

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

August 21-22, 2013

Austin, Texas

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Carol A. Felkel  
Secretary to the Board of Regents  
January 8, 2015



## SCHEDULE OF EVENTS FOR BOARD OF REGENTS' MEETING

August 21-22, 2013  
Austin, Texas

*U. T. System Administration, Ashbel Smith Hall, 9th Floor, 201 West Seventh Street  
Office of the Board of Regents: 512.499.4402*

### **Wednesday, August 21, 2013**

Audit, Compliance, and Management Review Committee .....	9:30 a.m.
Finance and Planning Committee .....	10:30 a.m.
Health Affairs Committee .....	11:30 a.m.
Lunch .....	12:30 p.m.
Facilities Planning and Construction Committee .....	1:00 p.m.
Technology Transfer and Research Committee .....	2:00 p.m.
Academic Affairs Committee .....	2:45 p.m.
Meeting of the Board - Open Session .....	3:30 p.m.
<i>Faculty Advisory Council</i>	
Recess .....	4:15 p.m.
Reception/Dinner Honoring Regents' Outstanding Teaching Award Recipients ...	6:30 p.m.
<i>Etter-Harbin Alumni Center, Connally Ballroom, U. T. Austin Campus, 2110 San Jacinto Boulevard</i>	

### **Thursday, August 22, 2013**

Meeting of the Board - Open Session .....	8:30 a.m.
Recess to Executive Session and Working Lunch .....	11:30 a.m.
Meeting of the Board - Open Session .....	4:15 p.m. <i>approximately</i>
Adjourn .....	5:00 p.m. <i>approximately</i>
Group Photo of the Board .....	<i>Upon adjournment</i>

MINUTES  
U. T. System Board of Regents  
Audit, Compliance, and Management Review Committee  
August 21, 2013

The members of the Audit, Compliance, and Management Review Committee of the Board of Regents of The University of Texas System convened at 9:30 a.m. on Wednesday, August 21, 2013, in the Conference Room (Executive Session) and in the Board Meeting Room (Open Session) 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 Pejovich, presiding  
Vice Chairman Foster  
Regent Aliseda  
Regent Cranberg  
Regent Hall

Also present were Chairman Powell, Vice Chairman Hicks, Regent Hildebrand, Regent Horne, Regent Stillwell, and General Counsel Frederick.

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

RECESS TO EXECUTIVE SESSION (ASH 9 Conference Room)

At 9:30 a.m., the Committee recessed to Executive Session pursuant to *Texas Government Code* Section 551.074 to consider the matter listed on the Executive Session agenda as follows:

Personnel matters relating to appointment, employment, evaluation, assignment, duties, discipline, or dismissal of officers or employees - *Texas Government Code* Section 551.074

**U. T. System: Discussion with the Chief Audit Executive concerning personnel matters relating to appointment, employment, evaluation, assignment, duties, discipline, or dismissal of individual System Administration and institutional officers or employees involved in internal audit functions**

RECONVENE IN OPEN SESSION (ASH 9 Board Meeting Room)

The Executive Session ended at 9:45 a.m., and the Committee reconvened in Open Session at 9:49 a.m. in the Board Meeting Room. No action was taken on the item discussed in Executive Session.

1. **U. T. System Board of Regents: Discussion and appropriate action regarding review of Consent Agenda items, if any, referred for Committee consideration**

**Committee Meeting Information**

**Presenter(s):** Chairman Pejovich  
**Status:** Reported

*There were no items referred from the Consent Agenda.*

2. **U. T. System: Approval of the U. T. Systemwide Annual Internal Audit Plan for Fiscal Year 2014**

**Committee Meeting Information**

**Presenter(s):** Mr. J. Michael Peppers, Chief Audit Executive  
**Status:** Approved  
**Motion:** Made by Vice Chairman Foster, duly seconded, and carried unanimously

**Discussion at meeting:**

*Mr. Peppers noted the change in timing of submission of audit plans from the institutional chief audit executives from November to August each year so that information is submitted prior to the start of the fiscal year.*

3. **U. T. System: Report on the Systemwide internal audit activities**

**Committee Meeting Information**

**Presenter(s):** Mr. J. Michael Peppers, Chief Audit Executive  
**Status:** Reported/Discussed

**Discussion at meeting:**

*Mr. Peppers reported no significant findings in the institutional audits of Chief Administrators' expenditures for travel, entertainment, and other expenses. He noted some process improvements were recommended, and he said this year's review will be expanded to include other institutional executives.*

*Mr. Peppers reported on the audit of institutional development activities, which included a review of how information is being reported, how counting and reporting standards for Council for Advancement and Support of Education (CASE) and Council for Aid to Education (CAE) are followed, and documentation on donor intent and receiving processes for gifts. He reported the U. T. Austin audit was completed and reported on at the last Committee meeting, and the other reports have been completed except for U. T. M. D. Anderson Cancer Center, which is in the process of being finalized.*

Mr. Peppers noted that overall, he was pleased with the results of the audits of development activities. He mentioned some exceptions and improvements that were identified in the areas of accounting and reporting of services received, gifts of software, and other appraisal issues, such as documentation for certain gifts. He said appropriate recommendations have been made and are being addressed. He noted the participation of Vice Chancellor Safady's Office of External Relations in tracking and monitoring implementation of the recommendations.

Chancellor Cigarroa noted the importance of attention to non-monetary gifts in particular.

**4. U. T. System Board of Regents: Discussion and appropriate action concerning amendments to the Regents' Rules and Regulations, Rule 20205, Section 8, regarding the performance, timing and reporting of audits of Expenditures for Travel and Entertainment by Chief Administrators and for the Maintenance of University Residences**

**Committee Meeting Information**

**Presenter(s):** Mr. J. Michael Peppers, Chief Audit Executive

**Status:** Approved

**Motion:** Made by Regent Hall, seconded by Vice Chairman Foster, and carried unanimously

**Discussion at meeting:**

Mr. Peppers summarized the proposed changes to this Regents' Rule, saying the audits of the Presidents will be conducted by his office and the audits of the Chancellor's travel will be performed by an external audit firm to avoid any appearance of a conflict or impropriety.

**5. U. T. System Board of Regents: Discussion and appropriate action concerning amendments to the Regents' Rules and Regulations, Rule 20402, Sections 2 and 3, regarding approval of non-audit services provided by an external audit firm**

**Committee Meeting Information**

**Presenter(s):** Mr. J. Michael Peppers, Chief Audit Executive

**Status:** Approved

**Motion:** Made by Regent Hall, seconded by Vice Chairman Foster, and carried unanimously

**Discussion at meeting:**

Mr. Peppers noted the proposed changes to this Regents' Rule are for housekeeping purposes. He said that a few years ago, it became customary for audit committees to begin looking more closely at the non-auditing services that the U. T. System was soliciting from its external auditing firm. The proposed changes to the Rule would require that all non-audit services be approved by the Board's Audit, Compliance, and Management Review Committee in advance of engaging an audit firm to perform non-audit services.

