COMMITTEE MEETING MINUTES

OF THE BOARD OF REGENTS

OF

THE UNIVERSITY OF TEXAS SYSTEM

February 8-9, 2012

San Antonio, Texas

Minutes of Committee meetings are taken as a convenience for research purposes and may be verified by recordings kept in the Office of the Board of Regents or webcasts available online on the Board website.

/s/ Carol A. Felkel
Secretary to the Board of Regents
April 17, 2012

MINUTES
U. T. System Board of Regents
Audit, Compliance, and Management Review Committee
February 8, 2012

The members of the Audit, Compliance, and Management Review Committee of the Board of Regents of The University of Texas System convened at 4:35 p.m. on Wednesday, February 8, 2012, in the Regents' Room, Suite 3.106 of the Main Building, The University of Texas at San Antonio Main Campus, One UTSA Circle, San Antonio, Texas, with the following participation:

Attendance
Regent Pejovich, presiding
Vice Chairman Foster
Regent Cranberg
Regent Hall

Also present were Vice Chairman Dannenbaum, Regent Gary, Regent Rutkauskas, Regent Stillwell, and General Counsel to the Board Frederick.

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

1. U. T. System: Report on the Fiscal Year 2011 Annual Financial Report, including the report on the U. T. System Annual Financial Report Audit, and audits of U. T. M. D. Anderson Cancer Center financial statements and of funds managed by The University of Texas Investment Management Company (UTIMCO)

Committee Meeting Information
Presenter(s): *Mr. Randy Wallace, Associate Vice Chancellor, Controller & Chief Budget Officer; Ms. Vicki Keiser, Deloitte & Touche*
Status: *Reported/Discussed*

Discussion at meeting:

This item was for consideration during a joint meeting of this Committee and the Finance and Planning Committee (see Committee Minutes for the Joint Meeting).

2. U. T. System: Report on UTShare PeopleSoft implementation

Committee Meeting Information
Presenter(s): *Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs; Ms. Liz Dietz, CedarCrestone Inc.; Ms. Paige Buechley, Assistant Director of Audits*
Status: *Reported/Discussed*

Discussion at meeting:

This item was for consideration during a joint meeting of this Committee and the Finance and Planning Committee (see Committee Minutes for the Joint Meeting).

3. U. T. System Board of Regents: Approval to renew the contract with Deloitte & Touche LLP to provide financial auditing services for Fiscal Year 2012

Committee Meeting Information

Presenter(s): *Chairman Pejovich*
Status: *Approved as amended below*
Motion: *Made by Vice Chairman Foster, seconded by Regent Hall, and carried unanimously*

Discussion at meeting:

Committee Chairman Pejovich summarized the following recommendation before the Committee:

a. as authorized by the current contract and pursuant to delegation of authority from the State Auditor's Office, Item 3 recommends renewal of the contract with Deloitte & Touche for a two-year term, changed from a one-year term for a longer term strategy; and

b. delegation of authority is recommended to the Audit, Compliance, and Management Review Committee Chairman, in coordination with Chancellor Cigarroa, to oversee negotiations with Deloitte & Touche and to approve a final negotiated contract price to be funded with Available University Funds.

Note: the recommendation was clarified and recorded in the Board Minutes as follows:

Subject to approval by the Texas State Auditor, the Board approved extending the contract with Deloitte & Touche for two additional years as authorized by the current contract to provide independent financial auditing services for the audit of 1) The University of Texas System and The University of Texas M. D. Anderson Cancer Center financial statements for Fiscal Years 2012 and 2013, and 2) funds managed by The University of Texas Investment Management Company (UTIMCO) for Fiscal Years 2012 and 2013.

The Board also delegated authority to oversee negotiations with Deloitte & Touche and to approve a final negotiated contract price to be funded with Available University Funds, in coordination with Chancellor Cigarroa.

4. U. T. System: Report on the Systemwide internal audit activities, including the results of the presidential travel, entertainment, and housing expense audits and the implementation status of significant audit recommendations

Committee Meeting Information
Presenter(s): *Mr. Charles Chaffin, Chief Audit Executive*
Status: *Reported/Discussed*

RECESS TO EXECUTIVE SESSION

At 4:43 p.m., the Committee recessed to Executive Session pursuant to *Texas Government Code* Section 551.074 to consider the matter listed on the Executive Session agenda as follows:

> Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees – *Texas Government Code* Section 551.074
>
> U. T. System: Discussion with institutional auditors and compliance officers concerning evaluation and duties of individual System Administration and institutional employees involved in internal audit and compliance functions

RECONVENE IN OPEN SESSION

The Executive Session ended at 4:51 p.m., and the Committee reconvened in Open Session to adjourn. No action was taken on the item discussed in Executive Session.

ADJOURNMENT

Committee Chairman Pejovich adjourned the meeting at 4:52 p.m.

MINUTES
U. T. System Board of Regents
Finance and Planning Committee
February 8, 2012

The members of the Finance and Planning Committee of the Board of Regents of The University of Texas System convened at 2:50 p.m. on Wednesday, February 8, 2012, in the Regents' Room, Suite 3.106 of the Main Building, The University of Texas at San Antonio Main Campus, One UTSA Circle, San Antonio, Texas, with the following participation:

Attendance
Vice Chairman Foster, presiding
Regent Cranberg
Regent Gary
Regent Hall
Regent Pejovich

Also present were Chairman Powell, Vice Chairman Dannenbaum, Regent Rutkauskas, Regent Stillwell, and General Counsel to the Board Frederick.

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

1. U. T. System Board of Regents: Discussion and appropriate action related to approval of *Docket No. 149*

Committee Meeting Information
Presenter(s): *Committee Chairman Foster*
Status: *Discussed*

Discussion at meeting:

Committee Chairman Foster called attention to the following Docket items:

- *On Docket Page 32, the Board will be asked to make a finding of fact that a lease to Mission Verde Alliance, a Texas nonprofit association, serves a public purpose specific to the mission of U. T. San Antonio. Mission Verde Alliance will provide support for fulfilling the mission of the San Antonio Clean Energy Incubator, a grant-funded program operated under U. T. San Antonio's Texas Sustainable Energy Research Institute.*

- *U. T. Southwestern Medical Center has two health agreements for Funds Coming In on Docket Pages 37 and 38. The first is to provide the services of residents and fellows for the Children's Medical Center of Dallas and receive*

$13.7 million. The second contract is with Dallas County Indigent Care to provide health care professionals to Parkland Health & Hospital System for $159.6 million.

- *U. T. Medical Branch - Galveston has a contract on Docket Page 41 to provide anesthesia and critical care services to the Driscoll Children's Hospital and receive approximately $44 million.*

- *U. T. Medical Branch - Galveston also requests approval of a contract with MFR, P.C. on Docket Page 41, related to accounting and project management activities for Hurricane Ike reimbursements, not to exceed $20.75 million.*

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

Committee Meeting Information
Presenter(s): *Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs*
Status: *Reported/Discussed*

Discussion at meeting:

With the recent financing and a refinancing of existing debt, Committee Chairman Foster commended Dr. Kelley, Associate Vice Chancellor for Finance Hull, and Associate Vice Chancellor, Controller, and Chief Budget Officer Wallace for the lowest interest rate (2.09%) ever achieved on a debt issue by the U. T. System. Dr. Kelley expressed appreciation to the Board for the delegated authority to act quickly to capture savings when the market is right, noting that $9.5 million was saved on $54 million of refinancing. Committee Chairman Foster recognized the importance for the U. T. System to keep its Triple A rating that can result in a lot of dollars for the U. T. System and for the State.

3. U. T. System: Report on the Analysis of Financial Condition for Fiscal Year 2011

Committee Meeting Information
Presenter(s): *Mr. Randy Wallace, Associate Vice Chancellor, Controller, and Chief Budget Officer*
Status: *Reported/Discussed*

4. U. T. System: Approval of the Fiscal Year 2013 Budget Preparation Policies and Calendar

Committee Meeting Information

Presenter(s): *Mr. Randy Wallace, Associate Vice Chancellor - Controller and Chief Budget Officer*
Status: *Approved*
Motion: *Made by Regent Gary, seconded by Regent Hall, and carried unanimously*
Follow-up action: *Regent Cranberg expressed a desire to recognize outstanding performance vs. broad-based merit increases (Recommendation 3B, Merit Increases and Promotions).*

Discussion at meeting:

Regarding Recommendation 3B, concerning Merit Increases and Promotions, Regent Cranberg expressed a desire that, to the extent merit increases can be funded, there be recognition of outstanding performance versus broad-based merit increases; he wants to be sure those are differentiated. Mr. Wallace said the desire would be reinforced. Committee Chairman Foster agreed with Regent Cranberg.

5. U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended November 30, 2011

Committee Meeting Information

Presenter(s): *Mr. Bruce Zimmerman, Chief Executive Officer and Chief Investment Officer, UTIMCO*
Status: *Reported/Discussed*
Follow-up actions*:*

1. *Regent Stillwell asked about the mix of crude oil and natural gas on University Lands.*
2. *Chairman Powell a) asked for a total balance sheet with UTIMCO and University Lands combined (to contain two columns: one more realistic on mineral assets and one more conservative) and that total assets of the U. T. System be reviewed on a regular basis, and b) suggested a FAQ link be added to the U. T. System website with information on how the PUF and AUF can be used. Regent Rutkauskas asked that a link to a centralized source of information be made easily accessible, such as on websites where students pay tuition.*
3. *Regent Cranberg asked about applying hedging techniques used by UTIMCO to University Lands.*
4. *Dr. Kelley said a U. T. System/UTIMCO combined recommendation for a potential forward sale for natural gas could be brought to the Board for discussion.*

Discussion at meeting:

Mr. Zimmerman reported that the Permanent University Fund (PUF) Lands Receipts of $444 million for the quarter is a very good number. He also reported that, as shown in the agenda materials, the endowments were down about 2.65% for November 2011, and down another 1.1% for December, but it looks like January will be up about 2.9%. For the first five months of the fiscal year, the endowments will be down 90 basis points, and the Intermediate Term Fund (ITF) about breakeven.

He reported that at the last UTIMCO Board meeting, the Directors and staff discussed investment strategies and positioning, and noted the importance that the client (U. T. System Board of Regents) knows exactly how money is being managed and invested, and what UTIMCO can and cannot do.

He discussed how UTIMCO approaches the investments and described the handout attached on Pages 7 - 9. The first page he described as up/down capture, which involves capturing on the upside of a market, and protecting on the downside. He noted UTIMCO investments captured two-thirds of the up, and suffered about one-third of the down. Through time, the analysis showed investments did better when the U.S. stock market is up some or down some, but not when the stock market surged up or down dramatically.

Regarding the second page of the handout, Mr. Zimmerman reported UTIMCO investments are overweight in investment grade fixed income, natural resources, and private investments, and underweight in public equity. He concluded that UTIMCO can help protect the endowment assets from a fall, but cannot prevent it. On the other hand, the price for this protection is that the returns are not as much when the market goes up.

Committee Chairman Foster, who is also Chairman of the UTIMCO Board, also discussed the importance of educating the Board of Regents about what UTIMCO is doing; to communicate well both ways, particularly in volatile markets. Noting that the right investment strategy is a difficult question to answer, he stated UTIMCO cannot capture on the upside if investments are in a position to be clobbered on the downside.

Regent Cranberg spoke about the increased legislative and donor capacity to assist when the economy is good, and agreed with a defensive posture regardless of the changes in the market.

Regent Hall commended Mr. Zimmerman for his adherence to discipline and for not chasing the momentum and moves in the market. He said the Board cannot afford to take a big hit. Regent Gary noted the UTIMCO outside directors are experienced in the markets and have assured the Board of Regents that the investment strategy of protection and growth of the corpus over the long term is appropriate for an endowment portfolio. He said the directors warned UTIMCO about the dangers of taking risks with this type of market or tying their profits too closely to the market's ups and downs.

Regent Stillwell echoed comments made by Regent Hall. Mr. Zimmerman committed to implementing as the Board of Regents directs. Board Chairman Powell commented on a tool he uses to balance strategy; he takes the total balance sheet and adds in the value of, and return on, the West Texas Lands, taking into consideration oil prices worldwide. While acknowledging it is hard to put a value on minerals, he suggested that it helps to look at the total portfolio together.

Committee Chairman Foster asked if Chairman Powell is suggesting that when West Texas Lands is doing better, should the Board take more risk? Chairman Powell said no, it is not valued as an asset; one just looks at the revenue from the asset, which is marked on the balance sheet as market value. Chairman Powell requested a combined balance sheet to provide a better picture of total assets, but not to be used to impact investment strategy. He summarized that the U. T. System can be more conservative with cash in the bank because of the West Texas Lands, and overall, U. T. has an excellent return coming in.

Regent Stillwell asked about the approximate mix of crude oil and natural gas on both leased and unleased land, and Executive Vice Chancellor Kelley said he thought it is 55-45 for oil on acres leased, with more revenue coming from oil, perhaps 75-80 for revenue generation. He will confirm those figures.

Vice Chairman Dannenbaum commented on a possible new reservoir report since there are new leases for different strata on the West Texas Lands. Dr. Kelley said the reserve report is updated yearly, and includes additional possible reserves, but focuses primarily on crude development and is very conservative. Vice Chairman Dannenbaum commented on the potential for additional revenue for water used for fracking.

Committee Chairman Foster committed to work with Dr. Kelley and Associate Vice Chancellor, Controller, and Chief Budget Officer Wallace to come up with a balance sheet to look at overall returns.

Regent Stillwell asked if there will be a lease sale this year (2012), and the response was positive, but perhaps not of the same magnitude as recently.

Regent Cranberg asked if there is a way to incorporate the risk exposure to oil and gas prices, and consider a hedging strategy for oil. Mr. Zimmerman responded that can be done and has been done in the past, and he explained why those prices are not proactively hedged. Regent Cranberg noted that UTIMCO has a budget for price volatility, and Mr. Zimmerman offered to hedge the extremes.

Committee Chairman Foster spoke about the forward sales authorized by the Board in the past (2008) on a portion of the production, and he noted that process may be worth revisiting to forward sell oil. Dr. Kelley noted one can hedge without enacting forward sales. Regent Cranberg stated that in a world of trying to reduce volatility, that would be a worthy objective at any time. Regent Stillwell commented that in a world of two-thirds of the ups and one-third of the downs, one can narrow and focus one's ability to hedge effectively.

Chairman Powell suggested the combined balance sheet contain two columns: one more realistic on mineral assets and one more conservative. He recommended reviewing the total assets of the U. T. System on a regular basis.

Regent Gary asked if a hedge strategy would be applicable to gas, and Vice Chairman Foster answered it could, but not necessarily at today's prices. It was agreed, however, that the U. T. System could get ready. Regent Hall asked if, in that case, UTIMCO would make the decision, and Chairman Powell answered no, UTIMCO would provide a sensitivity evaluation. Regent Gary added that a strike price would be set, and UTIMCO would call Vice Chairman Foster. Dr. Kelley discussed the matters surrounding a forward sale, but said a combined view from U. T. System and UTIMCO could be brought to the Board for discussion.

Regent Rutkauskas pointed out that from a student's perspective, there is a need to openly communicate a simple message on the matter of the University earning revenue from, for instance, oil and gas leases on the one hand and raising tuition on the other. He noted this message is especially critical during a time of ongoing budgetary constraints. Committee Chairman Foster agreed that communicating well with students and the public is important, and he recommended this be communicated at the campus level. Dr. Kelley explained how revenue is split among the institutions and the relatively small impact it has per student. Regent Stillwell agreed that parents and grandparents of students also ask about the seeming disparity.

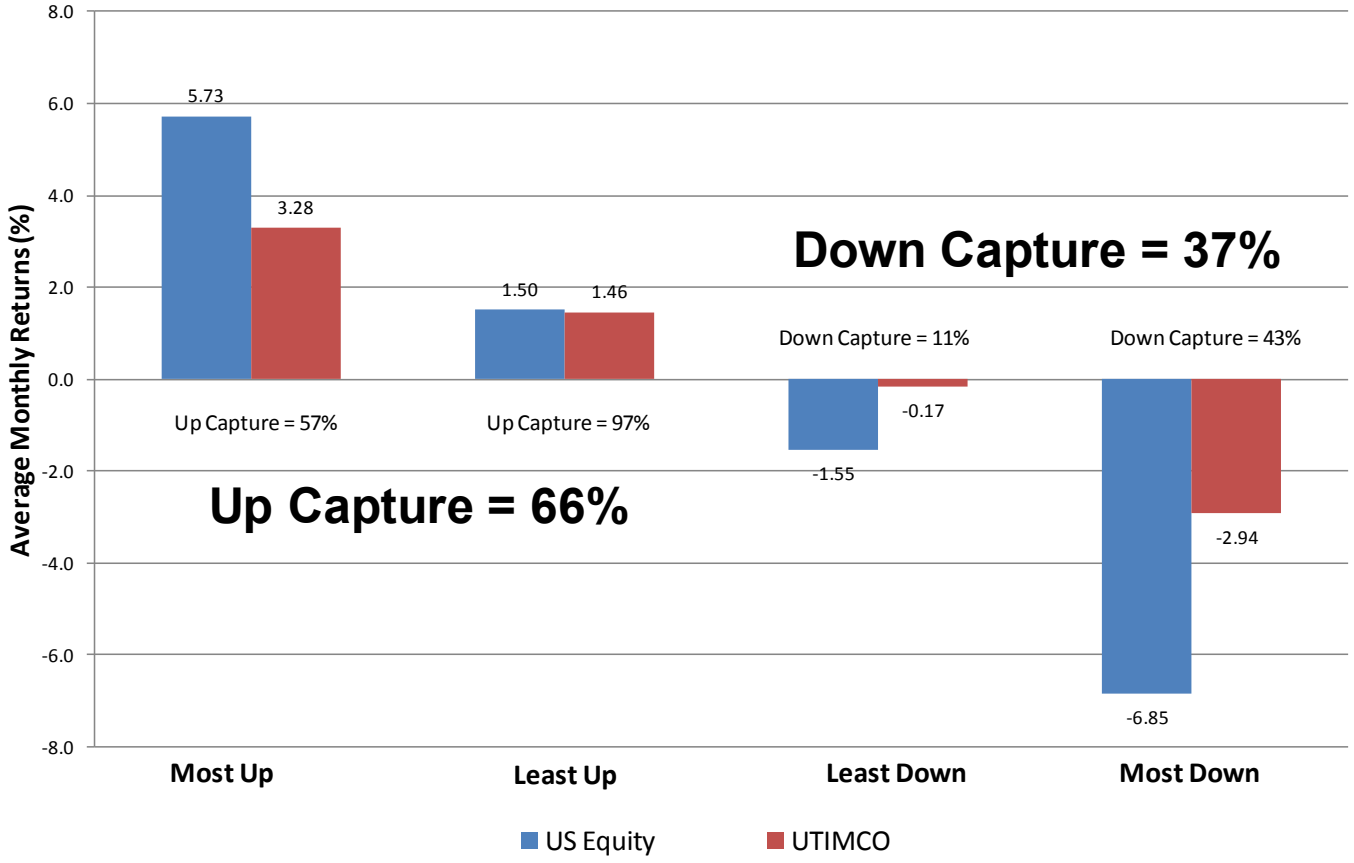
Executive Vice Chancellor Shine indicated there are others who may not understand the legislation on the use of endowment funds. Chairman Powell suggested that a simple set of FAQs on the constitutionality of the PUF and Available University Fund (AUF) and how those funds work be posted on the U. T. System website. Regent Rutkauskas asked that a link to a centralized source of information be made easily accessible, such as on websites where students pay tuition.

Committee Chairman Foster clarified that any discussion about forward sales is at this point just discussion. No forward sale is imminent.

ADJOURNMENT

Committee Chairman Foster recessed the meeting at 3:47 p.m. for the joint meeting with the Audit, Compliance, and Management Review Committee (see separate Committee Minutes).

UTIMCO's Up/Down Capture



Data from 8/1996 till 11/2011. US equity had 78 down months and 106 up months

Endowments' Tactical Positioning

As of December 31, 2011

Asset Class/ Investment Style	Actual	Target	Over/ (Under)
More Correlated and Constrained			
Investment Grade Fixed Income	10.70%	7.50%	3.20%
Credit Related Fixed Income	0.10%	0.00%	0.10%
Real Estate	2.20%	2.50%	-0.30%
Natural Resources	11.60%	6.50%	5.10%
Developed Country Public Equity	9.20%	18.50%	-9.30%
Emerging Markets Public Equity	8.80%	12.00%	-3.20%
Total More Correlated and Constrained	42.60%	47.00%	-4.40%
Less Correlated and Constrained	30.60%	30.00%	0.60%
Private Investments	26.10%	23.00%	3.10%
Total	99.30%	100.00%	-0.70%

Endowments' Return Attribution Analysis

September and October, 2011

	September	October
MSCI All Country World Index	-9.44%	10.71%
Actual Endowment Return	-4.68%	3.36%
Policy Portfolio Return	-5.25%	5.43%
Value Add	0.57%	-2.07%
Adjustment for Private Equity Benchmark	0.35%	0.30%
Adjusted Value Add	0.92%	-1.77%
Effect of Tactical Allocation, Gold and Hedges	0.87%	-1.83%
External Management Value Add	0.45%	-0.48%
"Interactive Effect"	-0.39%	0.55%

MINUTES
U. T. System Board of Regents
Joint Meeting of the Audit, Compliance, and Management Review Committee
and the Finance and Planning Committee
February 8, 2012

The members of the Audit, Compliance, and Management Review Committee and the Finance and Planning Committee of the Board of Regents of The University of Texas System convened at 3:48 p.m. on Wednesday, February 8, 2012, in the Regents' Room, Suite 3.106 of the Main Building, The University of Texas at San Antonio Main Campus, One UTSA Circle, San Antonio, Texas, with the following participation:

Attendance
Vice Chairman Foster, presiding
Regent Cranberg
Regent Gary
Regent Hall
Regent Pejovich

Also present were Vice Chairman Dannenbaum, Regent Rutkauskas, Regent Stillwell, and General Counsel to the Board Frederick.

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Finance and Planning Committee Chairman Foster called the joint meeting to order.

1. U. T. System: Report on the Fiscal Year 2011 Annual Financial Report, including the report on the U. T. System Annual Financial Report Audit, and audits of U. T. M. D. Anderson Cancer Center financial statements and of funds managed by The University of Texas Investment Management Company (UTIMCO)

Committee Meeting Information
Presenter(s): *Mr. Randy Wallace, Associate Vice Chancellor, Controller & Chief Budget Officer; Ms. Vicki Keiser, Deloitte & Touche*
Status: *Reported/Discussed*

Discussion at meeting:

Ms. Keiser's presentation is set forth on Pages 3 - 16. She explained a significant deficiency found in the PeopleSoft implementation at U. T. Dallas as explained in Slide 12 on Page 15. Committee Chairman Foster said the issue at U. T. Dallas is being taken seriously, is being addressed, and will be a learning tool as the PeopleSoft system is implemented at other campuses.

Audit Committee Chairman Pejovich commented on the receipt of the good news report of an unqualified opinion. She noted nothing of major concern was reported in audited adjustments, and except for the one controlled deficiency, the U. T. System is in good shape. She said she was pleased to hear that the cooperation and quality of the work from the institutional internal audit groups worked well with the financial audit.

2. U. T. System: Report on UTShare PeopleSoft implementation

Committee Meeting Information
Presenter(s): *Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs; Ms. Liz Dietz, CedarCrestone Inc.; Ms. Paige Buechley, Assistant Director of Audits*
Status: *Reported/Discussed*

Discussion at meeting:

Dr. Kelley noted that U. T. Austin has engaged Deloitte & Touche to help decide when U. T. Austin will join the PeopleSoft program.

*Regent Cranberg asked if U. T. Pan American was included in the UTShare project, and Executive Vice Chancellor Kelley said that institution will be delayed from initial implementation since it is not on the *DEFINE system. U. T. Pan American is on another Oracle system and will move to Oracle's PeopleSoft program later.*

Ms. Dietz presented her observations on the interest of the shared services model in higher education across the country. Her slides are attached on Pages 17 - 20.

Ms. Buechley discussed assurance services provided to UTShare by System Audit and internal auditors at participating institutions. Chancellor Cigarroa asked if the regional data centers respond to audit findings, and Ms. Buechley answered affirmatively, adding that the Shared Services team is developing data recovery plans to minimize any downtime.

ADJOURNMENT

Finance Committee Chairman Foster adjourned the joint meeting at 4:34 p.m.

Deloitte.

Presentation to The University of Texas System Audit, Compliance, and Management Review Committee - February 2012

Vicki G. Keiser, Lead Client Service Partner
Julia Petty, Audit Director
Tracey Cooley, Audit Director
Tom Wagner, Audit Partner- UTIMCO
Robert Penshorn, Information Technology Partner

Contents

Audit status

- We have performed an audit of the consolidated financial statements of The University of Texas System ("the System") for the year ended August 31, 2011, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. We have rendered our report dated December 19, 2011.
- As a part of this audit process, we issued our report, dated December 19, 2011, on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* for the year ended August 31, 2011.
- We completed our audits of the PUF, GEF, LTF, ITF and PHF funds of UTIMCO for the year ended August 31, 2011 and rendered our reports on October 31, 2011.
- We also completed our audit of UT M. D. Anderson Cancer Center ("MDACC") for the year ended August 31, 2011, and rendered our report on January, 13, 2011.
- We have prepared the following comments to provide information about the external audit process in the context of your obligation to oversee the financial reporting and disclosure process for which management of the System, UTIMCO and MDACC are responsible.

Audit scope

- Our audit scope was outlined in our External Audit Plan dated May 2011 and was not restricted in any manner
- No significant changes resulted from the execution of the External Audit Plan
  - However, additional effort at UT Dallas was required as a result of the implementation of the PeopleSoft accounting system
- Our auditing procedures addressed the areas of focus identified in our External Audit Plan dated May 2011; these areas included:
  - Information technology
  - Treasury
  - Fraud identification procedures
  - Capital expansion
  - Patient accounts receivable and related revenues
  - Third party settlements with Medicare and Medicaid
  - Federal and student receivables
  - Reserves for self-insured risks
  - Student tuition and fees, federal, state and local sponsored programs, auxiliary enterprises, net
  - Alternative investments

Audit scope (cont.)

- We visited certain institutions in the System based on size and complexity, met with the primary operational and financial officers and others, and made inquiries related to the risk of fraud within each of these institutions and any instances of fraud in the current year
  - UT Southwestern Medical Center
  - UT Medical Branch at Galveston
  - UT Health Science Center at Houston
  - UT Health Science Center at San Antonio
  - UT M. D. Anderson Cancer Center - separate stand-alone audit was performed
  - System Administration
  - UT Austin
  - UTIMCO - separate stand-alone audits were performed
  - UT Dallas (IT procedures at the request of System management)
- Internal audit performed limited procedures at our request at all remaining institutions

Audit scope (cont.)

- We utilized approximately 13,500 internal audit hours of direct assistance in connection with this year's audits
  - Internal audit provided significant support in understanding the accounting processes, sharing historical knowledge at all institutions and providing coordination
  - Internal auditors worked as part of the team at all institutions, including UTIMCO and UT M. D. Anderson Cancer Center
- We utilized the services of three HUB subcontractors for approximately 1,000 hours of the external audit effort
- We are also in the process of performing an audit of the stand-alone financial statements of UT HSC Tyler and related notes thereto in connection with their SACS accreditation process

Management judgments and accounting estimates

- Significant accounting estimates reflected in the System's 2011 consolidated financial statements include:
  - Allowances for accounts receivable and discounts
  - Depreciation expense and accumulated depreciation
  - Fair value of alternative investments
  - Fair value of Permanent University Fund (PUF) lands
  - Liabilities for other post-employment benefits, medical malpractice, workers' compensation and other self-insured risks
  - Third party settlements for Medicare and Medicaid
  - Deferred revenue
- There were no material changes in estimates or changes in management judgments relating to such estimates in the System's 2011 financial statements

Audit adjustments

- Our audit was designed to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. All proposed audit adjustments (whether recorded or not recorded) were reviewed with management and were determined, individually or in the aggregate, not to have a significant effect on the financial reporting process.
- An adjustment was recorded by System management to recognize $346 million of revenue related to oil and gas lease bonuses that had been previously deferred.
- There was one passed adjustment identified during our audit related to an estimated understatement of $130 million in the fair value of PUF lands and related investment income. Management of the System has concluded that this proposed audit adjustment is immaterial to the consolidated System financial statements taken as a whole.
- There were no significant recorded audit adjustments for UTIMCO and no unrecorded audit misstatements. For MDACC stand-alone reporting, there were no recorded audit adjustments and there were no significant unrecorded misstatements.

10

Significant accounting policies

- The System's significant accounting policies, as determined by management, are set forth in Note 2 to the System's 2011 financial statements. During the year ended August 31, 2011, there were no significant changes in previously adopted accounting policies or their application.

11

Additional matters

- Generally accepted auditing standards require that certain additional matters be communicated to an entity's audit committee in connection with the performance of an audit:
  - Auditor's responsibility under generally accepted auditing standards ("GAAS") and Government Auditing Standards ("GAS") - the objective of a financial statement audit is to express an opinion on the fairness of the presentation of the System's financial statements for the year ended August 31, 2011, in conformity with accounting principles generally accepted in the United States of America ("generally accepted accounting principles"), in all material respects. Our responsibilities under GAAS and GAS include forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of the Audit, Compliance, and Management Review ("ACMR") Committee are presented fairly, in all material respects, in conformity with generally accepted accounting principles. The audit of the financial statements does not relieve management or the ACMR Committee of their responsibilities.

12

Additional matters

Matters to be communicated - continued

- Disagreements with management — None
- Consultation with other accountants — None
- Significant issues discussed with management prior to our retention — None
- Significant issues discussed with management during the year — None
- Significant difficulties in performing the audit — None
- Independence
- Management's representations - We have made specific inquiries of System's management about the representations embodied in the financial statements. Additionally, we have requested that management provide to us the written representations the System is required to provide to its independent auditors under GAAS. We have included in your packet those representations we received from management.

13

Control related matters

- A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.
- A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.
- A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

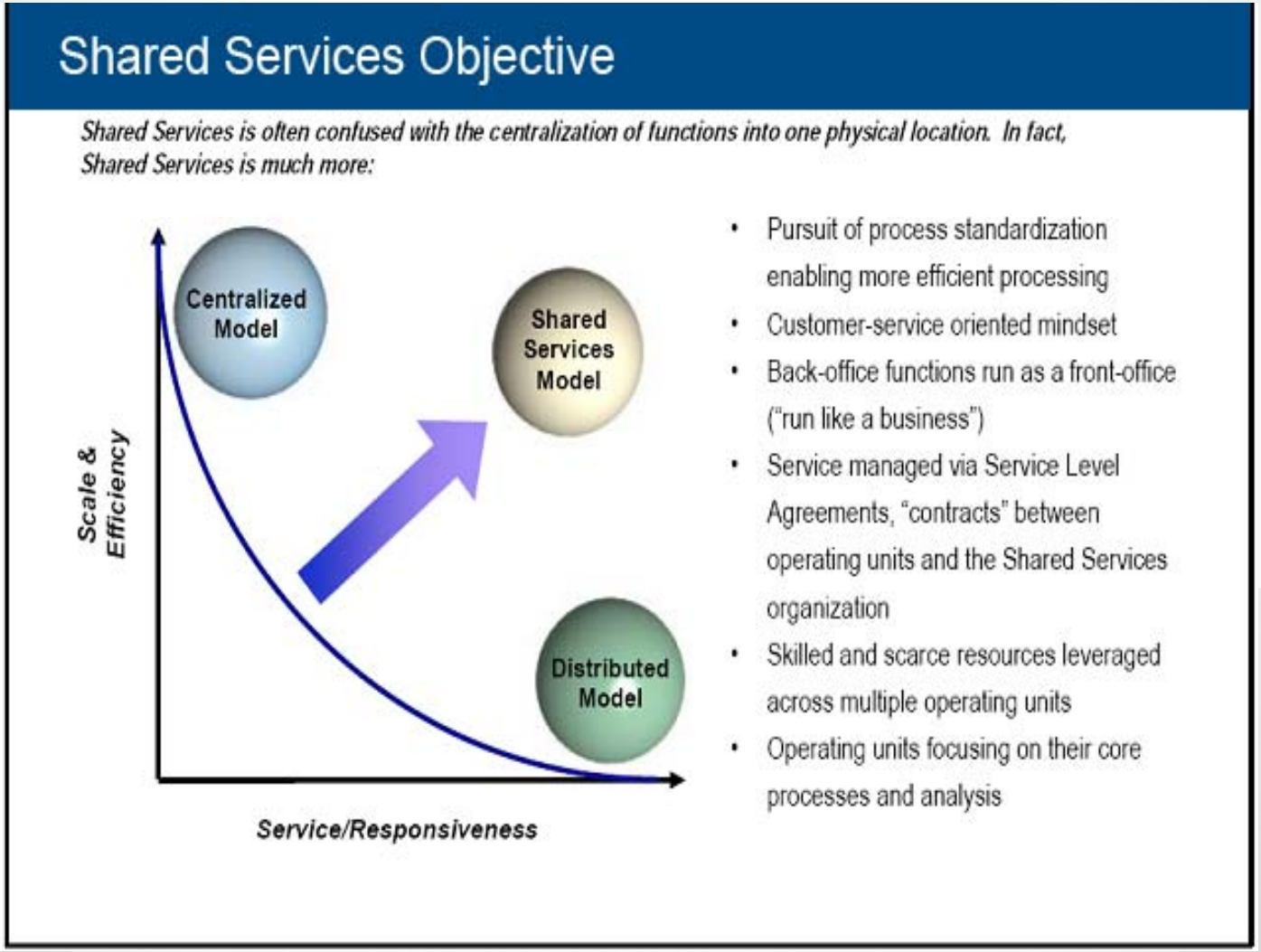
14

Control related matters (cont.)

