

Meeting No. 1,070

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

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May 11-12, 2011

Austin, Texas

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MEETING NO. 1,070

WEDNESDAY, MAY 11, 2011.--The members of the Board of Regents of The University of Texas System convened at 8:03 a.m. on Wednesday, May 11, 2011, in the Board Meeting Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Powell
Vice Chairman Foster
Vice Chairman Hicks
Vice Chairman Dannenbaum
Regent Cranberg
Regent Gary
Regent Hall
Regent Pejovich
Regent Stillwell
Regent Kalkwarf, Student Regent, nonvoting
Regent Rutkauskas, Student Regent-Designate, nonvoting

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

RECESS.--At 8:04 a.m., Chairman Powell announced the Board would recess to convene in 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.--At 4:14 p.m., the Board reconvened in open session for the following actions taken on matters discussed in Executive Session.

1a. U. T. M. D. Anderson Cancer Center: Discussion of individual personnel matters related to presidential search

Upon motion by Regent Stillwell, Ronald A. DePinho, M.D., currently director of the Belfer Institute for Applied Cancer Science at the Dana-Farber Cancer Institute and Professor of Medicine at the Harvard Medical School, was named as the sole finalist for the position of President of The University of Texas M. D. Anderson Cancer Center.

The motion was seconded by Vice Chairman Dannenbaum and carried unanimously.

(See related Item under Report for the Record on Page 84.)

- 1b. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of U. T. System and institutional employees

No action was taken on this item.

- 1c. 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 (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), and U. T. System and institutional employees

No action was taken on this item.

- 1d. U. T. Austin: Approval of change in compensation for Head Men's Basketball Coach Richard D. Barnes (Regents' *Rules and Regulations*, Rule 20204, regarding determining and documenting the reasonableness of compensation)

Vice Chairman Hicks moved that the Board of Regents

- acting in recognition of the commitment, motivation, and performance of The University of Texas at Austin Men's Basketball Head Coach Richard D. Barnes;
- acting in recognition of the desire to retain Coach Barnes as Head Coach at U. T. Austin; and
- acting in accordance with Regents' *Rules and Regulations*, Rule 20204, regarding determining and documenting the reasonableness of compensation,

approve an amendment to the Head Coach Employment Agreement with Coach Barnes to increase his annual salary from \$800,000 to \$1,000,000, which increases his total guaranteed annual compensation from \$2.2 million to \$2.4 million.

Vice Chairman Hicks further moved that the Board find, as required by State law, that this employment agreement amendment is in the best interest of U. T. Austin.

The motion was seconded by Regent Stillwell and carried unanimously.

- 1e. U. T. Medical Branch - Galveston: Discussion and appropriate action regarding individual personnel matters concerning contract for correctional managed care

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. Medical Branch - Galveston: Discussion and appropriate action regarding legal issues concerning contract for correctional managed care

No action was taken on this item.

- 3a. U. T. Arlington: Approval of proposed negotiated gifts with potential naming features

Regent Pejovich moved that the Board of Regents authorize President Spaniolo and Vice Chancellor Safady to conclude negotiations necessary to finalize and accept gifts to benefit The University of Texas at Arlington with potential naming features consistent with the terms outlined in Executive Session.

The motion was seconded by Regent Hall and carried unanimously.

- 3b. U. T. Dallas: Approval of proposed negotiated gifts with potential naming features

Regent Hall moved that the Board of Regents authorize President Daniel and Vice Chancellor Safady to conclude negotiations necessary to finalize and accept gifts to benefit The University of Texas at Dallas with potential naming features consistent with the terms outlined in Executive Session.

Vice Chairman Foster seconded the motion, which carried unanimously.

3c. U. T. M. D. Anderson Cancer Center: Approval of proposed negotiated gifts with potential naming features

Upon motion by Vice Chairman Dannenbaum, seconded by Regent Stillwell, the Board authorized President Mendelsohn and Vice Chancellor Safady to conclude negotiations necessary to finalize and accept gifts to benefit The University of Texas M. D. Anderson Cancer Center with potential naming features consistent with the terms outlined in Executive Session.

The motion carried by acclamation.

3d. U. T. Austin: Approval of proposed negotiated gifts with potential naming features

Regent Cranberg moved that the Board of Regents authorize President Powers and Vice Chancellor Safady to conclude negotiations necessary to finalize and accept gifts to benefit The University of Texas at Austin with potential naming features consistent with the terms outlined in Executive Session.

The motion was seconded by Regent Gary and carried unanimously.

4. U. T. System: Discussion and appropriate action concerning the deployment or specific occasions for implementation of security personnel or devices on U. T. System campuses

No action was taken on this item.

5. U. T. Brownsville: Authorization to purchase approximately 7.34 acres being Lot 1A, Block 2, University Park Unit 1 Replat, Brownsville, Cameron County, Texas, improved with a 103-unit apartment complex from GB Brownsville 1, LLC, a Delaware limited liability company, for a purchase price not to exceed fair market value as established by independent appraisals for use as student housing for the institution, and resolution regarding parity debt

Chairman Powell noted the item related to a proposed purchase of land at The University of Texas at Brownsville was moved from the Academic Affairs Committee (Item 3 of the Agenda Book) to the Executive Session of the Board as posted with the Secretary of State.

Regent Gary moved that the Board take the following actions on behalf of U. T. Brownsville:

- a. authorize the purchase of approximately 7.34 acres being Lot 1A, Block 2, University Park Unit 1 Replat, Brownsville, Cameron County, Texas, improved with a 103-unit apartment complex from GB Brownsville 1, LLC, a Delaware limited liability company, for a purchase price not to exceed fair market value as established by independent appraisals, 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 Director of Real Estate, for use as student housing for the institution;
- b. authorize 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 carry out the purpose and intent of the foregoing actions within the parameters outlined in Executive Session; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System the findings that are stated in Attachment A (Page 6) to this motion, which was provided to each member of the Board and which shall be included in the Minutes of this meeting.

The motion was seconded by Vice Chairman Hicks and carried unanimously.

ATTACHMENT A TO MOTION FROM EXECUTIVE SESSION
May 11, 2011

- Parity debt shall be issued to fund a portion of the purchase price, including any costs prior to the issuance of such parity debt;
- Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the RFS Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System;
- U. T. Brownsville, which is a "Member" as such term is used in the RFS Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of parity debt in an aggregate amount not to exceed \$11,500,000; and
- This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

RECESS.--At 4:24 p.m., Chairman Powell announced the Board would recess for a meeting of a standing committee and would reconvene on the morning of May 12.

THURSDAY, MAY 12, 2011.--The members of the Board of Regents of The University of Texas System reconvened at 8:00 a.m. on Thursday, May 12, 2011, in the Board Meeting Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Powell
Vice Chairman Foster
Vice Chairman Hicks
Vice Chairman Dannenbaum
Regent Cranberg
Regent Gary
Regent Hall
Regent Pejovich
Regent Stillwell
Regent Kalkwarf, Student Regent, nonvoting
Regent Rutkauskas, Student Regent-Designate, nonvoting

Chairman Powell announced a quorum present and called the meeting to order.

WELCOME TO STUDENT REGENT-DESIGNATE JOHN DAVIS RUTKAUSKAS.--
Chairman Powell welcomed Student Regent-Designate John Davis Rutkauskas to the Board.

[On April 20, 2011, Governor Rick Perry appointed Mr. John Davis Rutkauskas, The University of Texas at Austin, as Student Regent on the Board of Regents of The University of Texas System to serve for a term from June 1, 2011 to May 31, 2012.]

U. T. SYSTEM BOARD OF REGENTS: APPROVAL OF MINUTES.--The Minutes of the regular meeting of the Board of Regents of The University of Texas System held on February 17-18, 2011, and the special called meetings held on February 8, 2011, March 18, 2011, and April 15, 2011, all in Austin, Texas, were approved as prepared by the Secretary to the Board of Regents. The official copy of these Minutes is recorded in the *Permanent Minutes*, Volume LVIII, Pages 124 - 243.

AGENDA ITEMS

1. U. T. System Board of Regents: Recognition of Mr. F. Stephen Hartmann, Executive Director of University Lands, on his retirement

Chairman Powell thanked Mr. F. Stephen Hartmann, Executive Director of University Lands, for his 35 years of service to The University of Texas System and to the State of Texas. Mr. Hartmann retired at the end of April 2011.

2. U. T. System Board of Regents: Recognition of Mr. Philip Aldridge, Vice Chancellor for Finance and Business Development, for his service

Chairman Powell thanked Mr. Philip Aldridge, Vice Chancellor for Finance and Business Development, who would soon be leaving The University of Texas System after 10 years of service.

3. U. T. System: Approval of framework and associated strategies as presented by Chancellor Cigarroa in *A Framework for Advancing Excellence throughout The University of Texas System*

Chairman Powell recognized the distinguished members of the audience, including Mr. Fred Heldenfels, Chair of the Texas Higher Education Coordinating Board, and Dr. Raymund Paredes, Commissioner of Higher Education.

Chairman Powell made the following remarks before calling on Chancellor Cigarroa to present an initiative aimed at facilitating advancements across The University of Texas System that address a rapidly changing higher education environment, including demographics, technology, and funding models. The framework is consistent with the Chancellor's 2010 Vision Statement presented to the Board of Regents on August 20, 2009, and will further advance the U. T. System as an institution of the first class.

Remarks by Chairman Powell

On February 18, this Board embarked on 82 days of intense discussion, evaluation, debate, and hard work. Collectively and individually, we are aware that higher education in America and around the world is changing rapidly, the way students study and learn is changing, and the way professors teach is changing. During the past three months, we have become painfully aware that to maintain and improve the excellence of the U. T. System, our nine academic universities and our six medical institutions we, as a Board, will have

to determine how we will respond to the changes in higher education and health care which are becoming more self-evident with every passing day.

To paraphrase a recent quote from President Bill Powers (The University of Texas at Austin), "there are tectonic shifts going on in higher education and we must reinvent ourselves."

With those admonitions in mind, the Board members have spent many hours visiting with our devoted Chancellor and seeking his wisdom and input. The Chancellor has offered us his past vision statements and has also offered to us his view of what has changed since his last public statement on the subject. In addition, the Chancellor has been very open with Board members concerning what he believes the U. T. System and the 15 institutions are doing right and how he believes those institutions must change as we move forward into the 21st century while upholding our constitutional charge of maintaining universities of the first class.

About four weeks ago – when discussions were most intense – the Vice Chairmen of the Board and I began to discuss with the Chancellor the need for the Chancellor to restate his positions and clearly state his ideas for creating a framework to advance excellence throughout the U. T. System. The Chancellor agreed and enthusiastically embraced the opportunity to make a major address on this subject.

So, this morning the Board is very pleased to welcome to the podium the outstanding Chancellor of The University of Texas System, Dr. Francisco Cigarroa, to provide the Board, our 15 institutions, our various supporters and alumni groups, his evaluation of where we stand today and where we must go tomorrow and for the days to come in order to continue progress toward becoming the Number One public university system in America.

Presentation by Chancellor Cigarroa on
A Framework for Advancing Excellence
throughout The University of Texas System

In very complex times, when our beloved University of Texas is confronted with a combination of Gordian challenges, it is important to maintain certain tenets in mind that are simple and yet profound. So, here before all of you today, as your Chancellor, I will begin this talk with a few simple tenets our university steadfastly holds "that are both true and sufficient to explain their appearances."

The first is our legacy of not settling for mediocrity, but instead following a continued trajectory towards greatness. While reflecting on this point, I recently pulled from a shelf at the Bauer House a book on Ashbel Smith, the first President of the U. T. Board of Regents. I was particularly struck by his correspondence to a faculty member from Vanderbilt, whom Ashbel Smith wanted to recruit to be the chair of Latin and Greek at The University of Texas. Ashbel Smith wrote that if there was any likelihood that The University of Texas would shrink its ambitions, "I would not devote my good leisure to any such University of Texas." In other words, being average was not acceptable since the very beginning of U. T., as it is not acceptable now. I ask each of you to be steadfast to the tenet of holding onto a standard of excellence that speaks directly to our legacy, to our past, and to our future.

A second tenet I hold for you to remember as simple, tried, and true is the timelessness of our rich heritage passed onto our children on our campuses across Texas everyday – the constancy of the teachings of Plato and Shakespeare; the genius of Walt Whitman and Emily Dickinson; the scientific curiosity and discoveries of scientists such as Newton and Einstein. And a more recent example...the work of Nobel laureates Michael Brown and Joe Goldstein, who elucidated the regulation of cholesterol metabolism at U. T. Southwestern Medical Center, was greatly enriched through the talents and contributions of postdoctorate, graduate, and undergraduate students who are now contributing themselves to the field of science and medicine. I may add that Dr. Brown was my professor of medicine when I was a third-year medical student and remains the best teacher I have had to date inspiring me to pursue academic medicine.

It is, after all, in the classroom, the laboratory, our hospital wards, and even the McDonald Observatory, where students and teachers learn the lessons of the past, exchange great ideas, recognize the unknown, and create an inspiring community of learning and discovery necessary for our future. Teaching and scholarly research go hand-in-hand in a university of the first class but both demand an unwavering pursuit for excellence. As Chancellor, I will protect this relationship as it is fundamental to a great university, but I will also demand an unwavering pursuit for excellence. I ask each of you to hold onto the tenet of our educational heritage of protecting and fostering an environment that facilitates the creation of new knowledge and nurtures our students to be lifelong learners and future leaders of our state, our nation, and our world.

A third tenet for guidance is that the health of a university is equal to the measure of its institutional resilience. In the 21st century, our universities and health institutions must be innovative, nimble, and adaptive – because the world we live in is changing at an astonishing pace.

Our demography has changed. Twenty years ago, the population of Texas was 17 million, but today it is more than 25 million and Texas is now a majority-minority state. Over the past 20 years, the college-age cohort in Texas has grown 38%. Our funding model has changed. Twenty years ago, state funding for higher education

accounted for nearly 38% of the budget for the U. T. System academic institutions and nearly 29% of the health institutions. Today it represents 20.7% and 12.8%, respectively.

Our global competitiveness has changed. Twenty years ago, American universities were global leaders in Science, Technology, Engineering, and Mathematics (STEM) fields, but today we cannot take this for granted. Twenty years ago, American universities were the destination points for the brightest graduate students from around the world. Twenty years ago, China had virtually no international students, but today more than 250,000 international students are pursuing graduate education in China. It is undeniable that nations around the world are emulating our nation's great universities, but they have not yet been able to fully emulate our universities' greatest strength – the spirit of free expression and inquiry, both essential for creating an environment that stimulates discovery and innovation.

Our technology has changed. Twenty years ago, email was not yet our primary means of communication, and smart phones, Facebook, Twitter, and other forms of social media did not exist. Today, U. T. Austin's supercomputer – Lonestar 4 – can provide 200 million processor core hours per year to the national scientific community. High-performance computing is no longer just desirable; it is required for our scientific work and our ability to attract and retain world-class faculty and students.

The truth is, measuring change in even 10-year segments is unproductive and obsolete in higher education. Change is taking place much more rapidly; in fact, we need to look at change on an annual basis. Just two years ago, the national recession had not yet significantly affected the Texas economy.

Today, we find ourselves facing a major historical moment in higher education. The institutions that introduce change – that renew, innovate, and adapt to new developments – will become the leaders of the 21st century. The University of Texas has always had these characteristics within its culture and it is in our spirit and make-up to lead!

The impact of the U. T. System is far-reaching and impressive. In fact, when I visit a campus, I am always inspired. I am very proud of what our institutions have accomplished under the leadership of our Regents, presidents, faculty, staff, and students. But in my philosophy of continuous improvement, we must persist in strengthening our value to all the people of Texas. It is not enough to be good, we must be great. And it is not enough to say we want to be great. We must track and quantify exactly what that means, and how much work it is going to take. We will need discipline, consistency, and tenacity in our self-evaluation, and a commitment to both excellence and productivity.

That is why, last fall, we began to create a comprehensive framework for our long-term commitment of renewal and accountability. I asked for the framework to include not just data or metrics, but comprehensive analytics that keep us informed and allow us to make effective and substantive decisions.

Today, I am introducing a plan that will make U. T. System institutions even more transparent and accountable to the students and families of Texas. It is a framework for advancing excellence across our campuses and it will better position us as a national model for higher education.

This framework will be anchored in our unwavering commitment to four areas of impact: opportunity, economic prosperity, quality of life, and stewardship.

Opportunity: The U. T. System is committed to ensuring that Texas students have access to not only affordable, but also the highest quality undergraduate and graduate education, allowing them to grow and succeed as lifelong learners who adapt to a changing world.

Economic prosperity: The U. T. System is committed to fueling prosperity through producing degrees of great value, world-class research, patents and partnerships with business and industry, community engagement, and the economic impact of employment.

Quality of life: The U. T. System is committed to improving lives through a more educated population, cutting-edge research, and community service that provides meaningful solutions to everyday problems.

Stewardship: The U. T. System is committed to delivering all of this in the most efficient and productive manner possible.

Under this framework, built upon U. T. System's nationally recognized platform of accountability, we will develop new methodologies for defining the most important goals and objectives, and our framework will provide a deeper understanding of our performance and a way to measure progress. It will indicate when we are offtrack and provide the guidance to set us back on track. And the framework will allow our outcomes to be easy to find, user friendly, and accessible to the public.

We will also evaluate how our performance compares nationally and internationally, what the trends are over time, and how well we are closing the gaps.

Then we will drill down even deeper. We will develop focused and meaningful profiles for each of our universities – and their colleges and various disciplines – to document key indicators in four areas: student success, faculty and research excellence, economic impact, and productivity and efficiency. We will also seek rigorous external peer reviews of our colleges to assure that we are continually improving in our educational and research missions.

Let me give you some specific examples of what I propose the U .T. System needs to do to strengthen these areas and improve the effectiveness of our universities and health institutions:

In the area of **Student Success**:

One of our highest priorities is to produce greater numbers of high-quality degrees as a System while minimizing the financial impact to our students. And we need to develop comprehensive enrollment management strategies to ensure that our U. T. System student population mirrors the changing face and growing population of Texas, while always maintaining excellence. We will set aggressive goals for improvement and tie our strategic plans, budgets, and timelines to these goals.

Specifically, we should measure our graduation success in the multifaceted way that was presented to the Board of Regents last year in the Graduation Success Research Brief. We should create action plans to surpass the national averages in four-year graduation rates, with aspirations – and more importantly a commitment – to become the top performer nationally in each of our respective peer groups. U. T. Austin, under the leadership of President Bill Powers, is already focusing on improving its undergraduate curriculum, enhancing student advising, and emphasizing freshman immersion research programs to better position our flagship to be among the top five U.S. public research universities with four-year graduation rates exceeding 70%. It is our responsibility to further improve graduation rates, persistence rates, and total number of degrees conferred. This will allow us to enroll more freshmen, eliminate bottlenecks, and complete degrees in a more timely and effective manner, which will enhance access to our flagship and other campuses while protecting student/faculty ratios and mitigating increased costs.

Our universities must provide their students with outstanding teachers and undergraduate curricula and develop unique centers of excellence for the regions they serve. We must recruit, recognize, and reward great teachers, as our students deserve the very best faculty in the classroom.

The Council of Graduate Schools' Ph.D. Completion Project shows that nationally, only about 45% of doctoral students complete their degrees in seven years. As Chancellor, I find this figure unacceptable. The University of Texas needs to provide leadership in compressing the time to receive a Ph.D. And because doctoral students can no longer be assured of a faculty position in the job market, we must do a better job of advising and mentoring them and helping them pursue multiple career opportunities whether in academia, business, or other arenas. We have the responsibility to and we must demand greater accountability at all levels in our doctoral degree programs, including a thoughtful review of how we fund graduate education, so that U. T. can successfully compete for the very best graduate students from around the world. This is linked to great faculty and stellar doctorate programs that garner a national and international reputation.

Our academic health institutions are also examining ways to improve medical education. Last year, the Board authorized a new initiative called TIME – the Transformation in Medical Education – which is developing pilot projects to increase

the effectiveness, efficiency, and impact of medical education on modern medical health care. I would like to see these pilot projects move from conception to implementation as soon as possible, and realize a more seamless progression of our undergraduate students into our medical schools and dental schools. We must also expand medical education, graduate medical education, and biomedical research in Austin and in South Texas. Biomedical research, and the intellectual property and the commercialization that are derived thereof, are catalysts for the development of innovation hubs, which are the seeds that give harvest to success in the biotechnology sector such as occurred in Boston, the Research Triangle, and the Silicon Valley.

In the area of Faculty and Research Excellence:

We must enhance our annual performance evaluations for both faculty and staff, including administration and myself, in the spirit of advancing excellence towards our mission. The awarding of tenure – and our post-tenure reviews – must be linked to the quality of teaching, scholarly advancement of disciplines, and to service. Rewarding great teaching at the undergraduate and graduate level is essential to the academic enterprise. Teacher evaluations must be a combination of peer review and student evaluations.

It is important to continue to fund the teaching excellence awards and the Science and Technology Acquisition and Retention (STARs) program. The Regents' Outstanding Teaching Awards are the best in the nation to honor excellence in the classroom, and STARs funding is an outstanding tool for recruiting and retaining exceptional faculty. We must ensure that rising and gifted faculty can advance at our universities in both teaching and research.

In the areas of Economic Impact, and Productivity and Efficiency:

First and foremost, we must continue to demonstrate fiscal responsibility. And one of the most important productivity measures is the cost of producing degrees. On average, while our cost per degree – which includes undergraduate and graduate degrees across the System – is 37% more efficient than the national average, we can do even better such that we can bend the rising cost curve in higher education. To achieve the top national position in degree efficiency, we must maximize quality and minimize cost, but be absolutely unyielding in protecting the value of a U. T. degree and the U. T. brand.

Over the past five years, the System can document \$1.4 billion in savings, avoided costs, and new revenue generated, which has served us well in addressing the current economic challenge. Our institutions have also cut their budgets as a result of declining revenue streams. With the cuts we have confronted and the additional cuts that will be made by the 82nd Legislature, our institutions could have reductions exceeding \$600 million.

In these lean times, it is critically important for U. T. System institutions to continue to share services and to maximize natural synergies. Organizational structures

must be examined, administrative costs reduced, and ineffective programs must be eliminated. Our resources must be used only for the advancement of excellence at our great university.

Our System presidents have been deeply involved in this process. Each of them has developed a plan, and each of them has worked very hard to minimize the negative effects of budget reductions on their campuses. And each of them knows that more reductions are coming and likely to be permanent. These are difficult times. Our presidents are working diligently to mitigate the adverse effects on students, and at the same time, recruit and retain outstanding faculty for the benefit of our students. The presidents are also looking at alternate revenue streams, including cultivating more private philanthropy and increasing technology transfer and the commercialization of research. The Board of Regents' standing committee for Technology Transfer and Research Committee will help us succeed in this endeavor.

To all of the System presidents, I offer my sincerest gratitude. I admire your courage, ingenuity, and fiscal discipline. You have shown incredible and remarkable grace under pressure. We could not have made these savings – and retained our excellence – without your support, your commitment, your creativity, and your leadership.

With declining financial resources, we have a responsibility to better utilize space. We must optimize time and space throughout the academic year. Classrooms must be used effectively all week, with little down time. And we must critically examine the productivity of our research space by developing productivity indices such as research revenue linked to space allocation and comparing our numbers to peer institutions. In fact, we should not build new buildings unless we are using our current space effectively, or our buildings become outdated and inefficient like our own homes.

We must utilize technology to enhance student learning and success. One crucial area where technology can improve performance is in our large gateway classes, where interactions between faculty and students can be improved. U. T. Austin, for example, is already partnering with researchers at Harvard and Carnegie Mellon University in a project that uses advanced instructional strategies and new technologies for large enrollment general education courses. The project includes interactive instructional materials, tutoring, and feedback mechanisms to give students stronger support and prepare them for tomorrow's workplace.

