

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

February 8-9, 2006

Austin, Texas

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Francie A. Frederick
Counsel and Secretary to the Board
March 16, 2006

MINUTES
U. T. System Board of Regents
Audit, Compliance, and Management Review Committee
February 8, 2006

The members of the Audit, Compliance, and Management Review Committee of the Board of Regents of The University of Texas System convened at 9:03 a.m. on Wednesday, February 8, 2006, in the Board Meeting Room on the 9th Floor of Ashbel Smith Hall, The University of Texas System, 201 West Seventh Street, Austin, Texas, with the following participation:

Attendance

Regent Estrada, presiding
Vice Chairman Clements
Vice Chairman Krier
Regent Craven
Regent Rowling

Also present were Chairman Huffines, Regent Barnhill, Regent Caven (for Items 2-5), Regent McHugh, Student Regent Haley, and Counsel and Secretary Frederick.

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Committee Chairman Estrada called the meeting to order. He welcomed Student Regent Brian Haley to his first meeting of the U. T. System Board of Regents and recognized Mr. John Keel, State Auditor, for his cooperation in the System-wide financial audit to be reported later in the meeting.

1. U. T. System Board of Regents: Report on results of the audit of The University of Texas Investment Management Company's (UTIMCO) voluntary implementation of the Sarbanes-Oxley Act of 2002

Committee Meeting Information

Presenter(s): Mr. Ricky Richter, Ernst & Young, LLP
Status: Reported

Discussion at meeting:

Mr. Richter reported on the results of the audit of the internal control environment over financial reporting for The University of Texas Investment Management Company (UTIMCO) and the Permanent University Fund (PUF). He explained this audit will ensure that the controls to produce the financial statements, the audit of which was reported at a previous meeting, are in place and operating in an effective manner.

He said processes and controls were first identified in a project headed by Ms. Joan Moeller, Managing Director of Accounting, Finance, and Administration for UTIMCO, and Mr. Greg Lee, Manager – Finance and Administration for UTIMCO. Internal testing was performed by the U. T. System Internal Audit group headed by Ms. Amy Barrett, Assistant Director for Audit. Mr. Richter said management took the combined documentation and internal results and provided their assessment of the internal control, deeming the control environment was effective as of August 31, 2005. Ernst & Young conducted the same test on UTIMCO and the PUF and also concluded that the internal control structure over financial reporting as of August 31, 2005, was effective; nothing was found that would characterize material weakness or a significant deficiency. He commended management and the internal audit group for providing Ernst & Young a polished, thorough, and comprehensive report that made their job easier. Mr. Richter also commended UTIMCO and the U. T. System for undertaking this voluntary audit as this is new ground with little precedent in the investment or university arena.

Mr. Charles Chaffin, Chief Audit Executive and System-wide Compliance Officer, asked Mr. Richter to comment on the plan for next year. Mr. Richter responded the timing of the internal audit procedures will coincide with the financial statement audit and will take more of an integrated approach. He said next year's audit will also encompass other funds such as the General Endowment Fund and Long Term Fund, which will add more incremental processes that will have to be addressed and tested by management and Ernst & Young as the external auditor.

Committee Chairman Estrada recognized Mr. Bob Boldt, President, Chief Executive Officer, and Chief Investment Officer of UTIMCO, and Ms. Moeller who oversees the audit function at UTIMCO for their work in having the project completed successfully. Regent Estrada confirmed with Mr. Richter that he had cooperation from staff and reported the UTIMCO Board of Directors received a more detailed report from Mr. Richter.

2. **U. T. System: Approval to renew the contract with Ernst & Young, LLP, as the external auditor for 2006 audit of funds managed by The University of Texas Investment Management Company (UTIMCO) and to negotiate for additional audit services related to UTIMCO**

Committee Meeting Information

Presenter(s): Mr. Charles Chaffin, Chief Audit Executive and System-wide Compliance Officer

Status: Approved

Motion: Made, seconded, and carried unanimously

Discussion at meeting:

Committee Chairman Estrada clarified that the UTIMCO Board of Directors recommended a third renewal of the contract with Ernst & Young and he acknowledged the fine work the firm has done. Regent Rowling agreed Ernst &

Young has done a good job and Mr. Bob Boldt, President, Chief Executive Officer, and Chief Investment Officer of UTIMCO, also spoke to his recommendation to approve renewal of the contract.

3. **U. T. System Board of Regents: Review of Audit, Compliance, and Management Review Committee Charter and Responsibilities Checklist and results of the Committee's self-assessment**

Committee Meeting Information

Presenter(s): Mr. Charles Chaffin, Chief Audit Executive and System-wide Compliance Officer

Status: Discussed

Future Action: Clarify wording of future Committee self-assessment questions to specifically ask if the "individual" Committee member has knowledge, thus not asking the member to respond for other Committee members.

Discussion at meeting:

Mr. Chaffin discussed the results of the self-assessment and stated they were extremely positive. The self-assessment pointed out the need to address the following in the future:

- improve orientation for audit committee members so they more fully understand the duties and responsibilities; and
- do a better job in the area of financial reporting so the Committee member understands financial results, significant balance sheet changes, or changes in trends in financial statements. He said this second issue will be discussed at length in the joint meeting later today (February 8) with the Finance and Planning Committee.

Mr. Chaffin briefly discussed the four major responsibilities of the Committee listed in the Charter. He said only editorial changes were made to the Checklist.

Committee Chairman Estrada commented that the results of the self-evaluation were interesting and said it is gratifying to know there were only a couple of areas of some uncertainty, not dissatisfaction, and he said those areas will be addressed directly.

Vice Chairman Krier said it was a fascinating exercise and said some uncertainty might have been due to how questions were worded. She suggested future questions be worded to ask if the "individual" member "has sufficient knowledge" and thus if all the individuals have that knowledge, it can be assumed that collectively, the Committee did have knowledge.

4. U. T. System: Report on System-wide Internal Audit Activity (Red, Orange, Yellow, Green Report)

Committee Meeting Information

Presenter(s): Mr. Charles Chaffin, Chief Audit Executive and System-wide Compliance Officer
Status: Reported

Discussion at meeting:

Mr. Chaffin stated that a significant amount of time was spent completing the financial audit but there were some internal audits conducted with significant findings placed on the tracking system. This last quarter, significant progress was made in implementing outstanding recommendations, and to date there are not any old recommendations. Everything is moving satisfactorily.

Committee Chairman Estrada agreed that satisfactory progress was being made.

5. U. T. System: Report on System-wide Institutional Compliance Activities

Committee Meeting Information

Presenter(s): Mr. Charles Chaffin, Chief Audit Executive and System-wide Compliance Officer; Mr. David Givens, System-wide Compliance Supervisor; Ms. Gayle Knight, Assistant Vice President for Institutional Compliance, U. T. Health Science Center - San Antonio

Status: Reported

Future Action: Mr. Chaffin said progress on the System-wide institutional compliance activities will be reported at the May Committee meeting.

Discussion at meeting:

Mr. Chaffin said an advisory council was created during the last quarter and Ms. Gayle Knight is Chair. The Council is heavily involved in the fourth annual compliance conference next month; over 200 are expected to attend, many from out of state. Ms. Knight said the Council was created so compliance officers could take ownership of compliance programs and increase communication and sharing of best practices among institutions. She reported there are three standing committees of the Council (Risk Assessment and Monitoring, Peer Reviews, and Training) and the Council will have representation on several U. T. System advisory committees.

Ms. Knight also reported on the July 2005 results of the peer review at U. T. Health Science Center – San Antonio, which showed the program is robust and clearly beyond formative stages. She said three opportunities for growth and enhancement were identified: form a compliance advisory committee, reconsider the composition of the audit and compliance committee, and enhance communications to stakeholders.

Regent Rowling commented on the medical billings and federal research grants as areas that should be scrutinized closely by the compliance program. Chancellor Yudof also voiced concern regarding the federal research grants and explained the U. T. System is launching an intensive effort, headed by Mr. Richard St. Onge, Assistant Vice Chancellor for Health Affairs, and Mr. Chaffin, to monitor these grants through the purchase of software packages, training programs, and adoption of rules the institutions would have to abide by. Mr. Chaffin spoke about the support of executive management, saying Executive Vice Chancellor for Health Affairs, Kenneth I. Shine, M.D., and Executive Vice Chancellor for Academic Affairs, Dr. Teresa A. Sullivan, have been helpful in leading this effort and have provided necessary resources and support. Mr. Chaffin suggested progress on the System-wide institutional compliance activities be reported at the May Committee meeting.

Committee Chairman Estrada asked if other institutions including research universities facing the same challenges have been consulted and Dr. Shine assured Regent Estrada they have been looking broadly at experience, particularly in the area of time and effort reporting. He said Mr. St. Onge led a delegation to visit some universities to review their time and effort systems, particularly those that had been penalized and had to implement changes to come into compliance. Dr. Shine said progress is being made on the identification of state-of-the-art software packages and a new software approach is planned to be introduced this summer.

Mr. Chaffin stated the U. T. System has been in the medical billing compliance business since 1998 and this function is robust at all the U. T. System institutions. He said it is a difficult business because the rules are complex and oftentimes subject to interpretation.

ADJOURNMENT

Committee Chairman Estrada announced that the purpose for which this meeting was called had been completed, and the meeting was duly adjourned at 9:33 a.m.

MINUTES
U. T. System Board of Regents
Joint Meeting of the Audit, Compliance, and Management Review Committee
and the Finance and Planning Committee
February 8, 2006

The members of the Audit, Compliance, and Management Review Committee and the Finance and Planning Committee of the Board of Regents of The University of Texas System convened at 9:35 a.m. on Wednesday, February 8, 2006, in the Board Meeting Room on the 9th Floor of Ashbel Smith Hall, The University of Texas System, 201 West Seventh Street, Austin, Texas, with the following participation:

Attendance

Regents Estrada and Rowling, presiding
Vice Chairman Clements
Vice Chairman Krier
Regent Barnhill
Regent Caven
Regent Craven
Regent McHugh

Also present were Chairman Huffines, Student Regent Haley, and Counsel and Secretary Frederick.

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Committee Chairman Estrada, on behalf of Finance and Planning Committee Chairman Rowling, called the joint meeting to order.

U. T. System: Report on the Fiscal Year 2005 Annual Financial Report including the report on the U. T. System Financial Statement Audit performed by Deloitte & Touche LLP

Joint Committee Meeting Information

Presenter(s): *Mr. Randy Wallace, Associate Vice Chancellor – Controller and Chief Budget Officer; Mr. Rodney Lenfant and Mr. George Scott, Deloitte & Touche; Mr. Charles Chaffin, Chief Audit Executive and System-wide Compliance Officer*
Status: *Reported*

Discussion at meeting:

Mr. Wallace reported the U. T. System's financial statements as of August 31, 2005, received a clean, unqualified opinion from external auditors Deloitte & Touche, which is to his knowledge the first time a public institution has received an external audit in the State of Texas. Mr. Wallace reported on the highlights of the report, Mr. Lenfant and Mr. George Scott reported on the audit work they conducted, and Mr. Chaffin reported on the internal audit work.

Regarding Slide 11 on Page 47 of Volume 2 of the Agenda Book, Regent Estrada asked if the Permanent University Fund (PUF) lands valuation is included in the capital assets and Mr. Wallace responded it is included in the value of the PUF; of the \$11.2 billion value of the PUF, \$1.5 billion is the value of the lands based on oil and gas prices at the end of August 2005. In response to a question from Regent Rowling regarding whether the methodology was changed in FY 2005, Mr. Wallace said the methodology has not changed. When discussing Slide 13 on Page 48, Mr. Wallace clarified for Regent Barnhill that State appropriations are not considered as operating income; rather as nonoperating income and as a result, the SRECNA (Statement of Revenue, Expenses, and Changes in Net Assets) shows a significant loss related to appropriations because State appropriations, which accounts for \$1.6 billion, is not included. Regent Estrada confirmed that is a GASB (Governmental Accounting Standards Board) requirement and Mr. Wallace agreed that was a change in 2002 when all U.S. public institutions instituted GASB 34 and 35.

Mr. Scott introduced his audit team in attendance at the meeting: Mr. Lenfant, Ms. Julia Petty, and Ms. Michele Strain. Mr. Lenfant then reviewed his presentation on Pages 50 – 59 of Volume 2 of the Agenda Book. With respect to Slide 7 on Page 53 (Agenda Book, Volume 2), Regent Estrada informed members of the Audit, Compliance, and Management Review Committee that foundations will not be reported as part of the operations of the U. T. System. If they were required to be included, they would be presented in a separate column in accordance with GASB 39. Regent Estrada remarked that this matter will be discussed at future meetings of the Audit Committee following the recommendation of Chancellor Yudof. Regent Rowling asked if foundations were excluded because of thresholds or because of control issues, and Mr. Lenfant responded they are excluded primarily due to thresholds since foundations hold assets for the benefit of U. T. System or its institutions. Individually, they are not sufficiently significant to be reported but they aggregate to approximately \$1.2 billion and this is disclosed in the financial statements. In response to an issue raised by Chancellor Yudof, Mr. Lenfant agreed there is an allocation issue but also an issue with respect to the availability of information. Regent Rowling asked if it matters whether or not the Regents have control over the governing board of such a foundation and Mr. Lenfant said if the foundation's charter cannot be changed by that board and if the assets eventually are being held for the System's benefit, effective control over the finances of that organization is accomplished. Mr. Scott confirmed that is a difficult issue with this standard in that even though there is control as defined by the GASB standard, practical control may not exist and getting financial information can be difficult. Mr. Lenfant explained that is the reason for the rather high threshold being met before inclusion is required. There was discussion about the definition of the threshold as individually, any organization with over 5% of the assets of the U. T. System, and Mr. Scott offered that management can lower the standard to account for at least the more significant organizations.

Ms. Petty reviewed highlights of the Management Letter included in Slide 14 on Page 57 (Agenda Book, Volume 2), including the recommendation to replace the software (Excel) used to prepare the consolidated financial report. Regent Estrada asked Executive Vice Chancellor for Business Affairs, Dr. Scott C. Kelley, for comments and Dr. Kelley said he is looking into the opportunities, such as discussing the matter with accounting officers System-wide.

Ms. Petty reminded participants the State of Texas had made a ruling that depreciation on library books would not be recorded but GASB literature clearly states higher education institutions should record such depreciation, so a catch-up adjustment for depreciation to date was made as of the beginning of this fiscal year. Regent Estrada clarified a distinction was made between a "normal" book versus a "historic" book wherein no depreciation is recorded on historical works of art.

Chancellor Yudof remarked that audit reports of academic campuses flagged Perkins loans and Ms. Petty said the answer differs by institution. Mr. Chaffin said it goes back to common policies wherein everyone follows the same process; a process that was not in place earlier.

Regent Estrada asked members of the Board to review the detailed financial statement mailed to them and said the Audit Committee and the Board will need to consider if an outside, independent audit is needed on an annual basis. He clarified the Deloitte & Touche contract allowed for an extension of two more years. Mr. Estrada said as was the intent, the Board has benefited from improved governance, improved operating controls, improved transparency and accountability, and training opportunities for internal staff. He then read two opinion letters from U. T. System staff about the independent audit; one for and one against the need for an independent audit.

Regent Rowling asked about the role of the State Auditor and if Deloitte & Touche had interaction with the State Auditor and Mr. Lenfant answered affirmatively. Mr. Scott elaborated that Deloitte is the auditor for several state agencies. Regent Rowling also asked about the cost of the contract and Mr. Lenfant answered the cost was about \$1.9 million. In response to Regent Rowling's question about GASB 45 concerning medical benefits for retirees, Mr. Wallace said the liability will be a big number but the work does not need to be done all at the same time and it begins in FY 2008. Chairman Huffines asked if this new liability will affect credit ratings and Associate Vice Chancellor for Finance Philip R. Aldridge said there will be no effect on the rating. Mr. Wallace pointed out the liability does affect managing retirement benefits and Mr. Lenfant said the impact might be changed over time once the liability has begun to be recognized.

ADJOURNMENT

Regent Estrada announced that the purpose for which this joint meeting was called had been completed, and the meeting was duly adjourned at 10:50 a.m.

MINUTES
U. T. System Board of Regents
Finance and Planning Committee
February 8, 2006

The members of the Finance and Planning Committee of the Board of Regents of The University of Texas System convened at 11:00 a.m. on Wednesday, February 8, 2006, in the Board Meeting Room on the 9th Floor of Ashbel Smith Hall, The University of Texas System, 201 West Seventh Street, Austin, Texas, with the following participation:

Attendance

Regent Rowling, presiding
Vice Chairman Krier
Regent Barnhill
Regent Caven
Regent McHugh

Also present were Chairman Huffines (for Items 4-9), Regent Craven, Regent Estrada, Student Regent Haley, and Counsel and Secretary Frederick.

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

1. **U. T. System: Report on the Fiscal Year 2005 Annual Financial Report including the report on the U. T. System Financial Statement Audit performed by Deloitte & Touche LLP**

Note: See Minutes of the joint meeting of the Audit, Compliance, and Management Review Committee and the Finance and Planning Committee for discussion of this item.

2. **U. T. System: Discussion and appropriate action related to approval of Docket No. 125**

Committee Meeting Information

Presenter(s): Committee Chairman Rowling

Status: Discussed

Future Action: Vice Chairman Krier asked for a copy of The Dallas Morning News article written by President Wildenthal and Parkland Hospital President Anderson related to the agreement between U. T. Southwestern Medical Center - Dallas and Dallas County Hospital District.

Discussion at meeting:

Committee Chairman Rowling said the Docket was set for vote at tomorrow's (February 9) Board meeting but discussion of the Docket today (February 8)

was posted if needed. He noted the proposed Teaming Agreement for the Pre-Conceptual Design of a Proposed High Temperature Teaching and Test Reactor on Page Docket - 95 and said Vice Chancellor and General Counsel Burgdorf was available for questions.

Regent Rowling called attention to Item 15 on Page Docket - 36 related to an increase in salary for U. T. Austin Head Football Coach, Mr. William Mack Brown, effective February 1, 2006. He said Coach Brown's contract provides the same salary incentive for obtaining a 75% graduation rate as it does for winning a national title. Regent Rowling noted no State appropriated funds are used to pay Coach Brown's salary.

Committee Chairman Rowling also highlighted the item on Page Docket - 137 related to a contract agreement between U. T. Southwestern Medical Center - Dallas and Dallas County Hospital District (Parkland Hospital). He noted this issue has been the subject of much press and said an article about the importance of these institutions working together by Kern Wildenthal, M.D., President, U. T. Southwestern Medical Center - Dallas, and Ron J. Anderson, M.D., President and Chief Executive Officer of Parkland Health & Hospital System, was published in The Dallas Morning News. Regent Rowling said the contract could vary between \$58-\$78 million. Vice Chairman Krier requested a copy of the article.

Vice Chairman Krier asked for assurance that there was student involvement in discussions of the proposed housing rate increases for U. T. Austin on Page Docket - 37. Regent Haley said each residence hall has representatives who are involved in discussions of housing rates and the approval process begins at the student level.

3. U. T. System: Report on the Analysis of Financial Condition for Fiscal Year 2005

Committee Meeting Information

Presenter(s): Mr. Randy Wallace, Associate Vice Chancellor - Controller and Chief Budget Officer
Status: Reported

Discussion at meeting:

Mr. Wallace reported all nine academic institutions were rated "Satisfactory," with U. T. Permian Basin upgraded from "Watch." Of the health institutions, Mr. Wallace reported U. T. Southwestern Medical Center - Dallas, U. T. Health Science Center - San Antonio, and U. T. M. D. Anderson Cancer Center continue to be rated "Satisfactory" and U. T. Health Science Center - Houston was upgraded from "Watch" to "Satisfactory." Associate Vice Chancellor Wallace said U. T. Medical Branch - Galveston remained at "Watch."

U. T. Health Center - Tyler was downgraded from "Watch" to "Unsatisfactory" and Mr. Wallace said a business plan to improve the institution's operations has been prepared. Executive Vice Chancellor Shine said U. T. Health Center - Tyler has made major cuts in expenses and he is optimistic the institution will come off the "Unsatisfactory" list.

Mr. Wallace said the institutions will continue to be monitored on a monthly basis and he will report back to the Committee.

4. U. T. System: Key Financial Indicators Report

Committee Meeting Information

Presenter(s): *Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs*

Status: *Reported*

Future Actions:

- 1. Dr. Kelley will distribute the Monthly Financial Report through December and will include it as part of future Key Financial Indicators Reports.*
- 2. Mr. Wallace will follow up with the campuses on high utility costs.*

Discussion at meeting:

Committee Chairman Rowling said the Key Financial Indicators Report gives a big picture and covers the entire U. T. System, while the Monthly Financial Report (MFR) shows how the institutions are doing. He asked Dr. Kelley to add the MFR back into future Key Financial Indicators Reports and to send the MFR through December via the mail.

Chancellor Yudof expressed concern about the increase of almost 50% in utilities and asked if the budget was realistic. Dr. Kelley said they are following up with the campuses and there was a concern whether the budgets are adequate to meet the high energy costs and whether there were some timing issues. Mr. Randy Wallace, Associate Vice Chancellor - Controller and Chief Budget Officer, said the institutions are struggling with utility costs and noted some of the campus tuition proposals are justified by the higher costs. He will follow up with the institutions.

Regent Caven asked if there was excess capacity at the various institutions and noted the larger institutions have the opportunity to hedge utility costs. Executive Vice Chancellor Kelley said a variety of creative approaches were being considered and the Energy Utility Task Force is looking at usage, sharing best practices to try and gain rate advantages, and/or hedging.

Chairman Huffines commented that utility costs are higher this year than last, and Committee Chairman Rowling noted gas prices have recently gone down.

