



TABLE OF CONTENTS FOR ACADEMIC AFFAIRS COMMITTEE

Committee Meeting: 2/7/2007

Board Meeting: 2/8/2007
Austin, Texas

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

	Committee Meeting	Board Meeting	Page
Convene	9:30 a.m. <i>Chairman Krier</i>		
1. U. T. Austin: Authorization to establish M.A. and Ph.D. degree programs in Italian Studies	9:30 a.m. Action <i>President Powers Dr. Malandra</i>	Action	47
2. U. T. El Paso: Authorization to establish a Ph.D. degree program in Teaching, Learning and Culture	9:33 a.m. Action <i>President Natalicio Dr. Malandra</i>	Action	48
3. U. T. San Antonio: Authorization to establish a Ph.D. degree program in Interdisciplinary Learning and Teaching	9:36 a.m. Action <i>President Romo Dr. Malandra</i>	Action	50
4. U. T. Tyler: Authorization to establish a Ph.D. degree program in Human Resource Development	9:39 a.m. Action <i>President Mabry Dr. Malandra</i>	Action	52
5. U. T. Permian Basin: Request to name streets on the U. T. Permian Basin campus	9:42 a.m. Action <i>President Watts</i>	Action	54
6. U. T. Arlington: Authorization to lease approximately 1.12 acres of land and improvements located at 202 East Border Street, Arlington, Tarrant County, Texas, to the Arlington Business Accelerator, LLC, a Texas limited liability company, for use as a technology transfer and business incubator operated by the tenant; authorization to sublease back from the Arlington Business Accelerator, LLC, 9,421 square feet of space in the improvements for the U. T. Arlington Office of Grants and Contracts; and finding of public purpose	9:45 a.m. Action <i>President Spaniolo Ms. Mayne Dr. Sanga</i>	Action	57

	Committee Meeting	Board Meeting	Page
7. U. T. Arlington: Authorization to ground lease approximately 0.654 of an acre located at 1115 Greek Row Drive, Arlington, Tarrant County, Texas, to Delta Upsilon Foundation for a term of 30 years with two 10-year renewal options, for construction and operation of a fraternity house; and finding of public purpose	9:50 a.m. Action <i>President Spaniolo</i> <i>Ms. Mayne</i>	Action	62
8. U. T. System: (a) Report on restructuring the tuition process for the Bill Archer Center, Washington, D.C., and (b) adoption of an extension program fee	9:55 a.m. Action <i>Dr. Malandra</i> <i>Mr. Shute</i>	Action	66
9. U. T. System: Report from academic presidents, Interim Executive Vice Chancellor Malandra, and Academic Affairs Committee members on graduation rates	10:00 a.m. Report <i>Presidents</i> <i>Dr. Malandra</i>	Not on Agenda	67
10. U. T. System Board of Regents: Update regarding admissions policies of U. T. System academic institutions	10:20 a.m. Report <i>Dr. Malandra</i>	Not on Agenda	67
Adjourn	10:30 a.m.		

1. **U. T. Austin: Authorization to establish M.A. and Ph.D. degree programs in Italian Studies**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs and President Powers that authorization, pursuant to the Regents' *Rules and Regulations*, Series 40307, related to academic program approval standards, be granted to

- a. establish M.A. and Ph.D. degrees in Italian Studies at U. T. Austin;
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action; and
- c. authorize the Interim Executive Vice Chancellor for Academic Affairs to certify on behalf of the Board of Regents that relevant Coordinating Board criteria for approval by the Commissioner of Higher Education have been met.

BACKGROUND INFORMATION

Program Description

U. T. Austin proposes an interdisciplinary graduate degree program in Italian Studies that will offer both the Master of Arts (M.A.) and Doctor of Philosophy (Ph.D.) degrees. The M.A. degree will require a minimum of 30 semester credit hours, and the Ph.D. will require a minimum of 36 hours beyond the Master's degree, in addition to the hours required to complete the dissertation. The program will be administered by the Department of French and Italian in the College of Liberal Arts and by the Graduate School of U. T. Austin, and it will incorporate courses and expertise from the graduate programs in Art History, Classics, Comparative Literature, English, History, and Music. The objective of the program is to prepare students for careers in teaching and/or scholarly research, but it will also offer appropriate background in analysis, specific language competency, and specialized cultural knowledge for individuals seeking both public and private sector positions. The anticipated date for enrolling the first students is Fall 2008.

Need and Student Demand

The proposed program in Italian Studies would be the only graduate program in this area of study in the State of Texas and in the Southwest region of the United States. It would address a national need to provide specialists trained in the languages and cultures of other parts of the world. Enrollment in Italian language programs has

increased nationwide 46% from 1995 to 2002, and at U. T. Austin enrollment in the undergraduate Italian program has increased 66% from 1990 to 2003. In 2005, the total number of students enrolled in undergraduate Italian language courses was 566. There is a growing and recognized need for graduates in the field of Italian Studies. Italy occupies a prominent place in the areas of contemporary design, fashion, and architecture, while remaining central in the studies of classical civilization and Renaissance art, as well as European history, music, opera, and literature.

