Meeting No. 1,089

THE MINUTES OF THE BOARD OF REGENTS

OF

THE UNIVERSITY OF TEXAS SYSTEM

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August 22-23, 2012

Austin, Texas

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WEDNESDAY, AUGUST 22, 2012.--The members of the Board of Regents of The University of Texas System convened at 10:54 a.m. on Wednesday, August 22, 2012, 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.

RECESS TO EXECUTIVE SESSION.--At 10:55 a.m., Chairman Powell announced the Board would recess to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073, and 551.074 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--At 12:29 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. Brownsville (UTB): Discussion and appropriate action regarding legal issues related to a freestanding UTB campus and dissolution of the UTB/Texas Southmost College partnership

See Item 2 on Page 3 for action taken on this item in Open Session.

2. U. T. Austin: Reauthorization to purchase approximately 0.4017 of an acre and improvements located at 1907 Guadalupe Street, Austin, Travis County, Texas, owned by W K Interests, L.L.C., a Texas limited liability company, and Dhanis, L.L.C., a Texas limited liability company, for future programmed development of campus expansion

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

a. reauthorize the purchase of approximately 0.4017 of an acre and improvements located at 1907 Guadalupe Street, Austin, Travis County, Texas, owned by W K Interests, L.L.C., a Texas limited liability company, and Dhanis, L.L.C., a Texas limited liability company, at a purchase price in accordance with the parameters discussed in Executive Session, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition as deemed necessary or advisable by the Executive Director of Real Estate, for future programmed development of campus expansion; and

b. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendation in accordance with the parameters discussed in Executive Session.

The motion was seconded by Vice Chairman Dannenbaum and carried unanimously. The authorized purchase price was $2.75 million.

3. U. T. Health Science Center - Houston: Discussion and appropriate action, if any, of individual personnel matters related to presidential search and possible selection of candidates to be interviewed by the Board of Regents

No action was taken on this item.

4a. U. T. Austin: Approval of proposed negotiated gifts with potential naming features

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

4b. U. T. Dallas: Approval of proposed negotiated gifts with potential naming features

See Item 4a regarding approval of this item.

4c. U. T. Medical Branch - Galveston: Approval of proposed negotiated gifts with potential naming features

See Item 4a regarding approval of this item.

4d. U. T. Health Science Center - San Antonio: Approval of proposed negotiated gifts with potential naming features

See Item 4a regarding approval of this item.

4e. U. T. M. D. Anderson Cancer Center: Approval of proposed negotiated gifts with potential naming features

See Item 4a regarding approval of this item.

AGENDA ITEMS

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

Chairman Powell noted that included in the Consent Agenda was the appointment of Pedro Reyes, Ph.D., as Executive Vice Chancellor for Academic Affairs (Item 2 on Page 195). The Board then approved the Consent Agenda, which is set forth on Pages 195 - 259.

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.

2. U. T. Brownsville: Authorization to purchase acreage in or near Brownsville, Cameron County, Texas, for a purchase price not to exceed fair market value as established by independent appraisals for use as the future campus of U. T. Brownsville

Chairman Powell noted that members of the Board had an opportunity to be briefed in Executive Session on legal issues related to a freestanding

University of Texas at Brownsville (UTB) campus and dissolution of the UTB/Texas Southmost College partnership (Item 1b on Page 1). He called on Chancellor Cigarroa for comments.

Chancellor Cigarroa said the charge to President García is to develop a vision for the academic mission of U. T. Brownsville, including creation of a university of the first class, with a 21st century model in mind. He noted that a master planner will be engaged to help accomplish that mission and to identify the best geographical site in Brownsville.

Chancellor Cigarroa called on President García, who said she has accepted the challenge, and master planning will begin this fall.

The Board then authorized the Chancellor, in consultation with Regent Stillwell as Board Liaison on U. T. Brownsville/Texas Southmost College matters, President García, and The University of Texas System transition team for U. T. Brownsville to identify and recommend to the Board one or more sites to be acquired through gift and/or purchase at a price not to exceed fair market value for the future campus of U. T. Brownsville.

3. <u>U. T. System Board of Regents: Announcement of recipients for the 2012 Regents' Outstanding Teaching Awards and remarks by representative faculty</u>

On August 14, 2008, the Board established the Regents' Outstanding Teaching Awards, which are a symbol of the importance the Board places on the provision of teaching and learning of the highest order, in recognition of those who serve students in an exemplary manner and as an incentive for others who aspire to such service. These teaching awards complement existing ways in which faculty excellence is recognized and incentivized. The Board allocated $1 million per year for the awards for The University of Texas at Austin and another $1 million per year for the remaining academic institutions. The allocation has been approved through Fiscal Year 2017.

Program details for the awards were approved by the Board of Regents on November 13, 2008, and have been modified to involve one-time payments of $25,000 each to individual faculty members. Awards are made according to faculty level, with no more than 40 awards for tenured faculty, 18 for tenure-track faculty, and 18 for contingent faculty (including adjuncts, lecturers, and instructional assistants).

Vice Chairman Hicks, Chairman of the Board of Regents’ Academic Affairs Committee, introduced the following faculty members for brief presentations. These faculty members represented the 65 award winners.

- Elisabeth A. Cawthon, Ph.D., University Distinguished Teaching Professor, Associate Professor, and Associate Chair, Department of History, The University of Texas at Arlington

- Todd E. Humphreys, Ph.D., Assistant Professor, Department of Aerospace Engineering and Engineering Mechanics, The University of Texas at Austin

- Daniel Tablada, Jr., Lecturer II, Marketing Department, The University of Texas at San Antonio.

RECESS.--At 1:00 p.m., Chairman Powell announced the Board would recess for meetings of standing committees and would reconvene on the morning of August 23.

THURSDAY, AUGUST 23, 2012.--The members of the Board of Regents of The University of Texas System convened at 9:10 a.m. on Thursday, August 23, 2012, 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, CONTINUED

4. U. T. System Board of Regents: Approval and appropriate action of any Consent Agenda items referred for Board consideration

No items were referred from the Consent Agenda.

5. U. T. System: Introduction of Invited Guests

Chairman Powell introduced the following guests who were invited to the Board meeting:

- Staff members from the Governor's Office, the Lt. Governor's Office, and the offices of Senator Zaffirini and Chairman Branch
- Texas Higher Education Coordinating Board Chair Fred Heldenfels
- Texas Higher Education Commissioner Raymund Paredes

- Mr. John Beckworth, President of the Ex-Students' Association of The University of Texas at Austin

- Mr. Randy Vogel, President of The University of Texas at San Antonio Alumni Association

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

Ms. Danielle Anaya, a student at The University of Texas at El Paso, performed a short musical piece on guitar.

7. U. T. System: One-year update on the Framework for Advancing Excellence throughout The University of Texas System: Action Plan

Chairman Powell outlined the history of the Framework for Advancing Excellence throughout The University of Texas System: Action Plan, approved by the Board of Regents on August 25, 2011. He noted the Framework is based on the work of two Regental Task Forces: the Task Force on Blended and Online Learning and the Task Force on University Excellence and Productivity. Chairman Powell noted that Chancellor Cigarroa has been invited twice to the White House to discuss the Framework, which has become a national model for higher education in the 21st century.

Chancellor Cigarroa then provided the following one-year update on the Framework. His presentation is on file in the Office of the Board of Regents.

Remarks by Francisco G. Cigarroa, M.D.

Thank you, Mr. Chairman, for this opportunity to present an update on the progress that we have made in the implementation of our action plan for the Framework for Advancing Excellence throughout The University of Texas System.

A year ago, I stood before you to present the Framework action plan and its nine overarching goals. Today, I can assure you that the plan is in full implementation at every level. It is a work in progress focused on continual improvement. Some initiatives have been completed; for others, we have created the infrastructures that will yield substantive results over time. We are tracking every single item in the action plan, and we have developed additional measures that complement and strengthen our efforts.

Thanks to the contributions and teamwork of the Board of Regents, our presidents, and numerous faculty and staff members, the Framework continues to receive national attention from educators and policymakers. In my recent discussions at the White House with leaders in higher education, they expressed to me that our Framework is addressing the challenges and opportunities of higher education in the 21st century -- this was echoed by the Association of Public and Land-grant Universities, the American Council on Education, and the Association of American Universities.

The work accomplished at our campuses over the past year is impressive and inspiring. The institutions have set their targets high, based on comparisons to their academic-peer and aspirant-peer groups, and they have outlined their strategies for becoming the top performers in those respective groups.

Today, it will be impossible for me to cover every focus area on a micro level. Instead, I will give you an update on the major initiatives and the progress we have made in their advancement. We have also prepared a written progress report for our website, consistent with our efforts to be even more transparent.

Let us take a look at the major areas of the action plan. We all agree that students are our number one priority. That is why the first focus area of the Framework is "undergraduate student success and access." Our two overarching goals in this area include:

1. Increasing the number of degrees conferred, and
2. Improving access.

In order to achieve these goals, certain strategies must be implemented. They include:

- Improving four-year graduation rates, to be the best among our peers
- Strengthening enrollment management plans
- Reducing financial impact on students and their families, including the development of financial disclosure statements
- Setting tuition policies that enhance student success
- Improving student advising
- Expanding blended and online learning.

Let us take a moment to see how all of these activities work together. As I mentioned, the single biggest indicator of our overall success is increasing degree production. If all universities achieve their goals, we will go from producing about 29,000 undergraduate degrees a year to producing more than 38,000 degrees by 2025, representing a 31.2% increase in degree production. Adding 9,000 graduates per year is equivalent to adding another large university to our System.

We now have four-year graduation rate trajectories for all the academic institutions, and we will be actively monitoring their progress toward the goals they have set. Let us zero in on one university -- U. T. Pan American. We see its path for increasing four-year graduation rates -- an upward trajectory from where it is now to where it strives to be by the year 2025, placing it among the best of its aspirant peers. These trends vary from institution to institution, reminding us that one size does not fit all.

Let me briefly touch on the strategies we have developed to enhance “student success and access.”

- Student academic advising is crucial to student success. For example, for U. T. Pan American to achieve the trajectory you saw, it has, among other efforts, created an Office of Student Engagement and Service Learning. Next week, it will implement a Faculty Mentor pilot program that will assign faculty members to freshmen -- to ensure that their critical first-year experiences are successful.

- Bending the cost curve downward for our students is one of the highest priorities of the U. T. System.

  -In our partnership with MyEdu, we are developing important tools for university academic advisors, and cost-calculator applications that allow students and their families to understand the financial impact of various choices. MyEdu has developed several applications in which students can schedule all courses necessary to graduate, anticipate the extra costs associated with changing majors, compare costs for graduating in four years against five or six, anticipate savings by taking advanced placement and early-college courses in high school, and develop a profile for future internships and employment opportunities.

  -We have also invested in an electronic Dashboard that offers detailed information about tuition, financial aid, and costs related to families’ ability to pay. Vice Chancellor Woodley will give us more information on the Dashboard in a few moments.

  -U. T. System’s Task Force on Student Debt is scheduled to issue a report this November with recommendations about how to manage the growing challenge of increasing debt. The Task Force has representation from the public and the private sectors, as well as students.

We are expanding student access by increasing our use of blended and online learning. Last year, the Board invested $50 million in support of the new Institute for Transformational Learning, to help establish U. T. institutions as world leaders in developing and implementing best-in-class resources for online learning. We have hired Dr. Steven Mintz as the first Executive Director of the new institute, effective September 1, and we are now poised to implement the goals as outlined in the resolution of the Regental Task Force on Blended and Online Learning.

- We have launched two programs that make excellent use of blended and online learning.

  -Through Finish@UT has nearly 1,600 students enrolled in its first year and is providing access to adult students who want to finish their degrees at a U. T. institution.

  -With new vendor partnerships, additional programs and online offerings are being developed, and to date, more than 1,700 courses are available online to our students. U. T. Arlington alone has more than 9,000 students who are fully online. The strategic use of online programs, particularly in Nursing and Education, is making a real difference in their cost structure. The institution's cost per degree was just over $37,000 in 2007. In 2011, it was only $33,000 -- a plunge of 12%. Online learning is one very effective way that U. T. Arlington has been able to keep their costs down thereby mitigating tuition increases. Congratulations to President Spaniolo and his leadership team. U. T. El Paso, U. T. Pan American, U. T. Permian Basin, and U. T. Tyler are following suit.

  -Two of our U. T. universities are now offering high quality $10,000 degrees. At U. T. Permian Basin, the program is called "The Texas Science Scholar Degree," and at U. T. Arlington, their program is called "The Maverick Accelerated Bachelor's Degree Program." We will be monitoring the progress of both programs.

The second focus area of the Framework is Faculty, Administrators, and Staff Excellence. Strengthening this area is one way in which U. T. institutions will gain greater national recognition and stature, and more importantly, will provide world-class teaching and research opportunities for our students.

- Faculty recruitment and retention: The Board allocated $20 million for the 2012 Science and Technology Acquisition and Retention (STARs) program at our academic and health institutions. The overall goal is to recruit faculty members who are nationally recognized for teaching and research.
  -This year we have recruited 21 new STARs faculty members at our academic institutions and 22 at our health campuses. As an example of the outstanding faculty we are recruiting, Dr. Bruce Beutler, a STARs recruit from 2011, received the Nobel Prize following his arrival at U. T. Southwestern.

-Since 2007, at our academic campuses alone, the U. T. System has invested $50 million in STARs. Taking into account those faculty members' research grants and matching funds, the cumulative return on investment is more than $417 million to date. For every dollar invested, we have received $9 in return.

- The Regents authorized a multiyear allocation of $20 million to recognize outstanding teaching on all our campuses. These awards are given to exceptional teachers, regardless of their faculty rank or tenure status. Last night, we presented the 2012 Regents' Outstanding Teaching Awards to 65 university faculty members. This year, we expanded those awards to recognize outstanding teaching at the health institutions as well, and we presented 40 of those awards earlier this summer.

- Several of our faculty initiatives have been completed successfully:
  -We strengthened annual faculty reviews.
  -Regents' Rules were amended to strengthen post-tenure review.
  -We assembled a group of outstanding teachers and students to study and make recommendations to improve how we evaluate teaching across the System. They recently produced a major report that I will review together with the offices of Academic Affairs and Health Affairs.
  -We established a group of faculty and administrators to study the role of faculty peer reviews in teaching. Their recommendations have been received and are being reviewed by the offices of Academic Affairs and Health Affairs.
  -We strengthened both the Conflict of Commitment policy and the Conflict of Interest policy involving research.
  -We will continue to invest in the most advanced analytics to help us provide meaningful data on faculty productivity and to enhance our academic programs. In those efforts, we are finalizing contracts with two companies.

- An incentive compensation plan, based on performance and centered on the measurable achievement of goals, was presented to the Regents yesterday. Our external compensation experts stated that this plan was possible thanks to the clarity of purpose of the Framework, allowing us to measure progress and performance goals.
  -Although not yet complete, Dr. Pedro Reyes is working with provosts and faculty to enhance the roles and scopes of responsibilities of department chairs.

Research continues to play a major role in our mission. Over the past year, we have made progress in key areas:

- Total research expenditures across the U. T. System were $2.54 billion in 2011 compared to $2.25 billion in 2009, an increase of 11.4%.

- Last year, the Regents supported the development of a new venture fund called the Horizon Fund, to provide financial support for high quality projects with promising commercial applications. Let me provide an example:
  -Cerevast Therapeutics, Inc., is a life science company with primary emphasis on the treatment of vascular blood clots. It plans to market an operator-assisted ultrasound device to disrupt blood clots and restore blood flow in the brain after an acute stroke. The Horizon Fund and the U. T. Health Science Center - Houston have made a joint investment in Cerevast, and in the future recovery of stroke victims.

- We assembled an outstanding cabinet of national leaders to counsel us on how to achieve greater success in commercialization. The Chancellor's Technology Commercialization Advisory Cabinet met for the first time in April of this year, and their initial progress report will be issued this fall. Technology commercialization can be a major source of income for our institutions and their researchers. The Cabinet's concepts were presented yesterday in the Board's Technology Transfer and Research Committee.

- We have received business plans from our four emerging research universities, outlining their work toward achieving Tier One status. We are analyzing their progress.

- I completed my work with other national leaders in the national academies on Research Universities and the Future of America, resulting in 10 recommendations focused on ensuring the U.S. remains competitive in science and technology.

To increase our productivity and efficiency, the System offices have identified and developed long-term strategies for Systemwide standardized operating systems and shared service enterprises. We are currently engaged in more than 30 productivity initiatives that have added value of more than $1 billion in the last five years and are projected to add another $2 billion over the next five years.

- All U. T. institutions, and the U. T. System Administration, have committed to an external organizational review every five years to evaluate productivity and efficiency. U. T. M. D. Anderson was the first, and their review is almost complete. Subsequent reviews are set to start over the next six to eight months at U. T. Medical Branch - Galveston, U. T. Dallas, and U. T. Tyler. Review teams will compare the institutions' organizational structures to benchmarks and best practices from within and outside of higher education.

- The Space Utilization Efficiency Work Group is identifying metrics that will enhance classroom scheduling, research space allocation, facilities planning, energy efficiency, maintenance, and other indicators. A presentation will be made to the Facilities Planning and Construction Committee at the February 2013 Board of Regents' meeting.

We have been working with our internal groups and with outside consultants to develop a U. T. Systemwide technology plan to support all of our initiatives in research, education, patient care, operational functions, and blended and online learning for the next five years. Our team is in the process of completing this important work.

Over the past year, we have also made great progress in building our Productivity Dashboard. We must have meaningful analytics to track our progress and to diagnose our challenges. For example, a snapshot can provide a picture of the ambitious goals for degree production at U. T. El Paso. We have developed interactive electronic information to measure performance and progress in the key areas of the Framework. The Dashboard will be a critical tool to help us realize our vision.

(Dr. Sandra K. Woodley, Vice Chancellor for Strategic Initiatives, provided a status report on the Dashboard.)

To enhance philanthropic success, the Board of Regents approved $10 million in funding for the Strength in Numbers initiative to assist institutions in building capacity in fundraising efforts. Allocations from the Strength in Numbers initiative were made at the end of November 2011, and award recipients will be monitored for return on investment.

Philanthropic business plans have been completed for all 15 institutions to ensure that philanthropy continues to account for a greater part of an institution's revenue stream. We are pleased that U. T. institutions collectively realized more than $1 billion, making it one of their best fundraising years in history.

In strengthening our Ph.D. programs, we must ensure that our students are receiving an outstanding education in world-class graduate programs, performing at their highest levels, and receiving the advising, mentorship, and robust career counseling they deserve.

- In consultation with provosts and deans of graduate studies, we have established criteria for defining standards -- and schedules for review -- at all our doctoral degree programs.

- We have developed well-defined agreements between students and their departments regarding time-to-completion, including benchmarks to meet expectations, enhanced advising for academic success, and employment opportunities in the academic and private sectors.

- On the health side, agreements with all graduate students have been implemented, and the academic institutions will implement their agreements this year.

The Health of Texas is a complex and comprehensive initiative, which will ultimately enable us to build a larger capacity in health education, research, and patient care for the benefit of all citizens.

- Let us talk about the Transformation in Medical Education (TIME) initiative, which is centered on greater innovations in medical education. The outcome will be a more seamless transition from baccalaureate to medical degree while decreasing student cost and time to medical education.

- You might recall that Dr. Steven Lieberman provided us with an update on the TIME pilot projects at the May 2012 Board meeting. Four TIME partnerships are under way, and they impact both the health and academic institutions. These partnerships range from accelerated undergraduate programs -- freshmen learning about medical ethics, clinical skills, and biomedical sciences -- to advanced clinical training. -What an exciting time this is for medical education in Texas. We are in the process of creating two medical schools for the people of Texas, one in Austin and one in the Lower Rio Grande Valley.

Last Friday, I was in Edinburg to announce a blueprint for enhancing graduate medical education in the Lower Rio Grande Valley, with plans to graduate the first cohort of students in the South Texas track in 2018. The project will fully utilize our existing Regional Academic Health Center (RAHC), and we will ultimately transition to a freestanding, comprehensive, research-intensive school of medicine. This will require a strong partnership between the U. T. System and the people of South Texas.

- We also continue to make excellent progress in medical education and research in Austin toward a medical school within The University of Texas at Austin. The local community is working to generate revenue from multiple sources to augment Board of Regents'-approved allocations.

We have seen excellent results in Austin and other state metropolitan areas in their ambition to become technology and biotechnology hubs.

- The medical schools will certainly accelerate that initiative in Austin and South Texas.

- The Institute for Applied Cancer Science at M. D. Anderson has already recruited more than 58 research scientists and support staff to drive cancer research and drug development aimed at making cancer history.

- U. T. Southwestern continues the expansion of its comprehensive Bio Center for the commercial development of discoveries made there and elsewhere.

- The Regents also approved $4 million for systems engineering efforts to improve patient safety and quality. Dr. Victoria Jordan, the Chancellor's Health Fellow for Systems Engineering in Healthcare, is chairing a committee to organize more specialized training for Systemwide quality improvement, including better scheduling to reduce patient waiting times in health facilities, improving facility design layout, and "error-proofing" our health care processes.

With five campuses within South Texas, the fast-growing region of our state, the U. T. System has a great opportunity to positively impact the region's education and health care needs.

- My leadership team and I organized two summits in the Valley this past year. We convened experts in education, economic development, health, government, and philanthropy to discuss how to strengthen the economic vitality of that region -- which is absolutely essential to keeping the state's workforce healthy and productive -- and how to offer more innovative educational opportunities for current and future students in the Valley. Our third summit will focus on health and will take place in November in Edinburg.

- This past spring semester, U. T. Austin's UTeach Institute began providing curricula, technical support, and training for teachers in science, technology, engineering and mathematics (STEM) fields at U. T. Brownsville and U. T. Pan American. I am proud to say that the first UTeach classes to train future teachers will begin at those universities next week. There are 70 students enrolled in U. T. Pan American's program and 52 students in U. T. Brownsville's program, with waiting lists at both institutions.

- The design for the simulated teaching hospital in Harlingen is approximately 75 percent complete. This teaching hospital will benefit the RAHC, U. T. Brownsville and U. T. Pan American.

- As Vice President for South Texas Programs, Dr. Joe McCormick is creating a network of clinical research units from Laredo to Brownsville, that focus on obesity and diabetes to address the high prevalence of these diseases in this region of our state.

- In the expansion of the STARs program for South Texas, U. T. Brownsville and U. T. Pan American have also received approval to recruit eight STARs faculty members in biomedical fields, and recruiting is already underway.

- We continue to take important steps toward establishing U. T. Brownsville as a comprehensive four-year university. The opportunity at hand is to create a university of the 21st century. What an exciting time to do this as we embark upon implementing the Framework and the Institute for Transformational Learning.

Daniel Burnham, who was considered the preeminent architect in America at the turn of the 20th century, is reputed to have said, “Make no little plans. They have no magic to stir men’s blood and probably will not themselves be realized.”

The Framework action plan we developed one year ago is no “little plan.” It is comprehensive and bold. It has stirred the blood on more than one occasion. We are going about our work systematically and inclusively. It is taking hundreds of us in a team effort -- not only from U. T. institutions but experts and consultants beyond our campuses -- to help us realize this plan.

What I find very gratifying is how enthusiastically the U. T. family has responded to the call for improvements, and how creative our colleagues have become at implementing changes at their individual institutions. There has been a collective sense, Systemwide, that we can and must do better if we want to distinguish ourselves in the expanding galaxy of our nation’s public universities and health science centers.

What is at stake here is the future of our children and grand-children. We need to bend the cost curve of higher education while enhancing excellence through innovation. How do we make higher education more accessible and affordable to the increasing number of students who are relying on a college degree to enrich their lives and guide them toward their life’s work? How do we produce more doctors, nurses, and health professionals, and improve the quality of health care in Texas? How do we keep what is essential and necessary about the human touch and yet adapt to a world that is changing at Internet speed?

Well, we have a Framework to answer those questions. It is no little plan. It is no small vision. We are bringing our own collective magic to the task before us. And we will succeed if we challenge one another to do better, and if we do this together.

Thank you for giving me this opportunity to address you today.

8. <u>U. T. System Board of Regents: Remarks by Texas Higher Education Coordinating Board Chairman Heldenfels and Texas Higher Education Commissioner Paredes on Closing the Gaps and Planning for the Future</u>

Texas Higher Education Coordinating Board Chairman Fred Heldenfels and Texas Higher Education Commissioner Raymund Paredes, Ph.D., presented a report on meeting the Goals of Closing the Gaps by 2015 and planning for the future. (The Coordinating Board's presentation is on file in the Office of the Board of Regents.)

Regent Pejovich thanked Commissioner Paredes for championing the $10,000 degree as he travels the state. She noted the programs are rigorous and will benefit many Texas students due to low cost and high value, which are the ultimate goals.

Vice Chairman Dannenbaum asked if the Coordinating Board's plan provides opportunities for students to broaden their education and experience outside of the area of their degree focus, and Chairman Heldenfels acknowledged the need to take that into consideration. He said that quality without introducing productivity and cost efficiency is not sustainable, but productivity and cost efficiency without quality are meaningless, so those need to be balanced in the development of policy.

Vice Chairman Foster asked about the credits to degree disparity, asking if the disparity is due to failing courses or students not taking courses they need. Dr. Paredes said it is a function of those and other factors, but is mostly due to students not feeling the urgency to pick a program to study and finish in a reasonable amount of time.

In reply to a question from Regent Purgason about tracking U. T. students who are employed after graduation, Dr. Paredes responded the Texas Workforce Commission has data, including tracking students out of state, but a better job needs to be done to find out how well students are doing post-baccalaureate completion. He emphasized the ultimate goal is to make sure students have marketable skills.

Noting that the primary focus of the Coordinating Board presentation is on undergraduate education, Regent Cranberg asked if the same expectations, such as time-to-degree completion, is available for graduate degrees. Dr. Paredes discussed the monitoring of such data. Chairman Heldenfels commented on the statewide need in terms of graduate medical education is for first-year residencies and third-year clerkships.

RECESS AND RECONVENE IN OPEN SESSION.--The Board recessed from approximately 10:45 to 10:55 a.m. and then reconvened to consider the remaining items on the agenda.

9. <u>U. T. System Board of Regents: Annual Meeting with Officers of the U. T. System Faculty Advisory Council</u>

Dr. Murray Leaf, Chair of The University of Texas System Faculty Advisory Council (FAC), spoke about involvement of the faculty in the U. T. System Productivity Dashboard, a tool for viewing, exploring, and sharing data related to the performance across all mission areas of the U. T. System and U. T. System institutions. He spoke about the way the Dashboard addresses past struggles to measure productivity, especially in the areas of assessment and transparency. Dr. Leaf discussed the capability of the Dashboard to provide and relate information on four-year graduation rates, credit hour generation, and the productivity of research grants. He said the availability of common data will lead to constructive discussions of what the priorities are and should be.

In reply to a comments from Vice Chairman Dannenbaum about how good faculty can inspire students, even in large classes, Dr. Leaf agreed with the principle and noted the problem is how to do it. He noted the desire to have the best faculty be in the undergraduate classroom and in the graduate laboratory.

Executive Vice Chancellor Reyes, Chancellor Cigarroa, and members of the Board thanked the Council for assistance in creating the Framework for Excellence throughout the U. T. System. Regent Cranberg said the FAC is establishing itself as a national model for constructive cooperation and initiation of ideas that are important to the outcome.

10. <u>U. T. System Board of Regents: Proposed amendment of Regents' *Rules and Regulations*, Rule 10501 (Delegation to Act on Behalf of the Board), Section 2.2.12, concerning contracts with athletic directors and coaches, and Rule 10402 (Committees and Other Appointments), Section 7, regarding Athletics Liaison (Deferred)</u>

This item was deferred.

<u>U. T. Austin: Report to the Board on status of the Longhorn Network (Deferred)</u>

This item was deferred.

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 19 - 178.

REPORT OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE (Page 19).--Committee Chairman Pejovich stated there were no items from the Audit, Compliance, and Management Review Committee to report in open session.

1. U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration

   There were no items referred from the Consent Agenda.

2. U. T. System: Update on the progress of the Fiscal Year 2012 U. T. System external financial audit

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

3. U. T. System: Report on the results of the health institutions' practice plan audits

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

4. U. T. System: Report on the Systemwide results of the dependent eligibility audits of U. T. self-insured health plans

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

5. U. T. System: Report on the Systemwide internal audit activities, including the implementation status of significant audit recommendations, Systemwide annual audit plan status, and other reports issued

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

6. U. T. System: Overview of the FY 2013 Systemwide annual audit plan process

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

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 20 - 126).--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: Review of 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 Board of Regents: Approval of an Executive Performance Incentive Compensation Plan for the U. T. System Presidents and U. T. System Administration Executive Officers

   The Board approved the Executive Performance Incentive Compensation Plan for The University of Texas System Presidents and U. T. System Administration Executive Officers as set forth on Pages 21 - 31.

   See the Finance and Planning Committee Minutes for August 23, 2012, regarding a presentation on this Plan by Executive Vice Chancellor Kelley.

EXECUTIVE PERFORMANCE INCENTIVE COMPENSATION PLAN

For

The University of Texas System

Presidents and System Administration Executive Officers

Effective September 1, 2012

TABLE OF CONTENTS

Executive Performance Incentive Compensation Plan
for The University of Texas System
Presidents and System Administration Executive Officers

1. BACKGROUND

The University of Texas System "Framework for Advancing Excellence" identified use of incentive-based compensation strategies as a focus area. In support of that objective, the Executive Performance Incentive Compensation Plan for The University of Texas System Presidents and System Administration Executive Officers ("Incentive Plan") is designed to gradually increase the percent of pay that is based on predetermined performance goals.

Effective Date: September 1, 2012

2. INCENTIVE PLAN OBJECTIVES

The Incentive Plan serves a number of objectives, including:

- supporting the "Framework for Advancing Excellence" by setting performance objectives aligned to attainment in focus areas.
- enhancing The University of Texas System's ability to provide competitive pay levels to attract the highest quality Presidents and System Administration Executive Officers.
- retaining high-performing Presidents and System Administration Executive Officers through a combination of short-term and long-term incentives.

3. INCENTIVE PLAN DESIGN

The Incentive Plan is designed to provide a significant percentage of the direct compensation paid to the Presidents and System Administration Executive Officers of The University of Texas System.

3.1 Eligibility

(a) The University of Texas Presidents and The University of Texas System Administration Executive Officers will be "Participants" in the Incentive Plan for a performance period if (and only if) he or she is both: (i) employed by The University of Texas System in an employment position that is designated as an "Eligible Position" and (ii) selected by the Board of Regents as eligible to participate in the Incentive Plan. Generally, employees who are newly hired or promoted into an Eligible Position on or before March 1 of a given year may participate in the short-term performance period on a prorated basis. Participation in the long-term performance period will begin with the next academic year. The Board of Regents in its discretion may designate the employment position of a newly-hired or promoted employee as eligible to participate in the full Incentive Plan for any performance period (or remainder of a performance period).

A list of Eligible Positions is set forth in **Attachment A**.

(b) An employee will cease to be a Participant in the Incentive Plan on the earliest to occur of: (i) the date such employee is no longer employed in an Eligible Position; (ii) the date of termination of the Incentive Plan; (iii) the date such employee commences a leave of absence; (iv) the date the Board of Regents designates that such employee's employment position is not an Eligible Position; or (v) any date designated by the Board of Regents as the date on which such employee is no longer a Participant.

(c) Except as provided in Section 3.8, only individuals who are Participants on the last day of a performance period are eligible to receive an incentive award under the Incentive Plan for that performance period.

3.2 Performance Goals

(a) Performance goals will be established annually with final approval by the Board of Regents or its designee. Each Participant may have both University of Texas Systemwide goals and specific University or functional area goals. Where practical, performance goals will be tied to the "Framework for Advancing Excellence." Performance goals will be realistic, but aggressive.

(b) Performance goals are established each year within 60 days of the beginning of the fiscal year. Performance goals for newly eligible Participants will be established within 90 days of hire or promotion.

(c) Performance Goals will include short-term (one-year) and long-term (three-year) goals.

(d) A weighting for each performance goal will be determined when goals are established and approved by the Board of Regents or its designee.

3.3 Performance Period

The performance period for short-term goals is one fiscal year. The performance period for long-term goals is three fiscal years. Long-term (three-year) goals are created on an overlapping cycle to provide (after the first three-year cycle) a long-term incentive opportunity each year.

Three Year Goals	2013	2014	2015	2016	2017	2018	2019
2013 Goals pay out 2016				X			
2014 Goals pay out 2017					X		
2015 Goals pay out 2018						X	
2016 Goals pay out 2019							X

3.4 Assessment Levels

(a) All performance goals, whether quantitative or qualitative, will be readily measurable, utilizing evaluative tools deemed appropriate by the Board of Regents or its designee, including statistics from the Office of Strategic Initiatives, national benchmarks, or other independently verified measures.

(b) Following the end of each performance period, the Board of Regents will review the actual performance of each Participant against the performance goals for the respective Participant and determine the Participant’s level of achievement of his/her performance goals. The Board of Regents will seek, and may rely on, the independent confirmation of the level of performance goal achievement from external sources.

3.5 Award Opportunity

(a) The University of Texas System will continue to target total direct compensation for key executives as per Regents’ Rule 20203, which is defined as base salary, deferred compensation, and short-term and long-term incentive pay. Adjustments to base salary will gradually reduce and be replaced with incentive award opportunities becoming a larger portion of total direct compensation.

(b) The incentive award opportunity level is the targeted percentage of a Participant’s base salary that is subject to incentive awards.

The Board of Regents will review and may adjust a Participant’s award opportunity level annually when approving performance goals.

3.6 Award Multipliers

Award opportunity levels will be adjusted to reflect the Participant’s success in attaining performance goals. Attainment of the “target” goal will earn 100% of the weighted award. Lower “threshold” goals will be set, allowing the Participant to earn 50% of the weighted award. Maximum award opportunity goals will be set, allowing the Participant to earn 150% of the weighted award. Payments will not be interpolated, but will be paid at the threshold, target, or maximum rates.

Each performance goal is calculated independently and paid out based on attainment and predetermined weight.

3.7 Gate Keeper

The Board of Regents may annually approve a financial or other appropriate threshold that must be achieved for incentive payments to be made. If that threshold is not met, no incentive awards will be paid regardless of individual performance on goals.

3.8 Payment of Incentive Award Upon Termination of Employment

(a) Except as otherwise provided in this Section 3.8, any Participant who ceases to be a Participant, either because of termination of employment with The University of Texas System or U. T. System institution or for any other reason stated in Section 3.8 (c)) prior to the end of a performance period, will not be eligible to receive payment of any incentive award for that or any subsequent performance periods.

(b) If a Participant ceases to be a Participant in the Incentive Plan prior to the end of the performance period because he or she commences an approved leave of absence, such Participant's incentive award for the current performance period, if any, will be calculated on a prorated basis from the first day of the performance period to the date coinciding with the date the Participant commences such leave of absence, and such individual will not be entitled to any incentive awards for any performance period thereafter (unless he or she again becomes a Participant in accordance with Section 3.1).

(c) The chart below provides for the treatment of the incentive award upon termination of a Participant's employment.

Termination Scenario	Forfeit	Prorated	Discretion of Board of Regents
Death		X	
Disability		X	
Retirement			X
Quit	X		
Termination			X

3.9 Payment of Awards

(a) Incentive awards will be paid annually at the end of the performance cycle, following preliminary audit results and Board of Regents approval. Payment must be made no later than two and a half months after the calendar year in which the incentive award was earned in order to comply with current Internal Revenue Service regulations.

(b) Mid-cycle payouts on short-term and long-term goals will not be made.

(c) Incentive awards will be calculated for each Participant based on the level achieved on each performance goal (as determined in Section 3.4), taking into account the weightings for each goal.

(d) Incentive award payments will be made in one lump sum and may be deferred, subject to IRS limitations.

(e) Calculation of the prorated incentive award will be based on the Participant's attainment of performance goals (threshold, target or maximum) and the length of time a Participant was eligible to receive an incentive award during the performance period.

3.10 Recovery of Performance Award

(a) Notwithstanding anything in this Plan to the contrary, if the Board of Regents or its designee (in its sole discretion, but acting in good faith) determines that a Participant has engaged in fraudulent and/or willful misconduct that materially disrupts, damages, impairs or interferes with the business, reputation or employee relations of The University of Texas System, such Participant will not be entitled to any incentive awards for the performance periods during which the Board of Regents determines such misconduct occurred, whether in current or past performance periods.

(b) To the extent a Participant has been awarded any incentive awards to which he or she is not entitled as a result of this Section 3.10, the incentive award will be recovered by The University of Texas System pursuant to the following remedies in the order listed: (i) any current performance period incentive awards will be forfeited; (ii) any deferred compensation will be forfeited in the amount of the forfeited incentive award, and (iii) such Participant must return to The University of Texas System any remaining excess amount. Recovery of incentive awards to which a Participant is not entitled pursuant to this Section 3.10 does not constitute a settlement of other claims that The University of Texas System may have against such Participant including claims resulting from the conduct giving rise to such recovery. Rather, the remedies set forth above are in addition to and not in lieu of, any actions imposed by law enforcement agencies regulators or other authorities and any civil remedies available to The University of Texas System.

4. INCENTIVE PLAN AUTHORITY AND RESPONSIBILITY

4.1 Board of Regents as Plan Administrator

Except as otherwise specifically provided in this Incentive Plan, the Incentive Plan will be administered by the Board of Regents or its designee.

4.2 Powers of Board of Regents

The Board of Regents has all powers specifically vested herein and all powers necessary or advisable to administer the Incentive Plan as it determines in its discretion, including without limitation the authority to:

1. establish the conditions for the determination and payment of compensation by establishing the provisions of the Incentive Plan,
2. select the employees who are eligible to be Participants in the Incentive Plan, and
3. delegate to any other person, committee, or entity any of its ministerial powers and/or duties under the Incentive Plan as long as any such delegation is in writing and complies with The University of Texas System Regents' *Rules and Regulations*.

5. INCENTIVE PLAN INTERPRETATION

5.1 Board of Regents' Discretion

Consistent with the provisions of the Incentive Plan, the Board of Regents has the discretion to interpret the Incentive Plan and may from time to time adopt such rules and regulations that it may deem advisable to carry out the Incentive Plan. All decisions made by the Board of Regents in selecting the Participants approved to receive incentive awards, including the amount thereof, and in construing the provisions of the Incentive Plan, including without limitation the terms of any incentive awards, are final.

5.2 Duration, Amendment, and Termination

The Board of Regents has the right in its discretion to amend the Incentive Plan or any portion thereof from time to time, to suspend it for a specified period, or to terminate it entirely or any portion thereof. However, if the Incentive Plan is suspended or terminated during a performance period, Participants will receive a prorated incentive award based on performance achieved through the performance measurement date immediately preceding such suspension or termination. The Incentive Plan will be in effect until suspension or termination by the Board of Regents.

5.3 Records and Reporting

All records for the Incentive Plan will be maintained by the Office of Business Affairs of The University of Texas System. Relative performance data and calculations will be reviewed by The University of Texas System external auditor before incentive awards are finalized and approved by the Board of Regents.

5.4 Continued Employment

Nothing in the adoption of the Incentive Plan or the awarding of incentive awards will confer on any employee the right to continued employment with The University of Texas System or affect in any way the right of The University of Texas System to terminate his or her employment at any time.

5.5 Nontransferability of Incentive Awards

Except for the rights of the estate or designated beneficiaries of Participants to receive payments, as set forth herein, incentive awards under the Incentive Plan, are nonassignable and nontransferable and are not subject to anticipation, adjustment, alienation, encumbrance, garnishment, attachment, or levy of any kind. The preceding notwithstanding, the Incentive Plan will pay any portion of an incentive award that is or becomes vested in accordance with an order that meets the requirements of a "qualified domestic relations order" as set forth in Section 414(p) of the *Internal Revenue Code*.

5.6 Unfunded Liability

(a) Neither the establishment of the Incentive Plan, nor the award of any incentive awards will be deemed to create a trust. The Incentive Plan will constitute an unfunded, unsecured liability of The University of Texas System to make payments in accordance with the provisions of the Incentive Plan. Any amounts set aside by The University of Texas System to assist it in the payment of incentive awards or other benefits under the Incentive Plan, will be the assets of The University of Texas System, and no Participant will have any security or other interest in any assets of The University of Texas System or Board of Regents by reason of the Incentive Plan.

(b) Nothing contained in the Incentive Plan will be deemed to give any Participant, or any personal representative or beneficiary, any interest or title to any specific property of The University of Texas System or any right against The University of Texas System.

5.7 Compliance with State and Federal Law

No portion of the Incentive Plan will be effective at any time when such portion violates an applicable state or federal law, regulation, or governmental order or directive.

5.8 Federal, State, and Local Tax and Other Deductions

All incentive awards will be subject to any deductions (1) for tax and withholding required by federal, state, or local law at the time such tax and withholding is due (irrespective of whether such incentive award is deferred and not payable at such time) and (2) for any and all amounts owed by the Participant to The University of Texas System at the time of payment of the incentive award. The University of Texas System will not be obligated to advise an employee of the existence of the tax or the amount that The University of Texas System will be required to withhold.

ATTACHMENT A
LIST OF ELIGIBLE POSITIONS

President, The University of Texas at Arlington
President, The University of Texas at Austin
President, The University of Texas at Brownsville
President, The University of Texas at Dallas
President, The University of Texas at El Paso
President, The University of Texas-Pan American
President, The University of Texas of the Permian Basin
President, The University of Texas at San Antonio
President, The University of Texas at Tyler
President, The University of Texas Health Science Center at Houston
President, The University of Texas Health Science Center at San Antonio
President, The University of Texas Health Science Center at Tyler
President, The University of Texas MD Anderson Cancer Center
President, The University of Texas Medical Branch
President, The University of Texas South Western Medical Center
Executive Vice Chancellor for Academic Affairs
Executive Vice Chancellor for Business Affairs
Executive Vice Chancellor for Health Affairs
Vice Chancellor for Health Affairs
Vice Chancellor for External Relations
Vice Chancellor for Strategic Initiatives
Vice Chancellor and General Counsel
Vice Chancellor and Chief Government Relations Officer
Vice Chancellor for Federal Relations

Possibly Eligible Positions at the Discretion of the Board of Regents

Chancellor
General Counsel to the Board of Regents

ATTACHMENT B

UNIVERSITY OF TEXAS – PRESIDENT/EXECUTIVE OFFICER INCENTIVE PLAN
SAMPLE GOALS (Not Interpolated)

Base salary $350,000
Incentive Award Opportunity 10.0%

		PERFORMANCE STANDARDS			PAYOUT CALCULATION		
Performance Goals	**Relative weighting**	**Threshold**	**Target**	**Maximum**	**Actual Performance**	**% Earned**	**Calculated Award**
Percent of Target Earned		**50%**	**100%**	**150%**			
Short Term							
Goal 1 – Systemwide Cost Savings	25	$200M	$300M	$400M	$450M	150%	$13,125
Goal 2 – Growth in Research	20	5%	10%	15%	13%	100%	$7,000
Goal 3 – Growth in Revenue	20	3.3%	3.5%	3.6%	3.4%	50%	$3,500
					Total Short-Term Payout		**$23,625**
Long Term							
Goal 4 – Targeted Retention	35	60%	64%	66%	65%	100%	$12,250
Total Long-Term Payout (Set Aside but Not Paid Until Year 3)							**$12,250**

4. <u>U. T. System Board of Regents: Adoption of a Resolution authorizing the issuance, sale, and delivery of Permanent University Fund Bonds and authorization to complete all related transactions</u>

The Board

a. adopted a Resolution, substantially in the form previously approved by The University of Texas System Board of Regents, authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Permanent University Fund (PUF) Bonds in one or more installments in an aggregate principal amount not to exceed $500 million to be used to refund certain outstanding PUF Bonds, to refund PUF Flexible Rate Notes, Series A, to refund PUF Commercial Paper Notes, to provide new money to fund construction and acquisition costs, and to pay the costs of issuance; and

b. authorized appropriate officers and employees of U. T. System as set forth in the Resolution to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents within the limitations and procedures specified therein; to make certain covenants and agreements in connection therewith; and to resolve other matters incident and related to the issuance, sale, security, and delivery of such bonds.

On August 25, 2011, the Board of Regents adopted a resolution authorizing the issuance of PUF Bonds in an amount not to exceed $500 million. Adoption of this Resolution will rescind the resolution approved by the Board of Regents in August 2011, and will provide a similar authorized amount and purposes as the prior resolution.

Adoption of the Resolution will authorize the advance or current refunding of a portion of certain outstanding PUF Bonds provided that an advance refunding exceeds a minimum 3% present value debt service savings threshold. An advance refunding involves issuing bonds to refund outstanding bonds more than 90 days in advance of the call date, whereas a current refunding involves issuing bonds to refund outstanding bonds within 90 days of the call date. Refunding bonds are issued at lower interest rates thereby producing debt service savings. Adoption of this Resolution will provide the flexibility to select the particular bonds to be refunded depending on market conditions at the time of pricing.

The Resolution will also authorize the current refunding of all or a portion of the PUF Commercial Paper Notes. The PUF Commercial Paper Note program is used to provide interim financing for PUF projects approved by the Board. Adoption of the Resolution will permit the interim financing provided through the Notes to be replaced with long-term financing. The Resolution also authorizes the issuance of bonds to provide new money to fund the capital costs of eligible projects.

The Resolution will also authorize the appropriate officers and employees of the U. T. System to refund outstanding PUF Bonds pursuant to a tender program and to use lawfully available funds to defease outstanding PUF Bonds when economically advantageous.

5. <u>U. T. System Board of Regents: Adoption of a Supplemental Resolution authorizing the issuance, sale, and delivery of Revenue Financing System Bonds and authorization to complete all related transactions</u>

The Board

a. adopted a Supplemental Resolution, substantially in the form previously approved by The University of Texas System Board of Regents, authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Revenue Financing System (RFS) Bonds in one or more installments in an aggregate principal amount not to exceed $500 million to be used to refund certain outstanding RFS Bonds, to refund RFS Commercial Paper Notes, to provide new money to fund construction and acquisition costs of projects in the Capital Improvement Program, and to pay the costs of issuance; and

b. authorized appropriate officers and employees of U. T. System as set forth in the Supplemental Resolution to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents within the limitations and procedures specified therein; to make certain covenants and agreements in connection therewith; and to resolve other matters incident and related to the issuance, sale, security, and delivery of such RFS Bonds.

On August 25, 2011, the Board of Regents adopted a resolution authorizing the issuance of additional RFS Bonds in an amount not to exceed $500 million. A portion of this authority was utilized with the issuance of $195.85 million in RFS Refunding Bonds, Series 2012A, issued on March 1, 2012, and $238.1 million of RFS Bonds, Series 2012B, issued on March 21, 2012.

Adoption of this Supplemental Resolution will rescind the remaining issuance authority under the prior resolution, and provide a similar authorized amount and purposes as the prior resolution.

Adoption of the Supplemental Resolution will authorize the advance or current refunding of a portion of certain outstanding RFS Bonds provided that an advance refunding exceeds a minimum 3% present value debt service savings threshold. An advance refunding involves issuing bonds to refund outstanding bonds more than 90 days in advance of the call date whereas a current refunding involves issuing bonds to refund outstanding bonds within

90 days of the call date. Refunding bonds are issued at lower interest rates thereby producing debt service savings. Adoption of this Supplemental Resolution will provide the flexibility to select the particular bonds to be refunded depending on market conditions at the time of pricing.

The Supplemental Resolution will also authorize the current refunding of all or a portion of the RFS Commercial Paper Notes. The RFS Commercial Paper Note program is used to provide interim financing for RFS projects approved by the Board. Adoption of the Supplemental Resolution will permit the interim financing provided through the Notes to be replaced with long-term financing. The Supplemental Resolution also authorizes the issuance of bonds to provide new money to fund the capital costs of eligible projects.

The Supplemental Resolution also authorizes the appropriate officers and employees of the U. T. System to refund outstanding RFS Bonds pursuant to a tender program and to use lawfully available funds to defease outstanding RFS Bonds when economically advantageous.

6. U. T. System Board of Regents: Adoption of resolutions authorizing certain bond enhancement agreements for Revenue Financing System debt and Permanent University Fund debt, including ratification of U. T. System Interest Rate Swap Policy

The Board adopted resolutions substantially in the form set out on the following pages (the Resolutions) authorizing appropriate officers of The University of Texas System to enter into bond enhancement agreements related to its Revenue Financing System (RFS) and Permanent University Fund (PUF) debt programs in accordance with the U. T. System Interest Rate Swap Policy and to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents.

The Resolution authorizing the execution and delivery of bond enhancement agreements relating to PUF debt is set forth on Pages 36 - 47. The Resolution authorizing the execution and delivery of bond enhancement agreements relating to RFS debt is set forth on Pages 48 - 58.

Texas Education Code Section 65.461 provides specific authority to the U. T. System Board of Regents to enter into "bond enhancement agreements," which include interest rate swaps and related agreements in connection with administration of U. T. System's RFS and PUF debt programs.

The U. T. System Interest Rate Swap Policy was approved by the Board of Regents as a Regental Policy on February 13, 2003, and was incorporated into the Regents' *Rules and Regulations*, Rule 70202, on December 10, 2004.

The Rule was subsequently amended on August 23, 2007. Section 1371.056(I) of the *Texas Government Code* requires that while an interest rate management agreement transaction is outstanding, the governing body of the issuer shall review and ratify or modify its related risk management policy at least biennially.

On August 25, 2011, the Board approved bond enhancement agreement resolutions for FY 2012. Approval of this item authorizes the execution of bond enhancement agreement transactions related to RFS and PUF debt in accordance with the U. T. System Interest Rate Swap Policy for FY 2013 and ratifies the existing U. T. System Interest Rate Swap Policy, set out as Exhibit B, as required by *Texas Government Code* Section 1371.056. The determination to utilize bond enhancement agreements will be made based on market conditions at the time of pricing the related debt issuance. The Chancellor and the Chairman of the Board's Finance and Planning Committee will be informed in advance of any proposed transactions to be undertaken pursuant to the resolutions.

