and individualized educational experiences. We advance understanding and treatment of illness and injury through groundbreaking research, in the lab and at the bedside, including the commercialization of such research, as appropriate. We deliver skilled and patient-centered health care, and we continue to shape the future of health sciences education, research, and clinical care by always asking, "What's next?"

### **Mission**

UTMB's mission is to improve health for the people of Texas and around the world.

### **Vision**

We work together to work wonders as we define the future of health care and strive to be the best in all of our endeavors.

### **Values**

Our values define our culture and guide our every interaction.

- We demonstrate **compassion** for all.
- We always act with **integrity**.
- We show **respect** to everyone we meet.
- We embrace **diversity** to best serve a global community.
- We promote excellence and innovation through **lifelong learning**.

*Reaffirmed by U. T. System Board of Regents on 8/24/2017*

**U. T. Health Science Center - San Antonio**

CURRENT Mission Statement – no change

The mission of The University of Texas Health Science Center at San Antonio is to make lives better through excellence in education, research, health care and community engagement.

Strategies for achieving this mission are:

- Educating a diverse student body to become excellent health care providers and scientists.
- Engaging in research to understand health and disease.
- Commercializing discoveries, as appropriate, to benefit the public.
- Providing compassionate and culturally proficient health care.
- Engaging our community to improve health.
- Influencing thoughtful advances in health policy.

*Reaffirmed by U. T. System Board of Regents on 8/24/2017*

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

Upon recommendation of The University of Texas System Professional Medical Liability Benefit Plan (Plan) Management Committee, chaired by the Vice Chancellor and General Counsel and comprised of the Chair, the Executive Vice Chancellor for Health Affairs, and the Executive Vice Chancellor for Business Affairs, after consultation with Milliman, Inc., actuary for the Plan, the Board approved that

- a. overall premium rates remain unchanged;
- b. \$6 million in premiums be returned to the participating U. T. System institutions based on a methodology that considers each institution's losses; and
- c. \$2.5 million be designated for Health Affairs Collaborative Projects as identified by the Executive Vice Chancellor for Health Affairs.

The distribution of \$8.5 million is set forth on Page 135.

With the implementation of tort reform in 2003, the Plan Management Committee (Committee) has consistently recommended significant reductions in total Plan assets to bring the reserve levels to those generally accepted by the industry. The Committee continues balancing Plan revenue from premiums charged and investment income with adequate capitalization from which to pay Plan claims, reserves for future claims, and administrative expenses. As part of this effort, Plan premiums were significantly reduced for several years immediately following tort reform adoption, and since 2007, the premium rates have either been reduced or unchanged. However, Plan premiums are adjusted annually for institutional loss experience.

For the coming year, the Committee recommended maintaining overall premiums at the current rates. Based on Plan investment income and efficient management of claims, the Committee recommended a return to the contributing institutions of \$6 million so that excessive reserves are not maintained. The combination of unchanged rates along with this distribution should still allow for adequate capitalization of the Plan.

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

In addition to the \$6 million to be distributed to participating institutions, \$2.5 million was approved for U. T. System efforts in patient safety enhancement through projects, as identified by the Executive Vice Chancellor for Health Affairs.

Exhibit 1  
**The University of Texas System Professional Medical Liability Benefit Plan**  
Proposed Distribution of Plan Returns  
 FY 2017

<i>Institution</i>	<i>Premium Paid</i> <i>2015-2017</i>	<i>Claims Expense</i> <i>2015-2017</i>	<i>Net Contribution Amount</i>	<i>Rebate based on Net Contribution</i>
UT Arlington	7,311	-	7,311	2,280
UT Austin	176,443	1,941	174,502	54,412
UT Dallas	1,596	-	1,596	497
UT El Paso	948	-	948	295
UT Rio Grande Valley <sup>1</sup>	319,191	-	319,191	99,527
UT San Antonio	3,777	-	3,777	1,178
UTSWMC	6,712,492	2,967,539	3,744,953	1,167,715
UTMB	4,576,493	1,281,322	3,295,171	1,027,469
UTHSCH	6,092,676	2,240,744	3,851,932	1,201,073
UTHSCH Medical Foundation	2,585,790	950,993	1,634,797	509,747
UTHSCSA	5,092,158	1,003,732	4,088,426	1,274,814
UTMDACC	3,647,067	1,669,142	1,977,925	616,738
UTHSCT	388,622	246,693	141,929	44,255
<b>Subtotal</b>	<b>\$ 29,604,564</b>	<b>\$ 10,362,106</b>	<b>\$ 19,242,458</b>	<b>\$ 6,000,000</b>
<b>Patient Safety Enhancement Projects</b>				<b>\$ 2,500,000</b>
<b>TOTAL PROPOSED DISTRIBUTION</b>				<b><u><u>\$ 8,500,000</u></u></b>

<sup>1</sup> Premium of \$784 for FY 2015 was paid by UT Pan American.

5. U. T. Health Science Center - Houston: Approval to establish a Doctorate in Health Informatics degree program in the School of Biomedical Informatics at Houston

Pursuant to the Regents' *Rules and Regulations*, Rule 40307, related to academic program approval standards, approval was granted to

- a. establish a Doctorate in Health Informatics degree program in the School of Biomedical Informatics at Houston at The University of Texas Health Science Center at Houston; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

Program Description

The practice doctorate in Health Informatics (DrHI) at the UTHealth School of Biomedical Informatics (UT-SBMI) in Houston is a unique, first-of-its-kind program in the nation with the goal of providing executive-level informatics leaders with the terminal education required to translate evidence from original research, evaluate current practices, and utilize critical thinking to accelerate the adoption of best clinical practices, following the nationwide implementation of electronic health records (EHRs). In light of the current health care trends, the objective of the practice doctorate program is to provide executive-level informatics leaders with the terminal education required to translate evidence from original research, evaluate current practices, and utilize critical thinking to accelerate the adoption of best practices related to using health information technology to prevent, diagnose, and treat disease. These goals are intended to ultimately improve patient outcomes regardless of care setting and prevent medical errors. The program requires 63 semester credit hours beyond the master's degree. Courses have been designed to provide advanced training in health informatics practice including change management, vendor relations, and contract negotiation, as well as evidence-based health informatics evaluation.

Need and Student Demand

Over the past few years, some applicants for the existing UT-SBMI doctoral degree already hold the master's in health or biomedical informatics and wish to continue to earn a terminal degree. Many of these applicants are in practice, rather than research or academia, and wish to continue in those roles. They have difficulty articulating a research question that would be appropriate for the Ph.D. dissertation. After conducting focus group interviews with health informatics executives from the major health care organizations in the Texas Medical Center, the State of Texas, and the Department of Defense, it became clear that there is overwhelming support to offer a program of this caliber to fill the educational need for the informatics specialty.

Currently, of the master’s and Ph.D. students graduating from UT-SBMI, 95% are employed in the field within three months. This program requires experience in health informatics prior to enrollment and these students are expected to be employed upon matriculation. These graduates are expected to progress in their careers while also filling an acknowledged need for health informatics executives to possess a higher level of knowledge and skills.

Program Quality

Four core faculty and four supporting faculty from the UT-SBMI will support the practice doctorate program for the first three years. New faculty are projected for hire in Years Four and Five. The applied core and support faculty already teaching at UT-SBMI bring many decades of experience in health informatics and leadership in various aspects of the health industry.

The UT-SBMI saw a 69% student enrollment increase from Fall 2014 to Fall 2016 for all graduate programs (certificates, master’s, and doctoral). Both the school and its graduate programs continue to grow as more health care organizations in the Texas Medical Center and beyond seek professionals with advanced education in health informatics. The school is currently in candidacy status for the new applied health informatics specialty accreditation from the Commission on the Accreditation of Health Informatics and Information Management education programs.

In addition to working with industry advisors and stakeholders on the design of the program, the UT-SBMI will engage with them and other industry experts for lectures, projects, and other parts of the curriculum. The program evaluation will be qualitative when graduates are interviewed and surveyed to determine which skills and competencies have proven useful. The quantitative assessment plan is to demonstrate the cost-effectiveness of the practicum projects for the health care industry.

More than 45,000 square feet of space is currently being added to the University Center Tower building devoted to the UT-SBMI for its teaching and research. Plans are to include four new classrooms that can hold a minimum of 40 students each, with the ability to be set up in variable configurations.

Revenue and Expenses

Projected Enrollment	5-Year Total
Number of Full-Time Student Equivalents (FTSE) Used for Formula Funding Calculation	72
Number of Full-Time Student Equivalents	72

<b>Expenses</b>	<b>5-Year Total</b>
<i>Faculty</i>	
Salaries	\$1,972,400
Benefits (not applicable paid by state fund)	\$0
<i>Graduate Students</i>	
TA Salaries	\$0
TA Benefits	\$0
GRA Salaries	\$0
GRA Benefits	\$0
<i>Staff &amp; Administration</i>	
Graduate Coordinator Salary	\$0
Administrative Staff Salaries	\$314,655
Staff Benefits (not applicable paid by state fund)	\$0
<i>Other Expenses</i>	
Equipment	\$98,850
<b>Total Expenses</b>	<b>\$2,385,905</b>

<b>Revenue</b>	<b>5-Year Total</b>
<i>From Student Enrollment</i>	
Formula Funding	\$1,256,040
Tuition and Fees	\$1,724,537
<i>From Institutional Funds</i>	
Provost Graduate Student Support	\$0
<i>From Grant Funds</i>	
Not required	\$0
<i>From Other Revenue Sources</i>	
Provost and Dean – Start-up packages	\$0
<b>Total Revenue</b>	<b>\$2,980,577</b>

Coordinating Board Criteria

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

6. U. T. Health Science Center - Houston: Report on participation in the \$500 million National Heart, Lung, and Blood Institute's Trans-Omics for Precision Medicine program

This item was for consideration only by the Committee.

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 139 - 152).--Committee Chairman Beck reported that the Facilities Planning and Construction Committee met in Open Session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Facilities Planning and Construction Committee and approved in Open Session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. Dallas: U. T. Dallas Athenaeum - Amendment of the FY 2018-2023 Capital Improvement Program to include project

The Board amended the Fiscal Year 2018-2023 Capital Improvement Program (CIP) to include the U. T. Dallas Athenaeum project at The University of Texas at Dallas.

Previous Actions

On May 15, 2017, the Chancellor approved this project for Definition Phase.

Project Description

The U. T. Dallas Athenaeum project will house the Edith O'Donnell Institute of Art History, as well as significant art library collections. The space will provide access to works of art and library materials for students, faculty, and visiting scholars; will conserve and appropriately display the materials; and will create facilities for innovative teaching and scholarly research in art history.

This project has been approved by The University of Texas System staff for inclusion in the CIP prior to completion of the Definition Phase criteria to facilitate the execution of a proposed gift agreement for a portion of the project funding. Approval of design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date.

**Project Information**

Project Number	302-1118
CIP Project Type	New Construction
Facility Type	Art Library/Museum
Management Type	Office of Facilities Planning and Construction
Institution's Project Advocate	Richard Brettell, Vice Provost Michele Hanlon, Associate Dean for the Arts
Project Delivery Method	Competitive Sealed Proposals
Gross Square Feet (GSF)	35,000

**Project Funding**

Gifts <sup>1</sup>	<u>Current</u> \$20,000,000
Total Project Cost	\$20,000,000

<sup>1</sup>\$5M of Gift funding in hand; project will not proceed to Design Development approval until all Gift funding is fully collected or committed

**Project Cost Detail**

Building Cost (estimate)	\$15,000,000
Fixed Equipment	TBD
Site Development	TBD
Furniture and Moveable Equipment	TBD
Institutionally Managed Work	TBD
Architectural/Design Services	TBD
Project Management Fees	TBD
Insurance	TBD
Other Professional Fees	TBD
Project Contingency	TBD
Other Costs (further detail to be provided at Design Development Approval)	5,000,000
<b>Total Project Cost</b>	<b>\$20,000,000</b>

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

U. T. Dallas Athenaeum	\$429		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$541	\$553	\$570
Other Texas Projects	\$334	\$385	\$479
Other National Projects	\$294	\$422	\$574

**Investment Metrics**

- Support the University’s mission as a research and teaching institution by providing faculty, students, and visiting scholars with access to unique original works of art and research materials in one of the most important centers for art history in the country
- Allow U. T. Dallas to become stewards of the promised gifts of the Wildenstein-Plattner Library and Barrett Collection, providing appropriate facilities for their use for teaching and research, security, preservation, and display
- Offer opportunities for donors and potential donors to the University to become engaged with this important arts project

**Project Planning**

Definition Phase Completed	In Progress
Owner’s Project Requirements	In Progress
Basis of Design	In Progress
Schematic Design	In Progress
Detailed Cost Estimate	In Progress

### **Project Milestones**

Definition Phase Approval	May 2017
Addition to CIP	August 2017
Design Development Approval	August 2018
Construction Notice to Proceed	January 2019
Substantial Completion	July 2020

3. U. T. Dallas: Science Building - Amendment of the FY 2018-2023 Capital Improvement Program to revise funding sources; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board approved the recommendations for the Science Building project at The University of Texas at Dallas as follows:

- a. amend the Fiscal Year 2018-2023 Capital Improvement Program (CIP) to revise funding sources to include Gifts;
- b. approve design development plans;
- c. appropriate funds and authorize expenditure of \$101,000,000 with funding of \$89,000,000 from Permanent University Fund (PUF) Bond Proceeds, \$2,000,000 from Revenue Financing System (RFS) Bond Proceeds, and \$10,000,000 from Gifts; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$2,000,000.

### Debt Service

The \$2,000,000 in RFS debt will be repaid from Designated Tuition. Annual debt service on the \$2,000,000 RFS debt is expected to be \$118,000. The institution's debt service coverage is expected to be at least 1.5 times and average 2.4 times over FY 2018-2023.

Previous Actions

On September 21, 2016, the Chancellor approved the Math and Science Building project for Definition Phase. On November 10, 2016, the project was included in the CIP with a total project cost of \$101,000,000 with funding of \$89,000,000 from PUF Bond Proceeds and \$12,000,000 from RFS Bond Proceeds. On July 10, 2017, the project was redesignated as the Science Building.

Project Description

The project will be located at the center of the University campus, just north of the current Science Learning Center building. The four-story, two-winged building will provide efficiently designed space to support optimal productivity of the Department of Physics faculty and staff. The West wing will provide two large lecture halls on the ground floor and consist of classrooms, offices, and collaborative spaces on the three upper floors. The North wing will consist primarily of research laboratories with some offices on each floor and teaching laboratories on the ground floor. The fourth floor lab facilities and two lab spaces on the lower level will be shell space to be finished out as the program grows.

**Project Information**

Project Number	302-906
CIP Project Type	New Construction
Facility Type	Laboratory, General
Management Type	Office of Facilities Planning and Construction
Institution’s Project Advocate	Bruce Novak, Dean, School of Natural Sciences and Mathematics
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	184,505
Shell Space (GSF)	30,439

**Project Funding**

	<u>Previous</u>	<u>Current</u>
Permanent University Fund Bond Proceeds	\$ 89,000,000	\$ 89,000,000
Revenue Financing System Bond Proceeds <sup>1</sup>	\$ 12,000,000	\$ 2,000,000
Gifts <sup>2</sup>	\$ 0	\$ 10,000,000
Total Project Cost	\$101,000,000	\$101,000,000

<sup>1</sup> Revenue Financing System (RFS) Bond Proceeds to be repaid from Designated Tuition

<sup>2</sup> Gifts are fully collected

**Project Cost Detail**

Building Cost	\$75,000,000
Fixed Equipment	3,248,335
Site Development	3,196,078
Furniture and Moveable Equipment	2,200,000
Institutionally Managed Work	1,750,000
Architectural/Design Services	5,561,133

Project Management Fees	3,225,625
Insurance	1,597,333
Other Professional Fees	2,500,000
Project Contingency	1,878,172
Other Costs	843,324
<b>Total Project Cost</b>	<b>\$101,000,000</b>

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

Science Building (with 16% Shell Space)	\$406
Science Building (Estimated Total Finish-Out)	\$423
Texas Higher Education Coordinating Board Average - Laboratory, General	\$482

	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$418	\$479	\$572
Other Texas Projects	\$432	\$482	\$532
Other National Projects	\$371	\$486	\$741

**Investment Metrics**

- Increase tenured and tenure-track faculty members by 40 from 566 to 606 and senior lecturers by 32 from 690 to 722 by 2026
- Increase external research funding by approximately \$6 million annually from \$106 million to \$112 million by 2026
- Directly support the University's Strategic Plan imperative of increasing enrollment to more than 27,500 students by 2022

**Project Planning**

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

**Project Milestones**

Definition Phase Approval	September 2016
Addition to CIP	November 2016
Design Development Approval	August 2017
Construction Notice to Proceed	April 2018
Substantial Completion	April 2020

4. U. T. Permian Basin: Kinesiology Building - Amendment of the FY 2018-2023 Capital Improvement Program to increase total project cost; approval to revise funding sources; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board approved the recommendations for the Kinesiology Building project at The University of Texas of the Permian Basin as follows:

- a. amend the Fiscal Year 2018-2023 Capital Improvement Program (CIP) to increase the total project cost from \$16,200,000 to \$23,200,000;
- b. revise funding sources to include Revenue Financing System (RFS) Bond Proceeds and Grants;
- c. approve design development plans;
- d. appropriate funds and authorize expenditure of \$23,200,000 with funding of \$14,200,000 from Permanent University Fund (PUF) Bond Proceeds, \$2,000,000 from Gifts, \$6,000,000 from RFS Bond Proceeds, and \$1,000,000 from Grants; and
- e. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Permian Basin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$6,000,000.

Debt Service

The \$6,000,000 in RFS debt will be repaid from a grant from the Odessa Development Corporation. Annual debt service on the \$6,000,000 RFS debt is expected to be \$1.29 million over five years. The institution's debt service coverage is expected to be at least 1.2 times and average 1.3 times over FY 2018-2023.

Previous Actions

On September 8, 2016, the Chancellor approved this project for Definition Phase. On February 9, 2017, the project was included in the Capital Improvement Program with a total project cost of \$16,200,000 with funding of \$14,200,000 from PUF Bond Proceeds and \$2,000,000 from Gifts.

Project Description

This project will house the Kinesiology Department's classrooms, labs, offices, and storage areas. It also includes a weight room, which will be shared with both Kinesiology students as well as student athletes. Grants from the Odessa Development Corporation and Grow Odessa will allow for the expanded scope of the project to include a locker room for the men's football team, a women's soccer locker room, and a student athlete lounge area, as well as equipment storage and laundry facilities. The project will also include a new track around the existing football practice field.

The Kinesiology Department is experiencing growth in the area of exercise sciences. The facility will provide classrooms designed specifically for exercise physiology, biomechanics, and athletic training courses to enhance access to teaching and training tools, including skeletons and anatomical models. New state-of-the-art laboratories will enhance the department's ability to apply for research grant funding and to recruit undergraduate and graduate-level students.

The new building will be centrally located between the recently completed football practice field and the intramural field and is adjacent to a parking lot that will also service the practice field.

**Project Information**

Project Number	501-918
CIP Project Type	New Construction
Facility Type	Classroom, General
Management Type	Office of Facilities Planning and Construction
Institution's Project Advocate	James Eldridge, Professor and Chair of Kinesiology
Project Delivery Method	Competitive Sealed Proposals
Gross Square Feet (GSF)	43,976

**Project Funding**

	Previous	Current
Permanent University Fund Bond Proceeds	\$14,200,000	\$14,200,000
Gifts <sup>1</sup>	\$ 2,000,000	\$ 2,000,000
Revenue Financing System Bond Proceeds <sup>2</sup>	\$ 0	\$ 6,000,000
Grants <sup>3</sup>	\$ 0	\$ 1,000,000
<b>Total Project Cost</b>	<b>\$16,200,000</b>	<b>\$23,200,000</b>

<sup>1</sup> Gifts are fully collected

<sup>2</sup> Revenue Financing System (RFS) Bond Proceeds to be repaid from a Grant from Odessa Development Corporation over a 5-year period

<sup>3</sup> Grant from Grow Odessa

**Project Cost Detail**

Building Cost	\$16,590,000
Fixed Equipment	96,513
Site Development	603,487
Furniture and Moveable Equipment	700,000

Institutionally Managed Work	1,245,557
Architectural/Design Services	1,289,856
Project Management Fees	816,171
Insurance	341,718
Other Professional Fees	507,913
Project Contingency	811,503
Other Costs	197,282
<b>Total Project Cost</b>	<b>\$23,200,000</b>

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

Kinesiology Building	\$377		
Texas Higher Education Coordinating Board Average - Classroom, General	\$386		
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$321	\$385	\$420
Other National Projects	\$307	\$405	\$533

**Investment Metrics**

- Increase the number of Kinesiology students from 300 to 600 and Athletic Training majors from 30 to 90 by 2025
- Increase Kinesiology graduates from 75 to 180 undergraduates and from 6 to 12 graduates by 2025
- Increase tenured and tenure-track faculty members from 4 to 8 by 2025
- Add \$10,000,000 in research grant funding and \$1,000,000 from community funding through wellness testing by 2027

**Project Planning**

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

**Project Milestones**

Definition Phase Approval	September 2016
Addition to CIP	February 2017
Design Development Approval	August 2017
Construction Notice to Proceed	February 2018
Substantial Completion	July 2019

5. U. T. Health Science Center - San Antonio: Relocate the Barshop Institute - Amendment of the FY 2018-2023 Capital Improvement Program to increase total project cost; approval to revise funding sources; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board approved the recommendations for the Relocate the Barshop Institute project at The University of Texas Health Science Center at San Antonio as follows:

- a. amend the Fiscal Year 2018-2023 Capital Improvement Program (CIP) to increase the total project cost from \$65,000,000 to \$70,200,000;
- b. revise funding sources to include Gifts and Designated Funds;
- c. approve design development plans;
- d. appropriate funds and authorize expenditure of \$70,200,000 with \$35,000,000 from Revenue Financing System (RFS) Bond Proceeds, \$30,000,000 from Permanent University Fund (PUF) Bond Proceeds, \$3,000,000 from Gifts, and \$2,200,000 from Designated Funds; and
- e. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Health Science Center - San Antonio, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$35,000,000.

Debt Service

The \$35,000,000 in RFS debt will be repaid from the sale of the Texas Research Park property, which was approved by the Board on May 12, 2016. Annual debt service on the \$35,000,000 RFS debt is expected to be \$2.6 million. The institution's debt service coverage is expected to be at least 2.3 times and average 2.3 times over FY 2018-2023.

Previous Actions

On May 24, 2016, the Chancellor approved this project for Definition Phase. On November 10, 2016, the Board approved an allocation of \$30,000,000 in PUF Bond

Proceeds for this project. On May 10, 2017, the project was included in the CIP with a total project cost of \$65,000,000 with funding of \$30,000,000 from PUF Bond Proceeds and \$35,000,000 from RFS Bond Proceeds.