Program Quality

Italian Studies faculty members of the department have earned both national and international reputations for quality research and participation in the professional activities of the discipline. U. T. Austin course offering and facilities also compare very favorably with other institutions of higher education offering graduate degree programs in Italian Studies. The program will emphasize quality training and career placement through a rigorous academic environment.

Program Cost

The cost of operating the program across five years is approximately \$945,225. This includes \$796,795 for faculty salaries; \$136,730 for teaching assistants; \$8,000 for administrative support; and \$3,700 for supplies and materials. Existing resources and faculty at U. T. Austin are currently in place to support the graduate program in Italian Studies. Existing funding provided to the Department of French and Italian by the College of Liberal Arts will be reallocated within the department to support the program in Italian Studies.

2. U. T. El Paso: Authorization to establish a Ph.D. degree program in Teaching, Learning and Culture

RECOMMENDATION

The Chancellor concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs and President Natalicio that authorization, pursuant to the Regents' *Rules and Regulations*, Series 40307, related to academic program approval standards, be granted to

- a. establish a Ph.D. in Teaching, Learning and Culture at U. T. El Paso; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

BACKGROUND INFORMATION

Program Description

U. T. El Paso proposes to establish a Ph.D. program in Teaching, Learning and Culture that will prepare a new generation of education faculty from diverse backgrounds to address the compelling need for research in teaching and learning across the State of Texas, the nation, and the global community.

The program's strength is built on research and teaching strengths in the department along with a strong collaboration among faculty from other departments in the Colleges of Education, Liberal Arts, and Science that will foster interdisciplinary scholarship and research in such critical areas as (a) Language Learning, Biliteracy, and Cognition; (b) Mathematics, Science, and Technology Education; and (c) the Social Context of Education. The faculty from the Department of Teacher Education, in partnership with faculty from the College of Liberal Arts and the College of Science, have the expertise to address a large spectrum of educational issues in the institution's unique binational, bicultural and bilingual urban setting with research focusing on communication, culture, and cognition in teaching and learning, and in important need areas with particular relevance for El Paso, the southwest border region, Texas, and beyond. U. T. El Paso is located on the U.S./Mexico border and serves the largest border metroplex in the world. This urban metropolitan area is composed of the cities of El Paso (population 700,000) and its Mexican sister city, Juarez (population 1.5 million), and it offers the opportunity to prepare educational researchers and professionals to serve in dynamic, culturally diverse, urban communities. Candidates will study in this rich multicultural, bilingual, binational, urban environment, and will have the opportunity to become knowledgeable about implications of shifting demographics, cross-cultural teaching, learning, and cognition.

Need and Student Demand

There is a lack of Ph.D. programs in Texas and the United States that emphasize teaching and learning for the culturally and linguistically diverse students who continue to grow in numbers throughout the nation. There is also a national need to prepare a significant number of minority scholars/researchers in the field of teacher education. The disproportionately low enrollment and graduation rate of students of color in doctoral programs reinforces and perpetuates the lack of diversity among higher education faculty. U. T. El Paso is one of the few universities in the nation that has more than 80% minority students (mostly Hispanic) at both the undergraduate and graduate (master's degree) levels. It is anticipated that 60% of the students and graduates of the proposed doctoral program will be from minority backgrounds. The Ph.D. program in Teaching, Learning and Culture will address the national need to prepare a significant number of minority scholars/researchers, as well as the goals articulated by the Texas Higher Education Coordinating Board.

Program Quality

The Teacher Education Department at U. T. El Paso has a consistent record of scholarly accomplishment and research activity: the faculty has authored or coauthored 65 books, 374 refereed articles, and 64 book chapters. The faculty also has a strong record of grant writing accomplishments. Within the last seven years (1998-2005), department faculty, in the role of Principal Investigator or Coprincipal Investigator, has received 43 awards totaling \$37,286,600. Within the last two years (2003-2005), teacher education faculty have received 17 awards totaling \$12,344,000. These external funds have supported research programs that have systematically involved graduate students. Current and anticipated faculty recruitment will continue to enhance the quality of the program.

Program Cost

The expenditures for the first five years of the program are anticipated to be \$1,356,219. This includes \$327,181 for three new faculty positions over five years, \$540,000 for teaching/research assistant positions, \$371,638 for additional staff, \$35,500 for library resources, and \$81,900 for equipment and supplies. These costs will be met from credit hour formula funding; Library, Equipment, Repair and Rehabilitation (LERR) allocations already awarded; and reallocation of existing university resources, including formula-generated excellence funds. It is anticipated that external funds will cover an increasing portion of the program's cost after the initial development period.

3. U. T. San Antonio: Authorization to establish a Ph.D. degree program in Interdisciplinary Learning and Teaching

RECOMMENDATION

The Chancellor concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs and President Romo that authorization, pursuant to the Regents' *Rules and Regulations*, Series 40307, related to academic program approval standards, be granted to

- a. establish a Ph.D. in Interdisciplinary Learning and Teaching degree program at U. T. San Antonio; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

BACKGROUND INFORMATION

Program Description

U. T. San Antonio proposes to offer a Ph.D. in Interdisciplinary Learning and Teaching degree program. The program is designed to prepare students to be leading professionals in the field of educational instruction development and presentation. Students will receive training designed to prepare them to examine and research the interdisciplinary issues and perspectives of learning, teaching, and curricular development associated with education for culturally and economically diverse populations.