5. U. T. System: Approval of additional amount of equipment financing for Fiscal Year 2006 and resolution of parity debt

Committee Meeting Information

Presenter(s): Mr. Philip R. Aldridge, Associate Vice Chancellor for Finance

Status: Approved

Motion: Made by Regent Barnhill, seconded by Regent McHugh, and carried unanimously

6. U. T. System: Approval of the Fiscal Year 2007 Budget Preparation Policies and Calendar for budget operations

Committee Meeting Information

Presenter(s): Mr. Randy Wallace, Associate Vice Chancellor - Controller and Chief Budget Officer

Status: Approved

Motion: Made by Regent McHugh, seconded by Regent Barnhill, and carried unanimously

Discussion at meeting:

Mr. Wallace noted this is a routine item that provides general guidelines for the institutions in preparing their Fiscal Year 2007 budgets. He noted the different timeline this year and said the budget policy was approved in May last year due to the legislative session. He said executive compensation is scheduled for discussion at the July 2006 meeting and the proposed budgets will be on the August agenda.

7. U. T. System Board of Regents: Approval to amend the Intermediate Term Fund Investment Policy Statement and approval of recommended distribution rate

Committee Meeting Information

Presenter(s): Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs

Status: Approved

Motion: Made by Regent Caven, seconded by Regent Barnhill, and carried unanimously

Discussion at meeting:

Dr. Kelley commended U. T. System and UTIMCO staff for their help putting this policy in place consistent with the expectations of the business officers. He said a regular distribution from the Intermediate Term Fund will be helpful to the business officers.

Committee Chairman Rowling said the only change to the policy is related to the distributions and is an accounting change. Regent Caven noted the recommendation was initiated by the business officers.

8. U. T. System Board of Regents: Approval of revised Master Investment Management Services Agreement with The University of Texas Investment Management Company (UTIMCO)

Committee Meeting Information

Presenter(s): Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs

Status: Approved

Motion: Made by Regent Caven, seconded by Regent Barnhill, and carried unanimously

Discussion at meeting:

Dr. Kelley said creation of the Intermediate Term Fund and other changes required an update of the Master Investment Management Services Agreement. He noted two changes not summarized in the Agenda Item:

1. *Section 2(b). - addition of responsibility for Chancellor to provide oversight for public disclosure issues; and*
2. *Section 12. - addition of UTIMCO responsibility related to contracts with third parties to ensure compliance with policies and laws.*

Chancellor Yudof congratulated Regent Caven for a good document that contains flexibility for UTIMCO and provides certain assurances related to disclosure and litigation via consultation with the Chancellor and Regents. Regent Caven added the agreement is a collaborative document that U. T. System and UTIMCO staff carefully reviewed.

Committee Chairman Rowling emphasized the Regents have a fiduciary responsibility for management of the UTIMCO funds and this agreement gives UTIMCO the authority to invest those funds.

9. U. T. System Board of Regents: Investments Report for the quarter ended November 30, 2005, and The University of Texas Investment Management Company (UTIMCO) Performance Summary Report

Committee Meeting Information

Presenter(s): Mr. Bob Boldt, President, Chief Executive Officer, and Chief Investment Officer, UTIMCO

Status: Reported

Discussion at meeting:

Mr. Boldt summarized the report and noted this may be the last time Short Intermediate Term Fund information is reported. He noted deviations from policy targets and explained why the cash and cash equivalents were out of range. Mr. Boldt said a distribution was to be made November 30, but UTIMCO chose not to transact

since money was not coming in from the Lyndon B. Johnson Foundation until the following day. He said in the future to avoid the appearance of being out of range, UTIMCO will take the transaction cost in similar situations and the asset allocation policy will be reviewed for possible needed revisions.

Mr. Boldt said there was great collaboration on the Intermediate Term Fund, over \$2.9 billion was moved, and implementation has gone smoothly.

Committee Chairman Rowling asked for a post-first-quarter update and Mr. Boldt said January has been a good month in the markets and the year is going well from a performance point of view.

Committee Chairman Rowling added that UTIMCO has already made the entire Available University Fund (AUF) payment for this year and it is not reflected in the report.

Regent Barnhill asked about hedge funds and Mr. Boldt said they had a very good month in January. He said hedge funds thrive on volatility in the markets.

ADJOURNMENT

Committee Chairman Rowling announced that the purpose for which this meeting was called had been completed, and the meeting was duly adjourned at 11:35 a.m.

MINUTES
U. T. System Board of Regents
Academic Affairs Committee
February 8, 2006

The members of the Academic Affairs Committee of the Board of Regents of The University of Texas System convened at 5:00 p.m. on Wednesday, February 8, 2006, in the Board Meeting Room on the 9th Floor of Ashbel Smith Hall, The University of Texas System, 201 West Seventh Street, Austin, Texas, with the following participation:

Attendance

Vice Chairman Krier, presiding
Regent Barnhill
Regent Craven
Regent Estrada
Regent McHugh

Also present were Chairman Huffines, Vice Chairman Clements, Student Regent Haley, and Counsel and Secretary Frederick.

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

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

Committee Meeting Information

Presenter(s): *Institutional presidents; Dr. Teresa A. Sullivan, Executive Vice Chancellor for Academic Affairs*

Status: *Reported*

Future Action: *Vice Chairman Krier asked to be updated on progress of the cooperative effort to test high school seniors between U. T. El Paso, the community college, and the school district.*

Discussion at meeting:

Committee Chairman Krier called the meeting to order and noted the presidents had been asked to focus their reports on campus efforts to improve graduation rates.

President Diana S. Natalicio reported U. T. El Paso has been working with two of the large urban school districts in the El Paso area to administer a test to high school seniors that should result in a reduction in the number of incoming students who will require developmental education courses. She said this is a cooperative effort between the community college, U. T. El Paso, and the school district that will have a large impact on moving students toward graduation.

Committee Chairman Krier asked if developmental education was another term for remedial education and President Natalicio responded affirmatively. Dr. Natalicio explained developmental education includes courses that do not count toward a degree, but rather allow students to qualify to take the courses needed for their degree. She added it is a good way to capitalize on the senior year in high school. Vice Chairman Krier asked to be updated on progress of this effort and said it is an idea that could be replicated and shared with others.

Dr. W. David Watts, President, U. T. Permian Basin, said the focus on student success is reflected in two of the institution's Compact goals -- growth and quality. He reported as a measure of quality, the School of Business has been awarded accreditation, and U. T. Permian Basin will be implementing an honors program in Fall 2006.

U. T. Dallas President David E. Daniel reported graduation rates are currently 30% for four years and 56% for six years, almost equal to the national average for all universities. He said graduation rate targets for the next 5-10 years have been set at 50% for four years and 75% for six years, and he invited comments from the Regents on those targets. He also said the institution is working on attacking its primary problem, the gateway course in calculus, to change the way that course is administered to ensure student success.

President Blandina Cárdenas said U. T. Pan American has seen a significant improvement in student retention, from 75% in 2000 to 90% this year. Additionally, there has been a 2% increase in the four-year graduation rate and Dr. Cárdenas attributed these improvements to a result of a comprehensive strategy that includes attention to gateway courses, early warning systems, and call centers that address issues related to course completion, course success, and maintenance of financial aid. She said the concurrent enrollment program with high school students has also been successful.

Committee Chairman Krier noted the accountability report indicates U. T. Pan American has consistently improved undergraduate graduation rates for four years or less. President Cárdenas said federal resources, the Texas grant, state emphasis on recommended curriculum, and institutional policy for raising entrance standards all contributed toward the institution's efforts. Vice Chairman Krier asked that Dr. Cárdenas share the federal funding sources with her colleagues.

President Juliet V. García said U. T. Brownsville is using flat-rate tuition, an early alert system, and jobs on campus to focus on retention. She reported several faculty committees have been established to study each of these efforts and results will be available in April 2006. Dr. García said they are continuing to work on articulation agreements with community colleges and an agreement was signed today (February 8) with Austin Community College for a bachelor's degree in Applied Technology.

Vice Chairman Krier congratulated President García on today's signing and said she attended a Texas Higher Education Coordinating Board meeting last week where Raymund A. Paredes, Ph.D., Commissioner of Higher Education, emphasized work study programs, so there may be other opportunities in that area.

President William C. Powers, Jr., said graduation rates are important for student progress, retention, enrollment management, and access for new applicants at U. T. Austin. He said the institution has used measures such as flat-rate tuition, which began as a pilot project in the College of Natural Sciences and the College of Liberal Arts and has now extended to all undergraduate programs, and advising students about the financial implications of spending an extra year in college. President Powers said an important issue for the Commission of 125 was changing the culture on campus that it is acceptable to graduate in five or six years. He said a University task force recommended curriculum reform as a way to improve graduation rates by having a more coherent path through the University. President Powers noted U. T. Austin has made progress over the last two years in graduation rates and increased student course loads.

Dr. Ricardo Romo, President, U. T. San Antonio, reported establishment of a task force and focus groups that are meeting with students who graduated in 5-7 years to gain an insight as to why they did not graduate in four years. Additionally, Dr. Romo said a conference will be held on campus to talk about what is being done and what can be done to increase graduation rates. Twenty new advisors have been added to counsel students on graduation requirements, efforts are being doubled in supplemental instruction courses, and U. T. San Antonio is expanding its partnership with the Early College High School Initiative.

President James D. Spaniolo, U. T. Arlington, said a University-wide task force prepared a report on graduation rates and the institution now has an action group that is managing the effort to implement some of those strategies. He said ongoing communication with the faculty senate, faculty, and student leaders will be a priority for him and the provost. President Spaniolo reported the central theme of summer orientation is being restructured to emphasize to first-time freshman students and their parents the importance of timely graduation. He said additional strategies include incentives such as flat-rate tuition and credit for students who successfully complete 28 credits in an academic year.

President Rodney H. Mabry reported U. T. Tyler is handling the graduation rate issue through a freshman retention committee, a freshman learning community, professional advisors for freshmen, and supplemental instruction for gatekeeper courses. He suggested a meeting to determine why particular courses are designated as gatekeeper courses and why a particular discipline may have such a high failure rate. Dr. Mabry said student engagement and excitement are important and U. T. Tyler is adding sororities, fraternities, community service projects, and additional sports to its campus in an effort to retain students.

Committee Chairman Krier thanked the presidents for their excellent and encouraging reports. She called on Executive Vice Chancellor Sullivan who reported she is visiting each academic campus to discuss graduation rates and is impressed by the cross-functional teamwork. Dr. Sullivan said the graduation rate issue begins in high school, and admissions, orientation, housing, financial aid, course sequencing, and the way faculty teach courses can also play a role. She said she is pleased each campus is allowed to handle the issue in the way that fits it best and opportunities to share ideas will be provided at the Council of Academic Institutions meeting and other venues. Vice Chairman Krier thanked Executive Vice Chancellor Sullivan for leading this effort.

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

Committee Meeting Information

Presenter(s): Dr. Teresa A. Sullivan, Executive Vice Chancellor for Academic Affairs

Status: Approved

Motion: Made by Regent Barnhill, seconded by Regent McHugh, and carried unanimously, as amended

Future Action: Per Regent Haley, amend resolution to improve graduation rates to include students in campus discussions. Vice Chairman Krier suggested adding students, faculty, and staff as an action in the resolution.

Discussion at meeting:

Committee Chairman Krier asked if the presidents or Committee members had any additional suggestions on the resolution language. Regent Haley recommended the resolution be amended to include student involvement in discussions. Committee Chairman Krier thanked him for the excellent suggestion and further recommended faculty and staff involvement.

See Board Minutes on Page 86 for the final approved resolution.

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

Committee Meeting Information

Presenter(s): Dr. Pedro Reyes, Associate Vice Chancellor for Academic Planning and Assessment

Status: Reported

Future Action: Vice Chairman Krier asked for updates on the student learning assessment project as the move is made from sample data to actual data.

Discussion at meeting:

Associate Vice Chancellor Reyes provided background on development of the plan to assess student learning assessment throughout the academic institutions. He said in 2002, the Academic Affairs Committee instructed the Chancellor and the

Executive Vice Chancellor for Academic Affairs to develop such a plan. Dr. Reyes said implementation of the plan began in 2002 with a request to the campuses to develop their own approach to student learning assessment. That effort was expensive and difficult to do on a consistent basis, so in May 2003, a different approach was taken. A standardized test was used, but that test was withdrawn from the market after the testing cycle. Associate Vice Chancellor Reyes then reported on the third and current effort on student learning assessment, the Collegiate Learning Assessment (CLA) Project.

Chancellor Yudof clarified Slide 6 on Page 194 in the Supplemental Materials (Volume 2) of the Agenda Book. He explained freshman students took the ACT or SAT before they were admitted. After admission, the CLA test was administered and scores were compared based on how well the students did versus how well they were predicted to do. Chancellor Yudof said most of the scores fell within the predicted range with the exception of U. T. Dallas, which fell significantly above the norm. He said this is just a way of benchmarking the process.

Chancellor Yudof highlighted the senior-level scores on Page 202 of the Executive Summary in the Supplemental Materials (Volume 2) of the Agenda Book. He noted U. T. Austin students were already performing at a high level, so their scores do not add much value. Chancellor Yudof said the more interesting scores were at U. T. El Paso, U. T. Pan American, and U. T. San Antonio. He said it is a positive message that these students from predominantly Hispanic institutions are performing significantly better than expected.

Dr. Reyes said moving forward, more solid data will be available that shows the U. T. System is making a difference in students' lives by helping them obtain critical thinking, problem solving, and analytical reasoning skills so they can become active and productive citizens.

In response to a question by Regent Craven, Associate Vice Chancellor Reyes gave an explanation of artificial intelligence. He said experts assess writing and the computer emulates the moves the experts are making and writes a program, so when a student submits an essay online, it goes immediately into the computer and gives an immediate response. Dr. Reyes said a similar test engine is being used for high school students to help them learn how to write for college. Dr. Craven agreed that something needs to be done early to determine where the weaknesses are. Associate Vice Chancellor Reyes added the help of the presidents and provosts is critical in getting students to the testing centers and noted no additional supervision is needed since the testing is web-based.

Regent Haley said as an undergraduate, his two writing courses were very helpful and he commended the requirement of these courses that improve student skills.

Vice Chairman Krier asked for updates on the student learning assessment project as the move is made from sample data to actual data.

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

Committee Meeting Information

Presenter(s): Dr. Teresa A. Sullivan, Executive Vice Chancellor for Academic Affairs
Status: Approved
Motion: Made by Regent Estrada, seconded by Regent Craven, and carried unanimously

Discussion at meeting:

U. T. Brownsville President Juliet V. García said membership in the Red River Athletic Conference will help with retention since students who want to continue to participate in athletics after two years will not have to transfer to another institution.

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

Committee Meeting Information

Presenter(s): Dr. Teresa A. Sullivan, Executive Vice Chancellor for Academic Affairs
Status: Approved
Motion: Made by Regent Barnhill, seconded by Regent Estrada, and carried unanimously

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

Committee Meeting Information

Presenter(s): President James D. Spaniolo, U. T. Arlington; Ms. Florence Mayne, Executive Director of Real Estate
Status: Approved
Motion: Made by Regent Estrada, seconded by Regent McHugh, and carried unanimously

Discussion at meeting:

President Spaniolo said the mayor has pledged his support and is excited about having a higher profile and greater presence for U. T. Arlington in Fort Worth.

Regent Estrada said the location is excellent and will give U. T. Arlington tremendous visibility, especially with the new logo (see Page Docket - 30), which he hopes to see prominently displayed on the building. The new logo is shown on the following page.



The University of Texas
ARLINGTON

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

Committee Meeting Information

Presenter(s): President Rodney H. Mabry, U. T. Tyler; Ms. Florence Mayne, Executive Director of Real Estate

Status: Approved

Motion: Made by Regent Barnhill, seconded by Regent Craven, and carried unanimously

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

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Craven, seconded by Regent Estrada, and carried unanimously

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

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Estrada, seconded by Regent Barnhill, and carried unanimously

Discussion at meeting:

Regent Estrada asked if the study will include energy efficiency and Mr. Dixon said it will in addition to possible options for creative financing associated with power factors.

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

Committee Meeting Information

Presenter(s): President David E. Daniel, U. T. Dallas; Dr. Teresa A. Sullivan, Executive Vice Chancellor for Academic Affairs

Status: Approved; proposal subsequently withdrawn (see note below)

Motion: Made by Regent Craven, seconded by Regent Estrada, and carried unanimously

Discussion at meeting:

President Daniel said U. T. Dallas originally planned to come forward with an immediate request for the Biomedical Engineering degree. However, for planning authority purposes and for administrative efficiency, the Texas Higher Education Coordinating Board recommended grouping the requests and presenting them all at once although it is not expected all the degrees will be implemented at once. Dr. Daniel noted the Biomedical Engineering degree has been a collaborative effort with U. T. Southwestern Medical Center - Dallas and U. T. Arlington.

Note: On March 17, 2006, the proposal was withdrawn by the institution.

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

Committee Meeting Information

Presenter(s): President David E. Daniel, U. T. Dallas; Dr. Teresa A. Sullivan, Executive Vice Chancellor for Academic Affairs

Status: Reported

Discussion at meeting:

President Daniel said U. T. Dallas is in the process of finalizing a strategic plan for the institution. He said he wants to present a vision and give the Regents a chance to comment and provide suggestions and feedback before moving toward finalization of the plan.

Dr. Daniel noted the following updates to information included in the PowerPoint presentation in the Supplemental Materials (Volume 2) of the Agenda Book:

- *the Dallas/Fort Worth Metroplex is included (Slide 4 on Page 226) as an important component;*
- *philanthropic support was added as an important ingredient for success (Slide 9 on Page 229);*

- *Action 5.4 on Slide 13, Page 231, was broadened to read "Enhancement of Diversity and Inclusion;" and*
- *an additional bullet, Reduction in Administrative Costs, has been added to Slide 14 on Page 231.*

Regent Estrada said he has received positive comments on President Daniel's performance from community leaders in the Dallas/Fort Worth area and Committee Chairman Krier added it has been impressive for only eight months of service.

Regent Haley expressed appreciation for the emphasis on a global perspective and said it is important for students to understand there are other areas to focus on outside the Metroplex and the state.

Committee Chairman Krier said she was impressed with the high scores of U. T. Dallas students in the analytical writing portion of the student learning assessment report. She suggested this high level of communication may be useful in conveying the high technology and research in ways that others can understand. President Daniel said some of the most creative people are found in the science and engineering field and this broader interest creates a challenge of making the University multidimensional. He said the word "creativity" has been added to the draft mission statement for U. T. Dallas and the institution aspires to be complete, rather than one-dimensional, in its quality.

Committee Chairman Krier asked if the Committee members had questions or comments on the proposed Teaming Agreement related to a possible High Temperature Reactor at U. T. Permian Basin on Page Docket - 95 of the Supplemental Materials (Volume 2) of the Agenda Book. She said it was an exciting venture that combines collaboration and she is impressed with the inclusion of a number of U. T. System academic institutions, local governments in West Texas, and entities in the public and private sectors. She commended Dr. W. David Watts, President, U. T. Permian Basin, for his leadership on this initiative.

ADJOURNMENT

Committee Chairman Krier announced that the purpose for which this meeting was called had been completed, and the meeting was duly adjourned at 6:15 p.m.

MINUTES
U. T. System Board of Regents
Health Affairs Committee
February 8, 2006

The members of the Health Affairs Committee of the Board of Regents of The University of Texas System convened at 4:10 p.m. on Wednesday, February 8, 2006, in the Board Meeting Room on the 9th Floor of Ashbel Smith Hall, The University of Texas System, 201 West Seventh Street, Austin, Texas, with the following participation:

Attendance

Vice Chairman Clements, presiding
Vice Chairman Krier
Regent Caven
Regent Craven
Regent Rowling

Also present were Chairman Huffines (for Items 5-6), Regent Barnhill (for Items 5-6), Regent Estrada, Regent McHugh (for Items 2-6), Student Regent Haley, and Counsel and Secretary Frederick.

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

1. **U. T. System: Quarterly report on health issues by Executive Vice Chancellor Shine**

Committee Meeting Information

Presenter(s): *Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs*
Status: *Reported*

Discussion at meeting:

Executive Vice Chancellor Shine reported the Academy of Medicine, Engineering and Science of Texas received a gift from Mr. and Mrs. Peter O'Donnell, Jr., to honor outstanding up-and-coming researchers in medicine, engineering, and science. Dr. Shine was pleased to note two of the three award recipients were from U. T. System institutions. Michael K. Rosen, Ph.D., Associate Professor in the Graduate School of Biomedical Sciences at U. T. Southwestern Medical Center - Dallas received the science award, and the recipient of the engineering award was Yueh-Lin Loo, Ph.D., Assistant Professor of Chemical Engineering at U. T. Austin.

Executive Vice Chancellor Shine also reported that the Academy of Medicine, Engineering and Science, in collaboration with U. T. Medical Branch - Galveston, will sponsor a program April 5-6, 2006, in Galveston focusing on research activities and technology transfer opportunities. He invited the Regents to attend this first of what he hopes to be an annual statewide science meeting.

Dr. Shine reminded the Committee U. T. System created an Academy of Health Science Education to recognize elite educators in the U. T. health system. He reported U. T. Southwestern Medical Center - Dallas established a similar academy, Southwestern Academy of Teachers (SWAT), with the help of a gift from Nobel Laureate Alfred Goodman Gilman, M.D., Ph.D., Dean of the Medical School at U. T. Southwestern Medical Center - Dallas.