Project Description

The Barshop Institute for Longevity and Aging Studies, currently located at the Texas Research Park, will be relocated to the North Campus. The Institute supports four basic models of aging research: cellular aging, invertebrate aging, transgenic models of aging, and human genetics of aging. The building will have a vivarium and a three-story research wing, which will include open research laboratories, computational research facilities, research support areas, and administrative and research faculty offices. Included in the project will be a bridge connecting the building to the South Texas Research Facility, located across the street. Close proximity will allow common access to research cores for higher efficiency and less duplication while fostering more collaboration.

An increase in the total project cost is being requested to fund the addition of a third floor to the building. The second and third floors will be shelled to allow for future growth of the laboratory and administration offices.

**Project Information**

Project Number	402-1000
CIP Project Type	New Construction
Facility Type	Laboratory, Medical/Healthcare
Management Type	Office of Facilities Planning and Construction
Institution’s Project Advocate	James D. Kazen, Executive Vice President, Facility Planning and Operations
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	107,768
Shell Space (GSF)	54,668

**Project Funding**

	<u>Previous</u>	<u>Current</u>
Revenue Financing System Bond Proceeds <sup>1</sup>	\$35,000,000	\$35,000,000
Permanent University Fund Bond Proceeds	\$30,000,000	\$30,000,000
Gifts <sup>2</sup>	\$ 0	\$ 3,000,000
Designated Funds	<u>\$ 0</u>	<u>\$ 2,200,000</u>
Total Project Cost	\$65,000,000	\$70,200,000

<sup>1</sup> Revenue Financing System (RFS) Bond Proceeds to be repaid from sale of Texas Research Park property

<sup>2</sup> Gift funding is fully collected or committed

**Project Cost Detail**

Building Cost	
- Barshop Institute Building	\$43,128,343
- Unconditioned Pedestrian Bridge	3,162,842
Fixed Equipment	3,408,575
Site Development	3,035,395
Furniture and Moveable Equipment	1,300,000
Institutionally Managed Work	3,000,000
Architectural/Design Services	4,600,000
Project Management Fees	2,291,520
Insurance	1,132,236
Other Professional Fees	1,350,000
Project Contingency	3,391,089
Other Costs	400,000
<b>Total Project Cost</b>	<b>\$70,200,000</b>

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

Relocate the Barshop Institute (with 51% Shell Space)	\$400
Relocate the Barshop Institute (Estimated Total Finish-Out)	\$509
Texas Higher Education Coordinating Board Average - Laboratory, Medical/Healthcare	\$501

	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$474	\$553	\$649
Other Texas Projects	\$487	\$506	\$537
Other National Projects	\$517	\$672	\$874

**Investment Metrics**

By 2019

- Add 12-16 new research labs; shell space to provide an additional 24-32 future labs
- Provide wet lab space for 12-16 principal investigators; shell space to provide space for additional 24-32 future investigators
- Attract and retain world-class faculty

**Project Planning**

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

**Project Milestones**

Definition Phase Approval	May 2016
Addition to CIP	May 2017
Design Development Approval	August 2017
Construction Notice to Proceed	November 2017
Substantial Completion	October 2019

6. U. T. Health Science Center - San Antonio: UT Health San Antonio Cancer Center Renovations - Amendment of the FY 2018-2023 Capital Improvement Program to increase total project cost; approval to revise funding sources; and appropriation of funds and authorization of expenditure

The Board approved the recommendations for the UT Health San Antonio Cancer Center Renovations project at The University of Texas Health Science Center at San Antonio as follows:

- a. amend the Fiscal Year 2018-2023 Capital Improvement Program (CIP) to increase the total project cost from \$15,000,000 to \$20,000,000;
- b. revise funding sources to include Gifts; and
- c. appropriate funds and authorize expenditure of \$5,000,000 with funding of \$3,400,000 from Designated Funds and \$1,600,000 from Gifts.

Previous Actions

On October 22, 2016, the Chancellor approved this project for Definition Phase. On November 10, 2016, the Board approved allocation of Permanent University Fund (PUF) Bond Proceeds for projects included in the Cancer Collaboration. On February 9, 2017, the project was included in the CIP with a total project cost of \$15,000,000 with funding of \$12,000,000 from PUF Bond Proceeds and \$3,000,000 from Designated Funds. On April 27, 2017, the President approved design development and authorized expenditure of funds. On May 30, 2017, the project was redesignated as the UT Health San Antonio Cancer Center Renovations project.

Project Description

This project will address the necessary improvements to the current facility to meet the program requirements for world-class cancer care set forth by U. T. Health Science Center - San Antonio and The University of Texas M. D. Anderson Cancer Center. The original project included constructing a new and expanded pharmacy, a welcome center, a diagnostic center, a new patient and family service center, and a new infusion center. This project also included addressing infrastructure issues to the building, including replacing air handlers, adding emergency generators, and replacing the entire roof.

The increase in total project cost will add finish-out of existing space for a diagnostics lab, provide modifications for a linear accelerator, provide exterior water infiltration repairs, upgrade existing electrical service, and provide mechanical repairs and upgrades. The additional work to the existing facility for water infiltration and electrical and mechanical repairs and upgrades were assessed during the design of the project and are required for operation of the facility.

**Project Information**

Project Number 402-1094  
 CIP Project Type Repair and Rehabilitation  
 Facility Type Healthcare Facility, Clinic  
 Management Type Institutionally Managed  
 Institution’s Project Advocate James D. Kazen, Executive Vice President, Facility Planning and Operations  
 Project Delivery Method Construction Manager-at-Risk  
 Gross Square Feet (GSF) 28,367

**Project Funding**

	<u>Previous</u>	<u>Current</u>
Permanent University Fund Bond Proceeds <sup>1</sup>	\$12,000,000	\$12,000,000
Designated Funds	\$ 3,000,000	\$ 6,400,000
Gifts <sup>2</sup>	\$ 0	\$ 1,600,000
Total Project Cost	\$15,000,000	\$20,000,000

<sup>1</sup> Permanent University Fund (PUF) Bond Proceeds previously approved by Board on November 10, 2016

<sup>2</sup> Gift funding is fully collected or committed

**Project Cost Detail**

Building Cost	\$14,228,923
Fixed Equipment	220,000
Site Development	-
Furniture and Moveable Equipment	1,220,000
Institutionally Managed Work	883,483
Architectural/Design Services	1,093,237
Project Management Fees	698,404
Insurance	294,876
Other Professional Fees	56,500
Project Contingency	1,302,362
Other Costs	2,215
<b>Total Project Cost</b>	<b>\$20,000,000</b>

**Building Cost per GSF**

Cancer Center Renovations	\$501
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**Project Planning**

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

**Project Milestones**

Definition Phase Approval

October 2016

Addition to CIP

February 2017

Design Development Approval

April 2017

Construction Notice to Proceed

May 2017

Substantial Completion

May 2018

APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS.--At 10:04 a.m., the Board voted and unanimously approved the Standing Committee recommendations.

RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551.--At 10:06 a.m., the Board recessed to Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073, 551.074, and 551.076 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS AND TO CONSIDER AGENDA ITEMS.--The Board reconvened in Open Session at 3:34 p.m. to consider the following actions on Executive Session items.

1. U. T. System: Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property

No action was taken on this item.

- 2a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

- 2b. U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning decision in *Fisher v. State of Texas, University of Texas at Austin, et al.*

No action was taken on this item.

- 2c. U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning pending legal claims by and against U. T. System

No action was taken on this item.

- 2d. U. T. System: Discussion of legal issues related to management of a national laboratory

No action was taken on this item. (See related Agenda Item 9 on Page 156 for action taken in Open Session.)

2e. U. T. Health Science Center - Tyler: Discussion and appropriate action regarding legal issues related to East Texas opportunities

No action was taken on this item.

3a. U. T. Southwestern Medical Center: Discussion and appropriate action regarding proposed compensation for Robert D. B. Jaquiss, M.D., Professor of Pediatric Cardiovascular and Thoracic Surgery and Professor of Pediatrics (Regents' Rules and Regulations, Rule 20204, regarding compensation for highly compensated employees)

Vice Chairman Hicks moved that the Board approve the proposed changes in compensation for

- Dr. Robert Jaquiss, Professor of Pediatric Cardiovascular and Thoracic Surgery and Professor of Pediatrics at The University of Texas Southwestern Medical Center; and
- Dr. Jorge Salazar, Professor and Division Chief, Department of Pediatric Surgery, Division of Pediatric Cardiovascular Surgery at The University of Texas Health Science Center at Houston

within the parameters outlined and recommended in Executive Session.

He further moved that the Board find that these proposed compensation changes are in the best interest of U. T. Southwestern Medical Center, U. T. Health Science Center - Houston, and The University of Texas System as required by state law.

The motion was seconded and carried unanimously.

3b. U. T. Health Science Center - Houston: Discussion and appropriate action regarding proposed compensation for Jorge D. Salazar, M.D., Professor and Division Chief, Department of Pediatric Surgery, Division of Pediatric Cardiovascular Surgery (Regents' Rules and Regulations, Rule 20204, regarding compensation for highly compensated employees)

See Item 3a above for action taken on this item.

- 3c. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Deputy Chancellor, Executive Vice Chancellors, and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), members of the Board of Regents, and U. T. System and institutional employees, and related personnel aspects of the operating budget for Fiscal Year 2018

See related Items 10 and 13 on the following pages for action taken on the personnel aspects of the Operating Budget for Fiscal Year 2018.

- 3d. U. T. System: Discussion and appropriate action concerning individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of U. T. System and institutional employees including employees covered by Regents' *Rules and Regulations*, Rule 20204, regarding compensation for highly compensated employees, and Rule 20203, regarding compensation for key executives

See related Items 10 and 13 on the following pages for action taken on the personnel aspects of the Operating Budget for Fiscal Year 2018.

- 3e. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to compensation including achievement of goals for incentive compensation for Presidents

See related Items 10 and 13 on the following pages for action taken on the personnel aspects of the Operating Budget for Fiscal Year 2018.

- 3f. U. T. System Board of Regents: Discussion regarding individual personnel matters associated with the reorganization of the Board of Regents and the election of officers

No action was taken on this item.

4. U. T. System Board of Regents: Discussion and appropriate action regarding update on safety and security issues, including security audits and the deployment of security personnel and devices

No action was taken on this item.

## AGENDA ITEMS (continued)

9. U. T. System: Discussion and appropriate action regarding issues related to development of a potential bid for management of Los Alamos National Laboratory

Before calling on Chancellor McRaven to introduce a discussion on a possible bid related to the Los Alamos National Laboratory, Chairman Foster said a formal vote was not necessary at this time, but Deputy Chancellor Daniel had requested a sense of the Board's support for The University of Texas System's continued exploratory activity toward a possible bid.

Chancellor McRaven then provided brief comments on the possibility of managing Los Alamos National Laboratory, which would be of value to faculty and students at U. T. System institutions and would serve the nation. He called on Deputy Chancellor Daniel for remarks.

### Remarks by Dr. Daniel

We are requesting today the Board's support for taking the next steps in potentially developing a bid proposal to operate Los Alamos National Lab. I emphasize that you are not being asked today to approve any specific bid – rather, you are being asked to approve the U. T. System going forward with the process of developing a bid for consideration, working collaboratively with U. T. Austin, which will have a particularly important role, as well as other U. T. System institutions.

The University of Texas System intends to be the lead on a team that will include private sector partners. We will need to secure teaming agreements with our partners. We may ultimately engage additional companies and even universities as subcontractors.

On August 15, we submitted notice to the Legislative Budget Board of intent to request consideration by the Board of Regents for up to \$4.5 million of AUF [Available University Fund] funding to pay the cost of bid development. We will need to establish a secure bid preparation center, hire consultants who are experts in this type of bid, arrange for key personnel, think through and describe how we would execute the work, conduct considerable legal work, conduct due diligence, and conduct a myriad of other tasks. By law, the Board cannot consider an AUF funding request for this type of special initiative sooner than 30 days after notice is provided to the LBB. Our intent, if the Board gives us the green light today, is to continue our process of evaluating a potential bid and, if indicators are positive, to request Board approval for proposal preparation funding in the latter half of September.

A logical question to ask is why would The University of Texas System want to manage the operations of Los Alamos National Laboratory. There are several reasons.

1. First and foremost, America faces serious threats to its security. Our nation needs all the talent it can get at its national laboratories to maintain its nuclear deterrent, to promote nonproliferation, to monitor for rogue nuclear threats or testing, to clean up the land and groundwater contamination left from the Cold War era, and to tackle new threats to our security such as cyber attacks. In this regard, the U. T. System has tremendous expertise and leadership to offer the nation. Our faculty and researchers are among the best and most talented in the world. Los Alamos would benefit from U. T. faculty and U. T. know-how. The University of Texas System has a cadre of technical experts in fields related to the work to be performed at Los Alamos Laboratory. Our mission-relevant assets include world-class capabilities and expertise in computational science and engineering, supercomputing, cybersecurity, biohazards management, environmental stewardship, materials science, nanoscience, system engineering, microelectronics, and many other best-in-the-nation facilities and people. The University of Texas is a trusted partner in working with federal agencies and maintaining classified material. The University of Texas can help Los Alamos and our nation. We firmly believe that we have the talent and capability to win and to deliver superior results. This, above all else, is the reason for the U. T. System to operate Los Alamos National Laboratory: Excellent Service in the National Interest.
2. A second reason is the opportunity created for our students and faculty. U. T. System operation of Los Alamos National Laboratory would ensure that our great people, many of whom care deeply about the security of our nation, would have the opportunity to contribute mightily to Los Alamos, to collaborate and work with staff at Los Alamos and the broader Los Alamos community, to become immersed in the types of problems needing solutions, and then to contribute to the solution of those problems. The experiences will be life changing for many and will contribute significantly to strengthening of our national security.
3. A third reason is research opportunity. Creating new opportunities and building additional research capacity is one of President Fennes' top priorities for U. T. Austin and is a top priority for other U. T. System institutions. The operation of Los Alamos will offer new opportunities for securing research support and the millions of dollars per year potentially, advancing our institutions.
4. A fourth and final reason to go after Los Alamos is to strengthen the national posture and visibility of our institutions. We talk frequently about

the steps needed to advance institutions and to compete with the very best universities in America. If we are successful in this bidding process, that success will help to build other successes.

You may also wonder about the risks associated with operating Los Alamos. The Laboratory itself has many risks including high-hazard material and wastes. Safety programs are absolutely critical. In addition, there is reputational risk associated with how good a job we do in managing Los Alamos. To manage the risk, the best strategy is to submit a bid if and only if we are convinced that we have the right partners and key personnel to do an excellent job of operating Los Alamos. Chancellor McRaven, President Fenves, and I are committed to continuing this process only if we are confident that we can deliver excellent results. We commit to a thorough due diligence process to understand the key issues at Los Alamos and the balance between risk and opportunity.

U. T. Austin can be an enormous asset in preparing an exceptional proposal to operate Los Alamos Lab. Before we open it up for questions, I'd like to invite President Greg Fenves to make comments.

President Fenves commented that partnering with Los Alamos National Laboratory would be an honor and help serve U. T. Austin's research goals and priorities among faculty, students, and across the university. Members of the Board encouraged an aggressive pursuit of the bid for reasons of prestige, honor, national prominence, service to the country, and research and educational opportunities.

10. U. T. System: Approval of the nonpersonnel aspects of the operating budgets for Fiscal Year 2018, including the Permanent University Fund Bond Proceeds allocation for Library, Equipment, Repair and Rehabilitation Projects; allocation for the Science and Technology Acquisition, and support for capital expenses for the U. T. Rio Grande Valley Medical School; Available University Fund allocation for campus support; and Internal Lending Program funding for strategic projects

Chancellor McRaven presented the nonpersonnel aspects of The University of Texas System Operating Budgets for Fiscal Year 2018, beginning with the following points:

- The size, scale, and diversity of the U. T. System exceed all other higher education systems in the state.
- The Fiscal Year 2018 Budget
  - serves more students, provides more care, and does more research than the Fiscal Year 2017 Budget

- provides more Available University Funds (AUF) to the flagship university, The University of Texas at Austin;
- reduces the U. T. System Administration Operating Budget; and
- reduces the number of U. T. System Administration Full-Time Employees (FTEs); and
- the budget focus remains on the campuses.

Chancellor McRaven's presentation is [on file](#) in the Office of the Board of Regents and included the following recommended items:

- Fiscal Year 2018 Operating Budget
- Fiscal Year 2018 Library, Equipment, Repair and Rehabilitation (LERR) Budget
- Fiscal Year 2018 Faculty Science and Technology Acquisition and Retention (STARs) program
- Allocation in support of The University of Texas Rio Grande Valley School of Medicine
- Allocation for information technology upgrades and implementation including PeopleSoft at U. T. Rio Grande Valley
- Funding for strategic projects.

Regarding the Institute for Transformational Learning (ITL), Chancellor McRaven said he will come back to the Board in November 2017 with a plan to proceed and identification of what is of value in the ITL portfolio. In the meantime, he said the ITL would be kept in the budget with an expectation on his part to look at ways to make reductions in a thoughtful manner.

Upon motion by Vice Chairman Hildebrand, the Board approved the U. T. System Operating Budgets and associated Budget Rules and Procedures for Fiscal Year 2018, including matters related to the compensation and conditions of employment for those individuals requiring Board approval as recommended to and considered by the Board in Executive Session (Items 3c - 3e).

The Board also approved allocation of Educational and General Funds; Auxiliary Enterprises; Grants and Contracts; Designated Funds; Restricted Current Funds; and Medical, Dental, Nursing, and Allied Health Faculty Services; and Research and Development Plans.

Approval of the budget for Fiscal Year 2018 also included

1. the appropriation of \$35 million of Permanent University Fund (PUF) Bond Proceeds directly to U. T. System institutions to fund LERR projects;
2. \$20 million of PUF Bond Proceeds for the Faculty STARs Program to provide additional funding to build and enhance research infrastructure to attract and retain the best qualified faculty;
3. \$20 million of PUF Bond Proceeds to fund eligible capital expenses associated with the start-up of the U. T. Rio Grande Valley School of Medicine;
4. \$10.3 of AUF to fund Years Two and Three to upgrade and implement the UTShare Human Resource and Financial Enterprise System, to upgrade and implement the Student Information System, and to provide basic campus and implementation support to bring U. T. Rio Grande Valley into the cohort currently using PeopleSoft;
5. Conditional approval of \$700,000 for a proposed contract with Digerati, Inc., for a job and internship matching network. \$500,000 will come from AUF included in the proposed U. T. System Administration 2018 budget in support of the Student Success Quantum Leap and \$200,000 from balances that remain from the 2017 budget (see Agenda Item 12 on Page 171); and
6. \$2.35 million of funding from the Internal Lending Program for the following strategic projects:
  - a. \$1.5 million to support the five U. T. academic institutions participating in the Texas Education Agency College of Education Turnaround Partnerships initiative;
  - b. \$500,000 to extend the reach and impact of the U. T. System National Security Network; and
  - c. \$350,000 to recognize outstanding employees at the U. T. institutions and U. T. System Administration, with the clarification that the monetary awards will be in the amount of \$10,000 each (Regents' Outstanding Employee Awards).

The Chancellor was authorized to make editorial corrections to the U. T. System Operating Budgets for 2018 with subsequent adjustments reported to the U. T. System Board of Regents through the Consent Agenda to the extent required by the Budget Rules and Procedures included in the 2018 Operating Budgets, noting for the Board that the Budget Rules and Procedures were amended and approved

on February 11, 2016, to authorize the Chancellor to approve budget amendments for U. T. System Administration not to exceed \$10 million from previously appropriated items, following advance consultation with the Chairman of the Board.

The item was approved as recommended, with the following exceptions and conditions:

- a. approval of \$5 million from the Internal Lending Program for the Proof-of-Concept Fund was deferred (see related Agenda Item 11 on Page 171); and
- b. approval of \$700,000 of AUF to fund a contract with Digerati, Inc., was conditionally approved with the understanding that the Chancellor will assure alignment with Academic Affairs and with the institutions.

Additional background information from the Agenda materials on certain initiatives approved above is set forth below.

#### U. T. Rio Grande Valley School of Medicine

In addition, it is requested that an allocation of \$20 million of PUF Bond Proceeds be authorized to fund eligible capital expenses associated with the start-up of the U. T. Rio Grande Valley School of Medicine. On December 6, 2012, the Board approved \$100 million of unspecified resources to be used to fund start-up costs for the School of Medicine. Of the \$100 million commitment, the Board has previously approved \$30 million of PUF and is being asked to approve an additional \$20 million at this time leaving \$50 million for future allocation.

#### UTShare Human Resource and Financial Enterprise System (PeopleSoft), Student Information System, and basic campus and implementation support to U. T. Rio Grande Valley

Additional funding totaling \$10.3 of Available University Funds (AUF) is requested to fund Years Two and Three to upgrade and implement the UTShare Human Resource and Financial Enterprise System (PeopleSoft), to upgrade and implement the Student Information System, and to provide basic campus and implementation support to bring U. T. Rio Grande Valley into the cohort currently using PeopleSoft. The first year of funding was approved by the Board on April 10, 2017. With the approval of this request, a total of \$13.6 million will have been allocated for the implementation upgrade. As part of that approval, the Board made a finding of fact that expenditure of AUF for the proposed purpose is appropriate.

#### Digerati, Inc.

A separate Agenda Item requested approval of an agreement with Digerati, Inc., to develop a job matching network that will benefit all academic institutions (see Agenda Item 12 on Page 171). Total cost of this initiative is \$700,000 of which \$500,000 is included in the recommended FY 2018 Operating Budget for U. T.

System Administration as a Student Success Quantum Leap with the other \$200,000 from balances that will remain from the FY 2017 budget. Background information was included with the Agenda Item including a finding of fact to be made by the Board that expenditure of AUF for the proposed purpose is appropriate.

Funding from the Internal Lending Program:

Texas Turnaround Partnerships

\$1.5 million (\$500,000 per year for three years) to support the five U. T. academic institutions participating in the Texas Education Agency College of Education Turnaround Partnerships initiative. Chancellor McRaven agreed to identify funding for institutions that elected to participate. The goals of this initiative are to build greater turnaround capacity in U. T. Colleges of Education and to help turn around some of the state's lowest-performing public schools.

National Security Network

\$500,000 to extend the reach and impact of the U. T. System National Security Network (NSN). On November 10, 2016, the Board of Regents appropriated \$10,000,000 of AUF in support of the NSN Quantum Leap. As the National Security effort has progressed, it has become evident that several institutions have considerable capability to support the effort. Legal restrictions do not permit use of AUF to support operating expenses at institutions other than U. T. Austin. To extend the reach and impact of the NSN Quantum Leap, \$500,000 of Internal Lending Program Funds, which may be used by all U. T. institutions for operating expenses, was approved on February 9, 2017, by the Board. An additional \$500,000 of Internal Lending Program funding is requested to be used to support work at U. T. institutions and to integrate those efforts with work at U. T. Austin. Collectively, these activities will enhance capabilities and broaden positive impacts from the NSN Quantum Leap.