Blended and online courses will be critical to enhancing student access in courses and to providing greater flexibility in scheduling, so that more students can graduate on time. Online courses also help us to increase enrollment at campuses serving rural areas, as well as for nontraditional students who are completing their baccalaureate degrees.

The Board of Regents should strongly consider authorizing a merit-based grant program to foster leading innovations in blended and online courses being used by

our faculty across the U. T. System. This should be a major emphasis of the U. T. System, bearing in mind that technology enriches rather than substitutes for great teaching.

All six U. T. System health institutions are using technology and the Internet to implement systems that will advance medicine in the 21st century. We cannot stand idle with our past accomplishments in this regard, and it will be essential to define a five-year plan for Systemwide computing necessary to enhance education and research. Engineering, drug development, personalized health care linked to the understanding of genomics and proteomics, and even enhancing how we deliver courses to our students, are all dependent on computational power.

As leaders in health care, our health institutions have also developed national models for clinical safety and effectiveness, health information technology, and patient-centered "health homes," but we need to do more to enhance patient safety and outcomes and lead in public health. Again, the presidents of our health institutions have shown exceptional leadership during these challenging times of cuts in General Revenue, even while health care reform is under way, which also will likely reduce medical reimbursement rates that will adversely impact their budgets. These reductions are significant, given that the health enterprise is approximately two-thirds of the U. T. System's budget.

Improvements in the areas that I have mentioned will no doubt have a significant beneficial impact on the successful development of the five strategic initiatives I set forth last year, which are:

- Supporting U. T. Austin in its quest to become the best public university in our nation. In this regard, I am personally grateful and supportive of the findings and recommendations of U. T. Austin's Commission of 125. The distinguished members of the Commission of 125 contributed the gift of time, inspiration, and ideas to advance excellence at U. T. Austin, and we owe them our gratitude and respect.
- Expanding our health institutions to improve health and biomedical research. The State of Texas deserves an academic health center that is recognized in the top five in the nation, in addition to U. T. M. D. Anderson Cancer Center being the best cancer hospital in our nation, if not the world.
- Enhancing academic and health professional education programs in South Texas and identifying synergies between U. T. Brownsville, U. T. Pan American, and the Regional Academic Health Center and our regional campus in Laredo.
- Helping our emerging research institutions to advance in their desire to become research intensive universities. Texas has only three members in the Association of American Universities, foremost among them, our flagship university. Texas deserves more, but becoming a member is extremely

difficult and must be rigorously earned. It is a product of the excellent work derived from nationally recognized faculty, resulting in the creation of outstanding departments, which in turn attract outstanding undergraduate, graduate, and postdoctorate students. I submit to you that you cannot become a research intensive university without having highly successful undergraduate and graduate programs with stellar student outcomes. We will always strive for the most rigorous standards of excellence for our universities.

- And we will continue to develop our research expertise as a global leader in energy.

To achieve these goals, philanthropy is a key component and continues to emerge as one of our most important revenue streams. Last year, the 15 U. T. institutions realized more than \$1 billion in gifts, new pledges, and testamentary commitments. Philanthropy is critical to our path toward achieving excellence and in reducing student debt through scholarships. We cannot advance our institutions without the support of friends, alumni, industry, communities, and foundations. We must do everything possible to engender trust and engagement from our philanthropic community, which requires clear direction on our part and visible results that enhance our mission.

We will track philanthropy as a percentage of an institution's expenditures, and we will work to increase it, reporting this information publicly, as well. The System and the Regents are committed to assisting the institutions that need our help at becoming exceptional in their philanthropic efforts.

So, the new framework I am proposing will serve two purposes: first, a systematic, focused, rigorous, and honest evaluation of our institutions' performances, with the goal of improving operations and reaching the highest national levels of success; and second, a method to show our work to the world in a transparent, open, and easily accessible way.

"The University of Texas" holds a special meaning to all of us. It stands for excellence, integrity, pride, tradition, and personal achievement. Our alumni have forged a strong, lifelong bond with the outstanding universities in our System. The people of Texas look up to us, and we have a responsibility to meet their highest expectations.

Our greatest endowment is the public trust. We have a moral duty and responsibility to maintain that trust. But as we work to earn the trust of the people of Texas, we must first trust one another.

Each of us plays an integral role in the future of the U. T. System – the Regents as our governing board, amongst whose greatest responsibility is the selection of the University of Texas System leadership, as you did yesterday with the selection of a sole finalist for the presidency of U. T. M. D. Anderson; the Chancellor as the Chief Executive Officer of The University of Texas; and the presidents. The input from our

faculty, students, and staff advisory councils is also very important to assist us in making the best decisions as they are representative of the most important asset we have, our human capital. We are also greatly aided by the wisdom and support of our Legislature and the involvement of the many committees and commissions of alumni and supporters who have offered their wise counsel at crucial times in our history. The University of Texas family is large and diverse, and we grow stronger when we listen to its voice.

Over the years, the Board of Regents has never deviated from enacting policies to protect the pillars of our University: education, research, and service. Since 1979, I have been exposed to some of America's finest universities, and I do not exaggerate when I say that I have seen no stronger group than the U. T. System leadership and the 15 institution presidents. We will work together with the Board to advance excellence across the entire U. T. System, and we need your confidence such that we can effectively lead and manage our universities and health institutions.

We must move forward today with a shared common goal – to make each U. T. institution the best it can be among its national peers, in a spirit of transparency and full accountability. In doing so, the Board will develop policies based on inclusive input that advance excellence, and then U. T. System will ask the leadership and intellect of our campuses to determine how best to achieve the stated goals for their own campuses, understanding that one size does not fit all. Universities simply cannot be micromanaged. I trust my presidents and I will hold them and myself accountable.

Chairman and members of the Board, I respectfully request that today you adopt this framework and its associated strategies as the path toward advancing our mission and enhancing our stewardship of The University of Texas System. It integrates seamlessly with the important work of the Task Forces on Blended and Online Learning and Productivity and Excellence. It will provide the System presidents and the public with clarity in direction on the U. T. System's next steps for continuous improvement. As your Chancellor, I will ensure, to the very best of my God-given abilities, that our University's best days are in our reach, and I need your support and confidence and the authority to accomplish the important work ahead.

Chairman Powell then called on members of the Board for comments. Regent Stillwell recommended that among its principles, the Board embrace actions that enhance the value and prestige of degrees from U. T. System institutions. Regent Kalkwarf expressed his full support for the Chancellor's vision and framework, noting his admiration and respect for Dr. Cigarroa. Regent Gary remarked on his support and confidence in the Chancellor to make the U. T. System the best university in the U.S. Vice Chairman Dannenbaum expressed his full confidence in Chancellor Cigarroa and the 15 presidents, and he noted appreciation of the Chancellor's support in the area of commercialization of intellectual property. Regent Cranberg added his support for the Chancellor, with particular appreciation for the emphasis placed on students, learning outcomes, and the advancement of knowledge from

research. Regent Cranberg discussed the notion of prestige, and cautioned that prestige comes with achievement. He said the U. T. System gains prestige in having students who achieve great things in life and are inspired.

Regent Hall noted his appreciation to Chancellor Cigarroa for his courage, his leadership, and his challenge to members of the Board to stress themselves the same way they stress the students. Regent Pejovich expressed her appreciation for the Chancellor's comments and noted her full support and confidence. Chairman Powell noted his wholehearted endorsement of Chancellor Cigarroa's comments.

Chairman Powell then called on Vice Chairman Foster for a motion. Prior to making a motion, Vice Chairman Foster said he fully supports the Chancellor's agenda and framework.

Vice Chairman Foster said he is proud to move that the Board of Regents wholeheartedly endorse the goals and the framework recommended by Chancellor Cigarroa in his speech titled *A Framework for Advancing Excellence throughout The University of Texas System* and voice the Board's full and vigorous support for the excellent leadership of Chancellor Cigarroa.

Chairman Powell called on Vice Chairman Hicks to second the motion. Vice Chairman Hicks said he wanted to take a moment, not to speak to the Chancellor as so many had, but to speak from his heart to his fellow Regents.

Remarks and second to the motion by Vice Chairman Hicks

As you know, there has been a slight amount of controversy surrounding our activities the last three months, and today we have the opportunity to begin the path of healing and begin earning back the trust of our constituency. I think because of that, this is one of the most important votes in the two years that I have served on the Board. I look around the table and I see nine very strong leaders who are also Regents. I see successful financial people, accountants, engineers, Fortune 500 CEOs, real estate moguls, lawyers, and oil and gas entrepreneurs, but best of all, medical students, who are also tank commanders. Where else can you find that?

But more importantly, at the head of our table, I see a respected leader, the CEO of our System, Dr. Francisco Cigarroa, and I feel now is the time to get fully behind our Chancellor and as he pointed out, to not micromanage his affairs. In my opinion, our committees and task forces should all work in support of his vision because U. T. institutions are highly differentiated. I think we need to rely on System leadership and our nine campus presidents to implement the changes he has outlined and that we all seek. So, I ask if you vote for this resolution this morning, that you vote for it in its entirety and not just pay lip service to it, so I move for two things: to second the motion and to request a roll call vote.

General Counsel Frederick called a roll call vote. All votes were affirmative, thus providing Chancellor Cigarroa support, confidence, and the authority to accomplish the work he outlined in *A Framework for Advancing Excellence throughout The University of Texas System*.

Chairman Powell then took up the item related to reports from the Task Force on University Excellence and Productivity and the Task Force on Blended and Online Learning (see Item 7 on Page 25).

4. U. T. System Board of Regents: Amendments to the Regents' Rules and Regulations, Rule 20601, regarding aircraft use

The Board amended the Regents' *Rules and Regulations*, Rule 20601, regarding aircraft use, to read as set forth on Page 22. Current Section 16 was renumbered as Section 17.

Substantive revisions to the Regents' *Rules and Regulations*, Rule 20601, are outlined below:

- a. Revisions to Section 15.1(b) include a requirement for biannual reports on passenger manifests for U. T. System aircraft, Texas Department of Transportation aircraft flown on behalf of U. T. System, and charter aircraft. For donor aircraft, passenger and donor names may be omitted, but will be verbally reported if asked.
- b. New Section 16 prohibits a U. T. System employee who has a private or commercial aircraft license from operating a leased or privately owned aircraft in conjunction with official university business unless specifically authorized.

1. Title

Aircraft Use

2. Rule and Regulation

...

Sec. 15 Record Keeping and Reports. The approved reservation requests forms and post-flight passenger manifests will serve as the official record of flights.

15.1 The U. T. System Office of Business Affairs shall prepare and submit the following reports:

- (a) Travel Log. In accordance with *Texas Government Code* Section 2205.039, the passenger manifests for the month will be sent to the Texas Department of Transportation each month following the month in which travel occurred.
- (b) Reports to the Board. Passenger manifests for U. T. System aircraft, Texas Department of Transportation aircraft flown on behalf of U. T. System, and charter aircraft, including donor or chartered aircraft paid for by outside entities on behalf of the university, will be sent to the General Counsel to the Board of Regents twice a year in April and October for distribution to the Finance and Planning Committee of the U. T. System Board of Regents for review. For donor aircraft, passenger and donor names may be omitted consistent with State law, but will be verbally reported if asked.
- (c) Annual Aircraft Use Form. In accordance with *Texas Government Code* Section 2205.041, passenger manifests for the year and the aircraft costs summary will be submitted to the Legislative Budget Board with copies to the General Counsel to the Board of Regents and the Chancellor by November 15th.

Sec. 16 Leased and Privately Owned Aircraft. U. T. System employees holding a private or commercial aircraft license may not operate leased or privately owned aircraft in conjunction with official university business unless authorized by the Chancellor or his or her designee.

5. U. T. System Board of Regents: Approval to adopt the resolution regarding the list of Key Management Personnel authorized to negotiate, execute, and administer classified government contracts (Managerial Group)

To comply with the Department of Defense National Industrial Security Program Operating Manual (NISPOM) requirements, it is recommended that the U. T. System Board of Regents resolve that

- a. the list of Key Management Personnel (KMP) authorized to negotiate, execute, and administer classified government contracts shall be known as the Managerial Group and shall specifically list each KMP by name and title as set out in a. below; and
- b. the members of the Board of Regents, while KMPs, shall be excluded from the Managerial Group specifically by name and title as set out in b. below.

A Resolution amending the Managerial Group list was last adopted by the Board on May 13, 2010.

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.

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 negotiating, 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):

Francisco G. Cigarroa, Chancellor, The University of Texas System
William C. Powers, Jr., President, The University of Texas at Austin
Juan Miguel Sanchez, Vice President for Research, The University of Texas at Austin

Susan W. Sedwick, Associate Vice President for Research and
Director, Office of Sponsored Projects, The University of Texas at Austin

Neil S. Fox II, Facility Security 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 University of Texas System, including The University of Texas at Austin, in the performance of classified contracts for the Department of Defense or User Agencies of the NISPOM, awarded to The University of Texas System, including The University of Texas at Austin, and need not be processed for a personnel security clearance:

Members of the U. T. System Board of Regents:

William Eugene Powell, Chairman
Paul L. Foster, Vice Chairman
R. Steven Hicks, Vice Chairman
James D. Dannenbaum, Vice Chairman
Alex M. Cranberg
Printice L. Gary
Wallace L. Hall, Jr.
Brenda Pejovich
Robert L. Stillwell
Kyle J. Kalkwarf, Student Regent until May 31, 2011 (nonvoting)
John Davis Rutkauskas, Student Regent from June 1, 2011 to
May 31, 2012 (nonvoting)

6. U. T. System Board of Regents: Legislative Update for the 82nd Legislative Session (Deferred)

Vice Chancellor McBee's report on highlights of the 82nd Texas Legislature, Regular Session, was deferred.

7. U. T. System Board of Regents: Status reports on the work of the Task Force on University Excellence and Productivity and the Task Force on Blended and Online Learning

Chairman Powell provided remarks on the work of the Task Force on University Excellence and Productivity and the Task Force on Blended and Online Learning. He said the Task Forces were established to help The University of Texas System institutions with research and background studies. He emphasized the suggestions and information from the Task Forces will be just that – suggestions – and he noted the desire to move quickly to implement the changes noted by the Chancellor in his speech earlier on *A Framework for Advancing Excellence throughout The University of Texas System* (Item 3 on Page 9).

Chairman Powell described the composition of the Task Forces, saying the groups include Regents, Presidents, a Provost, and a Vice Provost. He said the Task Force groups may not make policy, the members may not vote, and the groups will report to the Academic Affairs Committee, which is chaired by Vice Chairman Hicks and includes Vice Chairman Foster, Regent Hall, Regent Pejovich, and Regent Stillwell. He noted the Task Force groups will make recommendations on their findings in open session to the Academic Affairs Committee of the Board in August 2011, and the Committee may forward its recommendations to the Board for consideration.

Chairman Powell then commented on a few reports received from the institutional presidents and staff on overcrowding on campus, e-counseling to reduce costs and better target at-risk students, and blended and online learning to increase enrollment and to better serve their regions of the state. Chairman Powell thanked members of the Task Forces for their for hard work, noting that over a period of 82 days, 750 person hours were put in, and a total of 12 meetings were held. He also thanked staff at U. T. System Administration and the institutions for their work.

Regent Pejovich then reported on the work of the Task Force on University Excellence and Productivity.

Remarks by Task Force Chairman Pejovich

Thank you, Chairman Powell, for this opportunity to report on the work done to date by the Task Force on University Excellence and Productivity. As Chancellor Cigarroa has made clear in his remarks, the U. T. System must be innovative, nimble, and adaptive in the 21st century to address changes in the state's demographics, funding models, global competitiveness, and technology. To meet these challenges, the charge of the Task Force is to propose suggestions that will have an impact on improving quality, access, and the cost of higher education for all of our students across the state. As the

Chairman mentioned, information and suggestions gathered by the Task Force will be presented to the Academic Affairs Committee in August 2011.

The Task Force began its work in mid-March (2011) and has met six times. The three main subject areas addressed in those meetings were the Texas Higher Education Coordinating Board's Cost Efficiencies report, furthering the research and teaching mission of the U. T. System, and identifying best practices.

To assist with the U. T. System's implementation of the Coordinating Board's cost efficiency recommendations, their Chairman Fred Heldenfels and Commissioner Raymund Paredes met with the Task Force and the U. T. academic presidents to discuss the report's implications for higher education. Survey responses by the academic institutions showed general consensus that major areas for future productivity gains include promoting the use of technology, continuing to improve retention and graduation rates, and reducing time to degree attainment.

To examine the opportunities related to research and teaching excellence, the Task Force met with distinguished faculty and with student leaders. Topics covered in these meetings included how to continue the promotion of excellence in research and teaching, student evaluations, and student involvement in budgeting decisions.

To look at best practices, the Task Force met with internal experts and two outside institutions. U. T. Austin presented a budgeting model they are using to prioritize expenditures in the face of a reduction in funding from the State and federal governments. U. T. Austin also shared its progress in building a faculty information system to help them manage resources more effectively and efficiently. The Task Force also visited with the presidents of the Arizona State University and Brigham Young University-Idaho.

Before I ask President Daniel to share his thoughts on the Task Force's work to date, I would like to take a moment to express appreciation for the work and cooperation of my fellow Task Force members. President Daniel (The University of Texas at Dallas), President Nelsen (The University of Texas - Pan American), and Provost Leslie (The University of Texas at Austin) come from uniquely different institutions and, as a result, have been able to provide different perspectives on the challenges they face on their campuses.

I would also like to express appreciation to the Coordinating Board for providing a foundation report for the Task Force to begin our work. The

Coordinating Board has also agreed to provide us access to data from their accountability system, support from analysts on their staff, and the use of enhanced computer resources.

But most of all, I would like to thank the faculty and the student leaders who have shared their thoughts on how to continue the history of excellence in research and teaching. Our work has been richer for our discussions with these individuals who are committed to the needs of our students.

Regent Pejovich then called on President Daniel to share his thoughts on the work done by this Task Force. Dr. Daniel made observations about the fresh ideas and "takehomes" conveyed in the meetings of the Task Force, including the economies of online education if taken to scale; the benefits of blended learning that can feed back into advising for earlier intervention and enhance productivity and teaching; looking at mid-semester student evaluations so that faculty can get feedback before it is too late; and attempting to get 100% student participation in evaluations. Dr. Daniel recommended more conversation on the issues and a consensus and team-oriented effort of gathering data to develop recommendations. He recommended looking for additional ways, as long as they are efficient, for the U. T. System to add value to the institutions, such as, perhaps, through packaging of blended and online learning that would, through economies of scale, save money and share courses and technologies. Dr. Daniel suggested a cautious approach, noting that each campus is different. Remarking that provosts, deans, and department heads are experts at managing resources, he expressed concern on how to engage them, saying that he is, and believes the other presidents are, willing to change and take risks, and in fact, have led much of the change. He said the presidents welcome constructive, productive, change-oriented suggestions if the suggestions lead to stronger institutions and embrace the principles the Chancellor suggests.

Regent Hall then reported on the work of the Task Force on Blended and Online Learning.

Remarks by Task Force Chairman Hall

Before I provide my report on the Task Force for Blended and Online Learning, I would first like to thank our Task Force members who have enthusiastically embraced this challenge. Vice Chairman Hicks and Regent Gary, thank you for your ideas, steady hands, and most importantly, your time and leadership. A special thanks to our three presidents: President Natalicio (The University of Texas at El Paso), President Romo (The University of Texas at San Antonio), and President Spaniolo (The University of Texas at Arlington). Without your guidance and critical knowledge of our universities and your deep

understanding of the classrooms, our collective efforts would certainly fall short. And thanks to Dr. Harrison Keller, Vice Provost of Higher Education Policy and Research at U. T. Austin.

To our U. T. System team and ex officio members, Chancellor Cigarroa and Vice Chancellor Prior, it is a tremendous honor and pleasure to work with you in an effort to improve ourselves. And to Regent Kalkwarf for his real world experience as our Student Regent. What we had been asked to do by Chairman Powell is examine how new technologies, in the form of blended and online learning, can play a role in three critical areas:

1. improving the quality of instruction and learning;
2. allowing us to serve more students and thus expand access; and
3. decreasing costs.

My goal was that we should think big and bold and challenge ourselves to find new ways to be the best that we can be. Embrace discoveries that would be additive to our respective institutional missions. Could the U. T. System and some or all of its campuses position themselves to be among the top leaders in the country when it comes to the highest quality blended and online learning experiences?

To this end, our Task Force has met numerous times over the last few months. We prepared by reading a comprehensive list of materials from the foremost experts in the field of blended and online education, helping us with a common lexicon and by providing a historical perspective. We began by learning what was already happening on our many campuses and drew upon the deep resources within our own system.

Presentations included an update from Task Force member Harrison Keller and Vice Provost Gretchen Ritter who are spearheading the Course Transformation Program on the U. T. Austin campus. We also heard from Senior Vice Provost Michael Moore from U. T. Arlington who shared with us their robust online and blended learning efforts, which were quite impressive and validating. Associate Vice Chancellor Martha Ellis also provided us with the history of the UT TeleCampus effort, which existed between 1999 and 2010.

Additionally, we have sought out the perspectives of our students who are the technology natives and bring much insight to our efforts. We are grateful to many others outside of our System, as well, who generously shared with us their unique perspectives and experiences: President Bob Mendenhall from the Western Governors Foundation and the Western Governors University-Indiana model; President

Michael Crow and his educators from Arizona State University; Dr. David Milliron, Deputy Director for the Postsecondary Improvement Program from the Bill and Melinda Gates Foundation, Brigham Young University-Idaho; and John Katzman, founder of The Princeton Review and 2tor, an innovative company specializing in public private partnerships in the development of online education.

We also heard from Dr. Julie Schell from the educational research Mazur Group from Harvard University, and Ross Strader, the Associate Director of the Open Learning Initiative from Carnegie Mellon University, who are collaborating on the U. T. Course Transformation project.

Two significant ideas where Task Force members found unanimity are the following:

1. Our pursuit of blended and online solutions should never accept anything other than excellence.
2. Due to the inherent and unique qualities of our institutions, our proposals must not attempt a one-size-fits-all strategy.

We have completed much of the initial fact-finding phase and we are now entering discussions on what exactly we have learned and most importantly, what are the questions we need to answer. A non-exhaustive list of these questions include:

- What types of analytics platforms will be necessary to assess quality and performance?
- What are the potential funding sources to support our goals?
- How can we help adult learners throughout the state complete their efforts to attain degree status?
- Will our proposals encompass incentive-based financial support for our campuses and faculty?
- How will these changes impact degree affordability for our students?
- What are the necessary management and organizational models needed at both a System and institutional level?
- What are the methods by which we may leverage the best online and in-class technologies?

- How will we better assist faculty with deploying advanced instructional technologies and the latest cognitive science on learning to support and enhance teaching and learning?
- What are the implications that these disruptive innovations may present for our System?
- While all campuses are employing new technology in a variety of forms, there is clearly an uneven distribution of their success. We must, collectively, find solutions to each of their needs.
- What is at this point incontrovertible, is that technology is bringing profound changes to the world of higher education. It is impacting our educational models in ways that we have not yet fully understood.

It has been a privilege to chair this effort. Thank you, Chancellor Cigarroa and Chairman Powell, for your leadership, vision, and courage. We are currently on schedule to provide our recommendations to the Academic Affairs Committee later this summer for their consideration. At this time, I would invite our three presidents to share their thoughts to the Board.

President Romo spoke about the fruitful discussions held during the meetings of the Task Force on the costs of online learning, ownership of intellectual property, and the interest on his campus in moving in the direction of online learning. President Natalicio reinforced the notion that “one size does not fit all” and said the opportunities need to be calibrated to fit the student constituency. She said the growth in online instruction at U. T. El Paso has been driven by the faculty. She explained that the best fit for targeting online degree programs is at the master's level when students have personal motivations that help them to succeed at these programs, whereas undergraduate students generally benefit from the on-campus experience. President Spaniolo spoke about integrating more blended learning into the classroom, about the need for each institution to innovate in its own way, about the U. T. System acting as an encourager and facilitator, and about the potential to reach more students and reach students better by using available technologies.

