

Meeting No. 1,104

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

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May 8 - 9, 2013

Austin, Texas

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- (3) the leasehold interest of Texas Southmost College in and to approximately 22.23 acres under Land Lease No. IMB 97- 43 from the International Boundary and Water Commission;
  - (B) Transfer to Texas Southmost College District of:
    - (1) the Science, Engineering, and Technology Building located on the north side of Ringgold Road, together with U. T. Brownsville’s leasehold interest in approximately 3.8 acres on which the building is located;
    - (2) U. T. Brownsville’s interest in a contract to purchase the former National Guard Armory property on Ringgold Road; and
    - (3) cash in an amount to compensate Texas Southmost College for the difference in values between the exchange parcels and for other matters related to the exchange transactions; and
  - (C) Lease from Texas Southmost College to U. T. Brownsville of buildings or space within buildings on the Texas Southmost College campus in Brownsville, Texas, and in the International Technology, Education and Commerce Center located approximately one mile from the Texas Southmost College campus, for educational, administrative, and auxiliary uses 60
  
- 2b. U. T. Brownsville: Approval of acquisition from the City of Brownsville of two tracts of land on the south side of West University Boulevard and consisting of approximately 21.2 acres at the southwest corner of West University Boulevard and U.S. Highways 77/83, and the contiguous 47.96 acres located immediately to the southwest of the 21.2-acre tract and currently known as Lincoln Park, all in Brownsville, Cameron County, Texas, for future programmed development of campus expansion 61
  
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MEETING NO. 1,104

WEDNESDAY, MAY 8, 2013.--The members of the Board of Regents of The University of Texas System convened on Wednesday, May 8, 2013, from approximately 9:00 a.m. - 5:00 p.m. in the Conference Room and in the Board Room, Ninth Floor, Ashbel Smith Hall, 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  
Regent Purgason, Student Regent,  
nonvoting

\* \* \* \* \*

THURSDAY, MAY 9, 2013.--The members of the Board of Regents of The University of Texas System convened at 8:37 a.m. on Thursday, May 9, 2013, in the Board Room, Ninth Floor, Ashbel Smith Hall, 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.

## AGENDA ITEMS

1. U. T. System Board of Regents: Approval of the Consent Agenda with deferral of Item 45 related to contract with U. T. Southwestern Medical Center and Anderson Emergency Physicians

Chairman Powell noted

- the reappointment of Mr. J. Kyle Bass to The University of Texas Investment Management Company (UTIMCO) Board of Directors at Item 2 of the Consent Agenda;
- the agreement with Vistas Karbhari, Ph.D., as President of The University of Texas at Arlington at Item 13. He noted that the Board is required to give the Legislative Budget Board at least five days' notice of the terms of a proposed contract with an agency head before the meeting during which the agreement will be considered, and that notice had been provided.
- three significant contracts for The University of Texas Southwestern Medical Center:
  - a contract with Parkland Health and Hospital System for \$44 million of funds coming in, to provide physician services at Item 42;
  - a contract with Dallas County Indigent Care Corporation for \$84 million of funds coming in, to provide health care services at Parkland Health and Hospital System to indigent and needy persons at Item 43; and
  - a contract with Dallas Proton Treatment Center for funds coming in, of approximately \$43 million annually, to provide clinical services, clinical management, and facility management and support services at Item 44.
- Item 45 regarding the contract with U. T. Southwestern Medical Center and Anderson Emergency Physicians was deferred.

The Board then approved the Consent Agenda, which is set forth on Pages 64 - 117.

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 University of Texas System institution involved.

Chairman Powell congratulated President Watts on receipt by The University of Texas of the Permian Basin of a grant from the Meadows Foundation to support Texas' first virtual early college high school, a partnership with the Presidio Independent School District. Dr. Watts noted that Presidio is the oldest city in Texas and is located in a remote area on the border with Mexico, far from U. T. Permian Basin. He added that this program could serve as a model for high school students residing in rural Texas who want to participate in the early college high school even if they are not close to a college campus. A high school student may earn up to 60 hours of college credit while earning a high school diploma.

2. U. T. System Board of Regents: Amendment of Regents' *Rules and Regulations*, Rule 20201, regarding the Chancellor's role in the presidential selection process

Following a review of the search process used for the recent, successful University of Texas at Arlington search, revisions to the Regents' *Rules and Regulations*, Rule 20201, Sections 1.1, 1.4, and 1.5 were authorized regarding the Chancellor's important role in the work of the presidential search advisory committee. The revisions are set forth below:

Sec. 1 Presidential Selection. The Board of Regents selects the president of each institution.

1.1 Presidential Search Advisory Committee. When there is to be a vacancy in the office of a president, an Advisory Committee shall be established to recommend candidates to the Board. No person who elects to be a candidate for the vacancy may serve on the Advisory Committee. The Chancellor, the Executive Vice Chancellor for Health Affairs, or the Executive Vice Chancellor for Academic Affairs shall serve as Chairman of the Advisory Committee unless the Chairman of the Board makes another appointment. Committee membership is as follows:

...

1.4 Responsibilities of the Committee Chairman. The Committee Chairman shall develop a timetable for the Committee's work, in consultation with the Chancellor and the Chairman of the Board, and shall initiate mechanisms to develop an appropriate candidate pool and to seek information on several candidates.

1.5 Responsibilities of the Advisory Committee. Following an introduction and charge by the Chancellor, the Advisory Committee shall inquire from competent sources as to the candidates' academic, administrative, and business abilities.

3. U. T. System Board of Regents: Amendment to the Regents' *Rules and Regulations*, Rule 30202, regarding Employee Benefits to add Section 9 on Payroll Deductions

The 82nd Texas Legislature granted institutions of higher education the authority to permit institutions to deduct from an employee's gross pay the cost of any benefit that the governing board determines serves a public purpose and benefits employees, with the exception of a deduction for dues or membership fees payable to a labor union or employee association. In addition, Section 51.9611 of the *Texas Education Code* authorizes the board of an institution of higher education to adopt policies and procedures governing payroll deductions under this Section of the Code.

In compliance with Section 51.9611, a payroll deduction under this Section must be at the written request of the employee, and the request must state the amount to be deducted and the entity to which the deducted amount is to be transferred. A payroll deduction is in effect until revoked in writing by the employee, but the policies and procedures of the university system or institution of higher education, as applicable, may provide for enrollment periods. Section 51.9611 also allows the collection of an administrative fee to cover the cost of making such a deduction if necessary.

The Board approved an amendment to the Regents' *Rules and Regulations*, Rule 30202, regarding Employee Benefits, to add a new section concerning authorization for employee payroll deductions for educational investment programs authorized by Section 51.9611 of the *Texas Education Code*. Current Section 9 was renumbered.

Sec. 9 Payroll Deductions. As authorized by Section 51.9611 of the *Texas Education Code*, the Board of Regents finds that a public purpose is served by and that employees are benefitted by allowing a payroll deduction for Educational Investment Programs.

9.1 Delegation. The Board delegates authority to the Chancellor to (1) establish a payroll deduction for Educational Investment Programs, (2) implement policies and procedures for the deduction, and (3) approve the collection of a fee to cover the costs of making the deduction.

9.2 Compliance. An authorized payroll deduction for any Educational Investment Program must comply with applicable State and federal laws. The proposed deduction must be at the written request of the employee and must state the amount to be deducted and the entity to which the deducted amount is to be transferred. The deduction will be in effect until revoked in writing by the employee, but the Chancellor may provide for enrollment periods.

## Definitions

Educational Investment Programs – accounts funded with after-tax dollars that permit an employee to either prepay or contribute to an account for paying a student's qualified education expenses at an eligible education institution as authorized under the *Internal Revenue Code* of 1986, as may be amended.

4. U. T. System Board of Regents: Presentation of Regents' Outstanding Student Awards in Arts and Humanities to Mr. Bryce Bennett, U. T. Arlington, and Ms. Zoe Berg, U. T. Austin, and display of visual artwork

Following a report from Executive Vice Chancellor Reyes on the results of the 2013 Regents' Outstanding Student Awards in Arts and Humanities, Chairman Powell presented awards to

- Mr. Bryce Bennett, The University of Texas at Arlington, for outstanding two-dimensional artwork; and
- Ms. Zoe Berg, The University of Texas at Austin, for outstanding three-dimensional artwork.

The awards this year are for the visual arts. Mr. Bennett and Ms. Berg displayed images of their visual artwork, and Dr. Reyes noted a monetary award will be made to the students' departments at their respective institutions.

The nominees were evaluated on the following elements: originality, use of media, and artistic composition. In recognition of its support of the arts and humanities, on February 9, 2012, the Board of Regents authorized the Office of Academic Affairs to establish the Regents' Outstanding Student Awards in Arts and Humanities. The awards program is designed to provide a framework that fosters excellence in student performance, rewards outstanding students, stimulates the arts and humanities, and promotes continuous quality in education.

5. U. T. System Board of Regents: Annual Meeting with Officers of the U. T. System Student Advisory Council and formalization of a process regarding the Council's recommendations

Mr. Xavier Johnson, Chair of The University of Texas System Student Advisory Council, introduced the following Council members in attendance at this annual meeting with the Board of Regents. He introduced Ms. Emma Dishner, The University of Texas Health Science Center at Houston, as Chair-Elect of the Council.

Academic Affairs Committee: Mr. Pedro Diaz

Health and Graduate Affairs Committee: Ms. Lauren Woolbert, incoming Vice Chair of the Council

Financial and Legislative Affairs Committee: Mr. Michael Morton

Student Involvement and Campus Life Committee: Ms. Dishner presented the report in the absence of Mr. Rajiv Dwivedi.

Mr. Johnson summarized legislative resolutions on the following matters as passed by the Council. The full resolutions were included in the agenda materials.

- Higher education funding for the U. T. System
- Continue aid for undocumented students attending U. T. System schools
- Funding Hazlewood exemptions
- Opposition to concealed handgun carry on university campuses
- Increase in number of medical residency positions in Texas

Mr. Johnson then turned to the Committee Chairs for their reports and recommendations as included in the agenda materials.

Academic Affairs Committee: A recommendation for mentoring programs

Chancellor Cigarroa asked the Council for assistance in identifying ways to mentor students who take courses online.

Financial and Legislative Affairs: A recommendation for referendum responses

In response to the Council's request for timely, reasonable, and formal responses to items brought to the Board, Chancellor Cigarroa assured the Council members that such matters will be responded to by his office or by the Office of the Board of Regents. For proposed referenda related to capital infrastructure proposals that will benefit students, such as new wellness centers, and where there will be fee implications for future students, he recommended that he and Executive Vice Chancellor Reyes revise the process by requesting the Council provide the intent or recommendation to the respective institutional President, who would present the proposal to the Board as part of the Capital Improvement Program (CIP), including project financing. This would ensure that the Board is informed of the referenda in advance of approval.

Dr. Reyes recommended increased student participation in voting on referenda for a better sense of support on the issues. Mr. Morton said efforts are being made to address this matter, and he has discussed the recommendation with Regent Purgason.



Regent Cranberg suggested better communication to the Board through increased use of technology to enhance greater participation of student involvement and voice so that the Board can hear a breadth and diversity of student opinions. He also suggested that technology could help students be better informed about members of the Board and Board actions. He encouraged invitations for members of the Board to meet with student groups, and Regent Purgason endorsed this idea, saying she will discuss the matter with the next Student Regent.

#### Health and Graduate Affairs:

1. A recommendation for changes to the Milestones Agreement Form for Graduate Degree Programs

In reply to a question from Chancellor Cigarroa, Regent Purgason commented that typically, the mentor and academic advisor are usually the same. She suggested fostering a culture where graduate students expand their number of advisors by using not only their entire advising committee, but also their department chairs. The Chancellor noted that the Milestones Agreement was a work in progress and this is one of the first Systems in the country to begin Milestones Agreements.

Executive Vice Chancellors Reyes and Shine commented on implementing these recommendations at the U. T. System institutions, and Regent Cranberg suggested that these Milestones Agreement Forms constitute an electronic database to create analytics to help identify systematic issues and areas of possible improvements.

2. A recommendation for the consideration of a Network of Opportunities for Students

Chancellor Cigarroa suggested there might be an opportunity to involve MyEdu in this recommendation. The U. T. System has an existing agreement with MyEdu Corporation for online tools for improving student success.

#### Campus Life Committee:

1. A recommendation on online representation
2. A recommendation for an electronic-textbook library

#### Motion concerning requests from the Student Advisory Council

In reference to the Council's request for timely, reasonable, and formal responses to items brought to the Board discussed earlier during the Financial and Legislative Affairs Committee, Chairman Powell asked the Board to consider a process whereby the Board sends Council recommendations to the Chancellor and Executive Vice

Chancellors for review and discussion with the Council as necessary. The Chancellor and Executive Vice Chancellors would then come back to the Board with formal recommendations for the Board to respond to the Council.

Vice Chairman Hicks moved and Regent Stillwell seconded this motion, that carried unanimously.

Secretary's Note: On May 14, 2013, Chairman Powell sent a letter to Mr. Xavier Johnson, Chair of the Student Advisory Council, noting the Board's action and stating that the Council's recommendations made at this meeting for initiatives and additional action have been referred to Chancellor Cigarroa for his review and recommendations to the Board.

6. U. T. System Board of Regents: Interim report from the Task Force on Employee/Student Relationships

Task Force Chairman Foster provided an interim report on the work of the Task Force on Employee/Student Relationships. He said the Task Force has met once and expects to have a report by the end of Summer 2013. He noted the objective of the group is to try to determine how best to handle inappropriate student/faculty relationships and what the rules should be. Asking should there be different rules for athletics and medical schools, he recommended that best practices across the country be studied and considered.

Chairman Powell announced that Regent Purgason has agreed to remain a member of the Task Force after her service on the Board of Regents ends on May 31, 2013.

On February 3, 2013, Chairman Powell and Chancellor Cigarroa announced that Vice Chairman Foster would lead a dedicated and focused effort to review and make recommendations on policies and programs at all 15 University of Texas System institutions concerning relationships between U. T. employees and students. The review will include a look at the issues of preventing and addressing sexual abuse, sexual harassment, sexual misconduct, and other inappropriate relationships to ensure a safe, healthy environment. The goal is to be both timely and thorough in building a model that can be used nationwide as an example of best practices in dealing with these critically important issues.

Secretary's Note: The name of the Task Force on Appropriate Employee/Student Relationships was changed to the Task Force on Inappropriate Employee/Student Relationships for purposes of this meeting, and was further changed to the Task Force on Employee/Student Relationships at a Task Force meeting held on May 29, 2013.

7. U. T. System Board of Regents: Status report from the Advisory Task Force on Best Practices Regarding University Affiliated Foundation Relationships

On November 15, 2012, Chairman Powell created the Advisory Task Force on Best Practices Regarding University Affiliated Foundation Relationships and charged the Task Force with the following:

- Make recommendations to The University of Texas System Board of Regents to assure that relationships between U. T. System institutions and the U. T. System and affiliated foundations are optimally structured to serve as a national model for public universities for the best management, compliance, and oversight practices.
- Review issues concerning best patterns for interactions with separately incorporated legal entities set up to benefit the U. T. System or one or more U. T. System institutions or operations. Individual budget units within the U. T. System that carry the historical name “foundation” but are not separate legal entities are not the focus of this review.

Task Force Chairman Pejovich provided the following status report on the work of the Task Force.

Remarks by Regent Pejovich

Members of the Board:

I am pleased to report on the work of the Advisory Task Force on Best Practices Regarding University Affiliated Foundations established by Chairman Powell in November 2012. The charge to the Task Force is to “assure that relationships between the U. T. System institutions and the U. T. System and affiliated foundations are optimally structured to serve as a national model for public universities for the best management, compliance, and oversight practices.”

The affiliated foundations provide a tremendous philanthropic base for the U. T. System and U. T. institutions. Their financial support is essential to our ability to continue to recruit and retain the best students, faculty, and staff and to maintain and enhance excellence in activities and operations.

The foundations are also energized by the many dedicated volunteers statewide who donate their time, talents, and resources to benefit the U. T. System. We are profoundly grateful for their support.

Mr. Chairman, let me begin my report by thanking the members of the Task Force for their commitment and work on this project.

- Regent Stillwell, Regent Hall
- Presidents Natalicio and Callender
- Ex officio members: Chancellor Cigarroa, Dr. Safady, and Ms. Frederick

The Task Force has held 10 meetings and we reviewed the relationships with 21 affiliated foundations. The Task Force invited each U. T. president with one or more active affiliated/support foundations to visit with us as well as representatives of the foundations.

During our meetings we learned much about the variations in organizational structures, operations, assets, staffing, and missions, and we were reminded of the uniqueness of each foundation's mission and operations.

The Task Force also benefitted from the involvement of national experts on foundations and philanthropy. We worked with

- Dr. Jeffrey Cain, Founding Partner of American Philanthropic, and
- Mr. David Bass, Director of Foundation Programs and Research for the Association of Governing Boards of Universities and Colleges.

We also heard from the Texas Assistant Attorney General working with charitable trust issues and the General Counsel from Princeton University regarding compliance with donor intent and the discharge of fiduciary duties.

All of these discussions provided background information of the history, purpose, and operations of each foundation, an understanding of involvement of university officers and employees on affiliated foundation boards, the frequency of communication regarding alignment of mission, practices concerning sharing of foundation records with the supported university, and public access to foundation financial records.

A number of the foundations provided examples of current operational practices that were later identified as best practices by the consultants to the Task Force. To cite just one example:

- The Sealy & Smith Foundation and The University of Texas Medical Branch at Galveston (UTMB) work closely together to discuss and strategically plan for the most significant institutional needs each year.

This deliberative process allows the Foundation to set an annual budget to support UTMB's institutional priorities and to ensure the missions of the foundation and the university are closely aligned. The Foundation has provided UTMB and its hospitals with almost \$800 million over many decades to support the University's capital projects, medical equipment, research initiatives, and academic chairs, and is responsible for many of the advances in health and health care delivery.

Upon the conclusion of our meetings with foundation heads and university presidents, the Task Force met on April 23 (2013) to begin the work of identifying recommendations. The consultants are gathering the information necessary to prepare an initial draft report for review by Task Force members. This work will be ongoing as we prepare for presentation of recommendations to the Board in July and the Task Force Report will respond directly to its specific charge, including

- best structures for interactions and reporting
- enhanced delineation of roles of university and foundation activities to reduce confusion or ambiguity, and
- alignment between university-affiliated foundation and university missions.

8. U. T. System Board of Regents: Interim report from the Task Force on Engineering Education for the 21st Century

On November 15, 2012, Chairman Powell and Chancellor Cigarroa created the Task Force on Engineering Education for the 21st Century with the following charge:

For higher education institutions within The University of Texas System to remain a key partner in the State's continued success, we must develop a better understanding of future engineering needs in Texas. Planning aggressively to meet those needs now, requires answers to significant questions concerning undergraduate and graduate engineering education and research. A joint task force, appointed by the Chairman of the Board of Regents and the Chancellor of the U. T. System is charged with reviewing and identifying key issues related to demand, capacity, efficiency, supply, and research related to engineering programs in the State of Texas; how these issues impact Texas and the nation; and what The University of Texas can do to be most responsive to the State of Texas' needs.

Task Force Co-Chairman Cranberg provided an interim report on the work of the Task Force.

### Remarks by Regent Cranberg

The Engineering Task Force was formed in late 2012 to undertake a broad charge to study higher education issues associated with the field of engineering at the System, the State of Texas, and beyond. The Task Force was constituted with the Deans of each of the nine U. T. academic institutions, two industry representatives, Executive Vice Chancellor Reyes, President Daniel (The University of Texas at Dallas), and myself.

Executive Vice Chancellor Reyes' office, with the support of the Deans, has compiled a substantial amount of background and analytical data, which has helped all of us better understand the full picture of engineering education in Texas and of the role of the System's institutions in the State. We took our charge as evaluating the role, the challenges of Texas engineering education as seen by students and employers, and also with the goal of advancing the frontiers of knowledge through innovation and discovery. The Task Force has met three times as a full group and also formed several subgroups:

- a pipeline subgroup studying challenges associated with the supply of future engineering students to Texas from high schools around the State;
- a new degrees subgroup to consider alternative approaches to students receiving a high-quality, valued degree;
- a quantity subgroup focused on how to reduce bottlenecks or other constraints associated with producing more new engineers for Texas' needs and more instructional capacity suited to the needs of Texas high school graduates; and
- a Houston subgroup interested in finding ways to harness the strength and vitality of the Houston area and its employers, especially as it is the center of the world's energy industry as the U. T. System has no academic campus in Houston.

There was a high degree of consensus around several interim understandings among the members of the Task Force:

1. Texas' needs for more, and also more high-quality, engineers is not being met. Nearly all of the top starting salaries at System institutions are for engineers. This is expected to continue for the indefinite future, indicating a strong market demand.

2. U. T. plays a significant role in the state. U. T. institutions supply about half of the engineering enrollment capacity in the state. Texas A&M is the largest non-U. T. institution and the other significant Tier One institution. From the student's point of view there is not adequate capacity of Tier One slots, as large numbers of the most qualified students are leaving Texas to study engineering. The ROI (return on investment) on engineering degrees to students is very high.
3. A key to future quality for engineering education and research is fuller engagement with industry in a variety of ways within research and education and co-op education and internships.

Task Force members are being polled for their plans for future capacity additions. These projections show continued strong growth in non-Tier One institutions. U. T. Austin is now evaluating a shift in plans from a capacity reduction to a modest capacity increase. A&M has announced a very robust plan to grow engineering. There is not much data on future plans from other institutions.

The Task Force meets tomorrow (May 10, 2013) and again in June (2013). Our plan is to issue a report following the June meeting with recommendations, which we would be prepared to present at the August (2013) Board meeting.

Regent Cranberg thanked U. T. engineering Deans for their participation and support in this effort, and he said the consensus is that employers are interested in broadly educated engineers with, for example, a strong base in the humanities or other areas. Vice Chairman Dannenbaum recommended a differentiation effort to quantify demands for advanced engineering education versus blue collar engineers and some analysis of industrial and academic needs for advanced engineers. Regent Cranberg noted data collection done on undergraduate, master's, and Ph.D. levels and relevant market demand will be an important part of the project.

9. U. T. System Board of Regents: Legislative Update for the 83rd Legislative Session

Vice Chancellor McBee reported on highlights of the 83rd Texas Legislature, Regular Session, including the status of formula funding, Tuition Revenue Bonds, establishment of the new University in South Texas with the integrated medical school and the new medical school at The University of Texas at Austin, and deregulation especially regarding the regulatory role of the Texas Higher Education Coordinating Board and other significant regulatory burdens. He also spoke about funding for Texas grant programs, work-study programs, Texas Competitive Knowledge program, and the Texas Research Incentive Program (TRIP), and about issues regarding the dissolution of The University of Texas at Brownsville/Texas Southmost College partnership.

Mr. McBee reviewed the funding mechanism for excellence and outcome-based funding for The University of Texas System health institutions, Graduate Medical Education, creation of new residencies in the state, 1115 Waiver, the Cancer Prevention and Research Institute of Texas (CPRIT), funding for research grants, correctional managed care (CMC), costs of Hazlewood exemptions, concealed handguns, Top Ten Percent, the pending *Fisher v. Texas* case, legislation related to governance of systems of higher education, and changes to high school graduation requirements. He also reported on little progress on an outcome-based funding for the U. T. System academic institutions.

