

Meeting No. 1,099

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

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February 13-14, 2013

Austin, Texas

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 OF
 THE UNIVERSITY OF TEXAS SYSTEM
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(1)	approximately 38.2 acres bounded on the north by East University Boulevard and being out of the Veterans International Trade Center Phase IV; plus Lots 1-5, Block 1, Bella Vista Third Addition; plus approximately 6.73 acres known as the Veterans Trade Center at 2400-2500 Courage Road;	
(2)	approximately 370 acres bounded on the west by the U.S. 77/83 frontage road and on the north by Iowa	

- Gardens Road or, alternatively, between approximately 212 and 432 acres in various configurations, with the western boundary approximately one mile east of the intersection of Texas 100 and the U.S. 77/83 frontage road and the southern boundary along Texas 100;
- (3) approximately 240 acres bounded on the west by Old Alice Road and located at the easternmost terminus of Sports Park Boulevard;
 - (4) approximately 400 to 700 acres bounded on the west by the U.S. 77/83 frontage road and located at the easternmost terminus of Rancho Viejo Drive;
 - (5) approximately 321.687 acres out of a 568.836-acre tract bounded on the north by Farm to Market Road 1732 and located approximately one mile west of U.S. 77/83 and within Share 14 of the Espiritu Santo Grant;
 - (6) approximately 200 to 372 acres in Amigoland Subdivision, Section II, Units E, J, and I, and in University Plaza Subdivision, Phase I;
 - (7) approximately 11.43 acres consisting of Lots 1-5, 8-10, Block 4, and Lot 3, Block 3, University Park Subdivision, Section 1;
 - (8) approximately 292 acres consisting of multiple parcels located on Alton Gloor Boulevard/Dr. Hugh Emerson Road between Paredes Line Road and Cavazos Road;
 - (9) approximately 400 to 450 acres in various configurations out of a 1,350-acre tract located at the southeast corner of Texas 100 and the U.S. 77/83 frontage road;
 - (10) approximately 200 acres out of a 434.69-acre tract of land in Rincon Subdivision and bounded on the west by Old Alice Road;
 - (11) approximately 201.2 acres consisting of: 47.96 acres out of Banco 122 Lozano Banco 137 and bounded on the north by West University Boulevard; 84.70 acres out of Jeronimo Banco 131 and bounded on the north by East University Boulevard; 21.5 acres out of Espiritu Santo Grant Share 19 and bounded on the north by West University Boulevard; Lot 15, Block 1, Veterans International Trade Center Phase I; Reserve A, Veterans International Trade Center Phase IV; Lot 3, Block 4, Veterans International Trade Center Phase IV; and 7.188 acres located at the westernmost terminus of Ringgold Road and formerly known as 340 and 344 Porter Drive; and

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5a.	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	40
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MEETING NO. 1,099

WEDNESDAY, FEBRUARY 13, 2013.--The members of the Board of Regents of The University of Texas System convened on Wednesday, February 13, 2013, from approximately 9:30 a.m. - 5:00 p.m. in the Conference Room and in the Board Room, Ninth Floor, 201 West Seventh Street, Austin, Texas, for meetings of the standing committees with the following participation:

ATTENDANCE.--

Present

Chairman Powell
Vice Chairman Foster
Vice Chairman Hicks
Vice Chairman Dannenbaum
Regent Cranberg
Regent Gary
Regent Hall
Regent Pejovich
Regent Stillwell

Absent

Regent Purgason, Student Regent,
nonvoting

* * * * *

THURSDAY, FEBRUARY 14, 2013.--The members of the Board of Regents of The University of Texas System convened at 9:35 a.m. on Thursday, February 14, 2013, in the Board Room, Ninth Floor, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Powell
Vice Chairman Foster
Vice Chairman Hicks
Vice Chairman Dannenbaum
Regent Cranberg
Regent Gary
Regent Hall
Regent Pejovich
Regent Stillwell
Regent Purgason, Student Regent, nonvoting

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

Chairman Powell recognized Ms. Pam Smith, Associate to the General Counsel to the Board, who is retiring after over 30 years of service to The University of Texas System. She has worked in the Office of the Board of Regents for the past 14 years.

Chairman Powell introduced Ms. Elaine Moore, Associate to the General Counsel to the Board, who will replace Ms. Smith.

Chairman Powell recognized Dr. Diana Natalicio who is celebrating 25 years as President at The University of Texas at El Paso. Dr. Natalicio's term as President is the longest service for any U. T. President (February 11, 1988 to present).

He recognized Kenneth L. Kalkwarf, D.D.S., for serving with such effectiveness as Interim President of The University of Texas Health Science Center at San Antonio while President William L. Henrich was on leave from June 24, 2012 to February 17, 2013.

AGENDA ITEMS

1. U. T. System Board of Regents: Approval of the Consent Agenda

Chairman Powell noted that Regent Gary would abstain from vote on Items 17 and 38 concerning land purchases at The University of Texas at Dallas and The University of Texas Southwestern Medical Center, as he has a preexisting interest in real property at 5225 Maple near the purchase sites. Legal counsel advised that there is no actual conflict of interest.

Item 36, regarding a contract between U. T. Southwestern Medical Center and the Dallas Proton Treatment Center, was deferred.

Item 53, concerning a contract for Encore Health Resources, LLC to provide information technology resources for electronic medical records for The University of Texas M. D. Anderson Cancer Center, was revised. The payments for all services under the initial term of the agreement and any amendments will be limited to \$7.5 million unless approved for any additional amount by the Executive Vice Chancellor for Health Affairs and the Board of Regents. Total fees for all services under the initial term of the agreement are estimated to be \$48 million.

The Board then approved the Consent Agenda, which is set forth on Pages 41 - 77.

In approving the Consent Agenda, the Board expressly authorized that any contracts or other documents or instruments approved therein may be executed by the appropriate officials of the respective U. T. System institution involved.

2. U. T. System Board of Regents: Remarks from Texas Education Agency Commissioner Michael Williams on Agency goals

Chairman Powell introduced Commissioner of Education Michael L. Williams for remarks on the work and goals of the Texas Education Agency (TEA).

Commissioner Williams said the vision of the Agency is to

- a. focus on the learning opportunities of every student in every classroom in every school in every district across the state; and
- b. assure that each student masters a certain body of knowledge before he/she graduates to prepare them to further their studies, to work, or to serve their country in other ways.

He spoke about student success in K-12, increasing high school graduation rates, and of work that is yet to be done to prepare students for graduation. He spoke of an agreement he signed with Commissioner of Higher Education Paredes identifying a college readiness standard that addresses academic remediation.

Commissioner Williams noted that the recommended high school curriculum includes four years each of English language arts, mathematics, science, and social studies. He cautioned that a conversation is taking place, for instance regarding Senate bills, combining these requirements with the question of how many end of course exams a student should take and whether those exams count toward graduation. He requested that the higher education community be engaged in this conversation, and advised Members of the Board not to retreat from these requirements for a recommended graduation plan.

Vice Chairman Hicks asked about any Senate bills regarding the top 10% of the newly reclassified high school graduation requirements, and Commissioner Williams promised to report back on that matter.

Chancellor Cigarroa asked how the provision of online classes through The University of Texas System Institute for Transformational Learning will impact high school teachers. Mr. Williams replied that more professional development and training is needed, especially in math and science, to get teachers ready for the new challenges of the State of Texas Assessments of Academic Readiness (STAAR™) program. He agreed there is a way for the U. T. System to participate in teachers' Project Share to be trained for a new environment. He also mentioned ways to participate in the Texas Virtual School Network. Chancellor Cigarroa also spoke about the positive relationships between universities and high schools and community colleges as a best practice.

Vice Chairman Dannenbaum encouraged Commissioner Williams to look at the Reasoning Minds program, and Commissioner Williams noted the program is planned as part of the TEA delivery network.

Regent Pejovich acknowledged Commissioner Williams' wife, Chairman of the Texas State University System, for her public service.

In the interest of blending the work of K-12 and higher education, Chairman Powell invited Commissioner Williams to meet with the Board at least annually to discuss topics related to college readiness and student success and to discuss ways to use assets and skills and more innovative ways to work together to benefit students in the state. Commissioner Williams noted that he will also be meeting with Higher Education Commissioner Paredes and Workforce Commissioner Alcantar to discuss the intersection of their respective areas from pre-K through the work environment.

3. U. T. System: Report on development performance for the U. T. System institutions

Vice Chancellor Safady reported on development performance of University of Texas System institutions for Fiscal Year 2012 and made recommendations for advancing philanthropic support.

In reply to a question from Vice Chairman Dannenbaum regarding the influence of alumni on foundation donations, Dr. Safady said private family donations can be extracted to include individual giving and alumni giving can be disaggregated.

Regent Cranberg asked about possible underperformance in alumni giving and the relationships of foundations and ex-students' organizations. Dr. Safady explained The University of Texas at Austin Texas Exes has a robust fundraising effort for scholarships; these scholarships are directed to extraordinary students. She said many alumni associations are part of a coordinated effort but alumni foundations and associations have to be aligned with the university.

In response to a question from Chancellor Cigarroa regarding donations for capital projects, Dr. Safady said that unless there are two or three extraordinary gifts, it is difficult to raise donations for capital projects. She said it is critical to get donors engaged in programs that will be housed in a proposed building, and interested in students and their impact on society. She said donors are more inclined toward scholarships, research, and student and academic programs; they think a smaller gift will not make a dent in the construction of a building.

Regent Gary asked about the culture of giving, thinking it may be a learned behavior. Dr. Safady said public universities in Texas have been raising money for only about 20 years; it is a young program. There have been studies that indicate institutions are trying to graduate more students; but students are paying back loans, funds are tight, and they receive many requests. The strategy is an old model, but young alumni like cause-based giving.

Regent Purgason commented that communication is critical to affirm the difference students are making in giving. She suggested engaging students and alumni at the annual U. T. System Recognition Day in November, and Dr. Safady agreed that would be an opportunity to promote a culture of giving.

Regent Hall asked how more money can be obtained and about the lag between investment and yield. Dr. Safady responded that more frontline gift officers are needed and the focus needs to be on major gifts. She said annual giving programs result in more participants, but not necessarily more money. Regent Hall offered his support.

4. U. T. System Board of Regents: Repeal of Regents' *Rules and Regulations*, Rule 80501, regarding underground easements

The Board repealed the Regents' *Rules and Regulations*, Rule 80501, regarding underground easements. Vice Chairman Foster requested that authority granted under the Rule continue to be fully vetted and carefully implemented.

Regents' *Rules and Regulations*, Rule 80501 provides, in its entirety: "All utility easements shall be put underground unless it is absolutely necessary to have an overhead line. In such cases, the easement will contain a provision that the grantee will relocate the line underground." This Rule was adopted by the Board of Regents on December 7, 1973.

While utilities are typically placed underground on University of Texas System institution campuses, there may arise good reasons for not placing easements underground: cost may be prohibitive (a significant issue when it is a U. T. institution requesting the utility service), geography may not permit it (such as solid rock, mountainous terrain), or utility facilities (such as transformers) may not be of the type that can be placed underground. Each easement is handled on a case-by-case basis by the U. T. System Real Estate Office working with campus representatives and the utility provider. The Executive Director of Real Estate, pursuant to Regents' *Rules and Regulations*, Rule 70301, has delegated authority to sign easements.

Staff's conclusion is that the Rule is not necessary and that the Rule's allowance of overhead lines only if they are "absolutely necessary" is a standard that is not easily defined. Both aesthetics and ease of long-term maintenance will typically dictate placement of utilities underground, and campus and Real Estate Office personnel are in the best position to determine on a case-by-case basis when placement of utilities underground is not the most prudent course of action. There are currently more than 50 active easement files in the Real Estate Office; on average, between 35 and 50 new easement matters are opened each year.

5. U. T. System: Musical performance by a student

Mr. Ivan Hernandez, a student at The University of Texas at Brownsville, performed a short musical piece on the clarinet for the Board.

STANDING COMMITTEE REPORTS TO THE BOARD.--At 10:45 a.m., Chairman Powell announced the Board would hear the reports and recommendations of the Standing Committees, which are set forth on Pages 7 - 35.

REPORT OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE
(Page 7).--Committee Chairman Pejovich stated there were no items from the Audit, Compliance, and Management Review Committee to report in open session.

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

There were no items referred from the Consent Agenda.

2. U. T. System: Report on the first quarter Fiscal Year 2013 Systemwide annual audit plan status

This item was for consideration only by the Committee (see Committee Minutes).

3. U. T. System: Report on enhancements to U. T. Systemwide Research Compliance Program (Deferred)

This item was for consideration by the Committee but was deferred.

4. U. T. System: Report on the Fiscal Year 2012 Annual Financial Report, including the report on the U. T. System Annual Financial Report Audit, and audits of U. T. M. D. Anderson Cancer Center, U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, and U. T. Health Science Center - Tyler financial statements and for funds managed by The University of Texas Investment Management Company (UTIMCO)

This item was for consideration only by the Committee (see Committee Minutes for the Joint Meeting with the Finance and Planning Committee).

REPORT OF THE FINANCE AND PLANNING COMMITTEE (Pages 8 - 15).--Committee Chairman Foster reported that the Finance and Planning Committee met in open session to consider the matter on its agenda. The report set forth in the Minute Order that follows was reported by the Finance and Planning Committee and approved in open session by The University of Texas System Board of Regents.

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

There were no items referred from the Consent Agenda.

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

This item was for consideration only by the Committee (see Committee Minutes).

3. U. T. System: Report on the Analysis of Financial Condition for Fiscal Year 2012

This item was for consideration only by the Committee (see Committee Minutes).

4. U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended November 30, 2012

The November 30, 2012 UTIMCO Performance Summary Report is attached on Page 10.

The Investment Reports for the quarter ended November 30, 2012, are set forth on Pages 11 - 14.

Item I on Page 11 reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the quarter was 2.59% versus its composite benchmark return of 1.92%. The PUF's net asset value increased by \$217 million since the beginning of the quarter to \$13,687 million. The increase was due to \$202 million PUF Lands receipts, plus a net investment return of \$345 million, less distributions made to the Available University Fund (AUF) of \$330 million.

Item II on Page 12 reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the quarter was 2.65% versus its composite benchmark return of 1.92%. The GEF's net asset value increased by \$124 million during the quarter to \$7,229 million.

Item III on Page 13 reports activity for the Intermediate Term Fund (ITF). The ITF's net investment return for the quarter was 1.96% versus its composite benchmark return of 1.72%. The net asset value increased during the quarter to \$5,088 million due to net investment return of \$97 million, plus net contributions of \$136 million, less distributions of \$38 million.

