



SCHEDULE OF EVENTS FOR BOARD OF REGENTS' MEETING

November 14-15, 2012
Tyler, Texas

*U. T. Health Science Center - Tyler, Center for Biomedical Research
11937 US Hwy 271, Tyler, Texas 75708
Telephone: (903) 877-7750*

Wednesday, November 14, 2012

Audit, Compliance, and Management Review Committee	10:00 a.m.
Technology Transfer and Research Committee	11:00 a.m.
Finance and Planning Committee	11:30 a.m.
Lunch	12:00 p.m.
Academic Affairs Committee	1:00 p.m.
Health Affairs Committee	2:30 p.m.
Facilities Planning and Construction Committee	4:30 p.m.
Recess	5:30 p.m.

Thursday, November 15, 2012

Meeting of the Board - Open Session	9:00 a.m.
Meeting of the Board - Executive Session	10:45 a.m.
Meeting of the Board - Open Session	1:00 p.m.
Adjourn	1:15 p.m. <i>approximately</i>

*Board Office
Revised 11/8/2012*

<p><u>Tyler Pounds Regional Airport to Hilton Garden Inn</u></p> <ul style="list-style-type: none"> • Start out going North East on Skyway Blvd towards TX-64 • Turn right onto TX-64 • Turn right onto S Southwest Loop 323/TX-323-LOOP S • Turn right onto US-69 S/S Broadway Ave • Turn left onto W Grande Blvd • Make a U-turn at Sutherland Dr onto E Grande Blvd • 220 E Grande Blvd is on the right 	<p><u>Hilton Garden Inn to UT Health Science Center</u></p> <ul style="list-style-type: none"> • Start out going west on E Grande Blvd • Take 1st right onto US-69 N/S Broadway Ave • Turn right onto E Southeast Loop 323/TX-323-Loop E and continue to follow TX-323-LOOP E • There will be a red light on the north east part of the loop, where Loop 323 turns left. Continue straight which takes you directly to US-271 N/TX-155 N. • Turn right onto US-271 N/TX-155 N. • Turn left onto Health Center Drive
<p><u>Hilton Garden Inn to Tyler Pounds Regional Airport</u></p> <ul style="list-style-type: none"> • Start out going west on E Grande Blvd • Take 1st right onto US-69 N/S Broadway Ave • Turn left onto TX-323-LOOP W/W Southwest Loop 323 • Turn left onto Erwin St W/TX-64 and continue to follow TX-64 • Turn left onto Skyway Blvd 	<p><u>UT Health Science Center to Hilton Garden Inn</u></p> <ul style="list-style-type: none"> • Start out going south on US-271 S/TX-155 S • Turn left onto N Northeast Loop 323/TX-323-LOOP S and continue to follow TX-323-LOOP S • Turn left onto Paluxy Dr/FM-756 • Turn right onto E Grande Blvd • 220 E Grande Blvd is on the right
<p><u>Tyler Pounds Regional Airport to UT Health Science Center</u></p> <ul style="list-style-type: none"> • Start out going east on Skyway Blvd toward TX-64 • Turn right onto TX-64 • Turn left onto N Northwest Loop 323/TX-323-LOOP N and continue to follow TX-323-LOOP N • Turn left onto US-271 N/TX-155 N • Turn left onto Health Center Drive 	<p><u>UT Health Science Center to Villa Di Felicita (Dinner)</u></p> <ul style="list-style-type: none"> • Turn right onto E Northeast Loop 323/TX-155 S and continue to follow TX-323-Loop W • Turn right onto TX-110 to 7891 State Highway 110 N • Turn left to Villa de Felicita
<p><u>UT Health Science Center to Tyler Pounds Regional Airport</u></p> <ul style="list-style-type: none"> • Start out going south on US-271 S/TX-155 S • Turn right onto E Northeast Loop 323/TX-155 S and continue to follow TX-323-Loop W • Turn right onto Erwin St W/TX-64 and continue to follow TX-64 • Turn left onto Skyway Blvd 	<p><u>Villa Di Felicita (Dinner) to Hilton Garden Inn</u></p> <ul style="list-style-type: none"> • Start out going east on TX-110 toward CR-428 • Turn right onto N Northwest Loop 323/TX-323-LOOP S and continue to follow TX-323-LOOP S • Turn right onto US-69 S/S Broadway Ave • Turn left onto W Grande Blvd • Make a U-turn at Sutherland Dr onto E Grande Blvd • 220 E Grande Blvd is on the right

Hotel: Hilton Garden Inn, 220 East Grande Blvd., Tyler, TX 75703

Campus: **U. T. Health Science Center – Tyler:** 11937 US Hwy 271, Tyler, TX 75708

Dinner: **Villa Di Felicita:** 7891 State Hwy 110 North, Tyler, TX 75704



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Tyler, Texas

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2. U. T. System Board of Regents: Approval of Consent Agenda items and referral of any items to the full Board or to Committee	<i>9:20 a.m.</i> Action	29
3. U. T. System Board of Regents: Annual Meeting with Officers of the U. T. System Employee Advisory Council	<i>9:22 a.m.</i> Report/Discussion <i>Mr. Jones</i>	30
4. U. T. System Board of Regents: Proposed amendment of Regents' Rules and Regulations, Rule 40311, regarding Graduate Education, to add Section 7 concerning requirement of a Milestone Agreement Form between Ph.D. students and their department	<i>10:20 a.m.</i> Action	35
5. U. T. System Board of Regents: Authorization to establish a student scholarship fund to honor Chancellor Cigarroa	<i>10:25 a.m.</i> Action	37
RECESS FOR STANDING COMMITTEE REPORTS TO THE BOARD	<i>10:30 a.m.</i>	
RECONVENE THE BOARD TO RECESS TO EXECUTIVE SESSION PURSUANT TO <i>TEXAS GOVERNMENT CODE</i> , CHAPTER 551 (Working lunch)	<i>10:45 a.m.</i>	
1. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees – Section 551.074		
U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), and U. T. System and institutional employees		
2. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers - Section 551.071		
U. T. System Board of Regents: Discussion with Counsel on pending legal issues		

3. Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property - Section 551.072

U. T. Brownsville: Discussion and appropriate action regarding authorization to acquire the former Texas Army National Guard armory facility consisting of approximately 3.585 acres and improvements located at 344 Porter Drive, Brownsville, Cameron County, Texas, from the City of Brownsville at a price not to exceed fair market value as established by independent appraisals for campus use

4. Negotiated Contracts for Prospective Gifts or Donations - Section 551.073

- a. **U. T. Austin: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**
- b. **U. T. San Antonio: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**
- c. **U. T. Medical Branch - Galveston: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**
- d. **U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**

5. Deliberation Regarding Security Devices or Security Audits - Section 551.076

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

RECONVENE IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS

1:00 p.m.

ADJOURN

1:15 p.m.

1. **U. T. Health Science Center - Tyler: Overview of the institution**

REPORT

President Calhoun will provide an overview of U. T. Health Science Center - Tyler using the presentation on the following pages.



OVERVIEW OF THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT TYLER



KIRK A. CALHOUN, M.D.
President

U. T. System Board of Regents' Meeting
November 2012

THE MISSION OF UTHSCT

UTHSCT is committed to the fulfillment of our mission as the ONLY university medical center in Northeast Texas:

- Comprehensive health and biomedical science education in Northeast Texas
- Nationally-recognized biomedical and clinical research
- Excellent patient care and community health



Chancellor's Framework

President's Strategic Initiatives

Vice Presidents' Goals

Unit Level Objectives & Performance Metrics

Strategic Plan

STRATEGIC PLAN INITIATIVES

The Health of Texas

Centers of Excellence in Primary Care Medicine, Pulmonary Medicine, and Cancer

Regional Leader in Community Health, Public Health, and Government Service

Research

Produce High-Quality Basic Science, Translational, and Clinical Research

Student Access & Success

Regional Leader in Health-Related Education Through Degree Granting and Collaborative Relationships

Productivity & Efficiency / Faculty, Administrators, and Staff Excellence

Promote a Culture of Excellence and Productivity

Recruit, Reward, and Retain Excellent Faculty, Administrators, and Staff

Enhance Philanthropic Success

Increase Philanthropic Support

WHY OUR STRATEGIC PLAN IS IMPORTANT

- Educating our workforce improves our economy and strengthens our communities.
- Training new physicians means increased access to medical care and better quality of care in our region.
- Scientific discoveries improve our quality of life.

CULTURE OF FISCAL RESPONSIBILITY

- Reduced expenditures to match appropriate State general revenue and patient income funding levels.
- A 41-percent reduction in full-time equivalent (FTE) employees.
- Selective outsourcing of operational areas.
- Collaboration with other State agencies.
- Ongoing and systematic review of programs to determine their effectiveness and value.

We not only reduced our FTE's by 41 percent from 2002 to 2012, we have remained disciplined since 2009 in maintaining an average FTE count of 850.

FISCAL YEAR 2013 OPPORTUNITIES

Information Technology / Electronic Health Record (EHR)

- EHR has been deployed in all outpatient clinics; inpatient EHR will be completed in FY13.
- EHR technology improves patient safety and generates more accurate patient statements and cost analyses.

Expansion of Graduate Medical Education (GME)

- New Internal Medicine Residency Program began in June 2012 with Good Shepherd Medical Center in Longview, Texas, serving as the primary teaching site.
- Eighteen residents began training on July 1, 2012 – this inaugural class will grow to 54 residents by 2014.

FISCAL YEAR 2013 OPPORTUNITIES (cont.)

Biotechnology Degree Program

- Established the School of Medical Biological Sciences. The first degree to be awarded solely by UTHSCT – an M.S. in Biotechnology.
- Classes began on August 27, 2012.
- Over 236,000 Texans are employed by biotechnology companies with a total payroll of \$31 billion. There is a high demand for the graduates we produce.



Meeting of the U. T. System Board of Regents - Meeting of the Board

13



UTHSCT ECONOMIC IMPACT

- Operating budgets from FY02-FY12 represent a total economic impact of over \$3 billion to our region.
- Our graduating resident physicians generate on average \$1.3 million in economic impact to their communities during their first year of practice.
- Campus construction and improvements over the last 7 years represent an economic impact of over \$300 million.

IMPACT OF THE ACADEMIC CENTER



A new, more modern entrance to our campus . . .



IMPACT OF THE ACADEMIC CENTER (cont.)



Meeting of the U. T. System Board of Regents - Meeting of the Board

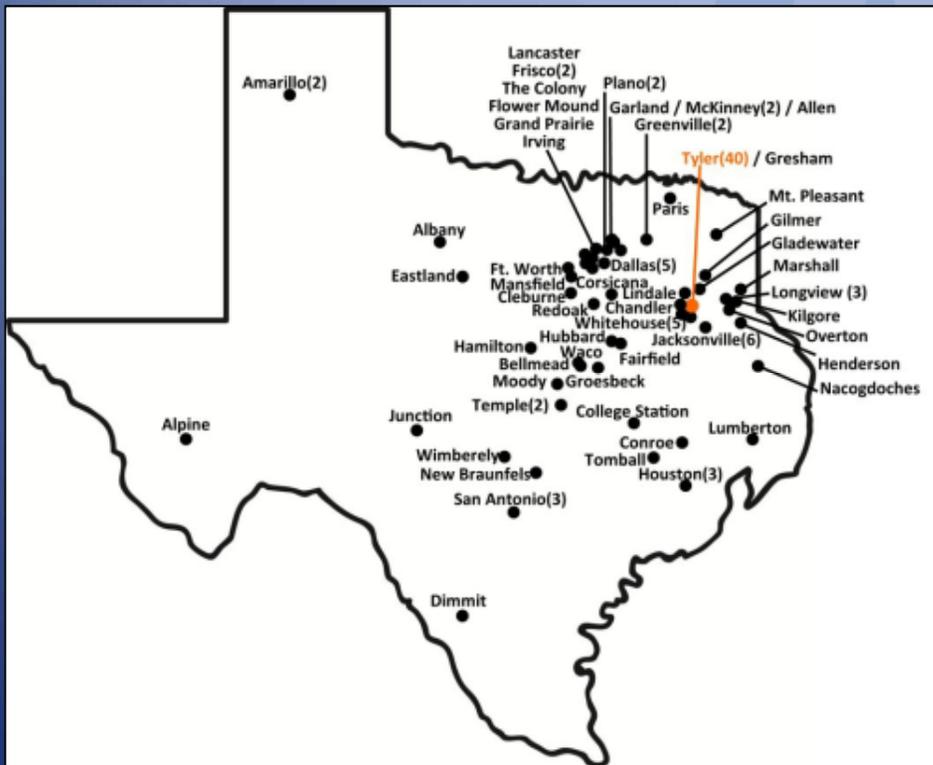
... that welcomes patients, families, and friends.

CANCER TREATMENT AND PREVENTION CENTER

- Cancer rates in Northeast Texas are some of the highest in the state.
- With the opening of the Cancer Center in September 2011, U. T. System expanded cancer care to over 1.2 million Texans who did not have regional access to a U. T. cancer facility.
- UTHSCT is becoming a regional referral center as well as a portal for other U. T. cancer centers.
- Growth for the Cancer Treatment and Prevention Center has far exceeded business plan projections.



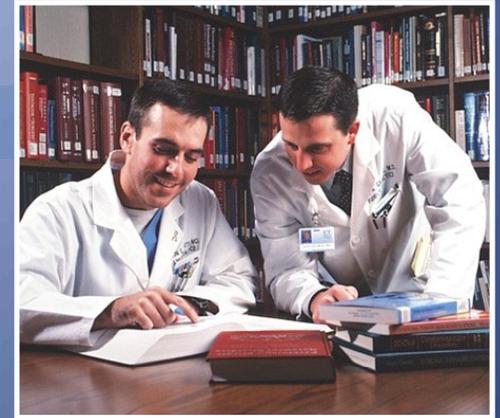
Family Medicine Residency Program Graduates



- Program began in 1988.
- 80 percent of graduates have stayed in Texas to practice.
- Consistently fills in the match with top graduates from U.S. medical schools.
- Provides quality physicians for citizens in rural, medically underserved areas in East Texas and beyond.

ADDITIONAL EDUCATION PROGRAMS

- Occupational Medicine Residency Program is 1 of only 2 accredited, non military programs in a 5-state region.
- As Program Sponsor, in partnership with Good Shepherd Health System, 18 new residents began training in June 2012.
- Hundreds of students in nursing, respiratory therapy, lab technology, and other health professions receive hands-on training at UTHSCT every year.



Senator Kay Bailey Hutchison Poses With Our Family Medicine Residents



Meeting of the U. T. System Board of Regents - Meeting of the Board



TEXAS INSTITUTE FOR OCCUPATIONAL SAFETY & HEALTH

- Offers patient care, education, and research with competitive funding support from the National Institute for Occupational Safety and Health (NIOSH).
- Assists companies and their employees in meeting the goal of a safer and healthier workplace.
- Home to one of two AOEC Clinics (Association of Occupational and Environmental Clinics) in Texas.





SOUTHWEST CENTER FOR AGRICULTURAL HEALTH, INJURY PREVENTION & EDUCATION

- Founded in 1995 and serves Texas, Louisiana, Arkansas, Oklahoma, and New Mexico.
- Focus is on research, prevention, intervention, education, and outreach designed to reduce occupational injuries and diseases among agricultural workers and their families.



NATIONAL CHILDREN'S STUDY

Authorized by Congress, the National Children's Study is a multi year research effort that will examine the effects of environmental influences on the health and development of more than 100,000 children across the U.S. from before birth to age 21. The goal is to improve the health and well-being of children.

- There are over 40 active sites including Lamar County in Northeast Texas – the site was awarded in 2008.
- Lamar is a Main Study site as well as a Vanguard Study Site – a pilot program designed to encourage health care providers to help in the recruitment of study participants.
- Active recruitment began in 2011.
- The program is currently following 150 families.



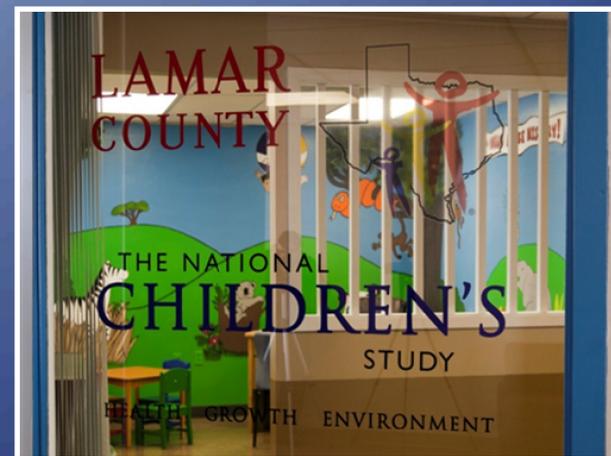
Kick-off Recruitment in 2011



NATIONAL CHILDREN'S STUDY (cont.)

The Role of UTHSCT

- To measure lung function in preschool students.
- To investigate the environmental contaminants bisphenol-A (BPA) used in plastic bottles and polybrominated diphenyl ethers (PBDE's) used as fire retardants as related to finding them in breast milk, blood, and urine in mother-infant pairs.
- To analyze indoor air as a source of phthalates – industrial chemicals called “plasticizers” found in toys, food, vinyl flooring, detergents, shampoo and many other household items.
- To measure indoor mold exposure reflected in house dust.

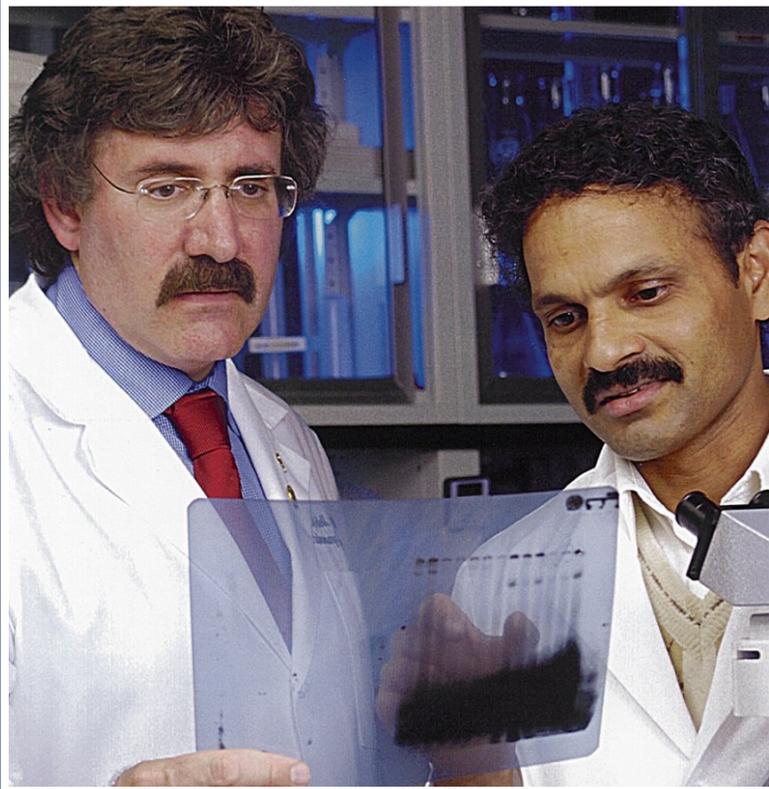


BIOMEDICAL RESEARCH



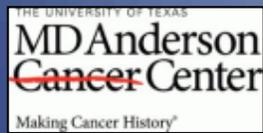
- Infectious Diseases of the Lung
- Occupational / Environmental Lung Injury
- Innate and Acquired Immunity
- Lung Development
- Heart and Esophageal Disease
- Inflammatory Cell Mediated Lung Disease
- Oxidant Mediated Lung Damage
- Cancers of the Chest
- Blood Coagulation

TEXAS LUNG INJURY INSTITUTE



**MAC (*Mycobacterium
avium* complex)**

COLLABORATIONS IN HEALTH CARE, EDUCATION, AND RESEARCH



OUR COMMITMENT

- We will utilize our mission and the Framework for Advancing Excellence throughout The University of Texas System to guide our strategic focus and planning processes.
- We will encourage job growth by focusing our educational programs in high-demand fields.
- We will solve tough problems through collaborations and evidence-based interventions.
- We will manage our resources well, promote faculty and staff productivity, and continue to eliminate waste in our operations.



2. **U. T. System Board of Regents: Approval of Consent Agenda items and referral of any items to the full Board or to Committee**

The Board will be asked to approve Consent Agenda items located at the back of the book under the Consent Agenda tab.

3. **U. T. System Board of Regents: Annual Meeting with Officers of U. T. System Employee Advisory Council**

REPORT

Representatives of the U. T. System Employee Advisory Council will meet with the Board to discuss the Council's past year activities according to the agenda below. Council members scheduled to attend are:

Chair 2012: Mr. Dexter Jones, Public Affairs Representative, Public Affairs and Marketing, U. T. Health Science Center - Tyler

Vice Chair: Mr. Benjamin Bond, Training Specialist, McCombs School of Business, U. T. Austin

Secretary: Ms. W. Dennie Clemons, Network Support Specialist, Communication Services - Information Technology, U. T. Health Science Center - Houston

Historian: Ms. Olga García, Senior Telecommunications Operator, Instructional & Client Support Services, U. T. Brownsville

AGENDA

1. Introductions
2. Reports on the accomplishments of the past year and recommendations set forth on the following pages.

BACKGROUND INFORMATION

The U. T. System Employee Advisory Council (EAC) was established in August 2000 to provide a vehicle for communication and to facilitate the flow of ideas and information between and among the Board of Regents, U. T. System Administration, and the institutions. The EAC functions to define, analyze, and make recommendations on employee issues to the Board through the Chancellor.

**THE UNIVERSITY OF TEXAS SYSTEM
EMPLOYEE ADVISORY COUNCIL
REPORT
TO THE BOARD OF REGENTS
THE UNIVERSITY OF TEXAS SYSTEM**

EXECUTIVE SUMMARY

The following is a brief listing of the recommendations submitted by the U. T. System Employee Advisory Council (EAC) to the U. T. System Board of Regents.

Policies and Procedures

Recommendation # 1 - A Systemwide tobacco-free environment should be instituted on every campus to provide an atmosphere that is focused on health and wellness for students, patients, employees, and visitors alike.

Recommendation # 2 - U. T. System institutions should provide employees with short- and long-term strategic information related to parking and transportation.

Work Life

Recommendation # 3 - U. T. System institutions should implement a rewards and recognition program to recognize and reward employees.

Recommendation # 4 - U. T. System institutions should provide an annual Total Rewards Statement to employees to raise employee awareness of all benefits and compensation received.

Recruitment and Retention

Recommendation # 5 - U. T. System should identify and implement best practices to more fully develop Systemwide diversity and mentoring programs for employees.

Recommendation # 6 - The U. T. System Board of Regents should designate the second Friday in November as an annual U. T. System Recognition Day.

Cost Savings and Innovation

Recommendation # 7 - In exercising and implementing cost efficiencies, U. T. System institutions should ensure classified staff is not disproportionately impacted during times of budget reductions.

BACKGROUND INFORMATION

The University of Texas System Employee Advisory Council (EAC) is composed of employees from all 15 institutions and U. T. System Administration, representing a diverse workforce and supporting a diverse collection of institutions. Recognizing the great strengths that exist across our group, five committees were formed to review programs that are important to the U. T. System workforce. The five committees explored programs related to reducing costs, promoting employee wellness, improving worklife balance, creating effective human resource (HR) policy, and recruiting and retaining talent.

Policies and Procedures

The EAC Policies and Procedures subcommittee identified and reviewed the following issues: tobacco use and parking and transportation. We reviewed existing institutional policies from each campus on these issues as well as the Regents' Rules regarding tobacco use (Regents' *Rules and Regulations*, Rule 80111, Smoke Free or Tobacco Free Policies) and parking (Regents' *Rules and Regulations*, Rule 80109, Parking and Traffic Regulations).

Recommendations:

1. A Systemwide tobacco-free environment should be instituted on every campus to provide an atmosphere that is focused on health and wellness for students, patients, employees, and visitors alike.
 - Although the Systemwide focus on wellness and the implementation of a Tobacco Premium Program as a part of the UT SELECT Medical Plan is a great step forward, the EAC determined there is not a consistent standard across the U. T. System institutions related to the use of tobacco products on campus.
2. U. T. System institutions should provide employees with short- and long-term strategic information related to parking and transportation.
 - The EAC recognizes the constraints affecting each campus regarding parking and transportation. However, the EAC found significant issues related to consistent and timely communication about changes which have a direct impact on employees.

Work Life

The EAC subcommittee on Work Life identified three areas of focus for FY12: recognizing employees for exceptional work, the development of a tool to communicate employee benefits packages, and leadership/staff communications.

Recommendations:

3. U. T. System should develop a rewards and recognition program at each institution.
 - Several U. T. System institutions have rewards and recognition programs, but not all of the institutions do. Employees are motivated not only by good pay and benefits, but also by feeling they are valued and appreciated for the work they do. Reward and recognition programs play an important role in recruiting and retaining outstanding employees. The institutions that have programs for rewarding and recognizing their employees could be used by other institutions as models for developing a new program.
 - The essential criteria for an effective rewards and recognition program, suggested reward categories, and examples of low cost rewards may be found on the EAC website.

4. U. T. System institutions should develop and distribute an annual Total Rewards Statement to employees at each institution to raise awareness of all benefits and compensation received.
 - The average employee is not aware of the significant investment the U. T. System makes in our workforce through benefits and compensation. At this time, most of our institutions do not provide employees with Total Rewards Statements. Raising employee awareness on this issue will not only enhance current employee satisfaction but will be very valuable information in recruiting a talented, exceptional workforce in the future.
 - The U. T. System Office of Employee Benefits is able to provide assistance or guidance in the creation of a total dollar value of benefits received by an employee.

Recruitment and Retention

The challenge of hiring and retaining the best and brightest employees is one that challenges all organizations. Within the framework of this goal should be a commitment to ensuring an organization's workforce is representative of a community's diversity. Additionally, organizations should show a commitment to mentoring. Research suggests those organizations with effective mentoring programs have a stronger and more skilled workforce. Both diversity and team mentoring were the areas of focus selected by this subcommittee for consideration.

Recommendations:

5. U. T. System institutions should identify and implement best practices to more fully develop Systemwide diversity and mentoring programs.
 - Information on workforce diversity gathered from each U. T. System institution highlighted varying degrees of success. For example, employee demographics at U. T. El Paso have shifted over the past year in a way that is representative of their community at-large and is consistent with the institution's vision. U. T. M. D. Anderson Cancer Center and U. T. Medical Branch - Galveston have taken actions towards this vision by including wording in their Equal Employment Opportunity statements that represent a desire to become more diverse; establishing diversity inclusion committees for students, faculty, and staff; and creating an Office of Diversity. The conclusion is that much remains to be done across the U. T. System to ensure that each institution's workforce is representative of the community it serves.
 - Mentoring brings value to everyone involved in the process. To mentees, the value is in an opportunity to expand and develop new skills. To mentors, the value is in the opportunity to share knowledge and expertise with promising employees. To the organization, the value is in the development of a more skilled workforce with improved job satisfaction.
6. The U. T. System Board of Regents should designate the second Friday in November as an annual U. T. System Recognition Day to show a spirit of loyalty and pride for our university system and our institutions.
 - The Board of Regents first met to establish and organize the University on November 15, 1881; therefore, we request the Board of Regents give consideration to naming the second Friday of November for this purpose. The EAC would further request that this day not be conjoined with institution-specific employee recognition activities and that each institution determine how it will promote this day.

Cost Savings and Innovation (CSI)

The overall objective for the EAC subcommittee on Cost Savings and Innovation (CSI) was to identify possible benchmarks, common themes and best practice strategies in the larger area of cost savings and efficiencies. Rather than recommending specific cost-cutting ideas (as was shared last year in our “inventory” document), the subcommittee sought to identify thematic areas that might serve to challenge current business practices, provide evidence where cost savings or new efficiency models can be incorporated into strategic planning, and/or provide evidence of success elsewhere.

Recommendation:

7. In exercising and implementing efficiencies, U. T. System institutions should ensure classified staff is not disproportionately impacted during times of budget reductions.

4. **U. T. System Board of Regents: Proposed amendment of Regents' Rules and Regulations, Rule 40311, regarding Graduate Education, to add Section 7 concerning requirement of a Milestone Agreement Form between Ph.D. students and their department**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor and General Counsel that Regents' *Rules and Regulations*, Rule 40311, regarding Graduate Education, be amended to add Section 7 concerning the required use by institutions of a Milestone Agreement Form between Ph.D. students and their department as set forth below in congressional style:

Sec. 7 Milestone Agreement Form. Departments of institutions of the U. T. System must provide all Ph.D. students with an individualized Milestone Agreement Form. This form shall be provided for the purpose of informing students about the academic milestones that they will be expected to reach to earn Ph.D. degrees as well as when they are expected to complete these milestones. Students are expected to reach each milestone within the specified time period to make satisfactory progress through the program.

7.1 Required Template. The Office of Academic Affairs and the Office of Health Affairs shall provide to the institutions a template of those elements of information that must be contained in every form. Departments may add information to the form to fit unique program requirements.

7.2 Implementation Timeline. Beginning in Fall 2013, a Milestone Agreement Form is to be provided to all Ph.D. students.

BACKGROUND INFORMATION

In response to the Framework for Advancing Excellence throughout The University of Texas System and specifically to the action items related to Ph.D. programs within the U. T. System, a task force of graduate deans was created to develop guidelines to address specific areas of Ph.D. program improvement. One of the outcomes of the task force's work was the creation of a template for a Milestone Agreement Form that will be provided to all Ph.D. students. The agreement includes four major elements of information:

- Academic Advising. A list of elements that advisors will be responsible for sharing with students.
- Milestones. A list of milestones to be reached, along with expected timeframes for achievement.
- Completion Checklist. A degree completion checklist.

- Characteristics of the Program. A list of characteristics of the Ph.D. program as defined by the Texas Higher Education Coordinating Board providing such information as graduation rates, average time to degree, average financial support provided, and an employment profile.

5. **U. T. System Board of Regents: Authorization to establish a student scholarship fund to honor Chancellor Cigarroa**

RECOMMENDATION

Chairman Powell recommends that the U. T. System Board of Regents authorize the establishment of a scholarship fund to honor Chancellor Cigarroa by providing a scholarship benefit to deserving students attending institutions within the U. T. System selected by a process determined by the Vice Chancellor for External Relations and the General Counsel to the Board.

It is further recommended that the initial funding for this endowment be \$50,000 in funds from a source identified as appropriate for this purpose by the Associate Vice Chancellor, Controller and Chief Budget Officer.



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FOR
AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW
COMMITTEE**

Committee Meeting: 11/14/2012

Board Meeting: 11/15/2012
Tyler, Texas

Brenda Pejovich, Chairman
Paul L. Foster, Vice Chairman
Alex M. Cranberg
Wallace L. Hall, Jr.

	Committee Meeting	Board Meeting	Page
CONVENE IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551	<i>10:00 a.m.</i> <i>Chairman Pejovich</i>		
<p>Personnel matters relating to appointment, employment, evaluation, assignment, duties, discipline, or dismissal of officers or employees - <i>Texas Government Code Section 551.074</i></p> <p style="text-align: center;">U. T. System Board of Regents: Discussion and possible action regarding individual personnel issues concerning hiring a U. T. System Chief Audit Executive</p>			
RECONVENE IN OPEN SESSION FOR ACTION, IF ANY, ON EXECUTIVE SESSION ITEM AND TO CONSIDER AGENDA ITEMS			
1. U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration	<i>10:20 a.m.</i> Action	Action	39
2. U. T. System Board of Regents: Approval of the U. T. Systemwide Annual Internal Audit Plan for Fiscal Year 2013	<i>10:21 a.m.</i> Action <i>Mr. Peppers</i>	Action <i>Regent Pejovich</i>	40
3. U. T. System: Report on the Systemwide internal audit activities, including the implementation status of significant audit recommendations, Systemwide 2012 annual audit plan status, and other reports issued	<i>10:30 a.m.</i> Report/Discussion <i>Mr. Peppers</i>	Not on Agenda	43
4. U. T. System: Annual Report on Information Security Compliance Enhancements across the U. T. System and on security of the U. T. Research Cyberinfrastructure	<i>10:45 a.m.</i> Report/Discussion <i>Mr. Burgdorf</i> <i>Mr. Watkins</i>	Not on Agenda	48
ADJOURN	<i>11:00 a.m.</i>		

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

(The proposed Consent Agenda is at the back of the book.)

2. **U. T. System Board of Regents: Approval of the U. T. Systemwide Annual Internal Audit Plan for Fiscal Year 2013**

RECOMMENDATION

Interim Chief Audit Executive Peppers recommends approval of the proposed Fiscal Year 2013 U. T. Systemwide Annual Audit Plan (Audit Plan). Development of the Audit Plan is based on risk assessments performed at each institution. Implementation of the Audit Plan will be coordinated with the institutional auditors. An executive summary is on the following pages. The full Audit Plan was provided to all Regents prior to the meeting, and is available upon request.

BACKGROUND INFORMATION

Institutional audit plans, compiled by the internal audit departments after input and guidance from the U. T. System Audit Office, the Offices of Academic or Health Affairs, and the institution's management and institutional internal audit committee, were submitted to the respective institutional internal audit committee and institutional president for review and comments. Additionally, the institutional audit plans were presented at the U. T. System Administration Internal Audit Committee meeting held on September 5, 2012.

Also, the Interim Chief Audit Executive provided feedback by conducting audit plan presentations with each institution. After the review process, each institutional internal audit committee formally approved its institution's audit plan.

**The University of Texas System
Systemwide Internal Audit Program
Fiscal Year 2013 Annual Audit Plan
Executive Summary**

The University of Texas (U. T.) Systemwide fiscal year (FY) 2013 Annual Audit Plan (FY 2013 Audit Plan) is a blueprint of the internal audit activities that will be performed by the internal audit function throughout the System in FY 2013.

To provide consistency at the Systemwide level, the U. T. System Audit Office provides the institutional audit departments with guidance each June on the audit plan format, content, and development methodology, including the general risk assessment process. The annual audit plans are prepared using a risk-based approach to ensure that areas and activities specific to each institution with the greatest risk are identified to be audited. Individual annual audit plans were prepared at U. T. System Administration and each institution in July and August. The System Audit Office, the Office of Academic or Health Affairs, and the institution's management and internal audit committee provided input and guidance on the annual audit plans. Additionally, the Chief Audit Executive *ad interim* provided direction to the chief audit executives both prior to the preparation of the annual audit plans and through formal feedback through "annual audit plan presentations" with each institution.

The institutional annual audit plans were reviewed for the possibility of assurance work done by external entities during the audit year, such as the State Auditor's Office (SAO), external audit firms, federal auditors, etc. Where appropriate, other assurance work was relied upon to reduce the internal audit resources needed.

After the review process, each institutional internal audit committee formally approved its institution's annual audit plan. The FY 2013 Audit Plan is formally presented to the Audit, Compliance, and Management Review Committee and the U. T. System Board of Regents for consideration for approval at the November 2012 meeting.

The FY 2013 Audit Plan directs internal audit resources on audits and projects allocated among the categories listed below to address the risks of U. T. System. However, with potential changes in priorities that may occur during the fiscal year, institutions may request approval from their respective president and/or internal audit committee to change their budget for audits and projects or reallocate budget hours among the various categories.

Audit Area Categories	Budgeted Audit Hours	% of Budgeted Audit Hours
Financial	26,582	17%
Operational	45,285	29%
Compliance	28,985	18%
Information Technology	29,050	19%
Follow-up	5,923	4%
Projects	20,126	13%
Total	155,951	100%

Prepared by: U. T. System Internal Audit Program
Consolidated by: U. T. System Audit Office
Date: November 2012

FY 2013 Total Budgeted Audit Plan Hours by Institution:

	Financial	Operational	Compliance	Information Technology	Follow-up	Projects	Total Hours Budgeted
U. T. System Administration	4,350	6,250	2,050	3,900	800	3,480	20,830
Large Institutions:							
U. T. Austin	1,390	2,950	6,075	2,300	200	2,594	15,509
U. T. Southwestern Medical Center	1,760	2,450	5,100	2,580	1,000	2,414	15,304
U. T. Medical Branch - Galveston	825	4,272	1,360	3,300	500	1,275	11,532
U. T. Health Science Center - Houston	1,695	1,485	2,515	1,875	300	1,184	9,054
U. T. Health Science Center - San Antonio	2,100	4,400	500	1,900	500	620	10,020
U. T. M. D. Anderson Cancer Center	5,760	4,990	1,380	3,930	600	1,179	17,839
Subtotal	13,530	20,547	16,930	15,885	3,100	9,266	79,258
Mid-size Institutions:							
U. T. Arlington	750	1,520	1,490	1,420	200	850	6,230
U. T. Brownsville	940	1,325	920	790	190	691	4,856
U. T. Dallas	1,090	4,688	1,120	2,000	130	925	9,953
U. T. El Paso	2,335	3,730	2,320	1,435	525	590	10,935
U. T. Pan American	950	1,850	900	800	225	1,350	6,075
U. T. San Antonio	940	2,800	1,040	1,500	350	954	7,584
Subtotal	7,005	15,913	7,790	7,945	1,620	5,360	45,633
Small Institutions:							
U. T. Permian Basin	560	650	880	390	80	406	2,966
U. T. Tyler	770	720	750	630	150	1,334	4,354
U. T. Health Science Center - Tyler	367	1,205	585	300	173	280	2,910
Subtotal	1,697	2,575	2,215	1,320	403	2,020	10,230
TOTAL	26,582	45,285	28,985	29,050	5,923	20,126	155,951
Percentage of Total	17%	29%	18%	19%	4%	13%	100%

Prepared by: U. T. System Internal Audit Program
Consolidated by: U. T. System Audit Office
Date: November 2012

3. **U. T. System: Report on the Systemwide internal audit activities, including the implementation status of significant audit recommendations, Systemwide 2012 annual audit plan status, and other reports issued**

REPORT

Interim Chief Audit Executive Peppers will report on the following items:

1. Implementation status of significant audit recommendations - The Fiscal Year 2012 fourth quarter activity report on the Implementation Status of Outstanding Significant Findings/Recommendations is set forth on [Pages 44-45](#). Satisfactory progress is being made on the implementation of all significant recommendations. Significant audit findings/recommendations are tracked by the U. T. System Audit Office. Quarterly, chief business officers provide the status of implementation, which is reviewed by the internal audit directors. A quarterly summary report is provided to the Audit, Compliance, and Management Review Committee of the U. T. System Board of Regents. Additionally, Committee members receive a detailed summary of new significant findings and related recommendations quarterly.
2. The Fiscal Year 2012 annual internal audit plan status as of August 31, 2012, is set forth on [Page 46](#).
3. Other audit reports issued by the Systemwide audit program are set forth on [Page 47](#).

