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**Committee Meeting: 2/8/2006**

**Board Meeting: 2/9/2006**  
Austin, Texas

*Cyndi Taylor Krier, Chairman*  
*John W. Barnhill, Jr.*  
*Judith L. Craven, M.D.*  
*Robert A. Estrada*  
*Colleen McHugh*

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<b>Convene</b>	<i>4:30 p.m.</i> <i>Chairman Krier</i>		
1. <b>U. T. System: Reports from academic presidents, Executive Vice Chancellor Sullivan, and Academic Affairs Committee members</b>	<i>4:30 p.m.</i> <b>Report</b> <i>Presidents Dr. Sullivan</i>	Not on Agenda	<b>78</b>
2. <b>U. T. System: Approval of resolution to improve graduation rates</b>	<i>4:40 p.m.</i> <b>Action</b> <i>Dr. Sullivan</i>	<b>Action</b>	<b>78</b>
3. <b>U. T. System: Student learning assessment report</b>	<i>4:50 p.m.</i> <b>Report</b> <i>Dr. Reyes</i>	Not on Agenda	<b>79</b>
4. <b>U. T. Brownsville: Authorization to accept invitation from the Red River Athletic Conference and to negotiate and finalize terms for athletic conference membership</b>	<i>5:10 p.m.</i> <b>Action</b> <i>Dr. Sullivan</i>	<b>Action</b>	<b>79</b>
5. <b>U. T. Permian Basin: Authorization to accept invitation from Heartland Conference and to negotiate and finalize terms for athletic conference membership</b>	<i>5:15 p.m.</i> <b>Action</b> <i>Dr. Sullivan</i>	<b>Action</b>	<b>82</b>
6. <b>U. T. Arlington: Authorization to lease approximately 20,000 square feet of improvements and associated parking located at 1401 Jones Street, Fort Worth, Tarrant County, Texas, from the Board of Directors of Tax Increment Reinvestment Zone Number Three, City of Fort Worth, for The University of Texas at Arlington Fort Worth Higher Education Center</b>	<i>5:20 p.m.</i> <b>Action</b> <i>President Spaniolo Ms. Mayne</i>	<b>Action</b>	<b>84</b>
7. <b>U. T. Tyler: Authorization to purchase real property and improvements located at 3620 Varsity Drive, Tyler, Smith County, Texas, from Josephine R. Black, at fair market value as established by an independent appraisal, for campus expansion needs and initial use as office space</b>	<i>5:25 p.m.</i> <b>Action</b> <i>President Mabry Ms. Mayne</i>	<b>Action</b>	<b>87</b>

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8. <b>U. T. Dallas: Campus Fire and Life Safety Improvements and Campus Infrastructure Upgrades - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include project; authorization of institutional management; and appropriation of funds and authorization of expenditure</b>	<i>5:30 p.m.</i> <b>Action</b> <i>Mr. Dixon</i>	<b>Action</b>	<b>89</b>
9. <b>U. T. Dallas: Power Distribution Upgrade Study - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include project; appropriation of funds and authorization of expenditure; and resolution regarding parity debt</b>	<i>5:35 p.m.</i> <b>Action</b> <i>Mr. Dixon</i>	<b>Action</b>	<b>90</b>
10. <b>U. T. Dallas: Approval to expand planning authority for Masters and Ph.D. degrees in Biomedical Engineering and Ph.D. degrees in Mechanical Systems, Industrial, and Chemical Engineering</b>	<i>5:40 p.m.</i> <b>Action</b> <i>President Daniel Dr. Sullivan</i>	<b>Action</b>	<b>91</b>
11. <b>U. T. Dallas: Discussion of compact priorities</b>	<i>5:45 p.m.</i> <b>Report</b> <i>President Daniel Dr. Sullivan</i>	Not on Agenda	<b>92</b>
<b>Adjourn</b>	<i>6:00 p.m.</i>		

1. **U. T. System: Reports from academic presidents, Executive Vice Chancellor Sullivan, and Academic Affairs Committee members**

REPORT

The academic presidents and Executive Vice Chancellor Sullivan will report on efforts to improve graduation rates. Reports may also include, time permitting, areas such as new research grants, significant collaborations with external agencies, or other topics deemed to be important. This is a quarterly update to the Academic Affairs Committee of the U. T. System Board of Regents.