**6. U. T. System: Report and recommendations on review of U. T. System compliance with the Texas Public Information Act**

**Committee Meeting Information**

**Presenter(s):** Chancellor Cigarroa

**Status:** Approved

**Motion:** Made by Vice Chairman Foster, seconded by Regent Hall, and carried unanimously

**Follow-up action:** Vice Chairman Foster asked for TPIA compliance training for members of the Board.

**Discussion at meeting:**

*Vice Chairman Foster commented that Board members want to be in compliance with the Texas Public Information Act (TPIA) and other regulations and laws. He asked that at the end of the targeted compliance review, compliance training be scheduled for members of the Board to allow an opportunity for questions about, for instance, email retention and document retention.*

**7. U. T. System: Discussion of status of pending audits and reviews**

*This caption was posted with the Secretary of State, but was not included in the Agenda Book nor was it discussed.*

**ADJOURNMENT**

Committee Chairman Pejovich adjourned the meeting at 10:09 a.m.

MINUTES  
U. T. System Board of Regents  
Finance and Planning Committee  
August 21, 2013

The members of the Finance and Planning Committee of the Board of Regents of The University of Texas System convened at 10:15 a.m. on Wednesday, August 21, 2013, 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 Foster, presiding  
Regent Cranberg  
Regent Hall  
Regent Hildebrand  
Regent Pejovich

Also present were Chairman Powell, Vice Chairman Hicks, Regent Aliseda, Regent Horne, Regent Stillwell, and General Counsel Frederick.

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

1. **U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration**

<b>Committee Meeting Information</b>
<b>Presenter(s):</b> Committee Chairman Foster
<b>Status:</b> Reported

*There were no items referred from the Consent Agenda.*

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

<b>Committee Meeting Information</b>
<b>Presenter(s):</b> Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs
<b>Status:</b> Reported/Discussed
<b>Follow-up action:</b> Regent Cranberg requested a review regarding the valuation of noncash gifts (such as software) for purposes of inclusion in the operating budget as compared to valuation for purposes of CASE reporting.

**Discussion at meeting:**

*Regent Hall asked if the terminology of “operating margin” is the same as “net margin,” and Dr. Kelley said they should be the same. Regent Hall then asked about nonmonetary gifts*

*specifically related to U. T. Austin. He said Chancellor Cigarroa had previously brought to his attention that nonmonetary software grants were placed on U. T. Austin's balance sheet, and he asked if that influenced the institution's operating margin displayed in the chart on Operating Margin by Institution (Page 62 of the Agenda Book).*

*Dr. Kelley said, yes, since capital gifts in the \$200 million range were included, they have to be depreciated through the operating statement each year, and the result would probably be in the \$50-\$60 million range. Regent Hall asked Dr. Kelley to elaborate. Dr. Kelley mentioned there are separate conversations about whether or not software can be counted as a gift, and he explained that when the software was gifted and the value of the asset was placed on the balance sheet, the asset was required by accounting standards to be depreciated. It added to the balance sheet, but not to the operating returns. The software was then depreciated over a short period of three years, and that depreciation expense runs through the operating statement, so it does affect the margin.*

*Regent Hall then asked what is being done to back that out, and Dr. Kelley responded that as long as the asset is recognized, it is being depreciated over three years. He noted this is the second year. Mr. Randy Wallace, Associate Vice Chancellor, Controller, and Chief Budget Officer, added that if the value of the asset can be determined to be less than what it is currently being depreciating at for 2013, then it may be changed.*

*Regent Hall asked who makes that determination and noted that the Council for Advancement and Support of Education (CASE) determined the software cannot be counted as a charitable gift towards U. T. Austin's capital campaign. Regent Hall said that last year's operating margin was not representative of the real situation nor is this year's.*

*Mr. Wallace said there are documents about the value of the gift worked out between U. T. Austin and the gifting entity. He noted the software in question is used by students to make students more marketable, and not as a business function. Regent Hall clarified that he thought it was determined to be a grant, not a gift, and he described a hypothetical situation of artificial suppression of the real margin. He expressed concern about appropriate accounting. Mr. Wallace explained changes in requirements to capitalize and depreciate assets per Governmental Accounting Standards Board (GASB) 51 before and after 2010, and he said Deloitte looks at those records. He said while there is a choice in determining the value of the gift (worked out between U. T. Austin and the company), there is not a choice about whether to capitalize and depreciate it.*

*In reply to a question from Committee Chairman Foster, Mr. Wallace said that GASB 51 requires depreciation of the asset at the value it is gifted, and that is being applied consistently across all campuses. They discussed the difference between the U. T. System's financial statements and the CASE report, which does not include the gift. Board Chairman Powell suggested a footnote to reconcile the reports, and Mr. Wallace said he would check the financial reports.*

*Regent Cranberg asked that this issue be looked into further, noting that agreements between institutions and donors can have IRS (tax) consequences; therefore, there should be a tie between what the University capitalizes and what the donor is comfortable deducting.*

*Vice Chairman Hicks asked if the operating margin would be improved if these assets are pulled out, and Dr. Kelley answered affirmatively, saying the operating margin would be understated if the gift is overvalued. Mr. Wallace added there is no depreciation on an asset after it is fully depreciated.*

*In reply to a question from Chancellor Cigarroa, Dr. Kelley discussed depreciation, and Mr. Wallace said the Monthly Financial Report shows the margin including and excluding depreciation. Vice Chairman Foster asked for clarification that this particular gift is treated as depreciation, not amortization or other categorization, and Mr. Wallace said that is correct.*

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

**Committee Meeting Information**

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

**Status:** Approved

**Motion:** Made by Regent Hildebrand, seconded by Regent Pejovich, and carried unanimously

**Discussion at meeting:**

*Vice Chairman Foster said he agrees with the recommended distribution from the Permanent University Fund (PUF), adding that this year, returns have been extraordinary with contributions from lease sales. He said maybe next year, the percent distribution will go back to 5%.*

*Regent Hildebrand received clarification from Dr. Kelley about the 5.5% of trailing 12-quarter average of the PUF, and Board Chairman Powell added that he also concurs with the recommended distribution.*

**4. U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended May 31, 2013**

**Committee Meeting Information**

**Presenter(s):** Mr. Bruce Zimmerman, Chief Executive Officer and Chief Investment Officer, UTIMCO

**Status:** Reported/Discussed

5. **U. T. System Board of Regents: Approval of amendments to the Investment Policy Statements for the Permanent University Fund, the General Endowment Fund, the Permanent Health Fund, the Long Term Fund, the Intermediate Term Fund, the Liquidity Policy, and the Derivative Investment Policy**

**Committee Meeting Information**

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

**Status:** Approved

**Motion:** Made by Regent Hildebrand, seconded by Regent Hall, and carried unanimously

6. **U. T. System Board of Regents: Approval of amendments to The University of Texas Investment Management Company (UTIMCO) Bylaws**

**Committee Meeting Information**

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

**Status:** Approved

**Motion:** Made by Regent Pejovich, seconded by Regent Hildebrand, and carried unanimously

7. **U. T. System Board of Regents: Adoption of a Resolution authorizing the issuance, sale, and delivery of Permanent University Fund Bonds and authorization to complete all related transactions**

**Committee Meeting Information**

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

**Status:** Approved

**Motion:** Made by Regent Hall, seconded by Regent Hildebrand, and carried unanimously

8. **U. T. System Board of Regents: Adoption of a Supplemental Resolution authorizing the issuance, sale, and delivery of Revenue Financing System Bonds and authorization to complete all related transactions**

**Committee Meeting Information**

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

**Status:** Approved

**Motion:** Made by Regent Hall, seconded by Regent Hildebrand, and carried unanimously

9. **U. T. System Board of Regents: Adoption of resolutions authorizing certain bond enhancement agreements for Revenue Financing System debt and Permanent University Fund debt, including ratification of U. T. System Interest Rate Swap Policy**

***Committee Meeting Information***

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

***Status:*** Approved

***Motion:*** Made by Regent Hall, seconded by Regent Hildebrand, and carried unanimously

10. **U. T. System Board of Regents: Approval of aggregate amount of \$184,841,000 of equipment financing for Fiscal Year 2014 and resolution regarding parity debt**

***Committee Meeting Information***

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

***Status:*** Approved

***Motion:*** Made by Regent Hildebrand, seconded by Regent Hall, and carried unanimously

ADJOURNMENT

Prior to adjournment, Committee Chairman Foster noted the Committee would take a moment of silence to uplift thoughts and prayers to the family of Sgt. Hector Barrera of The University of Texas at San Antonio Police Department who was killed yesterday (August 20, 2013) in a traffic accident. He said the U. T. Family extends its deepest sympathies to the Barrera family.

