



TABLE OF CONTENTS FOR VOLUME 2

November 15 - 16, 2006


| Vol. 1 item # | | Board/Committee Meetings | Page | Vol. 1 page reference |
|---|--|---|----------------------------|--------------------------|
| MEETING OF THE BOARD | | | | |
| 9. | U. T. System: Annual performance assessment of campus development offices | Report <i>Dr. Safady</i> | 1-8 | 19 |
| 10. | U. T. System Board of Regents: Discussion and appropriate action regarding proposed recipient for Santa Rita Award | Action <i>Chairman Huffines</i> | 9-10 | 19 |
| AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE | | | | |
| 3. | U. T. System: Report on the System-wide Internal Audit Activities | Report <i>Mr. Chaffin</i> <i>Ms. Barrett</i> | 11-14 | 22 |
| 4. | U. T. System: Annual Report on System-wide Institutional Compliance Program Activity | Report <i>Mr. Chaffin</i> <i>Mr. Givens</i> | 15-20 | 27 |
| FINANCE AND PLANNING COMMITTEE | | | | |
| 1. | U. T. System: Discussion and appropriate action related to approval of <i>Docket No. 128</i> | Discussion/Action <i>Dr. Kelley</i> | Green pages at back | 28 |
| 2. | U. T. System: Key Financial Indicators Report | Report <i>Dr. Kelley</i> | 21-27 | 28 |
| 3. | U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services | Action <i>Dr. Kelley</i> | 28-75 | 28 |
| 5. | U. T. System: Fiscal Year 2006 Energy Utility Task Force Report | Report <i>Mr. Aldridge</i> <i>Dr. Clubb, U. T. Austin</i> <i>Mr. Roan, U. T. Southwestern Medical Center - Dallas</i> | 76-85 | 39 |

| Vol. 1 item # | | Board/Committee Meetings | Page | Vol. 1 page reference |
|-----------------------------------|--|---|-----------------|----------------------------------|
| ACADEMIC AFFAIRS COMMITTEE | | | | |
| 9. | U. T. Austin: Discussion of compact priorities | Report <i>President Powers Dr. Malandra</i> | 86-107 | 59 |
| HEALTH AFFAIRS COMMITTEE | | | | |
| 4. | U. T. System: Discussion of uncompensated care within the U. T. System and the Code Red Report | Report <i>Dr. Shine</i> | 108-113 | 66 |
| CAMPUS LIFE COMMITTEE | | | | |
| 1. | U. T. System: Update on Joint Admission Medical Program (JAMP) and student diversity at U. T. health institutions | Report <i>Dr. Shine</i> | 114-139a | 105 |
| 2. | U. T. Austin: Report on UTeach | Report <i>Dean Rankin Dr. Malandra</i> | 140-147 | 106 |
| 3. | U. T. System: Annual meeting with representatives of the U. T. System Employee Advisory Council | Report <i>Ms. Tate</i> | 148-149 | 107 |

9. U. T. System: Annual performance assessment of campus development offices

Institutional Development Plans: Performance Measures and a Framework for Continuous Improvement

Executive Summary



THE UNIVERSITY of TEXAS SYSTEM
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**Meeting of the UT
System Board of
Regents**

November 16, 2006



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Total Giving (FY 2005)

| | |
|----------------|-----------------------|
| FY 2001 | \$479,779,000 |
| FY 2002 | \$485,200,000 |
| FY 2003 | \$585,624,000 |
| FY 2004 | \$649,493,000 |
| FY 2005 | \$488,515, 043 |
| FY 2006 est. | \$594,800,000 |

- FY 2005 saw a 24.8% decrease in total giving from previous year
- FY 2004 was the best fund-raising year in UT System history
- Three institutions (UT Austin-14th, UTSWMC-24th, UTMDACC-36th) ranked in the top 50 institutions nationally for total giving
- FY 2006 estimates point to an increase of 18% over FY 2005, with ten institutions showing increases over their FY 2005 totals

2

9. U. T. System: Annual performance assessment of campus development offices (cont.)



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Performance Indicator: Private Giving as a Percentage of G&E Expenditures

| | | Total Giving FY2005 | Total Giving as a % of E&G FY2005 | Total Giving FY2004 | Total Giving as % of E&G FY2004 |
|---|------------------|------------------------|---|------------------------|---------------------------------------|
| Ranked by Total Giving as a Percentage of E&G for FY2005 | | | | | |
| 1 | UTHC – Tyler | \$4,843,960 | 18.20% | \$2,451,700 | 10.10% |
| 2 | UT Tyler | \$6,314,527 | 12.10% | \$4,534,352 | 9.80% |
| 3 | UTSWMC | \$103,213,300 | 11.60% | \$130,606,136 | 15.20% |
| 4 | UT Austin | \$140,238,793 | 10.50% | \$252,175,348 | 20.50% |
| 5 | UTMDACC | \$79,278,489 | 10.20% | \$96,926,576 | 13.90% |
| 6 | UT Dallas | \$15,338,777 | 7.40% | \$12,220,563 | 7.10% |
| 7 | UTHSC – H | \$37,742,206 | 7.20% | \$35,030,580 | 7.00% |
| 8 | UTMB | \$33,102,206 | 7.20% | \$46,162,340 | 10.50% |
| 9 | UT El Paso | \$17,112,388 | 7.10% | \$14,828,959 | 6.80% |
| 10 | UT Permian Basin | \$1,774,747 | 5.90% | \$2,562,802 | 8.90% |
| 11 | UTHSC – SA | \$25,016,794 | 5.00% | \$22,683,095 | 4.80% |
| 12 | UT Pan American | \$5,974,606 | 3.20% | \$13,383,693 | 8.50% |
| 13 | UT San Antonio | \$7,693,477 | 3.00% | \$8,804,798 | 4.10% |
| 14 | UT Arlington | \$4,995,372 | 1.80% | \$4,709,077 | 2.00% |
| 15 | UT Brownsville | \$922,630 | 0.80% | \$1,497,130 | 1.60% |
| FY Totals | | \$488,515,043* | | \$649,494,918* | |


Improvement in Total Giving from FY2004 (Green)

Total Giving Above National Average for Classification (Red)

(Ave. Pub. Research/Doc): 11.5%
(Ave. Pub. Masters): 4.6%
(Ave. Pub Specialized): 8.3%

Total Giving Below National Average for Classification (Yellow)

* Includes System Administration & restated numbers



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Performance Indicator: Alumni Donors as a Percentage of Alumni of Record

| | | Alumni Participation FY2005 | Alumni Giving FY2005 | Alumni Participation FY2004 | Alumni Giving FY2004 |
|--|---------------------|--------------------------------|-------------------------|--------------------------------|-------------------------|
| Ranked by alumni participation for FY2005 | | | | | |
| 1 | UT Austin | 14.80% | \$35,250,411 | 8.50% | \$118,165,046 |
| 2 | UT SWMC | 10.90% | \$739,956 | 11.30% | \$1,539,774 |
| 3 | UTMB | 9.30% | \$1,057,164 | 10.10% | \$1,041,394 |
| 4 | UT El Paso | 7.00% | \$2,459,422 | 6.40% | \$1,102,775 |
| 5 | UT Arlington | 3.40% | \$646,272 | 3.40% | \$562,340 |
| 6 | UT San Antonio | 2.80% | \$830,881 | 1.40% | \$204,282 |
| 7 | UT Brownsville | 2.40% | \$27,011 | 0.90% | \$204,666 |
| 8 | UT Permian Basin | 2.00% | \$49,138 | 2.00% | \$32,876 |
| 9 | UTHSC – San Antonio | 1.80% | \$157,442 | 3.10% | \$359,708 |
| 10 | UT at Dallas | 1.60% | \$1,180,145 | 2.10% | \$1,144,341 |
| 11 | UTHSC – Houston | 1.20% | \$157,442 | 1.50% | \$123,476 |
| 12 | UT Pan American | 1.30% | \$73,414 | 0.70% | \$53,909 |
| 13 | UT Tyler | 0.50% | \$40,182 | 0.40% | \$35,983 |
| 14 | UTMDACC | N/A | | N/A | |
| 15 | UTHC – Tyler | N/A | | N/A | |


Improvement in Total Giving from FY2004 (Green)

At or Above National Average for Classification (Red)

(Ave. Pub. Research/Doc): 12.1%
(Ave. Pub. Masters): 7%
(Ave. Pub Specialized): 8.2%

Below National Average for Classification (Yellow)

9. U. T. System: Annual performance assessment of campus development offices (cont.)



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Alumni Giving

- Alumni participation on a national level experienced a slight decline
- Alumni giving is often considered the most important barometer of institutional maturity
- UT institutions' alumni participation rates continue to be lower than those of their select peer and aspirant institutions

Note:

While not indicated on the slide, each UT institution has its own customized report showing comparisons with select peers in alumni giving, planned giving, endowment market value, endowment per FTE student and total giving – among other variables.

5



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Realized Bequests

| | | Number of Bequests FY2005 | Amount from Bequests FY2005 | Number of Bequests FY2004 | Amount from Bequests FY2004 |
|---|---------------------|------------------------------|--------------------------------|------------------------------|--------------------------------|
| Ranked by Number of Bequests in FY2005 | | | | | |
| 1 | UT Austin | 65 | \$2,935,841 | 103 | \$106,892,724 |
| 2 | UTMDACC | 65 | \$10,062,800 | 64 | \$32,218,932 |
| 3 | UTSWMC | 10 | \$6,081,991 | 11 | \$5,038,154 |
| 4 | UT El Paso | 9 | \$444,376 | 10 | \$215,829 |
| 5 | UTMB | 4 | \$488,179 | 6 | \$5,455,184 |
| 6 | UTHSC – Houston | 3 | \$309,613 | 4 | \$50,327 |
| 7 | UTHSC – San Antonio | 2 | \$271,621 | 6 | \$415,740 |
| 8 | UT Arlington | 2 | \$206,597 | 1 | \$71,285 |
| 9 | UT San Antonio | 1 | \$61,240 | 3 | \$659,156 |
| 10 | UT – Pan American | 0 | \$0 | 2 | \$10,925,919 |
| 11 | UT Tyler | 0 | \$0 | 1 | \$95,000 |
| 12 | UT – Tyler | 0 | \$0 | 1 | \$1,500,000 |
| 13 | UT Permian Basin | 0 | \$0 | 1 | \$1,350,000 |
| 14 | UT Brownsville | 0 | \$0 | 0 | \$0 |
| 15 | UT Dallas | 0 | \$0 | 0 | \$0 |
| FY Totals | | 161 | \$20,862,258 | 231 | \$164,888,250 |


■ **Increase in Realized Bequests from FY2004**

■ **At or Above National Average for Classification**
Res 1: 55 bequests; \$7.8 million
 Doc 1: 14 bequests; \$2.1 million
 Mas 1: 4 bequests; \$406K
 Spec: 6 bequests; \$1.2 million

■ **Below National Average**

6

9. U. T. System: Annual performance assessment of campus development offices (cont.)




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Planned Giving

- Institutions that historically receive a higher percentage of gift totals from alumni are also steady beneficiaries of planned gifts
- Planned gifts are critical in building an institutional endowment; nearly all unrestricted endowments come to institutions through bequests
- For the past 20 years, realized bequests have represented between 20-25 percent of all individual giving to U.S. higher education
- UT institutions must make investments in planned giving expertise

7




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UT Academic Institutions' Gift Totals as a Percentage of Peer and Aspirant Institutions' Totals

| Institution | Peer | Aspirant |
|------------------|-------------------|----------|
| UT Arlington | 16% | 14% |
| UT Austin | 90% of peer level | |
| UT Brownsville | 25% | 17% |
| UT Dallas | 40% | 23% |
| UT El Paso | 64% | 29% |
| UT Pan Am | 41% | 30% |
| UT Permian Basin | 55% | 36% |
| UT San Antonio | 95% | 55% |
| UT Tyler | 98% | 62% |

8

9. U. T. System: Annual performance assessment of campus development offices (cont.)



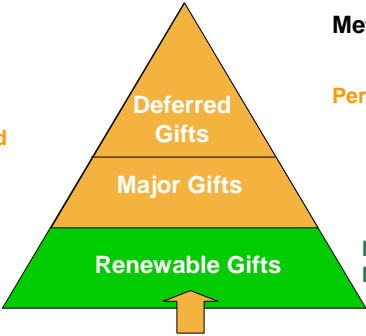
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The Balanced Fund-Raising Model

Amount Raised

70-90% of private funds from deferred and major gifts

10-30% of private funds from annual, recurring support



Methods of Solicitation

Personal visits

Direct mail
Phone programs

The Prospect Pool: individuals with shared values (alumni and non-alumni), foundations, corporations, parents, board members and other volunteers, faculty, staff, patients, other entities

Only five UT institutions (two academic and three health institutions) have a balanced fundraising model, with predictable, recurring support in the three major areas

9




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Why Measure?

- Private support must be a predictable part of an institution’s revenue stream – it continues to play an increasingly critical role in an institution’s ability to meet its teaching, research and service missions
- The BOR, Chancellor and UT Presidents have a strong stake in determining the effectiveness of development / advancement programs on an institution’s ability to fully fund endowments, building projects, research programs, and other strategic initiatives
- This data, along with other feasibility study information, is used to determine if a campus is ready to launch a capital campaign
- This is a “value-added” service offered by the UT System in an effort to support continuous improvement on campuses

10

9. U. T. System: Annual performance assessment of campus development offices (cont.)




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Why Measure?

- The customized development assessment reports allow presidents and chief development officers (CDOs) to objectively evaluate their development programs, to align philanthropic resources to institutional compacts and the UT System's ten year strategic plan, and to support other special campaign initiatives
- Analysis of data enables development VPs to determine if human and financial resources might be reallocated to improve results
- This project is a sub-report of the UT System's comprehensive accountability and performance program

11




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Progress

- Collected and analyzed two years of development performance data. Met with presidents and CDOs to review assessment findings and discuss recommendations
- High receptivity to UT System recommendations and immediate action already taken by presidents to make changes. (Nine of fifteen institutions have made significant changes in development leadership, structure, and/or operations)
- Development of metrics system and performance measures customized for campuses

12

9. U. T. System: Annual performance assessment of campus development offices (cont.)




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Progress

- Second year planned giving counsel services offered by UT System
- Discussions with CDOs and some presidents on conceptualization of UT System Development Training Institute
- Institutionalized an annual performance assessment of each campus development operation
- Integration of development into institutional strategic plans has occurred on all fifteen campuses, although some are more aligned, more mature than others

13




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Conclusions

- Total giving declined from FY 04 to FY 05, but a significant rebuilding of development operations and the recruitment of new leadership should allow us to see increases in FY 05 and FY 06
- Development programs still vary by size, structure, maturity and performance
- Half of the development operations still lack measurable performance standards but are developing them as they recruit new staff and continue to make structural/staffing changes

14

9. U. T. System: Annual performance assessment of campus development offices (cont.)

| | |
|---|----------------------|
|  <p>THE UNIVERSITY of TEXAS SYSTEM <i>More Universities. Six Health Institutions. Unlimited Possibilities.</i></p> | <h1>Conclusions</h1> |
| <ul style="list-style-type: none">• Alumni giving and planned giving should improve on all campuses• Of the eight campuses that received recommendations to make changes, all have either done so or are in process of making changes now• Sound infrastructural components, like prospect research, planned giving, corporate and foundation relations, alumni relations, and annual and major gifts, are still under development and in their infancy stages at most institutions involved in reorganizations | |
| <p>15</p> | |

10. U. T. System Board of Regents: Discussion and appropriate action regarding proposed recipient for Santa Rita Award

The University of Texas System

Rules and Regulations of the Board of Regents

Series: 10601

1. Title

Guidelines for the Santa Rita Award

2. Rule and Regulation

Sec. 1 Standards. A System-wide award that may be made annually to an individual who has made valuable contributions over an extended period to The University of Texas System in its developmental efforts. An individual is defined as a person, as opposed to a corporation, charitable trust, foundation, and like entities. The recipient may be judged on the basis of a broad list of criteria, primary among which will be a demonstrated concern for the principles of higher education generally, as well as deep commitment to the furtherance of the purposes and objectives of The University of Texas System specifically.

1.1 Participation by the recipient in the affairs of the U. T. System shall be of such character and purpose to serve as a high example of selfless and public-spirited service. Of particular interest will be the effect that such individual activity may have engendered similar motivation from other public and private areas toward the U. T. System.

Sec. 2 General Conditions. The following general conditions apply to the award:

2.1 The award, to be known as the "Santa Rita Award," will consist of a medallion to be presented no more frequently than annually.

2.2 The award shall be made on behalf of the Board of Regents of The University of Texas System.

2.3 An individual may receive the award only once.

2.4 Posthumous awards may be given.

10. U. T. System Board of Regents: Discussion and appropriate action regarding proposed recipient for Santa Rita Award (cont.)

The University of Texas System

Rules and Regulations of the Board of Regents

Series: 10601

- 2.5 No member of the Board of Regents shall be eligible to receive the Santa Rita Award until the termination of the member's service.
- Sec. 3 Nominations for Awards. Nominations for the award shall be forwarded to the Chairman of the Board of Regents or the General Counsel to the Board (Office of the Board of Regents, The University of Texas System, 201 West Seventh Street, Suite 820, Austin, Texas 78701-2981). The nominator shall provide such supporting information and documentation as may be requested by the Chairman or the General Counsel to the Board.
- Sec. 4 Selection of Awardees. Awards shall be made, upon recommendation of the Chairman of the Board following consultation with others including the Chancellor and other appropriate U. T. System officials, by a majority vote of members present at a Board of Regents' meeting at which a quorum is present.

ASSURANCE AND ADVISORY
BUSINESS SERVICES

OCTOBER 27, 2006



ERNST & YOUNG

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**Investment Funds Under Fiduciary Responsibility of The University
of Texas System Board of Regents
Financial Statement Audit Results & Communications**

Report to

The Audit Compliance and Management Review Committee of
The University of Texas System Board of Regents
Audit and Ethics Committee of The University of Texas
Investment Management Company



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October 27, 2006

The Audit, Compliance and Management Review Committee of The Board of Regents of The University of Texas System

The Audit and Ethics Committee of the Board of Directors of The University of Texas Investment Management Company

Dear Members of the Audit Committee:

We are pleased to present the results of our audit of the financial statements of the following funds (collectively, the "Funds"):

For the year ended August 31, 2006:

- The Permanent University Fund,
- The University of Texas System General Endowment Fund,
- Permanent Health Fund
- The University of Texas System Long Term Fund

For the period from February 1, 2006 (inception) to August 31, 2006:

- The University of Texas System Intermediate Term Fund

This report to the Audit, Compliance and Management Review Committee and the Audit and Ethics Committee is organized into the following sections:

- Required Communications
- Report on Internal Control

We received the full support and assistance of the Funds' personnel. This report is intended solely for the information and use of the Audit, Compliance and Management Review Committee and the Audit and Ethics Committee, and management of the Funds, and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate this opportunity to meet with you to discuss the contents of this report and answer any questions you may have about these or any other audit-related matters.

Very truly yours,

Ricky Richter

REQUIRED COMMUNICATIONS

Statement on Auditing Standards No. 61 (as amended), and other professional standards require the auditor to communicate certain matters to the Audit Committee that may assist the Committee in overseeing management's financial reporting and disclosure process. Below we summarize these required communications as they apply to the Funds.

| Area | Comments |
|---|---|
| <p>Auditors' Responsibilities Under Generally Accepted Auditing Standards (GAAS)</p> <p>The financial statements are the responsibility of management. Our audit was designed in accordance with auditing standards generally accepted in the United States to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects.</p> | <p>We have issued unqualified opinions on the financial statements for the year ended August 31, 2006 and on management's assertion on the effectiveness of internal control over financial reporting as of August 31, 2006 for the Permanent University Fund, The University of Texas System General Endowment Fund, the Permanent Health Fund and the University of Texas System Long Term Fund.</p> <p>We have issued an unqualified opinion on the financial statements of the University of Texas System Intermediate Term Fund for the period from February 1, 2006 (inception) to August 31, 2006.</p> |
| <p>Our Judgments About the Quality of the Company's Accounting Principles</p> <p>We discuss our judgments about the quality, not just the acceptability, of the accounting policies as applied in the Company's financial reporting, including the consistency of the accounting policies and their application and the clarity and completeness of the financial statements and related disclosures.</p> | <p>Accounting principles selected by management are of good quality, are acceptable, and have been consistently applied under accounting principles generally accepted in the United States. The Funds' financial statements and disclosures are complete in all material respects.</p> |
| <p>Sensitive Accounting Estimates</p> <p>The preparation of the financial statements requires the use of accounting estimates. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management's current judgments. We determine that the Audit Committee is informed about management's process for formulating particularly sensitive accounting estimates and about the basis for our conclusions regarding the reasonableness of those estimates.</p> | <p>Based on our testing, we concluded the Funds' recorded investment values were fairly stated.</p> |
| <p>The Adoption of, or a Change in an Accounting Principle</p> <p>We determine that the Audit Committee is informed about the initial selection of, and any changes in, significant accounting principles or their application when the accounting principle or its application, including alternative methods of applying the accounting principle, has a material effect on the financial statements.</p> | <p>There were no adoptions of or changes in accounting principles.</p> |
| <p>Methods of Accounting for Significant Unusual Transactions and for Controversial or Emerging Areas</p> <p>We determine that the Audit Committee is informed about the methods used to account for significant unusual transactions and the effects of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> | <p>We are not aware of any significant unusual transactions recorded by the Funds or of any significant accounting policies used by the Funds related to controversial or emerging areas for which there is a lack of authoritative guidance.</p> |

| Area | Comments |
|---|---|
| <p>Significant Audit Adjustments We provide the Audit Committee with information about adjustments arising from the audit (whether recorded or not) that could in our judgment either individually or in the aggregate, have a significant effect on the Company's financial statements.</p> | <p>There were no significant recorded audit adjustments related to 2006 audit.</p> |
| <p>Unadjusted Audit Differences Considered by Management to Be Immaterial We inform the Audit Committee about unrecorded audit differences accumulated by us (i.e., adjustments either identified by us or brought to our attention by management) during the current audit and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements as a whole.</p> | <p>There were no audit differences related to the fiscal year 2006 audit.</p> |
| <p>Fraud and Illegal Acts We report to the Audit Committee fraud and illegal acts involving senior management and fraud and illegal acts (whether caused by senior management or other employees) that cause a material misstatement of the financial statements.</p> | <p>We are not aware of any fraud or illegal acts.</p> |
| <p>Material Weaknesses in Internal Control We are required to communicate all material weaknesses in internal control, which may have been identified during the course of our audit.</p> | <p>No material weaknesses were identified.</p> |
| <p>Disagreements with Management</p> | <p>None.</p> |
| <p>Serious Difficulties Encountered in Dealing with Management when Performing the Audit</p> | <p>None.</p> |
| <p>Major Issues Discussed with Management in Connection with Initial or Recurring Retention</p> | <p>None.</p> |
| <p>Consultation with Other Accountants</p> | <p>None of which we are aware.</p> |
| <p>Other Matters</p> | <p>We recommend that Management hire a full-time associate in its Accounting, Finance and Administration Department whose responsibility includes interaction with the Funds' marketable alternative investments and private markets investments to supplement the Funds' oversight of the existence and valuation of such investments.</p> |
| <p>Other Information in Documents Containing Audited Financial Statements Our financial statement audit opinion only relates to the financial statements and the accompanying notes. However, we also review other information such as Management's Discussion and Analysis, for consistency with the audited financial statements.</p> | <p>We believe that Management's Discussion and Analysis is consistent with the audited financial statements.</p> |

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***The University of Texas Investment
Management Company***



**Reports by
Ernst & Young, L.L.P.
&
UTIMCO Management**

***The Permanent University Fund's
Internal Control over Financial Reporting***



Table of Contents

| | |
|---|---------------|
| Report by Ernst & Young, L.L.P. | Item 1 |
| Report by Management..... | Item 2 |



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Independent Accountant's Report

We have examined management's assertion, included in the accompanying Report of Management on the Permanent University Fund's Internal Control Over Financial Reporting, that the Permanent University Fund maintained effective internal control over financial reporting as of August 31, 2006, based on criteria established in "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Permanent University Fund's management is responsible for maintaining effective internal control over financial reporting. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included obtaining an understanding of the internal control over financial reporting, testing and evaluating the design and operating effectiveness of the internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Because of inherent limitations in any internal control, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal control over financial reporting to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assertion that the Permanent University Fund maintained effective internal control over financial reporting as of August 31, 2006, is fairly stated, in all material respects, based on criteria established in "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Ernst + Young LLP

October 27, 2006



**Report by Management
The Permanent University Fund's
Internal Control over Financial Reporting**

October 27, 2006

The University of Texas Investment Management Company (UTIMCO) is responsible for the preparation, integrity, and fair presentation of its published financial statements of the Permanent University Fund (PUF) as of August 31, 2006, and for the twelve months then ended. The financial statements of the PUF have been prepared in accordance with generally accepted accounting principles, and, as such, include some amounts that are based on judgments and estimates of management.

INTERNAL CONTROL OVER FINANCIAL REPORTING

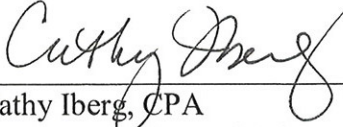
We, as members of management of UTIMCO, are responsible for establishing and maintaining effective internal control over financial reporting as it related to its financial statements presented in conformity with generally accepted accounting principles. Internal control is designed to provide reasonable assurance to PUF management and board of directors regarding the preparation of reliable published financial statements. Internal control over financial reporting includes self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified.

Because of inherent limitations in any internal control, no matter how well designed, misstatements due to error or fraud may occur and not be detected, including the possibility of the circumvention or overriding of controls. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, internal control effectiveness may vary over time.


Management has assessed the PUF's internal control over financial reporting as it relates to its financial statements presented in conformity with generally accepted accounting principles as of August 31, 2006. This assessment was based on criteria for effective internal control over financial reporting described in "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, we assert that the PUF maintained

effective internal control over financial reporting as it relates to its financial statements presented in conformity with generally accepted accounting as of August 31, 2006, based on the specified criteria outlined in this integrated framework.

The University of Texas Investment Management Company

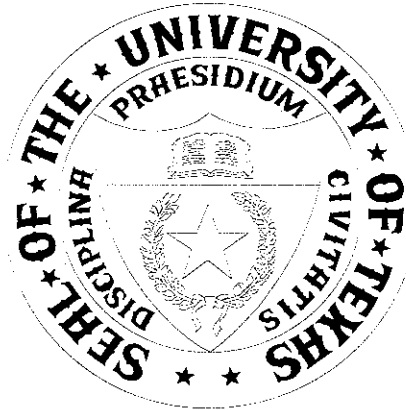


Cathy Iberg, CPA
Interim President, Chief Executive Officer,
and Chief Investment Officer



Joan Moeller, CPA
Managing Director-Accounting,
Finance, and Administration

**The University of Texas System Administration
UTIMCO Sarbanes-Oxley Act Section 404 Audit Report
FY 2006**



October 2006

THE UNIVERSITY OF TEXAS SYSTEM AUDIT OFFICE
201 WEST 7TH STREET, ASH 8
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The University of Texas System Administration
UTIMCO Internal Controls Over Financial Reporting Audit Report
October 2006

Executive Summary

The University of Texas Investment Management Company (“UTIMCO”) was the first entity associated with The University of Texas (“UT”) System to voluntarily adopt provisions required of public companies by Section 404 of the Sarbanes-Oxley Act (“the Act”). To meet these provisions, UTIMCO prepared extensive documentation detailing each business process and internal control associated with its corporate operations, the Permanent University Fund (“PUF”), the General Endowment Fund (“GEF”), the Permanent Health Fund (“PHF”), and the Long Term Fund (“LTF”). These funds will be collectively referred to as “the Funds.”

Our audit objectives were to provide assurance to UTIMCO management and the UTIMCO Board of Directors’ Audit and Ethics Committee that internal controls over financial reporting of UTIMCO’s corporate operations and the Funds’ processes were adequately documented and to determine whether these controls were sufficient and working as intended. In addition, our work was designed so that Ernst & Young, LLP, UTIMCO’s external auditor, could rely on it to reduce the extent of their procedures in preparation for their attestation on the controls over financial reporting of UTIMCO’s corporate operations and the Funds’ processes.

Our audit identified some test exceptions and documentation deficiencies, none of which we consider to be material weaknesses or significant deficiencies as defined by the Public Company Accounting Oversight Board’s *Auditing Standard No. 2 – An Audit of Internal Control Over Financial Reporting Performed in Conjunction with an Audit of Financial Statements* (“PCAOB No. 2”). These findings are included in **Appendix A** and the status of prior year findings are included in **Appendix B**.

The scope of this report includes assessing internal controls over financial reporting of the audited financial statements of the corporate operations and the Funds. The process of ensuring proper asset classification is not required to be documented or tested as part of this assessment; however, we believe the process to be significant to ensuring compliance with investment policy guidelines and accurate reporting to external parties. We understand that efforts are underway to review this process and ensure that classification determinations are made in a manner that is clear and auditable. We look forward to clarification of this process and the opportunity to provide assurance related to asset classification.



The University of Texas System Administration
UTIMCO Internal Controls Over Financial Reporting Audit Report
October 2006

Background

Section 404 of the Act requires the annual financial reports of all publicly traded companies, other than investment companies, to include a statement of management's responsibility for establishing and maintaining adequate internal control over financial reporting as well as an assessment of the effectiveness of those internal controls. Section 404 also specifies that each registered public accounting firm that prepares or issues an audit report on a publicly traded company's annual financial statements must attest to and report on management's assessment of internal control over financial reporting.

Although not required by law to do so, UTIMCO is voluntarily complying with certain provisions of the Act in order to demonstrate its commitment to providing accurate and reliable financial information. Fiscal year 2005 was the first year in which these procedures were performed for the corporation and the PUF. This year, GEF, LTF, and PHF were added. In fiscal year 2007, we plan to perform similar procedures on UTIMCO's newest fund, the Intermediate Term Fund.

Audit Objectives

The audit objectives were to provide assurance to UTIMCO management and the UTIMCO Board of Directors' Audit and Ethics Committee that internal controls over financial reporting of UTIMCO's corporate operations and the Funds' processes were adequately documented and to determine whether these controls were sufficient and working as intended. In addition, our work was designed so that Ernst & Young, LLP, UTIMCO's external auditor, could rely on it to reduce the extent of their procedures in preparation for their attestation on the controls over financial reporting of UTIMCO's corporate operations and the Funds' processes.

Audit Scope and Methodology

UTIMCO staff identified unique processes associated with financial reporting for its corporate operations and the Funds' processes. Staff wrote narratives describing these processes. The System Audit Office read the narratives and interviewed UTIMCO employees in order to determine whether the documentation presented an accurate reflection of the processes and whether the controls identified were adequate. Based on our understanding of the processes and existing controls, we made minor enhancements to the narratives.

In order to determine whether the controls were adequate and working as intended, we developed and executed detailed test plans based on the Committee of Sponsoring Organizations' ("COSO") widely recognized framework for evaluating internal control. Our testing encompassed fiscal year 2006 activity and was conducted in accordance with guidelines set forth in PCAOB No. 2 and the *Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing*. Based on the COSO framework and the auditing standards, we tested the controls documented in the narratives.



The University of Texas System Administration
UTIMCO Internal Controls Over Financial Reporting Audit Report
October 2006

In addition to the process documentation, UTIMCO documented its “soft controls,” which address controls over the control environment, risk assessment process, information and communication, and monitoring of controls.

We also performed follow-up procedures on prior year recommendations.


Audit Results and Conclusion

Overall, we found that UTIMCO’s corporate operations and the Funds’ processes were adequately documented. We found the controls that we tested were adequate and working as intended. We also made certain recommendations to further improve UTIMCO’s internal controls and documentation of soft controls. Although we identified some test exceptions, documentation deficiencies, and recommendations for improvement, we do not consider any of them to be a material weakness or significant deficiency.

We hope that the information in this report is helpful to management and to Ernst & Young, LLP. We commend UTIMCO for taking the initiative to adopt Section 404 of the Act. Although many nonprofit organizations are adopting certain elements of the Act, few are adopting Section 404 due to the extensive amount of work involved.



Charles G. Chaffin
Director of Audits



Amy Barrett
Assistant Director



Dean A. Metzger
Audit Supervisor



The University of Texas System Administration
UTIMCO Internal Controls Over Financial Reporting Audit Report
October 2006

Appendix A: Recommendations

Based on the results of our audit work, we submit the following recommendations:

Recommendation 1: During the course of our work, we had difficulty obtaining evidence of management's review. The following are a few examples of this lack of documentary evidence:

- The fixed asset detail spreadsheet was omitted from one of the monthly accounting packages.
- Documentary evidence of the performance of certain on-line reviews could not be provided.
- Documentary evidence that certain controls were functioning as intended could not be provided.

In each instance, however, mitigating controls existed, so we do not believe there to be material control weaknesses, merely matters of ensuring adequate record-keeping and evidencing review. We recommend that UTIMCO retain the appropriate documentation to provide evidence that the controls documented in the process narratives are being performed.

Management's Response and Implementation Date:

Management agrees and will implement the recommendation immediately. Staff continues to strive to retain the appropriate documentation.

Recommendation 2: According to UTIMCO's Code of Ethics, Certificate of Compliance forms must be completed for each proposed investment, regardless of the investment's dollar amount. Accounting staff maintains a checklist of completed Certificate of Compliance forms. While Certificate of Compliance forms were not obtained for the *Bridgewater Pure Alpha Fund II* and *Farallon's FCOI I* fund, during the audit we noted that none of the Board members or key personnel had a pecuniary interest in the two funds. Therefore, we do not believe it is necessary that Certificate of Compliance forms be distributed to and signed by Board members and staff for these two funds to validate the absence or disclosure of a conflict of interest. However, we recommend that certificates of compliance be obtained for every new fund in the future.

Management's Response and Implementation Date:

Management agrees that certificates of compliance should be obtained for every new fund and will be implemented immediately.



Appendix B: Follow-up on Prior Year Recommendations

Recommendation 1: The current Expenditures and Fixed Asset process narratives do not address guidelines concerning dollar limits for purchase approvals. Management is drafting a purchasing policy, which is currently under review. UTIMCO staff has informed us that purchasing procedures are in place but are not yet formally documented. See UTIMCO Corporate Recommendation 8 in last year's report. The expected implementation date is January 31, 2007.

Recommendation 2: UTIMCO does not currently have a policy requiring that multiple bids be obtained for purchases over a certain dollar limit. We recommend a policy requiring multiple bids for purchases over a certain dollar limit. The policy should also include a requirement that formal requests for proposals be issued. See UTIMCO Corporate Recommendation 9 in last year's report. The expected implementation date is January 31, 2007.

Recommendation 3: While UTIMCO staff is confident that all new assets have been properly recorded and inventoried, many assets have either not been tagged or have been assigned incorrect room locations. Identifying missing or stolen assets is made more difficult, if not impossible, when they are not properly tagged and tracked. We recommend that UTIMCO update its inventory by tagging all assets and assigning correct locations by the end of the next physical inventory. See UTIMCO Corporate Test Exception 2 in last year's report. The expected implementation date is December 31, 2006.

Recommendation 4: UTIMCO conducts an enterprise-wide risk assessment. As part of this assessment, controls are identified that help to mitigate critical risks. The controls identified in the risk assessment, however, are not mapped to controls identified in the process documentation. Last year's report included a recommendation that controls identified in the risk assessment be mapped to the SOX controls. This recommendation should be implemented as soon as practicable. See UTIMCO Corporate Recommendation 2 in last year's report. We also recommend the removal of controls that are redundant or that mitigate inconsequential risks. Additionally, we recommend that investment risks, such as liquidity risk, foreign currency risk and interest rate risk, be considered when performing the risk assessment process. These recommendations were also included in the recently issued Institutional Compliance and Investment Compliance Audit report. The expected implementation date is June 30, 2007.

Recommendation 5: The Office Manager is currently the only employee who is able to perform payroll processing. We recommend that UTIMCO management identify and cross-train another employee to serve as a back-up. See UTIMCO Corporate Recommendation 3 in last year's report. The expected implementation date is December 31, 2006.

3. U. T. System: Report on the System-wide Internal Audit Activities

**The University of Texas System
Internal Audit Program
Annual Report Summary
Fiscal Year Ended August 31, 2006**

Program Executive Summary

The University of Texas (U. T.) System has established Internal Audit Programs at each of the 15 institutions and System Administration. The Internal Auditor provides independent, objective assurance, and consulting services designed to add value and improve U. T. System's operations. Additionally, the Internal Auditor is responsible for providing executive management with information about the adequacy and effectiveness of the institution's system of internal administrative and accounting controls and the quality of operating performance when compared with established standards. In order to provide these services, the internal auditors at System Administration and each institution:

- Perform annual risk assessments;
- Develop detailed work plans;
- Conduct quarterly Internal Audit Committee meetings; and
- Report internal audit activities and significant recommendations to executive management.

Mr. Charles G. Chaffin, System Audit Office - Director of Audits, is responsible for apprising the Chancellor and Board of Regents of the status and activities of the institutional Internal Audit Programs.

Significant Accomplishments and Activities

During fiscal year (FY) 2006, the Internal Audit Programs provided numerous value-added services to the institutions, participated in various professional organizations, implemented an electronic audit management system, and continued to enhance the established Internal Audit Programs through Quality Assurance Reviews.

- Value-added Services – The Internal Audit Programs worked to ensure audits and projects added value and addressed the needs and concerns of executive management. Audits and projects included reviews of information systems, reviews of core business operations, implementation of Enterprise Risk Management, and support to the Deloitte & Touche, LLP external financial audit.
- Deloitte & Touche – All of the Internal Audit Programs successfully participated in training and completed, by the due date, the financial audit work directed by Deloitte & Touche, LLP for the FY 2005 external financial audit.
- Enterprise Risk Management (ERM) – Several Internal Audit Programs were involved in presenting ERM training to executive management, internal audit committees, and deans as well as facilitating sessions with major operational areas to identify university risks. The ERM work also provided a basis for the risk-based Annual Audit Plans for FY 2007.

3. U. T. System: Report on the System-wide Internal Audit Activities (cont.)

- Professional Organizations and Certifications – Throughout the year, numerous members of the Internal Audit Programs made presentations at national and regional conferences including those sponsored by the Association of College and University Auditors, Texas Association of College and University Auditors, and the Institute of Internal Auditors. Additionally, the Internal Audit Programs System-wide had an unprecedented number of employees pass all or part of the Certified Internal Auditor exam.
- Electronic Management System – Several of the Internal Audit Programs implemented a new audit management software system, TeamMate, which includes electronic working papers to provide efficiencies in the audit process and increase productivity. The implementation involved a review and reengineering of the audit process at several of the institutions, and progress has been made on standardization of audit methodologies, programs, and documentation.
- Quality Assurance Reviews – Quality Assurance Reviews (QARs) ensure the Internal Audit Programs are conducting their work in compliance with The Institute of Internal Auditors’ *International Standards for the Professional Practice of Internal Auditing* (Standards). QARs are performed by audit professionals independent of the institution. QARs were completed for four institutions during the year: U. T. San Antonio, U. T. Brownsville, U. T. Arlington, and U. T. Health Center - Tyler. Additionally, follow-up QARs were completed at U. T. Pan American, U. T. System Administration, and U. T. Austin. Overall, the Internal Audit Programs were found to be in compliance with the Standards and have implemented or are in the process of implementing recommendations to improve efficiency and operations.

Internal Audit Program Activities

The following summarizes the consolidated activities of the institutional Internal Audit Programs compared to the budgeted plan for FY 2006:

| Area | Audit Budget Hours | Audit Actual Hours | Hours Variance | Percent Variance |
|----------------------|--------------------|--------------------|----------------|------------------|
| UT System Requested | 10,700 | 13,957 | 3,257 | 30% |
| Externally Required | 11,389 | 11,836 | 447 | 4% |
| Risk Based | 63,655 | 56,533 | -7,122 | -11% |
| Change in Management | 6,800 | 13,211 | 6,411 | 94% |
| Follow-up | 5,378 | 5,739 | 361 | 7% |
| Projects | 32,744 | 41,300 | 8,556 | 26% |
| Total | 130,666 | 142,576 | 11,910 | 9% |

Overall, the Internal Audit Programs accomplished the majority of their approved annual audit plans. Some of the audit hours budgeted were transferred, reallocated, cancelled or carried

3. U. T. System: Report on the System-wide Internal Audit Activities (cont.)

forward to FY 2007 for various reasons, including limited staff resources and special management requests or investigative matters that emerged during the year. These changes were communicated to the executive management and/or internal audit committees of the institutions. See Appendix A for total budget hours vs. actual hours by major category for FY 2006.

Staffing Activities

Positions

| | |
|---------------------------|-------|
| Number Budgeted: | 133.3 |
| Average Number Filled: | 108.9 |
| Average Years Experience: | 11.6 |

Certifications

| | |
|---|-----|
| Number of Certified Public Accountants: | 49 |
| Number of Certified Internal Auditors: | 51 |
| Number of Certified Information Systems Auditors: | 16 |
| Other Certifications: | 23 |
| Average Percentage of Staff with a certification: | 69% |

| | |
|-------------------------------------|------|
| Average Training Hours per Auditor: | 53.7 |
|-------------------------------------|------|

3. U. T. System: Report on the System-wide Internal Audit Activities (cont.)

Appendix A

| | UT System Requested | Externally Required | Risk Based | Change in Management | Follow-up | Projects | Total Actual | Total Approved Budget | Variance | Percent Variance |
|-------------------------------|---------------------|---------------------|---------------|----------------------|--------------|---------------|----------------|-----------------------|---------------|------------------|
| UTSYS ADM | 2,025 | 2,393 | 7,857 | 1,333 | 532 | 7,374 | 21,514 | 17,321 | 4,193 | 24% |
| Large Institutions: | | | | | | | | | | |
| UTAUS | 859 | 1,013 | 4,182 | 2,614 | 740 | 7,933 | 17,341 | 15,260 | 2,081 | 14% |
| UTSMC - Dallas | 1,096 | 786 | 9,324 | 2,878 | 872 | 3,445 | 18,401 | 15,340 | 3,061 | 20% |
| UTMB - Galveston | 1,162 | 834 | 3,891 | 249 | 670 | 3,771 | 10,577 | 11,575 | (998) | -9% |
| UTHSC - Houston | 1,139 | 336 | 4,224 | 373 | 381 | 2,906 | 9,359 | 7,860 | 1,499 | 19% |
| UTHSC - San Antonio | 1,571 | 549 | 3,470 | - | 555 | 1,618 | 7,763 | 6,320 | 1,443 | 23% |
| UTMDACC - Houston | 1,050 | 985 | 9,116 | 687 | 460 | 2,416 | 14,714 | 14,126 | 588 | 4% |
| subtotal | 6,877 | 4,503 | 34,207 | 6,801 | 3,678 | 22,089 | 78,155 | 70,481 | 7,674 | 11% |
| Mid-size Institutions: | | | | | | | | | | |
| UTARL | 482 | 452 | 3,218 | - | 428 | 1,126 | 5,706 | 4,700 | 1,006 | 21% |
| UTB | 293 | 284 | 1,101 | 567 | 211 | 1,422 | 3,878 | 3,936 | (58) | -1% |
| UTD | 1,002 | 1,066 | 1,685 | 1,117 | 2 | 429 | 5,301 | 5,112 | 189 | 4% |
| UTEP | 638 | 807 | 3,037 | 1,648 | 47 | 2,631 | 8,808 | 8,812 | (4) | 0% |
| UTPA | 580 | 891 | 1,323 | 891 | 124 | 1,225 | 5,034 | 4,520 | 514 | 11% |
| UTSA | 667 | 422 | 3,523 | - | 325 | 2,733 | 7,670 | 8,220 | (550) | -7% |
| subtotal | 3,662 | 3,922 | 13,887 | 4,223 | 1,137 | 9,566 | 36,397 | 35,300 | 1,097 | 3% |
| Small Institutions: | | | | | | | | | | |
| UTPB | 111 | 54 | 50 | 187 | 110 | 183 | 695 | 880 | (185) | -21% |
| UTTY | 364 | 205 | 519 | 167 | - | 998 | 2,253 | 2,500 | (247) | -10% |
| UTHC - Tyler | 918 | 759 | 13 | 500 | 282 | 1,090 | 3,562 | 4,184 | (622) | -15% |
| subtotal | 1,393 | 1,018 | 582 | 854 | 392 | 2,271 | 6,510 | 7,564 | (1,054) | -14% |
| TOTAL | 13,957 | 11,836 | 56,533 | 13,211 | 5,739 | 41,300 | 142,576 | 130,666 | 11,910 | 9% |
| Percentage of Total | 10% | 8% | 40% | 9% | 4% | 29% | 100% | 100% | - | 0% |

4. U. T. System: Annual Report on System-wide Institutional Compliance Program

**The University of Texas System
Institutional Compliance Program
Annual Report Summary
Fiscal Year Ended August 31, 2006**

Program Executive Summary

The University of Texas System Institutional Compliance Program was established to ensure that the entire U. T. System (including its 15 institutions) operates in compliance with all applicable laws, policies, and regulations governing higher education institutions. In order to achieve this assurance, the compliance offices at System Administration and each institution are charged with the following responsibilities:

- Perform annual compliance risk assessments,
- Provide campus-wide compliance training and promote compliance awareness,
- Assist in specialized training for high-risk compliance areas,
- Continuously monitor and inspect the institution's high-risk compliance activities,
- Manage the institution's confidential reporting mechanisms (hotline, etc.),
- Report compliance activities and significant compliance issues to executive management, and
- Actively engage an Institutional Compliance Committee that meets at least quarterly.

The System-wide Compliance Officer, Mr. Charles Chaffin, is responsible for apprising the Chancellor and Board of Regents as to the status and activities of each institution's compliance function. In total, over 100 employees System-wide provide direct support to the U. T. System Institutional Compliance Program.

The U. T. System has well-developed compliance programs in place, including active compliance officers and established executive compliance committees. The programs have established appropriate training, codes of conduct, campus newsletters, and the effective use of confidential reporting mechanisms. In addition, university-wide risk assessments have identified the key issues to be monitored and mitigated.

Training and monitoring plans have been developed at most of the institutions for the majority of the high risk areas. However, opportunities for enhancement exist in the areas of research, clinical research billing and information technology (IT) security. Another opportunity for improvement exists in ensuring that the institutional executive compliance committee prioritizes and monitors the high risk areas, ascertains that risk assessments have been conducted for all high risk areas, ensures that monitoring plans exist for all high risk areas and are reviewed for robustness, and that reports include the appropriate level of information needed to provide assurances of controls. Finally, opportunities exist to improve compliance officer-driven assurance activities, such as certifications, inspections, audits, and peer reviews.

System-wide Program Activity

During fiscal year 2006, the U. T. System-wide Compliance Office provided support to the Institutional Compliance Program through the following activities:

- **Coordinated institutional compliance program peer reviews** for three institutions, thus completing peer reviews at all 15 institutions over the past three fiscal years. To facilitate the peer reviews, the System-wide Compliance Office developed a peer review guide, standard engagement agreements and report formats. In addition, they helped identify best practices and

4. U. T. System: Annual Report on System-wide Institutional Compliance Program (cont.)

team members, coordinated preparatory review activities, and facilitated team meetings. Dates that the institutions received their peer reviews are as follows:

FY 2006: U. T. Austin, UTMB, U. T. Permian Basin

FY 2005: U. T. Arlington, U. T. Brownsville, UTSWMC, UTHSC-SA, UTMDACC

FY 2004: U. T. Dallas, U. T. El Paso, U. T. San Antonio, U. T. Pan American, UTHSC-H, U. T. System Administration, U. T. Tyler, U. T. San Antonio, UTHC-T

Benefits received from the facilitation of the peer reviews include: the identification and sharing of best practices, improved identification and monitoring of compliance activities, clarification of compliance roles and responsibilities, identification of the next steps for improving individual institutional programs and an enhanced sense of community and synergy between U. T. institutions.

- **Promoted the U. T. System Compliance Program at a national level and helped further higher education institutional compliance** through hosting the 5th Conference for Effective Compliance Systems in Higher Education in March 2006. The conference attracted over 230 participants representing over 80 institutions, including: SUNY System Administration, MIT, Yale University, Harvard Medical School, University of Washington, University of Vermont, and all of the U. T. System institutions. Featured speakers included: Regent Robert Estrada and U. T. Austin President William Powers, whose keynote address on the value of compliance in today's business environment received great feedback; Ms. Carol Blum from the Council on Governmental Relations focused on federal expectations of effective compliance programs; Mr. Scott Maberry, an attorney with Fulbright & Jaworski, discussed export controls compliance in the university context; Mr. Tom Schumacher from the University of Minnesota presented on Compliance Self-Assessments; and Ms. Michelle Fortnam from Stanford University and Ms. Laurel Harvey from Princeton University co-presented on the topic of compliance training and education.
- **Coordinated the drafting of the *Action Plan to Enhance Information Security Compliance***, which addresses the high risk area of Information Security Compliance as well as enhances the 1998 and 2003 *Action Plan to Ensure Institutional Compliance*.
- **Collaborated with the Institutional Compliance Officers in the development of the Institutional Compliance Advisory Council (ICAC)**. The ICAC was formed to establish a self-governing committee of the U. T. System's institutional compliance officers. ICAC meetings were held in December, June, and August. The December meeting established three standing committees: Risk Assessment & Monitoring Plans, Peer Reviews, and Compliance Training. Topics from the June meeting included executive compliance committee roles and responsibilities, social security number security and the IT Security Action Plan. The meeting in August was a training session, serving to define the roles and responsibilities of the institution's compliance offices.
- **Coordinated the Hotline RFP and Contract** – Chaired an RFP committee comprised of representatives from across the U. T. System to select a provider of a confidential reporting mechanism. In the end, The Network Inc. was selected to continue providing confidential reporting services to the U. T. System institutions via third-party serviced telephone hotlines. The agreement maintains our existing service levels, but at a 44 per cent cost reduction over

4. U. T. System: Annual Report on System-wide Institutional Compliance Program (cont.)

current rates, and was extended through FY08 with the option to renew for three additional one-year terms.

- **Facilitated and participated in meetings of the High-risk Working Groups**, including Environmental Health & Safety (EH&S), NCAA, Information Technology, Medical Billing, and Endowment Compliance.
- **Maintained a national presence through active participation in periodic meetings of the University Compliance Group (UCG)** and hosted a face-to-face meeting with this group in Austin in conjunction with the March 2006 Compliance Conference. The UCG is comprised of compliance representatives from large research institutions, including Duke University, University of Minnesota, UCLA, University of Michigan, Stanford University, and Harvard University.
- **Coordinated compliance tracks for the Association of College and University Auditors' (ACUA)** mid-year conference in April 2006 and annual national conference in September. Speakers included experts from across the country and throughout the U. T. System presenting on compliance topics including: EH&S, Research, NCAA, Student Financial Aid, Endowment Management, Construction, and Compliance Fundamentals.

Institutional Program Activity¹

Risk Assessment and Monitoring Activities

Institutional Compliance Officers are responsible for working with their high risk area responsible parties to help identify and prioritize compliance risks at their institution. Executive Compliance Committees (ECC) comprised of top ranking officials at the institution approve the identification of "institutionally significant" compliance risks – risks that, if realized, would have a significant impact on the ability to achieve the goals and objectives of the institution.

The Compliance Officers are also responsible for ensuring that each compliance risk identified as institutionally significant has a single responsible party assigned to it, and that detailed risk assessments have been conducted to identify specific risk exposures. Additionally, Compliance Officers help assist and/or ensure that each responsible party creates and implements robust risk management plans in order to manage those risks to an acceptable level. Risk management plans should include the following:

- **Specialized training:** developed and provided to appropriate personnel by content experts
- **Monitoring plans:** operating, monitoring, and oversight controls are being performed by specified individuals
- **Monitoring activities:** validating that controls are consistently executed
- **Reporting:** submit reports on monitoring activities and specialized training activities, including causes of failure and corrective actions
- **Reassessing the environment:** monitoring the changing risk environment

¹ Details regarding activities at the institutional level are published in the *Institutional Compliance Program Annual Report for Fiscal Year 2006*.

4. U. T. System: Annual Report on System-wide Institutional Compliance Program (cont.)

Most institutions identified between 8 and 13 institutionally significant areas of high compliance risk, with multiple high compliance risk exposures within those areas. Common risk areas that the Institutional Compliance Officers focused on during FY 2006 included:

- **Asset Management** — safeguarding of physical and financial assets
- **Clinical Billing** — medical billing that is not appropriately documented and coded
- **Endowments** — adherence to terms of endowment agreement
- **Environmental Health & Safety** — proper use and handling of dangerous materials, lab safety, fire and life safety, radiation safety, biological safety, and environmental protection
- **Human Resource** — adherence to applicable rules, regulations and laws including equal opportunity/affirmative action, leave administration, and fair hiring practices
- **Information Resources/Security** — systems integrity/continuity/availability, security regulations, and external access
- **Intercollegiate Athletics** — adherence to the rules and regulations of the NCAA
- **Research** — research not conducted in accordance with approved protocol or federal regulations
- **Contract Administration / Effort Reporting** — improper effort reporting on federal grants, unallowable costs
- **Privacy (HIPAA, FERPA, Gramm-Leach-Bliley)** — improper disclosure of private, sensitive, protected information; SSN security

Many of the risk assessment and monitoring activities listed above are on track: quarterly ECC meetings are taking place (with appropriate membership), responsible parties are assigned to institutionally significant risks, and risk management plans exist for most high risk areas. However, opportunities for improvement exist which will be a focus in FY 2007. These include ensuring that the ECC prioritizes and monitors the high risks, conducts risk assessments for all the high risk areas, reviews monitoring plans for all high risk areas and ensures their robustness, and ensures reports include the appropriate level of information necessary to provide assurances of control.

Assurance Activities and Significant Findings

For the institutionally significant risks, Compliance Officers are responsible for ensuring that assurance strategies are conducted. The following types of assurance activities were performed at some of the institutions during the year:

- **Certifications** – Assessments by the responsible party to certify their compliance with laws, rules, and policies and the existence of sound internal controls in their high risk area. In FY 2006, certifications were received in the areas of NCAA compliance, expenditures in endowed funds, fire suppressant systems, and spending area certifications.
- **Inspections** – Compliance office sampling and observation to ensure that mitigating activities defined in the monitoring plan are being appropriately performed for all high-risk areas. Numerous internal and external inspections were conducted on most of the risk items in FY 2006.
- **Audits** – Internal and external audits were performed for high-risk areas based on priority risks, audit cycles, or the perceived readiness of high-risk areas for which compliance plan objectives had been accomplished. Risk areas covered included human subjects studies, IT, NCAA, fire safety, time and effort reporting, and endowments.

4. U. T. System: Annual Report on System-wide Institutional Compliance Program (cont.)

- **Peer Reviews** – Peer reviews are conducted by area experts and serve to validate the existence of sound practices and controls within specialized functional areas. Peer reviews covered high-risk areas such as EH&S, FERPA, and Student Financial Aid in FY 2006. In addition, external reviews of the overall compliance program infrastructure and activities were completed for U. T. Austin, UTMB, and U. T. Permian Basin.

While numerous assurance activities were performed during the year, many high risk areas lacked the administration of sufficient assurances. In fact, most institutions self-reported that a large number of their high risks areas had opportunities for enhancing control. As a result, increased compliance officer-driven assurance activities will be an area of key focus in FY 2007.

Training Activities

Compliance Officers are responsible for coordinating general compliance training and for maintaining and publicizing a Standards of Conduct Guide at their institutions. General compliance training is conducted using a variety of formats including online, classroom, and written materials. Tens of thousands of employees completed this training during the year, or more than 95% of the required population. Additionally, specialized training was conducted for high-risk areas including: Endowments, EH&S, HIPAA, Human Resources, Intercollegiate Athletics, Research Administration, SSN Privacy, Medical Billing, Account Reconciliations, Effort Reporting, Clinical Documentation, and Human Subjects Protection.

Compliance Officers have been effective at ensuring that General Compliance training and Codes of Conduct guides are delivered to the right people at the right time.

Action Plan Activities

A majority of the Action Plans established by each institution for FY 2006 focused on the following activities: enhancement of general compliance training, enhancement of compliance awareness, updating compliance risk assessments to include new risks, revision of the Standards of Conduct Guide or Compliance Manual, and enhancement of the confidential reporting mechanism tracking system. The majority of items identified in the 2006 Action Plans were completed. The remaining items are in the process of completion at this time.

Other Activities

Many compliance offices engaged in a number of additional activities at the request of institutional management. These activities include, but are not limited to:

- Coordination of SSN remediation efforts in accordance with *Business Procedures Memorandum 66 – Social Security Number Confidentiality* implementation
- Assistance with Enterprise-wide Risk Assessments
- Implementation of the 2006 Action Plan to Enhance Information Security Compliance
- Time and Effort Reporting assessments and Process Improvement initiatives

4. U. T. System: Annual Report on System-wide Institutional Compliance Program (cont.)

Confidential Reporting

Institutions have established mechanisms for confidential reporting including: third-party serviced telephone hotlines, anonymous electronic mailboxes, voicemail boxes, and postal mailboxes. The confidential reporting mechanisms are promulgated through Web sites, posters, payroll stuffers, and newsletters. Additionally, reports may be made directly to the Compliance Officer. Reports of suspected instances of non-compliance received in FY 2006 were categorized as follows:

| Type | Number | % of Total |
|---|--------|------------|
| Improper Use of University Property & Resources | 61 | 9 |
| Human Resources | 393 | 59 |
| Healthcare | 76 | 12 |
| Research | 9 | 1.5 |
| Policy / Ethics | 32 | 5 |
| Safety | 14 | 2 |
| Fiscal Reporting/Audit | 10 | 1.5 |
| Miscellaneous | 68 | 10 |
| Total | 663 | 100% |

Each institution has established an appropriate and effective triage process. Members of the triage teams may include: Compliance Officer, Chief of Police, Director of Internal Audit, Director of Human Resources, Legal Officer, or other members of the Compliance Committee. Confidential reports received by the compliance programs have been appropriately resolved or are currently under investigation.