Regent Gary asked when the Supreme Court is expected to rule on the *Fisher* case, and Vice Chancellor McBee said that is unknown, but said it is noteworthy that it is the only case argued in October in which the Court has yet to issue a decision. He said the decision may not be known until after this Session is over.

10. U. T. System: Report on activities of the Institute for Transformational Learning

Dr. Steven Mintz, Executive Director of The University of Texas System Institute for Transformational Learning (ITL), made a presentation on the activities of the ITL. His presentation is [on file](#) in the Office of the Board of Regents.

In reply to a question from Regent Gary about alignment in the missions of private and public institutions to online learning, Dr. Mintz said the ITL's partners are also committed to next generation online learning to identify individual student's needs and to adjust or introduce new pedagogies. Dr. Mintz said that students are the primary concern for the U. T. System -- to deliver the highest possible quality education at a very affordable price. Other institutions may have other objectives, but working with these partners will benefit the U. T. System.

Vice Chairman Hicks asked where the 40,000 people who have registered for free massive open online courses (MOOCs) are located, and Dr. Mintz said he will provide that information to Vice Chairman Hicks. Regent Hall asked about the analytics of assessments of how students are learning and the quality of courses. Dr. Mintz said the Bill & Melinda Gates Foundation has asked U. T. System and The University of Texas at Arlington to run a Gates Foundation funded conference on learning analytics; that conference will be held in December 2013. He also said that information will be collected, anonymously and in real time, on every input and every keystroke to know what engages students and what does not and to see where students are failing to allow faculty to adapt courses and improve instruction. Regent Hall asked that the data on analytics be made available to the public to allow transparency on total performance. Dr. Mintz added there is faculty buy-in with this research endeavor to better understand student learning.

Chancellor Cigarroa remarked on the impact of the two Regental Task Forces on 1) University Excellence and Productivity, and 2) Blended and Online Learning, noting the important investment in a national model of how the U. T. System adds



value to students and how, in this competitive market, students want to attend a U. T. System institution. He emphasized the importance of branding all ITL products with excellence to be on the leading edge. Chairman Powell commented on the number of University of Texas at Austin professors who stepped-up with MOOC proposals to edX.

11. U. T. System Board of Regents: Report on the System Role in Institutional Research National Advisory Committee

Dr. Stephanie Bond Huie, Interim Vice Chancellor for Strategic Initiatives, reported on her appointment as Chair of the National Association of System Heads' (NASH) System Role in Institutional Research National Advisory Committee, particularly as the work of the Committee relates to the Framework for Advancing Excellence throughout The University of Texas System.

The U. T. System Office of Strategic Initiatives is a System Institutional Research Office, and the U. T. System institutions also have Institutional Research Offices. One of the goals of the Committee is to explore the relationships between system offices of institutional research and campus offices of institutional research to see how the two can more efficiently collaborate (system and campus).

11a. U. T. Austin: Status report on the Committee on Business Productivity

President Powers reported on the work of the Committee on Business Productivity at The University of Texas at Austin. He appointed a committee of 13 private sector business leaders to come together and offer advice for bringing best practices to the University's business procedures, organization, commercialization efforts, and asset management. The Committee on Business Productivity, chaired by Stephen J. Rohleder, who served as chief operating officer at Accenture until 2009 and now heads the management consulting and technology services company's global Health & Public Services operating group at Accenture, held its first meeting in March 2012.

Over the course of the year, the Committee met several times as a full committee and more often as working subcommittees. In addition, the Committee's support staff, some of whom established an office on the U. T. Austin campus, conducted scores of interviews with campus staff and staff across the country on different aspects of campus operations, campus assets, and commercialization of intellectual property.

The President's Office describes the ramifications of the Committee's report as sweeping and notes that the combined recommendations could yield as much as \$490 million over a 10-year period (\$49 million per year). Substantial investments will be required to achieve this result.

The Subcommittee on Administrative Services Transformation studied how U. T. Austin could save money by changing how a number of administrative functions are organized and operated. This shared services initiative would move toward consolidating such functions as finance and procurement, human resources, and information technology. President Powers said this centralized approach includes transforming large functions and will take a substantial investment over several years.

The second area of the Committee's work studied how U. T. Austin uses its assets. The Subcommittee on Asset Utilization looked at how to better leverage the existing assets, such as by selling excess power generated by the power plant on the open market, incentivizing deans and department heads to conserve power, bringing U. T. Austin's food, housing, and parking rates more in line with market values, and possibly taking advantage of outsourcing or privatization opportunities.

The Subcommittee on Technology Commercialization examined how U. T. Austin encourages innovation and protects and monetizes the intellectual property developed on campus. While the report notes that U. T. Austin is already among the nation's best in these activities, the Committee encouraged enhancement to another level to spur innovation, to foster entrepreneurship, and to generate economic growth in the region and across the state.

President Powers said the report would be sent to the Chancellor for distribution as needed. He spoke about staffing the various functions with champions who are high-level executives to drive the culture change. In response to a question from Regent Stillwell, President Powers said the members of the Commission of 125 are available for consultation to continue to provide expert strategic advice, especially the Chairs of the Commission's Committees. Regent Stillwell suggested another group could be commissioned to either continue the work of the Commission of 125 or to work on a new effort to determine any academic or cost-saving values.

Chancellor Cigarroa said he asked the Executive Vice Chancellor for Business Affairs to assure that every six years, each campus reviews efficiencies. The University of Texas M. D. Anderson Cancer Center review is complete, and The University of Texas at Dallas, The University of Texas at Tyler, and The University of Texas Medical Branch at Galveston have started their reviews.

Regent Cranberg noted that the Committee's report stated the projected savings are conservative. He added that the report mentions the Texas A&M University contract that yielded up-front cash and significant savings. He asked President Powers if there is an opportunity for significant savings, even initial cash payments, and how he sees savings coming in over time. He asked if those savings will be invested in excellence and reduce the burden on student tuition. President Powers said this will, over the long-term, make the University more affordable. He spoke about budgetary matters and said there will be opportunities to use the resources if saved.

STANDING COMMITTEE REPORTS TO THE BOARD.--At 10:55 a.m., Chairman Powell announced the Board would hear the reports and recommendations of the Standing Committees, which are set forth on Pages 18 - 53.

REPORT AND RECOMMENDATION OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE (Pages 18 - 20).--Committee Chairman Pejovich reported the Audit, Compliance, and Management Review Committee met in open session to consider a matter on its agenda and to formulate recommendations 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 Audit, Compliance, and Management Review 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 Board of Regents: Deloitte Report on the Strategic Assessment of the U. T. System Internal Audit Services

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

3. U. T. System Board of Regents: Authorization to enter into contract(s) with external provider(s) selected through the request for proposals process to provide external quality assessments of internal audit functions and allocation of funds

The Board authorized The University of Texas System Chief Audit Executive (CAE), working with the Chancellor, the Chairman of the Audit, Compliance, and Management Review Committee, and appropriate U. T. System staff

- a. to solicit proposals for the performance of independent, external quality assessments of the internal audit function at U. T. System and at each of the U. T. System institutions;
- b. to select an external provider or providers to conduct the assessments; and
- c. to take all steps necessary to complete the assessment process.

Further, the Chancellor was authorized to approve the allocation of funding in a reasonable amount, as he determines necessary for the assessment process, from the Available University Fund.

The internal audit profession is guided by The Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing (Standards)*. Within the *Standards*, there is a requirement for all internal audit functions to have external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization.

For State agencies within the State of Texas, *Texas Government Code*, Chapter 2102 - *Texas Internal Auditing Act (Act)* establishes guidelines for State agencies' internal audit functions. The *Act* requires all State agencies to adhere to the U.S. Government Accountability Office *Government Auditing Standards*, which require an external peer review at least once every three years by reviewers independent of the audit organization.

The recent report by Deloitte titled *Strategic Assessment of The University of Texas System Internal Audit Services*, as set forth in Item 2 on Page 18, offered an observation regarding external quality assessment reviews, stating, "...performance cycles are not synchronized and the scope and quality is likely to vary from institution to institution. Furthermore, a peer review approach is typically used and those are normally focused on conformity to the IIA *Standards* and not on strategic value added areas that may be covered in a more extensive independent Quality Assessment Review (QAR). As such, the Board of Regents and the System CAE cannot effectively analyze Systemwide internal audit quality at any given time in a holistic manner."

Deloitte's recommendation to address this observation is "The Board of Regents and the System Audit Office should implement a common QAR cycle, so all institutions perform their QARs in the same year. The System CAE should summarize and report on overall internal audit quality within the System to the Board of Regents in the year of the QAR. This will allow the System CAE a unified appraisal of how internal audit has been operating holistically along with allowing for identification of common themes across the System.

Additionally, consideration should be given to implementing a single Systemwide QAR to reduce the costs from conducting 16 individual QARs, enhance consistency of the QARs across the System, and provide a more efficient process for reporting on overall audit quality at the Board level."

4. U. T. System: Update on the status of the Systemwide internal audit of development activities and a report on the State Auditor's Office Statewide Single Audit for FY 2012 and related discussions

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

5. U. T. System: Report on enhancements to U. T. Systemwide Research Compliance Program

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

6. U. T. System: Presentation on the U. T. Systemwide Endowment Compliance Program

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

7. U. T. System: Discussion and appropriate action regarding review of compliance with the Texas Public Information Act

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

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 21-30).--Committee Chairman Foster reported that the Finance and Planning 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 Finance and Planning 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: Key Financial Indicators Report and Monthly Financial Report

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

3. U. T. System: Approval of the Fiscal Year 2014 Budget Preparation Policies and Calendar

The Board approved the Budget Preparation Policies and Calendar (Page 24) for use in preparing the Fiscal Year 2014 Operating Budget for The University of Texas System as set out below:

#### U. T. System Fiscal Year 2014 Budget Preparation Policies

1. General Guidelines - The regulations and directives that will be included in the General Appropriations Act to be enacted by the 83rd Texas Legislature serve as the basis for these guidelines and policies. In preparing the draft of the FY 2014 Operating Budget, the president of each institution should adhere to guidelines and policies as detailed below and as included in the General Appropriations Act. The Chancellor will issue detailed instructions regarding the implementation of those regulations and directives into the institutional budget process.

The president of each institution should examine the resources used at the institution and, where possible, redirect resources toward high priority mission critical activities and strategic competitive investments that are consistent with the goals and objectives included in the institution's Strategic Plan.

Overall budget totals, including retaining reasonable reserves for potential future financial shortfall, must be limited to the funds available for the year from General Revenue Appropriations, Estimates of Educational and General Income, and limited use of institutional unappropriated balances.

2. Maintenance of Operating Margin and Use of Prior Year Balances - Institutions should make all reasonable efforts to maintain a favorable operating margin within the FY 2014 Operating Budget. Use of prior year balances should be limited to critical items, unique opportunities, or projects funded from prior year income committed for that purpose. Generally, balance usage should be reserved for nonrecurring activities. Balance usage cannot be recommended to the U. T. System Board of Regents for approval without the consent of the Chancellor, the appropriate Executive Vice Chancellor, and the Associate Vice Chancellor, Controller, and Chief Budget Officer.
3. Salary Guidelines - Recommendations regarding salary policy are subject to the following directives:
  - A. Salaries Proportional by Fund - Unless otherwise restricted, payment for salaries, wages, and benefits paid from appropriated funds, including local funds and educational and general funds as defined in *Texas Education Code* Section 51.009(a) and (c), shall be proportional to the source of funds.
  - B. Merit Increases and Promotions - Merit increases or advances in rank for faculty are to be on the basis of teaching effectiveness, research, and public service.

As defined in *Texas Education Code* Section 51.962, administrative and professional staff and classified staff must have been employed by the institution for at least six consecutive months immediately preceding the effective date of the increase to be eligible for a merit increase, and at least six months must have elapsed since the employee's last merit salary increase.

Merit increases or promotions for administrative and professional staff and classified staff are to be based on evaluation of performance in areas appropriate to work assignments. In accordance with the Regents' *Rules and Regulations*, performance appraisals are required to be conducted annually for all employees of the U. T. System. To verify compliance with this policy, U. T. System presidents and the Executive Vice Chancellor for Business Affairs for U. T. System Administration shall annually certify that all eligible employees (including staff and faculty) have completed performance appraisals. Subject to available resources and resolution of any major salary inequities, institutions should give priority to implementing merit salary increases for faculty and staff.

- C. Other Increases - Equity adjustments, competitive offers, and increases to accomplish contractual commitments should also consider merit where appropriate, subject to available resources. Subject to guidance issued by the Chancellor, such increases should be noted and explained in the supplemental data accompanying the budget.



- D. New Positions - Subject to available resources, new administrative and professional staff, classified staff, and faculty positions are to be requested only when justified by workloads or to meet needs for developing new programs.
- E. Reporting - The Chancellor will issue guidance on reporting of salary changes and amounts. It is expected that required reports will encompass high-ranking staff covered by Regents' *Rules and Regulations*, Rules 20203 and 20204 along with those staff receiving significant changes in compensation.
4. Staff Benefits Guidelines - Recommendations regarding the State contribution for employee staff benefits such as group insurance premiums, teacher retirement, and optional retirement are subject to legislative determination via the General Appropriations Act. The Chancellor will issue instructions regarding the implementation of the benefits into the budget process.
5. Other Employee Benefits - Employer contributions to the self-insured Unemployment Compensation Fund are based on an actuarial study. Workers' Compensation Insurance rates are experience-rated for each institution. Appropriate instructions will be issued regarding the implementation of Unemployment Compensation Fund and Workers' Compensation Insurance Benefits.
6. Other Operating Expenses Guidelines - Increases in Maintenance, Operation, Equipment, and Travel are to be justified by expanded workloads, for developing new programs, or for correcting past deferrals or deficiencies.
7. Calendar - In the event of unforeseen circumstances, authority is delegated to the Chancellor to modify the Calendar.

The U. T. System FY 2014 Budget Preparation Policies will be consistent with the regulations and directives included in the General Appropriations Act and other general law to be enacted by the 83rd Texas Legislature. As written, this policy provides general direction to the U. T. System institutions and may be modified as necessary to conform to the legislation, as finally passed.



**THE UNIVERSITY OF TEXAS SYSTEM  
FY 2014 OPERATING BUDGET CALENDAR**

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January 2013 – August 2013	Performance appraisal focal period
May 9, 2013	U. T. System Board of Regents takes appropriate action on budget preparation policies
May 29 - June 7, 2013	Major goals, priorities, and resource allocation hearings with U. T. System Administration
June 28, 2013	Draft budget documents due to U. T. System
July 3 - 11, 2013	Technical budget review with U. T. System
July 19, 2013	Final budget documents due to U. T. System
July 26, 2013	Reports on highly compensated staff covered by Regents' Rules 20203 and 20204, high-ranking staff salaries, and institutional Top Ten salaries due to U. T. System
August 9, 2013	Operating Budget Summaries mailed to the U. T. System Board of Regents
August 15, 2013	Salary change report due to U. T. System
August 22, 2013	U. T. System Board of Regents takes appropriate action on Operating Budget and President and Executive Officer compensation

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 February 28, 2013

The February 28, 2013 University of Texas Investment Management Company (UTIMCO) Performance Summary Report is attached on Page 26.

The Investment Reports for the quarter ended February 28, 2013, are set forth on Pages 27 - 30.

Item I on Page 27 reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the quarter was 3.61% versus its composite benchmark return of 3.81%. The PUF's net asset value increased by \$555 million since the beginning of the quarter to \$14,242 million. The increase was due to \$174 million PUF Lands receipts, plus a net investment return of \$490 million, less distributions made to the Available University Fund (AUF) of \$109 million.

Item II on Page 28 reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the quarter was 3.68% versus its composite benchmark return of 3.81%. The GEF's net asset value increased by \$206 million during the quarter to \$7,435 million.

Item III on Page 29 reports activity for the Intermediate Term Fund (ITF). The ITF's net investment return for the quarter was 2.56% versus its composite benchmark return of 2.04%. The net asset value increased during the quarter to \$5,243 million due to net investment return of \$130 million, plus net contributions of \$63 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 30 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 and Fidelity money market funds, increased by \$248 million to \$2,198 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$23 million versus \$22 million at the beginning of the period; equities: \$57 million versus \$54 million at the beginning of the period; and other investments: \$2 million versus \$3 million at the beginning of the period.

# UTIMCO Performance Summary

February 28, 2013

	Net Asset Value 2/28/2013 (in Millions)	Periods Ended February 28, 2013 (Returns for Periods Longer Than One Year are Annualized)							
		Short Term		Year to Date		Historic Returns			
		1 Mo	3 Mos	Fiscal	Calendar	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>ENDOWMENT FUNDS</b>									
Permanent University Fund	\$ 14,242	0.36%	3.61%	6.29%	2.47%	8.37%	9.06%	3.27%	9.07%
General Endowment Fund		0.37	3.68	6.43	2.51	8.54	9.15	3.28	9.21
Permanent Health Fund	1,015	0.36	3.64	6.36	2.51	8.40	9.07	3.20	9.11
Long Term Fund	6,420	0.36	3.64	6.36	2.51	8.40	9.08	3.20	9.12
Separately Invested Funds	158	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Endowment Funds</b>	<b>21,835</b>								
<b>OPERATING FUNDS</b>									
Intermediate Term Fund	5,243	(0.32)	2.56	4.57	1.51	5.81	7.41	3.46	N/A
Debt Proceeds Fund	495	0.01	0.04	0.08	0.02	0.17	N/A	N/A	N/A
Short Term Fund	1,626	0.01	0.03	0.07	0.02	0.16	0.19	0.67	1.98
<b>Total Operating Funds</b>	<b>7,364</b>								
<b>Total Investments</b>	<b>\$ 29,199</b>								
<b>VALUE ADDED (1) (Percent)</b>									
Permanent University Fund		0.38%	(0.20%)	0.49%	0.27%	2.26%	1.33%	2.20%	2.20%
General Endowment Fund		0.39	(0.13)	0.63	0.31	2.43	1.42	2.21	2.34
Intermediate Term Fund		0.19	0.52	0.78	0.49	2.78	2.29	2.35	N/A
Debt Proceeds Fund		0.01	0.02	0.03	0.02	0.06	N/A	N/A	N/A
Short Term Fund		0.01	0.01	0.02	0.02	0.05	0.08	0.28	0.21
<b>VALUE ADDED (1) (\$ IN MILLIONS)</b>									
Permanent University Fund		\$ 54	\$ (27)	\$ 66	\$ 37	\$ 293	\$ 504	\$ 1,408	\$ 2,641
General Endowment Fund		30	(9)	45	23	172	300	793	1,516
Intermediate Term Fund		10	26	39	25	136	319	542	N/A
<b>Total Value Added</b>		<b>\$ 94</b>	<b>\$ (10)</b>	<b>\$ 150</b>	<b>\$ 85</b>	<b>\$ 601</b>	<b>\$ 1,123</b>	<b>\$ 2,743</b>	<b>\$ 4,157</b>

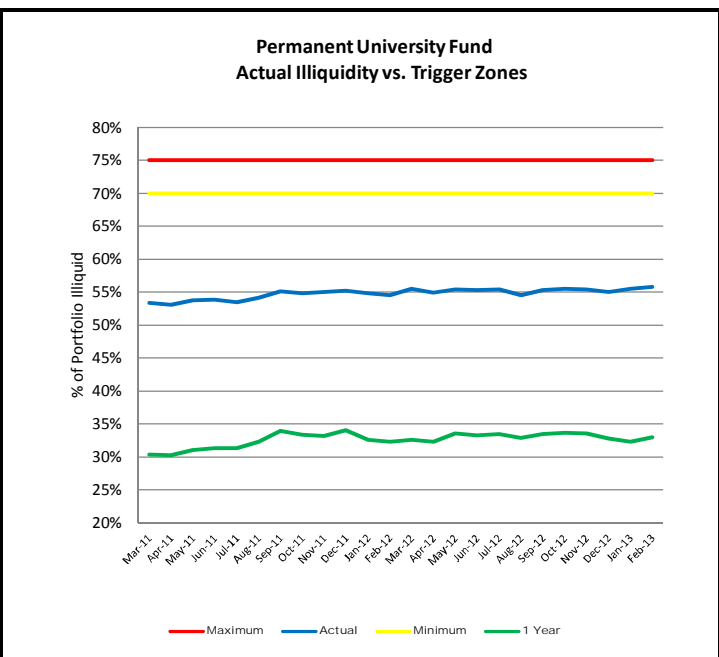
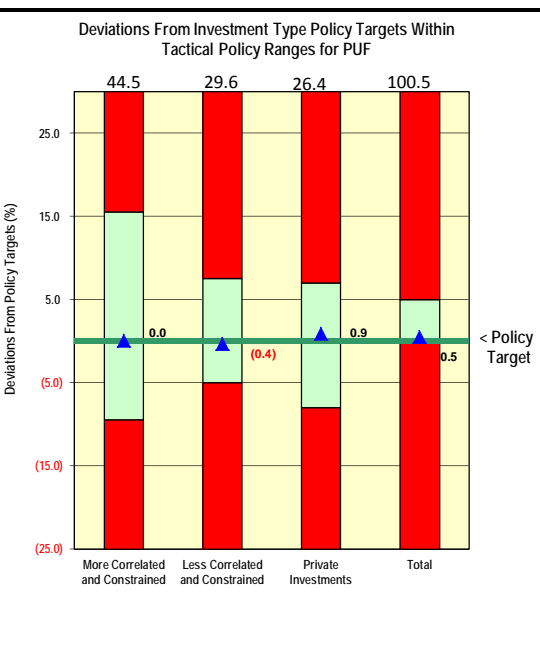
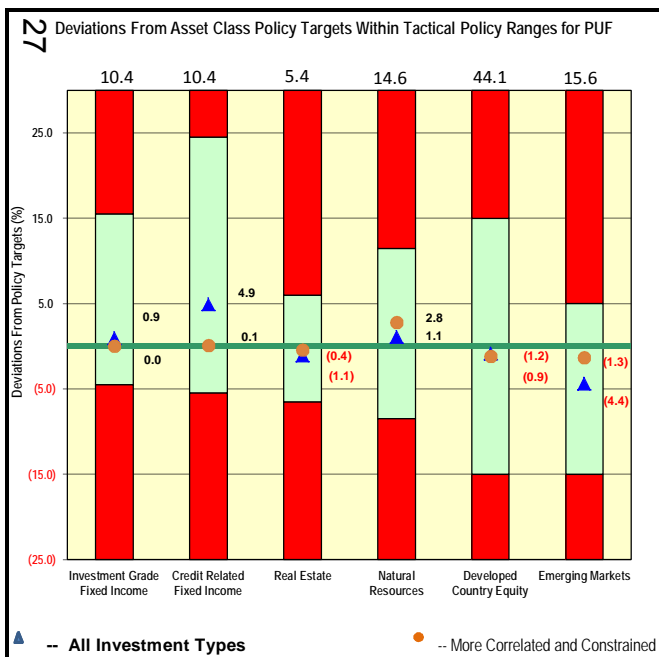
Footnotes available upon request.