Committee Chairman Foster adjourned the meeting at 10:51 a.m.

MINUTES  
U. T. System Board of Regents  
Academic Affairs Committee  
August 21, 2013

The members of the Academic Affairs Committee of the Board of Regents of The University of Texas System convened at 2:35 p.m. on Wednesday, August 21, 2013, 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 Hicks, presiding  
Vice Chairman Foster  
Regent Hall  
Regent Pejovich  
Regent Stillwell

Also present were Chairman Powell, Regent Aliseda, Regent Cranberg, Regent Hildebrand, Regent Horne, General Counsel Frederick, and Assistant General Counsel Orr.

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

1. **U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration**

<b>Committee Meeting Information</b>
<b>Presenter(s):</b> Chairman Hicks
<b>Status:</b> Reported

*There were no items referred from the Consent Agenda.*

2. **U. T. Pan American: Appointment of Dr. Miguel A. Nevárez as President Emeritus**

<b>Committee Meeting Information</b>
<b>Presenter(s):</b> President Robert S. Nelsen, U. T. Pan American
<b>Status:</b> Approved
<b>Motion:</b> Made by Regent Stillwell, seconded by Regent Hall, and carried unanimously

**Discussion at meeting:**

*President Nelsen said that President Nevárez served at U. T. Pan American for 23 years, graduated over 30,000 students, and in May 2013, he received an honorary doctorate from*

Baylor University. Chancellor Cigarroa stated that President Nevárez was also an integral part of the founding of the Regional Academic Health Center (RAHC) in the Rio Grande Valley and the research component at U. T. Pan American.

**3. U. T. System Board of Regents: Approval to create the College of Pharmacy at U. T. Tyler and amendment of the Regents' Rules and Regulations, Rule 40601, Section 1.11 to add Subsection (f) to include the College of Pharmacy**

**Committee Meeting Information**

**Presenter(s):** President Rodney H. Mabry, U. T. Tyler

**Status:** Approved

**Motion:** Made by Regent Pejovich, seconded by Regent Hall, and carried unanimously

**Discussion at meeting:**

In response to a question from Regent Cranberg about why State funding is not available for this initiative, President Mabry said it was by choice as there appeared to be little chance of getting the School approved through the Texas Higher Education Coordinating Board or the legislative process due to tight budgets. Dr. Mabry pointed out the cost of a degree will be higher as a result. He did not preclude requesting financial assistance in the future for a Phase 2 for research, for instance. Regent Cranberg congratulated Dr. Mabry on this initiative.

Dr. Reyes also assured the Board that the necessary financial analyses had been completed.

Secretary's Notes: A New Pharmacy School Building at U. T. Tyler was also approved (see Item 8 in the Facilities Planning and Construction Committee Minutes). On September 17, 2013, following discussions in Executive Session, the Pharmacy School building was named as the W. T. Brookshire Pharmacy Building for the Brookshire Grocery Company's founder, Mr. Wood T. Brookshire. Also, the College of Pharmacy was named as the Ben and Maytee Fisch College of Pharmacy.

**4. U. T. El Paso: Allocation of \$10 million of Permanent University Fund Bond Proceeds for the Campus Transformation Project**

**Committee Meeting Information**

**Presenter(s):** President Natalicio

**Status:** Approved

**Motion:** Made by Vice Chairman Foster, seconded by Regent Hall, and carried unanimously

5. **U. T. System Board of Regents: Announcement of recipients for the 2013 Regents' Outstanding Teaching Awards and remarks by representative faculty**

**Committee Meeting Information**

**Presenter(s):** Committee Chairman Hicks; Chancellor Cigarroa

**Status:** Reported

**Discussion at meeting:**

*Remarks by Committee Chairman Hicks  
(essentially as delivered)*

*This evening, the Board of Regents will host a dinner to honor the 63 recipients of the 2013 Regents' Outstanding Teaching Awards. These 63 remarkable teachers are shaping the educational experiences of the next generation of leaders in Texas and far beyond.*

*In 2008, the Regents established the Regents' Outstanding Teaching Awards to recognize exceptional talent in undergraduate teaching and mentoring at U. T. universities. Our faculty members are the heart and soul of our institutions, and they have an immeasurable impact on our students. It is with great pride, respect, and admiration that we will present these awards tonight to our most dedicated and most deserving faculty – not only to those professors with tenure, but also to tenure-track and adjunct faculty members.*

*It is the U. T. System's responsibility to provide a world-class education for students at our institutions, and we believe that this awards program supports and promotes a culture of teaching excellence at all our campuses. Outstanding teaching creates outstanding learning environments and better-prepared graduates for the complex and rapidly changing world in which we live.*

*Today, we have invited three representatives from the Regents' Outstanding Teaching Awards' Class of 2013 to share with us their educational philosophies and their approaches to teaching.*

*Our first speaker today is Dr. Matthew Goeckner, who is a full professor and program head of mathematical sciences at U. T. Dallas and director of their International Center for Advanced Materials Processing.*

*Professor Goeckner is a model of interdisciplinary teaching and research, with a degree in mathematics from Southern Illinois University and degrees in physics from the University of California - Los Angeles and the University of Iowa. In addition to teaching plasma physics, he has also taught mechanical engineering, electrical engineering, and math for engineering students.*

*One of his colleagues at U. T. Dallas has said of Professor Goeckner: “It is hard to imagine how he finds the time to be involved in so many aspects of university life. But spend a few minutes with him and you’ll soon understand how passionate he is about teaching and U. T. Dallas students. His students greatly enjoy his classes and argue that he works hard to help them understand the most difficult subjects.”*

*So let’s spend a few minutes with this multidisciplined and multitalented teacher. Please welcome Professor Matthew Goeckner.*

*(Dr. Goeckner spoke.)*

*Thank you very much, Professor Goeckner.*

*Now it is my pleasure to introduce Dr. Cigdem Sirin, a tenure-track assistant professor in the Political Science Department at U. T. El Paso (UTEP). She received her bachelor’s degree in Political Science and International Relations from Bogazici University in Istanbul, Turkey, and her doctorate in Political Science from Texas A&M University.*

*Professor Sirin speaks five languages, and her main areas of interest are international relations, conflict behavior, and political psychology. As a scholar, she has published articles on terrorism and political violence, military intervention, and genocide.*

*As a teacher at UTEP, she is co-investigator of a project aimed at developing early intervention strategies for at-risk undergraduate students, with the objectives of increasing retention, improving student success, and awarding degrees in a timely manner.*

