

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

May 11-12, 2005

Austin, Texas

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Francie A. Frederick
Counsel and Secretary to the Board
July 20, 2005

MINUTES
U. T. System Board of Regents
Audit, Compliance, and Management Review Committee
May 11, 2005

The members of the Audit, Compliance, and Management Review Committee of the Board of Regents of The University of Texas System convened at 9:43 a.m. on Wednesday, May 11, 2005, 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 Hunt
Vice-Chairman Krier

Absent

Regent Craven

Also present were Regent Barnhill 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.

At the request of Committee Chairman Estrada for a report on System-wide audit activities, Mr. Charles Chaffin, Chief Audit Executive and System-wide Compliance Officer, reported the work of Deloitte & Touche on closing balances for FY 2004 is nearing completion and work has begun on information technology audits. He mentioned continued coordination with the State Auditor's Office in terms of notifying them of meetings being held, and staff from that office is attending many meetings. He said Deloitte will report at the August Board meeting. In response to a question from Regent Estrada, Mr. Chaffin commented on outstanding issues raised by Deloitte including the depreciation of library books. Mr. Chaffin said there have been several meetings with chief financial officers and items have been worked out. He said the state, as a whole, will begin depreciating library books and Mr. Estrada commented U. T. System will be consistent in this regard with other institutions.

1. U. T. System: Report on Research Time and Effort Initiative

Committee Meeting Information

Presenter(s): Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs; Dr. Teresa A. Sullivan, Executive Vice Chancellor for Academic Affairs

Status: Reported

Discussion at meeting:

Dr. Shine said when the federal government makes a grant to any institution to conduct research, the grant stipulates the percentage of time the principal

investigator/investigators and the staff of the grant can spend on the project. Oversight, in terms of reimbursement, is required to certify that the amount of time and effort associated with the grant is correct and there are fairly explicit guidelines with regard to responsibility for Time and Effort reporting. He said there have been whistleblower suits with significant damages paid by some institutions.

An RFP has been issued for software that can be used by any or all U. T. System institutions to do Time and Effort reporting. It is anticipated that at least several of the campuses will choose to use that software. There are still some issues with regard to what the responsibility of a principal investigator is and this will be revisited once the technology is in place to ensure consistency in how data is reported. Dr. Shine added this has been a good exercise to ensure consistent and clear lines of responsibility, including an audit responsibility.

Dr. Sullivan said U. T. Arlington had early warning of this problem when visited by the Office of the Inspector General of a federal agency. They had difficulty coming up with adequate documentation for Time and Effort reporting but have since made progress to acquire either electronic or paper methods for this reporting. Dr. Sullivan mentioned the U. T. System Institute for Public School Initiatives, which has \$15 million in grants, has a very good system in place that successfully passed an audit by Mr. Chaffin's office.

2. U. T. System: Report on the Legislative Budget Board Management and Performance Review of The University of Texas at Austin

Committee Meeting Information

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

Discussion at meeting:

Mr. Chaffin said in March 2005, the Legislative Budget Board (LBB) released a 150-page report, compiled with assistance of the Pappas Consulting Group, which recognized U. T. Austin as one of the nation's premier public research universities. The report highlighted significant accomplishments in the areas of instruction and academic support; financial and asset management; and information technology. Significant accomplishments in the area of instruction and academic support included the multiple departments and colleges with national rankings which allow U. T. Austin to provide students with numerous options for studying in nationally-ranked discipline areas. Additionally, U. T. Austin serves more students at the undergraduate level than almost any other state university and does so with a high level of student satisfaction with the quality of their education and their overall experiences.

In recent years, significant progress has been made to increase the 4- and 6-year graduation rates and to improve the retention of African-American students. The report also noted that administrative costs were low when compared with national peer institutions.

The report recognized that technology is a high priority on the campus for the teaching and research missions. U. T. Austin's Texas Advanced Computing Center is one of the world's leading academic computing centers. The report recognized U. T. Austin's good citizenship roles to the other U. T. institutions, the State of Texas, and the nation. U. T. Austin provides extended services through the availability of financial systems; through the use of vendor licensing by other Texas institutions; by providing infrastructure and support for a statewide network, which links public and private universities and various state agencies; and by actively participating in development of a statewide system for electronic exchange of information between high schools and the post-secondary institutions.

A significant result of these services is the reduction in cost, and/or increased access to enhanced services for institutions and agencies that might otherwise not have been able to utilize these functions individually. The report also offered 34 recommendations for improved performance in each of the areas reviewed, including accelerating the implementation of the recommendations of the Enrollment Strategy Task Force, pursuing additional cost savings in the business processes, and aggressively addressing the repair and maintenance of the campus. Mr. Chaffin said the recommendations for improved performance match the priorities U. T. Austin has established in recent years and is working to achieve. From that perspective, the report confirms the direction the institution is going.

Mr. Kevin Hegarty, Chief Financial Officer at U. T. Austin, said they will continue to look at suggestions made in the LBB report but indicated that there will not be a formal follow-up.

3. U. T. System: Report on the Environmental Health and Safety Compliance Program

Committee Meeting Information

Presenter(s): Mr. Paul Pousson, Associate Director for Risk Management

Status: Reported

Discussion at meeting:

In his PowerPoint presentation, Mr. Pousson highlighted the due diligence inspections of waste disposal facilities; collaboration between the U. T. System Offices of Facilities Planning and Construction, General Counsel, and Real Estate

and the campuses; and the Environmental Health and Safety Academy training. This training was also presented last March to the University of California System at their request and they are going to customize it to meet their needs. There are also other institutions throughout the country looking at this training. Since 2000, 830 individuals have been trained System-wide in areas such as fire safety, hazardous materials transportation, and storm water management.

There are several System-wide contracts, primarily for waste disposal, that save approximately \$500,000 annually and minimize the potential for inappropriate disposal. Mr. Pousson highlighted the Disaster Restoration and Recovery Contract that handles cleanup in the event of another disaster, such as Tropical Storm Allison. His office will continue to explore opportunities for System-wide contracts and pursue additional grants. He mentioned four institutions had completed a grant to reduce the use of mercury in different operations. Two grants, at present, relate to pollution prevention and community outreach with regard to how to handle environmental waste and environmental controls.

Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs, said Mr. Pousson and his staff are organizing a program to bring together best practices of the institutional biosafety committees.

4. U. T. System: Report on audit peer reviews

Committee Meeting Information

Presenter(s): Mr. J. Michael Peppers, Audit Director, U. T. M. D. Anderson Cancer Center
Status: Reported

Discussion at meeting:

Mr. Mike Peppers reported on the results and implementation of the recommendations of the peer review. He said there were 11 different standards considered by the external reviewers and the internal audit function was found to be in overall conformity with six of the standards, and in partial conformity with the 5 other standards. Specific areas that were identified, and are being worked on, include a) broadening the resource base in specialty training to ensure that specifically healthcare and information technology risks are being completely and adequately addressed in the audits, and b) the use of computer-assisted auditing techniques.

In the area of risk management, Mr. Peppers said the recommendation is to have full collaboration with management to increase their involvement in the risk assessment, and then to have good linkages between what the risk assessment shows and what is audited. Many of the areas, particularly risk assessment, will be structurally in place by August 31, 2005, but implementation will occur as audits are performed.

