

Meeting No. 1,014

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

Pages 1 - 110

February 7-8, 2007

Austin, Texas

TABLE OF CONTENTS
 THE MINUTES OF THE BOARD OF REGENTS
 OF
 THE UNIVERSITY OF TEXAS SYSTEM
 FEBRUARY 7-8, 2007
 AUSTIN, TEXAS

MEETING NO. 1,014

	<u>Page No.</u>
<u>February 7, 2007</u>	
I. ATTENDANCE	1
II. MR. RANDAL MATTHEW CAMARILLO APPOINTED STUDENT REGENT	1
III. RECESS TO EXECUTIVE SESSION	1
IV. RECONVENE IN OPEN SESSION	2
1a. U. T. Tyler: Authorization to acquire approximately 21.38 acres of land and improvements located at 3402 Old Omen Road, Tyler, Smith County, Texas, from Tyler Area Senior Citizens Association, Inc. (TASCA), a Texas corporation, for a purchase price not to exceed fair market value as supported by independent appraisals, for relocation and expansion of the nursing program; modification of the 2006-2011 Capital Improvement Program to delete the expansion of the David G. and Jacqueline M. Braithwaite Building at U. T. Tyler; and reallocation of \$2.16 million in Permanent University Fund (PUF) Bond Proceeds from the expansion of the Braithwaite Building to fund a portion of the purchase price	2
1b. U. T. Tyler: Authorization to purchase approximately 12.624 acres of vacant land located along the east line of Old Omen Road in Tyler, Texas, legally described as Lot 8-B, New City Block 1444, The Cambridge at Tyler, William Keys Survey, Abstract 526, Tyler, Smith County, Texas, from APSHV Investment Partners II, LP, a Texas limited partnership, for a purchase price not to exceed fair market value as established by independent appraisals for recreational and parking facilities initially and for future programmed development of campus expansion	3

2a.	U. T. M. D. Anderson Cancer Center: Approval to conclude negotiations concerning a gift to M. D. Anderson Services Corporation to establish an endowment to benefit The University of Texas M. D. Anderson Cancer Center with potential naming features	4
2b.	U. T. Austin: Discussion regarding a proposed negotiated gift with a potential naming feature	4
3a.	U. T. System Board of Regents: Discussion of legal issues regarding amendments to the Regents' <i>Rules and Regulations</i> , Series 90101, 90102, 90103, 90104, and 90105, concerning intellectual property, and Series 10501, Section 4.3, related to delegation to execute intellectual property documents	4
3b.	U. T. System Board of Regents: Discussion of legal issues regarding a proposed amended and restated Declaration of Trust with Texas Student Publications (Texas Student Media) at U. T. Austin	4
3c.	U. T. System Board of Regents: Discussion of legal issues related to possible affiliation agreement between U. T. Austin and Seton Healthcare Network	4
3d.	U. T. System Board of Regents: Discussion with Counsel on pending legal issues	5
4a.	U. T. Medical Branch - Galveston: Discussion of individual personnel matters related to presidential search	5
4b.	U. T. System: Consideration of individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents, U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board of Regents, and Director of Audits), and U. T. System employees	5
V.	RECESS	5
<u>February 8, 2007</u>		
I.	ATTENDANCE	6
II.	CONGRATULATIONS TO THE UNIVERSITY OF TEXAS AT ARLINGTON MOVIN' MAVS	6

III.	APPRECIATION TO REGENT BRIAN HALEY	6
IV.	PUBLIC BROADCASTING SERVICE (PBS) SERIES TITLED THE <i>STATE OF TOMORROW™</i>	6
V.	U. T. SYSTEM BOARD OF REGENTS: APPROVAL OF MINUTES	7
VI.	AGENDA ITEMS	7
1.	U. T. System Board of Regents: Reappointment of Mr. Clint D. Carlson to the Board of Directors of The University of Texas Investment Management Company (UTIMCO)	7
2.	U. T. System Board of Regents: Update on status of search for the President, Chief Executive Officer, and Chief Investment Officer for The University of Texas Investment Management Company (UTIMCO)	7
3.	U. T. System Board of Regents: Adoption of Regents' <i>Rules and Regulations</i> , Series 20901, related to the procurement of certain goods and services	8
4.	U. T. System Board of Regents: Amendments to the Regents' <i>Rules and Regulations</i> , Series 90101, 90102, 90103, 90104, and 90105, concerning intellectual property, and Series 10501, Section 4.3, related to delegation to execute intellectual property documents	10
5.	U. T. System Board of Regents: Approval of an amended and restated Declaration of Trust between the Board and Texas Student Publications (to be renamed Texas Student Media) at U. T. Austin	25
6.	U. T. System Board of Regents: Chancellor's Quarterly Update	45
7.	U. T. System: Update on implementation of the U. T. System Strategic Plan	45
8.	U. T. System: Acceptance of the Accountability and Performance Report for 2006-2007	45
9.	U. T. System Board of Regents: Legislative Update for the 80th Legislative Session	45

10.	U. T. System: Report on The University of Texas System Borderplex technology-transfer shared services initiative	46
11.	U. T. System: Report on Public Health and Wellness	48
VII.	RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD	49
A.	REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE	50
1.	U. T. Austin: Authorization to establish M.A. and Ph.D. degree programs in Italian Studies	50
2.	U. T. El Paso: Authorization to establish a Ph.D. degree program in Teaching, Learning and Culture	51
3.	U. T. San Antonio: Authorization to establish a Ph.D. degree program in Interdisciplinary Learning and Teaching	52
4.	U. T. Tyler: Authorization to establish a Ph.D. degree program in Human Resource Development	53
5.	U. T. Permian Basin: Approval to name streets on the U. T. Permian Basin campus	54
6.	U. T. Arlington: Authorization to lease approximately 1.12 acres of land and improvements located at 202 East Border Street, Arlington, Tarrant County, Texas, to the Arlington Business Accelerator, LLC, a Texas limited liability company, for use as a technology transfer and business incubator operated by the tenant; authorization to sublease back from the Arlington Business Accelerator, LLC, 9,421 square feet of space in the improvements for the U. T. Arlington Office of Grants and Contracts; and finding of public purpose	55
7.	U. T. Arlington: Authorization to ground lease approximately 0.654 of an acre located at 1115 Greek Row Drive, Arlington, Tarrant County, Texas, to Arlington Delta Upsilon Foundation for a term of 30 years with two 10-year renewal options for construction and operation of a fraternity house; and finding of public purpose	57

8.	U. T. System: Adoption of an extension program fee for the Bill Archer Center, Washington, D.C.	59
9.	U. T. System: Report from academic presidents, Interim Executive Vice Chancellor Malandra, and Academic Affairs Committee members on graduation rates (Committee Meeting only)	66
10.	U. T. System Board of Regents: Update regarding admissions policies of U. T. System academic institutions (Committee Meeting only)	66
B.	REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE	67
1.	U. T. System: 2007 Office of Facilities Planning and Construction Strategic Initiatives (Committee Meeting only)	67
2.	U. T. System: Consideration of possible designation of the University Bookstore project at U. T. El Paso as architecturally or historically significant and selection of Pelli Clark Pelli with Susman Tisdale Gayle Architects for the Dell Computer Science Hall project at U. T. Austin	67
3.	U. T. Arlington: Engineering Lab Building Addition - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to include project	67
4.	U. T. Austin: Center for Physical Culture and Sports - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to include project at Darrell K Royal - Texas Memorial Stadium North End Zone; approval of total project cost; appropriation of funds and authorization of expenditure; and approval of naming as the H. J. Lutcher Stark Center for Physical Culture and Sports	68
5.	U. T. Austin: 1616 Guadalupe Regional Data Center Study - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to include project; appropriation of funds and authorization of expenditure; and authorization of institutional management	69

6.	U. T. Dallas: Major Renovation and Repair Projects - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to include project; authorization of institutional management; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	70
7.	U. T. El Paso: University Bookstore - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to include project	71
8.	U. T. San Antonio: Expansion to Parking Lot 12 - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to include project; authorization of institutional management; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	72
9.	U. T. Health Center - Tyler: Campus Electrical Distribution System Upgrade and Expansion - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to include project; approval of total project cost; approval of transfer of funds and authorization of expenditure; authorization of institutional management; and reduction of total project cost for Biomedical Research Wing Addition	73
10.	U. T. Austin: Chilling Station Replacement - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost; approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	75
11.	U. T. Pan American: Student Health Clinic - Approval of design development; approval to revise funding source; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt	76

12. U. T. Austin: Experimental Science Building - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to combine projects; approval of total project cost; approval to revise funding sources; approval to redesignate the project as Experimental Science Building/Vivarium/Phase I - Robert A. Welch Hall; and approval to reduce the total project cost for the Robert A. Welch project and redesignate as Phase 2 - Robert A. Welch Hall 78
13. U. T. Permian Basin: Science and Technology Complex - Appropriation of funds and authorization of expenditure for renovation portion of the project and resolution regarding parity debt 80
14. U. T. San Antonio: Engineering Building, Phase II - Appropriation of funds and authorization of expenditure and resolution regarding parity debt 82
15. U. T. Tyler: Completion/Renovation/Expansion of the Engineering, Science and Technology Building - Appropriation of funds and authorization of expenditure; authorization of partial institutional management; and resolution regarding parity debt 83
16. U. T. Health Science Center - Houston: Expansion of RAHC Public Health Satellite - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase the total project cost and appropriation of funds and authorization of expenditure 85
17. U. T. Health Science Center - San Antonio: Cyclotron Addition - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost; approval to revise funding sources; appropriation of funds and authorization of expenditure; and resolution regarding parity debt 86
18. U. T. M. D. Anderson Cancer Center: Bastrop Facility Strategic Plan - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost and appropriation of funds and authorization of expenditure 88

C.	REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE	90
1.	U. T. Southwestern Medical Center - Dallas: Approval of revised Mission Statement	90
2.	U. T. Southwestern Medical Center - Dallas: Authorization to purchase approximately 1.549 acres improved with a building located at 5641 Medical Center Drive, Dallas, Dallas County, Texas, from Ronald McDonald House of Dallas Family Assistance Foundation, a Texas nonprofit corporation, for a purchase price of \$3.2 million, for future use as the site for the main entrance to the U. T. Southwestern University Hospital - St. Paul campus; authorization to lease back the property to Ronald McDonald House of Dallas Family Assistance Foundation for a term not to exceed three years; finding of public purpose; and resolution regarding parity debt	90
3.	U. T. Southwestern Medical Center - Dallas: Authorization to purchase approximately 0.651 of an acre improved with a building located at 1942 Chattanooga Place, Dallas, Dallas County, Texas, from Ronald McDonald House of Dallas Family Assistance Foundation, a Texas nonprofit corporation, for a purchase price of \$810,000 for future expansion of U. T. Southwestern University Hospitals; and resolution regarding parity debt	92
4.	U. T. M. D. Anderson Cancer Center: Authorization to purchase approximately 28.8008 acres of unimproved real property located at the southeast corner of Corder Street and the I. & G.N.R.R. Co. railway line, Houston, Harris County, Texas, and undivided interests in Lots 3 and 4, Block 38, Institute Place Subdivision, Lot 7, Block 11, Institute Place Subdivision, and Lot 2, Block 23, Institute Place Subdivision, Houston, Harris County, Texas, from Institute Place Partners, Ltd., a Texas limited partnership, for a purchase price not to exceed fair market value as established by independent appraisals for future use as a location for buildings for campus administrative and support functions	94

5.	U. T. M. D. Anderson Cancer Center: Authorization to purchase approximately 2.2497 acres described as Blocks 24 and 25, Institute Place Subdivision, Houston, Harris County, Texas, and improvements located thereon from Hepburn Estates, L.P., a Texas limited partnership, for a purchase price not to exceed fair market value as established by independent appraisals for future use as a location for buildings for campus administrative and support functions	95
6.	U. T. System: Quarterly report on health issues by Executive Vice Chancellor Shine (Committee Meeting only)	96
7.	U. T. Southwestern Medical Center - Dallas: Presentation on approaches to research facilities (Committee Meeting only)	96
D.	REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE	97
1.	U. T. System: Discussion and appropriate action related to approval of <i>Docket No. 129</i>	97
2.	U. T. System: Report on the Analysis of Financial Condition for Fiscal Year 2006 (Committee Meeting only)	97
3.	U. T. System: Key Financial Indicators Report and Monthly Financial Report (Committee Meeting only)	97
4.	U. T. System Board of Regents: Adoption of Seventeenth Supplemental Resolution authorizing Revenue Financing System Bonds in an amount not to exceed \$500,000,000; authorization to complete all related transactions; and resolution regarding parity debt	98
5.	U. T. System: Approval of additional aggregate amount of \$18,160,000 of Revenue Financing System Equipment Financing for Fiscal Year 2007 and resolution regarding parity debt	100
6.	U. T. System Board of Regents: Investment Reports for the fiscal quarter ended November 30, 2006, and The University of Texas Investment Management Company (UTIMCO) Performance Summary Report	102

7.	U. T. System: Report on the Fiscal Year 2006 Annual Financial Report including the report on the U. T. System Financial Statement Audit performed by Deloitte & Touche LLP (Committee Meeting only)	107a
E.	REPORT AND RECOMMENDATIONS OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE	108
1.	U. T. System: Report on the Fiscal Year 2006 Annual Financial Report including the report on the U. T. System Financial Statement Audit performed by Deloitte & Touche LLP (Committee Meeting only)	108
2.	U. T. System: Approval to renew the contract with Ernst & Young, LLP, as the external auditor for the 2007 audit of funds managed by The University of Texas Investment Management Company (UTIMCO) and to negotiate for additional audit services related to UTIMCO	108
3.	U. T. System: Report on System-wide Information Security (Committee Meeting only)	109
4.	U. T. System: Report on System-wide Internal Audit Activity (Committee Meeting only)	109
5.	U. T. System: Report on System-wide Institutional Compliance Activities (Committee Meeting only)	109
VIII.	RECONVENE BOARD OF REGENTS AS COMMITTEE OF THE WHOLE	110
IX.	SCHEDULED MEETING	110
X.	ADJOURNMENT	110

MEETING NO. 1,014

WEDNESDAY, FEBRUARY 7, 2007.--The members of the Board of Regents of The University of Texas System convened at 3:30 p.m. on Wednesday, February 7, 2007, in the Board Meeting Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Huffines, presiding
Vice Chairman Clements
Vice Chairman Krier
Regent Barnhill
Regent Caven
Regent Haley*
Regent McHugh
Regent Rowling

Absent

Regent Craven
Regent Estrada

General Counsel to the Board Frederick

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

MR. RANDAL MATTHEW CAMARILLO APPOINTED STUDENT REGENT.--

Chairman Huffines announced Governor Perry had appointed Mr. Randal Matthew Camarillo as Student Regent on February 5, 2007. Mr. Camarillo is a third-year medical student at The University of Texas Health Science Center at Houston. He was unable to attend the meetings on February 7-8, 2007, and had asked Regent Haley* to continue to serve as Student Regent for this meeting.

RECESS TO EXECUTIVE SESSION.--At 3:32 p.m., Chairman Huffines announced the Board would recess to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073, and 551.074 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--At 5:30 p.m., the Board reconvened in open session and took the following actions on matters discussed in Executive Session.

- 1a. U. T. Tyler: Authorization to acquire approximately 21.38 acres of land and improvements located at 3402 Old Omen Road, Tyler, Smith County, Texas, from Tyler Area Senior Citizens Association, Inc. (TASCA), a Texas corporation, for a purchase price not to exceed fair market value as supported by independent appraisals, for relocation and expansion of the nursing program; modification of the 2006-2011 Capital Improvement Program to delete the expansion of the David G. and Jacqueline M. Braithwaite Building at U. T. Tyler; and reallocation of \$2.16 million in Permanent University Fund (PUF) Bond Proceeds from the expansion of the Braithwaite Building to fund a portion of the purchase price

Vice Chairman Krier moved The University of Texas System Board of Regents take the following actions on behalf of The University of Texas at Tyler:

- a. authorize the purchase of approximately 21.38 acres of land and improvements located at 3402 Old Omen Road, Tyler, Smith County, Texas, from the Tyler Area Senior Citizens Association, Inc. (TASCA), a Texas corporation, for a purchase price not to exceed fair market value as supported by independent appraisals, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition of the property as deemed necessary or advisable by the Executive Director of Real Estate, for relocation and expansion of the nursing program; and
- b. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the foregoing actions within the parameters outlined in Executive Session.

Vice Chairman Krier said the Board is also posted to vote on additional actions related to this purchase and she further moved that

- c. the 2006-2011 Capital Improvement Program (CIP) be modified to delete the expansion of the David G. and Jacqueline M. Braithwaite Building at U. T. Tyler; and
- d. \$2.16 million in Permanent University Fund (PUF) Bond Proceeds be reallocated from the expansion of the Braithwaite Building to fund a portion of the purchase price of the subject property.

The motion was seconded by Regent Barnhill and carried by acclamation.

- 1b. U. T. Tyler: Authorization to purchase approximately 12.624 acres of vacant land located along the east line of Old Omen Road in Tyler, Texas, legally described as Lot 8-B, New City Block 1444, The Cambridge at Tyler, William Keys Survey, Abstract 526, Tyler, Smith County, Texas, from APSHV Investment Partners II, LP, a Texas limited partnership, for a purchase price not to exceed fair market value as established by independent appraisals for recreational and parking facilities initially and for future programmed development of campus expansion

Upon motion by Vice Chairman Krier, seconded by Regent Caven, the following actions were taken on behalf of The University of Texas at Tyler:

- a. authorize the purchase of approximately 12.624 acres of vacant land located along the east line of Old Omen Road in Tyler, Texas, legally described as Lot 8-B, New City Block 1444, The Cambridge at Tyler, William Keys Survey, Abstract 526, Tyler, Smith County, Texas, from APSHV Investment Partners II, LP, a Texas limited partnership, for a purchase price not to exceed fair market value as established by independent appraisals, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition of the property as deemed necessary or advisable by the Executive Director of Real Estate, for recreational and parking facilities initially and for future programmed development of campus expansion; and
- b. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the foregoing actions within the parameters outlined in Executive Session.

The motion carried unanimously.

Note from the General Counsel to the Board: A technical correction is made with respect to the identity of the seller. The corrected name of the seller is APSHV Investment Partners II, LP, a Texas limited partnership. The seller was initially identified as Asset Plus Realty Corporation. Both Asset Plus Realty Corporation and APSHV Investment Partners II, LP, are affiliates of Asset Plus Corporation and both affiliates are owned by the same principals. It has been confirmed that the correct entity holding title to the land is APSHV Investment Partners II, LP.

- 2a. U. T. M. D. Anderson Cancer Center: Approval to conclude negotiations concerning a gift to M. D. Anderson Services Corporation to establish an endowment to benefit The University of Texas M. D. Anderson Cancer Center with potential naming features

Vice Chairman Clements moved that the Board of Regents authorize President Mendelsohn and Vice Chancellor Safady to conclude negotiations concerning a gift to M. D. Anderson Services Corporation to establish an endowment to benefit The University of Texas M. D. Anderson Cancer Center with potential naming opportunities consistent with the terms outlined in Executive Session.

The motion was seconded by Regent McHugh and carried by acclamation.

- 2b. U. T. Austin: Discussion regarding a proposed negotiated gift with a potential naming feature

No action was taken on this item that was posted with the Secretary of State for discussion after Agenda materials were mailed.

- 3a. U. T. System Board of Regents: Discussion of legal issues regarding amendments to the Regents' *Rules and Regulations*, Series 90101, 90102, 90103, 90104, and 90105, concerning intellectual property, and Series 10501, Section 4.3, related to delegation to execute intellectual property documents

See Item 4 on Page 10 regarding action taken in Open Session.

- 3b. U. T. System Board of Regents: Discussion of legal issues regarding a proposed amended and restated Declaration of Trust with Texas Student Publications (Texas Student Media) at U. T. Austin

See Item 5 on Page 25 regarding action taken in Open Session.

- 3c. U. T. System Board of Regents: Discussion of legal issues related to possible affiliation agreement between U. T. Austin and Seton Healthcare Network

No action was taken on this item.

- 3d. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

- 4a. U. T. Medical Branch - Galveston: Discussion of individual personnel matters related to presidential search

No action was taken on this item.

- 4b. U. T. System: Consideration of individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents, U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board of Regents, and Director of Audits), and U. T. System employees

No action was taken related to general personnel matters.

RECESS.--At 5:35 p.m., Chairman Huffines announced the Board would recess for the meeting of the Student, Faculty, and Staff Campus Life Committee at 9:00 a.m. on February 8.

THURSDAY, FEBRUARY 8, 2007.--The members of the Board of Regents of The University of Texas System reconvened at 10:05 a.m. on Thursday, February 8, 2007, in the Board Meeting Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present
Chairman Huffines, presiding
Vice Chairman Clements
Vice Chairman Krier
Regent Barnhill
Regent Caven
Regent Estrada
Regent Haley
Regent McHugh
Regent Rowling

Absent
Regent Craven

General Counsel to the Board Frederick

Chairman Huffines announced a quorum present and called the meeting to order.

CONGRATULATIONS TO THE UNIVERSITY OF TEXAS AT ARLINGTON MOVIN' MAVS.--Prior to the meeting, members of The University of Texas at Arlington Wheelchair Basketball Team, the Movin' Mavs, were greeted informally by members of the Board and congratulated on their recent national championship win.

APPRECIATION TO REGENT BRIAN HALEY.--Chairman Huffines commended Regent Brian Haley for fully and capably discharging his responsibilities as the first Student Regent of The University of Texas System, and for setting the bar for Student Regent interest and effectiveness so high. Regent Haley served a one-year term on the Board of Regents. (See Page 1 for appointment of Regent Camarillo to replace Regent Haley.)

Chairman Huffines then presented Regent Haley with a group photo of the Board and said a framed certificate of appreciation would be delivered to him.

PUBLIC BROADCASTING SERVICE (PBS) SERIES TITLED THE *STATE OF TOMORROW*TM.--Chairman Huffines reported on the upcoming Public Broadcasting Service (PBS) series titled the *State of Tomorrow*TM that is premiering this month. The documentary examines how public higher education innovators are pursuing solutions to Texas' biggest challenges -- public health, homeland security, energy, economic development, environmental quality, and education. Faculty from the Texas A&M, Texas State, Texas Tech, University of Houston, University of North

Texas, and The University of Texas university systems are featured in the series, representing a collaboration among Texas' public higher education groups that is thought to be unprecedented. Funds for the project (\$750,000) were raised by The University of Texas System Office of External Relations.

U. T. SYSTEM BOARD OF REGENTS: APPROVAL OF MINUTES.--The Minutes of the regular meetings of the Board of Regents of The University of Texas System held on November 15-16, 2006, in Austin, Texas, and December 7-8, 2006, in Dallas, Texas, were approved as prepared by the General Counsel to the Board of Regents. The official copy is recorded in the *Permanent Minutes*, Volume LIV, Pages 24 - 231.

The Board also approved the Minutes of the special meeting of the Board of Regents of the U. T. System held on January 11, 2007, in Austin, Texas, as prepared by the General Counsel to the Board of Regents. The official copy is recorded in the *Permanent Minutes*, Volume LIV, Pages 232 - 234.

AGENDA ITEMS

1. U. T. System Board of Regents: Reappointment of Mr. Clint D. Carlson to the Board of Directors of The University of Texas Investment Management Company (UTIMCO)

Mr. Clint D. Carlson, Dallas, Texas, was reappointed to The University of Texas Investment Management Company (UTIMCO) Board of Directors for a term to expire April 1, 2010.

Section 66.08 of the *Texas Government Code* requires that The University of Texas System Board of Regents appoint all members of the Board of Directors of UTIMCO. Mr. Carlson was appointed to the UTIMCO Board of Directors on September 28, 2004, for a term ending on April 1, 2007. This is a public/external representative and is not an "affiliated Director" position.

Mr. Carlson is President and Chief Investment Officer of Carlson Capital, L.P., the investment advisor of the Black Diamond group of hedge funds.

2. U. T. System Board of Regents: Update on status of search for the President, Chief Executive Officer, and Chief Investment Officer for The University of Texas Investment Management Company (UTIMCO)

Regent Caven, Chairman of The University of Texas Investment Management Company (UTIMCO) Board of Directors, updated the Board on the status of the search for the chief executive officer for UTIMCO, saying the advisory committee has met, and candidates had been identified and were scheduled for interviews.

3. U. T. System Board of Regents: Adoption of Regents' Rules and Regulations, Series 20901, related to the procurement of certain goods and services

Chairman Huffines said a revised Rule related to the procurement of certain goods and services was before the Board on yellow paper. The Board then adopted Series 20901 as set forth on Page 9 for addition to the Regents' *Rules and Regulations*.

Article XVI, Section 21 of the Texas Constitution requires that certain goods and services, including printing and natural gas, be performed under contract awarded to the lowest responsible bidder "under such regulations as shall be prescribed by law." According to longstanding Texas law, rules adopted by the Board of Regents have the force and effect of law. On June 16, 2006, the Texas Attorney General issued Opinion No. GA-0438 confirming that the Board of Regents may, consistent with Section 21, adopt rules having the force and effect of law that limit Section 21 and exclude certain purchases from the competitive procurement requirement of Section 21.

In compliance with Section 21 and in the absence of applicable regulations prescribed by law, University of Texas System institutions currently procure goods and services covered by Section 21 through the competitive bidding process. The exclusive use of competitive bidding for Section 21 goods and services has led to certain inefficiencies because Sections 51.9335, 73.115, and 74.008, *Texas Education Code*, authorize U. T. institutions to procure most other goods and services through the method that provides best value to the institution, including competitive bidding, competitive sealed proposals, a catalog purchase, a group purchase program, or an open market contract.

This Rule will have the force and effect of law and make the procurement practices applicable to the goods and services covered by Section 21 consistent with the procurement practices applicable to most other goods and services.

1. Title

Procurement of Certain Goods and Services

2. Rule and Regulation

Sec. 1 Establishment of Procedures. Each institution and System Administration may acquire goods and services covered by Texas Constitution Article XVI, Section 21 (including but not limited to stationery, printing, and fuel) from institutional departments or purchase the goods and services from external sources. If the goods or services are purchased from external sources, the goods and services shall be purchased as follows:

- 1.1 using the method that provides the best value to the institution or System Administration including competitive bidding, competitive sealed proposals, a catalog purchase, a group purchase program, or an open market contract; and
- 1.2 in accordance with (a) the requirements of *Texas Education Code* Sections 51.9335, 73.115, or 74.008, as applicable, (b) the Regents' *Rules and Regulations*, (c) the U. T. System *Administrative Rules*, and (d) the policies and procedures of the institution or System Administration.

Sec. 2 Competitive Procurement. If an institution or System Administration wishes to purchase goods or services covered by Texas Constitution Article XVI, Section 21 from external sources, the purchase must utilize a competitive procurement method unless another procurement method is authorized by law. All procurements must comply with all applicable procurement policies including any applicable dollar limits.

3. Definitions

Fuel – for purposes of this Series, means anything consumed to produce energy including coal, natural gas, oil, diesel fuel, gasoline, and propane.

4. U. T. System Board of Regents: Amendments to the Regents' *Rules and Regulations*, Series 90101, 90102, 90103, 90104, and 90105, concerning intellectual property, and Series 10501, Section 4.3, related to delegation to execute intellectual property documents

The Board amended the Regents' *Rules and Regulations*, Series 90101, 90102, 90103, 90104, and 90105, concerning intellectual property, and Series 10501, Section 4.3, concerning delegation to act on behalf of the Board of Regents, to read as set forth on Pages 12 - 24.

These revised Rules clarify The University of Texas System's support and encouragement of technology transfer initiatives and provide greater certainty regarding the process for and ownership of intellectual property that is to be commercialized. One major substantive change replaces "area of expertise for which the individual was hired" with "course and scope of employment." This language appears numerous times throughout Series 90101 and Series 90102 in the context of determining when the Board of Regents owns certain intellectual property. In practice, "area of expertise for which the individual was hired" is overly broad and could be interpreted to work against U. T. System's technology transfer initiatives.

Additional revisions promote and encourage technology transfer within the U. T. System. For example, an amendment to Series 90102, Section 2.2 reduces the number of days an institution has before it must notify an inventor/creator of the institution's election not to assert U. T. System's ownership interest in intellectual property. Series 90102, Section 2.5 allows an institution to adjust its allocation of royalties from 50% to creators and 50% to U. T. System to some other proportion with prior approval by the Board of Regents, but does not mandate approval as an Agenda Item as was previously required.

Other revisions relate to the delegation of signature authority. Series 90105, Section 3 adds the Vice Chancellor for Research and Technology Transfer to the list of individuals who may execute legal documents relating to intellectual property and authorizes an institution's president to execute corporate documents related to the formation of new companies after appropriate review and approval. Series 10501, Section 4.3, dealing with contracts not requiring Board of Regents approval, is revised to cross-reference delegation of signature authority added to Series 90105.

Several nonsubstantive revisions clarify the Rules concerning intellectual property. Amendment of Series 90101, Section 7 clarifies the inventor's role in commercializing the technology created. Also, Series 90102, Section 2.1 requires an institution to communicate regularly with the creator during the decision-making process.

The allocation of royalties to the creators as set forth in Series 90102, Section 2.5 is currently under review by U. T. System staff, and appropriate recommendations will be made in the future.

1. Title

Rules for Intellectual Property: Purpose, Scope, Authority

2. Rule and Regulation

- Sec. 1 Purpose. To balance the interests of the many contributors to the substantial creation of intellectual property at and by U. T. System, the Board of Regents promulgates these rules on intellectual property with the purpose to (a) provide certainty in research pursuits and technology-based relationships with third parties; (b) create an optimal environment for research, development, and commercialization opportunities with private industry; and (c) encourage the timely and efficient protection and management of intellectual property.
- Sec. 2 Individuals Subject to this Policy. This intellectual property policy applies (a) to all persons employed by the U. T. System or any of its institutions including, but not limited to, full and part-time faculty and staff and visiting faculty members and researchers, and (b) to anyone using the facilities or resources of the U. T. System or any of its institutions, including, but not limited to, students enrolled at a U. T. System institution whether undergraduate or master's and doctoral degrees, and postdoctoral and predoctoral fellows. All individuals subject to this policy must assign their rights in intellectual property included under this policy (see Section 3 below) in accordance with the provisions of Series 90102.
- Sec. 3 Intellectual Property Included. Except as set forth in Sections 4 and 5 below and Series 90102 of the Regents' *Rules and Regulations*, this policy applies to all types of intellectual property, including, but not limited to, any invention, discovery, creation, know-how, trade secret, technology, scientific or technological development, research data, works of authorship, and computer software regardless of whether subject to protection under patent, trademark, copyright, or other laws.
- Sec. 4 Interest in Certain Copyrights. Notwithstanding Section 3 above, the Board of Regents will not assert its interest in the copyright of scholarly or educational materials, artworks, musical compositions,

and literary works related to the author's academic or professional field, regardless of the medium of expression. This applies to works authored by students, professionals, faculty, and nonfaculty researchers. The Board of Regents encourages these creators to manage their copyrights in accordance with the guidelines concerning management and marketing of copyrighted works (<http://www.utsystem.edu/ogc/intellectualproperty/COPYMGT.HTM>) consistent with applicable institutional policies.