*And as a mentor, she serves as co-advisor for the Global Relations Organization, a student organization with the goal of bringing greater awareness of foreign policy issues and international affairs to students.*

*Professor Sirin says that her students at UTEP “remind me every day that the potential for learning knows no boundaries.” As she puts it: “Learning is ageless, limitless, and relentless.”*

*Please welcome an outstanding teacher, mentor, and scholar – Professor Cigdem Sirin*

*(Dr. Sirin spoke.)*

*Thank you very much, Professor Sirin.*

*Our final speaker today is Dr. James Karboski, who is an adjunct clinical professor in the College of Pharmacy at U. T. Austin. He also serves as the Assistant Division Head of the Health Outcomes and Pharmacy Practice Division and has chaired the College of Pharmacy Curriculum Committee since 2002.*

*Professor Karboski earned his Doctor of Pharmacy degree from U. T. Austin and U. T. Health Science Center - San Antonio, and he also completed a Clinical Sciences Fellowship in Pharmacokinetics at U. T. Austin.*

*For 15 years, Professor Karboski directed the Adult Internal Medicine Residency program in collaboration with Brackenridge Hospital, supervised 14 residents, and created a nationally acclaimed training program for future academicians in the health professions.*

*He is recognized for his contributions to teaching excellence and the use of technology in teaching. He was awarded the Texas Exes Teaching Award in 2000, and every year for the past seven years, he has been named by U. T. Pharmacy students as a faculty member who had the greatest impact on their professional development.*

*Those are outstanding teaching credentials. Teachers like James Karboski are why U.S. News and World Report ranks the UT College of Pharmacy among the top four programs in the nation. Please welcome Professor James Karboski.*

*(Dr. Karboski spoke.)*

*Thank you very much, Dr. Karboski. And thank you, Dr. Goeckner, and Dr. Sirin. Your remarks were enlightening and inspiring. We are all pleased to see that outstanding teaching is flourishing at University of Texas academic institutions.*

## ADJOURNMENT

Committee Chairman Hicks adjourned the meeting at 3:22 p.m.

MINUTES  
U. T. System Board of Regents  
Health Affairs Committee  
August 21, 2013

The members of the Health Affairs Committee of the Board of Regents of The University of Texas System convened at 11:03 a.m. on Wednesday, August 21, 2013, 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 Stillwell, presiding  
Vice Chairman Foster  
Regent Aliseda  
Regent Hall  
Regent Hildebrand

Also present were Chairman Powell, Vice Chairman Hicks, Regent Cranberg (for Items 3 - 5), Regent Horne, Regent Pejovich, and General Counsel to the Board Frederick.

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

1. **U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration**

***Committee Meeting Information***

***Presenter(s):*** Committee Chairman Stillwell  
***Status:*** Reported

*There were no items referred from the Consent Agenda.*

2. **U. T. Medical Branch - Galveston: Report on the status of health professions education in Texas**

***Committee Meeting Information***

***Presenter(s):*** Dr. Elizabeth Protas, Vice President and Dean of the School of Health Professions, U. T. Medical Branch - Galveston  
***Status:*** Reported/Discussed

**Discussion at meeting:**

*(This item was taken up after Item 3.)*

*Dr. Shine spoke about the shortages in the health workforce in Texas and said the U. T. System health institutions educate over 70% of the health professionals who are educated in the public sector in Texas.*

*Committee Chairman Stillwell asked if the figure of 150,000 additional physician assistants and advanced practice nurses needed by 2025 to allow for a 25% decrease in the need for primary care physicians is a “Texas” number, and Dr. Protas and Dr. Shine answered that is a national number. Dr. Protas explained the dire need for trained and experienced individuals. Regent Stillwell asked if certain disciplines are needed more critically than others, and Dr. Protas said no, the need is across the board.*

*Dr. Shine commented on the difficulties of articulating these challenges to the Legislature, and in particular how complicated the issue becomes when dealing with 80 different disciplines as with the allied health professions. Regent Stillwell asked if it was possible to compress or consolidate some of the health professions disciplines, and Dr. Shine explained that a variety of licensure issues prevent that kind of remedy. Instead, he said he would like to see more of an alliance between these professions so that they communicate more cohesively and coherently.*

**3. U. T. System: Approval to distribute a portion of The University of Texas System Professional Medical Liability Benefit Plan premium returns and approve rates for the Plan**

**Committee Meeting Information**

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

**Status:** Approved

**Motion:** Made by Vice Chairman Foster, seconded by Regent Aliseda, and carried unanimously

**Discussion at meeting:**

*Committee Chairman Stillwell asked if premium returns go back into General Revenue, and Dr. Shine answered affirmatively.*

*Dr. Shine noted that incoming Executive Vice Chancellor Greenberg is excited about the quality initiatives.*

**4. U. T. System: Discussion on the impact of federal sequestration on U. T. System health institutions**

**Committee Meeting Information**

**Presenter(s):** Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs; institutional health presidents

**Status:** Discussed

## **Discussion at meeting:**

*The health presidents spoke about the effects on the U. T. System health institutions of a 2% cut in Medicare due to federal sequestration.*

*Dr. DePinho, U. T. M. D. Anderson Cancer Center*

- *In FY 2014, the impact on the reimbursement side will be \$13 million, and about \$10 million less on a \$200 million budget of grants and contracts from the NIH.*
- *More individuals will be covered and lifetime exemptions removed. Uncompensated care may be somewhat attenuated, and screening and prevention will receive increased coverage through the Affordable Care Act (ACA). There will be additional support for patients on clinical trials.*
- *Current cost structures for Medicare patients involve reimbursement at 90 cents on the dollar.*

*Dr. Colasurdo, U. T. Health Science Center - Houston*

- *The institution's hospital partner estimated a \$125 million impact over five years directly related to sequestration.*
- *The cost of seeing patients in clinic without access to downstream revenue will continue to rise, with reimbursement going down.*
- *Funding for research or promotion of faculty is challenging. Regardless of funding source, the institution needs a research program for accreditation of residency and fellowship programs. The institution expects to see a \$15 million reduction just in its research program.*

*Dr. Podolsky, U. T. Southwestern Medical Center*

- *The impact of the sequester amounts to about \$4 million in lost revenue through Medicare reimbursements and about a \$20 million reduction in NIH funding.*
- *Some further constraints include the NIH mandating further reductions in the amount of salary that can be put on a grant.*
- *Longer term, this funding environment will impact the viability of a career as an investigator and impact decisions of future scientists and physician scientists.*

*Dr. Callender, U. T. Medical Branch - Galveston (UTMB)*

- *UTMB expects about a \$5 million reduction in research revenue for the coming year and a \$3 million loss next year in patient care revenue related to the Medicare reimbursement change.*

- *Something important to consider is what kind of career advice to give young medical professionals and physician scientists considering all of these changes and their impacts.*

*Dr. Henrich, U. T. Health Science Center - San Antonio*

- *The effects anticipated are about \$5 million on the clinical side, and \$5 or \$6 million on the research side.*
- *Echoed previous comments that this casts pall on the research community and the community of young medical professionals.*
- *Fixed costs, such as utility costs, also continue to rise at a predictable level; creates pressures on a breakeven budget. It hurts the University's global ability to stay research-intensive and puts more pressure on clinical work to subsidize research and education.*
- *There are many projects in the NIH portfolio that have already passed rigorous peer review and been deemed meritorious. These experiments will now not take place due to a lack of funding, and further strides in treating conditions such as diabetes, heart disease, and cancer will be prevented or delayed.*
- *It also causes difficulties in negotiations with partner hospitals when they are facing similar budget challenges, and they hold back in their support of the institution's vital programs.*