## I. PERMANENT UNIVERSITY FUND Investment Reports for Periods Ended February 28, 2013

Prepared in accordance with *Texas Education Code Sec. 51.0032*

<u>Summary of Capital Flows</u>				
(\$ millions)	Fiscal Year Ended August 31, 2012	Quarter Ended February 28, 2013	Fiscal Year to Date August 31, 2013	
Beginning Net Assets	\$ 12,688	\$ 13,687	\$ 13,470	
PUF Lands Receipts	955	174	376	
Investment Return (Net of Expenses)	403	490	835	
Distributions to AUF	(576)	(109)	(439)	
Ending Net Assets	<u>\$ 13,470</u>	<u>\$ 14,242</u>	<u>\$ 14,242</u>	

	Returns		Fiscal Year to Date		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
<b>More Correlated and Constrained:</b>					
Investment Grade	1.20%	-1.13%	-0.12%	0.19%	0.07%
Credit-Related	8.48%	8.02%	0.00%	0.00%	0.00%
Real Estate	8.47%	11.35%	0.00%	-0.08%	-0.08%
Natural Resources	-3.93%	-1.01%	-0.24%	-0.23%	-0.47%
Developed Country	14.41%	10.85%	-0.24%	0.50%	0.26%
Emerging Markets	11.56%	12.06%	-0.23%	-0.06%	-0.29%
<b>Total More Correlated and Constrained</b>	<b>5.98%</b>	<b>7.12%</b>	<b>-0.83%</b>	<b>0.32%</b>	<b>-0.51%</b>
<b>Less Correlated and Constrained</b>	<b>6.06%</b>	<b>5.06%</b>	<b>0.31%</b>	<b>-0.03%</b>	<b>0.28%</b>
<b>Private Investments</b>	<b>7.08%</b>	<b>4.36%</b>	<b>0.28%</b>	<b>0.44%</b>	<b>0.72%</b>
<b>Total</b>	<b>6.29%</b>	<b>5.80%</b>	<b>-0.24%</b>	<b>0.73%</b>	<b>0.49%</b>



## II. GENERAL ENDOWMENT FUND

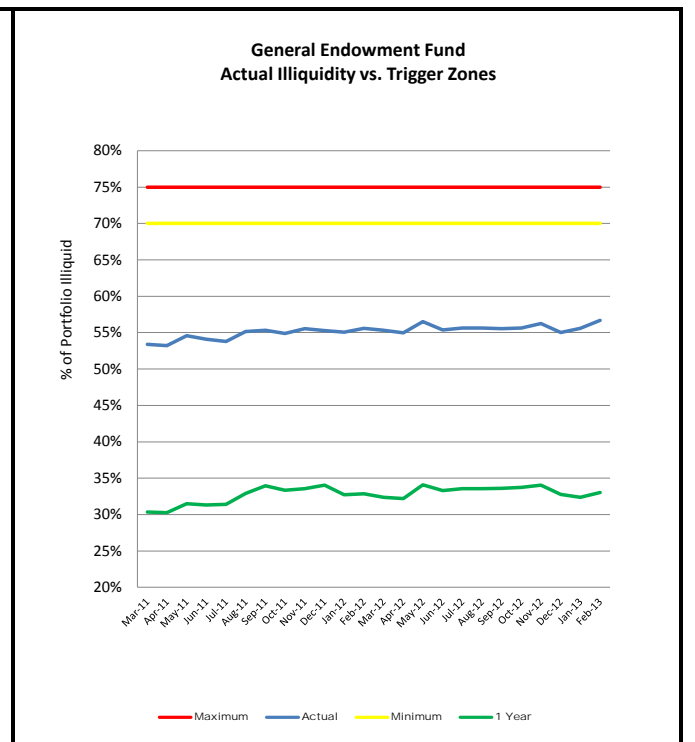
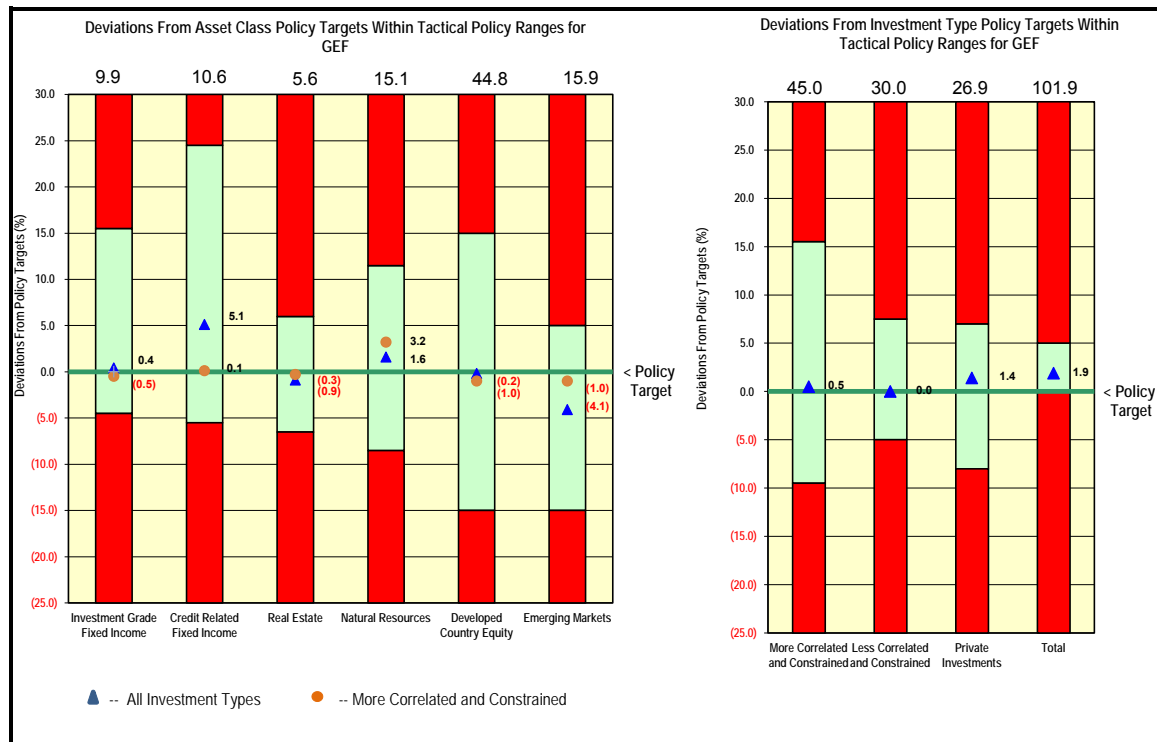
### Investment Reports for Periods Ended February 28, 2013

Prepared in accordance with *Texas Education Code Sec. 51.0032*

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended August 31, 2012	Quarter Ended February 28, 2013	Fiscal Year to Date August 31, 2013
Beginning Net Assets	\$ 7,049	\$ 7,229	\$ 7,105
Contributions	194	31	57
Withdrawals	(17)	(1)	(4)
Distributions	(344)	(90)	(179)
Investment Return (Net of Expenses)	223	266	456
Ending Net Assets	<u>\$ 7,105</u>	<u>\$ 7,435</u>	<u>\$ 7,435</u>

	Fiscal Year to Date				
	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
<b>More Correlated and Constrained:</b>					
Investment Grade	1.72%	-1.13%	-0.06%	0.22%	0.16%
Credit-Related	8.48%	8.02%	0.00%	0.00%	0.00%
Real Estate	8.50%	11.35%	0.01%	-0.08%	-0.07%
Natural Resources	-3.88%	-1.01%	-0.26%	-0.22%	-0.48%
Developed Country	14.41%	10.85%	-0.23%	0.50%	0.27%
Emerging Markets	11.99%	12.06%	-0.24%	-0.02%	-0.26%
<b>Total More Correlated and Constrained</b>	<b>6.29%</b>	<b>7.12%</b>	<b>-0.78%</b>	<b>0.40%</b>	<b>-0.38%</b>
<b>Less Correlated and Constrained</b>					
	<b>6.06%</b>	<b>5.06%</b>	<b>0.31%</b>	<b>-0.03%</b>	<b>0.28%</b>
<b>Private Investments</b>					
	<b>7.08%</b>	<b>4.36%</b>	<b>0.28%</b>	<b>0.45%</b>	<b>0.73%</b>
<b>Total</b>	<b>6.43%</b>	<b>5.80%</b>	<b>-0.19%</b>	<b>0.82%</b>	<b>0.63%</b>

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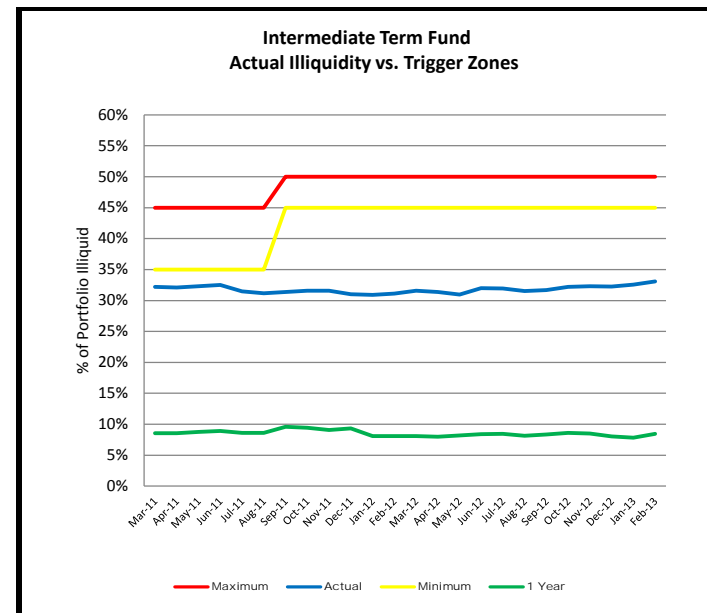
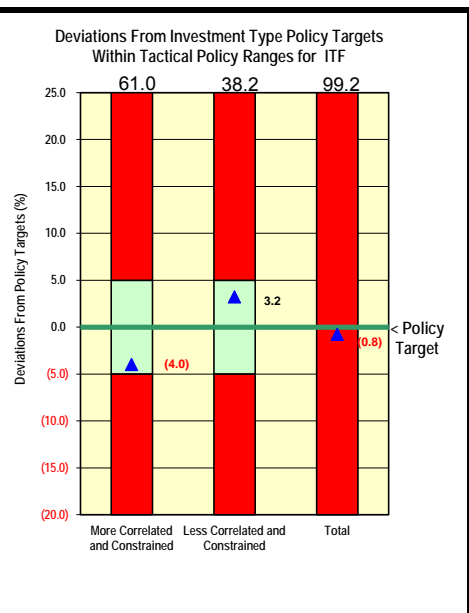
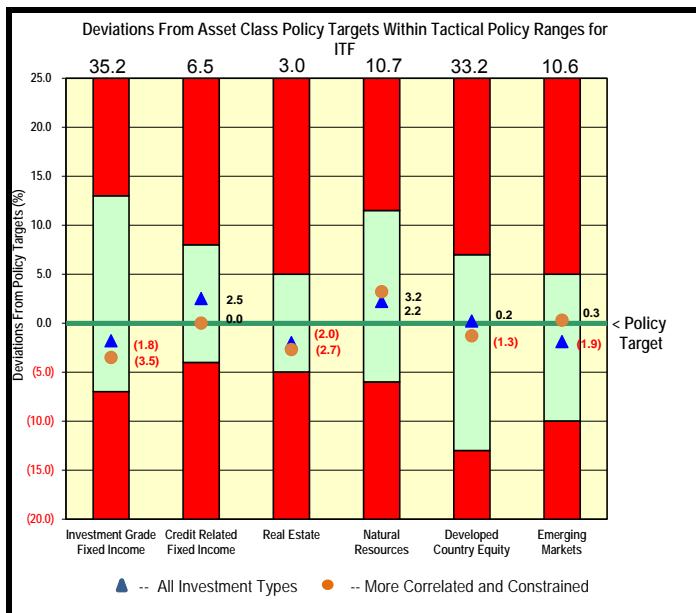
### III. INTERMEDIATE TERM FUND Investment Reports for Periods Ended February 28, 2013

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended August 31, 2012	Quarter Ended February 28, 2013	Fiscal Year to Date August 31, 2013
Beginning Net Assets	\$ 4,662	\$ 5,088	\$ 4,893
Contributions	420	92	262
Withdrawals	(183)	(29)	(62)
Distributions	(142)	(38)	(76)
Investment Return (Net of Expenses)	136	130	226
Ending Net Assets	<u>\$ 4,893</u>	<u>\$ 5,243</u>	<u>\$ 5,243</u>

	Fiscal Year to Date				
	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
<b>More Correlated and Constrained:</b>					
Investment Grade	1.14%	-1.13%	0.07%	0.80%	0.87%
Credit-Related	0.00%	0.00%	0.00%	0.00%	0.00%
Real Estate	8.61%	11.35%	-0.10%	-0.12%	-0.22%
Natural Resources	-3.10%	-1.01%	-0.27%	-0.15%	-0.42%
Developed Country	14.92%	10.85%	-0.23%	0.39%	0.16%
Emerging Markets	12.62%	12.06%	-0.03%	0.03%	0.00%
<b>Total More Correlated and Constrained</b>	<b>3.67%</b>	<b>3.11%</b>	<b>-0.56%</b>	<b>0.95%</b>	<b>0.39%</b>
<b>Less Correlated and Constrained</b>	<b>6.06%</b>	<b>5.06%</b>	<b>0.39%</b>	<b>0.00%</b>	<b>0.39%</b>
<b>Private Investments</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total</b>	<b>4.57%</b>	<b>3.79%</b>	<b>-0.17%</b>	<b>0.95%</b>	<b>0.78%</b>

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**IV. SEPARATELY INVESTED ASSETS**  
**Summary Investment Report at February 28, 2013**  
 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
<b>Cash &amp; Equivalents:</b>																
Beginning 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
Increase/(Decrease)	-	-	(172)	(172)	37,565	37,565	(1,036)	(1,036)	1,916	1,916	38,273	38,273	209,628	209,628	247,901	247,901
Ending value 02/28/13	-	-	1,873	1,873	69,065	69,065	1,802	1,802	3,974	3,974	76,714	76,714	2,121,186	2,121,186	2,197,900	2,197,900
<b>Debt Securities:</b>																
Beginning value 11/30/12	-	-	45	45	11,450	12,840	8,710	9,512	-	-	20,205	22,397	-	-	20,205	22,397
Increase/(Decrease)	-	-	-	-	602	395	149	(153)	-	-	751	242	-	-	751	242
Ending value 02/28/13	-	-	45	45	12,052	13,235	8,859	9,359	-	-	20,956	22,639	-	-	20,956	22,639
<b>Equity Securities:</b>																
Beginning value 11/30/12	461	2,513	1,409	1,445	31,149	35,351	13,634	14,564	-	-	46,653	53,873	-	-	46,653	53,873
Increase/(Decrease)	-	486	(114)	(16)	450	2,179	66	499	-	-	402	3,148	-	-	402	3,148
Ending value 02/28/13	461	2,999	1,295	1,429	31,599	37,530	13,700	15,063	-	-	47,055	57,021	-	-	47,055	57,021
<b>Other:</b>																
Beginning value 11/30/12	-	-	354	354	9	9	468	144	2,018	2,018	2,849	2,525	-	-	2,849	2,525
Increase/(Decrease)	-	-	376	376	2	2	6	(12)	(1,388)	(1,388)	(1,004)	(1,022)	-	-	(1,004)	(1,022)
Ending value 02/28/13	-	-	730	730	11	11	474	132	630	630	1,845	1,503	-	-	1,845	1,503
<b>Total Assets:</b>																
Beginning 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	1,911,558	2,019,706	2,028,794
Increase/(Decrease)	-	486	90	188	38,619	40,141	(815)	(702)	528	528	38,422	40,641	209,628	209,628	248,050	250,269
Ending value 02/28/13	461	2,999	3,943	4,077	112,727	119,841	24,835	26,356	4,604	4,604	146,570	157,877	2,121,186	2,121,186	2,267,756	2,279,063

Details of individual assets by account furnished upon request.



REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 31 - 36).--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 of the 2012 Campus and Medical District Master Plan

The Board approved the 2012 Campus and Medical District Master Plan for The University of Texas at Austin. The Plan was included in the agenda materials and is [on file](#) in the Office of the Board of Regents.

During the Academic Affairs Committee meeting on May 8, 2013, President Powers and Mr. Lawrence Speck, Professor in the School of Architecture, presented the Campus Master Plan that focuses on expanding the medical school as well as planned interventions that align the physical growth of the campus with U. T. Austin's academic/strategic plan.

For some time, U. T. Austin has held a prominent position among national and international universities. Achieving and sustaining this level of excellence comes through thoughtful planning, dedicated implementation, and a keen focus on the timeless mission of the University. The Campus Master Plan establishes the physical framework for sustaining a leadership role among the nation's preeminent public research universities.

The scope of this plan is limited to the main campus of U. T. Austin and the plan lays out a framework that will shape how to invest intelligently, and with consistency, when opportunities arise. With this plan as a guide, U. T. Austin is in position to accommodate growth and enhance the existing campus, as well as extend, if needed, the outstanding utility and facilities infrastructure to new academic and research ventures. U. T. Austin is poised to engage with businesses and neighborhoods surrounding the campus on issues of housing and social environments that support academic achievement. U. T. Austin is also in a position to revitalize the Waller Creek/San Jacinto Boulevard corridor as a place that knits together the core campus to the west with the central campus to the east while serving a greater role in improving mobility on campus.

U. T. Austin's Campus Master Plan was last updated on February 8, 1996.

3. U. T. Arlington: Approval of updated Campus Master Plan to expand the real estate acquisitions zone to add the area immediately across South Center Street from U. T. Arlington's College Park Center and bounded by South Center Street, East Third Street, Mesquite Street, and East Mitchell Street

The Board approved an update to the Campus Master Plan for The University of Texas at Arlington to revise the real estate acquisitions zone.

The Campus Master Plan for U. T. Arlington was approved by the Board of Regents on May 11, 2000. The approved Campus Master Plans for all 15 U. T. System institutions were subsequently included in a single bound volume as directed by the Board on November 16, 2000. Since that time, some institutions have presented updates of their Campus Master Plans to the Board, which U. T. Arlington did with its Master Plan on May 9, 2007.

A common element in many of the institutions' master plans is a real estate acquisitions zone. The acquisitions zone is intended to reflect anticipated, long-term future needs of the institution as it manages its enrollment and programmatic offerings.

Enrollment at U. T. Arlington has increased from 20,424, as referenced in the November 2000 bound Master Plan volume, to 33,800 in Spring 2013. With the growth in enrollment and expected programmatic demands, the institution's long-term real estate acquisitions zone needs to be expanded.

The area selected for the expansion zone is immediately across South Center Street from U. T. Arlington's College Park Center. The zone is bounded by South Center Street, East Third Street, Mesquite Street, and East Mitchell Street and is in need of redevelopment. The area has several older apartments that are past their useful life expectancies. Land assembly, even though long-term, will enable this area to be redeveloped, and at the same time, will create a "buffer" with the adjacent area, enhancing campus safety and security.

The expansion to the acquisitions zone totals approximately 6.13 acres. Acquisitions within the zone would be made over an extended period of time. Approval of the acquisitions zone permits negotiated, voluntary acquisitions only for properties with a purchase price of \$1 million or less. In accordance with Regents' *Rules and Regulations*, Rules 10501 and 70301, acquisitions exceeding \$1 million will be brought to the Board for approval as and when an acquisition within the zone is proposed.

A map of the acquisitions zone was included in the agenda materials.

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

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

5. U. T. Arlington: Honorific naming of the Practice Facility in the College Park Center as the Carrizo Oil & Gas Practice Facility

The Board approved the honorific naming of the Practice Facility in the College Park Center at The University of Texas at Arlington as the Carrizo Oil & Gas Practice Facility to recognize the \$5 million philanthropic contribution that Carrizo Oil & Gas, Inc. has made to the institution.

College Park Center is a \$78 million, 7,000-seat, special events arena that opened in February 2012. It is a true multipurpose facility, serving not only as the home of Maverick sports such as men's and women's basketball and women's volleyball, but also as the primary venue for graduation, convocations, and distinguished lecture series.

The Practice Facility within the College Park Center is a 15,900 square foot building housing two gymnasiums with a National Collegiate Athletic Association (NCAA) regulation basketball court in each. It will serve as the practice site for the U. T. Arlington Mavericks women's volleyball and basketball and men's basketball teams, as well as for the spirit groups (cheerleaders and dance team). The Facility will also be used for athletic banquets, pep rallies, commencement activities, and youth camps.

Carrizo Oil & Gas, Inc. is a Houston-based energy company actively engaged in the exploration, development, exploitation, and production of oil and natural gas. Carrizo is the production company currently developing 22 wells on the U. T. Arlington campus. The company has worked closely with U. T. Arlington and the City of Arlington to develop the campus' natural resources.

6. U. T. Dallas: Honorific naming of the Arts and Technology Facility as the Edith O'Donnell Arts and Technology Building

The Board approved the honorific naming of the Arts and Technology Facility as the Edith O'Donnell Arts and Technology Building to recognize her generous support of U. T. Dallas.

The Arts and Technology Facility is a \$60 million, 155,000 square foot facility that will house programs in visual arts, emerging media technology, and multimedia communications, as well as a 1,200-seat auditorium. The facility was added to the Capital Improvement Program (CIP) on February 7, 2008, and funds were appropriated on November 15, 2012. The project is slated for completion in May 2013.

Located near the center of campus, facing the newly renovated outdoor mall and reflecting pool, the building will hold 2,150 new classroom seats and 50 faculty offices. The unique open building design features a layout with offices and classrooms in the center of the building and perimeter spaces for showcasing students' work. The exterior of the building will include a courtyard next to the new auditorium. The interior will provide spaces for classes in game design and visual arts, conference rooms, 2D drawing and painting art studios, 3D art studios, and photography and print-making labs.

Edith and Peter O'Donnell, along with the O'Donnell Foundation, have been among U. T. Dallas' most generous and longstanding supporters, with their involvement extending back to the 1980s. The Foundation makes grants to educational and art organizations, primarily in Texas. Total giving by Mr. and Mrs. O'Donnell to U. T. Dallas exceeds \$21.6 million. The majority of these gifts have been designated to establish endowed chairs, and most came through the O'Donnell Foundation. The Foundation's most recent major gift to U. T. Dallas was \$5 million directed to the U. T. Dallas Biomedical Devices Fund in January 2012. The January 31, 2013, market value of the 15 endowments established by the O'Donnells is \$29.3 million.

Edith Jones O'Donnell is a 1948 graduate of The University of Texas at Austin. She is secretary and treasurer of the O'Donnell Foundation and currently serves on the boards of the Dallas Museum of Art and the Hockaday School. She is also on the board of Big Thought and is co-founder of the creative learning program in North Texas. Both Edith and Peter O'Donnell were honored by Southern Methodist University in 2008 and conferred with the degrees of Doctor of Humane Letters, *honoris causa*. An iconic figure in Dallas, Mrs. O'Donnell has spent a lifetime connecting aspiring young artists with educational and outreach opportunities to fully develop their talents and contribute to advances in the arts.

7. U. T. System Board of Regents: Approval to create the University College at U. T. Pan American and amendment of the Regents' *Rules and Regulations*, Rule 40601, Section 1.8 to add Subsection (h) to include the University College

The Board approved the creation of the University College at The University of Texas-Pan American and authorized amendment of the Regents' *Rules and Regulations*, Rule 40601, Section 1.8, concerning institutions comprising The University of Texas System, to include the University College 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:

. . .