Regents' Outstanding Employee Awards

\$350,000 to recognize outstanding employees at the U. T. institutions and U. T. System Administration. On November 9, 2016, the Employee Advisory Council discussed with the Board the creation of the Regents' Outstanding Employee Awards. Funding will be used for \$10,000 monetary awards, medal or plaque, and a recognition dinner or reception. [In his presentation, Chancellor McRaven clarified that the award to the Regents' Outstanding Employee Awards would be at \$10,000 each recipient; \$5,000 each was noted in the Agenda materials.]

The appropriation of PUF Bond Proceeds as presented in the Fiscal Year 2018 LERR Budget is subject to the budget rules and expenditure guidelines adopted therein and the requirements of the U. T. Systemwide Policy *UTS168 Capital Expenditure Policy*. The allocation of LERR funds to the U. T. institutions was developed from prioritized lists of projects submitted by the institutions and reviewed by U. T. System Administration staff. The allocation of PUF Bond Proceeds for

Faculty STARS and the U. T. Rio Grande Valley School of Medicine are also subject to the LERR budget rules, expenditure guidelines, and UTS168. Additionally, PUF Bond Proceeds appropriated above to LERR, Faculty STARS, and U. T. Rio Grande Valley School of Medicine must be spent in accordance with the Article VII, Section 18 of the Texas Constitution. PUF Bond Proceeds may only be used for the purpose of acquiring land either with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair and rehabilitation of buildings and other permanent improvements, acquiring capital equipment, and acquiring library books and library materials.

The U. T. System operating budgets are a part of the official copy of the Minutes and are made a part of the record of this meeting.

See also the Executive Session items related to the individual personnel aspects of the U. T. System Operating Budgets (Items 3c - 3e) and related Agenda Item 13.

Salaries for U. T. System Executive Officers and Presidents approved at the August 24, 2017 meeting are set forth on Pages 163 - 170.

## THE UNIVERSITY OF TEXAS SYSTEM

### Compensation - Academic Institution Presidents

Approved Salary Rates Effective September 1, 2017 for Fiscal Year Ending August 31, 2018

	Approved 2017	Approved 2018
<b>ACADEMIC INSTITUTION PRESIDENTS</b>		
<b>U. T. Arlington</b>		
<i>Vistasp M. Karbhari</i>		
Salary Rate	\$ 485,000	485,000
Incentive Compensation	77,600	24,250
<b>Total Compensation</b>	<b>\$ 562,600</b>	<b>509,250</b>
<b>U. T. Austin</b>		
<i>Gregory L. Fenves</i>		
Salary Rate	\$ 750,000	750,000
Deferred Compensation <sup>1</sup>	50,000	50,000
Incentive Compensation	-	150,000
<b>Total Compensation</b>	<b>\$ 800,000</b>	<b>950,000</b>
<b>U. T. Dallas</b>		
<i>Richard C. Benson</i>		
Salary Rate	\$ 525,000	525,000
Incentive Compensation	-	78,750
<b>Total Compensation</b>	<b>\$ 525,000</b>	<b>603,750</b>
<b>U. T. El Paso</b>		
<i>Diana S. Natalicio</i>		
Salary Rate	\$ 426,755	426,755
Incentive Compensation	-	29,873
<b>Total Compensation</b>	<b>\$ 426,755</b>	<b>456,628</b>
<b>U. T. Permian Basin</b>		
<i>Sandra Woodley<sup>2</sup></i>		
Salary Rate	\$ -	425,000
Incentive Compensation	-	-
<b>Total Compensation</b>	<b>\$ -</b>	<b>425,000</b>

Note: Presidents are paid \$65,945 from General Revenue with the difference paid from other institutional fund sources

<sup>1</sup>Vests 8/31/2020

<sup>2</sup>Appointed as President effective July 1, 2017

<sup>3</sup>Appointed as President effective September 1, 2017

<sup>4</sup>Appointed as President effective January 1, 2017

	Approved 2017	Approved 2018
<b>ACADEMIC INSTITUTION PRESIDENTS</b>		
<b>U. T. Rio Grande Valley</b>		
<i>Guy H. Bailey</i>		
Salary Rate	\$ 600,000	600,000
Incentive Compensation	102,000	102,000
<b>Total Compensation</b>	<b>\$ 702,000</b>	<b>702,000</b>
<b>U. T. San Antonio</b>		
<i>T. Taylor Eighmy<sup>3</sup></i>		
Salary Rate	\$ -	500,000
Incentive Compensation	-	-
<b>Total Compensation</b>	<b>\$ -</b>	<b>500,000</b>
<b>U. T. Tyler</b>		
<i>Michael Tidwell<sup>4</sup></i>		
Salary Rate	\$ 400,000	400,000
Incentive Compensation	-	-
<b>Total Compensation</b>	<b>\$ 400,000</b>	<b>400,000</b>

Note: Presidents are paid \$65,945 from General Revenue with the difference paid from other institutional fund sources

<sup>1</sup>Vests 8/31/2020

<sup>2</sup>Appointed as President effective July 1, 2017

<sup>3</sup>Appointed as President effective September 1, 2017

<sup>4</sup>Appointed as President effective January 1, 2017

## THE UNIVERSITY OF TEXAS SYSTEM

### Compensation - Health Institution Presidents

Approved Salary Rates Effective September 1, 2017 for Fiscal Year Ending August 31, 2018

	Approved 2017	Approved 2018
<b>HEALTH INSTITUTION PRESIDENTS</b>		
<b>U. T. Medical Branch - Galveston</b>		
<i>David L. Callender</i>		
Salary Rate	\$ 854,360	854,360
Deferred Compensation <sup>1</sup>	200,000	200,000
Practice Plan	-	-
Incentive Compensation	146,938	149,500
<b>Total Compensation</b>	<b>\$ 1,201,298</b>	<b>1,203,860</b>
<b>U. T. Health Science Center - Houston</b>		
<i>Giuseppe Colasurdo</i>		
Salary Rate	\$ 750,500	750,500
Practice Plan	199,500	199,500
Incentive Compensation	106,946	112,500
<b>Total Compensation</b>	<b>\$ 1,056,946</b>	<b>1,062,500</b>
<b>U. T. Health Science Center - San Antonio</b>		
<i>William Henrich</i>		
Salary Rate	\$ 698,163	698,163
Deferred Compensation <sup>2</sup>	200,000	200,000
Practice Plan	188,015	188,015
Incentive Compensation	118,862	97,700
<b>Total Compensation</b>	<b>\$ 1,205,040</b>	<b>1,183,878</b>
<b>U. T. Southwestern Medical Center</b>		
<i>Daniel K. Podolsky</i>		
Salary Rate	\$ 944,316	944,316
Deferred Compensation <sup>2</sup>	100,000	100,000
Practice Plan	259,239	259,239
Incentive Compensation	186,503	186,503
<b>Total Compensation</b>	<b>\$ 1,490,058</b>	<b>1,490,058</b>

Note: All Presidents are paid \$65,945 from General Revenue with the difference paid from other institutional fund sources

<sup>1</sup>Vests 8/31/2019

<sup>2</sup>Vests 8/31/2018

<sup>3</sup>Appointed President *ad interim* effective 3/21/2017

	Approved 2017	Approved 2018
<b>HEALTH INSTITUTION PRESIDENTS</b>		
<b>U. T. M. D. Anderson Cancer Center</b>		
<i>Marshall E. Hicks</i> <sup>3</sup>		
Salary Rate	\$ 954,744	954,744
Supplement	95,472	95,472
Deferred Compensation	-	-
Practice Plan	-	-
Incentive Compensation	-	-
<b>Total Compensation</b>	<b>\$ 1,050,216</b>	<b>1,050,216</b>
<b>U. T. Health Science Center - Tyler</b>		
<i>Kirk Calhoun</i>		
Salary Rate	\$ 537,000	537,000
Deferred Compensation <sup>2</sup>	150,000	150,000
Practice Plan	105,503	105,503
Incentive Compensation	73,702	67,000
<b>Total Compensation</b>	<b>\$ 866,205</b>	<b>859,503</b>

Note: All Presidents are paid \$65,945 from General Revenue with the difference paid from other institutional fund sources

<sup>1</sup>Vests 8/31/2019

<sup>2</sup>Vests 8/31/2018

<sup>3</sup>Appointed President *ad interim* effective 3/21/2017

## THE UNIVERSITY OF TEXAS SYSTEM

### Compensation - Executive Officers U. T. System Administration

Approved Salary Rates Effective September 1, 2017 for Fiscal Year Ending August 31, 2018

	Approved 2017	Approved 2018
<b>EXECUTIVE OFFICERS</b>		
<b>Chancellor</b>		
<i>William McRaven</i>		
Salary Rate	\$ 1,200,000	1,200,000
Deferred Compensation <sup>1</sup>	400,000	-
Annual Retention Payment	100,000	100,000
Contingent Contract Completion Payment	-	300,000
Subtotal Contractual Compensation	1,700,000	1,600,000
Contingent Performance Payment <sup>2</sup>	200,000	-
<b>Total Compensation</b>	<b>\$ 1,900,000</b>	<b>1,600,000</b>
<b>Deputy Chancellor</b>		
<i>David Daniel</i>		
Salary Rate	\$ 725,000	725,000
One-time Merit <sup>2</sup>	\$ -	-
<b>Total Compensation</b>	<b>\$ 725,000</b>	<b>725,000</b>
<b>Executive Vice Chancellor for Academic Affairs</b>		
<i>Steven Leslie</i>		
Salary Rate	\$ 470,000	470,000
One-time Merit <sup>2</sup>	-	-
<b>Total Compensation</b>	<b>\$ 470,000</b>	<b>470,000</b>
<b>Executive Vice Chancellor for Business Affairs</b>		
<i>Scott C. Kelley</i>		
Salary Rate	\$ 420,900	420,900
One-time Merit <sup>2</sup>	-	-
<b>Total Compensation</b>	<b>\$ 420,900</b>	<b>420,900</b>
<b>Executive Vice Chancellor for Health Affairs</b>		
<i>Raymond S. Greenberg</i>		
Salary Rate	\$ 700,000	700,000
One-time Merit <sup>2</sup>	-	-
Deferred Compensation <sup>3</sup>	150,000	150,000
<b>Total Compensation</b>	<b>\$ 850,000</b>	<b>850,000</b>

<sup>1</sup>Vests 1/4/2018

<sup>2</sup>Declined Contingent Performance Payment/One-time Merit Consideration

<sup>3</sup>Vests 2/28/2019

<sup>4</sup>Temporary supplement effective 12/1/2016 through 11/30/2017

	Approved 2017	Approved 2018
<b>EXECUTIVE OFFICERS (continued)</b>		
<b>Vice Chancellor for External Relations</b>		
<i>Randa S. Safady</i>		
Salary Rate	\$ 550,000	550,000
One-time Merit <sup>2</sup>	-	-
<b>Total Compensation</b>	<b>\$ 550,000</b>	<b>550,000</b>
<b>Vice Chancellor and General Counsel</b>		
<i>Daniel H. Sharphorn</i>		
Salary Rate	\$ 390,000	390,000
One-time Merit <sup>2</sup>	-	-
<b>Total Compensation</b>	<b>\$ 390,000</b>	<b>390,000</b>
<b>Vice Chancellor and Chief Governmental Relations Officer</b>		
<i>Barry McBee</i>		
Salary Rate	\$ 280,900	280,900
One-time Merit <sup>2</sup>	-	-
<b>Total Compensation</b>	<b>\$ 280,900</b>	<b>280,900</b>
<b>Vice Chancellor for Federal Relations</b>		
<i>William H. Shute</i>		
Salary Rate	\$ 276,500	276,500
One-time Merit <sup>2</sup>	-	-
<b>Total Compensation</b>	<b>\$ 276,500</b>	<b>276,500</b>
<b>Vice Chancellor for Strategic Initiatives</b>		
<i>Stephanie Bond Huie</i>		
Salary Rate	\$ 280,000	280,000
Temporary Supplement <sup>4</sup>	30,000	30,000
One-time Merit <sup>2</sup>	-	-
<b>Total Compensation</b>	<b>\$ 310,000</b>	<b>310,000</b>
<b>Vice Chancellor for Health Affairs</b>		
<i>Amy Shaw Thomas</i>		
Salary Rate	\$ 400,000	400,000
One-time Merit <sup>2</sup>	-	-
<b>Total Compensation</b>	<b>\$ 400,000</b>	<b>400,000</b>

<sup>1</sup>Vests 1/4/2018<sup>2</sup>Declined Contingent Performance Payment/One-time Merit Consideration<sup>3</sup>Vests 2/28/2019<sup>4</sup>Temporary supplement effective 12/1/2016 through 11/30/2017

	Approved 2017	Approved 2018
<b>EXECUTIVE OFFICERS (continued)</b>		
<b>General Counsel to the Board of Regents</b>		
<i>Francie A. Frederick</i>		
Salary Rate	\$ 437,736	437,736
One-time Merit <sup>2</sup>	75,000	-
<b>Total Compensation</b>	<b>\$ 512,736</b>	<b>437,736</b>
<b>Chief Audit Executive</b>		
<i>J. Michael Peppers</i>		
Salary Rate	\$ 365,900	365,900
One-time Merit <sup>2</sup>	-	-
<b>Total Compensation</b>	<b>\$ 365,900</b>	<b>365,900</b>

<sup>1</sup>Vests 1/4/2018

<sup>2</sup>Declined Contingent Performance Payment/One-time Merit Consideration

<sup>3</sup>Vests 2/28/2019

<sup>4</sup>Temporary supplement effective 12/1/2016 through 11/30/2017

11. U. T. System: Discussion and appropriate action regarding proposed creation of the Proof-of-Concept Fund (Deferred)

This item was considered before approval of Agenda Item 10 on Page 158.

Action on the proposed creation of The University of Texas System Proof-of-Concept Fund was deferred following a presentation by Associate Vice Chancellor Goonewardene; Dr. Daniel Jaffe, Vice President for Research at The University of Texas at Austin; and Dr. Andrea Giuffrida, Vice President for Research at The University of Texas Health Science Center at San Antonio.

A requested \$5 million from the Internal Lending Program as part of the U. T. System Operating Budget for Fiscal Year 2018 was not approved in Agenda Item 10 on Page 158.

12. U. T. System: Discussion and appropriate action related to proposed contract with Digerati, Inc. for a job and internship matching network, and finding that expenditure of Available University Funds for this purpose is appropriate

This item was considered before approval of Agenda Item 10 on Page 158.

The Board conditionally approved a contract with Digerati, Inc., for a job and internship matching network designed to match students at all University of Texas academic institutions with employment opportunities in Texas, with the understanding that the Chancellor will assure alignment with Academic Affairs and with the campuses. (See Item 10 on Page 158 for conditional approval of \$700,000 for this contract.)

In addition, the Board made a finding that expenditure of AUF for this purpose is appropriate under the U. T. System's responsibilities to coordinate the activities of the U. T. institutions participating in the program, with the intent that the expenditure will benefit a broad number of U. T. institutions, including all academic institutions.

The U. T. System Office of Innovation and Strategic Investment has piloted a talent matching network designed to expand access to employment opportunities in Texas for U. T. students and alumni, particularly with small and mid-sized organizations with job opportunities in Texas. The pilot program began on October 26, 2016, and extended through August 31, 2017, initially at a cost of \$49,500. The original pilot agreement was amended in April 2017 to allow expenditures of up to \$324,500 in support of the network, primarily to integrate career services systems. The pilot network included participation by students at The University of Texas at Arlington, The University of Texas at El Paso, The University of Texas Rio Grande Valley, and The University of Texas at Tyler.

The contract seeks to expand the network to serve all U. T. academic institutions and will run through August 31, 2018, with automatic annual renewals as long as

certain job matching thresholds are met, for an additional approximately \$700,000 with funding of \$500,000 from new AUF allocations in support of the Student Success Quantum Leap and \$200,000 from balances that remain from the 2017 budget. Digerati will charge a job posting fee to employers matched to job seekers through the network. In return for U. T. System's investment, Digerati will compensate U. T. System with a portion of the job posting fee. The proposed contract was being submitted to the Board at this time because total spending to Digerati will exceed \$1,000,000.

The network will be run by Digerati using its patent-pending analytics system and a proven campus/community partnership model to create a cost efficient and highly effective electronic labor exchange that matches students and employers based on key attributes, candidate interests, and required skills. Originally conceived as a solution for high growth entrepreneurial companies, the network now includes employers of all sizes. U. T. System will assist Digerati in marketing the network and building employment opportunities for students and alumni.

Advance notice of this potential initiative was provided to the Legislative Budget Board as required by Rider 8, Page III-61 of the current *General Appropriations Act*.

13. U. T. System: Discussion and appropriate action regarding personnel aspects of the U. T. System Administration operating budget for Fiscal Year 2018

The Board granted approval of the personnel aspects of The University of Texas System Administration Operating Budget for Fiscal Year 2018.

See also the Executive Session items related to the individual personnel aspects of the U. T. System Operating Budgets (Executive Session Items 3c through 3e).

14. U. T. System Board of Regents: Possible election of officers

No action was taken on this item.

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on November 8-9, 2017, in Austin.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 1:10 p.m.

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

September 8, 2017



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

**Committee and Board Meetings:**  
August 23-24, 2017  
Austin, Texas

**Page**

**MEETING OF THE BOARD**

- |    |  |            |
|----|--|------------|
| 1. | Minutes - <b>U. T. System Board of Regents:</b> Approval of Minutes of the regular meetings held on May 9-10, 2017, and July 12-13, 2017; and the special called meetings held on April 10, 2017, June 20, 2017, June 28, 2017, June 30, 2017, July 25, 2017, and August 1, 2017 | <b>181</b> |
| 2. | Resolution - <b>U. T. System Board of Regents:</b> Adoption of resolution regarding the list of Key Management Personnel authorized to negotiate, execute, and administer classified government contracts (Managerial Group) to reflect the name and term of new Student Regent  | <b>181</b> |
| 3. | Contract (funds coming in) - <b>U. T. System:</b> Joint Admission Medical Program (JAMP) Council for Texas Medical Dental Schools Application Service (TMDSAS) to perform administrative duties of the JAMP as delegated by the JAMP Council                                     | <b>183</b> |
| 4. | Other Matters - <b>U. T. System:</b> Approval of Newly Commissioned Peace Officers   | <b>184</b> |

**AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE**

- |    |   |            |
|----|---|------------|
| 5. | UTIMCO Committee Appointment - <b>U. T. System:</b> Proposed appointment of members to the Audit and Ethics Committee of the Board of Directors of The University of Texas/Texas A&M Investment Management Company (UTIMCO) | <b>184</b> |
|----|---|------------|

**FINANCE AND PLANNING COMMITTEE**

- |    |   |            |
|----|---|------------|
| 6. | Other Fiscal Matters - <b>U. T. System Board of Regents:</b> Approval of Capital Expenditures Budget for University of Texas/Texas A&M Investment Management Company (UTIMCO) | <b>185</b> |
| 7. | Contract (funds coming in and going out) - <b>U. T. System:</b> NextJob, Inc. to provide outplacement services  | <b>186</b> |
| 8. | Contract (funds going out) - <b>U. T. System:</b> Veolia ES Technical Solutions, LLC to provide hazardous waste management and disposal services for U. T. institutions       | <b>186</b> |

	<b>Page</b>
9. Contract (funds going out) - <b>U. T. System:</b> Injury Management Organization, Inc. to provide cost containment services and workers' compensation health care network services	<b>187</b>
10. Contract (funds going out) - <b>U. T. System:</b> J.P. Morgan Securities LLC to provide health care consulting services	<b>187</b>
11. Contract (funds going out) - <b>U. T. System:</b> Marsh USA, Inc. to provide Rolling Owner Controlled Insurance Program (ROCIP) Brokerage and Administration Services	<b>188</b>
12. Contract (funds going out) - <b>U. T. System:</b> Huron Consulting Services LLC to continue hosting online Effort Certification and Reporting Tool (ECRT) software	<b>188</b>
13. Transfer - <b>U. T. System:</b> Approval of transfer of funds between Legislative Appropriation items during the biennium beginning September 1, 2017	<b>190</b>
14. Other Fiscal Matters - <b>U. T. System:</b> Results of the 2017 Group Purchasing Organization (GPO) Accreditation Program	<b>191</b>
15. Approval to exceed the full-time equivalent (FTE) limitation on employees paid from appropriated funds - <b>U. T. System:</b> Request approval to exceed the FTE limitation at U. T. El Paso and U. T. Rio Grande Valley for Fiscal Year 2018 as authorized by Article IX of the <i>General Appropriations Act</i>	<b>192</b>
16. Real Estate Report - <b>U. T. System:</b> Summary Report of Separately Invested Assets Managed by U. T. System	<b>194</b>

**ACADEMIC AFFAIRS COMMITTEE**

17. Contract (funds coming in) - <b>U. T. Arlington:</b> To provide subject matter experts to Texas Commission on Environmental Quality (TCEQ) to assist in the implementation of agency programs for the Water Supply Division	<b>195</b>
18. Request for Budget Change - <b>U. T. Arlington:</b> New award of tenure and emeritus appointments	<b>195</b>
19. Contract (funds coming in) - <b>U. T. Austin:</b> Sponsorship Agreement between Sports in Action, LLC, a Texas limited liability company, dba High Field Marketing, and Russell Brands, LLC, owner of the Spalding Trademark, on behalf of U. T. Austin	<b>198</b>
20. Contract (funds coming in) - <b>U. T. Austin:</b> Key Brand Theatrical Group, Inc. to provide production services for Broadway in Austin performances at Texas Performing Arts	<b>198</b>

