

Meeting No. 1,002

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

Pages 1 - 11

January 12, 2006

Austin, Texas

## MEETING NO. 1,002

THURSDAY, JANUARY 12, 2006.--The members of the Board of Regents of The University of Texas System convened this planning retreat and special called meeting at 9:10 a.m. on Thursday, January 12, 2006, in the Charmaine and Frank Denius Pavilion at Bauer House, 1909 Hill Oaks Court, Austin, Texas, with the following participation:

### ATTENDANCE.--

#### Present

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

Counsel and Secretary 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. He announced that Vice Chancellor Smith would be leaving The University of Texas System on January 13, 2006, and expressed appreciation to The Honorable E. Ashley Smith for his service to the U. T. System and to the State of Texas.

Chairman Huffines also welcomed Mr. William C. Powers, Jr., President-Elect for The University of Texas at Austin, to his first Board meeting.

### PLANNING RETREAT

Members of the Board discussed Planning for The University of Texas System according to the following agenda:

#### I. **Introduction: Retreat Purpose and Scope**

Chairman Huffines and Chancellor Yudof provided opening remarks essentially as set forth on the following pages.

Chairman Huffines  
Opening Remarks

I would like to welcome you to this unique event for The University of Texas System. Today we will consider together the issues, directions, and priorities that we must address to create a new strategic vision and plan for the U. T. System.

Our time will be brief, and the agenda is ambitious. Our task is nothing less than creating a bold new strategic vision and plan for the U. T. System as we look ahead to 2015. We are aiming for the highest quality we can achieve, knowing that we cannot be all things to all people and that resources to achieve our goals will be limited. So, we must have a plan that helps us make the best strategic choices.

There is much we all know already about the System, its history, and its place within higher education in Texas. To supplement our day-to-day perspective on the System, over the past several months, our Planning Task Force has been reviewing information about our global, national, and state environment. We have conducted critical issues interviews with nearly 100 people. We have received advice from national experts. And from this work, which you have seen in your briefing books, we have distilled some of the key trends, most critical issues, and cross-cutting directions and opportunities we believe the System must address if it is to increase its strength and quality by 2015.

I want to thank Vice Chairman Krier for co-chairing the Planning Task Force with me. I also want to express appreciation to Executive Vice Chancellors Sullivan, Shine, and Kelley, Counsel and Secretary Frederick, and Associate Vice Chancellor for Institutional Planning and Accountability Malandra for participating on the Task Force and for their work on the strategic planning ideas and materials.

Our retreat is in four basic parts.

1. First, we will start by briefly looking outward, asking: "What are the most critical global, state, and higher education trends that we believe will influence our plans in the coming decade?" We want to do a reality check with you, to make sure we are really focusing on the most critical and promising of these trends.
2. Second, we will turn and look more toward the U. T. System, asking, "What are the most critical issues and cross-cutting themes that we and our many stakeholders collectively think that we must address in the coming years? What are the greatest discrepancies?" This will also be a reality check of our agreement, or disagreement about these areas of concern and emphasis. I have specifically asked that we include discussion about the graduation rate initiative. And, later today, we will have a separate Agenda Item providing an update on the proposed academic health center in Austin.

3. Third, over lunch, we will get to what I believe is the heart of our work today, as we consider the question, “What should be our big strategic directions and specific priorities – what should be the anchors of our roadmap?” We will suggest some hypothetical big directions for your consideration, but we will discuss as a group whether we have focused on the right ones. This is absolutely critical since, following the retreat, I will commission the development of white papers to lay out the specific priorities, goals, strategies, tactics, and roles for the Board, System Administration, and institutions in pursuing these directions. This work will ultimately become a core part of our plan.
4. Fourth, and finally, the Chancellor and I will talk with you about our next steps. Today’s agenda is somewhat open-ended and is designed for informal discussion rather than formal presentations. But, it is very important that we end the day with a clearer common understanding of and, ideally, a consensus about our most critical issues and our big directions. If we can achieve that, we will have accomplished a great deal, and will have laid the groundwork to develop our plan in more detail. Then, following this meeting, the Chancellor and his administrative team can begin to work to develop a draft of our written plans, to share and improve through consultation over the next few months.

Chancellor Yudof  
Opening Comments

- Planning is something that each of you, as civic and business leaders, and as university presidents, engages in regularly.
- It is very important that we plan for the System as a whole, and that we create a plan that sets a bold direction but that also lays out specific goals and measures of success. And, it must have buy-in from key players.
- Looking at a strategic plan is a little different than planning for an individual institution. Our kind of organization does not have tightly controlled central planning, at the Board, System, or institution level. And there is no evidence that any of the great universities in America are run from the center. Their greatness comes from a multitude and aggregation of small decisions, from which faculty to hire to which graduate students to recruit to which programs to invest in, and on and on.
- So, in my view, we must strike a balance among all players without a centralized command and control organization. Our plan can and should support the following:
  - The Board’s role is to provide direction, oversight, governance, and support.