THE UNIVERSITY OF TEXAS SYSTEM
Implementation Status of Outstanding Significant Findings/Recommendations

Report Date	Institution	Audit	3rd Quarter 2012		4th Quarter 2012		Targeted Implementation Date	Overall Progress Towards Completion (Note)
			Ranking	# of Significant Findings	Ranking	# of Significant Findings		
U. T. SYSTEM AUDITS								
2012-05	UTA	Employee Check-Out Process Audit				1	12/31/2012	Satisfactory
2012-05	UTB	Audit of Human Resources Fiscal Year 2012		1		1	3/1/2013	Satisfactory
2011-10	UTD	Texas Administrative Code 202		1		1	12/31/2012	Satisfactory
2012-01	UTD	Environmental Health and Safety - Lab Safety		1		1	2/28/2013	Satisfactory
2012-02	UTD	Annual Financial Report for the Fiscal Year Ended August 31, 2011		3		3	11/30/2012	Satisfactory
2012-08	UTD	Payroll Department Operations				2	2/28/2013	Satisfactory
2011-06	UTPA	Employee Assignments		1		1	3/31/2013	Satisfactory
2012-02	UTPA	High School to University Programs & Testing Services		1		0	4/30/2012	Implemented
2012-05	UTPA	Office of International Admissions and Services Programa de Asistencia Estudiantil Solicitud Program		2		0	9/30/2012	Implemented
2012-05	UTPA	Texas Administrative Code 202		1		1	10/31/2012	Satisfactory
2010-12	UTPB	Annual Financial Report for the Fiscal Year Ended August 31, 2010		1		1	11/30/2012	Satisfactory
2012-08	UTPB	Dependent Eligibility Audit				1	1/31/2013	Satisfactory
2010-11	UTSA	Information Security Program		2		2	2/28/2013	Satisfactory
2012-03	UTSWMC	University Hospital Pharmaceutical and Medical Waste Management for the Fiscal Year Ended August 31, 2011		1		0	8/30/2012	Implemented
2012-04	UTMB	Chargemaster Review Process		4		4	4/30/2013	Satisfactory
2012-08	UTMB	Electronic Health Record (Epic) Meaningful Use Compliance				2	3/31/2013	Satisfactory
2012-04	UTHSC - Houston	Faculty Recruitment and Hiring Process		2		2	1/1/2013	Satisfactory
2011-11	UTHSC - San Antonio	Data Center Physical Security Audit		4		2	11/15/2012	Satisfactory
2012-03	UTHSC - San Antonio	Cancer Therapy and Research Center (CTRC) Investigational Drug Section (IDS)		2		1	12/31/2012	Satisfactory
2012-07	UTHSC - San Antonio	Active Directory Audit				2	3/31/2013	Satisfactory
2007-09	UTMDACC - Houston	Maintenance and Security of Biological Research Materials		1		1	9/3/2012*	Satisfactory
2009-03	UTMDACC - Houston	Wireless and Firewall Remote Access Security Assessment		1		1	8/31/2012*	Satisfactory
2009-05	UTMDACC - Houston	Business Continuity Plan Review		1		1	11/30/2012	Satisfactory
2010-12	UTMDACC - Houston	Human Resources Contingent Workforce		1		1	8/31/2013	Satisfactory
2011-06	UTMDACC - Houston	Effort Reporting and Certification		1		1	2/28/2013	Satisfactory
2012-04	UTMDACC - Houston	Dependent Eligibility		2		1	5/31/2012**	Satisfactory
2012-01	UTHSC - Tyler	Financial Statements as of and for the Year Ended August 31, 2011		1		0	6/1/2012	Implemented
Totals				35		34		

* Recommendation deemed to be implemented per management and awaiting verification and validation by audit.

** Awaiting updated implementation status and date from audit client.

THE UNIVERSITY OF TEXAS SYSTEM
Implementation Status of Outstanding Significant Findings/Recommendations

Report Date	Institution	Audit	3rd Quarter 2012		4th Quarter 2012		Targeted Implementation Date	Overall Progress Towards Completion (Note)
			Ranking	# of Significant Findings	Ranking	# of Significant Findings		
STATE AUDITOR'S OFFICE AUDITS								
2011-02	UTSWMC	Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2010		1		0	8/31/2012	Implemented
2012-02	UTSWMC	Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2011		2		1	8/31/2013	Satisfactory
2012-02	UTMB	Compliance with Federal Requirements for the Research & Development Cluster of Federal Programs for the Fiscal Year Ended August 31, 2011		1		0	8/31/2012	Implemented
2012-02	UTMB	Compliance with Federal Requirements for Selected Major Programs at the Department of Public Safety and The University of Texas Medical Branch at Galveston for the Fiscal Year Ended August 31, 2011		1		0	8/31/2012	Implemented
Totals				<u>5</u>		<u>1</u>		

Color Legend:

- Either a new significant finding for which corrective action will be taken in the subsequent quarter or a previous significant finding for which no/limited progress was made towards implementation.
- Significant finding for which substantial progress towards implementation was made during the quarter that the significant finding was first reported.
- Significant finding for which substantial progress towards implementation was made during the quarter.
- Significant finding was appropriately implemented during the quarter and will no longer be tracked.

Note: **Implemented** - The Chief Audit Executive deems the significant finding has been appropriately addressed/resolved and should no longer be tracked.
Satisfactory - The Chief Audit Executive deems that the significant finding is in the process of being addressed in a timely and appropriate manner.
Unsatisfactory - The Chief Audit Executive deems that the significant finding is not being addressed in a timely and appropriate manner.

**U. T. Systemwide Internal Audit Program
FY 2012 Annual Internal Audit Plan Status
(as of August 31, 2012)**

	Financial	Operational	Compliance	Information Technology	Follow-up	Projects	Credit for Priority Hours (Note 1)	Total Approved Priority Budget Hours (Note 2)	Variance (Hours)	Percentage Completion
U. T. System Administration	3,849	4,615	1,610	3,375	800	1,900	16,149	16,500	351	98%
Large Institutions:										
U. T. Austin	1,115	4,067	2,039	1,029	200	2,131	10,581	12,031	1,451	88%
U. T. Southwestern	1,400	1,392	3,102	1,663	750	1,800	10,107	11,000	893	92%
U. T. Medical Branch - Galveston	1,200	2,350	1,536	1,550	300	1,000	7,936	7,960	24	100%
U. T. HSC - Houston	1,455	1,532	1,465	785	300	854	6,391	7,144	754	89%
U. T. HSC - San Antonio	980	2,150	1,460	1,470	450	466	6,976	7,050	75	99%
U. T. MDA Cancer Center	4,015	4,085	1,800	2,061	600	1,150	13,711	14,100	389	97%
Subtotal	10,165	15,576	11,402	8,557	2,600	7,401	55,701	59,285	3,585	94%
Mid-size Institutions:										
U. T. Arlington	750	700	992	939	300	1,480	5,160	5,320	160	97%
U. T. Brownsville	420	1,171	655	348	250	780	3,624	4,176	553	87%
U. T. Dallas	1,101	1,950	1,086	660	85	275	5,157	5,740	584	90%
U. T. El Paso	1,710	2,720	752	805	550	310	6,847	8,464	1,617	81%
U. T. Pan American	535	1,979	787	975	250	950	5,476	5,825	349	94%
U. T. San Antonio	1,075	2,054	1,520	640	400	1,080	6,768	7,280	512	93%
Subtotal	5,591	10,573	5,791	4,367	1,835	4,874	33,031	36,805	3,774	90%
Small Institutions:										
U. T. Permian Basin	191	-	313	46	30	80	660	1,050	390	63%
U. T. Tyler	280	710	250	423	100	639	2,402	2,415	13	99%
U. T. HSC - Tyler	421	300	1,240	300	180	320	2,761	2,761	-	100%
Subtotal	892	1,010	1,803	769	310	1,039	5,823	6,226	403	94%
TOTAL	20,497	31,774	20,606	17,068	5,545	15,214	110,703	118,816	8,113	93%
Percentage of Total	19%	29%	19%	15%	5%	14%	100%			

NOTE 1:

"Credit for Priority Hours" reflects the priority budgeted hours apportioned based on completion status of the audits/projects as of 8/31/2012. The time period from 9/1/2011 through 8/31/2012 represents 100% of the annual audit plan year.

NOTE 2:

Original Total Priority Budget Hours, approved by the ACMRC for priority projects, was 118,038 hours. However, some institutions may change their Total Priority Budget Hours and/or the allocation of hours among the various categories due to changes in priorities and staffing resources during the fiscal year. These changes have been communicated to/approved by the institution's respective president and/or internal audit committee. The total priority budget hours are approximately 80-85% of total budget hours.

*U. T. Permian Basin's lower percent completion is due to staffing limitations throughout the year. The majority of the audit staff was temporarily assigned to the accounting department in order to complete the Annual Financial Report and other accounting functions when the accounting director and assistant director abruptly left their positions at the start of the fiscal year. The accounting director position was filled in March 2012; however, the employee retired at the end of July 2012. In March 2012, one of the audit staff did resume her audit function but the other staff person remains in accounting.

OTHER U. T. SYSTEM AUDIT REPORTS RECEIVED BY SYSTEM AUDIT 6/2012 through 8/2012	
Institution	Audit
UTA	National Collegiate Athletic Association Compliance - Recruiting
UTAUS	National Collegiate Athletic Association Bylaws 11 & 17
UTAUS	Time and Effort Reporting, Office of Sponsored Projects
UTAUS	Education Research Center
UTAUS	Child Development Center
UTD	Housing Operations
UTD	School of Natural Sciences and Mathematics
UTD	Dependent Eligibility
UTD	Library File Transfer Protocol and Encryption Process
UTD	Student Health Center
UTEP	College of Liberal Arts Change in Management
UTEP	Miner Mall Procurement System
UTEP	Payroll Office
UTEP	Contracts and Grants
UTEP	Information Resources and Planning (Selected Accounts)
UTEP	Human Subject Research
UTPA	National Collegiate Athletic Association Compliance - Recruiting
UTPA	National Collegiate Athletic Association Compliance - Rules Education
UTPA	National Collegiate Athletic Association Compliance - Playing & Practice Seasons
UTPA	Facilities Audit
UTPA	Project Management Office
UTPA	College of Social & Behavioral Sciences - Dean's Office
UTPA	College of Health Sciences & Human Services - Dean's Office
UTPA	Office of Student Engagement & Experiential Learning
UTSA	Dependent Eligibility
UTSA	Research Compliance
UTSA	National Collegiate Athletic Association Compliance Audit
UTT	Dependent Eligibility
UTT	Annual Follow-Up #2
UTT	Account Reconciliation Review
UTSWMC	Epic Security Administration
UTSWMC	Managed Care Contracting (Medical Service, Research and Development Plan)
UTMB	Ambulatory Registration Process
UTMB	Research Contracts and Grants Financial Status Report Filing Process
UTMB	Information Systems - Problem Management Review
UTMB	Faculty Group Practice Coding Management Operations
UTMB	Virtual Server Review
UTHSC - San Antonio	Body Donation Program
UTHSC - San Antonio	Dental School AxiUm Software
UTHSC - San Antonio	Cancer Therapy & Research Center Change In Management
UTMDACC	Charge Capture - Diagnostic Imaging
UTMDACC	Molecular Carcinogenesis Department Review
UTMDACC	Centricity Drug Catalog Pricing and Maintenance
UTMDACC	Grants and Contracts Administration - Gastroenterology, Hepatology and Nutrition
UTMDACC	Application Review - Cirius Prebill
UTMDACC	Project Management Review - Research Station III
UTMDACC	MedAptus Application Review
UTHSC - Tyler	UT System Policy UTS166 Cash Handling and Transport of System Assets
UTHSC - Tyler	Research Compliance Audit of the Institutional Review Boards
UTSYS ADM	The University of Texas Investment Management Company - Long Term Fund Internal Controls
UTSYS ADM	Follow-Up for Oil & Gas Audits
UTSYS ADM	Follow-Up Audits for Non-Major Areas
UTSYS ADM	Follow-Up for Information Technology Audits
UTSYS ADM	Office of Technology and Information Services

STATE AUDITOR'S OFFICE AUDIT REPORTS ISSUED 6/2012 through 8/2012	
Institution	Audit
UT System	Full-time Equivalent State Employees for the Quarter Ending May 31, 2012

4. **U. T. System: Annual Report on Information Security Compliance Enhancements across the U. T. System and on security of the U. T. Research Cyberinfrastructure**

REPORT

Vice Chancellor and General Counsel Burgdorf and Chief Information Security Officer Watkins, will report on Information Security Compliance Enhancements across the U. T. System and on security of the U. T. Research Cyberinfrastructure.

A PowerPoint presentation is set forth on the following pages.

BACKGROUND INFORMATION

Following a November 2011 report to the Board by Deloitte & Touche LLP on its comprehensive information security compliance effectiveness review of the U. T. System, the Board approved the allocation of \$34,872,000 of Available University Funds to invest in information security compliance enhancements across the U. T. System and to secure the U. T. Research Cyberinfrastructure.

The Vice Chancellor and General Counsel was authorized to administer the investment of these funds through a centrally managed program and to submit annual reports on progress to the Chancellor and to the Board. This is the first Annual Report.

ANNUAL REPORT ON INFORMATION SECURITY COMPLIANCE ENHANCEMENTS

**Audit, Compliance, and Management Review Committee
U. T. System Board of Regents' Meeting**

November 2012

Mr. Lewis Watkins, Chief Information Security Officer

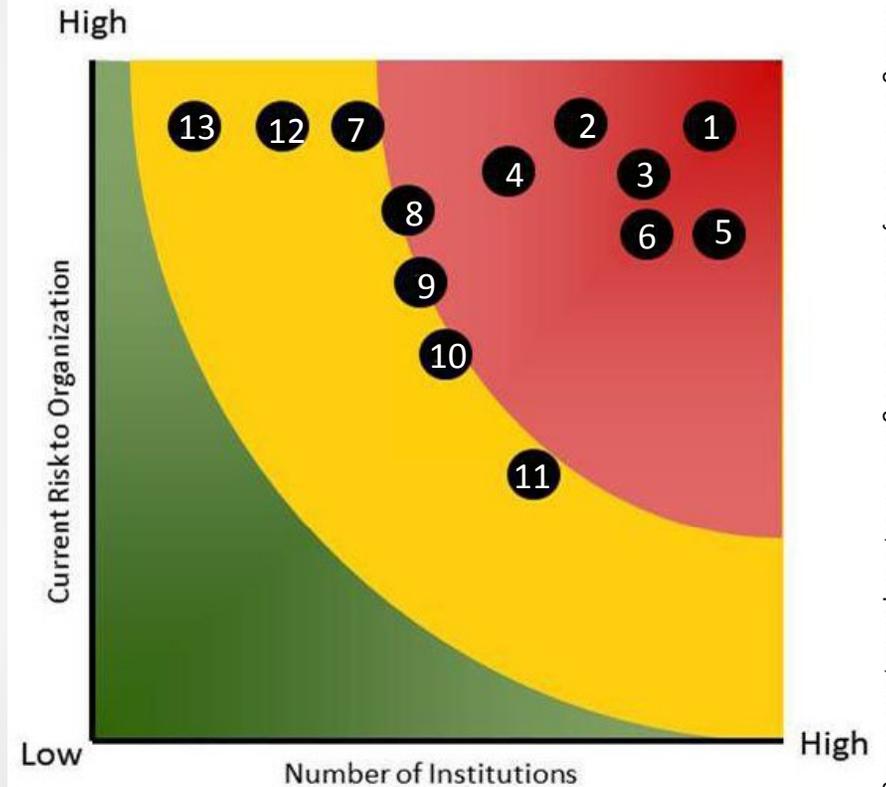


THE UNIVERSITY of TEXAS SYSTEM
Nine Universities. Six Health Institutions. Unlimited Possibilities.

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U. T. System Common Risks

1. Mobile Device Security
2. Decentralized IT
3. Network Segmentation
4. Logging and Monitoring
5. Disaster Recovery
6. Inconsistent Risk Assessment
7. Unencrypted Backup Tapes
8. Third-party Risk Management
9. Software Development & Configuration Mgt.
10. Physical Security
11. Identity and Access Management
12. Training and Awareness
13. Chief Information Security Officer Authority and Culture



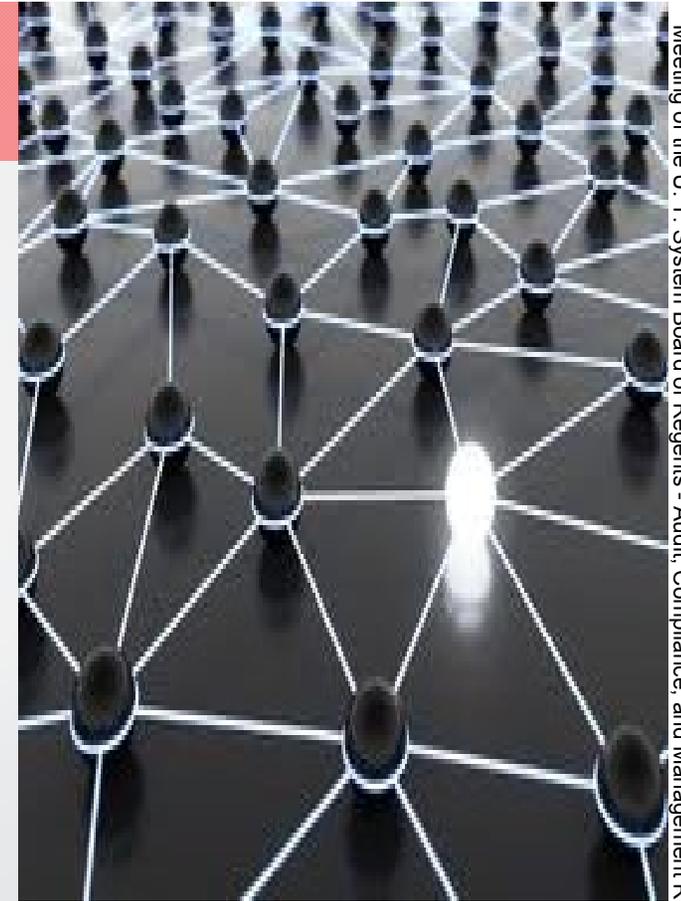
1. Mobile Device Security

- Policy and Technology to address:
 - Laptop Encryption
 - iPad, iPhone, Android Encryption
 - Encrypted Thumb Drives
- Aligns with technology goals within the Framework for Advancing Excellence throughout The University of Texas System



2. Decentralized IT

- Where most security gaps and incidents occur
- Technology Consolidation
 - U. T. Austin centralizing 1000+ servers
 - UTHSC-San Antonio centralizing 177 servers



3. Network Segmentation

- U. T. San Antonio Network Upgrade to Enable Encryption
- U. T. System Research Cyberinfrastructure Perimeter Security



4. Logging and Monitoring



- Patient Privacy Monitoring
 - Working Group led by UTMDA Cancer Center
- Security Incident and Event Monitoring
 - Working Group led by UTHSC-Houston



5. Disaster Recovery

- Backup for Shared PeopleSoft Applications
 - Systems are used by multiple institutions
 - Arlington Data Center failover capabilities



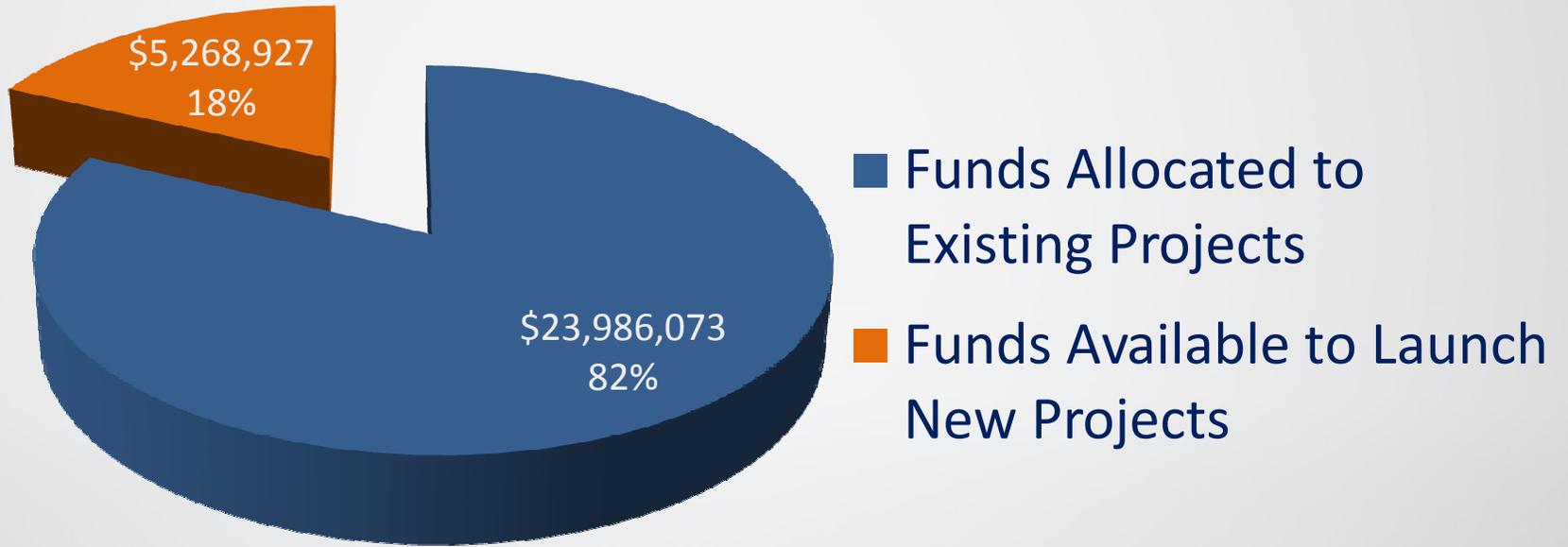
6. Risk Assessment



- Risk Assessment Consistency:
 - U. T. System adopting National Institute of Standards and Technology (NIST) Risk Assessment Framework
- Third-Party Risk Assessment:
 - Important for outsourcing and collaborations (e.g., Coderyte, MyEdu, etc.)



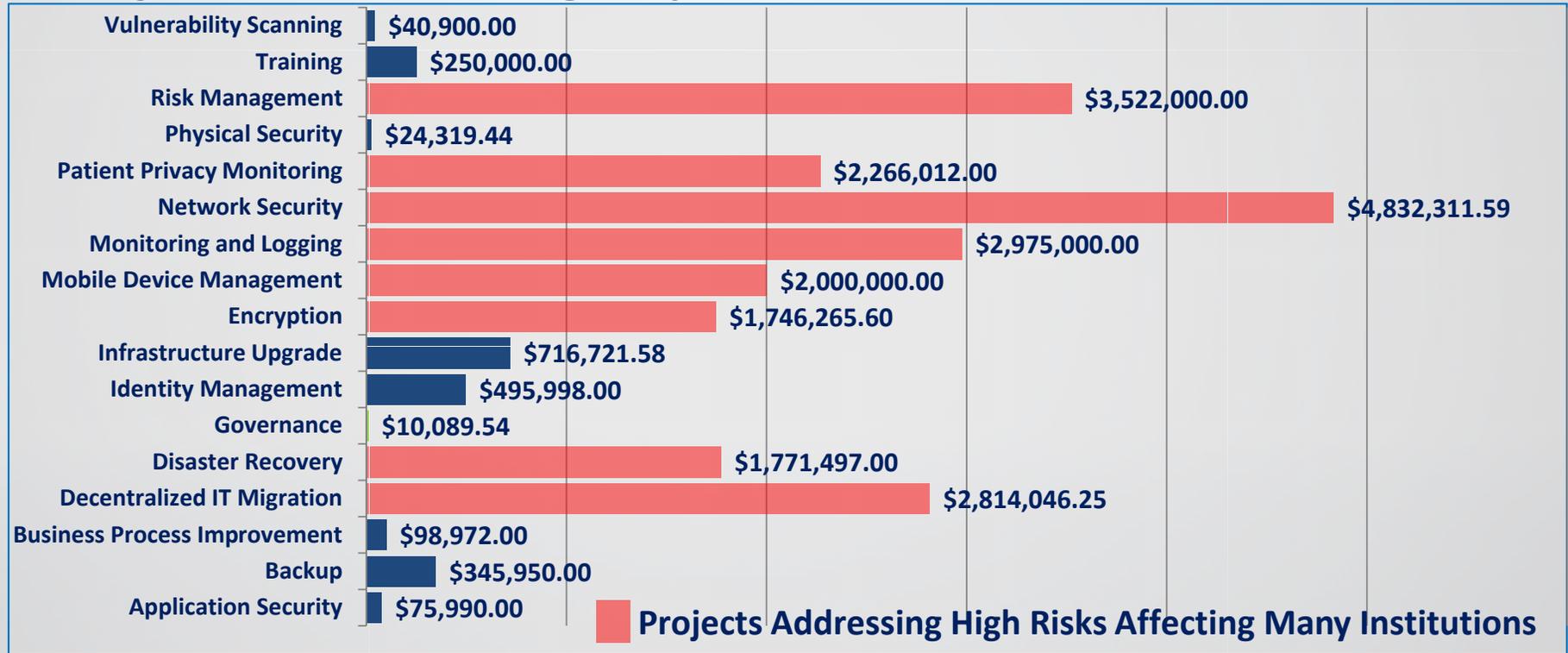
Funds Allocation to Date



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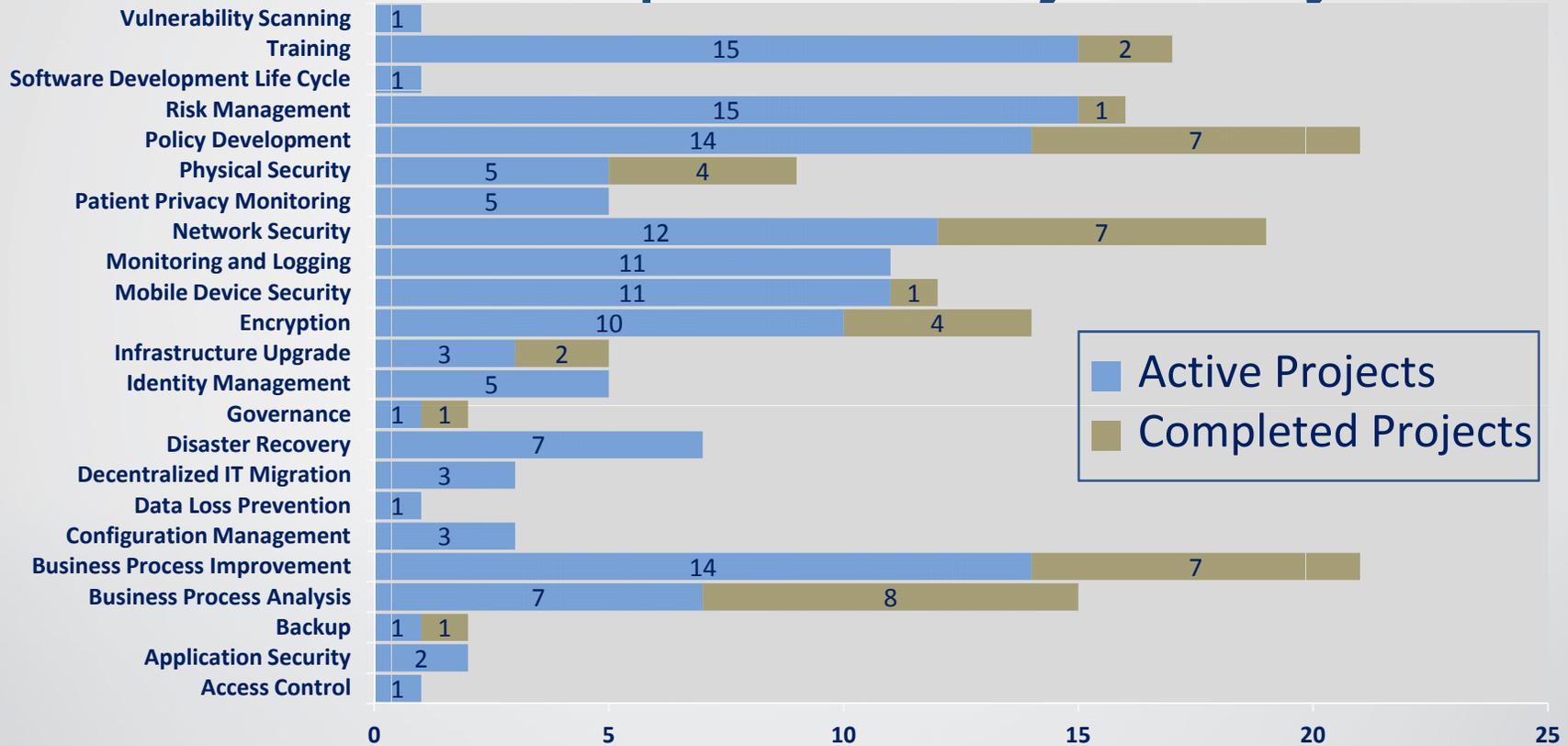
Project Funding by Theme



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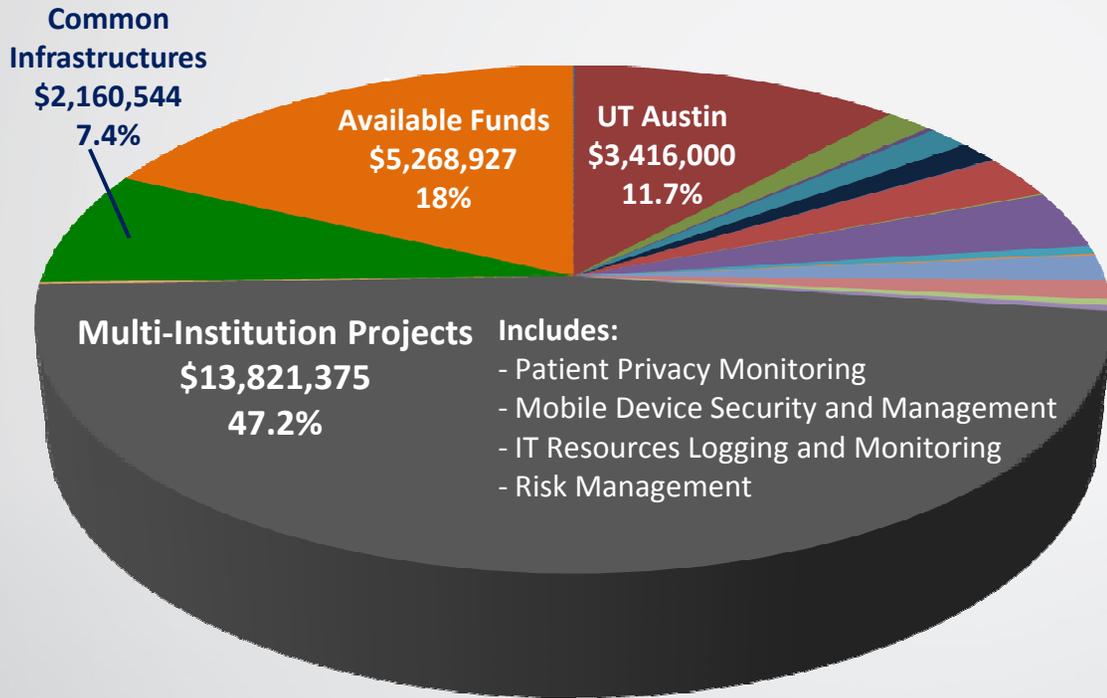
Active and Completed Projects by Theme



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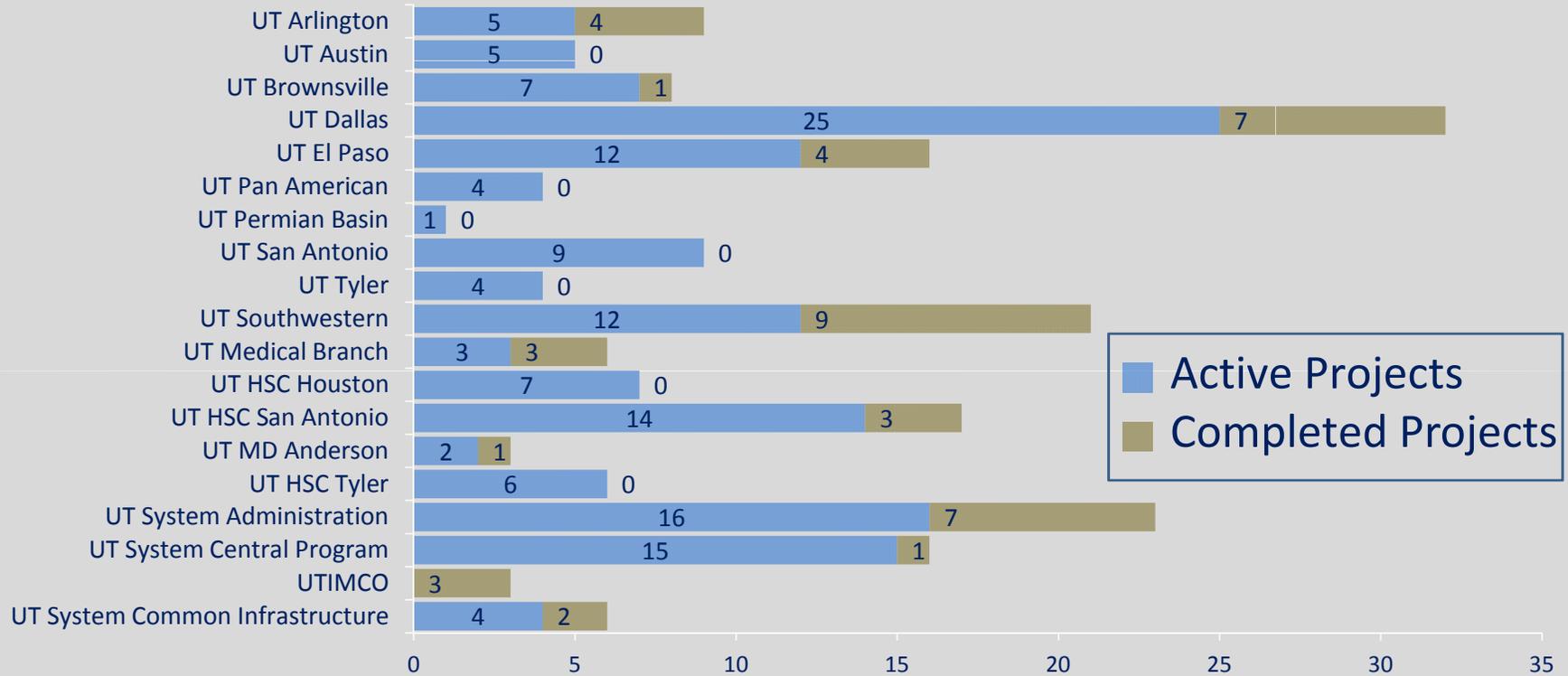
Funding by Institution



UT Arlington	\$ 18,000	0.1%
UT Austin	\$ 3,416,000	11.7%
UT Brownsville	\$ 473,500	1.6%
UT Dallas	\$ 62,000	0.2%
UT El Paso	\$ 435,000	1.5%
UT Pan American	\$ 402,295	1.4%
UT Permian Basin	\$ 13,000	0.0%
UT San Antonio	\$ 810,000	2.8%
UT Tyler	\$ 20,654	0.1%
UT Southwestern	\$ 1,077,688	3.7%
UT Medical Branch	\$ 156,992	0.5%
UT HSC Houston	\$ 30,000	0.1%
UT HSC San Antonio	\$ 471,025	1.6%
UT MDACC	\$ 360,000	1.2%
UT HSC Tyler	\$ 116,000	0.4%
UT System Administration	\$ 105,000	0.4%
Multi-Institution Projects	\$ 13,821,375	47.2%
UTIMCO	\$ 37,000	0.1%
Common Infrastructures	\$ 2,160,544	7.4%
Funds Balance	\$ 5,268,927	18.0%



Active and Completed Projects by Institution



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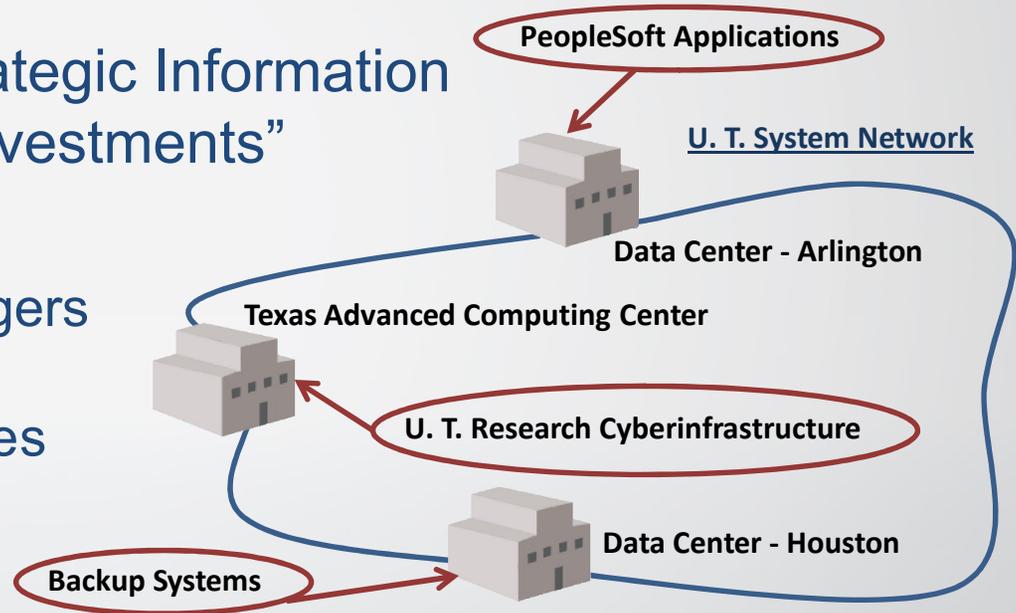
Multi-Institution Projects

- Mobile Device Management
 - Laptop Encryption
 - Encrypted Thumb Drives
 - iPhones, iPads, Androids
 - Network Access Control
- Risk Management
 - IT Risk Assessments
 - Third-Party Assessments
- Training
 - Technical Training
 - User Training
- Logging and Monitoring
 - Patient Privacy
 - Security Events



New Information Security Officer (ISO) to Address U. T. System Common Infrastructures

- Aligns with Framework “Strategic Information Technology Infrastructure Investments”
- ISO Duties:
 - Work with Resource Managers
 - Identify control gaps
 - Define compliance strategies
 - Establish program metrics



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Time Line

Initiative is managed with monthly updates to executive management.