Executive Vice Chancellor Shine said a report titled "Code Red: The Health of Texas" has been prepared by the Task Force on Access to Health Care. He said copies of the report will be provided prior to its release, and he encouraged the Regents to look at the findings and recommendations in the report for possible discussion at a future meeting of implications for the U. T. System. Dr. Shine said the Task Force is comprised of individuals throughout the State, including four faculty members from U. T. System institutions. In response to questions by Vice Chairman Krier, Dr. Shine explained the report contained input from members of 10 different institutions and will not be published in the name of any specific institution. He also said this access to health report will include a variety of findings and Vice Chancellor and General Counsel Barry D. Burgdorf has reviewed the report to ensure it does not include any political recommendations.

2. U. T. Health Science Center - San Antonio: Pre-Clinical Laboratories Renovation - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include project; authorization of institutional management; and appropriation of funds and authorization of expenditure

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Craven, seconded by Vice Chairman Krier, and carried unanimously

3. **U. T. Health Science Center - San Antonio: Authorization to acquire 13.37 acres of unimproved land located at the northeast corner of Floyd Curl Drive and Sid Katz Drive, described as 13.37 acres out of the Manuel Tejada Survey No. 89, Abstract No. 741, City of San Antonio, Bexar County, Texas, from the Board of Trustees of the San Antonio Medical Foundation, either by gift or by purchase at less than the fair market value as established by an independent appraisal, for campus expansion needs to accommodate the proposed Medical Arts and Research Center (MARC)**

Committee Meeting Information

Presenter(s): Francisco G. Cigarroa, M.D., President, U. T. Health Science Center - San Antonio; Ms. Florence Mayne, Executive Director of Real Estate

Status: Approved

Motion: Made by Regent Rowling, seconded by Regent Craven, and carried unanimously

4. **U. T. Health Science Center - San Antonio: Laboratory Animal Resources Renovation - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include project; authorization of institutional management; and appropriation of funds and authorization of expenditure**

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Craven, seconded by Vice Chairman Krier, and carried unanimously

Discussion at meeting:

Regent Rowling asked about the cost of \$5.5 million and Mr. Dixon responded it was in line with what U. T. System has paid for other animal research facilities. Francisco G. Cigarroa, M.D., President, U. T. Health Science Center - San Antonio, acknowledged renovation of laboratory animal research space is very expensive, but said the project is important for education and expansion of research opportunities at U. T. Health Science Center - San Antonio.

5. U. T. M. D. Anderson Cancer Center: Discussion of Compact Priorities

Committee Meeting Information

Presenter(s): John Mendelsohn, M.D., President, U. T. M. D. Anderson Cancer Center; Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs

Status: Reported

Discussion at meeting:

President Mendelsohn discussed immediate priorities, long-term priorities, and future initiatives included in the Compact, and gave examples of how the institution is achieving those goals.

Executive Vice Chancellor Shine commented as a result of the Institute of Medicine report on patient errors and mortality, U. T. M. D. Anderson Cancer Center took a close look at these issues and demonstrated that ventilation infections and cardiac arrests could be reduced. He said all the U. T. System campuses are looking at these issues and he congratulated President Mendelsohn for the progress made at the Cancer Center.

Committee Chairman Clements asked President Mendelsohn how much of his time is spent on the Compact and Dr. Mendelsohn responded about 10%. He said he personally wrote the entire text of the Compact and it fits with his job of leading the mission and goals of the institution. He acknowledged the support of Ms. Adrienne Lang, Vice President for Center Programs.

6. U. T. Medical Branch - Galveston: Approval to expand planning authority for a Doctor of Physical Therapy degree in the School of Allied Health Sciences

Committee Meeting Information

Presenter(s): John D. Stobo, M.D., President, U. T. Medical Branch - Galveston

Status: Approved

Motion: Made by Regent Caven, seconded by Vice Chairman Krier, and carried unanimously

Discussion at meeting:

President Stobo said U. T. Medical Branch - Galveston currently offers a Master's degree in Physical Therapy that takes two and one-half years to complete. He said the Doctor's degree would take three years to complete and the additional six months would be used for advanced clinical training for the Physical Therapy candidates. Dr. Stobo said the additional cost, which will be 15-20% higher than the Master's program, would be borne internally by differential tuition. He added

the impetus for this degree comes from a national movement to expand Physical Therapy programs and to have individuals who are more expertly trained in clinical areas.

ADJOURNMENT

Committee Chairman Clements announced that the purpose for which this meeting was called had been completed, and the meeting was duly adjourned at 4:50 p.m.

MINUTES
U. T. System Board of Regents
Facilities Planning and Construction Committee
February 8, 2006

The members of the Facilities Planning and Construction Committee of the Board of Regents of The University of Texas System convened at 2:55 p.m. on Wednesday, February 8, 2006, in the Board Meeting Room, 9th Floor, Ashbel Smith Hall, The University of Texas System, 201 West Seventh Street, Austin, Texas, with the following participation:

Attendance

Regent Barnhill, presiding
Vice Chairman Clements (for Items 2-15)
Regent Caven (for Items 2-15)
Regent Estrada
Regent McHugh

Also present were Chairman Huffines (for Items 4-15), Vice Chairman Krier, Regent Craven (for Items 1-6 and 9-15), Regent Rowling (for Items 4-6), Student Regent Haley, and Counsel and Secretary Frederick (for Items 7-15).

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

Mr. David Dixon, Interim Associate Vice Chancellor for Facilities Planning and Construction, then presented a PowerPoint presentation on design development plans and the economic impact for Items 2, 3, 4, 5, and 6, and a PowerPoint presentation on outdoor works of art for Items 10 and 11 as set forth on Pages 9 - 65.

1. **U. T. System: Consideration of designation of projects as architecturally or historically significant**

- U. T. Austin Hogg Auditorium Renovation
- U. T. Austin Library Storage Facility
- U. T. Pan American Administration Annex
- U. T. Pan American Animal Research Facility
- U. T. Pan American Business Administration Addition and Renovation
- U. T. Health Science Center - San Antonio Pre-Clinical Laboratories Renovation
- U. T. Health Science Center - San Antonio Laboratory Animal Resources Renovation
- U. T. M. D. Anderson Cancer Center Rotary House International Phase III

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Identified the U. T. Austin Hogg Auditorium Renovation as a special interest project

Motion: Made by Committee Chairman Barnhill, seconded by Regent Estrada, and carried unanimously

Future Action: The U. T. Austin Hogg Auditorium Renovation was recommended for designation as architecturally significant.

Discussion at meeting:

Only the U. T. Austin Hogg Auditorium Renovation was recommended for designation as architecturally significant.

2. U. T. Austin: LBJ Plaza Renovation/Lady Bird Johnson Center - Request for approval of design development

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Estrada, seconded by Regent McHugh, and carried unanimously

Discussion at meeting:

Committee Chairman Barnhill said that this is a visible, high-profile project. Mr. Dixon noted letters of support from Mr. Larry Temple, President of the Lyndon B. Johnson (LBJ) Foundation, as well as letters of support from daughters Luci Baines Johnson and Lynda J. Robb. The project is intended to be complete in August 2008, the 100th anniversary of President Johnson's birthday.

3. U. T. Austin: Applied Research Lab Expansion - Phase II - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to increase total project cost; approval of design development; approval of evaluation of alternative energy economic feasibility; and appropriation of funds and authorization of expenditure

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Caven, seconded by Regent McHugh, and carried unanimously

4. U. T. Austin: Darrell K Royal - Texas Memorial Stadium Expansion - Amendment to the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to increase total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Estrada, seconded by Regent Caven, and carried unanimously

Future Actions:

1. Chancellor Yudof asked that the economic impact be reexamined (looks low).
2. Regent Estrada suggested President Bush be invited to the rededication ceremony.

Discussion at meeting:

Committee Chairman Barnhill said this is a visible, high-profile project. Mr. Dixon met with the Texas Historical Commission on January 31, 2006, to discuss the historical elements of the stadium. The stadium was built and dedicated in 1924 to the memory of those who fell in World War I. The stadium itself is the memorial to these men and women. Historical elements are plaques that commemorate the sacrifices made by University of Texas alumni and students. There are individual plaques for each of the U. T. alumni who died in World War I. Location A holds two plaques, one dedicated to the T men who died in World War I, and the other is the dedication plaque for the stadium itself. Locations B and C have six plaques for the deceased from the original six Southwest Conference schools. Location D, facing the field, is a large bronze entablature honoring all Texans who were killed in World War I, as well as a granite block dedicated to veterans of all wars when the stadium was rededicated in 1977. The entablature holds about 5,000 names. Mr. Dixon said some of the memorials will stay in the same place and others will be relocated outside the stadium for better visibility.

Committee Chairman Barnhill commented this will be a wonderful asset for the campus as well as for the state. President Powers said this project is good for the campus and has a great economic impact. Regent Barnhill noted it is especially fitting that this stadium will be for the national championship team.

Chancellor Yudof remarked the economic impact seems low and needs to be reexamined. He noted that when people come from out of town and stay in area hotels and restaurants, there should be a different multiplier than for a research facility where there are permanent employees. Mr. Dixon said the construction economic impact is a straight multiplier of a percentage, but the 10-year earnings is based on staff and faculty that would be in that facility but that is nothing compared to the dollars that are created. Executive Vice Chancellor for Business Affairs, Dr. Scott C. Kelley, mentioned all funding for both debt service and other project funds come from the athletic department. There are no student fees and no other

student income or tuition revenues to fund this project. Mr. DeLoss Dodds, Athletic Director, said the economic impact for the City of Austin is about \$110 million annually for the whole stadium.

Regent Estrada suggested President Bush be invited to the rededication in 2008.

See slides on Pages 22 - 41.

5. U. T. Austin: The University of Texas Executive Education and Conference Center - Amendment to the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to increase total project cost; approval of design development; approval of evaluation of alternative energy economic feasibility; revise the funding sources; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Caven, seconded by Vice Chairman Clements, and carried unanimously

Discussion at meeting:

Committee Chairman Barnhill said this is a visible, high-profile project. Regent Barnhill said that early in January, he and Mr. Dixon met with staff from U. T. Austin, including the School of Business and HKS Architectural Firm. He noted U. T. Austin was one of the only top 10 business schools that does not have an executive conference center. Schools currently building conference centers are the University of Virginia, the University of California at Berkeley, the University of Michigan, Georgia Institute of Technology, and Indiana University. Schools that currently have such facilities are Northwestern University, the Wharton School at the University of Pennsylvania, and Harvard University. Student Regent Haley asked if academic dollars would be used to fund the executive classroom area or is it all revenue generated and Mr. Dixon answered no academic dollars are being used. Regent Estrada asked if \$30 million in gifts has already been received and Mr. Dixon replied \$5 million is available, and the School of Business officials are confident the remainder of the funds will be raised.

Regent Estrada asked if it is likely that naming opportunities will be available for conference rooms and classrooms and Dr. Randa S. Safady, Vice Chancellor for External Relations, replied affirmatively.

6. **U. T. M. D. Anderson Cancer Center: U. T. Research Park Utilities and Central Maintenance Facilities - Request for approval of design development for Stage I of the project; approval of evaluation of alternative energy economic feasibility; and appropriation of funds and authorization of expenditure**

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Regent McHugh, seconded by Regent Estrada, and carried unanimously

7. **U. T. Austin: Painter Hall - Mechanical System Upgrade - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to increase total project cost; revise the funding source; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Vice Chairman Clements, seconded by Regent Estrada, and carried unanimously

8. **U. T. San Antonio: Downtown Campus Cladding Repairs - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to increase total project cost and appropriation of funds and authorization of expenditure**

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Estrada, seconded by Regent Caven, and carried unanimously

9. **U. T. Health Science Center - Houston: Data Center Relocation - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to decrease total project cost and revise funding sources**

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Regent McHugh, seconded by Vice Chairman Clements, and carried unanimously

10. **U. T. Austin: Jack S. Blanton Museum of Art Phase I and II - Request for acceptance of gifts of outdoor works of art**

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Estrada, seconded by Regent Caven, and carried unanimously

Discussion at meeting:

Chairman Barnhill reminded the Committee members this item was tabled from consideration at the November 9, 2005 Committee meeting for further information and the responses were good.

Regent Caven asked about the approximate diameter of the sculpture by Mr. Richard Long and Mr. Dixon said it is about the same size as the Meg Webster sculpture, which is approximately 25 to 30 feet. Regent Barnhill said he had asked about the security because the pieces are moveable and was assured there was good security.

See slides on Pages 53 - 62.

11. **U. T. Southwestern Medical Center - Dallas: North Campus Phase 4 - Request for acceptance of gift of outdoor work of art**

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Estrada, seconded by Regent Caven, and carried unanimously

12. U. T. Austin: Request to name the grand foyer and lobby area in the Edgar A. Smith Building of the Jack S. Blanton Museum of Art as the Joe R. and Teresa Lozano Long Grand Foyer

Committee Meeting Information

Presenter(s): Dr. Randa S. Safady, Vice Chancellor for External Relations

Status: Approved

Motion: Made by Regent Estrada, seconded by Vice Chairman Clements, and carried unanimously

13. U. T. Tyler: Request to name the Baseball Field as the Bob and Mary Irwin Baseball Field

Committee Meeting Information

Presenter(s): Dr. Randa S. Safady, Vice Chancellor for External Relations

Status: Approved

Motion: Made by Regent McHugh, seconded by Regent Caven, and carried unanimously

14. U. T. Southwestern Medical Center - Dallas: Request to name the Biomedical Research and Advanced Imaging Building as the Bill and Rita Clements Advanced Medical Imaging Building

Committee Meeting Information

Presenter(s): Dr. Randa S. Safady, Vice Chancellor for External Relations

Status: Approved

Motion: Made by Regent Caven, seconded by Regent Estrada, and carried unanimously

Discussion at meeting:

President Wildenthal said the building, which will open in the fall, will house 18 specially shielded and constructed bays for state-of-the-art imaging devices that require special building standards. It will complete the first connected phase of the North Campus complex and Dr. Wildenthal said its importance for U. T. Southwestern Medical Center – Dallas is matched only by Governor and Mrs. Clements and all they have done for higher education.

Regent Caven pointed out unlike other gifts, this was not a negotiated gift, which would be prohibited by the Regents' Rules and Regulations because we have a sitting Regent for whom this would be named. He said more importantly, this is a gift that has been fully funded and is not a pledge. He recommended approval in recognition of the great things that Governor and Mrs. Clements have done.

Committee Chairman Barnhill added his thanks to Governor and Mrs. Clements for their outstanding donation and noted Vice Chairman Clements would abstain from voting on this item.

15. U. T. System: Construction Cost Forecasting - Mitigating the Impacts of Hurricanes Katrina and Rita

Committee Meeting Information

Presenter(s): *Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction; Mr. Stanley Scott, Associate Director of Program Services, Facilities Planning and Construction*

Status: *Reported*

Discussion at meeting:

Mr. Dixon said following the last meeting several Regents asked about the impact of the double blow of Hurricanes Katrina and Rita on capital cost.

In reference to the discussion of mitigating expenses of top-tier firms (Page 272 of Volume 2 of the Agenda Book), Regent Estrada said he supports the focus on cost control but encouraged staff to weigh using women- and minority-owned firms with the buying power of national top-tier firms.

ADJOURNMENT

Committee Chairman Barnhill announced that the purpose for which this meeting was called had been completed, and the meeting was duly adjourned at 4:05 p.m.