- Sec. 5 Copyright Interest in Certain Software. The Board of Regents asserts ownership in software; however, copyrights in original software that is content covered by Section 4 above or that is integral to the presentation of such content shall be owned by the creator in accordance with Section 4 above.
- Sec. 6 Works for Hire and Institutional Projects. Notwithstanding the provisions of Sections 4 and 5 above, the Board of Regents shall have sole ownership of all intellectual property created by (a) an employee, student, or other individual commissioned, required, or hired specifically to produce such intellectual property by the U. T. System or any of its institutions and (b) an employee or student as part of an institutional project. Except as may be provided otherwise in a written agreement approved by the institution or U. T. System, the provisions of the Regents' *Rules and Regulations*, Series 90102, Number 2, Section 2.5 relating to division of royalties shall not apply to intellectual property owned solely by the Board of Regents pursuant to this Section.
- Sec. 7 Role of Creator. Any person subject to this policy who creates intellectual property (other than a work for hire under Section 6 above or on government or other sponsored research projects where the grant agreements provide otherwise), may give reasonable input on commercialization of inventions; provided however, that the president(s) of the applicable institution(s), or his or her designee(s), in his or her sole discretion, will make final decisions, including determinations under Section 5 above, whether and how to develop and commercialize an invention.
- Sec. 8 Use of Facilities and Resources. Neither the facilities nor the resources of the U. T. System or any of its institutions may be used (a) to create, develop, or commercialize intellectual property

outside the course and scope of employment of the individual (see Regents' *Rules and Regulations*, Series 90102, Number 2, Section 1) or (b) to further develop or commercialize intellectual properties that have been released to an inventor (see Regents' *Rules and Regulations*, Series 90102, Number 2, Sections 2.2 and 2.3) except as the institution's president may approve where the U. T. System retains an interest under the terms of the release.

- Sec. 9 Use of Research Data. Research data or results created by an employee are owned by the Board of Regents and, except to the extent that rights to such research data have not been contractually assigned or licensed to another, the creator shall have a nonexclusive license to use such data for nonprofit educational, research, and scholarly purposes within the scope of the employee's employment, subject to adherence to other provisions of this policy.

1. Title

Intellectual Property Rights and Obligations

2. Rule and Regulation

Sec. 1 Intellectual Property Owned by the Creator. Intellectual property developed or created by a U. T. System employee outside the course and scope of employment of the individual which is developed or created on his/her own time and without the support of the U. T. System or any of its institutions or use of their facilities or resources, is the exclusive property of the creator.

Sec. 2 Intellectual Property Owned by U. T. System. Intellectual property either developed within the course and scope of employment of the individual or resulting from activities performed on U. T. System time, or with support of State funds, or from using facilities or resources owned by the U. T. System or any of its institutions (other than incidental use) is owned by the Board of Regents. To effectively implement this rule and provide certainty to individuals subject to this policy, U. T. System institutions may promulgate institutional rules, regulations, or policies defining the course and scope of employment for persons or classes of persons and specifying that authorized (pursuant to existing rules and procedures) outside employment is or is not within an employee's course and scope of employment.

2.1 Determination of U. T. System's Interest. Before intellectual property subject to ownership by the Board of Regents is disclosed to any party outside the U. T. System, to the public generally, or for commercial purposes, and before publishing same, the creator shall submit a reasonably complete and detailed disclosure of such intellectual property to the president of the creator's institution for determination of the U. T. System's interest. The institution will regularly and promptly communicate with the creator during this decision-making process.

2.2 Election Not to Assert Ownership Interest. If the institution's president elects not to assert U. T. System's interest, the U. T. System Office of General Counsel and the primary

creator shall be notified in writing within 20 business days after a decision is made not to assert ownership rights that the institution will offer the released intellectual property to the creator (see Series 90101, Section 8), except where prohibited by law or contractual obligations or requirements. Thereafter, he or she will be free to obtain and exploit a patent or other intellectual property protection in his or her own right and the U. T. System and its institutions shall not have any further rights, obligations, or duties with respect thereto except that, in appropriate circumstances, the institution's president may elect to impose certain limitations or obligations, including, but not limited to, a nonexclusive license for the creator, U. T. System, and any of its institutions to use the released invention for patient care, teaching, scholarly and other academically related purposes, and nonprofit research.

- 2.3 Later Release of Invention. Except where prohibited by law or contractual obligations or requirements, the institution's president may elect to release an invention to its creator at any time after asserting U. T. System's interest, with notice to the U. T. System Office of General Counsel (see Series 90101, Section 8); however, such a release must include provisions for the recovery of patent and licensing expenses, if any, as well as the retention of income rights, and may include certain limitations or obligations, including those set forth in Section 2.2 above.
- 2.4 Protection and Commercialization of Intellectual Property. With respect to intellectual property in which the U. T. System or any of its institutions asserts an interest, the institution's president, or his or her designee, shall decide how, when, and where the intellectual property is to be protected and commercialized. Outside counsel services may be contracted with the prior consent of the U. T. System Vice Chancellor and General Counsel and, if required by law, the approval of the Attorney General. U. T. System shall establish an intellectual property data collection system.

- 2.5 Reimbursement of Licensing Costs and Allocation of Income. In those instances where the U. T. System or any of its institutions licenses rights in intellectual property to third parties, and other than with regard to elections under Section 2.2 above, the costs of licensing, including, but not limited to, the costs to operate and support a technology transfer office and the costs of obtaining a patent or other protection for the property on behalf of the Board of Regents must first be recaptured from any royalties or other license payments received by the U. T. System or any of its institutions. The remainder of any such income (including but not limited to license fees, prepaid royalties, minimum royalties, running royalties, milestone payments, and sublicense payments) shall be divided as follows:

50% to creator(s)
50% to U. T. System.

With the prior approval of the Board and after review by the U. T. System Vice Chancellor and General Counsel, the Vice Chancellor for Research and Technology Transfer, and the appropriate Executive Vice Chancellor, an institution may adjust the allocation of royalties set forth herein for a creator.

- Sec. 3 Intellectual Property Involving Sponsored Research. Intellectual property resulting from research supported by a grant or contract with the federal government, or an agency thereof, with a nonprofit or for-profit nongovernmental entity, or by a private gift or grant to the U. T. System or any of its institutions shall be subject to ownership by the Board of Regents.

- 3.1 Nonconformance with Intellectual Property Guidelines. Administrative approval of such grants and contracts containing provisions inconsistent with this policy or other policies and guidelines adopted by the Board imply a decision that the value to the U. T. System or any of its institutions of receiving the grant or performing the contract outweighs the impact of any nonconforming provisions on the intellectual property policies and guidelines of the U. T. System or any of its institutions (Reference Regents' *Rules and Regulations*, Series 90105, Number 2, Section 2).

- 3.2 **Conflicting Provisions.** The intellectual property policies and guidelines of the U. T. System or any of its institutions are subject to, and thus amended and superseded by, the specific terms pertaining to intellectual property rights included in federal grants and contracts, or grants and contracts with nonprofit and for-profit nongovernmental entities or private donors, to the extent of any conflict.
- 3.3 **Cooperation with Necessary Assignments.** Those persons subject to this policy whose intellectual property creations result from a grant or contract with the federal government, or any agency thereof, with a nonprofit or for-profit nongovernmental entity, or by private gift to the U. T. System or any of its institutions shall make such assignment of such creations and will execute and deliver such documents and instruments as is reasonably necessary in each case in order that the U. T. System or any of its institutions may discharge its obligation, expressed or implied, under the particular agreement.
- 3.4 **Sharing of Royalty Income.** In the event that two or more persons who are entitled to share royalty income pursuant to Number 2, Section 2.5 of this Series (or equity pursuant to Regents' *Rules and Regulations*, Series 90103 concerning equity interests) cannot agree in writing on an appropriate sharing arrangement, that portion of the royalty income to which the creators are entitled will be distributed to them as the institution's president or, in the event that the creators are located at two or more institutions within the U. T. System, the Chancellor may deem appropriate under the circumstances and such decision shall be binding on the creators.
- 3.5 **Geographical Scope of Protection.** A decision by the U. T. System or any of its institutions to seek patent or other available protection for intellectual property covered by Number 2, Section 2 of this Series shall not obligate the U. T. System or any of its institutions to pursue such protection in all national jurisdictions. The U. T. System's decision relating to the geographical scope and duration of such protection shall be final.

1. Title

Equity Interests

2. Rule and Regulation

Sec. 1 Agreements with Business Entities. In agreements with business entities relating to rights in intellectual property owned by the Board of Regents, the U. T. System or any of its institutions may receive equity interests as partial or total compensation for the rights conveyed. In any such instance, the institution where the intellectual property was created may elect, at its option, to share an equity interest, dividend income, or the proceeds of the sale of an equity interest with the creator(s) in the same manner as royalties are shared pursuant to Regents' *Rules and Regulations*, Series 90102, Number 2, Section 2.5. The U. T. System or any of its institutions may also receive equity interests in a business entity as consideration for the institution's role as a founder or cofounder of the business entity, and shall not be obligated to share such equity interests with the creator(s).

Sec. 2 Creator Holding Equity and Managing Conflict of Interest. Employees of the U. T. System or any of its institutions who conceive, create, discover, invent, or develop intellectual property may hold an equity interest in a business entity that has an agreement with the U. T. System or any of its institutions relating to the research, development, licensing, or exploitation of that intellectual property only so long as the institution where the intellectual property was developed is in full compliance with the requirements to have, implement, and enforce for that employee an effective conflict of interest management plan approved by the institution's president as set forth in the U. T. System's *Procedure for Obtaining Approval of Plan to Manage Conflicts of Interest* (<http://www.utsystem.edu/ogc/IntellectualProperty/conflict.htm>). In any case where actual conflict of interest is found, the employee may be required to divest the equity interest or terminate affected research.

Sec. 3 Employee Equity Interests. The U. T. System or any of its institutions may, but shall not be obligated to, negotiate an equity interest on behalf of any employee as a part of an agreement

between the U. T. System or any of its institutions and a business entity relating to intellectual property conceived, created, discovered, invented, or developed by the employee and owned by the Board of Regents.

1. Title

Business Participation and Reporting

2. Rule and Regulation

- Sec. 1 Approval to Serve as Officer or Director. Any employee of the U. T. System or any of its institutions who conceives, creates, discovers, invents, or develops intellectual property may serve, in his/her individual capacity, as a member of the board of directors or other governing board or as an officer or an employee (other than as a consultant) of a business entity that has an agreement with the U. T. System or any of its institutions relating to the research, development, licensing, or exploitation of that intellectual property only so long as the institution where the intellectual property was developed is in full compliance with the requirements to have, implement, and enforce for that employee an effective conflict of interest management plan approved by the institution's president as set forth in the U. T. System's *Procedure for Obtaining Approval of Plan to Manage Conflicts of Interest* (<http://www.utsystem.edu/ogc/IntellectualProperty/conflict.htm>). In any case where actual conflict of interest is found, the employee may be required to terminate the business relationship or the relevant research.
- Sec. 2 Request for Employee to Serve as Officer or Director. When requested by the Board of Regents, an employee may serve on behalf of the Board of Regents as a member of the board of directors or other governing board of a business entity that has an agreement with the U. T. System or any of its institutions relating to the research, development, licensing, or exploitation of intellectual property, but may not accept any consideration offered for service on such board.
- Sec. 3 Report of Equity Interest and Service as Officer or Director. Any employee covered by Regents' *Rules and Regulations*, Series 90103, Number 2, Section 2 concerning conflict of interest and Sections 1 or 2 above must report in writing to the president of the institution the name of any business entity in which the person has an interest or for which the person serves as a director, officer, or employee and shall be responsible for submitting a revised written report upon any change in the interest or position held by such person in such business entity. The Vice Chancellor and

General Counsel will file a report by October 1 of each year with the Board of Regents as required by *Texas Education Code* Section 51.912 and include this information in the annual financial report sent to the State officials listed in *Texas Education Code* Section 51.005.

1. Title

Execution of Legal Documents Related to Intellectual Property

2. Rule and Regulation

Sec. 1 Execution of Agreements. Agreements that grant an interest in Board intellectual property, including but not limited to option and license agreements and contracts with corporate sponsors, may be executed and delivered in accordance with the provisions of the Regents' *Rules and Regulations*, Series 10501, after any required review by the U. T. System Office of General Counsel.

Sec. 2 Agreements That Do Not Conform to the Rules. Any agreement that deviates substantially from the basic intellectual property policy of the U. T. System as set out in the Regents' *Rules and Regulations* may be executed and delivered as set forth in Section 1 above if, in the judgment of the institution's president and after any required review by the U. T. System Office of General Counsel, the benefits from the level of funding for proposed research and/or other consideration from a sponsor, licensee, or other party outweigh any potential disadvantage that may result from the policy deviation.

Sec. 3 Authority to Execute Documents. The Chancellor, the appropriate Executive Vice Chancellor, the Vice Chancellor and General Counsel, or the Vice Chancellor for Research and Technology Transfer may execute, on behalf of the Board of Regents, legal documents relating to the Board's rights in intellectual property, including, but not limited to, applications, declarations, affidavits, powers of attorney, disclaimers, and other such documents relating to patents and copyrights; applications, declarations, affidavits, affidavits of use, powers of attorney, and other such documents relating to trademarks; and corporate documents related to the formation of new companies. In addition, the institution's president may execute, on behalf of the Board, (a) institutional applications for registration or recordation of transfers of ownership and other such documents relating to copyrights and (b) corporate documents related to the formation of new companies if (i) first reviewed and approved by the U. T. System Office of General Counsel or (ii) first reviewed and approved by institution's outside counsel working under a U. T. System Office of General Counsel-approved outside counsel agreement.

1. Title

Delegation to Act on Behalf of the Board

2. Rule and Regulation

...

Sec. 4 Contracts Not Requiring Board Approval. The following contracts or agreements, including purchase orders and vouchers, do not require prior approval by the Board of Regents regardless of the contract amount.

...

4.3 Intellectual Property. Legal documents, contracts, or grant proposals for sponsored research, including institutional support grants, and licenses or other conveyances of intellectual property owned or controlled by the Board of Regents as outlined in Series 90105 of these Rules.

....

5. U. T. System Board of Regents: Approval of an amended and restated Declaration of Trust between the Board and Texas Student Publications (to be renamed Texas Student Media) at U. T. Austin

The Board approved an amended and restated Declaration of Trust between the Board of Regents as Trustees and Texas Student Publications (to be renamed Texas Student Media) at The University of Texas at Austin, as set forth on Pages 27 - 44, to be effective upon execution.

The assets and operations of certain student publications at U. T. Austin, including *The Daily Texan*, are held and maintained pursuant to a Declaration of Trust put into place in 1971. Pursuant to the terms of the Declaration of Trust, these student publications are managed under a unique governance structure, including an 11-member Board of Operating Trustees and the Board of Regents. Recent review of the trust document revealed a need to update the Trust to 1) reflect the current operation of student media, such as television and radio, that extend beyond print media, 2) create a more efficient operational structure for Texas Student Media to optimize student educational opportunities, and 3) modernize trust language.

The amended and restated Declaration of Trust has been developed through discussions among representatives of The University of Texas System Administration, U. T. Austin, and Texas Student Publications. Vice Chairman Krier and Regent Haley have participated in the discussions at the request of Chairman Huffines. The current trust document requires that any amendments or revisions be approved by a majority vote of the Board of Regents and the Board of Operating Trustees of Texas Student Publications. The amended and restated trust document was approved by the Board of Operating Trustees of Texas Student Publications at a regularly scheduled Board meeting on January 19, 2007.

Key provisions of the document are as follows:

1. Creation of the position of Media Advisor - an employee or independent contractor who will have "substantial training and experience" to work with and advise students on legal and compliance issues related to media enterprises.
2. Agreements by Texas Student Media to use the Media Advisor for training and consultation and certify annually to the Board of Regents the existence and effectiveness of the role of the Media Advisor.
3. Comprehensive provisions specifying the educational mission of Texas Student Media and defining a role in that educational mission for the U. T. Austin College of Communication.
4. Greater day-to-day operational control and responsibility by the Board of Operating Trustees.

5. Mechanisms for the timely and efficient evaluation of the General Manager of Texas Student Media by interested parties.
6. Financial reporting by Texas Student Media to the Board of Regents.
7. Requirements that Texas Student Media purchase and maintain appropriate liability insurance.
8. Indemnification and Exculpation provisions.
9. A triggering provision stating that, if and when Texas Student Media raises an inflation-adjusted endowment in the current dollar amount of \$5 million, the Board of Regents will reasonably discuss conversion of the Trust to an independent 501(c)(3) entity.
10. An easier procedure to amend the trust document in the future, whereby the Board of Regents may agree to proposed amendments without the necessity of a Board vote.

**AMENDED AND RESTATED DECLARATION OF TRUST
OF
TEXAS STUDENT MEDIA TRUST**

1. INTRODUCTION AND DEFINITIONS

1.1. Trust Established. The Texas Student Media Trust (the “Trust”) was originally established on August 27, 1971, when Texas Student Publications, Inc., acting by and through its officers and directors, conveyed, assigned and transferred all assets of Texas Student Publications, Inc. to the Board of Regents of The University of Texas System (the “Trustees”), in trust, subject to the terms and conditions of a written declaration of trust.

1.2. Trust Assets. All Trust Assets are held by the Trustees to be used solely for the maintenance and support of the Student Media, and shall be recorded in the accounting records of the University in accordance with the standard practices for the management of this type of funds and account.

1.3. Declaration of Trust. This Amended and Restated Declaration of Trust (the “Declaration of Trust”) amends and restates the declaration of trust dated August 27, 1971 (as the Declaration of Trust has been further amended and restated from time to time through the Effective Date).

1.4. Definitions. As used in this Declaration of Trust, the following terms shall have the specified meanings:

(a) “Academic Departments” shall have the meaning set forth in Paragraph 2.3.

(b) “Applicable Laws” shall mean all laws, statutes, constitutions, rules, regulations, principles of common law, resolutions, codes, ordinances, requirements, judgments, orders, decrees, injunctions and writs of any Governmental Entity which has, or is reasonably likely to have, jurisdiction over the Trust, the Trust Assets or the Student Media including, without limitation, Applicable Laws related to libel, slander, defamation, advertising injury and broadcast decency.

(c) “Board of Regents” shall mean the Board of Regents of The University of Texas System.

(d) “Board of Operating Trustees” shall mean those persons serving as Operating Trustees of the Trust at any given time.

(e) “Code” shall mean the Internal Revenue Code of 1986, as amended.

(f) “College of Communication” shall mean the College of Communication of the University.

(g) “Declaration of Trust” shall have the meaning set forth in Paragraph 1.3.

(h) “Effective Date” shall mean [_____] [___], 2007.

- (i) “Endowment” shall have the meaning set forth in Paragraph 4.5.
- (j) “FCC” shall mean the Federal Communications Commission.

(k) “FCC Licenses” shall mean all of the licenses, permits and other authorizations issued by the FCC to the Trustees or the Board of Regents and all applications of the Trustees or the Board of Regents, if any, to the FCC relating to or used in connection with the ownership or operation of the Media Assets and listed on Schedule 1.4(k) to this Declaration of Trust (as such schedule may be amended or supplemented from time to time), together with any pending applications therefor and renewals, extensions or modifications thereof.

(l) “Governmental Entity” shall mean any national, state, municipal, local or foreign government, any instrumentality, subdivision, court, administrative agency or commission or other governmental authority or instrumentality, or any quasi governmental or private body exercising any regulatory, taxing, importing or other governmental or quasi governmental authority.

(m) “Governmental Permits” shall mean all licenses, certificates of occupancy, permits, franchises, registrations, certificates of public convenience and necessity, approvals, easements, authorizations and operating rights granted by an Governmental Entity having jurisdiction over the Media Assets, including any applications therefor.

- (n) “Indemnified Persons” shall have the meaning set forth in Paragraph 4.3.

- (o) “Losses” shall have the meaning set forth in Paragraph 4.3.

(p) “Media Advisor” shall mean an employee of the University or the Board of Operating Trustees, or an or independent contractor who reports to the Board of Operating Trustees, which employee or independent contractor shall have substantial training and experience in the area of operating print, broadcast and electronic media in compliance with Applicable Laws.

(q) “Media Assets” shall mean the right, title and interest of the Trustees in and to the assets listed or described on Schedule 1.4(q) to this Declaration of Trust (as such schedule may be amended or supplemented from time to time).

(r) “Media Contracts” shall mean any written, oral or other agreement, contract, subcontract, lease, understanding, instrument, note, warranty, license, sublicense or legally binding commitment or undertaking of any nature, whether express or implied, related to the Media Assets.

(s) “Nonprofit Corporation” shall mean a Texas non-profit corporation exempt from federal income taxation under Section 501(a) of the Code, as an organization described in Section 501(c)(3) of the Code.

(t) “Operating Trustees” shall mean the voting members of the Board of Operating Trustees elected to serve in that capacity pursuant to Section 3.

(u) “Public Purpose” shall have the meaning set forth in Paragraph 2.1.

(v) “Student Media” shall mean the student publications and other print, broadcast and electronic media, published, broadcast, distributed, disseminated or otherwise communicated on or from the campus of the University and set forth on Schedule 1.4(v) to this Declaration of Trust, together with such other student media as may be authorized by the Board of Operating Trustees from time to time (which such other student media shall be reflected on an amendment or supplement to Schedule 1.4(v) adopted in accordance with Paragraph 4.7 of this Declaration of Trust).

(w) “Trust” shall have the meaning set forth in Paragraph 1.1.

(x) “Trust Assets” shall mean all Media Assets, Media Property, Media Contracts, Governmental Permits and FCC Licenses.

(y) “Trustees” shall have the meaning set forth in Paragraph 1.1.

(z) “University” shall mean The University of Texas at Austin.

2. TRUST PURPOSES

2.1. Public Purpose. The purpose of the Trust is (a) to further the academic and educational mission of the University by providing educational opportunities for students of the University and (b) to serve as an information resource for students and other persons interested in the affairs of the University (collectively, the “Public Purpose”).

2.2. Operation of Student Media.

(a) In furtherance of the Public Purpose, the Board of Operating Trustees shall (1) operate and control the Student Media, Trust Assets, Media Contracts and Media Assets for the benefit of the University community; (2) publish, broadcast, distribute, disseminate or otherwise communicate the Student Media to the University community and (3) establish and maintain controls and procedures that are reasonably designed to ensure that the activities of the Student Media are operated in a manner consistent with the Public Purpose and Applicable Laws.

(b) The controls and procedures established and maintained by the Board of Operating Trustees pursuant to this Paragraph 2.2 shall provide, without limitation, for (1) the regular training of all employees, editors, managers, editorial workers and staff members of the Student Media by a Media Advisor and (2) the timely consultation by the Media Advisor with the employees, editors, managers, editorial workers and staff members of the Student Media, in each case, to ensure that the Student Media are operated in a manner consistent with the Public Purpose and Applicable Laws. The parties to this Declaration of Trust intend that these controls and procedures be designed to provide the employees, editors, managers, editorial workers and staff members of the Student Media with training and consultation resources similar to those training and consultation resources available to commercial media operations. The Board of Operating Trustees shall establish the initial controls and procedures required by this Paragraph 2.2 within 90 days following the Effective Date.

(c) The Board of Operating Trustees shall certify in writing to the Board of Regents within 90 days following the close of each fiscal year that the Board of Operating Trustees has evaluated the controls and procedures established and maintained pursuant to this Paragraph 2.2, and shall include in such certification the conclusions of the Board of Operating Trustees as to the effectiveness of such controls and procedures as of the close of such fiscal year.

2.3. Coordination with Educational Activities. In furtherance of the Public Purpose, the Board of Operating Trustees shall coordinate the publication, broadcast, distribution, dissemination or other communication of the Student Media with the educational activities of the College of Communication and the School of Journalism, the Department of Radio, Television and Film, the Department of Communication Studies, the Department of Advertising and such other colleges, schools or departments of the University as may be identified by the Trustees from time to time (collectively, the “Academic Departments”). The Board of Operating Trustees and the Dean of the College of Communication (or such other college, school or department of the University as may be identified by the Trustees from time to time) shall establish and maintain controls and procedures reasonably designed to ensure the coordination of the publication, broadcast, distribution, dissemination or other communication of the Student Media with the educational activities of the Academic Departments. The controls and procedures required by this Paragraph 2.3 are set forth on Schedule 2.3 to this Declaration of Trust (as such schedule may be amended or supplemented from time to time). At least annually, the Board of Operating Trustees and the Dean of the College of Communication shall evaluate the controls and procedures required by this Paragraph 2.3, and shall recommend for approval by the Board of Operating Trustees and the Board of Regents modifications to such controls and procedures as the Board of Operating Trustees and the Dean of the College of Communication deem necessary or advisable to further the purposes of this Paragraph 2.3 (which approval shall be evidenced by an amendment or supplement to Schedule 2.3). The Board of Operating Trustees shall certify in writing to the Board of Regents within 90 days following the close of each fiscal year that the Board of Operating Trustees and the Dean of the College of Communication have evaluated the controls and procedures maintained pursuant to this Paragraph 2.3, and shall include in such certification the conclusion of the Board of Operating Trustees and the Dean of the College of Communication that (a) such controls and procedures are designed to ensure the coordination of the publication, broadcast, distribution, dissemination or other communication of the Student Media with the educational activities of the Academic Departments and (b) that as of the close of such fiscal year, the Board of Operating Trustees and the Dean of the College of Communication are not aware of any deficiency or weakness in the design or operation of such controls and procedures which are reasonably likely to adversely affect the coordination of the publication, broadcast, distribution, dissemination or other communication of the Student Media with the educational activities of the Academic Departments.

2.4. Financial Support.

(a) The Board of Operating Trustees shall use all commercially reasonable efforts to generate advertising revenues, sponsorships and charitable and other financial contributions and support for the Student Media in order to defray the costs of holding and maintaining the Trust Assets and operating the Student Media. Notwithstanding the

foregoing, all advertising revenues, sponsorships and charitable and other financial contributions and support for the Student Media shall be used exclusively for the support of the University and in a manner consistent with the Public Purpose.

(b) Provided that the Board of Operating Trustees is in compliance with the terms and conditions of this Declaration of Trust (including, without limitation, the certification requirements set forth in Paragraphs 2.2, 2.3, and 4.2(a)(4)), the Board of Regents, acting through the President of the University, shall take such actions as it determines are necessary to provide the Board of Operating Trustees with the opportunity to participate in the allocation of a portion of the student services fee of the University for use by the Board of Operating Trustees in the operation of the Student Media. The Board of Operating Trustees acknowledges that the allocation of the student services fee is determined on an annual basis by a committee of students, faculty and staff of the University and that this Declaration of Trust shall not be interpreted or construed as a commitment or guarantee that the Board of Operating Trustees shall be eligible to receive any allocation of such student services fee or that, if eligible, the Board of Operating Trustees will receive any guaranteed amount or level of financial support. Any historical allocations of the student services fee to the Trust, the Board of Operating Trustees or the Student Media is not an indication of future allocations, and the Board of Operating Trustees expressly disclaims any reliance on such historical allocations.

3. OPERATING TRUSTEES

3.1. Control of Student Media. The Board of Operating Trustees shall (a) operate and control the Student Media, Trust Assets, Media Assets and Media Contracts, (b) acquire and dispose of such additional assets as are reasonably necessary to further the Public Purpose (which such acquisition or disposition of assets shall be reflected on an amendment to Schedule 1.4(q) adopted in accordance with Paragraph 4.7 of this Declaration of Trust), (c) be responsible for the publication, broadcast, distribution, dissemination or other communication of the Student Media, (d) determine the character and policies of all Student Media, (e) enter into contracts with suppliers and vendors and (f) subject to Paragraph 1.2, maintain and control the bank accounts of the Trust. Notwithstanding any provision of this Declaration of Trust to the contrary, all actions, policies and procedures of the Board of Operating Trustees and all operations of the Student Media shall be in accord with the Board of Regents' *Rules and Regulations* and the University's *Handbook of Operating Procedures*; provided, that to the extent there is any conflict among the Board of Regents' *Rules and Regulations*, the University's *Handbook of Operating Procedures* and the terms of this Declaration of Trust, the terms of this Declaration of Trust shall govern.

3.2. Board Composition.

(a) Voting Members. The Board of Operating Trustees shall have 11 voting members, composed as follows:

(1) College of Communication Students. Three undergraduate students from the College of Communication, elected (two to be elected in even-numbered years and one to be elected in odd-numbered years) by (A) those students certified in writing by the Dean of the College of Communication as being majors in a discipline offered in the College

of Communication and (B) those students with less than 60 hours who are registered in the College of Communication as certified by the Dean of the College of Communication. The election contemplated by this Paragraph 3.2(a)(1) shall be held each year concurrently with the Spring student government election at the University, and shall be conducted in accordance with rules and procedures adopted by the Board of Operating Trustees in their reasonable discretion. No student shall be eligible to be a candidate for election pursuant to this Paragraph 3.2(a)(1) unless he or she has completed, or will have completed by the end of the Spring semester in which the election is held, at least 12 hours of journalism or advertising courses, is in good standing (not on scholastic probation) and has completed at least one semester in residence in the long term at the University. The Dean of the College of Communication shall certify in writing to the Board of Operating Trustees as to the eligibility of any candidate for election pursuant to this Paragraph 3.2(a)(1).

(2) At-Large Students. Three students elected at-large from the student body of the University (one to be elected in even-numbered years and two to be elected in odd-numbered years) in the same election as the editor of The Daily Texan is elected pursuant to Paragraph 4.1(a). A student eligible to be a candidate for election as a voting member under Paragraph 3.2(a)(1) is neither qualified to be a candidate nor eligible to serve as an at-large member of the Board of Operating Trustees.

(3) Faculty. Two members of the voting faculty of the College of Communication (one to be appointed in even-numbered years and one to be appointed in odd-numbered years) and one member of the voting faculty of the McCombs School of Business (to be appointed in even-numbered years), with all three of these faculty members to be appointed directly by the President of the University.

(4) Media Professionals. Two media professionals (one to be appointed in even-numbered years and one to be appointed in odd-numbered years), to be appointed by the President of the University. In determining media professionals eligible for appointment pursuant to this Paragraph 3.2(a)(4), the President of the University shall give preference to media professionals who are graduates of the University.

(b) Terms for Voting Members. Each voting member elected or appointed to the Board of Operating Trustees shall serve a term of two years beginning June 1 of each calendar year. The terms of these voting members shall be staggered in the manner provided for in Paragraph 3.2(a). No voting member of the Board of Operating Trustees shall serve more than four years consecutively.

(c) Resignation and Removal; Vacancies. Subject to Paragraph 3.2(a), the Board of Operating Trustees shall adopt rules and procedures governing the resignation and removal of voting members of the Board of Operating Trustees and the fulfillment of vacancies resulting from the resignation or removal of voting members of the Board of Operating Trustees. All rules and procedures contemplated by this Paragraph 3.2(c) shall be adopted by the Board of Operating Trustees in their reasonable discretion.

(d) Other Members. The President of the Student Government of the University (provided that the President of the Student Government is not otherwise elected as a voting member of the Board of Operating Trustees pursuant to Paragraph 3.2(a)) and the Dean of

Students of the University (or his or her designee) shall be non-voting members of the Board of Operating Trustees. In addition to the foregoing, the Board of Operating Trustees may appoint such other, non-voting members to the Board of Operating Trustees, as the Board of Operating Trustees determines in its reasonable discretion.

3.3. Board Officers. The officers of the Board of Operating Trustees shall be a President, a Vice-President, a Secretary and such other officers as the Board of Operating Trustees may from time to time find necessary or convenient to carry out the duties of the Operating Trustees. Officers shall be elected from among the voting members of the Board of Operating Trustees at the first meeting after June 1 of each year. Officers' terms shall be for one year, but a person serving as an officer is eligible to be reelected the following year.

3.4. Operating Procedures.

(a) Procedures. The Board of Operating Trustees shall establish and maintain controls and procedures governing the operation of the Student Media that are reasonably designed to ensure that the Operating Trustees and the employees, editors, managers, editorial workers and staff members of the Student Media operate the Student Media in a manner consistent with the Public Purpose and in compliance with all Applicable Laws, including, without limitation, the controls and procedures required by Paragraphs 2.2 and 2.3.