5. U. T. System: Report on System-wide audit activity

Committee Meeting Information

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

Status: Reported

Discussion at meeting:

Mr. Chaffin pointed out the color orange has been introduced into the red, yellow, green report to indicate that significant progress toward a resolution was made in the quarter the significant audit finding was first reported.

6. U. T. System: Report on status of System-wide Institutional Compliance Program including Compliance Program Peer Reviews

Committee Meeting Information

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

Status: Reported

Discussion at meeting:

Mr. Chaffin said U. T. System's compliance program is on the leading edge in higher education. The process of peer reviews implemented this year is unparalleled not only in higher education but in corporate America. A review of the compliance program by other compliance officers has been introduced. Reviews have been held this quarter at U. T. Southwestern Medical Center - Dallas, U. T. Brownsville, and U. T. Health Science Center - San Antonio. A compliance officer from the University of Minnesota Health System was introduced this last quarter to the peer review team at U. T. Health Science Center - San Antonio and he will be introducing this process to his institution.

As a result of both the peer review and the acquisition of two hospitals, U. T. Southwestern Medical Center - Dallas is expanding the compliance program, organizationally and through staffing. Mr. Chaffin said the peer reviews are positive and provide an opportunity to step back and look at what the institution is doing and have outsiders provide input. He remarked Mr. David Crawford, Audit Manager in the U. T. System Audit Office, has written a national article on Compliance Peer Reviews that is leading edge in this area.

RECESS TO EXECUTIVE SESSION

At 10:21 a.m., the Committee recessed to Executive Session pursuant to *Texas Government Code* Section 551.074 to consider matters listed on the Executive Session agenda as follows:

Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees

U. T. System: Evaluation and duties of System and institution employees involved in audit and compliance functions

RECONVENE IN OPEN SESSION

The Executive Session ended at 10:36 a.m., and the Committee reconvened in Open Session to adjourn. No action was taken on the item discussed in Executive Session.

ADJOURNMENT

Committee Chairman Estrada announced that the purpose for which this meeting was called had been completed, and the meeting was duly adjourned at 10:36 a.m.

MINUTES
U. T. System Board of Regents
Finance and Planning Committee
May 11, 2005

The members of the Finance and Planning Committee of the Board of Regents of The University of Texas System convened at 1:35 p.m. on Wednesday, May 11, 2005, 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 Hunt, presiding
Vice-Chairman Krier
Regent Barnhill
Regent Caven
Regent Rowling

Also present were Chairman Huffines (for Items 4-11), Vice-Chairman Clements, Regent Estrada (for Items 3-11), 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 Hunt called the meeting to order.

1. U. T. System: Approval of Docket No. 122

Committee Meeting Information

Not on agenda for Committee meeting

2. U. T. System: Approval of the Fiscal Year 2006 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 Vice-Chairman Krier, seconded by Regent Barnhill, and carried unanimously

Discussion at meeting:

Mr. Wallace said the budget policy was approved in February last year, but was held until May this year awaiting results from the legislative session.

3. U. T. System: Presentation of Monthly Financial Report

Committee Meeting Information

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

Status: Reported

Future Actions: Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs, will look at changing report format to a snapshot of what Regents need to know and understand. For example, review Net Investment Income vs. Available University Fund/Permanent University Fund Distribution and look at five-year trends rather than year-to-year comparisons.

Discussion at meeting:

Committee Chairman Hunt asked Executive Vice Chancellor Kelley to consider changing the report format to a snapshot of what the Regents need to know and understand. For example, review Net Investment Income vs. Available University Fund/Permanent University Fund Distribution and look at five-year trends rather than year-to-year comparisons.

In response to questions from Regent Rowling, Mr. Wallace said tuition was accrued on a monthly basis and net investment income includes the U. T. System's share of the Available University Fund. Regent Rowling asked what was included in the interest expense on capital asset financing and Mr. Wallace responded it included Tuition Revenue Bonds, Revenue Financing, and Permanent University Funds.

Committee Chairman Hunt said Mr. Wallace has a challenge to fit the U. T. System's unique circumstances into nationally-established accounting rules. Mr. Wallace added that it is also difficult to measure the monthly margin at the institutional level.

Chancellor Yudof expressed concern that if a campus were to go on a campaign to deliberately reduce its balance, it could look as though the campus were engaged in deficit spending. Mr. Hunt said the right measure over a period of time would result in an adjusted margin with a valid number that could be used to compare the health of an institution.

Regent Rowling asked for an update on negative operating results at U. T. Medical Branch - Galveston related to the Correctional Managed Health Care program. Executive Vice Chancellor for Health Affairs Kenneth I. Shine said although emergency relief is moving through the 79th Texas Legislature, the institution will still be left with a shortfall and this may affect renewal of the Correctional Managed Health Care contract in Summer 2005. He added that the Regents will not approve a deficit plan and may have to reconsider the program if money is not available to provide a quality program. John D. Stobo, M.D., President, U. T. Medical Branch - Galveston, agreed that the appropriation for the biennium is only a fraction of what is needed. Dr. Shine noted that other issues such as uncompensated care are adding to the shortfall and a plan is in the works to ensure these issues do not continue to be a problem. Dr. Kelley said depreciation was an additional factor contributing to the deficit.

Regent Barnhill asked where the \$20.7 million revenue from The Sealy & Smith Foundation at U. T. Medical Branch - Galveston goes and Mr. Wallace responded that gifts for capital operations within operating margins are not included as they are dedicated for capital purposes. Dr. Shine added that because this revenue cannot be part of the balance sheet, it is included in a footnote. Regent Rowling asked if that is why gift contributions from operations increased from \$112 million to \$152 million and Committee Chairman Hunt responded that those are annual dollars that were given to be used within that year.

4. U. T. Board of Regents: Report on Investments for quarter ended February 28, 2005, Liquidity Profile, and Performance Report by Ennis Knupp + Associates

Committee Meeting Information

Presenter(s): Mr. Bob Boldt, UTIMCO President, Chief Executive Officer, and Chief Investment Officer; Mr. Michael Sebastian, Ennis Knupp + Associates

Status: Reported

Discussion at meeting:

In response to the consultant's report that certain asset classes have been out of compliance with U. T. System Board approved investment policy ranges, Committee Chairman Hunt assured the Committee that UTIMCO will pay more attention to being in compliance with the U. T. System Board of Regents' Investment Policy asset allocation. He asked Mr. Boldt to comment on the non-U.S. equity noncompliance. Mr. Boldt said compliance would be addressed in the upcoming asset allocation review. He said UTIMCO manages to the benchmark rather than to the target. Mr. Hunt said it is UTIMCO's responsibility to manage within the ranges set by the Board of Regents, and the joint meeting between the Board of Regents and UTIMCO on July 8, 2005, would be a good time to approve needed changes.

Chancellor Yudof said that asset allocation is important and he does not believe UTIMCO has discretion to manage to benchmarks outside approved investment policy ranges. Mr. Boldt agreed and said UTIMCO would rather have benchmarks and targets that are congruous. Mr. Hunt said there is a strong oversight function at the Board of Regents' level that can examine technical issues.

Dr. Kelley noted additional costs related to the transfer of Permanent Health Fund assets from UTIMCO to the State. Chairman Huffines said he had been told efforts to transfer the Tobacco Fund have been dropped.