All exposures were within their asset class and investment type ranges. Liquidity was within policy.

Item IV on Page 14 presents book and market values of cash, debt, equity, and other securities held in funds outside of the PUF, GEF, and ITF. Total cash and equivalents, consisting primarily of institutional operating funds held in the Dreyfus money market fund, decreased by \$265 million to \$1,950 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$22 million versus \$22 million at the beginning of the period; equities: \$54 million versus \$53 million at the beginning of the period; and other investments: \$3 million versus \$12 million at the beginning of the period.

UTIMCO Performance Summary

November 30, 2012

		Periods Ended November 30, 2012 (Returns for Periods Longer Than One Year are Annualized)																		
		Net Asset Value 11/30/2012 (in Millions)		Short Term			Year to Date		Historic Returns											
				1 Mo	3 Mos	Fiscal	Calendar	1 Yr	3 Yrs	5 Yrs	10 Yrs									
ENDOWMENT FUNDS																				
	Permanent University Fund	\$	13,687	0.99%	2.59%	2.59%	2.59%	9.96%	9.96%	8.75%	8.44%	2.13%	8.48%							
	General Endowment Fund			1.00	2.65	2.65	2.65	10.08	10.08	8.87	8.52	2.14	8.61							
	Permanent Health Fund		990	1.00	2.63	2.63	2.63	9.99	9.99	8.76	8.44	2.08	8.52							
	Long Term Fund		6,239	1.00	2.63	2.63	2.63	10.00	10.00	8.77	8.45	2.08	8.53							
	Separately Invested Funds		117	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A							
	Total Endowment Funds		21,033																	
OPERATING FUNDS																				
	Intermediate Term Fund		5,088	0.50	1.96	1.96	1.96	8.41	8.41	7.46	6.67	2.80	N/A							
	Debt Proceeds Fund		625	0.01	0.05	0.05	0.05	0.16	0.16	0.17	N/A	N/A	N/A							
	Short Term Fund		1,287	0.01	0.04	0.04	0.04	0.15	0.15	0.16	0.19	0.89	2.01							
	Total Operating Funds		7,000																	
	Total Investments	\$	28,033																	
VALUE ADDED (1) (Percent)																				
	Permanent University Fund			0.47%	0.67%	0.67%	0.67%	2.32%	2.32%	1.78%	1.77%	2.29%	2.36%							
	General Endowment Fund			0.48	0.73	0.73	0.73	2.44	2.44	1.90	1.85	2.30	2.49							
	Intermediate Term Fund			0.11	0.24	0.24	0.24	2.24	2.24	1.44	2.68	2.43	N/A							
	Debt Proceeds Fund			(0.01)	0.01	0.01	0.01	0.06	0.06	0.08	N/A	N/A	N/A							
	Short Term Fund			(0.01)	-	-	-	0.05	0.05	0.07	0.08	0.32	0.22							
VALUE ADDED (1) (\$ IN MILLIONS)																				
	Permanent University Fund	\$	64	\$	90	90	90	\$	287	\$	224	\$	1,431	\$	2,736					
	General Endowment Fund		35	\$	52	52	52	\$	164	\$	129	\$	806	\$	1,553					
	Intermediate Term Fund		6	\$	12	12	12	\$	104	\$	68	\$	544	\$	N/A					
	Total Value Added	\$	105	\$	154	154	154	\$	555	\$	421	\$	2,781	\$	4,289					

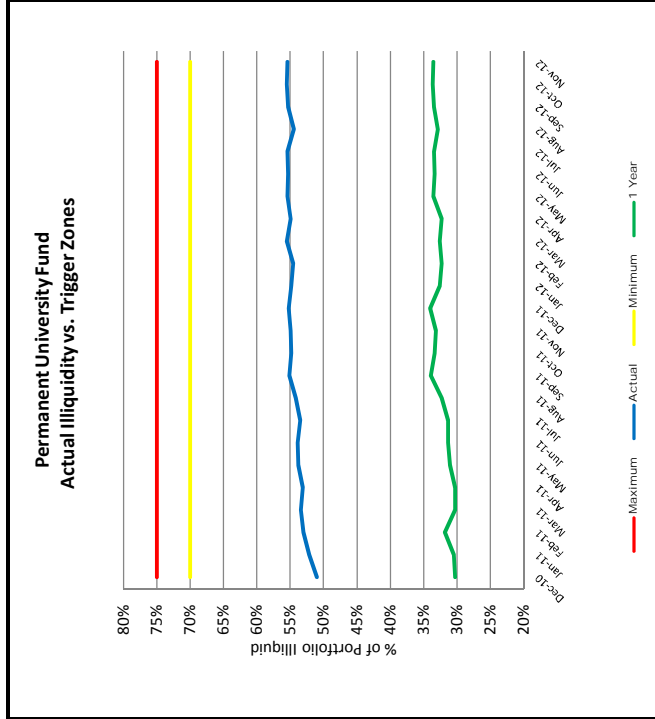
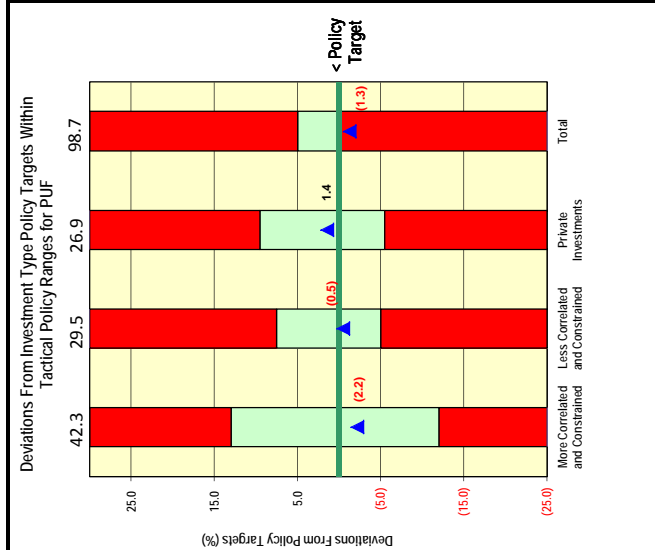
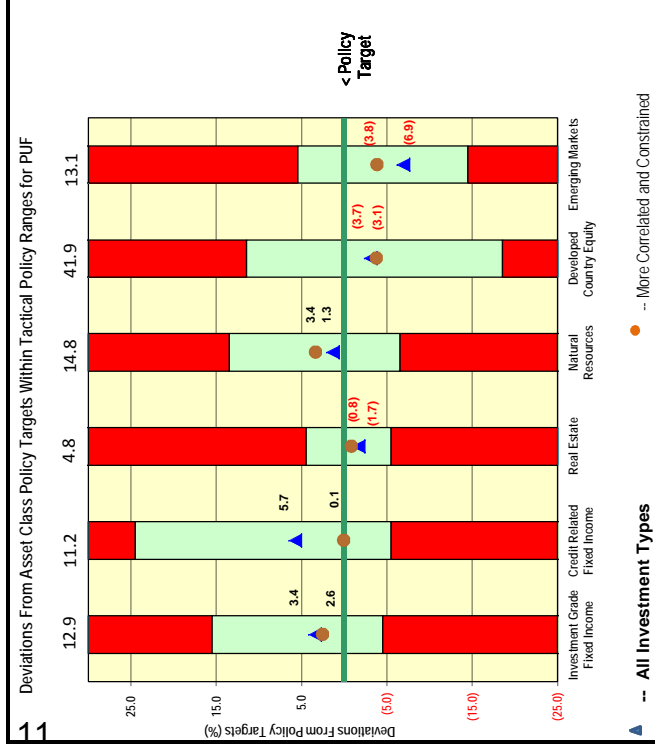
Footnotes available upon request

I. PERMANENT UNIVERSITY FUND Investment Reports for Periods Ended November 30, 2012

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
	Fiscal Year Ended August 31, 2012	Quarter Ended November 30, 2012	Fiscal Year to Date August 31, 2013
Beginning Net Assets (\$ millions)	\$ 12,688	\$ 13,470	\$ 13,470
PUF Lands Receipts	955	202	202
Investment Return (Net of Expenses)	403	345	345
Distributions to AUF	(576)	(330)	(330)
Ending Net Assets	\$ 13,470	\$ 13,687	\$ 13,687

	Fiscal Year to Date		
	Returns	Value Added	Total
	Portfolio	Policy Benchmark	From Asset Allocation
More Correlated and Constrained:			
Investment Grade	0.92%	1.07%	-0.04%
Credit-Related	5.36%	4.71%	0.00%
Real Estate	3.25%	3.36%	0.00%
Natural Resources	0.31%	-0.63%	-0.05%
Developed Country	5.20%	3.36%	-0.12%
Emerging Markets	4.79%	6.73%	-0.11%
Total More Correlated and Constrained	2.74%	3.22%	-0.32%
Less Correlated and Constrained	1.54%	1.10%	0.06%
Private Investments	3.53%	0.64%	0.22%
Total	2.59%	1.92%	-0.04%
			0.71%
			0.12%
			0.76%
			0.67%



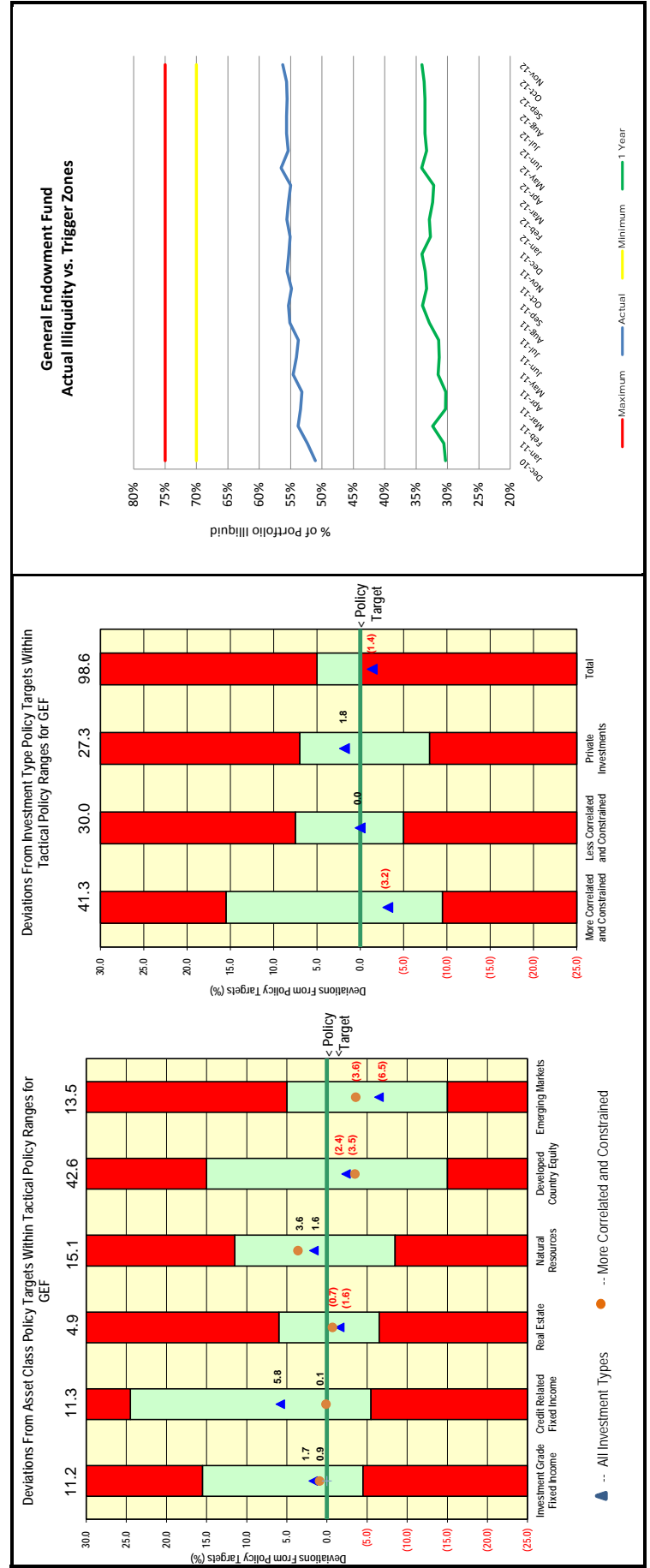
II. GENERAL ENDOWMENT FUND

Investment Reports for Periods Ended November 30, 2012

Prepared in accordance with Texas Education Code Sec. 51.0032

<u>Summary of Capital Flows</u>			
(\$ millions)	Fiscal Year to Date		Fiscal Year to Date
	August 31, 2012	Quarter Ended November 30, 2012	
Beginning Net Assets	\$ 7,049	\$ 7,105	\$ 7,105
Contributions	194	26	26
Withdrawals	(17)	(3)	(3)
Distributions	(344)	(89)	(89)
Investment Return (Net of Expenses)	223	190	190
Ending Net Assets	\$ 7,105	\$ 7,229	\$ 7,229

	Fiscal Year to Date			
	Returns		Value Added	
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection
More Correlated and Constrained:				
Investment Grade	1.21%	1.07%	-0.01%	0.01%
Credit-Related	5.36%	4.71%	0.00%	0.00%
Real Estate	3.25%	3.36%	0.00%	-0.01%
Natural Resources	0.32%	-0.63%	-0.05%	0.08%
Developed Country	5.19%	3.36%	-0.11%	0.28%
Emerging Markets	4.81%	6.73%	-0.11%	-0.23%
Total More Correlated and Constrained	2.87%	3.22%	-0.28%	0.13%
Less Correlated and Constrained	1.54%	1.10%	0.06%	0.06%
Private Investments	3.53%	0.64%	0.22%	0.54%
Total	2.65%	1.92%	0.00%	0.73%



