

Meeting No. 1,064

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

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December 2-3, 2010

Austin, Texas

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 OF
 THE UNIVERSITY OF TEXAS SYSTEM
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MEETING NO. 1,064

THURSDAY, DECEMBER 2, 2010.--The members of the Board of Regents of The University of Texas System convened at 2:02 p.m. on Thursday, December 2, 2010, in the Board Meeting Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman McHugh
Vice Chairman Foster
Vice Chairman Longoria
Regent Gary
Regent Hicks
Regent Pejovich
Regent Powell
Regent Stillwell
Regent Kalkwarf, Student Regent, nonvoting

Absent

Regent Dannenbaum

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

1. U. T. System Board of Regents: Appointment of Regent Printice L. Gary to the Audit and Ethics Committee of The University of Texas Investment Management Company (UTIMCO)

In accordance with Section 66.08 of the *Texas Education Code* and upon recommendation of The University of Texas Investment Management Company (UTIMCO) Board of Directors, the Board appointed Regent Printice L. Gary to the Audit and Ethics Committee of the UTIMCO Board of Directors. Regent Gary abstained from vote on this item.

On November 9, 2010, the UTIMCO Board of Directors recommended this appointment conditioned on the approval of the Board of Regents. Regent Gary was appointed to the UTIMCO Board of Directors by the Board of Regents on November 12, 2009. The Board of Regents previously appointed Regent Gary to a term on the UTIMCO Audit and Ethics Committee on December 9, 2009, which ended on July 15, 2010.

The other members of the UTIMCO Audit and Ethics Committee include Vice Chairman Janiece Longoria (Chair), Director Erle Nye, and Director Charles W. Tate.

2. U. T. Southwestern Medical Center – Dallas: Authorization to purchase approximately 1.399 acres of improved real property located at 2011 Record Crossing Road, Dallas, Dallas County, Texas, from Mr. Paul M. Dvorak for a purchase price not to exceed fair market value as determined by independent appraisals to use for access and parking for the New University Hospital

On behalf of The University of Texas Southwestern Medical Center at Dallas, the Board

- a. granted authorization to purchase approximately 1.399 acres of improved real property located at 2011 Record Crossing Road, Dallas, Dallas County, Texas, from Mr. Paul M. Dvorak for a purchase price not to exceed fair market value as determined by independent appraisals, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition of the property as deemed necessary or advisable by the Executive Director of Real Estate, to use for access and parking for the New University Hospital; and
- b. authorized the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing action.

Regent Gary abstained from vote on this item because of preexisting interest in real property near the proposed hospital site.

The 1.399 acres has three existing automotive service/storage buildings and one related office building. The site plan for the institution's proposed New University Hospital calls for a roadway to pass through this site to open the area immediately to the east of the site for uses that support the new hospital.

The seller currently operates a wholesale tire business on the site. He has requested a short-term lease after closing to permit him time to find another site and relocate his business to the new site. The proposed lease will be at fair market rental and terms.

To fund the purchase, U. T. Southwestern Medical Center – Dallas will use local funds.

RECESS TO EXECUTIVE SESSION.--At 2:05 p.m., Chairman McHugh announced the Board would recess to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.074, and 551.076 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--At 4:05 p.m., the Board reconvened in open session for the following actions taken on matters discussed in Executive Session.

- 1a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

- 1b. U. T. Medical Branch – Galveston: Authorization to negotiate with the Texas Department of Criminal Justice concerning contract for correctional managed care

Vice Chairman Longoria moved that the Board authorize Chancellor Cigarroa, Executive Vice Chancellor Shine, and President Callender to negotiate with the Texas Department of Criminal Justice, on behalf of The University of Texas Medical Branch at Galveston, on contractual issues related to correctional managed care, within the parameters recommended by legal counsel in Executive Session.

The motion was seconded by Regent Hicks and carried unanimously.