(b) Board Meetings. The Board of Operating Trustees shall conduct its meetings in accordance with the Texas Open Meetings Act and shall post all Texas Open Meetings Act notices by and through the Office of the Board of Regents. The Board of Operating Trustees shall maintain its records and the records of the Trust to ensure compliance with the Texas Public Information Act and shall coordinate any responses to Texas Public Information Act requests with the Office of the General Counsel of The University of Texas System.

4. MISCELLANEOUS

4.1. Student Media Officers and Employees.

(a) Editor of The Daily Texan. Concurrently with the student government elections, the Board of Operating Trustees shall arrange for a student publications election on the campus of the University. At such election, the students of the University shall elect the Editor of The Daily Texan. The eligibility of a candidate for Editor of The Daily Texan shall be certified in writing by the Board of Operating Trustees to the Board of Regents, based on standards adopted by the Board of Operating Trustees prior to such election, and shall be approved by the President of the University or his or her designee. The Board of Operating Trustees shall determine the conditions under which such election may be held, including the length of the campaign. The Editor of The Daily Texan shall serve for a term of one year beginning on June 1 of such calendar year, but if the person elected as Editor of The Daily Texan ceases to serve in that capacity prior to the end of such term, a majority of the Board of Operating Trustees shall appoint a replacement to fill out the remainder of the term.

(b) Employment Matters.

(1) Subject to Paragraph 4.1(b)(4) and except as provided in Paragraph 4.1(a) or otherwise limited by this Section 4, the Board of Operating Trustees shall have the power to select (or establish rules and procedures for the selection of) and employ for the Trust, all employees, editors, managers, editorial workers and staff members of the Student Media; provided, that the President of the University or his or her designee, must consent to the selection of any such person who will be employed by the University or will otherwise be compensated for his or her services.

(2) Subject to Paragraph 4.1(b)(4), all decisions regarding the employment status or discipline of any employee, editor, manager, editorial worker or staff member of the Student Media (including, without limitation, performance evaluations) shall be made in accordance with the University's *Handbook of Operating Procedures*, all other applicable policies and procedures of the University and Applicable Law. Notwithstanding any provision of this Declaration of Trust to the contrary, decisions regarding the employment status or discipline of any employee, editor, manager, editorial worker or staff member of the Student Media who is also an employee of the University shall require the prior written approval of the President of the University or his or her designee.

(3) Not later than April 15 of each fiscal year (a) the Chairman of the Board of Operating Trustees, (b) one additional voting member of the Board of Operating Trustees appointed pursuant to Paragraphs 3.2(a)(1), 3.2(a)(2) or 3.2(a)(3) and (c) the Vice President for Student Affairs of the University shall evaluate and conduct a performance assessment of the General Manager of the Student Media (or any successor), and shall report and make recommendations to the Board of Operating Trustees based on the results of such evaluation and performance assessment.

(4) The Board of Trustees may form or cause the formation of a Nonprofit Corporation which may hire and manage its own employees and, if desirable, contract for use of University facilities and resources. Notwithstanding the foregoing, all employees of the University who report to the Board of Operating Trustees shall comply with the Board of Regent's *Rules and Regulations* and the University's *Handbook of Operating Procedures* to the extent they are applicable and do not conflict with the terms of this Declaration of Trust.

4.2. Board of Regents Oversight.

(a) Financial Reports and Other Information. The Board of Operating Trustees shall furnish to the President of the University and the Chancellor of The University of Texas System the following information for distribution to such additional persons as each of the foregoing may direct:

(1) within 90 days following the close of each fiscal year, a balance sheet of the Trust as of the end of such year and statements of operations and cash flows for such year, certified by a firm of certified public accountants of established reputation selected by the Board of Operating Trustees, and prepared in accordance with generally accepted accounting principles;

(2) within 45 days after the end of each of the first three fiscal quarters of each fiscal year a balance sheet of the Trust as of the end of such quarter and unaudited statements of operations and of cash flows for such quarter and for the current fiscal year to the end of such quarter, setting forth in comparative form the operating budget for the corresponding periods for the current fiscal year;

(3) as soon as available, but in any event not later than 30 days prior to the beginning of each new fiscal year, an operating budget for the Trust for such fiscal year approved by the Board of Operating Trustees and prepared in accordance with Paragraph 4.2(b);

(4) within 90 days following the close of each fiscal year, the annual certifications required by Paragraphs 2.2 and 2.3;

(5) within 90 days following the close of each fiscal year, evidence of insurance required by Paragraph 4.3; and

(6) with reasonable promptness, such other notices, information and data with respect to the Student Media or the Trust Assets as the Board of Regents, the President of the University or their designees may from time to time reasonably request.

(b) Operating Budget Requirements. The Board of Operating Trustees shall adopt reasonable and financially prudent budgetary controls and procedures. Notwithstanding any provision of this Declaration of Trust to the contrary, the Board of Operating Trustees shall not adopt an operating budget for the Trust that provides for the Trust to incur a net operating loss for any fiscal year without the prior written approval of the Board of Regents.

(c) Material Event Notification. The Board of Operating Trustees shall promptly notify in writing the Vice Chancellor and General Counsel of The University of Texas System, the Office of the Board of Regents, the President of the University or their respective designees of any material adverse change in the operations, results of operations, prospects, assets, liabilities or condition, financial or otherwise, of the Trust or any of the Student Media which has had, or could reasonably be concluded to have, a material adverse effect on the operations, results of operations, prospects, assets, liabilities or condition, financial or otherwise, of the Trust or any Student Media. The Board of Operating Trustees shall promptly notify in writing the Board of Regents and the President of the University of any and all litigation or governmental proceeding or investigation brought, or, to the knowledge of any Operating Trustee, threatened, against the Trust, any Student Media, the Trustees, the Board of Regents, the University, the Board of Operating Trustees, any Operating Trustee or any officer, director or employee of any of the foregoing.

(d) Inspection Rights. The Board of Operating Trustees shall permit the Board of Regents or any authorized representative or agent thereof to visit, inspect and audit the properties used by any of the Student Media and their business and financial records, and to discuss the business and finances of any Student Media with its officers and directors, during normal business hours upon reasonable notice.

4.3. Liability and Casualty Insurance. The Board of Operating Trustees, on behalf of the Trust, shall at all times maintain with financially sound and reputable insurers liability and casualty insurance coverage of the types and in the amounts set forth on Schedule 4.3 to this Declaration of Trust (as such schedule may be amended or supplemented from time to time). The Board of Operating Trustees shall cause the Trust to maintain the insurance coverage required by this Paragraph 4.3 in force, except as otherwise determined by the Board of Regents. Such policies of insurance shall name the Trustees, the Operating Trustees, the Board of Regents, The University of Texas System and the University as additional insureds and as loss payees and shall prohibit cancellation or substantial modification, termination or lapse in coverage by the insurer without at least 30 days prior written notice to the Board of Regents, except for non payment of premium, in which case such policies shall provide for at least 10 days prior written notice to the Board of Regents. Annually, the Board of Operating Trustees shall furnish to the Board of Regents evidence of the insurance required to be maintained by this Paragraph 4.3 in form and substance reasonably satisfactory to the Board of Regents.

4.4. Indemnification; Exculpation.

(a) Indemnification. The Board of Operating Trustees shall, or shall cause the Trust to, indemnify, defend and hold harmless the Trustees, the Board of Regents, The University of Texas System and the University and their respective officers, employees, agents, heirs, successors and assigns (each, an “Indemnified Person” and collectively, the “Indemnified Persons”), out of the assets of the Trust, including, without limitation, the insurance coverage available under any insurance policies maintained on behalf of the Trust pursuant to Paragraph 4.3, from and against (and shall on demand reimburse them for), any and all losses, claims, damages, liabilities, obligations, fines, penalties, judgments, settlements, costs, expenses and disbursements (including attorneys’ fees and expenses) (collectively, “Losses”) imposed on, incurred by or asserted against any Indemnified Person in any way relating to or arising from this Declaration of Trust or the operations, publication, broadcast, distribution, dissemination or other communication of the Student Media. **THE PARTIES TO THIS DECLARATION OF TRUST INTEND THAT THE INDEMNIFIED PERSONS BE INDEMNIFIED PURSUANT TO THIS DECLARATION OF TRUST FROM AND AGAINST LOSSES RESULTING FROM, BASED UPON OR ARISING OUT OF THE SOLE, PARTIAL OR CONCURRENT NEGLIGENCE OF AN INDEMNIFIED PERSON OR ANY PERSON WHOSE NEGLIGENCE, DUTIES, ACTIONS OR LIABILITIES MAY BE ATTRIBUTED OR IMPUTED TO AN INDEMNIFIED PERSON.**

(b) EXCULPATION; DISCLAIMER OF LIABILITY. WITHOUT WAIVING OR MODIFYING ANY PROVISION OF THIS DECLARATION OF TRUST OR OTHERWISE LIMITING THE AUTHORITY OF THE BOARD OF REGENTS AND THE TRUSTEES TO ENFORCE THE TERMS OF THIS DECLARATION OF TRUST OR ADMINISTER THE BOARD OF REGENTS’ *RULES AND REGULATIONS* AND THE UNIVERSITY’S *HANDBOOK OF OPERATING PROCEDURES*, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE TRUSTEES, ON BEHALF OF THE INDEMNIFIED PERSONS, EXPRESSLY DISCLAIM ANY AND ALL DUTIES, OBLIGATIONS OR RESPONSIBILITIES IN ANY WAY RELATING TO OR ARISING FROM THE EDITORIAL, ADVERTISING OR OTHER CONTENT OF ANY STUDENT

MEDIA. THE INDEMNIFIED PERSONS HAVE NOT INVESTIGATED, MONITORED OR TAKEN OTHER ACTIONS TO ENSURE THAT THE STUDENT MEDIA ARE OPERATED IN COMPLIANCE WITH APPLICABLE LAWS, NOR HAVE THEY UNDERTAKEN OR ASSUMED ANY DUTY, OBLIGATION OR RESPONSIBILITY TO DO SO. THE INCLUSION OF ANY STUDENT MEDIA UNDER THIS DECLARATION OF TRUST SHALL NOT BE CONSIDERED AS THE APPROVAL OR ENDORSEMENT OF THE EDITORIAL, ADVERTISING OR OTHER CONTENT OF ANY STUDENT MEDIA BY ANY INDEMNIFIED PERSON. THE INDEMNIFIED PERSONS ASSUME NO LIABILITY OR RESPONSIBILITY FOR THE GOODS OR SERVICES SOLD OR OFFERED FOR SALE THROUGH ADVERTISING IN THE STUDENT MEDIA.

(c) Interpretation. This Paragraph 4.4 shall not be interpreted as relieving the Trustees or the Board of Operating Trustees of liability for (1) a breach of trust committed (A) in bad faith, (B) intentionally or (C) with reckless indifference to the interest of a beneficiary of the Trust or (2) any profit derived by a Trustee or a member of the Board of Operating Trustees from a breach of trust.

4.5. Conversion of Trust. The Board of Operating Trustees may establish an endowment or other reserve fund (the "Endowment") for the support of the Student Media. Upon establishment of an Endowment with an aggregate principal amount equal to or exceeding \$5,000,000 (as adjusted for inflation from and after the Effective Date using the Consumer Price Index), the Board of Regents and the Board of Operating Trustees shall negotiate in good faith for the conversion of the Trust into a Nonprofit Corporation. Notwithstanding the foregoing, the Board of Operating Trustees, the Trustees and the Board of Regents acknowledge and agree that the provisions of this Paragraph 4.5 shall not be interpreted as constituting or giving rise to a binding obligation of the Board of Operating Trustees, the Trustees or the Board of Regents to approve or recommend for approval the conversion of the Trust into a Nonprofit Corporation.

4.6. Notices. All notices, certifications and other communications given in accordance with this Declaration of Trust shall be in writing and shall be deemed given if delivered by hand, mailed by registered or certified mail (return receipt requested), sent by facsimile or sent by Federal Express or other recognized overnight courier to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to the Trustees or the Board of Regents:

[_____]
[_____]
[_____]
[_____]

(b) if to the Board of Operating Trustees:

[_____]
[_____]
[_____]
[_____]

Any of the above addresses may be changed at any time by notice given as provided above; provided, that any such notice of change of address shall be effective only upon receipt. All notices, certifications and other communications given in accordance with this Declaration of Trust shall be deemed received on the date of delivery, if hand delivered, on the date of receipt, if transmitted by facsimile, three business days after the date of mailing, if mailed by registered or certified mail, return receipt requested, and one business day after the date of sending, if sent by Federal Express or other recognized overnight courier.

4.7. Amendments.

(a) Except as otherwise set forth in Paragraph 4.7(b), the provisions of this Declaration of Trust, including, without limitation, any schedule attached hereto, may be amended from time to time, only with the prior written approval of the President of the University and the Board of Operating Trustees.

(b) Notwithstanding Paragraph 4.7(a), if the Board of Operating Trustees authorizes additional student media to become Student Media pursuant to Paragraph 1.4(v), the Board of Operating Trustees shall submit in writing to the President of the University a proposed amendment to Schedule 1.4(v). Such proposed amendment to Schedule 1.4(v) shall become effective on the 30th day following its receipt by the President of the University unless objected to in writing by the President of the University prior to such date.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned Trustees and Operating Trustees have executed and delivered this Declaration of Trust to be effective as of the Effective Date.

TRUSTEES:

**THE BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM,
as TRUSTEES**

By: _____
Name: Barry D. Burgdorf
Title: Vice Chancellor and
General Counsel
The University of Texas System

OPERATING TRUSTEES:

By: _____
Name: _____

ACKNOWLEDGED:

**THE UNIVERSITY OF TEXAS
AT AUSTIN**

By: _____
Name: _____
Title: _____

By: _____
Name: _____

By: _____
Name: _____

By: _____
Name: _____

SCHEDULE 1.4(k)

FCC LICENSES

SCHEDULE 1.4(q)

MEDIA ASSETS

SCHEDULE 1.4(v)

STUDENT MEDIA

The Daily Texan

Cactus

Texas Student Television

KVRX Radio

Texas Travesty

SCHEDULE 2.3

COORDINATION WITH EDUCATIONAL ACTIVITIES

SCHEDULE 4.3

INSURANCE

6. U. T. System Board of Regents: Chancellor's Quarterly Update

In his quarterly update on University of Texas System activities, Chancellor Yudof mentioned the U. T. System Research and Technology Transfer Showcase to be held on February 27, 2007, and noted the first Chancellor's Entrepreneurship and Innovation Award will be announced to recognize research that can be commercialized and that has the potential to have a profound impact on the citizens of Texas and on all of society.

Chancellor Yudof then outlined the four focus areas identified by the Association of Governing Boards of Universities and Colleges (AGB) in its Statement on Board Accountability as fiscal integrity, board performance, educational quality, and presidential search assessment and compensation. He said the U. T. System Board of Regents follows the best practices recommended by the AGB.

Chancellor Yudof said he and Interim Executive Vice Chancellor Malandra would be participating in the National Association of State Universities and Land-Grant Colleges (NASULGC) efforts related to national voluntary standards for accountability and they would also be working with 20 other state university systems in an initiative to improve graduation rates and access.

7. U. T. System: Update on implementation of the U. T. System Strategic Plan

Dr. Geri H. Malandra, Interim Executive Vice Chancellor for Academic Affairs and Vice Chancellor for Strategic Management, presented an update on implementation of The University of Texas System Strategic Plan.

8. U. T. System: Acceptance of the Accountability and Performance Report for 2006-2007

Following a presentation on The University of Texas System Board of Regents' Accountability and Performance Report for 2006-2007 by Dr. Geri H. Malandra, Interim Executive Vice Chancellor for Academic Affairs and Vice Chancellor for Strategic Management, the Board voted to accept the Report.

9. U. T. System Board of Regents: Legislative Update for the 80th Legislative Session

Vice Chancellor Barry McBee provided a legislative update for the 80th Legislative Session. He said higher education has been treated well in the base appropriations bill with full funding of tuition revenue bonds, both from the past summer and previously issued ones, and that the 10% budget

cuts have been restored. He indicated there is a shortfall in formula funding requested by the Texas Higher Education Coordinating Board and an approximately 10% gap in health insurance funding between what higher education employees and other state agency employees receive.

10. U. T. System: Report on The University of Texas System Borderplex technology-transfer shared services initiative

Interim Vice Chancellor for Research and Technology Transfer, Mr. Arjuna Sanga, reported on The University of Texas System Borderplex technology-transfer shared services initiative involving The University of Texas Health Science Center at San Antonio, The University of Texas at San Antonio, The University of Texas - Pan American, and The University of Texas at Brownsville. Mr. Sanga's remarks, essentially as delivered, are set forth below.

Remarks by Interim Vice Chancellor Sanga

Mr. Chairman, Members of the Board, Chancellor, Executive Vice Chancellors, Presidents and Colleagues:

I am honored to report on an important milestone in the distinguished history of The University of Texas System.

Earlier, you heard about excellence in research and technology transfer from the numbers in Dr. Malandra's accountability report. You also heard the Chancellor describe the first entrepreneurship and innovations awards that he will announce at the end of the month, at the first U. T. System Research and Technology Transfer Showcase. These programs emphasize that the Office of Research and Technology Transfer is committed to promoting a culture of innovation and entrepreneurship throughout The University of Texas System.

Through the leadership of four University of Texas institutions -- U. T. Health Science Center - San Antonio, U. T. San Antonio, U. T. Pan American, and U. T. Brownsville, we have formed the first Regional Technology Transfer Program in the U. T. System.

This program is a collaborative partnership that will enhance and accelerate our institutions' efforts in translating research into products and services that will benefit not only Texans but all of society.

Please indulge me while I recognize the four individuals who worked together to make this happen: Dr. Brian Herman, Vice President for Research at U. T. Health Science Center - San Antonio; Dr. Robert W. Gracy, Vice President for Research at U. T. San Antonio; Dr. Robert P. Sale, Provost at U. T. Pan American; and Dr. José G. Martín, Provost at U. T. Brownsville. They accepted the charge to think innovatively in their administration of the Board's portfolio of intellectual property.

As a public institution, The University of Texas System has clearly demonstrated appropriate stewardship of tangible property and resources.

In the last two years you, the Regents, have approved over \$2.5 billion for science and technology infrastructure throughout the System. These programs, in concert with the Science and Technology Acquisition and Retention (STARs) Program; Library, Equipment, Repair and Rehabilitation (LERR) funds; and the Regents' Research Scholars Program, combine the best talent in the world with the best facilities to tackle society's most pressing scientific problems.

The next step is ensuring that we are equal stewards of the intangible property created through our institutions and owned by the Board of Regents. Earlier today you affirmed this principle by approving enhancements to the intellectual property rules.

It is no secret that universities throughout the world drive economic development in their regions by training and educating the workforce, bringing millions of dollars to their localities through sponsored research and creating jobs, products, and services through their intellectual property management.

At the Texas Lyceum meeting in November (2006), Vice Chairman Krier spoke of the new economic development role of The University of Texas that involves a leading role in educating the workforce, conducting leading edge research, and creating new technologies.

Through this Regional Technology Transfer Program, these four University of Texas institutions have created an alliance that combines two technology transfer offices and provides resources that can be shared across four institutions. In this manner, smaller institutions will gain access to resources, infrastructure, and highly skilled technology transfer personnel of the larger institutions.

The first stage of this program is nearly complete as the joint technology transfer office is in the final stages of hiring a leader who will report to Dr. Herman at U. T. Health Science Center - San Antonio and Dr. Gracy at U. T. San Antonio.

The second stage of the program involves adding U. T. System resources, including personnel responsible for providing education, outreach, and marketing services to all of the four institutions. The second stage will be a two-year pilot program made possible through funding by Dr. Shine for collaborative efforts through rebates from the U. T. System Professional Medical Liability Benefit Plan.

This collaborative effort allows these four institutions to share resources and create economies of scale. I anticipate that the creative leadership of these institutions will further contribute to U. T. System's national reputation of multi-institutional partnerships in research and commercialization.

11. U. T. System: Report on Public Health and Wellness

Executive Vice Chancellor Shine said the Board is aware of the burdens of uncompensated care, the fact that one in four individuals in Texas lacks health insurance, and the steep rise in costs of health care. He said the Code Red Report on the critical condition of health in Texas had two of the ten recommendations on school health and prevention and one on public health. Dr. Shine said The University of Texas School of Public Health at Houston has four, soon-to-be five, regional public health campuses located in Dallas, El Paso, San Antonio, Brownsville, and soon in Austin. In a report on public health two years ago, important needs were identified to help those campuses mature and increasingly interact with the host campuses. He said the Board of Regents approved \$10 million in Library, Equipment, Repair and Rehabilitation (LERR) funds for public health and those monies have been awarded following development of an articulated strategic plan for each of those campuses.

Dr. Shine then introduced Joseph McCormick, M.D., Dean of the School of Public Health, Regional Academic Health Center at Brownsville, and the 2006 Chancellor's Health Fellow in Public Health. Dr. McCormick presented a [PowerPoint](#) (on file in the Office of the Board of Regents) that outlined public health issues, trends, concerns, and The University of Texas System Wellness Initiative.

Dr. McCormick suggested that wellness should be a central part of the U. T. culture and invited members of the Board to participate in the Wellness Symposium on March 19-20, 2007, at the Thompson Conference Center at The University of Texas at Austin. He described objectives of the Symposium including developing recommendations for policies and resources that lead to implementation of prevention and wellness programs for faculty, staff, and students at all U. T. System institutions.

Regent Rowling asked about the possibility of charging health premiums for employees who have poor health habits such as smoking and Dr. McCormick said this is certainly a topic of discussion to bring forward at the Symposium.

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 11:45 a.m., the Board recessed for meetings of the Standing Committees, and Chairman Huffines announced the Board would reconvene to approve the report and recommendations of the committees.

The meetings of the Standing Committees were conducted in open session, and the reports and recommendations thereof are set forth on Pages 50 - 109.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 50 - 66).--Committee Chairman Krier reported that the Academic Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Academic Affairs Committee and approved in open session by the U. T. System Board of Regents.

1. U. T. Austin: Authorization to establish M.A. and Ph.D. degree programs in Italian Studies

Pursuant to the Regents' *Rules and Regulations*, Series 40307, related to academic program approval standards, the Board granted authorization to

- a. establish M.A. and Ph.D. degrees in Italian Studies at The University of Texas at Austin;
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action; and
- c. authorize the Interim Executive Vice Chancellor for Academic Affairs to certify on behalf of the Board of Regents that relevant Coordinating Board criteria for approval by the Commissioner of Higher Education have been met.

The interdisciplinary graduate degree program in Italian Studies will emphasize quality training and career placement through a rigorous academic environment. The M.A. degree will require a minimum of 30 semester credit hours, and the Ph.D. will require a minimum of 36 hours beyond the Master's degree in addition to the hours required to complete the dissertation. The program will be administered by the Department of French and Italian in the College of Liberal Arts and by the Graduate School, and will incorporate courses and expertise from the graduate programs in Art History, Classics, Comparative Literature, English, History, and Music. The objective of the program is to prepare students for careers in teaching and/or scholarly research, but it will also offer appropriate background in analysis, specific language competency, and specialized cultural knowledge for individuals seeking both public and private sector positions. The anticipated date for enrolling the first students is Fall 2008.

The cost of operating the program across five years is approximately \$945,225. This includes \$796,795 for faculty salaries; \$136,730 for teaching assistants; \$8,000 for administrative support; and \$3,700 for supplies and materials. Existing resources and faculty are currently in place. Existing funding provided to the Department of French and Italian by the College of Liberal Arts will be reallocated within the department to support the program.

2. U. T. El Paso: Authorization to establish a Ph.D. degree program in Teaching, Learning and Culture

Pursuant to the Regents' *Rules and Regulations*, Series 40307, related to academic program approval standards, the Board granted authorization to

- a. establish a Ph.D. in Teaching, Learning and Culture at The University of Texas at El Paso; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

The program will prepare a new generation of education faculty from diverse backgrounds to address the compelling need for research in teaching and learning across the State of Texas, the nation, and the global community.

The program's strength is built on research and teaching strengths in the department along with a strong collaboration among faculty from other departments in the Colleges of Education, Liberal Arts, and Science that will foster interdisciplinary scholarship and research in such critical areas as (a) Language Learning, Biliteracy, and Cognition; (b) Mathematics, Science, and Technology Education; and (c) the Social Context of Education.

The faculty from the Department of Teacher Education, in partnership with faculty from the College of Liberal Arts and the College of Science, will address a large spectrum of educational issues in the institution's unique binational, bicultural, and bilingual urban setting with research focusing on communication, culture, and cognition in teaching and learning, and in important need areas with particular relevance for El Paso, the southwest border region, Texas, and beyond. Candidates will have the opportunity to become knowledgeable about implications of shifting demographics, cross-cultural teaching, learning, and cognition. Current and anticipated faculty recruitment will continue to enhance the quality of the program.

Expenditures for the first five years of the program are anticipated to be \$1,356,219. This includes \$327,181 for three new faculty positions over five years, \$540,000 for teaching/research assistant positions, \$371,638 for additional staff, \$35,500 for library resources, and \$81,900 for equipment and supplies. These costs will be met from credit hour formula funding; Library, Equipment, Repair and Rehabilitation (LERR) allocations already awarded; and reallocation of existing university resources, including formula-generated excellence funds. It is anticipated that external funds will cover an increasing portion of the program's cost after the initial development period.

3. U. T. San Antonio: Authorization to establish a Ph.D. degree program in Interdisciplinary Learning and Teaching

Pursuant to the Regents' *Rules and Regulations*, Series 40307, related to academic program approval standards, the Board granted authorization to

- a. establish a Ph.D. in Interdisciplinary Learning and Teaching degree program at The University of Texas at San Antonio; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

The program is designed to prepare students to be leading professionals in the field of educational instruction development and presentation. Students will receive training designed to prepare them to examine and research the interdisciplinary issues and perspectives of learning, teaching, and curricular development associated with education for culturally and economically diverse populations.

Students admitted to the program will take 60 semester credit hours of post-master's coursework. The program requires 48 hours of organized coursework beyond the master's degree distributed as follows: 15 hours of research methods courses required for all students, 18 hours of core content courses required for all students, nine hours of designated electives, and six hours of electives chosen by the student in consultation with the doctoral program advisor, which may include courses in the student's discipline area of focus, such as biology or history. The program also requires three hours of doctoral research seminar and nine hours of dissertation.

The Department of Interdisciplinary Learning and Teaching has 25 tenured and tenure-track faculty members who will comprise the core faculty. All are active, publishing researchers who are capable of teaching courses and supervising student research in the program. Eleven support faculty from other departments in the College of Education and Human Development will also contribute to the program through teaching and student supervision. The Department of Interdisciplinary Learning and Teaching recently moved into new space on the 1604 Campus that is adequate to support the program needs, including space for doctoral students. In addition, there is a reading clinic located on the Downtown Campus that will accommodate doctoral students whose research questions focus on literacy. Students will have access to state-of-the-art computer labs and observation labs to accommodate individual and group research projects. Current equipment is adequate to meet the needs of the program.

The cost of operating the program across five years is approximately \$1,287,900. This includes \$540,000 for faculty salaries, \$82,500 for administrative support, \$470,400 for graduate student support, \$125,000 for staff support, \$50,000 for library and information technology resources, and \$20,000 for equipment, supplies, and materials. Revenues of \$316,670 from formula funding, \$626,000 from reallocation of the Department of Interdisciplinary Learning and Teaching's nontenure-track faculty budget, and the reallocation of \$500,000 in existing university resources are expected to be sufficient to fully fund the program.

4. U. T. Tyler: Authorization to establish a Ph.D. degree program in Human Resource Development

Pursuant to the Regents' *Rules and Regulations*, Series 40307, related to academic program approval standards, the Board granted authorization to

- a. establish a Ph.D. in Human Resource Development (HRD) degree program at The University of Texas at Tyler; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

The goal of the Ph.D. is to prepare graduates to be leading researchers, practitioners, and faculty in workplace performance. The 60-hour program will include the study of theory, processes, practices, and application in the areas of individual development, career development, performance management, and organization and system development. The emphasis will be on research and field research. The program requires 18 hours of core courses, 15 hours of research courses, nine hours of specialization courses chosen in consultation with the program advisor, three hours of field experience, and 15 hours of dissertation.

Another unique element of the program that is not part of the curriculum but contributes to the student's overall experience is the Business Academy, a two-year collaborative among a participating business, a faculty member, and a doctoral student. Students and faculty in the Business Academy will conduct research within the business, apply findings to improve the business partner's workforce issues, and produce publishable research. Current expectations are to admit 15 doctoral students per year.

The Department of Human Resource Development and Technology has seven full-time tenured or tenure-track faculty. Two additional faculty members will begin employment in Fall 2007. Of the nine faculty in the department as of Fall 2007, seven will comprise the core faculty for the HRD Ph.D. program. All are active, publishing researchers who are capable of teaching courses and supervising student research in the program. In

addition, 13 internationally and nationally distinguished HRD research scholars have agreed to serve as adjunct faculty. These adjunct faculty have agreed to teach courses, serve on dissertation committees, and mentor research projects.

In addition to the recognized faculty, three key factors will ensure the quality of the program: (1) establishment of a National Advisory Board for the HRD doctoral program, (2) participation in the Business Academy, and (3) adherence to the Academy of Human Resource Development Standards for Graduate Programs pilot program.

The cost of operating the program over five years is approximately \$3,561,580. This includes \$2,326,848 for faculty salaries, \$365,094 for administrative support, \$255,000 for graduate student support, \$220,638 for staff support, \$56,000 for supplies and materials, \$53,000 for library and information technology resources, \$70,000 for equipment, and \$215,000 for travel and recruitment. Revenues include \$1,487,614 from formula funding, \$374,613 from other state funding, \$144,000 from reallocation of existing resources, \$244,968 from course and other fee generation, \$1,190,116 from University support, \$300,000 from an endowed chair support, and \$1,350,000 from funds generated through U. T. Tyler's Business Academies. The total revenue generated across the next five years is expected to be approximately \$5,091,311.

5. U. T. Permian Basin: Approval to name streets on the U. T. Permian Basin campus

The Board approved the naming of 13 streets on The University of Texas of the Permian Basin campus as follows:

	<u>Name</u>	<u>Location</u>
1.	Main Boulevard	south entrance from University Street
2.	South Road	south road across campus
3.	Physical Plant Place	by the office and shops
4.	Founders Drive	to the east of Main Boulevard
5.	Jack Rabbit Lane	through campus housing on the east
6.	Falcon Nest Court	circular residential drive
7.	Duck Pond Road	north of athletic fields

- 8. Burrowing Owl Lane through campus housing on the west
- 9. UTPB Circle around the main academic buildings
- 10. Campus View Boulevard west entrance to Mesa Building
- 11. Big Sky Way northwest entrance to Mesa Building
- 12. Monolith Place between the Gym and Art complexes
- 13. UTPB Park Drive through city park east of campus

Naming of the streets within the boundaries of the campus will enable the 911 service to respond quickly in the event of an emergency.