*Dr. Calhoun, U. T. Health Science Center - Tyler*

- *The combined effect of the sequestration and the ACA on the clinical side is about \$3 million.*
- *On the research side, with the increasingly competitive nature of NIH grants, some senior faculty members have elected to retire rather than fight fruitlessly for funding. Recruitment costs for replacement faculty are high. The decrease in research funding is about a half to three-quarters of a million dollars.*

*Dr. Shine summarized the discussion by saying that U. T. System will lose about \$125 million in research funding this year. He said the Presidents will manage these cuts, but morale may suffer and the health enterprise will suffer, particularly if the sequestration continues. Vice Chairman Hicks noted the rippling effect throughout the health care field.*

*Regent Cranberg asked about the long-term effect of funding cuts in the Affordable Care Act, and Dr. Calhoun spoke about the matter. He said the cuts built into the Act were predicated on the fact that supplemental payments would no longer be needed as the uninsured are enrolled in the new insurance programs. The cuts in these supplemental payments are scheduled to be implemented over the next few years as the Act is implemented. He said public and rural hospitals will be more vulnerable because they happen to be on the front end of these cuts in supplemental payments.*

*Dr. Shine recommended the Board could consider Systemwide support of the research enterprise that could be operated more cost effectively and efficiently than by an individual campus.*

*In reply to a question from Regent Hall about the last time the industry faced cuts in clinical reimbursements and a decline in research funding at the same time, President DePinho said that on the research side there was a significant decline in the early 1990s in the pay lines that essentially wiped out an entire generation of physician scientists. He noted the significant opportunity for U. T. System institutions and programs to become more competitive. Dr. Shine added that, however, was not a time of a decline in reimbursement for health care. He could not remember another time when there was pressure on both health care and research.*

**5. U. T. System: Quarterly report on health matters of interest to the U. T. System, including application of systems engineering to health**

**Committee Meeting Information**

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

**Status:** *Reported/Discussed*

**Discussion at meeting**

*Dr. Shine reported on the following points:*

- *Three of four U. T. System institution Clinical and Translational Science Awards (CTSA) have been renewed or refunded by the NIH.*
- *The State has received a 1115 Waiver from Medicaid to fund programs to improve access and quality of care in the state. State money is put up, and there are opportunities for a federal match, which is equal to about \$1.47 for each dollar that is spent. He said the institutions are working to obtain funding to take advantage of the opportunity.*
- *The annual Clinical Safety and Effectiveness conference is scheduled to take place in San Antonio on September 25-27, 2013.*

**ADJOURNMENT**

Noting his imminent departure as Executive Vice Chancellor for Health Affairs, Dr. Shine thanked the presidents of the U. T. System health institutions, his staff, Board members, and executive staff for their work and support. Committee Chairman Stillwell thanked Dr. Shine for his service to the U. T. System.

Committee Chairman Stillwell adjourned the meeting at 12:25 p.m.

MINUTES  
U. T. System Board of Regents  
Facilities Planning and Construction Committee  
August 21, 2013

The members of the Facilities Planning and Construction Committee of the Board of Regents of The University of Texas System convened at 1:03 p.m. on Wednesday, August 21, 2013, 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

Interim Chairman Cranberg, presiding  
Vice Chairman Hicks  
Regent Hildebrand  
Regent Pejovich  
Regent Stillwell

Also present were Chairman Powell, Vice Chairman Foster, Regent Aliseda, Regent Hall, Regent Horne, and Assistant General Counsel Orr.

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Interim Committee Chairman Cranberg called the meeting to order. The PowerPoint presentation concerning all items is set forth on Pages 7 - 37.

1. **U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration**

<b>Committee Meeting Information</b> <i>Presenter(s): Interim Committee Chairman Cranberg</i> <i>Status: Reported</i>
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*There were no items referred from the Consent Agenda.*

2. **U. T. System Board of Regents: Approval to issue a Request for Qualifications for a Campus Master Plan for the new university in Rio Grande Valley**

<b>Committee Meeting Information</b> <i>Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction</i> <i>Status: Approved</i> <i>Motion: Made by Vice Chairman Hicks, seconded by Regent Stillwell, and carried unanimously</i>
--

**Discussion at meeting:**

*Chancellor Cigarroa commented that Campus Master Plans for U. T. Brownsville and U. T. Pan American had not previously reviewed the possibility of a medical school in that area. Regent Stillwell, the Board's Liaison on South Texas/Border Initiatives, said he supported the proposed RFQ process since there is momentum, and progress is being made.*

**3. U. T. Arlington: Baseball and Softball Facility Improvements - Amendment of the FY 2014-2019 Capital Improvement Program to include project and authorization of institutional management (Preliminary Board approval)**

**Committee Meeting Information**

**Presenter(s):** *President Vistasp M. Karbhari, U. T. Arlington*

**Status:** *Approved*

**Motion:** *Made by Vice Chairman Hicks, seconded by Regent Stillwell, and carried unanimously*

**4. U. T. Arlington: E. H. Hereford University Center Repurposing Renovations - Amendment of the FY 2014-2019 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; authorization of institutional management; and resolution regarding parity debt (Final Board approval)**

**Committee Meeting Information**

**Presenter(s):** *Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction*

**Status:** *Approved*

**Motion:** *Made, seconded, and carried unanimously*

**5. U. T. Austin: Medical District Utility System Infrastructure - Amendment of the FY 2014-2019 Capital Improvement Program to include project; appropriation and authorization of expenditure of partial funding for equipment; and authorization of partial institutional management (Preliminary Board approval)**

**Committee Meeting Information**

**Presenter(s):** *Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction*

**Status:** *Approved*

**Motion:** *Made, seconded, and carried unanimously*

**Discussion at meeting:**

*Mr. O'Donnell answered questions from Regent Horne about the location of the project, and Regent Hildebrand asked about the staged funding and about the long lead time for*

equipment purchases. Mr. O'Donnell explained the staged funding whereby the remaining \$72 million will be requested at the design development stage. Dr. Pat Clubb, Vice President for University Relations at U. T. Austin, explained scheduling of delivery of equipment so that it arrives on time for construction.

**6. U. T. Austin: Renovate Moore-Hill Dormitory - Amendment of the FY 2014-2019 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)**

**Committee Meeting Information**

**Presenter(s):** Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

**Status:** Approved

**Motion:** Made by Vice Chairman Hicks, seconded by Regent Stillwell, and carried unanimously

**Discussion at meeting:**

Chancellor Cigarroa asked if this project is included in the Campus Master Plan effort currently underway, and Mr. O'Donnell replied affirmatively, saying the planner has recommended that this building be renovated.

**7. U. T. Dallas: Student Services Building Addition - Amendment of the FY 2014-2019 Capital Improvement Program to include project (Preliminary Board approval)**

**Committee Meeting Information**

**Presenter(s):** President David E. Daniel, U. T. Dallas

**Status:** Approved

**Motion:** Made by Vice Chairman Hicks, seconded by Regent Stillwell, and carried unanimously

**Discussion at meeting:**

Interim Chairman Cranberg asked about proposed lecture hall space, and President Daniel replied that the students had requested a small lecture hall in the Student Services Building because space is not available in the academic buildings.