Mr. Hunt asked Mr. Boldt to comment on hedge fund exposure. Mr. Boldt said a lot of money has been invested in hedge funds and hedge funds are one of the better investment opportunities. Committee Chairman Hunt said UTIMCO will provide quarterly reports with hedge fund information to give the Board of Regents more

confidence in this investment area. In response to a request by Chancellor Yudof, Mr. Boldt said by industry standards, the U. T. System portfolio is not very exposed to leverage and hedge funds are very carefully monitored.

Regent Rowling questioned the risk involved in investing in hedge funds and noted that last year hedge funds did not exceed U.S. equity returns. Mr. Boldt said hedge funds were not expected to exceed equity market returns on a long-term basis because the risk of those funds was substantially less. Regent Rowling asked if the hedge funds mitigated some of the poorer performances in March and April and Mr. Boldt replied that hedge funds were the best performing category in March and outperformed the equity and fixed income markets in April. Regent Rowling noted it was important for the Board of Regents to realize that hedge funds play a solid role in the portfolio.

5. **U. T. Board of Regents: Approval of annual distributions from the Permanent University Fund, the Permanent Health Fund, and the Long Term Fund**

Committee Meeting Information

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

Status: Approved

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

6. **U. T. Board of Regents: Adoption of Resolutions Amending the First and Fifth Supplemental Resolutions to the Master Resolution establishing the Revenue Financing System Commercial Paper Programs**

Committee Meeting Information

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

Status: Approved

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

Note:

All Committee members were present for the vote.

7. U. T. System: Permanent University Fund quarterly update

Committee Meeting Information

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

Status: Reported

Future Actions: Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs, will consider listing Library, Equipment, Repair and Rehabilitation separately per a request from Regent Rowling.

Discussion at meeting:

Regent Rowling suggested listing Library, Equipment, Repair and Rehabilitation separately in the report and Mr. Aldridge agreed that it could be broken out.

8. U. T. Board of Regents: Regents' Rules and Regulations, Series 10501 - Amendment to increase the amount delegated for lease or purchase of routine medical equipment and services

Committee Meeting Information

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

Status: Approved

Motion: Made, seconded, and carried unanimously

9. U. T. Board of Regents: Amendment to the Regents' Rules and Regulations, Series 70301 (Matters Relating to Real Property), Section 4

Committee Meeting Information

Presenter(s): Ms. Florence Mayne, Executive Director of Real Estate

Status: Approved

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

10. U. T. Board of Regents: Amendment to the Regents' Rules and Regulations, Series 80103, Section 2.4 (Solicitation)

Committee Meeting Information

Presenter(s): Mr. Barry D. Burgdorf, Vice Chancellor and General Counsel

Status: Approved

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

Future Actions: Consistent with suggestion of Vice-Chairman Krier, Mr. Barry D. Burgdorf, Vice Chancellor and General Counsel, and Ms. Francie A. Frederick, Counsel and Secretary to the Board, will complete an evaluation of the Regents' Rules and Regulations after the legislative session.

Discussion at meeting:

Regent Estrada urged Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs, to involve the Historically Underutilized Business (HUB) business coordinator in the implementation of these Rules changes so HUB firm opportunities to service the institutions are not inadvertently limited.

In response to an inquiry from Vice-Chairman Krier, Mr. Burgdorf said a complete evaluation of the Regents' Rules and Regulations would be done after the legislative session.

11. U. T. System: Review of services provided and fees charged by the Office of Facilities Planning and Construction and update on benchmarking study

Committee Meeting Information

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

Status: Deferred to the Facilities Planning and Construction Committee meeting (See Item 14 on Page 7 of these Committee Minutes.)

ADJOURNMENT

Committee Chairman Hunt announced that the purpose for which this meeting was called had been completed, and the meeting was duly adjourned at 2:35 p.m.

MINUTES
U. T. System Board of Regents
Academic Affairs Committee
May 11, 2005

The members of the Academic Affairs Committee of the Board of Regents of The University of Texas System convened at 10:40 a.m. on Wednesday, May 11, 2005, on the 9th Floor of Ashbel Smith Hall, The University of Texas System, 201 West Seventh Street, Austin, Texas, with the following participation:

Attendance

Chairman Krier, presiding
Regent Caven (absent for Item 1)
Regent Estrada
Regent Rowling

Absent

Regent Craven

Also present were Chairman Huffines, Vice-Chairman Clements, Vice-Chairman Hunt, Regent Barnhill, and Assistant Secretary Martinez sitting in for 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 institutional presidents

Committee Meeting Information

Presenter(s): Institutional presidents

Status: Reported

Future Actions

1. Amend presidents' Minute-at-the-Mike item to include comments from "Presidents, AAC members, and U. T. System staff" and allow sufficient time.
2. During the meeting, Vice-Chairman Krier inquired about how many institutions had "Maymesters" or the equivalent.

Discussion at meeting:

President Mabry said U. T. Tyler led the System in having the highest pass rate for engineering and nursing students taking their respective basic exams according to the accountability and performance report. A senator also has said U. T. Tyler has the highest four-year graduation rate in the state and Dr. Mabry clarified that may have been in a prior year with a small class. President Mabry also thanked the Chancellor for attending the graduation ceremony.

President Cárdenas announced a proposed major investment by Pfizer in a community-based health initiative on the border that will include U. T. Pan American. She mentioned the Valley Heroes Memorial Scholarship Fund created to provide

scholarships in memory of the 19 Valley men who have died in Iraq and Afghanistan. The campus is hosting an exhibit of memorabilia from the families of the veterans that has been widely received and broadly praised.

Vice-Chairman Krier asked if the Pfizer effort will include a role for the Regional Academic Health Centers (RAHC), and President Cárdenas said she would pursue the idea.

President Spaniolo talked about the upcoming inaugural event at U. T. Arlington to hold the commencement convocation outdoors at Maverick Stadium. The keynote speaker will be Senator Kay Bailey Hutchison and Regent Estrada will be the Regental representative.

Provost Wildenthal said U. T. Dallas has been occupied with transitions recently including celebrations of President Jenifer as president. At the graduation ceremony on Saturday, the faculty presented President Jenifer an 1862 book detailing a key event in U.S. constitutional history. The number of graduates continues to increase, and next spring there will be four sessions for the commencement ceremony rather than three. Dr. Wildenthal reported President-Elect Daniel would begin his service as president on June 1, 2005 and reported research funding has grown.

President Natalicio said U. T. El Paso had the largest graduation in its history. She also reported on a partnership between the College of Engineering and General Motors Corporation, EDS, and other industries to bring software and hardware techniques and opportunities to students.

President Romo reported the first professorship in physics at U. T. San Antonio from the Curtis Vaughn family, opportunities for physics students at the Southwest Research Institute, and reported a commencement event will be held.

President Faulkner said Chairman Huffines will be representing the U. T. System Board of Regents at an upcoming commencement ceremony. He also reported two Austin students have received competitive Truman scholarships; U. T. Austin is the only state university that has won Truman scholarships eight years in a row. He added that four faculty members have been elected to the National Academy of Engineering, one faculty member to the American Academy of Arts and Sciences, an alumni won the Pulitzer Prize, and the national press has noted U. T. Austin has been the number one source for Fortune 1000 CEOs in the last few years.