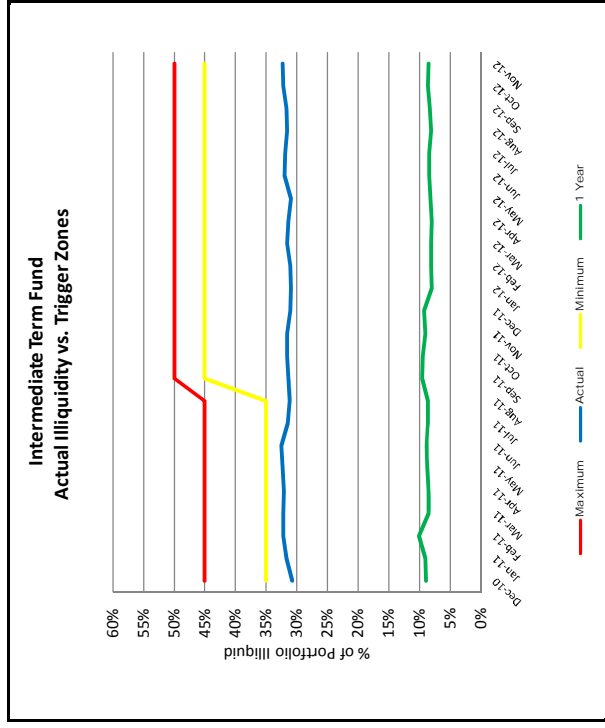
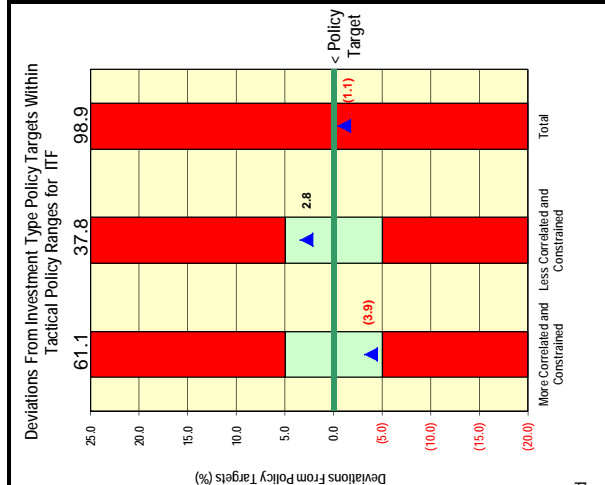
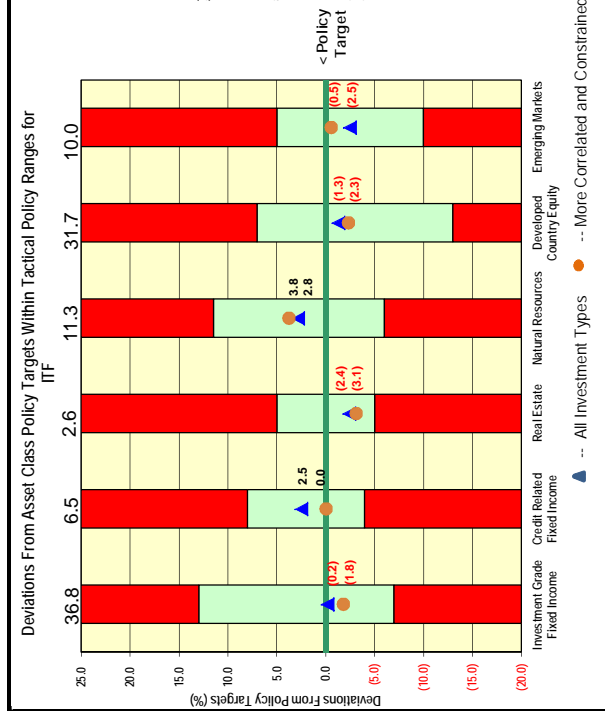
III. INTERMEDIATE TERM FUND

Investment Reports for Periods Ended November 30, 2012

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended	Quarter Ended	Fiscal Year to Date
	August 31, 2012	November 30, 2012	August 31, 2013
Beginning Net Assets	\$ 4,662	\$ 4,893	\$ 4,893
Contributions	420	170	170
Withdrawals	(183)	(34)	(34)
Distributions	(142)	(38)	(38)
Investment Return (Net of Expenses)	136	97	97
Ending Net Assets	\$ 4,893	\$ 5,088	\$ 5,088

	Fiscal Year to Date				
	Returns	Value Added			
Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total	
More Correlated and Constrained:					
Investment Grade	1.48%	1.07%	0.01%	0.14%	0.15%
Credit-Related	0.00%	0.00%	0.00%	0.00%	0.00%
Real Estate	3.32%	3.36%	-0.04%	0.00%	-0.04%
Natural Resources	0.33%	-0.63%	-0.06%	0.08%	0.02%
Developed Country	5.49%	3.36%	-0.09%	0.21%	0.12%
Emerging Markets	4.86%	6.73%	-0.01%	-0.14%	-0.15%
Total More Correlated and Constrained	2.21%	2.05%	-0.19%	0.29%	0.10%
Less Correlated and Constrained					
Private Investments	1.54%	1.10%	0.05%	0.09%	0.14%
Total	1.96%	1.72%	-0.14%	0.38%	0.24%



IV. SEPARATELY INVESTED ASSETS
Summary Investment Report at November 30, 2012
 Report prepared in accordance with *Texas Education Code Sec. 51.0032*

ASSET TYPES	(\$ thousands)																
	FUND TYPE																
	CURRENT PURPOSE DESIGNATED		RESTRICTED		ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		TOTAL EXCLUDING OPERATING FUNDS		OPERATING FUNDS (DEBT PROCEEDS AND (SHORT TERM FUND))		TOTAL		
BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET
Cash & Equivalents:																	
Beginning value 08/31/12	-	1,667	1,667	39,266	39,266	2,179	2,179	1,201	1,201	44,313	44,313	2,170,920	2,170,920	2,215,233	2,215,233	-	-
Increase/(Decrease)	-	378	378	(7,766)	(7,766)	659	659	857	857	(5,872)	(5,872)	(259,362)	(259,362)	(265,234)	(265,234)	-	-
Ending value 11/30/12	-	2,045	2,045	31,500	31,500	2,838	2,838	2,058	2,058	38,441	38,441	1,911,558	1,911,558	1,949,999	1,949,999	-	-
Debt Securities:																	
Beginning value 08/31/12	-	45	45	11,778	13,105	8,610	9,332	-	-	20,433	22,482	-	-	20,433	22,482	-	-
Increase/(Decrease)	-	-	-	(328)	(265)	100	180	-	-	(228)	(85)	-	-	(228)	(85)	-	-
Ending value 11/30/12	-	45	45	11,450	12,840	8,710	9,512	-	-	20,205	22,397	-	-	20,205	22,397	-	-
Equity Securities:																	
Beginning value 08/31/12	461	3,290	1,097	1,330	30,117	13,634	14,186	-	-	45,309	53,223	-	-	45,309	53,223	-	-
Increase/(Decrease)	-	(777)	312	115	1,032	934	378	-	-	1,344	650	-	-	1,344	650	-	-
Ending value 11/30/12	461	2,513	1,409	1,445	31,149	13,634	14,564	-	-	46,653	53,873	-	-	46,653	53,873	-	-
Other:																	
Beginning value 08/31/12	-	-	5,687	10	10	456	144	6,179	6,179	12,332	12,020	-	-	12,332	12,020	-	-
Increase/(Decrease)	-	-	(5,333)	(1)	(1)	12	-	(4,161)	(4,161)	(9,483)	(9,495)	-	-	(9,483)	(9,495)	-	-
Ending value 11/30/12	-	-	354	9	9	468	144	2,018	2,018	2,849	2,525	-	-	2,849	2,525	-	-
Total Assets:																	
Beginning value 08/31/12	461	3,290	8,496	8,729	81,171	86,798	24,879	25,841	7,380	7,380	122,387	132,038	2,170,920	2,293,307	2,302,958	-	-
Increase/(Decrease)	-	(777)	(4,643)	(4,840)	(7,063)	(7,098)	771	1,217	(3,304)	(3,304)	(14,239)	(14,802)	(259,362)	(273,601)	(274,164)	-	-
Ending value 11/30/12	461	2,513	3,853	3,889	74,108	79,700	25,650	27,058	4,076	4,076	108,148	117,236	1,911,558	2,019,706	2,028,794	-	-

Details of individual assets by account furnished upon request.

5. U. T. System: Report on Cost Efficiencies and Savings

This item was for consideration only by the Committee (see Committee Minutes).

6. U. T. System: Report on the Fiscal Year 2012 Annual Financial Report, including the report on the U. T. System Annual Financial Report Audit, and audits of U. T. M. D. Anderson Cancer Center, U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, and U. T. Health Science Center - Tyler financial statements and for funds managed by The University of Texas Investment Management Company (UTIMCO)

This item was for consideration only by the Committee (see Committee Minutes for the Joint Meeting with the Audit, Compliance, and Management Review Committee).

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 16 - 20).--Committee Chairman Hicks reported that the Academic Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Academic Affairs Committee and approved in open session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. Austin: Approval to endorse request to the U.S. Army to name the Army Reserve Officers' Training Corps (ROTC) Program as the Russell A. Steindam Army ROTC Program

The Board approved the request for The University of Texas at Austin to seek approval from the U.S. Army to name the Army Reserve Officers' Training Corps (ROTC) Program as the Russell A. Steindam Army ROTC Program.

The Army ROTC Program at U. T. Austin currently serves 135 cadets and has more than 1,900 alumni. The program will be housed in the new Liberal Arts Building on the site that formerly held Russell A. Steindam Hall. The original Steindam Hall was dedicated in 1972 to honor First Lieutenant Steindam's service and sacrifice in the Vietnam War. Lt. Steindam was killed when he threw himself on a grenade to save the lives of his fellow soldiers. He was posthumously awarded the Medal of Honor, the nation's highest award for valor.

Born on August 27, 1946, Lt. Steindam attended U. T. Austin where he majored in history and participated in the Army ROTC program. After graduation in 1968, he joined the Army and was deployed to Vietnam. He was killed in action on February 1, 1970, at the age of 23. The Medal of Honor was presented to his family on December 16, 1971, and read "for conspicuous gallantry and intrepidity in action at the risk of his life above and beyond the call of duty."

3. U. T. Austin: Honorific naming of a new pilot program as the William P. Clements, Jr. Center for History, Strategy, and Statecraft

The Board approved the honorific naming of a new pilot program at The University of Texas at Austin as the William P. Clements, Jr. Center for History, Strategy, and Statecraft to recognize the life and career of former Governor Clements and the support of the Clements Foundation.

The William P. Clements, Jr. Center for History, Strategy, and Statecraft will be designed to instill a better understanding of history among students, scholars, policymakers, and the general public as it relates to national security policy and statecraft. The Center's goal is to address a deficit in the historical understanding of national security policy in contemporary statecraft. The program will draw on the best insights of diplomatic, military, political, and international history for training the next generation of national security scholars and policymakers.

The Clements Foundation is partnering with U. T. Austin through a gift of \$2.5 million to fund and develop the four-year pilot program. The life and career of Governor Clements, particularly his Defense Department leadership during pivotal years in the nation's history, exemplify a judicious attention to history and its relationship to statecraft. Governor Clements died on May 29, 2011.

4. U. T. Austin: Honoring naming of the Applied Computational Engineering and Sciences (ACES) Building as the O'Donnell Building for Applied Computational Engineering and Sciences

The Board approved the honorific naming of the Applied Computational Engineering and Sciences (ACES) Building at The University of Texas at Austin as the O'Donnell Building for Applied Computational Engineering and Sciences in recognition of Mr. Peter O'Donnell, Jr., for his extraordinary history of support.

The ACES Building, constructed in 2000, is a state-of-the-art facility that supports interdisciplinary research and graduate study in computational science and engineering, mathematical modeling, applied mathematics, software engineering, and computer visualization. Incorporating cutting-edge, user-friendly technology with the capacity for continual upgrading, the building is located in the heart of U. T. Austin's engineering and natural sciences complex at 201 East 24th Street.

Designed to attract outstanding students, scientists, and engineers from around the world, the facility houses a 2,900-square-foot visualization lab, bandwidth intensive research space for 300 graduate students, electronic seminar and videoconferencing rooms, and fully equipped offices for visiting researchers.

Mr. Peter O'Donnell, Jr., is one of the most generous supporters the University has had in its 130-year history. He is the principal donor or representative on 159 endowments, with a combined current market value of more than \$407 million. The ACES Building was itself a gift to the University from Mr. O'Donnell in 2000.

5. U. T. Permian Basin: Amendment to the Regents' *Rules and Regulations*, Rule 40601, Sections 1.9(b) and (c), concerning name changes of the School of Business to the College of Business and Engineering, and the School of Education to the College of Education

The Board amended the Regents' *Rules and Regulations*, Rule 40601, Sections 1.9(b) and (c), concerning institutions comprising The University of Texas System, to read as set forth below:

Sec. 1 Official Titles. The U. T. System is composed of the institutions and entities set forth below. To ensure uniformity and consistence of usage throughout the U. T. System, the institutions and their respective entities shall be listed in the following order and the following titles (short form of title follows) shall be used:

...

1.9 The University of Texas of the Permian Basin (U. T. Permian Basin)

...

(b) The University of Texas of the Permian Basin College of Business and Engineering

(c) The University of Texas of the Permian Basin College of Education

....

The reorganization of the U. T. Permian Basin School of Business and School of Education was approved by the Executive Vice Chancellor for Academic Affairs and will be forwarded to the Texas Higher Education Coordinating Board for approval.

6. U. T. System: Approval to recommend four-year guaranteed tuition as an option for each academic campus

Upon recommendation of the Academic Affairs Committee, the Board approved that

- a. each University of Texas System institution be directed to establish a fixed tuition rate plan for undergraduate students for four years as an option for each academic campus effective Fall 2014; and
- b. the academic presidents work with the Chancellor and the Executive Vice Chancellor for Academic Affairs concerning the details for the implementation of this tuition program.

The implementation by universities and university systems nationwide of guaranteed tuition plans primarily targeting undergraduate students occurred primarily between 2004 and 2010. Guaranteed tuition plans allow students and families to better plan for the cost of a degree, rather than being subject to unknown annual increases in tuition.

Nationally, high profile guaranteed tuition programs have been established at the following public institutions: the University System of Georgia, the University of Illinois System, Arizona State University, the University of Kansas, and the University of Colorado Boulder. Universities often incorporate expected cost increases into the guaranteed tuition rate to cover inflation and operating costs in the context of revenue streams within a university's financial portfolio. Total academic costs must focus on student success and excellence across the mission of the university.

Within the U. T. System, The University of Texas at Dallas established a mandatory guaranteed tuition program for students entering in Fall 2008 or later, and The University of Texas at El Paso established an optional guaranteed tuition program for students entering in Fall 2006 or later. Although the institutions of each program differ significantly, the primary policy incentives for establishing guaranteed plans are substantially the same.

7. U. T. System: Report on U. T. System strategies to reduce undergraduate tuition by offsetting increases in FY 2014

This item was for consideration only by the Committee (see Committee Minutes).

8. U. T. Austin: Update on the medical school in Austin

This item was for consideration only by the Committee (see Committee Minutes).