Students admitted to the program will take 60 semester credit hours of post-master's coursework. The program requires 48 hours of organized coursework beyond the master's degree distributed as follows: 15 hours of research methods courses required for all students, 18 hours of core content courses required for all students, nine hours of designated electives, and six hours of electives chosen by the student in consultation with the doctoral program advisor, which may include courses in the student's discipline area of focus, such as biology or history. The program also requires three hours of doctoral research seminar and nine hours of dissertation.

Need and Student Demand

Culturally effective pedagogy has been associated with higher levels of educational success in minority children, yet most advanced degree programs do not train students to develop and implement appropriate instructional practices for minority and educationally disadvantaged children. Doctoral-level researchers who are trained to develop instructional techniques and delivery mechanisms that can increase educational success in children from diverse backgrounds can contribute to the goals of *Closing the Gaps* by 2015. A recent survey of 275 current and 175 recently-graduated U. T. San Antonio master's students in the field of education demonstrated the need to address curriculum development issues at U. T. San Antonio. In addition, a survey among prospective employers indicated strong support for the development of a doctoral degree program in Interdisciplinary Learning and Teaching. The majority of job site respondents stated they employed individuals who would be interested in the proposed program, and 75% reported that there would be job opportunities for individuals with this doctoral degree within their school, school district, university, or agency.

Program Quality

The Department of Interdisciplinary Learning and Teaching has 25 tenured and tenure-track faculty members who will comprise the core faculty. All are active, publishing researchers who are capable of teaching courses and supervising student research in the proposed program. Eleven support faculty from other departments in the College of Education and Human Development will also contribute to the program through teaching and student supervision. The Department of Interdisciplinary Learning and Teaching recently moved into new space on the 1604 Campus that is adequate to

support the program needs, including space for doctoral students. In addition, there is a reading clinic located on the Downtown Campus that will accommodate doctoral students whose research questions focus on literacy. Students will have access to state-of-the-art computer labs, as well as observation labs, to accommodate individual and group research projects. Current equipment is adequate to meet the needs of the program.

Program Cost

The cost of operating the program across five years is approximately \$1,287,900. This includes \$540,000 for faculty salaries, \$82,500 for administrative support, \$470,400 for graduate student support, \$125,000 for staff support, \$50,000 for library and information technology resources, and \$20,000 for equipment, supplies, and materials. Revenues of \$316,670 from formula funding, \$626,000 from reallocation of the Department of Interdisciplinary Learning and Teaching's nontenure-track faculty budget, and the reallocation of \$500,000 in existing university resources are expected to be sufficient to fully fund the program.

4. U. T. Tyler: Authorization to establish a Ph.D. degree program in Human Resource Development

RECOMMENDATION

The Chancellor concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs and President Mabry that authorization, pursuant to the Regents' *Rules and Regulations*, Series 40307, related to academic program approval standards, be granted to

- a. establish a Ph.D. in Human Resource Development degree program at U. T. Tyler; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

BACKGROUND INFORMATION

Program Description

U. T. Tyler proposes to offer a Ph.D. degree program in Human Resource Development (HRD). The goal of the Ph.D. is to prepare graduates to be leading researchers, practitioners, and faculty in workplace performance. The 60-hour program will include the study of theory, processes, practices, and application in the areas of individual development, career development, performance management, and organization and

system development. The emphasis will be on research and field research. The program requires 18 hours of core courses, 15 hours of research courses, nine hours of specialization courses chosen in consultation with the program advisor, three hours of field experience, and 15 hours of dissertation.

Another unique element of the program that is not part of the curriculum but contributes to the student's overall experience is the Business Academy, a two-year collaborative among a participating business, a faculty member, and a doctoral student. Students and faculty in the Business Academy will conduct research within the business, apply findings to improve the business partner's workforce issues, and produce publishable research.

Need and Student Demand

Globalization, rapid changes in technology, restructured and reengineered workplaces, shifts in the labor market, and the need to reduce costs and increase productivity have all contributed to the demand for professionals capable of developing talent and improving performance in the workplace.

The Department of Human Resource Development and Technology has participated in a cooperative Ph.D. in HRD program with Texas A&M University since 1989. To date, 20 Ph.D. students have graduated and the program has 10 active doctoral students. U. T. Tyler receives multiple inquiries weekly about the new program. Currently, 25 students are waiting for the Ph.D. in HRD to be approved and implemented so they can apply for admission. Current expectations are to admit 15 doctoral students per year.

In their book *Workforce 2020*, Richard W. Judy and Carol D'Amico (1997) conclude that the ever-changing job market will require all workers to continually be trained to update their skills. The need for the HRD professional in all organizations to help employees with career development and retraining has become more critical due to rapid technological change and the globalization of the workforce.