THE UNIVERSITY OF TEXAS SYSTEM

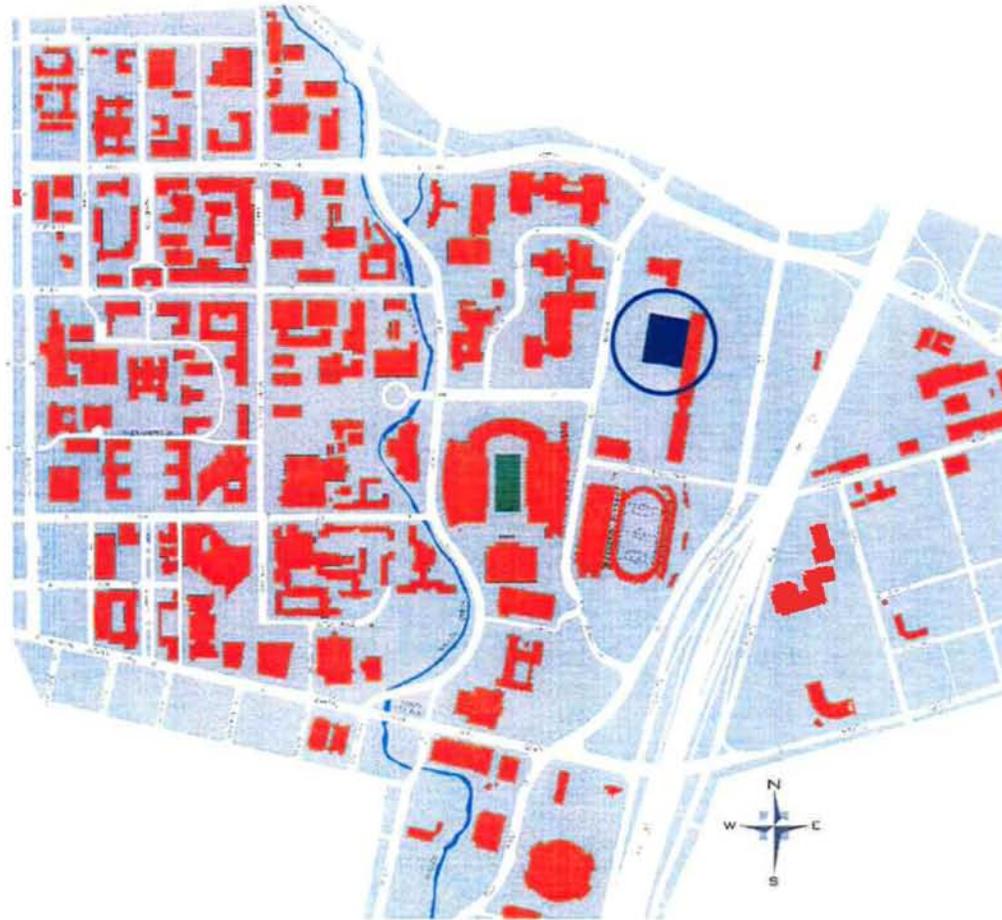
Design Approvals

February 8, 2006

Office of Facilities Planning and Construction



U. T. Austin – LBJ Plaza Renovation/ Lady Bird Johnson Center



**LBJ Plaza Renovation/Lady Bird Johnson Center
Campus Plan**



Project goals



Honor Lady Bird Johnson through the creation of the Lady Bird Johnson Center

Solve water problems in existing Plaza and make Plaza more hospitable

Repair damage caused by water infiltration





Site Improvements

Resurface Plaza Paving

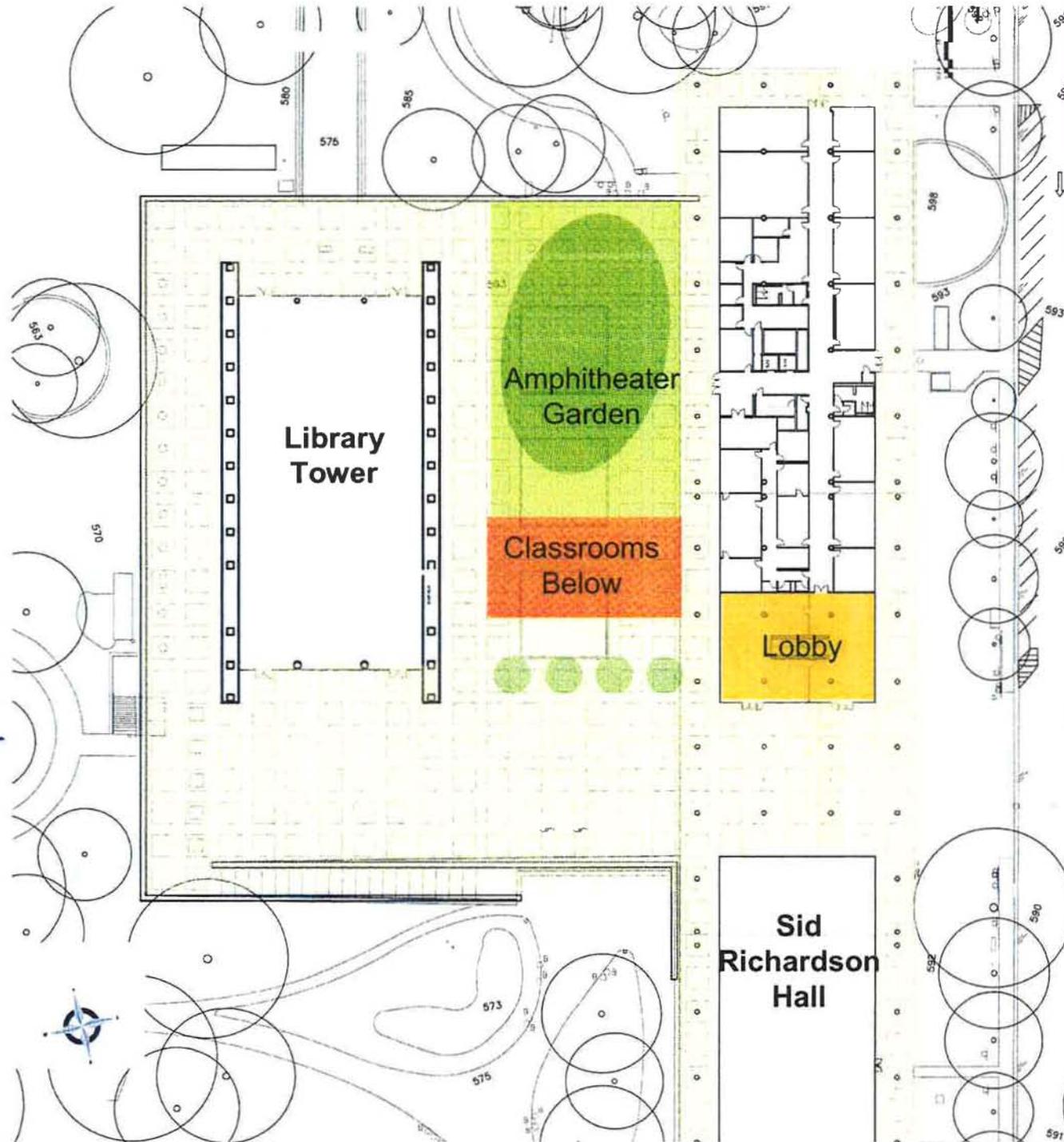
Solve Bus drop-off Problem

Enhance visitor entry to
LBJ Complex and Lady Bird
Johnson Center

Create a natural amphitheater
between the Library and SRH

Create Lower Entry Garden

Connect Indoor and Outdoor
spaces



Lady Bird Johnson Center Plaza Level

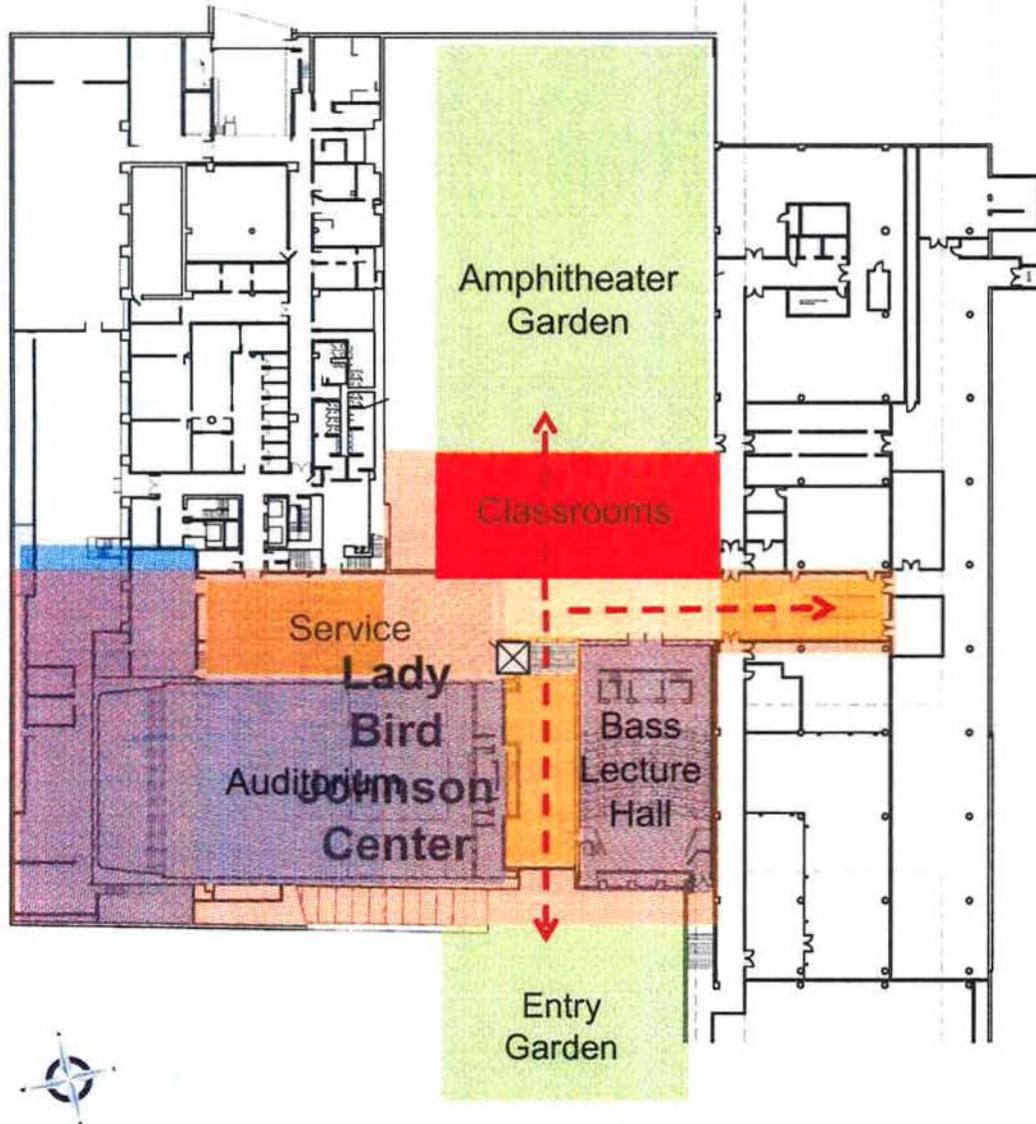
Solve water problems and
resurface Plaza

Open Lobby and remodel
as entrance to Lady Bird
Johnson Center

Create Terraced Garden/
Amphitheater

Increase shade to create
hospitable environment/
welcoming place for
people to gather

Build Classrooms below



Lady Bird Johnson Center Main Level

Create Terraced Garden and Entry Garden

Upgrade LBJ Auditorium and Bass Lecture Hall

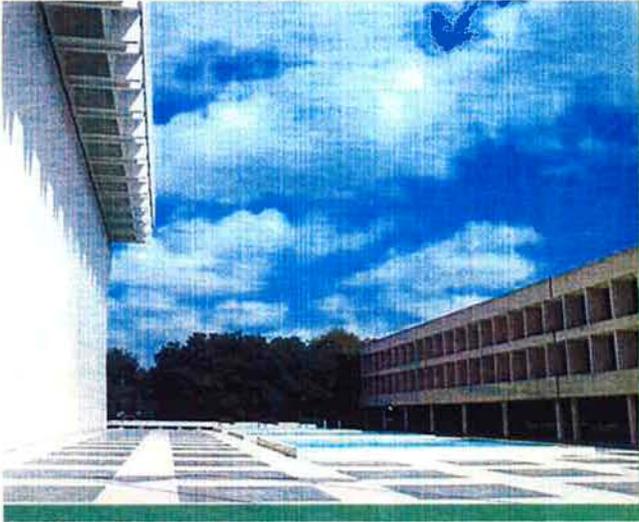
Update Services

Build Classrooms

Relocate Elevator and Widen Stairs

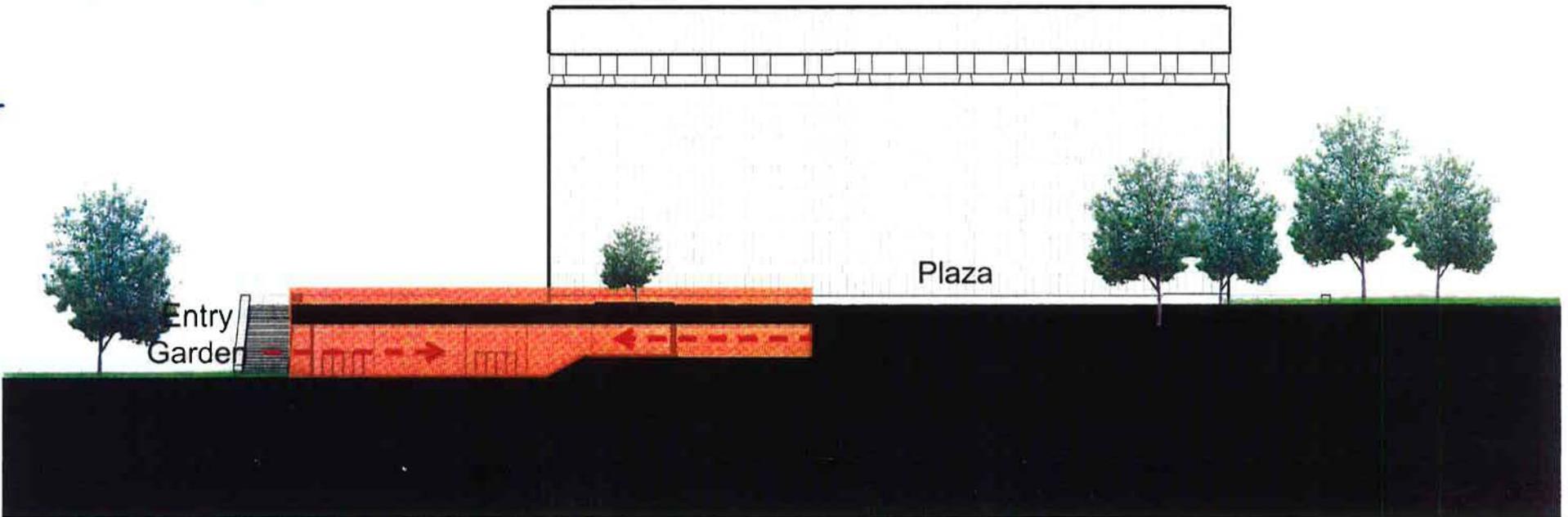
Connect Indoor and Outdoor Spaces

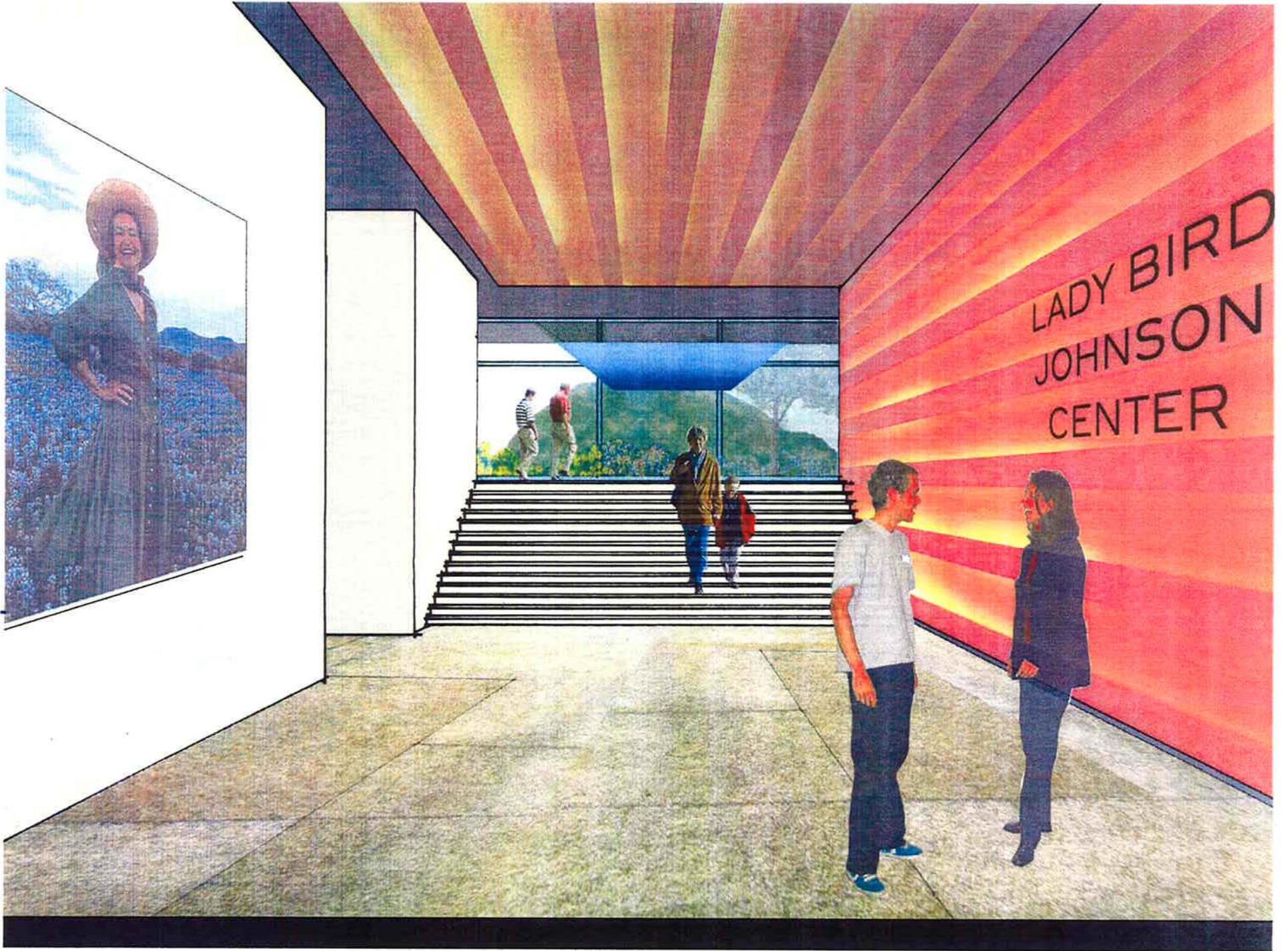
Upgrade for Code Compliance



Lady Bird Johnson Center Section

15





Estimated Economic Impact

Total project cost: \$30,000,000

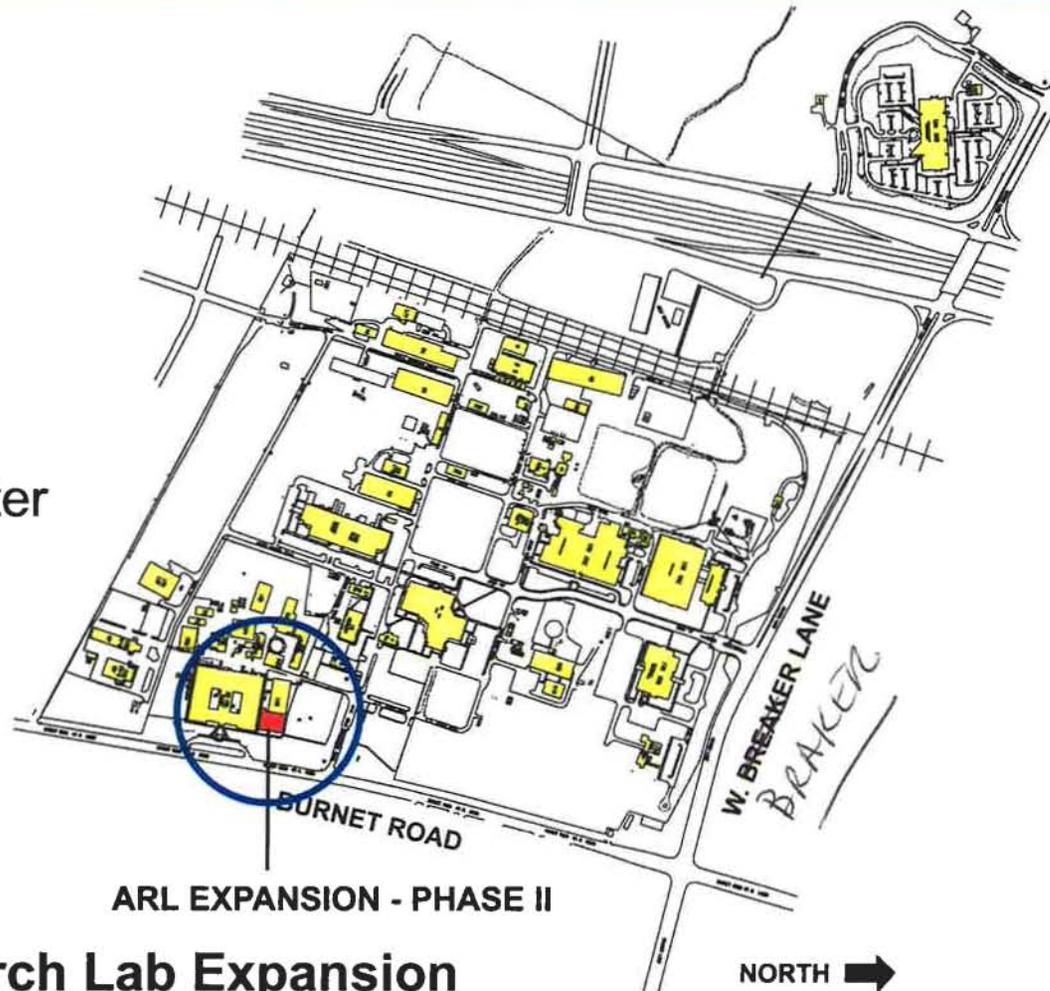
- **Construction economic impact** **\$ 54,000,000**
- **10-year earnings economic impact** **\$ 0**

Total estimated economic impact **\$ 54,000,000**
(first 10 years of operation)

The University of Texas at Austin
LBJ Plaza Renovation/Lady Bird Johnson Center



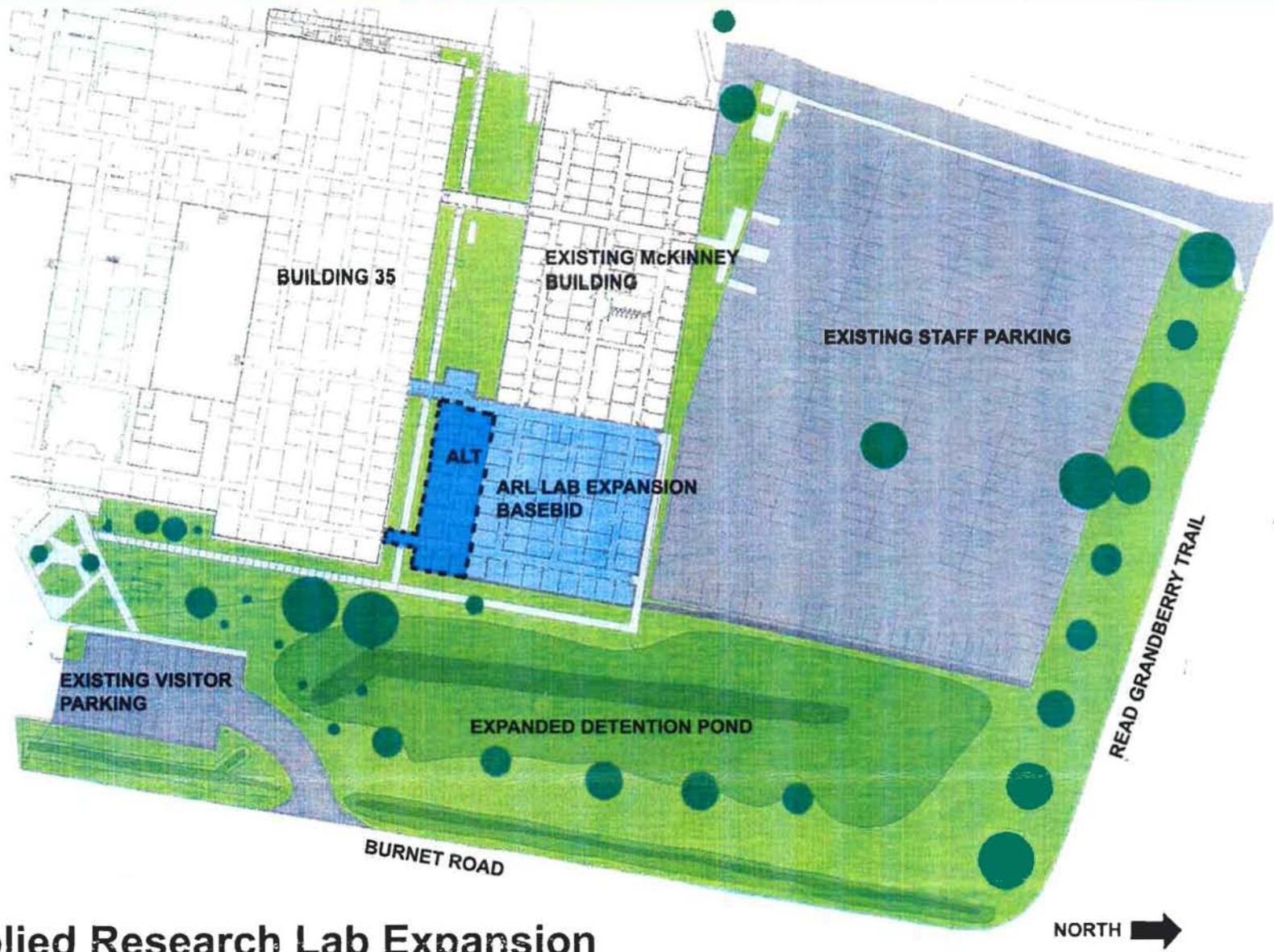
U. T. Austin – Applied Research Lab Expansion