Planning:

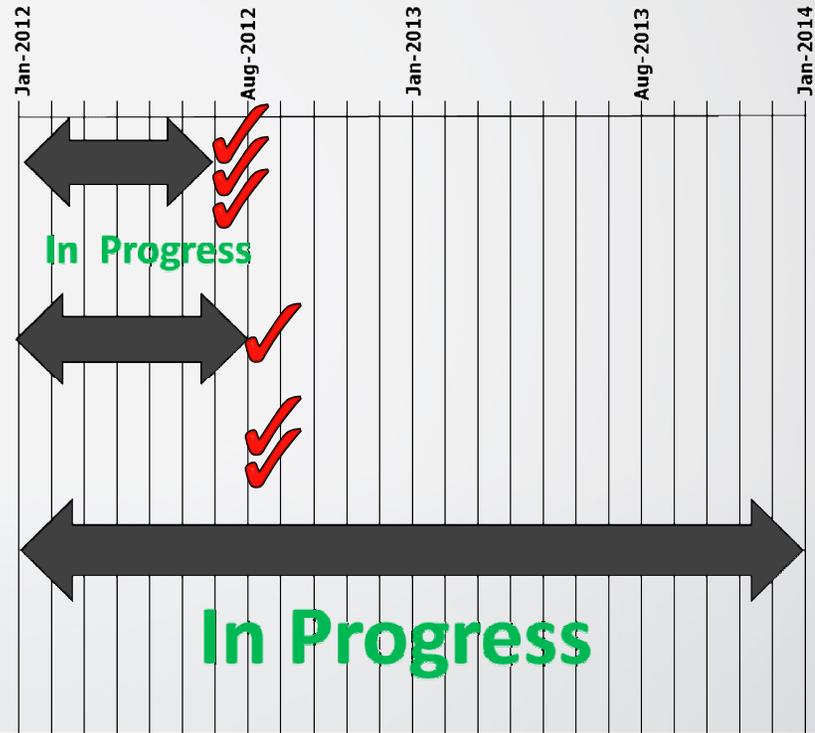
- Organize & hire staff
- Define Projects
- Establish processes
- Develop initial RFPs

Phase 1 Short-term Projects:

- SANS Securing the Human Training
- Confidential Data Location Tool
- Encrypted USB Drives
- Laptop encryption licenses

Phase 2 Long-term Projects:

- Mobile Device Management
- Risk Management
- Disaster Recovery
- Logging and Monitoring
- Many Others



Benefits

- **Improved Security** – Significant immediate and long-term impacts
- **Alignment** – Projects support the Framework for Advancing Excellence
- **Cultural Shift** – Incentives to reward collaboration and shared strategies to address security
- **Efficiency** – Savings through selective centralized purchases and deployments





TABLE OF CONTENTS FOR FINANCE AND PLANNING COMMITTEE

Committee Meeting: 11/14/2012

Paul L. Foster, Chairman
Printice L. Gary, Vice Chairman
Alex M. Cranberg
Wallace L. Hall, Jr.
Brenda Pejovich

Board Meeting: 11/15/2012
 Tyler, Texas

	Committee Meeting	Board Meeting	Page
Convene	<i>11:30 a.m.</i> <i>Chairman Foster</i>		
1. U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration	<i>11:30 a.m.</i> Action	Action	67
2. U. T. System: Key Financial Indicators Report	<i>11:35 a.m.</i> Report/Discussion <i>Dr. Kelley</i>	Not on Agenda	68
3. U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the fiscal year and quarter ended August 31, 2012	<i>11:45 a.m.</i> Report/Discussion <i>Mr. Zimmerman</i>	Report	77
Adjourn	<i>12:00 p.m.</i>		

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

(The proposed Consent Agenda is at the back of the book.)

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

REPORT

Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs, will discuss the Key Financial Indicators Report, as set forth on the following pages. The report represents the consolidated and individual operating detail of the U. T. System institutions.

The Key Financial Indicators Report compares the Systemwide quarterly results of operations, key revenues and expenses, reserves, and key financial ratios in a graphical presentation from Fiscal Year 2008 through July 2012. Ratios requiring balance sheet data are provided for Fiscal Year 2007 through Fiscal Year 2011.

THE UNIVERSITY OF TEXAS SYSTEM



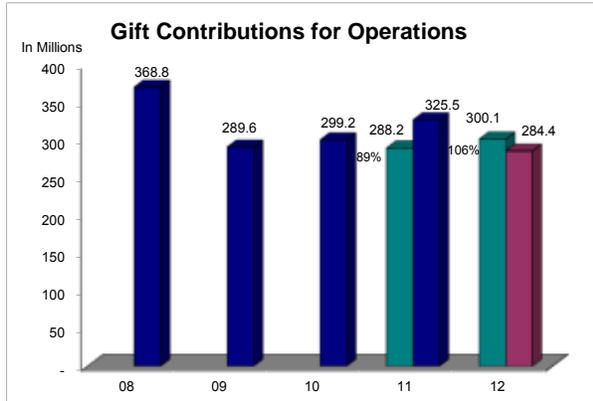
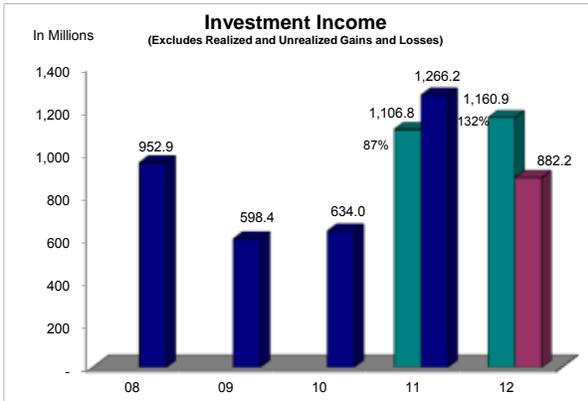
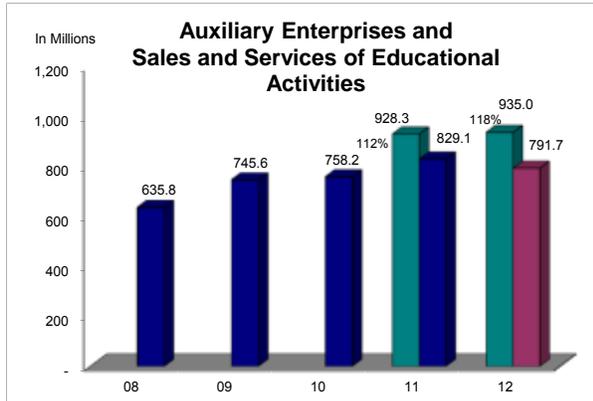
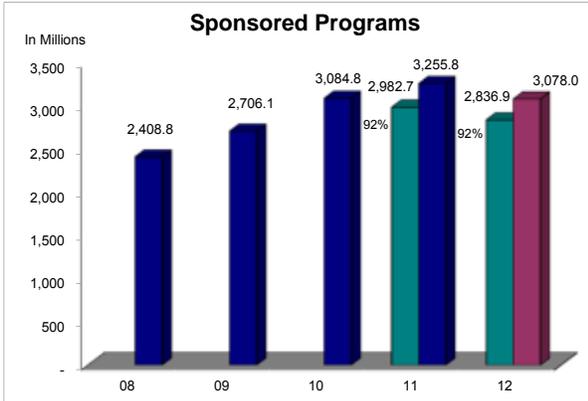
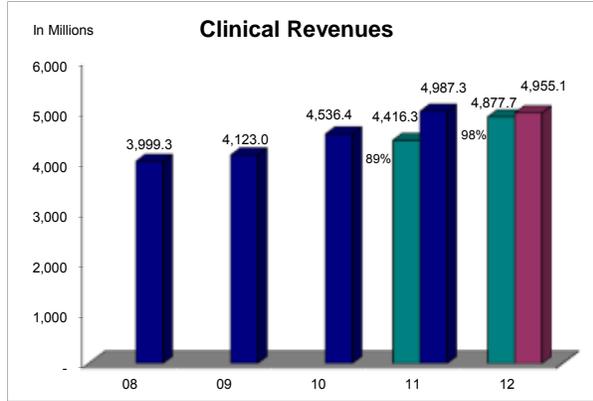
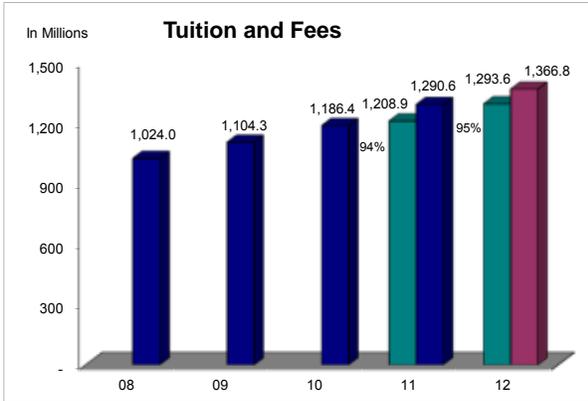
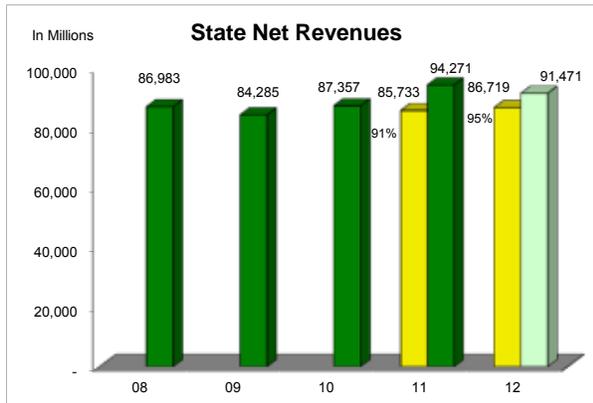
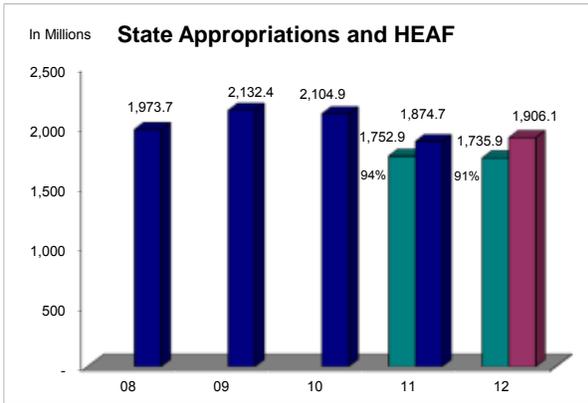
KEY FINANCIAL INDICATORS REPORT

JULY 2012

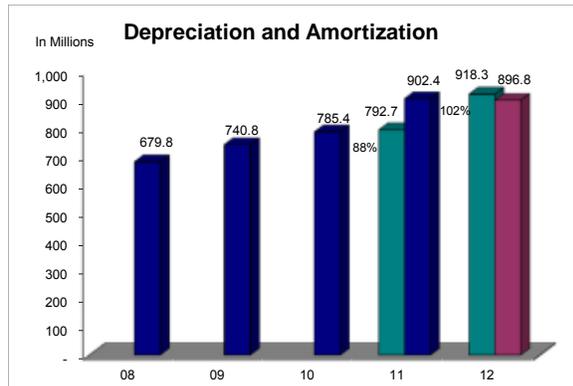
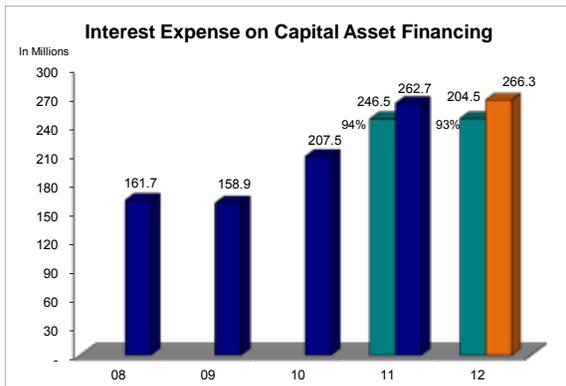
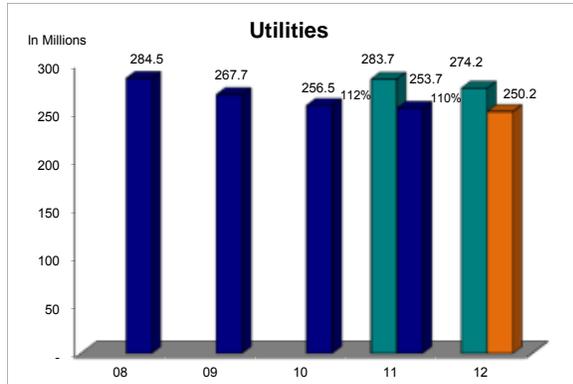
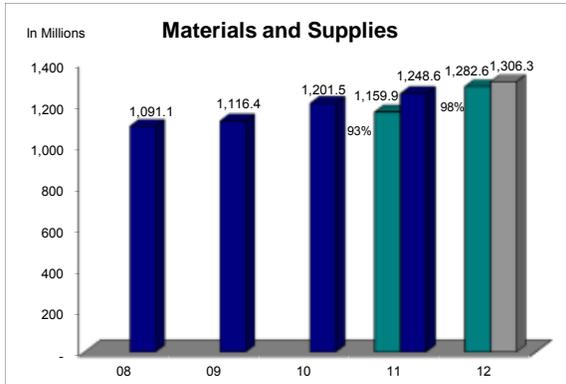
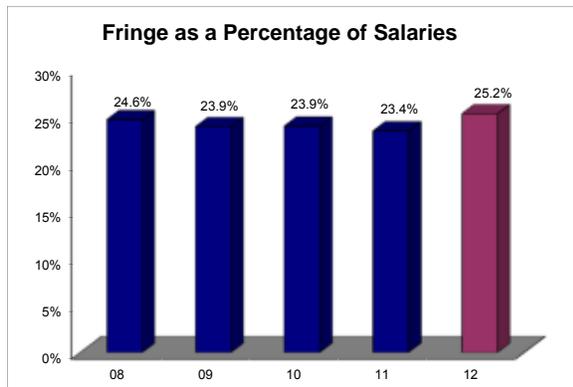
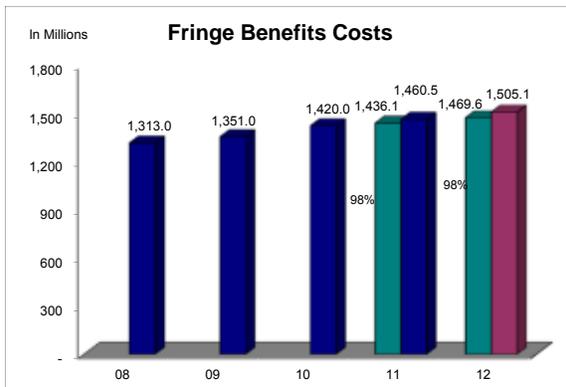
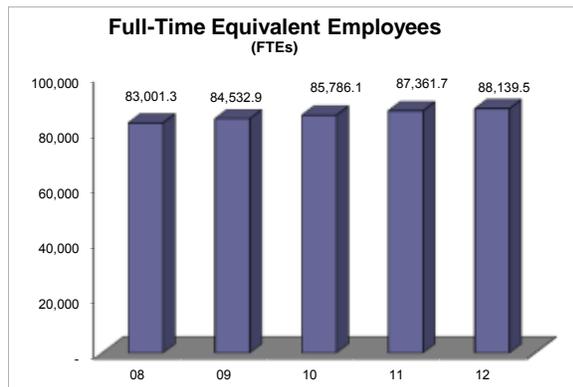
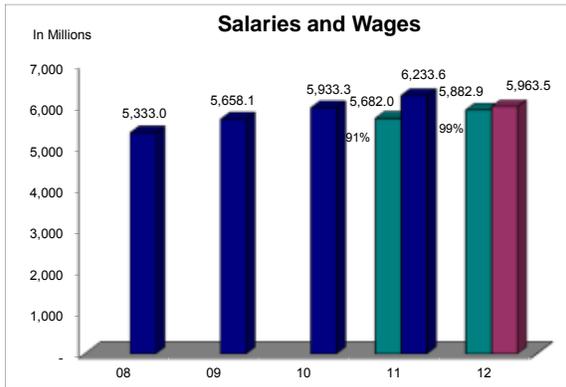
KEY

-  **Actual Annual Amounts**
(SOURCE: Annual Financial Reports)
-  **Adjustment to Actual Annual Amounts to exclude the Increase in Net OPEB Obligation**
(SOURCE: Annual Financial Reports)
-  **Budget amounts**
(SOURCE: Operating Budget Summary)
-  **Projected Amounts based on the average change of the previous three years of data**
-  **Monthly Financial Report Year-to-Date Amounts**
-  **Annual State Net Revenue Collections**
(SOURCE: Texas Revenue History by Source and Texas Net Revenue by Source, State Comptroller's Office)
-  **Year-to-Date State Net Revenue Collections**
(SOURCE: State Comptroller's Office)
-  **Estimated State Revenue Collections**
(SOURCE: Biennial Revenue Estimate, State Comptroller's Office)
-  **Annual and Quarterly Average of FTEs**
(SOURCE: State Auditor's Office Quarterly FTE Report)
-  **Year-to-Date Margin**
(SOURCE: Monthly Financial Report)
-  **Projected Amounts based on Monthly Financial Report**
-  **Year-to-Date Margin**
(SOURCE: Monthly Financial Report)
-  **Target Normalized Rates**
-  **Aaa Median**
(SOURCE: Moody's)
-  **A2 Median**
(SOURCE: Moody's)
-  **Good Facilities Condition Index (Below 5%)**
-  **Fair Facilities Condition Index (5% - 10%)**

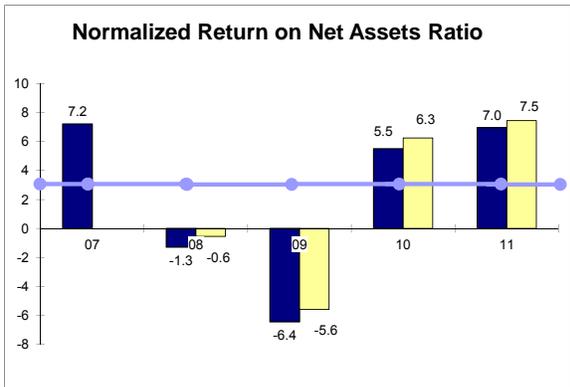
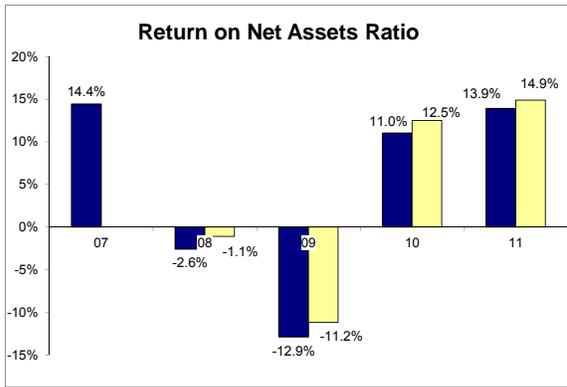
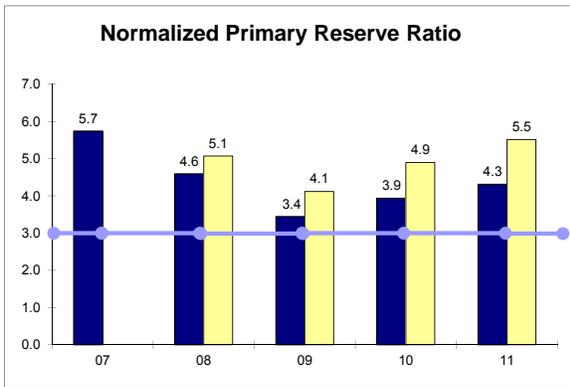
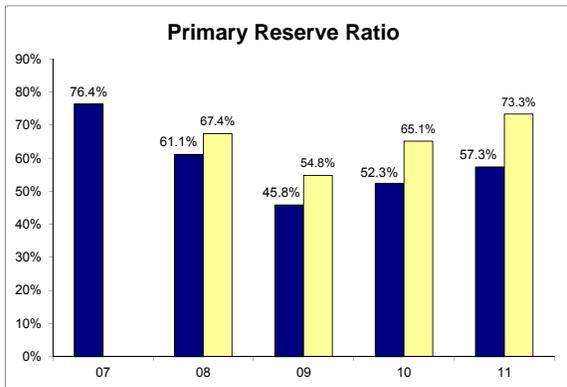
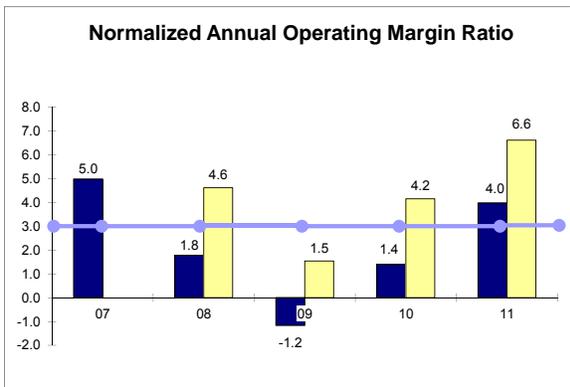
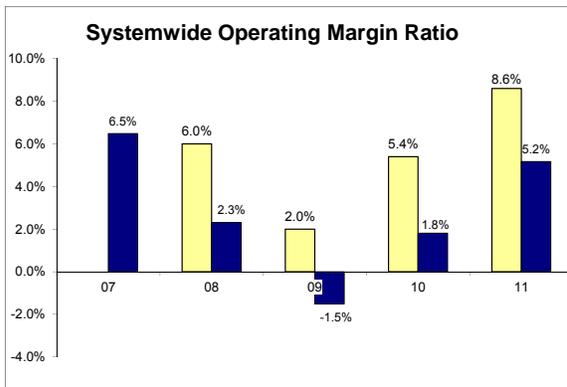
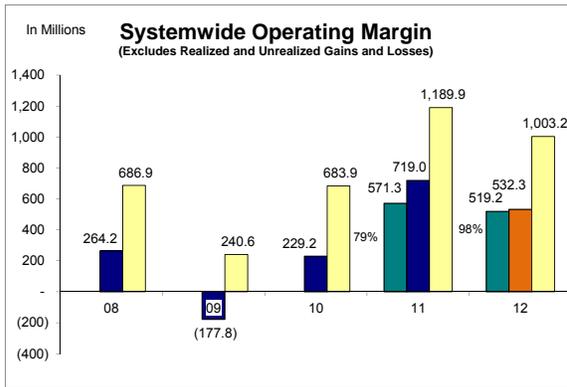
**KEY INDICATORS OF REVENUES
ACTUAL 2008 THROUGH 2011
PROJECTED 2012
YEAR-TO-DATE 2011 AND 2012 FROM JULY MONTHLY FINANCIAL REPORT**



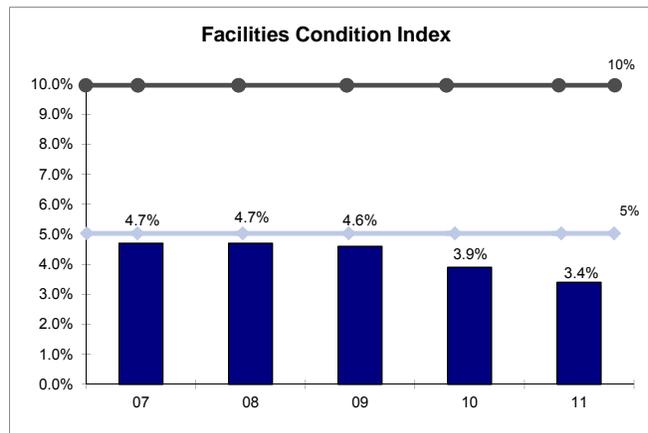
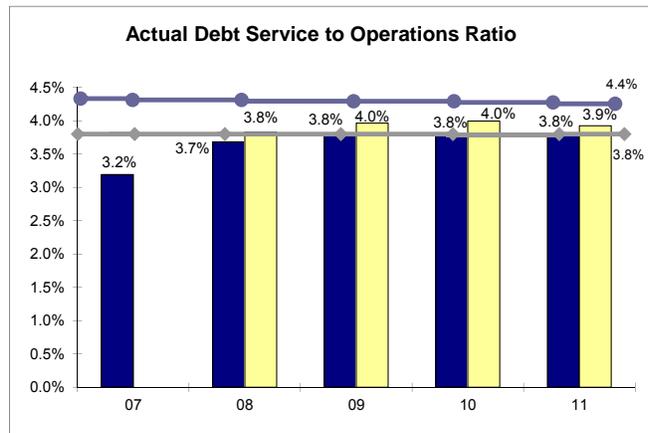
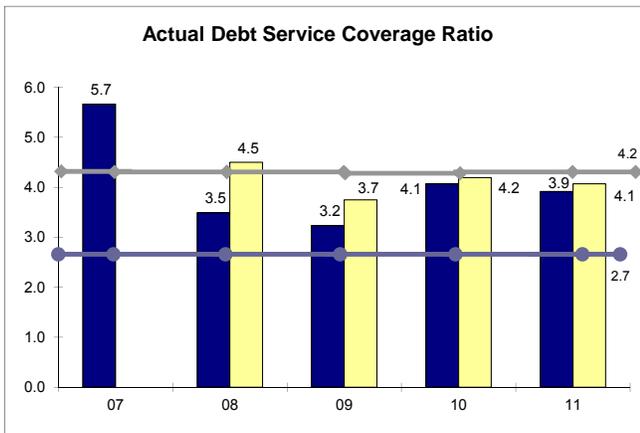
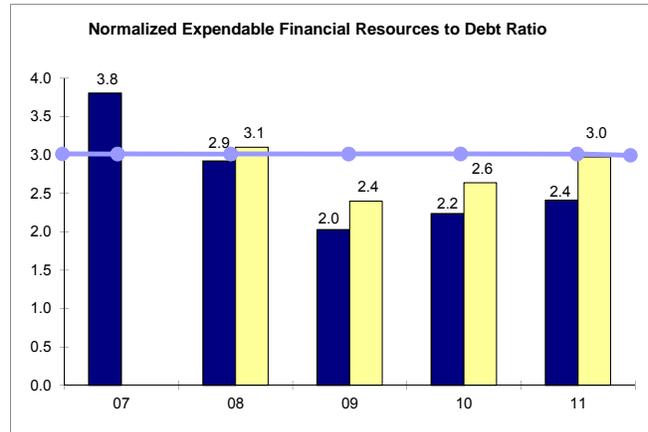
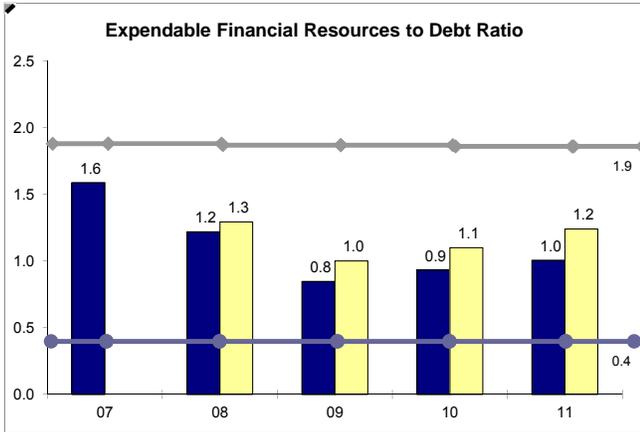
KEY INDICATORS OF EXPENSES
ACTUAL 2008 THROUGH 2011
PROJECTED 2012
YEAR-TO-DATE 2011 AND 2012 FROM JULY MONTHLY FINANCIAL REPORT



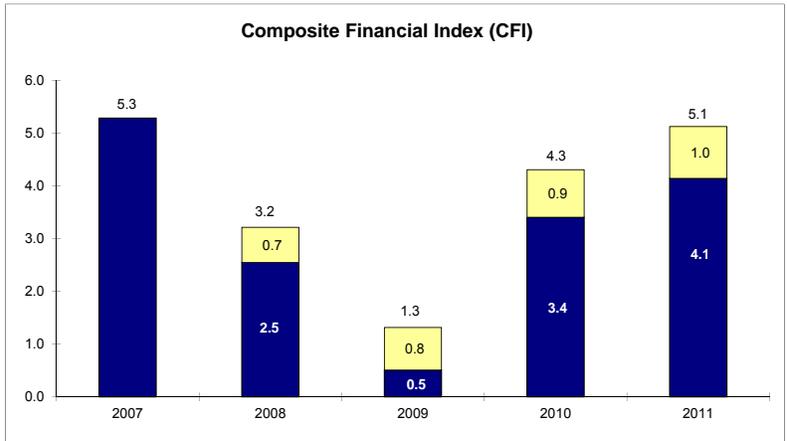
KEY INDICATORS OF RESERVES
ACTUAL 2007 THROUGH 2011
PROJECTED 2012
YEAR-TO-DATE 2011 AND 2012 FROM JULY MONTHLY FINANCIAL REPORT



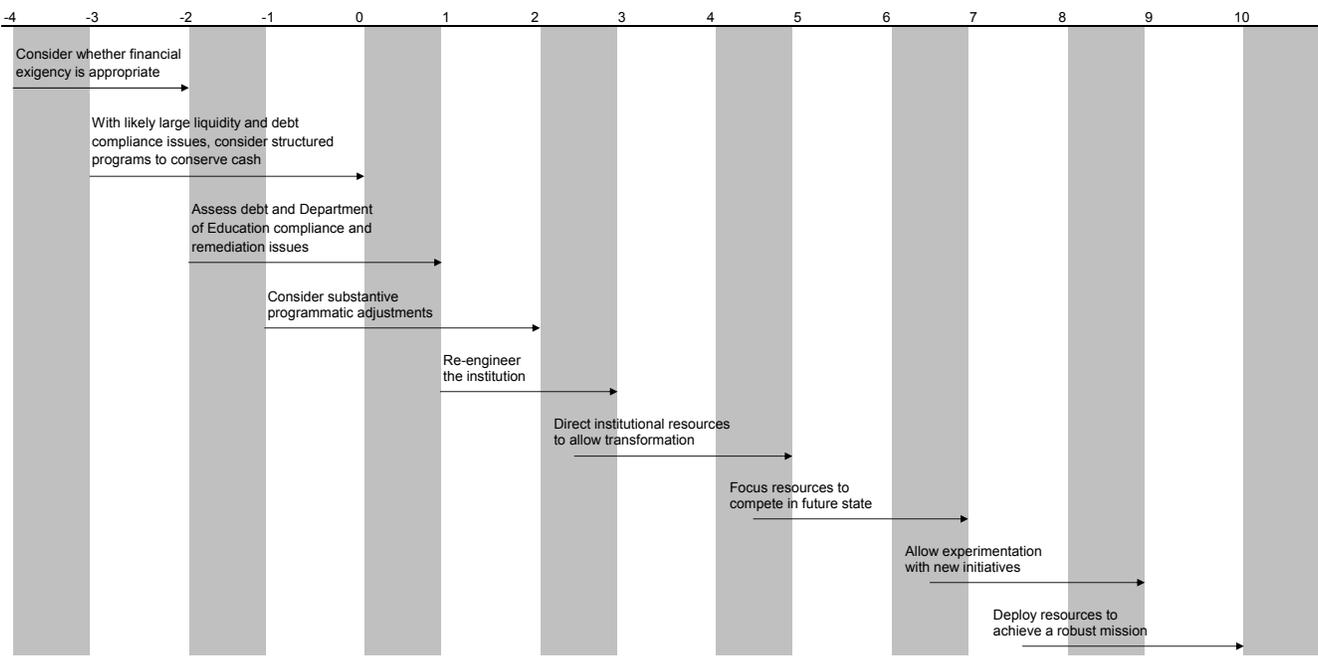
KEY INDICATORS OF CAPITAL NEEDS AND CAPACITY 2007 THROUGH 2011



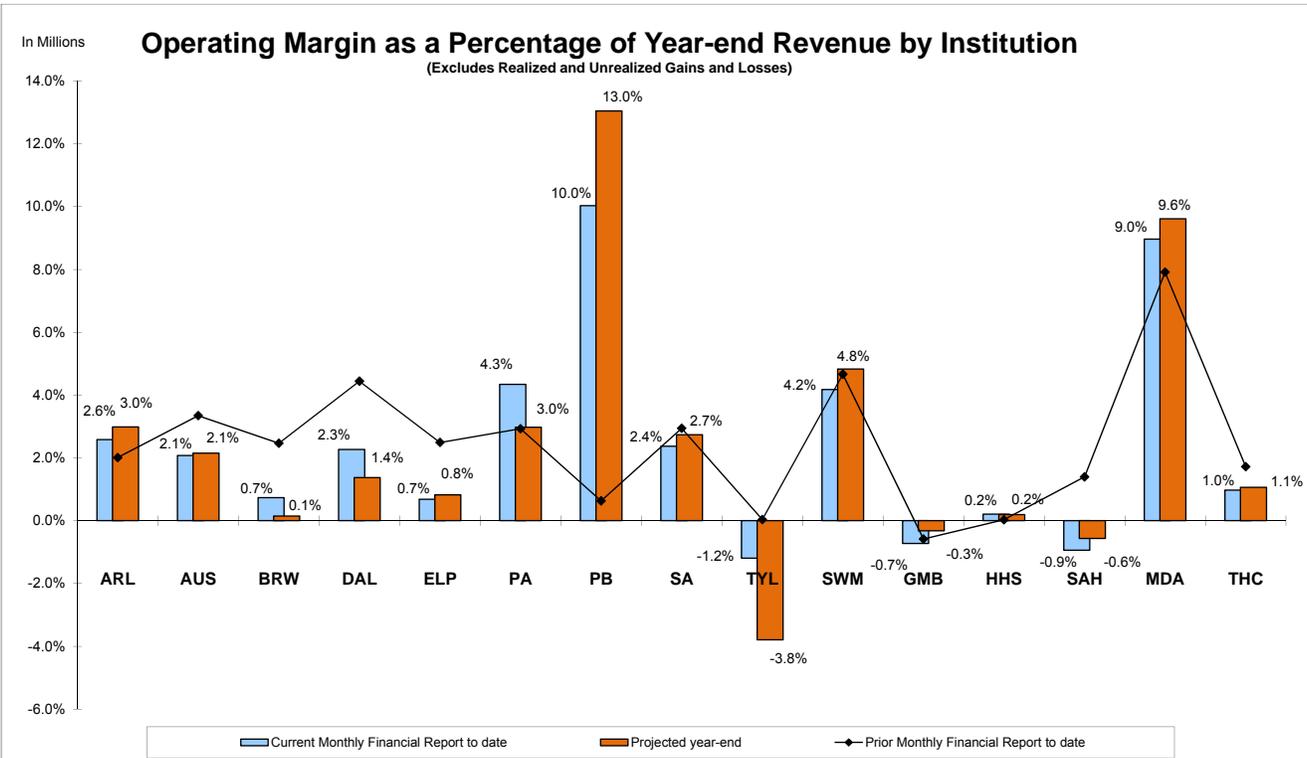
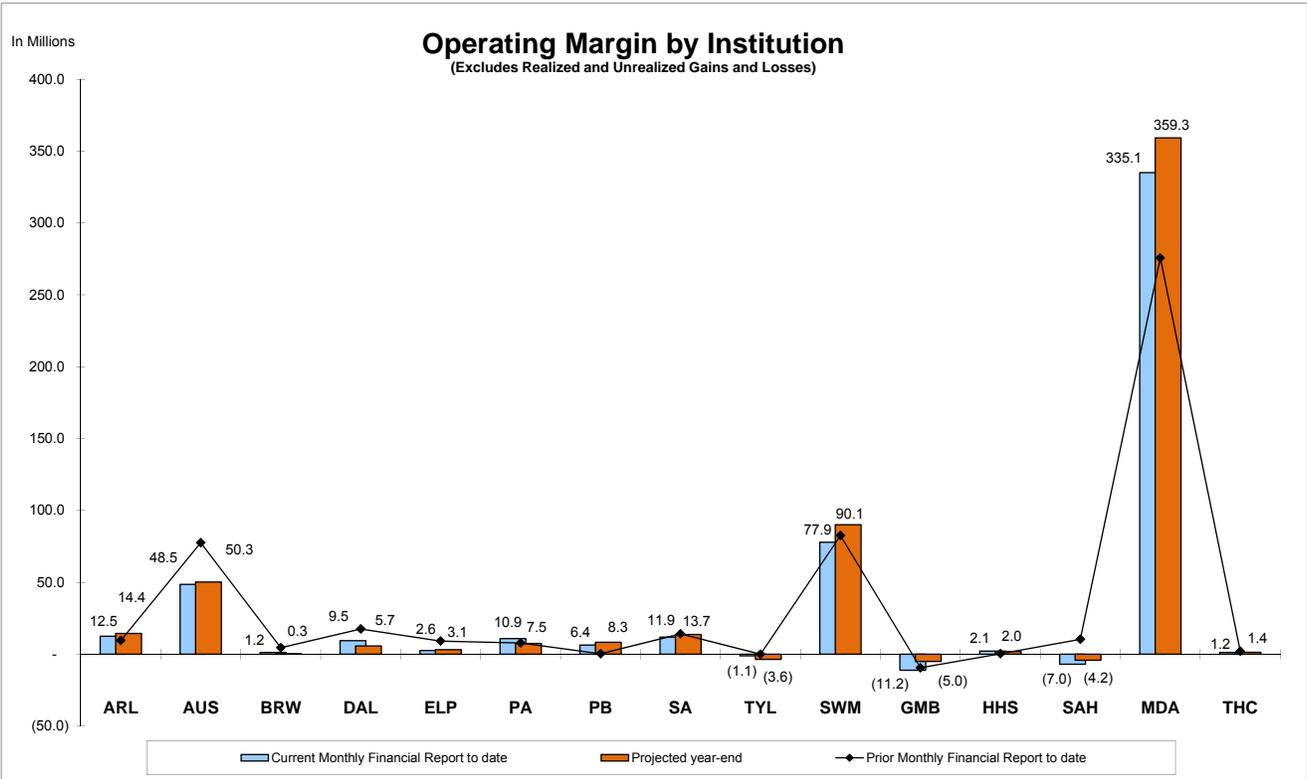
**KEY INDICATORS OF FINANCIAL HEALTH
2007 THROUGH 2011**



Scale for Charting CFI Performance



**KEY INDICATORS OF RESERVES
YEAR-TO-DATE 2011 AND 2012 FROM JULY MONTHLY FINANCIAL REPORT
PROJECTED 2012 YEAR-END MARGIN**



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

REPORT

The August 31, 2012 UTIMCO Performance Summary Report is attached on [Page 78](#).