- Significant deficiency identified is:
  - During the UT Dallas PeopleSoft implementation, the data for the Human Resource Management System (“HRMS”) was not converted completely. It was noted that not all accounts were reconciled and those that were reconciled, the reconciliation was not done timely. For the PeopleSoft Financial (“FIN”) and HRMS, the test plans and procedures currently being performed were not adequate to ensure successful implementation of changes. It was noted that tested changes have failed in production. Further, it was noted employees in roles outside of development are helping write programs that have failed in production. Deloitte obtained an example change request for programs developed by the Financial Reporting Analyst that failed in production.

15

Shared Services Objective



17

University of California, Davis

Shared Business Service Center

- Definition and Advantages
  - Sometimes thought of as Internal Outsourcing
    - Providing administrative transaction type services that support multiple institutions
    - Hire to Pay, Procure to Pay, Accounts Receivable and Billing, Asset Management, Treasury, Sponsored Research Management
    - Aggregation of resources (purchasing, cash management, banking)
  - Advantages
    - Cost effective, savings based on combined asset management and purchasing power
    - Resource utilization-leverage skilled, scarce and high cost resources
    - Efficient, reliable, responsive
    - Typically superior to what a single institution could provide for themselves

Shared Business Service Center (cont.)

- Higher Education Focus on Operational Excellence Models
  - Centralized administrative transaction support for multiple administrative and academic departments, colleges, campuses
  - Just a few examples:
    - UC Davis and San Francisco – service “clusters”
    - Johns Hopkins Institutions – academic and health
    - University of Minnesota Medical School – Twin Cities and Duluth campuses
    - University of North Texas – five-year plan to support Denton, Fort Worth, Dallas, System

19

Shared Business Service Center (cont.)

- Shared Business Service Center Interest
  - Ohio: University of Akron, Loraine County Community College, Stark State, Kent State
    - Led by University of Akron
    - Plan to form a jointly owned and managed entity that will provide shared administrative services
    - Move administrative computing to Cloud (SaaS and Hosting)
  - Wisconsin: Madison College and other community and technical colleges
  - University of Maryland System
  - Many others discussing and watching early adopters

20

MINUTES
U. T. System Board of Regents
Academic Affairs Committee
February 9, 2012

The members of the Academic Affairs Committee of the Board of Regents of The University of Texas System convened at 8:30 a.m. on Thursday, February 9, 2012, in the Regents' Room, Suite 3.106 of the Main Building, The University of Texas at San Antonio Main Campus, One UTSA Circle, San Antonio, Texas, with the following participation:

Attendance
Vice Chairman Hicks, presiding
Vice Chairman Foster
Regent Hall
Regent Pejovich
Regent Stillwell

Also present were Chairman Powell, Vice Chairman Dannenbaum, Regent Cranberg, Regent Gary, Regent Rutkauskas, and General Counsel to the Board Frederick.

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Committee Chairman Hicks called the meeting to order. Vice Chairman Hicks recognized Dr. Pedro Reyes as Interim Executive Vice Chancellor for Academic Affairs.

1. U. T. San Antonio: Overview of the institution

Committee Meeting Information
Presenter(s): *President Ricardo Romo, U. T. San Antonio*
Status: *Reported*

Dr. Romo's presentation is set forth on Pages 5 - 26.

2. U. T. Pan American: Authorization to purchase approximately 1.241 acres and improvements located at 2406 West University Drive, Edinburg, Hidalgo County, Texas, from Rio Bank, a Texas state banking corporation, at a purchase price not to exceed fair market value as determined by independent appraisals for use as administrative offices or other purposes related to the institution's mission

Committee Meeting Information
Presenter(s): *Ms. Florence Mayne, Executive Director of Real Estate*
Status: *Approved*
Motion: *Made by Vice Chairman Foster, seconded by Regent Pejovich, and carried unanimously*

Discussion at meeting:

Ms. Mayne noted both appraisals came in at $1 million, and the negotiated purchase price is $1 million.

3. U. T. El Paso: Honorific naming of the Academic Services Building as the Mike Loya Academic Services Building

Committee Meeting Information
Presenter(s): *President Diana S. Natalicio, U. T. El Paso*
Status: *Approved*
Motion: *Made by Vice Chairman Foster, seconded by Regent Hall, and carried unanimously*

Discussion at meeting:

Committee Chairman Hicks called on President Natalicio to present this item.

Presentation by President Natalicio

Good morning everyone, Chairman, members of the Committee, Chancellor Cigarroa. I am so pleased to be here today to request your approval of naming the Academic Services Building on the UTEP campus in honor of UTEP alumnus Mike Loya.

Mike Loya and his family's story epitomizes the American dream; he is the prototypical UTEP undergraduate. He grew up in El Paso, one of seven children born to Miguel and Anita Loya.

Miguel, Mike's father, came with his parents to the United States, fleeing the Mexican Revolution, to seek a better life in El Paso. Miguel's first job was on the loading dock at Farah Manufacturing, one of El Paso's largest garment manufacturing operations, where he worked for more than 40 years, retiring as a plant supervisor.

When Miguel and Anita Loya became parents themselves, they recognized the importance of education in their children's lives and made it their and their children's highest priority.

That strong Loya family focus on education paid off for Mike and his six siblings, all college graduates:

- *Brother Fernando is a dentist in Austin*
- *Brother Raul is an attorney in Dallas*
- *Brother Javier is president and CEO of Choice! Energy Services, a company he cofounded in 1994, and he is co-owner of the NFL Houston Texans*
- *Sister Anna is a teacher in El Paso*

- *Sister Irma is founder and chair of Analytical Services, Inc. in Huntsville, Alabama*
- *And youngest brother Mario is a financial analyst at Westport Asset Management in Connecticut.*

Mike completed his bachelor's degree in mechanical engineering at UTEP which, he says, provided him with analytical and problem-solving skills that have served him extraordinarily well throughout his career. Recognizing the importance of enhancing his engineering education with an equally strong foundation in business, Mike next enrolled at Harvard, where he completed his MBA degree in 1979.

From there, Mike began a highly successful career in the global energy business, working with Esso Eastern, Tenneco Oil and Transworld Oil before assuming leadership of Vitol, Inc., the North- and South-American arm of the Vitol group, one of the largest trading companies of commodities, primarily oil and energy, in the world.

Mike's pathway to success has ignited in him a passion for creating high-quality educational opportunities for talented young people in El Paso who have the potential to follow in his footsteps. His generous gifts to UTEP will enable us to help future generations of students, just like Mike, to achieve their big dreams too.

The Academic Services Building, which we recommend bear Mike Loya's name, is a hub of student activity on the UTEP campus, including such offices as financial aid, scholarships, registrar, student business services, and the graduate school. Mike's association with this facility will serve as an inspiration to students for whom he represents an extraordinary role model.

I recommend, very, very earnestly, naming this building for Mike Loya.

Thank you.

4. U. T. San Antonio: Approval of changes to the Undergraduate Admissions Policy

Committee Meeting Information

Presenter(s): *President Ricardo Romo, U. T. San Antonio*
Status: *Approved, as amended to include a change in the minimum SAT score for the fourth quartile from 1,000 to 1,100 at the request of the institution*
Motion: *Made by Regent Stillwell, seconded by Regent Hall, and carried unanimously*

Discussion at meeting:

Committee Chairman Hicks reported a change in the minimum SAT score for the fourth quartile from 1,000 to 1,100 at the request of the institution.

Dr. Romo said when he came to U. T. San Antonio as President (1999), the institution had an open admissions policy and admitted 98% of students who applied. Today, approximately 78% are admitted.

Noting the average ACT score across the country is 21, Regent Cranberg asked why the standard is higher (24) for homeschooled students? Dr. George E. Norton, Assistant Vice President for Admissions, said U. T. San Antonio has a relatively low number of homeschooled students, approximately 50-75 per year. He noted a lack of information concerning the curriculum of homeschooled students, thus the reliance on SAT or ACT scores. Dr. Norton added that the minimum scores are recommended and neither guarantee nor deny admission. He said the institution is trying to set admissions standards that are above average.

Regent Pejovich asked if the trend to strengthen the admissions criteria is expected to continue, and Dr. Romo responded affirmatively. She also asked how this will affect the four-year graduation rate, and President Romo said the hope is that the criteria will positively affect the graduation rate. He said being in the top quartile propels students to graduate; moving the standard higher is a win-win situation. He said the real mark is not the SAT score, but the rank in class.

Regent Hall asked if there are programs to help students in the bottom quartile, and Dr. Romo said yes, tutoring, mentoring, supplemental instruction, and meeting areas are available to these students. He spoke about the need for more assessments to evaluate student behaviors and abilities.

Regent Rutkauskas asked about the purpose of setting recommended minimums, and Dr. Norton explained that previously, an open-ended individual review of students in the lower quartile was an administrative burden.

Chancellor Cigarroa asked if there are different admission criteria for different colleges, and Dr. Norton said yes, some individual colleges set additional standards for students to get into the major programs.

Regent Gary asked how admissions standards are communicated to prospective students, and Dr. Romo said the University's website contains admissions information, and a recruiting counselor also helps to distribute the information.

ADJOURNMENT

Committee Chairman Hicks adjourned the meeting at 9:13 a.m.

U. T. System Board of Regents'
Academic Affairs Committee Meeting
February 2012

5

The University of Texas at San Antonio
Main Campus

Welcome to
The University of Texas at San Antonio

Tier One Vision

UTSA Fall 2011 Student Body

- 31,000 students (83% undergrads)
- 60% come from outside Bexar County
- Nearly 60% are minority and about 50% are first-generation
- 70% qualify for need-based financial aid
- 45% of freshmen from 1st quartile

UTSA Fall 2011 Student Body

No. 4 in nation for awarding bachelor's degrees to Hispanics

- Enroll 4,500 graduate students
- 60% growth in doctoral student enrollment over last 4 years
- Over 5,000 students graduate each year

Partnerships for Doctoral Programs

- Translational Sciences in collaboration with UTHSCSA and U. T. Austin
- Physics and Mechanical Engineering in partnership with Southwest Research Institute
- Newest program in Psychology with specialty in military healthcare and in collaboration with UTHSCSA and San Antonio Military Medical Center
- Physics also in collaboration with U. T. Brownsville
- Educational Leadership with U. T. Permian Basin

Chancellor's Framework for Excellence

- UTSA Graduation Rate Improvement Plan developed to make significant impact

- Focuses on student preparedness, curriculum delivery and structure, advising and support, and policies and incentives

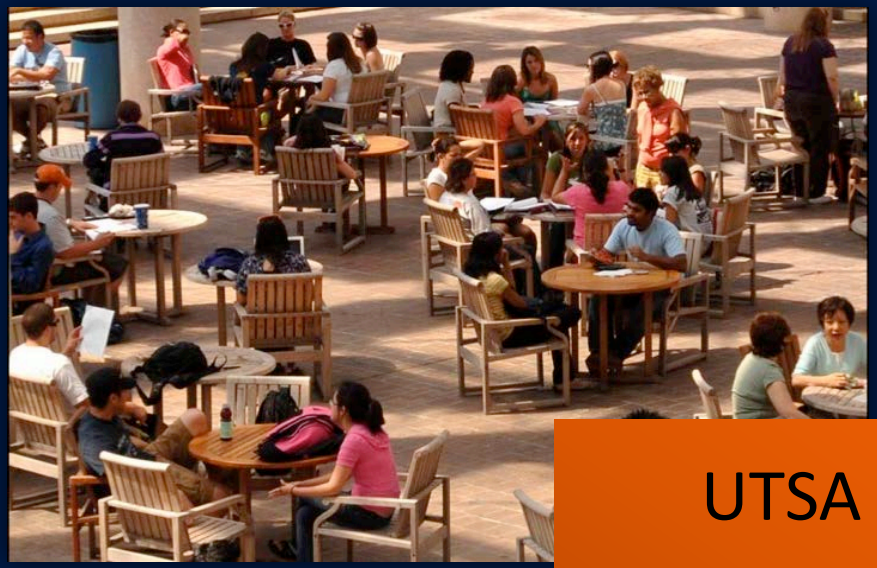
11

Teaching Excellence

- 18 UTSA faculty recipients of Regents' Outstanding Teaching Award
- Developing Faculty Instructional Technology Lab
- Establishing Academy of Distinguished Teachers

2011 Regents' Outstanding Teaching Award Recipients

Learning Excellence



UTSA students use campus libraries 49,000 times a week

320% growth in last three years

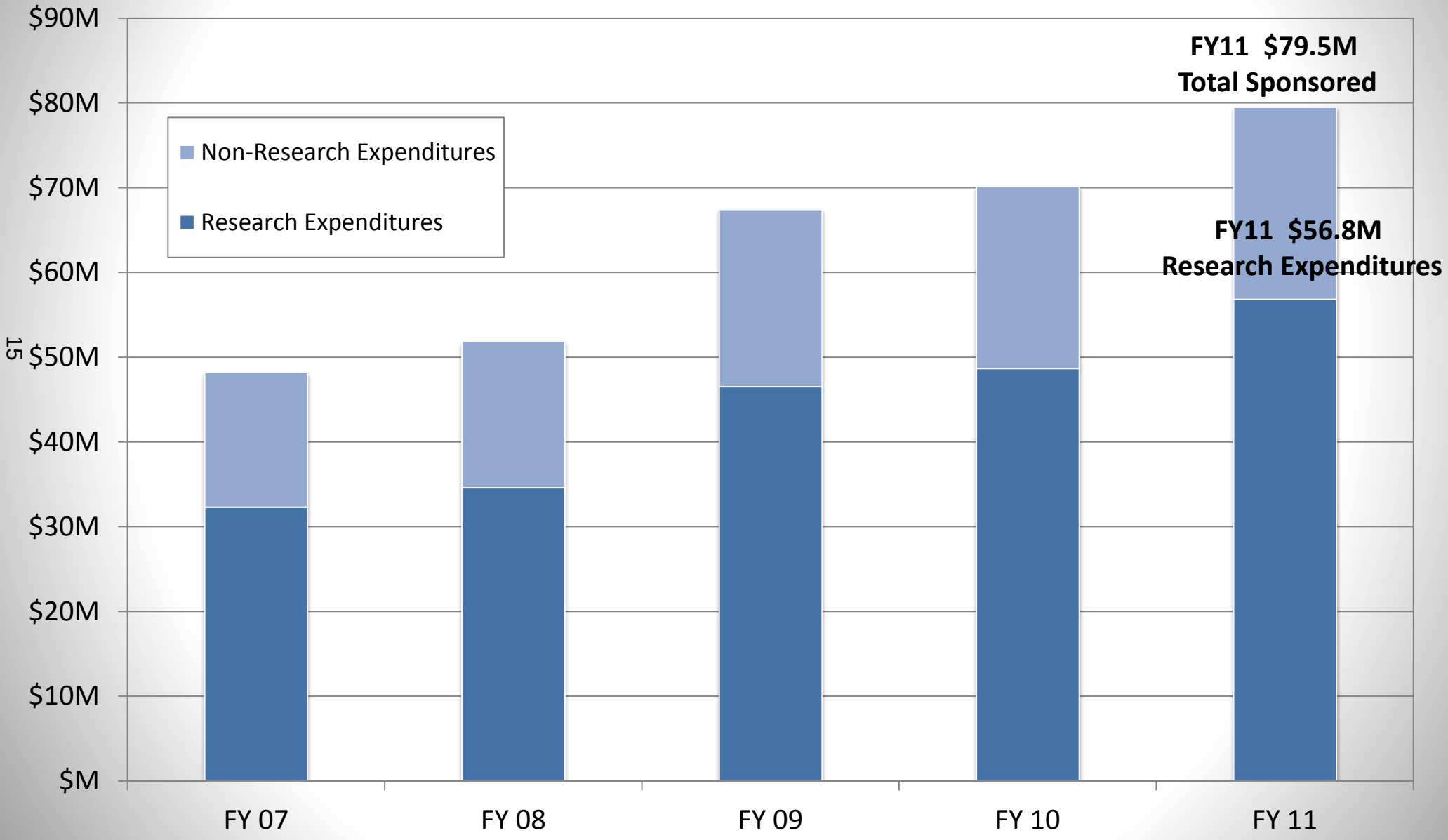
Enhancing the Arts and Social Sciences

College of Public Policy assessing Mayor Castro's SA2020 Vision Plan

220 students joined the "Spirit of San Antonio"

Opening of new Sculpture Studio this month

UTSA Research Productivity



15

Great Success on our path….

…to Becoming Tier One

UTSA Football - *Historic Success*

Record crowd of 56,743 attended the inaugural UTSA football game

18

National Record for Average Home Game Attendance: 35,521

Partnership with City of San Antonio

- Innovative $50 million partnership with CPS Energy
- Study alternative sources of energy and model energy usage
- CPS Energy to build largest solar energy farm in the world at 400 Mega-watts production

Mayor Julian Castro

- Leading to new partnerships with Clean Tech companies
- GreenStar – CEO Paul Duran promised to donate $10/light fixture
- First contract with City will lead to $250K UTSA Professorship

Partnership with San Antonio Cyber Security Community

- National Security Agency and Air Force Intelligence in San Antonio

- UTSA Institute for Cyber Security and the Center for Infrastructure Assurance and Security
  - Received $34 million for infrastructure security research and training over last 10 years
  - Designated National Center of Academic Excellence in Information Assurance Education by NSA

Partnership with the Military

MILITARY

- Largest military hospital in the nation to be built in San Antonio
- Largest military medical training center for medics and surgeons
- Only Level One Trauma Center in the nation

UTSA

- Psychology Ph.D. specialty on post-traumatic stress syndrome
- Developing city-wide Trauma Device Research Consortium
- Kinesiology developing battlefield medical robotics to reach wounded soldiers

McKinney Endowed Scholarships

- In 1990's, Mary McKinney took post-graduate courses at UTSA
- In 1994, she established the *Felix and Elizabeth McKinney Memorial Scholarship Fund*

McKinney Scholar

- About three years ago, Mary McKinney passed away and left her estate to UTSA valued at $28 million
- This year 36 students received McKinney scholarships valued between $10,000 to $15,000

Eagle Ford Shale

- Oil was found in one of the McKinney properties
  - Producing 220 barrels a day, $25K per week for UTSA scholarships

- UTSA Team went to Eagle Ford Shale to visit major oil company and learn about regional needs

- UTSA is actively engaged with the companies and communities

President Romo at McKinney Oil Rig

We Are UTSA

A Top Tier Campaign

Kick Off
Thursday, April 12
7:00 PM
Downtown Campus

25

- People are excited about UTSA Top Tier aspirations
- Started to actively raise funds for campaign 2½ years ago
- At $89 million of our campaign goal of $120 million

CURRENTLY: $89M

74.2%

GOAL: $120M

Thank you for your support of UTSA

MINUTES
U. T. System Board of Regents
Health Affairs Committee
February 9, 2012

The members of the Health Affairs Committee of the Board of Regents of The University of Texas System convened at 9:28 a.m. on Thursday, February 9, 2012, in the Regents' Room, Suite 3.106 of the Main Building, The University of Texas at San Antonio Main Campus, One UTSA Circle, San Antonio, Texas, with the following participation:

Attendance
Regent Stillwell, presiding
Vice Chairman Dannenbaum
Vice Chairman Foster
Regent Gary
Regent Hall

Also present were Chairman Powell, Vice Chairman Hicks, Regent Cranberg, Regent Pejovich, Regent Rutkauskas, and Associate General Counsel to the Board Rabon. General Counsel Frederick was also present in the audience for most of the meeting.

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

1. U. T. Health Science Center - San Antonio: Overview of the institution

Committee Meeting Information
Presenter(s): *William L. Henrich, M.D., President, U. T. Health Science Center - San Antonio*
Status: *Reported/Discussed*

Dr. Henrich's presentation is set forth on Pages 4 - 33.

2. U. T. Southwestern Medical Center: Authorization to purchase land and improvements located at 1715 Inwood Road, Dallas, Dallas County, Texas, from Cedar Properties, Inc., a Texas corporation, at a price not to exceed fair market value as established by independent appraisals for future programmed development of campus expansion or other purposes related to the institution's mission

Committee Meeting Information
Presenter(s): *Ms. Florence Mayne, Executive Director of Real Estate*
Status: *Approved*
Motion: *Made by Vice Chairman Dannenbaum, seconded by Vice Chairman Foster, and carried unanimously*

Discussion at meeting:

Committee Chairman Stillwell noted that although legal counsel advised there is no actual conflict of interest, Regent Gary abstained from discussion and vote on this item as he has a preexisting interest in real property at 5225 Maple near the proposed purchase site.

3. U. T. M. D. Anderson Cancer Center: Authorization to lease approximately 35,075 square feet of clinic space in an office building located at 15021 Katy Freeway, Houston, Harris County, Texas, from TR Energy Crossing Corp., a Delaware corporation, for the operation of a diagnostic imaging clinic and associated medical administrative offices

Committee Meeting Information
Presenter(s): *Ms. Florence Mayne, Executive Director of Real Estate*
Status: *Approved*
Motion: *Made by Regent Gary, seconded by Vice Chairman Foster, and carried unanimously*

4. U. T. M. D. Anderson Cancer Center: Discussion featuring research opportunities, accomplishments, and challenges

Committee Meeting Information
Presenter(s): *Ronald A. DePinho, M.D., President, U. T. M. D. Anderson Cancer Center*
Status: *Reported/Discussed*

Discussion at meeting:

Dr. DePinho's presentation is set forth on Pages 34 - 51.

Dr. DePinho gave credit to former President Mendelsohn for his service to the 71-year old institution over the past 15 years, which was marked by substantial growth in impact and capabilities. He mentioned the dedication on February 7, 2012, of the Faculty Center building (located at 1400 Holcombe Boulevard) as the John Mendelsohn Faculty Center.

Regent Hall asked if as a system, the U. T. System is doing all that is necessary for the health institutions to coordinate and collaborate to fight cancer, and, noting there are tremendous opportunities, Dr. DePinho said he is trying to synergize both the infrastructure and capability. He said that U. T. M. D. Anderson Cancer Center cannot do it alone; it will require collaboration by the entire community, and he wants to build as many interinstitutional bridges as possible. He said more can be done to realize the full potential of the U. T. System, the Texas community at-large, and the Texas Medical Center. He said there is a need to work together, such as sharing programs, and if that is achieved in the right way, there is no limit to what the State

of Texas can do to help the world. He said M. D. Anderson stands ready to help any institution and wants to live up to its logo of eliminating cancer and making cancer history. President Calhoun noted that assistance from M. D. Anderson was critical to the design, equipping, and staffing of the U. T. Health Science Center - Tyler cancer center, which, in six months of operations, is at Year Three of its business plan in terms of the number of patients seen and treatments occurring at the center.

Regent Hall offered assistance to apply leverage where needed. Dr. DePinho said data storage is imperative, and he commended the Board's investments to date in that area. President DePinho said the war on cancer will be won on analytics -- a significant intellectual challenge of understanding how to interpret the data and bringing different types of data together in a cohesive message that needs action.

5. U. T. System: Quarterly report on health matters of interest to the U. T. System, including the Clinical Safety and Effectiveness Program and the impact of the 1115 Medicaid Waiver

Committee Meeting Information
Presenter(s): *Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs*
Status: *Reported/Discussed*

Discussion at meeting:

- *Dr. Shine commended the faculty at U. T. Health Science Center - San Antonio's commitment to a medical school in South Texas.*

- *The annual Clinical Safety and Effectiveness Conference was held recently. Dr. Shine showed a short video of the finalists of the Clinical Effectiveness and Safety awards for 2011, noting the message is the significant shortening of time patients wait for certain medical procedures.*

- *There is a new initiative on systems engineering to learn to apply these types of progressive practices to the U. T. System institutions more broadly.*

ADJOURNMENT

Committee Chairman Stillwell adjourned the meeting at 11:02 a.m.

WE MAKE LIVES BETTER
UT HEALTH SCIENCE CENTER®
SAN ANTONIO

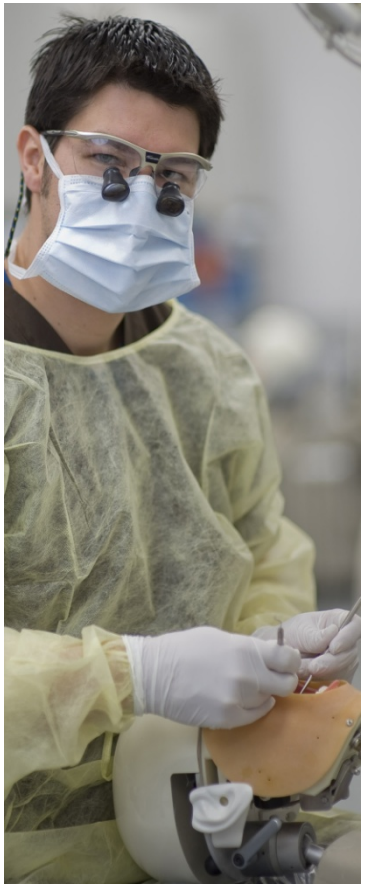
The University of Texas Health Science Center at San Antonio

Presentation to the U. T. System Board of Regents' Health Affairs Committee

William L. Henrich, M.D., MACP, President
February 2012

The U. T. Health Science Center: Excellent Professional Schools

School of Medicine



Dental School

School of Nursing

Graduate School of Biomedical Sciences

School of Health Professions

Outstanding Medical Care

Medical Arts and Research Center

- 900 clinicians
- Interdisciplinary practice
- Integrated EMR
- Ambulatory Surgery Center
- NCI designation (CTRC)

Cancer Therapy and Research Center (CTRC)

Rapidly Expanding Clinical Practice

Medical Revenues

FY10	FY11	Increase
$215.1M	$235.5M	9%

Patient Visits

FY10	FY11	Increase
1,052,118	1,123,611	7%

CTRC Patient Visits YTD

FY11	FY12	Increase
14,174	17,780	25%

Superb Dental Care

- Ranks 4th out of 65 dental schools in the United States
- 68,399 patients annually
- 19% increase in patient visits in one year
- $10.7M revenue; 12% increase in one year

New: The Center for Oral Health Care

- Project Cost: $94.2M; 172,000 sq ft
- 450-car garage
- Will further expand clinical care and bolster dental practice revenues by 25%

Key Partners Also Expanding: University Health System's $900M Investment

New 750 In-Patient Bed Tower in the Medical Center

Modern Outpatient Facility Downtown

Veterans Health Care System

New $66M Polytrauma Unit
1 of 5 in the United States

CHRISTUS Santa Rosa Health Care System

- New $400M Children's Hospital planned
- Partnership between CHRISTUS Santa Rosa and University Health System

Unique Military Collaborations

- $2.5B San Antonio Military Medical Center
- San Antonio is the center of U.S. military medicine education
- 500 residents have been trained through partnership with the HSC
- Institute for Surgical Research collaboration

South Texas Campuses

Regional Academic Health Center (Clinical RAHC)- Harlingen

Regional Academic Health Center (Research RAHC)- Edinburg

South Texas Medical Education:
Large Expansion of Training Programs Planned

Su Clinica Familiar

Valley Baptist Health System

Doctor's Hospital at Renaissance

Regional Campus in Laredo

Partners:

- Laredo Health Department
- Laredo Medical Center
- Gateway Community Health Center
- Doctor’s Hospital
- Veterans Affairs

School of Medicine Educational Highlights

- New integrated curriculum to begin August 2012
- New Center of Education established in School of Medicine: 5th floor Library
- 125 students enrolled in MD/MPH program
- 6% increase in applications (3,936)

Other Recent Educational Highlights

- 10-year accreditation for the School of Nursing
- New Doctor of Nursing Practice degree approved by THECB
- 1,389 applications for 40 places in Physician Assistant program
- Dental School applications increased by 18% (1,440)
- $1.6M grant to recruit minority students to the Graduate School

Community Service

- Faculty provide care for 1/3 of uninsured/underinsured in Bexar County
- 83 faculty and student volunteers at Haven for Hope for the homeless
- 42% of students provide substantial community service
- About half of SOM alumni are active in some aspect of primary care
- SOM Honor: A member of the President's Higher Education Community Service Honor Roll

UTSA Partnership

- New Vaccine Center in partnership with the Texas Biomedical Research Institute
- B.S./M.D. degree (FAME program, part of the TIME initiative)
- San Antonio Life Sciences Institute (SALSI)
- Ph.D. in Bioengineering
- Ph.D. in Translational Science

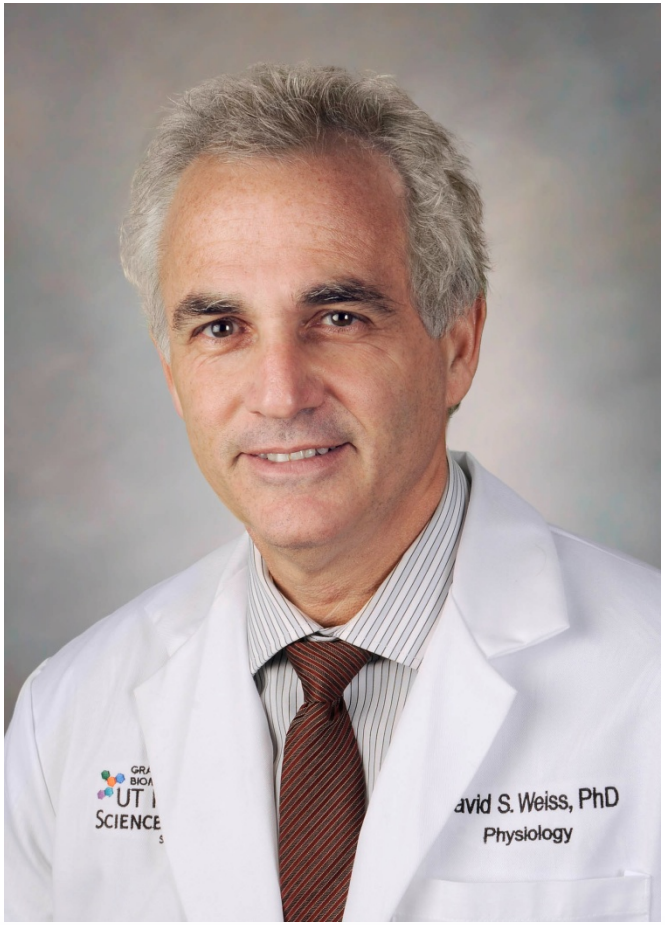
New Facilities Greehey Campus

1. Medical Arts and Research Center
2. South Texas Research Facility
3. Cancer Therapy and Research Center
4. Greehey Children's Cancer Research Institute
5. Research Imaging Center
6. Research Administration Building

South Texas Research Facility (STRF)

Dedication held October 13

Research Programs Continue to Grow: NIH rank improved dramatically in past 5 years



Annual Research and Other Sponsored Program Activity

FY05	**FY12**
$176M	$231M

Redefining Prostate Cancer Research

Study ties vitamin E to prostate cancer risk

S.A. men included in survey of supplement use.

BY DON FINLEY
dfinley@express-news.net

Vitamin E supplements, once thought to protect against prostate cancer, actually raised the risk of developing the disease in a large, government-funded study that included San Antonio men.

Healthy men who took 400 international units of vitamin E daily had a 17 percent greater risk of developing prostate cancer than those who took a placebo, the researchers said Tuesday.

By one estimate, more than half of American adults 60 and older take vitamin E supplements, most in a multivitamin. More than 20 percent take at least the dose used in the study or more — even though the recommended daily dose for adult men is about 6 percent of that amount.