President García mentioned a visit from Coordinating Board Commissioner Raymund Paredes and said U. T. Brownsville won the state chess tournament. She said three distinguished alumni would be returning for commencement ceremonies and announced the dedication for the Schools of Education and Business will take place on September 8. U. T. Brownsville will have its largest graduation in history this year, with over 800 students. When looking at graduation statistics, she encouraged thinking not only about the percentages and how long

it takes to graduate but also about the persistence that students show in sticking with the program. President García said U. T. Brownsville was looking forward to cooperating with U. T. San Antonio in physics. U. T. Brownsville is one of the top five in the state in research dollars in the area of physics.

President Watts said a U. T. Permian Basin faculty member received the institution's first National Institutes of Health grant. Dr. Watts reported the "May-mester" program at U. T. Permian Basin has a 62% higher enrollment than the inaugural program had last year. The "May-mester" program enables students to complete three credit hours in approximately four weeks and is one way U. T. Permian Basin is trying to improve graduation rates.

President Watts thanked Dr. Pedro Reyes, Associate Vice Chancellor for Academic Planning and Assessment, for attending the commencement ceremony. U. T. Permian Basin graduated the largest class yet.

Vice-Chairman Krier wondered how many campuses offer "May-mesters" and, in seeing hands raised, commented that several do.

2. U. T. El Paso: Discussion of compact priorities

Committee Meeting Information

Presenter(s): *Dr. Diana S. Natalicio, President, U. T. El Paso*

Status: *Discussed*

Future Actions: *Vice-Chairman Krier indicated there was a need for future compacts to offer more specific commitments and more detailed timelines (for example, "2014" is better than "in 10 years").*

Discussion at meeting:

President Natalicio provided a three-page handout attached on Pages 5 - 7 and in referring to the first page she said the annual assessments are part of an ongoing process. The biggest picture is the vision-setting, which is done in collaboration with external people. They work together to envision what U. T. El Paso should be like. The Diamond Jubilee Commission met in 1989 and set goals for 2001. The current Centennial Commission has a similar mission, and the final report will set goals for 2014. In conjunction with the work of the Centennial Commission, there are three internal task forces, namely, student success, campus climate, and research.

President Natalicio then discussed the compact process. Departments are creating their own compact documents, and the documents move toward the submission of U. T. El Paso's compact to U. T. System. The System review occurs over the summer, and the feedback loop begins again. In each instance as the compacts move through the process, there is constant feedback from the next level so that each document is clearly understood. This is an intensely consultative process, and a lot of people spend a great deal of time on it. President Natalicio said she is convinced the compact process has helped set priorities and reach consensus.

Dr. Natalicio spoke about the compassion of students and said U. T. System has the ability to be the national leader in Latino graduation.

Vice-Chairman Krier asked for timelines for accomplishments and encouraged tracking all tasks that support the compact commitment. She asked presidents to be specific in compact presentations and asked that information be formatted in a helpful way.

UTEP PLANNING CONTEXT

VISION

- Diamond Jubilee Commission: UTEP 1989 - 2001
- Centennial Commission: UTEP 2004 - 2014

ACCREDITATION

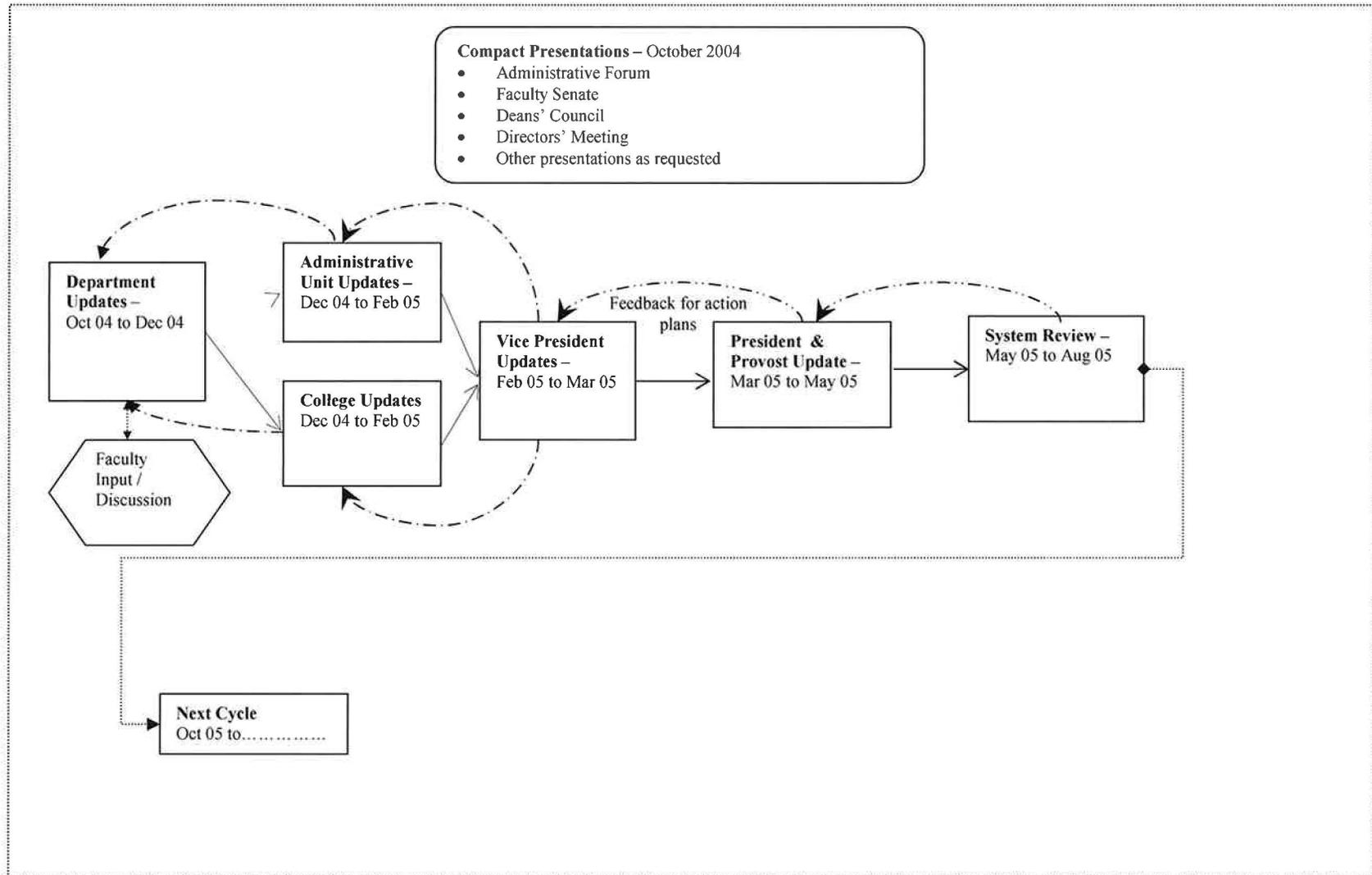
Institution: Southern Association of Colleges & Schools (SACS)
Programs: Engineering (ABET), Business (AACSB) ... *etc.*

ANNUAL ASSESSMENTS & UPDATES

- UTEP / UT System Compact
 - Accountability Report
- UTEP Campus Compacts by
Division, College, & Department

UTEP Compact Development Process

9



UTEP Compact 2005-07

Short-Term

- Resource Development to Build Capacity
- Sustainable Growth in Research
- Improving Undergraduate Student Success
- Graduate & Professional Program Development
- Increased Efficiency

Longer-Term

- Resource Development and Sustainability
- Expanded Role in Regional Economic Development
- A National Model for Latino Student Success
- Center of Excellence for Border Studies & US-Mexico/Inter-American Issues
- Expanded Health Sciences Education and Research

3. U. T. Permian Basin: Discussion of compact priorities

Committee Meeting Information

Presenter(s): *Dr. W. David Watts, President, U. T. Permian Basin*

Status: *Discussed*

Discussion at meeting:

President Watts mentioned efforts to improve the graduation rate. U. T. Permian Basin is now offering students who complete 30 semester hours per academic year a \$400 credit that will be applied in their senior year. He talked about the "Group of 30," people who are vested in the University but not necessarily a part of the University, who will advise on economic development and quality. Faculty members are thinking more about how to integrate research projects into their teaching, which is a positive shift.