Committee members may also report on topics of importance.

2. **U. T. System: Approval of resolution to improve graduation rates**

RECOMMENDATION

The Chancellor recommends that the Board approve the following resolution to improve the graduation rates at all U. T. System academic institutions:

RESOLUTION

WHEREAS, The Board recognizes the importance of the State of Texas Initiative "Closing the Gaps by 2015," a plan to close the educational gaps in student participation and success within Texas, as well as between Texas and other states;

WHEREAS, Graduation rates are a critical component of such plan;

WHEREAS, Although the Board recognizes the progress in student participation among the academic institutions, the Board is not satisfied with the status of student success (graduation rates) among the academic institutions;

WHEREAS, The Board understands that each academic institution has a set of contextual factors that affect graduation rates, such as the proportions of students who are full-time, part-time, Coordinated Admissions Program enrollees, joint degree students, and transfer students; and

WHEREAS, The Board wishes to enhance the quality of the educational experience and does not approve lowering academic standards nor inflation of grades among academic institutions.

THEREFORE, BE IT RESOLVED that on behalf of The University of Texas System, the Board expresses concern about the student success rates among all academic institutions and thus makes improving graduation rates one of its highest educational priorities for the next decade, and the Board directs:

- That all academic institution presidents align institutional policies to maximize their positive impact on graduation rates -- policies such as financial aid, academic advising, performance reviews, tuition, course scheduling, campus housing, curriculum, admissions, and any other institutional policy that improves graduation rates;
- That all academic institution presidents develop specific targets by April 15, 2006, to meet or exceed national averages for four-year, five-year, and six-year graduation rates for full-time, part-time, and transfer students; and
- That all academic institution presidents report each quarter the specific steps taken to align policies and to improve graduation rates and that they provide statistics and progress toward the specified targets annually to the Board for each group of students.

**3. U. T. System: Student learning assessment report**

REPORT

Dr. Pedro Reyes, Associate Vice Chancellor for Academic Planning and Assessment, will lead a discussion about the student learning assessment project for The University of Texas System following a PowerPoint presentation on Pages 192 - 197 in the Supplemental Materials (Volume 2) of the Agenda Book. An Executive Summary of the College Learning Assessment Project is on Pages 198 - 206 in the Supplemental Materials (Volume 2) of the Agenda Book.

**4. U. T. Brownsville: Authorization to accept invitation from the Red River Athletic Conference and to negotiate and finalize terms for athletic conference membership**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President García that the U. T. System Board of Regents authorize U. T. Brownsville to accept an invitation and to negotiate a contract for Red River Athletic Conference membership.

## BACKGROUND INFORMATION

Texas Southmost College (TSC) joined the National Junior College Athletic Association (NJCAA) in 1978 and continued to participate in the conference after the partnership with The University of Texas System was implemented in 1992. TSC has had success in women's volleyball and men's and women's golf in gaining berths to national tournaments. At the junior college level, U. T. Brownsville/Texas Southmost College (UTB/TSC) scholarships student-athletes for two years, and if those student-athletes want to continue to play competitive collegiate sports and earn a bachelor's degree, they must transfer from U. T. Brownsville after their sophomore year. After 13 years as a successful partnership, UTB/TSC finds this arrangement counterproductive to the institution.

In Spring 2004, the UTB/TSC Futures Commission 2020 - Student Life Task Force recommended that the University add more sports and begin to compete in a different (higher) association and conference. The basis of this recommendation was tri-fold: anticipation of student enrollment growth, need for student retention, and importance of campus life. The sentiment of the Futures Commission was: "We are a university, and we should compete in a four-year conference."

After considering the recommendation from the Student Life Task Force, which included students, staff, faculty, and community members, the University examined its options with the National Association of Intercollegiate Athletics (NAIA) and the National Collegiate Athletic Association (NCAA). The NAIA gives institutions the autonomy to determine to what degree they want to sponsor athletics with no minimum number of sports that must be sponsored. The NAIA allows institutions to determine the amount of athletic aid, up to a certain level, that would be offered. In comparison, the NCAA requires new institutions to sponsor a minimum of 10 sports and provide a minimum amount of scholarship dollars split equally by gender.