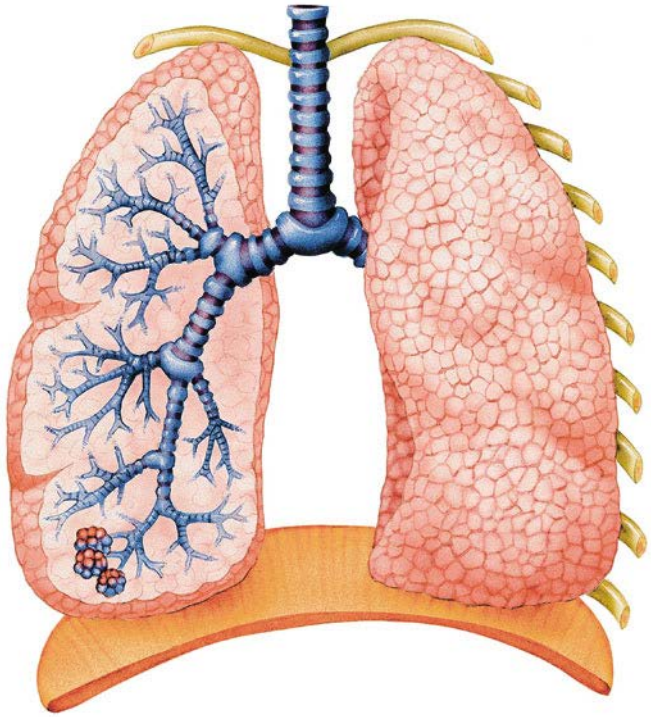
The Selenium and Vitamin E Cancer Prevention Trial, or SELECT, included more than

See VITAMIN/10A

Reprinted courtesy of the San Antonio Express-News.

Ian Thompson, M.D.

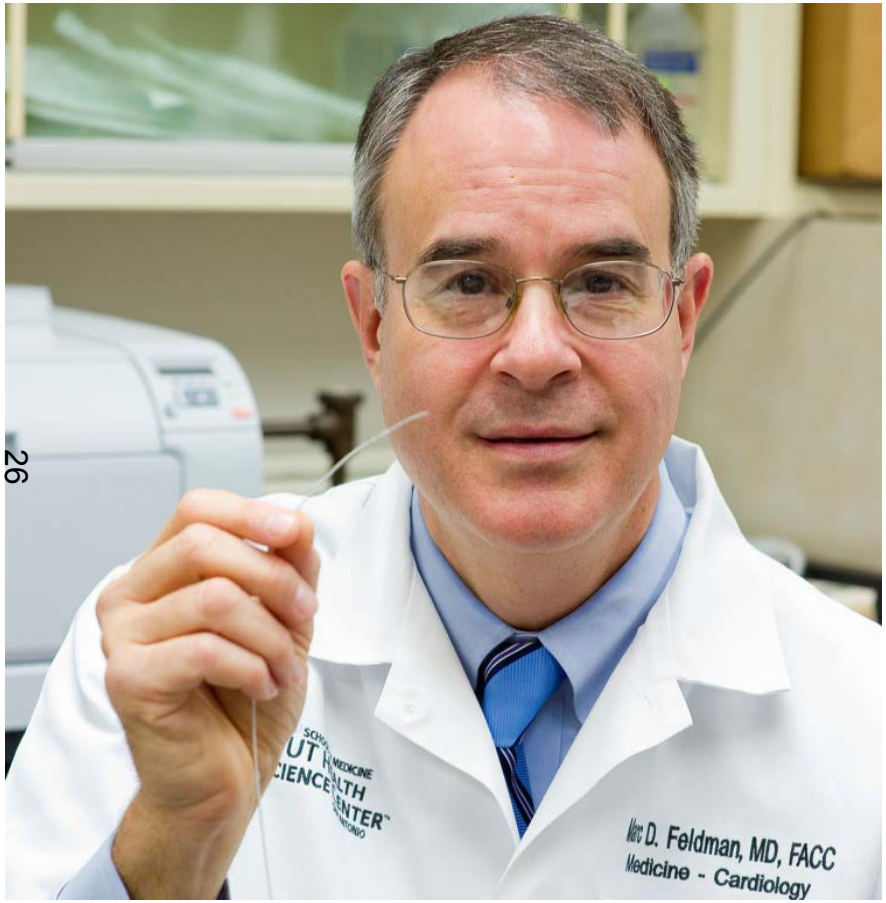
Toxin Discovery may Lead to Cause of Asthma

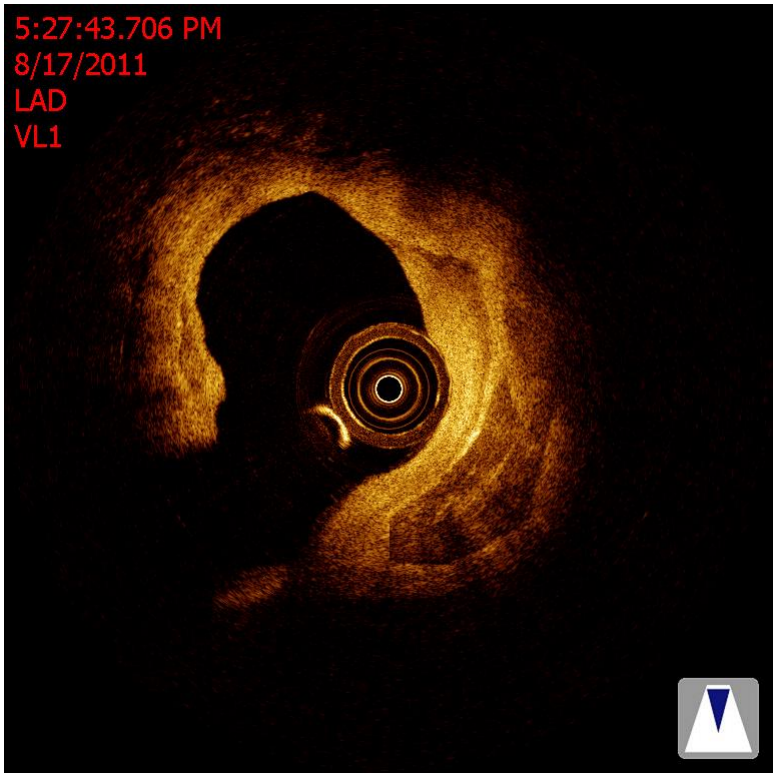


Discovered the toxin caused by *Mycoplasma pneumoniae* which could cause as many as 40 percent of all asthma cases

Joel Baseman, Ph.D.

Unstable Plaque:
A Key to Prevention of Sudden Death





Partnership with U. T. Austin brings light-based technology to cardiology

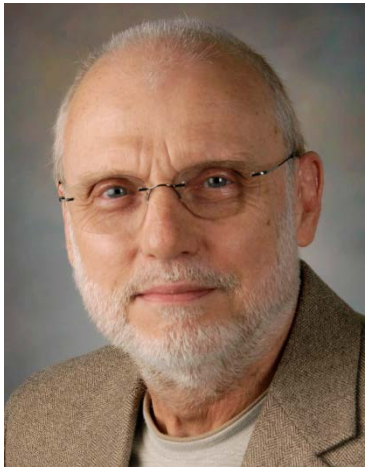
Marc Feldman, M.D.

Newly Discovered Pain-Causing Substance

Created two new classes of analgesics using drugs that either block the synthesis of OLAMs or antibodies that inactivate them

Kenneth Hargreaves, D.D.S., Ph.D.

Rapamycin's Effect on Aging and Dementia



The mTOR story-- partly unraveled

Z. Dave Sharp, Ph.D. and Randy Strong, Ph.D.

FY 2012 Budget
$735.8M

- Balanced despite the loss of $52M in General Revenue for the biennium (a 17.2% reduction)
- Saved $1.2M in costs through operational efficiencies
- 300 positions eliminated or separated
- Offset by outstanding growth in revenue from medical practice plan

Campaign for the Future of Health
"Igniting Science, Advancing Health"

$500M Campaign

Phase 1 – $300M

Phase 2 – $200M

As of October 2011

$445.3M

Cash, Pledges and Realized Planned Gifts

A Commitment to Philanthropy

Pledges	
May 2009	*$16.4M*
Jan. 2010	*$20.1M*
Jan. 2011	*$21.0M*
Oct. 2011	*$37.9M*

- Level of giving is stable (mid $30M) despite economy
- Pledges are increasing
- Adding new development staff
- Goal: to increase philanthropy by 20%

Key to the Future: Recruitment of Talented Faculty/Staff

Tim Huang, Ph.D.

Ethan Argiris, Ph.D.

- Significant leadership recruitments planned:
  - -Director of the Barshop Institute
  - -6 Department Chairs in SOM

Robert Quinn, M.D.

Florence Eddins-Folensbee, M.D.

- Expanded Programs in:
  - -Neurosciences
  - -Aging
  - -Cancer
  - -Cardiovascular disease

The Health Science Center: $24.5B Industry Catalyst

Health Affairs Committee
February 2012

Ronald A. DePinho, M.D.
President

U. T. M. D. Anderson Cancer Center

THE UNIVERSITY OF TEXAS
MD Anderson Cancer Center
Making Cancer History®

Mendelsohn Era

	FY1996	FY2011
Patients registered since 1944	343,896	832,985
New patients served that year	15,136	*34,000
MD Anderson patients enrolled in therapeutic clinical trials	3,466	9,701
Research Expenditures	$120,963,970	$623,903,457
Total Revenue	$714,443,835	$3,661,217,668
Percent of budget from Texas General Revenue	18.10%	4.5%
Gross square feet in operation	3,362,330	15,245,738
Educational trainees (including rotations)	1,847	6,809
Number of faculty	1,027	1,460
Number of employees (total FTE)	8,006	17,901

*estimated

THE UNIVERSITY OF TEXAS
MD Anderson Cancer Center
Making Cancer History®

MD Anderson Cancer Care System
Regional Care Center Growth

	FY 2009	FY 2010	FY 2011	FY 2012 Projected	% Change FY 11 to FY 12 Proj.)
Faculty (Full Time)	12	17	20	27	35%
NP/Consults (Outpatient)	1,728	2,211	3,488	4,912	41%
MedOnc Clinic Visits	4,172	7,743	16,302	19,836	22%
Lab Appointments	5,908	12,968	27,929	36,388	30%
ATC TX Apts	3,435	8,289	16,861	21,376	27%
Operating Margin	$22.3M	$20.6M	$36.3M	$52.0M	43%

… and 22 ‘sister’ institutions around the world (Global Academic Programs) Clinical trials

Banner MD Anderson Cancer Center Phoenix – Opened September 26, 2011

6,692 appointments
Scheduled through 1/31/12

Appointments through 12/29/11

688 Initial Consults
684 Infusions
997 Follow-up appointments
916 Radiation treatments

Opportunity for Comparative Effectiveness Research and Clinical Trials

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Research Expenditures

	FY 2011
Federal Grants & Contracts	$ 236.4M
Private Industry Grants & Contracts	59.6M
Philanthropy & Foundation	98.1M
Total External Funding	***394.1M***
State-Appropriated General Revenue	14.8M
Tobacco Settlement Receipts/LEER Funds	10.7M
CPRIT	8.7M
Hospital Operating Margins	175.4M
Institutional Grants	20.2M
Total Internal Funding	***229.8M***
Total Research Expenditures	**$ 623.9M**

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CPRIT Awards FY10-11

Award Category	Number of Awards	Total Funding
Cancer Prevention Microgrants	1	$ 298,890
Public Education and Outreach	2	$ 521,300
Health Care Professional Education	5	$ 1,331,200
Core Facilities Support	1	$ 5,005,917
High Impact/High Risk	3	$ 600,000
Individual Investigators	49	$ 48,678,688
Multi-Investigators	22	$ 25,998,162
Research Training	1	$ 2,565,789
Recruitment	8	$ 40,000,000
TOTAL	92	$124,999,946

Most recent round in 2011: ~$45M

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Clinical Research – FY 11

- New Studies Submitted = 1,113
- Total Studies Overseen = 4,818
- Patients on Tx clinical trials = 9,701
- Total Accruals = 46,255
- Active INDs = 126

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2011 Recognition & Accomplishments

- ❑ #1 cancer hospital, US News & World Report
- ❑ 11 SPORE Grants (brain, prostate, ovarian, lung, leukemia, bladder, breast, H&N, lymphoma, melanoma, uterine)
- ❑ First Department of Genomic Medicine
- ❑ Institute for Applied Cancer Science
- ❑ Completion of $1.2B philanthropic campaign
- ❑ Key Recruitments
  - Lynda Chin, Chair, Dept of Genomics
  - Giulio Draetta, Director, IACS
  - Andy Futreal, Professor, Dept of Genomics
  - 20+ major recruitments in pipeline

2011 Research Highlights

A Method for Defining Value in Healthcare Using Cancer Care as a Model

Thomas W. Feeley, MD, vice president, Medical Operations, and Helen Shafer Fly Distinguished Professor of Anesthesiology, University of Texas MD Anderson Cancer Center, Institute for Cancer Care Excellence; Heidi Albright, MHA, project director, clinical operations, University of Texas MD Anderson Cancer Center, Institute for Cancer Care Excellence; Ronald Walters, MD, MBA, associate vice president, Medical Operations and Informatics, and professor, Breast Medical Oncology, University of Texas MD Anderson Cancer Center, Institute for Cancer Care Excellence; and Thomas W. Burke, MD, executive vice president and physician-in-chief and professor, Gynecological Oncology, University of Texas MD Anderson Cancer Center, Institute for Cancer Care Excellence

JOURNAL OF HEALTHCARE MANAGEMENT 55:6 NOVEMBER/DECEMBER 2010

2012 Edgar C Hayhow Article of the Year
American College of Healthcare Executives

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MD Anderson contributed to significant research advances

- *FDA approval* of brentuximab vedotin for Hodgkin's Disease and large-cell lymphomas
- *Application for FDA approval* of cabozantinib in thyroid cancer
- *FDA approval* of everolimus for advanced pancreatic neuroendocrine cancer
- *FDA approval* of ruxolitinib for treatment of intermediate and high-risk myelofibrosis, a disease of the bone marrow.
- First comprehensive genomic analysis of head and neck cancer, underscores the prominence of HPV pathogenesis and defines novel targets (Jeffrey Myers, Science, 2011)
- Moderate daily exercise lengthens life (Xifeng Wu, *Lancet*, 2011)
- Vaccine Increases Disease-Free Survival for Follicular Lymphoma Patients (Larry Kwak, JCO, 2011)
- Therapeutic melanoma vaccine improves response rate, progression-free survival (Patrick Hwu, *NEJM,* 2011)

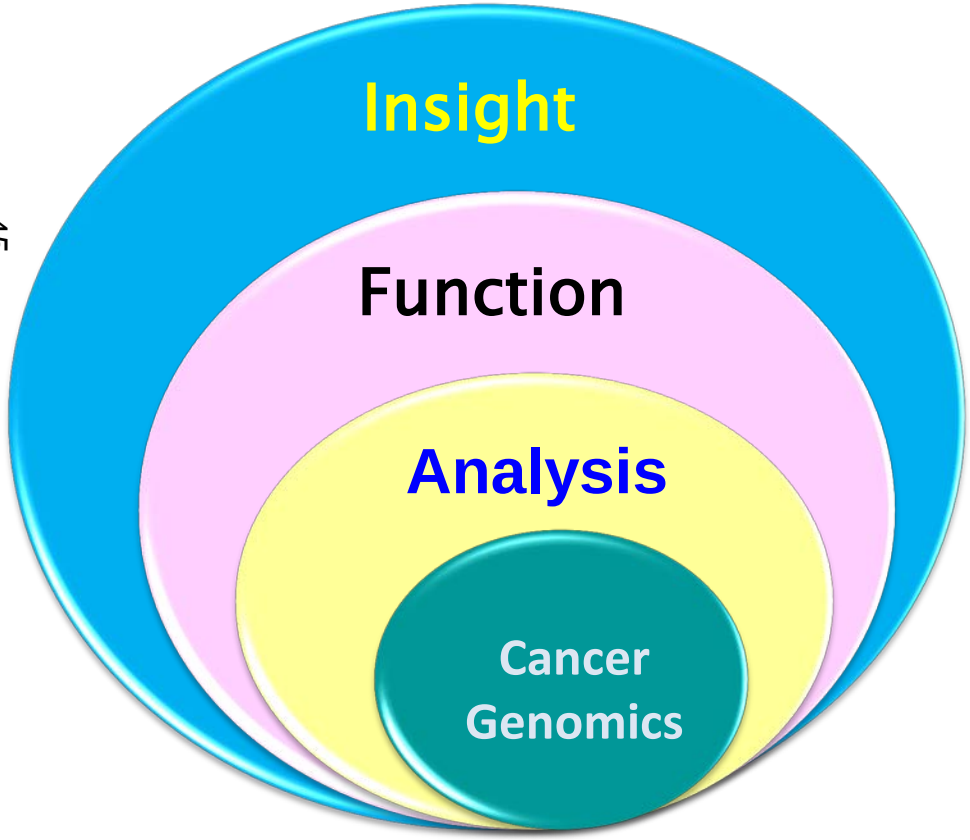
2011 Research Initiatives: Addressing Today's Challenges

95% failure rate in cancer drug development

- Limited insights into factors driving cancer genesis
- Elemental knowledge of the cancer genome
- Poor understanding of the target's "biology"
  - In what context (genetic, micro-environmental, host and macro-environmental) is the target rate-limiting?
- Lack of insight on appropriate combination
  - Tumor will find a way to bypass a single-point intervention
  - Co-extinction is required to shut down a complex highly-redundant network
- Challenged cancer drug development ecosystem

2011 Research Initiatives
A new department of Genomic Medicine

Translation of the Cancer Genome



- Cancer genomes are complex
- Rudimentary understanding of biological relevance of cancer genomic alterations
- Limited insight of how specific alterations operate in the context of other alterations, different cell types, different tissue microenvironments, etc.
- Meager effort to define mechanism of action

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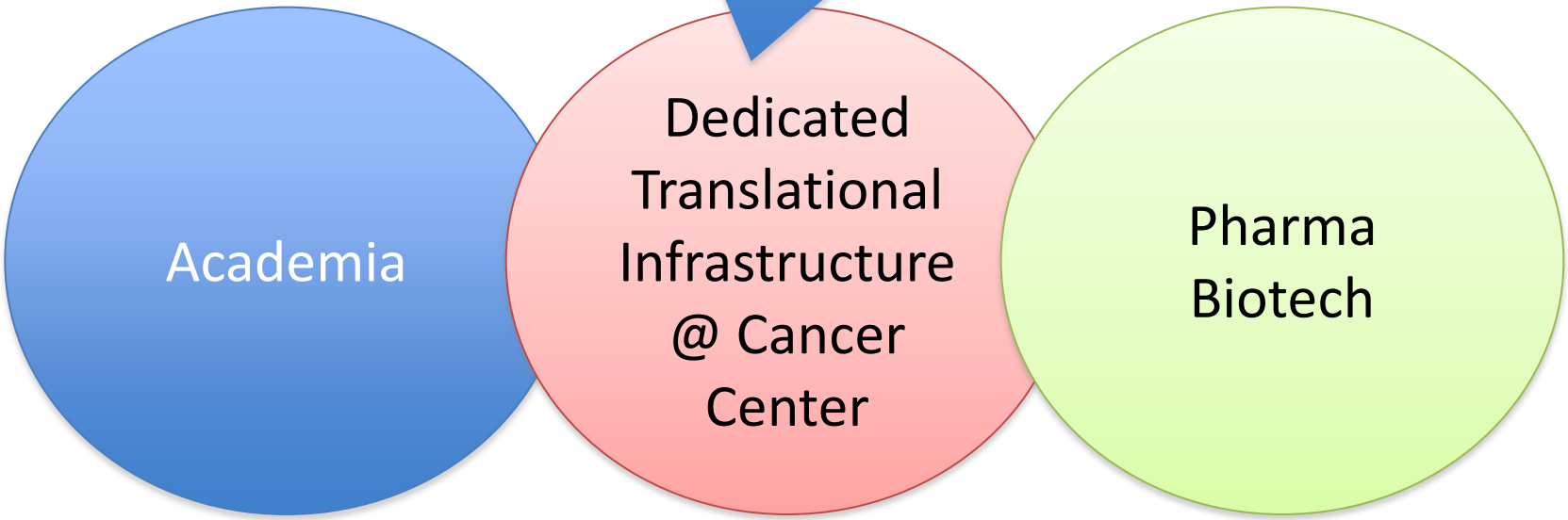
Major Research Initiative: Institute for Applied Cancer Science

Bridging a Critical Gap

- Goal-oriented milestone-driven culture
- Professional industry-seasoned staff, medicinal chemistry
- World class genomics & computational biology
- Deep cancer biology & model systems expertise
- Strong molecular pathology & translational medicine



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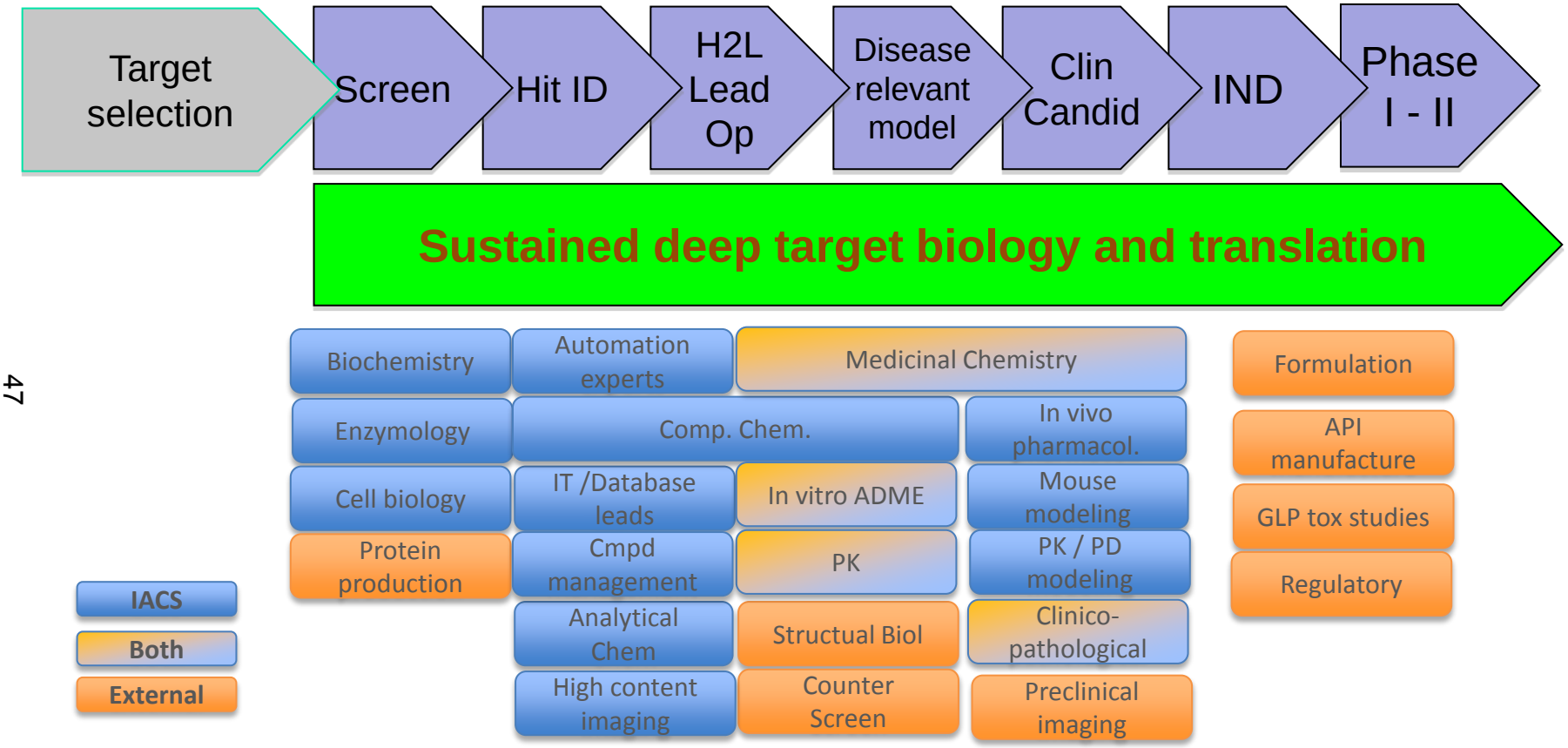
Major Research Initiative: Institute for Applied Cancer Science



- Goal-oriented disciplined science
- Access to best/latest science and technology
- Commitment to science-driven decisions

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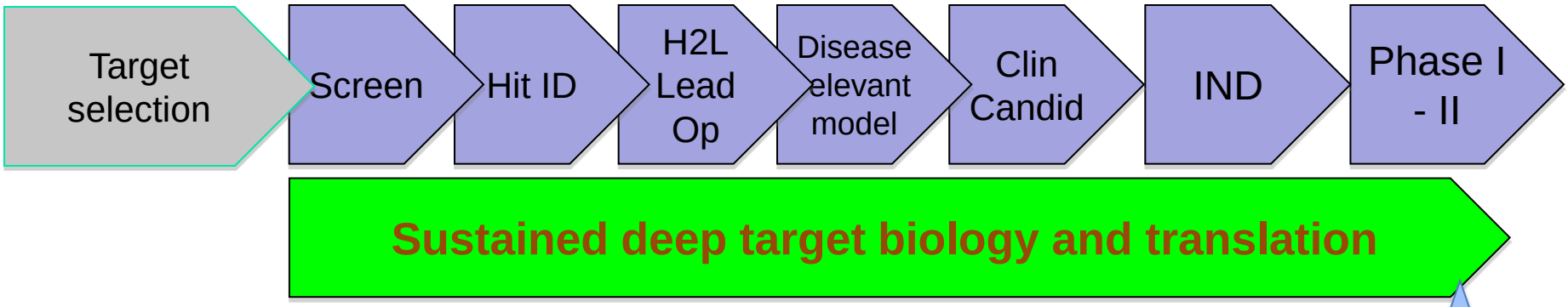
2011 Research Initiatives
Creating sustainability & clinical impact



Validated target	Validated target + chemical matter	Clinical candidate	Clinical Candidate + GLP safety	Clinical Candidate With PoC
Collaborative opportunity	*Collaborative opportunity*	*Out-license Spin-off Co-develop*	*Out-license Spin-off Co-develop*	*Out-license Spin-off*

Execute distinct exit strategies depending on stage

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Major Research Initiative: Cancer Moon Shots

*Goal: To **cure** several major cancers through acquisition and implementation of scientific knowledge that will enable prevention, early detection, prognostication, and treatment*

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Other areas of focus

- Graduate education program
- Physician scientist program
- Mentorship of junior faculty
- Implement or strengthen core resources
- Enhance quantitative sciences
- Information technology infrastructure
- Commercialization
- Survivorship

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MINUTES
U. T. System Board of Regents
Facilities Planning and Construction Committee
February 8, 2012

The members of the Facilities Planning and Construction Committee of the Board of Regents of The University of Texas System convened at 1:41 p.m. on Wednesday, February 8, 2012, in the Regents' Room, Suite 3.106 of the Main Building, The University of Texas at San Antonio Main Campus, One UTSA Circle, San Antonio, Texas, with the following participation:

Attendance
Regent Gary, presiding
Vice Chairman Dannenbaum
Vice Chairman Hicks
Regent Cranberg
Regent Stillwell

Also present were Chairman Powell, Vice Chairman Foster, Regent Pejovich, Regent Rutkauskas, and General Counsel Frederick.

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Committee Chairman Gary called the meeting to order. The PowerPoint presentation concerning all items is set forth on Pages 6 - 53.

1. U. T. System: Report on Progress of Space Utilization Efficiency Report

Committee Meeting Information

Presenter(s): *Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction*

Status: *Reported/Discussed*

Follow-up actions:

1. *Regent Cranberg noted it will be useful to have a facilities cost/student or student credit hour.*
2. *Regent Stillwell asked about the low use issue on Fridays.*
3. *Board Chairman Powell asked three questions:*
   -Will we accept the SUE parameters or set our own?
   -Will we evaluate space available before 8:00 a.m.?
   -Will we look at Saturday usage?
4. *Per Vice Chairman Dannenbaum: Need readable hard copy of the PowerPoint report; print is small.*
5. *Student Regent Rutkauskas noted a request from students for working spaces to gather on Saturdays.*
6. *Regent Cranberg asked OFPC to specifically look at utilization of office space.*

Discussion at meeting:

Mr. O'Donnell discussed the following points:

- *Slide 3: Texas Higher Education Coordinating Board (THECB) started the Space Utilization Efficiency (SUE) report in 2008; the report is an evaluative tool to help to decide if a project is going to proceed and can be used as a relative ranking to compare space utilization on academic campuses across the state.*

- *Slide 6: THECB has come out with a new way to portray SUE scoring including time of day and day of week.*

- *Slide 8: SUE Working Group is comprised of facilities and registrar staff; these groups would need appropriate software to register students in an effective way across the campuses.*

- *Slide 10: U. T. Dallas data is used as a sample; the University is growing rapidly; is moving strategically to become a nationally competitive, publically recognized research university of 25,000-30,000 students; is transitioning from a nontraditional to a more traditional student base with undergraduates and graduates; is attempting to maintain utilization of facilities consistently throughout the day and through days of the week; increased course offerings are requiring more space.*

- *Slide 11: U. T. Dallas physical plant has been upgraded and new buildings built to meet growth.*

- *Slide 12: Some success SUE metrics at U. T. Dallas include regular reviews of classroom usage and usefulness of graphs to demonstrate and evaluate the margins.*

- *Slide 14: The juxtaposition of the SUE report and a building's business plan will help Board members to decide if a building project should go forward.*

- *Slide 16: The SUE reports are informative for purposes of best practices and will be kept updated.*

- *Slide 17: Over the next few months, the Office of Facilities Planning and Construction will work with the other U. T. System institutions to develop similar reports and will deliver a master report to the Chancellor in late Summer 2012. A full report on SUE will subsequently be delivered to the Board's Facilities Planning and Construction Committee and will be updated on a regular basis.*

Dr. Kelley said the SUE data provided by the THECB, while a good starting point and helpful to compare campuses in the state, does have limitations: information is bucketed and may not be as helpful in tracking trends; information is capped up and

does not provide opportunities to demonstrate additional growth; and there is the question of whether the standards are appropriate. He said the campuses are already collecting more discreet, individual data that will allow metrics to be reported to the Board on an annual basis to demonstrate and review trends over time. He indicated each campus will determine how to best maximize utilization for that institution.

Regent Cranberg noted that laboratory and classroom space is included in the report, and he asked if office space is also being assessed for utilization efficiency. Mr. O'Donnell answered affirmatively, adding that laboratory and clinical space will also be reviewed. Regent Cranberg also asked if there is a plan to evaluate the value or cost of different types of classrooms, and Mr. O'Donnell replied yes, the data should show the fit required by different classes, and thus, identify which classrooms are more valuable to an institution. Regent Cranberg noted it will be useful to have a facilities cost per student or student credit hour.

Vice Chairman Dannenbaum requested a readable, hard copy of the space utilization efficiency report, and Mr. O'Donnell sent him the revised slides set forth on Pages 54 - 79.

Regent Stillwell asked about the low utilization issue on Fridays, and Board Chairman Powell asked three questions:

1. *Will we accept the SUE parameters or set our own?*
2. *Will we evaluate space available before 8:00 a.m.?*
3. *Will we look at Saturday usage?*

Mr. O'Donnell said the numbers for Saturday are available and continue to be collected, but were not included in the presentation. He indicated utilization numbers for Fridays and Saturdays are generally low, and provide opportunities for use. Mr. O'Donnell added the SUE parameters will not drive the metrics, but provide a starting point for the institutions to review the data.

Student Regent Rutkauskas noted a request from students for working spaces where they can gather, for instance, on Saturdays. Mr. O'Donnell replied that such space is being identified, but is not included in the SUE data.

* * * * *

With regard to the next few agenda items regarding changes to the Capital Improvement Program (CIP), Committee Chairman Gary took a moment to explain the rigorous process for adding projects to the CIP. He noted business plans for Items 2 - 5 were included in the Board materials (for members of the Board). Dr. Kelley explained the funding and capacity identified for these projects, and concluded that expenditures proposed today do not compromise the capacity of the Permanent University Fund (PUF) over the next few years. Addressing the desire for deliberateness and stability in how projects are submitted, he noted that other projects submitted by the institutions and not listed on this agenda might come forward in the future.

2. U. T. Dallas: Bioengineering and Sciences Building - Amendment of the FY 2012-2017 Capital Improvement Program to include project (Preliminary Board approval)

Committee Meeting Information
Presenter(s): *President David E. Daniel, U. T. Dallas*
Status: *Approved*
Motion: *Made by Regent Stillwell, seconded by Vice Chairman Hicks, and carried unanimously*

3. U. T. San Antonio: Administrative Office Building - Amendment of the FY 2012-2017 Capital Improvement Program to increase the total project cost; approval to revise funding sources; and approval to redesignate the project as the Academic and Administrative Office Building (Preliminary Board approval)

Committee Meeting Information
Presenter(s): *President Ricardo Romo, U. T. San Antonio*
Status: *Approved*
Motion: *Made by Regent Stillwell, seconded by Vice Chairman Hicks, and carried unanimously*

Discussion at meeting:

Committee Chairman Gary clarified that the Administrative Office Building had already been approved by the Board, and this item was to combine the two projects for a larger square footage.