The employment opportunities in HRD far outpace the number of graduates currently being prepared. An August 2006 Academy of Human Resource Development (AHRD) study on HRD graduate students reported 100% employment rates, a growing number of openings, and well-above average salaries, which demonstrates that HRD is a discipline with strong employment opportunities. A survey among prospective employers in East and Northeast Texas indicated strong support for the development of a doctoral degree program in HRD.

Program Quality

The Department of Human Resource Development and Technology has seven full-time tenured or tenure-track faculty. Two additional faculty members will begin employment in Fall 2007. Of the nine faculty in the department as of Fall 2007, seven will comprise the core faculty for the HRD Ph.D. program. All are active, publishing researchers who

are capable of teaching courses and supervising student research in the proposed program. In addition, 13 internationally and nationally distinguished HRD research scholars have agreed to serve as adjunct faculty. These adjunct faculty have agreed to teach courses, serve on dissertation committees, and mentor research projects.

In addition to the recognized faculty, three key factors will ensure the quality of the program: 1) establishment of a National Advisory Board for the HRD doctoral program, 2) participation in the Business Academy, and 3) adherence to the AHRD Standards for Graduate Programs pilot program. U. T. Tyler's Ph.D. in HRD has been endorsed by the Washington Advisory Group, the Perryman economic impact study entitled "*The University of Texas at Tyler: Enhancing the Economy and Quality of Life of the East Texas Region*," the East Texas Economic Development Council, and national and international companies located in East Texas.

Program Cost

The cost of operating the program over five years is approximately \$3,561,580. This includes \$2,326,848 for faculty salaries, \$365,094 for administrative support, \$255,000 for graduate student support, \$220,638 for staff support, \$56,000 for supplies and materials, \$53,000 for library and information technology resources, \$70,000 for equipment, and \$215,000 for travel and recruitment. Revenues include \$1,487,614 from formula funding, \$374,613 from other state funding, \$144,000 from reallocation of existing resources, \$244,968 from course and other fee generation, \$1,190,116 from University support, \$300,000 from an endowed chair support, and \$1,350,000 from funds generated through U. T. Tyler's Business Academies. The total revenue generated across the next five years is expected to be approximately \$5,091,311.

5. U. T. Permian Basin: Request to name streets on the U. T. Permian Basin campus

RECOMMENDATION

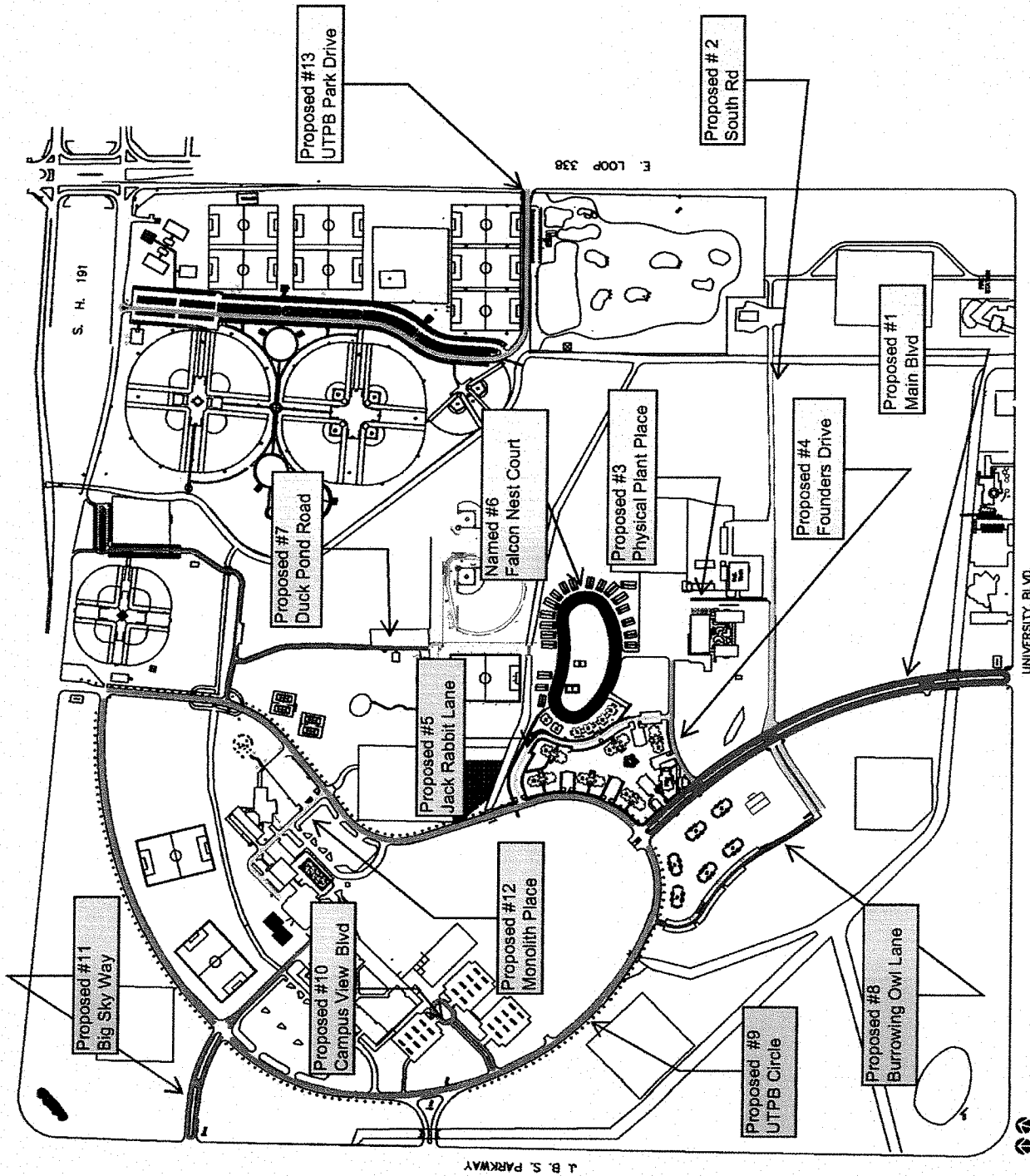
The Chancellor concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for External Relations, and President Watts that the U. T. System Board of Regents approve the naming of 13 streets on the U. T. Permian Basin campus as follows:

	<u>Proposed</u>	<u>Location</u>
1.	Main Boulevard	south entrance from University Street
2.	South Road	south road across campus
3.	Physical Plant Place	by the office and shops

- | | | |
|-----|-----------------------|-------------------------------------|
| 4. | Founders Drive | to the east of Main Boulevard |
| 5. | Jack Rabbit Lane | through campus housing on the east |
| 6. | Falcon Nest Court | circular residential drive |
| 7. | Duck Pond Road | north of athletic fields |
| 8. | Burrowing Owl Lane | through campus housing on the west |
| 9. | UTPB Circle | around the main academic buildings |
| 10. | Campus View Boulevard | west entrance to Mesa Building |
| 11. | Big Sky Way | northwest entrance to Mesa Building |
| 12. | Monolith Place | between the Gym and Art complexes |
| 13. | UTPB Park Drive | through city park east of campus |

BACKGROUND INFORMATION

The City of Odessa and the Emergency Communication District of Ector County requested that streets within the boundaries of the campus be named in an effort to enable the 911 service to respond quickly in the event of an emergency (see map on Page 56).



The University of Texas at the Permian Basin

September 2005

6. **U. T. Arlington: Authorization to lease approximately 1.12 acres of land and improvements located at 202 East Border Street, Arlington, Tarrant County, Texas, to the Arlington Business Accelerator, LLC, a Texas limited liability company, for use as a technology transfer and business incubator operated by the tenant; authorization to sublease back from the Arlington Business Accelerator, LLC, 9,421 square feet of space in the improvements for the U. T. Arlington Office of Grants and Contracts; and finding of public purpose**

RECOMMENDATION

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

- a. lease to the Arlington Business Accelerator, LLC (the Accelerator), a Texas limited liability company, approximately 1.12 acres of land improved with an office building containing approximately 28,260 gross square feet located at 202 East Border Street, Arlington, Tarrant County, Texas, for use as a technology transfer and business incubator operated by the tenant;
- b. determine that the lease of the building to the Accelerator for the stated reason serves a public purpose appropriate to the function of U. T. Arlington, and that the consideration to the U. T. System and U. T. Arlington for the lease of the premises is adequate;
- c. enter into a sublease with the Accelerator to occupy approximately 9,421 square feet of space in the building for the U. T. Arlington Office of Grants and Contracts; and
- d. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendations.

BACKGROUND INFORMATION

U. T. Arlington created the Arlington Technology Incubator (Incubator) to commercialize research and encourage the creation and development of new businesses pursuant to a memorandum of understanding with the Arlington Chamber Foundation (Foundation)

and the City of Arlington and in accordance with authorization from the Board of Regents granted on May 8, 2003. The Incubator and the original acquisition by U. T. Arlington of the 202 East Border Street property, approved by the Board of Regents on May 8, 2003, were initially funded from a federal grant provided by the Economic Development Administration (EDA). In connection with the grant, the EDA placed a covenant restricting the building to technology transfer and business incubator uses. That restriction remains in place until September 8, 2023.

Recognizing the need to improve the effectiveness and flexibility of the authorized uses of the property, U. T. Arlington and the Foundation have agreed to reorganize the Incubator. The Foundation has created a limited liability company, the Arlington Technology Incubator, LLC, which is wholly owned by the Foundation. The President and Vice President of Research at U. T. Arlington are slated to serve on the Board of the Arlington Technology Incubator, LLC, which will oversee activities of the Incubator. As part of the proposed reorganization, the Foundation recently formed the Arlington Entrepreneur Center, LLC, to provide technical assistance to new businesses and the Arlington Business Accelerator, LLC, to be the tenant under the proposed lease and to operate the subject property. All of the new entities will become active upon the approval of the proposed lease.

