

Meeting No. 1,023

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

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November 8-9, 2007

Austin, Texas

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 OF
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MEETING NO. 1,023

THURSDAY, NOVEMBER 8, 2007.--The members of the Board of Regents of The University of Texas System convened at 3:35 p.m. on Thursday, November 8, 2007, in Room 207, San Jacinto Hall, 309 East 21st Street, The University of Texas at Austin, Austin, Texas, with the following participation.

ATTENDANCE.--

Present

Chairman Huffines, presiding
Vice Chairman Caven
Regent Barnhill
Regent Camarillo
Regent Dannenbaum
Regent Estrada
Regent Foster
Regent Gary
Regent McHugh
Regent Rowling

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.

RECESS TO EXECUTIVE SESSION.--At 3:35 p.m., Chairman Huffines announced the Board would recess to convene in Executive Session in Room 210 of San Jacinto Hall 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 4:50 p.m., the Board reconvened in open session and took the following actions on matters discussed in Executive Session.

- 1a. U. T. Southwestern Medical Center – Dallas: Discussion of individual personnel matters related to presidential search

No discussion held.

- 1b. U. T. Health Science Center – Houston: Discussion of individual personnel matters related to presidential search

No discussion held.

- 1c. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Director of Audits), and U. T. System and institutional employees

No discussion held.

- 2a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

3. U. T. Austin: Approval of negotiations pertaining to a sublease of approximately 234,182 square feet of improvements located at 2706 Montopolis Drive, Austin, Travis County, Texas, to Advanced Technology Development Facility, Inc., a Delaware corporation, from Sematech, Inc., a Delaware corporation and the tenant under the master lease from the Board of Regents of the U. T. System, for and on behalf of U. T. Austin

Chairman Huffines stated that an additional item had been posted with the Secretary of State regarding real estate currently leased to Sematech, Inc., and was before the Board on yellow paper.

On behalf of The University of Texas at Austin, the Board

- a. authorized the Executive Director of Real Estate to negotiate a consent to sublease in accordance with the parameters outlined in Executive Session pertaining to a sublease of approximately 234,182 square feet of improvements and personal property located at 2706 Montopolis Drive, Austin, Travis County, Texas, to Advanced Technology Development Facility, Inc., a Delaware corporation, from Sematech, Inc., a Delaware corporation and the tenant under the 1988 master lease from the Board of Regents of The University of Texas System; and

- b. further authorized the Executive Director of Real Estate to execute all documents, instruments, and other agreements, after consultation with and approval by the Chairman and at least one Vice Chairman pertaining to the results of an appraisal to be obtained by U. T. Austin and after approval of all documents, instruments, and agreements 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 within the parameters outlined in Executive Session.

The motion was seconded by Vice Chairman Caven and carried by acclamation.

4. U. T. Health Science Center - San Antonio: Discussion and appropriate action related to a proposed negotiated gift

No action was taken on this item.

RECESS.--At 4:55 p.m., Chairman Huffines announced the Board would recess for the meeting of the Audit, Compliance, and Management Review Committee beginning at 9:00 a.m. on November 9.

FRIDAY, NOVEMBER 9, 2007.--The members of the Board of Regents of The University of Texas System reconvened at 10:20 a.m. on Friday, November 9, 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 Caven
Regent Barnhill
Regent Camarillo
Regent Dannenbaum
Regent Estrada
Regent Foster
Regent Gary
Regent McHugh
Regent Rowling

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

WELCOME TO REGENT JAMES D. DANNENBAUM, REGENT PAUL FOSTER, REGENT PRINTICE L. GARY, AND PRESIDENT DAVID L. CALLENDER.--Chairman Huffines welcomed Regent James D. Dannenbaum, Regent Paul Foster, Regent Printice L. Gary, and President David L. Callender to their first regularly scheduled Board meeting.

[On October 19, 2007, Governor Rick Perry named the following individuals to the Board of Regents of The University of Texas System for terms to expire on February 1, 2013:

Mr. James D. Dannenbaum, Houston, Texas, to succeed Judith L. Craven, M.D., whose term expired February 1, 2007.

Mr. Paul Foster, El Paso, Texas, to succeed The Honorable Cyndi Taylor Krier whose term expired February 1, 2007.

Mr. Printice L. Gary, Dallas, Texas, to succeed Mrs. Rita C. Clements whose term expired February 1, 2007.

Each appointee took the oath of office on November 8, 2007, and each appointment is subject to Senate confirmation when the Legislature is next in Session.]

Chairman Huffines also recognized the Public Broadcasting Series (PBS) *State of Tomorrow*TM that garnered two Lone Star EMMY awards. The documentary examined how higher education institutions in Texas contribute to society in such arenas as medicine, science, technology, and the environment. The 13-episode series was coproduced by The University of Texas Foundation and Austin-based Alpheus Media under the direction of Vice Chancellor Safady and her staff in partnership with PBS affiliate KLRU and involved an unprecedented collaboration of The University of Texas System, The Texas A&M University System, Texas State University System, Texas Tech University System, University of Houston System, and the University of North Texas System.

AGENDA ITEM

1. U. T. System Board of Regents: Election of officers and amendment of Regents' Rules and Regulations, Series 10102 related to the election of Vice Chairmen and Series 10201 related to the appointment of the General Counsel to the Board of Regents

Before making a motion to appoint a new Chairman of the Board of Regents, Chairman Huffines thanked his fellow Regents for the opportunity to serve as their leader for the past three and a half years. He said it was the highest honor of his life, and the most memorable. Chairman Huffines received a round of applause.

Pursuant to Regents' *Rules and Regulations*, Series 10102, the following officers were elected to the Board of Regents, effective immediately:

Chairman:	Mr. H. Scott Caven, Jr.
Vice Chairman (designated to act in place of the Chairman):	Mr. James R. Huffines
Vice Chairman:	Mr. Robert B. Rowling

The Board authorized amendment of the Regents' *Rules* as necessary to conform to this action related to the election of Vice Chairmen. Series 10102 was revised to state that two, rather than three, Vice Chairmen will be elected by the Board from its number.

Further, the Regents' *Rules and Regulations*, Series 10201, was amended so that formal reappointment for the position of General Counsel to the Board is not necessary. The General Counsel will continue to serve at the pleasure of the Board.

Chairman Caven said he would give immediate consideration to the appointment of Committee Chairmen and will make announcements regarding the composition of the Standing Committees prior to the Board's next regular meeting.

Chairman Caven said he is humbled to be named Chairman of the Board and he applauded Vice Chairman Huffines for his leadership as Chairman of the Board, saying Chairman Huffines had done a superb job through consensus, open participation, grace, and diplomacy.

U. T. SYSTEM BOARD OF REGENTS: APPROVAL OF MINUTES.--The Minutes of the regular meeting of the Board of Regents of The University of Texas System held on August 22-23, 2007, in Austin, 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 568 - 853.

The Minutes of the special meetings of the Board of Regents of The University of Texas System held on August 28, 2007, and October 12, 2007, in Austin, 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 854 - 858 and Volume LV, Pages 1 - 24, respectively.

AGENDA ITEMS, CONTINUED

2. U. T. System Board of Regents: Historical presentation on former Board Chairman Frank C. Erwin, Jr.

Mr. Richard A. Holland, Senior Lecturer at The University of Texas at Austin, made a presentation on former Board Chairman Frank C. Erwin, Jr., who served on The University of Texas System Board of Regents from May 1963 to January 1975 and as Chairman of the Board from December 2, 1966 until March 12, 1971.

Mr. Holland edited the anthology titled, *The Texas Book: Profiles, History, and Reminiscences of the University*, and wrote the chapter titled "Thirteen Ways of Looking at Chairman Frank."

3. U. T. System: Chancellor's quarterly update

Chancellor Yudof said The University of Texas System staff is working with community colleges to increase the transfer rate between community colleges and four-year institutions, including The Texas A&M University System. He then provided remarks on research and technology transfer trends for The University of Texas System (see Item 4 on Page 7).

4. U. T. System: Annual report on research and technology transfer

Prior to the annual report on research and technology transfer trends for The University of Texas System by Dr. H. Keith McDowell, Vice Chancellor for Research and Technology Transfer, Chancellor Yudof provided remarks essentially as follows:

Remarks by Chancellor Mark G. Yudof

Today, because the agenda is full, I want to use the time set aside for the quarterly report to make only some brief remarks and introduce Dr. McDowell, Vice Chancellor for Research and Technology Transfer.

For most of the history of American universities, we have talked about the responsibilities of the professoriate as a three-legged stool of teaching, research, and service to the community. And all of that remains true.

But over the last generation, we have been asked to cobble on a fourth leg -- economic development. In many ways, this was a natural outgrowth of our research function. Discoveries made on campus have always had the potential for practical application in the marketplace.

But with the passage of the Bayh-Dole Act in 1980, universities were permitted to patent inventions even if the research was paid for by the government. Now the inventors and the university generally share the intellectual property. The technology itself is usually licensed to an existing company, though sometimes there are start-up companies.

The technology transfer process is uneven nationally and needs to be improved. A top 20 research university will only receive about \$25 million or so in licensing and royalty fees. The top earner in recent years has been Columbia University in the medical area. In some years it has earned slightly over \$100 million. So, the dollars earned are not going to be covering our operating budget in the near future.

Nevertheless, this ability to make money from research has caught the attention of most universities. And it has certainly found an interested audience in state policymakers who care deeply and understandably about the potential to create jobs and a stronger economy . . . and who are, of course, eager for us to cultivate the economic development activities of faculty.

This is a far cry from the day when we actually limited the number of hours a week a professor could work off campus in a for-profit venture that might detract from teaching or community service.

And, it represents a cultural change on campus that requires some real sensitivity and empathy from all of us. Many of the younger faculty may be charged up and ready to run with the new scheme of things, but for the traditionalists and those of us who were initiated into the profession with a different set of values and yardsticks, a little patience is in order.

Beyond the personal and the traditional, one of the tricky areas of this change is that, while federal funds may pay for research, they do not pay for product development. And that puts an additional burden on universities, venture capitalists, and established industries.

All that said, if part of our mission is economic development, it is up to us to encourage professors to further test their ideas, to be collaborative in the transfer of discoveries . . . and to participate in the creation of start-up companies that bring those discoveries to market.

In light of that change, the accountability report has many measures of research, productivity, and technology transfer. And today, we have an annual report from Dr. McDowell.

Vice Chancellor McDowell then presented the annual report on research and technology transfer trends for the U. T. System.

5. U. T. System Board of Regents: Amendment to the Regents' *Rules and Regulations* to add Series 30107, concerning veteran's employment preferences

The Board approved addition of Series 30107, concerning veteran's employment preferences, to the Regents' *Rules and Regulations* to read as set forth below:

1. Title

Veteran's Employment Preferences

2. Rule and Regulation

Sec. 1 Preference in Employment. As authorized in Chapter 657 of the *Texas Government Code*, an individual who qualifies for

a veteran's preference is entitled to a preference in State employment over other applicants for the same position who do not have greater qualifications.

- Sec. 2 Complaint Regarding Employment Decision. Chapter 657 of the *Texas Government Code* provides that an individual entitled to a veteran's employment preference who is aggrieved by a decision of a State agency or institution, relating to hiring or to retention of the individual in the event of a workforce reduction, may appeal the decision by filing a complaint with the governing body of the agency.
- Sec. 3 Delegation. The Board delegates to the Chief Administrative Officer of each U. T. System institution the authority to review all such written complaints and to respond within 15 business days of receipt. The Chief Administrative Officer shall review complaints promptly and may render a different employment decision if it is determined that the veteran's preference was not applied. The decision of the Chief Administrative Officer shall be final.

3. Definitions

Chief Administrative Officer – The Chancellor of the U. T. System and the presidents of each institution of the U. T. System.

House Bill 1275, passed by the 80th Legislature, Regular Session allows an individual entitled to a veteran's employment preference, who is aggrieved by a decision of a state agency related to hiring the individual or retaining the individual, in the event of a workforce reduction, to appeal the decision by filing a written complaint with the governing body of the agency. The governing body must respond to the complaint not later than the 15th business day after the date of receipt.

In accordance with *Texas Education Code* Section 65.31(g), the Board delegates to the Chief Administrative Officer for each institution of The University of Texas System the responsibility and authority for receiving and deciding appeals filed by individuals who believe they were improperly denied a veteran's employment preference.

6. U. T. System Board of Regents: Amendments to the Regents' *Rules and Regulations*, Series 30601, concerning U. T. System-wide discipline and dismissal of classified employees

The Board amended the Regents' *Rules and Regulations*, Series 30601, concerning The University of Texas System-wide policy on discipline and dismissal of classified employees to read as set forth in its entirety on Pages 11 - 13.

The U. T. System Administration and U. T. System institutions are required to comply with the provisions of Regents' *Rules and Regulations*, Series 30601 when disciplining or discharging a classified employee. The revised Rule streamlines the disciplinary process and provides U. T. System Administration and each U. T. System institution the flexibility to make decisions based on the needs of the institution, such as giving notice to the affected employee and providing an opportunity to respond to avoid mistaken decisions in discipline. A model policy has been formulated to assure compliance with provisions of the revised Rule.

1. Title

Discipline and Dismissal of Classified Employees

2. Rule and Regulation

Sec. 1 Policy. It is the policy of The University of Texas System to encourage fair and efficient processes to resolve disputes arising out of the employment relationship and to meet the requirements of State and federal law.

Sec. 2 Establishment of Policies. System Administration and each U. T. System institution shall adopt a policy governing discipline and dismissal of classified employees. Such a policy, at the minimum, shall comply with the provisions below and become effective upon approval by the appropriate Executive Vice Chancellor and the Vice Chancellor and General Counsel.

2.1 Purpose. The purpose of a policy is to provide a procedure for the discipline and dismissal of classified employees who are subject to its provisions.

2.2 At-Will Employees. Classified employees are at-will employees who serve without tenure. No provision of this policy or any policy adopted by System Administration or any U. T. System institution shall confer rights to employees that are contrary to the employment-at-will doctrine.

Sec. 3 Required Provisions. The policy adopted by System Administration and each U. T. System institution shall address the following elements:

3.1 Applicability. The policy shall be applicable to conduct or job performance of a classified employee that results in a decision to impose a disciplinary penalty of demotion, suspension without pay, or dismissal. The policy shall not apply to:

(a) Faculty or Police. Institutional police or faculty who are subject to other approved discipline or dismissal procedures;

- (b) Suspension. Suspension with pay pending investigation of allegations relating to an employee;
- (c) Appointed Positions. Decisions not to offer reappointment to persons whose appointment for a stated period of one year or less expires at the end of such period;
- (d) Positions without Fixed Term. Employees who are appointed to positions without fixed term and serve at the pleasure of a specific administrative officer;
- (e) Student Status. Persons who are employed in positions that require student status as a condition of employment; or
- (f) Dismissal. Dismissal of employees:
 - (1) who occupy positions that are dependent upon funding from a specific source and such funding is not received;
 - (2) as a result of a reduction in force;
 - (3) due to financial exigency;
 - (4) during any probationary period of employment;
 - (5) who are appointed for a stated period that is less than 180 days;
 - (6) who are appointed at a per diem or hourly rate and work on an as needed basis;
 - (7) who have not attained or maintained the necessary clearance, certification, or licensure for their positions; or
 - (8) who have exhausted applicable leave entitlements.

- 3.2 Conduct Subject to Disciplinary Actions. The policy shall include provisions pertaining to requisite standards of conduct for employees, work performance, and unacceptable conduct that can subject an employee to disciplinary action.
- 3.3 Procedures. The policy shall include disciplinary and appeal procedures consistent with the following provisions:
- (a) Notice and Opportunity to Respond. The employee shall be informed in writing of the reasons for the proposed disciplinary action and the facts upon which the proposed discipline is based. The employee shall be provided with a reasonable opportunity to respond to the proposed disciplinary action before a final decision is made to take disciplinary action.
- (b) Appeals. The employee shall be provided a process to appeal a disciplinary demotion, suspension without pay, or dismissal to the vice president or administrative equivalent for the employee's department.
- (1) The vice president or administrative equivalent shall, at his or her discretion, handle the appeal or appoint a delegate(s). The decision of the vice president or administrative equivalent is final.
- (2) The employee has the right to be represented during the appeal by an attorney or other individual representative. If the employee is represented by an attorney or an individual from an employee organization, the institution may be represented by an attorney from the institution or the Office of General Counsel of The University of Texas System.

3. Definitions

Classified Employee – any employee in a position that has been designated as a classified employee in the Classified Personnel Pay Plan of the employing U. T. System institution.

Financial Exigency – a state in which financial demands call for budget cuts.

Work Performance – includes all aspects of an employee's work including the performance of job duties and adherence to work conduct standards.

7. U. T. System Board of Regents: Amendment of Regents' *Rules and Regulations*, Series 60301 (Development Board of an Institution), Section 7, related to private development campaigns

The Board revised the Regents' *Rules and Regulations*, Series 60301 (Development Board of an Institution), Section 7 to read as set forth below to streamline the approval procedures for the initiation of private development campaigns.

Sec. 7 Private Development Campaigns.

7.1 Comprehensive Campaigns. All broad-scale, institution-wide campaigns must be reviewed and approved by the Vice Chancellor for External Relations and the appropriate Executive Vice Chancellor before campaign plans, or any activity, including a silent phase of a campaign, are implemented and consultants retained.

7.2 Special Purpose Campaigns. From time to time, special purpose campaigns for campus-specific objectives (for example, a significant scholarship fund or faculty endowment program) may be conducted without approval by the Vice Chancellor for External Relations and the appropriate Executive Vice Chancellor. However, special purpose campaigns regarding prominent buildings and programs as identified in Series 80307 must be approved as set out in Section 7.1 above.

8. U. T. System Board of Regents: Amendments to Regents' *Rules and Regulations*, Series 80103 (Solicitation), Section 2 to add language concerning restrictions on credit card marketing

The Board amended the Regents' *Rules and Regulations*, Series 80103 (Solicitation), Section 2 to add language concerning restrictions on credit card marketing. The revised Rule reads as set forth below:

Sec. 1 Prohibition of Solicitation. No solicitation shall be conducted on any property, street, or sidewalk, or in any building, structure, or facility owned or controlled by the U. T. System or any of its institutions unless permitted by the Regents' *Rules and Regulations*.

Sec. 2 Exceptions to Prohibition.

...

2.20 Commonly Used Services.

- (a) Delegation. The display and distribution of printed material from tables or booths by providers of services that are commonly utilized by students, faculty, and staff of the U. T. System or any of its institutions, such as financial institutions, long distance telephone carriers, utilities, housing locators, printers and duplicators, tutors, or employment agencies. The Board delegates to the Chancellor or president the authority to designate no more than two one-day periods each academic year for the activities authorized under this provision and will determine their time and place as well as the number of providers who participate. The activities of a provider must be conducted in compliance with State law, Section 1 above, and other U. T. System or institutional guidelines. A provider may not make sales of or take orders for services. The U. T. System or any of its institutions shall charge an appropriate fee for the privilege of conducting such activities. Any provider who violates State law, the Regents' *Rules and Regulations*, or the applicable guidelines of the institution in the course of activities permitted under this provision, shall not be permitted to participate in such activities for a period of one (1) year from the date of the violation.

- (b) Restrictions on Credit Card Marketing. An individual who has exercised delegated authority under (a) above to allow campus credit card marketing activities shall comply with all requirements of Subchapter L of the *Texas Business and Commerce Code* Section 35.131 et seq. and shall assure that a session on credit card and debt education, as well as protecting personal information from identity theft, is included in all orientation programs for new students.

2.21 Athletic Events.

- (a) Delegation. A president may designate a reasonable number of areas in a reasonable proximity to the exterior of a facility used for intercollegiate athletic events and may authorize such areas to be used for the display of motor-propelled vehicles and for the location of booths, tables, or kiosks to be used for the display of merchandise, the distribution of free samples of merchandise, and the display and distribution of printed material related to merchandise, products, or services. Such activities may be authorized only on the

day before and the day of an intercollegiate athletic event or an event that is related to athletics that takes place in the facility. The president may designate a reasonable number of areas inside a facility to be used for intercollegiate athletic events for such activities if the safety officer of the institution approves the designation and use of the area. All persons engaged in or associated with such displays and distributions must conduct those activities in compliance with State law, the Regents' *Rules and Regulations*, and with other guidelines specified by the institution. Such persons may not make sales of or take orders for such vehicles, merchandise, products, or services. The institution shall charge an appropriate fee for the privilege of using such areas. Persons or entities that violate State law, the Regents' *Rules and Regulations*, or the applicable guidelines of the institution while using designated areas under this provision shall not be permitted to engage in activities under this provision or a period of one (1) year from the date of the violation.

- (b) **Restrictions on Credit Card Marketing.** An individual who has exercised delegated authority under (a) above to allow campus credit card marketing activities shall comply with all requirements of Subchapter L of the *Texas Business and Commerce Code* Section 35.131 et seq. and shall assure that a session on credit card and debt education, as well as protecting personal information from identity theft, is included in all orientation programs for new students.

These amendments add language required by House Bill 85, passed by the 80th Legislature, Regular Session (to be codified as Subchapter L of the *Texas Business and Commerce Code* Section 35.131 et seq.) to provide that a credit card issuer may not engage in credit card marketing activities outside of locations and times designated by the governing board of an institution. The new legislation defines "marketing activities" to include any activity designed to encourage and enable students to apply for a credit card and includes the act of placing a display together with a credit card application. A governing board that allows credit card marketing shall adopt a policy requiring credit card and debt education as a part of new student orientation. These Rules amendments include this requirement and also require the orientation to cover protection against identity theft.

Pursuant to the former Regents' *Rules and Regulations*, limited credit card company activities that do not involve sales or orders were allowed under guidelines concerning time, place, and manner as determined by each president. The amendments do not authorize any additional credit card activities.

Vice Chairman Huffines urged campus officials to use caution when approving the marketing of credit cards on campuses.

9. U. T. System Board of Regents: Amendments to Regents' *Rules and Regulations*, Series 80302 (Building Committees), Section 4, regarding Special Interest Projects

The Regents' *Rules and Regulations*, Series 80302 (Building Committees), Section 4, regarding Special Interest Projects, was amended to read as set forth below:

Sec. 4 Special Interest Projects. Upon recommendation of the Associate Vice Chancellor for Facilities Planning and Construction following consultation with the Chairman of the Facilities Planning and Construction Committee, a project may be designated by the Board of Regents to be of special interest because of proposed building site, historical or cultural significance, proposed use, or other unique characteristics. For these special interest projects, the institutional president, in consultation with the Office of Facilities Planning and Construction, will appoint an Architect Selection Advisory Committee that may include any two members of the Board of Regents named by the Chairman of the Board. The Architect Selection Advisory Committee will investigate the competence and qualifications of the candidates. Board members of the Architect Selection Advisory Committee will report the findings and recommendations based on the interviews to the FPCC. The FPCC may select an architect from this list, or may ask the Selection Advisory Committee for additional recommendations of architects responding to the Request for Qualifications (RFQ), or may select an architect responding to the RFQ but not on the list on the basis of competence and qualifications. The FPCC may conduct interviews and site visits as necessary and will select the most qualified architect for the project based on demonstrated competence, qualifications, and the criteria published in the RFQ, without consideration of fees or costs.

The former process for capital improvements required that each building project be the subject of individual review by the Facilities Planning and Construction Committee (FPCC) and the Board to determine whether it is historically or architecturally significant. In practice, the Chairman of the

FPCC and the Associate Vice Chancellor for Facilities Planning and Construction have recommended the projects for this designation. These amendments to the Regents' *Rules* formalize that practice and streamline the process for approval of construction projects.

10. U. T. System: Acceptance of the final report from the Task Force on Doctoral Education and the Postdoctoral Experience and authorization to implement the recommendations held within the report

Following remarks by Executive Vice Chancellor Prior, Executive Vice Chancellor Shine, and Dr. George Stancel, Chairman of the Task Force, the Board accepted the final report from The University of Texas System Task Force on Doctoral Education and the Postdoctoral Experience, recognizing the significance of its efforts and the importance of the recommendations contained in the report.

Further, the Executive Vice Chancellor for Academic Affairs and the Executive Vice Chancellor for Health Affairs were authorized to implement the recommendations held within the report in the most feasible, practical, and timely manner.

In 2006, the U. T. System issued a Strategic Plan for the coming decade to ensure a competitive System, Texas, and nation in the 21st century. The Plan called for a Task Force on Doctoral Education and the Postdoctoral Experience to be convened to consider how to:

- recruit, retain, and graduate more doctoral students and postdoctoral scholars
- enhance the value and contributions of programs to the U. T. System institutions, the U. T. System, and the State of Texas
- increase the competitiveness and prestige of the U. T. System's research, education, and service programs.

A task force with representation by all U. T. System institutions offering Ph.D. programs was appointed in June 2006 by the Executive Vice Chancellor for Academic Affairs and the Executive Vice Chancellor for Health Affairs.

A few of the key recommendations from the Report follow:

The U. T. System must

- prominently address doctoral and postdoctoral education in major U. T. System planning efforts

- hold institutional leaders accountable for establishing and maintaining competitive doctoral and postdoctoral programs in line with U. T. System plans and institutional missions
- provide health benefits equivalent to those received by faculty and staff for all full-time, salaried doctoral students and postdoctoral scholars.

U. T. System institutions must

- explicitly include doctoral and postdoctoral education in planning, budget preparation, evaluation, and external communications
- disseminate expectations, commitments, and anticipated timelines for their doctoral and postdoctoral programs
- conduct rigorous peer reviews with external reviewers of new proposals and ongoing programs.

These recommendations are but the beginning of what must be a continuing process to achieve the U. T. System's strategic goals. In addition to the recommendations, the report includes several key appendices to assist the U. T. System and institutions, guide the implementation of recommendations, and aid programmatic reviews. It was further suggested that additional metrics be proposed for future accountability reports.

On May 9, 2007, Dr. Stancel reported on the progress of the work of the Task Force to the Student, Faculty, and Staff Campus Life Committee of the Board of Regents.

11. U. T. System: Authorization for the Chancellor to submit Report Concerning Designated Tuition

The Board of Regents granted authority to the Chancellor to submit on its behalf the Report Concerning Designated Tuition as required by the General Appropriations Act, House Bill 1, Article III, Section 52 to the Lieutenant Governor, the Speaker of the House, the Chair of the Senate Finance Committee, the Chair of the House Appropriations Committee, and the members of the Legislative Oversight Committee on Higher Education.

A Report Concerning Designated Tuition is to be filed not later than January 1, 2008, by the governing board of each public institution of higher education that charges students designated tuition under Section 54.0513, *Texas Education Code*. The Report consists of two principal sections. For selected years, the first section of the Report identifies the amount of designated tuition collected, the purposes for which it was spent, the amount

spent for each purpose, and the amounts set aside for resident undergraduate and graduate student assistance as required by Sections 56.011 and 56.012, *Texas Education Code*. For specific semesters, the second section of the Report includes the total academic cost for resident undergraduates enrolled for 15 semester credit hours as derived from actual fee bills.

The Report, which was not completed in time for approval at the meeting pending certain financial information contained in the annual financial report, will be provided to members of the Board for review prior to delivery to the appropriate oversight bodies on December 31, 2007.

12. U. T. System Board of Regents: Approval to amend the Resolution regarding the list of individuals authorized to negotiate, execute, and administer classified government contracts (Key Management Personnel)

The National Industrial Security Program Operating Manual (NISPOM) defines Key Management Personnel (KMP) as "officers, directors, partners, regents or trustees." The manual requires that the senior management official and the Facility Security Officer must always be designated KMPs and be cleared at the level of the Facility Clearance. Other officials or KMPs, as determined by the Defense Security Service, must be granted Personal Security Clearances or be formally excluded by name from access to classified material.

To comply with the Department of Defense NISPOM requirements, the Board amended the following Resolution adopted by the Board in February 2004 to update the list of members of the Board.

BE IT RESOLVED:

That the following named members of the U. T. System Board of Regents shall not require, shall not have, and can be effectively excluded from access to all classified information in the possession of The University of Texas System and do not occupy positions that would enable them to affect adversely the policies and practices of The University of Texas System in the performance of classified contracts for the Department of Defense, or User Agencies of its Industrial Security Program, and need not be processed for a personnel clearance:

Members of the U. T. System Board of Regents:

H. Scott Caven, Jr., Chairman
James R. Huffines, Vice Chairman
Robert B. Rowling, Vice Chairman
John W. Barnhill, Jr.

James D. Dannenbaum
Robert A. Estrada
Paul Foster
Printice L. Gary
Colleen McHugh

The Student Regent is not listed since he is a nonvoting member.

A list of Key Management Personnel is not needed as in the past because there is no requirement to do so. Changes to the KMPs require only the signature of someone on the KMP list.

13. U. T. System: The Dell Pediatric Research Institute, The University of Texas at Austin – Authorization of \$10 million of Available University Funds (AUF) for faculty recruitment

Chairman Caven stated that an additional item had been posted with the Secretary of State regarding the Dell Pediatric Research Institute, The University of Texas at Austin and was before the Board on yellow paper.

The Board authorized an additional allocation of \$10 million from Available University Funds (AUF) to fund faculty recruitment for The Dell Pediatric Research Institute. Chancellor Yudof stated U. T. Austin is contributing \$25 million.

On August 23, 2007, an allocation of \$15 million of Available University Funds (AUF) and \$5 million of Science and Technology Acquisition and Retention (STARs) Program funding was approved to fund faculty start-up costs and operations of The Dell Pediatric Research Institute. This additional allocation of \$10 million will bolster the start-up funds for a premier founding director for the Institute and for those he or she will recruit. The funds will allow recruitment of up to 28 principal investigators to create a critical mass of scientists to launch the biomedical research programs at U. T. Austin.