Regent Hildebrand asked about the cost per square foot, and if costs were escalating. Mr. O'Donnell agreed that there is a general trend of escalation of construction costs in the state. Executive Vice Chancellor Kelley and Mr. O'Donnell clarified that the project includes all fees, equipment, and furnishings, and total construction costs would be slightly less than the total project cost. Regent Hildebrand asked if \$400 a square foot is standard pricing for new construction, and Mr. O'Donnell said between \$375 and \$400 is the usual. President Daniel said the institution's goal for high-tech buildings is to keep costs at about \$500 a square foot.

Chancellor Cigarroa said that he has had discussions with Dr. Kelley about bringing together a group to see if costs can be lowered for construction while maintaining the quality of outstanding facilities.

8. **U. T. Tyler: New Pharmacy School Building - Amendment of the FY 2014-2019 Capital Improvement Program to include project (Preliminary Board approval)**

**Committee Meeting Information**

**Presenter(s):** President Rodney H. Mabry, U. T. Tyler

**Status:** Approved

**Motion:** Made by Vice Chairman Hicks, seconded by Regent Stillwell, and carried unanimously

9. **U. T. Dallas: Bioengineering and Sciences Building - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)**

**Committee Meeting Information**

**Presenter(s):** Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

**Status:** Approved

**Motion:** Made by Vice Chairman Hicks, seconded by Regent Stillwell, and carried unanimously

**Discussion at meeting:**

*Interim Chairman Cranberg asked about the importance of building a large 250-seat lecture hall, and President Daniel explained that the lecture hall would have many functions, including the ability to change the layout according to need. In reply to a question from Vice Chairman Hicks, Mr. O'Donnell clarified that this request is for design development that had been deferred from the July 2013 Board agenda.*

**10. U. T. Austin: Geography Building Renovation and Expansion - Amendment of the FY 2014-2019 Capital Improvement Program to increase total project cost and appropriation of funds and authorization of expenditure (Final Board approval)**

**Committee Meeting Information**

**Presenter(s):** Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

**Status:** Approved

**Motion:** Made by Regent Stillwell, seconded by Vice Chairman Hicks, and carried unanimously

**Follow-up Actions:**

1. Mr. O'Donnell and Chancellor Cigarroa will work on lowering the cost of the project and report back to the Board.
2. During the Board meeting portion of the meeting, Interim Committee Chairman Cranberg noted that the total project cost authorizations for Items 10 and 11 are ceilings and not targets, and U. T. System management has been asked to report back on savings that secure below these authorizations and to look for ways to incentivize savings.

**Discussion at meeting:**

*Mr. O'Donnell noted that he and the Chancellor had discussed the project funding and they would work on lowering the cost of the project and report back to the Board.*

*Mr. O'Donnell explained that the project is in the later stages of construction, and it is the intent to get the project cost considerably lower.*

*Interim Committee Chairman Cranberg commented that this project is about \$800-\$900 a square foot for office space, and he expressed the desire to reduce this cost by approximately \$1 million.*

*During the Board meeting portion of the meeting, Interim Committee Chairman Cranberg noted that the total project cost authorizations for Items 10 and 11 are ceilings and not targets, and U. T. System management has been asked to report back on savings that secure below these authorizations and to look for ways to incentivize savings. (See Board Minutes.)*

11. **U. T. Austin: Norman Hackerman Building - Vivarium Phase 1 - Robert A. Welch Hall - Amendment of the FY 2014-2019 Capital Improvement Program to increase total project cost; approval to revise funding sources; and appropriation of funds and authorization of expenditure (Final Board approval)**

**Committee Meeting Information**

**Presenter(s):** Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

**Status:** Approved

**Motion:** Made by Regent Stillwell, seconded by Vice Chairman Hicks, and carried unanimously

**Follow-up action:** During the Board meeting portion of the meeting, Interim Committee Chairman Cranberg noted that the total project cost authorizations for Items 10 and 11 are ceilings and not targets, and U. T. System management has been asked to report back on savings that secure below these authorizations and to look for ways to incentivize savings.

**Discussion at meeting:**

*Regent Hildebrand asked about the request for an increase in project funding, and Vice Chairman Hicks commented that the building is already built and has unfinished space. Mr. O'Donnell said the fourth floor of the building was shelled out.*

*During the Board meeting portion of the meeting, Interim Committee Chairman Cranberg noted that the total project cost authorizations for Items 10 and 11 are ceilings and not targets, and U. T. System management has been asked to report back on savings that secure below these authorizations and to look for ways to incentivize savings. (See Board Minutes.)*

**ADJOURNMENT**

Interim Committee Chairman Cranberg adjourned the meeting at 1:40 p.m.

# Agenda Items

Mr. Michael O'Donnell, Associate Vice Chancellor  
for Facilities Planning and Construction

Facilities Planning and Construction Committee  
U. T. System Board of Regents' Meeting  
August 2013



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# Approval to Issue RFQ for Campus Master Plan for the new University of Texas in the Rio Grande Valley



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# U. T. System FY 2014-2019 Capital Improvement Program

CIP Total as of August 1, 2013	\$ 6,630,702,543
CIP New Construction Additions	\$ 150,000,000
CIP R&R Construction Additions	\$ 11,900,000
DD Approvals/TPC Modifications	\$ 24,000,000
Ⓞ Total Change in CIP	\$ 185,900,000
Projects removed from CIP this quarter	\$ (319,593,085)
CIP Total after today's meeting	\$ 6,497,009,458
CIP Total - August 2011	\$ 6.5 billion
CIP Total - August 2012	\$ 6.1 billion



# Consideration of Project Additions to the FY 2014-2019 Capital Improvement Program

- Six (6) Academic Projects

- UTA Baseball and Softball Facility Improvements \$ 5.5M
- UTA E. H. Hereford University Center Repurposing Renovations \$ 3.9M
- UTAUS Medical District Utility System Infrastructure \$96.0M
- UTAUS Renovate Moore-Hill Dormitory \$ 8.0M
- UTD Student Services Building Addition \$26.0M
- UTT New Pharmacy School Building \$22.5M

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# U. T. Arlington

## Baseball and Softball Facility Improvements

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Presented by Dr. Vistasp M. Karbhari  
President



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# U. T. Arlington Baseball and Softball Facility Improvements

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6,300 GSF Softball Field House

7,000 GSF Baseball Field House

Improvements to fields, fencing, dugouts, sound systems, bleachers, press box, and infrastructure



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# U. T. Arlington

## Baseball and Softball Facility Improvements (cont.)

- Significantly improve facilities, recruit high-quality student athletes, and improve success of programs
- Complement recent improvements and satisfy Campus Master Plan for Athletics

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# U. T. Arlington Baseball and Softball Facility Improvements (cont.)