J. J. Pickle
Research Center

ARL EXPANSION - PHASE II

Applied Research Lab Expansion
Campus Plan



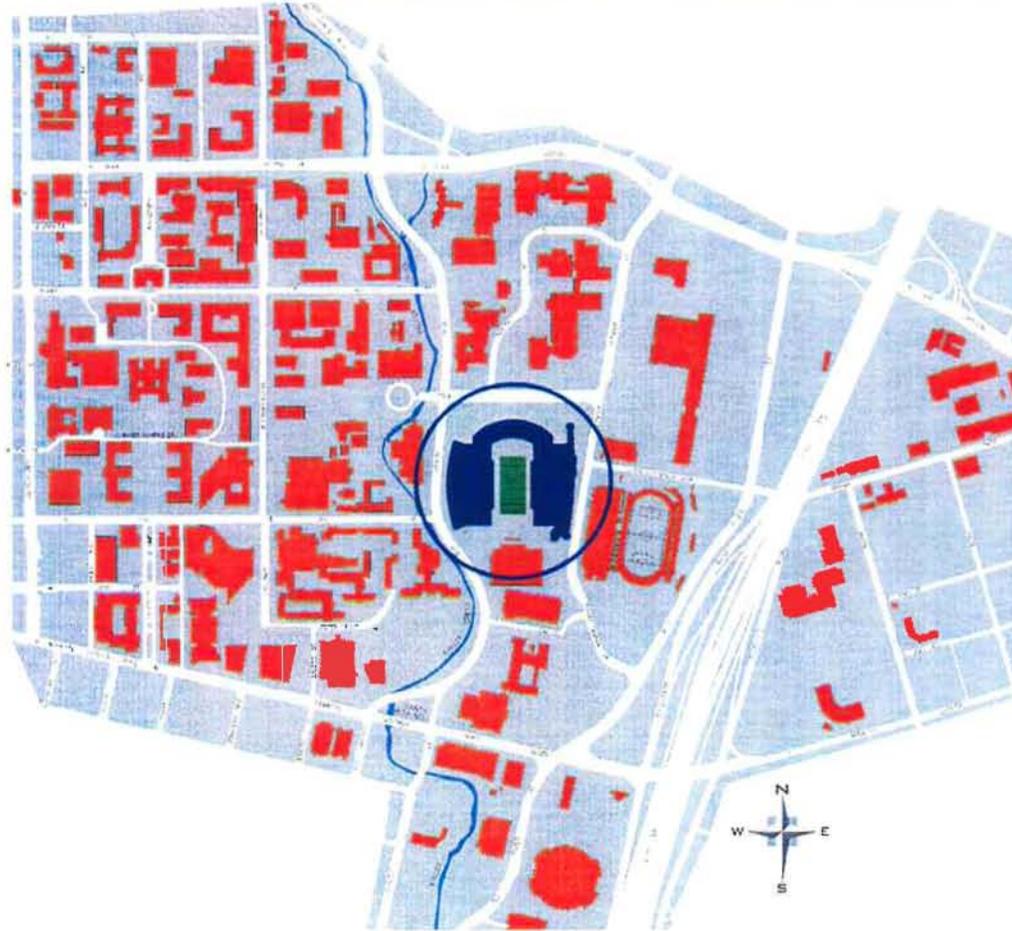
**Applied Research Lab Expansion
Site Plan**



**Applied Research Lab Expansion
View From the Northeast**



U. T. Austin – Darrell K Royal – Texas Memorial Stadium Expansion



**Texas Memorial Stadium Expansion
Campus Plan**



U. T. Austin – Darrell K Royal – Texas Memorial Stadium Expansion

Project Details

- Action Requested: Increase Total Project Cost from \$15M to \$149.9M; Approve Design Development; Approve funding and issuance of debt
- Funding:
 - \$106,620,000 Revenue Financing System Bond Proceeds
 - \$35,000,000 Gifts
 - \$8,280,000 Unexpended Plant Funds



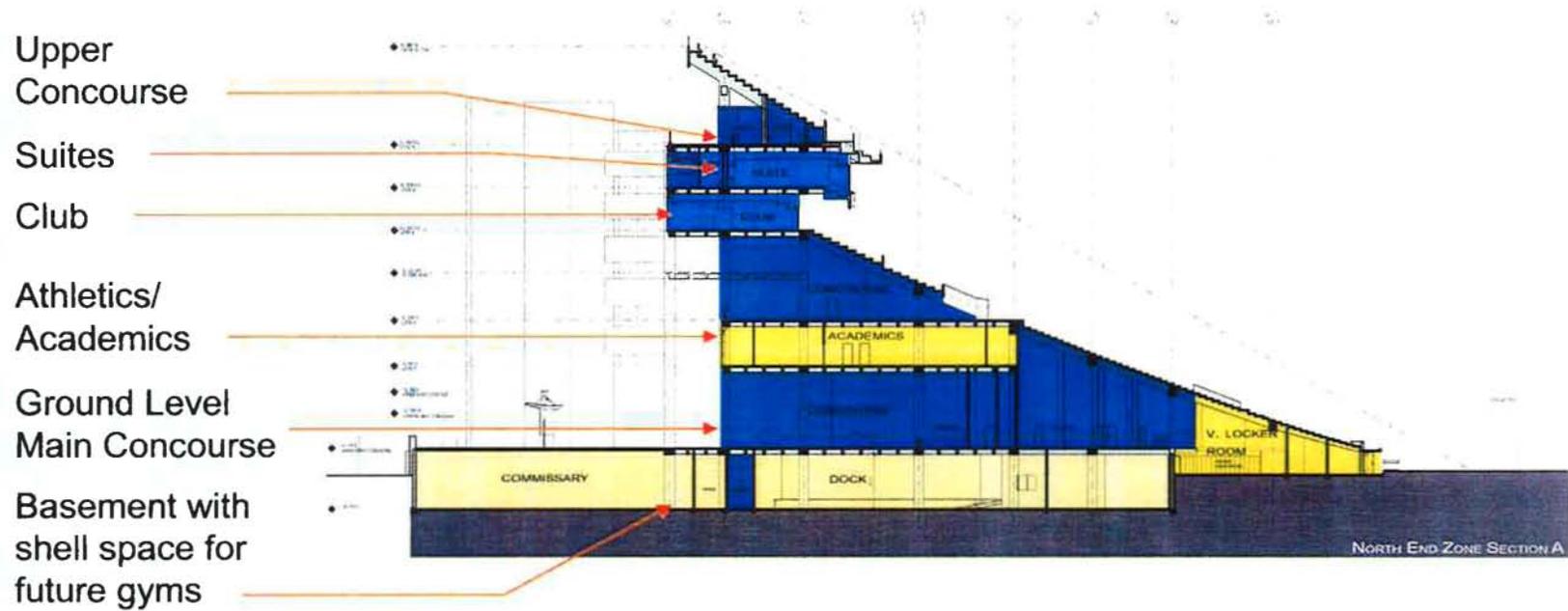
U. T. Austin – Darrell K Royal – Texas Memorial Stadium Expansion

Project Details (Continued)

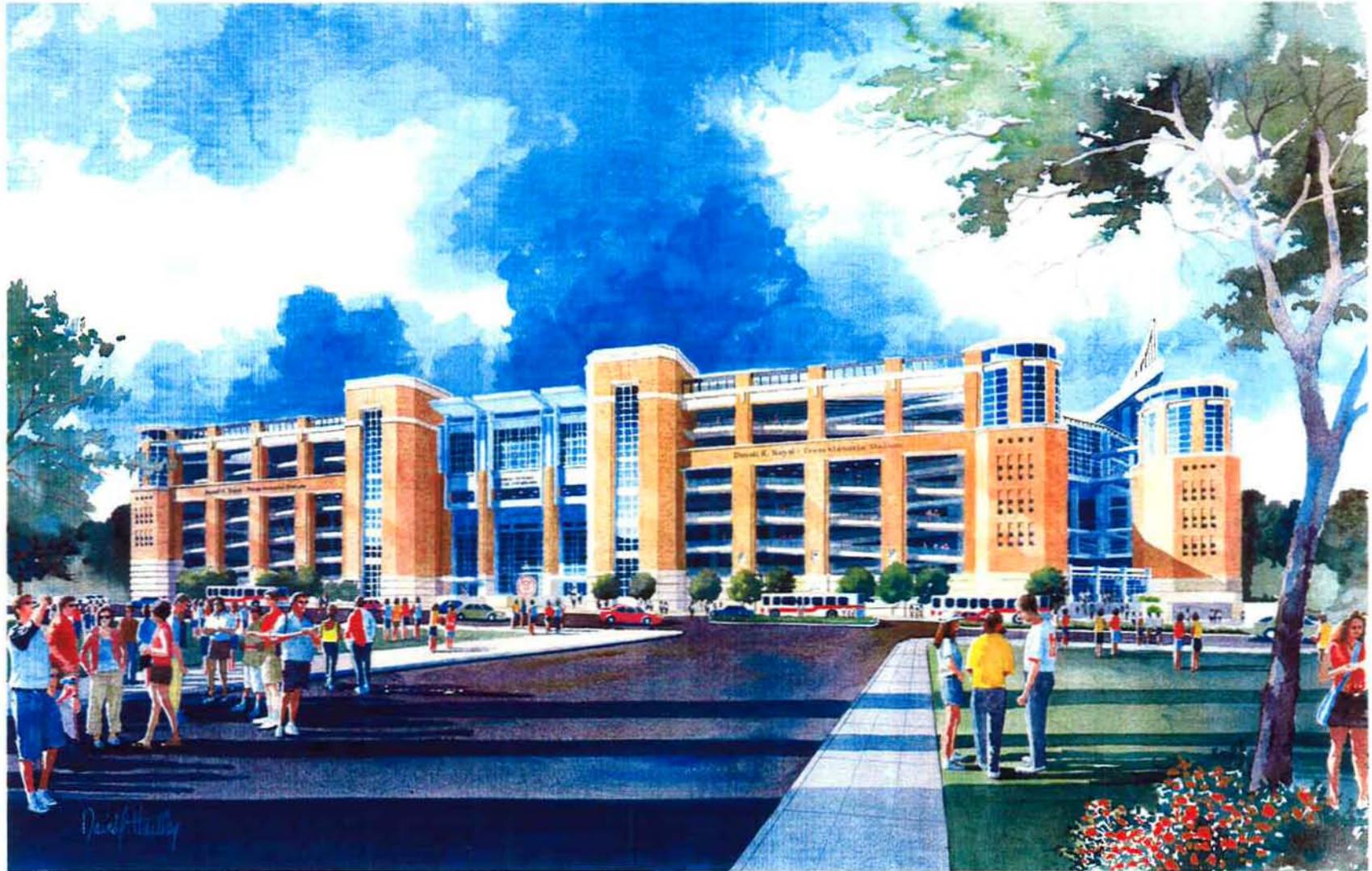
- Previous Board Actions:
 - 12/10/04: \$5M Comprehensive Feasibility and Planning Study for Bellmont Hall work, project included in CIP
 - 8/11/05: BOR approved Design Development plans for Bellmont renovations, increased TPC to \$10M
 - 11/10/05: BOR approved increase in TPC to \$15M to allow design and planning for North End Zone work



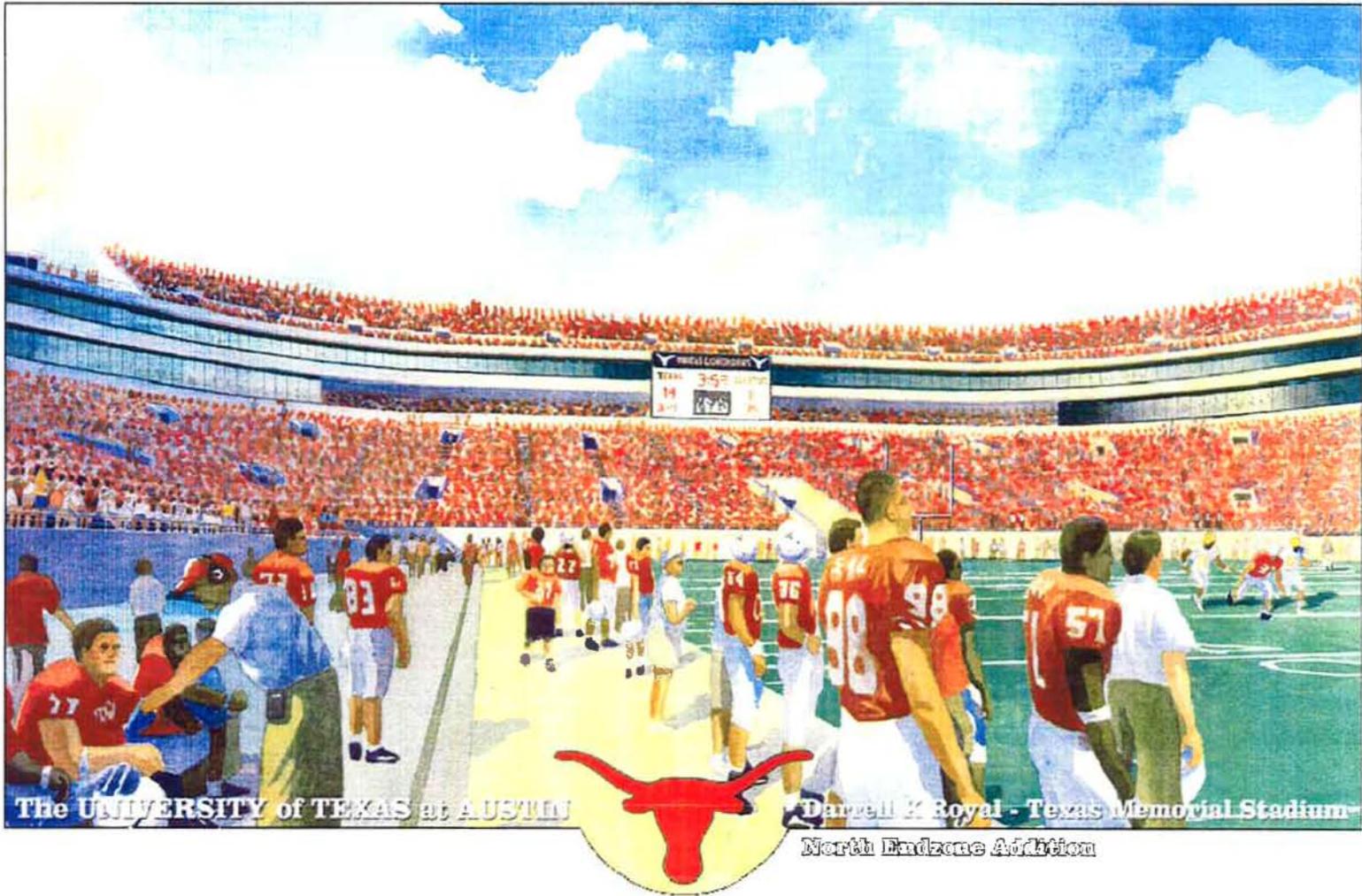
**Darrell K Royal - Texas Memorial Stadium Expansion
Site Plan**



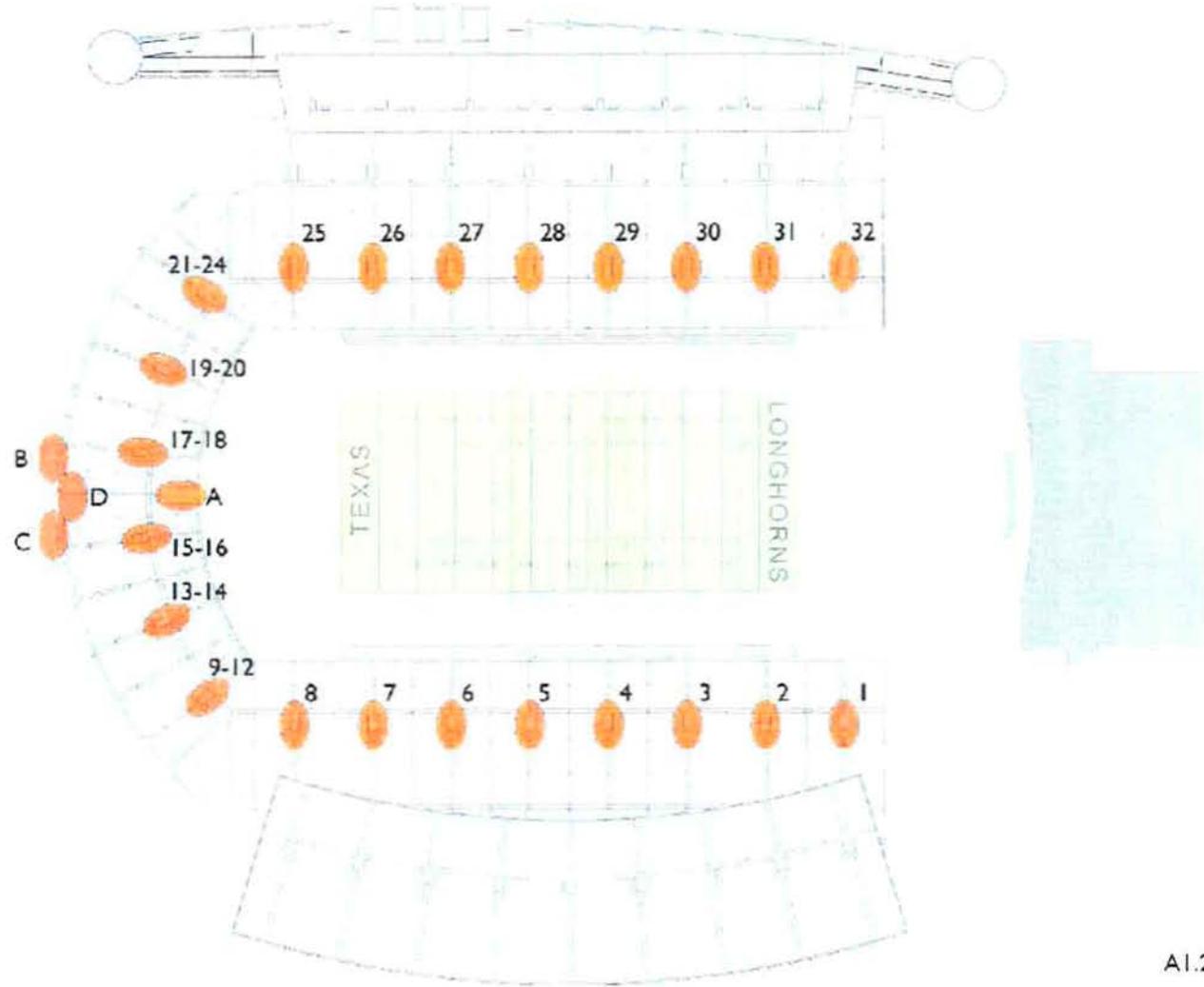
Darrell K Royal - Texas Memorial Stadium Expansion Section Through North End Zone