Under the reorganization, U. T. Arlington proposes to no longer manage the property. Operating expenses for the property paid by the institution totaled \$149,000 last fiscal year, but cash rents and the value of equity in lieu of rent received from the businesses aided by the Incubator totaled, on average, only \$29,000 per year. U. T. Arlington's status as a State agency inherently limits flexibility in structuring rent payments from the businesses aided by the Incubator. The new organizational structure will also facilitate a planned \$600,000 investment in the facility and future funding by the Foundation for Incubator operations, including \$130,000 of annual salary and benefit expenses now borne by U. T. Arlington.

U. T. Arlington proposes to lease the entire 202 East Border Street property, improved with a 28,260 gross square foot, three-story office building and associated surface parking, to the Accelerator for 20 years for a nominal rental of \$1.00 per year. The tenant will be responsible for the cost of all facility operating expenses and may use the property only for uses related to the purposes of the EDA grant and U. T. Arlington's mission. The EDA has written a letter supporting the proposed reorganization of the Incubator. Specific terms of the building lease agreement are shown on the transaction summary below. The location of the building is displayed on the map attached on Page 61.

In turn, U. T. Arlington proposes to sublease one floor of the building totaling 9,421 gross square feet, at a gross rental rate of \$12.00 per square foot per year, or \$113,052 annually for the Office of Grants and Contracts. According to local brokers, market rental is approximately \$15.50 per square foot. Specific terms of the sublease agreement are shown on the transaction summary on the following page.

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

U. T. Arlington has determined that the lease to the Accelerator will meet the requirements in the following manner: the property will continue in its current use, encouraging the transfer of university-created technology and small business development, but the effectiveness and flexibility of those uses will increase due to the reorganization.

U. T. Arlington's net financial commitments will be reduced initially by approximately \$136,948 per year and fixed for the term of the lease, thereby avoiding uncertain revenues and likely growth of costs over time due to inflation. Finally, the building lease will contain controls making a change in use an event of default that will permit the landlord to terminate the lease and making the tenant responsible for any penalties or repayments imposed by the EDA.

Transaction Summary

Lease of 202 East Border

Institution:	U. T. Arlington
Type of Transaction:	Lease of building and related improvements
Total Land Area:	1.12 acres
Total Building Area:	28,260 gross square feet
Location:	202 East Border Street, Arlington, Tarrant County, Texas; see attached map
Tenant:	Arlington Business Accelerator, LLC
Guarantor:	Arlington Chamber Foundation
Consideration:	\$20.00 for the initial 20-year lease term; \$1.00 per year for renewal terms if the tenant continues use of the property for authorized uses only; the tenant is responsible for all operating expenses, repairs and replacements, which totaled \$149,000 last year; the guarantor will fund \$600,000 in finish out of the first floor of the building during the first lease year and will fund the Incubator's ongoing operation expenses, which include \$130,000 of annual salary and benefit costs;

the use of the building will be restricted to uses permitted by the terms of the EDA grant (technology transfer and business development incubator)

Lease Term: Twenty years, plus two, five-year renewal options that are subject to U. T. Arlington's consent; the lease terminates automatically if the building use changes