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF BOND ENHANCEMENT AGREEMENTS RELATING TO PERMANENT UNIVERSITY FUND DEBT AND AUTHORIZING AND APPROVING OTHER INSTRUMENTS AND PROCEDURES RELATING TO SAID AGREEMENTS

August 23, 2012

WHEREAS, the Board of Regents (the "Board") of The University of Texas System (the "System") is the governing body of the System, an institution of higher education under the Texas Education Code and an agency of the State of Texas (the "State"); and

WHEREAS, the Permanent University Fund is a constitutional fund and public endowment created in the Texas Constitution of 1876, as created, established, implemented and administered pursuant to Sections 10, 11, 11a, 11b, 15, and 18 of Article VII of the Constitution of the State, as amended, and by other applicable present and future constitutional and statutory provisions, and further implemented by the provisions of Chapter 66, *Texas Education Code*, as amended (the "Permanent University Fund"); and

WHEREAS, the Available University Fund is defined by the Constitution of the State and consists of distributions made to it from the total return on all investment assets of the Permanent University Fund, including the net income attributable to the surface of Permanent University Fund land, as determined by the Board pursuant to Section 18 of Article VII of the Constitution of the State, as amended (the "Available University Fund"); and

WHEREAS, Section 18 of Article VII of the Constitution of the State, as may hereafter be amended (the "Constitutional Provision"), authorizes the Board to issue bonds and notes ("PUF Debt") not to exceed a total amount of 20% of the cost value of investments and other assets of the Permanent University Fund, exclusive of real estate, at the time of issuance thereof and to pledge all or any part of its two-thirds interest in the Available University Fund (the "Interest of the System") to secure the payment of the principal of and interest on PUF Debt, for the purpose of acquiring land, constructing and equipping buildings or other permanent improvements, major repair and rehabilitation of buildings and other permanent improvements, acquiring capital equipment and library books and library materials, and refunding bonds or notes issued under the Constitutional Provision or prior law, at or for the System administration and institutions of the System as listed in the Constitutional Provision; and

WHEREAS, the Constitutional Provision also provides that out of the Interest of the System in the Available University Fund there shall be appropriated an annual sum sufficient to pay the principal and interest due on PUF Debt, and the remainder of the Interest of the System in the Available University Fund (the "Residual AUF") shall be appropriated for the support and maintenance of The University of Texas at Austin and the System Administration; and

WHEREAS, unless otherwise defined herein, terms used herein shall have the meaning as set forth in Exhibit A hereto; and

WHEREAS, the Board has previously entered into certain Executed Master Agreements (as defined herein) with certain counterparties setting forth the terms and conditions applicable to each Confirmation (as defined herein) to be executed thereunder; and

WHEREAS, the Board hereby desires to ratify the U.T. System's Interest Rate Swap Policy, a copy of which is attached hereto as Exhibit B, and to severally authorize each Authorized Representative (as defined in the System's Interest Rate Swap Policy) to enter into Bond Enhancement Agreements (as defined herein) from time to time, all as provided in this Resolution.

NOW THEREFORE BE IT RESOLVED, that

SECTION 1. DEFINITIONS. Capitalized terms used in this Resolution and not otherwise defined shall have the meanings given in Exhibit A attached hereto and made a part hereof.

SECTION 2. AUTHORIZATION OF BOND ENHANCEMENT AGREEMENTS.

(a) Delegation. Each Authorized Representative is hereby severally authorized to act on behalf of the Board in accepting and executing new or amended confirmations under one or more of the Master Agreements (each, a "Confirmation" and, collectively with the applicable Master Agreement, a "Bond Enhancement Agreement") when, in his or her judgment, the execution of such Confirmation is consistent with this Resolution and the System's Interest Rate Swap Policy and either (i) the transaction is expected to reduce the net interest to be paid by the Board with respect to any then outstanding PUF Debt or PUF Debt anticipated to be issued in the future over the term of the Bond Enhancement Agreement or (ii) the transaction is in the best interests of the Board given the market conditions at that time. Prior to entering into any such transaction, an Authorized Representative must deliver to the General Counsel of the Board a certificate setting forth the determinations of the Authorized Representative in connection with the foregoing. Each Authorized Representative is also severally authorized to execute any required novation agreement related to the execution and delivery of a new or amended Confirmation undertaken in conjunction with the novation of an existing Confirmation. The delegation to each Authorized Representative to execute and deliver Bond Enhancement Agreements on behalf of the Board under this Resolution shall expire on September 1, 2013.

(b) Authorizing Law and Treatment as Credit Agreement. The Board hereby determines that any such Bond Enhancement Agreement entered into by an Authorized Representative pursuant to this Resolution is necessary or appropriate to place the Board's obligations with respect to its outstanding PUF Debt or PUF Debt anticipated to be issued in the future on the interest rate, currency, cash flow or other basis set forth in such Bond Enhancement Agreement as approved and executed on behalf of the Board by an Authorized Representative. Each Bond Enhancement Agreement constitutes a "bond enhancement agreement" under Section 65.461 of the *Texas Education Code*, as amended ("Section 65.461"). Pursuant to Section 65.461, a Bond Enhancement Agreement authorized and executed by an Authorized Representative under this Resolution shall not be considered a "credit agreement" under Chapter 1371 of the *Texas Government Code*, as amended ("Chapter 1371"), unless specifically designated as such by such Authorized Representative. In the event an Authorized Representative elects to treat a Bond Enhancement Agreement authorized by this Resolution as a "credit agreement" under Chapter 1371 and this Resolution has not previously been submitted to the Attorney General by an Authorized Representative, such Authorized Representative shall submit this Resolution to the Attorney General for review and approval in accordance with the requirements of Chapter 1371 as the proceedings authorizing Bond Enhancement Agreements entered into by the Board pursuant to this Resolution.

(c) Costs; Maximum Term. The costs of any Bond Enhancement Agreement and the amounts payable thereunder, including but not limited to any amounts payable by the Board as a result of terminating a Bond Enhancement Agreement, shall be payable from the Residual AUF as a cost of the support and maintenance of System administration or from any other source that is legally available to make such payments.

The maximum term of each Bond Enhancement Agreement authorized by this Resolution shall not exceed the maturity date of the then outstanding related PUF Debt or the related PUF Debt anticipated to be issued in the future, as applicable.

(d) Notional Amount. The notional amount of any Bond Enhancement Agreement authorized by this Resolution shall not at any time exceed the aggregate principal amount of the then outstanding related PUF Debt or related PUF Debt anticipated to be issued in the future, as applicable; provided that the aggregate notional amount of multiple Bond Enhancement Agreements relating to the same PUF Debt may exceed the principal amount of the related PUF Debt if such Bond Enhancement Agreements are for different purposes, as evidenced for example by different rates for calculating payments owed, and the aggregate notional amount of any such Bond Enhancement Agreements for the same purpose otherwise satisfies the foregoing requirements.

(e) Early Termination. No Confirmation entered into pursuant to this Resolution shall contain early termination provisions at the option of the counterparty except upon the occurrence of an event of default or an additional termination event, as prescribed in the applicable Master Agreement. In addition to subsections (a) and (b) of Section 5 hereof, each Authorized Representative is hereby severally authorized to terminate any Bond Enhancement when, in his or her judgment, such termination is in the best interests of the Board given the market conditions at that time.

(f) Maximum Rate. No Bond Enhancement Agreement authorized by this Resolution shall be payable at a rate greater than the maximum rate allowed by law.

(g) Credit Enhancement. An Authorized Representative may obtain credit enhancement for any Bond Enhancement Agreement if such Authorized Representative, as evidenced by a certificate delivered to the General Counsel to the Board, has determined that after taking into account the cost of such credit enhancement, such credit enhancement will reduce the amount payable by the Board pursuant to such Bond Enhancement Agreement; provided that the annual cost of credit enhancement on any

Bond Enhancement Agreement entered into pursuant to this Resolution may not exceed 0.50% of the notional amount of such Bond Enhancement Agreement.

SECTION 3. AUTHORIZATION FOR SPECIFIC TRANSACTIONS.

(a) In addition to the authority otherwise granted in this Resolution, each Authorized Representative is hereby severally granted continuing authority to enter into the following specific transactions pursuant to a Confirmation (or other agreement or instrument deemed necessary by an Authorized Representative) upon satisfaction of the following respective conditions:

(1) Floating-to-fixed rate interest rate swap transactions under which the Board would pay an amount based upon a fixed rate of interest and the counterparty would pay an amount based upon a variable rate of interest with respect to PUF Debt then outstanding bearing interest at a variable rate and any PUF Debt anticipated to be issued in the future that will bear interest at a variable rate, as applicable. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that (i) the synthetic fixed rate to the Board pursuant to the swap transaction is lower than the rate available to the Board for comparable fixed rate debt at the time of the swap transaction, and (ii) if the variable rate being paid or expected to be paid by the Board on the applicable PUF Debt is computed on a basis different from the calculation of the variable rate to be received under the swap transaction over the stated term of such swap transaction, the basis risk of the transaction is expected to be minimal based upon historical relationships between such bases.

(2) Fixed-to-floating rate interest rate swap transactions under which the Board would pay an amount based upon a variable rate of interest and the counterparty would pay an amount based upon a fixed rate of interest, with respect to PUF Debt then outstanding bearing interest at a fixed rate or PUF Debt anticipated to be issued in the future that will bear interest at a fixed rate, as applicable. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that converting such portion of fixed rate PUF Debt to a variable rate pursuant to the fixed-to-floating interest rate swap transaction would be beneficial to the System by (i) lowering the anticipated net interest cost on the PUF Debt to be swapped against or (ii) assisting in the System's asset/liability management by matching a portion of its variable rate assets with variable rate PUF Debt.

(3) Basis swap transactions under which the Board would pay a variable rate of interest computed on one basis, such as the Securities Industry and Financial Markets Association Municipal Swap Index, and the counterparty would pay a variable rate of interest computed on a different basis, such as a designated maturity of the London Interbank Offered Rate ("LIBOR"), with respect to a given principal amount of PUF Debt then outstanding or PUF Debt anticipated to be issued in the future, as applicable. Prior to entering into such transaction, an

Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that by entering into the basis swap transaction the Board is expected to be able to (i) achieve spread income or upfront cash payments, (ii) preserve call option and advance refunding capability on its PUF Debt, (iii) lower net interest cost by effecting a percent of LIBOR synthetic refunding without issuing additional bonds or acquiring credit enhancement, (iv) lower net interest cost on PUF Debt by layering tax risk on top of a traditional or synthetic fixed rate financing, (v) preserve liquidity capacity, or (vi) avoid the mark to market volatility of a fixed-to-floating or floating-to-fixed swap in changing interest rate environments.

(4) Interest rate locks, caps, options, floors, and collars for the purpose of limiting the exposure of the Board to adverse changes in interest rates in connection with outstanding PUF Debt or additional PUF Debt anticipated to be issued in the future. Prior to entering into such a transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that such transaction is expected to limit or eliminate such exposure.

(b) The foregoing is not intended to be a comprehensive list of permissible types of transactions, but rather to specify additional conditions necessary to enter into the specified types of transactions. The requirements of Section 2(a) above shall apply to any transaction not specified in Section 3(a) above.

SECTION 4. APPLICATION OF PAYMENTS RECEIVED UNDER BOND ENHANCEMENT AGREEMENTS.

(a) General. Except as provided in subsection (b) hereof, to the extent the Board receives payments pursuant to a Bond Enhancement Agreement, such payments shall be applied for any lawful purpose.

(b) Payments under Chapter 1371 Credit Agreements. In the event an Authorized Representative elects to treat a Bond Enhancement Agreement authorized by this Resolution as a "credit agreement" under Chapter 1371 and such Bond Enhancement Agreement is executed and delivered pursuant to Chapter 1371, to the extent that the Board receives payments pursuant to such a Bond Enhancement Agreement, such payments shall be applied as follows: (i) to pay (A) debt service on the PUF Debt or anticipated issuance of PUF Debt related to the Bond Enhancement Agreement, or (B) the costs to be financed by the PUF Debt or anticipated issuance of PUF Debt related to the Bond Enhancement Agreement; provided that, if applicable, such costs shall have been approved for construction by the Board and that the applicable projects have received the required approval or review of the Texas Higher Education Coordinating Board to the extent and as required by the provisions of Chapter 61 of the *Texas Education Code*, including Section 61.058 thereof; (ii) to pay other liabilities or expenses that are secured on parity with or senior to the PUF Debt or anticipated issuance of PUF Debt related to the Bond Enhancement Agreement; or (iii) to the extent that costs set forth in (i) and (ii) have been satisfied, for any other lawful purpose.

SECTION 5. <u>BOND ENHANCEMENT AGREEMENTS IN CONNECTION WITH ANTICIPATED PUF DEBT</u>.

(a) <u>Requirement to Terminate or Modify Agreement for Non-issuance of Anticipated PUF Debt</u>. In the event a Bond Enhancement Agreement is entered into under this Resolution in connection with the anticipated issuance of PUF Debt and such PUF Debt is not actually issued on or prior to the effective date of such agreement, an Authorized Representative shall either terminate such Bond Enhancement Agreement or amend such Bond Enhancement Agreement in such event (i) to delay the effective date of such Bond Enhancement Agreement; or (ii) to replace such anticipated PUF Debt with any then outstanding PUF Debt having the same types of interest rates (fixed or variable) as the anticipated PUF Debt.

(b) <u>Requirement to Terminate or Modify Agreement for Notional Amount in Excess of Anticipated PUF Debt as Issued</u>. In the event a Bond Enhancement Agreement is entered into under this Resolution in connection with the anticipated issuance of PUF Debt and such Bond Enhancement Agreement has a notional amount that at any time exceeds the principal amount to be outstanding of such anticipated PUF Debt as actually issued, an Authorized Representative shall either terminate such Bond Enhancement Agreement or amend such Bond Enhancement Agreement (i) to reduce the notional amount of such Bond Enhancement as appropriate so that such notional amount does not exceed at any time the principal amount to be outstanding of such anticipated PUF Debt as actually issued or (ii) supplement or replace all or a portion of such anticipated PUF Debt with any then outstanding PUF Debt having the same types of interest rates (fixed or variable) as the anticipated PUF Debt as necessary to ensure that the notional amount of such Bond Enhancement Agreement does not exceed at any time the principal amount of the applicable PUF Debt.

(c) <u>Board Recognition of Anticipated Parity Debt</u>. No Bond Enhancement Agreement may be entered into under this Resolution with respect to the Board's obligations under an anticipated future issuance of PUF Debt unless such anticipated issuance of future debt shall have been recognized by official action of the Board pursuant to (i) the Board's prior adoption of a resolution authorizing the issuance of such debt, including but not limited to a resolution delegating the parameters of such issuance to an Authorized Representative or a resolution authorizing the issuance of commercial paper notes, (ii) the Board's prior approval of its then current Capital Improvement Program contemplating the financing of the projects to be financed by such anticipated issuance of debt and the amount of such debt to be issued, or (iii) the Board's action pursuant to subsection (e) hereof with respect to PUF Debt anticipated to be issued to refund outstanding PUF Debt.

(d) <u>Required Description of Anticipated PUF Debt</u>. To the extent that a Bond Enhancement Agreement is entered into under this Resolution with respect to the Board's obligations under an anticipated future issuance of PUF Debt, an Authorized Representative must also deliver to the General Counsel to the Board at the time such agreement is entered into a certificate with respect to such anticipated PUF Debt stating: (i) the anticipated issuance date of such PUF Debt or a range of anticipated dates of up to six months for such issuance, provided that such date or range of dates may not be more than the lesser of seventy-two (72) months after the date of the applicable Confirmation or the latest date contemplated for the issuance of such PUF Debt in the Board's then current Capital Improvement Program; (ii) whether such PUF Debt will bear interest at a fixed or variable rate; (iii) if such PUF Debt will bear interest at a fixed rate, what fixed interest rate or range of interest rates with respect to such PUF Debt is anticipated; (iv) if such PUF Debt will bear interest at a variable rate, what basis is anticipated to be used to compute such variable rate; (v) the assumed maturity schedule and amortization for such PUF Debt, including the assumed interest cost; (vi) the anticipated purposes for which the proceeds of such PUF Debt will be used; and (vii) for PUF Debt anticipated to be issued for new money projects, a list or description of such projects anticipated to be financed, provided that each such project must be contemplated for financing with PUF Debt by the Board's then current Capital Improvement Program or have otherwise received Board approval for financing.

(e) Board's Statement of Intent to Issue Advance Refunding Debt for Savings. If the conditions in this Resolution are otherwise satisfied, the Board hereby authorizes each Authorized Representative to enter into a Bond Enhancement Agreement in connection with PUF Debt anticipated to be issued for the purpose of advance refunding any existing PUF Debt, provided that as certified by an Authorized Representative to the General Counsel to the Board, such anticipated issue of PUF Debt, when taking into consideration the effect of such Bond Enhancement Agreement, is expected to result in a present value savings in connection with such advance refunding of at least 3.0% (determined in the manner set forth in the resolution approved by the Board authorizing the issuance of such anticipated issue of PUF Debt), and in such event, the Board hereby declares its intention to cause such anticipated PUF Debt to be issued. No such certification or declaration shall be applicable in connection with PUF Debt anticipated to be issued for the purpose of currently refunding any existing PUF Debt within ninety (90) days of the date of issuance of such anticipated PUF Debt.

SECTION 6. MASTER AGREEMENTS.

(a) New Master Agreements. Each Authorized Representative is hereby severally authorized to enter into ISDA Master Agreements (the "New Master Agreements") with counterparties satisfying the ratings requirements of the System's Interest Rate Swap Policy. Such New Master Agreements shall be in substantially the same form as the Executed Master Agreements, with such changes as, in the judgment of an Authorized Representative, with the advice and counsel of the Office of General Counsel and Bond Counsel, are necessary or desirable (i) to carry out the intent of the Board as expressed in this Resolution, (ii) to receive approval of this Resolution by the Attorney General of the State of Texas, if pursuant Section 2(b) of this Resolution, an Authorized Representative elects to designate any Bond Enhancement Agreement entered into by the Board pursuant to this Resolution as a "credit agreement" under Chapter 1371, (iii) to accommodate the credit structure or requirements of a particular counterparty or (iv) to incorporate comments received or anticipated to be received from any credit rating agency relating to a New Master Agreement. Each Authorized Representative is authorized to enter into such New Master Agreements and to enter into Confirmations thereunder in accordance with this Resolution and in furtherance of and to carry out the intent hereof. If a New Master Agreement entered into pursuant to this subsection replaces a then effective Master Agreement with the same or a related counterparty, each Authorized Representative is hereby severally authorized to terminate such existing Master Agreement upon the New Master Agreement becoming effective and to take any and all actions necessary to transfer any Confirmations thereunder to such New Master Agreement.

(b) Amendments to Master Agreements. Each Authorized Representative is hereby further severally authorized to enter into amendments to the Master Agreements to allow Confirmations thereunder to be issued and entered into with respect to any then outstanding PUF Debt or PUF Debt anticipated to be issued in the future and to make such other amendments in accordance with the terms of the respective Master Agreements as in the judgment of such Authorized Representative, with the advice and counsel of the Office of General Counsel and Bond Counsel, are necessary or desirable to allow the Board to achieve the benefits of the Bond Enhancement Agreements in accordance with and subject to the System's Interest Rate Swap Policy and this Resolution.

SECTION 7. ADDITIONAL AUTHORIZATION; RATIFICATION OF SWAP POLICY.

(a) Additional Agreements and Documents Authorized. Each Authorized Representative and all officers of the Board are severally authorized to execute and deliver such other agreements and documents as are contemplated by this Resolution and the Master Agreements or are otherwise necessary in connection with entering into Confirmations and Bond Enhancement Agreements as described in this Resolution, as any such Authorized Representative or officer shall deem appropriate, including without limitation, officer's certificates, legal opinions, and credit support documents.

(b) Further Actions. Each Authorized Representative and all officers of the Board are severally authorized to take all such further actions, to execute and deliver such further instruments and documents in the name and on behalf of the Board to pay all such expenses as in his or her judgment shall be necessary or advisable in order fully to carry out the purposes of this Resolution.

(c) Swap Policy. The Board has reviewed and hereby ratifies and affirms the System's Interest Rate Swap Policy, a copy of which is attached hereto as Exhibit B.

[Remainder of page intentionally left blank]

EXHIBIT A

DEFINITIONS

As used in this Resolution the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

"Authorized Representative" shall have the meaning given to such term in the System's Interest Rate Swap Policy (a copy of which is attached hereto as Exhibit B).

"Available University Fund" shall have the meaning given to such term in the recitals to this Resolution.

"Board" shall have the meaning given to such term in the recitals to this Resolution.

"Bond Enhancement Agreement" shall have the meaning given to such term in Section 2(a) hereof.

"Chapter 1371" shall have the meaning given to such term in Section 2(b) hereof.

"Confirmation" shall have the meaning given to such term in Section 2(a) hereof.

"Constitutional Provision" shall have the meaning given to such term in the recitals to this Resolution.

"Executed Master Agreements" shall mean the following existing and fully executed ISDA Master Agreements currently in effect between the Board and the respective counterparty noted below (copies of which are attached hereto as Exhibit C):

(i) ISDA Master Agreement with Bank of America, N.A., dated as of December 1, 2007;

(ii) ISDA Master Agreement with Goldman Sachs Capital Markets, L.P., dated as of December 1, 2007;

(iii) ISDA Master Agreement with JPMorgan Chase Bank, National Association, dated as of December 1, 2007;

(iv) ISDA Master Agreement with Merrill Lynch Capital Services, Inc., dated as of December 1, 2007;

(v) ISDA Master Agreement with Morgan Stanley Capital Services Inc., dated as of December 1, 2007;

(vi) ISDA Master Agreement with UBS AG, dated as of April 1, 2008;

(vii) ISDA Master Agreement with Barclays Bank PLC, dated as of February 3, 2011;

(viii) ISDA Master Agreement with Deutsche Bank AG, New York Branch, dated as of February 1, 2011;

(ix) ISDA Master Agreement with Royal Bank of Canada, dated as of June 8, 2011; and

(x) ISDA Master Agreement with Wells Fargo Bank, National Association, dated as of January 15, 2010.

"Interest of the System" shall have the meaning given to such term in the recitals to this Resolution.

"ISDA" shall mean the International Swaps and Derivatives Association, Inc.

"LIBOR" shall have the meaning given to such term in Section 3(a)(3) hereof.

"Master Agreements" shall mean, collectively, the Executed Master Agreements and any New Master Agreements.

"New Master Agreements" shall have the meaning given to such term in Section 6(a) hereof.

"Permanent University Fund" shall have the meaning given to such term in the recitals to this Resolution.

"PUF Debt" shall have the meaning given to such term in the recitals to this Resolution.

"Residual AUF" shall have the meaning given to such term in the recitals to this Resolution.

"Section 65.461" shall have the meaning given to such term in Section 2(b) hereof.

"State" shall have the meaning given to such term in the recitals to this Resolution.

"System" shall have the meaning given to such term in the recitals to this Resolution.

EXHIBIT B

INTEREST RATE SWAP POLICY
OF THE UNIVERSITY OF TEXAS SYSTEM

EXHIBIT C

EXECUTED MASTER AGREEMENTS

[On file with the Board]

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF BOND ENHANCEMENT AGREEMENTS RELATING TO REVENUE FINANCING SYSTEM DEBT AND AUTHORIZING AND APPROVING OTHER INSTRUMENTS AND PROCEDURES RELATING TO SAID AGREEMENTS

August 23, 2012

WHEREAS, the Board of Regents (the "Board") of The University of Texas System (the "System") is the governing body of the System, an institution of higher education under the *Texas Education Code* and an agency of the State of Texas; and

WHEREAS, on February 14, 1991, the Board adopted the First Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System and amended such resolution on October 8, 1993, and August 14, 1997 (referred to herein as the "Master Resolution"); and

WHEREAS, unless otherwise defined herein, terms used herein shall have the meaning given in the Master Resolution or as set forth in Exhibit A hereto; and

WHEREAS, the Master Resolution establishes the Revenue Financing System comprised of the institutions now or hereafter constituting components of the System that are designated "Members" of the Financing System by action of the Board and pledges the Pledged Revenues attributable to each Member of the Financing System to the payment of Parity Debt to be outstanding under the Master Resolution; and

WHEREAS, the Board has adopted Supplemental Resolutions to the Master Resolution authorizing the issuance of Parity Debt thereunder as special, limited obligations of the Board payable solely from and secured by a lien on and pledge of Pledged Revenues pledged for the equal and proportionate benefit and security of all owners of Parity Debt; and

WHEREAS, the Board has previously entered into certain Executed Master Agreements (as defined herein) with certain counterparties setting forth the terms and conditions applicable to each Confirmation (as defined herein) executed or to be executed thereunder; and

WHEREAS, the Board hereby desires to ratify the System's Interest Rate Swap Policy, a copy of which is attached hereto as Exhibit B, and to severally authorize each Authorized Representative (as defined in the System's Interest Rate Swap Policy) to enter into Bond Enhancement Agreements (as defined herein) from time to time, all as provided in this Resolution.

NOW THEREFORE BE IT RESOLVED, that

SECTION 1. DEFINITIONS. In addition to the definitions set forth in the preamble of this Resolution, the terms used in this Resolution and not otherwise defined shall have the meanings given in the Master Resolution or in Exhibit A to this Resolution attached hereto and made a part hereof.

SECTION 2. AUTHORIZATION OF BOND ENHANCEMENT AGREEMENTS.

(a) Delegation. Each Authorized Representative is hereby severally authorized to act on behalf of the Board in accepting and executing new or amended confirmations under one or more of the Master Agreements (each, a "Confirmation", and collectively with the applicable Master Agreement, a "Bond Enhancement Agreement") when, in his or her judgment, the execution of such Confirmation is consistent with this Resolution and the System's Interest Rate Swap Policy and either (i) the transaction is expected to reduce the net interest to be paid by the Board with respect to any then outstanding Parity Debt or Parity Debt anticipated to be issued in the future over the term of the Bond Enhancement Agreement or (ii) the transaction is in the best interests of the Board given the market conditions at that time. Prior to entering into any such transaction, an Authorized Representative must deliver to the General Counsel of the Board a certificate setting forth the determinations of the Authorized Representative in connection with the foregoing. Each Authorized Representative is also severally authorized to execute any required novation agreement related to the execution and delivery of a new or amended Confirmation undertaken in conjunction with the novation of an existing Confirmation. The delegation to each Authorized Representative to execute and deliver Bond Enhancement Agreements on behalf of the Board under this Resolution shall expire on September 1, 2013.

(b) Authorizing Law and Treatment as Credit Agreement. The Board hereby determines that any such Bond Enhancement Agreement entered into by an Authorized Representative pursuant to this Resolution is necessary or appropriate to place the Board's obligations with respect to its outstanding Parity Debt or Parity Debt anticipated to be issued in the future on the interest rate, currency, cash flow or other basis set forth in such Bond Enhancement Agreement as approved and executed on behalf of the Board by an Authorized Representative. Each Bond Enhancement Agreement constitutes a "Credit Agreement" as defined in the Master Resolution and a "bond enhancement agreement" under Section 65.461 of the *Texas Education Code,* as amended ("Section 65.461"). Pursuant to Section 65.461, a Bond Enhancement Agreement authorized and executed by an Authorized Representative under this Resolution shall not be considered a "credit agreement" under Chapter 1371 of the *Texas Government Code*, as amended ("Chapter 1371"), unless specifically designated as such by such Authorized Representative. In the event an Authorized Representative elects to treat a Bond Enhancement Agreement authorized by this Resolution as a "credit agreement" under Chapter 1371 and this Resolution has not previously been submitted to the Attorney General by an Authorized Representative, such Authorized Representative shall submit this Resolution to the Attorney General for review and approval in accordance with the requirements of Chapter 1371 as the proceedings authorizing Bond Enhancement Agreements entered into by the Board pursuant to this Resolution.

(c) Maximum Term. The maximum term of each Bond Enhancement Agreement authorized by this Resolution shall not exceed the maturity date of the then outstanding related Parity Debt or the related Parity Debt anticipated to be issued in the future, as applicable.

(d) Notional Amount. The notional amount of any Bond Enhancement Agreement authorized by this Resolution shall not at any time exceed the aggregate principal amount of the then outstanding related Parity Debt and related Parity Debt anticipated to be issued in the future, as applicable; provided that the aggregate notional amount of multiple Bond Enhancement Agreements relating to the same Parity Debt may exceed the principal amount of the related Parity Debt if such Bond Enhancement Agreements are for different purposes, as evidenced for example by different rates for calculating payments owed, and the aggregate notional amount of any such Bond Enhancement Agreements for the same purpose otherwise satisfies the foregoing requirements.

(e) Early Termination. No Confirmation entered into pursuant to this Resolution shall contain early termination provisions at the option of the counterparty except upon the occurrence of an event of default or an additional termination event, as prescribed in the applicable Master Agreement. In addition to subsections (a) and (b) of Section 6 hereof, each Authorized Representative is hereby severally authorized to terminate any Bond Enhancement when, in his or her judgment, such termination is in the best interests of the Board given the market conditions at that time.

(f) Maximum Rate. No Bond Enhancement Agreement authorized by this Resolution shall be payable at a rate greater than the maximum rate allowed by law.

(g) Credit Enhancement. An Authorized Representative may obtain credit enhancement for any Bond Enhancement Agreement if such Authorized Representative, as evidenced by a certificate delivered to the General Counsel to the Board, has determined that after taking into account the cost of such credit enhancement, such credit enhancement will reduce the amount payable by the Board pursuant to such Bond Enhancement Agreement; provided that the annual cost of credit enhancement on any Bond Enhancement Agreement entered into pursuant to this Resolution may not exceed 0.50% of the notional amount of such Bond Enhancement Agreement.

SECTION 3. BOND ENHANCEMENT AGREEMENTS AS PARITY DEBT. The costs of any Bond Enhancement Agreement and the amounts payable thereunder shall be payable out of Pledged Revenues and each Bond Enhancement Agreement shall constitute Parity Debt under the Master Resolution, except to the extent that a Bond Enhancement Agreement provides that an obligation of the Board thereunder shall be payable from and secured by a lien on Pledged Revenues subordinate to the lien securing the payment of the Parity Debt. The Board determines that this Resolution shall constitute a Supplemental Resolution to the Master Resolution and as required by Section 5(a) of the Master Resolution, the Board further determines that upon the delivery of the Bond Enhancement Agreements authorized by this Resolution it will have sufficient funds to meet the financial obligations of the System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System and that the Members on whose behalf such Bond Enhancement Agreements are entered into possess the financial capacity to satisfy their Direct Obligations after taking such Bond Enhancement Agreements into account.

SECTION 4. AUTHORIZATION FOR SPECIFIC TRANSACTIONS. (a) In addition to the authority otherwise granted in this Resolution, each Authorized Representative is hereby severally granted continuing authority to enter into the following specific transactions pursuant to a Confirmation (or other agreement or instrument deemed necessary by an Authorized Representative) upon satisfaction of the following respective conditions:

(1) Floating-to-fixed rate interest rate swap transactions under which the Board would pay an amount based upon a fixed rate of interest and the counterparty would pay an amount based upon a variable rate of interest with respect to Parity Debt then outstanding bearing interest at a variable rate and Parity Debt anticipated to be issued in the future that will bear interest at a variable rate, as applicable. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that (i) the synthetic fixed rate to the Board pursuant to the swap transaction is lower than the rate available to the Board for comparable fixed rate debt at the time of the swap transaction, and (ii) if the variable rate being paid or expected to be paid by the Board on the applicable Parity Debt is computed on a basis different from the calculation of the variable rate to be received under the swap transaction over the stated term of such swap transaction, the basis risk of the transaction is expected to be minimal based upon historical relationships between such bases.

(2) Fixed-to-floating rate interest rate swap transactions under which the Board would pay an amount based upon a variable rate of interest and the counterparty would pay an amount based upon a fixed rate of interest, with respect to Parity Debt then outstanding bearing interest at a fixed rate and Parity Debt anticipated to be issued in the future that will bear interest at a fixed rate, as applicable. Prior to entering into such transaction an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that converting such portion of fixed rate Parity Debt to a variable rate pursuant to the fixed-to-floating interest rate swap transaction would be beneficial to the System by (i) lowering the anticipated net interest cost on the Parity Debt to be swapped against or (ii) assisting in the System's asset/liability management by matching a portion of its variable rate assets with variable rate Parity Debt.

(3) Basis swap transactions under which the Board would pay a variable rate of interest computed on one basis, such as the Securities Industry and Financial Markets Association Municipal Swap Index, and the counterparty would pay a variable rate of interest computed on a different basis, such as the London Interbank Offered Rate ("LIBOR"), with respect to a designated maturity or principal amount of outstanding Parity Debt and Parity Debt anticipated to be issued in the future, as applicable. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that by entering into the basis swap transaction the Board is expected to be able to (i) achieve spread income or upfront cash payments, (ii) preserve call option and advance refunding capability on its Parity Debt, (iii) lower net interest cost by effecting a percent of LIBOR synthetic refunding without issuing additional bonds or acquiring credit enhancement, (iv) lower net interest cost on Parity Debt by layering tax risk on top of a traditional or synthetic fixed rate financing, (v) preserve liquidity capacity, or (vi) avoid the mark to market volatility of a fixed-to-floating or floating-to-fixed swap in changing interest rate environments.

(4) Interest rate locks, caps, options, floors, and collars for the purpose of limiting the exposure of the Board to adverse changes in interest rates in connection with outstanding Parity Debt or additional Parity Debt anticipated to be issued in the future. Prior to entering into such a transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that such transaction is expected to limit or eliminate such exposure.

(b) The foregoing is not intended to be a comprehensive list of permissible types of transactions, but rather to specify additional conditions necessary to enter into the specified types of transactions. The requirements of Section 2(a) above shall apply to any transaction not specified in subsection (a) hereof.

SECTION 5. APPLICATION OF PAYMENTS RECEIVED UNDER BOND ENHANCEMENT AGREEMENTS.

(a) General. Except as further limited by subsection (b) hereof, to the extent the Board receives payments pursuant to a Bond Enhancement Agreement, such payments shall be applied for any lawful purpose.

(b) Payments under Chapter 1371 Credit Agreements. In the event an Authorized Representative elects to treat a Bond Enhancement Agreement authorized by this Resolution as a "credit agreement" under Chapter 1371 and such Bond Enhancement Agreement is executed and delivered pursuant to Chapter 1371, to the extent that the Board receives payments pursuant to such a Bond Enhancement Agreement, such payments shall be applied as follows: (i) to pay (A) debt service on the Parity Debt or anticipated issuance of Parity Debt related to the Bond Enhancement Agreement, or (B) the costs to be financed by the Parity Debt or anticipated issuance of Parity Debt related to the Bond Enhancement Agreement; provided that, if applicable, such costs shall have been approved for construction by the Board and that the applicable projects have received the required approval or review of the Texas Higher Education Coordinating Board to the extent and as required by the provisions of Chapter 61 of the *Texas Education Code,* including Section 61.058 thereof; (ii) to pay other liabilities or expenses that are secured on parity with or senior to the Parity Debt or anticipated issuance of Parity Debt related to the Bond Enhancement Agreement; or (iii) to the extent that costs set forth in (i) and (ii) have been satisfied, for any other lawful purpose.

SECTION 6. BOND ENHANCEMENT AGREEMENTS IN CONNECTION WITH ANTICIPATED PARITY DEBT.

(a) Requirement to Terminate or Modify Agreement for Non-issuance of Anticipated Parity Debt. In the event a Bond Enhancement Agreement is entered into under this Resolution in connection with the anticipated issuance of Parity Debt and such Parity Debt is not actually issued on or prior to the effective date of such agreement, an Authorized Representative shall either terminate such Bond Enhancement Agreement or amend such Bond Enhancement Agreement in such event to (i) delay the effective date of such Bond Enhancement Agreement; or (ii) replace such anticipated Parity Debt with any then outstanding Parity Debt having the same types of interest rates (fixed or variable) as the anticipated Parity Debt.

(b) Requirement to Terminate or Modify Agreement for Notional Amount in Excess of Anticipated Parity Debt as Issued. In the event a Bond Enhancement Agreement is entered into under this Resolution in connection with the anticipated issuance of Parity Debt and such Bond Enhancement Agreement has a notional amount that at any time exceeds the principal amount to be outstanding of such anticipated Parity Debt as actually issued, an Authorized Representative shall either terminate such Bond Enhancement Agreement or amend such Bond Enhancement Agreement to (i) reduce the notional amount of such Bond Enhancement as appropriate so that such notional amount does not exceed at any time the principal amount to be outstanding of such anticipated Parity Debt as actually issued or (ii) supplement or replace all or a portion of such anticipated Parity Debt with any then outstanding Parity Debt having the same types of interest rates (fixed or variable) as the anticipated Parity Debt as necessary to ensure that the notional amount of such Bond Enhancement Agreement does not exceed at any time the principal amount of the applicable Parity Debt.

(c) Board Recognition of Anticipated Parity Debt. No Bond Enhancement Agreement may be entered into under this Resolution with respect to the Board's obligations under an anticipated future issuance of Parity Debt unless such anticipated issuance of future debt shall have been recognized by official action of the Board pursuant to (i) the Board's prior adoption of a resolution authorizing the issuance of such debt, including, but not limited to, a resolution delegating the parameters of such issuance to an Authorized Representative or a resolution authorizing the issuance of commercial paper notes, (ii) the Board's prior approval of its then current Capital Improvement Program contemplating the financing of the projects to be financed by such anticipated issuance of debt and the amount of such debt to be issued, or (iii) the Board's action pursuant to subsection (e) hereof with respect to Parity Debt anticipated to be issued to refund outstanding Parity Debt.

(d) Required Description of Anticipated Parity Debt. To the extent that a Bond Enhancement Agreement is entered into under this Resolution with respect to the Board's obligations under an anticipated future issuance of Parity Debt, an Authorized Representative must also deliver to the General Counsel to the Board at the time such agreement is entered into a certificate with respect to such anticipated Parity Debt stating: (i) the anticipated issuance date of such Parity Debt or a range of anticipated dates of up to six months for such issuance, provided that such date or range of dates may not be more than the lesser of seventy-two (72) months after the date of the applicable Confirmation or the latest date contemplated for the issuance of such Parity Debt in the Board's then current Capital Improvement Program; (ii) whether such Parity Debt will bear interest at a fixed or variable rate; (iii) if such Parity Debt will bear interest at a fixed rate, what fixed interest rate or range of interest rates with respect to such Parity Debt is anticipated; (iv) if such Parity Debt will bear interest at a variable rate, what basis is anticipated to be used to compute such variable rate; (v) the assumed maturity schedule and amortization for such Parity Debt, including the assumed interest cost; (vi) the anticipated purposes for which the proceeds of such Parity Debt will be used; and (vii) for Parity Debt anticipated to be issued for new money projects, a list or description of such projects anticipated to be financed, provided that each such project must be contemplated for financing with Parity Debt by the Board's then current Capital Improvement Program or have otherwise received Board approval for financing.

(e) Board's Statement of Intent to Issue Refunding Debt for Savings. If the conditions in this Resolution are otherwise satisfied, the Board hereby authorizes each Authorized Representative to enter into a Bond Enhancement Agreement in connection with Parity Debt anticipated to be issued for the purpose of advance refunding any existing Parity Debt, provided that as certified by an Authorized Representative to the General Counsel to the Board, such anticipated issue of Parity Debt, when taking into consideration the effect of such Bond Enhancement Agreement, is expected to result in a present value savings in connection with such advance refunding of at least 3.0% (determined in the manner set forth in a supplemental resolution approved by the Board authorizing the issuance of additional Parity Debt), and in such event, the Board hereby declares its intention to cause such Parity Debt to be issued. No such certification or declaration shall be applicable in connection with Parity Debt anticipated to be issued for the purpose of currently refunding any existing Parity Debt within ninety (90) days of the date of issuance of such anticipated Parity Debt.

SECTION 7. MASTER AGREEMENTS.

(a) New Master Agreements. Each Authorized Representative is hereby severally authorized to enter into ISDA Master Agreements (the "New Master Agreements") with counterparties satisfying the ratings requirements of the System's Interest Rate Swap Policy. Such New Master Agreements shall be in substantially the same form as the Executed Master Agreements, with such changes as, in the judgment of an Authorized Representative, with the advice and counsel of the Office of General Counsel and Bond Counsel, are necessary or desirable (i) to carry out the intent of the Board as expressed in this Resolution, (ii) to receive approval of this Resolution by the Attorney General of the State of Texas, if pursuant Section 2(b) of this Resolution, an Authorized Representative elects to designate any Bond Enhancement Agreement entered into by the Board pursuant to this Resolution as a "credit agreement" under Chapter 1371, (iii) to accommodate the credit structure or requirements of a particular counterparty or (iv) to incorporate comments received or anticipated to be received from any credit rating agency relating to a New Master Agreement. Each Authorized Representative is authorized to enter into such New Master Agreements and to enter into Confirmations thereunder in accordance with this Resolution and in furtherance of and to carry out the intent hereof. If a New Master Agreement entered into pursuant to this subsection replaces a then effective Master Agreement with the same or a related counterparty, each Authorized Representative is hereby severally authorized to terminate such existing Master Agreement upon the New Master Agreement becoming effective and to take and all actions necessary to transfer any Confirmations thereunder to such New Master Agreement.

(b) Amendments to Master Agreements. Each Authorized Representative is hereby further severally authorized to enter into amendments to the Master Agreements to allow Confirmations thereunder to be issued and entered into with respect to any then outstanding Parity Debt or Parity Debt anticipated to be issued in the future and to make such other amendments in accordance with the terms of the respective Master Agreements as in the judgment of such Authorized Representative, with the advice and counsel of the Office of General Counsel and Bond Counsel, are necessary or desirable to allow the Board to achieve the benefits of the Bond Enhancement Agreements in accordance with and subject to the System's Interest Rate Swap Policy and this Resolution.

SECTION 8. ADDITIONAL AUTHORIZATION; RATIFICATION OF SWAP POLICY.

(a) Additional Agreements and Documents Authorized. Each Authorized Representative and all officers of the Board are severally authorized to execute and deliver such other agreements and documents as are contemplated by this Resolution and the Master Agreements or are otherwise necessary in connection with entering into Confirmations and Bond Enhancement Agreements as described in this

Resolution, as any such Authorized Representative or officer shall deem appropriate, including without limitation, officer's certificates, legal opinions, and credit support documents.

(b) Further Actions. Each Authorized Representative and all officers of the Board are severally authorized to take all such further actions, to execute and deliver such further instruments and documents in the name and on behalf of the Board to pay all such expenses as in his or her judgment shall be necessary or advisable in order fully to carry out the purposes of this Resolution.

(c) Swap Policy. The Board has reviewed and hereby ratifies and affirms the System's Interest Rate Swap Policy, a copy of which is attached hereto as Exhibit B.

EXHIBIT A

DEFINITIONS

As used in this Resolution the following terms and expressions shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

"Authorized Representative" – As defined in the System's Interest Rate Swap Policy (a copy of which is attached hereto as Exhibit B).

"Board" – The Board of Regents of The University of Texas System.

"Bond Enhancement Agreement" – Collectively, each Confirmation and the applicable Master Agreement.

"Chapter 1371" – Chapter 1371 of the *Texas Government Code*, as amended.

"Confirmation" – Each confirmation entered into by an Authorized Representative on behalf of the Board pursuant to this Resolution.

"Executed Master Agreements" – The following existing and fully executed ISDA Master Agreements currently in effect between the Board and the respective counterparty noted below (copies of which are attached hereto as Exhibit C):

(i) ISDA Master Agreement with Bank of America, N.A., dated as of December 6, 2005;

(ii) ISDA Master Agreement with JPMorgan Chase Bank, National Association, dated as of May 2, 2006;

(iii) ISDA Master Agreement with Merrill Lynch Capital Services, Inc., dated as of May 1, 2006;

(iv) ISDA Master Agreement with Morgan Stanley Capital Services Inc., dated as of December 6, 2005;

(v) ISDA Master Agreement with UBS AG, dated as of November 1, 2007;

(vi) ISDA Master Agreement with Goldman Sachs Bank USA, dated as of August 1, 2009;

(vii) ISDA Master Agreement with Wells Fargo Bank, National Association, dated as of August 21, 2009;

(viii) ISDA Master Agreement with Barclays Bank PLC, dated as of November 4, 2010;

(ix) ISDA Master Agreement with Deutsche Bank AG, New York Branch, dated as of May 1, 2011;

(x) ISDA Master Agreement with Royal Bank of Canada, dated as of June 8, 2011; and

(xi) ISDA Master Agreement with Citibank, N.A., dated as of October 26, 2011.

"ISDA" – The International Swaps and Derivatives Association, Inc.

"LIBOR" – London Interbank Offered Rate.

"Master Agreements" – Collectively, the Executed Master Agreements and any New Master Agreements.

"Master Resolution" – The First Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System adopted by the Board on February 14, 1991, and amended on October 8, 1993, and August 14, 1997.

"New Master Agreements" – Any ISDA Master Agreements entered into by an Authorized Representative pursuant to Section 7(a) of this Resolution.

"Section 65.461" – Section 65.461 of the *Texas Education Code,* as amended.

"System" – The University of Texas System.

EXHIBIT B

INTEREST RATE SWAP POLICY OF THE UNIVERSITY OF TEXAS SYSTEM

EXHIBIT C

EXECUTED MASTER AGREEMENTS

[On File with the Board]

1. Title

Interest Rate Swap Policy

2. Rule and Regulation

Sec. 1 Authority. *Texas Education Code*, Chapter 55, including Section 55.13, *Texas Education Code,* Chapter 65, including Section 65.461, and *Texas Government Code*, Chapter 1371, including Section 1371.056, authorize the Board of Regents (Board) of The University of Texas System (U. T. System) to enter into interest rate management agreements and bond enhancement agreements (collectively “swaps”).

Sec. 2 Purpose. This policy will govern the use of swaps in connection with the U. T. System’s management of its debt programs, including the Permanent University Fund and Revenue Financing System debt programs. By using swaps in a prudent manner, the U. T. System can increase the U. T. System’s financial flexibility, provide opportunities for interest rate savings, allow the U. T. System to actively manage asset and liability interest rate risk, take advantage of market opportunities to lower the overall cost of debt, balance interest rate risk, or hedge other exposures. The use of swaps must be tied directly to U. T. System debt instruments. The U. T. System shall not enter into swaps for speculative purposes.

Sec. 3 Legality/Approval. Prior to entering into a swap, the U. T. System must receive approval from the Board of Regents (which may include a delegation of authority to an Authorized Representative to enter into one or more swaps) and any required approvals from the Texas Attorney General and the Texas Bond Review Board. The U. T. System will also secure an opinion acceptable to the Authorized Representative from legal counsel that the swap is a legal, valid, and binding obligation of the U. T. System and that entering into the swap complies with applicable State and federal laws.

Sec. 4 Form of Agreements. Each interest rate swap shall contain terms and conditions as set forth in the International Swaps and Derivatives Association, Inc. (ISDA) Master Agreement, as amended, and such other terms and conditions including schedules, credit support annexes, and confirmations as deemed necessary by an Authorized Representative.

Sec. 5 Methods of Procuring Swaps. Swaps can be procured via competitive bids or on a negotiated basis with counterparties or its credit support providers having credit ratings of 'A' or 'A2' or better from Standard & Poor's or Moody's, respectively.

5.1 Competitive. The competitive bid should include a minimum of three firms. An Authorized Representative may allow a firm or firms not submitting the bid that produces the lowest cost to match the lowest bid and be awarded a specified percentage of the notional amount of the swap.

5.2 Negotiated. An Authorized Representative may procure swaps by negotiated methods in the following situations:

(a) A determination is made by an Authorized Representative that due to the complexity of a particular swap, a negotiated bid would result in the most favorable pricing;

(b) A determination is made by an Authorized Representative that, in light of the facts and circumstances, a negotiated bid will promote the U. T. System's interests by encouraging and rewarding innovation; or

(c) A determination is made by an Authorized Representative that a competitive bid would likely create market pricing effects that would be detrimental to the interests of the U. T. System.

Sec. 6 Counterparty Risk. Counterparty risk is the risk of a failure by one of the U. T. System's swap counterparties to perform as required under a swap. To mitigate this risk, the U. T. System will 1) diversify its exposure among highly rated swap counterparties satisfying the rating criteria set forth in Section 5 above; 2) require collateralization as set forth below; and 3) include an optional termination event if the counterparty (or its credit support provider, if applicable) is downgraded below a second (lower) threshold.

6.1 Value Owed by Counterparty. To limit and diversify the U. T. System's counterparty risk and to monitor credit exposure to each counterparty, the U. T. System may not enter into a swap with an otherwise qualified counterparty unless the cumulative mark-to-market value owed by the counterparty (and its credit support provider, if applicable) to the U. T. System shall be less than or equal to the applicable threshold amount set forth in Section 6.3 below.

6.2 Calculation of Value Owed. The value owed shall be the sum of all mark-to-market values between the subject counterparty and the U. T. System regardless of the type of swap, net of collateral posted by the counterparty. Collateral will consist of cash, U.S. Treasury securities, and Federal Agency securities guaranteed unconditionally by the full faith and credit of the U.S. Government. Collateral shall be deposited with a third party trustee acceptable to U. T. System or as mutually agreed upon between U. T. System and each counterparty.

6.3 Threshold Amounts Based on Credit Rating. Specific threshold amounts by counterparty are based on the cumulative mark-to-market value of the swap(s) and the credit rating of the counterparty or its credit support provider. The threshold amounts are as follows:

(a) AAA / Aaa	$30 million
(b) AA+ / Aa1	$25 million
(c) AA / Aa2	$20 million
(d) AA- / Aa3	$15 million
(e) A+ / A1	$10 million
(f) A / A2	$ 5 million

6.4 Downgraded Rating. If the credit rating of a counterparty or its credit support provider is downgraded such that the cumulative mark-to-market value of all swaps between such counterparty and the U. T. System exceeds the maximum permitted by this policy, the counterparty must post collateral or provide other credit enhancement that is satisfactory to the U. T. System and ensures compliance with this policy.

Sec. 7 Termination Risk. The U. T. System shall consider the merits of including a provision that permits optional termination at any time over the term of the swap (elective termination right). In general, exercising the right to optionally terminate a swap should produce a benefit to the U. T. System, either through receipt of a payment from a termination, or if a termination payment is made by the U. T. System, a conversion to a more beneficial debt instrument or credit relationship. It is possible that a termination payment by the U. T. System may be required in the event of termination of a swap due to a counterparty default or following a decrease in credit rating.

Sec. 8 Amortization Risk. The amortization schedules of the debt and associated swap should be closely matched for the duration of the swap. Mismatched amortization schedules can result in a less than satisfactory hedge and create unnecessary risk. In no circumstance may (i) the notional amount of a swap exceed the principal amount of the related debt at any time, or (ii) the term of a swap extend beyond the final maturity date of the related debt instrument, or in the case of a refunding transaction, beyond the final maturity date of the refunding bonds.

Sec. 9 Basis Risk. Basis risk arises as a result of movement in the underlying variable rate indices that may not be in tandem, creating a cost differential that could result in a net cash outflow from the U. T. System. Basis risk can also result from the use of floating, but different, indices. To mitigate basis risk, any index used as part of a swap shall be a recognized market index, including but not limited to the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index or the London Interbank Offered Rate (LIBOR).

Sec. 10 Tax Risk. Tax risk is the risk that tax laws will change, resulting in a change in the marginal tax rates on swaps and their underlying assets. Tax risk is present in all tax-exempt debt issuances. The U. T. System Office of Finance will continually monitor and evaluate tax risk.

Sec. 11 Interest Rate Risk. Interest rate risk is the risk that costs associated with variable rate exposure increase as a result of changes in market interest rates. Additional interest rate risk can be created by entering into certain types of swaps. The U. T. System Office of Finance will incorporate the impact of each swap on the overall debt portfolio.

Sec. 12 Reporting.

12.1 The U. T. System Office of Finance staff will report to the Board within 30 days of completion of any swap transaction.

12.2 The Annual Financial Report prepared by the U. T. System and presented to the Board of Regents will discuss the status of all swaps. The report shall include a list of all swaps with notional value and interest rates, a list of counterparties (and credit support providers, if applicable) and their respective credit ratings, and other key terms.