1.8 The University of Texas-Pan American (U. T. Pan American)

- (a) The University of Texas-Pan American College of Arts and Humanities
- (b) The University of Texas-Pan American College of Business Administration
- (c) The University of Texas-Pan American College of Education
- (d) The University of Texas-Pan American College of Engineering and Computer Science
- (e) The University of Texas-Pan American College of Health Sciences and Human Services
- (f) The University of Texas-Pan American College of Science and Mathematics
- (g) The University of Texas-Pan American College of Social and Behavioral Sciences
- (h) The University of Texas-Pan American University College

U. T. Pan American will transition the Office of Undergraduate Studies to a University College with a focus on undergraduate student success and retention. The University College will emphasize strong student advising, particularly for students who are undecided on a major or a career path. The college will also focus on excellence in developmental education and academic support; programming to engage students with academic life in the first year and beyond; and excellence in undergraduate teaching, assessment, and curriculum.

*Texas Education Code* Section 65.11 authorizes the Board of Regents to provide for the "names of the institutions and entities in The University of Texas System in such a way as will achieve the maximum operating efficiency of such institutions and entities[.]"

8. U. T. System: Approval to submit updated strategic plans for research for U. T. Arlington, U. T. Dallas, U. T. El Paso, and U. T. San Antonio, as well as the plan for U. T. Austin

The Board approved submission of the updated strategic plans for research to the Texas Higher Education Coordinating Board by The University of Texas at Arlington, The University of Texas at Dallas, The University of Texas at El Paso, and The University of Texas at San Antonio, as well as the plan for The University of Texas at Austin, as required by House Bill 51 passed during the 81st Regular Legislative Session. The updated strategic plans were sent to members of the Board prior to the meeting and are [on file](#) in the Office of the Board of Regents.

Coordinating Board rules require a research university or an emerging research university as designated in the Coordinating Board's accountability system to develop a long-term strategic plan for either achieving recognition as a research university, as is the case for U. T. Arlington, U. T. Dallas, U. T. El Paso, and U. T. San Antonio, or for enhancing the institution's reputation as a research university, as is the case for U. T. Austin. The strategic plans require approval by the U. T. System Board of Regents prior to submission to the Coordinating Board per the *Texas Education Code* Section 51.358.

9. U. T. System: Discussion on the role of private industry in funding research in business and engineering

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

REPORT AND RECOMMENDATION OF THE HEALTH AFFAIRS COMMITTEE  
(Pages 37 - 38).--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 action set forth in the Minute Order that follows was 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. M. D. Anderson Cancer Center: Honorific naming of the Cancer Prevention Center for Ms. Lyda Hill

The Board approved the honorific naming of the Cancer Prevention Center for Ms. Lyda Hill to recognize her generous support of The University of Texas M. D. Anderson Cancer Center.

Ms. Lyda Hill made a recent pledge of \$50 million over five years to U. T. M. D. Anderson Cancer Center to support the Moon Shots Program, a comprehensive action plan to rapidly and dramatically reduce mortality and suffering in several major cancers. This naming is in recognition of that extraordinary gift.

The Cancer Prevention Center is a research center led by M. D. Anderson's Clinical Cancer Prevention Department. Through laboratory and clinical studies, researchers are identifying lifestyle factors, genetic predisposition, and molecular events contributing to the development and prevention of cancer. More than 15,000 patients, including an increasing number of cancer survivors, annually rely on the Center's nationally recognized cancer prevention specialists to help them reduce their chances of developing primary and secondary cancers through personalized recommendations based on age, gender, and cancer risk.

Ms. Hill is a businesswoman, volunteer, philanthropist, and environmentalist. Early in her career, she founded her own travel company and eventually built it into the largest travel agency in Texas. She has managed other family businesses with interests in the oil, gas, and real estate development industries. Ms. Hill has been an active member of the M. D. Anderson Cancer Center Board of Visitors for more than three decades, and she serves on the Events Committee. Prior to her recent pledge of \$50 million, she has contributed more than \$2.1 million to U. T. M. D. Anderson Cancer Center since 1981.

3. U. T. Health Science Center - Houston: Report on dentistry workforce issues in Texas

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

4. U. T. System: Discussion on Ph.D. career counseling programs at U. T. System health institutions

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

5. U. T. System: Report on the challenges in the regulation of research and on the Virtual Center for Regulation of Science

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

6. U. T. Health Science Center - San Antonio: Update on the San Antonio Children's Hospital

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

7. U. T. Southwestern Medical Center: Report on the West Campus Plan - Phase 1

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

The West Campus - Phase 1 project was approved for inclusion on the Capital Improvement Program (CIP) (see Facilities Planning and Construction Committee Item 5).

8. U. T. System: Quarterly report on health matters of interest to the U. T. System, including the role of the U. T. System health institutions under the 1115 Medicaid Waiver Program

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



REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 39 - 52).--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. Austin: Dell Medical School - Phase 1 - Amendment of the FY 2013-2018 Capital Improvement Program to include project (Preliminary Board approval)

The Board approved the amendment of the Fiscal Year 2013-2018 Capital Improvement Program (CIP) to include the Dell Medical School - Phase 1 project at The University of Texas at Austin as follows:

Project No.:	102-772	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	June 2016	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds <sup>1</sup>	\$334,500,000

Funding Note: <sup>1</sup> Revenue Financing System debt will be repaid from office space rental and parking revenues.

- Investment Metrics:
- Incoming cohort of 50 medical students and total of 200 enrollment
  - Incoming cohort of 25 Ph.D. students with total of 125 enrollment
  - 175 residents increases to 350 over 10 years

U. T. Austin seeks to construct the Dell Medical School - Phase 1 project to support the University's goal to create an internationally recognized medical school for high quality education, research, and health care, with accommodation for long-term growth. The new doctoral degree program in Medicine at the University, for which expansion of preliminary planning authority was approved by the Board on February 14, 2013, will educate 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, it will draw on the University's existing teaching and research strengths in natural sciences, engineering, and relevant fields in the social sciences and humanities. The program in Medicine also will draw on the University's well-regarded programs in nursing, pharmacy, and social work to educate new

physicians in interprofessional team settings that prepare them to function effectively in the health care system of the future, to provide acute and complex care safely and efficiently, and to maintain and improve the health of individuals in the community.

The Dell Medical School - Phase 1 project will be located in a new campus medical district of approximately 40 acres, bounded by Martin Luther King, Jr. Boulevard, Interstate Highway 35, 15th Street, and Trinity Street. The location for this District is identified in the U. T. Austin Campus and Medical District Master Plan (see Item 2 of the Academic Affairs Committee related to the Campus and Medical District Master Plan). Of significance is the immediate adjacency of the medical district to the existing University Medical Center Brackenridge, specifically because of the substantial investment in facilities in the Medical Center, which will continue to serve the new teaching hospital. The phased development of the Medical District is being outlined in the Master Plan effort. There is additional room for future expansion of the district, when needed, into an adjacent, approximately 17 acres of the Central Campus, north of Martin Luther King, Jr. Boulevard.

This first phase of development will involve the construction of approximately 515,000 gross square feet (GSF) of new University buildings, including an Education and Administration Building, Research Building, and Medical Office Building 1. Additionally, Parking Garage 1 with approximately 300,000 - 350,000 GSF is targeted to house 1,000 cars. A 480,000 GSF teaching hospital will be concurrently constructed by Seton Healthcare in coordination with Central Health. The teaching hospital is not included as part of this project since it will not be constructed or financed by U. T. Austin.

To optimize the placement and organization of the various facilities that will ultimately comprise the district, some existing infrastructure and facilities will require removal, relocation, or replacement. Transportation and utility infrastructure and site preparation stages, including potential roadway realignment, will precede the building construction and will be closely coordinated with the City of Austin. The scope and phasing of the infrastructure work will be coordinated with Central Health/Seton as they construct the new teaching hospital. The current plan assumes each building included in the Dell Medical School - Phase 1 project will have stand-alone utility systems because the buildings are to be located at the far south edge of the campus where existing University utility systems are not currently capable of meeting the new demand. However, the University is currently conducting a study to determine the viability of meeting the increased demand by expanding the campus utility system. Should a proposed expansion be recommended, it will be submitted for consideration as a separate, future project.

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.

3. U. T. Permian Basin: Residence and Dining Hall - Amendment of the FY 2013-2018 Capital Improvement Program to include project (Preliminary Board approval)

The Board approved the amendment of the Fiscal Year 2013-2018 Capital Improvement Program (CIP) to include the Residence and Dining Hall project at The University of Texas of the Permian Basin as follows:

Project No.:	501-555				
Project Delivery Method:	Construction Manager-at-Risk				
Substantial Completion Date:	July 2015				
Total Project Cost:	<table><tr><td><u>Source</u></td><td><u>Current</u></td></tr><tr><td>Revenue Financing System Bond Proceeds<sup>1</sup></td><td>\$32,500,000</td></tr></table>	<u>Source</u>	<u>Current</u>	Revenue Financing System Bond Proceeds <sup>1</sup>	\$32,500,000
<u>Source</u>	<u>Current</u>				
Revenue Financing System Bond Proceeds <sup>1</sup>	\$32,500,000				

Funding Note: <sup>1</sup> Revenue Financing System debt will be repaid from rental income

Investment Metrics:

- This student housing project will allow for the admission of at least 225 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 33% with related increases in tuition and fees, meal plan purchases, and bookstore sales.
- Allow highly qualified students to register under the \$10,000 degree Texas Science Scholar Program

The project, comprised of approximately 115,000 gross square feet, will provide a three-story dormitory building and dining services wing. The dining hall will serve approximately 750 people, seat 350 students, and include a main dining area as well as smaller private dining spaces suitable for faculty luncheons and other meetings. The dormitory will provide a total of 300 beds arranged in four-bedroom, two-bath suites, and two-bedroom, one-bath units. The Residence Hall will also include study rooms, lounges, and Resident Advisor units on each floor. Laundry facilities will be provided in the building.

Current student housing is operating at 100% occupancy. U. T. Permian Basin currently provides approximately 615 beds by campus. The addition of Student Housing Phase V, with 99 beds scheduled for completion by Fall 2013, and Student Housing Phase VI, adding 198 beds scheduled for completion by Fall 2014, will bring the total number of on-campus beds to 912.

As a result of the continued oil and gas boom in the entire Permian Basin region, there continues to be an extreme shortage of off-campus housing that is suitable for students. This project is needed to accommodate the growing number of requests for on-campus housing, as well as to provide additional dining space for 96 students living in housing without full kitchens.

The growth areas and projections as of August 2015 are as follows: the Petroleum Engineering program currently has 120 majors and expects at least 220 and the Nursing Program will grow to at least 160 students (there are 700 applicants for the 40 seats available in August 2013). Additionally, students of the recently implemented \$10,000 degree Texas Science Scholar Program are required to live on campus. The program has room for 100 students each year.

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. San Antonio: Engineering Design and Innovation Center - Amendment of the FY 2013-2018 Capital Improvement Program to include project (Preliminary Board approval)

The Board approved the amendment of the Fiscal Year 2013-2018 Capital Improvement Program (CIP) to include the Engineering Design and Innovation Center project at The University of Texas at San Antonio as follows:

Project No.:	401-770	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	May 2016	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Gifts	\$6,500,000
Investment Metrics:	<ul style="list-style-type: none"> <li>• Provide additional classroom space to meet Closing the Gaps enrollment goal of 31,500 students by 2020</li> <li>• Reduce space deficit by 15,000 assignable square feet by 2016</li> </ul>	

U. T. San Antonio seeks to construct an Engineering Design and Innovation Center that will create an additional 18,500 gross square foot facility that will provide labs and shops, self-study space, classroom spaces, and faculty offices. The building is intended to support students in the College of Engineering by providing a place where interdisciplinary teams of students with complementary skills can come together to work collaboratively to design projects for the purpose of solving real world engineering problems with commercial applications.

To serve this function, the facility will include a large common design lab as well as machine and wood shops and a rapid prototyping lab. It is essential that the facility be located on the Main Campus in close proximity to the existing shops in the Science and Engineering Laboratory and near the other College of Engineering facilities.

The project will reduce the current space deficit by providing much needed class lab and classroom space to serve the College of Engineering. Reducing the space deficit will support the University's efforts to improve graduation rates and lessen time to degree as the space deficit has been a significant limiting factor.

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. Southwestern Medical Center: West Campus - Phase 1 - Amendment of the FY 2013-2018 Capital Improvement Program to include project and authorization of institutional management (Preliminary Board approval)

The Board approved the amendment of the Fiscal Year 2013-2018 Capital Improvement Program (CIP) for the West Campus - Phase 1 project at The University of Texas Southwestern Medical Center as follows:

Project No.: 303-771  
 Institutionally Managed: Yes  No   
 Project Delivery Method: Construction Manager-at-Risk  
 Substantial Completion Date: January 2018

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds <sup>1</sup>	\$107,000,000
	Designated Funds <sup>2</sup>	\$ 60,000,000
	Gifts	<u>\$ 20,000,000</u>
		\$187,000,000

Funding Notes: <sup>1</sup> Revenue Financing System debt will be repaid from faculty practice revenue, Hospital Revenues, parking fees, and other institutional funds.  
<sup>2</sup> Designated Funds are from faculty practice revenue and other institutional funds.

- Investment Metrics:
- Increase outpatient clinical space by 82,500 gross square feet (GSF) reaching full functioning efficiency by 2021
  - Provide opportunities for education and innovation, improved outpatient access, and expanded services by 2018

This project is the first phase of the redevelopment of the West Campus after the construction of the William P. Clements, Jr. University Hospital. The first phase of the redevelopment plan includes the demolition of the St. Paul University Hospital and the construction of an 11-story 275,000 GSF academic/clinical building. The project will add needed infrastructure, including a new central utility plant building and equipment to serve the Phase 1 building, a parking garage for 1,609 vehicles, streets, driveways, and utilities.

The Phase 1 building will house approximately 137,500 GSF for academic space, including faculty offices, training/meeting rooms, innovative multidisciplinary education space, and a high-tech simulation center. The remainder of the facility, approximately 137,500 GSF, will be utilized for outpatient clinic expansion for faculty practice.

For U. T. Southwestern Medical Center to complete its journey to a Top Ten comprehensive academic medical center, it needs to accomplish the following: expand its excellence in basic research to clinical research, grow translational and health services research, garner 10 top ranked clinical programs, and continue to strive for unsurpassed patient service in state-of-the-art facilities. Changes in health care will require successful health systems to develop and implement new models of care delivery. As a top-tier academic medical center, U. T. Southwestern Medical Center will play an important role in that transformation. The Phase 1 building will support these objectives by providing a state-of-the art facility to integrate world-class education and research programs into health care delivery and to practice multi-disciplinary medicine with new and expanded clinical programs and services. New facilities aid in attracting and retaining the best academic leaders and offer the finest training for students, residents, and industry innovators.

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. It has been determined that this project would best be managed by U. T. Southwestern Medical Center Facilities Management personnel who have the experience and capability to manage all aspects of the work. (See Item 7 of the Health Affairs Committee related to a report on the West Campus Master Plan - Phase 1.)

6. U. T. M. D. Anderson Cancer Center: Mitchell Building Energy Upgrades - 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)

The Board approved the amendment of the Fiscal Year 2013-2018 Capital Improvement Program (CIP) to include the Mitchell Building Energy Upgrades project at The University of Texas M. D. Anderson Cancer Center as follows:

Project No.:	703-X61	
Institutionally Managed:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	March 2014	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Hospital Revenues	\$5,700,000

- a. approve a total project cost of \$5,700,000 with funding from Hospital Revenues;
- b. appropriate funds; and
- c. authorize U. T. M. D. Anderson Cancer Center to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

Recent evaluation of the energy recovery systems at the George and Cynthia Mitchell Basic Sciences Research Building has led to the conclusion that upgrades are needed to increase efficiency and reliability of the identified building systems. This project encompasses upgrades to the domestic hot water circulation system, relocation and modification of mechanical equipment and piping to allow installation of chill water heat exchangers, and installation of a heat recovery chiller. These improvements and upgrades will reduce the energy cost of operating the Mitchell Building and extend the reliability of these systems.

This repair and renovation project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP. Pursuant to a Memorandum of Understanding effective August 26, 2004, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Facilities Planning and Construction. Design development plans and authorization of expenditure of funding will be presented to the President for approval at a later date.

7. U. T. Dallas: Parking Structure Phase III - 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 Parking Structure Phase III project at The University of Texas at Dallas as follows:

Project No.:	302-710	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	August 2014	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds <sup>1</sup>	\$12,000,000
	Auxiliary Enterprises Balances <sup>2</sup>	\$ 2,500,000
	Unexpended Plant Funds <sup>3</sup>	<u>\$ 500,000</u>
		\$15,000,000

Funding Notes: <sup>1</sup> Revenue Financing System debt will be repaid from parking fees.  
<sup>2</sup> Auxiliary Enterprises Balances will be from parking fees.  
<sup>3</sup> Unexpended Plant Funds will be from balance of funds from project close-out.

Investment Metric: This project will directly support the University's Strategic Plan Imperative of adding 5,000 full-time equivalent students by 2017, creating a total student population of 21,000.

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$15,000,000 with funding of \$12,000,000 from Revenue Financing System Bond Proceeds, \$2,500,000 from Auxiliary Enterprises Balances, and \$500,000 from Unexpended Plant Funds; 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. Dallas, 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 \$12,000,000.

#### Debt Service

The \$12,000,000 in aggregate Revenue Financing System debt will be repaid from parking revenues. Annual debt service on the \$12,000,000 Revenue Financing System debt is expected to be \$825,665. The institution's debt service coverage is expected to be at least 1.9 times and average 2.1 times over Fiscal Year 2013-2017.

#### Previous Board Action

On May 3, 2012, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$15,000,000 with funding of \$12,000,000 from Revenue Financing System Bond Proceeds, \$2,500,000 from Auxiliary Enterprises Balances, and \$500,000 from Unexpended Plant Funds.

#### Project Description

This five-story cast-in-place concrete parking garage of approximately 320,000 gross square feet (GSF) will be constructed on the north side of campus at the intersection of Loop Road and Rutford Avenue. The project will include approximately 750 spaces for parking, auxiliary space, retail outlets, and an information center.

With rapidly accelerated growth in student enrollment and associated increases in faculty and staff, U. T. Dallas has a growing need for additional parking on campus. This structure will accommodate parking for the Bioengineering and Sciences Building, the Natural Science and Engineering Research Laboratory, and the academic buildings along Rutford Avenue. This project is aligned with the current Campus Site Development Plan.



8. U. T. El Paso: Student Housing Phase III - Amendment of the FY 2013-2018 Capital Improvement Program to increase total project cost; 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 Student Housing Phase III project at The University of Texas at El Paso as follows:

Project No.:	201-683		
Project Delivery Method:	Construction Manager-at-Risk		
Substantial Completion Date:	October 2014		
Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds <sup>1</sup>	\$17,200,000	\$23,000,000

Funding Note: <sup>1</sup> Revenue Financing System debt will be repaid from rental income.

- Investment Metrics: By 2015
- Increase campus housing by 352 beds
  - Achieve 100% occupancy
  - Increase graduate student population residing on-campus

- a. amend the Fiscal Year 2013-2018 Capital Improvement Program (CIP) to increase the total project cost from \$17,200,000 to \$23,000,000;
- b. approve design development plans;
- c. appropriate funds and authorize expenditure of \$23,000,000 with funding from Revenue Financing System Bond Proceeds; and
- d. 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 \$23,000,000.

### Debt Service

The \$23,000,000 in aggregate Revenue Financing System debt will be repaid from rental income. Annual debt service on the \$23,000,000 Revenue Financing System debt is expected to be \$1.3 million. The debt service coverage for this particular phase of the project is expected to be at least 1.0 times and average 1.0 times from FY 2015 to FY 2020. The debt service coverage for the overall University housing operations is expected to be at least 1.2 times and average 1.3 times from FY 2013 to FY 2018.

### Previous Board Action

On November 10, 2011, the project was included in the CIP with a total project cost of \$17,200,000 with funding from Revenue Financing System Bond Proceeds.

### Project Description

The project is comprised of two, four-story buildings of approximately 99,000 gross square feet (GSF) comprising 83 units. The apartment-style structures will provide a combination of single, four, and six-bedroom suite units to house 352 freshman and sophomore students as well as dedicated lounges, study rooms, circulation space, and common laundry facilities. Each unit will include a small kitchen, living area, and bathroom. Also included in this project is a 4,400 GSF commons building that includes staff offices, computer lab, kitchen, conference room, and a meeting hall. Additionally, the project will include a parking lot for 178 vehicles.

The siting of the project in the North Campus area supports the Campus Master Plan to develop this area into a student housing and recreation area. The costs to provide required infrastructure, including utility connections and roadways to this undeveloped site, are reflected in the increase in total project cost. U. T. El Paso will provide bus service to the campus core.

U. T. El Paso currently operates two student housing complexes, which accommodate 636 students. This project will bring the total number of beds on campus to 988. Over the past several years, these complexes have been at capacity with a consistent waiting list of approximately 200 students.

9. U. T. Health Science Center - San Antonio: Academic Learning and Teaching Center - Approval of design development; and appropriation of funds and authorization of expenditure (Final Board approval)

The Board approved the recommendations for the Academic Learning and Teaching Center project at The University of Texas Health Science Center at San Antonio as follows:

Project No.:	402-720	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	September 2015	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Permanent University Fund Bond Proceeds	\$45,000,000

- Investment Metrics:
- Increase enrollment in School of Medicine with additional space for as many as 50 students
  - Strengthen and expand the distance learning program essential for a 21st century university
  - Serve South Texas medical education admissions track
  - Modernize and increase the size of the anatomy laboratories to accommodate the additional medical students and offer better delivery of basic science education to all Health Science Center students

- a. approve design development plans; and
- b. appropriate funds and authorize expenditure of \$45,000,000 from Permanent University Fund (PUF) Bond Proceeds.

Previous Board Action

On August 23, 2012, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$45,000,000 with funding from PUF Bond Proceeds.

Project Description

The Academic Learning and Teaching Center is an important element of the goal of the Framework for Advancing Excellence throughout The University of Texas System to expand medical education and research programs in South Texas. The project will bring necessary improvements for all health care students in South Texas and will facilitate the creation of a medical school in South Texas by providing space for first- and second-year medical students.

This four-story building will be constructed on the Joe R. and Teresa Lozano Long Campus in San Antonio, and consist of approximately 125,000 gross square feet (GSF) with space for gross anatomy laboratories, classrooms, lecture halls, and common areas, and will initially include approximately 50,000 GSF of shelled space. The design will feature flexible classrooms with modern technology, which are

needed to provide the kind of educational experience mandated by the accrediting board. The new anatomy facilities will include anatomy learning centers, which will accommodate student interaction with modern teaching materials in a small group format such as electronic simulators and virtual dissection equipment. The Center will also provide a flexible facility that can be used for more sophisticated computerized testing of a student's knowledge, skills, and values.

The new building will strengthen and expand the distance learning program, which is essential for the University. It will provide an important venue for professional continuing education in the community to include blended, online, and distance learning. The Center will also provide a location where the faculty and students of all the Health Science Center's schools can interact to provide an interprofessional educational experience across disciplines.

The existing gross anatomy facilities are outdated and do not meet the current accreditation requirements of the Anatomical Board of the State of Texas. The Liaison Committee on Medical Education, the accrediting body for the Medical School, states that in addition to classrooms, there is a need for an accessible student lounge and study space. Current space restrictions prohibit renovation of the existing gross anatomy labs to accommodate additional students.