This allocation is in support of the \$97,000,000 total project cost of the Institute included in the Capital Improvement Program approved by the Board of Regents on June 20, 2006. Design development plans were approved by the Board of Regents on August 10, 2006, and on August 23, 2007, the Board revised the funding sources to include \$25 million of Permanent University Fund (PUF) Bond Proceeds and to increase Revenue Financing System Bond Proceeds pending receipt of Gift and Grant funding for construction.

Located on the site of the former Robert Mueller Municipal Airport and adjacent to the new Dell Children's Medical Center of Central Texas, the 150,000 gross square foot Dell Pediatric Research Institute will establish

Austin as a center of excellence for children's health issues. The facility will provide research, laboratory, and office space to facilitate interdisciplinary collaboration between academic research, medical research, and clinical initiatives supporting the health and welfare of children.

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 11:40 a.m., the Board recessed for meetings of the Standing Committees, and Chairman Caven announced the Board would reconvene to approve the report and recommendations of the committees. For this meeting only, all members of the Board attended all of the committee meetings, pending specific committee assignments.

The meetings of the Standing Committees were conducted in open session, and the reports and recommendations thereof are set forth on Pages 23 - 110.

RECONVENE BOARD OF REGENTS AS COMMITTEE OF THE WHOLE AND RECESS.--At 11:50 a.m., the Board reconvened as a committee of the whole and recessed for lunch.

REPORT AND RECOMMENDATIONS OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE (Page 23).--Committee Chairman Estrada reported that the Audit, Compliance, and Management Review Committee had no matters to consider on its agenda.

1. U. T. System Board of Regents: Report on results of the audits of funds managed by The University of Texas Investment Management Company (UTIMCO)

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

2. U. T. System: Report on Environmental Health and Safety at U. T. System institutions

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

3. U. T. System: Annual Report on the System-wide Compliance Program and Institutional Compliance Program report for U. T. Medical Branch - Galveston

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

4. U. T. System: Report on the U. T. System Financial Statements Audit

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

5. U. T. System: Report on the System-wide internal audit activities and Internal Audit Department report for U. T. Health Science Center - San Antonio

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

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 24 - 69).--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: Approval of Docket No. 132

The Board approved *Docket No. 132* in the form distributed by the General Counsel to the Board of Regents. It is attached following Page 114 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. The item on Page Docket - 46 related to adoption of a mascot and logo at The University of Texas at San Antonio was deferred.

Regent Barnhill and Regent Foster were recorded as abstaining from vote on the contract between The University of Texas at Austin and Pepsi Bottling Group on Page Docket - 13, Item 3, and Regent Foster abstained from vote on the contract between U. T. Austin and the Hilton Anatole Hotel on Page Docket - 14, Item 5, because of stock holdings. Additionally, Regent Barnhill abstained from vote on the contract between The University of Texas Medical Branch at Galveston and General Electric Company through its division GE Healthcare on Page Docket - 52, Item 7, also because of stockholdings.

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

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

3. U. T. System: Approval of a contract with Huron Consulting Group to support an online effort reporting system

The Board approved a contract with Huron Consulting Group to support an online effort reporting system at all University of Texas System institutions except The University of Texas at Dallas, which is reviewing options regarding an enterprise-wide financial system. The contract will be funded with \$3,392,553 from the Available University Fund (AUF).

In October 2005, the Chancellor instructed the Office of Health Affairs to lead a time and effort reporting initiative to create appropriate policy guidance, develop an education program, and identify an online effort reporting system.

In July 2006, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor for Research and Technology Transfer promulgated The University of Texas System Administration Policy UTS163, *Guidance on Effort Reporting Policies*, which identifies the critical policy areas for time and effort reporting and establishes minimum standards for each policy area.

A Request for Proposals (RFP) for an online effort reporting system was issued, three responsive proposals were received, and a recommendation to pursue a license for the Huron product was made.

In June 2007, the Executive Vice Chancellor for Business Affairs, acting pursuant to delegated authority, signed a U. T. System-wide contract with Huron Consulting Group (Huron) for its Effort Certification and Reporting Tool (ECRT). Huron's ECRT was developed in partnership with the University of Minnesota in 2004. In the last few years, Huron has licensed ECRT to several institutions of higher education across the United States. Huron's ECRT is the type of software cost savings project discussed with the Board on August 9, 2006, in the context of the U. T. System Shared Services Initiative. Potential significant benefits that U. T. System institutions will receive in conjunction with implementing Huron's ECRT are:

- 1) a proven system that is compliant with the Office of Management and Budget (OMB) Circular A-21, *Cost Principles for Educational Institutions* requirements;
- 2) a system that would improve the consistency across the U. T. System in regards to policies, procedures, internal controls, and training;
- 3) a system that has robust information technology architecture to mitigate high implementation costs for customization;
- 4) a system that is Web-based and easy to use by both the end users and contracts and grants personnel; and
- 5) an opportunity to leverage Huron's expertise as well as that of other higher education institutions with respect to future enhancements of the system to address changes in federal requirements.

4. U. T. System: Fiscal Year 2007 Energy Utility Task Force Report

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

5. U. T. System Board of Regents: Approval of revisions to The University of Texas Investment Management Company (UTIMCO) Compensation Program

Upon recommendation of The University of Texas Investment Management Company (UTIMCO) Board of Directors, the Board approved the amended and restated UTIMCO Compensation Program, effective for the full plan year beginning July 1, 2007, as set forth on Pages 29 - 63. The revisions, approved by the UTIMCO Board of Directors on September 21, 2007, amend and restate the UTIMCO Compensation Program that was approved by the Board of Regents on August 10, 2006.

The UTIMCO Compensation Program (Plan) includes a two-part structure for determining annual compensation: base salary and an annual incentive plan. The original Plan was effective September 1, 2000, was amended and restated in its entirety effective September 1, 2004, and again on July 1, 2006, except that certain provisions related to (i) deferred awards and (ii) Section 409A of the *Internal Revenue Code of 1986* were effective September 1, 2004 and January 1, 2005, respectively.

UTIMCO Chief Executive Officer Bruce Zimmerman is not a participant in the Plan for the Performance Period ending June 30, 2008. Mr. Zimmerman's performance compensation will be determined as provided in his employment agreement.

Primary Substantive Changes

The most significant changes to the Plan are:

- a. Changing the measurement of the entity performance of the Total Endowment Assets (TEA). Entity performance is the performance of the TEA (weighted at 85%) and the Intermediate Term Fund (ITF) (weighted at 15%). The entity performance of the TEA has been measured based on the performance of the TEA against the Peer Group as set forth in Appendix B of the Plan. The revision allows the TEA to be measured at a weight of 75% of its benchmark and a weight of 25% at its Peer Group. Sections of the Plan affected are:
 - Section 5.8(a) Entity Performance sets forth how the TEA is measured.
 - Section 8, Definition of Terms, Section 8.22 related to the definition of Policy Portfolio Return has been deleted and moved to Section 8.11. The definition remains the same but is now referred to as the ITF Policy Portfolio Return. A new Section 8.26 definition has been added to define the Total Endowment Assets Policy Portfolio Return.

- Appendix A, Performance Incentive Award Methodology, is changed to reflect the calculation of awards consistent with the change in the measurement of Entity Performance.
 - Appendix D, Benchmarks for Asset Class, adds an updated Table 4 for the Performance Period beginning July 1, 2007 through June 30, 2008, including the performance standards for the TEA policy portfolio benchmark. The performance standards for the TEA policy portfolio are threshold +0 bps, target +100 bps, and maximum +150 bps.
- b. Language has been added to Section 5.8(c) of the Plan related to the individual performance goals to clarify how the level of attainment of individual performance goals should be measured based on comments received from the Compensation Committee of the UTIMCO Board.

Additional Changes

The remaining changes clarify operational provisions of the Plan and/or are stylistic.

- a. Section 1, Program Structure and Effective Date. The effective date has been amended to document that the restated plan will have an effective date of July 1, 2007.
- b. Section 5.3(d), Eligibility and Participation. The reference to Section 5.10(d) has been deleted to exempt the Plan from the provisions of Section 409A of the *Internal Revenue Code of 1986*, as amended, consistent with the short-term deferral rules contained in the final regulations that were effective April 17, 2007.
- c. Section 5.4(b), Performance Goals. Minor editorial changes have been made in this section.
- d. Section 5.6, Form and Timing of Payouts of Performance Incentive Awards. The language has been changed consistent with the short-term deferral rules in the final regulations issued under Section 409A of the *Internal Revenue Code of 1986*, as amended, that were effective April 17, 2007.
- e. Section 5.7, Nonvested Deferred Awards. The language has been changed consistent with the short-term deferral rules in the final regulations issued under Section 409A of the *Internal Revenue Code of 1986*, as amended, that were effective April 17, 2007.
- f. Section 5.8(b)(2), Asset Class Performance. Language has been added to clarify that the private asset class consists of private equity and venture capital.

- g. Section 5.9, Modifications of Measurement Period for Measuring Entity and Asset Class Performance Goals. Subsections (c), (d), and (e) have been added to clarify the measurement of entity and asset class performance when asset classes have not been in existence for the full three years due to both a removal of or addition to the asset class.
- h. Section 5.10, Termination Provisions. Minor editorial changes have been made to Subsections (b), (c), and (d). The language in Subsection (c) has been changed consistent with the short-term deferral rules in the final regulations issued under Section 409A of the *Internal Revenue Code of 1986*, as amended, that were effective April 17, 2007.
- i. General. All references to “President and CEO” have been changed to “CEO” to reflect the change in the UTIMCO Chief Executive Officer’s title, eliminating “President” from the title. No delegation of duties or responsibilities has occurred as a result of the title change.



UTIMCO COMPENSATION PROGRAM

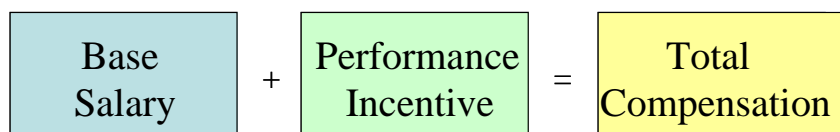
Restated: Effective July 1, 2007

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1. COMPENSATION PROGRAM STRUCTURE AND EFFECTIVE DATE

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



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

Effective Date: The original Compensation Program was effective September 1, 2000. It was amended and restated in its entirety effective September 1, 2004, and again on July 1, 2006, except that (i) provisions of the Performance Incentive Plan relating to the further deferral of Nonvested Deferred Awards after they become vested are eliminated effective September 1, 2004, and (ii) provisions of the Performance Incentive Plan that are deleted, added, or modified to conform to, or exempt the plan from, section 409A of the Internal Revenue Code (Sections 5.6(a), 5.7(b)(4), 5.10(c), and 8.5) are effective January 1, 2005. This document amends and restates the Compensation Program with an “Effective Date” of July 1, 2007.

2. COMPENSATION PROGRAM OBJECTIVES

UTIMCO’s Compensation Program serves a number of objectives:

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

3. TOTAL COMPENSATION PROGRAM PHILOSOPHY

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

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

- Base salaries are targeted at the market median (e.g., 50th percentile).
- Target total compensation (salary plus target Incentive Award Opportunity) is positioned at the market median.
- Maximum total compensation (salary plus maximum Incentive Award Opportunity) is targeted at the market 75th percentile if performance is outstanding. (For this purpose, 0 is the lowest point and 100 is the highest.)

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

4. BASE SALARY ADMINISTRATION

4.1. Salary Structure

- (a) Base salaries are administered through a Salary Structure as set forth in this Section 4.1. Each employment position has its own salary range, with the midpoint set approximately equal to the market median base salary for employment positions with similar job content and level of responsibility. In most cases, the salary range will be from 20% below the midpoint to 20% above the midpoint.
- (b) The salary range midpoints will be determined by the Compensation Committee based on consultation with an outside compensation consultant and with UTIMCO management. Salary range midpoints for key management, investment, and operations positions will be updated at least every three years based on a salary benchmarking study conducted by a qualified compensation consultant selected by the Compensation Committee.

In years in which the Compensation Committee does not commission a formal salary survey, the base salary midpoints may be adjusted at the Compensation Committee's discretion based on expected annual salary structure adjustments as reported in one or more published compensation planning surveys.

4.2. Salary Adjustments

- (a) The base salary of the CEO is determined by the Board, and the base salaries of the other key investment and operations employees are determined by the Compensation Committee. Base salaries will be set within the salary range for each employment position. An individual's base salary within the range may be higher or lower than the salary range midpoint based on his or her level of experience, education, knowledge, skills, and performance. On an exception basis, the Board may set individual base salaries outside of the salary range if an individual either substantially exceeds or does not meet all of the market criteria for a particular position (e.g., recent promotion).
- (b) Individuals may receive an annual adjustment (increase or decrease) of their base salaries at the discretion of the Compensation Committee or, in the case of the CEO, at the discretion of the Board. Base salary adjustments, if any, will be determined based on each individual employee's experience, education, knowledge, skills, and performance. Employees are not guaranteed an annual salary increase.

5. PERFORMANCE INCENTIVE PLAN

5.1. Purpose of the Performance Incentive Plan

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

5.2. Performance Period

- (a) For purposes of the Performance Incentive Plan, the "Performance Period" begins on July 1 of each year and ends the following June 30.
- (b) Except as otherwise provided under Sections 5.8 and 5.9, performance for each year in the historical performance period will be measured between July 1 and the following June 30 of the applicable year for gauging achievement of the Entity and Asset Class Performance Goals.

5.3. Eligibility and Participation

- (a) Each employee of UTIMCO will be a "Participant" in the Performance Incentive Plan for a Performance Period if (and only if) he or she is both (i)

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

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

selected by the Board to participate in the Performance Incentive Plan or becomes employed in an Eligible Position during the last six months of any Performance Period, participation of such employee in the Performance Incentive Plan will be delayed until the first day of the next Performance Period (assuming such employee is employed by UTIMCO in an Eligible Position on such date).

- (c) An employee will cease to be a Participant in the Performance Incentive Plan on the earliest to occur of: (i) the date such employee is no longer employed in an Eligible Position; (ii) the date of termination of such employee's employment with UTIMCO for any reason (including voluntary and involuntary termination, death, and disability); (iii) the date of termination of the Performance Incentive Plan; (iv) the date such employee commences a leave of absence; (v) the date such employee begins participation in any other UTIMCO incentive program; (vi) the date the Board designates that such employee's employment position is not an Eligible Position (or fails to designate the employee's employment position as an Eligible Position with respect to a Performance Period); or (vii) any date designated by the Board as the date on which such employee is no longer a Participant.
- (d) Except as provided in Sections 5.10(b) and (c), only individuals who are Participants on the last day of a Performance Period are eligible to receive Performance Incentive Awards under the Performance Incentive Plan for that Performance Period.

5.4. Performance Goals

- (a) Within the first 60 days of each Performance Period, the CEO will recommend goals ("Performance Goals") for each Participant (other than the Performance Goals for the CEO, which are determined as provided in Section 5.4(c), and the Performance Goals for employees who are hired or promoted later during a Performance Period) subject to approval by the Compensation Committee within the first 90 days of the Performance Period. The CEO will also recommend Performance Goals for employees who are hired or promoted during the Performance Period and become Participants at the time those employees are designated as Participants (with such Performance Goals subject to confirmation by the Compensation Committee as soon as administratively feasible after such Performance Goals are recommended).
- (b) There are three categories of Performance Goals:
 - (1) Entity Performance (measured as described in Section 5.8(a))
 - (2) Asset Class Performance (measured as described in Section 5.8(b))
 - (3) Individual Performance (measured as described in Section 5.8(c))

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

- Leadership
 - Implementation of operational goals
 - Management of key strategic projects
 - Effective utilization of human and financial resources
- (c) The CEO's Performance Goals will be determined and approved by the Board.
- (d) Each Performance Goal for each Eligible Position is assigned a weight for the Performance Period. For each Performance Period, the Compensation Committee will approve (or adjust as it deems appropriate) the weightings of the Performance Goals at the same time it approves the Performance Goals. The weightings for each Eligible Position are set forth in Table 1, which is attached as Appendix C. Table 1 will be revised each Performance Period to set forth the weightings for the Eligible Positions for that Performance Period as soon as administratively practicable after such weightings are approved by the Compensation Committee for such Performance Period. Notwithstanding the identified weighting for an Eligible Position, the Compensation Committee may adjust the weightings (up or down) for any Participant for a Performance Period where it considers the assigned weighting for a Performance Goal to be inappropriate for such Participant because of his or her length of service with UTIMCO, his or her tenure in the respective Eligible Position, or his or her prior work experience. The weightings for the Performance Goals for each Performance Period are subject to approval by the Board.

5.5. Incentive Award Opportunity Levels and Performance Incentive Awards

- (a) At the beginning of each Performance Period, each Eligible Position is assigned an "Incentive Award Opportunity" for each Performance Goal for the Participants in that Eligible Position. Each Incentive Award Opportunity is determined by the Compensation Committee (and subject to approval by the Board) and is expressed as a percentage of base salary earned during the Performance Period. The Incentive Award Opportunities include a threshold, target, and maximum award for achieving commensurate levels of performance of the respective Performance Goal.
- (b) Incentive Award Opportunities for each Performance Period are set forth in Table 1, which is attached as Appendix C. Table 1 will be revised each Performance Period to set forth the Incentive Award Opportunities for that

Performance Period as soon as administratively practicable after approval of the Incentive Award Opportunities by the Board for such Performance Period, and such revised Table 1 will be attached as Appendix C.

- (c) Actual “Performance Incentive Awards” are the amounts that are actually awarded to Participants for the respective Performance Period. Actual Performance Incentive Awards will range from zero (if a Participant performs below threshold on all Performance Goals) to the maximum Incentive Award Opportunity (if a Participant performs at or above maximum on all Performance Goals) depending on performance relative to objectives. Awards are capped at maximum levels regardless of whether a Participant exceeds the stated maximum Performance Goals.
- (d) Following the end of each Performance Period, the Compensation Committee will review the actual performance of each Participant against the Performance Goals of the respective Participant and determine the Participant’s level of achievement of his or her Performance Goals. The Compensation Committee will seek, and may rely on, the independent confirmation of the level of Performance Goal achievement from an external investment consultant to evaluate Entity Performance and Asset Class Performance. The CEO will submit a written report to the Compensation Committee, which documents the Participant’s performance relative to the Participant’s Performance Goals set at the beginning of the Performance Period, and upon which the Compensation Committee may rely in evaluating the Participant’s performance. The Board will determine the CEO’s level of achievement relative to the CEO’s Performance Goals.
- (e) Performance Incentive Awards will be calculated for each Participant based on the percentage achieved of each Performance Goal, taking into account the weightings for the Participant’s Entity Performance, Asset Class Performance, and Individual Performance Goals and each Participant’s Incentive Award Opportunity. The methodology for calculating Incentive Award Opportunities and Performance Incentive Awards is presented on Appendix A. Performance Incentive Awards will be interpolated in a linear fashion between threshold and target as well as between target and maximum.
- (f) Within 150 days following the end of a Performance Period, the Compensation Committee will review all Performance Incentive Award calculations, based on the certification of its advisors, and make any changes it deems appropriate. The Compensation Committee will submit its recommendations to the Board for approval. Subject to the provisions of Section 7.1, the Board will approve Performance Incentive Awards.
- (g) Following the approval of a Performance Incentive Award by the Board, each Participant will be notified as to the amount, if any, of his or her Performance Incentive Award as well as the terms, provisions, conditions, and limitations

of the Nonvested Deferred Award portion of such Performance Incentive Award.

5.6. Form and Timing of Payouts of Performance Incentive Awards

Approved Performance Incentive Awards will be paid as follows:

- (a) Seventy percent of the Performance Incentive Award will be paid to the Participant (“Paid Performance Incentive Award”) within 150 days of the completion of the Performance Period on a date selected in the discretion of UTIMCO and in no event later than the last day of the calendar year in which the Performance period ends, and
- (b) Thirty percent of the Performance Incentive Award will be treated as a “Nonvested Deferred Award” subject to the terms of Section 5.7 and paid in accordance with that Section.

5.7. Nonvested Deferred Awards

- (a) For each Performance Period, a hypothetical account on UTIMCO’s books (“Nonvested Deferred Award Account”) will be established for each Participant. As of the date that the corresponding Paid Performance Incentive Award is paid to the Participant, each Participant’s Nonvested Deferred Award for a Performance Period will be credited to his or her Nonvested Deferred Award Account established for that Performance Period; provided, however, that, in the case of any Participant who is not employed by UTIMCO on the date such Nonvested Deferred Award would be so credited to his or her Nonvested Deferred Award Account, such Nonvested Deferred Award will not be credited to such Participant’s Nonvested Deferred Award Account but will instead be forfeited. The Nonvested Deferred Award Accounts will be credited (or debited) monthly with an amount equal to the net investment returns of the Total Endowment Assets (“Net Returns”) for the month multiplied by the balance of the respective Participant’s Nonvested Deferred Award Account(s) as of the last day of the month. When the Nonvested Deferred Award is initially credited to the Nonvested Deferred Award Account, the Nonvested Deferred Award Account will be credited (or debited) with Net Returns for the month of the initial credit of a Nonvested Deferred Award, but the Net Returns will be prorated to reflect the number of days of the month during which the amounts were credited to the Nonvested Deferred Award Account. Participants are not entitled to their Nonvested Deferred Award Accounts unless and until they become vested in those accounts in accordance with Section 5.7(b).
- (b) Assuming and contingent upon continued employment with UTIMCO, except as provided in Section 5.10(c), a Participant will become vested in, and entitled to payment of, his or her Nonvested Deferred Award Account for each respective Performance Period according to the following schedule:

- (1) On the first anniversary of the last day of the Performance Period for which the Nonvested Deferred Award was earned, one third of the amount then credited to the Participant's Nonvested Deferred Award Account for that Performance Period will be vested and paid to the Participant.
- (2) On the second anniversary of the end of the Performance Period for which the Nonvested Deferred Award was earned, one half of the amount then credited to the Participant's Nonvested Deferred Award Account for that Performance Period will be vested and paid to the Participant.
- (3) On the third anniversary of the end of the Performance Period for which the Nonvested Deferred Award was earned, the remaining amount then credited to the Participant's Nonvested Deferred Award Account for that Performance Period will be vested and paid to the Participant.
- (4) Nonvested Deferred Award Accounts payable under the above paragraphs of this Section 5.7(b) will be paid on a date selected in the discretion of UTIMCO after the applicable portion of any such Nonvested Deferred Award Account becomes vested and in no event later than the last day of the calendar year in which the applicable portion of such Nonvested Deferred Award Account becomes vested.

5.8. Performance Measurement Standards

(a) Entity Performance

- (1) Entity Performance for purposes of the Performance Incentive Plan is the performance of the Total Endowment Assets (weighted at 85%) and the Intermediate Term Fund (weighted at 15%).
- (2) The performance of the Total Endowment Assets is measured based on the TEA's performance relative to the TEA Policy Portfolio Return (TEA benchmark) (weighted at 75%) and to the Peer Group (weighted at 25%). The Board's chosen investment advisor will determine the performance of the Peer Group annually for the Performance Period. Performance of the Total Endowment Assets is measured net of fees, meaning performance is measured after factoring in all administrative and other fees incurred for managing the Total Endowment Assets. The Board's investment advisor will calculate a percentile rank for the performance of the Total Endowment Assets relative to the Peer Group, with the 100th percentile representing the highest rank, the 50th percentile representing the median, and the 0th percentile representing the lowest rank.
- (3) The performance of the Intermediate Term Fund will be measured based on the performance of the ITF relative to the ITF Policy Portfolio

Return (ITF benchmark). The performance standards related to the Intermediate Term Fund for the Performance Period beginning July 1, 2006, are reflected in Table 4 on Appendix D. Performance standards related to the ITF for each Performance Period beginning after June 30, 2007, will be set forth on a revised table for each such Performance Period and set forth on Appendix D as soon as administratively practicable after such standards are determined. Performance of the Intermediate Term Fund is measured net of fees, meaning performance is measured after factoring in all administrative and other fees incurred for managing the ITF.

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

(b) Asset Class Performance

- (1) Asset Class Performance is the performance of specific asset classes within the Total Endowment Assets and the Intermediate Term Fund (such as US public equity, private capital, etc.) based on the standards set forth in this Section 5.8(b). Except as provided in paragraph (2) below and Section 5.9, Asset Class Performance will be measured relative to the appropriate benchmark based on three-year rolling historical performance. Performance standards for each asset class will vary depending on the ability to outperform the respective benchmark. Table 2 below identifies the benchmarks for each asset class as well as threshold, target, and maximum performance standards for the Performance Periods ending June 30, 2003, 2004, and 2005 and includes July 2005 and August 2005. Table 3 below identifies the benchmarks for each asset class as well as threshold, target, and maximum performance standards beginning September 1, 2005, through December 31, 2005. Table 4 below identifies the benchmarks for each asset class as well as threshold, target, and maximum performance standards beginning January 1, 2006, through June 30, 2006. The benchmarks for each asset class as well as threshold, target, and maximum performance standards for Performance Periods beginning after June 30, 2006, will be set forth in a revised table for each such Performance Period as soon as administratively practicable after such benchmarks and standards are set, and such revised table will be attached as Appendix D.

TABLE 2 (7/1/04 through 8/31/05)

Asset Class	Benchmark	Policy Portfolio	Performance Standards		
		Weights (% of Portfolio)	Threshold	Target	Maximum
Entity: Peer group	Peer group (Endowments w/ >\$ 1 B assets)	n/a	40th %ile	60th %ile	75th %ile
US Public Equity	Russell 3000	20.0%	+0 bps	+31 bps	+62 bps
International Equity	MSCI All Country World Index, Ex US	17.0%	+0 bps	+52.5 bps	+105 bps
Fixed Income	Lehman Brothers Aggregate Bond Index	10.0%	+0 bps	+12.5 bps	+25 bps
Private Capital	Roll up of Private Equity & Venture Capital	15.0%			
Private Equity	Venture Economics Private Equity Database	--	+0 bps	+100 bps	+200 bps
Venture Capital	Venture Economics Venture Capital Database	--	+0 bps	+112.5 bps	+225 bps
Absolute Return Hedge Funds	91-Day T-Bill	15.0%	+300 bps	+350 bps	+400 bps
Equity Hedge Funds	91-Day T-Bill	10.0%	+400 bps	+465 bps	+530 bps
Inflation Hedge	Roll up of Commodities, TIPS & REITS	13.0%			
Commodities	Goldman Sachs Commodity Index	3.0%	-100 bps	-15 bps	+0 bps
TIPS	Lehman Brothers US TIPS Index	5.0%	+0 bps	+2.5 bps	+5 bps
REITS	Dow Jones Wilshire Real Estate Securities Index	5.0%	+0 bps	+37.5 bps	+75 bps
Cash	91-Day T-Bill	0.0%	+0 bps	+0 bps	+0 bps
Short Intermediate Term Fund	SITF Policy Statement	--	+0 bps	+5 bps	+10 bps

TABLE 3 (9/1/05 through 12/31/05)

Asset Class	Benchmark	Policy Portfolio	Performance Standards		
		Weights (% of Portfolio)	Threshold	Target	Maximum
Entity: Peer Group	Peer group (Endowments w/>\$1 B assets)	n/a	40th %ile	60th %ile	75th %ile
US Public Equity	Russell 3000 Index	20%	+0 bps	+31 bps	+62 bps
Non-US Developed Equity	MSCI EAFE Index with net dividends	10%	+0 bps	+37.5 bps	+75 bps
Emerging Markets Equity	MSCI Emerging Markets Index with net dividends	7%	+0 bps	+75 bps	+150 bps
Directional Hedge Funds	Combination index: 50% S&P Event-Driven Hedge Fund Index plus 50% S&P Directional/Tactical Hedge Fund Index	10%	+0 bps	+65 bps	+130 bps
Absolute Return Hedge Funds	Combination index: 66.7% S&P Event-Driven Hedge Fund Index plus 33.3% S&P Arbitrage Hedge Fund Index	15%	+0 bps	+50 bps	+100 bps
Private Equity	Custom Benchmark Created from Venture Economics Database	11%	+0 bps	+103.5 bps	+207 bps
Venture Capital	Custom Benchmark Created from Venture Economics Database	4%	+0 bps	+103.5 bps	+207 bps
REITS	Dow Jones Wilshire Real Estate Securities Index	5%	+0 bps	+37.5 bps	+75 bps
Commodities	Combination index: 66.7% Goldman Sachs Commodity Index minus .5% plus 33.3% DJ-AIG Commodity Index	3%	+0 bps	+17.5 bps	+35 bps
TIPS	Lehman Brothers US TIPS Index	5%	+0 bps	+2.5 bps	+5 bps
Fixed Income	Lehman Brothers Aggregate Bond Index	10%	+0 bps	+12.5 bps	+25 bps
Cash	90 day t-bills	0%	+0 bps	+0 bps	+0 bps
Short Intermediate Term Fund	SITF Policy Statement	--	+0 bps	+5 bps	+10 bps

TABLE 4 (1/1/06 through 6/30/06)

Asset Class	Benchmark	Policy Portfolio Weights (% of Portfolio)	Performance Standards		
			Threshold	Target	Maximum
Entity: Peer Group	Peer group (Endowments w/>\$1 B assets)	n/a	40th %ile	60th %ile	75th %ile
US Public Equity	Russell 3000 Index	20%	+0 bps	+31 bps	+62 bps
Non-US Developed Equity	MSCI EAFE Index with net dividends	10%	+0 bps	+37.5 bps	+75 bps
Emerging Markets Equity	MSCI Emerging Markets Index with net dividends	7%	+0 bps	+75 bps	+150 bps
Directional Hedge Funds	MSCI Investable Hedge Fund Index	10%	+0 bps	+65 bps	+130 bps
Absolute Return Hedge Funds	MSCI Investable Hedge Fund Index	15%	+0 bps	+50 bps	+100 bps
Private Equity	Custom Benchmark Created from Venture Economics Database	11%	+0 bps	+103.5 bps	+207 bps
Venture Capital	Custom Benchmark Created from Venture Economics Database	4%	+0 bps	+103.5 bps	+207 bps
REITS	Dow Jones Wilshire Real Estate Securities Index	5%	+0 bps	+37.5 bps	+75 bps
Commodities	Combination index: 66.7% Goldman Sachs Commodity Index minus .5% plus 33.3% DJ-AIG Commodity Index	3%	+0 bps	+17.5 bps	+35 bps
TIPS	Lehman Brothers US TIPS Index	5%	+0 bps	+2.5 bps	+5 bps
Fixed Income	Lehman Brothers Aggregate Bond Index	10%	+0 bps	+12.5 bps	+25 bps
Cash	90 day t-bills	0%	+0 bps	+0 bps	+0 bps
Short Intermediate Term Fund	SITF Policy Statement	--	+0 bps	+5 bps	+10 bps

(2) Performance for the private capital asset class (Private Equity and Venture Capital) is calculated differently from other asset classes due to its longer investment horizon and illiquidity of assets. Performance of the private capital asset class is determined based on the performance of partnership commitments made by the current private capital team since 2001 based on internal rates of return (IRR's) relative to the respective Venture Economics benchmarks.