A summary description of the Task Forces Process is on Page 31.

Task Forces Process

<p style="text-align: center;">Blended and Online Learning</p> <p style="text-align: center;"><u>Task Force Members</u></p> <ul style="list-style-type: none"> • Regent Wallace Hall, Chairman • Regent Printice Gary • Vice Chairman Steve Hicks • UT Arlington President James Spaniolo • UT El Paso President Diana Natalicio • UT San Antonio President Ricardo Romo • UT Austin Vice Provost of Higher Education Policy and Research Harrison Keller • Chairman Gene Powell, Chancellor Francisco G. Cigarroa, Executive Vice Chancellor for Academic Affairs David B. Prior and Student Regent Kyle Kalkwarf each serve as ex officio members of the task force. 	<p style="text-align: center;">University Excellence and Productivity</p> <p style="text-align: center;"><u>Task Force Members</u></p> <ul style="list-style-type: none"> • Regent Brenda Pejovich, Chairman • Regent Alex Cranberg • Regent Bobby Stillwell • UT Dallas President David E. Daniel • UT Pan American President Robert Nelsen • UT Austin Executive Vice President and Provost Steve Leslie • Chairman Gene Powell, Chancellor Francisco G. Cigarroa, Executive Vice Chancellor for Academic Affairs David B. Prior, Executive Vice Chancellor for Business Affairs Scott C. Kelley, and Student Regent Kyle Kalkwarf serve as ex officio members of the task force.
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The report of each task force will be written and edited by all members of the task force. Final reports, findings of fact, suggestions and any recommendations of the task forces will go to the Academic Affairs Committee of the Board.

The Academic Affairs Committee may handle in open session any suggestion or recommendation in one of the following ways:

1. Vote to recommend the suggestion or recommendation to the full Board.
2. Vote to modify the suggestion or recommendation to the full Board.
3. Vote to seek further research be done on the suggestion or recommendation.
4. Vote to table any suggestion or recommendation.

Academic Affairs Committee
<ul style="list-style-type: none"> • R. Steven "Steve" Hicks, Chairman • Robert L. Stillwell, Vice Chairman • Paul L. Foster • Wallace L. Hall, Jr. • Brenda Pejovich

The Board of Regents will consider in open session of the full Board any recommendation or suggestion that comes forward from the Academic Affairs Committee.

RECESS.--At 9:35 a.m. Chairman Powell announced that the Board would recess for a break.

RECONVENE IN OPEN SESSION.--At 9:45 a.m., the Board reconvened in open session.

8. U. T. System: Annual Meeting with Officers of the U. T. System Student Advisory Council

Mr. Christof Straub, Chair of The University of Texas System Student Advisory Council (SAC), reported on activities of the Council conducted during the year. He said the interactions with U. T. System staff motivates Council members to produce solid recommendations, and he thanked Regent Kalkwarf, a two-time SAC member, for representing student concerns during his term on the Board of Regents. He mentioned that Ms. Samantha Dallefeld, Chair of the Health and Graduate Affairs Committee, is Chair-Elect of the Council.

Recommendation #1 - Implement budget advisory councils with student representation

Chancellor Cigarroa said the model used at The University of Texas at Austin is reportedly working well and was helpful to the Task Force on University Excellence and Productivity. Regent Pejovich, who chairs that Task Force, agreed, and Regent Kalkwarf recommended the model be replicated throughout the U. T. System institutions.

Recommendation #2 - Include active student participation in tuition-setting process

Chancellor Cigarroa said Regent Cranberg has asked the U. T. System to work with the Council to enhance student involvement in the tuition-setting process. Mr. Straub reviewed several best practices at the institutions that focus on transparency and inclusion of students.

Recommendation #3 - Request for students facing allegations of serious academic dishonesty to request an impartial hearing panel with student representation

Regent Kalkwarf spoke in support of the recommendation. Chancellor Cigarroa said it is important that campuses be made aware of the change in policy that allows for the legal representation of students by the U. T. System Office of General Counsel.

Recommendation #4 - Establish a task force to assess academic advising

Regent Kalkwarf said the trend is for more student involvement in higher education (shared governance), and Ms. Chelsea Adler, Chair of the Academic Affairs Committee, agreed and said students want to know that a high quality education is behind current discussions about higher education. She said students want to be part of the discussions.

In response to a question from Regent Hall about possible conundrums between students and the administration in setting tuition for prospective students, Ms. Grace Bielawski, Chair of the Financial and Legislative Affairs Committee, discussed the situation of tuition-setting committees at the different campuses and noted the committees offer an opportunity for constructive discussions to be held.

Executive Vice Chancellor Prior said the subject of advising has come up in the University Excellence and Productivity Task Force meetings, particularly on the matter of time to degree and the progress of students to degree completion. He noted he would like to pursue the matter of timing of advising to iron out any inefficiencies.

Recommendation #5 - Encourage institutional dining facilities to display nutritional facts

Chancellor Cigarroa noted that in his speech earlier on *A Framework for Advancing Excellence throughout The University of Texas System* (Item 3 on Page 9), he said the U. T. System needs to be a leader in public health.

Recommendation #6 - Protect time off for graduate students

Ms. Samantha Dallefeld, Chair of the Health and Graduate Affairs Committee, noted the recommendation is for minimum guidelines for protected time off to help those students who need assistance. Regent Cranberg cautioned about establishing top-down regulations. Noting that the Faculty Advisory Council (FAC) Chair-Elect Tim Allen was in attendance, Executive Vice Chancellor Prior suggested the SAC and FAC converse on the subject. Vice Chairman Hicks suggested a policy be developed on a campus basis, and Chairman Powell asked the Executive Vice Chancellors for Academic and Health Affairs to work on the matter.

Recommendation #7 - Implement a policy establishing smoke-free campuses

Regent Kalkwarf endorsed this recommendation. Vice Chairman Hicks asked which campuses are nonsmoking, and Mr. Kortlan Porter, Chair of the Student Involvement and Campus Life Committee, replied that The University of Texas at Arlington, The University of Texas at Brownsville, and the health institutions are tobacco-free campuses. There was discussion about smoke-free versus tobacco-free campuses.

9. U. T. System Board of Regents: Certificate of appreciation to Student Regent Kyle J. Kalkwarf

Chairman Powell presented a certificate of appreciation to Student Regent Kyle J. Kalkwarf and called on Regent Kalkwarf for closing remarks. Regent Kalkwarf thanked the student leaders in The University of Texas System and commented on the changes in higher education that will require students to learn new skills and to be innovative.

Regent Stillwell commented that Regent Kalkwarf is a leader at no matter what table he sits.

STANDING COMMITTEE REPORTS TO THE BOARD.--At 5:08 p.m., Chairman Powell announced the Board would hear the reports and recommendations of the Standing Committees, which are set forth on Pages 35 - 83.

REPORT AND RECOMMENDATION OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE (Pages 35 - 36).--Committee Chairman Pejovich reported the Audit, Compliance, and Management Review Committee met in open session to consider a matter on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the action set forth in the Minute Order that follows was recommended by the Audit, Compliance, and Management Review Committee and approved in open session by the U. T. System Board of Regents.

1. U. T. System: Report on the external audit of the Fiscal Year 2010 U. T. M. D. Anderson Cancer Center Annual Financial Report and the plan for the external audit of the Fiscal Year 2011 U. T. System Annual Financial Report

This item was for consideration only by the Committee (see Committee Minutes).

2. U. T. System Board of Regents: Appointment of Mr. R. Steven Hicks and Mr. James P. Wilson to the Audit and Ethics Committee of the Board of Directors of The University of Texas Investment Management Company (UTIMCO)

Upon recommendation of The University of Texas Investment Management Company (UTIMCO) Board of Directors, the Board appointed Mr. R. Steven Hicks and Mr. James P. Wilson to the Audit and Ethics Committee of the UTIMCO Board of Directors.

Section 66.08 of the *Texas Government Code* requires that The University of Texas System Board of Regents approve the appointment of members of the Audit and Ethics Committee of the UTIMCO Board of Directors.

The UTIMCO Board of Directors recommended this appointment on April 14, 2011, conditioned on the approval of The University of Texas System Board of Regents. Mr. Hicks, Vice Chairman of the U. T. System Board of Regents, and Mr. Wilson, a member of The Texas A&M University System Board of Regents, were appointed to the UTIMCO Board of Directors by the U. T. System Board of Regents on February 17, 2011, and March 18, 2011, respectively.

The other members of the UTIMCO Audit and Ethics Committee include Regent Printice L. Gary and Director Charles W. Tate.

3. U. T. System: Report on the Systemwide internal audit activities, including the status of the State Auditor's Office issued audit reports

This item was for consideration only by the Committee (see Committee Minutes).

4. U. T. System: Presentation on the U. T. Systemwide Endowment Compliance Program

This item was for consideration only by the Committee (see Committee Minutes).

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 37 - 48).--Committee Chairman Foster reported that the Finance and Planning 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 Finance and Planning Committee and approved in open session by the U. T. System Board of Regents.

1. U. T. System: Approval of Docket No. 146

The Board approved *Docket No. 146*, which is attached following Page 85 in the official copy of the *Minutes*. The Docket is made a part of the record of this meeting.

It was 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.

It was noted that

- a. the agreement of cooperation between The University of Texas Health Science Center at Houston and the Kuwait Institute for Medical Specialization on Page Docket - 32 had been withdrawn at the request of the institution; and
- b. included on Page Docket - 39 is the agreement with John Mendelsohn, M.D., as Co-Director of the Institute for Personalized Cancer Therapy at The University of Texas M. D. Anderson Cancer Center. Dr. Mendelsohn's appointment as President of U. T. M. D. Anderson Cancer Center will end on August 31, 2011. Advance notice of this agreement had been provided to the Legislative Budget Board.

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

This item was for consideration only by the Committee (see Committee Minutes).

3. U. T. System: Approval of \$6 million of Available University Funds for a Shared Services Initiative to create and implement a shared services business office at U. T. System Administration to provide selected centralized services to U. T. System Administration, U. T. Brownsville, U. T. Permian Basin, and U. T. Tyler

The Board approved \$6 million of Available University Funds (AUF) for the Shared Services Initiative projects as follows:

- a. the creation and implementation of a shared services business office at The University of Texas System Administration that will provide selected centralized services, such as PeopleSoft implementation, to U. T. System Administration, The University of Texas at Brownsville, The University of Texas of the Permian Basin, and The University of Texas at Tyler (\$2 million); and
- b. operational support for the shared services business office for Fiscal Year 2013 through Fiscal Year 2016 (\$4 million).

"Shared services" is the name given to a specific model for consolidating redundant information technology and business services in large organizations with multiple, geographically distributed units. It is a proven organizational strategy for achieving

1. cost savings realized through economies of scale;
2. process improvements attained through standardization; and
3. universal application of institutionally preferred practices.

The formalization of a Shared Services Initiative with clear definition and objectives, utilization of best practices, and direct U. T. System investment was approved by the Board of Regents on October 4, 2006. This additional Shared Services Initiative project is consistent with the Board's intent and with the U. T. System Strategic Plan for 2006-2015. The Plan noted that shared services was a logical way to improve productivity and efficiency.

4. U. T. System: Approval of the Fiscal Year 2012 Budget Preparation Policies and Calendar

The Board approved the Budget Preparation Policies and Calendar for use in preparing the Fiscal Year 2012 Operating Budget for The University of Texas System as forth on the following pages.

U. T. System Fiscal Year 2012 Budget Preparation Policies

1. General Guidelines - The regulations and directives that will be included in the General Appropriations Act to be enacted by the 82nd Texas Legislature serve as the basis for these guidelines and policies. In preparing the draft of the FY 2012 Operating Budget, the president of each institution should adhere to guidelines and policies as detailed below and as included in the General Appropriations Act. The Chancellor will issue detailed instructions regarding the implementation of those regulations and directives into the institutional budget process.

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

Overall budget totals, including retaining reasonable reserves for potential future financial shortfall, must be limited to the funds available for the year from General Revenue Appropriations, Estimates of Educational and General Income, and limited use of institutional unappropriated balances.

2. Maintenance of Operating Margin and Use of Prior Year Balances - Institutions should make all reasonable efforts to maintain a favorable operating margin within the FY 2012 Operating Budget. Use of prior year balances should be limited to critical items, unique opportunities, or projects funded from prior year income committed for that purpose. Generally, balance usage should be reserved for nonrecurring activities. For FY 2012, no balance usage can be recommended to the U. T. System Board of Regents for approval without the consent of the Chancellor, the appropriate Executive Vice Chancellor, and the Associate Vice Chancellor - Controller and Chief Budget Officer.
3. Salary Guidelines - Recommendations regarding salary policy are subject to the following directives:
 - A. Salaries Proportional by Fund - Unless otherwise restricted, payment for salaries, wages, and benefits paid from appropriated funds, including local funds and educational and general funds as defined in *Texas Education Code* Section 51.009 (a) and (c), shall be proportional to the source of funds.

- B. Merit Increases and Promotions - Subject to available resources and resolution of any major salary inequities, institutions should give priority to implementing merit salary increases for faculty and staff.

Merit increases or advances in rank for faculty are to be on the basis of teaching effectiveness, research, and public service.

Merit increases or promotions for administrative and professional staff and classified staff are to be based on evaluation of performance in areas appropriate to work assignments.

To be eligible for a merit increase on September 1, 2011, administrative and professional staff and classified staff must have been employed by the institution for at least six consecutive months ending August 31, 2011, and at least six months must have elapsed since the employee's last merit salary increase.

- C. Other Increases - Equity adjustments, competitive offers, and increases to accomplish contractual commitments should also consider merit where appropriate, subject to available resources. Subject to guidance issued by the Chancellor, such increases should be noted and explained in the supplemental data accompanying the budget.
- D. New Positions - Subject to available resources, new administrative and professional staff, classified staff, and faculty positions are to be requested only when justified by workloads or to meet needs for developing new programs.
- E. Reporting - The Chancellor will issue guidance on reporting of salary changes and amounts. It is expected that required reports will encompass high-ranking staff covered by Regents' *Rules and Regulations*, Rules 20203 and 20204 along with those staff receiving significant changes in compensation.
- F. Staffing Changes - Planned furloughs, reductions in force, and other significant activities impacting staffing and compensation should be reflected in the operating budget. Such activities may be pending legislative authorization and require the advance approval of the Chancellor and the appropriate Executive Vice Chancellor.

4. Staff Benefits Guidelines - Recommendations regarding the State contribution for employee staff benefits such as group insurance

premiums, teacher retirement, and optional retirement are subject to legislative determination via the General Appropriations Act. The Chancellor will issue instructions regarding the implementation of the benefits into the budget process.

5. Other Employee Benefits - Employer contributions to the self-insured Unemployment Compensation Fund are based on an actuarial study. Workers' Compensation Insurance rates are experience-rated for each institution. Appropriate instructions will be issued regarding the implementation of Unemployment Compensation Fund and Workers' Compensation Insurance Benefits.
6. Other Operating Expenses Guidelines - Increases in Maintenance, Operation, Equipment, and Travel are to be justified by expanded workloads, for developing new programs, or for correcting past deferrals or deficiencies.
7. Calendar - In the event of unforeseen circumstances, authority is delegated to the Chancellor to modify the Operating Budget Calendar.

The U. T. System FY 2012 Budget Preparation Policies will be consistent with the regulations and directives included in the General Appropriations Act and other general law to be enacted by the 82nd Texas Legislature. As written, this policy provides general direction to the U. T. System institutions and may be modified as necessary to conform to the legislation, as finally passed.



**THE UNIVERSITY OF TEXAS SYSTEM
FY 2012 OPERATING BUDGET CALENDAR**

May 12, 2011	Board of Regents approves budget policies
June 1 – 10, 2011	Major goals, priorities, and resource allocation hearings with U. T. System
June 29, 2011	Draft budget documents due to U. T. System
June 29, 2011	High-ranking staff covered by Regents' Rules 20203 and 20204 and Top Ten salary reports due to U. T. System
July 5 – 7, 2011	Technical budget review with U. T. System
July 13 - 14, 2011	U. T. System Board of Regents' Special Compensation Committee to review Presidents and Executive Officers compensation
July 18, 2011	Final budget documents due to U. T. System
August 15, 2011	Salary change report due to U. T. System
August 25, 2011	U. T. System Board of Regents takes appropriate action on Operating Budget and Presidents and Executive Officers compensation

5. U. T. System: Update regarding centralized investment of operating funds

This item was for consideration only by the Committee (see Committee Minutes).

6. U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended February 28, 2011

The February 28, 2011 UTIMCO Performance Summary Report is attached on Page 44.

The Investment Reports for the quarter ended February 28, 2011, are set forth on Pages 45 - 48.

Item I on Page 45 reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the quarter was 6.48% versus its composite benchmark return of 6.52%. The PUF's net asset value increased during the quarter to \$12,339 million. The increase was due to \$98 million from PUF Land receipts, net investment return of \$748 million, less the quarterly distribution to the Available University Fund (AUF) of \$127 million.

Item II on Page 46 reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the quarter was 6.52% versus its composite benchmark return of 6.52%. The GEF's net asset value increased by \$478 million during the quarter to \$6,977 million.

Item III on Page 47 reports activity for the Intermediate Term Fund (ITF). The ITF's net investment return for the quarter was 5.12% versus its composite benchmark return of 5.14%. The net asset value increased during the quarter to \$4,710 million due to net investment return of \$228 million, net contributions of \$105 million, less distributions of \$34 million.

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

Item IV on Page 48 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 money market fund, increased by \$60 million to \$2,517 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$24 million versus \$24 million at the beginning of the period; equities: \$54 million versus \$49 million at the beginning of the period; and other investments: \$5 million versus \$5 million at the beginning of the period.

UTIMCO Performance Summary

February 28, 2011

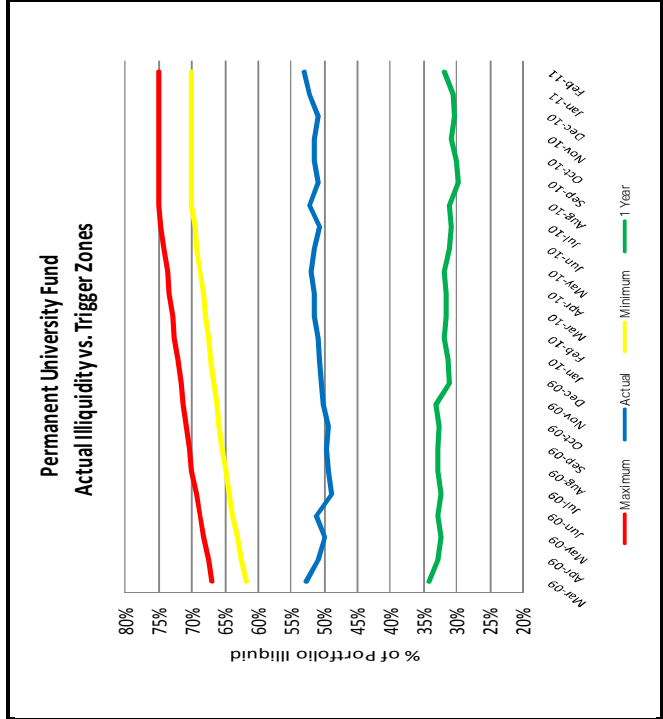
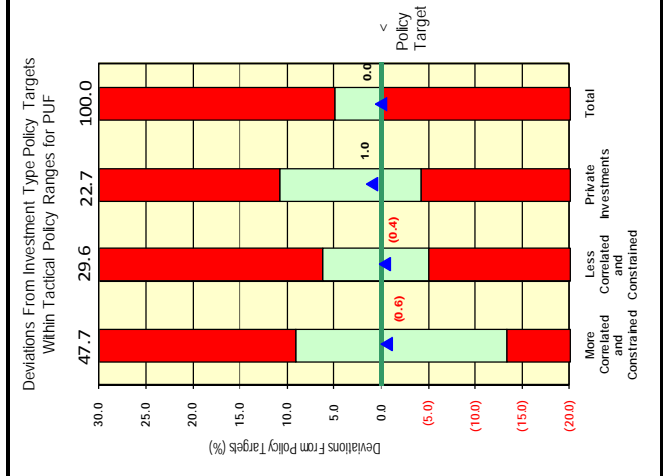
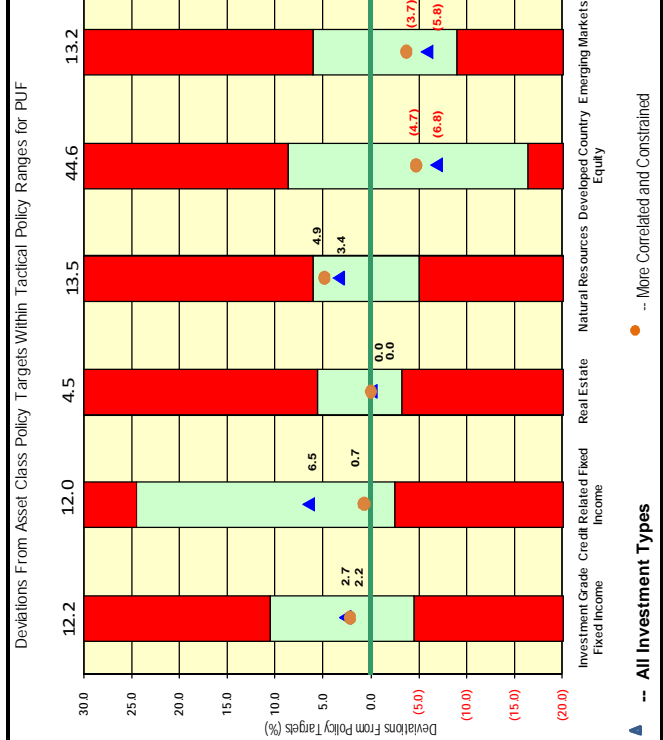
	Net Asset Value 2/28/2011 (in Millions)	Periods Ended February 28, 2011 (Returns for Periods Longer Than One Year are Annualized)																		
		Short Term		Year to Date		Historic Returns			Historic Returns											
		1 Mo	3 Mos	Fiscal	Calendar	1 Yr	3 Yrs	5 Yrs	10 Yrs											
ENDOWMENT FUNDS																				
Permanent University Fund	\$ 12,339	2.64%	6.48%	13.70%	3.00%	17.30%	2.02%	5.39%	6.68%											
General Endowment Fund		2.64	6.52	13.76	3.01	17.35	1.96	5.49	6.91											
Permanent Health Fund	1,006	2.64	6.51	13.73	3.03	17.24	1.88	5.42	6.81											
Long Term Fund	5,971	2.64	6.51	13.73	3.03	17.25	1.88	5.42	6.83											
Separately Invested Funds	225	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A											
Total Endowment Funds	19,541																			
OPERATING FUNDS																				
Short Term Fund	2,374	0.02	0.06	0.13	0.04	0.25	1.01	2.68	2.49											
Intermediate Term Fund	4,710	1.54	5.12	10.97	1.77	14.75	3.15	5.43	N/A											
Total Operating Funds	7,084																			
Total Investments	\$ 26,625																			
VALUE ADDED (Percent)																				
Permanent University Fund		1.14%	-0.04%	0.85%	0.84%	2.01%	2.94%	2.32%	2.20%											
General Endowment Fund		1.14	-	0.91	0.85	2.06	2.88	2.42	2.42											
Short Term Fund		-	0.02	0.06	0.02	0.11	0.43	0.38	0.21											
Intermediate Term Fund		0.38	-0.02	0.93	0.30	2.97	2.59	2.47	N/A											
VALUE ADDED (\$ IN MILLIONS)																				
Permanent University Fund		\$ 137	\$ (4)	\$ 95	\$ 101	\$ 213	\$ 1,046	\$ 1,316	\$ 2,473											
General Endowment Fund		79	0	56	58	122	577	770	1,450											
Intermediate Term Fund		18	(1)	39	14	120	334	496	N/A											
Total Value Added		\$ 234	\$ (5)	\$ 190	\$ 173	\$ 455	\$ 1,957	\$ 2,582	\$ 3,923											