10. U. T. Austin: Darrell K Royal - Texas Memorial Stadium - Athletics Offices Infill and Stadium Maintenance and Renovation project - Amendment of the FY 2013-2018 Capital Improvement Program to increase the total project cost; approval to revise funding sources; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

The Board approved the recommendations for the Darrell K Royal - Texas Memorial Stadium - Athletics Offices Infill and Stadium Maintenance and Renovation project at The University of Texas at Austin as follows:

Project No.:	102-577		
Project Delivery Method:	Construction Manager-at-Risk		
Substantial Completion Date:	July 2014		
Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds <sup>1</sup>	\$ 28,000,000	\$ 46,000,000
	Gifts	\$ 7,820,000	\$ 7,820,000
	Unexpended Plant Funds <sup>2</sup>	\$ 1,250,000	\$ 1,250,000
	Auxiliary Enterprises Balances <sup>3</sup>	\$ 0	\$ 7,000,000
		\$ 37,070,000	\$ 62,070,000

Funding Notes: <sup>1</sup> Revenue Financing System debt will be repaid from Auxiliary Enterprises Balances.  
<sup>2</sup> Unexpended Plant Funds are from indirect cost recovery.  
<sup>3</sup> Auxiliary Enterprises Balances are from Athletics Operations.

- a. amend the Fiscal Year 2013-2018 Capital Improvement Program (CIP) to increase the total project cost from \$37,070,000 to \$62,070,000;
- b. revise funding sources to include Auxiliary Enterprises Balances;
- c. appropriate and authorize expenditure of an additional \$18,000,000 from Revenue Financing System Bond Proceeds and \$7,000,000 from Auxiliary Enterprises Balances; and
- d. 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. Austin, 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 \$18,000,000.

### Debt Service

The \$18,000,000 in aggregate Revenue Financing System debt will be repaid from athletics revenues. Annual debt service on the \$18,000,000 Revenue Financing System debt is expected to be \$1.4 million. The institution's debt service coverage for the Athletics Operations including this debt issue is expected to be at least 1.1 times and average 1.4 times over FY 2013-2018.

### Previous Board Actions

On August 12, 2010, the project was included in the CIP with a total project cost of \$17,700,000 with funding of \$12,000,000 from Revenue Financing System (RFS) Bond Proceeds and \$5,700,000 from Gifts. On January 21, 2011, the Chancellor approved the design development plans and authorized expenditure of funds. On August 25, 2011, the Board approved an increase in total project cost to \$33,700,000 with additional funding of \$16,000,000 from RFS.

On November 14, 2011, the Chancellor approved the increase in total project cost from \$33,700,000 to \$36,700,000 and revised the funding to include \$3,000,000 from Unexpended Plant Funds. On September 25, 2012, the Chancellor approved

an increase in total project cost from \$36,700,000 to \$37,070,000 and revised the funding to \$28,000,000 from RFS, \$7,820,000 from Gifts, and \$1,250,000 from Unexpended Plant Funds.

### Project Description

This project will fit out shell space in the Darrell K Royal - Texas Memorial Stadium North End Zone basement for U. T. Austin Women's volleyball practice facilities and additional athletics offices. The project will also renovate areas in L. Theo Belmont Hall for academic programs as well as Stadium concourse and restroom facilities upgrades. Renovations to levels five, seven, and most of eleven have not been made in the last 30 to 40 years.

This project will further consolidate the athletics offices into one portion of the Stadium, thus reducing operating expenses and streamlining operations. The Stadium's Belmont Hall renovations for Kinesiology, Health Education, and the College of Fine Arts will provide much needed training, classroom, and performance space for academic programs. The other renovations in Belmont Hall will provide code compliance and better access to the older portions of the Stadium.

Combining this additional scope of work into the existing project will allow both U. T. Austin Athletics and the named academic departments to efficiently and expeditiously meet objectives.

REPORT OF THE TECHNOLOGY TRANSFER AND RESEARCH COMMITTEE  
(Page 53).--Committee Chairman Dannenbaum stated there were no items from  
the Technology Transfer and Research Committee to report in open session.

1. U. T. System: Report on a new investment made by the U. T. Horizon Fund and update on the Fund's portfolio

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

2. U. T. Austin: Report on the Longhorn Startup Program and startup participants Hoot.Me and Lynx Laboratories

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

3. U. T. Health Science Center - San Antonio: Report on Rapamycin Holdings, Inc., a startup company for a drug federally approved to suppress organ rejection

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

APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS.--At 11:00 a.m., the Board voted and approved the Standing Committee recommendations.

12. U. T. System Board of Regents: Certificates of appreciation to Vice Chairman James D. Dannenbaum, Regent Printice L. Gary, and Student Regent Ashley M. Purgason

Following brief remarks thanking Vice Chairman Dannenbaum and Regent Gary for their six years of service and Regent Purgason for her service over the past year, Chairman Powell presented certificates of appreciation to Vice Chairman James D. Dannenbaum, Regent Printice L. Gary, and Student Regent Ashley M. Purgason in recognition of their service on the Board. Mrs. Dannenbaum and Mrs. Gary were also in attendance at the meeting. Regents Dannenbaum, Gary, and Purgason provided remarks as follows.

Remarks by Regent Gary

Thank you for the opportunity. When I was appointed to the Board back in 2007, the then-Chairman shared with me that one of the most important jobs of a Regent is to select, retain, and support the leadership. When you consider the task at hand, a Board of nine Regents with fiduciary responsibility for \$14 billion, 15 institutions all at different stages of development, System staff, and some 200,000 students, clearly you need strong leadership to achieve success. Over the past six years, the Board has commissioned worldwide searches for best-in-class leaders. At the health care institutions, among the six presidents, four new leaders were recruited, two from the outside, two were from promotions from within U. T. institutions, two we retained and encouraged through difficult times at their respective institutions, and I am pleased to report now that all are now experiencing great success. Among the nine academic institutions, where we have had strong experienced leadership in place, we have had only one new president recruited from internal ranks and the order of the day has been retention, encouragement, and support.

Today, this Board is blessed to have 15 strong leaders as presidents of our institutions, bar none. They are industry leaders and at the top of their game. In my opinion, the single most impactful recruit we brought on board during this time frame is our Chancellor, Francisco Cigarroa. The White House now seeks his advice regarding issues in higher education, and under his leadership, we now have a Framework for Excellence in place that provides strategic direction for each institution as they pursue excellence and objective metrics for measurement as they progress along the way with the key recognition that one-size-does-not-fit-all. Other strategic and transformational accomplishments of this Board include the following:

- major capital investments in the STEM (Science, Technology, Engineering, and Mathematics) fields across System institutions, together with recruitment of outstanding faculty researchers;



- organizational changes to encourage and streamline the path from research in technology through to discovery and commercialization;
- commitment to establish the Dell Medical School at our flagship, U. T. Austin;
- the plan to establish a new System institution, the University of South Texas, which I think was just an absolute stroke of genius on the part of our Chancellor; and
- the support and encouragement to four U. T. academic institutions as they seek to achieve Tier One status as research institutions.

Chairman Powell, U. T. System has made great strides under your direction, and you have successfully led this Board through some challenging circumstances. At this time, I also thank the entire U. T. System staff (I won't go into names) for its dedicated support. But I will particularly thank Francie Frederick who is indeed the glue that keeps this Board coordinated. I also thank the diligence of the System security force which is 24/7 dedicated to the protection and well-being of our faculty, administration, and most of all our students.

I am proud to have been a part of this Board over the past six years. I thank each of my fellow Regents for their dedication and their healthy debate and vetting of the critical issues as we seek to create the ideal environment within which U. T. System institutions can achieve excellence within a rapidly changing educational industry environment.

And, Chairman Powell, I think the Task Force reports, which we heard this morning, are empirical evidence that we are headed in the right direction, and we are cutting-edge in connection with creating that environment, supporting our institutions so that they can pursue excellence. I thank you for that. Thank you.

#### Remarks by Vice Chairman Dannenbaum

Thank you, Mr. Chairman. I could not possibly say anything more profound or more meaningful than Regent Gary's remarks. I would associate myself with every syllable that he uttered as a consummate statement of the pride and pleasure that it has been to serve on this Board. I would like to thank and acknowledge my wife, a very unassuming member of Orange Jackets and Mortar Board who is equally committed to U. T. and its best interests and welfare, with our family being blessed that both of us are U. T. alums, both of our children are U. T. alums, both of our children married U. T. alums; we are pretty heavily invested in what the U. T. System has given to our family.

Next to my marriage to my wife, the birth of our children, and the birth of our grandchildren, this opportunity has been the highlight of my life as an opportunity to try to put something back into the System that has given us so much, and I look

forward to the continued leadership of this Board. I want to thank and acknowledge the System staff, the staff of all of our institutions, academic and medical, the faculty and the students, and I look forward to the U. T. System being the centroid of progress and enlightenment for the State of Texas and by inference for the rest of the United States and the world. It is not a cliché, it is true, that what you all are doing changes people, and they in turn change this world as a better place, and I thank you all for the opportunity and the privilege and the friendship of serving with you. Thank you.

#### Remarks by Regent Purgason

Mr. Chairman, I really hate to follow what you had to say about us and these two. The first thing I want to do is quickly acknowledge that last summer when I lost my brother, a U. T. Austin student, this family held me up. And I really appreciate that.

In traveling to our campuses this year, I learned the following:

- I learned volumes upon droves upon more volumes about higher education.
- I learned that this Board, our System Administration and our Presidents and faculty and staff care deeply about our students and their successes and for that I thank you all.
- I learned that we have the absolute greatest students in the world, and I mean that. Just last night, I was talking with President Daniel and President Spaniolo and we talked about how energizing it is when we get to talk with students so I will just say that I have the easiest and best job in this room because my whole role is to do nothing but talk with our students – the best students.
- And lastly, I learned that every institution in this System is extremely special and unique and each has cutting-edge ideas happening all the time and they are made one in their mutual quest to advance higher education.

So in keeping with that quest for advancement and that spirit of opportunity, in my mind it is appropriate that my role end here, and I pose a challenge to this Board for your consideration. I am personally so grateful to this Board and the Chancellor and all our administrators for being willing to keep higher education affordable and accessible for Texans. A thinking mind is the great uniter and equalizer of us all. It is a blessing to have the chance to receive an education and cultivate one's mind. And, as the Chancellor always says, education saves lives.

But we have to keep going. Our Presidents will tell you that our universities are becoming a consumer-based model and that means that in typical U. T. fashion, we have to be ahead of the curve in giving our students the most innovative educational curriculum that is strewn with diverse experiences. The economy and the job landscape have changed, and students must stand apart to get a job, they

have to be broadly disciplined in the sense that they're knowledgeable of different areas, yet they must be narrow in the sense that they have become one of just a few people with a unique pair of skill sets that will make them attractive to employers. I'd be willing to bet that many of the successful people in this room can identify experiences or opportunities not associated with your major that helped get you where you are today. And so as we heard from our Presidents yesterday, the interdisciplinary movement in research is already here. And I make the argument that that movement is coming or is here already with regard to employers. I attended a career fair at UTEP (University of Texas at El Paso) for student researchers and a woman there speaking said she was looking for a geophysicist with international relations experience who can write science for the lay person. That's a lot of skills for one job. My hope is that every student, not just the extremely active ones, have the opportunities to expand their skill sets and become interdisciplinary as a part of their education so that they can get a job in the current competitive arena.

So to wrap up my challenge to the Board and the System is this: how can we get extremely creative in infusing into the educational experience a more diverse curriculum and set of experiences so that students stand out with those unique pair of skills to get the job without adding to time or cost burdens? The freshman research initiative at U. T. Austin is a great example of such a fusion and I guarantee you we have the talented faculty in place already that can design such initiatives. The second piece of this, and I believe the two are interrelated, and it's a lofty goal, is to ask how this System can become a national leader in connecting our students with the jobs that are out there. It's not something that's required of us, but based on what the students at our fifteen great campuses have told me this is a wonderful initiative for us to consider.

And so to close, I thank you for the last year, it's been one of the most joyous, humbling, and thrilling experiences of my life, I'm indebted to this Board and this System for what I've learned from all of you, for providing me with an education, especially U. T. Arlington (University of Texas at Arlington) and UTMB (University of Texas Medical Branch at Galveston), and for changing my life. I am grateful for our students and appreciative to all of you for changing their lives. Let's keep going.

13. U. T. System Board of Regents: Certificates of appreciation to President James D. Spaniolo, U. T. Arlington, and former Interim President Kenneth L. Kalkwarf, U. T. Health Science Center - San Antonio

Chairman Powell presented a certificate of appreciation to President James D. Spaniolo, who served as President at The University of Texas at Arlington from February 1, 2004 to May 31, 2013.

CERTIFICATE OF APPRECIATION

The Board of Regents

Expresses to

JAMES D. SPANIOLO, J.D.

Its Sincere Appreciation for His  
Distinguished Service and Outstanding Contributions

to

The University of Texas System

as

President

of

The University of Texas at Arlington  
2004 - 2013

(signed by all members of the Board)

\* \* \* \* \*

Chairman Powell also presented a certificate of appreciation to Kenneth L. Kalkwarf, D.D.S., who stepped in as Interim President of The University of Texas Health Science Center at San Antonio from June 25, 2012 to February 17, 2013.

CERTIFICATE OF APPRECIATION

The Board of Regents

Expresses to

KENNETH L. KALKWARF, D.D.S., M.S.

Its Sincere Appreciation for His  
Distinguished Service and Outstanding Contributions

to

The University of Texas System

as

Tenured Professor  
1987 - 2013

Dean  
1988 - 2012

and  
President ad interim  
2012 - 2013

at  
The University of Texas Health Science Center at San Antonio

(signed by all members of the Board)

RECESS TO EXECUTIVE SESSION.--At 11:27 a.m., Chairman Powell announced the Board would recess for a short press availability and then 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 1:34 p.m., the Board reconvened in open session for the following actions taken on matters discussed in Executive Session.

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

No action was taken on this item.

1b. U. T. System: Discussion of legal issues related to compliance with Immigration and Naturalization Service regulations applicable to students

No action was taken on this item.

2a. U. T. Brownsville: Approval of the following related real estate transactions in Brownsville, Cameron County, Texas:

(A) Acquisition from Texas Southmost College District of:

- (1) approximately 24.14 acres on the north side of West University Drive, 17.42 acres on the south side of West University Drive, and 7.3 acres comprising Lots 1, 3, and 4 of the Resubdivision of Lot 1, Block 2, Southmost Union College District Subdivision, together with all improvements located on the land including University Boulevard Library, University Boulevard Classroom Building, and the Student Union Building;

- (2) Lot 1, Block 1, University Park Subdivision, Unit 1; and Lots 5 through 7, 9 through 11, 18 through 24, and 32 through 34, Block 12, and Lots 1 through 7, 10, 11 and 16, Block 16, in the Colonia Alta Vista Addition, some improved with surface parking lots; and
  - (3) the leasehold interest of Texas Southmost College in and to approximately 22.23 acres under Land Lease No. IMB 97- 43 from the International Boundary and Water Commission;
- (B) Transfer to Texas Southmost College District of:
- (1) the Science, Engineering, and Technology Building located on the north side of Ringgold Road, together with U. T. Brownsville's leasehold interest in approximately 3.8 acres on which the building is located;
  - (2) U. T. Brownsville's interest in a contract to purchase the former National Guard Armory property on Ringgold Road; and
  - (3) cash in an amount to compensate Texas Southmost College for the difference in values between the exchange parcels and for other matters related to the exchange transactions; and
- (C) Lease from Texas Southmost College to U. T. Brownsville of buildings or space within buildings on the Texas Southmost College campus in Brownsville, Texas, and in the International Technology, Education and Commerce Center located approximately one mile from the Texas Southmost College campus, for educational, administrative, and auxiliary uses

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

- a. authorize the completion of negotiation of terms of a lease from Texas Southmost College District to U. T. Brownsville of buildings and space within buildings on the Texas Southmost College campus in Brownsville, Texas, and in the International Technology, Education and Commerce Center located approximately one mile from the Texas Southmost College campus, for educational, administrative, and auxiliary uses, on terms in accordance with the parameters discussed in Executive Session;
- b. authorize the Executive Director of Real Estate to execute the lease and all related documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to complete the lease transaction in accordance with the parameters discussed in Executive Session;
- c. determine that a location for the U. T. Brownsville campus of the 21st Century in downtown Brownsville will result in a compact urban campus and is the preferred location for the campus, provided that terms that are in accordance with the parameters discussed in Executive Session can be obtained for the acquisition of land and buildings for the campus; and
- d. direct the appropriate staff members of U. T. Brownsville, the Office of Academic Affairs, and the Real Estate Office to continue discussions with Texas Southmost College District for the exchange transactions described in

parts (A) and (B) of the caption for this item and to develop and submit to the Board of Regents at a future meeting the staff members' recommendations on the final form of the transactions and funding sources.

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

- 2b. U. T. Brownsville: Approval of acquisition from the City of Brownsville of two tracts of land on the south side of West University Boulevard and consisting of approximately 21.2 acres at the southwest corner of West University Boulevard and U.S. Highways 77/83, and the contiguous 47.96 acres located immediately to the southwest of the 21.2-acre tract and currently known as Lincoln Park, all in Brownsville, Cameron County, Texas, for future programmed development of campus expansion

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

- a. determine that the City of Brownsville's offer of the 69.16 acres on the south side of West University Boulevard in Brownsville, Cameron County, Texas, including the approximately 47.96 acres known as Lincoln Park, for use as a part of the campus of the U. T. Brownsville Campus of the 21st Century would contribute positively and significantly to the establishment of a compact urban campus in downtown Brownsville; and
- b. direct the appropriate staff members of U. T. Brownsville, the Office of Academic Affairs, and the Real Estate Office to continue discussions with the City of Brownsville for the acquisition of the two parcels of land described in the caption for this item and to develop and submit to the Board of Regents at a future meeting the staff members' recommendations on the terms of the acquisition and funding sources.

Vice Chairman Dannenbaum seconded the motion, which carried by acclamation.

- 2c. U. T. Austin: Approval to lease approximately 3.95 acres on the northeast and northwest corners of Red River and 15th Streets, Austin, Travis County, Texas, together with approximately 0.854 of an acre contiguous parcel currently utilized as a part of Red River Street, to Central Health, a countywide hospital district in Travis County, Texas, for use as the site of a future teaching hospital

Vice Chairman Hicks moved that the Board take the following actions on behalf of The University of Texas at Austin:

- a. authorize the completion of negotiations for a lease of approximately 3.95 acres on the northeast and northwest corners of Red River and

15th Streets, Austin, Travis County, Texas, together with approximately 0.854 of an acre contiguous parcel currently utilized as a part of Red River Street, to Central Health, a countywide hospital district in Travis County, Texas, for use as the site of a future teaching hospital, on terms in accordance with the parameters discussed in Executive Session; and

- b. authorize the Executive Director of Real Estate to execute the lease and all related documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to complete the lease transaction in accordance with the parameters discussed in Executive Session.

Regent Stillwell seconded the motion, which carried unanimously.

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

Upon motion by Regent Cranberg, duly seconded, the Board authorized the Presidents of The University of Texas at Austin, The University of Texas at Dallas, and The University of Texas at Tyler and the Vice Chancellor for External Relations 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.

3b. U. T. Dallas: Approval of proposed negotiated gifts with potential naming features

See Item 3a regarding approval of this item.

3c. U. T. Tyler: Approval of proposed negotiated gifts with potential naming features

See Item 3a regarding approval of this item.

4. 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.



- 5a. 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 device

No action was taken on this item.

- 5b. U. T. System: Discussion and appropriate action regarding campus security enhancements related to the proposed deployment of security personnel and devices

No action was taken on this item.

- 5c. U. T. System: Discussion related to reporting under Immigration and Naturalization Service regulations applicable to students

No action was taken on this item.

#### AGENDA ITEM

14. U. T. System: Approval of authority to expend up to \$1 million of Available University Funds for campus security enhancements

Expenditure of up to \$1 million of Available University Funds (AUF) funding was authorized for campus security enhancements at The University of Texas System related to the deployment of security personnel and devices as recommended in Executive Session (Item 5b).

Campus security enhancements are intended to better prepare the U. T. System Police to respond to threats throughout the State of Texas at any of the 15 U. T. System institutions and where U. T. System affiliates or assets are located.

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on July 10, 2013, in Austin, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 1:40 p.m.

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

August 13, 2013

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## THE UNIVERSITY OF TEXAS SYSTEM BOARD OF REGENTS

### CONSENT AGENDA

#### Committee and Board Meetings:

5/8-9/2013

Austin, Texas

#### U. T. SYSTEM ADMINISTRATION

1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meeting held on February 13-14, 2013, and special called meetings held on March 12, 2013, March 20, 2013, and April 11, 2013
2. UTIMCO Board Appointment - U. T. System Board of Regents: Reappointment of Mr. J. Kyle Bass to the Board of Directors of The University of Texas Investment Management Company (UTIMCO)

Chairman Powell and The University of Texas Investment Management Company (UTIMCO) Chairman Foster recommend that Mr. J. Kyle Bass be reappointed to the UTIMCO Board of Directors for a term to expire on April 1, 2016.

*Texas Education Code* Section 66.08 and *Regents' Rules and Regulations*, Rule 10402, Section 4 require that the U. T. System Board of Regents appoint six members to the UTIMCO Board of Directors of whom three must be members of the Board of Regents and the other three must have a substantial background and expertise in investments. The approved UTIMCO bylaws allow external directors to serve a maximum of three terms of three years each. Mr. Bass was appointed to the UTIMCO Board on August 12, 2010.

3. Lease - U. T. System: Authorization to lease space from CESC 1750 Pennsylvania Avenue L.L.C. for general office use, authorization to sublease the current office space occupied by the Office of Federal Relations to a to-be-determined subtenant, and authorization for the Executive Director of Real Estate to execute the sublease

Description: In accordance with the strategic plan for the Office of Federal Relations approved by the Board of Regents on May 2, 2012, the Office of Federal Relations proposes to lease new space at 1750 Pennsylvania Avenue, Washington, D.C., for general office use for the U. T. System Administration Office of Federal Relations. The Office of Federal Relations has expanded its Archer Center Program and has outgrown its existing space. Negotiations for the

expansion of the existing space at 1901 Pennsylvania Avenue were not successful and a new location with sufficient space has been identified. The new lease of 9,224 square feet of space will allow the Office of Federal Relations to vacate its current office space of 7,253 square feet and market that space for sublease for the remaining lease term that expires on July 31, 2019.

Lessor: CESC 1750 Pennsylvania Avenue L.L.C., a Delaware limited liability company

Term: The term of the new lease will commence in May 2013, and will expire on July 31, 2028. The new lease states that it is only valid for amounts up to \$1,000,000 until it is approved by the Board of Regents. Efforts are underway to sublease the existing space occupied by the Office of Federal Relations on or after the date the Office of Federal Relations vacates that space, but no sublease has yet been executed.

Lease Costs: Base rent for the new lease will total approximately \$7,037,367 over the lease term; that amount reflects an abatement of base rent for the first three years and three months to provide the Office of Federal Relations a period of time to offset the rental obligations of the current office space and to obtain a suitable subtenant for the current space. The new lease also provides for the payment of the tenant's pro rata share of the operating expenses for the building. However, the tenant only pays operating expenses beginning in 2014 that are in excess of the operating expenses for 2013. The Lessor is providing a tenant improvement allowance of \$645,680.

For the period from August 1, 2013, the anticipated date for vacating the current space at 1901 Pennsylvania Avenue, through July 31, 2019 (the termination date of the lease of the current space) the total rent obligation for the current lease is \$2,282,692. Terms of a sublease have not yet been negotiated, but it is anticipated that the net sublease rent received by the Office of Federal Relations, after deducting broker's fees and other expenses of subleasing, will be somewhat less than the total rent obligation. As a result of the rent abatement on the new lease, however, the aggregate lease expenses for the Office of Federal Relations are anticipated to be less than the sum of the amounts that the Board authorized on May 14, 2009, for the lease of the current space at 1901 Pennsylvania Avenue and on May 2, 2012, for the Archer Center expansion. Authorization is also requested for the U. T. System Executive Director of Real Estate to execute the sublease on completion of negotiations.