9. U. T. Austin: Approval of expansion of preliminary planning authority for a Doctor of Medicine

The Board approved

- a. expansion of preliminary planning authority for The University of Texas at Austin to include a Doctor of Medicine; and
- b. submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

The Doctor of Medicine (M.D.) will be the first doctoral program in medicine to be initiated at a major, established research university in the United States for several decades. The program will prepare physicians to be skilled clinicians, biomedical scientists, professional leaders, and innovators in the ongoing transformation of the health care system in Texas and nationally.

In addition to building a faculty dedicated to medicine, the doctoral program will draw on the University's existing teaching and research strengths in natural sciences, engineering, and relevant fields in the social sciences and humanities. Students in the program will benefit from interdisciplinary training in fields such as cell and molecular biology, neuroscience, biomedical engineering, chemistry, public health, sociology, psychology, and health care policy. The program will also draw on the University's well-regarded programs in nursing, pharmacy, and social work to educate young physicians in interprofessional team settings that prepare them to function effectively in the health care system of the future.

Once preliminary planning authority is approved, U. T. Austin will submit the degree program proposal for approval by The University of Texas System Board of Regents and the Coordinating Board.

10. U. T. Austin: Progress on implementation of the Framework for Advancing Excellence throughout The University of Texas System and update on Commission of 125 Report

This item was for consideration only by the Committee (see Committee Minutes).

11. U. T. San Antonio: Progress on implementation of the Framework for Advancing Excellence throughout The University of Texas System (Deferred)

This item was for consideration by the Committee but was deferred.

12. U. T. System: Approval to reduce the percentage of students who require academic remediation

Upon recommendation of the Academic Affairs Committee, the Board approved that

- a. each University of Texas System academic institution be directed to reduce the percentage of students who require remediation with a goal of 10% or less; and
- b. each academic president work with the Chancellor and Executive Vice Chancellor for Academic Affairs to devise a plan to achieve this goal in a manner appropriate to the mission and service area of each institution.

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE
(Pages 21 - 24).--Committee Chairman Stillwell reported that the Health Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Health Affairs Committee and approved in open session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. System: Approval to amend The University of Texas System Professional Medical Liability Benefit Plan

The Board approved amendments to The University of Texas System Professional Medical Liability Benefit Plan as set forth on Page 22 to provide discretionary authority to the Plan Administrator (Committee Chair) to exceed the current \$25,000 limitation on legal fees and expenses for physician and dentist disciplinary matters, up to \$35,000 when warranted. The Plan Management Committee is chaired by the Vice Chancellor and General Counsel and is comprised of the Committee Chair, the Executive Vice Chancellor for Health Affairs, and the Executive Vice Chancellor for Business Affairs.

Authority for the establishment of a self-insurance program to indemnify U. T. System physicians was granted to the Board of Regents by Senate Bill 391, Acts of the 65th Legislature, effective March 10, 1977 (later codified as *Texas Education Code* Section 59.01 et seq.). The self-insured Plan for professional medical liability was originally approved by the Board of Regents on April 15, 1977. Since the Plan was first approved, it has been amended periodically as needed.

In Fall 2003, a Task Force of physicians and attorneys was appointed and met to discuss tort reform measures that had recently been adopted by the Legislature and the impact of these changes on U. T. System physicians and institutions. In anticipation of the effects of the new law, the Task Force overwhelmingly recommended expanding medical liability coverage to also provide legal representation before the Texas State Board of Medical Examiners (now the Texas Medical Board) and the Texas State Board of Dental Examiners.

On August 12, 2004, the Board of Regents adopted a Plan amendment to provide coverage for legal representation and expenses in disciplinary, licensing, or similar administrative proceedings up to \$25,000 per proceeding and \$100,000 per enrollment year, unless other Plan exclusions apply. Fines, penalties, or costs assessed as a result of the proceedings are explicitly excluded from coverage.

Since 2004, the Plan has provided coverage to approximately 427 U. T. System physicians and dentists for defense in disciplinary matters before their respective licensing board based on care rendered in the course and scope of their U. T. employment. The majority of these disciplinary matters resulted favorably for the physician or dentist. Despite efforts to restrain legal fees, cases have arisen recently where the \$25,000 per proceeding limitation has been inadequate to cover the informal disciplinary hearing before the licensing board due to the complexity of the case and the legal defense. The Plan amendment, set forth below, provides the Plan Administrator with discretionary authority to exceed the current \$25,000 coverage limitation up to \$35,000 when warranted.

THE UNIVERSITY OF TEXAS SYSTEM PROFESSIONAL
MEDICAL LIABILITY BENEFIT PLAN

ARTICLE V
COVERAGE OF PARTICIPANTS

Section 3 -- Supplementary Payments

The System will pay from the Fund, in addition to the applicable limit of liability:

...

D. Costs and expenses incurred in connection with the investigation and defense of a disciplinary and licensing action brought against the Participant; however, the Plan will not pay more than \$25,000 in costs and expenses on behalf of a Participant for any single proceeding, unless in the discretion of the Plan Administrator or a designee there is a determination of necessity to exceed such limitation on costs and expenses up to \$35,000. Furthermore, the Plan will not pay more than \$100,000 for costs and expenses on behalf of a Participant for all such proceedings during an annual enrollment period.

3. U. T. Health Science Center - San Antonio: Report on nursing workforce issues, shortages, needs, future education, and pathways

This item was for consideration only by the Committee (see Committee Minutes).

4. U. T. System: Approval of \$4 million in additional funding from the Available University Fund for the Transformation in Medical Education (TIME) initiative

The Board approved additional funding of \$4 million from the Available University Fund (AUF) for the Transformation in Medical Education (TIME) initiative.

Funding of \$4 million for the TIME initiative over three years was approved by the Board on August 12, 2010. The additional funding of \$4 million over three years will allow the initiative to proceed with full implementation of pilot programs at the general academic institutions and to continue development of the medical school phase of these programs.

Approximately \$1 million will be used for support of initiative-wide efforts, including development of competency assessments and consultation with national and international experts. The \$3 million will be awarded following a call for proposals from any partnership of The University of Texas System institutions that includes at least one general academic and at least one health institution. It is anticipated that all four of the currently funded partnerships will submit proposals. Submissions from new or modified partnerships will also be accepted. Explicit in the call for proposals will be the expectation that Regents' funding be augmented by local institutional funds.

Funds will be awarded based on demonstrated commitment to developing truly transformative approaches to predoctoral physician education, with emphasis on the following aspects:

- Incorporation of TIME priorities into program design, including
 - The four elements of the TIME model
 - A pre-health professions program
 - Competency-based education
 - Professional identity formation
 - Nontraditional topics (both medical and nonmedical)
 - Relevance to 21st century medical practice
 - Innovativeness
 - Reducing time to degrees
 - Reducing student debt

- Commitment of institutional resources (e.g., tuition revenue, formula funding, other) to supplement Board of Regents' funding

Proposals will be evaluated and funds will be awarded by a reconstituted 11-member Steering Committee that will include Executive Vice Chancellor Reyes and Steven A. Lieberman, M.D. (Co-Chairs), Dr. Kevin Lemoine (U. T. System Academic Affairs), Ms. Susan Franzen (U. T. System Leadership Institute), Dr. J. Scott Wright (Texas Medical and Dental Schools Application Service), three representatives of the academic institutions, and three representatives of the health institutions (the latter six are yet to be named).

External funding will also be pursued through a newly-announced American Medical Association initiative as well as through private foundations.

5. U. T. System: Discussion on graduate medical education - issues and opportunities

This item was for consideration only by the Committee (see Committee Minutes).

6. U. T. System: Discussion on the economic impact medical schools have in Texas

This item was for consideration only by the Committee (see Committee Minutes).

7. U. T. System: Update on academic developments for the South Texas Medical School

This item was for consideration only by the Committee (see Committee Minutes).

8. U. T. System: Quarterly report on health matters of interest to the U. T. System, including recognition of the group contracting activities of the U. T. System Supply Chain Alliance

This item was for consideration only by the Committee (see Committee Minutes).

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 25 - 33).--Committee Chairman Gary reported that the Facilities Planning and Construction Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Facilities Planning and Construction Committee and approved in open session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. System: Update on progress of Space Utilization Efficiency Report

This item was for consideration only by the Committee (see Committee Minutes).

3. U. T. Dallas: Brain Performance Institute - Amendment of the FY 2013-2018 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the Fiscal Year 2013-2018 Capital Improvement Program (CIP) to include the Brain Performance Institute project at The University of Texas at Dallas as follows:

Project No.:	302-766	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	May 2016	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Gifts	\$33,100,000
Investment Metrics:	<u>By 2017</u>	
	<ul style="list-style-type: none"> • Directly support the University's Strategic Plan Imperative of adding 5,000 full-time equivalent students creating a total student population of 21,000 • Attract outstanding tenure-track faculty to support the University's Strategic Plan Imperative of growing to a total of 610 tenure-track faculty • Attract research funding in support of the University's Strategic Plan Imperative of achieving over \$100 million per year in research expenditures 	

This project involves construction of the national headquarters building for the Brain Performance Institute adjacent to the U. T. Dallas Center for Brain Health (CBH). The plan is to build an innovative facility of approximately 67,500 gross square feet. The Brain Performance Institute was conceived by U. T. Dallas visionaries, leaders

at the University’s Center for Brain Health, cognitive neuroscience experts, research clinicians, and community advocates to address diminishing cognitive brainpower across the lifespan that affects every sector of society.

The Brain Performance Institute, an extension of the CBH, will be the transformational epicenter for cognitive brain performance where the patented, scientifically-proven technologies and methodologies developed by the scientists and clinicians at the CBH will be utilized to maximize and extend brain performance at all ages in health, brain injury, and brain disease. The CBH is the research home to more than 130 scientists, research clinicians, and graduate students. The location is an ideal site, adjacent to the U. T. Southwestern Medical Center campus where many Brain Health faculty members have joint appointments. Locating the Brain Performance Institute in close proximity to the CBH is mission critical to furthering the translation of the latest research findings at the CBH into immediate application.

This project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date.

4. U. T. Dallas: Callier Richardson Expansion - Amendment of the FY 2013-2018 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the Fiscal Year 2013-2018 Capital Improvement Program (CIP) to include the Callier Richardson Expansion project at The University of Texas at Dallas as follows:

Project No.:	302-764	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	December 2016	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds ¹	\$15,000,000
	Gifts	<u>\$ 5,000,000</u>
		\$20,000,000

Funding Note: ¹ Revenue Financing System debt will be repaid from Designated Tuition

- Investment Metrics: By 2017
- Directly support the University’s Strategic Plan Imperative of adding 5,000 full-time equivalent students, creating a total student population of 21,000
 - Attract outstanding tenure-track faculty to support the University’s Strategic Plan Imperative of growing to a total of 610 tenure-track faculty
 - Attract research funding in support of the University’s Strategic Plan Imperative of achieving over \$100 million per year in research expenditures

This project will consist of construction of approximately 63,200 gross square feet (GSF) of a new addition to the existing Callier Center for Communication Disorders facility and 14,100 GSF of renovation to the existing building to accommodate the rapid student growth in the School of Behavioral and Brain Sciences. This building addition will house state-of-the-art clinical facilities to train the next generation of practitioners and researchers in speech language pathology, audiology, and early childhood disorders such as autism, as well as provide offices, laboratories, and classrooms for new faculty to meet the growing enrollment in the school.

This project will significantly increase U. T. Dallas' capacity to develop new research initiatives in brain bases of speech and language disorders, and create new technologies for the treatment of hearing and speech problems. It will also expand the range and quality of student training, as well as provide important outreach services to the community. Total enrollment in the School of Behavioral and Brain Sciences increased from 1,345 in 2006 to 2,154 students currently, with projected student enrollment of 2,750 by 2017. The School currently consists of 42 tenured/tenure-track faculty, nine senior lecturers, 61 teaching/research assistants, and two staff members. To sustain progress in hiring nationally distinguished faculty members and to continue competing for the able and ambitious students, facilities designed for and dedicated to this kind of teaching and research are needed.

This project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date.

5. U. T. Dallas: Campus Landscape Enhancement Project Phase II - Amendment of the FY 2013-2018 Capital Improvement Program to include project; approval of total project cost; and appropriation of funds (Final Board approval)

The Board amended the Fiscal Year 2013-2018 Capital Improvement Program (CIP) to include the Campus Landscape Enhancement Project Phase II at The University of Texas at Dallas as follows:

Project No.:	302-765	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	May 2014	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Gifts	\$10,000,000
	Unexpended Plant Funds ¹	\$ 5,000,000
		\$15,000,000

Funding Note: ¹ Unexpended Plant Funds will be repaid from Gifts

- a. approve a total project cost of \$15,000,000 with funding of \$10,000,000 from Gifts and \$5,000,000 from Unexpended Plant Funds; and
- b. appropriate funds.

This project will consist of the phased build-out for additional landscape upgrades to enhance the area north of the original Mall project from the Plaza Core to the Administration Building, Rutherford Promenade, Loop Road landscape, and to enhance the North-South and East-West pedestrian corridors across the campus.

The donor of the gift wishes to improve the campus environment through extensive landscape improvements. These generous gifts continue the support of the original gift for construction of the new campus entry and Mall, a project that has had transformative impact on the public realm of the campus and significant impact on the campus environment for the benefit of the student population.

This repair and rehabilitation project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be presented to the Chancellor for approval at a later date.

Not all of the gift funding authorized for expenditure is fully collected or committed at this time; however, the Office of Finance has determined that the institution has sufficient Local Funds to cover any shortfall.

6. U. T. Permian Basin: Student Housing Phase VI - Amendment of the FY 2013-2018 Capital Improvement Program to include project; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

The Board amended the Fiscal Year 2013-2018 Capital Improvement Program (CIP) to include the Student Housing Phase VI project at The University of Texas of the Permian Basin as follows:

Project No.:	501-762	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	June 2014	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds ¹	\$19,125,000

Funding Note: ¹ Revenue Financing System debt will be repaid from rental income

Investment Metrics:

By 2014

- This student housing will allow for the admission of at least 150 students from outside the Odessa/Midland area who would not otherwise be able to attend U. T. Permian Basin due to the housing shortage
- Occupancy of units will increase the number of on-campus students by approximately 25% with related increases in tuition and fees, meal plan purchases, and bookstore sales
- Addition of units will allow more highly qualified students to register under the \$10,000 degree program in science, technology, engineering and mathematics (STEM) majors (Texas Science Scholar Program)

- a. approval of design development plans;
- b. appropriate funds and authorize expenditure of \$19,125,000 from Revenue Financing System Bond Proceeds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. Permian Basin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$19,125,000.

Debt Service

The \$19,125,000 in aggregate Revenue Financing System debt will be repaid from housing revenues. Annual debt service on the \$19,125,000 Revenue Financing System debt is expected to be \$1,140,000. The institution's debt service coverage is expected to be at least 1.5 times and average 1.7 times over FY 2013-2018.