(c) Individual Performance

- (1) The level of a Participant's Individual Performance will be measured by the CEO, subject to approval by the Compensation Committee, based on the level of attainment (below threshold, threshold, target, or maximum) of the Participant's Individual Performance Goals for the Performance Period.
- (2) For purposes of determining the level of attainment of each Participant's Individual Performance Goals for the Performance Period, the Participant will have attained below threshold level if he or she fails to successfully complete at least 50% of his or her Individual Performance Goals for that Performance Period, threshold level if he or she successfully completes 50% of his or her Individual Performance Goals for that Performance Period, target level if he or she successfully completes 75% of his or her Individual Performance Goals for that Performance Period, and maximum level if he or she successfully completes 100% of his or her Individual Performance

Goals for that Performance Period (with interpolation for levels of attainment between threshold, target, and maximum).

- (3) In determining the percentage of successful completion of a Participant's Individual Performance Goals, the CEO (in his or her initial determination) and the Compensation Committee (in its review of the attained levels for approval) need not make such determination based solely on the number of Individual Performance Goals successfully completed but may take into account the varying degrees of importance of the Individual Performance Goals, changes in the Participant's employment duties occurring after the Individual Performance Goals are determined for the Performance Period, and any other facts and circumstances determined by the CEO or Compensation Committee (as applicable) to be appropriate for consideration in evaluation of the level of achievement of the Participant's Individual Performance Goals for the Performance Period.

5.9. Modifications of Measurement Period for Measuring Entity and Asset Class Performance Goals

- (a) Although generally Entity Performance and most Asset Class Performance are measured based on three-year rolling historical performance, newly hired Participants will be phased into the Performance Incentive Plan so that Entity Performance and Asset Class Performance are measured over a period of time consistent with each Participant's tenure at UTIMCO. This provision ensures that a Participant is measured and rewarded over a period of time consistent with the period during which he or she influenced the performance of the entity or a particular asset class. In the Performance Period in which a Participant begins participation in the Performance Incentive Plan, the Entity Performance and Asset Class Performance components of the Incentive Award Opportunity will be based on one full year of historical performance (i.e., the performance for the Performance Period during which the Participant commenced Performance Incentive Plan participation). During a Participant's second year of Performance Incentive Plan participation, the Entity Performance and Asset Class Performance components of the Incentive Award Opportunity will be based on two full years of historical performance. In the third year of a Participant's Performance Incentive Plan participation and beyond, the Entity and Asset Class Performance components of the Incentive Award Opportunity will be based on the three full years of rolling historical performance. This provision will apply to Participants who are UTIMCO employees hired after July 1, 2001.
- (b) For purposes of measuring the Intermediate Term Fund component of Entity and Asset Class Performance, the three-year historical performance cycle will not be utilized until the Intermediate Term Fund has three years of historical performance as part of the Performance Incentive Plan and, until that time,

the actual years of historical performance will be used as the measurement period. The Intermediate Term Fund was formed on February 1, 2006, and is added as a measurement of performance under the Performance Incentive Plan effective July 1, 2006. Therefore, as of June 30, 2007, the ITF will have one year of historical performance that will be measured for purposes of determining Entity and Asset Class Performance; as of June 30, 2008, the ITF will have two consecutive years of historical performance that will be measured for purposes of determining Entity and Asset Class Performance; and as of June 30, 2009, and for each Performance Period thereafter, three consecutive years of historical performance will be utilized for purposes of measuring the ITF prong of Entity and Asset Class Performance.

- (c) For purposes of measuring Entity and Asset Class Performance, the three-year historical performance cycle will not be utilized for any specific asset class (or subset of an asset class) until that asset class (or subset of that asset class) has three years of historical performance as part of the Performance Incentive Plan and, until that time, the actual years (full and partial) of historical performance of that asset class (or subset of that asset class) while part of the Performance Incentive Plan will be used as the measurement period.
- (d) For purposes of measuring Entity and Asset Class Performance of an asset class (or subset of an asset class) that is removed from the Performance Incentive Plan prior to completion of the then in-progress three-year historical performance cycle, the three-year historical performance cycle will not be utilized for that removed asset class (or subset of an asset class), but instead the actual number of full months that the removed asset class was part of the Performance Incentive Plan during the then in-progress three-year historical performance cycle will be used as the measurement period.
- (e) For purposes of measuring Asset Class Performance for a particular Participant of an asset class (or subset of an asset class) that is removed from or added to the Participant's responsibility during the then in-progress three-year historical performance cycle, the three-year historical performance cycle will not be utilized for that removed or added asset class (or subset of an asset class), but instead the actual number of full months that the removed or added asset class was part of the Participant's responsibility during the then in-progress three-year historical performance cycle will be used as the measurement period for evaluating the Asset Class Performance with respect to such Participant.

5.10. Termination Provisions

- (a) Except as otherwise provided in this Section 5.10, any Participant who ceases to be a Participant (either because of termination of employment with UTIMCO or for any other reason stated in Section 5.3(c)) prior to the end of a Performance Period will not be eligible to receive payment of any Performance Incentive Award for that or any subsequent Performance

Periods. In addition, a Participant will only continue to vest in Nonvested Deferred Awards while he or she is employed with UTIMCO and will forfeit any Nonvested Deferred Awards at termination of employment with UTIMCO.

- (b) If a Participant ceases to be a Participant in the Performance Incentive Plan under Section 5.3(c) prior to the end of a Performance Period because his or her employment position is no longer an Eligible Position (but such employee continues to be employed with UTIMCO), such Participant's Performance Incentive Award for the current Performance Period, if any, will be calculated on a prorated basis from the first day of the Performance Period to the Performance Measurement Date immediately preceding or, if applicable, coinciding with the date the Participant ceases to be in an Eligible Position, and such individual will not be entitled to any Performance Incentive Awards for any Performance Period thereafter (unless he or she again becomes a Participant in accordance with Sections 5.3(a) and (b)). All Nonvested Deferred Awards of such individual continue to vest and be paid subject to the provisions of Section 5.7(b).
- (c) If a Participant ceases to be a Participant in the Performance Incentive Plan under Section 5.3(c) prior to the end of a Performance Period because his or her employment with UTIMCO terminates due to death or Disability, the Participant's Performance Incentive Award for the Performance Period in which termination occurs, in lieu of any other Performance Incentive Award under the Performance Incentive Plan, will be paid at target on a prorated basis from the first day of the Performance Period to the Performance Measurement Date immediately preceding or, if applicable, coinciding with the date of the Participant's death or Disability, and such individual will not be entitled to any Performance Incentive Awards for any Performance Period thereafter (unless he or she again becomes a Participant in accordance with Sections 5.3(a) and (b)). All Nonvested Deferred Award Accounts of such terminated individual will vest immediately and be paid on a date selected in the discretion of UTIMCO and in no event later than the last day of the calendar year in which such termination occurs. Payments under this provision will be made to the estate or designated beneficiaries of the deceased Participant or to the disabled Participant, as applicable.
- (d) If a Participant ceases to be a Participant in the Performance Incentive Plan under Section 5.3(c) prior to the end of a Performance Period because he or she commences a leave of absence, such Participant's Performance Incentive Award for the current Performance Period, if any, will be calculated on a prorated basis from the first day of the Performance Period to the Performance Measurement Date immediately preceding or coinciding with the date the Participant commences such leave of absence, and such individual will not be entitled to any Performance Incentive Awards for any Performance Period thereafter (unless he or she again becomes a Participant in accordance with Sections 5.3(a) and (b)). All Nonvested Deferred Awards

of such individual continue to vest and be paid subject to the provisions of Section 5.7(b).

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

6. COMPENSATION PROGRAM AUTHORITY AND RESPONSIBILITY

6.1. Board as Plan Administrator

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

6.2. Powers of Board

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

- (1) Establish the conditions for the determination and payment of compensation by establishing the provisions of the Performance Incentive Plan.
- (2) Select the employees who are eligible to be Participants in the Performance Incentive Plan.
- (3) Delegate to any other person, committee, or entity any of its ministerial powers and/or duties under the Compensation Program as long as any such delegation is in writing and complies with the UTIMCO Bylaws.

7. COMPENSATION PROGRAM INTERPRETATION

7.1. Board Discretion

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

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

7.2. Duration, Amendment, and Termination

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

7.3. Recordkeeping and Reporting

- (a) All records for the Compensation Program will be maintained by the Managing Director of Accounting, Finance, and Administration at UTIMCO. Relative performance data and calculations will be reviewed by UTIMCO's external auditor before Performance Incentive Awards are finalized and approved by the Board.
- (b) UTIMCO will provide all Participants with a comprehensive report of the current value of their respective Nonvested Deferred Award Account balances, including a complete vesting status of those balances, on at least a quarterly basis.

7.4. *Continued Employment*

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

7.5. *Non-transferability of Awards*

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

7.6. *Unfunded Liability*

- (a) Neither the establishment of the Compensation Program, the award of any Performance Incentive Awards, nor the creation of Nonvested Deferred Awards Accounts will be deemed to create a trust. The Compensation Program will constitute an unfunded, unsecured liability of UTIMCO to make payments in accordance with the provisions of the Compensation Program. Any amounts set aside by UTIMCO to assist it in the payment of Performance Incentive Awards or other benefits under the Compensation Program, including without limitation, amounts set aside to pay for Nonvested Deferred Awards, will be the assets of UTIMCO, and no Participant will have any security or other interest in any assets of UTIMCO or the U.T. System Board of Regents by reason of the Compensation Program.
- (b) Nothing contained in the Compensation Program will be deemed to give any Participant, or any personal representative or beneficiary, any interest or title to any specific property of UTIMCO or any right against UTIMCO other than as set forth in the Compensation Program.

7.7. *Compliance with State and Federal Law*

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

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

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

7.9. Prior Plan

- (a) Except as provided in the following paragraphs of this Section 7.9, this restatement of the Compensation Program amends and supersedes any prior version of the Compensation Program (“Prior Plan”).
- (b) All nonvested deferred awards under a Prior Plan will retain the vesting schedule in effect under the Prior Plan at the time such awards were allocated to the respective Participant’s account. In all other respects, as of the Effective Date, those nonvested deferred amounts will (1) be credited or debited with the Net Returns over the remaining deferral period in accordance with Section 5.7(a), and (2) be subject to the terms and conditions for Nonvested Deferred Awards under the Performance Incentive Plan as set forth in this restated document.

8. DEFINITION OF TERMS

- 8.1. Asset Class Performance** is the performance of specific asset classes within the Total Endowment Assets and the Intermediate Term Fund (such as US public equity, private capital, etc.) based on the standards set forth in Section 5.8(b).
- 8.2. Board** is the UTIMCO Board of Directors.
- 8.3. Compensation Committee** is the Compensation Committee of the UTIMCO Board of Directors.
- 8.4. Compensation Program** is defined in Section 1.
- 8.5. Disability** means a condition whereby a Participant either (i) is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that is expected either to result in death or to last for a continuous period of not less than 12 months or (ii) is, by reason of a medically determinable physical or mental impairment that is expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under a disability plan maintained or contributed to by UTIMCO for the benefit of eligible employees.
- 8.6. Effective Date** is defined in Section 1.
- 8.7. Eligible Position** is defined in Section 5.3(a).
- 8.8. Entity Performance** represents the performance of the Total Endowment Assets and the Intermediate Term Fund (based on the measurement standards set forth in Section 5.8(a)).
- 8.9. Incentive Award Opportunity** is defined in Section 5.5(a).
- 8.10. Intermediate Term Fund or ITF** is The University of Texas System (“U.T. System”) Intermediate Term Fund established by the U.T. System Board of Regents as a pooled fund for the collective investment of operating funds and other intermediate and long-term funds held by the U.T. System institutions and U.T. System Administration. Performance of the Intermediate Term Fund is measured net of fees, meaning performance is measured after factoring in all administrative and other fees incurred for managing the Intermediate Term Fund.
- 8.11. Intermediate Term Fund Policy Portfolio Return** is the benchmark return for the Intermediate Term Fund policy portfolio and is calculated by summing the neutrally weighted index returns (percentage weight for each asset class multiplied by the benchmark return for the asset class) for the various asset classes in the Intermediate Term Fund policy portfolio for the Performance Period.
- 8.12. Net Returns** is the investment performance return of the Total Endowment Assets, net of fees. Net of fees factors in all administrative and other fees for

managing the Total Endowment Assets. The net investment return will be calculated as follows:

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

Plus

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

- 8.13. Nonvested Deferred Award** is defined in Section 5.6(b).
- 8.14. Nonvested Deferred Award Account** is defined in Section 5.7(a).
- 8.15. Paid Performance Incentive Award** is defined in Section 5.6(a).
- 8.16. Participant** is defined in Section 5.3(a).
- 8.17. Peer Group** is a peer group of endowment funds maintained by the Board's external investment advisor that is comprised of all endowment funds with assets greater than \$1 billion on the last day of each of the three immediately preceding Performance Periods and set forth on Appendix B; provided, however, that Harvard University's endowment fund, Yale University's endowment fund, and Total Endowment Assets are excluded from the Peer Group. The Peer Group will be updated from time to time as deemed appropriate by the Board, and Appendix B will be amended accordingly.
- 8.18. Performance Goals** are defined in Section 5.4.
- 8.19. Performance Incentive Award** is the component of a Participant's total compensation that is based on specific performance goals and awarded as current income or deferred at the end of a Performance Period in accordance with Section 5 and Appendix A.
- 8.20. Performance Incentive Plan** is as defined in Section 1 and described more fully in Section 5.
- 8.21. Performance Measurement Date** is the close of the last business day of the month.
- 8.22. Performance Period** is defined in Section 5.2.
- 8.23. Prior Plan** is defined in Section 7.9.
- 8.24. Salary Structure** is described in Section 4.1.
- 8.25. Total Endowment Assets or TEA** means the combination of the Permanent University Fund and the General Endowment Fund, but does not include any other endowment funds monitored by UTIMCO such as the Separately Invested Fund. Performance of the Total Endowment Assets is measured net of fees, meaning performance is measured after factoring in all administrative and other fees incurred for managing the Total Endowment Assets.

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

Appendix A

Performance Incentive Award Methodology (for Performance Periods beginning on or after July 1, 2007)

I. Determine “Incentive Award Opportunities” for Each Participant¹

- Step 1. Identify the weights to be allocated to each of the three Performance Goals for each Participant’s Eligible Position. The weights vary for each Eligible Position each Performance Period and are set forth in Table 1 on Appendix C for the applicable Performance Period. The total of the weights ascribed to the three Performance Goals must add up to 100% for each Participant. For example, Table 1 on Appendix C may reflect for a Performance Period for the CEO that the weight allocated to the Entity Performance Goal is 70%, the weight allocated to the Asset Class Performance Goal is 0%, and the weight allocated to the Individual Performance Goal is 30%.
- Step 2. Identify the percentage of base salary for the Participant’s Eligible Position that determines the Performance Incentive Award for achievement of the Threshold, Target, and Maximum levels of the Performance Goals. The percentages vary for each Eligible Position each Performance Period and are set forth in Table 1 on Appendix C for the applicable Performance Period. For example, Table 1 on Appendix C may show that for a Performance Period the applicable percentages for determining the Performance Incentive Award for the CEO are 18% of his or her base salary for achievement of Threshold level performance of all three Performance Goals, 90% of his or her base salary for achievement of Target level performance of all three Performance Goals, and 180% of his or her base salary for achievement of Maximum level performance of all three Performance Goals.
- Step 3. Calculate the dollar amount of the potential Threshold, Target, and Maximum awards (the “Incentive Award Opportunities”) for each Participant by multiplying the Participant’s base salary for the Performance Period by the applicable percentage (from Step #2 above). For example, assuming the CEO has a base salary of \$495,000 for a Performance Period, based on the assumed percentages set forth in Step #2 above, the CEO will be eligible for a total award of \$89,100 (18% of his or her base salary) if he or she achieves Threshold level performance of all three Performance Goals, \$445,500 (90% of his or her base salary) if he or she achieves Target level performance of all three Performance Goals, and \$891,000 (180% of

¹ These Incentive Award Opportunities represent amounts that each Participant will be awarded if he or she achieves his or her Performance Goals at varying levels and are calculated at the beginning of each Performance Period or, if later, the date such Participant commences participation in the Performance Incentive Plan.

his or her base salary) if he or she achieves Maximum level performance of all three Performance Goals.

- Step 4. Because a Participant may achieve different levels of performance in different Performance Goals and be eligible for different levels of awards for that achievement (e.g., he or she may achieve Target performance in the Entity Performance Goal and be eligible to receive a Target award for that goal and achieve Maximum performance in the Individual Performance Goal and be eligible to receive a Maximum award for that Performance Goal), it is necessary to determine the Incentive Award Opportunity of the Threshold, Target, and Maximum award for each separate Performance Goal (and, because achievement of the Entity Performance Goal is determined in part by achievement of the Total Endowment Assets and in part by achievement of the Intermediate Term Fund, a Threshold, Target, and Maximum Incentive Award Opportunity separately for the TEA and the ITF must be determined). This is done by multiplying the dollar amount of the Threshold, Target, and Maximum awards for the performance of all three Performance Goals calculated in Step #3 above for the Participant by the weight allocated for that Participant to the particular Performance Goal (and, further, by multiplying the Incentive Award Opportunity for the Entity Performance by the weight ascribed to achievement of the Total Endowment Assets (85%) and by the weight ascribed to achievement of the Intermediate Term Fund (15%)). The 85% Entity Performance of the Total Endowment Assets is derived from the weighting of the Peer Group portion at 25% and the TEA benchmark portion (TEA Policy Portfolio Return) at 75%.
- Step 5. After Steps #3 and #4 above are performed for each of the three levels of performance for each of the three Performance Goals, there will be 15 different Incentive Award Opportunities for each Participant. For example, for the CEO (based on an assumed base salary of \$495,000, the assumed weights for the Performance Goals set forth in Step #1 above, and the assumed percentages of base salary for the awards set forth in Step #2 above), the 15 different Incentive Award Opportunities for achievement of the Performance Goals for the Performance Period are as follows:

Incentive Award Opportunities for CEO
(based on assumed base salary of \$495,000)

Performance Goal	Weight	Threshold Level Award	Target Level Award	Maximum Level Award
Entity (TEA v. Peer Group)	14.875% (.25 x .85 x .70)	\$13,253	\$66,268	\$132,536
Entity (TEA v. TEA Policy Portfolio Return)	44.625% (.75 x .85 x .70)	\$39,761	\$198,804	397,609
Entity (ITF v. ITF Policy Portfolio Return)	10.5% (.15 x .70)	\$9,356	\$46,778	\$93,555
Asset Class	0%	\$0	\$0	\$0
Individual	30%	\$26,730	\$133,650	\$267,300
Total	100%	\$89,100 (18% of salary)	\$445,500 (90% of salary)	\$891,000 (180% of salary)

II. Calculate Performance Incentive Award for Each Participant

- Step 6. Identify the achievement percentiles or achieved basis points that divide the Threshold, Target, and Maximum levels for each Performance Goal. These divisions for the level of achievement of the Entity and Asset Class Performance Goals are set forth in the table for the applicable Performance Period (i.e., Table 2, Table 3, Table 4, or any later table set forth on Appendix D, as applicable). The measurement for the level of achievement (i.e., Threshold, Target, or Maximum) for the Individual Performance Goal is initially determined each Performance Period by the Participant’s supervisor, if any, and then is approved (or adjusted) by the Compensation Committee as it deems appropriate in its discretion. If the Participant has no supervisor, the measurement for the level of achievement for the Individual Performance Goal is determined each Performance Period by the Compensation Committee. The Board will determine the CEO’s level of achievement relative to the CEO’s Performance Goals.
- Step 7. Determine the percentile or basis points achieved for each Performance Goal for each Participant using the standards set forth in Sections 5.5 and 5.8 of the Compensation Program, as modified in Section 5.9. Determine the level of achievement of each Participant’s Individual Performance Goal.
- Step 8. Calculate the amount of each Participant’s award attributable to each Performance Goal by identifying the Incentive Award Opportunity amount for each Performance Goal (e.g., as assumed and set forth for the CEO in the table in Step #5 above) commensurate with the Participant’s level of achievement for that Performance Goal (determined in Steps #6 and #7 above). An award for achievement percentiles in between the stated Threshold, Target, and Maximum levels is determined by linear interpolation. For example, if the 65th percentile of the Peer Group portion of Total Endowment Assets portion of the Entity Performance Goal has been achieved, that percentile is between the Target (60th percentile) and the Maximum (75th percentile) levels, so to determine the amount of

the award attributable to the 65th percentile achievement of the Peer Group portion of the TEA portion of the Entity Performance Goal, perform the following steps: (i) subtract the difference between the dollar amounts of the Target and Maximum Incentive Award Opportunities for the Participant (e.g., for the CEO, as illustrated in the table in Step #5, the difference is \$66,268 (\$132,536-\$66,268)); (ii) divide 5 (the percentile difference between the Target level of 60th percentile and the attained level of 65th percentile) by 15 (the percentile difference between the Target level and Maximum level) to get the fraction 5/15 to determine the pro rata portion of the difference between Target and Maximum actually achieved; (iii) multiply the amount determined in the preceding Step (i) by the fraction determined in the preceding Step (ii) ($\$66,268 \times 5/15 = \$22,089$); and (iv) add the amount determined in the preceding Step (iii) to the Target Incentive Award Opportunity for the Participant to get the actual award for the Participant attributable to each Performance Goal ($\$22,089 + \$66,268 = \$88,357$).

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

Step 10. In determining the award attributable to the Entity Performance Goal (TEA Peer Group at 25% and TEA Policy Portfolio Return at 75%), achievement of the Total Endowment Assets portion of the Entity Performance Goal (and the commensurate award) is weighted at 85% with 14.875% for the TEA Peer Group and 44.625% for the TEA Policy Portfolio Return (and then both multiplied by the weight assigned to the Entity Performance Goal for the Participant), and achievement of the Intermediate Term Fund portion of the Entity Performance Goal (and commensurate award) is weighted at 15% (and then multiplied by the weight assigned to the Entity Performance Goal for the Participant). For example, assuming a base salary of \$495,000, if the CEO achieved the Target level (60th percentile) of the TEA Peer Group portion of the Total Endowment Assets portion of the Entity Performance Goal, achieved the Maximum level (+150 bps) of the TEA benchmark portion of the Total Endowment Assets portion of the Entity Performance Goal, and achieved the Maximum level (+65 bps) of

the Intermediate Term Fund portion of the Entity Performance Goal, he or she would have earned an award of \$557,432 for his or her level of achievement of the Entity Performance Goal as follows: \$66,268 for Target level of achievement of the TEA Peer Group portion of the TEA portion of the Entity Performance Goal (.25 x .85 x .70 x \$445,500); plus \$397,609 for Maximum level of achievement of the TEA benchmark portion of the TEA portion of Entity Performance Goal (.75 x .85 x .70 x \$891,000) plus \$93,555 for Maximum level of achievement of the ITF portion of the Entity Performance Goal (.15 x .70 x \$891,000).

- Step 11. No award is given for an achievement percentile below Threshold, and no award above the Maximum award is given for an achievement percentile above the Maximum level.
- Step 12. Subject to any applicable adjustment in Step #13 below, add the awards determined in Steps #8, #9, and #10 above for each Performance Goal (as modified by Step #11) together to determine the total amount of the Participant's Performance Incentive Award for the Performance Period.
- Step 13. In the case of any Participant who becomes a Participant in the Performance Incentive Plan after the first day of the applicable Performance Period, such Participant's Performance Incentive Award (determined in Step #12) will be prorated to reflect the actual portion of the Performance Period in which he or she was a Participant. In the case of a Participant who ceases to be a Participant prior to the end of a Performance Period, his or her entitlement to any Performance Incentive Award is determined under Section 5.10 and, in the case of such entitlement, such Participant's Performance Incentive Award, if any, will be prorated and adjusted as provided in Section 5.10.

Appendix B

UTIMCO Peer Group

- Boston College
- Brown University
- California Institute of Technology
- Case Western Reserve University
- Columbia University
- Cornell University
- Dartmouth College
- Duke University
- Emory University
- Grinnell College
- Indiana University and Foundation
- Johns Hopkins University
- Massachusetts Institute of Technology
- New York University
- Northwestern University
- Ohio State University and Foundation
- Pennsylvania State University
- Pomona College
- Princeton University
- Purdue University
- Rice University
- Stanford University
- Swarthmore College
- The Rockefeller University
- The Texas A&M University System and Foundations
- UNC at Chapel Hill and Foundations
- University of California
- University of Chicago
- University of Illinois and Foundation
- University of Michigan
- University of Minnesota and Foundation
- University of Notre Dame
- University of Pennsylvania
- University of Pittsburgh
- University of Richmond
- University of Rochester
- University of Southern California
- University of Virginia
- University of Washington
- Vanderbilt University
- Washington University
- Wellesley College
- Williams College
- Yeshiva University

Source: Cambridge Associates. Represents University endowments (excluding Harvard, Yale, and Total Endowment Assets) with total assets in excess of \$1 billion as of each fiscal year end June 2004, 2005, 2006.