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

THE UNIVERSITY OF TEXAS SYSTEM



















KEY FINANCIAL INDICATORS REPORT

JULY 2006

2. U. T. System: Key Financial Indicators Report (cont.)

KEY

| | |
|---|---|
|  | Actual 2002 Through 2005 amounts (SOURCE: Annual Financial Reports Fiscal Years 2002, 2003, 2004 and 2005) |
|  | 2006 Budget amounts (SOURCE: Operating Budget Summary 2006) |
|  | Projected 2006 amounts (trend based on the average change of the previous four years of data) |
|  | Monthly Financial Report Year to Date amounts for July 2005 and July 2006 |
|  | Annual State Net Revenue Collections for 2002, 2003, 2004 and 2005 (SOURCE: Texas Revenue History by Source 1978-2005, State Comptroller's Office) |
|  | Year to Date State Net Revenue Collections for July 2005 and July 2006 (SOURCE: State Comptroller's Office) |
|  | Estimated State Revenue Collections for 2006 (SOURCE: 2006-07 Certification Revenue Estimate, State Comptroller's Office) |
|  | 2002, 2003, 2004 and 2005 Annual Average of FTEs, Average of 1st, 2nd and 3rd Quarter 2006 FTEs (SOURCE: State Auditor's Office Quarterly FTE Report) |
|  | Year to Date margin for July 2006 (SOURCE: Monthly Financial Report for July 2006) |
|  | Projected 2006 (SOURCE: Monthly Financial Report Year- End Projections collected July 2006) |
|  | Year to Date margin for July 2005 (SOURCE: Monthly Financial Report for July 2006) |
|  | Target Normalized Rates |
|  | Aaa/Aa1 Median (SOURCE: Moody's) |
|  | A2 Median (SOURCE: Moody's) |
|  | Fair Facilities Condition Index (5% - 10%) |
|  | Good Facilities Condition Index (Exceeds 10%) |

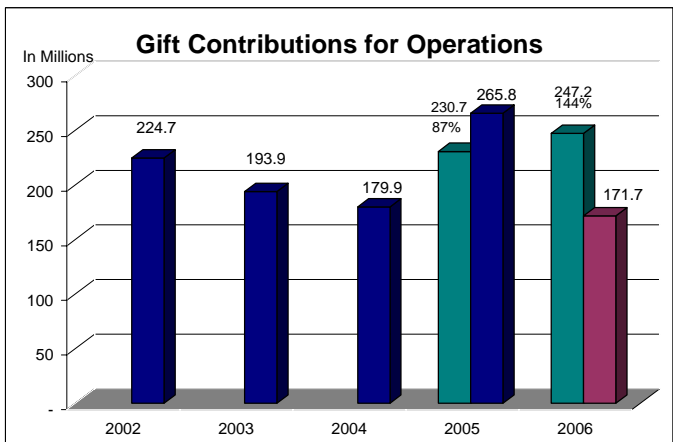
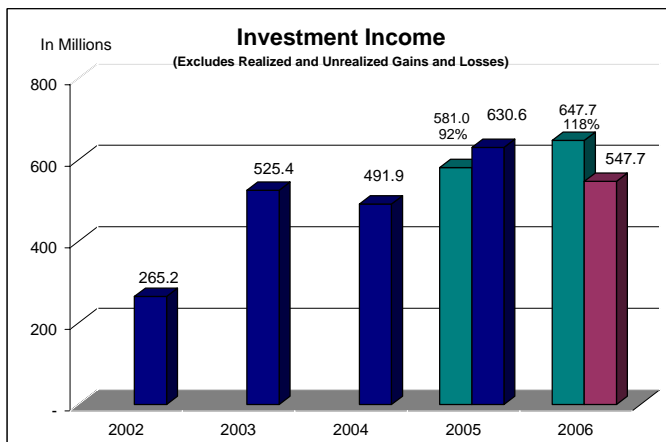
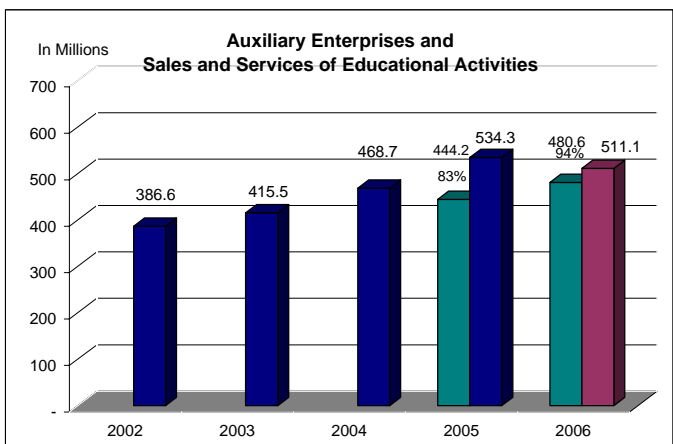
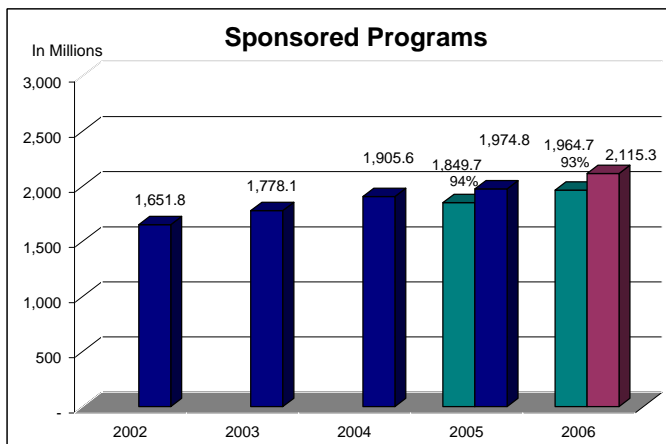
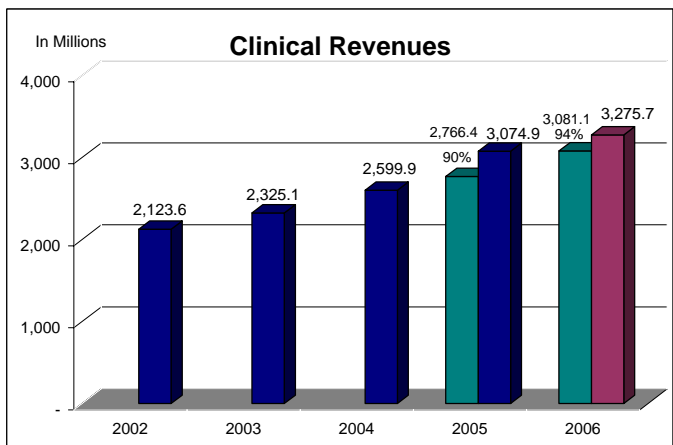
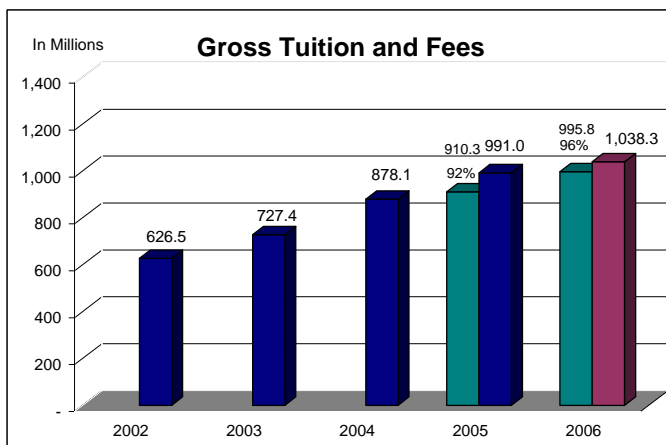
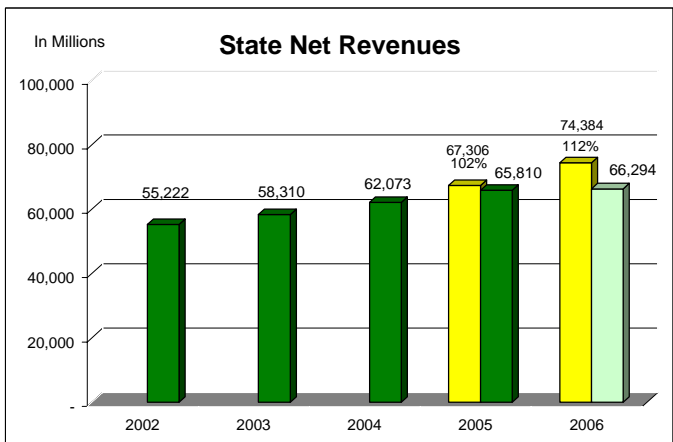
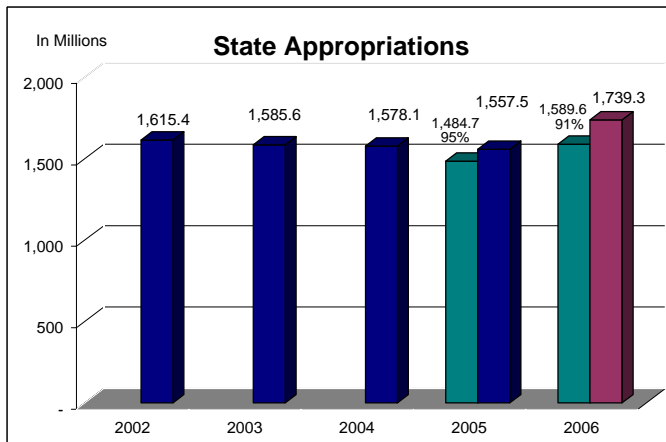
2. U. T. System: Key Financial Indicators Report (cont.)

KEY INDICATORS OF REVENUES

ACTUAL 2002 THROUGH 2005

PROJECTED 2006

YEAR TO DATE 2005 AND 2006 FROM JULY MONTHLY FINANCIALS



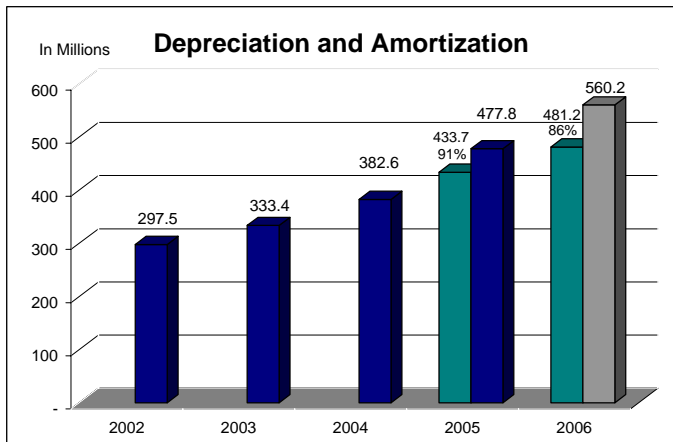
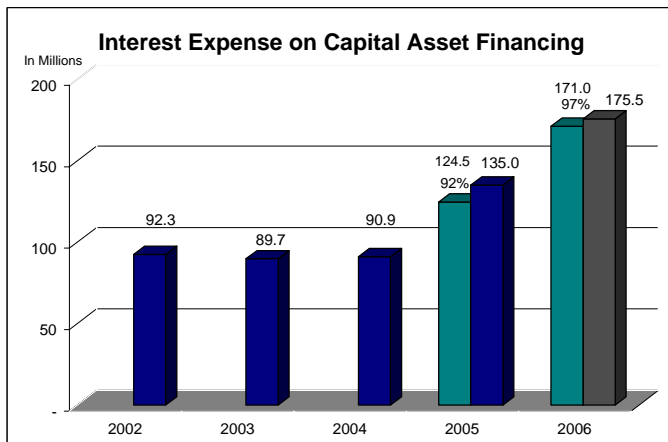
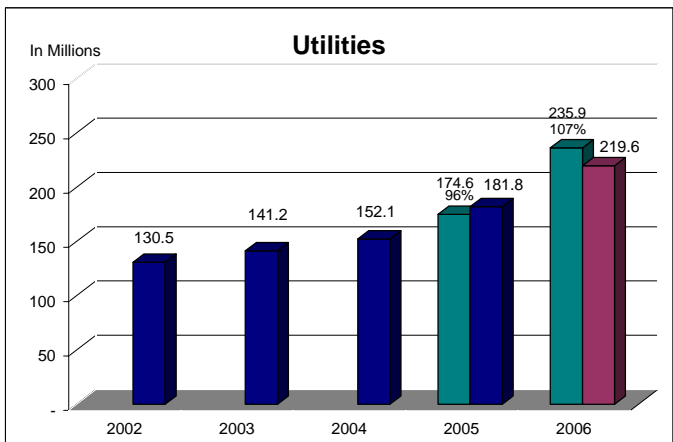
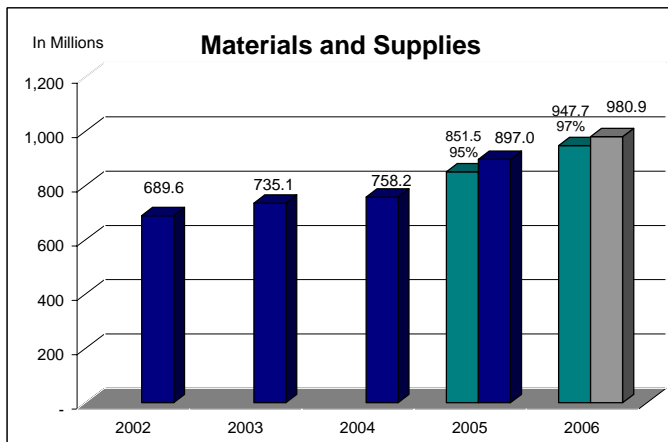
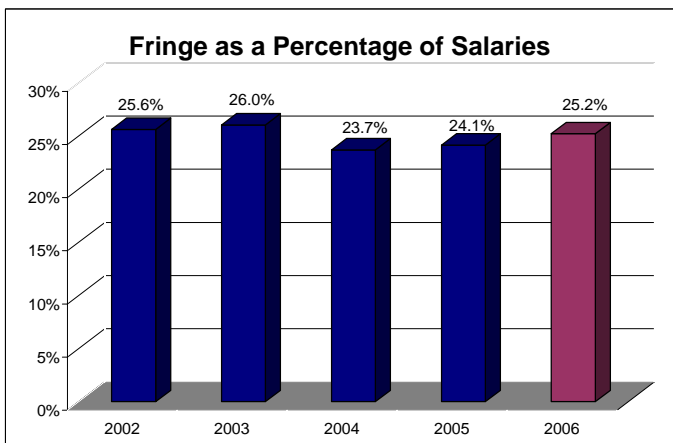
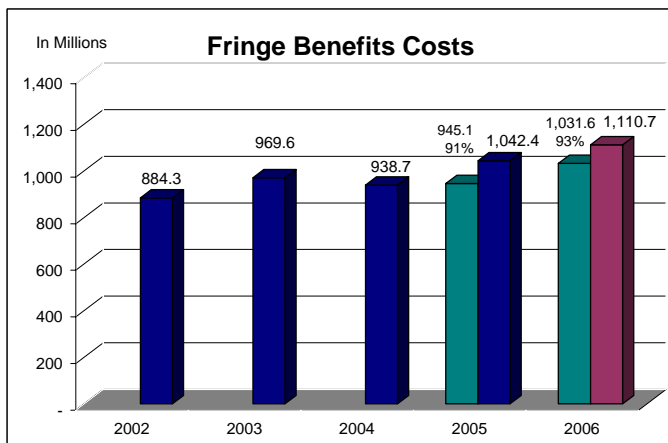
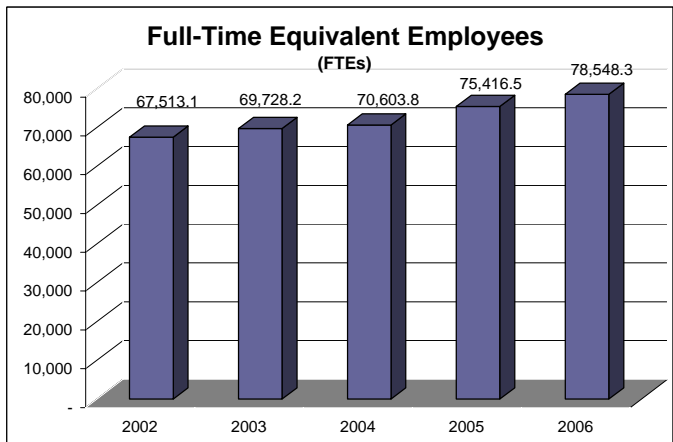
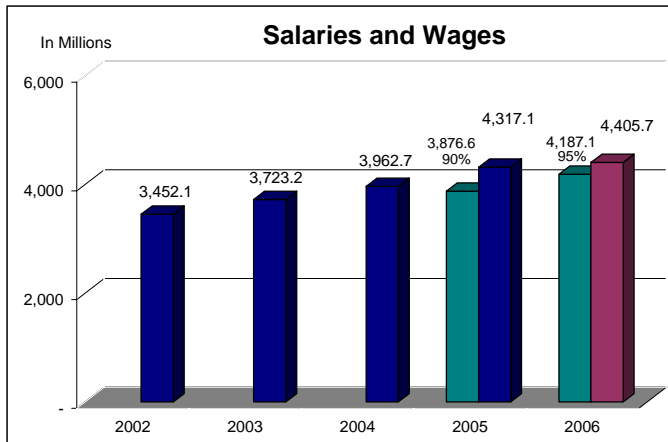
2. U. T. System: Key Financial Indicators Report (cont.)

KEY INDICATORS OF EXPENSES

ACTUAL 2002 THROUGH 2005

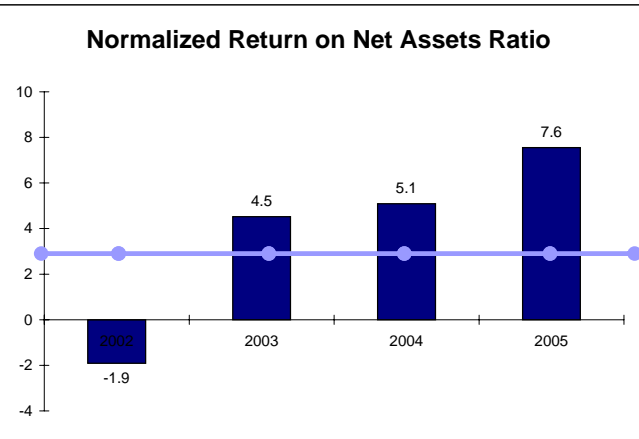
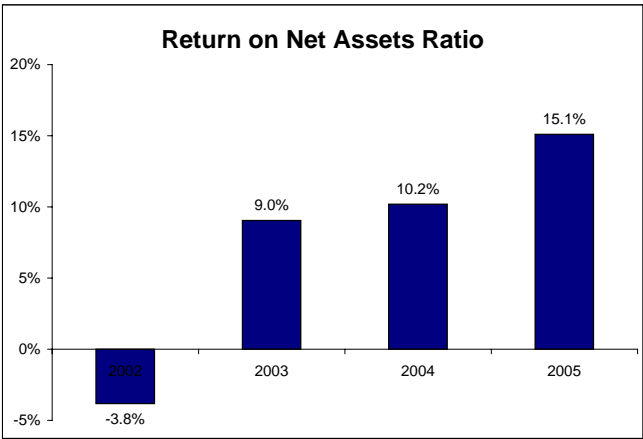
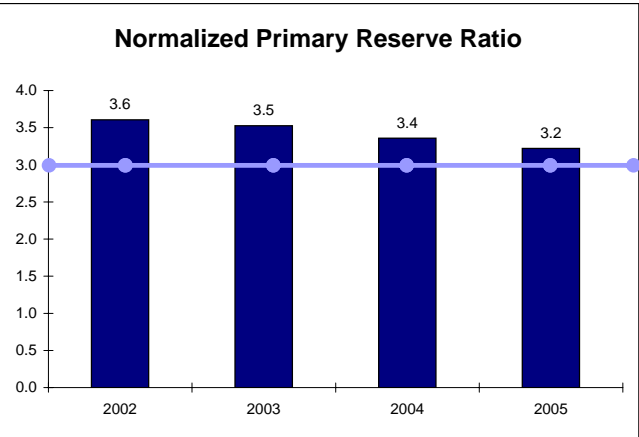
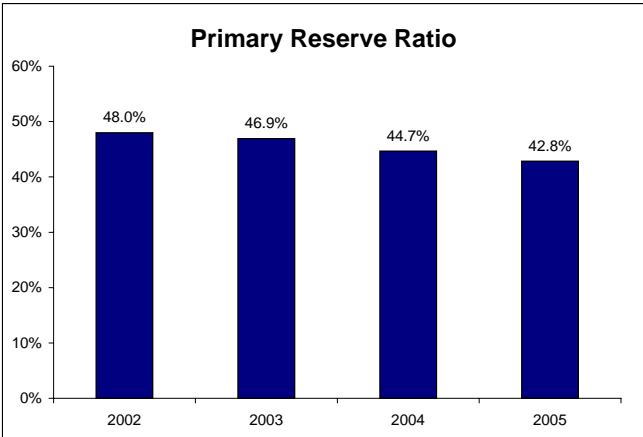
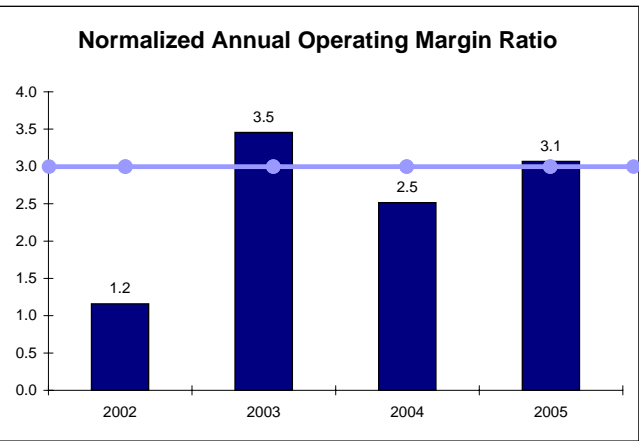
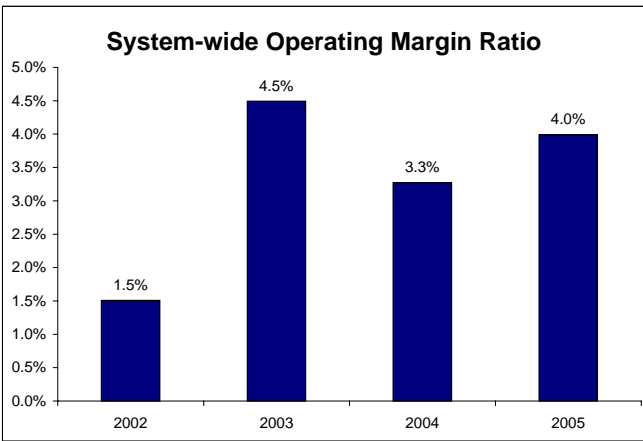
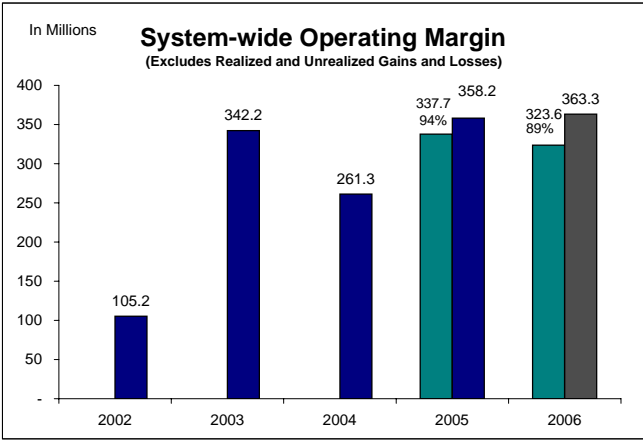
PROJECTED 2006

YEAR TO DATE 2005 AND 2006 FROM JULY MONTHLY FINANCIALS



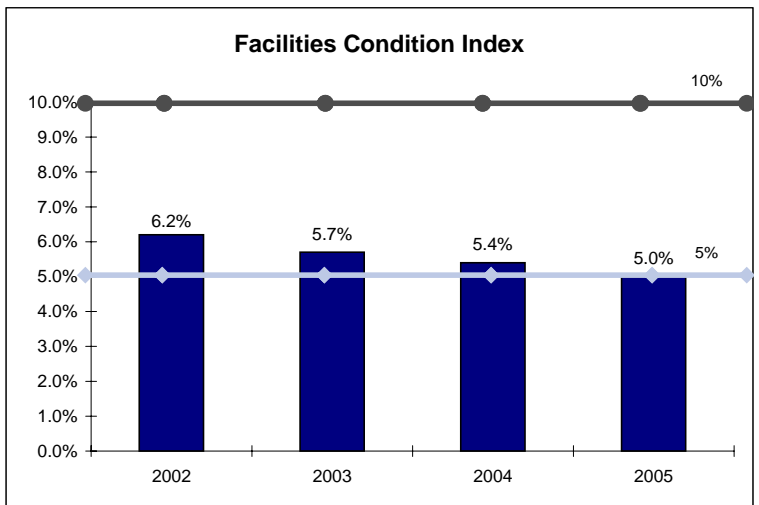
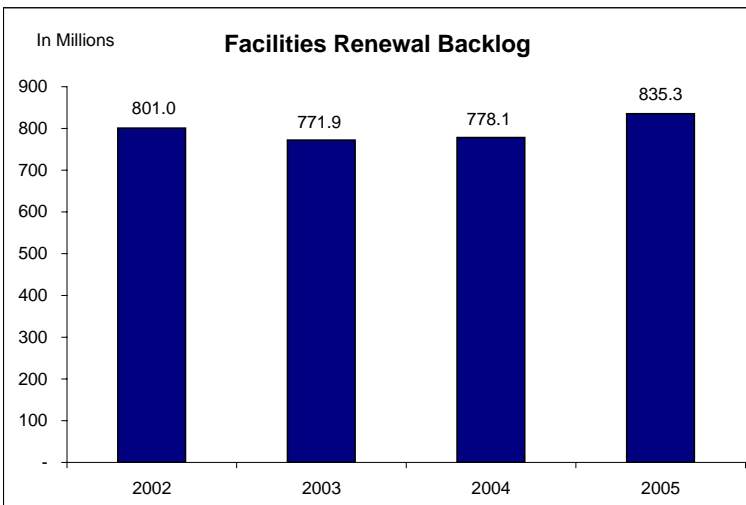
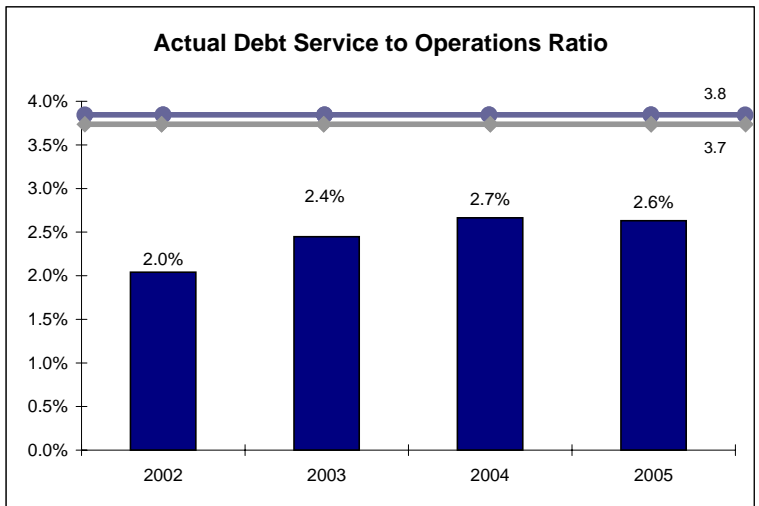
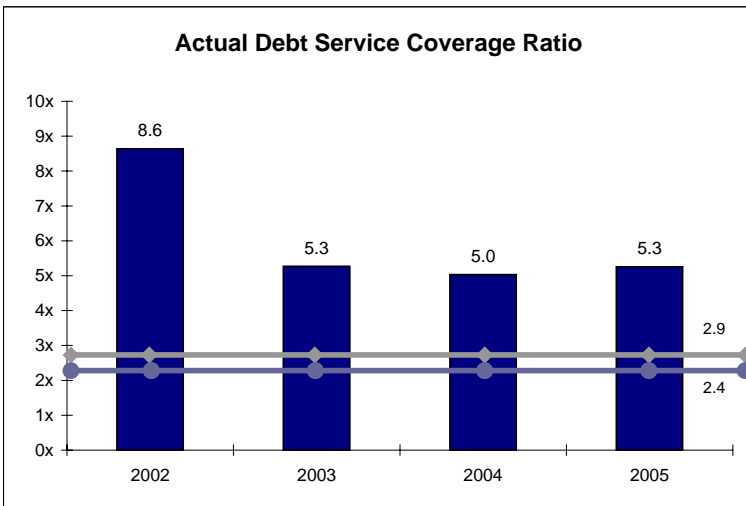
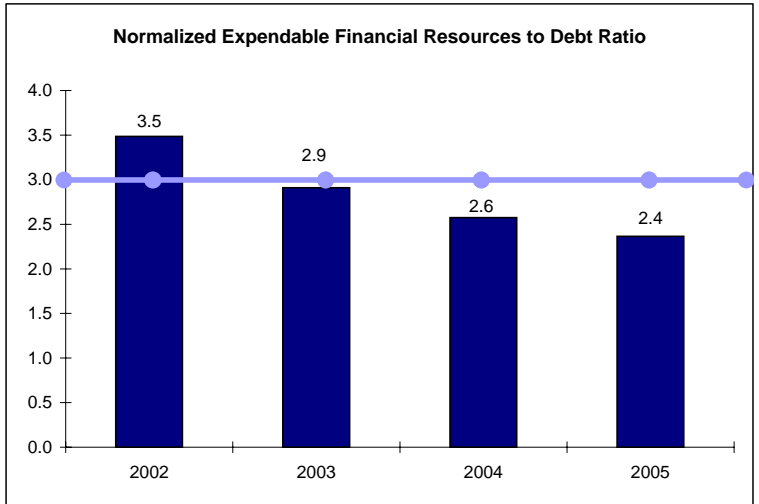
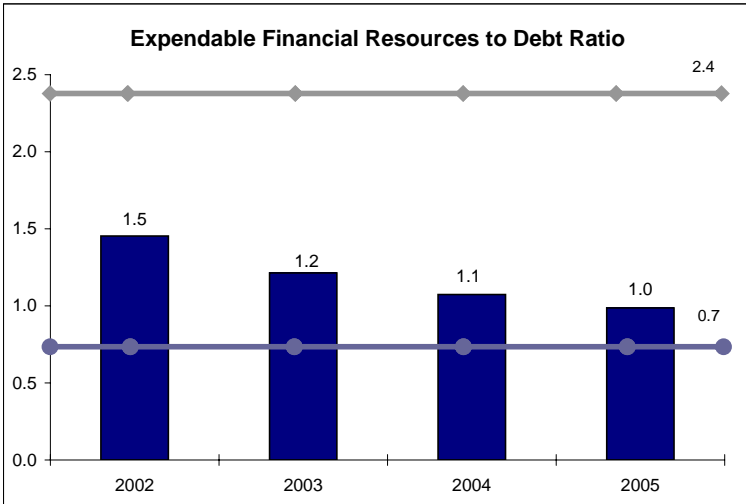
2. U. T. System: Key Financial Indicators Report (cont.)

KEY INDICATORS OF RESERVES ACTUAL 2002 THROUGH 2005 YEAR TO DATE 2005 AND 2006 FROM JULY MONTHLY FINANCIALS PROJECTED 2006



2. U. T. System: Key Financial Indicators Report (cont.)

KEY INDICATORS OF CAPITAL NEEDS AND CAPACITY 2002 THROUGH 2005

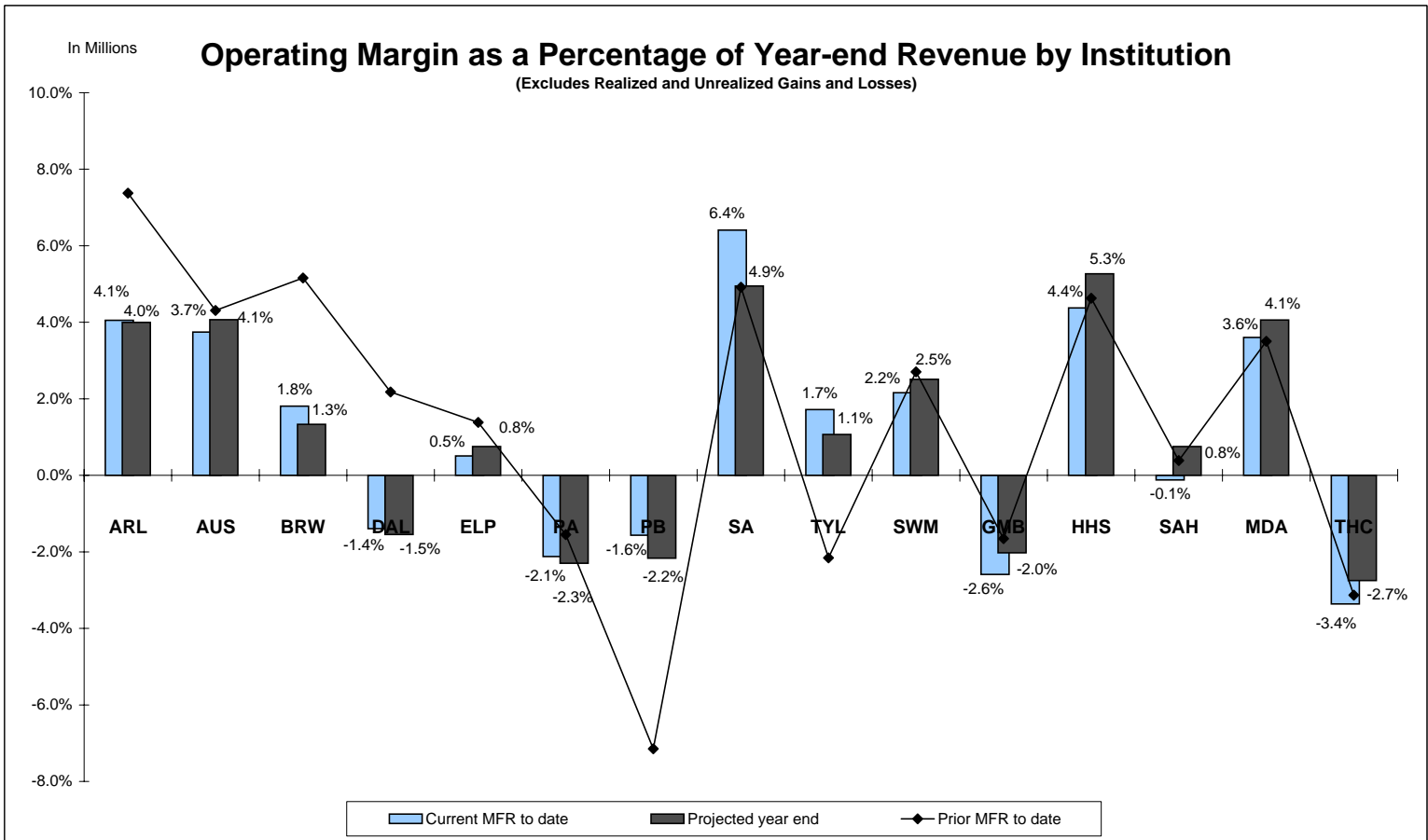
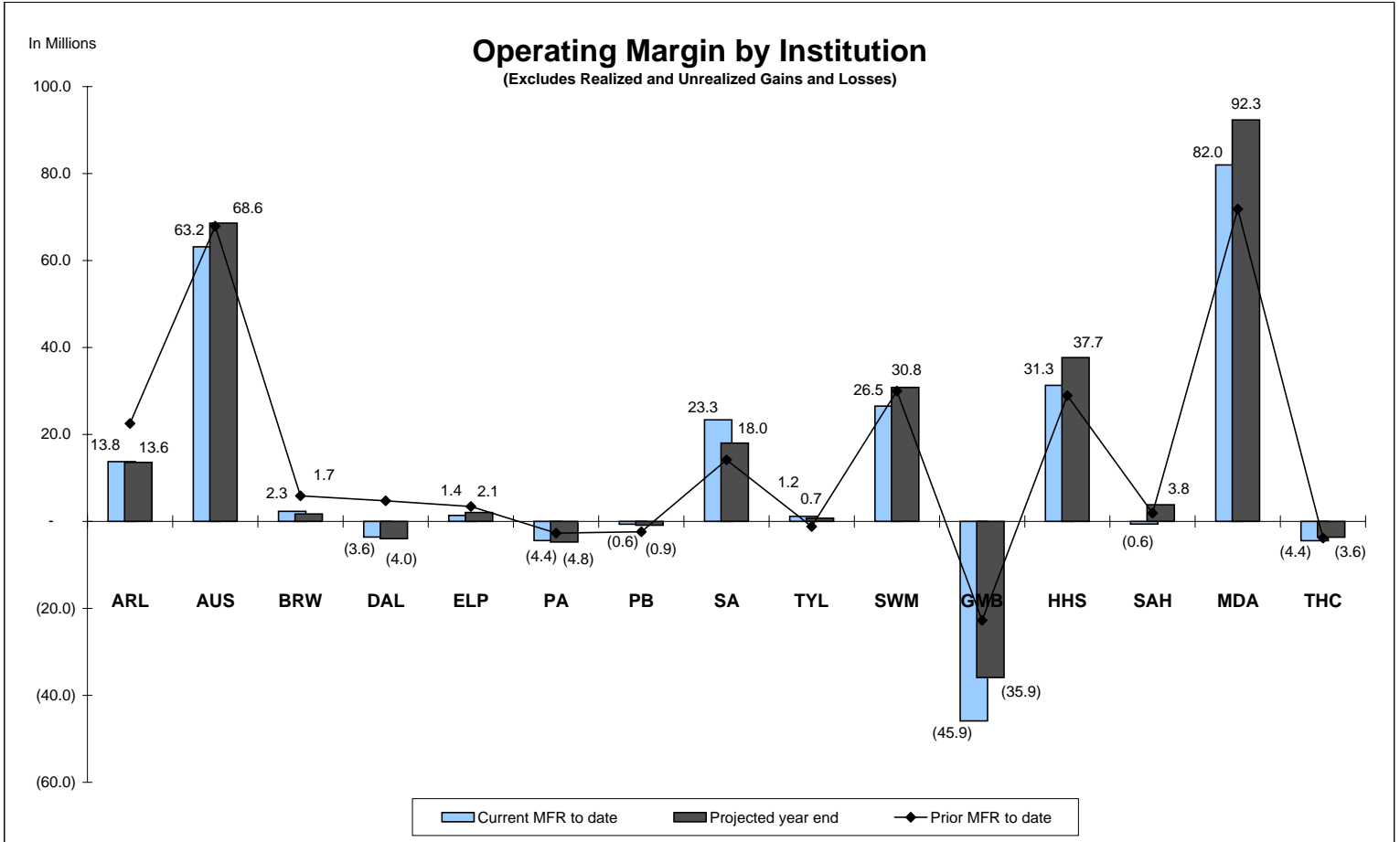


2. U. T. System: Key Financial Indicators Report (cont.)

KEY INDICATORS OF RESERVES

YEAR TO DATE 2005 AND 2006 FROM JULY MONTHLY FINANCIALS

PROJECTED 2006 YEAR-END MARGIN



3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services

Summary of TSI Recommendations by Category and U. T. System Response

| | Treasury Activity | TSI Activity-Specific Recommendations | U. T. System Interim Response |
|----|-----------------------------------|---|---|
| 1. | Treasury Organization / Structure | <ul style="list-style-type: none"> • Need System-wide compliance effort and consistent written policies • Enforce credit card Payment Card Industry (PCI) standards • Consider common Enterprise Resource Planning (ERP) system and use of Treasury Workstation(s), if cost-justified • Upgrade System-wide banking collateral monitoring system • Consider full or partial centralization of treasury functions at U. T. System | <p>U. T. System recommends the creation of a System-wide working group to address standardization opportunities. In the interim:</p> <ul style="list-style-type: none"> • U. T. System has sponsored a PCI training workshop for the institutions and most institutions are now compliant. All others are working towards full compliance by the end of the year. • U. T. System has initiated a process to review, select, and implement a new banking collateral monitoring system. |
| 2. | Banking | <ul style="list-style-type: none"> • Consider consolidating banks; weigh pros and cons of local providers • Rebid banking services System-wide • Develop process to monitor fees, service levels, and effectiveness of banks | <p>Based on TSI's data, several institutions have already instituted a more competitive fee schedule for banking RFPs. The working group will use System-wide negotiating leverage to institute a more competitive and consistent fee schedule for banking services for all institutions.</p> |
| 3. | Cash Positioning | <ul style="list-style-type: none"> • Automate concentration and disbursement activities through a single master account • Consider use of treasury workstation(s) | <ul style="list-style-type: none"> • Most institutions already have a single concentration account and sweep the vast majority of cash into the Short Term Fund daily. The working group will review the feasibility of automating the concentration and daily sweep of funds from a single master account at all institutions. • None of the institutions have elected to purchase a treasury workstation due to cost/benefit concerns. The working group will consider workstations as part of the automation effort. |
| 4. | Collections | <ul style="list-style-type: none"> • Continue shift from cash and paper to electronic collections • Accelerate collection of checks received at point of sale • Ensure System-wide armored car contract • Consolidate and/or more closely monitor lockbox services • Automate information processing and enhance communications with other departments | <ul style="list-style-type: none"> • The larger institutions already have electronic collections systems in place. • The System working group will pursue a System-wide armored car contract to reduce fees. • The System working group will review the possibility of consolidating lockbox services. |

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

| | Treasury Activity | TSI Activity-Specific Recommendations | U. T. System Interim Response |
|----|--------------------------|--|---|
| 5. | Disbursements | <ul style="list-style-type: none"> • Encourage institutions to move toward a centralized disbursement process • Ensure that disbursement capabilities allow for multiple payment options • Improve System-wide documentation and processes supporting disbursement of funds | <ul style="list-style-type: none"> • The larger institutions already utilize a centralized disbursement process allowing for multiple payment options. |
| 6. | Controls | <ul style="list-style-type: none"> • Voluntarily adopt control objectives in Sarbanes-Oxley Act of 2002 (SOX), with particular emphasis on implementing Committee of Sponsoring Organizations (COSO) standards (control environment, risk assessment, etc.) • Ensure that basic treasury-related controls are in place throughout the System • Test controls periodically through external or internal audits | <ul style="list-style-type: none"> • Treasury functions are already subject to SOX audit. System working group will investigate cost/benefit of implementing COSO standards. • System working group will review possibility of standardizing treasury-related controls System-wide. • System Audit Office will ensure that controls are tested on a scheduled basis. |
| 7. | Technology | <ul style="list-style-type: none"> • Perform cost/benefit analysis on treasury workstation technology • Examine replacement for U. T. System collateral system | <ul style="list-style-type: none"> • System working group will review cost/benefit of treasury workstations. • U. T. System has initiated a process to review, select, and implement a new banking collateral monitoring system. |

3. **U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)**



The Power of ExperienceSM

The University of Texas System Treasury Best Practices Review Final Report

May 31, 2006



Table of Contents

- » Executive Summary
- » Project Objectives and Scope
- » Project Methodology
- » Treasury Best Practices Overview
- » Findings
- » Recommendations
- » Summary of Potential Savings
- » Appendix
 - » Process Flow Charts
 - » Best Practice Matrices
 - » Bank Fee Analyses
 - » Proposed Implementation Sequencing and Timing

Executive Summary

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

Treasury Strategies has completed a comprehensive review of both the Academic and Health institutions of The University of Texas System. Our examination determined that activities performed by each of the fifteen treasury centers are well managed in the areas of collections and disbursements. However, across the majority of the institutions, structure, banking, cash positioning, controls and technology fall short of efficient execution. In applying best practice criteria to the existing U.T. institutional structure, there are obvious successes and clear failings leading to our final recommendations.

Independently, several institutions (U.T. MD Anderson, U.T. HSC Houston and U.T. MB Galveston) perform well from a control, structure and concentration perspective, and require minimal support from the University of Texas System Administration Office of Finance (“UTOF”). Other institutions are strong in some areas, but are significantly deficient in others. For example, several institutions have made strides in the use of P-cards, in collecting tuition payments online and in centralizing A/P processing (through the Define system). However, some of these same institutions have no disaster recovery plan in place, and calculate their cash positions on an adding machine.

Through the course of our review, we identified a number of institution-specific improvement opportunities. These are described in detail throughout our report. However, as we evaluated the system as a whole, we formed some more far-reaching conclusions and recommendations of a more strategic nature.

- 1) The centralization of treasury at UTOF would enhance operational performance, improve governance capabilities, strengthen the treasury control framework and produce cost savings across the entire organization. Furthermore, a centralized treasury is needed to provide the necessary leadership and guidance on key issues such as compliance with Payment Card Industry (PCI) standards, policy formation and governance (including disaster planning), effective balance management and successful utilization of treasury technology.
- 2) Consolidation of banking structure and relationships will lead to consistencies in form, function and processes, thereby reducing fees, bank balances and adding control. As part of the recommended centralized treasury role, UTOF should actively coordinate system-wide efforts to acquire effective services and technology, and leverage U.T. System’s scale to achieve optimal savings in these areas.

Executive Summary

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

3) The U.T. System has significant opportunities available to enhance balance management and investment practices. At present, the individual institutions perform minimal cash forecasting, and are ineffective in their bank balance management practices. To illustrate, in December of 2005, system-wide collected bank balances totaled over \$9.8M. These funds were held in non-interest bearing bank accounts, in spite of the fact that State institutions are permitted to maintain interest bearing accounts, and UTOF provides institutions access to short and intermediate term investment funds with their Short-Term Funds ("STF") and Intermediate-Term Funds ("ITF"). We believe that these excess balances are the result of ineffective banking structures and cash management procedures, inadequate organizational policies, limited technology and tools, and poor cash forecasting. Overall, our review confirmed that there is a significant opportunity to improve U.T. treasury processes, procedures, controls and policies. Working independently, U.T. treasury groups have made varying levels of progress in developing effective and efficient treasury processes, procedures and structures.

It is clear that a centralized treasury leadership structure, coupled with effective processes and tools, will allow U.T. to achieve a significantly higher level of performance and control. Furthermore, the expected net benefits from a centralized treasury materially outweigh those available from less centralized structures. By centralizing treasury, restructuring banking, and improving policies, technology and cash forecasting, we believe that UTOF will be well positioned to manage system-wide cash more effectively, reduce idle cash balances, optimize system-wide investment earnings, and properly lead key treasury improvement and control initiatives. As a result of these efforts, we conservatively estimate that U.T. will realize the following annual economic savings:

Potential Annual Savings - Under Three Operating Scenarios

| | Fully Centralized Treasury | Dual Centralization Structure | Modified Practices Under Existing Treasury Structure |
|-------------------------------|----------------------------|-------------------------------|--|
| Staffing | \$ 750,000 | \$ 650,000 | \$ - |
| Banking | \$ 1,293,741 | \$ 1,135,034 | \$ 344,458 |
| Improved Balance Management | \$ 98,000 | \$ 49,000 | \$ 24,500 |
| Other | \$ 1,6569 | \$ 6,055 | \$ 3,027 |
| Estimated Implementation Cost | \$ 2,158,310 | \$ 1,840,089 | \$ 371,985 |
| Net Potential Savings | \$ 1,491,023 | \$ 1,172,202 | \$ (284,353) |
| | | | \$ 87,632 |

• Centralization of treasury function handled in UTOF and not in the individual institutions

** Two centralized treasury functions: one for academic & one for health institutions

*** No centralization of treasury function. However, changes still made to enhance existing treasury practices where feasible

Project Objectives and Scope

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

Perform a comprehensive best practices review of the cash management operations at The University of Texas Academic and Health institutions to identify opportunities for improvement in operational quality, technology and controls, cash management processes and banking administration and services. The scope includes:

- » Treasury organization
- » Treasury policies and control
- » Assessment of cash operations efficiency
- » Review of payments, security and control
- » Collections, deposits, disbursements
- » Funds movement, cash positioning and balance management
- » Cash forecasting
- » Banking structure, relationship management and administration
- » Comparison of fees to market average prices
- » Levels of payment automation
- » Appropriate use of treasury technology
- » Assessment of disaster preparedness

Project Methodology

- » To achieve the objectives defined for this project, Treasury Strategies established two separate resource teams to perform the work: one focusing on U.T.'s Health institutions, and the other on U.T.'s Academic institutions. The efforts of both teams were closely coordinated to ensure that they followed consistent methodologies, and leveraged each other's work.

- » Throughout this engagement, Treasury Strategies used a combination of qualitative and quantitative fact-finding, combined with a vigorous analysis process. Our work in each area included:
 - » Qualitative fact-finding:
 - › Interviews with key treasury-related personnel in UTOF and Academic and Health institutions.
 - › Observation of cash management related processes.
 - » Quantitative analysis
 - › Data collection and review of the following:
 - Bank analysis statements
 - Bank statements
 - Account reconciliations
 - Policies/procedures
 - Process flow documents
 - Organizational charts
 - Check processing

Treasury Best Practices Overview

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

| | Above Average | Average | Below Average |
|-----------------------------------|---------------|---------|---------------|
| Treasury Organization / Structure | | | X |
| Banking | | | X |
| Cash Positioning | | | X |
| Collections | | X | |
| Disbursements | | X | |
| Controls | | | X |
| Technology | | | X |

| | |
|-----------------------------------|--|
| Treasury Organization / Structure | |
| Banking | |
| Cash Positioning | |
| Collections | |
| Disbursements | |
| Controls | |
| Technology | |

Academic

- » Academic treasury centers are operating without formalized documentation in place and in general, without regular audits or review of treasury functions.
 - » Each academic institution has its own treasury group, although in some cases, there are multiple Bursar functions to serve satellite campuses.
 - » All nine academic institutions have adequate “approved” staffing levels. However, many institutions are operating at lower than normal staffing levels due to open positions.
 - » Academic institution treasury groups are lacking formalized policies to define acceptable operating guidelines for the various treasury related responsibilities. Furthermore, there is minimal written procedural documentation to support major processes and functions within Treasury.

Health

- » The larger Health institutions each have a fully functional treasury group. Their smaller counterparts perform cash management under the mantle of Accounting.
 - » Clearly defined and well documented policies and procedures are in place with the larger Health institutions. These institutions function with a clear understanding of their role as a partner to accounting.
 - » The Health institutions have strong working relationships both with internal departments and external service providers. They play an active role in developing and raising awareness of practices that impact treasury. U.T. HSC Houston has implemented a Cash Control Committee involving a member of each major operation to address on-going treasury needs and issues.
 - » Treasury centers designed as part of an accounting function have focused less time on defining/updating policies, procedures or disaster recovery (business continuity) plans than the larger institutions.

System-Wide

- » The University of Texas Office of Finance (UTOF) does not currently set direction for the rest of the treasury units.

| | |
|-----------------------------------|--|
| Treasury Organization / Structure | |
| Banking | |
| Cash Positioning | |
| Collections | |
| Disbursements | |
| Controls | |
| Technology | |

Academic

- » Academic institution practices around selection and management of banking relationships and services are inconsistent and/or ineffective.
 - » Academic institution treasury groups do not coordinate efforts when re-bidding banking services. As a result, several different banks serve the academic institutions (see Table on page 10). In some cases, more than one bank is used, which increases costs, and unnecessarily adds to the complexity of the account structure.
 - » RFP practices are inconsistent across the academic institutions. Some do not re-bid services and others renegotiate services every 5-6 years (or more).
 - » Academic institution treasury groups do not review in detail their bank fees and volumes to ensure accuracy. They only review for reasonableness and benchmark against historical trends.
 - » Academic institution treasury groups have not formally benchmarked its bank fees against the market.

Health

- » Bank account structure and administration at the Health institutions is, for the most part, efficient in the number of accounts and pricing.
 - » Most Health institutions monitor their banking activities closely, although opportunities to streamline account structure and relationships were identified (U.T. MB Galveston's Moody account, U.T. MD Anderson's JPMorgan relationship).
 - » Costs are monitored, though not always consistently. A general awareness across the institutions to the value of bidding out the services has resulted in overall success in maintaining competitive pricing and the use of treasury technology.
 - » As with the Academic institutions, Health institutions do not coordinate efforts when re-bidding banking services. As a result, they too have a variety of banking relationships.

System-Wide

- » Many bank relationships have developed across the System, either due to local relationships or reluctance on the part of institutions to bid/change providers. A lack of unified bidding has led to a costly, cumbersome system-wide banking structure.
 - » The quality, sophistication and pricing of banking services varies widely across the System.
 - » Significant opportunities exist to reduce system-wide bank fees (See Pages 11 & 12).
- » Several of the banks that U.T. uses have sufficient coverage in Texas to serve the entire System.

Banks Currently Used By U.T.

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

| Institution | Bank | | | | | | | | | |
|----------------------|-------|-----------------|-----------|-------------|-------|-------|-------------|----------------|---|---|
| | Frost | Bank of America | Southside | J.P. Morgan | Amegy | Moody | Wells Fargo | American State | | |
| U.T. Arlington | | | | X | | | | | | |
| U.T. Austin | X | | | X | | | | | | |
| U.T. Brownsville | | | | X | | | | | | |
| U.T. Dallas | | X | | | | | | | | |
| U.T. El Paso | | | | | | | X | | | |
| U.T. Pan American | | X | | | | | | | | |
| U.T. Permian Basin | X | | | | | | | | X | |
| U.T. San Antonio | X | X | | | | | | | | |
| U.T. Tyler | | | X | | | | | | | |
| U.T. HSC San Antonio | X | | | | | | | | | |
| U.T. MB Galveston | X | X | | X | X | X | | | | |
| U.T. SWMC Dallas | | X | | | | | | | | |
| U.T. HC Tyler | | X | | | | | | | | |
| U.T. MD Anderson | | | | X | X | | | | | |
| U.T. HSC Houston | 5 | 6 | 1 | 6 | 2 | 1 | 1 | 1 | 1 | 1 |



Banking Fees Paid By U.T.

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

U.T. Academic Institutions By Banking Relationship & Service

| Bank & U.T. Institution | Services/Processes | | | | | | | | | |
|--------------------------------------|--------------------|----------|-----------|---|----------------|---------|-------------------|---------------------------|---------------|--|
| | Depository | Lockbox | Vault/day | Disbursement/ Controlled Disbursement | Reconciliation | ACH/EDI | Funds Transfer | Information Report/day | International | |
| American Bank U.T. Permian Basin | \$ - | | | \$ 0.21 | | \$ 1.12 | \$ 6.67 | \$ 5.24 | | |
| Bank of America U.T. Dallas | \$ 0.03 | | \$ 11.03 | \$ 0.08 | \$ 0.06 | \$ 0.22 | \$ 17.06 | \$ 54.69 | \$ 21.44 | |
| Bank of America U.T. Pan American | \$ 0.09 | | \$ 10.82 | \$ 0.10 | \$ 0.13 | \$ 0.13 | \$ 5.56 | \$ 23.01 | | |
| Bank of America U.T. San Antonio | \$ 0.07 | | \$ 15.48 | \$ 0.20 | \$ 0.15 | \$ 0.30 | \$ 13.50 | \$ 65.18 | | |
| Frost Bank U.T. Austin | \$ 0.04 | \$ 3.42 | \$ 47.49 | \$ 0.05 | \$ 0.02 | \$ 0.08 | \$ 8.93 | \$ 27.33 | | |
| Frost Bank U.T. San Antonio | \$ 0.65 | \$ 13.52 | | | | \$ 0.13 | | | | |
| J.P. Morgan U.T. Arlington | \$ 0.18 | \$ 0.71 | | \$ 0.23 | \$ 0.14 | \$ 0.35 | \$ 14.03 | \$ 106.30 | \$ 13.36 | |
| J.P. Morgan U.T. Austin | \$ 0.25 | | | \$ 0.15 | | \$ 0.10 | \$ 5.00 | \$ 56.60 | | |
| J.P. Morgan U.T. Brownsville | \$ 0.29 | | \$ 14.68 | \$ 0.70 | \$ 0.12 | \$ 0.22 | \$ 7.47 | \$ 69.95 | | |
| Southside Bank U.T. Tyler | \$ 0.11 | | | \$ 0.10 | | \$ 0.44 | \$ 6.25 | \$ 1.19 | | |
| Wells Fargo U.T. El Paso | \$ 0.08 | | \$ 49.29 | \$ 0.20 | \$ 0.07 | \$ 0.26 | \$ 9.93 | \$ 42.22 | \$ 3.00 | |

Notes:

- 1) Average cost calculated from Dec. 2005 account analysis total service category divided by unit volume. (Except: Vault & Information Reporting was divided by 21 days).
- 2) Differences in unit cost at the same financial institution may vary based upon the mix of services in that category and volumes which lower fixed cost.
- 3) Some figures appear to be higher than others which is a result of high fixed charges which are being divided by a standard volume.



Banking Fees Paid By U.T.

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)


U.T. Health Institutions By Banking Relationship & Service

| Bank & U.T. Institution | Services/Processes | | | | | | | | | |
|-------------------------|--------------------|---------|-----------|---|----------------|---------|-------------------|---------------------------|---------------|--|
| | Depository | Lockbox | Vault/day | Disbursement/ Controlled Disbursement | Reconciliation | ACH/EDI | Funds Transfer | Information Report/day | International | |
| Amegy Bank | | | | | | | | | | |
| U.T. MB Galveston | \$ 0.09 | \$ 0.39 | | \$ 0.10 | \$ 0.06 | \$ 0.14 | \$ 5.09 | \$ 31.96 | \$ 45.00 | |
| Amegy Bank | | | | | | | | | | |
| U.T. MD Anderson | \$ 0.05 | \$ 0.31 | | \$ 0.05 | \$ 0.05 | \$ 0.09 | \$ 4.83 | \$ 28.29 | | |
| Bank of America | | | | | | | | | | |
| U.T. MB Galveston | \$ 0.09 | | \$ 4.20 | | | \$ 0.10 | \$ 15.25 | \$ 10.75 | | |
| Bank of America | | | | | | | | | | |
| U.T. SWMC Dallas | \$ 0.06 | \$ 0.68 | \$ 44.49 | \$ 0.06 | | \$ 0.07 | \$ 5.60 | \$ 58.82 | \$ 30.83 | |
| Bank of America | | | | | | | | | | |
| U.T. HC Tyler | \$ 0.09 | \$ 0.55 | \$ 2.42 | \$ 0.24 | \$ 0.18 | \$ 0.32 | \$ 9.31 | \$ 84.13 | | |
| Frost Bank | | | | | | | | | | |
| U.T. HSC San Antonio | \$ 0.06 | \$ 0.50 | \$ 95.19 | \$ 0.08 | \$ 0.04 | \$ 0.13 | \$ 10.26 | \$ 39.08 | \$ 26.33 | |
| Frost Bank | | | | | | | | | | |
| U.T. MB Galveston | \$ 0.05 | \$ 0.69 | \$ 17.64 | | | \$ 0.22 | | \$ 7.26 | | |
| J.P. Morgan | | | | | | | | | | |
| U.T. MB Galveston | \$ 0.10 | | | \$ 0.15 | | | | \$ 2.38 | | |
| J.P. Morgan | | | | | | | | | | |
| U.T. MD Anderson | \$ 0.04 | | \$ 132.84 | \$ 0.22 | | | \$ 4.02 | \$ 13.85 | \$ 26.36 | |
| J.P. Morgan | | | | | | | | | | |
| U.T. HSC Houston | \$ 0.10 | \$ 4.69 | | \$ 0.10 | \$ 0.16 | \$ 0.09 | \$ 4.69 | \$ 58.90 | \$ 15.70 | |

Notes:

- 1) Average cost calculated from Dec. 2005 account analysis total service category divided by unit volume. (Except: Vault & Information Reporting was divided by 21 days).
- 2) Differences in unit cost at the same financial institution may vary based upon the mix of services in that category and volumes which lower fixed cost.
- 3) Some figures appear to be higher than others which is a result of high fixed charges which are being divided by a standard volume.

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

| | |
|-----------------------------------|---|
| Treasury Organization / Structure | |
| Banking | |
| Cash Positioning |  |
| Collections | |
| Disbursements | |
| Controls | |
| Technology | |

Academic

- » Cash positioning practices are manual and lack consistency across institutions (see page 15).
 - » Treasury's cash positioning is a completely manual process.
 - » Cash positioning practices differ from institution to institution. Some institutions use Excel spreadsheets for cash positioning calculations while others do their cash positioning on paper and calculate transfer amounts on an adding machine. These manual processes increase the chances of human error.
 - » Not all banking relationships and related balances are reported to UTOF (i.e. *Issues in Science & Technology* magazine in U.T. Dallas, P2 card account in U.T. Tyler and many small petty cash accounts in various U.T. academic institutions). Accordingly, all balances may not be properly collateralized.
 - » Cash forecasting processes are inadequate. At best, some institutions forecast levels for the next few business days. These practices do not support liquidity management planning.

Health

- » Cash positioning is still largely a manual process with reports being pulled from bank systems. Balance information and transactions are re-keyed into worksheets.
 - » The Health institutions have home grown cash position spreadsheets to manage and record their cash positioning.
 - » With the exception of those used by U.T. MD Anderson, cash forecasting practices were ineffective. At best, some institutions forecast levels for the next few business days. These practices do not support liquidity management planning.

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

| | | | | | | |
|-----------------------------------|--|--|--|--|--|--|
| Treasury Organization / Structure | | | | | | |
| Banking | | | | | | |
| Cash Positioning | | | | | | |
| Collections | | | | | | |
| Disbursements | | | | | | |
| Controls | | | | | | |
| Technology | | | | | | |

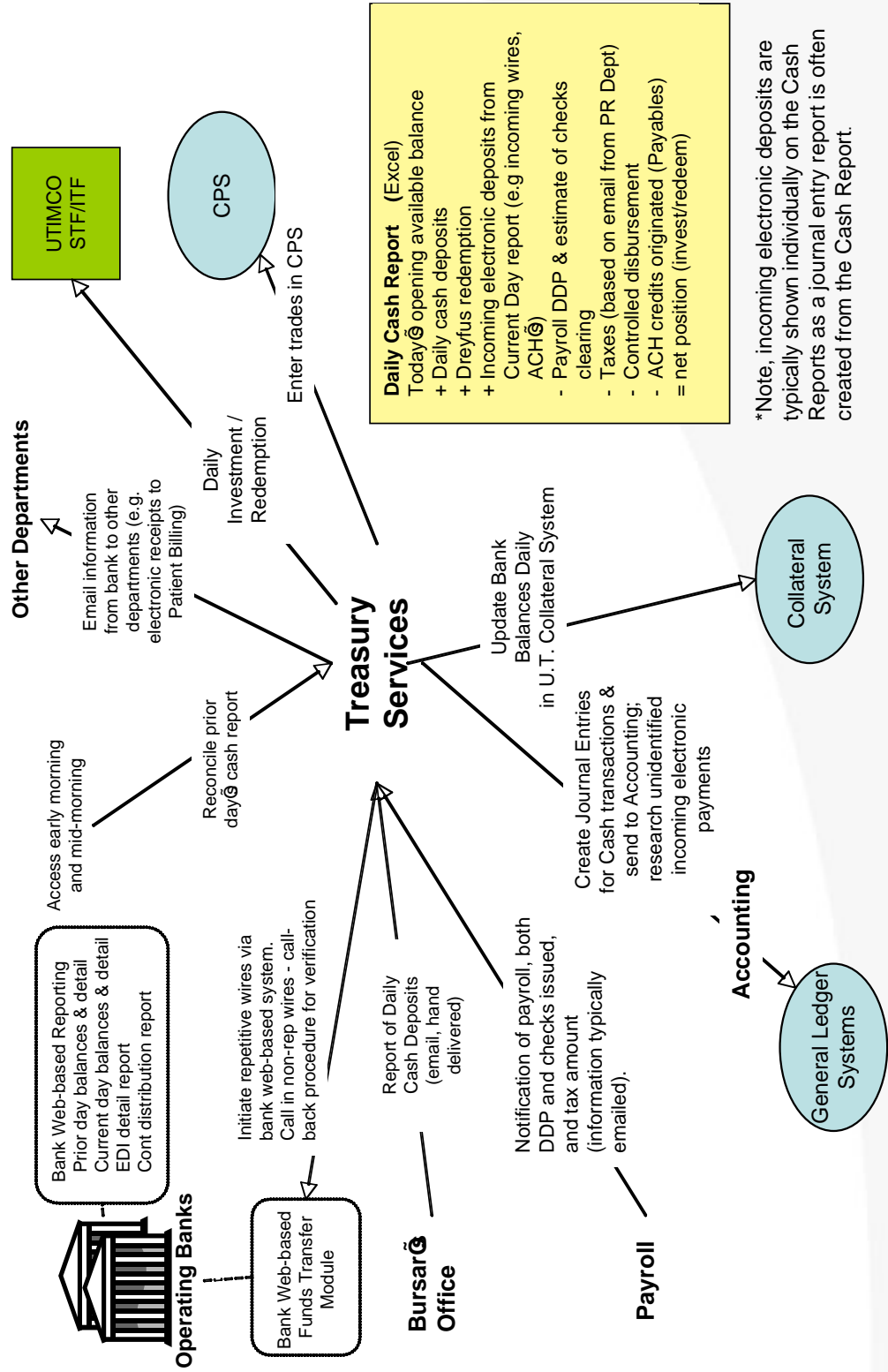
System-Wide

- » Balance management practices are manual, inconsistent and result in buildup of excessive idle cash across the System.
 - » Re-keying errors is possible across the System due to manual input of cash balances.
 - » Cash forecasting practices are ineffective in most U.T. Academic and Health institutions. At best, most only forecast out a few days, if at all.
 - » In general, health institutions applied more sophisticated cash positioning routines.
 - » There is not consistent use of sweep accounts or interest bearing accounts to maximize interest earnings.
 - » Excess collected balances routinely buildup in depository accounts across the U.T. System. In December 2005, collected balances totaled \$9.8M. (see Table on page 16).
 - » Very few of the U.T. institutions utilize interest bearing accounts for management of daily excess balances, even though State guidelines allow this.