4. U. T. Health Science Center - San Antonio: Center for Oral Health Care at the MARC - Amendment of the FY 2012-2017 Capital Improvement Program to include project (Preliminary Board approval)

Committee Meeting Information
Presenter(s): *William L. Henrich, M.D., President, U. T. Health Science Center - San Antonio*
Status: *Approved*
Motion: *Made by Regent Stillwell, seconded by Vice Chairman Hicks, and carried unanimously*

Discussion at meeting:

Vice Chairman Dannenbaum asked if the proposed bridge to the MARC will provide expedited care, and Dr. Henrich replied affirmatively, but emergency care will be provided in the Center for Oral Health Care.

Regent Cranberg asked about the lease savings, and Dr. Henrich replied the realized savings will be used to renovate the old space.

5. U. T. Health Science Center - Tyler: Academic Center - Phase II - Amendment of the FY 2012-2017 Capital Improvement Program to include project; approval of total project cost; and appropriation of funds (Final Board approval)

Committee Meeting Information
Presenter(s): *Kirk A. Calhoun, M.D., President, U. T. Health Science Center - Tyler*
Status: *Approved*
Motion: *Made by Regent Stillwell, seconded by Vice Chairman Hicks, and carried unanimously*

6. U. T. Austin: Art Building Auditorium and Building HVAC Renovation - Amendment of the FY 2012-2017 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)

Committee Meeting Information
Presenter(s): *Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction*
Status: *Approved*
Motion: *Made by Regent Stillwell, seconded by Vice Chairman Hicks, and carried unanimously*

7. U. T. Austin: Jester West Maintenance and Interior Finishes - Amendment of the FY 2012-2017 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)

Committee Meeting Information
Presenter(s): *Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction*
Status: *Approved*
Motion: *Made by Regent Stillwell, seconded by Vice Chairman Hicks, and carried unanimously*

ADJOURNMENT

Committee Chairman Gary adjourned the meeting at 2:48 p.m.

Agenda Items

Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

U. T. System Board of Regents' Meeting

February 2012

Space Utilization Efficiency Progress Update

Space Utilization Efficiency Work Group

Texas Higher Education Coordinating Board - Space Usage Efficiency (SUE) - Fall 2011

Institution	Overall Score	Classroom Score	Class Lab Score	Classroom						Class Laboratory					
				Demand	Weighted Score	Utilization	Weighted Score	Average Percent Fill	Weighted Score	Demand	Weighted Score	Utilization	Weighted Score	Average Percent Fill	Weighted Score
UT-Arlington	133	58	**75**	33	18	28	8	73%	32	30	27	22	24	65%	24
UT-Austin	**159**	**75**	**84**	40	27	37	24	56%	24	40	36	32	32	59%	16
UT-Dallas	**200**	**100**	**100**	49	36	40	32	67%	32	41	36	32	32	77%	32
UT-El Paso	**175**	**75**	**100**	44	27	35	24	63%	24	66	36	30	32	86%	32
UT-Pan American	**200**	**100**	**100**	46	36	38	32	73%	32	41	36	28	32	84%	32
UT-Brownsville	**176**	**92**	**84**	66	36	34	24	76%	32	119	36	20	24	73%	24
UT-Permian Basin	117	59	58	39	27	32	16	53%	16	29	18	16	16	67%	24
UT-San Antonio	**200**	**100**	**100**	52	36	44	32	68%	32	41	36	31	32	76%	32
UT-Tyler	**158**	58	**100**	36	18	30	16	62%	24	51	36	27	32	76%	32
TAMU	**192**	**92**	**100**	61	36	34	24	72%	32	53	36	32	32	83%	32
TAMU-Galveston	**176**	**76**	**100**	45	36	30	16	61%	24	37	36	26	32	75%	32
Prairie View	142	**75**	67	38	27	37	24	61%	24	30	27	24	24	64%	16
Tarleton	134	58	**76**	34	18	30	16	55%	24	118	36	19	16	69%	24
TAMU-Central	82	41	41	20	9	16	8	60%	24	5	9	3	8	69%	24
TAMU-CC	99	50	49	34	18	29	8	62%	24	22	9	19	16	68%	24
TAMU-Kingsville	132	58	74	34	18	29	8	71%	32	26	18	20	24	75%	32
TAMU-San Antonio	115	58	57	34	18	30	16	59%	24	20	9	19	16	76%	32
TAMI	**167**	**75**	**92**	38	27	30	16	71%	32	40	36	24	24	81%	32
WTAMU	91	33	58	22	9	22	8	54%	16	27	18	26	32	38%	8
TAMU-Commerce	99	50	49	33	18	27	8	59%	24	24	9	16	16	71%	24
TAMU-Texarkana	82	41	41	16	9	15	8	62%	24	19	9	16	16	55%	16
UH	**183**	**83**	**100**	40	27	35	24	67%	32	42	36	26	32	77%	32
UH-Clear Lake	**151**	67	**84**	38	27	31	16	60%	24	40	36	22	24	65%	24
UH-Downtown	141	58	**83**	31	18	28	8	69%	32	32	27	22	24	85%	32
UH-Victoria	82	33	49	26	9	24	8	52%	16	14	9	8	8	76%	32
Midwestern	133	**75**	58	40	27	35	24	55%	24	25	18	16	16	66%	24
UNT	**184**	**92**	**92**	54	36	35	24	76%	32	49	36	26	32	74%	24
UNT-Dallas	74	33	41	26	9	24	8	54%	16	20	9	15	16	59%	16
SFA	101	41	60	26	9	23	8	64%	24	36	36	19	16	52%	8
TSU	98	49	49	23	9	21	8	72%	32	9	9	7	8	79%	32
TTU	**192**	**92**	**100**	46	36	36	24	68%	32	49	36	30	32	78%	32
Angelo	149	66	**83**	34	18	31	16	67%	32	33	27	26	32	69%	24
TWU	**168**	**76**	**92**	48	36	33	16	64%	24	36	36	24	24	79%	32
Lamar	134	58	**76**	36	18	28	8	70%	32	41	36	19	16	73%	24
Sam Houston	**158**	66	**92**	33	18	30	16	67%	32	52	36	29	32	70%	24
TxStU-SM	**200**	**100**	**100**	52	36	42	32	71%	32	67	36	39	32	80%	32
Sul Ross	74	41	33	20	9	15	8	56%	24	11	9	10	8	57%	16
Sul Ross - RG	58	25	33	17	9	16	8	38%	8	3	9	3	8	60%	16
TSTC-Harlingen	133	67	66	42	27	23	8	86%	32	26	18	17	16	91%	32
TSTC-West Texas	74	33	41	11	9	8	8	49%	16	23	9	15	16	56%	16
TSTC-Marshall	141	49	**92**	28	9	16	8	86%	32	71	36	23	24	79%	32
TSTC-Waco	106	49	57	23	9	18	8	86%	32	23	9	19	16	98%	32
Lamar-IOT	**160**	**76**	**84**	53	36	32	16	60%	24	43	36	35	32	64%	16
Lamar-Orange	**184**	**84**	**100**	47	36	30	16	73%	32	50	36	27	32	91%	32
Lamar-Port Arthur	124	41	**83**	28	9	26	8	61%	24	30	27	25	32	68%	24

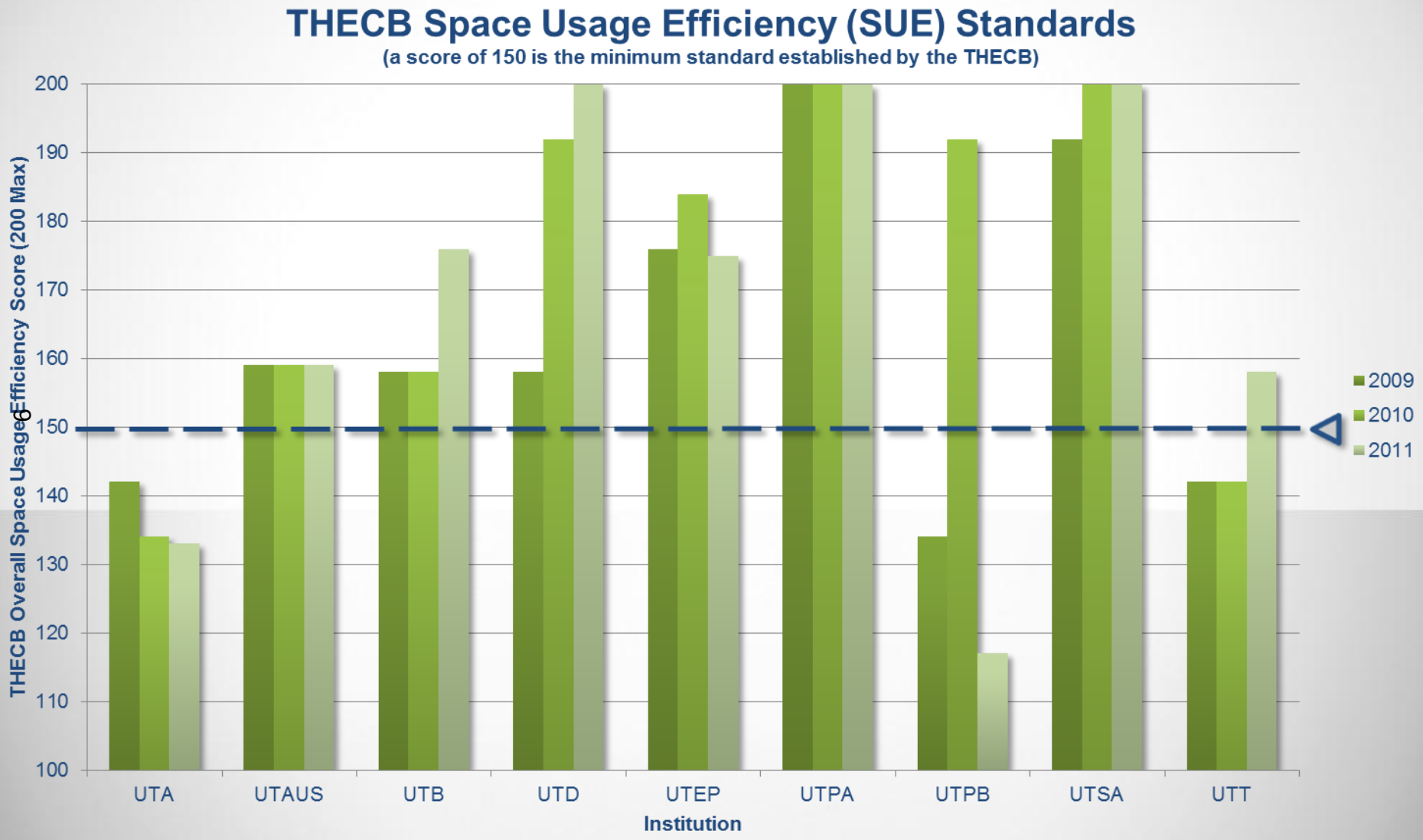
State and Technical Colleges' Demand hours include Continuing Education hours provided on the CBM00C report.

Last Updated
1/6/2012

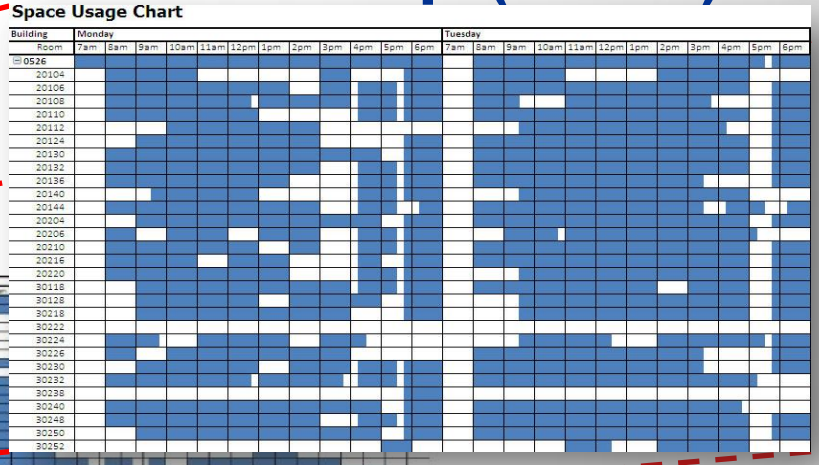
Classroom Weighted Scoring					
Score (weight = 9)		Score (weight = 8)		Score (weight = 8)	
45 or >	36	38 or >	32	65% or >	32
38 - 44.9	27	34 - 37.9	24	55 - 64.9	24
31 - 37.9	18	30 - 33.9	16	45 - 54.9	16
< 31	9	< 30	8	< 45%	8

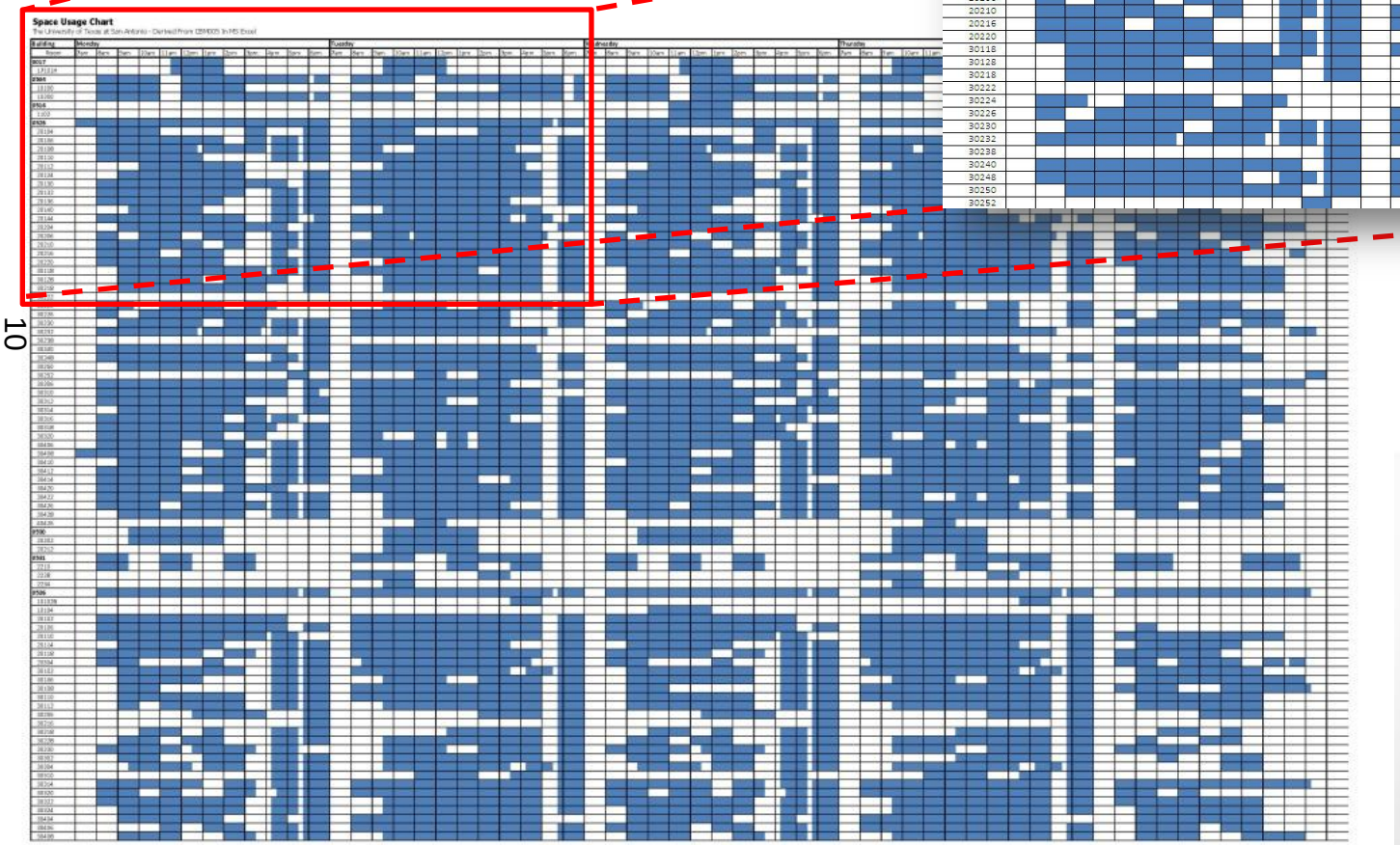
Class Laboratory Weighted Scoring					
Score (weight = 9)		Score (weight = 8)		Score (weight = 8)	
35 or >	36	25 or >	32	75% or >	32
30 - 34.9	27	20 - 24.9	24	65 - 74.9	24
25 - 29.9	18	15 - 19.9	16	55 - 64.9	16
< 25	9	< 15	8	< 55%	8

Space Utilization Efficiency Work Group (Cont.)



Space Utilization Efficiency Work Group (Cont.)





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Space Utilization Efficiency Work Group (Cont.)

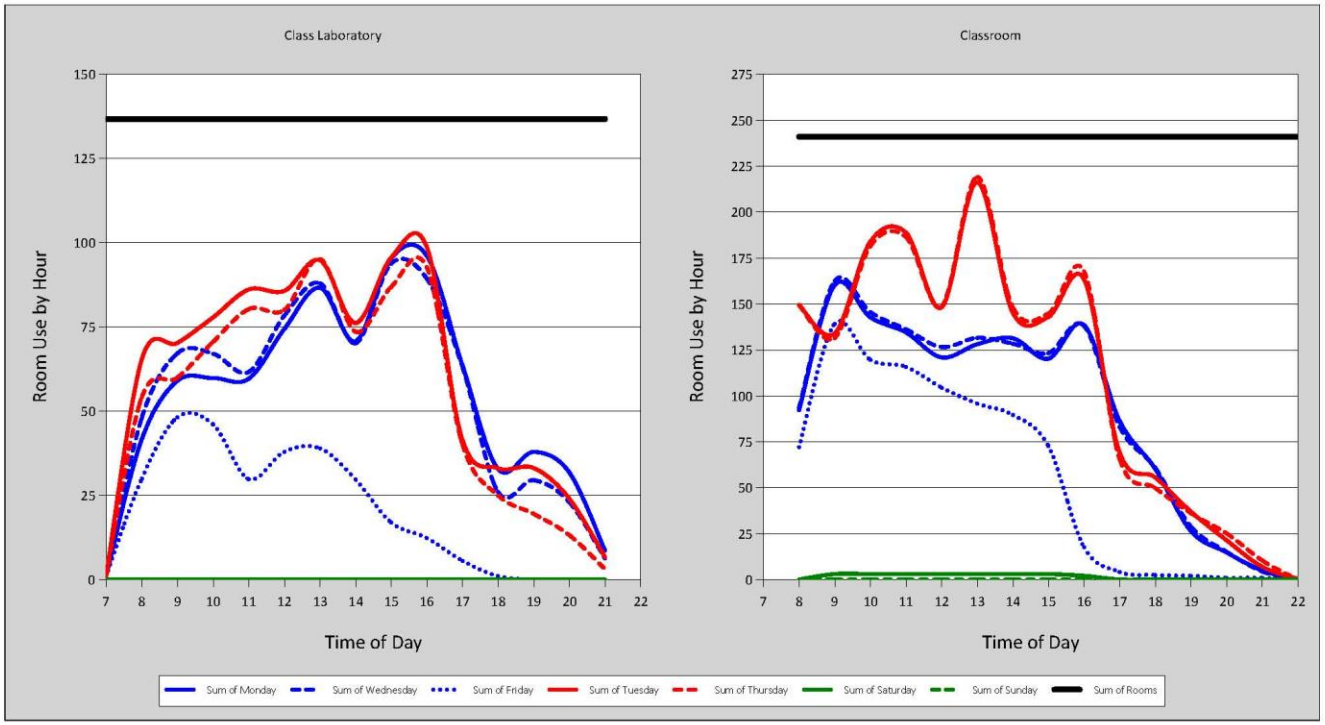
Institution	Overall Score	Classroom Score	Class Lab Score
EXAMPLE 1	**192**	**92**	**100**

Classroom					
Demand	Weighted Score	Utilization	Weighted Score	Average Percent Fill	Weighted Score
61	36	34	24	72%	32

Class Laboratory					
Demand	Weighted Score	Utilization	Weighted Score	Average Percent Fill	Weighted Score
53	36	32	32	83%	32

Classroom Weighted Scoring					
Score (weight = 9)		Score (weight = 8)		Score (weight = 8)	
45 or >	36	38 or >	32	65% or >	32
38 - 44.9	27	34 - 37.9	24	55 - 64.9	24
31 - 37.9	18	30 - 33.9	16	45 - 54.9	16
< 31	9	< 30	8	< 45%	8

Class Laboratory Weighted Scoring					
Score (weight = 9)		Score (weight = 8)		Score (weight = 8)	
35 or >	36	25 or >	32	75% or >	32
30 - 34.9	27	20 - 24.9	24	65 - 74.9	24
25 - 29.9	18	15 - 19.9	16	55 - 64.9	16
< 25	9	< 15	8	< 55%	8



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THECB January 2012

Space Utilization Efficiency Work Group (Cont.)

August 2011:

- The Chancellor presented ***the U. T. System Framework for Advancing Excellence Action Plan***.

  - 4. D. 1. Productivity and Efficiency: Review and implement effective space utilization - "Develop criteria to assess and improve academic, research, and administrative space utilization and strategies, including productivity indices, and review space utilization policies."

12

Fall 2011:

The ***Space Utilization Efficiency Work Group*** was formed with representatives from U. T. Academic and Health Institutions and System Administration.

Space Utilization Efficiency Work Group (Cont.)

Work Group Members:

Dr. Andrew Blanchard
Vice Provost
The University of Texas at Dallas

Matt Furlong
Associate Vice President of Financial Planning and Performance Management
The University of Texas Medical Branch at Galveston

Leigh Ann Kensky
Director, Space Planning and Real Estate
The University of Texas Health Science Center at San Antonio

Dr. Mike Kerker
Associate Vice Provost
The University of Texas at Austin

Susan Lipka
Associate Vice President
The University of Texas M. D. Anderson Cancer Center

Chris Macon
Manager of Program Control Systems
U. T. System Office of Facilities Planning and Construction

Trish Norman
Assistant Director
U. T. System Office of Strategic Initiatives

Michael O'Donnell
Associate Vice Chancellor for Facilities Planning & Construction
U. T. System Office of Facilities Planning and Construction

Brenda Schumann
Associate Registrar
The University of Texas at Austin

Space Utilization Efficiency Work Group (Cont.)

Goals:

1. Develop institution-specific, transparent Key Performance Indicators.
2. Identify additional factors that further inform the interpretation of the Key Performance Indicators.
3. Identify additional metrics.
4. Daylight higher education and research benchmarks, best practices and resources both within System and nationally.
5. Identify metrics to improve clinical capacity.

14

Space Utilization Efficiency Work Group (Cont.)

UT Dallas

Primary Mission	Academic
Year Established	1969
F&O Assignable Sq. Ft.	1,215,190
Student Enrollment	18,864
Undergraduate	11,760
Graduate	7,104
Tenured Faculty	155
Research Expenditures	$93M
Anticipated Annual Enrollment Growth	3.50%
Anticipated Annual Research Growth	7.40%
Specialized Scheduling Tools	Ad Astra
Weekday Schedule	8am - 10pm
Weekend Schedule	8am - 12pm

Key Challenges and Opportunities

UT Dallas is strategically moving to be a nationally competitive public research university with an eventual enrollment at full maturity of 25,000 to 30,000 students. Additionally, while the University is experiencing a transition from non traditional to more traditional student population the University continues to expect that it will provide services across the full expanse of time (Monday through Saturday, 7:30AM to 10:00PM). This expansion of course and degree offerings at UT Dallas will require new academic buildings, classrooms, and research space. Currently, UT Dallas has about 1.7M gross square feet of academic, classroom, and research space. Although growth may produce economies of scale and, hence, fewer square feet per student or faculty member, those efficiencies will likely be offset by the need for more research space for new faculty members who are more active in externally funded research. The expansion in student population will also require a commensurate increase in faculty and staff. Therefore, it is assumed that growth in students, faculty, and staff will require proportional growth in space.

Key Successes

The University physical plant has undergone significant change in the last several years. This process of change places additional responsibilities on faculty and administrative resources (over and above what faculty are tasked to do in teaching, research and service). The institution has managed an increasing student and faculty population, renovation of older physical structures, and transition into new teaching research facilities, all while providing improved student services, improved course and degree offerings, and increased research productivity. Average percent fill has gone up 10 percentage points in one year as a result of a combination of central/distributed management of scheduling and classroom assignments. Classroom utilization is more uniformly distributed (time of day and distribution over the week). We have taken a longer term view in strategically planning utilization of future plant resources.

Fig. 1: Average Weekly Use of Rooms By Hour
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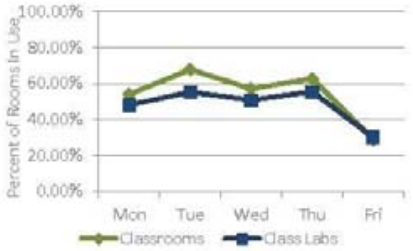
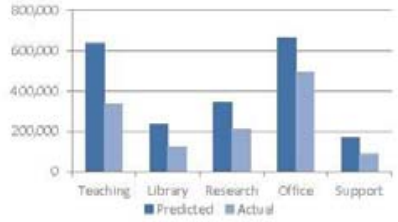


Fig. 3: Predicted Space Needs vs. Current Space Inventory



Space Utilization Efficiency Work Group (Cont.)

UT Dallas (continued)

Key Practices and Policies

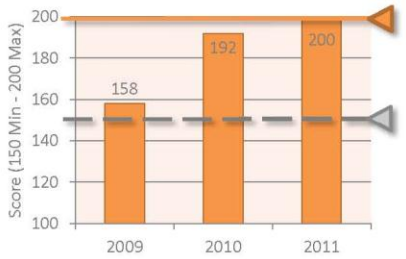
- Strengthen relationships with the external community by scheduling space for community use in support of the Institution's mission
- Utilize centralized scheduling and specialized schedule optimization software
- 80% of space is centrally allocated, 20% allocated by departments
- Choose the most appropriate location for a class from entire inventory
- Strive for full utilization throughout the week and day
- Ensure all teaching spaces are well equipped to neutralize location preferences
- Optimize early and late class offerings to best serve all demographics
- Stabilize the curriculum (same classes, same times, same classrooms)
- From 8-10 a.m. additional flex space is reserved to accommodate needed changes
- Perform a detailed statistical utilization analysis each semester
- Walk campus annually to measure effectiveness
- Develop a priority requirements list in concert with the Schools and Provost Office
- Incorporate change in the management process

Key Metrics

- % Room Fill
- % Utilization
- Accommodation of new programs
- Engineered flexibility
- Detailed histograms of hourly and daily utilization
- Program priorities

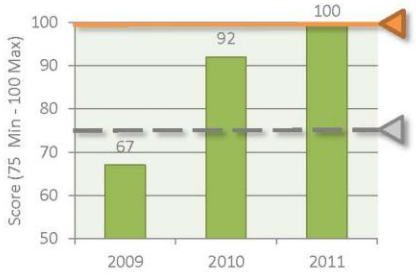
The metrics illustrated below compare THECB Space Usage Standards and UT Dallas' target metrics to actual performance over the last three years. The metrics are derived from UT Dallas' annual CBM005 - Building and Room Report and the CBM011 - Facilities Room Inventory Report. The underlying data is generated by UT Dallas' centralized schedule operations utilizing specialized optimization software.

Fig. 4: Overall Space Usage Efficiency



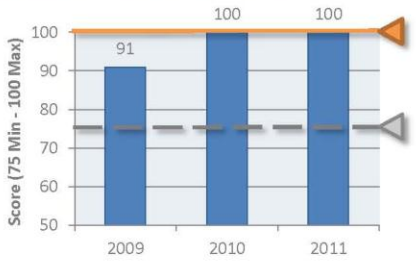
Source: Texas Higher Education Coordinating Board: Fall 2011 Space Usage Efficiency Report

Fig. 5: Classroom Usage Efficiency



Source: Texas Higher Education Coordinating Board: Fall 2011 Space Usage Efficiency Report

Fig. 6: Classroom Laboratory Usage Efficiency



Source: Texas Higher Education Coordinating Board: Fall 2011 Space Usage Efficiency Report

Symbol Legend

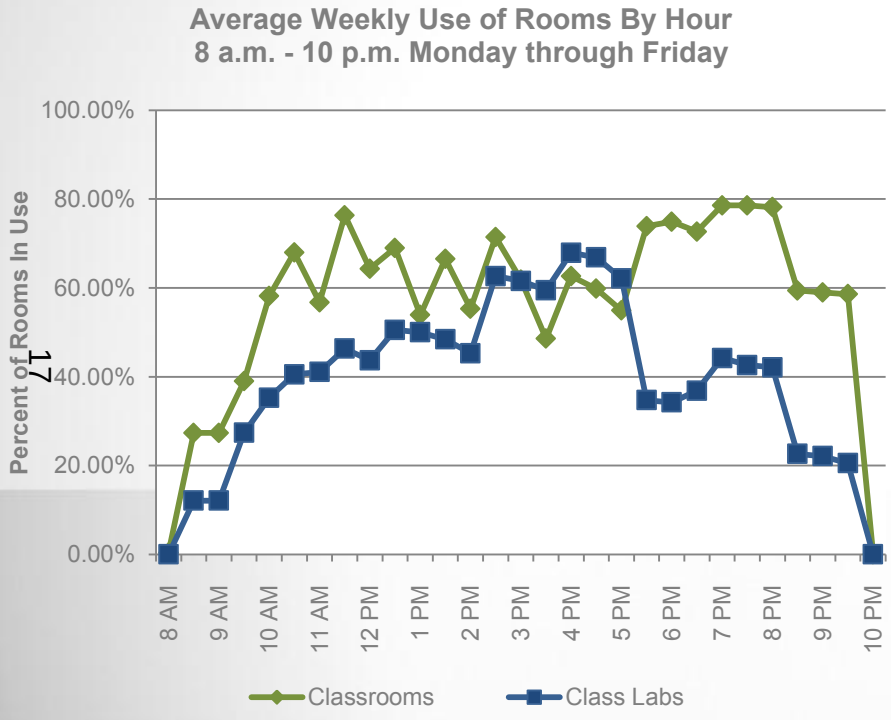
UTD Target

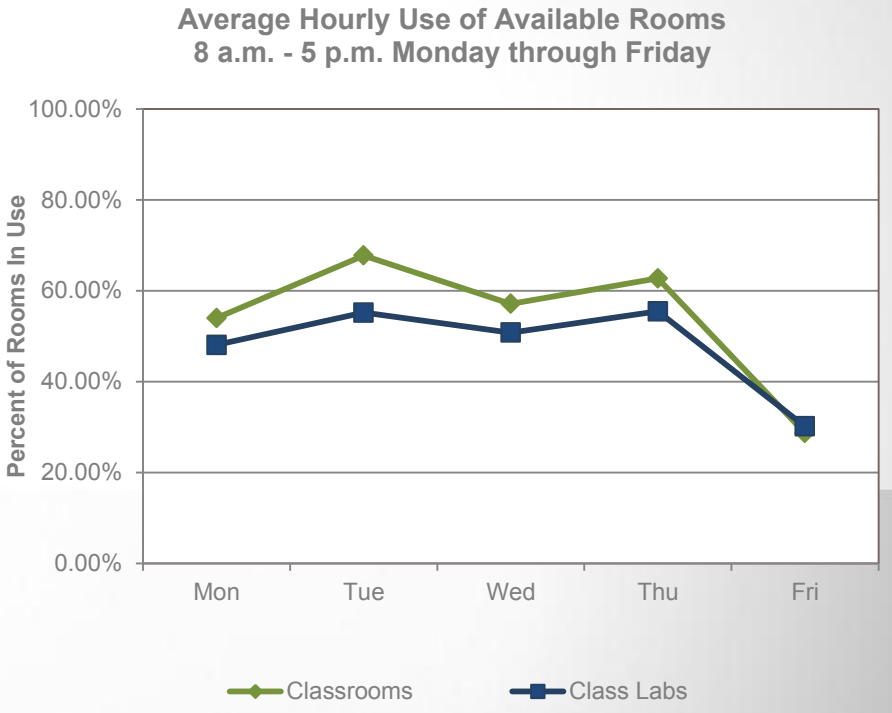
THECB Standard

16

Space Utilization Efficiency Work Group (Cont.)