Source of Funds: Available University Funds



4. Contract (funds going out) - U. T. System: Walter P. Moore and Associates, Inc. to perform professional forensic engineering services

Agency: Walter P. Moore and 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: Walter P. Moore and Associates, Inc., to perform miscellaneous professional forensic engineering services for the Office of Facilities Planning and Construction on a job order basis. Services were competitively procured.

5. Contract (funds going out) - U. T. System: Zero/Six Consulting, LLC to perform professional forensic engineering services

Agency: Zero/Six Consulting, LLC

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: Zero/Six Consulting, LLC to perform miscellaneous professional forensic engineering services for the Office of Facilities Planning and Construction on a job order basis. Services were competitively procured.

6. Contract (funds going out) - U. T. System: Opus Search Partners, Inc. to provide recruitment of executive level positions

Agency: Opus Search Partners, Inc.

Funds: Anticipated total cost will exceed \$1,000,000 over the life of the contract

Source of Funds: Contract is dependent on institution requests for services; therefore, the requesting institution will be responsible for payment

Period: January 9, 2012 through January 9, 2015 (one-year contract and two one-year extensions)

Description: To provide administrative, logistical, research, and support tasks for the recruitment of executive level positions identified and requested by U. T. System and institutions.

7. Contract (funds going out) - U. T. System: Russell Reynolds Associates, Inc. to provide recruitment of executive level positions

Agency: Russell Reynolds Associates, Inc.

Funds: Anticipated total cost will exceed \$1,000,000 over the life of the contract

Source of Funds: Contract is dependent on institution requests for services; therefore, the requesting institution will be responsible for payment

Period: January 20, 2012 through January 20, 2015 (one-year contract and two one-year extensions)

Description: To provide administrative, logistical, research, and support tasks for the recruitment of executive level positions identified and requested by U. T. System and institutions.

8. Contract (funds going out) - U. T. System: Witt/Kieffer, Ford, Hadelman, and Lloyd Corp. to provide recruitment of executive level positions

Agency: Witt/Kieffer, Ford, Hadelman, and Lloyd Corp.

Funds: Anticipated total cost will exceed \$1,000,000 over the life of the contract

Source of Funds: Contract is dependent on institution requests for services; therefore, the requesting institution will be responsible for payment

Period: January 27, 2012 through January 27, 2015 (one-year contract and two one-year extensions)

Description: To provide administrative, logistical, research, and support tasks for the recruitment of executive level positions identified and requested by U. T. System and institutions.

9. Contract (funds going out) - U. T. System: Korn/Ferry International to provide recruitment of executive level positions

Agency: Korn/Ferry International

Funds: Anticipated total cost will exceed \$1,000,000 over the life of the contract

Source of Funds: Contract is dependent on institution requests for services; therefore, the requesting institution will be responsible for payment

Period: January 27, 2012 through January 27, 2015 (one-year contract and two one-year extensions)

Description: To provide administrative, logistical, research, and support tasks for the recruitment of executive level positions identified and requested by U. T. System and institutions.

10. Report on Fiscal Year 2012 Post-Tenure Review - U. T. System Academic Institutions

In accordance with *Texas Education Code* Section 51.942 and Regents' *Rules and Regulations*, Rule 31102, the following report on the Fiscal Year 2012 post-tenure review for the U. T. System academic institutions is provided by the Executive Vice Chancellor for Academic Affairs.

During Fiscal Year 2012, 443 tenured faculty members at the nine academic institutions with tenured faculty were subject to post-tenure review. Of the 443 faculty members subject to review, 426 or 96.2% were evaluated as Performing Satisfactorily; 10 or 2.3% received Needs Additional Support or Marginal evaluations; and seven or 1.6% received Unsatisfactory evaluations.

**Summary of Post-Tenure Review Results**

	Total Actually Reviewed	Total Performing Satisfactorily	Total Needs Additional Support or Marginal	Total Unsatisfactory
U. T. Arlington	50	46	4	0
U. T. Austin	191	190	0	1
U. T. Brownsville	10	7	1	2
U. T. Dallas	29	29	0	0
U. T. El Paso	34	32	1	1
U. T. Pan American	42	38	4	0
U. T. Permian Basin	5	5	0	0
U. T. San Antonio	73	70	0	3
U. T. Tyler	9	9	0	0
Total	443	426	10	7
		96.2%	2.3%	1.6%

**Post-Tenure Review Results by Gender**

	Actually Reviewed		Performing Satisfactorily		Needs Additional Support or Marginal		Unsatisfactory	
	Male	Female	Male	Female	Male	Female	Male	Female
U. T. Arlington	40	10	37	9	3	1	0	0
U. T. Austin	140	51	140	50	0	0	0	1
U. T. Brownsville	8	2	5	2	1	0	2	0
U. T. Dallas	22	7	22	7	0	0	0	0
U. T. El Paso	27	7	25	7	1	0	1	0
U. T. Pan American	36	6	32	6	4	0	0	0
U. T. Permian Basin	4	1	4	1	0	0	0	0
U. T. San Antonio	52	21	49	21	0	0	3	0
U. T. Tyler	8	1	8	1	0	0	0	0
<b>Total</b>	<b>337</b>	<b>106</b>	<b>322</b>	<b>104</b>	<b>9</b>	<b>1</b>	<b>6</b>	<b>1</b>

**Post-Tenure Review Results by Ethnicity**

	Total Actually Reviewed					Performing Satisfactorily				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. Arlington	34	2	5	9	0	30	2	5	9	0
U. T. Austin	159	7	8	16	1	158	7	8	16	1
U. T. Brownsville	7	1	1	1	0	5	1	0	1	0
U. T. Dallas	19	1	1	8	0	19	1	1	8	0
U. T. El Paso	23	0	8	2	1	22	0	7	2	1
U. T. Pan American	24	3	9	3	3	22	1	9	3	3
U. T. Permian Basin	5	0	0	0	0	5	0	0	0	0
U. T. San Antonio	48	2	11	10	2	47	2	9	10	2
U. T. Tyler	8	0	0	1	0	8	0	0	1	0
<b>Total</b>	<b>327</b>	<b>16</b>	<b>43</b>	<b>50</b>	<b>7</b>	<b>316</b>	<b>14</b>	<b>39</b>	<b>50</b>	<b>7</b>
	Needs Additional Support or Marginal					Unsatisfactory				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. Arlington	4	0	0	0	0	0	0	0	0	0
U. T. Austin	0	0	0	0	0	1	0	0	0	0
U. T. Brownsville	1	0	0	0	0	1	0	1	0	0
U. T. Dallas	0	0	0	0	0	0	0	0	0	0
U. T. El Paso	1	0	0	0	0	0	0	1	0	0
U. T. Pan American	2	2	0	0	0	0	0	0	0	0
U. T. Permian Basin	0	0	0	0	0	0	0	0	0	0
U. T. San Antonio	0	0	0	0	0	1	0	2	0	0
U. T. Tyler	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>8</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>

### **FACULTY CHANGES PRIOR TO POST-TENURE REVIEW:**

**U. T. Arlington:** Two faculty members retired prior to review.

**U. T. Austin:** Six faculty members retired prior to review.

**U. T. Brownsville:** One faculty member retired prior to review.

**U. T. Pan American:** One faculty member retired prior to review.

### **PRESENT STATUS OF EACH MARGINAL PERFORMANCE:**

**U. T. Arlington:** All faculty evaluated as marginal were asked to work with department chairs and deans to recalibrate their teaching and research workload to place more emphasis on teaching, which is their strength and source of greatest contribution to the University.

**U. T. Brownsville:** Associate Professor has been serving in a primarily nonteaching, administrative capacity since 2002. The Dean and the Associate Professor have agreed upon a professional development plan to create a research agenda that will keep the faculty member current in the teaching field. By Fall 2014, the Associate Professor will be required to comply with the School of Business Academically Qualified Criteria, which includes, at minimum, five publications. Mentorship by published faculty members to be provided if necessary.

**U. T. El Paso:** The Chair has been working with the faculty member to enhance service in the department, and the Dean is working on increasing the faculty member's preparation for online course work through instructional materials and tutorials.

**U. T. Pan American:** Faculty members met with respective Chairs and Deans regarding corresponding areas of concern and to receive feedback regarding their professional performance. Each faculty member is expected to take action to make improvements in the areas identified as requiring additional support and will provide additional guidance throughout the coming year.

### **PRESENT STATUS OF EACH UNSATISFACTORY PERFORMANCE:**

**U. T. Austin:** Academic deans have established faculty development support plans for all faculty receiving unsatisfactory post-tenure reviews.

**U. T. Brownsville:** Of the two unsatisfactory recommendations, both were part of a group of faculty subject to termination (reduction in force) due to separation of U. T. Brownsville and Texas Southmost College. Since 2012-2013 is their final year of service at U. T. Brownsville, no additional action was taken.

**U. T. El Paso:** The Dean met with the faculty member and Chair to develop and implement a remediation plan and reevaluate in September 2012 and found substantial progress on plan steps.

**U. T. San Antonio:** Full Professor #1 retired effective May 31, 2012. Full Professor #2 was placed on a faculty development plan. Associate Professor #1 was placed on a faculty development plan.

### **PLANS FOR EVALUATION DURING THE CURRENT YEAR FY 2013:**

**U. T. Arlington:** Confirmation with academic leadership that teaching loads have been adjusted.

**U. T. Austin:** All faculty scheduled for post-tenure review in 2012-2013 will be evaluated and faculty development support plans for previous unsatisfactory reviews will be monitored.

**U. T. Dallas:** During the 2013-2014 cycle of periodic performance evaluation (PPE), U. T. Dallas will continue to use the electronic file format for ease of evaluation and record retention. It is anticipated that 37 faculty will be reviewed in the 2013-2014 PPE cycle.

**U. T. El Paso:** Dean will meet with Chair and faculty member in January 2013 to review remediation progress.

**U. T. Pan American:** The Department Chair and the Dean will continue to monitor each faculty member, will assess their progress, and will provide additional guidance as needed. A teaching effectiveness/professional achievement plan has been prepared for each faculty member and approved at the department and college level.

**U. T. Permian Basin:** Seven tenured faculty members are up for review during 2012-2013.

**U. T. San Antonio:** Full Professor #2 was placed on a faculty development plan and will be monitored by the department chair. His next post-tenure review will occur earlier than the normal six-year cycle. The next review will be conducted in 2014-2015. Associate Professor #1 was placed on a faculty development plan and will be monitored by the department chair. As long as the faculty development plan is being followed and the Associate Professor meets college standards, the next post-tenure review will be conducted at the regularly scheduled date of 2017-2018.

11. Report on Fiscal Year 2012 Post-Tenure Review - U. T. System Health Institutions

In accordance with *Texas Education Code* Section 51.942 and Regents' *Rules and Regulations*, Rule 31102, the following report on the Fiscal Year 2012 post-tenure review for the U. T. System health institutions is provided by the Executive Vice Chancellor for Health Affairs.

During Fiscal Year 2012, 202 tenured faculty members at the five health institutions were subject to review. Of the 202 faculty members subject to review, 192 or 95.0% were evaluated as Exceeds Expectations or Meets Expectations; 5 or 2.5% received Does Not Meet Expectations evaluations; and 5 or 2.5% received Unsatisfactory evaluations. The following summary tables provide additional details of the post-tenure review results.

**Summary of Post-Tenure Review Results**

	Total Subject to Review	Total Exceeds Expectations or Meets Expectations	Total Does Not Meet Expectations	Total Unsatisfactory
U. T. SWMC	27	24	3	0
U. T. MB - Galveston	20	20	0	0
U. T. HSC - Houston	40	39	1	0
U. T. HSC - San Antonio	51	51	0	0
U. T. MDACC*	64	58	1	5
Total	202	192	5	5
		95.0%	2.5%	2.5%

**Post-Tenure Review Results by Gender**

	Subject to Review		Exceeds Expectations or Meets Expectations		Does Not Meet Expectations		Total Unsatisfactory	
	Male	Female	Male	Female	Male	Female	Male	Female
U. T. SWMC	22	5	19	5	3	0	0	0
U. T. MB - Galveston	16	4	16	4	0	0	0	0
U. T. HSC - Houston	24	16	24	15	0	1	0	0
U. T. HSC - San Antonio	38	13	38	13	0	0	0	0
U. T. MDACC*	45	19	40	18	1	0	4	1
Total	145	57	137	55	4	1	4	1

\*U. T. MDACC offers "term tenure"



<b>Post-Tenure Review Results by Ethnicity</b>										
	<b>Total Subject to Review</b>					<b>Exceeds Expectations or Meets Expectations</b>				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. SWMC	18	1	1	7	0	16	1	0	7	0
U. T. MB - Galveston	17	0	1	2	0	17	0	1	2	0
U. T. HSC - Houston	32	0	1	7	0	32	0	1	6	0
U. T. HSC - San Antonio	42	1	4	4	0	42	1	4	4	0
U. T. MDACC	45	0	4	15	0	42	0	4	12	0
Total	154	2	11	35	0	149	2	10	31	0
	<b>Does Not Meet Expectations</b>					<b>Unsatisfactory</b>				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. SWMC	2	0	1	0	0	0	0	0	0	0
U. T. MB - Galveston	0	0	0	0	0	0	0	0	0	0
U. T. HSC - Houston	0	0	0	1	0	0	0	0	0	0
U. T. HSC - San Antonio	0	0	0	0	0	0	0	0	0	0
U. T. MDACC	1	0	0	0	0	2	0	0	3	0
Total	3	0	1	1	0	2	0	0	3	0

**FACULTY CHANGES PRIOR TO POST-TENURE REVIEW:**

**U. T. Medical Branch - Galveston:** One faculty member changed position or retired prior to post-tenure review.

**U. T. Health Science Center - San Antonio:** Two faculty members changed positions or retired prior to post-tenure review.

**PRESENT STATUS DOES NOT MEET EXPECTATIONS**

**U. T. Southwestern Medical Center:** Two faculty will have next post-tenure reviews ahead of schedule and the third has been moved to a nine-month contract.

**U. T. Health Science Center - Houston:** The Department Chair and faculty member, in consultation with the Dean, have been engaged in developing a revised position description that more accurately describes the role of the faculty member within the school. Specific goals are being set that will be incorporated into the Annual Activity Report and Faculty Development Plan.

**U. T. M. D. Anderson Cancer Center:** One faculty member had term tenure extended for a single year.

**UNSATISFACTORY**

**U. T. M. D. Anderson Cancer Center:** Five faculty members had position end at the end of the seventh year.

12. 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 February 28, 2013**

**FUND TYPE**

	Current Purpose Restricted		Endowment and Similar Funds		Annuity and Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
<b>Land and Buildings:</b>								
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
Increase or Decrease	1,319	(9,362,879)	5,704,324	15,550,608	-	-	5,705,643	6,187,729
Ending Value 2/28/2013	\$ 1,724,977	\$ 10,569,549	\$ 102,850,530	\$ 276,631,751	\$ 1,601,467	\$ 3,161,384	\$ 106,176,974	\$ 290,362,684
<b>Other Real Estate:</b>								
Ending Value 11/30/2012	\$ 37,848	\$ 37,848	\$ 19,627	\$ 19,627	\$ -	\$ -	\$ 57,475	\$ 57,475
Increase or Decrease	(5,414)	(5,414)	-	-	-	-	(5,414)	(5,414)
Ending Value 2/28/2013	\$ 32,433	\$ 32,433	\$ 19,627	\$ 19,627	\$ -	\$ -	\$ 52,061	\$ 52,061

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

Details of individual assets by account furnished on request.

Note: Surface estates are managed by the U. T. System Real Estate Office. Mineral estates are managed by U. T. System University Lands. 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

13. Other Fiscal Items - U. T. Arlington: Employment Agreement for the appointment of Vistasp Karbhari, Ph.D., as President

The following agreement has been awarded, has been approved by the Chancellor and Executive Vice Chancellor for Academic Affairs, and is recommended for approval by the U. T. System Board of Regents. Such employment under this agreement is subject to the Regents' *Rules and Regulations*, Rules 10501 and 20201 and *Texas Education Code* Section 51.948.

Item: President

Funds: \$485,000 annually

Period: Beginning June 1, 2013

Description: Agreement for employment of Vistasp Karbhari, Ph.D., as President of U. T. Arlington. The President reports to the Chancellor and the Executive Vice Chancellor for Academic Affairs and shall hold office without fixed term subject to the pleasure of the Executive Vice Chancellor for Academic Affairs and approval by the Chancellor and the Board of Regents. U. T. Arlington will reimburse club and professional memberships as approved by the Executive Vice Chancellor for Academic Affairs, continuing education expenses, and reasonable travel expenses. Dr. Karbhari will be appointed as Professor, with tenure, in the Department of Mechanical and Aerospace Engineering and the Department of Civil and Environmental Engineering, College of Engineering without salary during his term as President at U. T. Arlington. The employment agreement is on the following pages.



**The University of Texas System**  
Nine Universities. Six Health Institutions. Unlimited Possibilities.

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Office of Academic Affairs  
601 Colorado Street, Austin, TX 78701  
Phone: 512-499-4233 Fax: 512-4994240

March 12, 2013

The University of Texas at Arlington  
The University of Texas at Austin  
The University of Texas at Brownsville  
The University of Texas at Dallas  
The University of Texas at El Paso  
The University of Texas – Pan American  
The University of Texas  
of the Permian Basin  
The University of Texas at San Antonio  
The University of Texas at Tyler

The University of Texas  
Southwestern Medical Center  
The University of Texas  
Medical Branch at Galveston  
The University of Texas  
Health Science Center at Houston  
The University of Texas  
Health Science Center at San Antonio  
The University of Texas  
M. D. Anderson Cancer Center  
The University of Texas  
Health Science Center at Tyler

[www.utssystem.edu](http://www.utssystem.edu)

Dr. Vistasp Karbhari  
2707 Hampton Cove Way Southeast  
Owens Cross Roads, Alabama 35763

Dear Vistasp:

On behalf of the Board of Regents of The University of Texas System, it is my pleasure to offer you the position of President of The University of Texas at Arlington, effective June 1, 2013. Your annual salary rate as of that date will be \$485,000. You are entitled to other State-paid fringe benefits required to be provided to higher education employees by State law and for which you are eligible. Among these benefits are State-paid OASI, longevity pay, workers' compensation liability, insurance coverage, retirement plan, insurance premium sharing, and leave entitlement.

The Presidents of The University of Texas academic campuses are selected by the Regents of The University of Texas System and serve without fix term and at the pleasure of the Executive Vice Chancellor for Academic Affairs. There is a specific budget for the office of the President at The University of Texas at Arlington which is determined by you as President of the Institution.

Additional elements of your compensation package are:

- a. The cost of club membership(s) approved by the Executive Vice Chancellor for Academic Affairs will be paid, including initial fees for joining the club and all properly documented business-related expenses. All personal expenses, including the portion of dues related to personal use, is calculated based on the personal expenses for that month as a percent of total expenses. That percentage is applied to the dues owed to determine the personal amount.
- b. When your administrative appointment as President ends you will be entitled to return to a tenured faculty position as professor, consistent with Rule 31007 of the Regents' *Rules and Regulations*, which governs tenured appointments at The University of Texas at Arlington and to be compensated at your academic salary rate.
- c. State law allows the grant of development leave at the individual's academic salary rate for one year to a faculty member who has held an administrative position at the institution for more than four years. An administrator who receives development leave must return to work (as a faculty member) at a U.T. System institution for an amount of time equal to the amount of time the administrator received development leave or repay the institution for all the costs of the development leave. Barring any subsequent legal prohibitions, these provisions will apply in your situation. The specific length of the development leave will be negotiated dependent on your term of service as

President and other pertinent considerations should you leave the Presidency and begin as a faculty member.

- d. Appointment as Professor, with tenure, in the Department of Mechanical and Aerospace Engineering, and the Department of Civil and Environmental Engineering, College of Engineering at U. T. Arlington, with a beginning academic rate of \$200,000. During your presidency, you will not be paid your salary as Professor.

Please note that the benefits described above in (c) may, at the discretion of the Board be denied should you be terminated from the position of President for good cause, as determined by the Board.

Business-related travel and entertainment expenses, as well as official travel for your spouse, shall be in accordance with the *Rules and Regulations* of the Board of Regents, Series 20205, U.T. System Policy 120 – Spousal Travel Policy, and with current travel and entertainment budgets of the institution. Expenses will be paid directly or reimbursed as appropriate.

Appropriate and timely submission of documentation required for reimbursement of travel and entertainment expenditures is required by the *Rules and Regulations* of the Board of Regents, Series 20205. Quarterly reports on travel, including spousal travel, and entertainment shall be filed with the Executive Vice Chancellor for Academic Affairs.

Your base salary is all inclusive and there are no additional allowances provided for housing or automobile consistent with Regents' *Rules and Regulations* on compensation for chief administrative officers. Reimbursement will be made for mileage associated with business use of a vehicle in accordance with the latest published Internal Revenue Service guidelines, the State Travel Regulations Act (*Texas Government Code* Chapter 660) and applicable institutional policies. There is no separate provision for the use of a cellular telephone or other wireless device. Such use shall follow the policy for wireless devices at your institution.

The University of Texas at Arlington will also make direct payments for the actual costs of reasonable expenses related to moving and storage, if needed, of household, personal, and professional possessions from Huntsville, Alabama to Arlington, Texas. Please contact Jean Hood, Vice President of Human Resources before making any arrangements related to relocation.

The University will compensate you for commuting costs incurred by you and your wife including airfare, accommodations, and meals associated with your transition. The University will compensate you for temporary housing costs during the first year of your Presidency prior to the arrival of your wife to establish permanent residence.

Information about benefits including health insurance, disability, life insurance, and retirement has been transmitted under separate cover.

Elements in this compensation package may be subject to federal income tax and as such will be subject to withholding and reported on the W-2 form along with base salary paid. You should consult your tax adviser as to the handling of business or other offsetting deductions.

I look forward to the opportunity to work with you as President of The University of Texas at Arlington. If you have any questions, please let me know.

Sincerely,



Pedro Reyes  
Executive Vice Chancellor for Academic Affairs  
Ashbel Smith Professor of Education Policy

Accepted: 3/11/13 Karl Har: Date: \_\_\_\_\_  
3/13/13

PR/smr

xc: Francisco G. Cigarroa, Chancellor  
Francie Frederick, General Counsel to the Board of Regents  
Randy Wallace, Associate Vice Chancellor – Controller and Chief Budget Officer  
Jean Hood, Vice President of Human Resources



14. Employment Agreement - U. T. Arlington: New agreement of Head Men's Basketball Coach Scott Cross to replace prior agreement

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 under this agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Arlington is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Arlington. The violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay or dismissal.

Item: Head Men's Basketball Coach

Funds:	Effective April 1, 2013	\$175,000 annual
	2013-2014	\$200,000 annual
	2014-2015	\$225,000 annual
	2015-2016	\$250,000 annual

Period: April 1, 2013 through August 31, 2016

Description: This agreement terminates and replaces the initial agreement for employment of Head Men's Basketball Coach, Scott Cross, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel. The base salary will increase by \$25,000 annually.

Incentives: Listed below. There were no changes to incentives.