The Investment Reports for the fiscal year and quarter ended August 31, 2012, are set forth on [Pages 79 - 82](#).

Item I on [Page 79](#) reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the fiscal year was 3.21% versus its composite benchmark return of 3.27%. The PUF's net asset value increased by \$782 million since the beginning of the year to \$13,470 million. The increase was due to \$955 million PUF Lands receipts, plus a net investment return of \$403 million, less the annual distribution to the Available University Fund (AUF) of \$576 million.

Item II on [Page 80](#) reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the fiscal year was 3.24% versus its composite benchmark return of 3.27%. The GEF's net asset value increased by \$56 million during the fiscal year to \$7,105 million.

Item III on [Page 81](#) reports activity for the Intermediate Term Fund (ITF). The ITF's net investment return for the fiscal year was 2.87% versus its composite benchmark return of 1.00%. The net asset value increased during the fiscal year to \$4,893 million due to net investment return of \$136 million, plus net contributions of \$237 million, less distributions of \$142 million.

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

Item IV on [Page 82](#) presents book and market values of cash, debt, equity, and other securities held in funds outside of internal investment pools. Total cash and equivalents, consisting primarily of institutional operating funds held in the Dreyfus money market fund, decreased by \$136 million to \$2,215 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$22 million versus \$72 million at the beginning of the period; equities: \$53 million versus \$48 million at the beginning of the period; and other investments: \$12 million versus \$1 million at the beginning of the period.

UTIMCO Performance Summary

August 31, 2012

	Net Asset Value 8/31/2012 (in Millions)	Periods Ended August 31, 2012 (Returns for Periods Longer Than One Year are Annualized)							
		<u>Short Term</u>		<u>Year to Date</u>		<u>Historic Returns</u>			
		1 Mo	3 Mos	Fiscal	Calendar	1 Yr	3 Yrs	5 Yrs	10 Yrs
ENDOWMENT FUNDS									
Permanent University Fund	\$ 13,470	1.37%	3.71%	3.21%	7.18%	3.21%	10.17%	2.38%	8.21%
General Endowment Fund		1.39	3.77	3.24	7.24	3.24	10.22	2.40	8.35
Permanent Health Fund	977	1.38	3.73	3.12	7.17	3.12	10.14	2.34	8.26
Long Term Fund	6,128	1.38	3.73	3.13	7.18	3.13	10.15	2.34	8.27
Separately Invested Funds	132	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Endowment Funds	20,707								
OPERATING FUNDS									
Intermediate Term Fund	4,893	1.34	4.33	2.87	6.33	2.87	8.36	3.26	N/A
Debt Proceeds Fund	672	0.02	0.04	0.15	0.11	0.15	N/A	N/A	N/A
Short Term Fund	1,499	0.01	0.04	0.15	0.11	0.15	0.20	1.14	2.05
Total Operating Funds	7,064								
Total Investments	\$ 27,771								
VALUE ADDED (1) (Percent)									
Permanent University Fund		0.15%	(1.28%)	(0.06%)	1.57%	(0.06%)	2.22%	2.21%	2.23%
General Endowment Fund		0.17	(1.22)	(0.03)	1.63	(0.03)	2.27	2.23	2.37
Intermediate Term Fund		0.39	0.35	1.87	1.95	1.87	3.04	2.57	N/A
Debt Proceeds Fund		0.01	0.01	0.09	0.05	0.09	N/A	N/A	N/A
Short Term Fund		-	0.01	0.09	0.05	0.09	0.08	0.35	0.21
VALUE ADDED (1) (\$ IN MILLIONS)									
Permanent University Fund		\$ 20	\$ (165)	\$ (6)	\$ 194	\$ (6)	\$ 768	\$ 1,343	\$ 2,530
General Endowment Fund		12	(84)	(3)	110	(3)	439	761	1,452
Intermediate Term Fund		19	17	89	91	89	394	557	N/A
Total Value Added		\$ 51	\$ (232)	\$ 80	\$ 395	\$ 80	\$ 1,601	\$ 2,661	\$ 3,982

Footnotes available upon request

UTIMCO 10/1/2012

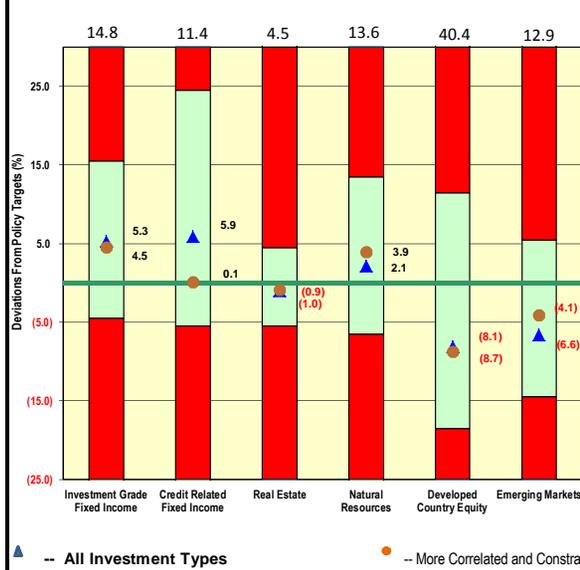
I. PERMANENT UNIVERSITY FUND Investment Reports for Periods Ended August 31, 2012

Prepared in accordance with Texas Education Code Sec. 51.0032

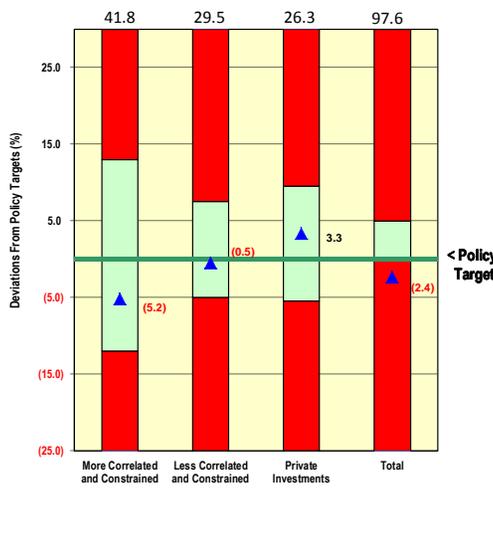
Summary of Capital Flows				
(\$ millions)	Fiscal Year Ended August 31, 2011	Quarter Ended August 31, 2012	Fiscal Year Ended August 31, 2012	
Beginning Net Assets	\$ 10,725	\$ 12,843	\$ 12,688	
PUF Lands Receipts	896	151	955	
Investment Return (Net of Expenses)	1,573	476	403	
Distributions to AUF	(506)	-	(576)	
Ending Net Assets	<u>\$ 12,688</u>	<u>\$ 13,470</u>	<u>\$ 13,470</u>	

	Fiscal Year to Date				
	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:					
Investment Grade	0.64%	1.40%	-0.08%	-0.06%	-0.14%
Credit-Related	16.44%	12.10%	0.00%	0.00%	0.00%
Real Estate	4.33%	11.76%	0.00%	-0.18%	-0.18%
Natural Resources	-8.44%	-7.61%	-0.67%	-0.06%	-0.73%
Developed Country	4.73%	8.12%	-0.14%	-0.74%	-0.88%
Emerging Markets	-3.00%	-5.80%	0.14%	0.25%	0.39%
Total More Correlated and Constrained	-1.01%	1.74%	-0.75%	-0.79%	-1.54%
Less Correlated and Constrained	6.64%	-0.64%	0.33%	1.87%	2.20%
Private Investments	7.05%	10.08%	-0.20%	-0.52%	-0.72%
Total	3.21%	3.27%	-0.62%	0.56%	-0.06%

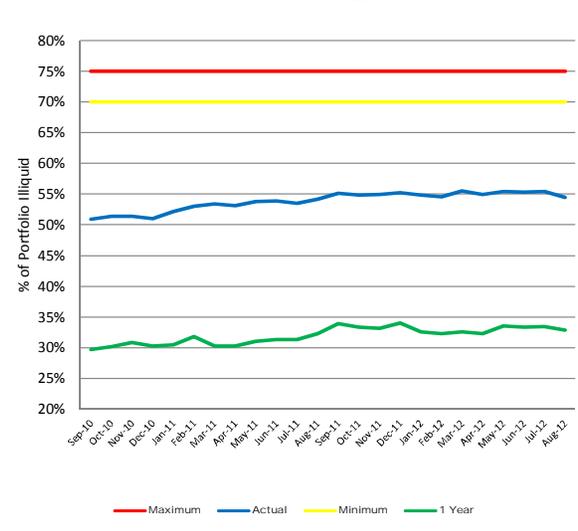
Deviations From Asset Class Policy Targets Within Tactical Policy Ranges for PUF



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



Permanent University Fund
Actual Illiquidity vs. Trigger Zones

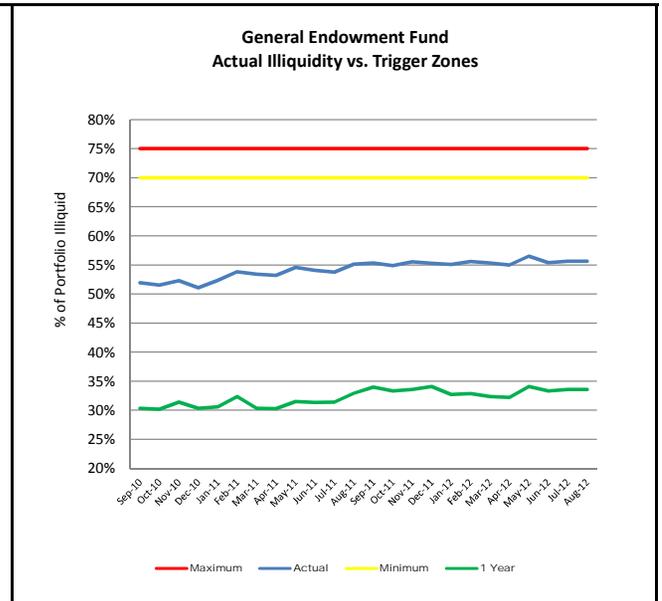
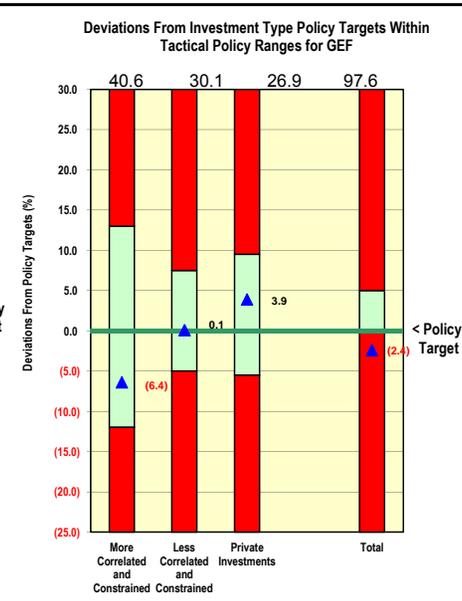
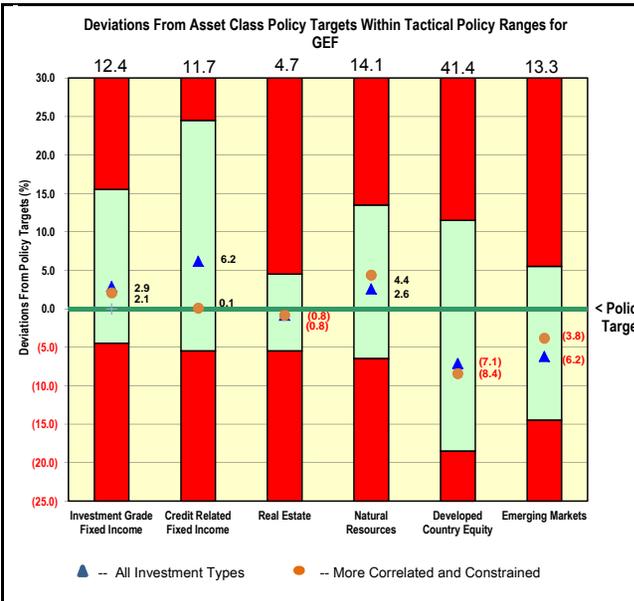


II. GENERAL ENDOWMENT FUND Investment Reports for Periods Ended August 31, 2012

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended August 31, 2011	Quarter Ended August 31, 2012	Fiscal Year Ended August 31, 2012
Beginning Net Assets	\$ 6,035	\$ 6,884	\$ 7,049
Contributions	432	59	194
Withdrawals	(12)	(12)	(17)
Distributions	(327)	(87)	(344)
Investment Return (Net of Expenses)	921	261	223
Ending Net Assets	<u>\$ 7,049</u>	<u>\$ 7,105</u>	<u>\$ 7,105</u>

	Fiscal Year to Date				
	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:					
Investment Grade	1.07%	1.40%	-0.03%	-0.05%	-0.08%
Credit-Related	16.44%	12.10%	0.00%	0.00%	0.00%
Real Estate	4.38%	11.76%	0.01%	-0.18%	-0.17%
Natural Resources	-8.49%	-7.61%	-0.66%	-0.09%	-0.75%
Developed Country	4.95%	8.12%	-0.12%	-0.67%	-0.79%
Emerging Markets	-3.00%	-5.80%	0.13%	0.26%	0.39%
Total More Correlated and Constrained	-0.95%	1.74%	-0.67%	-0.73%	-1.40%
Less Correlated and Constrained	6.64%	-0.64%	0.32%	1.80%	2.12%
Private Investments	7.05%	10.08%	-0.19%	-0.56%	-0.75%
Total	3.24%	3.27%	-0.54%	0.51%	-0.03%

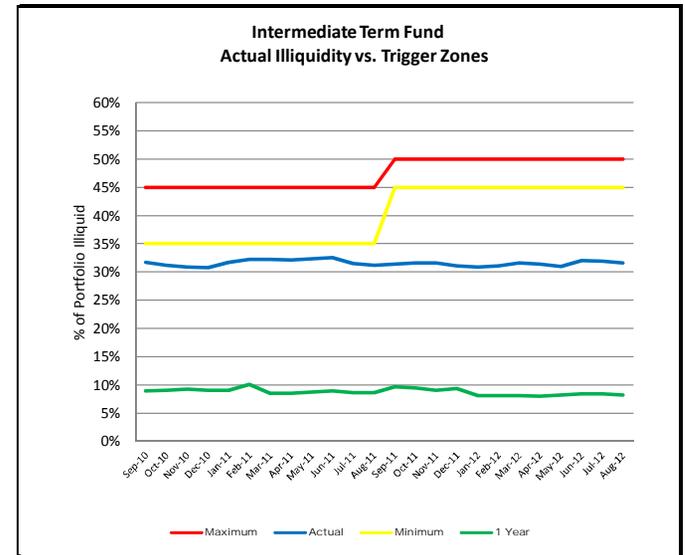
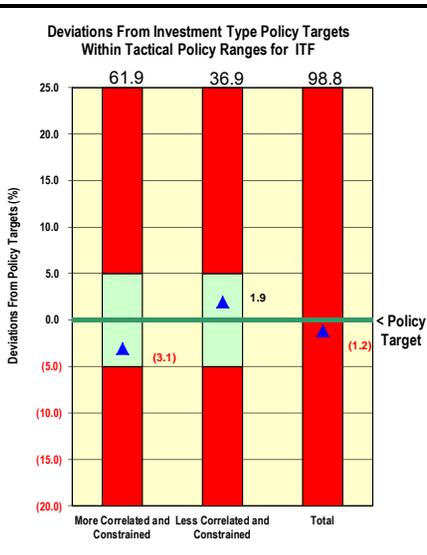
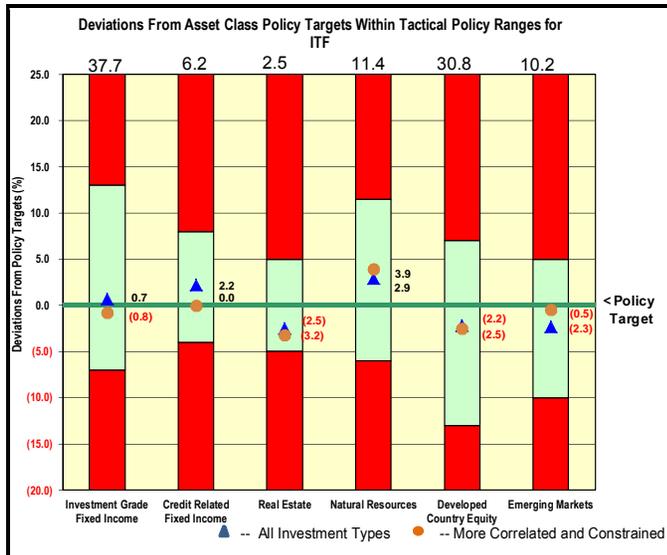


III. INTERMEDIATE TERM FUND Investment Reports for Periods Ended August 31, 2012

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended August 31, 2011	Quarter Ended August 31, 2012	Fiscal Year Ended August 31, 2012
Beginning Net Assets	\$ 4,156	\$ 4,745	\$ 4,662
Contributions	328	24	420
Withdrawals	(168)	(44)	(183)
Distributions	(139)	(36)	(142)
Investment Return (Net of Expenses)	485	204	136
Ending Net Assets	<u>\$ 4,662</u>	<u>\$ 4,893</u>	<u>\$ 4,893</u>

	Returns		Fiscal Year to Date		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:					
Investment Grade	4.04%	1.40%	0.03%	0.90%	0.93%
Credit-Related	0.00%	0.00%	0.00%	0.00%	0.00%
Real Estate	3.21%	11.76%	-0.08%	-0.43%	-0.51%
Natural Resources	-9.09%	-7.61%	-0.60%	-0.14%	-0.74%
Developed Country	5.70%	8.12%	-0.12%	-0.27%	-0.39%
Emerging Markets	-3.26%	-5.80%	-0.02%	0.16%	0.14%
Total More Correlated and Constrained	0.96%	1.80%	-0.79%	0.22%	-0.57%
Less Correlated and Constrained	6.63%	-0.64%	0.27%	2.17%	2.44%
Private Investments	0.00%	0.00%	0.00%	0.00%	0.00%
Total	2.87%	1.00%	-0.52%	2.39%	1.87%



UTIMCO 9/24/2012

IV. SEPARATELY INVESTED ASSETS
Summary Investment Report at August 31, 2012
 Report prepared in accordance with *Texas Education Code Sec. 51.0032*

ASSET TYPES	(\$ thousands)															
	FUND TYPE															
	CURRENT PURPOSE DESIGNATED		RESTRICTED		ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		TOTAL EXCLUDING OPERATING FUNDS		OPERATING FUNDS (DEBT PROCEEDS AND SHORT TERM FUND)		TOTAL	
BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	
Cash & Equivalents:																
Beginning value 05/31/12	-	-	2,252	2,252	60,757	60,757	2,464	2,464	3,079	3,079	68,552	68,552	2,282,335	2,282,335	2,350,887	2,350,887
Increase/(Decrease)	-	-	(585)	(585)	(21,491)	(21,491)	(285)	(285)	(1,878)	(1,878)	(24,239)	(24,239)	(111,415)	(111,415)	(135,654)	(135,654)
Ending value 08/31/12	-	-	1,667	1,667	39,266	39,266	2,179	2,179	1,201	1,201	44,313	44,313	2,170,920	2,170,920	2,215,233	2,215,233
Debt Securities:																
Beginning value 05/31/12	-	-	45	45	11,668	12,821	8,610	9,179	-	-	20,323	22,045	49,841	49,507	70,164	71,552
Increase/(Decrease)	-	-	-	-	110	284	-	153	-	-	110	437	(49,841)	(49,507)	(49,731)	(49,070)
Ending value 08/31/12	-	-	45	45	11,778	13,105	8,610	9,332	-	-	20,433	22,482	-	-	20,433	22,482
Equity Securities:																
Beginning value 05/31/12	460	3,086	197	192	29,797	32,079	13,634	13,119	-	-	44,088	48,476	-	-	44,088	48,476
Increase/(Decrease)	1	204	900	1,138	320	2,338	-	1,067	-	-	1,221	4,747	-	-	1,221	4,747
Ending value 08/31/12	461	3,290	1,097	1,330	30,117	34,417	13,634	14,186	-	-	45,309	53,223	-	-	45,309	53,223
Other:																
Beginning value 05/31/12	-	-	262	262	9	9	451	144	200	200	922	615	-	-	922	615
Increase/(Decrease)	-	-	5,425	5,425	1	1	5	-	5,979	5,979	11,410	11,405	-	-	11,410	11,405
Ending value 08/31/12	-	-	5,687	5,687	10	10	456	144	6,179	6,179	12,332	12,020	-	-	12,332	12,020
Total Assets:																
Beginning value 05/31/12	460	3,086	2,756	2,751	102,231	105,666	25,159	24,906	3,279	3,279	133,885	139,688	2,332,176	2,331,842	2,466,061	2,471,530
Increase/(Decrease)	1	204	5,740	5,978	(21,060)	(18,868)	(280)	935	4,101	4,101	(11,498)	(7,650)	(161,256)	(160,922)	(172,754)	(168,572)
Ending value 08/31/12	461	3,290	8,496	8,729	81,171	86,798	24,879	25,841	7,380	7,380	122,387	132,038	2,170,920	2,170,920	2,293,307	2,302,958

Details of individual assets by account furnished upon request.



TABLE OF CONTENTS FOR ACADEMIC AFFAIRS COMMITTEE

Committee Meeting: 11/14/2012

Board Meeting: 11/15/2012
Tyler, Texas

R. Steven Hicks, Chairman
Robert L. Stillwell, Vice Chairman
Paul L. Foster
Wallace L. Hall, Jr.
Brenda Pejovich

	Committee Meeting	Board Meeting	Page
Convene	1:00 p.m. <i>Chairman Hicks</i>		
1. U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration	1:00 p.m. Action	Action	84
2. U. T. San Antonio: Honorific naming of the University Center Building III as the H-E-B University Center	1:01 p.m. Action <i>Provost Frederick Dr. Safady</i>	Action	85
3. U. T. System: Approval to plan and establish Collegiate Recovery Programs at U. T. System academic institutions	1:10 p.m. Action <i>Dr. Reyes</i>	Action	86
4. U. T. System Board of Regents: Approval of pilot plan for increased enrollment and allocation of \$4.075 million of Permanent University Fund Bond Proceeds for U. T. Tyler for information technology capital infrastructure	1:20 p.m. Action <i>Dr. Reyes Dr. Kelley President Mabry</i>	Action	87
5. U. T. Arlington: Progress report on implementation of the Framework for Advancing Excellence throughout The University of Texas System	1:25 p.m. Report/Discussion <i>President Spaniolo</i>	Not on Agenda	89
6. U. T. Tyler: Progress report on implementation of the Framework for Advancing Excellence throughout The University of Texas System	1:40 p.m. Report/Discussion <i>President Mabry</i>	Not on Agenda	90
7. U. T. System Board of Regents: Academic Institutions - Approval to submit list of items for consideration by the Texas Legislature for Exceptional Item funding	2:00 p.m. Action <i>Dr. Reyes</i>	Action	91
Adjourn	2:30 p.m.		

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

(The proposed Consent Agenda is at the back of the book.)

2. **U. T. San Antonio: Honoric naming of the University Center Building III as the H-E-B University Center**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for External Relations, and President Romo that the U. T. System Board of Regents approve the honorific naming of the University Center Building III at U. T. San Antonio as the H-E-B University Center to recognize the generous contributions of the H-E-B food retailer.

BACKGROUND INFORMATION

The University Center (UC) is located on U. T. San Antonio's Main Campus and serves as the focal point for programs, meetings, dining, and relaxation for U. T. San Antonio students, faculty, staff, and guests. The third building in the complex, University Center III (UC III) was approved by the Board of Regents for addition to the Capital Improvement Program (CIP) on August 8, 2002, was completed in 2008, and has 59,000 square feet. UC III includes a ballroom, which is the largest meeting space on campus; a galleria area outside the ballroom; the student activities center; and offices for Greek life, student government, and other student organizations. In addition, there are numerous study areas and gathering spaces that enhance student life.

H-E-B has made cumulative gifts of more than \$7 million to U. T. San Antonio, including a recent \$5 million commitment over five years to support professorships and chairs. The \$5 million gift will fund the H-E-B Faculty Research Excellence Fund, providing matching funds to attract private fundraising. The matching program will go far in recruiting world-class faculty who will inspire a new generation of students at U. T. San Antonio.

The proposed naming is consistent with the Regents' *Rules and Regulations*, Rule 80307, relating to the honorific naming of facilities. This request is made in appreciation and recognition of the generous support of this well-known corporate and civic leader in San Antonio.

3. **U. T. System: Approval to plan and establish Collegiate Recovery Programs at U. T. System academic institutions**

RECOMMENDATION

The Chancellor and the Executive Vice Chancellor for Academic Affairs concur in the recommendation of the U. T. System Student Advisory Council and the Chairman of the Academic Affairs Committee that the U. T. System Board of Regents approve a proposal related to the planning and establishment of Collegiate Recovery Programs at each of the U. T. System academic institutions and authorize appropriation of \$942,000 of Available University Funds to U. T. Austin for that purpose.

BACKGROUND INFORMATION

This item supports the establishment of Collegiate Recovery Centers at each of the nine U. T. System academic institutions. The award-winning Center for Students in Recovery at U. T. Austin will lead the implementation of these campus centers by working with each campus to determine the best structure and program to fit uniquely within each campus culture and by supporting the implementation. Outreach efforts from U. T. Austin staff will also support each campus plan by identifying resources for ongoing support.

The total budget for this program over the next five years is \$942,000 from Available University Funds, allocated to U. T. Austin. The presidents of all U. T. System academic institutions have expressed enthusiasm for this initiative and are committed to implementation.

4. **U. T. System Board of Regents: Approval of pilot plan for increased enrollment and allocation of \$4.075 million of Permanent University Fund Bond Proceeds for U. T. Tyler for information technology capital infrastructure**

RECOMMENDATION

The Chancellor concurs with the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Mabry that the U. T. System Board of Regents

- a. approve a pilot plan to increase enrollment at U. T. Tyler; and
- b. approve the allocation of \$4,075,000 of Permanent University Fund (PUF) Bond Proceeds for information technology capital infrastructure for hybrid (blended) courses and degree program development.

BACKGROUND INFORMATION

U. T. Tyler proposes a five-year pilot project, utilizing the U. T. Tyler Patriot mascot, called Patriots Apply Technology for Success and Savings (PATSS) to develop hybrid (blended) courses and degree programs, along with project-based learning pedagogy, to such an extent that U. T. Tyler serves as a research and demonstration site for the benefits and efficacy of such education. The pilot project will support U. T. Tyler's goal of increasing enrollment to 14,000 students. The \$4,075,000 PUF allocation for U. T. Tyler will be used to fund the information technology capital infrastructure portion of the project.

This project is also listed as U. T. Tyler's Exceptional Item request on [Page 92](#).

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5. **U. T. Arlington: Progress report on implementation of the Framework for Advancing Excellence throughout The University of Texas System**

REPORT

President Spaniolo will give an update on the progress at U. T. Arlington to implement the Framework for Advancing Excellence throughout The University of Texas System.

6. **U. T. Tyler: Progress report on implementation of the Framework for Advancing Excellence throughout The University of Texas System**

REPORT

President Mabry will give an update on the progress at U. T. Tyler to implement the Framework for Advancing Excellence throughout The University of Texas System.

7. **U. T. System Board of Regents: Academic Institutions - Approval to submit list of items for consideration by the Texas Legislature for Exceptional Item funding**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Presidents of the U. T. System academic institutions that the U. T. System Board of Regents approve the following projects for submission to the Texas Legislature for Exceptional Item funding. A summary of each Exceptional Item, written by the requesting institution, is set forth on the following pages.

U. T. Arlington

University of Texas at Arlington Research Institute (UTARI)
University College for Student Success at U. T. Arlington

U. T. Austin

New Mathways Project

U. T. Brownsville

Partnership Termination Costs
Texas Academy of Mathematics and Science at The University of Texas at Brownsville

U. T. Dallas

Analog Circuits Research and Development Center
Cybersecurity Preparedness Initiative
Interactive Teaching Effectiveness Project
Academic Bridge Program

U. T. El Paso

Centennial Scholars Program
Pharmacy Program Expansion
The Center for Research Entrepreneurship and Innovative Enterprises
Honors and Student Leadership Academy
On-Campus Student Employment and Success

U. T. Pan American

Physician Assistant Studies Program
UTeach
Center for Rural Advancement

U. T. Permian Basin

School of Nursing

U. T. San Antonio

Institutional Enhancement/Downtown Campus

San Antonio Life Sciences Institute

Small Business Development Center (SBDC) (Revenue Neutral Item)

Southwest Texas Border Network Small Business Development Center (Revenue Neutral Item)

U. T. Tyler

Hybrid Course Expansion/Demonstration

**The University of Texas System
Exceptional Item Requests**

	Request for New (N) State Appropriation or Request for Expansion of Existing (E) State Appropriation	Name of Proposed Exceptional Item	Amounts Requested		
			FY 2014	FY 2015	Total
<u>U. T. Arlington</u>					
	N	University of Texas at Arlington Research Institute (UTARI) UTARI will be the new center for commercialization of research and for partnerships between the university and industry in the North Texas region. UTARI is dedicated to promoting strategic research collaborations, augmenting technology transfer and commercialization, and supporting the university's advancement as a major national research university. UTARI will greatly enhance research, education, training, workforce development, and commercialization of UT Arlington technologies. UT Arlington seeks a \$2 million investment to support this program.	1,000,000	1,000,000	2,000,000
	N	University College for Student Success at U. T. Arlington UT Arlington seeks a \$3 million investment to continue the advancement of our student success center, known as University College, which has dramatically improved our ability to ensure student success, retention, and graduation. Our ongoing goals include continuing to improve our outcomes in 4- and 6-year graduation rates for first-time, full-time students, as well as for our large population of transfer students, by providing student advising, expanding technology-driven supplemental instruction, and enhancing career placement services, as well as providing other services.	1,500,000	1,500,000	3,000,000
			2,500,000	2,500,000	5,000,000
<u>U. T. Austin</u>					
	N	New Mathways Project This project will combine public and private sources to establish a statewide program to continue ongoing work with all community colleges to address the causes of student failure in traditional developmental mathematics courses, and assist community college transfer students to successfully complete their degree.	1,200,000	1,200,000	2,400,000
			1,200,000	1,200,000	2,400,000
<u>U. T. Brownsville</u>					
	N	Partnership Termination Costs Partnership Termination costs will allow UTB to meet one-time expenses like unemployment claims and vacation payouts which are unusual in nature and necessary to meet the legislative mandate of S.B. 1909 and properly end the relationship with Texas Southmost College.	8,062,300	-	8,062,300
	N	Texas Academy of Mathematics and Science at The University of Texas at Brownsville Funding for TAMS at UT Brownsville will allow for an expansion of our current commuter model to a residential model similar to the North Texas TAMS and will increase regional access from 90 students up to 300 students.	1,720,031	1,720,031	3,440,062
			9,782,331	1,720,031	11,502,362

**The University of Texas System
Exceptional Item Requests**

	Request for New (N) State Appropriation or Request for Expansion of Existing (E) State Appropriation	Name of Proposed Exceptional Item	Amounts Requested		
			FY 2014	FY 2015	Total
U. T. Dallas					
	N	Analog Circuits Research and Development Center Funding is requested to sustain the Analog Circuits Research and Development Center, which has established itself as perhaps the best analog research center in the nation. The Center was established through start-up funds from ETF, SRC, the Korean government, UT System, U.S. trade associations, and private industry. Without continued state support beyond ETF, this Center, which is so vital to technology companies in DFW, is at risk. The economy of this region is heavily dependent on technology developments in integrated circuits, chip manufacturing, and telecommunications for which analog research plays a key role.	4,000,000	4,000,000	8,000,000
	N	Cybersecurity Preparedness Initiative Funding is requested for the Cybersecurity Preparedness Initiative, which would propel UT Dallas to a position of national leadership in human resource development to address cybersecurity threats. UT Dallas has one of the largest and most productive computer science programs in the nation, and this initiative would hire more faculty, engage more students, and develop interactions with business management professionals to address cybersecurity threats. These threats are ubiquitous, threatening financial systems, power grids, and infrastructure. Our approach will cut across these threats in a comprehensive way.	2,000,000	2,000,000	4,000,000
	N	Interactive Teaching Effectiveness Project Funding for the Interactive Teaching Effectiveness Project would place UT Dallas in the position of national leadership in developing online teaching tools that would transform educational delivery. There is a revolution underway of blended and online learning, and palpable interest nationwide in bringing forward these new educational technologies. The UT Dallas art and technology program is one of the best in the nation in developing tools for serious gaming and education. This project would fund new faculty and development projects to help transform the educational landscape through virtual teacher training.	1,000,000	1,000,000	2,000,000
	E	Academic Bridge Program Funding is requested to impact more students from the successful Academic Bridge Program, which attracts, supports, and retains primarily underrepresented minority students who show strong motivation but who have not completed the full university-track curriculum or scored well on standardized tests. The program includes an intensive summer "speed-up" session of math, science, writing, and study skills prior to the freshman autumn, followed by continued support for two years. Impressively, more than 70 percent graduate. The scale of this successful program is limited by funding, and with additional funding, more students can be served.	500,000	500,000	1,000,000
			7,500,000	7,500,000	15,000,000

**The University of Texas System
Exceptional Item Requests**

	Request for New (N) State Appropriation or Request for Expansion of Existing (E) State Appropriation	Name of Proposed Exceptional Item	Amounts Requested		
			FY 2014	FY 2015	Total
U. T. El Paso					
	N	Centennial Scholars Program The Centennial Scholars Program will be established to provide scholarships to highly meritorious students across all colleges in commemoration of UTEP's 100th anniversary. These scholarships will expand and enhance UTEP's efforts to raise educational aspirations and attainment among all talented and motivated young people in the surrounding region, and support achievement of UTEP's goal of providing both access and excellence in higher education to the residents of the Paso del Norte region.	5,000,000	5,000,000	10,000,000
	N	Pharmacy Program Expansion Funding is requested for expansion of the current UTEP-UT Austin Cooperative Pharmacy Program. This funding will permit an increase in student cohort size to 40 (from the current 12) by establishing a full 6-year cooperative Pharmacy program on the UTEP campus. It will also eliminate the requirement that UTEP pharmacy students spend two years in Austin and relieve them of the costs associated with that temporary relocation. This transition will be fully sustainable within eight years, when the increased enrollment will generate both tuition and formula funding.	1,000,000	1,000,000	2,000,000
	N	The Center for Research Entrepreneurship and Innovative Enterprises Funding is requested for the expansion of the Center for Research Entrepreneurship and Innovative Enterprises (CREIE). CREIE is engaged in activities that bring industry and university research together, form alliances between industry and faculty researchers, and provide support services for the development technology-based businesses. It serves as a resource to inventors in the Paso del Norte region who seek to commercialize their scientific advance or invention in partnership with the University of Texas at El Paso. The funding requested will accelerate and expand CREIE's successful efforts.	500,000	500,000	1,000,000
	N	Honors and Student Leadership Academy The University of Texas at El Paso requests funding for the Honors and Student Leadership Academy. This program will strengthen and expand the Honors Program at UTEP and embed it within a student leadership framework that supports the University's mission of access and excellence by providing an opportunity for all undergraduates to experience the academic and intellectual challenges, community involvement, and professional skills development required to become tomorrow's leaders.	1,000,000	1,000,000	2,000,000