- The presidents' role is to develop the vision, to develop specific plans, strategies, and tactics for their institutions, and to be accountable for the results.
- And the System Administration's role is to leverage and provide support for the collective strength of all institutions with the "extra" that we can contribute centrally.
- As a System, we have over the past three years focused on how we can add more value to U. T. institutions, for students, and to the State.
- This focus includes our concern to more clearly and strategically align our priorities, decisions, and investments with the most critical goals we lay out.
- Today, we will begin to discuss these issues together. Over the next few months, we will create a plan that is forward thinking and ambitious, but also specific about what we intend to do.
- In addition, as Chairman Huffines noted, we will return to the discussion of the graduation rate initiative. This will certainly be a critical element in one of the priority areas we already know the System must address: student success and outcomes. Today, I want to have a more fulsome discussion of our ideas and concerns, so that we are better prepared for consideration of the resolution that the Board will take up in February (2006).
- Later today, we will outline what our next steps will be in creating this plan.
- But first, we need to look again at the trends and issues that we consider most critical as we face the future.
- I would like to underscore comments made by Chairman Huffines that our discussion today should remain informal and interactive. We really do need and want to hear from each of you, get ideas on the table, and consider them from the different and valuable points of view you each contribute.

II. **Impact, Needs, and Issues:** *Where Are We Now? How Will Our External Environment Change in the Next Decade?*

- A. Critical Global Trends
- B. Critical State Trends and Issues
- C. Critical Higher Education Trends

III. **Setting Priorities and Roles:** *How Far Do We Seek to Go? What Are Our Goals and Priorities? How Do We Get There?*

- A. Critical U. T. System Issues Summary and Analysis
- B. Cross-Cutting Issues, Gaps, and Initiatives
  - Graduation Rates and Student Success-Related Issues

Chairman Huffines and Chancellor Yudof provided comments essentially as set forth below:

Chairman Huffines  
Graduation Rates Introduction

- Improving graduation rates is a very serious issue for the U. T. System. We all want students to succeed, and to do so in increasing numbers.
- I feel accountable, as Chairman of the Board, for their progress, and I want us to do everything we can to help them complete their degrees.
- But, we recognize that this is a tough issue with no simple solutions, and that the situation is different on each campus.
- Today, we are in a listening and learning mode.
- We know the hurdles you face are real; these are not excuses, they are the reality in which you operate.
- I believe it is possible to acknowledge and understand the hurdles and, at the same time, set specific -- even somewhat ambitious -- goals for improvement. This will not happen overnight; all the more reason why we need to have clearer focus and attention now.
- We need to educate ourselves more about the initiatives, goals, and challenges each campus faces.
- I want our initiative to be ambitious, but not so idealistic that we are not able to accomplish our goals.

Chancellor Yudof  
Graduation Rates Introduction

- The issue of improving student success -- specifically, graduation rates -- is a challenging one for every institution.
- It is a tough issue, and there is not agreement here, or anywhere in the country, about all of the reasons why students may take a long time to graduate or about solutions to improve the situation.
- The U. T. System is committed to improving students' success, and this includes increasing the proportion of students who graduate within a reasonable time.
- We know the situation is different at every institution. There is no overnight solution, and there is no one-size-fits-all solution. There are multiple tactics that can and should be tried, as Dr. Sullivan outlined in her White Paper for the Board in November 2005.
- Today, I want to consider in more depth some of these issues. My goal is to gain more shared understanding, more buy-in for

the initiative, more clarity. Ideally, we will also generate more momentum for our efforts, which we will discuss again at the February (2006) Board meeting.

- We could ask: is there a “blue-ribbon standard” for measuring student success at U. T. institutions? How ultimately can we define institutional excellence? How would this standard differ among the institutions? Should and could it take into account more than persistence and graduation? Could it include learning assessment, evidence of student engagement, time to degree, evidence of value-added, or other variables?
- To understand better these issues, we need to hear from the presidents. I’ll call on two or three of you to get the ball rolling, and then we’ll move into a broader discussion.
- President Spaniolo, President Natalicio, and President Mabry each spoke about efforts to improve graduation rates at The University of Texas at Arlington, The University of Texas at El Paso, and The University of Texas at Tyler, respectively.