Appendix C

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

TABLE 1 (2005/2006 Performance Period)

Eligible Position	Weighting			Incentive Award Opportunity (% of Salary)			
	Entity	Asset		< Threshold	Threshold	Target	Maximum
		Class	Individual				
<i>Investment Professionals</i>							
President, CEO & CIO	70%	0%	30%	0%	18%	90%	180%
Deputy CIO & MD of Marketable Alt. Invest.	40%	40%	20%	0%	13%	65%	130%
Risk Manager	70%	0%	30%	0%	12%	60%	120%
MD, Public Markets Invest.	20%	60%	20%	0%	12%	60%	120%
MD, Inflation Hedging Assets	20%	60%	20%	0%	12%	60%	120%
Co-MD, Non-Marketable Alt Inv (n=2)	30%	50%	20%	0%	12%	60%	120%
Manager of Operating Fund Investments	20%	60%	20%	0%	10%	50%	100%
Portfolio Manager, Equity Invest.	20%	60%	20%	0%	10%	50%	100%
Sr. Portfolio Mgr., Fixed Income Invest.	20%	60%	20%	0%	10%	50%	100%
Portfolio Manager, Fixed Income Invest.	20%	60%	20%	0%	10%	50%	100%
Analytical Support-Investment	20%	60%	20%	0%	5%	25%	50%
Analytical Support-Risk Management	70%	0%	30%	0%	5%	25%	50%
<i>Operations/Support Professionals</i>							
MD, Accounting, Finance & Admin.	20%	0%	80%	0%	10%	50%	100%
MD, Information Technology	20%	0%	80%	0%	10%	50%	100%
Manager, Finance & Administration	20%	0%	80%	0%	5%	25%	50%
Manager, Investment Reporting	20%	0%	80%	0%	5%	25%	50%
Manager, Portfolio Accounting & Ops.	20%	0%	80%	0%	5%	25%	50%

UPDATED TABLE 1 (For the Performance Periods beginning after June 30, 2006)

Eligible Position	Weighting			Incentive Award Opportunity (% of Salary)			
	Entity	Asset		< Threshold	Threshold	Target	Maximum
		Class	Individual				
<i>Investment Professionals</i>							
President, CEO & CIO	70%	0%	30%	0%	20%	100%	200%
Deputy CIO & MD of Marketable Alt. Invest.	40%	40%	20%	0%	18%	90%	190%
Risk Manager	70%	0%	30%	0%	18%	90%	190%
MD, Public Markets Invest.	20%	60%	20%	0%	18%	90%	190%
MD, Inflation Hedging Assets	20%	60%	20%	0%	18%	90%	190%
MD, Non-Marketable Alt Inv	30%	50%	20%	0%	18%	90%	190%
Sr. Portfolio Mgr., Fixed Income Invest.	20%	60%	20%	0%	10%	50%	140%
Portfolio Manager, Fixed Income Invest.	20%	60%	20%	0%	10%	50%	140%
Director, Public Markets	20%	60%	20%	0%	8%	40%	80%
Director, Marketable Alternative	20%	60%	20%	0%	8%	40%	80%
Director, Inflation Hedging Assets	20%	60%	20%	0%	8%	40%	80%
Director, Non-Marketable Alternative	20%	60%	20%	0%	8%	40%	80%
Director, Risk Management	70%	0%	30%	0%	8%	40%	80%
Associate, Public Markets	20%	60%	20%	0%	6%	30%	70%
Associate, Marketable Alternative	20%	60%	20%	0%	6%	30%	70%
Associate, Inflation Hedging Assets	20%	60%	20%	0%	6%	30%	70%
Associate, Non-Marketable Alternative	20%	20%	60%	0%	6%	30%	70%
Associate, Risk Management	70%	0%	30%	0%	6%	30%	70%
Analyst, Public Markets	20%	60%	20%	0%	6%	30%	50%
Analyst, Marketable Alternative	20%	60%	20%	0%	6%	30%	50%
Analyst, Inflation Hedging Assets	20%	60%	20%	0%	6%	30%	50%
Analyst, Non-Marketable Alternative	20%	20%	60%	0%	6%	30%	50%
Analyst, Risk Management	70%	0%	30%	0%	6%	30%	50%
<i>Operations/Support Professionals</i>							
MD, Accounting, Finance & Admin.	20%	0%	80%	0%	10%	50%	140%
MD, Information Technology	20%	0%	80%	0%	10%	50%	140%
Manager, Finance & Administration	20%	0%	80%	0%	8%	40%	80%
Manager, Investment Reporting	20%	0%	80%	0%	8%	40%	80%
Manager, Portfolio Accounting & Ops.	20%	0%	80%	0%	8%	40%	80%
Manager, Client Services	20%	0%	80%	0%	8%	40%	80%

UPDATED TABLE 1 (For the Performance Periods beginning after June 30, 2007)

Eligible Position	Weighting			Incentive Award Opportunity (% of Salary)			
	Entity	Asset		< Threshold	Threshold	Target	Maximum
		Class	Individual				
<i>Investment Professionals</i>							
CEO	70%	0%	30%	0%	20%	100%	200%
Deputy CIO & MD of Marketable Alt. Invest.	40%	40%	20%	0%	18%	90%	190%
Risk Manager	30%	0%	70%	0%	18%	90%	190%
MD, Public Markets Invest.	20%	60%	20%	0%	18%	90%	190%
MD, Inflation Hedging Assets	20%	60%	20%	0%	18%	90%	190%
MD, Private Markets	30%	50%	20%	0%	18%	90%	190%
Sr. Portfolio Mgr., Fixed Income Invest.	20%	60%	20%	0%	10%	50%	140%
Portfolio Manager, Fixed Income Invest.	20%	60%	20%	0%	10%	50%	140%
Director, Public Markets	20%	60%	20%	0%	8%	40%	80%
Director, Marketable Alternative	20%	60%	20%	0%	8%	40%	80%
Director, Inflation Hedging Assets	20%	60%	20%	0%	8%	40%	80%
Director, Private Markets	20%	60%	20%	0%	8%	40%	80%
Director, Risk Management	30%	0%	70%	0%	8%	40%	80%
Associate, Public Markets	20%	60%	20%	0%	6%	30%	70%
Associate, Marketable Alternative	20%	60%	20%	0%	6%	30%	70%
Associate, Inflation Hedging Assets	20%	60%	20%	0%	6%	30%	70%
Associate, Private Markets	20%	20%	60%	0%	6%	30%	70%
Associate, Risk Management	30%	0%	70%	0%	6%	30%	70%
Analyst, Public Markets	20%	60%	20%	0%	6%	30%	50%
Analyst, Marketable Alternative	20%	60%	20%	0%	6%	30%	50%
Analyst, Inflation Hedging Assets	20%	60%	20%	0%	6%	30%	50%
Analyst, Private Markets	20%	20%	60%	0%	6%	30%	50%
Analyst, Risk Management	30%	0%	70%	0%	6%	30%	50%
<i>Operations/Support Professionals</i>							
MD, Accounting, Finance & Admin.	20%	0%	80%	0%	10%	50%	140%
MD, Information Technology	20%	0%	80%	0%	10%	50%	140%
Manager, Finance & Administration	20%	0%	80%	0%	8%	40%	80%
Manager, Investment Reporting	20%	0%	80%	0%	8%	40%	80%
Manager, Portfolio Accounting & Ops.	20%	0%	80%	0%	8%	40%	80%
General Counsel	0%	0%	100%	0%	8%	40%	80%
Chief Compliance Officer	0%	0%	100%	0%	8%	40%	80%

Appendix D

Benchmarks for Asset Class Threshold, Target, and Maximum Performance Standards (for Performance Periods beginning on or after July 1, 2006)

Performance Standards for Intermediate Term Fund (for Performance Periods beginning on or after July 1, 2006)

UPDATED TABLE 4 (7/1/06 through 6/30/07)

Asset Class	Benchmark	Policy Portfolio Weights		Performance Standards		
		Total Endowment	ITF	Threshold	Target	Maximum
		Assets				
(% of Portfolio)	(% of Portfolio)					
Entity: Peer Group (Total Endowment Funds)	Peer group (Endowments w/>>\$1 B assets)	n/a	n/a	40th %ile	60th %ile	75th %ile
Entity: Benchmark (Intermediate Term Fund)	Policy Portfolio	n/a	n/a	+0 bps	+32.5 bps	+65 bps
US Public Equity	Russell 3000 Index	20%	15%	+0 bps	+31 bps	+62 bps
Non-US Developed Equity	MSCI EAFE Index with net dividends	10%	5%	+0 bps	+37.5 bps	+75 bps
Emerging Markets Equity	MSCI Emerging Markets Index with net dividends	7%	5%	+0 bps	+75 bps	+150 bps
Directional Hedge Funds	MSCI Investable Hedge Fund Index	10%	12.5%	+0 bps	+65 bps	+130 bps
Absolute Return Hedge Funds	MSCI Investable Hedge Fund Index	15%	12.5%	+0 bps	+50 bps	+100 bps
Private Equity	Custom Benchmark Created from Venture Economics Database	11%	0%	+0 bps	+103.5 bps	+207 bps
Venture Capital	Custom Benchmark Created from Venture Economics Database	4%	0%	+0 bps	+103.5 bps	+207 bps
REITS	Dow Jones Wilshire Real Estate Securities Index	5%	10%	+0 bps	+37.5 bps	+75 bps
Commodities	Combination index: 66.7% Goldman Sachs Commodity Index minus .5% plus 33.3% DJ-AIG Commodity Index	3%	5%	+0 bps	+17.5 bps	+35 bps
TIPS	Lehman Brothers US TIPS Index	5%	10%	+0 bps	+2.5 bps	+5 bps
Fixed Income	Lehman Brothers Aggregate Bond Index	10%	25%	+0 bps	+12.5 bps	+25 bps
Cash	90 day t-bills	0%	0%	+0 bps	+0 bps	+0 bps

UPDATED TABLE 4 (7/1/07 through 6/30/08)

Asset Class	Benchmark	Policy Portfolio Weights		Performance Standards		
		Total Endowment	ITF	Threshold	Target	Maximum
		Assets				
(% of Portfolio)	(% of Portfolio)					
Entity: Peer Group (Total Endowment Funds)	Peer group (Endowments w/>>\$1 B assets)	n/a	n/a	40th %ile	60th %ile	75th %ile
Entity: Benchmark (Total Endowment Funds)	Policy Portfolio	n/a	n/a	+0 bps	+100 bps	+150 bps
Entity: Benchmark (Intermediate Term Fund)	Policy Portfolio	n/a	n/a	+0 bps	+32.5 bps	+65 bps
US Public Equity	Russell 3000 Index	20%	15%	+0 bps	+31 bps	+62 bps
Non-US Developed Equity	MSCI EAFE Index with net dividends	10%	5%	+0 bps	+37.5 bps	+75 bps
Emerging Markets Equity	MSCI Emerging Markets Index with net dividends	7%	5%	+0 bps	+75 bps	+150 bps
Directional Hedge Funds	MSCI Investable Hedge Fund Index	10%	12.5%	+0 bps	+65 bps	+130 bps
Absolute Return Hedge Funds	MSCI Investable Hedge Fund Index	15%	12.5%	+0 bps	+50 bps	+100 bps
Private Equity	Custom Benchmark Created from Venture Economics Database	11%	0%	+0 bps	+103.5 bps	+207 bps
Venture Capital	Custom Benchmark Created from Venture Economics Database	4%	0%	+0 bps	+103.5 bps	+207 bps
REITS	Dow Jones Wilshire Real Estate Securities Index	5%	10%	+0 bps	+37.5 bps	+75 bps
Commodities	Combination index: 66.7% Goldman Sachs Commodity Index minus .5% plus 33.3% DJ-AIG Commodity Index	3%	5%	+0 bps	+17.5 bps	+35 bps
TIPS	Lehman Brothers US TIPS Index	5%	10%	+0 bps	+2.5 bps	+5 bps
Fixed Income	Lehman Brothers Aggregate Bond Index	10%	25%	+0 bps	+12.5 bps	+25 bps
Internal Credit	Credit Related Composite Index	0%	0%	+0 bps	+12.5 bps	+25 bps
Cash	90 day t-bills	0%	0%	+0 bps	+0 bps	+0 bps

6. U. T. System: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the fiscal year and quarter ended August 31, 2007

The August 31, 2007, UTIMCO Performance Summary Report is attached on Page 65.

The Investment Reports for the fiscal year and quarter ended August 31, 2007, are set forth on Pages 66 - 69.

Item I on Page 66 reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the fiscal year was 15.34% versus its composite benchmark return of 13.38%. The PUF's net asset value increased by \$1,429 million since the beginning of the fiscal year to \$11,743 million. This change in net asset value includes increases due to contributions from PUF land receipts and net investment return and decreases by the annual distribution of \$401 million.

Item II on Page 67 reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the fiscal year was 15.90% versus its composite benchmark return of 13.38%. The GEF's net asset value increased during the fiscal year to \$6,433 million.

Item III on Page 68 reports activity for the Intermediate Term Fund (ITF). The ITF's net investment return for the fiscal year was 10.62% versus its composite benchmark return of 8.47%. The net asset value has increased to \$3,721 million due to contributions and net investment return, net of distributions of \$104 million.

For all funds, all exposures were within their asset class ranges, generally very close to target, and liquidity was within policy.

Item IV on Page 69 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 \$109 million to \$1,512 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$29 million versus \$34 million at the beginning of the period; equities: \$69 million versus \$74 million at the beginning of the period; and other investments: \$4 million versus \$0.1 million at the beginning of the period.

UTIMCO Performance Summary

August 31, 2007

	Net Asset Value 8/31/2007 (in Millions)	Periods Ended August 31, 2007 (Returns for Periods Longer Than One Year are Annualized)							
		Short Term		Year-to-Date		Historic Returns			
		1 Mo	3 Mos	Calendar	Fiscal	1 Yr	3 Yrs	5 Yrs	10 Yrs
ENDOWMENT FUNDS									
Permanent University Fund	\$ 11,743	0.24	0.17	9.28	15.34	15.34	15.06	14.38	9.09
General Endowment Fund		0.38	0.33	9.66	15.90	15.90	15.23	14.65	N/A
Permanent Health Fund	1,100	0.35	0.27	9.52	15.76	15.76	15.12	14.52	N/A
Long Term Fund	5,333	0.35	0.27	9.52	15.76	15.76	15.12	14.54	9.62
Separately Invested Funds	211	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Endowment Funds	18,387								
OPERATING FUNDS									
Short Term Fund	1,404	0.45	1.33	3.55	5.39	5.39	4.15	2.96	3.96
Intermediate Term Fund	3,721	0.29	(0.36)	5.75	10.62	10.62	N/A	N/A	N/A
Total Operating Funds	5,125								
Total Investments	\$ 23,512								
VALUE ADDED									
Permanent University Fund		0.19	0.55	2.40	1.96	1.96	1.42	2.25	(0.35)
General Endowment Fund		0.33	0.71	2.78	2.52	2.52	1.59	2.52	N/A
Permanent Health Fund		0.30	0.65	2.64	2.38	2.38	1.48	2.39	N/A
Long Term Fund		0.30	0.65	2.64	2.38	2.38	1.48	2.41	0.52
Short Term Fund		(0.11)	(0.01)	0.04	0.10	0.10	0.13	0.07	0.16
Intermediate Term Fund		0.05	0.82	2.31	2.15	2.15	N/A	N/A	N/A

Footnotes available upon request.

I. PERMANENT UNIVERSITY FUND

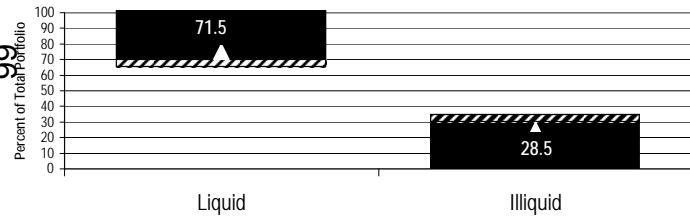
Investment Reports for Periods Ended August 31, 2007

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

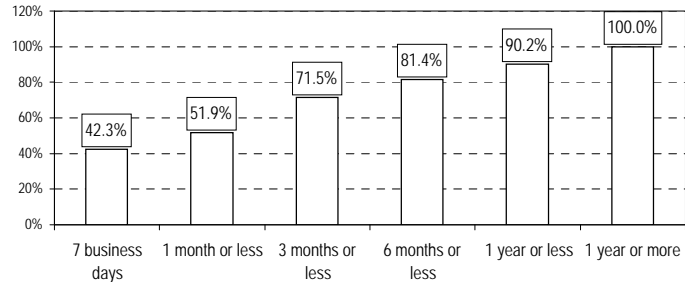
Summary of Capital Flows

(\$ millions)	Fiscal Year Ended August 31, 2006	Quarter Ended August 31, 2007	Fiscal Year Ended August 31, 2007
Beginning Net Assets	\$ 9,426.7	\$ 11,763.6	\$ 10,313.4
PUF Lands Receipts	214.9	65.6	272.8
Investment Return	1,111.7	36.6	1,639.8
Expenses	(82.6)	(22.8)	(82.5)
Distributions to AUF	(357.3)	(100.2)	(400.7)
Ending Net Assets	\$ 10,313.4	\$ 11,742.8	\$ 11,742.8

PUF Liquidity Policy Profile As of August 31, 2007



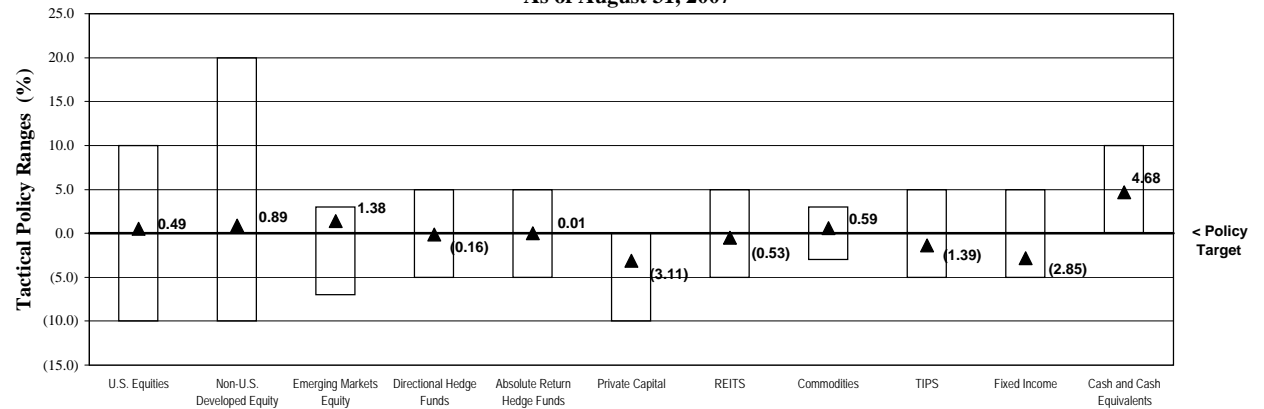
PUF Detailed Liquidity Profile as of August 31, 2007



Fiscal Year to Date

	August 31, 2007		Returns		Value Added		
	Portfolio Exposure	Policy Target	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
Cash and Cash Equivalents	4.68%	0.00%	5.39%	5.29%	-0.27%	0.00%	-0.27%
U.S. Equities	20.49%	20.00%	15.14%	14.94%	0.01%	0.03%	0.04%
Non-U.S. Developed Equity	10.89%	10.00%	14.07%	18.71%	0.01%	-0.45%	-0.44%
Emerging Markets Equity	8.38%	7.00%	37.28%	43.63%	0.37%	-0.37%	0.00%
Directional Hedge Funds	9.84%	10.00%	19.01%	6.18%	-0.01%	1.30%	1.29%
Absolute Return Hedge Funds	15.01%	15.00%	14.69%	6.18%	-0.01%	1.32%	1.31%
REITS	4.47%	5.00%	5.65%	1.71%	0.02%	0.20%	0.22%
Commodities	3.59%	3.00%	-9.81%	-5.07%	-0.43%	-0.16%	-0.59%
TIPS	3.61%	5.00%	3.84%	3.76%	0.11%	0.00%	0.11%
Fixed Income	7.15%	10.00%	5.07%	5.26%	0.20%	-0.02%	0.18%
Total Marketable Securities	88.11%	85.00%	13.80%	11.18%	0.00%	1.85%	1.85%
Private Capital	11.89%	15.00%	28.59%	23.33%	-0.64%	0.75%	0.11%
Total	100.00%	100.00%	15.34%	13.38%	-0.64%	2.60%	1.96%

Deviations From Policy Targets Within Tactical Policy Ranges As of August 31, 2007



II. GENERAL ENDOWMENT FUND

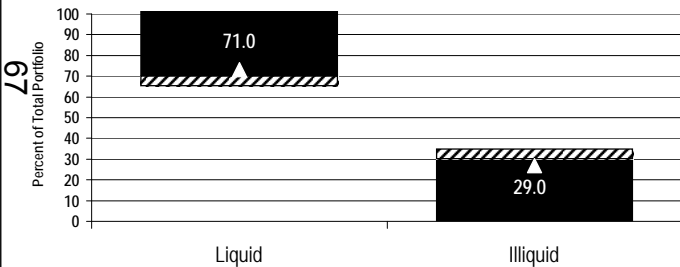
Investment Reports for Periods Ended August 31, 2007

Prepared in accordance with Texas Education Code Sec. 51.0032

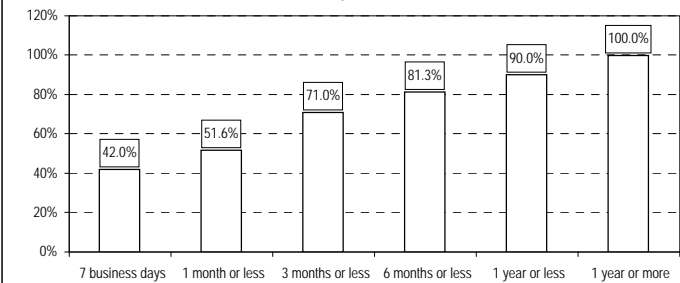
Summary of Capital Flows

(\$ millions)	Fiscal Year Ended August 31, 2006	Quarter Ended August 31, 2007	Fiscal Year Ended August 31, 2007
Beginning Net Assets	\$ 4,926.8	\$ 6,435.5	\$ 5,427.8
Contributions	273.9	44.3	360.7
Withdrawals	(108.0)	(4.3)	(6.2)
Distributions	(220.0)	(60.8)	(239.6)
Investment Return	593.3	29.6	928.5
Expenses	(38.2)	(11.2)	(38.1)
Ending Net Assets	\$ 5,427.8	\$ 6,433.1	\$ 6,433.1

GEF Liquidity Policy Profile
As of August 31, 2007



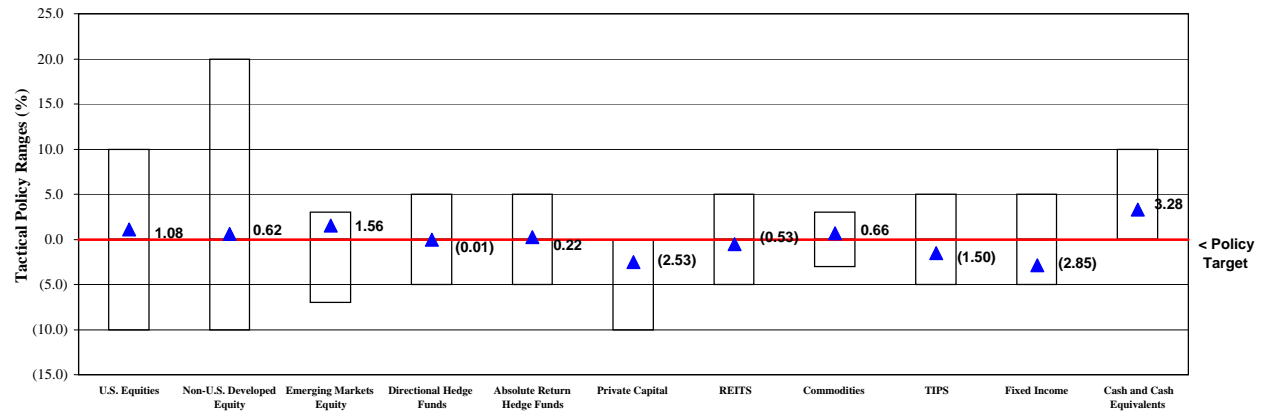
GEF Detailed Liquidity Profile
as of August 31, 2007



Fiscal Year to Date

	August 31, 2007		Returns		Value Added		
	Portfolio Exposure	Policy Target	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
Cash and Cash Equivalents	3.28%	0.00%	5.39%	5.29%	-0.20%	0.00%	-0.20%
U.S. Equities	21.08%	20.00%	15.06%	14.94%	0.03%	0.01%	0.04%
Non-U.S. Developed Equity	10.62%	10.00%	14.14%	18.71%	0.01%	-0.45%	-0.44%
Emerging Markets Equity	8.56%	7.00%	37.66%	43.63%	0.37%	-0.35%	0.02%
Directional Hedge Funds	9.99%	10.00%	19.01%	6.18%	-0.02%	1.31%	1.29%
Absolute Return Hedge Funds	15.22%	15.00%	14.69%	6.18%	0.00%	1.32%	1.32%
REITS	4.47%	5.00%	5.72%	1.71%	0.01%	0.21%	0.22%
Commodities	3.66%	3.00%	-9.68%	-5.07%	-0.39%	-0.16%	-0.55%
TIPS	3.50%	5.00%	3.81%	3.76%	0.11%	0.00%	0.11%
Fixed Income	7.15%	10.00%	5.27%	5.26%	0.20%	0.00%	0.20%
Total Marketable Securities	87.53%	85.00%	14.00%	11.18%	0.12%	1.89%	2.01%
Private Capital	12.47%	15.00%	31.86%	23.33%	-0.69%	1.20%	0.51%
Total	100.00%	100.00%	15.90%	13.38%	-0.57%	3.09%	2.52%

Deviations From Policy Targets Within Tactical Policy Ranges
As of August 31, 2007



III. INTERMEDIATE TERM FUND Investment Reports for Periods Ended August 31, 2007

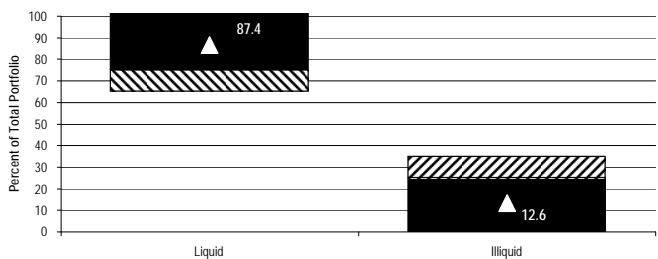
Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows

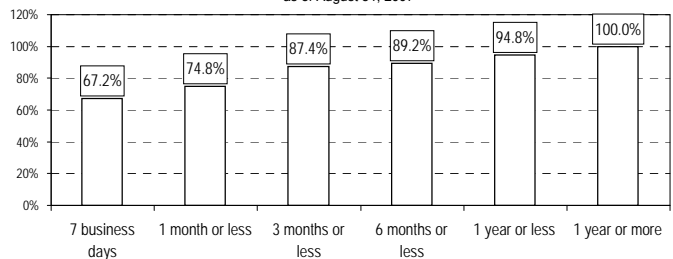
(\$ millions)	Fiscal Year Ended August 31, 2006	Quarter Ended August 31, 2007	Fiscal Year Ended August 31, 2007
Beginning Net Assets	\$ -	\$ 3,740.0	\$ 3,048.8
Contributions	3,112.3	61.4	664.6
Withdrawals	(111.2)	(39.1)	(228.6)
Distributions	(52.7)	(28.0)	(104.0)
Investment Return	115.4	(4.4)	377.4
Expenses	(15.0)	(9.3)	(37.6)
Ending Net Assets	\$ 3,048.8	\$ 3,720.6	\$ 3,720.6

	August 31, 2007		Fiscal Year to Date				
			Returns		Value Added		
	Portfolio Exposure	Policy Target	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
Cash and Cash Equivalents	0.42%	0.00%	5.39%	5.29%	-0.06%	0.00%	-0.06%
U.S. Equities	14.92%	15.00%	14.72%	14.94%	0.04%	-0.03%	0.01%
Non-U.S. Developed Equity	5.36%	5.00%	15.12%	18.71%	0.00%	-0.17%	-0.17%
Emerging Markets Equity	5.54%	5.00%	37.54%	43.63%	-0.06%	-0.24%	-0.30%
Directional Hedge Funds	11.63%	12.50%	19.04%	6.18%	-0.15%	1.57%	1.42%
Absolute Return Hedge Funds	13.75%	12.50%	14.34%	6.18%	0.03%	1.01%	1.04%
REITS	9.25%	10.00%	4.98%	1.71%	0.17%	0.30%	0.47%
Commodities	5.20%	5.00%	-7.98%	-5.07%	-0.03%	-0.15%	-0.18%
TIPS	9.62%	10.00%	3.84%	3.76%	-0.01%	0.01%	0.00%
Fixed Income	24.31%	25.00%	5.05%	5.26%	-0.03%	-0.05%	-0.08%
Total	100.00%	100.00%	10.62%	8.47%	-0.10%	2.25%	2.15%

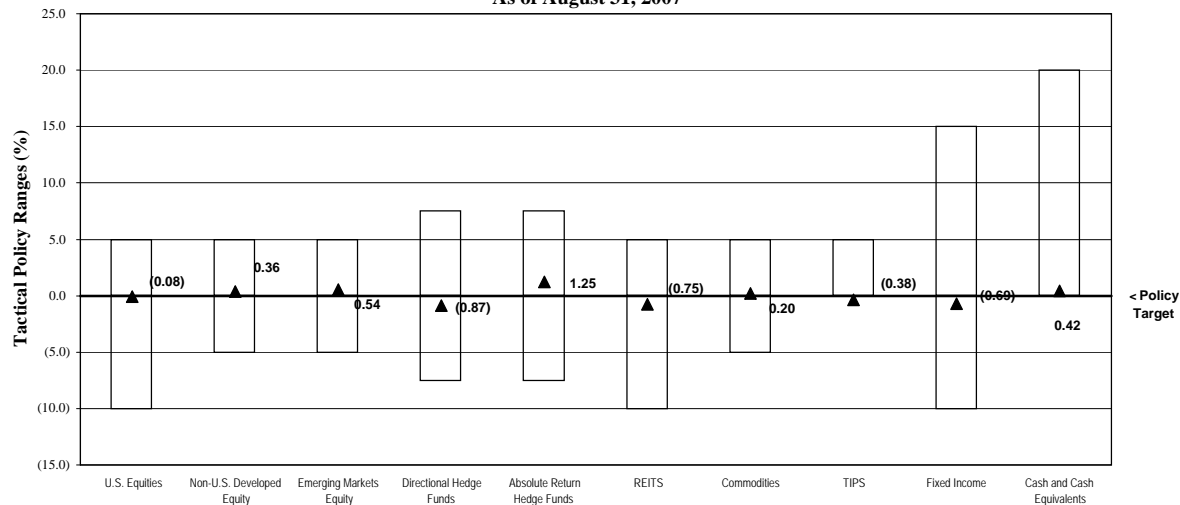
ITF Liquidity Policy Profile
As of August 31, 2007



ITF Detailed Liquidity Profile
as of August 31, 2007



Deviations From Policy Targets Within Tactical Policy Ranges
As of August 31, 2007



IV. SEPARATELY INVESTED ASSETS
Summary Investment Report at August 31, 2007
 Report prepared in accordance with *Texas Education Code Sec. 51.0032*

ASSET TYPES	(\$ thousands)															
	FUND TYPE															
	CURRENT PURPOSE DESIGNATED		RESTRICTED		ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		TOTAL EXCLUDING OPERATING FUNDS		OPERATING FUNDS (SHORT TERM FUND)		TOTAL	
	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET
Cash & Equivalents:																
Beginning value 05/31/07	1,853	1,853	1,838	1,838	28,636	28,636	7,712	7,712	22,862	22,862	62,901	62,901	1,558,096	1,558,096	1,620,997	1,620,997
Increase/(Decrease)	46	46	308	308	16,247	16,247	(369)	(369)	29,231	29,231	45,463	45,463	(154,073)	(154,073)	(108,610)	(108,610)
Ending value 08/31/07	1,899	1,899	2,146	2,146	44,883	44,883	7,343	7,343	52,093	52,093	108,364	108,364	1,404,023	1,404,023	1,512,387	1,512,387
Debt Securities:																
Beginning value 05/31/07	-	-	263	222	18,377	18,661	15,276	15,046	-	-	33,916	33,929	-	-	33,916	33,929
Increase/(Decrease)	-	-	8	15	(5,169)	(4,952)	-	165	-	-	(5,161)	(4,772)	-	-	(5,161)	(4,772)
Ending value 08/31/07	-	-	271	237	13,208	13,709	15,276	15,211	-	-	28,755	29,157	-	-	28,755	29,157
Equity Securities:																
Beginning value 05/31/07	24	7,629	728	828	32,597	40,786	18,025	24,633	-	-	51,374	73,876	-	-	51,374	73,876
Increase/(Decrease)	-	(1,814)	(289)	(340)	94	(1,729)	(95)	(635)	-	-	(290)	(4,518)	-	-	(290)	(4,518)
Ending value 08/31/07	24	5,815	439	488	32,691	39,057	17,930	23,998	-	-	51,084	69,358	-	-	51,084	69,358
Other:																
Beginning value 05/31/07	-	-	16	16	4	4	283	116	-	-	303	136	-	-	303	136
Increase/(Decrease)	1,293	1,293	2,305	2,305	(3)	(3)	5	-	539	539	4,139	4,134	-	-	4,139	4,134
Ending value 08/31/07	1,293	1,293	2,321	2,321	1	1	288	116	539	539	4,442	4,270	-	-	4,442	4,270
Total Assets:																
Beginning value 05/31/07	1,877	9,482	2,845	2,904	79,614	88,087	41,296	47,507	22,862	22,862	148,494	170,842	1,558,096	1,558,096	1,706,590	1,728,938
Increase/(Decrease)	1,339	(475)	2,332	2,288	11,169	9,563	(459)	(839)	29,770	29,770	44,151	40,307	(154,073)	(154,073)	(109,922)	(113,766)
Ending value 08/31/07	3,216	9,007	5,177	5,192	90,783	97,650	40,837	46,668	52,632	52,632	192,645	211,149	1,404,023	1,404,023	1,596,668	1,615,172

Details of individual assets by account furnished upon request.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 70 - 80).--Acting Committee Chairman Caven 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. System: Approval of expansion of degree planning authority at U. T. Arlington, U. T. El Paso, U. T. Permian Basin, U. T. San Antonio, and U. T. Tyler

The Board approved changes to the institution Table of Programs for The University of Texas at Arlington, The University of Texas at El Paso, The University of Texas of the Permian Basin, The University of Texas at San Antonio, and The University of Texas at Tyler on Page 71 and authorized submission to the Texas Higher Education Coordinating Board for consideration.