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**The University of Texas System
Exceptional Item Requests**

	Request for New (N) State Appropriation or Request for Expansion of Existing (E) State Appropriation	Name of Proposed Exceptional Item	Amounts Requested		
			FY 2014	FY 2015	Total
<u>U. T. El Paso</u>					
	N	On-Campus Student Employment and Success The University of Texas at El Paso seeks to expand its existing and self-funded On Campus Student Employment and Success (OCSES) Program. Initiated in 2004, this program has provided on-campus employment to hundreds of students beyond the level supported by federal and state work-study programs. UTEP departments seek participation via competitive proposals which are reviewed by a committee composed of faculty, students and staff. Participating department must cost-share 25% of each student employees' wages.	1,000,000	1,000,000	2,000,000
			8,500,000	8,500,000	17,000,000
<u>U. T. Pan American</u>					
	N	Physician Assistant Studies Program The UTPA Physician Assistant Studies Program (PASP) seeks to expand the number of students accepted annually from 50 to 100 and include increased use of technology to deliver educational content.	496,450	595,049	1,091,499
	N	UTeach UTeach is a highly successful and innovative teacher preparation program for math and science majors that originated at UT Austin in 1997. The requested funds will be used to partially cover the costs of the UTeach program at UT Pan American to improve the number secondary science teachers who have a science certification.	400,000	400,000	800,000
	N	Center for Rural Advancement The Center for Rural Advancement at UT Pan American will enhance and coordinate efforts to advance smaller, rural communities in South Texas through community engagement, research, and education focused on five areas: micro-enterprise development, housing, job skills, youth financial literacy, and border health.	150,000	150,000	300,000
			1,046,450	1,145,049	2,191,499
<u>U. T. Permian Basin</u>					
	N	School of Nursing Support for new Bachelor of Science degree program in Nursing (BSN). This is the initial funding request for the coming biennium. The program is expected to be self-sustaining in fiscal year 2018.	1,200,000	1,200,000	2,400,000
			1,200,000	1,200,000	2,400,000

**The University of Texas System
Exceptional Item Requests**

	Request for New (N) State Appropriation or Request for Expansion of Existing (E) State Appropriation	Name of Proposed Exceptional Item	Amounts Requested		
			FY 2014	FY 2015	Total
U. T. San Antonio					
E		Institutional Enhancement/Downtown Campus Over the past decade, UTSA's enrollment has grown by over 60%, placing a significant strain on available resources. UTSA now receives one of the lowest state appropriation per full time equivalent (FTE) student. On average, UT San Antonio faculty teach over 230 students each year in class, with an overall ratio of 26 full time equivalent (FTE) students for each FTE faculty member. Additional funding would be used to hire new faculty to increase the number of course sections offered and improve the student faculty ratio. Adequate base formula funding and supplemental discretionary funds are essential to helping UTSA work towards Tier One.	2,036,480	2,036,480	4,072,960
E		San Antonio Life Sciences Institute The San Antonio Life Sciences Institute (SALSI) leverages the combined intellectual infrastructure of UTSA and the UT Health Science Center. SALSI enhances the research, teaching and service missions of UTSA and UTHSC-SA. This collaboration enables joint doctoral programs and research projects. It drives initiatives that stimulate growth of the biomedical and biotechnology industries. New collaborative programs are emerging as a result of SALSI such as multi-institutional programs in neuroscience, health disparities, medicinal chemistry, biomedical engineering, regenerative medicine/prosthetics, research education and mentoring.	1,265,000	1,265,000	2,530,000
E		Small Business Development Center (SBDC) (Revenue Neutral Item) The SBDC offers integrated services to meet the needs of experienced small business owners as well as individuals interested in starting a business. This SBDC is active in San Antonio and 10 counties surrounding Bexar County, providing professional, confidential one-on-one business advising services at no charge. In addition to personalized advising services, the SBDC offers low-cost training workshops for both experience and prospective business owners. These workshops cover topics to help entrepreneurs start or grow businesses.	379,115	379,115	758,230
E		Southwest Texas Border Network Small Business Development Center (Revenue Neutral Item) The SBDC Rural Business Program was established to provide technical assistance, training, and information assistance to businesses, local governments, communities, and agencies engaged in economic, business and community development activities. The program helps rural communities improve their level of collaboration and utilization of regional assets, develop projects leading to the creation of jobs, improving the quality of life, and encouraging public/private partnerships.	121,317	121,317	242,634
			3,801,912	3,801,912	7,603,824

**The University of Texas System
Exceptional Item Requests**

	Request for New (N) State Appropriation or Request for Expansion of Existing (E) State Appropriation	Name of Proposed Exceptional Item	Amounts Requested		
			FY 2014	FY 2015	Total
<u>U. T. Tyler</u>	N	Hybrid Course Expansion/Demonstration The proposed Patriots Applying Technology For Success and Savings (PATSS) program is a creative research-based solution designed to create a learning environment that is more accessible and engaging for students and faculty that results in increased learning outcomes, improved retention, and cost efficiencies. UT Tyler will offer degrees using a blend of synchronous and asynchronous e-learning as well as face-to-face teaching.	2,400,000	2,400,000	4,800,000
			<u>2,400,000</u>	<u>2,400,000</u>	<u>4,800,000</u>
TOTAL - ACADEMIC INSTITUTIONS			<u>37,930,693</u>	<u>29,966,992</u>	<u>67,897,685</u>



TABLE OF CONTENTS FOR HEALTH AFFAIRS COMMITTEE

Committee Meeting: 11/14/2012

Board Meeting: 11/15/2012
Tyler, Texas

Robert L. Stillwell, Chairman
James D. Dannenbaum, Vice Chairman
Paul L. Foster
Printice L. Gary
Wallace L. Hall, Jr.

	Committee Meeting	Board Meeting	Page
Convene	2:30 p.m. Chairman Stillwell		
1. U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration	2:30 p.m. Action	Action	100
2. U. T. Health Science Center - Houston: Report on community outreach programs	2:31 p.m. Report/Discussion President Colasurdo	Not on Agenda	101
3. U. T. Health Science Center - Tyler: Report on community service through various outreach programs	2:40 p.m. Report/Discussion President Calhoun	Not on Agenda	113
4. U. T. System: Discussion and appropriate action regarding a) adoption of the conditions described in the Health and Human Services Commission Certification of Governmental Entity Participation for hospital affiliates, and b) authorization of affiliation agreements between the U. T. System health institutions and various private hospitals related to the 1115 Medicaid Waiver Program	2:50 p.m. Action Dr. Shine	Action	124
5. U. T. M. D. Anderson Cancer Center: Approval of concept for a new, strategic integrated plan to enhance philanthropy, raise national awareness, and increase patient volumes over the next five years and beyond	3:10 p.m. Action President DePinho Dr. Safady	Action	133
6. U. T. System: Quarterly report on health matters of interest to the U. T. System, including changes in the health care delivery environment	3:25 p.m. Report/Discussion Dr. Shine	Not on Agenda	149
6a. ADDITIONAL ITEM: U. T. Health Science Center - Tyler: Approval of new "doing business as" (dba) name – UHealth-Northeast, and the opportunity to develop a new logo and brand identity	3:40 p.m. Action President Calhoun Dr. Safady	Action	149
7. U. T. System Board of Regents: Health Institutions - Approval to submit list of items for consideration by the Texas Legislature for Exceptional Item funding	3:50 p.m. Action Dr. Shine	Action	150
Adjourn	4:30 p.m.		

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

(The proposed Consent Agenda is at the back of the book.)

2. **U. T. Health Science Center - Houston: Report on community outreach programs**

REPORT

President Colasurdo will report on U. T. Health Science Center - Houston's community outreach programs. A PowerPoint presentation is set forth on the following pages.

COMMUNITY OUTREACH PROGRAMS

Giuseppe N. Colasurdo, M.D.

President

U. T. System Board of Regents' Meeting

Health Affairs Committee

November 2012



Outreach in all missions

The students, faculty, and staff of UTHHealth are committed to serving many communities through outreach programs focused on education, research, clinical care, and community service.



HealthLEADER



TORS: New Life-Saving Robotic Surgery

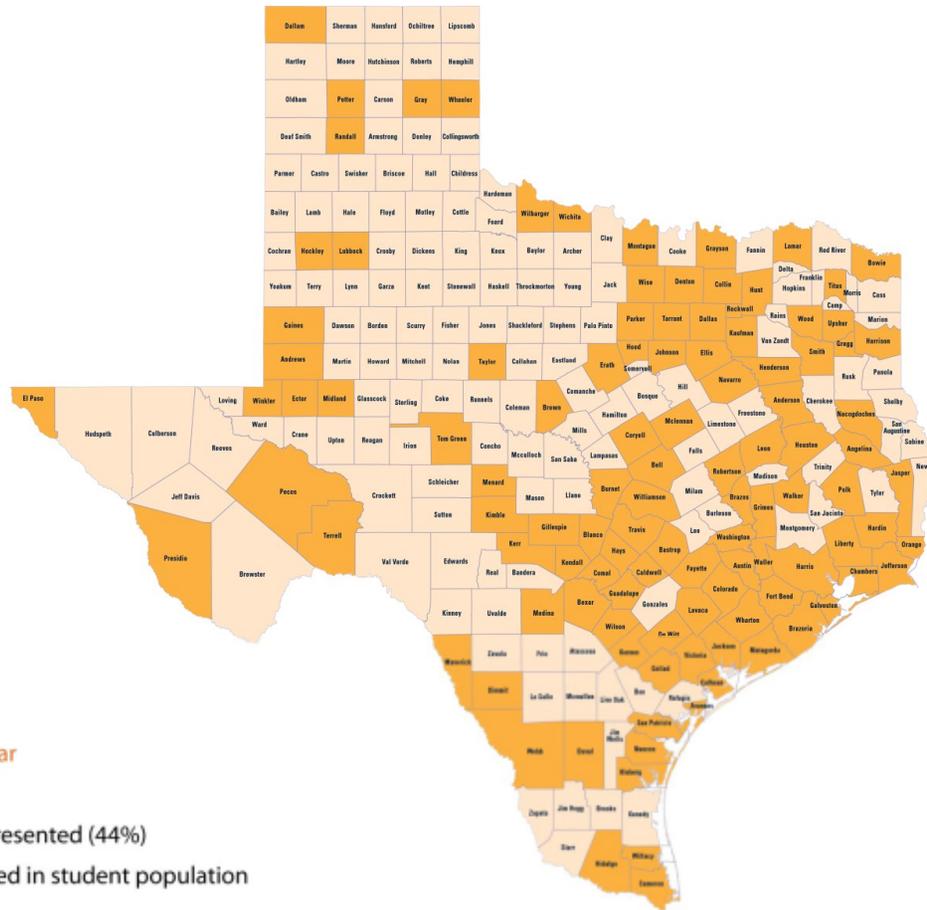
Throat cancer cure rates may rise to 90 percent, thanks to the partnership of robot and skilled surgeon



Outreach through multiple vehicles



Texas students - our best ambassadors...



UTHealth
2011-2012 Academic Year

113 of 254 counties represented (44%)
 Counties represented in student population

Education for students and teachers

- **CATCH Program** - 8,000 schools nationwide and 50% of elementary schools in Texas
- **It's Your Game** - web-based support on dating, sexual behavior, and relationships
- **Project Grad Biology Academy** - at-risk high school students
- **Scientist for a Day** - fourth grade students
- **National Youth Leadership Forum in Medicine** - high school students
- **Teacher Workshops** - elementary school teachers



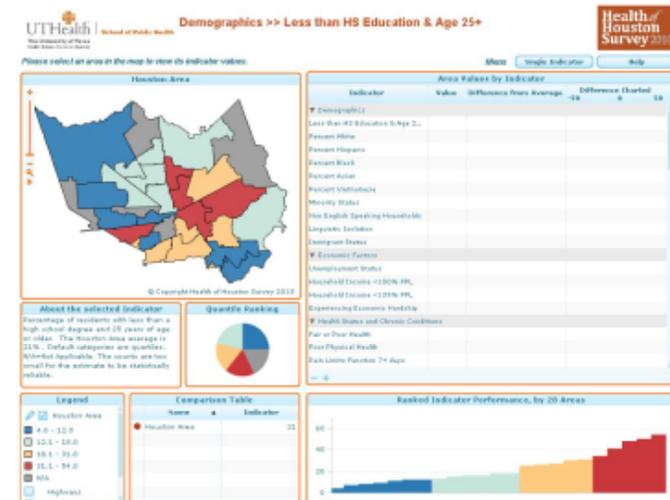
Community outreach programs

- Brownsville Farmers' Market
- Brownsville's Biggest Loser Challenge
- Harris County Long-Term Care Ombudsman Program
- Project SMART - 4th-5th grade
- Brain Awareness Week
- HEARTS - Houston Early Age Risk Testing & Screening
- WIC - Women, Infants, and Children (10 million families)



Health assessments and provider programs

- **Health of Houston Survey** - tracks emerging health issues, assesses the impact of health programs, and documents health improvements
- **UT School of Public Health Student Epidemic Intelligence Society** - assists the City of Houston in its annual Homeless Census and Needs Assessment
- **Gulf Coast Regional Extension Center** - more than 2,500 providers enrolled to date
- **Your Doctor Program** - more than 2,000 physicians from across the state enrolled to date



Clinical outreach programs

Our faculty, residents, and students provide more than \$60 million in charity care annually through multiple programs and clinics, including:

- Largest Level I Trauma Center in the nation
- Stroke Centers
- Centers for Healthy Aging
- Child Abuse Programs - CARE Clinic, CARE Team, Harris County CPS Clinic, Forensic Assessment Center Network (FACN)
- Lower Rio Grande Valley Mobile Health Clinic
- Mobile Dental Van Program



Harris County Psychiatric Center (HCPC)

- Founded in 1986
- Largest inpatient psychiatric facility outside of the county jail - 7,000 admissions in FY12
- Provides care for catastrophic mental disorders for underserved populations
- Leading academic psychiatric hospital in the country



Programs for vulnerable populations

Forensic Assessment Center Network (FACN)

- State-wide project with Children's Protective Services
- Leaders - U. T. System health institutions
- 50% reduction in proven cases of child abuse/neglect (Houston area)



Children's Learning Institute

- Leader in developing programs, training instructors, and offering programs in best practices for early childhood learning
- Texas School Ready! program covers 2,000 classrooms and 40,000 students

Laying the foundation for lifelong learning

Early educational intervention can have substantive short- and long-term effects on cognition, social-emotional development, school progress, antisocial behavior, and even crime.

Science 333, August 2011

Programs for vulnerable populations (cont.)

Thomas Street Health Center

- Largest freestanding HIV clinic in the nation
- Treat the sickest patient with AIDS/HIV and provide training to other health care providers
- Leonard Tow Humanism in Medicine Award



Texas Elder Abuse and Mistreatment (TEAM) Institute

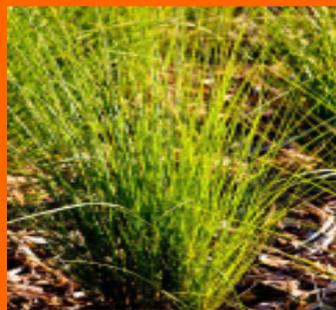
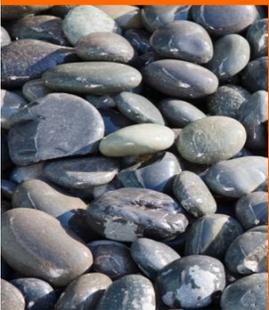
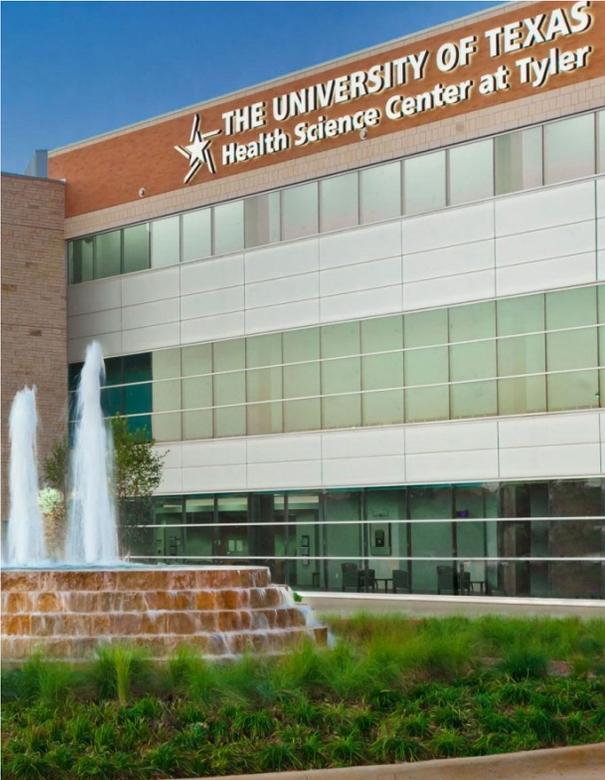
- First adult protective services medical group collaboration in the United States (1997)
- Provided care for more than 2,000 mistreated elders



3. **U. T. Health Science Center - Tyler: Report on community service through various outreach programs**

REPORT

President Calhoun will report on community service through various outreach programs at U. T. Health Science Center - Tyler. A PowerPoint presentation is set forth on the following pages.



**THE UNIVERSITY OF TEXAS
Health Science Center at Tyler**

COMMUNITY OUTREACH PROGRAMS

**KIRK A. CALHOUN, M.D.
President**

**U. T. System Board of Regents' Meeting
Health Affairs Committee
November 2012**

CHEST DISEASES ARE NOT JUST OUR HISTORY . . .



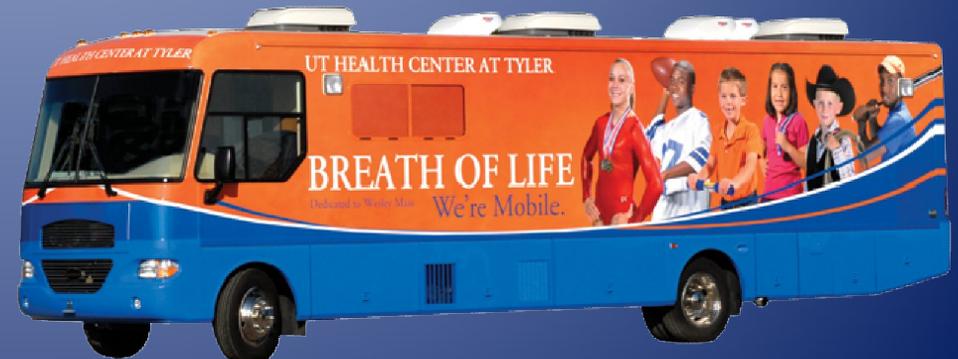
IMPACT OF ASTHMA IN TEXAS

- Asthma affects more children than any other chronic disease.
- Nationally, it is the leading cause of school absenteeism - 12.8 million missed school days.
- In Texas in 2007, an estimated 9.1 percent of children ages 0-17 had asthma.
- The prevalence of asthma among children was highest among males, African-Americans, and those 10-17 years of age.
- In Texas, total charges for all asthma hospitalizations in 2007 were over \$446 million.

Source: Texas Asthma Control Program, 2009

BREATH OF LIFE MOBILE CARE CENTER

- A fully functioning diagnostic, therapeutic, and educational asthma clinic
- Charged with identifying and treating underserved, school-aged asthmatic children at school sites in Northeast Texas
- Goal is to shift population reliance from acute intervention to management and control (prevention vs. rescue)
- Funding came from the Health Resources and Services Administration (HRSA)



TEXAS ASTHMA CAMP FOR KIDS

- The Texas Asthma Camp for Kids, conducted by The University of Texas Health Science Center at Tyler, is the oldest asthma camp in the state - it began in 1985.
- Attending an asthma camp results in fewer ER visits, hospital admissions, and missed school days, as well as reduced health care costs.

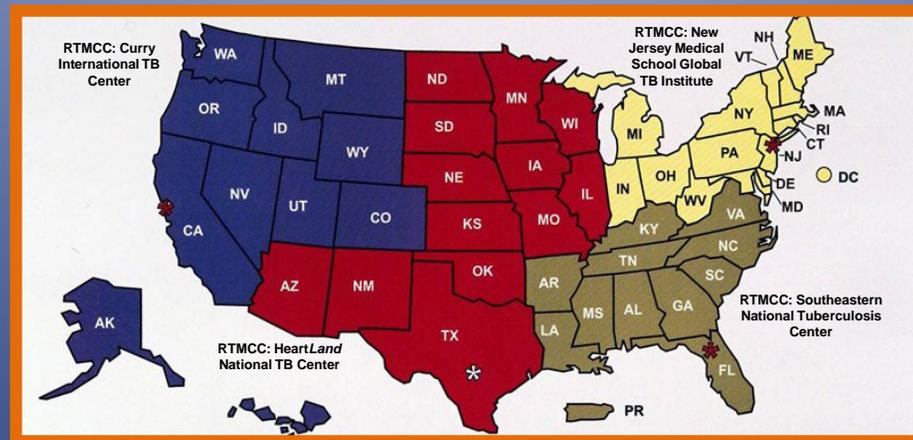
KYTX
CBS 19

Video



HEARTLAND NATIONAL TB CENTER

- Serves as one of four Regional Training and Medical Consultation Centers (RTMCC) funded by the Centers for Disease Control
- Provide expertise in the treatment / prevention of TB
- Develop and deliver cutting-edge training, expert medical consultation, technical assistance, and innovative educational and consultative products



PUBLIC HEALTH LAB OF EAST TEXAS (PHLET)

- Funded by the Centers for Disease Control and Prevention, PHLET is focused on public health preparedness, and is the only public health laboratory located on the campus of an academic institution.
- PHLET provides testing and training for clinical laboratories and law enforcement agencies serving 34 counties, as well as testing on bioterrorism agents including bacteria, viruses, and toxins.
- During the 2009 H1N1 pandemic, PHLET provided rapid response testing. Surveillance is ongoing for new strains.



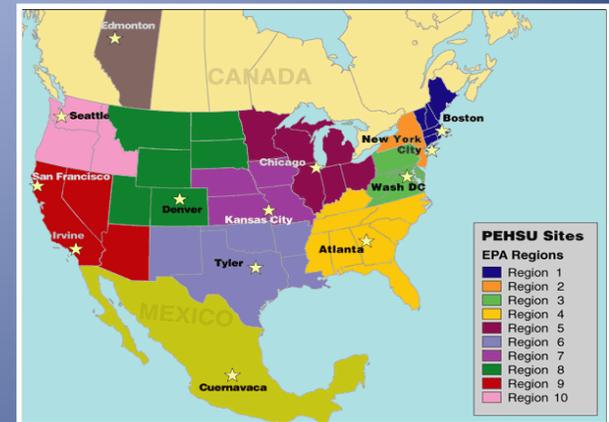
**HAZARDOUS MATERIALS
DECONTAMINATION**



**PANDEMIC FLU TRAINING
IN TEMPLE, TEXAS**

PEDIATRIC ENVIRONMENTAL HEALTH

- The Southwest Center for Pediatric Environmental Health (SWCPEH) is one of 11 Pediatric Environmental Health Specialty Units.
- The SWCPEH serves the states of Texas, Arkansas, Louisiana, Oklahoma, and New Mexico.
- The mission of SWCPEH is to reduce environmental health threats to children, improve access to expertise in environmental medicine, and strengthen public health prevention capacity.



UNIVERSITY HEALTH CLINIC AT U. T. TYLER

- More exam rooms to accommodate patient growth
- Highly advanced digital mammography
- Expansion of health services to U. T. Tyler students, faculty, and staff



*Over the last three years,
patient volume has increased by 18 percent.*

4. **U. T. System: Discussion and appropriate action regarding a) adoption of the conditions described in the Health and Human Services Commission Certification of Governmental Entity Participation for hospital affiliates, and b) authorization of affiliation agreements between the U. T. System health institutions and various private hospitals related to the 1115 Medicaid Waiver Program**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and the Vice Chancellor and General Counsel that the U. T. System Board of Regents

- a. adopt the conditions described in the Health and Human Services Commission (HHSC) Certification of Governmental Entity Participation for hospital affiliates, which must be approved by the governing board of the governmental entity in a public meeting; and
- b. authorize the Executive Vice Chancellor for Health Affairs, with approval by the Office of the General Counsel as required by the Regents' *Rules and Regulations*, Rule 10501 (Delegation to Act on Behalf of the Board), to execute affiliation agreements between the U. T. System health institutions and various private hospitals related to the 1115 Medicaid Waiver Program.

BACKGROUND INFORMATION

In response to legislative direction to control the cost of the Medicaid program while preserving supplemental federal funding for hospitals and qualified physician practice groups, the Texas Health and Human Services Commission (HHSC) proposed to the Centers for Medicare and Medicaid Services (CMS) that Texas be granted a waiver of certain provisions of the Social Security Act, thus allowing more flexibility in the design of its Medicaid program.

In December 2011, CMS approved the Section 1115 Demonstration, titled "Texas Healthcare Transformation and Quality Improvement Program," for the five-year period ending September 30, 2016. Commonly called the "waiver," the Section 1115 Demonstration has two aims:

- To expand the existing Medicaid managed care programs statewide; and
- To use the savings from that expansion and the discontinuation of the Upper Payment Limit (UPL) supplemental funding program to finance two new funding pools:
 - The Uncompensated Care (UC) pool; and
 - The Delivery System Reform Incentive Payment (DSRIP) pool.

By way of background, UPL was designed to address the difference between Medicaid fee-for-service payments and typically higher Medicare payments for the same services. The decision to expand capitated Medicaid managed care eliminated the UPL program, which applies only to fee-for-service care. To receive supplemental funding from the new UC pool, hospitals and

qualified physician practice groups (including U. T. health institutions) will file cost reports detailing shortfalls between cost and revenue received on services provided to Medicaid and uninsured patients.

To receive funding from the DSRIP pool, eligible providers must engage in select, targeted projects within their local Regional Healthcare Partnership (RHP). Each of the 20 RHPs, comprised of between two and 47 counties, has a designated anchor, a public entity that serves as the administrative coordinator. Each RHP will submit a plan of DSRIP projects designed to address community needs and improve patient care for low-income populations. The RHP plans, due December 31, 2012, must be consistent with the three-part aim:

- To improve the experience of care for individuals with regard to access and outcomes;
- To improve health for the population; and
- To lower costs through improvements without compromising quality.

Each DSRIP project will have specific goals, milestones, metrics, and incentive payment valuations. After final approval of the RHP plans by HHSC and CMS, the performing provider responsible for each DSRIP project will be eligible to receive incentive payments upon the documented achievement of the milestones and metrics.

Health care providers must participate in the local RHP to be eligible to receive UC payments or DSRIP incentive payments. Since Medicaid is jointly funded by the federal government and the state, payments to providers have a state share and a federal match. The Texas Legislature has required that the state share for Medicaid supplemental payments must be funded by intergovernmental transfer (IGT) from local public entities such as public hospitals, hospital districts, health departments, county governments, or local mental health authorities. IGTs may also be funded by state academic institutions. Nonpublic entities, such as private hospitals, may not fund IGTs. Nonetheless, since Texas has very few public hospitals, private safety net hospitals play a vital role in the delivery system and must be actively engaged in the RHP Plans' DSRIP projects as performing providers. Public entities and private providers may enter into indigent care affiliation agreements to work collaboratively to improve access to health care for indigent persons residing in the community through participation in the Medicaid program. The affiliation agreement does not obligate the public entity to provide specific amounts of IGT.

At this time, U. T. System institutions contemplate affiliation agreements including, but not limited to:

- U. T. Southwestern Medical Center and Children's Medical Center of Dallas
- U. T. Medical Branch - Galveston and Baptist Hospitals of Southeast Texas
- U. T. Medical Branch - Galveston and CHRISTUS Hospital (Beaumont)
- U. T. Health Science Center - Houston and Memorial Hermann Healthcare System
- U. T. Health Science Center - San Antonio and Doctors Hospital at Renaissance (Edinburg)
- U. T. Health Science Center - San Antonio and Valley Baptist Hospital
- U. T. Health Science Center - Tyler and Trinity Mother Frances Hospitals and Clinics
- U. T. Health Science Center - Tyler and CHRISTUS St. Michael Health System
- U. T. Health Science Center - Tyler and Good Shepherd Medical Center

HHSC requires a Certification of Governmental Entity Participation from each public entity involved in one or more affiliation agreements. The certification requires public adoption by the Board of Regents, as the governing body for the health institutions. In summary, the certification affirms that the governmental entity will abide by all rules related to affiliation agreements, IGTs, and Medicaid payments. A copy of the HHSC certification template is set forth on the following pages.

U. T. System institutions may elect to collaborate with various providers on DSRIP projects, and some of these collaborations may take the form of a contract. Depending on the operational, managerial, and financial circumstances of each DSRIP project, U. T. institutions may elect to be either the performing provider or the subcontractor. As project plans and contracts are finalized, U. T. health institutions will seek contract approval from the Board of Regents as required by Regents' *Rules and Regulations*.



HEALTH AND HUMAN SERVICES COMMISSION

TEXAS HEALTHCARE TRANSFORMATION AND QUALITY IMPROVEMENT PROGRAM
1115 DEMONSTRATION WAIVER PROGRAM

**CERTIFICATION OF GOVERNMENTAL ENTITY PARTICIPATION
FOR HOSPITAL AFFILIATES
Version 2012-1 (09/05/2012)**

DOCUMENT HISTORY LOG

STATUS¹	DOCUMENT REVISION²	EFFECTIVE DATE	DESCRIPTION³
Baseline	n/a		Initial version of the Certification of Governmental Entity Participation
Revision	1.1	09/05/2012	Added cover page.
Revision	1.2	09/05/2012	Added Document History Log.
Revision	1.3	09/05/2012	Various formatting changes.
Revision	1.4	09/05/2012	Added version number (Version 2012-1) and date of issuance to cover page and page footer.
Revision	1.5	09/05/2012	Deleted "Texas" from "Health and Human Services Commission" to reflect agency's statutory name.
Revision	1.6	09/05/2012	Revised paragraph 4.g. to replace "and" at the end of subparagraph ii following the semicolon with "or."
<p>¹ "Baseline" indicates initial document issuances, "Revision" indicates changes to the Baseline version, and "Cancellation" indicates withdrawn versions.</p> <p>² Numbering conventions: Revisions are numbered according to the version of the document and the sequential revision—e.g., "1.2" refers to the first version of the document and the second revision.</p> <p>³ Brief description of the changes to the document made in the revision.</p>			



HEALTH AND HUMAN SERVICES COMMISSION

**TEXAS HEALTHCARE TRANSFORMATION AND QUALITY IMPROVEMENT
PROGRAM 1115 DEMONSTRATION WAIVER PROGRAM**

***CERTIFICATION OF GOVERNMENTAL ENTITY PARTICIPATION FOR
HOSPITAL AFFILIATES***

On behalf of _____, a _____
organized under the laws of the State of Texas (hereinafter referred to as “the
Governmental Entity”), I, _____, affirm and certify the
following:

1. Legal Authorization.

- a. The Governmental Entity is legally authorized to levy and collect ad valorem taxes, generate public revenue, or receive and expend appropriated public funds (“Public Funds”);
- b. The Governmental Entity is legally authorized to enter into and has entered into Affiliation Agreements with one or more private hospitals (“the Affiliated Hospitals”) for, among other purposes, providing indigent care in the community served by the Governmental Entity.

2. Public Adoption and Access.

- a. The governing body of the Governmental Entity adopted the conditions described in this certification by recorded vote taken in a public meeting held in compliance with the Texas Open Meetings Act, Chapter 551, Government Code;
- b. Copies of all Affiliation Agreements will be made available as provided under the Texas Public Information Act, Chapter 552, Government Code, and will be provided to HHSC on request.

3. *Funding of Intergovernmental Transfers and Supplemental Payments.*

- a. The Governmental Entity has or has agreed to transfer Public Funds to the Health and Human Services Commission (“HHSC”) via intergovernmental transfer (“IGT”) for use as the non-federal share of supplemental waiver payments (the “Supplemental Payments”) to the Affiliated Hospitals in accordance with 1 Tex. Admin. Code §355.8201, Waiver Payments to Hospitals (the “Waiver Program”);
- b. All transfers of Public Funds by the Governmental Entity to HHSC to support the Supplemental Payments to the Affiliated Hospitals under the Waiver Program comply with:
 - i. The applicable regulations that govern provider-related donations codified at section 1903(w) of the Social Security Act (42 U.S.C. §1396b(w)), and Title 42, Code of Federal Regulations, Part 433, subpart B, sections 433.52 and 433.54;
 - ii. HHSC administrative rules codified at 1 Tex. Admin Code §355.8201, Waiver Payments to Hospitals.

4. *Assurances and Representations.*

- a. The Governmental Entity does not and will not at any time receive any part of the supplemental payments that are made by HHSC to the Affiliated Hospitals under the Waiver Program;
- b. The Governmental Entity has not entered into a contingent fee arrangement related to the Governmental Entity’s participation in the Waiver Program;
- c. The Governmental Entity has not entered and will not enter into any agreement to condition either the amount of the Public Funds transferred by the Governmental Entity or the amount of Supplemental Payments an Affiliated Hospital receives on the amount of indigent care the Affiliated Hospital has provided or will provide;
- d. The Governmental Entity has not entered and will not enter into any agreement to condition the amount of any Affiliated Hospital’s indigent care obligation on either the amount of Public Funds transferred by the Governmental Entity to HHSC or the amount of Supplemental Payment an Affiliated Hospital may be eligible to receive;
- e. With regard to any escrow, trust or other financial mechanism (an “Account”) utilized in connection with an indigent care Affiliation Agreement or an IGT issued for a payment period that occurs after the effective date of this Certification, the following representations are true and correct:

- i. The amount of any Account is not conditioned or contingent on the amount of indigent care services that an Affiliated Hospital provided or will provide;
 - ii. The Governmental Entity has disclosed the existence of any Account to HHSC; and
 - iii. Any such Account will not be used to effect a quid pro quo for the provision of indigent care services by or on behalf of the Affiliated Hospitals;
- f. The Governmental Entity has not received and will not receive refunds of payments the Governmental Entity made or makes to an Affiliated Hospital for any purpose in consideration for an IGT of Public Funds by the Governmental Entity to HHSC to support the Supplemental Payments;
- g. The Governmental Entity has not received and will not receive any cash or in-kind transfers from an Affiliated Hospital or any other entity acting on behalf of an Affiliated Hospital or group of Affiliated Hospitals other than transfers and transactions that:
 - i. Following the date this Certification was executed, are unrelated to the administration of the Waiver Program or the delivery of indigent care services under an Affiliation Agreement;
 - ii. Constitute fair market value for goods or services rendered or provided by the Governmental Entity to an Affiliated Hospital; or
 - iii. Represent independent, bona fide transactions negotiated at arms-length and in the ordinary course of business between the Affiliated Hospital and the Governmental Entity;
- h. The Governmental Entity has not:
 - i. Following the date this Certification was executed, assigned or agreed to assign a contractual or statutory obligation of the Governmental Entity to an Affiliated Hospital or any other entity acting on behalf of an Affiliated Hospital or group of Affiliated Hospitals; or
 - ii. Authorized or consented to the assumption of a statutory or contractual obligation of the Governmental Entity by an Affiliated Hospital or any other entity acting on behalf of an Affiliated Hospital or group of Affiliated Hospitals.

5. Evaluation.

- a. Consistent with its constitutional, statutory, and fiduciary obligations, the Governmental Entity may evaluate a private hospital's historical experience in providing indigent care in the community or performance under an Affiliation Agreement including the impact and amount of indigent care provided by the hospital, for the following purposes:
 - i. To determine whether the Governmental Entity will enter into an Affiliation Agreement with a private hospital;
 - ii. To determine whether and to what degree the Governmental Entity will supply an IGT, provided such decision does not include consideration of matters prohibited under paragraph 4 of this Certification;
 - iii. To determine whether an Affiliated Hospital's participation benefited the community and whether its continued participation in the indigent care program is likely to continue to benefit the community; or
 - iv. To provide accountability to local taxpayers;
- b. The Governmental Entity's evaluation under this paragraph 5 may:
 - i. Be documented in a manner sufficient to confirm achievement of the Governmental Entity's mission and provide an appropriate and constitutional basis on which to transfer the Public Funds to HHSC; and
 - ii. Not include consideration of matters prohibited under paragraph 4 of this Certification ;

On behalf of the Governmental Entity, I hereby certify that I have read and understood the above statements; that the statements are true, correct, and complete; and that I am authorized to bind the Governmental Entity and to certify to the above.

Signature

Date

Name and Title



5. **U. T. M. D. Anderson Cancer Center: Approval of concept for a new, strategic integrated plan to enhance philanthropy, raise national awareness, and increase patient volumes over the next five years and beyond**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for External Relations, and President DePinho that the U. T. System Board of Regents approve the concept for a new, strategic integrated plan to enhance philanthropy, raise national awareness, and increase patient volumes at U. T. M. D. Anderson Cancer Center over the next five years and beyond.

President DePinho will present the PowerPoint set forth on Pages 136 - 148.