	<b>Page</b>
21. Contract (funds coming in and going out) - <b>U. T. Austin:</b> Amendment to agreement with University Food Services, a wholly owned subsidiary of Compass Group USA, Inc., to sell alcoholic beverages at the AT&T Executive Education and Conference Center, the Blanton Museum of Art, and Robert B. Rowling Hall	<b>199</b>
22. Contract (funds coming in and going out) - <b>U. T. Austin:</b> Agreement renewal with Flik International Corp, a wholly owned subsidiary of Compass Group USA, Inc., for hotel and conference management services at the AT&T Executive Education and Conference Center and to extend management services to conference operations, café operations, and facilities management at Robert B. Rowling Hall	<b>200</b>
23. Contract (funds going out) - <b>U. T. Austin:</b> Centennial Contractors Enterprises, Inc. to provide job order contracting services to campus facilities	<b>201</b>
24. Contract (funds going out) - <b>U. T. Austin:</b> Brown & Root Industrial Services, LLC to provide job order contracting services to campus facilities	<b>201</b>
25. Contract (funds going out) - <b>U. T. Austin:</b> Warden Construction Corporation to provide job order contracting services to campus facilities	<b>202</b>
26. Contract (funds going out) - <b>U. T. Austin:</b> QA Construction Services, Inc. to provide job order contracting services to campus facilities	<b>202</b>
27. Contract (funds going out) - <b>U. T. Austin:</b> SpawGlass Contractors, Inc. to provide Construction Manager at Risk services to campus facilities in conjunction with implementation of space allocation study recommendations	<b>203</b>
28. Contract (funds going out) - <b>U. T. Austin:</b> Alpha Building Corporation to provide job order contracting services to campus facilities	<b>203</b>
29. Contract (funds going out) - <b>U. T. Austin:</b> W. E. Imhoff & Company, Inc., dba Intertech Flooring, will provide job order contracting services to campus facilities	<b>204</b>
30. Request for Budget Change - <b>U. T. Austin:</b> New Hire with Tenure -- amendment to the 2016-2017 budget	<b>204</b>
31. Request for Budget Change - <b>U. T. Austin:</b> Approval of Emeritus Titles	<b>205</b>
32. Request for Budget Change - <b>U. T. Austin:</b> New award of tenure and emeritus appointments	<b>206</b>
33. Request for Budget Change - <b>U. T. Austin:</b> Transfer \$8,429,750 from Housing and Food Services - Halls, Building Services, and Resident Life Programming - Auxilliary Funds, Operating Income to Main Campus - Maintenance Upgrades Brackenridge Hall Dormitory, Roberts Hall Dormitory, and Prather Hall Dormitory - Plant Funds, All Expenses to fund new construction reserves (RBC No. 8491) -- amendment to the 2016-2017 budget	<b>210</b>

	<b>Page</b>
34. Employment Agreement - <b>U. T. Austin</b> : Approval of amendment to terms of Employment Agreement for Head Men's Swimming and Diving Coach Edwin C. Reese	<b>210</b>
35. Lease - <b>U. T. Austin</b> : Authorization to lease approximately 22,310 square feet of space located in U. T. Austin's Health Discovery Building at 1701 Trinity Street, Austin, Travis County, Texas, to Merck Sharp & Dohme Corp., for research and office use	<b>212</b>
36. Purchase - <b>U. T. Austin</b> : Authorization to purchase approximately 0.3685 acres of land located at 1191 Navasota Street, Austin, Travis County, Texas, from Ella Pease, for cultural and historical use	<b>213</b>
37. Request for Budget Change - <b>U. T. Dallas</b> : New award of tenure and emeritus appointments	<b>213</b>
38. Request for Budget Change - <b>U. T. El Paso</b> : New Hires with Tenure -- amendment to the 2016-2017 budget	<b>215</b>
39. Request for Budget Change - <b>U. T. El Paso</b> : New award of tenure appointments	<b>216</b>
40. Contract (funds coming in) - <b>U. T. Permian Basin</b> : Accent Food Services vending machine contract to sell products located throughout campus	<b>217</b>
41. Request for Budget Change - <b>U. T. Permian Basin</b> : New Hire with Tenure -- amendment to the 2016-2017 budget	<b>218</b>
42. Request for Budget Change - <b>U. T. Permian Basin</b> : New award of tenure appointments	<b>218</b>
43. Request for Budget Change - <b>U. T. Rio Grande Valley</b> : New award of tenure and emeritus appointments	<b>219</b>
44. Logo - <b>U. T. Rio Grande Valley</b> : Approval of new "doing business as" (dba) name – UT Health Rio Grande Valley, and approval of a new logo, for the U. T. Rio Grande Valley School of Medicine	<b>221</b>
45. Contract (funds going out) - <b>U. T. San Antonio</b> : Ex Libris (USA), Inc. to provide library-specific software and related services to electronically manage all significant aspects of U. T. San Antonio's library management system	<b>222</b>
46. Request for Budget Change - <b>U. T. San Antonio</b> : New award of tenure and emeritus appointments	<b>223</b>
47. Employment Agreement - <b>U. T. San Antonio</b> : Approval of terms of Employment Agreement with T. Taylor Eighmy, Ph.D., as President of U. T. San Antonio	<b>225</b>

	<b>Page</b>
48. Employment Agreement - <b>U. T. San Antonio</b> : Approval of contract extension to terms of Employment Agreement for Head Football Coach for Frank Wilson	<b>229</b>
49. Request for Budget Change - <b>U. T. Tyler</b> : New award of tenure, emerita, and emeritus appointments	<b>232</b>

**HEALTH AFFAIRS COMMITTEE**

50. Contract (funds coming in) - <b>U. T. Southwestern Medical Center</b> : Interagency agreement with the Texas Health and Human Services Commission for participation in Health and Human Services Commission's Network Access Improvement Program	<b>233</b>
51. Contract (funds coming in) - <b>U. T. Southwestern Medical Center</b> : To provide professional and technical services to support the operations of UT Southwestern Moncrief Cancer Center	<b>234</b>
52. Contract (funds going out) - <b>U. T. Southwestern Medical Center</b> : United WestLabs, Inc. will provide administrative and management services to establish and operate an outreach reference laboratory program	<b>234</b>
53. Request for Budget Change - <b>U. T. Southwestern Medical Center</b> : New Hires with Tenure -- amendment to the 2016-2017 budget	<b>235</b>
54. Request for Budget Change - <b>U. T. Southwestern Medical Center</b> : New award of tenure appointments	<b>236</b>
55. Request for Budget Change - <b>U. T. Southwestern Medical Center</b> : Approval of Emeritus Titles	<b>237</b>
56. Lease - <b>U. T. Southwestern Medical Center</b> : Authorization to lease approximately 30,000 rentable square feet of space located at 5801 East Campus Circle, Irving, Dallas County, Texas, from Dr. Mark Anderson and/or assigns for clinical and related uses	<b>237</b>
57. Lease - <b>U. T. Southwestern Medical Center</b> : Authorization to lease approximately 10,948 rentable square feet of space located at 8194 Walnut Hill Lane, Dallas, Dallas County, Texas, from the Texas Health Resources for clinical and related uses	<b>238</b>
58. Gift - <b>U. T. Southwestern Medical Center</b> : Authorization to accept a gift of land and improvements off of the South West corner of IH 35 West and West Rosedale Street Fort Worth, Tarrant County, Texas, from W.A. Moncrief, Jr., Trustee of W.A. Moncrief, Jr., Management Trust, for future programmed campus expansion	<b>239</b>
59. Contract (funds coming in) - <b>U. T. Medical Branch - Galveston</b> : To provide services for the State of Texas Health and Human Services Commission under the Family Planning Grant Program	<b>240</b>

	<b>Page</b>
60. Contract (funds coming in) - <b>U. T. Medical Branch - Galveston:</b> To provide medical services to eligible women in the State of Texas, by and through the Texas Health and Human Services Commission (HHSC) under the Healthy Texas Women's Grant Program (HTW Program)	<b>241</b>
61. Contract (funds coming in) - <b>U. T. Medical Branch - Galveston:</b> Agreement with the Texas Department of State Health Services (DSHS) for U. T. Medical Branch - Galveston to provide breast and cervical cancer screening services to eligible individuals	<b>242</b>
62. Contract (funds coming in) - <b>U. T. Medical Branch - Galveston:</b> U. T. Medical Branch - Galveston's Regional Maternal Child Health Program (RMCHP) WIC Program administers the Department of State Health Services (DSHS) WIC to provide supplemental food benefits, nutrition education, and counseling to enhance good health care at no cost to low-income pregnant and postpartum women, infants and children identified to be at nutritional risk	<b>243</b>
63. Contract (funds coming in and going out) - <b>U. T. Medical Branch - Galveston:</b> BFI Waste Services of Texas, L.P., dba Republic Services, will provide waste disposal and recycling services	<b>243</b>
64. Contract (funds going out) - <b>U. T. Medical Branch - Galveston:</b> Kronos Incorporated to provide time capture software	<b>244</b>
65. Contract (funds going out) - <b>U. T. Medical Branch - Galveston:</b> Solar Turbines Incorporated to provide solar commissions, services, maintenance, and repairs for certain turbomachinery equipment manufactured by Solar Turbines	<b>245</b>
66. Contract (funds going out) - <b>U. T. Medical Branch - Galveston:</b> American Janitorial Services, Ltd. to provide window-washing services	<b>245</b>
67. Request for Budget Change - <b>U. T. Medical Branch - Galveston:</b> New award of tenure and emeritus appointments	<b>246</b>
68. Lease - <b>U. T. Medical Branch - Galveston:</b> Authorization for U. T. Medical Branch - Galveston to lease approximately 9,000 square feet of space in U. T. M. D. Anderson Cancer Center's building at 2280 Gulf Freeway South on U. T. Medical Branch - Galveston's League City Campus, City of League City, Galveston County, Texas, for clinical and office use	<b>247</b>
69. Interagency Agreement (funds coming in) - <b>U. T. Health Science Center - Houston:</b> Interagency agreement to provide resources to the Texas Department of Family and Protective Services to aid in the diagnosis of child abuse and neglect	<b>248</b>
70. Contract (funds going out) - <b>U. T. Health Science Center - Houston:</b> Solid IT Networks to provide equipment, software, and licensing for the communications technology network equipment refresh	<b>248</b>

	<b>Page</b>
71. Contract (funds going out) - <b>U. T. Health Science Center - Houston:</b> SunNet Solutions Corporation to perform annual enhancements to the Engage platform	<b>249</b>
72. Contract (funds going out) - <b>U. T. Health Science Center - Houston:</b> SunNet Solutions Corporation to perform annual maintenance for the Engage platform	<b>250</b>
73. Contract (funds going out) - <b>U. T. Health Science Center - Houston:</b> Lakeshore Learning Materials to provide English and Spanish School Readiness Kits	<b>251</b>
74. Contract (funds going out) - <b>U. T. Health Science Center - Houston:</b> Richards Carlberg, Inc., dba Richards/Carlberg, to provide Texas-focused advertising/marketing services	<b>251</b>
75. Request for Budget Change - <b>U. T. Health Science Center - Houston:</b> New award of tenure appointments	<b>252</b>
76. Request for Budget Change - <b>U. T. Health Science Center - Houston:</b> Approval of Emeritus Titles	<b>253</b>
77. Contract (funds coming in) - <b>U. T. Health Science Center - San Antonio:</b> To provide physician administrative services to Bexar County Hospital District, dba University Health System	<b>254</b>
78. Contract (funds coming in) - <b>U. T. Health Science Center - San Antonio:</b> To perform professional medical services, direct patient care services, and administration and management of residency programs for Bexar County Hospital District, dba University Health System	<b>254</b>
79. Contract (funds coming in) - <b>U. T. Health Science Center - San Antonio:</b> University Physicians Group to ensure implementation of the University Health System's quality metric incentive program associated with the provision of patient care at Bexar County Hospital District, dba University Health System	<b>255</b>
80. Contract (funds going out) - <b>U. T. Health Science Center - San Antonio:</b> Bexar County Hospital District, dba University Health System, will provide continued support for the provision of pediatric health care and associated educational activities	<b>255</b>
81. Request for Budget Change - <b>U. T. Health Science Center - San Antonio:</b> New Hires with Tenure -- amendment to the 2016-2017 budget	<b>256</b>
82. Request for Budget Change - <b>U. T. Health Science Center - San Antonio:</b> New award of tenure and emeritus appointments	<b>256</b>
83. Request for Budget Change - <b>U. T. Health Science Center - San Antonio:</b> Approval of Emeritus Title	<b>258</b>

	<b>Page</b>
84. Other Matters - <b>U. T. M. D. Anderson Cancer Center</b> : Appointment of two U. T. M. D. Anderson Cancer Center employees as Managers of Vescor Therapeutics, LLC	<b>258</b>
85. Contract (funds going out) - <b>U. T. Health Science Center - Tyler</b> : Cardinal Health 200, LLC to provide distribution services for medical/surgical supplies	<b>259</b>
86. Request for Budget Change - <b>U. T. Health Science Center - Tyler</b> : New award of tenure appointments	<b>260</b>

**FACILITIES PLANNING AND CONSTRUCTION COMMITTEE**

87. Contract (funds going out) - <b>U. T. System</b> : WSP USA Corp. to perform miscellaneous technical commissioning services	<b>260</b>
88. Contract (funds going out) - <b>U. T. System</b> : AGCM, Inc. to perform miscellaneous project management services	<b>261</b>

## MEETING OF THE BOARD

1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meetings held on May 9-10, 2017, and July 12-13, 2017; and the special called meetings held on April 10, 2017, June 20, 2017, June 28, 2017, June 30, 2017, July 25, 2017, and August 1, 2017
  
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 reflect the name and term of new Student Regent

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 list of Key Management Personnel (KMP) authorized to negotiate, execute, and administer classified government contracts. The revision reflects the name and term of the new Student Regent.

A Resolution amending the Managerial Group list was last adopted by the Board of Regents on February 9, 2017.

NISPOM defines KMP as "officers, directors, partners, regents, or trustees." The Manual requires that the senior management official and the Facility Security Officer 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 Security Service, 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 DoD 5220.22-M, "National Industrial Security Program Operating Manual" (NISPOM):

William H. McRaven, Chancellor, The University of Texas System  
David E. Daniel, Ph.D., Deputy Chancellor, The University of Texas System  
Gregory L. Fenves, Ph.D., President, The University of Texas at Austin  
Daniel T. Jaffe, Ph.D., 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

James R. (Trey) Atchley III, Chief Inquiry Officer, The University of Texas System

The Chief Executive Officer (i.e., 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:

Paul L. Foster, Chairman

R. Steven Hicks, Vice Chairman

Jeffery D. Hildebrand, Vice Chairman

Ernest Aliseda

David J. Beck

Kevin P. Eltife

Janiece Longoria

Sara Martinez Tucker

James Conrad Weaver

Jaciel M. Castro, Student Regent from June 1, 2017 to May 31, 2018  
(nonvoting)

3. Contract (funds coming in) - U. T. System: Joint Admission Medical Program (JAMP) Council for Texas Medical Dental Schools Application Service (TMDSAS) to perform administrative duties of the JAMP as delegated by the JAMP Council

Agency: Joint Admission Medical Program (JAMP) Council

Funds: The 85th Texas Legislature allocated \$10,206,794 to the Texas Higher Education Coordinating Board (THECB) for JAMP. The funds will be transferred from the THECB to U. T. System to be administered by the Texas Medical Dental Schools Application Service (TMDSAS) for the use of the JAMP Council, which delegated the administrative duties of the program to TMDSAS.

Period: September 1, 2017 through August 31, 2019

Description: TMDSAS to perform the administrative duties of the JAMP as delegated by the JAMP Council.

4. Other Matters - U. T. System: Approval of Newly Commissioned Peace Officers

In accordance with Section 51.203 of the *Texas Education Code*, the Board is asked to approve the Commissioning of the following Peace Officers. The Officers have completed training at the U. T. System Police Training Academy and passed the State of Texas Police Officer Licensing Examination.

Effective date: May 26, 2017

<u>Name</u>	<u>Institution</u>
Joseph E. Barnes	U. T. Austin
Russell A. Campbell	U. T. Austin
Andrew G. Converse	U. T. Austin
Gabriel D. Gallegos	U. T. Austin
Edward B. Giron	U. T. San Antonio
Kaleb R. Hatton	U. T. Medical Branch - Galveston
Brandon J. Lerner	U. T. Austin
Christopher M. Mooring	U. T. Austin
Kenneth F. Pollard	U. T. Austin
Sylvester L. Ruffin	U. T. Austin
Matthew R. Saucedo	U. T. Austin
Travis R. Scott	U. T. Austin
Matthew E. Steinort	U. T. San Antonio
Cory D. Washington	U. T. Austin
Daniel I. Wechsler	U. T. Austin
Vladislav I. Zenchenko	U. T. Austin

**AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE**

5. UTIMCO Committee Appointment - U. T. System: Proposed appointment of members to the Audit and Ethics Committee of the Board of Directors of The University of Texas/Texas A&M Investment Management Company (UTIMCO)

The University of Texas/Texas A&M Investment Management Company (UTIMCO) Board of Directors recommends that the U. T. System Board of Regents approve the appointment of Janet Handley and Rad Weaver to the Audit and Ethics Committee of the UTIMCO Board of Directors. The other member of the Committee is Phil Adams.

Section 66.08 of the *Texas Education Code* requires that the U. T. System Board of Regents approve the appointment of members to the Audit and Ethics Committee of the UTIMCO Board of Directors. The UTIMCO Board of Directors recommended and approved this appointment on July 25, 2017, conditioned on approval of the U. T. System Board of Regents.

**FINANCE AND PLANNING COMMITTEE**

6. Other Fiscal Matters - U. T. System Board of Regents: Approval of Capital Expenditures Budget for University of Texas/Texas A&M Investment Management Company (UTIMCO)

The Chancellor, the Deputy Chancellor, and the Executive Vice Chancellor for Business Affairs concur in the recommendation of the Board of Directors of the University of Texas/Texas A&M Investment Management Company (UTIMCO) that the U. T. System Board of Regents approve the proposed Capital Expenditures Budget for the year ending August 31, 2018, as follows:

<u>Capital Expenditures</u>	<u>Budget</u>
Server Room Equipment; Firewall, Switches and Router Systems	\$1,096,000
Audio Visual Equipment	408,000
Telecom Equipment (additions needed for existing systems)	64,600
Staff Desktop Computers	48,400
Copiers/Printers	180,000
Furniture and Fixtures	3,150,000
Contingency	53,000
<b>FY2018 Capital Expenditures</b>	<b>\$5,000,000</b>

The majority of the proposed expenditures relate to UTIMCO's move to the U. T. System Building in February 2018. The timing of the move requires that purchase commitments be made beginning early September 2017. The UTIMCO operating budget will be brought forth to the UTIMCO Board and the U. T. System Board of Regents at future meetings for approval.

7. Contract (funds coming in and going out) - U. T. System: NextJob, Inc. to provide outplacement services

Agency: NextJob, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis

Period: June 1, 2017 through May 31, 2023

Description: NextJob, Inc. will provide reemployment services to transitioning U. T. institution employees eligible to file a lack of work claim with the Texas Workforce Commission. These benefits are offered as a service to U. T. institution employees and as a cost containment measure. This contract was competitively bid.

8. Contract (funds going out) - U. T. System: Veolia ES Technical Solutions, LLC to provide hazardous waste management and disposal services for U. T. institutions

Agency: Veolia ES Technical Solutions, LLC

Funds: To be paid by U. T. institutions requesting services under this agreement. Anticipated value estimated at \$10,000,000 over the potential term of this Agreement.

Period: Initial Term: September 1, 2017 through August 31, 2018; U. T. System has the right to renew for four additional one-year periods.

Description: This nonexclusive Systemwide agreement allows each U. T. institution to request hazardous and regulated waste services (including management, handling, packaging, labeling, transportation, disposal, training, and consulting services) on an as-needed basis. This contract was competitively bid.

9. Contract (funds going out) - U. T. System: Injury Management Organization, Inc. to provide cost containment services and workers' compensation health care network services

Agency: Injury Management Organization, Inc.

Funds: Anticipated total cost is \$4,000,000 over the life of the contract

Period: September 1, 2017 through August 31, 2021; with the option to renew for three additional one-year terms

Description: Injury Management Organization, Inc. to provide cost containment services and workers' compensation health care network services for U. T. institutions on an as-needed basis. This contract was competitively bid.

10. Contract (funds going out) - U. T. System: J.P. Morgan Securities LLC to provide health care consulting services

Agency: J.P. Morgan Securities LLC

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract

Period: February 1, 2017 through January 31, 2022

Description: J.P. Morgan Securities, LLC will provide health care consulting services related to health care opportunities and potential transactions for U. T. System Administration and the U. T. institutions. The services include health care advising and consulting services relating the opportunities and potential transactions; assistance in evaluation, valuation, and negotiation of health care opportunities, development of new lines of business, potential partnership opportunities, and other transactions; and assistance in the start-up phases of health care opportunities, business lines, partnership opportunities, and other transactions. This contract was competitively bid.

11. Contract (funds going out) - U. T. System: Marsh USA, Inc. to provide Rolling Owner Controlled Insurance Program (ROCIP) Brokerage and Administration Services

Agency: Marsh USA, Inc.

Funds: Anticipated total cost is approximately \$6,000,000 over the life of the contract

Period: May 15, 2017 through May 14, 2026

Description: Marsh USA, Inc. will provide insurance broker and administrator services for the Rolling Owner Controlled Insurance Program (ROCIP). The ROCIP provides workers' compensation, general liability, and excess liability insurance coverage for enrolled contractors working on designated construction projects for U. T. System. Benefits of the program include lower insurance premiums due to bulk purchasing, consistency of insurance provided on each project, enhanced safety and loss control, and cost savings. This contract was competitively bid.

12. Contract (funds going out) - U. T. System: Huron Consulting Services LLC to continue hosting online Effort Certification and Reporting Tool (ECRT) software

Agency: Huron Consulting Services LLC (Huron)

Funds: \$1,661,000

Period: January 1, 2017 through December 31, 2020; subject to any affected U. T. institution terminating its participation earlier, at will, on 30 days' notice to Huron

Description: On November 9, 2007, the Board of Regents approved a U. T. System contract to license Huron's Effort Certification and Reporting Tool (ECRT) software for use by U. T. System institutions. The software supports compliance with U. T. System policy and federal regulations on reporting time and effort expended by faculty and staff on research projects and in other professional activities (teaching, patient care, etc.).

The ECRT software was initially hosted at U. T. M. D. Anderson Cancer Center. In October 2011, U. T. System transferred ECRT hosting responsibilities to Huron.

On May 14, 2015, the Board of Regents approved the expenditure of up to \$1,300,000 to pay aggregate fees from inception of the hosting agreement through calendar year 2015. In May 2016, the Board approved an extension of the agreement through calendar year 2017, subject to a cap on aggregate hosting fees of \$2,000,000. For reasons indicated below, this extension for calendar year 2017 was not executed.

The 2011 transfer of ECRT hosting responsibilities to Huron was based on a sole source justification. In the interim, other potential providers of ECRT hosting services were identified, and U. T. System conducted a competitive procurement for these services for 2016 and beyond. However, in the course of this procurement, it became apparent that, because of a change in federal regulations, alternative means of compliance had become available that could eliminate the need for the ECRT software. As a result, U. T. System terminated the procurement, while the institutions pursued adoption of the alternative means of compliance.