Current Cash Positioning Process

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

Typical U.T. Institution Cash Positioning Process





Collected Balances

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

| Institution | Bank | | | | | | | | | | Total Collected Balance | |
|----------------------|-----------|-----------------|------------|-------------|------------|-------------|----------------|--|--|-----------|-------------------------|--------------|
| | Frost | Bank of America | Southside | J.P. Morgan | Amegy | Wells Fargo | American State | | | | | |
| U.T. Arlington | | | | \$ 223,000 | | | | | | | | \$ 223,000 |
| U.T. Austin | \$244,000 | | | \$ 82,000 | | | | | | | | \$ 326,000 |
| U.T. Brownsville | | | | \$2,731,000 | | | | | | | | \$ 2,731,000 |
| U.T. Dallas | | \$ 548,000 | | | | | | | | | | \$ 548,000 |
| U.T. El Paso | | | | | | \$553,000 | | | | | | \$ 553,000 |
| U.T. Pan American | | \$ 325,000 | | | | | | | | | | \$ 325,000 |
| U.T. Permian Basin | \$104,000 | | | | | | | | | \$ 59,000 | | \$ 163,000 |
| U.T. San Antonio | \$ 1,900 | \$ 54,000 | | | | | | | | | | \$ 55,900 |
| U.T. Tyler | | | \$ 442,000 | | | | | | | | | \$ 442,000 |
| U.T. HSC San Antonio | \$138,000 | | | | | | | | | | | \$ 138,000 |
| U.T. MB Galveston | \$381,000 | \$ 76,000 | | \$ 21,000 | \$ 85,000 | | | | | | | \$ 563,000 |
| U.T. SWMC Dallas | | \$ 634,000 | | | | | | | | | | \$ 634,000 |
| U.T. HC Tyler | | \$ 763,000 | | | | | | | | | | \$ 763,000 |
| U.T. MD Anderson | | | | \$ 329,000 | \$ 686,000 | | | | | | | \$ 1,015,000 |
| U.T. HSC Houston | | | | \$1,354,000 | | | | | | | | \$ 1,354,000 |
| Total By Bank | \$868,900 | \$ 2,400,000 | \$ 442,000 | \$4,740,000 | \$771,000 | \$553,000 | \$ 59,000 | | | | | \$ 9,833,900 |

** Figures given are from December 2005

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

| | |
|-----------------------------------|--|
| Treasury Organization / Structure | |
| Banking | |
| Cash Positioning | |
| Collections | |
| Disbursements | |
| Controls | |
| Technology | |

Academic

- » Collections practices at Academic institutions lack consistency (see page 19).
 - » At some institutions, lockboxes are still used to collect tuition, though electronic collection tools are readily available.
 - » Approximately 55% of incoming payments are received by check (see page 20).
 - » Checks deposited are not pre-encoded at most institutions (Bursar offices).
 - » One Bursar's office is currently converting checks to a POP ACH (U.T. El Paso).
 - » Armored car practices are inconsistent across the institutions - each institution has established its own operating and control procedures.
 - » Armored car deposits to the bank typically occur one business day after pick-up.

Health

- » Health institution collection practices are generally strong, and are fairly consistent across the organization.
 - » Health institutions with hospitals are collecting patient insurance and Medicare/Medicaid electronically with EDI to assist in GL updates.
 - » Lockboxes are used across all the Health institutions.
 - » Collections of cash, checks and credit cards receipts are well managed with minor adjustments needed to improve efficiency and security.
 - » Cash, checks and credit card receipts are deposited or credited to operating accounts with very few delays.
 - » Credit card security (data management) policies and controls are inconsistent across the Health institutions.
 - » Not all institutions currently accept credit card or online patient payments from students.
 - » Even with electronic collection methods in place, Health institutions' treasury personnel spend a great deal of time tracking, identifying and booking incoming funds.
 - » A number of institutions use a third party billing service for invoicing and collecting professional fees.

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

| | |
|-----------------------------------|--|
| Treasury Organization / Structure | |
| Banking | |
| Cash Positioning | |
| Collections | |
| Disbursements | |
| Controls | |
| Technology | |

System-Wide

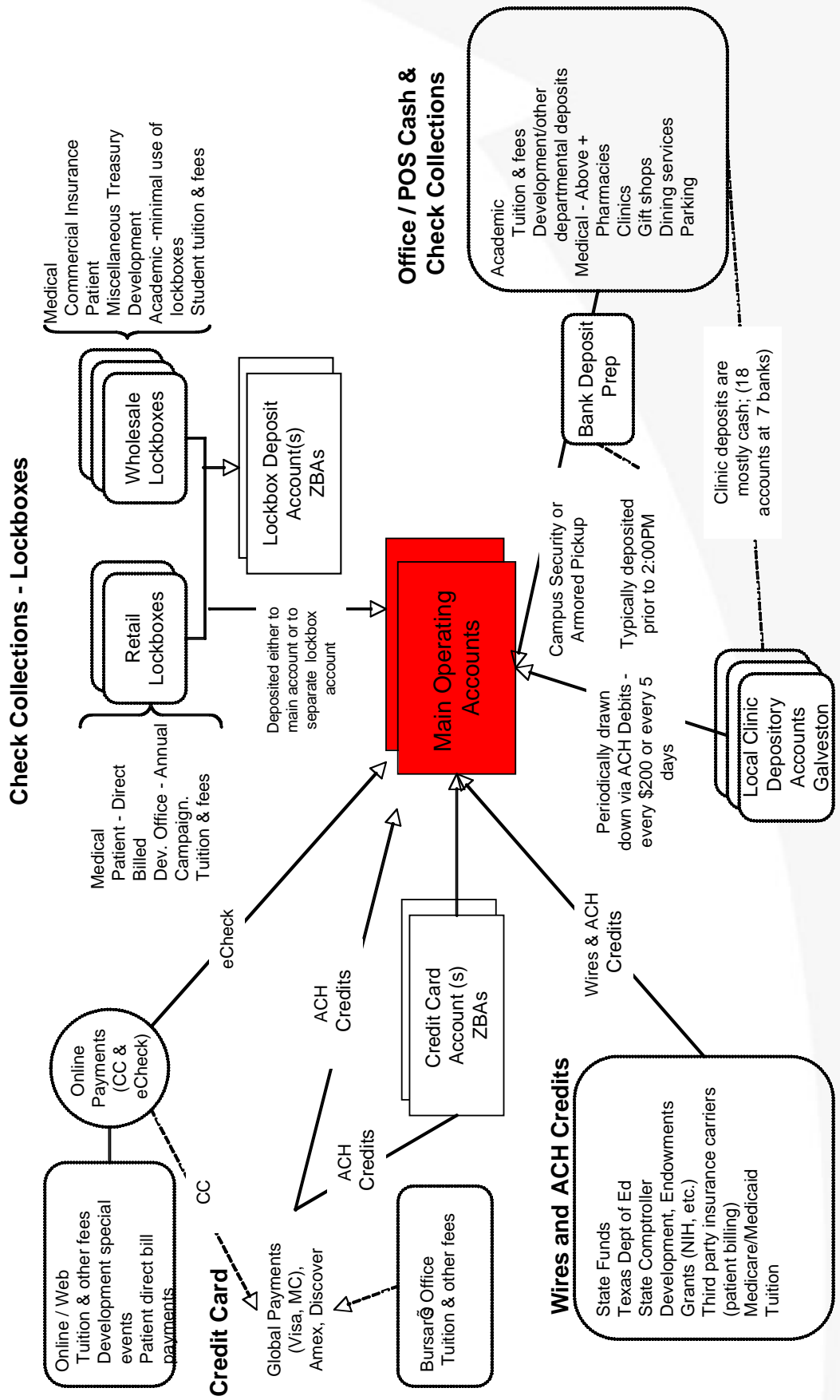
- » Collection practices across the System vary widely.
 - » UTOF has not defined a set of common collection practices to be used by the various institutions (e.g., collection of tuition and fees via the Web).
 - » Both Academic and Health institutions (for the most part) collect student payments. There are significant differences in how a student can pay depending on what institution he/she attends.
 - » Cash collection volumes can vary from institution to institution and security measures are not consistent.
 - » Electronic collection processes are utilized by majority of the institutions (i.e., eCheck, credit card, etc.).
 - » System-wide, there is no negotiated national armored car contract. Instead, each institution makes their own arrangements and establishes their own control procedures. At least three national firms have a presence throughout Texas.

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

Treasury Strategies, Inc. Current Collection Process

The Power of Experience™

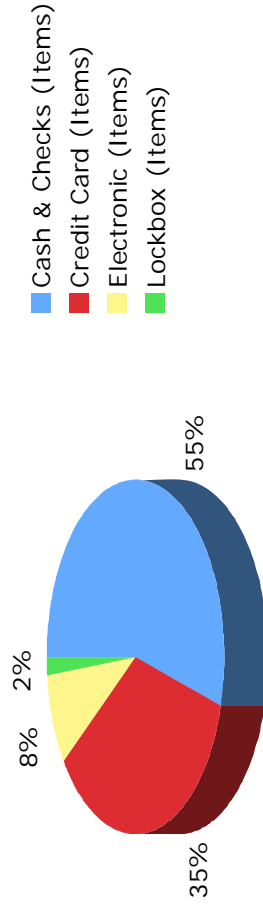
U.T. Institutions - Typical Collection Processes



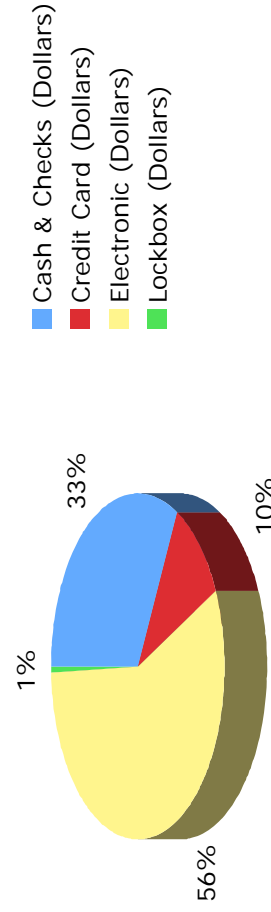
Composition of Incoming Payments Academic Institutions

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

Types of Payments By Items



Type of Payment By Dollar Value



Note - Charts reflect December 2005 data from Academic institutions

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

| | |
|-----------------------------------|--|
| Treasury Organization / Structure | |
| Banking | |
| Cash Positioning | |
| Collections | |
| Disbursements | |
| Controls | |
| Technology | |

Academic

- » Academic institution disbursement practices are consistent and efficient (See page 22).
- » Direct deposit of payroll is offered by most institutions.
- » A/P is consolidated into a minimal number of controlled disbursement accounts. AP is centralized for all institutions on the Define system.
- » P-cards are being utilized in some institutions.
- » Some institutions are using ACH to pay vendors.
- » Duties are well segregated at most institutions, and 8 of 9 institutions use positive pay.
- » Check stock is well controlled in most institutions. However, few conduct random check stock audits, and some have weak physical access controls (i.e., U.T. San Antonio).

Health

- » Disbursement processes are generally cost effective and efficient. Payables processing is consolidated, except in cases where historical relationships have driven local banking practices.
- » Most Health institutions use controlled disbursement accounts.
- » Most institutions can disburse by check, wire, ACH or by purchasing card (at several institutions).
- » With the exception of U.T. MD Anderson, U.T. HC Houston and U.T. MB Galveston, Health institutions do not maintain a formal list of authorized personnel approving payments.
- » Disbursement roles are well segregated.
- » Positive pay is used by all institutions except U.T. HC Tyler.
- » Check processing is secure and check stock is designed to limit fraud.

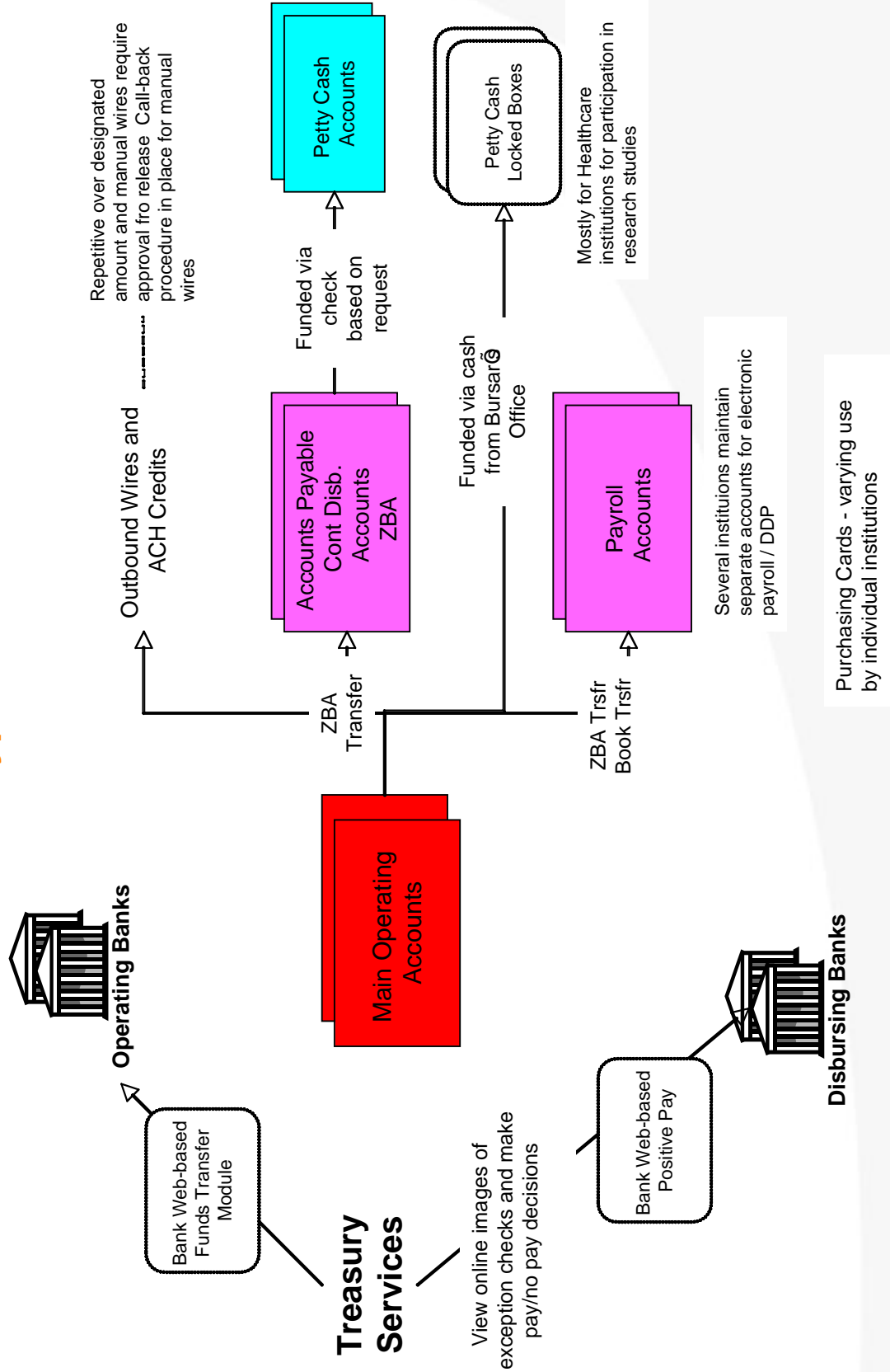
System-Wide

- » The Academic and Health institutions have efficient disbursement practices. However, most institutions do not follow best practice disbursement policies and procedures.
- » Electronic payment methods lack standardization across the System (P-cards, direct billings, etc.).
- » Process documentation is inadequate in most institutions across the System. Some institutions lack a documented authorized signatory list as well as signer turnover procedures.

Current Disbursement Process

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

U.T. Institutions - Typical Disbursement Processes



3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

| | |
|-----------------------------------|--|
| Treasury Organization / Structure | |
| Banking | |
| Cash Positioning | |
| Collections | |
| Disbursements | |
| Controls | |
| Technology | |


Academic

- » Internal controls were found to be inadequate in some areas:
 - » Positive pay is used by most, but not all institutions. Of the 9 institutions, 8 use positive pay.
 - » While check stock is generally secure, some exceptions were noted (e.g., checks kept in a locked file room but the key is readily accessible - U.T. San Antonio).
 - » Check stock is not routinely audited.
 - » Personnel physically delivering cash deposits are not currently escorted (e.g., U.T. Tyler).
 - » Wire transfer controls are strong.
 - » Few of the institutions have a documented disaster recovery policy in place.

Health

- » Treasury controls in place at the Health institutions are generally effective.
 - » The frequency of internal audits is inconsistent across the Health institutions.
 - » Documented treasury policies are not in place at all institutions. U.T. HSC Houston, U.T. MB Galveston and U.T. MD Anderson have excellent documentation in place for controls. Other Health institutions generally practice good controls, but have not formally documented the specific procedures.
 - » Some credit card PCI standard deficiencies were identified (e.g., data security issues).
 - » Check stock is secure in most institutions and most institutions use positive pay.
 - » Few of the institutions have a documented disaster recovery policy in place.


3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

| | |
|-----------------------------------|---|
| Treasury Organization / Structure | |
| Banking | |
| Cash Positioning | |
| Collections | |
| Disbursements | |
| Controls |  |
| Technology | |

System-Wide

- » UTOF does not currently control system-wide compliance efforts or play an active enough role in treasury governance.
 - » UTOF has not developed treasury-wide written policies to set direction for cash management, banking, disbursement, collection or internal control practices.
 - » UTOF has not provided system-wide guidance on expectations around the establishment of effective treasury disaster recovery planning and testing.
- » Credit Card PCI standards are not strictly enforced.
 - » System-wide deficiencies have been cited relative to PCI standards:
 - › Sensitive data is not always kept in a safe, locked areas or shredded.
 - › CVV numbers are not taken when students pay via telephone.
 - › Credit card information can be taken over email in one institution.
 - » UTOF has not coordinated system-wide efforts to measure and ensure PCI compliance.

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

| | |
|-----------------------------------|---|
| Treasury Organization / Structure | |
| Banking | |
| Cash Positioning | |
| Collections | |
| Disbursements | |
| Controls | |
| Technology |  |

Academic

- » Academic institutions use basic technology and tools, but they are not being used as efficiently as possible.
- » Most institutions use bank web services to retrieve balance and transaction details.
- » No institutions use Treasury Workstation systems (TWS), though U.T. Pan American is exploring one vendor's product (Oracle).
- » Many institutions use Excel spreadsheets to manually calculate their cash positions and for tracking the amount to transfer to the Dreyfus account (via CPS).
- » Downloaded bank information is manually keyed into cash positioning Excel worksheets. Given the simplicity of cash flows and tools, re-keying of data is not time consuming but can lead to errors.
- » A common ERP system isn't used system-wide. Define accounting software is used at most of the institutions (6 out of 9). The other institutions are on Oracle, Colleague (DataTel), and PeopleSoft.

Health

- » Health institutions vary in their need and use of technology due to size and volumes.
- » Cash positioning is generally managed with the use of Excel spreadsheets, which are manually updated each day.
- » ERP systems are used at several Health institutions for portions of the cash function (U.T. HSC Houston processes wires directly through PeopleSoft to the bank). The health industry does not have a "one size fits all" ERP system available.
- » Selkirk/Thomas Financial ASP solution was tested at U.T. MD Anderson but abandoned because detail provided on electronic receipts could not be easily translated into worksheet.

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)


| | |
|-----------------------------------|--|
| Treasury Organization / Structure | |
| Banking | |
| Cash Positioning | |
| Collections | |
| Disbursements | |
| Controls | |
| Technology | |

System-Wide

- » Academic and Health institution treasury groups utilize technology where possible.
 - » Health institutions could benefit from treasury technology, but information is complex and not easily translated into available systems.
 - » TWS technology may not be cost-effective for a single institution, but may be cost-justified for the entire System.
 - » UTOF does use limited technology to support certain treasury tasks such as bank balance reporting, collateral management and in-house cash pooling (to facilitate liquidity management through CPS System).
 - » The collateral system is very old, and is supported by a single external resource (retired). If access to this individual were disrupted, the system would not be easily sustainable.

Recommendations

- » Centralize treasury at UTOF to enhance operational performance, improve governance, strengthen the treasury control framework and achieve cost savings and higher investment earnings across the entire organization.
 - » Under a centralized approach, UTOF would manage all daily cash positioning, funds movement, banking and perform liquidity/investment decisioning and execution.
 - » A centralized treasury will ensure the necessary leadership and guidance on key issues such as compliance with Payment Card Industry (PCI) standards, policy formation and governance (including disaster planning), implementation of improved forecasting procedures, effective balance management and successful utilization of treasury technology.
 - » A centralized treasury could operate with far fewer personnel than are required under the current decentralized structure. As illustrated in the table below, most centralized academic and health treasury operations require no more than seven FTEs - UTOF now has approximately five.

| | |
|-----------------------------------|---|
| Treasury Organization / Structure |  |
| Banking | |
| Cash Positioning | |
| Collections | |
| Disbursements | |
| Controls | |
| Technology | |

| Benchmark Entity | Treasury FTEs | # Students | Annual Revenue |
|------------------------------------|---------------|---------------|----------------------|
| Indiana University | 13.00 | 98,000 | - |
| Michigan State University | 3.63 | 40,000 | - |
| Ohio State University | 5.50 | 50,000 | - |
| Purdue University | 6.50 | 69,000 | - |
| University of Missouri | 4.00 | 63,000 | - |
| University of Colorado | 7.00 | 50,000 | - |
| University of Illinois | 11.00 | 68,000 | - |
| University of Iowa | 1.00 | 29,000 | - |
| Higher Ed Benchmark Average | 6.45 | 58,375 | - |
| Healthcare Benchmark 1 | 5.20 | - | \$0 to \$1 B |
| Healthcare Benchmark 2 | 5.50 | - | \$1 B to \$25 B |
| Healthcare Average | 5.40 | - | \$0 to \$25 B |
| UTOF | 4.90 | - | - |


Recommendations

| | |
|-----------------------------------|--|
| Treasury Organization / Structure | |
| Banking | |
| Cash Positioning | |
| Collections | |
| Disbursements | |
| Controls | |
| Technology | |

- » While a fully centralized treasury offers the most significant net benefits to the organization, U.T. could implement other structures, or simply modify current procedures under the existing decentralized treasury structure.
 - » Under a dual centralization structure, two centralized treasury functions would replace the 15 separate operations currently in place. One would manage treasury activities for Academic institutions, and the other would manage Health institution treasury activities.
 - » A dual centralization structure would offer many of the overall economic benefits available from full centralization, but would fall short of providing the optimal control, leadership and governance capabilities available from a fully centralized structure. Yet this structure would require as much, or more time and costs to implement.
 - » U.T. could retain its current decentralized treasury structure and still implement a variety of the recommended improvements highlighted through this review. However, as illustrated in the Summary of Potential Savings provided on page 44, this approach is not recommended from a cost/benefit perspective.

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

Recommendations

| | |
|-----------------------------------|---|
| Treasury Organization / Structure | |
| Banking |  |
| Cash Positioning | |
| Collections | |
| Disbursements | |
| Controls | |
| Technology | |

- » Work to consolidate banking across the U.T. System. A single bank, or small number of institutions, could effectively serve the entire U.T. System.
 - » See banking provider coverage depicted on page 30).
- » Re-bid system-wide banking services to benefit fully from the System’s significant scale.
 - » UTOF should assume responsibility for managing centralized re-bidding of services.
 - » Services should be re-bid every 3 to 5 years.
- » Simplify the banking structure to facilitate effective cash management, cost-effective funds concentration, and access/visibility of information.
 - » The banking structure should support centralized management of treasury.
- » Develop an effective process to monitor fees, service levels and general effectiveness of bank relationships.
 - » Review bank fees in detail each month - examine pricing and volumes.
 - » Conduct formal annual banking reviews with bank relationship officer to discuss the bank’s goals and objective for the System. Incorporate report cards to record and track performance issues and resolution status.
 - » Institute service level agreements for all key areas of banking service.
- » The pros and cons of using local providers versus a centralized, regional provider must be carefully weighed.
 - » See comparative chart on page 31.

Banking Coverage for U.T. Institutions

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

| Institution | Bank | | | | | | | | | | |
|----------------------|------------------------|------------------------|-----------------------|------------------------|-----------------------|-----------------------|------------------------|-----------------------|--|--|--|
| | Frost | Bank of America | Southside | J.P. Morgan | Amegy | Moody | Wells Fargo | American State | | | |
| U.T. Arlington | Available | Available | | X | | | Available | | | | |
| U.T. Austin | X | Available | | X | | | Available | | | | |
| U.T. Brownsville | Available | Available | | X | | | Available | | | | |
| U.T. Dallas | Available | X | | Available | Available | | Available | | | | |
| U.T. El Paso | | Available | | Available | | | X | | | | |
| U.T. Pan American | Available | X | | Available | | | Available | | | | |
| U.T. Permian Basin | X* | Available | | Available | | | Available | X | | | |
| U.T. San Antonio | X | X | | Available | | | Available | | | | |
| U.T. Tyler | | Available | X | Available | | | | | | | |
| U.T. HSC San Antonio | X | Available | | Available | | | Available | | | | |
| U.T. MB Galveston | X | X | | X* | X | X | | | | | |
| U.T. SWMC Dallas | Available | X | | Available | | | Available | | | | |
| U.T. HC Tyler | | X | Available | Available | | | | | | | |
| U.T. MD Anderson | Available | Available | | X | X | Available | Available | | | | |
| U.T. HSC Houston | Available | Available | | X | Available | Available | Available | | | | |
| Total: | 5 Used 12 Available | 6 Used 15 Available | 1 Used 2 Available | 6 Used 15 Available | 2 Used 4 Available | 1 Used 3 Available | 1 Used 12 Available | 1 Used 1 Available | | | |

X = used by UT * = not available geographically but still used by institution

Pros/Cons of Centralizing Banking

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)


| Pros: | Cons: |
|--|--|
| <p>With centralization, U.T. can fully utilize its scale to effectively negotiate fees and services. The institutions that would be considered for centralization are larger, and typically do not have the same strong community ties that could unduly influence effective bank relationship management practices.</p> | <p>Use of a large regional, or national banking provider may project negative signals to the community (e.g., taking business away from the local business base).</p> |
| <p>Larger, regional banks typically offer more advanced capabilities, services and technology than local banks.</p> | <p>Entities with a single banking provider do not experience the full benefits of competition, and have limited fall back capabilities in a disaster recovery scenario.</p> |
| <p>Larger banks offer greater staff bench strength and customer support capabilities than many local banks.</p> | <p>A larger regional bank may not be as responsive and attentive as local banks are with their respective institutions. If problems arise, the local bank is quick to help the institution, because oftentimes, the institution is their largest customer.</p> |
| <p>A consolidated banking structure is less costly from a cash management and cash concentration perspective. It would also offer U.T. the ability to lower fees by avoiding duplicative services and fixed costs.</p> | <p>Centralized banking may not offer U.T. the same customized service solutions that a local bank would. Smaller providers are sometimes more willing to customize product and service offerings, albeit they may rely on manual delivery.</p> |
| <p>Larger banks may be less susceptible to acquisition and ultimate change than are smaller, local institutions.</p> | <p>A centralized bank may not offer the same advantages in geographic proximity to the individual U.T. institutions as a local bank.</p> |

| | |
|-----------------------------------|--|
| Treasury Organization / Structure | |
| Banking | |
| Cash Positioning | |
| Collections | |
| Disbursements | |
| Controls | |
| Technology | |

- » A centralized treasury function operates most efficiently when supported by a banking structure that simplifies the cash positioning process.
- » To support cash positioning, U.T. should implement a banking structure that automates concentration and disbursement activities through a single master account.
 - » Optimally, establish a single bank for collection, depository and concentration services.
 - › To the extent multiple collection banks are used, establish automated concentration of deposits.
 - » Establish zero balance sub-concentration accounts for the individual U.T. institutions into which funds are deposited directly via incoming wires and ACH credits, lockboxes, POS deposits (cash and check conversion).
 - › Provide the individual institutions with access to the bank's web-based electronic funds transfer module to initiate and approve wire/ACH credits at the institution level and release at the U.T. System level.
 - » Establish a single disbursing bank with individual zero balance accounts payables and payroll accounts for U.T. System and the individual institutions.

An illustration of the recommended U.T. banking structure is provided on page 34.

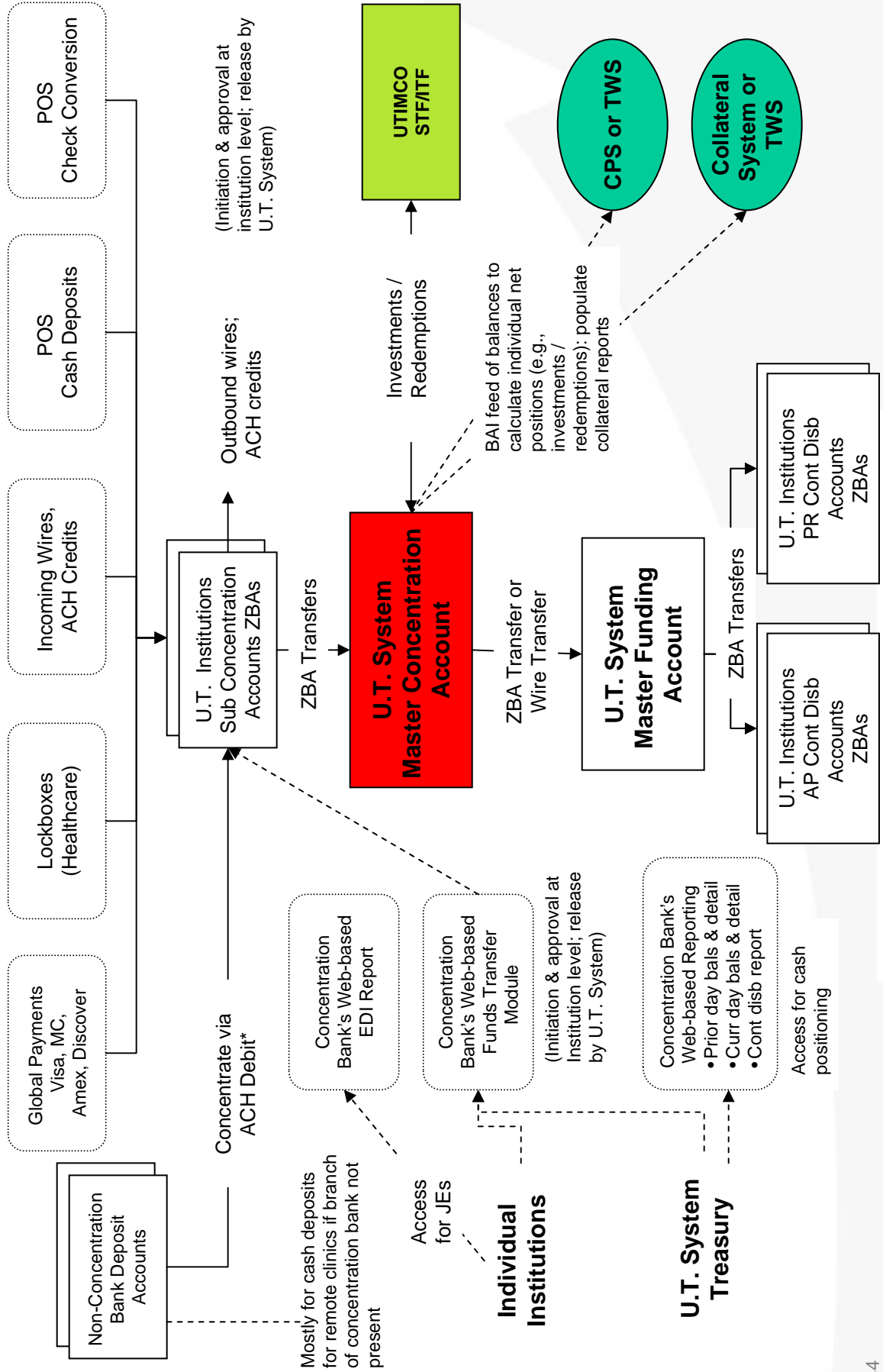
Recommendations

| | |
|-----------------------------------|---|
| Treasury Organization / Structure | |
| Banking | |
| Cash Positioning |  |
| Collections | |
| Disbursements | |
| Controls | |
| Technology | |

- » If determined to be cost-effective, establish a Treasury Workstation to support optimal cash positioning.
- » TWS technology supports the cash positioning process by performing various tasks efficiently, with minimal manual intervention. These include:
 - » Automated polling of bank balances.
 - » Electronic payment processing.
 - › Including remote access by the institutions for initiation and approval, with release at the U.T. System level.
 - » Cash pool management/In-house banking, potentially replacing the collateral system and the internal pool allocations in the CPS system.
 - » Prior-day cash position reconciliation.
 - » Creation of journal entries and export to the the U.T. System GL.
 - » Provide the institutions online access to their bank information.
 - » Provide a “self-serve” environment to view cash pool transactions, enter request for internal pool allocations and generate journal entries on an as-needed basis.

Note - The chart on page 35 illustrates how a TWS would support these processes.

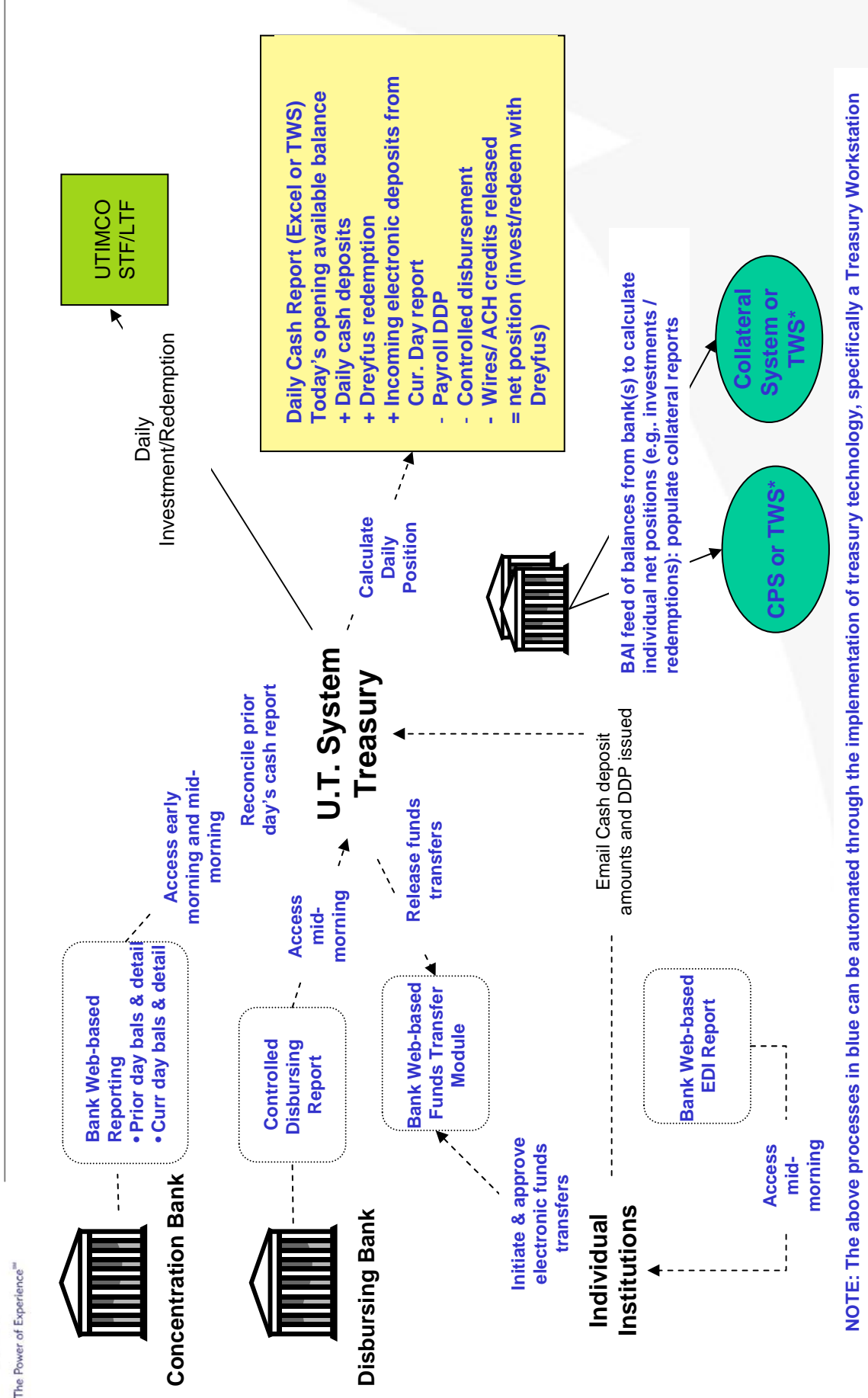
Proposed Bank Account Structure Centralized Treasury Model




3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

Proposed Cash Positioning Process

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)



Recommendations

| | |
|-----------------------------------|---|
| Treasury Organization / Structure | |
| Banking | |
| Cash Positioning | |
| Collections |  |
| Disbursements | |
| Controls | |
| Technology | |

- » Improve collection efficiencies and costs by continuing the shift from cash and paper to electronic.
 - » Emphasize or begin to offer online payments via credit card and eCheck for student tuition payments and fees, patient direct bill payments, and other payments such as alumni contributions.
 - » Implement online eCheck where not currently offered and encourage where currently offered to achieve greater cost efficiencies.

- » Enhance point-of-sale (POS) deposit timing, cost efficiencies and security.
 - » Implement check conversion processes to accelerate the deposit and collection of checks received at POS.
 - » Where check conversion is either not feasible or cost effective, implement check encoding procedures to reduce bank deposit costs and potentially accelerate collection due to later deposit deadlines.
 - » Explore a system-wide armored car contract with virtual deposit capability.
 - » Improve use of armored car services with documented procedures.

- » Monitor lockbox processing, performance, services provided and availability.
 - » Consolidate lockbox services at a single bank, as discussed in the Banking section, to achieve enhanced services and pricing.
 - » Involve patient billing in the selection process to ensure that service is targeted and explored specifically with regard to healthcare providers.

Recommendations

| | | | | | | |
|-----------------------------------|--|--|--|--|--|--|
| Treasury Organization / Structure | | | | | | |
| Banking | | | | | | |
| Cash Positioning | | | | | | |
| Collections | | | | | | |
| Disbursements | | | | | | |
| Controls | | | | | | |
| Technology | | | | | | |

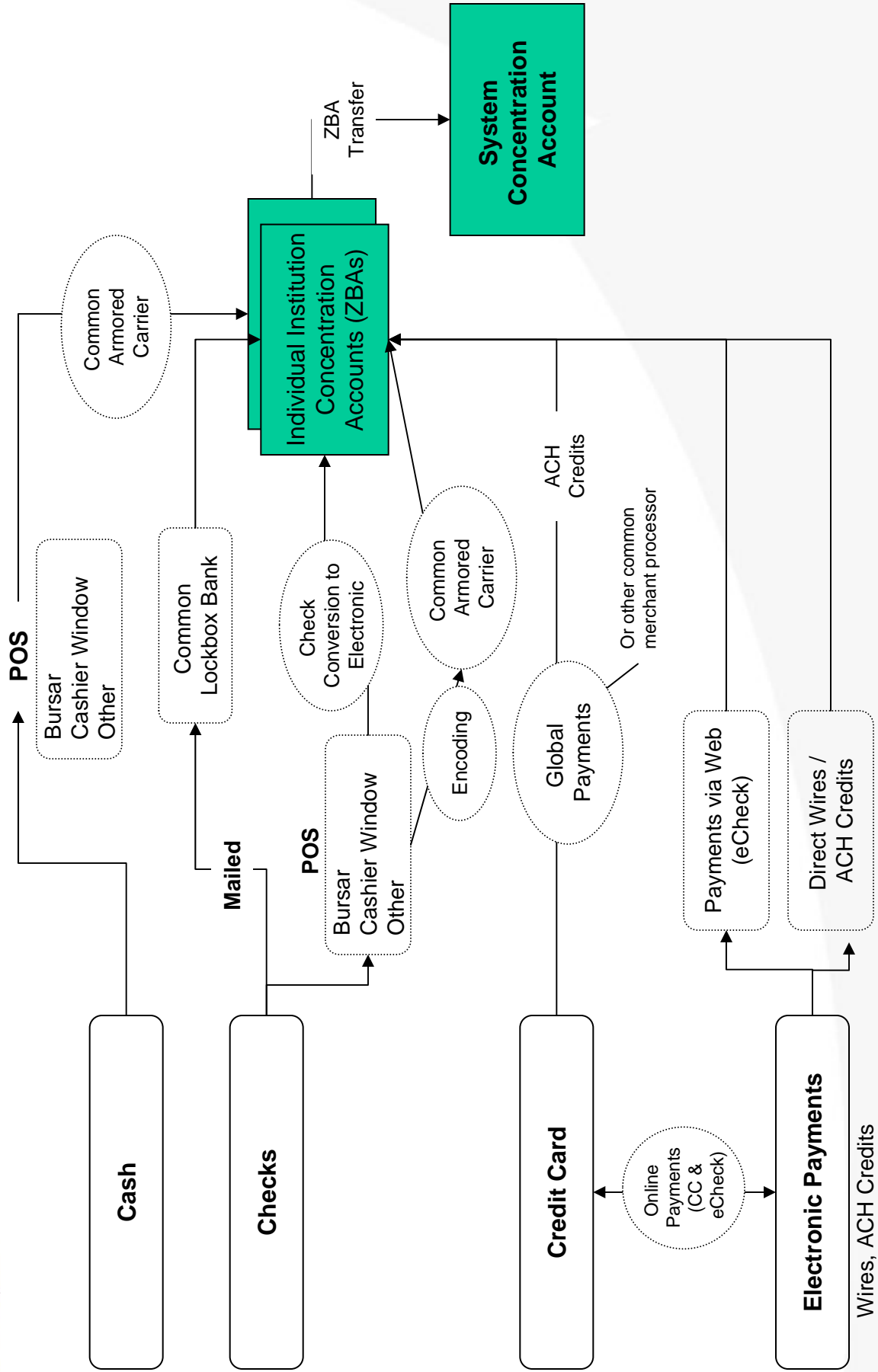
- » Information processing needs to be automated with greater communications from internal departments to treasury.
 - » Improve information flowing to treasury from other departments.
 - » Greater push needed to implement electronic information exchange from customers sending electronic payments.

Note - The proposed collection process for the System is illustrated on page 38.


3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

Treasury Strategies, Inc. Proposed Collection Process

The Power of Experience™



Recommendations

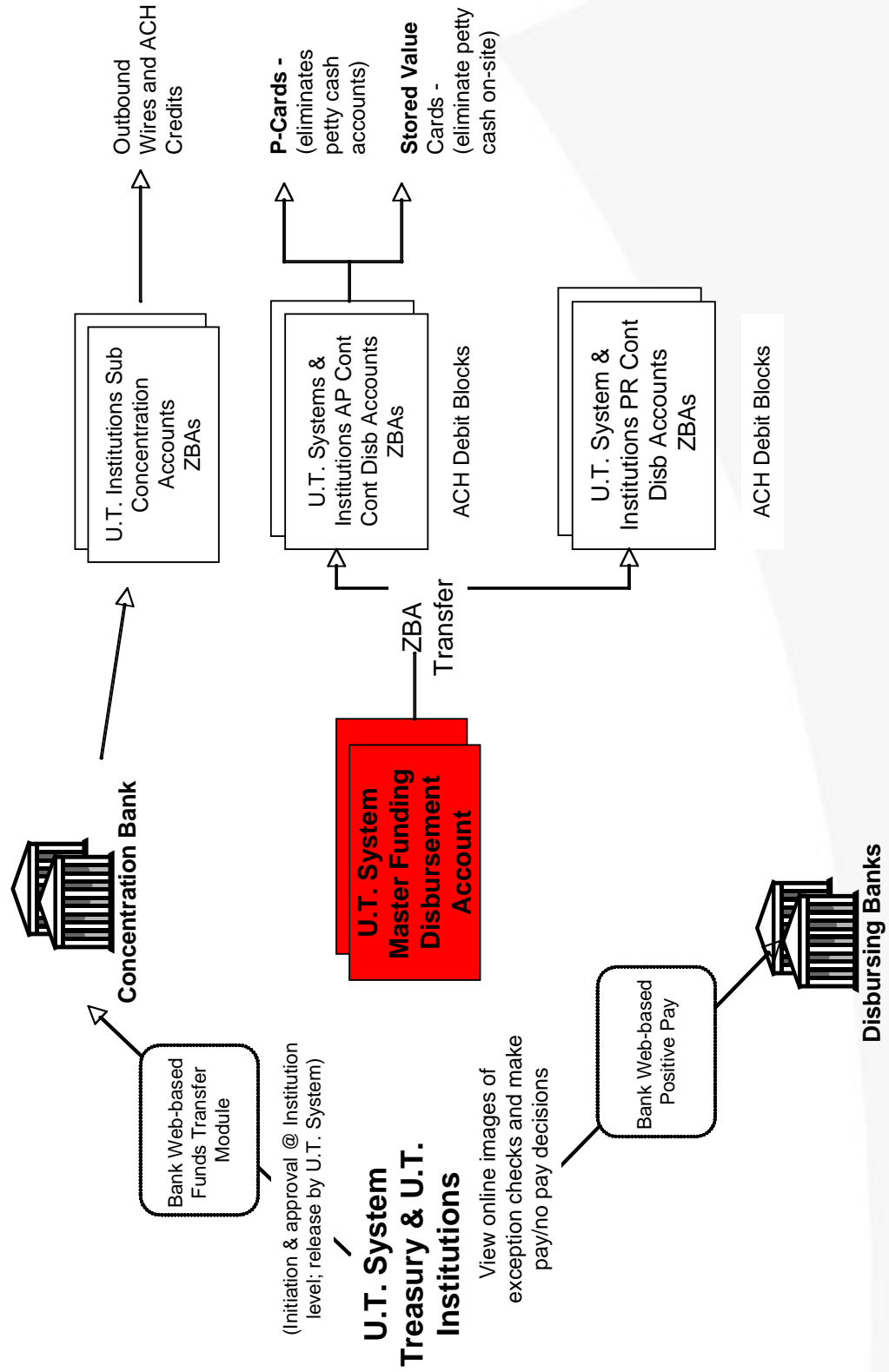
| | |
|-----------------------------------|---|
| Treasury Organization / Structure | |
| Banking | |
| Cash Positioning | |
| Collections | |
| Disbursements |  |
| Controls | |
| Technology | |

- » Encourage greater centralization of disbursement processing.
 - » Encourage more institutions to move to a centralized disbursement process (similar to the approach used by the Academic institutions on Define).
 - » An effective disbursement structure is depicted on page 40.
- » Explore opportunities to further streamline the disbursement related banking structure.
 - » Review bank relationships and consolidate disbursement accounts to facilitate a centralized processing approach.
- » To facilitate efficient, cost-effective and timely payments, ensure that system disbursement capabilities allow for multiple payment options.
 - » Increase use of ACH payments wherever possible.
 - » Explore greater use of additional electronic payment methods (direct billing, etc.).
 - » Explore system-wide opportunities to increase the use of P-cards and/or stored value cards for miscellaneous payments (currently paid by check or by cash).
- » Improve system-wide documentation and processes supporting disbursement of funds.
 - » Ensure that an effective process is in place to maintain and distribute timely information on the signers authorized to approve payment requests.
 - » Mandate consistent procedures throughout the System for validating payment requestors names and signatures against a current list of authorized signers before disbursements are made.

Recommendations

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

Proposed Disbursement Processes



| | |
|-----------------------------------|--|
| Treasury Organization / Structure | |
| Banking | |
| Cash Positioning | |
| Collections | |
| Disbursements | |
| Controls | |
| Technology | |

- » U.T. should voluntarily adopt the robust control objectives established in the Sarbanes-Oxley Act of 2002 (SOX). The System should focus particular emphasis on implementing COSO (Committee of Sponsoring Organizations) standards, which are the recognized basis for the control elements targeted by SOX. COSO outlines specific controls in five areas:
 - › Control Environment
 - › Risk Assessment
 - › Control Activities
 - › Information & Communication
 - › Monitoring


- » At a more tactical level, UTOF should ensure that basic treasury-related controls are in place throughout the System.
 - » Implement positive pay for all disbursement accounts.
 - » Explore the use of payee match services to further enhance the effectiveness of positive pay.
 - » Implement ACH debit blocks on accounts wherever possible.
 - » Implement standardized requirements for basic controls around check stock:
 - › Secure storage/limited access.
 - › Check stock safety features (e.g., void pantagraph).
 - › Random check stock audits.

Recommendations

| | |
|-----------------------------------|--|
| Treasury Organization / Structure | |
| Banking | |
| Cash Positioning | |
| Collections | |
| Disbursements | |
| Controls | |
| Technology | |

- » Test controls periodically through internal or external audits/assessments.
 - » U.T.'s treasury functions should be audited on a routine, periodic basis. The frequency of review should be a minimum of every two years.
 - » Maintain current documentation of key treasury processes and procedures, policies and controls. These will serve as an effective reference point to ensure organizational standards of performance.
- » Ensure system-wide compliance with credit card PCI standards.
 - » Determine merchant status for entire system.
 - » Complete required testing (IP Scans) and self assessment steps.
 - » Develop rigorous ongoing compliance program, including training for all areas handling cards.

Recommendations

| | |
|-----------------------------------|---|
| Treasury Organization / Structure | |
| Banking | |
| Cash Positioning | |
| Collections | |
| Disbursements | |
| Controls | |
| Technology |  |

- » U.T. should perform a cost/benefit analysis to determine whether a Treasury Workstation system (TWS) can be economically justified.
 - » While no single U.T. institution would likely cost-justify the purchase of a TWS, if used to support the entire organization, sufficient system-wide benefits may accrue to justify the expenditure.
 - » TWS technology can enhance operational efficiency and play an important part in the organizational control framework.
- » **Examine a replacement solution for U.T.'s current collateral system.**
 - » Select a suitable replacement tool to support the collateral tracking and reporting needs of the organization.
 - » Ensure that the chosen tool can be easily maintained and supported from an IT perspective.

Summary of Potential Savings

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

| Savings Projections: | Centralization | | Decentralization with Modifications | | Dual Centralization | |
|--|---------------------|-------------------|-------------------------------------|-------------------|---------------------|-------------------|
| | Savings | Cost | Savings | Cost | Savings | Cost |
| Banking: | | | | | | |
| Reduction in bank fees through UTOF negotiation | \$ 1,080,000 | | \$ 270,000 | | \$ 972,000 | |
| Elimination of stop pay charges | \$ 36,000 | | \$ 9,000 | | \$ 18,000 | |
| Savings from pre-encoding checks deposited | \$ 34,115 | | \$ 8,529 | | \$ 17,058 | |
| Reduction of overall number of bank accounts | \$ 143,626 | | \$ 56,930 | | \$ 127,976 | |
| Staffing: | | | | | | |
| FTE Savings from Treasury Centralization | \$ 750,000 | \$ 84,000 | | | \$ 650,000 | \$ 84,000 |
| Balance Management: | | | | | | |
| Utilization of interest bearing accounts/sweeps | \$ 98,000 | | \$ 24,500 | | \$ 49,000 | |
| Other: | | | | | | |
| Formalized Disaster Recovery Plan | | | | | | |
| Savings from national armored car service contract | \$ 12,109 | | \$ 3,027 | | \$ 6,055 | |
| RFP support | | \$ 42,000 | | \$ 42,000 | | \$ 42,000 |
| Implementation | | \$ 28,000 | | \$ 28,000 | | \$ 28,000 |
| Improved collection availability | | \$ 4,460 | | \$ 4,460 | | \$ 4,460 |
| RFP support | | \$ 112,000 | | \$ 112,000 | | \$ 112,000 |
| Implementation | | \$ 84,000 | | \$ 84,000 | | \$ 84,000 |
| Enhanced Internal Controls | | \$ 587 | | \$ 293 | | \$ 587 |
| Estimated cost for positive pay (U.T. Tyler, U.T. HSC Tyler) | | \$ 14,100 | | \$ 8,700 | | \$ 14,700 |
| Estimated cost for ACH debit blocks per month | | \$ 73,000 | | | | \$ 73,000 |
| Treasury Technology (ASP Technology, Yearly Charge) | | \$ 84,000 | | | | \$ 84,000 |
| RFP support | | \$ 126,000 | | | | \$ 126,000 |
| Implementation | | \$ 19,600 | | | | \$ 19,600 |
| One-time cost for encoding equipment | | | | \$ 4,900 | | |
| Total Potential Savings | \$ 2,158,310 | \$ 667,287 | \$ 371,986 | \$ 284,353 | \$ 1,840,088 | \$ 667,887 |

* **Note: Figures in red represent estimated consulting costs to achieve these tasks.

Other Notes:

Savings from National Armored Car Service: Estimate of 15% savings is likely.

Improved Collection Availability: Improved collection from standardized processes and increased electrification (Savings @ Arlington without Sallie Mae lockbox).

Reduction of Number of bank accounts to ideal: (155 accounts to 47 in centralization, 49 in dual centralization, 116 in decentralization; Savings in Information Reporting Fees & Acct. Maint.).

ACH Debit Blocks: (\$25/account; Centralization - 47 accounts, Decentralization - 116 accounts, Dual Centralization - 49 accounts).

Treasury Technology: ASP technology: 4,000/month + one-time implementation charge.

Pre-encoding: One-time cost for equip. for 14 sites @ \$1400/device.

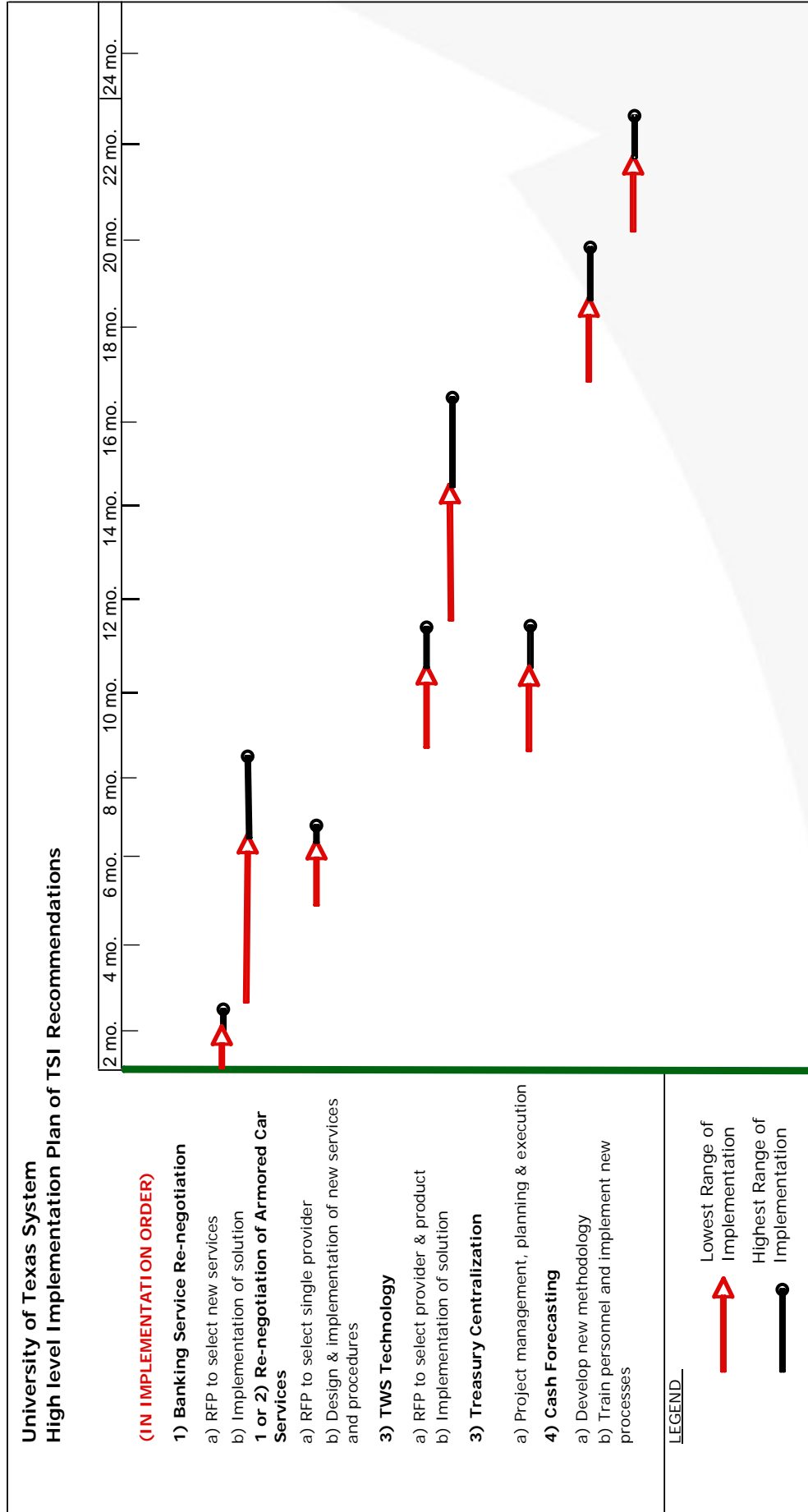
3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)

Appendices

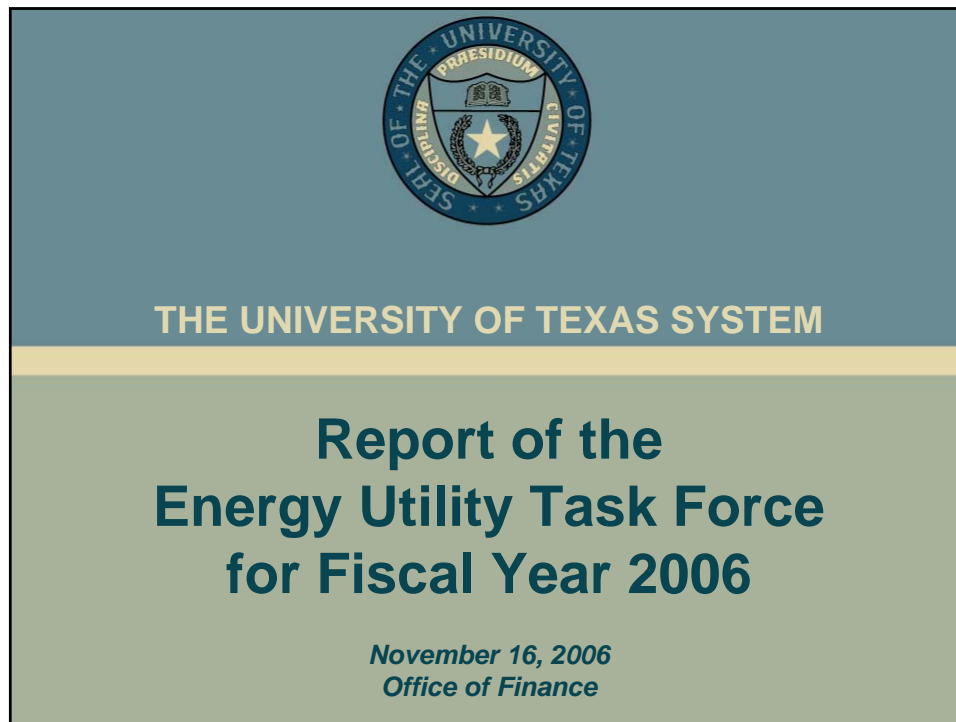
- Process Flow Charts
- Best Practice Matrices
- Bank Fee Analyses
- Proposed Implementation Sequencing and Timing

Proposed Implementation Sequencing & Timing

3. U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services (cont.)



5. U. T. System: Fiscal Year 2006 Energy Utility Task Force Report




The content page of the report features the University of Texas System logo on the left side. The title "Energy Utility Task Force (EUTF)" is prominently displayed in a light blue banner at the top. The main body of the page contains three bullet points, each preceded by a right-pointing arrowhead. The first bullet point describes the creation of the EUTF and lists three goals: reducing energy consumption, managing commodity price risk, and leveraging purchasing power. The second bullet point discusses the presentation of recommendations and goals to the Board of Regents in November 2001. The third bullet point mentions the completion of Energy Management Plans by each institution in Fiscal Year 2002. At the bottom left, the text "Prepared by Office of Finance November 16, 2006" is present, and a page number "2" is located at the bottom right.