After weighing the options of moving to the four-year conferences or remaining in the present two-year conference, UTB/TSC concluded that the NAIA would best serve its immediate needs. The University needs the lesser restrictions on adding more sports. The NAIA is structured into 14 regions to better serve its membership. Each region is governed by a regional management committee that includes various conference and independent representatives. The NAIA administers championships and programs in balance with the overall educational experience. Through Champions of Character, the NAIA seeks to create an environment in which every student-athlete, coach, official, and spectator is committed to the true spirit of competition through respect, integrity, responsibility, servant leadership, and sportsmanship. This program will provide educational opportunities to emphasize the positive character-building traits available through competition at the collegiate level.

By moving into the NAIA and gaining membership into a new conference, UTB/TSC expects the following advantages:

- a. help increase retention,
- b. help develop ethical character standards,
- c. enhance student life and participation on campus,
- d. create more opportunities for student-athletes to follow their dreams,
- e. create greater community involvement and pride in the University and the "Scorpion" brand name, and
- f. increase its ability to attract new students and new donors to the University.

In August 2005, a new Director of Athletics was hired and with the support of the TSC Board of Trustees terms were negotiated to leave the NJCAA. UTB/TSC was invited into membership in the NAIA on September 26, 2005. On September 27, 2005, UTB/TSC applied to the Red River Athletic Conference (RRAC). On December 3, 2005, the University was invited into membership in the RRAC beginning in Fall 2006. The RRAC includes Texas, New Mexico, and Oklahoma. Its member schools include:

Bacone College - Muskogee, Oklahoma  
Houston Baptist University - Houston, Texas  
Huston-Tillotson College - Austin, Texas  
Jarvis Christian College - Hawkins, Texas  
Northwood University - Cedar Hill, Texas  
Paul Quinn College - Dallas, Texas  
College of the Southwest - Hobbs, New Mexico  
Southwestern Assemblies of God University - Waxahachie, Texas  
Texas A&M International University - Laredo, Texas  
Texas College - Tyler, Texas  
The University of Texas of the Permian Basin - Odessa, Texas (See Item 5 on Page 82 related to authorization for U. T. Permian Basin to accept an invitation from the Heartland Conference)  
Texas Wesleyan University - Fort Worth, Texas  
Wiley College - Marshall, Texas

For the next fiscal year, UTB/TSC has proposed an athletic fee that will increase the athletic department's budget, which would then allow the University to add men's and women's soccer, a part-time athletic trainer, and a sports information director and to move a part-time coach to full-time status and support increased costs in travel.

5. **U. T. Permian Basin: Authorization to accept invitation from Heartland Conference and to negotiate and finalize terms for athletic conference membership**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Watts that the U. T. System Board of Regents authorize U. T. Permian Basin to accept an invitation and to negotiate a contract for Heartland Conference membership.

**BACKGROUND INFORMATION**

U. T. Permian Basin started a limited program of athletics in 1994 with club volleyball and club soccer teams. U. T. Permian Basin competed as an independent member of the National Association for Intercollegiate Athletics (NAIA) beginning in 1995. In 1998, the University joined the Red River Athletic Conference (RRAC) as a charter member. Currently, 13 institutions have membership in the Red River Athletic Conference.

Since U. T. Permian Basin's athletic program was implemented in 1994, it has grown to include 13 intercollegiate sports. U. T. Permian Basin students support intercollegiate athletics with a \$7 per credit hour fee. Athletics are an important part of the University's transformation from a commuter to a traditional campus. Home games are a vital part of the University's campus life. There are several National Collegiate Athletic Association (NCAA) Division II universities within a reasonable proximity of U. T. Permian Basin that will not schedule the University's teams because it is not an NCAA Division II member.

Using the last two years as a reference point, U. T. Permian Basin has scheduled a total of 24 home contests against non-conference opponents. It is estimated that should the University become an NCAA Division II member, U. T. Permian Basin would have the potential to schedule 94 possible home opponents. Joining the NCAA at the Division II level will allow U. T. Permian Basin to schedule more home contests on a regular basis, which will cut down on costs and missed athlete class time. Increased numbers of home contests would enrich student life on campus as the institution continues its transformation.