Texas Education Code Section 61.051(e) requires the Texas Higher Education Coordinating Board to review public university Mission Statements and Tables of Programs every four years. These documents broadly describe the academic mission of each institution and the academic fields and degree levels that are appropriate to the mission. The Table of Programs specifically describes the current degree granting authority of each institution and those academic fields and degree levels within fields that each institution has the authority to plan for future degree offerings. Coordinating Board approval of new degree programs involves two steps: gaining planning authority for a program via the Table of Programs and submitting an acceptable proposal.

Expansion of Degree Planning Authority

The University of Texas at Arlington

Ph.D. in Social Sciences

The University of Texas at El Paso

Master of Rehabilitation Counseling Program
Master of Science in Clinical Research
Master of Science in Intelligence and National Security Studies
Master of Science in Construction Management
Master of Science in Clinical Laboratory Science
Master of Science and Ph.D. in Biomedical Engineering
Ph.D. in Communication
Ph.D. in Transnational Society, Culture, and Politics
Doctorate in Public Administration (DPA)
Doctorate in Physical Therapy (DPT)

The University of Texas of the Permian Basin

Bachelor of Science in Physics
Bachelor of Science in Chemical Engineering; Mechanical Engineering; and
Petroleum Engineering
Bachelor of Science in Nursing
Master of Health Services Administration

The University of Texas at San Antonio

Bachelor in Public Health
Ph.D. in Mathematics

The University of Texas at Tyler

Bachelor of Arts in Religious Studies
Bachelor of Science in Chemical Engineering
Bachelor of Science in New Media Technology

2. U. T. El Paso: Approval of revised Mission Statement

The Board approved the revised Mission Statement for The University of Texas at El Paso as set forth below and authorized submission to the Texas Higher Education Coordinating Board for approval. Changes to the Mission Statement were last approved by The University of Texas System Board of Regents on May 11, 2000.

Mission Statement

The University of Texas at El Paso is dedicated to the advancement of the El Paso region through education, creative and artistic production, and the generation, interpretation, application and dissemination of knowledge. UTEP embraces its role as an intellectual, cultural and socioeconomic asset to the region, offering programs to meet human resource needs and contribute to the quality of life.

As a public university, UTEP is committed to providing access and opportunity to the people of the El Paso region and the State of Texas. UTEP's mission of ensuring access is coupled with a commitment to excellence reflected in rigorous programs, which prepare students to make significant contributions to their professions, their communities and the world.

As a research/doctoral institution, UTEP fosters a climate of scholarly inquiry, with a special focus on applying innovative interdisciplinary approaches to explore and address major issues that confront the United States and Mexico border region.

Approved by the U. T. System Board of Regents on 11/9/2007.

3. U. T. Permian Basin: Approval of revised Mission Statement

The Board approved the revised Mission Statement for The University of Texas of the Permian Basin as set forth below and authorized submission to the Texas Higher Education Coordinating Board for approval. The previous Mission Statement was approved by The University of Texas System Board of Regents in May 1998 as part of the institution's Strategic Plan.

Mission Statement

The University of Texas of the Permian Basin is a general academic university of The University of Texas System. The University of Texas System is committed to pursue high-quality educational opportunities for the enhancement of the human resources of Texas, the nation, and the world through intellectual and personal growth.

The mission of The University of Texas of the Permian Basin is to provide quality education to all qualified students in a supportive educational environment; to promote excellence in teaching, research, and service; and to serve as a resource for the intellectual, social, economic, and technological advancement of the diverse constituency in Texas and the region.

Approved by the U. T. System Board of Regents on 11/9/2007.

4. U. T. Tyler: Approval of revised Mission Statement

The Board approved the revised Mission Statement for The University of Texas at Tyler as set forth below and authorized submission to the Texas Higher Education Coordinating Board for approval.

Mission Statement

The University of Texas at Tyler is a comprehensive institution of higher education offering undergraduate and graduate degree programs as an institution of the renowned University of Texas System. The University of Texas at Tyler's vision is to be nationally recognized for its high quality education in the professions and in the humanities, arts and sciences, and for its distinctive core curriculum. Guided by an outstanding and supportive faculty, its graduates will understand and appreciate human diversity and the global nature of the new millennium. They will think critically, act with honesty and integrity, and demonstrate proficiency in leadership, communication skills, and the use of technology.

The University is committed to providing a setting for free inquiry and expects excellence in the teaching, research, artistic performances and professional public service provided by its faculty, staff, and students. As a community of scholars, the University develops the individual's critical thinking skills, appreciation of the arts, humanities and sciences, international understanding for participation in the global society, professional knowledge and skills to enhance economic productivity, and commitment to lifelong learning.

Within an environment of academic freedom, students learn from faculty scholars who have nationally recognized expertise in the arts and sciences, and in such professions as engineering, public administration, education, business, health sciences, and technology. The faculty engages in research and creative activity, both to develop and maintain their own scholarly expertise and to extend human knowledge. The results of that research and other creative efforts are made available to students in the classroom and to the general public through publication, technology transfer, and public service activities. The institution also seeks to serve individuals who desire to enhance their professional development, broaden their perspectives, or enrich their lives.

Approved by the U. T. System Board of Regents on 11/9/2007.

In Fall 1999, U. T. Tyler developed its New Millennium Vision -- a vision statement, mission statement, and strategic plan that reflected what the University wanted to see U. T. Tyler become in the next decade as it entered the 21st century. At the time, a mission statement was written and approved by faculty and staff and approved by the U. T. System and the Texas Higher Education Coordinating Board.

5. U. T. Arlington: Authorization to purchase approximately 0.93 acres and improvements located at 108 West Second Street and 115 West Third Street, Arlington, Tarrant County, Texas, from DZFL LLC, a Texas limited liability company, for a purchase price not to exceed fair market value as established by an independent appraisal, for initial use as expansion of adjacent surface parking and for future programmed development of campus expansion

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

- a. purchase approximately 0.93 acres and improvements located at 108 West Second Street and 115 West Third Street, Arlington, Tarrant County, Texas, from DZFL LLC, a Texas limited liability company, for a purchase price not to exceed fair market value as established by an independent appraisal, 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 initial use as expansion of adjacent surface parking 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 purpose and intent of the foregoing action.

The subject 0.93-acre property consists of two contiguous mid-block tracts that extend from West Second Street to West Third Street in Arlington, Texas. The property abuts portions of U. T. Arlington's campus on both sides, and completes the assembly of the block in which the parcels are located. It lies within the boundaries of the institution's Campus Master Plan approved by the Board on May 11, 2000, and the institution's Campus Master Plan that was presented to the Board on May 9, 2007. The property is also in U. T. Arlington's legislatively-approved acquisition zone.

The property is improved with two apartment complexes under common ownership and operated as one, known as the Alpha Delta Apartments. The complexes contain a total of 48 units, comprising approximately 26,040 gross square feet. They are approximately 40 years old and suffer from physical

deterioration. U. T. Arlington will demolish the improvements after existing leases expire. The property will be used to expand adjacent surface parking and subsequently for future programmed development of campus expansion. Institutional funds from operations will be used to fund the purchase.

6. U. T. Dallas: Authorization to acquire approximately 20.59 acres of unimproved real property located at 3410 and 3420 Waterview Parkway, Richardson, Collin County, Texas, from the Dallas International School, a Texas nonprofit corporation, in exchange for the conveyance to the Dallas International School of approximately 13.8 acres located on Waterview Parkway, south of the Dallas Area Rapid Transit right-of-way, consisting of approximately 12.8 acres of unimproved real property out of the U. T. D. Synergy Park - Phase I, plus approximately one acre at the rear of 17919 Waterview Parkway, Dallas, Collin County, Texas, and the payment of cash compensation to constitute an even exchange of fair market values as established by independent appraisals, with the 20.59-acre tract to be used as the future main entrance to the U. T. Dallas campus and for future programmed development of campus expansion (Deferred)

The item concerning the exchange of unimproved real property with the Dallas International School was deferred until the Board's meeting on December 6-7, 2007.

7. U. T. El Paso: Authorization to ground lease approximately 0.73 acres located on Oregon Street between Glory Road and Cincinnati Avenue and consisting of Lots 11 through 20, Block 224, Alexander Addition, El Paso, El Paso County, Texas, to the City of El Paso for a term of 30 years plus renewal options and a period for design, permitting, and construction, for the construction and operation of a transit terminal with parking garage; and authorization to lease back parking spaces from the City of El Paso

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

- a. ground lease approximately 0.73 acres located on Oregon Street between Glory Road and Cincinnati Avenue and consisting of Lots 11 through 20, Block 224, Alexander Addition, El Paso, El Paso County, Texas, to the City of El Paso for a term of 30 years, plus two 10-year renewal options for the bus terminal portion of the lease, plus a period for design, permitting, and construction, on the terms stated below, for the construction and operation of a transit terminal with parking garage;
- b. enter into a lease with the City of El Paso for parking spaces under the terms and conditions described below; 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.

The City of El Paso, for the benefit of Sun Metro, its mass transit department, will lease the subject property located across Glory Road from the Don Haskins Special Events Center on a site on the edge of U. T. El Paso's campus to construct and operate a transit terminal with parking garage. The property is currently improved with surface parking sufficient to accommodate 110 vehicles. The transit terminal with parking garage will consist of a ground-level bus terminal and multilevel structured parking to accommodate approximately 500 vehicles.

The institution will ground lease the property to the City for a term of 30 years, plus two 10-year renewal options for the bus terminal portion of the lease, plus a 36-month period for design, permitting, and construction. During the 30-year term, U. T. El Paso may lease back 220 weekday parking spaces at a monthly rate of \$30 per space (\$79,200 annually), approximately 475 spaces on 20 event days at a cost of \$5 per space (\$47,500 annually), and 160 parking spaces for eight commencement and other campus events at a cost of \$4 per space (up to \$5,120 annually). The City of El Paso will have use of the garage's other parking spaces at all other times, and constant use of the bus terminal facilities.

Initial annual ground rent will be \$79,300, and U. T. El Paso will receive 13% of gross parking revenues, but no less than \$50,000 annually. The ground rent and the weekday parking rate will be increased (but not decreased) every 10 years based on a reappraisal of the land. U. T. El Paso's gross parking revenue floor, as well as the cost of event, commencement, and other campus event parking will be increased (but not decreased) every 10 years based on changes to the Consumer Price Index (CPI).

The property is located immediately across the street from U. T. El Paso's Don Haskins Special Events Center arena and is a short walk from Sun Bowl Stadium. The transit terminal is expected to improve bus service to major events held at these facilities and to the institution. The parking garage component of the facility will increase the capacity and the convenience of parking at U. T. El Paso, particularly for events at the Special Events Center.

The City of El Paso will construct the facilities at its own expense, using a combination of grants from the Federal Transit Administration and local transit funds. The City will operate the facility at all times and at its own expense, and will pay all taxes. The lease will give U. T. El Paso the right to approve the plans and specifications of the improvements and will limit the use of the property to a transit terminal with parking garage. The federal grants similarly

limit the use of the property. The ground lease will also contain provisions in which the tenant, to the extent allowed by the laws and Constitution of the State of Texas, indemnifies the landlord for all matters arising from the tenant's use of occupancy of or activities on the premises.

8. U. T. El Paso: Authorization to purchase approximately 4.6 acres and improvements located at 212, 300, 303, 315, and 400 West Schuster Avenue and 1617 Randolph Drive, El Paso, Texas, and described as Lots 1 through 10, Block 52; Lots 1 through 9 and 12 through 20 and 16 feet of Lots 10 and 11, Block 53; Lots 11 through 20, Block 54; Lots 1 through 8 and 13 through 20, Block 80, all in the Alexander Addition, an addition to the City of El Paso, El Paso County, Texas, from Richard C. and Jean W. Price for a total purchase price of \$4.6 million for relocation of U. T. El Paso's child care center currently located on the future site of the planned Physical Sciences/Engineering Core Facility, and for future programmed development of campus expansion; and resolution regarding parity debt

The Board, on behalf of The University of Texas at El Paso, granted approval to

- a. purchase approximately 4.6 acres and improvements located at 212, 300, 303, 315, and 400 West Schuster Avenue and 1617 Randolph Drive, El Paso, Texas, and described as Lots 1 through 10, Block 52; Lots 1 through 9 and 12 through 20 and 16 feet of Lots 10 and 11, Block 53; Lots 11 through 20, Block 54; Lots 1 through 8 and 13 through 20, Block 80, all in the Alexander Addition, an addition to the City of El Paso, El Paso County, Texas, from Richard C. and Jean W. Price for a total purchase price of \$4.6 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 relocation of U. T. El Paso's child care center currently located on the future site of the planned Physical Sciences/Engineering Core Facility, and for future programmed development of campus expansion;
- 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. El Paso, 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 an aggregate amount not to exceed \$5 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.

The subject 4.6-acre property consists of six tracts: four contiguous tracts on the south side of West Schuster Avenue and two tracts on the north side of West Schuster Avenue. The tracts, which are approximately one-half block from the campus boundaries, lie within the boundaries of an identified possible acquisition area of the institution's Campus Master Plan approved by the Board on February 10, 2000. The acquisition as a unit is strategic and provides significant additional acreage for future development of campus expansion.

The property is improved with five apartment complexes and one duplex, which contain a total of 138 units, comprising approximately 110,000 gross square feet. U. T. El Paso will remodel and renovate the improvements on the north side of West Schuster Avenue (303 and 315 West Schuster Avenue) to serve as U. T. El Paso's child care center and will demolish the current child care center in the campus core to prepare the site for construction of the new Physical Sciences/Engineering Core Facility, which was added to the Capital Improvement Program on August 10, 2006. Renovation costs for the child care center are included within the project budget for the Physical Sciences/Engineering Core Facility.

While the acquisition is strategic, the institution has no immediate campus use for the four parcels on the south side of West Schuster Avenue (212, 300 and 400 West Schuster Avenue, and 1617 Randolph Drive). Consequently, the closing on the acquisition of those parcels will occur later than the closing on the two parcels on the north side of West Schuster Avenue. During the interim, U. T. El Paso will incorporate the site in its long-range planning process.

Revenue Financing System debt not to exceed \$5 million, to be repaid from institutional funds from operations, will be used to fund the purchase. The institution's debt service coverage ratio is expected to be at least 1.4 times and to average 2.1 times from Fiscal Year 2008 through Fiscal Year 2013.

9. U. T. Pan American: Authorization to purchase approximately 4.5 acres of unimproved land located on FM 3167 immediately south of South Texas College's Starr County Campus, out of Lots 44, 45, 46, and 47, Unit 2, Valle Rico Del Rio Grande Little Farms, in Porcion No. 76, Rio Grande City, Starr County, Texas, from South Texas College, a public community college, for a purchase price of \$441,000 for the institution's Starr County Upper Level Center

On behalf of The University of Texas - Pan American, the Board granted approval to

- a. purchase approximately 4.5 acres of unimproved land located on FM 3167 immediately south of South Texas College's Starr County Campus, out of Lots 44, 45, 46, and 47, Unit 2, Valle Rico Del Rio Grande Little Farms, in Porcion No. 76, Rio Grande City, Starr County, Texas, from South Texas College, a public community college, for a purchase price of \$441,000, 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 the institution's Starr County Upper Level Center; 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 79th Texas Legislature approved Tuition Revenue Bonds in the amount of \$6 million to fund the construction of the Starr County Upper Level Center. The estimated cost of the facility is \$7.5 million. On August 10, 2006, the Board of Regents approved the use of Revenue Financing System debt to fund the \$1.5 million balance of the facility costs. The Higher Education Assistance Fund (HEAF) will be used to fund the purchase.

Although the subject property is not included in the institution's Campus Master Plan, the 77th Texas Legislature authorized U. T. Pan American to establish an extension campus in Rio Grande City if the institution elected to enter into a cooperative agreement with South Texas College to offer upper-division courses (*Texas Education Code Section 77.12*).

10. U. T. System: Report and discussion of enrollment management including potential changes in admission standards, retention, and graduation rates

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

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 81 - 86).--Acting Committee Chairman Caven 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. M. D. Anderson Cancer Center: Authorization to purchase approximately 28,195 square feet of unimproved land located at 7605 Alameda Road, also known as Lots 1 and 2, Block 40 and the abandoned portion of Pawnee Street located between Blocks 40 and 41, Institute Place, Houston, Harris County, Texas, from MDM Realty, L.L.C., a Texas limited liability company, for a purchase price not to exceed fair market value as established by independent appraisals for future use 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 28,195 square feet of unimproved land located at 7605 Alameda Road, also known as Lots 1 and 2, Block 40, Institute Place, Houston, Harris County, Texas, and the abandoned portion of Pawnee Street located between Blocks 40 and 41, Institute Place, Houston, Harris County, Texas, from MDM Realty, L.L.C., a Texas limited liability company, 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 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.

Acquisition of the subject property is part of the land assemblage being undertaken by U. T. M. D. Anderson Cancer Center to accommodate the relocation of important but noncritical functions that will allow greater use of core facilities in the Texas Medical Center for patient treatment and research. Although the property is not within the most recent Campus Master Plan, it represents a strategic acquisition for the institution.

The subject tract is adjacent to a 2.2497-acre tract on Almeda Road that was recently purchased by the institution pursuant to authority granted by the Board of Regents on February 8, 2007. The site is also directly across the railroad tracks from a 28.8008-acre tract that was also approved for acquisition by the Board on February 8, 2007. The subject property is adjacent to a 24,829-square foot tract approved for acquisition from Mr. and Mrs. Jerald W. Fletcher, Jr., and Soapy Sam's Car Wash, Inc., a Texas corporation (see Item 2 below).

U. T. M. D. Anderson Cancer Center has concluded that the main campus in the Texas Medical Center and the south campus should be reserved for use for research and critical patient care functions. Accordingly, many administrative and support activities currently in the main and south campuses will be relocated to the area in which the subject property and adjacent tracts are located to allow expansion of the research and patient care functions on the main and south campuses.

The acquisition will be funded with Local Hospital Revenues.

2. U. T. M. D. Anderson Cancer Center: Authorization to purchase approximately 24,829 square feet of land and improvements located at the northeast corner of Lydia Avenue and Almeda Road, also known as Lots 3, 4, 5, and 6, Block 40, Institute Place, Houston, Harris County, Texas, from Mr. Jerald W. Fletcher, Jr., Mrs. Dorothy Fletcher, and Soapy Sam's Car Wash, Inc., a Texas corporation, for a purchase price not to exceed fair market value as established by independent appraisals for future use for campus administrative and support functions

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

- a. purchase approximately 24,829 square feet of land and improvements located at the northeast corner of Lydia Avenue and Almeda Road, also known as Lots 3, 4, 5, and 6, Block 40, Institute Place, Houston, Harris County, Texas, from Mr. Jerald W. Fletcher, Jr., Mrs. Dorothy Fletcher, and Soapy Sam's Car Wash, Inc., a Texas corporation, 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 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 is presently used as a commercial coin-operated car wash and is part of the land assemblage being undertaken by U. T. M. D. Anderson Cancer Center to accommodate the relocation of important but noncritical functions that will allow greater use of core facilities in the Texas Medical Center for patient treatment and research. Although the property is not within the most recent Campus Master Plan, it represents a strategic acquisition for the institution.

The subject property is adjacent to a 28,195-square foot tract approved for acquisition from MDM Realty, L.L.C., a Texas limited liability company, (see Item 1 on Page 81) that is adjacent to a 2.2497-acre tract on Almeda Road that was recently purchased by U. T. M. D. Anderson Cancer Center pursuant to authority granted by the Board on February 8, 2007. The 2.2497-acre site and the 24,829-square foot and 28,195-square foot tracts are directly across the railroad tracks from a 28.8008-acre tract that was also approved for U. T. M. D. Anderson Cancer Center's acquisition by the Board on February 8, 2007.

U. T. M. D. Anderson Cancer Center has concluded that the main campus in the Texas Medical Center and the south campus should be reserved for use for research and critical patient care functions. Accordingly, many administrative and support activities currently in the main and south campuses will be relocated to the area in which the subject property and adjacent tracts are located to allow expansion of the research and patient care functions on the main and south campuses.

The acquisition will be funded with Local Hospital Revenues.

3. U. T. Medical Branch - Galveston: Approval of a deferred compensation plan pursuant to Section 457(f) of the *Internal Revenue Code of 1986, as amended*

Pursuant to Section 457(f) of the *Internal Revenue Code of 1986, as amended*, the Board authorized establishment and implementation of a deferred compensation plan (the Plan) at The University of Texas Medical Branch at Galveston for selected individuals as identified by the president with approval of the Executive Vice Chancellor for Health Affairs subject to review and approval of the Vice Chancellor and General Counsel.

The purpose of the Plan is to competitively recruit and encourage retention of individuals key to the success of U. T. Medical Branch - Galveston. The structure of the Plan will allow deferral of compensation pursuant to Section 457(f) of the *Internal Revenue Code*, similar to The University of Texas System Deferred Compensation Plan.

The details of the Plan are as follows:

- a. Certain individuals (Eligible Employees) as designated by the president, with the approval of the Executive Vice Chancellor for Health Affairs, will be determined to be eligible for deferred compensation under the Plan on an annual basis.
- b. The deferrals will be for a minimum of three years as determined by the president, with the approval of the Executive Vice Chancellor for Health Affairs.
- c. During the deferral period, U. T. Medical Branch - Galveston may make approved payments on an annual basis to a separate deferred compensation account in the name of each Eligible Employee.
- d. At the end of the deferral period, the Eligible Employee will become vested in the contributed payments and any applicable earnings thereon. At that time, all payments and applicable earnings will be considered taxable income to the Eligible Employee.
- e. The Eligible Employee must be employed by U. T. Medical Branch - Galveston and performing satisfactorily at the end of the deferral period to receive payment of any and all deferred monies and applicable earnings thereon.
- f. Once vested, the Eligible Employee will receive a lump sum distribution as soon as practicable after the date the Eligible Employee has vested in such benefits, but not later than two and one-half (2 1/2) months after the date of said vesting.

4. U. T. Health Science Center - San Antonio: Approval of revised Mission Statement

The Board approved the revised Mission Statement for The University of Texas Health Science Center at San Antonio as set forth on Page 85 and authorized submission to the Texas Higher Education Coordinating Board for approval. Changes to the Mission Statement were last approved by The University of Texas System Board of Regents on February 11, 1999.

Mission Statement

The mission of The University of Texas Health Science Center at San Antonio is to:

- educate a diverse student body to become excellent health care providers and scientists
- engage in biomedical research focused on seeking information fundamental to the prevention, diagnosis and treatment of disease
- provide compassionate and culturally competent state-of-the-art clinical care
- enhance community health awareness, education and practices thereby improving the wellness of the citizenry.

Approved by the U. T. System Board of Regents on 11/9/2007.

5. U. T. Health Science Center - San Antonio: Approval of a Doctor of Physical Therapy (DPT) degree program

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

- a. establish a Doctor of Physical Therapy (DPT) degree program at The University of Texas Health Science Center at San Antonio; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

The DPT degree program will replace the current Master of Physical Therapy (MPT) degree program at U. T. Health Science Center - San Antonio. The DPT is a professional doctoral qualification that enables recipients to be eligible for state licensure to practice physical therapy in Texas. Curricular changes will focus on the practitioner's ability to provide primary access to care.

The DPT degree program will be offered through the Department of Physical Therapy in the School of Allied Health Sciences and will compliment and be supported by other professional programs offered in the allied health sciences and other schools of the institution. The DPT degree will be an eight-semester program consisting of 100 credit hours, including didactic work and 34 weeks of full-time supervised clinical practice. The current core faculty consists of eight full-time employees, seven of whom have doctoral degrees. Several adjunct faculty members and clinical instructors also assist with teaching.

The DPT degree program will be self-sufficient since it will replace the current MPT program, which is self-supporting with a class limit of 40 students. Since the current MPT program is a seven-semester, three-year program, there will be a minimal difference in cost to the student. Funding sources associated with the current MPT program will be used to support the new DPT program, and reallocation of \$40,000 within the School of Allied Health Sciences will be used to cover new faculty salaries. The institution's Department of Physical Therapy has a wide range of teaching and research equipment, sufficient to meet the requirements of a DPT program, and institutional facilities are particularly well suited for the education and training of allied health professionals.

6. U. T. System: Report on governance of faculty practice plans

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

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

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

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 87 - 110).--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: Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to include six projects with funding from Permanent University Fund Bond Proceeds

- U. T. Arlington Center for Structural Engineering Research
- U. T. Arlington Fire and Life Safety Projects
- U. T. El Paso College of Health Sciences/School of Nursing
- U. T. San Antonio Fire and Life Safety Projects
- U. T. Health Science Center - Houston Fire and Life Safety Projects
- U. T. Health Science Center - San Antonio Fire and Life Safety Projects

The Board amended the FY 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to include recommendations for six projects as set out in Table 1 on Page 89 and as set forth below:

- a. include two new construction projects for the Center for Structural Engineering Research at The University of Texas at Arlington and the College of Health Sciences/School of Nursing at The University of Texas at El Paso; and
- b. include the four repair and rehabilitation fire and life safety projects at The University of Texas at Arlington, The University of Texas San Antonio, The University of Texas Health Science Center at Houston, and The University of Texas Health Science Center at San Antonio; appropriate funds and authorize expenditure; and authorize institutional management.

On August 23, 2007, the U. T. System Board of Regents approved the allocation of \$177,200,000 of Permanent University Fund (PUF) Bond Proceeds for 13 capital projects. Six of these capital projects are being included in the FY 2008-2013 CIP with a total project cost of \$106,500,000 with \$87,500,000 allocated from PUF.

The total project cost of the four fire and life safety repair and rehabilitation projects is \$12,500,000 with funding from PUF. The four institutional Facilities Management personnel have the experience and capability to manage all aspects of the work.

PUF funding for the two new construction projects totals \$75,000,000. The approval of total project costs, design development plans, and appropriation of funding will be brought back to the Board at a later date.

These off-cycle projects have been approved by The University of Texas System staff and meet the criteria for inclusion in the CIP.

Projects to be included in CIP

(\$ in millions)

Project Name	Project Type	TPC	PUF	Gifts	Project Description
UT Arlington Center for Structural Engineering Research	New construction	\$ 34.0	\$ 25.0	\$ 9.0	Plans include three floors, basement, and penthouse of office space and reaction floor research space, totaling 84,500 sq. ft., constructed on donated land. This is one of the campus key research and industry collaboration areas. \$4 million is available in "in-kind" contributions toward the total cost.
Fire and Life Safety Projects		\$ 4.3	\$ 4.3		
UT El Paso College of Health Sciences/School of Nursing	New construction	\$ 60.0	\$ 50.0	\$ 10.0	Health sciences complex located on or contiguous to the main campus & near major health facilities to house health-related programs & activities. Note: Would serve one of UTEP's and the region's fastest growing educational and employment areas. No other source of funding is available. Project is for Phase I construction.
Fire and Life Safety Projects		\$ 0.4	\$ 0.4		
UT San Antonio					
Fire and Life Safety Projects		\$ 0.9	\$ 0.9		
Health Science Ctr Houston					
Fire and Life Safety Projects		\$ 6.9	\$ 6.9		
Health Science Ctr San Antonio					
Fire and Life Safety Projects		\$ 6.9	\$ 6.9		
TOTAL PROJECTS		<u>\$106.50</u>	<u>\$ 87.50</u>	<u>\$ 19.0</u>	

TOTAL: NET OF FIRE AND LIFE SAFETY

\$ 12.50

High priority projects include installation of fire alarms, fire sprinkler systems, fire pumps, smoke exhausts, and means of egress. Categories of buildings affected are medical facilities (patient care), high-rise buildings, large assembly occupancies, highly populated academic buildings with lecture auditoriums and large traffic flows, and laboratory or special hazard use buildings.

Recommendations:

1. Fire and Life Safety Projects to be institutionally managed
2. New construction to be brought back to the Board for design development approval at a later date

Investment Metrics:

UT Arlington Center for Structural Engineering Research: 1. Increase research funding - \$5.0 million by Year 5, \$10.0 million by Year 10, and \$10.0 to \$15.0 million in subsequent years. 2. Increased enrollment and number of graduates, currently 305 undergraduate civil engineering students; increase to 500 in Year 5. 3. Improve recruitment of highly regarded faculty, new research scientists, and raise national program ranking to top 25 in Year 7.