U. T. Dallas Metrics

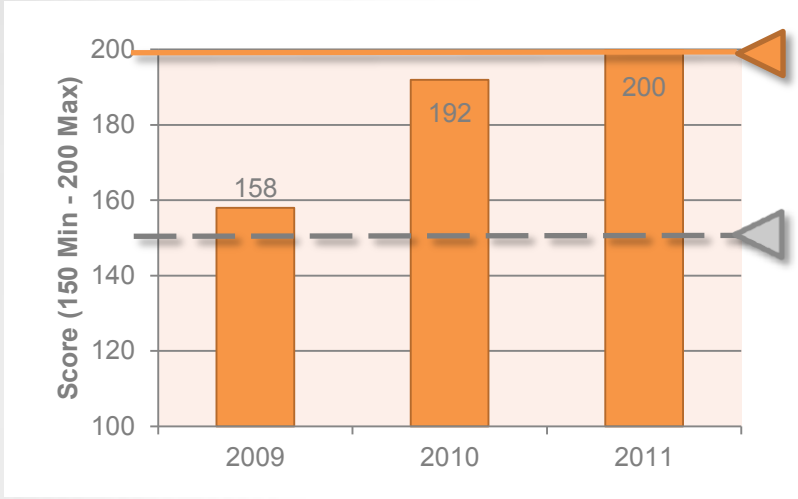




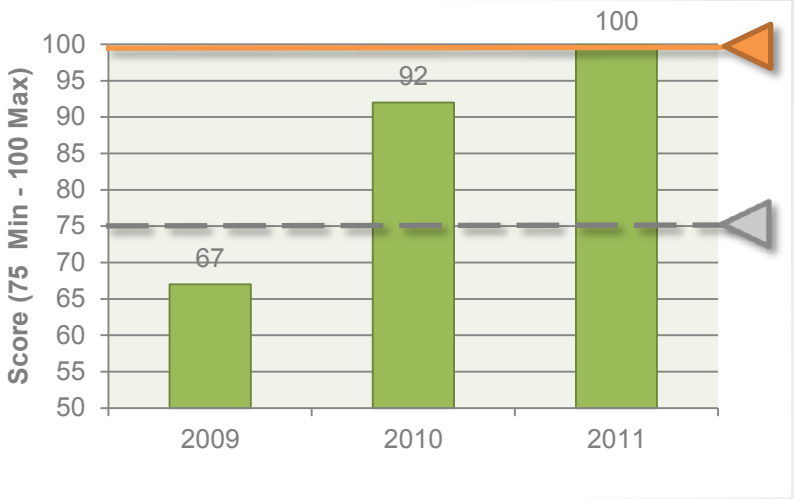
Space Utilization Efficiency Work Group (Cont.)

U. T. Dallas Metrics

Overall Space Usage Efficiency



Classroom Usage Efficiency

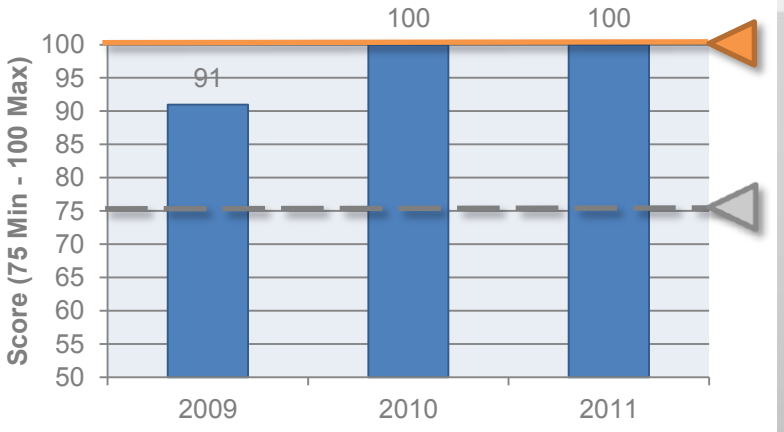


Legend

UTD Target

THECB Standard

Classroom Laboratory Usage Efficiency



Space Utilization Efficiency Work Group (Cont.)

THE UNIVERSITY OF TEXAS AT DALLAS

Bioengineering and Sciences Building Business Plan

UT DALLAS

19

UT DALLAS

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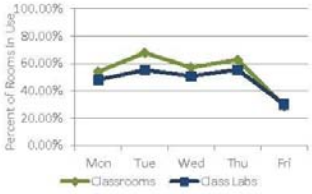

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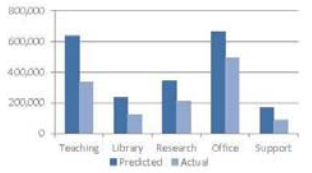


Space Utilization Efficiency Work Group (Cont.)

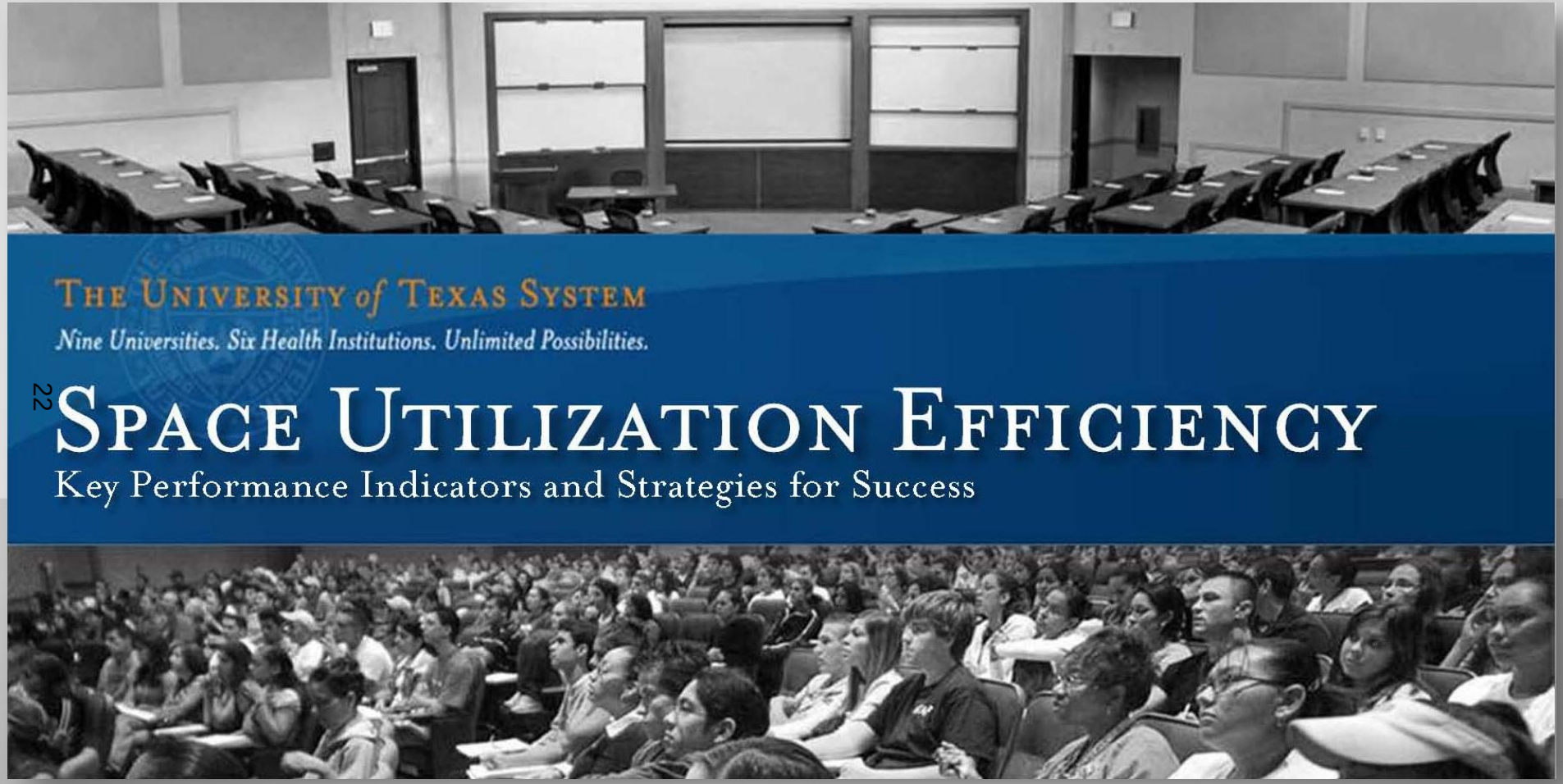
Work Group - Next Steps:

- Develop suggested Best Practices with Institutions:
  - General Space Policies for each campus
  - Space Ownership and Allocation Policies
  - Recapitalization and Maintenance
  - Decision Support Systems
  - Assessment and Monitoring
  - Scheduling Systems
  - Laboratory and Research Space Metrics
  - Clinical Space Metrics

20

Space Utilization Efficiency Work Group (Cont.)

Space Utilization Efficiency Progress Update



U. T. System
FY 2012-2017 Capital Improvement Program

CIP Total prior to today's meeting	$ 6,047,371,126
CIP PUF Additions	$ 233,309,200
CIP R&R Additions	$ 41,850,000
Total Change in CIP	$ 275,159,200
CIP Total after today's meeting	$ 6,322,530,326
CIP Total – February 2011	$ 7.8 billion
CIP Total – February 2010	$ 8.7 billion

23

Consideration of Project Additions to the FY 2012-2017 Capital Improvement Program

Two (2) PUF Eligible Academic Projects

- U. T. Dallas Bioengineering and Sciences Building $ 85,000,000
- U. T. San Antonio Academic and Administrative Office Building $ 50,000,000

24

Two (2) PUF Eligible Health Projects

- U. T. Health Science Center - San Antonio Center for Oral Health Care at the MARC $ 95,000,000
- U. T. Health Science Center - Tyler Academic Center - Phase II $ 24,809,200

U. T. Dallas

Proposal for the

Bioengineering and Sciences Building

25

Presented by Dr. David E. Daniel

U. T. Dallas
Bioengineering and Sciences Building

- Design and construct a new 172,000 gross square foot Bioengineering and Sciences Building
- Importance to the overall University strategic plan
  - Significant enrollment growth (10% in 2011, highest in Texas among four-year institutions; 30% growth over the past four years).
  - U. T. Dallas strategic emphasis on education and research in biomedical engineering, neurosciences, and biosciences.
  - U. T. Dallas strategic emphasis on increasing degree production in critical fields.
  - Space is becoming U. T. Dallas' limiting factor in meeting its objective to become a major, nationally competitive "tier one" research university.

26

Addition to FY 2012-2017 CIP

U. T. Dallas
Bioengineering and Sciences Building

- Institution's current utilization of space
  - U. T. Dallas is one of the most efficient universities in Texas in terms of space utilization according to the Texas Higher Education Coordinating Board (THECB). The Board scores U. T. Dallas' Space Usage Efficiency (SUE) at 200 out of a maximum possible 200, placing U. T. Dallas at the top of Texas public universities.
- Optimal building strategy
  - Aligns with current U. T. Dallas Campus Site Development Plan.
  - Building location takes advantage of existing Vivarium space and existing Vivarium capacity in Natural Science Engineering Research Laboratory (NSERL), linking with these assets.
  - Provides for and integrates instructional and research space.

27

U. T. Dallas
Bioengineering and Sciences Building

- Total Project Cost of $85,000,000 with funding of $72,250,000 from Permanent University Fund Bond Proceeds, $8,750,000 from Revenue Financing System Bond Proceeds, and $4,000,000 in Unexpended Plant Funds.
- Competitive cost assumptions - $494 per gross square foot (GSF) for state-of-the-art science and engineering building.
- The average of 12 other recent U. T. System Bioengineering Science Building Projects = $588 per GSF.

28

U. T. Dallas
Bioengineering and Sciences Building

Proposed site for the Bioengineering and Science Building

Proposed site for the
National Science Foundation Engineering Research Building

U. T. Dallas
Bioengineering and Sciences Building

- Building includes classrooms, instructional laboratories, faculty and student offices, IT infrastructure, and research space.
- Learning and research in the building will focus on functions of the brain, the nervous system, the cell, the gene, and the disciplines of science and engineering as they relate to electronic sensing devices and improvement of human function.
- Space will accommodate enrollment of 1,720 additional students, hiring of 48 new tenure and tenure-track faculty members. Examples of high-growth areas:
  - Enrollment in biochemistry and biology has increased 40% over the past four years to 1,297 in Fall 2011, expected to increase to 1,500 within five years.
  - UTD's new Bioengineering Department launched a baccalaureate degree in bioengineering this year (Fall 2011), projecting at least 200 majors (undergraduate plus graduate) within two years and 500 majors within six years.
- The work performed in the space will attract $12 million annually in additional external research funding and significant technology transfer opportunities.
- The goals of this building are aligned and consistent with UTD's long-term strategic plan.

30

U. T. San Antonio

Proposal for the

Academic and Administrative Office Building

E1

Presented by Dr. Ricardo Romo

U. T. San Antonio
Academic and Administrative Office Building

Project Description

The proposed project will combine two programs to provide 175,000 GSF with the following program areas:

- Academic
  85,000 GSF of E&G space including classrooms, teaching laboratories, research laboratories and faculty offices. This area will accommodate UTSA's Interdisciplinary Cyber Security Program, and the Center for Infrastructure Assurance and Security and will provide space for related instruction for the Colleges of Business and Science.

- Administrative
  90,000 GSF of office space to accommodate various administrative functions currently occupying leased space off campus including: Human Resources, Financial Affairs, Audit, Legal Affairs and Advancement. This CIP Project was previously approved as the Administrative Office Building on August 25, 2011.

32

Amendment to FY 2012-2017 CIP

U. T. San Antonio
Academic and Administrative Office Building

Importance to overall University plan

- In support of the University's Graduation Rate Improvement Plan the project will reduce the University's space deficit, which is in excess of 1.1 million square feet according to the 2010 THECB Academic Space Projection Model - the 2nd highest deficit among state universities.
- Promote interactions and collaborations in the area of cyber security across the colleges.
- Save the University approximately $1.6 million per year in rent expenditures.

33

U. T. San Antonio
Academic and Administrative Office Building

Institution's current utilization of space

- The University has experienced an enrollment growth of 56% over the last 10 years including a five-year 50%+ enrollment growth in the College of Science Ph.D. programs.
- According to the THECB 2011 Space Usage Efficiency Report, UTSA achieved the highest possible scores in space use efficiency for all three categories.

34

Optimal building strategy

- Aligns with the University's Campus Master Plan.
- Combine academic program areas with administrative program areas previously placed on the CIP (Administrative Office Building) to realize economies in construction and achieve the maximum development value.

U. T. San Antonio
Academic and Administrative Office Building

Total Project Cost

Permanent University Fund (PUF) Bond Proceeds	$21.25 million
PUF Bond Proceeds (from close-out of the Applied Engineering and Technology Building project)	$ 1.00 million
Unexpended Plant Funds	$11.75 million
Interest on Local Funds	$10.00 million
Designated Funds	$ 6.00 million
Total Project Cost	$50.00 million

E5

U. T. San Antonio
Academic and Administrative Office Building

Cost Comparison to similar U. T. System projects

Program Area	Budget ($ Millions)	Area GSF	Total Project Cost/GSF	UT System
Academic	$28.5	85,000	$335	$342
Administrative Office	$21.5	90,000	$238	$304
Total Project Cost	$50.0	175,000	$286	

**OFPC Historical Project Cost Information* dated April 1, 2011. Includes regional multiplier 1.03.

U. T. San Antonio
Academic and Administrative Office Building

Campus Site Plan

Proposed Project Site

1. *Main Building*
2. *John Peace Library*
3. *Business Building*
4. *McKinney Humanities Building*
5. *Tobin Avenue Garage*
6. *North Paseo Building*

NORTH

37

U. T. Health Science Center - San Antonio

Proposal for the

Center for Oral Health Care

at the Medical Arts and Research Center (MARC)

Presented by William L. Henrich, M.D.

U. T. Health Science Center - San Antonio Center for Oral Health Care at the MARC

- Four-level state-of-the-art dental clinic facility adjacent to the MARC equipped with advanced technology allowing students, residents, and faculty to learn and practice the latest and most efficient methods in oral health care delivery
  - Approximately 172,000 gross square feet
  - 450-car parking garage
- Importance to Overall University Plan
  - Will attract and allow enrollment of more highly qualified dental school applicants
  - Will enhance educational and clinical interactions between the clinical specialties
  - Will bolster top-tier ranking status and elevate national ranking of the Dental School
  - Increases patient visits by 10% within two years and 15% within three years
  - Increases clinical revenue by 10% within two years and 25% within five years
  - Increases dental clinical research funding by 10% within two years

39

U. T. Health Science Center - San Antonio Center for Oral Health Care at the MARC

- Institution's Current Utilization of Space
  - Existing dental clinics do not meet current critical life safety and building codes
    - Inadequate stairs for evacuation
    - Inadequate air flow isolation in areas providing anesthetics to patients
  - Clinic visibility, patient access, and parking have become difficult with campus growth
    - Waiting rooms have become over-crowded, forcing patients into the hallways
  - Assessment of renovation costs are significant and limiting for clinical growth
    - Cost to renovate existing clinical facility to comply with fire and life safety codes and to model a design comparable to modern oral health care delivery systems ranges from $65M - $81M
    - Cost to renovate existing facility to comply with fire and life safety codes for office space ranges from $35M - $41M
- Optimal Building Strategy
  - The facility will be constructed using cost effective models comparable with other recent medical structures, such as the MARC and UTHSC-Houston Dental Branch
  - New facility would result in annual lease cost savings of approximately $1.4 million
  - A new facility would generate operating efficiencies of $3.5 million per year

40

U. T. Health Science Center - San Antonio Center for Oral Health Care at the MARC

- Construction Cost per Square Foot
  - Clinical Facility $311
  - Parking Facility $10,827

- Other Project Information
  - Total Project Cost (TPC) $95M
  - Total Gross Square Foot (GSF) 172,000
  - TPC/GSF $552/GSF
  - Efficiency 63.5%

41

U. T. Health Science Center - San Antonio Center for Oral Health Care at the MARC

- Existing Space

Current Office Space deficit (per THECB Fall 2010 Space Projection Model)	225,641
Gross square footage projected to be vacated at current Dental facility	**128,000**
Assignable square footage vacated at current facility (75%)	96,000
Leased space identified to backfill vacated space	94,000
Value of lease savings from proposed move into vacated Dental facility	$1,362,000

42

- Projected New Space

Total Gross Square Footage	172,000
Assignable Clinic	93,710
Assignable Office / Support	12,335

U. T. Health Science Center - San Antonio Center for Oral Health Care at the MARC

43

Total Project Cost and Funding	
Total Project Cost	**$95 million**
Permanent University Fund Bond Proceeds	$63 million
Revenue Financing System Bond Proceeds	$15.0 million
Designated Funds	$15.0 million
Gifts	$ 2.0 million

U. T. Health Science Center - Tyler

Proposal for the

Academic Center - Phase II

44

Presented by Kirk A. Calhoun, M.D.

U. T. Health Science Center - Tyler
Academic Center - Phase II

- Completion of the Academic Center - Phase II project
  - Finish-out the academically dedicated third floor to include a medical research library, auditorium, classrooms, and conference rooms.
  - Finish-out the second floor surgical specialist's clinic and teaching space.
  - Renovations to the physical plant to accommodate expansions and provide energy consumption savings.
- Importance to overall University plan
  - Creating new facilities on the third floor will allow UTHSCT to further its mission of providing a comprehensive education environment.
  - Relocating the surgical specialists will allow for the growth and expansion of primary care services at UTHSCT and accommodate the already successful residency program.

45

Addition to FY 2012-2017 CIP

U. T. Health Science Center - Tyler Academic Center - Phase II

- Institution's current utilization of space
  - The University's plan for the Academic Center was to construct the project in two phases upon receipt of necessary funding. The second and third floors were constructed as shelled spaces for future build out.
- Optimal building strategy
  - Aligns with current UTHSCT Campus Site Development Plan.
- Total Project Cost of $24,809,200 with funding of $21,000,000 from Permanent University Fund Bond Proceeds, and $3,809,200 from Designated Funds.

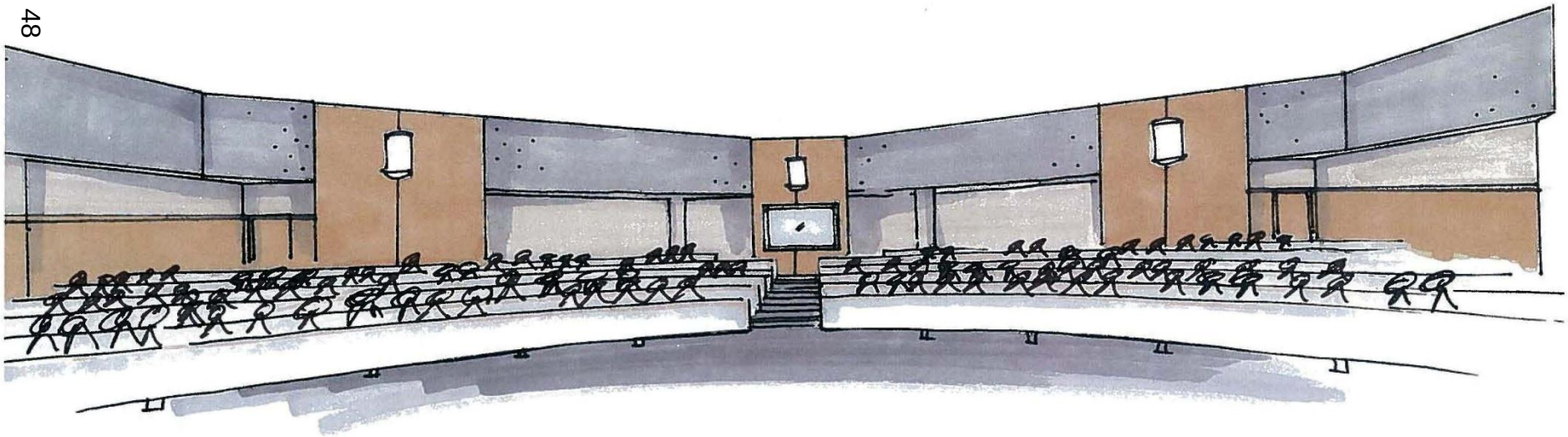
46

U. T. Health Science Center - Tyler
Academic Center - Phase II

47

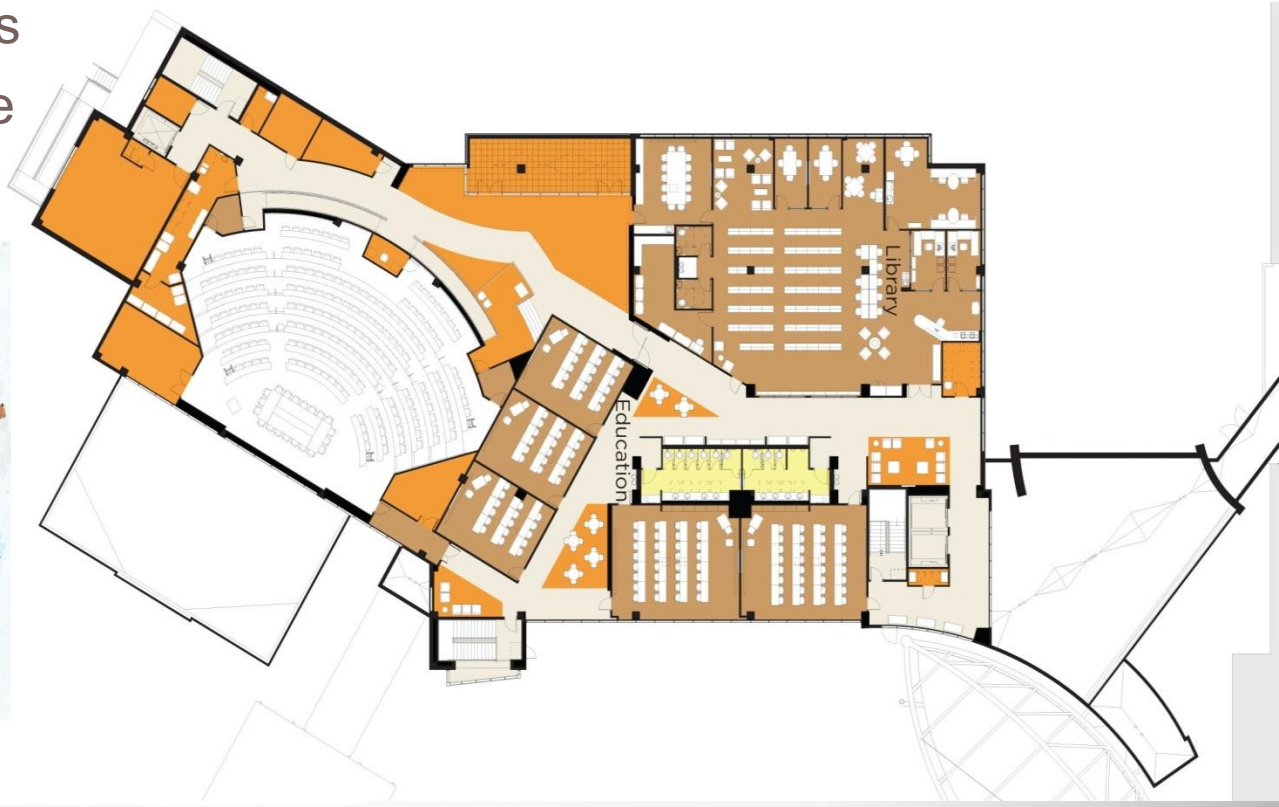
U. T. Health Science Center - Tyler Academic Center - Phase II

- The 3rd floor Academic Space
  - One 187 Seat Amphitheater
  - Two 30 Seat Classrooms
  - Three 15 Seat Classrooms
  - Medical Research Library



U. T. Health Science Center - Tyler Academic Center - Phase II

- The 3rd floor Academic Space
  - Conference Rooms
  - Pre-function Space
  - Catering Facilities



U. T. Health Science Center - Tyler Academic Center - Phase II

- The 2nd floor Surgical Specialist's Clinic
  - Teaching/Conference Rooms
  - Surgical Specialty Clinics
  - Breast Center
  - Urology

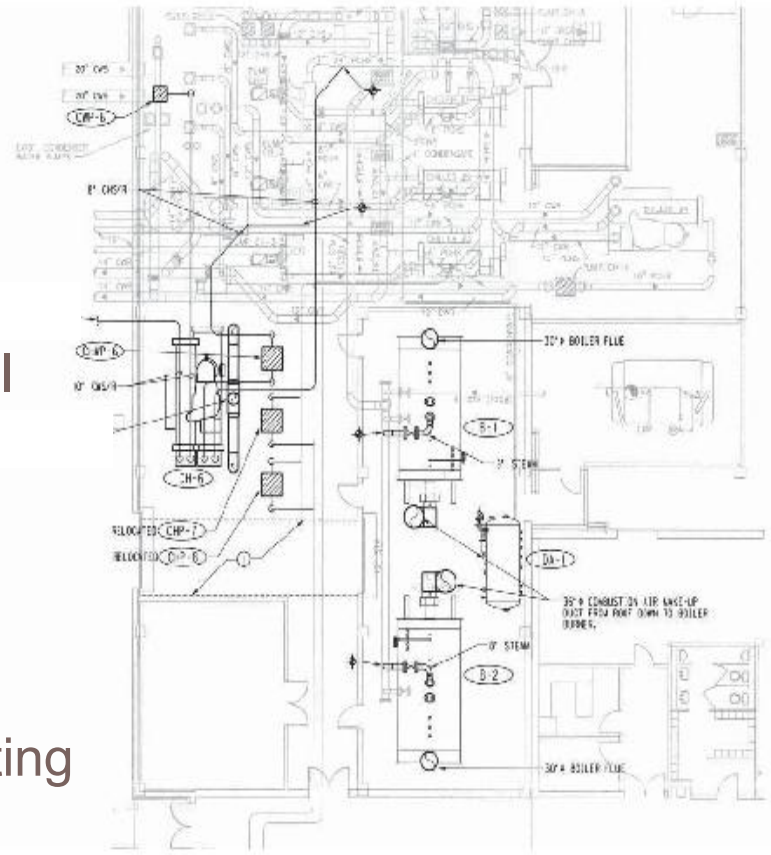
50

LEGEND

- Public (2,400 SF)
- Shared Support (1,050 SF)
- Physician Suite - Breast Center (4,050 SF)
- Physician Suite - Surgery (5,330 SF)
- Physician Suite - Visiting Physicians (3,120 SF)
- Physician Suite - GI (3,500 SF)

U. T. Health Science Center - Tyler Academic Center - Phase II

- Renovations to the physical plant
  - The current physical plant has not seen any significant upgrades since 1973.
  - There is not enough capacity in the current physical plant to bring the additional square footage of Phase II on line.
  - Upgrades will allow for the introduction of the latest technology in environmental and utility controls. Energy consumption will be greatly improved with these upgrades resulting in significant operational savings.



51

U. T. Austin – Art Building Auditorium and Building HVAC Renovation

- Major renovation of Art Building Auditorium to include HVAC, electrical, lighting, interior finishes, and code upgrades to Art Building, which was constructed in 1962

52

- Institutional Management

- Total Project Cost of $5,850,000 with funding of $3,900,000 from Designated Funds, $1,850,000 from Interest on Local Funds, and $100,000 from the Available University Fund

Addition to FY 2012-2017 CIP

U. T. Austin – Jester West Maintenance and Interior Finishes

- Systematically renovate the rooms and interior finishes of all 15 floors in the Jester Dormitory West Tower over the period summer of 2013 - 2018

53

- Institutional Management

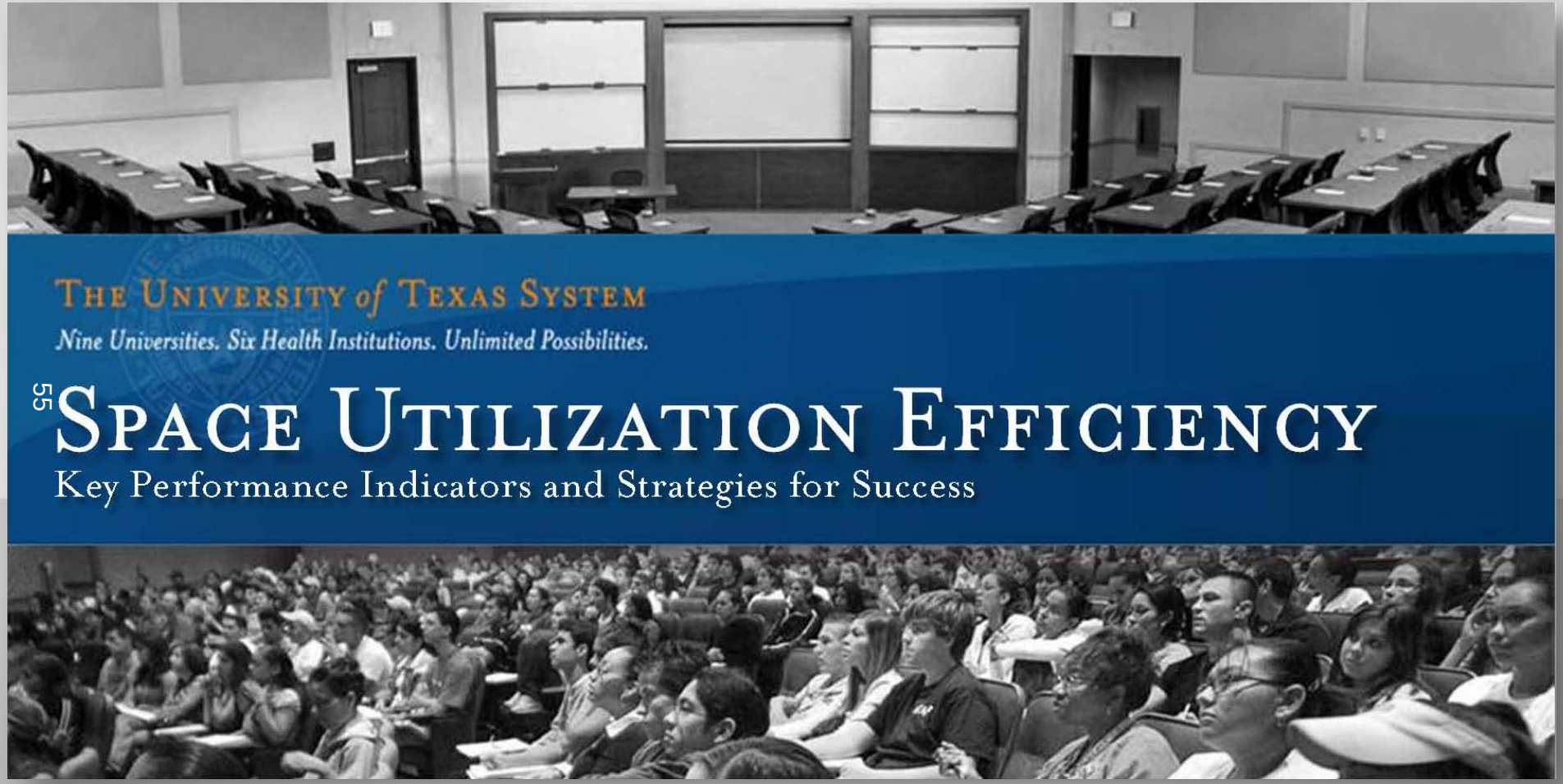
- Total Project Cost of $36,000,000 with funding from Auxiliary Enterprises Balances

Addition to FY 2012-2017 CIP

Space Utilization Efficiency Progress Update

54

Space Utilization Efficiency Progress Update



Space Utilization Efficiency Work Group

August 2011:

- The Chancellor presented *A Framework for Advancing Excellence throughout The University of Texas System: Action Plan*.