I. PERMANENT UNIVERSITY FUND Investment Reports for Periods Ended February 28, 2011

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
	Fiscal Year Ended August 31, 2010	Quarter Ended February 28, 2011	Fiscal Year to Date February 28, 2011
Beginning Net Assets (\$ millions)	\$ 9,674	\$ 11,620	\$ 10,725
PUF Lands Receipts	338	98	392
Investment Return (Net of Expenses)	1,229	748	1,475
Distributions to AUF	(516)	(127)	(253)
Ending Net Assets	\$ 10,725	\$ 12,339	\$ 12,339

	Fiscal Year to Date		
	Returns	Value Added	Total
	Portfolio	Policy Benchmark	From Asset Allocation
More Correlated and Constrained:			
Investment Grade	1.18%	1.77%	-0.49%
Credit-Related	16.56%	9.74%	0.03%
Real Estate	19.83%	20.26%	-0.02%
Natural Resources	28.11%	34.45%	-0.33%
Developed Country	26.01%	26.06%	-0.71%
Emerging Markets	14.12%	14.95%	-0.09%
Total More Correlated and Constrained	17.14%	19.80%	-0.75%
Less Correlated and Constrained	9.57%	6.85%	0.11%
Private Investments	11.96%	5.94%	-0.27%
Total	13.70%	12.85%	-0.91%
			1.76%
			0.88%
			1.27%
			0.85%



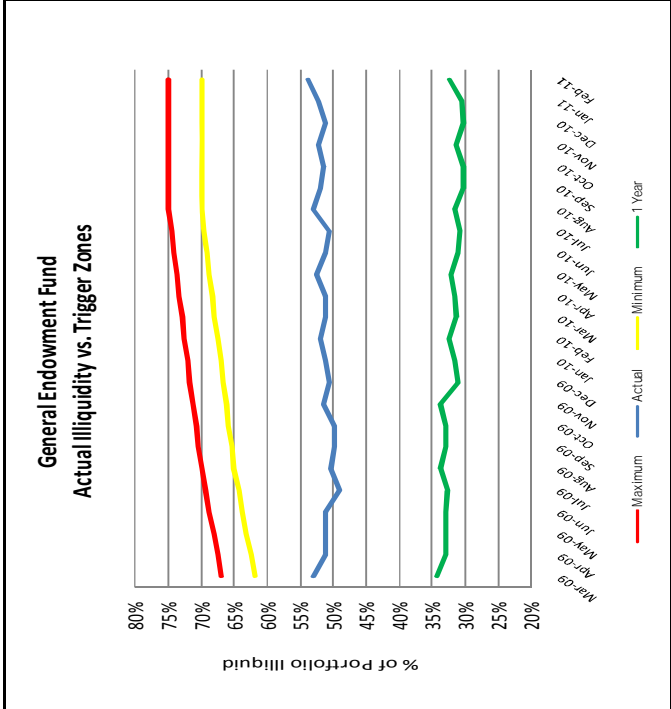
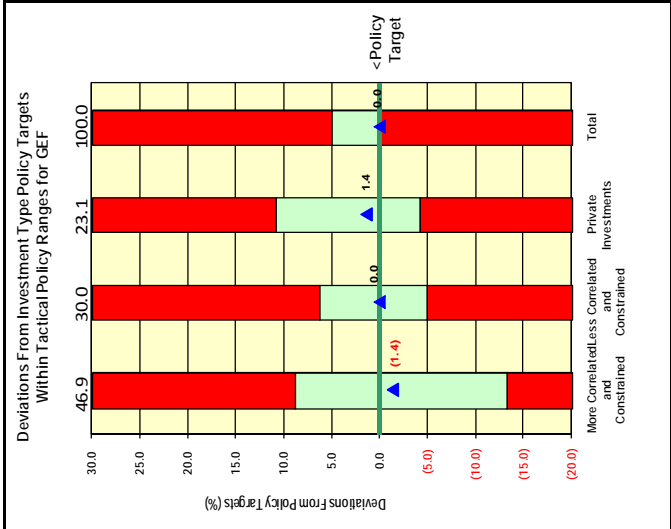
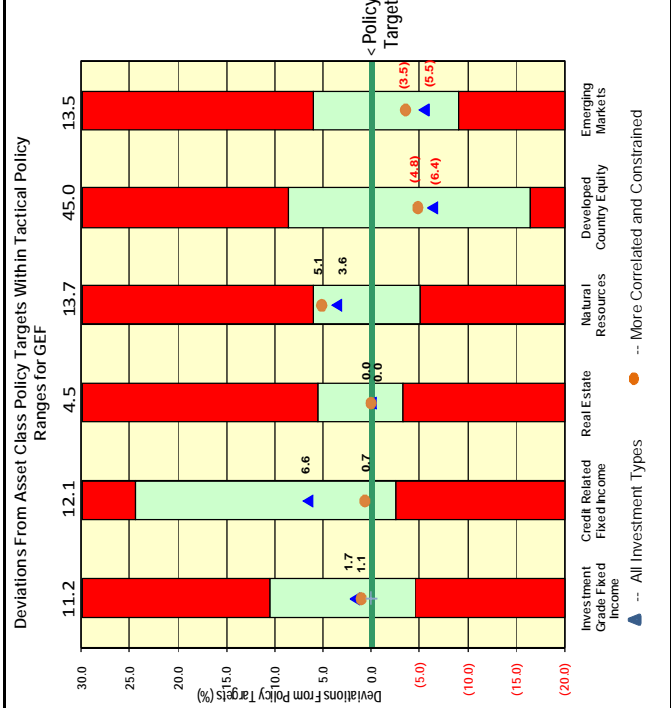
II. GENERAL ENDOWMENT FUND

Investment Reports for Periods Ended February 28, 2011

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended	Quarter Ended	Fiscal Year to Date
	August 31, 2010	February 28, 2011	February 28, 2011
Beginning Net Assets	\$ 5,359	\$ 6,499	\$ 6,035
Contributions	285	127	256
Withdrawals	(11)	(1)	(6)
Distributions	(298)	(81)	(161)
Investment Return (Net of Expenses)	700	433	853
Ending Net Assets	\$ 6,035	\$ 6,977	\$ 6,977

	Fiscal Year to Date		
	Returns		Value Added
	Portfolio	Policy Benchmark	From Asset Allocation From Security Selection
More Correlated and Constrained:			
Investment Grade	1.79%	1.77%	-0.49%
Credit-Related	16.61%	9.74%	0.03%
Real Estate	19.80%	20.26%	-0.03%
Natural Resources	28.09%	34.45%	0.51%
Developed Country	26.23%	26.06%	-0.75%
Emerging Markets	14.16%	14.95%	-0.10%
Total More Correlated and Constrained	17.26%	19.80%	-0.83%
Less Correlated and Constrained			
Private Investments	11.97%	5.94%	-0.26%
Total	13.76%	12.85%	-0.97%
			1.88%
			0.92%
			1.28%
			0.91%



III. INTERMEDIATE TERM FUND

Investment Reports for Periods Ended February 28, 2011

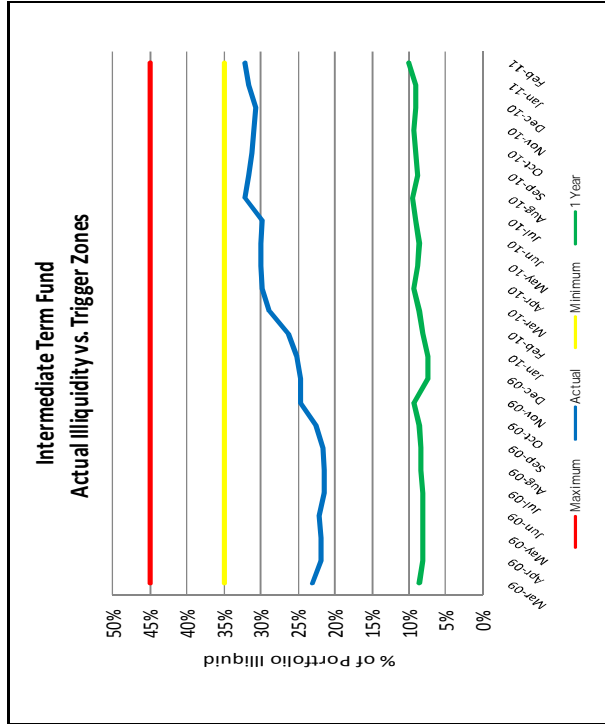
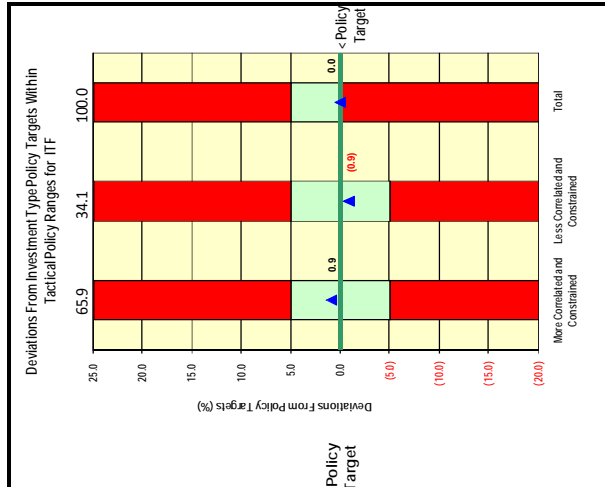
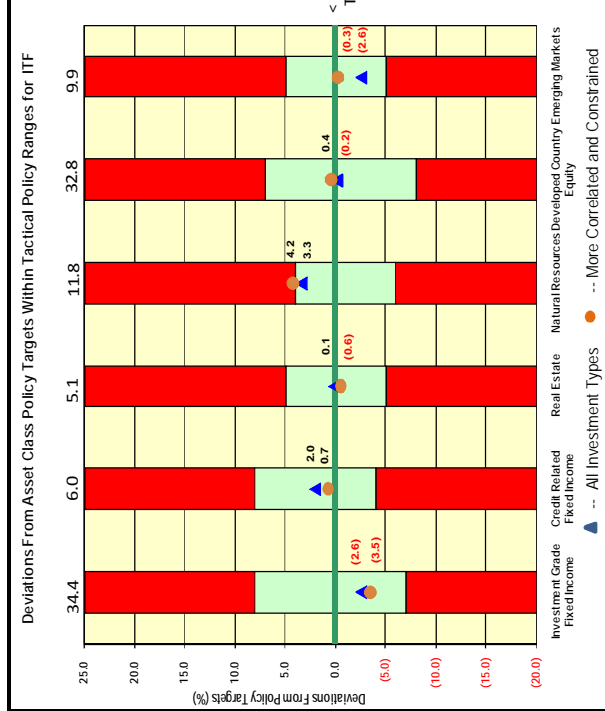
Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended August 31, 2010	Quarter Ended February 28, 2011	Fiscal Year to Date February 28, 2011
	Beginning Net Assets	\$ 3,572	\$ 4,411
Contributions	409	121	200
Withdrawals	(112)	(16)	(39)
Distributions	(119)	(34)	(67)
Investment Return (Net of Expenses)	406	228	460
Ending Net Assets	\$ 4,156	\$ 4,710	\$ 4,710

	Fiscal Year to Date			
	Returns	Value Added		
	Portfolio	From Asset Allocation	From Security Selection	Total
	2.05%	0.14%	0.11%	0.25%
Investment Grade	19.45%	0.07%	0.00%	0.07%
Credit-Related	19.60%	-0.04%	-0.04%	-0.08%
Real Estate	26.89%	0.35%	-0.47%	-0.12%
Natural Resources	25.04%	0.04%	-0.09%	-0.05%
Developed Country	14.03%	-0.01%	-0.08%	-0.09%
Emerging Markets	11.69%	0.55%	-0.57%	-0.02%
Total More Correlated and Constrained				
	9.60%	0.08%	0.87%	0.95%
Less Correlated and Constrained				
	0.00%	0.00%	0.00%	0.00%
Private Investments				
	10.97%	0.63%	0.30%	0.93%
Total				
	10.97%	0.63%	0.30%	0.93%

More Correlated and Constrained:

	Policy Benchmark
Investment Grade	1.77%
Credit-Related	9.74%
Real Estate	20.26%
Natural Resources	34.45%
Developed Country	26.06%
Emerging Markets	14.95%
Total More Correlated and Constrained	11.75%
Less Correlated and Constrained	6.65%
Private Investments	0.00%
Total	10.04%



IV. SEPARATELY INVESTED ASSETS
Summary Investment Report at February 28, 2011
 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 (SHORT TERM FUND)		TOTAL
BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET
Cash & Equivalents:															
Beginning value 11/30/10	-	1,930	1,930	37,706	37,706	1,244	1,244	183,364	183,364	224,244	224,244	2,232,622	2,232,622	2,456,866	2,456,866
Increase/(Decrease)	-	1,045	1,045	(935)	(935)	1,334	1,334	(83,255)	(83,255)	(81,811)	(81,811)	141,786	141,786	59,975	59,975
Ending value 02/28/11	-	2,975	2,975	36,771	36,771	2,578	2,578	100,109	100,109	142,433	142,433	2,374,408	2,374,408	2,516,841	2,516,841
Debt Securities:															
Beginning value 11/30/10	-	151	151	10,897	11,923	11,351	12,221	-	-	22,399	24,295	-	-	22,399	24,295
Increase/(Decrease)	-	(50)	(50)	283	(17)	(96)	(648)	-	-	137	(715)	-	-	137	(715)
Ending value 02/28/11	-	101	101	11,180	11,906	11,255	11,573	-	-	22,536	23,580	-	-	22,536	23,580
Equity Securities:															
Beginning value 11/30/10	147	3,158	3,04	273	31,533	14,201	13,687	-	-	44,557	48,651	-	-	44,557	48,651
Increase/(Decrease)	-	1,047	573	575	240	2,801	828	-	-	550	5,251	-	-	550	5,251
Ending value 02/28/11	147	4,205	877	848	30,145	13,938	14,515	-	-	45,107	53,902	-	-	45,107	53,902
Other:															
Beginning value 11/30/10	-	-	3,554	-	-	386	137	1,100	1,100	5,040	4,791	-	-	5,040	4,791
Increase/(Decrease)	-	-	(3,565)	11	11	16	2	3,453	3,453	(85)	(99)	-	-	(85)	(99)
Ending value 02/28/11	-	-	(11)	(11)	11	402	139	4,553	4,553	4,955	4,692	-	-	4,955	4,692
Total Assets:															
Beginning value 11/30/10	147	3,158	5,939	5,908	81,162	27,182	27,289	184,464	184,464	296,240	301,981	2,232,622	2,232,622	2,528,862	2,534,603
Increase/(Decrease)	-	1,047	(1,997)	(1,995)	(401)	1,860	991	1,516	(79,802)	(81,209)	(77,374)	141,786	141,786	60,577	64,412
Ending value 02/28/11	147	4,205	3,942	3,913	78,107	83,022	28,805	104,662	104,662	215,031	224,607	2,374,408	2,374,408	2,589,439	2,599,015

Details of individual assets by account furnished upon request.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 49 - 56).--Committee Chairman Hicks 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. El Paso: Authorization to establish a Ph.D. degree in Ecology and Evolutionary Biology

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

- a. established a Ph.D. degree in Ecology and Evolutionary Biology (EEB) at The University of Texas at El Paso; and
- b. authorized the submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

During the Academic Affairs Committee meeting held earlier on May 12, 2011, Regent Cranberg had asked that future degree proposals include an improved financial analysis and a job market analysis. He suggested the job market analysis be provided in a consistent and systematic fashion to current and prospective doctoral students. (See the Committee Minutes for more information.)

The EEB program will focus on the conservation and quality of limited water resources (surface and groundwater) through the study of regions (arid and semiarid), which will be the most globally prevalent issue by mid-century. U. T. El Paso is uniquely positioned to train highly competitive, skilled professionals who will be able to address emerging regional and national environmental resource challenges (e.g., water quality, drought, emerging diseases, habitat conservation) and contribute to the state's and nation's economic development and growth.

U. T. El Paso has extensive resources and strengths that will fulfill the program's mission, from proximate natural environments to long-standing centers and collaborators. The program resides in one of the world's most biologically diverse but understudied regions, the Chihuahuan Desert. U. T. El Paso's unique physical assets that support the EEB program include the University's 39,000-acre Indio Mountain Research Station in Hudspeth County, the Laboratory for Environmental Biology, and the National Aeronautics and Space Administration (NASA)-funded Regional Geospatial Service Center. Existing relationships with state (Texas Parks and Wildlife),

national (National Academies of Science), and other organizations will ensure state-of-the-art inquiry and future job opportunities for students across multiple sectors.

The EEB program will be housed in the Department of Biological Sciences, which has a proven track record of doctoral student success with its biomedical sciences program. The EEB degree program will be modeled on the biomedical sciences program and to maintain current operational efficiencies. Assets that will be leveraged include key faculty, support staff, research infrastructure components, and mentoring programs. In addition to the required coursework, students will be expected to conduct and publish original research and publicly defend a dissertation. The program is expected to add a total of 30 doctoral students to the Biological Sciences Department over the next five years.

Ten tenured/tenure-track faculty members will serve as the program's core faculty, and nine tenured/tenure-track biomedical faculty members will serve in a support role. All faculty who will participate in this program also teach organized undergraduate and graduate courses in Biological Sciences and such related interdisciplinary programs as environmental science and science teacher education. Two new tenure-track core faculty will be added to support projected enrollment growth in the third year of this program. This program will further enhance the capacity of faculty in the Biological Sciences to secure funding from national and international granting agencies and foundations.

Existing biodiversity facilities and resources will be available to both graduate and undergraduate students in Biological Sciences. The EEB program will also be supported by a new 140,000 square foot Bioscience Research Building (formerly Biosciences Facility) that was approved for inclusion in the Capital Improvement Program on November 8, 2001. The facility's cutting-edge core research laboratories provide outstanding opportunities for students to develop the skills and expertise critical to future workplace demands. In addition, NIH program funding has enabled continued successful recruitment and retention of top quality investigators for this program and others.

The design of the EEB program's fiscal components was based on 10 years of experience with the current Ph.D. program in the department (which had net revenue last year of over \$1 million), identification of efficiencies, and use of existing resources. The marginal revenue analysis to date reveals that the total average cost per student over five years is approximately \$36,929, and positive net revenue is achieved by year three, assuming enrollment targets are met. Sources of revenue include formula funding, external grant funding, reallocated funds, and differential student tuition.

In summary, the doctoral program in ecology and evolutionary biology at U. T. El Paso is designed to (1) address a critical area of continually growing professional workforce need and demand in Texas and the nation, (2) offer a unique focus not found in other doctoral programs in the state, building capacity to address such issues as the use, conservation, and quality of limited water resources (surface and groundwater) in semiarid and arid regions, (3) draw on the operational model of a successful doctoral program in the home department and leverage physical and personnel assets (highly competitive faculty, proven research funding track records, campus infra-structures, and strong partnerships), and (4) be cost-effective and expected to generate positive net revenue before the end of the first three years.

Future EEB scientists will focus on economically and environmentally important topics within the region and will be prepared to apply their knowledge and skills to such areas as sustainability, national security, and public health. Graduates will also have many career opportunities across academic, industrial, and public (government) sectors.

2. U. T. Arlington: Authorization to lease to the Young Women's Christian Association of Fort Worth and Tarrant County, a Texas nonprofit corporation, approximately 8,000 square feet of space in a building to be constructed by the institution on its campus at 403 South Davis Drive, Arlington, Tarrant County, Texas, for the operation of a daycare center; and finding of public purpose

On behalf of The University of Texas at Arlington, the Board

- a. authorized the lease to the Young Women's Christian Association of Fort Worth (YWCA) and Tarrant County, a Texas nonprofit corporation, of approximately 8,000 square feet of space in a building to be constructed by the institution on its campus at 403 South Davis Drive, Arlington, Tarrant County, Texas, for the operation of a daycare center;
- b. determined that the lease will serve a public purpose appropriate to the function of U. T. Arlington and that the consideration to The University of Texas System and U. T. Arlington is adequate; and
- c. authorized 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 carry out the purpose and intent of the foregoing actions.

The YWCA operates a daycare center on the campus of U. T. Arlington at 106 West Sixth Street in a building owned by the YWCA, but located on land

ground leased from the institution. This facility serves the children of students, faculty, and staff of U. T. Arlington as well as families living in close proximity to the campus.

The daycare facility is located more than 300 feet north of the Carrizo Oil and Gas Company's (Carrizo) natural gas drilling site on the institution's campus. This location complied with City of Arlington ordinance requirements when the drilling permits were issued to Carrizo. Many cities, including Arlington, have since amended their ordinances to provide for 600 feet of separation between natural gas wells and adjacent schools, churches, and neighborhoods. Relocating the YWCA daycare center will align more favorably with the City's amended ordinance and provide the institution with greater flexibility for the future use of this campus area.

Upon completion of the new building and termination of the existing ground lease, ownership of the existing building will be transferred to U. T. Arlington. The institution plans to use this building, with an appraised value of approximately \$404,400, for grounds maintenance operations for the east campus. The previous grounds maintenance building for the east campus was removed as a result of the College Park District development.

The new location for the YWCA daycare facility is 403 South Davis Drive. The new facility will be approximately 8,000 square feet on approximately one acre of land, and will be leased to the YWCA for a 25-year term. It will be built and owned by U. T. Arlington. The YWCA will pay \$100,000 as prepaid rent, which will be used to pay for part of the construction cost of the new building. In addition to the \$100,000 in prepaid rent, the YWCA will be obligated under the lease to continuously operate the daycare facility, giving priority to U. T. Arlington's students, faculty, and staff. In addition, the YWCA and U. T. Arlington will enter into an agreement to permit the institution to use the facility as a learning laboratory for students at U. T. Arlington.

The total project cost for the new building is estimated to be \$1,700,000. The construction cost will be apportioned between U. T. Arlington (\$480,000), Carrizo (\$1.12 million), and YWCA (\$100,000). U. T. Arlington will fund its portion of construction costs from Unexpended Plant Funds. As a "minor project," the new building will comply with Regents' *Rules and Regulations*, Rule 80403, regarding minor construction and repair and rehabilitation projects.

The Attorney General of the State of Texas has advised in Opinion No. MW-373 (1981) that, for the use of university facilities at a below market rental to comply with the Texas Constitution, three requirements must be met: (1) the use of the property must serve a public purpose, appropriate to the function of the university, (2) adequate consideration must be received by the university, and (3) the university must maintain controls over the user's activities to ensure that the public purpose is achieved.

U. T. Arlington has determined that the below market rental for the lease to the YWCA serves a public purpose appropriate to the function of U. T. Arlington. The priority granted to the institution's students, faculty, and staff for daycare services enhances the desirability of the institution as a place to study and work. Likewise, the agreement permitting U. T. Arlington to use the facility as a learning laboratory promotes the educational mission of the institution.

3. U. T. Brownsville: Authorization to purchase approximately 7.34 acres being Lot 1A, Block 2, University Park Unit 1 Replat, Brownsville, Cameron County, Texas, improved with a 103-unit apartment complex from TC-Met La Estancia, LLC, a Delaware limited liability company, for a purchase price not to exceed fair market value as established by independent appraisals for use as student housing for the institution, and resolution regarding parity debt (Deferred to Executive Session)

This item was deferred to the Executive Session portion of the Board meeting and was approved at that time. The item was revised to reflect GB Brownsville 1, LLC, as the seller. (See Item 5 on Page 4.)