BACKGROUND INFORMATION

The U. T. M. D. Anderson Cancer Center is the nation's foremost cancer center, though only approximately seven percent of people surveyed on a national scale are aware of its standing. An innovative, integrated, comprehensive plan will give M. D. Anderson the opportunity to accelerate its mission to eliminate cancer by raising substantial funds for cancer research and patient care programs, to significantly increase national awareness, and strategically drive patient volumes and clinical revenues. The plan involves marshaling the programmatic resources of Development, Corporate Alliances, Marketing, and Communications to reinforce the institution's bold and assertive plans to defeat cancer. It also will integrate with major institutional projects such as the Moon Shots Program.

M. D. Anderson lags behind the rest of the industry in the national cancer conversation, and in particular, behind its competition, which is already pursuing aggressive brand and cause initiatives. The institution has not engaged in a focused and coordinated branding or corporate alliance effort to build national awareness, increase donations, and attract new patients. The proposed consolidated and integrated effort will grow infrastructure necessary to support U. T. System's and the institution's national long-term strategic goals.

Finally, the plan is consistent with the Framework for Advancing Excellence throughout The University of Texas System. To fulfill its mission, M. D. Anderson seeks support for this broad and aggressive five-year ramp-up plan to build momentum for the next 10 years and beyond. The Board's authorization will allow M. D. Anderson to augment and diversify traditional programs with fresh and innovative ideas to discover new revenue streams. These incremental efforts will support the larger institutional strategic goals of: 1) identifying new revenue streams to support research, 2) enhancing philanthropic success, 3) increasing productivity and efficiency, and 4) recruiting and retaining outstanding leadership among faculty, administrators, and staff.

Over the next five years, this plan will require contract requests for Board consideration, perhaps exceeding \$280 million above and beyond current contracts to support communications, marketing, and development efforts. These contracts will be reviewed by the U. T. System Offices of External Relations, Health Affairs, and General Counsel.



INTEGRATED STRATEGY FOR INCREASING NATIONAL AWARENESS, PHILANTHROPY AND CLINICAL REVENUES FY13-17

Overview

This proposal is a short-term, five-year ramp up plan to build long-term momentum for the next 10 years and beyond. This plan includes strategic goals and strategies/tactics for meeting those goals. It will highlight the costs and tangible benefits of fundraising, corporate relations and advertising, as well as the intangible benefits associated with building awareness and relationships.

Strategic Goals (5-year plan)

1. Fundraising

MD Anderson proposes to augment traditional and proven fundraising practices with new and enhanced programs to extend its reach to a much broader audience. It will integrate cause marketing, e-philanthropy, expanded direct mail, a principal gifts program focused on concentrated initiatives such as the Moon Shots Program, and targeted special events into its current efforts. Among other efforts:

- New gifts should move MD Anderson from a current three-year average of \$193 MM in annual philanthropy to \$257 MM in five years, representing a 32 percent increase in *new* gifts.
- Cause marketing is projected to realize up to \$65 million over the next five years, with a steady growth in revenue occurring over the long term, as traction grows annually. Moreover, cause marketing will allow MD Anderson to create a platform that positions the institution as the national leader in cancer care, creating greater awareness of and preference for MD Anderson by patients and donors.

2. Brand awareness

Raise national brand awareness from 7% to 12% by increasing national advertising.

- This increase will support securing additional philanthropic giving, launching a more consistent, national dialogue with the public, encouraging patients and attracting physicians and scientists who can help fulfill our mission.

3. Patient volume

Increase national patient volumes annually over the next five years, yielding a margin increase up to \$453 million.

- This volume increase is gradual over the first year with a steady 2.5% annual growth thereafter.
- This percentage increase will move the current average new patient accrual rate from 7% to 9.5% over the next five years within targeted areas needing additional volume, positively impacting clinical margin.
- This percentage increase is a conservative average taken over a five-year period and across multiple cancer disease sites.
- Clinical revenues are crucial and will become even more critical in the coming years as the institution addresses challenges in health care, including an aging population. This additional margin and increased volume will be vital for UT MD Anderson to reach its projected financial goals.

These goals complement UT MD Anderson's strategic goals, as well as the Framework for Advancing Excellence, specifically:

Research: Identify new revenue streams, including philanthropy, to support research missions; Enhance Philanthropic Success; Productivity and Efficiency; Faculty/Administrators/Staff Excellence: recruit and retain outstanding leadership

Innovative Strategies/Tactics to Meet Strategic Goals

1. Engage corporations through a cycle of giving.

Corporate alliances

- Attracting national and global companies that complement or support UT MD Anderson's mission will drive giving through additional corporate and private foundations, encourage global industry leaders to become involved with the institution and attract new audiences to support the institution's mission.
- Active engagement with corporations will introduce UT MD Anderson to new audiences and consumers, raising national/global awareness and increasing patient volumes.

November 2, 2012

2. Drive national public engagement and giving.

Cause platform

- UT MD Anderson will create and launch a UT MD Anderson Cancer Center-branded national cause initiative to engage consumers and employees. UT MD Anderson will oversee all messaging and campaign specifics and ensure brand integration. In addition, the institution will drive awareness of the campaign through public relations, advertising, marketing, events, and digital and social media to maximize employee and consumer involvement.

e-philanthropy

- Electronic fundraising and social media outreach programs are cost-effective approaches to building and engaging new followers, acquiring new donors and creating loyalty among existing donors. Precise measurement of these tools will allow UT MD Anderson to understand and engage with consumers, donors and patients optimally.

Direct engagement

- UT MD Anderson will 1) engage in new events that capitalize on successful existing events and expand their reach and possibility and 2) launch a UT MD Anderson-branded regional or national event that focuses on peer-to-peer fundraising and sponsorship. These events will align with the national call-to-action campaign, further propelling UT MD Anderson's brand. Increasing the institution's geographic reach with direct mail and integrating with the online giving program will generate a significant increase in donors.

3. Differentiate UT MD Anderson from national competition.

Targeted, integrated approach

- UT MD Anderson must claim its role as the nation's leader in cancer care. The institution must reinforce its reputation, brand and programs by having a consistent national presence. Highly focused national advertising, sponsorships and public relations outreach will allow key audiences to understand UT MD Anderson's national leadership role in cancer research and patient care and drive results that will ensure that role is maintained.

Projected Investment

MD Anderson currently spends approximately \$23 million per year with multiple agencies and vendor partners, working on behalf of numerous internal organizations. Through a more concentrated and integrated approach, MD Anderson will become more strategic and enjoy greater economies of scale. This new, integrated effort ranges from an investment of \$29 million in year one to \$72 million in year five for a total additional investment of \$280 million over five years.

- These numbers do not include personnel costs or existing contract numbers previously approved.

Return on Investment and Measurement

Tangible Benefits and Return

The anticipated revenue from these additional activities ranges from \$26 million in year one to \$245 million in year five for total additional revenue of \$657 million over the five-year timeframe.

- Significant return will be realized in the second year. The first year's focus will be building infrastructure, establishing relationships and developing plans, tools and deliverables.
- Success will be defined not only by additional revenue, but increased national awareness, engagement and patient volume growth.

Intangible Benefits and Return

This plan will help achieve and advance our strategic goals and will also deliver on intangible benefits vital to UT MD Anderson's future success. These intangible benefits will take time and effort to build and maintain. Increasing national brand awareness through this plan will create a *relationship* between the general public and UT MD Anderson that will: impact overall positive response rates in outreach and donor acquisition, promote enhanced interest in the UT MD Anderson mission and programs, broaden national institutional appeal and stature positively impacting patient acquisition and faculty recruitment, and boost UT MD Anderson employee morale and job satisfaction.

Strategy to Enhance Philanthropy, Raise National Awareness, and Increase Patient Volumes

THE UNIVERSITY OF TEXAS
MDAnderson
Cancer Center

Making Cancer History®

U. T. System Board of Regents' Meeting
Health Affairs Committee
November 2012

Ronald DePinho, M.D., President

Cancer is a global problem.
Prevalence will increase as population grows and ages.
Early detection and new therapies yield more survivors.

More than 200 people will die from cancer during this presentation.



We have bold plans
to conquer cancer.

How do we help make the science happen?

Marketing, Development, and Communications have created an innovative five-year plan.

- More philanthropic funds
- Increased clinical revenues
- Greater awareness and preference

Plan's goals:

- Secure \$656 million in additional funds
- Raise unaided national awareness from 7% to 12%
- Increase patient volume by 2.5% annually

How are we going to do it?

- National call-to-action cause marketing campaign
- E-philanthropy program
- Increased fundraising events
- Principal gifts program focused on Moon Shots

How are we going to do it? (cont.)

- National advertising
- Expanded direct mail program
- Enhanced public relations outreach

Competition:

- St. Jude Children's Research Hospital invests \$300 million annually to earn \$800 million
- Aided national awareness:
 - M. D. Anderson: 22% (7 % unaided)
 - Mayo Clinic: 92%
 - Johns Hopkins: 91%
 - Cancer Treatment Centers of America: 69%
- Annual advertising spend: \$35 – \$42 million

Plan's key points:

- We are the first academic medical center to integrate its development, corporate relations, marketing and communications' goals, and activities to this degree.
- An M. D. Anderson call-to-action campaign will create a national movement.
- Corporate partners will enable M. D. Anderson to engage with millions of consumers and potential donors in markets not reached before.
- Those partners will leverage their larger corporate marketing budgets to extend M. D. Anderson's reach.
- A robust online fundraising (e-philanthropy) plan will create awareness and raise funds from a new, expansive audience.

Plan fits A Framework for Advancing Excellence throughout The University of Texas System

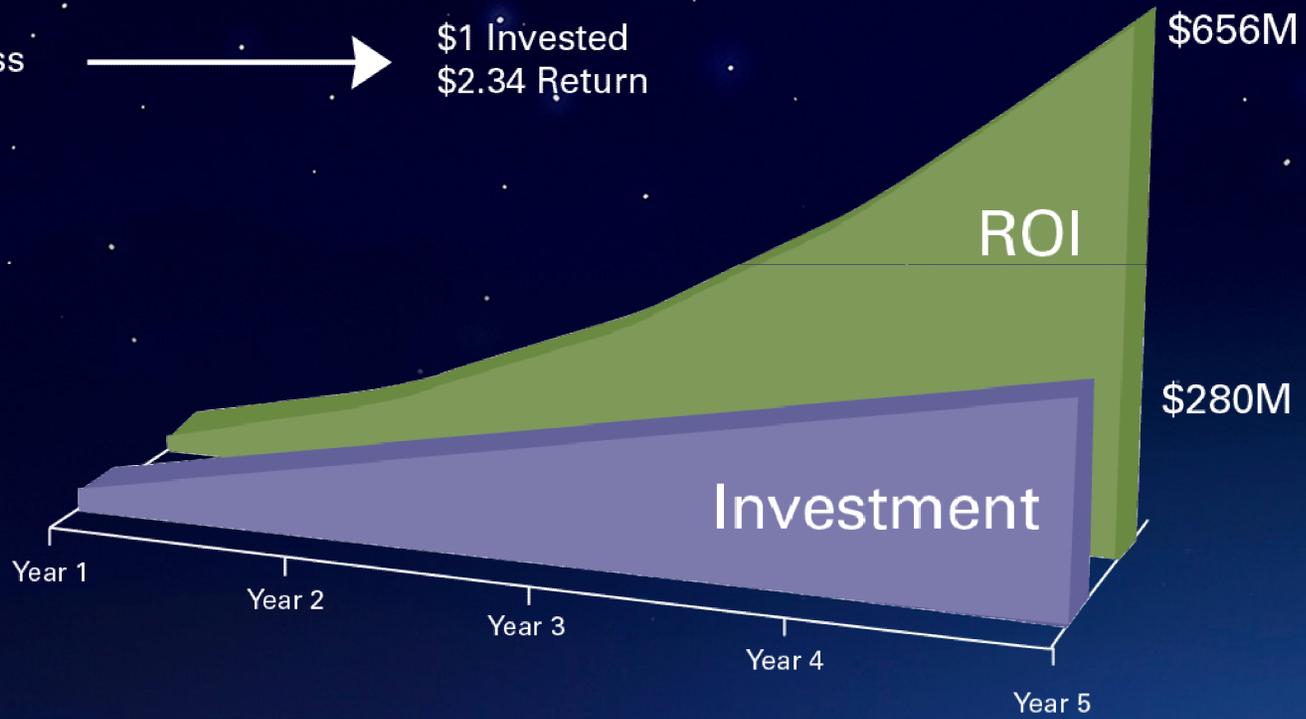
- Identify new revenue streams
- Enhance philanthropic success
- Increase productivity and efficiency
- Support faculty/administrators/staff excellence

Integrated 5-year plan ROI

Fundraising
National awareness
Patient volume



\$1 Invested
\$2.34 Return



THE UNIVERSITY OF TEXAS
MD Anderson
~~Cancer Center~~

Making Cancer History[®]

6. **U. T. System: Quarterly report on health matters of interest to the U. T. System, including changes in the health care delivery environment**

REPORT

Executive Vice Chancellor Shine will report on health matters of interest to the U. T. System, including changes in the health care delivery environment.

ADDITIONAL ITEM

6a. **U. T. Health Science Center - Tyler: Approval of new "doing business as" (dba) name – UTHealth-Northeast, and the opportunity to develop a new logo and brand identity**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for External Relations, the Vice Chancellor and General Counsel, and President Calhoun that the U. T. System Board of Regents approve a new "doing business as" (dba) name – UTHealth-Northeast, and the opportunity to develop a new logo and brand identity for U. T. Health Science Center - Tyler.

BACKGROUND INFORMATION

U. T. Health Science Center - Tyler is engaged in an effort to increase public awareness and enhance the reputation of the institution. It is in the process of contracting with an experienced branding/marketing agency and will have discussions with internal and external stakeholders associated with the institution. Shortening the name through the use of a dba (but not changing the official name) will promote a greater recognition of the institution with all stakeholders and the general public. The word "Northeast" more accurately captures the institution's clinical services and locations in surrounding towns and communities.

U. T. Health Science Center - Tyler proposes a new identity system that would be used prominently and consistently in all forms of communication representing the University, such as publications, letterhead, signage, business cards, web, advertising, and more, in an effort to create a uniform communication standard and to enhance a better public understanding of the institution's role.

The Office of External Relations reports that needed permissions for this use have been obtained.

7. U. T. System Board of Regents: Health Institutions - Approval to submit list of items for consideration by the Texas Legislature for Exceptional Item funding

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Presidents of the U. T. System health institutions that the U. T. System Board of Regents approve the following projects for submission to the Texas Legislature for Exceptional Item funding. A summary of each Exceptional Item, written by the requesting institution, is set forth on the following pages.

U. T. Southwestern Medical Center

Institute for Translational Research (in collaboration with U. T. Dallas)

U. T. Medical Branch – Galveston

Trans-Texas Vaccine Institute

Regenerative Medicine

Combating Texas' Emerging Infections

U. T. Health Science Center – Houston

Center for Healthcare Quality and Safety

Psychiatry and Behavioral Sciences

Family Nurse Practitioner Program

U. T. Health Science Center - San Antonio, by region

Region: San Antonio

San Antonio Life Sciences Institute (SALSI)

Barshop Institute for Longevity and Aging Studies

Region: South Texas

Regional Academic Health Center (RAHC)

Regional Campus in Laredo (RCL)

U. T. M. D. Anderson Cancer Center

School of Health Professions: MRI Training Unit, Mobile Computer Cart System, New Degree Start-Up Funding

On-Site Basic Science Research Storage and Computational Capacity

U. T. Health Science Center – Tyler

Support for Degree Granting

**The University of Texas System
Exceptional Item Requests**

	Request for New (N) State Appropriation or Request for Expansion of Existing (E) State Appropriation	Name of Proposed Exceptional Item	Amounts Requested		
			FY 2014	FY 2015	Total
<u>U. T. Southwestern</u>					
	N	Institute for Translational Research (in collaboration with UT Dallas) The Institute for Translational Research would support the extension of basic biomedical discoveries from the lab and seed the earliest steps in translational research for which there are no grant or investor sources of funding, yet are essential for fostering basic discoveries - with tremendous promise for bettering patient care, lowering health care costs, and ROI to the State - into novel patient therapies.	7,500,000	7,500,000	15,000,000
			7,500,000	7,500,000	15,000,000
<u>U. T. MB Galveston</u>					
	N	Trans-Texas Vaccine Institute The proposed Trans-Texas Vaccine Institute would create a multi-agency institute to support collaborative projects that expedite the development and production of needed vaccines. The Trans-Texas Vaccine Institute would build on the success of UTMB's interdisciplinary Sealy Center for Vaccine Development and maximize the impact of expertise found throughout Texas' higher education community. Formation of the Institute will make Texas a national leader in vaccine development and production.	4,000,000	4,000,000	8,000,000
	N	Regenerative Medicine Exceptional Item funding for Regenerative Medicine would leverage a new 3-year, \$3-million-per-year Moody Foundation grant supporting a multidisciplinary project to create agents capable of reversing trauma-induced alterations in the brain to restore lost function. Such groundbreaking research will bring significant advances to the treatment of brain and spinal cord injuries.	3,000,000	3,000,000	6,000,000
	N	Combating Texas' Emerging Infections Exceptional Item funding for Combating Texas' Emerging Infections would build on the already substantial federal and state investment in the Galveston National Lab to expand UTMB's expertise in combating emerging infectious diseases and foster collaboration with other Texas institutions. Work in this area focuses on development of artificial organs and tissues that mimic human organs to facilitate testing of drugs and vaccines designed to combat dangerous infectious diseases.	4,050,000	4,500,000	8,550,000
			11,050,000	11,500,000	22,550,000

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Meeting of the U. T. System Board of Regents - Health Affairs Committee

**The University of Texas System
Exceptional Item Requests**

	Request for New (N) State Appropriation or Request for Expansion of Existing (E) State Appropriation	Name of Proposed Exceptional Item	Amounts Requested		
			FY 2014	FY 2015	Total
U. T. HSC Houston					
	N	Center for Healthcare Quality and Safety \$4.752 million/year to expand current Center for Healthcare Quality and Safety to develop additional model education and patient care programs for adult and pediatric care. The Center was established to conduct research that generates new knowledge about how to improve patient safety and quality; disseminate findings to health care providers and hospital administrators in Texas and in the US; and educate caregivers on how to improve patient outcomes.	4,752,000	4,752,000	9,504,000
	N	Psychiatry and Behavioral Sciences \$2.025 million/year request to expand our current knowledge of mental health with focus on generation of new knowledge for treatment and long-term recovery through the support of clinical, evidence-based research in mental illness and the recruitment of recognized experts in the areas of mood disorders and in autism research and treatment.	2,025,000	2,025,000	4,050,000
	N	Family Nurse Practitioner Program \$2.09 million/year to expand Family Nurse Practitioner Program to increase the number of trained providers to improve access to care for a growing number of Texans who need primary care services. The program will help the state ensure providers are available to new patients resulting from various changes to health care structures in Texas.	2,090,537	2,090,537	4,181,074
			8,867,537	8,867,537	17,735,074

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**The University of Texas System
Exceptional Item Requests**

	Request for New (N) State Appropriation or Request for Expansion of Existing (E) State Appropriation	Name of Proposed Exceptional Item	Amounts Requested		
			FY 2014	FY 2015	Total
U. T. HSC San Antonio - Region: San Antonio					
	E	San Antonio Life Sciences Institute (SALSI) The emergent biomedical & biotechnology industry offers a unique opportunity for UTHSCSA to develop partnerships that will help San Antonio and South Texas become major players in and major drivers of the economy. Created by the 77th Texas Legislature, SALSI enhances research funding at all partner institutions and provides new advanced degree opportunities for students. SALSI fosters collaboration and alignment where there would be none; it provides seed funding incentives for researchers and educators at different institutions working on similar problems. It has set the platform and model for collaboration throughout UT System.	2,000,000	2,000,000	4,000,000
	N	Barshop Institute for Longevity and Aging Studies The Barshop Institute was created in 1998 and is located at the UTHSCSA's Texas Research Park Campus. With an internationally recognized program, the Institute has a strong base to build upon with diminishing sponsorship prospects and an increasing interest in aging research due to the growth of an elderly population. This request seeks support to translate the successes in enhancing the period of healthy life in animals to humans, recruit biomedical and clinical faculty critical to this translational science, expand the training of physicians in geriatric medicine, and to expand the search for therapeutic drug targets to improve the quality of life.	2,000,000	2,000,000	4,000,000
U. T. HSC San Antonio - Region: South Texas					
	E	Regional Academic Health Center (RAHC) Senate Bill 98 from the 81st Texas Legislature authorized the evolution of the RAHC into a free-standing medical school in South Texas. This transformation will cost \$61.5 million in the initial years, of which \$20.6 million in current General Revenue will sustain current operations and \$40.9 million of new funding will be sought to expand undergraduate and graduate medical education and research; develop basic sciences and clinical curriculum for a full complement of 200 medical students and 120 residency positions; provide an interdisciplinary approach to education, research and health services; and provide programmatic and infrastructure support.	20,453,739	20,453,739	40,907,478
	E	Regional Campus in Laredo (RCL) The 76th Texas Legislature authorized the RCL to provide remote resources to meet community-defined health professional education and clinical training needs in the Laredo area. UTHSCSA will continue to request \$8.4 million in current General Revenue to sustain current operations and \$4.4 million of new funding to develop a comprehensive research program to address the major epidemics of obesity and diabetes in the South Texas Border Region; expand dental education, clinical training, and outreach services; expand the Physicians Assistant and graduate health professions programs; and establish joint degree programs with other Texas universities.	2,203,977	2,203,977	4,407,954
			26,657,716	26,657,716	53,315,432

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Meeting of the U. T. System Board of Regents - Health Affairs Committee

**The University of Texas System
Exceptional Item Requests**

	Request for New (N) State Appropriation or Request for Expansion of Existing (E) State Appropriation	Name of Proposed Exceptional Item	Amounts Requested		
			FY 2014	FY 2015	Total
<u>U. T. MD Anderson</u>					
	N	School of Health Professions: MRI Training Unit, Mobile Computer Cart System, New Degree Start-Up Funding A non-energized MRI machine would be used in the School of Health Professions to provide training and enhance the quality of education for diagnostic imaging students. The unit would increase the program's efficiency, avoid disruption of MRI equipment used for patient care purposes, and allow the school to train more students and address allied health profession shortages. Funds would be used for a mobile computer cart system to support Radiation Oncology software applications. Finally, start-up funding would be provided for two new degrees: B.S. in Health Disparities, Diversity, and Advocacy, and B.S. in Diagnostic Medical Sonography.	1,220,000	1,220,000	2,440,000
	N	On-Site Basic Science Research Storage and Computational Capacity MD Anderson has experienced an 806% increase in storage for basic and translational research since 2006. The total storage for research is now three times more than all clinical and administrative storage combined. The request would assist MD Anderson in the expansion of large memory computing to handle the analytics associated with Next Gen Sequencing.	1,250,000	1,250,000	2,500,000
			2,470,000	2,470,000	4,940,000
<u>U. T. HSC Tyler</u>					
	N	Support for Degree Granting Until recently, UTHSCT was the only UT campus that did not grant its own degrees. UTHSCT has now developed its own biotechnology master's degree program and is currently seeking SACS Accreditation. This Exceptional Item Request is essential to help UTHSC grant degrees in fields that would address critical workforce needs in the Northeast Texas region. Currently, students in NE Texas who wish to pursue undergraduate or graduate degrees in health-related fields must leave the area to pursue these degrees. Then, these students do not return to NE Texas when they graduate, which has a negative impact on the health-related workforce in this region.	3,000,000	3,000,000	6,000,000
			3,000,000	3,000,000	6,000,000
TOTAL - HEALTH INSTITUTIONS			59,545,253	59,995,253	119,540,506

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James D. Dannenbaum, Vice Chairman
Alex M. Cranberg
R. Steven Hicks
Robert L. Stillwell

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Convene	4:30 p.m. <i>Chairman Gary</i>		
1. U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration	4:30 p.m. Action	Action	157
<u>Report</u>			
2. U. T. System: Fiscal Year 2012 Energy Utility Task Force Report	4:31 p.m. Report/Discussion <i>Mr. O'Donnell</i>	Not on Agenda	158
<u>Additions to the CIP</u>			
3. U. T. M. D. Anderson Cancer Center: Radiology Outpatient Center Two - Amendment of the FY 2013-2018 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Preliminary Board approval)	4:40 p.m. Action <i>President DePinho</i>	Action	159
4. U. T. System: U. T. System Administration Replacement Office Building - Amendment of the FY 2013-2018 Capital Improvement Program to include project (Preliminary Board approval)	4:50 p.m. Action <i>Dr. Kelley</i>	Action	161
<u>Design Development Approval</u>			
5. U. T. Dallas: School of Management Phase II - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)	5:00 p.m. Action <i>Mr. O'Donnell</i>	Action	162
6. U. T. Dallas: Student Housing Living Learning Center, Phase IV - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)	5:05 p.m. Action <i>Mr. O'Donnell</i>	Action	165

	Committee Meeting	Board Meeting	Page
7. U. T. Pan American: Academic and Administration Building Addition - Approval of design development; and appropriation of funds and authorization of expenditure (Final Board approval)	5:10 p.m. Action <i>Mr. O'Donnell</i>	Action	168
8. U. T. Health Science Center - Houston: University Housing, Phase III Expansion - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)	5:15 p.m. Action <i>Mr. O'Donnell</i>	Action	170
9. U. T. Medical Branch - Galveston: Victory Lakes Specialty Care Center Expansion - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)	5:20 p.m. Action <i>Mr. O'Donnell</i>	Action	172
10. U. T. Medical Branch - Galveston: Campus Infrastructure at Victory Lakes - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)	5:25 p.m. Action <i>Mr. O'Donnell</i>	Action	174
Adjourn	5:30 p.m.		

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

(The proposed Consent Agenda is at the back of the book.)

2. U. T. System: Fiscal Year 2012 Energy Utility Task Force Report

REPORT

Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction, will provide the annual report on the progress of the Energy Utility Task Force for Fiscal Year 2012. The Task Force was created in February 2001 to evaluate and recommend strategies for U. T. System institutions to reduce energy consumption, better manage commodity price risk, and leverage purchasing power to reduce energy costs.

Initial recommendations and energy consumption reduction goals were presented to, and previously endorsed by, the Board on November 8, 2001, and a 10%-15% reduction in energy usage was targeted for Fiscal Year 2011. On November 10, 2011, the Board approved extending the 2001 baseline energy reduction goals an additional 5%-10% through Fiscal Year 2021. The estimated reduction in energy usage from baseline levels is 24% for Fiscal Year 2012. Since Fiscal Year 2001, reductions in energy consumption per square foot by U. T. System institutions have resulted in cumulative savings of \$338 million.

As most of the low cost energy reduction projects and systems have been installed, what remains is major recapitalization of existing energy inefficient systems to meet the future reduction goals.

3. U. T. M. D. Anderson Cancer Center: Radiology Outpatient Center Two - Amendment of the FY 2013-2018 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Preliminary Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President DePinho that the U. T. System Board of Regents amend the FY 2013-2018 Capital Improvement Program (CIP) to include the Radiology Outpatient Center Two project at U. T. M. D. Anderson Cancer Center as follows:

Project No.:	703-X60	
Institutionally Managed:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Project Delivery Method:	Design-Build	
Substantial Completion Date:	May 2014	
Total Project Cost:	<u>Source</u> Hospital Revenues	<u>Proposed</u> \$20,000,000
Investment Metrics:	<u>By 2015</u>	
	<ul style="list-style-type: none"> • Increase capacity by reducing appointment waiting time from 30 days to one day • Reduce waiting time from arrival to scan by 30 minutes • Increase images currently performed by other institutions by 5% 	

BACKGROUND INFORMATION

Project Description

This project will expand the diagnostic imaging resources to address space and capacity constraints. The building will be located at the corner of Pressler and Fannin Streets, adjacent to the existing Dan Duncan Family Institute for Cancer Prevention and Risk Assessment. Utilizing premanufactured cassettes and modular building construction, the project will be fast-tracked to meet the needs of current and projected future patient volumes in the immediate area of the main campus. The project will include new roadwork and parking facilities as well as covered drop-off areas for patients.

The existing MRI and CT capacity is insufficient to support budgetary growth goals, and institutional projections have estimated that the need for imaging services will continue to increase. This lack of capacity will negatively impact patient care activities and reduce the financial contribution to the institution. Further exacerbating issues with increasing volume, the institution is currently unable to replace MRI or CT equipment and maintain adequate patient access. The reserve volume capacity cannot absorb the downtime associated with the normal replacement cycles of equipment without overbooking patient schedules, leading to long patient waiting times, patient dissatisfaction, and increased overtime cost of employees. The ability to address the demand for imaging services while maintaining a high level of patient satisfaction by improving patient access is critical.

Pursuant to a Memorandum of Understanding effective August 26, 2004, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Facilities Planning and Construction. The institutionally managed projects are subject to review by the Board of Regents for design development. This proposed project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date.

4. U. T. System: U. T. System Administration Replacement Office Building - Amendment of the FY 2013-2018 Capital Improvement Program to include project (Preliminary Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents amend the FY 2013-2018 Capital Improvement Program (CIP) to include the U. T. System Administration Replacement Office Building project at U. T. System as follows:

Project No.:	101-690				
Project Delivery Method:	Construction Manager-at-Risk				
Substantial Completion Date:	March 2016				
Total Project Cost:	<table><tr><td><u>Source</u></td><td><u>Proposed</u></td></tr><tr><td>Revenue Financing System Bond Proceeds¹</td><td>\$102,417,000</td></tr></table>	<u>Source</u>	<u>Proposed</u>	Revenue Financing System Bond Proceeds ¹	\$102,417,000
<u>Source</u>	<u>Proposed</u>				
Revenue Financing System Bond Proceeds ¹	\$102,417,000				
Funding Note:	¹ Revenue Financing System debt is proposed to be repaid from Available University Fund and lease income				
Investment Metric:	Reduce the financial operating expenses of the current U. T. System complex				

BACKGROUND INFORMATION

U. T. System seeks to consolidate its offices from five buildings in the downtown area into one building in the downtown area. A task force comprised of U. T. System officials has extensively studied the feasibility of different options and determined that constructing a single replacement facility with aboveground parking is the best option. This more efficient facility is projected to save \$2-\$5 million annually and generate net present value savings of over \$50 million over the next 30 years. These savings will be directed toward student success. The building will be located on U. T. System-owned land north of Seventh Street in downtown Austin to maintain proximity to U. T. Austin, the Texas Capitol, and U. T. System employee residences.

The 16-level structure (with one level below ground) will be comprised of approximately 258,500 gross square feet for office space. The building will have a modern board room adapted for videoconferencing, U. T. System office and meeting space, as well as central conference and eating spaces, and limited retail space. Additionally, the project will include garage capacity for 650-700 cars.

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

5. U. T. Dallas: School of Management Phase II - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Daniel that the U. T. System Board of Regents approve the recommendations for the School of Management Phase II project at U. T. Dallas as follows:

Project No.: 302-642
Project Delivery Method: Construction Manager-at-Risk
Substantial Completion Date: August 2014
Total Project Cost:

<u>Source</u>	<u>Current</u>
Revenue Financing System Bond Proceeds ¹	\$20,000,000
Permanent University Fund Bond Proceeds	<u>\$ 5,000,000</u>
	\$25,000,000

Funding Note: ¹Revenue Financing System Bond Proceeds to be repaid from Designated Tuition

Investment Metrics: By 2017

- Increase enrollment by 5,000 full-time equivalent students
- Increase tenure-track faculty from 493 to 610

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$25,000,000 with funding of \$20,000,000 from Revenue Financing System Bond Proceeds and \$5,000,000 from Permanent University Fund Bond Proceeds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$20,000,000.

BACKGROUND INFORMATION

Debt Service

The \$20,000,000 in aggregate Revenue Financing System debt will be repaid from Designated Tuition. Annual debt service on the \$20,000,000 Revenue Financing System debt is expected to be \$1,300,000. The institution's debt service coverage is expected to be at least 2.2 times and average 2.6 times over FY 2013-2018.

Previous Board Action

On August 25, 2011, the project was included in the CIP with a total project cost of \$25,000,000 with funding of \$20,000,000 from Revenue Financing System Bond Proceeds and \$5,000,000 from Permanent University Fund Bond Proceeds.

Project Description

The approximately 108,000 gross square foot addition to the existing Naveen Jindal School of Management building will include classrooms, seminar rooms, classroom laboratories, student support space, and offices. The project will also provide for common business school functional space including a trading lab, economics lab, career center, media center, interview rooms, and an expansion to the Executive Education center. Part of the third and all of the fourth floors of this addition will be shelled space to realize efficiencies of scale and provide impetus for future gifts.

A centerpiece of the project will be a two-story common area fronting a new courtyard. Together, the common and courtyard areas will provide space for individual and group study, casual collaboration, and café service. The project will also include parking and additional chilling plant capacity.

The University is facing a critical space crunch as enrollment has increased from 14,500 students in 2007 to a projected 20,000 students this fall; a 30% increase in four years. The School of Management, the University's largest and most highly ranked school, and a world-leading research business school, is critical to U. T. Dallas' Strategic Plan growth imperative. The School interacts closely with the Engineering School, collaborating in systems engineering and management. The School of Management launched the Institute for Innovation and Entrepreneurship, the focal point for technology commercialization and business start-up, the success of which has created the need for more space.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50-75 years
- Building Systems: 25-30 years
- Interior Construction: 10-20 years

The exterior appearance and finish are consistent with existing campus buildings and with the existing Campus Master Plan. The mechanical and electrical building systems are designed with sufficient flexibility and space for future capacity to allow for changes without significant disruption to ongoing activities. The interior appearance and finish are consistent with similar existing campus buildings.

6. U. T. Dallas: Student Housing Living Learning Center, Phase IV - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Daniel that the U. T. System Board of Regents approve the recommendations for the Student Housing Living Learning Center, Phase IV project at U. T. Dallas as follows:

Project No.: 302-678
Housing/Dining/Recreation Project Delivery Method: Construction Manager-at-Risk
Substantial Completion Date: July 2014
Parking Garage Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: October 2014

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds ¹	\$70,000,000
	Auxiliary Enterprises Balances ²	\$ 3,000,000
	Unexpended Plant Funds ³	<u>\$ 2,000,000</u>
		\$75,000,000

Funding Notes:
¹ Revenue Financing System debt is proposed to be repaid from rental income, auxiliary food service revenue, parking fees, and activity center fees
² Auxiliary Enterprises Balances are from parking fees and rental income
³ Unexpended Plant Funds are from balance of funds from project close-out

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

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$75,000,000 with funding of \$70,000,000 from Revenue Financing System Bond Proceeds, \$3,000,000 from Auxiliary Enterprises Balances, and \$2,000,000 from Unexpended Plant Funds;
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master

Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and

- U. T. Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$70,000,000.

BACKGROUND INFORMATION

Debt Service

The \$70,000,000 in aggregate Revenue Financing System debt will be repaid from housing and parking revenues, and activity center fees. Annual debt service on the \$70,000,000 Revenue Financing System debt is expected to be \$4,600,000. The institution's debt service coverage is expected to be at least 2.2 times and average 2.6 times over FY 2013-2018.

Previous Board Action

On November 10, 2011, the project was included in the CIP with a total project cost of \$75,000,000 with funding of \$70,000,000 from Revenue Financing System Bond Proceeds, \$3,000,000 from Auxiliary Enterprises Balances, and \$2,000,000 from Unexpended Plant Funds.

Project Description

This project will combine residential, student learning spaces, recreational facilities, and dining services into one, shared complex. The facility containing approximately 339,000 gross square feet will house 600 students as well as classrooms, student success centers, and offices to support living learning communities within the building. The dining facility will provide meal plan dining for 800 students, retail food purchase, and a Campus Store. The recreation facility will be located directly above dining and contain a large court area that can accommodate two full-size convertible basketball courts, a large fitness/cardio area, dance/exercise studio, lockers, and staff offices. The project will also include a 750 car parking garage.

Current student housing is operating at 100% occupancy. U. T. Dallas provides approximately 3,098 beds and a private provider houses approximately 2,056 beds on campus. There is a waiting list of 400 students as of July 2012. The total number of on-campus beds will increase to 6,154 upon completion of Phase IV scheduled for July 2014 and the anticipated opening of the Student Housing Living Learning Center, Phase V scheduled for Fall 2013. These beds will be reserved for use by incoming freshman students, with any unused beds being rented to upper-class students.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50-75 years
- Building Systems: 25-30 years
- Interior Construction: 10-20 years

The exterior appearance and finish are consistent with existing campus buildings and with the existing Campus Master Plan. The mechanical and electrical building systems are designed with sufficient flexibility and space for future capacity to allow for changes without significant disruption to ongoing activities. The interior appearance and finish are consistent with similar types of student housing.

7. U. T. Pan American: Academic and Administration Building Addition - Approval of design development; and appropriation of funds and authorization of expenditure (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Nelsen that the U. T. System Board of Regents approve the recommendations for the Academic and Administration Building Addition project at U. T. Pan American as follows:

Project No.:	901-712	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	June 2014	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Higher Education Assistance Fund (HEAF)	\$ 7,140,000
	Unexpended Plant Funds ¹	\$ 4,760,000
		\$11,900,000

Funding Note: ¹ Unexpended Plant Funds are from Designated Tuition

- Investment Metrics:**
- Increase freshman to junior retention by 1% per year from 2015 to 2018
 - Increase classroom space to provide 128 additional instructional sections to be taught in the general classrooms

- a. approve design development plans; and
- b. appropriate funds and authorize expenditure of \$11,900,000 with funding of \$7,140,000 from HEAF and \$4,760,000 from Unexpended Plant Funds.

BACKGROUND INFORMATION

Previous Board Action

On May 3, 2012, the project was included in the CIP with a total project cost of \$11,900,000 with funding of \$7,140,000 from HEAF and \$4,760,000 from Unexpended Plant Funds.