- 6. U. T. Arlington: Authorization to lease approximately 1.12 acres of land and improvements located at 202 East Border Street, Arlington, Tarrant County, Texas, to the Arlington Business Accelerator, LLC, a Texas limited liability company, for use as a technology transfer and business incubator operated by the tenant; authorization to sublease back from the Arlington Business Accelerator, LLC, 9,421 square feet of space in the improvements for the U. T. Arlington Office of Grants and Contracts; and finding of public purpose

On behalf of The University of Texas at Arlington, the Board granted approval to

- a. lease to the Arlington Business Accelerator, LLC (the Accelerator), a Texas limited liability company, approximately 1.12 acres of land improved with an office building containing approximately 28,260 gross square feet located at 202 East Border Street, Arlington, Tarrant County, Texas, for use as a technology transfer and business incubator operated by the tenant;
- b. determine that the lease of the building to the Accelerator for the stated reason serves a public purpose appropriate to the function of U. T. Arlington, and that the consideration to The University of Texas System and U. T. Arlington for the lease of the premises is adequate;
- c. enter into a sublease with the Accelerator to occupy approximately 9,421 square feet of space in the building for the U. T. Arlington Office of Grants and Contracts; and
- d. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all

such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing actions.

U. T. Arlington created the Arlington Technology Incubator (Incubator) to commercialize research and encourage the creation and development of new businesses pursuant to a memorandum of understanding with the Arlington Chamber Foundation (Foundation) and the City of Arlington and in accordance with authorization from the Board of Regents granted on May 8, 2003. The Incubator and the original acquisition by U. T. Arlington of the 202 East Border Street property, approved by the Board of Regents on May 8, 2003, were initially funded from a federal grant provided by the Economic Development Administration (EDA). In connection with the grant, the EDA placed a covenant restricting the building to technology transfer and business incubator uses. That restriction remains in place until September 8, 2023.

U. T. Arlington and the Foundation have agreed to reorganize the Incubator to improve the effectiveness and flexibility of the authorized uses of the property. The Foundation has created a limited liability company, the Arlington Technology Incubator, LLC, which is wholly owned by the Foundation. The President and Vice President of Research at U. T. Arlington are slated to serve on the Board of the Arlington Technology Incubator, LLC, which will oversee activities of the Incubator. As part of the reorganization, the Foundation recently formed the Arlington Entrepreneur Center, LLC, to provide technical assistance to new businesses and the Arlington Business Accelerator, LLC, to be the tenant under the lease and to operate the subject property.

Under the reorganization, U. T. Arlington will no longer manage the property. Operating expenses for the property paid by the institution totaled \$149,000 last fiscal year, but cash rents and the value of equity in lieu of rent received from the businesses aided by the Incubator totaled, on average, only \$29,000 per year. U. T. Arlington's status as a State agency inherently limits flexibility in structuring rent payments from the businesses aided by the Incubator. The new organizational structure will also facilitate a planned \$600,000 investment in the facility and future funding by the Foundation for Incubator operations, including \$130,000 of annual salary and benefit expenses now borne by U. T. Arlington.

U. T. Arlington will lease the entire 202 East Border Street property, improved with a 28,260 gross square foot, three-story office building and associated surface parking, to the Accelerator for 20 years for a nominal rental of \$1.00 per year. The tenant will be responsible for the cost of all facility operating expenses and may use the property only for uses related to the purposes of the EDA grant and U. T. Arlington's mission. The EDA has written a letter supporting the reorganization of the Incubator.

In turn, U. T. Arlington will sublease one floor of the building totaling 9,421 gross square feet, at a gross rental rate of \$12.00 per square foot per year, or \$113,052 annually for the Office of Grants and Contracts. According to local brokers, market rental is approximately \$15.50 per square foot.

The Attorney General of the State of Texas has advised in Opinion No. MW-373 (1981) that, for the use of university facilities at a below market rental to comply with the Texas Constitution, three requirements must be met: (1) the use of the property must serve a public purpose, appropriate to the function of the university, (2) adequate consideration must be received by the university, and (3) the university must maintain controls over the user's activities to ensure that the public purpose is achieved.

U. T. Arlington has determined that the lease to the Accelerator will meet the requirements in the following manner: the property will continue in its current use, encouraging the transfer of university-created technology and small business development, but the effectiveness and flexibility of those uses will increase due to the reorganization. U. T. Arlington's net financial commitments will be reduced initially by approximately \$136,948 per year and fixed for the term of the lease, thereby avoiding uncertain revenues and likely growth of costs over time due to inflation. Finally, the building lease will contain controls making a change in use an event of default that will permit the landlord to terminate the lease and making the tenant responsible for any penalties or repayments imposed by the EDA.

7. U. T. Arlington: Authorization to ground lease approximately 0.654 of an acre located at 1115 Greek Row Drive, Arlington, Tarrant County, Texas, to Arlington Delta Upsilon Foundation for a term of 30 years with two 10-year renewal options for construction and operation of a fraternity house; and finding of public purpose

On behalf of The University of Texas at Arlington, the Board granted approval to

- a. ground lease approximately 0.654 of an acre located at 1115 Greek Row Drive, Arlington, Tarrant County, Texas, to Arlington Delta Upsilon Foundation, for a term of 30 years with two 10-year renewal options on the terms stated below for construction and operation of a fraternity house;
- b. determine that the lease will serve a public purpose appropriate to the function of U. T. Arlington and that the consideration to The University of Texas System and U. T. Arlington for the lease is adequate; and

- c. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing actions.

Arlington Delta Upsilon Foundation will lease the subject property, located on Greek Row Drive on U. T. Arlington's main campus, to construct and operate a fraternity house for use by Delta Upsilon, a registered student organization in good standing at U. T. Arlington. The institution will lease the property at a below market annual rent of \$0.05 per square foot (approximately \$1,424 per year) for the initial 30-year term, compared to an estimated market annual rent rate of \$0.20 per square foot (approximately \$5,698 per year). The estimated market rental is based on recent appraisals of nearby land at \$2.50 per square foot and a capitalization rate of 8%. Below market annual rental rates of \$0.05 per square foot are in place under existing ground leases between the Board of Regents of the U. T. System, for the use and benefit of U. T. Arlington, and nine other sororities and fraternities on Greek Row Drive.

The Attorney General of the State of Texas has advised in Opinion No. MW-373 (1981) that, for the use of university facilities at a below market rental to comply with the Texas Constitution, three requirements must be met: (1) the use of the property must serve a public purpose, appropriate to the function of the university, (2) adequate consideration must be received by the university, and (3) the university must maintain controls over the user's activities to ensure that the public purpose is achieved.

U. T. Arlington has determined that the below market rental for the lease to Arlington Delta Upsilon Foundation serves a public purpose appropriate to the function of U. T. Arlington. The institution's Mission Statement expressly recognizes that "outside the classroom a wide range of student organization and activities contribute to the learning environment." Furthermore, the planning priorities and associated goals in U. T. Arlington's 2006-2010 Strategic Plan include enriching the university experience for all members of the U. T. Arlington community, making the campus more welcoming, developing a more engaging campus life, and promoting a culturally diverse, inclusive university community. It is the institution's position that registered student organizations in good standing, such as Delta Upsilon, can contribute to these goals and that the ground lease can facilitate those contributions.

Arlington Delta Upsilon Foundation will construct the fraternity house at its own expense. The ground lease will require compliance with all laws and institutional mandates. Failure to maintain status as a registered student organization at U. T. Arlington, loss of affiliation with the national chapter, and a criminal conviction for actions on the leased premises will each constitute a

material breach causing forfeiture of the ground lease. The ground lease will also require the fraternity to make meaningful contributions to campus as measured by specific standards incorporated into the ground lease, including participation in scholarship fund raising programs, community service assistance, volunteer activities, coordination of campus events, and regional, state, and national competitions. Failure of the fraternity to contribute meaningfully to campus life through such activities will result in an increase of rent to market level. The ground lease will also contain provisions in which the tenant (1) indemnifies the landlord for all matters arising from the tenant's use or occupancy of or activities on the premises, and (2) acknowledges and agrees that the landlord will not be liable for the acts or omissions of the tenant.

8. U. T. System: Adoption of an extension program fee for the Bill Archer Center, Washington, D.C.

The Board approved an extension program fee of \$3,000 per semester for the Bill Archer Center, Washington, D.C., for inclusion in the institutional catalogs. The fee will be collected by the institutions of The University of Texas System and forwarded to the host institution, The University of Texas at Dallas, to cover costs of the Archer Center Program.

The Bill Archer Center in Washington, D.C., is a self-supporting program based within the U. T. System Office of Federal Relations. The Center is unique among academic and student opportunities because it strives to support and enable students from all campuses within the U. T. System to take advantage of opportunities in Washington, D.C. The Center is partially funded by an endowment managed by The University of Texas Foundation that generates about \$140,000 annually. For the last two years, the endowment revenue has been supplemented by federal grants that essentially doubled the funds. These grants terminate in the coming months leaving a shortfall of \$138,000 going forward from the 2006-2007 academic year budget of \$278,000.

To strengthen its ability to support program costs and future expansion, the Center has restructured its budget for the coming academic year to reduce overall costs by \$21,000 to \$257,000. Presently, tuition and fees paid by Archer Fellows remain within the local campus and none are used to fund the costs incurred by the Archer Center. For 2005-2006, the 45 participating students paid just over \$144,000 in tuition and fees to their home campuses for the semester credit hours they received through the Archer Program.

Starting in academic year 2007-2008, the Archer Center will begin charging and collecting an extension program fee to cover costs of operating the program. This authority is granted under Regents' *Rules and Regulations*, Series 50701 titled Visiting U. T. System Students Program. Thus, local

campuses will no longer charge Archer Fellows the local tuition rates nor retain the extension program fee that will be charged by the Archer Center. The extension program fee collected by the home institution will be transferred to U. T. Dallas to cover costs of the program. For Archer Fellows, the local campus may waive any mandatory fees required of all students who attend their campus.

The authority for charging the fee as an extension program fee is authorized by *Texas Education Code* Section 54.545.

A report on restructuring the tuition process for the Archer Center was included in the Agenda materials and follows on Pages 61 - 65.



Introduction

In 2000, the Archer Center was established by The University of Texas System (U. T. System), in conjunction with Former U.S. Representative Bill Archer, as a way to bring highly motivated and accomplished students to Washington, D.C. to participate in varied internships and take part in classes focusing on policy, economics, and persuasion. Archer Fellows intern with organizations such as the United Nations Information Centre, the U.S. Department of State, many offices within the White House and on Capitol Hill, with federal agencies, and with non-profit organizations. The selection process is rigorous and affords the opportunity to bring only the best representatives from throughout Texas.

The Archer Center is a self-supporting program based within the Office of Federal Relations for U. T. System. It is unique among academic and student opportunities because it strives to support and enable students from all campuses within U. T. System to take advantage of opportunities in Washington, D.C. The program is partially funded by an endowment managed by The University of Texas Foundation that generates about \$140,000 annually. For the last two years, endowment revenue has been supplemented by federal grants that essentially doubled the program's funding. These grants terminate in the coming months leaving a shortfall of \$138,000 going forward from the 2006-2007 academic year budget of \$278,000.

To remedy this situation, the program has restructured its budget for the coming academic year to reduce overall costs by \$21,000 to \$257,000. In addition, the Archer Center will begin to access the program fee paid by the students who participate in the internship experience. Presently, tuition and fees paid by Archer students remain with the local campus. For 2005-2006, the 45 participating students paid just over \$144,000 in tuition and fees to their home campuses for the semester credit hours they received through the Archer Program. Beginning in 2007-2008, the Archer Program will charge a flat \$3000 extension program fee, most appropriate for a program that is offered entirely off-campus. Access to these funds, allowed under the Regents' "Visiting U. T. System Students Program" rule (Regents' *Rules and Regulations*, Series 50701), would allow for the maintenance of the Archer Center and its support services, and the opportunity to provide some financial support to students with limited means. The U. T. System Office of General Counsel found that the Visiting U. T. System Students Program does apply to courses offered at the Archer Center.

The Archer Program courses are University of Texas at Dallas (U. T. Dallas) approved courses and the Office of Undergraduate Education at U. T. Dallas coordinates faculty hiring and manages course evaluations for the Archer Program. Thus, U. T. Dallas will be designated as the "host institution" under the Visiting U. T. System Students Program. Students accepted into the Archer Program from any U. T. System institution would register for Archer Program courses at their home institution and the home institution would forward the extension program fee collected from participating students to the U. T. Dallas campus where they would be allocated to the Archer Program. The details of the program are included in the following section.

Visiting U. T. System Students Program

The Visiting U. T. System Students Program is designed to allow upper-level and graduate or professional students enrolled in a U. T. System institution to take courses or engage in research at another institution within U. T. System during a regular semester or summer session. Each campus must appoint an individual designated to coordinate the visiting student program at both the home and host institution. Every campus has the responsibility to determine the academic qualifications necessary for their students to participate in the visiting program, but the Archer Center has set the following minimum requirements: upper-division status, minimum 3.0 GPA, previous work or internship experience, completion of government course requirements, and 24 semester credit hours in residence. In addition, the local Archer Coordinator works closely with the Archer Center staff in selecting those students chosen for the internship experience.

Enrollment in The Archer Program

For continuity of financial aid, visiting students are enrolled at their home institutions, with grades for any course taken at the cooperating host institution reported to the home institution. At the time the student registers, the home institution identifies the course title/number under which the visitation credit is to be recorded. Each course should be offered with a home institution Professor of Record during each long semester and enrollment limited to those students who are selected to participate in the Archer Program. After each semester, U. T. Dallas will forward the students' grades to the coordinator at the home institution (per Regents' *Rules*, Series 50701). These grades are then posted to the students' academic records on the Archer courses listed in the home institution's course inventory. This provides greater consistency and understanding across U. T. System institutions and replaces a system wherein the specific courses used to award class credit varied from campus to campus.

To maintain consistency and to assure the integrity of student financial aid requirements, the extension program fee associated with enrollment at the host institution is to be paid to the home institution. The host institution must provide the home institution with the amount of the fee to be charged and the home institution will transfer the amount collected to the host institution (per Regents' *Rules*, Series 50701). To apply the Visiting U. T. System Students Program to the Archer Center, the Archer Program must specify a charge that is consistently applied to all participants, regardless of their home institution. U. T. Dallas, the host institution for the Archer Program, proposes to set the charge for the 12 semester credit hours taken through the Archer Center at \$3,000 as an extension program fee. Each home institution would collect and forward \$3,000 for each Archer Center student enrolled at the institution to U. T. Dallas. Using the 45 participating students for 2005-2006 as an example, these charges would yield revenue in the amount of \$135,000.

While each home institution reserves the right to collect additional mandatory fees from students participating in the Archer Program, both UT Arlington and UT Dallas have chosen to waive any additional fees for Archer students during their semester in Washington as Archer Fellows, per Regents' *Rules*, Series 40401.

The fees collected by U. T. Dallas would first be used to pay the salaries of those teaching the courses at the Archer Center. The remaining funds would be transferred to the Archer Center where they could be used for program support.

Financial Aid

For those students currently receiving financial aid, it is imperative that they still be fully eligible for that aid, particularly for those campuses where tuition is lower than the extension program fee. U. T. Dallas, as the host institution, proposes to sign consortium agreements with each U. T. System institution allowing a student to apply for financial aid at their home institution which would acknowledge the cost of the Archer Program through U. T. Dallas and adjust the financial aid it awards accordingly.

Estimated Financial Impact to Institutions and Students

The implementation of this arrangement will have a financial impact to the home institutions and students due to the change in program cost. This impact will vary for each home institution and will depend on the number of students participating from each campus, the amount of tuition the students currently pay for a 12 semester credit hour course load, and whether the home institution chooses to waive its mandatory fees for Archer students.

At a standard rate of \$3,000, Arlington, Austin, and Dallas students would pay comparable or less in program fees than they currently pay for a similar credit load at their home institution (see Table 1). Students at the other campuses would pay more than the cost of an equivalent course at their home institution (tuition and fees for 12 semester credit hours). The concern is that these increased costs, paired with the other expenses a student incurs in living in Washington for a semester (approximately \$6,000 for room and board, transportation, and sundry other costs) may reduce the likelihood that students from some campuses take part in the program. Many of the students in the program receive financial aid in the form of scholarships and grants, of which many cover the cost of tuition and fees. Of the 23 participants in Fall 2006, 12 had over 70 percent of their total costs (tuition, fees, housing, transportation, meals, and entertainment) covered by scholarships and grants. Over half of the participants received enough aid to cover 100 percent of their fixed costs (tuition, fees, and housing).

The Archer Center proposes an equalization strategy to assist students who will pay more for the 12 semester credit hours at the Archer Center than they pay for a comparable course load on their home campus. Those students whose home campus tuition and fees for 12 semester credit hours are less than the \$3,000 charged for Archer Program participation would be eligible for a subsidy from the program. This subsidy would amount to not more than the difference between the Archer Program cost and the cost for a comparable number of hours at the home institution, and would be awarded to the student by the Archer Center after the extension program fee is paid to the home institution and collected by the Center.

Evaluation

U. T. Dallas currently provides course evaluation for Archer Center classes. Each semester students complete the course evaluation forms used by all students to rate their satisfaction with classes and instructors. In addition, the Director of the Collegium V Honors Program travels to Washington each semester to speak directly with students and faculty about course content and

instruction as well as students' overall satisfaction with the program. An annual report is submitted to the Archer Board.

Archer Program Participation Agreement

As there are a number of substantive changes put forth in this proposal it is our recommendation that the Archer Center, U. T. Dallas, and the remaining U. T. System campuses enter into an agreement that addresses the issues of enrollment, financial aid, extension program fee collection, subsidies, and grade reporting, as well as any other related issues. By entering into an agreement that addresses each of these issues simultaneously, the Archer Center can move forward with consistent administration of the program across each campus, thereby reducing the administrative burden and further ensuring equity for all students involved.

Summary

It seems a simple premise that program fees generated from students for an academic program actually be designated to the program that serves them. Allowing the Archer Center control over the roughly \$130,000-\$150,000 students pay annually for the internship experience would allow the Center to cover its operating expenses. This revenue would allow the program to maintain the current level of programming while actively seeking additional endowment support to improve, expand, and better support the students it serves, the goal of every academic program in U. T. System. The Visiting U. T. System Students Program and the cooperation of U. T. Dallas provide a straightforward and equitable approach to bolstering the prospects of a program important to the future of many young Texans and the enhanced presence of the U. T. System in our nation's capital.

Table 1: Financial Analysis
Based on Student Counts from Academic Year 2005-2006

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
UT System Institution	Home Tuition for 12 Semester Credit Hours	Home Mandatory Fees for 12 Semester Credit Hours*	Total Home Cost for 12 Semester Credit Hours	Proposed Archer Costs for 12 Semester Credit Hours	Cost Impact for Home Institution*	Cost Impact for Students*	Number of Archer Fellows by Campus 2005-2006	Potential Archer Revenue
Arlington:	\$2,001	N/A	\$2,001	\$3,000	< \$2,001 >	< \$ 999 >	4	\$12,000
Austin:	\$3,071	\$744	\$3,815	\$3,000	\$ 815	\$0	19	\$57,000
Brownsville:	\$1,296	\$545	\$1,841	\$3,000	< \$1,296 >	< \$1,704 >	1	\$3,000
Dallas:	\$2,132	N/A	\$2,132	\$3,000	< \$2,132 >	< \$ 868 >	10	\$30,000
El Paso:	\$1,656	\$494	\$2,150	\$3,000	< \$1,656 >	< \$1,344 >	1	\$3,000
Pan American:	\$1,392	\$340	\$1,732	\$3,000	< \$1,392 >	< \$1,608 >	3	\$9,000
Permian Basin:	\$1,416	\$403	\$1,819	\$3,000	< \$1,416 >	< \$1,584 >	1	\$3,000
San Antonio:	\$1,707	\$925	\$2,632	\$3,000	< \$1,707 >	< \$1,293 >	3	\$9,000
Tyler:	\$1,500	\$458	\$1,958	\$3,000	< \$1,500 >	< \$1,500 >	3	\$9,000
Total							45	\$135,000

Note 1: UT Austin offers flat-rate tuition, so the institution would forward \$3,000 from the total charged for 12 SCH to the Archer Center (includes mandatory fees).

* UT Dallas and UT Arlington have already agreed to waive mandatory fees. These figures assume the other campuses will continue to charge and retain the full amount of available mandatory fees.

65

9. U. T. System: Report from academic presidents, Interim Executive Vice Chancellor Malandra, and Academic Affairs Committee members on graduation rates

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

10. U. T. System Board of Regents: Update regarding admissions policies of U. T. System academic institutions

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

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 67 - 89).--Committee Chairman Barnhill reported that the Facilities Planning and Construction Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Facilities Planning and Construction Committee and approved in open session by the U. T. System Board of Regents:

1. U. T. System: 2007 Office of Facilities Planning and Construction Strategic Initiatives

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

2. U. T. System: Consideration of possible designation of the University Bookstore project at U. T. El Paso as architecturally or historically significant and selection of Pelli Clark Pelli with Susman Tisdale Gayle Architects for the Dell Computer Science Hall project at U. T. Austin

The University Bookstore project at The University of Texas at El Paso was not declared architecturally or historically significant. See the Committee Minutes for selection of Pelli Clark Pelli with Susman Tisdale Gayle Architects as architect for the Dell Computer Science Hall project at The University of Texas at Austin.

3. U. T. Arlington: Engineering Lab Building Addition - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to include project

The Board amended the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to include the Engineering Lab Building Addition project at The University of Texas at Arlington as follows:

Project No.: 301-338
Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: July 2008

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$10,450,000

Project Description

The project will add approximately 44,600 gross square feet to the existing Engineering Lab Building with the construction of a third floor and the construction of a basement in the existing crawl space. The new additional space will provide the needed offices and laboratories to accommodate the growth in research projects within the College of Engineering until the completion of the Engineering Research Building in January 2011.

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

4. U. T. Austin: Center for Physical Culture and Sports - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to include project at Darrell K Royal - Texas Memorial Stadium North End Zone; approval of total project cost; appropriation of funds and authorization of expenditure; and approval of naming as the H. J. Lutcher Stark Center for Physical Culture and Sports

The Board amended the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to include the Center for Physical Culture and Sports project at The University of Texas at Austin as follows:

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: July 2008

Total Project Cost:	<u>Source</u> Gifts	<u>Current</u> \$5,500,000
----------------------------	------------------------	-------------------------------

- a. approve a total project cost of \$5,500,000 with funding from Gifts;
- b. appropriate and authorize expenditure of funds; and
- c. approve the naming as the H. J. Lutcher Stark Center for Physical Culture and Sports.

The project will complete approximately 7,000 gross square feet of shell space on the fifth floor in the Darrell K Royal - Texas Memorial Stadium North End Zone. The space will showcase permanent and rotating exhibits related to the role of sports in society and the history of physical fitness, weight training, and health promotion. An extraordinary collection of material on competitive sports, strength training, and other topics relating to physical fitness and alternative medicine, including the Todd-McLean Physical Culture Collection, will form the basis of the new facility's holdings.

Mr. H. J. Lutcher Stark was born in Orange, Texas, in 1887. Mr. Stark was a U. T. Austin athlete in the early 1900s, and graduated from U. T. Austin with a bachelor of arts degree in 1910. He served on The University of Texas System Board of Regents for 24 years, from May 1919 - January 1931, and from January 1933 - February 1945, approximately 11 of those years as Chairman. He was a driving force behind the construction of U. T. Austin's original stadium in 1924 while serving as Chairman of the Board of Regents. He created the Nelda C. and H. J. Lutcher Stark Foundation with his wife in 1961. In June 2006, the Board of Directors of the Foundation authorized a grant of \$3.5 million to be used toward creation of the center of physical culture and sports as part of the planned renovation of the Darrell K Royal - Texas Memorial Stadium. It is a fitting tribute that the center be named in honor of former Regent H. J. Lutcher Stark, who died in 1965.

This off-cycle project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP.

5. U. T. Austin: 1616 Guadalupe Regional Data Center Study - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to include project; appropriation of funds and authorization of expenditure; and authorization of institutional management

The Board amended the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to include the 1616 Guadalupe Regional Data Center Study at The University of Texas at Austin as follows:

Institutionally Managed:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Total Project Cost:	<u>Source</u> Unexpended Plant Funds	<u>Current</u> \$500,000

- a. approve a preliminary project cost of \$500,000 with funding from Unexpended Plant Funds;
- b. appropriate and authorize expenditure of funds; and
- c. authorize U. T. Austin to manage the study.

Project Description

This project will provide a review of the newly acquired property to serve as the primary data center for the U. T. Austin campus as well as shared services, co-location, and disaster recovery needs of any number of University of Texas System institutions. A more thorough engineering and architectural study of the facility is required to refine the scope and costs of the project.

This study is below the Capital Improvement cost threshold but is being added to the CIP due to the potential renovations becoming a major project. This off-cycle study has been approved by U. T. System staff and meets the criteria for inclusion in the CIP.

6. U. T. Dallas: Major Renovation and Repair Projects - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to include project; authorization of institutional management; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board amended the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to include the Major Renovation and Repair Projects at The University of Texas at Dallas as follows:

Project No.: 302-330
Institutionally Managed: Yes No
Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: August 2007

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$2,408,000

- a. approve a total project cost of \$2,408,000 with funding from Revenue Financing System Bond Proceeds;
- b. authorize U. T. Dallas to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts;
- c. appropriate funds and authorize expenditure of funds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and

- U. T. Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$2,408,000.

Debt Service

The \$2,408,000 in Revenue Financing System Debt will be repaid from institutional funds. Average annual debt service on the project is estimated at approximately \$308,000. The institution's debt service coverage is expected to be at least 1.4 times and average 2.4 times over FY 2007-2012.

Project Description

The projects will consist of various remodeling and infrastructure projects to include the remodeling of office space, exterior access renovations, traffic improvements, and major repairs to roofs.

This off-cycle repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. It has been determined that U. T. Dallas Facility Management personnel have the experience and capability to manage all aspects of the work.

7. U. T. El Paso: University Bookstore - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to include project

The Board amended the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to include the University Bookstore project at The University of Texas at El Paso as follows:

Project No.: 201-333
Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: April 2009

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$5,500,000

The project will include 25,000 gross square feet to incorporate many aspects of student life including a food court, lounge space, student media, and entertainment venues. The University Bookstore will be located at the corner of Sun Bowl Drive and University Avenue. This site was selected due to the heavy amount of student traffic through this area, the convenient location off Interstate 10 and Sun Bowl Drive, and parking in the adjacent parking garage.

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

8. U. T. San Antonio: Expansion to Parking Lot 12 - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to include project; authorization of institutional management; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board amended the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to include the Expansion to Parking Lot 12 project at The University of Texas at San Antonio as follows:

Project No.: 401-337
Institutionally Managed: Yes No
Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: January 2008

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$1,500,000

- a. approve a total project cost of \$1,500,000 with funding from Revenue Financing System Bond Proceeds;
- b. authorize U. T. San Antonio to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts;
- c. appropriate and authorize expenditure of funds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and

- U. T. San Antonio, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$1,500,000.

Debt Service

The \$1,500,000 in Revenue Financing System debt will be repaid from parking revenues. Average annual debt service on the project is estimated at approximately \$131,000. Debt service coverage is expected to be at least 1.3 times and average 1.4 times over FY 2007-2011.

Project Description

The project will add approximately 300 parking spaces to the current 220 space Parking Lot 12 located on the western portion of the U. T. San Antonio 1604 Campus. Additional lighting, sidewalks, and modifications to existing Parking Lot 12 will be included to facilitate the expansion.

This off-cycle repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. It has been determined that U. T. San Antonio Facility Management personnel have the experience and capability to manage all aspects of the work.

9. U. T. Health Center - Tyler: Campus Electrical Distribution System Upgrade and Expansion - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to include project; approval of total project cost; approval of transfer of funds and authorization of expenditure; authorization of institutional management; and reduction of total project cost for Biomedical Research Wing Addition

The Board amended the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to include the Campus Electrical Distribution System Upgrade and Expansion project at The University of Texas Health Center at Tyler as follows:

Project No.: 801-334
Institutionally Managed: Yes No
Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: October 2007

Total Project Cost: Campus Electrical Distribution System Upgrade and Expansion (Project No.: 801-334)	<u>Source</u>		<u>Current</u>
	Permanent University Fund Bond Proceeds		\$460,000
	Tuition Revenue Bond Proceeds		\$490,000
			\$950,000
Total Project Cost: Biomedical Research Wing Addition (Project No.: 801-062)	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Tuition Revenue Bond Proceeds	\$11,513,250	\$11,023,250

- a. approve a total project cost of \$950,000 with funding of \$460,000 from Permanent University Fund (PUF) Bond Proceeds Library, Equipment, Repair and Rehabilitation (LERR) and \$490,000 from Tuition Revenue Bond Proceeds;
- b. approve the transfer of Tuition Revenue Bond Proceeds in the amount of \$490,000 from the Biomedical Research Wing Addition project and authorize expenditure;
- c. authorize U. T. Health Center - Tyler to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts;
- d. appropriate funds and authorize expenditure of funds; and
- e. reduce the total project cost from \$11,513,250 to \$11,023,250 for the Biomedical Research Wing Addition project with funding from Tuition Revenue Bond Proceeds.

Project Description

Funding for the project was previously appropriated in the amount of \$490,000 from Tuition Revenue Bond Proceeds from the Biomedical Research Wing Addition project and \$460,000 from PUF Bond Proceeds FY 2006 allocations from LERR. The project scope of work includes upgrading and reconfiguring the campus electrical distribution components and high voltage cabling, establishing power distribution sub-loops, and installing capacitor banks on the main incoming power supply to the campus. The project is required to provide service for expanded campus electrical load to facilities including the Center for Biomedical Research as well as to improve the reliability and redundancy of the distribution system. This project is below the Capital Improvement cost threshold but is being added to the CIP due to the use of debt financing.

This off-cycle project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP. It has been determined that U. T. Health Center - Tyler Facilities Management personnel have the experience and capability to manage all aspects of the work.

10. U. T. Austin: Chilling Station Replacement - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost; approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board approved the recommendations for the Chilling Station Replacement project at The University of Texas at Austin as follows:

Project No.: 102-245
Institutionally Managed: Yes No
Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: January 2009

Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$35,000,000	\$37,700,000

- a. amend the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to increase the total project cost from \$35,000,000 to \$37,700,000;
- b. approve design development plans;
- c. approval of evaluation of alternative energy economic feasibility;
- d. appropriate funds and authorize expenditure of funds; and
- e. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. Austin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$37,700,000.

Debt Service

The \$37,700,000 in Revenue Financing System debt will be repaid from indirect cost recovery. Annual debt service on the project is expected to be \$2.8 million. The institution's debt service coverage is expected to be at least 3.4 times and average 3.8 times over FY 2007-2011.

Previous Board Action

On May 11, 2006, the project was included in the CIP with a preliminary project cost of \$35,000,000 with funding from Revenue Financing System Bond Proceeds.

Project Description

This project replaces the outdated Central Chilling Station No. 2 to free up space for the new Dell Computer Science Hall. The new chilling station will include three 5,000 ton variable frequency driven electric chillers, of which 3,000 tons will be dedicated for turbine inlet air cooling of a gas turbine, and space for operations and maintenance personnel. A new cooling tower will also be constructed to replace the cooling tower to be demolished with Central Chilling Station No. 2.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building or addition to an existing building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

- 11. U. T. Pan American: Student Health Clinic - Approval of design development; approval to revise funding source; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt

The Board approved the recommendations for the Student Health Clinic project at The University of Texas - Pan American as follows:

Project No.: 901-251
Institutionally Managed: Yes No
Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: July 2007

Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Designated Funds	\$1,500,000	
	Revenue Financing System Bond Proceeds		\$1,500,000

- a. approve design development plans;
- b. revise funding source;
- c. appropriate funds and authorize expenditure of funds;
- d. approve the evaluation of alternative energy economic feasibility; and
- e. 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. Pan American, 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 \$1,500,000.

Debt Service

The \$1,500,000 in Revenue Financing System debt will be repaid from student fees. Annual debt service on the project is expected to be \$131,000. The project's debt service coverage is expected to be at least 1.7 times and average 2.2 times over FY 2008-2011.