UT El Paso College of Health Sciences/School of Nursing: By the year 2015: 1. Increase external research funding in health sciences. 2. Enrollment in master's degree programs will more than double. 3. Enrollment in doctoral programs in the health professions will increase from 15 to 175. 4. Enrollment in each of the undergraduate nursing programs will increase by 30%. 5. The number of degrees awarded annually in health-related disciplines at all levels will increase by more than 50%. 6. Endowment funding in the College of Health Sciences and in the School of Nursing will double.

2. U. T. Arlington: Parking Garage for South Campus - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to include project

The Board amended the FY 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to include the Parking Garage for South Campus project at The University of Texas at Arlington as follows:

Project No.:	301-372	
Project Delivery Method:	Design/Build	
Substantial Completion Date:	July 2009	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$10,867,000
	Unexpended Plant Funds	<u>\$10,868,000</u>
		\$21,735,000

- Investment Metrics:**
- Facility replaces all student parking spaces lost due to construction/capital projects through 2010/2011
 - Revenue will be sufficient to offset debt service and operating costs

The parking garage will include construction of a new five-story structure of approximately 434,760 gross square feet to accommodate 1,449 vehicles. The structure will be located at the intersection of South Cooper and West Mitchell Streets, and will be used for general student parking as existing lots are removed for campus growth and for construction of facilities.

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

3. U. T. Austin: Computer Sciences Building - Phase 2 - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to include project

The Board amended the FY 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to include the Computer Sciences Building - Phase 2 project at The University of Texas at Austin as follows:

Project Delivery Method:	Construction Manager at Risk	
Substantial Completion Date:	March 2012	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Gifts	\$53,000,000

Investment Metrics:

- Will enhance Computer Sciences (CS) retention and recruitment efforts by 2012
- Will facilitate efforts to enhance the stature of the CS department by 2012
- Will provide desperately needed space for CS research labs, offices, classrooms, lecture halls, and social meeting/study spaces by 2012

The Department of Computer Sciences currently occupies space in portions of five different buildings scattered across the U. T. Austin campus. The Department's goal is to bring the entire Computer Sciences faculty together in a new building complex adjacent to the Applied Computational Engineering and Sciences (ACES) Building with laboratory, office, and classroom space.

The Department's 2005 endowment proposal identified over 230,000 gross square feet (GSF) of space needed to meet current demand and projected growth. The Dell Computer Science Hall, previously approved by the U. T. System Board of Regents, will provide 133,000 GSF to meet this need. The Computer Sciences Building project will provide 97,000 GSF for a second phase to provide the total amount of space necessary to meet the future needs of the Department.

The Department of Computer Sciences currently occupies approximately 60,000 GSF in T. U. Taylor Hall. This project may require that T. U. Taylor Hall be replaced to provide space to construct the Computer Sciences Building and achieve optimal utilization of the available land area.

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

4. U. T. Austin: Houston Research Center Warehouse Addition - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to include project; approval of total project cost; appropriation of funds and authorization of expenditure; authorization of institutional management; and resolution regarding parity debt

The Board amended the FY 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to include the Houston Research Center Warehouse Addition project at The University of Texas at Austin as follows:

Project No.:	102-373	
Institutional Managed:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	December 2008	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$1,500,000

Investment Metrics:

- House 200,000 additional geological research drilling core storage boxes by 2008/09
 - Increased research resource by 2008/09
- a. approve a total project cost of \$1,500,000 with funding from Revenue Financing System Bond Proceeds;
 - b. appropriate and authorize expenditure of funds;
 - c. authorize U. T. Austin to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts; 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. 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 \$1,500,000.

Debt Service

The \$1,500,000 in Revenue Financing System debt will be repaid from interest on local funds. Annual debt service on the \$1,500,000 Revenue Financing System debt is expected to be \$155,000. The institution's debt service coverage is expected to be at least 1.7 times and average 2.0 times over FY 2008-2013.

Project Description

The project will consist of a 26,000 square foot addition to an existing warehouse in Houston, Texas, for additional storage of geologic cores and cuttings used for research conducted by the Bureau of Economic Geology, a

part of the John A. and Katherine G. Jackson School of Geosciences. The Bureau of Economic Geology recently received major donations of geologic core materials, which require immediate action to support storage and preservation of these valuable assets for future research activities.

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

5. U. T. Austin: Indoor Tennis Facility at Whitaker Fields - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to include project

The Board amended the FY 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to include the Indoor Tennis Facility at Whitaker Fields project at The University of Texas at Austin as follows:

Project No.:	102-371	
Project Delivery Method:	Construction Manager at Risk	
Substantial Completion Date:	April 2010	
Total Project Cost:	<u>Source</u> Gifts	<u>Current</u> \$8,000,000
Investment Metrics:	<ul style="list-style-type: none">• Enclose 6 courts for use during inclement weather by 2010• Be able to host a NCAA event by 2010• Provide recreational opportunities for an additional 2400 students/faculty/staff	

The project will include construction of a new structure to enclose six tennis courts at Whitaker Fields located at 51st and Guadalupe Streets. The new structure will include courts, lighting and air conditioning, necessary circulation space, required restroom and dressing areas, a small lobby and spectator amenities, and necessary site work and parking modifications.

An indoor tennis facility will permit the varsity tennis teams to play and practice indoors in inclement weather. It will also enhance the ability to secure the right to host National Collegiate Athletic Association (NCAA) sanctioned championship events. The Department of Recreational Sports will use the facility for faculty, staff, and students.

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

6. U. T. Austin: Renovation of E. P. Schoch Building - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to include project; approval of total project cost; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board amended the FY 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to include the Renovation of E. P. Schoch Building project at The University of Texas at Austin as follows:

Project No.: 102-374
Project Delivery Method: Construction Manager at Risk
Substantial Completion Date: July 2009
Total Project Cost:

<u>Source</u>	<u>Current</u>
Revenue Financing System Bond Proceeds	\$10,000,000

Investment Metrics:

- Will enhance retention and recruitment effort by 2009/10
- Will facilitate efforts to enhance the stature of the Jackson School of Geosciences by 2009/10
- Will provide needed space for research labs, faculty offices, and classrooms by 2009/10

- a. approve a total project cost of \$10,000,000 with funding from Revenue Financing System Bond Proceeds;
- b. appropriate and authorize expenditure of funds; 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. 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 \$10,000,000.

Debt Service

The \$10,000,000 in Revenue Financing System debt will be repaid from interest on local funds. Annual debt service on the \$10,000,000 Revenue Financing System debt is expected to be approximately \$772,000. The institution's debt service coverage is expected to be at least 1.7 times and average 2.0 times over FY 2008-2013.

Project Description

The John A. and Katherine G. Jackson School of Geosciences is experiencing a significant increase in the number of faculty positions to support the strategic plan to place the School at the forefront of research, student services, and student opportunities. This project includes renovations of approximately 48,980 gross square feet to the interior of the existing E. P. Schoch Building.

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

- 7. U. T. Southwestern Medical Center - Dallas: Biotechnology Development Complex - Phase I Finish Out - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to include project; approval of total project cost; appropriation of funds and authorization of expenditure; authorization of institutional management; and resolution regarding parity debt

The Board amended the FY 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to include the Biotechnology Development Complex - Phase I Finish Out project at The University of Texas Southwestern Medical Center at Dallas as follows:

Project No.: 303-375
Institutionally Managed: Yes No
Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: February 2010
Total Project Cost:

Revenue Financing System Bond Proceeds	\$13,500,000

- Investment Metrics:**
- Occupy/lease 1/3 of the space by 2010 with at least 1 biotech tenant
 - Occupy/lease 2/3 of space by 2012 with biotech tenants numbering at least 2 or occupying 1/3 of space
 - Occupy/lease all space by 2014 with biotech tenants numbering at least 4 or occupying 2/3 of space

- a. approve a total project cost of \$13,500,000 with funding from Revenue Financing System Bond Proceeds;
- b. appropriate and authorize expenditure of funds;
- c. authorize U. T. Southwestern Medical Center - Dallas to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts; 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. 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 \$13,500,000.

Debt Service

The \$13,500,000 in Revenue Financing System debt will be repaid from lease revenues. Annual debt service on the \$13,500,000 Revenue Financing System debt is expected to be approximately \$1,000,000. The institution's debt service coverage is expected to be at least 1.7 times and average 2.2 times over FY 2008-2013.

Project Description

The interior modifications will finish out Levels 2 and 3 of the Biotechnology Development Complex - Phase 1. During the design of the Phase 1 building, it was determined that it would be better to remove the tenant improvement (TI) allowances and create a separate project to fully fund the finish-out space as the tenants were identified. Funds for the finish-out work will be accessed when leases are entered into with tenants. The work will include the finish out of 58,500 rentable square feet as a mix of offices and laboratories (see Item 13 on Page 104).

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

8. U. T. Health Science Center - Houston: Center for Clinical and Translational Science - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to include project; approval of total project cost; appropriation of funds and authorization of expenditure; and authorization of institutional management

The Board amended the FY 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to include the Center for Clinical and Translational Science (CCTS) project at The University of Texas Health Science Center at Houston as follows:

Project Delivery Method: Competitive Sealed Proposals

Institutional Managed: Yes No

Substantial Completion Date: February 2008

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Auxiliary Enterprise Balances	\$2,800,000

Investment Metrics:

- Clinical and translation researchers under the auspices of the CCTS. Postdoctoral and junior faculty – 12-14 per year by the 4th quarter 2008; predoctoral – 15-20 per year
- Number of clinical researchers (faculty, staff and trainees housed) within the CCTS – 40 by 4th quarter 2008
- Number of clinical and translational research projects supported by the components of the CCTS – 150 by 2009
- Annual growth rate in total sponsored research funding for clinical and translational research – 5% per year

- a. approve a total project cost of \$2,800,000 with funding from Auxiliary Enterprise Balances;
- b. appropriate and authorize expenditure of funds; and
- c. authorize U. T. Health Science Center - Houston to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

The CCTS is the result of a \$36 million grant from National Institutes of Health (NIH) designed to spur research innovation so new treatments can be developed more efficiently and delivered more quickly to patients. The CCTS

at U. T. Health Science Center - Houston is one of the first such centers in the nation and the only one in Texas. The Center will have participation from U. T. M. D. Anderson Cancer Center, The University of Texas School of Public Health at Houston's Brownsville Regional Campus, and Memorial Hermann Healthcare System as collaborative partners in this research program.

The CCTS will occupy the eleventh floor of the U. T. Professional Building, which is approximately 18,000 gross square feet. This project is for the CCTS renovations as well as associated renovations needed on other floors to create the contiguous space on the eleventh floor. The space will house offices and meeting spaces to accommodate a think-tank type of environment for the various departments and visiting scientists that will inhabit the CCTS.

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

9. U. T. Arlington: Civil Engineering Laboratory Building - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to increase the total project cost; approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Deferred)

The item related to the Civil Engineering Laboratory Building at The University of Texas at Arlington was deferred.

10. U. T. Austin: Library and Artifact High-Density Repository (formerly Library Storage Facility) - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to increase the total project cost; approval of design development; appropriation of funds and authorization of expenditure; and approval of evaluation of alternative energy economic feasibility

The Board approved the recommendations for the Library and Artifact High-Density Repository (formerly Library Storage Facility) project at The University of Texas at Austin as follows:

Project No.: 102-016
Project Delivery Method: Construction Manager at Risk
Substantial Completion Date: March 2009

Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Designated Funds	\$4,800,000	\$5,875,000
	Unexpended Plant Funds		<u>\$1,250,000</u>
			\$7,125,000

- Investment Metrics:**
- Essential component of the U. T. Austin Libraries collections program to provide long-term storage and preservation for approximately 1.6 million print volumes. Current staff at Collection Deposit Library (CDL) (2) will move to Pickle Research Center. No new FTE. By 2009/10.
 - By placing needed, but lesser-used, scholarly materials in high-density storage, campus libraries will not require expanded space and can, in fact, relinquish space to be used for more critical U. T. Austin campus needs. Will facilitate vacating + 60,000 square feet at CDL. By 2010/11.
 - An agreement with The Texas A&M University System to partner in this project assures that volumes held in storage will be considered as “resources in common” and will prevent the storage of duplicate items, thus maximizing the use of the high-density shelving. By 2009/10.
- a. amend the FY 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to increase the total project cost from \$4,800,000 to \$7,125,000;
 - b. approve design development plans;
 - c. appropriate and authorize expenditure of funds of \$5,875,000 from Designated Funds and \$1,250,000 from Unexpended Plant Funds; and
 - d. approve the evaluation of alternative energy economic feasibility.

Previous Board Actions

On August 12, 1999, the project was included in the CIP with a total project cost of \$4,300,000 with funding of \$3,800,000 from Designated Funds and \$500,000 from Permanent University Fund (PUF) Bond Proceeds. On August 9, 2001, the Board approved design development plans and increased the total project cost to \$4,800,000 with funding from Designated Funds. On February 13, 2006, the Associate Vice Chancellor for Facilities Planning and Construction approved the nonhonorific renaming of the facility to the Library and Artifact High-Density Repository.

Project Description

The project consists of 12,882 gross square feet to provide a new temperature and humidity controlled high-density storage building and support area to double the amount of storage available at the Library Storage Facility on the J. J. Pickle Research Campus and to provide a public service

area for visitors to conduct research using materials located at the site. The increase in total project cost will revise the original design development approval in 2001, and includes the complete finish-out of the facility.

The existing facility houses some components of the Texas Memorial Museum and the Institute for Geophysics and is currently filled to capacity. Because acquisition of new information resources in paper will continue, and on-campus library space will most likely not increase, the need for additional off-site storage will only increase.

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.

The economic impact of the project was reported to The University of Texas System Board of Regents as part of the design development presentation.

11. U. T. Austin: San Antonio Garage Additional Parking Levels (formerly Nueces Garage) - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to increase the total project cost; approval of design development; 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 San Antonio Garage Additional Parking Levels project at The University of Texas at Austin as follows:

Project No.:	102-246		
Project Delivery Method:	Design-Build		
Substantial Completion Date:	April 2009		
Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$8,500,000	\$8,800,000

Investment Metrics:

- Continues to be a self-sustaining facility by 2009
 - Reduces the number of people on the waiting list for that garage by 2009
 - Able to adequately offer more resident parking for the students living in the recently built Almetris Duren Residence Hall
 - Continues to fulfill the Campus Master Plan of having visitor parking directed toward the perimeter of campus by 2009
 - Increase the capacity of the current parking garage by two levels and 315 parking spaces for a total of 1,040 spaces by 2009
 - Increase revenues by over \$700,000 annually by 2009
- a. amend the FY 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to increase the total project cost from \$8,500,000 to \$8,800,000;
- b. approve design development plans;
- c. appropriate 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. 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 \$8,800,000.

Debt Service

The \$8,800,000 in Revenue Financing System debt will be repaid from parking revenues. Annual debt service on the \$8,800,000 in Revenue Financing System debt is expected to be approximately \$625,000. The project's debt service coverage is expected to be at least 1.3 times and average 1.3 times over FY 2010-2015.

Previous Board Action

On May 11, 2006, the Nueces Garage was redesignated as the San Antonio Garage Additional Parking Levels project and included in the CIP with a total project cost of \$8,500,000 with funding from Revenue Financing System Bond Proceeds.

Project Description

The San Antonio Garage located at 25th and San Antonio Street was originally constructed in 1992. The existing parking structure comprises four supported levels and one grade level and provides parking for 725 vehicles. The exterior facade is brick clad with capstones at the top of the spandrel walls. The structure was engineered to accommodate this expansion. The project will add two floors and 315 spaces to the existing parking garage while maintaining the same exterior appearance. The completed project will provide 1,040 parking spaces. U. T. Austin requested the increase to the total project cost to include the funding of capitalized interest.

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 an addition to an existing building. Therefore, the Project Architect prepared a renewable energy 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.

The economic impact of the project was reported to The University of Texas System Board of Regents as part of the design development presentation.

12. U. T. Dallas: Student Housing Living/Learning Center - Approval of design development; 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 Housing Living/Learning Center project at The University of Texas at Dallas as shown on the following page.

Project No.: 302-325
Project Delivery Method: Construction Manager at Risk
Substantial Completion Date: May 2009
Total Project Cost: Source Current
Revenue Financing System Bond Proceeds \$37,800,000

- Investment Metrics:**
- On-campus housing and food service capacity for 400 students
- a. approve design development plans;
 - b. appropriate and authorize expenditure of funds;
 - c. approve the evaluation of alternative energy economic feasibility; 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 \$37,800,000.

Debt Service

The \$37,800,000 in Revenue Financing System debt will be repaid from rental income. Annual debt service on the \$37,800,000 Revenue Financing System debt is expected to be approximately \$2,800,000. The project's debt service coverage is expected to reach 1.3 times in FY 2014. The institution expects to use Unexpended Fund Balances to retire a portion of the short-term financing before the project is permanently financed with bonds in approximately FY 2010.

Previous Board Action

On November 16, 2006, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$37,800,000 with funding from Revenue Financing System Bond Proceeds.

Project Description

The project will consist of 404 student beds with amenities such as a recreation/lounge area with kitchen, study rooms, mail room, laundry room, and an outdoor basketball court. Complimenting the student housing building is a separate 550 person capacity food service facility connected to the existing student union. The expanded food service facility provides a lounge area, separated faculty dining/university reception room with pre-function lobby, and exterior courtyard. Current facilities are operating at close to 100% occupancy with 200 students on the waiting list.

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 an addition to an existing building. Therefore, the Project Architect prepared a renewable energy 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.

The economic impact of the project was reported to The University of Texas System Board of Regents as part of the design development presentation.

- 13. U. T. Southwestern Medical Center - Dallas: Biotechnology Development Complex - Phase I - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to decrease the total project cost; approval of design development; 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 Biotechnology Development Complex - Phase I project at The University of Texas Southwestern Medical Center at Dallas as follows:

Project No.:	303-375		
Institutionally Managed:	Yes	<input checked="" type="checkbox"/>	No <input type="checkbox"/>
Project Delivery Method:	Competitive Sealed Proposals		
Substantial Completion Date:	February 2010		
Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$46,100,000	\$39,700,000

Investment Metrics:

- Occupy/lease 1/3 of the space by 2010 with at least 1 biotech tenant
 - Occupy/lease 2/3 of space by 2012 with biotech tenants numbering at least 2 or occupying 1/3 of space
 - Occupy/lease all space by 2014 with biotech tenants numbering at least 4 or occupying 2/3 of space
- a. amend the FY 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to decrease the total project cost from \$46,100,000 to \$39,700,000;
 - b. approve design development plans;
 - c. appropriate 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. 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 \$39,700,000.

Debt Service

The \$39,700,000 in Revenue Financing System debt will be repaid from lease revenues. Annual debt service on the \$39,700,000 in Revenue Financing System debt is expected to be approximately \$3,000,000. The institution's debt service coverage is expected to be at least 1.7 times and average 2.2 times over FY 2008-2013.

Previous Board Action

On August 10, 2006, the project was included in the CIP with a total project cost of \$46,100,000 with funding from Revenue Financing System Bond Proceeds.

Project Description

The project consists of a three-story building with 110,000 gross square feet to accommodate biomedical research and commercial development and marketing of U. T. Southwestern Medical Center - Dallas. Space would be leased to biotechnology companies that would have a symbiotic relationship with U. T. Southwestern Medical Center - Dallas. The project includes the building shell and core, site utilities, parking, and driveways. Only one floor of finish-out work is included in this project. The remaining construction of two floors will be completed in a subsequent project. The project would also include the demolition of an existing garage and warehouse structures left on the site after the property was purchased from the City of Dallas.

The original total project cost included tenant improvement (TI) allowances and a TI allowance reserve. During the design of the project, it was determined that the total project cost should be reduced by removing the TI allowances and requesting a separate project to finish out Levels 2 and 3 as tenants are identified (see Item 7 on Page 95).

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 an addition to an existing building. Therefore, the Project Architect prepared a renewable energy 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.

The economic impact of the project was reported to The University of Texas System Board of Regents as part of the design development presentation.

14. U. T. M. D. Anderson Cancer Center: Center for Targeted Therapy Research Building (formerly U. T. Research Park Building 4) - Approval of design development; 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 Center for Targeted Therapy Research Building (formerly U. T. Research Park Building 4) project at The University of Texas M. D. Anderson Cancer Center as shown on the following page.

Project No.: 703-328
Institutionally Managed: Yes No
Project Delivery Method: Construction Manager at Risk
Substantial Completion Date: August 2010

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Tuition Revenue Bond Proceeds	\$40,000,000
	Permanent University Fund Bond Proceeds	\$30,000,000
	Hospital Revenues	<u>\$25,400,000</u>
		<u>\$95,400,000</u>

Investment Metrics:

- House 50 principal investigators by 2011
- 45% growth in graduate students by 2015
- 50% growth in new extramural research funding by 2015
- Establish RNAi Molecular Biology Screening Program by 2011

- a. approve design development plans;
- b. appropriate and authorize expenditure of funds;
- c. approve the evaluation of alternative energy economic feasibility; 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. M. D. Anderson Cancer Center, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$40,000,000.

Debt Service

The 79th Legislature authorized \$40,000,000 of Tuition Revenue Bonds for a center for targeted therapy research building. While the debt service is payable from pledged revenues, it is expected that the State will reimburse debt service on Tuition Revenue Bonds through general revenue appropriations.

Previous Board Actions

On August 11, 2005, the project was included in the Capital Improvement Program (CIP) as the U. T. Research Park Building 4 with a total project cost of \$70,000,000 with funding of \$10,000,000 from Hospital Revenues, \$25,000,000 from Gifts, and \$35,000,000 from Revenue Financing System Bond Proceeds. On June 27, 2006, the project was redesignated as the Center for Targeted Therapy Research Building by the Associate Vice Chancellor for Facilities Planning and Construction. On August 10, 2006, the Board approved the funding source revision to \$40,000,000 from Tuition Revenue Bond Proceeds and \$30,000,000 from Permanent University Fund (PUF) Bond Proceeds. With the adoption of the FY 2008-2013 CIP, the total project cost was increased to \$95,400,000 with funding of \$40,000,000 from Tuition Revenue Bond Proceeds, \$30,000,000 from PUF Bond Proceeds, and \$25,400,000 from Hospital Revenues.

Project Description

Pursuant to a Memorandum of Understanding effective August 26, 2004, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Facilities Planning and Construction. The institutionally managed projects are subject to review by the Board of Regents for design development.

The new six-story facility will contain approximately 210,000 gross square feet. The building will house the laboratories and offices of the Department of Experimental Therapeutics including support areas such as cold rooms, dark rooms, and equipment rooms as well as the existing Pharmaceutical Development Center, a melanoma core laboratory, wet laboratories for biomedical engineering, a research medical library satellite, a distance learning center, and a support office complex for the Office of Technology Commercialization, Grants and Contracts, and Legal Services for activities related to intellectual properties and patent review.

The Center for Targeted Therapy will develop and facilitate more effective collaboration and sharing of knowledge with health care providers, extramural researchers, academic institutions, and industry and organizations involved in early cancer detection and treatment. This facility is part of a three-building parcel and provides continuity between adjacent facilities.

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 an addition to an existing building. Therefore, the Project Architect prepared a renewable energy 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.

The economic impact of the project was reported to The University of Texas System Board of Regents as part of the design development presentation.

15. U. T. Austin: Student Activity Center - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to include the Phase I - Liberal Arts project; approval to increase total project cost; and approval to redesignate the project as Student Activity Center/Phase I - Liberal Arts

The Board approved the recommendations for the Student Activity Center project at The University of Texas at Austin as follows:

Project No.: 102-248
Architecturally or Historically Significant: Yes No
Project Delivery Method: Construction Manager at Risk
Substantial Completion Date: September 2010
Total Project Cost:

<u>Source</u>	<u>Former</u>	<u>Current</u>
Revenue Financing System Bond Proceeds	\$44,000,000	\$69,400,000

- Investment Metrics:**
- Increase study and lounge space for students in the core of campus, some of which will be open very late by 2010
 - Add much needed meeting rooms of various sizes primarily reserved for student groups by 2010
 - Add 40,000 square feet for a Liberal Arts component that will vacate a nearby building for other uses by 2010
- a. amend the FY 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to include the Phase I - Liberal Arts project;
 - b. approve a total project cost of \$69,400,000 with funding from Revenue Financing System Bond Proceeds; and
 - c. redesignate the project as Student Activity Center/Phase I - Liberal Arts.

Previous Board Actions

On May 10, 2006, the project was included in the CIP with a total project cost of \$44,000,000 with funding from Revenue Financing System Bond Proceeds. The Board also designated the project as architecturally significant.

Project Description

The site for the Student Activity Center project, Parking Lot F11, is the last large interior building site on U. T. Austin's main campus. The significance and location of this site demand optimal utilization of the available land area. A comprehensive site analysis conducted by Overland Partners Architects for the Student Activity Center shows 356,000 gross square feet of building space can be accommodated within a building mass that meets the intent of the Campus Master Plan. The 108,000 gross square feet for the Student Activity Center would not optimize the available site. Considering this, other occupants for the phased development of the site are.

The site would be ideal for consolidating Social Science programs within the College of Liberal Arts, the largest undergraduate college on campus. The Social Science programs would complement and provide infrastructure for the Student Activity Center. Relocating these programs would also create expansion opportunities for other programs. The Student Activity Center, as a first phase of development, is much smaller than the preferred building mass for this site. Therefore, the 40,000 gross square foot Phase I - Liberal Arts component is being added to the project.

The John A. and Katherine G. Jackson School of Geosciences is in need of additional space to support expansion within the school's programs and has funding available for this purpose. U. T. Austin has determined that the E. P. Schoch Building, located adjacent to the John A. and Katherine G. Jackson Geological Sciences Building, could provide much needed space if the current occupants from the College of Liberal Arts were relocated. An agreement was reached whereby the School of Geosciences will fund the additional square footage within the Student Activity Center/Phase I - Liberal Arts project in return for the use of the E. P. Schoch Building (see Item 6 on Page 94).

This funding increase is for the first stage of the project, Student Activity Center/Phase I - Liberal Arts. The comprehensive site analysis also included building massing options for a future Phase II 208,000 gross square foot Liberal Arts Building at an estimated cost of \$100,000,000. Phase II - Liberal Arts will be developed and submitted for approval as funds become available.

RECONVENE BOARD OF REGENTS AS COMMITTEE OF THE WHOLE.--At 1:55 p.m., the Board reconvened to consider the following agenda item.

14. U. T. System Board of Regents: Public comments on the Brackenridge Tract Task Force Report

On October 12, 2007, Mr. Larry E. Temple, Chairman of the Brackenridge Tract Task Force, reported the findings and recommendations of the Task Force to The University of Texas System Board of Regents, who accepted the report of the Task Force for further review and discharged the Task Force with appreciation for their work. At that time, Chairman Huffines suggested the Board continue to review the findings and recommendations contained in the report and provide a formal opportunity for additional public comment at the Board's November 2007 meeting.

Chairman Caven said the Task Force worked over a period of 15 months and met 13 times; nearly half of those meetings were open to the public. He then called on the following individuals who had requested to address the members of the Board:

City of Austin Council Member Jennifer Kim
Teri Adams
Katherine Alfredo
Flo Rae Argersinger
Mary Arnold
JJ Baskin
Derek Bassett
Phyllis Capdevielle
Bradley Carpenter
Joseph Carter
Bill Dalton
Robyn T. Emerson
Frances Ferguson
Frank Fernandez
Ana Gonzalez
August Harris
Jonathan Bert Hoopes
Rachel Miles Hoopes
Randy Howry
James Hudson
David Johnson
Kristen Jorgensen
Dick Kemp
Amy Kinkade
François Lévy
Julie Lévy
Linda MacNeilage

Sara Madera
Janet Maycus
Catherine Mitki
Lloyd Morrison
Gil Roebuck
Michael Roemer
Daniel Ryan
Kurt Sauer
Ted Siff
Mark Vane
Dan Velleman
James Vonwolske

Handouts provided are on file in the Office of the Board of Regents.

Following the presentations, Chairman Caven provided the following remarks.

Remarks by Chairman Caven

The Board is committed to following the open and transparent spirit with which the Task Force carried out its charge, and as such we appreciate the remarks, concerns, and suggestions submitted by the public on this important matter. Today's meeting is just one part of a thorough and deliberative process. Several of the issues discussed today relate to campus needs and priorities and those issues will be carefully coordinated through President Powers' office.

I ask members of the Board to carefully review the Task Force Report in the context of the comments received and to be prepared to discuss the Report's findings and recommendations during the Board's December meeting.

As the Board continues to review the Task Force Report and take into consideration comments received from the public and interested parties, the Board will have no comment about the Report. All media questions should be addressed to the U. T. System Director of Public Affairs, Mr. Anthony de Bruyn.

OTHER MATTERS

1. U. T. Southwestern Medical Center - Dallas: Report concerning appointment of Presidential Search Advisory Committee

The membership of the Presidential Search Advisory Committee for The University of Texas Southwestern Medical Center at Dallas is reported for the record. This Committee has been constituted pursuant to the Regents' *Rules and Regulations*, Series 20201.