Project Description

This project will contain approximately 85,452 gross square feet (GSF) and house a total of 198 students in six apartment buildings. Each apartment building will house 32 students plus one Resident Advisor and contain a total of 14,242 GSF. The

buildings are consistent with the existing Student Housing Phase II and Phase V apartments. This project will include additional parking spaces for approximately 50 vehicles.

The apartment buildings will be two-story, wood frame, slab on-grade structures with brick and stone exteriors. The buildings will be arranged in four-bedroom units with two bathrooms and one living/dining/kitchen area per unit. Each apartment building will also have an elevator to comply with current Texas Accessibility Standards.

Current student housing is operating near 100% occupancy with a waiting list of 40-60 students. U. T. Permian Basin currently provides 620 beds. The total number of beds will increase to 719 upon completion of Phase V, which is scheduled for July 2013. The total number of beds will increase to 917 with the completion of the Student Housing Phase VI project.

This project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP.

7. U. T. Medical Branch - Galveston: John Sealy Hospital Facade Replacement - Amendment of the FY 2013-2018 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)

Committee Chairman Gary reported that this project was revised from Design/Build to Competitive Sealed Proposals with a revised substantial completion date of May 2017 and to correct the status of the Gift funding. The institution anticipates that the Gift funding will be fully collected or committed prior to design development approval and the institution possesses sufficient Local Funds to cover any shortfall.

The Board then amended the Fiscal Year 2013-2018 Capital Improvement Program (CIP) to include the John Sealy Hospital Facade Replacement project at The University of Texas Medical Branch at Galveston (UTMB) as follows:

Project No.:	601-767				
Institutionally Managed:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>				
Project Delivery Method:	Competitive Sealed Proposals				
Substantial Completion Date:	May 2017				
Total Project Cost:	<table><tr><td><u>Source</u></td><td><u>Current</u></td></tr><tr><td>Gifts</td><td>\$ 25,000,000</td></tr></table>	<u>Source</u>	<u>Current</u>	Gifts	\$ 25,000,000
<u>Source</u>	<u>Current</u>				
Gifts	\$ 25,000,000				

- a. approve a total project cost of \$25,000,000 with funding from Gifts;
- b. appropriate funds; and
- c. authorize UTMB to manage the project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

Upon discovery of visible issues with the masonry envelope of the John Sealy Hospital building, a structural engineering firm made recommendations for temporary stabilization measures, which have been completed. This project will provide a permanent solution with a complete facade replacement for the problematic brick veneer. The problems were caused by the deterioration of the hardware and steel shelf angles that hold the brick in place.

The recladding will consist of removal of the existing brick facade, repairs to the substrate, a new waterproofing system, and recladding with new brick veneer and potentially other facade materials that will visually connect the John Sealy Hospital to the adjacent structures such as the new Clinical Services Wing and the Jennie Sealy Hospital.

This repair and rehabilitation project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be presented to the President for approval at a later date. It has been determined that this project would best be managed by UTMB Facility Management personnel who have the experience and capability to manage all aspects of the work, especially as it requires extensive coordination with the building occupants.

8. U. T. El Paso: Campus Transformation Project - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

The Board approved the recommendations for the Campus Transformation Project at The University of Texas at El Paso as follows:

Project No.:	201-751	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	June 2014	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds ¹	\$25,000,000
Funding Note:	¹ Revenue Financing System debt will be repaid from Gifts and, if necessary, Designated Tuition	
Investment Metrics:	<u>By 2014</u>	
	<ul style="list-style-type: none"> • Elimination of routine vehicular traffic through the campus • Elimination of 167 parking spaces from the center of campus • Completion of the Centennial Plaza, creating a central gathering space for the student community 	

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$25,000,000 with funding from Revenue Financing System Bond Proceeds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. El Paso, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$25,000,000.

Debt Service

The \$25,000,000 in aggregate Revenue Financing System debt will be repaid from Gifts. Annual debt service on the \$25,000,000 Revenue Financing System debt is expected to be \$2,200,000. The institution's debt service coverage is expected to be at least 1.7 times and average 1.9 times over FY 2013-2018.

Previous Board Action

On August 23, 2012, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$25,000,000 with funding from Revenue Financing System Bond Proceeds.

Project Description

The Campus Transformation Project will complete the campus outdoor space reconfiguration that began more than 10 years ago to improve access and space utilization and to enhance the quality of campus life. This project is the culmination of a master planning and implementation process that has successfully leveraged the investments of a variety of strategic partners, including the City of El Paso and the Texas Department of Transportation.

The primary organizational framework of current outdoor spaces, especially parking and streets, no longer meets even minimal campus needs. Restricting vehicles to roadways along the campus perimeter and providing safe, convenient, and attractive walkways for pedestrians all across the campus have become increasingly urgent priorities.

At the heart of this plan is the creation of a continuous pedestrian environment that uses walkways, bike paths, and green spaces to knit together campus buildings, improve circulation to and from classes, increase pedestrian safety, and create more inviting gathering spaces on an inner campus that has previously been dominated by vehicles. In addition to improving safety, this more appealing campus environment, and the sense of community it builds, will help to foster student success.

The project is expected to ultimately be funded from Gifts, with Revenue Financing System debt issued initially to provide interim financing pending gift collections. Revenue Financing System debt will be issued to the extent that U. T. El Paso has received an equal amount of gifts or pledges. As gifts are collected, they will be used to retire interim financing. Designated Tuition will be used to supplement gift receipts, if necessary, to fund interest expense on the interim financing.

REPORT OF THE TECHNOLOGY TRANSFER AND RESEARCH COMMITTEE

(Pages 34 - 35).--Committee Chairman Dannenbaum reported that the Technology Transfer and Research Committee met in open session to consider the matter on its agenda and to formulate a recommendation for The University of Texas System Board of Regents. Unless otherwise indicated, the action set forth in the Minute Order that follows was recommended by the Technology Transfer and Research Committee and approved in open session by the U. T. System Board of Regents.

1. U. T. System: Report on a backtesting model for the U. T. Horizon Fund

This item was for consideration only by the Committee (see Committee Minutes).

2. U. T. System: Allocation of \$12.5 million of Available University Funds for the U. T. Horizon Fund

The Board authorized \$12.5 million of Available University Funds (AUF) as the first allocation under a four-year plan to continue and enhance the goals of the U. T. Horizon Fund. Each additional \$12.5 million allocation will be subject to annual approval and authorization by the Board upon receipt of a satisfactory report of activities undertaken as a result of the previous year's allocation. The funds will be utilized as follows:

- a. \$10 million for U. T. Horizon Fund investments; and
- b. \$2.5 million for associated services to be provided centrally by the Office of Technology Commercialization under the oversight of the Office of General Counsel and the Office of Business Affairs.

Subject to approval of the Board's standing committee on Technology Transfer and Research and the Chancellor, the Office of Technology Commercialization shall be authorized to exceed the \$10 million Horizon Fund allocation by up to \$2 million each fiscal year should deal flow exceed expectations during that fiscal year.

The U. T. Horizon Fund was approved by the Board of Regents on August 25, 2011, and serves as a strategic investment fund for the University of Texas System. The Fund's goals are to improve commercialization of U. T. System institution technologies, and improve sustainability through a positive return on investment. Phase I of the Fund was capitalized with \$10 million of AUF. As of January 2013, \$9.8 million of funds have been deployed, are in process, or are being held as reserve funding for follow-on investments, representing 98% of the total funding allocated from the August 2011 approval.

The Fund's Existing Ventures funding program co-invests with syndicate investors to continue equity participation all the way through to commercialization. By reducing equity dilution, a contributor to eroding U. T. System's equity value, U. T. System can increase its return on investment both in terms of delivering real products and services beneficial to society, as well as providing financial return. Following a six-month ramp-up period designed to establish interinstitutional procedures, \$3.9 million has been invested through the Fund's Existing Ventures funding program from August 2012 through January 2013, with another \$0.5 million in process for a total of \$4.4 million deployed along with another \$4.4 million reserved for follow-on investments, totaling \$8.8 million.

The Fund's New Ventures funding program focuses on addressing the biggest bottleneck at the earliest stages of commercialization -- access to entrepreneurial talent. Seasoned entrepreneurs are necessary to help develop deep and nuanced business planning with U. T. System institutions' startups and to network with industry partners critical for growth and development, regulatory approval, and other activities. To date, \$0.5 million is in process to be invested through the New Ventures funding program with another \$0.5 million in reserves, totaling \$1.0 million.

3. U. T. System: Report on pending federal sequestration and funding following fiscal-cliff deal

This item was for consideration only by the Committee (see Committee Minutes).

4. U. T. System: Report on federal funding for research

This item was for consideration only by the Committee (see Committee Minutes).

5. U. T. Austin: Report on M87, Inc., a U. T. Austin start-up to improve wireless communications technology

This item was for consideration only by the Committee (see Committee Minutes).

APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS.--At 10:50 a.m., the Board voted and approved the Standing Committee recommendations.

RECESS TO EXECUTIVE SESSION.--At 10:51 a.m., Chairman Powell announced the Board would recess to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073, 551.074, and 551.076 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--At 4:40 p.m., the Board reconvened in open session for the following actions taken on matters discussed in Executive Session.

- 1a. U. T. Brownsville: Report on evaluation of proposed sites submitted in response to the request for proposals for the acquisition of property to be used as the site for the new campus of U. T. Brownsville, which sites are located in the city limits or extraterritorial jurisdiction of the City of Brownsville in Cameron County, Texas, and are listed in the order that the responses were received:
 - (1) approximately 38.2 acres bounded on the north by East University Boulevard and being out of the Veterans International Trade Center Phase IV; plus Lots 1-5, Block 1, Bella Vista Third Addition; plus approximately 6.73 acres known as the Veterans Trade Center at 2400-2500 Courage Road;
 - (2) approximately 370 acres bounded on the west by the U.S. 77/83 frontage road and on the north by Iowa Gardens Road or, alternatively, between approximately 212 and 432 acres in various configurations, with the western boundary approximately one mile east of the intersection of Texas 100 and the U.S. 77/83 frontage road and the southern boundary along Texas 100;
 - (3) approximately 240 acres bounded on the west by Old Alice Road and located at the easternmost terminus of Sports Park Boulevard;
 - (4) approximately 400 to 700 acres bounded on the west by the U.S. 77/83 frontage road and located at the easternmost terminus of Rancho Viejo Drive;
 - (5) approximately 321.687 acres out of a 568.836-acre tract bounded on the north by Farm to Market Road 1732 and located approximately one mile west of U.S. 77/83 and within Share 14 of the Espiritu Santo Grant;
 - (6) approximately 200 to 372 acres in Amigoland Subdivision, Section II, Units E, J, and I, and in University Plaza Subdivision, Phase I;
 - (7) approximately 11.43 acres consisting of Lots 1-5, 8-10, Block 4, and Lot 3, Block 3, University Park Subdivision, Section 1;
 - (8) approximately 292 acres consisting of multiple parcels located on Alton Gloor Boulevard/Dr. Hugh Emerson Road between Paredes Line Road and Cavazos Road;
 - (9) approximately 400 to 450 acres in various configurations out of a 1,350-acre tract located at the southeast corner of Texas 100 and the U.S. 77/83 frontage road;
 - (10) approximately 200 acres out of a 434.69-acre tract of land in Rincon Subdivision and bounded on the west by Old Alice Road;
 - (11) approximately 201.2 acres consisting of: 47.96 acres out of Banco 122 Lozano Banco 137 and bounded on the north by West University Boulevard;

84.70 acres out of Jeronimo Banco 131 and bounded on the north by East University Boulevard; 21.5 acres out of Espiritu Santo Grant Share 19 and bounded on the north by West University Boulevard; Lot 15, Block 1, Veterans International Trade Center Phase I; Reserve A, Veterans International Trade Center Phase IV; Lot 3, Block 4, Veterans International Trade Center Phase IV; and 7.188 acres located at the westernmost terminus of Ringgold Road and formerly known as 340 and 344 Porter Drive; and
(12) 533 E. 13th Street and 1350 E. Washington Street, Brownsville, Texas

No action was taken on this item.

- 1b. U. T. Dallas: Authorization to acquire the tenant's leasehold interest, including the ground tenant's interest in all improvements, under four ground leases in and to approximately 32.88 acres and all improvements located at 2200, 2400, and 2600 Waterview Parkway, Richardson, Dallas and Collin Counties, Texas, from Waterview Park Apartments, LLC, a Texas limited liability company, for a purchase price in accordance with parameters discussed in Executive Session for use as student housing, and resolution regarding parity debt

Regent Gary moved that Board take the following actions on behalf of The University of Texas at Dallas:

- a. authorize the acquisition of the tenant's leasehold interest, including the ground tenant's interest in all improvements, under four ground leases in and to approximately 32.88 acres and all improvements located at 2200, 2400, and 2600 Waterview Parkway, Richardson, Dallas and Collin Counties, Texas, from Waterview Park Apartments, LLC, a Texas limited liability company, at a purchase price in accordance with the parameters discussed in Executive Session, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition as deemed necessary or advisable by the Executive Director of Real Estate, for use as student housing;
- b. authorize 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 recommendation in accordance with the parameters discussed in Executive Session; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System the findings that are stated in Attachment A to this motion, which has been provided to each member of the Board and which shall be included in the Minutes of this meeting.

The motion was seconded by Vice Chairman Dannenbaum and carried unanimously.

ATTACHMENT A TO MOTION FROM EXECUTIVE SESSION
February 14, 2013

- Parity debt shall be issued to fund all or a portion of the purchase price, including any costs prior to the issuance of such parity debt;
- Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the RFS Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System;
- U. T. Dallas, which is a “Member” as such term is used in the RFS Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of parity debt in an aggregate amount equal to the purchase price set in accordance with the parameters discussed in Executive Session; and
- This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board’s intention to reimburse project expenditures with bond proceeds.

- 2a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

- 2b. U. T. Brownsville: Discussion and appropriate action regarding legal issues related to possible sites for the new campus of U. T. Brownsville

(See related Item 1a.)

- 2c. U. T. Medical Branch - Galveston: Discussion of legal issues related to application of overtime provisions of the federal Fair Labor Standards Act

No action was taken on this item. (See related Item 5c.)

- 3a. U. T. Austin: Approval of proposed negotiated gifts with potential naming features

Vice Chairman Foster moved that Presidents of The University of Texas at Austin, The University of Texas at San Antonio, The University of Texas Medical Branch at Galveston, and The University of Texas M. D. Anderson Cancer Center and the Vice Chancellor for External Relations be authorized to conclude negotiations necessary to finalize and accept gifts to benefit those institutions with potential naming features consistent with the terms outlined in Executive Session.