Previous Board Action

On August 10, 2005, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$1,500,000 with funding from Designated Funds.

Project Description

The institutionally managed project will relocate the current Student Health Clinic from a 1961 building and will provide new technology to be built into the new facility containing approximately 7,500 gross square feet. The clinic will have exam rooms, a pharmacy, and all health-related support areas. Changing the funding source more accurately reflects the financial model to optimize the amount of debt on the project.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building or addition to an existing building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

12. U. T. Austin: Experimental Science Building - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to combine projects; approval of total project cost; approval to revise funding sources; approval to redesignate the project as Experimental Science Building/Vivarium/Phase I - Robert A. Welch Hall; and approval to reduce the total project cost for the Robert A. Welch project and redesignate as Phase 2 - Robert A. Welch Hall

The Board approved the recommendations for the Experimental Science Building project at The University of Texas at Austin as set forth below:

Project No.:	102-259		
Project Delivery Method:	Construction Manager at Risk		
Substantial Completion Date:	July 2011		
Total Project Cost:	<u>Source</u>	<u>Former</u>	
Experimental Science Building	Permanent University Fund Bond Proceeds	\$ 20,000,000	
(Project No.: 102-259)	Tuition Revenue Bond Proceeds	<u>\$105,000,000</u>	
		\$125,000,000	
Total Project Cost: Vivarium	<u>Source</u>	<u>Former</u>	
(Project No.: 102-260)	Revenue Financing System Bond Proceeds	\$15,000,000	
Total Project Cost: Robert A. Welch Hall	<u>Source</u>	<u>Former</u>	<u>Current</u>
(Project No.: 102-282)	Permanent University Fund Bond Proceeds	\$35,000,000	
	Revenue Financing System Bond Proceeds	<u>\$25,000,000</u>	\$25,000,000
		\$60,000,000	

Combined Total Project Cost:		<u>Source</u>	<u>Current</u>
Experimental Science		Permanent University Fund Bond Proceeds	\$ 55,000,000
Building/Vivarium/Phase I -		Tuition Revenue Bond Proceeds	\$105,000,000
Robert A. Welch Hall		Revenue Financing System Bond Proceeds	<u>\$ 15,000,000</u>
			<u>\$175,000,000</u>

- a. amend the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to combine the Experimental Science Building project, Robert A. Welch Hall project, and the Vivarium project;
- b. approve a total project cost of \$175,000,000;
- c. revise the funding sources of \$105,000,000 from Tuition Revenue Financing System Bond Proceeds, \$55,000,000 from Permanent University Fund (PUF) Bond Proceeds, and \$15,000,000 from Revenue Financing System Bond Proceeds;
- d. redesignate the project as Experimental Science Building/Vivarium/Phase 1 - Robert A. Welch Hall;
- e. reduce the total project cost for the Robert A. Welch Hall project to \$25,000,000 with funding from Revenue Financing System Bond Proceeds; and
- f. redesignate the Robert A. Welch Hall project as Phase 2 - Robert A. Welch Hall.

Previous Board Actions

Experimental Science Building - On June 20, 2006, the project was included in the CIP with a preliminary project cost of \$125,000,000 with funding of \$105,000,000 from Tuition Revenue Bond Proceeds and \$20,000,000 from PUF Bond Proceeds.

Vivarium - On June 20, 2006, the project was included in the CIP with a preliminary project cost of \$15,000,000 with funding from Revenue Financing System Bond Proceeds.

Robert A. Welch Hall - On August 11, 2006, the project was included in the CIP with a preliminary project cost of \$60,000,000 with funding of \$35,000,000 from PUF Bond Proceeds and \$25,000,000 from Revenue Financing System Bond Proceeds.

Project Description

U. T. Austin has determined that a significant priority for the Experimental Science Building is to create improved space for chemistry research, and one of the most critical needs is chemistry research space currently housed in the most outdated portion of Robert A. Welch Hall. Freeing a portion of Robert A. Welch Hall by relocating chemistry research space to the completed Experimental Science Building will allow renovation of the vacated portion of Robert A. Welch Hall to be accomplished more expediently, more cost effectively, and in a more coordinated manner.

Combining the projects will allow for increased flexibility of use of the space, efficient use of the anticipated construction cost, and time savings.

13. U. T. Permian Basin: Science and Technology Complex - Appropriation of funds and authorization of expenditure for renovation portion of the project and resolution regarding parity debt

The Board approved the recommendations for the Science and Technology Complex project at The University of Texas of the Permian Basin as follows:

Project No.:	501-263	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	January 2010	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Tuition Revenue Bond Proceeds	\$54,000,000
	Permanent University Fund Bond Proceeds	<u>\$ 2,000,000</u>
		\$56,000,000
Total Project Cost for Repair & Rehabilitation Portion:	<u>Source</u>	<u>Current</u>
	Tuition Revenue Bond Proceeds	\$4,000,000
	Permanent University Fund Bond Proceeds	<u>\$2,000,000</u>
		\$6,000,000

- a. appropriate funds and authorize expenditure of funds of \$4,000,000 from Tuition Revenue Bond Proceeds and \$2,000,000 from Permanent University Fund (PUF) Bond Proceeds for the renovation portion of the project; and
- b. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that

- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
- U. T. Permian Basin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$4,000,000.

Debt Service

The 79th Legislature authorized \$54,000,000 of Tuition Revenue Bonds for a science and technology complex of which \$4,000,000 is being appropriated at this time. While the debt service is payable from pledged revenues, it is expected the State will reimburse debt service on Tuition Revenue Bonds through general revenue appropriations.

Previous Board Action

On August 11, 2006, the project was included in the Capital Improvement Program (CIP) with a preliminary project cost of \$56,000,000 with funding of \$54,000,000 from Tuition Revenue Bond Proceeds and \$2,000,000 from PUF Bond Proceeds.

Project Description

The repair and rehabilitation portion of the Science and Technology Complex project involves two projects. The renovation to the Mesa Building will address primarily backfill of the building and construction of additional classrooms, faculty offices, and student support space in the portion of the Mesa Building vacated by science and computer technology areas. The Industrial Technology Building will reconfigure previously unrenovated portions of the existing metal building plus infrastructure renovations for the roof, heating, venting, and air conditioning (HVAC), and other building systems. The facility will include classrooms, classroom laboratories, research space, offices, and controlled Physical Plant storage. The design development for the new work will be presented at a later date.

14. U. T. San Antonio: Engineering Building, Phase II - Appropriation of funds and authorization of expenditure and resolution regarding parity debt

The Board approved the recommendations for the Engineering Building, Phase II project at The University of Texas at San Antonio as follows:

Project No.: 401-205
Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: June 2009

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Tuition Revenue Bond Proceeds	\$74,250,000
	Permanent University Fund Bond Proceeds	\$ 8,250,000
		\$82,500,000

- a. appropriate funds and authorize expenditure of funds of \$74,250,000 from Tuition Revenue Bond Proceeds and \$8,250,000 from Permanent University Fund (PUF) Bond Proceeds; and
- b. 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. San Antonio, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$74,250,000.

Debt Service

The 79th Legislature authorized \$74,250,000 of Tuition Revenue Bonds for the engineering building. While the debt service is payable from pledged revenues, it is expected the State will reimburse debt service on Tuition Revenue Bonds through general revenue appropriations.

Previous Board Actions

On November 13, 2003, the project was included in the Capital Improvement Program (CIP) as the East Campus Building Phase I with a preliminary project cost of \$75,000,000 with funding of \$72,000,000 from Revenue Financing System Bond Proceeds and \$3,000,000 from Gifts. On April 12, 2004, the Chancellor approved the nonhonorific name change for the project. On May 12, 2005, the Board approved the design development plans. On August 10, 2006, the Board approved the funding revision to \$74,250,000 from Tuition Revenue Bond Proceeds and \$8,250,000 from PUF Bond Proceeds.

Project Description

The Engineering Building, Phase II project consists of 150,000 gross square feet to house research and teaching laboratories, classrooms, seminar rooms, conference facilities, faculty and staff office, and student and faculty support facilities. The building will include sophisticated information technology features designed and installed for an information-intensive environment.

- 15. U. T. Tyler: Completion/Renovation/Expansion of the Engineering, Science and Technology Building - Appropriation of funds and authorization of expenditure; authorization of partial institutional management; and resolution regarding parity debt

The Board approved the recommendations for the Completion/Renovation/Expansion of the Engineering, Science and Technology Building project at The University of Texas at Tyler as follows:

Project No.: 802-265
Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: April 2009

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Tuition Revenue Bond Proceeds	\$43,200,000
	Permanent University Fund Bond Proceeds	<u>\$ 4,800,000</u>
		\$48,000,000

- a. appropriate funds and authorize expenditure of funds of \$43,200,000 from Tuition Revenue Bond Proceeds and \$4,800,000 from Permanent University Fund Bond (PUF) Proceeds;
- b. authorize U. T. Tyler to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts for three stages of the project; 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. Tyler, 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 \$43,200,000.

Debt Service

The 79th Legislature authorized \$43,200,000 of Tuition Revenue Bonds for the completion, renovation, and expansion of engineering and sciences facilities. While the debt service is payable from pledged revenues, it is expected the State will reimburse debt service on Tuition Revenue Bonds through general revenue appropriations.

Previous Board Action

On August 11, 2006, the project was included in the Capital Improvement Program (CIP) with a preliminary project cost of \$48,000,000 with funding of \$43,200,000 from Tuition Revenue Bond Proceeds and \$4,800,000 from PUF Bond Proceeds.

Project Description

The Renovation/Completion/Expansion of the Engineering, Science and Technology Building project involves six repair and rehabilitation projects. Space created by the completion of the Building will be renovated into an art studio involving the conversion of existing space for faculty offices, digital media lab, and graduate studio space. The University Center project will renovate existing space to include a food court, bookstore, career/advising

center, student program office space, meeting rooms, and faculty offices. The Science/Math/Hudnall Pirtle Roosth (HPR) Renovation will include improved teaching space and classrooms.

Three institutionally managed projects include the Renovation of the Interim Old Engineering Building, First Floor; Completion of Engineering, Science and Technology Building North Building; and Campus Access and Safety Improvements. U. T. Tyler Facilities Management personnel have the experience and capability to manage all aspects of the work.

16. U. T. Health Science Center - Houston: Expansion of RAHC Public Health Satellite - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase the total project cost and appropriation of funds and authorization of expenditure

The Board approved the recommendations for the Expansion of RAHC (Regional Academic Health Center) Public Health Satellite project at The University of Texas Health Science Center at Houston as follows:

Project No.: 701-250
Institutionally Managed: Yes No
Project Delivery Method: Design/Build
Substantial Completion Date: February 2007

Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Permanent University Fund Bond Proceeds	\$3,000,000	\$3,000,000
	Unexpended Plant Funds		\$1,200,000
			\$4,200,000

- a. amend the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to increase the total project cost from \$3,000,000 to \$4,200,000; and
- b. appropriate additional funding and authorize expenditure of funds of \$1,200,000 from Unexpended Plant Funds.

Previous Board Actions

On August 7, 2003, the project was included in the CIP with a preliminary project cost of \$4,000,000 with funding of \$3,000,000 from Grants and \$1,000,000 from Unexpended Plant Funds. On May 11, 2006, the Board approved the design development plans, decreased the total project cost, revised the funding source to \$3,000,000 from Permanent University Fund (PUF) Bond Proceeds, and authorized institutional management.

Project Description

U. T. Health Science Center - Houston is finishing out approximately 7,600 gross square feet of shell space already existing in the building. This addition will be used for Biosafety Level Three (BSL-3) laboratory space on the second floor, and community outreach and population-based research on the first floor. Bids received for this project have escalated above design development estimates due to changes in the construction market thus requiring an increase in total project cost.

17. U. T. Health Science Center - San Antonio: Cyclotron Addition - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost; approval to revise funding sources; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board approved the recommendations for the Cyclotron Addition at The University of Texas Health Science Center at San Antonio as follows:

Project No.: 402-236
Project Delivery Method: Construction Manager at Risk
Substantial Completion Date: January 2007

Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Gifts	\$1,600,000	\$1,600,000
	Permanent University Fund Bond Proceeds	\$ 500,000	\$ 500,000
	Unexpended Plant Funds	<u>\$ 900,000</u>	\$ 700,000
	Revenue Financing System Bond Proceeds		<u>\$1,600,000</u>
		\$3,000,000	\$4,400,000

- a. amend the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to increase the total project cost from \$3,000,000 to \$4,400,000;
- b. revise the funding sources;
- c. appropriate funds and authorize expenditure of funds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;

- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
- U. T. Health Science Center - San Antonio, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$1,600,000.

Debt Service

The \$1,600,000 of Revenue Financing System debt will be repaid from incremental revenue generated by the cyclotron. Average annual debt service on the project is expected to be \$186,000 over 12 years. The institution's debt service coverage is expected to be at least 1.9 times and average 2.4 times over FY 2007-2011.

Previous Board Actions

On November 10, 2005, the project was included in the CIP with a preliminary project cost of \$3,000,000 with funding of \$1,600,000 from Gifts, \$900,000 from Unexpended Plant Funds, and \$500,000 from Permanent University Fund (PUF) Bond Proceeds Library, Equipment, Repair and Rehabilitation (LERR). On May 11, 2006, the Board approved the design development plans and funding was appropriated.

Project Description

The Cyclotron Addition adds approximately 3,000 gross square feet to the Robert F. McDermott Clinical Science Building to house a state-of-the-art dual beam, negative ion cyclotron for basic research on learning, cognition, development, and aging on animal models for human diseases.

The additional funding of \$1,400,000 to increase the total project cost and revise the funding sources is to cover escalating construction costs that have taken place in the construction industry since the formulation of the project's original budget, market conditions, and complexity of the project.

18. U. T. M. D. Anderson Cancer Center: Bastrop Facility Strategic Plan - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost and appropriation of funds and authorization of expenditure

The Board approved the recommendations for the Bastrop Facility Strategic Plan project at The University of Texas M. D. Anderson Cancer Center as follows:

Project No.: 703-195
Institutionally Managed: Yes No
Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: August 2008

Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Hospital Revenues	\$29,000,000	\$46,000,000
	Grants	\$ 4,000,000	\$ 4,000,000
		\$33,000,000	\$50,000,000

- a. amend the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to increase the total project cost from \$33,000,000 to \$50,000,000; and
- b. appropriate funds and authorize expenditure of \$17,000,000 from Hospital Revenues.

Previous Board Actions

On August 7, 2003, the project was included in the CIP with a preliminary project cost of \$9,000,000 with funding from Hospital Revenues. With the adoption of the FY 2006-2011 CIP on August 11, 2005, the project was included in the CIP with a preliminary project cost of \$21,000,000 with funding of \$10,000,000 from Revenue Financing System Bond Proceeds, \$7,000,000 from Hospital Revenues, and \$4,000,000 from Grants. On November 10, 2005, the Board approved the Bastrop Research and Education Building (Phase I) design development plans and appropriated \$7,000,000 from Hospital Revenues and \$4,000,000 from Grants for Phase I. On May 11, 2006, the Board approved the increase in total project cost from \$21,000,000 to \$30,000,000 with funding revised to \$26,000,000 from Hospital Revenues and \$4,000,000 from Grants and appropriated the additional \$19,000,000 from Hospital Revenues. On November 2, 2006, the Chancellor approved an increase in total project cost from \$30,000,000 to \$33,000,000 with funding of \$29,000,000 from Hospital Revenues and \$4,000,000 from Grants.

Project Description

The scope of the project has been increased to build out approximately 33,280 gross square feet of shell space within the Bastrop Research and Education Building to provide basic research laboratories, education space, primate research laboratories, pathology support, and various site and infrastructure upgrades.

The increase in total project cost to build out the remaining areas will minimize the coordination and special measures required to ensure the safety of the transfer of primates.

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 90 - 96).--Committee Chairman Clements reported that the Health Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Health Affairs Committee and approved in open session by the U. T. System Board of Regents:

1. U. T. Southwestern Medical Center - Dallas: Approval of revised Mission Statement

The Board approved the revised Mission Statement for The University of Texas Southwestern Medical Center at Dallas as set forth below and authorized submission to the Texas Higher Education Coordinating Board for approval. Changes to the Mission Statement were last adopted on April 23, 1999.

Mission Statement

The mission of U. T. Southwestern Medical Center is to improve the health care in our community, Texas, our nation, and the world through innovation and education. We will educate the next generation of leaders in patient care, biomedical science, and disease prevention; conduct high-impact, internationally recognized biomedical research; and deliver patient care that brings U. T. Southwestern's scientific advances to the bedside - focusing on quality, safety, and service.

2. U. T. Southwestern Medical Center - Dallas: Authorization to purchase approximately 1.549 acres improved with a building located at 5641 Medical Center Drive, Dallas, Dallas County, Texas, from Ronald McDonald House of Dallas Family Assistance Foundation, a Texas nonprofit corporation, for a purchase price of \$3.2 million, for future use as the site for the main entrance to the U. T. Southwestern University Hospital - St. Paul campus; authorization to lease back the property to Ronald McDonald House of Dallas Family Assistance Foundation for a term not to exceed three years; finding of public purpose; and resolution regarding parity debt

On behalf of The University of Texas Southwestern Medical Center at Dallas, the Board granted approval to

- a. purchase approximately 1.549 acres improved with a building located at 5641 Medical Center Drive, Dallas, Dallas County, Texas, from Ronald McDonald House of Dallas Family Assistance Foundation, a Texas nonprofit corporation, for a purchase price of \$3.2 million, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition of the property as deemed

necessary or advisable by the Executive Director of Real Estate, for future use as the site for the main entrance to the U. T. Southwestern University Hospital - St. Paul campus;

- b. lease back the subject property to Ronald McDonald House of Dallas Family Assistance Foundation for a term not to exceed three years for an annual rent equal to five percent of the purchase price, with all operating expenses to be paid by Ronald McDonald House;
- c. determine that the lease serves a public purpose appropriate to the function of U. T. Southwestern Medical Center - Dallas, and that the consideration to The University of Texas System and U. T. Southwestern Medical Center - Dallas for the lease is adequate;
- d. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing actions; and
- e. 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;
 - U. T. Southwestern Medical Center - 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 \$3.2 million; and
 - this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

Ronald McDonald House of Dallas Family Assistance Foundation operates the Ronald McDonald House, a temporary residence that serves and sustains families of seriously ill or injured children, on the subject property. The property, which is immediately across Medical Center Drive from the U. T. Southwestern University Hospital - St. Paul campus, is strategically located at the site identified in the institution's Campus Master Plan as the proposed main entrance to the University Hospital - St. Paul campus and is essential to the ultimate development of this main entrance. The subject property is within the acquisition area authorized by House Bill 287 passed by the 60th Legislature in 1967. The property is also within the acquisition area identified by the institution in the Campus Master Plan approved by the Board of Regents on August 10, 2000.

U. T. Southwestern Medical Center - Dallas will lease back the building and land to Ronald McDonald House of Dallas Family Assistance Foundation, during the term of its construction of a new Ronald McDonald House. The annual rental rate is five percent of the purchase price, or \$160,000 per year, plus payment of operating expenses during the term of the lease. The permitted use under the lease will be solely the operation of the Ronald McDonald House of Dallas Family Assistance Foundation.

Market rental will likely be in the range of six or seven percent of the purchase price. Hence, the rental is somewhat below market. The Attorney General of the State of Texas has advised in Opinion No. MW-373 (1981) that, for the use of university facilities at a below market rental to comply with the Texas Constitution, three requirements must be met: (1) the use of the property must serve a public purpose, appropriate to the function of the university, (2) adequate consideration must be received by the university, and (3) the university must maintain controls over the user's activities to ensure that the public purpose is achieved.

To fund the purchase, U. T. Southwestern Medical Center - Dallas will use U. T. System Revenue Financing System (RFS) debt. The \$3.2 million in RFS debt will be repaid from local income.

3. U. T. Southwestern Medical Center - Dallas: Authorization to purchase approximately 0.651 of an acre improved with a building located at 1942 Chattanooga Place, Dallas, Dallas County, Texas, from Ronald McDonald House of Dallas Family Assistance Foundation, a Texas nonprofit corporation, for a purchase price of \$810,000 for future expansion of U. T. Southwestern University Hospitals; and resolution regarding parity debt

On behalf of The University of Texas Southwestern Medical Center at Dallas, the Board granted approval to

- a. purchase approximately 0.651 of an acre improved with a building located at 1942 Chattanooga Place, Dallas, Dallas County, Texas,

from Ronald McDonald House of Dallas Family Assistance Foundation, a Texas nonprofit corporation, for a purchase price of \$810,000, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition of the property as deemed necessary or advisable by the Executive Director of Real Estate, for future expansion of U. T. Southwestern University Hospitals;

- b. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing action; 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;
 - U. T. Southwestern Medical Center - 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 \$810,000; and
 - this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

The subject property is within the acquisition area authorized by House Bill 287 passed by the 60th Legislature in 1967. The property is also within the acquisition area identified by the institution in the Campus Master Plan approved by the Board of Regents on August 10, 2000.

Acquisition of the subject property is part of the land assemblage for the long-term expansion of U. T. Southwestern University Hospitals. The property is located directly across the street from the current Ronald McDonald House of Dallas Family Assistance Foundation. (See Item 2 on Page 90 regarding acquisition of 1.549 acres on which the Ronald McDonald House is located.) In the short term, the 0.651 acre property will be used as office space for institutional purposes.

To fund the purchase, U. T. Southwestern Medical Center - Dallas will use U. T. System Revenue Financing System (RFS) debt. The \$810,000 in RFS debt will be repaid from local income.

4. U. T. M. D. Anderson Cancer Center: Authorization to purchase approximately 28.8008 acres of unimproved real property located at the southeast corner of Corder Street and the I. & G.N.R.R. Co. railway line, Houston, Harris County, Texas, and undivided interests in Lots 3 and 4, Block 38, Institute Place Subdivision, Lot 7, Block 11, Institute Place Subdivision, and Lot 2, Block 23, Institute Place Subdivision, Houston, Harris County, Texas, from Institute Place Partners, Ltd., a Texas limited partnership, for a purchase price not to exceed fair market value as established by independent appraisals for future use as a location for buildings for campus administrative and support functions

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

- a. purchase approximately 28.8008 acres of unimproved real property located at the southeast corner of Corder Street and the I. & G.N.R.R. Co. railway line, Houston, Harris County, Texas, and undivided interests in Lots 3 and 4, Block 38, Institute Place Subdivision, Lot 7, Block 11, Institute Place Subdivision, and Lot 2, Block 23, Institute Place Subdivision, Houston, Harris County, Texas, from Institute Place Partners, Ltd., a Texas limited partnership, for a purchase price not to exceed fair market value as established by independent appraisals, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition of the property as deemed necessary or advisable by the Executive Director of Real Estate, for future use as a location for buildings for campus administrative and support functions; and
- b. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing action.

Large tracts of undeveloped land in reasonable proximity to U. T. M. D. Anderson Cancer Center's existing facilities in the Texas Medical Center, Harris County, Texas, are scarce; however, the 28.8008 acres in the Institute Place Subdivision, referred to as the Pawnee site, is available.

The institution will relocate many administrative and support activities currently in the main and south campuses to allow expansion of research and patient care functions. The subject property, together with the 2.2497-acre site in Blocks 24 and 25 (see related Item 5 below), are intended to serve as relocation sites.

The Pawnee site will have direct access to the south campus via Hepburn Street to Cambridge Street. Completion of the Bertner Road extension will provide quick access to the main campus via this same route to the East-West Road across the south campus to the Bertner Road extension.

To fund the purchase, U. T. M. D. Anderson Cancer Center will use institutional fund balances. During the Health Affairs Committee meeting on February 7, 2007, Executive Director Mayne clarified the price has been confirmed at \$28 per square foot.

5. U. T. M. D. Anderson Cancer Center: Authorization to purchase approximately 2.2497 acres described as Blocks 24 and 25, Institute Place Subdivision, Houston, Harris County, Texas, and improvements located thereon from Hepburn Estates, L.P., a Texas limited partnership, for a purchase price not to exceed fair market value as established by independent appraisals for future use as a location for buildings for campus administrative and support functions

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

- a. purchase approximately 2.2497 acres described as Blocks 24 and 25, Institute Place Subdivision, Houston, Harris County, Texas, and improvements located thereon from Hepburn Estates, L.P., a Texas limited partnership, for a purchase price not to exceed fair market value as established by independent appraisals, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition of the property as deemed necessary or advisable by the Executive Director of Real Estate, for future use as a location for buildings for campus administrative and support functions; and
- b. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing action.

The subject property, Blocks 24 and 25 of Institute Place Subdivision, fronts on Alameda Road and is across the railway tracks from a 28.8008-acre site approved for purchase (see related Item 4 on Page 94). These two blocks lie on opposite sides of Hepburn Street, which will ultimately connect to Pawnee Street that will run through the 28.8008-acre site.

The institution will relocate many administrative and support activities currently in the main and south campuses to allow expansion of the research and patient care functions. The subject property, together with the adjacent 28.8008-acre site, are intended to serve as relocation sites.

Institutional fund balances will be used to fund the purchase.

6. U. T. System: Quarterly report on health issues by Executive Vice Chancellor Shine

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

7. U. T. Southwestern Medical Center - Dallas: Presentation on approaches to research facilities

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

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 97 - 107).--Committee Chairman Rowling reported that the Finance and Planning Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Finance and Planning Committee and approved in open session by the U. T. System Board of Regents:

1. U. T. System: Discussion and appropriate action related to approval of Docket No. 129

The Board approved *Docket No. 129* in the form distributed by the General Counsel to the Board of Regents. It is attached following Page 110 in the official copy of the *Minutes* and is made a part of the record of this meeting.

It was expressly authorized that any contracts or other documents or instruments approved therein may be executed by the appropriate officials of the respective University of Texas System institution involved.

To avoid any appearance of a possible conflict of interest, Regent Caven was recorded as abstaining from vote on the salary adjustment for Chief Audit Executive and System-wide Compliance Officer Charles Chaffin on Page Docket - 1 because of his family relationship to Mr. Chaffin. Additionally, the action relating to the salary adjustment for Mr. Chaffin was found to be in the best interest of the U. T. System, as required by State law.

Regent Barnhill and Regent Rowling were recorded as abstaining from vote on the ATM contract between The University of Texas at Austin and Bank of America on Page Docket - 14 because of stock holdings. Additionally, President Powers holds Bank of America stock and therefore delegated campus approval of this item to Vice President and Chief Financial Officer Kevin P. Hegarty.

2. U. T. System: Report on the Analysis of Financial Condition for Fiscal Year 2006

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

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

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

4. U. T. System Board of Regents: Adoption of Seventeenth Supplemental Resolution authorizing Revenue Financing System Bonds in an amount not to exceed \$500,000,000; authorization to complete all related transactions; and resolution regarding parity debt

The Board

- a. adopted the Seventeenth Supplemental Resolution to the Master Resolution, substantially in the standard form approved by the Board of Regents on November 13, 2003, authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Revenue Financing System Bonds in one or more installments in an aggregate principal amount not to exceed \$500,000,000 with a final maturity not to exceed the Year 2040 for the purpose of refunding a portion of the outstanding Revenue Financing System Commercial Paper Notes, Series A; to provide new money to fund construction and acquisition costs of projects in the Capital Improvement Program (CIP); to current or advance refund certain outstanding Revenue Financing System Bonds to produce present value debt service savings; and to pay the costs of issuance and any original issue discount;
- b. authorized issuance of the Bonds and the execution of corresponding interest rate swap transactions consistent with the U. T. System Interest Rate Swap Policy; and
- c. authorized appropriate officers and employees of the U. T. System as set forth in the Seventeenth Supplemental Resolution to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents, within the limitations and procedures specified therein, make certain covenants and agreements in connection therewith; and resolve other matters incident and related to the issuance, sale, security, and delivery of such Bonds.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System adopted by the U. T. System Board of Regents on February 14, 1991, amended on October 8, 1993, and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as required by Section 5 of the Master Resolution, the Board resolved that

- a. 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 Board relating to the Financing System; and

- b. the institutions, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt.

The Seventeenth Supplemental Resolution (Resolution) authorizes the refunding of certain outstanding Revenue Financing System (RFS) Bonds provided that an advance refunding exceed a minimum 3% present value debt service savings threshold. An advance refunding involves issuing bonds to refund outstanding bonds in advance of the call date. Refunding bonds are issued at lower interest rates thereby producing debt service savings. The Resolution provides the flexibility to select the particular bonds to be refunded depending on market conditions at the time of pricing. The particular bonds to be refunded will be called for redemption on the first practical optional redemption date for each series of refunded bonds occurring after the delivery of the refunding bonds.

In addition, the Resolution authorizes refunding a portion of the outstanding Revenue Financing System Commercial Paper Notes, Series A, refunding certain outstanding RFS Bonds for savings, and new money to fund construction and acquisition costs of projects in the CIP. Generally, commercial paper debt is issued to fund projects during the construction phase and the debt is not amortized. Once construction is complete, the commercial paper is refunded with bonds. Depending on the level of interest rates at the time of pricing, outstanding commercial paper and new money for construction may be financed with long-term debt.

The Resolution provides authority to execute interest rate swap agreements. The determination to utilize an interest rate swap agreement will be made based on market conditions at the time of pricing and will be in accordance with the U. T. System Interest Rate Swap Policy approved by the Board on February 13, 2003, using standard International Swaps and Derivatives Association, Inc. (ISDA) documentation. The Chairman of the Board of Regents and the Chairman of the Board's Finance and Planning Committee will be informed of any proposed transactions to be undertaken pursuant to the Resolution.

The Resolution also authorizes remarketing, tender, auction, and broker-dealer agreements customarily utilized in connection with the types of variable rate instruments authorized.

Note: The Seventeenth Supplemental Resolution and forms of auction agreement and broker-dealer agreement are in substantially the same form as the Thirteenth through Sixteenth Supplemental Resolutions and forms of auction agreement and broker-dealer agreement previously approved by the Board on November 13, 2003, for use as standard agreements.

5. U. T. System: Approval of additional aggregate amount of \$18,160,000 of Revenue Financing System Equipment Financing for Fiscal Year 2007 and resolution regarding parity debt

The Board

- a. approved an additional aggregate amount of \$18,160,000 of Revenue Financing System Equipment Financing for Fiscal Year 2007 as allocated to those University of Texas System institutions set out on Page 101; and
- b. resolved in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the cost of equipment including costs incurred prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System;
 - the institutions and U. T. System Administration, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$18,160,000 for the purchase of equipment; and
 - this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

APPROVAL OF U. T. SYSTEM EQUIPMENT FINANCING
FY 2007 (February)

Institution	\$ Amount	Description of Equipment Purchases	DSC*
U. T. Brownsville	\$710,000	Surveillance equipment, police equipment, plant equipment, telephone system upgrade, vehicle purchase	0.5x
U. T. El Paso	150,000	Technology infrastructure, vehicle replacement	2.3x
U. T. Pan American	3,050,000	Technology infrastructure, vehicle replacement	1.4x
U. T. San Antonio	250,000	Scientific & lab equipment, recreation equipment, vehicle purchase, surveillance equipment	3.1x
U. T. Health Science Center - Houston	1,600,000	Technology infrastructure	3.6x
U. T. Medical Branch - Galveston	10,000,000	Clinical and information technology equipment	1.9x
U. T. Health Center - Tyler	2,400,000	Clinical and laboratory equipment	3.2x

Total	\$18,160,000
--------------	---------------------

* Debt Service Coverage ("DSC") based on actual results for FY06.

6. U. T. System Board of Regents: Investment Reports for the fiscal quarter ended November 30, 2006, and The University of Texas Investment Management Company (UTIMCO) Performance Summary Report

The Investment Reports for the fiscal quarter ended November 30, 2006, are summarized below.