3. Definitions

Authorized Representative – includes the Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, the Associate Vice Chancellor for Finance, and the Assistant Vice Chancellor for Finance.

Counterparty – a participant in a swap who exchanges payments based on interest rates or other criteria with another counterparty.

Counterparty Long-Term Debt Rating – lowest prevailing rating from Standard & Poor's / Moody's.

Hedge – a transaction entered into to reduce exposure to market fluctuations.

Interest Rate Swap – a swap in which two parties agree to exchange future net cash flows based on predetermined interest rates or indices calculated on an agreed notional amount. An interest rate swap is not a debt instrument and there is no exchange of principal.

ISDA Master Agreement – the International Swaps and Derivatives Association, Inc. (ISDA), is the global trade association for the derivatives industry. The ISDA Master Agreement is the basic governing document that serves as a framework for all interest rate swaps and certain other types of swaps between two counterparties. It is a standard form used throughout the industry. It is typically negotiated once, prior to the first swap transaction, and remains in force for all subsequent swap transactions.

London Interbank Offered Rate (LIBOR) – the rate of interest at which banks borrow funds from other banks in the London interbank market. It is a commonly used benchmark for swaps.

Mark-to-Market – calculation of the value of a financial instrument (like an interest rate swap) based on the current market rates or prices of the underlying indices.

Maximum cumulative mark-to-market – value of swaps owed to the U. T. System by counterparty (net of collateral posted).

Notional Amount – the size of the swap and the dollar amount used to calculate interest payments.

SIFMA Index – the principal benchmark for floating rate payments for tax-exempt issuers [formerly known as the Bond Market Association (BMA) Municipal Swap index]. The index is a national rate based on a market basket of high-grade, seven-day, tax-exempt variable rate bond issues.

4. Relevant Federal and State Statutes

Texas Education Code, Chapter 55 – Financing Permanent Improvements

Texas Education Code, Chapter 65 – Administration of The University of Texas System

Texas Government Code, Chapter 1371 – Obligations for Certain Public Improvements

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Business Affairs

8. Dates Approved or Amended

Editorial amendment to Number 3 made July 24, 2012
Editorial amendments made June 30, 2011
August 23, 2007
December 10, 2004

9. Contact Information

Questions or comments regarding this Rule should be directed to:

- bor@utsystem.edu

7. <u>U. T. System: Approval of an aggregate amount of $164,482,000 of equipment financing for Fiscal Year 2013 and resolution regarding parity debt</u>

The Board

a. approved an aggregate amount of $164,482,000 of Revenue Financing System Equipment Financing for Fiscal Year 2013 as allocated to those University of Texas System institutions set out on Page 68; and

b. resolved 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 cost of equipment including costs incurred 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;

- the U. T. System institutions and U. T. System Administration, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their 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 $164,482,000 for the purchase of equipment; and

- this resolution satisfies the official intent requirements set forth in Section 1.150-2 of Title 26 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

On April 14, 1994, the U. T. System Board of Regents approved the use of Revenue Financing System debt for equipment purchases in accordance with the Guidelines Governing Administration of the Revenue Financing System. Equipment financing is used for the purchase of equipment in lieu of more costly vendor financing. The guidelines specify that the equipment to be financed must have a useful life of at least three years. The debt is amortized twice a year with full amortization not to exceed 10 years.

On August 25, 2011, the U. T. System Board of Regents approved a total of $179,550,000 of equipment financing for Fiscal Year 2012, of which $50,143,000 has been issued as of July 31, 2012.

Further details on the equipment to be financed and debt service coverage ratios for individual institutions may be found on the following page.

APPROVAL OF U. T. SYSTEM EQUIPMENT FINANCING
FY 2013

Institution	$ Amount of Request	Description of Expected Equipment Purchases	DSC*
U. T. Arlington	$1,000,000	IT equipment	3.0x
U. T. Austin	1,500,000	Classroom equipment, athletics equipment, research equipment, and IT equipment	2.4x
U. T. Dallas	12,000,000	PeopleSoft implementation, research equipment, business operations equipment	2.7x
U. T. El Paso	4,882,000	Vehicle replacement, landscape equipment, PeopleSoft implementation	2.1x
U. T. Pan American	2,600,000	Food service equipment	1.4x
U.T. San Antonio	3,800,000	PeopleSoft implementation, athletics equipment	3.0x
U. T. Southwestern Medical Center - Dallas	40,000,000	Information resources equipment, clinical equipment, hospital equipment, non-clinical	2.0x
U. T. Medical Branch - Galveston	30,000,000	Clinical equipment, IT equipment, research-related equipment, facilities-related	2.5x
U. T. Health Science Center - Houston	3,200,000	IT equipment	3.6x
U. T. Health Science Center - San Antonio	7,000,000	Research equipment, clinical equipment, infrastructure equipment	2.1x
U. T. M. D. Anderson Cancer Center	50,000,000	Medical equipment, research equipment, IT equipment, and diagnostic equipment	9.6x
U. T. Health Science Center - Tyler	8,500,000	Clinical equipment	2.7x
Total	$164,482,000		

* Debt Service Coverage ("DSC") based on six-year forecasted Statement of Revenues, Expenses, and Changes in Net Assets ("SRECNA") for FY2013 – FY2018.

U. T. System Office of Finance, June 29, 2012

8. U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended May 31, 2012

The May 31, 2012 University of Texas Investment Management Company (UTIMCO) Performance Summary Report is attached on Page 70. The Investment Reports for the quarter ended May 31, 2012, are set forth on Pages 71 - 74.

Item I on Page 71 reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the quarter was negative 1.69% versus its composite benchmark return of negative 4.47%. The PUF's net asset value decreased during the quarter to $12,843 million. The decrease was due to a negative net investment return of $225 million and distributions to the Available University Fund (AUF) of $117 million. The change in net asset value also includes an increase of $214 million from PUF Lands receipts.

Item II on Page 72 reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the quarter was negative 1.72% versus its composite benchmark return of negative 4.47%. The GEF's net asset value decreased by $145 million during the quarter to $6,884 million.

Item III on Page 73 reports activity for the Intermediate Term Fund (ITF). The ITF's net investment return for the quarter was negative 3.02% versus its composite benchmark return of negative 4.53%. The net asset value decreased during the quarter to $4,745 million due to a negative net investment return of $148 million and distributions of $37 million. The change in net asset value also includes net contributions of $104 million.

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

Item IV on Page 74 presents book and market values of cash, debt, equity, and other securities held in funds outside of internal investment pools. Total cash and equivalents, consisting primarily of institutional operating funds held in the Dreyfus money market fund, increased by $16 million to $2,351 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: $72 million versus $75 million at the beginning of the period; equities: $48 million versus $51 million at the beginning of the period; and other investments: $1 million versus $1 million at the beginning of the period.

UTIMCO Performance Summary

May 31, 2012

	Net Asset Value 5/31/2012 (in Millions)	Periods Ended May 31, 2012 (Returns for Periods Longer Than One Year are Annualized)							
		Short Term		Year to Date		Historic Returns			
ENDOWMENT FUNDS		1 Mo	3 Mos	Fiscal	Calendar	1 Yr	3 Yrs	5 Yrs	10 Yrs
Permanent University Fund	$ 12,843	(2.25%)	(1.69%)	(0.48%)	3.35%	(3.17%)	11.27%	1.67%	6.93%
General Endowment Fund		(2.28)	(1.72)	(0.51)	3.34	(3.17)	11.29	1.71	7.03
Permanent Health Fund	953	(2.27)	(1.75)	(0.59)	3.32	(3.26)	11.20	1.64	6.94
Long Term Fund	5,931	(2.27)	(1.75)	(0.59)	3.32	(3.25)	11.20	1.65	6.95
Separately Invested Funds	140	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Endowment Funds	19,867								
OPERATING FUNDS									
Intermediate Term Fund	4,745	(3.12)	(3.02)	(1.41)	1.91	(3.63)	9.35	2.32	N/A
Debt Proceeds Fund	808	0.02	0.05	0.11	0.07	0.15	N/A	N/A	N/A
Short Term Fund	1,524	0.02	0.05	0.11	0.07	0.14	0.22	1.40	2.09
Total Operating Funds	7,077								
Total Investments	$ 26,944								
VALUE ADDED (Percent)									
Permanent University Fund		1.91%	2.78%	1.15%	2.76%	1.94%	3.40%	2.54%	2.11%
General Endowment Fund		1.88	2.75	1.12	2.75	1.94	3.42	2.58	2.21
Intermediate Term Fund		0.78	1.51	1.45	1.52	2.00	2.90	2.65	N/A
Debt Proceeds Fund		0.01	0.02	0.08	0.04	0.10	N/A	N/A	N/A
Short Term Fund		0.01	0.02	0.08	0.04	0.09	0.10	0.34	0.21
VALUE ADDED (1) ($ IN MILLIONS)									
Permanent University Fund		$ 251	$ 362	$ 152	$ 342	$ 259	$ 1,113	$ 1,499	$ 2,313
General Endowment Fund		134	195	78	185	140	625	850	1,320
Intermediate Term Fund		38	74	70	71	98	357	551	N/A
Total Value Added		$ 423	$ 631	$ 300	$ 598	$ 497	$ 2,095	$ 2,900	$ 3,633

Footnotes available upon request

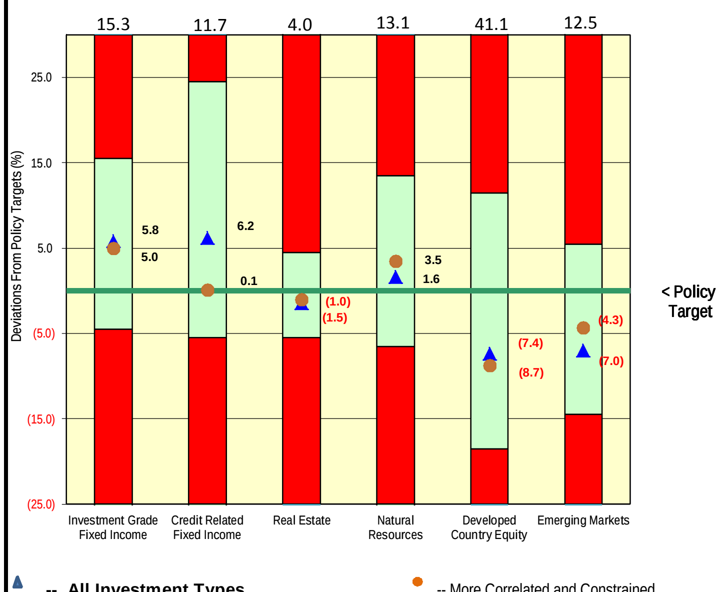
I. PERMANENT UNIVERSITY FUND
Investment Reports for Periods Ended May 31, 2012
Prepared in accordance with *Texas Education Code* Sec. 51.0032

Summary of Capital Flows

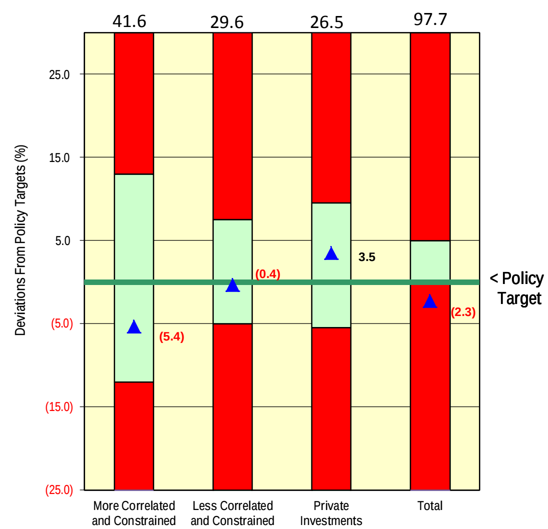
($ millions)	Fiscal Year Ended August 31, 2011	Quarter Ended May 31, 2012	Fiscal Year to Date May 31, 2012
Beginning Net Assets	$ 10,725	$ 12,971	$ 12,688
PUF Lands Receipts	896	214	803
Investment Return (Net of Expenses)	1,573	(225)	(72)
Distributions to AUF	(506)	(117)	(576)
Ending Net Assets	$ 12,688	$ 12,843	$ 12,843

	Fiscal Year to Date				
	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:					
Investment Grade	-1.38%	-1.09%	0.06%	-0.04%	0.02%
Credit-Related	5.11%	4.93%	0.00%	0.00%	0.00%
Real Estate	-1.84%	1.22%	-0.01%	-0.08%	-0.09%
Natural Resources	-16.40%	-17.69%	-0.79%	0.10%	-0.69%
Developed Country	-0.28%	-0.94%	-0.12%	0.01%	-0.11%
Emerging Markets	-8.92%	-10.74%	0.20%	0.13%	0.33%
Total More Correlated and Constrained	**-6.23%**	**-5.50%**	**-0.66%**	**0.12%**	**-0.54%**
Less Correlated and Constrained	**3.61%**	**-1.64%**	**0.18%**	**1.35%**	**1.53%**
Private Investments	**5.42%**	**5.03%**	**-0.17%**	**0.33%**	**0.16%**
Total	**-0.48%**	**-1.63%**	**-0.65%**	**1.80%**	**1.15%**

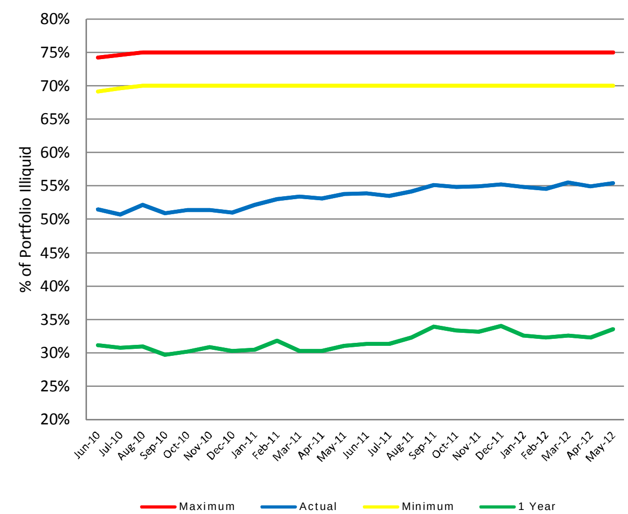
Deviations From Asset Class Policy Targets Within Tactical Policy Ranges for PUF



Deviations From Investment Type Policy Targets Within Tactical Policy Ranges for PUF



Permanent University Fund
Actual Illiquidity vs. Trigger Zones



II. GENERAL ENDOWMENT FUND

Investment Reports for Periods Ended May 31, 2012

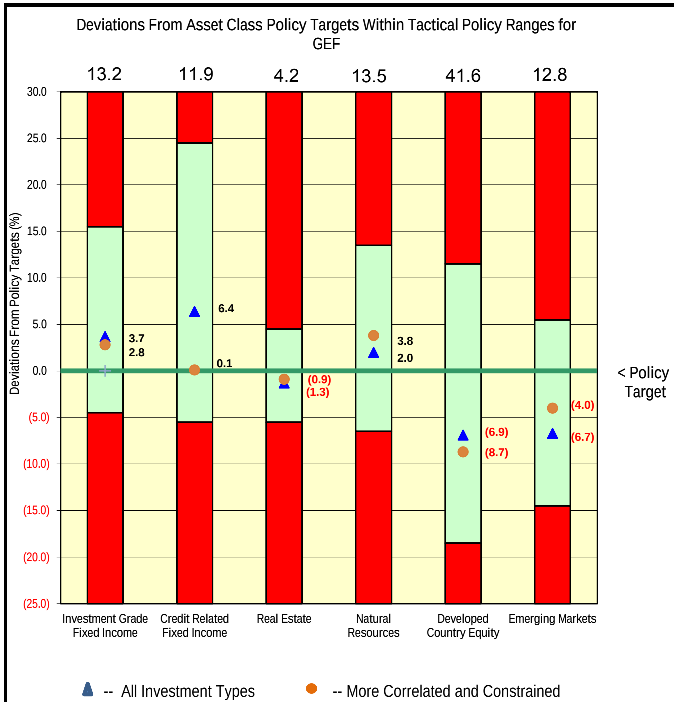
Prepared in accordance with *Texas Education Code* Sec. 51.0032

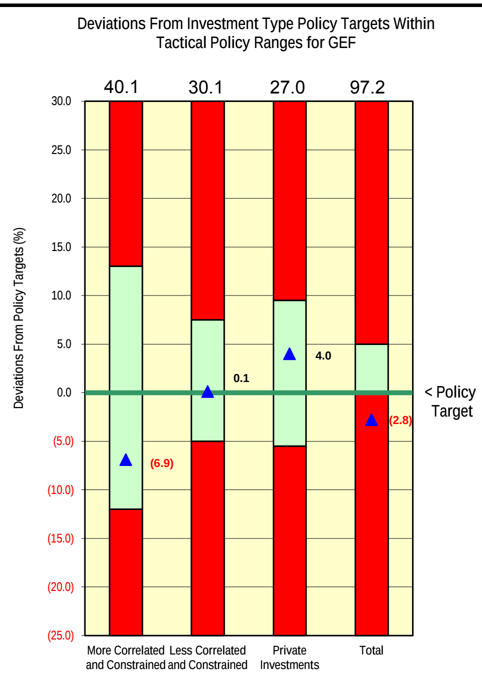
Summary of Capital Flows

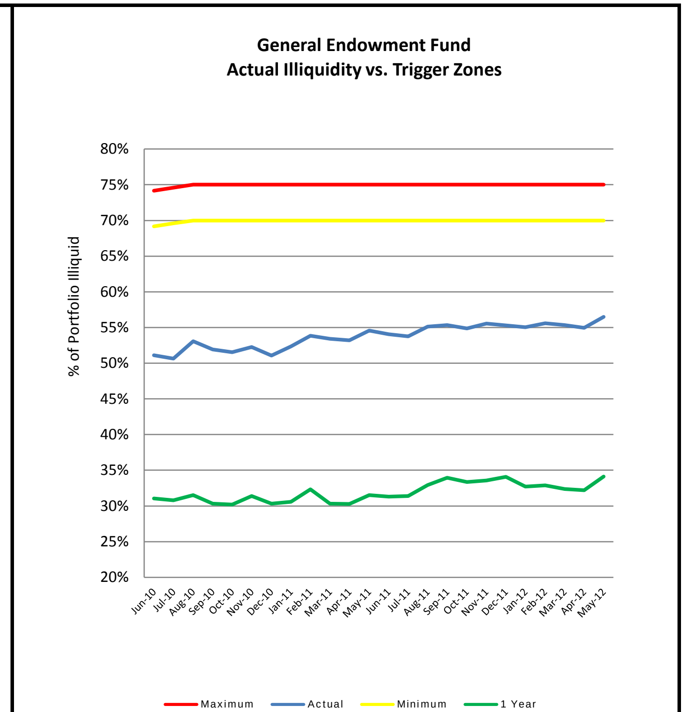
($ millions)	Fiscal Year Ended August 31, 2011	Quarter Ended May 31, 2012	Fiscal Year to Date May 31, 2012
Beginning Net Assets	$ 6,035	$ 7,029	$ 7,049
Contributions	432	64	134
Withdrawals	(12)	(1)	(5)
Distributions	(327)	(86)	(257)
Investment Return (Net of Expenses)	921	(122)	(37)
Ending Net Assets	$ 7,049	$ 6,884	$ 6,884

Fiscal Year to Date

	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:					
Investment Grade	-1.15%	-1.09%	0.07%	-0.03%	0.04%
Credit-Related	5.11%	4.93%	0.00%	0.00%	0.00%
Real Estate	-1.83%	1.22%	0.00%	-0.09%	-0.09%
Natural Resources	-16.43%	-17.69%	-0.82%	0.06%	-0.76%
Developed Country	-0.13%	-0.94%	-0.11%	0.07%	-0.04%
Emerging Markets	-8.92%	-10.74%	0.18%	0.14%	0.32%
Total More Correlated and Constrained	**-6.32%**	**-5.50%**	**-0.68%**	**0.15%**	**-0.53%**
Less Correlated and Constrained	**3.61%**	**-1.64%**	**0.17%**	**1.34%**	**1.51%**
Private Investments	**5.42%**	**5.03%**	**-0.17%**	**0.31%**	**0.14%**
Total	**-0.51%**	**-1.63%**	**-0.68%**	**1.80%**	**1.12%**





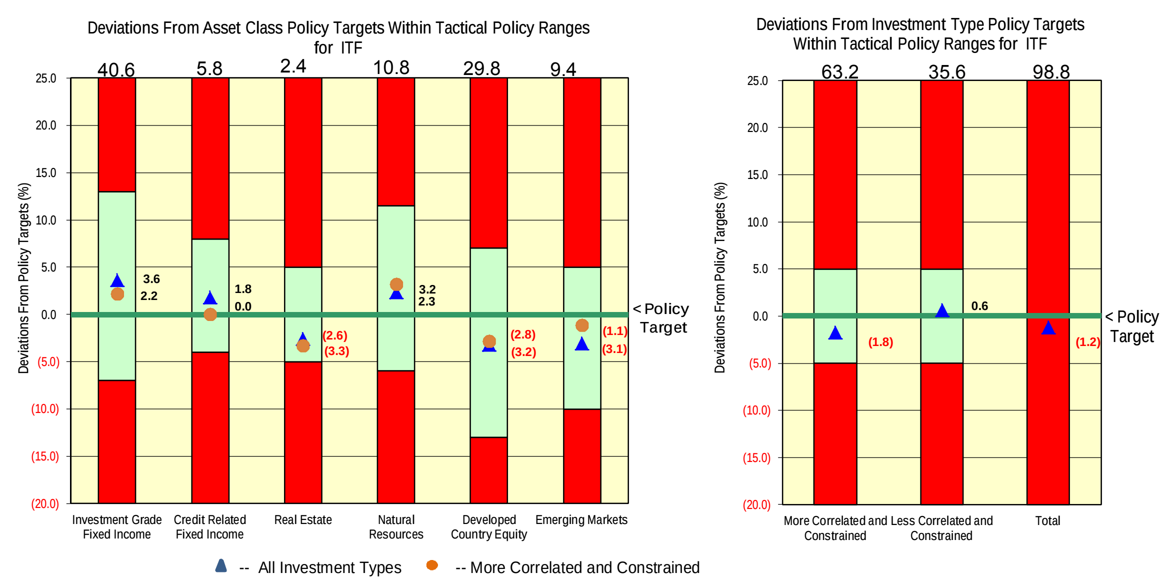


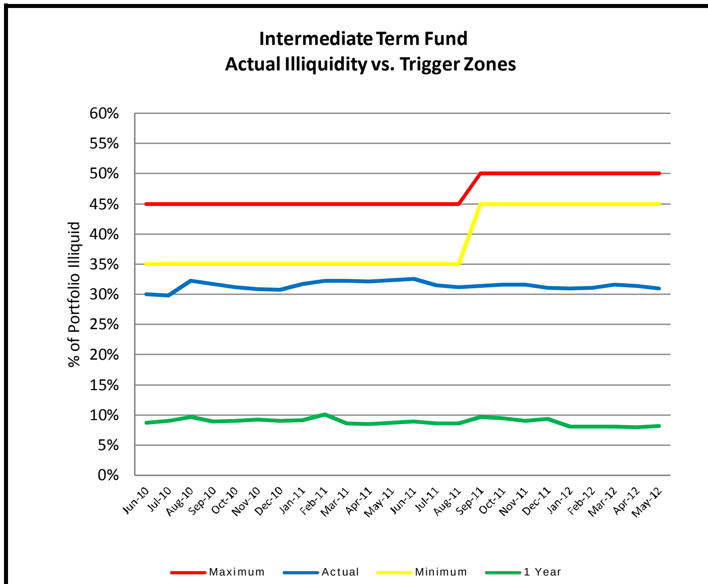
III. INTERMEDIATE TERM FUND
Investment Reports for Periods Ended May 31, 2012
Prepared in accordance with *Texas Education Code* Sec. 51.0032

Summary of Capital Flows

($ millions)	Fiscal Year Ended August 31, 2011	Quarter Ended May 31, 2012	Fiscal Year to Date May 31, 2012
Beginning Net Assets	$ 4,156	$ 4,826	$ 4,662
Contributions	328	130	396
Withdrawals	(168)	(26)	(138)
Distributions	(139)	(37)	(106)
Investment Return (Net of Expenses)	485	(148)	(69)
Ending Net Assets	$ 4,662	$ 4,745	$ 4,745

	Fiscal Year to Date				
	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:					
Investment Grade	0.77%	-1.09%	0.03%	0.62%	0.65%
Credit-Related	0.00%	4.93%	0.00%	0.00%	0.00%
Real Estate	-3.31%	1.22%	-0.02%	-0.25%	-0.27%
Natural Resources	-16.99%	-17.69%	-0.75%	0.07%	-0.68%
Developed Country	-0.35%	-0.94%	-0.06%	0.02%	-0.04%
Emerging Markets	-9.18%	-10.74%	-0.01%	0.08%	0.07%
Total More Correlated and Constrained	**-3.99%**	**-3.59%**	**-0.81%**	**0.54%**	**-0.27%**
Less Correlated and Constrained	**3.60%**	**-1.64%**	**0.16%**	**1.56%**	**1.72%**
Private Investments	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Total	**-1.41%**	**-2.86%**	**-0.65%**	**2.10%**	**1.45%**





IV. SEPARATELY INVESTED ASSETS

Summary Investment Report at May 31, 2012

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

($ thousands)

	FUND TYPE															
	CURRENT PURPOSE				ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		TOTAL EXCLUDING OPERATING FUNDS		OPERATING FUNDS (DEBT PROCEEDS AND (SHORT TERM FUND)		TOTAL	
	DESIGNATED		RESTRICTED													
ASSET TYPES																
Cash & Equivalents:	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET
Beginning value 02/29/12	-	-	2,188	2,188	65,697	65,697	948	948	4,326	4,326	73,159	73,159	2,261,536	2,261,536	2,334,695	2,334,695
Increase/(Decrease)	-	-	64	64	(4,940)	(4,940)	1,516	1,516	(1,247)	(1,247)	(4,607)	(4,607)	20,799	20,799	16,192	16,192
Ending value 05/31/12	-	-	2,252	2,252	60,757	60,757	2,464	2,464	3,079	3,079	68,552	68,552	2,282,335	2,282,335	2,350,887	2,350,887
Debt Securities:																
Beginning value 02/29/12	-	-	101	101	11,731	12,859	11,744	12,408	-	-	23,576	25,368	49,841	49,607	73,417	74,975
Increase/(Decrease)	-	-	(56)	(56)	(63)	(38)	(3,134)	(3,229)	-	-	(3,253)	(3,323)	-	(100)	(3,253)	(3,423)
Ending value 05/31/12	-	-	45	45	11,668	12,821	8,610	9,179	-	-	20,323	22,045	49,841	49,507	70,164	71,552
Equity Securities:																
Beginning value 02/29/12	460	2,942	1,506	1,457	30,127	34,093	12,823	12,716	-	-	44,916	51,208	-	-	44,916	51,208
Increase/(Decrease)	-	144	(1,309)	(1,265)	(330)	(2,014)	811	403	-	-	(828)	(2,732)	-	-	(828)	(2,732)
Ending value 05/31/12	460	3,086	197	192	29,797	32,079	13,634	13,119	-	-	44,088	48,476	-	-	44,088	48,476
Other:																
Beginning value 02/29/12	-	-	155	155	12	12	438	142	407	407	1,012	716	-	-	1,012	716
Increase/(Decrease)	-	-	107	107	(3)	(3)	13	2	(207)	(207)	(90)	(101)	-	-	(90)	(101)
Ending value 05/31/12	-	-	262	262	9	9	451	144	200	200	922	615	-	-	922	615
Total Assets:																
Beginning value 02/29/12	460	2,942	3,950	3,901	107,567	112,661	25,953	26,214	4,733	4,733	142,663	150,451	2,311,377	2,311,143	2,454,040	2,461,594
Increase/(Decrease)	-	144	(1,194)	(1,150)	(5,336)	(6,995)	(794)	(1,308)	(1,454)	(1,454)	(8,778)	(10,763)	20,799	20,699	12,021	9,936
Ending value 05/31/12	460	3,086	2,756	2,751	102,231	105,666	25,159	24,906	3,279	3,279	133,885	139,688	2,332,176	2,331,842	2,466,061	2,471,530

Details of individual assets by account furnished upon request.

9. <u>U. T. System Board of Regents: Approval of amendments to the Investment Policy Statements for the Permanent University Fund, the General Endowment Fund, the Permanent Health Fund, the Long Term Fund, the Intermediate Term Fund, the Short Term Fund, the Separately Invested Funds, the Derivative Investment Policy, and the Liquidity Policy</u>

Upon recommendation of the Board of Directors of The University of Texas Investment Management Company (UTIMCO), the Board approved amendments to the Investment Policy Statements for the Permanent University Fund (PUF), the General Endowment Fund (GEF), the Permanent Health Fund (PHF), the Long Term Fund (LTF), the Intermediate Term Fund (ITF), the Short Term Fund (STF), the Separately Invested Funds (SIF), including asset allocation, and the Derivative Investment Policy and the Liquidity Policy.

Amendments as approved are summarized below. The revised policies are not included in these Minutes; amendments were shown in congressional style in the Agenda Book.

The Master Investment Management Services Agreement (IMSA) between the U. T. System Board of Regents and UTIMCO requires that UTIMCO review the current Investment Policies for each Fund at least annually. The review includes distribution (spending) guidelines; long-term investment return expectations and expected risk levels; Asset Class and Investment Type allocation targets and ranges for each eligible Asset Class and Investment Type; expected returns for each Asset Class, Investment Type, and Fund; designated performance benchmarks for each Asset Class and/or Investment Type; and such other matters as the U. T. System Board of Regents or its staff designees may request. The UTIMCO Board approved these amendments to the Investment Policy Statements, the Derivative Investment Policy, and the Liquidity Policy on July 11, 2012.

Exhibit A in the PUF, GEF, and ITF Investment Policy Statements and Exhibit B in the PHF and LTF Investment Policy Statements have been amended to set forth the revised Policy Portfolio Asset Class and Investment Type targets and ranges for FY 2013. In addition, the one year downside deviation has been adjusted to reflect the revised Asset Class and Investment Type targets for FY 2013. Finally, the Expected Annual Return (Benchmark) target for FY 2013 has been updated for the PUF, GEF, ITF, PHF, and LTF.

Other significant amendments to the PUF, GEF, and ITF Investment Policy Statements were as follows:

a. changed Asset Class definitions to clarify Investment Grade Fixed Income and Credit-Related Fixed Income;

b. changed Investment Guidelines, General to include references to the Delegation of Authority Policy and the Derivative Investment Policy with respect to when the use of internal investment strategies or programs employing short sales is authorized; and

c. changed Investment Guidelines, General to add the authorization for the use and amount of aggregate prorated annual premium (75 basis points for PUF and GEF, 50 basis points for ITF) of Derivative Investments utilized to reduce long exposure to an Asset Class or hedge against risk.

Amendments made to the STF Investment Policy Statement expand the items included under Investment Guidelines for Cash and Cash Equivalents.

Amendments made to the SIF Investment Policy Statement changed Asset Class definitions to clarify Investment Grade Fixed Income and Credit-Related Fixed Income.

Amendments to the Derivative Investment Policy were as follows:

a. clarified definition of foreign currency contracts that are excluded from the definition of Derivative Investments;

b. for Counterparty Risks, added exception to exclude foreign currency contracts that mature within 91 days of initial settlement from the requirement to be subject to an established ISDA Netting Agreement consistent with market practice, provided that the contracts are traded with a counterparty that has been preapproved by UTIMCO staff;

c. amended Exhibit B, Delegated Derivative Investment Point #3 - changed to reference aggregated prorated annual premium budget for Derivative Investments utilized to reduce long exposure to an Asset Class or hedge against global interest rate shocks and risk in Investment Policy Statements; and

d. amended Exhibit B, Delegated Derivative Investment Point #5 - added language to allow for use of individual stock(s) swaps within the portfolio provided the portfolio would not be net short the individual stock(s).

Amendments to the Liquidity Policy expand the items included under the Definition of Cash and reword the definition of Liquid and Illiquid under the Liquidity Risk Measurement.

10. U. T. System Board of Regents: Approval of revisions to the amended and restated University of Texas Investment Management Company (UTIMCO) Compensation Program

Upon recommendation of The University of Texas Investment Management Company Board of Directors (UTIMCO Board), the Board (U. T. Board) approved the amended and restated UTIMCO Compensation Program (Plan) effective September 1, 2012, as set forth on Pages 80 - 122.

The Plan was approved by the UTIMCO Board on July 11, 2012, and amends and restates the UTIMCO Compensation Program that was approved by the U. T. Board on August 20, 2009, and amended on November 11, 2010 (Prior Plan). The Plan is to be effective for the Plan Year beginning September 1, 2012.

The Prior Plan consists of two elements: base salary and an annual incentive plan. The UTIMCO Board has the discretion to interpret the Compensation Program and may from time to time adopt such rules and regulations that it may deem necessary to carry out the Compensation Program and may also amend the Compensation Program.

The changes were as follows:

a. Section 5.2 was changed to reflect a new Performance Period. The Performance Period will begin on September 1 and end August 31, consistent with the fiscal year of the Investment Funds, replacing the current Performance Period of July 1 through June 30.

b. Section 5.5(d) was changed to make the use of an external investment consultant to evaluate the performance of Entity and Asset Class/Investment Type permissive rather than mandatory.

c. Section 5.5(f) was changed to require the Compensation Committee to review and make its recommendations regarding the payment of Performance Incentive Awards within 120 days following the end of the Performance Period rather than 150 days to coincide with the change in Performance Period beginning and ending dates.

d. Section 5.5(f) was also changed to clarify the party responsible for calculations of the third party review of Performance Incentive Awards by adding "and after review by the external auditor," and deleting "based on the certification of its advisors" language.

e. Section 5.6(a) was changed to require payment of Performance Incentive Awards within 120 days following the end of the Performance Period rather than 150 days to coincide with the change in Performance Period beginning and ending dates.

f. Section 5.8(a)(1) was amended to change the weights of the performance of the Total Endowment Assets (TEA) from 85% to 80% and the Intermediate Term Fund (ITF) from 15% to 20%.

g. Section 5.9(e) was added to authorize the UTIMCO Board to adjust Performance Incentive Awards for the first three Performance Periods beginning September 1, 2012, if the change in Performance Period unduly benefits or harms a Plan Participant.

h. Section 5.11 was added to incorporate new terminology in the Plan related to Eligibility for Retirement. A Plan Participant will be eligible to retire and will immediately be vested in all Performance Incentive Awards on the last day of the month in which the sum of the Participant's age and years of service with UTIMCO, including months of age and months of service credit, equals or exceeds the number 75. A Plan Participant who becomes eligible for retirement may voluntarily defer all or a portion of his or her Performance Incentive Award that otherwise would have been deferred had the Participant not been eligible for retirement. Any amount voluntarily deferred will be subject to a three-year payout.

i. Section 5.12 was renumbered as 5.13, and Sections 5.13(a) and (b) were changed to add language to exclude retirement eligible Participants from the deferrals of Performance Incentive Awards required when certain Extraordinary Circumstances occur.

j. Section 8.10 was changed to add Eligible for Retirement as a defined term.

k. Former Sections 8.10 to 8.34 were renumbered as Sections 8.11 to 8.35.

l. Section 8.24 was renumbered as 8.25. The definition of Peer Group was changed to eliminate the requirement that Peer Group be maintained by the UTIMCO Board's external investment advisor.

m. Appendix A, Performance Incentive Award Methodology, was updated to reflect actual CEO Performance Incentive Award opportunities based on a new assumed base salary and new percentages for determining the award.

n. Table 1, Appendix C, was updated related to two Eligible Positions in the Operations/Support Professionals section. The Managing Director title has been changed to Chief Technology Officer and a Deal Attorney Eligible Position has been added. Also, the maximum percent of salary for incentive award opportunities was changed for several eligible positions.

o. Table 2, Appendix D, was added for the Performance Period beginning September 1, 2012. In the Policy Portfolio Weights, Total Endowment Assets column, percent of Portfolio has been changed for Natural Resources, Developed Country Equity, Private Investments (excludes Real Estate), and Private Investments Real Estate. This change corresponds with the amendments to Exhibit A of the Permanent University Fund and the General Endowment Fund Investment Policy Statements.

p. Table 3, Appendix E, was been updated to change the Eligible Position, Operations/Support Professionals, Managing Director title to Chief Technology Officer and a Deal Attorney eligible position has been added.

q. Other miscellaneous nonsubstantive and editorial changes were made.

UTIMCO
COMPENSATION PROGRAM

Amended and Restated
Effective September 1, 2012

TABLE OF CONTENTS

1. COMPENSATION PROGRAM STRUCTURE AND EFFECTIVE DATE

The UTIMCO Compensation Program ("Compensation Program" or "Plan") consists of two elements**:** base salary and an annual incentive plan (the "Performance Incentive Plan"):

Base Salary	+	Performance Incentive	=	Total Compensation

The base salary portion of the Compensation Program sets forth a structure and guidelines for establishing and adjusting the salaries of key investment and operations staff employees. The Performance Incentive Plan portion of the Compensation Program sets forth the criteria for calculating and receiving annual incentive awards for key investment and operations staff who are eligible Participants in the Performance Incentive Plan. Provisions of the Compensation Program relating solely to the base salary portion of the Compensation Program are described in Section 4. Provisions of the Compensation Program relating solely to the Performance Incentive Plan portion of the Compensation Program are described in Section 5. Sections 1, 2, 3, 6, 7, and 8 of the Compensation Program relate to both the base salary portion and the Performance Incentive Plan portion except where otherwise specified in any such Section.

Effective Date: Except as provided in Section 7.9, this document, with an "Effective Date" of September 1, 2012, supersedes the UTIMCO Compensation Program that was effective July 1, 2009.

2. COMPENSATION PROGRAM OBJECTIVES

UTIMCO's Compensation Program serves a number of objectives:

- To attract and retain key investment and operations staff of outstanding competence and ability.
- To encourage key investment staff to develop a strong commitment to the performance of the assets for which UTIMCO has been delegated investment responsibility.
- To motivate key investment staff to focus on maximizing real, long-term returns for all funds managed by UTIMCO while assuming appropriate levels of risk.
- To facilitate teamwork so that members of UTIMCO operate as a cohesive group.

3. TOTAL COMPENSATION PROGRAM PHILOSOPHY[1]

UTIMCO aspires to attract and retain high caliber employees from nationally recognized peer institutions and the investment management community in general. UTIMCO strives to provide a total compensation program that is competitive nationally, with the elements of compensation evaluated relative to comparably sized university endowments, foundations, and for-profit investment management firms with a similar investment philosophy (e.g., externally managed funds).

UTIMCO's total Compensation Program is positioned against the competitive market as follows:

- Base salaries are targeted at the market median (e.g., 50th percentile).
- Target total compensation (salary plus target Incentive Award Opportunity) is positioned at the market median.
- Maximum total compensation (salary plus maximum Incentive Award Opportunity) is targeted at the market 75th percentile if individual performance is outstanding; provided that if individual performance is outstanding during a Performance Period when endowment investment performance at the end of such Performance Period exceeds 20%, maximum total compensation (salary plus maximum Incentive Award Opportunity modified when Net Returns on Total Endowment Assets exceed 20%) for Affected Participants is targeted at the 90^{th} percentile. (For this purpose, 0 is the lowest point and 100 is the highest.)

Although base salaries, as well as target and maximum total compensation, have a targeted positioning relative to market, an individual employee's actual total compensation may vary from the targeted positioning based on the individual's experience, education, knowledge, skills, and performance as well as UTIMCO's investment performance as described in this document. Except as provided in Sections 5.8 and 5.9 for purposes of determining the length of historical performance, base salaries and Incentive Award Opportunities (as well as the actual Performance Incentive Awards) are not determined based on seniority at UTIMCO.

4. BASE SALARY ADMINISTRATION

4.1. Salary Structure

(a) Base salaries are administered through a Salary Structure as set forth in this Section 4.1. Each employment position has its own salary range, with the midpoint set approximately equal to the market median base salary for employment positions with similar job content and level of responsibility.

[1] This explanation of UTIMCO's "Total Compensation Program Philosophy" is not intended to modify any of the substantive provisions of this document.

(b) The salary range midpoints will be determined by the Compensation Committee based on consultation with an outside compensation consultant and with UTIMCO management. Salary range midpoints for key management, investment, and operations positions will be updated at least every three years based on a salary benchmarking study conducted by a qualified compensation consultant selected by the Compensation Committee. In years in which the Compensation Committee does not commission a formal salary survey, the base salary midpoints may be adjusted at the Compensation Committee's discretion based on expected annual salary structure adjustments as reported in one or more published compensation planning surveys.

4.2. Salary Adjustments

(a) The base salary of the CEO is determined by the Board. The base salary of the Chief Compliance Officer ("CCO") will be determined by the Compensation Committee based on the joint recommendation of the Audit and Ethics Committee and the CEO and the base salaries of the other key investment and operations employees are determined by the Compensation Committee**.** Base salaries will be set within the salary range for each employment position. An individual's base salary within the range may be higher or lower than the salary range midpoint based on his or her level of experience, education, knowledge, skills, and performance. On an exception basis, the Board may set individual base salaries outside of the salary range if an individual either substantially exceeds or does not meet all of the market criteria for a particular position.

(b) Individuals may receive an annual adjustment (increase or decrease) of their base salaries at the discretion of the Compensation Committee or, in the case of the CEO, at the discretion of the Board. Base salary adjustments, if any, will be determined based on each individual employee's experience, education, knowledge, skills, and performance; provided that, in the case of the CCO, any such adjustment shall be based on the joint recommendation of the Audit and Ethics Committee and the CEO. Employees are not guaranteed an annual salary increase.

5. PERFORMANCE INCENTIVE PLAN

5.1. Purpose of the Performance Incentive Plan

The purpose of the Performance Incentive Plan is to provide annual Performance Incentive Awards to eligible Participants based on specific objective criteria relative to UTIMCO's and each Participant's performance. The primary objectives of the Performance Incentive Plan are outlined in Section 2.

5.2. Performance Period

(a) For purposes of the Performance Incentive Plan, the "Performance Period" begins on September 1 of each year and ends the following August 31.

(b) Except as otherwise provided under Sections 5.8 and 5.9, performance for each year in the historical performance period will be measured between September 1 and the following August 31 of the applicable year for gauging achievement of the Entity and Asset Class/Investment Type Performance Goals.

5.3. *Eligibility and Participation*

(a) Each employee of UTIMCO will be a "Participant" in the Performance Incentive Plan for a Performance Period if (and only if) he or she is both (i) employed by UTIMCO in an employment position that is designated as an "Eligible Position" for that Performance Period and (ii) selected by the Board as eligible to participate in the Performance Incentive Plan for that Performance Period. "Eligible Positions" for a Performance Period include senior management, investment staff, and other key positions as designated by the CEO and approved by the Board as Eligible Positions for that Performance Period. An employment position that is an Eligible Position in one Performance Period is not automatically an Eligible Position in any subsequent Performance Period, and each Eligible Position must be confirmed or re-confirmed by the Board as being an "Eligible Position" for the applicable Performance Period. Similarly, an employee who is eligible to participate in the Performance Incentive Plan in one Performance Period is not automatically eligible to participate in any subsequent Performance Period (notwithstanding that such employee may be employed in an Eligible Position in that subsequent Performance Period), and each employee must be designated or re-designated by the Board as being eligible to participate in the Performance Incentive Plan for the applicable Performance Period. The Board will confirm the Eligible Positions and designate the eligible employees who will become Participants for a Performance Period within the first 90 days of the Performance Period or, if later, as soon as administratively feasible after the start of the Performance Period. The Board in its discretion may also designate the employment position of a newly hired or promoted employee as an "Eligible Position" and may designate such newly hired or promoted employee as eligible to participate in the Performance Incentive Plan for a Performance Period (or remainder of a Performance Period) within 30 days of such hire or promotion or, if later, as soon as administratively feasible after such hire or promotion**.** A list of Eligible Positions for each Performance Period is set forth in Table 1, which is attached as Appendix C. Table 1 will be revised each Performance Period when necessary to set forth the Eligible Positions for that Performance Period as soon as administratively practicable after confirmation of such Eligible Positions by the Board for such Performance Period, and such revised Table 1 will be attached as Appendix C.

(b) An employee in an Eligible Position who has been selected by the Board to participate in the Performance Incentive Plan will become a Participant on the later of (i) the date he or she is employed in an Eligible Position or (ii) the date he or she is selected by the Board to participate in the Performance Incentive Plan; provided, however, that the Board in its discretion may designate any earlier or later date (but not earlier than such employee's date of hire and not later than such employee's date of Termination of employment) upon which such employee will become a Participant, and such employee will instead become a Participant on such earlier or later date. The preceding notwithstanding, except as provided below, an employee may not commence participation in the Performance Incentive Plan and first become a Participant during the last six months of any Performance Period; provided however, that the Board may select an employee to participate in the Performance Incentive Plan during the last six months of the Performance Period when compelling individual circumstances justify a shorter period of time and such circumstances are recorded in the minutes of a meeting of the Board in which event participation of the employee in the Performance Incentive Plan will begin on the participation date selected by the Board for the employee but not earlier than the employee's date of hire (assuming such employee is employed by UTIMCO in an Eligible Position on such date).

(c) An employee will cease to be a Participant in the Performance Incentive Plan on the earliest to occur of: (i) the date such employee is no longer employed in an Eligible Position; (ii) the date of Termination of such employee's employment with UTIMCO for any reason (including Voluntary Termination and Involuntary Termination, death, and Disability); (iii) the date of termination of the Performance Incentive Plan; (iv) the date such employee commences a leave of absence; (v) the date such employee begins participation in any other UTIMCO incentive program; (vi) the date the Board designates that such employee's employment position is not an Eligible Position (or fails to designate the employee's employment position as an Eligible Position with respect to a Performance Period); or (vii) any date designated by the Board as the date on which such employee is no longer a Participant.

(d) Except as provided in Sections 5.10(b) and (c), only individuals who are Participants on the last day of a Performance Period are eligible to receive Performance Incentive Awards under the Performance Incentive Plan for that Performance Period.

5.4. Performance Goals

(a) Within the first 60 days of each Performance Period, except as provided below, the CEO will recommend goals ("Performance Goals") for each Participant (other than the Performance Goals for the CEO, which are determined as provided in Section 5.4(c), and the Performance Goals for employees who are hired or promoted later during a Performance Period) subject to approval by the Compensation Committee within the first 90 days of the Performance Period. The CEO will also recommend Performance Goals for employees who are hired or promoted during the Performance Period and become Participants at the time those employees are designated as Participants (with such Performance Goals subject to confirmation by the Compensation Committee as soon as administratively feasible after such Performance Goals are recommended). If the position of the CCO is determined to be an Eligible Position and the employee in the Eligible Position has been designated by the Compensation Committee as a Participant in the Performance Incentive Plan for the Performance Period, the Performance Goals of the employee holding the position of CCO will be determined jointly by the Audit and Ethics Committee and the CEO. References to the CCO hereafter assume that the position of CCO has been determined to be an Eligible Position and the employee holding the position of CCO has been determined to be a Participant in the Performance Incentive Plan for the Performance Period. If the position of CCO has not been determined to be an Eligible Position for the Performance Period the provisions hereafter specific to the CCO have no force and effect.

(b) There are three categories of Performance Goals:

(1) Entity Performance (measured as described in Section 5.8(a))

(2) Asset Class/Investment Type Performance (measured as described in Section 5.8(b))

(3) Qualitative Performance (measured as described in Section 5.8(c))

Except for the CEO and CCO, Qualitative Performance Goals will be defined jointly by each Participant and his or her supervisor, subject to approval by the CEO and subject to final approval by the Compensation Committee. Qualitative Performance Goals for the CCO will be defined jointly by the Audit and Ethics Committee and the CEO. Qualitative Performance Goals may be established in one or more of the following areas:

- Leadership
- Implementation of operational goals
- Management of key strategic projects
- Effective utilization of human and financial resources
- UTIMCO investment performance relative to the Peer Group

(c) The CEO's Performance Goals will be determined and approved by the Board.

(d) Each Performance Goal for each Eligible Position is assigned a weight for the Performance Period. The Audit and Ethics Committee and the CEO will jointly recommend to the Compensation Committee the weightings of the Performance Goals for the CCO. For each Performance Period, the Compensation Committee will approve (or adjust as it deems appropriate) the weightings of the Performance Goals at the same time it approves the Performance Goals. The weightings for each Eligible Position are set forth in Table 1, which is attached as Appendix C. Table 1 will be revised each Performance Period when necessary to set forth the weightings for the Eligible Positions for that Performance Period as soon as administratively practicable after such weightings are approved by the Compensation Committee for such Performance Period. Notwithstanding the identified weighting for a Performance Goal for an Eligible Position, the Compensation Committee, may adjust the weightings (up or down) for any Participant for a Performance Period when it considers the identified weighting for a Performance Goal to be inappropriate for such Participant because of his or her length of service with UTIMCO, his or her tenure in the respective Eligible Position, his or her prior work experience, or other factors as deemed appropriate by the Compensation Committee; provided that, in the case of the CCO, any such adjustment shall be based on the joint recommendation of the Audit and Ethics Committee and the CEO. The weightings for the Performance Goals for each Performance Period are subject to approval by the Board.

5.5. Incentive Award Opportunity Levels and Performance Incentive Awards

(a) At the beginning of each Performance Period, each Eligible Position is assigned an "Incentive Award Opportunity" for each Performance Goal for the Participants in that Eligible Position. The Audit and Ethics Committee and CEO will jointly recommend the Incentive Award Opportunity for the CCO to the Compensation Committee. Each Incentive Award Opportunity is determined by the Compensation Committee (and subject to approval by the Board) and is expressed as a percentage of base salary earned during the Performance Period. The Incentive Award Opportunities include a threshold, target, and maximum award for achieving commensurate levels of performance of the respective Performance Goal.

(b) Incentive Award Opportunities for each Performance Period are set forth in Table 1, which is attached as Appendix C. Table 1 will be revised each Performance Period when necessary to set forth the Incentive Award Opportunities for that Performance Period as soon as administratively practicable after approval of the Incentive Award Opportunities by the Board for such Performance Period, and such revised Table 1 will be attached as Appendix C.

(c) Actual "Performance Incentive Awards" are the amounts that are actually awarded to Participants for the respective Performance Period. Actual Performance Incentive Awards will range from zero (if a Participant performs below threshold on all Performance Goals or, pursuant to Section 5.12(c) in the case of Affected Participants, Net Returns of the Total Endowment Assets during the Performance Period for which Performance Incentive Awards are being determined are below a negative 14.01% at the end of such Performance Period) to the maximum Incentive Award Opportunity (if a Participant performs at or above maximum on all Performance Goals) depending on performance relative to objectives; provided that, pursuant to Section 5.12(d), actual Performance Incentive Awards for Affected Participants may exceed the maximum Incentive Award Opportunity if the Net Returns of the Total Endowment Assets during the Performance Period for which Performance Incentive Awards are being determined exceed positive 20.0% at the end of such Performance Period. Awards are capped at maximum levels regardless of whether a Participant exceeds the stated maximum Performance Goals.