A change in national affiliation from the NAIA to the NCAA will also require a change in conference membership. Currently, U. T. Permian Basin is a member of the RRAC. An invitation has been extended to join the NCAA Division II Heartland Conference.

Membership of the Heartland Conference includes:

St. Mary's University - San Antonio, Texas  
St. Edward's University - Austin, Texas  
University of the Incarnate Word - San Antonio, Texas  
Dallas Baptist University - Dallas, Texas  
Montana State University-Billings - Billings, Montana  
Lincoln University - Jefferson City, Missouri  
Panhandle State University - Goodwell, Oklahoma  
Western New Mexico University - Silver City, New Mexico

Area NCAA II institutions include:

West Texas A&M University - Canyon, Texas  
Eastern New Mexico University - Portales, New Mexico  
Angelo State University - San Angelo, Texas  
Abilene Christian University - Abilene, Texas  
Midwestern State University - Wichita Falls, Texas  
Tarleton State University - Stephenville, Texas

U. T. Permian Basin identifies the following benefits to membership in NCAA Division II and the Heartland Conference:

- a. The NCAA brand name should bring value to the University and the athletic program.
- b. Membership in the NCAA at the Division II level will result in a more consistent high level of competition commensurate with the quality of U. T. Permian Basin's athletics program.
- c. Membership in the Heartland Conference will benefit U. T. Permian Basin in three important areas:
  1. stability in conference membership;
  2. enhanced name recognition of conference member institutions; and
  3. the ability to schedule other NCAA Division II teams in the region and area that are likely to lead to traditional rivalries.
- d. Membership in the NCAA and the Heartland Conference will be a positive step in the development of the University.

6. **U. T. Arlington: Authorization to lease approximately 20,000 square feet of improvements and associated parking located at 1401 Jones Street, Fort Worth, Tarrant County, Texas, from the Board of Directors of Tax Increment Reinvestment Zone Number Three, City of Fort Worth, for The University of Texas at Arlington Fort Worth Higher Education Center**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Spaniolo that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. Arlington, to

- a. sublease from the Board of Directors of Tax Increment Reinvestment Zone Number Three, City of Fort Worth, for a term not to exceed 10 years, plus a three-month renewal option, approximately 20,000 square feet of improvements and associated parking located at 1401 Jones Street in downtown Fort Worth, Tarrant County, Texas; and
- b. authorize the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendation.

**BACKGROUND INFORMATION**

U. T. Arlington proposes to sublease the property for use as The University of Texas at Arlington Fort Worth Higher Education Center. The U. T. System Board of Regents authorized U. T. Arlington to offer academic courses in Fort Worth at its meeting in November 2004. The Texas Higher Education Coordinating Board approved the creation of the Center in February 2005. Fort Worth is currently not served by a four-year state-assisted higher education institution; the Center is intended to address this need and create better access to higher education for the citizens of Fort Worth and Tarrant County.

U. T. Arlington plans to move its existing academic programs from its Fort Worth Riverbend Campus in east Fort Worth to the subleased space at 1401 Jones Street in downtown Fort Worth. The academic programs include the Cohort MBA program and upper-level and graduate programs of the Colleges of Engineering and Education, as well as the new Executive MBA program. The Fort Worth Riverbend Campus lacks sufficient instructional space to support these growing programs, so many courses are

taught at other facilities, including Bell Helicopter and Tarrant County College. The new location at 1401 Jones Street in downtown Fort Worth also creates the opportunity to offer continuing education courses during the daytime hours.

The University selected the property as the site for its Fort Worth Higher Education Center after an extensive search of downtown Fort Worth properties. After an initial review of various properties, U. T. Arlington issued a Request for Proposals (RFP) to several property owners. The property to be subleased is a former Santa Fe Railway warehouse built in the 1930s and designated as historic by the City of Fort Worth. It was renovated in 2003.

U. T. Arlington chose the Jones Street property for a number of reasons. The property was offered with rent abatements and with no operating expenses other than electricity, thereby reducing the University's financial risk and management efforts. The property includes substantial on-site parking and is located next to transit facilities, facilitating access to the Higher Education Center. U. T. Arlington will be the dominant tenant at the distinctive facility. Signage on the building will be compatible with the building's current historic signage and visible from Interstate Highway 30 and the Tarrant County Convention Center, thus creating an immediate, recognizable image.