**Darrell K Royal - Texas Memorial Stadium Expansion
View From the Northwest**



**Darrel K Royal - Texas Memorial Stadium Expansion
View From Field**



AI.2

Existing Stadium & Historic Elements



6
WILLIAM B. BASFORD
 Corporal, 134th Infantry
 Died at Camp Dix, Sept. 26, 1918



7
CHARLES L. BEATY
 1st Class Machinist Mate
 Died at Pensacola, Fla., Oct. 7, 1918



8
SAM L. BOND
 Private, 118th Engineers
 Died at Fort Sargent, Oct. 29, 1918



9
Wm F. BOURLAND
 Captain, 1st Engineers
 Killed in Argonne Forest, France, Oct. 9, 1918



10
ROBERT W. BRAHAN
 1st Lieut., 372nd Infantry
 Killed near Verdun, France, Sept. 29, 1918

Section I

North	Field
6	1
7	2
8	3
9	4
10	5



FIGURE 1-1



FIGURE 1-2

1
ADOLPH F. ANDERSON
 Private, 129th Field Artillery
 Killed in Argonne Forest, France, Sept. 20, 1918



2
LANSING M. ANTHONY
 Private, Co. F, 10th D.B.
 Died in England, Sept. 29, 1918



3
BRUCE WILLIAM BAKER
 Private, 359th Infantry
 Killed in Argonne Forest, France, Nov. 2, 1918



4
RICHARD V. BANKHEAD
 Private, R.U. 204, M.T.C.
 Died at Ft. Sam. Houston, Dec. 24, 1918

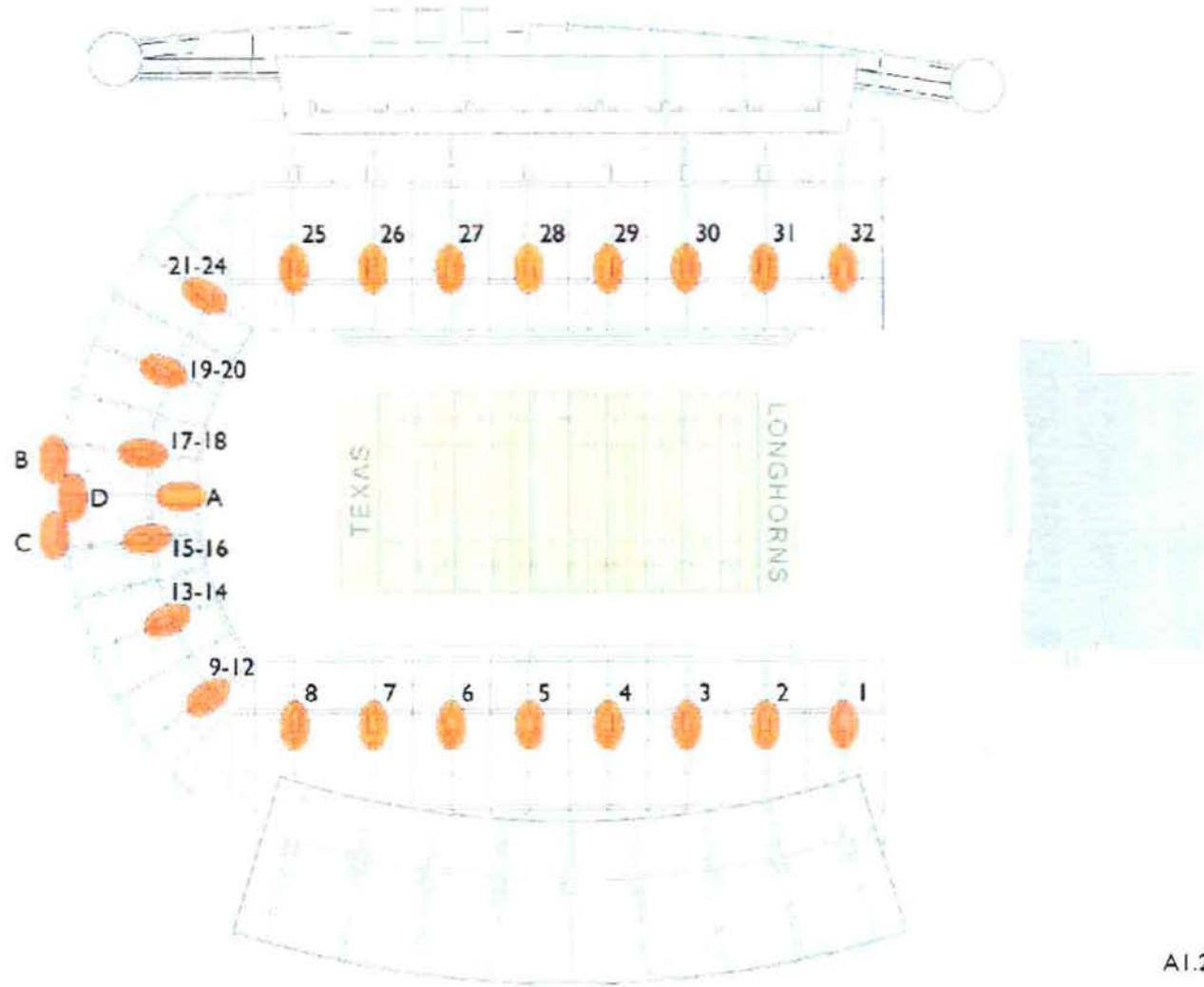


5
THOMAS M. BARNHILL
 Private, Air Service
 Died at Kelly Field, Oct. 14, 1918



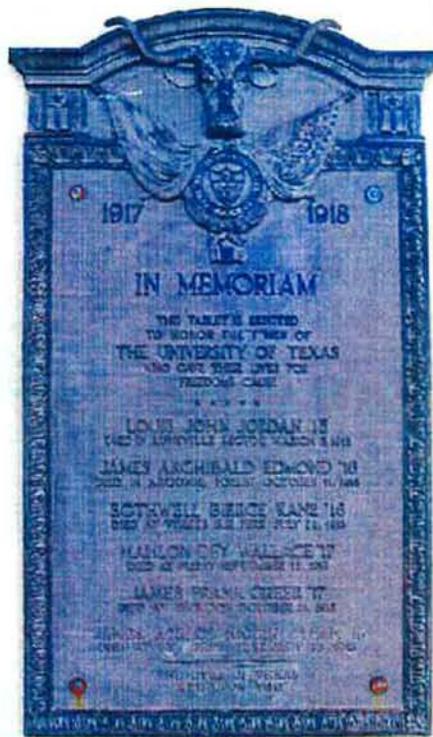
A1.3

**Darrell K Royal - Texas Memorial Stadium Expansion
 Typical Individual Memorial Plaques at Seat Portals**



Existing Stadium & Historic Elements

AI.2

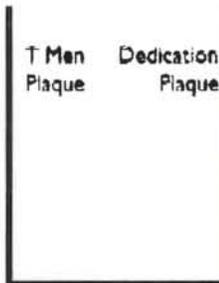


T Men Memorial Plaque

Field Portal

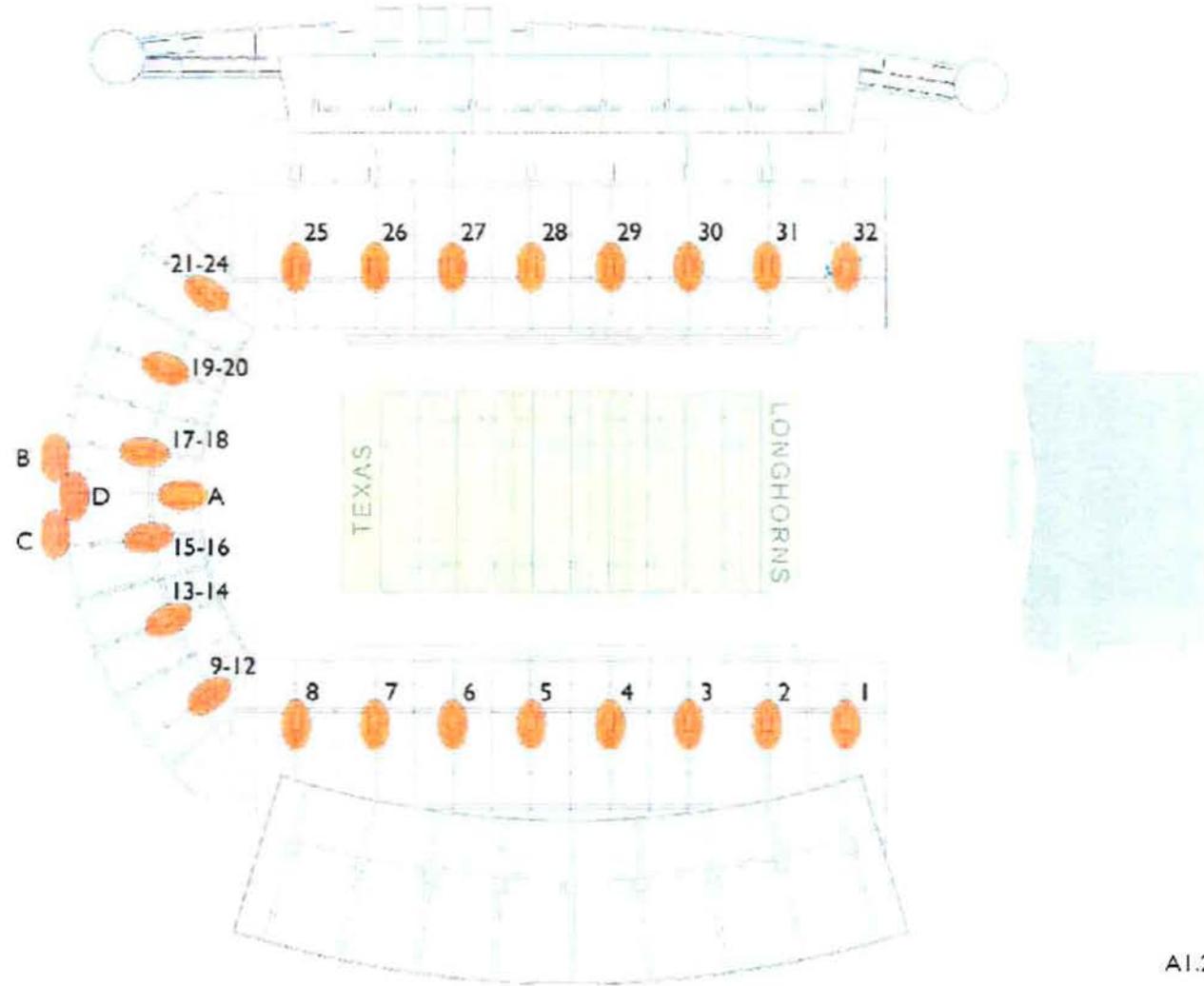
Location A

↓ North ↑ Field



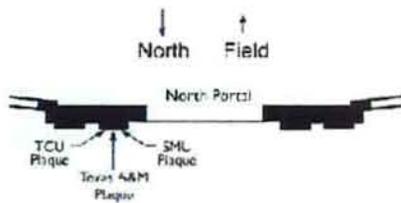
Dedication Plaque

Darrell K Royal Texas Memorial Stadium Expansion T-Men Memorial and Dedicatory Plaques



A1.2

Existing Stadium & Historic Elements



North Portal, West Side
 Location B
 Memorials to Southwest Conference
 alumni and students killed during
 World War I



Texas Christian University
 Plaque



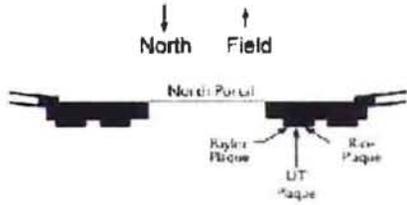
Texas A&M University Plaque



Southern Methodist University
 Plaque

AI.26

**Darrell K Royal – Texas Memorial Stadium Expansion
 Southwest Conference School Memorial Plaques**



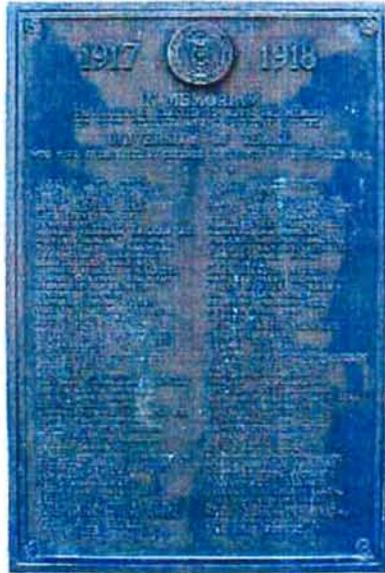
North Portal, East Side

Location C

Memorials to Southwest Conference alumni and students killed during World War I



Baylor University Plaque



University of Texas Plaque

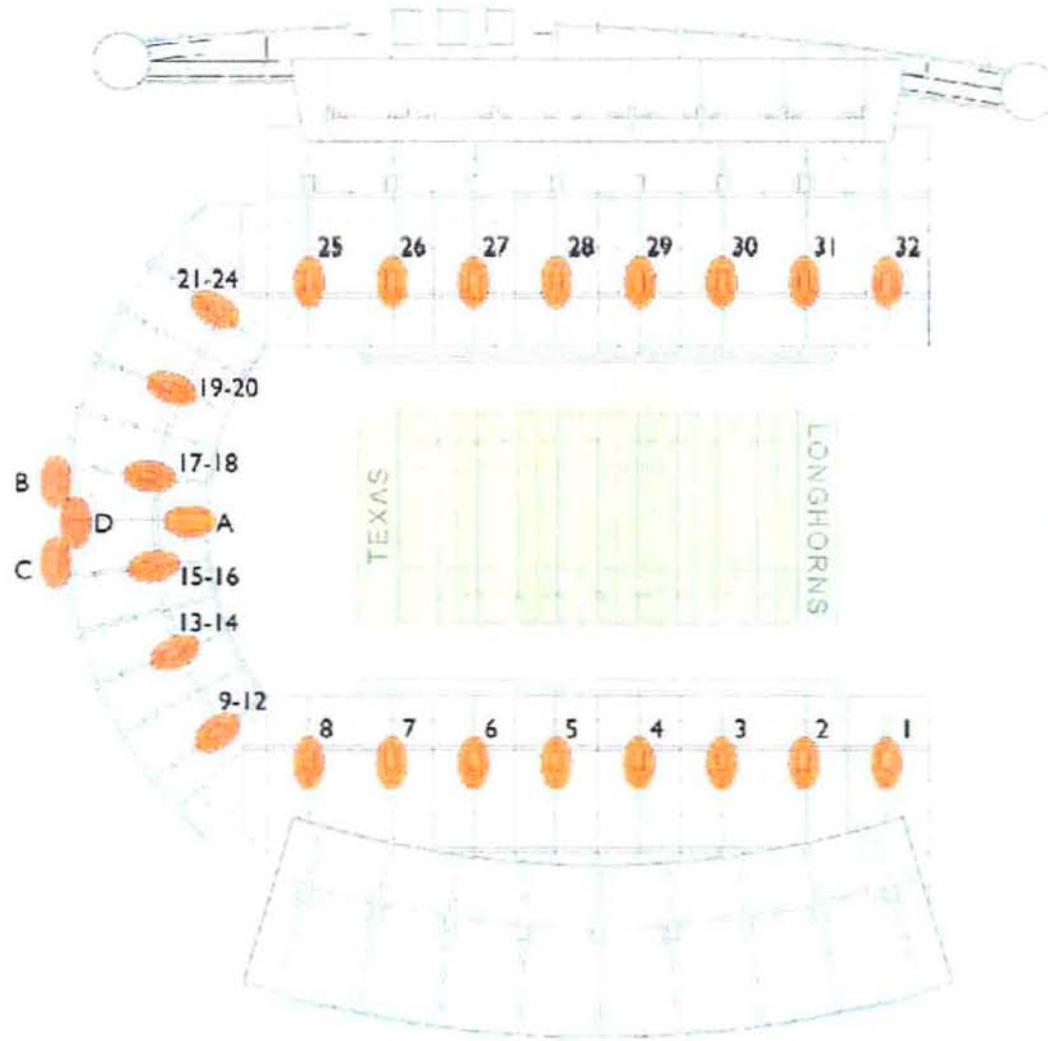


Rice University Plaque

A1.27

Darrell K Royal – Texas Memorial Stadium Expansion

Southwest Conference School Memorial Plaques



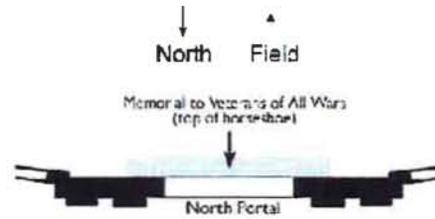
A1.2

Existing Stadium & Historic Elements



Detail of statue

Location D
Memorial to all Texans killed in
World War I; rededicated in 1977
to veterans of all wars

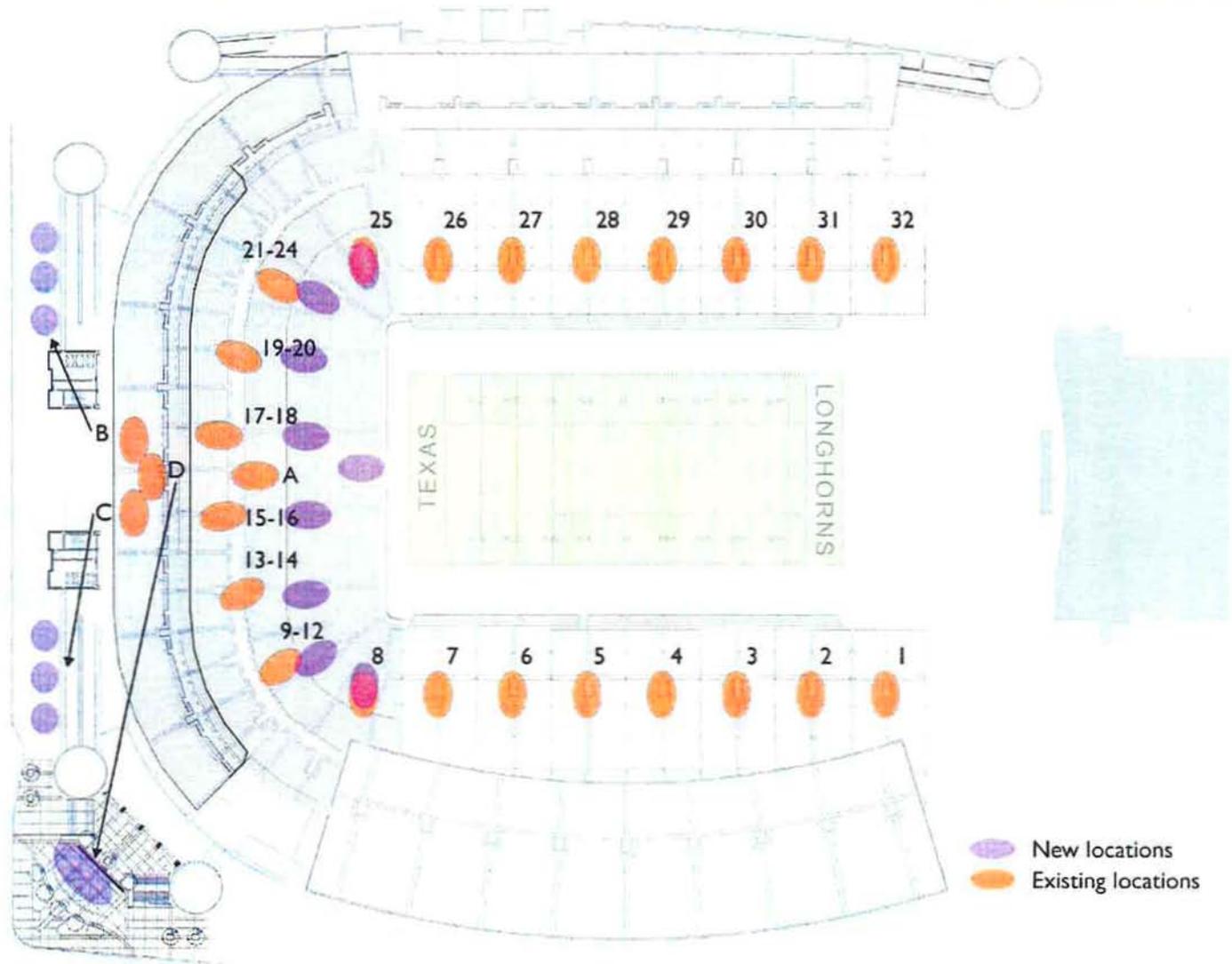


Rededication monument



Panoramic view of entire monument

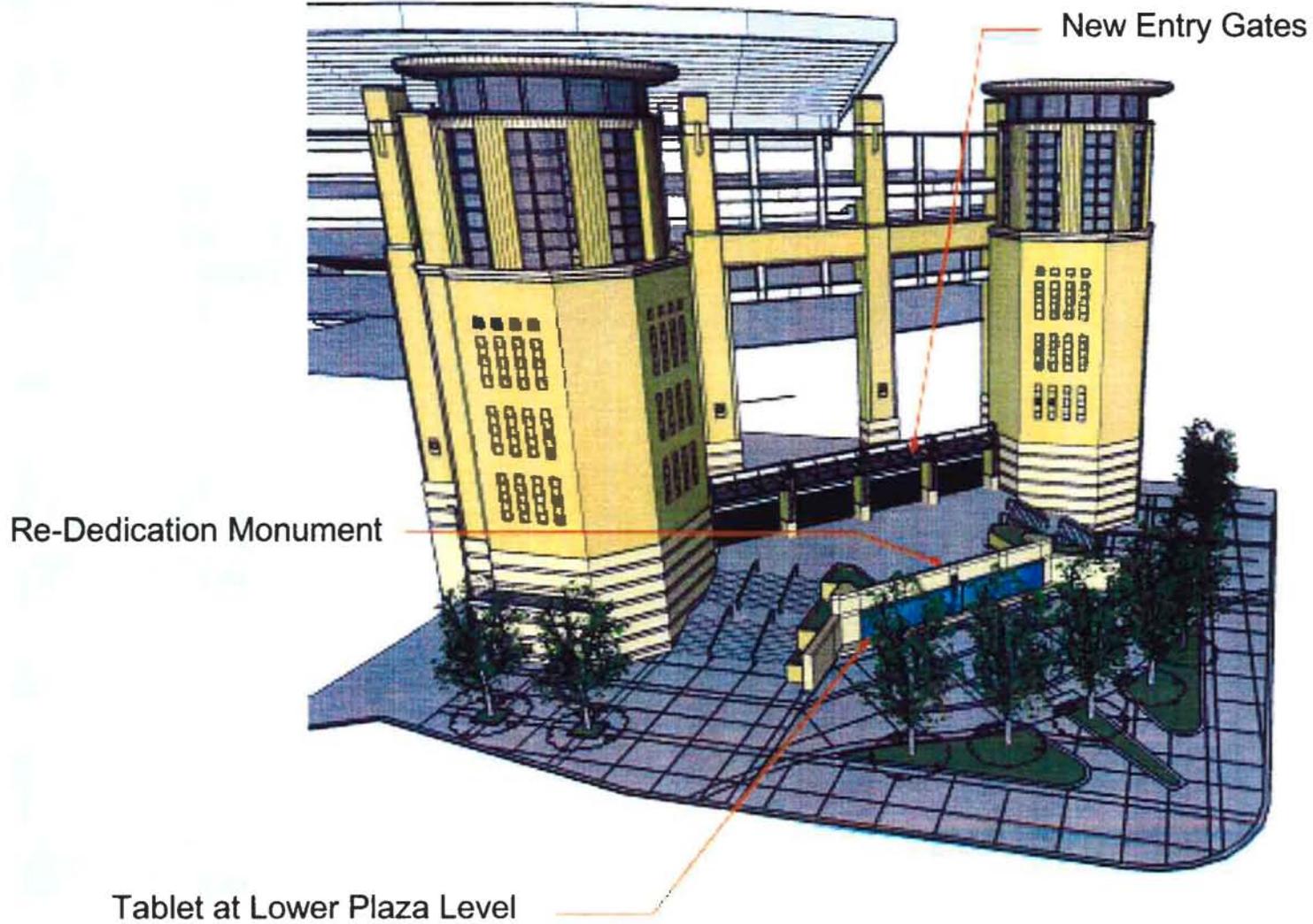
Darrell K Royal – Texas Memorial Stadium Expansion Memorial at Top of Existing North End Zone



**Texas Memorial Stadium Expansion
Relocated Historical Elements**



**Darrell K Royal - Texas Memorial Stadium Expansion
Site Plan**



Texas Memorial Stadium Expansion Proposed Memorial Plaza at Northwest Corner

Estimated Economic Impact

Total project cost: \$149,900,000

- **Construction economic impact** **\$ 269,820,000**
- **10-year earnings economic impact** **\$ 59,456,000**