Regent Estrada said he had learned from a U. T. San Antonio audit director that they have organized a committee to meet monthly to review compliance and accountability issues. Their working document as they go through each month's agenda is the compact with the Chancellor. Regent Estrada commended this as a best practice and encouraged all institutions to consider adopting such committees.

4. U. T. Pan American: Health Services Administration Building - Amendment of the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to include project; appropriation of funds and authorization of expenditure; and authorization of institutional management

Committee Meeting Information

Presenter(s): *Mr. Sidney J. Sanders, Associate Vice Chancellor, Facilities Planning and Construction*

Status: *Approved*

Motion: *Made by Regent Rowling, seconded by Regent Estrada, and carried unanimously*

5. U. T. Arlington: Authorization to establish a Ph.D. in Educational Leadership and Policy Studies

Committee Meeting Information

Presenter(s): Mr. James D. Spaniolo, President, U. T. Arlington

Status: Approved

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

Discussion at meeting:

President Spaniolo said the K-16 focus makes this program distinct. The location of the campus and the strong College of Education at U. T. Arlington will enable this program to make serious valuable contributions not only in the Metroplex but statewide.

6. U. T. San Antonio: Authorization to establish a Ph.D. degree program in Applied Statistics/Demography

Committee Meeting Information

Presenter(s): Dr. Ricardo Romo, President, U. T. San Antonio

Status: Approved

Motion: Made, seconded, and carried unanimously

Discussion at meeting:

Vice-Chairman Krier recommended changing the program name to delete the slash before submitting the program to the Coordinating Board. Provost Bailey indicated the name should be statistics and demography.

7. U. T. System: Discussion of graduation rates and planned initiative to improve rates

Committee Meeting Information

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

Status: Discussed

Discussion at meeting:

Chairman Krier recognized Senator Shapleigh in attendance.

Executive Vice Chancellor Sullivan said U. T. System is assembling considerable internal resources to support the graduation rate initiative. Dr. Gary Hanson, for example, is a recent hire who did his doctoral dissertation on graduation rates so he brings expertise. U. T. System has begun a case study on improving graduation

rates at U. T. Austin. Considering how to improve graduation rates began under former President William H. Cunningham and continued under former President Robert M. Berdahl. When he was Provost at U. T. Austin, Chancellor Yudof initiated a major revision of the advising process and President Faulkner has made a strong commitment to raise graduation rates. That multiprong approach involved many people including academic advisors, faculty, institutional research people, and the president. The success of U. T. Austin in raising graduation rates is a model for U. T. System.

Executive Vice Chancellor Sullivan reported there will be a System-wide conference probably at the end of September and probably at U. T. El Paso to discuss issues related to graduation rates with each campus. Meanwhile, U. T. System will be exploring what can be done centrally to add value and help. For example, U. T. System will look into the possibility of developing a computerized degree check that all students can access. It could be modeled on the successful one at U. T. Austin, but the objective is to avoid each institution having to deploy institutional resources to make that happen.

U. T. System will also encourage analysis of where and why leaks occur in the college pipeline. A number of institutions have already done this kind of study and come up with innovative solutions. For example, U. T. San Antonio offered free tuition to seniors who had stopped registering but were close to graduation because it seemed they needed an extra incentive to graduate. President Romo has announced a six-point plan for improving graduation rates at U. T. San Antonio. Academic advisors now hold office hours on weekends and evenings to make it possible for all students to have access to advising. There are a number of initiatives along these lines that might be deployed and though U. T. System is only at the starting stage, improving graduation rates is an important issue that is taken seriously. She said the commencement ceremonies reveal that graduation itself is an important event in the lives of the students, their parents, and the community. Executive Vice Chancellor Sullivan said U. T. System hopes to ensure that the incoming class of 2005 knows they should graduate in 2009 if at all possible.

Committee Chairman Krier thanked Executive Vice Chancellor Sullivan for her report and said Senator Shapleigh could see the issue of graduation rates is a priority at the System level and at the campus level. She welcomed his encouragement and suggestions.

Senator Shapleigh referenced PowerPoint slide number 8, "2003 Graduation Rates for Select Hispanic-Serving Institutions," and said of the 1,361 institutions of higher education in this country, these graduation rates are some of the lowest in the United States today. For senate members who participated in a 28-3 vote on tuition deregulation, Senator Shapleigh said part of that came from this issue. He encouraged U. T. System to continue to work on improving graduation rates because it is an investment in students. He suggested U. T. System set up a plan to get each institution to improve graduation rates by a certain date.

Senator Shapleigh said part of the issue of graduation rates is systemic and part involves management decisions. He said devising the correct models to achieve a solution will require going down into the early years. There must be a systemic solution to the pipeline and financing issues. Senator Shapleigh indicated he will participate in conferences. He said until U. T. System deals with this issue, there will not be a comfort level with flexibility in tuition. He said the Senators are looking for value.

Committee Chairman Krier said it is not something that can be done alone by campuses, by the System, or by the Legislature because improving the graduation rates required working together. She expressed her hope that Senator Shapleigh would be able to return in a few years and see improved numbers and she asked for his help, encouragement, and support.

Chancellor Yudof thanked the Senator for being such a champion on this issue. Ultimately the gaps cannot be closed unless those numbers look better. Plans will have to be tailored for each campus. He urged targets, and agreed with the Senator that benchmarks were necessary to measure progress.

Chairman Huffines thanked Senator Shapleigh for attending the Board meeting. He assured the Senator that U. T. System was focused on the issue of graduation rates and that progress would be made.

Senator Shapleigh said that the key was for U. T. System to meet the 600,000 closing the gaps goal. It is complicated, but he hopes there is a solution earlier rather than later.

Regent Estrada asked how freshmen entering U. T. Brownsville via the partnership with Texas Southmost College are counted. President García said it is more complicated because of the partnership, and encouraged looking at the different types of students that enroll at Brownsville to fully understand graduation rates.

Regent Estrada pointed out a catch-22 in the statistics gathering for graduation rates. He said the numbers could be artificially improved by being more selective on who is allowed to enroll. Many U. T. institutions, however, serve a broad community that has never gone to college before so this raises policy issues about how restrictive and selective the institutions should be. Moreover, being more selective might drive students who might currently be accepted at an institution to instead enroll at a community college. If they are successful at the community college, they might likely transfer to a U. T. institution. Statistically speaking, those students do not count so there is a real contradiction.