Presidential Search Advisory Committee
for
The University of Texas Southwestern Medical Center at Dallas

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

Vice Chairman Robert B. Rowling

Regent Robert A. Estrada

Kirk Aquilla Calhoun, M.D., President, The University of Texas Health Center at Tyler

Mr. William Powers, Jr., President, The University of Texas at Austin

Alfred G. Gilman, M.D., Ph.D., Dean, U. T. Southwestern Medical School

Ms. Anne Marie Corgan, Fourth Year Graduate Student, Graduate School of Biomedical Sciences

Louis A. Stool, M.D., President, School of Medicine Alumni Association

Tammy Lightfoot, RN, Clinical Research Manager, Internal Medicine

Joseph L. Goldstein, M.D., Professor, Department of Molecular Genetics

Helen H. Hobbs, M.D., Professor of Internal Medicine

Susan Cox, M.D., Professor of Obstetrics and Gynecology

Mr. Paul M. Bass

Mrs. Rita C. Clements

Mr. Peter O'Donnell

2. U. T. Health Science Center - Houston: Report concerning appointment of Presidential Search Advisory Committee

The membership of the Presidential Search Advisory Committee for The University of Texas Health Science Center at Houston is reported for the record. This Committee has been constituted pursuant to the Regents' *Rules and Regulations*, Series 20201.

Presidential Search Advisory Committee
for
The University of Texas Health Science Center at Houston

Executive Vice Chancellor for Health Affairs Kenneth I. Shine, M.D.
(Chairman)
Regent John W. Barnhill, Jr.
John Mendelsohn, M.D., President, The University of Texas M. D. Anderson
Cancer Center
Dr. David E. Daniel, President, The University of Texas at Dallas
Giuseppe N. Colasurdo, M.D., Dean, School of Medicine
Patricia L. Starck, DSN, Dean, School of Nursing
Ms. Patricia Sanchez, Senior Executive Assistant, Governmental Affairs
Ms. Rosenie Thelus, Graduate Student, School of Public Health
Victoria L. Regan, M.D., President, School of Medicine Alumni Association
Dr. Stephen King, President, School of Public Health Alumni Association
Elmer Victor Bernstam, M.D., Associate Professor, Health Information
Sciences and Internal Medicine
Emily K. Robinson, M.D., Associate Professor, School of Medicine
Ted D. Pate, M.D., Professor, School of Medicine / Dental Branch
Mr. David M. Grimes II
Mr. Jodie L. Jiles
Mrs. Melinda Perrin
Ms. Wilhemina (Beth) E. Robertson
Mr. Christopher B. Sarofim
Mr. Daniel J. Wolterman

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on
February 6 - 7, 2008, in Edinburg, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned
at 3:45 p.m.

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

December 17, 2007

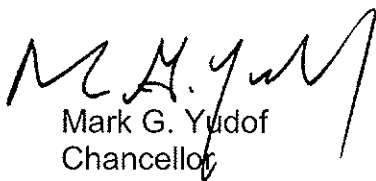
**THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
DOCKET NO. 132**

October 19, 2007

TO MEMBERS OF THE FINANCE AND PLANNING COMMITTEE:

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 November 9, 2007. The 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 - 12
The University of Texas at Austin	Docket 13 - 18
The University of Texas at Brownsville	Docket 19 - 20
The University of Texas at Dallas	Docket 21 - 22
The University of Texas at El Paso	Docket 23 - 36
The University of Texas - Pan American	Docket 37 - 41
The University of Texas at San Antonio	Docket 42 - 46
The University of Texas at Tyler	Docket 47
The University of Texas Southwestern Medical Center at Dallas	Docket 48 - 49
The University of Texas Medical Branch at Galveston	Docket 50 - 54
The University of Texas Health Science Center at Houston	Docket 55
The University of Texas Health Science Center at San Antonio	Docket 56 - 59
The University of Texas M. D. Anderson Cancer Center	Docket 60 - 64


Mark G. Yudof
Chancellor

xc: Other Members of
the Board

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U. T. SYSTEM ADMINISTRATION

CONTRACTS

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

GENERAL CONTRACTS

FUNDS GOING OUT

- Agency: Veoila ES Technical Solutions, L.L.C.

Funds: U. T. System anticipates contracting expenditures of \$1,200,000 per year based on services provided.

Period: September 1, 2007 through August 31, 2008 with the possibility of four contract extensions.

Description: As requested, Veoila ES Technical Solutions, L.L.C. will provide hazardous and other regulated waste management and disposal options to U. T. System institutions on a nonexclusive basis. Veoila ES Technical Solutions, L.L.C. was selected from five companies who submitted proposals as part of a competitive bid process.

AMENDMENTS TO THE 2006-07 BUDGET

TRANSFERS OF FUNDS

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

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
LIBRARY SPECIAL COLLECTIONS RESERVE		
1. Amount of Transfer:	36,525	2101

From: U. T. System Administration

To: U. T. Arlington

Transfer funds from the Library Special Collections Reserve to U. T. Arlington for the purchase of four Mexican War-era collections. The collections will be added to the holdings of the U. T. Arlington Library's Special Collections to complement a prominent and comprehensive collection of Mexican War research materials.

REAL ESTATE REPORT

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

Summary Report at August 31, 2007

	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 5/31/07	\$ 3,665,532	\$ 29,915,328	\$ 105,390,220	\$ 223,417,444	\$ 1,021,980	\$ 946,851	\$ 110,077,732	\$ 254,279,623
Increase or Decrease	520,001	(370,170)	219,001	59,048,022	137,270	242,915	876,272	58,920,767
Ending Value 8/31/07	\$ 4,185,533	\$ 29,545,158	\$ 105,609,221	\$ 282,465,466	\$ 1,159,250	\$ 1,189,766	\$ 110,954,004	\$ 313,200,390
Other Real Estate:								
Ending Value 5/31/07	\$ 99,660	\$ 99,660	\$ 167,970	\$ 167,970	\$ -	\$ -	\$ 267,630	\$ 267,630
Increase or Decrease	(1,183)	(1,183)	(6,178)	(6,178)	-	-	(7,361)	(7,361)
Ending Value 8/31/07	\$ 98,478	\$ 98,478	\$ 161,791	\$ 161,791	\$ -	\$ -	\$ 260,269	\$ 260,269

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

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: DMG Commercial Construction Services, Inc.
Funds: \$3,000,000 estimated
Period: May 10, 2007 through May 9, 2010
Description: Job Order Contracting for renovations and general contracting services for miscellaneous facility space renovation projects.

AMENDMENTS TO THE 2007-08 BUDGET

TRANSFERS OF FUNDS

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

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
FINANCE AND ADMINISTRATION		
Plant Funds		
1. Amount of Transfer:	800,000	2261
From: Fire and Life Safety Infrastructure Improvement – LERR allocation	800,000	
To: Campus Infrastructure Repairs/ Safety Corrections	352,031	
Life Science 6 th Floor Lab Renovations	250,000	
Department of Art Slide Library	97,400	
Department of Music Recording Technology	100,569	

Transfer the Library, Equipment, Repair and Rehabilitation (LERR) Fire and Safety Infrastructure Improvements allocation to other high priority LERR projects that were on U. T. Arlington's original LERR request but were not funded by the LERR. Funding for the Fire and Life Safety Infrastructure improvements project will be funded with other university funds.

AMENDMENTS TO THE 2006-07 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

<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 Instruction					
Professor					
2. Marc Schwartz (T)	6/1-8/31	75	09	125,000	2146
Kinesiology					
Professor and Chairperson					
3. John B. Buckwalter (T)	6/1-8/31	75	09	100,000	2141
COLLEGE OF LIBERAL ARTS					
English					
Associate Professor					
4. Penelope Ingram (T)	6/1-8/31	60	09	65,000	2142
Associate Professor					
5. Cedric May (T)	6/1-8/31	90	09	60,000	2145
COLLEGE OF SCIENCE					
Mathematics					
Professor					
6. Shan Sun-Mitchell (T)	6/1-8/31	50	09	90,000	2147
Physics					
Professor					
7. Ramon E. Lopez (T)	6/1-8/31	100	09	130,000	2144
COLLEGE OF ENGINEERING					
Civil Engineering					
8. Syed R. Qasim					2214
From: Professor (T)		100	09	102,143	
To: Professor Emeritus	6/5-8/31			0	

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

TENURE APPOINTMENTS (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					
Art					
9. Jack W. Plummer					2213
From: Associate Professor (T)		100	09	67,204	
To: Professor Emeritus	6/5-8/31			0	
English					
10. Emory D. Estes, Jr.					2211
From: Professor (T)		100	09	64,528	
To: Professor Emeritus	6/5-8/31			0	
COLLEGE OF SCIENCE					
Chemistry					
11. Dennis S. Marynick					2212
From: Professor (T)		100	09	89,100	
To: Professor Emeritus	6/5-8/31			0	
Mathematics					
12. Irinel C. Dragan					2210
From: Professor (T)		100	09	72,900	
To: Professor Emeritus	6/5-8/31			0	
SCHOOL OF SOCIAL WORK					
Social Work					
13. James W. Callicutt					2209
From: Professor (T)		50	09	80,868	
To: Professor Emeritus	6/5-8/31			0	

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreements have been awarded, have been approved by the 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 Arlington is a member, and the Regents' *Rules and Regulations* and the policies of The University of Texas at Arlington. The violation of the provisions of such constitution, bylaws, rules or regulations shall be grounds for suspension without pay or dismissal.

- 1. Item: Head Men's Basketball Coach
 - From: \$90,000 annually
 - To: \$95,000 annually
 - Salary
Percent
Change: 5.56
 - Description: Renewal agreement for employment of Head Men's Basketball Coach, Scott Cross, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.
 - Incentive
Change: Added: \$3,000 Conference Regular Season Championship (change from \$2,500 in previous contract); \$2,000 Conference Tournament Championship and Automatic bid or At-Large bid to NCAA Tournament (change from \$1,000 in previous contract); \$500 Team Participation in the Southland Conference Tournament Championship Game; \$1,000 achieving twenty wins in a season; \$1,000 WNIT appearance; \$1,000 Final season RPI Ranking of Top 64 in Division I; \$500 Final season RPI Ranking of Top 125 in Division I; \$2,000 Team Annual NCAA Academic Progress Rate Score of 975 or better; \$1,000 Team Annual NCAA Academic Progress Rate Score of 925 or better
 - Period: September 1, 2007 through March 31, 2010

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

2. Item: Head Men's and Women's Tennis Coach

From: \$36,000 annually

To: \$37,500 annually

Salary
Percent
Change: 4.17

Description: Renewal agreement for employment of Head Men's and Women's Tennis Coach, Diego Benitez, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

Incentive
Change: Added: \$3,000 Southland Conference Regular Season Championship (cannot be duplicated in same year) (change from \$2,500 in previous contract); \$2,000 team qualification for the NCAA post season (cannot be duplicated in same year) (change from \$1,000 in previous contract); \$1,000 individual or doubles team qualifying for the NCAA post season (not to be duplicated); \$1,000 team appearance in the Southland Conference Tournament Match; \$2,000 team annual NCAA Academic Progress Rate of 975 or better; \$1,000 team annual NCAA Academic Progress Rate of 925 or better; \$500 for each Academic All-American recognition; \$1,500 team ITA end of season top 50 ranking; \$1,000 team ITA end of season top 75 ranking; \$1,000 recognition as the "Southland Conference Coach of the Year"

Period: June 1, 2007 through May 31, 2010

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

3. Item: Head Women's Softball Coach
- From: \$50,000 annually
- To: \$52,500 annually
- Salary
Percent
Change: 5.00
- Description: Renewal agreement for employment of Head Women's Softball Coach, Deborah Hedrick, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: Added: \$3,000 Southland Conference Regular Season Championship (change from \$2,500 in previous contract); \$2,000 team qualification for the NCAA post season (change from \$1,000 in previous contract); \$1,000 team appearance in the Southland Conference Tournament Championship Game; \$2,000 team annual NCAA Academic Progress Rate of 975 or better; \$1,000 team annual NCAA Academic Progress Rate of 925 or better; \$500 for each Academic All-American recognition; \$1,500 end of season top 75 RPI; \$1,000 end of season top 100 RPI; \$1,000 recognition as the "Southland Conference Coach of the Year"
- Period: September 1, 2007 through May 31, 2010

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

4. Item: Head Men's Golf Coach

From: \$48,000 annually

To: \$50,000 annually

Salary
Percent
Change: 4.17

Description: Renewal agreement for employment of Head Men's Golf Coach, Jarrod E. Rees, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

Incentive
Change: Added: \$3,000 Southland Conference Championship; \$2,000 team qualification for the NCAA post season (change from \$1,000 in previous contract); \$1,000 individual student-athlete qualification for the NCAA post season; \$1,500 team qualification for the NCAA Division I Men's Golf Tournament Finals; \$500 individual student-athlete qualification for the NCAA Division I Men's Golf Finals; \$2,000 team annual NCAA Academic Progress Rate of 975 or better; \$1,000 team annual NCAA Academic Progress Rate of 925 or better; \$500 each Academic All-American award; \$1,500 Golf Stat end of the season top 50 ranking; \$1,000 Golf Stat end of the season top 75 ranking; \$1,000 Recognition as "Southland Conference Coach of the Year"

Period: October 1, 2007 through May 31, 2010

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

5. Item: Head Track and Field Coach
- From: \$57,700 annually
- To: \$60,200 annually
- Salary
Percent
Change: 4.33
- Description: Renewal agreement for employment of Head Track and Field Coach, John Sauerhage, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: Added: \$3,000 Southland Conference Championship (cannot be duplicated) (change from 2,500 in previous contract); \$500 each event which qualifies for the NCAA Division I Championships Meet (not to exceed \$2,000); \$2,000 team annual NCAA Academic Progress Rate of 975 or better; \$1,000 team annual NCAA Academic Progress Rate of 925 or better; \$250 each Academic All-American (not to exceed \$1,000); \$250 each NCAA Track and Field All-American (not to exceed \$1,000); \$500 each track and field event school record which is achieved; \$1,000 recognition as "Southland Conference Coach of the Year"
- Period: September 1, 2007 through May 31, 2010

U. T. AUSTIN

CONTRACTS

The following contracts have been administratively approved by the President or his delegate and the 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: ASI Campus Laundry Solutions, a Division of Coinmach Corporation
Funds: \$3,600,000 guarantee or 66% of gross receipts, whichever is greater
Period: September 1, 2007 through August 31, 2017
Description: ASI Campus Laundry Solutions will provide automated clothes washing machines and clothes dryers for U. T. Austin's main campus and apartments located on Lake Austin Boulevard and West Sixth Street for the benefit and convenience of students.
2. Agency: Integrated Stadium Seating
Funds: \$1,250,000 guarantee, or 50-70% of gross receipts, whichever is greater
Period: August 1, 2007 through July 31, 2012
Description: Stadium chair lease and rental program agreement wherein Integrated Stadium Seating will rent stadium chairs to fans suitable for temporarily affixing to existing stadium benches at sporting events on the U. T. Austin campus.
3. Agency: Pepsi Bottling Group
Funds: Royalty in the amount of 30-35% of gross receipts
Period: September 1, 2007 through August 31, 2011
Description: Vending machine agreement for Pepsi Bottling Group to sell carbonated and noncarbonated beverages, bottled water, sports drinks, isotonic beverages, and fruit juices in machines located throughout the U. T. Austin campus.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS COMING IN (CONTINUED)

4. Agency: Texas Education Agency
Funds: \$6,000,000
Period: September 1, 2007 through August 31, 2009
Description: Texas Education Agency will provide funding in consideration of University Interscholastic League's (UIL) designation as the lead agency in developing, implementing, and enforcing a random steroid testing program for UIL member high school athletes in the State of Texas, as mandated in Senate Bill 8 of the 80th Texas Legislature, Regular Session.

FUNDS GOING OUT

5. Agency: Hilton Anatole Hotel
Funds: \$1,406,525
Period: August 31, 2007 through July 26, 2008
Description: Hilton Anatole Hotel will provide guest rooms and conference rooms for U. T. Austin's Red McCombs School of Business, Texas MBA at Dallas/Ft. Worth Program.

AMENDMENTS TO THE 2007-08 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF ARCHITECTURE					
Associate Professor					
1. Werner X. Lang (T)	1/16-5/31	100	09	80,000	2193
 JACKSON SCHOOL OF GEOSCIENCES					
Geological Sciences, Bureau of Economic Geology and Institute for Geophysics					
John A. and Katherine G. Jackson Chair in Geo-systems and Research Professor					
2. Peter B. Flemings (T)	9/1-5/31	50	09	155,000	2202
	9/1-8/31	25	12	206,667	
	9/1-5/31	25	09	155,000	
 LBJ SCHOOL OF PUBLIC AFFAIRS					
Associate Professor					
3. Jeanne M. Lambrew (T)	9/1-5/31	100	09	90,000	2194
	9/1-5/31	SUPLT	09	22,500	

AMENDMENTS TO THE 2006-07 BUDGET

TRANSFERS OF FUNDS

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
AUXILIARY ENTERPRISES FUNDS		
Frank C. Erwin Special Events Center		
4. Amount of Transfer:	1,200,000	2155

From: Operating Income

To: Other Expenses

Temporary budget transfer to provide spending authority for the Frank C. Erwin Center expense account. Event expense and cost reimbursements will be offset by income accruals this fiscal year, including event ticket proceeds, concessions, and advertising.

PLANT FUNDS

Dean of Students

5. Amount of Transfer:	585,000	2156
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From: Auxiliary Enterprises Funds
Student Services Building Fee
Beginning Balance

To: Student Services Building Renewal and
Replacement - Unallocated Account

Transfer balance forward income from the building fee account to the appropriate renewal and replacement reserve account.

PLANT FUNDS

Facility Services - U. T. Administration Building

6. Amount of Transfer:	1,360,000	2200
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From: Designated Funds -1616 Guadalupe
Pre-Occupancy - Capital Projects

To: UTA - Passenger Elevator Replacement All Expenses	460,000
UTA - Replace Centrifugal Chiller All Expenses	900,000

Funding to replace passenger elevators and the centrifugal chiller in the U. T. Administration Building (UTA) at 1616 Guadalupe.

OTHER FISCAL ITEMS

PURCHASE ORDERS – MORE THAN \$1,000,000

The following purchase orders have been administratively approved by the President and are recommended for approval by the U. T. System Board of Regents:

FUNDS GOING OUT

1. Agency: Grande Communications Networks, Inc.
Funds: \$3,152,945
Title/Description: Effective September 1, 2007 through August 31, 2014, with an option to renew for an additional 2-year term. Cable television programming services in 14 residence halls and 715 apartments in three complexes, and Internet access to 715 apartments in three complexes.
2. Agency: Johnson Controls, Inc.
Funds: \$1,651,749
Title/Description: Effective September 6, 2007 with work to be completed no later than March 31, 2008. Engineering conversion services for Chiller 4.2 at Chilling Station #4 on the U. T. Austin campus. Purpose is to upgrade the chiller for more efficiency.

SALE OF UNIVERSITY-OWNED PROPERTY

The following sale of surplus property has been administratively approved by the Executive Vice Chancellor for Academic Affairs. A sale in the amount of \$100,000 or more requires approval by the U. T. System Board of Regents to comply with Regents' *Rules and Regulations*, Series 80201.

1. Item Sold: Oceanographic marine research vessel "Longhorn"
Amount: \$265,000
Purchaser: Global Geophysical Services, Inc.
Explanation: This item was previously approved by the U. T. System Board of Regents on November 16, 2006. The approved sales amount range of \$600,000 to \$1,100,000 turned out to be above the actual market value for the vessel due to the level of required repairs.
Method of Sale: After attempts to sell the boat through other methods, U. T. Austin contracted with a boat broker, Rio Marine, Inc. of Ft. Lauderdale, Florida, to sell the vessel.
Authorization: In compliance with prior Board approval, Vice President and Chief Financial Officer, Kevin Hegarty, executed documents related to the sale transaction, after such documents were approved by the Office of General Counsel.

U. T. BROWNSVILLE

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreement has been awarded, has been approved by the Executive Vice Chancellor for Academic Affairs, and is recommended for approval by the U. T. System Board of Regents. Such employment under this agreement is subject to the Constitution and Bylaws of the National Association of Intercollegiate Athletics, any intercollegiate athletic conference of which The University of Texas at Brownsville is a member, and the *Rules and Regulations* of the System Board of Regents of The University of Texas System 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 Volleyball Coach
Funds: \$13,872 Annually
Period: September 1, 2007 through December 31, 2007
Description: Initial agreement for employment of Head Volleyball Coach, Marcus Young, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

FEES AND MISCELLANEOUS CHARGES

ATHLETIC FEES

Approval is recommended for the following new athletic fees to be effective beginning with the Fall Semester 2008 and increase in the Fall Semester 2009. The statutory requirements for involvement of a student services fees committee have been met. The fee has been administratively approved by the Executive Vice Chancellor for Academic Affairs. The proposed rates are consistent with applicable statutory requirements under *Texas Education Code* Section 54.550.

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

Effective Fall Semester 2008

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>For each regular semester</u>			
Per Semester Credit Hour	n/a	5	n/a
<u>For Summer Session</u>			
Per Semester Credit Hour	n/a	5	n/a

Effective Fall Semester 2009

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>For each regular semester</u>			
Per Semester Credit Hour	5	7	40.00
<u>For Summer Session</u>			
Per Semester Credit Hour	5	7	40.00

U. T. DALLAS

AMENDMENTS TO THE 2007-08 BUDGET

TENURE APPOINTMENTS

NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
ARTS AND HUMANITIES					
Chinese Literature					
Associate Professor					
1. Ming Dong Gu (T)	9/1-5/31	100	09	70,000	2246
BEHAVIORAL AND BRAIN SCIENCES					
Psychology					
Professor and Distinguished Chair					
2. Denise C. Park (T)	1/16-5/31	100	09	211,500	2251
	1/16-8-31	SUPLT	12	12,000	
ECONOMIC, POLITICAL AND POLICY SCIENCES					
Economics					
Professor					
3. Daniel G. Arce (T)	9/1-5/31	100	09	185,000	2248
MANAGEMENT					
Organizations, Strategy, and International Marketing					
Associate Professor					
4. Wing Kwong Tsang (T)	9/1-5/31	100	09	145,000	2247

AMENDMENTS TO THE 2007-08 BUDGET (CONTINUED)

TENURE APPOINTMENTS (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>	
NATURAL SCIENCES AND MATHEMATICS					
Biology					
Professor and Distinguished Chair					
5. Li Zhang (T)	11/1-5/31	100	09	165,000	2250
	11/1-5/31	SUPLT	12	25,000	
Physics					
Professor and Distinguished Chair					
6. Yves J. Chabal (T)	1/16-5/31	100	09	202,500	2249
	1/16-5/31	100	12	24,000	

AMENDMENTS TO THE 2006-07 BUDGET

TENURE APPOINTMENTS

NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE, AND EMERITUS APPOINTMENTS

<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>	
ECONOMIC, POLITICAL AND POLICY SCIENCES AND MANAGEMENT					
Professor					
7. Rachel Croson (T)	7/1-8/31	100	09	193,500	2138
ECONOMIC, POLITICAL AND POLICY SCIENCES					
Criminology					
Associate Professor					
8. Lynne Vieraitis (T)	8/1-8/31	100	09	72,500	2139
9. Thomas Kovandzic (T)	8/1-8/31	100	09	80,000	2140
MANAGEMENT					
Finance					
Ashbel Smith Professor					
10. Michael Rebello (T)	7/1-8/31	100	09	215,000	2134

Prepared by:
U. T. Dallas

Docket - 22

November 9, 2007

U. T. EL PASO

CONTRACTS

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

GENERAL CONTRACTS

FUNDS GOING OUT

Agency:	First Transit Incorporated
Funds:	\$9,428,895
Period:	September 1, 2007 through August 31, 2014 plus three one-year renewal options
Description:	Service contract to provide shuttle bus services for the university community. First Transit Incorporated was selected through a competitive bid process.

AMENDMENTS TO THE 2007-08 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF LIBERAL ARTS Psychology Chair and Professor					
1. Edward Castaneda (T)	9/1-5/31	100	09	115,000	2218
	10/1-5/31	SUPLT	09	2,000	

AMENDMENTS TO THE 2006-07 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

<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 Psychology Professor					
2. Edward Castaneda (T)	8/1-8/31	100	09	115,000	2217
Social Work Professor					
3. Mark W. Lusk (T)	8/16-8/31	100	09	90,000	2216

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreements have been awarded, have been approved by the 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 at El Paso is a member, and the Regents' *Rules and Regulations* and the policies of The University of Texas at El Paso. The violation of the provisions of such constitution, bylaws, rules or regulations shall be grounds for suspension without pay or dismissal.

- 1. Item: Athletics Director
- From: \$202,650 annually
- To: \$215,000 annually

Salary
Percent
Change: 6.09

Description: Amendment to agreement for employment of Athletics Director, Robert Stull, for the designated period following the standard athletics director's employment contract prepared by the Office of General Counsel.

Incentive
Change: Changed: National Collegiate Athletic Association (NCAA) Basketball (men) Tournament Appearance – from \$5,000 for each game played to one (1) month annual base salary; All Sports Academic Progress Rate (APR) score of 925 from two (2) months base salary to one (1) month base salary for All Sports Multi-Year APR Published (MAAC Report) Score of 925; Added: If All Sports Multi-Year APR Published (MAAC Report) Score of 925 not achieved: a) All Men's Multi-Year APR Published (MAAC Report) Score of 925 equals \$2,500 bonus, or b) All Women's Multi-Year APR Published (MAAC Report) Score of 925 equals \$2,500 bonus; NIT Basketball (Men) Tournament Appearance equals \$5,000 bonus; NIT Basketball (Women) Tournament Appearance equals \$2,000 bonus for each game played; National Championship by Any Sport equals one (1) month base annual salary.

Period: September 1, 2007 through August 31, 2009

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

2. Item: Head Women's Basketball Coach
- From: \$90,900 annually
- To: \$105,000 annually
- Salary
Percent
Change: 15.51
- Description: Amendment to agreement for employment of Head Women's Basketball Coach, Keitha Adams, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: Changed the Academic Progress Rate (APR) score of 925 (one year actual, no upper boundary) equals one month base salary to Multi-Year APR Published (MAAC Report) Score of 925 or above equals one month base annual salary.
- Period: September 1, 2007 through August 31, 2011
3. Item: Head Men's Basketball Coach
- From: \$220,000 annually
- To: \$226,600 annually
- Salary
Percent
Change: 3.00
- Description: Amendment to agreement for employment of Head Men's Basketball Coach, Anthony Barbee, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: Changed the Academic Progress Rate (APR) score of 925 (one year actual, no upper boundary) equals one month base salary to Multi-Year APR Published (MAAC Report) Score of 925 or above equals one month base annual salary.
- Period: September 1, 2007 through August 31, 2012

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

4. Item: Head Women's Rifle Coach
- From: \$42,953 annually
- To: \$44,242 annually
- Salary
Percent
Change: 3.00
- Description: Renewal agreement for employment of Head Women's Rifle Coach, George Brenzovich, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: Changed the Actual Team Academic Progress Rate (APR) score of 925 equals \$1,000 bonus to Multi-Year APR Published (MAAC Report) Score of 925 equals \$1,000 bonus; from Actual Team Academic Progress Rate (APR) score of 975 or above equals an additional \$1,000 bonus to Multi-Year APR Published (MAAC Report) Score of 1000 or above equals an additional \$1,000 bonus.
- Period: September 1, 2007 through August 31, 2008
5. Item: Head Women's Tennis Coach
- From: \$39,003 annually
- To: \$40,173 annually
- Salary
Percent
Change: 3.00
- Description: Renewal agreement for employment of Head Women's Tennis Coach, Mary Campbell, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

Incentive
Change: Changed the Actual Team Academic Progress Rate (APR) score of 925 equals \$1,000 bonus to Multi-Year APR Published (MAAC Report) Score of 925 equals \$1,000 bonus; from Actual Team Academic Progress Rate (APR) score of 975 or above equals an additional \$1,000 bonus to Multi-Year APR Published (MAAC Report) Score of 1000 or above equals an additional \$1,000 bonus.

Period: September 1, 2007 through August 31, 2008

6. Item: Head Women's Soccer Coach

From: \$60,000 annually

To: \$62,400 annually

Salary
Percent
Change: 4.00

Description: Renewal agreement for employment of Head Women's Soccer Coach, Kevin Cross, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.

Incentive
Change: Changed the Actual Team Academic Progress Rate (APR) score of 925 equals \$1,000 bonus to Multi-Year APR Published (MAAC Report) Score of 925 equals \$1,000 bonus; from Actual Team Academic Progress Rate (APR) score of 975 or above equals an additional \$1,000 bonus to Multi-Year APR Published (MAAC Report) Score of 1000 or above equals an additional \$1,000 bonus.

Period: September 1, 2007 through August 31, 2008

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

7. Item: Head Strength and Conditioning Coach
- From: \$51,324 annually
- To: \$56,424 annually
- Salary
Percent
Change: 9.94
- Description: Renewal agreement for employment of Head Strength and Conditioning Coach, Kirk Davis, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: None
- Period: September 1, 2007 through August 31, 2008
8. Item: Head Women's and Men's Cross Country Coach
- From: \$47,250 annually
- To: \$48,668 annually
- Salary
Percent
Change: 3.00
- Description: Renewal agreements for employment of Head Women's and Men's Cross Country Coach, Paul Ereng, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel. Coach Ereng is appointed 50% time as the Head Women's Cross Country Coach and 50% time as the Head Men's Cross Country Coach.

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

Incentive
Change: Changed the Men's and Women's Actual Team Academic Progress Rate (APR) score of 925 (both teams must achieve APR score) equals \$1,000 bonus to Men's and Women's Multi-Year APR Published (MAAC Report) Score of 925 (both teams must achieve APR score) equals \$1,000 bonus; from Men's and Women's Actual Team Academic Progress Rate (APR) score of 975 or above (both teams must achieve APR score) equals an additional \$1,000 bonus to Men's and Women's Multi-Year APR Published (MAAC Report) Score of 1000 or above (both teams must achieve APR score) equals an additional \$1,000 bonus.