(d) Following the end of each Performance Period, the Compensation Committee will review the actual performance of each Participant against the Performance Goals of the respective Participant and determine the Participant's level of achievement of his or her Performance Goals. The Compensation Committee may seek and rely on the independent confirmation of the level of Performance Goal achievement from an external investment consultant to evaluate Entity Performance and Asset Class/Investment Type Performance. The CEO will submit a written report to the Compensation Committee, which documents the Participant's performance relative to the Participant's Performance Goals set at the beginning of the Performance Period, and upon which the Compensation Committee may rely in evaluating the Participant's performance. The Audit and Ethics Committee and the CEO will jointly determine the CCO's level of achievement relative to the CCO's Performance Goals. The Board will determine the CEO's level of achievement relative to the CEO's Performance Goals.

(e) Performance Incentive Awards will be calculated for each Participant based on the percentage achieved of each Performance Goal, taking into account the weightings for the Participant's Entity Performance, Asset Class/Investment Type Performance, and Qualitative Performance Goals and each Participant's Incentive Award Opportunity; provided that, Performance Incentive Awards of Affected Participants will be (i) increased if the Net Returns of the Total Endowment Assets during the Performance Period for which Performance Incentive Awards are being determined exceed positive 20.0% at the end of such Performance Period and (ii) decreased if the Net Returns of the Total Endowment Assets during the Performance Period for which Performance Incentive Awards are being determined are below negative 5.0% at the end of such Performance Period, all pursuant to Section 5.12. The methodology for calculating Incentive Award Opportunities and Performance Incentive Awards is presented on Appendix A. Performance Incentive Awards will be interpolated in a linear fashion between threshold and target as well as between target and maximum.

(f) Within 120 days following the end of a Performance Period, and after review by the external auditor, the Compensation Committee will review all Performance Incentive Award calculations, and make any changes it deems appropriate. The Compensation Committee will submit its recommendations to the Board for approval. Subject to the provisions of Section 7.1, the Board will approve Performance Incentive Awards.

(g) Following the approval of a Performance Incentive Award by the Board, each Participant will be notified as to the amount, if any, of his or her Performance Incentive Award as well as the terms, provisions, conditions, and limitations of the Nonvested Deferred Award portion of such Performance Incentive Award.

5.6. Form and Timing of Payouts of Performance Incentive Awards

Except as provided in Sections 5.11, 5.12, and 5.13, approved Performance Incentive Awards will be paid as follows:

(a) Subject to the Applicable Deferral Percentage of an Eligible Position as documented in Table 1, which is attached as Appendix C, the Performance Incentive Award will be paid to the Participant ("Paid Performance Incentive Award") within 120 days of the completion of the Performance Period on a date selected in the discretion of UTIMCO and in no event later than the last day of the calendar year in which the Performance Period ends, and

(b) An amount of the Performance Incentive Award for an Eligible Position equal to the Applicable Deferral Percentage set forth on Table 1 will be treated as a "Nonvested Deferred Award" subject to the terms of Section 5.7 and paid in accordance with that Section. Table 1 will be revised, as necessary, for each Performance Period to set forth any Applicable Deferral Percentage for each Eligible Position as soon as administratively practicable after approval of the deferral percentages by the Board for such Performance Period and such revised Table 1 will be attached as Appendix C.

5.7. Nonvested Deferred Awards

(a) For each Performance Period, a hypothetical account on UTIMCO's books ("Nonvested Deferred Award Account") will be established for each Participant. As of the date that the corresponding Paid Performance Incentive Award is paid to the Participant, each Participant's Nonvested Deferred Award for a Performance Period will be credited to his or her Nonvested Deferred Award Account established for that Performance Period; provided, however, that, in the case of any Participant whose Nonvested Deferred Award has been forfeited pursuant to Section 5.10(a) or Section 5.13 on the date such Nonvested Deferred Award would be so credited to his or her Nonvested Deferred Award Account, such Nonvested Deferred Award will not be credited to such Participant's Nonvested Deferred Award

Account. The Nonvested Deferred Award Accounts will be credited (or debited) monthly with an amount equal to the net investment returns of the Total Endowment Assets ("Net Returns") for the month multiplied by the balance of the respective Participant's Nonvested Deferred Award Account(s) as of the last day of the month. When the Nonvested Deferred Award is initially credited to the Nonvested Deferred Award Account, the Nonvested Deferred Award Account will be credited (or debited) with Net Returns for the month of the initial credit of a Nonvested Deferred Award, but the Net Returns will be prorated to reflect the number of days of the month during which the amounts were credited to the Nonvested Deferred Award Account. Participants are not entitled to their Nonvested Deferred Award Accounts unless and until they become vested in those accounts in accordance with Section 5.7(b).

(b) Unless a Participant's Nonvested Deferred Award has been forfeited pursuant to Section 5.10(a) or Section 5.13, such Participant will become vested in, and entitled to payment of, his or her Nonvested Deferred Award Account for each respective Performance Period according to the following schedule:

(1) On the first anniversary of the last day of the Performance Period for which the Nonvested Deferred Award was earned, one third of the amount then credited to the Participant's Nonvested Deferred Award Account for that Performance Period will be vested and paid to the Participant.

(2) On the second anniversary of the end of the Performance Period for which the Nonvested Deferred Award was earned, one half of the amount then credited to the Participant's Nonvested Deferred Award Account for that Performance Period will be vested and paid to the Participant.

(3) On the third anniversary of the end of the Performance Period for which the Nonvested Deferred Award was earned, the remaining amount then credited to the Participant's Nonvested Deferred Award Account for that Performance Period will be vested and paid to the Participant.

(4) Nonvested Deferred Award Accounts payable under the above paragraphs of this Section 5.7(b) will be paid on a date selected in the discretion of UTIMCO after the applicable portion of any such Nonvested Deferred Award Account becomes vested and in no event later than the last day of the calendar year in which the applicable portion of such Nonvested Deferred Award Account becomes vested.

5.8. Performance Measurement Standards

(a) Entity Performance

(1) Entity Performance for purposes of the Performance Incentive Plan is the performance of the Total Endowment Assets (weighted at 80%) and the Intermediate Term Fund (weighted at 20%).

(2) The performance of the Total Endowment Assets ("TEA") is measured based on the TEA's performance relative to the TEA Policy Portfolio Return (TEA benchmark).

(3) The performance of the Intermediate Term Fund will be measured based on the performance of the ITF relative to the ITF Policy Portfolio Return (ITF benchmark).

(4) Performance standards related to the TEA and ITF for each Performance Period beginning after August 31, 2010, will be set forth on a revised table for each such Performance Period and set forth on Appendix D as soon as administratively practicable after such standards are determined. Performance of the TEA and ITF is measured net of fees, meaning performance is measured after factoring in all administrative and other fees incurred for managing the TEA and ITF.

(5) Except as provided in Section 5.9, performance of the Total Endowment Assets (based on the TEA benchmark) and the Intermediate Fund (based on the ITF benchmark) will be measured based on a three-year rolling historical performance of each such fund.

(b) Asset Class/Investment Type Performance

(1) Asset Class/Investment Type Performance is the performance of specific asset classes and investment types within the Total Endowment Assets and the Intermediate Term Fund (such as developed country, private investments, etc.) based on the standards set forth in this Section 5.8(b). Except as provided in paragraph (2) below and Section 5.9, Asset Class/Investment Type Performance will be measured relative to the appropriate benchmark based on three-year rolling historical performance. Performance standards for each asset class and investment type will vary depending on the ability to outperform the respective benchmark. The benchmarks for each asset class and investment type, as well as threshold, target, and maximum performance standards in effect during the three-year rolling historical period, culminating with the current Performance Period, are set forth on Table 2, which is attached as Appendix D. Table 2 will be revised, as necessary, for subsequent Performance Periods to reflect new benchmarks, as well as threshold, target, and maximum performance standards, in effect during the three-year rolling historical period,

culminating with the subsequent Performance Period, in which event, such revised table will be attached as Appendix D as soon as administratively practicable after the change in such benchmarks and standards necessitating such change are set.

(2) Performance for private investments is calculated differently from other asset classes and investment types due to its longer investment horizon and illiquidity of assets. Except for private investments in Real Estate, performance of private investments is determined based on the performance of partnership commitments made since 2001 based on internal rates of return (IRR's) relative to the respective Venture Economics benchmarks. Performance of private investments in Real Estate will be determined based on the performance of partnership commitments made relative to a NACRIEF Custom Index benchmark.

(c) Qualitative Performance

(1) The level of a Participant's Qualitative Performance will be measured by the CEO (in the case of the CCO, jointly by the Audit and Ethics Committee and the CEO), subject to approval by the Compensation Committee, based on the level of attainment (below threshold, threshold, target, or maximum) of the Participant's Qualitative Performance Goals for the Performance Period.

(2) For purposes of determining the level of attainment of each Participant's Qualitative Performance Goals for the Performance Period, the Participant will have attained below threshold level if he or she fails to successfully complete at least 50% of his or her Qualitative Performance Goals for that Performance Period, threshold level if he or she successfully completes 50% of his or her Qualitative Performance Goals for that Performance Period, target level if he or she successfully completes 75% of his or her Qualitative Performance Goals for that Performance Period, and maximum level if he or she successfully completes 100% of his or her Qualitative Performance Goals for that Performance Period (with interpolation for levels of attainment between threshold, target, and maximum).

(3) In determining the percentage of successful completion of a Participant's Qualitative Performance Goals, the CEO, and in the case of the CCO, the Audit and Ethics Committee (in the initial determination) and the Compensation Committee (in its review of the attained levels for approval) need not make such determination based solely on the number of Qualitative Performance Goals successfully completed but may take into account the varying degrees of importance of the Qualitative Performance Goals, changes in the Participant's employment duties occurring after the Qualitative Performance Goals are determined for the Performance Period, and any other facts and circumstances determined by the CEO, and in the

case of the CCO, the Audit and Ethics Committee, or Compensation Committee (as applicable) to be appropriate for consideration in evaluation of the level of achievement of the Participant's Qualitative Performance Goals for the Performance Period.

5.9. ***Modifications of Measurement Period for Measuring Entity and Asset Class/Investment Type Performance Goals***

(a) Although generally Entity Performance and most Asset Class/Investment Type Performance are measured based on three-year rolling historical performance, newly hired Participants will be phased into the Performance Incentive Plan so that Entity Performance and Asset Class/Investment Type Performance are measured over a period of time consistent with each Participant's tenure at UTIMCO. This provision ensures that a Participant is measured and rewarded over a period of time consistent with the period during which he or she influenced the performance of the entity or a particular asset class and investment type. In the Performance Period in which a Participant begins participation in the Performance Incentive Plan, the Entity Performance and Asset Class/Investment Type Performance components of the Incentive Award Opportunity will be based on one full year of historical performance (i.e., the performance for the Performance Period during which the Participant commenced Performance Incentive Plan participation). During a Participant's second year of Performance Incentive Plan participation, the Entity Performance and Asset Class/Investment Type Performance components of the Incentive Award Opportunity will be based on two full years of historical performance. In the third year of a Participant's Performance Incentive Plan participation and beyond, the Entity and Asset Class/Investment Type Performance components of the Incentive Award Opportunity will be based on the three full years of rolling historical performance.

(b) For purposes of measuring Entity and Asset Class/Investment Type Performance, the three-year historical performance cycle will not be utilized for any specific asset class and investment type (or subset of an asset class and investment type) until that asset class and investment type (or subset of that asset class and investment type) has three years of historical performance as part of the Performance Incentive Plan and, until that time, the actual years (full and partial) of historical performance of that asset class and investment type (or subset of that asset class and investment type) while part of the Performance Incentive Plan will be used as the measurement period.

(c) For purposes of measuring Entity and Asset Class/Investment Type Performance of an asset class and investment type (or subset of an asset class and investment type) that is removed from the Performance Incentive Plan prior to completion of the then in-progress three-year historical performance cycle, the three-year historical performance cycle will not be utilized for that removed asset class and investment type (or subset of an asset class and investment type), but instead the actual number of full months that the removed asset class and investment type was part of the Performance Incentive Plan during the then in-progress three-year historical performance cycle will be used as the measurement period.

(d) For purposes of measuring Asset Class/Investment Type Performance for a particular Participant of an asset class and investment type (or subset of an asset class and investment type) that is removed from or added to the Participant's responsibility during the then in-progress three-year historical performance cycle, the three-year historical performance cycle will not be utilized for that removed or added asset class and investment type (or subset of an asset class and investment type), but instead the actual number of full months that the removed or added asset class and investment type was part of the Participant's responsibility during the then in-progress three-year historical performance cycle will be used as the measurement period for evaluating the Asset Class/Investment Type Performance with respect to such Participant.

(e) Beginning with the Performance Period September 1, 2012 to August 31, 2013, Entity Performance and Asset Class/Investment Type Performance for the one-, two-, and three-year historical performance cycles will be measured from September 1st to August 31st. Notwithstanding anything in this Plan to the contrary, if, as a result of the change in the measurement period, in the opinion of the Board, an adjustment to a Participant's Performance Incentive Award is warranted, the Board in its discretion, is authorized to change the amount of a Participant's Performance Incentive Award for the first three Performance Periods beginning after August 31, 2012, so as not to unduly benefit, nor deprive or eliminate an award of a Participant.

5.10. Termination Provisions

(a) Except as otherwise provided in this Section 5.10, any Participant who ceases to be a Participant (either because of Termination of employment with UTIMCO or for any other reason stated in Section 5.3(c)) prior to the end of a Performance Period will not be eligible to receive payment of any Performance Incentive Award for that or any subsequent Performance Periods. In addition, a Participant will forfeit any Nonvested Deferred Awards at such Participant's Voluntary Termination or Involuntary Termination for Cause. Further, upon Involuntary Termination for reasons other than Cause, the amount in the Nonvested Deferred Award Accounts of such terminated individual will vest immediately and be paid on a date selected by UTIMCO and in no event later than the last day of the calendar year in which such Termination occurs.

(b) If a Participant ceases to be a Participant in the Performance Incentive Plan under Section 5.3(c) prior to the end of a Performance Period because his or her employment position is no longer an Eligible Position (but such employee continues to be employed with UTIMCO), such Participant's Performance Incentive Award for the current Performance Period, if any, will be calculated on a prorated basis from the first day of the Performance Period to the Performance Measurement Date immediately preceding or, if applicable, coinciding with the date the Participant ceases to be in an Eligible Position, and such individual will not be entitled to any Performance Incentive Awards for any Performance Period thereafter (unless he or she again becomes a Participant in accordance with Sections 5.3(a) and (b)). All Nonvested Deferred Awards of such individual continue to vest and be paid subject to the provisions of Section 5.7(b).

(c) If a Participant ceases to be a Participant in the Performance Incentive Plan under Section 5.3(c) prior to the end of a Performance Period because his or her employment with UTIMCO terminates due to death or Disability, the Participant's Performance Incentive Award for the Performance Period in which Termination occurs, in lieu of any other Performance Incentive Award under the Performance Incentive Plan, will be paid at target on a prorated basis from the first day of the Performance Period to the Performance Measurement Date immediately preceding or, if applicable, coinciding with the date of the Participant's death or Disability, and such individual will not be entitled to any Performance Incentive Awards for any Performance Period thereafter (unless he or she again becomes a Participant in accordance with Sections 5.3(a) and (b)). All Nonvested Deferred Award Accounts of such terminated individual will vest immediately and be paid on a date selected in the discretion of UTIMCO and in no event later than the last day of the calendar year in which such termination occurs. Payments under this provision will be made to the estate or designated beneficiaries of the deceased Participant or to the disabled Participant, as applicable.

(d) If a Participant ceases to be a Participant in the Performance Incentive Plan under Section 5.3(c) prior to the end of a Performance Period because he or she commences a leave of absence, such Participant's Performance Incentive Award for the current Performance Period, if any, will be calculated on a prorated basis from the first day of the Performance Period to the Performance Measurement Date immediately preceding or coinciding with the date the Participant commences such leave of absence, and such individual will not be entitled to any Performance Incentive Awards for any Performance Period thereafter (unless he or she again becomes a Participant in accordance with Sections 5.3(a) and (b)). All Nonvested Deferred Awards of such individual continue to vest and be paid subject to the provisions of Section 5.7(b).

(e) In the case of any Participant who ceases to be a Participant in the Performance Incentive Plan prior to the end of Performance Period and is entitled to a Performance Incentive Award or a prorated Performance Incentive Award under this Section 5.10, such Performance Incentive Award will be calculated at the time and in the manner provided in Section 5.5 and Appendix A and paid in accordance with Section 5.6 and will not be calculated or paid prior to such time.

5.11. Eligibility for Retirement

A participant is eligible for retirement on the last day of the month in which the sum of the Participant's age and years of service, including months of age and months of service credit, equals or exceeds the number 75.

In the case of any Participant who is eligible for retirement, any Performance Incentive Award to which the Participant becomes entitled, as well as any remaining Nonvested Deferred Award, will vest immediately and be includible in the Participant's gross income for Federal income tax purposes in the calendar year in which vesting occurs without regard to when payment is made to the Participant. The vested Performance Incentive Award and any remaining Nonvested Deferred Award will be paid to the participant on a date selected by UTIMCO and in no event later than the last day of the calendar year unless the Participant has agreed to a Voluntary Deferral of all or a portion of his Performance Incentive Award that would otherwise have been deferred had the Participant not been eligible for retirement ("Amount Voluntarily Deferred"). If the Participant has agreed to a Voluntary Deferral of such amount of his Performance Incentive Award,

(a) the Amount Voluntarily Deferred (1) will be credited to a hypothetical account established in the Participant's name on UTIMCO's books ("Amount Voluntarily Deferred Account") and (2) will be credited (or debited) monthly with an amount equal to the Net Returns for the month multiplied by the balance in the Participant's Amount Voluntarily Deferred Account as of the last day of the month, provided that when the Amount Voluntarily Deferred is initially credited to the Participant's Amount Voluntarily Deferred Account, the Participant's Amount Voluntarily Deferred Account will be credited (or debited) with Net Returns for the month of the initial credit, but the Net Returns will be prorated to reflect the number of days of the month during which the amounts were credited to the Participant's Amount Voluntarily Deferred Account;

(b) except as provided in clause (c) below, the amount credited to the Participant's Amount Voluntarily Deferred Account shall be paid to the Participant only on the following dates and in the following amounts:

    (1) On the first anniversary of the last day of the Performance Period for which the Amount Voluntarily Deferred was earned, one third of the amount then credited to the Participant's Amount Voluntarily Deferred Account for that Performance Period will be paid to the Participant.

    (2) On the second anniversary of the end of the Performance Period for which the Amount Voluntarily Deferred was earned, one half of the amount then credited to the Participant's Amount Voluntarily Deferred Account for that Performance Period will be paid to the Participant.

(3) On the third anniversary of the end of the Performance Period for which the Amount Voluntarily Deferred was earned, the remaining amount then credited to the Participant's Amount Voluntarily Deferred Account for that Performance Period will be paid to the Participant.

(4) Amount Voluntarily Deferred Accounts payable under the above paragraphs of this Section 5.11(b) will be paid on a date selected in the discretion of UTIMCO and in no event later than the last day of the calendar year in which the applicable portion of such Amount Voluntarily Deferred Account becomes due and payable; and

(c) any net credits or debits to the Participant's Amount Voluntarily Deferred Account pursuant to clause (a)(2) above will be includible in the Participant's gross income and taxable to the Participant as ordinary income for Federal income tax purposes, and will be subject to Federal employment taxes and wage withholding during the year in which such amounts are paid pursuant to clauses (a) or (b) above.

5.12. Extraordinary Circumstances

Notwithstanding anything in this Plan to the contrary, the timing and amount of Performance Incentive Awards of each Participant holding an Eligible Position listed on Table 3, which is attached as Appendix E (each, an "Affected Participant"), are subject to automatic adjustment as follows:

(a) If the Net Returns of the Total Endowment Assets during the Performance Period for which Performance Incentive Awards are being determined are negative at the end of such Performance Period, (i) an amount otherwise equal to the Paid Performance Incentive Award attributable to such Performance Period for each Affected Participant will be treated as an "Extraordinary Nonvested Deferral Award" for such Affected Participant that is subject to forfeiture in the same manner and for the same reasons as Nonvested Deferral Awards pursuant to Section 5.10(a), (ii) a separate hypothetical account for such Affected Participant will be established on UTIMCO's books ("Extraordinary Nonvested Deferral Award Account"), which will be (1) credited with such Affected Participant's Extraordinary Nonvested Deferral Award and (2) credited (or debited) monthly with Net Returns of the Total Endowment Assets on the same dates and in the same manner as applies to Nonvested Deferral Award Accounts pursuant to Section 5.7(a), and (iii) unless such Affected Participant's Extraordinary Nonvested Deferral Award has been forfeited pursuant to Section 5.10(a) or Section 5.13, such Affected Participant will become vested in, and entitled to payment of, the amount of his or her Extraordinary Nonvested Deferral Award Account on the first anniversary of the last day of such Performance Period; provided that upon the death, Disability or Involuntary Termination of an Affected Participant for reasons other than Cause, the amount in the Extraordinary Nonvested Deferral Award Account of such Affected

Participant will vest immediately and be paid (to the Affected Participant or, in the case of death, to the estate or designated beneficiaries of the deceased Affected Participant) on a date selected by UTIMCO and in no event later than the last day of the calendar year in which such Termination occurs; provided, further, that nothing in this clause (a) shall affect the vesting and payment of Nonvested Deferral Awards to any Affected Participant nor shall it affect the vesting and payment of Performance Incentive Awards to a Participant that has satisfied the requirements for Eligibility for Retirement;

(b) If the Net Returns of the Total Endowment Assets since the end of the Performance Period for which Performance Incentive Awards are being determined are a negative 10.00% or below (measured as of the most recent month-end for which performance data are available) on the date the Board approves the Performance Incentive Award for an Affected Participant, an amount otherwise equal to such Affected Participant's Paid Performance Incentive Award attributable to such Performance Period will also be treated as an "Extraordinary Nonvested Deferral Award" for such Affected Participant that is subject to clause (a) above; provided that nothing in this clause (b) shall affect the vesting and payment of Nonvested Deferral Awards to any Affected Participant nor shall it affect the vesting and payment of Performance Incentive Awards to a Participant that has satisfied the requirements for Eligibility for Retirement;

(c) If the Net Returns of the Total Endowment Assets during the Performance Period for which Performance Incentive Awards are being determined are below negative 5.00% at the end of such Performance Period, the Performance Incentive Award for each Affected Participant for that Performance Period (calculated pursuant to Section 5.5 above) will be reduced by 10% for each percentage point (or portion thereof) of Net Returns below a negative 5.00%, such that the Performance Incentive Award for each such Affected Participant will be eliminated in the event of negative Net Returns below 14.00% (e.g., negative Net Returns of 5.01% will result in the Performance Incentive Award for such Affected Participant being reduced by 10%, negative Net Returns of 6.01% will result in the Performance Incentive Award for such Affected Participant being reduced by 20%, and so forth);

(d) If the Net Returns of the Total Endowment Assets during the Performance Period for which Performance Incentive Awards are being determined are in excess of positive 20.00% at the end of such Performance Period, the Performance Incentive Award for each Affected Participant for that Performance Period (calculated pursuant to Section 5.5 above) will be increased by 10% for each percentage point (or portion thereof) of positive Net Returns in excess of 20.00% (subject to an overall increase limit of 100%), such that the increase in Performance Incentive Award for such Affected Participant will be capped at 100% for positive performance in excess of 29.00% (e.g., positive Net Returns of 20.01% will result in the Performance Incentive Award for such Affected Participant being increased by 10%, positive Net Returns of 21.01% will result in the Performance

Incentive Award for such Affected Participant being increased by 20%, and so forth); and

(e) Table 3, which is attached as Appendix E, will be revised, as necessary, for each Performance Period to identify the Eligible Positions whose Performance Incentive Awards are subject to automatic adjustment as to timing and amount pursuant to clauses (a)-(d) above as soon as administratively practicable after approval by the Board and such revised Table 3 will be attached as Appendix E.

5.13. Recovery of Performance Incentive Awards

Notwithstanding anything in this Plan to the contrary, if the Board (in its sole discretion, but acting in good faith) determines (a) that a Participant has engaged in willful misconduct that materially disrupts, damages, impairs or interferes with the business, reputation or employee relations of UTIMCO or The University of Texas System, such Participant will not be entitled to any Performance Incentive Awards for the Performance Periods during which the Board determines such misconduct occurred, or (b) that a Participant has engaged in fraudulent misconduct that caused or contributed to a restatement of the investment results upon which such Participant's Performance Incentive Awards were determined by knowingly falsifying any financial or other certification, knowingly providing false information relied upon by others in a financial or other certification, or engaging in other fraudulent activity, or knowingly failing to report any such fraudulent misconduct by others in accordance with UTIMCO's Employee Handbook, such Participant will not be entitled to any Performance Incentive Awards for the Performance Periods for which investment results were so restated. To the extent a Participant has been awarded Performance Incentive Awards to which he or she is not entitled as a result of clause (a) or (b) above, Performance Incentive Awards shall be recovered by UTIMCO pursuant to the following remedies in the order listed: first, such Participant's Nonvested Deferred Awards and Extraordinary Nonvested Deferred Awards will be automatically forfeited; second, any Paid Performance Incentive Award not then paid to such Participant will be withheld and automatically forfeited; and third, such Participant must return to UTIMCO the remaining excess amount. Recovery of Performance Incentive Awards to which a Participant is not entitled pursuant to this Section 5.13 does not constitute a settlement of other claims that UTIMCO may have against such Participant, including as a result of the conduct giving rise to such recovery. Further, the remedies set forth above are in addition to, and not in lieu of, any actions imposed by law enforcement agencies, regulators or other authorities.

6. COMPENSATION PROGRAM AUTHORITY AND RESPONSIBILITY

6.1. *Board as Plan Administrator*

Except as otherwise specifically provided in this Compensation Program with respect to powers, duties, and obligations of the Compensation Committee, the Compensation Program will be administered by the Board.

6.2. Powers of Board

The Board has all powers specifically vested herein and all powers necessary or advisable to administer the Compensation Program as it determines in its discretion, including, without limitation, the authority to:

(1) Establish the conditions for the determination and payment of compensation by establishing the provisions of the Performance Incentive Plan.

(2) Select the employees who are eligible to be Participants in the Performance Incentive Plan**.**

(3) Delegate to any other person, committee, or entity any of its ministerial powers and/or duties under the Compensation Program as long as any such delegation is in writing and complies with the UTIMCO Bylaws.

7. COMPENSATION PROGRAM INTERPRETATION

7.1. Board Discretion

(a) Consistent with the provisions of the Compensation Program, the Board has the discretion to interpret the Compensation Program and may from time to time adopt such rules and regulations that it may deem advisable to carry out the Compensation Program. All decisions made by the Board in selecting the Participants approved to receive Performance Incentive Awards, including the amount thereof, and in construing the provisions of the Compensation Program, including without limitation the terms of any Performance Incentive Awards, are final and binding on all Participants.

(b) Notwithstanding any provision of the Compensation Program to the contrary and subject to the requirement that the approval of Performance Incentive Awards that will result in an increase of 5% or more in the total Performance Incentive Awards calculated using the methodology set out on Appendix A must have the prior approval of the U.T. System Board of Regents, the Board has the discretion and authority to make changes in the terms of the Compensation Program in determining a Participant's eligibility for, or amount of, a Performance Incentive Award for any Performance Period whenever it considers that circumstances have occurred during the Performance Period so as to make such changes appropriate in the opinion of the Board, provided, however, that any such change will not deprive or eliminate an award of a Participant after it has become vested and that such circumstances are recorded in the minutes of a meeting of the Board.

7.2. Duration, Amendment, and Termination

The Board has the right in its discretion to amend the Compensation Program or any portion thereof from time to time, to suspend it for a specified period, or to terminate it entirely or any portion thereof. However, if the Performance Incentive Plan is suspended or terminated during a Performance Period, Participants will receive a prorated Performance Incentive Award based on performance achieved and base salary earned through the Performance Measurement Date immediately preceding such suspension or termination. The Compensation Program will be in effect until suspension or termination by the Board; provided, however, that if the Board so determines at the time of any suspension or termination of the Performance Incentive Plan, Nonvested Deferred Awards credited to Participants' Nonvested Deferred Award Account(s) as of the effective date of such suspension or termination will continue to be administered under the terms of the Performance Incentive Plan after any suspension or termination, except as the Board otherwise determines in its discretion at the time of such suspension or termination.

7.3. Recordkeeping and Reporting

(a) All records for the Compensation Program will be maintained by the Managing Director of Accounting, Finance, and Administration at UTIMCO. Relative performance data and calculations will be reviewed by UTIMCO's external auditor before Performance Incentive Awards are finalized and approved by the Board.

(b) UTIMCO will provide all Participants with a comprehensive report of the current value of their respective Nonvested Deferred Award and Extraordinary Nonvested Deferred Award Account balances, including a complete vesting status of those balances, on at least a quarterly basis.

7.4. Continued Employment

Nothing in the adoption of the Compensation Program or the awarding of Performance Incentive Awards will confer on any employee the right to continued employment with UTIMCO or affect in any way the right of UTIMCO to terminate his or her employment at any time.

7.5. Non-transferability of Awards

Except for the rights of the estate or designated beneficiaries of Participants to receive payments, as set forth herein, Performance Incentive Awards under the Performance Incentive Plan, including both the Paid Performance Incentive Award portion and the Nonvested Deferred Award portion, are non-assignable and non-transferable and are not subject to anticipation, adjustment, alienation, encumbrance, garnishment, attachment, or levy of any kind. The preceding notwithstanding, the Compensation Program will pay any portion of a Performance Incentive Award that is or becomes vested in accordance with an order that meets the requirements of a "qualified domestic relations order" as set forth in Section 414(p) of the *Internal Revenue Code* and Section 206(d) of ERISA.

7.6. Unfunded Liability

(a) Neither the establishment of the Compensation Program, the award of any Performance Incentive Awards, nor the creation of Nonvested Deferred Awards Accounts will be deemed to create a trust. The Compensation Program will constitute an unfunded, unsecured liability of UTIMCO to make payments in accordance with the provisions of the Compensation Program. Any amounts set aside by UTIMCO to assist it in the payment of Performance Incentive Awards or other benefits under the Compensation Program, including without limitation, amounts set aside to pay for Nonvested Deferred Awards, will be the assets of UTIMCO, and no Participant will have any security or other interest in any assets of UTIMCO or the U.T. System Board of Regents by reason of the Compensation Program.

(b) Nothing contained in the Compensation Program will be deemed to give any Participant, or any personal representative or beneficiary, any interest or title to any specific property of UTIMCO or any right against UTIMCO other than as set forth in the Compensation Program.

7.7. Compliance with State and Federal Law

No portion of the Compensation Program will be effective at any time when such portion violates an applicable state or federal law, regulation, or governmental order or directive.

7.8. Federal, State, and Local Tax and Other Deductions

All Performance Incentive Awards under the Compensation Program will be subject to any deductions (1) for tax and withholding required by federal, state, or local law at the time such tax and withholding is due (irrespective of whether such Performance Incentive Award is deferred and not payable at such time) and (2) for any and all amounts owed by the Participant to UTIMCO at the time of payment of the Performance Incentive Award. UTIMCO will not be obligated to advise an employee of the existence of the tax or the amount that UTIMCO will be required to withhold.

7.9. Prior Plan

(a) Except as provided in the following paragraphs of this Section 7.9, this Compensation Program supersedes any prior version of the Compensation Program ("Prior Plan").

(b) All nonvested deferred awards under a Prior Plan will retain the vesting schedule in effect under the Prior Plan at the time such awards were allocated to the respective Participant's account. In all other respects, as of the Effective Date, those nonvested deferred amounts will (1) be credited or debited with the Net Returns over the remaining deferral period in accordance with Section 5.7(a), and (2) be subject to the terms and conditions for Nonvested Deferred Awards under the Performance Incentive Plan as set forth in this restated document.

8. DEFINITION OF TERMS

8.1. Affected Participant is defined in Section 5.12.

8.2. Applicable Deferral Percentage means, as to each Eligible Position, the percentage set forth opposite such Eligible Position under the heading "Percentage of Award Deferred" on Table 1, which is attached as Appendix C.

8.3. Asset Class/Investment Type Performance is the performance of specific asset classes and investment types within the Total Endowment Assets and the Intermediate Term Fund (such as developed country, private investments, etc.) based on the standards set forth in Section 5.8(b).

8.4. Board is the UTIMCO Board of Directors.

8.5. Cause means, as to any employee, that such employee has committed (as determined by UTIMCO in its sole discretion) any of the following: (1) a violation of any securities law or any other law, rule or regulation; (2) willful conduct that reflects negatively on the public image of UTIMCO or the U.T. System; or (3) a breach of UTIMCO's Code of Ethics.

8.6. Compensation Committee is the Compensation Committee of the UTIMCO Board of Directors.

8.7. Compensation Program is defined in Section 1.

8.8. Disability means a condition whereby a Participant either (i) is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that is expected either to result in death or to last for a continuous period of not less than 12 months or (ii) is, by reason of a medically determinable physical or mental impairment that is expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under a disability plan maintained or contributed to by UTIMCO for the benefit of eligible employees.

8.9. Effective Date is defined in Section 1.

8.10. Eligible for Retirement is defined in Section 5.11.

8.11. Eligible Position is defined in Section 5.3(a).

8.12. Entity Performance represents the performance of the Total Endowment Assets and the Intermediate Term Fund (based on the measurement standards set forth in Section 5.8(a)).

8.13. Extraordinary Nonvested Deferral Award is defined in Section 5.12.

8.14. Extraordinary Nonvested Deferral Award Account is defined in Section 5.12.

8.15. Incentive Award Opportunity is defined in Section 5.5(a).

8.16. Intermediate Term Fund or ITF is The University of Texas System ("U.T. System") Intermediate Term Fund established by the U.T. System Board of Regents as a pooled fund for the collective investment of operating funds and other intermediate and long-term funds held by the U.T. System institutions and U.T. System Administration. Performance of the Intermediate Term Fund is measured net of fees, meaning performance is measured after factoring in all administrative and other fees incurred for managing the Intermediate Term Fund.

8.17. Intermediate Term Fund Policy Portfolio Return is the benchmark return for the Intermediate Term Fund policy portfolio and is calculated by summing the neutrally weighted index returns (percentage weight for each asset class and investment type multiplied by the benchmark return for the asset class and investment type) for the various asset classes and investment types in the Intermediate Term Fund policy portfolio for the Performance Period.

8.18. Involuntary Termination means, as to any person the Termination of such person's employment with UTIMCO wholly initiated by UTIMCO and not due to such person's implicit or explicit request, at a time when such person is otherwise willing and able to continue to perform services for UTIMCO.

8.19. Net Returns is the investment performance return of the Total Endowment Assets, net of fees. Net of fees factors in all administrative and other fees for managing the Total Endowment Assets. The net investment return will be calculated as follows:

$$\frac{\text{Permanent University Fund Beginning Net Asset Value}}{\text{Total Endowment Beginning Net Asset Value}} \times \text{Permanent University Fund Net Investment Return}$$

Plus

$$\frac{\text{General Endowment Fund Beginning Net Asset Value}}{\text{Total Endowment Beginning Net Asset Value}} \times \text{General Endowment Fund Net Investment Return}$$

8.20. Nonvested Deferred Award is defined in Section 5.6(b).

8.21. Nonvested Deferred Award Account is defined in Section 5.7(a).

8.22. Paid Performance Incentive Award is defined in Section 5.6(a).

8.23. Participant is defined in Section 5.3(a).

8.24. Peer Group is a peer group of endowment funds that is comprised of all endowment funds with more than 10 full-time employee positions, allocations to alternative assets in excess of 40%, and with assets greater than $2.5 billion, all to be determined as of the last day of each of the three immediately preceding Performance Periods as set forth on Appendix B; provided, however, that the Total Endowment Assets are excluded from the Peer Group. The Peer Group will be updated from time to time as deemed appropriate by the Board, and Appendix B will be amended accordingly.

8.25. Performance Goals are defined in Section 5.4.

8.26. Performance Incentive Award is the component of a Participant's total compensation that is based on specific performance goals and awarded as current income or deferred at the end of a Performance Period in accordance with Section 5 and Appendix A.

8.27. **Performance Incentive Plan** is as defined in Section 1 and described more fully in Section 5.

8.28. **Performance Measurement Date** is the close of the last business day of the month.

8.29. **Performance Period** is defined in Section 5.2.

8.30. **Prior Plan** is defined in Section 7.9.

8.31. **Salary Structure** is described in Section 4.1.

8.32. **Termination** means, as to any person, a complete severance of the relationship of employer and employee between UTIMCO and such person.

8.33. **Total Endowment Assets or TEA** means the combination of the Permanent University Fund and the General Endowment Fund, but does not include any other endowment funds monitored by UTIMCO such as the Separately Invested Fund. Performance of the Total Endowment Assets is measured net of fees, meaning performance is measured after factoring in all administrative and other fees incurred for managing the Total Endowment Assets.

8.34. **Total Endowment Assets Policy Portfolio Return** is the benchmark return for the Total Endowment Assets policy portfolio and is calculated by summing the neutrally weighted index returns (percentage weight for each asset class and investment type multiplied by the benchmark return for the asset class and investment type) for the various asset classes and investment types in the Total Endowment Assets policy portfolio for the Performance Period.

8.35. **Voluntary Terminations** means, as to any person, the Termination of such person's employment with UTIMCO not resulting from an Involuntary Termination or by reason of Death or disability.

Appendix A

Performance Incentive Award Methodology
(for Performance Periods beginning on or after September 1, 2012)

I. Determine "Incentive Award Opportunities" for Each Participant[2]

Step 1. Identify the weights to be allocated to each of the three Performance Goals for each Participant's Eligible Position. The weights vary for each Eligible Position each Performance Period and are set forth in Table 1 on Appendix C for the applicable Performance Period. The total of the weights ascribed to the three Performance Goals must add up to 100% for each Participant. For example, Table 1 on Appendix C may reflect for a Performance Period for the CEO that the weight allocated to the Entity Performance Goal is 60%, the weight allocated to the Asset Class/Investment Type Performance Goal is 0%, and the weight allocated to the Individual Performance Goal is 40%.

Step 2. Identify the percentage of base salary for the Participant's Eligible Position that determines the Performance Incentive Award for achievement of the Threshold, Target, and Maximum levels of the Performance Goals. The percentages vary for each Eligible Position each Performance Period and are set forth in Table 1 on Appendix C for the applicable Performance Period. For example, Table 1 on Appendix C may show that for a Performance Period the applicable percentages for determining the Performance Incentive Award for the CEO are 0% of his or her base salary for achievement of Threshold level performance of all three Performance Goals, 100% of his or her base salary for achievement of Target level performance of all three Performance Goals, and 320% of his or her base salary for achievement of Maximum level performance of all three Performance Goals.

Step 3. Calculate the dollar amount of the potential Threshold, Target, and Maximum awards (the "Incentive Award Opportunities") for each Participant by multiplying the Participant's base salary for the Performance Period by the applicable percentage (from Step #2 above). For example, assuming the CEO has a base salary of $600,000 for a Performance Period, based on the assumed percentages set forth in Step #2 above, the CEO will be eligible for a total award of $0 if he or she achieves Threshold level performance of all three Performance Goals, $600,000 (100% of his or her base salary) if he or she achieves Target level performance of all three

[2] These Incentive Award Opportunities represent amounts that each Participant will be awarded if he or she achieves his or her Performance Goals at varying levels and are calculated at the beginning of each Performance Period or, if later, the date such Participant commences participation in the Performance Incentive Plan**.**

Performance Goals, and $1,920,000 (320% of his or her base salary) if he or she achieves Maximum level performance of all three Performance Goals.

Step 4. Because a Participant may achieve different levels of performance in different Performance Goals and be eligible for different levels of awards for that achievement (e.g., he or she may achieve Target performance in the Entity Performance Goal and be eligible to receive a Target award for that goal and achieve Maximum performance in the Qualitative Performance Goal and be eligible to receive a Maximum award for that Performance Goal), it is necessary to determine the Incentive Award Opportunity of the Threshold, Target, and Maximum award for each separate Performance Goal (and, because achievement of the Entity Performance Goal is determined in part by achievement of the Total Endowment Assets and in part by achievement of the Intermediate Term Fund, a Threshold, Target, and Maximum Incentive Award Opportunity separately for the TEA and the ITF must be determined). This is done by multiplying the dollar amount of the Threshold, Target, and Maximum awards for the performance of all three Performance Goals calculated in Step #3 above for the Participant by the weight allocated for that Participant to the particular Performance Goal (and, further, by multiplying the Incentive Award Opportunity for the Entity Performance by the weight ascribed to achievement of the Total Endowment Assets (80%) and by the weight ascribed to achievement of the Intermediate Term Fund (20%)).

Step 5. After Steps #3 and #4 above are performed for each of the three levels of performance for each of the three Performance Goals, there will be 12 different Incentive Award Opportunities for each Participant. For example, for the CEO (based on an assumed base salary of $600,000, the assumed weights for the Performance Goals set forth in Step #1 above, and the assumed percentages of base salary for the awards set forth in Step #2 above), the 12 different Incentive Award Opportunities for achievement of the Performance Goals for the Performance Period are as follows:

Incentive Award Opportunities for CEO
(based on assumed base salary of $600,000)

Performance Goal	Weight	Threshold Level Award	Target Level Award	Maximum Level Award
Entity (TEA v. TEA Policy Portfolio Return	48% (.80 x .60)	$0	$288,000	$921,600
Entity (ITF v. ITF Policy Portfolio Return)	12% (.20 x .60)	$0	$72,000	$230,400
Asset Class/Investment Type	0%	$0	$0	$0
Qualitative	40%	$0	$240,000	$768,000
Total	100%	$0 (0% of salary)	$600,000 (100% of salary)	$1,920,000 (320% of salary)

II. Calculate Performance Incentive Award for Each Participant[3]

Step 6. Identify the achievement percentiles or achieved basis points that divide the Threshold, Target, and Maximum levels for each Performance Goal. These divisions for the level of achievement of the Entity and Asset Class/Investment Type Performance Goals are set forth in the table for the applicable Performance Period as set forth on Appendix D. The measurement for the level of achievement (i.e., Threshold, Target, or Maximum) for the Qualitative Performance Goal is initially determined each Performance Period by the Participant's supervisor, if any, (in the case of the CCO, jointly by the Audit and Ethics Committee and the CEO), and then is approved (or adjusted) by the Compensation Committee as it deems appropriate in its discretion. If the Participant has no supervisor, the measurement for the level of achievement for the Qualitative Performance Goal is determined each Performance Period by the Compensation Committee. The Board will determine the CEO's level of achievement relative to the CEO's Performance Goals.

Step 7. Determine the percentile or basis points achieved for each Performance Goal for each Participant using the standards set forth in Sections 5.5 and 5.8 of the Compensation Program, as modified in Section 5.9. Determine the level of achievement of each Participant's Qualitative Performance Goal.

Step 8. Calculate the amount of each Participant's award attributable to each Performance Goal by identifying the Incentive Award Opportunity amount for each Performance Goal (e.g., as assumed and set forth for the CEO in the table in Step #5 above) commensurate with the Participant's level of achievement for that Performance Goal (determined in Steps #6 and #7

[3] In the event that the Net Returns of the Total Endowment Assets during the Performance Period for which Performance Incentive Awards are being determined are below negative 14.0% at the end of such Performance Period, steps 6 through 14 need not be followed with respect to Affected Participants when calculating Performance Incentive Awards for that Performance Period.

above). An award for achievement percentiles in between the stated Threshold, Target, and Maximum levels is determined by linear interpolation. For example, if +100 bps of the TEA benchmark portion of the Total Endowment Assets portion of the Entity Performance Goal has been achieved, that +100 bps is between the Target (+75bps) and the Maximum (+225bps) levels, so to determine the amount of the award attributable to +100 bps of achievement of the TEA benchmark portion of the Total Endowment Assets portion of the Entity Performance Goal, perform the following steps: (i) subtract the difference between the dollar amounts of the Target and Maximum Incentive Award Opportunities for the Participant (e.g., for the CEO, as illustrated in the table in Step #5, the difference is $633,600 ($921,600-$288,000)); (ii) divide 25 (the bps difference between the Target level of +75 bps and the attained level of +100 bps) by 150 (the bps difference between the Target level and Maximum level) to get the fraction 25/150 to determine the pro rata portion of the difference between Target and Maximum actually achieved; (iii) multiply the amount determined in the preceding Step (i) by the fraction determined in the preceding Step (ii) ($633,600 x 25/150 = $105,600); and (iv) add the amount determined in the preceding Step (iii) to the Target Incentive Award Opportunity for the Participant to get the actual award for the Participant attributable to each Performance Goal ($105,600 + $288,000 = $393,600).

Step 9. In determining the Asset Class/Investment Type Performance portion of an award for a Performance Period for each Participant who is responsible for more than one asset class and investment type during that Performance Period, first, the Participant's attained level of achievement (i.e., Below Threshold, Threshold, Target, or Maximum) is determined for each asset class and investment type for which such Participant is responsible by comparing the actual performance to the appropriate benchmark for the asset class and investment type; then, the award is calculated for the determined level of achievement for each such asset class and investment type by multiplying the award commensurate with the level of achievement by the weight assigned to the Asset Class/Investment Type Performance Goal for such Participant; then, the various asset classes and investment types for which the Participant is responsible are assigned a pro rata weight (i.e., the assets in such asset class and investment type relative to the total assets under such Participant's responsibility); then, each determined award for a separate asset class and investment type is multiplied by the weight for that asset class and investment type; and, finally, the weighted awards are totaled to produce the Participant's award attributable to Asset Class/Investment Type Performance.

Step 10. In determining the award attributable to the Entity Performance Goal, achievement of the Total Endowment Assets portion of the Entity Performance Goal (and the commensurate award) is weighted at 80% (and then multiplied by the weight assigned to the Entity Performance Goal for the Participant), and achievement of the Intermediate Term Fund portion of the Entity Performance Goal (and commensurate award) is weighted at 20% (and then multiplied by the weight assigned to the Entity Performance Goal for the Participant). For example, assuming a base salary of $600,000, if the CEO achieved the Target level (+75 bps) of the TEA benchmark portion of the Total Endowment Assets portion of the Entity Performance Goal, and achieved the Maximum level (+150 bps) of the Intermediate Term Fund portion of the Entity Performance Goal, he or she would have earned an award of $518,400 for his or her level of achievement of the Entity Performance Goal as follows: $288,000 for Target level of achievement of the TEA benchmark portion of the TEA portion of Entity Performance Goal (.80 x .60 x $600,000) plus $230,400 for Maximum level of achievement of the ITF portion of the Entity Performance Goal (.20 x .60 x $1,920,000).

Step 11. No award is given for an achievement percentile below Threshold, and no award above the Maximum award is given for an achievement percentile above the Maximum level.

Step 12. Subject to any applicable adjustment in Step #13 below, add the awards determined in Steps #8, #9, and #10 above for each Performance Goal (as modified by Step #11) together to determine the total amount of the Participant's Performance Incentive Award for the Performance Period.

Step 13. In the case of any Participant who becomes a Participant in the Performance Incentive Plan after the first day of the applicable Performance Period, such Participant's Performance Incentive Award (determined in Step #12) will be prorated to reflect the actual portion of the Performance Period in which he or she was a Participant. In the case of a Participant who ceases to be a Participant prior to the end of a Performance Period, his or her entitlement to any Performance Incentive Award is determined under Section 5.10 and, in the case of such entitlement, such Participant's Performance Incentive Award, if any, will be prorated and adjusted as provided in Section 5.10.

Step 14. In the case of any Affected Participant, such Affected Participant's Performance Incentive Award calculated pursuant to Steps #1 through #13 above shall be multiplied by the appropriate factor set forth in the following charges:

When Net Returns of Total Endowment Assets during the Performance Period for which Performance Incentive Awards are being determined are below negative 5.0% at the end of such Performance Period:

Actual Negative Net Returns (Rounded to Nearest One-Hundredth Decimal)	Factor
5.01 - 6.00	.9
6.01 - 7.00	.8
7.01 - 8.00	.7
8.01 - 9.00	.6
9.01 - 10.00	.5
10.01 - 11.00	.4
11.01 - 12.00	.3
12.01 - 13.00	.2
13.01 - 14.00	.1
14.01 and Below	.0

When Net Returns of Total Endowment Assets during the Performance Period for which Performance Incentive Awards are being determined are in excess of positive 20.0% at the end of such Performance Period:

Actual Positive Net Returns (Rounded to Nearest One-Hundredth Decimal)	Factor
20.01 - 21.00	1.1
21.01 - 22.00	1.2
22.01 - 23.00	1.3
23.01 - 24.00	1.4
24.01 - 25.00	1.5
25.01 - 26.00	1.6
26.01 - 27.00	1.7
27.01 - 28.00	1.8
28.01 - 29.00	1.9
29.01 and Above	2.0

Appendix B

UTIMCO Peer Group

- Columbia University
- Cornell University
- Duke University
- Emory University
- Harvard University
- Massachusetts Institute of Technology
- Northwestern University
- Princeton University
- Rice University
- Stanford University
- UNC Management Company
- University of California
- University of Chicago
- University of Michigan
- University of Notre Dame
- University of Pennsylvania
- University of Southern California
- University of Virginia Investment Management Company
- Vanderbilt University
- Washington University in St. Louis
- Yale University

Source: Cambridge Associates. Represents endowment funds (excluding the Total Endowment Assets) with more than 10 full-time employee positions, allocations to alternative assets in excess of 40%, and with assets greater than $2.5 billion, all to be determined as of the last day of each fiscal year end June 2009, 2010, 2011.