In subsequent detailed investigations, most U. T. institutions have concluded that, for the time being, they lack the ability to adopt the alternative means, and thus have a continuing need for the ECRT software. It is not entirely clear how long each institution will require ongoing access to the software, so rather than extending the hosting arrangements only through calendar year 2017 as previously approved, U. T. System has negotiated with Huron to allow access through calendar year 2020, subject to each institution having the flexibility to terminate its participation earlier, as needed.

While no further license fees are payable under the ECRT Systemwide site license purchased in 2007, U. T. institutions continuing to use the ECRT software will need to purchase ongoing software support and maintenance and related services under the license agreement. The amount projected above in “Funds” represents the maximum fees payable for all services, including hosting, related to ongoing use of the ECRT software by all affected institutions for calendar years 2017 through 2020. Aggregate fees through calendar year 2016 under the license agreement and hosting services agreement total \$5.4 million and \$1.3 million, respectively.

13. Transfer - U. T. System: Approval of transfer of funds between Legislative Appropriation items during the biennium beginning September 1, 2017

The Chancellor, with the concurrence of the Deputy Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and the presidents of the U. T. institutions, recommends that the U. T. System Board of Regents adopt the resolution that follows to provide for the most effective utilization of General Revenue Appropriations during the biennium beginning September 1, 2017.

This resolution is a standard action by the U. T. System Board of Regents at the beginning of each biennium and is pursuant to provisions of the *General Appropriations Act*, Article III, Section 4, enacted by the 85th Texas Legislature.

RESOLUTION

Pursuant to the appropriate transfer provisions of the *General Appropriations Act* of the 85th Legislature, it is hereby resolved that the State Comptroller be requested to make necessary transfers within the Legislative Appropriations (and/or Informational Items of Appropriation) from the General Revenue Fund as authorized by the Chief Financial Officer of each entity as follows:

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

14. Other Fiscal Matters - U. T. System: Results of the 2017 Group Purchasing Organization (GPO) Accreditation Program

On February 11, 2016, the Board of Regents approved a GPO Accreditation Program. The Program is designed to ensure that U. T. institutions utilize contracts offered by GPOs, including Texas state agencies performing GPO functions, only if the GPOs use sourcing processes accredited by U. T. System as meeting minimum procurement standards. The approval delegated authority to the Executive Vice Chancellor for Business Affairs to determine whether any applicant for accreditation meets such standards. Results from the first year of operation of the Program were reported to the Board of Regents on August 25, 2016.

With assistance from the U. T. System Office of Shared Services, an additional nine applications for accreditation were considered in the 2017 Program, with two being approved and seven being rejected. The two newly accredited GPOs are:

- National Cooperative Purchasing Alliance (NCPA)
- National Joint Powers Alliance (NJPA)

Rejected applicants have been informed of key concerns with their sourcing processes, and of their right to reapply for accreditation in next year's Program. In addition, reviews of the eight GPOs previously accredited were conducted to ensure ongoing compliance with accreditation standards and to review institutional use of GPO contracts. The prior accreditations of these GPOs have been continued. The eight previously accredited GPOs are:

- The University of Texas System Supply Chain Alliance
- Brazos Valley Council of Governments, dba Purchasing Solutions Alliance (PSA)
- E&I Cooperative Services, Inc.
- Education Service Center - Region 19 Allied States Cooperative
- The Local Government Purchasing Cooperative, dba BuyBoard
- Premier Health Alliance, LP
- Texas Comptroller of Public Accounts (Statewide Procurement Division) (TPASS/TXMAS)
- Texas Department of Information Resources (DIR)

All accreditations will expire August 31, 2021, unless terminated earlier under U. T. System procedures.

15. Approval to exceed the full-time equivalent (FTE) limitation on employees paid from appropriated funds - U. T. System: Request approval to exceed the FTE limitation at U. T. El Paso and U. T. Rio Grande Valley for Fiscal Year 2018 as authorized by Article IX of the General Appropriations Act

<u>Institution</u>	Requested 2018 FTEs over the <u>Limitation</u>	2017 FTEs over the <u>Limitation</u>
U. T. El Paso	25.00	n/a
U. T. Rio Grande Valley	31.00	n/a

Also as required by Article IX, Section 6.10 of the *General Appropriations Act*, it is recommended that the U. T. System Board of Regents submit a request to the Governor’s Office and the Legislative Budget Board to grant approval for these institutions to exceed the authorized number of FTE employees paid from appropriated funds. All other institutions will not exceed their cap. Additional details are provided on the following page.

The University of Texas System

Fiscal Year 2018 Request to Exceed Full-time Equivalent (FTE) Limitation on Appropriated Funds

Function	Faculty FTE Increase	Staff FTE Increase	Total FTE Increase from Appropriated Funds	Source of Funds	Justification
<b>U. T. El Paso</b>					
Instruction	6.00	1.50	7.50	Tuition	Additional faculty and staff required to support continuing enrollment demands.
Academic Support	3.33	0.85	4.18	Tuition	Additional faculty and staff required to support the increase in online courses.
Research	10.67	2.65	13.32	Tuition	Increase in research activities require an increase in faculty to support the continued commitment to attain Tier 1 status.
<b>TOTAL</b>	<b>20.00</b>	<b>5.00</b>	<b>25.00</b>		
<b>U. T. Rio Grande Valley</b>					
Instruction	31.00	-	31.00	General Revenue	Increase due to growth in the School of Medicine.
<b>TOTAL</b>	<b>31.00</b>	<b>-</b>	<b>31.00</b>		

16. Real Estate Report - U. T. System: Summary Report of Separately Invested Assets Managed by U. T. System

**THE UNIVERSITY OF TEXAS SYSTEM  
SEPARATELY INVESTED ASSETS  
Managed by U. T. System  
Summary Report at May 31, 2017**

**FUND TYPE**

	Current Purpose Restricted		Endowment and Similar Funds		Annuity and Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
<b>Land and Buildings:</b>								
Ending Value 02/28/2017	\$ 2,035,558	\$ 17,495,018	\$ 96,906,349	\$ 258,373,378	\$ 717,835	\$ 1,590,056	\$ 99,659,742	\$ 277,458,452
Increase or Decrease	-	(19,099)	(1)	504,431	-	-	(1)	485,332
Ending Value 05/31/2017	\$ 2,035,558	\$ 17,475,919	\$ 96,906,348	\$ 258,877,809	\$ 717,835	\$ 1,590,056	\$ 99,659,741	\$ 277,943,784
<b>Other Real Estate:</b>								
Ending Value 02/28/2017	\$ 4	\$ 4	\$ 6	\$ 6	\$ -	\$ -	\$ 10	\$ 10
Increase or Decrease	-	-	-	-	-	-	-	-
Ending Value 05/31/2017	\$ 4	\$ 4	\$ 6	\$ 6	\$ -	\$ -	\$ 10	\$ 10

Report prepared in accordance with Sec. 51.0032 of the *Texas Education Code*. Details of individual assets by account furnished on request.

Note: Surface estates are managed by the U. T. System Real Estate Office. Mineral estates are managed by U. T. System University Lands. The royalty interests received from the Estate of John A. Jackson for the John A. and Katherine G. Jackson Endowed Fund in Geosciences are managed by the U. T. Austin Geology Foundation, with the assistance of the Bureau of Economic Geology.

**ACADEMIC AFFAIRS COMMITTEE**

17. Contract (funds coming in) - U. T. Arlington: To provide subject matter experts to Texas Commission on Environmental Quality (TCEQ) to assist in the implementation of agency programs for the Water Supply Division

Agency: Texas Commission on Environmental Quality (TCEQ)

Funds: First amendment to existing contract for an additional \$1,110,587; bringing the total to \$2,110,587

Period: September 1, 2017 through August 31, 2018

Description: U. T. Arlington will provide subject matter experts to assist TCEQ in the implementation of agency programs for the Water Supply Division. The original contract dated September 1, 2016, for \$1,000,000, was approved by the Board of Regents on November 10, 2016, and expires on August 31, 2017.

18. Request for Budget Change - U. T. Arlington: New award of tenure and emeritus appointments

The following personnel actions involving new award of tenure and emeritus appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2018 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
<b>College of Architecture, Planning and Public Affairs</b>		
Planning and Landscape Architecture		
Diane Jones-Allen	New Hire	Associate Professor (T)
Public Affairs		
Richard Cole	Professor (T)	Professor Emeritus

College, Department, and Name	From	To
<b>College of Business</b>		
Accounting		
Jeffrey Tsay	Professor (T)	Professor Emeritus
Ramigopal Venkataraman	Associate Professor	Associate Professor (T)
Finance and Real Estate		
Qing Hao	Associate Professor	Associate Professor (T)
David Rakowski	Associate Professor	Associate Professor (T)
<b>College of Education</b>		
Curriculum and Instruction		
Daniel Robinson	New Hire	Professor (T)
<b>College of Engineering</b>		
Civil Engineering		
Xinbao Yu	Assistant Professor	Associate Professor (T)
Electrical Engineering		
Donald Butler	Professor (T)	Professor Emeritus
Ioannis Schizas	Assistant Professor	Associate Professor (T)
Mechanical and Aerospace Engineering		
Ankur Jain	Assistant Professor	Associate Professor (T)
Teik Lim	New Hire	Provost and Professor (T)
<b>College of Liberal Arts</b>		
Art and Art History		
Amanda Alexander	Assistant Professor	Associate Professor (T)
Communication		
Mark Tremayne	Assistant Professor	Associate Professor (T)
Music		
Elizabeth Morrow	Professor (T)	Professor Emeritus
Linton Powell	Professor (T)	Professor Emeritus
Political Science		
Susan Heckman	Professor (T)	Professor Emeritus
<b>College of Nursing and Health Innovation</b>		
Nursing		
Elizabeth Poster	Professor (T)	Professor Emeritus

College, Department, and Name	From	To
<b>College of Science</b>		
Chemistry and Biochemistry		
Junha Jeon	Assistant Professor	Associate Professor (T)
Kayunta Johnson-Winters	Assistant Professor	Associate Professor (T)
Earth and Environmental Sciences		
Majie Fan	Assistant Professor	Associate Professor (T)
William Griffith	Assistant Professor	Associate Professor (T)
John Wickham	Professor (T)	Professor Emeritus
Physics		
Mingwu Jin	Assistant Professor	Associate Professor (T)
Psychology		
Ira Berstein	Professor (T)	Professor Emeritus
Jeffrey Gagne	Assistant Professor	Associate Professor (T)
<b>School of Social Work</b>		
Social Work		
Courtney Cronley	Assistant Professor	Associate Professor (T)
Katherine Sanchez	Assistant Professor	Associate Professor (T)
Eusebius Small	Assistant Professor	Associate Professor (T)

19. Contract (funds coming in) - U. T. Austin: Sponsorship Agreement between Sports in Action, LLC, a Texas limited liability company, dba High Field Marketing, and Russell Brands, LLC, owner of the Spalding Trademark, on behalf of U. T. Austin

Agency: Russell Brands, LLC

Funds: Russell Brands will pay High Field Marketing, on behalf of U. T. Austin, a sponsorship fee of \$810,000 each contract year, as well as \$103,000 of in-kind sponsorship. The total value of the agreement will not exceed \$10,000,000.

Period: Initial Term: July 1, 2017 through June 30, 2022  
Renewal Term: One additional three-year term

Description: High Field Marketing will license to Russell Brands the rights to use certain University Interscholastic League (UIL) trademarks and service marks in connection with the sponsorship of UIL by Russell Brands.

On February 11, 2016, the Board of Regents approved a trademark license agreement with High Field Marketing for the right to use certain UIL trademarks and service marks.

20. Contract (funds coming in) - U. T. Austin: Key Brand Theatrical Group, Inc. to provide production services for Broadway in Austin performances at Texas Performing Arts

Agency: Key Brand Theatrical Group, Inc.

Funds: \$3,750,000 estimated revenue per five-year term; total of \$7,500,000 over two five-year terms

Period: September 1, 2018 through August 31, 2023, with option to renew for an additional five-year term

Description: New agreement for Key Brand Theatrical Group, Inc., which allows U. T. Austin to be the presenter for the Broadway in Austin series at U. T. Austin's Texas Performing Arts.

21. Contract (funds coming in and going out) - U. T. Austin: Amendment to agreement with University Food Services, a wholly owned subsidiary of Compass Group USA, Inc., to sell alcoholic beverages at the AT&T Executive Education and Conference Center, the Blanton Museum of Art, and Robert B. Rowling Hall

Agency: University Food Services, a wholly owned subsidiary of Compass Group USA, Inc.

Funds: **Funds coming in to U. T. Austin**  
Estimated revenue for the eleven year period of \$7,643,834

**Funds going out to University Food Services**  
Net beverage sales of \$4,069,967

Period: September 1, 2017 through August 31, 2028

Description: Under a concession agreement currently in place, University Food Services has a license to sell alcoholic beverages at the AT&T Executive Education and Conference Center and the Blanton Museum of Art. U. T. Austin is opening Robert B. Rowling Hall, and will be extending conference center operations into this facility. This Amendment renews and extends the existing agreement with University Food Services at the AT&T Executive Education and Conference Center and the Blanton Museum of Art through August 31, 2028, and includes the license and right of selling alcoholic beverages at Robert B. Rowling Hall. U. T. Austin will receive royalty payments from the sale of alcohol. This Amendment was procured by means of an exclusive acquisition justification based on best value.

22. Contract (funds coming in and going out) - U. T. Austin: Agreement renewal with Flik International Corp, a wholly owned subsidiary of Compass Group USA, Inc., for hotel and conference management services at the AT&T Executive Education and Conference Center and to extend management services to conference operations, café operations, and facilities management at Robert B. Rowling Hall

Agency: Flik International Corp (Flik)

Funds: **Funds coming in to U. T. Austin**

- (a) Estimated revenue for the eleven year period of \$444,714,938 (total sales)
- (b) Flik's signing investment of \$1,700,000
- (c) Flik's non-reimbursable investment of \$581,077
- (d) Flik's equipment purchase investment of \$3,500,000, at a rate per annum equal to 2%, amortized over a period beginning on the date of disbursement through August 31, 2028, calculated at a rate equal to a straight-line depreciation

**Funds going out to Flik**

- (a) Management Fee for conference related facilities over a period of eleven years or \$13,167,352
- (b) Management Fee for café operation at Robert B. Rowling Hall, \$45,000 first year, with annual CPI based increase, or \$603,542 (est.) over a period of eleven years
- (c) Management Fee for facilities management at Rowling Hall over a period of eleven years or \$574,252
- (d) Estimated operating charges for a period of eleven years or \$306,089,988
- (e) Performance incentive fees up to \$568,990 over eleven years
- (f) Pre-Opening expenses of up to \$2,100,000

Period: September 1, 2017 through August 31, 2028

Description: Flik International Corp, a wholly owned subsidiary of Compass Group USA, Inc., provides hotel and conference management services under a currently executed agreement with U. T. Austin at the AT&T Executive Education and Conference Center. U. T. Austin is opening Robert B. Rowling Hall, and will be extending conference center operations into this facility.

This agreement will extend the relationship with Flik as the provider of food, management, and building services for the AT&T Executive Education and Conference Center, as well as Robert B. Rowling Hall. This Amendment was procured by means of an exclusive acquisition justification based upon best value.

23. Contract (funds going out) - U. T. Austin: Centennial Contractors Enterprises, Inc. to provide job order contracting services to campus facilities

Agency: Centennial Contractors Enterprises, Inc.

Funds: Expected to exceed \$2,500,000 (with prior written approval of U. T. Austin) over the maximum five-year contract period

Period: July 1, 2017 through June 30, 2018 (one-year contract with option to renew for up to four additional one-year periods); contract is being brought forward for Board approval, as expenditures will quickly reach the \$2,500,000 threshold

Description: Centennial Contractors Enterprises, Inc., to perform miscellaneous job order contracting services, with project varying in scope and size. Separate service agreements will be executed for individual projects. Services were competitively procured.

24. Contract (funds going out) - U. T. Austin: Brown & Root Industrial Services, LLC to provide job order contracting services to campus facilities

Agency: Brown & Root Industrial Services, LLC

Funds: Anticipated totals costs expected to exceed \$2,500,000 (with prior written approval of U. T. Austin) over the maximum five-year contract period

Period: July 1, 2017 through June 30, 2018 (one-year contract with option to renew for up to four additional one-year periods); contract is being brought forward for Board approval, as expenditures will quickly reach the \$2,500,000 threshold

Description: Brown & Root Industrial Services, LLC will perform miscellaneous job order contracting services, with projects varying in scope and size. Separate service agreements will be executed for individual projects. Services were competitively procured.

25. Contract (funds going out) - U. T. Austin: Warden Construction Corporation to provide job order contracting services to campus facilities

Agency: Warden Construction Corporation

Funds: Anticipated total costs expected to exceed \$2,500,000 (with prior written approval of U. T. Austin) over the maximum five-year contract period

Period: July 1, 2017 through June 30, 2018 (one-year contract with option to renew for up to four additional one-year periods); contract is being brought forward for Board approval, as expenditures will quickly reach the \$2,500,000 threshold

Description: Warden Construction Corporation will perform miscellaneous job order contracting services, with projects varying in scope and size. Separate service agreements will be executed for individual projects. Services were competitively procured.

26. Contract (funds going out) - U. T. Austin: QA Construction Services, Inc. to provide job order contracting services to campus facilities

Agency: QA Construction Services, Inc.

Funds: Expected to exceed \$2,500,000 (with prior written approval of U. T. Austin) over the maximum five-year contract period

Period: July 1, 2017 through June 30, 2018 (one-year contract with option to renew for up to four additional one year periods); contract is being brought forward for Board approval, as expenditures will quickly reach the \$2,500,000 threshold

Description: QA Construction Services, Inc. will perform miscellaneous job order contracting services, with projects varying in scope and size. Separate service agreements will be executed for individual projects. Services were competitively procured.

27. Contract (funds going out) - U. T. Austin: SpawGlass Contractors, Inc. to provide Construction Manager at Risk services to campus facilities in conjunction with implementation of space allocation study recommendations

Agency: SpawGlass Contractors, Inc.

Funds: Anticipated total expenditures of up to \$4,500,000 (with written approval of the U. T. Austin) during the term of June 2017 through December 2022

Period: June 9, 2017 through December 31, 2022

Description: SpawGlass Contractors, Inc. will to perform Construction Manager at Risk services, with projects varying in scope and size, on an as-needed basis. Potential projects will support results of the recently completed Space Allocation Study and will involve renovation and preparation of multiple existing and new buildings on campus. Services were competitively procured.

28. Contract (funds going out) - U. T. Austin: Alpha Building Corporation to provide job order contracting services to campus facilities

Agency: Alpha Building Corporation

Funds: Expected to exceed \$2,500,000 (with prior written approval of U. T. Austin) over the maximum five-year contract period

Period: July 1, 2017 through June 30, 2018 (one-year contract with option to renew for up to four additional one-year periods); contract is being brought forward for Board approval, as expenditures will quickly reach the \$2,500,000 threshold

Description: Alpha Building Corporation will perform miscellaneous job order contracting services, with project varying in scope and size. Separate service agreements will be executed for individual projects. Services were competitively procured.

29. Contract (funds going out) - U. T. Austin: W. E. Imhoff & Company, Inc., dba Intertech Flooring, will provide job order contracting services to campus facilities

Agency: W. E. Imhoff & Company, Inc., dba Intertech Flooring

Funds: Total costs have exceeded the \$5,500,000 (with prior written approval of U. T. Austin) for the maximum five-year contract period

Period: July 1, 2013 through June 30, 2018 (one-year contract with option to renew for up to four additional one-year periods); contract is being brought forward for Board approval as it was discovered that expenditures have exceeded the \$2,500,000 threshold without appropriate Board approval

Description: W. E. Imhoff & Company Inc., dba Intertech Flooring, will provide flooring and installation services, with project varying in scope and size. Separate service agreements will be executed for individual projects. Services were competitively procured, and a new contract will be rebid.