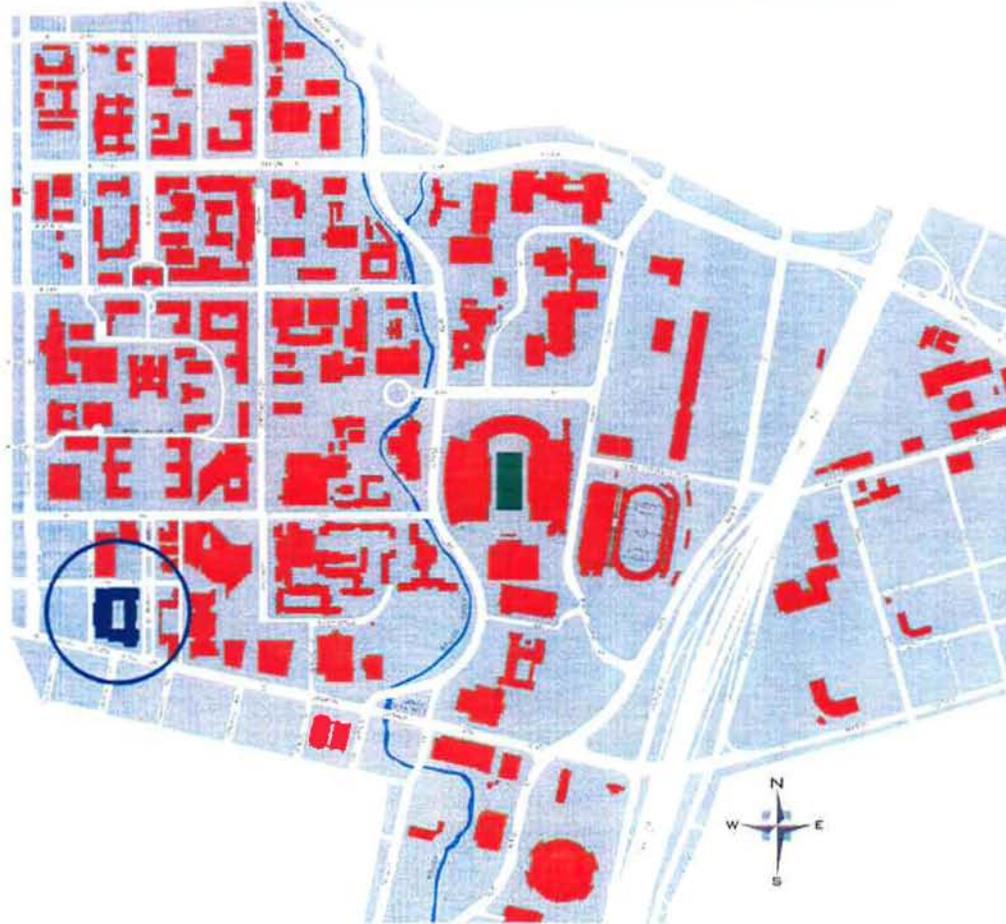
Total estimated economic impact **\$ 329,276,000**
(first 10 years of operation)

The University of Texas at Austin

Darrell K Royal – Texas Memorial Stadium Expansion



U. T. Austin – Executive Education and Conference Center



**Executive Education and Conference Center
Campus Plan**



Project Details

Action Requested: Increase Total Project Cost from \$84,000,000 to ~~\$149,900,000~~ ^{120,000,000}; Approve Design Development; revise funding and issuance of debt

Funding:

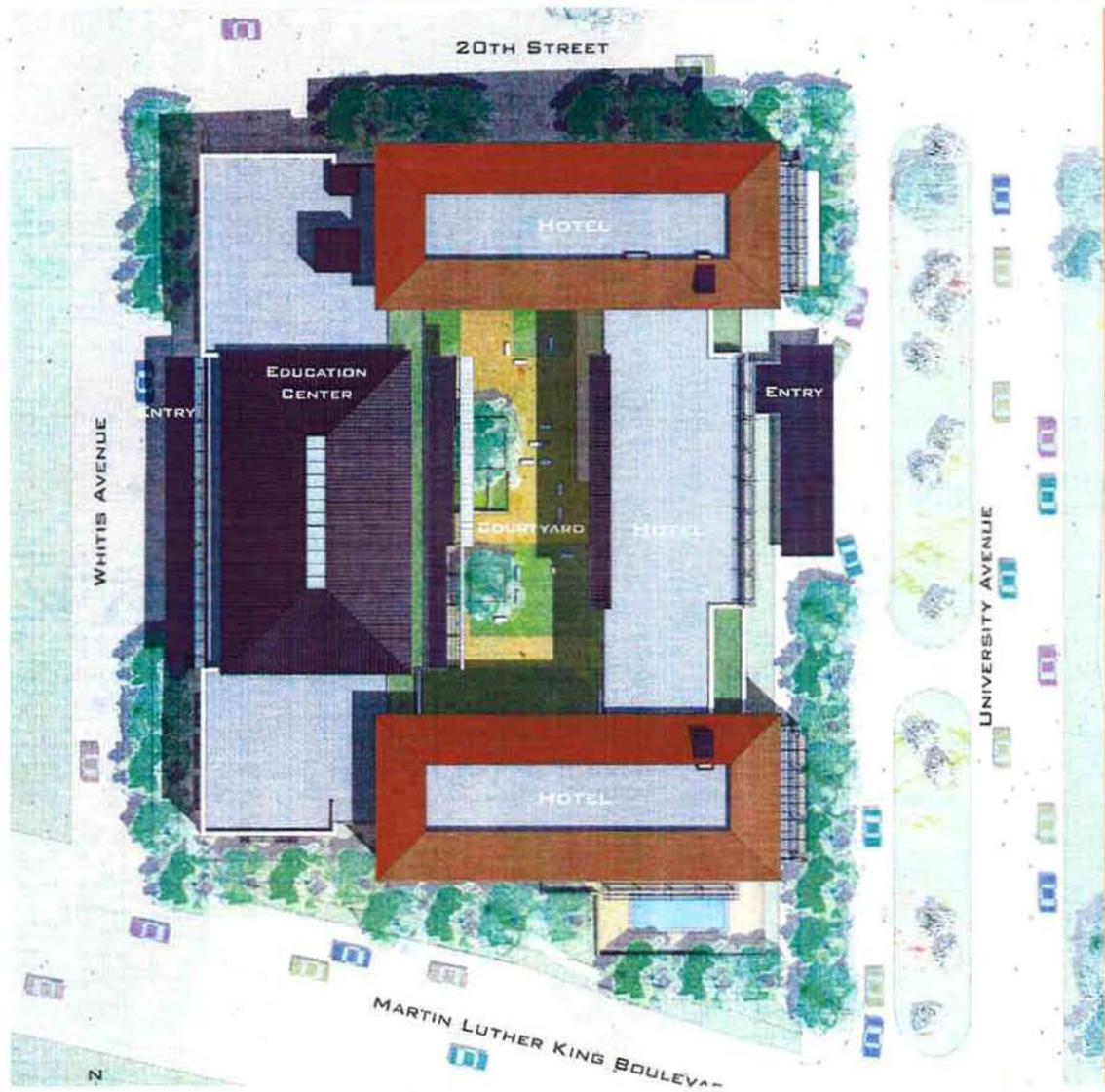
- \$85,900,000 Revenue Financing System Bond Proceeds
- \$30,000,000 Gifts
- \$5,000,000 Unexpended Plant Funds



Project Details (Continued)

Scope

- 300 rooms
- 600-space underground parking garage (250 hotel, 350 campus)
- 3 dining spaces, including relocated Campus Club
- 65,000 sq. ft. Executive Education Space
 - 300-seat amphitheater
 - 7 large tiered classrooms
 - 3 standard classrooms
 - Large conference room and 12 “break-out” rooms
 - 9,500 sq. ft. Executive Education Program Office space



**Executive Education and Conference Center
Site Plan**



**Executive Education and Conference Center
View From the Southeast**

Estimated Economic Impact

Total project cost: \$120,900,000

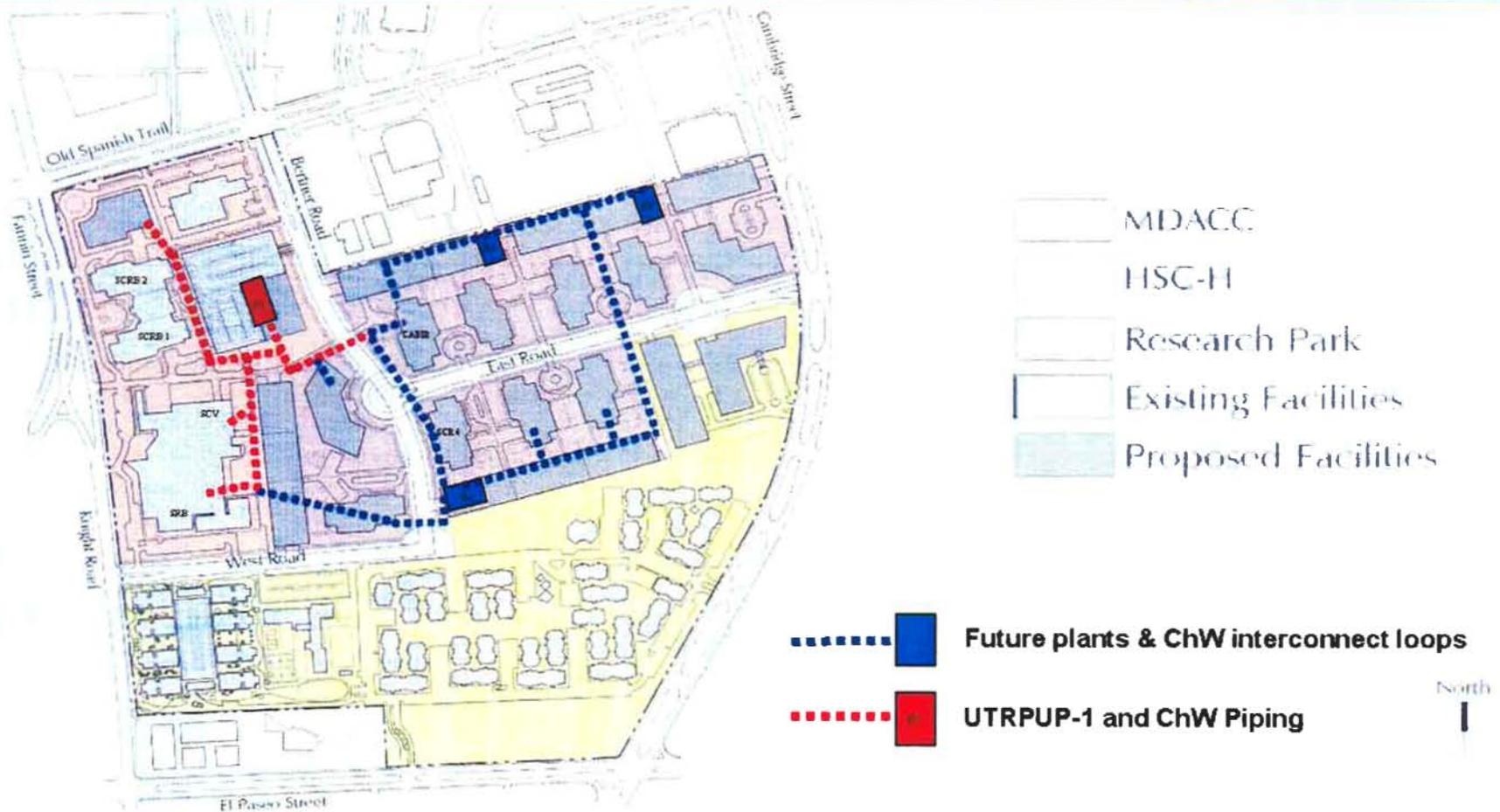
- **Construction economic impact** **\$ 217,620,000**
- **10-year earnings economic impact** **\$ 65,698,880**

Total estimated economic impact **\$ 283,318,880**
(first 10 years of operation)

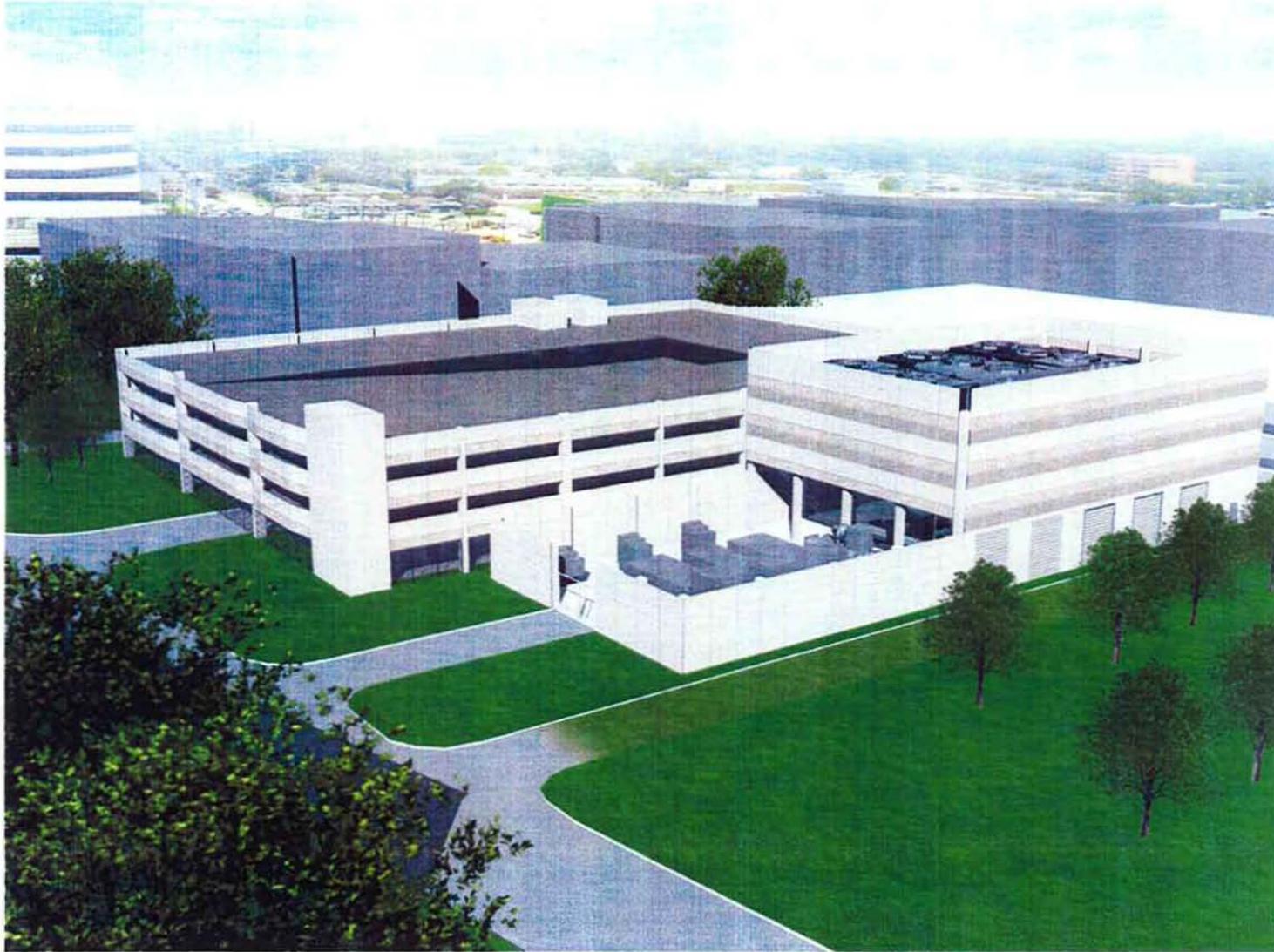
The University of Texas at Austin
Executive Education and Conference Center



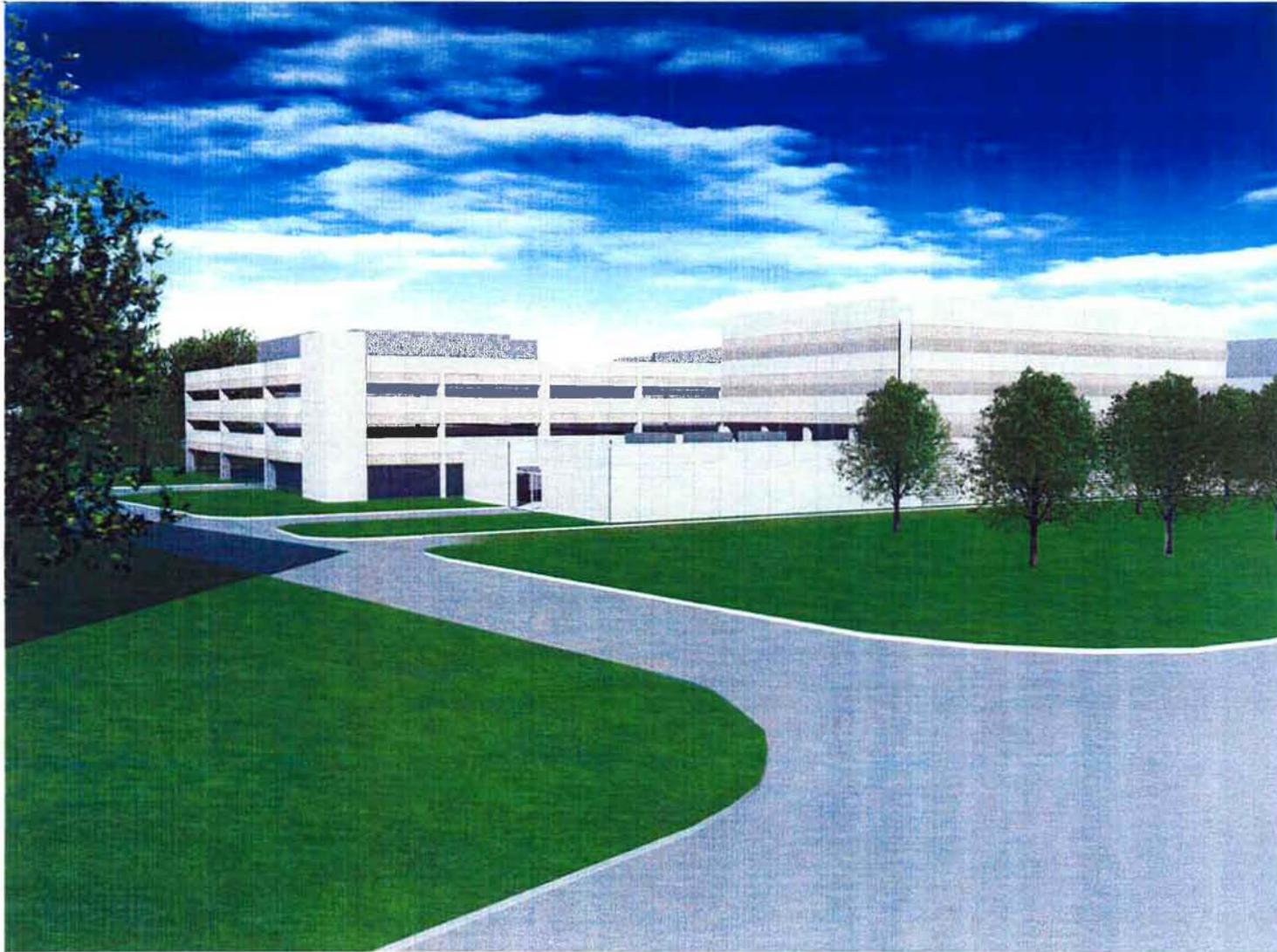
U. T. M. D. A. C. C. – UTRP Utilities and Central Maintenance Facilities



**UTRP Utilities and Central Maintenance Facilities
Campus Plan**



**UTRP Utilities and Central Maintenance Facilities
View From the Southeast**



**UTRP Utilities and Central Maintenance Facilities
View From the Southeast**

Estimated Economic Impact

Total project cost: \$ 20,000,000

- **Construction economic impact** **\$ 36,000,000**
- **10-year earnings economic impact** **\$ 0**

Total estimated economic impact **\$ 36,000,000**
(first 10 years of operation)

U. T. M. D. Anderson Cancer Center
UTRP Utilities and Central Maintenance Facilities



THE UNIVERSITY OF TEXAS SYSTEM

Amendments to Capital Improvement Program and Capital Budget

February 8, 2006

Office of Facilities Planning and Construction



THE UNIVERSITY OF TEXAS SYSTEM

Acceptance of Outdoor Art

February 8, 2006

Office of Facilities Planning and Construction



U. T. Austin – Jack S. Blanton Museum of Art Phases I & II – Gifts of Outdoor Landscape Art

Two works of landscape art, located in a grove of flowering trees in the southeast corner of the Blanton Museum site

Sculptures are “enthusiastically supported” by:

- Kenneth Hale, Chair of the UT Austin Sub-Committee for the Review of Art
- Frederick Steinert, Dean, UT Austin School of Architecture
- Blanton landscape architect Peter Walker
- Blanton Museum Director and Staff
- UT Austin President and Staff



U. T. Austin – Jack S. Blanton Museum of Art Phases I & II – Gifts of Outdoor Landscape Art

Richard Long's Rock Circle, "*Summer Circle*"

- Gift to the Museum honoring Jack Blanton from his children
- World-renowned British artist whose sculptures "commemorate long walks in the British countryside, and provide occasions for contemplation and appreciation of nature."
- The work consists of individually selected stones arranged in a circle, inspired by 19th and 20th century artistic tradition