Appendix C

Eligible Positions
Weightings
Incentive Award Opportunities
Percentage of Award Deferred
for each Eligible Position
(for each Performance Period)

TABLE 1 (For the Performance Period beginning September 1, 2012 and ending August 31, 2013)

	Weighting			Incentive Award Opportunity (% of Salary)				Percentage
Eligible Position	Entity	Asset Class/ Investment Type	Qualitative (Individual)	< Threshold	Threshold	Target	Maximum	of Award Deferred
Investment Professionals								
CEO & Chief Investment Officer	60%	0%	40%	0%	0%	100%	320%	50%
President & Deputy CIO	40%	40%	20%	0%	0%	95%	275%	50%
Managing Director - Investments	30%	40%	30%	0%	0%	85%	227.5%	40%
Managing Director - Private Investments	30%	30%	40%	0%	0%	85%	227.5%	40%
Senior Director - Investments	25%	35%	40%	0%	0%	60%	167.5%	35%
Senior Portfolio Manager	20%	40%	40%	0%	0%	60%	167.5%	35%
Senior Director - Risk Management	30%	0%	70%	0%	0%	50%	152.5%	35%
Portfolio Manager	20%	40%	40%	0%	0%	50%	150%	30%
Director - Investments	20%	40%	40%	0%	0%	50%	150%	30%
Director - Private Investments	20%	30%	50%	0%	0%	50%	150%	30%
Director - Risk Management	30%	0%	70%	0%	0%	40%	120%	30%
Senior Associate - Investments	15%	35%	50%	0%	0%	40%	120%	20%
Senior Associate - Private Investments	15%	25%	60%	0%	0%	40%	120%	20%
Senior Associate - Risk Management	30%	0%	70%	0%	0%	40%	110%	20%
Associate - Investments	15%	30%	55%	0%	0%	35%	110%	15%
Associate - Private Investments	15%	20%	65%	0%	0%	35%	110%	15%
Associate - Risk Management	30%	0%	70%	0%	0%	35%	95%	15%
Senior Analyst - Investments	10%	20%	70%	0%	0%	30%	80%	0%
Analyst - Investments	10%	20%	70%	0%	0%	25%	62.5%	0%
Analyst - Risk Management	30%	0%	70%	0%	0%	25%	62.5%	0%
Operations/Support Professionals								
Senior Managing Director	20%	0%	80%	0%	0%	60%	135%	40%
Chief Technology Officer	20%	0%	80%	0%	0%	50%	100%	30%
General Counsel & Chief Compliance Officer	0%	0%	100%	0%	0%	50%	110%	30%
Senior Manager	20%	0%	80%	0%	0%	40%	90%	25%
Manager	20%	0%	80%	0%	0%	40%	80%	25%
Deal Attorney	20%	0%	80%	0%	0%	40%	80%	25%
Senior Financial Analyst	20%	0%	80%	0%	0%	30%	60%	20%

TABLE 1 (For the Performance Periods beginning after August 31, 2013)

Eligible Position	Weighting: Entity	Weighting: Asset Class/ Investment Type	Weighting: Qualitative (Individual)	Incentive Award Opportunity (% of Salary): < Threshold	Threshold	Target	Maximum	Percentage of Award Deferred
Investment Professionals								
CEO & Chief Investment Officer	60%	0%	40%	0%	0%	100%	340%	50%
President & Deputy CIO	40%	40%	20%	0%	0%	95%	300%	50%
Managing Director - Investments	30%	40%	30%	0%	0%	85%	240%	40%
Managing Director - Private Investments	30%	30%	40%	0%	0%	85%	240%	40%
Senior Director - Investments	25%	35%	40%	0%	0%	60%	185%	35%
Senior Portfolio Manager	20%	40%	40%	0%	0%	60%	185%	35%
Senior Director - Risk Management	30%	0%	70%	0%	0%	50%	170%	35%
Portfolio Manager	20%	40%	40%	0%	0%	50%	170%	30%
Director - Investments	20%	40%	40%	0%	0%	50%	170%	30%
Director - Private Investments	20%	30%	50%	0%	0%	50%	170%	30%
Director - Risk Management	30%	0%	70%	0%	0%	40%	150%	30%
Senior Associate - Investments	15%	35%	50%	0%	0%	40%	150%	20%
Senior Associate - Private Investments	15%	25%	60%	0%	0%	40%	150%	20%
Senior Associate - Risk Management	30%	0%	70%	0%	0%	40%	140%	20%
Associate - Investments	15%	30%	55%	0%	0%	35%	135%	15%
Associate - Private Investments	15%	20%	65%	0%	0%	35%	135%	15%
Associate - Risk Management	30%	0%	70%	0%	0%	35%	120%	15%
Senior Analyst - Investments	10%	20%	70%	0%	0%	30%	100%	0%
Analyst - Investments	10%	20%	70%	0%	0%	25%	75%	0%
Analyst - Risk Management	30%	0%	70%	0%	0%	25%	75%	0%
Operations/Support Professionals								
Senior Managing Director	20%	0%	80%	0%	0%	60%	150%	40%
Chief Technology Officer	20%	0%	80%	0%	0%	50%	100%	30%
General Counsel & Chief Compliance Officer	0%	0%	100%	0%	0%	50%	120%	30%
Senior Manager	20%	0%	80%	0%	0%	40%	90%	25%
Manager	20%	0%	80%	0%	0%	40%	80%	25%
Deal Attorney	20%	0%	80%	0%	0%	40%	80%	25%
Senior Financial Analyst	20%	0%	80%	0%	0%	30%	60%	20%

Appendix D

Benchmarks for Entity and Asset Class/Investment Type and Threshold, Target, and Maximum Performance Standards

(for Performance Periods beginning on or after September 1, 2010)

UPDATED TABLE 2 (09/01/10 through 8/31/11)

Asset Class/Investment Type	Benchmark	Policy Portfolio Weights: Total Endowment Assets (% of Portfolio)	Policy Portfolio Weights: ITF (% of Portfolio)	Performance Standards: Threshold	Performance Standards: Target	Performance Standards: Maximum
Entity: Benchmark (Total Endowment Funds)	Policy Portfolio	n/a	n/a	+0 bps	+75 bps	+225 bps
Entity: Benchmark (Intermediate Term Fund)	Policy Portfolio	n/a	n/a	+0 bps	+50 bps	+150 bps
Investment Grade Fixed Income	Barclays Capital Global Aggregate Index	7.5%	30.0%	+0 bps	+25 bps	+62.5 bps
Real Estate	FTSE EPRA/NAREIT Developed Index	2.5%	5.0%	+0 bps	+62.5 bps	+150 bps
Natural Resources	50% Dow Jones-UBS Commodity Total Return Index and 50% MSCI World Natural Resources Index	6.5%	7.5%	+0 bps	+62.5 bps	+150 bps
Developed Country Equity	MSCI World Index with net dividends	19.5%	15.0%	+0 bps	+62.5 bps	+150 bps
Emerging Markets Equity	MSCI Emerging Markets with net dividends	12.0%	7.5%	+0 bps	+62.5 bps	+150 bps
Hedge Funds (Less Correlated & Constrained Investments)	Hedge Fund Research Indices Fund of Funds Composite Index*	30.0%	35.0%	+0 bps	+75 bps	+250 bps
Private Investments (excludes Real Estate)	Venture Economics Custom Index	20.0%	0%	+0 bps	+100 bps	+350 bps
Private Investments Real Estate	NACREIF Custom Index	2.0%	0%	+0 bps	+100 bps	+325 bps
Specific asset class benchmarks:						
Credit-Related Fixed Income	Barclays Capital Global High Yield Index			+0 bps	+37.5 bps	+100 bps
Internal Investment Grade Fixed Income	US Barclays Capital Aggregate			+0 bps	+25 bps	+50 bps

* For the Performance Period beginning 7/01/2008 through 12/31/2008, the benchmark is MSCI Investable Hedge Fund Index

UPDATED TABLE 2 (9/1/11 through 08/31/12)

Asset Class/Investment Type	Benchmark	Policy Portfolio Weights: Total Endowment Assets (% of Portfolio)	Policy Portfolio Weights: ITF (% of Portfolio)	Performance Standards: Threshold	Performance Standards: Target	Performance Standards: Maximum
Entity: Benchmark (Total Endowment Funds)	Policy Portfolio	n/a	n/a	+0 bps	+75 bps	+225 bps
Entity: Benchmark (Intermediate Term Fund)	Policy Portfolio	n/a	n/a	+0 bps	+50 bps	+150 bps
Investment Grade Fixed Income	Barclays Capital Global Aggregate Index	7.5%	35.0%	+0 bps	+25 bps	+62.5 bps
Real Estate	FTSE EPRA/NAREIT Developed Index NET TRI USD	2.5%	5.0%	+0 bps	+62.5 bps	+150 bps
Natural Resources	50% Dow Jones-UBS Commodity Total Return Index and 50% MSCI World Natural Resources Index	6.5%	7.5%	+0 bps	+62.5 bps	+150 bps
Developed Country Equity	MSCI World Index with net dividends	18.5%	10.0%	+0 bps	+62.5 bps	+150 bps
Emerging Markets Equity	MSCI Emerging Markets with net dividends	12.0%	7.5%	+0 bps	+62.5 bps	+150 bps
Hedge Funds (Less Correlated & Constrained Investments)	Hedge Fund Research Indices Fund of Funds Composite Index	30.0%	35.0%	+0 bps	+75 bps	+250 bps
Private Investments (excludes Real Estate)	Venture Economics Custom Index	20.0%	0%	+0 bps	+100 bps	+350 bps
Private Investments Real Estate	NACREIF Custom Index	3.0%	0%	+0 bps	+100 bps	+325 bps
Specific asset class benchmarks:						
Credit-Related Fixed Income	Barclays Capital Global High Yield Index			+0 bps	+37.5 bps	+100 bps
Internal Investment Grade Fixed Income	US Barclays Capital Aggregate			+0 bps	+25 bps	+50 bps

UPDATED TABLE 2 (9/1/12 through 08/31/13)

		Policy Portfolio Weights		Performance Standards		
		Total Endowment Assets	ITF			
Asset Class/Investment Type	**Benchmark**	**(% of Portfolio)**	**(% of Portfolio)**	**Threshold**	**Target**	**Maximum**
Entity: Benchmark (Total Endowment Funds)	Policy Portfolio	n/a	n/a	+0 bps	+75 bps	+225 bps
Entity: Benchmark (Intermediate Term Fund)	Policy Portfolio	n/a	n/a	+0 bps	+50 bps	+150 bps
Investment Grade Fixed Income	Barclays Capital Global Aggregate Index	7.5%	35.0%	+0 bps	+25 bps	+62.5 bps
Real Estate	FTSE EPRA/NAREIT Developed Index NET TRI USD	2.5%	5.0%	+0 bps	+62.5 bps	+150 bps
Natural Resources	50% Dow Jones-UBS Commodity Total Return Index and 50% MSCI World Natural Resources Index	7.5%	7.5%	+0 bps	+62.5 bps	+150 bps
Developed Country Equity	MSCI World Index with net dividends	15.0%	10.0%	+0 bps	+62.5 bps	+150 bps
Emerging Markets Equity	MSCI Emerging Markets with net dividends	12.0%	7.5%	+0 bps	+62.5 bps	+150 bps
Hedge Funds (Less Correlated & Constrained Investments)	Hedge Fund Research Indices Fund of Funds Composite Index	30.0%	35.0%	+0 bps	+75 bps	+250 bps
Private Investments (excludes Real Estate)	Venture Economics Custom Index	21.5%	0%	+0 bps	+100 bps	+350 bps
Private Investments Real Estate	NACREIF Custom Index	4.0%	0%	+0 bps	+100 bps	+325 bps
Specific asset class benchmarks:						
Credit-Related Fixed Income	Barclays Capital Global High Yield Index			+0 bps	+37.5 bps	+100 bps
Internal Investment Grade Fixed Income	US Barclays Capital Aggregate			+0 bps	+25 bps	+50 bps

Appendix E

Eligible Positions of Affected Participants

Table 3 (For the Performance Periods beginning after September 1, 2012)

Eligible Position
Investment Professionals
CEO & Chief Investment Officer
President & Deputy CIO
Managing Director
Managing Director - Private Investments
Senior Director, Investment
Senior Portfolio Manager
Senior Director, Risk Management
Portfolio Manager
Director, Investment
Director - Private Investments
Director, Risk Management
Operations/Support Professionals
Senior Managing Director
Chief Technology Officer
General Counsel & Chief Compliance Officer
Senior Manager
Deal Attorney
Manager

11. U. T. System Board of Regents: Approval of the Annual Budget, including the capital expenditures budget, invoiced external investment manager fees, and other external direct charges to the Funds, and the Annual Fee and Allocation Schedule for The University of Texas Investment Management Company (UTIMCO)

Upon recommendation of The University of Texas Investment Management Company (UTIMCO) Board of Directors, the Board approved the UTIMCO Annual Budget for the fiscal year ending August 31, 2013, as set forth on Pages 124 - 125, which includes the capital expenditures budget, invoiced external investment manager fees, and other external direct charges to the Funds, and the Annual Fee and Allocation Schedule as set forth on Page 126.

The Total Budgeted Costs consist of $24.1 million for UTIMCO services, $7.1 million for external noninvestment manager services such as custodial, legal, audit and consulting, and $59.6 million for invoiced external investment manager and performance fees associated with separate accounts, which exist only to provide customized investment guidelines and/or provide for direct custody. These Total Budgeted Costs represent only a portion of total investment costs as they exclude external manager fees paid by the funds and netted from asset values. UTIMCO will provide a comprehensive analysis to The University of Texas System Office of Finance of all fees paid to external investment managers. The Total Budgeted Costs were approved by the UTIMCO Board on July 11, 2012.

The Annual Fee and Allocation Schedule shows the allocation of the budgeted expenses among U. T. System funds. The fees are to be paid quarterly.

The capital expenditures budget totaling $1.4 million is included in the total Annual Budget.

UTIMCO projects that there will be no cash reserves available to be distributed back to the U. T. System funds per the Master Investment Management Services Agreement (IMSA) between the U. T. System Board of Regents and UTIMCO.

UTIMCO ANNUAL BUDGET

UTIMCO FY 2012 Forecast and FY 2012 & 2013 Budget	FY 2012		FY 2012 Forecast vs. FY 2012 Budget	FY 2013	FY 2013 Budget vs. FY 2012 Budget
($ in thousands)	Forecast	Budget	Over/ (Under)	Budget	Over/ (Under)
UTIMCO Services	$15,611	$18,299	($2,688)	$24,126	$5,827
Other Investment Related Expenses Charged to Funds *	7,019	7,576	(557)	7,139	(437)
Total	**$22,630**	**$25,875**	**($3,245)**	**$31,265**	**$5,390**

* Does not include any external investment manager fees

Prepared by: UTIMCO

Date: July 31, 2012

Detail of UTIMCO Services Expenses

UTIMCO Expenses (thousands $)	FY 2012 Forecast	FY 2012 Budget	FY 2012 Forecast vs. FY 2012 Budget Over/ (Under)	FY 2013 Budget	FY 2013 Budget vs. FY 2012 Budget Over/ (Under)
Salaries:					
Existing Salaries	$6,993	$7,036	($43)	$7,107	$71
Salary Increases	-	-	-	198	198
Promotions	-	-	-	118	118
Staff Additions	-	-	-	553	553
Total Salaries	**$6,993**	**$7,036**	**($43)**	**$7,976**	**$940**
Performance Compensation:					
Cash Awards	$865	$3,572	($2,707)	$4,491	$919
Deferrals - Regular	1,842	1,675	167	2,226	551
Deferrals - Extraordinary	-	-	-	2,700	2,700
Earnings	158	143	15	419	276
Total Performance Compensation	**$2,865**	**$5,390**	**($2,525)**	**$9,836**	**$4,446**
All Other	5,753	5,873	(120)	6,314	441
Total	**$15,611**	**$18,299**	**($2,688)**	**$24,126**	**$5,827**

Prepared by: UTIMCO
Date: July 31, 2012

UTIMCO Management Fee and Direct Budgeted Investment Expenses
Annual Fee and Allocation Schedule
For the fiscal year ending August 31, 2013

Proposed Budget	PUF	PHF	LTF	GEF (PHF, LTF)	ITF	STF	Separate Funds	Total
	Fund Name							
Market Value 2/29/12 ($ millions)	**12,971**	**981**	**6,048**	**7,029** (2)	**4,826**	**1,544**	**918**	**27,288**
UTIMCO Management Fee								
Dollars (thousands)	12,158	1,102	6,798		4,068			24,126
Basis Points	9.4	11.2	11.2	0	8.4	0	0	8.8
Direct Expenses to the Fund, excluding UT System Direct Expenses to the Fund								
Dollars (thousands)								
Other Direct Costs	3,225	19	21	2,069	1,805			7,139
External Management Fees - AUM	20,424	0	0	11,314	9,730	N/A (1)		41,468
External Management Fees - Performance	9,528	0	0	5,314	3,267			18,109
Total Dollars	**33,177**	**19**	**21**	**18,697**	**14,802**		**0**	**66,716**
Basis Points								
Other Direct Costs	2.5	0.2	0.0	2.9	3.7	0	0	2.6
External Management Fees - AUM	15.7	-	-	16.1	20.2	N/A (1)		15.2
External Management Fees - Performance	7.3	-	-	7.6	6.8			6.6
Total Basis Points	25.5	0.2	0.0	26.6	30.7	N/A (1)		24.4
UT System Direct Expenses to the Fund								
Dollars (thousands)								
UT System Fees for Endowment Admin & Mgmt	0	0	13,571	0	0	0	0	13,571
UT System Oversight Fees	207	17	98	0	78	0	0	400
UT System PUF Lands	8,879	0	0	0	0	0	0	8,879
Total Dollars	9,086	17	13,669	0	78	0	0	22,850
Total Basis Points	7.0	0.2	22.6	0	0.2	0	0	8.4

(1) Income is net of fees

(2) Pooled Fund for the collective investment of the PHF and LTF

Prepared by: UTIMCO

Date: July 31, 2012

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 127 - 138).--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>U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration</u>

   There were no items referred from the Consent Agenda.

2. <u>U. T. Arlington: Proposed honorific naming of the Practice Facility within the College Park Center as the Carrizo Oil & Gas Practice Facility (Deferred)</u>

   The item related to a proposed honorific naming of the Practice Facility within the College Park Center as the Carrizo Oil & Gas Practice Facility at The University of Texas at Arlington was deferred.

3. <u>U. T. San Antonio: Honorific naming of the Science Building as the Peter T. Flawn Building and appointment of Dr. Flawn as President Emeritus</u>

   The Board approved

   a. the honorific naming of the Science Building at The University of Texas at San Antonio as the Peter T. Flawn Building to recognize the important contributions made by Dr. Flawn, former President, during the institution’s formative years; and

   b. appointment of Dr. Flawn as President Emeritus at U. T. San Antonio.

   The 185,000 square foot Science Building, built in 1975, is one of the original academic buildings on the U. T. San Antonio main campus. It is located on the north side of the central Sombrilla Plaza. The Science Building currently houses primarily science education classrooms, labs, and research facilities.

   Dr. Peter Tyrrell Flawn was the second president of U. T. San Antonio, serving from 1973 to 1977, after having served 24 years at U. T. Austin, first as a research scientist and geologist in the Bureau of Economic Geology, and then as the University's Executive Vice President for Academic Affairs. During his five-year tenure at U. T. San Antonio, President Flawn oversaw many milestones, including the opening of the newly constructed campus in

Northwest San Antonio and the increase in enrollment that grew to support five colleges. He was instrumental in achieving full accreditation for graduate programs by the Southern Association of Colleges and Schools (SACS), and he presided over the first commencement ceremony.

After his tenure at U. T. San Antonio, Dr. Flawn was named President of The University of Texas at Austin, a position he held from 1979 to 1985 and where he currently serves as President Emeritus. Dr. Flawn was also Interim President at U. T. Austin from July 1997 to April 1998. In 2000, he was honored with the Santa Rita Award, the highest award bestowed by the Board of Regents to individuals who have made valuable contributions to The University of Texas System.

4. <u>U. T. Arlington: Approval of expansion of preliminary planning authority for a Ph.D. in Geosciences in collaboration with U. T. Dallas</u>

The Board approved

a. expansion of preliminary planning authority for The University of Texas at Arlington to include a Doctor of Philosophy in Geosciences in collaboration with The University of Texas at Dallas; and

b. submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

U. T. Arlington will submit the degree program for approval by The University of Texas System Board of Regents and the Coordinating Board. This Ph.D. in Geosciences degree will be a joint program with the existing program at U. T. Dallas. The merger will strengthen programs at both institutions.

The new program will have joint admission with equal standards for the two institutions, a shared curriculum, and common comprehensive examinations. The program will be managed by an executive committee composed of the Chair of the Geosciences Department at U. T. Dallas, the Chair of Earth and Environmental Sciences Department at U. T. Arlington, and two other faculty members from each institution.

5. <u>U. T. Pan American: Approval to expand preliminary planning authority to include a Ph.D. in Developmental Education</u>

The Board approved

a. expansion of preliminary planning authority for The University of Texas-Pan American to include a Doctor of Philosophy in Developmental Education in its Table of Programs; and

b. submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

U. T. Pan American will submit the degree program for approval by The University of Texas System Board of Regents and the Coordinating Board.

This Ph.D. in Developmental Education degree will prepare graduates to address the educational challenges that are being confronted at the national level as a result of the increasing number of students who do not meet college readiness standards.

The Ph.D. program will be an innovative and transdisciplinary program that will address the unique educational challenges in the Rio Grande Valley and throughout the country as a result of the increasing demand and need for developmental education as it relates to bilingual education and the rapidly growing Hispanic population.

6. U. T. Austin: Approval to establish a Ph.D. degree in African and African Diaspora Studies

Pursuant to the Regents' *Rules and Regulations*, Rule 40307, related to academic program approval standards, the Board authorized

a. establishment of a Ph.D. degree in African and African Diaspora Studies at The University of Texas at Austin; and

b. submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

The African and African Diaspora Studies Department, within the College of Liberal Arts, will administer the Ph.D. program, which is a five-year degree that focuses on preparing students for undergraduate and graduate-level teaching and scholarly publishing in the field. The degree program will be designed to allow students to explore the global and interdisciplinary nature of the field in-depth. Graduates will be prepared for employment in academic jobs in Black Studies, area studies, and ethnic studies, as well as in traditional academic disciplines, including anthropology, art and art history, education, history, philosophy, political science, psychology, and sociology.

Students admitted to the program will take 60 semester credit hours of organized course work. Although students are expected to develop a geographic concentration, the diasporic emphasis of the curriculum encourages students to adopt a transnational approach to Black Studies.

No other Texas institution of higher education has a department dedicated to the study of the experiences of people of African descent, and no doctoral degrees in this field are offered elsewhere in the state. The recently created African and African Diaspora Studies Department offers the Bachelor of Arts degree (with over 50 undergraduate students currently majoring in the program) and will offer a terminal master's degree beginning with the inaugural class of Fall 2011. The increasing number of Black Studies departments and graduate programs throughout the United States shows promising employment prospects for scholars in this interdisciplinary field. Offering a Ph.D. in this discipline will help to retain and attract top undergraduate and graduate students in the field. Enrollment projections include three new students in the first three years of the program and six new students each year afterwards totaling 21 students by the fifth year.

U. T. Austin and the African and African Diaspora Studies Department are highly qualified to offer the doctoral degree program. The unparalleled breadth and depth of research specialties of the Department's faculty ensure that graduate students would acquire a variety of skills that are unavailable at peer institutions. While most Black Studies departments at other universities focus specifically on the African-American experience in the United States, U. T. Austin will be able to provide students access to a wide range of eminent scholars who are engaged in the study of people of African descent throughout the world through its outstanding programs in the study of Africa, Latin American, and the Caribbean. Of the nine academic departments or institutes nationwide that offer a doctoral degree in Black Studies, U. T. Austin's African and African Diaspora Studies Department has more affiliated faculty members and has multiple faculty members in the Fine Arts, Humanities, and Social Sciences. Contributing to the doctoral program will be 13 faculty members appointed 100% to the Department, 17 faculty members appointed 50% to the Department, and another 28 faculty members from across the University.

Resources, faculty, and administrative personnel at U. T. Austin are currently in place to support this doctoral degree program. The African and African Diaspora Studies Department will fund Years One to Five of the Ph.D. program, exclusively through the use of existing reallocated funds.

The five-year cost of operating the program is projected to be approximately \$2,820,454. This includes \$1,611,943 for faculty salaries, \$1,156,011 for graduate student support, and \$52,500 for administrative support. Revenues of \$195,496 from formula funding and reallocation of \$2,820,454 in existing resources are expected to be sufficient to fund the program. No new funding was requested.

7. U. T. Austin: Approval to establish a Ph.D. degree program in Statistics

Pursuant to the Regents' *Rules and Regulations*, Rule 40307, related to academic program approval standards, the Board authorized

a. establishment of a Ph.D. degree program in Statistics at The University of Texas at Austin; and

b. submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

The Ph.D. degree program in Statistics will be a four-year degree focused on preparing future researchers on the theory and methods of statistics. Major emphasis will be placed on probability models and modern computational statistical tools. Throughout the program, students will be exposed to central ideas of both Bayesian and classical approaches to inference. A hallmark of the program will be the integration of substantive areas of application into the program of study, such as government, economics, biology, engineering, computer science, psychology, neuroscience, and education, among others.

Students admitted to the program will take 52 semester credit hours of organized course work. This includes 28 hours of required courses, 6 hours of substantive area electives, 6 hours of free electives, and 12 hours of doctoral dissertation. The program is designed to provide students with the essential strong core knowledge of statistics, as well as a firm background in their substantive field of concentration.

The Division of Statistics and Scientific Computation, within the College of Natural Sciences, will administer the Ph.D. program.

Core members of the faculty will include nine from U. T. Austin's College of Natural Sciences, the College of Engineering, the College of Liberal Arts, and the McCombs School of Business. All participating faculty members are active, publishing researchers. Numerous support faculty members will also participate in this program.

The Division of Statistics and Scientific Computation will fund Years One to Five of the Ph.D. degree program, exclusively through the use of existing reallocated funds. Faculty and administrative personnel are already in place. Ph.D. students will be fully supported through existing teaching assistant positions in the College of Natural Sciences and the College of Liberal Arts, and through research assistant positions using federal grant monies that are currently held by core and support faculty on this proposal.

The five-year cost of operating the program is projected to be approximately \$4,649,506. This includes \$2,712,178 for faculty salaries, \$197,752 for program administration, \$1,715,117 for graduate student support, and \$24,459 for administrative support. Revenues of \$1,378,230 from formula funding, \$3,165,594 from existing funds, and \$105,682 in federal funding are expected to be sufficient to cover the cost of the program.

8. <u>U. T. El Paso: Approval to establish M.S. and Ph.D. degree programs in Biomedical Engineering</u>

Pursuant to the Regents' *Rules and Regulations*, Rule 40307, related to academic program approval standards, the Board authorized

a. establishment of M.S. and Ph.D. degree programs in Biomedical Engineering at The University of Texas at El Paso; and

b. submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

U. T. El Paso will implement new M.S. and Ph.D. degree programs in Biomedical Engineering (BME) in collaboration with the Texas Tech University Health Science Center Paul L. Foster School of Medicine, the U.S.-Mexico Border Health Association, and hospitals and clinics across the El Paso area. These degree programs will enable Texas to become more competitive in addressing issues that are not the focus of other doctoral programs in the state such as the development of the next generation biomedical technologies to serve people in rural and low-resource settings.

The degree programs will directly align with U. T. El Paso's commitment to meet regional needs and student demand by enhancing graduate and undergraduate education and addressing Texas' and the nation's future workforce needs, with special focus on preparing the fast-growing Hispanic segment of the population. These degree programs will also leverage existing strengths, infrastructure, economies of scale, and knowledge and build on strategic investments by U. T. El Paso, The University of Texas System, and the State of Texas.

U. T. El Paso anticipates enrolling 25 Ph.D. students and 64 M.S. students in the program by Year Five. The Ph.D. program comprises three tracks or enabling technologies where U. T. El Paso faculty members have expertise: biomedical devices and image/signal processing; biomaterials and tissue engineering; and rehabilitation and human-factors engineering. The Ph.D. program will require a minimum of 90 semester credit hours: 24 hours of core courses, 21 hours of elective courses, 3 hours of seminar, 36 hours of research, and 6 hours of dissertation.

In addition to the required course work, all Ph.D. students will be expected to conduct and publish original research and publicly defend a dissertation. The Ph.D. program is expected to add a total of 25 doctoral students over the next five years.

U. T. El Paso has extensive resources and strengths that will support the programs' mission. The institution has invested over $5 million in building a Biomedical Engineering annex, an 18,000 square feet complex of primarily laboratory space that was recently completed. Students will also have access to the W. M. Keck Center for 3D Innovation, the premier facility of its kind in the world, housing over $4.5 million in research infrastructure with combined facilities for advanced manufacturing, reverse engineering and metrology, and biomanufacturing. Students will have access to the Border Biomedical Research Center, an NIH-funded $45 million center with core laboratories in analytical cytology, bioinformatics computing, bimolecular analysis, cell culture and high-throughput screening, and DNA analysis.

There are eight core faculty and 19 support faculty in the degree program. In addition, 19 tenured/tenure-track faculty members from U. T. El Paso and the Texas Tech University Health Science Center Paul L. Foster School of Medicine will serve in a support role. All faculty members who participate in this program also teach organized courses, both undergraduate and graduate, in Biomedical Engineering and related interdisciplinary programs such as electrical engineering, materials science and engineering, and mechanical engineering. One new tenure-track core faculty will be added to support projected enrollment growth in the third year of this program.

The BME program's fiscal components were designed based on the experience with the decade-old doctoral program in Computer Science, identification of efficiencies, and use of existing resources. The marginal revenue analysis to date shows that the total average cost per student over five years is approximately $22,294 and that positive net revenue is achieved starting in Year One, assuming enrollment targets are met. Sources of revenue include formula funding, external grant funding, reallocated funds, and differential student tuition.

9. U. T. Tyler: Approval to establish a Doctor of Nurse Practice degree

Pursuant to the Regents' *Rules and Regulations*, Rule 40307, related to academic program approval standards, the Board authorized

a. establishment of a Doctor of Nurse Practice (DNP) degree at The University of Texas at Tyler; and

b. submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

The program is designed to prepare advanced clinical practitioners to work in medically underserved rural communities in East and Northeast Texas and to provide evidence-based medical care to underserved populations throughout Texas. The DNP program is anticipated to contribute to the Closing the Gaps initiative by increasing the minority doctoral graduates and increasing doctorally-prepared faculty to teach in nursing programs throughout Texas.

U. T. Tyler's nursing programs at the undergraduate and graduate levels have outpaced the rest of the University in minority enrollment for the past eight years. Because all of the nursing programs are geared toward serving rural and underserved communities, they are attractive to minorities.

The current minority representation in U. T. Tyler’s Bachelor of Science in Nursing (BSN) (18%), Master of Science in Nursing (MSN) (20%), and Doctor of Philosophy (Ph.D.) (33%) programs will continue in the DNP program. Admissions committees seek a diverse student population in all of its programs, and that will continue with this program.

The enrollment goal for Year Five is 29 new students or 26 full-time student equivalents. However, because it is imperative that the clinical practice be highly challenging with significant responsibility for patient care, enrollment will be driven almost exclusively by the availability of quality clinical placements.

The DNP is a part-time post-MSN degree requiring the completion of 48 semester credit hours over eight semesters, including 525 hours of clinical experiences, a Clinical Synthesis Project, and a Scholarly Synthesis Project. The program is designed for placebound working nurses. Courses in the DNP program will be offered through a combination of hybrid, face-to-face, and online classes.

The program evaluation processes meet the American Association of Colleges of Nursing "DNP Essentials." In addition, the faculty will integrate the DNP Competencies established by the National Organization of Nurse Practitioner Faculties.

Many experts warn that by 2020, the number of physicians will be inadequate to meet the demand for medical services, especially in rural areas and given the number of baby boomers in their 70s. If health care cannot be met by physicians, then doctorally-prepared nurse practitioners will have to assume more of the nation's health care needs. Employers report that nurses educated with a practice doctorate provide a "value added" to their organizations by improving systems, providing a higher level of quality assessment and intervention, and contributing to improved health outcomes.

The 14 core faculty members identified to support the DNP degree are active clinicians with expertise ranging from acute care to pediatrics. Core faculty has a total of more than 90 refereed publications and are principal investigators on grants totaling over $3 million since 2006. Two new core faculty members for the DNP program have been hired to begin in Fall 2012, with one additional faculty member to begin in Fall 2013.

The DNP will build upon the Nursing program's existing strengths in delivering graduate education and upon the existing network of health care providers in East/Northeast Texas, including private physicians, hospitals, rural clinics, and The University of Texas Health Science Center at Tyler.

Because U. T. Tyler currently has a robust Ph.D. in Nursing and a large MSN and MSN-NP program, faculty costs in those existing programs will be leveraged for the DNP, as all faculty are qualified to teach in the DNP program.

The operating costs of the program will total approximately $826,000 over five years. The University has already spent over $4 million to hire two new faculty members and to build an addition to the Nursing Building to house a new simulation lab that will be shared among the graduate nursing programs.

Costs from the first five years include $250,000 for two new faculty in Years Two and Four; approximately $200,000 in reallocated faculty salaries; $136,000 in administration and support costs; $50,000 annually in graduate assistantships; and $190,000 in materials, library, and technology support.

10. U. T. Austin: Authorization for KUT Radio to purchase KXBT-FM Radio from Border Media Business Trust, a Delaware common law trust

The Board granted authorization for KUT Radio at The University of Texas at Austin to purchase KXBT-FM Radio from Border Media Business Trust, a Delaware common law trust, for $6,000,000, initially funded by unrestricted Unexpended Plant Funds cash reserves and Gift funds. At the Academic Affairs Committee meeting held on August 22, 2012, Regent Hall was noted as opposing approval of this item.

In addition, the Board approved that

a. the 10-year loan amortization with interest will be specified; and

b. if required monthly payments fall behind for more than four months, the license frequency will be put back on the market and The University of Texas System will direct U. T. Austin to sell the license at a fair market price as soon as possible.

U. T. Austin, on behalf of the College of Communication's KUT-FM Radio, will acquire the license and all assets, properties, permits, interests, and rights of Border Media Business Trust used in the operation of FM radio station KXBT-FM serving the Austin market area. The acquisition is contingent upon final consent by the Federal Communications Commission to the assignment of the FM and related licenses to U. T. Austin for educational purposes. The acquired station will be operated as a noncommercial music station by KUT as a service of the College of Communication.

KUT's purpose is to promote the mission, purpose, and values of U. T. Austin through programming, outreach, and education internship programs. KUT is a self-sufficient service and operates without general revenue support. By differentiating KUT's current mixed format of news and music services across two stations, U. T. Austin has determined that the acquisition will contribute to improving the quality of education that undergraduate students receive in the Department of Radio, Television, and Film and other academic programs and to the long-term public service and sustainability of KUT in a number of ways:

- Create a bigger and broader platform to share the intellectual assets of U. T. Austin and Central Texas with the community via a KUT News and Public Affairs station;
- Establish KUTX music as an on-air and digital destination for the Austin music experience and provide a high profile platform for promoting and sharing content from the Cactus Café;
- Expand educational internship opportunities at both stations for students in journalism, multimedia, and music booking and support;
- Strengthen U. T. Austin’s ability to recruit and retain top faculty and improve the quality of education for undergraduate students; and
- Strengthen financial sustainability by increasing net revenues and establishing operating capital and opportunity investment reserves.

It has been the desire, and a core element of KUT's strategic plan, to differentiate and expand its public service across two FM stations serving the Austin market. KUT has worked with the nonprofit group Public Radio Capital to identify appropriate station opportunities. In the past several years, KUT has considered and made attempts to acquire a station. These transactions have not gone forward either because of higher bidders or other strategic reasons. Station management believes this is the most viable and attractive opportunity available now or in the foreseeable horizon.

Station management, with the assistance of Public Radio Capital, has analyzed publicly available data on the sale of comparable stations. The most recent sale of a comparable FM station in Austin was in 2010 for the equivalent of $3.87 per person in the station's coverage area. The offer for KXBT-FM is the equivalent of $3.83 per person in the station's coverage area.

U. T. Austin will pay $6 million to Border Media Business Trust to acquire the license and all assets relating to KXBT-FM Radio. Public Media Company, the acquisition arm of Public Radio Capital, will be paid a brokerage fee of $250,000 at closing for their role in structuring the overall transaction. Because Public Media Company had the exclusive right to negotiate the purchase of the station from Border Media Business Trust, U. T. Austin made a $25,000 option payment this spring to Public Media Company. The source of funding for these two payments is KUT local funds, which do not include tuition, fees, or State appropriations.

The initial acquisition will be funded from unrestricted Unexpended Plant Funds cash reserves of the University through an internal loan of $4 million at 4% and Gift funds of $2 million. The loan will be repaid by KUT to U. T. Austin over 10 years on a monthly basis with interest from future revenues generated by KUT from sponsorship revenues and gifts. U. T. Austin leadership has reviewed the historical experience of KUT in generating sponsorship revenues and gift monies, has reviewed the pro forma for the acquisition, and has determined that KUT is likely able to make such repayment. However, in the event that KUT falls behind on payments for more than four months, the U. T. System will sell the license at fair market value as soon as feasible. Again, no student tuition or fees will be used to finance this acquisition.

U. T. Austin is optimistic that, over time, revenue from the strengthened services will help KUT build reserves to maintain new studios in the Belo Center for New Media, to provide for unforeseen contingencies, and to create opportunity capital for new initiatives.

11. U. T. Permian Basin: Approval of 2012 Campus Master Plan

The Board approved the 2012 Campus Master Plan for The University of Texas of the Permian Basin. The Executive Summary and the Campus Master Plan are included in the Academic Affairs Committee Minutes held on August 22, 2012.

The Plan focuses on creating a more sustainable campus environment and guiding design principles to ensure plan compliance, as well as planned interventions that align the physical growth of the campus with the institution's academic/strategic plan.

U. T. Permian Basin's Campus Master Plan was last updated on February 10, 2000.

12. <u>U. T. Permian Basin: Approval to rename the Center for Energy and Economic Diversification (CEED) Campus as The University of Texas of the Permian Basin Midland Campus</u>

The Board approved the renaming of the Center for Energy and Economic Diversification (CEED) Campus as The University of Texas of the Permian Basin Midland Campus to more formally connect the campus with U. T. Permian Basin. This renaming provides a more descriptive name for the campus in Midland as it exists today and for future development of the property.

Over the last three decades, 98 acres of land were donated by the Scharbauer family to U. T. Permian Basin for construction of the CEED Campus and later for the construction of The Wagner Noël Performing Arts Center. The City of Midland extended its water and sewer lines to both the CEED Campus and the Performing Arts Center and extended the City limits to include the property, enhancing the property for possible future development.

13. <u>U. T. System: Discussion on academic leadership matters related to blended and online education at U. T. Austin</u>

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

14. <u>U. T. System: Student Advisory Council follow-up</u>

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

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 139 - 157).--Committee Chairman Stillwell reported that the Health Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Health Affairs Committee and approved in open session by the U. T. System Board of Regents.

1. <u>U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration</u>

   There were no items referred from the Consent Agenda.

2. <u>U. T. Medical Branch - Galveston: Report on community service through various outreach programs</u>

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

3. <u>U. T. Southwestern Medical Center: Report on community service through various outreach programs</u>

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

4. <u>U. T. System: Discussion and possible recommendation on appropriate action related to the status of the Texas 1115 Medicaid Waiver</u>

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

5. <u>U. T. System: Approval to distribute a portion of The University of Texas System Professional Medical Liability Benefit Plan premium returns for Fiscal Year 2013 and approve rates for the Plan</u>

   Following consideration of staff recommendations based upon consultation with Milliman, Inc., actuary for The University of Texas System Professional Medical Liability Benefit Plan (Plan), the Board approved that

   a. premium rates remain unchanged; and

b. $15 million be distributed from the Plan for Fiscal Year 2013 to the participating U. T. System institutions based on a methodology that considers each institution's losses. The distribution of $15 million is set forth in Exhibit 1 (Page 141).

After reducing Plan reserves steadily over the last three years, the Plan Management Committee has significantly reduced total Plan assets to bring the Plan reserve levels to those generally accepted by the industry. Through premium reductions and distributions to the institutions, the participating institutions have thus faced less financial demand for participation in the Plan. No premium increases were recommended for the coming year. However, due to modest Plan investment income and efficient management of claims during this past year, a return to the contributing institutions of $15 million was recommended. Such a distribution should still allow for adequate capitalization of the Plan. Since Plan reserves have already been reduced, this return is smaller than most returns in previous years.

The methodology for distribution of $15 million to participating institutions considers the proportion of each institution’s payment into the Plan as well as each institution’s losses over the previous three-year period. Thus, those institutions that have higher claims receive lower distributions but with consideration to the amount of potential institutional exposure.

Exhibit 1

The University of Texas System Professional Medical Liability Benefit Plan

Proposed Distribution of Plan Returns

Institution	***Premium Paid 2009-2011***	***Claims Expenses 2009-2011***	***Net Contribution Amount***	***Rebate based on Net Contribution***
UTSWMCD	7,790,236	2,912,011	4,878,225	2,958,266
UTMB	7,123,997	1,171,834	5,952,163	3,609,526
UTHSCH	4,543,533	1,684,660	2,858,873	1,733,685
Medical Foundation (UTHSCH)	2,933,022	1,087,512	1,845,510	1,119,159
UTHSCSA	6,346,601	595,807	5,750,794	3,487,411
UTMDACC	4,357,656	1,264,186	3,093,470	1,875,950
UTHSCT	284,933	10,645	274,288	166,334
UT Arlington	5,550	0	5,550	3,366
UT Austin	72,871	1,916	70,955	43,028
UT Dallas	827	0	827	502
UT El Paso	76	0	76	46
UT San Antonio	4,497	0	4,497	2,727
Totals	**33,463,799**	**8,728,571**	**24,735,228**	**$ 15,000,000**

6. <u>U. T. M. D. Anderson Cancer Center: Authorization to lease space at 2130 West Holcombe Boulevard, Houston, Harris County, Texas, from Sheridan Hills Developments, L.P., a Texas limited partnership, for use as a cancer research facility</u>

On behalf of The University of Texas M. D. Anderson Cancer Center, the Board

a. approved the lease space at 2130 West Holcombe Boulevard, Houston, Harris County, Texas, from Sheridan Hills Developments, L.P., a Texas limited partnership, for use as a cancer research facility; and

b. authorized the Executive Director of Real Estate to execute all documents, instruments, or other agreements, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing action.

A primary research recruiting constraint identified by U. T. M. D. Anderson Cancer Center is research space availability. As a part of the institution's overall cancer research plan, M. D. Anderson has been actively searching for nearby lab space. The institution identified space in the building at 2130 West Holcombe Boulevard as its best opportunity to add additional research space in a timely manner. The building is two blocks west of the campus; notwithstanding that considerable building renovations will be required, the institution has concluded that the space can be delivered at least a year earlier than any other option.

The lease includes approximately 97,547 square feet of research space and approximately 3,235 square feet of storage and mechanical space and associated space. The lessor will make available parking spaces for up to 250 vehicles; the number of spaces used by M. D. Anderson employees may be adjusted monthly based on need and each respective employee will pay all or the majority of the per space parking fee through payroll deduction.

The building is currently an office building and significant renovations will be required to convert the space to research space. The estimated total cost of the renovations is $38 million, which sum includes $6.5 million in furniture, fixtures, and equipment; $3.1 million in architectural and engineering fees; and a $4 million contingency. The Lessor will contribute $40 per square foot towards construction of the tenant improvements for the research space. U. T. M. D. Anderson Cancer Center will contribute the remainder of the cost of the improvements, estimated to be $350 per square foot. All of the tenant improvements will be constructed by the Lessor.

Leasing this space is a part of M. D. Anderson's comprehensive and strategic plan to drive progress in cancer medicine. The institution identified a need for approximately 160,000 square feet of space and evaluated its current space and various lease and construction options. Reallocation of space has enabled the institution to more efficiently use its existing space. Construction is a longer-term solution. Leasing was determined to be the best option to address immediate space needs not solved by reallocation.

Among the several lease possibilities that were examined, the subject property was determined to have characteristics that could accommodate a large amount of high-quality laboratory space by the third quarter of fiscal year 2013, which is 12 to 24 months earlier than other options that were evaluated. Additionally, the lease rate at the property is within the market range of comparable properties.

Details of this lease, which will be funded with hospital revenue and grants, are summarized in the transaction summary below.

Transaction Summary

Institution:	U. T. M. D. Anderson Cancer Center
Type of Transaction:	Lease of space in a commercial office building
Lessor:	Sheridan Hills Developments, L.P.
Location:	Life Science Plaza, 2130 W. Holcombe Boulevard., Houston, Harris County, Texas
Total Area:	Approximately 97,547 square feet of research space and 3,235 square feet of storage and mechanical space.
Intended Use:	Cancer research space
Lease Term:	The lease term commences on substantial completion of the tenant improvements, currently estimated to be March 1, 2013, and continues for ten years, plus two five-year renewal options.
Lease Costs:	Approximately $39.1 million in base rent and estimated operating expenses over the 10-year term. Base rent for the research space starts at $23 per square foot; base rent for the storage and mechanical space starts at $13 per square foot; rent for both the research space and the storage and mechanical space increases 10% every fourth year. Operating expenses for 2012 are estimated by the Lessor to be approximately $11.50 per square foot. Charges for each parking space used will be

deducted monthly from the respective employee's paycheck. Rent for the renewal option periods will continue the rent escalation schedule of the initial term.

Tenant Improvements:	The Lessor is contributing $40 per square foot (approximately $3,901,880) towards construction of the tenant improvements, which have a total estimated cost of $38 million; that total cost includes $6.5 million in furniture, fixtures, and equipment, $3.1 million in architectural and engineering fees, and a $4 million contingency; the institution is contributing the remainder of the cost of construction, estimated to be $350 per square foot (approximately $34.1 million); all construction will be handled by the Lessor.
Source of Funds:	Hospital revenue and grants

7. U. T. Health Science Center - Tyler: Approval of tuition and fee plan for the first degree program, a Master of Science in Biotechnology in the School of Medical Biological Sciences, for the Academic Years 2012-2013 and 2013-2014

The Board approved the tuition and fee plan for the first degree program at The University of Texas Health Science Center at Tyler, a Master of Science in Biotechnology in the School of Medical Biological Sciences, for Academic Years 2012-2013 and 2013-2014 as set forth on the following pages.

The program, which will be offered for the first time in Fall 2012, began as a collaborative partnership with Stephen F. Austin State University (SFA) in 1996, has now grown into an independent program. While still maintaining close ties to SFA, the program will focus more on medical biotechnology to meet growing demands in the biotechnology and pharmaceutical industries.

The Texas Higher Education Coordinating Board approved the request to establish the new program on May 22, 2012, with implementation of the program to begin on August 27, 2012. Anticipated enrollment for the Academic Year 2012-2013 is six and 15 for the Academic Year 2013-2014 (six from the inaugural cohort and nine new enrollments).

The University of Texas Health Science Center at Tyler
School of Medical Biological Sciences
Master's Degree Program in Biotechnology
Tuition and Fee Proposal
Academic Years 2012-13 and 2013-14

The Master's degree program in Biotechnology, offered by the Department of Cellular and Molecular Biology in the School of Medical Biological Sciences, proposes the following Graduate-level Tuition and Fees for the Academic Years 2012-13 and 2013-14.

Rationale and supporting information.

Texas Education Code, Chapter 54, states that no institution of higher education may collect from students attending the institution any tuition fee or charge of any kind except as permitted by law.

1. **Statutory Tuition ($100/SCH)**

   Rationale: The University of Texas Health Science Center at Tyler (UTHSCT) proposes the standard graduate rate of $100 per semester credit hour (SCH) for Texas residents (see below) and $802 per SCH for non-Texas residents (as per rate set by THECB).

   Supporting Information:

   - *TEC Section 54.051 – Tuition Rates*

     (c) Unless a different rate is specified by this section, tuition for a resident student at a general academic teaching institution is $50 per semester credit hour.

     (d) Unless a different rate is specified by this section, tuition for a nonresident student at a general academic teaching institution or medical and dental unit is an amount per semester credit hour equal to the average of the nonresident undergraduate tuition charged to a resident of this state at a public state university in each of the five most populous states other than this state, as computed by the coordinating board under this subsection. The coordinating board shall set the tuition rate provided by this subsection for each academic year and report that rate to each appropriate institution not later than January 1 of the calendar year in which the academic year begins, or as soon after that January 1 as practicable. In computing the tuition rate, the coordinating board shall use the nonresident tuition rates for the other states in effect for the academic year in progress when the board makes the computation.

   - *TEC Section 54.008 – Tuition Rate Set by Governing Board (Graduate Tuition Rates)*

     (a) The tuition rates provided by Subchapter B of this chapter are minimum rates. Except as provided by Subsections (e), (f), and (g), the governing board of each institution of higher education shall set tuition for graduate programs for that institution at a rate that is at least equal to that prescribed by Subchapter B, but that is not more than twice the rate prescribed by Subchapter B. Between the maximum and minimum rates, the board may set the differential tuition among programs offered by an institution of higher education.

(b) The governing board of a university system is not required to set uniform tuition rates for graduate programs among the institutions of the system.

2. **Designated Tuition ($146/SCH)**

Rationale: UTHSCT proposes the rate of $146 per SCH. This amount is consistent with the local Tyler higher education (graduate level) market. In addition, this amount will help defray the high costs associated with the Biotechnology program, including, but not limited to, providing students direct access to state-of-the-art instrumentation and maintenance of teaching laboratories.

Supporting Information:

- *TEC Section 54.0513 – Designated Tuition*

  (a) In addition to amounts that a governing board of an institution of higher education is authorized to charge as tuition under the other provisions of this chapter, the governing board, under the terms the governing board considers appropriate, may charge any student an amount designated as tuition that the governing board considers necessary for the effective operation of the institution.

  (b) A governing board may set a different tuition rate for each program and course level offered by each institution of higher education. A governing board may set a different tuition rate as the governing board considers appropriate to increase graduation rates, encourage efficient use of facilities, or enhance employee performance.

  (c) Amounts collected by an institution of higher education under this section are institutional funds as defined by Section 51.009 of this Code and shall be accounted for as designated funds. These funds shall not be accounted for in a general appropriations act in such a way as to reduce the general revenue appropriation to a particular institution.

3. **Student Services Fee ($15.44/SCH)**

Rationale: The Student Services Fees under this category include a nominal $15.44/SCH fee to cover publication costs for student activities, support of the student government organization, as well as student counseling services and access to student center facilities provided under a contractual agreement with UT Tyler (UTT).

<u>Supporting Information</u>:

- *TEC Section 54.503 – Student Services Fees*

(a) For the purposes of this section:

(1) "Student services" means activities which are separate and apart from the regularly scheduled academic functions of the institution and directly involve or benefit students, including textbook rentals, recreational activities, health and hospital services, medical services, intramural and intercollegiate athletics, artists and lecture series, cultural entertainment series, debating and oratorical activities, student publications, student government, the student fee advisory committee, student transportation services other than services under Sections 54.504, 54.511, 54.512, and 54.513 of this Code, and any other student activities and services specifically authorized and approved by the governing board of the institution of higher education. The term does not include services for which a fee is charged under another section of this Code.

(2) "Compulsory fee" means a fee that is charged to all students enrolled at the institution.

(3) "Voluntary fee" means a fee that is charged only to those students who make use of the student service for which the fee is established.

(b) The governing board of an institution of higher education may charge and collect from students registered at the institution fees to cover the cost of student services. The fee or fees may be either voluntary or compulsory as determined by the governing board. The total of all compulsory student services fees collected from a student at an institution of higher education other than The University of Texas at Austin or a component institution of the University of Houston System for any one semester or summer session shall not exceed $250. All compulsory student services fees charged and collected under this section by the governing board of an institution of higher education, other than a public junior college, shall be assessed in proportion to the number of semester credit hours for which a student registers. No portion of the compulsory fees collected may be expended for parking facilities or services, except as related to providing shuttle bus services.

(f) If the total compulsory fee charged under this section is more than $150, the increase does not take effect unless the increase is approved by a majority vote of the students voting in an election held for that purpose or by a majority vote of the student government at the institution. In subsequent years, an election authorizing a fee increase must be held before the fee can be increased by more than 10 percent of the fee approved at the last student election.