Item I on Page 103 reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the quarter was 4.42% versus its composite benchmark return of 5.24%. The PUF's net asset value increased by \$446.8 million since the beginning of the quarter to \$10,760.2 million. This change in net asset value includes increases due to contributions from PUF land receipts and net investment return, and the first payment of the annual distribution to the Available University Fund (AUF) for \$100.2 million.

Item II on Page 104 reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the quarter was 4.54% versus its composite benchmark return of 5.24%. The GEF's net asset value increased during the quarter to \$5,819.9 million.

Item III on Page 105 reports activity for the Intermediate Term Fund (ITF). The ITF's net asset value increased \$185.9 million during the first quarter of FY 2007 to \$3,234.7 million as of November 30, 2006, due to net contributions (\$68.1 million), distributions (-\$23.7 million), and net investment returns (\$141.5 million).

Item IV on Page 106 presents book and market value 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 \$217.0 million to \$1,291.9 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$39.5 million versus \$43.5 million at the beginning of the period; equities: \$79.7 million versus \$73.7 million at the beginning of the period; and other investments: \$.1 million versus \$2.2 million at the beginning of the period.

The November 30, 2006, UTIMCO Performance Summary Report is attached on Page 107.

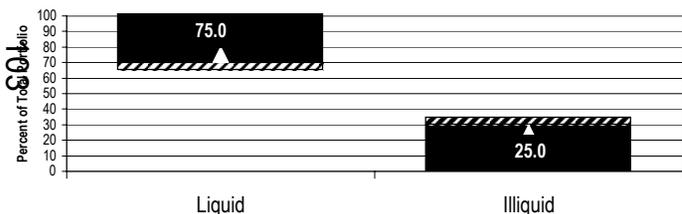
I. PERMANENT UNIVERSITY FUND Investment Reports for Periods Ended November 30, 2006

Prepared in accordance with Texas Education Code Sec. 51.0032

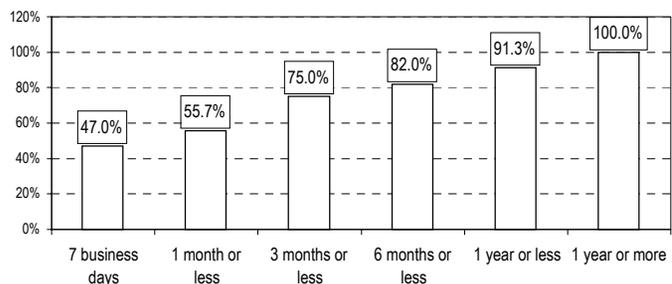
Summary of Capital Flows

(\$ millions)	Fiscal Year Ended	Quarter Ended	Fiscal Year Ended
	August 31, 2006	November 30, 2006	August 31, 2007
Beginning Net Assets	\$ 9,426.7	\$ 10,313.4	\$ 10,313.4
PUF Lands Receipts	214.9	89.2	89.2
Investment Return	1,111.7	473.5	473.5
Expenses	(82.6)	(15.7)	(15.7)
Distributions to AUF	(357.3)	(100.2)	(100.2)
Ending Net Assets	\$ 10,313.4	\$ 10,760.2	\$ 10,760.2

PUF Liquidity Policy Profile As of November 30, 2006

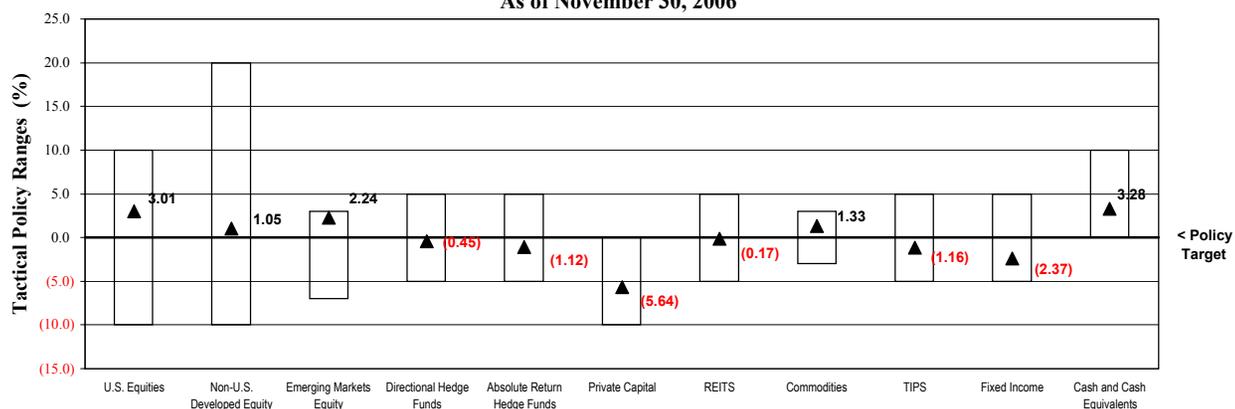


PUF Detailed Liquidity Profile as of November 30, 2006



	November 30, 2006		Three Months to Date				
	Portfolio Exposure	Policy Target	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
Cash and Cash Equivalents	3.28%	0.00%	1.32%	1.27%	-0.15%	0.00%	-0.15%
U.S. Equities	23.01%	20.00%	5.04%	8.22%	-0.04%	-0.63%	-0.67%
Non-U.S. Developed Equity	11.05%	10.00%	4.45%	7.16%	-0.01%	-0.27%	-0.28%
Emerging Markets Equity	9.24%	7.00%	12.20%	13.47%	0.12%	-0.09%	0.03%
Directional Hedge Funds	9.55%	10.00%	4.45%	2.95%	0.00%	0.15%	0.15%
Absolute Return Hedge Funds	13.88%	15.00%	3.82%	2.95%	0.02%	0.13%	0.15%
REITS	4.83%	5.00%	13.79%	13.62%	-0.02%	0.00%	-0.02%
Commodities	4.33%	3.00%	-8.28%	-4.35%	-0.24%	-0.12%	-0.36%
TIPS	3.84%	5.00%	1.42%	1.23%	0.04%	0.01%	0.05%
Fixed Income	7.63%	10.00%	2.97%	2.72%	0.05%	0.02%	0.07%
Total Marketable Securities	90.64%	85.00%	4.59%	5.76%	-0.23%	-0.80%	-1.03%
Private Capital	9.36%	15.00%	2.81%	2.30%	0.13%	0.08%	0.21%
Total	100.00%	100.00%	4.42%	5.24%	-0.10%	-0.72%	-0.82%

Deviations From Policy Targets Within Tactical Policy Ranges As of November 30, 2006



II. GENERAL ENDOWMENT FUND

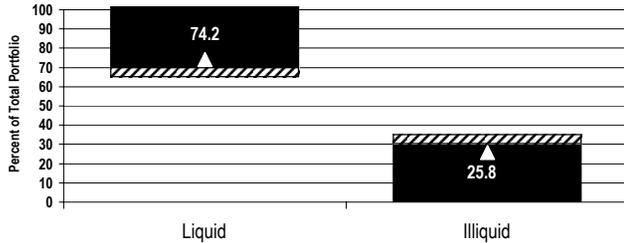
Investment Reports for Periods Ended November 30, 2006

Prepared in accordance with Texas Education Code Sec. 51.0032

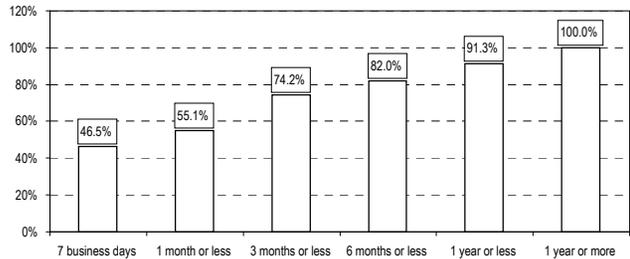
Summary of Capital Flows

(\$ millions)	Quarter Ended		
	Fiscal Year Ended August 31, 2006	November 30, 2006	Fiscal Year Ended August 31, 2007
Beginning Net Assets	\$ 4,926.8	\$ 5,427.8	\$ 5,427.8
Contributions	273.9	193.1	193.1
Withdrawals	(108.0)	(0.3)	(0.3)
Distributions	(220.0)	(59.1)	(59.1)
Investment Return	593.3	264.8	264.8
Expenses	(38.2)	(6.4)	(6.4)
Ending Net Assets	\$ 5,427.8	\$ 5,819.9	\$ 5,819.9

GEF Liquidity Policy Profile
As of November 30, 2006



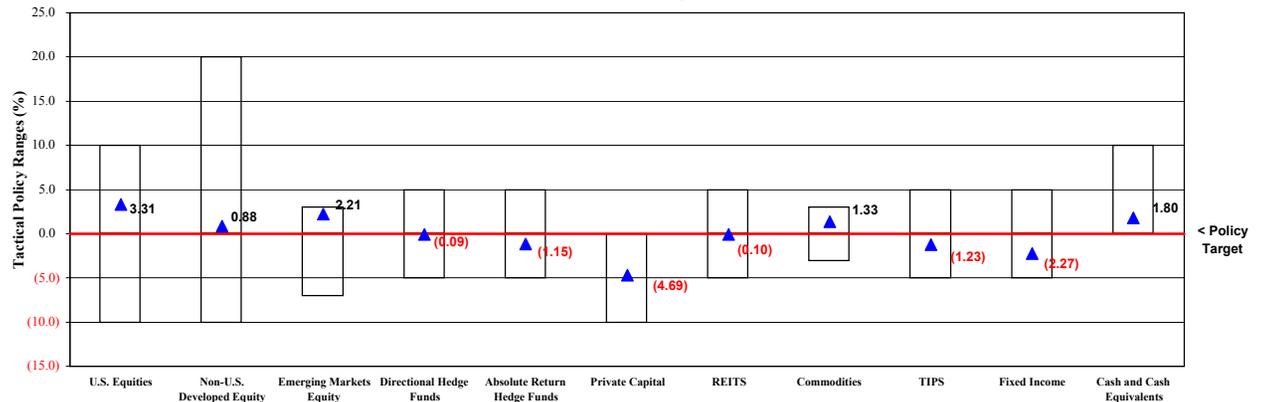
GEF Detailed Liquidity Profile
as of November 30, 2006



Three Months to Date

	November 30, 2006		Returns		Value Added		
	Portfolio Exposure	Policy Target	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
Cash and Cash Equivalents	1.80%	0.00%	1.32%	1.27%	-0.13%	0.00%	-0.13%
U.S. Equities	23.31%	20.00%	5.14%	8.22%	-0.02%	-0.61%	-0.63%
Non-U.S. Developed Equity	10.88%	10.00%	4.52%	7.16%	-0.02%	-0.26%	-0.28%
Emerging Markets Equity	9.21%	7.00%	12.27%	13.47%	0.12%	-0.08%	0.04%
Directional Hedge Funds	9.91%	10.00%	4.46%	2.95%	0.00%	0.15%	0.15%
Absolute Return Hedge Funds	13.85%	15.00%	3.82%	2.95%	0.01%	0.13%	0.14%
REITS	4.90%	5.00%	13.85%	13.62%	-0.03%	0.01%	-0.02%
Commodities	4.33%	3.00%	-8.20%	-4.35%	-0.22%	-0.12%	-0.34%
TIPS	3.77%	5.00%	1.40%	1.23%	0.04%	0.01%	0.05%
Fixed Income	7.73%	10.00%	2.99%	2.72%	0.05%	0.03%	0.08%
Total Marketable Securities	89.69%	85.00%	4.69%	5.76%	-0.20%	-0.74%	-0.94%
Private Capital	10.31%	15.00%	3.30%	2.30%	0.09%	0.15%	0.24%
Total	100.00%	100.00%	4.54%	5.24%	-0.11%	-0.59%	-0.70%

Deviations From Policy Targets Within Tactical Policy Ranges
As of November 30, 2006



III. INTERMEDIATE TERM FUND Investment Reports for Periods Ended November 30, 2006

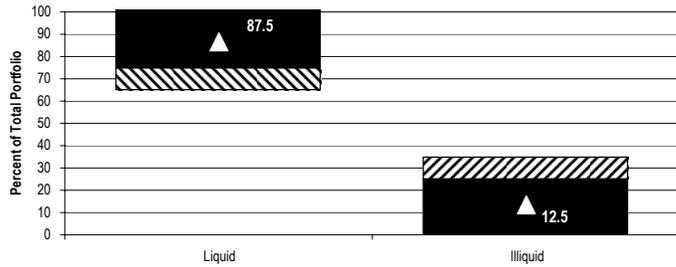
Prepared in accordance with *Texas Education Code Sec. 51.0032*

Summary of Capital Flows

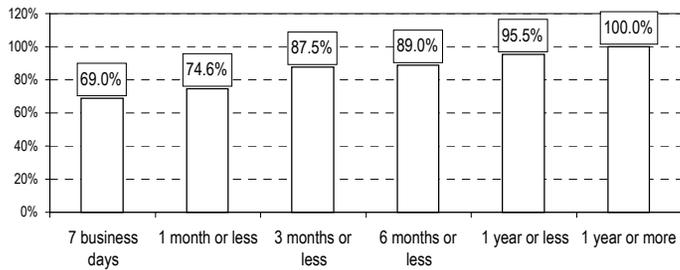
(\$ millions)	Fiscal Year Ended		Quarter Ended	
	August 31, 2006	November 30, 2006	August 31, 2006	November 30, 2006
Beginning Net Assets	\$ -	\$ 3,048.8	\$ 3,048.8	
Contributions	3,112.3	117.0	117.0	
Withdrawals	(111.2)	(48.9)	(48.9)	
Distributions	(52.7)	(23.7)	(23.7)	
Investment Return	115.4	149.4	149.4	
Expenses	(15.0)	(7.9)	(7.9)	
Ending Net Assets	\$ 3,048.8	\$ 3,234.7	\$ 3,234.7	

	November 30, 2006		Three Months to Date				
	Portfolio Exposure	Policy Target	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
Cash and Cash Equivalents	0.62%	0.00%	1.32%	1.27%	-0.04%	0.00%	-0.04%
U.S. Equities	15.39%	15.00%	6.48%	8.22%	0.00%	-0.26%	-0.26%
Non-U.S. Developed Equity	4.96%	5.00%	5.24%	7.16%	0.00%	-0.09%	-0.09%
Emerging Markets Equity	4.85%	5.00%	12.72%	13.47%	-0.02%	-0.04%	-0.06%
Directional Hedge Funds	10.72%	12.50%	4.46%	2.95%	0.01%	0.19%	0.20%
Absolute Return Hedge Funds	13.85%	12.50%	3.61%	2.95%	-0.02%	0.08%	0.06%
REITS	10.11%	10.00%	12.14%	13.62%	0.02%	-0.14%	-0.12%
Commodities	4.70%	5.00%	-7.71%	-4.35%	0.00%	-0.17%	-0.17%
TIPS	9.86%	10.00%	1.51%	1.23%	0.00%	0.03%	0.03%
Fixed Income	24.94%	25.00%	3.04%	2.72%	-0.02%	0.08%	0.06%
Total	100.00%	100.00%	4.53%	4.92%	-0.07%	-0.32%	-0.39%

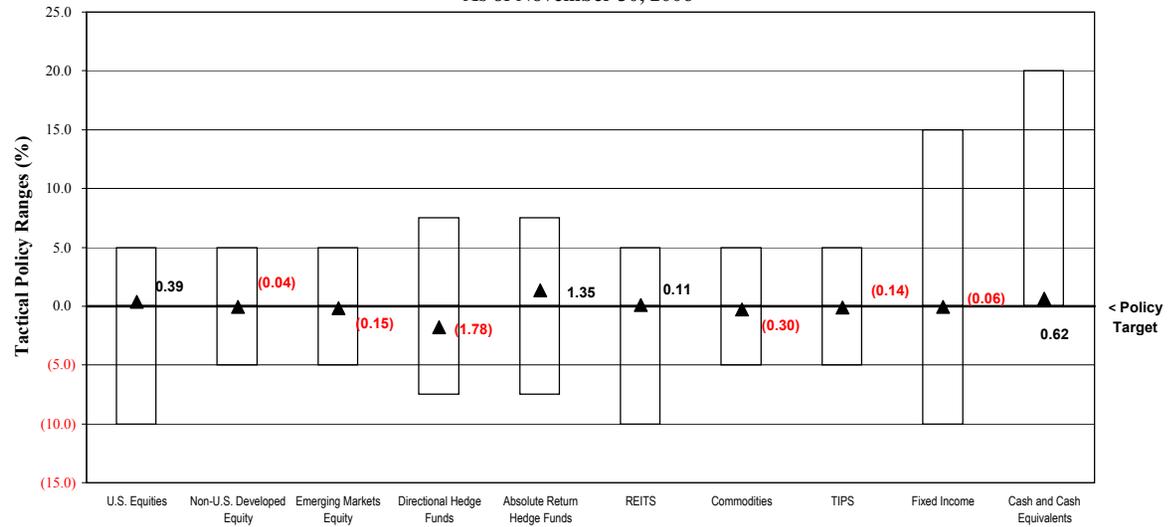
ITF Liquidity Policy Profile
As of November 30, 2006



ITF Detailed Liquidity Profile
as of November 30, 2006



Deviations From Policy Targets Within Tactical Policy Ranges
As of November 30, 2006



IV. SEPARATELY INVESTED ASSETS
Summary Investment Report at November 30, 2006
 Report prepared in accordance with *Texas Education Code Sec. 51.0032*

	(\$ thousands)															
	FUND TYPE															
	CURRENT PURPOSE				ENDOWMENT &		ANNUITY & LIFE		AGENCY FUNDS		TOTAL EXCLUDING		OPERATING FUNDS		TOTAL	
	DESIGNATED		RESTRICTED		SIMILAR FUNDS		INCOME FUNDS		OPERATING FUNDS		(SHORT TERM FUND)		TOTAL			
ASSET TYPES	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>
Cash & Equivalents:																
Beginning value 08/31/06	1,633	1,633	2,349	2,349	117,665	117,665	6,919	6,919	98,160	98,160	226,726	226,726	1,282,262	1,282,262	1,508,988	1,508,988
Increase/(Decrease)	50	50	19,394	19,394	(85,991)	(85,991)	535	535	(95,515)	(95,515)	(161,527)	(161,527)	(55,512)	(55,512)	(217,039)	(217,039)
Ending value 11/30/06	1,683	1,683	21,743	21,743	31,674	31,674	7,454	7,454	2,645	2,645	65,199	65,199	1,226,750	1,226,750	1,291,949	1,291,949
Debt Securities:																
Beginning value 08/31/06	-	-	263	215	29,866	29,304	13,946	13,962	-	-	44,075	43,481	-	-	44,075	43,481
Increase/(Decrease)	-	-	-	5	(4,585)	(4,172)	(3)	181	-	-	(4,588)	(3,986)	-	-	(4,588)	(3,986)
Ending value 11/30/06	-	-	263	220	25,281	25,132	13,943	14,143	-	-	39,487	39,495	-	-	39,487	39,495
Equity Securities:																
Beginning value 08/31/06	27	5,057	1,892	1,616	36,078	43,422	18,736	23,612	-	-	56,733	73,707	-	-	56,733	73,707
Increase/(Decrease)	-	3,435	103	184	489	1,638	(679)	780	-	-	(87)	6,037	-	-	(87)	6,037
Ending value 11/30/06	27	8,492	1,995	1,800	36,567	45,060	18,057	24,392	-	-	56,646	79,744	-	-	56,646	79,744
Other:																
Beginning value 08/31/06	-	-	2,091	2,091	2	2	255	105	-	-	2,348	2,198	-	-	2,348	2,198
Increase/(Decrease)	-	-	(2,093)	(2,093)	7	7	12	-	-	-	(2,074)	(2,086)	-	-	(2,074)	(2,086)
Ending value 11/30/06	-	-	(2)	(2)	9	9	267	105	-	-	274	112	-	-	274	112
Total Assets:																
Beginning value 08/31/06	1,660	6,690	6,595	6,271	183,611	190,393	39,856	44,598	98,160	98,160	329,882	346,112	1,282,262	1,282,262	1,612,144	1,628,374
Increase/(Decrease)	50	3,485	17,404	17,490	(90,080)	(88,518)	(135)	1,496	(95,515)	(95,515)	(168,276)	(161,562)	(55,512)	(55,512)	(223,788)	(217,074)
Ending value 11/30/06	1,710	10,175	23,999	23,761	93,531	101,875	39,721	46,094	2,645	2,645	161,606	184,550	1,226,750	1,226,750	1,388,356	1,411,300

Details of individual assets by account furnished upon request.

UTIMCO Performance Summary

November 30, 2006

	Net Asset Value 11/30/2006 (in Millions)	Periods Ended November 30, 2006 (Returns for Periods Longer Than One Year are Annualized)										
		One Month	Fiscal Year To Date	Three Months	Six Months	Calendar Year To Date	One Year	Two Years	Three Years	Four Years	Five Years	Ten Years
ENDOWMENT FUNDS												
Permanent University Fund	\$ 10,760.2	2.49	4.42	4.42	6.89	11.90	13.99	13.40	14.07	15.36	10.88	9.34
General Endowment Fund		2.57	4.54	4.54	7.00	12.11	14.18	13.36	14.02	15.54	11.03	N/A
Permanent Health Fund	1,022.0	2.59	4.57	4.57	7.04	12.15	14.18	13.30	13.95	15.43	10.93	N/A
Long Term Fund	4,798.0	2.59	4.57	4.57	7.04	12.16	14.18	13.31	13.95	15.46	10.96	9.98
Separately Invested Funds	184.5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Endowment Funds	16,764.7											
OPERATING FUNDS												
Short Term Fund	1,226.7	0.43	1.32	1.32	2.66	4.61	4.98	3.99	3.06	2.58	2.45	3.98
Intermediate Term Fund	3,234.7	2.42	4.53	4.53	7.49	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Operating Funds	4,461.4											
Total Investments	\$ 21,226.1											
BENCHMARKS (1)												
Permanent University Fund: Policy Portfolio		2.27	5.24	5.24	8.14	13.73	15.66	13.60	13.70	13.08	8.99	9.96
General Endowment Fund: Policy Portfolio		2.27	5.24	5.24	8.14	13.73	15.66	13.60	13.70	13.08	8.99	9.71
Short Term Fund: 90 Day Treasury Bills Average Yield		0.43	1.27	1.27	2.54	4.39	4.73	3.84	2.95	2.51	2.37	3.80
Intermediate Term Fund: Policy Portfolio		2.34	4.92	4.92	7.99	N/A	N/A	N/A	N/A	N/A	N/A	N/A
VALUE ADDED (2)												
Permanent University Fund		0.22	(0.82)	(0.82)	(1.25)	(1.83)	(1.68)	(0.20)	0.37	2.29	1.90	(0.62)
General Endowment Fund		0.29	(0.70)	(0.70)	(1.14)	(1.62)	(1.49)	(0.25)	0.32	2.46	2.05	N/A
Permanent Health Fund		0.32	(0.67)	(0.67)	(1.10)	(1.57)	(1.48)	(0.30)	0.24	2.35	1.94	N/A
Long Term Fund		0.32	(0.67)	(0.67)	(1.10)	(1.57)	(1.48)	(0.30)	0.24	2.38	1.98	0.27
Short Term Fund		0.00	0.05	0.05	0.11	0.22	0.25	0.15	0.11	0.08	0.09	0.17
Intermediate Term Fund		0.07	(0.39)	(0.39)	(0.50)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) - Effective May 6, 2004, benchmark returns for the PUF policy portfolio have been restated for prior periods beginning June 1, 1993 through September 30, 2000 and for the GEF/LTF policy portfolio for prior periods beginning June 1, 1993 through September 30, 2001 to correct the following technical errors in benchmark construction and calculation: (a) to reflect actual asset class target allocations which were in place, or the practical implementation of changes to those policy allocations, and (b) to distinguish between PUF and GEF/LTF historical investment objectives and distribution policies by accurately representing actual asset class allocations during those periods.

Benchmark returns for the PUF and GEF/LTF policy portfolios were also restated for all prior periods beginning June 1, 1993 through December 31, 2003 to replace various benchmark returns reported previously for the Private Capital asset class. Specifically, the Wilshire 5000 + 4%, the benchmark used prior to January 1, 2004, was replaced with the Venture Economics Periodic IRR Index, a more appropriate benchmark measure for the actual Private Capital portfolio.

Effective August 10, 2006, benchmark returns for the PUF and GEF policy portfolios were also restated for periods beginning January 1, 2006 through April 30, 2006, and for the ITF policy portfolio for periods beginning February 1, 2006 to April 30, 2006, to replace benchmark returns for the Hedge Fund asset class due to integrity concerns regarding existing benchmarks. Specifically, composites of Standard & Poor's investable hedge fund indices were replaced with the MSCI Investable Hedge Fund Index.

Complete details of the [restatements](#) and previous policy portfolio benchmark history are documented on the UTIMCO website at www.UTIMCO.org or are available upon request.

(2) - Value added is a measure of the difference between actual returns and benchmark or policy portfolio returns for each period shown. Value added is a result of the active management decisions made by UTIMCO staff and external managers.

7. U. T. System: Report on the Fiscal Year 2006 Annual Financial Report including the report on the U. T. System Financial Statement Audit performed by Deloitte & Touche LLP

This item was considered only by the Audit, Compliance, and Management Review Committee and the Finance and Planning Committee (see Committee Minutes for the joint meeting).

REPORT AND RECOMMENDATION OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE (Pages 108 - 109).--Committee Chairman Estrada reported that the Audit, Compliance, and Management Review Committee met in open session to consider a matter on its agenda and to formulate a recommendation for The University of Texas System Board of Regents. The action set forth in the Minute Order that follows was recommended by the Audit, Compliance, and Management Review Committee and approved in open session by the U. T. System Board of Regents:

1. U. T. System: Report on the Fiscal Year 2006 Annual Financial Report including the report on the U. T. System Financial Statement Audit performed by Deloitte & Touche LLP

This item was considered only by the Audit, Compliance, and Management Review Committee and the Finance and Planning Committee (see Committee Minutes for the joint meeting).

2. U. T. System: Approval to renew the contract with Ernst & Young, LLP, as the external auditor for the 2007 audit of funds managed by The University of Texas Investment Management Company (UTIMCO) and to negotiate for additional audit services related to UTIMCO

The Board granted approval to renew the auditing services contract with Ernst & Young, LLP, to perform audits for the fiscal year ending August 31, 2007, for funds managed by The University of Texas Investment Management Company (UTIMCO) as listed below:

- a. Permanent University Fund (PUF)
- b. The University of Texas System General Endowment Fund (GEF)
- c. Permanent Health Fund (PHF)
- d. The University of Texas System Long Term Fund (LTF)
- e. The University of Texas Intermediate Term Fund (ITF)

Approval was also granted for University of Texas System staff to negotiate an amendment to the contract renewal with Ernst & Young, LLP, to provide additional audit services related to UTIMCO, including UTIMCO's voluntary implementation of the Sarbanes-Oxley Act of 2002.

The Board of Regents authorized U. T. System staff to negotiate and enter into an auditing services contract with Ernst & Young, LLP, at the July 7, 2003 Board of Regents' meeting. The contract was for one year with a right to renew in one-year increments for four years. The contract was renewed by the Board of Regents on February 4, 2004, February 10, 2005, and February 9, 2006. The fiscal year ending August 31, 2007, is the fourth and final year this contract can be renewed.

Fiduciary responsibility for the PUF, GEF, PHF, LTF, and ITF rests with the U. T. System Board of Regents. *Texas Education Code* Section 66.08(f) requires that the U. T. System provide for an annual financial audit of the PUF if the PUF is within the scope of funds managed by an external management corporation.

3. U. T. System: Report on System-wide Information Security

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

4. U. T. System: Report on System-wide Internal Audit Activity

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

5. U. T. System: Report on System-wide Institutional Compliance Activities

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

RECONVENE BOARD OF REGENTS AS COMMITTEE OF THE WHOLE.--At 11:49 a.m., the Board reconvened as a committee of the whole.

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on May 9-10, 2007, in Austin, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 11:50 a.m.

/s/Francie A. Frederick
General Counsel to the Board of Regents

February 28, 2007

**THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
DOCKET NO. 129**

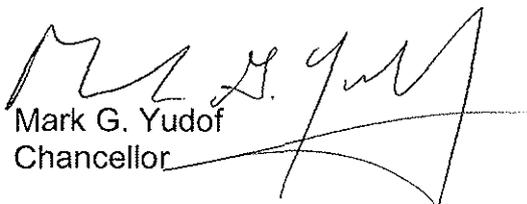
January 22, 2007

TO MEMBERS OF THE FINANCE AND PLANNING COMMITTEE:

Robert B. Rowling, Chairman
John W. Barnhill, Jr.
H. Scott Caven, Jr.
Cyndi Taylor Krier
Colleen McHugh

The Docket for The University of Texas System Administration and the Dockets recommended by the respective presidents and prepared by the institutions listed below are submitted for discussion and appropriate action regarding approval of the Docket at the meeting of the U. T. System Board of Regents on February 8, 2007. The Interim Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, the Vice Chancellor and General Counsel, and I concur in these recommendations.