Intended Use: Technology transfer and business development incubator

Sublease of Second Floor at 202 East Border

Institution: U. T. Arlington

Type of Transaction: Lease of space in an office building

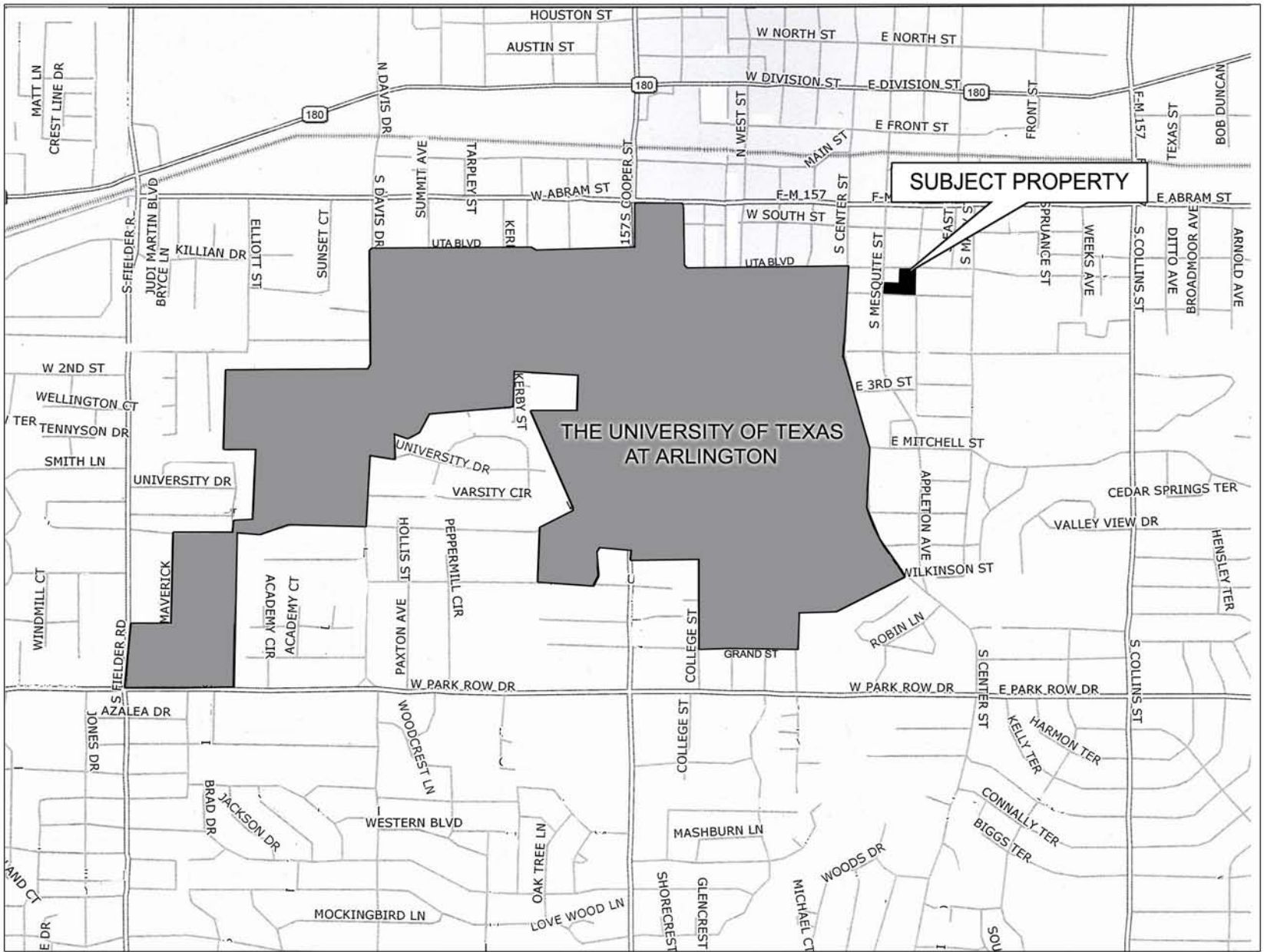
Premises: Second floor of 202 East Border Street, Arlington, Tarrant County, Texas, containing 9,421 square feet; see attached map

Landlord: Arlington Business Accelerator, LLC

Annual Rent: \$113,052 (\$12.00 per square foot) for the initial term; total rental over the 10-year initial term will be \$1,130,520; there will be no additional charge for operating expenses; rental for the renewal terms will remain at \$12.00 per square foot

Lease Term: 10 years, plus four 5-year renewal options

Intended Use: Location of U. T. Arlington Office of Grants and Contracts



7. **U. T. Arlington: Authorization to ground lease approximately 0.654 of an acre located at 1115 Greek Row Drive, Arlington, Tarrant County, Texas, to Delta Upsilon Foundation for a term of 30 years with two 10-year renewal options, for construction and operation of a fraternity house; and finding of public purpose**

RECOMMENDATION

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

- a. ground lease approximately 0.654 of an acre located at 1115 Greek Row Drive, Arlington, Tarrant County, Texas, to Delta Upsilon Foundation, for a term of 30 years with two 10-year renewal options on the terms stated below, for construction and operation of a fraternity house;
- b. determine that the lease will serve a public purpose appropriate to the function of U. T. Arlington and that the consideration to the U. T. System and U. T. Arlington for the lease is adequate; and
- c. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendations.

BACKGROUND INFORMATION

Delta Upsilon Foundation desires to lease the subject property, located on Greek Row Drive on U. T. Arlington's main campus, to construct and operate a fraternity house for use by Delta Upsilon, a registered student organization in good standing at U. T. Arlington. The institution proposes to lease the property at a below market annual rent of \$0.05 per square foot (approximately \$1,424 per year) for the initial 30-year term, compared to an estimated market annual rent rate of \$0.20 per square foot (approximately \$5,698 per year). The estimated market rental is based on recent appraisals of nearby land at \$2.50 per square foot and a capitalization rate of 8%. Below market annual rental rates of \$0.05 per square foot are in place under existing ground leases between the Board of Regents of The University of Texas System, for the use and benefit of U. T. Arlington, and nine other sororities and fraternities on Greek Row Drive.

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

U. T. Arlington has determined that the below market rental for the lease to Delta Upsilon Foundation serves a public purpose appropriate to the function of U. T. Arlington. The institution's Mission Statement expressly recognizes that "outside the classroom a wide range of student organization and activities contribute to the learning environment." Furthermore, the planning priorities and associated goals in U. T. Arlington's 2006-2010 Strategic Plan include enriching the university experience for all members of the U. T. Arlington community, making the campus more welcoming, developing a more engaging campus life, and promoting a culturally diverse, inclusive university community. It is the institution's position that registered student organizations in good standing, such as Delta Upsilon, can contribute to these goals and that the ground lease can facilitate those contributions.