U. T. Austin – Jack S. Blanton Museum of Art Phases I & II – Gifts of Outdoor Landscape Art

56



Summer Circle
by Richard Long



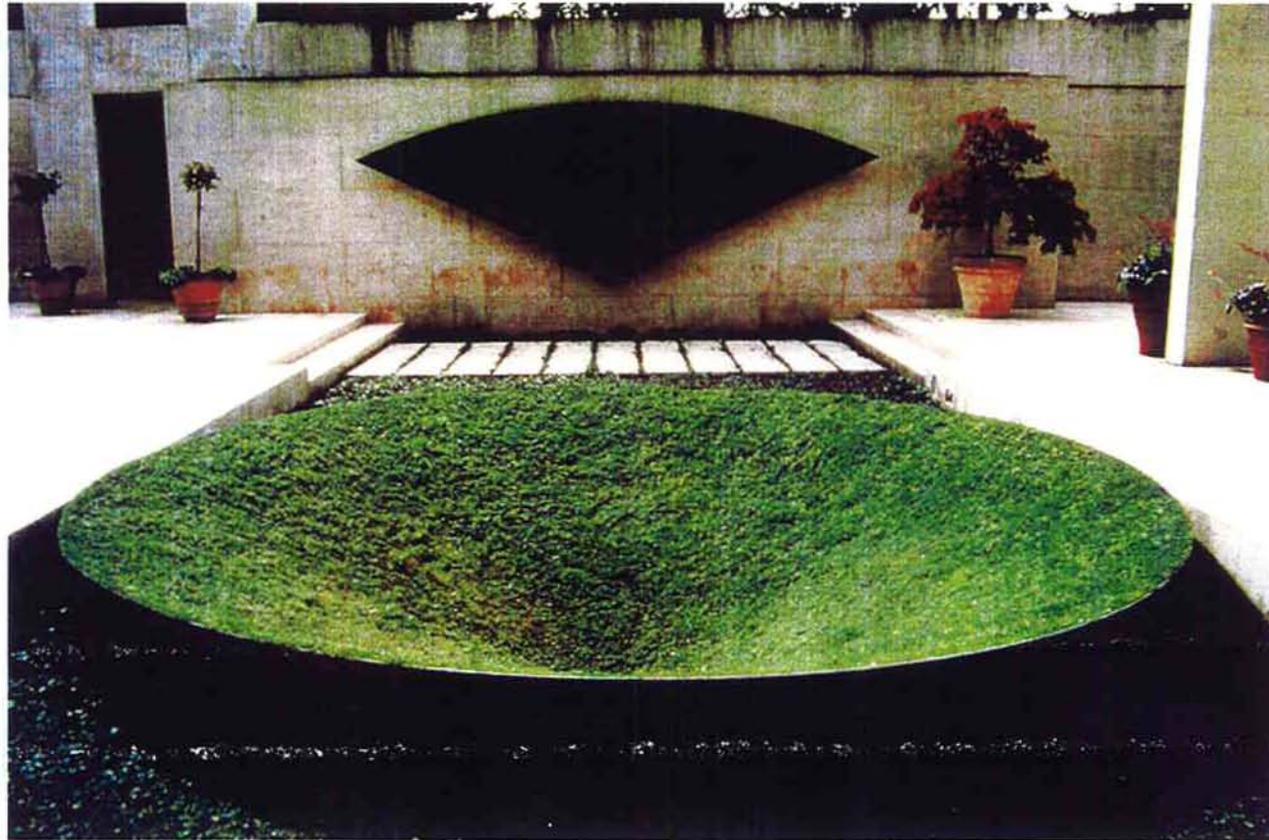
U. T. Austin – Jack S. Blanton Museum of Art Phases I & II – Gifts of Outdoor Landscape Art

Meg Webster's Landscape Sculpture, "Gentle Conical Depression"

- Gift to the Museum from major donors Jeanne and Michael Klein
- Renowned artist whose landscape sculptures create "subtle opportunities for reflection and contemplation of the natural world."
- The work is a concave depression in the ground approx. 6' deep and 25' wide, surrounded by native plants



U. T. Austin – Jack S. Blanton Museum of Art Phases I & II – Gifts of Outdoor Landscape Art



Samples of Other Work By Meg Webster



U. T. Austin – Jack S. Blanton Museum of Art Phases I & II – Gifts of Outdoor Landscape Art



Samples of Other Work By Meg Webster



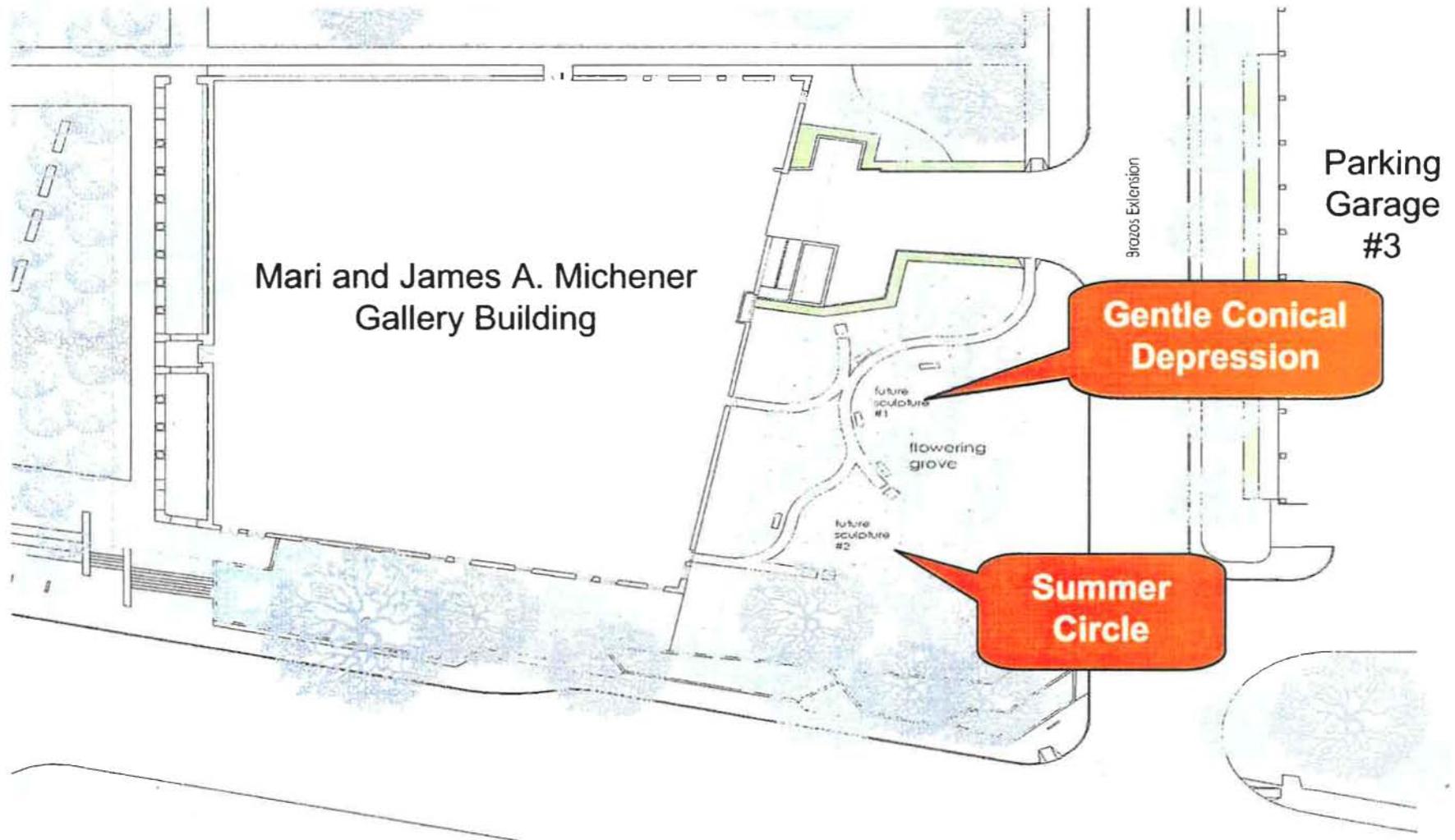
U. T. Austin – Jack S. Blanton Museum of Art Phases I & II – Gifts of Outdoor Landscape Art



Samples of Other Work By Meg Webster



U. T. Austin – Jack S. Blanton Museum of Art Phases I & II – Gifts of Outdoor Landscape Art





U. T. Austin – Jack S. Blanton Museum of Art Phases I & II – Gifts of Outdoor Landscape Art

62



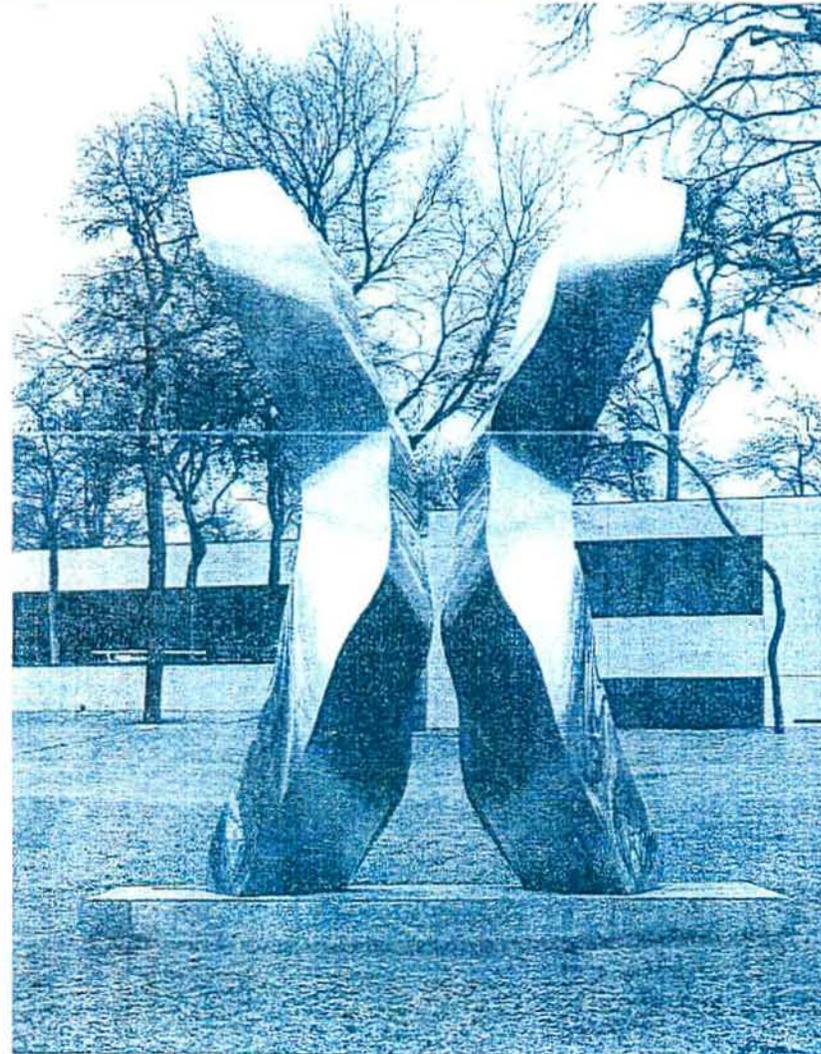
Richard Long

Meg Webster



U. T. S. W. M. C. – Gift of Outdoor Art

63



Undulating X
by Ali Baudoin



U. T. S. W. M. C. - Gift of Outdoor Art



Undulating X
by Ali Baudoin



U. T. S. W. M. C. – Gift of Outdoor Art



MINUTES
U. T. System Board of Regents
Student, Faculty, and Staff Campus Life Committee
February 9, 2006

The members of the Student, Faculty, and Staff Campus Life Committee of the Board of Regents of The University of Texas System convened at 9:05 a.m. on Thursday, February 9, 2006, in the Board Meeting Room on the 9th Floor of Ashbel Smith Hall, The University of Texas System, 201 West Seventh Street, Austin, Texas, with the following participation:

Attendance

Committee Chairman Craven, presiding
Vice Chairman Clements
Regent Barnhill
Regent McHugh

Absent

Regent Estrada

Also present were Chairman Huffines; Vice Chairman Krier; Regent Caven (absent for most of Item 1 presentation); Regent Rowling; Student Regent Haley; Mr. Brent Chaney, Chair, Student Advisory Council; Dr. Barry Norling, Chair, Faculty Advisory Council; and Counsel and Secretary Frederick.

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

1. U. T. System: Report on Honors Colleges and Programs

Committee Meeting Information

Presenter(s): *Dr. Teresa A. Sullivan, Executive Vice Chancellor for Academic Affairs*

Status: *Reported*

Discussion at meeting:

Dr. Sullivan explained the benefits of honors programs: they attract talented students, retain talented faculty, and supply strong graduate programs, thus adding value for the whole university. In reference to Slide 6 on Page 280 of Volume 2 of the Agenda Book related to admissions rates, Vice Chairman Krier asked with the exception of U. T. El Paso, if other schools admitted a lower percentage of students because many of the applicants do not qualify or if it was because there was limited capacity in those programs. Dr. Sullivan said the lower percentages were due to limited capacity, but also offered that honors programs, for instance Plan II or Honors Business at U. T. Austin, which have low admissions rates, are selective. She mentioned admittance into U. T. Austin is not strictly based on acceptance into honors programs as many students apply and are admitted to other programs. Vice Chairman Krier asked if it was important to keep the programs selective or if expanding those programs is an option. Dr. Sullivan said for some honors

programs, selectivity was an advantage. She said at U. T. Austin where there are 60 honors programs, students still have options even if not necessarily Plan II. She also said Plan II may not be suitable for every student due to its interdisciplinary approach. Also, many students double major as their second major may be more valuable to them for graduate school.

Student Regent Haley asked if exit surveys from students participating in honors programs were available that might show how communities can be built and to feel more connected to campus. Dr. Sullivan asked the presidents in attendance if they had that information and President Powers said the honors students tend to stay connected with the University much better than students who are not in honors programs. Dr. Sullivan also pointed out there are alumni organizations specific to honorary groups.

In reference to Slide 9 on Page 282 of Volume 2 of the Agenda Book, Regent McHugh asked about the percentage of students in Plan II who were pursuing dual degrees and Student Regent Haley said he had never met a Plan II student who was not pursuing a dual degree. Dr. Sullivan agreed it was a large percentage. Regent McHugh also asked how many students were in the Plan II program and of those, if they tend to stay with the University. Dr. Sullivan said there were 181 students admitted this year. She believed that a low percentage transfer to other universities or transfer internally to other honors programs at U. T. Austin, but Dr. Sullivan said it is difficult to transfer into Plan II since part of the experience is starting off together as freshmen and going through the program together. Regent McHugh recommended the Plan II program be kept small as an attraction of the program. Dr. Sullivan stated Plan II was also competitive for faculty to teach as faculty submit course proposals, which are vetted and chosen, so it is an honor for the faculty member as well as the student to teach in Plan II. Regent McHugh said it was a model for other programs within System since graduates of these programs are held up as role models. Dr. Sullivan noted at commencement ceremonies, honors students wear medallions or other special regalia that allows them to stand out.

Regent Barnhill said he has read about the growing need to emphasize education among male students in the lower grades and Dr. Sullivan said there is a predominance of women throughout higher education today that is also an effect of the Top 10% rule, because female students are more likely to be in the Top 10% than male students according to data from the Texas Education Agency. Therefore, more females will be admitted automatically to U. T. Austin. One way to attract capable male students and give them more challenging work may be through honors programs. Committee Chairman Craven said while trying to attract and retain the best faculty, it is important to be able to offer these kinds of opportunities. As new models come to other campuses, more resources have allowed those programs to become available.

[Note: Slide 8 on Page 281 of Volume 2 of the Agenda Book was replaced with the attached slide prior to the meeting on February 9. The revised PowerPoint is attached on pages 5 - 10.]

2. U. T. System: Report on project to track diversity issues

Committee Meeting Information

Presenter(s): Dr. Edward Baldwin, Research and Policy Analyst Office of Academic Affairs;
Dr. Margaret A. Smith, Vice Provost and Dean of University College, U. T. El Paso;
Mr. Steven L. Wilkerson, Director of Strategic Planning, U. T. San Antonio

Status: Reported

Discussion at meeting:

In reference to Slide 11 on Page 289 of Volume 2 of the Agenda Book related to student assessment interaction with faculty and administrative staff advising, Regent McHugh commented on the difference in opinion from the time students start school to the time they finish, and suggested the most interesting information might be from students coming out of college and looking back. Dr. Baldwin said freshmen may come into the education process more optimistic than seniors and there may be issues with advising that need to be addressed. He suggested the Student Advisory Council, of which he serves as staff liaison, may have a recommendation regarding academic advising. Regent McHugh said as the Board looks at graduation rates and satisfaction with students' undergraduate experiences, it would be good if the quality of advising is higher than the national average.

Dr. Baldwin noted President Romo had previously said U. T. San Antonio is using some of the increased tuition dollars to hire more advisors and everyone is aware of the problem, trying to address it as quickly as possible. Dr. Baldwin said he expected to see the numbers increase slowly. Student Regent Haley said as a freshman, he was required to meet with an advisor before he was able to register for classes and suggested that requiring students to interact with advisors may be why the freshmen numbers are high. He also mentioned as freshmen the College of Liberal Arts has many advisors, but as students choose their majors, fewer advisors are available making it difficult for advisors to coordinate appointments. The high student-to-advisor ratio may account for why the numbers go down. Mr. Chaney mentioned by the junior and senior year most students know what the requirements are and meeting with an advisor may seem like a chore. Dr. Norling asked if the data was for current freshmen and seniors and asked if there had been an attempt to follow students through four years to see any difference in response and Dr. Baldwin responded negatively, but said that was an interesting point.

Dr. Baldwin stated House Bill 1172 that passed in the last legislative session instructed universities to develop an online degree checking system so students can check their degree status and determine which classes they need to graduate. He suggested consulting an advisor could be built into this system but, as Student Regent Haley said, there are issues related to funding for counselors.

Mr. Wilkerson elaborated on various ways U. T. San Antonio was able to use the data provided from the National Survey of Student Engagement (NSSE) surveys to improve courses and learning experiences, with specific emphasis on writing

courses for students allowing for better preparation into the workplace. Chancellor Yudof suggested the writing experience earlier on, as opposed to a capstone, would be superior if trying to get students engaged and trying to increase skills that would help them in other courses. He also said teaching writing skills is labor intensive and over the course of a semester students improve to varying degrees. The central conundrum is accomplishing the goals with a student faculty ratio like that at U. T. San Antonio where two professors teaching 15 students is not possible. Mr. Wilkerson suggested computer-based peer editing courses and faculty members partnering with the core writing center.

Dr. Smith discussed how U. T. El Paso used the NSSE data to make qualitative decisions and studies on campus. Committee Chairman Craven said it was important for the Regents to see that data collected is being used, analyzed, and ideas are being executed. She asked if there was data regarding residential campuses versus nonresidential campuses and Dr. Baldwin said specific data was not available, but observations can be made. He gave the example of U. T. Arlington trying to move away from a commuter to a residential campus recognizing that students need to be on campus to be fully engaged.

ADJOURNMENT

Regent Craven announced that the purpose for which this meeting was called had been completed, and the meeting was duly adjourned at 10:05 a.m.



THE UNIVERSITY OF TEXAS SYSTEM

Overview of UT System Academic Institutional Honors Programs

Prepared by the Office of Academic Affairs

February 9, 2006



Honors Programs

- **Honors Programs**
 - *UT Austin*
 - *UT Dallas*
 - *UT El Paso*
 - *UT Pan American*
- **Honors College**
 - *UT Arlington*
 - *UT San Antonio*
- **In development**
 - *UT Permian Basin*
 - *UT Tyler*



Honors Programs, cont.

- **UT Austin**
 - *Plan II*
 - *Business Honors Program*
 - *Engineering Honors Program*
- **UT Dallas**
 - *School of Management Honors Program*
 - *School of Behavioral and Brain Sciences Honors Program*



Student Benefits

- **Honors courses**
- **Honors degrees**
- **Honors programming in residence halls**
- **Honor societies**
- **Undergraduate research**
- **Study abroad, exchanges, semesters away**
- **Peer services (tutoring, advising)**



Faculty Benefits

- **Experimenting with new subject matter and teaching techniques**
- **Leading student/faculty teams to conduct research or undertake special projects**
- **Working with smaller classes and classes of especially high-ability students**



Fall 2005 Entering Class

	UT Arlington	UT Austin Plan II	UT Austin Business	UT El Paso	UT San Antonio
% Admitted	80%	44%	31%	99%	82%
Enrolled	161	181	100	183	180
Top 10%	66	149	98	175	88
Valedictorians	N/A	22	18	10	6
Average SAT	1220	1444	1451	1023	1186
Average ACT	N/A	31	31	22	25

Source: UT System Institutions



Fall 2005 Entering Class, cont.

	UT Arlington	UT Austin Plan II	UT Austin Business	UT El Paso	UT San Antonio
Male	48%	39%	41%	34%	42%
Female	52%	61%	59%	66%	58%
Texas Residents	N/A	92%	92%	98%	94%

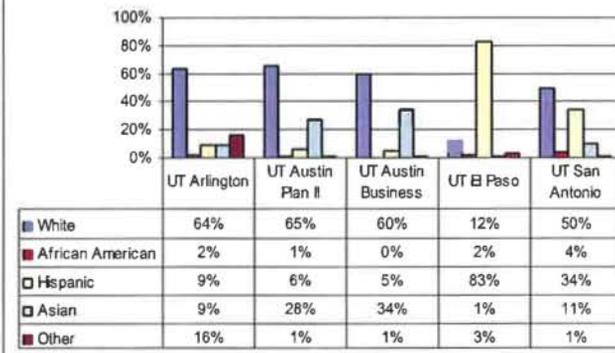
Source: UT System Institutions



Revised

Fall 2005 Entering Class, cont.

Ethnic Composition of Fall 2005 Honors Program Entering Class



Source: UT System Institutions



UT Austin Plan II 2005 Graduating Class

- **Graduation rates (based on Fall 1999 entering class)**
 - *Four year: 51%*
 - *Five year: 84%*
 - *Six year: 88%*
- **Many students graduate with dual degrees**
- **36% plan to enter graduate, law, or medical school after graduation**

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2005 Graduating Class

	UT Austin Business	UT El Paso	UT San Antonio
No. of Graduates	117	66	67
Four years or less	81%	50%	61%
Five years or less	100%	97%	93%
Six years or less	100%	99%	100%
Grad/Law/Med School Plans	10% (medical and law)	N/A	27%

Source: UT System Institutions

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Conclusion

Benefits of Honors Programs:

- *Attract talented students*
- *Retain talented faculty*
- *Supply strong graduate programs*

**Honors programs add value
for the whole university**

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