U. T. Arlington will use existing cash balances to fund approximately \$1.2 million for the design and construction of tenant improvements for offices, classrooms, and ancillary spaces. U. T. Arlington will pay rent and electricity costs using Designated Tuition.

The 10-year sublease will include a three-month renewal option to permit U. T. Arlington to extend the lease so that it does not terminate mid-semester. A non-disturbance agreement will be obtained from the sublandlord's landlord, Ron Investments, Ltd., to assure that the University's leasehold interest will continue in the event of a termination of the primary lease. U. T. Arlington envisions the leasehold as an interim measure until the academic programs are established and the University finds a permanent campus facility.

#### Transaction Summary

Institution:	U. T. Arlington
Type of Transaction:	Sublease
Improvements:	Approximately 20,000 square feet on two floors out of a 30,791 square foot building; for the first three months, U. T. Arlington will occupy only approximately 6,000 square feet
Parking:	110 spaces, on-site; an additional 20 spaces will be available during evenings and weekends

Location: 1401 Jones Street, Fort Worth, Tarrant County, Texas; see attached map

Sublandlord: The Board of Directors of Tax Increment Reinvestment Zone Number Three, City of Fort Worth

Third-Party Selection Process and Rationale: U. T. Arlington considered about a dozen buildings in downtown Fort Worth and then issued a Request for Proposals for several properties; the institution selected the facility due to its competitive economics, ample on-site parking, and positive image

Annual Rent: Rent for 6,000 square feet of initial space will be \$7.00 per square foot for two months; then rent for the 20,000 square feet will be \$0 for year one, substantially abated in years two through four, \$16.24 per square foot in year five, and then rising gradually to \$17.29 per square foot in year 10; the net effective (average) rent after the initial partial occupancy is \$11.51 per square foot; total base rent over the term will be approximately \$2,250,733.

Operating Expenses: Sublandlord is responsible for the maintenance and replacement of all common areas and parking, and all operating expenses except electricity; U. T. Arlington is responsible for paying for electricity, estimated to initially cost \$40,000 annually; U. T. Arlington will maintain the leasehold improvements

Lease Term: 10 years plus a three-month renewal option

Source of Funds: U. T. Arlington will use existing cash balances to fund \$1.2 million of primarily classroom and office interior leasehold improvements and roof-mounted signs; Designated Tuition will be used to fund space lease costs

Intended Use: U. T. Arlington Fort Worth Higher Education Center



7. **U. T. Tyler: Authorization to purchase real property and improvements located at 3620 Varsity Drive, Tyler, Smith County, Texas, from Josephine R. Black, at fair market value as established by an independent appraisal, for campus expansion needs and initial use as office space**

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Mabry that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. Tyler, to

- a. purchase the real property and improvements located at 3620 Varsity Drive, Tyler, Smith County, Texas, from Josephine R. Black, at fair market value as established by an independent appraisal, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition of the property as deemed necessary or advisable by the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate; and
- b. authorize the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendation.