Vice-Chairman Hunt said wherever there are artificial barriers, best practices should be adopted. It is imperative not to lower product quality. In a highly competitive world, quality needs to be pushed up. It is a complex issue, and it should be a high priority but it is also important to be realistic about potential solutions.

* * * * *

Vice-Chairman Krier commended a recent retreat in New Braunfels that brought together researchers from various campuses studying aging. She attended one session and was impressed with the collaboration. Vice-Chairman Krier said this program was the initiative of former Regent Sam Barshop.

ADJOURNMENT

Committee Chairman Krier announced that the purpose for which this meeting was called had been completed, and the meeting was duly adjourned at 12:10 p.m.

MINUTES
U. T. System Board of Regents
Health Affairs Committee
May 11, 2005

The members of the Health Affairs Committee of the Board of Regents of The University of Texas System convened at 12:35 p.m. on Wednesday, May 11, 2005, 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 Rowling

Absent

Regent Craven

Also present were Chairman Huffines (for Item 2), Vice-Chairman Hunt (for Item 6), Regent Barnhill, Regent Estrada, 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: Amendment to the U. T. System Professional Medical Liability Benefit Plan to add U. T. System institutions (Deferred)**

Committee Meeting Information

Presenter(s): Vice-Chairman Rita C. Clements
Status: Deferred

2. **U. T. Health Science Center - Houston: Approval of a Doctor of Nursing Practice (DNP) degree program**

Committee Meeting Information

Presenter(s): James T. Willerson, M.D., President, U. T. Health Science Center - Houston
Status: Approved
Motion: Made by Regent Rowling, seconded by Regent Caven, and carried unanimously

3. **U. T. M. D. Anderson Cancer Center: Authorization to acquire approximately 42.4 acres of unimproved real property at Ellington Field in Houston, Harris County, Texas ("Ellington Site"), to exchange with the U.S. Government Department of Defense for approximately 18 acres of land and improvements located at 1850 and 1902 Old Spanish Trail, Houston, Harris County, Texas ("DOD Site"); authorization to lease back the DOD Site to the U.S. Government; and finding of public purpose**

Committee Meeting Information

Presenter(s): John Mendelsohn, M.D., President, U. T. M. D. Anderson Cancer Center; Mr. Leon J. Leach, Executive Vice President, U. T. M. D. Anderson Cancer Center; Ms. Florence Mayne, Executive Director of Real Estate

Status: Approved

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

Discussion at meeting:

Committee Chairman Clements noted modification of the recommendation included in the Agenda Book to provide that the term of the lease to the Department of Defense shall not exceed a period of four years from the date of the closing.

Regent Rowling asked if the price to be paid to the City of Houston was locked into a contract and President Mendelsohn responded the price will be the fair price that has been audited, reviewed, and agreed upon by the two parties. Executive Director Mayne said there is an option contract with the City of Houston to purchase the land at the Ellington Site for \$1.3 million. Mr. Leach said lease of the land to the U.S. Government will be rent free and the price will be fixed to avoid four years of appreciation. In response to a question by Regent Rowling, Ms. Mayne said the Ellington Site is valued at \$3 million and an additional \$17 million in cash will be paid to the Army and Navy.

At Regent Rowling's request, a map of the property was displayed and explained by President Mendelsohn.

Counsel and Secretary's Note: Differing appraisal methods used for demolition costs changed the appraised value of the DOD Site and, consequently, changed the resulting cash equalization payment from \$17.6 million to \$18.2 million between the time that the May 9-10, 2005 and July 8, 2005 Agenda Items were prepared.

4. U. T. System: Report on the Chancellor's Health Fellows

Committee Meeting Information

Presenter(s): *Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs; L. Maximillian Buja, M.D., Executive Vice President for Academic Affairs, U. T. Health Science Center - Houston; Allan Brasier, M.D., Leon Bromberg, M.D., Professor in Internal Medicine, Senior Scientist at the Sealy Center for Molecular Science, and Associate Director at the Proteomics Center at U. T. Medical Branch - Galveston*
Status: *Reported*

Discussion at meeting:

Dr. Buja reported on the medical education area for which he was awarded the fellowship and said this initiative sends a strong message to the institutions that U. T. System values the educational mission. He said the initiative would be an opportunity for ongoing collaboration and sharing of resources. Executive Vice Chancellor Shine said Dr. Buja has been successful not only in running the medical education program, but also in creating a collaboration that will have longevity. Dr. Shine publicly thanked Dr. Buja and presented him a certificate of appreciation. Executive Vice Chancellor Shine also noted Dr. Buja has been asked to serve as the Chancellor's Health Fellow in medical education for another year.

Dr. Brasier gave a report on the science initiative and said there are tremendous opportunities for collaboration between the institutions to compete for National Institutes of Health (NIH) Roadmap Initiatives grants. Executive Vice Chancellor Shine said Vice Chancellor for Research Robert E. Barnhill has reviewed the report submitted by Dr. Brasier's committee and Dr. Barnhill will be involved in recommendations and issues related to health research included in the report. Dr. Shine reported an agreement has been reached with the Academy of Medicine, Engineering and Science of Texas to run a midyear science conference in collaboration with the U. T. System institutions. Executive Vice Chancellor Shine presented Dr. Brasier a certificate of appreciation.

Dr. Shine noted Sharon Martin, M.Ed., MT (ASCP) SC, was unable to attend the Committee meeting, but will serve a second year as the Fellow for Quality of Care and Patient Safety.

Executive Vice Chancellor Shine expressed appreciation to the presidents for generously giving time to the above individuals to serve as Fellows. He reminded members of the Board that in conjunction with the science symposium, a dinner was held to celebrate the achievement by the academic health centers of over \$1 billion in sponsored research in 2004. Dr. Shine submitted for the record a congratulatory letter from Governor Perry. (The letter is attached on Page 4.)



**STATE OF TEXAS
OFFICE OF THE GOVERNOR**

February 21, 2005

Greetings:

As Governor, I am pleased to extend greetings to all in attendance as you celebrate The University of Texas System's health campuses exceeding \$1 billion in research expenditures.

With a reputation for excellence, your commitment to research shows your dedication to making a difference in the lives of others the world over.

Today, we stand in the early years of the 21st century, in the midst of an era of unprecedented advancement. Your enduring commitment to building upon yesterday's successes highlights the best of the Lone Star State.

Anita joins me in sending our best wishes for a memorable event.

Sincerely,

A handwritten signature in black ink that reads "Rick Perry". The signature is written in a cursive, flowing style.

Rick Perry
Governor

5. U. T. System: Report on Public Health in Texas

Committee Meeting Information

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

Status: Reported

Discussion at meeting:

Committee Chairman Clements called attention to the chart on Page 58.40 of the Agenda Book indicating Men's Fitness Magazine (2004) cites five of the eight fattest cities in the United States are in Texas and she said public health in Texas does need to be improved.