- \$5.5M Total Project Cost
  - \$5.5M RFS
    - Field Houses \$3.6M
    - Complex Improvements \$1.9M



# U. T. Arlington E. H. Hereford University Center Repurposing Renovations

- Upgrades to mechanical/electrical systems; significant fire alarm/sprinkler modifications; typical office/conference room construction with upgrades to finishes
- \$3.9M Total Project Cost
  - \$2.5M RFS
  - \$1.4M Unexpended Plant Funds

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# U. T. Austin

## Medical District Utility System Infrastructure

Presented by Mr. Michael O'Donnell

Associate Vice Chancellor for Facilities Planning and Construction



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# U. T. Austin Medical District Utility System Infrastructure

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# U. T. Austin

## Medical District Utility System Infrastructure (cont.)

- Expand the campus utility system - 15,000 ton cooling plant, 4 million gallon chilled water thermal storage tank, and a 60 MMBTU hot water heating system
- Expand the high voltage electrical distribution system

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# U. T. Austin

## Medical District Utility System Infrastructure (cont.)

- \$96M Total Project Cost
  - \$96M RFS
- Requesting approval to expend funds totaling \$24 million for long-lead equipment

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# U. T. Austin Renovate Moore-Hill Dormitory

- Upgrades to mechanical, electrical, and plumbing systems; new room finishes
- Institutional Management
- \$8M Total Project Cost
  - \$8M Auxiliary Enterprises Balances

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# U. T. Dallas

## Student Services Building Addition

Presented by Dr. David E. Daniel  
President



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# U. T. Dallas

## Student Services Building Addition

- Student Service Building houses:
  - Admissions and enrollment services
  - Bursar, registrar, financial aid, parking, and others
  - Student affairs and Dean of Students
  - Health center and counseling



# U. T. Dallas

## Student Services Building Addition (cont.)

- With 22% enrollment growth over the past three years and 10% this year, the Student Services Building is overcrowded and cannot support the growing needs of the student population, which includes a much increased residential population.

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# U. T. Dallas

## Student Services Building Addition (cont.)

Addition would accommodate:

- More office space for key services (such as financial aid, counseling, admissions, registrar, and student groups)
- Space for Veterans Center and Center for Students in Recovery
- Student-centered space (flexible programming, study, and meeting space)



# U. T. Dallas

## Student Services Building Addition (cont.)

- \$26M Total Project Cost
  - \$17,000,000 RFS; no increase in fees
  - \$ 9,000,000 Auxiliary Enterprises Balances

Building	Total Project Cost	GSF	Cost/GSF
Student Services Building Addition	\$26,000,000	61,000	\$426



# U. T. Dallas Student Services Building Addition (cont.)

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Proposed site for the Student Services Building Addition



Current Student Services Building with Parking Lot K to the West – Parking Lot K is available for construction of the Student Services Building Addition.



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# U. T. Tyler

## New Pharmacy School Building

Presented by Dr. Rodney Mabry  
President



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# U. T. Tyler New Pharmacy School Building

- 41,000 GSF building for new College of Pharmacy
- Produce graduates to fill workforce need
- Support Framework enrollment, philanthropy, and sponsored research goals

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# U. T. Tyler

## New Pharmacy School Building (cont.)

- \$22,500,000 Total Project Cost
  - \$22.5M RFS
  - \$549 / GSF
- Projected completion date: June 2015

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# Consideration of Design Development Approval

- One Academic Project
  - UTD Bioengineering and Sciences Building

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# U. T. Dallas

## Bioengineering and Sciences Building



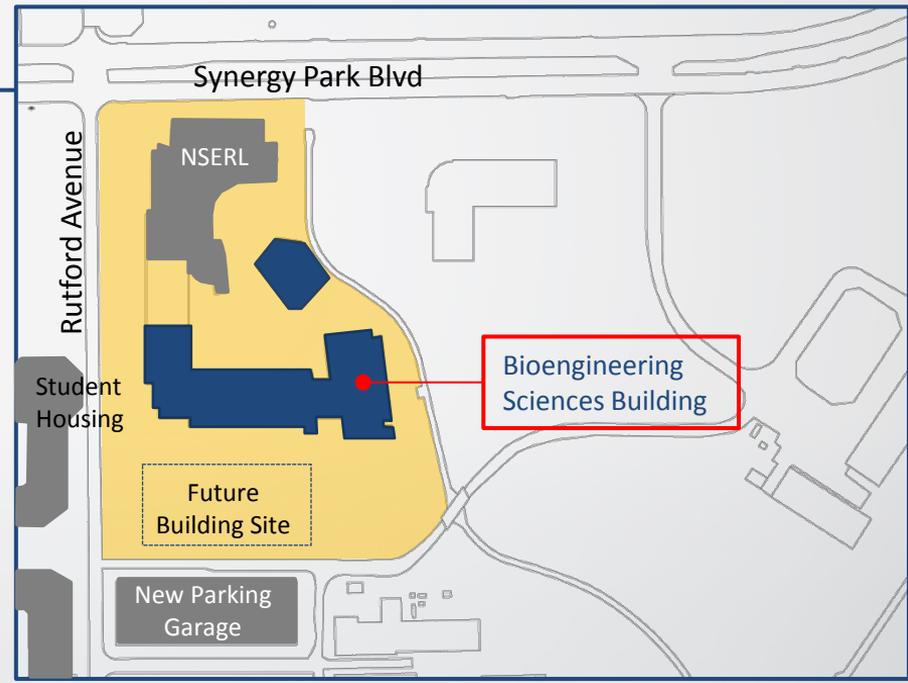
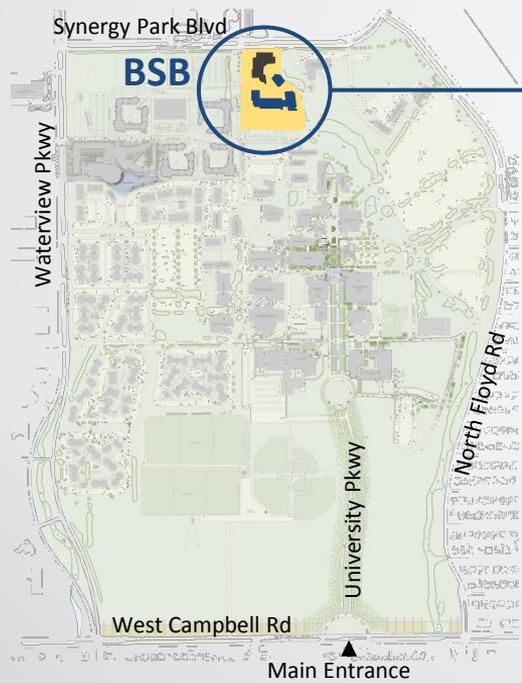
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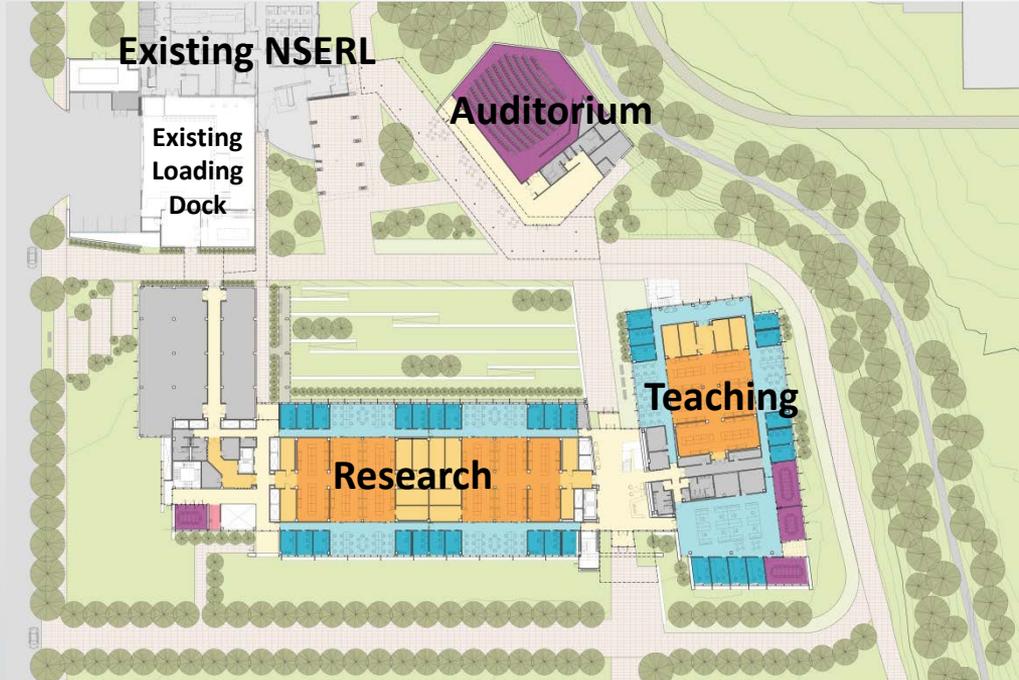
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# U. T. Dallas Bioengineering and Sciences Building