- 4.D.1: “Develop criteria to assess and improve academic, research, and administrative space utilization and strategies, including productivity indices, and review space utilization priorities”

96

Space Utilization Efficiency Work Group

Fall 2011: The *Space Utilization Efficiency Workgroup* was formed with representatives from U. T. Academic and Health Institutions and System Administration.

Goals:

1. Promote the improvement of U. T. System classroom, teaching lab and research space usage efficiency by utilizing existing data sources required for state reporting to develop institution-specific, transparent Key Performance Indicators.

2. Identify additional factors that further informs the interpretation of the Key Performance Indicators (e.g., campus age, educational mission, cultural values, demographic drivers, pedagogy, classroom technological capabilities, lab flexibility, etc.).

57

Space Utilization Efficiency Work Group

Goals - Continued:

3. Identify additional metrics that could enhance classroom scheduling, research space allocation, facilities planning and re-use of space, energy efficiency, maintenance, etc.

4. Daylight higher education and research benchmarks, best practices and resources that are being used currently both within System and nationally to expand classroom access, improve research success.

5. Following successful attainment of the above goals, expand this study and metrics to review and provide tools to improve clinical capacity.

58

Space Utilization Efficiency Work Group

Workgroup Members:

Dr. Andrew Blanchard
Vice Provost
The University of Texas at Dallas

Matt Furlong
Associate Vice President of Financial Planning and Performance Management
The University of Texas Medical Branch at Galveston

Leigh Ann Kensky
Director, Space Planning and Real Estate
The University of Texas Health Science Center at San Antonio

Dr. Mike Kerker
Associate Vice Provost
The University of Texas at Austin

Susan Lipka
Associate Vice President
The University of Texas M. D. Anderson Cancer Center

Chris Macon
Manager of Program Control Systems
Office of Facilities Planning and Construction

Trish Norman
Assistant Director Of Strategic Initiatives
Office of Strategic Management

Michael O'Donnell
Associate Vice Chancellor for Facilities Planning & Construction
UT System Office of Facilities Planning and Construction

Brenda Schumann
Associate Registrar
The University of Texas at Austin

59

Space Utilization Efficiency Work Group

Deliverables and Schedule:

- Draft report to EVC's, Chancellor, & FPCC: February 2012
- Roll-out results and tools to Institutions: May 2012
- Institutions report results, compile plan to Chancellor: Fall 2012
- Progress report to Board of Regents: February 2013

09

Space Utilization Efficiency Work Group

Initial Workgroup Focus:

- Detailed analysis of each institution to understand:
  - Available data / use in critical decision making and future planning
  - Standards and benchmarking
  - Key challenges and opportunities
  - Metrics, policies, and practices
  - Lessons learned, best practices, resources
  - Maximizing space usage efficiencies / complexities

61

Space Utilization Efficiency Work Group

THECB Space Usage Efficiency (SUE) Standards:

- Developed in 2008 / Issued 2009
- Agency assessment mechanism for project approval
- Evaluate Institution's overall space planning effectiveness
- Algorithm using Facility Demand, Utilization Rate, Average Percent Fill
- 150 combined points out of 200 considered acceptable by the Agency
- Not applicable to Healthcare

62

Space Utilization Efficiency Work Group

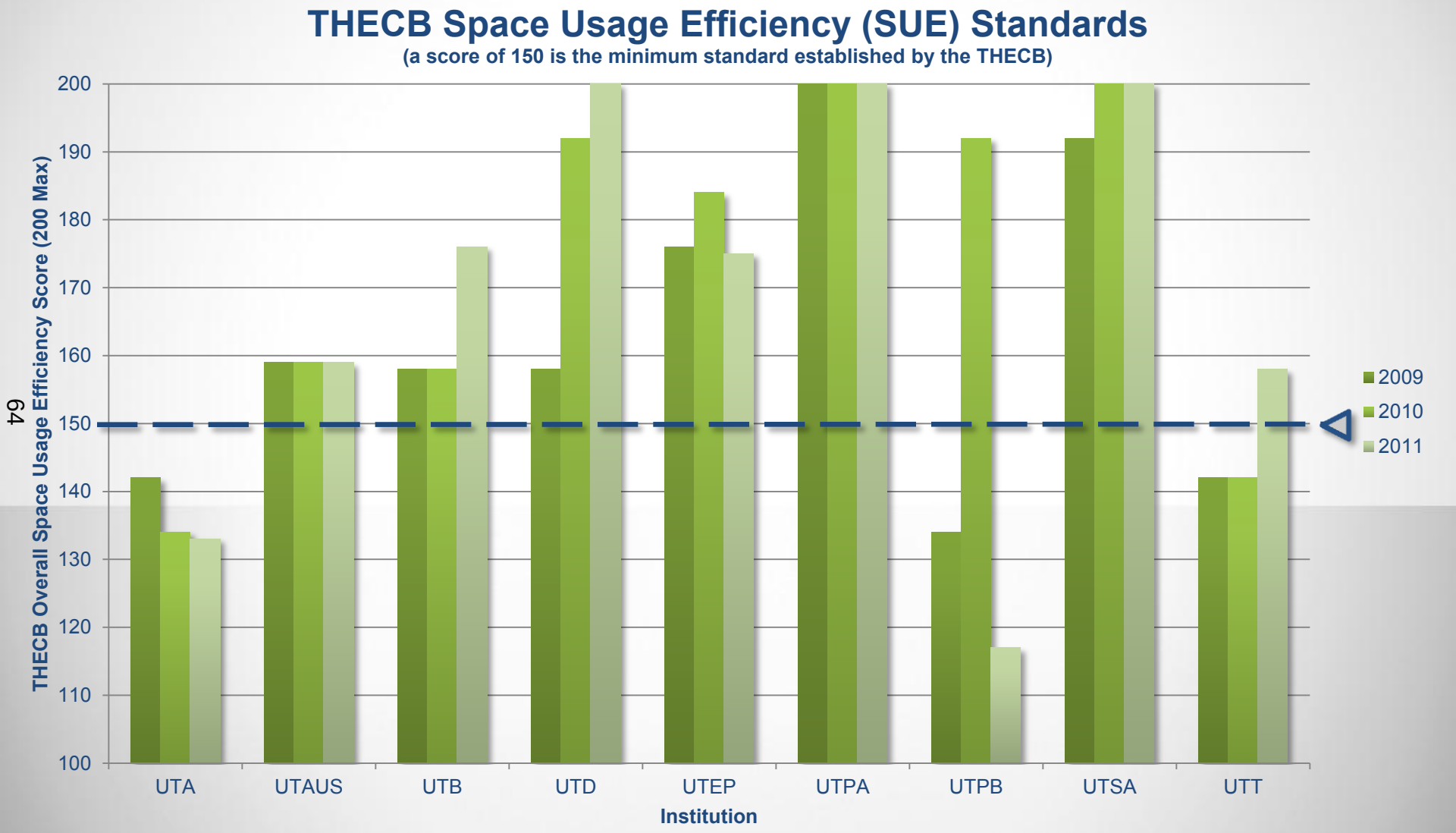
THECB Data Sources:

- Of the 13 reports currently provided to THECB by the Institutions, two (2) are used as sources for the THECB Space Usage Efficiency (SUE) calculations:
  - CBM005 Building and Room Report
  - CBM011 Facilities Room Inventory Report

63

- The underlying data sources vary by each Institutions using custom built or commercial software applications to generate and process the data – a blend of the Facilities and Registrar functions.

Space Utilization Efficiency Work Group



64

Space Utilization Efficiency Work Group

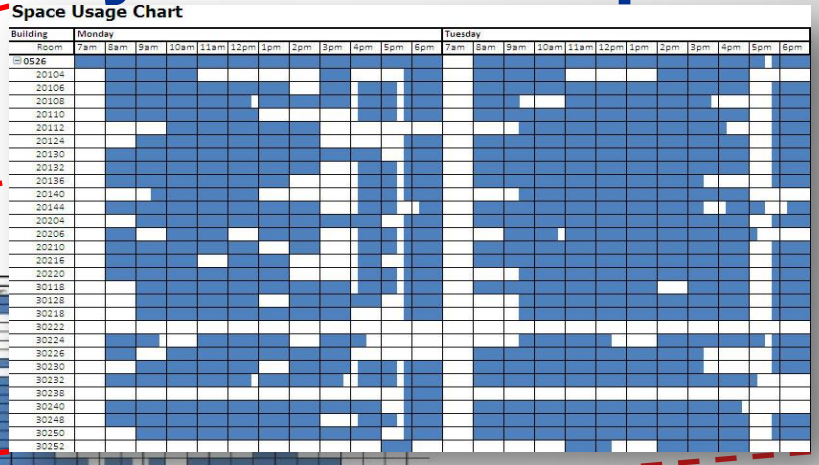
The Available Data:

1. Highly detailed analysis of hourly room by room space utilization can be derived from the available data supplied by the Institutions.

65

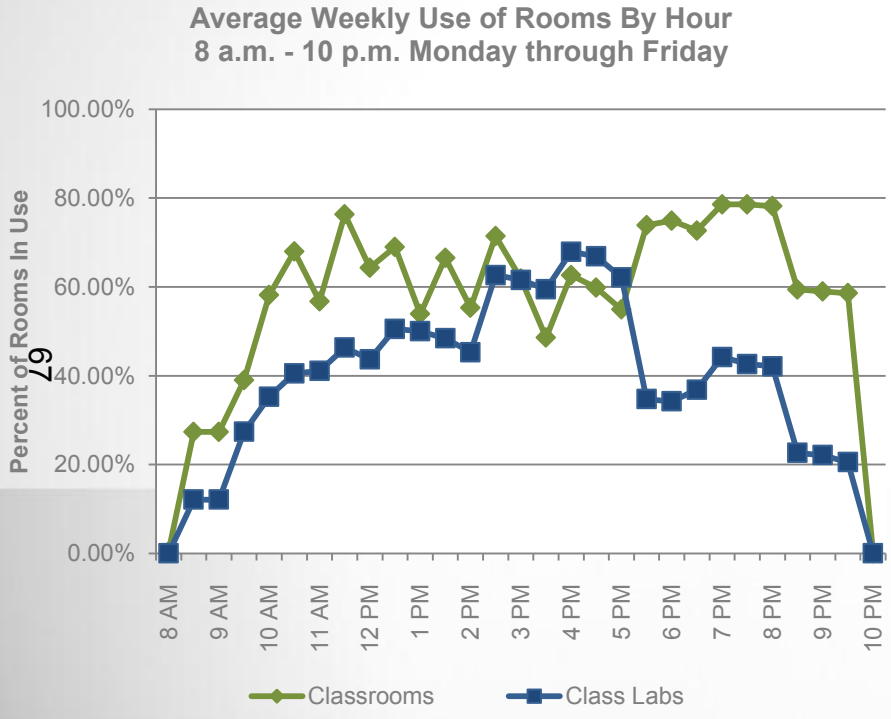
2. Much of this analysis is presently being used by many of our Institutions for space optimization.

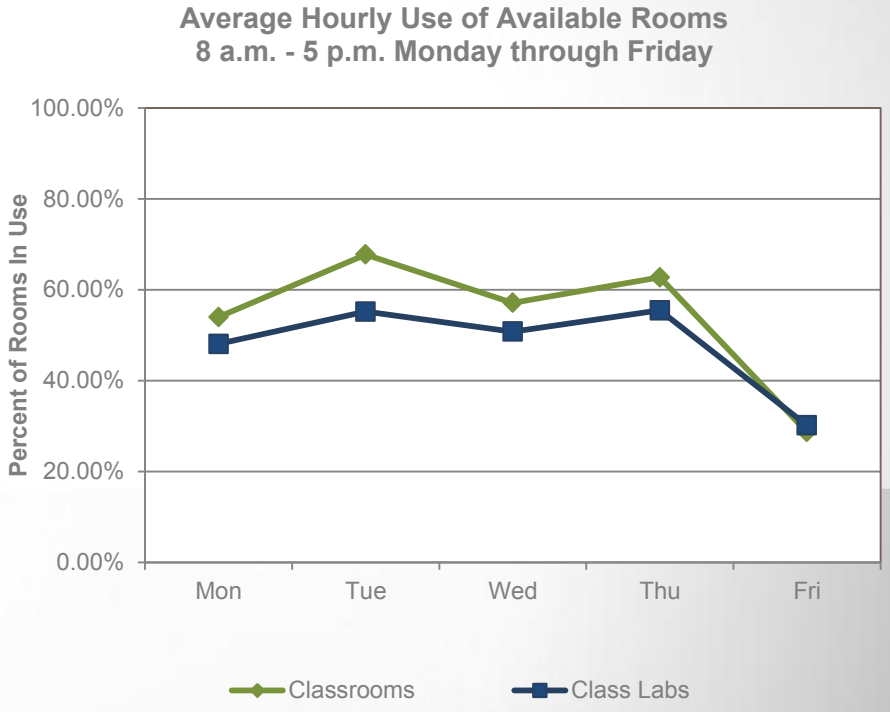
Space Utilization Efficiency Work Group



99

Space Utilization Efficiency Work Group





Space Utilization Efficiency Work Group

UT Dallas

Primary Mission	Academic
Year Established	1961
E&G Assignable Sq. Ft.	1,245,190
Student Enrollment	18,864
Undergraduate	11,760
Graduate	7,104
Tenured Faculty	918
Research Expenditures	$66M
Anticipated Annual Enrollment Growth	3.50%
Anticipated Annual Research Growth	7.40%
Specialized Scheduling Tools	Ad Astra
Weekday Schedule	8am - 10pm
Weekend Schedule	8am - 12pm

Key Challenges and Opportunities

UT Dallas is strategically moving to be a nationally competitive public research university with an eventual enrollment at full maturity of 25,000 to 30,000 students. Additionally, while the University is experiencing a transition from non-traditional to more traditional student population the University continues to expect that it will provide services across the full expanse of time (Monday through Saturday, 7:30AM to 10:00PM). This expansion of course and degree offerings at UT Dallas will require new academic buildings, classrooms, and research space. Currently, UT Dallas has about 1.7M gross square feet of academic, classroom, and research space. Although growth may produce economies of scale and, hence, fewer square feet per student or faculty member, those efficiencies will likely be offset by the need for more research space for new faculty members who are more active in externally funded research. The expansion in student population will also require a commensurate increase in faculty and staff. Therefore, it is assumed that growth in students, faculty, and staff will require proportional growth in space.

Key Successes

The University physical plant has undergone significant change in the last several years. This process of change places additional responsibilities on faculty and administrative resources (over and above what faculty are tasked to do in teaching, research and service). The institution has managed an increasing student and faculty population, renovation of older physical structures, and transition into new teaching research facilities, all while providing improved student services, improved course and degree offerings, and increased research productivity. Average percent fill has gone up 10 percentage points in one year as a result of a combination of central/distributed management of scheduling and classroom assignments. Classroom utilization is more uniformly distributed (time of day and distribution over the week). We have taken a longer-term view in strategically planning utilization of future plant resources.

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8 a.m. - 10 p.m. Monday through Friday

Fig. 2: Average Hourly Use of Available Rooms
8 a.m. - 5 p.m. Monday through Friday

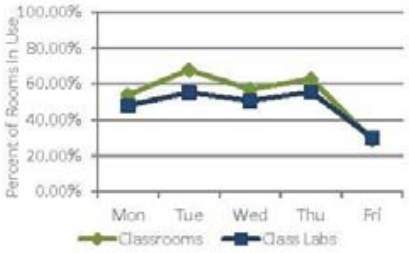
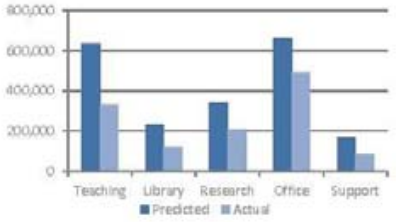


Fig. 3: Predicted Space Needs vs. Current Space Inventory



68

Space Utilization Efficiency Work Group

U. T. Dallas

Key Challenges and Opportunities

- Strategically moving to be a nationally competitive public research university
- Enrollment at full maturity of 25,000 – 30,000 students
- Transitioning from nontraditional to more traditional student population
- Expect to continue to provide services across full expanse of time (Monday through Saturday; 7:30 AM to 10:00 PM)
- Expansion of course and degree offerings will require new academic buildings, classrooms, and research space
- Currently 1.7M GSF of Academic, Classroom, and Research Space

69

Space Utilization Efficiency Work Group

U. T. Dallas

Key Challenges and Opportunities - Continued

- Growth may produce economies of scale; fewer square feet per student or faculty member, efficiencies likely offset by need for new research space for new faculty members who are more active in externally funded research.
- Growth in student population will also require a commensurate increase in faculty and staff and drive the need for additional space.

70

Space Utilization Efficiency Work Group

U. T. Dallas - Key Successes:

- Physical Plant has undergone significant upgrading
- Renovation of older structures and transition into new teaching facilities has allowed management of:
  - increasing student and faculty populations;
  - increased student services;
  - improved course offerings; and
  - Increased research productivity.
- Average percent fill has gone up 10% in a single year.
- Classroom Utilization is more uniformly distributed.
- Strategic Planning of Space: longer-term view

Space Utilization Efficiency Work Group

U. T. Dallas - Key Practices and Policies:

- Strengthen relationships with external community
- Centralized scheduling and optimization software
- 80% of space centrally allocated, 20% by Dept.
- Classes optimized from entire space inventory
- Strive for full utilization throughout week / day
- Well equip all classrooms to neutralize location preference
- Stabilize the curriculum (same classes / times / rooms
- Optimize early / late class offerings
- From 8 – 10 a.m. additional flex space reserved for changes
- Detailed statistical utilization analysis each semester
- Walk campus annually to measure effectiveness
- Priority requirements list with Schools and Provost Office
- Reevaluate Management Process

72

Space Utilization Efficiency Work Group

U. T. Dallas – Key Metrics:

- % Room Fill
- % Utilization
- Accommodations of new programs
- Engineered flexibility
- Detailed histograms of hourly and daily utilization
- Program priorities

73

Space Utilization Efficiency Work Group

UT Dallas (continued)

Key Practices and Policies

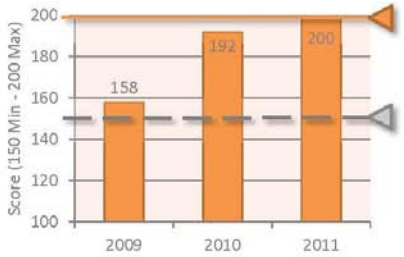
- Strengthen relationships with the external community by scheduling space for community use in support of the Institution's mission
- Utilize centralized scheduling and specialized schedule optimization software
- 80% of space is centrally allocated, 20% allocated by departments
- Choose the most appropriate location for a class from entire inventory
- Strive for full utilization throughout the week and day
- Ensure all teaching spaces are well equipped to neutralize location preferences
- Optimize early and late class offerings to best serve all demographics
- Stabilize the curriculum (same classes, same times, same classrooms)
- From 8-10 a.m. additional flex space is reserved to accommodate needed changes
- Perform a detailed statistical utilization analysis each semester
- Walk campus annually to measure effectiveness
- Develop a priority requirements list in concert with the Schools and Provost Office
- Incorporate change in the management process

Key Metrics

- % Room Fill
- % Utilization
- Accommodation of new programs
- Engineered flexibility
- Detailed histograms of hourly and daily utilization
- Program priorities

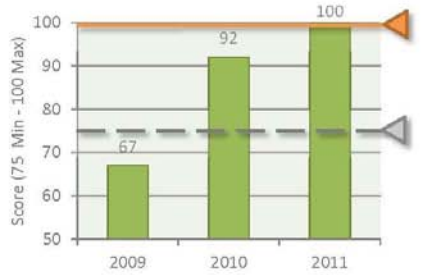
The metrics illustrated below compare THECB Space Usage Standards and UT Dallas' target metrics to actual performance over the last three years. The metrics are derived from UT Dallas' annual CBM005 - Building and Room Report and the CBM011 - Facilities Room Inventory Report. The underlying data is generated by UT Dallas' centralized schedule operations utilizing specialized optimization software.

Fig. 4: Overall Space Usage Efficiency



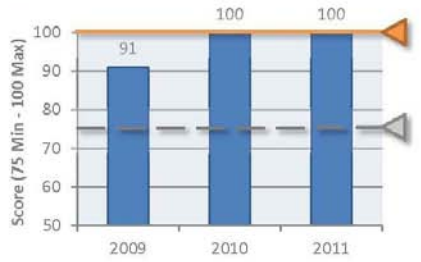
Source: Texas Higher Education Coordinating Board: Fall 2011 Space Usage Efficiency Report

Fig. 5: Classroom Usage Efficiency



Source: Texas Higher Education Coordinating Board: Fall 2011 Space Usage Efficiency Report

Fig. 6: Classroom Laboratory Usage Efficiency



Source: Texas Higher Education Coordinating Board: Fall 2011 Space Usage Efficiency Report

Symbol Legend

UTD Target

THECB Standard

74

Space Utilization Efficiency Work Group

Work Group – Next Steps:

- Develop suggested Best Practices with Institutions:
  - General Space Policies for each campus
  - Space Ownership and Allocation Policies
  - Recapitalization and Maintenance
  - Decision Support Systems
  - Assessment and Monitoring
  - Scheduling Systems
  - Laboratory and Research Space Metrics
  - Clinical Space Metrics

75

Space Utilization Efficiency Work Group

76

Space Utilization Efficiency Work Group

Texas Higher Education Coordinating Board - Space Usage Efficiency (SUE) - Fall 2011

Institution	Overall Score	Classroom Score	Class Lab Score	Classroom						Class Laboratory					
				Demand	Weighted Score	Utilization	Weighted Score	Average Percent Fill	Weighted Score	Demand	Weighted Score	Utilization	Weighted Score	Average Percent Fill	Weighted Score
UT-Arlington	133	58	**75**	33	18	28	8	73%	32	30	27	22	24	65%	24
UT-Austin	**159**	**75**	**84**	40	27	37	24	56%	24	40	36	32	32	59%	16
UT-Dallas	**200**	**100**	**100**	49	36	40	32	67%	32	41	36	32	32	77%	32
UT-El Paso	**175**	**75**	**100**	44	27	35	24	63%	24	66	36	30	32	86%	32
UT-Pan American	**200**	**100**	**100**	46	36	38	32	73%	32	41	36	28	32	84%	32
UT-Brownsville	**176**	**92**	**84**	66	36	34	24	76%	32	119	36	20	24	73%	24
UT-Permian Basin	117	59	58	39	27	32	16	53%	16	29	18	16	16	67%	24
UT-San Antonio	**200**	**100**	**100**	52	36	44	32	68%	32	41	36	31	32	76%	32
UT-Tyler	**158**	58	**100**	36	18	30	16	62%	24	51	36	27	32	76%	32
TAMU	**192**	**92**	**100**	61	36	34	24	72%	32	53	36	32	32	83%	32
TAMU-Galveston	**176**	**76**	**100**	45	36	30	16	61%	24	37	36	26	32	75%	32
Prairie View	142	**75**	67	38	27	37	24	61%	24	30	27	24	24	64%	16
Tarleton	134	58	**76**	34	18	30	16	55%	24	118	36	19	16	69%	24
TAMU-Central	82	41	41	20	9	16	8	60%	24	5	9	3	8	69%	24
TAMU-CC	99	50	49	34	18	29	8	62%	24	22	9	19	16	68%	24
TAMU-Kingsville	132	58	74	34	18	29	8	71%	32	26	18	20	24	75%	32
TAMU-San Antonio	115	58	57	34	18	30	16	59%	24	20	9	19	16	76%	32
TAMI	**167**	**75**	**92**	38	27	30	16	71%	32	40	36	24	24	81%	32
WTAMU	91	33	58	22	9	22	8	54%	16	27	18	26	32	38%	8
TAMU-Commerce	99	50	49	33	18	27	8	59%	24	24	9	16	16	71%	24
TAMU-Texarkana	82	41	41	16	9	15	8	62%	24	19	9	16	16	55%	16
UH	**183**	**83**	**100**	40	27	35	24	67%	32	42	36	26	32	77%	32
UH-Clear Lake	**151**	67	**84**	38	27	31	16	60%	24	40	36	22	24	65%	24
UH-Downtown	141	58	**83**	31	18	28	8	69%	32	32	27	22	24	85%	32
UH-Victoria	82	33	49	26	9	24	8	52%	16	14	9	8	8	76%	32
Midwestern	133	**75**	58	40	27	35	24	55%	24	25	18	16	16	66%	24
UNT	**184**	**92**	**92**	54	36	35	24	76%	32	49	36	26	32	74%	24
UNT-Dallas	74	33	41	26	9	24	8	54%	16	20	9	15	16	59%	16
SFA	101	41	60	26	9	23	8	64%	24	36	36	19	16	52%	8
TSU	98	49	49	23	9	21	8	72%	32	9	9	7	8	79%	32
TTU	**192**	**92**	**100**	46	36	36	24	68%	32	49	36	30	32	78%	32
Angelo	149	66	**83**	34	18	31	16	67%	32	33	27	26	32	69%	24
TWU	**168**	**76**	**92**	48	36	33	16	64%	24	36	36	24	24	79%	32
Lamar	134	58	**76**	36	18	28	8	70%	32	41	36	19	16	73%	24
Sam Houston	**158**	66	**92**	33	18	30	16	67%	32	52	36	29	32	70%	24
TxStU-SM	**200**	**100**	**100**	52	36	42	32	71%	32	67	36	39	32	80%	32
Sul Ross	74	41	33	20	9	15	8	56%	24	11	9	10	8	57%	16
Sul Ross - RG	58	25	33	17	9	16	8	38%	8	3	9	3	8	60%	16
TSTC-Harlingen	133	67	66	42	27	23	8	86%	32	26	18	17	16	91%	32
TSTC-West Texas	74	33	41	11	9	8	8	49%	16	23	9	15	16	56%	16
TSTC-Marshall	141	49	**92**	28	9	16	8	86%	32	71	36	23	24	79%	32
TSTC-Waco	106	49	57	23	9	18	8	86%	32	23	9	19	16	98%	32
Lamar-IOT	**160**	**76**	**84**	53	36	32	16	60%	24	43	36	35	32	64%	16
Lamar-Orange	**184**	**84**	**100**	47	36	30	16	73%	32	50	36	27	32	91%	32
Lamar-Port Arthur	124	41	**83**	28	9	26	8	61%	24	30	27	25	32	68%	24

State and Technical Colleges' Demand hours include Continuing Education hours provided on the CBM00C report.

Last Updated
1/6/2012

Classroom Weighted Scoring					
Score (weight = 9)		Score (weight = 8)		Score (weight = 8)	
45 or >	36	38 or >	32	65% or >	32
38 - 44.9	27	34 - 37.9	24	55 - 64.9	24
31 - 37.9	18	30 - 33.9	16	45 - 54.9	16
< 31	9	< 30	8	< 45%	8

Class Laboratory Weighted Scoring					
Score (weight = 9)		Score (weight = 8)		Score (weight = 8)	
35 or >	36	25 or >	32	75% or >	32
30 - 34.9	27	20 - 24.9	24	65 - 74.9	24
25 - 29.9	18	15 - 19.9	16	55 - 64.9	16
< 25	9	< 15	8	< 55%	8

Space Utilization Efficiency Work Group

Institution	Overall Score	Classroom Score	Class Lab Score
UT-Dallas	**200**	**100**	**100**

Classroom					
Demand	Weighted Score	Utilization	Weighted Score	Average Percent Fill	Weighted Score
49	36	40	32	67%	32

Class Laboratory					
Demand	Weighted Score	Utilization	Weighted Score	Average Percent Fill	Weighted Score
41	36	32	32	77%	32

Classroom Weighted Scoring					
Score (weight = 9)		Score (weight = 8)		Score (weight = 8)	
45 or >	36	38 or >	32	65% or >	32
38 - 44.9	27	34 - 37.9	24	55 - 64.9	24
31 - 37.9	18	30 - 33.9	16	45 - 54.9	16
< 31	9	< 30	8	< 45%	8

Class Laboratory Weighted Scoring					
Score (weight = 9)		Score (weight = 8)		Score (weight = 8)	
35 or >	36	25 or >	32	75% or >	32
30 - 34.9	27	20 - 24.9	24	65 - 74.9	24
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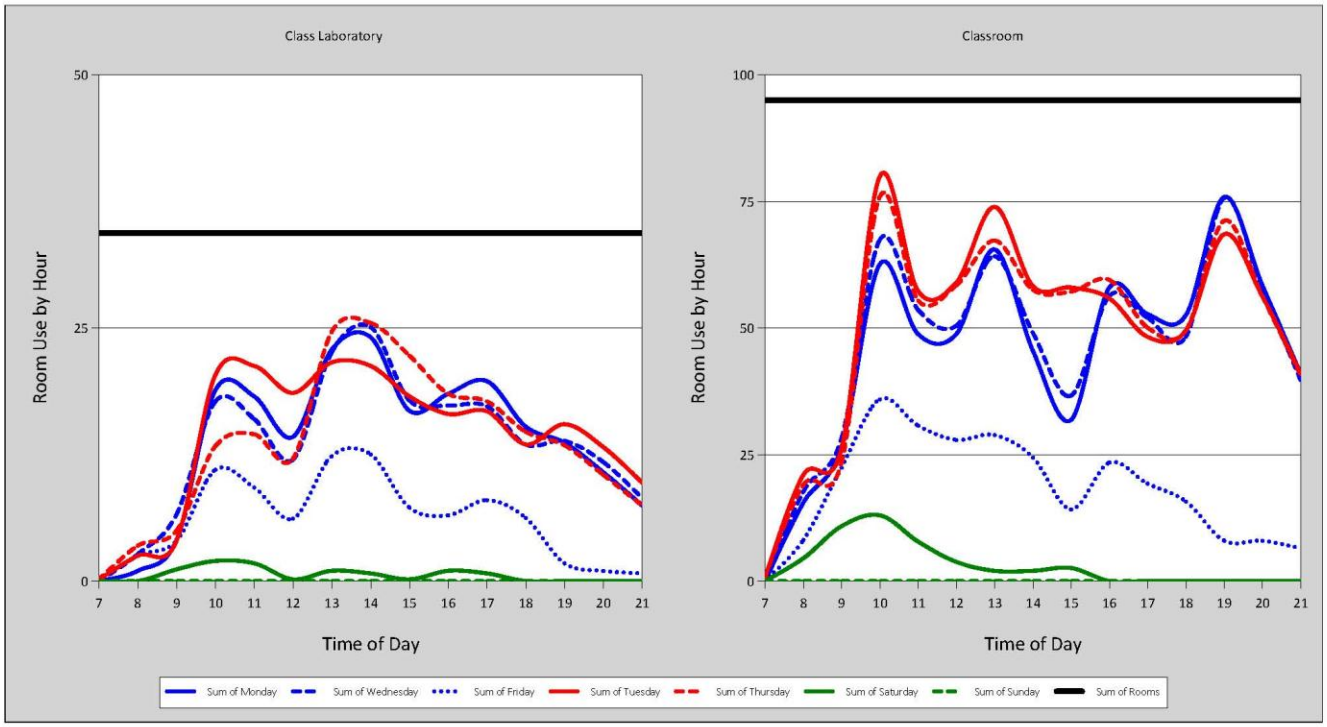
< 25	9	< 15	8	< 55%	8



4

THECB January 2012

78

Space Utilization Efficiency Work Group

THE UNIVERSITY OF TEXAS AT DALLAS

Bioengineering and Sciences Building Business Plan

79

UT DALLAS

Primary Mission	Academic
Year Established	1961
E&G Assignable Sq. Ft.	1,245,190
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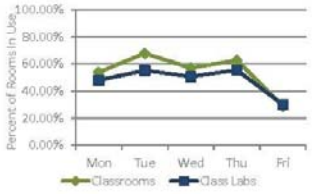
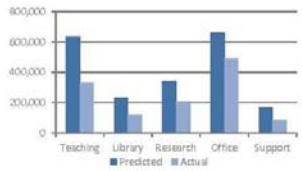


Fig. 3: Predicted Space Needs vs. Current Space Inventory



MINUTES
U. T. System Board of Regents
Technology Transfer and Research Committee
February 8, 2012

The members of the Technology Transfer and Research Committee of the Board of Regents of The University of Texas System convened at 10:10 a.m. on Wednesday, February 8, 2012, in the Regents' Room, Suite 3.106 of the Main Building, The University of Texas at San Antonio Main Campus, One UTSA Circle, San Antonio, Texas, with the following participation:

Attendance
Vice Chairman Dannenbaum, presiding
Vice Chairman Hicks
Regent Cranberg
Regent Gary
Regent Pejovich

Also present were Chairman Powell, Vice Chairman Foster, Regent Hall, Regent Rutkauskas, Regent Stillwell, and General Counsel to the Board Frederick.