The motion was seconded by Regent Stillwell and carried unanimously.

- 3b. U. T. San Antonio: Approval of proposed negotiated gifts with potential naming features

See Item 3a regarding approval of this item.

- 3c. U. T. Medical Branch - Galveston: Approval of proposed negotiated gifts with potential naming features

See Item 3a regarding approval of this item.

- 3d. U. T. M. D. Anderson Cancer Center: Approval of proposed negotiated gifts with potential naming features

See Item 3a regarding approval of this item.

4. U. T. System Board of Regents: Discussion and appropriate action regarding safety and security issues, including security audits and the deployment of security personnel and devices

No action was taken on this item.

- 5a. 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.

- 5b. U. T. Arlington: Approval to name Dr. Vistasp M. Karbhari as sole finalist for the position of President

Regent Cranberg moved that Dr. Vistasp M. Karbhari, Provost and Executive Vice President for Academic Affairs at the University of Alabama in Huntsville, be named sole finalist for the position of President of The University of Texas at Arlington.

Regent Hall seconded the motion, which carried unanimously.

- 5c. U. T. Medical Branch - Galveston: Discussion of individual personnel issues related to compensation concerning application of overtime provisions of federal Fair Labor Standards Act

No action was taken on this item. (See related Item 2c.)

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on May 8 - 9, 2013, in Austin, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 4:49 p.m.

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

May 3, 2013

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Austin, Texas

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THE UNIVERSITY OF TEXAS SYSTEM BOARD OF REGENTS

CONSENT AGENDA

Board Meeting: 2/13-14/2013
Austin, Texas

U. T. SYSTEM ADMINISTRATION

1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meetings held on November 14-15, 2012, and December 6, 2012, and the special called meetings held on December 18, 2012, January 23, 2013, and February 3, 2013

2. Contract (funds going out) - U. T. System: Opportune LLP to perform study of current University Lands' business process

Agency: Opportune LLP

Funds: Anticipated total cost will be \$3,352,000 over the life of the contract

Source of Funds: University Lands Special Fee Fund

Period: Commencing January 3, 2013, and continuing for a period of approximately 12 to 14 months

Description: Opportune LLP to perform a comprehensive study of the current University Lands' business processes to recommend accounting software, perform custom programming services, data conversion services, documentation and training services, and other integration functions as they pertain to a comprehensive oil and gas royalty reporting and accounting system. Services were competitively procured.

3. Contract (funds going out) - U. T. System: Surveying and Mapping, Inc. to perform professional surveying services

Agency: Surveying and Mapping, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis

Source of Funds: Various funds approved for individual Capital Improvement Program projects

Period: December 3, 2011 through December 2, 2017 (contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Surveying and Mapping, Inc. to perform miscellaneous professional surveying services on a job order basis. Services were competitively procured.

4. Contract (funds going out) - U. T. System: Rolf Jensen & Associates, Inc. to perform code compliance review services

Agency: Rolf Jensen & Associates, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis.

Source of Funds: Various funds approved for individual Capital Improvement Program projects

Period: September 1, 2011 through August 31, 2017 (contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Rolf Jensen & Associates, Inc. to perform code compliance review services on a job order basis. Services were competitively procured.

5. Contract (funds going out) - U. T. System: Velos, Inc. to license eResearch clinical trials management system (CTMS) software

Agency: Velos, Inc.

Funds: Total cost of ownership (license fees, implementation fees, and ongoing support costs) for eResearch clinical trials management system (CTMS) is \$3,967,500 for seven years. Other software modules may be licensed by U. T. System for \$1,050,000 for five years. Additionally, other professional services (project managers, project implementation specialists, computer programmers, on-site training, etc.) may be purchased by U. T. System on an as-needed basis.

Source of Funds: Permanent University Funds and Institutional Funds

Period: January 2013 through December 2020

Description: This U. T. Shared Services Project involves implementing a common clinical trials management system software solution at U. T. Medical Branch - Galveston, U. T. Health Science Center - Houston, U. T. Health Science Center - San Antonio, and U. T. Health Science Center - Tyler, and improving CTMS business processes at these institutions. The CTMS software is owned and hosted by Velos, Inc. and licensed to the institutions. The software facilitates coverage analyses and budgets, registers all clinical trials and enrolled patients, tracks all patient scheduled events, strengthens financial management controls, and publishes operational reports.

6. Real Estate Report - U. T. System: Summary Report of Separately Invested Assets managed by U. T. System

**THE UNIVERSITY OF TEXAS SYSTEM
SEPARATELY INVESTED ASSETS
Managed by U. T. System
Summary Report at November 30, 2012**

FUND TYPE

	Current Purpose Restricted		Endowment and Similar Funds		Annuity and Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
Land and Buildings:								
Ending Value 8/31/2012	\$ 1,723,658	\$ 19,944,708	\$ 100,616,206	\$ 263,119,675	\$ 1,601,467	\$ 3,161,384	\$ 103,941,331	\$ 286,225,767
Increase or Decrease	-	(12,280)	(3,470,000)	(2,038,533)	-	-	(3,470,000)	(2,050,813)
Ending Value 11/30/2012	\$ 1,723,658	\$ 19,932,428	\$ 97,146,206	\$ 261,081,142	\$ 1,601,467	\$ 3,161,384	\$ 100,471,331	\$ 284,174,954
Other Real Estate:								
Ending Value 8/31/2012	\$ 40,068	\$ 40,068	\$ 19,627	\$ 19,627	\$ -	\$ -	\$ 59,695	\$ 59,695
Increase or Decrease	(2,221)	(2,221)	-	-	-	-	(2,221)	(2,221)
Ending Value 11/30/2012	\$ 37,848	\$ 37,848	\$ 19,627	\$ 19,627	\$ -	\$ -	\$ 57,475	\$ 57,475

Report prepared in accordance with Section 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. 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.

ACADEMIC INSTITUTIONS

7. Contract (funds coming in) - U. T. Arlington: Safety training contract with the Texas Department of Transportation (TxDOT) to train TxDOT employees

Agency: Texas Department of Transportation (TxDOT), an agency of the State of Texas

Funds: \$3,128,372

Period: March 1, 2013 through August 31, 2015

Description: U. T. Arlington Division for Enterprise Development's Center for Transportation Training and Services will deliver instructor-led training to TxDOT employees. Training will take place at various TxDOT District offices statewide.

8. Tenure Appointments - U. T. Arlington: Amendments to the 2012-13 budget

The following Requests for Budget Changes have been administratively approved by the 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 NURSING					
Nursing					
Professor					
Associate Dean					
Michael E. Young (T)	10/8-8/31	100	12	154,000	4928
	10/8-5/31	0	09	115,500	
COLLEGE OF SCIENCE					
Earth and Environmental Sciences					
Professor					
Chair					
Asish Basu (T)	1/1-8/31	100	12	170,000	4929
	1/1-5/31	0	09	160,000	
	1/1-8/31	SUPL	12	10,000	

<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					
Office of the Dean					
Dean					
Professor					
Rachel Croson (T)	1/14-8/31	100	12	325,000	4967
	1/14-5/31	0	09	243,750	
	1/14-8/31	SUPL	01	50,000	

9. Request for Budget Change - U. T. Arlington: Transfer \$550,000 from Vice President Business Affairs Budget Shortfall account to Vice President Communications account to provide funding for university communications operations including funding for advertising, events, promotions, and strategic positioning (RBC No. 4876) -- amendment to the 2012-13 budget

10. Contract (funds coming in and funds going out) - U. T. Austin: University of Notre Dame and U. T. Austin to play a series of four football games

Agency: University of Notre Dame

Funds: \$2,000,000

Source of Funds: Auxiliary Enterprises Fund for games hosted by U. T. Austin

Period: November 25, 2012 through September 12, 2020

Description: The U. T. Austin and University of Notre Dame football teams will compete in a series of four football games, with the host institution paying the visiting institution \$500,000 per game. The University of Notre Dame will pay U. T. Austin a total of \$1,000,000 for two games to be played at Notre Dame Stadium in Notre Dame, Indiana, on September 5, 2015 and September 12, 2020. U. T. Austin will pay Notre Dame a total of \$1,000,000 for two games to be played at Darrell K Royal-Texas Memorial Stadium on September 3, 2016 and August 31, 2019.

11. Contract (funds going out) - U. T. Austin: SSC Service Solutions Corporation to provide custodial services to buildings at the J. J. Pickle Research Campus and Dell Pediatric Research Institute

Agency: SSC Service Solutions Corporation

Funds: Estimated \$2,500,000 including all renewals

Source of Funds: Education and General Funds

Period: February 1, 2013 through August 31, 2013 with option to renew for three additional one-year periods through August 31, 2016

Description: SSC Service Solutions Corporation to provide custodial services to U. T. Austin at various buildings located at the J. J. Pickle Research Campus and the Dell Pediatric Research Institute

12. Contract (funds going out) - U. T. Austin: Sasaki Associates, Inc. to provide professional master planning services to create a Medical District Master Plan

Agency: Sasaki Associates, Inc.

Funds: \$966,000 added to original Campus Master Plan master agreement

Source of Funds: Project Management and Construction Services - Campus Master Plan

Period: December 1, 2012 through September 30, 2013. The term of the original master agreement was October 1, 2010 through December 31, 2012.

Description: Under the original master agreement, Sasaki Associates, Inc. agreed to create a new Campus Master Plan that is now in the final review stage. This amendment expands the scope of the original master agreement to include the creation of a new Medical District Master Plan. The plan will focus on achieving envisioned academic goals for the new medical school, the interrelationships with existing academic programs, and facilities to be built by other entities. The master plan will address mobility planning, sustainability planning, interfacing with the utilities plan, and establishing design guidelines for the buildings and open space. The services were competitively procured.

13. Tenure Appointments - U. T. Austin: Amendment to the 2012-13 budget

The following Requests for Budget Changes have been administratively approved by the 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 FINE ARTS Butler School of Music Charles W. Villarrubia					4954
From: Senior Lecturer		100	09	70,000	
To: Associate Professor (T)	9/1-5/31	100	09	80,000	
COLLEGE OF PHARMACY Pharmacy Professor Robert Messing (T)	1/16-5/31	100	09	247,500	4813

14. Emeritus Appointments - U. T. Austin: Approval of emeritus titles

Jean-Pierre B. Cauvin, from Professor to Professor Emeritus, Department of French and Italian, effective 9/1/2012 (RBC No. 4938) -- amendment to the 2012-13 budget

Frederick G. Hensey, from Professor to Professor Emeritus, Department of Spanish and Portuguese, effective 9/1/2012 (RBC No. 4921) -- amendment to the 2012-13 budget

George Barrie Kitto, from Professor to Professor Emeritus, Department of Chemistry and Biochemistry, effective 9/1/2012 (RBC No. 4955) -- amendment to the 2012-13 budget

Robert E. Wyatt, from W. T. Doherty Professor in Chemistry to W. T. Doherty Professor Emeritus in Chemistry, Department of Chemistry and Biochemistry, effective 9/1/2012 (RBC No. 4956) -- amendment to the 2012-13 budget

Peter J. Riley, from Professor and Associate Dean to Professor Emeritus, Department of Physics, effective 9/1/2012 (RBC No. 4922) -- amendment to the 2012-13 budget

15. Changes to Admissions Criteria - U. T. Brownsville: Minor editorial changes to the criteria for admission for graduate programs

U. T. Brownsville requests approval for minor editorial changes to the criteria for admission for graduate programs to conform with the Educational Testing Service changes to the new numeric scale used for the Graduate Record Examination (GRE). The changes have been reviewed and administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents.

Summary of Changes to Admissions Criteria

The change in admission requirements for applicants to the graduate programs in the U. T. Brownsville College of Education is consistent with the requirements in other colleges of education. The new requirements allow for unconditional admission of those applicants who were able to complete their degrees with a higher level of academic discipline. The new requirements also reflect a reduced emphasis on the GRE as an admission requirement and greater reliance on the undergraduate GPA.

The GRE was revised in August 2011 and is now scored on a different numeric scale providing tables that give equivalent scores on the previous and revised tests. In addition to other proposed changes, the “new scale” GRE equivalents are provided for admission to each degree program or track.

M.Ed. in Counseling and Guidance

M.Ed. in Counseling and Curriculum and Instruction

M.Ed. in Early Childhood Education

M.Ed. in Educational Leadership

M.Ed. in Educational Technology

M.Ed. in Special Education

M.Ed. in Exercise Science

All above unconditional admission:

An undergraduate GPA over 3.0 in the last 60 hours of undergraduate study

M.A. in Spanish Translation

Waivers to admission requirements:

1. The entry test may be waived upon proof of state or federal court or medical interpreters' certification.
2. The GRE requirements may be waived upon completion of U. T. Brownsville's Graduate Certificate in Spanish Translation.

3. The new policy removes the requirement for an undergraduate degree in Spanish.

16. Tenure Appointment - U. T. Brownsville: Amendment to the 2012-2013 budget

The following Request for Budget Change has been administratively approved by the Executive Vice Chancellor for Academic 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>	
SCHOOL OF BUSINESS Accounting and Management Information Systems Professor Chair Hassanali Espahbodi (T)	1/1-8/31	100	11	175,000	5011

17. Purchase - U. T. Dallas: Authorization to purchase land and improvements at 2126 West Mockingbird Lane, Dallas, Dallas County, Texas, from U. T. Southwestern Medical Center for future campus expansion

Description: Purchase of approximately 2.013 acres in Dallas, Dallas County, Texas, at 2126 West Mockingbird Lane, and authorization for 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 purchase the property. The improvements consist of a parking lot and will be used for parking for the Center for BrainHealth and for future campus expansion. (See related Consent Agenda Item 38.)

Seller: U. T. Southwestern Medical Center

Purchase

Price: Fair market value as established by independent appraisals, plus all due diligence expenses, closing costs, and expenses to complete the acquisition as deemed necessary by the Executive Director of Real Estate. The appraisals are confidential pursuant to *Texas Education Code*, Section 51.951.

Source of

Funds: Unexpended Plant Funds

Regent Gary abstained from vote as he has a preexisting interest in real property at 5225 Maple near the proposed purchase sites. Legal counsel advises that there is no actual conflict of interest.