30. Request for Budget Change - U. T. Austin: New Hire with Tenure -- amendment to the 2016-2017 budget

The following Request for Budget Change (RBC) has been administratively approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents:

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>Dell Medical School</b> Department of Neurology Professor Elliot M. Frohman (T)	5/1-8/31	100	12	300,000	8623

31. Request for Budget Change - U. T. Austin: Approval of Emeritus Titles

**Beverly L. Hadaway**, from Associate Professor to The Capitol City Savings Regents Associate Professor Fellow Emerita, Department of Finance in the McCombs School of Business (RBC No. 8624) -- amendment to the 2016-2017 budget

**Richard E. Wilcox**, from Professor to James T. Doluisio Centennial Fellowship Professor Emeritus, in the College of Pharmacy (RBC No. 8625) -- amendment to the 2016-2017 budget

32. Request for Budget Change - U. T. Austin: New award of tenure and emeritus appointments

The following personnel actions involving new award of tenure and emeritus appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2018 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>McCombs School of Business</b>		
Accounting Donald P. Newman	Professor (T)	Professor Emeritus
Business, Government, and Society Timothy D. Werner	Assistant Professor	Associate Professor (T)
Finance Cesare Fracassi James R. Lowery, Jr. Gregor Matvos	Assistant Professor Assistant Professor New Hire	Associate Professor (T) Associate Professor (T) Professor (T)
Information Risk and Operations Management Ashish Agarwal	Assistant Professor	Associate Professor (T)
<b>Moody College of Communication</b>		
Advertising and Public Relations Anthony D. Dudo	Assistant Professor	Associate Professor (T)
Communication Sciences and Disorders Rajinder Koul	New Hire	Professor (T)
Communication Studies Larry D. Browning Michael Butterworth	Professor (T) New Hire	Professor Emeritus Professor (T)
Radio, Television and Film Wenhong Chen Cynthia A. McCreery Dwain Y. Smith	Assistant Professor Assistant Professor New Hire	Associate Professor (T) Associate Professor (T) Associate Professor (T)

College, Department, and Name	From	To
<b>College of Education</b>		
Educational Administration Liliana Garces	New Hire	Associate Professor (T)
<b>Cockrell School of Engineering</b>		
Aerospace Engineering Nanshu Lu	Assistant Professor	Associate Professor (T)
Biomedical Engineering Eliza Cosgriff-Hernandez	New Hire	Professor (T)
Chemical Engineering Michael Baldea Lydia M. Contreras	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
Civil, Architecture, and Environmental Engineering Raissa P. Ferron Paola Passalacqua Navid Saleh	Assistant Professor Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T) Associate Professor (T)
Electrical and Computer Engineering Alex Huang Vijay Janapa Reddi Nan Sun	New Hire Assistant Professor Assistant Professor	Professor (T) Associate Professor (T) Associate Professor (T)
Mechanical Engineering Ashish Deshpande	Assistant Professor	Associate Professor (T)
Petroleum and Geosystems Engineering John T. Foster Michael Pycrz	Assistant Professor New Hire	Associate Professor (T) Associate Professor (T)
<b>College of Fine Arts</b>		
Art and Art History George F. Flaherty	Assistant Professor	Associate Professor (T)
Theatre and Dance Kirk E. Lynn Roxanne Schroeder-Arce	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)

College, Department, and Name	From	To
<b>Jackson School of Geosciences</b>		
Geological Sciences		
Joel P. Johnson	Assistant Professor	Associate Professor (T)
<b>School of Information</b>		
Information		
Tanya E. Clement	Assistant Professor	Associate Professor (T)
James L. Howison	Assistant Professor	Associate Professor (T)
Barbara F. Immroth	Professor (T)	Professor Emerita
<b>College of Liberal Arts</b>		
American Studies		
Cary Cordova	Assistant Professor	Associate Professor (T)
Anthropology		
Samuel M. Wilson	Professor (T)	Professor Emeritus
Asian Studies		
Rupert Snell	Professor (T)	Professor Emeritus
Economics		
Daniel A. Ackerberg	New Hire	Professor (T)
Manuela Angelucci	New Hire	Associate Professor (T)
Vasiliki Skreta	New Hire	Professor (T)
English		
Donna M. Kornhaber	Assistant Professor	Associate Professor (T)
Julie A. Minich	Assistant Professor	Associate Professor (T)
Roger W. Reeves	New Hire	Associate Professor (T)
Frank F. Whigham, Jr.	Professor (T)	Professor Emeritus
Geography and the Environment		
Eugenio Y. Arima	Assistant Professor	Associate Professor (T)
Government		
Bruce Buchanan, II	Professor (T)	Professor Emeritus
Gary P. Freeman	Professor (T)	Professor Emeritus
Amy H. Liu	Assistant Professor	Associate Professor (T)
History		
Walter L. Buenger, Jr.	New Hire	Professor (T)
Aaron O'Connell	New Hire	Associate Professor (T)
Abena D. Osseo-Asare	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
Mexican American and Latina/o Studies Julie A. Minich	Assistant Professor	Associate Professor (T)
Middle Eastern Studies John Huehnergard	Professor (T)	Professor Emeritus
Psychology Frances A. Champagne James P. Curley Timothy J. Schallert David S. Yeager	New Hire New Hire Professor (T) Assistant Professor	Professor (T) Associate Professor (T) Professor Emeritus Associate Professor (T)
Rhetoric and Writing John J. Ruszkiewicz	Professor (T)	Professor Emeritus
Sociology Sheldon Ekland-Olson Eric M. Warr	Professor (T) Professor (T)	Professor Emeritus Professor Emeritus
Spanish and Portuguese Sergio Romero Sandro Sessarego	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
<b>College of Natural Sciences</b>		
Astronomy Steven L. Finkelstein	Assistant Professor	Associate Professor (T)
Computer Science Lorenzo Alvisi Isil Dillig Alan K. Cline	Professor (T) Assistant Professor Professor (T)	Professor Emeritus Associate Professor (T) Professor Emeritus
Integrative Biology Shalene Jha	Assistant Professor	Associate Professor (T)
Human Development and Family Sciences Theodore H. Dix Marci E. Gleason	Associate Professor (T) Assistant Professor	Associate Professor Emeritus Associate Professor (T)

College, Department, and Name	From	To
Molecular Biosciences		
Richard M. Brown, Jr.	Professor (T)	Professor Emeritus
Lauren I. Ehrlich	Assistant Professor	Associate Professor (T)
Jonghwan Kim	Assistant Professor	Associate Professor (T)
Kyle M. Miller	Assistant Professor	Associate Professor (T)
Neuroscience		
Laura L. Colgin	Assistant Professor	Associate Professor (T)
Nutritional Sciences		
Lydia C. Steinman	Distinguished Senior Lecturer	Distinguished Senior Lecturer Emerita
Physics		
Can Kilic	Assistant Professor	Associate Professor (T)
Herbert L. Berk	Professor (T)	Professor Emeritus
<b>School of Nursing</b>		
Nursing		
Deborah L. Volker	Associate Professor (T)	Associate Professor Emerita
<b>School of Social Work</b>		
Social Work		
Dorie J. Gilbert	Associate Professor (T)	Associate Professor Emerita
Sandy Magana	New Hire	Professor (T)
Clayton T. Shorkey	Professor (T)	Professor Emeritus

33. Request for Budget Change - U. T. Austin: Transfer \$8,429,750 from Housing and Food Services - Halls, Building Services, and Resident Life Programming - Auxiliary Funds, Operating Income to Main Campus - Maintenance Upgrades Brackenridge Hall Dormitory, Roberts Hall Dormitory, and Prather Hall Dormitory - Plant Funds, All Expenses to fund new construction reserves (RBC No. 8491) -- amendment to the 2016-2017 budget

34. Employment Agreement - U. T. Austin: Approval of amendment to terms of Employment Agreement for Head Men's Swimming and Diving Coach Edwin C. Reese

The following Head Men's Swimming and Diving Coach Amendment Agreement has been approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents. If the Amendment is approved, total compensation for the contract period for Edwin C. Reese may be in excess of \$1,000,000. Such employment under the Agreement is subject to the

Constitution and Bylaws of the National Collegiate Athletic Association (NCAA), 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. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay and/or dismissal.

Item: Amendment to Head Men's Swimming and Diving Coach Agreement for Edwin C. Reese

From: **Guaranteed compensation:**

Annual Salary: \$227,000

Automobile: \$7,500

Product Endorsement: \$2,000

**Nonguaranteed compensation:**

Sports Camps: as determined by Athletics Director

Team Academic Performance Incentives: \$5,000

Team Performance Incentives:

\$10,000 for any year the team is the Big 12 Conference Champion

Team Wins the NCAA National Championship or ties for 1st: \$25,000

Coach of the Year Honors for Big 12: \$2,000

Coach of the Year Nationally: \$5,000

To: **Guaranteed compensation:**

Annual Salary: \$270,000 (includes Academic Performance Incentives)

Automobile: \$7,500

Product Endorsement: \$2,000

**Nonguaranteed compensation:**

Sports Camps: as determined by Athletics Director

Team Performance Incentives:

\$15,000 for any year the team is the Big 12 Conference Champion

Team Wins the NCAA National Championship or ties for 1st: \$30,000

Team Academic Performance Incentives: moved to base salary

Coach of the Year Honors Big 12: \$2,000

National Coach of the Year Honors: \$10,000

Guaranteed  
Compensation  
Percent Change: 18%

Nonguaranteed  
Compensation  
Change: 21%

Source of funds: Intercollegiate Athletics

Description: Amendment No. 1 to the Agreement for employment of Edwin C. Reese, Head Men's Swimming and Diving Coach

Period: September 1, 2014 through August 31, 2021

35. Lease - U. T. Austin: Authorization to lease approximately 22,310 square feet of space located in U. T. Austin's Health Discovery Building at 1701 Trinity Street, Austin, Travis County, Texas, to Merck Sharp & Dohme Corp., for research and office use

Description: Lease of approximately 22,310 square feet of space in the Health Discovery Building located at 1701 Trinity Street, Austin, Travis County, Texas, within the institution's campus, to Merck Sharp & Dohme Corp., a New Jersey corporation, for research and office uses

Location: Seventh floor of the Health Discovery Building, 1701 Trinity Street, Austin, Travis County, Texas

Lessee: Merck Sharp & Dohme Corp., a New Jersey corporation

Lease Term: Three-year initial term, with two renewal options of two years each upon mutual agreement

Lease Value: \$6,175,631 gross rental income for the initial three-year term with annual per square foot rate from \$90.00 increasing to a \$94.56 annual per square foot rate. The lease terms require the institution to be responsible for operating expenses estimated to be \$20.00 per square foot, or approximately \$446,200 annually. Lessee will be responsible for the cost of a mutually agreed build-out of the space.

Intended Use: Medical research and office use

36. Purchase - U. T. Austin: Authorization to purchase approximately 0.3685 acres of land located at 1191 Navasota Street, Austin, Travis County, Texas, from Ella Pease, for cultural and historical use

Description: Purchase of lot and improvements of approximately 0.3685 acres, including approximately 1,456 square foot commercial structure located at 1191 Navasota Street, Austin, Travis County, Texas, from Ella Pease, for cultural and historical mission advancement. This structure was designed by John Chase. Mr. Chase was the first African-American architect licensed in Texas.

Seller: Ella Pease, a private individual

Purchase Price: Not to exceed fair market value as established by an independent appraisal. Appraisal is confidential pursuant to *Texas Education Code* Section 51.951.

37. Request for Budget Change - U. T. Dallas: New award of tenure and emeritus appointments

The following personnel actions involving new award of tenure and emeritus appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2018 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>School of Behavioral and Brain Sciences</b>		
Cognition/Neuroscience		
Sven Kroener	Assistant Professor	Associate Professor (T)
Jonathan Ploski	Assistant Professor	Associate Professor (T)
Sven Vanneste	Associate Professor	Associate Professor (T)
Psychology		
Robert Ackerman	Assistant Professor	Associate Professor (T)
Jackie Nelson	Assistant Professor	Associate Professor (T)
<b>School of Economic, Political and Policy Sciences</b>		
Criminology		
Nadine Connell	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
Public Affairs Sarah Maxwell	Associate Professor	Associate Professor (T)
<b>Eric Jonsson School of Engineering and Computer Science</b>		
Computer Science Vibhav Gogate	Assistant Professor	Associate Professor (T)
Electrical and Computer Engineering Bilal Akin	Assistant Professor	Associate Professor (T)
<b>Naveen Jindal School of Management</b>		
Accounting Ningzhong Li	Assistant Professor	Associate Professor (T)
Naim Ozel	Assistant Professor	Associate Professor (T)
Jieying Zhang	Assistant Professor	Associate Professor (T)
Finance Han Xia	Assistant Professor	Associate Professor (T)
Organizations, Strategy and International Management Jun Xia	Associate Professor	Associate Professor (T)
<b>School of Natural Sciences and Mathematics</b>		
Biological Sciences Zhenyu Xuan	Assistant Professor	Associate Professor (T)
Mathematical Sciences Dr. Robert Serfling	Professor (T)	Professor Emeritus
Physics Lindsay King	Associate Professor	Associate Professor (T)

38. Request for Budget Change - U. T. El Paso: New Hires with Tenure -- amendment to the 2016-2017 budget

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>College of Engineering</b>					
Dean's Office and Electrical and Computer Engineering					
Dean and Professor					
Theresa A. Maldonado (T)	7/1 - 8/31	100	12	275,000	8518
			09	161,000	
<b>College of Health Sciences</b>					
Dean's Office / Public Health Sciences					
Dean and Professor					
Shafik Dharamsi (T)	7/1 - 8/31	100	12	255,000	8519
			09	120,000	

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

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2018 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>College of Education</b>		
Educational Leadership and Foundations		
Penelope Espinoza	Assistant Professor	Associate Professor (T)
Teacher Education		
Alyse Hachey	New Hire	Associate Professor (T)
Pei-Ling Hsu	Assistant Professor	Associate Professor (T)
William J. Medina-Jerez	Associate Professor	Associate Professor (T)
<b>College of Engineering</b>		
Electrical and Computer Engineering		
Paras Mandal	Assistant Professor	Associate Professor (T)
<b>College of Health Sciences</b>		
Physical Therapy		
Alvaro Gurovich	New Hire	Associate Professor (T) and Program Director
Public Health Sciences		
Oralia Loza	Assistant Professor	Associate Professor (T)
<b>College of Liberal Arts</b>		
Art		
Max E. Grossman	Assistant Professor	Associate Professor (T)
Creative Writing		
Sasha R. Pimentel	Assistant Professor	Associate Professor (T)
Jeffrey S. Sirkin	Assistant Professor	Associate Professor (T)
Languages and Linguistics		
Natalia Mazzaro	Assistant Professor	Associate Professor (T)
Theatre and Dance		
Cristina Goletti	New Hire	Associate Professor (T) and Chair

College, Department, and Name	From	To
<b>College of Science</b>		
Biological Sciences		
Arshad M. Khan	Assistant Professor	Associate Professor (T)
Michael L. Moody	Assistant Professor	Associate Professor (T)
Hugues Ouellet	Assistant Professor	Associate Professor (T)
Chemistry		
XiuJun "James" Li	Assistant Professor	Associate Professor (T)
Dino Villagran	Assistant Professor	Associate Professor (T)
Geological Sciences		
Lixin Jin	Assistant Professor	Associate Professor (T)
Lin Ma	Assistant Professor	Associate Professor (T)
Physics		
Rajendra R. Zope	Assistant Professor	Associate Professor (T)

40. Contract (funds coming in) - U. T. Permian Basin: Accent Food Services vending machine contract to sell products located throughout campus

Agency: Accent Food Services

Funds: Royalty in the amount of 17% of all gross revenue

Period: September 1, 2017 through August 31, 2020

Description: Exclusive snack vending machine agreement for Accent Food Services to sell products located throughout campus. Accent Food Services will have 100% of the total number of snack vending machines operated on campus. This contract was competitively bid. In accordance with *Texas Education Code*, Section 51.945, the students were provided with an opportunity to comment prior to determination that this vending services provider should be selected by the institution. *Texas Government Code*, Section 2203.005(a) requires all vending machine agreements to be approved by the Board.

41. Request for Budget Change - U. T. Permian Basin: New Hire with Tenure -- amendment to the 2016-2017 budget

The following Request for Budget Change (RBC) has been administratively approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents:

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>College of Education</b>					
Mathematics					
Dean					
Selina Velaquez Mireles (T)	7/10-8/31	100	12	155,000	8620

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

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2018 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>College of Arts and Sciences</b>		
Communication		
Rachel Harlow	Assistant Professor	Associate Professor (T)
<b>College of Business and Engineering</b>		
Mechanical Engineering		
Luis Trueba	Assistant Professor	Associate Professor (T)
Petroleum Engineering		
Abdallah Harouaka	Professor	Professor (T)

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

The following personnel actions involving new award of tenure and emeritus appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2018 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
<b>College of Education and P-16 Integration</b>		
Bilingual and Literacy Studies Kip Hinton	Assistant Professor	Associate Professor (T)
Human Development and School Services Hsuying Ward	Assistant Professor	Associate Professor (T)
Teaching and Learning James Jupp	New Hire	Professor (T)
<b>College of Engineering and Computer Science</b>		
Civil Engineering Jungseok Ho	Assistant Professor	Associate Professor (T)
Electrical Engineering Yoonsu Choi Samir Iqbal	Assistant Professor New Hire	Associate Professor (T) Professor (T)
<b>College of Fine Arts</b>		
Theatre Brian Warren	Assistant Professor	Associate Professor (T)
School of Music David Sadlier	Assistant Professor	Associate Professor (T)
<b>College of Health Affairs</b>		
Cooperative Pharmacy Program Yasar Tasnif	Assistant Professor	Associate Professor (T)
School of Nursing Lilia Fuentes Helene Krouse	Assistant Professor New Hire	Associate Professor (T) Professor (T)

College, Department, and Name	From	To
<b>School of Rehabilitation Services and Counseling</b>		
Abdoulaye Diallo	Assistant Professor	Associate Professor (T)
Barbara Schoen	New Hire	Associate Professor (T)
Tom Shefcik	Associate Professor (T)	Professor Emeritus
<b>College of Liberal Arts</b>		
Political Science		
Mark Kaswan	Assistant Professor	Associate Professor (T)
William Sokoloff	Assistant Professor	Associate Professor (T)
Psychological Sciences		
Arthur Cantos	New Hire	Associate Professor (T)
Writing and Language Studies		
John Foreman	Assistant Professor	Associate Professor (T)
<b>College of Sciences</b>		
School of Earth, Environmental and Marine Sciences		
Richard Kline	Assistant Professor	Associate Professor (T)
<b>School of Medicine</b>		
Department of Surgery		
John Krouse	New Hire	Dean and Professor (T)

44. Logo - U. T. Rio Grande Valley: Approval of new "doing business as" (dba) name – UT Health Rio Grande Valley, and approval of a new logo, for the U. T. Rio Grande Valley School of Medicine

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for External Relations, the Vice Chancellor and General Counsel, and President Bailey that the U. T. System Board of Regents approve a new "doing business as" (dba) name – UT Health Rio Grande Valley, and the use of a new logo for U. T. Rio Grande Valley School of Medicine.

The following proposed logo has been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor for External Relations and is submitted for approval by the U. T. System Board of Regents in accordance with Regents' *Rules and Regulations*, Rule 40801.

The proposed UT Health Rio Grande Valley logo combines three main elements: The Ollin, Tree of Life, and the Caduceus. The Ollin, which means "Movement of the Sun", in Aztec mythology, represents the advancement and continuous change of the medical field. The Tree of Life branches represent knowledge and life. This symbol has been used in science, religion, and mythology to symbolize the interconnection of all life on our planet and serves as a metaphor for growth and evolution. The Caduceus represents healing and the field of medicine. Its symmetrical look is a close resemblance to the DNA helix.

In addition, the elements in the logo are similar to the patterns within the lattice structures on the new Medical Education Building in Edinburg.

The proposed Pantone Marking System colors are PMS 1655C, PMS Cool Gray 10C, and PMS 375C.



45. Contract (funds going out) - U. T. San Antonio: Ex Libris (USA), Inc. to provide library-specific software and related services to electronically manage all significant aspects of U. T. San Antonio's library management system

Agency: Ex Libris (USA), Inc.

Funds: \$3,090,140 for the entire term, including all renewal terms. The total amount includes annual software license fees (\$281,756 for year one) and a one-time implementation fee of \$120,376. The software license fees are subject to a maximum annual increase of four percent (4%), which has been incorporated into the above total amount.

Period: Initial Term: Three years, beginning upon the “go-live” date of the software in a production environment (estimated September 1, 2017). License fees are not due until after the “go-live” date.

Renewal Term(s): Two additional renewals, with the first renewal period being a two-year term at U. T. San Antonio’s option, and the second renewal being a four-year term, upon mutual agreement of both parties.

Description: The Agreement secures library-specific software and related services to electronically manage all significant aspects of U. T. San Antonio’s library management system, including providing students with extensive online resources. The software system will provide a much-needed and expansive upgrade to an outdated 17-year old system that was designed to handle printed information rather than electronic and web-based data.

Ex Libris (USA), Inc. is the current provider of U. T. San Antonio’s library management system. The upgraded system is being secured as an exclusive acquisition in accordance with U. T. System and U. T. San Antonio purchasing procedures. The exclusive acquisition documentation was approved by U. T. San Antonio’s Purchasing Office and documents U. T. San Antonio’s compliance with the best value requirements in Section 51.9335, *Texas Education Code*.

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

The following personnel actions involving new award of tenure and emeritus appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2018 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>College of Architecture, Construction and Planning</b>		
Department of Construction Science Tulio Sulbaran	New Hire	Professor (T)
<b>College of Business</b>		
Department of Information Systems and Cyber Security David Dampier	New Hire	Professor (T)
Department of Management Mark Lengnick-Hall	Professor (T)	Professor Emeritus
Department of Marketing Dengfeng Yan	Assistant Professor	Associate Professor (T)
<b>College of Education and Human Development</b>		
Department of Educational Leadership and Policy Studies Felecia Briscoe	Associate Professor (T)	Associate Professor Emeritus
Gerry Dizinno	Associate Professor (T)	Associate Professor Emeritus
Department of Educational Psychology Carolyn Orange	Professor (T)	Professor Emeritus
Department of Interdisciplinary Learning and Teaching Blanche Desjean-Perrotta	Professor (T)	Professor Emeritus

College, Department, and Name	From	To
<b>College of Engineering</b>		
Department of Biomedical Engineering Eric Brey	New Hire	Professor (T)
Department of Mechanical Engineering Krystal Castillo Xiaowei Zeng	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
<b>College of Liberal and Fine Arts</b>		
Department of Communication Charles Mahood	Assistant Professor	Associate Professor (T)
Department of English Annette Portillo	Assistant Professor	Associate Professor (T)
Department of History Steven Boyd Jerry Gonzalez	Professor (T) Assistant Professor	Professor Emeritus Associate Professor (T)
Department of Modern Languages Christopher Wickham	Professor (T)	Professor Emeritus
Department of Music James Balentine	Professor (T)	Professor Emeritus
Department of Political Science and Geography John Morris Arturo Sotomayor Bradley Thayer	Professor (T) Assistant Professor New Hire	Professor Emeritus Associate Professor (T) Professor (T)
Department of Psychology James Bray	New Hire	Professor (T)
<b>College of Public Policy</b>		
Department of Criminal Justice Michael Gilbert	Associate Professor	Associate Professor Emeritus

College, Department, and Name	From	To
<b>College of Sciences</b>		
Department of Biology		
Brian Hermann	Assistant Professor	Associate Professor (T)
Chin-Hsing Lin	Assistant Professor	Associate Professor (T)
Department of Computer Science		
Anthony Chronopoulos	Professor (T)	Professor Emeritus
Department of Geographical Science		
Marina Suarez	Assistant Professor	Associate Professor (T)
Department of Mathematics		
Youn-Min Chou	Professor (T)	Professor Emeritus
Lawrence Williams	Professor (T)	Professor Emeritus

47. Employment Agreement - U. T. San Antonio: Approval of terms of Employment Agreement with T. Taylor Eighmy, Ph.D., as President of U. T. San Antonio

The following agreement has been approved by the Chancellor and Executive Vice Chancellor for Academic Affairs, has been signed by Dr. Eighmy, and is recommended for approval by the U. T. System Board of Regents. Terms of employment under this agreement are subject to Regents' *Rules and Regulations*, Rules 10501 and 20201, and *Texas Education Code*, Section 51.948.

Title:	President
Funds:	\$500,000 annually
Period:	Beginning September 1, 2017
Description:	This agreement is for employment of Dr. T. Taylor Eighmy as President of The University of Texas at San Antonio. The President reports to the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor following input by the Executive Vice Chancellor for Academic Affairs and approval by the Board of Regents. During his Presidency, Dr. Eighmy will hold an appointment as Professor, with Tenure, in the College of Engineering at U. T. San Antonio without compensation. The employment agreement is on the following pages.



July 25, 2017

Dr. T. Taylor Eighmy



Dear Taylor:

On behalf of the Board of Regents of The University of Texas System, it is my pleasure to offer you the position of President of The University of Texas at San Antonio, effective September 1, 2017. Your annual salary rate as of that date will be \$500,000. You are entitled to other State-paid fringe benefits required to be provided to higher education employees by State law and for which you are eligible. Among these benefits are State-paid OASI, longevity pay, workers' compensation liability, insurance coverage, retirement, insurance premium sharing, and paid leave.

Pursuant to the Regents' Rules and Regulations, Rule 20201, the presidents of The University of Texas academic institutions are selected by the Board of Regents of The University of Texas System and serve without fixed term, subject to the pleasure of the Executive Vice Chancellor for Academic Affairs and approval by the Chancellor and the Board of Regents. Also, your performance as President of U. T. San Antonio will be evaluated in accordance with Rule 20201 and you will be asked to make a presentation to the Board on your vision and goals for U. T. San Antonio within 12 to 18 months of taking office.

