

MEMORANDUM OF UNDERSTANDING

among

THE COUNTY OF HIDALGO
THE CITY OF EDINBURG
THE CITY OF McALLEN
THE CITY OF MISSION
and
THE CITY OF PHARR

and

THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY

REGARDING THE DEVELOPMENT OF AND FUNDING FOR THE UNIVERSITY OF
TEXAS RIO GRANDE VALLEY SCHOOL OF MEDICINE

1. Purpose

The purpose of this Memorandum of Understanding (“MOU”) is to memorialize the commitments made by the following parties: the County of Hidalgo (the “County”), the City of Edinburg, the City of McAllen, the City of Mission and the City of Pharr (collectively, the “Cities”, and together with the County, the “local governments”), The University of Texas System (the "System"), and The University of Texas Rio Grande Valley ("UTRGV") in furtherance of the establishment of a medical school of the first class in the Lower Rio Grande Valley (the “UTRGV medical school”) that will be part of UTRGV that was established by Senate Bill 24, Regular Session, 83rd Texas Legislature, as codified in Chapter 79 of the Texas Education Code in order to advance the health, education and economy of the region.

2. Background

In Senate Bill 24, the State of Texas authorized the establishment of a new System university in the Rio Grande Valley, which will have integrated within it the medical school initially authorized by Senate Bill 98, Regular Session, 81st Texas Legislature, as codified in Subchapter N, Chapter 74, Texas Education Code. The University of Texas System Board of Regents has committed support for medical education in the Lower Rio Grande Valley and for the UTRGV medical school in the amount of \$10,000,000 per year for the next ten years, beginning in 2014. These funds are to be used for faculty support, operations and maintenance of the new medical school.

3. Commitments of the University of Texas System

The System is committed to creating and operating the UTRGV medical school, built on a community-based distributed model of medical education. It is expected that such a school will:

- Offer expanded opportunities for residents of the region to obtain medical degrees.
- Conduct medical research with special emphasis on conditions that might positively impact the health of the region's residents.
- Enhance the quality, extent, and availability of health care in the region through new and expanded facilities that involve faculty, medical students, residents, and other health care profession students.
- Increase opportunities for economic development, including new and expanded research funding and technology transfer and commercialization.
- Improve health throughout the region through public education and prevention programs.

4. Commitments of Local Governments

To support and ensure the success of the System in its endeavor to create and operate the UTRGV medical school, the following commitments are made:

The City of Edinburg:

On or about October 15th, each year from 2014 to 2023, the City shall pay/transfer/provide to The University of Texas Rio Grande Valley \$1,000,000.

The City of McAllen:

On or about October 15th, each year from 2014 to 2023, the City shall pay/transfer/provide to The University of Texas Rio Grande Valley up to \$2,000,000.

The City of Mission:

On or about October 15th, each year from 2014 to 2019, the City shall pay/transfer/provide to The University of Texas Rio Grande Valley \$250,000.

The City of Pharr:

On or about October 15th, each year from 2014 to 2023, the City shall pay/transfer/provide to The University of Texas Rio Grande Valley \$500,000.

- All such funds from the Cities are to be used to support years 1 and 2 of medical education in Hidalgo County for faculty support, operations, programs and directly related activities of the new medical school.

- All such funds will be provided until a Hidalgo County or healthcare taxing district is created and such district either provides at least an equivalent amount of support attributable to the County and communities within the county or accepts and continues the commitments made by the County and the Cities.

The County of Hidalgo:

On or about October 15th, each year from 2014 to 2023, the County shall pay/transfer/provide to The University of Texas Rio Grande Valley \$1,000,000 pursuant to (i) a contract authorized by Section 61.029(a), Health and Safety Code, under which the UTRGV medical school agrees to provide health care services of that value to eligible county residents and/or, (ii) in recognition of the increased opportunities for economic development referenced in Paragraph 3 above, an economic development agreement to be executed by the County and UTRGV pursuant to Chapter 381, Local Government Code, under which the county grants funds to UTRGV each year from 2014 to 2023.

- All such funds from the County are to be used to support years 1 and 2 of medical education in Hidalgo County for faculty support, operations, programs and directly related activities of the new medical school.
- All such funds will be provided until a Hidalgo County or healthcare taxing district is created and such district either provides at least an equivalent amount of support attributable to the County and communities within the county or accepts and continues the commitments made by the County and the Cities.

5. Replacement of Prior Agreement

This agreement replaces the previous agreement executed on August 26, 2014 by and between the County of Hidalgo, the City of Edinburg, the City of McAllen, the City of Mission, the City of Pharr, and the University of Texas System regarding the development of and funding for a Medical School in the Lower Rio Grande Valley. Under the previous agreement, System allocated \$10 million in support for the year 2014, and the Cities and Hidalgo County made transfers to The University of Texas System for the year 2014. The Cities and Hidalgo County shall make transfers for 2015 and subsequent years to UTRGV as provided by this agreement.

6. Authority

If the final judgment of a court of competent jurisdiction determines that any party to this memorandum lacked the necessary authority to make a commitment expressed in the memorandum, the party is released from the commitment, and that party is entitled to and shall receive a refund of any money paid, transferred, or provided under this memorandum.

This MOU shall take effect upon the execution of all parties hereto, as evidence by the date of execution on _____, 2015:

[Signature Page Follows]

Judge Ramon Garcia
Hidalgo County

(Date)

Mayor Richard Garcia
City of Edinburg

(Date)

Mayor James E. Darling
City of McAllen

(Date)

Mayor Norberto Salinas
City Mission

(Date)

Mayor Ambrosio Hernandez
City of Pharr

(Date)

Guy Bailey

President Guy Bailey
The University of Texas Rio Grande Valley

9/29/15

(Date)

Chancellor William McRaven
The University of Texas System

(Date)