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FOR SPECIAL CALLED TELEPHONE MEETING
of
THE UNIVERSITY OF TEXAS SYSTEM
BOARD OF REGENTS**

Thursday, May 24, 2012
Austin, Texas

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A. CONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS		
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B. RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551	<i>10:15 a.m.</i>	
1. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers – Section 551.071		
U. T. System Board of Regents: Discussion with Counsel on pending legal issues		
2. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees – Section 551.074		
U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), and U. T. System and institutional employees		
C. RECONVENE IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS	<i>10:25 a.m.</i>	
D. ADJOURN	<i>10:30 a.m.</i> <i>approximately</i>	

1. **U. T. Arlington: Authorization to accept invitation from the Sun Belt Conference and to negotiate and finalize terms for athletic conference membership**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs, the Vice Chancellor and General Counsel, and President Spaniolo that authorization be granted to U. T. Arlington to accept an invitation from the Sun Belt Conference (SBC) to become a member, and to negotiate and finalize terms for athletic conference membership.

BACKGROUND INFORMATION

On July 14, 2011, after receiving approval from the Board of Regents on the same day, U. T. Arlington accepted an invitation to join the Western Athletic Conference (WAC), a National Collegiate Athletic Association (NCAA) Football Bowl Subdivision (FBS) conference. U. T. Arlington is not scheduled to officially join the WAC until July 1, 2012. However, since U. T. Arlington accepted the invitation to join the WAC, five member institutions have declared their intent to leave the WAC. The institutions that have announced their intention to join new conferences are: San Jose State University, Utah State University, Louisiana Tech University, Texas State University, and U. T. San Antonio. As a result, the WAC is in a precarious situation and its future is in question.

Officials at the SBC contacted U. T. Arlington in April 2012 to initiate a discussion about the possibility of U. T. Arlington leaving the WAC to join the SBC. President Spaniolo and Mr. Jim Baker, Athletic Director at U. T. Arlington, have engaged in several discussions with Mr. Karl Benson, Commissioner of the SBC, regarding U. T. Arlington joining the SBC. The formal invitation to join the SBC was extended on May 7, 2012. U. T. Arlington's current plan is to participate in the WAC until July 1, 2013, the proposed effective date for joining the SBC.

The SBC represents a more stable, equally competitive conference composed of similar institutions with comparable academic quality to U. T. Arlington. U. T. Arlington would be the second non-football institution in the SBC along with the University of Arkansas at Little Rock. The SBC is geographically more compact, and thus travel costs and time away from the campus for U. T. Arlington student athletes should be less than in the WAC. In addition, Texas State University, a long time athletic rival and current member of the Southland Conference, who is moving to the WAC in July 2012 for one year, will be joining the SBC in July 2013. Had the opportunity to join the SBC been available a year ago, U. T. Arlington would have moved in that direction.

Joining the SBC will build equity in a U. T. Arlington degree through greater national visibility and association with universities of similar enrollment, academic standing, and community size. U. T. Arlington has determined that a move to this new conference is consistent with the University's strategic plan to increase its national prominence in support of its goal to become a national research university. Competing in the new conference would leverage U. T. Arlington's efforts to upgrade the competitiveness of its 15 sports teams, particularly in men's and women's basketball.

There are no exit fees involved with U. T. Arlington's departure from the WAC. The entry fee payable to the SBC is \$300,000, and will be covered through a combination of Athletic Department funds and conference revenues payable to U. T. Arlington pursuant to the New Member Agreement with the SBC. U. T. Arlington reports that revenues generated by U. T. Arlington from television and the NCAA are likely to be comparable or greater with the SBC than with those earned by the WAC.

2. **U. T. Austin: Approval for extension of Cotton Bowl Stadium agreement for the annual football game with the University of Oklahoma**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs and President Powers that the U. T. System Board of Regents approve the five-year extension of the agreement for use of the Cotton Bowl Stadium for the annual U. T. Austin/University of Oklahoma football game.

BACKGROUND INFORMATION

U. T. Austin proposes to extend the Cotton Bowl Stadium agreement among the State Fair of Texas, the Board of Regents of the University of Oklahoma, the City of Dallas, and U. T. Austin for the annual football game. The agreement between U. T. Austin and the University of Oklahoma, which was approved by the Board of Regents on August 23, 2007, and expires on October 31, 2015, will be extended until the Year 2020. The City of Dallas will continue to pay each team \$500,000 annually through 2020 for the games to be played in the Cotton Bowl Stadium. The total value of the extension is \$5,000,000.