1. U. T. System: Report on Chancellor's Technology Commercialization Advisory Council

Committee Meeting Information
Presenter(s): *Mr. Bryan Allinson, Executive Director for Technology Commercialization*
Status: *Reported/Discussed*

Discussion at meeting:

Associate Vice Chancellor for Research Hurn (Office of Health Affairs) noted that federal funding for research has been fairly flat since 2003 (Slide 3; referenced slides are attached on Pages 5 - 8 for ease of reference). Associate Vice Chancellor for Research Klein (Office of Academic Affairs) commented on the U. T. System's tagline "collaborate to compete." Suggesting that competition for federal funds will be more challenging going forward, Dr. Klein recommended a collaborative approach be taken in which several institutions would join together to participate in big research programs.

Mr. Allinson said the focus on intellectual property (IP) performance is on balancing better quality licenses with the number of licenses (Slide 4). Dr. Klein commented on a cultural shift he is seeing from U. T. System faculty who are being more aggressive in entrepreneurship, thus, there are thoughts of gaining more licenses and patents.

In reply to a question from Vice Chairman Hicks about the lack of patent filings in India (Slide 5), Mr. Allinson explained the markets in India have, historically, not been strong, but bear watching.

Regent Cranberg asked if the 10 individuals listed on Slide 6 are responsible for approximately 50% of the patents in the U. T. System, and Mr. Allinson answered affirmatively, but clarified there could be some overlap since two or more inventors could be listed on a patent. He added that the volume of patents increases with opportunities to patent in multiple countries.

Vice Chairman Dannenbaum commented that with the advice of members of the Chancellor's Technology Commercialization Advisory Council, a market evaluation could help determine the practicality of marketing a particular invention -- is there a market? Could a company be built around the invention, thus a business plan might be needed? Is a license sufficient? He encouraged the marketing potential of IP at all U. T. System institutions, saying he hopes that will help to generate significant income for the U. T. System to plough back into the mission of teaching and research, in addition to rewarding the inventor. Vice Chairman Dannenbaum said the revenue could lessen the U. T. System's dependence on federal and state funding. He encouraged feedback and advice on this matter, and asked the U. T. System Presidents and senior faculty to encourage faculty to come forward with disclosures in the hopes that this platform will effectively protect IP.

Chancellor Cigarroa said the Advisory Council is comprised of 14 experienced individuals from across the U.S., and he is looking forward to receiving their input and insight.

2. U. T. System: Report on U. T. Horizon Fund

Committee Meeting Information
Presenter(s): *Mr. Bryan Allinson, Executive Director for Technology Commercialization*
Status: *Reported/Discussed*

3. U. T. System: Report on Request for Proposals for novel programs in innovation and entrepreneurship

Committee Meeting Information
Presenter(s): *Dr. Patricia Hurn, Associate Vice Chancellor for Research*
Status: *Reported/Discussed*

Discussion at meeting:

Committee Chairman Dannenbaum asked if undergraduates as well as graduate students can submit proposals for this program, and Dr. Hurn replied they could, but the program is focused primarily on faculty and graduate students.

4. U. T. M. D. Anderson Cancer Center: Report on key findings from the Institute for Cancer Care Excellence, including use of electronic medical records

Committee Meeting Information

Presenter(s): *Thomas W. Feeley, M.D., Vice President, Medical Operations, U. T. M. D. Anderson Cancer Center*

Status: *Reported/Discussed*

Discussion at meeting:

Dr. Feeley's presentation is set forth on Pages 9 - 26. The editorial that he and Executive Vice Chancellor Shine wrote on "Access to the Medical Record for Patients and Involved Providers: Transparency Through Electronic Tools," published in the December 2011 issue of the Annals of Internal Medicine as noted in Slide 8, is attached on Pages 27 - 28. Dr. Feeley commented that the use of electronic medical records (EMR) will have an impact on controlling costs and improving quality of care, and has some commercialization potential.

Committee Chairman Dannenbaum asked if there have been any inquiries from health care institutions, health insurance companies, or professional liability insurance companies about EMRs, and Dr. Feeley answered that health care providers have expressed interest. He said because of the transparency, there are no issues with regard to liability. Dr. Feeley remarked that while the technology is simple, the real issue is how it will be used.

Regent Cranberg asked about the biggest implementation challenge from a cultural or organizational aspect, and about the number of people involved in informatics at M. D. Anderson. He wanted to know about the level of commitment that would be needed to replicate this effort at other institutions. Dr. Feeley said the biggest challenge was that M. D. Anderson chose to build their own comprehensive system to meet their needs rather than purchasing a commercial program. He discussed some of the implementation challenges. He noted that physicians' behavior has changed, and the process is more efficient. Patients want more information and translation of medical information on their record. Executive Vice Chancellor Shine clarified that new or reoccurring diagnosis of cancer is not added to the EMR for seven days during which time the physician would talk to the patient.

Dr. Feeley confirmed about 75 full-time employees are involved in informatics at M. D. Anderson.

Executive Vice President Leach said preliminary discussions have begun with a major software company. He said managing the change process has been a challenge, but he said development of the software at the rate staff were able to digest the changes was appropriate.

Vice Chairman Dannenbaum noted work in bioinformatics taking place at U. T. Health Science Center - Houston, and he encouraged collaboration among U. T. System institutions (cancer/noncancer hospitals) in the interest of patient safety, quality of care, and outcomes. In response to a question from Regent Stillwell about the transfer of patient records when a patient transfers from one institution to another, Dr. Feeley answered that the patient's record is updated electronically, but by way of scanning. Pathology records, however, are in paper form. Dr. Feeley also spoke about the pilot patient history database whereby a patient can update his/her own medical record.

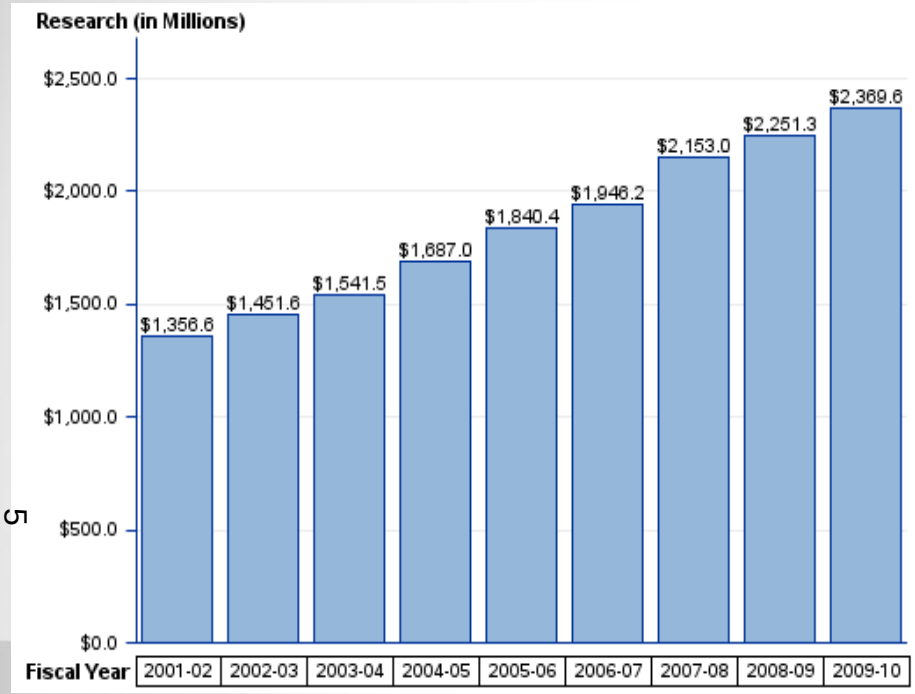
Regent Stillwell also asked about privacy or security issues of the system, and Dr. Feeley said it is secure from a HIPAA standpoint in that it is password-protected by the patient, and referring physicians may have access at the discretion of the patient.

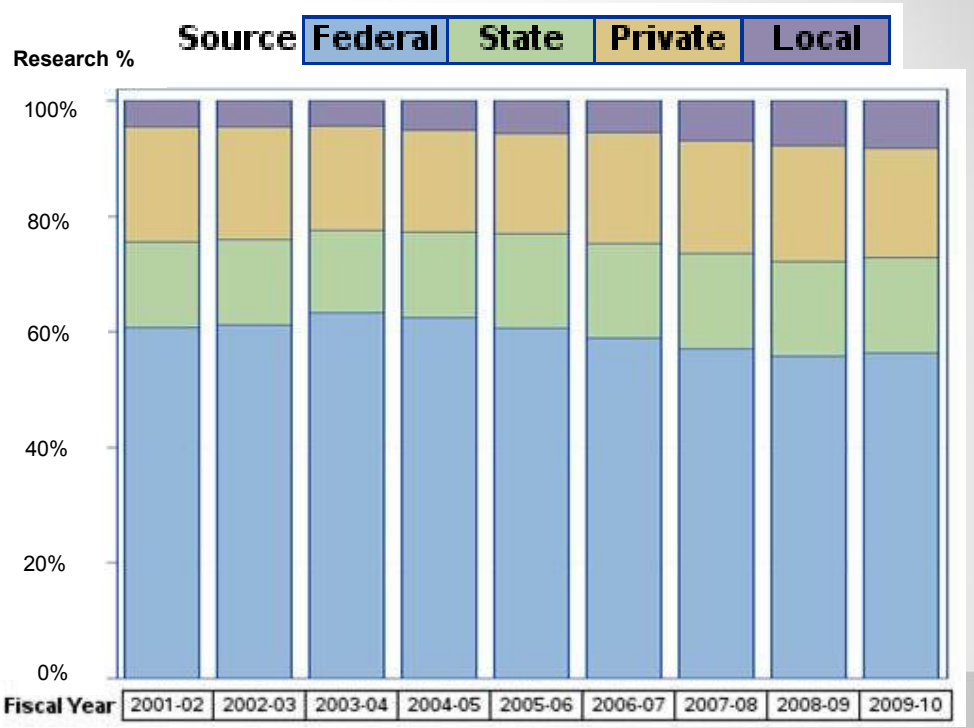
Executive Vice Chancellor Shine commented that the EMR is a Systemwide program. He described the efficiency of the program and said there is no evidence that any of these programs at U. T. System institutions have increased the number of malpractice cases. In closing, Dr. Shine said that having patients have access to their medical records improves their outcomes. Regent Stillwell commented on the satisfaction of the informed patient who knows his/her physician(s) is on the same page.

ADJOURNMENT

Committee Chairman Dannenbaum adjourned the meeting at 11:13 a.m.

Research Trends: Steady Growth; Federal % Peaked '03





- Research expenditures have been steadily increasing
- Federal research portion peaked in 2003
- Increasing portion of recent growth from local and private sources

Performance Metrics: Overall Steady, Up in 2 Areas

2nd in Total Research Funding

2nd in Startups created

4th in Licenses executed

4th in U.S. Patents Issued

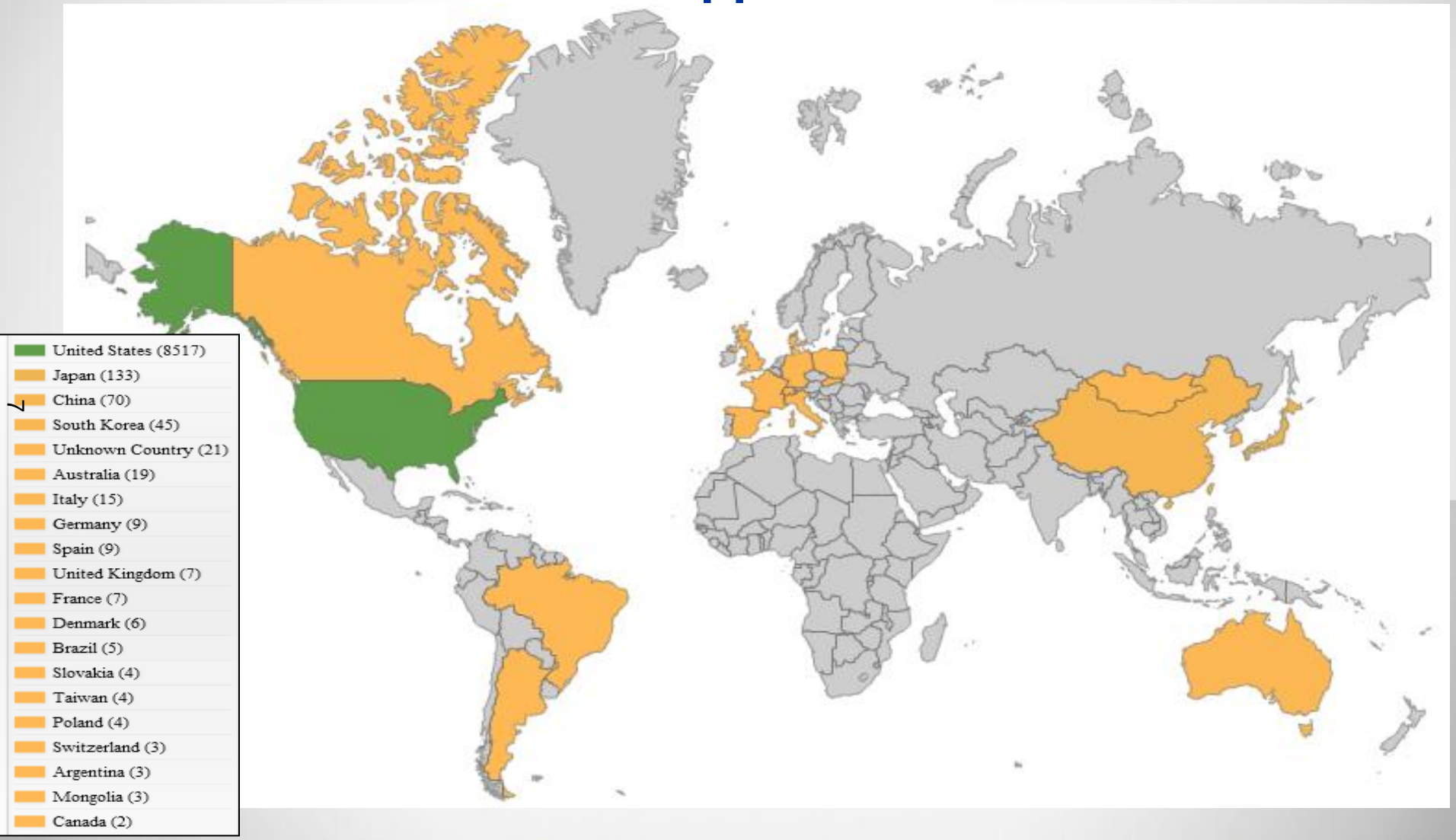
8th in U.S. Patent Applications

18th in License Income

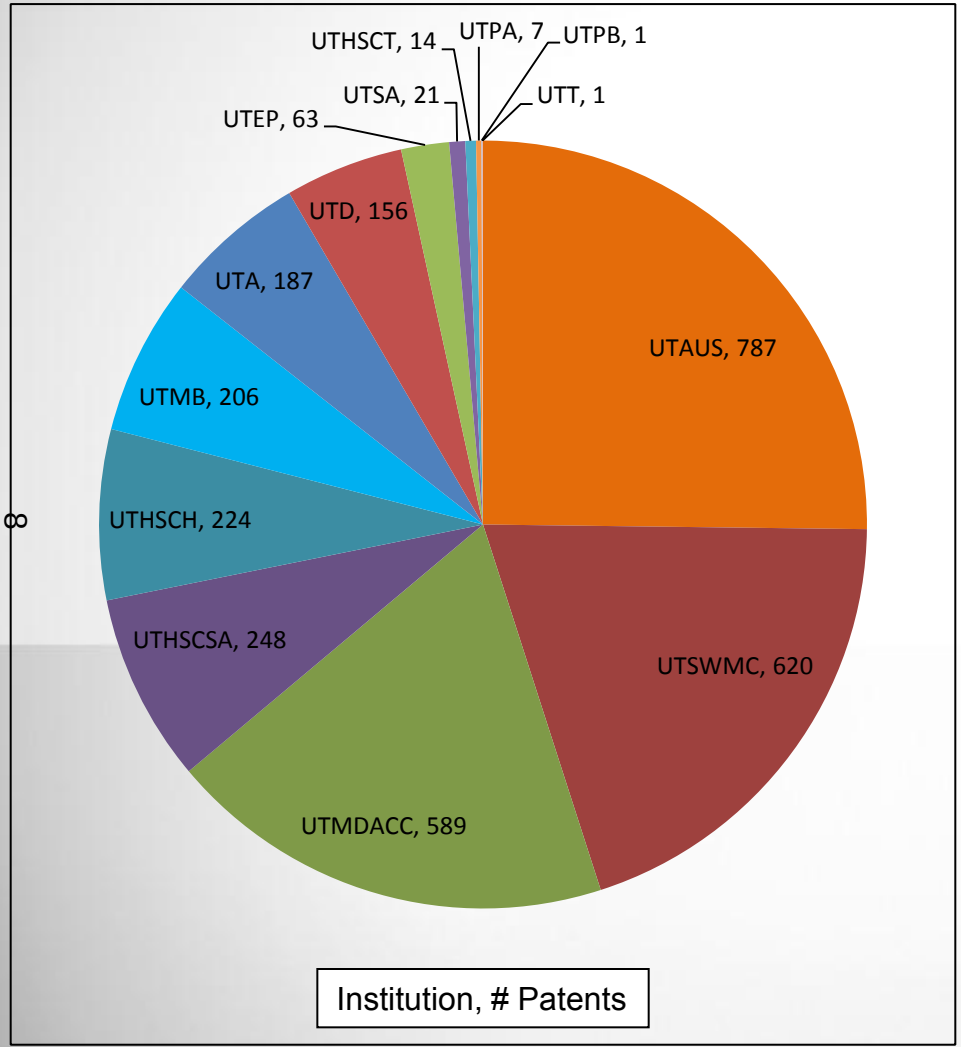
Total Research Expenditures	Total Patent Applications (New, U.S.)	Issued Patents	Licenses	License income	Startups
U.C. System	U.C. System	U.C. System	⇧ U.C. System	City of Hope	U.C. System
U. T. System	U. T. System	⇧ Stanford	⇧ Stanford	North-western	U. T. System
⇧ Johns Hopkins	⇧ MIT	⇩ MIT	⇩ Washington	⇧ NYU	Utah
⇩ MIT	⇩ Johns Hopkins	⇧ U. T. System	⇩ U. T. System	⇩ Columbia	⇧ Toronto
⇧ Michigan	⇧ California Institute of Technology	⇧ California Institute of Technology	⇧ MIT	⇧ Sloan Kettering	⇩ MIT
⇩ Wisconsin	⇧ Stanford	⇩ Wisconsin	⇧ Georgia	⇧ U. T. System (18th)	⇧ Brigham Young

* Source: Association of University Technology Managers STATT (Statistical Access for Technology Transfer)

Market Dynamics: Patent Filings based on Evaluation of Market Opportunities



Institution & Faculty Activities: Patent Asset Positions



Inventor (% of patents)	Institution and Field
Philip Thorpe (8.1%)	UTSWMC, Cancer Immunopharmacology
Gabriel Lopez-Berestein (7.8%)	UTMDACC, Medicine and Experimental Therapeutics
Jonathan Sessler (6.6%)	UTAUS, Chemistry
Jack Roth (6.3%)	UTMDACC, Thoracic and Cardiovascular Surgery
Gregory Hemmi (5.4%)	UTAUS *(formerly),* Chemistry
Frederick Becker (5.2%)	UTMDACC, Molecular Pathology
Wadih Arap (5.1%)	UTMDACC, Experimental Diagnostic Imaging
Jason Shear (4.8%)	UTAUS, Chemistry
Andras Konya (4.7%)	UTMDACC, Interventional Radiology
Sophia Ran (4.7%)	UTSWMC (*formerly),* Medical Microbiology and Immunology

Report on Key Findings from the Institute for Cancer Care Excellence Including the Use of Electronic Medical Records

The University of Texas System Board of Regents'
Technology Transfer and Research Committee
February 2012

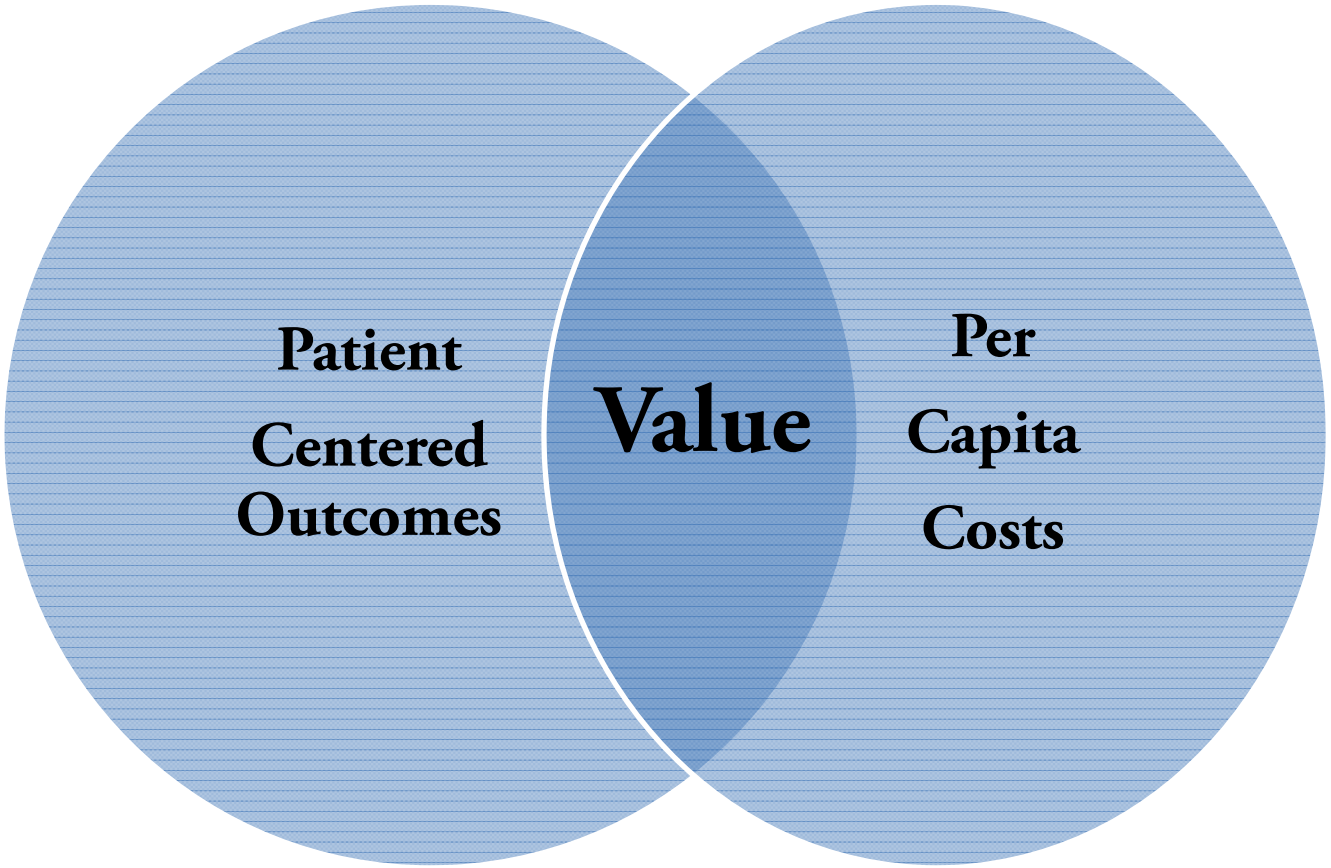
Thomas W. Feeley, M.D.

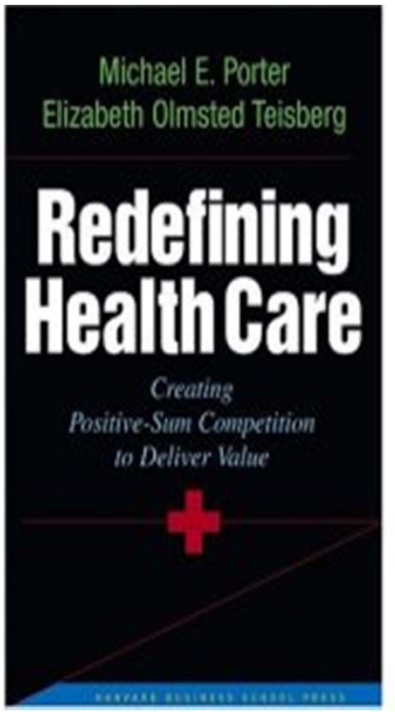
THE UNIVERSITY OF TEXAS
MD Anderson Cancer Center
The Institute for Cancer Care Excellence

Background

- The Institute for Cancer Care Excellence (ICCE) was created in December 2008
- Test Michael Porter's value proposition – outcomes of care per the dollar of cost expended
- Nontraditional "health services research" – we are studying our delivery system rather than large external databases
- Today will review key findings in three focus areas

Michael Porter's Value Proposition





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~~Cancer~~ Center
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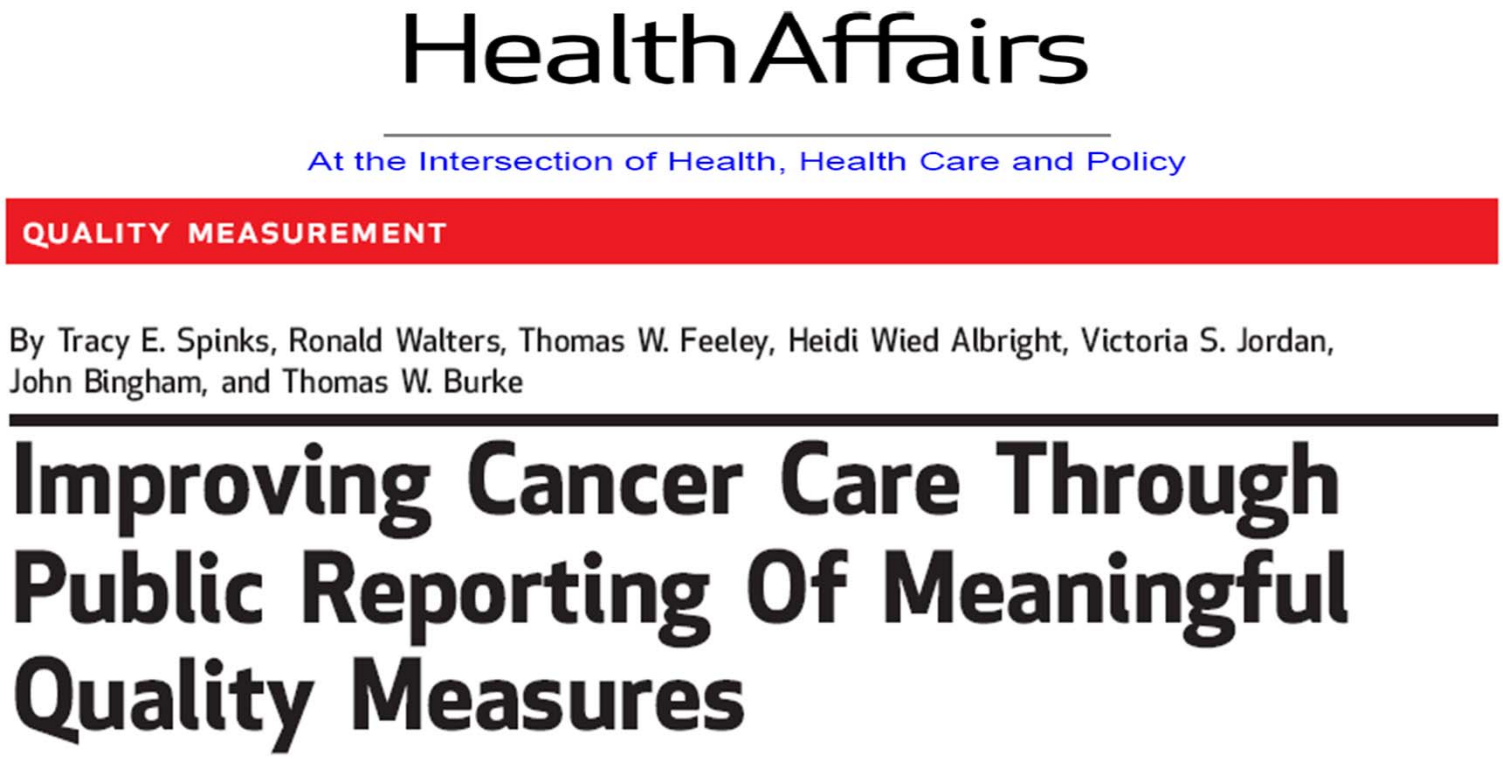
Key Findings: Outcomes

- There are aspects of MD Anderson care that are better than others: diagnosis, survival, functional performance
- There are limitations of our data systems slowing our ability to report these findings
- Patients have a different perspective about what outcomes are important
- We are developing national metrics to measure cancer care delivery partnering with national organizations

Key Publications: Outcomes



Health Affairs

At the Intersection of Health, Health Care and Policy

QUALITY MEASUREMENT

By Tracy E. Spinks, Ronald Walters, Thomas W. Feeley, Heidi Wied Albright, Victoria S. Jordan, John Bingham, and Thomas W. Burke

Improving Cancer Care Through Public Reporting Of Meaningful Quality Measures

Selected for Presentation at International Symposium of Quality in Medicine, Paris 2012

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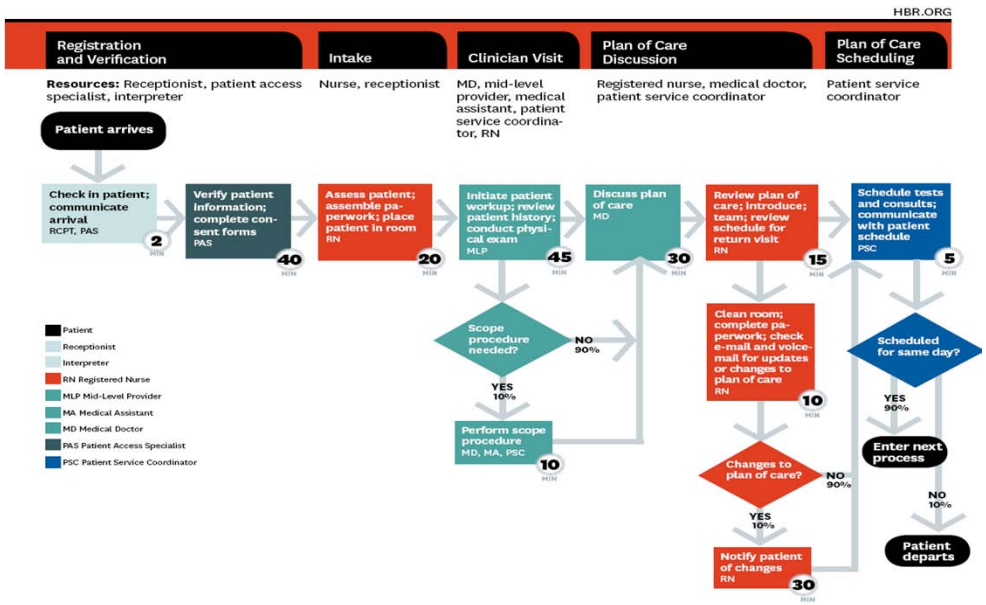
Key Findings: Cost

- We are developing first in nation pilot program to measure health care delivery costs
- Merging of industrial engineering techniques of process mapping with time-driven activity-based cost accounting



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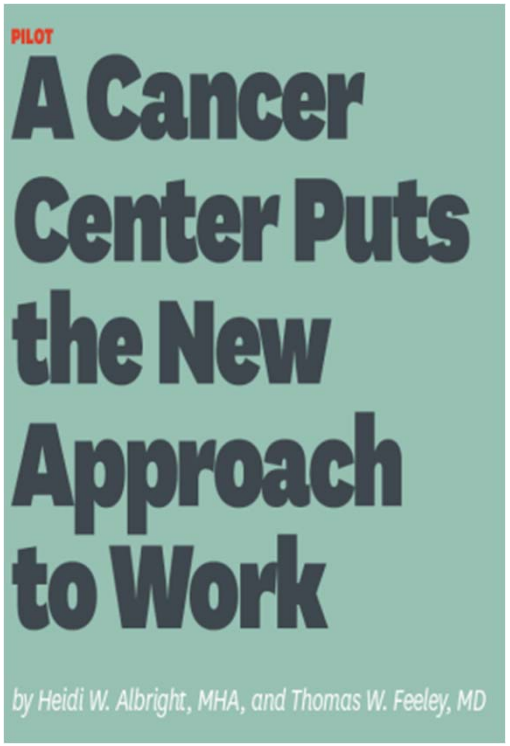
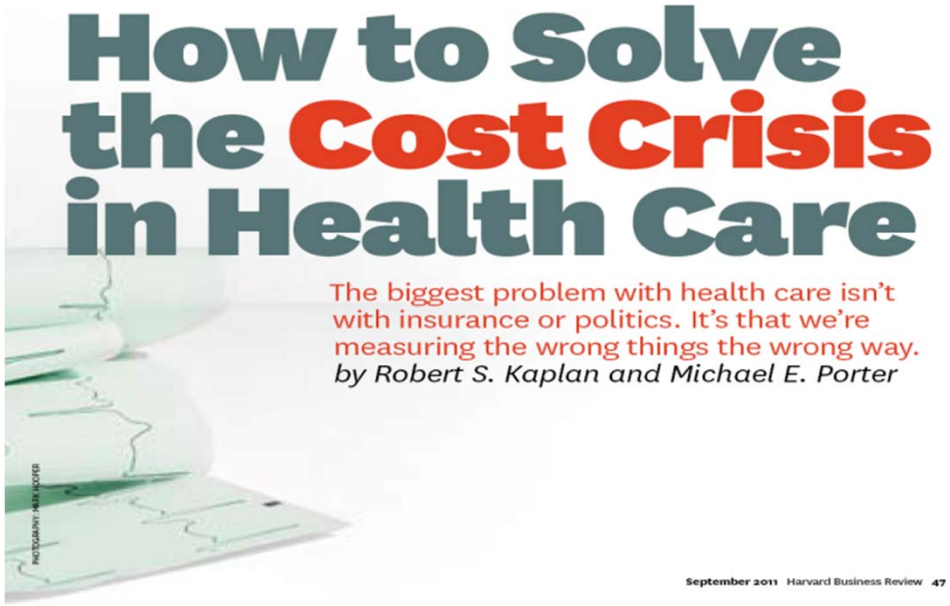
Key Publications: Cost





HBR.ORG
Harvard Business Review

SEPTEMBER 2011
REPRINT R1109B

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Key Findings: Electronic Medical Records

- Decision to build own Electronic Medical Records (EMR) in 2005
  - View existing systems
  - Integrate clinical and research data – inpatients and outpatients
- Suggestion by Dr. Kenneth Shine in 2007 to provide record electronically to patients and referring physicians
- Elected to use existing web portal for patients - *my*MDAnderson in place since 2002
- In May 2009, patients and referring physicians viewing "live" medical record

16

Key Publications: Medical Records

Annals of Internal Medicine | EDITORIAL

Access to the Medical Record for Patients and Involved Providers: Transparency Through Electronic Tools

Thomas W. Feeley, MD
University of Texas M.D. Anderson Cancer Center
Houston, TX 77030

Kenneth I. Shine, MD
University of Texas System
Austin, TX 78701

17

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myMDAnderson

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- FAQs
- Contact Us
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- Feedback
- Site Map
- Login

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Wednesday, December 15, 2010

Printer friendly version

Welcome to myMDAnderson

myMDAnderson is a secure, personalized web site helping patients take an active role in cancer care or cancer prevention, now including access to medical records information.