4. Laboratory Fee ($30)

Rationale: UTHSCT is proposing a $30 laboratory fee per semester to help defray costs associated with the hands-on, laboratory-based Biotechnology program. The Biotechnology program will be a thesis mandatory, lab intensive, and biomedical-biotech focused program requiring at least one lab course in each semester of the program. The cost of consumables (supplies and reagents) for training and teaching in a biomedical biotechnology program are quite high and require this nominal associated lab fee to maintain the high standards of the program.

Supporting Information:

- *TEC Section 54.501 – Laboratory Fees*

  (a) An institution of higher education shall set and collect a laboratory fee in an amount sufficient to cover the general cost of laboratory materials and supplies used by a student. An institution other than a public junior college may charge a laboratory fee in an amount that is not less than $2 nor more than $30 for any one semester or summer term for a student in any one laboratory course, except that the amount of the laboratory fee may not exceed the cost of actual materials and supplies used by the student. A public junior college may charge a laboratory fee in an amount that does not exceed the lesser of $24 per semester credit hour of laboratory course credit for which the student is enrolled or the cost of actual materials and supplies used by the student.

  (b) Laboratory fees collected by an institution under this section shall be accounted for as educational and general funds.

5. Automated Services Fee ($20) and Records Fee ($5)

Rationale: These nominal per semester incidental fees are proposed to help defray costs associated with a contractual arrangement for University of Texas Health Science Center at Houston (UTHSCH) to provide UTHSCT with online registration systems, online payment systems, record collection and transcript production.

Supporting Information:

- *TEC Section 54.504 – Incidental Fees*

  (a) The governing board of an institution of higher education may fix the rate of incidental fees to be paid to an institution under its governance by students and prospective students and may make rules for the collection of the fees and for the distribution of the funds, such funds to be accounted for as other designated funds. The rate of an incidental fee must reasonably reflect the actual cost to the university of the materials or services for which the fee is collected. In fixing such rate, the governing board may consult with a student fee advisory committee which the governing board may establish if such student committee does not presently exist.

  (b) The board shall publish in the general catalog of the university a description of the amount of each fee to be charged.

  (c) In this section, "incidental fees" includes, without limitation, such fees as late registration fees, library fines, microfilming fees, thesis or doctoral manuscript reproduction or filing fees, bad check charges, application processing fees, and laboratory breakage charges, but does not include a fee for which a governing board makes a charge under the authority of any other provision of law.

6. Medical Services Fee ($35) per semester

Rationale: UTHSCT provides health services to all enrolled students through a Medical Services Fee. Health services are provided through UTHSCT's Family Practice Clinics on campus and also at the Health Clinic on the UT Tyler campus. The UTHSCT clinics provide a wide variety of services to include Family Medicine, Adolescent Medicine, Travel Medicine, Aviation Medicine, Sports Medicine, and Geriatric Medicine. These clinics are open Monday-Friday, 8 am – 5 pm. Physicians are on call 24 hours 7 days per week.

Funds obtained from this fee will be accounted for separately and used solely for support of enrolled-student-specific medical services.

Supporting Information:

- *TEC Section 54.50891 – Medical Services Fee; The University of Texas System Components*

  (a) The board of regents of The University of Texas System may charge each student registered at a component institution of The University of Texas System a medical services fee not to exceed $55 for each semester or term. If approved by a majority vote of those students participating in a general election held at the institution for that purpose, the maximum amount of the medical services fee that may be charged at a component institution is increased to the amount stated on the ballot proposition, not to exceed $75 for each semester or term. Approval at the election of an increase in the maximum amount of the fee that may be charged at a component institution does not affect the application of Subsection (e) to an increase in the amount of the fee actually charged at that institution from one academic year to the next.

(b) Before charging a medical services fee, the board must give students and administrators an opportunity to offer recommendations to the board as to the type and scope of medical services that should be provided. Before increasing the amount of the medical services fee at The University of Texas at Austin, a medical services fee committee, a majority of the members of which must be students of the university, must approve the fee increase.

(c) A medical services fee charged at a component institution of The University of Texas System may be used only to provide medical services to students registered at that component institution.

(d) A medical services fee charged under this section is in addition to any other fee the board is authorized by law to charge and may not be considered in determining the maximum student services fee that may be charged students enrolled at a component institution of The University of Texas System.

(e) The board may not increase the amount of the fee charged at a component institution of The University of Texas System by more than 10 percent from one academic year to the next unless the increase is approved by a majority of the students of the institution voting in a general election held at the institution for that purpose.

(f) The board shall prorate the amount of a fee charged to a student under this section based on the length of the semester or term for which the student is enrolled.

7. Library Fee ($75) and IT Fee ($100) per semester

Rationale: The Library fee is proposed to help defray costs associated with (1) maintaining the high costs of subscriptions and access to program-related biomedical journals and databases required to support the program, and (2) library capital costs and maintenance of online access and web interfaces.

The IT (Information Technology) fee is proposed to cover the overhead costs associated with use and availability of all forms of information technology in the program. This includes maintenance and availability of high-speed wireless service, distance learning resources and availability of computers for student use. This fee will allow our teaching faculty to investigate and pursue innovative and state-of-the-art solutions for enhancing instructional delivery as well as enhancing student learning outcomes.

Supporting Information:

- *TEC Section 55.16 – Board Responsibility*

  (a) Each board shall be authorized to fix and collect rentals, rates, and charges from students and others for the occupancy, services, use, and/or availability of all or any of its property, buildings, structures, activities, operations, or other facilities as provided by this section.

  (c) A board shall fix each rental, rate, charge, or fee that the board has authority under this title to fix in an amount determined to be necessary to pay or provide, for each activity or service, all associated capital costs, including debt service, operation and maintenance costs, including associated overhead costs of a system or institution, and prudent reserves. Except as otherwise provided by Subsection (e), this section does not authorize a board to impose a rental, rate, charge, or fee at an amount exceeding a limit imposed by another provision of this title.

  (d) For billing and reporting purposes, a board shall accumulate all mandatory fees or charges provided for by this section or Chapter 54 as a separate facilities and services charge.

  (f) A board is not required to charge students enrolled in different degree programs at the institution the same rentals, rates, charges, and fees under this section.

8. Matriculation Fee ($15)

Rationale: UTHSCT proposes the standard matriculation fee imposed to students who withdraw from the institution before the first day of class to cover costs associated with records management as well as support of contractual arrangements with UTHSCH.

Supporting Information:

- *TEC Section 54.006 – Refund or Adjustment of Tuition and Mandatory Fees for Dropped Courses and Student Withdrawals*

  (a-1) An institution may assess a nonrefundable $15 matriculation fee if the student withdraws from the institution before the first day of classes.

9. Installment Tuition Handling Fee ($15) and Installment Tuition Delinquency Fee ($25)

Rationale: UTHSCT proposes these fees to be imposed to students using the installment payment option and those that may be delinquent in payments. These fees are based on the contractual agreement with UTHSCH and directly reflect the current amounts specified by UTHSCH.

Supporting Information:

- *TEC Section 54.007 – Option to Pay Tuition by Installment*

  (c) The governing board of an institution of higher education may assess and collect incidental fees for students utilizing the payment alternative authorized by Subsection (a)(2) or (b)(2) and for students delinquent in payments. The fees must reasonably reflect the cost to the institution of handling those payments.

The University of Texas Health Science Center at Tyler
School of Medical Biological Sciences
Master's Degree Program in Biotechnology
Tuition and Fee Proposal
Academic years 2012-13 and 2013-14

Proposed Graduate-level Tuition and Fee Schedule

# of Semester Credit Hours (SCH)	Texas Resident Tuition Rate	Non-Texas Resident Tuition Rate	Graduate Designated Tuition Rate	Student Service Fee	Information Technology Fee	Laboratory Fees	Automation Services Fee	Library Fee	Records Fee	Medical Services Fee
1	$100	$802	$146	$15.44	$100	$30	$20	$75	$5	$35
2	$200	$1,604	$292	$30.88	$100	$30	$20	$75	$5	$35
3	$300	$2,406	$438	$46.32	$100	$30	$20	$75	$5	$35
4	$400	$3,208	$584	$61.76	$100	$30	$20	$75	$5	$35
5	$500	$4,010	$730	$77.20	$100	$30	$20	$75	$5	$35
6	$600	$4,812	$876	$92.64	$100	$30	$20	$75	$5	$35
7	$700	$5,614	$1,022	$108.08	$100	$30	$20	$75	$5	$35
8	$800	$6,416	$1,168	$123.52	$100	$30	$20	$75	$5	$35
9	$900	$7,218	$1,314	$138.96	$100	$30	$20	$75	$5	$35
10	$1,000	$8,020	$1,460	$138.96	$100	$30	$20	$75	$5	$35
11	$1,100	$8,822	$1,606	$138.96	$100	$30	$20	$75	$5	$35
12	$1,200	$9,624	$1,752	$138.96	$100	$30	$20	$75	$5	$35
13	$1,300	$10,426	$1,898	$138.96	$100	$30	$20	$75	$5	$35
14	$1,400	$11,228	$2,044	$138.96	$100	$30	$20	$75	$5	$35
15	$1,500	$12,030	$2,190	$138.96	$100	$30	$20	$75	$5	$35

Matriculation Fee:	$15
Installment Tuition Handling Fee:	$15
Installment Tuition Delinquency Fee:	$25

The University of Texas Health Science Center at Tyler
School of Medical Biological Sciences
Master's Degree Program in Biotechnology
Tuition and Fee Proposal
Academic years 2012-13 and 2013-14

UTHSC TYLER
TUITION AND FEE PROPOSAL
FY 2012-13*

		2011 Resident Total Academic Costs	Proposed 2012 Resident Total Academic Costs	% Increase Over 2011	2011 Non-Resident Total Academic Costs	Proposed 2012 Non-Resident Total Academic Costs	% Increase Over 2011	TOTAL Additional Revenue from Resident & Non-Resident Tuition & Fees	TOTAL Additional Revenue as % of 2011 E&G Budget
Medical Biological Sciences									
	UTHSC Tyler	n/a	$7,070	n/a	n/a	$23,918	n/a	$42,417	0.05%

UTHSC TYLER
TUITION AND FEE PROPOSAL
FY 2013-14

		2012 Resident Total Academic Costs	Proposed 2013 Resident Total Academic Costs	% Increase Over 2012	2012 Non-Resident Total Academic Costs	Proposed 2013 Non-Resident Total Academic Costs	% Increase Over 2012	TOTAL Additional Revenue from Resident & Non-Resident Tuition & Fees	TOTAL Additional Revenue as % of 2011 E&G Budget
Medical Biological Sciences									
	UTHSC Tyler	$7,070	$7,070	0.0%	$23,918	$23,918	0.0%	$106,043	0.12%

* The amounts provided above for Total Academic Costs are annualized based on 24 credit hours per year. The total revenue indicated for academic year 2012-13 is for an anticipated 6 enrolled students (our inaugural cohort). The total revenue indicated for academic year 2013-14 is for an anticipated 15 enrolled students (6 from the inaugural cohort and 9 new enrollments). All students are anticipated to be Texas residents.

The University of Texas Health Science Center at Tyler
School of Medical Biological Sciences
Master's Degree Program in Biotechnology
Tuition and Fee Proposal
Academic years 2012-13 and 2013-14

<table>
<tr><th colspan="12">FY 2012-13 PROPOSED USE OF FUNDS</th></tr>
<tr><td></td><td></td><td>faculty salaries</td><td>advancement</td><td>scholarships</td><td>student services/ programs</td><td>library</td><td>information resources</td><td>support</td><td>security</td><td>other</td><td>TOTAL</td></tr>
<tr><td colspan="2">Medical Biological Sciences</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td>UTHSC Tyler</td><td colspan="9">$42,417</td><td>$42,417</td></tr>
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<tr><td></td><td>UTHSC Tyler</td><td colspan="9">$106,043</td><td>$106,043</td></tr>
</table>

The proposed usage of Tuition and Fee funds for the first two years of the program is to help defray costs of the establishment of the program and maintenance of contractual agreements with UTHSCH and UTT for provision of the various support services.

8. U. T. System: Quarterly report on health matters of interest to the U. T. System, including an update on the overall health care delivery and reimbursement environment for the U. T. System health institutions

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

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 158 - 177).--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>U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration</u>

   There were no items referred from the Consent Agenda.

2. <u>U. T. System: Report on Fire and Life Safety Compliance</u>

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

3. <u>U. T. System: Capital Improvement Program Update</u>

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

4. <u>U. T. Health Science Center - San Antonio: Academic Learning and Teaching Center - Amendment of the FY 2013-2018 Capital Improvement Program to include project (Preliminary Board approval)</u>

   The Board amended the Fiscal Year 2013-2018 Capital Improvement Program (CIP) to include 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:	June 2016	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Permanent University Fund Bond Proceeds	$45,000,000

Investment Metrics:	• Allow for the establishment of a separate cohort of medical students who will train and graduate in the Rio Grande Valley, as a concrete step toward the establishment of a medical school in South Texas, as authorized by the 81st Texas Legislature and endorsed by the Board of Regents • Increase enrollment from an initial 15 to 50 students taking the third and fourth years of medical school at the Regional Academic Health Center (RAHC) • Reduce space deficit by 125,000 gross square feet (GSF)

This building will consist of approximately 125,000 GSF for additional classrooms, lecture halls, anatomy laboratories, student services, and other areas that specifically serve student needs. The facility will also establish the portal for medical students to train and graduate in the Lower Rio Grande Valley as a concrete step toward the establishment of a medical school in South Texas, as authorized by Senate Bill 98 from the 81st Legislature and endorsed by the Board of Regents on May 3, 2012.

U. T. Health Science Center - San Antonio has developed a plan to graduate a first cohort of medical students in South Texas in 2018, under San Antonio accreditation. Fifteen additional medical students will matriculate beginning in 2014 under a separate medical student admissions track for South Texas, with this number growing to 50 by 2018. For these students, the first and second year of medical school will be in San Antonio at the Health Science Center, with their third and fourth years of medical school education at the RAHC in the Lower Rio Grande Valley.

The project is necessary to allow for this expansion of the student body in the School of Medicine and their instruction during the first and second years of medical school.

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. Austin: Graduate School of Business Building - Amendment of the FY 2013-2018 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the Fiscal Year 2013-2018 Capital Improvement Program (CIP) to include the Graduate School of Business (GSB) Building project at The University of Texas at Austin as follows:

Project No.:	102-719
Project Delivery Method:	Construction Manager-at-Risk
Substantial Completion Date:	February 2017

Total Project Cost:	Source	Current
	Revenue Financing System Bond Proceeds[1]	$ 96,750,000
	Gifts	$ 58,250,000
		$155,000,000

Funding Note: [1] Revenue Financing System debt will be repaid by $15,500,000 from Parking and Transportation Services, $23,000,000 from the AT&T Executive Education and Conference Center and $58,250,000 from Designated Tuition.

Investment Metrics:

- Add 220,000 GSF for use by the MBA program to support the McCombs School of Business goal to become one of the most prominent business schools in the world by 2017
- Add 50,000 GSF of conference space to expand the AT&T Executive Education and Conference Center
- Add 525 parking spaces to generate revenue

The project will include an academic building for the McCombs School of Business to house the Graduate School of Business, an expansion of the AT&T Executive Education and Conference Center, and a parking garage with 525 spaces for a total of approximately 458,000 gross square feet (GSF). The new building will house the Master of Business Administration (MBA) graduate program administration, Career Services, Center for Teaching Excellence, research centers, graduate classrooms, graduate student study areas, and a food service facility. The Conference Center expansion will provide an additional ballroom, divisible into four conference rooms, a mix of tiered fixed-seat classrooms, flat-floor classrooms, and breakout rooms. The parking garage will provide approximately 350 spaces to support the expansion and 175 spaces to meet other campus parking needs.

The McCombs School of Business recently completed a Strategic Plan, which seeks to establish the School as one of the premier business schools in the world by 2017. A new GSB Building is expected to advance this plan by enhancing the McCombs School's ability to attract top ranked students in the highly competitive full-time MBA market. A Strategic Facilities Master Plan was conducted to provide an informed and objective critique of the existing McCombs facilities. From this plan, the School identified eight areas in which its facilities needed to improve to support its strategic plan. The core initiative is the construction of the GSB Building to accommodate professionals returning to school for graduate degrees after spending time in the workplace, which creates resource needs different from the typical undergraduate student.

The existing GSB Building co-houses many resources also serving the needs of undergraduate students. The mixture of professional graduate students with undergraduate students impairs the School's ability to meet all of the unique needs of either group. A future renovation of the existing GSB Building and the McCombs School of Business Building is planned for undergraduate students following relocation of the MBA program to the new building.

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.

6. U. T. Dallas: Existing Space Renovations - Amendment of the FY 2013-2018 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; appropriation of funds; and resolution regarding parity debt (Final Board approval)

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

Project No.:	302-724	
Institutionally Managed:	Yes ☒ No ☐	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	December 2014	
Total Project Cost:	Source	Current
	Revenue Financing System Bond Proceeds[1]	$10,000,000
Funding Note:	[1] Revenue Financing System debt will be repaid from Designated Tuition.	
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 a total project cost of $10,000,000 with funding from Revenue Financing System Bond Proceeds;

b. authorize U. T. Dallas to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts;

c. appropriate funds; 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. 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 $10,000,000.

Debt Service

The $10,000,000 in Revenue Financing System debt will be repaid from Designated Tuition. Annual debt service on the $10,000,000 Revenue Financing System debt is expected to be $651,000. The institution's debt service coverage is expected to be at least 2.2 times and average 2.2 times over FY 2013-2018.

Project Description

The scope of the project will cover several buildings, but will primarily modernize portions of the Lloyd V. Berkner Hall and the North and South Engineering and Computer Science Buildings. This project will convert and update existing space into modern fully-functional modular research laboratories, offices, and support spaces.

This repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the President at a later date. It has been determined that this project would best be managed by the U. T. Dallas Facility Management personnel who have the experience and capability to manage all aspects of the work.

7. U. T. El Paso: Campus Transformation Project - Amendment of the FY 2013-2018 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the Fiscal Year 2013-2018 Capital Improvement Program (CIP) to include the Campus Transformation Project at The University of Texas at El Paso as follows:

Project No.:	201-751
Project Delivery Method:	Construction Manager-at-Risk

Substantial Completion Date:	June 2014	
Total Project Cost:	Source	Current
	Revenue Financing System Bond Proceeds[1]	$25,000,000

Funding Note: [1] Revenue Financing System debt will be repaid from Gifts and from Designated Tuition; the latter if necessary.

Investment Metrics: By 2014

- Elimination of routine vehicular traffic through the campus
- Elimination of 167 surface parking spaces from the center of campus
- Completion of the Centennial Plaza, creating a central gathering space for the student community

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

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

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

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

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.

8. U. T. Health Science Center - Houston: University Housing, Phase III Expansion - Amendment of the FY 2013-2018 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the Fiscal Year 2013-2018 Capital Improvement Program (CIP) to include the University Housing, Phase III Expansion project at The University of Texas Health Science Center at Houston as follows:

Project No.:	701-709	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	April 2014	
Total Project Cost:	Source Revenue Financing System Bond Proceeds[1]	Current $24,591,000
Funding Note:	[1] Revenue Financing System Bond Proceeds will be repaid from rental income.	
Investment Metrics:	• Contribute to an overall lower cost of living for tenants by providing at or below market rents • Maintain 95% or higher occupancy rate	

The project will add 168 new apartment units containing a total of approximately 161,060 gross square feet. The mix of units will be 104 one-bedroom and 64 two-bedroom units. The new units will be located on 5.1 acres of vacant University land adjacent to the Phase I and Phase II Student and Faculty Housing, allowing for shared resources such as the maintenance staff, security, leasing office, and site amenities. An adjacent parking structure with approximately 260 parking spaces will be included.

There is a critical need for additional housing capacity on campus. To support the mission of the University, it is critical to be able to attract and keep students and faculty. By providing on-campus housing at a cost-effective rate, U. T. Health Science Center - Houston will offer an environment that will compete with top-notch research institutions. Current campus housing consists of 806 apartment units with a waiting list of over 300 individuals. The Texas Medical Center Laurence H. Favrot Tower Apartments, which has traditionally provided housing for approximately 200 residents with ties to the Medical Center, has announced that the Favrot Tower will close effective August 31, 2012, and this will add to the demand for housing.

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.

9. U. T. Medical Branch - Galveston: Victory Lakes Specialty Care Center Expansion - Amendment of the FY 2013-2018 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the Fiscal Year 2013-2018 Capital Improvement Program (CIP) to include the Victory Lakes Specialty Care Center Expansion project at The University of Texas Medical Branch at Galveston (UTMB) as follows:

Project No.:	601-721	
Project Delivery Method:	Design-Build	
Substantial Completion Date:	February 2015	
Total Project Cost:	Source	Current
	Revenue Financing System Bond Proceeds[1]	$82,000,000
Funding Note:	[1] Revenue Financing System debt will be repaid from Hospital Revenues.	
Investment Metrics:	• Expand access for mainland patients by providing procedures and surgeries requiring up to 72-hour stay (on average) • Ensure viability of Orthopedic, General Surgery, Cardiology, and Women's Services programs • Increase surgical cases, diagnostic, and treatment services	

The project will include a 142,000 gross square foot (GSF) addition to the existing Specialty Care Center at Victory Lakes on the Victory Lakes Campus in League City, Texas. The project will include additional operating rooms, an emergency department, observation units, and associated support space that will allow for procedures and surgeries requiring up to an average 72-hour stay. This project represents the next step in implementation of the Campus Master Plan, and includes consideration for future expansion to meet the needs of the community.

The Center's ambulatory surgery and complex diagnostic services will be expanded to provide 39 inpatient beds, 17 emergency/urgent care beds, additional operating rooms, endoscopy rooms, and 25,000 GSF of shell space for future development. Increased imaging capabilities, including an X-ray fluoroscopy facility, ultrasound, and CT unit will be added within the existing facility.

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. See the related item on the Campus Infrastructure at Victory Lakes project (Item 10 on the next page).

10. U. T. Medical Branch - Galveston: Campus Infrastructure at Victory Lakes - Amendment of the FY 2013-2018 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the Fiscal Year 2013-2018 Capital Improvement Program (CIP) to include the Campus Infrastructure at Victory Lakes project at The University of Texas Medical Branch at Galveston (UTMB) as follows:

Project No.:	601-723	
Project Delivery Method:	Design-Build	
Substantial Completion Date:	February 2015	
Total Project Cost:	Source	Current
	Revenue Financing System Bond Proceeds[1]	$8,080,000
Funding Note:	[1] Revenue Financing System debt will be repaid from Hospital Revenues.	
Investment Metrics:	• Support the UTMB strategic plan via cost-effective and sustainable energy solutions • Continue development of the Victory Lakes Campus in alignment with the master plan	

UTMB has engaged in extensive reviews, both technical and financial, of various options to provide sustainable utilities infrastructure for both the UTMB main campus and for the Victory Lakes campus. The outcome of this effort is an emphasis on the ability of UTMB to provide a large portion of the electrical and thermal utility needs of each campus on its own site. This approach will support each mission area with infrastructure that is efficient and sustainable through various conditions and events.

This project will include a central plant facility to provide added thermal utilities, normal and emergency electrical power, and redundancy for each system to the Victory Lakes Campus. The system will be capable of independently providing electricity, hot water, chilled water, and steam for a period of 72 hours. The design will provide for the on-site storage of the necessary fuel, process water, and provide an uninterruptible natural gas supply. The facility will include both black-start emergency power equipment and the diesel-powered generation required by code for the buildings. This first phase will also include distribution to feed the Victory Lakes Specialty Care Center Expansion project (Item 9 on the previous page).

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.

11. U. T. Austin: Engineering Education and Research Center - 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 as follows for the Engineering Education and Research Center project at The University of Texas at Austin:

Project No.: 102-556

Project Delivery Method: Construction Manager-at-Risk

Substantial Completion Date: July 2016

Total Project Cost:

Source	Former	Current
Gifts	$105,000,000	$105,000,000
Permanent University Fund Bond Proceeds	$105,000,000	$105,000,000
Revenue Financing System Bond Proceeds[1]	$ 75,000,000	$ 95,000,000
Unexpended Plant Funds[2]	$ 5,000,000	$ 5,000,000
	$290,000,000	$310,000,000

Funding Notes:

[1] Revenue Financing System debt will be repaid by $78M from Designated Tuition and $17M from Facilities and Administrative cost return earned on sponsored research.

[2] Unexpended Plant Funds is cash held from construction from various sources including investment income, rental income, and indirect cost balances.

Investment Metrics:

By 2016

- Enable top-10 ranked Department of Electrical and Computer Engineering (ECE) to expand from 65 faculty to 74 faculty and from 300 Ph.D. students to 480 Ph.D. students thereby doubling the current level of $18.3M of annual research expenditure in ECE
- Interdisciplinary research space will allow adding 24 new faculty and 192 Ph.D. students in priority areas of the research programs with an estimated annual increase of $14M in research expenditures
- New teaching labs will allow innovations in curriculum, improve the ability to attract top undergraduate students, increase graduation rates, and improve student learning outcomes
- Centralize student facilities and learning space to improve the student experience, leading to greater student success, and enable opportunities to collaborate in formal and informal programmed space

a. amend the FY 2013-2018 Capital Improvement Program (CIP) to increase the total project cost from $290,000,000 to $310,000,000;

b. approve design development plans;

c. appropriate funds and authorize expenditure of $105,000,000 from Gifts, $105,000,000 from Permanent University Fund (PUF) Bond Proceeds, $95,000,000 from Revenue Financing System Bond Proceeds, and $5,000,000 from Unexpended Plant Funds;

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 $95,000,000; and

e. condition Notice to Proceed for Stage Two construction upon completion of authorized gift funding and upon development of a plan for use of the building to recognize the demand from students and employers in Texas for additional top-tier bachelor’s degree enrollment and graduates in engineering.

Debt Service

The $95,000,000 in aggregate Revenue Financing System debt will be repaid from local funds. Annual debt service on the $95,000,000 Revenue Financing System debt is expected to be $6,180,000. The institution's debt service coverage is expected to be at least 2.2 times and average 2.2 times over FY 2013-2018.

Previous Board Actions

On February 5, 2010, the Engineering Education and Research Building project was included in the CIP with a total project cost of $290,000,000 with funding of $100,000,000 from Gifts, $185,000,000 from Revenue Financing

System (RFS) Bond Proceeds, and $5,000,000 from Unexpended Plant Funds. On April 2, 2010, the Associate Vice Chancellor for Facilities Planning and Construction approved the project renaming to the Engineering Education and Research Center. On August 12, 2010, the Board approved $30,000,000 in PUF on a 2 for 1 match where $2 of Gifts will be matched by $1 of PUF. On October 7, 2010, the Chancellor approved the revision in funding to $30,000,000 in PUF, $155,000,000 in RFS, $100,000,000 in Gifts, and $5,000,000 in Unexpended Plant Funds. On August 25, 2011, the Chancellor revised the funding to $105,000,000 from Gifts, $105,000,000 in PUF, $75,000,000 in RFS, and $5,000,000 in Unexpended Plant Funds to reflect the Board's allocation on the same date of $75,000,000 in PUF funds subject to a 1 for 1 match.

Project Description

This project will replace the functionally obsolete Engineering-Science Building, temporary facilities in the Computer Sciences Annex (CSA), and the Academic Annex (ACA). The project will provide the University with a new eight level, approximate 432,794 gross square foot (GSF) engineering facility with an additional approximate 36,243 GSF of renovation and remodel in select areas of Ernest Cockrell, Jr. Hall. This project will also provide a new 2,850 GSF Material Transfer Center to accommodate a displaced Environmental Health and Safety campus operation for a total of approximately 471,887 GSF of construction.

The EERC is central to achieving the Cockrell School of Engineering's vision to become a global center for technology innovation, engineering education, and entrepreneurship. Through the integration of undergraduate education, and especially project-based learning, interdisciplinary graduate research, and modern collaborative facilities for the Department of Electrical and Computer Engineering (ECE), the EERC will bring a new paradigm for engineering education and research to U. T. Austin. This transformative facility is absolutely critical to U. T. Austin's ability to continue to provide excellence in engineering education.

The Cockrell School of Engineering is currently ranked 8th among graduate programs and 11th among undergraduate programs (*U.S. News & World Report*), placing it as one of the highest ranked schools at the University. Peer engineering schools have built significant new education and research facilities over the past decade, making the Cockrell School less competitive in attracting faculty and graduate student talent, delivering quality education to students in engineering, and providing modern laboratory space for sponsored research. To address this competitive disadvantage, the University conducted an extensive strategic planning study for engineering, assessing the current facilities, incorporating the academic strategic plan, and identifying options within the University-wide master plan.

As the first step and highest priority project in the master plan, the Engineering Education and Research Center will provide urgently needed space to increase research and graduate education for the rapidly changing trends in engineering and technology and provide a high-quality learning environment for undergraduate students with multidisciplinary design and project space. In addition, there will be new facilities for entrepreneurship and commercialization of technology, as well as for outreach and diversity programs to interest K-12 students in engineering. Included in the project are proposal alternates for shell space finish-out of 19,708 GSF of inter-disciplinary research laboratories and 5,280 GSF for a network operations center to facilitate campus data management and communication services.

Following Board approval, and subject to final philanthropic funding commitments being in place, the project will be constructed in two separate stages. Stage One will commence in September 2012 and encompass partial site utilities and select portions of renovation and remodel work in Ernest Cockrell, Jr. Hall and the Material Transfer Center with expected completion in August 2013. Stage Two will commence in September 2013 with the demolition of the Engineering-Science Building followed by construction of the Engineering Education and Research Center and the remaining portions of the Ernest Cockrell, Jr. Hall renovation and remodel, reaching operational occupancy in August 2016.

The Gift funding authorized for expenditure is not fully collected or committed at this time, although substantial progress has been made. Conditional design development approval will allow Stage One projects to commence in September 2012, subject to available funding. The subsequent Notice to Proceed for construction of Stage Two, scheduled to commence in September 2013, is conditioned on completion of the fundraising campaign.

12. <u>U. T. Health Science Center - San Antonio: Center for Oral Health Care at the MARC - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)</u>

The Board approved the recommendations for the Center for Oral Health Care at the MARC project at The University of Texas Health Science Center at San Antonio as follows:

Project No.:	402-644
Project Delivery Method:	Construction Manager-at-Risk
Substantial Completion Date:	December 2014

Total Project Cost:	Source	Current
	Permanent University Fund Bond Proceeds	$74,000,000
	Revenue Financing System Bond Proceeds[1]	$ 4,000,000
	Designated Funds[2]	$15,000,000
	Gifts	$ 2,000,000
		$95,000,000

Funding Notes:

[1] Revenue Financing System debt to be repaid from parking fees
[2] Designated Funds from clinical revenue in hand

Investment Metrics:

- Increase patient visits by 10% within two years and 15% within three years
- Increase clinical revenue by 10% within two years and 25% within five years
- Increase clinical research funding by 10% within two years
- Enroll 33% of highest qualified dental school applicants based on campus applicant scoring system

a. approve design development plans;

b. appropriate funds and authorize expenditure of $74,000,000 from Permanent University Fund (PUF) Bond Proceeds, $4,000,000 from Revenue Financing System (RFS) Bond Proceeds, $15,000,000 from Designated Funds, and $2,000,000 from Gifts; 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. Health Science Center - San Antonio, 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 $4,000,000.

Debt Service

The $4,000,000 in aggregate RFS debt will be repaid from parking revenues. Annual debt service on the $4,000,000 Revenue Financing System debt is expected to be $260,000. The institution's debt service coverage is expected to be at least 1.8 times and average 2.1 times over FY 2013-2018.

Previous Board Action

On February 9, 2012, the project was included in the Capital Improvement Program (CIP) with a total project cost of $95,000,000 with funding of $63,000,000 from PUF Bond Proceeds, $15,000,000 from RFS Bond Proceeds, $15,000,000 from Designated Funds, and $2,000,000 from Gifts. On June 12, 2012, the Chancellor approved a revision in funding to $74,000,000 from PUF, $4,000,000 from RFS, $15,000,000 from Designated Funds, and $2,000,000 from Gifts.

Project Description

This project will consist of approximately 198,000 gross square feet for a dental clinic facility to improve dental education and training and sustain the Dental School's top-tier ranking. The facility, to be located adjacent to the Medical Arts and Research Center (MARC), will include a parking structure with approximately 386 spaces. The fourth floor of the building will remain as shell space at this time, with finish-out to be completed as funding permits. The facility will be constructed using cost-effective models compatible with other commercial medical structures, including the MARC.

A new dental clinic facility will allow the campus to enhance educational and clinical interactions between clinical specialties. The proximity to the MARC outpatient medical care clinics will facilitate the referral and management of patients with oral health conditions. The current Dental School Building is almost 40 years old and is not able to address infrastructure liabilities and incorporation of current and future technologies. The Health Science Center Office of Environmental Health and Safety has audited the U. T. Dental School - San Antonio and reports that the building does not comply with the current life safety code for health care facilities. The existing building will be repurposed for nonhealth care activities in the future.

The gift funding authorized for expenditure will be from unrestricted gifts received via the President's Council, and the institution possesses sufficient local funds to cover any shortfall.

13. U. T. Dallas: Bioengineering and Sciences Building - Amendment of the FY 2013-2018 Capital Improvement Program (CIP) to increase the total project cost and remove the NSF Engineering Research Center project from the CIP (Preliminary Board approval)

The Board approved the recommendations for the Bioengineering and Sciences Building project at The University of Texas at Dallas as follows:

Project No.:	302-679		
Project Delivery Method:	Construction Manager-at-Risk		
Substantial Completion Date:	December 2015		
Total Project Cost:	Source	Former	Current
	Permanent University Fund Bond Proceeds[1]	$72,250,000	$ 77,250,000
	Revenue Financing System Bond Proceeds[2]	$ 8,750,000	$ 26,750,000
	Unexpended Plant Funds[3]	$ 4,000,000	$ 4,000,000
		$85,000,000	$108,000,000

Funding Notes:

[1] The increase of $5,000,000 will be funded through the U. T. System Research Incentive Program

[2] Revenue Financing System debt will be repaid from indirect cost recovery

[3] Unexpended Plant Funds are from Designated Tuition

Investment Metrics:

- Add 2,220 new students in STEM fields with emphasis on life sciences, neurosciences, and bioengineering
- Accommodate 74 new tenure and tenure-track faculty members
- Generate $15 million per year in externally funded research support
- Create significant new technology transfer opportunities from discoveries made and entrepreneurs trained

Total Project Close-out for National Science Foundation (NSF) Engineering Research Center:	Source	Former	Current
	Revenue Financing System Bond Proceeds	$18,000,000	$0
	Unexpended Plant Funds	$ 2,000,000	$0
		$20,000,000	$0

a. amend the FY 2013-2018 Capital Improvement Program (CIP) to increase the total project cost from $85,000,000 to $108,000,000; and

b. remove the NSF Engineering Research Center project from the CIP.

Previous Board Actions

On February 9, 2012, the Bioengineering and Sciences Building project was included in the CIP with a total project cost of $85,000,000 with funding of $72,250,000 from Permanent University Fund (PUF) Bond Proceeds, $8,750,000 from Revenue Financing System (RFS) Bond Proceeds, and $4,000,000 from Unexpended Plant Funds.

On August 24, 2011, the NSF Engineering Research Center project was included in the CIP with a total project cost of $20,000,000 with funding of $18,000,000 from RFS and $2,000,000 from Unexpended Plant Funds.

Project Description

The original project contained approximately 172,000 gross square feet (GSF), housing classrooms and instructional laboratories, faculty and teaching assistant offices, computational infrastructure, and research space. Learning and work performed in the building will focus on functions of the brain, the nervous system, the cell, the gene, and disciplines of engineering as they relate to electronic sensing devices, as well as engineered controls to improve human function.

The increase in total project cost will expand the project to 222,000 GSF to incorporate space for the Texas Biomedical Device Center. This initiative, launched in partnership with U. T. Southwestern Medical Center, will advance research and education related to biomedical devices such as health monitoring, biomechanical devices, and research devices. The biomedical device area is a natural expansion of U. T. Dallas' strong electrical engineering, materials science, and neurosciences capabilities and links to a rapidly developing biomedical engineering program.

The NSF Engineering Research Center project will be removed from the CIP to support the Revenue Financing System Bond Proceeds funding for the project.

U. T. Dallas needs additional space to accommodate expanded student enrollment, increased degree production, improvement of graduation rates, and increased externally funded research. The Dallas/Fort Worth Metroplex has demonstrated need for the types of scientists, engineers, and health professionals who will be educated in this new building. U. T. Dallas advises that, with continued success, space is becoming a limiting factor in the University's objective to become a major, nationally competitive Tier One research university serving highly qualified students who may otherwise leave Texas.

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.

14. U. T. Health Science Center - Houston: Research Park Complex - Amendment of the FY 2013-2018 Capital Improvement Program to reallocate funding between the Stage 1, Behavioral and Biomedical Science Building, and Stage 2, The University of Texas School of Dentistry at Houston portion of the project; and appropriation of additional Gift funds and authorization of expenditure for the School of Dentistry (Final Board approval)

The Board approved the recommendations to reallocate funds for the Research Park Complex project at The University of Texas Health Science Center at Houston as follows:

Project No.:	701-320		
Project Delivery Method:	Construction Manager-at-Risk		
Substantial Completion:	May 2012		
Total Project Cost for the Research Park Complex:	Source	Former	Current
	Unexpended Plant Funds	$ 40,380,739	$ 33,080,739
	Permanent University Fund Bond Proceeds	$ 59,100,000	$ 59,100,000
	Tuition Revenue Bond Proceeds	$ 60,000,000	$ 60,000,000
	Gifts	$ 2,000,000	$ 9,300,000
	Revenue Financing System Bond Proceeds	$ 70,800,000	$ 70,800,000
		$232,280,739	$232,280,739
Total Project Cost for Stage 1 Behavioral and Biomedical Science Building (BBSB) portion of the Research Park Complex:	Source	Former	Current
	Unexpended Plant Funds	$ 6,180,739	$ 6,180,739
	Permanent University Fund Bond Proceeds	$41,100,000	$ 51,443,304
	Tuition Revenue Bond Proceeds	$ 0	$ 748,035
	Revenue Financing System Bond Proceeds	$30,000,000	$ 30,000,000
		$77,280,739	$ 88,372,078
Total Project Cost for Stage 2 The University of Texas School of Dentistry at Houston (SOD) portion of the Research Park Complex:	Source	Former	Current
	Unexpended Plant Funds	$ 34,200,000	$ 26,900,000
	Permanent University Fund Bond Proceeds	$ 18,000,000	$ 7,656,696
	Tuition Revenue Bond Proceeds	$ 60,000,000	$ 59,251,965
	Gifts	$ 2,000,000	$ 9,300,000
	Revenue Financing System Bond Proceeds	$ 40,800,000	$ 40,800,000
		$155,000,000	$143,908,661

a. amend the FY 2013-2018 Capital Improvement Program (CIP) to increase the total project cost of the Stage 1, Behavioral and Biomedical Science Building (BBSB), from $77,280,739 to $88,372,078 and decrease the total project cost of Stage 2, The University of Texas School of Dentistry at Houston (SOD), from $155,000,000 to $143,908,661;

b. approve the transfer of funding of $11,091,339 from Stage 2 SOD to Stage 1 BBSB with funding of $10,343,304 from Permanent University Fund (PUF) Bond Proceeds, and $748,035 from Tuition Revenue Bond (TRB) Proceeds; and

c. decrease funds by $7,300,000 from Unexpended Plant Funds and appropriate and authorize expenditure of funding of $7,300,000 from Gifts for Stage 2 SOD.

Project Description

The Research Park Complex project has completed construction of two stages, including Stage 1, the Behavioral and Biomedical Science Building (BBSB), and Stage 2, The University of Texas School of Dentistry at Houston building. Each stage includes research and education space, as well as patient care facilities. The buildings share laboratories, classrooms, and a Central Utility Plant. Also, a 400-seat Denton A. Cooley, M.D. and Ralph C. Cooley, D.D.S. University Life Center has been constructed to the north side of the School of Dentistry building.

The Central Utility Plant was constructed as part of Stage 1. This approval realigns the funding allocations for the two stages by transferring the Stage 2 contribution to the central utility plant into the Stage 1 budget. In addition, by virtue of a highly successful development campaign for the School of Dentistry, gift funding for Stage 2 is being increased, allowing for a reduction of funding from Unexpended Plant Funds.

Previous Board Actions

Biomedical Research and Education Facility (BREF) - On August 10, 2006, the project was included in the CIP with a preliminary project cost of $62,000,000 with funding of $41,100,000 from PUF Bond Proceeds and $20,900,000 from Gifts.

Dental Branch Replacement Building (DBRB) - On August 10, 2006, the project was included in the CIP with a preliminary project cost of $80,000,000 with funding of $18,000,000 from PUF Bond Proceeds, $60,000,000 from TRB Proceeds, and $2,000,000 from Gifts.

Mental Sciences Institute Replacement Facility - On November 11, 1999, the project was included in the CIP with a preliminary project cost of $20,700,000 with funding from Unexpended Plant Funds. On August 9, 2001, the Board approved reducing the total project cost to $16,500,000 with funding from Unexpended Plant Funds. On August 8, 2002, the Board approved an increase in the total project cost to $22,500,000 with funding of $16,500,000 from Unexpended Plant Funds and $6,000,000 from Hospital Revenues.

Research Park Complex - On November 16, 2006, the three projects were combined and redesignated as the Research Park Complex, and funding was revised with a total project cost of $161,500,000 with funding of $60,000,000 from TRB Proceeds, $59,100,000 from PUF Bond Proceeds, $19,500,000 from Unexpended Plant Funds, and $22,900,000 from Gifts. With the adoption of the FY 2008-2013 CIP, the project was redesignated as the U. T. Research Park Complex, the project scope was increased to include a parking garage, and the funding was revised with a total project cost of $161,500,000 with funding of $60,000,000 from TRB Proceeds,

$59,100,000 from PUF, $22,900,000 from Unexpended Plant Funds, $2,000,000 from Gifts, and $17,500,000 from Revenue Financing System Bond Proceeds.

On August 23, 2007, the Board approved design development plans for the BREF portion of the project with a total project cost of $64,000,000 with funding of $41,100,000 from PUF and $22,900,000 from Unexpended Plant Funds. On February 7, 2008, the Board approved an increase in the total project cost for the BREF portion of the project from $64,000,000 to $77,280,739 with funding of $41,100,000 from PUF Bond Proceeds and $36,180,739 from Unexpended Plant Funds. On July 23, 2009, the Associate Vice Chancellor for Facilities Planning and Construction (FPC) approved the redesignation of the project as the Research Park Complex with Stage 1 redesignated as Research Park Complex 1 – Behavioral and Biomedical Sciences Building (BBSB) and Stage 2 redesignated as Research Park Complex 2 – Dental Branch Building (DBB). On August 20, 2009, the Board approved an increase in the total project cost from $167,940,739 to $232,280,739 with funding of $40,380,739 from Unexpended Plant Funds, $59,100,000 from PUF, $60,000,000 from TRB, $2,000,000 in Gifts, and $70,800,000 from RFS for the Research Park Complex. The Board also approved for the DBB portion of the project design development plans and an increase in the total project cost from $90,660,000 to $155,000,000 with funding of $4,200,000 from Unexpended Plant Funds, $18,000,000 from PUF Bond Proceeds, $60,000,000 from TRB, $2,000,000 from Gifts, and $70,800,000 from RFS.

On February 24, 2010, the Executive Vice Chancellor for Health Affairs approved a revision in funding on the BBSB portion of the project to $41,100,000 from PUF Bond Proceeds, $6,180,739 in Unexpended Plant Funds, and $30,000,000 from RFS; and on the DBB portion to $60,000,000 from TRB, $18,000,000 from PUF Bond Proceeds, $34,200,000 from Unexpended Plant Funds, $2,000,000 from Gifts, and $40,800,000 in RFS. On August 23, 2010, the Executive Vice Chancellor for Health Affairs approved the addition of the Faculty Life Center to the DBB portion of the project.

On October 14, 2011, the Associate Vice Chancellor for FPC approved

a. the renaming of the Faculty Life Center to the Denton A. Cooley, M.D. and Ralph C. Cooley, D.D.S. University Life Center; and

b. the nonhonorific renaming of the Dental Branch Building portion of the project to The University of Texas School of Dentistry at Houston building.

REPORT OF THE TECHNOLOGY TRANSFER AND RESEARCH COMMITTEE (Page 178).--Committee Chairman Dannenbaum stated there were no items from the Technology Transfer and Research Committee to report in open session.

1. U. T. System: Discussion of "A Plan Forward for Technology Commercialization and Site Visits to Leading Institutions"

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

2. U. T. System: Report on Technology Commercialization Metrics

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

3. U. T. System: Report on Cardiovate, Inc.

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

APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS.--At 11:10 a.m., the Board voted and approved the Standing Committee recommendations.

APPRECIATION TO ASSISTANT VICE CHANCELLOR ANTHONY DE BRUYN.--Chairman Powell recognized and thanked Mr. Anthony de Bruyn, Assistant Vice Chancellor for Public Affairs, who was attending his last Board meeting. He said Mr. de Bruyn has provided exceptional counsel and assistance to the Chancellor and to the Board of Regents, and he thanked Mr. de Bruyn for his invaluable service.

RECESS TO EXECUTIVE SESSION.--At 11:22 a.m., Chairman Powell announced the Board would recess to convene in Executive Session pursuant to *Texas Government Code* Section 551.074 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--At 5:05 p.m., the Board reconvened in open session for the following actions taken on matters related to discussion held in Executive Session.

I.a. U. T. System: Discussion of individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of U. T. System and institutional employees including employees covered by Regents' *Rules and Regulations*, Rule 20204, regarding compensation for highly compensated employees, and Rule 20203, regarding compensation for key executives

No action was taken on this item.

I.b. 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 and related personnel aspects of the operating budget for Fiscal Year 2013

See related Items 11 and 12 on the following pages for action taken on the personnel aspects of the Fiscal Year 2013 Operating Budget.

AGENDA ITEMS

11. U. T. System: Approval of the nonpersonnel aspects of the operating budgets for Fiscal Year 2013, including the Permanent University Fund Bond Proceeds allocation for Library, Equipment, Repair and Rehabilitation Projects, allocation for the Science and Technology Acquisition and Retention Program, and special allocation for The University of Texas at Tyler

Chancellor Cigarroa presented The University of Texas System Fiscal Year 2013 Operating Budget request for $13.9 billion, which was approved by the Board, including matters related to the compensation and conditions of employment for those individuals requiring Board approval as recommended to and considered by the Board in Executive Session; Educational and General Funds; Auxiliary Enterprises; Grants and Contracts; Designated Funds; Restricted Current Funds; and Medical, Dental, Nursing, and Allied Health Faculty Services, Research and Development Plans, with delegation to the Chancellor to authorize new or extended deferred compensation agreements, with the concurrence of the appropriate Executive Vice Chancellor, consistent with the Board's earlier discussions in Executive Session (see Item I.b. on the previous page).

Approval of the budget for Fiscal Year 2013 also includes

a. appropriation of $30 million of Permanent University Fund (PUF) Bond Proceeds directly to the U. T. System institutions to fund Library, Equipment, Repair and Rehabilitation (LERR) projects for Fiscal Year 2013;

b. appropriation of $20 million of PUF Bond Proceeds to provide additional funding to build and enhance research infrastructure to attract and retain the best qualified faculty known as the Faculty Science and Technology Acquisition and Retention (STARs) program. Through a competitive proposal process determined by U. T. System Administration, funds will be distributed for the purpose of recruiting top researchers; and

c. authorization of $350,000 of PUF Bond Proceeds for The University of Texas at Tyler to fund capital purchases and projects. This will allow for institutional funds to be made available in support of the UTeach teacher preparation program.

The appropriation of PUF Bond Proceeds will be presented in the Fiscal Year 2013 LERR Budget and, along with Faculty STARs, is subject to the budget rules adopted therein and the requirements of the U. T. Systemwide Policy *UTS168 Capital Expenditure Policy*. The allocation of these LERR funds to the U. T. System institutions was developed from prioritized lists of projects submitted by the institutions and reviewed by U. T. System

Administration staff. Additionally, PUF Bond Proceeds appropriated above to LERR, Faculty STARs, and other strategic priorities must be spent in accordance with the Article VII, Section 18 of the *Texas Constitution.* PUF Bond Proceeds may only be used for the purpose of acquiring land either with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair and rehabilitation of buildings and other permanent improvements, acquiring capital equipment, and acquiring library books and library materials.

Additionally, the Chancellor was authorized to make editorial corrections therein and subsequent adjustments will be reported to the U. T. System Board of Regents through the Consent Agenda subject to the requirements of the Budget Rules and Procedures.

The U. T. System operating budgets are a part of the official copy of the Minutes and are made a part of the record of this meeting. See also the Executive Session item related to the personnel aspects of the U. T. System Operating Budgets (Item I.b. on Page 179) and related Item 12 below.

Approved salaries for U. T. System Executive Officers and Presidents are set forth on Pages 182 - 187.

12. <u>U. T. System: Discussion regarding personnel aspects of the U. T. System Administration operating budget for Fiscal Year 2013</u>

Following Chancellor Cigarroa's presentation of the operating budget (Item 11 on the previous page) but prior to the vote on the item, Vice Chairman Foster, Vice Chairman Hicks, and Regent Stillwell reported on their review of the individual personnel aspects of The University of Texas System Administration operating budget for Fiscal Year 2013.

The Board approved the personnel aspects of The University of Texas System Administration operating budget for Fiscal Year 2013 as included in the previous item (Item 11).

See the Executive Session item related to the personnel aspects of the U. T. System Operating Budgets (Item I.b. on Page 179).