<u>Institutions</u>	<u>Pages</u>
The University of Texas System Administration	Docket 1 - 3
The University of Texas at Arlington	Docket 4 - 13
The University of Texas at Austin	Docket 14 - 22
The University of Texas at Brownsville	Docket 23 - 24
The University of Texas at Dallas	Docket 25 - 28
The University of Texas at El Paso	Docket 29 - 36
The University of Texas – Pan American	Docket 37 - 41
The University of Texas of the Permian Basin	Docket 42 - 44
The University of Texas at San Antonio	Docket 45 - 47
The University of Texas at Tyler	Docket 48 - 49
The University of Texas Southwestern Medical Center at Dallas	Docket 50 - 51
The University of Texas Medical Branch at Galveston	Docket 52 - 61
The University of Texas Health Science Center at Houston	Docket 62 - 67
The University of Texas Health Science Center at San Antonio	Docket 68 - 69
The University of Texas M. D. Anderson Cancer Center	Docket 70 - 73


Mark G. Yudof
Chancellor

xc: Other Members of
the Board

TABLE OF CONTENTS

U. T. System Administration	1
Amendments To The 2006-07 Budget.....	1
Appointments And Promotions	1
Other Matters	2
Approval Of Newly Commissioned U. T. System Peace Officers	2
Real Estate Report	3
U. T. Arlington	4
Contracts	4
General Contracts.....	4
Amendments To The 2006-07 Budget.....	5
Appointments And Promotions	5
Transfers Of Funds	6
Fees And Miscellaneous Charges	7
Course Specific Fees.....	7
Housing Rates	8
Rental Rates	11
U. T. Austin	14
Contracts	14
General Contracts.....	14
Foreign Contracts	15
Amendments To The 2006-07 Budget.....	16
Appointments And Promotions	16
Transfers Of Funds	18
Other Fiscal Items	19
Employment Agreements.....	19
Fees And Miscellaneous Charges	20
Housing Rates	20
Rental Rates	21
Student Services Fee.....	22
U. T. Brownsville	23
Amendments To The 2006-07 Budget.....	23
Appointments And Promotions	23
Other Fiscal Items	24
Employment Agreement	24

U. T. Dallas	25
Amendments To The 2006-07 Budget.....	25
Appointments And Promotions	25
Transfers Of Funds	27
Other Fiscal Items	28
Employment Agreements.....	28
U. T. El Paso	29
Contracts	29
General Contracts.....	29
Amendments To The 2006-07 Budget.....	30
Appointments And Promotions	30
Fees And Miscellaneous Charges	35
Laboratory Fees.....	35
Parking Permit Fees	36
U. T. Pan American	37
Amendments To The 2006-07 Budget.....	37
Appointments And Promotions	37
Other Fiscal Items	38
Employment Agreements.....	38
Fees And Miscellaneous Charges	40
Housing Rates	40
Parking And Traffic Enforcement Fees	41
U. T. Permian Basin	42
Fees And Miscellaneous Charges	42
Other Fees And Charges	42
Housing Rates	43
U. T. San Antonio	45
Contracts	45
General Contracts.....	45
Fees And Miscellaneous Charges	46
Other Fees And Charges	46
Parking Permit Fees	47
U. T. Tyler	48
Amendments To The 2006-07 Budget.....	48
Appointments And Promotions	48
Fees And Miscellaneous Charges	49
Athletic Fees	49

U. T. Southwestern Medical Center – Dallas.....	50
Contracts	50
General Contracts.....	50
Amendments To The 2006-07 Budget.....	51
Appointments And Promotions	51
U. T. Medical Branch – Galveston.....	52
Gifts	52
Contracts	53
General Contracts.....	53
Amendments To The 2006-07 Budget.....	54
Appointments And Promotions	54
Fees And Miscellaneous Charges	57
Laboratory Fees.....	57
Course Specific Fees.....	57
Other Fees And Charges	58
Housing Rates	59
Student Services Fees.....	60
Membership Rates.....	61
U. T. Health Science Center – Houston	62
Contracts	62
General Contracts.....	62
Amendments To The 2006-07 Budget.....	63
Appointments And Promotions	63
Other Matters	67
U. T. Health Science Center – San Antonio	68
Amendments To The 2006-07 Budget.....	68
Appointments And Promotions	68
Fees And Miscellaneous Charges	69
Other Fees And Charges	69
U. T. M. D. Anderson Cancer Center	70
Contracts	70
General Contracts.....	70
Amendments To The 2006-07 Budget.....	73
Appointments And Promotions	73

U. T. SYSTEM ADMINISTRATION
AMENDMENTS TO THE 2006-07 BUDGET
APPOINTMENTS AND PROMOTIONS

The following Request for Budget Change (RBC) 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>	
SYSTEM AUDIT OFFICE					
1. Charles G. Chaffin					001
From: Director of Audits				203,000	
To: Director of Audits	2/1-8/31	100	12	248,000	

OTHER MATTERS

APPROVAL OF NEWLY COMMISSIONED U. T. SYSTEM PEACE OFFICERS

In accordance with Chapter 51.203 of the *Texas Education Code*, the U. T. System Board of Regents is requested to approve the commissioning of the individuals listed below as peace officers effective December 15, 2006. The following officers have completed a course of training that included mandated Texas Commission on Law Enforcement Officer Standards and Education courses at The University of Texas System Police Training Academy and have successfully passed the State of Texas Peace Officer Licensing Examination.

<u>Name</u>	<u>Institution</u>
Jeremy D. Bohall	U. T. Southwestern Medical Center - Dallas
Jose L. Cardenas	U. T. Brownsville
David A. Cruz	U. T. Arlington
Tirso Cruz, III	U. T. Brownsville
Paul M. Cunningham	U. T. Southwestern Medical Center - Dallas
Leonid A. DaSilva	U. T. Arlington
Samuel A. Elias	U. T. Health Science Center - Houston
Daniel G. Ellis	U. T. San Antonio
Carlton R. Franklin, Jr.	U. T. Southwestern Medical Center - Dallas
Gerardo Gonzales, Jr.	U. T. Medical Branch - Galveston
David R. Heinsohn	U. T. Arlington
Christopher Dan Kelley	U. T. Austin
Devin G. King	U. T. Dallas
Jeremy S. Lewis	U. T. Arlington
Stephanie A. Marshall	U. T. Austin
Dean E. Peterson, Jr.	U. T. Arlington
Roman Ramos	U. T. Brownsville
James Franklin Randles, II	U. T. Arlington
Roblyn J. Robinson	U. T. Health Science Center - Houston
Wayne Lee Rubio	U. T. Austin
Christopher Tyson Self	U. T. Austin
Dannie Lee Simpson, II	U. T. Southwestern Medical Center - Dallas
Christopher Scott Tankersley	U. T. Austin
Jake R. Trevino	U. T. San Antonio
Christopher M. Vela	U. T. Austin
Karl L. Zuber	U. T. Dallas

REAL ESTATE REPORT

THE UNIVERSITY OF TEXAS SYSTEM SEPARATELY INVESTED ASSETS Managed by U. T. System

Summary Report at November 30, 2006

	FUND TYPE							
	Current Purpose Restricted		Endowment & Similar Funds		Annuity & Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
Land & Buildings:								
Ending Value 8/31/06	\$ 3,860,118	\$ 30,165,327	\$ 104,838,428	\$ 225,527,433	\$ 1,138,209	\$ 1,063,080	\$ 109,836,755	\$ 256,755,840
Increase or Decrease	(175,000)	(175,000)	(89,600)	(697,553)	(116,229)	(116,229)	(380,829)	(988,782)
Ending Value 11/30/06	\$ 3,685,118	\$ 29,990,327	\$ 104,748,828	\$ 224,829,880	\$ 1,021,980	\$ 946,851	\$ 109,455,926	\$ 255,767,058
Other Real Estate:								
Ending Value 8/31/06	\$ 109,732	\$ 109,732	\$ 229,675	\$ 229,675	\$ -	\$ -	\$ 339,407	\$ 339,407
Increase or Decrease	(1,114)	(1,114)	(48,300)	(48,300)	-	-	(49,414)	(49,414)
Ending Value 11/30/06	\$ 108,618	\$ 108,618	\$ 181,375	\$ 181,375	\$ -	\$ -	\$ 289,993	\$ 289,993

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 – West Texas Operations. 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.

U. T. ARLINGTON

CONTRACTS

The following contracts have been administratively approved by the President or his delegate and the Interim Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: Environmental Protection Services Company, Inc.
(dba EPSCO)
Funds: \$3,000,000
Period: January 14, 2006 through January 13, 2009
Description: Job order contracting for renovations and general contracting services specializing in asbestos abatement.

2. Agency: Ed Parker, Inc.
Funds: \$3,000,000
Period: January 14, 2006 through January 13, 2009
Description: Job order contracting for renovations and general contracting services specializing in mechanical, electrical, and plumbing.

3. Agency: Nouveau Technology Services, Inc.
Funds: \$3,000,000
Period: January 14, 2006 through January 13, 2009
Description: Job order contracting for renovations and general contracting services specializing in construction and data cabling.

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Interim 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 ENGINEERING					
Computer Science and Engineering					
Professor and Chair					
1. Fillia Makedon (T)	10/1-5/31	100	08	165,000	1890
		SUPLT	08	7,500	
		SUPLT	08	5,000	
		SUPLT	08	2,500	
2. Roger S. Walker (T)					1770
From: Professor and Acting Chair		100	09	125,000	
		SUPLT	09	7,500	
		SUPLT	09	10,000	
To: Professor	9/1-5/31	100	09	125,000	
		SUPLT	09	10,000	
Material Science and Engineering					
3. Efsthios Meletis (T)					1824
From: Professor and Director		100	09	131,853	
		SUPLT	09	7,500	
To: Professor and Chair	9/1-5/31	100	09	131,853	
	9/1-5/31	SUPLT	09	7,500	

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>No. Mos.</u>	<u>Full-time Salary Rate \$</u>	<u>RBC #</u>
COLLEGE OF LIBERAL ARTS					
Political Science					
4. Susan Hekman (T)					1821
From: Professor		100	09	76,273	
To: Professor and Director	9/1-5/31 9/1-5/31	100 SUPLT	09 09	76,273 4,875	

TRANSFERS OF FUNDS

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
PLANT FUNDS		
1. Amount of Transfer:	1,000,000	1766
From: Designated Tuition Debt Reserve		
To: Auxiliary Administration – President’s Office		

For new student initiatives for technology enhancement, special events, Fort Worth expansion, and Campus Master Plan implementation.

FEES AND MISCELLANEOUS CHARGES

The following fees are recommended for approval by the U. T. System Board of Regents and inclusion in institutional catalogs and have been approved by the Interim Executive Vice Chancellor for Academic Affairs. All recommended charges are consistent with applicable statutory requirements under Sections 54.504 and 55.16 of the *Texas Education Code*.

COURSE SPECIFIC FEES

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
THEA 3303	Sound Designs and Technology	105
THEA 3317	Singing for the Actor	154

FEES AND MISCELLANEOUS CHARGES (CONTINUED)

HOUSING RATES (Including Apartments, Dormitory Rooms, Residence Halls)

Approval is recommended for the following housing rental rates to be effective beginning with the Fall Semester 2007. The proposed rates are consistent with applicable statutory requirements under Section 55.16 of the *Texas Education Code* and have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs.

Following Regental approval, the appropriate institutional catalog will be amended to reflect these rates.

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>University Residence Halls</u>			
Arlington Hall			
Double - Regular - Fall/Spring	3,385	3,470	2.51
Private - Regular - Fall/Spring	4,605	4,720	2.50
Brazos			
Double Occupancy Rate - Fall/Spring	2,215	2,270	2.48
Lipscomb North			
Double Occupancy Rate - Fall/Spring	2,460	2,520	2.44
Private Occupancy Rate - Fall/Spring	4,165	4,270	2.52
Lipscomb South			
Double Occupancy Rate - Fall/Spring	2,520	2,580	2.38
Private Occupancy Rate - Fall/Spring	4,345	4,430	1.96
Kalpana Chawla Hall			
Double - Regular - Fall/Spring	3,435	3,520	2.47
Private - Regular - Fall/Spring	4,655	4,770	2.47

FEES AND MISCELLANEOUS CHARGES (CONTINUED)

HOUSING RATES (CONTINUED)

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>University Residence Halls</u>			
(Continued)			
Trinity			
Double Occupancy Rate - Fall/Spring	2,460	2,520	2.44
Private Occupancy Rate - Fall/Spring	4,165	4,270	2.52
<u>Residence Hall Summer Rates</u>			
Arlington Hall - 11 weeks			
Double - Regular	765	785	2.61
Private - Regular	920	940	2.17
Arlington Hall - 13 weeks			
Double - Regular	905	930	2.76
Private - Regular	1,085	1,115	2.76
Brazos			
Double Occupancy - 11 weeks	685	700	2.19
Double Occupancy - 13 weeks	810	830	2.47
Kalpana Chawla Hall - 11 weeks			
Double - Regular	765	785	2.61
Private - Regular	920	940	2.17
Kalpana Chawla Hall - 13 weeks			
Double - Regular	905	925	2.21
Private - Regular	1,085	1,110	2.30
Lipscomb North - 11 weeks			
Double Occupancy	685	700	2.19
Private Occupancy	1,165	1,190	2.15
Lipscomb North - 13 weeks			
Double Occupancy	810	830	2.47
Private Occupancy	1,370	1,395	1.82

FEEES AND MISCELLANEOUS CHARGES (CONTINUED)

HOUSING RATES (CONTINUED)

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Residence Hall Summer Rates</u> (Continued)			
Trinity - 11 weeks			
Double Occupancy	685	700	2.19
Private Occupancy	1,165	1,190	2.15
Trinity – 13 weeks			
Double Occupancy	810	830	2.47
Private Occupancy	1,370	1,395	1.82
 <u>Daily Rate for Guests/Conference</u>			
Brazos			
Double Occupancy - Per Person	16	17	6.25
Lipscomb South			
Double Occupancy - Per Person	16	17	6.25
Trinity			
Double Occupancy - Per Person	16	17	6.25
 <u>University Apartments</u> <u>Per Month</u>			
Arbor Oaks*			
1 bedroom	691	705	2.03
2 bedroom	951	971	2.10
Autumn Hollow			
Efficiency	418	430	2.87
Border Trail			
1 bedroom	532	547	2.82
2 bedroom	686	706	2.92
Center Point*			
1 bedroom	410	420	2.44

*Resident pays electric bill

Prepared by:
U. T. Arlington

Docket - 10

February 8, 2007

FEEES AND MISCELLANEOUS CHARGES (CONTINUED)

RENTAL RATES

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>University Apartments (Continued)</u>			
<u>Per Month</u>			
Cooper Chase			
1 bedroom	555	571	2.88
2 bedroom	768	791	2.99
Cottonwood Ridge N.			
1 bedroom	496	510	2.82
Cottonwood Ridge S.			
1 bedroom	496	510	2.82
2 bedroom	577	594	2.95
Creek Bend			
1 bedroom	532	547	2.82
Studio	544	559	2.76
Forest Glen			
1 bedroom	498	512	2.81
1 bedroom	503	512	1.79
2 bedroom	651	670	2.92
2 bedroom	656	670	2.13
Garden Club			
1 bedroom	555	571	2.88
2 bedroom	768	791	2.99
Legacy Heights			
Efficiency	405	417	2.96
1 bedroom	500	514	2.80
2 bedroom	616	633	2.76
Maple Square			
1 bedroom	530	545	2.83
1 bedroom	545	560	2.75

FEES AND MISCELLANEOUS CHARGES (CONTINUED)

RENTAL RATES (CONTINUED)

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>University Apartments (Continued)</u>			
<u>Per Month</u>			
Meadow Run*			
1 bedroom	691	705	2.03
2 bedroom	951	971	2.10
Oak Landing			
Efficiency	430	442	2.79
1 bedroom	542	558	2.95
1 bedroom	554	570	2.89
Pecan Place			
1 bedroom	533	548	2.81
Shady Park			
1 bedroom	487	501	2.87
Timber Brook*			
1 bedroom	691	705	2.03
2 bedroom	951	971	2.10
University Village*			
1 bedroom	480	490	2.08
1 bedroom	495	505	2.02
1 bedroom	500	510	2.00
1 bedroom	520	530	1.92
1 bedroom	520	530	1.92
West Crossing*			
1 bedroom	446	456	2.24
2 bedroom	631	644	2.06
Woodland Springs*			
1 bedroom	504	519	2.98

*Resident pays electric bill

FEEES AND MISCELLANEOUS CHARGES (CONTINUED)

RENTAL RATES (CONTINUED)

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>University-Owned Houses</u>			
409 S. Davis	887	907	2.25
415 S. Davis	733	753	2.73
419 S. Davis	843	863	2.37
703 Kerby	875	895	2.29
707 Kerby	845	865	2.37
1202 S. Oak	895	915	2.23
1211 S Oak	845	865	2.37
1218 S. Oak	895	915	2.23
1230 S. Oak	883	903	2.27
1322-A S. Oak	715	735	2.80
1322-B S. Oak	915	935	2.19
1326 S. Oak	890	910	2.25
1330 S. Oak	838	858	2.39
1102A S. Pecan	495	504	1.82
1102B S. Pecan	495	504	1.82
1104A S. Pecan	495	504	1.82
1104B S. Pecan	495	504	1.82
1210 S. Pecan	845	865	2.37
1214 S. Pecan	852	872	2.35
1222 S. Pecan	829	849	2.41
1302 S. Pecan	743	763	2.69

U. T. AUSTIN

CONTRACTS

The following contracts have been administratively approved by the President or his delegate and the Interim Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: Bank of America, N.A.
Funds: \$1,581,250
Period: February 15, 2007 through February 14, 2012
Description: Bank of America agrees to provide services to maintain seven automated teller machines in six locations on the campus of U. T. Austin. Because President Powers has a financial interest in Bank of America stock, he has refrained from approving this contract. The contract has been reviewed and approved by Kevin Hegarty, Vice President and Chief Financial Officer at U. T. Austin.
2. Agency: The Houstonian Hotel, Club & Spa, Houston, Texas
Funds: \$1,553,659
Period: August 31, 2007 through July 26, 2008
Description: The Houstonian will provide lodging and meeting accommodations for the U. T. Austin McCombs School of Business, Executive MBA Program. The hotel provides meeting and lodging accommodations for students enrolled in the Texas MBA at Houston program over the span of a year.

CONTRACTS (CONTINUED)

FUNDS COMING IN (CONTINUED)

FOREIGN CONTRACTS

3. Agency: ESCP-EAP, Paris, France
Funds: \$210,330
Period: November 21, 2006 through December 31, 2008
Description: U. T. Austin McCombs School of Business, Office of Executive Education will customize and present an executive education program to a minimum of 122 participants selected by ESCP-EAP European School of Management from among their currently enrolled student body. McCombs will select program speakers from among its faculty and from private corporations, customize academic materials to be used by the participants, provide all textbooks and relevant presentation materials, and make logistical arrangements with regard to classrooms and meals.

FUNDS GOING OUT

4. Agency: Beijing International MBA, Peking University, Beijing, China
Funds: \$65,865
Period: February 1, 2007 through June 30, 2007
Description: Provide logistical support to U. T. Austin McCombs School of Business Executive MBA Program in support of a six-day program of business seminars held in Beijing, China.

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Interim 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					
Curriculum and Education					
Associate Professor					
1. Xiaofen Keating (T)	1/16-5/31	100	09	69,000	1697
COLLEGE OF LIBERAL ARTS					
Asian Studies and Government					
Associate Professor					
2. Itty Abraham (T)	1/16-5/31	50	09	115,000	1811
	1/16-5/31	50	09	115,000	
Classics					
3. John H. Kroll (T)					1816
From: Professor		100	09	72,200	
To: Professor Emeritus	9/1-5/31			0	
Economics/Government and Office of Information Technology					
4. Brian E. Roberts (T)					1786
From: Interim Associate Vice President		100	12	180,000	
Centennial Commission Chair					
in Liberal Arts and Professor		WOS	09	114,000	
To: Vice President for Information					
Technology	10/1-8/31	100	12	240,000	
Centennial Commission Chair					
in Liberal Arts and					
Professor	9/1-5/31	WOS	09	114,000	

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<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 LIBERAL ARTS (Continued)					
Government					
5. Terri E. Givens (T)					1809
From: Associate Professor		100	09	85,500	
To: Associate Professor and	9/15-5/31	50	09	85,500	
Vice Provost	9/15-5/31	50	12	130,000	
Vice Provost (summer)	6/1-8/31	100	12	130,000	
History					
6. David M. Oshinsky (T)					1785
From: George W. Littlefield Professorship in American History and Professor		100	09	211,000	
To: Jack S. Blanton, Sr. Chair in History and Professor	9/1-5/31	100	09	230,000	
Linguistics					
Associate Professor					
7. David I. Beaver (T)	1/16-5/31	100	09	100,000	1807
COLLEGE OF NATURAL SCIENCES					
Section of Neurobiology					
Professor					
8. Michael Mauk (T)	1/16-5/31	100	09	140,000	1828

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

TRANSFERS OF FUNDS

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
PLANT FUNDS		
Physical Plant – Jester Residence Hall		
11. Amount of Transfer	1,440,560	1829
From: Housing and Food Services Division Office Expenses		
To: Jester – Replace Tile Roof All Expenses		
Additional funding to replace the tile roof on Beauford H. Jester Center residence hall.		
Physical Plant – Engineering Teaching Center		
12. Amount of Transfer	800,255	1830
From: Engineering – Center of Excellence Fund Various Donors, Various Purposes All Expenses	323,263	
Mechanical Engineering – Operation Phoenix Various Donors, Various Purposes Maintenance, Operation, and Equipment	221,532	
Engineering – Various Donors, Various Purposes – Maintenance, Operation, and Equipment	151,310	
Dean of Engineering – Various Donors, Various Purposes – Maintenance, Operation and Equipment	104,150	
To: ETC – Ford T Room, Phase 4-5 All Expenses	800,255	
Additional funding for the Ford T-Room, Phase 3, in the Engineering Teaching Center II (ETC).		

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreements have been awarded, have been approved by the Interim Executive Vice Chancellor for Academic Affairs, and are recommended for approval by the U. T. System Board of Regents. Such employment under these agreements is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, and the Regents' *Rules and Regulations* and the policies of The University of Texas at Austin. The violation of the provisions of such constitution, bylaws, rules or regulations shall be grounds for suspension without pay or dismissal.

1. Item: Men's Head Baseball Coach
Funds: 2006-2007 annual base salary increases from 2005-2006 rate of \$175,100 to \$200,000. No other compensation changes.
Period: September 1, 2006 through August 31, 2010
Description: Agreement for employment of Head Baseball Coach, August E. Garrido, Jr. No term changes to previously approved agreement. Annual compensation review and modification is provided under the agreement.
2. Item: Men's Head Swimming Coach
Funds: 2006-2007 annual base salary increases from 2005-2006 rate of \$142,951 to \$145,000. No other compensation changes.
Period: September 1, 2006 through August 31, 2007
Description: Agreement for employment of Head Swimming Coach, Edwin C. Reese. No term changes to previously approved agreement. Annual compensation review and modification is provided under the agreement.

FEEs AND MISCELLANEOUS CHARGES

HOUSING RATES

(Including Apartments, Dormitory Rooms, Residence Halls)

Approval is recommended for the following housing, board and rental rates to be effective beginning with the Fall Semester 2007. The proposed rates are consistent with applicable statutory requirements under Section 55.16 of the *Texas Education Code* and have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs.

Following Regental approval, the appropriate institutional catalog will be amended to reflect these rates.

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Long session rates (September-May)</u>			
<u>Dormitory double rooms</u>			
San Jacinto and Almetris Duren	5,274	5,643	7.00
Whitis Court and New Jester	4,320	4,609	6.71
All others	4,120	4,409	7.01
Premium Singles (larger than 136 square feet)			
Almetris Duren Hall	n/a	9,028	n/a
Other Halls	6,593	7,053	7.00
Basic Single (less than 136 square feet)			
	5,356	5,731	7.00
Double as a single	8,240	8,816	6.99
12 month contract	12,082	12,628	4.52

Summer session rates are based on the long session per diem rate and the number of days in the summer session.

FEEES AND MISCELLANEOUS CHARGES (CONTINUED)

RENTAL RATES

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>University Apartments</u>			
<u>Per month</u>			
Colorado			
1 bedroom	487	500	2.67
2 bedroom	556	571	2.70
Gateway			
1 bedroom	461	470	1.95
2 bedroom	531	541	1.88
Brackenridge			
3 bedroom	682	695	1.91

FEE AND MISCELLANEOUS CHARGES (CONTINUED)

STUDENT SERVICES FEE

Approval is recommended for the following student services fee to be effective beginning with the Fall Semester 2007. The statutory requirements for involvement of a student services fees committee have been met. The fee has been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs.

Following Regental approval, the appropriate institutional catalog will be amended to reflect this fee.

OPTIONAL FEE

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<i>Analecta</i>	10	12	20.0

Analecta is an annual journal of short stories, poetry, literary criticism, and photography by students published by the U. T. Austin College of Liberal Arts and the Liberal Arts Council. Students may elect to purchase this journal via an optional fee selection when they register.

U. T. BROWNSVILLE
AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Request for Budget Change (RBC) has been administratively approved by the Interim 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 LIBERAL ARTS					
Dean of College of Liberal Arts					
1. Charles F. Dameron (T)					1869
From: Interim Dean of Liberal Arts	9/1-5/31	100	12	106,090	
Interim Vice President Academic Affairs	9/1-8/31	SUPL	12	14,400	
To: Vice President of Academic Affairs	10/1-8/31	100	11	138,750	

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

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

1. Item: Head Golf Coach
Funds: \$40,800 annually
Period: September 23, 2006 through August 31, 2007
Description: Initial agreement for employment of Head Golf Coach, Robert Lucio, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

U. T. DALLAS

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Interim 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 BEHAVIORAL AND BRAIN SCIENCES AND CALLIER CENTER					
Director of Callier Center and Professor					
1. Thomas E. Campbell (T)	10/1-8/31	100	12	128,000	1757
	10/1-5/31	WOS	09	95,000	
2. Ross J. Roeser (T)					
From: Director of Callier Center and Professor		75	03	134,415	1758
		100	09	105,000	
To: Professor	10/1-5/31	100	09	105,000	
SCHOOL OF NATURAL SCIENCES AND MATHEMATICS					
Chemistry					
3. John P. Ferraris (T)					
From: Dean and Professor		100	12	210,071	1774
		WOS	09	147,750	
To: Professor and Cecil H. and Ida Green Chair in Systems Biology No. 1	10/16-5/31	100	09	147,750	
	10/16-5-31	SUPLT	09	13,071	

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
Dean's Office					
Dean, Professor and Dean Of Sciences Chair					
4. Myron Salomon (T)	10/16-8/31	100	12	250,000	1782
	10/16-5/31	0	09	175,000	
OFFICE OF THE PRESIDENT					
5. Da Hsuan Feng (T)					
From: Vice President for Research and Economic Development and Professor		100 WOS SUPLT	12 09 12	198,062 140,000 6,000	1792
To: Assistant to the President for Global Strategies and International Relations and Professor	11/1-8/31	100 WOS SUPLT	12 09 12	198,062 140,000 6,000	
RESEARCH AND ECONOMIC DEVELOPMENT					
6 Bruce E. Gnade (T)					
From: Microelectronics Chair and Professor		100	09	146,033	1793
To: Vice President for Research and Economic Development, Microelectronics Chair, and Professor	11/1-8/31	100 WOS SUPLT	12 09 12	225,000 146,033 6,000	

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

TRANSFERS OF FUNDS

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
7. Amount of Transfer:	751,710	1765

From: Texas B-On-Time Awards Loan Program

To: 317410-4000 Texas B-On-Time Loan Program

To adjust the FY 2007 budget based on allocation notice from the Texas Higher Education Coordinating Board.

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

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

1. Item: Head Golf Coach
Funds: \$36,000 annually
Period: September 1, 2006 through May 31, 2008
Description: Initial agreement for employment of Head Golf Coach, Eddie Bull, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

U. T. EL PASO

CONTRACTS

The following contract has been administratively approved by the President or her delegate and the Interim Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: Follett Higher Education Group, Inc.
Funds: \$20,000,000
Period: December 1, 2006 through November 30, 2016
Description: University will contract with Follett Higher Education Group, Inc. for management of the university bookstore operations. Revenues expected by the University include one-time cash benefits, capital contributions, and existing inventory buyout from the contractor. It also includes projected commission from operations of the bookstore from Follett.

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Interim 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 BUSINESS ADMINISTRATION					
Accounting					
1. Patricia Eason (T)					1849
From: Associate Professor and Chair		100 SUPLT	09 09	99,589 2,000	
To: Associate Dean – College of Business Administration and Associate Professor	9/1-8/31 9/1-8/31 9/1-5/31	50 SUPLT 50	12 12 09	132,785 2,000 99,589	
COLLEGE OF ENGINEERING					
Civil Engineering					
2. Cesar J. Carrasco (T)					1847
From: Associate Professor		100	09	70,610	
To: Assistant Vice President for Research and Sponsored Projects and Associate Professor	9/1-8/31 9/1-5/31	50 50	12 09	97,000 70,610	

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<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 ENGINEERING					
Metallurgical and Materials Engineering					
3. Stephen W. Stafford (T)					1843
From: Professor in Metallurgical and Materials Engineering and Professor in Materials Science/Engineering		100	09	87,245	
		0	09	87,245	
To: College of Engineering Interim Dean, Professor in Metallurgical and Materials Engineering, and Professor in Materials Science/Engineering	9/1-8/31	100	12	170,000	
		0	09	87,245	
		0	09	87,245	
COLLEGE OF HEALTH SCIENCES					
Health Promotions					
4. Leslie O. Schulz (T)					1846
From: Dean, Professor in Health Promotions, and Charles and Shirley T. Leavell Endowed Chair in Nursing and Health Sciences		100	12	151,709	
		0	09	108,278	
		SUPLT	09	13,500	
To: Professor in Health	10/1-5/31	100	09	124,125	
Kinesiology					
5. Harry H. Meeuwsen (T)					1848
From: Professor and Chair		100	09	89,537	
		SUPLT	09	2,000	
To: Interim Dean and Professor	10/1-8/31	100	12	140,000	
	10/1-5/31	0	09	89,537	

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<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 LIBERAL ARTS					
History					
6. Paul Edison (T)					1852
From: Associate Professor		100	09	54,543	
To: Associate Professor and Chair	9/1-5/31 9/1-5/31	100 SUPLT	09 09	54,543 2,000	
7. Michael Topp (T)					1851
From: Associate Professor in History and Chicano Studies and Chair		100 SUPLT	09 09	70,000 2,000	
To: Associate Dean and Associate Professor in History and Chicano Studies	9/1-8/31 9/1-8/31 9/1-5/31	50 SUPLT 50	12 12 09	108,667 2,000 70,000	
Philosophy					
8. Julius J. Simon (T)					1853
From: Associate Professor		100	09	54,636	
To: Associate Professor and Chair	9/1-5/31 9/1-5/31	100 SUPLT	09 09	54,636 2,000	

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
Political Science					
9. Irasema Coronado (T)					1850
From: Associate Professor and Chair		100	09	58,375	
		0	09	58,375	
		SUPLT	09	2,000	
To: College of Liberal Arts Associate Dean and Associate Professor in Political Science and Latin American and Border Studies	9/1-8/31	50	12	102,168	
	9/1-8/31	SUPLT	12	2,000	
	9/1-5/31	50	09	58,375	
10. Gregory G. Rocha (T)					1854
From: Associate Professor		100	09	59,948	
To: Associate Professor and Chair	9/1-5/31	100	09	59,948	
	9/1-5/31	SUPLT	09	2,000	
SCHOOL OF NURSING					
11. Robert Lee Anders (T)					1845
From: College of Health Science Associate Dean and Professor		50	12	146,196	
		SUPLT	12	2,000	
		50	09	110,265	
		SUPLT	09	2,000	
To: School of Nursing, Dean and Peter De Wetter Distinguished Professorship in Health Sciences, Professor, and School of Nursing Professor	9/1-8/31	100	12	169,000	
	9/1-5/31	SUPLT	09	10,125	
	9/1-5/31	0	09	110,265	

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<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 SCIENCE					
Biological Sciences					
12. Charles E. Freeman					1866
From: Professor (T)		50	09	57,874	
To: Professor Emeritus	6/1			0	
Mathematical Sciences					
13. Vilappakkam K. Srinivasan					1868
From: Professor (T)		50	09	66,860	
To: Professor Emeritus	6/1			0	

AMENDMENTS TO THE 2007-08 BUDGET

APPOINTMENTS AND PROMOTIONS

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF BUSINESS ADMINISTRATION					
Economics and Finance					
Professor of Economics and Finance, Charles R. and Dorothy S. Carter Chair in Business Administration, and Professor					
14. Oscar Varela (T)	9/1-5/31	100	09	135,000	1921

FEES AND MISCELLANEOUS CHARGES

The following fee is recommended for approval by the U. T. System Board of Regents and inclusion in institutional catalogs and has been approved by the Interim Executive Vice Chancellor for Academic Affairs. The recommended charge is consistent with applicable statutory requirements under Sections 54.501, 54.504 and 55.16 of the *Texas Education Code*.

LABORATORY FEES

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
CHEM 4131	Laboratory for Biochemistry	25

FEES AND MISCELLANEOUS CHARGES (CONTINUED)

PARKING PERMIT FEES

Approval is recommended for the following parking permit fees to be effective beginning with the Fall Semester 2007. The fees have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs.

Following Regental approval, the appropriate institutional catalog will be amended to reflect these fees.

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Annual fees:</u>			
<u>Student Permit Classifications</u>			
Perimeter	100	125	25.00
Perimeter Premium*	150	175	16.67
Remote	50	75	50.00
Garage - Premium*	225	250	11.11
 <u>Faculty/Staff Classifications</u>			
Reserved - Campus	450	600	33.33
Campus Premium*	250	300	20.00

*Premium designates parking lots closest to campus.