For community physicians, myMDAnderson helps to expedite patient referrals, as well as improve continuity of care through information access and streamlined communications.

Patients	Community Physicians
Already a myMDAnderson member? Login now! A current patient, but not yet signed up for myMDAnderson? Contact your Care Center for assistance in getting an account. In the process of becoming a new MD Anderson patient? Use the public options below to prepare for your first appointment: • Print and fill out the Patient History form • Concierge: travel assistance, helpful phone numbers and maps • Resources: go to your Care Center for appointment information • FAQs: answers to your most frequently asked questions • Learn more about myMDAnderson	Are you a myMDAnderson member? Login now! Physicians who have referred patients to MD Anderson or plan to do so, can utilize the HIPAA compliant features of myMDAnderson to: • Refer a patient • View your patient's appointments • Access patient reports • Send and receive secure messages Our simple online application will allow you to immediately access a number of features including myMDAnderson's online patient referral form.


Personal Health Record
Patient Name : PATIENT TEST
Close Personal Health Record
MDAnderson
Patient Information
Patient Reports
Laboratory
Radiology Reports
Pathology Reports
Endoscopy Reports
Medication
Transfusion Services
Allergies/Reactions
Survivorship
FAQs
Help
Logout
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Welcome PATIENT TEST
Friday, April 08, 2011
Patient Reports ▸ Personal Health Record ▸ Home
Total Records: 612
Date | Document Type | Service | Physician
04/06/2011 | Procedure Note | BREAST, MEDICAL | TEST42, FORTY2
04/04/2011 | Progress Note | ANESTHESIOLOGY | SAPIRE, KENNETH J
04/04/2011 | Progress Note | PEDIATRICS | MOHAMMED, IMRAN M
04/04/2011 | Progress Note | ANESTHESIOLOGY | SAPIRE, KENNETH J
04/04/2011 | Progress Note | ANESTHESIOLOGY | SAPIRE, KENNETH J
03/22/2011 | History and Physical | BREAST, MEDICAL | TEST42, FORTY2
03/22/2011 | Discharge Summary | BREAST, MEDICAL | TEST42, FORTY2
03/17/2011 | Clinic Note | BREAST DIAGNOSTIC | RADMD, BRST
03/09/2011 | Clinic Note | PSYCHIATRY | HUNT, DAVID
03/08/2011 | Study Entrance Note | THORACIC MEDICINE | GIL, JAMES M.
03/07/2011 | AC | BREAST, MEDICAL | TEST42, FORTY2
03/07/2011 | AC | BREAST, MEDICAL | TEST42, FORTY2
03/07/2011 | Code Blue | BREAST, MEDICAL | TEST42, FORTY2
03/04/2011 | Clinic Note | BREAST, MEDICAL | TEST42, FORTY2
03/04/2011 | SI | PEDIATRICS | MOHAMMED, IMRAN M
02/28/2011 | Clinic Note | GENERAL INTERNAL MED | KEAVENY, JUDY M
02/24/2011 | Study Entrance Note | THORACIC MEDICINE | GIL, JAMES M.
02/24/2011 | Study Completion Summary | THORACIC MEDICINE | GIL, JAMES M.
02/22/2011 | Clinic Note | PSYCHIATRY | HUNT, DAVID
02/22/2011 | Clinic Note | PSYCHIATRY | HUNT, DAVID
<< Previous 1 - 20 of 612 Next >>

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Upper Endoscopic Ultrasound Procedure Report

Patient:	PATIENT Q TEST	**Attending Physician:**	Doctor Test, M.D.
Patient ID:	MRN-282273	**Fellow Physician:**	
		Referring Physician:	

Procedure Date: 03/18/2011

Introduction: A 21 year old female patient presents for Upper Endoscopic Ultrasound.

Consent: The procedure, indications, potential risks (including but not limited to aspiration, adverse reaction sedation, bleeding, perforation, infection, missed lesion), and alternatives to the procedure were discussed with the patient prior to the planned procedure. Opportunity for questions was provided. Written informed consent was obtained.

Preparation: EKG, pulse, pulse oximetry, and blood pressure were monitored throughout the procedure. Supplemental oxygen was given. See nursing/anesthesia records for details of medications and monitoring.

Medications:

- TIVA.

Procedure: The patient was placed in the left lateral position. When adequate sedation was achieved, the upper endoscope was passed through the mouth under direct visualization and advanced to the 2nd portion of the duodenum. The scope was withdrawn and the mucosa was carefully examined. Then the echoendoscope was introduced and EUS was performed with findings as below. When complete the scope was removed from the patient. The patient tolerated the procedure well.

Findings: dsfdsf

EUS Findings: sdfsdfdf

Unplanned Events: There were no complications.

Estimated Blood Loss: Insignificant.

Impressions:

Recommendations:

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PATIENT TEST
Medical Record Number: 282273

my MDAnderson

Print Close

User Name: PATIENT TEST

Laboratory Report

Accession Number: 11-083-4443 03/24/2011 02:26 PM

WHITE BLOOD CELL COUNT	6.6	K/UL	(4.0-	11.0)
RED BLOOD CELL COUNT	4.33	M/UL	(4.00-	5.50)
HEMOGLOBIN	12.7	G/DL	(12.0-	16.0)
HEMATOCRIT	39.0	%	(37.0-	47.0)
MEAN CORPUSCULAR VOLUME	90	FL	(82-	98)
MEAN CORPUSCULAR HGB	29.3	PG	(27.0-	31.0)
MEAN CORPUSCULAR HGB CONCENTRN	32.6	G/DL	(31.0-	36.0)
RED CELL DISTRIBUTION WIDTH	13.2	%	(12.0-	15.5)
RDW STANDARD DEVIATION	42.8	fL	(35.1-	46.3)
PLATELET COUNT	250	K/UL	(140-	440)
MEAN PLATELET VOLUME	**11.6 H**	**FL**	**(4.0-**	**10.4)**
DIFFERENTIAL COUNT	CANCELLED			
ABSOLUTE CELL COUNT	CANCELLED			

COMPLETE BLOOD CNT/DIF/PLT - Due to low WBC, the Differential and Absolute cells will not be performed.
CANCELLED
CANCELLED

Other tests ordered on the same accession number are available below.

SODIUM SERUM	143	mEq/L	(135-	147)
POTASSIUM SERUM	4.4	MEq/L	(3.5-	5.0)
CHLORIDE SERUM	106	mEq/L	(98-	108)
CARBON DIOXIDE	25	mEq/L	(23-	30)
ALBUMIN SERUM	3.9	g/dL	(3.5-	4.7)
CALCIUM SERUM	9.0	MG/DL	(8.4-	10.2)
PHOSPHORUS SERUM	3.3	mg/dL	(2.5-	4.5)
MAGNESIUM SERUM	2.3	MG/DL	(1.8-	2.9)
GLUCOSE	97	mg/dL	(70-	110)

Reference range is valid for fasting specimens only. Guidelines established by the American Diabetes Association (Diabetes Care, 2007,30:(suppl 1):S42-7 are that a fasting glucose of greater than or equal to 126 mg/dL or a random

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PATIENT TEST
Medical Record Number: 282273

my MDAnderson

Print Close

User Name: PATIENT TEST

Laboratory Report

Accession Number: FU-10-005813 04/16/2010 09:22 AM
Diagnosis (Urovysion)
RARE, ATYPICAL DEGENERATION CELLS
Spec Source (Urovysion)
URINE,VOIDED
Summary (Urovysion)
nuc ish 3cen(D3Z1x2),7cen(D7Z1x2),17cen(D17Z1x2),9p21(p16x2) [25]

1 interphase nuclei photographed

Number of cells examined: 25
Interpretation (Urovysion)
Negative Results

Flourescence in situ hybridization (FISH) of cells recovered from voided urine/urinary tract washings is performed using the Abbott UroVysion Kit, 4-color probe mixture of DNA sequences from specific regions of chromosomes 3(D3Z1), 7(D7Z1), 17(D17Z1) and 9p21(p16).
Signals from 25 most atypical cells are recorded.

A positive result is defined as one or more of the following:

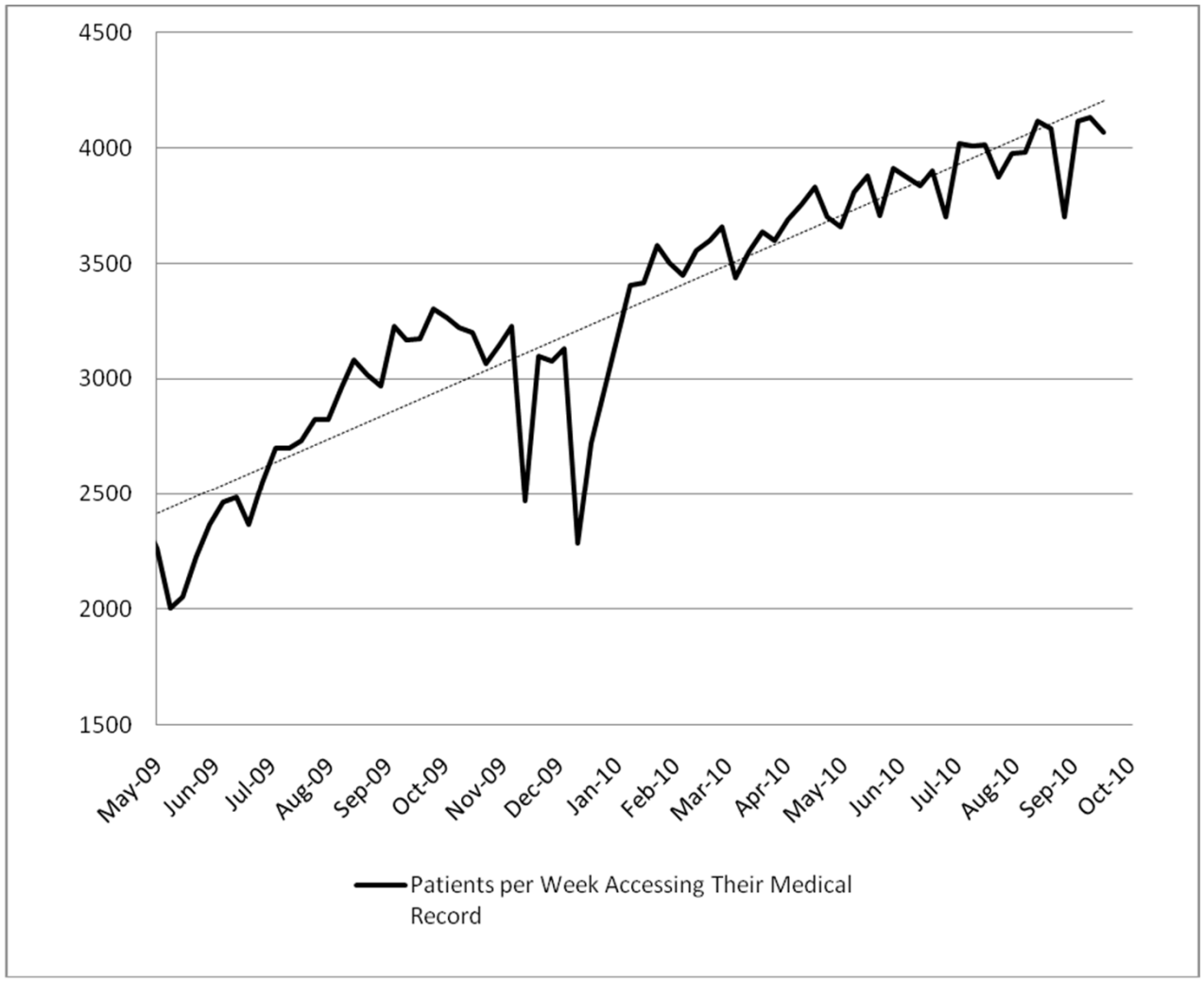
1. Four or more cells with greater than 2 signals (polysomy) for at least 2 probes for chromosomes 3,7,17, or 9p21 in the same cell
2. 12 cells with homozygous deletion (no signals) of chromosome 9p21
3. 10 or more cells with 4 signals (tetrasomy) for each probe*

Twenty-five cells were examined, and none produced an abnormal signal pattern, indicating a negative result.

The UroVysion Kit is designed to detect aneuploidy for chromosomes 3,7,17, and loss of 9p21 locus in transitional cell carcinoma urine specimens.
This test has been FDA cleared.

*Reference: Zellweger et al. Int. J. Cancer 2006:119; 1660-1665
Comments (Urovysion)
FISH was performed and showed a negative result keeping with cytologic findings.
ENTIRE REPORT ELECTRONICALLY SIGNED BY:
Lynne V. Abruzzo, MD #10173 04/16/10

Rapid Initial Patient Use



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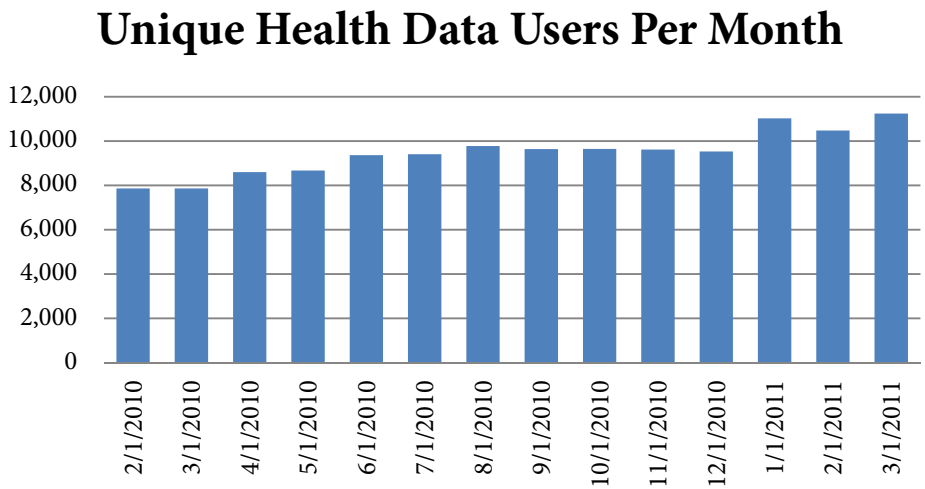
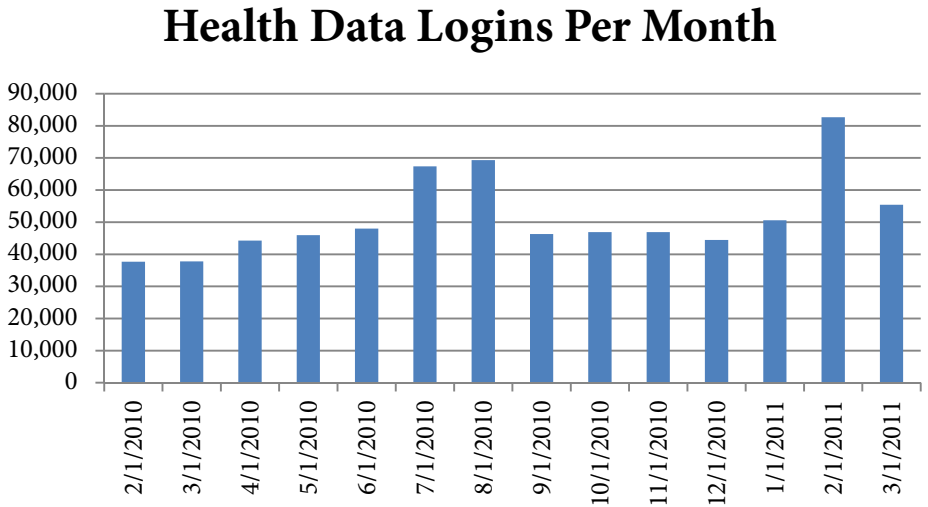
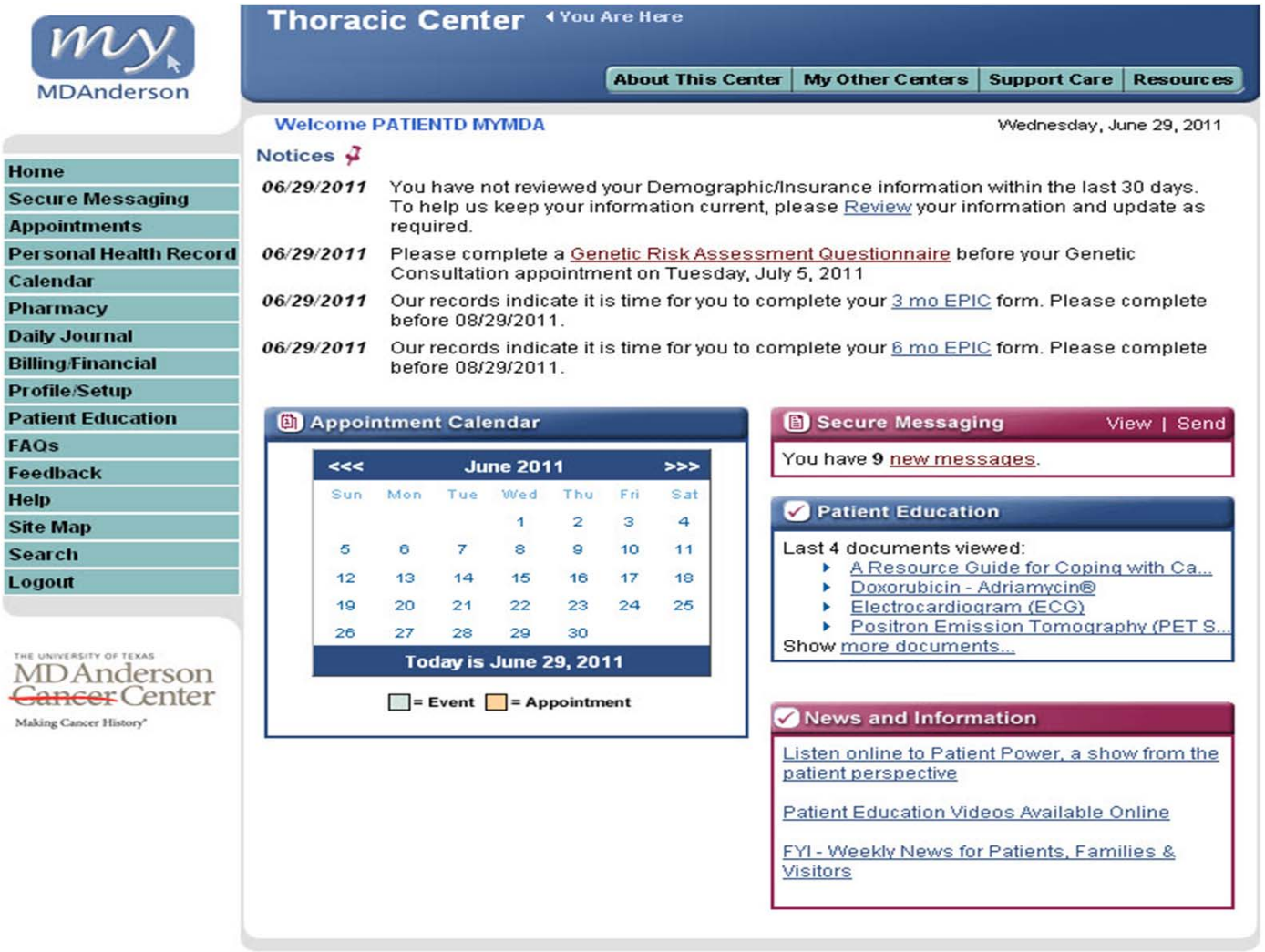
Patient Utilization of Their Health Records

- 80% of new patients request an account
- 31,376 new accounts have been requested
- Patients average in excess of 500,000 page views per month
- Patients have logged into the System 2.15 million times
- Approximately 40% of patients that have a login choose to access their health record
- For those that do, they look at their health records 4.8 times per month





New Uses: Patient Entered Data



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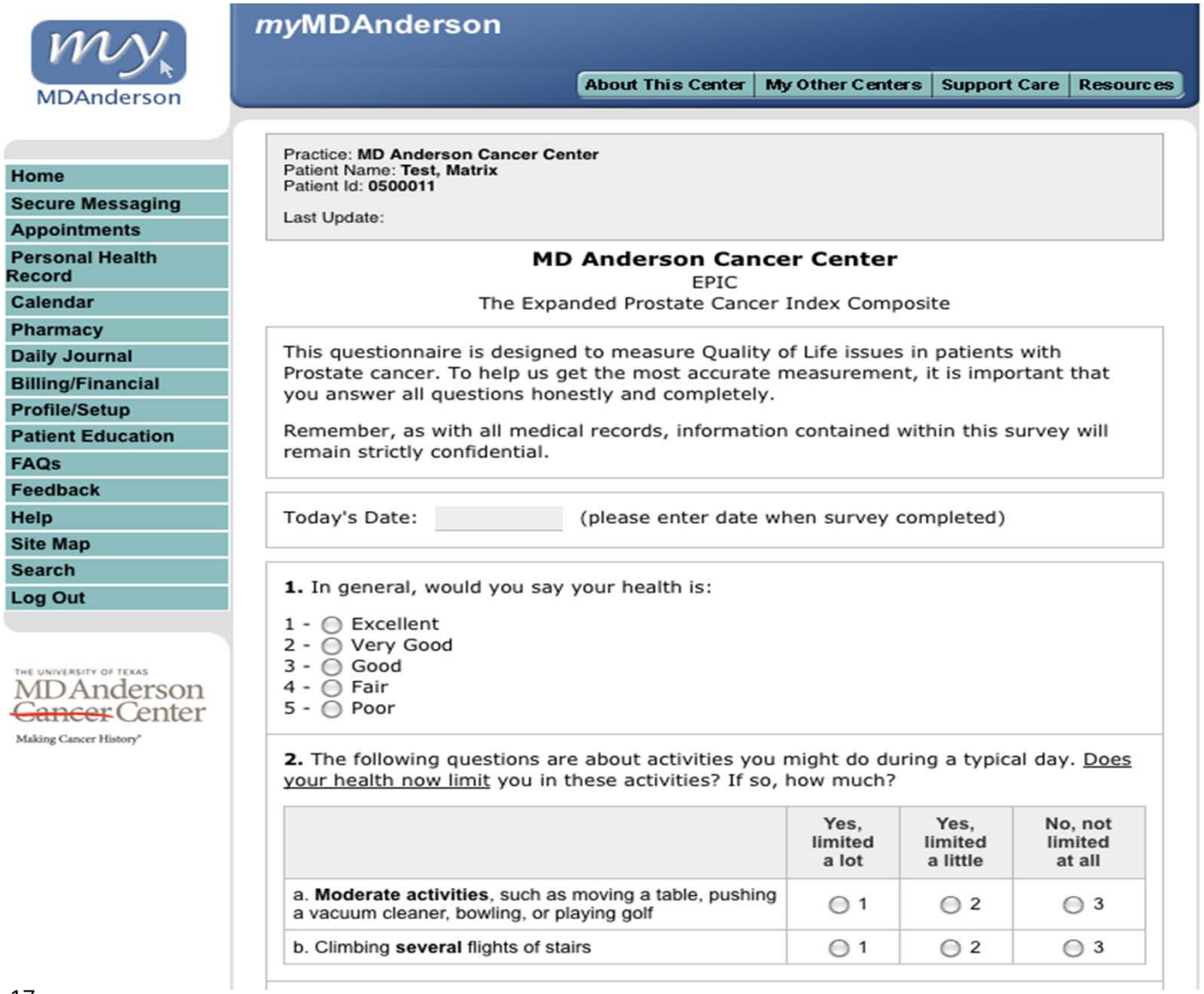
New Uses: Patient Entered Data



myMDAnderson

About This Center | My Other Centers | Support Care | Resources

- Home
- Secure Messaging
- Appointments
- Personal Health Record
- Calendar
- Pharmacy
- Daily Journal
- Billing/Financial
- Profile/Setup
- Patient Education
- FAQs
- Feedback
- Help
- Site Map
- Search
- Log Out

Practice: **MD Anderson Cancer Center**
Patient Name: **Test, Matrix**
Patient Id: **0500011**

Last Update:

MD Anderson Cancer Center
EPIC
The Expanded Prostate Cancer Index Composite

This questionnaire is designed to measure Quality of Life issues in patients with Prostate cancer. To help us get the most accurate measurement, it is important that you answer all questions honestly and completely.

Remember, as with all medical records, information contained within this survey will remain strictly confidential.

Today's Date: (please enter date when survey completed)

1. In general, would you say your health is:

1 - ◯ Excellent
2 - ◯ Very Good
3 - ◯ Good
4 - ◯ Fair
5 - ◯ Poor

2. The following questions are about activities you might do during a typical day. Does your health now limit you in these activities? If so, how much?

	Yes, limited a lot	Yes, limited a little	No, not limited at all
a. **Moderate activities**, such as moving a table, pushing a vacuum cleaner, bowling, or playing golf	◯ 1	◯ 2	◯ 3
b. Climbing **several** flights of stairs	◯ 1	◯ 2	◯ 3

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Access to the Medical Record for Patients and Involved Providers: Transparency Through Electronic Tools

Physicians' notes are one of the oldest tools in medicine and have evolved into today's electronic medical record. As we move toward greater transparency in health care, one emerging concept is that sharing information among patients, caregivers, and involved clinicians can improve efficiency, decrease redundancy, and decrease cost (1). The concept of improving health care delivery by sharing the medical record with the patient is not new (2). The Obama administration highlighted the importance of improved information technology by directing incentive payments totaling $27 billion over 10 years to encourage the meaningful use of electronic health records. One of the meaningful use objectives is to provide patients with an electronic copy of their health information (3). The electronic medical record and Internet technology, using patient and involved provider portals, provide new opportunities to engage our patients and other providers in care.

In this issue, 2 articles address the primary care physician providing others with access to a patient's electronic health information. Walker and colleagues (4) surveyed patients and their primary care providers about their attitudes before initiation of a voluntary program of sharing the primary care physician's notes with patients. Zulman and colleagues (5) solicited Veterans Affairs (VA) patients' views about sharing the contents of their personal health record with their caregivers and other involved providers outside the VA system. Both studies carefully test the waters of sharing medical records. The results are hardly surprising.

The 37 856 patients in Walker and coworkers' study came from primary care practices in 3 locations throughout the United States. Patients were uniformly enthusiastic about the opportunity to see what their doctors had written about their visits and that interest did not differ with demographic characteristics or underlying medical conditions. Many patients also indicated an interest in sharing their primary care physician's notes with other caregivers and providers. However, the primary care physicians were less enthusiastic. Those who agreed to participate in the program believed that communication and satisfaction would be improved, whereas those who declined feared adverse consequences, including patient confusion. Many were concerned that the open notes would lead to longer visits and more demands on their time between visits.

Zulman and colleagues studied 18 471 patients throughout the VA system and found that 4 out of 5 were interested in having their health record shared with caregivers and clinicians outside the VA system, but they differed in what elements of the record they were willing to share. Of note, the VA proposal involved sharing laboratory results, secure communication, and medication lists in addition to encounter notes.

It is worth noting that both surveys were done in advance of implementing any actual record sharing. Why such caution? Privacy concerns and compliance with the Health Insurance Portability and Accountability Act of 1996 seemed to surface in all such discussions. However, patients have the right to view their own medical record and should be allowed to control who else sees it. Current electronic technology makes it possible not only to enable patients to view their own record but also to grant permission for others to see it, be it a family member, a caregiver, or an involved provider in another location. Such sharing of information could greatly improve communication, engage patients in their care, and help them formulate questions in advance of a visit on the basis of prior notes and test results.

At the University of Texas M.D. Anderson Cancer Center, we developed and implemented access to our electronic medical record for patients and their referring physicians by using our electronic medical record and a secure Web-based portal. Despite physician concerns that the system would increase workload and create unnecessary anxiety for patients, few have voiced complaints since the system went live in May 2009. Despite little promotion of the site to patients, to date more than 40 000 individuals have viewed their records over 605 000 times. In that same period, more than 1300 referring physicians accessed the records of the patients they referred to us over 28 000 times. Currently, 84% of our active patients have obtained access to their electronic records. As a result, they are more informed about their care plan and diagnostic results and ask smarter, more focused questions. There have been no adverse consequences and generally positive feedback from patients and physicians. Although physicians occasionally complain about the time it takes to explain something they wrote, feedback from both patients and physicians has generally been positive. Patients have become avid readers of their notes—their 2 most common requests are for a correction of something recorded incorrectly and for a simple method of translating medical terminology within the record. Our referring physicians are happy with the tool, and we are planning to cease mailing records to referring physicians.

Informed by the results of these 2 studies and our experience at M.D. Anderson, where should we be going? We believe that the direction is clear: Technology is a powerful tool that can improve transparency in health care. Electronic health records should be used to engage patients, their caregivers, and others in the health care delivery system. Expanding who uses the records and how they

use them promises to facilitate communication, decrease redundant testing, and enhance our care delivery in ways we have yet to imagine. However, health care providers must ask and seek answers to critical questions as we move ahead.

How will patients use their record? Will they share it with family members, and other physicians, and others? Will they feel more engaged in their care? Will their age affect how they use the record? Will they use it when they see another health care provider to possibly prevent another blood sample from being drawn or x-ray being taken or simply to help another provider gain an understanding of previous therapy? Will patients transfer their health information into personal or online repositories of health data, such as those created by Microsoft and Dossia (6)? How can we demonstrate the effect of record sharing on quality of care? Could electronic translators and other tools aid patients in understanding their records? Can patients participate in the entry of data into their own records? Will providers' notes change if they know patients will read them? Might notes evolve such that they help patients better understand their condition and treatment plan?

Any health care organization with an electronic medical record and a secure Internet portal can provide patients and referring physicians with real-time access to medical records from anywhere in the world, opening the door to levels of patient engagement and care coordination not previously possible. Yet, like any major change in our health care delivery system, we must study its impact to continuously improve implementation. As younger generations embrace technology, one of the oldest tools in medicine, the doctor's note, is in its infancy of reform.

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