Executive Vice Chancellor Shine said U. T. Health Science Center - Houston has the only comprehensive School of Public Health in the state and the School is ranked among the top 10 in the U.S. He said the most important recommendation from the report is that the regional campuses for Public Health in Brownsville, El Paso, and San Antonio have a unique opportunity to establish a consortium to address public health issues along the Texas border with Mexico. Dr. Shine said the Report was well received by the faculty at the School of Public Health at U. T. Health Science Center - Houston and provides an opportunity to take the next steps forward to raise public health activities in the state.

Executive Vice Chancellor Shine said now that this Report has been completed, a Chancellor's Health Fellow in public health will be appointed (see Item 4 on Page 3). He encouraged members of the Board to review the Report and noted recommendations from the institutions related to public health will be forthcoming.

Committee Chairman Clements said public health is important to Texas and is an area in which the U. T. System should take the lead.

6. U. T. Health Science Center - Houston: Discussion of compact priorities

Committee Meeting Information

Presenter(s): James T. Willerson, M.D., President, U. T. Health Science Center - Houston;
Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs

Status: Reported

Discussion at meeting:

Executive Vice Chancellor Shine commented that at a number of institutions, compacts arose out of planning activities. He said President Willerson reversed the process and has effectively used the compact process to develop a strategic plan that will become the basis for future compacts.

ADJOURNMENT

Committee Chairman Clements announced that the purpose for which this meeting was called had been completed, and the meeting was duly adjourned at 1:30 p.m.

MINUTES
U. T. System Board of Regents
Facilities Planning and Construction Committee
May 11, 2005

The members of the Facilities Planning and Construction Committee of the Board of Regents of The University of Texas System convened at 2:35 p.m. on Wednesday, May 11, 2005, on the 9th Floor of Ashbel Smith Hall, The University of Texas System, 201 West Seventh Street, Austin, Texas, with the following participation:

Attendance

Chairman Barnhill, presiding
Vice-Chairman Clements
Vice-Chairman Hunt
Regent Caven (absent for Item 1)
Regent Estrada (absent for Item 1)

Also present was 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 Barnhill called the meeting to order.

Mr. Sidney J. Sanders, Associate Vice Chancellor for Facilities Planning and Construction, presented a PowerPoint on design development plans and economic impact for Items 2, 4, 5, 6, 7, 9, 10, and 12 as set forth on Pages 9 - 29.

1. **U. T. System: Consideration of designation of the U. T. Austin Applied Research Lab Expansion - Phase II project as architecturally or historically significant**

Committee Meeting Information

Presenter(s): Mr. Sidney J. Sanders, Associate Vice Chancellor, Facilities Planning and Construction

Status: Not designated as architecturally or historically significant

2. **U. T. Austin: Institute for Geophysics and Advanced Computing Center - Amendment of the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to increase the total project cost; approval to revise funding sources; approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): Mr. Sidney J. Sanders, Associate Vice Chancellor, Facilities Planning and Construction; Mr. Larry Miller, Croslin & Associates, Inc., was in attendance

Status: Approved

Motion: Made by Vice-Chairman Clements, seconded by Vice-Chairman Hunt, and carried unanimously

3. **U. T. Austin: MRI Imaging Center, Phase I and II - Amendment of the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to reduce appropriation of funds; approval to increase funding source; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): Mr. Sidney J. Sanders, Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Vice-Chairman Clements, seconded by Vice-Chairman Hunt, and carried unanimously

4. **U. T. Dallas: Parking Garage I - Request for approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Deferred)**

Committee Meeting Information

Presenter(s): Mr. Sidney J. Sanders, Associate Vice Chancellor, Facilities Planning and Construction; Mr. Casey Wagner, Walker Parking Consultants, Inc., was in attendance

Status: Deferred

Future Action: Defer until August consideration of design of parking garage consistent with questions from Vice-Chairman Clements (Note: 6/7/05 email from Mr. Sanders says project on hold per request from new President Daniel.)

Discussion at meeting:

Mr. Sanders said this will be the first parking structure the campus will be building. Mr. Sanders said U. T. Dallas is now at the point where the campus is going to need to go vertical to conserve real estate. For reference, most of the parking structure would be on Campbell Drive. The parking garage will be a two-story, three-level parking structure with a small office for security purposes. The masonry is essentially designed to match the School of Management, the exit stairwell will be enclosed in glass for security purposes, and there will be an administration office for the parking department.

Vice-Chairman Clements expressed concern over the prominence and color of the proposed structure and thought it would be part of the view of the main campus.

Mr. Sanders explained this is vacant land planned for an addition for the School of Management. As this continues to be built out, one will see the School of Management and its addition almost obscure the parking structure.

Mr. Sanders said he did not think it would be as prominent and he would meet with the architects. Mr. Sanders said the garage would be only three stories tall and the tradeoff is to go higher but it becomes more costly and more prominent vertically with a smaller horizontal footprint.

Vice-Chairman Clements commented the new Southern Methodist University parking garage blends with other buildings on campus.

Regent Estrada asked if the garage could be moved across the street and Vice-Chairman Clements said that would be her suggestion to move it to another location. Mr. Sanders said the current location is where the campus felt was most appropriate but he will examine the issue and bring the matter back to the Board.

5. **U. T. Pan American: Student Housing Phase II - Amendment of the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to decrease total project cost; approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): Mr. Sidney J. Sanders, Associate Vice Chancellor, Facilities Planning and Construction; Mr. Wes Good, Kirksey, was in attendance

Status: Approved

Motion: Made by Vice-Chairman Hunt, seconded by Vice-Chairman Clements, and carried unanimously

Discussion at meeting:

Mr. Sanders said this will be the second student housing project at U. T. Pan American. About four years ago, U. T. Pan American opened their first student housing project, which is located on the main university highway.

Chancellor Yudof asked about the rent and Mr. James Langabeer, Vice President for Business Affairs, said these particular units are going to be about 20% over what they are right now based on a market survey that determined what the market would bear. Mr. Langabeer pointed out there will be more amenities in these units and there will be a high demand for the housing due to the GEARUP program.

Regent Barnhill pointed out the rooms will be double occupancy and Mr. Sanders said that is slightly counter to the trend to have more space per bed and have a certain mix of single occupancy beds.

6. **U. T. San Antonio: Biotechnology, Sciences and Engineering Building, Phase II (formerly East Campus Building Phase I) – Amendment of the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to reduce the total project cost; approval of design development; and approval of evaluation of alternative energy economic feasibility**

Committee Meeting Information

Presenter(s): Mr. Sidney J. Sanders, Associate Vice Chancellor, Facilities Planning and Construction; Mr. Vaughan Bomberger, Garza Bomberger, was in attendance

Status: Approved

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

Discussion at meeting:

Mr. Sanders said only design development approval is being requested at this time and the funding source would be requested at a later date. This will allow the design team to proceed with a design and if for some reason the funding issues are not resolved, the construction documents would hold value since they have a substantial shelf life.

7. **U. T. San Antonio: Recreation and Wellness Facilities, Phase II - Amendment of the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to reduce the total project cost; approval to revise funding sources; approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): Mr. Sidney J. Sanders, Associate Vice Chancellor, Facilities Planning and Construction; Mr. Kip Jameson, F&S Partners, was in attendance

Status: Approved

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

8. **U. T. San Antonio: Thermal Energy Plant No. 2 - Amendment of the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to increase the total project cost; appropriation of additional funds and authorization of expenditure; and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): Mr. Sidney J. Sanders, Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

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

9. **U. T. San Antonio: University Center Expansion Phase III - Amendment of the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to decrease the total project cost; approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): Mr. Sidney J. Sanders, Associate Vice Chancellor, Facilities Planning and Construction; Mr. Richard Miller, Perkins and Will Architects, was in attendance

Status: Approved

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

Discussion at meeting:

Chancellor Yudof asked if the building is going to have a metal roof and Mr. Sanders responded there are some metal details on the roof but mostly there will be canopies with tile accent roof pieces.