- Health-Related Issues
- Other Issue(s)

C. Working lunch discussion: Big Directions and Priorities

#### IV. **Next Steps and Themes:** *What Comes Next? How Will We Get There?*

Chairman Huffines and Chancellor Yudof provided concluding remarks essentially as set forth below:

##### Chairman Huffines Concluding Remarks and Discussion

Today we have covered a lot of ground. It has been a challenging and energizing discussion. We have begun to lay the groundwork together for a common understanding of our assumptions, goals, specific priorities, and desired outcomes. But, this was the easy part. Now, we must turn to the specifics of our plan.

In our remaining time, the Chancellor and I would like to outline our ideas and get your questions about these next steps. This plan must clearly state what the U. T. System represents, where it is going, how it adds value, and how it exerts leadership in the state.

1. I am asking Chancellor Yudof to lead, and Geri Malandra to coordinate with other System officers, the preparation of the draft plan, for consideration by the Planning Task Force, the Board, and the presidents. It will lay out issues and specific strategies, outcomes, and metrics for the high priority goals and directions we discussed today.

2. They will consult with presidents and members of the Board, to solicit additional ideas, and to share drafts of this work. Our goal is to be as inclusive as possible, while minimizing any additional time burden this work may impose.
3. I expect to build specific connections and alignment with individual campuses' strategic or long-range plans.
4. We will continue to pursue discussion of our ideas with our internal and external constituencies.
5. We will use part of the May 2006 Board meeting to review and make suggestions on the draft plan. When the plan is completed, by the July 2006 Board meeting, we will have created a document that will serve as a roadmap for our directions, and for Board, System, and institutional decision-making as we move forward.

Chancellor Yudof  
Concluding Remarks and Discussion

Chairman Huffines has just outlined very clearly how we will proceed over the coming months. I would like to add just a few additional points.

As I said earlier today, our plan must be bold, but also as specific as possible. We should with some effort be able to achieve what we lay out. In my view, this means focusing on a comparatively small set of big goals, and laying out what changes or overall outcomes we'd like to see in 10 years. It also means being specific about our implementation strategy, and about how we will measure outcomes. We will surely address the big issues of student access and success, of research and health care, of our impact on the workforce and economy, and of finances.

It is very important to me that this plan focus at the System level, to show as concretely as we can how the System as a whole contributes value to the state. It will not replicate or replace the individual campus plans. But it can and must connect and align with the goals each president is putting into the campus plans, and we will pursue this point as we develop our draft.

Finally, as Chairman Huffines asked, we will continue to consult widely, to share our draft with you and others inside and outside the System. I hope that we will have strong buy-in to the ideas in the document by the time the draft is reviewed at the May Board meeting. We will then have sufficient time to complete it for final review by the Board in July 2006.

## SPECIAL ITEM

### U. T. System: Follow-up report on Austin Academic Health Center

Executive Vice Chancellor Shine presented an update on a potential Academic Health Center in Austin as discussed with the Board at the August 11, 2004 meeting.

Dr. Mary Ann Rankin, Dean of the College of Natural Sciences at The University of Texas at Austin, spoke and there was discussion. Chairman Huffines asked that a presentation on the proposed Austin Academic Health Center and financial data be scheduled for a future Board meeting.

RECESS TO EXECUTIVE SESSION.--At 2:55 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 4:15 p.m., the Board reconvened in open session and took the following action on matters discussed in Executive Session.

1. U. T. System and U. T. Austin: Potential negotiated gift involving a naming opportunity

No action was taken on a potential negotiated gift involving a naming opportunity at The University of Texas System and The University of Texas at Austin.

2. U. T. Pan American: Discussion and appropriate action on pending litigation titled Board of Regents of The University of Texas System v. Geraldine F. Glick and Robert Edward Glick, Joint Independent Executors of the Estate of Kenith S. Glick, Deceased; Martha P. Glick and Judith Gail Glick, Joint Independent Executors of the Estate of Kemper H. Glick, Deceased; Geraldine F. Glick, Individually; Martha P. Glick, Individually; and Gordon Bloomfield regarding the purchase of approximately 18.96 acres of land with improvements out of Lot 4, Block 273, Texas-Mexican Railway Company's Survey, in Edinburg, Hidalgo County, Texas, for parking and for campus expansion

Regent McHugh moved that the U. T. System Board of Regents

- a. reaffirm the authorization to the Executive Director of Real Estate to acquire on behalf of The University of Texas - Pan American

approximately 18.96 acres of land with improvements out of Lot 4, Block 273, Texas-Mexican Railway Company's Survey, Edinburg, Hidalgo County, Texas, for parking and future campus expansion. The property is described by metes and bounds on the Exhibit A that I am submitting to the Counsel and Secretary to the Board for inclusion in the Minutes of the Board (Page 10).