Period: September 1, 2007 through August 31, 2008

9. Item: Head Women's and Men's Indoor and Outdoor Track Coach

From: \$83,240 annually

To: \$85,738 annually

Salary
Percent
Change: 3.00

Description: Renewal agreements for employment of Head Women's and Men's Indoor and Outdoor Track Coach, Robert Kitchens, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel. Coach Kitchens is appointed 50% time as the Head Women's Indoor and Outdoor Track Coach and 50% time as the Head Men's Indoor and Outdoor Track Coach.

Incentive
Change: Changed the \$1,000 bonus for any and only one of the following: Men's and Women's Indoor Track Actual Team Academic Progress Rate (APR) score of 925 (both teams must achieve APR score), or Men's and Women's Outdoor Track Actual Team Academic Progress Rate (APR) score of 925 (both teams must achieve APR score) to \$1,000 bonus for any and only one of the following: Men's and Women's Indoor Track Multi-Year APR Published (MAAC Report) Score of 925 (both teams must achieve APR score) or Men's and Women's Outdoor Track Multi-Year APR Published

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

(MAAC Report) Score of 925 (both teams must achieve APR score); from Additional \$1,000 bonus for any and only one of the following: Men's and Women's Indoor Track Actual Team Academic Progress Rate (APR) score of 975 or above (both teams must achieve APR score), or Men's and Women's Outdoor Track Actual Team Academic Progress Rate (APR) score of 975 or above (both teams must achieve APR score) to Additional \$1,000 bonus for any and only one of the following: Men's and Women's Indoor Track Multi-Year APR Published (MAAC Report) Score of 1000 or above (both teams must achieve APR score) or Men's and Women's Outdoor Track Multi-Year APR Published (MAAC Report) Score of 1000 or above (both teams must achieve APR score).

Period: September 1, 2007 through August 31, 2008

10. Item: Head Women's Volleyball Coach

From: \$55,000 annually

To: \$57,000 annually

Salary
Percent
Change: 3.64

Description: Renewal agreement for employment of Head Women's Volleyball Coach, Kenneth Murphy, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.

Incentive
Change: Changed the Actual Team Academic Progress Rate (APR) score of 925 equals \$1,000 bonus to Multi-Year APR Published (MAAC Report) Score of 925 equals \$1,000 bonus; from Actual Team Academic Progress Rate (APR) score of 975 or above equals an additional \$1,000 bonus to Multi-Year APR Published (MAAC Report) Score of 1000 or above equals an additional \$1,000 bonus.

Period: September 1, 2007 through August 31, 2008

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

11. Item: Head Women's Golf Coach
- From: \$47,990 annually
- To: \$49,500 annually
- Salary
Percent
Change: 3.15
- Description: Renewal agreement for employment of Head Women's Golf Coach, Jere Pelletier, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: Changed the Actual Team Academic Progress Rate (APR) score of 925 equals \$1,000 bonus to Multi-Year APR Published (MAAC Report) Score of 925 equals \$1,000 bonus; from Actual Team Academic Progress Rate (APR) score of 975 or above equals an additional \$1,000 bonus to Multi-Year APR Published (MAAC Report) Score of 1000 or above equals an additional \$1,000 bonus.
- Period: September 1, 2007 through August 31, 2008
12. Item: Head Football Coach
- From: \$250,000 annually
- To: \$260,000 annually
- Salary
Percent
Change: 4.00
- Description: Amendment to agreement for employment of Head Football Coach, Michael Bruce Price, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

Incentive
Change: Changed the Conference USA Champion equals \$25,000 bonus to one month base annual salary; from BCS Bowl Appearance equals \$100,000 bonus to Major Bowl appearance equals two months base annual salary for \$1.5 million plus payout Bowl; from Actual Team Academic Progress Rate (APR) cut score of 925 and above equals one month base salary to Multi-Year APR Published (MAAC Report) Score of 925 or above equals one month base annual salary; additional season tickets sold after the first 10,000 paid season tickets will result in compensation of \$10 for each paid season ticket sold: from "Family Packs" count as one season ticket to "Family Packs" count as two season tickets; from in addition, for each single ticket sold, Price will receive an additional \$1.00 for all home games, Price will receive \$1.00 per person in attendance as reported by the University Ticket Center's TicketMaster audit under the heading of "TOTAL ATTENDANCE;" Deleted: Discounted group tickets would be compensated at \$0.50 per ticket.

Period: September 1, 2007 through August 31, 2012

13. Item: Associate Head Women's Softball Coach

From: \$41,773 annually

To: \$43,273 annually

Salary
Percent
Change: 3.59

Description: Renewal agreement for employment of Associate Head Women's Softball Coach, James Rodriguez, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.

Incentive
Change: Changed the Actual Team Academic Progress Rate (APR) score of 925 equals \$1,000 bonus to Multi-Year APR Published (MAAC Report) Score of 925 equals \$1,000 bonus; from Actual Team Academic Progress Rate (APR) score of 975 or above equals an additional \$1,000 bonus to Multi-Year APR Published (MAAC Report) Score of 1000 or above equals an additional \$1,000 bonus.

Period: September 1, 2007 through August 31, 2008

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

14. Item: Associate Head Women's Softball Coach
- From: \$41,773 annually
- To: \$43,273 annually
- Salary
Percent
Change: 3.59
- Description: Renewal agreement for employment of Associate Head Women's Softball Coach, Kathleen Rodriguez, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: Changed the Actual Team Academic Progress Rate (APR) score of 925 equals \$1,000 bonus to Multi-Year APR Published (MAAC Report) Score of 925 equals \$1,000 bonus; from Actual Team Academic Progress Rate (APR) score of 975 or above equals an additional \$1,000 bonus to Multi-Year APR Published (MAAC Report) Score of 1000 or above equals an additional \$1,000 bonus.
- Period: September 1, 2007 through August 31, 2008
15. Item: Head Men's Golf Coach
- From: \$48,997 annually
- To: \$49,997 annually
- Salary
Percent
Change: 2.04
- Description: Renewal agreement for employment of Head Men's Golf Coach, Richard Todd, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

Incentive
Change:

Changed the Actual Team Academic Progress Rate (APR) score of 925 equals \$1,000 bonus to Multi-Year APR Published (MAAC Report) Score of 925 equals \$1,000 bonus; from Actual Team Academic Progress Rate (APR) score of 975 or above equals an additional \$1,000 bonus to Multi-Year APR Published (MAAC Report) Score of 1000 or above equals an additional \$1,000 bonus.

Period: September 1, 2007 through August 31, 2008

OTHER MATTERS

APPROVAL OF DUAL POSITION OF HONOR, TRUST, OR PROFIT

The following item has been approved by the Executive Vice Chancellor for Academic Affairs in accordance with the Regents' *Rules and Regulations*, Series 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas and there is no conflict between holding this position and the appointment of Mr. Riojas with The University of Texas at El Paso. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas and there is no conflict between the position and the University.

- | | |
|---------------|--|
| Name: | Jose Riojas |
| Title: | Vice President for Strategic Initiatives |
| Position: | Appointment to the Texas Emerging Technology Committee |
| Period: | September 1, 2007 through a date to be determined at first meeting of the committee |
| Compensation: | None |
| Description: | Governor Perry has appointed Mr. Riojas to the Texas Emerging Technology Committee. This committee includes 17 high-tech leaders, entrepreneurs, and research experts appointed by Governor Perry to serve in an advisory capacity related to the Emerging Technology Fund. The committee will make recommendations to the Governor, Lieutenant Governor, and Speaker of the House on collaborations, investments, research grants, and recruitment associated with the Emerging Technology Fund. The Committee focuses on fostering innovation, research, and job creation in emerging high-tech industries like semiconductor manufacturing, biotechnology, nanotechnology, environmental sciences, and advanced energy. |

U. T. PAN AMERICAN

CONTRACTS

The following contracts have been administratively approved by the President or her delegate and the 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: ASI Campus Laundry Solutions
Funds: Royalty Based - 90% of gross receipts over the
Threshold amount of \$32/month per machine
Period: November 1, 2006 through October 14, 2009
Extension Period: Up to four additional one-year periods
Description: ASI Campus Laundry Solutions will install and operate coin and card operated laundry machines on campus.

2. Agency: ASI Campus Laundry Solutions - Amendment 1
Funds: Royalty Based - 90% of gross receipts over the
Threshold amount of \$32/month per machine
Period: November 1, 2006 through October 14, 2010
Extension Period: Up to four additional one-year periods
Description: ASI Campus Laundry Solutions will install and operate coin and card operated laundry machines on campus.

3. Agency: Jimmy Cardenas Distributing Company -
Amendment 2
Funds: Royalty Based - 25% of Gross Sales
Period: September 1, 2007 through December 31, 2007
Description: Jimmy Cardenas Distributing Company will install, operate and provide products and services through vending machines on campus.

AMENDMENTS TO THE 2007-08 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF SCIENCE AND ENGINEERING					
Associate Professor and Physics and Geology Department Chair					
1. Steven Tidrow (T)	9/1-5/31	100	09	90,000	2242
	9/1-5/31	SUPLT	09	6,000	
Professor					
2. Arunava Mukherjea (T)	9/1-5/31	100	09	85,000	2243
COLLEGE OF EDUCATION					
Curriculum and Instruction					
3. Robert Reeve					2256
From: Professor (T)		100	09	82,442	
To: Professor Emeritus	9/1-5/31			0	

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreements have been awarded, have been approved by the 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 Women's Golf Coach
Funds: \$30,551 annually
Period: September 8, 2007 through June 30, 2008
Description: Initial agreement for employment of Head Women's Golf Coach, Ofelia Lopez, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

2. Item: Head Men and Women's Track and Cross Country Coach
Funds: \$31,696 annually
Period: September 15, 2007 through June 30, 2008
Description: Initial agreement for employment of Head Men and Women's Track and Cross Country Coach, Dennis Darling, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

3. Item: Athletic Director
- From: \$83,600 annually
- To: \$85,436 annually
- Salary
Percent
Change: 2.20
- Description: Renewal agreement for employment of the Athletic Director, Scott Street, for the designated period following the standard athletic director's employment contract prepared by the Office of General Counsel.
- Incentive
Change: None
- Period: September 1, 2007 through August 31, 2008

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following items have been approved by the Executive Vice Chancellor for Academic Affairs in accordance with the Regents' *Rules and Regulations*, Series 30103 and are submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of these offices or positions is of benefit to the State of Texas and The University of Texas and there is no conflict between holding these positions and the appointments of Drs. Ashley-Fridie and Koo with The University of Texas - Pan American. By approval of these items, the Board is also asked to find that holding these positions is of benefit to the State of Texas and The University of Texas and there is no conflict between the positions and the University.

1. Name: Beverly Ashley-Fridie, Ph.D.
Title: Assistant Director for the Center of Learning, Teaching and Technology
Position: Appointment to the OneStar National Service Commission Board of Directors
Period: July 31, 2007 through March 15, 2010
Compensation: None
Description: Governor Perry has reappointed Dr. Ashley-Fridie to the OneStar National Service Commission Board of Directors. The Board of Directors works with the OneStar Foundation to further national service initiatives in Texas and to administer the AmeriTexas Program.

2. Name: Felix Koo, Ph.D.
Title: Assistant Professor and Clinical Coordinator with the Physician Assistant Studies Program
Position: Appointment to the Texas Physician Assistants Board
Period: August 14, 2007 through February 1, 2011
Compensation: None
Description: Governor Perry has appointed Dr. Koo to the Texas Physician Assistants Board. The mission of the Board is to establish and maintain standards of excellence used to regulate physician assistants and ensure quality health care for Texans.

U. T. SAN ANTONIO

AMENDMENTS TO THE 2006-07 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF ARCHITECTURE					
Associate Professor					
1. Edward R. Burian (T)	8/18-8/31	100	09	72,000	2233
2. Gayle Nicoll (T)	8/18-8/31	100	09	72,000	2235
Professor					
3. Taeg K. Nishimoto (T)	8/18-8/31	100	09	90,000	2234
COLLEGE OF BUSINESS					
Marketing Professor					
4. David C. Bojanic (T)	8/18-8/31	100	09	135,000	2236
COLLEGE OF ENGINEERING					
Electrical Engineering Clark Professorship					
5. Ruyan Guo (T)	8/18-8/31	100	09	128,000	2237
Mechanical Engineering Chair and Professor					
6. Efstathios Michaelides (T)	8/18-8/31	100	09	130,000	2238
COLLEGE OF LIBERAL AND FINE ARTS					
English, Classics, and Philosophy Denman Distinguished Chair and Professor					
7. Joycelyn Moody (T)	8/18-8/31	100	09	102,000	2239

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

TENURE APPOINTMENTS (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 AND FINE ARTS (Continued)					
Psychology Professor					
8. Augustine Osman (T)	8/18-8/31	100	09	85,000	2240
COLLEGE OF PUBLIC POLICY					
Demography and Organization Studies Associate Professor					
9. Karl Eschbach (T)	8/18-8/31	100	09	90,000	2241

TRANSFERS OF FUNDS

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
FACILITIES DEPARTMENTS		
Library		
10. Amount of Transfer:	1,600,000	2161
From: Library Resource Fee		
To: Library Renovations		
Phase I Library Renovations – 2nd Floor to create Information Commons, Multimedia Center, Reference and Circulation improvements.		
Facilities Plant		
11. Amount of Transfer:	862,125	2164
From: Vice President for Business Affairs Budget Reserve FY06		
To: FY07 Institutional Projects – Budget Lapse		
Transfer needed to comply with the Texas Commission on Environmental Quality rules for construction in the Edwards Aquifer basin. U. T. San Antonio is required to build regional treatment facilities in each of the three major stream channels. The West Campus Filter basin will provide compliance for construction projects at one of the channel sites.		

AMENDMENTS TO THE 2006-07 BUDGET (CONTINUED)

TRANSFERS OF FUNDS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary No. Mos. Rate \$</u>	<u>RBC #</u>
FACILITIES DEPARTMENTS (Continued)				
Facilities Plant				
12. Amount of Transfer:		740,000		2171

From: Contract Bookstore Operations

To: Bookstore Renovations

Transfer needed to comply with contracts with The Follett Company for payment for renovations to the University Center facility.

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following item has been approved by the Executive Vice Chancellor for Academic Affairs in accordance with the Regents' *Rules and Regulations*, Series 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas and there is no conflict between holding this position and the appointment of Dr. Tomka with The University of Texas at San Antonio. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas and there is no conflict between the position and the University.

- | | |
|---------------|--|
| Name: | Steve Tomka, Ph.D. |
| Title: | Director, Center for Archaeological Research |
| Position: | Appointment to the Texas Historical Commission |
| Period: | Expires January 31, 2009 |
| Compensation: | None |
| Description: | Governor Perry has appointed Dr. Tomka to the Commission, which works to preserve the state's architectural, archaeological, and cultural landmarks. |

OTHER MATTERS (CONTINUED)

ADOPTION OF MASCOT AND LOGO

The following proposed mascot (representative of the "Roadrunner") and logo have been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Office of Trademark Licensing and are submitted for approval by the U. T. System Board of Regents in accordance with Regents' *Rules and Regulations*, Series 40801.

The proposed Pantone Marking System colors are blue 289 and orange 1665.

11-09-07 Proposed mascot and logo on page 46 were deferred for approval at a future meeting.

U. T. TYLER

AMENDMENTS TO THE 2007-08 BUDGET

TENURE APPOINTMENTS

NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF BUSINESS AND TECHNOLOGY Human Resource Development and Technology Professor					
1. John Martin (T)	9/1-5/31	100	09	85,000	2287
COLLEGE OF NURSING AND HEALTH SCIENCES Nursing Professor					
2. Sarah Northam (T)	9/1-5/31	100	09	80,000	2289

U. T. SOUTHWESTERN MEDICAL CENTER - DALLAS

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: U. T. Southwestern Moncrief Cancer Center
Funds: \$3,250,713
Period: September 1, 2007 through August 31, 2008
Description: To provide professional and technical services.
2. Agency: Children's Medical Center of Dallas
Funds: \$26,369,610
Period: September 1, 2005 through August 31, 2007
Description: To provide administrative services (chiefs of services, medical and program directors) and physician services to Children's Medical Center of Dallas. The agreement also outlines the reimbursement process for the recruitment of physicians as well as payment related to performance standards and technical services.

FUNDS GOING OUT

3. Agency: Lewis Communications, Inc.
Funds: \$1,600,000
Period: August 1, 2007 through August 31, 2008 (first amendment to agreement)
Description: To provide general advertising management services and branding and marketing campaign execution.

AMENDMENTS TO THE 2006-07 BUDGET

TENURE APPOINTMENTS

NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE, AND EMERITUS APPOINTMENTS

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>	
SOUTHWESTERN MEDICAL SCHOOL					
Clinical Sciences					
Professor					
1. Chul Ahn (T)	7/1-8/31	100	12	175,000	2187
Health Care Sciences					
Professor					
2. Jon Whitney Williamson (T)	6/18-8/31	100	12	145,000	2152
Simmons Comprehensive Care Center					
Professor of Pharmacology and Biochemistry					
3. Cheng-Ming Chiang (T)	7/1-8/31	100	12	160,000	2189

U. T. MEDICAL BRANCH - GALVESTON

GIFTS

The following gifts have been received, have been administratively approved by the President or his delegate, and are 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: | Grant for renovation of the Truman G. Blocker Burn Unit that treats adults |
| Asset Type: | Cash |
| Value: | \$2,000,000 |

- | | |
|-----------------|---|
| 2. Donor Name: | The Robert A. Welch Foundation |
| College/School/ | |
| Department: | School of Medicine |
| Purpose: | Grant to fund the Gulf Coast Consortium/Welch Foundation Computational Chemistry Research Program |
| Asset Type: | Cash |
| Value: | \$1,620,000 |

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: Brazoria County, Texas
Funds: \$3,600,000
Period: September 1, 2007 through August 31, 2008
Description: U. T. Medical Branch - Galveston will provide medical examiner and forensic pathology services.
2. Agency: Correctional Managed Health Care Committee
Funds: \$654,131,824
Period: September 1, 2007 through August 31, 2009
Description: U. T. Medical Branch - Galveston will provide medical and psychiatric care to offenders in units operated by the Texas Department of Criminal Justice.
3. Agency: Department of Assistive and Rehabilitative Services
Division for Early Childhood Intervention (ECI)
Services
Funds: \$1,445,691
Period: September 1, 2007 through August 31, 2008
Description: Amendment to extend the agreement for an additional year to provide a program of early childhood intervention services for children with developmental delay and respite services for families of children enrolled in ECI comprehensive services.
4. Agency: Texas Department of Criminal Justice
Funds: \$1,100,000
Period: September 1, 2007 through August 31, 2009
Description: U. T. Medical Branch - Galveston will provide meals to assigned offenders and staff while at the Galveston Hospital.
5. Agency: Texas Youth Commission
Funds: \$2,460,000
Period: September 1, 2007 through November 30, 2007
Description: Amendment to extend the agreement for an additional three months to provide health care services to incarcerated youth.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS COMING IN (CONTINUED)

6. Agency: The Gulf Coast Center
Funds: \$2,024,900
Period: September 1, 2007 through August 31, 2008
Description: Amendment to extend the agreement for an additional year to provide hospital and professional psychiatric services.

FUNDS GOING OUT

7. Agency: General Electric Company through its division
GE Healthcare
Funds: \$6,000,000
Period: July 1, 2007 through June 30, 2010
Description: GE Healthcare will provide equipment maintenance and repair services of diagnostic imaging equipment.
8. Agency: Sodexho Services of Texas Limited Partnership
Funds: \$31,977,903
Period: September 1, 2007 through August 31, 2010
Description: Amendment to extend the agreement for an additional three years to provide housekeeping services and incentives/disincentives for management fees.

AMENDMENTS TO THE 2007-08 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

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>No. Mos.</u>	<u>Full-time Salary Rate \$</u>	<u>RBC #</u>
SCHOOL OF MEDICINE					
Microbiology and Immunology					
Internal Medicine					
1. Samuel Baron					2078
From: Professor (T)		100	12	179,929	
To: Professor Emeritus	9/1-8/31			0	
Pharmacology and Toxicology					
Psychiatry and Behavioral Sciences					
2. Joel P. Gallagher					2186
From: Mary and J. Palmer Saunders Professorship for Excellence in Training Professor (T)		100	12	146,031	
To: Professor Emeritus	1/8-8/31			0	

AMENDMENTS TO THE 2006-07 BUDGET

APPOINTMENTS AND PROMOTION

<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					
Biochemistry and Molecular Biology					
3. Edmund W. Czerwinski					2128
From: Associate Professor (T)		100	12	65,349	
To: Associate Professor Emeritus	7/1-8/31			0	
Preventive Medicine and Community Health Professor					
4. Rebeca Wong (T)	7/1-8/31	100	12	140,000	2126

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: Taizhou, China, City Government
Funds: \$1,434,421
Period: June 20, 2007 through June 19, 2012
Description: Postdoctoral students from China (Nanjing Medical University and Suzhou University) will study at The Brown Foundation Institute of Molecular Medicine for the Prevention of Human Diseases and be trained for an independent research career in drug development.

2. Agency: OZ Systems
Funds: \$2,848,150 per year
Period: October 1, 2007 through August 31, 2011
Description: OZ Systems will develop and deploy an automated school readiness rating certification program for the State of Texas. Specific services include enhancement of a data management system tracking data for all eligible children; identification of early childhood literacy program effectiveness; and tracking of student level performance among early childhood and kindergarten institutions.

U. T. HEALTH SCIENCE CENTER - SAN ANTONIO

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:

- Donor Name: Valero Energy Corporation

College/School/
Department: Graduate School of Biomedical Sciences,
School of Medicine, and Dental School

Purpose: M.D. and Ph.D. Program (\$1,000,000)
Center for Medical Humanities and Ethics (\$1,000,000)
Research in Transplantation Biology (\$1,000,000)
Oral Health (\$1,000,000)

Asset Type: Cash (pledged over the next five years)

Value: \$4,000,000 (Part of a total of \$5,000,000 gift, \$1,000,000
which is for an endowment to be accepted separately.)

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: ARAMARK Educational Services of Texas, LLC
Funds: \$1,000,000 or more
Period: June 1, 2007 through June 1, 2017
Description: ARAMARK Food Service Company agrees to provide full-service food, nonalcoholic beverage services, and catering services to the university.

OTHER FISCAL ITEMS

PURCHASE ORDERS – MORE THAN \$1,000,000

The following purchase order has been administratively approved by the President and is recommended for approval by the U. T. System Board of Regents:

FUNDS GOING OUT

1. Agency: Bruker Biospin MRI Inc.
Funds: \$2,627,400
Title/Description: This equipment will be purchased with funds from a Defense Advanced Research Projects Agency grant. The equipment is a BIOSPEC 70/30 USR MRI Scanner system designed for use within the animal care facility. The system includes the most advanced gradient, radio frequency and computer sub-systems presently available and will have a significant impact in allowing the institution to seek and secure federal grant funding for research.

2. Agency: Siemens Medical Solutions USA
Funds: \$2,799,435
Title/Description: This equipment will be purchased with funds from a Defense Advanced Research Project Agency grant. Siemens Medical Solutions will supply a 3.0 MAGNETOM TRIO A TIM System and a MAGNETOM TRIO A TIM upgrade to an existing scanner. This new system is designed for general whole-body use and will replace the Elscint Presitige 1.9 MRI system currently located in the Research Center. The new system will be capable of scanning patients of all sizes whether ambulatory or not and will have a significant impact in allowing the institution to seek and secure federal grant funding.

OTHER MATTERS

APPROVAL OF DUAL POSITION OF HONOR, TRUST, OR PROFIT

The following items have been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' *Rules and Regulations*, Series 30103 and are submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of these offices or positions is of benefit to the State of Texas and The University of Texas Health Science Center at San Antonio and there is no conflict between holding these positions and the appointment of Drs. Gordon and Perugini with The University of Texas Health Science Center at San Antonio. By approval of these items, the Board is also asked to find that holding these positions is of benefit to the State of Texas and The University of Texas and there is no conflict between these positions and the University appointment.

1. Name: Donald J. Gordon, Ph.D., M.D.
Title: Professor, Department of Emergency Health Services
Position: Member and Chair of the Preparedness Coordinating Council
Period: March 1, 2005 through April 30, 2011
Compensation: \$0.48.5 per mile
Description: Dr. Gordon was appointed to serve on the Preparedness Coordinating Council, the statewide advisory committee for the Commissioner of the Department of State Health Services.

2. Name: Daniel F. Perugini, D.O.
Title: Associate Vice President for Research
Office of the Vice President for Research
Position: Member of the Preparedness Coordinating Council
Period: March 16, 2005 through March 15, 2011
Compensation: \$0.48.5 per mile
Description: Dr. Daniel Perugini was appointed to serve on the Preparedness Coordinating Council, the statewide preparedness advisory committee for the Commissioner of the Department of State Health Services.

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 GOING OUT

1. Agency: Baylor College of Medicine
Funds: Payments not to exceed \$1,500,715
Period: July 1, 2007 through June 30, 2008
Description: Reimbursement to Baylor College of Medicine for the costs associated with residents who are training at and provide services to U. T. M. D. Anderson Cancer Center.

2. Agency: Cymetrix Corporation
Funds: The cost for collection services will be paid on a flat commission of collected amounts and will not exceed \$300,000 per year without prior written approval from U. T. M. D. Anderson Cancer Center. It is anticipated that the institution may utilize all renewal periods so the total payments under the terms of this contract, with renewals, will be approximately \$1,200,000.
Period: March 1, 2007 through February 29, 2008 with the option for additional renewals of 12-month terms for a maximum of three renewal periods.
Description: Cymetrix Corporation will provide collection services on domestic accounts for both hospital service fees and physician service fees. Cymetrix Corporation will provide all personnel and expenses necessary to perform collection services in compliance with all applicable laws and will provide U. T. M. D. Anderson Cancer Center with required reports and information regarding collection services.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT (CONTINUED)

3. Agency: NCO Financial Systems, Inc.
Funds: Cost for insurance recovery services will be paid on a flat commission of collected amounts and will not exceed \$450,000 per year without prior written approval from U. T. M. D. Anderson Cancer Center. It is anticipated that the institution may utilize all renewal periods so that total payments under the terms of this contract, with renewals, will be approximately \$1,800,000.
- Period: April 1, 2007 through March 31, 2008 with the option to renew every 12 months for another 12-month term for a maximum of three renewal periods.
- Description: NCO Financial Systems Inc. will provide collection services for facility insurance claims. NCO Financial Systems, Inc. will provide all personnel and expenses necessary to perform insurance recovery services in compliance with all applicable laws, and will provide the institution with required reports and information regarding insurance recovery services.
4. Agency: The CBE Group, Inc.
Funds: The cost for collection services will be paid on a flat commission of collected amounts and will not exceed \$300,000 per year without prior written approval from U. T. M. D. Anderson Cancer Center. It is anticipated that the institution may utilize all renewal periods so the total payments under the terms of this contract, with renewals, will be approximately \$1,200,000.
- Period: March 1, 2007 through February 29, 2008 with the option for additional renewals of 12-month terms for a maximum of three renewal periods.
- Description: The CBE Group, Inc. will provide collection services on domestic accounts for both hospital service fees and physician service fees. The CBE Group, Inc. will provide all personnel and expenses necessary to perform collection services in compliance with all applicable laws and will provide U. T. M. D. Anderson Cancer Center with required reports and information regarding collection services.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT (CONTINUED)

5. Agency: Chamberlin Edmonds
Funds: Costs will be based on a percentage of collections and will not exceed \$2,000,000 without prior written approval from the institution.
Period: September 1, 2007 through August 31, 2008 with the option for additional renewals of 12-month terms for a maximum of three renewal periods.
Description: Chamberlin Edmonds will collect data and information from U. T. M. D. Anderson Cancer Center patients and assess the patients' potential eligibility for third party payor coverage and submit the appropriate documentation to the third party payor for the purpose of obtaining reimbursement for unpaid patient bills in accordance with institutional policies and governmental laws.
6. Agency: Moore Wallace North America, Inc.
Funds: The cost for printing services will be based on the specifications of each item printed and will not exceed \$1,130,011 without prior written permission from the institution.
Period: September 1, 2007 through August 31, 2008 with the option for additional renewals of 12-month terms for a maximum of four renewal periods.
Description: Moore Wallace North America, Inc. will provide printing services for the Children's Art Project at U. T. M. D. Anderson Cancer Center, including prepress, printing, packaging, and file archival of greeting cards, and marketing materials.
7. Agency: Procuri, Inc.
Funds: The total amount under the initial contract term will not exceed \$1,440,350 without prior written permission from the institution. Costs include \$400,000 for annual license fees and approximately \$220,350 for implementation.
Period: March 30, 2007 through April 29, 2010 with the option for two renewal periods of 12 months each.
Description: Procuri, Inc. will provide a subscription license for Supply Chain Management contract management software, including Total Contracts, Total Source, Total Spend, and Total Supplier.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT (CONTINUED)

8. Agency: Comecer, s.p.a.
Funds: Total costs under this contract will not exceed \$4,250,000 without prior written authorization from the institution. Costs include \$4,172,730 for equipment purchase.
Period: November 1, 2007 through installation and acceptance of the equipment, estimated by July 31, 2009. Upon expiration of the original 12-month warranty, the institution has the option to purchase additional 12 month warranty periods of support and maintenance.
Description: Comecer will provide radiation protection equipment for the Center for Advanced Biomedical Imaging Research building at U. T. M. D. Anderson Cancer Center.

AMENDMENTS TO THE 2007-08 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

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>	
RESEARCH					
Biostatistics					
1. Xuelin Huang					2244
From: Assistant Professor		100	12	126,000	
To: Associate Professor (T)	9/1-8/31	100	12	133,000	

AMENDMENTS TO THE 2006-07 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

MEDICAL STAFF

Lymphoma/Myeloma and
Experimental Therapeutics

Associate Professor

2. Robert Z. Orlowski (T)	8/1-8/31	100	12	210,000	2179
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