3. **U. T. Dallas and U. T. Arlington: Authorization for U. T. Dallas to offer a previously approved Ph.D. degree program in Mechanical Engineering as a joint degree with U. T. Arlington**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs, President Daniel, and President Spaniolo that authorization, pursuant to the Regents' *Rules and Regulations*, Rule 40307, related to academic program approval standards, be granted to offer a previously approved Ph.D. degree in Mechanical Engineering at U. T. Dallas as a joint degree with U. T. Arlington.

BACKGROUND INFORMATION

Program Description

The U. T. Dallas Erik Jonsson School of Engineering and Computer Science seeks approval to supplement the existing Mechanical Engineering Ph.D. degree program currently offered by U. T. Arlington. On February 7, 2008, the U. T. System Board of Regents authorized the development of a stand-alone Ph.D. degree program in Mechanical Engineering at U. T. Dallas. After discussions with the Texas Higher Education Coordinating Board, U. T. System, and the leadership at U. T. Arlington and U. T. Dallas, it was determined that the best approach would be to offer a joint Ph.D. degree program in Mechanical Engineering with U. T. Arlington and U. T. Dallas. A joint degree program offers the opportunity to achieve significant improvements in efficiency and productivity, such as sharing course offerings aided by technology and by coordinating faculty hiring to avoid redundancy.

The joint degree program enables U. T. Dallas and U. T. Arlington to build upon existing collaborations, including those for the joint Ph.D. degree program in Biomedical Engineering, and to provide students in the Metroplex with a comprehensive degree program spanning multiple research areas. The U. T. Dallas emphasis will include materials and intelligent systems for sustainable energy and energy efficiency; microtechnology and nanotechnology systems; metrology and manufacturing; mechatronic systems and robotics with applications to energy and health care; thermal management; and biomechanical applications related to health care, which will evolve over time. These research areas complement the established programmatic focus areas at U. T. Arlington; thus, both institutions will provide expanded opportunities to their collective student populations studying for the Ph.D. in Mechanical Engineering.

This collaborative initiative would bring expanded offerings, improved efficiency, and more opportunity to the North Texas community and the state as a whole.

Faculty in the U. T. Arlington Mechanical and Aerospace Engineering Department and faculty within the U. T. Dallas Department of Mechanical Engineering held a meeting at which they agreed to admission and graduation requirements for the joint program. The graduation requirements include completion of a minimum of 42 semester credit hours of course work, and a qualifying exam, a comprehensive exam, and a final exam given after the public presentation of a dissertation. Students pursuing the joint degree will designate a home institution, pay that institution's tuition, but be able to transfer course work taken at either institution to receive

maximum breadth and depth in research areas specific to their needs. Both institutions' seals will appear on the diplomas.

Although the degree was previously approved, additional information is provided below:

- Need and Student Demand

Both job market need and student demand are high. Undergraduate enrollment is a leading indicator of potential doctoral enrollment. Enrollment in the B. S. Mechanical Engineering program at U. T. Dallas has expanded rapidly since the program was implemented in 2009 beginning with 143 students. The enrollment for Fall 2011 was 343. The master's-level enrollment in Mechanical Engineering at both U. T. Dallas and U. T. Arlington was 118 in 2009 and 145 in 2010. U. T. Dallas and U. T. Arlington believe that the student demand for doctoral education in modern and interdisciplinary areas of mechanical engineering will significantly exceed demand for the traditional areas of mechanical engineering, which are already represented in existing doctoral programs in Texas.

The short-term job market need for mechanical engineering doctoral graduates arises from an imbalance between the production of mechanical engineering Ph.D. graduates in Texas and the expected near-term and medium-term growth in mechanical engineering jobs in the state. The Texas Workforce Commission predicts that mechanical engineering jobs will grow by 10% in the Dallas area and by 12% in Texas between 2008 and 2018. This rate of growth is almost three times larger than the growth rate in mechanical engineering jobs predicted for the U.S. as a whole. Further, the Bureau of Labor Statistics of the U.S. Department of Labor predicts that nearly 22% of mechanical engineering jobs will need to be replaced by 2016. Mechanical engineering plays a role in virtually all sectors of modern society, including the energy and health care sectors, the aerospace industry, the automotive industry, and the semiconductor industry. The Texas economy, even more than the national economy, depends on leapfrogging traditional areas to establish leadership in emerging technologies. Because of the dominance of Mechanical Engineering in defense-related industries in the Metroplex, it is strategically imperative to increase the production of Mechanical Engineering Ph.D. graduates that will help maintain and improve the competitive position of local defense-related companies.

