



University of North Texas System

Board of Regents

Special Called Meeting Agenda

December 18, 2017 – 9:00 a.m.

UNT System Building
1901 Main Street, Room 711
Dallas, Texas 75201

The University of North Texas System Board of Regents will convene a special called meeting by telephone according to the following agenda. It is necessary to conduct this special meeting by telephone because it was not possible to convene a quorum in one place in a timely manner, and discussion of the agenda matters are of sufficient urgency to be considered prior to the next regularly scheduled meeting of the Board on February 22-23, 2018.

1. Call to Order

2. Identification of Participants

3. Recess Board to Executive Session pursuant to Texas Government Code Chapter 551*

Government Code, Chapter 551, Section .071 - Consultation with Attorneys Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers

- Consultation with counsel regarding a proposed settlement agreement between UNT Health Science Center and the federal government, and possible action

Government Code, Chapter 551, Section .072 - Deliberations Regarding the Purchase, Exchange, Lease or Value of Real Property

- Discussion regarding the possible purchase, exchange, lease and value of real property in the North Texas region

Reconvene in open session to consider action on executive session items as necessary

4. Action Items

UNTHSC Delegation of Authority to Extend Agreement with Improving Enterprises

UNTHSC Authorization to Serve on Outside Board

5. Adjournment



Title: Delegation of Authority to Extend Agreement with Improving Enterprises

Background:

In September 2011, UNT Health Science Center (UNTHSC) was awarded a grant from the National Institute of Justice (NIJ), through the U.S. Department of Justice, to manage and administer the National Missing and Unidentified Persons System (NamUs) through FY2012. This award was extended each year through FY2017, and in September 2017, a new award was made to UNTHSC to manage NamUs through FY2018.

The FY2015, 2016, 2017, and 2018 NamUs awards all included funding to upgrade the existing NamUs software technology, a project referred to as NamUs 2.0, and to create a brand new NamUs Critical Incident (CI) system to assist emergency responders tasked with victim accounting and victim identification needs arising from natural disasters, terrorist attacks, and other critical incidents. UNTHSC's selected vendor, Improving Enterprises, began development work in January 2016. On May 19, 2017, the Board of Regents authorized UNTHSC to extend the original agreement with Improving Enterprises for an additional twelve months, with a cap of \$2,400,000.00. At that time, development of the NamUs 2.0 software project was anticipated to be complete by December 31, 2017.

The NIJ made a new requirement for the NamUs 2.0 application to be hosted on the Amazon Web Services (AWS) SecureCloud, a highly regulated hosting environment controlled by the Department of Justice (DOJ). This hosting requirement significantly increased the original scope and timeline for the NamUs 2.0 project due to extensive collaboration with the DOJ security team to establish functional environments for NamUs 2.0 on the SecureCloud, as well as extensive security features unique to SecureCloud.

Due to the additional scope noted above, the timeline for release of NamUs 2.0 has been extended, requiring additional development time and expenditures. Total project costs related to Improving Enterprises are now estimated to be \$3,680,000, exceeding the original Board of Regents approval cap of \$2,370,838.

Sufficient funds are available through the award to cover the increased costs associated with the extension of the NamUs 2.0 release. UNTHSC is requesting approval to extend its current contract with Improving Enterprises through March 31, 2018.

Financial Analysis/History:

Revenue from the NamUs award was \$2,600,000 in FY12 and grew to \$4,700,000 in FY17. An additional award of \$7,455,832 was received for FY2018, making a total of \$28,455,832 in awards to UNTHSC to manage NamUs and deliver new NamUs technologies to stakeholders.

Successfully completing planned elements of the NamUs 2.0 upgrade project in FY2018 will significantly increase the likelihood of continued NamUs awards to UNTHSC, with additional funding for continued system enhancements after the first market releases of NamUs 2.0 and CI.

**Gregory R.
Anderson**

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North Texas Health Science Center,
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Institution Chief Financial Officer

Bob Brown

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Chancellor for Finance,
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Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

Nancy S. Footer

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Texas System, ou=Office of General Counsel,
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Vice Chancellor/General Counsel

Schedule:

Contract services through March 31, 2018.

Recommendation:

It is recommended that the UNT System Board of Regents delegate authority to the Chancellor the authority to extend the agreement with Improving Enterprises for the NamUs 2.0 and CI software development project through March 31, 2018, not to exceed \$3,680,000.00.

Recommended By:

Claire Peel

Interim Provost

**Michael R.
Williams**

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Williams
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President

Lesla B. Roe

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Chancellor



Board Order

Title: Delegation of Authority to Extend Agreement with Improving Enterprises.