4. U. T. El Paso: Authorization to sell the land and improvements located at 1100 North Stanton Street in El Paso, El Paso County, Texas, and known as the Stanton Medical Building, to the El Paso Community College District for a sales price of \$2,000,000 and to enter into a leaseback of a portion of the improvements on an interim basis and a memorandum of understanding with the District for the cooperative use of shared boiler and chiller facilities

On behalf of The University of Texas at El Paso, the Board authorized

- a. the sale of the land and improvements located at 1100 North Stanton Street in El Paso, El Paso County, Texas, and known as the Stanton Medical Building, to the El Paso Community College District for a sales price of \$2,000,000 and entering into a leaseback of a portion of the improvements on an interim basis;
- b. a memorandum of understanding (MOU) with the El Paso Community College District for the cooperative use of shared boiler and chiller facilities; and
- c. the Executive Director of Real Estate to execute the sale contract and all documents, instruments, or other agreements, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing actions.

On February 9, 1995, the Board of Regents authorized U. T. El Paso to purchase the Stanton Medical Building to provide both short-term and future space for U. T. El Paso nursing and health sciences programs at a fraction of the cost to construct new space on campus. Surplus space was to be leased for income to defray the cost of operating the building until the space was needed for university purposes.

The property was acquired by U. T. El Paso in April 1995 for \$1,250,000. When U. T. El Paso purchased the property, the space was needed for expansion of health sciences programs that were housed at the Campbell Building located across the street.

The current U. T. El Paso programs occupying the Stanton Medical Building are primarily health-related programs that will be relocating by January 2012 to either the College of Health Sciences/School of Nursing complex currently under construction on campus or to U. T. El Paso's Campbell Building. At that time, the original purpose of housing U. T. El Paso programs in the Stanton Medical Building will cease to exist. Moreover, the state of the real estate market is such that leasing to third-party tenants has become more difficult and less profitable due to a flat office rental market and lower demand for office space in the Stanton Medical Building.

El Paso Community College District and U. T. El Paso have a long-standing relationship. The District desires to purchase the property to expand El Paso Community College District's Rio Grande Campus, which primarily houses health sciences programs. U. T. El Paso anticipates that the expansion of the College District's health sciences programs, which are primarily two-year programs, will benefit U. T. El Paso's four-year health sciences programs by providing a larger pool of students continuing their education beyond two years.

The property is an eight-story office building constructed in 1971 and consists of approximately 79,813 square feet of office space and an associated surface parking lot and garage on approximately 67,600 square feet of land. The sale price is \$2,000,000, which is supported by appraisals, and will include a no-charge leaseback provision for the benefit of U. T. El Paso's programs currently occupying approximately 16,259 square feet in the Stanton Medical Building until February 29, 2012. The closing date of the sale will be no later than August 31, 2011.

The contract will include a provision requiring the execution of a mutually agreeable MOU between the parties for the shared use of the boiler and chiller facilities that serve the Stanton Medical Building and U. T. El Paso's Campbell Building located across the street at 1101 North Campbell Street. The chiller facility for cooling both buildings is located at the Campbell Building and the boiler facility for heating both buildings is located at the Stanton Medical Building. The MOU will set forth the terms of the shared

use of the facilities, the maintenance responsibilities for the facilities, the reimbursement for cost of services, and maintenance for each party for a term based on the estimated useful life of the facilities.

5. U. T. Permian Basin: Honorific naming of the building located at 4919 East University Boulevard, Odessa, Ector County, Texas, on the U. T. Permian Basin campus, and housing The Presidential Museum and the John Ben Shepperd Public Leadership Institute, as the Buddy and Shirley West Building

The Board approved the honorific naming of the building located at 4919 East University Boulevard, Odessa, Ector County, Texas, which houses The Presidential Museum and the John Ben Shepperd Public Leadership Institute at The University of Texas of the Permian Basin, as the Buddy and Shirley West Building. This naming recognizes former State Representative from District 81 and U. T. Permian Basin Alumnus George E. "Buddy" West and his wife, Shirley, for their service to the citizens of District 81 and to U. T. Permian Basin.

Construction of the 13,334 square foot building was approved by the Board of Regents on August 12, 1999, and was completed in 2001. Pursuant to approval granted by the Board of Regents on August 10, 2000, the building is currently leased to and operated by The Presidential Museum, a Texas nonprofit corporation, and houses The Presidential Museum and the John Ben Shepperd Public Leadership Institute.

The Honorable George E. "Buddy" West served 16 years in the Texas Legislature representing District 81, which now encompasses Ector, Andrews, and Winkler counties. He completed his Bachelors of Business Administration in Management at U. T. Permian Basin in 1975 and was honored in 1998 as a Distinguished Alumnus of the University. He sponsored the legislation to fund the building that now bears his name. Mr. and Mrs. West were married for 52 years. Mr. West died in 2008, and Mrs. West continues to reside in Odessa and is an ardent supporter of U. T. Permian Basin.

6. U. T. Tyler: Approval of honorific naming of the Administration Building for the first President of U. T. Tyler as the James H. Stewart, Jr. Administration Building

A revised agenda item had been sent to members of the Board in advance of the meeting and was before the Board on yellow paper.

The Board approved the honorific naming of the Administration Building at The University of Texas at Tyler as the James H. Stewart, Jr. Administration Building to recognize the significant contributions of the first President of The University of Texas at Tyler.

The University of Texas at Tyler was created in 1971 by the Texas Legislature as Tyler State College, a two-year, upper-level institution of higher education, and Dr. James H. Stewart, Jr., was appointed the first President in 1972.

Four years later, the institution's name was changed to Texas Eastern University, and effective September 1, 1979, it became an institution of The University of Texas System. Among Dr. Stewart's achievements are development of the only fully accredited institution of higher learning at the time in the 14-county East Texas region, construction of a functional and aesthetically desirable campus and physical plant, and securing of the first legislative budget appropriation. At the time of his retirement in 1981, enrollment had increased from 176 students in Spring 1973 to approximately 1,900 in Spring 1981.

In 2005, Dr. Stewart was named President Emeritus of U. T. Tyler. He currently lives in the Dallas area.

Built in 1976, the Administration Building contains 48,191 square feet and houses administrative offices and conference rooms, including the Office of the President, the Admissions Office, the Registrar's Office, the Office of Sponsored Research, and the Office of Academic Affairs. Located on the main campus of U. T. Tyler at 3900 University Boulevard, it was among the first five buildings constructed on the current campus site from State appropriations totaling \$9 million for the five buildings.

7. U. T. System: Discussion on academic leadership matters related to challenges in educating underserved populations

This item was for consideration only by the Committee (see Committee Minutes).

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 57 - 60).--Committee Chairman Stillwell 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. Unless otherwise indicated, 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: Discussion featuring research opportunities, accomplishments, and challenges at U. T. Health Science Center - San Antonio

This item was for consideration only by the Committee (see Committee Minutes).

2. U. T. M. D. Anderson Cancer Center: Authorization to purchase Lot 2, Block 23, and adjacent streets and alleys, Institute Place Subdivision, Houston, Harris County, Texas, from Ollie W. Kelly and Brenda B. Kelly and any successors and assigns or other persons who may be determined to hold all or part of an interest in such land for a purchase price not to exceed fair market value as established by independent appraisals for future use for campus administrative and support functions

On behalf of The University of Texas M. D. Anderson Cancer Center, the Board authorized

- a. the purchase of Lot 2, Block 23, and adjacent streets and alleys, Institute Place Subdivision, Houston, Harris County, Texas, from Ollie W. Kelly and Brenda B. Kelly and any successors and assigns or other persons who may be determined to hold all or part of the interest in such land for a purchase price not to exceed fair market value as established by independent appraisals, 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 Director of Real Estate, for future use for campus administrative and support functions; and
- b. 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 carry out the purpose and intent of the foregoing action.

Acquisition of the subject property is part of the land assemblage in the east campus area being undertaken by U. T. M. D. Anderson Cancer Center to accommodate the relocation of important, but noncritical, functions that will allow greater use of core facilities in the Texas Medical Center for patient treatment and research.

Land acquisitions to accomplish that relocation goal commenced on February 8, 2007, when the Board of Regents approved the acquisition of approximately 28.8 acres and another site with approximately 2.3 acres fronting on Almeda Drive, which became the core of the east campus and the site for relocation of many administrative and support activities currently housed on the main and south campuses. Other acquisitions to expand the east campus were approved by the Board on November 9, 2007, July 24, 2008, August 14, 2008, and February 12, 2009; these acquisitions total approximately five additional acres.

The acquisition of approximately 0.3 of an acre of unimproved land and a related acquisition for Lot 7, Block 11, Institute Place Subdivision, which was also approved (Item 3 below), will allow the institution to eliminate certain roads and alleys north of the proposed Pawnee/Hepburn Street relocation and generally facilitate development of the east campus.

This acquisition will be funded with Local Hospital Margins.

3. U. T. M. D. Anderson Cancer Center: Authorization to purchase Lot 7, Block 11, and adjacent streets and alleys, Institute Place Subdivision, Houston, Harris County, Texas, from Janice M. Smith and any successors and assigns or other persons who may be determined to hold all or part of an interest in such land for a purchase price not to exceed fair market value as established by independent appraisals for future use for campus administrative and support functions

On behalf of The University of Texas M. D. Anderson Cancer Center, approval was granted to

- a. purchase Lot 7, Block 11, and adjacent streets and alleys, Institute Place Subdivision, Houston, Harris County, Texas, from Janice M. Smith and any successors and assigns or other persons who may be determined to hold all or part of the interest in such land for a purchase price not to exceed fair market value as established by independent appraisals, 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 Director of Real Estate, for future use for campus administrative and support functions; and
- b. authorize 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 carry out the purpose and intent of the foregoing action.

Acquisition of the subject property is part of the land assemblage in the east campus area being undertaken by U. T. M. D. Anderson Cancer Center to accommodate the relocation of important, but noncritical, functions that will allow greater use of core facilities in the Texas Medical Center for patient treatment and research.

Land acquisitions to accomplish that relocation goal commenced on February 7, 2007, when the Board of Regents approved the acquisition of approximately 28.8 acres and another site with approximately 2.3 acres fronting on Almeda Drive, which became the core of the east campus and the site for relocation of many administrative and support activities currently housed on the main and south campuses. Other acquisitions to expand the east campus were approved by the Board on November 9, 2007, July 24, 2008, August 14, 2008, and February 12, 2009; these acquisitions total approximately five additional acres.

The acquisition of approximately 0.4 of an acre of unimproved land and a related acquisition for Lot 2, Block 23, Institute Place Subdivision, which was also approved (Item 2 on Page 57), will allow the institution to eliminate certain roads and alleys north of the proposed Pawnee/Hepburn Street relocation and generally facilitate development of the east campus.

This acquisition will be funded with Local Hospital Margins.

4. U. T. Medical Branch - Galveston: Report on the Hurricane Ike Recovery Projects - Academic and Business Buildings, Healthcare Buildings, Infrastructure, and Research Buildings

This item was for consideration only by the Committee (see Committee Minutes). (See also Item 11 of the Facilities Planning and Construction Committee on Page 76.)

5. U. T. Health Science Center - San Antonio: Approval to establish a Doctor of Medical Physics degree program and to submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action

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

- a. establish a Doctor of Medical Physics (DMP) degree program at The University of Texas Health Science Center at San Antonio; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

This program will be offered through the School of Medicine, Department of Radiology. The institution has offered an M.S. degree in Medical Physics and a Ph.D. in Radiological Sciences since 1989. The DMP program will upgrade the current M.S. program in Medical Physics, adding two years of standardized clinical training, while allowing students in the existing Ph.D. program in Radiological Sciences to focus on achieving the skills and knowledge required to establish their careers as research scientists. The intent of the program is to enhance and standardize clinical training for medical physicists in a manner that cannot be carried out in the current Ph.D. program in Radiological Sciences.

The new program enrollment will initially be around 15 students who will be from those currently enrolled in the M.S. program.

The primary objective of this education program is to train each student to become a Qualified Medical Physicist, i.e., a professional who is able to assure the safe and effective delivery of radiation to achieve a diagnostic or therapeutic result as prescribed in patient care. Each student will be educated in one of the two broad subspecialties, Diagnostic Imaging Physics or Radiation Therapy Physics. However, the curriculum is constructed with the understanding that these two subspecialties overlap in important areas. Through course work, students will become well-grounded in topics common to all medical physics subspecialties, including the physics of basic interactions, which is essential to radiation oncology physics, diagnostic imaging physics, nuclear medicine physics, and health physics.

The overall goal of the program is to provide the student with didactic clinical training and experiences that will eventually lead to certification and licensure as a professional medical physicist.

Administrative resources within the School of Medicine, which are currently devoted to administering the Graduate Program in Radiological Sciences, will be made available to administer the DMP program. This will be possible since the Graduate Program in Radiological Sciences is currently undergoing a planned downsizing, with the specific intent to accommodate the administrative requirements of the DMP program using the resources that are currently being applied to the training of medical physicists in other degree programs within the School of Medicine. Formula funding rates are assumed to be approximately what is currently being used for Ph.D. students. Any new costs associated with administrative responsibilities will be taken on by the School of Medicine. The source of funds will be a combination of formula funds and a reallocation of existing institutional resources.

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 61 - 82).--Committee Chairman Gary 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. Permian Basin: Report on Falcon's Nest Addition, Buildings 7-12

This item was for consideration only by the Committee (see Committee Minutes).

2. U. T. Austin: FY 11 Fire Life Safety and ITS Renovations – Amendment of the FY 2011-2016 Capital Improvement Program to include project; approval of total project cost; approval of transfer of funds from FY 09 High Priority Fire and Life Safety, FY 10 High Priority Fire and Life Safety Corrections - Phase 2, FY 11 High Priority Fire and Life Safety Corrections - Phase 3, FY 11 LERR - Geography Building Fire and Life Safety and Homer Rainey Hall Fire and Life Safety projects; approval of reduction of total project costs for FY 09 High Priority Fire and Life Safety, FY 10 High Priority Fire and Life Safety Corrections - Phase 2, FY 11 High Priority Fire and Life Safety Corrections - Phase 3, FY 11 LERR Geography Building Fire and Life Safety and Homer Rainey Hall Fire and Life Safety projects; and appropriation of funds (Final Board approval)

The Board amended the Fiscal Year 2011-2016 Capital Improvement Program (CIP) to include the FY 11 Fire Life Safety and ITS Renovations project at The University of Texas at Austin as set forth below:

FY 11 Fire Life Safety & Information Technology Services (ITS) Renovations

Project No.: 102-628
 Project Delivery Method: Design/Build
 Substantial Completion Date: January 2014

Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Permanent University Fund Bond Proceeds	\$3,300,000	\$ 8,753,428
	Available University Fund		\$ 3,000,000
	Designated Funds		\$ 246,572
			<u>\$12,000,000</u>

FY 09 High Priority Fire and Life Safety

Project No.: 102-453
 Institutionally Managed: Yes No

Project Delivery Method: Competitive Sealed Proposals
 Substantial Completion Date: August 2011
 Total Project Cost: Source Former Current
 Permanent University Fund Bond Proceeds \$3,280,000 \$2,606,373

FY 10 High Priority Fire and Life Safety Corrections – Phase 2

Project No.: 102-499
 Institutionally Managed: Yes No
 Project Delivery Method: Competitive Sealed Proposals
 Substantial Completion Date: August 2012
 Total Project Cost: Source Former Current
 Permanent University Fund Bond Proceeds \$4,800,000 \$3,000,000

FY 11 High Priority Fire and Life Safety Corrections – Phase 3

Project No.: 102-582
 Institutionally Managed: Yes No
 Project Delivery Method: Competitive Sealed Proposals
 Substantial Completion Date: August 2013
 Total Project Cost: Source Former Current
 Permanent University Fund Bond Proceeds \$4,700,000 \$2,425,199

FY 11 Library, Equipment, Repair and Rehabilitation (LERR) – Geography Building Fire and Life Safety and Homer Rainey Hall Fire and Life Safety

Project No.: 102-593
 Institutionally Managed: Yes No
 Project Delivery Method: Competitive Sealed Proposals
 Total Project Cost: Source Former Current
 Permanent University Fund Bond Proceeds \$705,000 \$0

- a. approve a total project cost of \$12,000,000 with funding of \$8,753,428 from Permanent University Fund (PUF) Bond Proceeds, \$3,000,000 from Available University Funds, and \$246,572 from Designated Funds;

- b. FY 09 High Priority Fire and Life Safety project
 - approve the transfer of funding of \$673,627 from PUF Bond Proceeds from the FY 09 High Priority Fire and Life Safety project;
 - reduce the total project cost for the FY 09 High Priority Fire and Life Safety project from \$3,280,000 to \$2,606,373;
- c. FY 10 High Priority Fire and Life Safety Corrections - Phase 2 project
 - approve the transfer of funding of \$1,800,000 from PUF Bond Proceeds from the FY 10 High Priority Fire and Life Safety Corrections - Phase 2 project;
 - reduce the total project cost for the FY 10 High Priority Fire and Life Safety Corrections - Phase 2 project from \$4,800,000 to \$3,000,000;
- d. FY 11 High Priority Fire and Life Safety Corrections - Phase 3 project
 - approve the transfer of funding of \$2,274,801 from PUF Bond Proceeds from the FY 11 High Priority Fire and Life Safety Corrections - Phase 3 project;
 - reduce the total project cost for the FY 11 High Priority Fire and Life Safety Corrections - Phase 3 project from \$4,700,000 to \$2,425,199;
- e. FY 11 LERR Geography Building Fire and Life Safety and Homer Rainey Hall Fire and Life Safety project
 - approve the transfer of funding of \$705,000 from PUF Bond Proceeds from the FY 11 LERR Geography Building Fire and Life Safety and Homer Rainey Hall Fire and Life Safety project;
 - reduce the total project cost for the FY 11 LERR Geography Building Fire and Life Safety and Homer Rainey Hall Fire and Life Safety project from \$705,000 to \$0; and
- f. appropriate funds.

Previous Board Actions

FY 11 Fire and Life Safety Projects for U. T. Austin - On August 12, 2010, the Board approved the allocation of \$3,300,000 from PUF Bond Proceeds for Fiscal Year 2011 for the project.

FY 09 High Priority Fire and Life Safety Project - On August 14, 2008, the Board approved the allocation of \$4,800,000 from PUF Bond Proceeds for the project. On February 12, 2009, the Board approved the decrease in total project cost to \$3,105,000. On May 14, 2009, President Powers approved the return of \$175,000 in PUF Bond Proceeds to increase total project cost to \$3,280,000.

FY 10 High Priority Fire and Life Safety Corrections - Phase 2 - On August 14, 2008, the Board approved the allocation of \$4,800,000 from PUF Bond Proceeds for Fiscal Year 2010 for the project. On August 20, 2009, the Board approved the project and appropriated funds.

FY 11 High Priority Fire and Life Safety Corrections - Phase 3 - On August 12, 2010, the Board approved the allocation of \$4,700,000 from PUF Bond Proceeds for the project.

FY 11 LERR - On August 12, 2010, the Board approved the allocation of PUF Bond Proceeds for the Geography Building Fire and Life Safety project in the amount of \$205,000 and the Homer Rainey Hall Fire and Life Safety project in the amount of \$500,000 as part of the FY 2011 LERR Budget.

Project Description

The project will install fire sprinkler systems in four facilities: the Main Building, Parlin Hall, Calhoun Hall, and Rainey Hall. The fire sprinkler system installation will entail ancillary work such as minor hazardous material abatement, new acoustic ceilings, and in some cases, the replacement of the existing heating, ventilation, and air conditioning (HVAC) ceiling grilles, and overhead lights. Additional work in the Main Building will consist of upgrading a nonfunctional pressurization system in two stairways as well as renovation of telecommunication spaces, pathways, and cabling to meet modern standards.

The project combines previously allocated funding from several fire and life safety projects to increase the efficiency of the projects and reduce the inconvenience to existing building occupants. It will consolidate construction durations and result in better planning and coordination of activities across four buildings.

This repair and rehabilitation project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the Chancellor at a later date.

3. U. T. Austin: Geography Building Renovation and Expansion - Amendment of the FY 2011-2016 Capital Improvement Program to include project; approval of total project cost; and appropriation of funds (Final Board approval)

The Board amended the Fiscal Year 2011-2016 Capital Improvement Program (CIP) to include the Geography Building Renovation and Expansion project at The University of Texas at Austin as follows:

Project No.:	102-630	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	June 2014	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Unexpended Plant Funds	\$11,500,000

- a. approve a total project cost of \$11,500,000 with funding from Unexpended Plant Funds; and
- b. appropriate funds.

Project Description

In 2010, U. T. Austin prepared a project definition study for renovation and expansion of the Geography Building. As identified by the goals of the study, the project will increase programmable space and efficiencies of the building; upgrade the mechanical, electrical, and plumbing systems to meet current accessibility, egress, and code requirements; create better internal circulation; and improve exterior entries to extend the useful life of the building for another 25 years. The project will increase the net square footage by approximately 5,000 square feet and provide approximately 19,500 net assignable square feet of space for certain Liberal Arts centers.

This repair and rehabilitation project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the Chancellor at a later date.

4. U. T. Austin: Recreational Sports Center Renovations - Amendment of the FY 2011-2016 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; appropriation of funds; and resolution regarding parity debt (Final Board approval)

The Board amended the Fiscal Year 2011-2016 Capital Improvement Program (CIP) to include the Recreational Sports Center Renovations project at The University of Texas at Austin as follows:

Project No.:	102-629	
Institutionally Managed:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	December 2013	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$2,000,000

- a. approve a total project cost of \$2,000,000 with funding from Revenue Financing System Bond Proceeds;
- b. authorize U. T. Austin to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts;
- c. appropriate funds; 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. Austin, 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 Revenue Financing System debt will be repaid from the Recreational Sports Fee. Annual debt service on the \$2,000,000 Revenue Financing System debt is expected to be \$150,000. The institution's debt service coverage is expected to be at least 1.7 times and average 2.0 times over FY 2011-2016.

Project Description

The project will renovate the heavily used Recreational Sports Center that opened in 1990. The need for these infrastructure improvements was

validated through two independent conditioning assessment studies conducted in 2010. The project will make necessary improvements to both interior and exterior elements by repairing and/or replacing aging mechanical systems including air handling units, plumbing systems and fixtures, roof and waterproofing systems, electrical systems, sound and other audiovisual systems, and life safety systems.

Improvements to the approximately 119,000 gross square foot multiuse facility will increase the service-life while maintaining recreational activities and academic classes that help to promote wellness, enhance community, and improve the quality of campus life. These infrastructure and systems upgrades will also help to reduce unnecessary operational costs, thereby reducing the Center's ecological footprint.

This repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the President at a later date. It has been determined that this project would best be managed by the U. T. Austin Facility Management personnel who have the experience and capability to manage all aspects of the work.

5. U. T. Health Science Center - Houston: Research Park Complex Parking Lot 2 - Amendment of the FY 2011-2016 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; appropriation of funds; and resolution regarding parity debt (Final Board approval)

The Board amended the Fiscal Year 2011-2016 Capital Improvement Program (CIP) to include the Research Park Complex Parking Lot 2 project at The University of Texas Health Science Center at Houston as follows:

Project No.: 701-632
Institutionally Managed: Yes No
Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: May 2012
Total Project Cost: Source Current
Revenue Financing System Bond Proceeds \$2,500,000

- a. approve a total project cost of \$2,500,000 with funding from Revenue Financing System Bond Proceeds;

- b. authorize U. T. Health Science Center - Houston to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts;
- c. appropriate funds; 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. Health Science Center - Houston, 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 \$2,500,000.

Debt Service

The \$2,500,000 in Revenue Financing System debt will be repaid from parking revenue from contract and visitor parking. Annual debt service on the \$2,500,000 Revenue Financing System debt is expected to be \$209,000. The institution's debt service coverage is expected to be at least 2.7 times and average 2.8 times over FY 2011-2016.

Project Description

The project will provide 360 parking spaces to support the opening of the Dental Branch Replacement Building. The parking lot will be approximately 126,000 gross square feet and constructed of concrete for a cost of \$19.84 per square foot. The project will include appropriate lighting, landscaping, and security measures.

This repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the President at a

later date. It has been determined that this project would best be managed by the U. T. Health Science Center - Houston Facility Management personnel who have the experience and capability to manage all aspects of the work.

6. U. T. Austin: Elementary Charter School Permanent Facility - Amendment of the FY 2011-2016 Capital Improvement Program to reduce the total project cost; approval to revise the funding sources; approval of design development; appropriation of funds and authorization of expenditure; and approval of evaluation of alternative energy economic feasibility (Final Board approval)

The Board approved the recommendations for the Elementary Charter School Permanent Facility project at The University of Texas at Austin as follows:

Project No.:	102-220		
Institutionally Managed:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		
Project Delivery Method:	Design/Build		
Substantial Completion Date:	January 2012		
Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Gifts	\$19,000,000	\$3,925,000
	Unexpended Plant Funds		<u>\$2,075,000</u>
			\$6,000,000

- Investment Metrics: By 2013
- Maintain “Exemplary” status and expand the number of students who achieve “Commended” recognition by 3% per year on each of four standard tests
 - Create a minimum of one community partnership
 - Market best-practice resources for educators
- a. amend the FY 2011-2016 Capital Improvement Program (CIP) to reduce the total project cost from \$19,000,000 to \$6,000,000;
 - b. revise the funding sources from \$19,000,000 from Gifts to \$3,925,000 from Gifts and \$2,075,000 from Unexpended Plant Funds;
 - c. approve design development plans;
 - d. appropriate funds and authorize expenditure of funds; and
 - e. approve the evaluation of alternative energy economic feasibility.

Previous Board Actions

On February 10, 2005, the project was included in the CIP with a total project cost of \$4,500,000 with funding from Gifts. On August 23, 2007, the total project cost was increased to \$19,000,000 with approval of the

2008-2013 CIP. On February 22, 2011, institutional management was approved by the Associate Vice Chancellor for Facilities Planning and Construction.

Project Description

The project will address the need for a permanent facility at the U. T. Elementary Charter School. The project will include a cafeteria and teaching kitchen, gymnasium, library, and various support and outdoor teaching areas. The 13,600 gross square foot facility is designed to be cost- and space-efficient utilizing multifunctional grade school design and construction standards. The design will allow for planned future phases including an administration and classroom wing. In addition, it is the desire of the University for this project to adhere to the City of Austin's Green Building Program guidelines.

The original concept for a complete, operational, and self-sustaining new elementary school was beyond budget limitations. The scope of this project has been reduced to the core phase module. Phases in the future would expand the facility to a fully functional permanent school as funding becomes available.

The gift funding authorized for expenditure is fully collected or committed at this time, and the institution possesses sufficient local funds to cover any shortfall.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building or an addition to an existing building. Therefore, the Project Architect prepared a renewable energy evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

7. U. T. Austin: Indoor Tennis Facility at Steiner Ranch - Approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility (Final Board approval)

The Board approved the recommendations for the Indoor Tennis Facility at Steiner Ranch project at The University of Texas at Austin as follows:

Project No.:	102-371
Project Delivery Method:	Construction Manager-at-Risk
Substantial Completion Date:	April 2012

Total Project Cost:	<u>Source</u> Gifts	<u>Current</u> \$ 8,000,000
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Investment Metrics: By 2012

- Provide year-round, up-to-date training and practice facility while enhancing position of Men's and Women's Athletics as top in the country
- Provide a safe and controlled environment for young tennis athletes to attend sports camp thereby enhancing the positive view of the collegiate experience at The University of Texas

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$8,000,000 with funding from Gifts; and
- c. approve the evaluation of alternative energy economic feasibility.

Previous Board Actions

On November 9, 2007, the project was included in the Capital Improvement Program (CIP) as the Indoor Tennis Facility at Whitaker Fields with a total project cost of \$8,000,000 with funding from Gifts. On November 29, 2010, the Associate Vice Chancellor for Facilities Planning and Construction approved the nonhonorific renaming to Indoor Tennis Facility at Steiner Ranch. On February 18, 2011, the Board approved the purchase of approximately 3.78 unimproved acres for use as the site of an indoor and outdoor tennis facility.

Project Description

The project involves the design and construction of six indoor tennis courts, housed in a pre-engineered structure with minimal interior finishes and a standing seam metal roof, four outdoor tennis courts, and support facilities totaling approximately 50,000 gross square feet. The project will involve off-site infrastructure work including utilities and roadways as necessary to support the project. The building will be used as a training facility for the U. T. Austin Men's and Women's Tennis Teams and will be located at Steiner Ranch adjacent to The University of Texas Golf Club.

The gift funding authorized for expenditure is fully collected or committed at this time, and the institution possesses sufficient local funds to cover any shortfall.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building or an addition to an existing building. Therefore, the Project Architect prepared a

renewable energy evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

8. U. T. Dallas: Arts and Technology Complex portion of the Arts and Technology Facility - Approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)

The Board approved the recommendations for the Arts and Technology Complex portion of the Arts and Technology Facility project at The University of Texas at Dallas as follows:

Project No.:	302-392A	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	December 2012	
Total Project Cost for the Arts and Technology Facility:	<u>Source</u>	<u>Current</u>
	Permanent University Fund Bond Proceeds	\$47,500,000
	Revenue Financing System Bond Proceeds	<u>\$32,800,000</u>
		\$80,300,000
Total Project Cost for the Arts and Technology Complex portion of the project:	<u>Source</u>	<u>Current</u>
	Permanent University Fund Bond Proceeds	\$35,000,000
	Revenue Financing System Bond Proceeds	<u>\$25,500,000</u>
		\$60,500,000
Investment Metrics:	<u>By 2017:</u>	
	<ul style="list-style-type: none"> • Add 5,000 full-time equivalent (FTE) students • Increase number of tenure-track faculty to a total of 610 • Receive over \$100 million per year in research expenditures 	

- a. approve design development plans for the Arts and Technology Complex portion of the project;
- b. appropriate funds and authorize expenditure of \$35,000,000 from Permanent University Fund (PUF) Bond Proceeds and \$25,500,000 from Revenue Financing System Bond Proceeds;
- c. approve the evaluation of alternative energy economic feasibility; 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 \$25,500,000.

Debt Service

The \$25,500,000 in Revenue Financing System debt will be repaid from institutional funds. Annual debt service on the \$25,500,000 Revenue Financing System debt is expected to be approximately \$1,900,000. The institution's debt service coverage is expected to be at least 2.0 times and average 2.4 times over FY 2011-2016.

Previous Board Actions

On August 23, 2007, the Board approved the allocation of \$45,000,000 from PUF Bond Proceeds for the Arts and Technology Facility. On February 7, 2008, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$81,000,000 with funding of \$45,000,000 from PUF and \$36,000,000 from Revenue Financing System (RFS) Bond Proceeds. On March 30, 2010, the Chancellor approved reducing the total project cost to \$80,300,000 with funding of \$45,000,000 from PUF and \$35,300,000 from RFS. On May 13, 2010, the Board approved design development of the Utility Infrastructure Improvements phase of the project with a total project cost of \$14,300,000. On December 10, 2010, the Chancellor approved revising the total project funding to \$32,800,000 from RFS and \$47,500,000 from PUF.

Project Description

The complex of shared program space will facilitate the convergence of engineering and technology with arts and humanities creatively integrating the arts with computer science, engineering, and multimedia communications programs into the 157,920 gross square foot building. The space in the building will include assembly/gathering spaces, including a 1,200 seat lecture hall, conference rooms, faculty offices, exhibition spaces, visualization rooms, computer labs, optical motion capture lab, acoustic and sound research labs, and visual arts studios for painting, photography, printmaking, and sculpture. Curriculum areas will include computer game and simulation design, animation and scientific visualization, mobile interactive communications design and development, digital sound design, the use of and the

design of blended and online teaching and learning tools, and the visual arts programs. Blended and online learning is at the heart of the Arts and Technology and Visual Arts instructional program.

The project will join science with humanities, creativity with technology, theory with practice, and learning with research. The building will be functionally supportive of the program elements of both the Arts and Technology and Visual Arts programs, taking advantage of shared lab/studio space, shared support space, and shared lecture space, significantly reducing the overall program requirements for two separate facilities.

The remaining phases of the Arts and Technology Facility project will include roadway and parking improvements, renovation of vacated space, and general landscaping of the surrounding campus. The remaining total project cost of \$5,500,000 with funding of \$3,000,000 from RFS and \$2,500,000 from PUF will be authorized at a later date.

The new home for the Arts and Technology and Visual Arts program is architecturally expressive of the University's vision and goals, as well as being functionally supportive of its program elements. The building's organization is foremost about collaboration and creating a place where great thoughts can germinate, take root and grow -- a convergence of the arts and technology. It will be a building that looks towards the future, but will also be cognizant of its context, facing the new Mall that is the heart of U. T. Dallas. The building will "speak to innovation" but will also be timeless in its appearance. It will achieve all of the above while being cost effective. It will be an outward facing building that encourages the engagement of the public and 'advertises' its program.

The Arts and Technology and Visual Arts Building is located in the student center of the campus. In conjunction with the Library, the Student Union, and the new Student Services Building, located directly across from it on the Mall, this collection of buildings together with the Mall will develop a true energetic and focused heart for U. T. Dallas. The project's architectural presence will respect the existing campus context and environment.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building or an addition to an existing building. Therefore, the Project Architect prepared a renewable energy evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

9. U. T. San Antonio: Student Housing Phase III - Amendment of the FY 2011-2016 Capital Improvement Program to increase the total project cost; approval of transfer of funds from Laurel Village and Chaparral Village at UTSA projects; approval of reduction of total project costs for Laurel Village and Chaparral Village at UTSA projects; approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval) (Deferred)

The Student Housing Phase III project at The University of Texas at San Antonio was deferred for consideration at the next Board meeting following a review of the cost and nature of construction proposed for the project.

10. U. T. San Antonio: John Peace Library Building Renovations - Amendment of the FY 2011-2016 Capital Improvement Program to increase the total project cost and appropriation of additional funds (Final Board approval)

The Board amended the Fiscal Year 2011-2016 Capital Improvement Program (CIP) for the John Peace Library Building Renovations project at The University of Texas at San Antonio as follows:

Project Delivery Method:	Competitive Sealed Proposals		
Institutionally Managed:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
Substantial Completion Date:	May 2012		
Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Designated Funds	\$5,500,000	\$7,300,000

- a. increase the total project cost from \$5,500,000 to \$7,300,000; and
- b. appropriate additional funding of \$1,800,000 from Designated Funds.

Previous Board Action

On August 12, 2010, the project was included in the CIP with a total project cost of \$5,500,000 with funding from Designated Funds. On October 1, 2010, the President approved the design development plans and authorized expenditure of funds.

Project Description

The project will renovate portions on the second, third, and fourth floors of the John Peace Library building to create collaborative learning environments and renovate assembly room and library staff space. The increase in total project cost will provide further renovations to improve library services, integration, and access to achieve U. T. San Antonio's goal of obtaining membership in the Association of Research Libraries in 2014.

Phases I and 2 completed to date include demolition and reconstruction of existing second floor public service areas; construction of data closets; renovation of the technical services area and student and staff lounge areas; updated electrical equipment, built-in specialties and equipment, and interior finishes. Following completion of all phases, approximately 225,891 gross square feet will have been renovated.

This repair and rehabilitation project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the President at a later date. It has been determined that this project would best be managed by the U. T. San Antonio Facility Management personnel who have the experience and capability to manage all aspects of the work.

11. U. T. Medical Branch - Galveston: Ike Recovery Projects - Academic and Business Buildings, Healthcare Buildings, Infrastructure, and Research Buildings - Amendment of the FY 2011-2016 Capital Improvement Program to increase or decrease the total project costs; appropriation of funds and authorization of expenditure; and delegation of authority to the Chancellor to rebalance the funding and project costs within approved total budget (Final Board approval)

President Callender and Mr. Stephen Harris, Regional Program Manager in the Office of Facilities Planning and Construction, outlined the recommendations for the project during the Health Affairs Committee meeting (Item 4 on Page 59).

The Board approved the recommendations for the Ike Recovery Projects at The University of Texas Medical Branch at Galveston (UTMB) as follows:

Academic and Business Buildings – Ike Recovery			
Project No.:	601-504		
Project Delivery Method:	Construction Manager-at-Risk		
Substantial Completion Date:	August 2013		
Total Project Cost	<u>Source</u>	<u>Former</u>	<u>Current</u>
	FEMA Insurance Claims	\$109,367,000	\$180,155,380
	Private Insurance Claims	\$ 16,283,000	\$ 16,283,000
	General Revenue (State Matching Funds)	\$ 36,455,000	\$ 36,455,000
	Hospital Revenues	<u>\$ 9,000,000</u>	<u>\$ 19,000,000</u>
		\$171,105,000	\$251,893,380
Healthcare Buildings – Ike Recovery			
Project No.:	601-505		
Project Delivery Method:	Construction Manager-at-Risk		

Substantial Completion Date: November 2013

Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	FEMA Insurance Claims	\$183,284,000	\$189,280,930
	Private Insurance Claims	\$ 27,289,000	\$ 15,237,002
	General Revenue (State Matching Funds)	\$ 61,095,000	\$ 53,605,351
	Hospital Revenues	\$ 26,354,365	\$ 26,739,331
	Grants	\$ 577,530	\$ 192,564
		<u>\$298,599,895</u>	<u>\$285,055,178</u>

Infrastructure – Ike Recovery

Project No.: 601-506
Project Delivery Method: Construction Manager-at-Risk
Substantial Completion Date: July 2015

Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	FEMA Insurance Claims	\$149,204,677	\$419,685,714
	Private Insurance Claims	\$ 14,669,000	\$ 14,669,000
	General Revenue (State Matching Funds)	\$ 32,841,000	\$ 55,791,549
	Hospital Revenues	\$ 5,000,000	\$ 32,038,481
		<u>\$201,714,677</u>	<u>\$522,184,744</u>

Research Buildings – Ike
Recovery

Project No.: 601-507
Project Delivery Method: Construction Manager-at-Risk
Substantial Completion Date: August 2013

Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	FEMA Insurance Claims	\$ 58,827,000	\$ 55,238,208
	Private Insurance Claims	\$ 8,759,000	\$ 8,759,000
	General Revenue (State Matching Funds)	\$ 19,609,000	\$ 4,148,100
	Hospital Revenues	\$ 8,400,000	\$ 8,400,000
		<u>\$ 95,595,000</u>	<u>\$ 76,545,308</u>

a. Academic and Business Buildings

- amend the Fiscal Year 2011-2016 Capital Improvement Program (CIP) to increase the total project cost from \$171,105,000 to \$251,893,380;
- appropriate funds and authorize expenditure of \$70,788,380 from Federal Emergency Management Agency (FEMA) Insurance Claims, and \$10,000,000 from Hospital Revenues;

b. Healthcare Buildings

- amend the FY 2011-2016 CIP to decrease the total project cost from \$298,599,895 to \$285,055,178;

- appropriate funds and authorize expenditure of \$5,996,930 from FEMA Insurance Claims, and \$384,966 from Hospital Revenues;

c. Infrastructure

- amend the FY 2011-2016 CIP to increase the total project cost from \$201,714,677 to \$522,184,744;
- appropriate funds and authorize expenditure of \$270,481,037 from FEMA Insurance Claims, \$22,950,549 from State Matching Funds, and \$27,038,481 from Hospital Revenues;

d. Research Buildings

- amend the FY 2011-2016 CIP to decrease the total project cost from \$95,595,000 to \$76,545,308;

e. delegate authority to the Chancellor to rebalance the funding and project costs within the four Ike Recovery projects.

Previous Board Actions

On August 20, 2009, the Academic and Business Buildings project was included in the CIP with a total project cost of \$162,105,000 with funding of \$109,367,000 from FEMA Insurance Claims, \$16,283,000 from Private Insurance Claims, and \$36,455,000 from State Matching Funds. On May 17, 2010, the Chancellor approved the design development plans and authorized the expenditure of funds. On December 13, 2010, the Chancellor approved an increase in the total project cost from \$162,105,000 to \$171,105,000 and revised the funding sources to include \$9,000,000 from Hospital Revenues.

On August 20, 2009, the Healthcare Buildings project was included in the CIP with a total project cost of \$271,668,000 with funding of \$183,284,000 from FEMA Insurance Claims, \$27,289,000 from Private Insurance Claims, and \$61,095,000 from State Matching Funds. On May 17, 2010, the Chancellor approved the design development plans and authorized the expenditure of funds. On August 9, 2010, the Chancellor approved an increase in the total project cost from \$271,668,000 to \$275,620,780 and revised the funding sources to include \$3,952,780 from Hospital Revenues. On July 23, 2010, the Chancellor approved an increase in the total project cost from \$275,620,780 to \$276,599,895 with additional funding of \$401,585 from Hospital Revenues and revised the funding sources to include \$577,530 from Grants. On December 13, 2010, the Chancellor approved an increase in the total project cost from \$276,599,895 to \$298,599,895 with additional funding of \$22,000,000 from Hospital Revenues.

On August 20, 2009, the Infrastructure project was included in the CIP with a total project cost of \$146,032,000 with funding of \$98,522,000 from FEMA Insurance Claims, \$14,669,000 from Private Insurance Claims, and \$32,841,000 from State Matching Funds. On May 17, 2010, the Chancellor approved the design development plans and authorized expenditure. On November 11, 2010, the Board approved an increase in the total project cost from \$146,032,000 to \$196,714,677 with additional funding of \$50,682,677 from FEMA Insurance Claims. On December 13, 2010, the Chancellor approved an increase in the total project cost from \$196,714,677 to \$201,714,677 and revised the funding sources to include \$5,000,000 from Hospital Revenues.

On August 20, 2009, the Research Buildings project was included in the CIP with a total project cost of \$87,195,000 with funding of \$58,827,000 from FEMA Insurance Claims, \$8,759,000 from Private Insurance Claims, and \$19,609,000 from State Matching Funds. On May 17, 2010, the Chancellor approved the design development plans and authorized expenditure. On October 26, 2010, the Chancellor approved an increase in the total project cost from \$87,195,000 to \$91,595,000 and revised the funding sources to include \$4,400,000 from Hospital Revenues. On December 13, 2010, the Chancellor approved an increase in the total project cost from \$91,595,000 to \$95,595,000 with additional funding of \$4,000,000 from Hospital Revenues.

Project Description

The Board approved addition of the four Ike Recovery projects to the CIP on August 20, 2009. That action and the approved project structure have helped the work of the recovery move forward effectively. The estimates used to determine the initial project costs were primarily focused on repair; however, as UTMB and FEMA have worked through specific building assessments, it is clear that mitigation activity will be a large portion of the overall effort. All four projects will require phasing of construction and temporary accommodations to minimize the impact to university operations and may include multiple construction phases with impacts to several building floors, interim moves of active programs, temporary utilities to support phasing, and overtime and after-hours work by the mobilized construction workforce. These costs which are eligible for FEMA funding, coupled with the proposed construction durations, significantly impact the anticipated overall funding required. As UTMB and The University of Texas System continue the reconciliation and approval of damaged scope, repair, and mitigation efforts, the adjustments to funding and total project costs are noted above and are aligned with the scope clarifications included in each project as follows:

Academic and Business Buildings - The scope of work includes repair and mitigation work in over 40 buildings serving academic and business functions. The work involves repair and mitigation of all first floor spaces; crawl spaces; basement areas; building elevators; mechanical, electrical, and plumbing (MEP) systems; heating, ventilation, and air conditioning (HVAC)

units; security and life safety systems; telecommunication systems; and building envelope repairs. This increase in funding will address items including the complexity of mitigation for the historic structures on and off campus, the phasing and temporary measures necessary to coordinate with student schedules in classroom reconstruction and student housing repairs, and with resolution of larger scale projects at the Rebecca Sealy Hospital and 1902 Harborside, formerly the Lipton Tea building.

Healthcare Buildings - The scope of work includes repair and mitigation work in 10 adjacent/connected hospital and health care buildings. The work involves repair and mitigation of first floor spaces, crawl spaces, basement areas, building elevators, roof repair, windows and building envelope, MEP systems, building utilities, HVAC units, security and life safety systems, air quality, medical gas systems, and additional support services. These buildings housed many of the support facilities for the hospital, and work will likely include relocation of kitchen, pharmacy, clinical laboratories, and core infrastructure for the complex. This decrease in funding will follow a reconciliation of repair and mitigation costs to the health care facilities of the UTMB campus that include the Clinical Services Wing addition to the John Sealy Hospital complex and the ground floor repair and mitigation throughout the Healthcare Complex.

Infrastructure - The scope of work includes repairs to campus-wide distribution systems including cathodic protection, potable water, fire alarm system communications, fire suppression, domestic water supply systems, storm sewer, diesel supply loop, underground fuel tanks, building card readers, security systems, aboveground propane tanks, electrical emergency power, steam transmission, chilled water systems, electrical power, telecommunication systems, underground telecommunication and data cabling, a condensate return system, and elevator systems. This increase in funding will address the reconciliation of repair and mitigation costs for the overall replacement of the UTMB thermal distribution infrastructure including the conversion from distributed steam and condensate return to distributed hot water with local building steam generation. This increase also addresses the confirmed costs for repair and mitigation to other campus-wide systems including elevating the critical equipment in reconfigured production plants, replacing and networking critical mechanical and electrical systems, resolving the conversion of the campus heating system from distributed steam to distributed hot water, rebuilding specific elevated utility routings within the core of the campus, and implementing resilient and dedicated utility supplies for natural gas, electrical power, and process water for thermal production.

Research Buildings - The scope of work includes repair and mitigation work in 10 research buildings on the campus. This work involves repair and mitigation of all first floor building spaces, basement areas, crawl spaces, building elevators, MEP systems, HVAC units, roof repairs, building envelope, telecommunications, and security and life safety systems. First floor building areas affected include research laboratory space and support space. This

decrease in funding will address the reconciliation of repair and mitigation costs for the research facilities of the UTMB campus, which sustained less damage than initially estimated.

Within each of these projects are many individual claims for repair and mitigation that result in confirmed scope and funding documented by the FEMA Project Worksheet. To recognize this ongoing effort and the inevitable changes, the Board delegated to the Chancellor the authority to rebalance the funding and total project costs within the approved overall total of the four Ike Recovery projects.

12. U. T. M. D. Anderson Cancer Center: Capital Renewal and Replacement (CRR) Renovation Budget FY2008-2009 – Amendment of the FY 2011-2016 Capital Improvement Program to increase the total project cost and appropriation of additional funds (Final Board approval)

The Board approved the recommendations for the Capital Renewal and Replacement (CRR) Renovation Budget FY2008-2009 project at The University of Texas M. D. Anderson Cancer Center as follows:

Project No.:	703-X47		
Institutionally Managed:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		
Project Delivery Method:	Competitive Sealed Proposals		
Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Hospital Revenues	\$ 14,290,000	\$17,590,103

- a. amend the FY 2011-2016 Capital Improvement Program (CIP) to increase the total project cost from \$14,290,000 to \$17,590,103; and
- b. appropriate additional funding of \$3,300,103 from Hospital Revenues.

Previous Board Action

On August 23, 2007, the project was included in the CIP with a total project cost of \$14,290,000 with funding from Hospital Revenues.

Project Description

The project scope includes numerous minor projects throughout U. T. M. D. Anderson's facilities. At the time of addition to the CIP, the projects were rolled into one large CRR project. It is the institution's business practice to identify anticipated building repairs and component replacements that are likely to occur within the next five years. This information is used to develop and maintain a rolling five-year list of potential projects. Decisions on the scope and extent of repairs and replacements are based upon the impact on future projects, future space

utilization, and available CRR funds. The potential projects are prioritized and as priorities change, projects may be moved up or down within the funding queue. Due to the changing priorities of the projects, the total project cost increased by more than 10%, therefore requiring reapproval from the Board.