- Program Quality

U. T. Dallas is well positioned to join U. T. Arlington in the education of technical leaders for industry. In the Erik Jonsson's School of Engineering and Computer Science's oldest engineering doctoral program, Electrical Engineering, 85% of the Ph.D. graduates work in industry. The placement rate for Electrical Engineering doctoral graduates is 100%.

U. T. Dallas expects similar outcomes from the Mechanical Engineering doctoral program, given the strong industrial relevance of the faculty members' research areas and the historically close ties between the Erik Jonsson School and industry. Only nationally competitive Ph.D. programs can win in what has become an intense struggle among universities for peer-reviewed research funding from agencies such as the National Science Foundation. Doctoral student support, which is essential to attract Ph.D. students in engineering, depends primarily on extramural research funding. The

Erik Jonsson School faculty have a winning record in the competition for extramural funding. The average research funding per Jonsson School faculty member is \$320,000, which is consistent with research funding levels at the top 50 engineering schools within the United States. The Erik Jonsson School, which is the third-ranked public engineering school in Texas, has emerged as the University's largest producer of Ph.D. graduates and the largest generator of extramural research funding.

- Program Cost

The five-year expenditures of the program at U. T. Dallas are anticipated to be \$3,576,538. This includes \$2,108,700 for new faculty salary, \$500,118 for research assistants, \$173,250 for staff, \$96,360 for reallocated faculty salary, \$96,360 for reallocated program administration, \$313,500 for new program administration, \$85,800 for reallocated staff, \$95,500 for supplies and materials, and \$106,950 for library and information technology resources. These costs will be met from credit hour formula funding, reallocation of University resources, and in-hand grants. The anticipated five-year funding totals \$8,724,178, which includes \$89,330 in formula funding income, \$1,775,000 of reallocations of existing funds, \$3,331,040 of gift contributions for domestic recruiting initiatives as well as Designated Tuition and fees. In addition, existing core faculty has a current total of \$3,528,808 of in-hand grants.

4. **U. T. San Antonio: Request for approval for athletic fee increases effective for Fiscal Years 2013 and 2014**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs and President Romo that the following athletic fee at U. T. San Antonio be approved effective for Fiscal Years 2013 and 2014:

- a. Increase the current athletic fee from \$17 to \$19 per semester credit hour for Fiscal Year 2013 and \$20 per semester credit hour for Fiscal Year 2014.

BACKGROUND INFORMATION

On March 3, 2010, the Board approved an athletics fee of \$17 per semester credit hour, in accordance with a student referendum in September 2007. The proposed fee increases for FY 2013 and 2014 were also approved as part of the September 2007 student referendum. The proposed increase in rates will generate revenue to support all of U. T. San Antonio's Division I sports including football.

On December 18, 2008, the Board of Regents approved U. T. San Antonio's Athletic Initiative Business Plan. The Plan is one of the key elements of the University's 2016 strategic plan, *A Shared Vision UTSA 2016*, and its supporting implementation plan. The Athletic Initiative was designed to create an intercollegiate athletics program that is a key element in the University-wide efforts to develop a comprehensive campus life program that benefits U. T. San Antonio's students, employees, and alumni, and supports the entire San Antonio community. U. T. San Antonio is committed to funding the Athletic Initiative through student fees, corporate and private support, and other revenue streams that do not draw from the institutional academic budget.

An annual fiscal review of the Plan by the U. T. System Office of Academic Affairs was required by the Board of Regents, and such annual reviews have been performed and approved. The revenue generated by the gradual increase in athletic fees of \$2 per semester credit hour in FY 2013 and \$1 per semester credit hour in FY 2014 were projected in the financial pro forma included in the Plan, and such increases are paramount to the continued success of U. T. San Antonio's NCAA Division I programs.