- 2a. U. T. Austin: Approval of changes in employment terms and compensation for Men’s Athletics Director DeLoss Dodds and Women’s Athletics Director Christine Plonsky

Regent Hicks made the following motion:

Motion by Regent Hicks

I move that President Powers, in consultation with the Chairman of the Board of Regents, the Chairman of the Academic Affairs Committee, and the Board’s Athletics Liaison, and subject to review and approval by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel, be authorized to negotiate and enter into revised employment agreements with Men’s Athletics Director DeLoss Dodds and Women’s Athletics Director Christine Plonsky consistent with the recommendations set forth by President Powers in Executive Session and consistent with the Regents’ *Rules and Regulations*, Rule 20204 and Rule 10501 and The University of Texas System Administration Policy UTS144 (Establishing Compensation for Highly Compensated Employees).

I also move that the Board find, as required by State law, that these proposed employment agreements are in the best interest of The University of Texas at Austin.

This motion is made with the understanding that the details of each resulting agreement will be made available to the public immediately following execution of the document.

Regent Stillwell seconded the motion that carried unanimously.

2b. U. T. El Paso: Approval of employment terms and compensation for Men's Head Basketball Coach Timothy Floyd effective immediately

Regent Stillwell moved that the Board approve an employment agreement for The University of Texas at El Paso Men's Head Basketball Coach Timothy Floyd effective immediately, consistent with the parameters discussed in Executive Session and as outlined on the attached summary sheet.

He further moved that the Board find, as required by State law, that the proposed employment agreement is in the best interest of U. T. El Paso.

Vice Chairman Foster seconded the motion that carried by acclamation.

Summary sheet
for
U. T. El Paso Men's Head Basketball Coach
Timothy Floyd

Employment term of five years and five months from April 1, 2010 through August 31, 2015.

Base Annual Salary in the amount \$250,000, plus all regular employee benefits.

Base Annual Salary will be reviewed and may be adjusted annually, but there is no stated guaranteed annual increase.

Additional Annual Benefits /Salary Supplements as follows:

- **Two (2) Courtesy Automobiles, One (1) Country Club membership, and Spousal Travel-** reimbursement for sanctioned events upon approval of Athletic Director;
- **For UTEP sponsored youth basketball camps- net proceeds** from camp (revenues minus expenses);
- **For Speaking Engagements and Coach Shows** (Circle of Champions, radio and television)- **\$200,000 Annually**;
- **For Ticketing and Promotion** (promotion of program for increased attendance and ticket sales)- **\$150,000 Annually**; and
- **Specific Annual Performance Incentives**

| <u>Recognition</u> | <u>Incentive amount</u> |
|---|----------------------------------|
| 1. Conference USA <u>Regular</u> Season Championship | One month Base Annual Salary* |
| 2. Conference USA <u>Tournament</u> Championship | One month Base Annual Salary* |
| 3. Pre-Season National Invitation Tournament (NIT) Champion | One month Base Annual Salary* |
| 4. NIT Tournament Appearance | \$10,000 |
| 5. NIT Win (per victory) | \$5,000 |
| 6. NIT Championship | One month Base Annual Salary* |
| 7. NCAA Tournament Appearance | One month Base Annual Salary* |
| 8. NCAA Tournament 1 st round victory | One month Base Annual Salary* |
| 9. NCAA Tournament 2 nd round victory | Two month Base Annual Salary |
| 10. NCAA Tournament Sweet 16 victory | Three months Base Annual Salary* |

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| 11. NCAA Tournament Elite 8 victory | Three months Base Annual Salary* |
| 12. NCAA Final Four Victory | Four months Base Annual Salary* |
| 13. NCAA Championship | \$100,000 |
| 14. Finish in the Top 25 in National Poll ** | One month Base Annual Salary* |
| 15. Conference USA Coach of the Year | \$5,000 |
| 16. National Coach of the Year (coaches poll) | One month Base Annual Salary* |
| 17. Additional performance incentives may be awarded to Mr. Floyd as deemed appropriate by the Athletic Director and approved by the President of UTEP with the approval of the Athletics Liaison to the Board, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel. | |

* When referring to an incentive that calls for a month's salary, the figure is one month of the Base Annual Salary listed in Section III.A. that was in effect when the recognition occurred.

** Determined after the end of the regular season but before the Conference USA Tournament.

Agreement provision that all outside employment or other coaching duties will only be as permitted by the Regents' *Rules and Regulations* and upon approval of the President and/or Athletic Director.