THE UNIVERSITY OF TEXAS SYSTEM
Compensation - Executive Officers U. T. System Administration
Approved for Fiscal Year Ending August 31, 2013

		Approved 2012 Rate	Approved 2013 Rate
U. T. SYSTEM ADMINISTRATION			
Chancellor			
Francisco G. Cigarroa			
Salary Rate [1]	$	750,000	750,000
Total Compensation		750,000	750,000
Executive Vice Chancellor for Academic Affairs			
Pedro Reyes			
Salary Rate	$	193,458	360,000
Supplement	$	56,542	-
Total Compensation	$	250,000	360,000
Executive Vice Chancellor for Business Affairs			
Scott C. Kelley			
Salary Rate	$	400,000	420,000
Total Compensation	$	400,000	420,000
Executive Vice Chancellor for Health Affairs			
Kenneth I. Shine			
Salary Rate	$	630,000	645,750
Total Compensation	$	630,000	645,750
Vice Chancellor for External Relations			
Randa S. Safady			
Salary Rate	$	420,240	430,746
Supplement		25,000	25,000
Total Compensation	$	445,240	455,746
Vice Chancellor and General Counsel			
Barry Burgdorf			
Salary Rate	$	424,000	455,430
Supplement		20,830	-
Total Compensation	$	444,830	455,430
Vice Chancellor and Chief Governmental Affairs Officer			
Barry McBee			
Salary Rate [1]	$	280,000	280,000
Total Compensation	$	280,000	280,000

THE UNIVERSITY OF TEXAS SYSTEM
Compensation - Executive Officers U. T. System Administration
Approved for Fiscal Year Ending August 31, 2013

		Approved 2012 Rate	Approved 2013 Rate
U. T. SYSTEM ADMINISTRATION (Cont'd)			
Vice Chancellor for Federal Relations			
William Shute			
Salary Rate [2]	$	239,820	275,000
Total Compensation	$	239,820	275,000
Vice Chancellor for Strategic Management			
Sandra Woodley			
Salary Rate [2]	$	244,800	280,000
Sub-Total Compensation		244,800	280,000
One-time Merit		25,000	-
Total Compensation	$	269,800	280,000
Vice Chancellor for Health Affairs			
Amy Shaw Thomas			
Salary Rate	$	280,000	287,000
Supplement		56,000	56,000
Sub-Total Compensation		336,000	343,000
One-time Merit		14,000	-
Total Compensation	$	350,000	343,000
Vice Chancellor for Research & Innovation Health Affairs			
Patricia Hurn [3]			
Salary Rate	$	258,350	284,185
Total Compensation		258,350	284,185
General Counsel to the Board of Regents			
Francie A. Frederick			
Salary Rate [2]	$	360,000	420,000
Total Compensation	$	360,000	420,000
Chief Audit Executive			
Vacant			
Salary Rate	$	270,970	-
Total Compensation	$	270,970	-

[1] The Chancellor declined Board approved one-time merit salary increase of $50,000 for Fiscal Year 2013, and Vice Chancellor McBee declined a 2.5% merit increase.

[2] Equity increase for Fiscal Year 2013.

[3] Was promoted from Associate Vice Chancellor to Vice Chancellor for Fiscal Year 2013.

THE UNIVERSITY OF TEXAS SYSTEM
Compensation - Academic Institution Presidents
Approved for Fiscal Year Ending August 31, 2013

		Approved 2012 Rate	Approved 2013 Rate
ACADEMIC INSTITUTION PRESIDENTS			
U. T. Arlington			
James Spaniolo			
Salary Rate	$	416,619	427,034
Sub-Total Compensation		416,619	427,034
One-time Merit		-	25,000
Total Compensation	$	416,619	452,034
U. T. Austin			
William C. Powers, Jr.			
Salary Rate	$	613,612	624,350
Deferred Compensation[2]		50,000	50,000
Total Compensation	$	663,612	674,350
U. T. Brownsville			
Juliet V. García			
Salary Rate	$	304,179	311,783
Deferred Compensation[3]		25,000	35,000
Total Compensation		329,179	346,783
U. T. Dallas			
David E. Daniel			
Salary Rate	$	502,360	514,919
Deferred Compensation[1,4]		35,000	50,000
Total Compensation	$	537,360	564,919
U. T. El Paso			
Diana S. Natalicio			
Salary Rate	$	382,200	391,755
Deferred Compensation[1,4]		30,000	35,000
Total Compensation	$	412,200	426,755
U. T. Pan American			
Robert S. Nelsen			
Salary Rate	$	300,000	307,500
Deferred Compensation[4]		-	25,000
Total Compensation	$	300,000	332,500

Note: Presidents are paid $65,945 from General Revenue with the difference paid from other institutional fund sources

[1]Vests 8/31/2012

[2]Vests 8/31/2013

[3]Vests 8/31/2014

[4]Recommend New 3-Year Agreement to vest 8/31/2015

THE UNIVERSITY OF TEXAS SYSTEM
Compensation - Academic Institution Presidents
Approved for Fiscal Year Ending August 31, 2013

		Approved 2012 Rate	Approved 2013 Rate
ACADEMIC INSTITUTION PRESIDENTS (Continued)			
U. T. Permian Basin			
W. David Watts			
Salary Rate	$	302,628	310,193
Deferred Compensation[1,4]		15,000	15,000
Sub-Total Compensation		317,628	325,193
One-time Merit		-	25,000
Total Compensation	$	317,628	350,193
U. T. San Antonio			
Ricardo Romo			
Salary Rate	$	371,992	381,291
Deferred Compensation[3]		25,000	25,000
Total Compensation	$	396,992	406,291
U. T. Tyler			
Rodney H. Mabry			
Salary Rate	$	349,630	355,749
Deferred Compensation[2]		30,000	30,000
Total Compensation	$	379,630	385,749

Note: Presidents are paid $65,945 from General Revenue with the difference paid from other institutional fund sources

[1]Vests 8/31/2012
[2]Vests 8/31/2013
[3]Vests 8/31/2014
[4]Recommend New 3-Year Agreement to vest 8/31/2015

THE UNIVERSITY OF TEXAS SYSTEM
Compensation - Health Institution Presidents
Approved for Fiscal Year Ending August 31, 2013

		Approved 2012 Rate	Approved 2013 Rate
HEALTH INSTITUTION PRESIDENTS			
U. T. Medical Branch - Galveston			
David L. Callender			
Salary Rate	$	655,337	671,720
Deferred Compensation[1]		175,000	175,000
Practice Plan		178,185	182,640
Total Compensation	$	1,008,522	1,029,360
U. T. Health Science Center - Houston			
Giuseppe Colasurdo (ad interim)			
Salary Rate	$	663,727	680,320
Deferred Compensation		-	-
Practice Plan		161,273	165,305
Total Compensation	$	825,000	845,625
U. T. Health Science Center - San Antonio			
William Henrich			
Salary Rate	$	604,273	698,163
Deferred Compensation[2]		100,000	-
Practice Plan		162,730	188,015
Total Compensation	$	867,003	886,178
U. T. Health Science Center - San Antonio			
Kenneth Kalkwarf (ad interim) [4]			
Salary Rate	$	429,000	429,000
Deferred Compensation		-	-
Supplemental Retirement Annuity		71,675	71,675
Total Compensation	$	500,675	500,675

Note: All Presidents are paid $65,945 from General Revenue with the difference paid from other institutional fund sources

[1]Vests 8/31/2013

[2]Vests 8/31/2012

[3]Recommend New 3-Year Agreement to vest 8/31/2015

[4]Dr. Kalkwarf's appointment as President ad interim was effective June 25, 2012. At the conclusion of his interim appointment he will return to his previous administrative position as Dean of the Dental School at a salary rate of $257,000 plus continuation of the Supplemental Retirement Annuity.

THE UNIVERSITY OF TEXAS SYSTEM
Compensation - Health Institution Presidents
Approved for Fiscal Year Ending August 31, 2013

		Approved 2012 Rate	Approved 2013 Rate
HEALTH INSTITUTION PRESIDENTS (Continued)			
U. T. Southwestern Medical Center			
Daniel K. Podolsky			
Salary Rate	$	921,284	944,316
Deferred Compensation[2,3]		60,000	100,000
Practice Plan		252,916	259,239
Total Compensation	$	1,234,200	1,303,555
U. T. M. D. Anderson Cancer Center			
Ronald A. DePinho			
Salary Rate	$	1,404,000	1,439,100
Deferred Compensation		-	-
Practice Plan		396,000	405,900
Total Compensation	$	1,800,000	1,845,000
U. T. Health Science Center - Tyler			
Kirk Calhoun			
Salary Rate	$	399,464	409,451
Deferred Compensation[2,3]		45,000	150,000
Practice Plan		102,930	105,503
Total Compensation	$	547,394	664,954

Note: All Presidents are paid $65,945 from General Revenue with the difference paid from other institutional fund sources

[1]Vests 8/31/2013

[2]Vests 8/31/2012

[3]Recommend New 3-Year Agreement to vest 8/31/2015

REPORT FOR THE RECORD.--

<u>U. T. Arlington: Report concerning appointment of the Presidential Search Advisory Committee</u>

The membership of the Presidential Search Advisory Committee for The University of Texas at Arlington is reported for the record. This Committee has been constituted pursuant to the Regents' *Rules and Regulations,* Rule 20201.

Presidential Search Advisory Committee
for
The University of Texas at Arlington

Executive Vice Chancellor for Academic Affairs Pedro Reyes (Chairman)
Regent Wallace L. Hall, Jr.
Regent Alex M. Cranberg
Ricardo Romo, Ph.D., President, The University of Texas at San Antonio
Kirk Calhoun, M.D., President, The University of Texas Health Science Center at Tyler
Dan Formanowicz, Ph.D., Professor, Department of Biology, U. T. Arlington
Tom Ingram, Ph.D., Associate Professor, Department of Communication, U. T. Arlington
James Campbell Quick, Ph.D., Professor, Department of Management, U. T. Arlington
Pam Jansma, Ph.D., Dean, College of Science, U. T. Arlington
Mr. Stephen Lunce, Conference Coordinator, U. T. Arlington
Ms. Jennifer Fox, President, Student Congress, U. T. Arlington
Mr. Bob Watson, President, U. T. Arlington Alumni Association
H. Franklyn Alexander, D.D.S.
Mr. Robert A. Estrada
Mrs. Shirlee J. Gandy
Mr. H. Ralph Hawkins
Ms. Ashley M. Purgason, Student Regent

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on November 14-15, 2012, in Tyler, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 5:09 p.m.

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

October 30, 2012

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THE UNIVERSITY OF TEXAS SYSTEM BOARD OF REGENTS'

CONSENT AGENDA

Board Meeting: 8/22-23/2012
Austin, Texas

U. T. SYSTEM ADMINISTRATION

1. Minutes - **U. T. System Board of Regents**: Approval of Minutes of the regular meetings held on May 2-3, 2012 and July 11, 2012 and special called meetings held on May 24, 2012, and July 30, 2012, available at http://www.utsystem.edu/board-of-regents/meetings

2. Employment Agreement - **U. T. System**: Appointment of Pedro Reyes, Ph.D., as Executive Vice Chancellor for Academic Affairs

   The employment agreement summarized below has been awarded, has been approved by the Chancellor, and is recommended for approval by the U. T. System Board of Regents.

   Item: Executive Vice Chancellor for Academic Affairs

   Funds: $360,000 annually

   Period: Beginning August 2, 2012

   Description: Agreement for employment of Executive Vice Chancellor for Academic Affairs, Pedro Reyes, Ph.D. The Executive Vice Chancellor for Academic Affairs reports to and is responsible to the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor. U. T. System will reimburse monthly dues, professional memberships, continuing education, wireless device allowances, as well as reasonable travel related to U. T. business.

3. <u>Contract (funds going out) - **UTIMCO**: Approval to renegotiate or extend the existing Master Custodian Agreement for investment assets under the fiduciary care of the U. T. System Board of Regents</u>

Agency:	Bank of New York Mellon (BNY Mellon)
Funds:	Anticipated contracting expenditures to exceed $4,000,000 per year
Source of Funds:	Funding source(s) will be from the various Investment Funds managed by The University of Texas Investment Management Company (UTIMCO)
Period:	Client (UTIMCO) or Custodian may cancel current agreement (which was effective May 30, 2007) by giving 90 calendar day notice
Description:	Renegotiate or extend the Master Investment Management Services Agreement between the U. T. System Board of Regents (U. T. Board) and UTIMCO requires UTIMCO to select one or more custodians, each of which shall be approved by the U. T. Board. The master custodian provides a wide range of services, including custody of investment assets, accounting, performance, analytics, and securities lending. BNY Mellon (formerly Mellon Trust of New England) has served as the master custodian for the investment assets under the fiduciary care of the U. T. Board since September 1, 1995.

4. <u>Contract (funds going out) - **U. T. System**: Tolunay-Wong Engineers, Inc. to perform geotechnical engineering and materials testing services</u>

Agency:	Tolunay-Wong Engineers, Inc.
Funds:	Anticipated contracting expenditures to exceed $1,000,000 per year of the contract
Source of Funds:	Funding source(s) will be from various funds approved for individual Capital Improvement Program projects
Period:	September 1, 2011 (initial date of contract) through August 31, 2017 (a two-year contract and two two-year extensions)
Description:	The firm to perform geotechnical engineering and materials testing services on a job order basis for construction services. The services were competitively procured.

5. <u>Contract (funds going out) - **U. T. System**: AON Risk Services, Inc. to provide risk management and brokerage services</u>

Agency:	AON Risk Services, Inc.
Funds:	Anticipated total cost will exceed $1,000,000 over the life of the contract
Source of Funds:	Service Center Funds
Period:	August 31, 2012 through August, 31, 2016
Description:	AON Risk Services, Inc. to provide risk management and brokerage services on an as needed basis. U. T. System utilizes a panel of brokers to provide brokerage, insurance placement, claims advocacy, and risk management services.

6. <u>Contract (funds going out) - **U. T. System**: Beecher Carlson Insurance Services, LLC to provide risk management and brokerage services</u>

Agency:	Beecher Carlson Insurance Services, LLC
Funds:	Anticipated total cost will exceed $1,000,000 over the term of the contract
Source of Funds:	Service Center Funds
Period:	August 31, 2012 through August 31, 2016
Description:	Beecher Carlson Insurance Services, LLC to provide risk management and brokerage services on an as needed basis. U. T. System utilizes a panel of brokers to provide brokerage, insurance placement, claims advocacy, and risk management services.

7. <u>Contract (funds going out) - **U. T. System**: Arthur J. Gallagher Risk Management Services, Inc. to provide risk management and brokerage services</u>

Agency:	Arthur J. Gallagher Risk Management Services, Inc.
Funds:	Anticipated total cost will exceed $1,000,000 over the life of the contract
Source of Funds:	Service Center Funds
Period:	August 31, 2012 through August 31, 2016
Description:	Arthur J. Gallagher Risk Management Services, Inc. agrees to provide risk management and brokerage services on an as needed basis. U. T. System utilizes a panel of brokers to provide brokerage, insurance placement, claims advocacy, and risk management services.

8. Contract (funds going out) - **U. T. System**: Marsh USA, Inc. to provide risk management and brokerage services

Agency:	Marsh USA, Inc.
Funds:	Anticipated total cost will exceed $1,000,000 over the life of the contract
Source of Funds:	Service Center Funds
Period:	August 31, 2012 through August, 31, 2016
Description:	Marsh USA, Inc. agrees to provide risk management and brokerage services on an as needed basis. U. T. System utilizes a panel of brokers to provide brokerage, insurance placement, claims advocacy, and risk management services.

9. Contract (funds going out) - **U. T. System**: John L. Wortham & Son, LP dba Wortham Insurance & Risk Management to provide risk management and brokerage services

Agency:	John L. Wortham & Son, LP dba Wortham Insurance & Risk Management
Funds:	Anticipated total cost will exceed $1,000,000 over the life of the contract
Source of Funds:	Service Center Funds
Period:	August 31, 2012 through August, 31, 2016
Description	Wortham Insurance & Son agrees to provide risk management and brokerage services on an as needed basis. U. T. System utilizes a panel of brokers to provide brokerage, insurance placement, claims advocacy, and risk management services.

10. Contract (funds going out) - **U. T. System**: Injury Management Organization, Inc. to provide medical fee audit services, preauthorization services, utilization review, medical case management, and a health care network

Agency:	Injury Management Organization, Inc. (IMO)
Funds:	$4,750,000 estimate is based on fee cap
Source of Funds:	Service Center Funds
Period:	September 1, 2012 through August 31, 2017
Description:	IMO to provide medical fee audit services, preauthorization services, utilization review, medical case management, and a health care network for Worker's Compensation Insurance.

11. Contract (funds going out) - **U. T. System**: Veoila ES Technical Solutions, LLC to provide hazardous waste management and disposal services

Agency:	Veoila ES Technical Solutions, LLC
Funds:	$1,200,000
Source of Funds:	Service Center Funds
Period:	August 31, 2012 through August, 31, 2017 (one-year contract and four one-year extensions)
Description:	This nonexclusive Systemwide contract provides for the management and disposal of hazardous waste generated by U. T. System institutions.

12. Contract (funds going out) - **U. T. System**: Accenture LLP to assist with shared services projects

Agency:	Accenture LLP
Funds:	Phase 1 (initial scope) and phase 2 (extended scope) would be capped at $427,600 each for a total of $855,200
Source of Funds:	Available University Funds
Period:	Begin on the effective date through June 30, 2014
Description	The initial phase of the project will be limited in scope to U. T. System's health institutions and provide benchmarking, data analysis, and design activities for three specific potential shared services projects: Procure to Pay, encompassing activities from procurement or purchasing through payment for goods and services; Hire to Retire, encompassing specific human resource-related activities from the recruitment and hiring of individuals to their exit from employment; and Finance such as budgeting accounting, travel, and asset management.

13. Contract (funds going out) - **U. T. System**: Skire, Inc. to perform software license, maintenance, hosting, and related services

Agency:	Skire, Inc.
Funds:	Anticipated total cost expected to now exceed $1,000,000
Source of Funds:	Service Center Funds
Period:	Initial term of contract July 23, 2004. Contract ending date July 23, 2015.
Description	Skire, Inc. to perform software license, maintenance, hosting, and related services for U. T. System. The services were competitively procured.

14. Request for Budget Change - **U. T. System:** Transfer of $12,000,000 to rebate surplus premium contributions to institutions that were paid in Phase IV of the Rolling Owner Controlled Insurance Program

Description	$ Amount	RBC #
DESIGNATED FUNDS		
Amount of Transfer:	12,000,000	150

From: Rolling Owner Controlled Insurance Program (ROCIP) Phase IV

To:	U. T. Arlington	$ 114,494
	U. T. Austin	3,850,869
	U. T. Brownsville	37,340
	U. T. Dallas	468,450
	U. T. El Paso	235,985
	U. T. San Antonio	920,457
	U. T. Tyler	337,540
	U. T. Southwestern Medical Center	1,202,877
	U. T. Medical Branch - Galveston	590,919
	U. T. Health Science Center - Houston	1,147,823
	U. T. Health Science Center - San Antonio	433,767
	U. T. M. D. Anderson Cancer Center	2,659,479
	Total	$12,000,000

Transfer to rebate surplus premium contributions to institutions paid in Phase IV of the ROCIP program. The surplus amount was actuarially determined and reflects better than expected claim experience. The allocation to each institution was also actuarially determined and considers premiums paid into the fund as well as the individual institution's losses in the phase.

The ROCIP provides worker's compensation, general liability, and excess liability coverage for contractors working on designated U. T. System construction projects, under one master program. The program not only ensures better, more consistent coverage, it also creates economies of scale by purchasing insurance in bulk rather than separately in the bids of individual contractors.

15. Request for Budget Change - **U. T. System**: Transfer of $8,879,620 to retroactively reduce the premium contribution rate paid by institutions in Phase V of the Rolling Owner Controlled Insurance Program

Description	$ Amount	RBC #
DESIGNATED FUNDS		
Amount of Transfer:	8,879,620	151

From: Rolling Owner Controlled Insurance Program (ROCIP) Phase V

To:	U. T. Arlington	$ 699,060
	U. T. Austin	1,790,020
	U. T. Brownsville	74,980
	U. T. Dallas	657,280
	U. T. El Paso	472,060
	U. T. Pan American	14,260
	U. T. Permian Basin	349,660
	U. T. San Antonio	247,250
	U. T. Tyler	12,510
	U. T. Southwestern Medical Center	1,642,980
	U. T. Medical Branch - Galveston	566,390
	U. T. Health Science Center - Houston	329,420
	U. T. Health Science Center - San Antonio	328,000
	U. T. M. D. Anderson Cancer Center	1,616,210
	U. T. Health Science Center - Tyler	79,540
	Total	$8,879,620

Transfer to retroactively reduce the premium contribution rate paid by institutions in Phase V of the ROCIP program from 2.24% of construction value to 1.95%. The rate reduction reflects renegotiated insurance premium rates and better than expected claim experience to date.

The ROCIP provides worker's compensation, general liability, and excess liability coverage for contractors working on designated U. T. System construction projects, under one master program. The program not only ensures better, more consistent coverage, it also creates economies of scale by purchasing insurance in bulk rather than separately in the bids of individual contractors.

16. Approval to exceed the full-time equivalent (FTE) limitation on employees paid from appropriated funds - **U. T. System**: Institutions have requested approval to exceed the FTE limitation for Fiscal Year 2013 as authorized by Article IX the General Appropriations Act. (All other institutions will not exceed their cap.)

Institution	Requested 2013 FTEs over the Limitation	2012 FTEs over the Limitation
U. T. Brownsville	188.82	184.00
U. T. Dallas	158.00	30.00
U. T. El Paso	90.00	70.00
U. T. San Antonio	90.00	120.00
U. T. Tyler	34.00	-
U. T. M. D. Anderson Cancer Center	1,257.70	862.00
U. T. Health Science Center - Tyler	100.00	40.00
U. T. System Administration	42.87	-

Also as required by Article IX, Section 6.10 of the General Appropriations Act, it is recommended that the U. T. System Board of Regents submit a request to the Governor's Office and the Legislative Budget Board to grant approval for these institutions to exceed the authorized number of FTE employees paid from appropriated funds. All other institutions will not exceed their cap.

17. Request for Budget Change - **U. T. System**: Transfer of $515,000 from U. T. System Unallocated to Contracted Professional Services External Audit Fees to pay audit fees due Deloitte & Touche, LLP for Fiscal Year 2012

18. 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 May 31, 2012

FUND TYPE

	Current Purpose Restricted		Endowment and Similar Funds		Annuity and Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
Land and Buildings:								
Ending Value 2/29/2012	$ 2,791,091	$ 20,380,408	$ 106,304,207	$ 269,468,051	$ 1,601,467	$ 2,973,923	$ 110,696,765	$ 292,822,382
Increase or Decrease	(20,000)	(93,523)	(1)	(61,010)	-	-	(20,001)	(154,533)
Ending Value 5/31/2012	$ 2,771,091	$ 20,286,885	$ 106,304,206	$ 269,407,040	$ 1,601,467	$ 2,973,923	$ 110,676,764	$ 292,667,848
Other Real Estate:								
Ending Value 2/29/2012	$ 45,651	$ 45,651	$ 25,284	$ 25,284	$ -	$ -	$ 70,935	$ 70,935
Increase or Decrease	(1,739)	(1,739)	(5,656)	(5,656)	-	-	(7,395)	(7,395)
Ending Value 5/31/2012	$ 43,913	$ 43,913	$ 19,627	$ 19,627	$ -	$ -	$ 63,540	$ 63,540

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

19. Contract (funds coming in) - **U. T. Arlington**: Assist the Texas Commission on Environmental Quality (TCEQ) with the Safe Drinking Water Inventory System

Agency:	Texas Commission on Environmental Quality (TCEQ)
Funds:	$1,167,445
Period:	September 1, 2012 through August 31, 2014
Description:	University to assist the TCEQ with the Safe Drinking Water Inventory System (SDWIS) reporting requirements, updating inventory and enforcement data. U. T. Arlington will also review and evaluate all Ground Water Rule and Public Notice data for the TCEQ that is housed in the SDWIS, and the Consolidated Compliance and Enforcement Data System. Other work will include, but will not be limited to, the review of plans, maps, and geological data from drill logs, and complete assessments on other aspects of well data.

20. Lease - **U. T. Arlington**: Authorization to lease space to SMD Arlington, LLC, for restaurant use

Description:	Lease of approximately 2,120 square feet of retail space in the College Park mixed-use development for use by the tenant as a restaurant. The rental and the improvement allowance were based on surveys of similar mixed-use and retail properties in Arlington and Fort Worth.
Tenant:	SMD Arlington, LLC, dba Smiling Moose Deli, a Texas limited liability company
Term:	Commencing on or about August 1, 2012 and continuing for 120 months following the rent start date, plus two 60-month extension options. The rent start date is the date that is 120 days after the lease is fully signed.
Lease Revenue:	$738,060.52 in rent and operating expenses payable over a 120-month term, and an estimated $908,013.67 in rent and operating expenses for two 60-month extension options. U. T. Arlington is providing the tenant an improvement allowance for the initial construction of the premises, to be paid out of Auxiliary Funds.

21. <u>Lease - **U. T. Arlington**: Authorization to lease space to Diggs Taco Arlington, LLC, for restaurant use</u>

Description:	Lease of approximately 2,904 square feet of retail space in the College Park mixed-use development for use by the tenant as a restaurant. The rental and the improvement allowance were based on surveys of similar mixed-use and retail properties in Arlington and Fort Worth.
Tenant:	Diggs Taco Arlington, LLC, dba Diggs Taco Shop, a Texas limited liability company
Term:	Commencing on or about August 1, 2012 and continuing for 120 months following the rent start date, plus two 60-month extension options. The rent start date is the date that is 120 days after the lease is fully signed.
Lease Revenue:	$1,148,217.66 in rent and operating expenses payable over a 120-month initial term, and an estimated $1,409,894.43 in rent and operating expenses for two 60-month extension options. U. T. Arlington is providing the tenant an improvement allowance for the initial construction of the premises to be paid out of Auxiliary Funds.

22. <u>Changes to Admission Criteria - **U. T. Arlington**</u>

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

Summary of Changes to Admission Criteria

The GRE was revised in August 2011 and is now scored on a different numeric scale provided tables to 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.

Civil Engineering Master’s Program

Unconditional Admission:

1. Increase GRE Quantitative score from 650 to 700 (equivalent to 155 new scale)
2. Decrease GRE from 400 to 390 (equivalent to 146 new scale)

Civil Engineering Doctoral Program

Unconditional Admission:

1. Increase GRE Quantitative score from 700 to 740 (equivalent to 158 on new scale)
2. Decrease GRE Verbal score from 425 to 420 (equivalent to 148 on new scale)

Civil Engineering B.S.-Ph.D. Track

Requirements are proposed for unconditional and probationary admission for admission of bachelor degree holders into a track leading to the doctorate and are identical to the requirements specified for admission of master's students into the doctoral program and include the proposed revisions to GRE score requirements for unconditional admission into the doctoral program.

Economics M.A. Program

1. Add waiver of GRE/GMAT requirements if student holds a terminal graduate degree from an accredited program
2. Provide revised GRE test score equivalents to scores on previous version of the GRE
3. Change conditions that may lead to denial of admission from when applicant does not satisfy majority of admission requirements to denial when applicant fails to meet at least two requirements and added language indicating that in such cases, all applicant data will be reviewed before admission is denied.

Educational Leadership and Policy Studies M.A. Program

Unconditional Admission:

1. Increase minimum acceptable graduate GPA from 3.0 to 3.5
2. Allow GPA based on 12 or more hours of graduate study to be considered instead of undergraduate GPA
3. Reduce minimum GRE Analytical Writing Test score from 4.0 to 3.5
4. Specify that authors of letters of reference must be provided by individuals who can assess the applicant's aptitude, academic skills and abilities needed for success in the Educational Leadership and Policies Studies master's program
5. Change requirement that all criteria (GPA, GRE and letters of reference) must be met to qualify for unconditional admission to allow applicants meeting two out of the three proposed requirements for unconditional admission (GPA, GRE and letters of reference) to qualify for unconditional admission.

Probationary Admission:

1. Specify minimum acceptable undergraduate GPA (2.8)
2. Allow GPA based on 12 or more hours of graduate study to be considered instead of undergraduate GPA
3. Specify 3.3 as the minimum graduate GPA acceptable graduate GPA on 12 or more hours

4. Specify minimum acceptable GRE scores: Verbal subtest score equal to 146 new scale, 400 on old scale; Quantitative subtest score equal to 143 new scale, or 400 old scale; and Analytical Writing subtest score equal to 3.0.
5. Change requirement that students failing to meet all requirements for unconditional admission will be considered for probationary admission on the basis of a writing sample and relevant professional experience to allow applicants meeting two out of the three proposed requirements (GPA, GRE, and letters of reference) specified for probationary admission to qualify for probationary admission.

Electrical Engineering M.S. and Ph.D. Programs

1. Decrease GRE Verbal test requirements for masters or doctoral admission from 500 to 400 and provide equivalent scores on the new GRE scoring scale
2. Decrease GRE Analytical Writing subtest scores for M.S. students from 4 to 3
3. Decrease GRE Analytical Writing subtest score for Ph.D. students from 4 to 3.5
4. Update entry to include test scores on revised GRE test Verbal and Quantitative subtests that are equivalent to scores on the previous version of the test
5. Require International student applicants to earn at least 19 points on each of the 4 subtests of the TOFEL iBT (Test of English as a Foreign Language, Internet Based Test), a measure of proficiency in English, in addition to meeting a minimum total score. Previously, only the minimum total score (sum of all four subtest scores) was specified. The program does not propose to change the total minimum score requirement.

History M.A. Program

1. Revise language describing conditions that must be met for unconditional admission
2. Eliminate 500 word essay on reasons for graduate study in History
3. Add requirement that applicants must submit a sample research paper written in an upper division history course
4. Provide new scale equivalent scores for required GRE Verbal subtest

Management Masters of Science in Human Resource Management Program

1. Increase Index score from 1080 to 1100
2. Increase GMAT Total score from 480 to 500
3. Increase GRE Quantitative subtest percentile score from 40% to 45%
4. Increase GRE Verbal subtest percentile score from 40% to 45%

Social Work Ph.D. Program

Eliminate consideration of EXADEP (Examen de Admisión a Estudios de Posgrado) test scores in admission decisions

23. <u>Contract (funds coming in) - **U. T. Arlington**: Provide project management course instruction to Texas Department of Transportation (TxDOT) employees</u>

Agency:	Texas Department of Transportation
Funds:	Not to exceed value of $1,587,883
Period:	Commencing when contract is fully executed by both parties and terminating August 31, 2015
Description:	The performing agency to provide instruction for receiving agency project management courses at designated locations throughout the State of Texas. Services shall include, but not be limited to, course maintenance and delivery using a variety of delivery methodologies.

24. <u>Employment Agreement - **U. T. Arlington**: New agreement of Head Men's Basketball Coach Scott Cross</u>

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:	2012-2013	$150,000 annual
	2013-2014	$175,000 annual
	2014-2015	$200,000 annual
	2015-2016	$225,000 annual
Period:	September 1, 2012 through August 31, 2016	
Description:	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.	

Incentives:

- $7,500 in any contract year in which the team wins the regular season conference championship
- $10,000 in any contract year in which the team wins the conference tournament championship
- $2,500 in any contract year in which the team plays in a championship game
- $500 for each conference game win in any contract year
- $2,500 in any contract year in which the team has a 20-win season

- $2,500 in any contract year in which the team has a NIT appearance
- $7,500 in any contract year in which the team has a NCAA appearance at-large berth
- $5,000 in any contract year in which the team has a post-season win (NCAA or NIT)
- $5,000 in any contract year in which the coach is named Conference Coach of the Year
- $5,000 in any contract year in which the team has a final season RPI of top 64 in Division I
- $2,500 in any contract year in which the team has a final season RPI of top 125 in Division I
- $5,000 in any contract year in which the team annual NCAA APR score is 975 or better
- $5,500 in any contract year in which the team annual NCAA APR score is 940 or better
- $1,000 for every First Team Conference Player recognition in any contract year.
- $1,000 for every First Team All-Academic Player recognition in any contract year
- $1,000 in any contract year in which a player is named Conference Player of the Year
- 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

- 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 and above	$ 6,000

25. New Award of Tenure and Emeritus Appointments - **U. T. Arlington**: Amendment to the 2012-13 budget

The following personnel actions involving new award of tenure and emeritus appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2013 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations,* Rule 31007.

College, Department, and Name	From	To
College of Business		
Accounting		
Bin Srinidhi	New Hire	Professor (T)
College of Business		
Economics		
Aaron Smallwood	Assistant Professor (NT)	Associate Professor (T)
Mahmut Yasar	Assistant Professor (NT)	Associate Professor (T)
Finance and Real Estate		
Darren Hayunga	Assistant Professor (NT)	Associate Professor (T)
Peggy E. Swanson	Professor (T)	Emeritus Professor (NT)
Management		
Susanna Khavul	Assistant Professor (NT)	Associate Professor (T)
Marketing		
Elten Briggs	Assistant Professor (NT)	Associate Professor (T)

College, Department, and Name	From	To
College of Education and Health Professions		
Curriculum and Instruction		
Jiyoon Yoon	New Hire	Associate Professor (T)
Kinesiology		
David Keller	Assistant Professor (NT)	Associate Professor (T)
Christopher Ray	Assistant Professor (NT)	Associate Professor (T)
College of Engineering		
Bioengineering		
George Alexandrakis	Assistant Professor (NT)	Associate Professor (T)
Mario Romero-Ortega	Associate Professor (NT)	Associate Professor (T)
Civil Engineering		
Shih-Ho Chao	Assistant Professor (NT)	Associate Professor (T)
Computer Science and Engineering		
Vassilis Athitsos	Assistant Professor (NT)	Associate Professor (T)
Heng Huang	Assistant Professor (NT)	Associate Professor (T)
Electrical Engineering		
Ronald L. Carter	Professor (T)	Emeritus Professor (NT)
Industrial & Manufacturing Systems		
Susan Ferreira	Assistant Professor (NT)	Associate Professor (T)
Mechanical and Aerospace Engineering		
Dragos Dancila	Associate Professor (NT)	Associate Professor (T)
College of Liberal Arts		
History		
Douglas W. Richmond	Professor (T)	Emeritus Professor (NT)
Roberto R. Trevino	Professor (T)	Emeritus Professor (NT)
Modern Languages		
Alicia Rueda-Acedo	Assistant Professor (NT)	Associate Professor (T)
Music		
Timothy J. Ishii	Associate Professor (T)	Professor (T)

College, Department, and Name	From	To
Sociology and Anthropology		
Joseph W. Bastien	Professor (T)	Emeritus Professor (NT)
Raymond Arthur Eve	Professor (T)	Emeritus Professor (NT)
Heather Jacobson	Assistant Professor (NT)	Associate Professor (T)
College of Science		
Biology		
Shawn Christensen	Assistant Professor (NT)	Associate Professor (T)
Eric Smith	Assistant Professor (NT)	Associate Professor (T)
Chemistry and Biochemistry		
Jongyun Heo	Assistant Professor (NT)	Associate Professor (T)
Earth and Environmental Science		
Qinhong Hu	Assistant Professor (NT)	Associate Professor (T)
Andrew Hunt	Assistant Professor (NT)	Associate Professor (T)
Mathematics		
Dimitar Grantcharov	Assistant Professor (NT)	Associate Professor (T)
Larry Heath	Professor (T)	Emeritus Professor (NT)
Physics		
Amir Farbin	Assistant Professor (NT)	Associate Professor (T)
School of Architecture		
Bill Boswell	Professor (T)	Emeritus Professor (NT)
Raymond Joseph Guy	Professor (T)	Emeritus Professor (NT)
Douglas Klahr	Assistant Professor (NT)	Associate Professor (T)
Martin Price	Professor (T)	Emeritus Professor (NT)
School of Social Work		
Schnavia Smith Hatcher	New Hire	Associate Professor (T)
Diane Mitschke	Assistant Professor (NT)	Associate Professor (T)
Joan R. Rycraft	Professor (T)	Emeritus Professor (NT)
Richard Schoech	Professor (T)	Emeritus Professor (NT)
Alexa Smith-Osborne	Assistant Professor (NT)	Associate Professor (T)
Thomas Dale Watts	Professor (T)	Emeritus Professor (NT)
School of Urban and Public Affairs		
Urban and Public Affairs		
Carl Grodach	Assistant Professor (NT)	Associate Professor (T)

26. Contracts (funds coming in) - **U. T. Austin**: Integrated Stadium Seating to provide event customers stadium seatback rental program for sporting events

Agency:	Integrated Stadium Seating
Funds:	$2,275,000 estimated for the initial term and renewal periods, and a $50,000 payment upon execution by both parties
Period:	Effective from the date of execution through April 30, 2015, with option to renew for two additional two-year periods
Description:	Stadium seatback lease and rental program wherein Integrated Stadium Seating will rent stadium seatbacks with cushioned seats and back supports to sporting event customers. The chairs are suitable for temporarily affixing to existing facility benches on the U. T. Austin campus.

27. Contract (funds coming in) - **U. T. Austin**: Development of curriculum related to the New Mathways Project for the Texas Association of Community Colleges

Agency:	Texas Association of Community Colleges
Funds:	$3,000,000 estimated for the initial term and renewal periods
Period:	June 1, 2012 through August 31, 2013, with options to renew for 10 additional one-year periods
Description:	U. T. Austin's Charles A. Dana Center will collaborate with the Texas Association of Community Colleges to design an innovative approach to math education through the New Mathways Project. The scope of the project will include development of web-based curricular materials for mathematics and student success courses, and technical assistance tools and services to support academic institutions, faculty, and staff for the implementation of the New Mathways Project.

28. Contracts (funds going out) - **U. T. Austin**: Instructure, Inc. to provide a Web-based learning management system for instructors to create and deliver online courses

Agency:	Instructure, Inc.
Funds:	$3,900,000 estimated for the initial term and renewal periods
Source of Funds:	Educational and General Funds, Designated Funds, Auxiliary Funds, and Restricted Funds
Period:	Effective from the date of execution through June 30, 2015, with options to renew for two additional two-year periods
Description:	Instructure, Inc. to provide U. T. Austin's Information Technology Services access to Canvas Cloud, a web-based learning management system. Using Canvas Cloud, U. T. Austin instructors will create and deliver online courses to students attending classes on the Austin campus, taking continuing education courses, or participating in college readiness programs.

29. Two Contracts (funds going out) - **U. T. Austin**: Two separate agreements with USFon, Inc. for dark optical fiber indefeasible right to use agreement to provide production, research, and disaster recovery connectivity to U. T. System institutions in the 1) Dallas/Richardson area, and 2) Dallas/Fort Worth area

Agency:	USFon, Inc.
Funds:	Contract 1: $1,013,704 estimated Contract 2: $3,844,893 estimated
Source of Funds:	Available University Funds
Period:	Both contracts effective from the date of execution and continuing for 20 years
Description:	Dark optical fiber indefeasible right to use agreements for up to 20 years between U. T. Austin, on behalf of the U. T. System Office of Telecommunication Services, and USFon, Inc., to install, maintain, and provide dark fiber expandable services between: Contract 1: Dallas and Richardson Contract 2: Dallas and Fort Worth The fiber will enable the U. T. System network to provide production, research, and disaster recovery connectivity to U. T. System institutions in the Dallas/Richardson and Dallas/Fort Worth areas. An indefeasible right to use agreement is one whereby a party obtains the right to use specifically identified strands of dark fiber from another party.

30. Foreign Contract (funds coming in) - **U. T. Austin**: Collaboration to establish degree program at Sofia University, Bulgaria

Agency:	Sofia University, Bulgaria
Funds:	Approximately $1,600,000
Period:	September 1, 2012 through August 31, 2017
Description:	The Red McCombs School of Business Executive Development Program will collaborate with Sofia University to establish a Master of Science in Technology Commercialization degree program based on the McCombs School’s Master of Science in Technology Commercialization degree program model.

31. Foreign Contract (funds coming in) - **U. T. Austin**: University of Durham, United Kingdom, Global Learning Centre and Executive Education program to receive leadership training services

Agency:	University of Durham, United Kingdom
Funds:	Approximately $8,000 (including costs)
Period:	September 28, 2012 through October 8, 2012
Description:	The Governor's Center for Management Development, a unit of the LBJ School of Public Affairs, will provide leadership training services to the Global Learning Centre and Executive Education program, Durham Business School, University of Durham.

32. Lease (funds going out) - **U. T. Austin**: Authorization to lease space from Hub Properties Trust for use by University Charter School and Division of Continuing and Innovative Education

Description:	62 month extension of existing lease of space at 8701 N. MoPac, Austin, Texas. The leased space has been used for administrative offices and classroom space for continuing education classes for teachers and principals by U. T. Austin's University Charter School and Division of Continuing and Innovative Education since March 2005. Additionally, a right of first refusal for approximately 5,000 square feet of adjacent space will be obtained. U. T. Austin canvassed the market before making the decision to remain in its current space. Authorization is requested for U. T. Austin's Campus Director of Real Estate to execute the lease extension on completion of negotiations and approval by the Real Estate Office.
Lessor:	Hub Properties Trust
Term:	September 1, 2012, through October 31, 2017, plus two five-year renewal options
Total Area:	15,261 square feet of office space, plus an additional 5,000 square feet under the right of first refusal
Lease Costs:	Approximately $1,561,251.04 in base rent and estimated operating expenses payable over a 62-month term, with two months free rent. Base rent starts at $10.75 per square foot and increases in steps to $13.25 per square foot. Estimated operating expenses for 2012 are approximately $8.00 per square foot. The Lessor is providing a tenant allowance of $6.50 per square foot. Rent for the renewal option periods will be at the then current market rent.
Source of Funds:	Texas Education Agency funds

33. Purchase - **U. T. Austin**: Authorization to purchase land and improvements at 305 West 20th Street and 1908 Whitis Avenue, Austin, Travis County, Texas, from Kerry S. Yom, Kyong Hui Shuey, and Kerry S. Yom and Sun Y. Yom, Co-Trustees of the Yom Family Trust, or from the McCombs School of Business Foundation for future campus expansion

Description: Purchase of Lots 13 and 14, Louis Horst's Subdivision of Outlot 20, Division D, Austin, Travis County, Texas, and improvements, commonly known as 305 West 20th Street and 1908 Whitis Avenue, and authorization for the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to purchase the property.

The improvements consist of a 648 square foot one-story building and surface parking. This parcel is part of the land assemblage with adjacent properties at 300 West Martin Luther King, Jr. Boulevard, 1902 Whitis Avenue, and 304 West Martin Luther King, Jr., Boulevard purchased in April 2012. U. T. Austin envisions that the southwest area of the campus between Guadalupe Street and Whitis Avenue will be used for the future expansion of the McCombs School of Business, including the Executive Education Program at the AT&T Executive Education and Conference Center.

Seller: Kerry S. Yom, Kyong Hui Shuey, and Kerry S. Yom and Sun Y. Yom, Co-Trustees of the Yom Family Trust, or from the McCombs School of Business Foundation

Total Area: Approximately .4018 of an acre

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

Source of Funds: Unexpended Plant Funds from earned investment income

34. Request for Budget Change - **U. T. Austin**: Transfer $543,080 from Intercollegiate Athletics Operating Income fund to Athletics Field Pavilion Design and Construct Tent Structures and Towers fund. Transfer will supplement existing project to design and construct three towers for football practice video operations and a shade pavilion at the Athletic Field Pavilion (RBC No. 4592) -- amendment to the 2011-12 budget

35. Request for Budget Change - **U. T. Austin**: Transfer $500,000 from Intercollegiate Athletics Operating Income fund to Intercollegiate Athletics Wages account. Transfer will reflect an increase in operational salary expenses due to the hiring of three new head coaches (Women's Basketball, Women's Soccer, and Women's Swimming) and staff members. The additional income will be received prior to the close of the fiscal year from the Big 12 Conference and from the corporate sponsorship and marketing contract with IMG Communications, Inc. (RBC No. 4633) -- amendment to the 2011-12 budget.

36. Tenure Appointments - **U. T. Austin**: Amendment to the 2011-12 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:

Description	Effective Date	% Time	Full-time Salary No. Mos.	Full-time Salary Rate $	RBC #
SCHOOL OF LAW					
Law					
Professor and Dean					
Ward Farnsworth (T)	6/1-5/31	0	09	220,000	4632
	6/1-8/31	100	12	420,000	
	6/1-8/31	SUPLT	12	30,000	
COLLEGE OF NATURAL SCIENCES					
School of Biological Sciences - Section of Molecular Genetics and Microbiology					
Professor and Dean Designate					
Linda A. Hicke (T)	5/1-5/31	0	09	185,000	4572
	5/1-8/31	100	12	300,000	

37. Dean Emeritus Appointment - **U. T. Austin**: Appointment of Barbara W. White from Dean, School of Social Work, to Dean Emeritus effective 1/16/2012 (RBC No. 4630) -- amendment to the 2011-12 budget

38. <u>Purchase Order (funds going out) - **U. T. Austin**: Mutual Telecom Services, Inc. to engineer, design, install, and provide maintenance and support for a voice-over Internet protocol telecommunications system</u>

Agency:	Mutual Telecom Services, Inc. dba Black Box Network Services
Funds:	$1,621,447
Source of Funds:	Service Center Funds
Period:	May 31, 2012 through May 31, 2013
Description:	Mutual Telecom Services, Inc. will engineer, design, install, and provide one year of maintenance and support for a voice-over internet protocol (VOIP) telecommunications system to support U. T. Austin's 23,000 telephone instruments. The VOIP system will replace the current obsolete technology, which will no longer be supported by its provider after December 2016. This purchase order locks in the price of additional equipment that may be purchased in the future under separate purchase orders.