- The EUTF was created by the Board of Regents in February 2001 to evaluate and recommend strategies for U. T. System institutions to:
 1. *Reduce energy consumption*
 2. *Better manage commodity price risk*
 3. *Leverage System-wide purchasing power*
- In order to facilitate the achievement of these goals, a series of recommendations and energy consumption reduction goals were presented to the Board of Regents in November 2001.
- Energy Management Plans were completed by each institution in Fiscal Year 2002 and are regularly updated. These plans serve as the "road map" for accomplishing the objectives of the EUTF.

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November 16, 2006

2

5. U. T. System: Fiscal Year 2006 Energy Utility Task Force Report (cont.)




Fiscal Year 2006 EUTF Headlines

- A 5.0% - 10.0% reduction in System-wide energy use per square foot was targeted by the EUTF for Fiscal Year 2006. The current Fiscal Year 2006 estimate shows a 1.9% reduction from baseline levels.
- This reduction in energy consumption per square foot has saved the U. T. System \$29.5 million over five years.
- While energy consumption has declined on a per square foot basis, the cost of energy has increased from \$2.61 per square foot in Fiscal Year 2001 to \$3.59 per square foot in Fiscal Year 2006.

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3



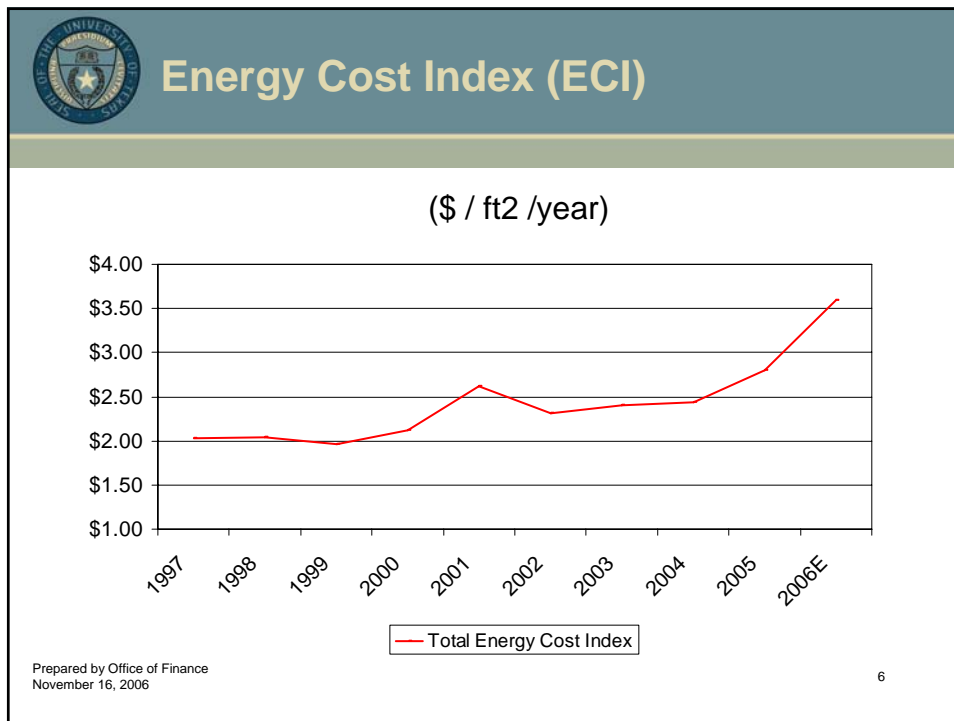
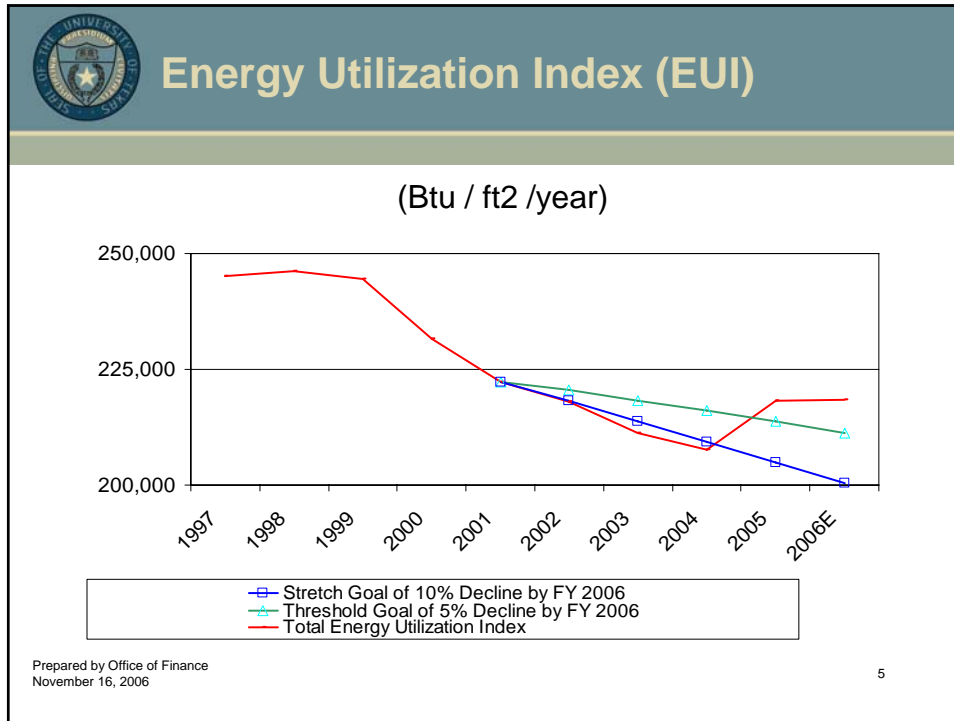
Governor's Executive Order RP-49

- On October 27, 2005, the Governor's Office issued Executive Order RP-49 requiring each state agency to develop a plan for conserving energy and to set a percentage goal for reducing its usage of energy.
- In response to RP-49, each U. T. System institution has updated its existing Energy Management Plan, containing specific action items intended to reduce energy consumption.
- RP-49 requires quarterly reporting. The U. T. System reports are available online in the Publications section of the U. T. System website under "Reports to the State of Texas."
- The quarterly reports detail hundreds of energy savings activities that are ongoing at U. T. institutions.


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4

5. U. T. System: Fiscal Year 2006 Energy Utility Task Force Report (cont.)




5. U. T. System: Fiscal Year 2006 Energy Utility Task Force Report (cont.)



U. T. System Energy Consumption and Costs

| Fiscal Year | Electricity Usage (Kwh) | Natural Gas Usage (Mcf) | Electricity Cost (\$/Kwh) | Natural Gas Cost (\$/Mcf) | Total Energy Cost | Gross Square Footage | Total Energy Utilization Index (Btu / ft2 / yr.) | Total Energy Cost Index (\$ / ft2 / yr.) |
|-------------|-------------------------|-------------------------|---------------------------|---------------------------|-------------------|----------------------|--|--|
| 1997 | 929,746,528 | 6,773,047 | \$0.045 | \$2.74 | \$ 97,767,351 | 48,182,721 | 244,161 | \$ 2.03 |
| 1998 | 1,003,307,037 | 7,146,175 | \$0.045 | \$2.72 | \$101,093,039 | 49,657,076 | 245,876 | \$ 2.04 |
| 1999 | 1,006,136,057 | 6,972,357 | \$0.044 | \$2.48 | \$ 99,614,128 | 50,881,399 | 243,204 | \$ 1.96 |
| 2000 | 1,059,087,750 | 7,057,246 | \$0.046 | \$3.40 | \$114,201,844 | 53,881,962 | 234,887 | \$ 2.12 |
| 2001 | 1,054,912,766 | 7,173,448 | \$0.057 | \$5.95 | \$149,020,315 | 57,093,777 | 223,267 | \$ 2.61 |
| 2002 | 1,084,142,327 | 7,161,616 | \$0.056 | \$3.82 | \$136,289,601 | 58,964,776 | 217,907 | \$ 2.31 |
| 2003 | 1,111,095,048 | 6,938,533 | \$0.056 | \$4.97 | \$144,915,613 | 60,474,069 | 211,143 | \$ 2.40 |
| 2004 | 1,164,660,799 | 7,544,840 | \$0.056 | \$5.03 | \$159,593,014 | 65,532,579 | 207,582 | \$ 2.44 |
| 2005 | 1,282,641,580 | 7,495,421 | \$0.060 | \$6.07 | \$187,293,165 | 66,962,298 | 218,147 | \$ 2.80 |
| 2006E | 1,388,895,218 | 7,463,222 | \$0.071 | \$10.06 | \$250,294,461 | 69,638,553 | 218,505 | \$ 3.59 |

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Energy Conservation Case Studies U. T. Austin


U. T. Austin Campus Energy Master Plan

A systematic approach to energy use at The University of Texas at Austin

November 16, 2006




5. U. T. System: Fiscal Year 2006 Energy Utility Task Force Report (cont.)




Energy Conservation Case Studies U. T. Austin *(continued)*

U. T. Austin Energy Master Plan

- **Build on previous success**
- **Expand energy efficiency focus to building operations (reduce demand)**
- **Continue to improve utility plant operations (increase efficiency)**
- **Implement a more effective natural gas purchasing strategy (stabilize procurement)**




November 16, 2006 9



Energy Conservation Case Studies U. T. Austin *(continued)*


Success in Utility Operations

- **Investing \$13.5M in plant operations has saved \$11.6M since 1998:**
 - **Implemented Digital Plant Controls**
 - **Use of “Real Time” Plant Model to Make Operational decisions**
 - **Shift Electrical Generation to “True Combined Cycle”**
 - **Boiler Controls Improvements**
 - **Steam Turbine Upset Management System**
 - **In-Plant Load Reductions**
 - **Minimize use of Unnecessary Stand-By Plant Equipment**
- **New Steam Turbine (\$16.7M) projected to pay for itself in about 9 years at \$8/mmbtu gas**



November 16, 2006 10

5. U. T. System: Fiscal Year 2006 Energy Utility Task Force Report (cont.)




Energy Conservation Case Studies U. T. Austin *(continued)*

Reduce Demand for Energy in U. T. Austin Buildings


- **Phase 1 – Campus-wide efforts being proposed:**
 - Lighting retrofits
 - Steam trap upgrades
 - Water conservation
- **Phase 2 – Individual building projects being proposed:**
 - Replacement of inefficient equipment
 - Recommissioning

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11




Energy Conservation Case Studies U. T. Austin *(continued)*

Continue to Improve Utility Plant Operations

Two components to this initiative:

- Improvements to electrical generation operation
- Upgrades and expansion of chilled water system


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12


5. U. T. System: Fiscal Year 2006 Energy Utility Task Force Report (cont.)




Energy Conservation Case Studies U. T. Austin (continued)

Summary of U. T. Austin's Path Forward

| Utilities Projects | Investment | MMBTU Savings | Cost Avoidance @ \$8.00 |
|--------------------------|---------------------|----------------------|-------------------------|
| Gas Turbine Replacement | \$31,000,000 | 394,000 | \$3,152,000 |
| Peaking Generators | \$6,000,000 | 40,000 | \$320,000 |
| Inlet Air Cooling | \$4,500,000 | 120,000 | \$960,000 |
| Chilling Station 6 | \$30,500,000 | 100,000 | \$800,000 |
| Chiller Modernization | \$6,500,000 | 10,000 | \$80,000 |
| Chilled Water Tank | \$2,000,000 | 40,000 | \$320,000 |
| Subtotal | \$80,500,000 | 704,000 | \$5,632,000 |
| Demand Side Projects | Investment | MMBTU Savings | Gas Savings @ \$8.00 |
| Lighting Retrofits | \$12,500,000 | 256,000 | \$2,048,000 |
| Steam Trap Upgrades | \$1,400,000 | 33,000 | \$264,000 |
| Domestic Water Retrofits | \$2,700,000 | 53.6 Million Gallons | \$480,000 |
| Subtotal | \$16,600,000 | 289,000 | \$2,792,000 |
| Grand Total | \$97,100,000 | 993,000 | \$8,424,000 |


November 16, 2006  Office of the Vice President for
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Energy Conservation Case Studies U. T. Austin (continued)

Natural Gas Procurement-Partnering with the General Land Office

- Recent agreement establishes the General Land Office (GLO) as U. T. Austin's procurement agent
- In addition to the GLO, U. T. Austin continues to retain outside consultants for advice on gas procurement strategies
- The GLO process and term of the contract (ten years) eliminates costly RFB preparation and contract negotiation
- Agreement with the GLO allows U. T. Austin to focus on establishing a diverse procurement portfolio that minimizes price volatility and establishes as stable a price/cost environment for the institution as possible over the life of the contract.

November 16, 2006  Office of the Vice President for
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5. U. T. System: Fiscal Year 2006 Energy Utility Task Force Report (cont.)




Energy Conservation Case Studies U. T. Austin (continued)

Summary


- **Focus on improving efficiency in utility plant operations and in U. T. Austin buildings in order to reduce the demand for natural gas**
- **Work with the GLO and consultants to minimize price volatility while procuring natural gas for as low a price as possible**
- **Continue to improve the delivery of utility products (electricity, steam, and chilled water) to the U. T. Austin campus**

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15



Energy Conservation Case Studies U. T. Southwestern Medical Center - Dallas


Energy Management Plan

- **Basic**
 - Hired a qualified and zealous energy manager
 - Participated in the U. T. System Energy Utility Task Force
 - Used resources of the State Energy Conservation Office
- **Monitor**
 - Energy Use Index – **decrease of 50% since 1994**
 - Energy Cost Index – **volatile and increasing**
- **Focus**
 - Capital improvements
 - Maintenance and operations
 - Energy contracts
- **Current Challenges**
 - Rising cost of energy
 - Growth of biomedical research space

Prepared by Office of Business Affairs, U. T. Southwestern Medical Center - Dallas
November 16, 2006

16

5. U. T. System: Fiscal Year 2006 Energy Utility Task Force Report (cont.)




Energy Conservation Case Studies U. T. Southwestern Medical Center – Dallas (continued)

Capital Improvements

- **Spent \$23.6 million in the past 10 years**
 - Includes \$9.6 million financed through revenue bonds repaid through energy savings
- **Major work**
 - New chiller
 - Energy efficient lighting
 - Replace 15KV electrical feeders
 - Replace electrical distribution and panels
 - Replace pumps, motors, and compressors
 - Upgrade air-handlers
 - Replace thermal piping
 - Install automated lighting controls
 - Expand building temperature controls and monitoring

Prepared by Office of Business Affairs, U. T. Southwestern Medical Center - Dallas
November 16, 2006

17



Energy Conservation Case Studies U. T. Southwestern Medical Center – Dallas (continued)


Maintenance and Operation

- **Spent \$7 million over the past 10 years from annual operating budget**
- **Major work**
 - Repair leaks
 - Replace and add Insulation
 - Match building systems “output” to need
 - Automatic nighttime and weekend set-backs
 - Diagnose conditions of mechanical and electrical systems
 - Install electric meters at each building

Prepared by Office of Business Affairs, U. T. Southwestern Medical Center - Dallas
November 16, 2006

18

5. U. T. System: Fiscal Year 2006 Energy Utility Task Force Report (cont.)




Energy Conservation Case Studies U. T. Southwestern Medical Center – Dallas (continued)

Energy Contracts

- Energy costs have been volatile
- Energy costs have been mitigated through:
 - the installation of a high voltage electrical sub-station and standby/emergency generators
 - \$15 million project financed with revenue bonds and repaid through cost savings
 - aggregated electrical power contract
 - saved U. T. System \$20 million over the past three years

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19



Energy Conservation Case Studies U. T. Southwestern Medical Center – Dallas (continued)

Current Challenges

- Current Electrical Contract will end in December
 - *It is expected that the cost to the U. T. System will be an additional \$13 million per year*
- U. T. Southwestern will have to work to keep the Energy Use Index down or flat because of the 40% increase in biomedical research space over the past two years
 - Comparative electrical energy use intensities are as follows:
 - **Biomedical Research – 50 kWh per SF**
 - Health Care - 23 kWh per SF
 - General Academic – 11 kWh per SF
 - Offices – 17 kWh per SF

Prepared by Office of Business Affairs, U. T. Southwestern Medical Center - Dallas
November 16, 2006

20

The University of Texas at Austin
Compact with The University of Texas System
FY 2007 through FY 2008

I. Introduction: Institution Mission and Goals

The mission of The University of Texas at Austin is to achieve excellence in the interrelated areas of undergraduate education, graduate education, research, and public service. The university provides superior and comprehensive educational opportunities at the baccalaureate through doctoral and special professional educational levels. The university contributes to the advancement of society through research, creative activity, scholarly inquiry, and the development of new knowledge. The university preserves and promotes the arts, benefits the state's economy, serves the citizens through public programs, and provides other public service. [Source: "Mission," *General Information* catalog, 2005-2006, p. 2]

The University of Texas at Austin is one of three institutions in Texas with membership in the Association of American Universities. Its enrollment is among the largest for single-campus universities in the United States. Composed of 16 colleges and schools, the university had a fall 2005 enrollment of 49,696.

About 13,000 students graduate from the university each year and more than 500,000 have graduated since the establishment of the university. Students attending the university come from all 254 counties in Texas, all 50 states, and more than 100 foreign countries. The 2,500 faculty include a Nobel laureate, Pulitzer Prize winners, MacArthur fellows, and hundreds of members of prestigious academic and scientific organizations. The students and faculty are supported by a staff of 14,000.

The university is a major research institution with more than 90 research units, including units at the main campus, the J. J. Pickle Research Campus, the Marine Science Institute at Port Aransas, the McDonald Observatory near Fort Davis, and the Bee Cave Research Center. The university's research expenditures in fiscal year 2005-2006 exceeded \$380 million.

Containing more than 8 million volumes, the library of the university is the fifth largest academic library in the nation and is consistently ranked among the country's top 10 research libraries. The university's holdings in Latin American materials are recognized as among the most significant in the world. Also world-renowned is the Harry Ransom Humanities Research Center that houses 30 million literary manuscripts, 1 million rare books, 5 million photographs, and more than 100,000 artworks. The Jack S. Blanton Museum of Art contains 17,000 works of art from Europe, the United States, and Latin America. The L. B. J. Library and Museum contains more than 40 million documents relating to President Lyndon Baines Johnson. And the Texas Memorial Museum houses the Texas Natural History Collections, including the non-vertebrate paleontology collections and the Vertebrate Paleontology Laboratory.

In the area of international education, the university has more than 100 exchange agreements world wide and hosts more than 1,000 international teaching faculty and researchers each year. It annually ranks among the top five universities in the nation both for the number of enrolled international students and for the number of students sent to study abroad.

In service beyond its campus, the university administers many programs designed to inform and assist educators, students, and the public. Community outreach programs include the Vaughn Gross Center for Reading and Language Arts and the National Center for Educational Accountability. The university also plays an important role in the economic development of the state by bringing significant federal and private-sector research funding to Texas, by training highly educated professionals for entry into a skilled work force, by providing preparation for successful entrepreneurship, by creating an attractive environment for businesses to relocate to Texas, and by providing intellectual property for the development of new businesses.

The core purpose of the university is "to transform lives for the benefit of society." The core values are learning ("a caring community, all of us students, helping one another grow"), discovery ("expanding knowledge and human understanding"), freedom ("to seek the truth and express it"), leadership ("the will to excel with integrity and the spirit that nothing is impossible"), individual opportunity ("many options, diverse people and ideas; one university"), and responsibility ("to serve as a catalyst for positive change in Texas and beyond"). As stated by the honor code, each member of the university is expected to uphold these values through integrity, honesty, trust, fairness, and respect toward peers and community.

II. Major Ongoing Priorities and Initiatives

In keeping with the spirit of the compact, the major ongoing priorities and initiatives have been reviewed over the past year as part of the continuous strategic planning of the university. During this period, the university had a change of presidents. While still in his initial months, the new president is developing an institutional agenda. The following list, therefore, reflects both new institutional priorities and updated information on continuing priorities and initiatives of major importance for the university.

A. Develop Public Support for Higher Education in Texas

Take initiative to inform more effectively the leaders and general citizenry of Texas about the importance of higher education for the future of the state

For the future success and prosperity of the state, Texas must increase substantially its capacity to offer higher education to its citizens while also elevating the quality of its colleges and universities. The Commission of 125 (a group of distinguished citizens drawn from Texas, 21 other states, and two foreign countries) completed nearly two years of deliberation in fall 2004 and presented a report to the president of the university expressing a vision of how The University of Texas at Austin can best serve Texas and society during the next 25 years. (The report and recommendations can be accessed on the Internet at <http://www.utexas.edu/com125/UTComm125Report.pdf>.) Recognizing the importance of higher education for Texas and its need for public support, the commission made the following recommendation (*A Disciplined Culture of Excellence, Report of the Commission of 125*, The University of Texas, September 20, 2004, Recommendation Sixteen, p. 30):

The University's communications efforts must convey the value of higher education to society. In addition, UT must clarify its key strengths and distinctive qualities and devise ways to communicate them more coherently and consistently to its constituencies at all levels.

As a new ongoing priority, the university will develop and implement a communication strategy to inform both state leadership and the population at large about the value and needs of higher education.

B. Elevate the University's Academic Standing Nationally

Bring the university to a place of nationally recognized leadership among public research universities

To conclude the introduction to the report of the Commission of 125, the chairman of the commission commented (*A Disciplined Culture of Excellence, Report of the Commission of 125*, p. 9):

The Commission of 125 firmly believes that The University of Texas can best serve society by fulfilling its aspiration to be the best public university.

Since its inception, The University of Texas at Austin has aspired to its constitutional imperative to be a "university of the first class." Although the institution does have significant national stature and many of its academic programs are recognized as being at the highest levels of quality, progress is still needed to bring the university as a whole to the level implied by the report of the Commission of 125. As a new ongoing priority, the university will develop and implement strategies to elevate the quality of its programs and its national stature. For example, the university is taking steps to implement "Strategic Initiative Two" of the final report of the Commission of 125 (*A Disciplined Culture of Excellence, Report of the Commission of 125*, p. 16): Establish more demanding standards for leadership of academic departments and research centers, and give those leaders the authority and resources needed. (Cf. item II, M, 1, b, below.) The long-range goal of this initiative is to elevate the quality of the academic departments and thus ultimately to raise the quality and stature of the university.

C. Recruit a More Diverse Student Body and Faculty

Establish effective means for increasing diversity in all parts of the university and for creating a climate of cultural understanding and respect

1. Creation and elevation of new senior position focused on diversity

In 2005, the university created and filled the position of vice provost for inclusion and cross-cultural effectiveness. The new portfolio was created specifically to focus on diversity and to improve the campus climate and level of student, staff, and faculty diversity through strategic efforts.

The new vice provost began his work by addressing key issues that had been raised by the Task Force on Racial Respect and Fairness in its January 2004 report. (The report can be accessed on the Internet at http://www.utexas.edu/opa/news/04newsreleases/nr_200401/report_respect.pdf. See also the response of then-President Larry R. Faulkner at http://www.utexas.edu/opa/news/04newsreleases/nr_200405/enrollment_response.doc.) The vice provost met with university leaders and held campus town hall meetings and small focus groups to solicit ideas regarding cross-cultural issues. He invited external constituents, including members of the local community, to share their perspectives of community and university relations.

The newly created Office of Inclusion and Cross-Cultural Effectiveness provided financial support to 34 student organizations, faculty/staff associations, and academic programs engaged in promoting diversity. For example, the office funded 5 separate roundtable discussions hosted by the Multicultural Information Center and the Gender and Sexuality Center. The office supported the 2006 Diversity Spring Symposium coordinated by the Division of Housing and Food Service. It supported the Diversity Speaker Series hosted by the College of Education. The office also helped sponsor a Summer Welcome Program for entering freshman students and a Texas Hillel White Rose Program. In addition, the Office of Inclusion and Cross-Cultural Effectiveness provided scholarships to first generation and underrepresented student participants in the Intellectual Entrepreneurship Program.

Beyond supporting important recruitment, social, academic, professional development, and leadership events, the vice provost for inclusion and cross-cultural effectiveness initiated plans to expand and improve The Diversity Institute managed by the School of Social Work. The institute provides a limited amount of scholarly research and cross-cultural diversity training to local businesses and corporations. In the future, The Diversity Institute will partner with the newly created Office of the Vice President for Diversity and Community Engagement (see below) to expand campus diversity and community outreach initiatives.

During spring 2006, the position of vice provost for inclusion and cross-cultural effectiveness was redefined and raised to vice president for diversity and community engagement with the added responsibility to build and sustain positive partnerships with local and statewide communities.

2. Students

The University of Texas at Austin continues to make progress toward achieving diversity in its student body. For fall 2005, the university admitted and enrolled the most ethnically diverse freshman class in its history. The numbers of African Americans and Hispanics enrolled as first-time freshmen were the highest for those respective groups in the history of the university. For Hispanics, it was the second year in a row that a record was set. For first-time freshmen enrolled, the total percentage of African Americans (5%), Hispanics (18%), Asian Americans (17%), and Native Americans (<1%) was about 41%, with the remainder of the class being white (55%), international students (3%), and unknown (<1%). Additional statistical information about freshmen can be accessed at <http://www.utexas.edu/student/admissions/research/HB588-Report8.pdf>, which is an Office of Admissions report, including "Implementation and Results of the Texas Automatic Admissions Law (HB 588) at The University of Texas at Austin," "Demographic Analysis of Entering Freshmen, Fall 2005," and "Academic Performance of Top 10% and Non-Top 10% Students, Academic Years 1996-2004."

For the university as a whole there was an increase in the proportional representation of both African American (3.5% to 3.7%) and Hispanic (13.4% to 14.1%) students. Total enrollment increased for Hispanics by 4.3% (286 students), for African Americans by 5.0% (87), and Native Americans by 7.4% (15). Enrollment decreased or remained essentially stable for Asian American, white, and international students.

The University of Texas at Austin ranked eighth in the nation for the number of Hispanics graduating with a baccalaureate degree (1,171). And the university continues its efforts to improve academic opportunities and success of underrepresented populations. The Lilly Foundation recently awarded a grant for the University Alliance, a collaboration between The University of Texas at Austin and the Hispanic Scholarship Fund. The purpose of the collaboration is to increase the number of Hispanic students seeking a college degree.

3. Faculty

Diversification of the faculty continues to be a difficult challenge. In the teaching faculty from fall 2004 to fall 2005, the number of Hispanic faculty members increased by 6 (4.3%) and the number of Native American faculty increased by 5 (55.6%). However, the number of Asian faculty decreased by 6 (2.8%) and the number of African American faculty decreased by 1 (1.1%). The number of faculty women

increased by 16 (1.7%), but the overall percentage of women on the teaching faculty was essentially static (i.e., 35.2% for fall 2004 and 35.6% for fall 2005).

In the first year of his position, the vice provost for inclusion and cross-cultural effectiveness assisted in the recruitment of 13 faculty members. These included Hispanics, African Americans, Asian Americans, and women in the fields of history, English, sociology, curriculum and instruction, anthropology, physics, educational administration, and social work. He assisted in the successful retention of two key female faculty members who were being recruited by other institutions.

D. Reform the Undergraduate Core Curriculum

Undertake a review and revision of the undergraduate core curriculum

As recommended by the Task Force on Racial Respect and Fairness, the Task Force on Enrollment Strategy, and the Commission of 125, a Task Force on Curricular Reform was appointed in December 2004 to undertake a review of the undergraduate core curriculum. The Task Force presented its recommendations to the General Faculty on October 27, 2005.

In spring 2006, the Faculty Council hosted meetings in each college and school for faculty to discuss the recommendations of the Task Force on Curricular Reform. Oral reports of these discussions were provided to the Faculty Council at its regular meetings. The council also held three university-wide forums to provide opportunities for further discussion of the task force recommendations. The Senate of College Councils, which has voting representation on the Faculty Council, hosted student forums in the colleges and schools and produced resolutions regarding the report of the task force.

The Educational Policy Committee of the Faculty Council agreed to work during summer 2006 to consider the results of the college meetings and forums held by the Faculty Council and to provide its own recommendations to the full Faculty Council in September 2006. Complementing that effort is the work of an *ad hoc* committee composed of deans and their representatives, which is considering the practical implications of adopting recommendations of the Task Force on Curricular Reform. The *ad hoc* committee intends to complete its work during summer 2006.

E. Budget

Identify and manage the financial resources necessary to maintain the university in a place of national preeminence in higher education

As an outcome of the 79th Legislature, the university received a 4.2% increase in General Revenue funding for the biennium. This amounts to a 1.4% increase per year, less than the 1.8% average increase for the past 15 years, and less than the current 3% annual inflation rate. It is clear the university will continue to face significant financial challenges in its attempts to achieve and maintain a place of preeminence in higher education. In November 2005, the university's Tuition Policy Advisory Committee made its recommendations to the president. Although deregulated tuition has helped the funding base, the committee's six-year forecast suggests that the university's critical financial needs will exceed substantially any monies available. For fiscal year 2006-2007, the anticipated shortfall will be about \$37.3 million, and the shortfall will grow to nearly \$95.8 million by fiscal year 2010-2011. Tuition increases were recommended by the Tuition Policy Advisory Committee to cover the shortfall of \$37.3 million for 2006-07. Subsequently, \$15 million of the recommended tuition increase was changed to an Energy Fee. An additional increase of \$5.4 million to cover the \$42.7

million shortfall for 2007-08 was also recommended. This amount will reduce the \$95.8 million shortfall for 2010-11 to \$53.1 million. (See "Tuition Recommendation - Academic Years 2006-07 and 2007-08," a memorandum of November 3, 2005, from the Tuition Policy Advisory Committee to then-President Larry R. Faulkner. This document is available on the Internet at http://www.utexas.edu/news/tuition/2005_TPAC_Recommendations.pdf.)

Specific strategies are being developed to address immediate shortfalls, but several general strategies continue.

1. Improve processes to enhance services and reduce costs
2. Explore alternative methods of pricing educational services that encourage more rapid completion of degree requirements
3. Increase public awareness of the university's spending and the resulting public benefit of state investments in the university

In light of declining state support, the university continues to take steps to reduce the growth of costs and to use assets in the most productive ways. However, the institution has a growing concern about access and affordability. To maintain a high quality of education, the university has been forced to increase the share of expenses that must be borne by families through tuition and fees. By offering additional financial assistance, the university has taken the initiative to mitigate cost increases for families with annual incomes of \$80,000 and less. To the present time, the additional financial assistance seems to have been effective. Thus, for the university's first-time enrolled freshmen (summers and falls) in 2003, 2004, and 2005, the percentages of students by household income remained essentially constant (viz. 5% to 7% for household incomes below \$20,000, 11% to 13% for incomes in the range of \$20,000-\$40,000, 11% to 13% for \$40,000-\$60,000, 11% to 13% for \$60,000-\$80,000, and 50% for household incomes greater than \$80,000). Nevertheless, as financial pressures mount, the concern will also rise.

F. Faculty expansion

Reduce the student/faculty ratio by increasing the number of tenured and tenure-track faculty while maintaining stability in, or lowering, the overall university enrollment

The university has continued to address the problems of student/faculty ratio as explained in the original compact document. In academic year 2000-2001, the university embarked upon a 10-year program to add 300 strategically placed faculty (i.e., 30 per year). Because of severe budget constraints, the program was suspended in 2001-2002, but it resumed in the following year and has continued annually since then.

In the five years during which the program has been active (2000-2001, 2002-2003, 2003-2004, 2004-2005, and 2005-06), 152 new tenured and tenure-track positions have been funded through central allocations by the University Budget Council and through special allocations by the executive vice president and provost. During the same period, the executive vice president and provost also funded eight non-tenure-track positions. In all cases, the added positions have been targeted to core disciplines and high priority programs as determined through discussions between the executive vice president and provost and the deans and faculties of the colleges and schools.

In its efforts to reduce the student/faculty ratio, the university has complemented the faculty expansion with an initiative to reduce the number of students. Thus enrollment was

decreased from 52,261 in fall 2002 to 49,696 in fall 2005. The combination of faculty expansion and reduction of student enrollment has led to a drop in the student/faculty ratio from 21.01 in fall 2000 to 19.85 in fall 2005. (See *Statistical Handbook 2005-2006*, Table FS 10 (3), "Student/Faculty Ratios," pp. 127-129. This document may be accessed at http://www.utexas.edu/academic/oir/statistical_handbook/05-06/pdf/0506facultystaff.pdf.)

G. Facilities preservation and enhancement

Develop and fund a systematic plan for the preservation and enhancement of facilities

Facilities preservation

The original compact described the significant challenge of preserving facilities in an institution with the size and complexity of The University of Texas at Austin. Several strategies were then presented. The strategies and their status are as follows.

1. Campus Planning and Facility Management has proposed a goal of improving the overall campus condition by 50% by the year 2020.

The university is still working toward this goal.

2. Buildings at the main campus and the J. J. Pickle Research Campus have been grouped into reinvestment categories based on their condition. These categories guide the use of preservation funds.

Building categories continue to be used to establish priorities and allocate funds.

3. Campus Planning and Facility Management has established a measure to determine effectiveness in the use of preservation funds. The goal is to improve this measure from 70% to 80% by the year 2010.

The estimated effectiveness for fiscal year 2005-2006 is 80%, down slightly from 83% in the previous compact. The challenge is to maintain this level of effectiveness as buildings age and the need for repairs increases.

To determine progress, Campus Planning and Facility Management uses three measures explained in the original compact.

1. One measure is the building condition index (BCI). This is an assessment of individual buildings and indicates the cost to remedy the deficiencies of a specific building as compared with the replacement value of that building. The goal for the university is to keep all BCI values in the range of 0.15 to 0.45 (i.e., 15% to 45% of replacement value). A building condition index (BCI) was established for each building included in a condition assessment during fiscal year 2002-2003. (Building condition indices ranged from 0.01 to 0.98.) To measure progress toward the university goal, the condition of each building is measured periodically against the benchmark BCI for that building.

The university has completed a re-assessment of all facilities supported by Education and General (E&G) funding. The final results are expected by late summer 2006, and will provide information necessary to evaluate changes in the BCI.

2. The second measure is the change in the overall facility condition index (FCI). An FCI is an assessment of a specific group of buildings and indicates the aggregate cost to

remedy the deficiencies in that group as compared with the replacement value. As of fiscal year 2002-2003, the FCI for the main campus was 0.45 (i.e., the cost of remedying the deficiencies amounted to 45% of the replacement value of this group of buildings). The goal for the university is to bring the FCI for the main campus down to 0.20 by fiscal year 2019-2020. The FCI is reviewed periodically to determine progress toward that goal.

A re-assessment of about 50% of facilities supported by Education and General (E&G) funding indicated that the FCI had not changed appreciably over the past two years, due in part to the addition of a new building and the renovation of two others. However, there does seem to be a rather rapid increase in the "urgency" of deficiencies. Completion of the last phase of the re-assessment effort will allow this apparent trend to be analyzed more completely.

3. The third measure is the effectiveness of expenditures of facilities preservation dollars in reducing the condition indices at the building and campus levels. The university will continue to use VFA, Inc. to provide regular condition assessments of its facilities as well as to evaluate progress on improving campus condition. The effectiveness rating continues to improve and is estimated to be about 80% by fiscal year 2005-2006.

Major obstacles identified in the initial compact document remain.

1. Availability of funding

For fiscal year 2005-2006, the university was able to provide \$12 million in funding for facilities preservation. (This was less than for 2004-2005 when an additional one-time allocation of \$5 million was available for facilities preservation.) Lack of adequate recurring funding for repair and renovation remains a substantial problem.

2. Coordination of repair and renovation efforts with academic and research upgrades and other essential projects

At an institution of the size and complexity of The University of Texas at Austin, the setting of repair and renovation priorities in coordination with academic needs remains an ongoing challenge.

3. The ability of the university to endure large amounts of repair and renovation and the need for space to house personnel and functions that are displaced by facilities preservation projects

Campus Planning and Facility Management is working with academic units to determine how to implement projects on a scale that will cause the least disruption.

Facilities enhancement

Complementing the priority of facilities preservation is that of facilities enhancement. The "Capital Improvement Program" submitted to The University of Texas System indicates the breadth of institutional facilities needs for The University of Texas at Austin. Among the highest priorities remains the replacement of the Experimental Science Building.

As with facilities preservation, a significant obstacle to the realization of many of these projects is the lack of financial resources. Thus, while funding is being identified for some projects (e.g., Student Activities Center, Dell Computer Sciences Hall, Dell Pediatric Research

Institute) other equally important projects (e.g., a new building for the College of Communication) cannot proceed without new sources of funding.

H. Compensation program

Fund a total compensation program for faculty and staff that will keep The University of Texas at Austin competitive in the recruitment and retention of top quality talent

If the university is to achieve and maintain national preeminence among institutions of higher education, it must be able to recruit and retain the best talent available. To achieve that goal, the university must have a compensation program that is competitive with the leading institutions.

The situation regarding faculty compensation at The University of Texas at Austin remains critical. The university's average faculty salaries for tenured and tenure-track ranks lag 6.1% behind the average of the 20 institutions of its normal comparison group and 12.7% behind the average of the 12 schools considered its most serious competitors. The faculty salary gap is exacerbated by the fact that, having risen in national prominence, the university has increasingly become a target for other institutions seeking to lure away the most talented faculty. Counter offers are handled on a case-by-case basis, but "raids" by other schools are a serious and growing problem. For fiscal years 2005-2006 and 2006-2007, the university has been able to supplement faculty salary merit increases with targeted funds to retain the most valued and vulnerable faculty.

It should also be noted that compensation and the quality of facilities are interlocked when it comes to the recruitment and retention of faculty. This is especially true in the sciences and engineering. The university is at a critical juncture in this regard. If resources are not found in the immediate future to fund the renovation of aging facilities, then attrition of faculty strength and programmatic deterioration can be expected.

During the past four years, a time when most employees of state agencies received no increases, the university provided performance-based salary increases to staff comparable to averages reported in published surveys for the same period. For 2006, published salary surveys indicate salaries for persons in professional occupations increasing at an average of 3.6%. For fiscal year 2006-2007, the university has committed its own resources to fund a 3% salary pool for merit increases for staff and faculty. Individual units will be permitted to supplement this pool with their own resources.

In addition to merit increases, staff salary ranges have been adjusted to maintain a competitive market position in two of the past three years. For fiscal year 2006-2007, salary range minima have been increased by 2%. The minimum hourly rate has been increased to \$11. Moreover, for open positions, managers are encouraged to post salary ranges to allow flexibility in making market-appropriate offers to attract the best applicants.

The university's retirement and health insurance benefits are competitive with both private and public sector employees. The university increased its contribution to the Optional Retirement Program in fiscal year 2005-2006 from 6% to 6.5%. For 2006-2007 the contribution will rise to 7%. The university also increased its contribution for health insurance by 6% for fiscal year 2006-2007. But while the university has attempted to mitigate the affect of health insurance increases, faculty and staff have had to absorb increases as well. It is a trend that affects all employers and employees, and the consequences are most significant for the lowest wage earners.

I. Student progress and success

Increase undergraduate retention and graduation rates and improve average time to graduation

In April 2006, The University of Texas at Austin submitted to The University of Texas System a report on "Strategies and Targets for Increasing Graduation Rates." That report discusses the strategies that the university is using to improve graduation rates and provides targets, viz., to exceed its national comparison group by the year 2010 with a four-year graduation rate of 55% and to reach a six-year graduation rate of 80%. (The university already exceeds the national averages for graduation rates.)

As indicated by the university's *Statistical Handbook 2005-2006* (http://www.utexas.edu/academic/oir/statistical_handbook/05-06/) and the Common Data Set 2005-2006 (<http://www.utexas.edu/academic/oir/cds/05-06/CDS2005-2006.pdf>), both of which are produced by the Office of Institutional Research, the retention rate after one year for the 2004 entering freshman class was 92.7%. This was down from the previous year (93.2%). However, undergraduate graduation rates continued to rise. The four-year graduation rate for the 2001 entering class was 46.9% (up from 45.6% for the 2000 entering class and up from 35.5% for the 1995 entering class). The six-year graduation rate for the 1999 entering class was 75.1% (up from 74.3% for the 1998 entering class and up from 70.3% for the 1995 entering class).

J. Enrollment management

Implement more effective strategies for enrollment management, including both student matriculation and course offerings and enrollments

In fall 2002, then-President Larry R. Faulkner appointed a Task Force on Enrollment Strategy, charging it to recommend a reasoned strategy for managing student enrollments at the university into the indefinite future. The task force completed its report in December 2003. (The report can be found at http://www.utexas.edu/opa/news/04newsreleases/nr_200401/report_enrollment.pdf.) The president accepted the report and charged the executive vice president and provost to review the recommendations with the appropriate parties and determine what items were actionable in the short and long term.

The process of review has proceeded during the intervening years and most of the recommendations of the task force have been addressed. For example, the Faculty Council considered and recommended various measures proposed by the Task Force on Enrollment Strategy (cf. *Documents of the General Faculty*, D. 3969-3970, May 9, 2005) and these have all been considered in the past year. Many of the proposals, however, need multiple levels of consideration and approval before implementation (e.g., the Faculty Council, executive vice president and provost, president, chancellor of The University of Texas System, and the Texas Higher Education Coordinating Board). For most of those recommendations that have been approved, implementation is just beginning and it will be several years before their effects can be evaluated. Nevertheless, because of a variety of initiatives, the university's enrollment decreased 1.4 percent from fall 2004 (50,377) to fall 2005 (49,696).

Despite initiatives taken by the university to manage enrollment responsibly, there remains a question about whether success can be achieved in light of the increasing percentage of freshmen admitted under the provisions of House Bill 588 (the "Top 10% Law") of the 75th Legislature. For 2005, the percentage of freshmen entering the university as graduates from

Texas high schools under this law was 69%. This represents a 3% increase over the previous year. (See *Implementation and Results of the Texas Automatic Admissions Law [HB 588]* at *The University of Texas at Austin, Office of Admissions*; <http://www.utexas.edu/student/admissions/research/HB588-Report8.pdf>.)

The 79th Legislature made no change in the law. If the overall trend continues unabated, within a few years almost all freshmen will be admitted to the university on the basis of a single criterion, i.e., standing in the top 10% of the high school graduating class. Not only would it be educationally unsound to admit most or all freshmen on a single criterion, such a situation would have other adverse consequences.

- If, for the sake of responsible enrollment management, the university limited the total number of entering undergraduates, then the increase in students admitted under the "top 10% law" would need to be accompanied by a commensurate decrease in all other categories of new students (i.e., non-top 10% freshmen and transfers).
- An alternative would be to accept all top 10% applicants while at the same time admitting a desirable number of other freshmen and transfer students. In effect, the university would lose control of its undergraduate enrollment.

While the university is taking the initiative to identify and implement sound enrollment strategies for undergraduates, a significant component of enrollment control (viz., freshman admissions) may prove unmanageable unless the provisions of HB 588 are modified in the future.

K. Academic initiatives

1. Dell Pediatric Research Institute

Through a gift from the Michael and Susan Dell Foundation, over the next three years the university will develop the Dell Pediatric Research Institute to establish a center of excellence for children's health and biomedical research.

2. Latin American initiatives

The university continues to place an emphasis on Latin American studies and programs. A Web site established by the Office of the Executive Vice President and Provost describes various Latin American initiatives and activities (see <http://www.utexas.edu/lai/>). In addition to current programs, new ones continue to emerge. For example, the university has under review a proposal from the Lozano Long Institute of Latin American Studies to develop a series of ongoing symposia and related events in South America with the collaboration of leading institutions of higher education there.

3. Biomedical engineering program

The biomedical engineering program, which created its undergraduate program over the past several years, graduated its first class this spring, with 76 students completing their baccalaureate degrees.

The new program continues to gain national recognition on all levels. Faculty were cited as having one of the most influential papers in an international journal in the past 25 years. Other faculty have received \$2.3 million for five years from the National Eye

Institute to develop a better glaucoma test. And two doctoral students won prestigious international research awards from the Society for Biomaterials. (See the Web page for the Department of Biomedical Engineering at <http://www.bme.utexas.edu/index.cfm>.)

In an initiative to strengthen the state's biotechnology capabilities, three institutions of The University of Texas System are combining resources to form a new biomedical engineering department to operate in Houston and Austin. The new department will officially begin on September 1, 2006, joining the educational and research programs of the Department of Biomedical Engineering at The University of Texas at Austin with resources at The University of Texas M. D. Anderson Cancer Center and The University of Texas Health Science Center at Houston. Combining the strength of the system's largest research university with two major components of the largest medical center in the world provides a unique opportunity to translate basic research into medical advances that benefit the citizens of Texas and beyond.

4. Jack S. Blanton Museum of Art

The Mari and James A. Michener Gallery Building (the "phase one" building) of the Jack S. Blanton Museum of Art was completed and opened in April 2006. Academic use of the facility has already begun. Funding for the Edgar A. Smith Building (the "phase two" building) has been identified and construction has begun. (See the Web site for the Blanton Museum at <http://www.blantonmuseum.org/>.)

5. John A. and Katherine G. Jackson School of Geosciences

The John A. and Katherine G. Jackson School of Geosciences was inaugurated with the beginning of the 2005-2006 academic year. The new school combined the Department of Geological Sciences and the Institute for Geophysics, which transferred from the College of Natural Sciences, and the Bureau of Economic Geology, which transferred from the portfolio of the vice president for research. The school graduated its first class in May 2006.

6. South Asia initiative

The South Asia region is of growing strategic importance for the nation, Texas, and the university. The Office of the Executive Vice President and Provost has begun a multi-year investment in the development of new faculty initiatives to build on the university's considerable existing strength in South Asia studies. Following the model of the Latin American initiative (see II, H, 2, above), the South Asia initiative is intended to involve all colleges and schools at the university. A search for the new director of the South Asia Institute will be undertaken in the coming academic year.

L. Information Technology and Communication Services

Review the effectiveness of information technology and communication services and effect appropriate changes

In 2001, the university consolidated into one unit information technology and communication services that had previously operated separately, viz., in Administrative Computing Services, Academic Computing and Instructional Technology Services, and Telecommunications. The new unit, Information Technology Services, has been operating for five years and its administrative head, the vice president for information technology, recently announced that

he is leaving his position. This is a logical time for the university to review the status of information technology and communication services on campus and to effect changes deemed appropriate. That process has begun and will continue in the coming year.

M. External institutional reviews

Respond to results of reviews by external agencies

1. In September 2004, the Commission of 125 issued its final report expressing a vision of how The University of Texas at Austin can best serve Texas and society during the next 25 years. The report, which can be accessed on the Internet at <http://www.utexas.edu/com125/UTComm125Report.pdf>, contained two strategic initiatives.

- a. Develop a new undergraduate core curriculum to better prepare students for lives of accomplishment.

See item II, D, above, for detailed information regarding the university's undergraduate curriculum reform efforts.

- b. Establish a more demanding standard for leadership of academic departments and research centers, and give those leaders the authority and resources to succeed.

In response to this item, the president is considering a proposal to provide significant support to selected departmental chairs, giving them the resources to lead their departments to higher standards of excellence and accomplishment. The increased support is intended to allow these departments to:

- i. recruit superior scholars and researchers who are proven leaders, and
- ii. give the chairs the authority and resources with which to lead effectively.

The university will also hold the chairs accountable for the outcomes.

In addition to these two strategic initiatives, the Commission of 125 also made 16 recommendations. Through the year 2009, the commission will convene at the university annually to receive a report on the status of its recommendations.

2. During 2004-2005, the university underwent a management and performance review as mandated by the Legislative Budget Board (LBB). That review was conducted by the Pappas Consulting Group, Inc. of Stamford, Connecticut, and the final report, *University of Texas at Austin Management and Performance Review*, was released by the LBB on March 7, 2005. The report can be accessed on the Internet at http://www.lbb.state.tx.us/TSPRP/ut_austin/UTAustin_Performance_Review.pdf. Since that time, the vice presidents have been asked to implement appropriate recommendations of the report. During spring 2006, they provided a status report to the Office of the President.

3. In 2007-2008, the university will undergo a review for reaffirmation of accreditation by the Commission on Colleges of the Southern Association of Colleges and Schools (SACS). Officials of the university have already been engaged for over a year in preparations for the review. Both the process and the elements of evaluation have

been substantially revised since the last SACS accreditation review of the university. The newly required "Quality Enhancement Plan" and outcomes-based assessment process are intended to become permanent features of institutional improvement. Because of their ongoing nature, they will require the dedication of recurring resources for development and maintenance.

N. Enterprise risk management

Enterprise risk management was adopted by The University of Texas System and is addressed in Business Procedures Memorandum 18. The objective of this initiative is to make compliance risk management an integral part of everyday activities of all employees to reduce risks in all operations. To achieve this, institutional managers need to analyze business processes in order to document where high-risk areas have adequate internal controls and to identify areas needing additional attention.

The implementation of enterprise risk management at The University of Texas at Austin is being coordinated by the Office of Internal Audits. To help implement the program, the university engaged a nationally recognized expert in the field. Over several months, he conducted workshops (two sessions of two hours each scheduled on different days) for each vice president and his or her senior managers. As a result of those sessions, the vice presidents developed risk management plans. The program is now being extended to the academic units through the deans and is intended to remain an ongoing management tool.

III. Future Initiatives of High Strategic Importance

- **Continuation of major ongoing priorities and initiatives**

The items listed under II, A through N, above, will continue to be of high strategic importance for the foreseeable future. Most of these initiatives will require years of commitment and dedicated resources before the goals are reached. The academic initiatives listed above under II, K will also continue to be important, although as they are completed or reach maturity and stability, others will take their place among the institutional priorities.

IV. Other Critical Issues Related to Institutional Priorities

A. Impact of initiatives

1. Enrollment management

Discussed above

2. Diversity of faculty and staff

Discussed above

3. Community and institutional relations

As a recognized "flagship institution" in the state capitol, The University of Texas at Austin has unique responsibilities in community and institutional relations. These responsibilities remain an important consideration as initiatives are developed and implemented. To aid in this area, the president created in summer 2006 the new position of vice president for diversity and community engagement (cf. item II, C, 1). Moreover, the university maintains

an ongoing strategy of systematic communication to appropriate public officials and to the public at large.

4. Finances

Discussed above

5. Facilities

Discussed above

6. Other infrastructure issues

See Item, II, L, Information Technology and Communication Services, above.

B. Unexpected opportunities or crises

None anticipated at this time

V. System and State Priorities

A. Increasing student access and success

Discussed above

B. Collaborations among UT System institutions, particularly academic-health institution collaborations

Five initiatives were discussed in the initial compact document and these continue as described there. They are:

1. The University of Texas Center for Biomedical Engineering: This effort involves The University of Texas at Austin, The University of Texas Health Science Center at Houston, and The University of Texas M. D. Anderson Cancer Center.
2. The College of Pharmacy partnerships with institutions in The University of Texas System in support of professional and graduate education and training. These include the Cooperative Pharmacy Programs with two Hispanic Serving Institutions (The University of Texas at El Paso and The University of Texas-Pan American), the Joint Pharm.D. Program with The University of Texas Health Science Center at San Antonio, and a collaborative program with the M.D. Anderson Cancer Center Science Park at Smithville.
3. The Coordinated Admission Program ("CAP") for undergraduate admission.
4. The School of Law recruiting programs with University of Texas System institutions, Texas A&M System institutions, and Historically Black Colleges and Universities.
5. The University of Texas at Austin initiatives with University of Texas System institutions and other institutions in Texas regarding nanoscience, nanotechnology, and nanomanufacturing.

There are four additional ongoing initiatives in information technology.

6. The University of Texas at Austin developed, hosts, and maintains *DEFINE, an integrated online financial system that is used by The University of Texas System offices as well as the campuses at Arlington, El Paso, the Permian Basin, San Antonio, and Tyler. In addition, the budgeting components of *DEFINE are used by The University of Texas at Brownsville, The University of Texas-Pan American, and The University of Texas Health Science Center at Houston. The University of Texas at Austin also operates an intensive software developer training program to ensure the availability of qualified personnel to maintain and upgrade *DEFINE.
7. Under contract with The University of Texas System, The University of Texas at Austin operates THEnet (Texas Higher Education Network), a wide-area data network that connects most campuses of the System to each other, to the commodity Internet, and to the Internet2 Abilene network. ("Abilene" is the high-performance backbone network used by academic, corporate, and governmental partners that form the Internet2 national consortium.)
8. The University of Texas at Austin has provided both organizational and technical leadership to create LEARN (the Lonestar Education and Research Network), a not-for-profit organization composed of 33 universities and university systems in Texas chartered to build and operate a fiber-optic data network spanning 2,100 miles around the state. When completed in 2006, LEARN will provide high-bandwidth connections to the commodity Internet in multiple cities, to Internet2 Abilene, to National LambdaRail (NLR), and to the National Science Foundation TeraGrid. The university also provides office space and contract administrative support services for LEARN.
9. The University of Texas at Austin developed, hosts, and maintains the Texas Common Application (www.applytexas.org) supporting applications for admission and financial aid to any Texas public university, as well as to participating community and private colleges.

C. Increasing external research and funding

In fiscal year 2004-2005, federally funded research and development expenditures at The University of Texas at Austin totaled approximately \$270 million. Historically, this level of funding represents approximately 19% of the total federal research and development (R&D) funds received by all of Texas public universities and health-related institutions as a whole. During the period 2001-2005, the university's total and federally funded R&D expenditures increased by 38.12% and 30.95%, respectively.

D. Increasing marks of academic and health care excellence

As discussed in the initial compact, the executive vice president and provost issued a policy requiring all academic units to develop an outcomes-based approach to program review. The goal is to improve continuously what the university does in academic programs and to set benchmarks of excellence for each program. This was in response to the last reaffirmation review by the Southern Association of Colleges and Schools (SACS). The outcomes-based approach is also embodied in the "Institutional Effectiveness" portion of current SACS criteria and includes not only academic programs but also administrative units that support academic programs.

The vice provost for faculty affairs is charged with monitoring implementation of the policy and, as needed, providing support for the colleges and schools in their efforts. The initial

steps of implementation were taken by modifying the campus-level compacts to emphasize outcomes-based assessment. The intent was to increase initiatives that focus 1) on what students have learned, how they have learned, and how well they are prepared to work in society and in their chosen profession; 2) on faculty teaching effectiveness; and 3) on improved curriculum initiatives. These efforts will be supported in part by the Division of Instructional Innovation and Assessment (DIIA) and improved coordination between DIIA and the colleges and schools.

To help academic units develop the outcomes-based approach, workshops by an internationally recognized assessment expert were held in fall 2005 followed by further workshops in spring 2006. In addition, a Web site (<http://www.utexas.edu/provost/sacs/index.html>) was developed to explain the accreditation process and to offer resources to the academic and administrative programs as they prepared their outcomes-based assessment plans. Professional schools on campus already working with outcomes-based assessment are also being asked to contribute expertise.

In addition to outcomes-based assessment, the university is engaged in other activities to enhance academic excellence. The university collaborated with The University of Texas System and other System institutions to develop a number of accountability metrics that were published in the "Accountability and Performance Report 2005-06." The university also worked with the Texas Higher Education Coordinating Board to develop the Higher Education Accountability System that went online in December 2004. The university set benchmarks and goals with Texas A&M University in the Research University group and is tracking progress toward those goals. And the provost is asking the deans to use these and other accountability measures in the campus compact process to show how the colleges and schools are contributing to the achievement of the university's goals.

To encourage departments to improve the educational experience of undergraduates, the provost has changed implementation of the Performance Based Instructional System and faculty workload system. While meeting faculty workload requirements, which are now monitored by the Office of the Executive Vice President and Provost, the changes give departments more freedom to be innovative in class offerings and to use their faculty resources in innovative ways. The changes will also make adoption of a new core curriculum easier.

Coordination of planning efforts is also important to academic excellence, and new SACS criteria require greater coordination of planning and evaluation. Institutions are now required by SACS to maintain a systematic review of programs and services that results in continuing improvement and that demonstrates that the institution is effectively accomplishing its mission. Thus the planning efforts that exist on many levels (System-wide, institutional, departmental) will need to be coordinated in a way to meet the SACS requirement. At The University of Texas at Austin, an effort is being made to integrate better the local compacts between the provost and deans with the institutional (System) compact.

E. Development and alumni relations

1. Development

The Office of Development has three major priorities. The first priority is to clarify the performance and service standards that define the professional level of the university's fund raising enterprise. Of particular importance is clarification of the services to be provided by the central office to the colleges, schools, and units, and establishing

benchmark standards for all fundraising professionals, both centrally and across campus.

The second priority is to structure short-term fund raising programs around specific university initiatives such as the proposed Computer Sciences Building, Great Magellan Telescope, and Dell Pediatric Research Institute. Each of these initiatives requires special planning and coordination in order to identify and approach appropriate donor prospects.

The third priority is to begin planning for the university's next capital campaign, tentatively scheduled to begin in 2008. Planning will involve the substantial collaboration of the president, deans, directors, and senior development volunteers. An initial step will be to establish a university-wide campaign planning committee by fall 2006.

Other priorities include strengthening the university's corporate and foundation development activities; restructuring the annual fund program; supporting the strategic planning and fund raising activities of the colleges, schools, and units; expanding the institution's constituent relations program; and building stronger relationships between the central development operation and the provost, deans, and directors.

2. Alumni relations

The university's alumni association (The Texas Exes) was described and its programs explained in the original compact. The Texas Exes organization continues its unique and extremely important role of support to the university and its students. Examples include scholarship programs that help the university recruit and retain outstanding students; "send-off" programs that help the university welcome and retain newly admitted freshman students, especially those from locales in which the institution is trying to promote more admissions; the Camp Texas orientation and leadership program; mentoring programs; and teaching and advising awards. Through the "Texas Exes Awards for Outstanding Teachers," The Texas Exes provide outreach to elementary and secondary school teachers across the state.

VI. Compact development process

The process used to develop the original compact was described in that document. As information has been needed, the appropriate entities have been consulted for this update. The final draft of this update was shared with the Vice Presidents Council and other appropriate officials for comment.

VII. System contributions

The University of Texas System is to furnish information addressing this item, however, System officials asked The University of Texas at Austin to provide suggestions for needed support. Those suggestions remain as indicated in the original compact.