Project Description

The three-level facility will be designed to commercial standards and will add approximately 40,640 gross square feet for the new University College program, general classrooms, administration and faculty offices, and support space. Currently, administration and compliance functions are scattered throughout the campus. The new building will blend programmatically and architecturally with the adjacent University Center and the Marialice Shary Shivers Administration Buildings.

U. T. Pan American is working to establish a new University College that will focus on providing entering undergraduate students with a smooth and successful transition to college life by

unifying the support services and resources necessary for students to succeed and reduce the time required for graduation. University College space will include general classroom space and all administrative offices necessary for the functioning of the college including: a teaching and learning center to support successful undergraduate learning and faculty teaching development; staff office space for administering undergraduate programs that are focused on undergraduate success, including grant-funded success projects; and conference space. Additional space will include the University Writing Center, Office of International Programs, and Office of Student Engagement and Experimental Learning to create an efficient academic center.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 25-30 years
- Building Systems: 25-30 years
- Interior Construction: 10-20 years

The exterior appearance and finish are consistent with existing campus buildings and with the existing Campus Master Plan. The mechanical and electrical building systems are designed with sufficient flexibility and space for future capacity to allow for changes without significant disruption to ongoing activities. The interior appearance and finish are consistent with similar existing campus buildings.

8. U. T. Health Science Center - Houston: University Housing, Phase III Expansion - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Colasurdo that the U. T. System Board of Regents approve the recommendations for the University Housing, Phase III Expansion project at U. T. Health Science Center - Houston as follows:

Project No.: 701-709

Project Delivery Method: Construction Manager-at-Risk

Substantial Completion Date: May 2014

Total Project Cost:

<u>Source</u>	<u>Current</u>
Revenue Financing System Bond Proceeds ¹	\$24,591,000

Funding Note: ¹ Revenue Financing System Bond Proceeds to be repaid from rental income

Investment Metrics:

- Contribute to an overall lower cost of living for tenants by providing at or below market rents
- Maintain 95% or higher occupancy rate

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$24,591,000 from Revenue Financing System Bond Proceeds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that:
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. Health Science Center - Houston, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$24,591,000.

BACKGROUND INFORMATION

Debt Service

The \$24,591,000 in aggregate Revenue Financing System debt will be repaid from housing revenues. Annual debt service on the \$24,591,000 Revenue Financing System debt is expected to be \$1,600,000. The institution's debt service coverage is expected to be at least 2.3 times and average 3.6 times over FY 2013-2018.

Previous Board Action

On August 23, 2012, the project was included in the Capital Improvement Program with a total project cost of \$24,591,000 with funding from Revenue Financing System Bond Proceeds.

Project Description

The proposed project will add 172 new apartment units containing a total of approximately 177,500 gross square feet. The mix of units will include 104 one-bedroom and 68 two-bedroom units. The new units will be located on 5.1 acres of vacant University land adjacent to the Phase I and Phase II Student and Faculty Housing, allowing for shared resources such as maintenance staff, security, leasing office, and site amenities. An adjacent parking structure with approximately 244 parking spaces will be included.

There is a critical need for additional housing capacity on campus. To support the mission of the University, it is critical to be able to attract and retain students and faculty. By providing on-campus housing at a cost-effective rate, U. T. Health Science Center - Houston will offer an environment that will compete with top-notch research institutions. Current campus housing consists of 806 apartment units with a waiting list of over 300 individuals. The Texas Medical Center Laurence H. Favrot Tower Apartments, which has traditionally provided housing for approximately 200 residents with ties to the Medical Center, has announced that the Favrot Tower will close effective August 31, 2012, and this will add to the demand for housing.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50-75 years
- Building Systems: 25-30 years
- Interior Construction: 10-20 years

The exterior appearance and finish are consistent with existing campus buildings and with the existing Campus Master Plan. The mechanical and electrical building systems are designed with sufficient access and redundancy to allow for changes without significant disruption to ongoing activities. The interior appearance and finish are consistent with existing campus buildings and local private sector housing.

9. U. T. Medical Branch - Galveston: Victory Lakes Specialty Care Center Expansion - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Callender that the U. T. System Board of Regents approve the recommendations for the Victory Lakes Specialty Care Center Expansion project at U. T. Medical Branch - Galveston (UTMB) as follows:

Project No.: 601-721
Project Delivery Method: Design-Build
Substantial Completion Date: February 2015
Total Project Cost:

<u>Source</u>	<u>Current</u>
Revenue Financing System Bond Proceeds ¹	\$ 82,000,000

Funding Note: ¹ Revenue Financing System debt is proposed to be repaid from Hospital Revenues

Investment Metrics:

- Expand access for mainland patients by providing procedures and surgeries requiring up to 72-hour stay (on average)
- Ensure viability of Orthopedic, General Surgery, Cardiology, and Women's Services programs
- Increase surgical cases, diagnostic, and treatment services

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$82,000,000 from Revenue Financing System Bond Proceeds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. Medical Branch - Galveston, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$82,000,000.

BACKGROUND INFORMATION

Debt Service

The \$82,000,000 in aggregate Revenue Financing System debt will be repaid from Hospital Revenues. Annual debt service on the \$82,000,000 Revenue Financing System debt is expected to be \$5,300,000. The institution's debt service coverage is expected to be at least 2.2 times and average 2.5 times over FY 2013-2018.

Previous Board Action

On August 23, 2012, the project was included in the Capital Improvement Program with a total project cost of \$82,000,000 with funding from Revenue Financing System Bond Proceeds.

Project Description

The project will include a 142,000 gross square foot (GSF) addition to the existing Specialty Care Center at Victory Lakes on the Victory Lakes Campus in League City, Texas. The project will include additional operating rooms, an emergency department, observation units, and associated support space that will allow for procedures and surgeries requiring up to an average 72-hour stay. This project represents the next step in implementation of the Campus Master Plan, and includes consideration for future expansion to meet the needs of the community.

The Center's ambulatory surgery and complex diagnostic services will be expanded to provide 39 inpatient beds, 17 emergency/urgent care beds, additional operating rooms, endoscopy rooms, and 25,000 GSF of shell space for future development. Increased imaging capabilities including an X-ray fluoroscopy facility, ultrasound, and CT unit will be added within the existing facility.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50-75 years
- Building Systems: 25-30 years
- Interior Construction: 10-20 years

The exterior appearance and finish are consistent with existing campus buildings and aligned with the Campus Master Plan. The mechanical and electrical building systems are designed with sufficient flexibility and space for future capacity to allow for changes without significant disruption to ongoing activities. The interior appearance and finish are consistent with other hospitals in similar use. See the related item on the Campus Infrastructure at Victory Lakes project (Item 10 on the next page).

10. U. T. Medical Branch - Galveston: Campus Infrastructure at Victory Lakes - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Callender that the U. T. System Board of Regents approve the recommendations for the Campus Infrastructure at Victory Lakes project at U. T. Medical Branch - Galveston (UTMB) as follows:

Project No.:	601-723	
Project Delivery Method:	Design-Build	
Substantial Completion Date:	August 2014	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds ¹	\$8,080,000

Funding Note: ¹ Revenue Financing System debt is proposed to be repaid from Hospital Revenues

Investment Metrics:

- Support the UTMB strategic plan via cost effective and sustainable energy solutions
- Continue development of the Victory Lakes Campus in alignment with its master plan

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$8,080,000 from Revenue Financing System Bond Proceeds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. Medical Branch - Galveston, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$8,080,000.

BACKGROUND INFORMATION

Debt Service

The \$8,080,000 in aggregate Revenue Financing System debt will be repaid from Hospital Revenues. Annual debt service on the \$8,080,000 Revenue Financing System debt is expected to be \$526,000. The institution's debt service coverage is expected to be at least 2.2 times and average 2.5 times over FY 2013-2018.

Previous Board Action

On August 23, 2012, the project was included in the Capital Improvement Program with a total project cost of \$8,080,000 with funding from Revenue Financing System Bond Proceeds.

Project Description

This project will include an approximately 5,000 gross square foot central plant facility to provide added thermal utilities, normal and emergency electrical power, and redundancy for each system at the Victory Lakes Campus. The system will be capable of independently providing electricity, hot water, chilled water, and steam for a period of 72 hours. The design will provide for three 400 ton chillers, 6 million BTUH's of building hot water, air handling equipment, building management control systems, plumbing and fire protection, medical gases, electrical requirements including emergency power, lighting systems, fire alarm system, telephone, and data requirements for the project. This first phase will also include distribution to feed the Victory Lakes Specialty Care Center Expansion project.

UTMB has engaged in extensive reviews, both technical and financial, of various options to provide sustainable utilities infrastructure for both the UTMB main campus and for the Victory Lakes campus. The outcome of this effort is an emphasis on the ability of UTMB to provide a large portion of the electrical and thermal utility needs of each campus on its own site. This approach will support each mission area with infrastructure that is efficient and sustainable through various conditions and events.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 60-75 years
- Building Systems: 25-30 years
- Interior Construction: 60-75 years

The exterior appearance and finish of the utility plant are consistent with existing campus buildings and with the existing Campus Master Plan as they apply. The mechanical and electrical building systems are designed with sufficient flexibility and space for future capacity to allow for changes without significant disruption to ongoing activities. The interior appearance and finish are simple and utilitarian as appropriate for a utility plant. See the related item on the Victory Lakes Specialty Care Center Expansion project (Item 9 on Page 172).

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Tyler, Texas

*James D. Dannenbaum, Chairman
R. Steven Hicks, Vice Chairman
Alex M. Cranberg
Printice L. Gary
Brenda Pejovich*

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Convene	11:00 a.m. <i>Chairman Dannenbaum</i>	
1. U. T. System: Report on the U. T. Horizon Fund	11:00 a.m. Report/Discussion <i>Mr. Allinson</i>	184
2. U. T. Health Science Center - Tyler: Report on new drug therapy technology for treatment of pleural injury	11:15 a.m. Report/Discussion <i>President Calhoun Dr. Steven Idell</i>	185
Adjourn	11:30 a.m.	

1. **U. T. System: Report on the U. T. Horizon Fund**

REPORT

Mr. Bryan Allinson, Executive Director of Technology Commercialization, will provide a report on new investments made by the U. T. Horizon Fund in companies that have licensed technology from one or more U. T. System institutions. Mr. Allinson will provide details covering key metrics, including originating institution and intellectual property assets licensed.

2. **U. T. Health Science Center - Tyler: Report on new drug therapy technology for treatment of pleural injury**

REPORT

President Calhoun will introduce Steven Idell, M.D., Ph.D., Vice President for Research and Education at U. T. Health Science Center - Tyler, for a report on a new drug therapy technology for the treatment of pleural injury. Dr. Idell is also a member of the Heart and Lung Center and the Pulmonary Clinic at the institution.



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THE UNIVERSITY OF TEXAS SYSTEM BOARD OF REGENTS

CONSENT AGENDA

Board Meeting: 11/14-15/2012
Tyler, Texas

U. T. SYSTEM ADMINISTRATION

1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meeting held on August 22-23, 2012, and special called meetings held on September 7, 2012, September 26, 2012, October 15, 2012, and October 22, 2012, available at <http://www.utsystem.edu/board-of-regents/meetings>
2. Employment Agreement - U. T. System: Appointment of Patricia Hurn, Ph.D., as Vice Chancellor for Research and Innovation

The employment agreement summarized below has been awarded, has been approved by the Chancellor, and is recommended for approval by the U. T. System Board of Regents.

Item: Vice Chancellor for Research and Innovation

Funds: \$284,185 annually

Period: Beginning September 1, 2012

Description: Agreement for employment of Vice Chancellor for Research and Innovation, Dr. Patricia Hurn. The Vice Chancellor for Research and Innovation reports to and is responsible to the Executive Vice Chancellor for Health Affairs and shall hold office without fixed term, subject to the pleasure of the Executive Vice Chancellor for Health Affairs. U. T. System will reimburse some club memberships and monthly dues and professional memberships.



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

Office of the Chancellor
601 Colorado Street, Austin, Texas 78701-2982
Phone: 512 499 4201 Fax: 512 499 4215

August 31, 2012

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

Dr. Patricia Hurn
Vice Chancellor for Research and Innovation
Office of Health Affairs
O. Henry Hall 2nd Floor
SYSTEM MESSENGER

Dear Patti,

We are pleased to extend our congratulations on your appointment as Vice Chancellor for Research and Innovation, Office of Health Affairs, as well as our profound appreciation for your extraordinary contributions to The University of Texas System, our state and nation. Your work in research, technology transfer and commercialization has been immeasurable and we sincerely appreciate the support that you provide.

It is our pleasure to share with you the Regents' decision regarding your merit increase for fiscal year 2012-2013. Effective September 1, 2012, your new base salary will be \$284,185, representing an increase of 10 percent, or \$25,835.

Also, as an executive officer, you are eligible for reimbursement of some club memberships and monthly dues, professional memberships, as well availability of special parking privileges. Jana Pankratz will discuss these logistics with you at your earliest convenience. Your reporting structure will remain the same, as a direct report to the Executive Vice Chancellor for Health Affairs.

Patti, we thank you for all that you add toward the excellence of The University of Texas System.

With greatest respect,

Francisco G. Cigarroa, M.D.
Chancellor

Kenneth I. Shine, M.D.
Executive Vice Chancellor for
Health Affairs

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FGC/jp

3. Contract (funds going out) - U. T. System: Bionomics, Inc. to provide low-level radioactive waste management and disposal services

Agency: Bionomics, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis. The \$1,000,000 threshold will be met in the near future.

Source of Funds: Service Center Funds

Period: August 31, 2012 through August, 31, 2017 (one-year contract and four one-year extensions)

Description: Bionomics, Inc. to provide, on an as-needed basis, management and disposal of low-level radioactive waste generated through teaching, health care, and research.

4. Contract (funds going out) - U. T. System: Multivista FS, LLC to provide construction photo documentation services

Agency: Multivista FS, LLC

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

Source of Funds: Service Center Funds

Original term of Contract: May 21, 2010 through May, 21, 2015 (one-year contract and four one-year extensions). (Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Multivista FS, LLC to provide, on an as-needed basis, construction photo documentation services for managed projects as determined by the institution.

5. Contract (funds going out) - U. T. System: BMS CAT, Inc. to provide disaster restoration and recovery services

Agency: BMS CAT, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis. The \$1,000,000 threshold will be met in the near future.

Source of Funds: Service Center Funds

Term: September 1, 2012 through September 1, 2017 (one-year contract and four one-year extensions)

Description: BMS CAT, Inc. to provide disaster restoration and recovery services in the event of a region-wide disaster or an isolated event at an institution.

6. Contract (funds going out) - U. T. System: Cotton Commercial USA, Inc. to provide disaster restoration and recovery services

Agency: Cotton Commercial USA, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis. The \$1,000,000 threshold will be met in the near future.

Source of Funds: Service Center Funds

Term: September 1, 2012 through September 1, 2017 (one-year contract and four one-year extensions)

Description: Cotton Commercial USA, Inc. to provide disaster restoration and recovery services in the event of a region-wide disaster or an isolated event at an institution.

7. Contract (funds going out) - U. T. System: ccrd Partners to perform miscellaneous and technical commissioning services

Agency: ccrd Partners

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

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

Original term of contract: May 1, 2008 through April 31, 2014 (Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: ccrd Partners to perform miscellaneous and technical commissioning services on a job order basis. Services were competitively procured.

8. Contract (funds going out) - U. T. System: Jasmine Engineering, Inc. to perform miscellaneous and technical commissioning services

Agency: Jasmine Engineering, Inc.

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

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

Original term of contract: May 1, 2008 through April 31, 2014. (Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Jasmine Engineering, Inc. to perform miscellaneous and technical commissioning services on a job order basis. Services were competitively procured.

9. Contract (funds going out) - U. T. System: Parsons Commercial Technology Group, Inc. to provide miscellaneous project management and construction support services

Agency: Parsons Commercial Technology Group, Inc.

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

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

Original term of contract: May 1, 2008 through April 31, 2014 (Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Parsons Commercial Technology Group, Inc. to provide miscellaneous project management and construction support services on a job order basis. Services were competitively procured.

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

**THE UNIVERSITY OF TEXAS SYSTEM
SEPARATELY INVESTED ASSETS
Managed by U. T. System
Summary Report at August 31, 2012**

FUND TYPE

	Current Purpose Restricted		Endowment and Similar Funds		Annuity and Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
Land and Buildings:								
Ending Value 5/31/2012	\$ 2,771,091	\$ 20,286,885	\$ 106,304,206	\$ 269,407,040	\$ 1,601,467	\$ 2,973,923	\$ 110,676,764	\$ 292,667,848
Increase or Decrease	(1,047,433)	(342,177)	(5,688,000)	(6,287,365)	-	187,461	(6,735,433)	(6,442,081)
Ending Value 8/31/2012	\$ 1,723,658	\$ 19,944,708	\$ 100,616,206	\$ 263,119,675	\$ 1,601,467	\$ 3,161,384	\$ 103,941,331	\$ 286,225,767
Other Real Estate:								
Ending Value 5/31/2012	\$ 43,913	\$ 43,913	\$ 19,627	\$ 19,627	\$ -	\$ -	\$ 63,540	\$ 63,540
Increase or Decrease	(3,845)	(3,845)	-	-	-	-	(3,845)	(3,845)
Ending Value 8/31/2012	\$ 40,068	\$ 40,068	\$ 19,627	\$ 19,627	\$ -	\$ -	\$ 59,695	\$ 59,695

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

Details of individual assets by account furnished on request.

Note: Surface estates are managed by the U. T. System Real Estate Office. Mineral estates are managed by U. T. System University Lands. The royalty interests received from the Estate of John A. Jackson for the John A. and Katherine G. Jackson Endowed Fund in Geosciences are managed by the U. T. Austin Geology Foundation, with the assistance of the Bureau of Economic Geology.

ACADEMIC INSTITUTIONS

11. Request for Budget Change - U. T. Arlington: Transfer of \$2,000,000 for the construction of two enclosed batting cage practice facility buildings (RBC No. 4728) -- amendment to the 2012-13 budget

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
ATHLETICS		
Amount of Transfer:	2,000,000	4728
From: Internally Financed Projects	1,000,000	
Vice President Business Affairs - Debt Reserve	1,000,000	
To: VP Administration and Campus Operation - Softball/Baseball Facility Improvements	2,000,000	

This adjustment is to provide funding for an Athletic construction project that includes the construction of a baseball/softball building. The facilities will be used as batting cage practice facilities and will be completed and operational by January 2013.

12. Contract (funds coming in) - U. T. Austin: Key Brand Theatrical Group, Inc. dba Broadway Across America to provide production services for Broadway Across America - Austin performances at Texas Performing Arts

Agency: Key Brand Theatrical Group, Inc. dba Broadway Across America

Funds: \$2,870,000 estimated revenue

Period: September 1, 2013 - August 31, 2018

Description: Second amendment to exercise the five-year renewal option for Key Brand Theatrical Group, Inc. to provide expertise to book, negotiate, market, and sell subscription packages for the series "Broadway Across America - Austin" at U. T. Austin. The Board approved the original agreement on May 15, 2008, under the name Live Nation Theatrical Group, Inc. The company was sold to Key Brand Entertainment Group, Inc., and its name was subsequently changed to Key Brand Theatrical Group, Inc.

Broadway Across America is a presenter and producer of first-class touring Broadway musicals and plays across North America. Texas Performing Arts, a program in U. T. Austin's College of Fine Arts, and

Broadway Across America have been partners for the last 27 years, presenting over 100 Broadway productions, including blockbusters like *The Lion King* and *Wicked*. Broadway season productions and additional special engagements take place at Texas Performing Arts' flagship venue, Bass Concert Hall.

13. Contract (funds coming in) - U. T. Austin: HiEd, Inc. to provide management and operation of Campus Computer Store

Agency: HiEd, Inc.

Funds: \$2,500,000 in estimated revenue

Period: Date of execution through August 31, 2015, with option to renew for three additional one-year terms

Description: HiEd, Inc. will provide management and operation of the Campus Computer Store for the sale of hardware, software, accessories, and technical services to students, faculty, and staff of the University.

14. Contract (funds going out) - U. T. Austin: Enspire Learning, Inc. to provide an online educational system consisting of college readiness materials and entry-level college courses

Agency: Enspire Learning, Inc.

Funds: Estimated total of \$1,800,000, including \$430,000 for Phase One and \$1,370,000 for remaining phases and optional renewal period

Source of Funds: Educational and General Funds

Period: September 24, 2012 through August 31, 2013, with option to renew for one additional year

Description: Enspire Learning, Inc. will provide U. T. Austin's Center for Teaching and Learning with a Web-based educational platform for use in secondary and postsecondary settings across Texas. The platform will deliver college readiness materials and entry-level college courses that are directly aligned with the Texas Higher Education Coordinating Board's *Texas College and Career Readiness Standards*. These materials will be used by faculty, students, administrators, and staff of participating schools, colleges, and universities engaged in the Texas OnRamps program. OnRamps, made possible through an appropriation by the Texas Legislature and grants from the Coordinating Board and the Lumina Foundation, will draw on the best available science about how people learn and will leverage the power of next-generation educational technologies. The goal of the program

is to increase students' college readiness, reduce the need for remediation, and improve student success in foundational college-level courses.

Enspire delivered Phase 1 of the project at a cost of \$430,000. During Phase 1, Enspire met with key University and Enspire stakeholders to discuss project planning and execution, and provided a prototype of the platform. The final product will combine interactive modules and assessments, a classroom response system, advanced learning analytics, and a set of innovative course design and content authoring tools.

15. Contract (funds going out) - U. T. Austin: Alpha Building Corporation to provide general construction services to campus facilities

Agency: Alpha Building Corporation

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

Source of Funds: Unexpended Plant Funds, Renovation and Renewal Funds, Available University Funds, and various other funds

Original term of contract: March 1, 2012 through February 28, 2013, with option to renew for four additional one-year periods. (Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Provide job order contracting for general construction campus-wide during the contract period with projects varying in quantity and size. Separate job orders will be executed for each general construction project. The University typically categorizes projects for issuance to the Job Order Contract Program in the \$50,000 to \$250,000 range. The project work will be based on specific job orders that define the work by statement, drawings and/or standardized specification and details, and by unit prices from a standardized unit price book, adjusted in cost by a preestablished multiplier. Services were competitively procured.

16. Contract (funds going out) - U. T. Austin: Warden Construction Corporation to provide general construction services to campus facilities

Agency: Warden Construction Corporation

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

Source of Funds: Unexpended Plant Funds, Renovation and Renewal Funds, Available University Funds, and various other funds

Original term of contract: March 1, 2012 through February 28, 2013, with option to renew for four additional one-year periods. (Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Provide job order contracting for general construction campus-wide during the contract period with projects varying in quantity and size. Separate job orders will be executed for each general construction project. The University typically categorizes projects for issuance to the Job Order Contract Program in the \$50,000 to \$250,000 range. The project work will be based on specific job orders that define the work by statement, drawings and/or standardized specification and details, and by unit prices from a standardized unit price book, adjusted in cost by a preestablished multiplier. Services were competitively procured.

17. Contract (funds going out) - U. T. Austin: Centennial Contractors Enterprises, Inc. to provide general construction services to campus facilities

Agency: Centennial Contractors Enterprises, Inc.

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

Source of Funds: Unexpended Plant Funds, Renovation and Renewal Funds, Available University Funds, and various other funds

Original term of contract: March 1, 2012 through February 28, 2013, with option to renew for four additional one-year periods. (Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Provide job order contracting for general construction campus-wide during the contract period with projects varying in quantity and size. Separate job orders will be executed for each general construction project. The University typically categorizes projects for issuance to the Job Order Contract Program in the \$50,000 to \$250,000 range.

The project work will be based on specific job orders that define the work by statement, drawings and/or standardized specification and details, and by unit prices from a standardized unit price book, adjusted in cost by a preestablished multiplier. Services were competitively procured.

18. Contract (funds going out) - U. T. Austin: S&P/Horizon JV to provide general construction services to campus facilities

Agency: S&P/Horizon JV

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

Source of Funds: Unexpended Plant Funds, Renovation and Renewal Funds, Available University Funds, and various other funds

Original term of contract: March 6, 2012 through February 28, 2013, with option to renew for four additional one-year periods. (Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Provide job order contracting for general construction campus-wide during the contract period with projects varying in quantity and size. Separate job orders will be executed for each general construction project. The University typically categorizes projects for issuance to the Job Order Contract Program in the \$50,000 to \$250,000 range. The project work will be based on specific job orders that define the work by statement, drawings and/or standardized specification and details, and by unit prices from a standardized unit price book, adjusted in cost by a preestablished multiplier. Services were competitively procured.

19. Contract (funds going out) - U. T. Austin: Mechanical & Process Systems, LLC to provide mechanical repair and maintenance services to campus facilities

Agency: Mechanical & Process Systems, LLC

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

Source of Funds: Unexpended Plant Funds, Renovation and Renewal Funds, Available University Funds, and various other funds

Original term of contract: February 11, 2010 through February 10, 2011, with option to renew for four additional one-year periods. Two of the one-year periods have been utilized to date. (Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Provide job order contracting for mechanical repair and maintenance services campus-wide during the contract period with projects varying in quantity and size. Separate job orders will be executed for each project. The University typically categorizes projects for issuance to the Job Order Contract Program in the \$50,000 to \$250,000 range. The project work will be based on specific job orders that define the work by statement, drawings and/or standardized specification and details, and by unit prices from a standardized unit price book, adjusted in cost by a multiplier. Services were competitively procured.

20. Contract (funds going out) - U. T. Austin: Walker Engineering, Inc. to provide electrical services to campus facilities

Agency: Walker Engineering, Inc.

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

Source of Funds: Unexpended Plant Funds, Renovation and Renewal Funds, Available University Funds, and various other funds

Original term of contract: August 24, 2010 through August 23, 2011, with option to renew for four additional one-year periods. Two of the one-year periods have been utilized to date. (Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Provide job order contracting for electrical services campus-wide during the contract period with projects varying in quantity and size. Separate job orders will be executed for each project. The University typically categorizes projects for issuance to the Job Order Contract Program in the \$50,000 to \$250,000 range. The project work will be based on specific job orders that define the work by statement, drawings and/or standardized specification and details, and by unit prices from a standardized unit price book, adjusted in cost by a preestablished multiplier. Services were competitively procured.

21. Contract (funds going out) - U. T. Austin: W. E. Imhoff & Company Inc. dba Intertech Flooring to provide flooring services to campus facilities

Agency: W. E. Imhoff & Company Inc. dba Intertech Flooring

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

Source of Funds: Unexpended Plant Funds, Renovation and Renewal Funds, Available University Funds, and various other funds

Original term of contract: July 1, 2008 through June 30, 2009, with option to renew for four additional one-year periods. The contract is in its final option period. (Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Provide job order contracting for flooring services campus-wide during the contract period with projects varying in quantity and size. Separate job orders will be executed for each project. The average cost of a single project is approximately \$15,000, varying in size from \$750 to \$300,000. The project work will be based on specific job orders that define the work by statement, drawings and/or standardized specification and details, and by unit prices from a standardized unit price book, adjusted in cost by a preestablished multiplier. Services were competitively procured.

22. Contract (funds going out) - U. T. Austin: Central Transportation Systems, Inc. to provide moving services to campus facilities

Agency: Central Transportation Systems, Inc.

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

Source of Funds: Unexpended Plant Funds, Renovation and Renewal Funds, Available University Funds, and various other funds

Original term of contract: July 1, 2009 through June 30, 2010, with option to renew for four additional one-year periods. Three of the renewal periods have been utilized to date. Agreement may be renewed for one additional one-year period. (Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Provide job order contracting for moving services campus-wide during the contract period with projects varying in quantity and size. Separate job orders will be executed for each project. The average cost of a typical new facility move has been around \$30,000 per building/structure while the average move for a department and/or college has been around \$4,000. The work will be based on specific job orders that define the work by statement, drawings and/or standardized specification and details, and by unit prices from a standardized unit price book, adjusted in cost by a preestablished multiplier. Services were competitively procured.

23. Gift - U. T. Austin: Authorization to accept a gift of land and improvements at 2200 University Club Drive, Austin, Travis County, Texas, from Academy Land, Ltd., a Texas limited partnership, for use as a golf practice facility

Description: Gift of approximately 0.18 of an acre and improvements located on a portion of Lot 414, Block A, of Steiner Ranch Phase One Section 10A, 2200 University Club Drive, Austin, Travis County, Texas, and authorization for the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to acquire the property. The land and improvements are currently leased to U. T. Austin and utilized as The University of Texas Golf Academy. The improvements consist of approximately 5,100 square feet of space and contain locker rooms, team rooms, academic facilities, three all-weather hitting bays, and other service areas for the U. T. Austin men's and women's varsity golf teams.

Donor: Academy Land, Ltd., a Texas limited partnership

Estimated Value: \$317,511.00 (Travis Central Appraisal District, 2012)

24. Admission Fees - U. T. Austin: Recommendation to approve revision to agreement with the National Archives and Records Administration to allow the collection of admission fees to the Lyndon Baines Johnson Presidential Library

Approval is recommended for the revision of the October 8, 1965 agreement between The University of Texas System Board of Regents and the Administrator of the General Services Administration to allow collection of fees from the general public for admission to the Lyndon Baines Johnson (LBJ) Presidential Library. Upon approval by the Board, admission fees would be set at a level comparable to those of other presidential libraries, all of which currently charge such fees. Free admission will be granted to all U. T. Austin students, faculty, and staff and U. T. System staff with a valid U. T. identification card. Consideration will be given to establishing a select number of free days throughout the year for the general public.

The National Archives and Records Service of the General Services Administration was transferred in 1985 to the newly created and independent agency known as the National Archives and Records Administration (NARA). NARA's Archivist has the same authority as had the Administrator of General Services prior to the transfer, including the authority to operate the LBJ Presidential Library. The original agreement for the Library stipulated that no admission fees would be collected. However, the Lyndon Baines Johnson Foundation and the Lyndon Baines Johnson family believe that admission fees should be collected; and, it is within NARA's authority based on *U. S. Code*, Title 44, Chapter 21, §2112 (e) - Presidential Archival Depository to charge such fees. The Executive Vice Chancellor for Academic Affairs has administratively approved the recommended revision.

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

The following Request for Budget Change has been administratively approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF NATURAL SCIENCES School of Biological Sciences Integrative Biology Professor Michael J. Daniels (T)	9/1-5/31	100	09	190,000	4706

26. Emeritus Appointment - U. T. Austin: Appointment of John C. Higley from Professor and Jack S. Blanton, Sr. Chair in Australian Studies, Department of Government, to Professor Emeritus effective 9/1/2012 (RBC No. 4733) -- amendment to the 2012-13 budget

27. Emeritus Appointment - U. T. Austin: Appointment of Ronnie C. Tyler from Professor, Department of History, to Professor Emeritus effective 9/1/2012 (RBC No. 4869) -- amendment to the 2012-13 budget

28. Request for Budget Change - U. T. Austin: Transfer \$1,000,000 from Intercollegiate Athletics Operating Income fund to Intercollegiate Athletics Other Expenses account. Transfer funds and adjust budget for actual revenues of ticket sales received in excess of the amount originally budgeted for the 2011-12 budget to cover prepaid expenses pertaining to fall sports (football, volleyball, and soccer) (RBC No. 4757) -- amendment to the 2011-12 budget

29. Request for Budget Change - U. T. Austin: Transfer \$770,000 from Intercollegiate Athletics Operating Income fund to Intercollegiate Athletics Travel (\$620,000) and Wages (\$150,000) account to adjust the budget to reflect: (1) higher than expected income from the Big 12 Conference and from the corporate sponsorship and marketing contract with IMG Communications, Inc., and (2) an increase in salary and travel expenses due to the hiring of three new head coaches (Women's Basketball, Women's Soccer, and Women's Swimming) and staff members (RBC No. 4694) -- amendment to the 2011-12 budget

30. Request for Budget Change - U. T. Austin: Transfer \$594,000 from Office of Technology Commercialization Legal Expenses Operating Income fund to Office of Technology Commercialization Legal Expenses All Expenses account. Transfer funds and adjust budget to cover pending and future legal expense invoice payments. The income account is funded by transfer from the Vice President for Research Intellectual Property Income account. Source of funds for the Intellectual Property Income account is from royalty deposits (RBC No. 4726) -- amendment to the 2011-12 budget

31. Request for Budget Change - U. T. Austin: Transfer \$590,000 from Dean of Natural Sciences Academic Excellence Department Reserve Expense fund to Project Management and Construction Services Robert A. Welch Hall - Rose Lab Renovation All Expenses account. Transfer funds to provide funding for laboratory renovation for the Chemistry Department. This is a major renovation project including the addition of six new chemical fume hoods in Robert A. Welch Hall, Fourth Floor (RBC No. 4734) -- amendment to the 2011-12 budget

32. Employment Agreement - U. T. Austin: Amendment of term, annual salary and annual performance incentives, and annual salary supplement to Agreement of Athletics Director for Intercollegiate Athletics for Women Christine A. Plonsky

The following Amendment No. Three has been approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents. Such employment under the Agreement, as amended by Amendments No. One and Two, is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which U. T. Austin is a member, the Regents' *Rules and Regulations*, and the policies of U. T. Austin. The violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay or dismissal.

Item:	Women's Athletics Director Agreement
From:	Guaranteed compensation: \$368,665 annually; Nonguaranteed compensation available through performance incentives: maximum of \$101,367 annually
To:	Guaranteed compensation: \$389,665 annually; Nonguaranteed compensation available through performance incentives: maximum of \$94,347 annually
Source of Funds:	Intercollegiate Athletics
Salary Percent Change:	6%
Description:	Amendment No. Three to the Agreement for extension of employment of Athletics Director for Intercollegiate Athletics for Women Christine A. Plonsky to August 31, 2020 (a three-year extension)
Incentive Change:	7% reduction
Period:	November 1, 2012 through August 31, 2020

33. Adoption of Mascot - U. T. Brownsville: Request to approve the Ocelot as Mascot

The following proposed mascot (representative of the Ocelot) has been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Office of Trademark Licensing and is submitted for approval by the U. T. System Board of Regents in accordance with Regents' *Rules and Regulations*, Rule 40801.

In October 2011, a Mascot Committee was formed with representatives from the Student Government Association; Faculty and Staff Senates; and athletics and student organizations. Criteria for soliciting suggestions from the campus community and alumni ensured that the proposed mascot was unique, represented the region, and inspired pride. Students enrolled in Spring 2012 comprised eligible voters with an online vote. The Ocelot, a wildcat found in South Texas, received the most votes and was received with enthusiasm as the winner.

The proposed Pantone Marking System colors are PMS 1605 Orange, PMS 2965 Blue, and White.

Note: Pending trademark approval



34. Emeritus Appointment - U. T. Brownsville: Appointment of Lawrence Lof from Professor, College of Science, Mathematics and Engineering Technology, to Professor Emeritus, effective at the date of retirement (RBC No. 4867) -- amendment to the 2012-13 budget

35. Facilities Planning and Construction - U. T. Dallas: Arts and Technology Facility - appropriation of funds; authorization of institutional management; and resolution regarding parity debt

Item: Request for appropriation of funds; authorization of institutional management; and resolution regarding parity debt for the Arts and Technology Facility Project (ATEC)

Funds: Appropriate \$2,500,000 from Permanent University Fund (PUF) Bond Proceeds and \$3,000,000 from Revenue Financing System (RFS) Bond Proceeds

Source of Funds: Resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that

- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
- U. T. Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$3,000,000.

The \$3,000,000 in RFS debt will be repaid from Designated Tuition. Annual debt service on the \$3,000,000 RFS debt is expected to be approximately \$195,000. The institution's debt service coverage is expected to be at least 2.2 times and average 2.6 times over FY 2013-2018.

Period: Project was added to the Capital Improvement Program (CIP) on February 12, 2009 and Substantial Completion is scheduled by August 1, 2014

Description: This action will appropriate funds already included in the overall ATEC project and will authorize institutional management of the repair and renovation portions of the project as follows: \$2,500,000 of PUF for Landscaping, \$2,500,000 of RFS for parking, and \$500,000 of RFS for vacated space renovations.