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# U. T. Dallas Bioengineering and Sciences Building (cont.)



- Lab
- Lab Support
- Conference Room
- Office
- Office Support
- Building Support

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## Research and Teaching Labs

# U. T. Dallas Bioengineering and Sciences Building (cont.)

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View from Southeast

Main Entry View



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# U. T. Dallas

## Bioengineering and Sciences Building (cont.)

- \$108M Total Project Cost
  - \$77.25M PUF
  - \$26.75M RFS
  - \$ 4.00M Unexpended Plant Funds



# U. T. Austin Geography Building Renovation and Expansion

- Proposed increase of \$4M for building expansion of additional 4,700 GSF
- \$15.5M Total Project Cost
  - \$15.5M Designated Funds



# U. T. Austin

## Norman Hackerman Building - Vivarium Phase 1 - Robert A. Welch Hall

- Increase of \$20M to allow for finish out of shell space on the second, third and fourth floors
- 37 • \$219,260,000 Total Project Cost
  - \$105,000,000 TRB
  - \$ 55,955,000 PUF
  - \$ 15,000,000 RFS
  - \$ 27,075,000 AUF
  - \$ 3,841,038 Grants
  - \$ 300,000 Gifts
  - \$ 88,962 Unexpended Plant Funds
  - \$12,000,000 Designated Funds



MINUTES  
U. T. System Board of Regents  
Technology Transfer and Research Committee  
August 21, 2013

The members of the Technology Transfer and Research Committee of the Board of Regents of The University of Texas System convened at 1:50 p.m. on Wednesday, August 21, 2013, 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

Interim Chairman Hall, presiding  
Vice Chairman Hicks  
Regent Aliseda  
Regent Cranberg  
Regent Pejovich

Also present were Chairman Powell, Regent Hildebrand, Regent Horne, Regent Stillwell, and Assistant General Counsel Orr.

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

**1. U. T. System: Update on the U. T. Horizon Fund portfolio**

**Committee Meeting Information**

**Presenter(s):** Mr. Bryan Allinson, Executive Director of Technology Commercialization

**Status:** Reported/Discussed

**Follow-up actions:**

1. Mr. Allinson will provide information on how many of the 72 investments were generated by health.
2. Regent Cranberg mentioned the need to continue to update the backtest model, maintain a database of information, and produce periodic reports.

**Discussion at meeting:**

*Mr. Allinson provided some context of the U. T. Horizon Fund for new members of the Board.*

*Mr. Allinson answered questions from Committee Chairman Hall about the 10-year backtesting model, and said he would provide information on how many of the 72 investments were generated by health institutions.*

*Regent Cranberg mentioned the need to continue to update the backtest model, maintain a database of the information produced by the model, and produce periodic reports.*

Regent Hildebrand asked if all the money for the Fund came from U. T. System and not from private individuals, and Mr. Allinson responded in the affirmative. Regent Hildebrand further asked if that was a model similar to what The University of California and Stanford have implemented, and Mr. Allinson replied that all of Stanford's funds do in fact come from Stanford; Stanford is a participatory investor. He added that other funds, such as the University of Michigan and New York University have, are more active and not purely participatory, but all of those funds are from the core institution.

Regent Hall asked Mr. Allinson if he is receiving what he needs from the Board to accomplish his goals, and Mr. Allinson responded affirmatively.

## **2. U. T. System: Report on the Texas FreshAIR (Academia-Industry Roundtable) initiative**

### **Committee Meeting Information**

**Presenter(s):** Dr. Patricia Hurn, Vice Chancellor for Health Affairs; Mr. Bryan Allinson, Executive Director of Technology Commercialization

**Status:** Reported/Discussed

### **Discussion at meeting:**

Dr. Hurn invited members of the Board to attend the inaugural FreshAIR event next month, and following the event, she will offer a comprehensive report on the event to the Board. Dr. Shine asked how many faculty members would be involved in the event, and Dr. Hurn said 177 faculty members were selected to present their pre-publication research.

Regent Cranberg said that in the Engineering Task Force meetings, a trade-off between soliciting more industry-sponsored research and maximizing royalty income and maintenance of intellectual property has been discussed. He asked Dr. Hurn to comment on the potential change in the tradeoff. Dr. Hurn said it will be interesting to see the expectations, opportunities, and concerns of industry partners. Dr. Dale Klein, Associate Vice Chancellor for Research, and Mr. Allinson elaborated on the matter.

Regent Hall asked about measurements of success, and Dr. Hurn mentioned that advice will be sought from an external advisory group comprised of representatives from the 14 industry companies, as well as a number of small and mid-size Texas companies. She spoke about metrics and the development of partnerships as measures of success.

Chancellor Cigarroa asked if there was a way through the Systemwide portals and databases that U. T. uses to begin connecting industry to the research that is already being conducted at the institutions. Dr. Hurn answered that they had already fielded requests from various industry companies for such a portal so that they could see the kind of research being conducted across the institutions.

3. **U. T. El Paso: Report on student technology startup, American Water Recycling**

**Committee Meeting Information**

**Presenter(s):** *President Diana S. Natalicio and Dr. Roberto Osegueda, Vice President for Research, U. T. El Paso*

**Status:** *Reported/Discussed*

**Discussion at meeting:**

*President Natalicio introduced American Water Recycling, a U. T. El Paso startup company, and its student developers. Ms. Eva Deemer, Interim Chief Executive Officer and Chief Technology Officer of American Water Recycling, is a doctoral student in material science and engineering. Her associates were Diego Capeletti, an MBA student, and Alex Pastor, a junior majoring in Economics. They have developed a revolutionary technology for recycling water that is both low cost and environmentally friendly, and have received numerous honors and accolades for their work. In response to questions from Regent Stillwell, Ms. Deemer spoke about the operating cost and technologies of the project.*

*Regent Hildebrand advised going to scale and making the technology commercially viable.*

*In response to a question from Committee Chairman Hall, Ms. Deemer explained how the filtration is a physical barrier.*

**ADJOURNMENT**

Interim Committee Chairman Hall adjourned the meeting at 2:30 p.m.