- A. Funding for The University of Texas Elementary School
- B. Funding for start-up costs needed to attract and retain outstanding faculty
- C. Funding for major renovation or construction projects

- D. Funding for short- and long-term financing programs (e.g., commercial paper funding; tuition revenue bonds; Permanent University Fund ["PUF"] bonds; Library, Equipment, Repair, and Rehabilitation ["LERR"] bonds; revenue financing bonds)
- E. Funding for employee benefits and worker compensation programs
- F. Funding for physical property, casualty, and other business insurance needs
- G. Assistance in informing the Legislature about The University of Texas at Austin and its substantial positive effects on Texas in the areas of education, research, and public service
- H. Assistance in helping The University of Texas at Austin obtain increased funding from the Legislature

Budget Summary

The University of Texas at Austin
 Operating Budget
 Fiscal Year Ending August 31, 2006

| | FY 2005 Adjusted Budget | FY 2006 Operating Budget | Budget Increases (Decreases) From 2005 to 2006 | |
|---|-------------------------------|--------------------------------|---|--------------|
| | | | Amount | Percent |
| Operating Revenues: | | | | |
| Tuition and Fees | \$ 388,268,877 | 400,538,137 | 21,269,260 | 5.5% |
| Federal Sponsored Programs | 277,736,154 | 290,205,464 | 12,469,310 | 4.5% |
| State Sponsored Programs | 49,324,089 | 40,686,113 | (8,637,976) | -17.5% |
| Local and Private Sponsored Programs | 60,704,899 | 66,489,723 | 5,784,824 | 9.5% |
| Net Sales and Services of Educational Activities | 101,333,137 | 115,429,468 | 14,096,351 | 13.9% |
| Net Sales and Services of Hospital and Clinics | - | - | - | - |
| Net Professional Fees | - | - | - | - |
| Net Auxiliary Enterprises | 141,233,328 | 147,102,674 | 5,869,346 | 4.2% |
| Other Operating Revenues | 100,000 | 1,904,120 | 1,804,120 | 1804.1% |
| Total Operating Revenues | 1,018,700,484 | 1,071,365,719 | 52,665,235 | 5.2% |
| Operating Expenses: | | | | |
| Instruction | 413,257,681 | 437,848,293 | 24,590,612 | 6.0% |
| Academic Support | 169,049,988 | 183,141,566 | 13,191,598 | 7.8% |
| Research | 383,681,823 | 396,303,735 | 12,621,912 | 3.3% |
| Public Service | 43,029,889 | 49,834,359 | 6,804,470 | 15.8% |
| Hospitals and Clinics | - | - | - | - |
| Institutional Support | 99,819,487 | 92,124,159 | (7,695,328) | -7.7% |
| Student Services | 42,160,878 | 44,511,558 | 2,350,682 | 5.6% |
| Operations and Maintenance of Plant | 108,371,778 | 119,294,802 | 12,923,024 | 12.1% |
| Scholarships and Fellowships | 90,813,347 | 112,742,923 | 21,929,576 | 24.1% |
| Auxiliary Enterprises | 182,167,935 | 181,534,151 | (633,784) | -0.3% |
| Total Operating Expenses | 1,531,252,804 | 1,617,335,566 | 86,082,762 | 5.6% |
| Operating Surplus/Deficit | (512,552,320) | (545,979,847) | (33,427,527) | 6.5% |
| Nonoperating Revenues (Expenses): | | | | |
| State Appropriations & HEAF | 291,910,391 | 301,206,911 | 9,296,520 | 3.2% |
| Gifts in Support of Operations | 32,354,010 | 31,203,651 | (1,150,359) | -3.6% |
| Net Investment Income | 113,470,448 | 126,592,904 | 13,122,456 | 11.6% |
| Other Non-Operating Revenue | - | - | - | - |
| Other Non-Operating (Expenses) | - | - | - | - |
| Net Non-Operating Revenue/(Expenses) | 437,734,849 | 459,003,466 | 21,268,617 | 4.9% |
| Transfers and Other: | | | | |
| AUF Transfers Received | 106,335,000 | 112,480,000 | 6,145,000 | 5.8% |
| AUF Transfers (Made) | - | - | - | - |
| Transfers From (To) Unexpended Plant | - | - | - | - |
| Transfers for Debt Service | (36,273,830) | (34,803,057) | 1,470,773 | -4.1% |
| Other Additions and Transfers | - | - | - | - |
| Other Deductions and Transfers | (21,240,860) | (17,241,573) | 3,999,287 | -18.8% |
| Total Transfers and Other | 48,820,310 | 60,435,370 | 11,615,060 | 23.8% |
| Surplus/(Deficit) | \$ (25,997,161) | (26,541,011) | (543,850) | 2.1% |
| Total Revenues | \$ 1,458,435,333 | 1,530,369,185 | 73,923,852 | 5.1% |
| Total Expenses and Debt Service Transfers | (1,567,526,634) | (1,652,138,623) | (84,611,989) | 5.4% |
| Excess (Deficiency) of Revenue over Expenses | \$ (111,091,301) | (121,779,438) | (10,688,137) | |

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

Statistical Profile

| <i>fall</i> | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---------------------------------|--------|--------|--------|--------|--------|--------|
| Undergraduate headcount | 38,162 | 38,609 | 39,391 | 38,112 | 37,101 | 36,291 |
| Graduate/professional headcount | 11,834 | 12,007 | 12,870 | 13,314 | 13,276 | 12,942 |
| Total enrollment | 49,996 | 50,616 | 52,261 | 51,426 | 50,377 | 49,233 |

| <i>yr of matriculation</i> | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
|----------------------------|-------|-------|-------|-------|-------|-------|
| 1st year persistence | 89.0% | 89.9% | 91.0% | 90.5% | 91.4% | 92.7% |

| <i>yr of matriculation</i> | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|----------------------------|-------|-------|-------|-------|-------|-------|
| 4-year graduation rate | 35.6% | 39.2% | 36.5% | 38.9% | 41.3% | 44.8% |
| 6-year graduation rate | 69.9% | 71.9% | 70.1% | 73.8% | | |

| <i>academic year</i> | 99-00 | 00-01 | 01-02 | 02-03 | 03-04 | 04-05 |
|-------------------------------|-------|-------|-------|-------|-------|-------|
| Baccalaureate degrees granted | 7,803 | 7,624 | 8,005 | 8,463 | 8,959 | 8,705 |
| Master's degrees | 2,540 | 2,567 | 2,644 | 2,650 | 2,835 | 2,884 |
| Doctorate degrees | 703 | 720 | 644 | 668 | 683 | 755 |
| Professional degrees | 526 | 577 | 586 | 596 | 588 | 688 |

| <i>academic year</i> | 00-01 | 01-02 | 02-03 | 03-04 | 04-05 | 05-06 |
|-------------------------|-------|-------|-------|-------|-------|-------|
| All instructional staff | 3,265 | 3,308 | 3,418 | 3,342 | 3,420 | |
| Administrative | | 664 | 691 | 684 | 708 | 706 |
| Other, Non-Faculty | | 9,647 | 9,642 | 9,235 | 9,549 | 9,619 |
| Student employees | | 8,676 | 8,948 | 8,853 | 9,058 | 9,179 |

| <i>fall</i> | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------------------|---------|---------|---------|---------|---------|---------|
| FTE student / FTE faculty ratio | 20 to 1 | 21 to 1 | 21 to 1 | 21 to 1 | 20 to 1 | 19 to 1 |

| <i>fiscal year</i> | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Federal research expenditures | \$185,190,446 | \$202,440,085 | \$235,436,101 | \$240,537,689 | \$249,014,154 | \$269,612,823 |

| <i>fiscal year</i> | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|-----------------------|----------|----------|----------|----------|----------|----------|
| Revenue / FTE student | \$12,000 | \$13,000 | \$12,000 | \$12,000 | \$13,000 | \$13,000 |

(nearest thousand)

| <i>as of</i> | 8/31/2000 | 8/31/2001 | 8/31/2002 | 8/31/2003 | 8/31/2004 | 8/31/2005 |
|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Endowment total value | \$1,611,050,000 | \$1,463,114,000 | \$1,350,816,000 | \$1,640,724,000 | \$2,038,938,000 | \$2,346,903,000 |

4. U. T. System: Discussion of uncompensated care within the U. T. System and the Code Red Report

**TOTAL UNCOMPENSATED CHARITY CARE
UT HEALTH RELATED INSTITUTIONS**

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|--|----------------------|----------------------|----------------------|------------------------|------------------------|------------------------|
| Total by Faculty | \$445,218,081 | \$488,240,562 | \$557,096,840 | \$614,877,895 | \$703,803,639 | \$769,158,243 |
| Total by Hospitals | \$319,674,903 | \$313,458,362 | \$394,220,390 | \$497,611,297 | \$606,944,678 | \$646,146,396 |
| GRAND TOTAL | \$764,892,984 | \$801,698,924 | \$951,317,230 | \$1,112,489,192 | \$1,310,748,317 | \$1,415,304,639 |
| Charges for Un-sponsored Charity Care by Faculty in State-Owned and Affiliated Facilities | | | | | | |
| UT Southwestern | \$211,953,613 | \$234,938,900 | \$256,968,945 | \$281,998,363 | \$312,453,311 | \$324,407,437 |
| UTMB | \$61,596,586 | \$66,908,903 | \$85,982,833 | \$97,724,989 | \$108,498,329 | \$114,686,522 |
| UTHSC Houston | \$82,152,677 | \$90,024,051 | \$103,279,853 | \$107,326,617 | \$139,031,049 | \$172,229,739 |
| UT HSC San Antonio | \$60,729,594 | \$60,602,900 | \$70,149,189 | \$77,586,366 | \$85,647,220 | \$98,545,392 |
| UTMDA Cancer Center | \$25,524,441 | \$30,773,351 | \$35,310,300 | \$43,427,477 | \$51,164,780 | \$50,594,052 |
| UTHC Tyler | \$3,261,170 | \$4,992,457 | \$5,405,720 | \$6,814,083 | \$7,008,950 | \$8,695,101 |
| Total | \$445,218,081 | \$488,240,562 | \$557,096,840 | \$614,877,895 | \$703,803,639 | \$769,158,243 |

Charges for Un-sponsored Charity Care at State Owned Hospitals

| | | | | | | |
|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| UT Southwestern | | | | | | \$6,610,443 |
| UTMB | \$189,864,957 | \$176,618,236 | \$234,469,509 | \$306,513,077 | \$367,857,612 | \$366,333,113 |
| UTHSC H (HCPC)* | \$20,942,126 | \$24,456,086 | \$26,898,692 | \$24,360,843 | \$24,314,751 | \$24,444,333 |
| UTMDA Cancer Center | \$92,468,869 | \$92,119,187 | \$113,592,294 | \$143,955,098 | \$185,022,570 | \$215,762,998 |
| UTHC Tyler | \$16,398,951 | \$20,264,853 | \$19,259,895 | \$22,782,279 | \$29,749,745 | \$32,995,508 |
| Total | \$319,674,903 | \$313,458,362 | \$394,220,390 | \$497,611,297 | \$606,944,678 | \$646,146,396 |

*Harris County Psychiatric Center

4. U. T. System: Discussion of uncompensated care within the U. T. System and the Code Red Report (cont.)

**STATE GENERAL REVENUE APPROPRIATIONS FOR INDIGENT CARE
UT HEALTH RELATED INSTITUTIONS**

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| UTMB | | | | | | |
| Support for Indigent Care | \$4,000,000 | \$4,000,000 | \$3,779,691 | \$3,838,108 | \$3,508,761 | \$3,508,761 |
| Unclaimed Lottery \$ | \$20,000,000 | \$20,000,000 | \$10,000,000 | \$10,000,000 | \$10,000,000 | \$10,000,000 |
| <i>While funding listed below for "Medical Branch Hospitals" supports indigent care efforts, it is not solely for these purposes.</i> | | | | | | |
| Medical Branch Hospitals | \$129,563,154 | \$121,674,981 | \$121,978,506 | \$123,774,009 | \$128,464,633 | \$128,464,634 |
| UTHSC Houston | | | | | | |
| Dental Clinic Operations | \$930,259 | \$612,862 | \$839,227 | \$815,433 | \$822,476 | \$822,476 |
| <i>Funding for Dental Clinic Operations supports clinical experience and research opportunities for predoctoral, postgraduate, and graduate dental students, fellows and dental hygiene students for service to the disadvantaged.</i> | | | | | | |
| UTMDA Cancer Center | | | | | | |
| Patient Care Activities | \$105,706,379 | \$90,874,990 | \$102,290,651 | \$99,948,639 | \$105,068,864 | \$105,070,115 |
| <i>A portion of the Patient Care funding above supports unsponsored charity care for indigent Texans.</i> | | | | | | |
| UTHC Tyler | | | | | | |
| Support for Indigent Care | \$1,500,000 | \$1,500,000 | \$1,312,500 | \$1,312,500 | \$1,312,500 | \$1,312,500 |
| <i>While funding listed below for "Patient Care Activities" supports indigent care efforts, it is not solely for these purposes.</i> | | | | | | |
| Patient Care Activities | \$18,917,391 | \$17,089,518 | \$19,498,238 | \$22,352,283 | \$21,321,797 | \$21,319,762 |

4. U. T. System: Discussion of uncompensated care within the U. T. System and the Code Red Report (con't.)

Primary Providers of Uncompensated Care

By any definition of uncompensated care, a few key hospitals provide a disproportionate share. The top ten providers, by dollar value of charity and bad debt charges, provided approximately 1/3 of the total reported uncompensated care in 2003.⁴¹

| Hospital | Owner-ship | Total Bad Debt + Charity Care Charges | Bad Debt + Charity as % of Gross Patient Revenue | Total Gross Patient Revenue |
|--|------------|---------------------------------------|--|-----------------------------|
| Ben Taub General Hospital | Public | \$554,459,000 | 58.3% | \$951,653,000 |
| Parkland Memorial Hospital | Public | \$430,776,000 | 35.9% | \$1,199,374,832 |
| John Peter Smith Hospital | Public | \$334,214,000 | 53.8% | \$621,438,000 |
| UT Medical Branch Hospital | Public | \$252,415,937 | 24.0% | \$1,049,981,854 |
| University Hospital | Public | \$202,422,349 | 30.2% | \$669,844,669 |
| UT M.D. Anderson Cancer Center | Public | \$200,468,769 | 9.1% | \$2,195,213,799 |
| Memorial Hermann Hospital | NFP | \$136,827,830 | 9.1% | \$1,506,555,070 |
| Methodist Hospital | NFP | \$123,057,773 | 5.7% | \$2,167,009,912 |
| Daughters of Charity (Brackenridge) | NFP | \$120,518,876 | 19.5% | \$618,622,514 |
| R.E. Thomason General Hospital | Public | \$117,240,224 | 36.6% | \$319,959,025 |
| Total Top 10 Hospitals | | \$2,472,400,758 | | \$11,299,652,675 |
| Total All Hospitals | | \$7,608,581,886 | | \$71,956,105,400 |
| Top 10 as Percentage of Total Hospitals | | 32% | | 16% |

Seven public hospitals and three not-for-profits thus provided 32% of the reported \$7.6 billion in charity care. Hospitals may be applying charity care eligibility standards more restrictive than those envisioned by lawmakers. Hospitals may also essentially self-determine their compliance with their own policies, in part by delaying even the consideration of whether a person meets charity-care eligibility standards until after a decision has been made to admit that person to the hospital. Because non-public hospitals have broad discretion in designing their policies and timing their charity care determination, charity care policies are not a particularly robust mechanism for improving health care access for the indigent. Much charity care is, in effect, pushed to public hospitals, where patients cannot be turned away.

⁴¹ These figures reflect reported bad debt and charity charges, and do not take into consideration the payments and donations all ten of these hospitals receive as part of their active philanthropy programs.

CODE RED

THE CRITICAL CONDITION OF HEALTH IN TEXAS

CODE RED: THE CRITICAL CONDITION OF HEALTH CARE IN TEXAS

The report of the *Task Force on Access to Health Care in Texas: Challenges of the Uninsured and Underinsured* was issued April 17, 2006, at a press conference and public symposium at the James A. Baker III Institute for Public Policy at Rice University. The Task Force represented a nonpartisan group sponsored by all 10 of the major academic health institutions in Texas, including Baylor College of Medicine, Texas Tech, Texas A&M, North Texas, and the six health institutions of The University of Texas System. Task force membership included representatives from large and small employers in Texas, hospitals, medical schools, health policy experts and community/business leaders. The Task Force collected data, identified and assessed the magnitude of the problem of the uninsured in Texas, and made recommendations for consideration by policymakers. The resulting report, summary and appendices are evidence-based and was peer reviewed by independent experts.

FINDINGS OF THE TASK FORCE

- Overall health condition of Texans is poor
 - Texas has the highest percentage of uninsured in the U.S.
 - Texas cannot sustain the continued rise in Medicaid and state/county health care expenditures
 - Current trends in delivery of health care in Texas will inevitably exacerbate current problems – overdependence on emergency rooms for accessing primary care for the uninsured is the most expensive means of delivering care
 - Expansion of ambulatory (outpatient) services is an essential, more cost-effective means of health care delivery
 - Strategies that both control the cost of health insurance and ensure the most cost-effective delivery of health care access for all Texans are needed
- Texas has not taken full advantage of available federal matching funds to reduce the burden of providing health care for the uninsured
- The current county-based approach to delivery of health care in Texas is inadequate, and inequitable
- There is a significant shortage of health care professionals in Texas – professionals that could reduce the cost of delivery of care to all Texans
- Care for people with mental illnesses remains a major problem for Texas

4. U. T. System: Discussion of uncompensated care within the U. T. System and the Code Red Report (cont.)

RECOMMENDATIONS OF THE TASK FORCE

Recommendation 1

Texas should adopt a principle that all individuals living in Texas should have access to adequate levels of health care.

Recommendation 2

Texas should provide more resources and aggressively seek more efficient and effective methods to support health care to the indigent and uninsured with the goal of reducing rising health care costs.

- Texas should move from a county-based to a regional/multi-county based health district model for delivery of indigent health care; Texas should increase the statewide federal poverty level for indigent care responsibility in Texas counties from 21 percent (current level) to 100 percent
- Texas should aggressively pursue Medicaid and other federal reimbursement and matching programs to generate additional resources that may be applied to indigent care needs
- Texas should adopt tax policies and other incentives to encourage and enable employers to provide health insurance for employees
- Texas and its political subdivisions should allow preferential treatment to contractors/subcontractors who offer employee health care coverage
- Texas should seek support from federal officials to maximize state opportunities for new initiatives, providing the most efficient delivery of health services to uninsured Texans

Recommendation 3

A "Quality Assurance Fee" of 3% should be assessed on revenues of all hospitals and free standing surgery centers in Texas in order to obtain a federal match to enhance overall finances for provider reimbursement and the quality and efficiency of health care

- 3% fee will produce about \$1.1 billion in available state general revenue
- Federal match of the state quality assurance fee revenue will provide nearly \$1.7 billion in state general revenue
- 35 states currently have quality assurance fees or provider taxes
- Collected fees and federal match dollars used to reimburse hospitals at higher Medicaid rates would reduce the need for disproportionate share hospital program dollars which could then be used for:
 - Electronic health records
 - Increasing Graduate Medical Education funding
 - Additional graduate medical residency programs
 - Increasing ambulatory care/disease management
 - More medical facilities contributing to the cost of care of uninsured

Recommendation 4

The state should significantly increase its capacity and commitment to conduct experiments in health care delivery and funding (e.g. 1115 Waivers for R&D projects, funding pools, employer subsidies), including:

- Adoption of 3-share subsidy programs for employees of small employers (fewer than 50 employees), where the employer, employee and government share equally in the cost of premiums
- Improving the quality and efficiency of care for the uninsured and underinsured through collaboration with communities to educate and inform users on access to health system
- Clarifying state and federal law to permit referral from emergency room to non-emergency ambulatory care sites where access is assured

4. U. T. System: Discussion of uncompensated care within the U. T. System and the Code Red Report (cont.)

Recommendation 5

The concept of “virtual care coordination” for the uninsured (including them in a structured and connected system of care) should be developed by local communities and by the Texas Health and Human Services Commission.

Recommendation 6

Health care institutions and other providers must contribute to increasing community based ambulatory care, which includes integrating the latest developments in disease management and other cost effective models of health care delivery that seek to improve the quality of patient care while decreasing the cost of care. Behavioral health (both mental health and substance abuse) services should be accessible to all Texans with mental illness and additional public funding should be appropriated.

Recommendation 7

Texas must increase investment in the education and training of health professionals who will provide a significant amount of care to the uninsured and underinsured, including:

- 600 more medical residents per bicennium for 10 years
- 2,000 more nursing students annually and 200 additional nursing faculty
- Additional general revenue for formula funding to increase nursing students and faculty
- Increase the number of physicians annually graduating from its medical schools by 20 percent over the next decade
- Expansion of medical school repayment programs for up to 500 physicians a year for graduates working in Texas
- Provision of student debt forgiveness for each year of service in a public hospital or clinic treating 50 percent or more Medicaid and uninsured patients
- Ensure that each physician practicing in Texas provides a fair and reasonable amount of care for Medicaid, Medicare and uninsured patients and share in emergency room “on call” responsibilities
- Continue to provide state resources to assist community health centers to qualify for federal support designation as federally qualified health centers delivering care

Recommendation 8

Implementation of an integrated approach to school health including an emphasis on nutrition, exercise, dental health and disease management of such problems as asthma. Expansion of the School Breakfast Program, increase of physical activity requirements to 60 minutes a day in Texas schools, and adoption of asthma management education for affected school children and support staff will improve the health of Texans.

Recommendation 9

Academic health institutions, state and local governments, and communities, foundations and the private sector should support the development of health science research programs to study cost effective health care and other characteristics of a high quality and efficient health system.

Recommendation 10

Texas should adequately invest in public health programs, including research and community health, at the state and local level.

CONCLUSION

Now is the time for Texas to take *bold steps* to address the problems associated with the lack of health insurance coverage and health care access to protect and assure the economic vitality and the health of the state. Properly implemented, these Task Force recommendations will improve the health of patients, families, institutions and communities while reducing the rise of health care costs that affects all Texans.

CODE RED

THE CRITICAL CONDITION OF HEALTH IN TEXAS

TASK FORCE ON ACCESS TO HEALTH CARE IN TEXAS

WHO ARE THE UNINSURED IN TEXAS?

- 25.1% (5.6 million) of Texans are without health insurance, the highest in the nation
- Nationally, 15.7 % (46 million) Americans are without health insurance
- 79% of uninsured Texans work or have a working family member
- Texas is a state of small employers
 - Over 70% of all Texas businesses are small employers, with fewer than 50 employees
 - Only 37% of small employers offer health insurance benefits to their employees
 - Only 35% of these employees actually enroll in insurance plans, primarily because of the lack of affordable coverage
- 76-82% of the uninsured in Texas are U.S. citizens
- Non-citizens constitute 18-24% of the uninsured in the state
- 68% of non-poor uninsured Texans are White, non Hispanic individuals

WHY ARE SO MANY TEXANS UNINSURED?

- The average cost of health insurance premiums (\$9,100 annually) is almost half of the federal poverty limit
- Most adults do not qualify for Medicaid in Texas
- Texas Children's Health Insurance Program covers children in families that earn less than 200% of the federal poverty level, but does not provide coverage for adults

THE RESULT?

- 2,500 uninsured Texans die prematurely each year
- 1 million uninsured Texans do not receive adequate care for their chronic diseases
- 3 million uninsured Texans are less likely to seek and receive preventative and screening services that minimize more costly medical care later
- 5.6 million Texans are continuously without medical insurance throughout the year
- 8.5 million Texans will go without insurance at some point of the year
- Medical expenses are the single biggest reason for personal bankruptcies among Texans
- Poor health interferes with educational attainment and employment, which results in a costly drain on community hospitals and emergency rooms
- The responsibility of providing health care to uninsured or underinsured increases the cost of health care and health benefits borne by individuals and businesses who have health insurance
- The tax burden borne by local constituencies is greatly increased to provide health care

View the report online:
WWW.CODEREDTexas.ORG

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions

**TOTAL FALL ENROLLMENT BY LEVEL, GENDER AND ETHNICITY
UT HEALTH RELATED INSTITUTIONS**

| | Fall 2000 | Fall 2005 | # Change Fall 2000 to Fall 2005 | % Change Fall 2000 to Fall 2005 |
|-------------------------|--------------|---------------|--|--|
| Total Enrollment | 9,159 | 10,970 | 1,811 | 19.8% |
| Undergraduate | 2,018 | 1,911 | -107 | -5.3% |
| <i>Graduate</i> | <i>3,168</i> | <i>4,949</i> | <i>1,781</i> | <i>56.2%</i> |
| Professional | 3,973 | 4,110 | 137 | 3.4% |
| Male | 3,846 | 4,274 | 428 | 11.1% |
| <i>Female</i> | <i>5,313</i> | <i>6,696</i> | <i>1,383</i> | <i>26.0%</i> |
| White | 5,460 | 5,629 | 169 | 3.1% |
| <i>African-American</i> | <i>510</i> | <i>664</i> | <i>154</i> | <i>30.2%</i> |
| <i>Hispanic</i> | <i>1,313</i> | <i>1,595</i> | <i>282</i> | <i>21.5%</i> |
| Asian American | 1,162 | 1,414 | 252 | 21.7% |
| Native American | 41 | 34 | -7 | -17.1% |
| <i>International</i> | <i>552</i> | <i>1,236</i> | <i>684</i> | <i>123.9%</i> |
| <i>Unknown</i> | <i>121</i> | <i>398</i> | <i>277</i> | <i>228.9%</i> |

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions (con't.)

**FALL ENROLLMENT CHANGES BY LEVEL, GENDER AND ETHNICITY
UT HEALTH RELATED INSTITUTIONS**

| | Fall 2000 | Fall 2005 | # Change Fall 2000 to Fall 2005 | % Change Fall 2000 to Fall 2005 | % Distribution Fall 2000 | Fall 2005 |
|----------------------------|--------------|---------------|--|--|-----------------------------|--------------|
| Total Enrollment | 9,159 | 10,970 | 1,811 | 19.8% | | |
| Graduate Enrollment | 3,168 | 4,949 | 1,781 | 56.2% | | |
| Male | 1,157 | 1,771 | 614 | 53.1% | 36.5% | 35.8% |
| Female | 2,011 | 3,178 | 1,167 | 58.0% | 63.5% | 64.2% |
| White | 1,891 | 2,332 | 441 | 23.3% | 59.7% | 47.1% |
| African-American | 149 | 303 | 154 | 103.4% | 4.7% | 6.1% |
| Hispanic | 301 | 597 | 296 | 98.3% | 9.5% | 12.1% |
| Asian American | 278 | 424 | 146 | 52.5% | 8.8% | 8.6% |
| Native American | 19 | 18 | -1 | -5.3% | 0.6% | 0.4% |
| International | 492 | 1,122 | 630 | 128.0% | 15.5% | 22.7% |
| Unknown | 38 | 153 | 115 | 302.6% | 1.2% | 3.1% |

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions (con't.)

**FALL ENROLLMENT CHANGES BY LEVEL, GENDER AND ETHNICITY
UT HEALTH RELATED INSTITUTIONS**

| | Fall 2000 | Fall 2005 | # Change Fall 2000 to Fall 2005 | % Change Fall 2000 to Fall 2005 | % Distribution Fall 2000 | % Distribution Fall 2005 |
|--------------------------------|--------------|---------------|--|--|-----------------------------|-----------------------------|
| Total Enrollment | 9,159 | 10,970 | 1,811 | 19.8% | | |
| Professional Enrollment | 3,973 | 4,110 | 137 | 3.4% | | |
| Male | 2,261 | 2,094 | -167 | -7.4% | 56.9% | 50.9% |
| Female | 1,712 | 2,016 | 304 | 17.8% | 43.1% | 49.1% |
| White | 2,438 | 2,373 | -65 | -2.7% | 61.4% | 57.7% |
| African-American | 159 | 208 | 49 | 30.8% | 4.0% | 5.1% |
| Hispanic | 546 | 594 | 48 | 8.8% | 13.7% | 14.5% |
| Asian American | 738 | 742 | 4 | 0.5% | 18.6% | 18.1% |
| Native American | 15 | 9 | -6 | -40.0% | 0.4% | 0.2% |
| International | 38 | 28 | -10 | -26.3% | 1.0% | 0.7% |
| Unknown | 39 | 156 | 117 | 300.0% | 1.0% | 3.8% |

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions (con't.)

**FALL ENROLLMENT CHANGES BY LEVEL, GENDER AND ETHNICITY
UT HEALTH RELATED INSTITUTIONS**

| | Fall | Fall | # Change | % Change | % Distribution |
|----------------------------------|--------------|---------------|--------------|---------------|----------------|
| | 2000 | 2005 | | | |
| Total Enrollment | 9,159 | 10,970 | 1,811 | 19.8% | |
| Professional Enrollment | 3,973 | 4,110 | 137 | 3.4% | |
| Medical School Enrollment | 3,275 | 3,404 | 129 | 3.9% | |
| Male | 1,875 | 1,716 | -159 | -8.5% | 57.3% |
| Female | 1,400 | 1,688 | 288 | 20.6% | 49.6% |
| White | 2,006 | 1,954 | -52 | -2.6% | 61.3% |
| African-American | 145 | 193 | 48 | 33.1% | 4.4% |
| Hispanic | 469 | 485 | 16 | 3.4% | 14.3% |
| Asian American | 610 | 620 | 10 | 1.6% | 18.6% |
| Native American | 12 | 9 | -3 | -25.0% | 0.4% |
| International | 11 | 14 | 3 | 27.3% | 0.3% |
| Unknown | 22 | 129 | 107 | 486.4% | 0.7% |

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions (con't.)

Joint Admission Medical Program

- Pipeline to Medical School for economically disadvantaged students
 - Partnership between the 8 Medical Schools in the state and 65 public and private undergraduate institutions to achieve a more diverse medical school pool
-

Legislative History

Senate Bill 940 of 77th Texas Legislature

- Created program to support & encourage highly qualified, economically disadvantaged students pursuing a medical education
- Administered by the JAMP Council
- Medical schools must set aside 10% of entering class for JAMP participants
- Funds to be appropriated by the Texas Legislature

Senate Bill 1128 – 78th Texas Legislature

- Created Alternate Pool
- Added Flexibility to program entry requirements

Senate Bill 1247 - 79th Texas Legislature

- Changed entry year into program from freshman to sophomore year
 - Gave Council authority to re-allocate unfilled program openings during initial selection
 - Established a pre-admission mentoring and assistance program during freshman year for prospective applicants
-

Program Objectives

- Select highly qualified, dedicated students through extensive selection process
 - Provide scholarships and stipends to participating students
 - Provide summer internships at medical schools for participating students
 - Provide advising, mentoring and tutoring from undergraduate and medical schools throughout the year
 - Provide guaranteed admission to a medical school if all requirements are met
 - Provide funds to undergraduate schools to enhance the quality of education
-

Accomplishments

- Selected three classes of JAMP students
 - Successfully completed four summer internship programs
 - MCAT Review, Academic/Science Enrichment Component, Ethics, Clinical Experiences
 - First class entered medical schools in fall 2006
 - Established online communication and message center to supplement mentoring efforts provided by medical schools
-

A Look to the Future

- Create freshman year programs for prospective health professions students
- Develop a statewide online supplemental instruction program to support educational needs of JAMP and other health professions students
- Continue to seek funding through legislature and private sources to increase the number of participants to achieve the intent of the original legislation

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions (con't.)

**TOTAL FALL ENROLLMENT BY LEVEL, GENDER AND ETHNICITY
UT HEALTH RELATED INSTITUTIONS**

| | Fall | 2000 | 2005 | # Change 2000-2005 | % Change 2000-2005 | % Distribution | |
|------------------|------------------|-------|--------|-----------------------|-----------------------|----------------|-------|
| | | | | | | 2000 | 2005 |
| Total Enrollment | | 9,159 | 10,970 | 1,811 | 19.8% | | |
| Undergraduate | | 2,018 | 1,911 | -107 | -5.3% | 22.0% | 17.4% |
| Graduate | | 3,168 | 4,949 | 1,781 | 56.2% | 34.6% | 45.1% |
| Professional | | 3,973 | 4,110 | 137 | 3.4% | 43.4% | 37.5% |
| Male | | 3,846 | 4,274 | 428 | 11.1% | 42.0% | 39.0% |
| Female | | 5,313 | 6,696 | 1,383 | 26.0% | 58.0% | 61.0% |
| White | | 5,460 | 5,629 | 169 | 3.1% | 59.6% | 51.3% |
| African-American | | 510 | 664 | 154 | 30.2% | 5.6% | 6.1% |
| Hispanic | | 1,313 | 1,595 | 282 | 21.5% | 14.3% | 14.5% |
| Asian American | | 1,162 | 1,414 | 252 | 21.7% | 12.7% | 12.9% |
| Native American | | 41 | 34 | -7 | -17.1% | 0.4% | 0.3% |
| International | | 552 | 1,236 | 684 | 123.9% | 6.0% | 11.3% |
| Unknown | | 121 | 398 | 277 | 228.9% | 1.3% | 3.6% |
| Undergraduate | Total | 2,018 | 1,911 | -107 | -5.3% | | |
| | Male | 428 | 409 | -19 | -4.4% | 21.2% | 21.4% |
| | Female | 1,590 | 1,502 | -88 | -5.5% | 78.8% | 78.6% |
| | White | 1,131 | 924 | -207 | -18.3% | 56.0% | 48.4% |
| | African-American | 202 | 153 | -49 | -24.3% | 10.0% | 8.0% |
| | Hispanic | 466 | 404 | -62 | -13.3% | 23.1% | 21.1% |
| | Asian American | 146 | 248 | 102 | 69.9% | 7.2% | 13.0% |
| | Native American | 7 | 7 | 0 | 0.0% | 0.3% | 0.4% |
| | International | 22 | 86 | 64 | 290.9% | 1.1% | 4.5% |
| | Unknown | 44 | 89 | 45 | 102.3% | 2.2% | 4.7% |
| Graduate | Total | 3,168 | 4,949 | 1,781 | 56.2% | | |
| | Male | 1,157 | 1,771 | 614 | 53.1% | 36.5% | 35.8% |
| | Female | 2,011 | 3,178 | 1,167 | 58.0% | 63.5% | 64.2% |
| | White | 1,891 | 2,332 | 441 | 23.3% | 59.7% | 47.1% |
| | African-American | 149 | 303 | 154 | 103.4% | 4.7% | 6.1% |
| | Hispanic | 301 | 597 | 296 | 98.3% | 9.5% | 12.1% |
| | Asian American | 278 | 424 | 146 | 52.5% | 8.8% | 8.6% |
| | Native American | 19 | 18 | -1 | -5.3% | 0.6% | 0.4% |
| | International | 492 | 1,122 | 630 | 128.0% | 15.5% | 22.7% |
| | Unknown | 38 | 153 | 115 | 302.6% | 1.2% | 3.1% |
| Professional | Total | 3,973 | 4,110 | 137 | 3.4% | | |
| | Male | 2,261 | 2,094 | -167 | -7.4% | 56.9% | 50.9% |
| | Female | 1,712 | 2,016 | 304 | 17.8% | 43.1% | 49.1% |
| | White | 2,438 | 2,373 | -65 | -2.7% | 61.4% | 57.7% |
| | African-American | 159 | 208 | 49 | 30.8% | 4.0% | 5.1% |
| | Hispanic | 546 | 594 | 48 | 8.8% | 13.7% | 14.5% |
| | Asian American | 738 | 742 | 4 | 0.5% | 18.6% | 18.1% |
| | Native American | 15 | 9 | -6 | -40.0% | 0.4% | 0.2% |
| | International | 38 | 28 | -10 | -26.3% | 1.0% | 0.7% |
| | Unknown | 39 | 156 | 117 | 300.0% | 1.0% | 3.8% |

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions (con't.)

TOTAL FALL ENROLLMENT BY LEVEL, GENDER AND ETHNICITY
UT SOUTHWESTERN

| | Fall | 2000 | 2005 | # Change 2000-2005 | % Change 2000-2005 | % Distribution | |
|------------------|------------------|-------|-------|-----------------------|-----------------------|----------------|-------|
| | | | | | | 2000 | 2005 |
| Total Enrollment | | 1,505 | 2,350 | 845 | 56.1% | | |
| Undergraduate | | 241 | 198 | -43 | -17.8% | 16.0% | 8.4% |
| Graduate | | 440 | 1,253 | 813 | 184.8% | 29.2% | 53.3% |
| Professional | | 824 | 899 | 75 | 9.1% | 54.8% | 38.3% |
| Male | | 802 | 1,212 | 410 | 51.1% | 53.3% | 51.6% |
| Female | | 703 | 1,138 | 435 | 61.9% | 46.7% | 48.4% |
| White | | 903 | 1,018 | 115 | 12.7% | 60.0% | 43.3% |
| African-American | | 70 | 95 | 25 | 35.7% | 4.7% | 4.0% |
| Hispanic | | 111 | 188 | 77 | 69.4% | 7.4% | 8.0% |
| Asian American | | 278 | 388 | 110 | 39.6% | 18.5% | 16.5% |
| Native American | | 4 | 7 | 3 | 75.0% | 0.3% | 0.3% |
| International | | 98 | 551 | 453 | 462.2% | 6.5% | 23.4% |
| Unknown | | 41 | 103 | 62 | 151.2% | 2.7% | 4.4% |
| Undergraduate | Total | 241 | 198 | -43 | -17.8% | | |
| | Male | 58 | 89 | 31 | 53.4% | 24.1% | 44.9% |
| | Female | 183 | 109 | -74 | -40.4% | 75.9% | 55.1% |
| | White | 149 | 68 | -81 | -54.4% | 61.8% | 34.3% |
| | African-American | 31 | 16 | -15 | -48.4% | 12.9% | 8.1% |
| | Hispanic | 19 | 22 | 3 | 15.8% | 7.9% | 11.1% |
| | Asian American | 17 | 25 | 8 | 47.1% | 7.1% | 12.6% |
| | Native American | 1 | 0 | -1 | -100.0% | 0.4% | 0.0% |
| | International | 4 | 46 | 42 | 1050.0% | 1.7% | 23.2% |
| | Unknown | 20 | 21 | 1 | 5.0% | 8.3% | 10.6% |
| Graduate | Total | 440 | 1,253 | 813 | 184.8% | | |
| | Male | 204 | 615 | 411 | 201.5% | 46.4% | 49.1% |
| | Female | 236 | 638 | 402 | 170.3% | 53.6% | 50.9% |
| | White | 281 | 484 | 203 | 72.2% | 63.9% | 38.6% |
| | African-American | 7 | 26 | 19 | 271.4% | 1.6% | 2.1% |
| | Hispanic | 18 | 70 | 52 | 288.9% | 4.1% | 5.6% |
| | Asian American | 35 | 124 | 89 | 254.3% | 8.0% | 9.9% |
| | Native American | 2 | 4 | 2 | 100.0% | 0.5% | 0.3% |
| | International | 88 | 499 | 411 | 467.0% | 20.0% | 39.8% |
| | Unknown | 9 | 46 | 37 | 411.1% | 2.0% | 3.7% |
| Professional | Total | 824 | 899 | 75 | 9.1% | | |
| | Male | 540 | 508 | -32 | -5.9% | 65.5% | 56.5% |
| | Female | 284 | 391 | 107 | 37.7% | 34.5% | 43.5% |
| | White | 473 | 466 | -7 | -1.5% | 57.4% | 51.8% |
| | African-American | 32 | 53 | 21 | 65.6% | 3.9% | 5.9% |
| | Hispanic | 74 | 96 | 22 | 29.7% | 9.0% | 10.7% |
| | Asian American | 226 | 239 | 13 | 5.8% | 27.4% | 26.6% |
| | Native American | 1 | 3 | 2 | 200.0% | 0.1% | 0.3% |
| | International | 6 | 6 | 0 | 0.0% | 0.7% | 0.7% |
| | Unknown | 12 | 36 | 24 | 200.0% | 1.5% | 4.0% |

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions (con't.)

**TOTAL FALL ENROLLMENT BY LEVEL, GENDER AND ETHNICITY
UT MEDICAL BRANCH**

| | Fall | 2000 | 2005 | # Change 2000-2005 | % Change 2000-2005 | % Distribution | |
|-------------------------|------------------|-------|-------|-----------------------|-----------------------|----------------|-------|
| | | | | | | 2000 | 2005 |
| Total Enrollment | | 1,927 | 2,172 | 245 | 12.7% | | |
| Undergraduate | | 711 | 547 | -164 | -23.1% | 36.9% | 25.2% |
| Graduate | | 406 | 795 | 389 | 95.8% | 21.1% | 36.6% |
| Professional | | 810 | 830 | 20 | 2.5% | 42.0% | 38.2% |
| Male | | 698 | 760 | 62 | 8.9% | 36.2% | 35.0% |
| Female | | 1,229 | 1,412 | 183 | 14.9% | 63.8% | 65.0% |
| White | | 1,082 | 1,239 | 157 | 14.5% | 56.1% | 57.0% |
| African-American | | 178 | 202 | 24 | 13.5% | 9.2% | 9.3% |
| Hispanic | | 313 | 278 | -35 | -11.2% | 16.2% | 12.8% |
| Asian American | | 234 | 264 | 30 | 12.8% | 12.1% | 12.2% |
| Native American | | 8 | 8 | 0 | 0.0% | 0.4% | 0.4% |
| International | | 83 | 108 | 25 | 30.1% | 4.3% | 5.0% |
| Unknown | | 29 | 73 | 44 | 151.7% | 1.5% | 3.4% |
| Undergraduate | Total | 711 | 547 | -164 | -23.1% | | |
| | Male | 105 | 119 | 14 | 13.3% | 14.8% | 21.8% |
| | Female | 606 | 428 | -178 | -29.4% | 85.2% | 78.2% |
| | White | 432 | 314 | -118 | -27.3% | 60.8% | 57.4% |
| | African-American | 87 | 52 | -35 | -40.2% | 12.2% | 9.5% |
| | Hispanic | 108 | 69 | -39 | -36.1% | 15.2% | 12.6% |
| | Asian American | 63 | 80 | 17 | 27.0% | 8.9% | 14.6% |
| | Native American | 0 | 3 | 3 | | 0.0% | 0.5% |
| | International | 6 | 15 | 9 | 150.0% | 0.8% | 2.7% |
| | Unknown | 15 | 14 | -1 | -6.7% | 2.1% | 2.6% |
| Graduate | Total | 406 | 795 | 389 | 95.8% | | |
| | Male | 144 | 222 | 78 | 54.2% | 35.5% | 27.9% |
| | Female | 262 | 573 | 311 | 118.7% | 64.5% | 72.1% |
| | White | 260 | 499 | 239 | 91.9% | 64.0% | 62.8% |
| | African-American | 12 | 71 | 59 | 491.7% | 3.0% | 8.9% |
| | Hispanic | 28 | 81 | 53 | 189.3% | 6.9% | 10.2% |
| | Asian American | 19 | 39 | 20 | 105.3% | 4.7% | 4.9% |
| | Native American | 6 | 1 | -5 | -83.3% | 1.5% | 0.1% |
| | International | 76 | 87 | 11 | 14.5% | 18.7% | 10.9% |
| | Unknown | 5 | 17 | 12 | 240.0% | 1.2% | 2.1% |
| Professional | Total | 810 | 830 | 20 | 2.5% | | |
| | Male | 449 | 419 | -30 | -6.7% | 55.4% | 50.5% |
| | Female | 361 | 411 | 50 | 13.9% | 44.6% | 49.5% |
| | White | 390 | 426 | 36 | 9.2% | 48.1% | 51.3% |
| | African-American | 79 | 79 | 0 | 0.0% | 9.8% | 9.5% |
| | Hispanic | 177 | 128 | -49 | -27.7% | 21.9% | 15.4% |
| | Asian American | 152 | 145 | -7 | -4.6% | 18.8% | 17.5% |
| | Native American | 2 | 4 | 2 | 100.0% | 0.2% | 0.5% |
| | International | 1 | 6 | 5 | 500.0% | 0.1% | 0.7% |
| | Unknown | 9 | 42 | 33 | 366.7% | 1.1% | 5.1% |

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions (con't.)

**TOTAL FALL ENROLLMENT BY LEVEL, GENDER AND ETHNICITY
UT HEALTH SCIENCE CENTER HOUSTON**

| | Fall | 2000 | 2005 | # Change 2000-2005 | % Change 2000-2005 | % Distribution | |
|-------------------------|------------------|-------|-------|-----------------------|-----------------------|----------------|-------|
| | | | | | | 2000 | 2005 |
| Total Enrollment | | 3,143 | 3,587 | 444 | 14.1% | | |
| Undergraduate | | 264 | 403 | 139 | 52.7% | 8.4% | 11.2% |
| Graduate | | 1,766 | 2,032 | 266 | 15.1% | 56.2% | 56.6% |
| Professional | | 1,113 | 1,152 | 39 | 3.5% | 35.4% | 32.1% |
| Male | | 1,274 | 1,304 | 30 | 2.4% | 40.5% | 36.4% |
| Female | | 1,869 | 2,283 | 414 | 22.2% | 59.5% | 63.6% |
| White | | 1,926 | 1,954 | 28 | 1.5% | 61.3% | 54.5% |
| African-American | | 173 | 230 | 57 | 32.9% | 5.5% | 6.4% |
| Hispanic | | 322 | 447 | 125 | 38.8% | 10.2% | 12.5% |
| Asian American | | 425 | 479 | 54 | 12.7% | 13.5% | 13.4% |
| Native American | | 16 | 11 | -5 | -31.3% | 0.5% | 0.3% |
| International | | 265 | 405 | 140 | 52.8% | 8.4% | 11.3% |
| Unknown | | 16 | 61 | 45 | 281.3% | 0.5% | 1.7% |
| Undergraduate | Total | 264 | 403 | 139 | 52.7% | | |
| | Male | 24 | 40 | 16 | 66.7% | 9.1% | 9.9% |
| | Female | 240 | 363 | 123 | 51.3% | 90.9% | 90.1% |
| | White | 165 | 233 | 68 | 41.2% | 62.5% | 57.8% |
| | African-American | 29 | 28 | -1 | -3.4% | 11.0% | 6.9% |
| | Hispanic | 41 | 56 | 15 | 36.6% | 15.5% | 13.9% |
| | Asian American | 26 | 74 | 48 | 184.6% | 9.8% | 18.4% |
| | Native American | 1 | 1 | 0 | 0.0% | 0.4% | 0.2% |
| | International | 2 | 9 | 7 | 350.0% | 0.8% | 2.2% |
| | Unknown | 0 | 2 | 2 | | 0.0% | 0.5% |
| Graduate | Total | 1,766 | 2,032 | 266 | 15.1% | | |
| | Male | 617 | 672 | 55 | 8.9% | 34.9% | 33.1% |
| | Female | 1,149 | 1,360 | 211 | 18.4% | 65.1% | 66.9% |
| | White | 999 | 963 | -36 | -3.6% | 56.6% | 47.4% |
| | African-American | 118 | 167 | 49 | 41.5% | 6.7% | 8.2% |
| | Hispanic | 176 | 242 | 66 | 37.5% | 10.0% | 11.9% |
| | Asian American | 205 | 228 | 23 | 11.2% | 11.6% | 11.2% |
| | Native American | 9 | 8 | -1 | -11.1% | 0.5% | 0.4% |
| | International | 244 | 389 | 145 | 59.4% | 13.8% | 19.1% |
| | Unknown | 15 | 35 | 20 | 133.3% | 0.8% | 1.7% |
| Professional | Total | 1,113 | 1,152 | 39 | 3.5% | | |
| | Male | 633 | 592 | -41 | -6.5% | 56.9% | 51.4% |
| | Female | 480 | 560 | 80 | 16.7% | 43.1% | 48.6% |
| | White | 762 | 758 | -4 | -0.5% | 68.5% | 65.8% |
| | African-American | 26 | 35 | 9 | 34.6% | 2.3% | 3.0% |
| | Hispanic | 105 | 149 | 44 | 41.9% | 9.4% | 12.9% |
| | Asian American | 194 | 177 | -17 | -8.8% | 17.4% | 15.4% |
| | Native American | 6 | 2 | -4 | -66.7% | 0.5% | 0.2% |
| | International | 19 | 7 | -12 | -63.2% | 1.7% | 0.6% |
| | Unknown | 1 | 24 | 23 | 2300.0% | 0.1% | 2.1% |

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions (con't.)

**TOTAL FALL ENROLLMENT BY LEVEL, GENDER AND ETHNICITY
UT HEALTH SCIENCE CENTER SAN ANTONIO**

| | | Fall | 2000 | 2005 | # Change 2000-2005 | % Change 2000-2005 | % Distribution | |
|-------------------------|------------------|------|-------|-------|-----------------------|-----------------------|----------------|-------|
| | | | | | | | 2000 | 2005 |
| Total Enrollment | | | 2,543 | 2,775 | 232 | 9.1% | | |
| | Undergraduate | | 762 | 677 | -85 | -11.2% | 30.0% | 24.4% |
| | Graduate | | 555 | 869 | 314 | 56.6% | 21.8% | 31.3% |
| | Professional | | 1,226 | 1,229 | 3 | 0.2% | 48.2% | 44.3% |
| | Male | | 1,058 | 973 | -85 | -8.0% | 41.6% | 35.1% |
| | Female | | 1,485 | 1,802 | 317 | 21.3% | 58.4% | 64.9% |
| | White | | 1,525 | 1,382 | -143 | -9.4% | 60.0% | 49.8% |
| | African-American | | 83 | 126 | 43 | 51.8% | 3.3% | 4.5% |
| | Hispanic | | 562 | 667 | 105 | 18.7% | 22.1% | 24.0% |
| | Asian American | | 219 | 266 | 47 | 21.5% | 8.6% | 9.6% |
| | Native American | | 13 | 8 | -5 | -38.5% | 0.5% | 0.3% |
| | International | | 106 | 165 | 59 | 55.7% | 4.2% | 5.9% |
| | Unknown | | 35 | 161 | 126 | 360.0% | 1.4% | 5.8% |
| Undergraduate | Total | | 762 | 677 | -85 | -11.2% | | |
| | Male | | 228 | 136 | -92 | -40.4% | 29.9% | 20.1% |
| | Female | | 534 | 541 | 7 | 1.3% | 70.1% | 79.9% |
| | White | | 361 | 273 | -88 | -24.4% | 47.4% | 40.3% |
| | African-American | | 49 | 46 | -3 | -6.1% | 6.4% | 6.8% |
| | Hispanic | | 293 | 242 | -51 | -17.4% | 38.5% | 35.7% |
| | Asian American | | 35 | 52 | 17 | 48.6% | 4.6% | 7.7% |
| | Native American | | 5 | 3 | -2 | -40.0% | 0.7% | 0.4% |
| | International | | 10 | 9 | -1 | -10.0% | 1.3% | 1.3% |
| | Unknown | | 9 | 52 | 43 | 477.8% | 1.2% | 7.7% |
| Graduate | Total | | 555 | 869 | 314 | 56.6% | | |
| | Male | | 191 | 262 | 71 | 37.2% | 34.4% | 30.1% |
| | Female | | 364 | 607 | 243 | 66.8% | 65.6% | 69.9% |
| | White | | 351 | 386 | 35 | 10.0% | 63.2% | 44.4% |
| | African-American | | 12 | 39 | 27 | 225.0% | 2.2% | 4.5% |
| | Hispanic | | 79 | 204 | 125 | 158.2% | 14.2% | 23.5% |
| | Asian American | | 18 | 33 | 15 | 83.3% | 3.2% | 3.8% |
| | Native American | | 2 | 5 | 3 | 150.0% | 0.4% | 0.6% |
| | International | | 84 | 147 | 63 | 75.0% | 15.1% | 16.9% |
| | Unknown | | 9 | 55 | 46 | 511.1% | 1.6% | 6.3% |
| Professional | Total | | 1,226 | 1,229 | 3 | 0.2% | | |
| | Male | | 639 | 575 | -64 | -10.0% | 52.1% | 46.8% |
| | Female | | 587 | 654 | 67 | 11.4% | 47.9% | 53.2% |
| | White | | 813 | 723 | -90 | -11.1% | 66.3% | 58.8% |
| | African-American | | 22 | 41 | 19 | 86.4% | 1.8% | 3.3% |
| | Hispanic | | 190 | 221 | 31 | 16.3% | 15.5% | 18.0% |
| | Asian American | | 166 | 181 | 15 | 9.0% | 13.5% | 14.7% |
| | Native American | | 6 | 0 | -6 | -100.0% | 0.5% | 0.0% |
| | International | | 12 | 9 | -3 | -25.0% | 1.0% | 0.7% |
| | Unknown | | 17 | 54 | 37 | 217.6% | 1.4% | 4.4% |

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions (con't.)

**TOTAL FALL ENROLLMENT BY LEVEL, GENDER AND ETHNICITY
UT M. D. ANDERSON CANCER CENTER**

| | | Fall | 2000 | 2005 | # Change 2000-2005 | % Change 2000-2005 | % Distribution | |
|------------------|------------------|------|------|------|-----------------------|-----------------------|----------------|--------|
| | | | | | | | 2000 | 2005 |
| Total Enrollment | | | 41 | 86 | 45 | 109.8% | | |
| | Undergraduate | | 40 | 86 | 46 | 115.0% | 97.6% | 100.0% |
| | Graduate | | 1 | 0 | -1 | -100.0% | 2.4% | 0.0% |
| | Male | | 14 | 25 | 11 | 78.6% | 34.1% | 29.1% |
| | Female | | 27 | 61 | 34 | 125.9% | 65.9% | 70.9% |
| | White | | 24 | 36 | 12 | 50.0% | 58.5% | 41.9% |
| | African-American | | 6 | 11 | 5 | 83.3% | 14.6% | 12.8% |
| | Hispanic | | 5 | 15 | 10 | 200.0% | 12.2% | 17.4% |
| | Asian American | | 6 | 17 | 11 | 183.3% | 14.6% | 19.8% |
| | Native American | | 0 | 0 | 0 | | 0.0% | 0.0% |
| | International | | 0 | 7 | 7 | | 0.0% | 8.1% |
| | Unknown | | 0 | 0 | 0 | | 0.0% | 0.0% |
| Undergraduate | Total | | 40 | 86 | 46 | 115.0% | | |
| | Male | | 13 | 25 | 12 | 92.3% | 32.5% | 29.1% |
| | Female | | 27 | 61 | 34 | 125.9% | 67.5% | 70.9% |
| | White | | 24 | 36 | 12 | 50.0% | 60.0% | 41.9% |
| | African-American | | 6 | 11 | 5 | 83.3% | 15.0% | 12.8% |
| | Hispanic | | 5 | 15 | 10 | 200.0% | 12.5% | 17.4% |
| | Asian American | | 5 | 17 | 12 | 240.0% | 12.5% | 19.8% |
| | Native American | | 0 | 0 | 0 | | 0.0% | 0.0% |
| | International | | 0 | 7 | 7 | | 0.0% | 8.1% |
| | Unknown | | 0 | 0 | 0 | | 0.0% | 0.0% |
| Graduate | Total | | 1 | 0 | | | | |
| | Male | | 1 | 0 | -1 | -100.0% | 100.0% | |
| | Female | | 0 | 0 | 0 | | 0.0% | |
| | White | | 0 | 0 | 0 | | 0.0% | |
| | African-American | | 0 | 0 | 0 | | 0.0% | |
| | Hispanic | | 0 | 0 | 0 | | 0.0% | |
| | Asian American | | 1 | 0 | -1 | -100.0% | 100.0% | |
| | Native American | | 0 | 0 | 0 | | 0.0% | |
| | International | | 0 | 0 | 0 | | 0.0% | |
| | Unknown | | 0 | 0 | 0 | | 0.0% | |

Health Education And Discovering Science While Unlocking Potential



THE UNIVERSITY of TEXAS
SCHOOL OF PUBLIC HEALTH

Houston and Brownsville Campuses



An initiative to excite students about science!

Curriculum Modules*

Multimedia science curriculum modules provide teachers in Houston, the Lower Rio Grande Valley, and other areas in Texas and beyond with cutting-edge health science content. Presented in a **video** format with student role models, researchers, other experts (technicians, writers, policy-makers, etc.), and colorful images/animation, content is reinforced with **classroom activities**, **glossaries**, **TAKS warm-ups**, assessment tools, and **web-based resources**. A variety of **careers** are highlighted with biographies of scientists and other professionals.

Modules are designed by field experts and teachers and aligned with the **Texas Essential Knowledge and Skills** and **National Science Standards**

Titles include:

- Genes, Health & You
- Diabetes & Cardiovascular Disease
- Nutrition & Physical Activity
- The Nervous System
- *Advanced Genetics: Exploring the Use of Animal Models, Genes, and Stem Cells in Human Disease Research-Plus Ethical and Policymaking Considerations*

Teacher Professional Development Activities

- Teacher Summer Science Institute: week-long intensive workshop with stipend
- Teacher Trainings: day-long module trainings with meal and gift card incentives
- Consulting Opportunities: contract work to assist with curriculum development

Parent Outreach*

Free Family Night/Community Events featuring health screenings, educational information presented in English and Spanish, diabetes-friendly refreshments, and student poster exhibit created from HEADS UP classroom activities.

Museum Visits*

Customized field trips for hundreds of students that tie-in with HEADS UP topics.

Elementary School Science Corners*

Mini-grant program designed to introduce science/technology laboratories into elementary classrooms. Fifth grade teachers and students conduct year-long investigations using data collection, analysis, synthesis and reporting allowing them to experience scientific methods and processes.

*Grant funds support activities for partner schools. Contact project staff for more details.

For more information, visit:

www.sph.uth.tmc.edu/chppr/headsup

or call

(713) 500-9678



Department of Health and Human Services • National Institutes of Health

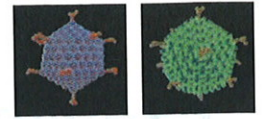
Supported by a Science Education Partnership Award (SEPA) from the National Center for Research Resources



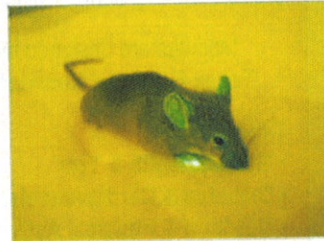
Role Models



Classroom Curriculum



Animation/Graphics



Cutting-edge Science



Researchers



Teacher Programs



Parent Outreach

HEADS UP

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THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS MEDICAL SCHOOL RECRUITMENT ACTIVITIES

- **STARS Program.** The STARS Program is a vehicle for forming a partnership between UT Southwestern and biological science teachers in North Texas. STARS is multidimensional, offering programs for students on the UT Southwestern campus as well as outreach programs to the junior and senior high school science teachers in the classrooms. The program offers a number of opportunities for students to learn about science and health-related careers. STARS regularly provide tours of UT Southwestern facilities for high school and middle school classes. These tours include sessions that make students aware of the various career opportunities in science, medicine, and allied health. STARS also provides Science Ambassadors, UT Southwestern faculty and students who visit classrooms to speak on various subjects including careers in science and health care.
- **Minority Pre-Medical Conference.** The Pre-Med Conference is held annually to introduce college students to UT Southwestern and to give them guidance in their preparation for a career in medicine. Two of UT Southwestern's student organizations, the United Latin American Medical Students (ULAMS) and the Student National Medical Association (SNMA), collaborate to host the conference. Colleges and universities from all over Texas are invited to participate in the one-day event usually held in late January or early February. Sessions on admission, financial aid, and academic preparation are presented. Additionally, participants interact in small groups with a UT Southwestern faculty member or community physician. Typically, more than 250 college students attend the event.
- **Student National Medical Association Scholars Program.** Members of the Students National Medical Association, a predominately African American group, have organized a program to provide selected undergraduate students shadowing opportunities (1/2 day to 1 day per week for 6 to 8 weeks) with a physician practicing in the Dallas community. Students selected for this program must meet certain academic qualifications and indicate an interest in providing health care in under served areas.
- **Health Professions Recruitment and Exposure Program.** HPREP was initiated in 1992 and is sponsored jointly by UT Southwestern and the Dallas Independent School District. The aim of HPREP is to provide high school students (typically 9th and 10th graders) access to UT Southwestern as well as to health professions role models from culturally diverse backgrounds. Students from local Dallas high schools who have been identified as having an interest in the health professions are recruited to participate in HPREP. Every Saturday for seven weeks, approximately one hundred high school students from diverse cultures attend seminars designed to educate them on academic financial and social issues they will face in preparing for a health career. The program uses medical, graduate and allied health students, faculty and staff to motivate and advise.
- **Emmett J. Conrad Leadership Program.** Established in 1993, the Conrad Program is available to college students who are residents in Texas Senatorial District 23. Students selected for the program are given an internship placement at UT Southwestern focusing on patient care and research. Throughout the paid summer experience, students participate in planned daily events, attendance at research presentations, clinical observations, community service projects and presentations on various health care professions. In addition, Conrad Scholars receive resume writing assistance, financial counseling, and gender specific mentoring.
- **Medical School "MS Zero" Program.** Each spring, UT Southwestern Medical School invites all newly accepted medical school applicants to the campus for a two day program to orient them to the school and to the Dallas community. The events allows them to meet some of their new medical school peers and well as interact with current medical students and UT Southwestern faculty. An extra day is added for minority students to give them an opportunity to spend time with minority faculty, community physicians, and students. The culmination of the extra day (which is the day before the two-day program) is a dinner with minority faculty and community leaders from all walks of life in the Dallas area.

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions (cont.)