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on December 18, 2017, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, UNT Health Science Center (UNTHSC) provides daily management and administration of the National Missing and Unidentified Persons System (NamUs), and

Whereas, the NamUs system is in need of a technology upgrade and UNTHSC has been awarded the funds to manage and complete the NamUs 2.0 and Critical Incident software development project, and

Whereas, UNTHSC desires to extend its agreement with Improving Enterprises through March 31, 2018, not to exceed \$3,680,000.00, to complete the planned NamUs technology upgrades,

Now, Therefore, The Board of Regents authorizes and approves the following:

1. Delegation of authority to the Chancellor to extend the agreement with Improving Enterprises for software design and development services to support the National Missing and Unidentified Persons System (NamUs) 2.0 and Critical Incident software development projects through March 31, 2018, not to exceed \$3,680,000.00.
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VOTE: ____ ayes ____ nays ____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Rosemary R. Haggett, Secretary
Board of Regents

Brint Ryan, Chairman
Board of Regents



Title: Authorization to Serve on Outside Board

Background:

In May 2017, in compliance with Regents Rule 05.800, *Service on Outside Boards*, the Board authorized Gregory R. Anderson, UNTHSC, Executive Vice President, to serve on the board of Cx Precision Medicine, Inc., and it was determined that his service on this board is of substantial benefit to UNTHSC and UNT System.

UNTHSC seeks to receive board authorization for Mr. Cameron W. Cushman, Director, Innovation Ecosystem to replace Gregory R. Anderson as UNTHSC's appointee to the Cx Precision Medicine, Inc. board.

UNTHSC owns intellectual property developed by Dr. Sid O'Bryant and other co-inventors related to the diagnosis and treatment of Alzheimer's disease. These technologies have been licensed into a new company, Cx Precision Medicine, Inc. (Cx) that has been formed expressly for the purpose of commercializing those technologies by bringing the goods and services the technologies will enable, into the commercial practice of healthcare. Because of the work done in the creation and founding of the new company and the licensing of technologies into the company, UNTHSC owns an initial amount of equity in the form of common stock equivalent to about 34% of the total issued shares prior to the first major round of funding.

The benefits UNTHSC will receive from Mr. Cushman's service on the Cx board will derive directly from his ability to represent the interests of UNTHSC and assist in supporting the success of Cx consistent with his responsibilities as an employee of UNTHSC and the fiduciary responsibilities of being a member of a board of directors. UNTHSC will derive substantial financial benefits resulting from the success of the company due to the relatively large amount of equity and royalties that will be earned from the commercialization of the licensed technologies from UNTHSC. The success of Cx will likely also result in additional sponsored research back into UNTHSC and result in a significant enhancement of public reputation for a high quality of science at UNTHSC. Mr. Cushman would serve on the board in the course and scope of his employment in his position at UNTHSC and would receive no compensation for these services.

Financial Analysis/History:

UNTHSC has invested more than \$100,000 in the accumulated intellectual property protection of Dr. O'Bryant's multiple technologies and a substantial amount of time and effort over the past three years by the Office of Research Development and Commercialization. Cx Precision Medicine is assuming the ongoing costs of the patenting expenses and will reimburse the sunk-in expenses upon receiving at least \$3 million in capital funding.

Gregory R.
Anderson

Institution Chief Financial Officer

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of North Texas Health Science Center,
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Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

**Nancy S.
Footer** Digitally signed by Nancy S. Footer
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Vice Chancellor/General Counsel

Schedule:

Immediately upon Board approval

Recommendation:

The President recommends that the Board of Regents find that service by Mr. Cameron W. Cushman, Director, Innovation Ecosystems, on the board of Cx Precision Medicine, Inc. is of substantial benefit to the UNT System and to UNTHSC, and further that the Office of General Counsel may seek a determination from the Attorney General of Texas regarding representation and indemnification of Mr. Cameron W. Cushman at such time as litigation relating to his service on the board of Cx Precision Medicine is reasonably anticipated.

Recommended By:

Michael R. Williams

President

**Michael R.
Williams** Digitally signed by Michael R. Williams
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President

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Chancellor

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Board Order

Title: Authorization to Serve on Outside Board

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on December 18, 2017, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, the Board of Regents has the authority pursuant to Regents Rule 05.800, *Service on Outside Boards*, to determine whether an employee's service on an outside board is of substantial benefit to UNTHSC, and if so, to authorize the Office of General Counsel to seek representation and indemnification for the employee in the event litigation arises relating to service on these boards, and

Whereas, Mr. Cameron W. Cushman, Director, Innovation Ecosystems, who is knowledgeable about success factors and critical resources necessary to support entrepreneurship and is now on behalf of UNTHSC leading efforts to stimulate the local ecosystem of innovators, entrepreneurs, funders, entrepreneurial service organizations and relevant government entities, and

Whereas, UNTHSC requests authorization for Mr. Cameron W. Cushman to replace Gregory R. Anderson on the Cx Precision Medicine, Inc. board.

Now, Therefore, The Board of Regents authorizes and approves the following:

1. Service by Mr. Cameron W. Cushman, Director, Innovation Ecosystems, at UNTHSC, on the board of Cx Precision Medicine, Inc. is of substantial benefit to UNT System and to UNTHSC.
2. Mr. Cameron W. Cushman is authorized to serve on the board of Cx Precision Medicine, Inc. as a part of his duties and responsibilities as Director, Innovation Ecosystems at UNTHSC.
3. The UNT System Office of General Counsel may seek a determination from the Attorney General of Texas regarding representation and indemnification of Mr. Cameron W. Cushman at such time as litigation relating to his service on the board of Cx Precision Medicine, Inc. is reasonably anticipated.

VOTE: ____ ayes ____ nays ____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Rosemary R. Haggett, Secretary
Board of Regents

Brint Ryan, Chairman
Board of Regents