Chancellor Yudof commented this was slightly post-modern for downtown San Antonio and Vice-Chairman Clements agreed and asked Mr. Sanders if this conforms to what is being achieved at other campuses?

Mr. Sanders responded the outer context will have more of a solid masonry feel with stone base and a stone detail around the windows and tower elements with clay tile roofs but he assured the Committee this is going to feel comfortable in the style that has been established. The streetscape will have a different look and feel but will capture some of the feel of the Riverwalk. Mr. Sanders had earlier said the design fits the Mediterranean architecture established by the Board and is purposely whimsical and imitates the feel of a commercial street in San Antonio.

10. **U. T. Southwestern Medical Center - Dallas: Biosafety Level Three Laboratory - Amendment of the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to increase the total project cost; approval to revise funding sources; approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; resolution regarding parity debt; and redesignation of project as the Clean Rodent Housing/Biosafety Level Three Laboratory**

Committee Meeting Information

Presenter(s): Mr. Sidney J. Sanders, Associate Vice Chancellor, Facilities Planning and Construction; Mr. Jeff Balliew, Perkins & Will/CRA Architects, was in attendance

Status: Approved

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

Discussion at meeting:

Note: U. T. Southwestern Medical Center - Dallas requested the name of this project be changed to the Laboratory Research and Support Building. This redesignation will be included in the next amendment of the CIP.

11. **U. T. Health Science Center - Houston: Replacement Research Facility - Amendment of the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to increase total project cost and appropriation of funds and authorization of expenditure**

Committee Meeting Information

Presenter(s): Mr. Sidney J. Sanders, Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

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

Discussion at meeting:

Mr. Sanders said the Board had approved a budget of \$55 million, which was designed to provide two floors of vivarium space and one floor of research space finished out, out of the six-floor building. The amended project budget (from \$55.5 million to \$80.5 million) will finish out the other three research floors with the additional \$25 million from Gift funds.

12. **U. T. Health Science Center - San Antonio: Teaching/Learning Lab - Laredo - Request for approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): Mr. Sidney J. Sanders, Associate Vice Chancellor, Facilities Planning and Construction; Mr. Jim Sterner and Mr. Sam Poland, Kell-Muñoz Architects, were in attendance
Status: Approved
Motion: Made by Vice-Chairman Hunt, seconded by Vice-Chairman Clements, and carried unanimously

Discussion at meeting:

Mr. Sanders clarified this project is at the U. T. Health Science Center - San Antonio extension campus in Laredo.

13. **U. T. M. D. Anderson Cancer Center: Honorific naming of the animal facility in the Clinical Research Building as The John H. Jardine Center for Veterinary Medicine and Surgery**

Committee Meeting Information

Presenter(s): Mr. Sidney J. Sanders, Associate Vice Chancellor, Facilities Planning and Construction
Status: Approved
Motion: Made by Regent Estrada, duly seconded, and carried unanimously

14. **U. T. System: Review of services provided and fees charged by the Office of Facilities Planning and Construction and update on benchmarking study**

Committee Meeting Information

Presenter(s): Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs
Status: Reported
Note: As noted on Page 6 of the Finance and Planning Committee Minutes, discussion of related Item 11 from the Finance and Planning Committee on Page 39 of the Agenda Book was deferred for this portion of the meeting.

Discussion at meeting:

With permission of Finance and Planning Committee Chairman Hunt, Committee Chairman Barnhill said there was sufficient time to take up the item related to the Office of Facilities Planning and Construction services and fees that was not considered earlier during the meeting of the Finance and Planning Committee due to lack of time.

Dr. Kelley said this is a good news report. He said a lot of time is spent in the Office of Business Affairs talking about the fact that the office is a collection of service units. They do not teach nor conduct a search, nor do they directly serve the public or treat patients. Their role which is critical, nonetheless, is to serve and assist those mission activities. In that vein, he said it is especially important to continually review their activities to ensure they are effective, efficient, and add value. He said the Office of Facilities Planning and Construction is not only the largest operation within the Office of Business Affairs but is a function for which campuses are charged and they need to ensure services provided are relevant to their needs and the fees are comparable. He said this report is an update of a review that Mr. Sanders started in advance of Dr. Kelley arriving at U. T. System and that the Office of Facilities Planning and Construction has continued over the last year.

During the PowerPoint presentation, Dr. Kelley said the Office of Facilities Planning and Construction fees are significantly lower than those of the marketplace and furthermore, the Office of Facilities Planning and Construction offers additional services, including oversight and project management services.

Regent Caven asked if the Office of Facilities Planning and Construction has the capacity to offer services to other state institutions and agencies and Dr. Kelley responded affirmatively, particularly in remote areas such as El Paso where U. T. System institutions may have a pool of individuals in place and with little marginal cost, can add value and services.

Committee Chairman Barnhill said this report recognizes Associate Vice Chancellor Sanders and his staff for their fine work.

ADJOURNMENT

Committee Chairman Barnhill announced that the purpose for which this meeting was called had been completed, and the meeting was duly adjourned at 3:30 p.m.

MINUTES
U. T. Board of Regents
Student, Faculty, and Staff Campus Life Committee
May 11, 2005

The members of the Student, Faculty, and Staff Campus Life Committee of the Board of Regents of The University of Texas System convened at 3:___ p.m. on Wednesday, May 11, 2005, on the 9th Floor of Ashbel Smith Hall, The University of Texas at System, 201 West Seventh Street, Austin, Texas, with the following members of the committee in attendance:

Attendance

Regent Estrada
Vice-Chairman Clements
Vice-Chairman Hunt
Regent Barnhill

Absent

Committee Chairman Craven

Also present were Chairman Huffines; Vice-Chairman Krier; Regent Caven; Regent Rowling, Ms. Sandee Goertzen, Chair, Employee Advisory Council; Dr. James Bartlett, Chair, Faculty Advisory Council; Mr. Josh Warren, Chair, Student 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, Regent Estrada called the meeting to order.

1. U. T. System: Update on Faculty Advisory Council Recommendations

Committee Meeting Information

Presenter(s): Executive Vice Chancellor Sullivan

Status: Report

Discussion at meeting:

2. **U. T. System: Overview and discussion of undergraduate student housing**

Committee Meeting Information

Presenter(s): Executive Vice Chancellor Sullivan, Ms. Rincón, Research and Policy Analyst, U. T. System; Mr. Sanders, Associate Vice Chancellor for Facilities Planning and Construction, U. T. System; Ms. Remmers-Roeber, Director of Student Success Programs, U. T. Arlington; and Mr. Parker, Director of Housing, U. T. Arlington

Status: Discussed

Future Actions:

Discussion at meeting:

ADJOURNMENT

Regent Estrada announced that the purpose for which this meeting was called had been completed, and the meeting was duly adjourned at 4:30 p.m.