Pursuant to a Memorandum of Understanding effective August 26, 2004, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Facilities Planning and Construction. Design development plans and authorization of expenditure of funding will be approved by the President at a later date.

REPORT AND RECOMMENDATION OF THE TECHNOLOGY TRANSFER AND RESEARCH COMMITTEE (Page 83).--There were no items from the Technology Transfer and Research Committee to report in open session.

1. U. T. System: Technology Commercialization Overview

This item was for consideration only by the Committee (see Committee Minutes).

2. U. T. System: Report on a Proposed New Investment Fund, tentatively called the U. T. Horizon Fund

This item was for consideration only by the Committee (see Committee Minutes).

3. U. T. System: Report on an Intellectual Property Search Engine Portal

This item was for consideration only by the Committee (see Committee Minutes).

APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS.--At 5:11 p.m., the Board voted and approved the Standing Committee recommendations.

REPORT FOR THE RECORD

U. T. M. D. Anderson Cancer Center: Report concerning appointment of Presidential Search Advisory Committee

The membership of the Presidential Search Advisory Committee for The University of Texas M. D. Anderson Cancer Center is reported for the record. This Committee has been constituted pursuant to the Regents' *Rules and Regulations*, Rule 20201.

Presidential Search Advisory Committee
for
The University of Texas M. D. Anderson Cancer Center

Executive Vice Chancellor for Health Affairs Kenneth I. Shine, M.D. (Chairman)
Former Vice Chairman Janiece Longoria
Regent Printice L. Gary

Kirk Aquilla Calhoun, M.D., President, The University of Texas Health Science Center at Tyler

Dr. David E. Daniel, President, The University of Texas at Dallas

Dr. Edward F. Jackson, Department of Imaging Physics, U. T. M. D. Anderson Cancer Center

Louise C. Strong, M.D., Department of Genetics, U. T. M. D. Anderson Cancer Center

Borje S. Andersson, M.D., Ph.D., Department of Stem Cell Transplantation, U. T. M. D. Anderson Cancer Center

Robert C. Bast, Jr., M.D., Vice President of Translational Research, U. T. M. D. Anderson Cancer Center

Ms. Melinda Garza, President, U. T. M. D. Anderson Cancer Center Student Congress

Dr. Peter Hu, alumni and faculty association president, U. T. M. D. Anderson Cancer Center

Mr. Joel Helmke, Division Administrator, Cancer Prevention, U. T. M. D. Anderson Cancer Center

Mr. Ernest Cockrell

Mr. James R. Huffines

Mr. Woody Hunt

Mrs. Nancy Loeffler

Mr. James Mulva

Ms. Melinda Perrin

(See related Item 1a on Page 1.)

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on July 13-14, 2011, in Austin, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 5:12 p.m.

/s/ Carol A. Felkel
Secretary to the Board of Regents

August 22, 2011

**THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
DOCKET NO. 146**

The Docket for The University of Texas System Administration and the Dockets recommended by the respective presidents and prepared by the institutions listed below are submitted for discussion and appropriate action regarding approval of the Docket at the meeting of the U. T. System Board of Regents on May 11-12, 2011. The Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor and General Counsel concur in these recommendations.

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**U. T. SYSTEM ADMINISTRATION
MAY 11-12, 2011**

CONTRACT

The following contract has been administratively approved by the Executive Vice Chancellor for Business Affairs and is recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACT

FUNDS GOING OUT

1. Agency: Engineered Air Balance Company
Funds: U. T. System anticipates contracting expenditures to exceed \$1,000,000 per year of the contract
Period: September 20, 2010 through September 19, 2016
(Contract is being forwarded for Board approval once it reached the \$1,000,000 threshold where Board approval is required.)
Description: The firm agrees to perform testing, adjusting, and balancing services for air conditioning systems and related ancillary equipment for U. T. System on a job order basis. The services were competitively procured.

**U. T. SYSTEM ADMINISTRATION
MAY 11-12, 2011**

AMENDMENT TO THE 2010-11 BUDGET

TRANSFER OF FUNDS

The following Request for Budget Change (RBC) has been administratively approved by the Executive Vice Chancellor for Business Affairs and is recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
PERMANENT UNIVERSITY FUNDS		
1. Amount of Transfer:	1,000,000	147

From: Permanent University Funds

To: University Lands
Damage Reimbursement Payments

Transfer needed to replace 63 miles and repair 47 miles of fence damaged due to wildfires on University Lands that burned approximately 73,000 acres in three counties in West Texas in February 2011.

**U. T. SYSTEM ADMINISTRATION
MAY 11-12, 2011**

OTHER MATTERS

REPORT ON FISCAL YEAR 2010 POST-TENURE REVIEW

ACADEMIC INSTITUTIONS

In accordance with *Texas Education Code* Section 51.942 and Regents' *Rules and Regulations*, Rule 31102, the following report on the Fiscal Year 2010 post-tenure review for the U. T. System academic institutions is provided by the Executive Vice Chancellor for Academic Affairs.

During Fiscal Year 2010, 312 tenured faculty members at the nine academic institutions were subject to post-tenure review. Of the 312 faculty members subject to review, 305 or 97.8% were evaluated as Performing Satisfactorily; 2 or .6% received Needs Additional Support or Marginal evaluations; and 5 or 1.6% received Unsatisfactory evaluations. The following summary tables provide additional details of the post-tenure review results.

Summary of Post-Tenure Review Results

	Total Actually Reviewed	Total Performing Satisfactorily	Total Needs Additional Support or Marginal	Total Unsatisfactory
U. T. Arlington	39	38		1
U. T. Austin	131	128		3
U. T. Brownsville	15	15		
U. T. Dallas	47	47		
U. T. El Paso	16	15		1
U. T. Pan American	7	5	2	
U. T. Permian Basin	6	6		
U. T. San Antonio	39	39		
U. T. Tyler	12	12		
Total	312	305	2	5
		97.8%	0.6%	1.6%

**U. T. SYSTEM ADMINISTRATION
MAY 11-12, 2011**

OTHER MATTERS (CONTINUED)

REPORT ON FISCAL YEAR 2010 POST-TENURE REVIEW (CONTINUED)

ACADEMIC INSTITUTIONS (CONTINUED)

Post-Tenure Review Results by Gender

	Actually Reviewed		Performing Satisfactorily		Needs Additional Support or Marginal		Unsatisfactory	
	Male	Female	Male	Female	Male	Female	Male	Female
U. T. Arlington	29	10	28	10			1	
U. T. Austin	94	37	92	36			2	1
U. T. Brownsville	8	7	8	7				
U. T. Dallas	38	9	38	9				
U. T. El Paso	14	2	13	2			1	
U. T. Pan American	6	1	4	1	2			
U. T. Permian Basin	3	3	3	3				
U. T. San Antonio	29	10	29	10				
U. T. Tyler	8	4	8	4				
Total	229	83	223	82	2	0	4	1

Post-Tenure Review Results by Ethnicity

	Total Actually Reviewed					Performing Satisfactorily				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. Arlington	32	1		6		31	1		6	
U. T. Austin	114	4	8	5		111	4	8	5	
U. T. Brownsville	8	1	5	1		8	1	5	1	
U. T. Dallas	29	3	1	13	1	29	3	1	13	1
U. T. El Paso	12		4			12		3		
U. T. Pan American	4	1	2			3		2		
U. T. Permian Basin	5		1			5		1		
U. T. San Antonio	24	1	5	9		24	1	5	9	
U. T. Tyler	10			2		10			2	
Total	238	11	26	36	1	233	10	25	36	1

**U. T. SYSTEM ADMINISTRATION
MAY 11-12, 2011**

OTHER MATTERS (CONTINUED)

REPORT ON FISCAL YEAR 2010 POST-TENURE REVIEW (CONTINUED)

ACADEMIC INSTITUTIONS (CONTINUED)

	Needs Additional Support or Marginal					Unsatisfactory				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. Arlington						1				
U. T. Austin						3				
U. T. Brownsville										
U. T. Dallas										
U. T. El Paso								1		
U. T. Pan American	1	1								
U. T. Permian Basin										
U. T. San Antonio										
U. T. Tyler										
Total	1	1	0	0	0	4	0	1	0	0

FACULTY CHANGES PRIOR TO POST-TENURE REVIEW:

- U. T. Austin:** One faculty member retired prior to review.
- U. T. Brownsville:** Four faculty members retired prior to review.
- U. T. Dallas:** One faculty member retired prior to review.
- U. T. San Antonio:** One faculty member retired prior to review.

PRESENT STATUS OF EACH MARGINAL PERFORMANCE:

U. T. Pan American: Both faculty members met with their respective Chair and Dean over concerns in the area of teaching effectiveness and to receive feedback and recommendations for improvements in this area. Each faculty member is taking and will continue to take corrective actions to enhance their teaching effectiveness.

PRESENT STATUS OF EACH UNSATISFACTORY PERFORMANCE:

- U. T. Austin:** Since 2004/05, U. T. Austin has had six successful remediations. Six remediations are in process. Nine faculty members retired, resigned, or are deceased.
- U. T. El Paso:** A plan was developed for faculty identified as needing improvement.

PLANS FOR EVALUATION DURING THE CURRENT YEAR:

- U. T. Arlington:** Requested improvement plan received from faculty member was unsatisfactory. Faculty member will be required to revise plan.
- U. T. Austin:** All faculty scheduled for post-tenure review in 2011 will be evaluated and remediation plans for previous unsatisfactory reviews will be monitored.
- U. T. Dallas:** During the 2011-2012 cycle of periodic performance evaluation (PPE), U. T. Dallas will continue to use the electronic file format for ease of evaluation and record retention. It is anticipated that 54 faculty will be reviewed in the 2011-2012 PPE cycle.
- U. T. Pan American:** The Department Chair and Dean will continue to monitor each faculty member; review current status, performance, and improvements; and will provide additional guidance as needed.

**U. T. SYSTEM ADMINISTRATION
MAY 11-12, 2011**

OTHER MATTERS (CONTINUED)

REPORT ON FISCAL YEAR 2010 POST-TENURE REVIEW (CONTINUED)

HEALTH INSTITUTIONS

In accordance with *Texas Education Code* Section 51.942 and Regents' *Rules and Regulations*, Rule 31102, the following report on the Fiscal Year 2010 post-tenure review for the U. T. System health institutions is provided by the Executive Vice Chancellor for Health Affairs.

During Fiscal Year 2010, 258 tenured faculty members at the five health institutions were subject to post-tenure review. Of the 258 faculty members subject to review, 246 or 95.3% were evaluated as Performing Well; 8 or 3.1% received Needs Additional Support or Marginal evaluations; and 4 or 1.6% received Unsatisfactory evaluations. The following summary tables provide additional details of the post-tenure review results.

Summary of Post-Tenure Review Results

	Total Subject to Review	Total Performing Well	Total Needs Additional Support or Marginal	Total Unsatisfactory
U. T. SWMC	55	52	3	
U. T. MB - Galveston	38	37		1
U. T. HSC - Houston	66	62	3	1
U. T. HSC - San Antonio	39	39		
U. T. MDACC *	60	56	2	2
Total	258	246	8	4
		95.3%	3.1%	1.6%

Post-Tenure Review Results by Gender

	Subject to Review		Performing Well		Needs Additional Support or Marginal		Unsatisfactory	
	Male	Female	Male	Female	Male	Female	Male	Female
U. T. SWMC	43	12	42	10	1	2	0	
U. T. MB - Galveston	30	8	30	7				1
U. T. HSC - Houston	51	15	48	14	2	1	1	
U. T. HSC - San Antonio	25	14	25	14				
U. T. MDACC *	50	10	46	10	2		2	
Total	199	59	191	55	5	3	3	1

*U. T. MDACC offers "term tenure"

**U. T. SYSTEM ADMINISTRATION
MAY 11-12, 2011**

OTHER MATTERS (CONTINUED)

REPORT ON FISCAL YEAR 2010 POST-TENURE REVIEW (CONTINUED)

HEALTH INSTITUTIONS (CONTINUED)

Post-Tenure Review Results by Ethnicity

	Total Subject to Review					Performing Well				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. SWMC	45	1		9		42	1		9	
U. T. MB - Galveston	28		3	7		27		3	7	
U. T. HSC - Houston	57		3	6		54		2	6	
U. T. HSC - San Antonio	30	2	2	5		30	2	2	5	
U. T. MDACC	39	1	7	13		36	1	6	13	
Total	199	4	15	40		189	4	13	40	

	Needs Additional Support or Marginal					Unsatisfactory				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. SWMC	3									
U. T. MB - Galveston						1				
U. T. HSC - Houston	2		1			1				
U. T. HSC - San Antonio										
U. T. MDACC	2					1		1		
Total	7		1			3		1		

PRESENT STATUS OF EACH MARGINAL PERFORMANCE:

U. T. Medical Branch – Galveston: Four faculty retired or switched to nontenured position prior to review.

U. T. Health Science Center – Houston: Five faculty retired or switched to nontenured position prior to review.

U. T. Health Science Center – San Antonio: One faculty retired or switched to nontenured position prior to review.

U. T. M. D. Anderson Cancer Center: Eight faculty retired or switched to nontenured position prior to review.

**U. T. SYSTEM ADMINISTRATION
MAY 11-12, 2011**

OTHER MATTERS (CONTINUED)

REPORT ON FISCAL YEAR 2010 POST-TENURE REVIEW (CONTINUED)

HEALTH INSTITUTIONS (CONTINUED)

PRESENT STATUS OF EACH NEEDS ADDITIONAL SUPPORT OR MARGINAL PERFORMANCE:

U. T. Southwestern Medical Center: Associate Professor counseled by department chair. Due to lack of Grant Support, salary has been lowered and is expected to be lowered again for FY 12; Professor counseled by department chair; and Professor was counseled by department chair and granted a four month reassignment of duty to learn new techniques.

U. T. Health Science Center – Houston: Three faculty members have written follow-up performance improvement plans and are having six month follow-ups. Each plan included a specific set of goals and timelines to overcome inadequacies identified by the six-year committee.

U. T. M. D. Anderson Cancer Center: Professor deferred for one year; Associate Professor deferred for two years.

PRESENT STATUS OF EACH UNSATISFACTORY PERFORMANCE:

U. T. Medical Branch – Galveston: Faculty member was provided with recommendations and will be reviewed by September 1, 2011.

U. T. Health Science Center – Houston: Faculty member elected to retire.

U. T. M. D. Anderson Cancer Center: Associate Professor term tenure extension for one year; Associate Professor switched to nontenure status.

**U. T. SYSTEM ADMINISTRATION
MAY 11-12, 2011**

REAL ESTATE REPORT

**THE UNIVERSITY OF TEXAS SYSTEM
SEPARATELY INVESTED ASSETS
Managed by U. T. System**

Summary Report at February 28, 2011

FUND TYPE

	Current Purpose Restricted		Endowment and Similar Funds		Annuity and Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
Land and Buildings:								
Ending Value 11/30/10	\$ 3,132,146	\$ 29,261,130	\$ 97,808,291	\$ 262,379,064	\$ 1,601,467	\$ 3,335,084	\$ 102,541,904	\$ 294,975,278
Increase or Decrease	-	-	(150,526)	(78,899)	-	-	(150,526)	(78,899)
Ending Value 02/28/2011	\$ 3,132,146	\$ 29,261,130	\$ 97,657,765	\$ 262,300,164	\$ 1,601,467	\$ 3,335,084	\$ 102,391,378	\$ 294,896,378
Other Real Estate:								
Ending Value 11/30/10	\$ 59,273	\$ 59,273	\$ 136,654	\$ 136,654	\$ -	\$ -	\$ 195,927	\$ 195,927
Increase or Decrease	(5,280)	(5,280)	(1,762)	(1,762)	-	-	(7,042)	(7,042)
Ending Value 02/28/2011	\$ 53,993	\$ 53,993	\$ 134,891	\$ 134,891	\$ -	\$ -	\$ 188,885	\$ 188,885

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.

**U. T. ARLINGTON
MAY 11-12, 2011**

AMENDMENT TO THE 2010-11 BUDGET

TENURE APPOINTMENT

**NEW APPOINTMENT WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENT**

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:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF ENGINEERING					
Mechanical & Aerospace Engineering					
1. Donald D. Seath					4024
From Professor (T)		50	09	88,038	
To: Professor Emeritus	4/01				
SCHOOL OF URBAN AND PUBLIC AFFAIRS					
Urban and Public Affairs					
Associate Professor					
2. David H. Coursey (T)	3/1-5/31	100	09	84,000	4009

U. T. ARLINGTON
MAY 11-12, 2011

FEES AND MISCELLANEOUS CHARGES

PARKING PERMIT FEES

Approval is recommended for the following parking permit fees to be effective beginning with the Fall Semester 2011. The proposed fees are consistent with the applicable statutory requirements under Section 54.505(b) of the *Texas Education Code* and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

Following Regental approval, the appropriate institutional catalog will be amended to reflect these fees.

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Annual fees:</u>			
<u>Student Permit Classifications</u>			
Annual permit	112.50	130.00	15.5
Spring semester	82.50	95.00	15.2
Summer semester	45.00	52.00	15.6
<u>Faculty/Staff Classifications</u>			
Annual permit	150.00	175.00	16.7
Spring semester	105.00	120.00	14.3
Summer semester	56.00	65.00	16.0
Annual permit - reserved	450.00	500.00	11.1
<u>Day Students - Remote Parking</u>			
Annual permit	45.00	50.00	11.1
Spring semester	33.00	38.00	15.2
Summer semester	18.00	20.00	11.1
<u>Faculty/Staff - Remote Parking</u>			
Annual permit	60.00	70.00	16.7
Spring semester	42.00	48.00	14.3
Summer semester	22.50	26.00	15.6

Note: Parking fees have not changed since September 1, 2007. Maintenance, operating, and security costs continue to rise. Annual parking permit fees may be prorated for permits purchased for spring semester/summer session or for summer session only.

**U. T. AUSTIN
MAY 11-12, 2011**

CONTRACTS

The following contracts have been administratively approved by the President or his delegate and the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: ARC Holding, Ltd., owner and operator of FOX Sports Southwest
Funds: \$3,060,000 for the initial term and renewal periods plus pass through rights
Period: November 18, 2010 through June 30, 2015 with option to renew for two additional two-year terms
Description: FOX Sports Southwest will provide annual rights fees for broadcast and webcast rights to University Interscholastic League athletic championship events. Contract negotiations were not completed in time for the February 2011 Docket deadline.

FUNDS GOING OUT

2. Agency: RuffaloCODY, LLC
Funds: \$3,495,000 estimated for the initial term and \$2,330,000 for each renewal period
Period: August 1, 2011 through August 31, 2014 with two additional two-year renewal periods
Description: RuffaloCody, LLC will provide telephone fundraising services for the annual giving programs of U. T. Austin's Development Office. This is a continuation of a relationship with RuffaloCODY that began in August 2006. The original agreement with RuffaloCODY was competitively bid. The new agreement was approved as a sole source/best value purchase by U. T. Austin Purchasing.

**U. T. AUSTIN
MAY 11-12, 2011**

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT (CONTINUED)

3. Agency: Fisher Scientific Company, LLC
Funds: \$7,000,000 estimated for the initial term and \$2,800,000 for each renewal period
Period: February 18, 2011 through February 17, 2016 with two additional two-year renewal periods
Description: Fisher Scientific Company, LLC, will operate two chemistry research storerooms. It is estimated that there will be a cost savings of 16% by having Fisher Scientific provide this service rather than having the services handled "in house" by the University. The contract with Fisher Scientific will also provide:
- "Consignment" inventory: Fisher Scientific is responsible for how they stock the storerooms. U. T. Austin does not pay for items until an order is placed.
 - Timely availability of key items, which is critical in an active teaching and research environment.
 - There is no risk of obsolescence or of the need to dispose of aged, damaged, or expired products, which reduces the concern of liability for U. T. Austin.
 - There is no additional cost for on-demand delivery.
 - Flexibility: U. T. Austin can terminate the contract with 180 days notice.
 - Accurate, convenient, consistent Web-based ordering and billing. The Fisher Scientific Web-based platform enhances efficiency in finding items and placing orders. Inventory, ordering, and billing data are captured automatically for timely processing.
- The two storerooms will be located in Robert A. Welch Hall and the Norman Hackerman Building. U. T. Austin departments may order supplies through the research storerooms or choose to order directly from Fisher Scientific Company through the contract, which is part of the U. T. System Supply Chain Alliance. Fisher Scientific Company will use the services of a Historically Underutilized Business (HUB) subcontractor, Possible Missions, to provide storeroom personnel on site to fulfill services pursuant to the agreement terms. This agreement is the culmination of competitive bidding and Office of General Counsel review.

U. T. AUSTIN
MAY 11-12, 2011

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT (CONTINUED)

4. Agency: Windsor at Bammel, LLC
Funds: \$1,748,206 in estimated rent and operating expenses payable over a 90-month term, which reflects a base rent of \$13.50 per square foot for the first lease year after a 6 month gross rent abatement exclusive of electrical and janitorial expenses. Operating expenses are estimated to be \$2.35 per square foot in the first lease year and U. T. Austin will directly pay service providers for the costs of utilities and janitorial services. U. T. Austin will spend approximately \$200,000 for tenant improvements over the \$591,165 finish out allowance provided by the landlord. The lease allows for one five-year option to renew at the then prevailing market rental rate. If the funds allocated to cover the full term and cost of this lease become unavailable, U. T. Austin has the right to terminate the lease upon written notice to Windsor at Bammel, LLC. If U. T. Austin terminates the lease in accordance with the terms of the lease, U. T. Austin will pay a termination fee in an amount equal to three months of rent and operating expenses, plus unamortized construction costs and leasing commissions calculated on a straight line basis.
- Period: The later of August 1, 2011 or upon substantial completion of tenant improvements and issuance of a certificate of occupancy, and continuing for 90 months
- Description: Lease of 13,137 square feet to be used as training space, labs, and office space for U. T. Austin's PETEX Houston Training Center. The property is located at 4702 North Sam Houston Parkway West, Houston, Texas. The Center, established in 1944 as a unit of U. T. Austin's Division of Continuing and Innovative Education, offers over 50 weeks of "open enrollment" instructor-led training for the oil and gas industry. An additional 40 weeks of training is provided at PETEX's West Texas Training Center located at U. T. Permian Basin and at clients' training facilities. The Center is currently located at Lone Star College at North Harris in Houston. Lone Star College

**U. T. Austin
May 11-12, 2011**

CONTRACTS (Continued)

GENERAL CONTRACTS (Continued)

FUNDS GOING OUT (Continued)

now has a need to use the space that PETEX occupies and cannot accommodate PETEX's need to expand. PETEX is self-supported from the revenues it generates from outside clients for the courses provided. Through its training courses, PETEX generates sufficient funds to cover the new lease obligations. The move to the larger leased space will enable PETEX to increase revenues through increased course offerings and conserve funds by offering courses within the leased premises rather than at other locations.