#### BACKGROUND INFORMATION

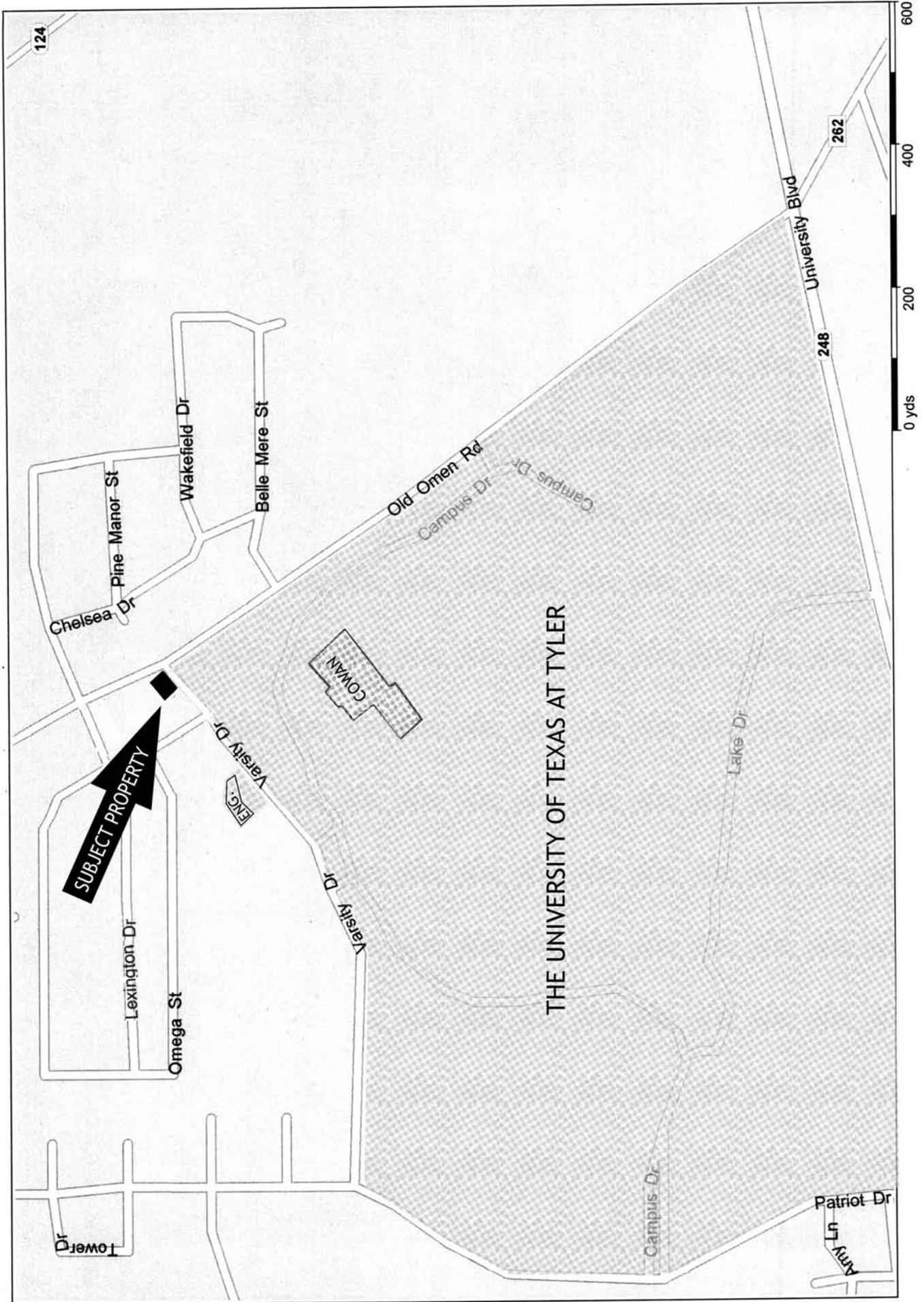
U. T. Tyler desires to purchase the subject property and improvements, consisting of a 1,812 square foot house on a 12,281 square foot lot, for a price not to exceed the fair market value of \$140,000 as established by an independent appraisal. The house is built with the same brick used to construct the U. T. Tyler campus buildings, and is on a prominent corner across Varsity Drive from the northeastern corner of the campus, near the R. Don Cowan Fine and Performing Arts Center and the current Engineering Building.

The improvements will be used as additional office space, possibly for the Development and Alumni Affairs Office or an academic research center.

To fund the purchase, U. T. Tyler will use private gifts or unrestricted fund balances. The terms and conditions of the purchase are reflected in the transaction summary below:

Transaction Summary

Institution:	U. T. Tyler
Type of Transaction:	Purchase
Total Area:	12,281 square foot residential lot
Improvements:	1,812 square foot brick house
Location:	3620 Varsity Drive, Tyler, Smith County, Texas; see attached map
Seller:	Josephine R. Black
Purchase Price:	\$140,000
Appraised Value:	\$140,000 (Appraisal Associates, December 5, 2005)
Source of Funds:	Private gifts or unrestricted fund balances
Intended Use:	Campus expansion needs and initial use as office space