- **Summer Undergraduate Research Fellowship.** The SURF program at UT Southwestern is an intensive summer research training experience designed for college students who are preparing for careers in biological research. Fellows spend ten weeks pursuing individual research projects in the laboratories of UT Southwestern Graduate School faculty members. Fellows gain experience in modern research techniques, and have a chance to plan and execute an experimental strategy to answer a scientific question. The program introduces students to the sorts of projects encountered during postgraduate research training and leads to an understanding of the planning, discipline, and teamwork involved in the pursuit of basic answers to current questions in the biological sciences. At the end of the summer, fellows present their research in a poster session. In addition to laboratory research, fellows attend weekly seminars given by UT Southwestern faculty members. Informal discussions about careers in science and graduate training are also scheduled. Approximately fifty fellows participate in the summer research program. Fellows are selected by the faculty mentors and assigned to a research project according to each fellow's previous training and research interests. In the past four years, informal agreements with mentors from five minority universities have evolved to guarantee spots in SURF for their best and brightest students. These five universities are Grambling State University, St. Mary's University, University of Texas at El Paso, Angelo State University, and Howard University.
- **UT Southwestern Undergraduate Medical Research Fellows Program.** The UTSUMR program is intended to identify and develop promising student researchers who intend to pursue careers in medicine and research, but who may not pursue formal graduate education (i.e. may not pursue Ph.D. doctoral training). Students will be placed with mentors to work on specific projects under the supervision of the mentor and fellows in the mentor's laboratory. In addition, students are encouraged to attend a series of weekly luncheon seminars in which faculty and former student researchers discuss the fundamentals of basic and clinical research.
- **Annual Visits to Undergraduate Campuses.** Representatives from UT Southwestern medical, graduate, and allied health schools visit various college campuses throughout Texas on an annual basis. These visits are both formal (such as presentations on science or health profession topics or admissions workshops) and informal (visits with individual students or advisors). The purpose for such visits is to introduce college students to UT Southwestern and the programs offered as well as to encourage students to seek careers in science and the health professions.
- **Texas Association of Advisors for the Health Professions and National Association for Advisors for the Health Professions.** Various UT Southwestern faculty and staff annually participate with the TAAHP and the NAAHP. Interaction with collegiate pre-health professions advisors helps to better equip prospective students with accurate information about the health professions in general and UT Southwestern specifically.
- **Regional and National Conferences.** The graduate school is an active member of the Society for the Advancement of Chicanos and National Americans in Science (SACNAS). In addition to attending the yearly SACNAS meetings where there is interaction informally with many minority students and their advisors, graduate school faculty also judge posters and presentations at the meeting. Also, faculty from the graduate school attend the MARC/MBRS Research Conference each year as well as the Minority Health Professions Conference.
- **High School Visits.** Representatives from the Southwestern Allied Health Sciences school annually make visits to various high schools to lecture. These lectures/presentations typically focus on a certain professional field (such as medical laboratory sciences or clinical nutrition) and serve to introduce high school students to the field and the necessary high school preparation to enter that field.
- **Health Professions and Graduate School Fairs.** UT Southwestern representatives annually attend numerous collegiate health professions and graduate school fairs. These fairs, typically held on college/university campuses around Texas, allow college students to interact with faculty, current graduate/profession students and admissions professionals and to receive timely information about the degree programs and admissions requirements.
- **Open House/Information Sessions.** Each year, various academic programs in the Southwestern Allied Health Sciences School offer events designed to introduce prospective students to the UT

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions (cont.)

Southwestern campus and to their individual departmental degree programs. The events typically include a tour of the campus, meeting faculty and current students, and admissions and financial aid counseling.

- **DFW Area Health Professions Fair.** UT Southwestern hosted the first DFW Fair in February of 2004. A coordinated effort of UT Arlington, UT Dallas, University of North Texas and Southern Methodist University, college and university students from around the Dallas/Fort Worth Metropolitan area were invited to attend. Health Professions schools from around Texas and other states participated as well as military and test preparation representatives. More than 300 students attended the event. The advisors for the hosting schools intend to make this event an annual one.
- **Prospective Student Counseling and Tours.** Each year, many prospective students come to visit the UT Southwestern campus either individually or in small groups. UT Southwestern faculty and staff representatives meet with them to discuss their individual needs and questions, programs available at UT Southwestern, admissions requirements, etc. In many cases, these students are taken on tours of the campus.

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions (cont.)

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON SCHOOL OF MEDICINE RECRUITMENT ACTIVITIES

Recruitment

The School of Medicine Office of Student Affairs facilitates the recruitment, admissions, and matriculation of a medical school class that is of the highest quality that is proportionally representative of the state's population. The School of Medicine recruits primarily throughout the state, as well as on a national level. Student inquirers are identified through an online Student Information System at the Student Enrollment Services.

Every year the School of Medicine hosts a number of outreach activities both on and off of the campus which are designed to facilitate acceptance into medical school. Several of these programs specifically target students from disadvantaged and minority backgrounds.

Early Medical School Acceptance Program - The program is designed to provide a rigorous undergraduate educational experience to assure that students receive the academic preparation required to pursue a medical education. Upon acceptance to EMSAP, students also receive conditional acceptance to the University of Texas Medical Branch. Final matriculation into UTMB is dependent upon successful completion of all EMSAP requirements and graduation from one of the six partnership schools: Prairie View A&M University, Texas A&M International University, Texas Southern University, The University of Texas at Brownsville, The University of Texas at El Paso, and The University of Texas – Pan American at Edinburg.

Hispanic Center of Excellence in Medical Education - A comprehensive program designed for the medical education of individuals who are educationally or economically disadvantaged. This program is linked with the University of Texas Pan American and the University of Texas El Paso, and has programs on site at these universities in the summer and during the academic year. The program addresses: student performance; student recruitment; resident and fellow recruitment and training; faculty recruitment, development and retention; information and curricula that includes Hispanic culture as it relates to health; and faculty and student research in those diseases which are most prevalent in Hispanics.

Joint Admissions Medical Program - This is a special program created by the State legislature to support and encourage highly qualified, economically disadvantaged students to pursue a medical education. Students are recruited during their senior year in high school, as well in their first semester in a four year state university.

Medical School Familiarization Program - This is a six-week program for rising college junior and senior students from Texas and surrounding states. The program includes motivational activities, clinical experiences that include attending rounds, observing hospital and emergency room procedures. Academic enhancement, which includes a learning skills workshop, lectures on the basic biomedical sciences and a Medical College Admissions Test (MCAT) preparation course, is a major component of this program. Additionally, the students are assisted with the medical school application, the personal statements, interviewing skills, and the medical school admission policies and procedures. The Student Affairs staff visits selected colleges and universities in Texas and Border States to conduct workshops on medical school admission. The workshops include information about a career in medicine, the format, content, and grading of the MCAT sub-test, including the writing sample, a method to study the MCAT, the medical school application processes, selection process, financing a medical education and debt management.

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions (cont.)

Research and Academic Enrichment Training Program - The University of Texas Medical Branch School of Medicine supports basic and clinical research directed to the causes, prevention and treatment for cardiovascular, pulmonary and hematological diseases. Summer research training opportunities in these areas are available at UTMB School of Medicine for 15 talented, under-represented minority undergraduate and medical students. Each student will work closely with a NIH funded faculty member of University of Texas Medical Branch on an exciting research project directed to these specific areas. In order to bolster the already short supply of minority biomedical researchers, we believe that by providing this opportunity, underrepresented students may become interested in pursuing career in medical or biomedical research. All trainees will participate in scientific seminars, workshops, or clinical conferences that will be held throughout the summer. At the conclusion of the program, each student will present their research at a scientific symposium held on campus.

Spring Premedical Conference - The SOM annually hosts a premedical conference in the spring for high school and college students interested in medical career. The conference affords these students the opportunity to meet and visit with our faculty and students and to tour the facility.

Pre-matriculation Reinforcement and Enrichment Program - This program provides a smooth transition from the undergraduate curriculum to the rigorous and demanding expectations of the medical school curriculum. This six-week program gives a realistic preview of selected courses in the first-year medical school curriculum. These courses are taught by medical school faculty and the demands of the course, including the pace of the course and the examinations are identical to that of courses during the academic year. The program provides the opportunity to make the academic, psychological, emotional, and the physical adjustment necessary to adapt to the demands of the medical school curriculum

Night Before Reception - This is a program for students interviewing at UTMB the evening before interviews to welcome students and provide information about the School of Medicine.

Outreach Programs

Educational Outreach Student Programs are designed to provide elementary, middle and high school students' access to a wealth of basic research and clinical science information through hands-on experiences in the laboratory with cutting-edge scientific techniques. Through these programs, the UTMB scientific community plays an integral role in enhancing pre-college students' knowledge about science and encouraging students to pursue careers in science and medicine.

Saturday Biomedical Science Academy for 4th-6th grade students - The Saturday Biomedical Science Academy provides 4th-6th grade students with an exciting, enrichment experience that provides access to a wealth of basic research and clinical science information through hands-on experiments in chemistry, physics, space science and biology. This program stimulates student interest and enhances their scientific knowledge as well as enabling an appreciation for how creative, fun, and relevant science can be to everyday life.

Summer Science Camp I for 7th and 8th grade students - This summer enrichment program for 7th and 8th graders from Galveston County public and private schools has been in existence since 1993. Due to its popularity, two 4-week sessions (4 hrs/day) are provided each summer. This program provides a mechanism that allows middle school students to obtain hands-on experience in a broad range of science activities that will stimulate their knowledge of, appreciation for, and interest in biology, physics, physiology, health science, technology and related fields. It also increases student knowledge about the practical application of scientific concepts and principles to everyday life experiences. Some example activities include: designing and building bottle rockets, egg-drop competition, exploring the effects of common drugs on Daphnia, and plant tissue culture.

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions (cont.)

The goal is to increase the percentage of public middle school students entering high school with the motivation and/or scientific background to pursue science or gain exposure to scientific-related fields. As a major biomedical research and health sciences center, UTMB is well suited to enhance and foster the teaching of science to local and regional pre-college students.

Summer Science Camp II for 9th and 10th grade students - This summer enrichment program focuses on 9th and 10th grade students in Galveston County public and private schools. The program consists of one 5-week session (4 hours/day) of instructional mini-training lessons derived from major state-of-the-art molecular and cellular research methodologies. Camp II students are provided with more independence while working in teams on specific research projects. They are guided by two undergraduate camp counselors and a faculty mentor. Typical activities include: basic chemistry labs, tissue culture, mitotic chromosome preparations, restriction enzyme digestion, debate on current ethical issues, Southern blotting, DNA fingerprinting, DNA sequencing concepts, polymerase chain reaction, etc. Campers complete an independent project during the last two weeks that utilizes the knowledge they have gained during the previous 3 weeks and present their results in a public seminar.

Summer Research Program for High School Students and Teachers - The student component of the Summer Research Program serves 10th-12th grade students nationwide and provides a stimulating, hands-on, active experience in scientific research. This increases their familiarity with the scientific process and stimulates interest in pursuing future careers in research or science teaching. This program has been existence for more than 22 years and addresses the critical need in the United States for more scientists and science teachers. Beginning in 1991, high school teachers have been included. Participants in the program perform a research project in a UTMB laboratory under the direction of a faculty mentor for 8 weeks during the summer as a temporary employee. Participants have the opportunity to interact with faculty, graduate students, post-docs, and others in the program. Through a series of brown bag seminars they learn about different research projects and a wide variety of health career opportunities. All participants present the results of their research experience in oral presentations (seminar series) and in the concluding public poster session. In addition, they present their results when they return to their high schools in the fall.

UTMB Undergraduate Research Symposium - The annual Undergraduate Research Symposium is sponsored by UTMB's Graduate School of Biomedical Sciences, and hosted by its Committee for Diversity in Graduate Education and Educational Outreach. This annual symposium provides students from around the country with the opportunity to discuss their research experiences, present their findings in a formal setting to fellow students, faculty and staff; and explore their interest in graduate education by touring the university and interacting with faculty, staff, and currently enrolled students. This two-day symposium provides an excellent opportunity for students to learn more about UTMB's many graduate and summer programs, application processes, assistantships and scholarships as well as the communities both on and off campus.

Galveston County Science and Engineering Fair - The Galveston County Science & Engineering Fair is an annual event that in which more than 200 middle and high school students explore the wonderful world of science. Sponsored by UTMB, Galveston College, and Texas A&M University at Galveston, the fair is held on these campuses on alternating years. Participating students learned to approach their science projects in much the same way as a detective trying to solve a mystery. After selecting a specific mystery (hypothesis) to solve, students creatively design methods to uncover clues to help resolve their specific hypotheses. Students present their results formally in poster presentations and faculty, graduate, medical students, and research personnel serve as judges. Dr. Clifford W. Houston, associate vice president for educational outreach, is one of three co-chairpersons for this annual event.

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions (cont.)

UTMB Pathfinders Program - Opportunities in health and biomedical science are growing - fueled by the rapid advances in technology. The challenge for those recruiting for such positions is to find the right people with the required skills. Additionally, there are many other careers that can be pursued that will allow an individual to be connected to science without directly entering into traditional careers in healthcare and research. UTMB recognizes this critical need to develop a future health career's workforce. The Pathfinders Program was designed to meet this need and provides pathways for high school students in Galveston's public and private schools to explore opportunities in health-related careers at UTMB. Through tours, presentations and field trips, the program provides access and exposure to the people and resources that make up a major health science center. Pathfinders also contributes to workforce development in Galveston and the surrounding communities. Typical activities include visits, presentations, and hands-on experiences at: the Marine Biomedical Institute, Shriners Burns Hospital; School of Nursing (included state-of-the-art skills lab); School of Medicine (included gross anatomy lab); Occupational Therapy; Physical Therapy, and Clinical Laboratory Sciences.

Additional Outreach and Recruitment Activities

Recruitment report for the period January 1, 2006 through June 30, 2006

Colleges and career fairs visited:

- Prairie View A & M University
- Texas A & M International University
- Texas A & M University College Fair
- Texas Southern University
- The University of Texas at Austin
- The University of Texas at Brownsville
- The University of Texas at El Paso
- The University of Texas at Pan American
- University of Houston College Fair

Community Functions

- COE Border Consortium at UTHSC - San Antonio
- East Texas Area Health Education Center (AHEC)

On campus visits

- Baylor University
- Fort Bend Baptist High School
- Joint Admissions Medical Program (JAMP)
- Med Ed Program - Rio Grande Valley
- Med Tech Program - San Benito, Texas
- Miller Career Center - High School
- Sam Houston State - Prospective Student
- The University of Texas at Arlington
- UTMB Premedical Conference
- UTMB Summer Programs (EMSAP, RACE, PREP, MSFP)
- UTMB - Prospective Students

Direct mailings

- UTMB Contacts by mail, email, and phone regarding summer programs and admissions

Additional recruitment activities

- Austin College Visit with Premedical Advisor
- Baylor School of Medicine
- Prairie View A&M University - Visit with Director of Pre Med Academy
- Texas A&M University at Galveston
- The University of Texas at El Paso Teleconference

Conventions

- Texas Association of Advisors for the Health Professions

THE UNIVERSITY OF TEXAS SYSTEM MEDICAL SCHOOL & DENTAL BRANCH OUTREACH AND RETENTION EFFORTS

The University of Texas Health Science Center Houston

Medical School

- **Pre-entry Program.** Invited students have risk factors such as below average MCAT's, non-science majors, and significant time between undergraduate degree and medical school. Students are taught by regular faculty and given introductory versions of particularly challenging first-year courses as well as intensive instruction in time management, study techniques, test-taking strategies.
- **Learning specialist for individual consultation and testing.** The Office of Student Affairs has employed for the last two years on a casual basis a learning specialist who is available by appointment to consult with students about study techniques and to administer a full battery of diagnostic testing to determine their relative strengths and weaknesses in learning skills. The learning specialist advises students how to address their deficits and, if their deficits are severe, may recommend to the Office of Student Affairs that they receive extended testing time. The learning specialist is highly visible to students, participates in the Pre-entry Program, speaks to the students at Orientation and the Freshman Retreat, and gives noon-time workshops on study techniques and time management for the entering class.
- **Peer tutoring program.** Any student needing assistance with a course may request a student tutor (second-year students tutor first-year students and fourth-year students tutor second-year students). There is no charge for this program.
- **Alternate Pathway.** Students may opt at any point before final exams in either fall or spring semester for the Alternate Pathway, which spreads first-year coursework over two years. Generally 7-15 students per year take advantage of this option.
- **Master Advisory program.** All entering students are assigned to an advisory group headed by one or more faculty, assisted by three to four second-year students. The groups meet on appointed days three times during the fall semester and twice during the spring. An agenda for each meeting provides structure and allows reinforcement of availability of support services. Faculty advisors also have access to their advisees' course averages and can give individual counseling to those who need it.
- **Faculty assistance.** First-year course directors provide tutorial sessions, either for individuals or groups, and make sure to contact students who do not perform well on the initial examinations to offer assistance and apprise them of available resources.
- UTMSH student organizations include **active chapters of the Student National Medical Association for African-American students** and of the **National Network of Latin American Medical Students**.

Dental Branch

- **The University of Texas Dental Branch at Houston Hispanic Center of Excellence.** The Dental Branch received a \$1.5 million grant from HRSA in recognition as a Hispanic Center of Excellence. The grant provides for mentoring, academic support, and other programs for students at our partner Hispanic Serving Institutions: UT Pan American, UT Brownsville, UT El Paso, A&M International, A&M Corpus Christi, and A&M Kingsville. The programs also support currently enrolled Hispanic students and the faculty development of Hispanic faculty.

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions (cont.)

- **High School for the Health Professions-Preceptorship Program.** The Dental Branch participates in a preceptorship program that is a part of the Houston ISD High School for the Health Professions.
- **Dental Branch Tutorial Program.** Free tutorial assistance is provided to any student requiring additional assistance. The program is funded by the Dean's Office and administered through the Office of Student and Alumni Affairs.
- **Dental Branch Peer Mentor Program.** Incoming first year students are paired with a second year student to assist with the transitioning process from college to professional school.

Office of Institutional & Cultural Diversity

- **Targeted Early-Intervention and Retention of Underrepresented Minority Students.** Grant-funded program designed to identify students who are at risk for dropping out and, based on their risk factors, identify resources and student services for appropriate interventions in collaboration with student advisors.

Recruitment Activities

UTHSC-H Medical School and Dental Branch Recruitment Activities

In calendar year 2005, recruitment activities included the following:

- 11 visits to Junior and Senior High Schools, including Career Fairs, reaching approximately 2,100 students
- 17 visits to Colleges and College Career Fairs, reaching approximately 841 prospective students
- 2 visits to Community Functions, reaching approximately 325 students
- 27 on-campus visits by approximately 614 college and high school students and student groups
- Approximately 1,304 direct mailings (letters/brochures/information packets) to prospective students

Medical School and Dental Branch Recruitment Activities and Programs

in addition to those listed above

Medical School

- **JAMP.** UTHSC-H continues to participate in the Joint Admission Medical Program designed to provide services to support and encourage highly qualified, economically disadvantaged students pursuing medical education. There are 17 student participants currently enrolled at the Medical School.
- **Assured Acceptance Program.** The Medical School's Assured Acceptance Program is designed to make admission commitments to students while they are in their early college years. The prototype program, established with the University of St. Thomas and the University of Houston, offers assurance of admissions to up to ten students from each school per year.
Participants in Academic Year 2005-06: 16
- **Summer Research Program.** The Research Track Summer Internship Program provides students with hands-on laboratory research experience and acquaints them with opportunities available for post-baccalaureate education and/or employment in the field of biomedical research.
Participants in Academic Year 2005-06: 38

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions (cont.)

- **Michael E. DeBakey High School for the Health Professions.** The Medical School faculty participates in this preceptorship program. In this program, high school students are given shadowing experiences throughout the year. The students write learning objectives for the semester with their preceptor, and are involved in researching various topics.
- **National Youth Leadership Forum in Medicine.** For the past thirteen years, the Medical School has participated in this important program. High school students who are identified as high achievers in science areas are invited to participate in this program. In addition, scholarships are awarded so that students who are from disadvantages backgrounds may also participate. Four hundred students each summer stay for two weeks near the Texas Medical Center. They have keynote speakers on various medical and research topics, they have clinical experiences, they participate in Problem Based Learning activities and laboratory activities.
- **Medical School Preparation Workshops.** Beginning in the spring of 2007, the Medical School will provide three sessions targeting colleges with many underrepresented minority students. The workshops are designed to assist in detailed areas of the application process.
- **Additional Assured Acceptance Programs.** Negotiations with both University of Houston Downtown and Xavier University are proceeding. In these, and all of our assured acceptance programs, consideration is given to the applicants with disadvantaged backgrounds.
- **General Recruitment Efforts.** These include advising individual students, visits to Health Career Fairs, visits to Pre Med organizations on Texas university campuses, hosting high school and college students on site visits, and speaking to summer research students about medical school.

Dental Branch

- **Dental Early Acceptance Program.** Through affiliation agreements with seven Texas universities (UT El Paso, UT Brownsville, UT Pan American, Texas A&M Kingsville, Texas A&M Corpus Christi, Texas A&M International, and Prairie View A&M), this program offers highly qualified students with an interest in dentistry, and who through personal experiences have demonstrated the ability to overcome adverse or disadvantaged circumstances, the opportunity to be considered for and to receive conditional early acceptance to UTDB. *Participants in Academic Year 2005-06: 15*
- **Dental Branch Summer Enrichment Program.** The five-week Dental Branch Summer Enrichment Program is designed to introduce college students to the Dental School environment and curriculum and to prepare students for the application and interview process. Preference is given to Early Acceptance Program participants and to others from disadvantaged backgrounds. *Participants in Academic Year 2005-06: 20*
- **Summer Student Research Program.** This program provides research training and practical experience in research under the guidance of a faculty mentor and is supported primarily by an NIH T-32 training grant. *Participants in Academic Year 2005-06: 23*

Medical School & Dental Branch joint program

- **Robert Wood Johnson Foundation Summer Medical and Dental Education Program.** A six week intense academic enrichment program funded by a \$1.2 million grant from the Robert Wood Johnson Foundation. The program is designed to increase the academic performance of program participants. Students from disadvantaged backgrounds are given preference in the selection process. *Participants in Summer 2006: 60 pre-medical and 22 pre-dental*

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions (cont.)

UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO Outreach and Recruitment Programs

I. Outreach and Academic Enrichment Programs

A. High School Students:

- **Med/Ed programs in Laredo and Valley:** year round program designed to attract students into the health professions. Students are provided with academic enrichment such as critical skills development, SAT prep, essay writing tips, interview preparation, etc. Currently 700 students are enrolled in the Laredo program and 1300 in the Valley program.
- **Med/Ed Spring Field Experience Program:** 50 students from Laredo and Lower Rio Grande Valley visit HSC for 3 days to gain understanding of health career opportunities
- **On-campus visits for middle and high school students:** in 2005, 4,530 students visited the HSC campus to introduce them to the health professions. These visits involved walking tours of campus, an overview of the HSC professional programs, motivational stories, hands-on laboratory experiences, etc.
- **CATCH Academy:** a year long program of the School of AHS designed for high school students exploring careers in the health professions and their teachers. Annually the Academy serves 20 high school students and 4 teachers from the 38 county south Texas region.
- **Participation in local and South Texas Career Nights:** Student Services representatives visited 21 high schools career nights in San Antonio and South Texas in 2005 and spoke with more than 7500 students.
- **Annual Science Expo** organized to interest high school and middle school students from San Antonio and South Texas in the health professions. Funding for this program was through the South Texas Programs office. Annual attendance for Science Expo is 1,500 students.
- **Summer program with Northside ISD and other area high schools:** each summer approximately 35 students are recruited for hands-on work in faculty laboratories at the HSC. These students are mentored by Medical, Dental and Graduate school faculty. Approximately 50% of these are from underrepresented minority backgrounds.
- **Collaborative efforts between the HSC and Community Programs:** 150 students/participants in community programs such as Joven, Avance, Upward Bound and YMCA sponsored efforts establish contact with the HSC through visits and presentations intended to assist the "non-traditional" student gain skills necessary to become competitive applicants in health career programs.

B. Undergraduate Pipeline Programs

- **Summer Research Mentoring Program** jointly sponsored by the Graduate Schools of HSC and UTSA since 2005. 24 students with 54% from underrepresented minority backgrounds have been mentored each year. Funded by the UT System.
- **Biomedical Summer Undergraduate Research Experience** supported by the Graduate School and the Department of Biochemistry. Established in 2005, a total of 20 students each summer, with 20% from underrepresented minority backgrounds, who are majoring in math and physics are being provided summer research mentoring experiences in the biomedical sciences. Funded by National Institutes of Health
- **Pharmacology Summer Undergraduate Research Fellowship Program:** established in 1999. Funded by NIH grant. A total of 27 students with 35% from underrepresented backgrounds are provided with a research internship experience.

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions (cont.)

- **Molecular Medicine Summer Undergraduate Research Fellowship Program:** 65 students with 31% from underrepresented minority backgrounds. Funded by a training grant from the Department of Defense.
- **College Career nights:** 53 visits to college career nights in 2005; 2008 students
- **Medical Hispanic Center of Excellence Summer MCAT Prep:** familiarizes pre-medical students with the MCAT and the admissions process. Offers on-line and on site classes.
- **On-campus visits for collegiate students:** in 2005, 431 pre-professional students visited the HSC campus to expand their understanding of the health professions. These visits involved walking tours of campus, an overview of the HSC professional programs, panel discussions with current HSC students, meetings with the Associate Deans of Admissions from each of the HSC schools, discussions regarding what constitutes a competitive application, motivational stories, hands-on laboratory experiences, etc.

II. Mentoring Programs for High School Teachers

- **MS Program in Physiology for K-12 Teachers.** Thesis driven program for science teachers who go back to their classrooms with skills and knowledge up grades which dramatically improve science education for their students. 14 teachers have successfully completed the coursework. 36% minority background
- **MS Program in Microbiology and Immunology:** A total of 31 K-12 teachers from San Antonio and South Texas school districts have participated. 16% are underrepresented minorities; The majority of the 31 come from school districts where the student bodies are 75%-95% minorities.
- **High School to Pro School:** a program sponsored by the Med/Ed Program whereby teachers from Laredo and the Valley are brought to the HSC to learn about the professional programs offered at the HSC, to discuss the opportunities in the biomedical and health care industries, to discern what constitutes a competitive application for health career programs, and to organize a plan for distributing the knowledge they gain over the experience to students in their hometowns.
- **NIH grant supporting the Positively Aging** program whereby 104 teachers consultants (2003-2006), representing 16 schools and 10 school districts in and around Bexar County obtain knowledge and skills specific to the State of Texas and National Standards for math and science curricular objectives. 39% are underrepresented minorities; 36% non Hispanic and 24% unknown (individuals not reporting ethnicity). The schools where these teachers come from are 75% Hispanic and 3% African American.

III. Early Acceptance Programs to Medical and Dental Schools

- **Joint Admission Medical Program (JAMP):** a 4+4 pipeline to medical school program for economically disadvantaged students from 31 public undergraduate universities. Established in 2001, 7 students currently in medical school; 52 others in pipeline with 7 other medical schools; of the 38 students currently in the program, 31 are Mexican American.
- **Medical School Early Matriculation Program:** a 3+4 program (two degrees in 7 years) for students from UT Pan American. Established in 2002. Five students in medical school; 17 others in pipeline. Of the 22 students in the program, 15 are Hispanic and one African-American.
- **Facilitated Admissions Program for South Texas Scholars:** Two 4+4 programs for students at St. Mary's University and Texas A&M International University; 8 students in Medical School; 17 others in pipeline. Of the 25 students in these programs, 21 are Hispanic.
- **Dental Early Admissions Program (DEAP):** 3+4 program with 19 undergraduate schools including, St. Mary's University, Texas A&M International, UTSA, UT Brownsville, Texas State University, UT Pan American. Since its establishment in 1990, more than 250 students have enrolled. Currently 32 DEAP students are enrolled in the HSC Dental School, 65 have graduated

1. U. T. System: Update on JAMP and student diversity at U. T. health institutions (cont.)

from the Dental School and more than 60 are currently in the program and enrolled in their undergraduate institutions. Many of the 19 institutions participating are Hispanic-serving and/or have high underrepresented minority enrollments.

IV. Programs Designed to help HSC students succeed

- **NHMA Medical School Mentorship Program:** this program matches Hispanic medical students with faculty and community physicians who want to be mentors.
- **Student Organizations:**
 - UT Medical School Student National Medical Association: focused on the needs and concerns of medical students of color; is dedicated to both ensuring culturally sensitive medical education and services as well as increasing the number of African Americans, Latinos and other students of color entering and completing medical school
 - **National Network of Latin American Medical Students:** a support and advocacy organization for Latino medical students
 - **Mary Mahoney Student Nursing organization:** an organization focused on the needs and concerns of nursing students who are African American
- **Juntos Podemos,** a HSC Nursing School mentoring program for disadvantages and/or underrepresented students. Initiated in 2000 with a THECB grant, the program enrolled 90 Hispanic students. Students serve as mentors and receive support to enhance their success in the nursing program. Currently the program is funded by HRSA. Since the fall of 2002, 1053 students have enrolled in the program either as mentors or protégés
- **Medical Hispanic Center of Excellence:**
 - **Pre-matriculation program,** whereby an overview of the first year's medical school curriculum is provided and enhancement of study skills and tutoring is provided.
 - **Medical Student Summer Research Program:** introduces and involves rising sophomore Hispanic medical students enrolled at the HSC to research related to Hispanic healthcare delivery, education and diseases prevalent in this population.
 - **Tutoring:** tutorial services are provided to first and second year medical students in order to reduce the percentage of dismissals for academic reasons

1. U. T. System: Update on JAMP and student diversity at U. T. System health institutions (cont.)

JOINT ADMISSION MEDICAL PROGRAM

A pipeline to Medical School for economically disadvantaged students

AUTHORITY

- Created by SB 940 of 77th Texas Legislature
- Administered by JAMP Council consisting of one faculty member from each medical school in the state

PURPOSE

- Support and encourage highly qualified economically disadvantaged students in preparing for and succeeding in Medical School

OPERATION

- Partnership between 8 medical schools, 31 public academic institutions and 34 private institutions to:
 1. Award scholarships for academic years and stipends for summer internships
 2. Mentor and advise students during undergraduate years
 3. Provide summer enrichment programs at medical schools (2 summers)
 4. Guarantee admission to a medical school if all requirements are met
- Medical schools must set aside up to 10% of entering class for JAMP participants (approx. 128 slots)
- 81 students admitted in April of 2003 (start up year)
- 69 students admitted in April of 2004 (reduced number due to reduction in funding)
- 69 students admitted in April of 2005 (reduced number due to reduction in funding)

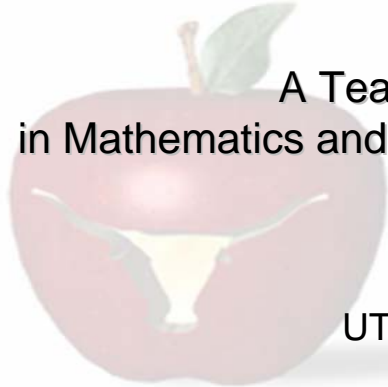
FUNDING

- \$4,000,000 State funds appropriated to THECB for Program – FY02-03
- \$3,490,900 State funds appropriated to THECB for Program – FY04-05
- \$3,316,355 State funds appropriated to THECB for Program – FY06-07
- Use of funds
 1. Scholarships and stipends for participating students
 2. Enhance curriculum and educational opportunities for participating JAMP students at the public academic institutions
 3. Recruit students, mentor undergraduate students, provide summer internship programs and administer the program at the medical schools

BENEFITS OF PROGRAM

- Economically disadvantaged students receive scholarships and special mentoring to help prepare for medical school
- Undergraduate academic institutions receive funds to improve curriculum and develop programs to advise and mentor students (both JAMP participants and other students)
- JAMP students encouraged to return to home area to practice medicine

2. U. T. Austin: Report on UTeach



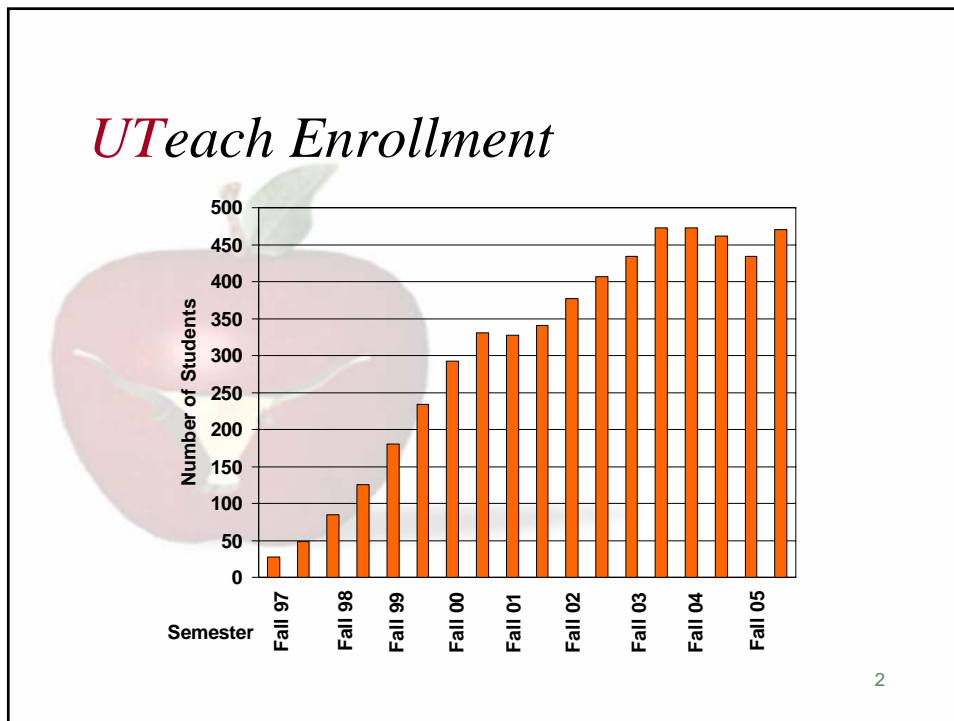
UTeach

A Teacher Preparation Program
in Mathematics and Science at The University
of Texas at Austin

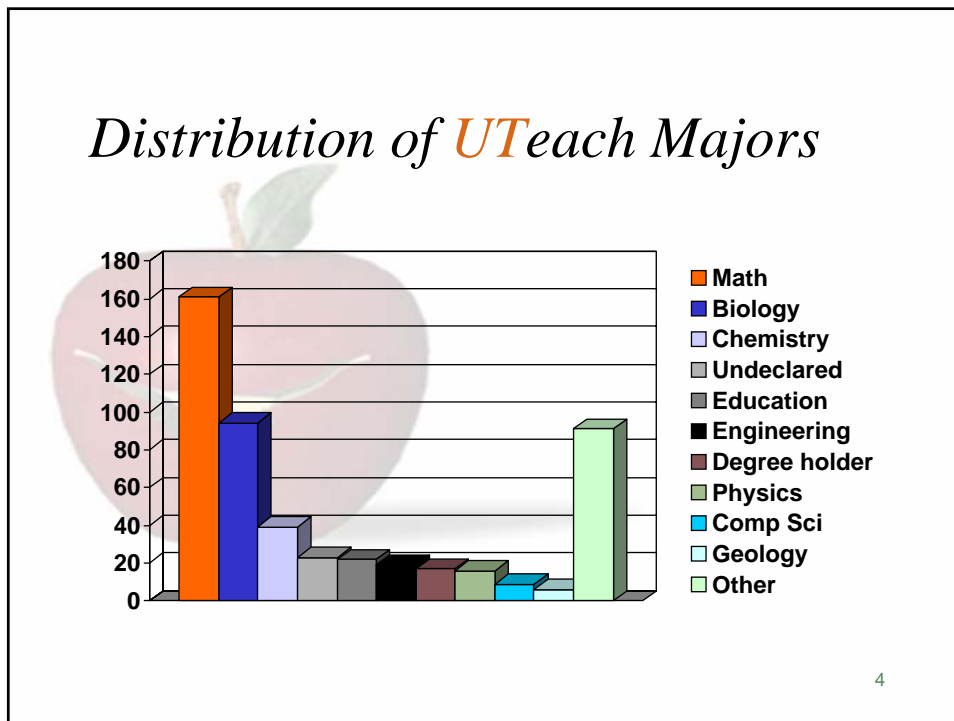
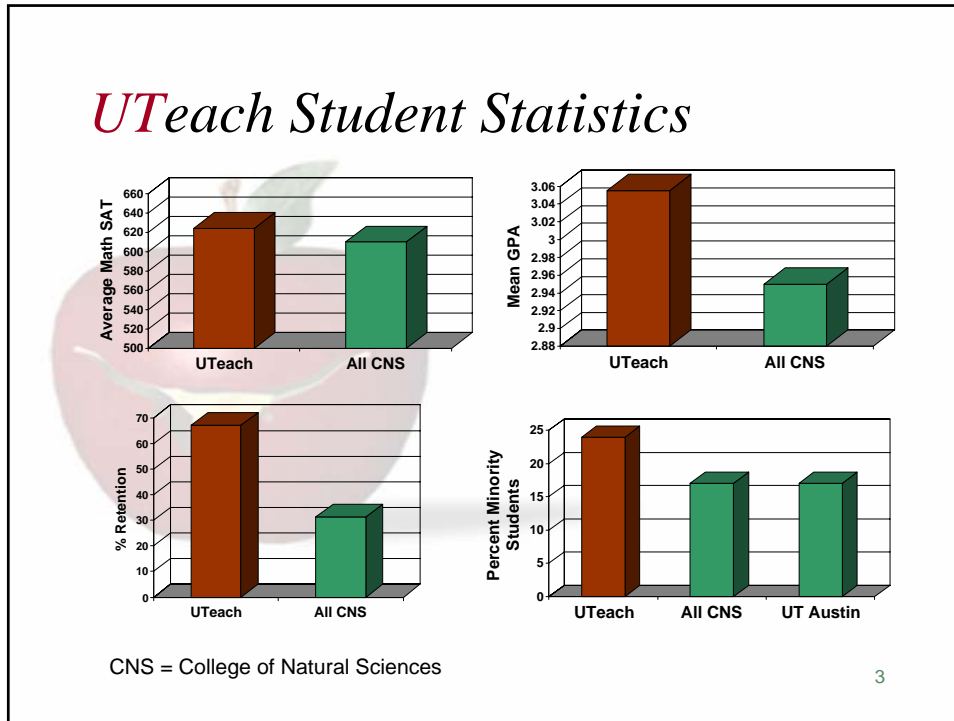
A Partnership between
UT Colleges of Natural Sciences
and Education and
Central Texas School Districts

<http://www.uteach.utexas.edu>

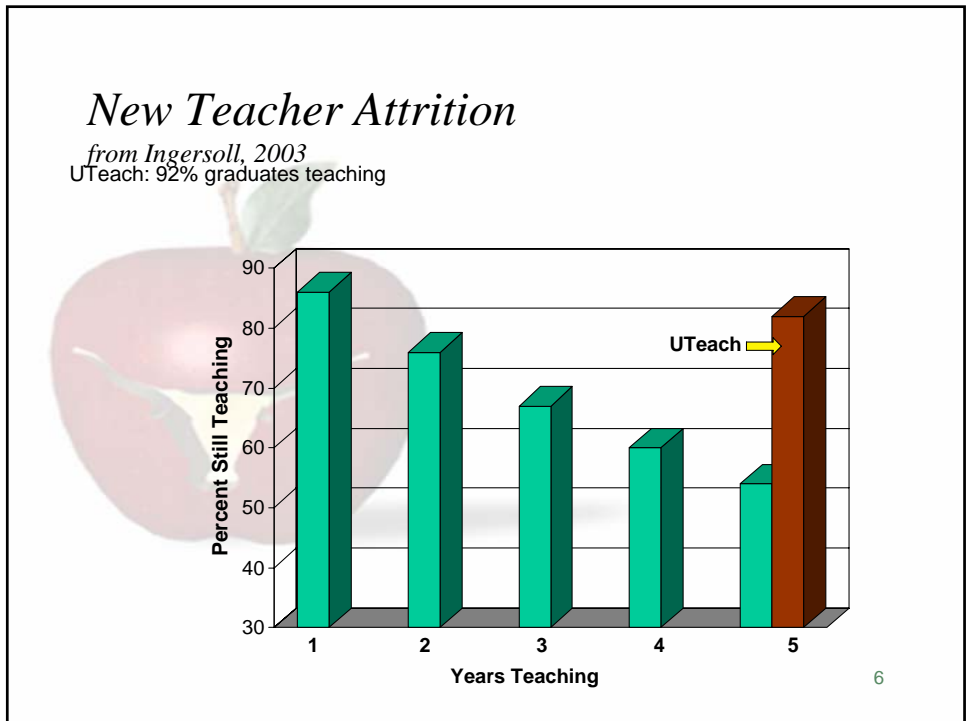
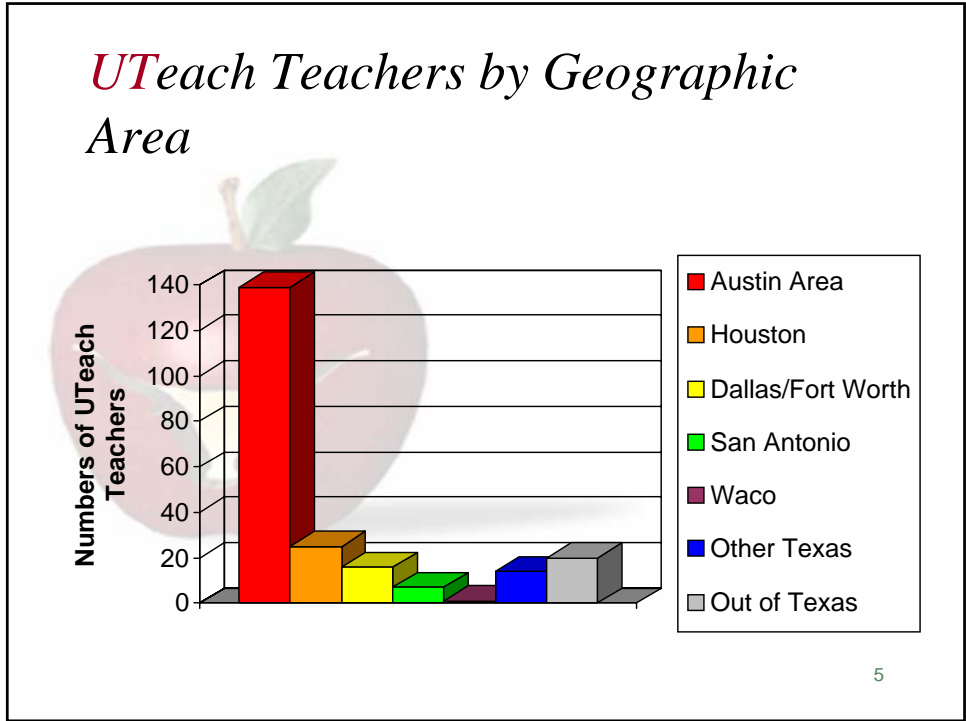
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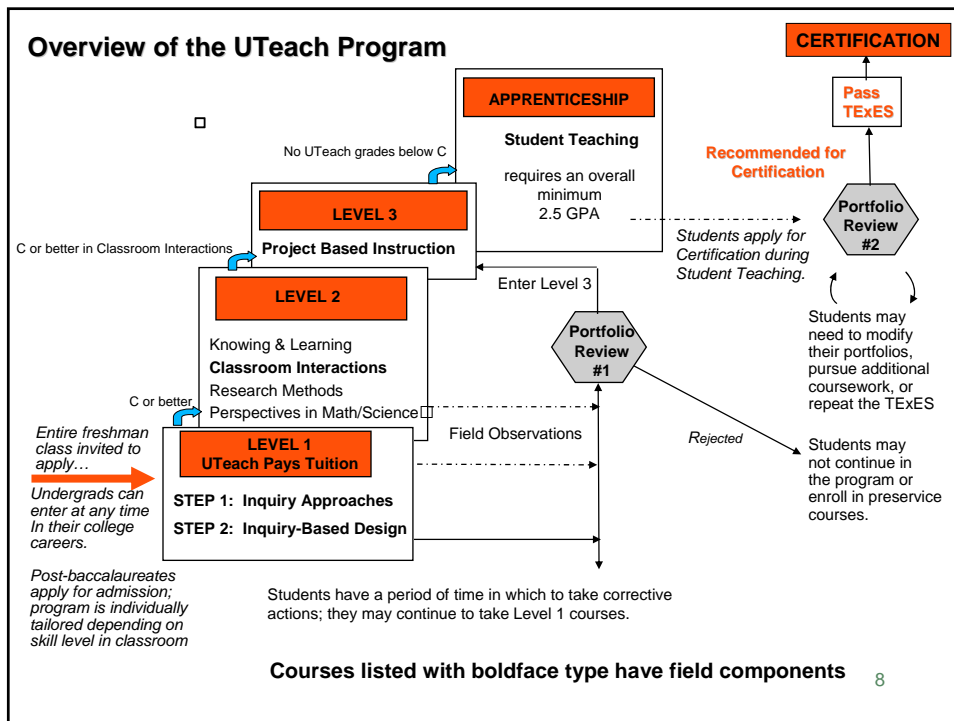
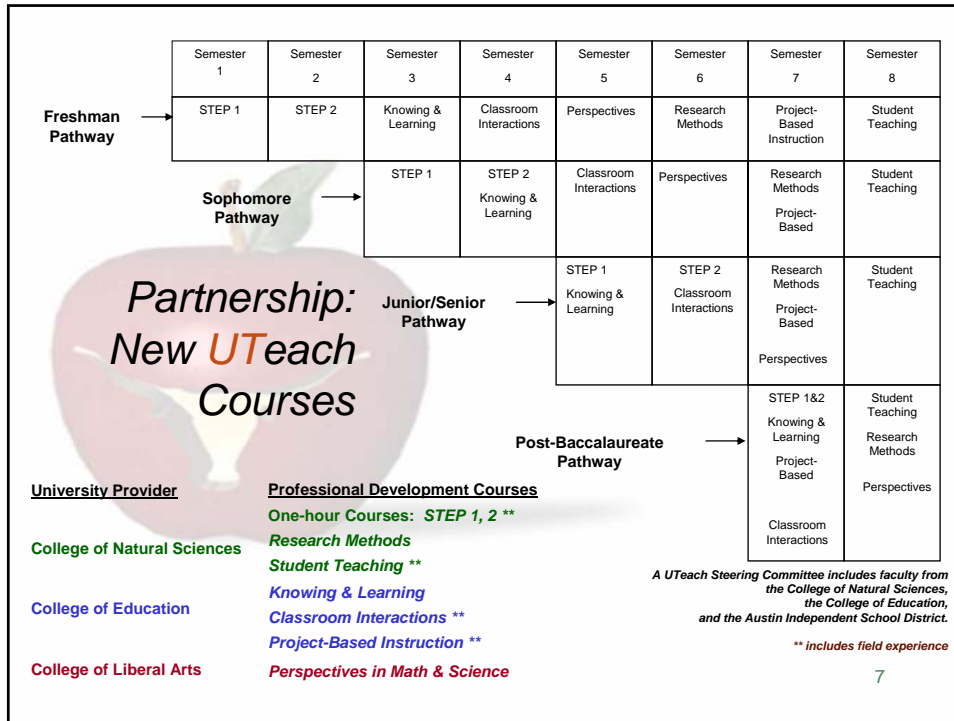
2. U. T. Austin: Report on UTeach (con't.)



2. U. T. Austin: Report on UTeach (con't.)



2. U. T. Austin: Report on UTeach (con't.)



UTeach Internships

Students gain valuable paid experience and preparation for the teaching profession

- 60-90 students per semester work in nonprofit educational settings
- Primary form of support for students who must work to stay in school
- Paid by UTeach with gift and foundation monies
- Tasks range from mentoring kids to working in museums to preparing educational software
- Recruits and retains students in UTeach
- Helps students to become better teachers
- Assists non-profit organizations
- *"Honestly, I learned as much from my internship as from any of the UTeach classes."*



9

UTeachCenter for New Teacher Success

Increasing new teacher retention

- Mentoring services for new secondary science, mathematics and computer science teachers
- Master teacher classroom visits to support new teachers with resources and guidance
- Model lessons, demonstrations, access to latest technology
- Strategies for classroom management and assessment
- Professional development mini-courses designed specifically for novice teachers



UTeach Master's Degree

Developing the next generation of math and science teacher leaders

- Graduate level program of professional development
- UTeach Master of Arts in Science and Mathematics
- More, stronger teacher leaders for Texas
- Graduates will teach, develop curriculum and serve as instructors to other teachers



Keys to UTeach Success

- Early and continuing positive experience teaching in classrooms
 - **Field experiences with inspiring teachers create satisfaction and commitment and prepare students more effectively**
- First two courses offered at no cost to students
 - **We invite the whole freshman class to participate and we pay tuition for the first courses**
- Master teachers as faculty & advisors
 - **supply real life experience, guidance, and inspiration**
- Internships and scholarships
 - **Internships provide financial help in an educational setting, augment student training, and maintain commitment**

12

2. U. T. Austin: Report on UTeach (con't.)

Keys to UTeach Success, continued

- 4-year program is more attractive than 5-6 yr option
- Innovative new professional development courses combine content material and pedagogy
 - **Focus on teaching science & math, how students learn, use of technology in teaching; research experience**
- Induction support for new teachers helps insure success
 - **Master teacher coaching and classroom or on-line assistance with lessons**
- Master's program keeps new teachers connected
 - **3-summer program plus on-line work during the year**

13

Funding for UTeach

- Primary funding support comes from UT Austin:
 - Approx. \$1.5M/year UT funds for faculty salaries, advising, staff support
- Significant dedicated facilities
- Scholarships from various sources
- **Private funding is used to support some of the special features critical to UTeach success (approximately 0.75M/yr):**
 - Tuition for the first two courses (\$50,000/yr)
 - Mentor teachers in AISD classrooms (\$200,000/yr; \$125-\$1000/teacher/semester)
 - Internships (\$200,000/yr; ~\$2,100/student/semester)
 - Induction support (\$100,000/yr)
 - Master's program (\$200,000/yr; \$3,000/student/yr)
 - Endowment support for special success elements
 - Goal of \$15M = \$750,000/year operating funds for internships, mentor teachers, tuition, induction support, master's program

14

UTeach, a National Model ?

- One of largest programs of its kind at a major research institution
- US Department of Education & National Academy of Sciences cite UTeach as a model program
- Replication efforts are being pursued in Texas and nationally

15

3. U. T. System: Annual meeting with representatives of the U. T. System Employee Advisory Council

Employee Advisory Council Recommendations
Cumulative List/Update

| Subject | Recommendation | System Administration Response |
|--|--|--|
| EAC Website BOR Meeting 2/13/02 | Recommended the implementation of a website for the EAC, so staff may have access to the recommendations and discussions occurring in the EAC. | The EAC website is in place for access by any staff member. U. T. System provides necessary support to keep it up to date and functional. |
| Employee Educational Benefits BOR Meeting 2/13/02 | Encourage individual institutions to review and implement employee educational benefits. The EAC recommended a System-wide review of eligibility, fee/tuition waivers, and/or assistance. | The Executive Vice Chancellors distributed a letter to the Presidents of each institution encouraging review of the employee educational benefits. |
| Parking Benefits BOR Meeting 2/13/02 | Review current parking at individual campuses and review for possible collaboration between the institutions. | The EAC is no longer reviewing this recommendation and does not require a response from U. T. System. |
| Best Practices Document – Nonmonetary Compensation BOR Meeting 2/12/03 | Compile all nonmonetary compensation programs from each institution, making it available to all employees through the EAC website. This document was completed and placed on the website available for all institutions to share. The document is a "living" document to be updated by EAC members periodically. | System Administration has supported the use of the document and the web support to keep it a functioning document. |
| Wellness Program BOR Meeting 2/3/04 | EAC recommended compiling all the wellness programs available at various institutions to be shared between institutions. | U. T. System Benefits Office has placed this information on the website for easy access for all faculty and staff. |

3. U. T. System: Annual meeting with representatives of the U. T. System Employee Advisory Council (con't.)

| | | |
|---|---|--|
| <p>Diversity Awareness BOR Meeting 11/9/05</p> | <p>Promote greater staff involvement in the diversity initiatives set forth by U. T. System. Staff represent the most diverse groups on campuses and their input will be critical to the overall success of these initiatives.</p> | <p>U. T. System and the Board of Regents were responsive to including the staff in diversity initiatives and recognize the importance of staff involvement.</p> |
| <p>Staff Councils BOR Meeting 11/9/05</p> | <p>Establish Staff Advisory Councils at each institution. Currently, three institutions do not have Staff Councils. The EAC believes Staff Councils encourage involvement and ownership in decisions impacting employees and the institutions as a whole.</p> | <p>The Board of Regents agreed with this recommendation and encouraged participation from the Executive Vice Chancellors for Academic and Health Affairs to facilitate the development of these Councils. This is a new recommendation and is in the early stages of implementation.</p> |

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
DOCKET NO. 128

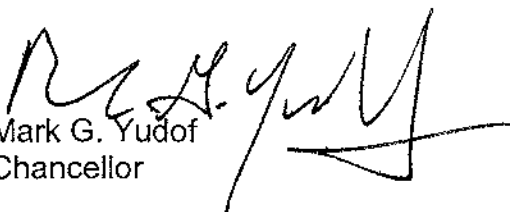
October 26, 2006

TO MEMBERS OF THE FINANCE AND PLANNING COMMITTEE:

Robert B. Rowling, Chairman
John W. Barnhill, Jr.
H. Scott Caven, Jr.
Cyndi Taylor Krier
Colleen McHugh

The Docket for The University of Texas System Administration and the Dockets recommended by the respective presidents and prepared by the institutions listed below are submitted for discussion and appropriate action regarding approval of the Docket at the meeting of the U. T. System Board of Regents on November 16, 2006. The Interim Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, the Vice Chancellor and General Counsel, and I concur in these recommendations.

| <u>Institutions</u> | <u>Pages</u> |
|---|----------------|
| The University of Texas System Administration | Docket 1 - 5 |
| The University of Texas at Arlington | Docket 6 - 10 |
| The University of Texas at Austin | Docket 11 - 26 |
| The University of Texas at Brownsville | Docket 27 - 31 |
| The University of Texas at Dallas | Docket 32 - 38 |
| The University of Texas at El Paso | Docket 39 - 51 |
| The University of Texas – Pan American | Docket 52 - 61 |
| The University of Texas of the Permian Basin | Docket 62 - 64 |
| The University of Texas at San Antonio | Docket 65 - 72 |
| The University of Texas at Tyler | Docket 73 - 74 |
| The University of Texas Southwestern Medical Center at Dallas | Docket 75 - 78 |
| The University of Texas Medical Branch at Galveston | Docket 79 - 85 |
| The University of Texas Health Science Center at Houston | Docket 86 - 95 |
| The University of Texas Health Science Center at San Antonio | Docket 96 - 98 |
| The University of Texas M. D. Anderson Cancer Center | Docket 99 -107 |
| The University of Texas Health Center at Tyler | Docket 108 |


Mark G. Yudof
Chancellor

xc: Other Members of
the Board

TABLE OF CONTENTS

| | |
|---|----|
| U. T. System Administration | 1 |
| Amendments To The 2005-06 Budget..... | 1 |
| Transfers Of Funds | 1 |
| Other Fiscal Items | 2 |
| Employment Agreements..... | 2 |
| Other Matters | 3 |
| Recognition Of Members | 3 |
| Real Estate Report | 5 |
| | |
| U. T. Arlington | 6 |
| Amendments To The 2006-07 Budget..... | 6 |
| Appointments And Promotions | 6 |
| Amendments To The 2005-06 Budget..... | 8 |
| Appointments And Promotions | 8 |
| Transfers Of Funds | 9 |
| Other Fiscal Items | 10 |
| Employment Agreements..... | 10 |
| | |
| U. T. Austin | 11 |
| Gifts | 11 |
| Contracts | 12 |
| General Contracts..... | 12 |
| Contracts With Agency Of A Foreign Government | 14 |
| Amendments To The 2006-07 Budget..... | 15 |
| Appointments And Promotions | 15 |
| Amendments To The 2005-06 Budget..... | 18 |
| Appointments And Promotions | 18 |
| Transfers Of Funds | 19 |
| Other Fiscal Items | 24 |
| Employment Agreements..... | 24 |
| Sale Of University-Owned Property | 25 |
| Other Matters | 26 |
| Approval Of Dual Positions Of Honor, Trust, Or Profit | 26 |
| | |
| U. T. Brownsville | 27 |
| Amendments To The 2006-07 Budget..... | 27 |
| Appointments And Promotions | 27 |
| Other Fiscal Items | 30 |
| Employment Agreements..... | 30 |
| | |
| U. T. Dallas | 32 |

| | |
|--|----|
| Amendments To The 2006-07 Budget..... | 32 |
| Appointments And Promotions | 32 |
| Amendments To The 2005-06 Budget..... | 35 |
| Appointments And Promotions | 35 |
| Other Fiscal Items | 38 |
| Employment Agreements..... | 38 |
| | |
| U. T. El Paso..... | 39 |
| Amendments To The 2006-07 Budget..... | 39 |
| Appointments And Promotions | 39 |
| Transfers Of Funds..... | 41 |
| Amendments To The 2005-06 Budget..... | 41 |
| Appointments And Promotions | 41 |
| Other Fiscal Items | 42 |
| Employment Agreements..... | 42 |
| Other Fiscal Items (Continued)..... | 43 |
| Other Matters | 51 |
| Approval Of Dual Positions Of Honor, Trust, Or Profit..... | 51 |
| | |
| U. T. Pan American..... | 52 |
| Amendments To The 2006-07 Budget..... | 52 |
| Appointments And Promotions | 52 |
| Amendments To The 2005-06 Budget..... | 57 |
| Appointments And Promotions | 57 |
| Transfers Of Funds..... | 57 |
| Other Fiscal Items | 58 |
| Employment Agreements..... | 58 |
| Other Matters | 61 |
| Adoption Of Logo..... | 61 |
| | |
| U. T. Permian Basin..... | 62 |
| Amendments To The 2006-07 Budget..... | 62 |
| Appointments And Promotions | 62 |
| Amendments To The 2005-06 Budget..... | 63 |
| Appointments And Promotions | 63 |
| Other Fiscal Items | 64 |
| Employment Agreements..... | 64 |
| | |
| U. T. San Antonio..... | 65 |
| Amendments To The 2006-07 Budget..... | 65 |
| Appointments And Promotions | 65 |
| Amendments To The 2005-06 Budget..... | 68 |
| Appointments And Promotions | 68 |
| Other Fiscal Items | 71 |

| | |
|---|----|
| Employment Agreements..... | 71 |
| U. T. Tyler | 73 |
| Amendments To The 2006-07 Budget..... | 73 |
| Appointments And Promotions | 73 |
| Other Fiscal Items | 74 |
| Employment Agreements..... | 74 |
| U. T. Southwestern Medical Center – Dallas..... | 75 |
| Gifts | 75 |
| Contracts | 76 |
| General Contracts..... | 76 |
| Amendments To The 2005-06 Budget..... | 77 |
| Appointments And Promotions | 77 |
| Other Fiscal Items | 78 |
| Employment Agreements..... | 78 |
| U. T. Medical Branch – Galveston..... | 79 |
| Gifts | 79 |
| Contracts | 80 |
| General Contracts..... | 80 |
| Amendments To The 2006-07 Budget..... | 82 |
| Appointments And Promotions | 82 |
| Amendments To The 2005-06 Budget..... | 83 |
| Appointments And Promotions | 83 |
| Other Fiscal Items | 85 |
| Employment Agreements..... | 85 |
| U. T. Health Science Center – Houston | 86 |
| Contracts | 86 |
| General Contracts..... | 86 |
| Amendments To The 2006-07 Budget..... | 89 |
| Appointments And Promotions | 89 |
| Amendments To The 2005-06 Budget..... | 92 |
| Appointments And Promotions | 92 |
| Other Fiscal Items | 95 |
| Employment Agreements..... | 95 |
| U. T. Health Science Center – San Antonio | 96 |
| Amendments To The 2005-06 Budget..... | 96 |
| Appointments And Promotions | 96 |
| Other Fiscal Items | 97 |
| Employment Agreements..... | 97 |

| | |
|---|-----|
| Other Matters | 98 |
| Approval Of Dual Positions Of Honor, Trust, Or Profit | 98 |
| U. T. M. D. Anderson Cancer Center | 99 |
| Gifts | 99 |
| Contracts | 100 |
| General Contracts..... | 100 |
| Amendments To The 2006-07 Budget..... | 102 |
| Appointments And Promotions | 102 |
| Other Fiscal Items | 107 |
| Employment Agreements..... | 107 |
| U. T. Health Center – Tyler | 108 |
| Other Fiscal Items | 108 |
| Employment Agreements..... | 108 |

U. T. SYSTEM ADMINISTRATION
AMENDMENTS TO THE 2005-06 BUDGET

TRANSFERS OF FUNDS

The following Requests for Budget Change (RBC) have been administratively approved by the Chancellor and are recommended for approval by the U. T. System Board of Regents:

| Description | \$ Amount | RBC # |
|-------------------------------------|-----------|-------|
| LIBRARY SPECIAL COLLECTIONS RESERVE | | |
| 1. Amount of Transfer: | 75,000 | 10 |

From: U. T. System Administration

To: U. T. Austin

To transfer funds from the Library Special Collections Reserve to U. T. Austin for the purchase of the Oscar Hijuelos Archives. Mr. Hijuelos is the first American-born Hispanic to win a Pulitzer Prize for fiction. The collection will be an extremely important addition, a significant resource for scholars, and would complement the extensive modern literary holdings of the Harry Ransom Center.