Agreement termination provisions that include 1) termination for cause by UTEP with all obligations by UTEP to cease; 2) termination without cause by UTEP with ninety (90) days advance written notice and all obligations of UTEP to cease at the end of the notice period; and 3) termination in the event of resignation, acceptance of other employment (except as otherwise permitted) by Mr. Floyd or in the event of disability/death of Mr. Floyd, with obligations of UTEP to cease as of the event date.

- 2c. 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

No action was taken on this item.

3. U. T. System: Discussion and appropriate action concerning the deployment, or specific occasions for implementation, of security personnel or devices on U. T. System campuses

No action was taken on this item.

RECESS.--At 4:10 p.m., Chairman McHugh announced the Board would recess for the Presidents' Retreat to be held on the Second Floor of Ashbel Smith Hall, Austin, Texas.

THURSDAY, DECEMBER 2, 2010, continued.--At 4:30 p.m., the Board reconvened in the Meeting Room on the Second Floor of Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman McHugh
Vice Chairman Foster
Vice Chairman Longoria
Regent Dannenbaum
Regent Gary
Regent Hicks
Regent Pejovich
Regent Powell
Regent Stillwell
Regent Kalkwarf, Student Regent, nonvoting

Chairman McHugh announced a quorum present and called the Presidents' Retreat to order. The retreat proceeded according to the following agenda (times are approximate), with brief introductory remarks and open discussion on each topic. ([Presentations](#) that were handed out at the Retreat are on file in the Office of the Board of Regents.)

PRESIDENTS' RETREAT -- Energy, Education, Change, and Collaboration Making a Difference
(Meeting Room, 2nd Floor, Ashbel Smith Hall)

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| A. | CONVENE RETREAT | 4:00 p.m. |
| 1. | Opening Remarks | <i>Chairman McHugh Chancellor Cigarroa</i> |
| 2. | Panel #1: Energy <i>U. T. Leaders in Energy</i> | 4:30 p.m. <i>Dr. Raymond Orbach, U. T. Austin Dr. Les Shephard, U. T. San Antonio</i> |
| 3. | Panel #2: Education <i>Public Education in Texas</i> | 6:00 p.m. <i>Dr. Mary Ann Rankin, U. T. Austin Dr. Jeanne Marcum Gerlach, U. T. Arlington</i> |
| B. | DINNER (Board Room, 9th floor, Ashbel Smith Hall) | 7:30 p.m. <i>Dr. David Oshinsky, Jack S. Blanton Chair in History, U. T. Austin</i> |
| C. | RECESS | 9:00 p.m. |

FRIDAY, DECEMBER 3, 2010.--The members of the Board of Regents of The University of Texas System reconvened the Presidents' Retreat at 8:39 a.m. on Friday, December 3, 2010, in the Meeting Room on the Second Floor of Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman McHugh
Vice Chairman Foster
Vice Chairman Longoria
Regent Dannenbaum
Regent Gary
Regent Hicks
Regent Pejovich
Regent Powell
Regent Stillwell
Regent Kalkwarf, Student Regent, nonvoting

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| D. RECONVENE PRESIDENTS' RETREAT | 8:30 a.m. |
| 4. Panel #3: Change Transformations in Medical Education (TIME) | 8:30 a.m. <i>Steve Lieberman, M.D., U. T. Medical Branch – Galveston Dr. Pedro Reyes, U. T. System</i> |
| 5. Panel #4: Collaboration Importance of Computational Sciences Across the U. T. System | 10:00 a.m. <i>Dr. Brian Herman, U. T. Health Science Center – San Antonio Dr. Robert Moser, U. T. Austin</i> |
| E. South Texas Initiative and What's on your mind? | 11:30 a.m. <i>Chancellor Cigarroa Executive Vice Chancellor Kelley Executive Vice Chancellor Prior Executive Vice Chancellor Shine</i> |
| F. ADJOURN RETREAT | 12:00 p.m. |

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on February 17-18, 2011, in Austin, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 12:10 p.m.

/s/ Carol A. Felkel
Secretary to the Board of Regents

January 27, 2011