39. <u>Employment Agreement - **U. T. Austin**: Extension of term and early termination payment schedule to Agreement of Head Men's Baseball Coach August E. Garrido</u>

The following Amendment No. 2 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 the Agreement, as amended by Amendments No. 1 and 2, 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 Baseball Coach
From:	Guaranteed compensation: $950,000 annually Nonguaranteed compensation available through performance incentives: maximum of $165,000 annually
To:	No change
Source of Funds:	Intercollegiate Athletics
Description:	Amendment No. 2 to the Agreement for employment of Head Men's Baseball Coach August E. Garrido to extend the term of the agreement, which was scheduled to end August 31, 2013, for the designated period, and to change and extend the agreed schedule for buyout payments in the event of termination.
Incentive Change:	n/a
Period:	September 1, 2012 through August 31, 2015

Buyout Provision:	September 1, 2012 - August 31, 2013: $600,000 (two annual payments of $300,000) September 1, 2013 - August 31, 2014: $300,000 (one annual payment of $300,000)

40. <u>Employment Agreement - **U. T. Austin**: Amendment of term, annual salary, and product endorsement compensation to Agreement of Head Women's Softball Coach Connie Clark</u>

The following Amendment No. 4, 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 the agreement, as amended by Amendments No. 1, 2, 3, and 4, 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 Women's Softball Coach
From:	Guaranteed compensation: $152,000 annually Nonguaranteed compensation available through performance incentives: maximum of $70,000 annually
To:	Guaranteed compensation: September 1, 2012 - August 31, 2013: $195,000 annual September 1, 2013 - August 31, 2014: $197,500 annual September 1, 2014 - August 31, 2015: $203,000 annual Nonguaranteed compensation available through performance incentives: maximum of $70,000 annually
Source of Funds:	Intercollegiate Athletics
Salary Percent Change:	FY 2012-2013: 28.29% increase from FY 2011-2012 FY 2013-2014: 1.28% increase from FY 2012-2013 FY 2014-2015: 2.78% increase from FY 2013-2014
Description:	Amendment No. 4 to the Agreement for employment of Head Women's Softball Coach Connie Clark to extend the term of the agreement, which was scheduled to end August 31, 2012, for the designated period and to increase the annual salary and product endorsement compensation.
Incentive Change:	n/a
Period:	September 1, 2012 through August 31, 2015

41. <u>Employment Agreement - **U. T. Austin**: Amendment of term to Agreement of Head Men's Track and Field Coach Charles G. Thornton</u>

The following Amendment No. 5, 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 the Agreement, as amended by Amendments No. 1, 2, 3, 4, and 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 Track and Field Coach
From:	Guaranteed compensation: $200,000 annually Nonguaranteed compensation available through performance incentives: maximum of $52,000 annually
To:	No change
Source of Funds:	Intercollegiate Athletics
Salary Percent Change:	n/a
Description:	Amendment No. 5 to the Agreement for employment of Head Men's Track and Field Coach Charles G. Thornton to extend the term of the agreement, which was scheduled to end August 31, 2012, for the designated period.
Incentive Change:	n/a
Period:	September 1, 2012 through August 31, 2014

42. <u>New Award of Tenure and Emeritus Appointments - **U. T. Austin**: Amendment to the 2012-13 budget</u>

The following personnel actions involving new award of tenure and emeritus appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2013 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations,* Rule 31007*.*

College, Department, and Name	From	To
School of Architecture		
Architecture		
Fernando L. Lara	Assistant Professor (NT)	Associate Professor (T)
Bjorn I. Sletto	Assistant Professor (NT)	Associate Professor (T)
Jason S. Sowell	Assistant Professor (NT)	Associate Professor (T)
McCombs School of Business		
Accounting		
Yong Yu	Assistant Professor (NT)	Associate Professor (T)
Information, Risk, and Operations Management		
Carlos M. Carvalho	Assistant Professor (NT)	Associate Professor (T)
Qi (Annabelle) Feng	Assistant Professor (NT)	Associate Professor (T)
Management		
David B. Jemison	Professor (T)	Professor Emeritus (NT)
College of Communication		
Advertising		
Michael S. Mackert	Assistant Professor (NT)	Associate Professor (T)
Communication Studies		
Natalie J. Stroud	Assistant Professor (NT)	Associate Professor (T)

College, Department, and Name	From	To
Radio-Television-Film		
Janet K. Staiger	Professor (T)	Professor Emeritus (NT)
College of Education		
Curriculum and Instruction		
Anthony L. Brown	Assistant Professor (NT)	Associate Professor (T)
Keffrelyn D. Brown	Assistant Professor (NT)	Associate Professor (T)
Sherry L. Field	Professor (T)	Professor Emeritus (NT)
Douglas E. Foley	Professor (T)	Professor Emeritus (NT)
Deborah K. Palmer	Assistant Professor (NT)	Associate Professor (T)
Stuart Reifel	Professor (T)	Professor Emeritus (NT)
Educational Administration		
Julian V. Heilig	Assistant Professor (NT)	Associate Professor (T)
Martha N. Ovando	Professor (T)	Professor Emeritus (NT)
John E. Roueche, Jr.	Professor (T)	Professor Emeritus (NT)
James R. Yates	Professor (T)	Professor Emeritus (NT)
Kinesiology and Health Education		
John L. Ivy	Professor (T)	Professor Emeritus (NT)
Kenneth W. Tyson	Associate Professor (T)	Associate Professor Emeritus (NT)
Special Education		
Shernaz B. Garcia	Professor (T)	Professor Emeritus (NT)
Alba A. Ortiz	Professor (T)	Professor Emeritus (NT)
Randall M. Parker	Professor (T)	Professor Emeritus (NT)
Herbert J. Rieth, Jr.	Professor (T)	Professor Emeritus (NT)
College of Engineering		
Civil, Architectural, and Environmental Engineering		
Mary Jo Kirisits	Assistant Professor (NT)	Associate Professor (T)
Electrical and Computer Engineering		
Seth R. Bank	Assistant Professor (NT)	Associate Professor (T)
Constantine Caramanis	Assistant Professor (NT)	Associate Professor (T)
Mattan Erez	Assistant Professor (NT)	Associate Professor (T)
Emanuel Tutuc	Assistant Professor (NT)	Associate Professor (T)
Ali E. Yilmaz	Assistant Professor (NT)	Associate Professor (T)
Mechanical Engineering		
Carolyn C. Seepersad	Assistant Professor (NT)	Associate Professor (T)
Michael E. Webber	Assistant Professor (NT)	Associate Professor (T)

College, Department, and Name	From	To
College of Fine Arts		
Art and Art History		
Amy Hauft	New Hire	Professor (T)
John Risley	New Hire	Professor (T)
Music		
Luisa Nardini	Assistant Professor (NT)	Associate Professor (T)
Nathan L. Williams	Assistant Professor (NT)	Associate Professor (T)
School of Information		
Information		
Kenneth R. Fleischmann	New Hire	Associate Professor (T)
College of Liberal Arts		
African Diaspora Studies		
Kevin M. Foster	Assistant Professor (NT)	Associate Professor (T)
Lisa Thompson	New Hire	Associate Professor (T)
Omise'eke Natasha Tinsley	New Hire	Associate Professor (T)
American Studies		
Stephen H. Marshall	Assistant Professor (NT)	Associate Professor (T)
Anthropology		
Rebecca J. Lewis	Assistant Professor (NT)	Associate Professor (T)
Denné N. Reed	Assistant Professor (NT)	Associate Professor (T)
Arlene Rosen	New Hire	Professor (T)
Asian Studies		
Kirsten Cather Fischer	Assistant Professor (NT)	Associate Professor (T)
Economics		
Alfred L. Norman	Professor (T)	Professor Emeritus (NT)
Stephen P. Ryan	New Hire	Associate Professor (T)
English		
Coleman J. Hutchison	Assistant Professor (NT)	Associate Professor (T)
Government		
Terrence L. Chapman	Assistant Professor (NT)	Associate Professor (T)
History		
Benjamin C. Brower	Assistant Professor (NT)	Associate Professor (T)
Linguistics		
Katrin E. Erk	Assistant Professor (NT)	Associate Professor (T)

College, Department, and Name	From	To
Philosophy		
Michelle Montague	New Hire	Associate Professor (T)
Adam Pautz	Assistant Professor (NT)	Associate Professor (T)
Galen J. Strawson	New Hire	Associate Professor (T)
Religious Studies		
Jennifer Graber	New Hire	Associate Professor (T)
Sociology		
David S. Kirk	Assistant Professor (NT)	Associate Professor (T)
Spanish and Portuguese		
Luis E. Carcámo-Huechante	Assistant Professor (NT)	Associate Professor (T)
Gabriela Polit-Dueñas	Assistant Professor (NT)	Associate Professor (T)
College of Natural Sciences		
Computer Science		
Kristen L. Grauman	Assistant Professor (NT)	Associate Professor (T)
School of Human Ecology - Human Development and Family Sciences		
Su Yeong Kim	Assistant Professor (NT)	Associate Professor (T)
Marine Science		
Deana L. Erdner	Assistant Professor (NT)	Associate Professor (T)
James W. McClelland	Assistant Professor (NT)	Associate Professor (T)
Mathematics		
François Baccelli	New Hire	Professor (T)
Lewis P. Bowen	New Hire	Associate Professor (T)
Francesco Maggi	New Hire	Associate Professor (T)
Mihai Sirbu	Assistant Professor (NT)	Associate Professor (T)
Physics		
Bjorn M. Hegelich	New Hire	Associate Professor (T)
Christina Markert	Assistant Professor (NT)	Associate Professor (T)
School of Biological Sciences - Integrative Biology		
Mikhail V. Matz	Assistant Professor (NT)	Associate Professor (T)

College, Department, and Name	From	To
Molecular Genetics and Microbiology		
Andreas Matouschek	New Hire	Professor (T)
Christopher S. Sullivan	Assistant Professor (NT)	Associate Professor (T)
School of Nursing		
Nursing		
Jane H. Dirksen	New Hire	Professor (T)
Bo Xie	New Hire	Associate Professor (T)
College of Pharmacy		
Pharmacy		
Christopher R. Frei	Assistant Professor (NT)	Associate Professor (T)
School of Social Work		
Social Work		
Roberta R. Greene	Professor (T)	Professor Emeritus (NT)
Yuri Jang	New Hire	Associate Professor (T)

43. New Award of Tenure Appointments - **U. T. Brownsville**: Amendment to the 2012-13 budget

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2013 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations,* Rule 31007*.*

College, Department, and Name	From	To
College of Biomedical Sciences and Health Professions		
Biomedicine		
Saraswathy Nair	Assistant Professor (NT)	Associate Professor (T)
Andrea Schwarzbach	Associate Professor (NT)	Associate Professor (T)
College of Education		
Educational Psychology and Leadership Studies		
Jesus Abrego	Assistant Professor (NT)	Associate Professor (T)
Janice Butler	Assistant Professor (NT)	Associate Professor (T)
Sandra Mercuri	Assistant Professor (NT)	Associate Professor (T)

College, Department, and Name	From	To
College of Liberal Arts		
Behavioral Sciences		
Mark Horowitz	Assistant Professor (NT)	Associate Professor (T)
Modern Languages		
Suzanne Lalonde	Assistant Professor (NT)	Associate Professor (T)
History		
Philip Samponaro	Assistant Professor (NT)	Associate Professor (T)
Music		
Kenneth Saxon	Assistant Professor (NT)	Associate Professor (T)
Criminal Justice		
Steve Wilson	Assistant Professor (NT)	Associate Professor (T)
College of Science, Mathematics and Technology		
Chemistry and Environmental Sciences		
Carlos Cintra-Buenrostro	Assistant Professor (NT)	Associate Professor (T)
Computer and Information Sciences		
Hansheng Lei	Assistant Professor (NT)	Associate Professor (T)
School of Business		
Management, Marketing, International Business and Entrepreneurship		
Russell Adams	Assistant Professor (NT)	Associate Professor (T)
Finance and Economics		
Mostafa Malki	Assistant Professor (NT)	Associate Professor (T)

44. Contract (funds going out) - **U. T. Dallas**: Interlocal agreement with the City of Plano, Texas, for road and drainage improvements and related easements

Description:	Interlocal Agreement whereby the City of Plano will design, construct, and maintain an approximately 1700-foot extension of Mapleshade Lane, a four-lane divided arterial, a deceleration lane where Mapleshade Lane intersects with the President George Bush Turnpike, and underground drainage improvements through a parcel of approximately 70 acres of U. T. Dallas' off-campus trust land, in exchange for $150,000 and roadway right-of-way and drainage easements
Agency:	City of Plano, Collin County, Texas, a home-rule municipal corporation
Total Area:	Approximately 3.6169 acres for the roadway right-of-way easement and approximately one to two acres for the drainage easement
Consideration:	The City of Plano will construct the public roadway improvements and drainage improvements at its expense, estimated at $1.5 million. In exchange, the institution will contribute $150,000 and will provide the City of Plano right-of-way and drainage easements. The adjoining U. T. Dallas land will become more marketable and will require less on-site detention as a result of the improvements.
Source of Funds:	Unrestricted local funds

45. New Award of Tenure and Emeritus Appointments - **U. T. Dallas**: Amendment to the 2012-13 budget

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2013 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations,* Rule 31007*.*

College, Department, and Name	From	To
School of Arts and Humanities		
Arts and Technology		
Frank Dufour	Assistant Professor (NT)	Associate Professor (T)
History		
Natalie Ring	Assistant Professor (NT)	Associate Professor (T)
Literary Studies		
Susan Briante	Assistant Professor (NT)	Associate Professor (T)
School of Behavioral and Brain Sciences		
Neuroscience		
Daniel Krawczyk	Assistant Professor (NT)	Associate Professor (T)
Mandy Maguire	Assistant Professor (NT)	Associate Professor (T)
Psychology		
Shayla Holub	Assistant Professor (NT)	Associate Professor (T)
Erik Jonsson School of Engineering and Computer Science		
Computer Science		
Ovidiu Daescu	Associate Professor (T)	Professor (T)
Xiaohu Guo	Assistant Professor (NT)	Associate Professor (T)
Kevin Hamlen	Assistant Professor (NT)	Associate Professor (T)
Latifur Khan	Associate Professor (T)	Professor (T)
Ravi Prakash	Associate Professor (T)	Professor (T)
Computer Science		
Subbarayan Venkatesan	Associate Professor (T)	Professor (T)
W. Eric Wong	Associate Professor (T)	Professor (T)

College, Department, and Name	From	To
Electrical Engineering		
Jin Liu	Associate Professor (T)	Professor (T)
Won Namgoong	Associate Professor (T)	Professor (T)
Materials Science		
Kyeongjae Cho	Associate Professor (T)	Professor (T)
Amy Walker	Associate Professor (NT)	Associate Professor (T)
School of Economic, Political, and Policy Sciences		
Criminology		
Robert Morris	Assistant Professor (NT)	Associate Professor (T)
Naveen Jindal School of Management		
Finance		
Nina Baranchuk	Assistant Professor (NT)	Associate Professor (T)
Umit Gurun	Assistant Professor (NT)	Associate Professor (T)
Operations Management		
Ozalp Ozer	Associate Professor (T)	Professor (T)
School of Natural Sciences and Mathematics		
Mathematical Sciences		
Zalman Balanov	Associate Professor (NT)	Associate Professor (T)
Yan Cao	Assistant Professor (NT)	Associate Professor (T)

46. Contract (funds going out) - **U. T. El Paso**: The Laster Group to produce a marketing plan for a Smoke Free Paso del Norte region

Agency:	The Laster Group
Funds:	$1,541,775 estimated for the initial term and renewal periods
Source of Funds:	El Paso del Norte Health Foundation grant to U. T. El Paso in the amount of $2,341,319 of which $1,644,000 is designated for media with the remaining funds to be used for personnel and operating expenses
Period:	August 1, 2012 through July 31, 2013 with an option to renew for two additional one-year periods
Description:	The Laster Group to develop a marketing plan for a Smoke Free Paso del Norte region to educate people about the effects of smoking, prevent people from starting to smoke, and promote the cessation of smoking in adolescents and adults in the Paso del Norte region and

benefit U. T. El Paso, part of the region, by educating students, faculty, and staff regarding the effects of smoking.

47. Request for Budget Change - **U. T. El Paso**: Transfer of $1,684,247 from Auxiliary Funds - Office of Special Events Income fund to Auxiliary Funds - Office of Special Events Expenses fund to adjust the budget to reflect additional income and expenses related to increased event activity (RBC No. 4641) -- amendment to the 2011-12 budget

48. Tenure Appointments - **U. T. El Paso**: Amendment to the 2011-12 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:

			Full-time Salary		
Description	Effective Date	% Time	No. Mos.	Rate $	RBC #
COLLEGE OF BUSINESS ADMINISTRATION					
Accounting					
Professor					
Waymond Rodgers (T)	8/1-8/31	60	09	191,667	4644
COLLEGE OF EDUCATION					
Educational Psychology and Special Services					
Professor and Chair					
Rick A. Myer (T)	7/1-8/31	100	09	102,000	4645
	7/1-8/31	SUPL	12	2,667	
COLLEGE OF ENGINEERING					
Mechanical Engineering					
Professor					
Roger V. Gonzalez (T)	7/1-8/31	100	09	140,000	4646
Electrical and Computer Engineering					
Professor and Chair					
Miguel Velez-Reyes (T)	8/1-8/31	100	09	140,000	4647
	8/1-8/31	SUPL	12	2,667	

Description	Effective Date	% Time	Full-time Salary No. Mos.	Rate $	RBC #
COLLEGE OF HEALTH SCIENCES					
Kinesiology					
Associate Professor and Chair					
David Wittenberg (T)	8/1-8/31	100	09	73,000	4648
	8/1-8/31	SUPL	12	8,000	
OFFICE OF THE PROVOST AND COLLEGE OF LIBERAL ARTS					
Humanities					
Senior Vice Provost and Professor					
Cheryl B. Torsney (T)	7/16-8/31	100	12	185,000	4643
	7/16-8/31	0	09	100,000	

49. New Award of Tenure Appointments - **U. T. El Paso:** Amendment to the 2012-13 budget

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2013 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations,* Rule 31007.

College, Department, and Name	From	To
College of Business Administration		
Accounting		
Richard N. Francis	Assistant Professor (NT)	Associate Professor (T)
College of Education		
Educational Leadership and Foundations		
Don P. Schulte	Assistant Professor (NT)	Associate Professor (T)
Educational Psychology and Special Services		
Sarah Peterson	New Hire	Associate Professor (T)
Robert P. Trussell	Assistant Professor (NT)	Associate Professor (T)
Teacher Education		
Charlotte C. Ullman	Assistant Professor (NT)	Associate Professor (T)
College of Engineering		
Computer Science		
Martine C. Ceberio	Assistant Professor (NT)	Associate Professor (T)

College, Department, and Name	From	To
College of Health Sciences		
Speech Language Pathology		
Bess S. Fjordbak	Assistant Professor (NT)	Associate Professor (T)
College of Liberal Arts		
English		
Joseph M. Ortiz	New Hire	Associate Professor (T)
Languages and Linguistics		
Pedro C. Perez del Solar	Assistant Professor (NT)	Associate Professor (T)
Sociology and Anthropology		
Maria C. Morales	Assistant Professor (NT)	Associate Professor (T)
Guillermina Nunez-Mchiri	Assistant Professor (NT)	Associate Professor (T)
Theatre Arts		
Alex R. Fleming	Assistant Professor (NT)	Associate Professor (T)
College of Science		
Biological Sciences		
Marc B. Cox	Assistant Professor (NT)	Associate Professor (T)
Manuel F. Llano	Assistant Professor (NT)	Associate Professor (T)
Chemistry		
Ricardo A. Bernal	Assistant Professor (NT)	Associate Professor (T)
Geological Sciences		
Bridget R. Konter	Assistant Professor (NT)	Associate Professor (T)
Mathematical Sciences		
Kien H. Lim	Assistant Professor (NT)	Associate Professor (T)
Physics		
Tunna Baruah	Assistant Professor (NT)	Associate Professor (T)

50. Emeritus Appointment - **U. T. Pan American**: Appointment of Francis J. Brewerton, Ph.D., from Professor in Business Administration, Department of Management to Professor Emeritus effective 9/1/2012 (RBC No. 4609) – amendment to the 2011-12 budget

51. Request for Budget Change - **U. T. Pan American**: Amendment to 2011-12 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:

Description	AMOUNT	RBC #
PLEDGED AUXILLARY FUNDS		
Amount of Transfer:	$2,850,758	4610

From: Pledged Auxiliary Funds

To: Food Services Expansion Phase I #70FMGT002
Unexpended Plant Funds

Transfer from Pledged Auxiliary Fund to Unexpended Plant Funds to fund the following Projects: Food Court remodel, game room Conversion to retail, Student Union floor infill and Architecture and Engineering Fees.

52. New Award of Tenure - **U. T. Pan American**: Amendment to the 2012-2013 budget

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2013 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations,* Rule 31007*.*

College, Department, and Name	From	To
College of Arts and Humanities		
Art		
Robert P. Gilbert	Assistant Professor (NT)	Associate Professor (T)
Communication		
Aje-Ori A. Agbese	Assistant Professor (NT)	Associate Professor (T)
English		
Jean Braithwaite	Assistant Professor (NT)	Associate Professor (T)
Deborah L. Cole	Assistant Professor (NT)	Associate Professor (T)
Minhee Eom	Assistant Professor (NT)	Associate Professor (T)
Rebecca N. Mitchell	Assistant Professor (NT)	Associate Professor (T)
Laura E. Perez	Assistant Professor (NT)	Associate Professor (T)
Shawn C. Thomson	Assistant Professor (NT)	Associate Professor (T)

College, Department, and Name	From	To
History and Philosophy		
Amy M. Hay	Assistant Professor (NT)	Associate Professor (T)
Sonia Hernandez	Assistant Professor (NT)	Associate Professor (T)
Cory M. Wimberly	Assistant Professor (NT)	Associate Professor (T)
Modern Languages and Literature		
Luz M. Martin	Assistant Professor (NT)	Associate Professor (T)
Music and Dance		
Cynthia L. Cripps	Assistant Professor (NT)	Associate Professor (T)
College of Health Sciences and Human Services		
Communication Sciences and Disorders		
Kara J. Ayala	Assistant Professor (NT)	Associate Professor (T)
College of Education		
Educational Psychology		
Veronica Castro	Assistant Professor (NT)	Associate Professor (T)
John Lowdermilk	Assistant Professor (NT)	Associate Professor (T)
Curriculum and Instruction		
Leticia De Leon	Assistant Professor (NT)	Associate Professor (T)
Jennifer J. Esquierdo	Assistant Professor (NT)	Associate Professor (T)
Criselda Garcia	Assistant Professor (NT)	Associate Professor (T)
College of Engineering and Computer Science		
Electrical Engineering		
Hasina F. Hug	Assistant Professor (NT)	Associate Professor (T)
Jun Peng	Assistant Professor (NT)	Associate Professor (T)
College of Business Administration		
Economics		
Damian S. Damianov	Assistant Professor (NT)	Associate Professor (T)
Computer Information Systems		
Punit Ahluwalia	Assistant Professor (NT)	Associate Professor (T)
Jerald K. Hughes	Assistant Professor (NT)	Associate Professor (T)

College, Department, and Name	From	To
College of Science and Mathematics		
Biology		
John A. McDonald	Assistant Professor (NT)	Associate Professor (T)
Terry D. Matthews	Assistant Professor (NT)	Associate Professor (T)
Chemistry		
Joanna Rampersad-Ammons	Assistant Professor (NT)	Associate Professor (T)
Mathematics		
Virgil U. Pierce	Assistant Professor (NT)	Associate Professor (T)
Xiaohui Wang	Assistant Professor (NT)	Associate Professor (T)
George P. Yanev	Assistant Professor (NT)	Associate Professor (T)
Physics and Geology		
Mircea Chipara	Assistant Professor (NT)	Associate Professor (T)
Edgar G. Corpuz	Assistant Professor (NT)	Associate Professor (T)
College of Social and Behavioral Sciences		
Criminal Justice		
Thomas G. White	Assistant Professor (NT)	Associate Professor (T)
Psychology and Anthropology		
Darrin L. Rogers	Assistant Professor (NT)	Associate Professor (T)
Amy A. Weimer	Assistant Professor (NT)	Associate Professor (T)

53. New Award of Tenure Appointments - **U. T. Permian Basin**: Amendment to the 2012-2013 budget

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2013 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations,* Rule 31007.

College, Department, and Name	From	To
School of Business		
Management		
Joseph Stauffer	Assistant Professor (NT)	Associate Professor (T)
Marketing		
Anshu Saran	Assistant Professor (NT)	Associate Professor (T)

College, Department, and Name	From	To
Mechanical Engineering		
Forrest Flocker	Associate Professor (NT)	Associate Professor (T)
College of Arts and Sciences		
Art		
Nancy Hart	Associate Professor (NT)	Associate Professor (T)
Communications		
William Harlow	Assistant Professor (NT)	Associate Professor (T)
History		
Chad Vanderford	Assistant Professor (NT)	Associate Professor (T)

54. Contract (funds coming in) - **U. T. San Antonio**: Aramark Educational Services of Texas, LLC, amendment to extend the term of the agreement

Agency: Aramark Educational Services of Texas, LLC

Funds: Additional $8,794,253 related only to this amendment, over a period of seven years. This amount includes additional contractor capital investments and annual noncapital funding, retail dining royalties, anticipated meal plan overrides, and in-kind services. The value of the agreement previously approved by the Board of Regents was $26,183,408. The total revised value of the agreement with this amendment: $34,977,661.

Period: The original agreement was effective May 12, 2008, with renewal options through July 31, 2018. This amendment will extend the renewal term through July 31, 2020.

Description: The amendment extends the term of the Agreement for two years beyond the end of the renewal term contemplated by the original Agreement. The extended term is given in exchange for additional capital investments and annual funding to be provided by Aramark that was not originally included in the Agreement.

In accordance with *Texas Education Code* Section 51.945, the students were provided with an opportunity to comment prior to determination that this food service provider should be selected by the institution.

55. Contract (funds going out) - **U. T. San Antonio**: IMG College, LLC to provide athletic ticket marketing and sales services for intercollegiate athletic events

Agency:	IMG College, LLC
Source of Funds:	Auxiliary Funds
Funds:	Estimated $2,500,000 for the term, including all renewal terms. Fees paid to IMG College, LLC are a percentage of ticket sales secured by IMG
Period:	January 1, 2012 through June 30, 2015, with one renewal period not to exceed four months
Description:	IMG College, LLC to provide athletic ticket marketing and sales services for intercollegiate athletic events

56. License Agreement - **U. T. San Antonio**: Authorization to extend and modify the license agreement with the City of San Antonio, Texas, for use of the Alamodome during certain intercollegiate football events

Description:	Revised and Restated Alamodome License Agreement for U. T. San Antonio intercollegiate football games, practices, walk-throughs, and other related intercollegiate football events. The Revised and Restated License Agreement replaces and supersedes the original Alamodome License Agreement (Original Contract), which was approved by the Board of Regents in February 2011. The term of the Original Contract expires December 15, 2015, and provides U. T. San Antonio with two additional one-year renewal periods. The Revised and Restated Agreement permits U. T. San Antonio to use the Alamodome through 2035. Authorization is requested for U. T. San Antonio's Vice President for Business Affairs to execute the agreement on completion of negotiations and approval by the Real Estate Office.
Licensor:	City of San Antonio
Term:	Commencing on the effective date of the Revised and Restated License Agreement and continuing through December 15, 2035, with rights for U. T. San Antonio to terminate on certain events, such as dissolution of U. T. San Antonio's football program, the acquisition of the University's own football stadium, or events related to material changes to the Alamodome that cause the Alamodome to no longer be suitable for U. T. San Antonio's purposes.

License Costs: Approximately $9,375,000 in expense reimbursement to Licensor for the initial term and four option periods. The estimated expense reimbursement is based on $60,000 in reimbursements per game for each game with an estimated attendance of 35,000; there are typically six games per year. The reimbursements are for the actual costs (without mark-up) of services provided by Licensor for each game and will vary depending on actual attendance; the rates for services are subject to annual adjustment by Licensor.

Source of Funds: Auxiliary Funds

57. Tenure Appointments - **U. T. San Antonio**: Amendments to the 2011-12 budget

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2012 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations,* Rule 31007.

			Full-time Salary		
Description	Effective Date	% Time	No. Mos.	Rate $	RBC #
COLLEGE OF BUSINESS					
Department of Accounting					
Professor					
K. K. Raman (T)	8/20-5/31	100	09	220,000	4665
Department of Real Estate Finance and Development Program					
Professor (T)					
Brian Ciochetti (T)	8/1-5/31	100	09	230,000	4666
COLLEGE OF ENGINEERING					
Department of Electrical and Computer Engineering					
Professor					
Daniel Pack (T)	8/1-5/31	100	09	135,000	4668
COLLEGE OF PUBLIC POLICY					
Department of Public Administration					
Associate Professor					
Jennifer Alexander (T)	8/20-5/31	100	09	110,000	4657

Description	Effective Date	% Time	Full-time Salary No. Mos.	Rate $	RBC #
Department of Social Work					
Professor					
Martell Teasley (T)	7/15-5/31	100	09	100,000	4656
COLLEGE OF SCIENCES					
Department of Geological Sciences					
Associate Professor					
Yongli Gao (T)	8/20-5/31	100	09	82,100	4669

58. Request for Budget Change - **U. T. San Antonio**: Transfer $588,729 from Parking Services to Wayfinding, June 2010 account for construction and installation of signage (RBC No. 4523) -- amendment to 2011-12 budget

Description	$ Amount	RBC #
PARKING SERVICES		
Parking Services		
Amount of Transfer:	588,729	4523

From: Parking Services

To: Wayfinding, June 2010
Funding contributed towards the total cost of the tri-campus (Main, Downtown, and HemisFair Park) Wayfinding project. Parking Services to contribute this portion to help cover construction and installation of new signage related to campus parking on both the Main and Downtown campuses to provide greater ease of navigation throughout the campuses.

59. New Award of Tenure and Emeritus Appointments - **U. T. San Antonio**: Amendment to the 2012-13 budget

The following personnel actions involving new award of tenure and emeritus appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2013 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations,* Rule 31007.

College, Department, and Name	From	To
College of Architecture		
Architecture		
Yilmaz Hatipkarasulu	Assistant Professor (NT)	Associate Professor (T)
Hazem Rashed-Ali	Assistant Professor (NT)	Associate Professor (T)
College of Business		
Marketing		
Joel Saegert	Professor (T)	Professor Emeritus (NT)
College of Education and Human Development		
Bicultural-Bilingual Studies		
Ellen Riojas Clark	Professor (T)	Professor Emeritus (NT)
Robert Milk	Professor (T)	Professor Emeritus (NT)
Carmen Roman-Shriver	New hire	Associate Professor (T)
Counseling		
Michael Moyer	Assistant Professor (NT)	Associate Professor (T)
Educational Leadership and Policy Studies		
Alex Bowers	Assistant Professor (NT)	Associate Professor (T)
Gloria Crisp	Assistant Professor (NT)	Associate Professor (T)
Anne Marie Nunez	Assistant Professor (NT)	Associate Professor (T)
Educational Psychology		
Suzanne Winter	Associate Professor (T)	Associate Professor Emeritus (NT)
College of Liberal and Fine Arts		
English		
Mark Allen	Professor (T)	Professor Emeritus (NT)
Norma Cantu	Professor (T)	Professor Emeritus (NT)

College, Department, and Name	From	To
History		
Felix Almaraz, Jr.	Professor (T)	Professor Emeritus (NT)
Bruce Daniels	Professor (T)	Professor Emeritus (NT)
Gabriela Gonzalez	Assistant Professor (NT)	Associate Professor (T)
David Johnson	Professor (T)	Professor Emeritus (NT)
Sociology		
Derral Cheatwood	Professor (T)	Professor Emeritus (NT)
College of Public Policy		
Demography		
Johnelle Sparks	Assistant Professor (NT)	Associate Professor (T)
Criminal Justice		
Holly Miller	Assistant Professor (NT)	Associate Professor (T)
College of Sciences		
Biology		
Jurgen Engelberth	Assistant Professor (NT)	Associate Professor (T)
Gary Gaufo	Assistant Professor (NT)	Associate Professor (T)
Paul Rodriguez	Professor (T)	Professor Emeritus (NT)
Oscar Van Auken	Professor (T)	Professor Emeritus (NT)
Computer Science		
Jianwei Niu	Assistant Professor (NT)	Associate Professor (T)
Jeffery von Ronne	Assistant Professor (NT)	Associate Professor (T)
Clint Whaley	Assistant Professor (NT)	Associate Professor (T)
Qing Yi	Assistant Professor (NT)	Associate Professor (T)
Geological Sciences		
Weldon Hammond	Associate Professor (T)	Associate Professor Emeritus (NT)
Eric Swanson	Professor (T)	Professor Emeritus (NT)
Mathematics		
Betty Travis	Professor (T)	Professor Emeritus (NT)

60. New Award of Tenure Appointment - **U. T. Tyler**: Amendment to the 2011-12 budget

The following personnel action involving new award of tenure has been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel action has been included in the 2012 Annual Operating Budget and is consistent with the Regents' *Rules and Regulations,* Rule 31007.

Description	Effective Date	% Time	Full-time Salary No. Mos.	Full-time Salary Rate $	RBC #
OFFICE OF THE PROVOST AND ACADEMIC AFFAIRS					
Professor of Communication (T)		0		0	
Provost and Vice President for Academic Affairs					
Alisa White	7/1-8/31	100	12	210,000	4615

61. Request for Budget Change - **U. T. Tyler**: Transfer of $247,980 of unexpended portion of LERR to energy management (RBC No. 4614) -- amendment to the 2011-12 budget

Description	$ Amount	RBC #
LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION ALLOCATION (LERR)		
Amount of Transfer:	247,980	4614

From: Erosion Repairs - Dam

To: Upgrade Siemens Energy Management System

U. T. Tyler proposes to use LERR funds remaining from approved erosion control and dam repair project for two on-campus lakes to fund replacement of outdated building automation HVAC control panels and equipment for which replacement parts are no longer available.

62. New Award of Tenure and Emeritus Appointments - **U. T. Tyler**: Amendment to the 2012-13 budget

The following personnel actions involving new award of tenure and emeritus appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2013 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations,* Rule 31007.

College, Department, and Name	From	To
College of Arts and Sciences		
Communication		
Marsha Matthews	Assistant Professor (NT)	Associate Professor (T)
College of Education and Psychology		
Educational Leadership and Policy Studies		
Vance Vaughn	Assistant Professor (NT)	Associate Professor (T)
School of Education and Director		
Colleen Swain	New Hire	Professor (T)
College of Nursing and Health Sciences		
Nursing		
Amy Toone	New Hire	Professor (T)

HEALTH INSTITUTIONS

63. Contract (funds coming in) - **U. T. Southwestern Medical Center**: Children's Medical Center of Dallas to provide resident and fellows services

Agency:	Children's Medical Center
Funds:	$14,211,960
Period:	July 1, 2011 through June 30, 2012
Description:	Children's Medical Center of Dallas will reimburse U. T. Southwestern Medical Center for salary/stipend, fringe benefits, malpractice costs, and accreditation fees for all rotating residents and fellows.

64. Contract (funds coming in) - **U. T. Southwestern Medical Center**: To provide professional and technical services to support the operations of U. T. Southwestern Moncrief Cancer Institute

Agency:	UT Southwestern Moncrief Cancer Center. (Note: The Center is known as the U. T. Southwestern Moncrief Cancer Institute.)
Funds:	$4,629,916
Period:	September 1, 2012 through August 31, 2013
Description:	U. T. Southwestern Medical Center to provide continuing education, information resources, marketing, staff and physician services, and research services to Moncrief Cancer Center. UT Southwestern Moncrief Cancer Center is a separate entity and its financials are consolidated with the financials of U. T. Southwestern Medical Center, and the President of U. T. Southwestern Medical Center is the sole member of UT Southwestern Moncrief Cancer Center.

65. Contract (funds coming in) - **U. T. Southwestern Medical Center**: University to provide cardiothoracic and perfusionist services to VA North Texas Healthcare System

Agency:	VA North Texas Healthcare System
Funds:	$1,399,838
Period:	April 1, 2012 through September 30, 2012
Description:	Provide cardiothoracic and perfusionist services. This contract was not completed until after the May Consent Agenda deadline.

66. Lease - **U. T. Southwestern Medical Center**: Authorization to lease space from 3000 Waterview Parkway - Richardson LLC, for a multiuse clinic

Description:	Lease of approximately 41,600 square feet at 3030 Waterview Parkway, Richardson, Texas, to be used as a multiuse clinic. The space is currently in shell condition and will require tenant improvements to modify the space for use as a clinic.
Lessor:	3000 Waterview Parkway - Richardson LLC, a Delaware limited liability company
Term:	The term commences on the date that U. T. Southwestern Medical Center occupies any portion of the premises and begins conducting business, currently estimated to be December 1, 2012, and continues for 91 months, plus one five-year renewal option.
Lease Costs:	Approximately $5,580,029.26 in base rent and estimated operating expenses over the initial 91-month term. Base rent is abated for the first seven months of the term and thereafter starts at $17.25 per square foot and increases $0.50 per square foot each year. Initial operating expenses are estimated to be $11.00 per square foot. Rent for the renewal option period will be at fair market value. Total renovation cost is approximately $4.6 million, 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 $80.00 per square foot.
Source of Funds:	Patient Revenue

67. Lease - **U. T. Southwestern Medical Center**: Authorization to lease space from CFO DT, LLC, for a multiuse clinic

Description:	Lease of approximately 13,053 square feet at 8611 Hillcrest Avenue, Dallas, Texas, to be used as a multiuse clinic. The space is currently in shell condition and will require tenant improvements to modify the space for use as a clinic.
Lessor:	CFO DT, LLC, a Delaware limited liability company
Term:	The term commences on January 1, 2013, and continues for five years, plus two five-year renewal options.

Lease Costs:	Approximately $1,741,276.65 in base rent and estimated operating expenses over the initial five-year term. Base rent starts at $25 per square foot; base rent increases $0.50 per square foot each year. Rent for the renewal option periods will be at fair market value. Total renovation costs are approximately $1.4 million, 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 $80.00 per square foot.
Source of Funds:	Patient Revenue

68. Contract (funds going out) - **U. T. Southwestern Medical Center**: To provide professional and technical services to support the operations of UT Southwestern Health Systems

Agency:	UT Southwestern Health Systems
Funds:	$2,300,000
Period:	September 1, 2012 through August 31, 2013
Description:	UT Southwestern Health Systems to provide facility usage, management advisory services, and physician services. U. T. Southwestern Medical Center to provide financial and administrative services to support the operations of UT Southwestern Health Systems. UT Southwestern Health Systems is a separate entity, its financials are consolidated with the financials of U. T. Southwestern Medical Center, and the President of U. T. Southwestern Medical Center is the sole member of UT Southwestern Health Systems.

69. Request for Budget Change - **U. T. Southwestern Medical Center**: Appointment of Professor John M. Dietschy, Southwestern Medical School, Internal Medicine as Professor Emeritus (RBC No. 4536) -- Amendment to the 2011-12 budget

70. New Award of Tenure Appointments - **U. T. Southwestern Medical Center**: Amendment to the 2012-13 budget

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2013 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations,* Rule 31007.

College, Department, and Name	From	To
College of Cell Biology		
Cell Biology		
Lawrence Lum	Assistant Professor (NT)	Associate Professor (T)
College of Internal Medicine		
Internal Medicine		
Jeffrey Browning	Assistant Professor (NT)	Associate Professor (T)
Carol Elias	Assistant Professor (NT)	Associate Professor (T)
Beverly Rothermel	Assistant Professor (NT)	Associate Professor (T)
Jay Schneider	Assistant Professor (NT)	Associate Professor (T)
College of Microbiology		
Microbiology		
Julie Pfeiffer	Assistant Professor (NT)	Associate Professor (T)
College of Molecular Biology		
Molecular Biology		
Ondine Cleaver	Assistant Professor (NT)	Associate Professor (T)
Jenny Hsieh	Assistant Professor (NT)	Associate Professor (T)
College of Molecular Genetics		
Molecular Genetics		
Jin Ye	Assistant Professor (NT)	Associate Professor (T)
College of Neuroscience		
Neuroscience		
Jonathan Terman	Assistant Professor (NT)	Associate Professor (T)
College of Obstetrics and Gynecology		
Obstetrics and Gynecology		
David Miller	Professor (NT)	Professor (T)
College of Pharmacology		
Pharmacology		
Gurol Suel	Assistant Professor (NT)	Associate Professor (T)

College, Department, and Name	From	To
College of Physiology		
Physiology		
P. Robin Hiesinger	Assistant Professor (NT)	Associate Professor (T)
College of Psychiatry		
Psychiatry		
Christopher Cowan	Assistant Professor (NT)	Associate Professor (T)
College of Radiation Oncology		
Radiation Oncology		
Sandeep Burma	Assistant Professor (NT)	Associate Professor (T)
Ping-chi Chen	Assistant Professor (NT)	Associate Professor (T)
College of Radiology		
Radiology		
Xiankai Sun	Assistant Professor (NT)	Associate Professor (T)

71. Tenure Appointment - **U. T. Southwestern Medical Center**: Amendment to the 2011-12 budget

Description	Effective Date	% Time	Full-time Salary No. Mos.	Full-time Salary Rate $	RBC #
SOUTHWESTERN MEDICAL SCHOOL					
Internal Medicine					
Associate Professor					
Perry Bickel (T)	5/1-8/31	100	12	275,000	4616

72. Contract (funds coming in) - **U. T. Medical Branch - Galveston**: Texas Department of State Health Services Breast and Cervical Cancer Screening Program to be administered by the University

Agency:	Texas Department of State Health Services
Funds:	$1,263,596
Period:	July 1, 2011 through June 30, 2012
Description:	Amendment effective April 20, 2012 adding $543,691 to original agreement, originally funded at $719,905, for University to provide comprehensive breast and cervical cancer screening to eligible individuals.

73. Contract (funds coming in) - **U. T. Medical Branch - Galveston**: Texas Department of State Health Services Breast and Cervical Cancer Screening Program to be administered by the University

Agency:	Texas Department of State Health Services
Funds:	$1,274,975
Period:	July 1, 2012 through June 30, 2013
Description:	University will continue to provide comprehensive breast and cervical cancer screening to eligible individuals.

74. New Award of Tenure and Emeritus Appointments - **U. T. Medical Branch - Galveston**

The following personnel actions involving new award of tenure and emeritus appointments have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2013 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations,* Rule 31007.

College, Department, and Name	From	To
School of Medicine		
Anesthesiology		
Perenlei Enkhbaatar	Assistant Professor (NT)	Professor (T)
Biochemistry and Molecular Biology		
Junji Iwahara	Assistant Professor (NT)	Associate Professor (T)
Microbiology and Immunology		
Tian Wang	Associate Professor (NT)	Associate Professor (T)
Thomas Geisbert	Professor (NT)	Professor (T)
Neuroscience and Cell Biology		
Jose Barral	Assistant Professor (NT)	Associate Professor (T)
Obstetrics and Gynecology		
Tony Wen	Assistant Professor (NT)	Associate Professor (T)
Luis Pacheco	Assistant Professor (NT)	Associate Professor (T)
Preventative Medicine and Community Health		
Jacques Baillargeon	Associate Professor (NT)	Associate Professor (T)
Laura Rudkin	Professor (NT)	Professor (T)

College, Department, and Name	From	To
School of Nursing		
School of Nursing Master's Program		
Patricia Crane	Assistant Professor (NT)	Associate Professor (T)
Mary O'Keefe	Associate Professor (NT)	Professor (T)
School of Health Professions		
Nutrition and Metabolism		
Douglas Paddon-Jones	Associate Professor (NT)	Professor (NT)

75. Approval of Dual Positions of Honor, Trust, or Profit - **U. T. Medical Branch - Galveston**: Appointment by Governor Perry of Vice President and Dean Elizabeth Protas, Ed.D. to the State Employee Charitable Campaign Advisory Committee

The following item has been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' *Rules and Regulations*, Rule 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas, and there is no conflict between holding this position and the appointment Dr. Protas with U. T. Medical Branch - Galveston. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas, and there is no conflict between the position and the University.

Name:	Elizabeth Protas, Ed.D.
Title:	George T. Bryan Distinguished Professor, Vice President and Dean, School of Health Professions
Position:	State Employee Charitable Campaign Advisory Committee
Period:	June 18, 2012 through January 1, 2014
Compensation:	Per diem expenses only
Description:	As member of the State Employee Charitable Campaign Advisory Committee, Dr. Protas will advise the comptroller and state policy committee in adopting rules and establishing procedures for the operation and management of the state employee charitable Campaign. Dr. Protas was appointed by Governor Rick Perry.

76. Contract (funds going out) - **U. T. Health Science Center - Houston**: Lakeshore Equipment Company, dba Lakeshore Learning Materials, to develop English and Spanish School Readiness Kits for the State of Texas

Agency:	Lakeshore Equipment Company, dba Lakeshore Learning Materials
Funds:	$1,399,636
Period:	September 1, 2012 through August 31, 2013
Source of Funds:	School Readiness Model Grant and Early Childhood School Readiness Grant
Description:	Develop English and Spanish School Readiness kits for the State of Texas. The kits will support teachers and mentors in preparing young children of Texas to be successful learners; build readiness skills in language, literacy, mathematics, social, emotional, and cognitive development; and track student level performance among early childhood and kindergarten institutions. The U. T. Health Science Center - Houston Children's Learning Institute manages the Texas School Ready grant for the Texas Education Agency and works closely with the University and within the prescribed procurement processes to provide materials to grantee classrooms.

77. New Award of Tenure Appointments - **U. T. Health Science Center - Houston**: Amendment to the 2012-2013 budget

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2013 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations,* Rule 31007.

College, Department, and Name	From	To
Medical School		
Department of Internal Medicine		
Shervin Assassi	Assistant Professor (NT)	Associate Professor (T)
Department of Surgery		
John B. Holcomb	Professor (NT)	Professor (T)
Department of Pediatrics		
Charles E. Green	Assistant Professor (NT)	Associate Professor (T)
Institute of Molecular Medicine		
Rick A. Wetsel	Professor (NT)	Professor (T)
Peter A. Doris	Professor (NT)	Professor (T)

College, Department, and Name	From	To
Department of Neurology		
Mya C. Schiess	Professor (NT)	Professor (T)
Kazim A. Sheikh	Professor (NT)	Professor (T)
Sean I. Savitz	Associate Professor (NT)	Professor (T)
Department of Cardiothoracic and Vascular Surgery		
Ali Azizzadeh	Associate Professor (NT)	Associate Professor (T)
Department of Orthopedic Surgery		
Walter R. Lowe	Professor (NT)	Professor (T)
School of Nursing		
Department of Integrative		
Nursing Care		
Terri S. Armstrong	Associate Professor (NT)	Professor (T)
School of Public Health		
Division of Management, Policy and Community Health		
Jami L. DelliFraine	Assistant Professor (NT)	Associate Professor (T)
Division of Biostatistics		
Andrei S. Rodin	Assistant Professor (NT)	Associate Professor (T)

78. New Award of Tenure Appointments - **U. T. Health Science Center - San Antonio**: Amendment to the 2011-12 budget

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2013 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations,* Rule 31007.

			Full-time Salary		
Description	Effective Date	% Time	No. Mos.	Rate $	RBC #
SCHOOL OF MEDICINE					
Orthopedics					
Professor and Chair					
Robert H. Quinn (T)	4/1-8/31	100	12	450,000	4553

79. New Award of Tenure and Emeritus Appointments - **U. T. Health Science Center - San Antonio**: Amendment to the 2012-13 budget

The following personnel actions involving new award of tenure and emeritus appointments have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2013 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations,* Rule 31007.

College, Department, and Name	From	To
Graduate School of Biomedical Sciences		
Cellular and Structural Biology		
Luis Penalva	Assistant Professor (NT)	Associate Professor (T)
Olivia Pereira-Smith	Professor (T)	Emeritus Professor (NT)
Vick Williams	Professor (T)	Emeritus Professor (NT)
William Morgan	Professor (T)	Emeritus Professor (NT)
Microbiology and Immunology		
David Kadosh	Assistant Professor (NT)	Associate Professor (T)
Pharmacology		
Lance R. McMahon	Assistant Professor (NT)	Associate Professor (T)
Dental School		
Comprehensive Dentistry		
Marcel Noujeim	Assistant Professor (NT)	Associate Professor (T)
Ridley O. Ross	Assistant Professor (NT)	Associate Professor (T)
Stephan J. Haney	Assistant Professor (NT)	Associate Professor (T)
John P. Brown	Professor (T)	Emeritus Professor (NT)
Periodontics		
James T. Mellonig	Professor (T)	Emeritus Professor (NT)
School of Medicine		
Medicine		
Merry L. Lindsey	Associate Professor (T)	Professor (T)
Nicolas Musi	Associate Professor (NT)	Professor (T)
Marcos Restrepo	Assistant Professor (NT)	Associate Professor (T)
Daniel J. Riley	Associate Professor (T)	Professor (T)
Andrew K. Diehl	Professor (T)	Emeritus Professor (NT)
Otolaryngology		
Robert E. Novak	Visiting Professor	Professor (T)
Psychiatry		
Charles Mathias	Assistant Professor (NT)	Associate Professor (T)
Lawrence S. Schoenfeld	Professor (T)	Emeritus Professor (NT)

College, Department, and Name	From	To
Surgery		
Maureen K. Sheehan	Assistant Professor (NT)	Associate Professor (T)
Bruce D. Adams	New Hire	Professor (T)
Obstetrics and Gynecology		
Rochelle N. Shain	Professor (T)	Emeritus Professor (NT)
School of Nursing		
Family and Community Health Systems		
Sara L. Gill	Associate Professor (T)	Professor (T)
Health Restoration and Care Systems Management		
Brenda G. Jackson	Associate Professor (T)	Professor (T)
School of Health Professions		
Physical Therapy		
Maureen J. Simmonds	Visiting Professor	Professor (T)

80. Contract (funds going out) - **U. T. M. D. Anderson Cancer Center**: Epsilon Data Management, LLC to provide plan development, communication, and production services associated with the institution's annual fund direct mail campaign

Agency:	Epsilon Data Management, LLC
Funds:	The total cost of the services under this agreement will not exceed $3,032,500.
Source of Funds:	Hospital Patient Income
Period:	The term of this agreement will be for a period of 12 months, commencing on September 1, 2012 and continuing through August 31, 2013.
Description:	Vendor will provide plan development, communication, and production services associated with the institution's annual fund direct mail campaign. Services will include fundraising strategies, goals and objectives, production, and mail schedules.

81. Contract (funds going out) - **U. T. M. D. Anderson Cancer Center**: Moore Wallace North America, Inc. dba RR Donnelley - Wetmore Plant to provide printing services for the Children's Art Project

Agency:	Moore Wallace North America, Inc. dba RR Donnelley - Wetmore Plant
Funds:	The total cost of the services under this agreement will not exceed $9,000,000.
Source of Funds:	Hospital Patient Income
Period:	The term of this agreement will be for a period of 36 months, commencing on September 1, 2012 and continuing through August 31, 2015, with the option to renew for up to two additional 12-month periods.
Description:	Vendor will provide printing services for the Children's Art Project, including prepress, print production, packaging, and file archival of greeting cards and marketing materials.

82. Contract (funds going out) - **U. T. M. D. Anderson Cancer Center**: IBM Global Services to provide consulting and implementation services to support the Enterprise Resource Planning project (PeopleSoft)

Agency:	IBM Global Services
Funds:	This amendment increases the cap amount on this agreement from $16,588,872 to an amount not to exceed $32,400,000.
Source of Funds:	Hospital Patient Income
Period:	The term of this agreement remains the same under this amendment. The term is for a period of 36 months, commencing on April 16, 2010 and continuing through April 15, 2013, with the option to renew for up to two additional 12-month periods.
Description:	The scope of services has changed. The Vendor will provide consulting and implementation services to support the Enterprise Resource Planning project that will consolidate human resources, financial, and supply chain management processes into a single suite of applications.

83. Contract (funds going out) - **U. T. M. D. Anderson Cancer Center**: PricewaterhouseCoopers, LLP to provide consulting services and act as an integration partner with PeopleSoft

Agency:	Pricewaterhouse Coopers, LLP
Funds:	This amendment increases the cap amount on this agreement from $20,000,000 to an amount not to exceed $35,000,000.

Source of Funds:	Hospital Patient Income
Period:	The term of this agreement remains the same under this amendment. The term is for a period of 36 months, commencing on August 12, 2010 and continuing through August 11, 2013, with the option to renew for up to two additional 12-month periods.
Description:	The scope of services has changed. The vendor will provide consulting services and act as an integration partner to aid in the standardization of business processes using PeopleSoft. Vendor will continue to assist the Project Management Office to support the Enterprise Resource Planning project that will consolidate human resources, financial, and supply chain management processes into a single suite of computer applications.

84. New Award of Tenure Appointments - **U. T. M. D. Anderson Cancer Center**: Amendment to the 2012-13 budget

The following personnel actions involving new award of tenure have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2013 Annual Operating Budget and are consistent with the *Regents' Rules and Regulations,* Rule 31007.

College, Department, and Name	From	To
Biochemistry and Molecular Biology		
Michael Galko	Assistant Professor (NT)	Associate Professor (T)
Biostatistics		
Veerabhadran Baladandayuthapani	Assistant Professor (NT)	Associate Professor (T)
Endocrine Neoplasia and Hormonal Disorders		
Naifa Busaidy	Assistant Professor (NT)	Associate Professor (T)
Camilo Jimenez	Assistant Professor (NT)	Associate Professor (T)
Experimental Therapeutics		
Darnay Bryant	Assistant Professor (NT)	Associate Professor (T)
General Internal Medicine		
Jessica Hwang	Assistant Professor (NT)	Associate Professor (T)
Head and Neck Surgery		
Michael Kupferman	Assistant Professor (NT)	Associate Professor (T)

College, Department, and Name	From	To
Health Disparities Research		
Jennifer Irvine-Vidrine	Assistant Professor (NT)	Associate Professor (T)
Lorna McNeil	Assistant Professor (NT)	Associate Professor (T)
Hematopathology		
James Mingjan You	Assistant Professor (NT)	Associate Professor (T)
Immunology		
Tomasz Zal	Assistant Professor (NT)	Associate Professor (T)
Leukemia		
Gutam Borthakur	Assistant Professor (NT)	Associate Professor (T)
Neuro-Oncology		
Jeffrey Wefel	Assistant Professor (NT)	Associate Professor (T)
Neurosurgery		
Ganesh Rao	Assistant Professor (NT)	Associate Professor (T)
Pain Medicine		
Salahadin Abdi	New Hire	Professor (T)
Pathology		
Charles Guo	Assistant Professor (NT)	Associate Professor (T)
Doina Ivan	Assistant Professor (NT)	Associate Professor (T)
Michele Williams	Assistant Professor (NT)	Associate Professor (T)
Pediatrics		
Dean Lee	Assistant Professor (NT)	Associate Professor (T)
Pediatrics Research		
Vidya Gopalakrishnan	Assistant Professor (NT)	Associate Professor (T)
Radiation Oncology		
Zhongxing Liao	Professor (NT)	Professor (T)
Systems Biology		
Ju-Seog Lee	Assistant Professor (NT)	Associate Professor (T)
Gabor Balazsi	Assistant Professor (NT)	Associate Professor (T)
Urology		
John Ward	Assistant Professor (NT)	Associate Professor (T)

85. Request for Budget Change - **U. T. M. D. Anderson Cancer Center**: Amendment to the 2011-12 budget

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

Description	Effective Date	% Time	Full-time Salary No. Mos.	Full-time Salary Rate $	RBC #
MEDICAL STAFF					
Diagnostic Radiology					
Chair and Professor					
Erik Paulson (T)	6/25-8/31	100	12	478,500	4554
RESEARCH STAFF					
Immunology					
Chair and Professor					
James Allison (T)	8/31-8/31	100	12	390,000	4555
MEDICAL STAFF					
Radiation Oncology					
Professor					
Bruce Minsky (T)	4/16-8/31	100	12	490,000	4556
RESEARCH STAFF					
Genomic Medicine					
Professor					
Andrew Futreal (T)	3/15-8/31	100	12	338,000	4557
RESEARCH STAFF					
Endocrine Neoplasia and Hormonal Disorders					
Professor					
Marie-Claude Hofmann (T)	3/16-8/31	100	12	162,500	4558
RESEARCH STAFF					
Stem Cell Transplantation and Cellular Therapy					
Professor					
Ian McNiece (T)	7/1-8/31	100	12	325,000	4559

Description	Effective Date	% Time	Full-time Salary No. Mos.	Rate $	RBC #
RESEARCH STAFF Epidemiology Professor Heping Zhang (T)	5/1-8/31	100	12	285,000	4560
RESEARCH STAFF Epidemiology Associate Professor Hua Zhao (T)	5/1-8/31	100	12	145,000	4561
RESEARCH STAFF Cancer Biology Chair and Professor Raghu Kallui (T)	6/13-8/31	100	12	396,000	4675
MEDICAL STAFF Clinical Cancer Prevention Professor Samir Hanash (T)	7/1-8/31	100	12	500,000	4678

86. Contract (funds coming in) - **U. T. Health Science Center - Tyler:** Morrison Management Specialists, Inc. to provide vending services

Agency:	Morrison Management Specialists, Inc.
Funds:	$30,000
Period:	September 1, 2012 through December 31, 2015, including up to two one-year renewals
Description:	First Amendment to Morrison Management Specialists, Inc. Contract to provide vending services in five locations throughout the Health Science Center