U. T. PAN AMERICAN
AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Interim 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>	
ACADEMIC AFFAIRS					
Office of Undergraduate Studies					
1. Ana Maria Rodriguez (T)					1855
From: Associate Vice President for Undergraduate Studies		100 100	12 09	122,213 75,775	
To: Senior Vice-Provost for Undergraduate Studies, Academic Assessment and Retention	11/15-8/31 11/15-5/31	100 100	12 09	134,213 75,775	
Office of Research and Sponsored Projects					
2. Wendy Lawrence-Fowler (T)					1856
From: Associate Vice President for Academic Affairs		100 100	12 09	111,526 75,189	
To: Vice-Provost for Research and Sponsored Projects	9/1-8/31 9/1-5/31	100 100	12 09	111,526 75,189	
Office of Graduate Studies					
3. Teofilo Ozuna, Jr. (T)					1857
From: Associate Vice President for Academic Affairs	9/1-5/31	100 100	12 09	122,681 92,011	
To: Vice-Provost for Graduate Studies	9/1-8/31 9/1-5/31	100 100	12 09	122,681 92,011	

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreements have been awarded, have been approved by the Interim Executive Vice Chancellor for Academic Affairs, and are recommended for approval by the U. T. System Board of Regents. Such employment under these agreements are subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas - Pan American is a member, and the Regents' *Rules and Regulations* and the policies of The University of Texas - Pan American. The violation of the provisions of such constitution, bylaws, rules or regulations shall be grounds for suspension without pay or dismissal.

1. Item: Head Men's Baseball Coach

From: \$51,500 annually

To: \$54,636 annually for FY 06-07

Salary
Percent
Change: 6.09

Incentive
Change: None

From: \$54,636 annually

To: \$45,530 annually for FY 07-08 (nine months)

Salary
Percent
Change: 11.11

Incentive
Change: None

Description: Renewal agreement for employment of Head Men's Baseball Coach, Willie Gawlik, for the above designated periods following the standard coach's employment contract prepared by the Office of General Counsel.

Period: September 1, 2006 through June 30, 2008

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

2. Item: Head Men's and Women's Track and Cross Country Coach
- From: \$44,134 annually
- To: \$45,458 annually
- Salary
Percent
Change: 3.00
- Incentive
Change: None
- Description: Renewal agreement for employment of Head Men's and Women's Track and Cross Country Coach, Ricky Vaughn, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Period: July 1, 2006 through June 30, 2007

FEES AND MISCELLANEOUS CHARGES

HOUSING RATES

(Including Apartments, Dormitory Rooms, Residence Halls)

Approval is recommended for the following housing rates to be effective beginning with the Fall Semester 2007. The proposed rates are consistent with applicable statutory requirements under Section 55.16 of the *Texas Education Code* and have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs.

Following Regental approval, the appropriate institutional catalog will be amended to reflect these rates.

	<u>Current Rates \$</u>	<u>Proposed Rates \$*</u>	<u>Percent Increase</u>
<u>Per Month, Per Person</u>			
<u>BRONC VILLAGE</u>			
One bedroom, one bath	645	650	.78
Two bedrooms, one bath	425	525	23.53
Four bedrooms, one bath	370	400	8.11
<u>Per Semester, Per Person</u>			
<u>TROXEL and HERITAGE HALLS</u>			
Double Occupancy	1,400	1,500	7.14
Single Occupancy	2,000	2,100	5.00
Double Occupancy (post renovation)	1,550	1,650	6.45
Single Occupancy (post renovation)	2,150	2,205	2.56
<u>UNITY RESIDENCE HALL</u>			
Double Occupancy	1,700	1,800	5.88
Single Occupancy	2,400	2,500	4.17

*Note: Housing rates listed are upper limits; actual rates may be set at a lower level. The Vice Presidents for Business Affairs and Enrollment and Student Services Offices will determine the amounts based on cost analysis.

FEEES AND MISCELLANEOUS CHARGES (CONTINUED)

PARKING AND TRAFFIC ENFORCEMENT FEES

Approval is recommended for the following parking enforcement fees to be effective beginning with the Fall Semester 2007. The proposed fees are consistent with the applicable statutory requirements under Section 51.202 of the *Texas Education Code* and have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs.

Following Regental approval, the appropriate institutional catalog will be amended to reflect these fees.

<u>Violation Description</u>	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
Parked in a disabled space without a permit	25	100	300.00

U. T. PERMIAN BASIN

FEEES AND MISCELLANEOUS CHARGES

OTHER FEES AND CHARGES

The following new charge recommended for approval by the U. T. System Board of Regents and inclusion in institutional catalogs have been approved by the Interim Executive Vice Chancellor for Academic Affairs. All recommended charges are consistent with applicable statutory requirements under Sections 54.504 and 55.16 of the *Texas Education Code*.

<u>Name/Description</u>	<u>\$ Amount of Fee</u>
FLEX ENTRY/REINSTATEMENT FEE For students who add a course after the census date of a term.	50 per course (for a maximum of 150)

FEES AND MISCELLANEOUS CHARGES (CONTINUED)

HOUSING RATES (Including Apartments, Dormitory Rooms, Residence Halls)

Approval is recommended for the following housing rates to be effective beginning with the Fall Semester 2007. The proposed rates are consistent with applicable statutory requirements under Section 55.16 of the *Texas Education Code* and have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs.

Following Regental approval, the appropriate institutional catalog will be amended to reflect these rates.

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>For each regular semester</u>			
Falcon's Nest Apartments			
2 bedroom	1,225	1,372	12.00
1 student per bedroom	1,730	2,008	16.07
4 bedroom	1,530	1,720	12.42
4 bedroom Phase II	1,650	1,881	14.00
Falcon's Court Apartments			
2 bedroom Phase III	1,725	1,970	14.20
Efficiency Phase III	1,965	2,245	14.25
2 bedroom Phase IV	1,725	2,010	16.52
Efficiency Phase IV	1,965	2,360	20.10
Manufactured units			
Efficiency	1,215	1,361	12.02
1 bedroom	1,815	2,033	12.01
2 bedroom	1,460	1,645	12.67
3 bedroom			
Single	1,190	1,333	12.02
Double	1,080	1,210	12.04
with family	2,270	2,635	16.08
Single in double room	1,510	1,696	12.32

FEEES AND MISCELLANEOUS CHARGES (CONTINUED)

HOUSING RATES (CONTINUED)

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>For summer semester</u>			
Falcon's Nest Apartments			
2 bedroom	820	920	12.20
1 student per bedroom	1,155	1,340	16.02
4 bedroom	1,020	1,147	12.45
4 bedroom Phase II	1,100	1,255	14.09
Falcon's Court Apartments			
2 bedroom Phase III	1,155	1,320	14.29
Efficiency Phase III	1,305	1,492	14.33
2 bedroom Phase IV	1,155	1,346	16.54
Efficiency Phase IV	1,305	1,567	20.08
Manufactured units			
Efficiency	810	908	12.10
1 bedroom	1,210	1,356	12.07
2 bedroom	970	1,087	12.06
3 bedroom			
Single	790	885	12.03
Double	725	812	12.00
with family	1,510	1,752	16.03
Single in double room	1,005	1,126	12.04

U. T. SAN ANTONIO

CONTRACTS

The following contracts have been administratively approved by the President or his delegate and the Interim Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: Compass Group USA, Inc., DBA Canteen Vending Services
Funds: \$62,000 annually
Period: March 10, 2007 through March 9, 2011 with option to renew for one additional term of two years
Description: Compass Group USA, Inc., DBA Canteen Vending Services agrees to furnish and service food and beverage vending machines on the campus.

FUNDS GOING OUT

2. Agency: Alpha Building Corporation
Funds: Various funding sources
Period: September 1, 2006 through August 31, 2008 with 3 one-year renewal options
Description: Alpha Building Corporation agrees to perform job order contracting services for the university on a job order basis. U. T. San Antonio anticipates job order contracting expenditures to exceed \$1,000,000 per year for the next several years based on the current volume of repair, rehabilitation, and renovation work.
3. Agency: Centennial Contractors Enterprise, Inc.
Funds: Various funding sources
Period: October 26, 2006 through October 25, 2008 with 3 one-year renewal options
Description: Centennial Contractors Enterprise, Inc. agrees to perform job order contracting services for the university on a job order basis. U. T. San Antonio anticipates job order contracting expenditures to exceed \$1,000,000 per year for the next several years based on the current volume of repair, rehabilitation, and renovation work.

FEEES AND MISCELLANEOUS CHARGES

OTHER FEES AND CHARGES

The following new charge recommended for approval by the U. T. System Board of Regents and inclusion in institutional catalogs has been approved by the Interim Executive Vice Chancellor for Academic Affairs. All recommended charges are consistent with applicable statutory requirements under Sections 54.504 and 55.16 of the *Texas Education Code*.

<u>Name/Description</u>	<u>\$ Amount of Fee</u>
TESTING CHARGES	15 per exam
Accounting Placement Exam To defray costs associated with supplying scantrons, pencils, calculators, test material booklets, and op-scan software and maintenance.	

FEES AND MISCELLANEOUS CHARGES (CONTINUED)

PARKING PERMIT FEES

Approval is recommended for the following parking permit fees to be effective beginning with the Fall Semester 2007. The proposed fees are consistent with the applicable statutory requirements under Section 51.202 of the *Texas Education Code* and have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs.

Following Regental approval, the appropriate institutional catalog will be amended to reflect these fees.

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Annual fees:</u>			
<u>Student Permit Classifications</u>			
Annual permit - commuter	115	120	4.35
Annual permit - night commuter	n/a	60	n/a
Annual permit - night garage	n/a	120	n/a
Annual permit - day general/night garage	n/a	180	n/a
Annual permit - garage	230	260	13.04
<u>Faculty/Staff Classifications</u>			
Annual permit - executive	580	610	5.17
Annual permit - reserved	420	445	5.95
Annual permit - F/S A	230	245	6.52
Annual permit - F/S B	120	125	4.17
Annual permit - F/S A garage	420	445	5.95
Annual permit - F/S reserved garage	526	550	4.56
<u>Other Classifications</u>			
Annual permit - contractor	45	50	11.11
Daily permit	n/a	2	n/a

Note: Annual parking permit fees may be prorated for permits purchased for spring semester/summer session or for summer session only, and at the discretion of the institution, refunds may be made for fall semester enrollment/employment only.

U. T. TYLER

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Request for Budget Change (RBC) has been administratively approved by the Interim Executive 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 ENGINEERING Academic Affairs Professor					
1. M. Sathyamoorthy (T)	9/1 – 8/31	50	12	57,500	1873

FEEES AND MISCELLANEOUS CHARGES

ATHLETIC FEES

Approval is recommended for the following athletic fee to be effective beginning with the Fall Semester 2008. The statutory requirement for approval by a majority vote of students participating in a general election has been met. The fee has been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs. The proposed rate is consistent with applicable statutory requirements under *Texas Education Code* Section 54.5342.

Following Regental approval, the appropriate institutional catalog will be amended to reflect this fee.

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>For each regular or summer semester</u>			
Per Semester Credit Hour	12	12	n/a
Maximum (statutory)	172	180	4.65
Minimum (statutory)	60	60	n/a

The maximum fee for Fall 2008 was submitted and approved as \$172 due to a calculation error. The correct calculation and the one voted on and approved by students is \$180. Students will pay a maximum of \$180 per semester for Intercollegiate Athletics Fees in 2008-2009.

U. T. SOUTHWESTERN MEDICAL CENTER – DALLAS

CONTRACTS

The following contract has been administratively approved by the President or his delegate and the Executive Vice Chancellor for Health Affairs and is recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: Dallas County Hospital District
Funds: Approximately \$102,957,591 contingent upon performance measures
Period: October 1, 2006 through September 30, 2007
Description: To provide professional and technical services in support of patient care at Parkland Hospital.

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SOUTHWESTERN MEDICAL SCHOOL					
Orthopaedic Surgery					
Professor and Chair					
Charles F. Gregory, M.D.					
Chair Surgery and W. B. Carrell					
Professorship					
1. Joseph Borrelli, Jr. (T)	11/27-8/31	100	12	450,000	1891

U. T. MEDICAL BRANCH – GALVESTON

GIFTS

The following gift has been received, has been administratively approved by the President or his delegate, and is recommended for approval by the U. T. System Board of Regents:

1. Donor Name: The Sealy & Smith Foundation
College/School/ Department: School of Medicine
Purpose: Support of the U. T. Medical Branch - Galveston's Comprehensive Cancer Center*
Asset Type: Cash
Value: \$4,000,000

*The Comprehensive Cancer Center is an existing virtual center.

CONTRACTS

The following contracts have been administratively approved by the President or his delegate and the Executive Vice Chancellor for Health Affairs, and are recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: The Gulf Coast Center
Funds: \$2,024,900
Period: September 1, 2006 through August 31, 2007
Description: Amendment to extend the original agreement for an additional term of one year. U. T. Medical Branch - Galveston will provide regional community psychiatric hospital services for those individuals 18 years and older who reside in Galveston and Brazoria Counties and who are served by The Gulf Coast Center or who meet the admission criteria.

FUNDS GOING OUT

2. Agency: SW Broadway, LLC
Funds: \$2,606,160
Period: December 1, 2006 through August 31, 2016
Description: New lease of 17,663 feet of office space at 2800 East Broadway, Pearland, Texas for a women's health care medical office to be operated by the Obstetrics and Gynecology Department.

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

<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					
Institute for Medical Humanities					
Preventive Medicine and Community Health					
1. Harold Y. Vanderpool (T)					1759
From: Dr. and Mrs. Joseph T. Painter Professorship in Teaching Excellence, Professor		100	12	101,983	
To: Dr. and Mrs. Joseph T. Painter Professorship in Teaching Excellence, James Wade Rockwell Professorship In Medical History, Professor	11/1-8/31	100	12	101,983	
Obstetrics and Gynecology Administration					
Obstetrics and Gynecology Maternal Fetal Medicine					
Office of the Dean of Medicine					
2. Garland Anderson (T)					1799
From: Professor, Chair, Jennie Sealy Smith Distinguished Chair in Obstetrics and Gynecology, Physician		100	12	431,538	
To: Professor, Chair, Jennie Sealy Smith Distinguished Chair in Obstetrics and Gynecology, Physician, Dean of Medicine	11/1-8/31	100	12	474,692	

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<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 (Continued)					
Pediatric Administrative Psychiatry and Behavioral Sciences Child and Adolescent Psychiatry					
3. Karen D. Wagner (T)					1797
From: Professor, Robert L. Stubblefield, M.D. Professorship in Child Psychiatry		100	12	307,766	
To: Vice Chair, Marie B. Gale Centennial Professorship in Psychiatry, Director, Professor	11/1-8/31	100	12	307,766	
SCHOOL OF ALLIED HEALTH SCIENCES					
Physical Therapy					
4. Elizabeth Protas (T)					1800
From: Professor, Chair, Ruby Decker Professorship in Physical Therapy		100	12	132,334	
To: Professor, Chair, Ruby Decker Professorship in Physical Therapy, Interim Dean	11/1-8/31	100	12	145,567	
Physical Therapy					
5. Carolyn Utsey (T)					1746
From: Assistant Professor		100	12	66,780	
To: Interim Chair, Assistant Professor	12/1-8/31	100	06	78,800	

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<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 ALLIED HEALTH SCIENCES (Continued)					
INSTITUTIONAL SUPPORT					
HETC/Area Health Education Centers					
SCHOOL OF MEDICINE					
Preventive Medicine and Community Health					
Family Medicine					
SCHOOL OF ALLIED HEALTH SCIENCES					
Physician Assistant Studies					
6. Steven Shelton (T)					1804
From: Executive Director East Texas AHEC, Assistant Professor, Associate Professor		100	12	125,216	
To: Assistant Vice President Community Outreach; Assistant Professor, Associate Professor	11/1-8/31	100	12	125,216	
Pediatrics					
7. Benny G. Raimer (T)					1760
From: Vice President, Professor		100	12	340,000	
To: Vice President, Chief Executive Officer of Community Health Services, Professor	11/1-8/31	100	12	340,000	

FEES AND MISCELLANEOUS CHARGES

The following fees are recommended for approval by the U. T. System Board of Regents and inclusion in institutional catalogs and have been approved by the Executive Vice Chancellor for Health Affairs. All recommended charges are consistent with applicable statutory requirements under Sections 54.501, 54.504, and 55.16 of the *Texas Education Code*.

LABORATORY FEES

Course Number	Course Title	Proposed Fee \$
RESC 3133	Pulmonary Functions Lab	15
RESC 3125	Physiologic Monitoring Lab	10
CLLS 5227	Clinical Laboratory Methods	10
OCCT 5101	Basic Enabling Skills I	6
NURS 3631	Adult I	3
GNRS 5568	PCC II: Primary Care Concepts	25
GNRS 5631	NNP I: Neonatal Nurse Practitioner	20
GNRS 5551	APPN II: Advanced Practice Pediatric Nursing	25
GRNR 5624	ACNP II: Acute Care Nurse Practitioner	25
GNRS 5625	ACNP III: Acute Care Nurse Practitioner	30
GNRS 5511	WHCNP: Women's Health Care Nurse Practitioner	25

COURSE SPECIFIC FEES

RESC 3116	Therapeutics Lab	120
NURS 3340	Health Assessment	5
NURS 3440	Health Assessment	5
NURS 4591	Professional Role	45
NURS 3215	Health Assessment (Bacc 2 students)	5
NURS 3615	Clinical Practice	70
NURS 4825	Clinical Practice II	30
NURS 4935	Clinical Practice III	30
GNRS 5327	Transformational Leadership	145
GNRS 5329	Health Care Economics	30
GNRS 5330	Management of Health Care Knowledge Workers	30
GNRS 5347	Leader as Communicator	200
GNRS 5331	Quality Patient Care	30
GNRS 5300	Leadership 2	200
GNRS 5334	Adv Lead Practicum	75
GNRS 5325	Advanced Clinical Concepts II (Educator)	75
GNRS 5320	Educator Practicum	75

FEES AND MISCELLANEOUS CHARGES (CONTINUED)

OTHER FEES AND CHARGES

The following new charge recommended for approval by the U. T. System Board of Regents and inclusion in institutional catalogs has been approved by the Executive Vice Chancellor for Health Affairs. Recommended charge is consistent with applicable statutory requirements under Sections 54.504 and 55.16 of the *Texas Education Code*.

<u>Name/Description</u>	<u>\$ Amount of Fee</u>
Educational Technology Infrastructure To defray costs to support the maintenance and improvement of the institutional educational technology infrastructure. These include licensing and maintenance fees for software and the online student testing applications.	35 yearly

FEES AND MISCELLANEOUS CHARGES (CONTINUED)

HOUSING RATES

(Including Apartments, Dormitory Rooms, Residence Halls)

Approval is recommended for the following housing rates to be effective beginning with the Fall Semester 2007. The proposed rates are consistent with applicable statutory requirements under Section 55.16 of the *Texas Education Code* and have been administratively approved by the Executive Vice Chancellor for Health Affairs.

Following Regental approval, the appropriate institutional catalog will be amended to reflect these rates.

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Per Month</u>			
<u>Dormitory and Apartments</u>			
Private Dorm Rooms	350	365	4.29
Private Apartment	615	645	4.88
Semi-private Apartments	345	360	4.35

FEES AND MISCELLANEOUS CHARGES (CONTINUED)

STUDENT SERVICES FEES

Approval is recommended for the following student services fee to be effective beginning with the Fall Semester 2007. The statutory requirement for involvement of a Student Fee Committee has been met, and the members unanimously recommended approval. In addition, the increase in the cap was approved unanimously by the Student Government Association of The University of Texas Medical Branch at Galveston, as required by Section 54.503(f) of the *Texas Education Code*. The fee has been administratively approved by the Executive Vice Chancellor for Health Affairs.

Following Regental approval, the appropriate institutional catalog will be amended to reflect these fees.

COMPULSORY STUDENT SERVICES FEES

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>For each semester</u>			
Per Semester Credit Hour	10.99	10.99	n/a
Maximum	150.00	200.00	33.33

FEES AND MISCELLANEOUS CHARGES (CONTINUED)

MEMBERSHIP RATES

The following Alumni Field House membership rate increases, effective upon approval, have been administratively approved by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Quarterly Rate</u>	<u>Present Rate \$</u>	<u>Proposed Rate \$</u>	<u>Percent Increase</u>
Employee	120	130	8.33
Employee/Family	190	205	7.89
 <u>Semiannual Rate</u>			
Employee	200	215	7.50
Employee/Family	310	335	8.06
 <u>Yearly Rate</u>			
Employee	345	375	8.70
Employee/Family	535	575	7.48
Student/Family	190	205	7.89

U. T. HEALTH SCIENCE CENTER – HOUSTON

CONTRACTS

The following contracts have been administratively approved by the President or his delegate and the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: Texas Department of Family and Protective Services
Funds: Not to exceed \$3,462,480
Period: September 1, 2006 through August 31, 2007
Description: Interagency contract for U. T. Health Science Center - Houston to create a Forensic Assessment Network and provide associated services that will improve access to medical professionals with expertise in the diagnosis of child abuse or neglect. The expertise is intended to support Child Protective Services' staff in making decisions related to their investigations.

FUNDS GOING OUT

2. Agency: Houston Academy of Medicine and Harris County Medical Society
Funds: \$1,782,355
Period: September 1, 2006 through August 31, 2011
Description: First Amendment to extend the current lease of 15,294 square feet at 1133 John Freeman Boulevard, Suite 400, to be used as general office space for an additional five-year term.

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved as required by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
MEDICAL SCHOOL					
Neurology					
1. Jerry S. Wolinsky (T)					1716
From: Professor and Bartles Family Professorship and Professor Opal C. Rankin Professorship in Neurology		100 SUPLT	12 12	187,022 10,000	
To: Interim Dean, Professor, Bartles Family Professorship and Professor Opal C. Rankin Professorship in Neurology	9/1-8/31 9/1-8/31	100 SUPLT	12 12	187,022 122,978	
Surgery					
2. David W. Mercer (T)					1749
From: Professor		100 SUPLT	12 12	171,900 184,782	
To: Professor, James H. "Red" Duke, Jr., M.D., Distinguished Professorship in Surgery	10/16-8/31 10/16-8/31	100 SUPLT	12 12	171,900 184,782	

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
MEDICAL SCHOOL (Continued)					
Emergency Medicine					
3. Brent King (T)					1818
From: Professor and Chairman		100	12	200,000	
		SUPLT	12	57,000	
To: Interim Executive Vice President and Chief Operating Officer	11/1-8/31	100	12	200,000	
	11/1-8/31	SUPLT	12	89,842	
Pediatrics-Neonatology					
4. John W. Sparks (T)					1836
From: David R. Park Professor and Chairman		100	12	200,000	
		SUPLT	12	25,000	
To: Professor, Chairman and Richard Warren Mithoff Professorship in Neonatal and Perinatal Medicine	12/1-8/31	100	12	200,000	
	12/1-8/31	SUPLT	12	25,000	

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
MEDICAL SCHOOL (Continued)					
Obstetrics and Gynecology Administration					
5. Susan M. Ramin (T)					1837
From: Berel Held Professorship in Obstetrics, Gynecology and Reproductive Sciences		100 SUPLT	12 12	200,000 25,000	
To: Professor, Chair, and The Berel Held, M.D. Professorship in Obstetrics, Gynecology and Reproductive Sciences	9/1-8/31 9/1-8/31	100 SUPLT	12 12	200,000 146,000	
SCHOOL OF NURSING					
Acute and Continuing Care Department					
6. Joanne V. Hickey (T)					1814
From: Professor and Interim Department Chair		100 SUPLT	12 12	120,515 10,000	
To: Professor and Assistant Dean	11/1-8/31 11/1-8/31	100 SUPLT	12 12	120,515 10,000	
7. Marlene Z. Cohen (T)					1858
From: Professor and John S. Dunn Sr. Distinguished Professorship in Oncology Nursing and Assistant Dean		100 SUPLT	12 12	114,900 28,750	
To: Professor and John S. Dunn Sr. Distinguished Professorship in Oncology Nursing and Assistant Dean and Department Chair	11/1-8/31 11/1-8/31	100 SUPLT	12 12	114,900 28,750	

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<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 NURSING (Continued)					
Nursing Systems and Technology					
8. Sandra L. Upchurch (T)					1859
From: Associate Professor and Assistant Dean		100 SUPLT	12 12	94,900 5,000	
To: Associate Professor, Assistant Dean, and Department Chair	11/1-8/31 11/1-8/31	100 SUPLT	12 12	94,900 5,000	

OTHER MATTERS

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 to the Board of Directors for The University of Texas System Medical Foundation, Inc.:

Reappointment Commencing January 1, 2007

<u>Name and Title</u>	<u>Address</u>	<u>Term Expires</u>
L. Maximilian Buja, M.D. Executive Vice President for Academic Affairs at The University of Texas Health Science Center at Houston	7000 Fannin, Houston, Texas 77030	December 31, 2007
Michael W. Bungo, M.D. Vice Dean for Clinical Affairs at the Medical School	6431 Fannin, Houston, Texas 77030	December 31, 2007
Patricia M. Butler, M.D. Associate Dean for Educational Programs at the Medical School	6431 Fannin, Houston, Texas 77030	December 31, 2007

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 The University of Texas Health Science Center at 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.

U. T. HEALTH SCIENCE CENTER – SAN ANTONIO

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

<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					
Anesthesiology					
Professor and Chair					
R. Brian Smith					
Professorship					
1. John Jeffrey Andrews (T)	11/1-8/31	100	12	360,000	1834
VICE PRESIDENT FOR RESEARCH					
2. Robert A. Clark (T)					1835
From:	Assistant Vice President for Clinical Research,				
Professor, Dan F. Parman	9/1-8/31	70	12	243,296	
Distinguished Chair and	9/1-8/31	30	12	104,270	
Professor in Physiology	9/1-8/31	WOS	12	0	
To:	Assistant Vice President for Clinical Research,				
Professor, Dan F. Parman	9/1-8/31	70	12	254,929	
Distinguished Chair and	9/1-8/31	30	12	110,000	
Professor in Physiology	9/1-8/31	WOS	12	0	

FEES AND MISCELLANEOUS CHARGES

OTHER FEES AND CHARGES

The following new charges recommended for approval by the U. T. System Board of Regents and inclusions in institutional catalogs have been approved by the Executive Vice Chancellor for Health Affairs. All recommended charges are consistent with applicable statutory requirements under Sections 54.504 and 55.16 of the *Texas Education Code*.

<u>Name/Description</u>	<u>\$ Amount of Fee</u>
APPLICATION FEE	150
Non-refundable fee for each applicant to the International Dental Education Program to offset costs associated with the application process	
INSTRUMENTATION USAGE FEE	2,000/year
For residents in the Advanced Education Program in Endodontics to defray costs of advanced specialized instruments	
PRE-MATRICULATION TRAINING FEE	2,500
Non-refundable fee for each accepted student six weeks prior to registration to defray cost associated with the preclinical training program in the International Dental Education Program	
TESTING FEE	250
Non-refundable fee for International Dental Education Program candidates invited to campus for an interview and clinical skills assessment to cover the acquisition, maintenance, and replacement cost of equipment associated with the Clinical Skills Assessment Test.	

U. T. M. D. ANDERSON CANCER CENTER

CONTRACTS

The following contracts have been administratively approved by the President or his delegate and the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: Humana Military Health Services Inc.
Funds: **Physician's Agreement:** Group agrees to accept 100% of the TRICARE fee schedule, less any applicable co-payments, as payment in full for covered services provided to the beneficiary. For inpatient, outpatient or individual covered services not listed on the TRICARE fee schedule, group agrees to accept 25% of billed charges, less any applicable co-payments, as payment in full for covered services provided to the beneficiary. Further, group agrees to accept Medicare assignment, less any applicable co-payments, deductibles, and/or cost share amount due from the Beneficiary for Covered services provided to beneficiaries who are also Medicare eligible.
Hospital Agreement: Inpatient services, Hospital agrees to accept as payment in full for all inpatient services and/or procedures provided to Beneficiaries, the rate(s) set forth below:
Acute, Maternity, Intensive & Tertiary Care – 25% of billed charges, Rehabilitation – 25% of billed charges, Ungroupable – 25% of billed charges.
Outpatient Services, Hospital agrees to accept as payment in full for all outpatient services and/or procedures provided to Beneficiaries, the rate(s) set forth below: Outpatient Surgery – 100% of the TRICARE Management Activity, Ambulatory Surgery Center (TMA ASC) government groupers, Laboratory, Radiology, Diagnostic and all other services with an established TRICARE Maximum Allowable Charges (TMAC) – 100% of the TMAC fee schedule, All other outpatient services and/or procedures not under the TMA ASC government groupers or TMAC fee schedule – 25% of billed charges.
Period: October 1, 2006 through September 30, 2007
Description: Multi-Specialty Group Agreement

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS COMING IN (CONTINUED)

2. Agency: University of Texas Medical Branch (UTMB)
Healthcare System
- Funds: **Hospital Agreement:** Reimbursement under the ChoiceONE for the Children's Health Insurance Program is as follows:
Inpatient Services: U. T. Medical Branch agrees to pay for covered inpatient services in accordance with the State of Texas Medicaid allowable DRG payments, using current year Standard Dollar Amount.
Outpatient Services: U. T. Medical Branch agrees to pay covered outpatient facility services at 55% of billed charges. All fees not otherwise defined: 55% of billed charges Co-payments are the only amounts that provider may collect from members, except for costs associated with unauthorized non-emergency services provided to members for non-covered services. U. T. Medical Branch will pay provider interest at a rate of 1.5% per month (18% per annum) on all clean claims that are not adjudicated within thirty days.
Physician's Agreement: Professional fees of Physicians shall be reimbursed at a rate equal to 130% of the current Medicaid allowable or the full-billed charge, whichever is less. In cases where Medicaid does not have an established rate for the billed code or procedure, U. T. M. D. Anderson shall be reimbursed at a rate equal to 55% of Physician's full-billed charge.
- Period: September 1, 2006 through August 31, 2007
Description: Hospital and Physician's Services Agreement

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT

3. Agency: Iron Mountain
Funds: A baseline quarterly fee will begin at \$105,348 for the existing 247,000 cubic feet of storage space, and changes in storage space utilized will be measured and adjusted on a quarterly basis at a rate of \$0.375/cubic feet/quarter. Additional baseline quarterly fees will be \$105,816 for operations and \$35,272 for transportation services. Operations and transportation fees will be increased at a fixed rate of 2% annually during the term of the agreement. Total fees are dependant on U. T. M. D. Anderson Cancer Center's overall quarterly usage of the storage services but are estimated to be at least \$1,000,000 per year for the term of this agreement.
- Period: September 1, 2006 through August 31, 2011 with option to renew for up to three additional twelve-month periods.
- Description: Vendor will provide off-site storage, retrieval, and management of identified classes of medical and administrative records on a variety of media, including but not limited to x-rays, films, laboratory slides, and paper.
4. Agency: Focus Informatics, Inc.
Funds: The total cost of the agreement will not exceed \$5,145,250 without prior written U. T. M. D. Anderson Cancer Center approval. Prices are 6.5 cents per eScripton line for all work needed and 13 cents per eScripton line for all work needed.
- Period: December 1, 2006 through November 30, 2009 with option to renew for up to three additional twelve-month periods.
- Description: Vendor will provide staff employees (including typists, editors, quality assurance personnel and administrative personnel) as needed to provide quality transcription and related services for U. T. M. D. Anderson Cancer Center via the eScripton platform.

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTIONS

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
MEDICAL STAFF					
Experimental Radiation Oncology					
1. Elizabeth L. Travis (T)					1813
From: Professor and Mattie Allen Fair Professorship in Cancer Research		100	12	209,443	
To: Department of Executive Vice President and Chief Academic Officer – Associate Vice President, Woman Faculty Programs, and Professor and Mattie Allen Fair Professorship and Cancer Research	11/1-8/31	100 SUPLT	12	232,230 46,446	