18. Purchase - U. T. El Paso: Authorization to purchase land and improvements at 1900 Oregon Street, El Paso, El Paso County, Texas, from Alpha Southwest Partnership, L.P. for future campus expansion, and resolution regarding parity debt

Description: Purchase of approximately 3.21 acres of land together with all improvements, El Paso, El Paso County, Texas, commonly known as 1900 Oregon Street, and authorization for 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 purchase the property. The improvements consist of an approximately 62,871 rentable square foot six-story office building and a paved surface parking lot striped for 307 vehicles. The office building is currently 87% occupied. 9,500 rentable square feet of space is currently occupied by U. T. El Paso's accounting office; the balance of the space is occupied by various third-party tenants. This parcel is adjacent to the institution's main campus and is within the zone denoted for potential campus expansion in the institution's 2011 master plan. The property will be used for future campus expansion as the third-party leases expire.

Seller: Alpha Southwest Partnership, L.P., a Texas limited partnership

Purchase

Price: Fair market value as established by independent appraisals, plus all due diligence expenses, closing costs, and expenses to complete the acquisition as deemed necessary by the Executive Director of Real Estate. The appraisals are confidential pursuant to *Texas Education Code*, Section 51.951.

Source of Funds:

Revenue Financing System (RFS) bonds repaid out of rental income and Designated Tuition

Debt service for the acquisition is estimated to be \$828,437 annually. The project's debt service coverage ratio is expected to be at least 1.3 times and to average 1.4 times during the period from FY 2014 through FY 2019. The institution therefore requests that the Board

resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System the findings that are stated below:

- parity debt shall be issued to fund all or a portion of the purchase price, including any costs prior to the issuance of such parity debt;
- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the RFS Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System;
- U. T. El Paso, which is a “Member” as such term is used in the RFS Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of parity debt in an aggregate amount not to exceed fair market value as established by independent appraisals; and
- this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board’s intention to reimburse project expenditures with bond proceeds

19. Employment Agreement - U. T. El Paso: Agreement for Athletic Director Robert W. Stull

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

Item: Athletic Director agreement

Funds: Fiscal Year 2012-2013, \$233,060, to be reviewed annually and may be adjusted as required by the Legislature or as deemed appropriate by the University. The previous agreement with amendments expired August 31, 2012.

Salary
Change: 2.46%

Period: September 1, 2012 through August 31, 2015

Description: Agreement for employment of the Athletic Director, Robert W. Stull, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel

Incentives:

- One month base annual salary in any contract year in which the football team participates in any NCAA sanctioned post-season play (bowl appearance)
- Two months base annual salary in any contract year in which the football team participates in any BCS Bowl appearance
- One month base annual salary in any contract year in which the Men's Basketball team participates in the NCAA Basketball (Men's) tournament
- One month base annual salary in any contract year in which the Women's Basketball team participates in the NCAA Basketball (Women's) Tournament
- \$5,000 in any contract year in which the Men's Basketball team participates in the National Invitation Tournament (NIT) Basketball (Men's) Tournament
- \$2,000 per game in any contract year in which the Women's Basketball team participates in the NIT Basketball (Women's) Tournament
- One month base annual salary in any contract year in which any of the University varsity sports teams participate in the National Championship
- One month base annual salary in any contract year in which the University receives an All Sports Multi-Year APR Published (MAAC Report) Score of 930
- In any contract year, if the University All Sports Multi-Year APR Published (MAAC Report) Score of 930 is not achieved, then
 - If an All Men's Sports Multi-Year APR Published (MAAC Report) Score of 930 is achieved - \$2,500, or
 - If an All Women's Sports Multi-Year APR Published (MAAC Report) Score of 930 is achieved - \$2,500

20. Employment Agreement - U. T. El Paso: New agreement of Head Football Coach Sean Kugler

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

Item: Head Football Coach agreement

Funds: January 1 through August 31, 2013, \$280,000 base annual salary, prorated, to be reviewed annually and may be adjusted as required by the legislature or as deemed appropriate by the University

Period: January 1, 2013 through August 31, 2018

Description: New agreement for employment of the Head Football Coach, Sean Kugler, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel

Incentives:

- One month base annual salary for each additional football game won after the sixth win in any single season in any contract year
- One month base annual salary in any contract year in which the football team is the C-USA Western Division Champion
- One month base annual salary in any contract year in which the football team wins the C-USA Championship
- One month base annual salary in any contract year in which the Football team participates in any NCAA sanctioned Post-Season Play (Bowl Appearance)
- Two months base annual salary in any contract year in which the football team participates in any major bowl appearance (BCS) \$1.5 million plus pay-out
- \$100,000 in any contract year in which the football team wins the NCAA Championship
- One month base annual salary in any contract year in which the football team finishes in the Top 25 of a nationally recognized Final Season Poll
- One month base salary in any contract year in which the coach is named the C-USA Coach of the Year
- Two months base salary in any contract year in which the coach is recognized as the National Coach of the Year by a nationally recognized poll/association

- One month base salary in any contract year in which the team achieves an annual academic progress report published (MAAC Report) score of 930 or above

21. Emeritus Appointments - U. T. El Paso: Approval of emeritus titles

Lois A. Marchino, from Associate Professor of English to Associate Professor Emerita, College of Liberal Arts, effective 6/1/2013 (RBC No. 5000) -- amendment to the 2012-13 budget

Harmon M. Hosch, from Professor of Psychology to Professor Emeritus, College of Liberal Arts, effective 9/1/2012 (RBC No. 4998) -- amendment to the 2012-13 budget

Richard D. Worthington, from Associate Professor of Biological Sciences to Associate Professor Emeritus, College of Science, effective 9/1/2012 (RBC No. 4999) -- amendment to the 2012-13 budget

Raymond A. Zimmermann, Jr., from Professor of Accounting to Professor Emeritus, College of Business Administration, effective 2/1/2012 (RBC No. 4994) -- amendment to the 2011-12 budget

Don C. Combs, from Associate Professor of Educational Psychology and Special Services to Associate Professor Emeritus, College of Education, effective 8/1/2012 (RBC No. 4997) -- amendment to the 2011-12 budget

Maria L. Gonzalez, from Professor of Teacher Education to Professor Emerita, College of Education, effective 6/1/2012 (RBC No. 4995) -- amendment to the 2011-12 budget

Charles D. Turner, from Professor of Civil Engineering to Professor Emeritus, College of Engineering, effective 6/1/2012 (RBC No. 4996) -- amendment to the 2011-12 budget

Samuel C. Riccillo, from Associate Professor of Communication to Associate Professor Emeritus, College of Liberal Arts, effective 1/1/2012 (RBC No. 4993) -- amendment to the 2011-12 budget

22. Contract (funds going out) - U. T. Pan American: Barnes Gromatzky Kosarek Architects, Inc. to provide Campus Master Planning Services

Agency: Barnes Gromatzky Kosarek Architects, Inc.

Funds: \$1,075,598

Source of Funds: Higher Education Assistance Funds (HEAF)

Period: October 1, 2012 until the duration of the project

Description: Campus Master Planning Services to align the physical facilities, housing, dining, and academic programs with the campus Strategic Plan. The master plan includes comprehensive studies regarding space utilization for classrooms and labs, vehicular and pedestrian mobility, housing and dining, and campus character.

23. Report - U. T. Permian Basin: No items for Consent Agenda

24. Contract (funds coming in) - U. T. San Antonio: Mcliff Partners, Ltd. to provide vending services

Agency: Mcliff Partners, Ltd.

Funds: Estimated \$332,600 in royalty for both the initial term and the optional renewal term (estimated \$55,433 per year)

Period: Initial term beginning on March 9, 2013, and ending March 8, 2017, with an option to renew for one additional two-year period

Description: Operation and management of campus snack vending machines. In accordance with *Texas Education Code* Section 51.945, the students were provided with an opportunity to comment prior to determination that this vending services provider should be selected by the institution. *Texas Government Code* Section 2203.005(a) requires all vending machine agreements to be approved by the Board.

25. Contract (funds going out) - U. T. San Antonio: Revised and Restated Exclusive Intercollegiate Athletic Apparel and Footwear Provider Agreement with adidas America, Inc.

Agency: adidas America, Inc.

Funds: \$2,600,000 for both the initial term and the two optional renewal terms (\$350,000 per year through 2020)

Period: Initial term through May 31, 2016, with two additional two-year renewal periods

Source of Funds: Auxiliary Funds

Description: Revised and Restated Exclusive Intercollegiate Athletics Apparel and Footwear Provider Agreement (Restated Agreement) provides U. T. San Antonio steeply discounted prices and additional consideration for adidas' right to serve as the exclusive apparel and footwear provider for U. T. San Antonio Intercollegiate Athletics.

The Restated Agreement replaces and supersedes the original Exclusive Football Apparel and Footwear Provider Agreement with adidas (Original Contract) approved by the Board of Regents at the May 12, 2011 meeting.

adidas was selected as the provider of the services through a competitive request for proposal process, which included the ability to extend the services to all sports in U. T. San Antonio's intercollegiate athletics program. The Restated Agreement extends the services to all U. T. San Antonio athletics programs.

Each year during the term of the Agreement, U. T. San Antonio will receive from adidas: (1) the right to order up to \$275,000 (retail value) of adidas products at no charge to U. T. San Antonio (not included in the above funds going out); and (2) a football program product allotment of footballs, coaches shirts, staff shirts, and caps with a total current retail value of \$40,100.

26. Contract (funds going out) - U. T. San Antonio: Agreement with Huron Consulting Services LLC to implement an Electronic Research Contract Management System

Agency: Huron Consulting Services LLC (Huron)

Funds: Anticipated total cost will exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis

Period: July 20, 2013 through August 10, 2013

Source of Funds: Grant Funds

Description: Electronic Research Contract Management System that includes electronic workflow, storage, retrieval, and reporting

The Statement of Work (SOW) is governed by the terms and conditions of the Master Customer Agreement (original agreement) entered into on February 24, 2009, between Huron (formerly Click Commerce, Inc.) and U. T. Southwestern Medical Center. The terms and conditions of the original agreement were extended to U. T. San Antonio for its use under the group purchasing procurement method as authorized under Section 51.9335 of the *Texas Education Code*, and Section 2155.079 of the *Texas Government Code*.

U. T. San Antonio and Huron formally extended U. T. San Antonio's ability to utilize the original agreement through a writing signed by U. T. San Antonio and Huron on September 23, 2009 (UTSA Contract).

Under the terms of the original agreement and the UTSA Contract, U. T. San Antonio has utilized Huron's services to implement numerous research-related software modules. With the execution of the most recent SOW Agreement, the cumulative amounts of payments by U. T. San Antonio to Huron under the terms of the U. T. San Antonio contract will exceed \$1,000,000, thereby requiring approval by the Board of Regents.

27. Contract (funds going out) - U. T. San Antonio: Residential Space Lease Agreement with the University College London for the College of Liberal and Fine Arts London Study Abroad Program

Agency: University College London (UCL), London, England

Funds: Estimated £7,770.00 GBP (approximately \$12,590.51 U.S. dollars) in expense reimbursement for the initial term. Above figures are based on estimated expense reimbursement to UCL for residential rooms at a cost of £37.00 GBP per night for a total of 210 room nights.

Period: July 20, 2013 through August 10, 2013

Source of Funds: Student Tuition and Fees

Description: Residential Space Lease Agreement for the College of Liberal and Fine Arts London Study Abroad Program

28. License (funds coming in) - U. T. San Antonio: License for San Antonio MTA, L.P. dba Verizon Wireless for the use of space for implementation of a distributed antenna system to provide enhanced wireless communications on the campus

Description: License of space at various locations throughout the U. T. San Antonio campus for the installation and maintenance of a distributed antenna system to improve wireless signal coverage for the campus. The licensee was selected through a request for proposal process. Authorization is requested for the Executive Director of Real Estate, working with representatives of U. T. San Antonio, to execute the license on completion of negotiations.

Licensee: San Antonio MTA, L.P. dba Verizon Wireless

Term: Term commences on execution of the license agreement, expected to occur in the first quarter of 2013, and continues for an initial term of 10 years, plus three 5-year renewal options.

License Fees: The institution will be paid an annual fee by the Licensee and by each additional wireless carrier that elects to participate in the distributed antenna system. Negotiations are currently underway with respect to the fee amount; the fee will be subject to an annual increase of 3%.

29. Request for Budget Change - U. T. San Antonio: Transfer \$846,247 from Recreation Center Fee account to East End Recreation Fields account to fund design services to renovate the existing east track and field area to an artificial turf facility in accordance with the East End Recreation District Sports Fields Master Plan (RBC No. 4906) -- amendment to the 2012-13 budget
30. Request for Budget Change - U. T. San Antonio: Transfer \$998,771 from Project Reserves: Info Tech Special Projects account to Office of Information Technology Wireless Upgrade-Meraki account to fund the wireless upgrade to replace current wireless system with an updated design utilizing Meraki access points and a cloud-based controller system (RBC No. 5001) -- amendment to the 2012-13 budget
31. Emeritus Appointments - U. T. San Antonio: Approval of emeritus titles
- Norma Cantu**, from Professor to Professor Emeritus, Department of English, effective 9/1/2012 (RBC No. 4856) -- amendment to the 2012-13 budget
- Betty S. Travis**, from Professor to Professor Emeritus, Department of Mathematics, effective 9/1/2012 (RBC No. 4857) -- amendment to the 2012-13 budget
- Oscar W. Vanauken**, from Professor to Professor Emeritus, Department of Biology, effective 9/1/2012 (RBC No. 4858) -- amendment to the 2012-13 budget
32. Report - U. T. Tyler: No items for Consent Agenda

HEALTH INSTITUTIONS

33. Contract (funds coming in) - U. T. Southwestern Medical Center: Institution to provide licensed audiologists in pediatric audiology to Children's Medical Center of Dallas

Agency:	Children's Medical Center of Dallas
Funds:	\$1,855,111
Period:	April 1, 2012 through August 31, 2014

Description: U. T. Southwestern Medical Center to provide licensed audiologists specializing in pediatric audiology to the Children's Medical Center of Dallas. This item was late as the contract was received past the Consent Agenda deadline.

34. Contract (funds coming in) - U. T. Southwestern Medical Center: Institution to provide clinical and administrative services to Dallas County Hospital District

Agency: Dallas County Hospital District

Funds: \$1,989,316

Period: October 1, 2012 through September 30, 2013

Description: U. T. Southwestern Medical Center to provide clinical and administrative services to Dallas County Hospital District. This item was late as the contract was not received until September 28, 2012, past the Consent Agenda deadline for the November Board meeting.

35. Contract (funds coming in) - U. T. Southwestern Medical Center: Institution to provide physicians and other health care professionals to Parkland Health & Hospital System

Agency: Dallas County Indigent Care Corporation (DCICC)

Funds: \$15,000,000

Period: January 1, 2013 through January 31, 2013

Description: Provide physician and other health care services at Parkland Health & Hospital System to indigent persons in and around Dallas County, Texas

36. Contract (funds coming in) - U. T. Southwestern Medical Center: Contract with Dallas Proton Treatment Center to staff and operate a proton therapy treatment center (Deferred)

This item was deferred.