**U. T. AUSTIN
MAY 11-12, 2011**

AMENDMENTS TO THE 2010-11 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

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:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF FINE ARTS					
Art and Art History					
Associate Professor					
1. Christina Bain (T)	8/18-8/31	100	09	75,000	3971
Faculty orientation appointment. New tenured faculty teaching assignment begins 9/1/2011					
Theater and Dance					
2. Robert N. Schmidt					3972
From:	Frank C. Erwin, Jr. Centennial Professor in Drama (T)	100	09	100,000	
	Professorship Supplement	SUPLT	09	5,000	
To:	Frank C. Erwin, Jr. Centennial Professor Emeritus in Drama				0
	2/1-5/31				
JACKSON SCHOOL OF GEOSCIENCES					
Professor					
3. Daniel Stockli (T)	8/18-8/31	100	09	117,000	3973
Faculty orientation appointment New tenured faculty teaching assignment begins 9/1/2011					

**U. T. AUSTIN
MAY 11-12, 2011**

AMENDMENTS TO THE 2010-11 BUDGET (CONTINUED)

TENURE APPOINTMENTS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF LIBERAL ARTS					
Anthropology					
Associate Professor					
4. Anthony F. Di Fiore (T)	8/18-8/31	100	09	118,000	3974
Faculty orientation appointment					
New tenured faculty teaching assignment begins 9/1/2011					
LBJ SCHOOL OF PUBLIC AFFAIRS					
Sid Richardson Chair of Public Affairs and Professor					
5. Carolyn Heinrich (T)	8/18-8/31	100	09	180,000	3975
Faculty orientation appointment					
New tenured faculty teaching assignment begins 9/1/2011					

TRANSFER OF FUNDS

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
PLANT FUNDS		
Project Management and Construction Services		
6. Amount of Transfer:	582,459	3988

From: Designated Funds – Facilities Services
Central Funding Control Account
Operating Income

To: FC1 – Facilities Complex Space Renovation
and Realignment

Funding for a Facilities Services/Project Management and Construction Services space renovation and realignment plan for the Facilities Complex Building 1. The plan consolidates shop functions for Project Management and Construction Services and Facilities Services, relocates some general support shop functions to the Pickle Research Campus, relocates the Project Management and Construction Services flat file plan library, supports office space realignments, and brings the Project Management and Construction Services Sign Shop from the main campus to the Facilities Complex located at 1301 E. Dean Keeton Street.

U. T. DALLAS
MAY 11-12, 2011

AMENDMENTS TO THE 2010-11 BUDGET

TENURE APPOINTMENTS

NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS

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:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
BEHAVIORAL AND BRAIN SCIENCES					
Psychology					
Distinguished Professor					
1. Michael Rugg (T)	1/1-5/31	100	09	230,000	3920
	1/1-8/31	SUPL	12	12,000	
SCHOOL OF NATURAL SCIENCES AND MATHEMATICS					
Science Education					
2. Thomas Butts					4003
From: Professor (T)		100	09	83,627	
To: Professor Emeritus	6/1-8/31				0

U. T. EL PASO
MAY 11-12, 2011

AMENDMENT TO THE 2010-11 BUDGET

TENURE APPOINTMENT

NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS

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:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
OFFICE OF THE PROVOST					
Provost and Vice President for Academic Affairs and Department of Public Health Sciences Professor					
1. Junius J. Gonzales (T)	2/1-8/31	100	12	298,000	3980
	2/1-5/31	0	09	120,000	

**U. T. PAN AMERICAN
MAY 11-12, 2011**

AMENDMENTS TO THE 2010-11 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

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:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SOCIAL AND BEHAVIORAL SCIENCES					
Sociology					
1. Chad Richardson					3968
From: Professor (T)	05/12/2011	100	9	88,596	
To: Professor Emeritus				0	
COLLEGE OF ENGINEERING AND COMPUTER SCIENCE					
Electrical Engineering					
2. Edwin LeMaster					4011
From: Professor (T)	05/12/2011	100	12	140,085	
To: Professor Emeritus				0	

**U. T. SAN ANTONIO
MAY 11-12, 2011**

CONTRACT

The following contract has been administratively approved by the President or his delegate and the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACT

FUNDS GOING OUT

1. Agency: *adidas America, Inc.*
Funds: Estimated \$950,000 for the initial term and the two optional renewal terms altogether
Period: Initial term beginning November 1, 2010 and ending May 31, 2016; option to renew for two additional periods of two years.
Description: Exclusive football apparel and footwear provider agreement that provides UTSA steeply discounted prices and additional consideration including up to \$35,000 (retail value) annually of adidas products at no charge to UTSA, and product allotment of footballs, coaches shirts, staff shirts, and caps with a total current retail value of \$21,000. *Adidas* began providing a percentage discount on promotional items November 1, 2010, while the contract was under negotiation. The contract was dated November 1, 2010, as the effective date.

**U. T. SAN ANTONIO
MAY 11-12, 2011**

AMENDMENTS TO THE 2010-11 BUDGET

TRANSFER OF FUNDS

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:

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
Roadrunner Band		
1. Amount of Transfer:	600,000	3965
From: Student Services Fee		
To: Roadrunner Marching Band		

Marching band start-up funds for uniforms, instruments, teaching tower, and operating funds.

**U. T. SAN ANTONIO
MAY 11-12, 2011**

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following item has been approved by the Executive Vice Chancellor for Academic Affairs in accordance with the Regents' *Rules and Regulations*, Rule 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas at San Antonio and there is no conflict between holding this position and the appointment of Dr. Agrawal with The University of Texas at San Antonio. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas and there is no conflict between the position and the University.

1. Name: Dr. C. Mauli Agrawal
 Title: David and Jennifer Spencer Distinguished Chair and Dean of
 the College of Engineering
 Position: Member, Emerging Technology Fund Advisory Committee
 Period: September 19, 2010 through August 31, 2012
 Compensation: None
 Description: Governor Rick Perry appointed Dr. Agrawal to the Emerging
 Technology Fund Advisory Committee. The committee
 recommends projects to be considered for Emerging
 Technology Funds to the Governor, Lieutenant Governor, and
 Speaker of the House. This item was not submitted for the
 November 2010 and February 2011 Dockets.

**U. T. SAN ANTONIO
MAY 11-12, 2011**

OTHER MATTERS (CONTINUED)

**APPROVAL OF NAMING OF STREETS, PARKING
GARAGE DESIGNATIONS, AND RENAMING OF CERTAIN
EXISTING BUILDINGS**

The following items have been approved by the Executive Vice Chancellor for Academic Affairs in accordance with the Regents' *Rules and Regulations*, Rule 80307 and are submitted for approval by the U. T. System Board of Regents. It has been determined that these namings are in accordance with and in support of a campus-wide wayfinding project as outlined below and shown on the map on Docket - 25.

Streets, parking garages, and building name change recommendations are as follows:

1. Current name: Roadway (no name) (No. 7 on map)
Proposed name: Bosque Street (No. 7 on map)
2. Current name: South Parking Garage (No. 5 on map)
Proposed name: Bosque Street Garage (No. 5 on map)
3. Current name: North Parking Garage (No. 1 on map)
Proposed name: Tobin Avenue Garage (No. 1 on map)
4. Current name: East Parking Garage currently under construction
(No. 2 on map)
Proposed name: Bauerle Road Garage (No. 2 on map)
5. Current names: University Center I, University Center II, and University Center III
(Nos. 3 and 4 on map)
Proposed name: University Center (Nos. 3 and 4 on map)
6. Current name: Road with no name currently under construction (No. 6 on the map)
Proposed name: Bauerle Road extension (No. 6 on the map)

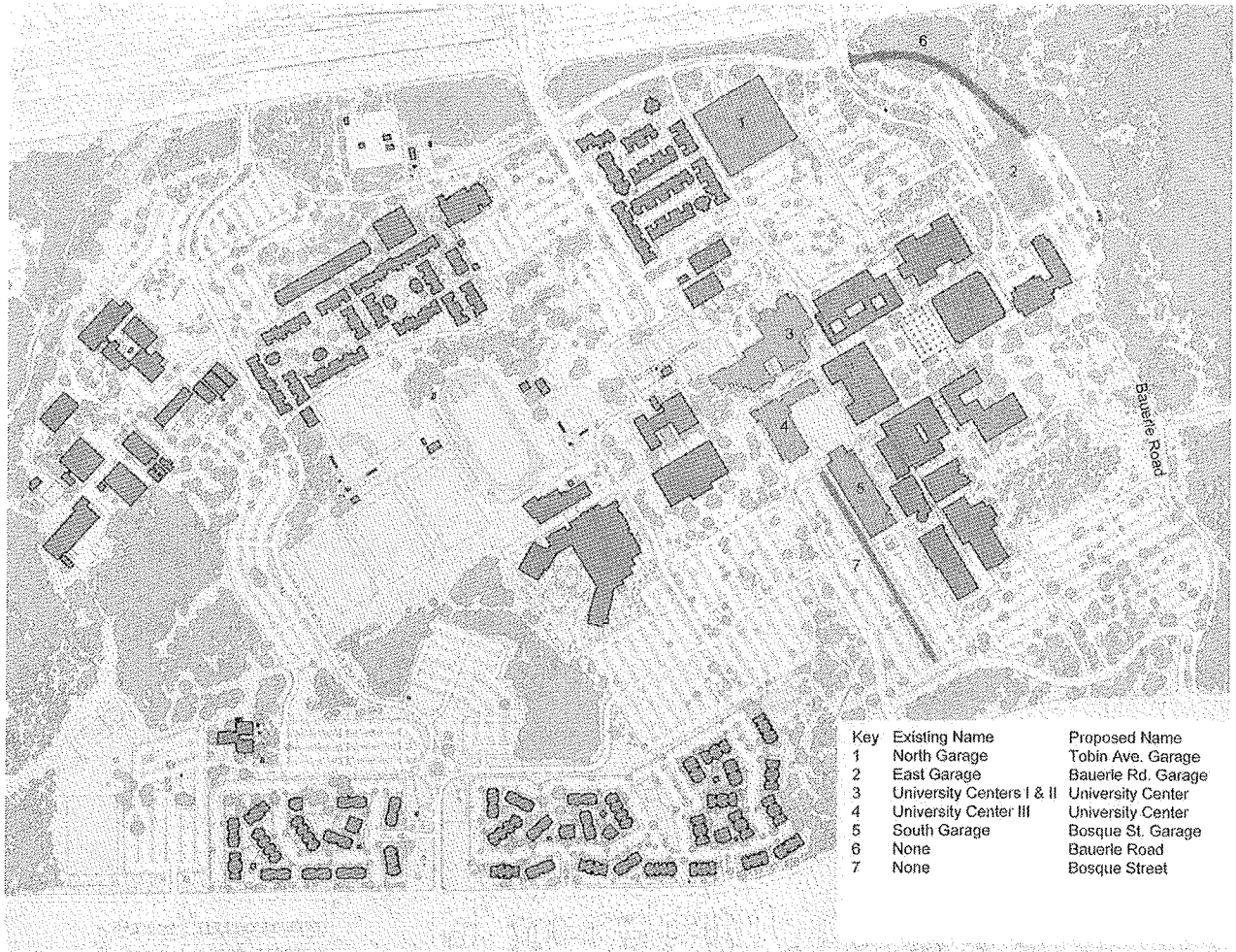
U. T. San Antonio engaged the firm of Cloud Gehshan Associates to design a comprehensive and integrated wayfinding system to correct or mitigate existing conditions that make wayfinding at U. T. San Antonio difficult.

Tobin Avenue and garage are named after the late Margaret Batts Tobin, former U. T. System Regent from 1947 to 1955. Bauerle Road and garage are named after the late James Bauerle, a former U. T. System Regent from 1973-1979.

Cloud Gehshan Associates recommended street names that are not used elsewhere in San Antonio to facilitate finding the street in electronic searchable map systems. They proposed that the parking structures be identified with the name of the road from which the garage is entered.

**U. T. SAN ANTONIO
MAY 11-12, 2011
OTHER MATTERS (CONTINUED)**

**APPROVAL OF NAMING OF STREETS, PARKING
GARAGE DESIGNATIONS, AND RENAMING OF CERTAIN
BUILDINGS (CONTINUED)**



**U. T. SOUTHWESTERN MEDICAL CENTER
MAY 11-12, 2011**

CONTRACT

The following contract has been administratively approved by the President or his delegate and the Executive Vice Chancellor for Health Affairs and is recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: GCA Services Group of Texas, LP
Funds: \$24,523,260
Period: March 1, 2011 through February 29, 2012, initial term with the option to renew this agreement for five additional one-year terms
Description: To provide custodial housekeeping services on the campus. This vendor was selected through a competitive bid process.

**U. T. MEDICAL BRANCH – GALVESTON
MAY 11-12, 2011**

CONTRACTS

The following contract has been administratively approved by the President or his delegate and the Executive Vice Chancellor for Health Affairs and is recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: Carnes Funeral Home
Funds: \$2,250,000
Period: April 1, 2011 through December 31, 2015
Description: Carnes Funeral Home will provide mortuary services to U. T. Medical Branch – Galveston upon the death of offenders in custody of the Texas Department of Criminal Justice (TDCJ). The vendor was selected through a competitive bid process. These mortuary services are part of the health care services provided by U. T. Medical Branch – Galveston to TDCJ.

**U. T. MEDICAL BRANCH – GALVESTON
MAY 11-12, 2011**

AMENDMENTS TO THE 2010-11 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

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:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
ACADEMIC ENTERPRISE					
Ob-Gyn Reproductive Sciences					
1. Melvyn Soloff					3933
From: Professor (T)		50	12	124,341	
To: Professor Emeritus	1/1-8/31			0	
ACADEMIC ENTERPRISE					
Internal Medicine – Infectious Disease					
Microbiology and Immunology					
2. Peter C. Melby					3932
From: Visiting Professor		100	12	220,000	
To: Professor (T)	1/5-8/31	100	12	220,000	
Pathology					
Associate Professor					
3. Sanjeev Sahni (T)	4/1-8/31	100	12	125,000	3997

**U. T. MEDICAL BRANCH – GALVESTON
MAY 11-12, 2011**

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following items have been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' *Rules and Regulations*, Rule 30103 and are submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of these offices or positions are of benefit to the State of Texas and The University of Texas Medical Branch at Galveston and there is no conflict between holding these positions and the appointments of Dr. Raimer and Mr. Rahr with The University of Texas Medical Branch at Galveston. By approval of these items, the Board is also asked to find that holding these positions is of benefit to the State of Texas and The University of Texas and there is no conflict between the positions and the University.

1. Name: Ben Raimer, M.D.
 Title: Senior Vice President, Health Policy and Regulative Affairs
 Position: Reappointment as Chair, Health Disparities Task Force
 Period: February 1, 2011 through February 1, 2013
 Compensation: Per diem expenses only
 Description: Dr. Raimer will chair the task force in efforts to close the gap in access to health care among special or underserved populations across Texas.

2. Name: Richard R. Rahr, Ed.D., PA-C
 Title: Professor and Chairman, Department of Physician Assistant Studies
 Position: Member, Texas Physician Assistant Board
 Period: March 16, 2011 through February 1, 2017
 Compensation: Per diem expenses only
 Description: As a member of the Texas Physician Assistant Board, Dr. Rahr will participate in establishing and maintaining standards of excellence to regulate physician assistants and ensure quality health care through licensure, discipline, and education.

**U. T. HEALTH SCIENCE CENTER – HOUSTON
MAY 11-12, 2011**

CONTRACTS

The following contracts have been administratively approved by the President or his delegate and the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: Deloitte Consulting LLP
Funds: Funds will exceed \$1 million
Period: April 25, 2011 through January 21, 2012
Description: Deloitte Consulting LLP will assist the Children's Learning Institute in designing an early childhood data system that will gather information on early childhood health and education programs from different state and federal agencies. Deloitte will design the data system infrastructure that the Children's Learning Institute will eventually build in order to gather information across the state. The vendor was selected through a competitive bid process.

2. Agency: National Education Systems, Inc.
Funds: Funds will exceed \$1 million
Period: February 10, 2011 through February 9, 2012, with the option to renew the agreement for four additional one-year terms
Description: National Education Systems, Inc. will provide English and Spanish School Readiness Kits for the Children's Learning Institute. The vendor was selected through a competitive bid process.

**U. T. HEALTH SCIENCE CENTER – HOUSTON
MAY 11-12, 2011**

CONTRACTS (CONTINUED)

FOREIGN CONTRACTS

FUNDS COMING IN

3. Agency: Shanghai Jiao Tong University School of Medicine
Funds: Agreement of Cooperation, no exchange of monies except what is provided for in the Program Agreement. Program Agreement, \$3,500 per student for an eight-week term and \$4,300 per student in the event the student stays in Houston for a 10-week term, with a maximum enrollment of 10 students per year. U. T. Health Science Center – Houston will assess a \$25 processing fee per wire transfer if payments are made via wire transfer. All other costs will be borne by students or Shanghai Jiao Tong University School of Medicine.
- Period: May 1, 2011 through April 30, 2016
- Description: The purpose of the Agreement of Cooperation is to promote mutual interest in teaching and research activities between the institutions, including institutional exchanges and hosting programs related to professional development. The Program Agreement will provide Shanghai Jiao Tong University School of Medicine students with experience in laboratory research as part of a Summer Research Program at U. T. Health Science Center – Houston, and training will be in Houston.

**U. T. HEALTH SCIENCE CENTER – HOUSTON
MAY 11-12, 2011**

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following items have been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' *Rules and Regulations*, Rule 30103 and are submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of these offices or positions are of benefit to the State of Texas and The University of Texas Health Science Center at Houston and there is no conflict between holding these positions and the appointments of Dr. Ness and Ms. Brown with The University of Texas Health Science Center at Houston. By approval of these items, the Board is also asked to find that holding these positions is of benefit to the State of Texas and The University of Texas and there is no conflict between the positions and the University.

1. Name: Roberta Ness, M.D., M.P.H.
 Title: Dean, School of Public Health
 Position: Member, Board of Directors of the Mickey Leland National Urban Air Toxics Research Center

 Period: March 10, 2011 through March 9, 2017
 Compensation: None; travel costs will be reimbursed
 Description: President Barack Obama appointed Dr. Ness as a board member to the Mickey Leland National Urban Air Toxics Research Center. The Center's mission is to develop and support research to yield a better understanding of the potential risks posed to human health by exposure to air toxics. The Center's research program, developed collaboratively by scientific experts from academia, industry, and government, seeks to fill the gaps in scientific data that are required to make sound environmental health public policy decisions. The Center, located in the Texas Medical Center, was authorized by the U.S. Congress in the Clean Air Act Amendments of 1990 and incorporated in 1991.

**U. T. HEALTH SCIENCE CENTER – HOUSTON
MAY 11-12, 2011**

OTHER MATTERS (CONTINUED)

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT (CONTINUED)

2. Name: LaShonda Brown
 Title: Director of the Children's Learning Institute, Texas Head Start
 Collaboration Office
 Position: Member, Early Childhood Intervention (ECI) Advisory
 Committee
 Period: March 1, 2011 through February 1, 2017
 Compensation: None; travel costs are paid
 Description: Governor Rick Perry reappointed Ms. Brown as a board
 member to the Early Childhood Intervention Advisory
 Committee. ECI is a statewide program for families with
 children, birth to three years, with disabilities and
 developmental delays. ECI supports families to help children
 reach their potential through developmental services.

**U. T. HEALTH SCIENCE CENTER – SAN ANTONIO
MAY 11-12, 2011**

AMENDMENT TO THE 2010-11 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENT WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENT**

The following Request for Budget Change (RBC) has been administratively approved by the Executive Vice Chancellor for Health Affairs and is recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF MEDICINE General Medicine Professor					
1. Barbara Turner (T)*	11/1-8/31	60	12	240,000	4000
*The percent time for Dr. Turner's appointment was undetermined at the February 2011 Docket deadline and the item was not included at that time.					

**U. T. HEALTH SCIENCE CENTER – SAN ANTONIO
MAY 11-12, 2011**

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following item has been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' *Rules and Regulations*, Rule 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas Health Science Center – San Antonio, that with attention to issues such as confidentiality and of leave time, there is no conflict between holding this position and the appointment of Dr. Garza with The University of Texas Health Science Center at San Antonio. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas and there is no conflict between the position and the University.

1. Name: Jaime R. Garza, M.D., D.D.S., F.A.C.S.
 Title: Assistant Dean for South Texas Community Affairs
 Position: Regent, Texas State System Board of Regents
 Period: March 30, 2011 through February 1, 2017
 Compensation: None and expenses will not be reimbursed
 Description: The Texas State University System is governed by a nine-member Board of Regents appointed by the governor. The Texas State University System provides centralized support services to the System's eight member institutions. Governor Rick Perry appointed Dr. Garza on March 21, 2011.
 Note: Dr. Garza is on an unpaid, zero time appointment with U. T. Health Science Center – San Antonio.

**U. T. M. D. ANDERSON CANCER CENTER
MAY 11-12, 2011**

CONTRACTS

The following contracts have been administratively approved by the President or his delegate and the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: Cryogene Partners, G.P.
Funds: This amendment revises the cap amount under the original agreement to a total not to exceed \$12,000,000 without the institution's prior written approval. Fees are based on the monthly aggregate volume of cubic foot storage space utilized dependent on ownership of storage equipment, as well as set fees for additional services. The original Cryogene agreement was docketed in August 2008 with a \$5,000,000 cap and a term of July 1, 2008 through June 30, 2011.

Period: This amendment utilizes the first renewal period and extends the agreement through June 30, 2014, by amending the term of the original agreement to a total of 72 months (July 1, 2008 through June 30, 2014).

Description: The amendment continues the scope of services. Vendor shall 1) coordinate with U. T. M. D. Anderson Cancer Center researchers and handle transfer, documentation, and labeling of specimens; 2) provide documentation and evidence for U. T. M. D. Anderson Cancer Center researchers clearly reflecting that vendor's storage process is reliable, functional, and secure and such documentation will include verification by inspection to validate that specimen storage process; 3) transfer frozen biological specimens contained in standard vials, straws, bags, freezers, or other containers from U. T. M. D. Anderson Cancer Center to an off-site repository managed and operated by vendor; and 4) maintain, manage, and archive specimens in accordance with industry and U. T. M. D. Anderson Cancer Center standards associated with clinical trials and research application.

**U. T. M. D. ANDERSON CANCER CENTER
MAY 11-12, 2011**

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT (CONTINUED)

2. Agency: Computer Sciences Corporation (formerly FCG CSI, Inc.)
- Funds: This Amendment No. 4 revises the total amount under the original agreement and all amendments to a total not to exceed \$6,000,000 without institution's prior written approval. Fees for this vendor are based on the negotiated hourly and monthly labor rates for various skill levels provided by vendor for each contract project.
- Period: The original cap of the Computer Sciences Corporation (f/k/a FCG CSI, Inc.) was \$999,999, therefore the initial contract was not docketed. The original term of the agreement was January 15, 2008 through January 14, 2009, with the option to renew for up to five additional 12-month periods. Amendment No. 3 extended the effective date of the agreement from January 15, 2009 through June 30, 2012.
- Description: Vendor will provide project management resources for clinical application systems, including but not limited to projects such as the CARE System Upgrade Project, Amtelco On-Call Schedule System, Vocera Expansion, Infection Control System, Lab Quality Management System, and Televox Appointment Reminder System.

**U. T. M. D. ANDERSON CANCER CENTER
MAY 11-12, 2011**

AMENDMENT TO THE 2010-11 BUDGET

APPOINTMENT AND PROMOTION

The following Request for Budget Change (RBC) has been administratively approved by the Executive Vice Chancellor for Health Affairs and is recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
MEDICAL STAFF					
Cardiology					
1. Aarif Khakoo*					3934
From: Assistant Professor		100	12	250,000	
To: Associate Professor (T)	1/1-8/31	100	12	278,000	

*This appointment was in process at the time of the February 2011 Docket deadline and not included in the Docket at that time.

**U. T. M. D. ANDERSON CANCER CENTER
MAY 11-12, 2011**

OTHER FISCAL ITEM

EMPLOYMENT AGREEMENT

The following appointment has been reviewed and approved by the Chancellor and the Executive Vice Chancellor for Health Affairs, and is recommended for approval by the U. T. System Board of Regents. Such appointment is subject to Regents' *Rules and Regulations*, Rule 10501, Section 3.4, and Rule 20201; *Texas Education Code* Section 51.948; and *Texas Government Code*, Chapter 669.

1. Item: Professor and Co-Director of the Institute for Personalized Cancer Therapy
- Funds: \$650,000 annually
- Period: September 1, 2011 through August 31, 2012
- Description: The appointment of John Mendelsohn, M.D., as President of U. T. M. D. Anderson Cancer Center will end August 31, 2011. After that date, in addition to his ongoing appointment as Professor (with term tenure), Dr. Mendelsohn will serve in an administrative appointment as co-director of the Institute for Personalized Cancer Therapy at U. T. M. D. Anderson Cancer Center.