Additional elements of your compensation package are:

- a. You may be eligible annually for a merit-based salary increase depending on your attainment of certain specific performance goals.
- b. The cost of club membership(s) approved by the Executive Vice Chancellor for Academic Affairs will be paid, including initial fees for joining the club and all properly documented and reasonable business-related expenses. All personal expenses, including the portion of dues related to personal use, is calculated based on the personal expenses for that month as a percent of total expenses. That percentage is applied to the dues owed to determine the personal amount.
- c. Appointment as Professor, with tenure, in the College of Engineering at U. T. San Antonio, with a beginning academic rate of \$250,000. During your presidency, you will not be paid your salary as Professor. When your administrative appointment as President ends you will be entitled to return to your tenured faculty position as professor, consistent with Regents' Rule 31007, which governs tenured appointments at U. T. San Antonio, and to be compensated at your academic salary rate. *Texas Education Code*, Section 51.948, states that if a university administrator is reassigned to a faculty or other position at the institution, the institution cannot pay that person a salary that exceeds the salary of other persons with similar qualifications performing similar duties.

Page 2  
July 25, 2017  
T. Taylor Eighmy

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- d. State law allows the granting of a development leave at the individual's academic salary rate for one academic year to a faculty member who has held an administrative position at the institution for more than four years. An administrator who receives development leave must return to work (as a faculty member) at a U.T. System institution for an amount of time equal to the amount of time the administrator received development leave or repay the institution for all the costs of the development leave. To the extent required by law, these provisions will apply in your situation. The specific length of the development leave will be negotiated dependent on your term of service as President and other pertinent considerations should you leave the presidency and return to the faculty.

Please note that the benefits described in (c) may, at the discretion of the Board, be denied should you be terminated from the position of President for good cause, as determined by the Board.

Business-related travel and entertainment expenses shall be in accordance with the Regents' Rules 20205, and with current travel and entertainment budgets of the institution. Reasonable expenses will be paid directly or reimbursed as appropriate.

Appropriate and timely submission of documentation required for reimbursement of travel and entertainment expenditures is required by Regents' Rules 20205. Annual reports on travel and entertainment shall be filed with the Executive Vice Chancellor for Academic Affairs.

Full-time faculty and administrative and professional staff employed by the U. T. System may not be employed in any outside work or activity or receive from an outside source any compensation or serve on an outside board until a description of the nature and extent of the employment or activity and the range of any compensation has been approved by the Chancellor.

Your base salary is all inclusive and there are no additional allowances provided for housing or automobile consistent with the Regents' *Rules and Regulations* on compensation for chief administrative officers. Reimbursement will be made for mileage associated with business use of a vehicle in accordance with the latest published Internal Revenue Service guidelines, the State Travel Regulations Act (*Texas Government Code*, Chapter 660) and applicable institutional policies. There is no separate provision for the use of a cellular telephone or other wireless device. Such use shall follow the policy for wireless devices at your institution.

The University of Texas System will also make direct payments for the actual costs of reasonable expenses related to moving and storage, if needed, of household, personal, and professional possessions from Knoxville, Tennessee to San Antonio, Texas. Please contact Kathryn Funk-Baxter, V.P. for Business Affairs at U. T. San Antonio before making any arrangements related to relocation.

The University will reimburse you for commuting costs incurred by you and your wife including airfare, accommodations, and meals associated with your transition, consistent with IRS guidelines. The University will compensate you for temporary housing costs during the first year of your Presidency prior to the arrival of your family to establish permanent residence.

Page 3  
July 25, 2017  
T. Taylor Eighmy

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Information about benefits including health insurance, disability, life insurance and retirement has been transmitted under separate cover.

Some elements in this compensation package will be subject to federal income tax and as such will be subject to withholding and reported on the W-2 form along with base salary paid. You should consult your tax adviser as to the handling of business or other offsetting deductions.

I look forward to the opportunity to work with you as President of The University of Texas at San Antonio. If you have any questions, please let me know.

Sincerely,



Steven W. Leslie  
Executive Vice Chancellor for Academic Affairs

Accepted: Taylor Eighmy Date: 7-27-17

SWL/smr

cc: Chancellor William H. McRaven  
Randy Wallace, Associate Vice Chancellor – Controller and Chief Budget Officer  
Kathryn Funk-Baxter, V.P. for Business Affairs  
Francie Frederick, General Counsel to the Board of Regents

48. Employment Agreement - U. T. San Antonio: Approval of contract extension to terms of Employment Agreement for Head Football Coach for Frank Wilson

The following Head Coach extension has been recommended by the institutional president and approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents. If the extension is approved, total compensation for the contract period for Frank Wilson will be in excess of \$1 million. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at San Antonio is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at San Antonio (Regents' *Rules and Regulations*, Rule 10501, Section 2.2.12, Athletic Employment Agreements; and Rule 20204, Section 3, Board Approval). Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay and/or dismissal.

Item: Extension of Head Football Coach Agreement for Frank Wilson

From: **Guaranteed compensation:**

Annual Salary:

January 15, 2016 to December 31, 2016: \$650,000

January 1, 2017 to December 31, 2017: \$675,000

January 1, 2018 to December 31, 2018: \$700,000

January 1, 2019 to December 31, 2019: \$725,000

January 1, 2020 to December 31, 2020: \$750,000

**Nonguaranteed compensation:**

Sports Camps and Clinics: Coach will be paid 100% of the net proceeds for each camp

Incentives: maximum incentive compensation of \$185,000 annually

(a) Team participates in a C-USA Championship

Game: \$10,000 annually

(b) Team wins the C-USA Championship Game: \$25,000 annually

(c) Team participates in a Non-College Football Playoff Bowl

Game: \$7,500 annually

(d) Team participates in a College Football Playoff Bowl

Game: \$50,000 annually

(e) Team wins any Bowl Game: \$7,500 annually

(f) Team defeats over a Power 5 program: \$7,500 annually

(g) Team wins the College Football Playoff National

Championship: \$100,000 annually

(h) C-USA Coach of the Year: \$10,000 annually

(i) National Coach of the Year: \$25,000 annually

(j) Team Academic Progress Rate exceeds 960: \$10,000 annually

(k) Average home football game attendance is at least

40,000: \$15,000 annually for the Coach to distribute to his staff

To:

**Guaranteed compensation:**

Annual Salary:

- September 1, 2017 to February 28, 2018: \$900,000 (annualized)
- March 1, 2018 to February 28, 2019: \$950,000
- March 1, 2019 to February 29, 2020: \$975,000
- March 1, 2020 to February 28, 2021: \$975,000
- March 1, 2021 to February 28, 2022: \$975,000

Note: current agreement year two compensation of \$675,000 annualized is in effect until August 31, 2017. All contract years are restated starting as year 1.

Product Endorsement: Participation in agreed upon television, radio, and other media events

- Year 1: \$150,000 payable on or before September 1, 2017
- Year 2: \$100,000
- Year 3: \$100,000
- Year 4: \$125,000
- Year 5: \$150,000

Retention Compensation: Contingent upon on completion of prior year and remaining in good standing with the university.

- Year 1: \$150,000; payable on or before December 1, 2017
- Year 2: \$50,000; payable February 28, 2018
- Year 3: \$50,000; payable February 28, 2019
- Year 4: \$50,000; payable February 28, 2020

**Nonguaranteed compensation:**

Sports Camps and Clinics: Coach will be paid 100% of the net proceeds for each camp

Incentives: maximum incentive compensation of \$185,000 annually

- (a) Team participates in a C-USA Championship  
Game: \$25,000 annually
- (b) Team wins the C-USA Championship Game: \$25,000 annually
- (c) Team participates in a Non-College Football Playoff Bowl  
Game: \$35,000 annually
- (d) Team participates in a College Football Playoff Bowl  
Game: \$50,000 annually
- (e) Team wins any Bowl Game: \$10,00 annually
- (f) Team defeats over a Power 5 program: \$7,500 annually
- (g) Team wins the College Football Playoff National  
Championship: \$100,000 annually
- (h) C-USA Coach of the Year: \$10,000 annually
- (i) National Coach of the Year: \$25,000 annually
- (j) Team Academic Progress Rate exceeds 960: \$10,000 annually

- (k) Team achieves seven (7) regular season game wins: \$25,000 annually
- (l) Team achieves eight (8) regular season game wins: \$25,000 annually

**Non-compensation:**

Annual Football Excellence Fund: Established on September 1 each year of contract in the amount of \$25,000 for team and staff activities.

**Payment of liquidated damages to university by coach:**

- Before February 28, 2018: \$1,200,000
- March 1, 2018 to February 28, 2019: \$900,000
- March 1, 2019 to February 29, 2020: \$550,000
- March 1, 2020 to February 28, 2021: \$250,000
- March 1, 2021 to February 28, 2022: \$0

Guaranteed Compensation Percent Change:	<b>Comparison of original contract year to new contract year terms:</b>
	Year 2: 56%
	Year 3: 54%
	Year 4: 55%
	Year 5: 53%

Nonguaranteed Compensation Change:	Two additional incentives were added; one was deleted
	(1) Team achieves seven regular season wins: \$25,000 annually;
	(2) Team achieves eight regular season game wins: \$25,000 annually

Deleted: \$15,000 annually for distribution to coaching staff if the average home game attendance for a year is at least 40,000

Source of funds: Intercollegiate Athletics

Description: Extension of the Agreement for employment of Head Football Coach Frank Wilson

Period: September 1, 2017 through February 28, 2022

49. Request for Budget Change - U. T. Tyler: New award of tenure, emerita, and emeritus appointments

The following personnel actions involving new award of tenure and emeritus appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2018 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
<b>College of Arts and Sciences</b>		
Biology		
Joshua Banta	Assistant Professor	Associate Professor (T)
Chemistry and Biochemistry		
Sean Butler	Assistant Professor	Associate Professor (T)
History		
Matthew Stith	Assistant Professor	Associate Professor (T)
Patricia Gajda	Professor (T)	Professor Emerita
Music		
Kyle Gullings	Assistant Professor	Associate Professor (T)
John Webb	Professor (T)	Professor Emeritus
<b>College of Business and Technology</b>		
Human Resource Development		
Rochell McWhorter	Assistant Professor	Associate Professor (T)
Management and Marketing		
Kerri Camp	Assistant Professor	Associate Professor (T)
Robert Jones	Assistant Professor	Associate Professor (T)
<b>College Education and Psychology</b>		
School of Education		
Joanna Neel	Assistant Professor	Associate Professor (T)
Shelly Marmion	Professor (T)	Professor Emerita
<b>College of Engineering</b>		
Mechanical Engineering		
Nelson Fumo	Assistant Professor	Associate Professor (T)
Javier Kypuros	New Hire	Dean and Professor (T)

College, Department, and Name	From	To
<b>College of Nursing and Health Sciences</b>		
School of Nursing		
Danice Greer	Assistant Professor	Associate Professor (T)
Colleen Marzilli	Assistant Professor	Associate Professor (T)

**HEALTH AFFAIRS COMMITTEE**

50. Contract (funds coming in) - U. T. Southwestern Medical Center: Interagency agreement with the Texas Health and Human Services Commission for participation in Health and Human Services Commission's Network Access Improvement Program

Agency: Texas Health and Human Services Commission

Funds: \$9,163,862

Period: September 1, 2017 through August 31, 2018

Description: Interagency agreement is for participation in Health and Human Services Commission's Network Access Improvement Program that includes federal matching funds. This program is focused on serving Managed Medicaid patients. U. T. Southwestern Medical Center will receive project payments.

51. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide professional and technical services to support the operations of UT Southwestern Moncrief Cancer Center

Agency: UT Southwestern Moncrief Cancer Center

Funds: \$8,626,336

Period: September 1, 2017 through August 31, 2018

Description: U. T. Southwestern Medical Center will provide professional and technical services. UT Southwestern Moncrief Cancer Center (MCI) will reimburse U. T. Southwestern Medical Center for the cost of leasing employees. These services and leased employees will support the general operations of MCI.

52. Contract (funds going out) - U. T. Southwestern Medical Center: United WestLabs, Inc. will provide administrative and management services to establish and operate an outreach reference laboratory program

Agency: United WestLabs, Inc.

Funds: \$12,109,123

Period: May 25, 2017 through July 31, 2020

Description: United WestLabs, Inc. will provide administrative and management services for the set up and management of daily operations for the U. T. Southwestern Medical Center outreach reference laboratory program. The program expands the existing licensed clinical laboratory to provide clinical laboratory testing services. This contract was competitively bid.

53. Request for Budget Change - U. T. Southwestern Medical Center: New Hires with Tenure -- amendment to the 2016-2017 budget

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>Southwestern Medical School</b>					
Family and Community Medicine					
Professor and Chairman					
David Schneider (T)	5/1-8/31	100	12	310,000	8494
Pediatrics					
Professor					
Berge Minassian (T)	12/19-8/31	100	12	315,000	8268
Psychiatry					
Professor					
Elizabeth Heitman (T)	12/1-8/31	100	12	160,000	8267
Radiation Oncology					
Professor					
Guo-Min Li (T)	6/1-8/31	100	12	250,000	8580

54. Request for Budget Change - U. T. Southwestern Medical Center: New award of tenure appointments

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2018 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>College of Biochemistry</b> Biochemistry Yonghao Yu	Assistant Professor	Associate Professor (T)
<b>College of Biophysics</b> Biophysics Daniel Rosenbaum	Assistant Professor	Associate Professor (T)
<b>College of Eugene McDermott Center for Human Growth and Development</b> Eugene McDermott Center Ralf Kittler	Assistant Professor	Associate Professor (T)
<b>College of Immunology</b> Immunology Nan Yan	Assistant Professor	Associate Professor (T)
<b>College of Microbiology</b> Microbiology Ivan D'Orso	Assistant Professor	Associate Professor (T)
<b>College of Neuroscience</b> Neuroscience Taekyung Kim Genevieve Konopka	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
<b>College of Pathology</b> Pathology Ravindra Sarode	Professor	Professor (T)
<b>College of Physiology</b> Physiology Jiang Wu	Assistant Professor	Associate Professor (T)

College, Department, and Name	From	To
<b>College of Simmons Comprehensive Cancer Center</b> Simmons Comprehensive Cancer Center Angelique Whitehurst	Assistant Professor	Associate Professor (T)

55. Request for Budget Change - U. T. Southwestern Medical Center: Approval of Emeritus Titles

**Phillip Jones**, from Professor and Chairman to Professor Emeritus, Department of Physician Assistant Studies in the Medical School (RBC No. 8521) -- amendment to the 2016-2017 budget

**George McCracken**, from Professor to Professor Emeritus, Department of Pediatrics in the Medical School (RBC No. 8522) -- amendment to the 2016-2017 budget

56. Lease - U. T. Southwestern Medical Center: Authorization to lease approximately 30,000 rentable square feet of space located at 5801 East Campus Circle, Irving, Dallas County, Texas, from Dr. Mark Anderson and/or assigns for clinical and related uses

Description:	Lease of approximately 30,000 rentable square feet of space located at 5801 East Campus Circle, Irving, Dallas County, Texas, for clinical and related uses.
Lessor:	Dr. Mark Anderson and/or assigns
Term:	The lease initially for approximately 20,000 rentable square feet is estimated to commence on April 1, 2019. The lease premise will expand by an additional 10,000 rentable square feet by October 1, 2020. The initial term is for a period of 138 months. U. T. Southwestern Medical Center will have one option, exercisable in its discretion, to renew the lease for one, five-year renewal term.
Lease Cost:	Base rent of approximately \$24.50 per square foot annually in the first year following the five-month abated rent period. Base rent totals approximately \$9,907,750 during the initial term. Rent for the renewal option period will not exceed the then current market base rate. In addition to the rent, U. T. Southwestern Medical Center will pay for its pro rata share of the operating expenses.

Tenant Improvements: Landlord will provide a tenant improvement allowance of \$65 per rentable square foot. The landlord is willing to provide up to an additional \$35 per rentable square foot. However, the additional tenant improvement allowance will increase the base rental amount. The lessee will pay the cost of the tenant improvements above the allowance provided by the landlord. The lessee estimates that the total cost of the tenant improvements will be approximately \$150 per rentable square foot.

57. Lease - U. T. Southwestern Medical Center: Authorization to lease approximately 10,948 rentable square feet of space located at 8194 Walnut Hill Lane, Dallas, Dallas County, Texas, from the Texas Health Resources for clinical and related uses

Description: Lease of approximately 10,948 rentable square feet of space located at 8194 Walnut Hill Lane, Dallas, Dallas County, Texas, for clinical and related uses.

Lessor: Texas Health Resources, a Texas nonprofit corporation

Term: The lease for approximately 10,948 rentable square feet is estimated to commence on May 1, 2017, and the initial term is for a period of 84 months. U. T. Southwestern Medical Center will have one option, exercisable in its discretion, to renew the lease for one five-year renewal term.

Lease Costs: Approximately \$18.00 per square foot annually in the first year, and approximately \$1,464,952 in rent during the initial term. Rent for the renewal option period will not exceed the then current market base rate. In addition to the rent, U. T. Southwestern Medical Center will pay for the cost of the operating expenses above the base year operating expenses.

Tenant Improvements: Lessee will finish out the space at its expense. The cost of the finish-out is approximately \$2,065,000 (\$189 per square foot).

58. Gift - U. T. Southwestern Medical Center: Authorization to accept a gift of land and improvements off of the South West corner of IH 35 West and West Rosedale Street Fort Worth, Tarrant County, Texas, from W.A. Moncrief, Jr., Trustee of W.A. Moncrief, Jr., Management Trust, for future programmed campus expansion

Description: Request for authorization to accept gift of approximately 27 tracts of land totaling approximately 132,510 square feet (3.04 acres) and improvements located in an area of land bounded by West Rosedale Street to the north, West Magnolia Avenue to the south, South Main Street to the east, and South Jennings Avenue to the west in Fort Worth, Tarrant County, Texas; some tracts being within the expansion zone; and authorization for the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to acquire the properties. The properties are located within close proximity to the Moncrief Cancer Institute and the UT Southwestern Monty and Tex Moncrief Medical Center at Fort Worth.

Donor: W.A. Moncrief, Jr., Trustee of W.A. Moncrief, Jr., Management Trust

Estimated Value: \$4,412,750

59. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide services for the State of Texas Health and Human Services Commission under the Family Planning Grant Program

Agency: State of Texas Health and Human Services Commission (HHSC)

Funds: \$14,702,810

Period: September 1, 2016 through August 31, 2019

Description: U. T. Medical Branch - Galveston, through the Family Planning Grant Program, provides a wide variety of clinical, testing, and family planning methods to patients at both the Galveston teaching facility as well as its network of 13 outpatient clinics per the FY17 Family Planning contract, which was approved on February 9, 2017, by the U. T. System Board of Regents, with a value of \$4,504,270.

U. T. Medical Branch - Galveston is seeking to enter into the Family Planning Grant Program FY18-19 Renewal Agreement with HHSC to continue to provide services for the State of Texas under the Family Planning Grant Program. The current request is two-fold:

1. An amendment of the FY17 Family Planning contract to increase the patient load by 2,000 and the value by \$1,190,000 to \$5,694,270
2. The Family Planning Grant Program FY18-19 Renewal Agreement, which will extend the term of the contract from September 1, 2017 through August 31, 2019, and add an additional \$4,504,270 in funding per year, bringing the total contract value to \$14,702,810.

60. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide medical services to eligible women in the State of Texas, by and through the Texas Health and Human Services Commission (HHSC) under the Healthy Texas Women's Grant Program (HTW Program)

Agency: State of Texas Health and Human Services Commission (HHSC)

Funds: \$3,982,935

Period: September 1, 2016 through August 31, 2019

Description: U. T. Medical Branch - Galveston currently provides services to Medicaid eligible clients under the HHSC Healthy Texas Women's Grant Program (HTW Program) per the current HTW FY17 Grant Program Contract, which has a term of August 29, 2016 through August 31, 2017, with options for two additional two-year terms (categorical portion). That agreement represents the reimbursement under the categorical costs reimbursement methodology in the amount of \$1,327,645 and was approved by the Board on February 9, 2017.

U. T. Medical Branch - Galveston is currently seeking to enter into the HTW Program FY18-19 Renewal Agreement with HHSC to continue to provide direct clinical care to eligible women in the State of Texas. This renewal will extend the term of the contract from September 1, 2017 through August 31, 2019, and add an additional \$1,327,645 in funding per year, bringing the total contract value (categorical portion) to \$3,982,935.

61. Contract (funds coming in) - U. T. Medical Branch - Galveston: Agreement with the Texas Department of State Health Services (DSHS) for U. T. Medical Branch - Galveston to provide breast and cervical cancer screening services to eligible individuals

Agency: Texas Department of State Health Services (DSHS)

Funds: \$3,085,521

Period: September 1, 2016 through August 31, 2019

Description: U. T. Medical Branch - Galveston currently provides medical services (breast and/or cervical cancer screening, diagnostic and support services, tracking, follow-up, case management, and individual client education) to eligible individuals per the FY 2017 Breast and Cervical Cancer Screening (BCCS) agreement with DSHS, which features a term of September 1, 2016 through August 31, 2017, and a dollar value of \$1,028,507. The current request to enter into the FY18-19 BCCS Grant Renewal will extend the term of the contract from September 1, 2017 through August 31, 2019, and add an additional \$1,028,507 in funding per year, bringing the total contract value to \$3,085,521.

62. Contract (funds coming in) - U. T. Medical Branch - Galveston: U. T. Medical Branch - Galveston's Regional Maternal Child Health Program (RMCHP) WIC Program administers the Department of State Health Services (DSHS) WIC to provide supplemental food benefits, nutrition education, and counseling to enhance good health care at no cost to low-income pregnant and postpartum women, infants and children identified to be at nutritional risk

Agency: Department of State Health Services (DSHS)

Funds: Increase the total contract value to \$15,321,734 (\$7,637,723 from FY 2017 plus \$7,648,011 from FY 2018)

Period: Original Term from October 1, 2016 through September 30, 2017; this Amendment extends the term from October 1, 2017 through September 30, 2018

Description: U. T. Medical Branch - Galveston's Regional Maternal Child Health Program (RMCHP) WIC Program administers the DSHS WIC to provide supplemental food benefits, nutrition education, and counseling to enhance good health care at no cost to low-income pregnant and postpartum women, infants and children identified to be at nutritional risk. The FY 2017 Contract in the amount of \$7,637,723 was approved by U. T. Medical Branch - Galveston in November 2016 and the Board of Regents on February 9, 2017. For approval is the First Amendment to extend the contract through FY 2018 and increase the total contract value to \$15,321,734 (\$7,637,723 from FY 2017 plus \$7,648,011 from FY 2018).