37. Contract (funds going out) - U. T. Southwestern Medical Center: Purchase of and installation of a cyclotron instrument from General Electric for conducting research in the field of radioisotopes

Agency: General Electric

Funds: \$4,882,514

Source of Funds: -\$2.8 million Cancer Prevention Research Institute of Texas (CPRIT),
-\$1.8 million Library, Equipment, Repair and Rehabilitation (LERR)
-\$0.288 million Designated Funds

Period: February 15, 2013 through August 15, 2013

Description: Purchase and installation of General Electric Pettrace 880 Cyclotron, radiochemistry synthesis equipment and other testing and packaging equipment to be used for the production of radioisotopes

38. Purchase - U. T. Southwestern Medical Center: Authorization to purchase land and improvements at 6300 Harry Hines Boulevard and at 2126 West Mockingbird Lane, Dallas, Dallas County, Texas, from SAF Exchange Park, Ltd. for future campus expansion, and resolution regarding parity debt

Description: Purchase of a 6.424 acre site and a 2.013 acre site in Dallas, Dallas County, Texas, and improvements at 6300 Harry Hines Boulevard and at 2126 West Mockingbird Lane, and authorization for 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 purchase the property. The improvements consist of an approximately 228,506 square foot office building and parking lots. The property at 6300 Harry Hines Boulevard is improved with an office building that will be used for administrative, educational, and medical program purposes. The property at 2126 West Mockingbird Lane is improved with a parking lot and will be purchased by U. T. Dallas after the closing of the purchase transaction. (See related Consent Agenda Item 17.)

Seller: SAF Exchange Park, Ltd., a Texas limited partnership

Purchase Price: Fair market value as established by independent appraisals, plus all due diligence expenses, closing

costs, and expenses to complete the acquisition as deemed necessary by the Executive Director of Real Estate. The appraisals are confidential pursuant to *Texas Education Code* Section 51.951.

Source of Funds:

Revenue Financing System bonds repaid out of the office building's rental income proceeds, from sale of the 2.013-acre site to U. T. Dallas, and institutional funds. Debt service for the acquisition is estimated to be \$1.62 million annually. The institution's debt service coverage ratio is expected to be at least 1.6 times and to average 2.0 times during the period from FY 2013 through FY 2018. The institution therefore requests that the Board resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System the findings that are stated below:

- Parity debt shall be issued to fund all or a portion of the purchase price, including any costs prior to the issuance of such parity debt;
- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the RFS Master Resolution to satisfy
- the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System;
- U. T. Southwestern Medical Center, which is a "Member" as such term is used in the RFS Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of parity debt in an aggregate amount not to exceed fair market value as established by independent appraisals; and
- this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

Regent Gary abstained from vote as he has a preexisting interest in real property at 5225 Maple near the proposed purchase sites. Legal counsel advises that there is no actual conflict of interest.

39. Emeritus Appointment - U. T. Southwestern Medical Center: Appointment of Errol C. Friedberg, from Professor to Professor Emeritus, Pathology, Medical School, effective 1/3/2013 (RBC No. 5030) -- amendment to the 2012-13 budget
40. Tenure Appointment - U. T. Southwestern Medical Center: Amendment to the 2012-13 budget

The following Requests for Budget Changes 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>	
SOUTHWESTERN MEDICAL SCHOOL					
Internal Medicine Professor					
Arthur E. Frankel (T)	2/1-8/31	100	12	300,000	4961
Neurosurgery Professor					
Jorge A. Marrero (T)	9/1-8/31	100	12	375,000	4925
Pathology Professor					
Erik Knudsen (T)	11/15-8	100	12	215,000	4951

41. Request for Budget Change - U. T. Southwestern Medical Center: Transfer \$1,000,000 from Library, Equipment, Repair and Rehabilitation Cyclotron Project - Equipment account to Library, Equipment, Repairs and Rehabilitation Cyclotron Project, Equipment Repairs and Renovations account for use with the Cyclotron Project (RBC No. 4942) -- amendment to the 2012-13 budget

42. Contract (funds coming in) - U. T. Medical Branch - Galveston: Institution to provide health care services for the U.S. Department of Justice/Federal Bureau of Prisons

Agency: Federal Bureau of Prisons

Funds: \$7,259,950

Period: January 14, 2013 through May 13, 2013

Description: Provide managed health care services at the Federal Correctional Complex in Beaumont, Texas. This is a short-term agreement to continue to cover period until new contract is awarded.

43. Contract (funds coming in) - U. T. Medical Branch - Galveston: Institution to provide anesthesiology services to SJ Medical Center, LLC dba St. Joseph Medical Center

Agency: St. Joseph Medical Center

Funds: \$17,100,000

Period: September 1, 2012 through August 31, 2015

Description: Provide anesthesiology services for patients treated at the St. Joseph Medical Center hospital's main campus located at 1401 St. Joseph Parkway, Houston, Texas

44. Emeritus Appointments - U. T. Medical Branch - Galveston: Appointment of Bernd Budelmann, Professor to Professor Emeritus, Academic Enterprise, Biochemistry and Molecular Biology (RBC No. 4883) -- amendment to the 2012-13 budget

45. Tenure Appointment - U. T. Medical Branch - Galveston: Amendment to the 2012-13 budget

The following Request for Budget Change 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>	
ACADEMIC ENTERPRISE Surgery Professor, Thomas N. and Gleaves T. James Distinguished Chair Professor Danny O. Jacobs (T)	10/1-8/31	100	12	725,000	4903

46. Contract (funds coming in) - U. T. Health Science Center - Houston: Interagency contract with Texas Department of Family and Protective Services to create resources to improve access for medical professionals for Child Protective Services

Agency: Texas Department of Family and Protective Services

Funds: Maximum of \$2,500,816

Period: September 1, 2012 through August 31, 2013

Description: Interagency contract to create resources that will improve access for medical professionals with expertise in the diagnosis of child abuse or neglect for Child Protective Services. This item was late as the contract was received past the Consent Agenda deadline for the November Board meeting.

47. Emeritus Appointment - U. T. Health Science Center - Houston: Appointment of Douglas M. Simmons, from Clinical Associate Professor, Restorative Dentistry, to Chair Emeritus, General Practice and Dental Public Health, School of Dentistry, effective December 1, 2012; Dr. Simmons served as Chair to the (then) Department of Community and Preventive Dentistry during 1985 (RBC No. 4991) -- amendment to the 2012-13 budget
48. Appointment - U. T. Health Science Center - Houston: Amendment to the 2012-13 budget

<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>	
Department of Internal Medicine, Division of Cardiology Visiting Professor					
Ramesh Hariharan, M.D.	5/1-8/31	100	12		5292
Base Salary				665,000	
Supplement				175,000	
Augmentation				<u>135,000</u>	
Total Salary				975,000	
Clinical Incentive				<u>1,025,000</u>	
Total Compensation				<u>2,000,000</u>	

U. T. Health Science Center - Houston has determined and documented that the level of compensation for Dr. Hariharan is at a level paid to similarly qualified professionals based on performance of comparable duties in the organization and in the market from which his position would normally be recruited. Dr. Hariharan will be paid from Designated Funds. An external market study has been performed supporting this compensation level.

49. Tenure Appointment - U. T. Health Science Center - Houston: Amendment to the 2012-2013 budget

The following Request for Budget Change 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>	
SCHOOL OF DENTISTRY					
Office of the Dean					
Associate Dean for Professional Development and Faculty Affairs and Professor					
Karen Novak (T)	2/1-8/31	100	12		5024
Base Salary				140,000	
Supplement				<u>20,000</u>	
Total Salary and Compensation				<u>160,000</u>	

50. License (funds coming in) - U. T. Health Science Center - San Antonio: License for San Antonio MTA, L.P. dba Verizon Wireless for the use of space for implementation of a distributed antenna system to provide enhanced wireless communications on the campus

Description: License of space at various locations throughout the U. T. Health Science Center - San Antonio campus for the installation and maintenance of a distributed antenna system to improve wireless signal coverage for the campus. The licensee was selected through a request for proposal process. Authorization is requested for the Executive Director of Real Estate, working with representatives of U. T. Health Science Center - San Antonio, to execute the license on completion of negotiations.

Licensee: San Antonio MTA, L.P. dba Verizon Wireless

Term: Term commences on execution of the license agreement, expected to occur in the first quarter of 2013, and continues for an initial term of 10 years, plus three 5-year renewal options

License Fees: The institution will be paid an annual fee by the licensee and by each additional wireless carrier that elects to participate in the distributed antenna system. Negotiations are currently underway with respect to the fee amount; the fee will be subject to an annual increase of 3%.

51. Emeritus Appointments - U. T. Health Science Center - San Antonio: Approval of emeritus titles

Anastacio M. Hoyumpa, from Professor of Medicine to Professor Emeritus, School of Medicine, effective 8/31/2012 (RBC No. 4953) -- amendment to the 2012-13 budget

John Mangos, from Professor of Pediatrics, to Professor Emeritus, School of Medicine, effective 9/1/2012 (RBC No. 4978) -- amendment to the 2012-13 budget

52. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Computer Sciences Corporation to provide project management for ongoing support services for various institutional technology projects

Agency: Computer Sciences Corporation

Funds: Ninth amendment to the agreement increases the cap amount to \$14,000,000

Source of Funds: Hospital patient income

Period: The term of the initial agreement was for a period of 12 months, commencing on January 15, 2008 and continuing through January 14, 2009, with the option for five additional 12-month renewals. All term renewal options have been exercised.

Description: Vendor provides project management support to augment existing resources focused on an increasing number of information technology projects. This amendment increases the scope of these projects to include the ICD-10, Invision/IDX replacement and Electronic Health Record projects.

53. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Encore Health Resources, LLC to provide professional information technology resources for ongoing support of the institution's electronic medical records (EMR) system

Agency: Encore Health Resources, LLC

Funds: Total fees for all services under the initial term of this agreement are estimated to be \$48,000,000. Payments for all services under the initial term of this agreement and any amendments will be limited to \$7,500,000 unless approval for expending additional amounts is provided by the Executive Vice Chancellor for Health Affairs and the Board of Regents.

Source of Funds: Hospital patient income

Period: The term of this agreement will be for a period of 36 months, commencing on January 1, 2013 and continuing through December 31, 2015. The agreement also includes the option for two 12-month renewals.

Description: Under this master services agreement, Encore Health Resources will provide professional information technology resources, including training and business analytics activities, to assist in supporting ClinicStation, the institution's EMR system. U. T. M. D. Anderson Cancer Center will continue to utilize the ClinicStation EMR while seeking to select, implement, and deploy a commercial Electronic Health Records vendor.

54. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Project change request for International Business Machines (IBM) Corporation for Healthcare Evidence Evaluation and Learning Service Statement of Work

Agency: International Business Machines Corporation

Funds: The contract cap amount of this agreement is \$16,400,000.

If the pilot program becomes fully operational and a Production Statement of Work is executed, the institution will pay IBM a fee of approximately one-third of the value derived from the use of the Watson Service within the institution, with a minimum charge of \$450,000 per month, unless the institution opts to take full responsibility for operating and maintaining the Watson Service.

Source of Funds: Hospital patient income and restricted gift funds

Period: The term for this statement of work (an “umbrella” master services agreement negotiated by U. T. System for Systemwide use, which has a term from October 1, 2004 to September 30, 2014) commenced June 18, 2012. The proposed change order/project change request, which expands the scope of work beyond \$2.5 million, extends the term of the scope of work through December 31, 2013.

Description: IBM and U. T. M. D. Anderson Cancer Center are engaged in the development of a pilot program to test the use of the advanced analytical capabilities of the IBM Watson technology as a tool for personalized, evidence-based, genomic medicine. The goal is to develop technology that will enable a detailed analysis of massive amounts of patient data to identify insights into treatments and results based on different individual characteristics. The initial focus of the pilot program was to identify insights related to a particular group of leukemia patients. This proposed change order/project change request expands the pilot program to include five additional types of leukemia.

55. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Kalon Biotherapeutics, LLC to provide drug and biologic manufacturing services

Agency: Kalon Biotherapeutics, LLC

Funds: Anticipated first work order under the master agreement is \$2,844,000 over the life of the contract for manufacturing services provided on an as-needed basis.

Source of Funds: Hospital patient income

Period: Commencing early in 2013 and continuing through May 19, 2020

Description: Under this separate master services agreement, Kalon Biotherapeutics will manufacture drugs and biologics for U. T. M. D. Anderson Cancer Center in accordance with Good Manufacturing Practices (GMP). Separate work orders will be executed for each manufacturing project under the agreement.

Kalon Biotherapeutics is a management company affiliated with The Texas A&M University System, which was formed for the purpose of operating and managing the National Center for Therapeutics Manufacturing (NCTM). The Texas A&M University System and U. T. M. D. Anderson Cancer Center have previously entered into a collaboration agreement whereby U. T. M. D. Anderson Cancer Center became an investor with a

5% equity participation in NCTM. U. T. M. D. Anderson Cancer Center is also a customer of NCTM.

56. Tenure Appointment - U. T. M. D. Anderson Cancer Center: Amendments to the 2012-13 budget

The following Requests for Budget Change 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>	
MEDICAL STAFF					
Urology					
John W. Davis					4838
From: Assistant Professor		100	12	383,065	
To: Associate Professor (T)	9/1-8/31	100	12	393,065	
RESEARCH STAFF					
Molecular and Cellular Oncology Professor					
Laura Beretta (T)	9/1-8/31	100	12	190,000	4901
RESEARCH STAFF					
Cancer Biology					
Joseph McCarty					4908
From: Assistant Professor		100	12	105,354	
To: Associate Professor (T)	9/1-8/31	100	12	112,354	

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
MEDICAL STAFF Plastic Surgery Professor Steven Kronowitz (T)	9/1-8/31	100	12	472,500	4948

57. Logo - U. T. Health Science Center - Tyler: Logo

The following proposed logo has been approved by the Chancellor, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor for External Relations and is submitted for approval by the U. T. System Board of Regents in accordance with Regents' *Rules and Regulations*, Rule 40801.

Use of "UTHealth-Northeast" was approved at the November 15, 2012 Board of Regents' meeting. The logo was researched and created by Rucker & Co., the marketing agency approved through a request for proposal by U. T. Health Science Center - Tyler and was reviewed and approved by the U. T. Health Science Center - Tyler executive team.

The proposed Pantone Marking System colors are PMS 166 Orange and PMS 294 Blue.

Note: Pending trademark approval