COMPREHENSIVE PROPERTY PROTECTION PROGRAM

Catastrophic Self-Insurance Fund

| | | |
|------------------------|---------|----|
| 2. Amount of Transfer: | 892,723 | 11 |
|------------------------|---------|----|

From: Comprehensive Property Protection Program
Catastrophic Self-Insurance Fund – Income

To: Comprehensive Property Protection Program
Catastrophic Self-Insurance Fund – All Expenses

Transfer of funds to cover the expenses associated with a claim by U. T. Medical Branch – Galveston for damage caused by Hurricane Rita.

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreement effects the compensation and benefits provisions discussed and approved on August 10, 2006 by the U. T. System Board of Regents and reflected in the August 2006 Board meeting [Minutes](#). Such employment under this agreement is subject to the *Rules and Regulations* of the Board of Regents and the policies of The University of Texas System.

1. Item: Chancellor
Funds: \$476,400 annually (plus \$225,000 in deferred compensation)
Period: Beginning September 1, 2006
Description: Amendment to agreement for employment of Mark G. Yudof as Chancellor of The University of Texas System. The Chancellor shall hold office without fixed term subject to the pleasure of the Board. In addition to base salary, Chancellor Yudof will receive \$225,000 in deferred compensation. The Chancellor of The University of Texas System is required to reside in the Bauer House and use this home as the center for official occasions and developmental activities for which a housekeeper will be assigned. Other elements of compensation are the provision of a cellular telephone, cost of club memberships as agreed to by the Chairman of the Board, other official entertainment expenses, and out-of-pocket expenses for official travel. Expenses for official travel for Mrs. Yudof will be reimbursed pursuant to approved policy. Chancellor Yudof will continue to hold an appointment as Professor of Law, with tenure, and without additional compensation at the U. T. Austin School of Law. U. T. System will reimburse or provide for term life and long term care insurance, not to exceed the maximum policy limit authorized by the U. T. System insurance program available to employees.

ADDITIONAL DOCKET ITEM
(November 16, 2006)

OTHER FISCAL ITEMS (CONTINUED)

TRANSFER OF FUNDS

TEXAS PHYSICIANS UPPER PAYMENT LIMIT

The following request to authorize the transfer of funds as needed to participate in the Texas Physicians Upper Payment Limit Project has been administratively approved by the Chancellor and is recommended for approval by the U. T. System Board of Regents. U. T. System health institutions will receive supplemental payments for state-affiliated physician practice plans under the Project through a submission of a State Plan Amendment to the U.S. Department of Health and Human Services Centers for Medicare and Medicaid Services.

This change in reimbursement practice recognizes the unique role state-affiliated physician practice plans play in providing services to Medicaid recipients. As a result of the change in methodology, the State will obtain additional federal revenues for state-affiliated practice plans that bill Medicaid. The additional federal revenues will not increase state expenditures. Receipt of the supplemental funds will require a transfer of funds from the six U. T. System health institutions to U. T. System Administration to the State of Texas. The state matching funds required to obtain additional federal dollars will be provided by the state-affiliated physician practice plans at the health institutions.

The first supplemental payment to U. T. System institutions is tentatively scheduled for early December and covers the dates of services from May 1, 2004 through August 31, 2006. This transaction will require that U. T. System transfer approximately \$82.6 million to the state treasury for approximately three days to be used by the Texas Health and Human Services Commission as state matching funds to obtain additional federal revenues in the amount of approximately \$127.3 million. At the end of the three-day period, the original amount transferred will be returned along with additional federal revenue. These amounts are detailed below by institution but may vary slightly once final payments are calculated.

| Federal Fiscal Year 2004 - 2006 Payments | UT System Transfer for State Share * | Federal Share * |
|---|---|------------------------|
| UT SWMC | \$ 36,838,291 | \$ 56,869,659 |
| UT MB Galveston | \$ 16,662,488 | \$ 25,674,609 |
| UT HSC Houston | \$ 11,951,006 | \$ 18,450,532 |
| UT HSC San Antonio | \$ 6,849,188 | \$ 10,571,043 |
| UT MD Anderson | \$ 7,943,311 | \$ 12,245,242 |
| UT HC Tyler | \$ 2,308,442 | \$ 3,563,440 |
| Total Payment | \$ 82,552,726 | \$ 127,374,525 |

All health institutions are involved and supportive of this change in payment methodology and the need for the initial matching payment.

*All amounts are estimated.

OTHER MATTERS

RECOGNITION OF MEMBERS

The Board of Regents is asked to recognize the following individuals listed below as members of the University of Texas Academy of Health Science Educators. Members are elected into this elite group of faculty, with 24 members to be elected in years one and two, and 12 members to be elected each year after.

FOUNDING MEMBERS

| <u>Name</u> | <u>Institution</u> |
|------------------------------|--|
| Frank C. Arnett, M.D. | U. T. Health Science Center - Houston |
| L. Kay Bartholomew, Ed.D. | U. T. Health Science Center - Houston |
| L. Maximilian Buja, M.D. | U. T. Health Science Center - Houston |
| Robert M. Chamberlain, Ph.D. | U. T. M. D. Anderson Cancer Center |
| Jennifer Cuthbert, M.D. | U. T. Southwestern Medical Center - Dallas |
| Anne C. DeWitt, M.S.N., R.N. | U. T. Health Center - Tyler |
| Robert M. Esterl, M.D. | U. T. Health Science Center - San Antonio |
| Emil Freireich, M.D. | U. T. M. D. Anderson Cancer Center |
| Mark D. Holden, M.D. | U. T. Medical Branch - Galveston |
| Linda Johnson, Ph.D. | U. T. Health Science Center - San Antonio |
| Jonathan MacClements, M.D. | U. T. Health Center - Tyler |
| Michael G. Roth, Ph.D. | U. T. Southwestern Medical Center - Dallas |
| Linda R. Rounds, Ph.D. | U. T. Medical Branch - Galveston |

ELECTED MEMBERS FOR 2006

| <u>Name</u> | <u>Institution</u> |
|------------------------------|--|
| Michael Ahearn, Ph.D. | U. T. M. D. Anderson Cancer Center |
| Michael A. Ainsworth, M.D. | U. T. Medical Branch - Galveston |
| Robert Beach, M.D. | U. T. Medical Branch - Galveston |
| Dennis Blessing, Ph.D. | U. T. Health Science Center - San Antonio |
| Eugene Boisaubin, M.D. | U. T. Health Science Center - Houston |
| Dennis Burns, M.D. | U. T. Southwestern Medical Center - Dallas |
| Susan Cox, M.D. | U. T. Southwestern Medical Center - Dallas |
| David Hillis, M.D. | U. T. Southwestern Medical Center - Dallas |
| Mien-Chie Hung, Ph.D. | U. T. M. D. Anderson Cancer Center |
| Lynne Kirk, M.D. | U. T. Southwestern Medical Center - Dallas |
| Ellen Kraig, Ph.D. | U. T. Health Science Center - San Antonio |
| Steven A. Lieberman, M.D. | U. T. Medical Branch - Galveston |
| Richard Luduena, Ph.D. | U. T. Health Science Center - San Antonio |
| Marianne Marcus, R.N., Ed.D. | U. T. Health Science Center - Houston |

OTHER MATTERS (CONTINUED)

RECOGNITION OF MEMBERS (CONTINUED)

ELECTED MEMBERS FOR 2006 (CONTINUED)

| <u>Name</u> | <u>Institution</u> |
|------------------------------|--|
| Shirlyn McKenzie, Ph.D. | U. T. Health Science Center - San Antonio |
| John C. McMahon, Ph.D. | U. T. Health Science Center - Houston |
| Virginia Moyer, M.D. | U. T. Health Science Center - Houston |
| Philip R. Orlander, M.D. | U. T. Health Science Center - Houston |
| John Papaconstantinou, Ph.D. | U. T. Medical Branch - Galveston |
| Leslie Roeder, D.D.S. | U. T. Health Science Center - Houston |
| Gary Rosenfeld, Ph.D. | U. T. Health Science Center - Houston |
| John Sadler, M.D. | U. T. Southwestern Medical Center - Dallas |
| Stephen Tomasovic, Ph.D. | U. T. M. D. Anderson Cancer Center |
| Ellen Vitetta, Ph.D. | U. T. Southwestern Medical Center - Dallas |

REAL ESTATE REPORT

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

Summary Report at August 31, 2006

FUND TYPE

| | Current Purpose Restricted | | Endowment & Similar Funds | | Annuity & Life Income Funds | | TOTAL | |
|------------------------------|----------------------------|---------------|---------------------------|----------------|-----------------------------|--------------|----------------|----------------|
| | Book | Market | Book | Market | Book | Market | Book | Market |
| Land & Buildings: | | | | | | | | |
| Ending Value 5/31/06 | \$ 3,864,617 | \$ 23,419,095 | \$ 105,536,794 | \$ 219,301,015 | \$ 1,138,209 | \$ 1,063,080 | \$ 110,539,620 | \$ 243,783,190 |
| Increase or Decrease | (4,499) | 6,746,232 | (698,366) | 6,226,418 | - | - | (702,865) | 12,972,650 |
| Ending Value 8/31/06 | \$ 3,860,118 | \$ 30,165,327 | \$ 104,838,428 | \$ 225,527,433 | \$ 1,138,209 | \$ 1,063,080 | \$ 109,836,755 | \$ 256,755,840 |
| Other Real Estate: | | | | | | | | |
| Ending Value 5/31/06 | \$ 110,824 | \$ 110,824 | \$ 238,876 | \$ 238,876 | \$ - | \$ - | \$ 349,700 | \$ 349,700 |
| Increase or Decrease | (1,092) | (1,092) | (9,201) | (9,201) | - | - | (10,293) | (10,293) |
| Ending Value 8/31/06 | \$ 109,732 | \$ 109,732 | \$ 229,675 | \$ 229,675 | \$ - | \$ - | \$ 339,407 | \$ 339,407 |

Report prepared in accordance with Sec. 51.0032 of the *Texas Education Code*.

Details of individual assets by account furnished on request.

Note: Surface estates are managed by the U. T. System Real Estate Office. Mineral estates are managed by U. T. System University Lands – West Texas Operations. The royalty interests received from the Estate of John A. Jackson for the John A. and Katherine G. Jackson Endowed Fund in Geosciences are managed by the U. T. Austin Geology Foundation, with the assistance of the Bureau of Economic Geology.

U. T. ARLINGTON

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|--------------------------------|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| COLLEGE OF ENGINEERING | | | | | |
| Mechanical and Aerospace | | | | | |
| 1. Dale Anderson | | | | | 1527 |
| From: Professor (T) | | 100 | 09 | 122,262 | |
| To: Professor Emeritus | 9/1-5/31 | | | 0 | |
| Electrical Engineering | | | | | |
| 2. Adrian Fung | | | | | 1528 |
| From: Professor (T) | | 100 | 09 | 118,060 | |
| To: Professor Emeritus | 9/1-5/31 | | | 0 | |
| COLLEGE OF LIBERAL ARTS | | | | | |
| English | | | | | |
| 3. Nancy Wood | | | | | 1537 |
| From: Professor (T) | | 100 | 09 | 72,608 | |
| To: Professor Emeritus | 9/1-5/31 | | | 0 | |
| Modern Languages | | | | | |
| 4. Charles McDowell | | | | | 1556 |
| From: Professor (T) | | 100 | 09 | 59,814 | |
| To: Professor Emeritus | 9/1-5/31 | | | 0 | |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|-------------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| COLLEGE OF LIBERAL ARTS (Continued) | | | | | |
| Modern Languages (Continued) | | | | | |
| 5. Elizabeth Ordonez | | | | | 1533 |
| From: Professor (T) and Acting Chair | | 100 SUPLT | 09 09 | 60,030 6,000 | |
| To: Professor Emeritus | 9/1-5/31 | | | 0 | |
| 6. Jose Sanchez | | | | | 1535 |
| From: Associate Professor (T) | | 100 | 09 | 42,000 | |
| To: Professor Emeritus | 9/1-5/31 | | | 0 | |
| 7. Frederick Vina | | | | | 1536 |
| From: Associate Professor (T) | | 100 | 09 | 51,458 | |
| To: Professor Emeritus | 9/1-5/31 | | | 0 | |
| OFFICE OF THE PROVOST | | | | | |
| Community and Service Learning | | | | | |
| College of Education | | | | | |
| Kinesiology | | | | | |
| 8. Mary Ridgeway | | | | | 1534 |
| From: Director Professor (T) | | 50 | 09 09 | 120,000 49,091 | |
| To: Professor Emeritus | 9/1-5/31 | | | 0 | |
| COLLEGE OF SCIENCE | | | | | |
| Psychology | | | | | |
| Professor | | | | | |
| 9. Andrew S. Baum (T) | 9/1-5/31 | 100 | 09 | 155,000 | 1653 |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|------------------------------|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| SCHOOL OF SOCIAL WORK | | | | | |
| Social Work | | | | | |
| 10. Pedro Lecca | | | | | 1529 |
| From: Professor (T) | | 100 | 09 | 58,446 | |
| To: Professor Emeritus | 9/1-5/31 | | | 0 | |
| 11. Nazneen Mayadas | | | | | 1531 |
| From: Professor (T) | | 100 | 09 | 76,236 | |
| To: Professor Emeritus | 9/1-5/31 | | | 0 | |
| 12. Charles Mindel | | | | | 1532 |
| From: Professor (T) | | 100 | 09 | 77,205 | |
| To: Professor Emeritus | 9/1-5/31 | | | 0 | |
| COLLEGE OF EDUCATION | | | | | |
| Curriculum and Instruction | | | | | |
| Associate Professor | | | | | |
| 13. Ann Cavallo (T) | 9/1-5/31 | 100 | 09 | 75,000 | 1655 |

AMENDMENTS TO THE 2005-06 BUDGET

APPOINTMENTS AND PROMOTIONS

| | | | | | |
|----------------------------------|----------|-----|----|---------|------|
| COLLEGE OF ENGINEERING | | | | | |
| Computer Science and Engineering | | | | | |
| Professor and Chair | | | | | |
| 1. Fillia Makeon (T) | 8/1-8/31 | 100 | 09 | 160,000 | 1510 |
| Electrical Engineering | | | | | |
| Associate Professor | | | | | |
| 2. Daniel W. Engels (T) | 6/1-8/31 | 100 | 09 | 90,000 | 1448 |

AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

TRANSFERS OF FUNDS

| <u>Description</u> | <u>\$ Amount</u> | <u>RBC #</u> |
|--|------------------|--------------|
| PLANT FUNDS | | |
| 3. Amount of Transfer: | 3,982,470 | 1446 |
| From: Tenant Improvements - Fort Worth Rail Market Center | | |
| To: Educational & General Budget Reserve | | |
| For architectural and engineering fees, construction, data/telecom, and furniture and equipment. | | |
| DESIGNATED FUNDS | | |
| 4. Amount of Transfer: | 500,000 | 1454 |
| From: Educational and General Budget Reserve | | |
| To: Tenant Improvements - Fort Worth Rail Market Center | | |
| Transfer of funds for building renovations at Fort Worth Rail Market Center. | | |
| 5. Amount of Transfer: | 835,469 | 1516 |
| From: Budget Shortfall Unallocated | | |
| To: Designated Utilities Maintenance & Operations | | |
| To fund utility budget shortfall for fiscal year 2006. | | |

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreement effects the compensation and benefits provisions discussed and approved on August 10, 2006 by the U. T. System Board of Regents and reflected in the August 2006 Board meeting *Minutes*. Such employment under this agreement is subject to the *Rules and Regulations* of the Board of Regents and the policies of The University of Texas System.

1. Item: President
Funds: \$370,000 annually
Period: Beginning September 1, 2006
Description: Amendment of agreement for employment of James D. Spaniolo as President of The University of Texas at Arlington. The President reports to the Executive Vice Chancellor for Academic Affairs and shall hold office without fixed term subject to the pleasure of the Executive Vice Chancellor for Academic Affairs and approval by the Chancellor and the Board. Other elements of compensation are the cost of club memberships as approved by the Executive Vice Chancellor for Academic Affairs, other official entertainment expenses, and out-of-pocket expenses for official travel in accordance with the Regents' *Rules and Regulations*. While serving as President, Mr. Spaniolo's appointment as Professor, with tenure, in the Department of Communication, College of Liberal Arts at U. T. Arlington, is without compensation.

U. T. AUSTIN

GIFTS

The following gifts have been received, have been administratively approved by the President or his delegate and are recommended for approval by the U. T. System Board of Regents:

1. Donor Name: Cadence Design Systems
College/School/ Department: Electrical and Computer Engineering
Purpose: For research and academic support of students and faculty
Asset Type: Software Licenses
Value: \$6,710,900
2. Donor Name: Howard Hughes Medical Institute
College/School/ Department: Neurobiology
Purpose: To enhance research activities for the faculty
Asset Type: Equipment and furniture
Value: \$1,148,552
3. Donor Name: Paradigm
College/School/ Department: Institute for Geophysics
Purpose: For research and academic support of students and faculty
Asset Type: Software Licenses
Value: \$4,109,700
4. Donor Name: Tonner Hills SSP, LLC
College/School/ Department: Bureau of Economic Geology
Purpose: For research projects, and as may be needed by students, faculty, university researchers and the public
Asset Type: Core samples
Value: \$6,074,000

CONTRACTS

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

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: The Collegiate Licensing Company (CLC)
Funds: 90% of the first \$5 million of annual revenue 85% of the second \$5 million of annual revenue 92.5% of all annual revenue above \$10 million
Period: July 1, 2006 through June 30, 2016
Description: This agreement is between CLC and U. T. Austin and U. T. El Paso for licensing and administrative services regarding trademark policy.
2. Agency: The Collegiate Licensing Company (CLC)
Funds: 92.5% of annual revenue
Period: July 1, 2006 through June 30, 2016
Description: The agreement is between CLC and U. T. Arlington, U. T. Brownsville, U. T. Dallas, U. T. Pan American, U. T. Permian Basin, U. T. San Antonio, U. T. Tyler, U. T. Southwestern Medical Center - Dallas, U. T. Medical Branch - Galveston, U. T. Health Science Center - Houston, and U. T. Health Science Center - San Antonio for licensing and administrative services regarding trademark policy. U. T. Austin manages the contract for these institutions.
3. Agency: Public Radio Partners, Inc.
Funds: \$2,700,000
Period: September 1, 2006 through August 31, 2009
Description: U. T. Austin will contract for the provision of outsourced underwriting sales and management services on behalf of KUT-Radio.
4. Agency: Texas Department of Family and Protective Services
Funds: \$2,147,505
Period: September 1, 2006 through August 31, 2007
Description: U. T. Austin will operate a staff development and training program that supports the goals and objectives to meet the needs of the State plan for Title IV-E of the Social Security Act. To achieve this task, Texas Department of Family and Protective

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS COMING IN (CONTINUED)

Services (DFPS) contracts for short and long-term training at educational institutions to train current employees of DFPS, persons preparing for employment with DFPS, and foster or adoptive parents. The training must include content from various disciplines and knowledge bases relevant to child and family service policies, it must include programs and practices as they apply to foster care maintenance and adoption assistance, and contribute to child safety, well-being, and permanency of placement. U. T. Austin will provide training, certification and program support services through the School of Social Work to meet the needs of DFPS Child Protective Services, Adult Protective Services, Child Care Licensing, and the Statewide Intake Program staff, particularly to enable DFPS caseworkers and supervisors to provide professional social work services and to meet the DFPS legal mandate of preventing and addressing the abuse and neglect of children and of senior populations in Texas.

5. Agency: Amherst Center Offices II, Ltd.
Funds: \$1,267,132 plus tenant improvement costs not yet determined
Period: January 1, 2007 through March 31, 2011
Description: First amendment to a Space Lease Agreement entered into November 18, 2005. This amendment will expand the leased premises to include an additional 5,357 square feet of space at 4201 West Palmer Lane, Suite C-200, Austin, Texas, for use by U. T. Austin Center for Agile Technology.

CONTRACTS (CONTINUED)

CONTRACTS WITH AGENCY OF A FOREIGN GOVERNMENT

FUNDS GOING OUT

6. Agency: Palazzo Ducale, S.p.A.
Funds: \$38,400
Period: Effective August 2, 2006 through July 8, 2007
Description: U. T. Austin will collaborate to create a joint exhibition entitled "Luca Cambiaso 1527-1585," a collection of works of art by Luca Cambiaso and related artists for study in the galleries of both parties.

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|--|--|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| SCHOOL OF ARCHITECTURE | | | | | |
| Associate Professor | | | | | |
| 1. Michael Hollaran (T) | 9/1-5/31 | 100 | 09 | 90,000 | 1503 |
| Associate Professor | | | | | |
| 2. Miroslava Benes (T) | 9/1-5/31 | 100 | 09 | 85,000 | 1504 |
| COLLEGE OF COMMUNICATION | | | | | |
| Journalism | | | | | |
| Frank A. Bennak, Jr. Chair in Journalism and Professor | | | | | |
| 3. Tracy S. Dahlby (T) | 9/1-5/31 | 100 | 09 | 100,000 | 1571 |
| | 9/1-5/31 | SUPLT | 09 | 25,000 | |
| COLLEGE OF ENGINEERING | | | | | |
| 4. Joydeep Ghosh (T) | | | | | 1705 |
| From: | Cullen Trust for Higher Education Endowed Professorship in Engineering #5 and Professor Professorship Supplement | | | | |
| | | 100 | 09 | 113,801 | |
| | | SUPLT | 09 | 11,740 | |
| To: | Schlumberger Centennial Chair in Engineering and Professor | | | | |
| | | 100 | 09 | 135,541 | |
| 5. Mukul M. Sharma (T) | | | | | 1707 |
| From: | Professor | | | | |
| | | 100 | 09 | 141,499 | |
| To: | W. A. "Tex" Moncrief, Jr. Centennial Chair in Petroleum Engineering and Professor | | | | |
| | | 100 | 09 | 141,499 | |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|--|-----------------------|-------------------|-------------------------|------------------------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| COLLEGE OF FINE ARTS | | | | | |
| 6. Robert Freeman (T) | | | | | 1712 |
| From: Effie Marie Cain Regents Chair In Fine Arts and Professor | | 100 | 09 | 140,000 | |
| To: Susan Menefee Ragan Fellow in Fine Arts and Professor Fellowship Supplement | | 100 SUPLT | 09 09 | 170,000 10,000 | |
| 7. Gerhardt Zimmerman (T) | | | | | 1708 |
| From: Professor | | 100 | 09 | 112,000 | |
| To: Jack G. Taylor Regents Professorship in Fine Arts and Professor Professorship Supplement | | 100 SUPLT | 09 09 | 112,000 3,000 | |
| JACKSON SCHOOL OF GEOSCIENCES | | | | | |
| Geological Sciences & Institute for Geophysics Professor and Research Professor | | | | | |
| 8. Terrence M. Quinn (T) | 9/1-5/31 | 100 | 09 | 110,000 | 1632 |
| Associate Professor and Research Professor | | | | | |
| 9. Brian K. Horton (T) | 9/1-5/31 | 100 | 09 | 100,000 | 1573 |
| SCHOOL OF LAW | | | | | |
| 10. Harold D. Laycock (T) | | | | | 1634 |
| From: Professor and Alice McKean Young Chair in Law Chair Supplement Associate Dean | | 50 SUPLT 50 | 09 09 12 | 206,294 16,000 275,058 | |
| To: Alice McKean Young Chair Emeritus In Law | 9/1-5/31 | | | 0 | |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|--|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| SCHOOL OF LAW (Continued) | | | | | |
| James R. Dougherty Chair for Faculty Excellence and Professor and Vice Provost for Health Affairs | | | | | |
| 11. William M. Sage (T) | 9/1-5/31 | 50 | 09 | 172,000 | 1633 |
| | 9/1-5/31 | SUPLT | 09 | 10,000 | |
| | 9/1-8/31 | 50 | 12 | 242,667 | |
| COLLEGE OF LIBERAL ARTS | | | | | |
| English | | | | | |
| 12. Zulfikar Ghose (T) | | | | | 1706 |
| From: Professor | | 100 | 09 | 74,000 | |
| To: Susan Taylor McDaniel Regents Professorship in Creative Writing #1 and Professor | | 100 | 09 | 74,000 | |
| Associate Professor | | | | | |
| 13. Gretchen Murphy (T) | 9/1-5/31 | 100 | 09 | 75,000 | 1572 |
| Philosophy | | | | | |
| 14. Paul B. Woodruff (T) | | | | | 1709 |
| From: Darrell K Royal Regents Professor in Ethics and American Society and Professor | | 100 | 09 | 149,000 | |
| To: Dean of Undergraduate Studies Darrell K Royal Regents Professor in Ethics and American Society and Professor | | 100 | 12 | 220,000 | |
| | | 0 | 09 | 149,000 | |
| LBJ SCHOOL OF PUBLIC AFFAIRS | | | | | |
| Professor and Director of the Strauss Center for International Security and Law | | | | | |
| 15. James M. Lindsay (T) | 9/1-5/31 | 0 | 09 | 140,000 | 1635 |
| | 9/1-5/31 | SUPLT | 09 | 50,000 | |
| | 9/1-8/31 | 100 | 12 | 165,000 | |

Prepared by:
U. T. Austin

Docket - 17

November 16, 2006

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| MCCOMBS SCHOOL OF BUSINESS | | | | | |
| 16. Robert A. Peterson (T) | | | | | 1713 |
| From: John T. Stuart III Centennial Chair in Business and Professor | | 100 | 09 | 155,283 | |
| Chair Supplement | | SUPLT | 09 | 24,500 | |
| To: Associate Vice President for Research | | 100 | 12 | 207,044 | |
| John T. Stuart III Centennial Chair in Business and Professor | | 0 | 09 | 155,283 | |
| Chair Supplement | | SUPLT | 09 | 24,500 | |

AMENDMENTS TO THE 2005-06 BUDGET

APPOINTMENTS AND PROMOTIONS

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|--|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| COLLEGE OF LIBERAL ARTS | | | | | |
| Government and Economics/Dean's Office | | | | | |
| 1. Brian E. Roberts (T) | | | | | 1440 |
| From: Centennial Commission Chair in Liberal Arts and Professor | | 50 | 09 | 105,000 | |
| Associate Dean | | 50 | 12 | 140,000 | |
| To: Centennial Commission Chair in Liberal Arts and Professor | 6/1-8/31 | 0 | 09 | 105,000 | |
| Interim Associate Vice President for Information Technology Services | 6/1-8/31 | 100 | 12 | 180,000 | |

AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

TRANSFERS OF FUNDS

| <u>Description</u> | <u>\$ Amount</u> | <u>RBC #</u> |
|---|------------------|--------------|
| EDUCATIONAL AND GENERAL FUNDS | | |
| Vice President and Chief Financial Officer | | |
| 2. Amount of Transfer: | 218,670 | 1496 |
| From: State General Revenue Estimated Income | | |
| To: Educational and General State Appropriations | | |
| To record general revenue account reductions for commercial air travel for fiscal year 2005-06. | | |
| SERVICE DEPARTMENT FUNDS | | |
| University of Texas Libraries | | |
| 3. Amount of Transfer: | 1,030,279 | 1421 |
| From: Library Resource Sharing Project Operating Income | | |
| To: Library Resource Sharing Project Books | | |
| Transfer income to book expenditure account for payment of invoices. | | |
| Vice President for Employee and Campus Services | | |
| 4. Amount of Transfer: | 505,000 | 1478 |
| From: University Printing Services Operating Income | | |
| To: University Printing Services Plant Operations | | |
| Transfer income to expenditure account to continue processing printing jobs through the end of fiscal year 2005-06. | | |

AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

TRANSFERS OF FUNDS (CONTINUED)

| <u>Description</u> | <u>\$ Amount</u> | <u>RBC #</u> |
|--|------------------|--------------|
| SERVICE DEPARTMENT FUNDS (Continued) | | |
| Vice President for Employee and Campus Services (Continued) | | |
| 5. Amount of Transfer: | 15,100,000 | 1422 |
| From: Utility Plant Revolving Fund Operating Income | | |
| To: Utility Plant Revolving Fund Fuel | | |
| Transfer income to expenditure account to cover increased gas costs that will be recouped through billing. | | |
| DESIGNATED FUNDS | | |
| Vice President and Chief Financial Officer | | |
| 6. Amount of Transfer: | 4,513,381 | 1426 |
| From: Provision for Utilities Operating Income | 4,513,381 | |
| To: Purchased Utilities – Main Campus Utilities | | |
| Electricity | 276,000 | |
| Gas | 105,500 | |
| Maintenance and Operation | 4,131,881 | |
| Transfer additional funds from central account for higher than budgeted utility costs on main campus due to increase in cost of natural gas. | | |
| School of Law | | |
| 7. Amount of Transfer: | 1,165,000 | 1502 |
| From: School of Law Continuing Legal Education, Inc. – Operating Income | | |
| To: School of Law Continuing Legal Education, Inc. – Maintenance, Operation and Equipment | | |
| Budget over fee income to meet operating needs – printing of brochures, preparation of course packets/materials, and hotel expenses related to hosting Continuing Legal Education conferences (conference rooms, rooms for speakers, audio/visual rental). | | |

AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

TRANSFERS OF FUNDS (CONTINUED)

| <u>Description</u> | <u>\$ Amount</u> | <u>RBC #</u> |
|--|------------------|--------------|
| AUXILIARY ENTERPRISE FUNDS | | |
| Intercollegiate Athletics | | |
| 8. Amount of Transfer: | 750,000 | 1430 |
| From: Intercollegiate Athletics for Men Operating Income | | |
| To: Intercollegiate Athletics for Men Other Expenses | | |
| Budget adjustments to cover expenses. | | |
| 9. Amount of Transfer: | 2,500,000 | 1476 |
| From: Intercollegiate Athletics for Men Operating Income | 2,500,000 | |
| To: Intercollegiate Athletics for Men Other Expenses | 1,500,000 | |
| Intercollegiate Athletics for Men Travel | 1,000,000 | |
| Transfer funds to reflect additional current year income to be received in excess of original budget to allow for funding of additional travel expenditures. | | |
| 10. Amount of Transfer: | 1,000,000 | 1508 |
| From: Intercollegiate Athletics for Men Operating Income | | |
| To: Intercollegiate Athletics for Men Other Expenses | | |
| Transfer funds for actual revenues received in excess of amount budgeted to allow for funding of additional operating expenses. | | |

AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

TRANSFERS OF FUNDS (CONTINUED)

| <u>Description</u> | <u>\$ Amount</u> | <u>RBC #</u> |
|---|------------------|--------------|
| AUXILIARY ENTERPRISE FUNDS (Continued) | | |
| Housing and Food Service | | |
| 11. Amount of Transfer: | 4,218,900 | 1477 |
| From: Housing and Food Service Division Office Expenses – Operating Income | | |
| To: Housing and Food Service Division Office Expenses – Food and Stores Operating Expenses | | |
| Transfer from income to expense account for food service and grocery expenditures. | | |
| PLANT FUNDS | | |
| Physical Plant – Kinsolving | | |
| 12. Amount of Transfer: | 670,225 | 1434 |
| From: Auxiliary Enterprise Funds Housing and Food Services Division Office Expenses | | |
| To: Physical Plant – KIN – Design and Roof Replacement – All Expenses | | |
| Additional funding for roof replacement in Kinsolving Dormitory (KIN). | | |
| Physical Plant - Campus | | |
| 13. Amount of Transfer: | 1,030,000 | 1462 |
| From: Auxiliary Enterprises – Housing and Food Service General Repair/Replacement Reserve Account | | |
| To: Physical Plant – Campus – Exterior Egress At Roberts – All Expenses | | |
| Additional funding for exterior and interior egress at Roberts Hall and Prather Hall dormitories. | | |

AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

TRANSFERS OF FUNDS (CONTINUED)

| <u>Description</u> | <u>\$ Amount</u> | <u>RBC #</u> |
|--|------------------|--------------|
| PLANT FUNDS (Continued) | | |
| Physical Plant – PP4 | | |
| 14. Amount of Transfer: | 700,000 | 1463 |
| From: Designated Funds – Business Services Central Funding Control Account Operating Income | | |
| To: Physical Plant – PP4 – Phase II of PP Space Study – All Expenses | | |
| Additional funding for the Physical Plant building renovation. | | |
| Physical Plant – RLM | | |
| 15. Amount of Transfer: | 585,000 | 1464 |
| From: Designated Funds – Vice President and Chief Financial Officer – Research Enhancement Allotment | | |
| To: Physical Plant – RLM – Downer Clean Room Renovation – All Expenses | | |
| Funding for Downer Clean Room renovation in Robert Lee Moore Hall (RLM). | | |

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreement effects the compensation and benefits provisions discussed and approved on August 10, 2006 by the U. T. System Board of Regents and reflected in the August 2006 Board meeting *Minutes*. Such employment under this agreement is subject to the *Rules and Regulations* of the Board of Regents and the policies of The University of Texas System.

1. Item: President
Funds: \$552,500 annually
Period: Beginning September 1, 2006
Description: Amendment of agreement for employment of William C. Powers, Jr. as President of The University of Texas at Austin. The President reports to the Executive Vice Chancellor for Academic Affairs and shall hold office without fixed term subject to the pleasure of the Executive Vice Chancellor for Academic Affairs and approval by the Chancellor and the Board. Other elements of compensation are the cost of club memberships as approved by the Executive Vice Chancellor for Academic Affairs, other official entertainment expenses, and out-of-pocket expenses for official travel in accordance with the Regents' *Rules and Regulations*. While serving as President, Mr. Powers' appointment as Professor of Law, with tenure, at the U. T. Austin School of Law, is without compensation. Additionally, he will hold an appointment to the Regents' Chair in Higher Education Leadership and will have access to the income from this chair for initiatives on campus. President Powers will continue to hold the Hines H. Baker and Thelma Kelley Baker Chair in Law.

SALE OF UNIVERSITY-OWNED PROPERTY

The following sale of surplus property has been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs. A sale in the amount of \$100,000 or more requires approval by the U. T. System Board of Regents to comply with Regents' *Rules and Regulations*, Series 80201.

- Item Sold: Oceanographic marine research vessel "*Longhorn*"
Amount: Between \$600,000 to \$1,100,000
Purchaser: Not Yet Sold
Explanation: The sale is dictated by the age of the vessel (35 years) with some of the scientific equipment approaching obsolescence, the need for a major refit (anticipated to exceed \$1 million), a continuing decrease in funding for oceanographic research, especially in the Western Gulf of Mexico, the trend for ocean research to extend to depths that exceed the ship's capabilities, and the relatively minor amount of shipboard time (historically, only 6%) that actually supports research by U. T. Austin scientists and graduate students.

Method of Sale: At this time, U. T. Austin is investigating whether to sell the vessel using a broker or another commercially reasonable method.

Authorization: U. T. Austin is requesting that the Board authorize the Vice President and Chief Financial Officer for business Affairs, Kevin Hegarty, to sign documents related to the sale transaction, subject to approval by the Office of General Counsel.

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

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

- | | |
|---------------|---|
| Name: | Ms. Barbara Wand James |
| Title: | Project Director for the Texas Homeless Education Office, Charles A. Dana Center for Science and Mathematics Education |
| Position: | Member, Early Childhood Intervention Advisory Committee |
| Period: | September 20, 2006 to February 1, 2009 |
| Compensation: | None |
| Description: | Governor Rick Perry appointed Ms. James as a member of the Early Childhood Intervention Advisory Committee. The Interagency Council on Early Childhood Intervention relies on the Advisory Committee for advice and recommendations in order to provide better services to Texas families with children with disabilities or development delays. |

U. T. BROWNSVILLE
AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| COLLEGE OF LIBERAL ARTS | | | | | |
| Behavioral Sciences | | | | | |
| 1. Ethel L. Cantu (T) | | | | | 1658 |
| From: Master Technical Instructor | | 100 | 09 | 56,099 | |
| To: Master Technical Instructor, Interim Dean | 9/1-5/31 | 100 | 09 | 56,099 | |
| | 9/1-5/31 | SUPL | 09 | 14,400 | |
| Dean of College of Liberal Arts | | | | | |
| 2. Charles F. Dameron (T) | | | | | 1652 |
| From: Interim Dean of Liberal Arts | | 100 | 12 | 106,090 | |
| To: Interim Dean of Liberal Arts | 9/1-8/31 | 100 | 12 | 106,090 | |
| Interim Vice President Academic Affairs | 9/1-8/31 | SUPL | 12 | 14,400 | |
| Modern Languages | | | | | |
| Assistant Professor | | | | | |
| 3. Diego Ponce (T) | 9/1-5/31 | 100 | 09 | 43,000 | 1607 |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|--|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| COLLEGE OF SCIENCE, MATH & TECHNOLOGY | | | | | |
| Mathematics | | | | | |
| 4. Jerzy Mogilski (T) | | | | | 1651 |
| From: Associate Professor | | 100 | 09 | 52,943 | |
| To: Associate Professor | 9/1-5/31 | 100 | 09 | 52,943 | |
| Interim Chair | 9/1-5/31 | SUPL | 09 | 9,333 | |
| Chemistry and Environmental Sciences | | | | | |
| Assistant Professor | | | | | |
| 5. Carlos Cintra Buenrostro (T) | 9/1-5/31 | 100 | 09 | 52,000 | 1595 |
| DEVELOPMENTAL GENERAL EDUCATION | | | | | |
| Developmental Education | | | | | |
| 6. Terry Jay Phillips (T) | | | | | 1663 |
| From: Dean of General Studies | | 100 | 12 | 90,161 | |
| To: Dean of General Studies | 9/1-5/31 | 100 | 12 | 90,161 | |
| Interim Dean of Science, Math, and Technology | 5/1-8/31 | | 04 | 5,000 | |
| SCHOOL OF BUSINESS | | | | | |
| Accounting | | | | | |
| 7. Janna L. Arney (T) | | | | | 1660 |
| From: Associate Professor | | 100 | 09 | 84,982 | |
| To: Associate Professor | 9/1-5/31 | 100 | 09 | 84,982 | |
| Interim Associate Vice President for Academic Affairs | 9/1-5/31 | SUPL | 09 | 12,000 | |
| Office of the Dean of Business | | | | | |
| Professor and Dean | | | | | |
| 8. Hugh Martin Shane (T) | 9/1-8/31 | 100 | 12 | 139,050 | 1605 |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|------------------------------------|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| SCHOOL OF HEALTH SCIENCES | | | | | |
| Allied Health | | | | | |
| 9. John McCabe (T) | | | | | 1650 |
| From: Associate Professor | | 100 | 09 | 86,904 | |
| Chairperson | | SUPL | 03 | 6,799 | |
| To: Associate Professor | 9/1-5/31 | 100 | 09 | 86,904 | |
| Director | 6/1-8/31 | SUPL | 03 | 800 | |
| Nursing | | | | | |
| 10. Joe Lacher (T) | | | | | 1666 |
| From: Associate Professor | | 100 | 09 | 60,971 | |
| | | SUPL | 03 | 20,324 | |
| To: Associate Professor | 9/1-5/31 | 100 | 09 | 60,971 | |
| | 6/1-8/31 | 100 | 03 | 20,324 | |
| Program Director | 9/1-8/31 | SUPL | 09 | 14,400 | |
| 11. Virginia Maldonado-Maxwell (T) | | | | | 1667 |
| From: Master Technical | | 100 | 09 | 42,552 | |
| Instructor | | SUPL | 03 | 15,242 | |
| To: Master Technical | 9/1-5/31 | 100 | 09 | 42,552 | |
| Instructor and | 6/1-8/31 | 100 | 03 | 15,242 | |
| Assistant Program Director | 9/1-8/31 | SUPL | 12 | 1,600 | |

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreement effects the compensation and benefits provisions discussed and approved on August 10, 2006 by the U. T. System Board of Regents and reflected in the August 2006 Board meeting *Minutes*. Such employment under this agreement is subject to the *Rules and Regulations* of the Board of Regents and the policies of The University of Texas System.

1. Item: President
Funds: \$275,263 annually (plus \$25,000 deferred compensation)
Period: Beginning September 1, 2006
Description: Amendment of agreement for employment of Juliet V. García as President of The University of Texas at Brownsville. The President reports to the Executive Vice Chancellor for Academic Affairs and shall hold office without fixed term subject to the pleasure of the Executive Vice Chancellor for Academic Affairs and approval by the Chancellor and the Board. In addition to base salary and deferred compensation, Dr. García will receive a one-time merit award of \$15,000 for fiscal year 2006-07. Other elements of compensation are the cost of club memberships as approved by the Executive Vice Chancellor for Academic Affairs, other official entertainment expenses, and out-of-pocket expenses for official travel in accordance with the Regents' *Rules and Regulations*. While serving as President, Dr. García's appointment as Professor, with tenure, in the College of Liberal Arts at U. T. Brownsville, is without compensation.

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

The following agreements have been awarded, have been approved by the Interim Executive Vice Chancellor for Academic Affairs, and are recommended for approval by the U. T. System Board of Regents. Such employment under these agreements is subject to the Constitution and Bylaws of the National Association of Intercollegiate Athletics, any intercollegiate athletic conference of which The University of Texas at Brownsville is a member, and the Regents' *Rules and Regulations* and the policies of The University of Texas at Brownsville. The violation of the provisions of such constitution, bylaws, rules or regulations shall be grounds for suspension without pay or dismissal.

1. Item: Head Baseball Coach
Funds: \$40,800 annually
Period: September 1, 2006 through July 31, 2007
Description: Initial agreement for employment of Head Baseball Coach, Joel Barta, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

2. Item: Head Women's Volleyball Coach
From: \$40,000 annually
To: \$40,800 annually
Salary
Percent
Change: 2.00
Description: Renewal agreement for employment of Head Volleyball Coach, Bruce Atkinson, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.

Incentive
Change: No Change

Period: September 1, 2006 through August 31, 2007

U. T. DALLAS

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents.

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|--|-----------------------|---------------|-------------------------|-------------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| SCHOOL OF ARTS AND HUMANITIES | | | | | |
| Aesthetic Studies | | | | | |
| 1. Robert X. Rodriguez (T) | | | | | 1735 |
| From: Professor | | 100 | 09 | 84,013 | |
| To: Arts and Humanities Chair No. 2 and Professor | 9/1-5/31 | 100 | 09 | 84,013 | |
| SCHOOL OF ECONOMIC, POLITICAL AND POLICY SCIENCES | | | | | |
| Economics | | | | | |
| Vibooti Shukla Professor and Professor | | | | | |
| 2. Todd M. Sandler (T) | 9/1-5/31 | 100 | 09 | 244,110 | 1732 |
| SCHOOL OF MANAGEMENT | | | | | |
| Accounting | | | | | |
| 3. Ashiq Ali (T) | | | | | 1726 |
| From: Ashbel Smith Professor | | 100 SUPLT | 09 09 | 192,816 18,000 | |
| To: Charles and Nancy Davidson Distinguished Professor of Accounting | 9/1-5/31 9/1-5/31 | 100 SUPLT | 09 09 | 192,816 18,000 | |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| Information Systems | | | | | |
| 4. Vijay Mookerjee (T) | | | | | 1729 |
| From: Ashbel Smith Professor | | 100 | 09 | 172,074 | |
| To: Charles and Nancy Davidson Distinguished Professor of Information Systems | 9/1-5/31 | 100 | 09 | 172,074 | |
| Marketing | | | | | |
| 5. Brian Ratchford (T) | | | | | 1731 |
| From: Ashbel Smith Professor | | 100 | 09 | 211,150 | |
| To: Charles and Nancy Davidson Distinguished Professor of Marketing | 9/1-5/31 | 100 | 09 | 211,150 | |
| Operations Management | | | | | |
| 6. Suresh Sethi (T) | | | | | 1727 |
| From: Ashbel Smith Professor | | 100 | 09 | 203,232 | |
| To: Charles and Nancy Davidson Distinguished Professor of Operations Management | 9/1-5/31 | 100 | 09 | 203,232 | |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| SCHOOL OF NATURAL SCIENCES AND MATHEMATICS | | | | | |
| Biology | | | | | |
| Associate Professor | | | | | |
| 7. Stephen Spiro (T) | | | | | 1733 |
| From: Associate Professor | | 100 | 09 | 90,000 | |
| To: Associate Professor and Cecil H. and Ida Green Professor in Systems Biology No. 1 | 9/1-5/31 | 100 | 09 | 90,000 | |
| Chemistry | | | | | |
| 8. Richard Caldwell | | | | | 1287 |
| From: Professor (T) | | 100 | 09 | 113,000 | |
| To: Professor Emeritus | 9/1-5/31 | | | 0 | |
| 9. John Ferraris (T) | | | | | |
| From: Interim Dean and Professor and Program Head | | 100 | 12 | 210,071 | 1736 |
| To: Interim Dean and Professor and Program Head and Cecil H. and Ida Green Chair in Systems Biology No. 1 | 9/1-5/31 | 100 | 12 | 210,071 | |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| Mathematical Sciences | | | | | |
| 10. Samuel Efromovich (T) | | | | | 1734 |
| From: Professor | | 100 | 09 | 125,000 | |
| To: Associate Professor and Cecil H. and Ida Green Professor in Systems Biology No. 3 | 9/1-5/31 | 100 | 09 | 125,000 | |
| Physics | | | | | |
| Associate Professor | | | | | |
| 11. Kyeongjae Cho (T) | 9/1-5/31 | 100 | 09 | 90,000 | 1684 |

AMENDMENTS TO THE 2005-06 BUDGET

APPOINTMENTS AND PROMOTIONS

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| SCHOOL OF ARTS AND HUMANITIES | | | | | |
| History | | | | | |
| Associate Professor | | | | | |
| 1. Nils H. Roemer (T) | 7/1-8/31 | 100 | 09 | 72,000 | 1413 |
| SCHOOL OF BEHAVIORAL AND BRAIN SCIENCES | | | | | |
| Communication Disorders | | | | | |
| Professor | | | | | |
| 2. Christine A. Dollaghan (T) | 8/1-8/31 | 100 | 09 | 93,000 | 1493 |

AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| SCHOOL OF ECONOMIC, POLITICAL AND POLICY SCIENCES | | | | | |
| Economics | | | | | |
| Associate Professor | | | | | |
| 3. Kevin Siqueira (T) | 8/1-8/31 | 100 | 09 | 85,500 | 1495 |
| Political Economy/Government | | | | | |
| Associate Professor | | | | | |
| 4. Robert Lowry (T) | 8/1-8/31 | 100 | 09 | 96,000 | 1494 |
| Criminology | | | | | |
| Associate Professor | | | | | |
| 5. John Worrall (T) | 6/1-8/31 | 100 | 09 | 82,500 | 1414 |
| ERIK JONSSON SCHOOL OF ENGINEERING AND COMPUTER SCIENCE | | | | | |
| Electrical Engineering | | | | | |
| 6. Bruce Gnade (T) | | | | | 1416 |
| From: Professor | | 100 | 09 | 140,039 | |
| To: Professor and Distinguished Chair of Microelectronics | 9/1-5/31 | 100 | 09 | 140,039 | |
| SCHOOL OF MANAGEMENT | | | | | |
| Accounting | | | | | |
| 7. William M. Cready (T) | | | | | 1452 |
| From: Professor | | 100 | 09 | 187,200 | |
| To: Ashbel Smith Professor | 6/1-8/31 | 100 | 09 | 187,200 | |
| Operations Management | | | | | |
| Associate Professor | | | | | |
| 8. Yunzeng Wang (T) | 7/1-8/31 | 100 | 09 | 150,000 | 1415 |

AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|--|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| SCHOOL OF NATURAL SCIENCES AND MATHEMATICS | | | | | |
| Biology | | | | | |
| Associate Professor | | | | | |
| 9. Stephen Spiro (T) | 8/1-8/31 | 100 | 09 | 90,000 | 1459 |
| Mathematical Sciences | | | | | |
| Professor | | | | | |
| 10. Sam Efromovich (T) | 8/1-8/31 | 100 | 09 | 125,000 | 1461 |

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreement effects the compensation and benefits provisions discussed and approved on August 10, 2006 the U. T. System Board of Regents and reflected in the August 2006 Board meeting *Minutes*. Such employment under this agreement is subject to the *Rules and Regulations* of the Board of Regents and the policies of The University of Texas System.

1. Item: President
Funds: \$449,904 annually
Period: Beginning September 1, 2006
Description: Amendment of agreement for employment of David E. Daniel as President of The University of Texas at Dallas. The President reports to the Executive Vice Chancellor for Academic Affairs and shall hold office without fixed term subject to the pleasure of the Executive Vice Chancellor for Academic Affairs and approval by the Chancellor and the Board. In addition to base salary, Dr. Daniel will receive a one-time merit award of \$10,000 for fiscal year 2006-07. Other elements of compensation are the cost of club memberships as approved by the Executive Vice Chancellor for Academic Affairs, other official entertainment expenses, and out-of-pocket expenses for official travel in accordance with the Regents' *Rules and Regulations*. While serving as President, Dr. Daniel's appointment as Professor of Engineering and Computer Science, with tenure, in the College of Engineering and as Professor of Geosciences, with tenure, in the College of Natural Sciences at U. T. Dallas, is without compensation. He will also hold an appointment to the Eugene McDermott Distinguished Chair of University Leadership and have access to the income of this chair for initiatives on campus.

U. T. EL PASO

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| COLLEGE OF ENGINEERING | | | | | |
| Mechanical and Industrial Engineering | | | | | |
| 1. Ryan B. Wicker (T) | | | | | 1601 |
| From: Associate Dean – College of Engineering, | | 50 | 12 | 146,750 | |
| Professor in Mechanical and Industrial Engineering, | | 50 | 09 | 100,936 | |
| and Mr. and Mrs. MacIntosh Murchison Chair in Engineering No. 1 | | SUPLT | 09 | 20,000 | |
| To: Associate Dean – College of Engineering, and | 9/1-8/31 | 50 | 12 | 146,750 | |
| Professor in Mechanical and Industrial Engineering | 9/1-5/31 | 50 | 09 | 100,936 | |
| and Mr. and Mrs. MacIntosh Murchison Chair in Engineering No. 1 | 9/1-5/31 | SUPLT | 09 | 40,000 | |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|----------------------------|-------------------------|-------------------------------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| COLLEGE OF HEALTH SCIENCES | | | | | |
| Health Promotions | | | | | |
| 2. Joseph W. Tomaka (T) | | | | | 1597 |
| From: Associate Dean – College of Health Sciences, and Associate Professor in Health Promotions | | 50 SUPLT 50 | 12 12 09 | 103,971 2,000 78,159 | |
| To: Associate Dean – College of Health Sciences, and Chair – Health Promotions and Associate Professor in Health Promotions | | 50 SUPLT SUPLT 50 | 12 12 09 09 | 103,971 2,000 2,000 78,159 | |
| OFFICE OF THE PROVOST | | | | | |
| Office of the Provost | | | | | |
| 3. Stephen B. Aley (T) | | | | | 1674 |
| From: Associate Professor in Biological Sciences | | 100 | 09 | 60,381 | |
| To: Associate Provost and Associate Professor in Biological Sciences | 9/1-8/31 | 100 | 12 | 90,000 | |
| | 9/1-5/31 | WOS | 09 | 60,381 | |
| 4. Roberto A. Osegueda (T) | | | | | 1598 |
| From: Vice Provost of Research and Professor in Civil Engineering and Professor in Materials Science/Engineering | | 100 WOS | 12 09 | 154,423 108,092 | |
| To: Vice President for Research and Professor in Civil Engineering and Professor in Materials Science/Engineering | 9/1-8/31 | 100 | 12 | 154,423 | |
| | 9/1-5/31 | WOS | 09 | 108,092 | |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

TRANSFERS OF FUNDS

| <u>Description</u> | <u>\$ Amount</u> | <u>RBC #</u> |
|--|------------------|--------------|
| LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION ALLOCATION (LERR) | | |
| Reallocation of LERR Funds | | |
| 5. Amount of Transfer: | 560,000 | 1701 |
| From: Upgrading of Center for Transportation and Infrastructure Systems | 560,000 | |
| To: Technology Infrastructure Upgrade | 500,000 | |
| Education Building Classroom Renovations | 60,000 | |

Reallocation of LERR funds awarded for Center for Transportation and Infrastructure Systems (CTIS) to projects for Technology Infrastructure Upgrades and College of Education Renovations. The CTIS upgrades will be separately funded as part of the Permanent University Fund award for upgrading of engineering and science facilities.

AMENDMENTS TO THE 2005-06 BUDGET

APPOINTMENTS AND PROMOTIONS

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|--|---------------------------|-------------------|-----------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| OFFICE OF THE PROVOST | | | | | |
| 1. Stephen B. Aley (T) | | | | | 1594 |
| From: Associate Professor in Biological Sciences | | 100 | 09 | 57,302 | |
| To: Associate Provost and Associate Professor in Biological Sciences | 8/1-8/31 | 100 | 12 | 90,000 | |
| | 8/1-8/31 | WOS | 09 | 57,302 | |

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreement effects the compensation and benefits provisions discussed and approved on August 10, 2006 the U. T. System Board of Regents and reflected in the August 2006 Board meeting *Minutes*. Such employment under this agreement is subject to the *Rules and Regulations* of the Board of Regents and the policies of The University of Texas System.

1. Item: President
Funds: \$350,000 annually (plus \$30,000 in deferred compensation)
Period: Beginning September 1, 2006
Description: Amendment of agreement for employment of Diana S. Natalicio as President of The University of Texas at El Paso. The President reports to the Executive Vice Chancellor for Academic Affairs and shall hold office without fixed term subject to the pleasure of the Executive Vice Chancellor for Academic Affairs and approval by the Chancellor and the Board. Other elements of compensation are the cost of club memberships as approved by the Executive Vice Chancellor for Academic Affairs, other official entertainment expenses, and out-of-pocket expenses for official travel in accordance with the Regents' *Rules and Regulations*. While serving as President, Dr. Natalicio's appointment as Professor in Languages and Linguistics, with tenure, at U. T. El Paso, is without compensation.

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

The following agreements have been awarded, have been approved by the Interim Executive Vice Chancellor for Academic Affairs, and are recommended for approval by the U. T. System Board of Regents. Such employment under these agreements is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at El Paso is a member, and the Regents' *Rules and Regulations* and the policies of The University of Texas at El Paso. The violation of the provisions of such constitution, bylaws, rules or regulations shall be grounds for suspension without pay or dismissal.

1. Item: Associate Head Softball Coach
From: \$39,784 annually
To: \$41,773 annually
Salary
Percent
Change: 5.00
Description: Renewal agreement for employment of Associate Head Softball Coach, James Rodriguez, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
Incentive
Change: Actual Team Academic Progress Rate score of 925 decreased from \$1,000 bonus to \$500 bonus; Actual Team Academic Progress Rate score of 975 decreased from additional \$1,000 bonus to additional \$500 bonus.
Period: September 1, 2006 through August 31, 2007

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

2. Item: Associate Head Softball Coach
- From: \$39,784 annually
- To: \$41,773 annually
- Salary
Percent
Change: 5.00
- Description: Renewal agreement for employment of Associate Head Softball Coach, Kathleen Rodriguez, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: Actual Team Academic Progress Rate score of 925 decreased from \$1,000 bonus to \$500 bonus; Actual Team Academic Progress Rate score of 975 decreased from additional \$1,000 bonus to additional \$500 bonus.
- Period: September 1, 2006 through August 31, 2007
3. Item: Athletics Director
- From: \$193,000 annually
- To: \$202,650 annually
- Salary
Percent
Change: 5.00
- Description: Amendment to the agreement for employment of Athletics Director, Robert W. Stull, for the designated period following the standard athletics' director employment contract prepared by the Office of General Counsel.

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

Incentive
Change:

| Previously Approved Incentives | Incentive Change |
|---|---|
| 1. WAC Affiliated Bowl Appearance: One month base salary | 1. NCAA Sanctioned Post-Season Play (Bowl Appearance): One month base salary |
| 2. BCS or major bowl appearance (payout over \$1 million): Two months base salary | 2. BCS Bowl Appearance: Two months base salary |
| 3. NCAA Basketball (women) Tournament Appearance: \$5,000 | 3. NCAA Basketball (women) Tournament Appearance: \$5,000 for each game played |
| 4. Graduation Rate 90% of Senior Class (all sports): One month base salary | 4. All Sports Academic Progress Rate Cut Score of 925 and above: Two months base salary |
| 5. Travel: no provision for immediate family | 5. Reimbursement for family travel and reasonable expenses when attending functions on behalf of U. T. El Paso. |

Period: September 1, 2002 through August 31, 2009

4. Item: Head Women's Basketball Coach

From: \$90,000 annually

To: \$90,900 annually

Salary
Percent
Change: 1.00

Description: Amendment to the agreement for employment of Head Women's Basketball Coach, Keitha R. Adams, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.

Period: April 23, 2001 through August 31, 2008

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

5. Item: Head Rifle Coach
From: \$41,702 annually
To: \$42,953 annually
Salary
Percent
Change: 3.00
Description: Renewal agreement for employment of Head Rifle Coach, George Brenzovich, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
Period: September 1, 2006 through August 31, 2007
6. Item: Head Tennis Coach
From: \$38,617 annually
To: \$39,003 annually
Salary
Percent
Change: 1.00
Description: Renewal agreement for employment of Head Tennis Coach, Mary Campbell, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
Period: September 1, 2006 through August 31, 2007
7. Item: Head Soccer Coach
From: \$47,241 annually
To: \$60,000 annually
Salary
Percent
Change: 27.01
Description: Renewal agreement for employment of Head Soccer Coach, Kevin R. Cross, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
Period: September 1, 2006 through August 31, 2007

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

8. Item: Head Strength and Conditioning Coach
- From: \$48,880 annually
- To: \$51,324 annually
- Salary
Percent
Change: 5.00
- Incentive
Change: Added: Winning Season (Football) equals one month salary bonus and National Collegiate Athletics Association Sanctioned Post-Season Play – Bowl Appearance (Football) equals one month salary bonus.
- Description: Renewal agreement for employment of Head Strength and Conditioning Coach, Kirk H. Davis, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Period: September 1, 2006 through August 31, 2007
9. Item: Head Men's and Women's Cross Country Coach
- From: \$45,000 annually
- To: \$47,250 annually
- Salary
Percent
Change: 5.00
- Description: Renewal agreement for employment of Head Men's and Women's Cross Country Coach, Paul N. Eren, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel. Coach Eren is appointed 50% time as the Head Men's Cross Country Coach and 50% time as the Head Women's Cross Country Coach.
- Period: September 1, 2006 through August 31, 2007

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

10. Item: Head Men's and Women's Track Coach
- From: \$79,276 annually
- To: \$83,240 annually
- Salary
Percent
Change: 5.00
- Description: Renewal agreement for employment of Head Men's and Women's Track Coach, Robert Kitchens, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel. Coach Kitchens is appointed 50% time as the Head Men's Cross Country Coach and 50% time as the Head Women's Cross Country Coach.
- Period: September 1, 2006 through August 31, 2007
11. Item: Head Volleyball Coach
- From: \$55,000 annually
- To: \$55,000 annually
- Salary
Percent
Change: None
- Description: Renewal agreement for employment of Head Volleyball Coach, Kenneth Murphy, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Period: September 1, 2006 through August 31, 2007

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

12. Item: Head Women's Golf Coach
- From: \$46,592 annually
- To: \$47,990 annually
- Salary
Percent
Change: 3.00
- Description: Renewal agreement for employment of Head Women's Golf Coach, Jere Pelletier, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Period: September 1, 2006 through August 31, 2007
13. Item: Head Coach Football
- From: \$245,000 annually
- To: \$250,000 annually
- Salary
Percent
Change: 2.04
- Description: Amendment to the agreement for employment of Head Football Coach, Michael Bruce Price, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: Added Performance Incentives: Conference USA Champion equals \$25,000 bonus; Major Bowl Appearance equals two month salary for \$1.5 million payout to BCS Bowl Appearance equals \$100,000.
- Period: December 21, 2003 through August 31, 2011

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

14. Item: Head Men's Golf Coach
- From: \$48,512 annually
- To: \$48,997 annually
- Salary
Percent
Change: 1.00
- Description: Renewal agreement for employment of Head Men's Golf Coach, Richard E. Todd, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Period: September 1, 2006 through August 31, 2007
15. Item: Head Men's Basketball Coach
- Funds: \$220,000 annually
- Period: August 14, 2006 through August 31, 2011
- Description: Initial agreement for employment of Head Men's Basketball Coach, Anthony Barbee, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following item has been approved by the Interim Executive Vice Chancellor for Academic Affairs in accordance with the Regents' *Rules and Regulations*, Series 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of these offices or positions are of benefit to the State of Texas and The University of Texas and there is no conflict between holding these positions and the appointments of Drs. Duarte-Gardea and Roth with The University of Texas at El Paso. By approval of these items, the Board is also asked to find that holding these positions are of benefit to the State of Texas and The University of Texas and there is no conflict between the positions and the University appointment.

1. Name: Dr. Maria Duarte-Gardea
Title: Associate Professor, Health Promotions Department
Position: Diabetes Council, Texas
Period: September 20, 2006 through February 1, 2011
Compensation: None
Description: In September 2006, Governor Rick Perry appointed Dr. Duarte-Gardea to the Diabetes Council, Texas.

2. Name: Dr. Timothy P. Roth
Title: Chair and Professor, Economics and Finance Department
Position: Appointment to the Texas Task Force on Appraisal Reform
Period: August 21, 2006, through Pleasure of Governor
Compensation: None
Description: In August 2006, Governor Rick Perry appointed Dr. Roth to the Texas Task Force on Appraisal Reform.