Delta Upsilon Foundation will construct the fraternity house at its own expense. The ground lease will require compliance with all laws and institutional mandates. Failure to maintain status as a registered student organization at U. T. Arlington, loss of affiliation with the national chapter, and a criminal conviction for actions on the leased premises will each constitute a material breach causing forfeiture of the ground lease. The ground lease will also require the fraternity to make meaningful contributions to campus as measured by specific standards incorporated into the ground lease, including participation in scholarship fund raising programs, community service assistance, volunteer activities, coordination of campus events, and regional, state, and national competitions. Failure of the fraternity to contribute meaningfully to campus life through such activities will result in an increase of rent to a market level. The ground lease will also contain provisions in which the tenant (1) indemnifies the landlord for all matters arising from the tenant's use or occupancy of or activities on the premises, and (2) acknowledges and agrees that the landlord will not be liable for the acts or omissions of the tenant.

The terms and conditions of the proposed ground lease are specified in the transaction summary below:

Transaction Summary

Institution:	U. T. Arlington
Type of Transaction:	Lease
Total Area:	Approximately 0.654 of an acre
Improvements:	None

Location: 1115 Greek Row Drive, Arlington, Tarrant County, Texas; see attached map

Tenant: Delta Upsilon Foundation

Consideration: Annual rent of \$0.05 per square foot for the initial 30-year term; extension terms will be leased at fair market value as determined by independent appraisals; ground tenant will be responsible for all construction and operating expenses; the lease will require the ground tenant to make a meaningful contribution to campus life, including, but not limited to participation in scholarship fund raising programs, community service assistance, volunteer activities, coordination of campus events, and regional, state, and national competitions

Lease Term: 30 years, plus two 10-year renewal options (at the tenant's option)

Intended Use: Construction and operation of a fraternity house by a registered student organization in good standing at U. T. Arlington

8. **U. T. System: (a) Report on restructuring the tuition process for the Bill Archer Center, Washington, D.C., and (b) adoption of an extension program fee**

REPORT AND RECOMMENDATION

- a. Interim Executive Vice Chancellor Malandra will report on restructuring the tuition process for the Bill Archer Center, Washington, D.C., as set forth on Pages 11 - 15 of the Supplemental Materials (Volume 2) of the Agenda Book.
- b. The Chancellor concurs in the recommendation of the Interim Executive Vice Chancellor and the Vice Chancellor and General Counsel that an extension program fee of \$3,000 per semester for U. T. Dallas be approved by the U. T. System Board of Regents and included in the institutional catalogs.

BACKGROUND INFORMATION

As reported at the Board meeting on August 10, 2006, the Archer Center is a self-supporting program based within the U. T. System Office of Federal Relations. The Center is unique among academic and student opportunities because it strives to support and enable students from all campuses within the U. T. System to take advantage of opportunities in Washington, D.C. The Center is partially funded by an endowment managed by The University of Texas Foundation that generates about \$140,000 annually. For the last two years, the endowment revenue has been supplemented by federal grants that essentially doubled the funds. These grants terminate in the coming months leaving a shortfall of \$138,000 going forward from the 2006-2007 academic year budget of \$278,000.

To strengthen its ability to support program costs and future expansion, the Center has restructured its budget for the coming academic year to reduce overall costs by \$21,000 to \$257,000. Presently, tuition and fees paid by Archer Fellows remain within the local campus and none are used to fund the costs incurred by the Archer Center. For 2005-2006, the 45 participating students paid just over \$144,000 in tuition and fees to their home campuses for the semester credit hours they received through the Archer Program.

Starting in academic year 2007-2008, the Archer Center proposes to begin charging and collecting an extension program fee to cover costs of operating the program. This authority is granted under Regents' *Rules and Regulations*, Series 50701 titled Visiting U. T. System Students Program. Thus, local campuses will no longer charge Archer Fellows their local tuition rates nor retain the extension program fee that will be charged by the Archer Center. The extension program fee collected by the home institution will

be transferred to U. T. Dallas to cover costs of the program. For Archer Fellows, the local campus may waive any mandatory fees required of all students who attend their campus.

To cover the actual costs of the Archer Center Program offered through U. T. Dallas, \$3,000 per semester is needed. The authority for charging the fee as an extension program fee authorized by *Texas Education Code* Section 54.545 has been confirmed by the Office of General Counsel.

9. **U. T. System: Report from academic presidents, Interim Executive Vice Chancellor Malandra, and Academic Affairs Committee members on graduation rates**

REPORT

The academic presidents, Interim Executive Vice Chancellor Malandra, and Academic Affairs Committee members may report briefly on new developments taking place at each campus.

These reports include discussion of the graduation rate targets to meet or exceed national averages for full-time students, changes in institutional policies to maximize graduation rates, and other changes that help increase graduation rates.

10. **U. T. System Board of Regents: Update regarding admissions policies of U. T. System academic institutions**

REPORT

Dr. Geri H. Malandra, Interim Executive Vice Chancellor for Academic Affairs, will report on the admissions policies of U. T. System academic institutions.

The U. T. System's strategic plan calls for new enrollment management plans for all academic institutions. In doing so, institutions are required to develop strategies that bring together admissions, tuition, and financial aid policies into a comprehensive institutional policy. Admission policies will be discussed in this context. See admissions requirements on Pages 16 - 17 of the Supplemental Materials (Volume 2) of the Agenda Book.