- b. find it is a public necessity for U. T. Pan American to acquire the 18.96 acres and improvements located thereon through condemnation proceedings at a price not to exceed the fair market value as determined by independent appraisals or the condemnation proceedings, for parking to serve the institution and for future campus expansion. The unprecedented growth in enrollment at U. T. Pan American, the limited land for campus expansion, and the adjacency to the campus of the 18.96 acres make the property necessary to the long-term ability of the institution to serve its students and achieve the State's goal in "Closing the Gaps."
- c. reaffirm the authorization of the Executive Vice Chancellor for Business Affairs and the Executive Director of Real Estate to execute real estate contracts and all documents, instruments, and other agreements required to complete the acquisition, following review and approval by the Office of General Counsel; to initiate and pursue to completion the condemnation action through the Office of General Counsel and the Office of the Attorney General in accordance with the parameters outlined in Executive Session; and to take all further actions deemed necessary or advisable to acquire the property in accordance with the parameters outlined in Executive Session.

This motion is premised on my belief that eminent domain is and should be only a last resort. However, the several-year history of efforts to negotiate a purchase of the property and the importance of the property to the institution lead me to move that the Board affirm the use of condemnation to purchase the 18.96 acres.

The motion was seconded by Regent Barnhill and carried unanimously.

EXHIBIT A

**J.E. SAENZ & ASSOCIATES, INC.**  
**211 EAST WISCONSIN ROAD**  
**EDINBURG, TEXAS 78539**  
**(956) 383-2984 (956) 383-3736**

**METES AND BOUNDS DESCRIPTION**  
**TRACT 1**

Being a 18.96 acre tract of land out of Lot 4, Block 273, Texas-Mexican Railway Company's Survey, Hidalgo County, Texas, as per map recorded in Volume 24, Pages 168-171, Deed Records of Hidalgo County, Texas, said 18.96 acre tract of land being more particularly described by metes and bounds as follows;

COMMENCING: At a half (1/2) inch iron rod found at the Northwest corner of Lot 4, THENCE South 08° 59'00" West, with the West boundary line of said Lot 4, a distance of 660.01 feet to a pk-nail set for the Northwest corner of this tract of land and the POINT OF BEGINNING;

THENCE South 80° 53'00" East, at 30.00 feet pass a five-eighths (5/8) inch iron rod found at the East right-of-way line of Jackson Road, at 1320.00 feet in all to a half (1/2) inch iron rod set at the East boundary line of said Lot 4 for the Northeast corner of this tract of land;

THENCE South 08° 59'00" West, with said East boundary line a distance of 660.28 feet to a half (1/2) inch iron rod set at the Southwest corner of said Lot 4 for the Southeast corner of this tract of land;

THENCE North 80° 53'00" West, a distance of 1064.00 feet to a three-quarter (3/4) inch iron pipe found for the Southwest corner of this tract of land;

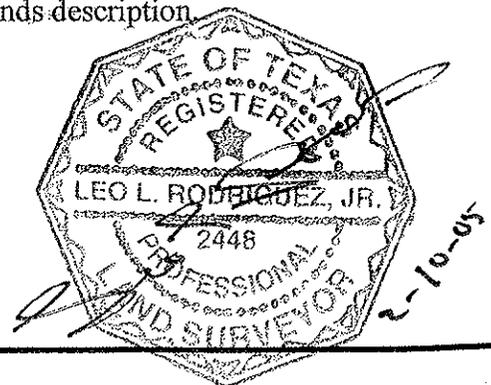
THENCE North 08° 59'00" East, a distance of 150.01 feet to a three-quarter (3/4) inch iron pipe found for the corner of this tract of land;

THENCE North 41° 56'00" West, a distance of 47.70 feet to a three-quarter (3/4) inch iron pipe found for a corner of this tract of land;

THENCE North 80° 53'00" West, at 189.00 feet pass a five-eighths (5/8) inch iron rod found at the East right-of-way line of said Jackson Road, at 219.00 feet in all to a pk-nail set at the West boundary line of said Lot 4 for a corner of this tract of land;

THENCE North 08° 59'00" East, with said West boundary line a distance of 480.28 feet to the POINT OF BEGINNING, containing, 18.96 acres of land more or less.

A plat of even survey date herewith accompanies this metes and bounds description.



ADJOURNMENT.--There being no further business, the meeting was adjourned at 4:20 p.m.

/s/ Francie A. Frederick  
Counsel and Secretary to the Board

February 8, 2006