- (a) \$7,500 in any contract year in which the team wins the regular season championship
- (b) \$10,000 in any contract year in which the team wins the conference tournament championship
- (c) \$2,500 in any contract year in which the team plays in a championship game
- (d) \$500 for each conference game win in any contract year
- (e) \$2,500 in any contract year in which the team has a 20-win season
- (f) \$2,500 in any contract year in which the team has a NIT appearance
- (g) \$7,500 in any contract year in which the team has a NCAA appearance at-large berth

- (h) \$5,000 in any contract year in which the team has a post-season win (NCAA or NIT)
- (i) \$5,000 in any contract year in which the coach is named Conference Coach of the Year
- (j) \$5,000 in any contract year in which the team has a final season RPI of top 64 in Division I
- (k) \$2,500 in any contract year in which the team has a final season RPI of top 125 in Division I
- (l) \$5,000 in any contract year in which the team annual NCAA APR score is 975 or better
- (m) \$5,500 in any contract year in which the team annual NCAA APR score is 940 or better
- (n) \$1,000 for every First Team Conference Player recognition in any contract year
- (o) \$1,000 for every First Team All-Academic Player recognition in any contract year
- (p) \$1,000 in any contract year in which a player is named Conference Player of the Year
- (q) For the number of season tickets sold for men's basketball games in any contract year:

No. of Season Tickets Sold	Incentive Amount
1000	\$ 2,000
1500	\$ 2,500
2000	\$ 3,000
2500	\$ 3,500
3000	\$ 4,000
3500	\$ 4,500
4000	\$ 5,000
4500	\$ 5,500
5000	\$ 6,000



- (r) For the average attendance at a men's basketball game based on the turnstile count in any contract year:

Average Attendance	Incentive Amount
2000	\$ 2,000
2500	\$ 2,500
3000	\$ 3,000
3500	\$ 3,500
4000	\$ 4,000
4500	\$ 4,500
5000	\$ 5,000
5500	\$ 5,500
6000 & Above	\$ 6,000

15. Advisory Council - U. T. Arlington: Creation and operation of the College of Education and Health Professions National Leadership Council

The following request to approve the creation and operation of the College of Education and Health Professions National Leadership Council has been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor for External Relations in accordance with Regents' *Rules and Regulations*, Rule 60302 and is submitted for approval by the U. T. System Board of Regents:

Item: The College of Education and Health Professions (CoEHP) National Leadership Council

Effective: June 1, 2013

Description: The CoEHP National Leadership Council will serve as an advisory group to help the CoEHP primarily in the area of development and fundraising. The existing CoEHP Visiting Committee would remain in place to serve primarily as an advisory group to assist with input regarding curriculum and other programmatic areas.

16. Contract (funds going out) - U. T. Austin: Media Event Concepts, Inc. to provide professional video and multimedia production services for University events

Agency: Media Event Concepts, Inc.

Funds: \$4,016,045 including all renewals

Source of Funds: General Gift Funds and Interest on Restricted Funds

Period: February 19, 2013 through August 31, 2015 with options to renew for two additional two-year periods

Description Media Event Concepts, Inc. will provide professional video and multimedia production services for several specified University-wide events: Gone to Texas, President's State of the University Address, Explore UT, Honors Day, UT Remembers, and Spring Commencement.

17. Contract (funds going out) - U. T. Austin: Mutual Telecom Services, Inc. to provide site survey and voice-over Internet protocol deployment services for U. T. Austin facilities located in Austin, Texas

Agency: Mutual Telecom Services, Inc. dba Black Box Network Services

Funds: Estimated \$2,000,000

Source of Funds: Service Center Funds

Period: March 11, 2013 through March 1, 2015

Description: Mutual Telecom Services, Inc. will deploy 23,000 telephones throughout U. T. Austin sites located in Austin. Deployment will require building and site surveys, project management, and technical and administrative functions. Telephones will connect to the voice-over Internet protocol (VOIP) communications system purchased via a purchase order approved by the Board of Regents on August 23, 2012.

18. Contract (funds going out) - U. T. Austin: Sasaki Associates, Inc. to provide additional professional master planning services to initiate phase two of the Campus Master Plan (see Academic Affairs Committee Item 2 on Page 31 and Consent Agenda Item 27 on Page 93)

Agency: Sasaki Associates, Inc.

Funds: \$1,750,000 added to original Campus Master Plan master agreement.

- Original agreement funded at \$1,380,600
- Additional \$2,650 authorized February 12, 2012, to cover cost of additional trip to campus by Sasaki
- Original agreement amended to include the creation of a new Medical School Master Plan, approved by Board February 14, 2013, and funded at \$966,000
- If Phase Two is approved, total of original agreement, the authorization, and the two amendments will be \$4,099,250

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

Period: March 1, 2013 through December 31, 2013; term of original agreement, October 1, 2010 through December 30, 2012

Description: Under the original master agreement, Sasaki Associates, Inc. created a new Campus Master Plan that is now complete (see Academic Affairs Committee Item 2 on Page 31 and Consent Agenda Item 27 on Page 93). A new amendment to the existing Sasaki contract is proposed to initiate Phase Two of the Campus Master Plan at a cost of \$1,750,000. In Phase Two, Sasaki will provide additional professional master planning services for several areas not directly addressed in Phase One, but which were highlighted as being important to the long-term, orderly development of the university: academic planning and academic plan coordination, East Campus planning, landscape planning, and athletic facilities planning. Sasaki Associates, Inc. is uniquely positioned to provide this additional planning scope in a manner that will assure adherence to the Campus Master Plan and to create a comprehensive framework for future planning, as they did with the Medical School Master Plan.

19. Foreign Contract (funds going out) - U. T. Austin: Memorandum of Understanding with the Spanish Agency for International Cooperation and Development to work with the Department of Spanish and Portuguese, College of Liberal Arts, to hire a lecturer from Spain to teach undergraduate courses and promote the Spanish language and Spanish culture at U. T. Austin

Agency: Spanish Agency for International Cooperation and Development, a public entity within the Spanish Ministry of Foreign Affairs and Cooperation

Funds: No funds to Spanish Agency for International Cooperation and Development. U. T. Austin will pay lecturer from Spain \$32,762 per year, for a maximum of \$98,286 if the lecturer's post is renewed each of the three years of the Memorandum of Understanding (MOU)

Source of Funds: Educational and General Fund

Period: September 1, 2013 through May 31, 2016

Description: Under the MOU, the Spanish Agency for International Cooperation and Development, a public entity within the Spanish Ministry of Foreign Affairs and Cooperation, will work with the Department of Spanish and Portuguese in the College of Liberal Arts to hire a lecturer from Spain to teach undergraduate courses and to promote the Spanish language and Spanish culture at U. T. Austin.

20. Foreign Contract (funds coming in) - U. T. Austin: University of Adelaide, Australia, Executive Education Programs, to receive leadership training services from the Governor's Center for Management Development, Lyndon B. Johnson School of Public Affairs

Agency: University of Adelaide, Australia

Funds: Approximately \$20,578

Period: June 1, 2013 through December 31, 2013

Description: The Governor's Center for Management Development, a unit of the LBJ School of Public Affairs, will provide leadership training service and two keynote presentations to the University of Adelaide's Executive Education Programs in Adelaide, Australia.

21. Lease - U. T. Austin: Authorization to extend the lease of ATM locations to Bank of America, N.A.

Description: Extension of lease of sites for seven automated teller machines at six locations on the U. T. Austin campus

Lessor: Bank of America, N.A., a federally chartered banking association

Term: The extension term commenced on March 1, 2013, and continues through November 30, 2013, unless terminated earlier by U. T. Austin. The institution plans to select one or more automated teller machine vendors through a request for proposal process and when that selection is made, U. T. Austin will terminate the lease to Bank of America, N.A. Additionally, if Board of Regents' approval of the extension is not obtained by May 31, 2013, the lease terminates on May 31, 2013.

Lease Income: Consideration to U. T. Austin includes \$26,354.17 in base rent and \$335.00 in operating expenses per month, for a total of approximately \$240,201 if the lease extension runs for the full nine-month term. The original lease became effective on February 15, 2007; and on February 8, 2007, was approved by the Board of Regents. This current lease extension and a prior lease extension will result in aggregate additional revenue to U. T. Austin in excess of 25% of the prior authorization if the lease extends beyond May 31, 2013, and, therefore, this lease extension is being submitted to the Board of Regents for authorization.

22. Lease - U. T. Austin: Authorization to extend the lease of space from University Towers Austin, LLC, for administrative office and educational uses

Description: Extension of lease of approximately 9,365 square feet at 801 West 24th Street, Austin, Texas, for administrative office and educational uses. U. T. Austin's English as a Second Language program is currently housed in the space and will continue to occupy the space during the lease extension.

Lessor: University Towers Austin, LLC, a Delaware limited liability company

Term: The original lease term commenced on May 1, 2011, and continues through July 31, 2013; the proposed extension term commences August 1, 2013, and ends July 31, 2017.

Lease Costs: Approximately \$438,200 in base rent, utility costs, and operating expenses over the initial term and approximately \$980,100 in base rent, utility costs, and operating expenses over the extension term, for a total estimated cost of \$1,418,300. The Lessor will expend approximately \$100,000 to renovate the space to better accommodate use by the institution. As the extension of the lease results in a total cost to U. T. Austin in excess of \$1,000,000 in the aggregate, this lease extension is being submitted to the Board of Regents for authorization.

Source of Funds: Programmatic income generated from programs housed in the leased premises

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

**Richard E. Klingner**, from L.P. Gilvin Centennial Professor in Civil Engineering to L.P. Gilvin Centennial Professor Emeritus in Civil Engineering, Department of Civil, Architectural, and Environmental Engineering (RBC No. 5091) -- amendment to the 2012-13 budget

**Kathryn G. Hansen**, from Professor to Professor Emeritus, Department of Asian Studies (RBC No. 5101) -- amendment to the 2012-13 budget

**José E. Limón**, from Mody C. Boatright Regents Professor in American and English Literature to Mody C. Boatright Regents Professor Emeritus in American and English Literature, Department of English (RBC No. 5090) -- amendment to the 2012-13 budget

**Ted L. Huston**, from Amy Johnson McLaughlin Centennial Professor in Home Economics to Amy Johnson McLaughlin Centennial Professor Emeritus in Home Economics, Department of Human Development and Family Sciences (RBC No. 5089) -- amendment to the 2012-13 budget

**Peter R. Antoniewicz**, from Professor to Professor Emeritus, Department of Physics (RBC No. 5097) -- amendment to the 2012-13 budget

24. Posthumous Emeritus Award - U. T. Austin: McDonald Smith, from Associate Professor to Associate Professor Emeritus, Department of Art and Art History

Through an administrative error at U. T. Austin, the emeritus appointment was not registered in University records and not forwarded for placement on the Docket in 1999 to be effective September 1, 1999. When this error was discovered in January 2013, it was too late to include the appointment on the February 2013 Consent Agenda. It was later learned that Dr. Smith passed away in December 2012. The request for honorary title designation is being submitted now for formal documentation.

25. Request for Budget Change - U. T. Austin: Transfer a total of \$538,000 from U. T. System Office of Telecommunication Services and Information Technology Services accounts to provide supplemental funding for replacement of two of the five air-conditioning units in Room 319D of Service Building (RBC No. 5033) -- amendment to the 2012-13 budget

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
PROJECT MANAGEMENT AND CONSTRUCTION SERVICES		
Amount of Transfer:	538,000	5033
From: Service Departments Funds		
U. T. System Office of Telecommunication Services - Maintenance, Operation, and Equipment	215,200	
Information Technology Services Operations - Maintenance, Operation and Equipment	322,800	
To: Project Management and Construction Services - SER Room 319D A/C Replacement - All Expenses	538,000	

26. Request for Budget Change - U. T. Austin: Transfer a total of \$500,000 from Dean of Liberal Arts Special Programs Including Academic Development account to College of Liberal Arts Facility Upgrades account to provide funding for future Capital Projects accounts related to renovating research labs for faculty members including disciplines of Psychology, Anthropology, Geography, Population Research, Linguistics, and Sociology (RBC No. 5080) -- amendment to the 2012-13 budget
27. Request for Budget Change - U. T. Austin: Transfer a total of \$966,000 from the Available University Funds-Medical School-Maintenance, Operation, and Equipment account to Plant Funds-Campus Master Plan account to provide funding for the Medical School Master Plan (RBC No. 5162) -- amendment to the 2012-13 budget (see related Academic Affairs Committee Item 2 on Page 31 and Consent Agenda Item 18 on Page 88)

The amendment to the original Campus Master Plan agreement with Sasaki Associates, Inc. to create a new Medical School Master Plan was approved by the Board of Regents on February 14, 2013.

28. Employment Agreement - U. T. Austin: Amendment to Agreement of Head Men's Golf Coach John Fields

The following Amendment No. 6 has been approved by the Executive Vice Chancellor for Academic Affairs, and is recommended for approval by the U. T. System Board of Regents. If Amendment No. 6 is approved, total annual compensation for Coach Fields will be in excess of \$250,000. Such employment under the Agreement, as amended by Amendments No. 1 through 5, is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. The violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay or dismissal.

Item: Head Men's Golf Coach Agreement

From: Guaranteed compensation  
 -Athletic products and endorsements: \$2,000 annually  
 -Camp provision: none  
 -Payment dates for camps: none  
 -Additional payment provision: none

To: Guaranteed compensation  
 -Athletic products and endorsements: \$44,500 annually  
 -Camp provision: add new provision for payment for working at U. T. Austin camps  
 -Payment dates for camps: payment within 30 days following camp completion and related accounting process  
 -Additional payment provision: one-time merit payment of \$33,000

Source of Funds:	Intercollegiate Athletics
Salary Percent Change:	N/A
Description:	Amendment No. 6 to the Agreement for employment of Head Men's Golf Coach John Fields
Incentive Change:	No change in nonguaranteed compensation available through performance incentives from FY 2011-12 to FY 2012-13
Period:	May 1, 2013 through August 31, 2016

29. Admission Criteria - U. T. Brownsville: Summary of changes to Admission Criteria

**Summary of Changes to Admission Criteria**

The Graduate Record Examination (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. The change has been reviewed and administratively approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents.

***M.S. in Biology***

- GRE Verbal: Previous 500, New 153
- GRE Quantitative: Previous 500, New 144

***M.S.I.S. in Biology***

- GRE Verbal: Previous 500, New 153
- GRE Quantitative: Previous 500, New 144

***M.S. in Computer Science***

- GRE Verbal: Previous 400, New 146
- GRE Quantitative: Previous 500, New 144

***M.S.I.S. in Computer Science***

- GRE Verbal: Previous 400, New 146
- GRE Quantitative: Previous 500, New 144



### ***M.S. in Mathematics***

- GRE Verbal: Previous 400, New 146
- GRE Quantitative: Previous 600, New 148

### ***MBA***

- GRE Verbal: Previous 400, New 146
- GRE Quantitative: Previous 400, New 140

### ***MBA Online***

- GRE Verbal: Previous 400, New 146
- GRE Quantitative: Previous 400, New 140

### ***M.A. in Spanish***

- GRE Verbal: Previous 400, New 146

### ***M.A. in English***

Previous:

- Undergraduate GPA of 3.0
- GRE Verbal score of 500
- GRE Analytical score of 4.0
- A 3.0 GPA in 9 hours of upper division English Literature courses, three of which must be ENGL 3302 Literary Analysis or its equivalent

New:

- Undergraduate GPA of 3.0
- GRE Verbal: 153
- GRE analytical score of 4.0
- A 3.0 GPA in 12 hours of upper division English courses

### ***M.A. in History***

- GRE Verbal: Previous 400, New 146

### ***M.M. in Music Education***

- GRE Verbal: Previous 400, New 146

### ***M.P.P.M.***

- GRE Verbal: Previous 450, New GRE not required
- GRE Quantitative: Previous 550, New GRE not required
- GRE Analytical: Previous 4.0, New GRE not required

### ***M.A. in Psychology***

- GRE Verbal: Previous 400, New 146
- GRE Quantitative: Previous 400, New 140

### ***M.A.I.S.***

- GRE Verbal: Previous 400, New 146
- GRE Quantitative: Previous 400, New 140

30. Emeritus Appointment - U. T. Brownsville: Appointment of Dianne Brumley from Director of Choral Music Studies to Director Emeritus, College of Liberal Arts (RBC No. 5125) -- amendment to the 2012-2013 budget

31. Admission Criteria - U. T. Dallas: Changes to Admission Criteria

U. T. Dallas requests approval for revisions to the criteria for admission into graduate programs to conform with the Educational Testing Services changes to the 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 Admission Criteria**

Educational Testing Services replaced the GRE General Test with the GRE revised General Test in August 2011. The GRE revised General Test includes changes to the score scales used for the Quantitative Reasoning and Verbal Reasoning measures. Some U. T. Dallas graduate programs specify only combined scores, whereas others specify separate scores for Quantitative Reasoning and for Verbal Reasoning, and others specify all three scores.

### **SCHOOL OF ECONOMIC, POLITICAL AND POLICY SCIENCES:**

#### ***Applied Sociology MS Program***

- Change the combined score of 1100 on the old scale to GRE Quantitative score of 146 and GRE Verbal score of 156 using the new scale

### ***Criminology MS and PhD Programs***

- Change the combined GRE score from 1000 on the old scale to 300 using the new scale

### ***Economics MS and PhD Programs***

- Master's: Change the combined score of 1200 on the old scale to GRE Quantitative score of 146 and GRE Verbal of 156 using the new scale
- Doctoral: Change the combined score of 1200 on the old scale to GRE Quantitative score of 148 and GRE Verbal of 160 using the new scale

### ***Geospatial Information Sciences MS and PhD Programs***

- Master's: Change the combined score from 1000 on the old scale to 295 using the new scale
- Doctoral: Change the combined score from 1150 on the old scale to 300 using the new scale

### ***International Political Economy MS Program***

- Change the combined score of 1100 to GRE Quantitative score of 146 and GRE Verbal score of 156 using the new scale

### ***Political Science MA and PhD Programs***

- Master's: Change the combined score from 1100 to 300 using the new scale
- Doctoral: Change the combined score from 1200 to 310 using the new scale

### ***Political Science – Constitutional Law Studies MA Program***

- Change the combined score from 1100 to 300 using the new scale

### ***Political Science – Legislative Studies MA Program***

- Change the combined score from 1100 to 300 using the new scale

### ***Public Affairs PhD Program***

- Change the combined score of 1100 to GRE Quantitative score of 146 and GRE Verbal score of 156 using the new scale

### ***Public Policy MPP Program***

- Change the combined score of 1100 to GRE Quantitative score of 146 and GRE Verbal score of 156 using the new scale

### ***Public Policy and Political Economy PhD Program***

- Change the combined score of 1200 to GRE Quantitative score of 148 and GRE Verbal score of 160 using the new scale

## **ERIK JONSSON SCHOOL OF ENGINEERING AND COMPUTER SCIENCE:**

### ***Biomedical Engineering MS and PhD Programs***

- Change the GRE Quantitative score from 700 to 156 using the new scale
- Change the GRE Verbal score from 500 to 154 using the new scale

### ***Computer Engineering MS and PhD Programs***

- Change the GRE Quantitative score from 700 to 156 using the new scale
- Change the GRE Verbal score from 500 to 154 using the new scale

### ***Computer Science MS and Computer Science-Software Engineering MSCS Programs***

- Change the combined score from 1200 to 308 using the new scale
- Change the GRE Quantitative score from 700 to 155 using the new scale
- Change the GRE Verbal score from 500 to 153 using the new scale

### ***Computer Science PhD Program***

- Change the combined score from 1300 to 315 using the new scale
- Change the GRE Quantitative score from 750 to 159 using the new scale
- Change the GRE Verbal score from 550 to 156 using the new scale

### ***Electrical Engineering MSEE and PhD Programs***

- Change the GRE Quantitative score from 700 to 156 using the new scale
- Change the GRE Verbal score from 500 to 154 using the new scale

### ***Materials Science and Engineering MS and PhD Programs***

- Change the GRE Quantitative score from 700 to a recommended score of 154 or above using the new scale
- Change the GRE Verbal score from 500 to a recommended score of 154 or above using the new scale

### ***Mechanical Engineering MS Program***

- Change the GRE Quantitative score from 700 to 170 using the new scale
- Change the GRE Verbal score from 500 to 170 using the new scale
- Increase the GRE Analytical Writing subtest score from 4 to 6

### ***Mechanical Engineering PhD Program***

- Increase the GRE Quantitative score from 160 to 170
- Increase the GRE Verbal score from 150 to 170
- Increase the GRE Analytical Writing subtest score from 4 to 6

### ***Software Engineering PhD Program***

- Change the combined score from 1300 to 315 using the new scale
- Change the GRE Quantitative score from 750 to 159 using the new scale
- Change the GRE Verbal score from 550 to 156 using the new scale

### ***Telecommunications Engineering MSTE and PhD Programs***

- Change the GRE Quantitative score from 700 to 156 using the new scale
- Change the GRE Verbal score from 500 to 154 using the new scale

### **SCHOOL OF INTERDISCIPLINARY STUDIES:**

#### ***Interdisciplinary Studies MA Program***

- Change the combined score from 1000 to 295 using the new scale

### **NAVEEN JINDAL SCHOOL OF MANAGEMENT:**

- Graduate Management Admission Test (GMAT) scores are required; however, the school will accept GRE scores
- Change the combined score from 1240 to 320 using the new scale

### **SCHOOL OF NATURAL SCIENCES AND MATHEMATICS:**

#### ***Actuarial Sciences MS Program***

- Change the combined score from 1200 to 310 using the new scale
- Change the GRE Quantitative score from 700 to 155 using the new scale
- Change the GRE Verbal score from 350 to 143 using the new scale

#### ***Bioinformatics and Computational Biology MS Program***

- Change the combined score from 1200 to 310
- Change the GRE Quantitative score from 700 to 155 using the new scale
- Change the GRE Verbal score from 350 to 143 using the new scale

#### ***Biology – Molecular and Cell Biology MS and PhD Programs***

- Change the combined score from 1000 to 295 using the new scale
- Master's: Add the GRE Verbal score of 147 using the new scale

### ***Biotechnology MS Program***

- Change the combined score from 1000 to 295 using the new scale
- Add the GRE Verbal score of 147 using the new scale

### ***Chemistry MS and PhD Programs***

- Change the combined score from 1000 to 295 using the new scale
- Change the GRE Quantitative score from 600 to 148 using the new scale
- Change the GRE Verbal score from 400 to 147 using the new scale

### ***Geosciences MS and PhD Programs***

- Change the combined score from 1000 to 300 using the new scale

### ***Mathematics MS and PhD Programs***

- Change the combined score from 1200 to 310 using the new scale
- Change the GRE Quantitative score from 700 to 155 using the new scale
- Change the GRE Verbal score from 350 to 143 using the new scale

### ***Physics MS and PhD Programs***

- Change the combined score from 1200 to 308 using the new scale
- Change the GRE Quantitative score from 700 to 155 using the new scale
- Doctoral: Add the GRE Physics subject test (no minimum score specified)

### 32. Lease - U. T. Dallas: Authorization to lease space from 3000 Waterview Parkway - Richardson LLC, for office, classroom, and research uses

Description:	Lease of approximately 89,630 square feet at 3000 Waterview Parkway, Richardson, Texas, to be initially used for offices for U. T. Dallas. The space is currently finished but will require tenant improvements to modify the space for use by the institution. The building is located immediately adjacent to the U. T. Dallas campus.
Lessor:	3000 Waterview Parkway - Richardson LLC, a Delaware limited liability company
Term:	The term commences on the date that U. T. Dallas occupies any portion of the premises and begins conducting business, currently estimated to be Summer 2013, and continues for 128 months, plus one five-year renewal option. The institution has the right to terminate 24 months early by paying a termination fee.