63. Contract (funds coming in and going out) - U. T. Medical Branch - Galveston: BFI Waste Services of Texas, L.P., dba Republic Services, will provide waste disposal and recycling services

Agency: BFI Waste Services of Texas, L.P. (BFI), dba Republic Services

Funds: Not to exceed \$2,900,000

Period: April 1, 2017 through March 31, 2020; with two 12-month renewal options

Description: BFI will provide waste disposal and recycling services to U. T. Medical Branch - Galveston. This contract was competitively bid.

64. Contract (funds going out) - U. T. Medical Branch - Galveston: Kronos Incorporated to provide time capture software

Agency: Kronos Incorporated

Funds: \$3,500,000; inclusive of initial term and renewal options

Period: Commencing on the date the contract is fully executed for a period of 24 months; with option to renew for three renewal periods of 12 months each

Description: Kronos Incorporated will provide time capture software that feeds time information into U. T. Medical Branch - Galveston's PeopleSoft payroll module. This contract was not competitively bid because a move away from this infrastructure to a cloud-based solution is anticipated within the next three years. The cost of competitive bidding and the substantial business disruption resulting from changing the incumbent provider for three years outweigh the possible gain of competitive bid.

65. Contract (funds going out) - U. T. Medical Branch - Galveston: Solar Turbines Incorporated to provide solar commissions, services, maintenance, and repairs for certain turbomachinery equipment manufactured by Solar Turbines

Agency: Solar Turbines Incorporated (Solar)

Funds: Not to exceed \$6,700,000

Period: April 1, 2017 through March 31, 2027

Description: Solar will perform routine maintenance and repair services and provide related parts and consumables and real-time condition-based monitoring of two Taurus 60 combustion gas turbines (located in U. T. Medical Branch - Galveston's East Plant and West Plant). In addition, at the request of U. T. Medical Branch - Galveston only, Solar may provide additional services under Supplementary Orders issued under this contract. Supplementary Orders will be for services not specifically covered under this agreement such as upgrades, training, additional service parts, etc. Solar is the original equipment manufacturer and is uniquely qualified to provide the technical expertise on these machines. Therefore, these services were not competitively procured because U. T. Medical Branch - Galveston believes Solar is the only qualified vendor able to effectively maintain the Covered Equipment.

66. Contract (funds going out) - U. T. Medical Branch - Galveston: American Janitorial Services, Ltd. to provide window-washing services

Agency: American Janitorial Services, Ltd.

Funds: \$3,500,000

Period: April 26, 2017 through April 25, 2020; with two additional 12-month renewal options

Description: American Janitorial Services will provide window-washing services to U. T. Medical Branch - Galveston, including cleaning of all fixed and operable windows, block, glass doors, and reflective glass surfaces. This contract was competitively bid.

67. Request for Budget Change - U. T. Medical Branch - Galveston: New award of tenure and emeritus appointments

The following personnel actions involving new award of tenure and emeritus appointments have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2018 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>School of Health Professions</b>		
Physical Therapy		
Steven Fisher	Associate Professor	Associate Professor (T)
Kurt Mossberg	Professor	Professor Emeritus
Office of Academic & Student Affairs		
Marlene Salas-Provance	Clinical Professor	Professor (T)
<b>School of Medicine</b>		
Biochemistry and Molecular Biology		
Cheryl Watson	Professor (T)	Professor Emeritus
Internal Medicine		
Xuan-Zheng Shi	Associate Professor	Associate Professor (T)
Microbiology and Immunology		
Dennis Bente	Associate Professor	Associate Professor (T)
Obstetrics and Gynecology		
Sathish Kumar	Assistant Professor	Associate Professor (T)
Gwyn Richardson	Assistant Professor	Associate Professor (T)
Erik Rytting	Assistant Professor	Associate Professor (T)
Ophthalmology and Visual Sciences		
Wenbo Zhang	Associate Professor	Associate Professor (T)
Otolaryngology		
Harold Pine	Associate Professor	Associate Professor (T)
Pathology		
Timothy Allen	Professor	Professor (T)
Naomi Forrester	Associate Professor	Associate Professor (T)
Nikos Vasilakis	Associate Professor	Associate Professor (T)

College, Department, and Name	From	To
Pediatrics Terumi Midoro-Horiuti	Associate Professor	Associate Professor (T)
Preventative Medicine and Community Health Sharon Croisant	Associate Professor	Professor (T)

68. Lease - U. T. Medical Branch - Galveston: Authorization for U. T. Medical Branch - Galveston to lease approximately 9,000 square feet of space in U. T. M. D. Anderson Cancer Center's building at 2280 Gulf Freeway South on U. T. Medical Branch - Galveston's League City Campus, City of League City, Galveston County, Texas, for clinical and office use

Description: Lease of approximately 9,000 square feet of space located within U. T. M. D. Anderson Cancer Center's building at 2280 Gulf Freeway South on U. T. Medical Branch - Galveston's League City Campus, City of League City, Galveston County, Texas, for clinical and office use. This embedded clinic will enhance the institutions' collaboration in clinical oncology.

Lessee/Lessor: U. T. Medical Branch - Galveston/U. T. M. D. Anderson Cancer Center

Term: 15 years, commencing within 60 days after completion of tenant improvements, estimated to be on August 1, 2018, and continuing through July 31, 2033, with two options to renew, each for five years, upon mutual agreement of the parties

Lease Cost/Income: U. T. Medical Branch - Galveston will pay an annual base rent of \$171,000 (\$19.00 per square foot), escalating by 10% on the first day of the sixth lease-year and again on the first day of the eleventh lease-year for a total amount of approximately \$2,830,050 over the initial term of the lease. In addition, U. T. Medical Branch - Galveston will pay its pro rata share of building operating and maintenance expenses. Base rent for each renewal term will increase based on then fair market value rental rates. All costs will be adjusted to the actual area of the space.

Tenant Improvements: U. T. M. D. Anderson Cancer Center will construct tenant improvements at U. T. Medical Branch - Galveston's expense, at an estimated cost of \$1.7 million.

69. Interagency Agreement (funds coming in) - U. T. Health Science Center - Houston: Interagency agreement to provide resources to the Texas Department of Family and Protective Services to aid in the diagnosis of child abuse and neglect

Agency: The Texas Department of Family and Protective Services

Funds: \$2,701,591

Period: September 1, 2017 through August 31, 2018

Description: Interagency contract to create resources that will improve access to medical professionals with expertise in the diagnosis of child abuse or neglect for the Texas Department of Family and Protective Services.

70. Contract (funds going out) - U. T. Health Science Center - Houston: Solid IT Networks to provide equipment, software, and licensing for the communications technology network equipment refresh

Agency: Solid IT Networks

Funds: Not to exceed \$6,000,000

Period: April 17, 2017 through April 16, 2023

Description: This is a contract that resulted from a competitive bid and will establish a specific discount to the Manufacturer's Suggested Retail Prices (MSRP) for Hewlett Packard Enterprise (HPE) Aruba products for UT Health Houston's communication technology refresh project. UT Health will purchase a variety of HPE Aruba equipment over the duration of the contract for different phases of the project. In addition to equipment, purchases will include software and licensing.

71. Contract (funds going out) - U. T. Health Science Center - Houston: SunNet Solutions Corporation to perform annual enhancements to the Engage platform

Agency: SunNet Solutions Corporation

Funds: \$5,566,358; inclusive of the initial term and all renewal options

Period: May 24, 2017 through August 31, 2024

Description: The initial Engage system resulted from a Request For Proposal, which was awarded to SunNet Solutions Corporation. SunNet developed the software platform to provide two crucial services to Texas State Initiatives funders – for the Texas Education Agency (TEA), it provides assessment, professional development, activities, and collaborative tools to over 12,000 preschool teachers and 200,000 students throughout Texas. For the Texas Workforce Commission (TWC), it supports the evaluation of statewide pre-school centers as part of the Texas Quality Rating Improvement System.

This contract is for annual enhancements to the Engage platform that was originally created by SunNet Solutions Corporation under a previous contract. The original contract was not included previously for Board of Regents' approval due to an inadvertent oversight. The Board of Regents is not being asked to approve the original contract from 2014, nor prior amendments, only this new amendment. The services provided under this contract will include updates to support the optimization of the platform to serve as a critical infrastructure component for providing services to the Texas Education Agency and Texas Workforce Commission.

72. Contract (funds going out) - U. T. Health Science Center - Houston: SunNet Solutions Corporation to perform annual maintenance for the Engage platform

Agency: SunNet Solutions Corporation

Funds: \$3,462,529; inclusive of the initial term and all renewal options

Period: March 24, 2017 through August 21, 2024

Description: The initial Engage system resulted from a Request For Proposal, which was awarded to SunNet Solutions Corporation. SunNet developed the software platform to provide two crucial services to Texas State Initiatives funders – for the Texas Education Agency (TEA), it provides assessment, professional development, activities, and collaborative tools to over 12,000 preschool teachers and 200,000 students throughout Texas. For the Texas Workforce Commission (TWC), it supports the evaluation of statewide pre-school centers as part of the Texas Quality Rating Improvement System.

This contract is for annual maintenance for the Engage platform, which was originally created by SunNet Solutions Corporation under a previous contract. The services provided under this contract include bug fixes, support of the on-going operation of the platform, and periodic monitoring of application performance.

73. Contract (funds going out) - U. T. Health Science Center - Houston: Lakeshore Learning Materials to provide English and Spanish School Readiness Kits

Agency: Lakeshore Learning Materials

Funds: \$3,500,000; inclusive of the initial term and all renewal options

Period: September 1, 2017 through August 31, 2018; with an option to renew for four additional one-year terms  
If renewed, this agreement could be extended as far as August 31, 2022.

Description: The Children's Learning Institute is an institute of the UTHealth McGovern Medical School's Department of Pediatrics. This contract between U. T. Health Science Center - Houston, on behalf of the Children's Learning Institute and Lakeshore Learning Materials, is for the development and purchase of English and Spanish School Readiness Kits for the State of Texas. This contract was competitively bid.

74. Contract (funds going out) - U. T. Health Science Center - Houston: Richards Carlberg, Inc., dba Richards/Carlberg, to provide Texas-focused advertising/marketing services

Agency: Richards Carlberg, Inc., dba Richards/Carlberg

Funds: Not to exceed \$10,000,000; inclusive of the initial term and all renewal options

Period: September 1, 2017 through August 31, 2018; with the option of two 12-month renewals

Description: The original contract with Richards Carlberg was approved by the Board of Regents for \$5,000,000 on May 14, 2015. Under this amendment to an existing and competitively bid contract, Richards/Carlberg will continue its collaborative effort with U. T. Health Science Center - Houston to execute the "Many Faces of UTHealth" Campaign aimed at building awareness and brand affinity among various audiences including potential donors (primarily), internal stakeholders, current and future grateful patients, and the Houston community at large.

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

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2018 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>McGovern Medical School</b>		
Family and Community Medicine/McGovern Center		
Nathan Carlin	Associate Professor	Associate Professor (T)
Institute of Molecular Medicine		
Vihang A. Nakar	Assistant Professor	Associate Professor (T)
Integrative Biology and Pharmacology		
Jeffrey Tien-Hao Chang	Assistant Professor	Associate Professor (T)
Kartik Venkatachalam	Assistant Professor	Associate Professor (T)
Neurosurgery		
Dong H. Kim	Professor	Professor (T)
Jiaqian Wu	Assistant Professor	Associate Professor (T)
Diagnostic and Interventional Imaging		
Roy F. Riascos-Castaneda	Associate Professor	Professor (T)
<b>School of Biomedical Informatics</b>		
Biomedical Informatics		
Degui Zhi	Associate Professor	Associate Professor (T)
<b>School of Dentistry</b>		
Oral Maxillofacial Surgery		
Nagi Demian	Associate Professor	Professor (T)
Diagnostic Sciences		
WenjianZhang	Associate Professor	Associate Professor (T)

College, Department, and Name	From	To
<b>School of Public Health</b>		
Epidemiology, Human Genetics and Environmental Sciences		
Charles Darkoh	Assistant Professor	Associate Professor (T)
David I. Douphrate	Assistant Professor	Associate Professor (T)
Jennifer Reingle Gonzalez	Assistant Professor	Associate Professor (T)
Anna Wilkinson	Assistant Professor	Associate Professor(T)
Environment and Occupational Health Science		
Lisa A. Pompeii	Associate Professor	Associate Professor (T)
Management, Policy and Community Health		
Linda D. Highfield	Assistant Professor	Associate Professor (T)
Catherine L. Troisi	Associate Professor	Associate Professor (T)
Biostatistics		
Hulin Wu	Professor	Professor (T)

76. Request for Budget Change - U. T. Health Science Center - Houston: Approval of Emeritus Titles

**Herbert L. Fred**, from Professor to Professor Emeritus, Department of Internal Medicine, UTHealth McGovern Medical School (RBC No. 8585) -- amendment to the 2016-2017 budget

**Roger G. O'Neil**, from Professor to Professor Emeritus, Department of Integrative Biology & Pharmacology, UTHealth McGovern Medical School, and to Professor Emeritus at U. T. M. D. Anderson Cancer Center UTHealth Graduate School of Biomedical Sciences (RBC No. 8584) -- amendment to the 2016-2017 budget

**Robert E. Roberts**, from Professor to Professor Emeritus, Department of Health Promotion and Behavioral Sciences, UTHealth School of Public Health (RBC No. 8489) -- amendment to the 2016-2017 budget

77. Contract (funds coming in) - U. T. Health Science Center - San Antonio: To provide physician administrative services to Bexar County Hospital District, dba University Health System

Agency: Bexar County Hospital District, dba University Health System

Funds: \$5,789,808

Period: January 1, 2017 through December 31, 2017

Description: U. T. Health Science Center - San Antonio will provide physician administration and management services and medical direction in designated areas to Bexar County Hospital District, dba University Health System.

78. Contract (funds coming in) - U. T. Health Science Center - San Antonio: To perform professional medical services, direct patient care services, and administration and management of residency programs for Bexar County Hospital District, dba University Health System

Agency: Bexar County Hospital District, dba University Health System

Funds: \$9,034,597

Period: January 1, 2017 through December 31, 2017

Description: U. T. Health Science Center - San Antonio will provide professional services to University Health System including administration and management of residency programs, medical services, and direct patient care services to University Health System patients rendered by non-physician medical personnel employed by U. T. Health Science Center - San Antonio.

79. Contract (funds coming in) - U. T. Health Science Center - San Antonio: University Physicians Group to ensure implementation of the University Health System's quality metric incentive program associated with the provision of patient care at Bexar County Hospital District, dba University Health System

Agency: Bexar County Hospital District, dba University Health System

Funds: \$3,760,000

Period: July 1, 2017 through June 30, 2018

Description: University Physicians Group (UPG), a Texas non-profit health care corporation, whose sole member is U. T. Health Science Center - San Antonio, will implement University Health System's (UHS) quality metric incentive program, to improve quality and efficiency in patient care as demonstrated by the attainment of agreed upon metrics. The quality metric incentive program monitors the quality of clinical services provided by U. T. Health Science Center - San Antonio physicians through the Bexar County Clinical Services Agreement, to which UPG and UHS are parties. University Physicians Group will ensure U. T. Health Science Center - San Antonio's Medical Service, Research and Development Plan's implementation of UHS's quality metric incentive program to improve quality and efficiency in patient care as demonstrated by the attainment of agreed upon metrics.

80. Contract (funds going out) - U. T. Health Science Center - San Antonio: Bexar County Hospital District, dba University Health System, will provide continued support for the provision of pediatric health care and associated educational activities

Agency: Bexar County Hospital District, dba University Health System

Funds: \$11,090,000

Period: Date of signature through December 31, 2030

Description: In furtherance of the Parties overarching Affiliation Agreement, U. T. Health Science Center - San Antonio and Bexar County Hospital District, dba University Health System, articulate their ongoing commitments with respect to pediatric activities, education, and professional services.

The commitments include termination of the previous pediatric services agreement and ambulatory surgery center construction arrangement, alignment of primary relationship, revised clinical activities, and financial arrangements.

81. Request for Budget Change - U. T. Health Science Center - San Antonio: New Hires with Tenure -- amendment to the 2016-2017 budget

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
<b>School of Health Professions</b>					
Speech-Language Pathology					
Associate Professor					
Fang-Ling Lu (T)	6/1-8/31	100	12	132,000	8571
<b>School of Medicine</b>					
Medicine					
Professor					
Joel Tsevat (T)	6/1-8/31	100	12	325,000	8572
Associate Professor					
Alaa El Din Said Abdalla Awad (T)	7/1-8/31	100	12	130,000	8573
Professor					
Kumar Sharma (T)	8/1-8/31	62.5	12	70,000	8574
		37.5	12	346,333	
Cancer Center and Department of Medicine					
Director and Professor					
Ruben Mesa (T)	8/23-8/31	100	12	650,000	8579

82. Request for Budget Change - U. T. Health Science Center - San Antonio: New award of tenure and emeritus appointments

The following personnel actions involving new award of tenure and emeritus appointments have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2018 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>School of Medicine</b>		
Cell Systems and Anatomy Omid B. Rahimi	Associate Professor	Associate Professor (T)
Cellular and Integrative Physiology Jun Hee Kim	Assistant Professor	Associate Professor (T)
Epidemiology and Biostatistics John Cornell	Professor (T)	Professor Emeritus
Family and Community Medicine Sandra Burge	Professor (T)	Professor Emeritus
Medicine Eugenio Cersosimo	Associate Professor	Professor (T)
Xianlin Han		Professor (T)
Brent T. Wagner	Associate Professor	Associate Professor (T)
Neurosurgery John Floyd	Assistant Professor	Associate Professor (T)
Ali Seifi	Assistant Professor	Associate Professor (T)
Pharmacology Jason O'Connor	Assistant Professor	Associate Professor (T)
Psychiatry Richard J. Lamb	Professor (T)	Professor Emeritus
<b>School of Nursing</b>		
School of Nursing Gail Williams	Professor (T)	Professor Emeritus
<b>School of Health Professions</b>		
Emergency Health Sciences David Wampler	Assistant Professor	Associate Professor (T)

83. Request for Budget Change - U. T. Health Science Center - San Antonio: Approval of Emeritus Title

**Ian M. Thomas Jr.**, from Professor to Professor Emeritus, Urology in the School of Medicine (RBC No. 8578) -- amendment to the 2016-2017 budget

84. Other Matters - U. T. M. D. Anderson Cancer Center: Appointment of two U. T. M. D. Anderson Cancer Center employees as Managers of Vescor Therapeutics, LLC

In accordance with Regents' *Rules and Regulations*, Rule 90101, Section 14.2, approval by the U. T. System Board of Regents is required for employees to serve as an officer on a governing board.

Appointment

<u>Name and Title</u>	<u>Term</u>
Ferran Prat, Ph.D., J.D., Senior Vice President, Research Administration and Industry Relations	TBD
Giulio Draetta, Ph.D., Professor, Department of Genomic Medicine; Director, U. T. M. D. Anderson Institute for Applied Cancer Science; Vice President, Therapeutics Discovery; Co-leader, Moon Shots Program; and Senior Vice President, Discovery and Platforms	TBD

U. T. M. D. Anderson Cancer Center will create and execute appropriate individual conflict of interest management plans for both Dr. Prat and Dr. Draetta related to their involvement with Vescor. U. T. M. D. Anderson Cancer Center will also refer this matter to their Institutional Conflicts of Interest Committee for any further action as deemed appropriate by that committee.

Vescor Therapeutics, LLC (Vescor) is a start-up company that was formed on January 10, 2017, under Delaware law by The University of Texas M. D. Anderson Cancer Center and Deerfield Healthcare Innovations Fund, L.P., and Deerfield Private Design Fund IV, L.P., for the purpose of development, advancement, and commercialization of small molecule compounds directed to targeting methods of autophagy for oncological indications (the "Autophagy Program"). The Autophagy Program is being pursued by Vescor and U. T. M. D. Anderson Cancer Center, which provides that specific research projects will be conducted by U. T. M. D. Anderson Cancer Center in collaboration with and funded by Vescor, and which further provides that Vescor will own all intellectual property and data arising from the research conducted by U. T. M. D. Anderson Cancer Center.

As consideration for: (a) U. T. M. D. Anderson Cancer Center's obligations under the Product Development Agreement (including providing scientific and clinical expertise, medicinal chemistry design, synthesis, biological assay development, and the conduct of at least two autophagy research projects) and; (b) certain license rights in and to U. T. M. D. Anderson interests in Institute for Applied Cancer Science (IACS) related intellectual property, U. T. M. D. Anderson Cancer Center was issued a fifty percent (50%) membership interest in Vescor. Under the Limited Liability Company Agreement of Vescor Therapeutics, LLC, a Delaware Limited Liability Company dated January 10, 2017, Section 4.01(a) of this agreement provides for the appointment of two managers by U. T. M. D. Anderson Cancer Center.

85. Contract (funds going out) - U. T. Health Science Center - Tyler: Cardinal Health 200, LLC to provide distribution services for medical/surgical supplies

Agency: Cardinal Health 200, LLC

Funds: \$10,453,915

Period: June 1, 2017 through May 31, 2022

Description: Cardinal Health will provide a full line of wholesale drug services to all requesting U. T. Health Science Center - Tyler departments including procurement, warehousing, and delivery. Services and products will include, but will not be limited to, pharmaceuticals, IV solutions, IV sets, and other health and proprietary products. This agreement was competitively bid by U. T. M. D. Anderson Cancer Center, allowing U. T. Health Science Center - Tyler to utilize the same bid.

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

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2018 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name	From	To
<b>School of Biological Science</b>		
Department of Pulmonary Immunology		
Ramakrishna Vankayalapati	Professor	Professor (T)
<b>School of Medical Biological Sciences</b>		
Department of Cellular and Molecular Biology		
Sreerama Shetty	Professor	Professor (T)
Vijay Boggaram	Professor	Professor (T)

**FACILITIES PLANNING AND CONSTRUCTION COMMITTEE**

87. Contract (funds going out) - U. T. System: WSP USA Corp. to perform miscellaneous technical commissioning services

Agency: WSP USA Corp.

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis

Period: May 1, 2014 through April 30, 2018  
(Contract is being brought forward for Board approval as it is nearing the \$1,000,000 delegation threshold)

Description: WSP USA Corp. will perform miscellaneous technical commissioning services on a job-order basis. Services were competitively procured.

88. Contract (funds going out) - U. T. System: AGCM, Inc. to perform miscellaneous project management services

Agency: AGCM, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis

Period: February 21, 2017 through February 20, 2023  
(Contract is being brought forward for Board approval as it is nearing the \$1,000,000 delegation threshold)

Description: AGCM, Inc. will perform miscellaneous project management and construction support services on a job-order basis. Services were competitively procured.