**8. U. T. Dallas: Campus Fire and Life Safety Improvements and Campus Infrastructure Upgrades - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include project; authorization of institutional management; and appropriation of funds and authorization of expenditure**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Daniel that the U. T. System Board of Regents amend the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include the Campus Fire and Life Safety Improvements and Campus Infrastructure Upgrades project at The University of Texas at Dallas as follows:

**Project Number:** 302-242

**Institutionally Managed:** Yes  No

**Architecturally or Historically Significant:** Yes  No

**Project Delivery Method:** Competitive Sealed Proposals

**Substantial Completion Date:** November 2007

<b>Total Project Cost:</b>	<u>Source</u>	<u>Proposed</u>
	Permanent University Fund Bond Proceeds	\$8,226,000

- a. approve a total project cost of \$8,226,000 with funding from Permanent University Fund Bond Proceeds;
- b. authorize U. T. Dallas to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts; and
- c. appropriate and authorize expenditure of funds.

**BACKGROUND INFORMATION**

**Project Description**

U. T. Dallas is requesting institutional management to construct 10 infrastructure-related projects. Improvements will include campus security, fire and life safety systems, and upgrades to aging building mechanical, electrical, and plumbing systems.

U. T. Dallas Facilities Management personnel have the experience and capability to manage all aspects of the work.

This proposed off-cycle project has been approved by U. T. System staff and meets the criteria for inclusion in the Capital Improvement Program.

**9. U. T. Dallas: Power Distribution Upgrade Study - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include project; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Daniel that the U. T. System Board of Regents amend the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include the Power Distribution Upgrade Study project at The University of Texas at Dallas as follows:

**Project Number:** 302-243

**Architecturally or Historically Significant:** Yes  No

**Project Delivery Method:** NA

**Substantial Completion Date:** June 2006

<b>Total Project Cost:</b>	<u>Source</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$175,000

- a. approve a preliminary project cost of \$175,000 with funding from Revenue Financing System Bond Proceeds;
- b. appropriate and authorize expenditure of funds; and
- c. 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 \$175,000.

## BACKGROUND INFORMATION

### Debt Service

The \$175,000 in Revenue Financing System debt is expected to be repaid from Designated Tuition funds. Overall debt service coverage for the institution is expected to average 1.90 times from FY 2006 through 2011.

### Project Description

U. T. Dallas is requesting a study to provide a review of aging campus power distribution and central plant equipment. Deliverables from the study will include the scope, cost, and schedule for needed system improvements. Much of the current system is 30 years old, in poor condition, and unreliable, and replacement costs are no longer available. The study and program would also evaluate performance contract opportunities and parameters.

This project is below the Capital Improvement cost threshold but is being added to the Capital Improvement Program due to the use of debt financing.

This proposed off-cycle project has been approved by U. T. System staff and meets the criteria for inclusion in the Capital Improvement Program.

10. **U. T. Dallas: Approval to expand planning authority for Masters and Ph.D. degrees in Biomedical Engineering and Ph.D. degrees in Mechanical Systems, Industrial, and Chemical Engineering**

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Daniel that

- a. degree planning authority for U. T. Dallas be expanded to include Masters and Ph.D. degrees in Biomedical Engineering and Ph.D. degrees in Mechanical Systems, Industrial, and Chemical Engineering; and

- b. the proposal be submitted to the Texas Higher Education Coordinating Board for review and appropriate action.

### BACKGROUND INFORMATION

The Ph.D. programs in Biomedical Engineering, Mechanical Systems, Industrial, and Chemical Engineering will be designed to train future scientists and engineers to use the latest technology in the field.

The primary objective of the Ph.D. programs is to prepare a new generation of scholars in academic programs, industry, business, and nongovernmental organizations.

### **11. U. T. Dallas: Discussion of compact priorities**

#### REPORT

President Daniel and Executive Vice Chancellor Sullivan will lead a discussion about compact priorities for The University of Texas at Dallas as set out in the compact on Pages 207 - 224 in the Supplemental Materials (Volume 2) of the Agenda Book. Dr. Daniel's PowerPoint presentation is on Pages 225 - 232 in the Supplemental Materials (Volume 2) of the Agenda Book.