36. Tenure Appointments - U. T. Dallas -- amendments to the 2012-13 budget

The following Requests for Budget Changes have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
ERIK JONSSON SCHOOL OF ENGINEERING AND COMPUTER SCIENCE					
Computer Science					
Professor and Jonsson Distinguished Professor					
Yvo Desmedt (T)	9/1-5/31	100	09	172,000	4802
Electrical Engineering					
Associate Professor					
Siavash Pourkamali (T)	9/1-5/31	100	09	115,000	4805
Professor and Distinguished Chair					
Kaushik Rajashekara (T)	9/1-5/31	100	09	220,500	4808
Material Science					
Professor and Distinguished Chair					
Orlando Auciello (T)	9/1-5/31	100	09	162,000	4809
Mechanical Engineering					
Associate Professor					
Dong Qian (T)	9/1-5/31	100	09	117,000	4814

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
NAVEEN JINDAL SCHOOL OF MANAGEMENT					
Accounting Associate Professor Yuan Zhang (T)	9/1-5/31	100	09	210,000	4818
Information Systems and Operation Management Professor and Ashbel Smith Professorship Elena Katok (T)	9/1-5/31	100	09	190,000	4820
Managerial Economics Professor and Naveen Jindal Distinguished Chair Gary Bolton (T)	9/1-5/31	100	09	200,000	4819
Marketing Professor Dmitri Kuksov (T)	9/1-5/31	100	09	220,000	4821
SCHOOL OF BEHAVIORAL AND BRAIN SCIENCE					
Language Science Julia Evans (T)	9/1-5/31	100	09	120,000	4803
SCHOOL OF ECONOMIC, POLITICAL AND POLICY SCIENCES					
Political Science Associate Professor Michael Crespin (T)	9/1-5/31	100	09	88,000	4804
SCHOOL OF NATURAL SCIENCES AND MATHEMATICS					
Mathematics Professor Vladimir Dragovic (T)	9/1-5/31	100	09	130,000	4815
Professor Susan Minkoff (T)	9/1-5/31	100	09	135,000	4816
Professor John Zweck (T)	9/1-5/31	100	09	125,000	4817

- 37. Emeritus Appointment - U. T. Dallas: Appointment of Istvan Ozsvath from Professor of Mathematics, School of Natural Sciences and Mathematics, to Professor Emeritus, effective 9/1/2012 (RBC No. 4823) -- amendment to the 2012-13 budget

- 38. Emeritus Appointment - U. T. Dallas: Appointment of Walter Heikkila from Professor of Physics, School of Natural Sciences and Mathematics, to Professor Emeritus, effective 9/1/2012 (RBC No. 4822) -- amendment to the 2012-13 budget

- 39. Emeritus Appointment - U. T. Dallas: Appointment of Donald Gray from Professor of Molecular and Cell Biology, School of Natural Sciences and Mathematics, to Professor Emeritus, effective 9/1/2012 (RBC No. 4824) -- amendment to the 2012-13 budget

- 40. Tenure Appointments - U. T. El Paso -- Amendments to the 2012-13 budget

The following Requests for Budget Changes have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF EDUCATION					
Educational Psychology and Special Services					
Associate Professor					
Sarah Peterson (T)	9/1-5/31	100	09	80,000	4834
COLLEGE OF LIBERAL ARTS					
English					
Associate Professor					
Joseph M. Ortiz (T)	9/1-5/31	100	09	65,000	4833

41. Employment Agreement - U. T. El Paso: New agreement of Head Women's Basketball Coach Keitha R. Adams

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

Item: Head Women's Basketball Coach

Funds: 2012-2013, \$200,000, which will be reviewed annually and may be adjusted as required by the legislature or as deemed appropriate by the University

Period: September 1, 2012 through August 31, 2018

Description: New agreement for employment of the Head Women's Basketball Coach, Keitha R. Adams, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel

Incentives:

- One month base annual salary in any contract year in which the team wins the conference regular season championship
- One month base annual salary in any contract year in which the team wins the conference tournament championship
- One month base annual salary in any contract year in which the team wins the pre-season National Invitation Tournament (NIT) tournament championship
- One month base annual salary in any contract year in which the team makes a NIT tournament appearance
- \$2,500 in any contract year per NIT game victory
- One month base annual salary in any contract year in which the team wins the NIT championship
- One month base annual salary in any contract year in which the team wins makes a National Collegiate Athletic Association (NCAA) tournament appearance
- One month base annual salary in any contract year in which the team has a first round victory in the NCAA tournament
- Two months base annual salary in any contract year in which the team has a second round victory in the NCAA tournament
- Three months base annual salary in any contract year in which the team has a Sweet 16 victory in the NCAA tournament
- Four months base annual salary in any contract year in which the team has an Elite 8 victory in the NCAA tournament
- Five months base annual salary in any contract year in which the team has a Final Four victory in the NCAA tournament

- \$50,000 in any contract year for winning the NCAA Championship
- One month base annual salary in any contract year in which the team finishes in the Top 25 in the National Poll
- One month base salary in any contract year in which the coach is named the conference coach of the year
- One month base salary in any contract year in which the coach is named the National Coach of the Year (coaches poll)
- One month base salary in any contract year in which the team achieves an annual academic progress report published Metro Atlantic Athletic Conference Report score of 930 or above
- Any additional performance incentives may be awarded to the Coach as deemed appropriate by the Athletic Director and approved by the University President.

42. Transfer of Funds - U. T. Pan American: Transfer \$7,113,749 from Designated Tuition - Designated Funds account to Building Alterations and Maintenance - Unexpended Plant funds account to fund various projects (RBC No. 4873) -- amendment to the 2012-13 budget

The following Request for Budget Change (RBC) has been administratively approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents:

TRANSFER OF FUNDS

Description	\$ Amount	RBC #
BUILDING ALTERATIONS AND MAINTENANCE		
Designated Funds		
Amount of Transfer:	\$7,113,749	4873
From: Designated Tuition - Designated Funds		
To: Building Alterations and Maintenance - Unexpended Plant funds to fund various building projects and software updates: Oracle R12 upgrade, hurricane shelters, New Administration Building project, various other smaller deferred maintenance projects that are each less than \$1 million may be funded with this transfer.		

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

44. Facilities Planning and Construction - U. T. San Antonio: John Peace Library Building Renovations - to increase total project cost and appropriation of additional funds

Item: Amendment of the FY 2013-2018 Capital Improvement Program to increase total project cost and appropriation of additional funds for the John Peace Library Building Renovations project

Funds: Amend the FY 2013-2018 Capital Improvement Program (CIP) to increase the total project cost from \$7,300,000 to \$9,300,000; and appropriate and authorize expenditure of additional funding of \$2,000,000 from Designated Funds

Source of Funds: Designated Funds are from Student Fees

Period: The project was added to the CIP on August 12, 2010, and substantial completion is scheduled by August 1, 2013

Description: The scope of Phase Three has increased to include new furniture and technology purchases. These additions, coupled with rising construction costs, result in an increase in the total project cost.

45. Employment Agreement - U. T. San Antonio: Agreement for Athletic Director Lynn Hickey

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

Item: Athletic Director

Funds: 2012-2013 \$215,000 annual
 2013-2014 \$225,000 annual
 2014-2015 \$235,000 annual
 2015-2016 \$245,000 annual
 2016-2017 \$255,000 annual

Source of Funds: Intercollegiate Athletics

Period: September 1, 2012 through August 31, 2017

Description: Agreement for employment of Athletics Director, Lynn Hickey, for the above designated period following the standard employment contract prepared by the Office of General Counsel.

Incentives: Football:

- \$7,500 in any contract year in which the football team participates in post-season NCAA competition
- \$15,000 in any contract year in which the football team wins the regular season conference championship
- \$20,000 in any contract year in which the football team wins the NCAA championship

Other varsity sports teams:

- \$2,500 in any contract year for each team that participates in post-season NCAA competition (up to a maximum of \$7,500)
- \$5,000 in any contract year for each team that wins the conference championship (up to a maximum of \$15,000)
- \$7,500 in any contract year for each team that wins an NCAA championship (up to a maximum of \$22,500)

Academic Incentive:

- \$2,500 in any contract year for each team with an Academic Progress Rate average of at least 950 (up to a maximum of \$12,500)

46. Lease - U. T. Tyler: Authorization to lease space from Houston Community College for administrative, office, classroom, and laboratory use

Description: Lease of approximately 21,418 square feet at the Houston Community College Alief Campus, 2811 Hays Road, Houston, Texas, for administrative, office, classroom, and laboratory use for U. T. Tyler's Houston Engineering Center. The space will require renovation and finish-out to be completed by the lessor, at lessor's cost, prior to occupancy.

U. T. Tyler is working with the Houston Community College District to create seamless pathways into the civil, electrical, and mechanical engineering baccalaureate programs that U. T. Tyler is authorized to offer. U. T. Tyler's lease of the space will enable it to offer, on the Houston Community College campus, the upper-division engineering courses for these degree programs. Institutions in the Houston area were notified of U. T. Tyler's intent in August 2012, and no institution objected during the 30-day comment period. As a result, Texas Higher Education Coordinating Board approval of U. T. Tyler's plan was automatic.

Lessor: Houston Community College

Term: The term will commence on June 1, 2013, or the date that U. T. Tyler commences operations in the leased premises, and will continue for an initial term of 60 months with an option to extend the lease for an additional 60 months.

Lease Costs: Approximately \$832,732 in base rent over the initial 60-month term. Base rent is abated for months 1-24; base rent is \$12.84 per square foot for months 25-48 and increases to \$13.20 per square foot for months 49-60. Rent for the renewal term is \$13.20 per square foot for months 61-72, \$13.56 per square foot for months 73-96, and \$13.92 per square foot for months 97-120. U. T. Tyler will install equipment with a value of \$1,217,319 in the premises.

Source of Funds: Designated Tuition

47. Emeritus Appointment - U. T. Tyler: Appointment of Joyce Ballard from Professor, College of Nursing and Health Sciences, to Professor Emeritus effective 9/1/2012 (RBC No. 4829) -- amendment to the 2012-13 budget

48. Emeritus Appointment - U. T. Tyler: Appointment of Tim Kane from Professor, College of Arts and Sciences, Social Studies, to Professor Emeritus effective 9/1/2012 (RBC No. 4830) -- amendment to the 2012-13 budget

HEALTH INSTITUTIONS

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

Agency: Dallas County Indigent Care Corporation (DCICC)

Funds: \$45,000,000

Period: October 1, 2012 through December 31, 2012

Description: In support of U. T. Southwestern Medical Center's medical education and health care missions and DCICC's interest in providing and arranging for the provision of health care services to indigent and needy persons in and around Dallas County, Texas, this agreement between DCICC and U. T. Southwestern Medical Center engages University to provide physician and other health care services at Parkland Health & Hospital System.

50. Contract (funds going out) - U. T. Southwestern Medical Center: Krause Advertising, Inc. to provide multimedia brand image campaign services

Agency: Krause Advertising, Inc.

Source of Funds: Designated Funds

Funds: \$4,685,000

Period: September 1, 2012 through August 31, 2013

Description: Krause Advertising will provide multimedia brand image campaign services. Krause advertising will provide U. T. Southwestern Medical Center with all services related to the U. T. Southwestern Harold C. Simmons Comprehensive Cancer Center branding campaign and the overall brand campaign for "The Future of Medicine, Today." Television ads will be created, along with print and radio advertising and online web banners.

51. Tenure Appointment - U. T. Southwestern Medical Center: Amendment to the 2011-12 budget

The following Request for Budget Change has been administratively approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SOUTHWESTERN MEDICAL SCHOOL Cell Biology Professor and Chairwoman Sandra Schmid (T)	7/1-8/31	100	12	350,000	4760

52. Tenure Appointment - U. T. Southwestern Medical Center: Amendment to the 2012-13 budget

The following Request for Budget Change has been administratively approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SOUTHWESTERN MEDICAL SCHOOL Neurosurgery Professor and Chairman Henry Batjer (T)	9/1-8/31	100	12	950,000	4806

53. Emeritus Appointment - U. T. Southwestern Medical Center: Appointment of Frederick Bonte from Clinical Professor, Southwestern Medical School, Radiology, to Professor Emeritus effective 9/1/2012 (RBC No. 4839) -- amendment to the 2012-13 budget

54. Contract (funds coming in) - U. T. Medical Branch - Galveston: Texas Department of State Health Services to receive Special Supplemental Nutrition Program for women, infants, and children

Agency: Texas Department of State Health Services (DSHS)

Funds: \$3,481,424

Period: October 1, 2012 through March 31, 2013

Description: U. T. Medical Branch - Galveston will continue to administer the DSHS Special Supplemental Nutrition Program for women, infants, and children.

55. Contract (funds coming in) - U. T. Medical Branch - Galveston: Value Options of Texas to receive medical screening services, care coordination, and clinical pharmacy services

Agency: Value Options of Texas, Inc.

Funds: \$1,862,251

Period: September 1, 2012 through August 31, 2013

Description: U. T. Medical Branch - Galveston will continue to provide administration of uniform assessment, primary care medical screening services, care coordination and subspecialty services, and clinical pharmacy services to indigent members of the NorthSTAR program.

56. Lease - U. T. Medical Branch - Galveston: Authorization to extend the lease of space from Shearn Moody Plaza Corporation for administrative office use

Description: Extension of lease of approximately 81,883 square feet at 123 Rosenberg, Galveston, Texas for administrative office use

Lessor: Shearn Moody Corporation

Term: October 1, 2012 through September 30, 2017, plus two 30-month extension options

Lease Costs: U. T. Medical Branch - Galveston is responsible for its prorata share of operating expenses incurred by the lessor for the operation of the building. The operating expenses are estimated to be approximately \$5,578,703 for the initial term of the lease and approximately \$6,467,246 for the two extension terms. There is no base rent.

Source of Funds: Patient revenue

57. Emeritus Appointment - U. T. Medical Branch - Galveston: Appointment of Ahmed El-Sayed Ahmed from Professor, Academic Enterprise, Pathology to Professor Emeritus effective 9/1/2012 (RBC No. 4721) -- amendment to the 2012-13 budget

58. Emeritus Appointment - U. T. Medical Branch - Galveston: Appointment of Joan Hebel from Clinical Professor, Academic Enterprise, Psychiatry and Behavioral Sciences, to Professor Emeritus effective 9/1/2012 (RBC No. 4752) -- amendment to the 2012-13 budget

59. Emeritus Appointment - U. T. Medical Branch - Galveston: Appointment of Eric Avery from Clinical Associate Professor, Academic Enterprise, Institute for the Medical Humanities, Psychiatry and Behavioral Sciences, to Clinical Associate Professor Emeritus effective 9/1/2012 (RBC No. 4768) -- amendment to the 2012-13 budget

60. Lease - U. T. Health Science Center - Houston: Authorization to lease space from Houston Medical Center, Inc., for clinical and research use

Description: Lease of space at 6655 Travis Street, Houston, Texas, for clinical and research use. U. T. Health Science Center - Houston currently leases 49,588 square feet of space in the building. Lessor and U. T. Health Science Center - Houston will enter into a new lease agreement reducing the premises to 37,290 square feet and extending the term.

Lessor: Houston Medical Center, Inc., a Texas corporation

Term: The term will commence on October 1, 2012, and will expire on September 30, 2022.

Lease Costs: Approximately \$10,149,036 in base rent and increases over the 10-year term. Base rent is \$26 per square foot for Years one-five; base rent increases to \$27 per square at the beginning of the sixth lease year and increases to \$28 per square foot for the final lease year. Beginning with the third lease year, base rent also increases by 60% of the proportional increase in the Consumer Price Index each year. The lessor is providing a tenant improvement allowance of \$340,686 or \$9 per square foot.

Source of Funds: Patient revenue

61. Lease - U. T. Health Science Center - Houston: Authorization to extend and expand the lease of space to Case Western Reserve University for general and medical office use

Description: Extension of lease term and expansion of premises at 6410 Fannin, Houston, Texas, for general and medical office use. Lessee currently leases 1,874 square feet of space from U. T. Health Science Center - Houston and is adding an additional 2,552 square feet of space.

Lessee: Case Western Reserve University, an Ohio nonprofit corporation

Term: The term will commence on December 1, 2012, and will expire on November 30, 2022

Lease Revenue: Approximately \$1,243,965 in base rent over the 10-year term. Lessee will also pay its proportionate share of operating expenses that exceed the base year 2012. Initial base rent for the additional space is \$27 per square foot; base rent increases to \$29 per square foot at the beginning of the sixth lease year. U. T. Health Science Center - Houston is providing a tenant improvement allowance of \$128,757 for construction of improvements to the premises to be paid out of The U. T. Professional Building capital improvement and tenant improvement reserves.

62. Contract (funds going out) - U. T. Health Science Center - Houston: Waste Management of Texas, Inc., to provide waste management and recycling services

Agency: Waste Management of Texas, Inc.

Funds: Approximately \$1,197,012.60, which will vary depending on frequency of waste pick up

Period: Effective date through August 31, 2015, with two additional one-year term renewal options

Source of Funds: General Revenue and Auxiliary Enterprise Funds - Housing and Professional Building

Description: Waste disposal and recycling services for all U. T. Health Science Center - Houston locations within the Texas Medical Center

63. Other Fiscal Items - U. T. Health Science Center - Houston: Employment Agreement for the appointment of Giuseppe N. Colasurdo, M.D., as President

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

Item: President

Funds: \$750,500 annually

Period: Beginning October 22, 2012

Description: Agreement for employment of Giuseppe N. Colasurdo, M.D., as President of U. T. Health Science Center - Houston. The President reports to the Chancellor and the Executive Vice Chancellor for Health Affairs and shall hold office without fixed term subject to the pleasure of the Chancellor. In addition to base salary, Dr. Colasurdo will receive a supplement from practice plan funds of \$199,500. U. T. Health Science Center - Houston will reimburse club and professional memberships as approved by the Executive Vice Chancellor for Health Affairs, continuing education expenses, and reasonable travel expenses.



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601 Colorado, Austin, TX 78701
Phone: 512-499-4224 Fax: 512-499-4313

October 22, 2012

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

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

www.utssystem.edu

Giuseppe Colasurdo, M.D.
2102 Meadow Park Circle
Missouri City, Texas 77459

Dear Giuseppe:

On behalf of the Board of Regents of The University of Texas System, it is my pleasure to offer you the position of President of The University of Texas Health Science Center at Houston, effective October 22, 2012. Your annual salary rate as of that date will be \$750,500. You are entitled to other State-paid fringe benefits required to be provided to higher education employees by State law and for which you are eligible. Among these benefits are State-paid OASI, longevity pay, workers' compensation liability, insurance coverage, retirement plan, insurance premium sharing, and leave entitlement.

You will also receive a supplement from practice plan funds of \$199,500. The practice plan supplement is not eligible for retirement benefits. The total for your salary therefore will be \$950,000 annually.

The Presidents of The University of Texas campuses are selected by the Regents of The University of Texas and serve without term. There is a specific budget for the office of the President at The University of Texas Health Science Center at Houston which is determined by you as President of the Institution.

Additional elements of your compensation package are:

- a. The cost of club membership(s) approved by the Executive Vice Chancellor for Health Affairs will be paid, including initial fees for joining the club and all properly documented business-related expenses. All personal expenses, including the portion of dues related to personal use is calculated based on the personal expenses for that month as a percent of total expenses. That percentage is applied to the dues owed to determine the personal amount.
- b. You will continue to hold a tenure appointment in the Department of Pediatrics at The University of Texas Health Science Center at Houston. Your academic salary rate will be established consistent with faculty of like standing. When your term as President ends, having been granted tenure previously, you will be entitled to begin employment in a faculty position and

to be compensated at your academic salary rate consistent with the provisions of *Texas Education Code* Section 51.948(c). While serving as President, your faculty appointment will be without compensation.

- c. State law allows the grant of development leave at the individual's academic salary rate for one year to a faculty member who has held an administrative position at the institution for more than four years. An administrator who receives development leave must return to work (as a faculty member) at a U.T. System institution for an amount of time equal to the amount of time the administrator received development leave or repay the institution for all the costs of the development leave. Barring any subsequent legal prohibitions, these provisions will apply in your situation. The specific length of the development leave will be negotiated dependent on your term of service as President and other pertinent considerations should you leave the Presidency and begin as a faculty member.

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

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

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

The University of Texas Health Science Center at Houston will also make direct payments for the actual costs of reasonable expenses related to any moving and storage, if needed, of household, personal, and professional possessions. Please contact Kevin Dillon at The University of Texas Health Science Center at Houston before making any arrangements related to relocation.

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

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

- 64. Emeritus Appointment - U. T. Health Science Center - Houston: Appointment of Frank C. Arnett, Jr., from Professor of Medicine, in the Department of Internal Medicine-Rheumatology, Medical School, to Professor Emeritus, effective 9/1/2012 (RBC No. 4840) -- amendment to the 2012-13 budget

- 65. Emeritus Appointment - U. T. Health Science Center - Houston: Appointment of Leslie O. Fullerton from Clinical Associate Professor, Department of Restorative Dentistry, School of Dentistry, to Associate Professor Emeritus, effective 9/1/2012 (RBC No. 4841) -- amendment to the 2012-13 budget

- 66. Emeritus Appointment - U. T. Health Science Center - Houston: Appointment of Millicent E. Goldschmidt, from Professor, Basic Sciences, School of Dentistry, to Professor Emeritus, effective 1/1/2013 (RBC No. 4842) -- amendment to the 2012-13 budget

- 67. Appointment - U. T. Health Science Center - Houston: Amendment to the 2012-13 budget

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>No. Mos.</u>	<u>Rate\$</u>	<u>RBC #</u>
MEDICAL SCHOOL					
Department of Orthopedic Surgery					
Visiting Associate Professor					
Stefan W. Kreuzer	9/1-8/31	100	12		4795
Base Salary				1,000,000	
Augmentation				<u>200,000</u>	
Total Salary and Compensation				<u>1,200,000</u>	

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

68. Appointment - U. T. Health Science Center - Houston: Amendment to the 2012-13 budget

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
MEDICAL SCHOOL Department of Pathology and Laboratory Medicine Professor					
Gustavo Ayala (T)	9/1-8/31	100	12		4896
Base Salary				229,167	
Supplement				50,000	
Augmentation				<u>45,833</u>	
Total Salary and Compensation				<u>325,000</u>	

69. Appointment - U. T. Health Science Center - Houston: Amendment to the 2012-13 budget

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
MEDICAL SCHOOL Department of Pathology and Laboratory Medicine Professor					
Mamoun Younes (T)	9/1-8/31	100	12		4897
Base Salary				250,000	
Supplement				50,000	
Augmentation				<u>50,000</u>	
Total Salary and Compensation				<u>350,000</u>	

70. Approval of Dual Positions of Honor, Trust, or Profit - U. T. Health Science Center - Houston: Appointment by Governor Rick Perry of LaShonda Brown, Head Start Collaboration Coordinator, Medical School, Developmental Pediatrics, The Center for Improving the Readiness of Children for Learning and Education, as Chair of the Texas Early Learning Council

The following item has been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' *Rules and Regulations*, Rule 30103.

It has been determined that the holding of this office is of benefit to the State of Texas and The University of Texas and there is no conflict between holding this position and the appointment with the University.

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

Name: LaShonda Brown

Title: Head Start Collaboration Coordinator, Medical School, Developmental Pediatrics, The Center for Improving the Readiness of Children for Learning and Education

Position: Chair, Texas Early Learning Council

Period: Appointed August 28, 2012, for a term to expire at the pleasure of the Governor

Compensation: None

Description: Governor Perry appointed Ms. Brown to serve as Chair of the Texas Early Learning Council. The Council assesses early childhood education and care programs across the State, and develops opportunities for collaboration and coordination between state and federally-funded child development entities and child care and early education programs to ensure children have access to high quality programs.

71. Other Matters - U. T. Health Science Center - Houston: Reappointment of Members of the Board of Directors of The University of Texas System Medical Foundation, Inc.

In accordance with the Articles of Incorporation, approval by the U. T. System Board of Regents is recommended for the following individuals from U. T. Health Science Center - Houston to the Board of Directors of The University of Texas System Medical Foundation, Inc.

Reappointment Commencing January 1, 2013

<u>Name and Title</u>	<u>Address</u>	<u>Term to Expire</u>
Brent King, M.D. Professor and Chairman, Department of Emergency Medicine and Executive Vice Dean for Clinical Affairs at the Medical School	1133 John Freeman Blvd., Houston, Texas 77030	December 31, 2012
Keely G. Smith, M.D. Assistant Professor Pediatrics-Clinical at the Medical School	6431 Fannin Houston, Texas 77030	December 31, 2012

Patricia M. Butler, M.D.
Associate Dean for
Educational Programs
at the Medical School

1133 John Freeman Blvd.,
Houston, Texas 77030

December 31, 2012

The University of Texas System Medical Foundation, Inc. is a nonprofit corporation organized strictly for educational and scientific purposes. The Foundation functions within the framework of U. T. Health Science Center - Houston for the purpose of training graduate medical students, referred to as house staff or residents. As part of their training, house staff are contracted with and paid a stipend plus fringe benefits for their services by local hospitals participating in the Affiliated Hospitals Residency Training Program at Houston.

The Bylaws and Articles of Incorporation of The University of Texas System Medical Foundation, Inc. provide that directors succeeding the initial directors shall be appointed by the U. T. System Board of Regents for terms of one year and provide that each director shall hold office until a successor has been appointed and qualified. Drs. King, Smith, and Butler are being recommended for reappointment as follows: Dr. King as President, Dr. Butler as Vice President, and Dr. Smith as Secretary/Treasurer.

72. Contract (funds coming in) - U. T. Health Science Center - San Antonio: L.C. Vending Company to provide vending services

Agency: L.C. Vending Company

Funds: \$112,823 for total sales of the term of contract

Source of Funds: Contractor will pay a royalty on gross revenue generated by services.

Period: January 1, 2013 through August 31, 2016

Description: L.C. Vending Company will provide vending services to the University of Texas Health Science Center - San Antonio Main and North Campus facilities and various satellite campus sites throughout Bexar County. In accordance with *Texas Education Code* Section 51.945, the students were provided with an opportunity to comment prior to determination that this food service provider should be selected by the institution.

73. Tenure Appointments - U. T. Health Science Center - San Antonio: Amendments to the 2011-12 budget

The following Requests for Budget Changes have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF MEDICINE					
Greehey Children's Cancer Research Institute					
Alexander Pertsemlidis (T)					4696
From: Assistant Professor		100	12	135,000	
To: Associate Professor	9/1-8/31	100	12	135,000	
Physiology					
Professor and Chair					
Manzoor A. Bhat (T)	8/1-8/31	100	12	270,000	4715
SCHOOL OF NURSING					
Family and Community Health System					
Professor and Chair					
Janie Canty-Mitchell (T)	8/6-8/31	100	12	137,500	4774
Associate Professor					
Georgia K. Crow (T)	8/20-8/31	100	12	94,271	4835
Health Restoration Care Management					
Professor and Associate Dean					
Ilene M. Decker (T)	8/13-8/31	75	12	136,400	4797
	8/13-8/31	25	12	136,400	

74. Land Acquisition - U. T. Health Science Center - San Antonio: Authorization to accept a gift of, to purchase, or ground lease approximately 13.1 acres of unimproved land located at the northwest corner of Wurzbach Road and Floyd Curl Drive, San Antonio, Bexar County, Texas, from the San Antonio Medical Foundation for future campus expansion and use as the possible site of a new children's hospital

Description: Acquisition by gift, purchase, or ground lease of approximately 13.1 acres of unimproved land located at the northwest corner of Wurzbach Road and Floyd Curl Drive, San Antonio, Bexar County, Texas, and authorization for the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to acquire the property. The approximately 13.1 acres is located within the acquisition zone shown in the institution's Campus Master Plan approved by the Board in November 2000.

Donor/Seller: San Antonio Medical Foundation, a Texas nonprofit corporation

Acquisition Price: If a purchase or ground lease, fair market value as established by independent appraisals, plus all due diligence expenses, closing costs, and expenses to complete the acquisition as deemed necessary by the Executive Director of Real Estate; appraisals will be commissioned if the transaction is a purchase or ground lease. Estimated land value, based on 2012 Bexar Central Appraisal District records, is \$4,565,087.83

Source of Funds: Lease revenue and other local revenue

75. Facilities Planning and Construction - U. T. M. D. Anderson Cancer Center: RHI (Rotary House International) Renovations and Repairs - to revise funding sources; appropriation of funds; and resolution regarding parity debt

Item: Amendment of the FY 2013-2018 Capital Improvement Program to revise funding sources; appropriation of funds; and resolution regarding parity debt for the RHI (Rotary House International) Renovations and Repairs project

Funds: Total project cost of \$18,200,000 with funding from Hospital Revenues revised to \$9,000,000 from Revenue Financing System (RFS) and \$9,200,000 from Auxiliary Enterprises Balances

- Source of Funds: Resolve in accordance with Section 5 of the Amended and Restated Master Resolution establishing U. T. System RFS that
- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. M. D. Anderson Cancer Center, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$9,000,000.

The \$9,000,000 in RFS debt will be repaid from hotel revenue. Annual debt service on the \$9,000,000 RFS debt is expected to be approximately \$585,000. The institution's debt service coverage is expected to be at least 8.7 times and average 9.5 times over FY 2013-2018. Auxiliary Enterprises Balances are from hotel revenue.

Period: Project was added to the CIP on August 22, 2007, and substantial completion is scheduled by July 31, 2014

Description: The project encompasses 322 guest rooms, suites, and guest room corridors in the existing Rotary House International facility. The scope includes renewals and upgrades of room finishes, fixtures, soft and hard goods, and bathroom upgrades. The scope of work is scalable based on need and Americans with Disabilities Act and Life Safety compliance requirements. The Rotary House International is a full-service hotel, dedicated exclusively to serving the needs of U. T. M. D. Anderson Cancer Center patients and their families while in Houston.

76. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Avanade, Inc. to provide development services for the electronic medical records system

Agency: Avanade, Inc.

Funds: Total fees charged by vendor for all services under the initial term of this agreement will not exceed \$72,000,000 without prior written authorization from U. T. M. D. Anderson Cancer Center's Supply Chain Management department. The total contract value including both renewal periods is \$120,000,000.

Source of Funds: Hospital patient income

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

Description: Under this master services agreement, Avanade shall provide specialized expertise and personnel for the purposes of Electronic Medical Record (EMR) development, using Microsoft technology that has become a cornerstone of U. T. M. D. Anderson Cancer Center's enterprise infrastructure and application environment, as well as other technologies and skill areas required by the institution in support of EMR development. Activities included within this scope, among others, include: project management, eliciting and documenting requirements, creating code based on the documentation requirements, performing unit, modular, system and regression testing based on code developed, code branching and integration, software deployment, and other services as required by U. T. M. D. Anderson Cancer Center to support the institution's EMR platform.

77. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Ernst & Young LLP to provide professional services for the operation and management of the ICD-10 Program Management Office

Agency: Ernst & Young LLP

Funds: This third amendment to the agreement increases the cap amount from \$2,461,600 to \$22,962,000

Source of Funds: Hospital patient income

Period: This amendment extends the initial term of the agreement by 12 months. The amended term is for a period of 36 months, commencing on April 13, 2012 and continuing through April 12, 2015. The agreement includes the option for two additional 12-month renewals.

Description: Ernst & Young LLP provides professional services for the operation and management of the ICD-10 Program Management Office. ICD-10 is the 10th revision of the International Statistical Classification of Diseases and Related Health Problems, a medical classification list by the World Health Organization that codes for diseases signs and symptoms, abnormal findings, complaints, social circumstances, and external cause of injury or diseases. Ernst & Young LLP will provide activities such as centralized operations of the project management structure and coordination across various work-stream activities. This third amendment increases the scope of activities associated with these professional services in order to ensure full compliance with ICD-10 by October 1, 2014, as mandated by the Centers for Medicare and Medicaid Services.

78. Lease - U. T. M. D. Anderson Cancer Center: Authorization to sublease space from Galaxy II Leasing, LLC, for oncology clinic use

Description: Sublease of approximately 23,034 square feet at 455 East Medical Center Boulevard, Webster, Texas, for oncology clinic use

Lessor: Galaxy II Leasing, LLC, a Texas limited liability company

Term: The term will be for a period of 60 months, with an estimated commencement date of October 2013, and an option to renew for two additional five-year terms.

Lease Costs: The base rent for the initial term of the agreement is approximately \$8,039,503, which includes a component for a tenant allowance for leasehold improvements and estimated additional rent for operating expenses. Rent for each renewal period will be 95% of then-current market rental rates.

Source of Funds: Hospital patient income

79. Lease - U. T. M. D. Anderson Cancer Center: Authorization to extend and expand the lease of space from Houston Medical Center, Inc., for surgery clinic use

Description: Extension of lease term and expansion of premises at 6655 Travis Street, Houston, Texas, for use as a surgery clinic. U. T. M. D. Anderson Cancer Center currently leases 952 square feet of the premises from Houston Medical Center, Inc. and subleases 6,446 square feet of the premises from U. T. Health Science Center - Houston. With this amendment, U. T. M. D. Anderson Cancer Center will lease the entire 7,398 square feet directly from Houston Medical Center, Inc. The amendment also adds the option of one five-year renewal.

Lessor: Houston Medical Center, Inc., a Texas corporation

Term: The term will commence on the sooner of (i) the date of termination of the master lease agreement between U. T. Health Science Center - Houston and lessor or (ii) September 1, 2013, and will expire on August 31, 2018; in addition, there is a five-year renewal option.

Lease Costs: Approximately \$1,099,755 in base rent with estimated Consumer Price Index increases over the initial five-year term. Rent for the renewal option period will be the then-fair market value rental for comparable buildings in the Texas Medical Center.

Source of Funds: Hospital patient income

80. Lease - U. T. M. D. Anderson Cancer Center: Authorization to lease space from HRP MAC III, LLC, for oncology clinic use

Description: Lease of approximately 24,000 square feet at 17450 St. Luke's Way, Shenandoah, Texas, for oncology clinic use.

Lessor: HRP MAC III, LLC, a Delaware limited liability company

Term: The term will be for a period of 60 months, with an estimated commencement date of October 2013, and an option to renew for one additional five-year term.

Lease Costs: The base rent for the initial term of the agreement is approximately \$7,779,633, which includes a component for a tenant allowance for leasehold improvements and estimated additional rent for operating expenses. Base rent and estimated additional rent for the five-year renewal option will be approximately \$5,159,512.

Source of Funds: Hospital patient income

81. Lease - U. T. M. D. Anderson Cancer Center: Authorization to sublease space from Memorial Hermann Hospital System for oncology clinic use

Description: Sublease of approximately 6,883 square feet at 925 Gessner Road, Houston, Texas, for oncology clinic use

Lessor: Memorial Hermann Hospital System, a Texas nonprofit corporation

Term: The term will be for a period of 60 months, with an estimated commencement date of June 2013.

Lease Costs: The base rent is approximately \$1,632,386, which includes estimated additional rent for operating expenses throughout the initial term.

Source of Funds: Hospital patient income

82. Lease - U. T. Health Science Center - Tyler: Authorization to lease space to Mentor ABI, LLC, for a licensed assisted living facility providing inpatient post-acute brain injury rehabilitation

Description: Lease of premises at 11937 U.S. Highway 271, Tyler, Texas, for use by lessee as a licensed assisted living facility providing inpatient post-acute brain injury rehabilitation. Lessee initially leased 8,856 square feet and, through three subsequent expansions, now leases 11,877 square feet. Upon commencement of the current expansion, lessee will occupy 24,645 square feet of space. No prior approval by the Board of Regents of this lease was located.

Lessee: Mentor ABI, LLC, a Delaware limited liability company d/b/a NeuroRestorative Texas

Term: The original term commenced on September 1, 2004, and was extended on September 1, 2009, to expire on August 31, 2014; lessee has one five-year extension option remaining that, if exercised, will expire August 31, 2019. The expansion of premises is effective October 1, 2012.

Lease Revenue: Approximately \$1,529,603.38 in base rent and estimated operating expenses from the lease commencement date up to October 1, 2012. Approximately \$3,417,552.50 in base rent and estimated operating expenses from October 1, 2012 through August 31, 2019. Base rent is \$14 per square foot per year; current

operating expenses are estimated to be \$5.52 per square foot per year. U. T. Health Science Center - Tyler initially contributed \$37,500 towards renovation costs for the premises and will contribute an additional \$28,000.00 towards renovation costs for improvements to the expansion premises, to be paid from patient revenue.

83. Contract (funds coming in) - U. T. Health Science Center - Tyler: NeuroRestorative Specialty Centers Fifth Amendment to Master Affiliation Agreement to renew term for the University to provide certain health care services to NeuroRestorative patients and staff

Agency: NeuroRestorative Specialty Centers

Funds: \$2,380,000

Period: September 1, 2012 through August 31, 2013

Description: Fifth Amendment to Master Affiliation Agreement for support services for NeuroRestorative's traumatic brain injury program to renew term for one additional year for the University to provide certain health care services (dietary/nutrition such as meals, housekeeping, pharmacy, etc.) to NeuroRestorative patients and staff

84. Contract (funds coming in) - U. T. Health Science Center - Tyler: Interagency Cooperation Contract between Department of State Health Services (DSHS) and U. T. Health Science Center - Tyler to care for patients of DSHS' Rusk State Hospital

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

Funds: \$5,529,750, calculated at \$505/bed/day for 30 beds for a period of 365 days

Period: January 1, 2014 through December 31, 2014

Description: Rusk State Hospital will operate a residential care unit at U. T. Health Science Center - Tyler as a satellite site for Rusk patients; U. T. Health Science Center - Tyler will provide comprehensive support services to care for patients.

85. Contract (funds going out) - U. T. Health Science Center - Tyler: Dmac Rucker, LLC dba Rucker & Co., for branding and advertising agreement

Agency: Dmac Rucker, LLC dba Rucker & Co.

Funds: \$3,010,000 for initial and renewal periods

Source of Funds: Local revenues

Period: December 1, 2012 through November 30, 2015

Description: Provide comprehensive branding and advertising service to include, but not limited to: logo research and development; brand standards development and documentation; marketing plan and timeline; ad campaign planning and execution; advertising creative and production for print, broadcast, digital, outdoor, collateral, and interactive media; copywriting; media planning and buying; and collateral creative and production digital services

86. Lease - U. T. Health Science Center - Tyler: Authorization to lease space from Genecov DMLT, Ltd., for a multiuse clinic

Description: Lease of approximately 25,944 square feet at 2235 West Gentry Parkway, Tyler, Texas, to be used as a multiuse clinic, educational/meeting space and general/medical offices. The space is a former retail space currently in shell condition and will require significant infrastructure and tenant improvements to modify the space for use as a clinic.

Lessor: Genecov DMLT Ltd., a Texas limited partnership

Term: The term commences five days after the lease is fully signed; rent commences on the earlier of 180 days after lease execution or the date the U. T. Health Science Center - Tyler clinic opens for business and continues for 10 years, plus one 10-year renewal option.

Lease Costs: Approximately \$1,490,976.07 in base rent and estimated operating expenses over the initial 10-year term. Base rent starts at \$3.75 per square foot; base rent increases to \$4.50 per square foot upon the sixth anniversary. Rent for the renewal option period will be \$5.00 per square foot for Years one through five and \$5.50 per square foot for Years six through 10. Total renovation costs are approximately \$3.1 million. U. T. Health Science Center - Tyler will pay for all improvements to the premises.

Source of Funds: Hospital revenue and grants