Lease Costs: Approximately \$15,918,600 in base rent over the initial term, plus electricity costs and operating expense escalations. Base rent is abated for the first eight months of the term. Rent for the renewal option period will be at fair market value. Lessor is providing a tenant allowance of \$30.00 per square foot towards renovation, cabling, and furnishing costs. U. T. Dallas would contribute any additional funds for the build-out of the space, although none are anticipated.

Source of Funds: Interest income

33. Tenure Appointments - U. T. Dallas: 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>	
ERIK JONSSON SCHOOL OF ENGINEERING AND COMPUTER SCIENCE Computer Science Professor AND SCHOOL OF ARTS AND HUMANITIES Arts and Technology Endowed Chair					
Paul Fishwick (T)	1/16-5/31	100	09	175,000	5068
SCHOOL OF NATURAL SCIENCES AND MATHEMATICS Mathematics Professor					
Dmitry Rachinskiy (T)	11/2-5/31	100	09	130,000	5067

34. Emeritus Appointment - U. T. El Paso: Appointment of John H. Haddox from Professor to Professor Emeritus, Philosophy, College of Liberal Arts (RBC No. 5120) -- amendment to the 2012-13 budget

35. Tenure Appointment - U. T. El Paso: Amendment to the 2012-13 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>	
OFFICE OF THE PROVOST AND COLLEGE OF LIBERAL ARTS Criminal Justice Vice Provost for Strategic Academic Initiatives, and Professor of Criminal Justice Michael R. Smith (T)	1/17-8/31 1/17-8/31 (without salary)	100	12 09	185,000 125,000	4832

36. Approval of Dual Position of Honor, Trust, or Profit - U. T. El Paso: Dual Appointment by Governor Perry of Cynthia Villa, C.P.A., M.Ed., Vice President for Business Affairs, as a Board Member of the Texas Department of Information Resources

The following item has been approved by the Executive Vice Chancellor for Academic Affairs in accordance with the Regents' *Rules and Regulations*, Rule 30103. It has been determined that the holding of this office is of benefit to the State of Texas and The University of Texas and there is no conflict between holding this position and the appointment with the University.

The Board is also asked to find that holding this position is of benefit to the State of Texas and the University and there is no conflict between the position and the University.

Name: Cynthia Villa, C.P.A., M.Ed.

Title: Vice President for Business Affairs

Position: Board Member, Texas Department of Information Resources

Period: February 15, 2013 through February 1, 2019

Compensation: Per diem expenses only

Description: Ms. Villa was appointed by Governor Rick Perry as a Board Member of the Texas Department of Information Resources (DIR), and will work with the Board to provide statewide leadership and oversight for



the management of government information and communications technology, as well as to facilitate the state's economic competitiveness through its ability to deliver quality information resources commodities and services at the lowest prices and best value for state and local government and K-12 public and higher education systems.

37. Admission Criteria - U. T. Pan American: Change to the criteria for admission to the Master of Science in Occupational Therapy program

U. T. Pan American requests approval to change the criteria for admission to the Master of Science in Occupational Therapy program to set minimum acceptable scores that conform with the Educational Testing Service changes to the new numeric scale used for the Graduate Record Examination (GRE). Prior to this request, there were not minimum scores on the GRE to be considered for admission. The change has been reviewed and administratively approved by the Executive Vice Chancellor for Academic Affairs and is 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 Master of Science in Occupational Therapy program in the U. T. Pan American College of Health Science and Human Services is consistent with the requirements at other accredited Occupational Therapy programs. The new requirement sets a minimum acceptable score on the Revised GRE of 150 on the verbal reasoning, 140 on the quantitative reasoning, and 3 on the analytical writing. The Revised GRE must be taken within five years prior to the application deadline.

38. Advisory Councils - U. T. Pan American: Creation and operation of Advisory Councils for the College of Education, College of Social and Behavioral Sciences, and the College of Science and Mathematics

The following request to approve the creation and operation of Advisory Councils for the College of Education, College of Social and Behavioral Sciences, and the College of Science and Mathematics, has been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor for External Relations in accordance with Regents' *Rules and Regulations*, Rule 60302 and is submitted for approval by the U. T. System Board of Regents:

Items: **The Advisory Council for the College of Education**

**The Advisory Council for the College of Social and Behavioral Sciences**

**The Advisory Council for the College of Science and Mathematics**

Effective: All effective August 31, 2013

Description: The Advisory Councils will work with the Division of University Advancement to increase philanthropy, advocate to the external community, and help identify best sources to build new funding and create funding diversification.

39. Contract (funds going out) - U. T. Permian Basin: Contract for Custodial Services with GCA Education Services, Inc. to provide custodial services

Agency: GCA Education Services, Inc.

Funds: \$2,318,154

Period: May 15, 2013 through April 30, 2017

Description: To provide custodial services. This contract was competitively bid.

40. Request for Budget Change - U. T. San Antonio: Transfer \$564,871 from Project Reserves fund to the Wayfinding June 2010 fund to provide remaining funding for the campus wayfinding project at both the Main and Downtown campuses to improve and facilitate campus-wide navigation (RBC No. 5018) -- amendment to the 2012-13 budget

41. Request for Budget Change - U. T. Tyler: Transfer \$58,912 from various Library, Equipment, Repair and Rehabilitation projects to Library, Equipment, Repair and Rehabilitation Elevator Fire Service Project account to be used to complete the Elevator Fire Service in Biology Education and Psychology Building and Hudnell Pirtle Roosth Building (RBC No. 5163 and RBC No. 5164) -- amendment to the 2012-13 budget

From:

Project Number	Project Name	Amount
802-602	LERR 11 – Repair and Rehabilitation - Tyler	\$ 3,820
802-602	LERR 11 – Repair and Rehabilitation - Tyler	\$12,262
802-602	LERR 11 – Repair and Rehabilitation - Tyler	\$13,768
802-669	LERR 12 – Repair and Rehabilitation - Tyler	\$ 7,212
802-668	LERR 12 – Library Equipment - Tyler	\$10,000
802-739	LERR 13 – Repair and Rehabilitation - Tyler	\$11,850

To: Library, Equipment, Repair and Rehabilitation Elevator Fire Service Project account

## HEALTH INSTITUTIONS

42. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide physician services to Parkland Health and Hospital System, Dallas County Hospital District
- Agency: Dallas County Hospital District
- Funds: \$44,000,000
- Period: February 1, 2013 through September 30, 2013
- Description: U. T. Southwestern to provide physician services to Parkland Health and Hospital System
43. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide physicians and other health care professionals to Parkland Health and Hospital System, Dallas County Indigent Care Corporation
- Agency: Dallas County Indigent Care Corporation (DCICC)
- Funds: \$84,000,000
- Period: February 1, 2013 through September 30, 2013
- Description: Provide physician and other health care services at Parkland Health and Hospital System to indigent and needy persons in and around Dallas County, Texas
44. Contract (funds coming in) - U. T. Southwestern Medical Center: Contract with Dallas Proton Treatment Center, LLC to staff and operate a proton therapy treatment center
- Agency: Dallas Proton Treatment Center, LLC
- Funds: Approximately \$43,000,000 annually
- Period: Effective date is June 3, 2013. The term is 20 years following the commencement date plus the balance of the period that extends to the end of the applicable U. T. Southwestern Medical Center fiscal year.
- Description: To provide clinical services, clinical management, and facility management/support services

45. Contract (funds going out) - U. T. Southwestern Medical Center: Anderson Emergency Physicians, P.A. dba Trinity River Emergency Specialists, P.A. to provide emergency physician services (Deferred)

Agency: Anderson Emergency Physicians, P.A. dba Trinity River Emergency Specialists, P.A.

Funds: \$3,547,800

Source of Funds: Designated Funds

Period: June 1, 2013 through May 31, 2016

Description: Anderson Emergency Physicians to provide emergency physician services

46. Contract (funds going out) - U. T. Southwestern Medical Center: Hill International, Inc. to provide construction management services

Agency: Hill International, Inc.

Funds: \$3,625,864

Source of Funds: Designated and Unexpended Plant Funds

Period: October 1, 2012 through August 31, 2017

Description: Hill International, Inc. to provide construction management services. This contract was competitively bid.

47. Lease - U. T. Southwestern Medical Center: Authorization to expand the space leased from 3000 Waterview Parkway - Richardson LLC, for medical clinic use

Description: Lease of an additional approximately 7,170 square feet at 3020 Waterview Parkway, Richardson, Texas, for medical clinic use, for a total area of 48,770 square feet

Lessor: 3000 Waterview Parkway - Richardson LLC, a Delaware limited liability company

Term: The term for the expansion space commences on July 1, 2013, and is coterminous with the lease of the current space. The lease of the current and expansion space expires June 30, 2020; and there is one five-year renewal option.

Lease Costs: Rental for the expansion space is at the same rental rate as the existing leased premises and totals approximately \$954,976 in base rent and estimated operating expenses over the initial 84-month term. Rent for the renewal option period will be at the then fair market value. Total renovation costs are approximately \$788,700, of which the Lessor is providing a tenant allowance of \$30.00 per square foot and U. T. Southwestern Medical Center will contribute the remainder, approximately an additional \$80 per square foot. The lease for the existing space was approved at the August 23, 2012 Board of Regents' meeting. This expansion is being submitted to the Board for authorization because the cost of the expansion space over the term of the lease exceeds \$1 million.

Source of Funds: Patient revenue

48. Emeritus Appointment - U. T. Southwestern Medical Center: Appointment of Errol Friedberg from Professor, Southwestern Medical School, Pathology, to Professor Emeritus (RBC No. 5030) -- amendment to the 2012-13 budget

49. Contract (funds coming in) - U. T. Medical Branch - Galveston: Interagency Cooperation Contract between Department of State Health Services (DSHS) and for University to provide family planning services to DSHS eligible individuals

Agency: Department of State Health Services (DSHS), an agency of the State of Texas

Funds: \$3,111,311

Period: January 15, 2012 through March 31, 2013

Description: Amendment beginning January 8, 2013 adding \$944,660. The agreement was originally funded at \$1,566,651 and amended on June 18, 2012, adding \$600,000.

U. T. Medical Branch - Galveston will continue to provide comprehensive family planning services, which include medical, counseling, client education, referral, community education, and outreach services to Title X and Title XX eligible individuals.

50. Contract (funds coming in) - U. T. Medical Branch - Galveston: Interagency Cooperation Contract with Department of State Health Services (DSHS) for University to administer the Special Supplemental Nutrition Program

Agency: Department of State Health Services (DSHS), an agency of the State of Texas

Funds: \$7,020,108

Period: February 27, 2013 through September 30, 2013

Description: Amendment beginning February 27, 2013 adding \$3,538,684, originally funded at \$3,481,424, and extending agreement to September 30, 2013. U. T. Medical Branch will continue to administer the DSHS Special Supplemental Nutrition Program for women, infants, and children.

51. Lease - U. T. Medical Branch - Galveston: Authorization to lease space from Texas City '81, Ltd., for medical clinic use

Description: Lease of approximately 35,000 square feet in a building to be constructed at the southwest corner of Emmett F. Lowry Expressway and Century Boulevard, Texas City, Texas, for medical clinic use

Lessor: Texas City '81, Ltd., a Texas limited partnership

Term: The term commences on the date that Lessor substantially completes the construction of the building and the improvements and delivers the leased premises, and continues for 10 years, plus two five-year renewal options. The estimated commencement date is March 1, 2014.

Lease Costs: Approximately \$11,069,914 in base rent and estimated operating expenses over the initial 10-year term. Rent for each renewal option period will be 95% of the then current market rental rates. The Lessor is providing an improvement allowance of up to \$125 per square foot to fund finish-out in the leased premises.

Source of Funds: Patient revenue

52. Lease - U. T. Medical Branch - Galveston: Authorization to lease space from Galvez Shopping Center, Ltd., for medical clinic use

Description: Lease of approximately 7,500 square feet in a building to be constructed at the corner of the Gulf Freeway and 61st Street in Galveston, Texas, for medical clinic use

Lessor: Galvez Shopping Center, Ltd., a Texas limited partnership

Term: The term commences on the date that Lessor substantially completes the construction of the building and the improvements and delivers the leased premises, and continues for 10 years, plus two five-year renewal options. The estimated commencement date is March 1, 2014.

Lease Costs: Approximately \$2,398,645 in base rent and estimated operating expenses over the initial 10-year term. Rent for each renewal option period will be increased by 10% over the rent paid for the previous five-year period. The Lessor is providing an improvement allowance of up to \$50 per square foot; U. T. Medical Branch - Galveston will provide an additional \$75 (approximately) per square foot to fund finish-out in the leased premises.

Source of Funds: Patient revenue

53. Emeritus Appointments - U. T. Medical Branch - Galveston: Approval of Emeritus Appointments

**Harvey Bunce III**, from Professor and Chair, Preventive Medicine and Community Health, to Professor Emeritus, Academic Enterprise (RBC No. 5045) -- amendment to the 2012-13 budget

**Jonathan Ward, Jr.**, from Professor, Preventive Medicine and Community Health, to Professor Emeritus, Academic Enterprise (RBC No. 5046) -- amendment to the 2012-13 budget

54. Foreign Contract (funds neutral) - U. T. Health Science Center - Houston: Contract with the Government of Rwanda to provide physicians and nurses

Agency: Rwanda Government

Funds: \$5,014,742

Period: April 1, 2013 through July 31, 2019

Source of Funds: Rwandan Ministry of Health/Clinton Health Access Initiative Funds

Description: Project will upgrade the health care system of Rwanda by bringing physicians and nurses to educate and mentor colleagues in Rwanda. The Clinton Health Access Initiative has partnered with the Rwandan government to recruit and fund approximately 100 physicians and nurses to spend, on average, one year each in Rwanda. The UTHealth School of Nursing was selected to participate along with Duke University, New York University, the University of Maryland, Brown University, Harvard University, and others. The U. T. Health Science Center - Houston's International Travel Review Committee has reviewed and approved this proposal. This project provides a unique opportunity for international health experience in a well-designed project overseen by Ira Magaziner, former President Clinton's advisor on health care reform.

55. Foreign Contract - U. T. Health Science Center - Houston: Program Agreement with University of British Columbia (UBC)

Agency: The University of British Columbia, a public university in Canada

Funds: No funds to U. T. Health Science Center - Houston or the University of British Columbia

Period: Five-year term, beginning upon execution

Source of Funds: Not applicable

Description: Canadian Program agreement between UTHealth School of Dentistry (SOD) and UBC. Educational experience program to allow students from UBC to participate in the Externship Program at UTHealth SOD-Department of Oral and Maxillofacial Surgery for a period from two weeks up to one month.

56. Emeritus Appointment - U. T. Health Science Center - Houston: Appointment of Pauline M. Vaillancourt Rosenau from Professor, School of Public Health, to Professor Emerita in the Division of Management, Policy and Community Health -- amendment to the 2012-13 budget (RBC No. 5147)



57. Logo - U. T. Health Science Center - San Antonio: 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.

UT Medicine San Antonio, the faculty practice of the School of Medicine of U. T. Health Science Center - San Antonio, requests the support and approval of The University of Texas System Board of Regents to move forward with the registration and trademarking of the name "UT kids UT Medicine San Antonio" (dba "UT kids"), and its logo, for its use in marketing and branding of its pediatric practice and children's health services line. These will provide a strong identity for the children's health services program within the South Texas region and position the enterprise to acquire market share. UT Medicine San Antonio also seeks approval to pursue registration of the name in its Spanish translation.

The UT Medicine San Antonio pediatric practice/children's health services name of "UT kids" will be used, initially, as the service line operates in conjunction with University Health System and, later, when the pediatric practice is part of a freestanding academic children's hospital to be built and managed by Vanguard Health Systems and The Children's Hospital of Philadelphia.

The Pantone Matching System colors are PMS 166 Orange; PMS 342 Green; PMS 301 Blue; PMS 321 Teal; PMS 2587 Violet; and Black.



58. Lease - U. T. Health Science Center - San Antonio: Authorization to lease space to Bexar County Hospital District dba University Health System for an ambulatory surgery center

Description: Lease of approximately 31,731 square feet of space in the Medical Arts and Research Center located at 8300 Floyd Curl Drive, San Antonio, Texas, for use as an ambulatory surgery center

Lessee: Bexar County Hospital District dba University Health System

Term: The term commences on July 1, 2013, for an initial term of three years. Lessee will have one option to extend the lease for a period of one year.

Lease Revenue: Approximately \$2,409,334 in base rent for the initial term. Rental for the renewal term will be at the same rate as the initial term. U. T. Health Science Center - San Antonio is not providing an improvement allowance to Lessee.

59. Lease - U. T. Health Science Center - San Antonio: Authorization to lease space from WNLV Ltd., EZJ Management, L.L.C., and H5 Properties, L.P., for use as office space

Description: Lease of approximately 12,323 square feet in Med Centre Plaza at 8431 Fredericksburg Road, San Antonio, Texas, to be used by U. T. Health Science Center - San Antonio as office space for several departments under the Vice President and Chief Information Officer. This space will free up space on campus for the Department of Emergency Medicine, which must move from its current location to allow for construction of the new Academic Learning and Teaching Center (See Facilities Planning and Construction Committee, Item 9 on Page 49). This space will also allow consolidation of information technology departments for improved efficiency and collaboration. Authorization is requested for U. T. Health Science Center - San Antonio's Vice President and Chief Financial Officer to execute the lease on completion of negotiations and approval by the Real Estate Office.

Lessor: WNLV Ltd., a Texas limited partnership; EZJ Management, L.L.C., a Texas limited liability company; and H5 properties, L.P., a Texas limited partnership

Term: The term commences on substantial completion of the tenant improvements by Lessor, which is projected to be August 1, 2013, and continues for 61 months.

Lease Costs: Approximately \$1,377,095 in base rent over the initial 61-month term. Base rent for the space is abated for the first month. Operating expenses are included in the base rent. The Lessor will provide a tenant allowance of approximately \$246,460, which is expected to be sufficient to pay all renovation costs.

Source of Funds: Designated Funds from interest income

60. Tenure Appointments - U. T. Health Science Center - San Antonio: Amendments 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:

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
SCHOOL OF MEDICINE					
Pediatrics					
From: Steven Weitman (T) Visiting Professor	9/1-8/31	100	12	280,000	5064
To: Professor					
Molecular Medicine					
From: Michael Wargovich (T) Visiting Professor	9/1-8/31	100	12	190,000	5065
To: Professor					
Pathology					
Professor and Chair Nathan Wiederhold (T)	1/8-8/31	100	12	140,000	5094

61. Other Matters - U. T. Health Science Center - San Antonio: Dual Appointment of David Schmidt, M.D., Adjunct Professor, Department of Orthopaedics, to the Advisory Board of Athletic Trainers

The following item has been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' *Rules and Regulations*, Rule 30103. It has been determined that the holding of this office is of benefit to the State of Texas and The University of Texas and there is no conflict between holding this position and the appointment with the University.

The Board is also asked to find that holding this position is of benefit to the State of Texas and the University and there is no conflict between the position and the University.

Name: David Schmidt, M.D.

Title: Adjunct Professor, Department of Orthopaedics

Position: Advisory Board of Athletic Trainers

Period: February 19, 2013 through January 31, 2019

Compensation: None

Description: Governor Rick Perry has reappointed Dr. Schmidt to the Advisory Board of Athletic Trainers. The Board is the licensing and regulatory authority for athletic trainers in Texas.

62. Sale - U. T. M. D. Anderson Cancer Center: Authorization to sell approximately 1.24 acres at the northeast corner of Bertner Avenue and Braeswood Boulevard, Houston, Harris County, Texas, to Texas Medical Center Central Heating and Cooling Services Corporation

Description: Sale of approximately 1.24 acres at the northeast corner of Bertner Avenue and Braeswood Boulevard, Houston, Harris County, Texas, 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 sell the property. The property, which lies entirely within the 100-year floodplain and is encumbered by utility easements, is not needed for campus use.

Purchaser: Texas Medical Center Central Heating and Cooling Services Corporation, a Texas nonprofit corporation

Sale Price: \$3,132,500 (\$57.94 per square foot of land). The purchase price is supported by the following appraisals: \$3,465,000, October 10, 2012 (Edward B. Schulz & Company); \$2,160,000, June 14, 2012 (David L. Pallante & Associates, L.L.C.).

63. Sale - U. T. M. D. Anderson Cancer Center: Authorization to sell two adjacent tracts totaling approximately 0.47 of an acre northeast of the corner of Bertner Avenue and Old Spanish Trail, Houston, Harris County, Texas, to Harris County, Texas

Description: Sale of two adjacent tracts totaling approximately 0.47 of an acre northeast of the corner of Bertner Avenue and Old Spanish Trail, Houston, Harris County, Texas, 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 sell the property. The property, which consists of two shallow triangular tracts largely encumbered by setbacks and affected by utility easements along the edge of the property, is not needed for campus use.

Purchaser: Harris County, Texas

Sale Price: \$513,000 (\$24.89 per square foot of land). The purchase price is supported by the following appraisal: \$513,000, February 12, 2013 (Edward B. Schulz & Company).

64. Tenure Appointments - U. T. M. D. Anderson Cancer Center: Amendments 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>	
<b>MEDICAL STAFF</b>					
Pathology					
Professor and Deputy Division Head for Academic Science					
Anirban Maitra (T)	7/1-8/31	100	12	400,000	5142
Melanoma Medical Oncology					
Professor					
Cassian Yee (T)	1/1-8/31	100	12	290,000	5145
<b>RESEARCH STAFF</b>					
Cancer Biology					
Professor and Vice Provost, Science					
Helen Piwnica-Worms (T)	6/1-8/31	100	12	500,000	5133

<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>	
Experimental Diagnostic Imaging Professor, Chair, and Deputy Division Head, Research Affairs David Piwnica-Worms (T)	6/1-8/31	100	12	500,000	5140
Biostatistics Professor Ziding Feng (T)	5/1-8/31	100	12	275,000	5143
Molecular Carcinogenesis Professor Blaine Bartholomew (T)	6/1-8/31	100	12	196,000	5144

65. Contract (funds going out) - U. T. Health Science Center - Tyler: Contract with Hospital Housekeeping Systems, LLC to provide cleaning and maintenance services

Agency: Hospital Housekeeping Systems, LLC

Funds: \$6,807,310

Source of Funds: Hospital patient income

Period: June 1, 2013 through May 31, 2018

Description: Custodial service agreement. This contract was competitively bid.

66. Contract (funds going out) - U. T. Health Science Center - Tyler: Amendment to Contract with Morrison Management Specialists, Inc. dba Morrison Health Care, Inc.

Agency: Morrison Management Specialists, Inc.  
dba Morrison Health Care, Inc.

Funds: \$1,642,500; \$547,500 annually

Source of Funds: Residential Care Unit (RCU) Income, provided in contract with Rusk State Hospital

Period: March 11, 2013 through August 31, 2014, with option for two one-year renewals as stated in Rusk State Hospital Contract. The original contract was competitively bid.

Description: Provide meals for RCU Patients

67. Tenure Appointments - U. T. Health Science Center - Tyler: Amendments 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>	
Pulmonology Professor Steven Idell	3/14/-8/31	100	12	324,528	N/A
Pulmonology Professor David Coultas	3/14-8/31	100	12	307,752	N/A