U. T. PAN AMERICAN

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| ACADEMIC AFFAIRS AND COLLEGE OF EDUCATION | | | | | |
| Office of the Provost | | | | | |
| Provost/Vice President for Academic Affairs and Professor | | | | | |
| 1. Robert Paul Sale (T) | 9/1-5/31 | 100 | 09 | 73,519 | 1585 |
| | 9/1-8/31 | 100 | 12 | 190,000 | |
| COLLEGE OF HEALTH SCIENCES AND HUMAN SERVICES | | | | | |
| Cooperative Pharmacy Program | | | | | |
| Assistant Dean/Director of Cooperative Pharmacy Program and Associate Professor | | | | | |
| 2. Amy H. Schwartz (T) | 9/1-5/31 | 100 | 09 | 85,000 | 1586 |
| | 9/1-8/31 | 100 | 12 | 105,000 | |
| Social Work | | | | | |
| Department Chair and Professor | | | | | |
| 3. Hector Diaz (T) | 9/1-5/31 | 100 | 09 | 68,000 | 1583 |
| | 9/1-5/31 | SUPLT | 09 | 6,000 | |
| Dietetics | | | | | |
| Department Coordinator and Professor | | | | | |
| 4. Bahram Faraji (T) | | | | | 1686 |
| From: Professor | | 100 | 09 | 66,684 | |
| To: Professor | 9/1-5/31 | 100 | 09 | 66,684 | |
| Department Coordinator | 9/1-8/31 | SUPLT | 12 | 5,000 | |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| COLLEGE OF SCIENCE AND ENGINEERING | | | | | |
| Manufacturing Engineering Professor | | | | | |
| 5. Alley C. Butler (T) | 9/1-5/31 | 100 | 09 | 100,000 | 1588 |
| COLLEGE OF EDUCATION | | | | | |
| Educational Leadership Interim Department Chair and Professor | | | | | |
| 6. Jerry M. Lowe (T) | 9/1-5/31 | 100 | 09 | 78,500 | 1591 |
| | 9/1-5/31 | SUPLT | 09 | 6,000 | |
| Curriculum and Instruction Department Chair and Professor | | | | | |
| 7. John W. McBride (T) | | | | | 1661 |
| From: Professor | | 100 | 09 | 87,450 | |
| To: Professor | 9/1-5/31 | 100 | 09 | 87,450 | |
| Department Chair | 9/1-5/31 | SUPLT | 09 | 8,000 | |
| COLLEGE OF ARTS AND HUMANITIES | | | | | |
| Music | | | | | |
| 8. Dahlia Guerra (T) | | | | | 1577 |
| From: Professor | | 100 | 09 | 68,603 | |
| Department Chair | | SUPLT | 09 | 6,000 | |
| To: Professor | 9/1-5/31 | 100 | 09 | 68,603 | |
| Dean | 9/1-8/31 | 100 | 12 | 108,150 | |
| 9. Peter Dabrowski (T) | | | | | 1665 |
| From: Associate Professor | | 100 | 09 | 65,518 | |
| To: Associate Professor | 9/1-5/31 | 100 | 09 | 65,518 | |
| Assistant Dean | 9/1-8/31 | SUPLT | 12 | 7,500 | |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| COLLEGE OF ARTS AND HUMANITIES (Continued) | | | | | |
| Music (Continued) | | | | | |
| 10. Lorne W. O'Neil (T) | | | | | 1668 |
| From: Professor | | 100 | 09 | 58,515 | |
| To: Professor | 9/1-5/31 | 100 | 09 | 58,515 | |
| Interim Chair | 9/1-8/31 | SUPLT | 12 | 6,000 | |
| Art | | | | | |
| Department Chair and Professor | | | | | |
| 11. Anthony Crisafulli (T) | 9/1-5/31 | 100 | 09 | 63,000 | 1589 |
| | 9/1-5/31 | SUPLT | 09 | 6000 | |
| Modern Languages and Literature | | | | | |
| 12. Maria Guadalupe Cortina (T) | | | | | 1670 |
| From: Associate Professor | | 100 | 09 | 52,392 | |
| Assistant Dean | | 100 | 12 | 7,500 | |
| To: Associate Professor | 9/1-5/31 | 100 | 09 | 52,392 | |
| Interim Department Chair | 9/1-5/31 | SUPLT | 09 | 6,000 | |
| English | | | | | |
| 13. Rebekah Hamilton (T) | | | | | 1669 |
| From: Associate Professor | | 100 | 09 | 55,930 | |
| To: Associate Professor | 9/1-5/31 | 100 | 09 | 55,930 | |
| Associate Dean | 9/1-8/31 | SUPLT | 12 | 7,500 | |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| COLLEGE OF BUSINESS ADMINISTRATION | | | | | |
| Accounting and Business Law Department Chair and Professor | | | | | |
| 14. Keith W. Lantz (T) | 9/1-5/31 | 100 | 09 | 115,000 | 1590 |
| Economics and Finance Associate Professor | | | | | |
| 15. Daniel Scott Sutter (T) | 9/1-5/31 | 100 | 09 | 100,000 | 1593 |
| 16. Marc W. Simpson (T) | | | | | 1671 |
| From: Associate Professor | | 100 | 09 | 102,425 | |
| To: Associate Professor | 9/1-5/31 | 100 | 09 | 102,425 | |
| Program Director | 9/1-5/31 | SUPLT | 12 | 9,436 | |
| Management, Marketing and International Business | | | | | |
| 17. Opal Jane LeMaster (T) | | | | | 1664 |
| From: Professor | | 100 | 09 | 89,027 | |
| To: Professor | 9/1-5/31 | 100 | 09 | 89,027 | |
| Associate Dean | 9/1-8/31 | SUPLT | 12 | 7,500 | |
| Math Professor | | | | | |
| 18. Daniel Nourollah Riahi (T) | 9/1-5/31 | 100 | 09 | 78,000 | 1592 |
| Computer Information Systems and Quantitative Methods | | | | | |
| 19. Kai Koong | | | | | 1772 |
| From: Associate Professor | | 100 | 09 | 102,903 | |
| To: Professor (T) | 9/1-5/31 | 100 | 09 | 107,274 | |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|--|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| COLLEGE OF BUSINESS ADMINISTRATION (Continued) | | | | | |
| Computer Information Systems and Quantitative Methods (Continued) | | | | | |
| 20. Lai C. Liu | | | | | 1773 |
| From: Associate Professor | | 100 | 09 | 97,937 | |
| To: Associate Professor (T) | 9/1-5/31 | 100 | 09 | 97,937 | |

AMENDMENTS TO THE 2005-06 BUDGET

APPOINTMENTS AND PROMOTIONS

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| ACADEMIC AFFAIRS AND COLLEGE OF EDUCATION | | | | | |
| Office of the Provost | | | | | |
| Provost, Vice President for Academic Affairs and Professor | | | | | |
| 1. Robert Paul Sale (T) | 8/21-8/31 | 100 | 09 | 73,519 | 1576 |
| | 8/21-8/31 | 100 | 12 | 190,000 | |
| COLLEGE OF HEALTH SCIENCES AND HUMAN SERVICES | | | | | |
| Cooperative Pharmacy Program | | | | | |
| Assistant Dean and Director of Cooperative Pharmacy Program and Associate Professor | | | | | |
| 2. Amy H. Schwartz (T) | 7/1-8/31 | 100 | 09 | 85,000 | 1578 |
| | 7/1-8/31 | 100 | 12 | 105,000 | |

TRANSFERS OF FUNDS

| <u>Description</u> | <u>\$ Amount</u> | <u>RBC #</u> |
|------------------------|------------------|--------------|
| BANNER PROJECT | | |
| 3. Amount of Transfer: | 1,100,119 | 1685 |

From: Designated Tuition-Current Year Balances

To: Banner Project-Actual Expenditures and Current Encumbrances

Increase to the fiscal year 2006 budget from current year balances to provide funds for actual expenditures and current encumbrances. Banner is an automated Student Information System.

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreement effects the compensation and benefits provisions discussed and approved on August 10, 2006 the U. T. System Board of Regents and reflected in the August 2006 Board meeting *Minutes*. Such employment under this agreement is subject to the *Rules and Regulations* of the Board of Regents and the policies of The University of Texas System.

1. Item: President
Funds: \$269,000 annually
Period: Beginning September 1, 2006
Description: Amendment of agreement for employment of Blandina Cárdenas as President of The University of Texas – Pan American. The President reports to the Executive Vice Chancellor for Academic Affairs and shall hold office without fixed term subject to the pleasure of the Executive Vice Chancellor for Academic Affairs and approval by the Chancellor and the Board. Other elements of compensation are the cost of club memberships as approved by the Executive Vice Chancellor for Academic Affairs, other official entertainment expenses, and out-of-pocket expenses for official travel in accordance with the Regents' *Rules and Regulations*. While serving as President, Dr. Cárdenas' appointment as Professor, with tenure, in the College of Education at U. T. Pan American, is without compensation.

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

The following agreements have been awarded, have been approved by the Interim Executive Vice Chancellor for Academic Affairs, and are recommended for approval by the U. T. System Board of Regents. Employment under these agreements is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas - Pan American is a member, and the Regents' *Rules and Regulations* and the policies of The University of Texas - Pan American. The violation of the provisions of such constitution, bylaws, rules or regulations shall be grounds for suspension without pay or dismissal.

1. Item: Head Women's Golf Coach
From: \$32,145 annually
To: \$33,109 annually
Salary
Percent
Change: 3.00
Description: Renewal agreement for employment of Head Women's Golf Coach, Barbara L. Odale, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
Incentive
Change: None
Period: July 1, 2006 through June 30, 2007
2. Item: Head Men's Basketball Coach
Funds: \$75,000 annually
Period: May 1, 2006 through March 31, 2009
Description: Initial agreement for employment of Head Men's Basketball Coach, Tom Schuberth, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

3. Item: Head Men's Golf Coach
- From: \$29,333 annually
- To: \$32,000 annually
- Salary
Percent
Change: 9.09
- Description: Renewal agreement for employment of Head Men's Golf Coach, Andrew Tredway, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: None
- Period: July 1, 2006 through July 31, 2007

OTHER MATTERS

ADOPTION OF LOGO

The following item has been approved by the Interim Executive Vice Chancellor for Academic Affairs and the Office of Trademark Licensing and is submitted for approval by the U. T. System Board of Regents.

The logo is composed of four squares in the school colors of green and orange. The squares represent the compass and U. T. Pan America's sincere welcome to a diverse group of students. A white star, the symbol of the State of Texas, is imposed over the compass to represent student success, achievements, and the proud connection with the U. T. System and its various institutions.

Upon Regental approval of the logo shown below, the Office of Trademark Licensing will submit the graphic representation for trademark registration.



U. T. PERMIAN BASIN

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| SCHOOL OF EDUCATION | | | | | |
| 1. Patricio Jaramillo | | | | | 1377 |
| From: Professor (T) | | 100 | 12 | 104,564 | |
| To: Professor Emeritus | 9/1-8/31 | | | 0 | |
| 2. Thomas Parks | | | | | 1781 |
| From: Assistant Director | | 100 | 12 | 42,000 | |
| To: Professor (T) | 9/1-8/31 | 100 | 12 | 66,000 | |
| 3. Wilma Dye (T) | | | | | 1780 |
| From: Associate Professor | | 100 | 09 | 80,500 | |
| To: Associate Professor Interim Assistant Dean | 9/1-8/31 | 100 | 12 | 84,525 | |
| 4. William A. Watts | | | | | 1376 |
| From: Professor (T) | | 100 | 12 | 52,500 | |
| To: Professor Emeritus | 9/1-8/31 | | | 0 | |

AMENDMENTS TO THE 2005-06 BUDGET

APPOINTMENTS AND PROMOTIONS

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|------------------------------------|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| SCHOOL OF BUSINESS | | | | | |
| 1. Corbett Gaulden (T) | | | | | 1779 |
| From: Professor and Assistant Dean | | 100 | 12 | 114,667 | |
| To: Professor and Interim Dean | 7/1-8/31 | 100 | 12 | 128,500 | |

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreement effects the compensation and benefits provisions discussed and approved on August 10, 2006 the U. T. System Board of Regents and reflected in the August 2006 Board meeting *Minutes*. Such employment under this agreement is subject to the *Rules and Regulations* of the Board of Regents and the policies of The University of Texas System.

1. Item: President
Funds: \$270,000 annually (plus \$12,000 in deferred compensation)
Period: Beginning September 1, 2006
Description: Amendment of agreement for employment of W. David Watts as President of The University of Texas of the Permian Basin. The President reports to the Executive Vice Chancellor for Academic Affairs and shall hold office without fixed term subject to the pleasure of the Executive Vice Chancellor for Academic Affairs and approval by the Chancellor and the Board. In addition to base salary and deferred compensation, Dr. Watts will receive a one-time merit award of \$10,000 for fiscal year 2006-07. Other elements of compensation are the cost of club memberships as approved by the Executive Vice Chancellor for Academic Affairs, other official entertainment expenses, and out-of-pocket expenses for official travel in accordance with the Regents' *Rules and Regulations*. While serving as President, Dr. Watts' appointment as Professor of Sociology, with tenure, at U. T. Permian Basin, is without compensation.

U. T. SAN ANTONIO

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| COLLEGE OF BUSINESS | | | | | |
| Accounting | | | | | |
| Associate Professor | | | | | |
| 1. Sharad Asthana (T) | 9/1-5/31 | 100 | 09 | 145,000 | 1539 |
| Professor and Janey S. Briscoe Chair in Business | | | | | |
| 2. Dana A. Forgione (T) | 9/1-5/31 | 100 | 09 | 185,000 | 1253 |
| Associate Professor | | | | | |
| 3. Emeka T. Nwaeze (T) | 9/1-5/31 | 100 | 09 | 150,000 | 1543 |
| Finance | | | | | |
| Associate Professor | | | | | |
| 4. John K. Wald (T) | 9/1-5/31 | 100 | 09 | 140,000 | 1549 |
| Management | | | | | |
| Professor and Chair | | | | | |
| 5. Robert Cardy (T) | 9/1-5/31 | 100 | 09 | 135,000 | 1541 |
| | 9/1-8/31 | SUPLT | 12 | 14,000 | |
| Professor | | | | | |
| 6. Dianna L. Stone (T) | 9/1-5/31 | 100 | 09 | 125,000 | 1547 |
| Professor | | | | | |
| 7. Eugene F. Stone-Romero (T) | 9/1-5/31 | 100 | 09 | 125,000 | 1545 |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|--|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| COLLEGE OF EDUCATION AND HUMAN DEVELOPMENT | | | | | |
| Counseling, Educational Psychology, Adult and Higher Education | | | | | |
| Associate Professor | | | | | |
| 8. Paul A. Schutz (T) | 9/1-5/31 | 100 | 09 | 67,000 | 1560 |
| COLLEGE OF ENGINEERING | | | | | |
| Biomedical Engineering | | | | | |
| Professor and Interim Chair | | | | | |
| 9. Anson Joo Ong (T) | 9/1-5/31 | 100 | 09 | 128,000 | 1555 |
| Civil and Environmental Engineering | | | | | |
| Professor and Chair | | | | | |
| 10. Athanassios T. Papagiannakis (T) | 9/1-5/31 | 100 | 09 | 125,000 | 1581 |
| Mechanical Engineering | | | | | |
| Professor | | | | | |
| 11. Chen F. Fengshan (T) | 9/1-5/31 | 100 | 09 | 150,000 | 1553 |
| Associate Professor | | | | | |
| 12. Can Saygin (T) | 9/1-5/31 | 100 | 09 | 90,000 | 1551 |
| Office of the Dean | | | | | |
| 13. Mauli C. Agrawal (T) | | | | | 1522 |
| From: Professor and Interim Dean | | 100 | 12 | 233,565 | |
| | | WOS | 09 | 175,000 | |
| To: Professor and Dean | 9/1-8/31 | 100 | 12 | 233,565 | |
| | 9/1-5/31 | WOS | 09 | 175,000 | |
| COLLEGE OF LIBERAL AND FINE ARTS | | | | | |
| Anthropology | | | | | |
| Associate Professor | | | | | |
| 14. Carolyn L. Ehardt (T) | 9/1-5/31 | 100 | 09 | 70,000 | 1562 |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|--|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| COLLEGE OF LIBERAL AND FINE ARTS (Continued) | | | | | |
| Anthropology (Continued) | | | | | |
| 15. James H. McDonald (T) | | | | | 1525 |
| From: Professor, Anthropology | | 100 | 09 | 71,355 | |
| Chair and College of Science | | | | | |
| Associate Dean | | SUPLT | 12 | 7,200 | |
| To: Professor, Anthropology | | | | | |
| Chair and College of Science | | | | | |
| Senior Associate Dean | 9/1-5/31 | 100 | 09 | 71,355 | |
| | 9/1-8/31 | SUPLT | 12 | 7,200 | |
| | 9/1-8/31 | SUPLT | 12 | 36,000 | |
| History | | | | | |
| 16. Bruce C. Daniels (T) | | | | | 1575 |
| From: Professor | | 100 | 09 | 115,000 | |
| To: Gilbert M. Denman Endowed | | | | | |
| Professorship in American | | | | | |
| History and Professor | 9/1-5/31 | 100 | 09 | 115,000 | |
| Music | | | | | |
| 17. Bess E. Hieronymus | | | | | 1243 |
| From: Professor (T) | | 0 | 09 | 52,764 | |
| To: Professor Emeritus | 9/1-5/31 | | | 0 | |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---------------------------------|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| COLLEGE OF PUBLIC POLICY | | | | | |
| Criminal Justice | | | | | |
| Associate Professor | | | | | |
| 18. Leanne F. Alarid (T) | 9/1-5/31 | 100 | 09 | 71,000 | 1564 |
| Professor and Chair | | | | | |
| 19. James M. Miller (T) | 9/1-5/31 | 100 | 09 | 80,000 | 1567 |
| | 9/1-5/31 | SUPLT | 09 | 7,000 | |

AMENDMENTS TO THE 2005-06 BUDGET

APPOINTMENTS AND PROMOTIONS

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| COLLEGE OF BUSINESS | | | | | |
| Accounting | | | | | |
| Associate Professor | | | | | |
| 1. Sharad Asthana (T) | 8/18-8/31 | 100 | 09 | 145,000 | 1538 |
| Professor and Janey S. Briscoe Chair in Business | | | | | |
| 2. Dana A. Forgione (T) | 8/18-8/31 | 100 | 09 | 185,000 | 1246 |
| Associate Professor | | | | | |
| 3. Emeka T. Nwaeze (T) | 8/18-8/31 | 100 | 09 | 150,000 | 1542 |
| Finance | | | | | |
| Associate Professor | | | | | |
| 4. John K. Wald (T) | 8/18-8/31 | 100 | 09 | 140,000 | 1548 |
| Management | | | | | |
| Professor and Chair | | | | | |
| 5. Robert Cardy (T) | 8/18-8/31 | 100 | 09 | 135,000 | 1540 |
| Professor | | | | | |
| 6. Dianna L. Stone (T) | 8/18-8/31 | 100 | 09 | 125,000 | 1546 |

Prepared by:
U. T. San Antonio

Docket - 68

November 16, 2006

AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|--|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| COLLEGE OF BUSINESS (Continued) | | | | | |
| Management (Continued) | | | | | |
| Professor | | | | | |
| 7. Eugene F. Stone-Romero (T) | 8/18-8/31 | 100 | 09 | 125,000 | 1544 |
| COLLEGE OF EDUCATION AND HUMAN DEVELOPMENT | | | | | |
| Counseling, Educational Psychology, Adult & Higher Education | | | | | |
| Associate Professor | | | | | |
| 8. Paul A. Schutz (T) | 8/18-8/31 | 100 | 09 | 67,000 | 1559 |
| COLLEGE OF ENGINEERING | | | | | |
| Biomedical Engineering | | | | | |
| Professor and Interim Chair | | | | | |
| 9. Anson Joo Ong (T) | 8/18-8/31 | 100 | 09 | 128,000 | 1554 |
| Civil and Environmental Engineering | | | | | |
| Professor and Chair | | | | | |
| 10. Athanassios T. Papagiannakis (T) | 8/18-8/31 | 100 | 09 | 125,000 | 1557 |
| Mechanical Engineering | | | | | |
| Professor | | | | | |
| 11. Chen F. Fengshan (T) | 8/18-8/31 | 100 | 09 | 150,000 | 1552 |
| Associate Professor | | | | | |
| 12. Can Saygin (T) | 8/18-8/31 | 100 | 09 | 90,000 | 1550 |
| Office of the Dean | | | | | |
| 13. Mauli C. Agrawal (T) | | | | | 1689 |
| From: Professor and Interim Dean | | 100 | 12 | 225,000 | |
| | | WOS | 09 | 162,000 | |
| To: Professor and Dean | 7/15-8/31 | 100 | 12 | 233,565 | |
| | 7/15-8/31 | WOS | 09 | 162,000 | |

AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| COLLEGE OF LIBERAL AND FINE ARTS | | | | | |
| Anthropology | | | | | |
| Associate Professor | | | | | |
| 14. Carolyn L. Ehardt (T) | 8/18-8/31 | 100 | 09 | 70,000 | 1561 |
| 15. James H. McDonald (T) | | | | | 1690 |
| From: Professor and Chair | | 100 | 09 | 69,277 | |
| | | SUPLT | 12 | 7,200 | |
| To: Professor, Anthropology | | | | | |
| Chair and College of Science | | | | | |
| Associate Dean | 6/1-5/31 | 33.33 | 09 | 69,277 | |
| | 6/1-8/31 | 66.37 | 12 | 92,369 | |
| | 6/1-8/31 | SUPLT | 12 | 7,200 | |
| COLLEGE OF PUBLIC POLICY | | | | | |
| Criminal Justice | | | | | |
| Associate Professor | | | | | |
| 16. Leanne F. Alarid (T) | 8/18-8/31 | 100 | 09 | 71,000 | 1563 |
| Professor and Chair | | | | | |
| 17. James M. Miller (T) | 8/18-8/31 | 100 | 09 | 80,000 | 1565 |

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreement effects the compensation and benefits provisions discussed and approved on August 10, 2006 the U. T. System Board of Regents and reflected in the August 2006 Board meeting *Minutes*. Such employment under this agreement is subject to the *Rules and Regulations* of the Board of Regents and the policies of The University of Texas System.

1. Item: President
Funds: \$340,000 annually (plus \$25,000 in deferred compensation)
Period: Beginning September 1, 2006
Description: Amendment of agreement for employment of Ricardo Romo as President of The University of Texas at San Antonio. The President reports to the Executive Vice Chancellor for Academic Affairs and shall hold office without fixed term subject to the pleasure of the Executive Vice Chancellor for Academic Affairs and approval by the Chancellor and the Board. Other elements of compensation are the cost of club memberships as approved by the Executive Vice Chancellor for Academic Affairs, other official entertainment expenses, and out-of-pocket expenses for official travel in accordance with the Regents' *Rules and Regulations*. While serving as President, Dr. Romo's appointment as Professor of History, with tenure, in the Behavioral and Cultural Studies Division of the College of Social and Behavioral Sciences at U. T. San Antonio, is without compensation.

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

The following agreement has been awarded, has been approved by the Interim Executive Vice Chancellor for Academic Affairs, and is recommended for approval by the U. T. System Board of Regents. Such employment under this agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at San Antonio is a member, and the Regents' *Rules and Regulations* and the policies of The University of Texas at San Antonio. The violation of the provisions of such constitution, bylaws, rules or regulations shall be grounds for suspension without pay or dismissal.

- 1. Item: Director of Intercollegiate Athletics
 - From: \$131,448 annually
 - To: \$131,448 annually
 - Salary
Percent
Change: None
 - Description: Amendment to the agreement for employment of Director of Intercollegiate Athletics, Lynn Hickey, for the designated period following the standard athletic director's contract prepared by the Office of General Counsel.
 - Incentive
Change: Added Plaza Club Membership for Director of Intercollegiate Athletics, Lynn Hickey
 - Period: September 1, 2006 through August 31, 2008

U. T. TYLER

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Interim Executive Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|--|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| COLLEGE OF EDUCATION AND PSYCHOLOGY Curriculum and Instruction Professor | | | | | |
| 1. Michael Odell (T) | 9/1-5/31 | 100 | 09 | 89,000 | 1676 |
| COLLEGE OF ENGINEERING AND COMPUTER SCIENCE Civil and Environmental Engineering Professor | | | | | |
| 2. Ronald W. Welch (T) | 1/1-5/31 | 100 | 09 | 105,000 | 1678 |
| | 6/1-8/31 | 100 | 03 | 35,000 | |

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreement effects the compensation and benefits provisions discussed and approved on August 10, 2006 the U. T. System Board of Regents and reflected in the August 2006 Board meeting *Minutes*. Such employment under this agreement is subject to the *Rules and Regulations* of the Board of Regents and the policies of The University of Texas System.

1. Item: President
Funds: \$321,000 annually (plus \$25,000 in deferred compensation)
Period: Beginning September 1, 2006
Description: Amendment of agreement for employment of Rodney H. Mabry as President of The University of Texas at Tyler. The President reports to the Executive Vice Chancellor for Academic Affairs and shall hold office without fixed term subject to the pleasure of the Executive Vice Chancellor for Academic Affairs and approval by the Chancellor and the Board. Other elements of compensation are the cost of club memberships as approved by the Executive Vice Chancellor for Academic Affairs, other official entertainment expenses, and out-of-pocket expenses for official travel in accordance with the Regents' *Rules and Regulations*. While serving as President, Dr. Mabry's appointment as Professor of Economics, with tenure, in the School of Liberal Arts at U. T. Tyler, is without compensation.

U. T. SOUTHWESTERN MEDICAL CENTER – DALLAS

GIFTS

The following gift has been received, has been administratively approved by the President or his delegate, and is recommended for approval by the U. T. System Board of Regents:

- | | |
|--------------------------------|---|
| Donor Name: | The Susan G. Komen Breast Cancer Foundation |
| College/School/ Department: | Institution |
| Purpose: | Funds will be used to establish the Wendy and Emery Reves International Biennial Breast Cancer Symposium and the Wendy and Emery Reves Breast Cancer Diagnostic and Treatment Center |
| Asset Type: | Cash |
| Value: | \$1,216,064 |

CONTRACTS

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

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: Imprint Science, a division of
Independent Medical Education, Inc.
Funds: \$1,375,650 annually based upon services provided
Period: January 1, 2006 through December 31, 2006
Description: Imprint Science will develop and implement medical
education activities that support the educational
needs related to the "Research Rounds XXI"
infectious disease continuing education program.

AMENDMENTS TO THE 2005-06 BUDGET

APPOINTMENTS AND PROMOTIONS

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

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|-----------------------------|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| SOUTHWESTERN MEDICAL SCHOOL | | | | | |
| Obstetrics and Gynecology | | | | | |
| 1. Steven L. Bloom (T) | | | | | 1530 |
| From: Professor | | 100 | 12 | 300,000 | |
| To: Professor and Chair | 7/25-8/31 | 100 | 12 | 300,000 | |

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreement effects the compensation and benefits provisions discussed and approved on August 10, 2006 the U. T. System Board of Regents and reflected in the August 2006 Board meeting *Minutes*. Such employment under this agreement is subject to the *Rules and Regulations* of the Board of Regents and the policies of The University of Texas System.

1. Item: President
Funds: \$661,913 annually (plus \$230,000 in deferred compensation)
Period: Beginning September 1, 2006
Description: Amendment of agreement for employment of C. Kern Wildenthal as President of The University of Texas Southwestern Medical Center at Dallas. The President reports to the Executive Vice Chancellor for Health Affairs and shall hold office without fixed term subject to the pleasure of the Executive Vice Chancellor for Health Affairs and approval by the Chancellor and the Board. In addition to base salary and deferred compensation, Dr. Wildenthal will receive a supplement from practice plan funds of \$181,712 contingent on availability of funds. Other elements of compensation are the cost of club memberships as approved by the Executive Vice Chancellor for Health Affairs, other official entertainment expenses, and out-of-pocket expenses for official travel in accordance with the Regents' *Rules and Regulations*. While serving as President, Dr. Wildenthal's appointment as Professor, with tenure, at U. T. Southwestern Medical Center – Dallas, is without compensation.

U. T. MEDICAL BRANCH – GALVESTON

GIFTS

The following gifts have been received, have been administratively approved by the President or his delegate, and are recommended for approval by the U. T. System Board of Regents:

1. Donor Name: The Cynthia and George Mitchell Foundation
College/School/ Department: School of Medicine
Purpose: Gift in the amount of \$5,000,000 authorized on August 2, 2006 to be used as additional funding for the George P. and Cynthia Woods Mitchell Center for Alzheimer's Disease Research. The funds will be paid over five years at \$1,000,000 per year.
Asset Type: Cash
Value: \$5,000,000

2. Donor Name: The Sealy & Smith Foundation
College/School/ Department: School of Medicine
Purpose: Gift in the amount of \$3,000,000 for the acquisition of hospital equipment for emergency operations
Asset Type: Cash
Value: \$3,000,000

CONTRACTS

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

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: Department of Assistive and Rehabilitation Service
Division for Early Childhood Intervention
Funds: \$1,378,838
Period: September 1, 2006 through August 31, 2007
Description: U. T. Medical Branch - Galveston will continue a program of early childhood intervention services for children with developmental delay and continue a program of respite services for families of children enrolled in comprehensive services.
2. Agency: Texas Department of State Health Services
Funds: \$1,351,148
Period: September 1, 2006 through August 31, 2007
Description: U. T. Medical Branch - Galveston will continue to promote the reduction of injuries occurring from exposure to poisons and toxic substances through public and professional education and help reduce medical costs incurred by State of Texas residents by providing treatment recommendations.
3. Agency: Texas Department of State Health Services
Funds: \$1,123,226
Period: September 1, 2006 through August 31, 2007
Description: U. T. Medical Branch - Galveston will continue to provide family planning services which include medical, counseling, client education, referral, community education, and outreach services to Title X eligible individuals.
4. Agency: Texas Department of State Health Services
Funds: \$1,365,521
Period: September 1, 2006 through August 31, 2007
Description: U. T. Medical Branch - Galveston will continue to provide family planning services to Title XX eligible individuals.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS COMING IN (CONTINUED)

5. Agency: United States of America, Department of Justice/
Federal Bureau of Prisons – Beaumont, Texas
Funds: \$17,002,405
Period: January 18, 2006 through January 17, 2007
Description: Modification to exercise the fourth option year for
U. T. Medical Branch – Galveston to continue to
provide managed health care services at the Federal
Correctional Complex in Beaumont, Texas.

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

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

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|--|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| SCHOOL OF MEDICINE | | | | | |
| Anesthesiology | | | | | |
| Dean for Austin Programs | | | | | |
| Professor | | | | | |
| 1. T. Samuel Shomaker (T) | 9/1-8/31 | 100 | 12 | 320,000 | 1399 |
| Pharmacology and Toxicology; Preventive Medicine and Community Health | | | | | |
| 2. Mary L. Thomas | | | | | 1505 |
| From: Professor (T) | | 100 | 12 | 119,400 | |
| To: Professor Emeritus | 12/31 | | | 0 | |
| Preventive Medicine and Community Health; Internal Medicine; Biochemistry and Molecular Biology | | | | | |
| 3. Harold Sandstead | | | | | 1631 |
| From: Professor (T) | | 100 | 12 | 145,929 | |
| To: Professor Emeritus | 9/1 | | | 0 | |
| Internal Medicine | | | | | |
| 4. William J. de Groot | | | | | 1775 |
| From: Professor (T) | | 100 | 12 | 113,960 | |
| To: Professor Emeritus | 9/1-8/31 | | | 0 | |
| Radiation Oncology; Biochemistry and Molecular Biology | | | | | |
| 5. A. Neil Howell | | | | | 1582 |
| From: Professor (T) | | 50 | 12 | 144,657 | |
| To: Professor Emeritus | 9/1 | | | 0 | |

AMENDMENTS TO THE 2005-06 BUDGET

APPOINTMENTS AND PROMOTIONS

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|--|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| SCHOOL OF MEDICINE | | | | | |
| Family Medicine; Institute for Medical Humanities Professor; John P. McGovern Centennial Chair in Family Medicine and Director | | | | | |
| 1. Howard Brody (T) | 5/15-8/31 | 100 | 12 | 204,000 | 1398 |
| Neuroscience and Cell Biology; Biomedical Engineering Center; Marine Biomedical Institute | | | | | |
| 2. David J. McAdoo | | | | | 1509 |
| From: Professor (T) | | 100 | 12 | 126,467 | |
| To: Professor Emeritus | 8/31 | | | 0 | |
| Neuroscience and Cell Biology; Internal Medicine | | | | | |
| 3. Luis Reuss | | | | | 1512 |
| From: The Mason Guest Distinguished Professorship in Physiology and Biophysics, Professor (T) | | 100 | 12 | 194,256 | |
| To: Professor Emeritus | 8/31 | | | 0 | |
| Graduate School – Biomedical Sciences; Marine Biomedical Institute | | | | | |
| 4. William D. Willis | | | | | 1513 |
| From: Cecil H. and Ida M. Green Distinguished Chair in Neuroscience, Professor (T) | | 100 | 12 | 206,693 | |
| To: Professor Emeritus | 8/31 | | | 0 | |

AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|--|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| SCHOOL OF MEDICINE (Continued) | | | | | |
| Pediatrics Infectious Disease and Immunology; Microbiology | | | | | |
| 5. Roberto Garofalo | | | | | 1507 |
| From: Professor (T) | | 100 | 12 | 160,000 | |
| To: Professor Emeritus | 8/1 | | | 0 | |
| Pharmacology and Toxicology Biomedical Engineering Center | | | | | |
| 6. Gilbert R. Hillman | | | | | 1514 |
| From: Professor (T) Senior Scientist | | 100 | 12 | 106,080 | |
| To: Professor Emeritus | 8/31 | | | 0 | |
| Biochemistry and Molecular Biology | | | | | |
| 7. Richard M. Denney | | | | | 1698 |
| From: Adjunct Associate Professor | | 75 | 12 | 83,749 | |
| To: Associate Professor Emeritus | 9/1 | | | | |
| SCHOOL OF NURSING | | | | | |
| Office of the Dean; Internal Medicine | | | | | |
| 8. Pamela Watson (T) | | | | | 1680 |
| From: Professor | | 100 | 12 | 222,640 | |
| To: Chief Academic Officer; Professor | 9/1-8/31 | 100 | 12 | 242,880 | |

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreement effects the compensation and benefits provisions discussed and approved on August 10, 2006 the U. T. System Board of Regents and reflected in the August 2006 Board meeting *Minutes*. Such employment under this agreement is subject to the *Rules and Regulations* of the Board of Regents and the policies of The University of Texas System.

1. Item: President
Funds: \$604,582 annually (plus \$150,000 in deferred compensation)
Period: Beginning September 1, 2006
Description: Amendment of agreement for employment of John D. Stobo as President of The University of Texas Medical Branch at Galveston. The President reports to the Executive Vice Chancellor for Health Affairs and shall hold office without fixed term subject to the pleasure of the Executive Vice Chancellor for Health Affairs and approval by the Chancellor and the Board. In addition to base salary and deferred compensation, Dr. Stobo will receive a supplement from practice plan funds of \$164,385 contingent on availability of funds. Other elements of compensation are the cost of club memberships as approved by the Executive Vice Chancellor for Health Affairs, other official entertainment expenses, and out-of-pocket expenses for official travel in accordance with the Regents' *Rules and Regulations*. While serving as President, Dr. Stobo's appointment as Professor, with tenure, in the Department of Medicine at U. T. Medical Branch – Galveston, is without compensation.

U. T. HEALTH SCIENCE CENTER – HOUSTON

CONTRACTS

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

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: Technology License Agreement between The University of Texas System, (K. Lance Gould, M.D., inventor) and Positron Corporation
Funds: Royalty income of \$4,000 per software unit sold
Period: March 6, 2006 to March 5, 2026
Description: The U. T. System Board of Regents approved at its March 10, 2005 meeting a variance from the Regents' *Rules and Regulations* regarding royalty sharing for software developed by Dr. Gould. The Regents authorized the adjustment of the standard 50/50 percent royalty sharing provisions with Dr. Gould to 85/15 percent (Inventor/University) with a royalty rate of \$4,000/unit related to a proposed nonexclusive license to GE Healthcare. After the Board approved this variance, one major aspect of this arrangement never materialized; GE Healthcare never took a nonexclusive license and never funded any of Dr. Gould's research. However, recently, the Office of Technology Management at U. T. Health Science Center - Houston (UTHSC-H) has nonexclusively licensed Dr. Gould's software to the Positron Corporation for the same terms as previously approved by the Board for GE Health Care. The University now wishes to continue the waiver in the nonexclusive license agreement with Positron Corporation and any additional licensees for rights to the same software developed by the same faculty member, Dr. Gould, with the same royalty payment to UTHSC-H of \$4,000/unit sold.

To encourage the transfer of technology for commercialization generally and to specifically induce the introduction of Dr. Gould's software into the marketplace, the Weatherhead Foundation of Beachwood, Ohio, which funded the initial research,

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS COMING IN (CONTINUED)

has agreed to create and fund a new technology endowment at UTHSC-H in the amount of \$1,500,000 and to contribute an additional \$500,000 to an existing Weatherhead Endowment at Houston for Dr. Gould's research. The Weatherhead Foundation endowment funding is contingent upon UTHSC-H's agreement to adjust the standard 50/50 percent royalty sharing provisions with Dr. Gould to 85/15 percent (Inventor/University).

Series 90102 of the Regents' *Rules and Regulations* allows adjustment of the institutional allocation of royalties for all creators upon Board approval. Other deviations in individual cases require prior approval of the Board. This 85/15 percent royalty sharing arrangement would only apply to the multiparty arrangement between the Positron Corporation and any additional nonexclusive licensees to the software, UTHSC-H, the Weatherhead Foundation, and Dr. Gould, and is contingent upon receipt of the endowment. The parties have analyzed the economics of the arrangement and currently estimate that the benefits accruing to UTHSC-H through the aggregate \$2,000,000 in new Weatherhead Endowment funds are reasonable tradeoffs for the speculative proceeds of additional royalties that may accrue to UTHSC-H over time under the standard 50/50 percent royalty sharing arrangement. Review of this information indicates the variance from the institution's royalty sharing policy is, in this instance, in the best interest of UTHSC-H.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT

2. Agency: Hartman REIT Operating Partnership II LP,
d/b/a Main Park II Business Center, Contract and
First Amendment
- Funds: Total monthly rental amount not to exceed \$1,864,605
plus monthly Common Area Maintenance Costs of
\$1,243 and monthly ad valorem taxes and insurance
costs of \$1,420
- Period: March 7, 2006 through May 31, 2016
- Description: First amendment to extend the current lease of
17,760 square feet from five to ten years and increase
the total rental amount from \$767,232 to a total rental
amount not to exceed \$1,864,605. The partial
hospitalization program at Harris County Psychiatric
Center is moving from its current lease space into the
new lease space located at 3610 Willowbend, Suite
1000, Houston, Texas.

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

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

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|------------------------|---------------|-------------------------|-------------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| SCHOOL OF HEALTH INFORMATION SCIENCES | | | | | |
| Health Information | | | | | |
| 1. Jiajie Zhang (T) | | | | | 1570 |
| From: Professor and Associate Dean Research | | 100 SUPLT | 12 12 | 150,000 17,200 | |
| To: Professor and Doris L. Ross Professorship and Associate Dean Research | 9/1-8/31 9/1-8/31 | 100 SUPLT | 12 12 | 150,000 17,200 | |
| Institute of Health Policy | | | | | |
| 2. Stephen H. Linder (T) | | | | | 1630 |
| From: Associate Professor and Interim Director, Institute of Health Policy, Division of Management, Policy and Community Health | | 100 SUPLT | 12 12 | 94,113 10,000 | |
| To: Associate Professor and Associate Director, Institute of Health Policy, Division of Management, Policy and Community Health | 10/1-8/31 10/1-8/31 | 100 SUPLT | 12 12 | 94,113 10,000 | |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|----------------------------------|---------------------|-------------------------|------------------------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| MEDICAL SCHOOL | | | | | |
| Microbiology and Molecular Genetics | | | | | |
| 3. Theresa M. Koehler (T) | | | | | 1648 |
| From: Professor | | 100 | 12 | 125,000 | |
| To: Professor, Hebert L. and Margaret W. DuPont Professorship in Biomedical Science Microbiology and Molecular Genetics | 9/16-8/31 | 100 | 12 | 125,000 | |
| Neurology | | | | | |
| 4. James C. Grotta (T) | | | | | 1711 |
| From: Professor and Roy M. and Phyllis Gough Huffington Distinguished Chair of Neurology | | 100 SUPLT | 12 12 | 177,313 99,444 | |
| To: Roy M. and Phyllis Gough Huffington Distinguished Professor of Neurology, Professor and Chair, Department of Neurology and Director, Vascular Neurology Program | 9/1-8/31 9/1-8/31 9/1-8/31 | 100 SUPLT AUG | 12 12 12 | 194,416 134,443 10,570 | |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|----------------------------------|---------------------|-------------------------|-----------------------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| SCHOOL OF PUBLIC HEALTH | | | | | |
| San Antonio Regional Campus | | | | | |
| 5. Frank I. Moore (T) | | | | | 1743 |
| From: Associate Professor | | 100 | 12 | 122,129 | |
| To: Associate Professor and Interim Regional Dean | 9/1-8/31 9/1-8/31 | 100 SUPLT | 12 12 | 122,129 20,000 | |
| Biostatistics | | | | | |
| 6. Barry R. Davis (T) | | | | | 1682 |
| From: Professor and Director, Division of Biostatistics | | 100 SUPLT | 12 12 | 166,175 15,000 | |
| To: Professor | 10/1-8/31 | 100 | 12 | 166,175 | |
| 7. Robert J. Hardy (T) | | | | | 1683 |
| From: Allen King Professor in Public Health | | 100 SUPLT | 12 12 | 164,638 10,999 | |
| To: Allen King Professor in Public Health and Director, Division of Biostatistics | 10/1-8/31 10/1-8/31 | 100 SUPLT | 12 12 | 169,638 25,999 | |
| DENTAL BRANCH | | | | | |
| Oral Maxillofacial Surgery | | | | | |
| 8. Mark E. Wong (T) | | | | | 1699 |
| From: Associate Professor and Chairman | | 100 SUPLT AUG | 12 12 12 | 122,847 50,000 20,000 | |
| To: Associate Professor and Chairman Associate Dean Research | 9/1-8/31 9/1-8/31 9/1-8/31 | 100 SUPLT AUG | 12 12 12 | 132,847 50,000 20,000 | |

AMENDMENTS TO THE 2005-06 BUDGET

APPOINTMENTS AND PROMOTIONS

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|-------------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| SCHOOL OF PUBLIC HEALTH | | | | | |
| Health Promotion and Behavioral Sciences | | | | | |
| 1. Sally W. Vernon (T) | | | | | 1418 |
| From: Professor and Director, Division of Health Promotion and Behavioral Sciences | | 100 SUPLT | 12 12 | 140,200 15,000 | |
| To: Blair Justice, Ph.D. Professorship in Mind-Body Medicine in Public Health and Director, Division of Health Promotion and Behavioral Sciences | 7/1-8/31 7/1-8/31 | 100 SUPLT | 12 12 | 140,200 15,000 | |
| 2. John M. Swint (T) | | | | | 1419 |
| From: Professor and Director, Division of Management, Policy and Community Health | | 100 SUPLT | 12 12 | 116,763 15,000 | |
| To: George McMilian Fleming Professorship in Health Administration and Director, Division of Management, Policy and Community Health | 7/1-8/31 7/1-8/31 | 100 SUPLT | 12 12 | 116,763 15,000 | |

AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|--|----------------------------------|---------------------|-------------------------|------------------------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| MEDICAL SCHOOL | | | | | |
| Neurology | | | | | |
| 3. Jerry S. Wolinsky (T) | | | | | 1443 |
| From: Professor and Bartles Family Professorship and Professor Opal C. Rankin Professorship in Neurology | | 100 SUPLT | 12 12 | 187,022 10,000 | |
| To: Interim Dean and Professor and Bartles Family Professorship and Professor Opal C. Rankin Professorship in Neurology | 6/1-8/31 6/1-8/31 | 100 SUPLT | 12 12 | 187,022 122,978 | |
| 4. James C. Grotta (T) | | | | | 1455 |
| From: Professor and Roy M. and Phyllis Gough Huffington Distinguished Chair of Neurology | | 100 SUPLT AUG | 12 12 12 | 174,986 99,444 30,000 | |
| To: Roy M. and Phyllis Gough Huffington Distinguished Professor of Neurology and Professor and Chair, Department of Neurology and Director of Vascular Neurology Program | 7/1-8/31 7/1-8/31 7/1-8/31 | 100 SUPLT AUG | 12 12 12 | 194,416 134,443 10,570 | |

AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|----------------------------|---|----------------------------------|-------------------------|-------------------------------|-------------------------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| MEDICAL SCHOOL (Continued) | | | | | |
| Surgery | | | | | |
| 5. Richard Andrassy (T) | | | | | 1458 |
| From: | Denton A. Cooley, M.D., Chair in Surgery, Professor and Chairman of the Department of Surgery and Associate Dean for Clinical Operations | 100 SUPLT AUG | 12 12 12 | 261,656 133,416 280,583 | |
| To: | Denton A. Cooley, M.D., Chair in Surgery, Professor and Chairman of the Department of Surgery and Associate Dean for Clinical Operations | 5/1-8/31 5/1-8/31 5/1-8/31 | 100 SUPLT AUG | 12 12 12 | 261,656 153,416 280,583 |

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreement effects the compensation and benefits provisions discussed and approved on August 10, 2006 the U. T. System Board of Regents and reflected in the August 2006 Board meeting *Minutes*. Such employment under this agreement is subject to the *Rules and Regulations* of the Board of Regents and the policies of The University of Texas System.

1. Item: President
Funds: \$577,090 annually (plus \$115,000 deferred compensation)
Period: Beginning September 1, 2006
Description: Amendment of agreement for employment of James T. Willerson as President of The University of Texas Health Science Center at Houston. The President reports to the Executive Vice Chancellor for Health Affairs and shall hold office without fixed term subject to the pleasure of the Executive Vice Chancellor for Health Affairs and approval by the Chancellor and the Board. In addition to base salary and deferred compensation, Dr. Willerson will receive a supplement from practice plan funds of \$156,550 contingent on availability of funds. Other elements of compensation are the cost of club memberships as approved by the Executive Vice Chancellor for Health Affairs, other official entertainment expenses, and out-of-pocket expenses for official travel in accordance with the Regents' *Rules and Regulations*. While serving as President, Dr. Willerson's appointment as Professor, with tenure, at U. T. Health Science Center - Houston, is without compensation.

U. T. HEALTH SCIENCE CENTER – SAN ANTONIO

AMENDMENTS TO THE 2005-06 BUDGET

APPOINTMENTS AND PROMOTIONS

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

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|--|-----------------------|---------------|-------------------------|--------------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| SCHOOL OF MEDICINE | | | | | |
| Medicine | | | | | |
| 1. Robert A. Clark (T) | | | | | 1500 |
| From: Professor and Chair Dan F. Parman Chair | | 100 | 12 | 347,566 | |
| To: Professor Dan F. Parman Distinguished Chair and Assistant Vice President for Clinical Research in the Department of the Vice President for Research | 8/1-8/31 8/1-8/31 | 30 70 | 12 12 | 104,270 243,296 | |
| Otolaryngology-Head and Neck Surgery | | | | | |
| 2. Randal A. Otto (T) | | | | | 1501 |
| From: Professor, Chair, and Thomas W. Folbre Professorship | | 50 | 12 | 358,000 | |
| To: Professor, Chair, Thomas W. Folbre Professorship, and Associate Dean for Ambulatory Services in the Office of the Dean of the School of Medicine | 6/1-8/31 | 50 | 12 | 358,000 | |

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreement effects the compensation and benefits provisions discussed and approved on August 10, 2006 the U. T. System Board of Regents and reflected in the August 2006 Board meeting *Minutes*. Such employment under this agreement is subject to the *Rules and Regulations* of the Board of Regents and the policies of The University of Texas System.

1. Item: President
Funds: \$531,998 annually (plus \$90,000 in deferred compensation)
Period: Beginning September 1, 2006
Description: Amendment of agreement for employment of Francisco G. Cigarroa as President of The University of Texas Health Science Center at San Antonio. The President reports to the Executive Vice Chancellor for Health Affairs and shall hold office without fixed term subject to the pleasure of the Executive Vice Chancellor for Health Affairs and approval by the Chancellor and the Board. In addition to base salary and deferred compensation, Dr. Cigarroa will receive a supplement from practice plan funds of \$143,268 contingent on availability of funds. Other elements of compensation are the cost of club memberships as approved by the Executive Vice Chancellor for Health Affairs, other official entertainment expenses, and out-of-pocket expenses for official travel in accordance with the Regents' *Rules and Regulations*. While serving as President, Dr. Cigarroa's appointment as Professor of Surgery, with tenure, at U. T. Health Science Center – San Antonio, is without compensation.

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

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

- | | |
|---------------|---|
| Name: | Darlene Metter, M.D. |
| Title: | Associate Professor, Department of Radiology |
| Position: | Member of the Texas Radiation Advisory Board |
| Period: | September 1, 2006 to April 16, 2007 |
| Compensation: | None |
| Description: | On September 1, 2006, Governor Rick Perry appointed Dr. Metter as a member of the Texas Radiation Advisory Board. Dr. Metter will attend quarterly meetings of the Advisory Board for the purpose of advising the Governor on radiation issues in the State of Texas. |

U. T. M. D. ANDERSON CANCER CENTER

GIFTS

The following gift has been received, has been administratively approved by the President or his delegate, and is recommended for approval by the U. T. System Board of Regents:

- | | |
|--------------------------------|--|
| Donor Name: | Anonymous donor |
| College/School/ Department: | Institution |
| Purpose: | To support the Division of Cancer Medicine research and education of targeted therapy to make speedy progress for the benefit of cancer patients |
| Asset Type: | Cash |
| Value: | \$2,000,000 |

CONTRACTS

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

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: Cambridge Nassau Bay, LP
Funds: Approximately \$1,986,203 in base rent and approximately \$6,589.71 per month for operating expenses, to be reevaluated each year
Period: One hundred twenty months following the commencement date, which is estimated to be April 1, 2007, and up to two renewal options of five years each
Description: Space lease agreement (approximately 8,885 sq. ft.) for U. T. M. D. Anderson Cancer Center to provide technical and/or professional radiation oncology services or medical oncology/infusion therapy services and supporting medical services and related office space at 18100 St. Johns Drive, Nassau Bay, Texas
2. Agency: Interlink Health Services, Inc.
Funds: Transplant services and supplies will be reimbursed at the case rate for the standard number of case days for both inpatient and outpatient or the lesser of 90% of billed charges, subject to the Stop Loss Provision. The Stop Loss Provision states that in no case will Facility be paid less than 65% of billed charges for transplant services and supplies.
Period: July 1, 2006 through June 30, 2007
Description: Transplant network participation agreement

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT (CONTINUED)

3. Agency: eScription, Inc.
Funds: U. T. M. D. Anderson Cancer Center will pay a monthly usage fee and a per line transcription fee for the transcription and speech recognition software services. Total fees are dependant on U. T. M. D. Anderson Cancer Center's overall usage of the services, but are estimated to be at least \$5,000,000, including one-time start-up and hardware fees of \$194,850, a monthly subscription fee of \$3,700, and approximately \$130,535 per month for transcription fees in the first year.
Period: June 1, 2006 through December 31, 2008 with option to renew for up to three additional 12-month periods.
Description: Transcription and speech recognition software services including maintenance and support services
4. Agency: Epsilon Data Management, LLC
Funds: \$3,144,800 for the administration and operation of direct mail marketing services
Period: September 1, 2006 through August 31, 2008 with option to renew for up to three additional 12-month periods
Description: Direct mail marketing services (including program management, development of strategies, copy and mechanical art, copyrighting, media, consultants, production and purchasing, analysis and data management, technical capabilities, computer processing, shipping and postage, storage of supplies, and/or any necessary equipment, tools, and travel) for U. T. M. D. Anderson Cancer Center's Development Office.

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved as required by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|--|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| MEDICAL STAFF | | | | | |
| Surgical Oncology | | | | | |
| Associate Professor | | | | | |
| 1. Jason Fleming (T) | 9/1-8/31 | 100 | 12 | 295,000 | 1519 |
| Pathology and Laboratory Medicine | | | | | |
| Associate Professor | | | | | |
| 2. Mary Edgerton (T) | 9/1-8/31 | 100 | 12 | 195,000 | 1520 |
| Veterinary Medicine and Surgery | | | | | |
| 3. Peggy T. Tinkey (T) | | | | | 1470 |
| From: Chair ad interim and Associate Professor | | 100 | 12 | 151,242 | |
| | | SUPLT | 12 | 10,000 | |
| To: Chair and Associate Professor | 9/1-8/31 | 100 | 12 | 200,000 | |
| Pediatrics | | | | | |
| 4. Seth Corey | | | | | 1472 |
| From: Professor | | 100 | 12 | 178,694 | |
| To: Professor (T) | 9/1-8/31 | 100 | 12 | 194,694 | |
| Gastrointestinal Medical Oncology | | | | | |
| 5. Michael J. Fisch | | | | | 1473 |
| From: Associate Professor | | 100 | 12 | 194,004 | |
| | | SUPLT | 12 | 10,000 | |
| To: Associate Professor (T) | 9/1-8/31 | 100 | 12 | 194,694 | |
| | | SUPLT | 12 | 10,000 | |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| MEDICAL STAFF (Continued) | | | | | |
| General Internal Medicine, Ambulatory Treatment and Emergency Care | | | | | |
| 6. Sai-ching J. Yeung | | | | | 1474 |
| From: Associate Professor | | 100 | 12 | 208,190 | |
| To: Associate Professor (T) | 9/1-8/31 | 100 | 12 | 218,190 | |
| 7. Maria Suarez-Almazor (T) | | | | | 1489 |
| From: Professor | | 100 | 12 | 200,000 | |
| To: Professor and the Barnts Family Distinguished Professorship in Cancer Research | 9/1-8/31 | 100 | 12 | 200,000 | |
| Sarcoma Medical Oncology | | | | | |
| 8. Robert S. Benjamin (T) | | | | | 1485 |
| From: Chair, Professor | | 100 | 12 | 342,375 | |
| To: Chair, Professor and the P. H. and Fay E. Robinson Distinguished Professorship In Cancer Research | 9/1-8/31 | 100 | 12 | 345,375 | |
| Surgical Oncology | | | | | |
| 9. Di-Hua Yu (T) | | | | | 1488 |
| From: Professor | | 100 | 12 | 193,059 | |
| To: Professor and the Nylene Eckles Distinguished Professorship in Breast Cancer Research | 9/1-8/31 | 100 | 12 | 196,059 | |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| MEDICAL STAFF (Continued) | | | | | |
| Blood and Marrow Transplantation | | | | | |
| 10. Jeffrey J. Molldren (T) | | | | | 1490 |
| From: Professor | | 100 | 12 | 219,814 | |
| To: Stem Cell Transplantation and Cellular Therapy Professor and the Virginia H. Cockrell Distinguished Professorship in Immunology | 9/1-8/31 | 100 | 12 | 222,814 | |
| Epidemiology | | | | | |
| 11. Xi F. Wu (T) | | | | | 1742 |
| From: Professor | | 100 | 12 | 169,962 | |
| To: Ashbel Smith Professor | 9/1-8/31 | 100 | 12 | 169,962 | |
| Thoracic/Head and Neck Medical Oncology | | | | | |
| 12. Bonnie S. Glisson (T) | | | | | 1740 |
| From: Professor | | 100 | 12 | 258,773 | |
| To: Ashbel Smith Professor | 9/1-8/31 | 100 | 12 | 258,773 | |
| RESEARCH | | | | | |
| Cancer Genetics | | | | | |
| 13. Guillermina Lozano (T) | | | | | 1471 |
| From: Professor and Mattie Allen Fair Research Chair | | 100 | 12 | 201,743 | |
| To: Chair, Professor and Mattie Allen Fair Research Chair | 9/1-8/31 | 100 | 12 | 225,000 | |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|--|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| RESEARCH (Continued) | | | | | |
| Anesthesiology and Pain Medicine Research | | | | | |
| 14. Hui-Lin Pan (T) | | | | | 1483 |
| From: Professor | | 100 | 12 | 213,200 | |
| To: Professor and the N. G. and Helen Hawkins Distinguished Professorship for Cancer Research | 9/1-8/31 | 100 | 12 | 213,200 | |
| Biochemistry and Molecular Biology | | | | | |
| 15. Sharon R. Dent (T) | | | | | 1484 |
| From: Professor | | 100 | 12 | 160,322 | |
| To: Professor and the Rebecca Meyer Brown and Joseph Mellinger Brown Chair in Basic Science Research | 9/1-8/31 | 100 | 12 | 166,322 | |
| 16. Robert A. Schulz (T) | | | | | 1741 |
| From: Professor | | 100 | 12 | 175,000 | |
| To: Ashbel Smith Professor | 9/1-8/31 | 100 | 12 | 175,000 | |
| Experimental Therapeutics | | | | | |
| 17. Garth Powis (T) | | | | | 1486 |
| From: Chair, Professor | | 100 | 12 | 288,766 | |
| To: Chair, Professor and the David Burton, Jr. Chair | 9/1-8/31 | 100 | 12 | 288,766 | |

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-------------------------|----------------|--------------|
| | | | <u>No. Mos.</u> | <u>Rate \$</u> | |
| RESEARCH (Continued) | | | | | |
| Experimental Therapeutics (Continued) | | | | | |
| 18. Varsha V. Gandhi (T) | | | | | 1739 |
| From: Professor | | 100 | | 12168,590 | |
| To: Ashbel Smith Professor | 9/1-8/31 | 100 | | 12168,590 | |
| Immunology | | | | | |
| 19. Miles F. Wilkinson (T) | | | | | 1487 |
| From: Professor | | 100 | 12 | 179,900 | |
| To: Biochemistry and Molecular Biology Professor and the Ruby E. Rutherford Distinguished Professorship | 9/1-8/31 | 100 | 12 | 182,900 | |
| Molecular Genetics | | | | | |
| 20. Benoit deCrombrughe (T) | | | | | 1738 |
| From: Professor and Hubert L. and Olive Stringer Distinguished Chair in Basic Science | | 100 | | 12250,000 | |
| To: Chair, Professor and Hubert L. and Olive Stringer Distinguished Chair in Basic Science | 9/1-8/31 | 100 | 12 | 291,930 | |

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreement effects the compensation and benefits provisions discussed and approved on August 10, 2006 the U. T. System Board of Regents and reflected in the August 2006 Board meeting *Minutes*. Such employment under this agreement is subject to the *Rules and Regulations* of the Board of Regents and the policies of The University of Texas System.

1. Item: President
Funds: \$657,368 annually (plus \$250,000 in deferred compensation)
Period: Beginning September 1, 2006
Description: Amendment of agreement for employment of John Mendelsohn as President of The University of Texas M. D. Anderson Cancer Center. The President reports to the Executive Vice Chancellor for Health Affairs and shall hold office without fixed term subject to the pleasure of the Executive Vice Chancellor for Health Affairs and approval by the Chancellor and the Board. In addition to base salary and deferred compensation, Dr. Mendelsohn will receive a supplement from practice plan funds of \$180,327 contingent on availability of funds. Other elements of compensation are the cost of club memberships as approved by the Executive Vice Chancellor for Health Affairs, other official entertainment expenses, and out-of-pocket expenses for official travel in accordance with the Regents' *Rules and Regulations*. While serving as President, Dr. Mendelsohn's appointment as Professor, with tenure pursuant to institutional policy, at U. T. M. D. Anderson Cancer Center, is without compensation.

U. T. HEALTH CENTER – TYLER

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreement effects the compensation and benefits provisions discussed and approved on August 10, 2006 the U. T. System Board of Regents and reflected in the August 2006 Board meeting *Minutes*. Such employment under this agreement is subject to the *Rules and Regulations* of the Board of Regents and the policies of The University of Texas System.

1. Item: President
Funds: \$361,438 annually (plus \$25,000 in deferred compensation)
Period: Beginning September 1, 2006
Description: Amendment of agreement for employment of Kirk A. Calhoun as President of The University of Texas Health Center at Tyler. The President reports to the Executive Vice Chancellor for Health Affairs and shall hold office without fixed term subject to the pleasure of the Executive Vice Chancellor for Health Affairs and approval by the Chancellor and the Board. In addition to base salary and deferred compensation, Dr. Calhoun will receive a supplement from practice plan funds of \$93,132 contingent on availability of funds. Other elements of compensation are the cost of club memberships as approved by the Executive Vice Chancellor for Health Affairs, other official entertainment expenses, and out-of-pocket expenses for official travel in accordance with the Regents' *Rules and Regulations*. While serving as President, Dr. Calhoun's appointment as Professor at U. T. Health Center -Tyler, is without compensation.